

Thai Reinsurance Public Company Limited  
Minutes of Annual General Shareholders Meeting

No. 16

On 10<sup>th</sup> April 2009

At Pacific City Club, Two Pacific Place Building

No. 142 Sukhumvit Road, Bangkok

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Meeting begins at 10.00 hours.

Names of attending directors:

1. Mr. Suchin Wanglee Independent Chairman, Investment Committee member.
2. Dr. Kopr Kritayakirana Independent Director
3. Mr. Kerati Panichewa Independent Director
4. Mr. Jiraphant Asvatanakul Independent Director
5. Mr. Chanin Roonsamram Independent Directors, members of Audit Committee, Remuneration and Nominating Committee.
6. Miss Potjanee Thanavaranit Independent Director
7. Mr. Adisorn Tantanangul Independent Director
8. Mr. Apirak Thaipatanagul Independent Director
9. Mr. Aswin Kongsiri Independent Directors, members of Audit Committee, Remuneration and Nominating Committee.
10. Mr. Surachai Sirivallop Director and Chief Executive Officer

Names of attending company executives:

1. Mr. Surachai Sirivallop Director and Chief Executive Officer
2. Mrs. Thitaporn Tarakit Executive Vice President – Accounting, Finance and Operation
3. Mr. Chuanchai Cheausamut Executive Vice President – Investment and Company Secretary

Name of attending auditor:

1. Mrs. Nongluck Phumnoi Auditor,  
Ernst and Young Office Co., Ltd.

Mr. Suchin Wanglee, Chairman of the Board chaired the meeting.

The Chairman informed the meeting that 116 shareholders and proxies holding total of 729,352,945 shares, equivalent to 61.6 % of all sold shares of the company have attended the meeting, which can form the quorum according to the law and company's articles of association and, therefore, declared opening of the 16<sup>th</sup> annual general shareholder's meeting. Before proceeding on the meeting agendas, the Chairman had assigned Mr. Surachai Sirivallop, Director and Chief Executive Officer (CEO), to introduce directors, auditors and legal advisor, who attended the meeting and to explain to the meeting the method of voting for resolution as follow:

1. According to company's articles of association concerning voting, a shareholder will have votes according to number of shares being held by having one vote for one share.
2. For convenience and speeding in voting, the company had distributed 2 types of voting slips. First type will be used for election of directors in agenda 6 and another type will be used in case a shareholder wants to vote for opposition or wants to abstain in any other agenda. If the shareholder does not agree or wants to abstain for any agenda, he/she will mark in this voting slip and then will raise his/her hand so that an official can come and collect the voting slips for counting.
3. In voting in each agenda, if there is no person, who opposes or has an opinion other than what was proposed by the Chairman or the Board of Directors, it will be deemed that shareholders have approved or granted.
4. For person, who receives proxy to attend meeting and person, who gives proxy had already specified his vote in the letter of proxy, will not make a vote. The company will count the vote as specified in the letter of proxy.

Director and CEO also informed the meeting that the Company appointed Mr. Decha Maraprueksawan, legal advisor from C.B. Law Office, to serve as the Meeting Inspector.

After that the Chairman requested the meeting to consider the matters according to the meeting agendas, which has been sent to all attendants in advance.

**Agenda 1. To adopt of minutes from the Annual General Shareholder's Meeting no 15.**

The Chairman requested the meeting to consider for approval of the minutes of the Annual General Shareholder's Meeting no. 15 held on 10<sup>th</sup> April 2008, which has been sent to shareholders together with invitation letter and asked the meeting whether a shareholder would like to propose an amendment of the minutes of the meeting or not.

No amendment proposed by shareholders. The meeting considered and resolved in approval of the minutes of the Annual General Shareholder's Meeting no. 15 held on 10<sup>th</sup> April 2008 by simple majority with the following votes.

Approved	729,352,944	votes equivalent to 100.0%
Disapproved	- None -	
Abstained	1	vote equivalent to 0.0%

**Agenda 2. To acknowledge the Board of Directors' report on the Company's business in 2008**

The Chairman assigned the Director and CEO to report on activities in the year 2008 on behalf of the Board of Directors.

Director and CEO reported to the meeting that 2008 was a very challenging year for all business segments because the country's economy was adversely affected by political unrest, high oil price and US and global financial crisis. Insurance business was also affected. The sluggish economy has caused the overall growth in insurance market in 2008 to slow down. The non-life insurance business saw a growth of only 5% while the life assurance business witnessed a mere 10% expansion. However, we are pleased to report that our Company performed quite well, especially, the reinsurance business whose shown growth in terms of both premium income and underwriting profit. But economic and financial crises strongly affected our investment return. We saw our investment yield dropped by almost a half in 2008. Here are the details:

1. Overall Reinsurance Business

We achieved 5.1 billion Baht in overall gross reinsurance premiums, non-life and life businesses, and 12% higher than previous year. The net reinsurance premium was 3.5 billion Baht, up 16%. Combined ratio for the year was 84.3%, lower by 1.4 percentage point from last year. Net underwriting profit for the year was 484 million Baht, an increase of 39%.

1.1 Non-life Operations

The gross reinsurance premium for the year was 4.62 billion Baht, up by 10% from the previous year. The net reinsurance premium was 3.02 billion Baht, a rose of 14%. Combined ratio for the year was 85.5%, a

slightly improvement by 1.5 percentage point. Net underwriting profit was 384 million Baht, up 38% from previous year.

### 1.2 Life Operations

The gross reinsurance premium for the year was 449 million Baht, rose by 33% from the previous year. The net reinsurance premium was 437 million Baht was up at the same percentage. Combined ratio for the year still remained low at 85.5%, same level as 2007's ratio. Net underwriting profit was 96 million Baht, up 43% from previous year.

### 2. Income from Service Business

The operational performance of all 4 affiliated companies was satisfactory. Their prospect is still positive and they are in the good hands of managements who are very knowledgeable and skillful in each field of expertise. The combined revenue income of these 4 companies in 2008 was 80 million Baht or an increase of 50% compared with that of last year. The net profit was 11 million Baht.

### 3. Income from Investment

Although, throughout the year 2008, the company took a prudent approach to investment by focusing on long term investment, the global financial crisis that caused foreign investors to pull out of Thai market and domestic political unrest had caused an investment income of the company to drop from 295 million Baht to 168 million Baht, or a decrease of 43%. This represents an average annual yield of 4.6% or a decrease of 3.2 percentage points, compared with that of last year. The aforementioned rate of return on investment was still higher when comparing with an estimated 1% average yield gained by other insurance companies in the market.

In conclusion, the company's profit before corporate tax was 671 million Baht, an increase of 1% from that of last year and the consolidated net profit, exclusive of minority interests, was 473 million Baht or a decrease of 8%. The decrease in net profit occurred because in 2008, the amount of tax-exempted dividend incomes that the company received from stocks and unit trusts decreased while the impairment losses in value of the deferred income tax on outstanding loss reserve, booked as tax expense increased by 19 million Baht. This has caused an amount of actual tax payment in 2008 to increase to 28.8% against that of only 21.3% in the previous year. And as of the end of December 2008, the company's financial statement showed the total asset of 4,849 million Baht, a decrease of 2% while shareholder equity was 2,058 million Baht which was a drop of 17%. Net book value per share was 1.73 Baht. However, the cash inflow from reinsurance operation and the balance sheet position was still as strong as usual. The return on equity (ROE) has still been maintained at the target level of 20% for another one year. The company's ROE in 2008 was 20.9%

which is the highest in the insurance business and higher than the 16 year average of 20.3% since the company was listed in the stock exchange.

It is pleased to note that our S&P's credit rating remained at A- and stable outlook. This rating represents the highest in insurance and financial businesses in Thailand.

Apart from insurance business operation, our company also contributes our effort to social activities on a regular basis. In realizing the importance and the lack of adequate education and public health service to public well-being, particularly among the group of population with lesser opportunity and unable to access to basic education and health care, the company, continued to provide higher-secondary, college and university level scholarships to students in remote areas of Sakhon Nakhon and Mukdaharn provinces. In public health, the company contributed to the construction of hospitals, rural school clean toilet rooms and donation of medical supplies for mobile clinics at a total amount of 2.9 million Baht, an increase from 2.6 million Baht, the company donated in 2007.

It is expected that the economic uncertainty will remain or even get worse in 2009, thus, unavoidably instigating stronger competition in the insurance market. Amid the challenges and volatile situation ahead in 2009, we have established a well run operation model and right strategies to be in line with the changing situation. It is our belief that, despite an economic slowdown, such strategies along with a strong financial foundation and the efforts of our staff and the management to seek business opportunities, our company will continue to operate well and to have a successful performance. Moreover, our company will continue to maintain good cooperation and coordination with regulating government agencies, to improve and to minimize the business impact on environment and to promote good corporate governance and social responsibility. Most importantly, we will maintain good business performance in order to ensure good return for our shareholders.

The Chairman asked if any shareholder has any suspicion and would like to ask any question to the Board of Directors. There was no shareholder, which wants to ask question or express otherwise opinion.

The meeting acknowledged the Board of Directors' report of activities in the year 2008.

**Agenda 3. To acknowledge the balance sheet and profit and loss statement for the year ended 31<sup>st</sup> December 2008**

The Chairman requested the meeting to consider Balance Sheet and Profit/Loss Statement ending on 31<sup>st</sup> December 2008 as shown on the annual report sent to shareholders together with the invitation letter for this meeting. The said Balance Sheet and Profit/Loss Statement had been audited and certified by auditor and had been considered and approved by the Audit Committee and the Board of Directors, and would like to propose for consideration and approval by the shareholder's meeting.

The Chairman asked the meeting whether there would be a shareholder, who would have question and would like to inquire from Directors, Audit Committee or Auditor in this agenda or not. There was no shareholder, who wanted to inquire or to state his opinion in otherwise.

The Chairman requested the meeting to make resolution by asking if any shareholder would like to vote for opposition or abstain from voting in this agenda or not.

The meeting had, therefore, resolved in approval of the Balance Sheet and Profit/Loss Statement for the year 2008 by simple majority with the following votes:

Approval	729,352,944	votes equivalent to 100.0%
Disapproved	1	vote equivalent to 0.0%
Abstained	- None -	

#### **Agenda 4. To consider the profit allocation**

The Chairman assigned Mr. Surachai Sirivallop, Director and CEO to explain to the meeting.

The Director and CEO explained to the meeting that in the year 2008, the company had net profit after tax in amount of 453,114,250 Baht, when combined with inappropriate retained earning remained from previous period in amount of 419,491,507 Baht, the profit for appropriation will be 872,605,757 Baht.

The Board of Directors proposed to appropriate the profit by paying final dividend of 0.18 Baht per share. When it is combined with interim dividend paid in September 2008 of 0.18 Baht, the total dividend paid from 2008 operating profit will be 0.36 Baht per share, which is 0.02 Baht lower than the rate paid in the year 2007, thus will be total paid dividend of 427,447,778 Baht, Payout ratio was 90% of consolidated profit and 94% of "The Company only" net profit which was in line with our "not lower than 40%" dividend pay-out ratio policy. The retained earning remained from this appropriation in the amount of 445,157,979 Baht will be carried on to the next period.

The Chairman asked the meeting whether there would be a shareholder, who has question and would like to inquire or to state otherwise opinion or not. There was no shareholder, who wanted to inquire or to state his opinion in otherwise.

The Chairman requested the meeting to make resolution by asking if any shareholder would like to vote for opposition or abstain from voting in this agenda or not.

The meeting had considered and resolved in profit appropriation as proposed by the Board of Directors in all aspects by simple majority with the following votes:

Approval	729,352,944	votes equivalent to 100.0%
Disapproved	1	vote equivalent to 0.0%
Abstained	- None -	

#### Agenda 5. To fix the directors' remuneration

The Chairman assigned Mr. Surachai Sirivallop, Director and CEO to propose to the meeting.

The Director and CEO cited the Public Company Act that authorized a meeting to determine the remuneration of the directors. The Board of Directors, under guidance of the Remuneration Committee, would like to propose to shareholders' meeting to approve director's remuneration, which will be charged as operational expenses in the year 2009 in amount of not over 9.9 million Baht, decreasing from previous year by 300,000 Baht, according to details shown in the invitation letter for the meeting sent to shareholders for consideration in advance as follow:

	Meeting Allowance	Bonus
1. Board of Director	25,000 Baht per time per Person for attending Directors only	Not more than 7.5 million Baht appropriate 2 portions for Chairman, 1.5 portion for Vice Chairman and 1 portion each for CEO and other Directors
2. Audit Committee	50,000 Baht per time for chairman and 35,000 Baht per time for each director and payable to attending directors only	None
3. Remuneration and Nominating Committee	25,000 Baht per person per time payable to attending director only	None
4. Risk Management Committee	25,000 Baht per person per time payable to attending independent director only	None
5. Investment Committee	25,000 Baht per person per time payable to attending director only	None

The Chairman asked the meeting whether there would be a shareholder, who would like to inquire or would like to state otherwise opinion or not. There was no shareholder, who had other opinion

The Chairman requested the meeting to make resolution by asking if any shareholder would like to vote for opposition or abstain from voting in this agenda or not.

The meeting had considered and approved to pay and appropriate gratuity as proposed by the Board of Directors by simple majority with following votes:

Approval	729,352,944	votes equivalent to 100.0%
Disapproved	- None -	
Abstained	1	vote equivalent to 0.0%

**Agenda 6. To elect new directors to succeed those completing their terms.**

The Chairman, who had conflict of interest in this agenda, assigned the Director and CEO to conduct the meeting.

The Director and CEO informed the meeting that the company's articles of associations prescribed that one-third of directors must retire from their position in every annual general meeting and those retired directors may be re-elected. In this meeting there were 5 directors, who must retire due to term completion. Those are

1. Mr. Suchin Wanglee Independent Chairman, Investment Committee member.
2. Mr. Chai Sophonpanich Vice Chairman, Remuneration & Nominating Committee member and Investment Committee member.
3. Mr. Charuek Kungwanphanich Director.
4. Mr. Chanin Roonsamran Independent Director, Audit Committee member and Remuneration & Nominating Committee member.
5. Dr. Suchart Sangkasem Independent Director

The Board of Directors, by advice of the Nominating Committee, had proposed to the meeting to re-elect 4 directors, who have retired due to term completion, those are Mr. Suchin Wanglee, Mr. Chai Sophonpanich, Mr. Charuek Kungwanphanich and Mr. Chanin Roonsamran, as directors of the company for another term and to elect Mr. Sara Lamsam as a new director to replace Dr. Suchar Sangkasem who wish not to hold a director position in next term. Resumes of those 5 candidates have been sent to shareholders for consideration together with the invitation letter for the meeting.

The Director and CEO asked the meeting if there would be a shareholder, who would like to propose other person, whom he thinks is more suitable, for election as a director in addition to these persons.

There was no shareholder who proposed other person for election as the company's director.

Before voting, the Director and CEO stated that the Public Company Act prohibits a director to operate business, take partnership or hold share in another juristic person, which has the same status and is competition with the company's activities, unless the meeting has been notified before resolution is made for appointment. Because, persons, whose names are proposed, are directors or executives in insurance companies, which have license for operation of reinsurance business, the meeting is, therefore, informed the details of being directors or shareholders in other insurance companies of persons, whose names are proposed for election to be directors as follow:

Mr. Suchin Wanglee	- Chairman of Navakij Insurance PCL. and Director of Falcon Insurance PCL.
Mr. Chai Sophonpanich	- Chairman and Chief Executive Officer of Bangkok Insurance PCL. and Director of Bangkok Life Assurance Co., Ltd.
Mr. Charuek Kungwanphanich	- President of Dhipaya Insurance PCL. and Director of Road Accident Victims Protection Co., Ltd.
Mr. Chanin Roonsamran	- Director, members of Human Resources and Remuneration Committee, Nominating Committee and Advisor to Audit Committee.
Mr. Sara Lamsam	- President of Muang Thai Life Assurance Co., Ltd. and Director of Muang Thai Insurance PCL.

The Director and CEO then requested the meeting to vote for election by individual director. Vote counting resulted that persons, whose names were proposed, had received the following votes:

Mr. Suchin Wanglee:

Approval	724,485,845	votes equivalent to 99.3%
Disapproved	4,867,100	vote equivalent to 0.7%
Abstained	- None -	

Mr. Chai Sophonpanich:

Approval	729,352,944	votes equivalent to 100.0%
Disapproved	1	vote equivalent to 0.0%
Abstained	- None -	

Mr. Charuek Kungwanphanich:

Approval	729,352,944	votes equivalent to 100.0%
Disapproved	1	vote equivalent to 0.0%
Abstained	- None -	

Mr. Chanin Roonsamran:

Approval	723,454,675	votes equivalent to 99.2%
Disapproved	4,867,100	vote equivalent to 0.7%
Abstained	1,031,170	vote equivalent to 0.1%

Mr. Sara Lamsam:

Approval	729,352,944	votes equivalent to 100.0%
Disapproved	- None -	
Abstained	1	vote equivalent to 0.0%

Therefore, Mr. Suchin Wanglee, Mr. Chai Sophonpanich, Mr. Charuek Kungwanphanich and Mr. Chanin Roonsamran were re-elected as directors of the company for another term and Mr. Sara Lamsam was elected as a new director to replace Dr. Suchart Sangkasem.

**Agenda 7. To appoint an auditor and fix the auditing fee.**

The Chairman assigned Mr. Surachai Sirivallop, Director and CEO to report on proposal to appoint Auditor and fixing of remuneration to the meeting on behalf of the Board of Directors.

The Director and CEO informed that the Audit Committee, with approval of the Board of Directors, has proposed appointment of Ernst and Young Office Co., Ltd. (Ernst and Young) to be auditor of the company in the year 2009 for another one year. In this year, Ernst and Young has assigned Mrs. Nongluck Phumnoi, CPA no. 4172 and/or Mr. Sophon Permsirivallop, CPA no. 3182 and/or Miss Rungnapa Lertsuwankul, a CPA no. 3516, to be auditors, who sign for certification of financial statements. In case the above mentioned auditors cannot perform their duties, Ernst and Young will provide other certified auditors of its office to audit account and make opinion to the Financial Statement in place of the said auditors and requested the meeting to approve auditor's remuneration of 1,080,000 Baht, decreasing from previous year by 70,000 Baht or 6% as a result of the Office of the Insurance Commissioner (OIC)'s new regulation to eliminate the requirement for auditor to verify the Annual Return submitted to OIC.

The Chairman asked the meeting whether there would be a shareholder, who would have question and would like to inquire from Directors, Audit Committee or Auditor in this agenda or not. There was no shareholder, who wanted to inquire or to state his opinion in otherwise.

The Chairman requested the meeting to make resolution by asking if any shareholder would like to vote for opposition or abstain from voting in this agenda or not. No shareholder opposed or abstained from voting

The meeting considered and resolved in appointment of Mrs. Nongluck Phumnoi, a CPA no. 4172 and/or Mr. Sophon Permsirivallop, a CPA no. 3182 and/or Miss Rungmnapa Lertsuwankul, a CPA no. 3516 of Ernst and Young Office Co., Ltd., to be auditors of the company in the year 2009 and approved auditor's fee of 1,080,000 Baht. In case the above mentioned auditors cannot perform their duties, the Ernst and Young office Co., Ltd., will provide other certified auditors of its office to perform auditing duty and to make opinions to the Financial Statements of the Company in substitution for the said auditors with simple majority votes as follow:

Approval	729,352,944	votes equivalent to 100.0%
Disapproved	1	vote equivalent to 0.0%
Abstained	- None -	

**Agenda 8. Consideration of other matters**

Followings are recommendations and inquiries of the shareholders:

- In the midst of global economic crisis, what are the criteria used by company to determine the right reinsurer? The Director and CEO clarified that the company takes an approach to spread out the risks through the excess of loss protection in order to avoid possible catastrophe losses that may cause severe impact to our financial position. The company would buy reinsurance protection mainly from London market and shall choose only the company which has been in the business for a long time, has strong credit rating of A or higher, has a long business relationship and well acquainted with our company's policies and management behavior. More importantly, our company shall not deal a business with only one particular reinsurer but will rather spread the risks with several reinsurers.
- Since life reinsurance operation performed well, the shareholders would like to know about business expansion plan of the company in this area. The Director and CEO clarified that it is the main policy of the company to continue expanding our life reinsurance business because it has lower level of volatility while the profit margin is higher than the non-life reinsurance business. In the past year, life reinsurance operations constituted 12% of total net premium written and 17% of total profit. The company plans to increase the percentage of life business premium income to 30% of total income. Moreover, the company also has a goal to add one more source of income into our existing channels, i.e., the fee-based income, in addition to the normal reinsurance services providing to our customers in Thai insurance market whose needs in other services are still strong. This will be our forth income pillars, in addition to the income we currently receive from non-life insurance, life insurance and investment.
- The shareholder suggested that we should expand our business through purchasing of the companies that has potential but are being affected by the current financial crisis. The chairman, the Director and CEO responded that our business expansion plan is geared towards related core businesses in which we have the expertise. At present, we have a total of 5 associated and subsidiary companies. As for investment, our company is subject to an official rules and regulations on investment and we must take into account the risks involved in any investment. Right now, our investment in securities is made mainly through stock market and

some of them include securities of local insurance companies. Our investment are mainly long-term and the expected returns are from dividends rather than getting involved in the management of business operation with a view to preventing conflict of interest with other insurance companies who are our customers.

- The shareholder asked how the company would do to address the unrealized loss from investment in securities in the past year, amounting more than 300 million Baht. The chairman, the Director and CEO jointly explained that such loss is an accounting loss which has not been realized and is a result of the company's compliance to the mark to market accounting standard and the company's investment in securities with good fundamental factors and regularly high dividend payment. And since the return from investment is still higher than bank deposit and from debt instruments, the company will continue to hold on to the securities that we have invested in. Currently, our securities investment constitutes 30% of total investment portfolio and the company may consider investing more in securities in the future if the situation permits. However, the company will maintain investment in securities at not more than 35% of total investment portfolio. The Board considered that investment in stock market involves high risk. The company will therefore take a prudent approach, won't speculate for profit and will invest in securities with good fundamental only.

There was no one, who proposed any other matter for consideration. The Chairman expressed his thanks to all shareholders who have devoted their time for attending this meeting today and declared closing of the Annual General Shareholder's Meeting No.16

Meeting was closed at 11.20 hrs.

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- Signed -

(Mr. Suchin Wanglee)  
Chairman of the Board of Directors

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-Signed-

(Mr. Surachai Sirivallop)  
President

