



ANNUAL REPORT 2019

BANGKOK INSURANCE PUBLIC COMPANY LIMITED




กรุงเทพประกันภัย
Bangkok Insurance

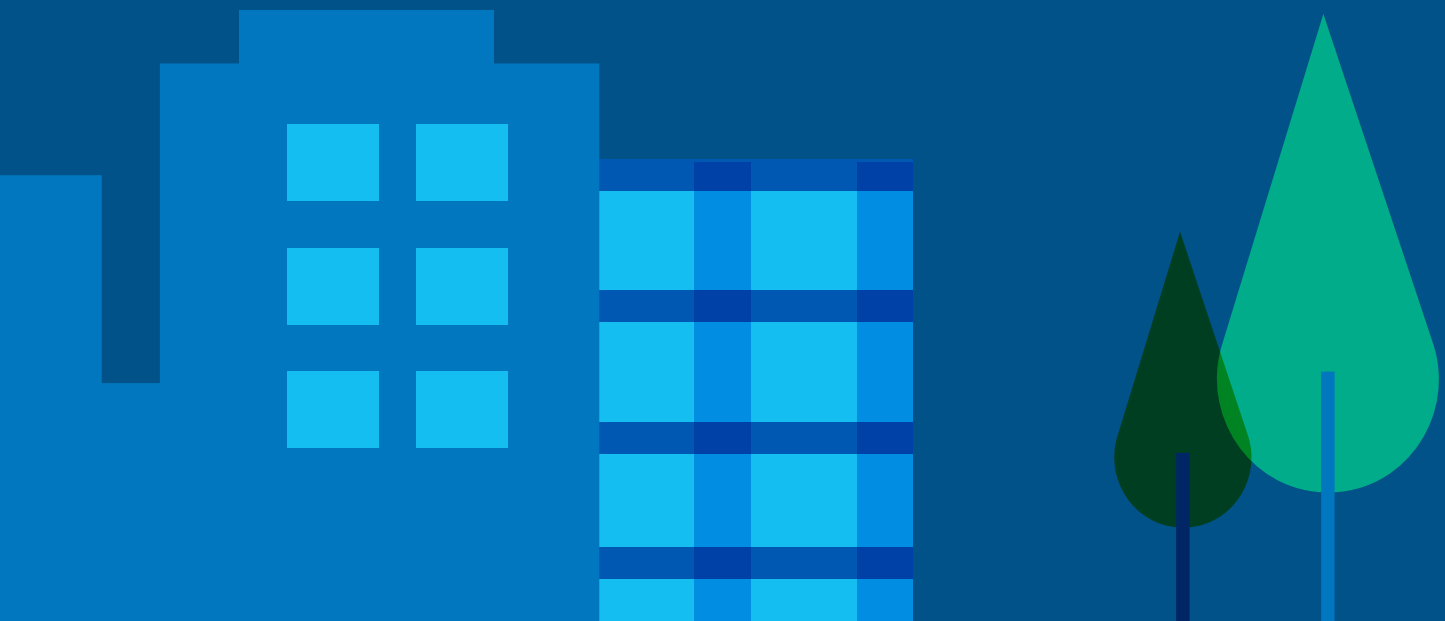


VISION

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

We will strive for progress with

- Quality products and services that meet our customers' needs
 - Fast and responsive service to maximize our customers' satisfaction
 - Exceptional teams who are knowledgeable and innovative
 - Tradition and culture of corporate integrity
- 



CONTENTS

FINANCIAL HIGHLIGHTS	3	REPORT OF THE CORPORATE GOVERNANCE COMMITTEE	77
PRIDE IN 2019	4	REPORT ON THE BOARD OF DIRECTOR'S RESPONSIBILITY FOR FINANCIAL STATEMENTS	78
MESSAGE FROM THE CHAIRMAN	6	REPORT OF INDEPENDENT AUDITOR	79
REPORT OF THE COMPANY'S OPERATIONS	9	STATEMENTS OF FINANCIAL POSITION	84
INVESTMENT INCOME	14	STATEMENTS OF COMPREHENSIVE INCOME	86
INVESTMENT	15	STATEMENTS OF CASH FLOWS	88
INVESTMENTS IN SECURITIES	16	STATEMENTS OF CHANGES IN OWNERS' EQUITY	90
SHAREHOLDING IN OTHER COMPANIES	17	NOTES TO FINANCIAL STATEMENTS	92
REVENUE STRUCTURE	18	COMPANY'S FINANCIAL STATUS	140
SUMMARY OF QUARTERLY FINANCIAL RESULTS	19	FINANCIAL RATIO	144
FIVE YEARS REVIEW	20	RELATED PARTIES TRANSACTIONS	145
POLICY ON AND THE OVERALL BUSINESS TRANSACTION	22	ORGANIZATION STRUCTURE	147
TYPE OF BUSINESS TRANSACTIONS	26	MANAGEMENT STRUCTURE	148
RISK FACTORS	34	SHAREHOLDINGS STRUCTURE	156
ADVISORY BOARD	39	PRINCIPLES OF GOOD CORPORATE GOVERNANCE	159
BOARD OF DIRECTORS AND BOARD OF DIRECTORS PROFILE	40	INTERNAL CONTROL AND RISK MANAGEMENT	179
MANAGEMENT COMMITTEE AND ADVISER AND MANAGEMENT COMMITTEE PROFILE	48	GENERAL INFORMATION	182
CORPORATE SOCIAL RESPONSIBILITY	57	LINES OF BUSINESS	186
REPORT OF THE AUDIT COMMITTEE	75		
REPORT OF THE REMUNERATION AND NOMINATION COMMITTEE	76		



FINANCIAL HIGHLIGHTS

(Baht'000)

	2019	2018	Change %
--	------	------	----------

For The Year

Premium Written	21,008,919	17,326,215	21.3
Underwriting Income	2,242,242	2,551,762	(12.1)
Operating Expenses	1,078,263	1,080,794	(0.2)
Finance Costs	2,553	3,266	(21.8)
Net Profits from Underwriting	1,161,426	1,467,702	(20.9)
Net Investment Revenue	1,624,531	1,317,632	23.3
Profits before Income Tax Expenses	2,785,957	2,785,334	0.0
Income Tax Expenses	334,676	378,526	(11.6)
Net Profits	2,451,281	2,406,808	1.8

At Year - end

Unearned Premium Reserve	9,978,382	8,275,770	20.6
Shareholders' Equity	31,023,097	34,875,364	(11.0)

Per Share

(Baht)

Basic Earnings Per Share	23.02	22.61	1.8
Ordinary Share (Shares)	106.47 Million	106.47 Million	-
Dividends	14.00	14.00	-
Book Value	291.38	327.56	(11.0)
Market Price (High-Low)	338 - 293	392 - 327	-
Market Price at Year - end	295	329	(10.3)

USD 1 = Baht 30.1540

GBP 1 = Baht 39.5217

EUR 1 = Baht 33.7311

JPY 100 = Baht 27.5940

PRIDE IN 2019



Bangkok Insurance Public Company Limited has conducted its business transactions for a long time, currently entering into its 73rd year. Over the past years, the Company has given priority to the provision of quality services and development of insurance products giving the greatest benefit to its customers and business partners, causing the Company to receive quality awards from a number of leading organizations both inside and outside the country.

For 2019, the Company has still adhered to its business transactions of high standard, ready to introduce modern innovations to enhancing services in greater response to customers' demand, allowing the Company to obtain pride through the following awards.

Honorable Award

The "Best Non-Life Insurance Company-Thailand 2019" award and the "Best Customer Service Provider-Insurance-Thailand 2019" award from the International Finance Awards 2019, organized by International Finance Magazine (IFM). The awards were presented to the Company since it had been a non-life insurance company in the Asian region with robust financial standing and having an efficient and modern system of management and operating performance, and providing standard service. Bangkok Insurance has given priority to the development of its insurance and service products for customers throughout, focusing on applying modern innovations to providing convenience in response to customers' demand for the greatest benefits.

The "Domestic General Insurer of the Year-Thailand" award from the Insurance Asia Awards 2019, organized by Insurance Asia Magazine. The Company is the only non-life insurance company in Thailand to receive the award via its potential of being a non-life insurance company in Asia with robust financial standing and having an efficient and modern system of management and operating performance, taking care of its customers with quality services of international standard, including steadily attaching to a management based on the principles of good corporate governance and responsibilities to society and the environment.

The "Social Responsibility and Environmental Awareness Awards" award from the 2nd Thailand's Smart Awards for 2019, organized by the Celeb Club program of the Royal Thai Army Television Channel 5, in cooperation with Nadee Network Publishing Company Limited and its subsidiaries. The award was presented to the Company for giving priority and attention to society through its consistent and long-term promotion and support of various social and environmental activities, aimed at the general public's sound and sustainable quality of life.

Financial Strength Rating

Bangkok Insurance derived, on November 22, 2019, Financial Strength Rating of A- (Stable) from the Standard and Poor's Institution (S&P), a leading global credit rating organization, reflecting the Company's leadership in the non-life insurance industry having competitiveness, with sound operating results and stable funds and assets, apart from possessing a fund management at a satisfactory level.

Additionally, the A.M. Best Company, another leading global credit rating organization, had ranked, on May 24, 2019, the Company's Financial Strength Rating with the score of A- (Excellent), and Issuer Credit Rating with the score of a-, emphasizing its stable funds and financial stability, as well as its leadership in the non-life insurance industry in Thailand, having competitiveness and a sound management system.

Financial Strength	
Standard & Poor's	November 22, 2019
Financial Strength Rating - Local Currency	A- (Strong)
Issuer Credit Rating - Local Currency	A- (Strong)
Outlook	Stable
A.M. Best	May 24, 2019
Financial Strength Rating	A- (Excellent)
Financial Strength Rating Outlook	Stable
Issuer Credit Rating	a- (Excellent)
Issuer Credit Rating Outlook	Stable

MESSAGE FROM THE CHAIRMAN



Mr. Chai Sophonpanich

The non-life insurance industry in 2019 experienced a shrinking expansion from the year before as a consequence of such problems as price competition causing a low level of premium rates, a slowdown of the Thai economy due to significantly shrinking exports stemming from a slowdown of trading partners' economies and global trade amounts incurred by a trade war between the United States and China, a problem of political instability in the country resulting in a delay of the government sector's large-scale project investment, a problem of a high level of the household sector's debts influencing consumers' purchasing power, apart from the problems of natural catastrophes from droughts and floods, and an impact on total motor premiums due to seriously declining new car sales. The Thai General Insurance Association had projected a direct premium written growth of 5.0 percent in 2019.

Nonetheless, under such challenging circumstances, Bangkok Insurance Public Company Limited has been able to attain a remarkable growth. For the Company's performance in 2019, its total written premium rose by 21.3 percent to Baht 21,008.9 million, compared to the year before. The Company's earnings before tax were Baht 2,786.0 million, comprising the net income from underwriting of Baht 1,161.4 million, as well as earnings from investment and other income of Baht 1,624.6 million, resulting in a net income of Baht 2,451.3 million, or earnings per share of Baht 23.02. The Company's Board of Directors' meeting on February 28, 2020, has approved a final dividend payment of Baht 5 per share for the year 2019. Therefore, in 2019, the Company had made total dividend payments of Baht 14 per share. In addition, the Company also possesses robust financial standing, as well as stable fund and assets, as reflected by the Capital Adequacy Ratio (CAR) as at the end of September 2019 as high as 289.7 percent, higher than that defined by law, apart from the maintenance of Financial Strength Rating of A-/Stable (ranked by the Standard and Poor's Institution (S&P) as at November 22, 2019) and A - (Excellent) Outlook Stable (ranked by the A.M. Best Company as at May 24, 2019).

In 2019, the Company was the recipient of honorable awards from numerous institutions, including the Best Non-Life Insurance Company - Thailand 2019 Award and Best Customer Service Provider - Insurance - Thailand 2019 Award from the International Finance Awards 2019, organized by International Finance Magazine (IFM), the Domestic General Insurer of the Year - Thailand Award from the Insurance Asia Awards 2019, organized by Insurance Asia Magazine, and the Social Responsibility and Environmental Awareness Awards from the 2nd Thailand's Smart Awards for 2019.

The Company has remained determined to develop and submit excellent products and services for its customers. Most recently, the Company has studied and possessed an investment plan for the development of a more modern technological system, aimed at raising the Company's insurance service standard through the use of artificial intelligence (AI) to assist in work on a motor claim contact center, apart from the introduction of a robotic process automation (RPA) system to enhance the efficiency of a quicker underwriting service. In addition, the Company continues to seek business allies and partners, as well as developing new distribution channels, particularly via a digital channel, in response to current consumers' lifestyle, besides being able to access comprehensive target customer groups.

On behalf of the Chairman of the Board of Directors, I would like to extend my sincere thanks to our customers, business partners, shareholders, business allies and stakeholders for their great trust and support of the Company throughout. I would also like to thank sincerely all the Company's management and employees for being the Company's significant force, dedicating themselves to excellent performance through their greatest knowledge and capability, including participating in activities fully sharing to and helping society, causing the Company, in 2019, to witness an outstanding growth and have a sound image, being able to exist strongly and securely amidst business circumstances fluctuating and challenging throughout.



REPORT OF THE COMPANY'S OPERATIONS

Summary of Operating Performance for the Year 2019 Operation and Financial Status of the Company

For 2019, the premium written income for all classes of insurance rose by 21.3 percent to Baht 21,008.9 million, compared to 2018. Marine insurance and motor insurance achieved the highest growth rates of 38.6 percent and 30.5 percent, respectively, compared to 2018.

In 2019, the net underwriting experienced a return of Baht 2,242.2 million, a decrease of Baht 309.5 million, or 12.1 percent, over 2018, due mainly to the fact that in 2019 there was the underwriting loss ratio of 54.1 percent, a rise of 4.6 percent, compared to the year before.

The net investment income and other income in 2019 was Baht 1,624.6 million, a growth of 23.3 percent, over 2018. When combined with a profit from underwriting, subtracted by operating expenses and financial costs, the Company's total income before income tax deduction was Baht 2,786.0 million, a rise of 0.02 percent. After income tax deduction, the net income totaled Baht 2,451.3 million, a growth of 1.8 percent, compared to 2018, or Baht 23.02 per share, compared to Baht 22.61 per share in 2018.

The Company has already made three interim dividend payments of Baht 3.00 per share for the year 2019. The total dividend payment was Baht 9.00 per share. The Board of Directors proposed to the shareholders to consider and approve for the final dividend payment for the year 2018 at Baht 5.00 per share so the annual dividend

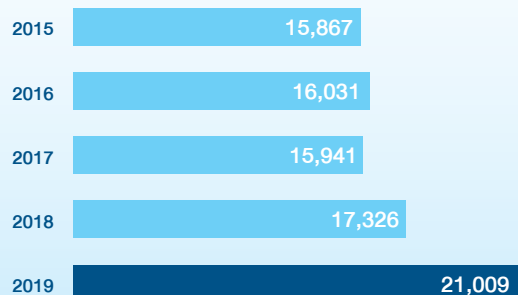
payment for the year 2019 shall be Baht 14.00 per share (same as the year 2018). The proposed final dividend payment is subjected to the approval of the 27th Annual General Meeting of Shareholders.

Based on the financial statements as at December 31, 2019, the total assets of the Company amounted to Baht 57,327.1 million, a decline of 5.4 percent from Baht 60,620.2 million in the previous year. This was accompanied by a significant alteration in assets, particularly a decrease in available-for-sale investments, and net reinsurance assets of Baht 8,348.9 million and 448.4 million, respectively, and a rise in held-to-maturity investments of Baht 5,316.3 million.

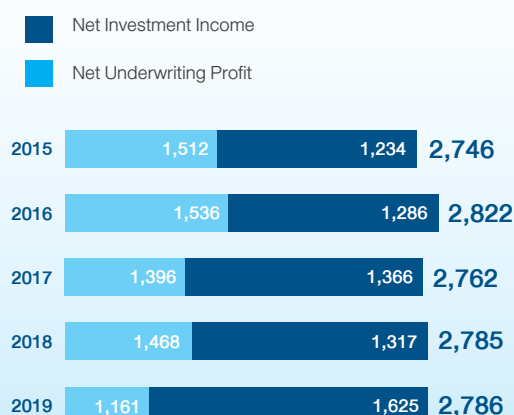
Liabilities at 2019 year-end totalled Baht 26,304.0 million, a growth of Baht 559.1 million, or 2.2 percent, over 2018. A significant change was a drop in deferred tax liabilities of Baht 1,247.7 million, and a rise in insurance contract liabilities, due to reinsurers, accrued employee benefits and other liabilities of Baht 873.9 million, 374.8 million, 329.7 million and 260.8 million, respectively.

Owners' equity on December 31, 2019, equaled Baht 31,023.1 million, a decline from Baht 34,875.4 million, or 11.1 percent, in 2018. Significant components were a decrease of Baht 4,673.0 million, or 21.4 percent, in other components of owners' equity and Baht 3,079.3 million, or 42.2 percent, in unappropriated retained earnings, and a growth of Baht 3,900.0 million, or 125.8 percent, in appropriated retained earnings.

Total Premium Written (Million Baht)



Profit before Income Tax (Million Baht)



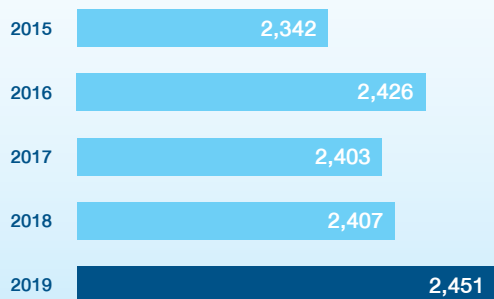
Operating Performance by Classes of Business for the Year 2019

Fire Insurance

In 2019, the Company registered Baht 1,525.0 million in written fire insurance premium, a decline of 5.3 percent over 2018. The reduction in premium written was due mainly to a rather much abatement in premiums from Branch Network and Ventures, and Financial Institution Business Unit owing to a diminution in a report on residential fire insurance, and a drop in fire insurance from use of commercial banks' middle- and small-level business credit, while some customers had changed insurance classes from fire insurance to all risks insurance which offered more coverage.

The net premium written amounted to Baht 1,038.8 million, a decrease of 5.7 percent, with the Company taking a retention of 68.1 percent, compared to 68.4 percent in 2018. The loss ratio in 2019 was 12.9 percent, a decline from 2018, which was 14.9 percent. As a result, the Company's fire underwriting returns in 2019 rose by 2.4 percent to Baht 567.4 million, compared to 2018.

Net Profit after Income Tax (Million Baht)



Owners' Equity (Million Baht)



Marine Insurance

- **Hull** In 2019, the Company registered a total of Baht 44.3 million in written marine hull insurance premium, an augmentation of 14.5 percent over 2018. This was due mainly to a rise in the premium from Broker Business Unit.

The net premium written amounted to Baht 5.8 million, an increase of 11.5 percent from 2018. This was thanks to the Company's retention of 13.1 percent in 2019, compared to 13.4 percent in the previous year. As a consequence of the Company's underwriting in 2019, the loss ratio was 31.7 percent, a growth from -134.7 percent over 2018, resulting in a return of Baht 9.4 million and a drop in underwriting profit of Baht 19.0 million from the previous year.

- **Cargo** In 2019, the Company registered Baht 560.0 million in written marine cargo insurance premium, a rise of 40.9 percent over the year before. This was due to an augmentation in the premium from all channels, particularly from Broker Business Unit.

The net premium written totalled Baht 251.7 million, an increase of 19.0 percent, due to the Company's retention decrease from 53.2 percent in 2018 to 44.9 percent in 2019. The loss ratio in 2019 rose to 39.2 percent, compared to 28.0 percent in 2018, resulting in the Company's underwriting profit of Baht 83.3 million in 2019, a reduction of 21.1 percent from the year before.

Motor Insurance

In 2019, the Company registered Baht 8,989.7 million in written motor insurance premium, a rise of 30.5 percent over 2018. This was due to an expansion of its business through all channels, particularly from Personal Lines Business Unit which extended its personal lines base via Telemarketing channel, Broker Business Unit which had projects with some of its business partners, and Branch Network and Ventures which had business through a personal broker.

The net premium written amounted to Baht 8,741.1 million, an increase of 30.4 percent over 2018. In 2019, the Company's retention was 97.2 percent, a drop from 2018, which was 97.3 percent. The loss ratio grew from 63.4 percent in 2018 to 65.6 percent in 2019, while the expenses ratio rose from 28.9 percent in 2018 to 29.5 percent in 2019, resulting in the Company's underwriting profit of Baht 382.2 million in 2019, a reduction of 19.4 percent from the previous year.

Miscellaneous Insurance

Miscellaneous insurance consists of five major categories: General Accident, Engineering, Personal Insurance, Aviation, and All Risks. In 2019, the Company registered Baht 9,889.9 million in written miscellaneous insurance premium, a rise from Baht 8,391.6 million, or 17.9 percent, in 2018. The growth in the direct premium written was due to all risks insurance via Commercial Lines Business Unit, Broker Business Unit, and Financial Institution Business Unit.

The net premium written for all categories totalled Baht 4,407.2 million, an increase of 12.6 percent over 2018. The Company's retention was 44.6 percent in 2019, a decline from 2018, which was 46.7 percent. The overall loss ratio expanded from 38.0 percent in 2018 to 44.2 percent in 2019. Consequently, the Company's underwriting profit in 2019 diminished by 13.6 percent to Baht 1,199.9 million, compared to 2018.

Underwriting Expenses

Underwriting expenses consist of net claims, fee and commission, and other expenses. The Company's underwriting expenses totalled Baht 12,194.6 million, representing a rise of 23.4 percent over 2018. The claims and expenses on claims management incurred during 2019 rose by 27.6 percent from the previous year. Similarly, fee and commission, and other expenses increased equally by 17.8 percent over the year before.

In 2019, the Company's all classes of direct premium written amounted to Baht 20,059.1 million, a growth of 19.9 percent over 2018. The Company's market share in 2019 was 8.1 percent, an increase from 2018, which was 7.2 percent and could retain the second rank in market share as in the year before. The ratio of 45.5 percent from the miscellaneous insurance premium had a growth rate of 13.8 percent, resulting in 10.7 percent miscellaneous premium market share in 2019, an increase from 2018, which was 10.0 percent. Motor insurance's market share rose from 5.0 percent in 2018 to 6.2 percent in 2019, while fire insurance and marine insurance had market shares of 13.4 percent and 10.4 percent, respectively.

Future Projects

In 2019, the Company has applied the RPA (Robotic Process Automation) which is technology using a system to work for people in routine work of a large amount and non-complicated, allowing the Company's personnel to have more time for their work which requires thinking and analysis, or an interaction with customers and business partners, apart from developing new skills for themselves and creating additional values for the organization. In addition, an application of the RPA in a work process helps reduce errors in men's work, including providing accuracy and swiftness, besides enhancing service satisfaction for customers, and working productivity since the RPA can work 24 hours in a week. The Company has a plan to increasingly apply the RPA to its work process in constant response to more efficient services

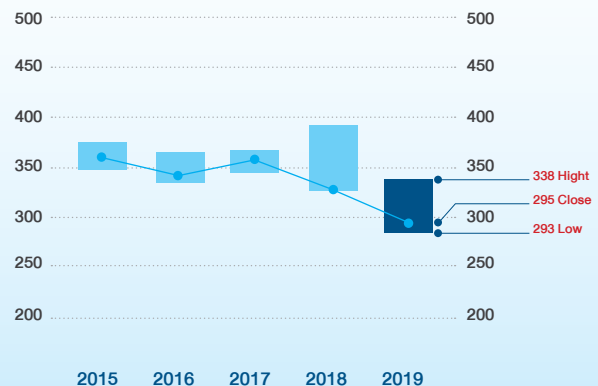
For 2020, the Company has a work plan to invest in technology which will boost its insurance service standard and is studying an adjustment of the Company's core underwriting system through modern technology, as well as developing and designing universally to help supplement the work and information management, and enhance the efficiency of an insurance service system, apart from being able to meet the demand and generate greatest satisfaction to the insured.

The Company also has a policy on reducing use of paper in support of a decrease in current global warming via an issuance of an e-policy, in which digital signature has been created in a document to confirm that an issued policy is safe from falsification, in addition to having a work plan supporting an act protecting personal data, which is expected to be promulgated this year. In this connection, related data and information have also been studied so that the Company may implement its work in accordance with the promulgated act.

Dividends (Baht)



Development of Share Prices



REPORT OF THE COMPANY'S OPERATIONS

(Million Baht)

Premium Written	2019	2018	Change %	2019 Distribution %
Types of Insurance				
Fire	1,525.0	1,610.4	(5.3)	7.26
Marine	604.3	436.1	38.6	2.88
Motor	8,989.7	6,888.1	30.5	42.79
Miscellaneous	9,889.9	8,391.6	17.9	47.07
Total	21,008.9	17,326.2	21.3	100.00
Underwriting Income				
Types of Insurance				
Fire	567.4	554.2	2.4	25.31
Marine	92.7	134.0	(30.8)	4.13
Motor	382.2	474.3	(19.4)	17.05
Miscellaneous	1,199.9	1,389.2	(13.6)	53.51
Total	2,242.2	2,551.7	(12.1)	100.00
Operating Expenses	1,078.3	1,080.8	(0.2)	48.09
Finance Costs	2.5	3.2	(21.8)	0.11
Net Profits from Underwriting	1,161.4	1,467.7	(20.9)	51.80

(Million Baht)

Net Investment Revenue	2019	2018	Change %
Interest	319.0	280.5	13.7
Dividends	907.5	863.6	5.1
Gain on Sales of Securities and Assets	239.1	107.4	122.6
Rental and Other Income	182.7	159.4	14.6
Share of profits from Investment in Associates Accounted for under the Equity Method	23.4	17.0	37.6
Gain (Loss) from Reversal Impairment of Investment	42.2	(21.8)	293.6
	1,713.9	1,406.1	21.9
Investment Expenses	89.3	88.5	0.9
Net Investment Revenue	1,624.6	1,317.6	23.3
Operating Results			
Net Profits from Underwriting	1,161.4	1,467.7	(20.9)
Net Investment Revenue	1,624.6	1,317.6	23.3
Profits before Income Tax Expenses	2,786.0	2,785.3	0.0
Income Tax Expenses	334.7	378.5	(11.6)
Net Profits	2,451.3	2,406.8	1.8
Basic Earnings Per Share (Baht)	23.02	22.61	1.8
Ordinary Share (Shares)	106.47 Million	106.47 Million	-
Par (Baht)	10.00	10.00	-

INVESTMENT INCOME

Net investment income in 2019 amounted to Baht 1,713.9 million, a rise of Baht 307.8 million, or 21.9 percent, over 2018. This comprised Baht 319.0 million from the interest, a growth of 13.7 percent; Baht 907.5 million from dividends, an increase of 5.1 percent; Baht 239.1 million profit from stocks and assets sale, an expansion of 122.6 percent; Baht 182.7 million from rents and others, an augmentation of 14.6 percent; Baht 23.4 million of profit share from investments in associated companies, an increase of 37.6 percent; Baht 42.2 million gain from reversal impairment of investment, a rise of 293.6 percent. In 2019, the Company's investment expenses grew by 0.9 percent to Baht 89.3 million, while its net investment incomes amounted to Baht 1,624.6 million. Thus, the Return on Investment (ROI) was 6.6 percent of the investment portfolio, or 3.6 percent of the market investment.

At 2019 year-end, the SET index closed at 1,579.84, a rise of 15.96, or 1.0 percent, from 2018, which closed at 1,563.88. In 2019, the Thai economy expanded less than government agencies had anticipated, being adversely affected by the protectionism condition, the Baht appreciation and a slowdown in the private sector's consumption. As a consequence, the Company had a higher surplus on revaluation of share values in the SET, totaling Baht 20,986.1 million, a decline of Baht 6,026.5 million, or 22.3 percent, over 2018.

The Company's investment portfolio at 2019 year-end had increased by Baht 2,434.0 million, or 10.7 percent, to Baht 25,107.4 million. For the portfolio allocation, the Baht 17,152.7 million fixed income investment accounted for 68.3 percent of the total investment portfolio, while the remaining Baht 7,954.7 million, or 31.7 percent, was invested in both listed and unlisted common stocks and fund units.

Fixed income investments consisted of deposits at commercial banks and government bonds. Deposits with commercial banks rose by Baht 5,056.3 million, or 82.0 percent, from the previous year to Baht 11,220.7 million, or 44.7 percent of the total investment portfolio. Government bonds dropped by Baht 1,793.3 million, or 32.9 percent, from the year before to Baht 3,660.9 million, representing 14.6 percent of the total investment portfolio. Debentures declined by Baht 138.3 million, or 12.6 percent, from the previous year to Baht 956.1 million, representing 3.8 percent of the total investment portfolio.

In addition, the Company also has mortgaged loans, another type of its fixed income capital, which diminished by Baht 125.5 million, or 8.8 percent, to Baht 1,306.8 million, or 5.2 percent of the total investment portfolio.

For the investment in equity securities in 2019, the Company's investments in listed securities, both inside and outside the country, rose by Baht 230.6 million, or 4.5 percent, to Baht 5,313.4 million, or 21.2 percent of the total investment portfolio, compared to 2018. The Company focused on long-term investments, with an investment concept that in the long run the stocks' sound fundamentals will be the main factor contributing to the long-term growth and will help prevent the fluctuation of stock prices and stock exchanges.

Investments in non-listed securities declined by Baht 2.5 million, or 0.3 percent, from the previous year to Baht 801.8 million, representing 3.2 percent of the total investment portfolio. The decrease was due to an investment in non-listed securities, which was an occupation of equity securities with an aim to make other business transactions by having shareholding in juristic persons obtaining a permit to do the insurance business, or make major business transactions by having shareholding in foreign insurance companies, and sell part of these non-listed securities. In fact, most non-listed securities were regarded as strategic investments in order to generate business relationships with others and support the Company's business transactions.

Investment capital in associated companies rose by Baht 18.7 million, or 8.2 percent, to Baht 246.4 million, representing 1.0 percent of the total investment portfolio, the increase stemming from the acknowledgement of income, deducted by the dividend share, from those associated companies. It was shareholding which ranged from 20.0 percent and over, and comprised overseas investments such as investments in companies of which the major business transactions were investments in insurance companies, as well as investments in insurance companies in Cambodia and Lao PDR, that enhanced the Company's opportunity to make business transactions with foreign companies. Those associated companies had growth potential in terms of business expansion and returns, as well as being able to pay a dividend to the Company.

Additionally, investments in funds investing in non-marketable equity securities amounted to Baht 347.5 million, representing 1.4 percent of the total investment portfolio, unchanged from the year before, while investments in listed real estate funds, and trust funds for investments in real estate, including investments in listed infrastructure funds dropped by Baht 271.2 million, or 17.9 percent, to Baht 1,245.6 million, representing 4.9 percent of the total investment portfolio.

INVESTMENT

(Million Baht)

Composition of Investment Portfolio (At Cost)	Year end 2019	Year end 2018	Change %	Distribution % 2019
Fixed Interest Bearing Securities				
Deposits at Banks	11,220.7	6,164.4	82.0	44.7
Collateralised Loans	1,306.8	1,432.3	(8.8)	5.2
Bonds	3,660.9	5,454.2	(32.9)	14.6
Debentures and Other Loans	964.3	1,103.2	(12.6)	3.8
Total Fixed Interest Bearing Securities	17,152.7	14,154.1	21.2	68.3
Shares Listed on the SET	5,313.4	5,082.8	4.5	21.2
Unlisted Shares	801.8	804.3	(0.3)	3.2
Investment in Associated	246.4	227.7	8.2	1.0
Unit of Closed-end Fund Listed on the SET	1,543.1	1,623.3	(4.9)	6.1
Unit of Closed-end Fund	50.0	781.2	(93.6)	0.2
Total Investment Portfolio	25,107.4	22,673.4	10.7	100.0

(Million Baht)

Composition of Investment Portfolio At Cost and Market Value	Year end 2019			
	At Cost	Market Value	Surplus on Changes in Values of Investments	Allowance for Impairment / Allowance for doubtful account
Fixed Interest Bearing Securities				
Deposits at Banks	11,220.7	11,220.7	-	-
Collateralised Loans	1,306.8	1,305.5	-	(1.3)
Bonds	3,660.9	3,690.7	29.8	-
Debentures and Other Loans	964.3	976.5	12.2	-
Total Fixed Interest Bearing Securities	17,152.7	17,193.4	42.0	(1.3)
Shares Listed on the SET	5,313.4	26,299.5	20,986.1	-
Unlisted Shares	801.8	727.0	-	(74.8)
Investment in Associated	246.4	246.4	-	-
Unit of Closed-end Fund Listed on the SET	1,543.1	1,998.5	455.4	-
Unit of Closed-end Fund	50.0	53.7	3.7	-
Total Investment Portfolio	25,107.4	46,518.5	21,487.2	(76.1)

INVESTMENTS IN SECURITIES

Investments in Listed Securities as at December 31, 2019, consist of following:

Name of Company	Line of Business	Percentage of Holding (%)	Book Value		Market Value	
			Per Share (Baht)	Amount (Million Baht)	Per Share (Baht)	Amount (Million Baht)
Bangkok Bank	Banking	1.79	40.36	1,378	159.50	5,445
Bumrungrad Hospital	Health Care Services	14.65	9.61	1,025	146.50	15,640
Bangkok Life Assurance	Insurance	4.60	6.04	475	20.70	1,626
TQM Corporation	Insurance	3.25	23.00	224	65.75	641
Thai Reinsurance	Insurance	2.16	2.26	206	0.65	59
Charoong Thai Wire & Cable	Industrial Materials and Machinery	7.15	6.72	191	5.30	151
Thaire Life Assurance	Insurance	1.79	12.54	135	3.60	39
Furukawa Metal (Thailand)	Industrial Materials and Machinery	9.60	24.01	111	23.40	108
MK Restaurant Group	Food and Beverage	0.08	83.00	62	70.50	53
Intouch Holdings	Information & Communication Technology	0.02	70.13	48	57.25	39
Dhipaya Insurance	Insurance	0.32	23.34	45	24.10	46
The Siam Cement	Construction Materials	0.01	465.71	45	392.00	38
PTT Global Chemical	Petrochemicals and Chemicals	0.01	67.72	45	57.00	38
CH. Karnchang	Construction Services	0.09	28.29	43	18.90	29
Frasers Property (Thailand)	Property Development	0.29	7.26	42	15.10	88
BG Container Glass	Packaging	0.58	10.20	41	13.60	54
Bangkok Aviation Fuel Services	Energy and Utilities	1.16	5.30	39	29.75	221
Chumporn Palm Oil Industry	Food and Beverage	5.28	1.13	38	1.62	54
Central Plaza Hotel	Tourism and Leisure	0.07	39.70	38	24.90	24
Nonthavej Hospital	Health Care Services	3.19	7.24	37	48.75	249
Major Cineplex Group	Media and Publishing	0.26	15.21	36	25.00	59
TTW	Energy and Utilities	0.09	8.97	33	13.70	51
Samitivej	Health Care Services	0.12	280.26	32	448.00	52
Amata Corporation	Property Development	0.14	22.21	32	20.10	29
Asia Sermkij Leasing	Finance and Securities	0.99	9.17	32	25.50	89
Sino-Thai Engineering and Construction	Construction Services	0.08	25.69	32	14.20	18
PTT	Energy and Utilities	0.00	45.53	31	44.00	30
Allianz Ayudhya Capital	Insurance	0.24	33.47	31	39.00	36
Bangkok Expressway and Metro	Transportation and Logistics	0.05	4.04	29	10.90	78
Ratch Group	Energy and Utilities	0.04	45.58	29	68.75	43
Total 30 Listed Companies				4,585		25,127
Other 71 Listed Companies				713		1,164
Unit trust				1,593		2,052
Warrant				-		1
Total				6,891		28,344

SHAREHOLDING IN OTHER COMPANIES

Investment in Companies at 10% or more of Paid-up capital as at December 31, 2019

No.	Company / Address	Line of Business	Type of Shares	No. of Shares Held	% of Company's Paid-up Capital
1.	Asian Insurance International (Holding) Ltd. Clarendon House, 2 Church Street, Hamilton, HM 11, Bermuda	Insurance	Ordinary	23,936	41.70
2.	Bangkok Insurance (Lao) Co., Ltd. 321/1-2, Unit 18, Phonsavanh Neau Village, Sisattanak District, Vientiane Capital, Lao PDR	Insurance	Ordinary	380,000	38.00
3.	Asia Insurance (Cambodia) Plc. No. 5, Street 13, Sangkat Wat Phnom, Khan Daun Penh, Phnom Penh, Cambodia	Insurance	Ordinary	1,604,470	22.92
4.	Asia Insurance (Investments) Ltd. 16/F., Worldwide House, 19 Des Voeux Road Central, Hong Kong	Insurance	Ordinary	15,210,000	19.50
5.	PT. Asian International Investindo Ltd. Wisma Asia Lt. 12A, Jl. Letjen S. Parman Kav. 79, Slipi - Jakarta Barat., Indonesia	Insurance	Ordinary	6,080,000	19.00
6.	Sorachai Vivatn Co., Ltd. 23 Soi Sukhumvit 63 , Sukhumvit Road, North Klongtan, Wattana, Bangkok 10110	Property Development	Ordinary	405,000	15.00
7.	Bangkok Life Assurance (Cambodia) Plc. * 3 rd Floor, The Emerald, No. 64, Preah Norodom Blvd., Corner Street 178, Sangka Chey Chumneah, Khan Daun Penh, Phnom Penh, Cambodia	Life Assurance	Ordinary	28,140	15.00
8.	Union Sime Darby (Thailand) Limited 62 The Millennia Tower, 17 th Floor, Unit 1704-5, Langsuan Road, Lumpini, Pathumwan, Bangkok 10330	Insurance Broker	Ordinary	6,000	15.00
9.	Bumrungrad Hospital Public Company Limited 33 Sukhumvit Soi 3 (Nana Nua), Klongtoey Nua, Wattana Bangkok 10110	Health Care Services	Ordinary	106,760,417	14.62
10.	Bangkok Mitsubishi UFJ Lease Co., Ltd. 173/35, Asia Centre Tower 26 th Fl., South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120	Leasing	Ordinary	60,000	10.00
11.	Bangkok Chayoratr Co., Ltd. 25 Bangkok Insurance/Y.W.C.A. Building, 10 th Fl. Sathon Tai Road, Tungmahamek, Sathon, Bangkok 10120	Insurance Broker	Ordinary	10,000	10.00

Remark: * Leaving an investment in accordance with the resolution of BLAC's Shareholder meeting and within the process of returning license to the Ministry of Economy and Finance (MEF), Cambodia

REVENUE STRUCTURE

(Million Baht)

Premium Written	2019	Distribution %	2018	Distribution %	2017	Distribution %
Types of Insurance						
Fire	1,525.0	7.26	1,610.4	9.29	1,553.3	9.74
Marine	604.3	2.88	436.1	2.52	427.8	2.68
Motor	8,989.7	42.79	6,888.1	39.76	6,101.8	38.28
Miscellaneous	9,889.9	47.07	8,391.6	48.43	7,858.0	49.30
Total	21,008.9	100.00	17,326.2	100.00	15,940.9	100.00

Underwriting Income

Types of Insurance						
Fire	567.4	25.31	554.2	21.72	544.8	22.83
Marine	92.7	4.13	134.0	5.25	139.6	5.85
Motor	382.2	17.05	474.3	18.59	606.3	25.40
Miscellaneous	1,199.9	53.51	1,389.2	54.44	1,095.9	45.92
Total	2,242.2	100.00	2,551.7	100.00	2,386.6	100.00
Operating Expenses	1,078.3	48.09	1,080.8	42.35	986.6	41.34
Finance Costs	2.5	0.11	3.2	0.13	3.6	0.15
Net Profits from Underwriting	1,161.4	51.80	1,467.7	57.52	1,396.4	58.51

Net Investment Revenue

Interest	319.0	18.61	280.5	19.95	284.3	19.53
Dividends	907.5	52.95	863.6	61.42	855.1	58.75
Gain on Sales of Securities and Assets	239.1	13.95	107.4	7.64	138.2	9.49
Rental and Other Income	182.7	10.66	159.4	11.33	173.0	11.89
Share of profits from Investment in Associates Accounted for under the Equity Method	23.4	1.37	17.0	1.21	12.0	0.82
Gain (Loss) from Reversal Impairment of Investment	42.2	2.46	(21.8)	(1.55)	(7.0)	(0.48)
	1,713.9	100.00	1,406.1	100.00	1,455.6	100.00
Investment Expenses	89.3	5.21	88.5	6.29	89.7	6.16
Net Investment Revenue	1,624.6	94.79	1,317.6	93.71	1,365.9	93.84

SUMMARY OF QUARTERLY FINANCIAL RESULTS

(Baht'000)

Quarterly Results of Operations	2019				2018			
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
Premium Written	4,896,202	4,810,955	5,565,100	5,736,662	4,272,166	3,878,619	4,298,374	4,877,056
Underwriting Income	571,345	491,084	481,491	698,322	641,014	580,019	707,138	623,591
Operating Expenses	285,718	264,581	250,559	277,405	253,551	251,374	257,078	318,791
Finance Costs	703	668	614	568	876	824	796	770
Net Profits from Underwriting	284,924	225,835	230,318	420,349	386,587	327,821	449,264	304,030
Net Investment Revenue	370,380	402,027	469,703	143,320	369,001	344,251	370,322	126,634
Gain on Sales of Securities and Assets	1,882	96,568	(10,545)	151,196	2,189	66,262	21,707	17,266
Profits before Income Tax Expenses	657,186	724,430	689,476	714,865	757,777	738,334	841,293	447,930
Income Tax Expenses	75,180	48,238	78,041	133,217	98,623	95,358	102,307	82,238
Net Profits	582,006	676,192	611,435	581,648	659,154	642,976	738,986	365,692

Per Share

(Baht)

Basic Earnings Per Share	5.47	6.35	5.74	5.46	6.19	6.04	6.94	3.44
Ordinary Share (Shares)	106.47 Million	106.47 Million	106.47 Million	106.47 Million	106.47 Million	106.47 Million	106.47 Million	106.47 Million
Dividends	3.00	3.00	3.00	5.00	3.00	3.00	3.00	5.00
Market Price								
High	334	334	338	322	392	365	352	352
Low	323	323	319	293	353	348	346	327
Par Value	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00

FIVE YEARS REVIEW

(Baht'000)

For the Year	2019	2018	2017	2016	2015 (Restated)
Premium Written	21,008,919	17,326,215	15,940,907	16,031,324	15,867,370
Underwriting Income	2,242,242	2,551,762	2,386,593	2,553,177	2,477,660
Operating Expenses	1,078,263	1,080,794	986,582	1,012,932	961,248
Finance Costs	2,553	3,266	3,618	3,768	4,031
Net Profits from Underwriting	1,161,426	1,467,702	1,396,393	1,536,477	1,512,381
Net Investment Revenue	1,385,430	1,210,208	1,227,658	1,229,910	1,189,169
Gain on Sales of Securities and Assets	239,101	107,424	138,251	55,508	44,348
Profits before Income Tax Expenses	2,785,957	2,785,334	2,762,302	2,821,895	2,745,898
Income Tax Expenses	334,676	378,526	359,205	396,107	403,572
Net Profits	2,451,281	2,406,808	2,403,097	2,425,788	2,342,326

At Year - end

Unearned Premium Reserve	9,978,382	8,275,770	7,340,161	7,399,141	7,271,856
Shareholders' Equity	31,023,097	34,875,364	35,145,442	33,253,729	34,456,170

Per Share

(Baht)

Basic Earnings Per Share	23.02	22.61	22.57	22.78	22.00
Ordinary Share (Shares)	106.47 Million	106.47 Million	106.47 Million	106.47 Million	106.47 Million
Dividends	14.00	14.00	14.00	14.00	12.00
Book Value	291.38	327.56	330.10	312.33	323.62
Market Price					
High	338.00	392.00	368.00	366.00	375.00
Low	293.00	327.00	345.00	335.00	349.00
Market Price at Year - end	295.00	329.00	358.00	344.00	359.00
Par Value	10.00	10.00	10.00	10.00	10.00
Number of Employees	1,550	1,498	1,495	1,507	1,507



POLICY ON AND THE OVERALL BUSINESS TRANSACTION

Bangkok Insurance Public Company Limited has been engaged in all categories of the non-life insurance business, for instance, fire insurance, marine insurance, motor insurance, miscellaneous insurance, including taking reinsurance. The Company has carried out its business since 1947 and was subsequently listed on the Stock Exchange of Thailand (SET) in 1978, and was transformed into a public company in 1993. Currently, the Company has steadily carried out its business transactions to the 73rd year and possesses the paid-up capital of Baht 1,064.7 million, consisting of stocks of 106.47 million shares valued at Baht 10 per share.

Vision

The Company's vision is "Bangkok Insurance aims to be the preferred non-life insurer in Thailand". The Company will strive to progress with quality products and services that meet all customers' needs, fast and responsive to maximize our customers' satisfaction through capable and knowledgeable staff, keeping pace with innovations, and honor a tradition and culture of corporate integrity. The Company has attached to its business transactions with great responsibility to its shareholders, customers and business partners, employees and regulator, including society as a whole and the environment. The Company's long-term goal in five years is to raise the proportion of premiums from its personal lines business to 60 percent from now, which is 50 percent, apart from having a continuous growth of personal line business through work extension via different channels, including a digital channel, aimed at an access to target customers as much as possible. Furthermore, the Company has realized the alteration and challenge of the non-life insurance industry in the future and therefore has been prepared in response to, apart from having obvious long-term goals, the development of excellent services in both the underwriting and claims, aimed at generating customers' satisfaction in a digital world. In this connection, the Company has consistently introduced new technology, for instance, AI technology for claims service work, the utilization of robots to enhance the efficiency of the underwriting performance, including an access to the process of modification and development of the Company's core business system.

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

Shareholders, Customers and Business Partners

The Company is strongly determined to continuously developed its insurance products and customer service

patterns, focusing on an application of innovations to providing convenience and responding to customers' demand as much as possible, apart from developing the Company's branches, service centers and other service channels so that they are varied and cover all areas of the country, being in accordance with the current pattern of consumers' daily living. In this regard, the Company's service and management quality is recognized both inside and outside the country for its high standard, reflected in the Company being awarded 3 highly honorable awards at international level in 2019. These are the "Best Non-Life Insurance Company-Thailand 2019" and the "Best Customer Service Provider-Insurance-Thailand 2019" from the International Finance Awards 2019, organized by International Finance Magazine (IFM) and the "Domestic General Insurer of the Year-Thailand" from The Insurance Asia Awards 2019, organized by Insurance Asia Magazine. Besides, the Company has also been awarded, The Social Responsibility and Environmental Awareness Awards from Thailand's Smart Awards 2019.

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

Due to the fact that cyber attacks have become a significant risk and have caused damage to numerous businesses, particularly the industry having a considerable amount of customers' personal data, such as an insurance company, the Company gives priority to protecting its customers' personal data through an arrangement of the Information Security Management system of international standards, enhancing security for the Company's data and information. The Company was certified with its Information

Security Management system from various organizations, for instance, the quality standards ISO/IEC 27001:2005 from AJA Registras Company in 2014, and ISO/IEC 27001:2013 from SGS Company (Thailand) in 2016. Most recently, the Company was also certified with the Payment Card Data Industry Data Security Standard (PCIDSS), in compliance with VISA requirements, in 2019.

Furthermore, the Company has also possessed measures in compiling customers' personal data, as well its utilization and strict storage in accordance with the personal data protection act, B.E. 2562 to ensure the customers that their personal data the Company has derived is that generally approved by them and will be used within the scope allowed by them only, apart from being kept confidential and not revealed to anyone.

Employees

The Company is determined to select quality staff, beginning with the creation of the Company's outstanding image known to students in leading institutions of higher education through such activities as presenting scholarships, supplies and budgets in support of students' activities, opening an opportunity for a visit to or study tour of the Company's affairs and providing lectures on insurance knowledge at educational institutions, etc., all aimed at attracting those with high capability and potential to work for the Company after graduation. And once they become the Company's employees, they will be provided with training and development for a steady rise in their knowledge and competency in order to create and develop staff's potential for their comprehensive knowledge of business and products, and determination for excellence in service provision, for instance, lending support on scholarships for a master's degree to staff studying in the field in which the Company requires, offering a wide variety of training courses by both the Company's training section and training with external institutions both inside and outside the country, including offering training courses via e-learning, aimed at staff's selection for self-study based on their interest in order for the flexibility and being in line with staff's current lifestyle.

The Company has focused on encouraging its staff to have character, personality and behavior in conformity with its vision, called BKI Spirit, comprising the characteristic "Cool" as to be smart and trendy, intellectual, creative, the characteristic "Agile" as to be proactive, adaptable, flexible and the characteristic "Friendly" as to be care and fair, simple, trustworthy, apart from urging the Company's staff to have righteousness and ethics, besides having knowledge and professionalism, in line with the Company's vision emphasizing its being a corporate integrity.

Furthermore, the Company has also encouraged its employees' participation in expressing their opinions for the organization development through myriad projects and

activities, besides providing for a talk transferring knowledge, skills and experiences from employees having capabilities in various fields to others, both at the Company's headquarters and branches, via the equipment connecting live-broadcast signals to its branches across the country.

To maintain quality staff, particularly a new generation of staff with few-year working period and always having motivation in seeking an opportunity for a better job, the Company also has an individual development plan appropriate for its employees' potential and position, and an obvious promotion regulation, aimed at employees' realization of an opportunity for career advancement in the organization, besides focusing on the development of the Company's staff's performance evaluation system which is fair, transparent and in conformity with the annual goals of the organization. Similarly, the Company has improved its rules, regulations and orders in the workplace, such as dressing, working-time recording, or use of the leave-taking right so that they are more flexible and relaxing, in accordance with a new generation's values.

Regulators

The Company has practices in complete conformity with rules, regulations and orders which the Office of Insurance Commission (OIC) has defined, over both the Company's financial standing and maintenance of fund higher than that defined in the criteria, including its financial statements and accounting system which is straightforward and transparent. Moreover, the Company has given cooperation in its practices in compliance with the laws, rules and regulations relating to the anti-money laundering, prevention of terrorism and safeguarding customers' information security, apart from seriously attaching to an anti-corruption policy from which the Company has become a CAC Council member since 2015.

Society and the Environment

The Company has had a policy of supporting and assisting society and communities throughout, whether education, public health, relief of public disasters, making a living, the environment, or preservation of religion, arts and culture, all of which have been carried out by the Company itself through the Bangkok Insurance Foundation, or in collaboration with its allies such as Bumrungrad International Hospital and Bangkok Life Assurance, including other business partners. In 2019, the Company still donated medical equipment to hospitals, as continued from the previous year, for instance, medical equipment for infant patients to Nakornping Hospital in Chiang Mai, medical equipment for disable person rehabilitation to the Sirindhorn National Medical Rehabilitation Institute, and microscopes for eye operations to Umphang Hospital in Tak.

Furthermore, the Company has also given top priority to education development for the country's youth by rehabilitating school buildings and toilets, including providing water filters, extinguishers and first-aid kits to schools. Likewise, the Company also presents a budget for the rehabilitation of school libraries suffering from flooding in the Northeast, apart from supporting a budget for the construction of Prom Thin Tai Museum in Lopburi to be used as a learning center for prehistoric ways of living.

As a consequence of a big flood in a number of provinces in the Northeast, the Company has made a contribution via distributing subsistence bags to flood victims in the area, including expediting the consideration of claims payment made to the insured in case their assets have been damaged by the flood.

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

In 2019, the Company had targeted its total written premium of Baht 20,000 million, a growth of 15.0 percent, which was a very challenging target compared to the overall growth rate of the non-life insurance industry anticipated to attain only 5.0 percent growth. The significant performance strategies include a very rapid extension of the motor insurance work, with a supporting factor coming from diminishing price competition, resulting in a gradual reduction in a price disadvantage the Company has been confronted over the past few years, while the Company's brand is acceptable by both its customers and business partners as stable and having high quality of claims services. The type of policy aimed at a market expansion is, for instance, voluntary motor policy 2+, of which the package has been better improved so that its price and coverage are increasingly motivating. Similarly, the Company also extends its scope of service in the provincial areas by establishing another 3 new branches in Samut Sakhon, Suphan Buri and Lampang.

For its non-motor insurance, the Company has still focused on an extension of mega projects, public sector insurance and a niche market, for example, engineering insurance, directors and officers (D & O) liability insurance, which have a specific group of customer base and still have

few competitors since it requires specific knowledge and skill. Concerning its personal lines business, the Company has developed new products with coverage outstanding and different from its competitors, apart from having reasonable prices, such as insurance against 3 Vexing Disease and insurance of Mosquito-related Disease.

Nevertheless, the Company has realized the risk of targeting its challenging premium growth in that this may result in rising loss ratio of its underwriting. As a consequence, the Company has defined measures of cautious underwriting consideration and has had a stricter risk control, for instance, making a stringent risk survey prior to underwriting consideration, and making a steady analysis of the underwriting ports or insurance product packages, both aimed at finding an immediate solution for a segment of which underwriting consequences have a poor tendency.

Significant Change and Development

- A Change of Authority in Controlling the Company

Over the past year, the Company has a change of its authority in controlling the Company as the following:

1. Mr. Panus Thiravanitkul, Director and Chief Executive Officer, was due to retire, which became effective on January 1, 2019. Mr. Panus Thiravanitkul is still holding the positions of Board Director and Director of the Corporate Governance Committee.

2. Dr. Apisit Anantanarat, President, was appointed as a Board Director and Chief Executive Officer, which became effective from January 1, 2019. Dr. Apisit Anantanarat is still simultaneously holding the position of President.

Type of Business over the Previous Year

The Thai economy in 2019 experienced a GDP growth rate of only 2.5 percent, a significant decline, compared to the previous year, which experienced 4.1 percent growth (source: the National Economic and Social Development Board) and was the lowest growth rate since 2014, which was 0.8 percent growth, due to such significant negative factors as a negative growth of the exports amount, a major driving force of the Thai economy, incurred by a significant drop of a growth rate of the global economy and the economies of Thailand's significant trading partners such as the United States, China and the European Union caused by the protracted US-China trade war and the uncertainty of Brexit. In addition, a high appreciation of Baht currency, compared to the year before, has tremendously affected Thailand's competitiveness on its exports with other countries, and a decrease in the total spending of foreign tourists, while the government sector's spending in investment in communications infrastructure has been delayed beyond its established plan due to a delay in the formation of a new government, causing the annual budget act of 2020,

normally effective from October 1, 2019, to be postponed to early 2020. Furthermore, the purchasing power of people in the country has been impacted by a continuous decline in the price of many agricultural products, a high level of the household sector's debts and a decrease in employment stemming from an economic slowdown, particularly in the SME lacking potential for competition in a current era of a digital economy or an online market.

For the non-life insurance industry, it has a declining growth rate from the previous year, which goes in the same direction as the growing Thai economy and achieved the direct premium written growth rate of 4.7 percent between January and September 2019, compared to 6.0 percent during the same period in 2018 (source: OIC)

When classified by the insurance class, the motor premium could achieve a growth rate of 5.4 percent, compared to 6.7 percent during the same period in 2018, due to a -3.3 percent decline in the total sales of new cars, compared to 19.5 percent growth in the year before, (source: Toyota Motor Corporation), significantly affecting motor insurance, which had the highest proportion of premium in the non-life insurance industry, though there was a positive factor from a reduction in premium rate competition.

Similarly, marine insurance dropped by 1.3 percent, compared to 4.4 percent growth during the same period in the previous year, in line with similar negative growth of the amount of exports and imports, though it derived a positive factor from the growth of an online business or e-Commerce, resulting in a tremendous expansion of the country's logistics business.

The total house sales went down owing to financial institutions' strictness in providing credits and Central Bank's measures on housing credit provision control due to a high level of households' debts, causing fire insurance to diminish by 1.3 percent, compared to the same period in 2018, which experienced 5.8 percent growth.

In respect of miscellaneous insurance, it was still able to grow, though a decreasing growth rate, which was 4.7 percent, compared to 5.2 percent in the same period in the year before since it received a positive factor from an adjustment of a higher property reinsurance premium in the global market to compensate for an enormous amount of claims stemming from a number of immense hurricanes on the America in 2017, including certain types of higher-risk insurance, for instance, aircraft insurance. Moreover, health insurance and personal accident insurance, regarded as part of miscellaneous insurance, still attained a sound growth rate of 14.1 percent and 4.4 percent, respectively, in line with a rising proportion of the elderly and single people in Thailand, coupled with insurance companies' ability to achieve more comprehensive access to their target group

with a potential via a customer base of those doing an online business or through various mobile applications. Nevertheless, the country's economic slowdown had caused the private sector's investment to experience decreasing growth, including a large number of the government sector's infrastructure communication projects being unable to open a bidding and start construction within 2019, as targeted.

In 2019, the Company was able to achieve an operating result higher than targeted, with the total written premium rising by 21.3 percent to Baht 21,008.9 million. In 2019, the Company's net underwriting profit was Baht 1,161.4 million. When combined with the net investment income and other income of Baht 1,624.5 million, the Company's earnings before tax were Baht 2,785.9 million, while its net income was Baht 2,451.3 million, an increase of 1.8 percent, or earnings per share of Baht 23.02. The Company's Board of Directors has approved, on February 28, 2020, a final dividend payment of Baht 5 per share. In 2019, the total dividend payment was Baht 14 per share.

With its robust financial standing, the Company's Capital Adequacy Ratio (CAR), as at the end of September 2019, was 289.7 percent (standard criteria: not less than 140 percent). Moreover, two of the world's leading rating institutions, namely, the Standard and Poor's Institution (S&P) and the rating institution A.M. Best Company, have ranked the Company's financial strength rating as robust as that of the previous year, which is A-/Stable and A- (Excellent), respectively, reflecting the Company's ability to generate sound operating results and constantly maintain robust financial status.

The Corporation's Shareholdings Structure

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

1. Asia Insurance (Cambodia) Plc., with the investment capital ratio of 22.92 percent. The Company has appointed its Board's directors and executives to be directors of the company to take part in defining the latter's policy as well as provide it with support and advice on underwriting, claims, technological systems and financial accounting.

2. Asia Insurance International (Holding) Limited, with the investment capital ratio of 41.7 percent. The company has invested in insurance companies in the region, such as Asia Insurance (Philippines) Corporation and Cambodian Reinsurance Company. Some of the Company's Board directors are directors of the company.

3. Bangkok Insurance (Lao) Company Limited, with the investment capital ratio of 38.0 percent. The Company has appointed its directors and executives to be directors of the company to take part in defining the latter's policy as well as provide it with support and advice on underwriting, claims, technological systems and financial accounting.

TYPE OF BUSINESS TRANSACTIONS

Marketing and Competition

Major Policy on Marketing of Products and Services

1. Overall Competition in the Non-life Insurance Industry

In 2019, the non-life insurance industry had been affected by a number of negative factors, for instance: a negative growth of exports due to a slowdown in the global economy and the economies of the country's major trading partners; an appreciation of the Baht currency; total sales of new cars, which experienced a decline for the first time after an expansion for two consecutive years, with a growth rate of -3.3 percent; and the Bank of Thailand's determination on the loan to value ratio, resulting in shrinking total sales of residences. Also, the government sector's communication infrastructure projects, totaling 9 projects with a combined budget of Baht 383 billion, for which the Ministry of Transport had targeted bidding to be completed in 2019, was implemented for only one project, resulting in an inability to be a source of non-life insurance premium as expected.

Nevertheless, non-life insurance companies were still able to expand their insurance premium from segments with sound growth potential as the following:

- Business owners distributing their goods and services online, including related businesses, for instance, logistics business, cooperate to become an ally to distribute insurance to those allies' customer base via an online channel or mobile application. Furthermore, a special privilege of policies with short-term coverage has been provided free of charge during festivities, aimed at obtaining customers' personal data to be subsequently used for an analysis and offering of policies appropriate for each target group.

- The agricultural produce market still experiences sound growth due to the fact that agriculturists begin to have greater knowledge and understanding of the benefits of having insurance stemming from the government's crops insurance project. Numerous companies have extended their insurance work to crops for which the government sector has no insurance project, like longan.

- Health insurance and personal accident insurance have a high growth rate in line with an expansion of the number of elderly and middle-income people in the country, coupled with consumers' realization of a burden on increasing average medical treatment expenses each year, including new health risks such as a problem of air pollution in Bangkok and Chiang Mai, spreading of influenza and hand-foot-and-mouth disease with a steadily rising number of patients, especially children.

- Travel insurance has grown significantly in response to an increase in the number of Thai people's foreign trips

in accordance with an expansion of low-cost airlines. Likewise, it is also the insurance type that does not have a high premium rate, compared to coverage received, making it easy for customers to decide to purchase it.

In addition, other competition strategies popular among insurance companies in 2019 included the following.

- Creating an image of being an expert in some segments, particularly an issuance of insurance products and additional services after sales, including advertising and public relations activities, outstanding and different from other companies, for those segment target groups, such as women, tourists traveling to Japan, large-truck owners, etc.

- Storage of personal data and data of customers' lifestyle in the form of big data, and an analysis of data to be used to design policies for customer groups having qualifications or lifestyles with low risk, for instance, motor insurance for those having a spouse and children, pick-up truck insurance for entrepreneurs driving by themselves, and so on.

- Development of mobile applications to provide such services as claims and premium payments, apart from helping generate customer relations, for instance, health care through an application monitoring the level of the insured's exercise each day, including other risks in the insured's daily living, such as driving behavior, which will lead to presentation of data and various additional services in health care and safety specific to each individual, also resulting in a lower premium rate for the low-risk insured.

For Bangkok Insurance Public Company Limited's guideline for operating performance in 2019, based on the target on a total premium growth of Baht 20,000 million, a very high growth rate, compared to the previous year, the Company had to have an intensive strategy on its work extension in order to achieve the established goal as the following.

- Focusing on an extension of motor insurance work through setting a target on raising the motor premium proportion by 43.0 percent, compared to 41.0 percent in the year before, since a motor insurance market starts to have lower-price competition, resulting in a gradual termination of a price disadvantage which the Company has been confronted with over the past few years, while the Company's brand is acceptable in the eyes of both customers and business partners in that it possesses high security and quality of claims service provision. The types of policies the Company has focused on its work extension include truck insurance and 2 Plus voluntary motor insurance, of which the package has been additionally improved so as to have more motivating price and coverage.

- An extension of 3 provincial branches in Samut Sakhon, Suphan Buri and Lampang, aimed at raising customer service areas and being able to extend insurance work in these areas more efficiently.

- Giving importance to creating a more solid engagement with current customers and business partners to increase a policy renewal rate and an opportunity to acquire new insurance work. For its corporate customers and business partners, the Company has encouraged and inculcated its staff to use a technological system retaining relations with customers (CRM) which the Company has developed for some time with full efficiency, for instance, an arrangement for a plan to visit customers and business partners, a follow-up of policy renewal work, an arrangement for a sales campaign, etc. For its personal lines business, the Company has sought a guideline for generating an engagement via a mobile application, named Journeys by BKL, which will learn and make an assessment of each person's risk based on his/her daily routine and driving behavior in order to give advice and data and information helping to reduce risk behavior specific to each individual, including presenting an award and special privilege to be used as a discount for goods and services, cooperating to become an ally with the Company, apart from a special privilege for a premium discount as well.

In response to an increasing work load in line with a growth rate of policies and written premiums, and to enhance the efficiency of customer service provision in different respects, the Company has introduced modern technology to its work process, for example, use of an AI Motor Claims Contact Center system as an ingenious assistant for answering customers' calls. The system is able to talk to customers through a voice like a real one, inquire about customers' demand, and instantly submit the matter or transfer the line to related officers which efficiently helps to diminish customers' time to wait for the line during rush hours. Besides, the Company has also developed its Robotic Process Automation using an automatic system to replace human workforce in work of a repetitive character and in a large amount.

Though it has set a target for total written premiums at a high level, the Company still realizes the significance of quality underwriting, aimed at a growth of an underwriting return in compliance with an increased premium amount through a cautious underwriting consideration and stringent risk control as follows:

- Development of a data system and Business Intelligence so that staff can conveniently access statistics and data on underwriting consequences of each policy type and can break down data to the level of each business partner or customer, aimed at underwriting officers having complete data for a consideration of new underwriting or policy renewal and being able to offer a premium rate

appropriate for the risk level.

- Analyzing the portfolio of work, or products/packages of which underwriting consequences starts to have a poor trend so that characters or factors having relation with the risk level will be considered and an adjustment of a higher premium for a specific segment or customer group with a high risk can be specifically made, instead of an adjustment of a higher premium or a cancellation of underwriting for the entire work portfolio which will affect competition.

- Giving priority to a risk survey on properties to be insured prior to strict underwriting consideration, including giving advice to customers relating to a prevention of risk which may occur. In this connection, the Company has greatly raised the workforce of its risk engineers in response to this policy.

2. Type of Customers

Personal customers are general individual customers, to whom the Company has offered its insurance products for coverage of personal properties, for instance, insurance for residences, motor insurance, and personal aircraft and drone insurance. Furthermore, there are also insurance products for coverage of risk of one's life and health consisting of personal accident and health insurance, and insurance products for coverage of professional liability for medical doctors, engineers, etc.

Corporate customers comprise businesses ranging from small, medium to large, including government agencies. The Company has provided a wide variety of risk coverage services, such as fire insurance, motor insurance, marine insurance, including insurance for damage to a computer system or organization data from a cyber attack. In addition, there is also industrial all risks insurance for industrial factories, public liability insurance for office buildings, condominiums, department stores and service enterprises, a contractor of all risks insurance for customers doing construction and installment businesses, including aviation insurance.

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

Percentage of Total Sales of First 10 Major Customers

	2019 (%)	2018 (%)	2017 (%)
Ratio of First 10 Major Customers	9.2	7.8	8.0

3. Target Customer Group

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

4. Distribution Channel

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

4.1 Agents

The Company had, at 2019 year-end, agents totaling 2,235 people scattered in all regions of the country. The Company has a policy on selecting quality agents rather than increase their number as many as possible and has strictly defined the qualifications of the Company's prospective agents, and has motivated agents to work for it through a policy on developing agents' knowledge and capabilities for their professionalism, apart from providing for technologies in support of their convenient and rapid performance, as well as swift and fair claims management, rather than motivate them through higher remuneration than that of other companies.

The Company also gives priority to retaining firm relationship with its agents. In this connection, the Company's management will make visits and closely listen to its agents' problems and opinions, allowing their problems to be considered and solved promptly, generating ties between agents and the Company, resulting in the latter's ability to maintain an existing amount of its insurance work and motivate agents to consider raising the proportion of their submission of insurance work to the Company.

4.2 Brokers

The Company had, at 2019 year-end, a total of 335 juristic persons, both as ones in the country and ones of multinational companies having a customer base of large business with great complexity of properties and conditions of insurance, for instance, petrochemical factories, airplane companies, and liability for various matters. Besides, the Company also had juristic persons emphasizing, in particular, a policy distribution via an online channel, with an increasing number becoming the Company's allies. In this connection, brokers will provide an all-inclusive service to customers, ranging from an introduction of the type of insurance, being

a representative of the insured in a request for claims, to a premium collection on behalf of the Company, which has a guideline for supporting its performance and activities retaining a close relationship with brokers, like those for agents.

4.3 Financial Institutions

The Company has sold insurance policies to personal lines business and Bangkok Bank's credit customers, including car dealers and leasing companies. The distribution of insurance policies in cooperation with Bangkok Bank has steadily attained a growth rate and is a significant channel the Company uses to extend its regional personal lines business base, including an expansion of the business sector customer base as well. The distribution of policies to the bank's customers has both the form of the Company's staff themselves offering a sale, and a sale offered by Bangkok Bank's staff, which has been offered to customers principally using services through the bank's counter. The Company has developed its policies to be appropriate to target groups, having the coverage and premium rate which are not complicated but easy for bank officers to sell, besides providing training in insurance knowledge to bank officers so that they are able to accurately present policies to customers.

4.4 Direct Customers

These are customers who directly contact the Company to buy insurance and the Company directly provides services to and takes care of them. The Company has developed various distribution channels so as to gain access to as many direct target groups as possible, for example, BKI Care Stations in leading department stores across the country, a continuous extension of provincial branches to numerous provinces in all regions of the country, including development of policy distribution via an online channel, such as the Company's website and a mobile application.

For its large-scale customers who are organizations and institutions, the Company has had a Commercial Lines Business Unit for an extension of the market and provision of services to this customer group in particular, apart from an application of technology for customer relation maintenance (CRM) in support of the Company's employees in formulating a plan on a visit and an activity retaining sound relations with its customers.

Distribution Channels Classified by Written Premium Ratio

	Amount	Direct Premium Written Ratio (%)
Agents	2,235	21.1
Brokers	335	35.2
Financial Institutions	35	23.0
Direct Customers	-	20.7

Competition in 2019

1. Nature of Competition in the Industry

In 2019, the non-life insurance industry had a total of 57 companies (source: OIC and excluding Thai Reinsurance

Public Company Limited), most of which were medium and small. The insurance companies, with the first 10 highest-ranking premiums, had direct premium written ratio of 61.7 percent of the non-life insurance industry's total premium.

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

	2019 (Jan - Sep)	2018	2017
Bangkok Insurance Public Company Limited			
Premium written (Million Baht)	14,769	16,729	15,367
Growth Rate (%)	23.0	8.9	-0.7
Non-Life Insurance Market			
Premium written (Million Baht)	177,498	231,990	219,582
Growth Rate (%)	4.7	5.7	3.7

Source: OIC.

The Company's Market Share over the Past 3 Years

Types of Insurance	2019 (Jan - Sep)		2018		2017	
	Rank	Market Share	Rank	Market Share	Rank	Market Share
Fire	3	13.6	2	14.3	2	13.8
Marine	2	11.0	5	7.4	4	7.5
Motor	3	6.2	5	5.0	7	4.8
Miscellaneous	2	11.2	2	10.0	2	9.7
Total	2	8.4	3	7.2	3	7.0

Source: Insurance Premium Rating Bureau, data as at January - November 2019 and 2018; OIC, data as at 2017

2. Status of and Potential for Competition

Bangkok Insurance Public Company Limited has been able to retain its being an insurance company having the third highest direct premium written over the past several years though it has concentrated on a policy of cautious business transaction, not engaging in price competition more than necessary. The Company is still able to continuously maintain its status of being a leading insurance company over a long period of time since the Company has outstanding qualifications as the following:

1. Financial Stability

The Standard & Poor's Institution (S&P) and A.M. Best Company have ranked the Company's financial strength rating with the scores of A-/Stable and A- (Excellent), respectively. Additionally, the Company's debt to equity ratio is only 0.8 times (Quarter 3/2019), reflecting its stability and trustworthiness in an ability to carry out business transactions in the long term, being able to quickly and completely pay claims to customers, as well as any expenses to business partners.

2. Having Robust Business Allies

The Company is a business ally of Bangkok Bank Public Company Limited, which is a bank having over 1,100 branches nationwide, the country's largest branch number (Bank of Thailand), and a customer base of over 17 million accounts, which are regarded as tremendously significant channels for an insurance business expansion, both for a premium for the insurance of large-scale assets from customers who are companies and industrial plants, and for a premium from personal lines business via Bangkok Bank. Furthermore, Bangkok Bank also has 17 branches in 8 countries in ASEAN which helps generate an opportunity for the Company's business extension to those countries, many of which have a high economic growth rate and rapidly expanding non-life insurance business.

3. Robustness of Bangkok Insurance Brand

Based on its financial strength, making a quick and fair claims payment to customers and business partners, such as garages and hospitals, besides being a close ally of Bangkok Bank Public Company Limited, which is one of the largest banks in the country, the Company has had a sound and apparent image in terms of stability, reliability and trustworthiness throughout from customers and business partners coming into contact with its services, creating a high level of their brand engagement and word-of-mouth recommendation, reflected from a policy renewal rate of a high level.

In addition, the Company has endeavored more to create an image and recognition of Bangkok Insurance brand among target groups who are adolescents and of early working ages, since these groups of people will

become target groups of potential for the distribution of insurance products in the future, through carrying out a wide variety of marketing communication activities, including augmenting new communication channels in compliance with these consumer groups' media-receiving behavior, for instance, communication via social media, or an advertisement in online media. At the current time when negative information can be easily and swiftly disseminated through various social media, the Company has closely followed up data and opinions relating to the Company in myriad social media. When negative data concerning the Company has been found to start being disseminated in social media, it will hurry to find the cause of that negative opinion in order to quickly correct it and explain to the public.

4. Employees of High Competency

The Company regards its employees as its most valuable resource and thus gives importance to the consistent development of employees' knowledge and skills, as well as retains competent employees with the organization. The Company has a low turnover rate, compared to the industry's average, contributing to the Company's majority of employees' long working experience and ability to constantly transfer knowledge and experience from generation to generation, resulting in efficient customer services.

Based on the swiftly changing competitive circumstances at the current time, the Company's employees have been constantly instilled to be aware of the significance of keeping pace with changing circumstances, particularly technological change which occurs rapidly and continuously, significantly influencing consumers' behavior and competitors' competitive strategy.

5. Advanced Information Technology System

The Company has constantly given importance to investing in its information technology throughout, covering giving priority to storage of data of customers, business partners and the Company's operating activities in the form of a big data. This is tremendously useful for the analysis of those data to get information to support the Company's executives' decision-making which is accurate, swift and timely and generates its competitiveness.

Since, currently, digital technology plays a very significant role in developing competitiveness among insurance companies and changing consumers' behavior, the Company, in 2019, has specifically established a new work unit on digital technology, taking charge of the analysis and procurement of digital technology most appropriate to customers' demand, including inventing new technological innovations that allow the Company to provide more outstanding services, compared to its competitors in

the industry, to customers and business partners, besides reducing the Company's operating costs.

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

6. Variety of Distribution Channels and Customer

Based on its long experiences in the non-life insurance industry, robust level of fund and staff of profound knowledge and competency, the Company has been able to sell a wide variety of its insurance products in response to the demand of myriad customer groups, which is beneficial to the Company, which can extend its work to both the mass market and niche market which requires specific knowledge and expertise, and a strong reinsurance network.

The Company's direct premium written has come from various distribution channels, not focusing on a particular channel, which will have a tremendous impact if an obstacle arises to that channel, the same as a constantly increasing premium ratio from personal lines business, aimed at reducing risk incurred by dependence on large-scale commercial lines business which will significantly affect the Company if it is to lose either one of them. At present, the Company gives importance to an extension of its personal lines business market via an online channel, in compliance with customers' current behavior. The extension has been made through both an online channel developed by the Company itself and being an ally with its business partners expert in distribution via an online channel.

Similarly, the Company has had a steadily increasing ratio of its provincial premium over the past several years owing to an extension of provincial customer bases via opening new branches and seriously extending work through Bangkok Bank,

7. Retention of Being an Organization of Sound Morality

The Company has a robust organization culture based on the "Your Caring Partner" concept, which focuses on customer centricity and takes into account customers' maximum benefit as the most important, with which all levels of employees have been steadily instilled and attached to as a guideline for their performance. Similarly, the Company has defined its policy on fair treatment of its customers for employees to use as their performance guideline to ensure

customers that the Company will attach to fair services, leading to customers' greatest benefit. This policy ranges from determination of premiums and policy conditions principally taking into account customers' benefit, offering a sale which does not disturb customers' privacy and has to present significant data accurately and completely, provision of measures protecting customers' personal data, to a complete and strict payment of claims in conformity with an insurance contract, apart from defining a procedure for receiving and managing customers' complaints.

In addition, activities helping society in various aspects, which the Company has carried out constantly over a long period of time through the Bangkok Insurance Foundation, are also the Company's indicator of its being an organization of sound morality, having responsibilities and attention to communities and societies where it has conducted business transactions. In 2019, the Company gave first priority to education development, both the development of places and the presentation of equipment and supplies to needy schools, as well as the establishment of a museum for community people's learning.

Important Factors Affecting Opportunities or Limitations of Business Transactions in 2019

1. An approval of construction and tender of communications infrastructure construction projects has been delayed later than the defined plan, coupled with a delay in the enforcement of the annual budget act of 2020, normally effective in October 2019, has to be postponed to early 2020, resulting in the premium from underwriting of the government sector's projects being less than anticipated.

2. The purchasing power of personnel in the agricultural sector and related businesses is still low due to a constant drop in the price of numerous significant agricultural produce, coupled with drought during a growing season and widespread flooding in many provinces in the northeast, resulting in damage to a large amount of agricultural land, and a huge amount of claims for crop insurance the non-life insurance industry has to pay to agriculturists having insurance.

3. The diminishing number of bank branches due to an alteration in consumers' behavior from conducting business transactions via banks' counter to conducting it more via a smart phone or mobile banking, directly impacting the Company's distribution of its policies over the counter Bancassurance. Nonetheless, the insurance business has had an opportunity to access consumers via mobile banking, the distribution of policies both to those having bank accounts and to customers requesting personal lines credits or personal credits through a bank's mobile application.

4. The overall premium price competition in the non-life insurance industry has diminished, particularly motor insurance, as a consequence of a high rise in claims rates due to grave price competition over the past few years. As for property insurance, there has been a steady adjustment of higher reinsurance premium rates in the global reinsurance market from the previous year to compensate for a loss from an enormous amount of claims incurred by natural disasters in 2017, coupled with a tighter capacity of underwriting in the global market stemming from a reduction in the alternative capital investing in the reinsurance market.

5. The Bank of Thailand's measure for controlling housing credits through the loan to value ratio has stipulated that those buying a residence of over Baht 10.0 million or a second residence have to make a down payment of between 10 and 30 percent, affecting total sales of real estate and housing credit amounts.

6. The Bank of Thailand's adjustment of lower policy interest rates for 2 times, totaling 0.5 percent, causing the country's policy interest rate to be at the lowest level since 2008, impacting the Company's generation of its return on investment.

7. An appreciation in US dollars of 8.3 percent, over 2018 (NESDB), has affected the type of insurance receiving its premium in the dollar currency, for instance, large property insurance and marine insurance, for which an exchange

rate results in a reception of decreased premiums in the baht currency.

8. The regulator's measure for raising the insured's benefits, such as a clear determination of a daily benefit loss rate based on car use, an adjustment of higher middle prices of medical fees covering 16 items which insurance companies have to pay to a hospital for victims of a car accident, resulting in a rise in motor insurance claims rates.

Ability to Maintain Ratios Based on Business Type

In 2019, the Company had a total written premium of Baht 21,008.9 million, with premium growth in nearly all classes of insurance except fire insurance, which experienced a negative growth. The miscellaneous premium had a ratio of 47.1 percent of the total written premium, a rise of 17.9 percent over the previous year, due to the growth of premium from Commercial Lines Business Unit, Broker Business Unit and work extension via Financial Institution Business Unit. The motor premium had a ratio of 42.8 percent of the total written premium, a 30.5 percent growth rate, compared to the year before, owing to an extension of work in all channels, particularly from Personal Lines Business Unit and Broker Business Unit. Meanwhile, a total written premium for other classes of insurance, except miscellaneous insurance and motor insurance, accounted for 10.1 percent, a slight fall compared to the year before.

Written Premium Classified by Types of Insurance

(Million Baht)

Type	2019	Distribution %	2018	Distribution %	2017	Distribution %
Fire	1,525.0	7.2	1,610.4	9.3	1,553.3	9.7
Hull	44.3	0.2	38.7	0.2	41.7	0.3
Cargo	560.0	2.7	397.4	2.3	386.1	2.4
Motor	8,989.7	42.8	6,888.1	39.8	6,101.8	38.3
Miscellaneous	9,889.9	47.1	8,391.6	48.4	7,858.0	49.3
Total	21,008.9	100.0	17,326.2	100.0	15,940.9	100.0

Concerning the Company's loss ratio in 2019, it was 54.1 percent, higher than that in 2018, which was 49.4 percent. The loss ratio rose in all classes of underwriting, except fire insurance. An increase in the loss ratio was a consequence of growing claims of 27.6 percent, compared

to the previous year, while the net written premium and earned premium rose by 21.0 percent and 16.7 percent, respectively, over the year before.

Loss Ratio on Underwriting

(Million Baht)

Type	2019			2018			2017		
	Earned Premium	Claims	Loss Ratio (%)	Earned Premium	Claims	Loss Ratio (%)	Earned Premium	Claims	Loss Ratio (%)
Fire	1,058.1	136.0	12.9	1,089.1	162.4	14.9	1,093.2	161.5	14.8
Hull	6.0	1.9	31.7	4.9	(6.6)	(134.7)	4.9	3.6	73.4
Cargo	237.6	93.2	39.2	202.1	56.6	28.0	195.4	27.0	13.8
Motor	7,713.5	5,057.2	65.6	6,177.5	3,918.1	63.4	6,183.6	3,975.3	64.3
Miscellaneous	4,168.4	1,840.5	44.2	3,826.7	1,454.6	38.0	3,564.2	1,530.5	42.9
Total	13,183.6	7,128.8	54.1	11,300.3	5,585.1	49.4	11,041.3	5,697.9	51.6

RISK FACTORS

Since the Company has fully realized the significance of risk management, which will enable its business to push sustainably forward and prosper in the long run, its Board of Directors has appointed the Risk Management Committee to take charge of risk management and make a close scrutiny of the risks so that they remain at an acceptable level. In addition, the Company has supported its Board of Directors' performance based on the principle of good corporate governance, having a sound risk management framework. Besides, there is constant development and improvement of the efficiency of the Company's risk management system so that it parallels international standards. Nevertheless, the Company still encounters risks which may have a direct impact on its operating performance and financial standing as the following:

1. Insurance Industry Risk

1.1 Insurance Risk

Insurance risk is a risk incurred by the design and development of insurance products or when the Company does not define its premium rates in accordance with the damage occurred, as well as the consideration of underwriting of high risks and inadequate or inefficient reinsurance, resulting in the damage caused being far greater than expected, including insufficient legal reserve management and inefficient claims management.

The Company has appointed the Underwriting/ Products and Claims Committee to manage risk as the following:

As for underwriting, the Company has annually reviewed its underwriting policy and reinsurance management framework, possessed an operating plan which can be adjusted in compliance with the insurance market situation both inside and outside the country, analyzed the level of risk retention appropriate for acceptable risks, including reviewing the insurance premium rate and underwriting criteria appropriate for the competition condition in the market, and arranging for a systematic reinsurance to enhance the potential of underwriting and properly disperse risks.

As to claims management, the Company has annually reviewed the policy on claims management appropriate for changing circumstances, determined the scope of claims authority as well as rules, regulations and practice guidelines for the claims consideration, including supervising and following up the status of a claims request, besides sufficiently establishing the claims reserve. In addition, the Company has overseen its service quality and claims payments so that they are fair and swift, aimed

at customers' and business partners' greatest benefit and satisfaction.

1.2 Catastrophe Risk

Catastrophe risk is a risk stemming from a tremendous loss incident or a natural catastrophe, causing the Company to be affected by far higher claims than expected.

The Company has defined a guideline for managing the above risk by adequately allocating reinsurance for risk retention under both a proportional treaty and a non-proportional treaty, apart from sufficiently distributing the claims reserve so as not to impact the Company's financial standing.

1.3 Concentration Risk from Insurance Business

Concentration risk is a risk incurred by underwriting and reinsurance which may be caused by the concentration of risks underwritten and the concentration in transferring those risks to certain reinsurance companies.

The company has defined a guideline for managing risk as follows:

As to the concentration of underwriting, the Company has a control system of risk accumulation proper for treaty establishment and under XOL protection, apart from having a warning system if the risk is accumulated beyond an amount defined.

Concerning the concentration of reinsurance, the Company has regularly selected reinsurance companies each year. In case of domestic reinsurance companies, the Company will take into account their CAR ratio, and consider foreign reinsurance companies based on their financial standing as rated by international rating organizations, while defining a condition of the reinsurer downgrade clause under special termination, allowing the Company to terminate the treaty made to reinsurance companies in case their financial status and trustworthiness downgrade beyond what the Company has defined, apart from an appropriate dispersion of risk to reinsurers.

1.4 Credit Risk from Insurance Business

- Reinsurance Risk

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

underwriting, or do it but only in a limited amount.

The Company has managed such risk by defining the amount of money possessed and the reinsurance collateral, with a guideline for collecting the unearned premium reserve under all major contracts. The Company has also considered the financial status and stability of all reinsurance companies based on their credit rating, and a guideline for premium recollection, and purchased reinsurance policies from many trustworthy companies that are capable of reinsurance, which helps distribute the risk. In addition, it has cautiously scrutinized the reinsurance conditions through its department that is well versed in the reinsurance business, including having its legal department consider legal issues, in order to minimize such risk.

- Difficulties in Premium Collection

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

To minimize the risk, the Company possesses an efficient process of closely following up its outstanding premiums from the insured, agent and broker, apart from defining the criteria for a selection of the agent and broker, and for putting up collateral within the specified credit limit allowed by the Company.

2. Investment Risk

In 2019, amidst a slowdown of the global economy and the uncertainty of protectionism measures between the United States and China, the Thai economy had expanded at a lower rate, compared to the previous year. The money and capital market was affected by financial relaxation measures of significant-economy countries' central banks, particularly an adjustment of a lower U.S. Fed Fund rate 3 times in July, September and October. In addition, the country's inflation rate, which was lower than targeted, was another important factor forcing the Monetary Policy Committee to make an adjustment of Thailand's lower policy interest rate 2 times in August and November, resulting in low deposit interest rates and returns in the debt securities market, including the SET being influenced by a fluctuation of the global economy and the protectionism measures mentioned earlier. The Company had been confronted with various types of risks and had managed risk to reduce impacts which might occur. The risks could be listed as below.

2.1 Credit Risk

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

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

- For risk associated with providing loans

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

- For debt instruments

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

2.2 Concentration Risk

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

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

2.3 Liquidity Risk

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

To manage liquidity risk, the Company has allocated a portion of investment as a bank deposit, notes and the Bank of Thailand short-term bonds, all with high liquidity, which is reserved for operating expenses, while the deposit or short-term bonds are defined to be gradually due in each period, in conformity with a demand for spending in accordance with a plan for the cash flow management, financial reception and payment based on an obligation established. As to the other portion, the

Company has allotted investment in stocks required by the market, with high liquidity and an ability to be realized as cash conveniently, as well as at the value approximate to the fair value.

Furthermore, the Company has procured capital reserve sources such as overdrawn amounts or short-term loans from commercial banks, which can be withdrawn immediately in case of expenses arising beyond anticipation and which is adequate to counter liquidity risk.

2.4 Market Risk

Market risk is a risk stemming from the fluctuations of capital marketing factors, such as revaluation of non-marketable equity securities, as well as a change in the interest rates and exchange rates, resulting in a revaluation of investment assets values, for example, equity securities, debt securities and unit trusts.

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

- For the revaluation on non-marketable equity securities

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

- Concerning a change in interest rates

The Company has closely followed up the determination of the policy interest rates of the Bank of Thailand, direction of a change in the United States' Federal Reserve's interest rates, and return rates in the debt securities market in order to define the investment duration in accordance with the fluctuation of interest rates. In addition, the Company also has a policy of occupying debt instruments until they are due so as to minimize the risks incurred by instrument price volatility, apart from managing its bank deposits so that they have due amounts every month and in an approximate amount, which helps reduce a reinvestment risk. Similarly, the Company has also taken part in a bidding for investment in short-term bonds when they have a higher return rate than bank deposits in an equal period of time.

- In respect of the exchange rate

The Company or fund management companies which the Company has employed to manage its funds may use financial instruments to prevent exchange rate risks, for instance, Cross Currency and Interest Rate Swap, Interest Rate Swap, and Foreign Exchange Forward, in order to minimize the risks in accordance with the market situation and in line with the regulator's requirements.

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

3. The Company's Other Risks

3.1 Strategic Risk

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

The Company has defined a guideline for strategic risk management by formulating its strategic plan in compliance with the Company's vision and planned its implementation from the organizational level to departmental level, apart from informing the Company's staff of the strategic plans for their acknowledgement and performance in the same direction. Besides, the Company has controlled and followed up the implementation based on the plan, including giving a warning signal in the case that an implementation consequence has a trend of not being in line with the plan defined so that the plans can be adjusted in conformity with external factors and changing circumstances. Similarly, the Company has given priority to continuously extending its personal lines business and regional markets through products with marketing potential and appropriate for risk in each segment, aimed at their competitiveness and an ability to generate a sound return, in addition to increasing new distribution channels, particularly a digital channel, aimed at an access to as many target customers as possible, including developing a working procedure on underwriting and claims services via various technological systems and innovations, as well as generating an information technology system for efficient decision making, and developing personnel so that they have higher quality, knowledge and skill in insurance work, aimed at providing an excellent service to the Company's customers and business partners.

3.2 Reputational Risk

This is a risk that may be incurred when the Company is publicized in major media negatively owing

to its unfair treatment to customers and business partners and practices not in line with laws, which may affect the Company's reputation, image, security, ability to make a profit, and financial standing.

The Company has a guideline for risk management by attaching to the principle of good corporate governance and responsibility to society, apart from concentrating on retaining its good image on customers and business partners, and practices in compliance with laws so that such impacts do not influence the Company's image, reputation, stability and financial standing.

3.3 Compliance Risk

This refers to risk arising when the Company does not abide by laws or performs incompletely or inaccurately on account of an alteration or strictness of laws, rules and regulations made by the regulator, which may result in the Company's reputation, penalty and fine in the form of money, or loss in its business opportunity.

The Company has a guideline for risk management by defining its performance guideline in conformity with laws, rules and regulations made by the regulator so that all its employees will perform based on them, apart from having its internal audit unit responsible for a verification of such performance, including possessing a work unit overseeing an implementation in accordance with those rules and regulations, and communicating all the rules and regulations issued by the regulator to all its employees for acknowledgement and strict performance based on them.

3.4 Operational Risk

This is a risk that is incurred in the performance of all the Company's sections due to an erroneous operation stemming from the unpreparedness, insufficiency or deficiency of the Company's personnel, working process, information technology system, malfeasance by insiders, and malfeasance by outsiders, as well as risks caused by external factors, which may cause the Company's business to stop short, influencing its operating performance or financial standing.

To manage its operational risk, the Company has given importance to and arranged for a sound internal control system, through a quality management system controlling its work performance, and anti-corruption measure, provided for a sufficient workforce qualified for each job description, procured experts in each field for an efficient work system, as well as initiated a system in which staff can work as substitutes for others, whether temporarily or permanently, allowing for the Company's steady performance, apart from providing training to its employees so that they have knowledge and understanding of issues relating to the Company's insurance business and products, including continuously developing and improving its work system so as to keep pace with changes. Similarly,

the Company has assigned all levels of its sections to be in charge of their own operational risk management, besides injecting knowledge and understanding of operational risk among its employees, including providing them with concrete training.

For the information technology system and risk arising from external factors, the Company has formulated a business continuity plan and arranged for a spare working place and spare data center which are ready for use, apart from centralizing data in its staff's computers connected with a server, which will enable the Company to reduce the risk impacts that may occur and allow it to carry on its business transactions in spite of being confronted with a crisis.

3.5 Information Technology Risk

Information technology risk is a risk incurred when the Company applies innovations and information technology in support of its business transactions, which may influence its work system or operating performance, including cyber threat.

The Company has a guideline for risk management by providing for operating performance on information technology and training of its staff for their knowledge, apart from defining strict safety measures and being prepared to cope with various forms of threats which may occur, aimed at stability, safety and impact reduction in case of an incident.

3.6 Asset and Liability Management Risk

Asset and liability management risk is a risk incurred when the Company has an investment policy of occupying equity instruments and debt instruments in the long-term, which may affect its debt payments to which the Company is obliged, for instance, claims reserve and unearned premiums since there is no relation between the amount of assets and investment duration.

To minimize the risk, the Company has managed the amount of assets and duration of investment so that they are appropriate, as well as have liquidity and amount adequate for the Company's current liabilities, in support of the Company's stable future growth.

3.7 Emerging Risk

Emerging risk is a risk which has never occurred or which the Company has never experienced before, but may take place in the future due to an uncertainty and political, legal, social, technological, environmental or natural change, which is difficult to estimate, in terms of both the opportunity and the severity of occurrence, but may have an immense impact when occurring.

The Company has defined a guideline for risk management by realizing and closely following up the situations, including defining preventive measures for a loss that may affect the Company.

ADVISORY BOARD



Mr. Piti Sithi - amnuai
Adviser



Mr. Damrong Krishnamara
Adviser



Mr. Voravit Rojrapitada
Adviser

BOARD OF DIRECTORS AND BOARD OF DIRECTORS PROFILE



Mr. Chai Sophonpanich

Chairman

Age 76 Years Old

Date of Appointment

November 9, 2018

Family Relationship with Other Directors and Members of Management

- Father of Mr. Chawan Sophonpanich
- Father of Miss Lasa Sophonpanich
- Uncle-in-law of Mrs. Nintira Sophonpanich

Education/Training

- B.Sc., University of Colorado, U.S.A.
- Advanced Management Program, the Wharton School
- The Joint State - Private Sectors Class 6, the National Defence College of Thailand

Thai Institute of Directors Association (IOD) Training Program

- Chairman 2000 Class 10/2004
- Director Certification Program (DCP) Class 16/2002

Work Experiences

Positions in Listed Companies

- Chairman, Bangkok Insurance Public Co., Ltd. (Nov 9, 2018 - present, 1978 - Jun 16, 2017)
- Adviser, Bangkok Insurance Public Co., Ltd. (Jun 16, 2017 - present)
- Chairman and Chief Executive Officer, Bangkok Insurance Public Co., Ltd. (2010 - 2015)
- Director and President, Bangkok Insurance Public Co., Ltd. (1976 - 2009)
- Director, Bangkok Insurance Public Co., Ltd. (1968 - 1977)
- Chairman, Charoong Thai Wire & Cable Public Co., Ltd. (Sep 4, 2018 - present, 1986 - Jun 2017)
- Chairman, Furakawa Metal (Thailand) Public Co., Ltd. (Nov 9, 2018 - present, 1988 - Jun 2017)
- Chairman, Bumrungrad Hospital Public Co., Ltd. (Aug 8, 2018 - present, 1979 - Jun 2017)
- Chairman, Director of Investment Committee, and Director of the Remuneration and Nomination Committee, Thai Reinsurance Public Co., Ltd. (Nov 2018 - present)
- Chairman, Thai Reinsurance Public Co., Ltd. (2016 - Jun 2017)
- Vice Chairman, Thai Reinsurance Public Co., Ltd. (1991 - 2015)
- Director, Bangkok Life Assurance Public Co., Ltd. (1968 - 2015)

Positions in Non-listed Companies

- Chairman, University Committee on Accounting and Finance, Mae Fah Luang University (May 17, 2018 - present)
- Director, University Committee on Accounting and Finance, Mae Fah Luang University (2015 - May 17, 2018)
- Director, Mae Fah Luang University Promotion Committee (2003 - present)
- Executive Chairman, The Queen's Gallery (2017 - present)
- Executive Vice Chairman, The Queen's Gallery (2008 - 2016)
- Director, Foundation for The Volunteers Defence under The Royal Patronage of Her Majesty The Queen (2013 - present)
- Director, Princess Srinagarindra's Centenary Celebrations Foundation (2009 - present)
- Director, Honorary Member of Mae Fah Luang University Council (2008 - present)
- Director, Chulalongkorn Medical School Foundation (1997 - present)
- Chairman, Bangkok Insurance Foundation (1994 - present)
- Chairman, Bumrungrad Hospital Foundation (1980 - present)
- Executive Board, Association of Insurers and Reinsurers of Developing Countries (2012 - present)
- Director, PT Asian International Investindo (1998 - present)
- Director, Asian Insurance International (Holding) Ltd. (1998 - present)
- Director, International Insurance Society, Inc. New York, U.S.A. (2009 - 2015)
- Chairman, The Federation of Thai Insurance Organization (2006 - 2008)
- President, Thai General Insurance Association (1984 - 1986, 1989 - 1991, 1997 - 2001, 2005 - 2007)
- Director, Thai General Insurance Association (1970 - 2007)
- Chairman, Asean Reinsurance Corp., Ltd. Singapore (1988 - 1992)
- Chairman, Asean Insurance Council, Jakarta (1987 - 1989)
- President, The East Asian Insurance Congress (1984 - 1986, 2004 - 2006)



VDC Col Plengsakdi Prakaspesat

Independent Director and
Chairman of the Audit Committee

Age 77 Years Old

Date of Appointment

April 7, 1999

Family Relationship with Other Directors and Members of Management

- None

Education/Training

- Graduate in Commerce from Ross College (Dublin), Ireland
- Ph.D. (Honoris Causa) on Mass Communication, Ramkhamhaeng University
- Ph.D. (Honoris Causa) on Arts, Rajabhat Institute Lampang
- Certificate of the Course for Top Executives, The Association for Overseas Technical Scholarship (AOTS), Japan
- The Joint State - Private Sector Class 1/1989, The National Defence College of Thailand
- AC Hot Update, The Federation of Accounting Professions

Thai Institute of Directors Association (IOD) Training Program

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

Working Experience

Positions in Listed Companies

- Chairman of the Audit Committee, Bangkok Insurance Public Co., Ltd. (Nov 16, 2005 - present)

- Independent Director, Bangkok Insurance Public Co., Ltd. (Apr 7, 1999 - present)
- Chairman, Bangkok Insurance Public Co., Ltd. (Aug 11, 2017 - Nov 9, 2018)
- Director of the Remuneration and Nomination Committee, Bangkok Insurance Public Co., Ltd. (2004 - 2005)
- Director of the Audit Committee, Bangkok Insurance Public Co., Ltd. (1999 - 2005)
- Senior Adviser, Thai Central Chemical Public Co., Ltd. (1997 - present)

Positions in Non-listed Companies

- Member Experts of Fertilizer Committee, The Ministry of Agriculture and Cooperatives (2010 - present)
- Territorial Volunteer Defence Corps Colonel and Vice President of the Foundation of The Volunteers Defence Under the Royal Patronage of Her Majesty The Queen (Sep 2009 - present)
- Adviser, United Flour Mill Public Co., Ltd. (2001 - present)
- Vice Chairman, United Flour Mill Public Co., Ltd. (1980 - 2001)
- Independent Director and Member of the Audit Committee, Industrial and Commercial Bank of China (Thai) Public Co., Ltd. (1978 - Nov 2018)
- Member of the Compensation and Corporate Governance Committee, ACL Bank Public Co., Ltd. (2005 - Apr 2010)
- Independent Director and Member of the Audit Committee, ACL Bank Public Co., Ltd. (2005 - Jun 2010)
- Qualified Committee, Assumption University (1987 - 2015)
- Corporate Chairman, MC. Industrial Chemical Co., Ltd. (1997 - 2005)
- Honorary Chairman, Asia Pacific Potash Corporation Ltd. (1984 - 2006)



Mr. Chor.nun Petpaisit

Independent Director and Director of
the Audit Committee

Age 67 Years Old

Date of Appointment

February 28, 2006

Family Relationship with Other Directors and Members of Management

- None

Education/Training

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

Thai Institute of Directors Association (IOD) Training Program

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

Work Experiences

Positions in Listed Companies

- Director of the Audit Committee, Bangkok Insurance Public Co., Ltd. (Feb 27, 2009 - present)

- Independent Director, Bangkok Insurance Public Co., Ltd. (Feb 28, 2006 - present, Apr 3, 2002 - Nov 17, 2004)
- Independent Director and Director of the Audit Committee, Furukawa Metal (Thailand) Public Co., Ltd. (2019 - present)
- Independent Director and Director of the Audit Committee, Interhides Public Co., Ltd. (Apr 2015 - present)

Positions in Non-listed Companies

- Adviser, Thai Charoen Corporation Group (TCC Group) (2013 - present)
- Inspector General, Ministry of Finance (2011 - 2012)
- Principal Adviser on Performance Improvement, The Revenue Department, Ministry of Finance (2008 - 2011)
- Policy and Plan Expert, The Revenue Department, Ministry of Finance (2001 - 2008)
- Director, Bureau of Tax Audit Operation, The Revenue Department, Ministry of Finance (2000 - 2001)
- Director, Government Savings Bank (2011 - 2012)
- Director, Government Housing Bank (2010 - 2011, 2006 - 2008)
- Director, Tourism Authority of Thailand (2010 - 2011, 2005 - 2006)
- Director, The Government Pharmaceutical Organization (2009 - 2012)
- Director, National Science Museum (2005 - 2007)



Miss Potjanee Thanavaranit
Independent Director and Director of
the Audit Committee

Age 73 Years Old
Date of Appointment
February 27, 2007

Family Relationship with Other Directors and Members of Management

- None

Education/Training

- B.B.A. (Accounting), Chulalongkorn University
- M.B.A., Syracuse University, New York, U.S.A.
- Certificate of Advanced Course in General Insurance, Swiss Insurance Training Center, Switzerland
- Certificate of Advanced Management Program, Australian Management College, Australia
- Certificate of Executive Development Program Class 18, Office of the Civil Service Commission
- National Defence College, Class 42
- Certificate of Top Executive Program Class 8, Capital Market Academy
- Certificate of Top Executive Program in Commerce and Trade Class 3, Commerce Academy
- Advanced Security Management Program Class 2, The Association of National Defence College of Thailand

Thai Institute of Directors Association (IOD) Training Program

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

Work Experiences

Positions in Listed Companies

- Director of the Audit Committee, Bangkok Insurance Public Co., Ltd. (Mar 1, 2007 - present)
- Independent Director, Bangkok Insurance Public Co., Ltd. (Feb 27, 2007 - present)
- Chairman of the Board (Independent Director), Audit Committee Member and Chairman of the Compensation & Nominating Committee, Univentures Public Co., Ltd. (present)
- Independent Director and Audit Committee Member, Thai Reinsurance Public Co., Ltd. (present)
- Director of the Remuneration and Nominating Committee, Thai Reinsurance Public Co., Ltd. (Jun 2012 - Apr 2014)
- Chairman of the Remuneration Committee, Chairman of the Good Governance Committee, Independent Director

and Audit Committee Member, OISHI Group Public Co., Ltd. (present)

- Independent Director and Chairman of the Audit Committee, Bank of Ayudhaya Public Co., Ltd. (present)
- Independent Director and Chairman of the Risk Committee, Berli Jucker Public Co., Ltd. (Nov 14, 2017 - present)
- Independent Director, Berli Jucker Public Co., Ltd. (Jun 2009 - Mar 21, 2016)
- Independent Director and Chairman of the Audit Committee, Big C Supercenter Public Co., Ltd. (Apr 2016 - Nov 2017)

Positions in Non-listed Companies

- Chairman of the Public Sector Audit and Evaluation Committee, Office of the Anti-Corruption Commission (ONACC) (Mar 20, 2020 - present)
- Director of the Audit Committee, Thai Beverage Public Co., Ltd. (Feb 1, 2019 - present), listed in Singapore Exchange (SGX)
- Independent Director, Thai Beverage Public Co., Ltd. (Jan 31, 2018 - present), listed in Singapore Exchange (SGX)
- Honorary Member of University Council, Mae Fah Luang University (Feb 27, 2018 - present)
- Vice Chairman, The Thai Institute of Directors Association (IOD) (Jun 26, 2017 - present)
- Director, The Thai Institute of Directors Association (IOD) (May 29, 2017 - present)
- Qualified Member of the Committee, The Thai Investors Association (Mar 24, 2017 - present)
- Member of the Council of State (present)
- Qualified Member of the Committee, The Federation of Thai Insurance Organization (present)
- Member of the National Reform Council (Oct 2, 2014 - Sep 6, 2015)
- Director, BJC Logistics and Warehouse Co., Ltd. (Apr 2010 - Jul 2013)
- Chairman of the Public Sector Audit and Evaluation Committee for Ministry of Commerce (Nov 2008 - Mar 2013)
- Second Vice - President of the National Legislative Assembly (Oct 2006 - Mar 2008)
- Adviser to the Commerce Ministry (Oct 2006 - Feb 2008)
- Economic Adviser, the Council for National Security (Sep 2006 - Feb 2008)
- Sub Commissioner, the Sub - Commission on the Development and Promotion of Public Organization and other Organizations under Governmental Supervision, the Public Sector Development Commission (2005 - May 2011)
- Chairman, Thailand Insurance Institute (2002 - 2007)
- Member of the Financial Institution Policy Committee, the Bank of Thailand (2001 - Aug 2008)
- Director - General, Department of Insurance, Ministry of Commerce (2001 - 2006)
- Inspector - General, Ministry of Commerce (1999 - 2001)
- Deputy Director General, Department of Insurance, Ministry of Commerce (1994 - 1999)



Mr. Singh Tangtaswas

Independent Director and Chairman of
Remuneration and Nomination Committee

Age 77 Years Old

Date of Appointment

April 26, 2004

Family Relationship with Other Directors and Members of Management

- None

Education/Training

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

Thai Institute of Directors Association (IOD) Training Program

- Director Certification Program (DCP) Class 0/2000

Work Experiences

Positions in Listed Companies

- Chairman of the Remuneration and Nomination Committee, Bangkok Insurance Public Co., Ltd. (Aug 18, 2004 - present)
- Independent Director, Bangkok Insurance Public Co., Ltd. (Apr 26, 2004 - present)
- Executive Director, Bangkok Bank Public Co., Ltd. (2005 - present)
- Managing Director, Bangkok Bank Public Co., Ltd. (2006 - 2010)
- Chairman of Risk Management Committee, Bangkok Bank Public Co., Ltd. (2005 - Jan 2019)
- Independent Director and Chairman of the Audit Committee, Thai Optical Group Public Co., Ltd. (2004 - present)
- Independent Director, TWZ Corporation Public Co., Ltd. (2005 - 2013)
- President and Chief Executive Director, Krung Thai Bank Public Co., Ltd. (1999 - 2001)

Positions in Non-listed Companies

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



Mr. Suvarn Thansathit

Independent Director and Director of the
Remuneration and Nomination Committee

Age 75 Years Old

Date of Appointment

April 26, 2005

Family Relationship with Other Directors and Members of Management

- None

Education/Training

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

Thai Institute of Directors Association (IOD) Training Program

- Director Certification Program (DCP) Class 63/2005

Working Experiences

Positions in Listed Companies

- Director of the Remuneration and Nomination Committee, Bangkok Insurance Public Co., Ltd. (Nov 16, 2005 - present)
- Independent Director, Bangkok Insurance Public Co., Ltd. (Apr 26, 2005 - present)
- Member, Risk Oversight Committee, Bangkok Bank Public Co., Ltd. (May 1, 2019 - present)
- Member, Board of Executive Directors, Bangkok Bank Public Co., Ltd. (2007 - present)
- Director and Senior Executive Vice President, Bangkok Bank Public Co., Ltd. (Oct 2006 - Present)
- Member, Risk Management Committee, Bangkok Bank Public Co., Ltd. (2004 - Apr 2019)
- Senior Executive Vice President, Bangkok Bank Public Co., Ltd. (1996 - 2006)
- Executive Vice President, Bangkok Bank Public Co., Ltd. (1990 - 1996)
- Executive Officer, Bangkok Bank Public Co., Ltd. (1978 - 1990)
- Independent Director and Chairman of the Audit Committee, Lalin Property Public Co., Ltd. (2002 - present)

Positions in Non-listed Companies

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



M.R. Supadis Diskul

Independent Director and Director of the
Remuneration and Nomination Committee

Age 70 Years Old

Date of Appointment

April 26, 2013

Family Relationship with Other Directors and Members of Management

- None

Education/Training

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

Thai Institute of Directors Association (IOD) Training Program

- Board Nomination & Compensation Program (BNCP) 5/2018
- Anti - Corruption for Executive Program (ACEP) 11/2014
- Successful Formulation and Execution of Strategy (SFE) Class 5/2009
- Role of the Chairman Program (RCP) Class 16/2007
- Role of the Compensation Committee Program (RCC) Class 4/2007
- Director Certification Program (DCP) Class 51/2004
- Director Accreditation Program (DAP) Class 12/2004
- Finance for Non-Finance Director (FND) Class 1/2001, Class 14/2004

Work Experiences

Positions in Listed Companies

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

Positions in Non-listed Companies

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



Mr. Virasak Sutanthavibul

Independent Director and Chairman of the
Corporate Governance Committee
and Director of the Remuneration and
Nomination Committee

Age 63 Years Old

Date of Appointment

April 26, 2005

Family Relationship with Other Directors and Members of Management

- None

Education/Training

- B. Eng., Chulalongkorn University
- M.E., Texas A&M University, Texas, U.S.A.
- The Joint State - Private Sectors Class 18/2005, The National Defence College of Thailand
- Certificate, Capital Market Academy (CMA), Class 10/2010
- Certificate, Thailand Energy Academy (TEA), Class 1/2012
- Certificate of Completion and Graduation Pin, Justice Administration Batch 17 National Justice Academy (2012 - 2013)
- Certificate of Completion and Graduation Pin, Institute of Business and Industrial Development (IBID), Class 2/2015
- Certificate Business Revolution and Innovation Network (BRAIN) Class 2/2018
- Certificate, Harvard University, Advanced Management Program, U.S.A.

- Certificate, Harvard University, Financial Institution for Private Enterprise Development, U.S.A.

Thai Institute of Directors Association (IOD) Training Program

- Director Accreditation Program (DAP) Class 21/2003

Work Experiences

Positions in Listed Companies

- Director of the Remuneration and Nomination Committee, Bangkok Insurance Public Co., Ltd. (Feb 27, 2015 - present)
- Chairman of the Corporate Governance Committee, Bangkok Insurance Public Co., Ltd. (Feb 25, 2011 - present)
- Independent Director, Bangkok Insurance Public Co., Ltd. (Apr 26, 2005 - present)
- Independent Director and Audit Committee Member, NFC Public Co., Ltd (Feb 14, 2019 - present)
- Committee of Nomination and Remuneration Committee, Thai Plaspac Public Co., Ltd. (2016 - present)
- Independent Director and Chairman of Audit Committee, Thai Plaspac Public Co., Ltd. (2015 - present)
- Senior Executive Vice President, Commercial Banking, Bangkok Bank Public Co., Ltd (2012- present)
- Executive Vice President, Head of Metropolitan Commercial Banking, Bangkok Bank Public Co., Ltd. (2002 - 2012)
- Independent Director and Audit Committee Member, T.Krungthai Industries Public Co., Ltd. (2004 - present)

Positions in Non-listed Companies

- Director, Bualuang Ventures Co., Ltd. (2016 - present)



Mrs. Nintira Sophonpanich

Independent Director and Director
of the Corporate Governance Committee

Age 54 Years Old

Date of Appointment

April 23, 2010

Family Relationship with Other Directors and Members of Management

- Niece-in-law of Mr. Chai Sophonpanich

Education/Training

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

Thai Institute of Directors Association (IOD) Training Program

- Director Accreditation Program (DAP) Class 40/2005

Work Experiences

Positions in Listed Companies

- Director of the Corporate Governance Committee, Bangkok Insurance Public Co., Ltd. (Feb 25, 2011 - present)
- Independent Director, Bangkok Insurance Public Co., Ltd. (Apr 23, 2010 - present)
- Director and Adviser to the Executive Committee, Asia Plus Group Holdings Securities Public Co., Ltd. (2008 - present)

- Executive Director, Asia Plus Group Holdings Securities Public Co., Ltd. (1994 - 2008)

Positions in Non-listed Companies

- President, Foundation for the Welfare of the Crippled under the Royal Patronage of Her Royal Highness the Princess Mother (2016 - present)
- Director, Foundation for the Welfare of the Crippled under the Royal Patronage of Her Royal Highness the Princess Mother (2002 - present)
- President, Srisangwan School, Foundation for the Welfare of the Crippled under the Royal Patronage of Her Royal Highness the Princess Mother (2016 - present)
- President, Rehabilitation Center for the People with Physical Disabilities under Foundation for the Welfare of the Crippled under the Royal Patronage of Her Royal Highness the Princess Mother (2016 - present)
- Director, Asia Plus Advisory Co., Ltd. (2008 - present)
- Director and Treasurer, The Queen's Gallery Foundation (2003 - present)
- Director, Bangkok BTMU Ltd. (2000 - present)
- Director and Treasurer, The Pan Pacific Southeast Asia Women's Association International (1999 - present)
- Investment Director, Citi Capital Co., Ltd. (1991 - 1994)
- Manager, Citicorp (Thailand) Ltd. (1987 - 1990)



Mr. Panus Thiravanitkul

Director and Director of the Corporate
Governance Committee

Age 67 Years Old

Date of Appointment

April 22, 2011

Family Relationship with Other Directors and Members of Management

- None

Education/Training

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

Thai Institute of Directors Association (IOD) Training Program

- Director Certification Program (DCP) Class 129/2010

Work Experiences

Positions in Listed Companies

- Adviser, Bangkok Insurance Public Co., Ltd. (Jan 1, 2019 - present)
- Director, Bangkok Insurance Public Co., Ltd. (Apr 22, 2011 - present)
- Director of the Corporate Governance Committee, Bangkok Insurance Public Co., Ltd. (Feb 25, 2011 - present)
- Director and Chief Executive Officer, Bangkok Insurance Public Co., Ltd. (2016 - 2018)

- Director and President, Bangkok Insurance Public Co., Ltd. (2011 - 2015)
- President, Bangkok Insurance Public Co., Ltd. (2010 - 2015)
- Executive Vice President, Bangkok Insurance Public Co., Ltd. (2007 - 2009)
- Senior Vice President, Operations Department, Bangkok Insurance Public Co., Ltd. (2001 - 2007)
- General Manager, Marine Insurance Department, Bangkok Insurance Public Co., Ltd. (2000 - 2001)
- Assistant General Manager, Marine Insurance Department, Bangkok Insurance Public Co., Ltd. (1993 - 2000)
- Independent Director, Bangkok Life Assurance Public Co., Ltd. (Dec 15, 2017 - present)
- Director and Member of the Nominating and Remuneration Committee, Bangkok Life Assurance Public Co., Ltd. (Apr 26, 2016 - present)

Positions in Non-listed Companies

- Chairman, Bangkok Insurance (Lao) Company Limited (Dec 18, 2018 - present)
- Director, Bangkok Insurance (Lao) Company Limited (Feb 9, 2015 - present)
- Vice Chairman, Marine and Transport Insurance Sub-committee, The Thai General Insurance Association (1994 - 1996, 1999 - 2000)



Mr. Yukihiro Ishikawa

Independent Director

Age 52 Years Old

Date of Appointment

May 10, 2019

Family Relationship with Other Directors and Members of Management

- None

Education/Training

- Bachelor of Arts in Business Administration, Loma Linda University in California, U.S.A.

Thai Institute of Directors Association (IOD) Training Program

- None

Work Experiences

Positions in Listed Companies

- Independent Director, Bangkok Insurance Public Co., Ltd. (May 10, 2019 - present)

Positions in Non-listed Companies

- Group Leader, Business Management Group, Global Business Department, Aioi Nissay Dowa Insurance Co., Ltd. (Apr 2019 - present)
- Group Leader, Compliance & Risk Management Group, International Department, Aioi Nissay Dowa Insurance Co., Ltd. (Apr 2018)
- Non-Executive Director, Vice Chairman, Guang Ai Insurance Brokers Ltd. (Apr 2018 - present)
- Director & Chief Executive Coordinator, Aioi Nissay Dowa Insurance Company Australia Pty Ltd. (Apr 2017)
- Non-Executive Director, Aioi Nissay Dowa Management New Zealand Ltd. (Apr 2014 - Mar 2018)
- Executive Coordinator, Aioi Nissay Dowa Insurance Company Australia Pty Ltd. (Apr 2014)



Dr. Apisit Anantanatarat

Chief Executive Officer and Director

Age 56 Years Old

Date of Appointment

April 22, 2016

Family Relationship with Other Directors and Members of Management

- None

Education/Training

- Doctor of Organization Development and Transformation, Cebu Doctors' University, Philippines
- M.A. (Industrial and Organization Psychology), Thammasat University
- M.S. (Insurance), University of Hartford, U.S.A.
- Diploma of Financial Service (General Insurance), ANZIF (Senior Associate), Australia
- Certificate, The Columbia Senior Executive Program, Columbia University, U.S.A.
- Certificate, Capital Market Academy Leadership Program (CMA), Class 24/2017
- Thailand Insurance Leadership Program class 3/2013
- Aon's 16th Hazards Conference 2019, Australia
- From Science Fiction to Reality: Man and Man - Made Risks 2018, R + V Re, Germany
- CIO VMware World Conference 2017, Spain
- New Forms of Risk Sharing and Risk Engineer, SCOR, France
- Management Development Program - Fit for Expert Underwriting, Swiss Insurance Training Centre, Switzerland
- Management Development Program - Fit for Management, Swiss Insurance Training Centre, Switzerland

Thai Institute of Directors Association (IOD) Training Program

- Director Accreditation Program (DAP) Class 149/2018

Work Experiences

Positions in Listed Companies

- Chief Executive Officer and Director, Bangkok Insurance Public Co., Ltd. (Acting President) (Jan 1, 2019 - present)
- Director and President, Bangkok Insurance Public Co., Ltd. (Apr 22, 2016 - Dec 31, 2018)
- Executive Vice President, Bangkok Insurance Public Co., Ltd. (Apr 2012 - Dec 2015)
- Senior Vice President, Marketing and Communications Department, Bangkok Insurance Public Co., Ltd. (2011 - Apr 2012)
- Senior Vice President, Information Technology Department, Bangkok Insurance Public Co., Ltd. (2009 - Mar 2014, Oct 2015 - May 8, 2016)
- Senior Vice President, Personal Lines Business Unit, Bangkok Insurance Public Co., Ltd. (2007 - 2015)
- First Vice President, Personal Lines Division, Bangkok Insurance Public Co., Ltd. (2006 - 2007)
- First Vice President, Information Technology Department, Bangkok Insurance Public Co., Ltd. (2005 - 2009)
- Vice President, Human Resources Development Division, Bangkok Insurance Public Co., Ltd. (2002 - 2006)
- Assistant Vice President, Human Resources Development Division, Bangkok Insurance Public Co., Ltd. (2000 - 2002)

Positions in Non-listed Companies

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

Mr. Toshimi Kobayashi

Independent Director

(Resigned as from May 10, 2019)

BOARD OF DIRECTORS

Board of Directors

Chairman

Mr. Chai Sophonpanich

Directors

VDC Col Plengsakdi Prakaspesat

Mr. Chor.nun Petpaisit

Miss Potjaneer Thanavarani

Mr. Singh Tangtaswas

Mr. Suvarn Thansathit

M.R. Supadis Diskul

Mr. Virasak Sutanthavibul

Mrs. Nintira Sophonpanich

Mr. Panus Thiravanitkul

Mr. Yukihiro Ishikawa

Dr. Apisit Anantanatarat

Company Secretary

Mrs. Srichitra Pramojaney

Audit Committee

Chairman

VDC Col Plengsakdi Prakaspesat

Members

Mr. Chor.nun Petpaisit

Miss Potjaneer Thanavarani

Remuneration and Nomination Committee

Chairman

Mr. Singh Tangtaswas

Members

Mr. Suvarn Thansathit

M.R. Supadis Diskul

Mr. Virasak Sutanthavibul

Corporate Governance Committee

Chairman

Mr. Virasak Sutanthavibul

Member

Mrs. Nintira Sophonpanich

Mr. Panus Thiravanitkul

The Risk Management Committee

Chairman

Dr. Apisit Anantanatarat

Vice - Chairman

Mr. Suphat Yookongbandhu

Member

Mr. Anon Vangvasu

Mrs. Srichitra Pramojaney

Mr. Sorat Vongankij

The Investment Committee

Chairman

Mr. Chai Sophonpanich

Member

Mr. Panus Thiravanitkul

Dr. Apisit Anantanatarat

Mrs. Srichitra Pramojaney

Mr. Ekamol Aungkavattana

MANAGEMENT COMMITTEE AND ADVISER AND MANAGEMENT COMMITTEE PROFILE



1. Mr. Chai Sophonpanich

2. Dr. Apisit Anantanatarat

3. Mr. Panus Thiravanitkul

4. Mr. Anon Vangvasu

(Retired on January 1, 2020)

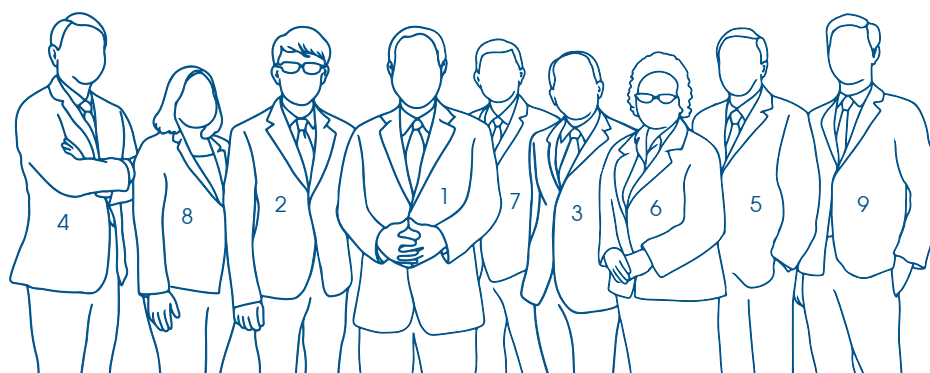
5. Mr. Suphat Yookongbandhu

6. Mrs. Srichitra Pramojaney

7. Mr. Jakkrit Chewanuntapornchai

8. Miss Paweena Juchuan

9. Mr. Chawan Sophonpanich (Appointed on January 22, 2020)





1. Mr. Suchart Chirayuwat
(Retired on January 1, 2020)
2. Mr. Aree Vanairlor
(Retired on January 1, 2020)
3. Miss Lasa Sophonpanich

4. M.L. Chalitpong Sanidvong
5. Mr. Pitiphong Chaochaikhong (Appointed on June 1, 2019)
6. Mr. Sarawut Deesomboon (Appointed on June 1, 2019)
7. Mr. Yingyot Sangchai (Appointed on June 1, 2019)
8. Mr. Theerayut Kitvoraphat (Appointed on January 2, 2020)



Dr. Apisit Anantanarat

Chief Executive Officer and Director

Commence

April 1985

Family Relationship with Other Directors and Members of Management

- None

Education

- Doctor of Organization Development and Transformation, Cebu Doctors' University, Philippines
- M.A. (Industrial and Organization Psychology), Thammasat University
- M.S. (Insurance), University of Hartford, U.S.A.
- Diploma of Financial Service (General Insurance), ANZIF (Senior Associate), Australia
- Certificate, The Columbia Senior Executive Program, Columbia University, U.S.A.
- Certificate, Capital Market Academy Leadership Program (CMA), Class 24/2017
- Thailand Insurance Leadership Program class 3/2013

Thai Institute of Directors Association (IOD) Training Program

- Director Accreditation Program (DAP) Class 149/2018

Training

- Aon's 16th Hazards Conference 2019, Australia
- From Science Fiction to Reality: Man and Man - Made Risks 2018, R + V Re, Germany
- CIO VMware World Conference 2017, Spain
- New Forms of Risk Sharing and Risk Engineer, SCOR, France
- Management Development Program - Fit for Expert Underwriting, Swiss Insurance Training Centre, Switzerland
- Management Development Program - Fit for Management, Swiss Insurance Training Centre, Switzerland

Work Experiences

Bangkok Insurance Public Co., Ltd.

- Chief Executive Officer and Director, (Acting President) (Jan 1, 2019 - present)
- Director and President (Apr 22, 2016 - Dec 31, 2018)
- Executive Vice President (Apr 2012 - Dec 2015)
- Senior Vice President, Marketing and Communications Department (2011 - Apr 2012)
- Senior Vice President, Information Technology Department (2009 - Mar 2014, Oct 2015 - May 8, 2016)
- Senior Vice President, Personal Lines Business Unit (2007 - 2015)
- First Vice President, Personal Lines Division (2006 - 2007)
- First Vice President, Information Technology Department (2005 - 2009)
- Vice President, Human Resources Development Division (2002 - 2006)
- Assistant Vice President, Human Resources Development Division (2000 - 2002)

Others

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

Mr. Suphat Yookongbandhu

Executive Vice President

Commence

August 1980

Family Relationship with Other Directors and Members of Management

- None

Education

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

Training

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

Work Experiences

Bangkok Insurance Public Co., Ltd.

- Executive Vice President (Apr 2012 - Present)
- Senior Vice President, Broker Business Unit (2007 - 2016)
- First Vice President, Broker Division (2005 - 2007)
- Vice President, Broker Division (2001 - 2005)
- Manager, Miscellaneous Insurance Department (1994 - 2001)

Others

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

Mrs. Srichittra Pramojaney

Executive Vice President and Company Secretary

Commence

January 2006

Family Relationship with Other Directors and Members of Management

- None

Education

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

Thai Institute of Directors Association (IOD) Training Program

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

Seminar

- 12th Asian Insurance CFO Summit 2018, Hong Kong
- 11th Asian Insurance CFO Summit 2017, Hong Kong
- 10th Anniversary Asian Insurance CFO Summit 2016, Thailand
- 9th Asian Insurance CFO Summit 2015, Hong Kong
- 8th Asian Insurance CFO Summit 2014, Singapore
- 7th Asian Insurance CFO Summit 2013, Hong Kong

Work Experiences

Bangkok Insurance Public Co., Ltd.

- Executive Vice President (Jun 2016 - Present)
- Company Secretary (Jun 2015 - Present)
- Senior Vice President, Accounting and Treasury Department (2006 - Present)

Others

- Director, Bangkok Insurance (Lao) Co., Ltd. (Apr 2018 - Present)

Mr. Jakkrit Chewanuntapornchai

Executive Vice President

Commence

August 1982

Family Relationship with Other Directors and Members of Management

- None

Education

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

Training

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

Work Experiences

Bangkok Insurance Public Co., Ltd.

- Executive Vice President (Jan 1, 2019 - present)
- Senior Vice President, Financial Institution Business Unit (Oct 2015 - present)
- Senior Vice President, Commercial Lines Business Unit (2007 - Sep 2015)
- Vice President, Direct Customer Division (2001 - 2007)
- Vice President, Non-Motor Claims Department (1998 - 2001)

Others

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

Miss Paveena Juchuan

Executive Vice President

Commence

August 1992

Family Relationship with Other Directors and Members of Management

- None

Education

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

Training

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

Work Experiences

Bangkok Insurance Public Co., Ltd.

- Executive Vice President (Jan 1, 2019 - present)
- Senior Vice President, Commercial Lines Business Unit (2016 - 2018)
- First Vice President, Commercial Lines Business Unit (Nov 2013 - 2015)
- Vice President, Special Risk Business Unit (Oct 2010 - Oct 2013)

Mr. Chawan Sophonpanich

Executive Vice President

(Appointed on January 22, 2020)

Commence

March 2004

Family Relationship with Other Directors and Members of Management

- Son of Mr. Chai Sophonpanich
- Elder Brother of Miss Lasa Sophonpanich

Education

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

Training

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

Work Experiences

Bangkok Insurance Public Co., Ltd.

- Executive Vice President (Jan 22, 2020 - present)
- Senior Vice President, Office of Chairman (Feb 2019 - present)
- Senior Vice President, Personal Lines Business Unit (Jan 2016 - Jan 2019)
- Vice President, Office of President (Mar 2014 - 2015)
- Vice President, Personal Lines Business Unit (2012 - Mar 2014)

Miss Lasa Sophonpanich

Senior Vice President

Commence

April 2011

Family Relationship with Other Directors and Members of Management

- Daughter of Mr. Chai Sophonpanich
- Younger Sister of Mr. Chawan Sophonpanich

Education

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

Training

- Advanced Reinsurance Workshop - Munich Reinsurance Company, Germany
- Business Interruption/Contingent BI, Scor Re, France
- P&C Reinsurance, France
- Munich Reinsurance Company - DART, Singapore
- Reinsurance Seminar of the TOA, Japan

Work Experiences

Bangkok Insurance Public Co., Ltd.

- Senior Vice President, Broker Business Unit (2017 - present)
- Vice President, Broker Business Unit (2016)
- Assistant Vice President, Treaty Operations Office (July 2014 - 2015)
- Assistant Vice President, Broker Business Unit (April 2012 - June 2014)

M.L. Chalitpong Sanidvong

Senior Vice President

Commence

April 2017

Family Relationship with Other Directors and Members of Management

- None

Education

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

Training

- Fujitsu Asia Conference, Tokyo, Japan
- IT Trends: Seminar 2018: Asia's Rising Power, Singapore
- Hewlett Packard Enterprise (HPE) CIO Forum 2017
"Transform to Your Right Mix of Hybrid IT"
- Digital Transformation for Insurance, IMC institute
- Aruba Atmosphere, Singapore
- SCB Management Program
- CISCO, Executive Briefing Center, U.S.A.
- Huawei, Executive Briefing Center, China

Work Experiences

Bangkok Insurance Public Co., Ltd.

- Senior Vice President, Information Technology Department
(Apr 3, 2017 - present)

Others

- Vice President, IT Network Management,
Siam Commercial Bank Public Co., Ltd. (2008 - 2017)

Mr. Pitiphong Chaochaikhong

Senior Vice President

(Appointed on June 1, 2019)

Commence

February 2010

Family Relationship with Other Directors and Members of Management

- None

Education

- Master Degree of M.B.A., English Program, Shinawatra University
- Bachelor Degree of Finance & Banking, Assumption University

Training

- Product Innovation Excellence in Insurance, Malaysia
- Telematics India and South Asia, FC Business Intelligence Ltd, India
- 4th AYIM ASEAN School for Young Insurance Manager, Singapore
- Finance Perspective for Non-Finance Managers in the Insurance & Reinsurance, Malaysian Insurance Institute, Malaysia

Work Experiences

Bangkok Insurance Public Co., Ltd.

- Senior Vice President, Personal Lines Business Unit
(June 2019 - present)
- First Vice President, Personal Lines Business Unit
(2017 - May 2019)
- Vice President, Personal Lines Business Unit
(Aug 2016 - Dec 2016)
- Assistant Vice President, Personal Lines Business Unit
(Feb 2010 - Jul 2016)

Mr. Sarawut Deesomboon

Senior Vice President

(Appointed on June 1, 2019)

Commence

November 2017

Family Relationship with Other Directors and Members of Management

- None

Education

- Master of Industrial Management Engineering, King Mongkut's University of Technology North Bangkok
- Bachelor of Industrial Engineering, King Mongkut's University of Technology North Bangkok

Training

- Manufacturing Information System, U.S.A.
- Innovation Production System (IPS Project), Japan
- Advance Innovation Production System (IPS Project), Singapore
- Alliance Benchmarking Ranking, China
- DNA Global Training Nissan Production Way, Japan

Work Experiences

Bangkok Insurance Public Co., Ltd.

- Senior Vice President, Non-Motor Claims Department
(Jun 1, 2019 - present)
- Senior Vice President, Risk Assessment Office
(Jun 1, 2019 - present)
- First Vice President, Non-Motor Claims Department
(Nov 1, 2017 - May 2019)
- First Vice President, Risk Assessment Office
(Nov 1, 2017 - May 2019)

Others

- Vice Plant Manager, Suzuki Motor (Thailand) Co., Ltd. (2017)
- General Manager Manufacturing & Vehicle Engineering Plant, Nissan Motor (Thailand) Co., Ltd. (2012-2017)

Mr. Yingyot Sangchai

Senior Vice President

(Appointed on June 1, 2019)

Commence

January 2018

Family Relationship with Other Directors and Members of Management

- None

Education

- Master's Degree in M.B.A. (Business Administration),
Burapa University
- Bachelor's Degree in Science (Physics), Kasetsart University

Training

- Creative and Innovative Thinking
- Six-Sigma Black Belt
- Bullet Proof[®] Manager
- Finance for Non-Finance, Singapore
- Lean & Six Sigma Manufacturing
- ISO 9000 Lead Assessor, Singapore
- Statistical Quality Control Technique

Work Experiences

Bangkok Insurance Public Co., Ltd.

- Senior Vice President, Motor Claims Department
(Jun 1, 2019 - present)
- First Vice President, Motor Claims Department
(Jan 2018 - May 2019)

Others

- Deputy General Manager, SMR Automotive System (Thailand)
Co., Ltd., (Apr 2011 - Dec 2017)

Mr. Theerayut Kitvoraphat

Senior Vice President

(Appointed on January 2, 2020)

Commence

January 2020

Family Relationship with Other Directors and Members of Management

- None

Education

- M.B.A., Thammasat University
- Bachelor of Accountancy, Bangkok University

Training

- Executive Development Program 2
- Bangkok Bank Executive and Financial Institutions Seminar
(Finex 25th generation)
- Step Project, Japan

Work Experiences

Bangkok Insurance Public Co., Ltd.

- Senior Vice President, Branch Network and Ventures
(Jan 2, 2020 - present)

Others

- Regional Manager, Bangkok Bank Public Co., Ltd. (2006 - 2019)

Mr. Anon Vangvasu

Executive Vice President

(Retired on January 1, 2020)

Mr. Suchart Chirayuwat

Senior Vice President

(Retired on January 1, 2020)

Mr. Aree Vanairlor

Senior Vice President

(Retired on January 1, 2020)

Mr. Weerachai Sripetcharakul

Senior Vice President

(Resigned as from January 28, 2020)

FIRST VICE PRESIDENT AND VICE PRESENT



FIRST VICE PRESIDENT AND VICE PRESENT

- | | |
|----------------------------------|------------------------------------|
| 1. Mr. Kannasootr Homjan | 28. Miss Rangsimarath Thongdeekam |
| 2. Mr. Kiettisak Sirilkitchai | 29. Miss Ratchada Wongsomboon |
| 3. Mr. Charun Jongudomporn | 30. Miss Rataya Singh |
| 4. Mr. Jirawong Thantachote | 31. Mrs. Rujirath Panyakiatikun |
| 5. Mr. Jeravat Payakarasamit | 32. Mrs. Waraporn Dhanisornkul |
| 6. Mr. Chaiyot Soonhoa | 33. Mr. Varit Unprasertporn |
| 7. Mr. Natthajak Santatillokkul | 34. Miss Walailuck Phochakaparipan |
| 8. Mr. Trirak Krutvecho | 35. Mr. Vichien Moleewon |
| 9. Mr. Tirathana Visetbhakdi | 36. Mr. Winai Kunprasert |
| 10. Mr. Songkiat Nualon | 37. Miss Wilai Lertritpuwadol |
| 11. Mr. Tawee Kvanthong | 38. Mr. Wiwat Panyakiattikun |
| 12. Miss Tusaneeya Uppalawanna | 39. Mr. Wera Virojsirasak |
| 13. Mr. Teerawat Jaturavit | 40. Mr. Sarayuth Apaipim |
| 14. Mrs. Netnapit Poolsap | 41. Miss Sirirath Ojarutip |
| 15. Mr. Prayudh Jatarupamaya | 42. Mr. Suphachai Assawarakse |
| 16. Miss Pranee Komonkawin | (Appointed on September 2, 2019) |
| 17. Miss Pantita Panyamee | 43. Mr. Somchai Chiaranaiphaisan |
| 18. Miss Pisamai Wiphatkrut | 44. Mr. Sithikul Arayavechakit |
| 19. Mr. Pisit Kidcharoensuk | 45. Miss Sutida Malila |
| 20. Mr. Peerapat Thawornniti | 46. Mrs. Sumana Trongtranon |
| 21. Mr. Paitoon Chanpanorak | 47. Mr. Surasak Xuto |
| 22. Mr. Pairin Chaibenjapol | 48. Mrs. Suwannee Sithisukh |
| 23. Mr. Paisan Vohakiat | 49. Mr. Anawaj Saibang |
| 24. Mr. Pattaradanai Inpongnuwat | 50. Mrs. Anutra Chanprasartsuk |
| (Appointed on May 13, 2019) | 51. Mr. Alonggorn Grattip |
| 25. Mrs. Pattaporn Therdchanakul | 52. Miss Umaporn Hualbuttar |
| 26. Miss Paviga Rawdyoo | 53. Mr. Anek Keereesathien |
| 27. Mr. Yongyuth Tangtrongpaioj | |

Remarks: Miss Sujinda Teplertboon
(Retired on January 1, 2020)



CORPORATE SOCIAL RESPONSIBILITY

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

- Create awareness among the Company's management and employees at all levels so that everyone is fully aware of the significance of activities that benefit society and realizes it is one's duty to take part in these activities of the Company.

- Support social activities to assist the underprivileged and those suffering from natural disasters. Also, to preserve Thai historical artifacts and artworks that are integral to the nation's heritage.

- Allocate budgets to ensure constant support for social activities.

- Promote education for the underprivileged through giving priority to fields of study in which Thailand is lacking so as to develop a pool of talent that can serve as a significant driving force for the country's development.

The Company's Stakeholders

- Campaign for networking to encourage cooperation from many other agencies in helping to fulfill the Company's different projects, as well as to be able to extensively expand assistance in carrying out activities, thus giving the scope to cover all remote areas of the country.

Good Corporate Governance

It has been reported in the section Principles of Good Corporate Governance.

A Guideline for the Treatment of Stakeholders

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

Shareholders

Expectation

- Business transaction based on corporate governance
- Remuneration and sustainable growth

Practice Guideline

- Fairly provide for the right to attend shareholders' meeting and receive remuneration

- Attach to business transaction in line with the principle of good corporate governance

- Transparently, reliably and timely disclose data

Participation Channel

- Organize shareholders' annual general meeting
- Reception of complaints via different channels
- Meet analysts

Employees

Expectation

- Proper remuneration and welfare
- Knowledge development and advancement opportunity
- Overseeing and maintaining the safety, health and environment for work performance
- Equality in work performance
- Balance in working life and personal life

Practice Guideline

- Constantly review remuneration and welfare
- Have a plan on staff training and development for growth in their career path

- Arrange for working environment which is safe, hygienic and favorable to work performance
- Apply the principle of human rights and fair treatment of labor
- Creation of organization culture of a learning organization and organization of happiness

Participation Channel

- Reception of complaints via numerous channels
- Assessment of work performance
- Conducting staff training and development

Customers

Expectation

- A wide variety of products in response to customers' demand, and reasonable price
- Honest and quick quality service in direct response to customers' demand, or higher than their expectation on a fair and moral basis
- Provision of accurate data and information and knowledge to customers

Practice Guideline

- Design and development of products in response to customers' demand. Use information technology to raise convenience of access to products and services on claims and insurance
- Provide for a particular work unit for receiving customers' complaints and suggestions

Participation Channel

- A survey of customers' satisfaction
- Reception of complaints via different channels
- Meeting customers via myriad activities
- Data disclosure via the Company's website

Business Partners

Expectation

- Perform in strict compliance with an agreement on an equal and fair basis

Practice Guideline

- Define criteria for a selection and assessment of business partners and reception of fair remuneration for both sides

- Provision of equal data and information
- Keeping trading secrets
- Define an anti-corruption policy

Participation Channel

- A survey of business partners' satisfaction
- Reception of complaints via numerous channels
- Meeting business partners via a meeting and activity
- Data disclosure via the Company's website

Competitors

Expectation

- Fair competition under the framework of laws

Practice Guideline

- Focus on competition for the quality of products and services for customers' benefits

Participation Channel

- Exchange of data between each other
- Meeting

Creditors

Expectation

- Treat all creditors on a fair, equal and honest basis
- Payment of debts at due time

Practice Guideline

- Strictly honor a promise and commitment made to creditors
- Management of funds so that they possess appropriate structure

Participation Channel

- Meeting
- Data disclosure via the Company's website

Society

Expectation

- Constantly support activities benefiting society and the environment
- Natural resources conservation and environmental development
- Conservation of archaeological sites
- Support education

Practice Guideline

- Constant provision of support and assistance to localities in cooperation with other agencies
- Campaign for a reduction in power energy use
- Campaign for environmental preservation

Participation Channel

- Reception of complaints via different channels
- Listening to communities' opinions
- Carrying out activities for society

The Government Sector

Expectation

- Conducting a business transaction under the requirements of laws and maintaining a good relationship with the regulator
- Attaching to the principle of good corporate governance

Practice Guideline

- Performance in strict compliance with laws, rules, regulations and official standards, apart from giving full cooperation with the government sector and the regulator

Participation Channel

- Meeting and taking part in the government sector's activities
- Provision of data to the regulator

Fair Business Transaction

The Company is strongly determined to carry out its business transactions on an honest and virtuous basis, performing with consideration of equality, fairness and responsibility to society, in strict compliance with the laws defined, apart from having business ethics based on the principle of good corporate governance.

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

1. Be determined to generate satisfaction and confidence among customers as well as pay attention and be responsible to customers in order for them to receive quality products and services at a reasonable price, apart from supporting the development to constantly raise the Company's standard of products and services, and strictly complying with the conditions and agreements made to

customers so as to maintain seriously and steadily a good and sustainable relation with them. Similarly, customers' data will not be used for the benefit of the Company and people concerned.

2. Select business partners, evaluate their performance and provide an opportunity for them to express their opinions and recommendations for mutual business transactions, all on an equal basis, apart from providing them with equal data and information and treating their secrets as strictly confidential.

3. Be determined to perform with an excellent operating result so as to generate shareholders' satisfaction through the sound and continuous returns, maintenance of the Company's leadership in the non-life insurance industry with constant profit growth, and maintenance of its good reputation.

4. Select and engage employees having skills and experiences pertinent to the Company's work, without regard to sex, race, religion or institutional differences as limitations to their participation in the Company's work. In addition, the Company will take care of its employees' remuneration and welfare schemes so that they are at an appropriate level, as well as provide them with an opportunity to fully develop themselves in order to be prepared to move forward.

5. Compete commercially on a fair and all-inclusive basis, in conformity with international principles under the

laws defined, based on an equal commitment to sound competition rules, while not violating business competitors' commercial secrecy with a dishonest and inappropriate method. Also not prevent others from entering a business competition and not damage business competitors' reputation or act in a way that is unfair to competition.

6. Treat all creditors on a fair, equal and honest basis, strictly attaching to honoring a promise and commitment made to them. Also manage funds so that they possess proper structure to support the Company's business transactions and retain its creditors' confidence.

7. Raise awareness of the Company's management and employees at all levels so that they fully realize the significance of self-practices that benefit society, support social activities and provide assistance to the underprivileged. Also create awareness in preserving natural resources and sustainably developing the environment.

8. Carry out business transactions under the requirements of laws and give cooperation in providing data and information requested by the regulator, aimed at displaying the transparency and creating the confidence and trust in one another.

9. Give priority to transparency and take into account an honest practice by attaching to a performance based on international human rights principles. Also, not violate intellectual property rights or copyrights, while being against a corrupt practice of all forms to prevent taking benefits, both directly and indirectly, for oneself and others.

Anti-Corruption Policy

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

The Company was approved by the Board of Directors' resolution on its 1/2015 meeting on February 27, 2015 to request for the certification to take part in the Collective Action Coalition (CAC). The Company has formulated its anti-corruption policy and whistle-blowing policy, improved rules and regulations concerned, as well as prepared for a self-evaluation form relating to the anti-corruption measures and then submitted it to the CAC Committee. The Company was certified by the CAC Committee' meeting resolution as the following:

Certificate Detail	Date of Certification	Date of Certification Termination
First certified	October 16, 2015	October 16, 2018
First renewed	August 21, 2018	August 21, 2021

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

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

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

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

1. A procedure in an assessment of corruption risk

The Company has provided for a risk management system appropriate for its business transaction, by identifying an event of a high risk of corruption that may occur from a business transaction, and making an evaluation of the level of risk, apart from defining a measure suitable to the risk evaluated, through having the Company's Organization Risk Management Department keep an eye on an assessment of the implementation based on the risk management plan.

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

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

1. Provide for an audit procedure, make an assessment of an internal control system and a risk management system covering significant work systems in order to prevent and

follow up risk stemming from corruption, as well as provide recommendations in relation to a proper corrective guideline.

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

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

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

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

2. Assign the Enterprise Risk Management Division to take charge of a steady assessment of corruption risk to ensure an effective implementation of the anti-corruption measure. Implementation consequences will be followed up and presented to the Company's Management and Risk Management Committee, and the latter will subsequently report to the Board of Directors.

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

The Company has provided for a communication of its policies on anti-corruption and clue report by disseminating them via both the internal and external media, for instance, Intranet and the Company's website, annual report and newsletter in order for all of its management, employees and business partners to acknowledge and abide by.

The Company has also constantly provided for training to give its employees knowledge of its policy on and practical guideline for anti-corruption, including related policies, for instance, business ethics, policies on whistle blowing, etc. Furthermore, the Company has its employees obtain external training with the Thai Institute of Directors in such course as Corruption Risk & Control: Technical Update (CRC 4/2019).

Respect of Human Rights

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

Respect of Human Rights

Core issue

Employees' Rights and Participation

Focused issue

- Give importance to a discussion
- Employees' participation in collective negotiation
- Rights to be equally informed of data and information both inside and outside the organization
- Generate all levels of employees' relationship and participation

The Company's implementation

- The Company typically has all its employees acknowledge its work policy from the organization's senior executives in January each year so that they move in the same direction.
- The Company has all its employees informed of its operating performance in each month.

- Organize a party or a study trip for all employees each year for their accord.
- Prepare the Intranet system under the name BKI Connect, as a channel for employees to have quick and convenient access to the Company's data, rules and regulations and interesting data outside the Company, besides being a channel in which employees can express their opinions on the Company or conveniently exchange data among themselves, consisting of such items as Meldea2Solution, BKI Knowledge, Law and Regulation, HR News, Upcoming Events, News Update, Photo Releases, etc.
- Have a variety of committees and working groups, with employees from different sections taking part in an implementation.

Fair Treatment of Labour

The Company has a policy of treating all of its employees on a fair and equal basis for their benefit, while

managing its personnel resources in strict conformity with laws and other requirements concerned, via an implementation of the following issues.

Core issue

Employment

Focused issue

- Perform in compliance with laws related to employment
- Not use forced or child labor
- No discrimination on employment

Implementation

- Have fair treatment to labor and in strict compliance with related laws, for instance, the Labour Protection Act (No. 7, B.E. 2562), Labour Relations Act, B.E. 2518, Workmen's Compensation Act, B.E. 2537, Social Security Act, B.E. 2553, Provident Fund Act (No. 3, B.E. 2550),

the Ministry of Labour's Declaration on Employees' Working Safety and Minimum Wage, Code of Civil Laws on Labour Engagement, etc.

- Does not engage persons under 18 in employment.
- Employees are employed without regard to sex, race or religion. They have an equal chance for a selection through a written examination and a competency-based interview in accordance with the Company's standard.
- There is a clear and update determination of job description and interviewers are informed of it prior to a job interview.

Core issue

Development and Promotion of Employees

- Have a Guideline for development of skills and training for an equal chance to make progress of employees without discrimination

Implementation

- In 2019, the Company provided innumerable training courses to its staff, with an average of 8 training days per staff per year, concentrating on development of all staff's multi skills so that they have potential, knowledge, capability and skills in response to the Company's vision and annual goals, which are offered in different patterns to be in accordance with a learning organization, for instance,
 - On-the-job training and coaching by one's superior and colleague
 - Self-learning via an e-learning system
 - Classroom training
 - Training Needs by Position system, in which knowledge training, development and certification is conducted in line with staff's knowledge and skills based on items essential to work performance

- Expert Sharing by staff who are skillful or expert in their work.
- Overseas training and study trip.
- Job rotation.
- Job transfer.
- The Company provides, constantly and every year, scholarships for a master's degree study to staff studying in the field supporting the Company's business transactions.
- The Company presents awards by carrying out the "Happy Graduation" activity to congratulate on those who have completed their insurance course from CII and TII.
- The Company organizes a thank-you party for special speakers and presents an honorary certificate to staff invited from various sections to give a special talk.
- The Company also has a mentor system, in which more experienced staff act as mentors for new staff to guide the latter in the performance of their work to develop work potential, and an adjustment of their attitude and practices to be in line with the Company's culture, creating a friendly working environment.

Core issue

Health and Safety

Focused issue

- Give priority to the health and safety in work performance of both the staff and employees

Implementation

- The Company has established the Safety, Health and Environmental Committee to define policies and oversee an implementation of activities regarding

working safety of employees, contractors and outsiders who come in to work for or use the service on the Company's premises. The activities carried out in 2019 were, for example, the 5s activity, air quality measurement in the workplace, an examination of consumption water quality, a sanitizer service in the office building, training on fire escape and a demonstration of use of extinguishers.

- In 2019, there were no accidents nor serious sickness.

Core issue

Welfare

Focused issue

- Oversee and give importance to staff's personal life and family for a balanced personal life and working life, feeling happy in their work performance

Implementation

- The Company has provided welfare to its staff to create Work Life Effectiveness, having blissful working life, personal life and family, as the following:
 - Provide for the staff's annual physical examination from a service of Bumrungrad International Hospital, a leading local hospital.
 - Continuously provide for a vaccine injection each year to prevent influenza, as well as provide for a mammogram examination and breast ultrasound for female staff by the breast care center.
 - Provide for Aerobic dance, yoga, badminton court to encourage and promote staff's exercise, aimed at relaxation from work and robust physical health.
 - Provide for the body care activity to solve the problem of office syndrome for staff both at the Company's headquarters and provincial branches, aimed at reducing the symptoms of inflamed muscle and an ache, resulting in staff's better quality of life and performance efficiency.
 - Carry out the "BKI Ban Nee Me Rak" activity on the Valentine Day, in which superiors gave heart stickers and roses to staff to generate a good relationship between bosses and subordinates, and the "Tang Gen Mai Tang Jai" activity to strengthen relations within sections.
 - Prepare gifts on Children Day for staff having children to generate a smile and a sound relationship in the family on the National Children Day.
 - Provide for a lecture to answer questions on a provident fund by a lecturer from the fund management securities, aimed at employees' knowledge of saving investment through a provident fund, apart from giving advice on a correct selection of an investment menu.
 - Organize New Year's Staff Party to repay their devotion to work throughout the previous year, aimed at staff's relaxed working atmosphere and getting together.
 - Carry out activities helping students of provincial schools, with an aim to encourage staff to have a mind to help others without expecting anything in return, via the BKI Voluntary Development activity at Jum Jang Palangrad School, Amphoe Kuchi Narai, Kalasin by painting the school building and growing trees to adjust the landscape around the school building, aimed at promoting and giving importance to education and livelihood via generating sound hygiene. Besides, there is also the 12th Bhappy activity on "Pa Lang Jit Ar Sa Ruam Jai Pluk Pa Chai Lane Phue Tham Ma Chart Ti Yany Yuen" by recruiting the public-minded staff conducting collective activities.
 - Carry out an activity to make a study tour, for the 7th year, for merit following the footsteps of Lord Buddha at the Holy Land in India and Nepal in order to have more access to and faith in Buddhism, creating one's peace of mind and ability to consciously adapt it to one's work and personal life. Additionally, the 52 participants have learned from their 9-day-and-8-night stay together, causing an understanding and tolerance among themselves, which helps reduce the gap between each one of them and incur smoother work performance.
 - Organize, for 4 times, the "Mind Spa" activity at a meditation practice school outside the Company in order for staff to practice meditation and calm their mind.
 - The Company and its employees have hosted a merit-making ceremony of Pha-pa at Wat Wangperm-Phrapavana in Nakhon Ratchasima.
 - Establish a provident fund which employees save and use during retirement, while they can select a maximum cumulative rate of 15 percent.
 - Have a loan for employees at a lower interest rate than that in the market to help them in such necessary incidents as house construction, house buying, and medical expenses of employees' father, mother, child, or spouse.
 - On each floor of the Company's offices, an open, beautiful and ventilated space has been provided which is good for relaxation during and after work, or a meeting among staff during an afternoon break at 3 p.m., with a free refreshment service all day, such as clean drinking water, tea and coffee.

Development of Products and Innovations

With the realization of and attention to its customers in every respect, the Company has constantly created new innovations through development of products, services and working procedures, aimed at being in compliance with the current situation, as well as benefiting and in response to customers, business partners and consumers, with their greatest satisfaction. In 2019, the Company developed the following products and service innovations.

1. Durian Insurance

Insurance of volcano durian of Si Sa Ket has been established to alleviate Thai agriculturalists' risk through the following coverage:

- Coverage for volcano durian of Si Sa Ket based on durian's age from 3 year and over
- Coverage for total loss of volcano durian trees of Si Sa Ket due to a storm, hailstone, flooding, fire, lightning, wildfire, strike, collision, push or a durian tree trunk being broken by wild animals or pets not owned by the insured for insects
- Coverage for partial loss of volcano durian trees of Si Sa Ket due to a storm.

2. Public Liability Insurance for Mining

Coverage for public liability insurance incurred by a business transaction and occurring within or caused by use of an insured enterprise's premise through the following coverage:

1. Third party's loss of life and body part and his/her injury
2. Third party's loss of or damage to properties
3. Expenses on fighting a case.

In this connection, coverage in items 1 and 2 includes expenses and fees on a claims request which the insured have to pay a claimant in accordance with the laws defined.

3. CTA Travel Delight Plus

"Since travel is happiness, don't let anxiety be an impediment to it." The sentence is the origin of the Company's comprehensive travel accident insurance "CTA Travel Delight Plus", an insurance plan providing comfort to customers through the following coverage:

- Loss of life, permanent dismemberment, loss of sight, or total permanent disability incurred by an accident, with maximum coverage of Baht 3,000,000
- Medical expenses due to an accident or sickness occurring abroad, with coverage for all plans of Baht 3,000,000

- Continued medical treatment expenses in Thailand, with maximum coverage of Baht 300,000 (In the case of used to and/or did not use to receive a medical treatment since being abroad)

- An evacuation service of an emergency medical treatment or evacuation and repatriation to Thailand, with maximum coverage of Baht 3,000,000

- Expenses on a repatriation of the insured's body or ashes, with maximum coverage of Baht 3,000,000

- Maximum daily compensation of Baht 2,000 per day when receiving a medical treatment in a hospital

- Public liability, with maximum coverage of Baht 1,000,000

- Coverage for a loss of or damage to baggage, clothes and/or personal effects therein, whether a loss occurring in a hotel, or incurred by an airline or robbery, with maximum coverage not exceeding Baht 30,000

- Benefits for the deductible for the rented car, with maximum coverage of Baht 10,000

In addition, there is also such coverage as a baggage delay, trip cancellation or trip curtailment, flight delay, aircraft hijacking, hospital visit, loss of or damage to travelling documents, loss of or damage to personal money, and emergency call charges expenses.

4. Health Care Insurance for Long Stay Visa

It is health insurance necessary for foreigners aged 50 or over who wish to apply for a visa for a long stay in Thailand, both a non-immigrant visa "O-A" (Long stay) and a non-immigrant visa "O-X" (Long stay 10 years), with coverage for medical treatment expenses in case of an outpatient of no less than Baht 40,000 and in case of an inpatient of no less than Baht 400,000, to ensure those foreigners' confidence in their stay in the country that they will be taken good care of in case of an accident or sickness, which is good for the country's overall tourism and is also sustainable tourism development.

5. Insurance for Mosquito-related diseases

Coverage for sickness from 5 diseases incurred by mosquitoes, ranging from dengue, Zika virus disease, Japanese encephalitis, chikungunya to malaria. In case of being a patient, he/she will receive a daily compensation to help relieve a burden of medical treatment expenses. It can be purchased in addition to the existing health insurance, with a starting premium of Baht 99 per year and coverage ranging from a newborn baby to those aged 70, with a 15-day waiting period.

6. Insurance against 3 Vexing Diseases

Coverage for influenza, hand-foot-and-mouth disease, and mosquito-related diseases (dengue, Zika virus fever, Japanese encephalitis, chikungunya, malaria), which are diseases that can break out in people of all ages and are found to spread every year. There are 2 types of insurance plans, namely, having a daily compensation and having no daily compensation, with a starting premium of Baht 150 per year and being insurance helping relieve a burden of expenses stemming from staying in a hospital due to these 3 groups of diseases, with maximum daily compensation of Baht 1,500 for 30 days. In case of being a continued in-patient of no less than 3 days, he/she will obtain a maximum lump sum of compensation of Baht 30,000, with coverage ranging from a newborn baby to those aged 70.

7. Cooperate with Rabbit Finance in Opening a Campaign on "Care, Worthy for All Lifestyles"

Bangkok Insurance, in collaboration with Rabbit Finance, a leader in insurance services and financial products, has opened a "Care, Worthy for All Lifestyles" campaign which extends an opportunity for customers across the country to access insurance that is worthy, outstanding and has a wide variety of insurance for selection, being able to respond to customers' demand in all lifestyles, besides providing coverage closer to themselves, to penetrate the market of a new generation via an insurance pattern communicating with people for their easy understanding and convenient access to data and information, focusing on their liveliness, feeling of fun and ability to go out leading their life carefree through Rabbit Finance's myriad channels.

8. Increase Motor Insurance Channel via True Money Wallet

Bangkok Insurance, in cooperation with True Money, the provider of an application True Money Wallet, enhances convenience and quickness for customers requiring insurance with Bangkok Insurance through an online motor insurance service provision, apart from making a premium payment via the application True Money Wallet. Customers will immediately receive an e-policy through an email after transaction completion, besides obtaining numerous special privileges and good promotions. Further details can be viewed on the website at truemoney.com/insurance.

Responsibility to Customers and Business Partners

1. Disclosure of Data

The Company has disclosed its data and information, activities and movements through such channels as BKI

News, email, annual report, and the Company's website at bangkokinsurance.com and Facebook Bangkok Insurance in order for its customers and business partners to access its data at all times, for instance, the Company's operations, financial standing, new products, benefits and welfare, and activities.

For new customers interested to buy insurance, they can immediately download detailed documents of policies or calculate their premiums via the Company's website at bangkokinsurance.com for a consideration of the coverage detail prior to a decision to buy insurance.

2. Reception of Complaints and Recommendations

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

3. Implement Standards for Creating Secure Credit Card Payment

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

Environmental Management Implementation

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

1. Energy Management

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

A working committee on the energy management has successfully implemented and coordinated the work in conformity with the policy defined, by rallying energy preservation for the Company's staff's awareness of the significance of collective energy conservation, apart from making a continuous dissemination of information and knowledge to staff. In 2019, the Company had a project for a sustainable diminution in energy use, as the following.

- 1.1 A project on a change of light bulbs to LED ones in the central area on 1st-31st floors of Bangkok Insurance's building, which was completely implemented in November 2019.
- 1.2 A study of the project on a change in an air-conditioning system on leasers' 23rd-31st floors.
- 1.3 A study of the project on a change of a heat exchanger in a ventilation system.

2. Hygienic and Environmental Management

For its management of water and water quality, the Company has applied technology on water quality preservation ozone to the storage and raise of drinking water quality by adequately installing drinking water filters. It has also steadily maintained and changed filtering equipment, as well as strictly monitoring, at each checking period, the

quality of both drinking and non-drinking water based on the Metropolitan Waterworks Authority's standards, apart from daily checking the amount of water used, to control an appropriate and non-wasteful use of water resources.

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

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

3. Air Quality Management

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

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

4. Garbage Management

The Company has given priority to its 5s (clear up, convenient, clean, sanitary and habitual) activity and has therefore consistently arranged it every year to promote sound hygiene and the most beneficial and efficient use of office resources in order to reduce the amount of garbage in the office, which has an impact on the pollution and atmosphere in the workplace. In this connection, the Company has carried out a paper-weighing activity and provided for rubbish bins to sort out different kinds of garbage prior to dumping, for instance, general rubbish and recycled rubbish, so that usable garbage or materials will be subsequently reused and/or recycled materials will be sold to purchasers.

5. Incident Prevention Management

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

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

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

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

5.4 Provide a training course on first aid.

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

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

Participation in the Development of Communities, Society and the Environment

Bangkok Insurance Public Company Limited has fully realized its robust participation in the responsibility to society and conservation of the environment through its management within the organization which will not have an adverse impact on the environment, society and communities. In addition, the Company has instilled such a concept in all of its management and employees so that they are aware of the value of doing good and taking part in helping and being beneficial to society, including preserving natural resources and the environment, which is a significant basis of the promotion of a sound quality of life of people in society. Besides, the Company's employees are encouraged to have a public mind and give cooperation in support of and continuously carrying out all-inclusive activities.

In 2019, the Company had conducted activities supporting education, religion and art and culture, public health, relief of public disasters, development of communities and the environment, and development of the quality of life, as the following:





Education

The Company has constantly promoted and developed young people for their education, in addition to implementing the Company's projects and cooperating in projects and activities with numerous agencies as a sound basis for young people to help develop the country. In 2019, the following activities were carried out.

Contributions to Foundations under Royal Patronage

- A contribution of Baht 4,000,000 to the Ananda Mahidol Foundation as scholarships for students with academic capabilities to have the opportunity to further their studies at the highest level in a foreign country and subsequently to apply the knowledge learned to the development of their own country for its progress.
- A contribution of Baht 2,500,000 to the Chai Pattana Foundation to implement the royal initiative projects assisting people in such aspects as education, the environment and social development.
- A contribution of Baht 1,500,000 to the "Graduates Go Home" project as scholarships for students under royal patronage.

Bangkok Insurance Scholarship Project

The Company has, since 1994 to present, granted scholarships to poor students for their university education. In 2019, 53 scholarships were granted to students. The grants were provided free of charge and included tuition fees, as well as expenses for food, accommodation and others. The Company would continuously grant scholarships until students graduate from a university. So far 600 scholarships or a grant of Baht 111,271,027 had been presented.

Additionally, the Company also had a project on injecting ethics, righteousness and public mindedness into those students. In 2019, the following activities were carried out.

- Scholarship students' voluntary development camp at Romklao School and Dan Mounng Kom Pittayakhom School, Amphoe Khok Si Suphan, Sakon Nakhon, with the current class of BKI scholarship students and those wishing to ask for a grant, totaling 46 students, collectively participating in painting the schools' front fence as well as cleaning the school building and multipurpose building.
- Scholarship students' voluntary development camp at Ban Klang School, Amphoe Kuchi Narai, Kalasin, conducting activities by improving and painting the futsal field, volleyball court and takraw court, as well as painting the toilets and playthings, apart from presenting water filters and drinking water machines to the school.

Granting Scholarships for Promote Students' Reading Habit Project

The Company has granted scholarships and presented books through its "Promote Students' Reading Habit" project for 2019 to 30 schools with an achievement in the production of teaching and learning media on the topic "Gigantic-Volume Story, Attaching to Morality," totaling over Baht 900,000, at Sakon Nakhon Primary Educational Service Area office 1, Sakon Nakhon.

BKI Scholarships for 2019

The Company had initiated its "BKI Scholarship" project in 2017 to constantly grant scholarships to sophomores of the departments of insurance, mathematics, statistics and information technology in various educational institutions who had outstanding study result and good behavior, without any obligation until they completed their bachelor's degree study. In 2019, the Company granted 10 scholarships to these students, of Baht 30,000 each, amounting to Baht 300,000.

BKI Give Project

The Company had initiated its "BKI Give" project in 2015 with the aim to support educational institutions' educational and society development activities. In 2019, the Company presented writing equipment and bottled water for use in education-promotion activities of various universities, totaling 11 activities.

Support Budget for Activity Yard Construction

The Company has supported a budget for the construction of a concrete road and an activity yard in front of the flagpole for Ban Pu Ter School, Amphoe Mae Sot, Tak, besides granting scholarships and hosting lunch to school students, most of whom are hill-tribe people.

BKI Promote Safety and Worry about the Youth Project

The Company has carried out activities promoting safety among and worrying about young people, apart from presenting extinguishing equipment, wooden splint sets for bracing arms and legs, and medicine bags to U Thong Suksa Lai School, Amphoe U Thong, Suphan Buri for use as first-aid kits and prevention equipment for risks which may befall students and school staff.

Furthermore, the Company's Emergency Response Team (ERT) has provided training for knowledge of first aid, demonstration of cardiopulmonary resuscitation (CPR) and use of Automated External Defibrillator (AED) to save lives of unconscious patients, and demonstration of fire extinguishment to 60 students of mattayomsuksa 4 of the school so that they will obtain on-the-job training, whether applying a splint, stopping bleeding, wound treatment, cardio-pulmonary resuscitation, training on fire escape, or accurate use of extinguishers, all aimed at the students' basic knowledge and ability to apply the knowledge learned to help victims in case of an emergency, besides preparedness to preliminarily quell an incident immediately.



Public Health

The Company has fully realized that people having sound hygiene as well as robust bodies and mind, without an illness, will be able to live a happy life, leading to a sound quality of life. As a consequence, the Company has lent support to a medical service necessary for the treatment for needy hospitals, aimed at better taking care of underprivileged people's quality of life, as the following:

Present Medical Equipment to Rehabilitate Disable Persons

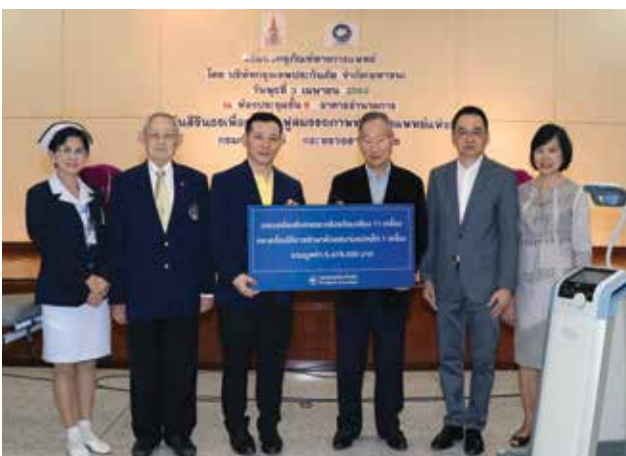
The Company has presented medical equipment such as traction devices, super inductive devices and 11 patient beds, amounting to Baht 5,479,500 to the Sirindhorn National Medical Rehabilitation Institute for use in its services of treatment, rehabilitation, and prevention of intervening conditions for patients, disable persons and the general public at the Sirindhorn National Medical Rehabilitation Institute, Amphoe Mueang, Nonthaburi.

Present Medical Equipment to Hospitals

The Company has presented medical equipment to hospitals for their treatment of patients. In 2019, the Company presented 1 hot-air heater for patients, amounting to Baht 80,250, and 1 portable heart examination device through a high-frequency wave, totaling Baht 350,000, to Sakon Nakhon Hospital, Sakon Nakhon, apart from presenting 2 oxidizers via a high flowing rate for newborn babies, for use in NICU rooms, amounting to Baht 500,000, to Nakornping Hospital, Chiang Mai.

Support Friends for Life Project Purchasing Medical Equipment

The Company has cooperated to become one of the networking allies benefiting society in the "Friends for Life" project, organized by a group of TISCO Banks, through a contribution of Baht 1,000,000. The "Friends for Life" project has an objective to raise funds to purchase medical equipment for 5 large public hospitals, namely, Siriraj Hospital, Chulalongkorn Hospital, Ramathibodi Hospital, Rajavithi Hospital and Thammasat University Hospital in response to patients from across the country, totaling over 8,000,000 patients per year.



Give Never Stop Project Presenting Lifesaving Equipment

The Company has supported the “Give Never Stop” project, presenting lifesaving equipment, of the FM 91.0 MHz for a campaign on encouraging people to collectively do good, have spirit, be righteous, as well as generous and helpful to people in society. In this connection, FM 91.0 MHz is collectively a medium in helping and delivering assistance to the underprivileged, while the faithful collectively donate supplies, including such medical equipment as wheelchairs, oxygen bags, diapers for children and adults, etc. The project is in line with the Company’s policies and vision promoting morality and doing good, which is a basis for people in society to pass on the goodness and generosity to others endlessly so that people in society have a sustainably sound quality of life.

Donate Blood to the Thai Red Cross Society

The Company has persuaded its management, staff, customers and business partners, as well as the general public to donate blood and organs to National Blood Centre, the Thai Red Cross Society, so that there is enough blood for treatment of patients in hospitals nationwide, while part of it will be kept as a reserve for emergency use. In 2019, the Company carried out its blood-and-organ-donation activity 4 times with over 898,250 c.c. of blood donated, and 198 people donating their organs.



Promote Students’ Hygiene

To promote and give priority to students’ education and living conditions sustainably generating sound hygiene, the Company has presented a building for industrial and dramatic arts training and a building for agricultural training to replace the old and dilapidated buildings, as well as a student toilet building, besides supporting clean drinking-water filters and collectively painting the school building and growing trees, aimed at adjusting the landscape around the school building at Joomjang Palangraj School, Amphoe Kuchi Narai, Kalasin.

Relief of Natural Disasters

Apart from the Company’s giving importance to its staff’s safety by establishing the Safety, Health and Environmental Committee, it has also given priority to providing knowledge of safety, risk prevention and giving assistance to people suffering from public disasters as follows:



Help Flood Victims in the Northeast

The Company, together with its public-minded staff, has made concerted efforts to make a site visit to relieve the suffering of flood victims by distributing 1,600 sets of survival bags containing rice, dried food and necessities for daily living, besides drinking water, to people affected by flooding but not yet receiving any assistance, to speed up relieving their suffering in 4 villages, namely, Ban Pho Chai, Ban Kudrue, Ban Pho Tak and Ban Nam Thiang in Tambon Na Ngam, Amphoe Selaphum, Roi Et and Amphoe Mueang, Ubon Ratchathani.

In addition, the Company has made a contribution of Baht 195,960 and Baht 96,000, totaling Baht 291,960, in support of the rehabilitation of the school libraries at Ban Raitai School and Ban Phak Ya School, respectively. Both schools had been damaged by a flooding incident in Ubon Ratchathani.

Present Bulletproof Vests

The Company has presented 200 bulletproof vests, amounting to over Baht 7,000,000, to the Internal Security Operations Command (Region 4), Sirindhorn Camp, Amphoe Yarang, Pattani since the Company gives importance to the safety of military officers in the 3 southern provinces and wants them to use bulletproof vests as risk-prevention equipment to ensure the safety adequacy of their duty performance.





Development of Communities and the Environment

The Company has promoted and supported an implementation of environmental activities by collaborating with related agencies and the Company's subsidiary companies in carrying out projects leading their public-minded staff to take part in society and environmental development activities each year, as the following:

Bhappy Project

The Company, in collaboration with Bumrungrad International Hospital, Bangkok Life Assurance Public Company Limited and Aioi Bangkok Insurance, has collectively organized the 12th "Bhappy" activity on "Palang Jit A Sa Ruam Pluk Pa Chay Lane Phue Tham Ma Chad Thi Yang Yuen" through grouping public-minded staff to collectively participate in relation activities, as well as generate unity among the organizations, apart from making a site visit to grow mangrove, aimed at conserving nature and mangrove plants, as well as protecting coastlines.

The "Bhappy" project has been initiated since 2012, with the aim to have staff of the 4 organizations collectively carry out activities benefiting society and the environment, including creating accord and sound relations among the organizations. The "Bhappy" project has been implemented 12 times and still continues, constantly creating and carrying out good activities for society and the environment.

Promote Handicraft Occupation for Villagers in Mukdahan

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

Support the Thai Environmental and Community Development Association

The Company has, since 1984 to present, consistently supported the Thai Environmental and Community Development Association (Magic Eyes). In 2019, the Company made a contribution of Baht 1,000,000, in support of the association's environmental preservation activities.

Support the Rajapruek Institute Foundation

The Company has, since 1986, constantly supported the Rajchapruek Institute Foundation annually. In 2019, the Company made a contribution of Baht 150,000, for use in the foundation's activities.

Religion, Art and Culture

The Company has had a policy of lending support to maintaining Buddhism and conserving the country's invaluable art and culture for their everlasting existence, as the following:

Pha-pa Ceremony for 2019

The Company's management and employees had cooperated in annually organizing a merit-making ceremony of Pha-pa for 2019, with total merit money of Baht 1,184,584.50, donated by the Company's customers, business partners and employees, at Wat Wangperm- Phrapavana in Nakhon Ratchasima (a branch of Wat Doi Dharmajedi in Sakon Nakhon).

Mind Spa Project

The Company has encouraged and opened an opportunity for all levels of its employees to participate in studying Dharma and practicing meditation to generate happiness and develop the quality of work and daily life. In 2019, the project was organized 4 times at Sangtham, Pak Chong, Nakhon Ratchasima.



Open Community Museum of Ban Promthintai

Bangkok Insurance has taken part in the opening ceremony of the community museum of Ban Promthintai in Lopburi. The Company has, since 2007 till now, supported an establishment of the museum, with the aim of developing it to become a source of cultural heritage for younger generations to study.

All these are just part of the projects and activities the Company has conducted steadily, with the aim to develop a sound quality of life for people in society, to live happily together and be able to sustain self-reliance.



REPORT OF THE AUDIT COMMITTEE

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

In 2019, the Audit Committee convened 4 meetings, attended by the Chief Executive Officer, Executive Vice President of Accounting and Treasury Department and Company Secretary, and First Vice President of Internal Audit Office. It further convened another 2 meetings with independent auditors without the attendance of the Company's management to implement duties assigned by the Board of Directors as summarized below:

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

2. Supervising the Company's Internal Control System and Performance Corresponding to the Provisions of Law. The Audit Committee has examined and approved the audit plan of the Internal Audit Office for 2019, examined the report on audit consequences based on the plan, as well as made suggestions for the efficiency and effectiveness of the Internal Audit Office's performance, in addition to exchanging opinions and providing advice to the Company's management in order to follow up with improvement on significant issues according to an audit report. This is to ensure that the Company has a good internal control system and practices that comply with the relevant laws and regulations.

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

4. Selecting and Proposing an Appointment of Auditor. The Audit Committee has considered and proposed to the Company's Board of Directors for approval from the shareholders' meeting for the appointment of Mrs. Nongluck Phumnoi and/or Miss Somjai Khunapasut and/or Miss. Ratana Jala and/or Miss Rachada Yongsawadvanich of EY Office Limited as auditors for the year 2019, with the remuneration of Baht 2,660,000.

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

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



(VDC Col Plengsakdi Prakaspesat)
Chairman of the Audit Committee

REPORT OF THE REMUNERATION AND NOMINATION COMMITTEE

The Remuneration and Nomination Committee has been assigned the duty to ensure that the Company has an appropriate structure of the Board of Directors, as well as the appropriate number of its members necessary for the Company to carry on its business activities and objectives, select a suitable and qualified person to supersede a Board member, the Chief Executive Officer and the President in case of completing his term, resignation or other reasons. The Committee has also been assigned to ensure that the Company has well-defined compensation policies and benefits for directors and officers to perform their duties effectively and efficiently. Realizing that the nomination of competent persons to the Company's key positions has efficiently helped advance the achievement of its vision and policies, coupled with the fact that proper remuneration is a factor generating an incentive for one to perform effectively, the Board of Directors, in 2019, had appointed one director to replace the director who resigned from the Board to oversee the Company's administration, apart from generating the operating performance benefiting shareholders and all groups of stakeholders, through the nomination of the Company's outsiders.

The Remuneration and Nomination Committee has performed duties assigned to it in a prudent, cautious and reasonable manner, taking into account the remuneration based on both internal and external factors, compared to the Company's defined targets. As a consequence, for consideration of Board members' remuneration in 2019, the remuneration was defined at the shareholders' meeting at Baht 12.5 million equal to that in the previous year.

In 2019, the Remuneration and Nomination Committee convened 2 meetings and disclosed the remuneration of the Company's Board members and management in the Company's annual report for transparency of an examination.



(Mr. Singh Tangtaswas)

Chairman of the Remuneration and Nomination Committee

REPORT OF THE CORPORATE GOVERNANCE COMMITTEE

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

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

In 2019, the Corporate Governance Committee had arranged meetings to follow up the Company's performance on good corporate governance, responsibilities to society and the environment, as well as sustainable development. A summary of its activities is listed below.

1. To consider, review and improve the Company's policy on good corporate governance so that it is appropriate and up-to-date and in line with the SEC's principle of good corporate governance for listed companies for 2017 (CG Code), and the OIC's non-life insurance companies' good corporate governance, aimed at raising the Company's business transaction standards to generate fairness and transparency, creating profits and increasing long-term value for its shareholders.

2. To consider and review the application of the SEC's practices based on the principle of good corporate governance for listed companies for 2017 (CG Code) to the Company's business context, aimed at the Company's business transactions having long-term sound operating results and generating sustainable value, apart from disclosing such information in the annual report presentation form (Form 56-1) and the Company's annual report (Form 56-2).

3. To consider and review the Company's policy on investment corporate governance (I Code), aimed at being a performance guideline for the Company's Board directors, executives and employees for their efficient investment management.

4. To consider, encourage and support the Company's Board's performance evaluation once a year, besides additionally proposing an individual Board director's and committees' annual performance assessment so that the evaluation consequence will be used to develop the Company's Board directors' duty performance to be in conformity with the principle of good corporate governance.

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

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

7. To consider a quality evaluation of the Company's shareholders' general meeting (AGM Checklist) organized by the Thai Investors Association, of which the Company's score in 2019 was 100 out of a total of 100, or Excellence and Appropriate as an Example.

The Company's Corporate Governance Committee is determined to constantly develop its good corporate governance system in parallel with responsibilities to society and the environment, aimed at promoting and boosting the standard of the Company's good corporate governance principle so that it is universally acceptable.



(Mr. Virasak Sutanthavibul)
Chairman of the Corporate Governance Committee

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

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

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

The Company's Board of Directors is of the opinion that the overall internal control system of the Company is satisfactory and generates justified confidence in the reliability of the Company's financial statements as at December 31, 2019. The Company's independent auditor has also audited in accordance with generally accepted auditing standards and is of the opinion that the Company's financial statements referred to above present fairly, in all material respects, its financial position, operational consequences and cash flows in accordance with financial statements standards.



(Mr. Chai Sophonpanich)
Chairman

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Bangkok Insurance Public Company Limited

Opinion

I have audited the accompanying financial statements of Bangkok Insurance Public Company Limited ("the Company"), which comprise the statement of financial position, in which the equity method is applied, as at 31 December 2019, and the related statements of comprehensive income, changes in owner's equity and cash flows, in which the equity method is applied, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and also audited the separate financial statements of Bangkok Insurance Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Insurance Public Company Limited as at 31 December 2019, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards

Basis for Opinion

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

Key Audit Matters

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

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

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

Gross premium written

In 2019, the Company had gross premium written of Baht 21,009 million. The Company accepted insurance from retail customers through brokers and agents and there have been a large number of insurance policies written. Calculation and recognition of gross premium written as earned revenue were dependent upon the information technology (IT) systems. I therefore focused on examining that gross premium written was correctly recognised as actually incurred.

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

Loss reserves

As at 31 December 2019, the Company had loss reserves of Baht 5,631 million (included as a part of insurance contract liabilities). Loss reserves included both claims incurred and reported and claims incurred but not yet reported. Such reserves were calculated using actuarial method, which involved certain assumptions that required the management to exercise a high level of considerable judgment in estimation of such reserves. I therefore focused on adequacy of loss reserves.

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

Allowances for doubtful accounts and impairment

As at 31 December 2019, the Company had outstanding balances of premium receivables, reinsurance assets (loss reserves refundable from reinsurers), and reinsurance receivables totaling Baht 6,003 million (before allowances for doubtful accounts and impairment of Baht 64 million). In estimating allowances for doubtful accounts and impairment on such assets, the management is required to exercise judgement on certain assumptions used in calculation of losses that may be incurred on irrecoverable debts and assets. I therefore focused on adequacy of such allowances.

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

Allowance for impairment on investments

As at 31 December 2019, the Company had investments in associates and general investments, stated at cost less allowance for impairment in the separate financial statements, totaling Baht 856 million. In consideration of allowance for impairment, the management is required to exercise a high level of considerable judgment in selection of valuation methods and assumptions used for valuation such as discounted rate, growth rate, expected future revenue and so on. Such fair value assessment related to an estimation of future cash flows each entity would generate, which were uncertain. I therefore focused on adequacy of allowance for impairment on such investments.

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

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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



Rachada Yongsawadvanich

Certified Public Accountant (Thailand) No. 4951

EY Office Limited

Bangkok: February 20, 2020

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2019

(Baht'000)

Assets	Note	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Cash and cash equivalents	6	138,824	419,567	138,824	419,567
Premium receivables - net	7	2,781,688	2,704,395	2,781,688	2,704,395
Accrued investment income		71,682	41,427	71,682	41,427
Reinsurance assets - net	8	5,652,332	6,100,713	5,652,332	6,100,713
Reinsurance receivables - net	9	393,521	236,156	393,521	236,156
Investment assets					
Investments in securities - net	10	44,958,408	47,951,309	44,958,408	47,951,309
Loans - net	11	1,313,733	1,440,402	1,313,733	1,440,402
Investments in associates	12.1	246,371	227,742	129,396	129,396
Investment properties - net	13	135,207	152,436	135,207	152,436
Premises and equipment - net	14	740,712	814,168	740,712	814,168
Intangible assets - net	15	116,379	164,774	116,379	164,774
Other assets					
Land and building leasehold rights - net		38,927	43,941	38,927	43,941
Others		739,299	323,179	739,299	323,179
Total assets		57,327,083	60,620,209	57,210,108	60,521,863

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

As at December 31, 2019

(Baht'000)

Liabilities and Owners' Equity	Note	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
		December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
Liabilities					
Insurance contract liabilities	17	15,609,541	14,735,599	15,609,541	14,735,599
Due to reinsurers	18	2,553,721	2,178,929	2,553,721	2,178,929
Income tax payable		136,231	168,637	136,231	168,637
Employee benefit obligations	19	710,874	381,189	710,874	381,189
Deferred tax liabilities	16.1	3,476,763	4,724,428	3,453,368	4,704,759
Other liabilities					
Premiums received in advance		1,810,512	1,868,686	1,810,512	1,868,686
Commission payables		416,503	367,453	416,503	367,453
Accrued expenses		683,970	574,301	683,970	574,301
Liabilities under finance lease agreements	20	40,059	53,864	40,059	53,864
Others		865,812	691,759	865,812	691,759
Total liabilities		26,303,986	25,744,845	26,280,591	25,725,176
Owners' equity					
Share capital	21				
Registered, issued and paid up 106,470,000 ordinary shares of Baht 10 each		1,064,700	1,064,700	1,064,700	1,064,700
Share premium		1,442,500	1,442,500	1,442,500	1,442,500
Retained earnings					
Appropriated					
Statutory reserve	22	106,470	106,470	106,470	106,470
Other reserve	23	7,000,000	3,100,000	7,000,000	3,100,000
Unappropriated		4,223,458	7,302,709	4,126,085	7,224,032
Other component of owners' equity		17,185,969	21,858,985	17,189,762	21,858,985
Total owners' equity		31,023,097	34,875,364	30,929,517	34,796,687
Total liabilities and owners' equity		57,327,083	60,620,209	57,210,108	60,521,863

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

STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2019

(Baht'000)

	Note	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
		2019	2018	2019	2018
Profit or loss:					
Revenues					
Gross premium written		21,008,919	17,326,215	21,008,919	17,326,215
Less: Premium ceded to reinsurers		(6,564,361)	(5,388,104)	(6,564,361)	(5,388,104)
Net premium written		14,444,558	11,938,111	14,444,558	11,938,111
Less: Unearned premium reserves increased from prior year		(1,260,959)	(637,785)	(1,260,959)	(637,785)
Earned premium		13,183,599	11,300,326	13,183,599	11,300,326
Fee and commission income		1,253,219	1,136,747	1,253,219	1,136,747
Shares of profits from investments in associates, accounted for under the equity method	12.2	23,370	16,993	-	-
Investment revenue		1,226,491	1,144,108	1,226,491	1,144,108
Gains on investments		281,138	85,476	281,138	84,664
Other income		182,847	159,512	182,847	159,512
Total revenues		16,150,664	13,843,162	16,127,294	13,825,357
Expenses					
Gross claims		9,125,530	7,983,443	9,125,530	7,983,443
Less: Claim recovery from reinsurers		(1,996,776)	(2,398,329)	(1,996,776)	(2,398,329)
Commissions and brokerages		2,717,317	2,305,877	2,717,317	2,305,877
Other underwriting expenses		2,348,505	1,994,321	2,348,505	1,994,321
Operating expenses	25	1,078,263	1,080,794	1,078,263	1,080,794
Investment expenses		89,315	88,456	89,315	88,456
Finance costs		2,553	3,266	2,553	3,266
Total expenses	26	13,364,707	11,057,828	13,364,707	11,057,828
Profits before income tax expenses		2,785,957	2,785,334	2,762,587	2,767,529
Less: Income tax expenses	16.2	(334,676)	(378,526)	(330,002)	(374,965)
Profits for the years		2,451,281	2,406,808	2,432,585	2,392,564

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

For the years ended December 31, 2019

(Baht'000)

	Note	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
		2019	2018	2019	2018
Other comprehensive income:					
Items to be recognised in profit or loss in subsequent periods:					
Shares of other comprehensive losses from associates	12.2	(4,742)	-	-	-
Losses on revaluation of available-for-sale investments		(5,836,529)	(1,488,662)	(5,836,529)	(1,488,662)
Total Items to be recognised in profit or loss in subsequent periods		(5,841,271)	(1,488,662)	(5,836,529)	(1,488,662)
Add: Income taxes		1,168,254	297,732	1,167,306	297,732
Items to be recognised in profit or loss in subsequent periods - net of income taxes		(4,673,017)	(1,190,930)	(4,669,223)	(1,190,930)
Items not to be recognised in profit or loss in subsequent periods:					
Actuarial gains (losses)		(174,940)	5,780	(174,940)	5,780
Add (less): Income taxes		34,988	(1,156)	34,988	(1,156)
Items not to be recognised in profit or loss in subsequent periods - net of income taxes		(139,952)	4,624	(139,952)	4,624
Other comprehensive loss for the years		(4,812,969)	(1,186,306)	(4,809,175)	(1,186,306)
Total comprehensive income (loss) for the years		(2,361,688)	1,220,502	(2,376,590)	1,206,258
Earnings per share:	28				
Basic earnings per share					
Profits for the years		23.02	22.61	22.85	22.47

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

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2019

(Baht'000)

	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
	2019	2018	2019	2018
Cash flows from (used in) operating activities				
Direct premium written	19,883,141	16,461,557	19,883,141	16,461,557
Cash paid for reinsurance	(1,868,805)	(1,799,860)	(1,868,805)	(1,799,860)
Interest income	289,873	311,795	289,873	311,795
Dividend income	906,363	885,479	906,363	885,479
Other investment income	160,871	138,778	160,871	138,778
Other income	21,793	20,688	21,793	20,688
Losses incurred on direct insurance	(9,118,523)	(7,284,590)	(9,118,523)	(7,284,590)
Commissions and brokerages on direct insurance	(2,488,209)	(2,116,422)	(2,488,209)	(2,116,422)
Other underwriting expenses	(2,688,188)	(2,253,123)	(2,688,188)	(2,253,123)
Operating expenses	(874,755)	(783,449)	(874,755)	(783,449)
Investment expenses	(63,649)	(60,994)	(63,649)	(60,994)
Income taxes	(410,265)	(341,026)	(410,265)	(341,026)
Investments in securities	(2,561,342)	(1,536,610)	(2,561,342)	(1,536,610)
Loans	126,103	(82,484)	126,103	(82,484)
Investments in associates	-	5,950	-	5,950
Net cash provided by operating activities	1,314,408	1,565,689	1,314,408	1,565,689
Cash flows from (used in) investing activities				
Cash flows from				
Premises and equipment	223	253	223	253
Cash from investing activities	223	253	223	253
Cash flows used in				
Premises and equipment	(124,427)	(38,059)	(124,427)	(38,059)
Intangible assets	(9,692)	(17,320)	(9,692)	(17,320)
Cash used in investing activities	(134,119)	(55,379)	(134,119)	(55,379)
Net cash used in investing activities	(133,896)	(55,126)	(133,896)	(55,126)

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

For the years ended December 31, 2019

(Baht'000)

	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
	2019	2018	2019	2018
Cash flows from (used in) financing activities				
Dividends paid	(1,461,255)	(1,490,580)	(1,461,255)	(1,490,580)
Net cash used in financing activities	(1,461,255)	(1,490,580)	(1,461,255)	(1,490,580)
Net increase (decrease) in cash and cash equivalents	(280,743)	19,983	(280,743)	19,983
Cash and cash equivalents at beginning of the years	419,567	399,584	419,567	399,584
Cash and cash equivalents at end of the years	138,824	419,567	138,824	419,567

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

STATEMENTS OF CHANGES IN OWNERS' EQUITY

For the years ended December 31, 2019

Financial Statements in which the Equity Method is Applied	Note	Issued and Paid-up Share Capital	Share Premium
Balance as at January 1, 2018		1,064,700	1,442,500
Dividend paid	29	-	-
Profit for the year		-	-
Other comprehensive income (loss) for the year		-	-
Balance as at December 31, 2018		1,064,700	1,442,500
Balance as at January 1, 2019		1,064,700	1,442,500
Retained earnings appropriated to be other reserve	23	-	-
Dividend paid	29	-	-
Profit for the year		-	-
Other comprehensive loss for the year		-	-
Balance as at December 31, 2019		1,064,700	1,442,500

Separate Financial Statements	Note	Issued and Paid-up Share Capital	Share Premium
Balance as at January 1, 2018		1,064,700	1,442,500
Dividend paid	29	-	-
Profit for the year		-	-
Other comprehensive income (loss) for the year		-	-
Balance as at December 31, 2018		1,064,700	1,442,500
Balance as at December 31, 2018		1,064,700	1,442,500
Retained earnings appropriated to be other reserve	23	-	-
Dividend paid	29	-	-
Profit for the year		-	-
Other comprehensive loss for the year		-	-
Balance as at December 31, 2019		1,064,700	1,442,500

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

(Baht'000)

Retained Earnings			Other Component of Equity			Total
Appropriated		Unappropriated	Share of Other Comprehensive Loss from Associates - Net of Income Taxes	Revaluation Surplus on Available-for-sale Investments - Net of Income Taxes	Total	
Statutory Reserve	Other Reserve					
106,470	3,100,000	6,381,857	-	23,049,915	23,049,915	35,145,442
-	-	(1,490,580)	-	-	-	(1,490,580)
-	-	2,406,808	-	-	-	2,406,808
-	-	4,624	-	(1,190,930)	(1,190,930)	(1,186,306)
106,470	3,100,000	7,302,709	-	21,858,985	21,858,985	34,875,364
106,470	3,100,000	7,302,709	-	21,858,985	21,858,985	34,875,364
-	3,900,000	(3,900,000)	-	-	-	-
-	-	(1,490,580)	-	-	-	(1,490,580)
-	-	2,451,281	-	-	-	2,451,281
-	-	(139,952)	(3,793)	(4,669,223)	(4,673,016)	(4,812,968)
106,470	7,000,000	4,223,458	(3,793)	17,189,762	17,185,969	31,023,097

(Baht'000)

Retained Earnings			Other Component of Equity	Total
Appropriated		Unappropriated	Revaluation Surplus on Available-for-sale Investments - Net of Income Taxes	
Statutory Reserve	Other Reserve			
106,470	3,100,000	6,317,424	23,049,915	35,081,009
-	-	(1,490,580)	-	(1,490,580)
-	-	2,392,564	-	2,392,564
-	-	4,624	(1,190,930)	(1,186,306)
106,470	3,100,000	7,224,032	21,858,985	34,796,687
106,470	3,100,000	7,224,032	21,858,985	34,796,687
-	3,900,000	(3,900,000)	-	-
-	-	(1,490,580)	-	(1,490,580)
-	-	2,432,585	-	2,432,585
-	-	(139,952)	(4,669,223)	(4,809,175)
106,470	7,000,000	4,126,085	17,189,762	30,929,517

NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2019

1. Corporate Information

Bangkok Insurance Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand, and listed on the Stock Exchange of Thailand. The Company’s major shareholder is Bangkok Bank Public Company Limited whereby as at December 31, 2019 and 2018, such major shareholder held 9.97% of the issued and paid-up ordinary shares of the Company. The Company is principally engaged in the provision of non-life insurance. The Company’s registered office is located at No. 25, Bangkok Insurance Building, Sathon Tai Road, Thung Maha Mek, Sathon, Bangkok.

2. Basis for Preparation of Financial Statements

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547, and in accordance with Thai accounting practices related to insurance and the accounting and reporting guidelines prescribed by the Office of Insurance Commission (“OIC”), and in accordance with the format of financial statements specified in the 2015 Notification of the Office of Insurance Commission (“OIC”) regarding criteria, procedures, terms and conditions for preparation and submission of financial statements and operating performance reports of non-life insurance companies dated March 4, 2015.

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

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

2.1 The Financial Statements in which the Equity Method is Applied

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

2.2 Separate Financial Statements

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

3. New Financial Reporting Standards

3.1 Financial Reporting Standards that Became Effective in the Current Year

During the period, the Company has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s and its subsidiaries’ financial statements. However, the new standard involves changes to key principles, which are summarised below:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes the following accounting standards together with related interpretations.

TAS 11 (revised 2017)	Construction Contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue – Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfer of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on the Company's financial statements.

IFRS 4 (revised 2018) Insurance Contracts

This standard provides an additional option to insurers that meet certain criteria stipulated in the standard, whereby they can be temporarily exempted from adoption of certain measures under IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures, which applicable for the financial reporting period beginning in or after January 1, 2020, and can instead adopt the Thai Accounting Guidance applicable for insurance business related to financial instruments and disclosures for the financial reporting period beginning before January 1, 2022 or before the effective date of IFRS 17 Insurance Contracts (when issued).

This standard does not have any significant impact on the Company's financial statements.

3.2 Financial Reporting Standards that Became Effective for Fiscal Years Beginning on or after January 1, 2020

The Federation of Accounting Professions issued a number of new and revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except the following new standards which involve changes to key principles, which are summarised below.

Financial Reporting Standards Related to Financial Instruments

A set of IFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial Reporting Standards:

IFRS 7	Financial Instruments: Disclosures
--------	------------------------------------

IFRS 9	Financial Instruments
--------	-----------------------

Accounting Standard:

TAS 32	Financial Instruments: Presentation
--------	-------------------------------------

Financial Reporting Standard Interpretations:

IFRIC 16	Hedges of a Net Investment in a Foreign Operation
----------	---

IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
----------	---

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

Thai Accounting Guidance Related to Financial Instruments and Disclosures Applicable to Insurance Business

Thai Accounting Guidance related to financial instruments and disclosures applicable to insurance business was issued to comply with TFRS 4 (revised 2018) Insurance contracts, which allows insurers who meet certain criteria stipulated in TFRS 4 to delay adoption of TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures, which are applicable for the financial reporting period beginning on or after January 1, 2020, and to adopt the Thai Accounting Guidance related to financial instruments and disclosures applicable to insurance business instead.

This accounting guidance has some differences from TFRS 9, with the significant differences being as described below.

- Classification and measurement of financial assets: These are to be classified as trading securities, available-for-sale securities, held to maturity debt securities, and loans and receivables, with no requirement to take into account the assessment of the Company's business model and the characteristics of the contractual cash flows.
- Loss on impairment, gain or loss on derecognition, and gain and loss on fair value hedges for available-for-sale equity securities items are to be recognised in profit or loss.
- The embedded derivatives in financial assets that are hybrid contracts are to be separated from host contract if they meet all criteria for separation.

In addition, the accounting guidance has some differences from TFRS 7 with respect to disclosures.

According to the Company's statement of financial position as of December 31, 2017, the Company had liabilities, in connection with insurance services under the scope of TFRS 4: Insurance Contracts, of 80% or more but less than 90% of the carrying value of total liabilities and the Company does not have a significant operations in non-insurance related business. For such reasons, the Company meets certain criteria stipulated in TFRS 4, which allows the Company to adopt the Thai Accounting Guidance related to financial instruments and disclosures applicable for insurance business instead of TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures, which are effective for the financial reporting beginning on or after January 1, 2020, and the Company's management has already considered to adopt such Thai Accounting Guidance. The Company's management expects that there will be key changes in the following matters to the Company's financial statements from the adoption of this Thai Accounting Guidance.

- Classification and measurement of investments in non-listed equity securities (General investments)
The Company will classify and measure its general investments at fair value through other comprehensive income. The Company's management expects that the effect to other components of owners' equity as at January 1, 2020 increased by approximately Baht 2,700 million (the amount before tax).
- Recognition of credit losses
The Company is to recognise an allowance for expected credit losses on its financial assets, and it is no longer necessary for a credit-impaired event to have occurred. The Company's management expects that the effect from this topic to the statement of financial position as at January 1, 2020 is immaterial.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Company plans to adopt TFRS 16 using the modified retrospective method of adoption of which the cumulative effect is recognised as an adjustment to the retained earnings as at January 1, 2020, and the comparative information was not restated.

The management of the Company expects the effect of the adoption of this accounting standard to the statement of financial position as at January 1, 2020 to be to increase the Company's assets by approximately Baht 700 million and the increase of Company's liabilities by the same amount.

4. Significant Accounting Policies

4.1 Revenue Recognition

(a) Gross Premium Written

Gross premium written consists of direct premium and reinsurance premium less premium of the canceled policies and premium refunded to the policy holders.

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

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

(b) Commission and Brokerage Fee Income

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

(c) Investment revenues

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

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

(d) Gains (losses) on Investments

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

4.2 Expenses Recognition

(a) Premium Ceded to Reinsurers

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

(b) Gross Claims

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

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

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

(c) Commission and Brokerage Expenses

Commission and brokerage expenses are expended when incurred.

(d) Other Underwriting Expenses

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

(e) Operating Expenses

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

4.3 Product Classification

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

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

4.4 Cash and Cash Equivalents

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

4.5 Premium Receivables and Allowance of Doubtful Accounts

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

4.6 Reinsurance Assets

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

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

4.7 Reinsurance Receivables and Due to Reinsurers

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

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

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

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

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

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

4.8 Investment Assets

- (a) Investment in Securities

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

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

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

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

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as revaluation surplus or deficit on available-for-sale investments in owners' equity, depending on the type of investment that is reclassified.

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

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

(b) Loans

Loans are stated at net realisable value. Allowance for doubtful accounts on loans is provided for the estimated losses that may be incurred in collection of loans based on an evaluation of the current status of the debtors taking into consideration the recovery risk and the value of collateral. Increase (decrease) in allowance for doubtful accounts is recognised as expenses in statements of income.

(c) Investment in Associates

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

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

(d) Investment Properties

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

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

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

4.9 Premises and Equipment and Depreciation

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

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

Buildings	- 20 years and 33 years (over the lease period)
Condominium units	- 20 years
Furniture, fixture and office equipment	- 3 years, 4 years and 5 years (over the lease period)
Motor vehicles	- 4 years and 5 years (over the lease period)

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

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

4.10 Intangible Assets and Amortisation

Intangible assets acquired are recognised at cost. Following the initial recognition, intangible assets are carried at cost less accumulated amortisation and allowance for impairment (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year-end. The amortisation expense is charged to profit or loss. No amortisation is provided for computer softwares under development.

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

4.11 Impairment of Assets

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

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

4.12 Insurance Contract Liabilities

Insurance contract liabilities consist of loss reserve and premium reserves.

(a) Loss Reserves

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

Outstanding claim provision are calculated using an actuarial method based on a best estimate of claims which are expected to be paid in respect of losses occurring before or as at the end of the reporting periods for both reported and not reported losses including loss adjustment expense. The different of the calculated outstanding claim provision which are higher than the loss reserve that recognised into financial statement, the Company has additionally provided reserves for claims incurred but not yet reported (IBNR).

(b) Premium Reserves

Premium reserves are the higher amounts of unearned premium reserves and unexpired risk reserves. As at the end of the reporting periods, the Company compares the amounts of unexpired risk reserves with unearned premium reserves, and if the amount of unexpired risk reserves is higher than that of the unearned premium reserve, the difference is recognised as additional reserves to present the amounts of premium reserves equal to unexpired risk reserves. The increase or decrease in premium reserves from prior year is recognised in profit or loss.

(1) Unearned Premium Reserves

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

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

Outward unearned premium reserve is calculated based on premium ceded to reinsurers, using the same method applied for direct insurance policies the insurance risk transfer of which is already made throughout the coverage period of insurance policies.

(2) Unexpired Risk Reserves

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

4.13 Employee Benefits

(a) Defined Contribution Plan

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

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

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

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

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

4.14 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.15 Long-term Leases

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

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

4.16 Foreign Currencies

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

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

4.17 Income Taxes

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

(a) Current Income Taxes

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

(b) Deferred Income Taxes

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

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

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

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

4.18 Related Party Transactions

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

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

4.19 Fair Value Measurement

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

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

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

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

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

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

5. Significant Accounting 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 Allowances for Doubtful Accounts and Impairment

In determining allowances for doubtful accounts and impairment on premium receivables, reinsurance assets, and reinsurance receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

5.2 Allowance for Impairment on Investments

The Company sets aside allowance for impairment on available-for-sale investments, general investments and investments in associates when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is "significant" or "prolonged" requires the management judgement.

5.3 Premises and Equipment and Depreciation

In calculating depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual values of the Company's buildings and equipment and to review estimate useful lives and residual values when circumstance changes.

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

5.4 Intangible Assets and Allowance for Impairment

The initial recognition and measurement of intangible assets, and subsequent impairment testing require management to make estimates of cash flows to be generated by the asset, including the choice of a suitable discount rate used in calculation of the present value for those cash flows.

5.5 Deferred Tax Assets

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

5.6 Loss Reserves

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

5.7 Unexpired Risk Reserves

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

5.8 Provisions for Employee Benefits

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

5.9 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use 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.

5.10 Litigation

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

5.11 Recognition and Derecognition of Assets and Liabilities

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

5.12 Fair Value of Financial Instruments

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

6. Cash and Cash Equivalents

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31,	
	2019	2018
Cash on hand	2,758	2,618
Deposits at banks with no fixed maturity date	136,066	156,949
Deposits at banks with fixed maturity date	-	260,000
Total cash and cash equivalents	138,824	419,567

As at December 31, 2019 and 2018, saving deposits and fixed deposits carried interests at the rates between 0.38 and 1.00 percent per annum and 0.38 and 1.45 percent per annum, respectively.

7. Premium Receivables

As at December 31, 2019 and 2018, the balances of premium receivables from direct insurance were classified by aging from the maturity date under the stipulated law of the premium collection as follows:

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31,	
	2019	2018
Not yet due	2,188,800	2,038,485
Overdue not longer than 30 days	195,943	248,580
Overdue 31 days to 60 days	135,525	137,293
Overdue 61 days to 90 days	49,160	61,647
Overdue 91 days to 1 year	212,260	218,391
Overdue longer than 1 year	42,249	30,036
Total	2,823,937	2,734,432
Less: Allowance for doubtful accounts	(42,249)	(30,037)
Premium receivables - net	2,781,688	2,704,395

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

8. Reinsurance Assets

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	31 December	
	2019	2018
Insurance reserves refundable from reinsurers		
Loss reserves	2,765,219	3,660,484
Unearned premium reserves	2,887,906	2,446,253
Total	5,653,125	6,106,737
Less: Allowance for impairment	(793)	(6,024)
Reinsurance assets - net	5,652,332	6,100,713

9. Reinsurance Receivables

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31,	
	2019	2018
Amounts deposited on reinsurance	36,122	35,100
Amounts due from reinsurers	377,942	226,081
Total	414,064	261,181
Less: Allowance for doubtful accounts	(20,543)	(25,025)
Receivables on reinsurance contracts - net	393,521	236,156

As at December 31, 2019 and 2018, amounts due from reinsurers were classified by aging as follows:

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31,	
	2019	2018
Not over 12 months	360,468	205,646
Overdue from 1 year to 2 years	15,688	15,091
Overdue longer than 2 years	1,786	5,344
Total amounts due from reinsurers	377,942	226,081
Less: Allowance for doubtful accounts	(20,543)	(25,025)
Amounts due from reinsurers - net	357,399	201,056

10. Investments in Securities

10.1 Classified by Type of Investment

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements			
	December 31,			
	2019		2018	
	Cost/ Amortised Cost	Fair Value	Cost/ Amortised Cost	Fair Value
Available-for-sale investments				
Government and state enterprise securities	3,660,914	3,690,676	5,454,238	5,450,775
Private sector debt securities	956,076	968,224	1,094,387	1,101,496
Equity securities	6,906,515	28,351,808	7,487,243	34,807,329
Total	11,523,505	33,010,708	14,035,868	41,359,600
Add: Unrealised gains	21,487,203	-	27,323,732	-
Total available-for-sale investments	33,010,708	33,010,708	41,359,600	41,359,600
Held-to-maturity investments				
Deposits at financial institutions which matured over 3 months	11,220,681		5,904,388	
Total held-to-maturity investments	11,220,681		5,904,388	
General investments				
Domestic equity securities	648,594		602,635	
Foreign equity securities	153,208		201,689	
Total	801,802		804,324	
Less: Allowance for impairment	(74,783)		(117,003)	
General investments - net	727,019		687,321	
Investment in securities - net	44,958,409		47,951,309	

10.2 Remaining Periods to Maturity of Debt Securities

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements as at December 31,							
	2019				2018			
	Period to Maturity				Period to Maturity			
	1 year	1 - 5 years	Over 5 years	Total	1 year	1 - 5 years	Over 5 years	Total
Available-for-sale investment								
Government and state enterprise securities	2,425,502	1,035,412	200,000	3,660,914	4,783,588	470,650	200,000	5,454,238
Private enterprise debt securities	515,000	441,076	-	956,076	313,060	781,327	-	1,094,387
Total	2,940,502	1,476,488	200,000	4,616,990	5,096,648	1,251,977	200,000	6,548,625
Add (less): Unrealised gains (losses)	5,120	26,077	10,713	41,910	2,839	5,346	(4,538)	3,647
Total available-for-sale investments	2,945,622	1,502,565	210,713	4,658,900	5,099,487	1,257,323	195,462	6,552,272
Held-to-maturity investments								
Deposits at financial institutions which mature over 3 months	11,220,681	-	-	11,220,681	5,904,388	-	-	5,904,388
Total held-to-maturity investments	11,220,681	-	-	11,220,681	5,904,388	-	-	5,904,388

10.3 Revaluation Surplus on Available-for-sale Investments

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the year ended December 31,	
	2019	2018
Revaluation surplus on available-for-sale investments - beginning of the years	27,323,732	28,812,394
Losses on revaluation during the years	(5,596,795)	(1,410,193)
Gains on sales of available-for-sale investments during the years transferred to be recognised in profit or loss	(239,734)	(78,469)
Revaluation surplus on available-for-sale investments - end of the years	21,487,203	27,323,732
Less: Income taxes	(4,297,441)	(5,464,746)
Revaluation surplus on available-for-sale investments - net of income taxes	17,189,762	21,858,986

10.4 Investments Subject to Restriction

As at December 31, 2019 and 2018, the Company placed certain investments as a security with the Registrar and placed with the bank to secure bank overdraft facilities and others as required in the normal course of business of the Company as described in Note 31 to the financial statements.

11. Loans and Interest Receivables

As at December 31, 2019 and 2018, the balances of loans and interest receivables, classified by overdue years, were as follows:

(Baht'000)

Overdue Years	Financial Statements in which the Equity Method is Applied and Separate Financial Statements						
	31 December 2019						
	Mortgaged Loans		Other Loans		Total		
	Principal	Accrued Interest	Principal	Accrued Interest	Principal	Accrued Interest ⁽¹⁾	Total
Not yet due	935,151	1,878	8,267	-	943,418	1,878	945,296
Overdue							
Less than 3 months	235,481	1,201	-	-	235,481	1,201	236,682
3 - 6 months	24,704	491	-	-	24,704	491	25,195
6 - 12 months	2,118	-	-	-	2,118	-	2,118
Longer than 12 months	109,307	-	-	-	109,307	-	109,307
Total	1,306,761	3,570	8,267	-	1,315,028	3,570	1,318,598
Less: Allowance for doubtful account	(1,295)	-	-	-	(1,295)	-	(1,295)
Loans and interest receivables - net	1,305,466	3,570	8,267	-	1,313,733	3,570	1,317,303

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

(Baht'000)

Overdue Years	Financial Statements in which the Equity Method is Applied and Separate Financial Statements						
	December 31, 2018						
	Mortgaged Loans		Other Loans		Total		
	Principal	Accrued Interest	Principal	Accrued Interest	Principal	Accrued Interest ⁽¹⁾	Total
Not yet due	1,253,406	476	8,803	-	1,262,209	476	1,262,685
Overdue							
Less than 3 months	36,991	349	-	-	36,991	349	37,340
6 - 12 months	22,685	-	-	-	22,685	-	22,685
Longer than 12 months	119,247	-	-	-	119,247	-	119,247
Total	1,432,329	825	8,803	-	1,441,132	825	1,441,957
Less: Allowance for doubtful account	(730)	-	-	-	(730)	-	(730)
Loans and interest receivables - net	1,431,599	825	8,803	-	1,440,402	825	1,441,227

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

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

As at December 31, 2019 and 2018, the balances of employee loans were 129.8 million and Baht 109.8 million, respectively.

12. Investments in Associates

12.1 Details of Associates

Company's Name	Nature of Business	Country of Incorporation	Paid-up Share Capital as at		Shareholding	
			December 31, 2019	December 31, 2018	December 31, 2019	December 31, 2018
			(USD)	(USD)	(%)	(%)
Asia Insurance (Cambodia) Plc.	Non-life insurance	Cambodia	7,000,000	7,000,000	22.92	22.92
Asian Insurance International (Holding) Limited	Holding company	Bermuda	5,740,000	5,740,000	41.70	41.70
Bangkok Insurance (Lao) Company Limited	Non-life insurance	Lao	2,000,000	2,000,000	38.00	38.00

(Baht'000)

Company's Name	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
	December 31,		December 31,	
	2019	2018	2019	2018
Asia Insurance (Cambodia) Plc.	93,040	84,195	30,202	30,202
Asian Insurance International (Holding) Limited	127,066	119,980	72,054	72,054
Bangkok Insurance (Lao) Company Limited	26,265	23,567	27,140	27,140
Total	246,371	227,742	129,396	129,396

12.2 Shares of Profits, Share of Other Comprehensive Loss and Dividends Income

(Baht'000)

Company's Name	Financial Statements in which the Equity Method is Applied				Separate Financial Statements	
	Share of Profits from Investments in Associates for the Year Ended December 31,		Share of Other Comprehensive Losses from Investments in Associates for the Year Ended December 31,		Dividend Received for the Year Ended December 31,	
	2019	2018	2019	2018	2019	2018
Asia Insurance (Cambodia) Plc.	8,845	10,586	-	-	-	-
Asian Insurance International (Holding) Limited	11,827	6,382	(4,742)	-	-	-
Bangkok Insurance (Lao) Company Limited	2,698	25	-	-	-	-
Total	23,370	16,993	(4,742)	-	-	-

12.3 Financial Information of Associates

Summarised information from statements of financial position

(Million Baht)

	Asia Insurance (Cambodia) Plc.		Asian Insurance International (Holding) Limited		Bangkok Insurance (Lao) Company Limited	
	December 31,		December 31,		December 31,	
	2019	2018	2019	2018	2019	2018
Total assets	517.7	449.7	206.0	212.9	267.1	296.3
Total liabilities	(123.2)	(65.2)	-	-	(210.5)	(238.5)
Net assets	394.5	384.5	206.0	212.9	56.5	57.8
Shareholding percentage (%)	22.9	22.9	41.7	41.7	38.0	38.0
Shares of net assets of the associates	90.4	88.1	85.9	88.8	21.5	22.0
Carrying values based on the equity method	93.0	84.2	127.1	120.0	26.3	23.6

Summarised information from statements of comprehensive income or loss

(Million Baht)

	Asia Insurance (Cambodia) Plc.		Asian Insurance International (Holding) Limited		Bangkok Insurance (Lao) Company Limited	
	For the Years Ended December 31,		For the Years Ended December 31,		For the Years Ended December 31,	
	2019	2018	2019	2018	2019	2018
Revenue	105.9	108.2	8.9	3.0	28.4	19.1
Profit for the years	39.0	46.2	8.4	2.5	3.6	0.6
Other comprehensive loss for the years	-	-	(11.4)	-	-	-
Total comprehensive income (loss) for the years	39.0	46.2	(3.0)	2.5	3.6	0.6

As at December 31, 2019 and 2018, the Company recorded investment in an associate under the equity method (in the financial statements in which the equity method is applied) based on financial information prepared by the associate's management. However, the Company obtained the 2018 financial statements of the associates, which were audited by their auditors, which presented the amounts different from the financial information prepared by the associate's management used in equity accounting for that year. However, the Company's proportionate difference had no significant impact to the Company's financial statements.

13. Investment Properties

The investment properties of the Company, which are offices for rent, as at December 31, 2019 and 2018 were presented below.

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31,	
	2019	2018
Cost	533,653	533,653
Less: Accumulated depreciation	(398,446)	(381,217)
Net book value	135,207	152,436

Reconciliations of the net book value of investment properties for the years ended 31 December 2019 and 2018 were presented below.

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the Years Ended December 31,	
	2019	2018
Net book value at beginning of the years	152,436	169,666
Depreciation charged	(17,229)	(17,230)
Net book value at end of the years	135,207	152,436

The fair values of the investment properties as at December 31, 2019 and 2018 were stated below:

(Million Baht)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31,	
	2019	2018
Office building for rent	259.2	170.3

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

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

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the Year Ended December 31,	
	2019	2018
Rental income	159,411	137,200
Direct operating expenses which generated rental income	67,074	66,480
Total expenses	67,074	66,480

14. Premises and Equipment

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements						
	Land	Buildings	Condominium Units	Furniture, Fixture and Office Equipment	Motor Vehicles	Construction in Progress	Total
Cost							
January 1, 2018	206,132	828,306	8,751	1,805,087	138,915	27,389	3,014,580
Additions	-	-	-	22,493	13,060	14,325	49,878
Disposals	-	-	-	(1,071)	(13,672)	-	(14,743)
Transfers in (out)	-	-	-	24,369	-	(24,369)	-
December 31, 2018	206,132	828,306	8,751	1,850,878	138,303	17,345	3,049,715
Additions	16,605	5,652	-	30,350	21,836	58,988	133,431
Disposals	-	-	-	(19)	(10,612)	-	(10,631)
Transfers in (out)	-	-	-	13,181	-	(13,181)	-
December 31, 2019	222,737	833,958	8,751	1,894,390	149,527	63,152	3,172,515
Accumulated depreciation							
January 1, 2018	-	561,201	8,721	1,368,118	69,326	-	2,007,366
Depreciation for the year	-	26,351	-	190,809	25,659	-	242,819
Depreciation for the disposals	-	-	-	(1,071)	(13,567)	-	(14,638)
December 31, 2018	-	587,552	8,721	1,557,856	81,418	-	2,235,547
Depreciation for the year	-	26,280	-	154,101	26,466	-	206,847
Depreciation for the disposals	-	-	-	(19)	(10,572)	-	(10,591)
December 31, 2019	-	613,832	8,721	1,711,938	97,312	-	2,431,803
Net book value							
December 31, 2018	206,132	240,754	30	293,022	56,885	17,345	814,168
December 31, 2019	222,737	220,126	30	182,452	52,215	63,152	740,712
Depreciation for the year:							
2018							242,819
2019							206,847

As at December 31, 2019 and 2018, certain equipment items were fully depreciated but are still in use. The original cost before deducting accumulated depreciation of those assets amounted to Baht 1,492.4 million and Baht 1,175.6 million, respectively.

As at December 31, 2019 and 2018, the Company had vehicles under finance lease agreements with net book values amounting to Baht 37.6 million and Baht 51.0 million, respectively.

15. Intangible Assets

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements		
	Computer Softwares	Computer Softwares under Development	Total
Cost			
January 1, 2018	540,859	3,640	544,499
Addition	14,700	-	14,700
Transfer in (out)	3,640	(3,640)	-
December 31, 2018	559,199	-	559,199
Addition	4,166	5,525	9,691
December 31, 2019	563,365	5,525	568,890
Accumulated amortisation			
January 1, 2018	317,920	-	317,920
Amortisation	76,505	-	76,505
December 31, 2018	394,425	-	394,425
Amortisation	58,086	-	58,086
December 31, 2019	452,511	-	452,511
Net book value			
December 31, 2018	164,774	-	164,774
December 31, 2019	110,854	5,525	116,379
Amortisation for the years			
2018			76,505
2019			58,086

As at December 31, 2019 and 2018, certain computer softwares were fully amortised but are still in use. The original cost before deducting accumulated amortisation of those assets amounted to Baht 252.2 million and Baht 145.1 million, respectively.

16. Deferred Tax Asset/Liabilities and Income Tax Expenses

16.1 Deferred Tax Assets/Liabilities

As at December 31, 2019 and 2018, the components of deferred tax assets and liabilities consisted of tax effects arising from the following transactions.

(Baht'000)

	Financial Statements in which the Equity Method is Applied December 31,		Changes in Deferred tax Assets and Liabilities for the Year Ended December 31,	
	2019	2018	2019	2018
Deferred tax assets arose from:				
Allowance for impairment on investments	14,957	23,401	(8,444)	4,360
Premium reserves	262,530	210,854	51,676	49,191
Loss reserves of claims incurred and reported	353,917	366,197	(12,281)	(37,663)
Loss reserves of claims incurred but not yet reported	59,126	60,661	(1,536)	(5,604)
Provision for long-term employee benefits	142,175	76,238	65,937	5,997
Others	11,368	22,636	(11,267)	4,585
Total	844,073	759,987		
Deferred tax liabilities arose from:				
Gains on revaluation of available-for-sale investments	4,297,441	5,464,746	1,167,306	297,732
Shares of profits from investments in associates	23,395	19,669	(3,726)	(3,561)
Total	4,320,836	5,484,415		
Deferred tax liabilities	3,476,763	4,724,428		
Total changes			1,247,665	315,037
Changes are recognised:				
- in profit or loss			44,423	18,460
- in other comprehensive income			1,203,242	296,577
			1,247,665	315,037

(Baht'000)

	Separate Financial Statements December 31,		Changes in Deferred Tax Assets and Liabilities for the Year Ended December 31,	
	2019	2018	2019	2018
Deferred tax assets arose from:				
Allowance for impairment on investments	14,957	23,401	(8,444)	4,360
Premium reserves	262,530	210,854	51,676	49,191
Loss reserves of claims incurred and reported	353,917	366,197	(12,281)	(37,663)
Loss reserves of claims incurred but not yet reported	59,126	60,661	(1,536)	(5,604)
Provision for long-term employee benefits	142,175	76,238	65,937	5,997
Others	11,368	22,636	(11,267)	4,585
Total	844,073	759,987		
Deferred tax liabilities arose from:				
Gains on revaluation of available-for-sale investments	4,297,441	5,464,746	1,167,306	297,732
Total	4,297,441	5,464,746		
Deferred tax liabilities	3,453,368	4,704,759		
Total changes			1,251,391	318,598
Changes are recognised:				
- in profit or loss			49,097	22,021
- in other comprehensive income			1,202,294	296,577
			1,251,391	318,598

16.2 Income Tax Expenses

Income tax expenses for the years ended December 31, 2019 and 2018 were made up as follows:

(Baht'000)

	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
	For the Years Ended December 31,		For the Years Ended December 31,	
	2019	2018	2019	2018
Current income taxes:				
Corporate income tax charge	(379,099)	(396,986)	(379,099)	(396,986)
Deferred income taxes:				
Deferred income taxes relating to origination and reversal of temporary differences	44,423	18,460	49,097	22,021
Income tax expenses reported in profit or loss	(334,676)	(378,526)	(330,002)	(374,965)

Reconciliations between income tax expenses and the product of accounting profits for the Years Ended December 31, 2019 and 2018 and the applicable tax rate were as follows:

(Baht'000)

	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
	For the Years Ended December 31,		For the Years Ended December 31,	
	2019	2018	2019	2018
Accounting profits before income tax expenses	2,785,957	2,785,334	2,762,587	2,767,529
Applicable tax rate	20%	20%	20%	20%
Income taxes at the applicable tax rate	(557,192)	(557,067)	(552,518)	(553,506)
Adjustment in respect of current income tax of prior year	(902)	(292)	(902)	(292)
Income tax refunds	40,289	-	40,289	-
Net tax effect on tax-exempted revenues and non tax-deductible expenses	183,129	178,833	183,129	178,833
Income tax expenses reported in profit or loss	(334,676)	(378,526)	(330,002)	(374,965)

17. Insurance Contract Liabilities

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements		
	December 31, 2019		
	Insurance Contract Liabilities	Reinsurance on Liabilities	Net
Loss reserves			
Claims incurred and reported	5,286,882	(2,715,778)	2,571,104
Claims incurred but not reported	344,277	(48,648)	295,629
Premium reserves			
Unearned premium reserves	9,978,382	(2,887,906)	7,090,476
Total	15,609,541	(5,652,332)	9,957,209

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements		
	December 31, 2018		
	Insurance Contract Liabilities	Reinsurance on Liabilities	Net
Loss reserves			
Claims incurred and reported	6,086,144	(3,584,081)	2,502,063
Claims incurred but not reported	373,685	(70,379)	303,306
Premium reserves			
Unearned premium reserves	8,275,770	(2,446,253)	5,829,517
Total	14,735,599	(6,100,713)	8,634,886

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

17.1 Loss Reserves

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the Years Ended December 31,	
	2019	2018
Beginning balances	6,459,828	6,422,182
Claim incurred during the years	9,430,900	8,246,103
Change in loss reserves of claimed incurred in prior years	(162,151)	(180,558)
Changes in assumptions in calculating loss reserves	(128,430)	(28,061)
Claims and loss adjustment expenses paid during the years	(9,968,988)	(7,999,837)
Ending balances	5,631,159	6,459,829

As at December 31, 2019 and 2018, the Company, which is a reinsurer under the reinsurance contracts, had loss reserves under such contracts totaling Baht 181.7 million and Baht 240.1 million, respectively.

17.2 Claims Development Table

(a) Gross Claims Table

(Million Baht)

Accident Year/Reporting Year	Prior to 2012	2012	2013	2014	2015	2016	2017	2018	2019	Total
Loss reserves										
- as at accident year		8,244	5,097	6,854	7,101	7,157	8,454	8,246	9,431	
- Next one year		9,127	5,562	7,359	7,382	7,407	8,004	8,239		
- Next two years		8,584	5,928	6,846	6,947	7,295	7,564			
- Next three years		8,397	5,709	6,693	6,949	7,130				
- Next four years		8,334	5,672	6,655	6,870					
- Next five years		8,259	5,685	6,631						
- Next six years		8,235	5,682							
- Next seven years		8,234								
Cumulative claim estimates		8,234	5,682	6,631	6,870	7,129	7,555	8,219	9,672	
Cumulative payments		(8,219)	(5,648)	(6,575)	(6,749)	(7,022)	(7,282)	(7,558)	(5,906)	
Total	283	15	33	56	121	107	273	661	3,766	5,315
Inward treaty										200
Unallocated loss adjustment expenses										116
Total gross loss reserves										5,631

(b) Net Claims Table

(Million Baht)

Accident Year/Reporting Year	Prior to 2012	2012	2013	2014	2015	2016	2017	2018	2019	Total
Loss reserves										
- as at accident year		3,554	4,251	5,082	5,414	5,415	5,724	5,491	6,972	
- Next one year		3,784	4,521	5,267	5,720	5,549	5,736	5,403		
- Next two years		3,712	4,500	5,119	5,389	5,275	5,554			
- Next three years		3,701	4,283	4,983	5,383	5,272				
- Next four years		3,566	4,261	4,979	5,363					
- Next five years		3,546	4,262	4,982						
- Next six years		3,546	4,261							
- Next seven years		3,556								
Cumulative claim estimates		3,556	4,261	4,982	5,363	5,271	5,554	5,405	7,133	
Cumulative payments		(3,555)	(4,259)	(4,966)	(5,351)	(5,234)	(5,503)	(5,271)	(5,018)	
Total	183	1	2	16	12	37	51	134	2,115	2,551
Inward treaty										200
Unallocated loss adjustment expenses										116
Total net loss reserves										2,867

17.3 Assumption

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

(a) Assumptions of Claims Experience

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

(b) Assumptions of Related Expenses

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

17.4 Unearned Premium Reserves

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the Years Ended December 31,	
	2019	2018
Beginning balances	8,275,770	7,340,161
Premium written during the years	21,008,919	17,326,215
Premium earned during the years	(19,306,307)	(16,390,606)
Ending balances	9,978,382	8,275,770

17.5 Unexpired Risk Reserves

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the Years Ended December 31,	
	2019	2018
Beginning balances	5,122,212	4,340,868
Estimated claims for the years	4,698,994	3,554,999
Risk expired during the years	(3,473,661)	(2,773,655)
Ending balances	6,347,545	5,122,212

18. Due to Reinsurers

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the Years Ended December 31,	
	2019	2018
Amounts withheld on reinsurance	1,105,589	1,031,419
Amounts due to reinsurers	1,448,132	1,147,510
Total due to reinsurers	2,553,721	2,178,929

19. Employee Benefit Obligations

Changes in employee benefit obligations, which were compensations on employee retirement, for the years ended December 31, 2019 and 2018 were as follows:

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the Years Ended December 31,	
	2019	2018
Employee benefit obligations at beginning of the years	381,189	351,203
Included in profit or loss:		
Current service costs	51,921	40,336
Interest costs	9,124	14,048
Part service costs	114,403	-
Included in other comprehensive income or loss:		
Actuarial (gains) losses arising from:		
- Demographic assumptions changes	9,618	5,765
- Financial assumption changes	164,499	-
- Experience adjustments	823	(11,545)
Benefits paid during the years	(20,703)	(18,618)
Employee benefit obligations at end of the years	710,874	381,189

As at December 31, 2019 and 2018, the Company expected to pay Baht 39.3 million and Baht 9.7 million, respectively, of long-term employee benefits over the next 1-year period.

As at December 31, 2019 and 2018, the weighted average durations of the liabilities on long-term employee benefits were 12.6 years and 11.4 years, respectively.

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

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31,	
	2019	2018
	(%)	(%)
Discount rates	1.7	4.0
Future salary incremental rate	6.0	6.0
Employee turnover rates (depending on age)	1.3 - 19.0	1.7 - 22.0

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

(Million Baht)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements			
	Increase (Decrease) in Employee Benefit Obligations as at December 31, 2019		Increase (Decrease) in Employee Benefit Obligations as at December 31, 2018	
	1%	-1%	1%	-1%
Discount rate	(79.5)	95.0	(37.9)	44.5
Future salary incremental rate	86.3	(74.1)	40.7	(35.4)
Employee turnover rate	(32.9)	36.8	(14.7)	16.3

On April 5, 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from May 5, 2019. This change is considered a post-employment benefits plan amendment. The Company's management, approved the plan change to comply with the new law and it therefore resulted in having additional employee benefit obligations of Baht 114.4 million. The Company has already reflected the effect of the change by recognising as past service costs in profit or loss.

20. Liabilities under Finance Lease Agreements

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31,	
	2019	2018
Liabilities under finance lease agreements	43,111	58,226
Less: Deferred interest expenses	(3,052)	(4,362)
Total	40,059	53,864
Less: Portion due within one year	(17,288)	(21,993)
Liabilities under finance lease agreements - net of current portion	22,771	31,871

As at December 31, 2019 and 2018, the Company entered into the finance lease agreements with leasing companies for rental of equipment and motor vehicles for use in its operation, whereby it is committed to pay rental on a monthly basis. The terms of the agreements are on an average of 4 - 5 years.

As at December 31, 2019 and 2018, Future minimum lease payments required under the finance lease agreements were as follows:

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements		
	December 31, 2019		
	within 1 year	1 - 5 years	Total
Future minimum lease payments	18,930	24,181	43,111
Deferred interest expenses	(1,642)	(1,410)	(3,052)
Present value of future minimum lease payments	17,288	22,771	40,059

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements		
	December 31, 2018		
	within 1 year	1 - 5 years	Total
Future minimum lease payments	24,322	33,904	58,226
Deferred interest expenses	(2,329)	(2,033)	(4,362)
Present value of future minimum lease payments	21,993	31,871	53,864

21. Share Capital

As at December 31, 2019 and 2018, the Company's registered, issue and paid-up share capital consisted of 106,470,000 ordinary shares with a par value of Baht 10 each.

22. Statutory Reserve

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

23. Other Reserves

On April 26, 2019, the Annual General Meeting No. 26 of the Company's shareholders approved the appropriation of unappropriated retained earnings of Baht 3,900 million to other reserve.

24. Segment Information/Major Customers

24.1 Segment Information Reporting

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

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

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

(Baht'000)

	Financial Statements in which Equity Method is Applied				
	For the Year Ended December 31, 2019				
	Fire	Marine and Transportation	Motor	Miscellaneous	Total
Underwriting revenues					
Gross premium written	1,524,952	604,281	8,989,741	9,889,945	21,008,919
Less: Premium ceded to reinsurers	(486,216)	(346,766)	(248,612)	(5,482,767)	(6,564,361)
Net premium written	1,038,736	257,515	8,741,129	4,407,178	14,444,558
Add (less): Unearned premium reserves (increased) decrease from prior year	19,382	(13,955)	(1,027,630)	(238,756)	(1,260,959)
Earned premium	1,058,118	243,560	7,713,499	4,168,422	13,183,599
Commission and brokerage fee income	232,557	83,318	72,161	865,183	1,253,219
Total underwriting income	1,290,675	326,878	7,785,660	5,033,605	14,436,818
Underwriting expenses					
Net claims	136,046	95,053	5,057,165	1,840,490	7,128,754
Commission and brokerage expenses	313,487	49,574	1,369,777	984,479	2,717,317
Other underwriting expenses	273,707	89,564	976,526	1,008,708	2,348,505
Total underwriting expenses	723,240	234,191	7,403,468	3,833,677	12,194,576
Profit from underwriting	567,435	92,687	382,192	1,199,928	2,242,242
Shares of profits from investments in associates					23,370
Investment revenue					1,226,491
Gains on investments					281,138
Other income					182,847
Operating expenses					(1,078,263)
Investment expenses					(89,315)
Finance costs					(2,553)
Profit before income tax expenses					2,785,957
Less: Income tax expenses					(334,676)
Profit for the year					2,451,281

(Baht'000)

	Financial Statements in which Equity Method is Applied				
	For the Year Ended December 31, 2018				
	Fire	Marine and Transportation	Motor	Miscellaneous	Total
Underwriting revenues					
Gross premium written	1,610,347	436,105	6,888,130	8,391,633	17,326,215
Less: Premium ceded to reinsurers	(508,754)	(219,351)	(184,034)	(4,475,965)	(5,388,104)
Net premium written	1,101,593	216,754	6,704,096	3,915,668	11,938,111
Less: Unearned premium reserves increased from prior year	(12,494)	(9,699)	(526,583)	(89,009)	(637,785)
Earned premium	1,089,099	207,055	6,177,513	3,826,659	11,300,326
Commission and brokerage fee income	209,060	85,563	50,927	791,197	1,136,747
Total underwriting income	1,298,159	292,618	6,228,440	4,617,856	12,437,073
Underwriting expenses					
Net claims	162,443	50,014	3,918,056	1,454,600	5,585,113
Commission and brokerage expenses	351,717	45,013	1,017,637	891,510	2,305,877
Other underwriting expenses	229,769	63,531	818,460	882,561	1,994,321
Total underwriting expenses	743,929	158,558	5,754,153	3,228,671	9,885,311
Profit from underwriting	554,230	134,060	474,287	1,389,185	2,551,762
Shares of profits from investments in associates					16,993
Investment revenue					1,144,107
Gains on investments					85,476
Other income					159,512
Operating expenses					(1,080,794)
Investment expenses					(88,456)
Finance costs					(3,266)
Profit before income tax expenses					2,785,334
Less: Income tax expenses					(378,526)
Profit for the year					2,406,808

The following table presented the Company's operating segment assets and liabilities as at December 31, 2019 and 2018.

(Baht'000)

	Financial Statements in which the Equity Method is Applied						
	Fire	Marine and Transportation	Motor	Miscellaneous	Total Segments	Unallocated	Total
Assets							
As at December 31, 2019	429,558	225,336	1,042,583	6,926,472	8,623,949	48,703,134	57,327,083
As at December 31, 2018	603,858	193,571	924,620	7,193,042	8,915,091	51,705,118	60,620,209
Liabilities							
As at December 31, 2019	2,963,050	372,717	6,575,489	9,953,315	19,864,571	6,439,415	26,303,986
As at December 31, 2018	3,277,391	284,220	5,442,711	9,636,542	18,640,864	7,103,981	25,744,845

24.2 Geographic Information

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

24.3 Major Customers

In 2019 and 2018, the Company has gross premium written from one major customer in amount of Baht 2,611.7 million and Baht 2,695.7 million, respectively.

25. Operating Expenses

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the Years Ended December 31,	
	2019	2018
Personnel expenses	527,333	440,354
Premises and equipment expenses	292,413	355,871
Taxes and duties	769	4,089
Bad debts and doubtful accounts	14,042	6,653
Other operating expenses	243,706	273,827
Total operating expenses	1,078,263	1,080,794

26. Expenses by Nature

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the Years Ended December 31,	
	2019	2018
Net claims	6,671,059	5,184,686
Commissions and brokerage expenses	2,717,317	2,305,877
Other underwriting expenses	696,378	562,357
Personnel expenses	1,367,521	1,194,305
Premises and equipment expenses	665,019	752,806
Other operating expenses	1,241,448	1,053,666
Investment expenses	3,412	865
Finance costs	2,553	3,266
Total	13,364,707	11,057,828

27. Provident Fund

The Company and its employees jointly established a provident fund under the Provident Fund Act B.E. 2530. The fund is contributed to by both the employees and the Company on a monthly basis, at rates ranging from 5% to 10% of the employees' basic salaries, based on the length of employment. The fund is managed by a fund manager which has been approved by the Ministry of Finance. During the years ended December 31, 2019 and 2018, the Company recognised the contributed Baht 68.0 million and Baht 62.6 million, respectively, to the fund.

28. Earnings Per Share

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

29. Dividends Paid

Dividends declared during the years 2019 and 2018 were as follow:

	Approved by	Total Dividend	Dividend Per Share
		(Million Baht)	(Baht)
The 3 rd interim dividend for 2019	Meeting No.4/19 of Board of Directors on November 8, 2019	319.4	3.00
The 2 nd interim dividend for 2019	Meeting No. 3/19 of Board of Directors on August 9, 2019	319.4	3.00
The 1 st interim dividend for 2019	Meeting No. 2/19 of Board of Directors on May 10, 2019	319.4	3.00
Annual dividend for 2018	Annual General Meeting No. 26 of the Shareholders on April 26, 2019	532.3	5.00
Total dividends for the year 2019		1,490.5	14.00

	Approved by	Total Dividend	Dividend Per Share
		(Million Baht)	(Baht)
The 3 rd interim dividend for 2018	Meeting No. 5/18 of Board of Directors on November 9, 2018	319.4	3.00
The 2 nd interim dividend for 2018	Meeting No. 4/18 of Board of Directors on August 10, 2018	319.4	3.00
The 1 st interim dividend for 2018	Meeting No. 2/18 of Board of Directors on May 11, 2018	319.4	3.00
Annual dividend for 2017	Annual General Meeting No. 25 of the Shareholders on April 27, 2018	532.3	5.00
Total dividends for the year 2018		1,490.5	14.00

30. Related Party Transactions

30.1 Nature of Relationship

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

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

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

⁽¹⁾ This entity had been considered a related party since November 9, 2018, which was the date when there was common directors and its shares are also held by Company.

30.2 Significant Related Party Transactions

During the years ended December 31, 2019 and 2018, the Company had significant business transactions with its related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course business between the Company and those parties are as follows:

(Baht'000)

	For the Years Ended December 31,		Pricing Policy
	2019	2018	
Transactions with associates and related companies			
<i>Income</i>			
Premium written	608,415	573,748	Normal commercial terms for underwriting
Fee and commission income	192,645	172,190	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contract
Interest income ⁽¹⁾	73,806	64,450	Similar rates as financial institutions and related companies offer to their general customers
Dividend income ⁽¹⁾	634,847	584,560	The declared amount
Rental income ⁽²⁾	4,833	2,608	Same rates the Company offered to its general customers
<i>Expenses</i>			
Premium ceded to reinsurers	600,404	545,774	Normal commercial terms for reinsurance depending on types of insurance and reinsurance contracts
Net claims (reversal)	(207,177)	(246,888)	As actually incurred
Commissions and brokerages	61,500	50,870	Normal commercial terms for underwriting
Management fee for private fund ⁽³⁾	139	268	Similar rates the related party offered to its general customers
Fee for trading securities ⁽³⁾	1,067	509	Similar rates which the related party offered to general customers
<i>Owner's equity</i>			
Dividend paid	190,696	180,693	The declared amount

⁽¹⁾ Presented in "Net investment revenue" in statements of comprehensive income

⁽²⁾ Presented in "Other income" in statements of comprehensive income

⁽³⁾ Presented in "Operating expenses" in statements of comprehensive income

30.3 Outstanding Balances

As at December 31, 2019 and 2018, the Company had the following significant balances with its related companies.

(Baht'000)

	December 31,	
	2019	2018
Associated companies		
Investment in associates - cost	129,396	129,396
Related companies		
Deposits at financial institutions	5,559,220	3,872,992
Premium receivables	37,480	35,040
Reinsurance assets		
Amounts deposited on reinsurance	7,090	6,817
Amounts due from reinsurers	14,138	9,771
Available-for-sale investments		
Equity securities	23,257,829	29,570,730
General investments	600,377	550,835
Loans	157,578	157,978
Other assets		
Deposits and golf club membership fees	36,293	37,186
Account receivable on sales of securities	79	-
Due to reinsurers		
Amounts withheld on reinsurance	104,373	101,783
Amounts due to reinsurers	45,810	38,403
Insurance contract liabilities		
Loss reserves	318	-
Other Liabilities		
Liabilities under finance lease agreements	36	173
Accounts payable on purchases of securities	2,923	1,789

30.4 Directors' and Key Management's Benefits

During the years ended December 31, 2019 and 2018, the Company had employee benefit expenses incurred on their directors and key management as below.

(Million Baht)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the Years Ended December 31,	
	2019	2018
Short-term benefits	94.8	99.1
Post-employment benefits	4.3	9.4
Total	99.1	108.5

31. Assets Subject to Restriction and Commitment

As at December 31, 2019 and 2018, the Company had the following assets placed with the Registrar as securities and insurance reserves in accordance with the Non-life Insurance Act and as placed with the bank as collateral.

(Million Baht)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements			
	December 31,			
	2019		2018	
	Cost	Fair Value	Cost	Fair Value
Placed as securities				
Government bonds	14.0	14.0	14.0	14.0
Placed as insurance reserves				
Ordinary shares	35.2	153.0	35.2	175.6
Government bonds	1,170.0	1,196.6	926.0	924.1
Debentures	180.0	184.8	100.0	104.0
	1,385.2	1,534.4	1,061.2	1,203.7
Placed to secure bank overdraft facilities				
Deposited at financial institutions	30.0	30.0	30.0	30.0
Placed to secure performance bonds				
Government and state enterprise bonds	25.2	25.6	38.1	38.2
Placed to secure bank guarantees				
Deposited at financial institutions	20.0	20.0	20.0	20.0

32. Contribution to the General Insurance Fund

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the Years Ended December 31,	
	2019	2018
Accumulated contribution at the beginning of the years	316,839	275,017
Contribution during the years	50,147	41,822
Accumulated contribution at the end of the years	366,986	316,839

33. Commitments and Contingent Liabilities

33.1 Operating Lease Commitments

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

As at December 31, 2019 and 2018, future minimum lease payments required under those non-cancellable operating lease contracts were as follows.

(Million Baht)

Payable	December 31,	
	2019	2018
Within 1 year	32	31
Over 1 year and not over 5 years	111	114
Over 5 years	63	90

33.2 Capital Commitments

As at December 31, 2019 and 2018, there were outstanding capital commitments contracted for decoration, construction building, and computer software development amounting to Baht 34.5 million and Baht 4.9 million, respectively.

33.3 Litigation

As at December 31, 2019 and 2018, the Company had litigation claims totaling approximately Baht 2,968.4 million and Baht 3,369.9 million, respectively, as an insurer. The outcomes of the cases have not yet been finalised whereby the maximum responsibility of such claims limits at the lower of the sum insured or the sum sued totaling Baht 779.2 million and Baht 1,114.4 million, respectively. However, the Company has considered and estimated for losses that may arise from those cases amounting to approximately Baht 105.4 million and Baht 302.7 million, respectively, which were already recognised in "Insurance contract liabilities" in the statements of financial position as at those dates.

34. Risks of Non-Life Insurance Company

34.1 Insurance Risk

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

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

(Baht'000)

	December 31, 2019					
	Gross Premium Reserves	Outward Premium Reserves	Net	Gross Loss Reserves	Outward Loss Reserves	Net
Fire	781,064	(231,809)	549,255	239,977	(63,676)	176,301
Marine and transportation	147,856	(62,374)	85,482	139,355	(71,901)	67,454
Motor	4,729,788	(126,185)	4,603,603	1,795,193	(36,271)	1,758,922
Miscellaneous	4,319,674	(2,467,538)	1,852,136	3,456,634	(2,592,578)	864,056
Total	9,978,382	(2,887,906)	7,090,476	5,631,159	(2,764,426)	2,866,733

(Baht'000)

	December 31, 2018					
	Gross Premium Reserves	Outward Premium Reserves	Net	Gross Loss Reserves	Outward Loss Reserves	Net
Fire	801,727	(233,090)	568,637	509,286	(225,027)	284,259
Marine and transportation	134,963	(63,436)	71,527	87,416	(41,485)	45,931
Motor	3,668,100	(92,128)	3,575,972	1,709,651	(33,732)	1,675,919
Miscellaneous	3,670,980	(2,057,599)	1,613,381	4,153,475	(3,354,216)	799,259
Total	8,275,770	(2,446,253)	5,829,517	6,459,828	(3,654,460)	2,805,368

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

(Million Baht)

	December 31, 2019				
	Assumption Change	Increase (Decrease) in Provision for Gross Claim Liabilities	Increase (Decrease) in Provision for Net Claim Liabilities	Increase (Decrease) in Profit Before Taxes	Increase (Decrease) in Owner's Equity
Average claim expenses	+10%	943.1	697.2	(697.2)	(557.8)
Average claim expenses	-10%	(943.1)	(697.2)	697.2	557.8
Average number of claim	+10%	943.1	697.2	(697.2)	(557.8)
Average number of claim	-10%	(943.1)	(697.2)	697.2	557.8

(Million Baht)

	December 31, 2018				
	Assumption Change	Increase (Decrease) in Provision for Gross Claim Liabilities	Increase (Decrease) in Provision for Net Claim Liabilities	Increase (Decrease) in Profit Before Taxes	Increase (Decrease) in Owner's Equity
Average claim expenses	+10%	824.6	549.1	(549.1)	(439.3)
Average claim expenses	-10%	(824.6)	(549.1)	549.1	439.3
Average number of claim	+10%	824.6	549.1	(549.1)	(439.3)
Average number of claim	-10%	(824.6)	(549.1)	549.1	439.3

34.2 Risk Management

(a) Credit Risk

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

The Company has considered the financial status and credit rating of all reinsurance companies and purchased reinsurance policies from many trustworthy companies that are capable of reinsurance, which helps distribute the risk. In addition, it has cautiously scrutinized the reinsurance conditions through its department that is well versed in the reinsurance business, including having its legal department consider legal issues, in order to minimize such risk and also possesses an efficient process of closely following up its outstanding premiums from the insured, agent and broker, apart from requiring the agent and broker to submit collateral within the specified credit limit allowed by the Company.

Concentrations of the credit risk with respect to secured loans are considered low due to the large number of customers comprising the customer base and their dispersion across different industries and geographic regions in Thailand. In addition the values of the securities placed as collateral are adequate for the Company to receive complete payment of debt and the ratio of loans to collateral values is in accordance with the notification of the OIC. The Company will consider its debtors' financial status and ability to pay debt based on a sound credit analysis standard. Meanwhile, loan to value will be determined so that it is not beyond the legal limit, apart from following up a cash flow in which a payment is made in each month, and debtors' consistency of debt payment.

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

(b) Interest Rate Risk

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

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

The Company has closely followed up the determination of the policy interest rates of the Bank of Thailand, direction of a change in the United States' Federal Reserve's interest rates, and return rates in the debt securities market in order to define the investment duration in accordance with the fluctuation of interest rates. In addition, the Company also has a policy of occupying debt instruments until they are due so as to minimize the risks incurred by instrument price volatility, apart from managing its bank deposits so that they have due amounts every month and in an approximate amount, which helps reduce a reinvestment risk.

As at December 31, 2019 and 2018, significant assets and liabilities classified by type of interest rate were summarised in the table below;

(Baht'000)

	December 31, 2019						
	Fixed Interest Rates			Floating Interest Rate	Non-Interest Bearing	Total	Effective Interest Rate
	Maturity Date or Repricing Date						
	Within 1 year	1 - 5 years	Over 5 years				
							(% per annum)
Financial assets							
Cash and cash equivalents	-	-	-	136,066	2,758	138,824	0.38 - 1.00
Investments in securities							
Government and state enterprise securities	2,428,210	1,051,753	210,713	-	-	3,690,676	1.25 - 2.36
Private enterprise debt securities	517,413	450,811	-	-	-	968,224	2.21 - 4.62
Equity securities	-	-	-	-	29,078,827	29,078,827	-
Deposits at financial institutions	11,220,681	-	-	-	-	11,220,681	0.38 - 1.85
Loans	256	7,872	121,676	1,183,929	-	1,313,733	2.50 - 7.00
Assets under insurance contracts							
Premium receivables	-	-	-	-	2,781,688	2,781,688	-
Reinsurance assets - loss reserves	-	-	-	-	2,764,426	2,764,426	-
Reinsurance receivables	-	-	-	-	393,520	393,520	-
Liabilities under insurance contracts							
Insurance contract liabilities - loss reserves	-	-	-	-	5,631,159	5,631,159	-
Due to reinsurers	-	-	-	-	2,553,721	2,553,721	-

(Baht'000)

	December 31, 2018						
	Fixed Interest Rates			Floating Interest Rate	Non-Interest Bearing	Total	Effective Interest Rate
	Maturity Date or Repricing Date						
	Within 1 year	1 - 5 years	Over 5 years				
							(% per annum)
Financial assets							
Cash and cash equivalents	260,000	-	-	156,949	2,618	419,567	0.38 - 1.45
Investments in securities							
Government and state enterprise securities	4,785,101	470,213	195,461	-	-	5,450,775	1.43 - 3.18
Private enterprise debt securities	314,386	787,110	-	-	-	1,101,496	2.21 - 4.62
Equity securities	-	-	-	-	35,494,650	35,494,650	-
Deposits at financial institutions	5,904,388	-	-	-	-	5,904,388	1.25 - 1.85
Loans	-	-	109,793	1,330,609	-	1,440,402	4.00 - 7.00
Assets under insurance contracts							
Premium receivables	-	-	-	-	2,704,395	2,704,395	-
Reinsurance assets - loss reserves	-	-	-	-	3,654,460	3,654,460	-
Reinsurance receivables	-	-	-	-	236,156	236,156	-
Liabilities under insurance contracts							
Insurance contract liabilities - loss reserves	-	-	-	-	6,459,828	6,459,828	-
Due to reinsurers	-	-	-	-	2,178,929	2,178,929	-

(c) Foreign Currency Risk

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

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

As at December 31, 2019 and 2018, the balances of assets and liabilities denominated in foreign currencies were summarised below.

Foreign Currency	Assets		Liabilities		Average Exchange Rate	
	as at December 31,		as at December 31,		as at December 31,	
	2019	2018	2019	2018	2019	2018
	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Baht per 1 Foreign Currency Unit)	
US dollar	565.2	451.2	566.6	397.9	30.108	32.404
Peso	24.7	-	13.4	-	0.592	0.617
HK dollar	7.4	7.0	0.5	-	3.865	4.135
Vietnam dong	5.3	0.2	-	-	0.001	0.001
Indonesian rupiahs	4.8	2.6	1.2	-	0.002	0.002
Poundsterling	2.3	-	1.9	-	39.444	41.004
Euro	1.4	-	2.1	1.0	33.678	37.073
Japanese yen	0.8	0.2	0.1	-	0.275	0.293
Malaysia ringgit	0.5	-	-	-	7.300	7.781
India rupee	0.4	-	0.4	-	0.413	0.460
Australia	0.1	-	0.1	-	21.013	22.802
Taiwan dollar	-	-	19.6	-	1.002	1.054
Pakistan	-	-	0.5	-	0.195	0.232

(d) Equity Position Risk

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

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

As at December 31, 2019 and 2018, the Company had risk from its investments in equity securities of which the price would change with reference to market conditions.

(e) Liquidity Risk

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

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

Counting from the financial position date, the periods to maturity of assets and liabilities held as at December 31, 2019 and 2018 were as follows:

(Baht'000)

	December 31, 2019					
	At Call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Financial assets						
Cash and cash equivalents	138,824	-	-	-	-	138,824
Investments in securities	-	14,166,304	1,502,565	210,713	29,078,827	44,958,409
Loans	-	840,025	256,558	217,150	-	1,313,733
Assets under insurance contracts						
Premium receivables	-	2,781,688	-	-	-	2,781,688
Reinsurance assets - loss reserves	-	1,768,825	995,601	-	-	2,764,426
Reinsurance receivables	-	393,520	-	-	-	393,520
Liabilities under insurance contracts						
Insurance contract liabilities - loss reserves	-	3,603,112	2,028,047	-	-	5,631,159
Due to reinsurers	-	2,553,721	-	-	-	2,553,721

(Baht'000)

	December 31, 2018					
	At Call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Financial assets						
Cash and cash equivalents	159,567	260,000	-	-	-	419,567
Investments in securities	-	11,003,875	1,257,323	195,461	35,494,650	47,951,309
Loans	-	762,250	337,580	340,572	-	1,440,402
Assets under insurance contracts						
Premium receivables	-	2,704,395	-	-	-	2,704,395
Reinsurance assets - loss reserves	-	2,337,938	1,316,522	-	-	3,654,460
Reinsurance receivables	-	236,156	-	-	-	236,156
Liabilities under insurance contracts						
Insurance contract liabilities - loss reserves	-	4,132,669	2,327,159	-	-	6,459,828
Due to reinsurers	-	2,178,929	-	-	-	2,178,929

34.3 Fair Value of Financial Assets

As of December 31, 2019 and 2018, the Company had the following financial assets that were measured at fair value or cost but fair value are disclosed by using different levels of inputs as follows:

(Baht'000)

	December 31, 2019				
	Fair Value				Carrying Value
	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value					
Investments in securities					
Government and state enterprise securities	-	3,690,676	-	3,690,676	3,690,676
Private enterprise debt securities	-	968,224	-	968,224	968,224
Equity securities	28,298,106	53,702	-	28,351,808	28,351,808
Financial asset for which fair value are disclosed					
Cash and cash equivalent	138,824	-	-	138,824	138,824
Investment in securities					
Held-to-maturity investments	11,220,681	-	-	11,220,681	11,220,681
Other investments - net	-	-	3,440,555	3,440,555	727,019
Loans	-	-	1,251,185	1,251,185	1,313,733
Investment properties - net	-	-	259,246	259,246	135,207

	December 31, 2019				
	Fair Value				Carrying Value
	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair value					
Investments in securities					
Government and state enterprise securities	-	5,450,775	-	5,450,775	5,450,775
Private enterprise debt securities	-	1,101,496	-	1,101,496	1,101,496
Equity securities	33,941,921	865,407	-	34,807,328	34,807,328
Financial asset for which fair value are disclosed					
Cash and cash equivalent	419,567	-	-	419,567	419,567
Investment in securities					
Held-to-maturity investments	5,904,388	-	-	5,904,388	5,904,388
Other investments - net	-	-	2,781,109	2,781,109	687,321
Loans	-	-	1,366,559	1,366,559	1,440,402
Investment properties - net	-	-	170,296	170,296	152,436

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

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

- Financial assets which have short-term maturity, including cash and cash equivalents, are presented at fair value, which approximate their carrying values as stated in the statements of financial position.
- Investments in equity securities are presented at fair value, which is derived from market price. In case of non-marketable equity securities, the fair value is determined using price per book value or discount cash flow techniques discounted by the Weighted Average Cost of Capital (WACC) appropriate to each security, except for investment units, which are not listed on the Stock Exchange of Thailand, their fair values are determined using the net asset value per unit announced by the fund managers.
- Investments in debts securities are presented at market prices or determined using the yield curve as announced by the Thai Bond Market Association.
- Long-term loans are presented at fair value, which is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- Investment properties are presented at fair values, which are appraised by an independent valuer using the income approach. The key assumptions used in such appraisal are yield rate, inflation rate, long-term vacancy rate and long-term growth rate in rental fee.

35. Capital Management

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

36. Approval of Interim Financial Statements

These financial statements were authorised for issue by the Company's Executive Directors on February 20, 2020.

COMPANY'S FINANCIAL STATUS

Assets

As at December 31, 2019, the Company's total assets amounted to Baht 57,327.1 million, a decrease of Baht 3,293.1 million, or 5.4 percent, over 2018. Significant components of the assets are described below.

- Investments in securities dropped by Baht 2,992.9 million, or 6.2 percent, to Baht 44,958.4 million, compared to 2018. Investments in securities are comprised of available-for-sale investments of Baht 33,010.7 million, or 57.6 percent of the total assets, held-to-maturity investments (deposits at financial institutions with amounts maturing in due 3 months) of Baht 11,220.7 million, or 19.6 percent of the total assets, and other investments of Baht 727.0 million, or 1.3 percent of the total assets.

- Net reinsurance assets totaled Baht 5,652.3 million, a decline of Baht 448.4 million, or 7.3 percent, over 2018.
- Cash and cash equivalents decreased by Baht 280.8 million, or 66.9 percent, to Baht 138.8 million, over 2018.
- Loans abated by Baht 126.7 million, or 8.8 percent, to Baht 1,313.7 million, compared to 2018.
- Other assets totaled Baht 739.3 million, a rise of Baht 416.1 million, or 128.8 percent, over 2018.
- Reinsurance receivables rose by Baht 157.3 million, or 66.6 percent, to Baht 393.5 million, compared to 2018.

Liabilities

The Company's total liabilities at 2019 year-end rose by Baht 559.2 million, or 2.2 percent, to Baht 26,304.0 million, compared to 2018. Significant elements of liabilities include the following:

- Deferred tax liabilities fell by Baht 1,247.6 million, or 26.4 percent, to Baht 3,476.8 million, compared to 2018.
- Insurance contract liabilities grew by Baht 873.9 million, or 5.9 percent, to Baht 15,609.5 million, compared to 2018.
- Due to reinsurers increased by Baht 374.8 million, or 17.2 percent, to Baht 2,553.7 million, over 2018.
- Accrued employee benefits rose by Baht 329.7 million, or 86.5 percent, to Baht 710.9 million, compared to 2018.
- Other liabilities comprised accrued expenses of Baht 684.0 million, a rise of Baht 109.7 million, or 19.1 percent, compared to 2018, and others of Baht 865.8 million, an increase of Baht 174.0 million, or 25.1 percent, over 2018.

Owners' Equity

The Company's owners' equity at 2019 year-end diminished by Baht 3,852.3 million, or 11.0 percent, to Baht 31,023.1 million, over 2018. Important components of the owners' equity are listed below.

- Appropriated retained earnings (Other reserve) grew by Baht 3,900.0 million, or 125.8 percent, to Baht 7,000.0 million, over 2018.
- Unappropriated retained earnings amounted to Baht 4,223.5 million, a drop of Baht 3,079.2 million, or 42.2 percent, compared to 2018.
- Other comprehensive income for the year (a surplus on revaluation of investments in securities for sale based on income taxes) dwindled by Baht 4,673.0 million, or 21.4 percent, to Baht 17,186.0 million, compared to 2018.

Assets Quality

Debtors (Premium Receivables)

As at December 31, 2019, premium receivables had increased by Baht 77.3 million, or 2.9 percent, to Baht 2,781.7 million, over 2018. They can be classified by aging as follows:

Overdue	2019			2018		
	From the Insured	From Agent and Broker	Total	From the Insured	From Agent and Broker	Total
Not Yet Due	782.1	1,406.7	2,188.8	675.8	1,362.7	2,038.5
Overdue not longer than 30 days	70.8	125.1	195.9	98.9	149.7	248.6
Overdue 31 days - 60 days	43.9	91.6	135.5	55.8	81.5	137.3
Overdue 61 days - 90 days	15.1	34.1	49.2	29.3	32.3	61.6
Overdue 91 days - 1 year	95.0	117.3	212.3	69.9	148.5	218.4
Overdue longer than 1 year	26.3	15.9	42.2	15.6	14.4	30.0
Total overdue	1,033.2	1,790.7	2,823.9	945.3	1,789.1	2,734.4
Less: Allowance for Doubtful Accounts	26.3	15.9	42.2	15.6	14.4	30.0
Premium Receivables-Net	1,006.9	1,774.8	2,781.7	929.7	1,774.7	2,704.4

Debtors, within a grace period and overdue less than 30 days, for premium receivables amounted to Baht 2,384.7 million, representing 84.4 percent of the uncollected total premium of Baht 2,823.9 million. Most of them were within a grace period offered by the Company. Nonetheless, the Company has constantly developed an efficient debt management procedure, premium collections and debt follow-up, which allow the uncollected premium's value estimation ratio to meet the requirement of OIC.

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

Loans

As at December 31, 2019, the Company's total loans declined by Baht 126.7 million, or 8.8 percent, to Baht 1,313.7 million. They were mortgage loans or those having a person as collateral security. Out of the Company's total loan amount, Baht 189.1 million, or 14.4 percent, was housing loans, while the remaining Baht 1,124.6 million, or 85.6 percent, was loans extended to real estate developers and other industrial entrepreneurs.

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

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

(Million Baht)

Outstanding Period	2019			2018		
	Principal		Total	Principal		Total
	Mortgage	Others		Mortgage	Others	
Current	935.2	8.2	943.4	1,253.4	8.8	1,262.2
Overdue						
Less than 3 months	235.5	-	235.5	37.0	-	37.0
3 - 6 months	24.7	-	24.7	-	-	-
7 - 12 months	2.1	-	2.1	22.7	-	22.7
Over 12 months	109.3	-	109.3	119.2	-	119.2
Total	1,306.8	8.2	1,315.0	1,432.3	8.8	1,441.1
Less: Allowance for Doubtful Accounts	1.3	-	1.3	0.7	-	0.7
Loans and Interest Due and Uncollected - Net	1,305.5	8.2	1,313.7	1,431.6	8.8	1,440.4

Investments in Securities

The overall global economy in 2019 experienced a continuous slowdown in compliance with shrinking global trade and the diminishing production sector across the world due mainly to the uncertainty of the global trade war between the United States and China, creating pressure which dispersed throughout the world. To stimulate their economies, most countries have applied a relaxing monetary policy. For instance, in late 2019, the US Fed had decreased its policy interest rate, while Europe's central bank had reduced its policy interest rate and had also issued economy-stimulating measures through its quantitative easing (QE) policy. Furthermore, there were a slowdown of crude oil prices in the global market, conflicts between the United States and Iran, fluctuations in exchange rates, and risks of political stability taking place in the Brexit group, all contributing to factors imposing pressures on the global economy.

The Thai economy in 2019 experienced a slower expansion than the public sector's agencies had projected, with the exports sector being affected by the protectionism condition between the United States and China, steady Baht appreciation, compared to US dollars and being stronger than currencies of neighboring countries which are Thailand's trading competitors, resulting in diminishing exports competitiveness influencing the country's employment and demand, a slowdown in the private sector's consumption in line with rapidly decreased household incomes and employment, particularly in the production for exports sector, as well as a slowdown in the tourism sector's extension,

and a high level of the household sector's debts. This was coupled with the central bank's LTV (Loan to Value) measure to adjust to an appropriate price of the real estate and solve a problem of a lax standard of credit provision directly impacting the real estate market, a problem of disparity and distribution of the household sector's income influenced by an economic growth clustered within a large group of corporations, a trend of the private sector's investment extending less than estimated, including a slow expansion of the government sector's spending due partly to the postponement of state enterprises' investment. In this connection, the Monetary Policy Committee (MPC) had a resolution to reduce the policy interest rate in the third and fourth quarters, causing an alteration in the policy interest rate from 1.75 to 1.25 percent per year in 2019. This was an application of a relaxing monetary policy similar to those in numerous countries to generate economic stimulus in the country. Besides, there was also an improvement of measures aimed at being favorable to an outflow of capital and decreasing the pressure on the baht value.

For the Company, its overall investment income in 2019 had increased, compared to the previous year. The interest and dividends grew by Baht 82.4 million, or 7.2 percent, to Baht 1,226.5 million. A return from investment capital rose by Baht 195.6 million, or 228.8 percent, to Baht 281.1 million. Therefore, the total investment income in 2019 expanded by Baht 307.0 million, or 23.3 percent, to Baht 1,624.6 million. When combined with a return from the underwriting, the Company's net return in 2019 amounted to Baht 2,451.3 million.

Furthermore, the Company's fair value of the overall securities investment was higher than its costs, which was indicated by other components of owners' equity in the 2019 financial statements, which were displayed as a surplus on evaluation of available-for-sale investments from income taxes amounting to Baht 17,189.8 million, a fall of Baht 4,669.2 million, or 21.4 percent, compared to 2018. Nevertheless, the SET index at 2019 year-end closed at 1,579.84, a rise of 15.96, or 1.0 percent, from 2018, which closed at 1,563.88.

When classified in detail, as at December 31, 2019, the Company's investment capital for significant securities

included the following. Bonds amounted to Baht 3,660.9 million, with a fair value of Baht 3,690.7 million, while listed securities including warrant totaled Baht 5,313.4 million, with a fair value of Baht 26,299.5 million, and unlisted securities equaled Baht 801.8 million, with a value after the reduction of allowance for impairment of Baht 727.0 million. Similarly, the investment capital in associated companies totaled Baht 246.4 million.

The investment capital in investments in funds amounted to Baht 1,593.1 million, with a fair value of Baht 2,052.3 million, which were classified into investments in funds, equity securities funds and real estate funds, trust for real estate investments and infrastructure funds.

Liquidity

Cash Flows

As at December 31, 2019, the Company's cash and cash equivalents dropped by Baht 280.8 million, or 66.9 percent, to Baht 138.8 million. The Company's net cash on its activities were as follows:

(Million Baht)

	2019	2018
Net Cash from (used in) Operating Activities	1,314.4	1,565.7
Net Cash from (used in) Investing Activities	(133.9)	(55.1)
Net Cash from (used in) Financing Activities	(1,461.3)	(1,490.6)
Increase (Decrease) in Net Cash and Cash Equivalents	(280.8)	20.0

- Net cash from operating activities totaled Baht 1,314.4 million, which came mainly from direct premium written and interest and dividend investment income.
- Net cash used in investing activities totaled Baht 133.9 million, which was mainly used in property, premises and equipment, including non-existent assets.
- Net cash used in financing activities totaled Baht 1,461.3 million, which was all used in a dividend payment.

Other Liquidity Assets

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

Investment Expenses

In 2019, the Company's major investment expenses were on building rehabilitation, office equipment and decoration, and an information technology system which were aimed at improving the Company's modern outlook and efficiency of customer services.

In 2019, the Company's investment expenses on property, premises and equipment amounted to Baht 124.2 million, and non-existent assets of Baht 9.7 million.

Sources of Funds

As at December 31, 2019, the Company's liabilities were Baht 26,304.0 million, while owners' equity was Baht 31,023.1 million. Thus, the debt to equity ratio was 0.8 time. In 2019, the Company's total liabilities had risen by Baht 559.2 million, or 2.2 percent, compared to 2018, due to an increase in insurance contract liabilities, due to reinsurers and accrued employee benefits. Owners' equity fell by Baht 3,852.3 million, or 11.0 percent, over 2018. A significant factor was a rise in appropriated retained earnings of Baht 3,900.0 million, or 125.8, while unappropriated retained earnings experienced a decline of Baht 3,079.2 million, or 42.2 percent, and the owners' equity's other components dwindled by Baht 4,673.1 million, or 21.4 percent, in a return from evaluation of net investment capital from income taxes, compared to 2018.

FINANCIAL RATIO

		2019	2018	2017
Liquidity Ratio				
Current Ratio	(Times)	0.79	0.61	0.69
Receivable Turnover	(Times)	7.66	6.79	6.78
Collection Period	(Days)	47.00	53.04	53.11
Profitability Ratio				
Retention Rate	(%)	109.56	105.64	99.25
Loss Ratio	(%)	54.07	49.42	51.61
Profit Margin	(%)	8.06	12.32	12.78
Underwriting and Operation Expenses Ratio	(%)	37.12	37.59	35.75
Return on Investment	(%)	3.59	2.85	2.94
Net Premium Ratio	(Times)	0.44	0.34	0.32
Net Profit Margin	(%)	16.50	18.91	19.22
Return on Equity	(%)	7.44	6.87	7.03
Efficiency Ratio				
Return on Assets	(%)	4.72	4.61	4.70
Fixed Assets Turnover	(Times)	16.13	11.88	9.92
Total Assets Turnover	(Times)	0.25	0.21	0.21
Financial Ratio				
Debt to Equity Ratio	(Times)	0.85	0.74	0.71
Policy Liability to Capital Fund	(Times)	0.50	0.42	0.39
Equity/Net Premium Income	(Times)	2.15	2.92	3.21
Equity/Net Outstanding Claims	(Times)	5.51	5.43	5.47
Equity/Assets	(Times)	0.54	0.58	0.58
Unearned Premium Reserve to Equity	(Times)	0.32	0.24	0.21
Unearned Premium Reserve/Total Assets	(%)	17.41	13.71	12.21
Payout Ratio	(%)	60.82	61.92	62.03
Per Share				
Par Value	(Baht)	10.00	10.00	10.00
Book Value	(Baht)	291.38	327.56	330.10
Basic Earnings	(Baht)	23.02	22.61	22.57
Dividends	(Baht)	14.00	14.00	14.00
Growth Rate				
Premium Written	(%)	21.26	8.69	(0.56)
Underwriting Profit	(%)	(20.87)	5.07	(9.10)
Investment Profit	(%)	23.29	(3.53)	6.26
Profit Before Income Tax Expenses	(%)	0.02	0.83	(2.11)
Income Tax Expense	(%)	(11.58)	5.38	(9.32)
Net Profit	(%)	1.85	0.15	(0.94)
Total Assets	(%)	(5.43)	0.86	4.83

RELATED PARTIES TRANSACTIONS

Types of Related Parties Transactions

A portion of the Company's business deals with related parties, where the relationship may be by shareholding or by companies having the same group of shareholders or directors. In considering the relationship between individuals or enterprises, attention is directed to the substance of the relationship, and not merely to the legal form or the basis of commitments. Transactions are determined on the basis of conditions in the normal course of business and according to market value. In addition to the related-transaction disclosure in Note 12 and 30 of the financial statements for the year 2019, the Company would like to reveal additional information for cross-over transaction as follows:

(Million Baht)

Transaction with Related Party	Related Party	Relationship	2019	2018
Investment in Associated Companies	Disclosure in Note 12	-	246.4	227.7
Investments in Listed Securities	Disclosure in Note 30	-	23,257.8	29,570.7
Investment in Non-Listed Securities	Disclosure in Note 30	-	729.8	680.2
Premiums Written	Bangkok Bank PCL.	Having Common Directors and 9.97% of Shareholding in the Company	311.2	291.9
Premium Due and Uncollected	Bangkok Bank PCL.	Having Common Directors and 9.97% of Shareholding in the Company	17.8	6.6
Interest Income*	Bangkok Bank PCL.	Having Common Directors and 9.97% of Shareholding in the Company	67.1	58.7
Dividend Income	Bangkok Bank PCL.	Having Common Directors and 9.97% of Shareholding in the Company	221.6	221.6
Bank Deposits	Bangkok Bank PCL.	Having Common Directors and 9.97% of Shareholding in the Company	5,559.2	3,873.0

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

Necessity and Justification of the Items

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

Procedures for Approval of Interrelated Items

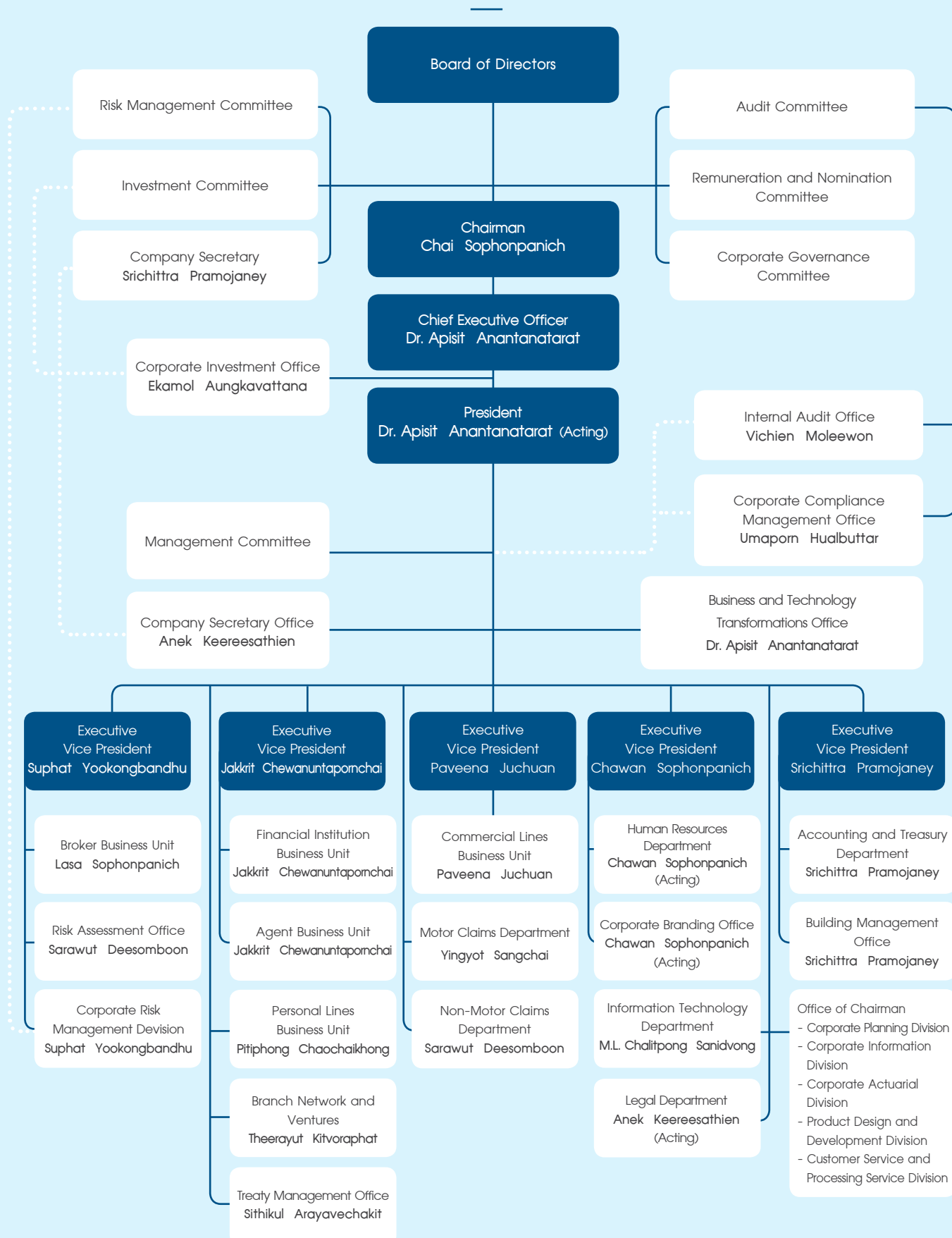
The Company has internal control systems at various levels based on the type of interrelated items, which are implemented in accordance with the law, regulations and policy of the Company that comply with other courses of business. In order to avoid any conflict of interest in making interrelated items,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

Policy of Making Interrelated Items in the Future

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

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

ORGANIZATION STRUCTURE



as at January 31, 2020

MANAGEMENT STRUCTURE

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

1. The Board of Directors and 5 committees, which directly report to the Board, comprising the Audit Committee, the Remuneration and Nomination Committee, the Corporate Governance Committee, the Investment Committee and the Risk Management Committee.

2. The Company's Management, together with 7 committees, which directly report to the Management, consisting of the Sustainable Development Committee, the Insurance/Products and Claims Committee, the Information Technology Committee, the Safety, Health and Environmental Committee, the Information Security Management Committee, the High Loss or Complicated Claims Committee and the Procurement on Building Management Committee.

1. Board of Directors

The structure of the Company's Board of Directors is determined by the Company's shareholders' meeting resolutions, but the Board shall comprise at least 5 directors and no less than three-fourths of the total number of directors must be of Thai nationality. Similarly, no more than one-third of the Company's Board shall be executive directors, and at least one-third of the Board, but no fewer than 3 directors, shall be independent so that the Board's authority is counterbalanced by non-executive directors, and hence the Board itself can efficiently oversee the Company's performance in accordance with the Company's policy on good corporate governance.

Names of the Board of Directors

The Board of Directors (as at December 31, 2019) comprises 12 members as the following:

1. Executive director consists of 1 member.
2. Non-executive directors consist of 11 members, 9 of whom are independent directors, amounting to more than one-third of all Board members.

The names of the Board of Directors, including their meeting attendance and remuneration in 2019 are given below.

Name - Position		No. of Attendance/ Invitation				Annual Remuneration (Baht)****
		1	2	3	4	
1. Executive Director						
1. Dr. Apisit Anantanarat	Director and Chief Executive Officer	4/4	-	-	-	720,000
2. Non-Executive Directors						
2. Mr. Chai Sophonpanich	Chairman	4/4	-	-	-	1,440,000
3. Mr. Panus Thiravanitkul	Director and Director	4/4	-	-	-	720,000
	of the Corporate Governance Committee	-	-	-	2/2	90,000
4. Mr. Yukihiro Ishikawa	Independent Director (Appointed on May 10, 2019)	2/2	-	-	-	360,000
2.1 The Audit Committee*						
5. VDC Col Plengsakdi Prakaspesat	Independent Director	4/4	-	-	-	720,000
	and Chairman of the Audit Committee	-	6/6	-	-	360,000
6. Miss Potjanee Thanavaranit	Independent Director	4/4	-	-	-	720,000
	and Director of the Audit Committee	-	6/6	-	-	360,000
7. Mr. Chor.nun Petpaisit	Independent Director	4/4	-	-	-	720,000
	and Director of the Audit Committee	-	6/6	-	-	360,000

Name – Position		No. of Attendance/ Invitation				Annual Remuneration (Baht)****
		1	2	3	4	
2.2 The Remuneration and Nomination Committee**						
8. Mr. Singh Tangtaswas	Independent Director and Chairman of the Remuneration and Nomination Committee	3/4	-	-	-	720,000
		-	-	2/2	-	90,000
9. Mr. Suvarn Thansathit	Independent Director and Director of the Remuneration and Nomination Committee	4/4	-	-	-	720,000
		-	-	2/2	-	90,000
10. M.R. Supadis Diskul	Independent Director and Director of the Remuneration and Nomination Committee	4/4	-	-	-	720,000
		-	-	2/2	-	90,000
2.3 The Corporate Governance Committee***						
11. Mr. Virasak Sutanthavibul	Independent Director and Chairman of the Corporate Governance Committee and Director of the Remuneration and Nomination Committee	4/4	-	-	-	720,000
		-	-	-	2/2	90,000
		-	-	2/2	-	90,000
12. Mrs. Nintira Sophonpanich	Independent Director and Director of the Corporate Governance Committee	4/4	-	-	-	720,000
		-	-	-	2/2	90,000
Mr. Toshimi Kobayashi	Director (Resigned as from May 10, 2019)	1/1	-	-	-	180,000
Total		4 Times	6 Times	2 Times	2 Times	10,890,000

Notes : Meeting Attendance/Number of Meeting Invitations

1 The Board of Directors' meeting.

2 The Audit Committee's meeting in 2019: the Audit Committee convened 6 meetings, 4 of which were attended only by its members, and 2 of which were attended by the independent auditor and without the attendance of the Company's Management.

3 The Remuneration and Nomination Committee's meeting.

4 The Corporate Governance Committee's meeting.

* The Audit Committee, consisting of 3 independent members who are non-executive directors, was appointed by the Board's resolution on November 10, 2017, and effective from November 17, 2017, for a three-year term. The Committee's term will be due on November 16, 2020. The Committee members, comprising VDC Col Plengsakdi Prakaspesat, Miss Potjanee Thanavarant and Mr. Chor.nun Petpaisit, were appointed by the Board's resolution. Each of the 3 Audit Committee members possesses comprehensive knowledge and vast experience in the verification of the Company's financial statements. Details of their educational background and working experience, particularly in the verification of financial statements, are revealed in the history of the Board directors.

** The Remuneration and Nomination Committee was appointed by the Board's resolution on August 9, 2019, and effective from August 18, 2019, for a three-year term. The Committee's term will be due on August 17, 2022.

*** The Corporate Governance Committee was appointed by the Board's resolution on February 24, 2017, and effective from February 28, 2017, for a three-year term. The Committee's term will be due on February 27, 2020.

**** The Board Directors' Remuneration for 2019 was approved by shareholders' 26th general meeting on April 26, 2019, in the amount not exceeding Baht 12,500,000.

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

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

1. The Company's Board has the authority to implement the following issues

1.1 To consider the appropriateness of an appointment and define the scope of duties and responsibilities of sub-committees, including supporting the performance of sub-committees and work units related to them so that they can perform their duties efficiently.

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

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

1.4 To consider the Company's investment and other business transactions which are beyond the amount approved by the Investment Committee.

1.5 To consider a transaction with a person or juristic person related to the Board director, or within the scope of related parties transactions/procurement or disposal.

1.6 To consider the appropriateness of an appointment and dismissal of an independent person so that he/she acts as the Company's auditor, apart from determining that person's remuneration.

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

2. The Company's Board has the following duties and responsibilities

2.1 To consider, define and approve of the Company's guidelines, policies, vision, strategies and business plans so that they go in accordance with the framework for risk management, policy on risk management and acceptable risk level as proposed by the management, apart from overseeing the Company's consideration of its sustainable business transactions, and avoidance of undertaking risk that is beyond an acceptable level, including following up the management's performance consequences so that they are efficient and effective in accordance with the strategies and policies defined.

2.2 To consider for approval of the policy on good corporate governance, framework for risk management, policy on risk management, report on the Company's overall risk management, risk assessment and financial standing, policy on investment corporate governance, policy on

investment and other business transactions, framework for reinsurance management, policy on conflict of interest, policy on anti-corruption, and policy on whistle blowing, all for the management's implementation. This includes a review of such policies and an evaluation of implementation consequences so that the management can make yearly improvements.

2.3 To oversee the Company's performance to ensure that it defines remuneration payment policy for the Company's Board, management and employees with a consideration of the Company's long-term security.

2.4 To ensure that the Company has a practical guideline concerning the morality of its business performance, as well as good practices of the Board, management and employees, including an effective communication mechanism for the acknowledgement of the parties concerned.

2.5 To ensure that the Company has obvious organizational structure and responsibilities so that it has proper management.

2.6 To oversee the Company's performance so that it has appropriate and efficient systems of risk management, internal control and audit.

2.7 To oversee the Company's auditor to ensure that he/she makes a management letter and senior executives' opinions and present them to the Company's Board, apart from arranging for a meeting, at least once a year, between the Audit Committee and the independent auditor, without the attendance of the Company's Management.

2.8 To ensure that the Company has an annual performance evaluation of its Board of Directors, the Chief Executive Officer and the President, including overseeing an arrangement of an effective procedure for an assessment of the Company's executives' duty performance.

2.9 To ensure that the Company has disclosure of data on its good corporate governance to the general public.

2.10 To oversee the Company's performance so that it has a procedure of financial statements preparation that is accurate, reliable, in accordance with related standards, and discloses significant data accurately, adequately and timely to the public and regulator, including making a report on the Board of Directors' responsibility for financial statements, which is displayed in the Company's annual report.

2.11 To ensure that the Company performs in accordance with laws, regulations and orders related to the Company's business transactions.

2.12 To ensure that the Company has fund which is secure and sufficient for its business transactions both currently and in the future, as well as steadily follows up the fund status, including having a procedure or tool overseeing the fund adequacy so that it is at a stable level.

2.13 To ensure that the management reports on the Company's significant issues and has an effective data

reporting procedure so that the Company's Board will derive sufficient data to completely perform in accordance with its authority, duties and responsibilities.

2.14 To oversee the Company's performance so that it treats its customers fairly and has clear steps or procedures in offering its sales and making a claim payment based on the contract, not causing a misunderstanding or taking advantage over customers' misunderstanding.

2.15 To generate effective selection procedures and succession plans for the Company's Board of Directors and management. The Board will appoint the Chief Executive Officer and the President as head of the management team responsible for the Company's business performance under the Board's supervision.

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

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

The Board of Directors' Meeting

1. The Company's Board of Directors has determined in advance its meeting a minimum of 4 times a year so that each Board member will be informed of and set aside time for the Board's meeting. Nevertheless, there may be an additional extraordinary meeting as the Board thinks necessary.

2. The meeting invitation letters, including an agenda and other relevant documents, will be delivered, no less than 7 days prior to the date of the meeting, to all the Board members. Each Board member is allowed to propose an issue to be inserted on the agenda through the Company Secretary.

3. For each meeting, the Chairman of the meeting is in charge of providing time for presentations of related information, discussions and interrogations, as well as for each Board member to make a comprehensive comment.

4. In consideration of the agenda, directors who are stakeholders in any item on the agenda have no right to vote and are not allowed to be at the meeting for that agenda.

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

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

Directors Authorized to Bind the Company to Any Decision

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

2. Management Committee

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

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

Name of the Management Committee

The term "The Company's Management Committee", as defined in the Office of Securities and Exchange Commission's notices, includes the first four executive members following the manager. In compliance with the Company's organizational structure, the Company's Management Committee is made up of the first four executive members following the Chief Executive Officer. The Management Committee (as at December 31, 2019) is comprised of 15 executive members whose names are listed below.

Name and Position of the Management Committee

1. Dr. Apisit Anantanatarat	Director and Chief Executive Officer and acting President
2. Mr. Anon Vangvasu	Executive Vice President (Retired on January 1, 2020)
3. Mr. Suphat Yookongbandhu	Executive Vice President
4. Mrs. Srichittra Pramojaney	Executive Vice President
5. Mr. Jakkrit Chewanuntapomchai	Executive Vice President
6. Miss Paveena Juchuan	Executive Vice President
7. Mr. Chawan Sophonpanich	Executive Vice President (Appointed on January 22, 2020)
8. Mr. Suchart Chirayuwat	Senior Vice President (Retired on January 1, 2020)
9. Mr. Aree Vanairlor	Senior Vice President (Retired on January 1, 2020)
10. Miss Lasa Sophonpanich	Senior Vice President
11. M.L. Chalitpong Sanidvong	Senior Vice President
12. Mr. Pittiphong Chaochaikhong	Senior Vice President (Appointed on June 1, 2019)
13. Mr. Sarawut Deesomboon	Senior Vice President (Appointed on June 1, 2019)

14. Mr. Yingyot Sangchai Senior Vice President
(Appointed on June 1, 2019)
15. Mr. Weerachai Sripetcharakul Senior Vice President
(Resigned as from January 28, 2020)

The Scope of Duties and Authority of Management Committee

1. To verify, before presenting to the Board of Directors for consideration, the Company's vision, strategies, business goals, and annual budgets.

2. To take charge of business transactions in compliance with strategies, business policies, risk management framework, and an acceptable level of risk, as approved by the Board of Directors, with a consideration of long-term value generation and sustainable business transactions.

3. To verify, before presenting to the Board of Directors for consideration, the procurement or disposal of the Company's major assets.

4. Promote, support and provide for the Company's efficient risk management and internal control system, including following up a performance in accurate compliance with related laws, and fair treatment of the insured.

5. To ensure that the Company has an implementation based on its policy on corporate governance, as well as an evaluation of its consequences, including suggestions for the Corporate Governance Committee's consideration.

6. To report, to the Board of Directors, on accurate, sufficient and updated significant data on the Company's operating performance, risk level and management's performance so that the Board can efficiently oversee and follow up their performance consequences.

7. To clearly define the Company's line of command, as well as each department's duties and responsibilities in support of efficient risk management, supervision, control and audit.

8. To ensure that the Company has its risk management culture by overseeing that it has a risk appetite, apart from communicating with and providing knowledge to all the Company's employees regarding its risk management framework and risk management policy.

9. To provide for the management's annual performance evaluation by comparing it with the target the Board of Directors has defined, besides reporting an evaluation consequence to the Board.

10. Shall not work full-time for other organizations, except that the Board of Directors has considered that a management committee member's working full-time for other organizations does not influence his/her efficient performance for the Company.

11. To take charge of and ensure that the Company's overall risk management report and assessment of its risks and financial standing are accurate, precise, complete and in conformity with the laws defined.

12. To conduct any duties assigned to them by the Board of Directors.

3. The Company Secretary

The Company's Board of Directors' meeting (No.2/2015) held on May 15, 2015, passed a resolution appointing Mrs. Srichittra Pramojaney, who is currently the Company's Executive Vice President, as the Company Secretary, effective from June 1, 2015, in order to oversee, coordinate and facilitate the Board's meeting and shareholders' meeting so that they are in compliance with the laws, rules and regulations concerned. The Company Secretary is a qualified person besides having comprehensive knowledge and capability to perform his or her duty and assume the position. The Company has defined its secretary qualifications and scope of duties and authority as the following:

The Qualification of Company Secretary

1. Have comprehensive knowledge and understanding of the Company's business, including roles and duties related to the work of the Company secretary, for instance, duties of the Board and the Company, as well as possess sound knowledge of related laws and regulations, including the continuous pursuit of knowledge and follow-up of data and information for the development of work implementation.

2. Perform duties in accordance with laws, rules and the Company's regulations, with responsibility, caution, integrity and determination, including lending support for the Company's operation, based on the Company's principles of good corporate governance and code of ethics, so that the Company may fulfill its goals.

3. Strictly adhere to virtue and morality, as well as take into account all groups of stakeholders, while not acting in a way that will cause damage to the Company's reputation and good image.

4. Not aim at self-interest out of the Company's business opportunities, and well maintain the Company's secrecy.

5. Have good human relations and an ability to coordinate with other departments and sections both inside and outside the Company.

The Scope of Duties and Authority of the Company Secretary

1. Provide preliminary suggestions on the Company's laws and orders to the Board of Directors and follow up to ensure that they are implemented accurately and steadily, including making a report to the Board on a significant change in those laws and orders.

2. Hold a meeting of the Company's shareholders or Board in accordance with the laws and the Company's regulations and requirements.

3. Record shareholders' and the Board's meeting reports, including following up to ensure that their meetings' resolutions are implemented accordingly.

4. Prepare and maintain the Board's registration, the Company's annual report, as well as shareholders' and the Board's meeting invitation letters and meeting reports.

5. Keep a report on stakeholding as reported by the Company's Board or management, including making a copy and submitting it, within 7 working days starting from the day the report is received, to the chairman of the Board and the chairman of the Audit Committee for acknowledgement.

6. To ensure that there is disclosure of related data and an information report to agencies supervising the Company, based on the government's orders and requirements.

7. Get in touch and communicate with general shareholders so that they are informed of their rights and the Company's information.

8. Oversee the Company's Board of Directors' activities.

9. Carry out other activities defined by the Capital Market Commission.

4. Remuneration for Directors and Management

4.1 Remuneration in the Form of Money

(a) In 2019, the Company paid the Board's attendance fee to the Board directors, totaling Baht 10,890,000. The payment procedure has to go through a consideration of the Remuneration and Nomination Committee, while the annual remuneration amount, which does not exceed Baht 12,500,000, has been approved by shareholders' meeting. In this regard, the Remuneration and Nomination Committee has performed its duties appropriately. Details of remuneration criteria are given below.

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

(b) As at December 31, 2019, the Company's executive directors comprised 15 members, who were paid a total remuneration of Baht 83,855,183 consisting of such fixed remunerations as salary, motor and telephone expenses, and a contribution to the social security fund, as well as a remuneration varying with certain factors such as bonus. Out of 15 executive directors, one is an executive member. The paid remuneration does not exceed the amount which has been approved by directors and shareholders and it was taken into consideration based on such factors as the executives' performance and the Company's operations such as insurance premium's growth, the Company's income, the asset growth compared to the other insurance companies in the country, the potential of business development, the improvement of performance efficiency, and the development of the Company's staff. The Board directors' and Chief Executive Officer's short-term remuneration comprises salary, telephone expenses, a contribution to the social security fund, and bonus, while the long-term remuneration comprises the provident fund.

4.2 Other Remuneration

In 2019, other remuneration, which is a fixed remuneration, such as provident fund and severance pay upon retirement, totaling Baht 17,141,787, was paid to 15 Company executive directors and executive members. Such remuneration is appropriate to the Board directors' and executive members' responsibilities and can motivate them to lead the organization in performing in accordance with both the short- and long-term goals, apart from being competitive within the industry.

Accordingly, in 2019, a total remuneration, both in the form of money (as in 4.1-b) and others (as in 4.2), of Baht 100,996,970 was paid.

5. Personnel

Total Employees

As at December 31, 2019, the Company had a total of 1,550 employees, comprising 1,146 employees working on the Company's core business lines, and 404 employees working on supporting business lines.

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

Type of Core Business	Number of Employees (Person)
Agent Business Unit	79
Broker Business Unit	84
Commercial Lines Business Unit	83
Financial Institution Business Unit	84
Personal Lines Business	72
Branch Network and Ventures	299
Treaty Operations Office	12
Risk Assessment Office	24
Non-Motors Claims Department	62
Motor Claims Department	347
Total	1,146

Total Remuneration and Characteristic of Remuneration for Employees

In 2019, the Company's employees were paid a total remuneration of Baht 1,189,185,811 consisting of salary, bonus, employer's contributions to the social security fund, overtime, motor and telephone expenses, provident funds and severance pay upon retirement. The paid remuneration was taken into consideration based on such factors as the insurance premium's growth, the Company's income, the country's economic condition, the cost of living, and the individual employee performance's assessment, the consequences of which have been defined to be in conformity with the Company's goals, through a performance measurement tool called Performance Fact Sheet comprising of key performance indicators (KPIs), projects and assignments.

Policy on Personnel Development

In 2019, the Company had fully realized the significance of its personnel development which was not just training/seminar for its staff only, but the Company also supported an efficient implementation of personnel development through formulating a guideline promoting its staff's learning so that their capability is fully developed, aimed at their utmost efficiency. In this connection, the Company had formulated a plan on Training Needs by Position for all positions of employees to encourage all of them to have knowledge and skills essential for their duty performance, apart from having an ability to perform their work accurately, living up to the expectation of their superiors. Furthermore, employees were obviously and

correctly informed of the necessity for their training and development and the scope of training topics throughout their career path, giving motivation and developing working efficiency of employees, aimed at their higher career advancement. Similarly, the Company also gave priority to its personnel development both for hard skills and soft skills, which had been systematically developed in accordance with the plan on Training Needs by Position, covering and in line with the organization's core competency, ranging from general competency, functional competency to managerial competency. The Company had selected its employees for constant training with skilled experts in various fields so that they may efficiently apply the knowledge learned to their work performance.

In connection with the direction of development and training, the Company has still given priority to its personnel development at all levels in response to changing circumstances which have occurred rapidly, through a development guideline of 70:20:10, which comprises on-the-job experience for 70%, mentoring/coaching for 20%, and training for 10%. For training there has been an improvement for learning through an increased on-the-job training program, focusing on employees' having knowledge and skills indispensable for work performance, in compliance with duties performed and appropriate for the learning period. In this regard, there is also proper personnel resource development, which is modern in terms of technology, equipment, methodology and employees' attitude, in generating a learning organization, in which e-learning, the learning via electronic media encouraging

employees to learn at all places without clinging to time and place, is introduced and done through web-based instruction, online learning, and Internet-based instruction.

In 2019, there was training classified as the following:

1. In-house Training

All levels of employees, starting from new ones, will receive knowledge and skills which are the core and essential for work performance, for instance, insurance business knowledge, management knowledge, knowledge of how to develop and increase the work performance efficiency, including knowledge and skills needed to enhance employees' potential in order to move up to a higher position. In 2019, the Company provided for a total of 67 in-house training courses.

- For insurance courses, the Company has improved various courses in line with their practicality, focusing on staff ranging from officers to managers in underwriting work line to obtain insurance knowledge provided by specialists from the Company's various departments, aimed at managing and maintaining knowledge inside the Company, and further generating the Company's sustainability.

- For management courses (BKI Signature Program), the Company has created different courses appropriate for each level of staff, which are in accordance with and relate to a series of knowledge, ranging from specialists to intermediate executives as follows:

- Advance Management Program (AMP) for intermediate executives

- Leadership Management Program (LDP) for junior executives

- Business Development Program (BDP) for specialists
- Concerning courses on the potential development for advancement is one's career, the Company has provided these courses to junior executives, specialists and managers, aimed at their behavioral skill development based on the competency, being able to successfully express their behavioral characteristic based on the competency through really applying the ability in work performance, including enhancing their preparedness to the best, aimed at their higher career advancement as the organization's model executives, apart from creating a performance in response to the organization's vision and prospects, which is a significant part in generating sustainable accomplishment together with the organization.

- With regard to e-learning courses, offered for the Company's staff training via electronic media for the first year, consisting of 5 courses, such as supervisory in competitive age, superior services, effective communication, personal productivity and information security awareness,

the Company has provided these courses to its employees, ranging from staff to managers, in support of their self-learning, aimed at their self-management skill based on the "BKI Encourages Learning throughout One's Life" concept.

2. External Training

It is a form of training by external institutions, both inside and outside the country, in which the Company encourages its employees to have an opportunity for the training and development of needed knowledge and skills which will generate new experience and viewpoint for them. In 2019, the Company provided its staff with a total of 332 training courses, consisting of 310 courses in the country and 22 courses abroad.

To generate its personnel in support of future growth, the Company has constantly provided for a development program for its branch executives. The participants will be able to develop multi-skills needed to perform their work as branch executives. Besides, they also have an opportunity to perform real work to create experiences which can be actually applied in the future. Similarly, the Company still arranges its staff's learning of myriad skills via job rotation, job transfer and so on, in order for them to learn new work and develop their own career path.

In addition, the Company also has the organization's knowledge management by encouraging its employees to share their knowledge and experience to the Company and its staff as the following:

- Special Knowledge Transfer Activity: The Company has invited its executives who are going to retire to transfer knowledge derived from their long working experiences to the Company's staff.

- Tea Time Talk Show Activity: The Company has carried out an activity by having its staff who have taken part in training or a seminar abroad transfer their knowledge to younger staff via a friendly talk to create a sound learning environment.

- Knowledge Plus Activity: It is a channel for the Company to communicate internal issues to its underwriting staff so as to be informed of the qualities of new products or services, aimed at generating their accurate and up-to-date knowledge and understanding.

In 2019, the Company provided an average of 8 day/staff/year, while the budget spent on the Company's staff training and development amounted to over 16.0 million. This aims at reflecting the Company's giving importance to generating quality personnel who possess knowledge and skills appropriate for work performance and in support of changes which may occur in the future.

SHAREHOLDINGS STRUCTURE

Breakdown of Shareholdings

As at November 22, 2019 (The Record Date)

Issued and Fully Paid-up Share Capital: Baht 1,064.7 Million

Class of Share: Ordinary Shares at Baht 10 per Share

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 - 10,000	2,032	75.76	3,612,851	3.39
10,001 - 50,000	407	15.18	8,897,410	8.36
50,001 - 150,000	143	5.33	11,808,240	11.09
150,001 Up	100	3.73	82,151,499	77.16
	2,682	100.00	106,470,000	100.00

Nationality of Shareholder	Number of Shareholders	Number of Shares
Thai	98.14%	83.98%
Foreign	1.86%	16.02%

Major Shareholders and Numbers of Shareholdings

as at November 22, 2019 (The Record Date) for the right to attend the meeting and to receive the dividend payment.

Name	Number of Shares (As at Nov 22, 2019)	%
1. Bangkok Bank Public Co., Ltd.	10,613,194	9.97
2. HWIC ASIA FUND A/C CLASS C	3,563,430	3.35
3. Mr. Chai Sophonpanich *	3,425,026	3.22
4. NOMURA SECURITIES CO., LTD.-CLIENT A/C	3,376,000	3.17
5. Chin Sophonpanich Foundation	3,370,934	3.17
6. C.R. Holding Co., Ltd.	3,332,934	3.13
7. Aioi Insurance Co., Ltd.	2,989,599	2.81
8. Mr. Charn Sophonpanich	2,884,377	2.71
9. Mr. Choedchu Sophonpanich **	2,604,017	2.45
10. Mr. Chattri Sophonpanich ***	2,514,033	2.36
11. Mr. Niti Osathanugrah	2,224,362	2.09
12. Bangkok Life Insurance Public Co., Ltd.	2,095,840	1.97

Name	Number of Shares (As at Nov 22, 2019)	%
13. GLORY HOPE LIMITED	1,658,517	1.56
14. VAYUPAK FUND 1 Krung Thai Asset Management Public Co., Ltd.	1,589,203	1.49
15. VAYUPAK FUND 1 MFC Asset Management Public Co., Ltd.	1,589,203	1.49
16. Rabil Holding Co., Ltd.	1,406,071	1.32
17. Aberdeen Standard Growth Fund	1,388,713	1.30
18. Bangkok Rinvest Co., Ltd.	1,282,100	1.20
19. Aberdeen Standard Small Cap Fund	1,276,700	1.20
20. Thai Reinsurance Public Co., Ltd.	1,232,341	1.16

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

- * Spouse - Mrs. Nuchanart Sophonpanich 665,746 Shares
- ** Passed away and not yet found the transfer of share ownership
- *** Passed away and not yet found the transfer of share ownership

Shareholding of the Board of Directors,

as at November 22, 2019 (The Record Date) for the right to attend the meeting and to receive the dividend payment.

Name (As at Dec 31, 2019)	Number of Shares (As at Nov 22, 2019)	Number of Shares (As at Nov 23, 2018)	Change
1. Mr. Chai Sophonpanich *	3,425,026	3,425,026	-
2. Tdvc. Col. Plengsakdi Prakaspesat	-	-	-
3. Miss Potjaneer Thanavarani	-	-	-
4. Mr. Chor.nun Petpaisit	-	-	-
5. Mr. Singh Tangtaswas	153,600	153,600	-
6. Mr. Suvarn Thansathit	-	-	-
7. M.R. Supadis Diskul	-	-	-
8. Mr. Virasak Sutanthavibul	-	-	-
9. Mrs. Nintira Sophonpanich **	2,949	2,949	-
10. Mr. Panus Thiravanitkul ***	59,600	44,547	15,053
11. Mr. Yukihiko Ishikawa (Appointed on May 10, 2019)	-	-	-
12. Dr. Apisit Anantanatarat	4,613	4,613	-
Mr. Toshimi Kobayashi (Resigned as from May 10, 2019)	-	-	-

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

- * Spouse - Mrs. Nuchanart Sophonpanich 665,746 shares
- ** Spouse - Mr. Chartsiri Sophonpanich 2,949 shares
- *** Spouse - Mrs. Suporn Thiravanitkul 5,600 shares

Shareholding of Management Committee,

as at November 22, 2019 (The Record Date) for the right to attend the meeting and to receive the dividend payment:

Name (As at Dec 31, 2019)	Number of Shares (As at Nov 22, 2019)	Number of Shares (As at Nov 23, 2018)	Change
1. Dr. Apisit Anantanatarat	4,613	4,613	-
2. Mr. Anon Vangvasu * (Retired on Jan 1, 2020)	65,455	56,155	9,300
3. Mr. Suphat Yookongbandhu **	69,409	69,409	-
4. Mrs. Srichitra Pramojaney	15,560	6,560	9,000
5. Mr. Jakkrit Chewanuntapornchai	-	-	-
6. Miss Paveena Juchuan	-	-	-
7. Mr. Chawan Sophonpanich (Appointed on Jan 22, 2020)	438,181	438,181	-
8. Mr. Suchart Chirayuwat (Retired on Jan 1, 2020)	-	-	-
9. Mr. Aree Vanairlor (Retired on Jan 1, 2020)	3,395	3,395	-
10. Miss Lasa Sophonpanich	487,625	481,225	6,400
11. M.L. Chalitpong Sanidvong	-	-	-
12. Mr. Pitiphong Chaochaikhong (Appointed on Jun 1, 2019)	-	-	-
13. Mr. Sarawut Deesomboon (Appointed on Jun 1, 2019)	-	-	-
14. Mr. Yingyot Sangchai (Appointed on Jun 1, 2019)	-	-	-
15. Mr. Weerachai Sripetcharakul (Resigned as from Jan 28, 2020)	-	-	-

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

* Spouse - Mrs. Thunyaporn Vangvasu 15,015 Shares

** Spouse - Mrs. Warunee Yookongbandhu 43,399 Shares

Dividend Payment Policy

Since it is anticipated that business will expand consistently, the Company will try to maintain the level of dividend to be paid to shareholders at about 50 percent of its net income after income tax deduction, and pay the dividend four times a year. In this regard, the Company will consider paying the dividend based on its performance consequence and in accordance with the country's economic situation.

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

(Baht/Share)

Shareholders' Meeting Time/Year	Year of Payment	Dividend				Total
		Quarter 1	Quarter 2	Quarter 3	Quarter 4	
23/2016	2015	2.75	2.75	2.75	3.75	12.00
24/2017	2016	3.00	3.00	3.00	5.00	14.00
25/2018	2017	3.00	3.00	3.00	5.00	14.00
26/2019	2018	3.00	3.00	3.00	5.00	14.00
27/2020	2019	3.00	3.00	3.00	5.00*	14.00 *

Remarks: * The final dividend payment for the year 2019 is still uncertain and it has to be approved by the shareholders at the 27th general meeting of shareholders.

PRINCIPLES OF GOOD CORPORATE GOVERNANCE

1. The Policy on Good Corporate Governance

The Bangkok Insurance Public Company Limited Board of Directors fully realizes the significance of good corporate governance, based on transparency, accuracy and fairness, as an important factor in enhancing the organization's efficiency and sustainably, creating value for the organization, and generating the greatest benefit for all stakeholders. It has thus defined, in writing, the policy on good corporate governance so that the Company's Board of Directors, management and all employees will understand, as well as attach and comply to it until it becomes the organization's culture. This, of course, will result in the Company's business having a standard, fair and transparent management system generating income and increasing the long-term value for investors, apart from creating confidence among all parties of stakeholders and supporting and promoting the Company's sustainable growth of competitiveness.

The Section on Shareholders' Rights The Company is well aware of and gives top priority to the shareholders' rights through its policy on supporting the shareholders' fundamental rights, for instance, the right to purchase, sell or transfer shares; right to receive the Company's profit share; right to obtain sufficient data and information so as to attend shareholders' general meeting to appoint or discharge a Board director; right to appoint an auditor and review an issue affecting the Company, for example, the allocation of dividends, determination or revision of the Company's requirements or memorandum of association for reducing or increasing the capital and approval of a special item, and the right to know, at an appropriate time, the regulations and methods of attending the meeting, and adequate data and information for consideration in each meeting agenda prior to the meeting, apart from having an opportunity to ask Board directors questions both during the meeting and by submitting questions in advance, and an opportunity to propose a meeting agenda, besides having the right to give a mandate to another person to attend the meeting.

The Section on Equal Treatment of Shareholders The Company's encouragement of equal and fair treatment of all shareholders are, for instance, its policy on providing an opportunity to the minority of shareholders to nominate, at an appropriate time, the Board's director in advance, giving an opportunity to a shareholder who cannot attend a meeting to exercise his/her rights by giving a mandate to another person to attend the meeting and vote on his/her behalf, and giving an opportunity to the minority of shareholders to add a meeting agenda in advance prior to the shareholders' meeting day; determination of measures preventing the Company's Board directors and executives from using insider information to seek any advantage for themselves or others illegally, including determination of Board directors' and executives' disclosure of data on their stakeholding and that of other concerned people.

The Section on Consideration of Stakeholders' Role The Company has defined a policy for each group of stakeholders such as customers, employees, business partners, shareholders or investors, communities, society or the government sector, including competitors, taking into account all stakeholders' rights in compliance with laws or agreements made to the Company, participation in enhancing the Company's operations, and sufficient disclosure of related significant data for acknowledgement so that they can efficiently perform their duties in the participation. The determination of the policy on corporate social responsibility, particularly the issues having a direct impact on the Company's business transactions, is aimed at generating confidence among parties concerned that the Company's business performance has taken into account social and environmental factors based on sustainable development, has a performance guideline which does not violate intellectual properties or copyrights, a policy on anti-corruption practices and whistle blowing and protection the whistle blower and provision of a channel for each group of stakeholders to give suggestions and comments or file a complaint to the Company's Board of Directors.

The Section on Data Disclosure and Transparency The Company has a policy on accurate, complete, timely and transparent disclosure of significant data and information, both financial and non-financial, relating to the Company through an easy-to-access channel so that the shareholders are equally informed of it. The important data the Company has to disclose includes the Company's vision and missions, type of business transactions, shareholders structure, Board of Directors and executives, Board's and sub-committees' charters or duties and responsibilities, financial statements and financial situation and the Company's operations, organization structure, the code of ethics for the Company's Board directors and employees, policies, and arrangements of an Investors Relations to equally and fairly communicate with related outsiders, apart from those responsible for disseminating data and information of the Company's performance and returns to the public through various media and the Company's website.

The Section on the Board of Directors' Responsibilities The Company has defined the qualifications of its Board directors, independent directors and directors of the Audit Committee, besides the structure of the Board and sub-committees, as well as their roles, duties and responsibilities, including work procedures. The Company's Board of Directors consists of directors possessing vision, leadership, knowledge, expertise, experiences and specific capabilities useful to the Company.

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

2. Sub-Committees

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

1. Committees which directly report to the Board, comprise 5 committees, namely the Audit Committee, the Remuneration and Nomination Committee, the Corporate Governance Committee, the Investment Committee and the Risk Management Committee.

2. Committees which directly report to the Management Committee, consists of 7 committees, namely the Sustainable Development Committee, the Underwriting/Products and Claims Committee, the Information Technology Committee, the Safety, Health and Environmental Committee, the Information Security Management Committee, the High Loss or Complicated Claims Committee and the Procurement on Building Management Committee.

1. Committees Directly Reporting to the Board

The Company's Board of Directors has appointed 5 committees, which directly report to the Board, comprising the Audit Committee, the Remuneration and Nomination Committee, the Corporate Governance Committee, the Investment Committee and the Risk Management Committee. In this regard, Board directors and/or executives have been appointed as members of the 5 committees in order to help consider significant work cautiously and in compliance with the Company's policy on good corporate governance and the OIC's laws and regulations. Each committee has the following components and scope of duties and authority.

1.1 The Audit Committee

The Audit Committee (as at December 31, 2019) is comprised of 3 independent Board directors, namely,

1. VDC Col Plengsakdi Prakaspesat
Independent Director and Chairman of the Audit Committee
2. Miss Potjane Thanavaranit
Independent Director and Director of the Audit Committee
3. Mr. Chor.nun Petpaisit
Independent Director and Director of the Audit Committee

Each director of the Audit Committee has skills, knowledge, understanding and working experiences in accounting and finance. All 3 directors of the Audit Committee possess sufficient knowledge and experience to verify the reliability of the Company's financial statements.

The Director of the Audit Committee's Term of Office

The director of the Audit Committee has a three-year term.

The Scope of Duties and Authority of the Audit Committee

The Audit Committee has the following scope of duties and authority.

1. To verify the Company's financial statements to ensure that they are completely, accurately and reliably established in accordance with Thai Accounting Standards, while significant data is sufficiently disclosed.

2. To verify and make an assessment of the Company's systems of internal control, internal audit and risk management to ensure their appropriateness, effectiveness and compactness, based on the framework accepted by international standards, including defining the Internal Audit Office's duties, responsibilities, authority and independence, and an approval for the appointment, reshuffle and employment termination of the head of the Internal Audit Office.

3. To verify the Company's practices to ensure that they are in compliance with the Security Act and Security Exchange Act, the SET requirements, Non-Life Insurance Act, the OIC requirements, and other laws related to the Company's business.

4. To consider a selection and proposal for an appointment and employment termination of an independent person who acts as the independent auditor, and fix his/her remuneration, including attending a meeting, at least once a year, with the auditor but without the Management in attendance.

5. To oversee crossover transactions and those with conflicts of interest so that they are in compliance with laws and the SET requirements, and bring about maximum benefits to the Company.

6. To provide recommendations to the Management for its efficient and effective overseeing of the Company's operations, and report to the Board of Directors for an improvement within the time the Audit Committee sees appropriate, in the case the Audit Committee has found or become suspicious of the following transactions or acts.

(a) Transactions with conflicts of interest.

(b) Malfeasance, abnormality or significant deficiency in the internal control system.

(c) Violation of laws on non-life insurance or other laws related to the Company's business.

7. To prepare the Audit Committee's report, which shall be included in the Company's annual report. The report must be signed by the Chairman of the Audit Committee and consist of a minimum of the following data:

(a) An opinion on the Company's financial statements' accuracy, completeness and reliability.

(b) An opinion on the Company's adequacy and effectiveness of internal control systems.

(c) An opinion on the practices in accordance with the Security Act, the SET requirements or other laws related to the Company's business.

(d) An opinion on the Company's auditor's appropriateness.

(e) An opinion on transactions with conflicts of interest.

(f) The number of the Audit Committee's meetings and each committee member's meeting attendance.

(g) An overall opinion or note that the Audit Committee has received due to its duty performance based on the Charter.

(h) Other items which the Audit Committee thinks that the Company's shareholders and general investors should know, within the scope of duties and responsibilities assigned to it by the Board of Directors.

8. To verify a self-evaluation form relating to anti-corruption measures to ensure that the Company possesses effective anti-corruption systems as reported in the IOD's self-evaluation form.

9. Any other implementations assigned to the Audit Committee by the Board of Directors, with an approval of the former.

The Audit Committee's Meeting

A minimum of four meetings a year is defined.

1.2 The Remuneration and Nomination Committee

The Remuneration and Nomination Committee (as at December 31, 2019) comprises 4 members, namely,

1. Mr. Singh Tangtaswas
Independent Director and Chairman of the Remuneration and Nomination Committee
2. Mr. Suvarn Thansathit
Independent Director and Director of the Remuneration and Nomination Committee
3. M.R. Supadis Diskul
Independent Director and Director of the Remuneration and Nomination Committee
4. Mr. Virasak Sutanthavibul
Independent Director and Director of the Remuneration and Nomination Committee

In case of an appointment of a new Board director, the Remuneration and Nomination Committee is responsible for a review of the Board of Directors' qualifications in order to define appropriate qualifications of a new Board director, who will strengthen the Board of Directors.

The Director of the Remuneration and Nomination Committee's Term of Office

The director of the Remuneration and Nomination Committee has a three-year term.

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

The scope of duties and authority of the Remuneration and Nomination Committee includes the following.

1. To ensure that the number and proportion, as well as the components of the Board of Directors are appropriate to the organization.

2. To select a suitable and qualified person to replace a Board member in case of his completing his term, resignation or other reasons, apart from nominating a new Board member to shareholders or the Board of Directors for consideration and appointment, based on the case and in accordance with the Company's regulations.

3. To select a suitable and qualified person to supersede the Chief Executive Officer and the President in case of an expiry of their term, resignation or other reasons, besides nominating a new person for the Board's scrutiny and appointment.

4. To oversee and define policies on remuneration and other benefits of the Board of Directors, the Chief Executive Officer and the President that are appropriate to their duties and responsibilities.

5. To ensure that there is a plan for a succession to the position of the Chief Executive Officer and the President.

The Remuneration and Nomination Committee's Meeting

This is a specific-purpose meeting which is convened when necessary but shall be no less than once a year.

1.3 The Corporate Governance Committee

The Corporate Governance Committee (as at December 31, 2019) comprises 3 Board directors, and whose chairman and one of its members are independent directors, namely,

1. Mr. Virasak Sutanthavibul
Independent Director and Chairman of the Corporate Governance Committee
2. Mrs. Nintira Sophonpanich
Independent Director and Director of the Corporate Governance Committee
3. Mr. Panus Thiravanitkul
Director and Director of the Corporate Governance Committee

The Director of the Corporate Governance Committee's Term of Office

The director of the Corporate Governance Committee has a three-year term.

The Scope of Duties and Authority of the Corporate Governance Committee

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

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

The Corporate Governance Committee's Meeting

This is a specific-purpose meeting which is convened when necessary but shall be no less than once a year.

1.4 The Risk Management Committee

The Risk Management Committee (as at December 31, 2019) comprises 5 members, who are a director and executives, namely,

Chairman

1. Dr. Apisit Anantanarat
Director and Chief Executive Officer

Vice-Chairman

2. Mr. Suphat Yookongbandhu
Executive Vice President

Members

3. Mr. Anon Vangvasu
Executive Vice President
4. Mrs. Srichittra Pramojaney
Executive Vice President
5. Mr. Sorat Vonganankij
Vice President of Actuarial Department

Each member of the Risk Management Committee has sound knowledge and understanding of the Company's risks of business transactions.

The Director of the Risk Management Committee's Term of Office

The director of the Risk Management Committee has a two-year term.

The Scope of Duties and Authority of the Risk Management Committee

1. To define, consider and review the risk management framework, as well as risk management policy and scope

so that they cover various types of principal risks which may have an impact on the Company's income, fund, reputation or existence.

2. To oversee and support the Company's implementation of its risk management in line with its strategies and business transaction goals.

3. To evaluate the adequacy of the Company's risk management measures and risk management efficiency.

4. To arrange for a meeting in order to follow up the risk status, apart from the progress of risk management and the provision of recommendations for what has to be improved or modified so that they are in accordance with the defined risk management framework and policy, and strategies and report it to the Board for acknowledgement at least once every three months.

5. To support the performance of the Enterprise Risk Management Division so as to fulfill the organization's risk management goals.

The Risk Management Committee's Meeting

A minimum of one meeting every three months.

1.5 The Investment Committee

The Investment Committee (as at December 31, 2019) comprises 5 members, who are directors and executives, namely,

Chairman

1. Mr. Chai Sophonpanich
Chairman of the Investment Committee

Members

2. Mr. Panus Thiravanitkul
Director and Director of the Corporate Governance Committee
3. Dr. Apisit Anantanarat
Director and Chief Executive Officer
4. Mrs. Srichittra Pramojaney
Executive Vice President
5. Mr. Ekamol Aungkavattana
Vice President of Investment Department

Each member of the Investment Committee has knowledge, skills and experiences in investment management, risk management or stocks analysis, apart from defining the Company's investment policy and other business transaction policies as appropriate.

The Director of the Investment Committee's Term of Office

The director of the Investment Committee has a two-year term.

The Scope of Duties and Authority of the Investment Committee

1. To define an investment policy and other business transaction policies appropriate and flexible to changing situations, with a consideration of risks and related laws, before presenting it to the Board for consideration for approval.

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

3. To consider for approval of investment in an amount of over Baht 500 million per investment, but not exceeding Baht 800 million. If it is over Baht 800 million per investment, it has to be presented to the Board for further consideration for approval.

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

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

6. To have another duty to oversee other business transactions of which the duties and responsibilities are defined in the same manner as those of the Investment Committee.

The Investment Committee's Meeting

A minimum of one meeting every three months.

2. Committees Directly Reporting to the Management Committee

The Company's Management Committee has appointed 7 committees, which directly report to the Management, consisting of the Sustainable Development Committee, the Underwriting/Products and Claims Committee, the Information Technology Committee, the Safety, Health and Environmental Committee, the Information Security Management Committee, the High Loss or Complicated Claims Committee and the Procurement on Building Management Committee. In this regard, the Management Committee members have been appointed to the 7 committees to help verify significant issues so as to enable the Company's performance and activities to be in compliance with the OIC's laws and regulations and be implemented efficiently. Each committee has the following components and scope of duties and authority.

2.1 The Sustainable Development Committee

comprises at least 7 executives from various business units, each having a two-year term and at least one meeting every month, with the following scope of duties and authority.

1. To oversee and support the implementation of activities promoting the Company's sustainable culture, such as BKI Spirit (Cool, Agile, Friendly) and the culture "Your Caring Partner".

2. To oversee and support the implementation of CSR activities under the guideline of sustainable development, in cooperation with the Bangkok Insurance Foundation, in order to perform connectively and fulfill the Company's CSR goals.

3. To consider and encourage the Company's performance supporting its responsibilities to society and the environment.

4. To consider new activities or projects affecting the organization development to keep pace with the Company's alteration and sustainable growth.

5. To define the direction of formulating a plan to increase the performance efficiency and a plan for personnel development so that they are in compliance with the Company's strategic plan, besides providing suggestions on presenting a work plan of business units.

6. To consider presenting to have the Company nominate for awards organized by external agencies, and control them till the goal is achieved.

7. To make a report on the performance consequence to the Management Committee at least once every six months.

2.2 The Underwriting/Products and Claims Committee

comprises at least 3 executives, each having a two-year term and at least one meeting every three months, having knowledge, expertise and understanding of underwriting and a consideration of each category of risks, including reinsurance, with the following scope of duties and authority.

1. To define the policy on underwriting, policy on reinsurance allocation and claims management appropriate and flexible to changing conditions, with a consideration of risks and related laws, before presenting them to the Management Committee.

2. To consider for approval of a guideline for defining premium rates.

3. To verify and adjust the policy on underwriting, reinsurance and claims management so that it is appropriate for changing circumstances.

4. To define a policy, business plan and strategy giving significance to creating and transferring, in writing, the culture of a fair treatment to customers, apart from communicating and transferring the culture of a fair treatment to customers to all departments and personnel relating to customer service provision, including policy presenters for sale in all of the Company's channels.

5. To control and oversee the quality of service provision which is fair, systematic, updated and goes in the same direction, besides making a complete assessment of the overall business and risk of which achievement is measurable and problematic issues are analyzed, while problems are solved quickly and efficiently.

6. To consider and oversee the determination of form, content and development of the Company's insurance policies, apart from defining premium rates of insurance to be presented for sales so that they are proper to customers' demand, through management for customers' maximum profit.

7. To consider for approval of rules and orders and practice procedures of the Company's underwriting, reinsurance and claims consideration.

8. To consider for approval of the scope of authority of underwriting and claims.

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

1. To define the policy and strategy on the utilization of the information technology in the work performance and support of the Company's strategy.

2. To consider for approval of the new work plans or projects relating to the use of the information technology in support of the work performance.

3. To consider for approval, in principle, of the work plans or projects, including the budget concerned with the information technology.

4. To consider for approval of the procurement on the information technology work to generate the greatest benefit to the organization.

5. To follow up the success of the utilization of the information technology in various projects or work plans.

6. To review the policy and strategy on the use of the information technology in the work performance if they are not in accordance with the objectives.

2.4 The Safety, Health and Environmental Committee consists of 12 members, including 1 representative of the employer, 5 representatives of the superior level, and 6 representatives of operational employees, each having a two-year term and at least one meeting every two months, with the following scope of duties and authority.

1. To make a survey, at least once a month, on safety, hygiene and working environment.

2. To make a report and suggestion to the employer on the measure or guideline for improvement so that it is in compliance with the law on work safety and/or work security standards, aimed at the safety for work performance of employees, contractors and outsiders who come in to work for or use the service of a manufacturing establishment.

3. To encourage and support activities on safety, hygiene and working environment of a manufacturing establishment.

4. To define safety regulations and work safety standards of a manufacturing establishment, and present them to the employer.

5. To formulate policies and annual work plans on projects or activities on safety, hygiene and working environment in order to prevent and reduce accidents, hazards or illness stemming from work, or work insecurity, and present them to the employer.

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

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

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

9. To perform other duties related to safety, hygiene and working environment, as assigned by the employer.

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

11. To make a report on the performance consequence to the Management Committee as least twice a year.

2.5 The Information Security Management Committee is composed of at least 3 executives, each having a two-year term and at least one meeting every two months, having knowledge, expertise and understanding of an information system within the organization, with the following scope of duties and authority.

1. To define the policy, objectives, structure and duties and responsibilities regarding information security.

2. To encourage the organization to give priority to the fulfillment of objectives of information security, practices in conformity with the policies and laws, including a necessity for a steady improvement and development of information security within the organization.

3. To support resources for the system establishment, utilization and management, inspection and review, maintenance, including an improvement of the information security management system.

4. To make a report on the performance consequence to the Management Committee at least twice a year.

2.6 The High Loss or Complicated Claims Committee comprises at least 5 executives, each having a two-year term and at least one meeting every year, having authority on making judgment on a complaint filed to the Company, with those responsible from claims unit, underwriting unit, legal unit and compliance unit, with the scope of duties and authority to scrutinize and make judgment on complicated issues or ones having high damages of Baht 50 million and over. A complaint consideration has to be completed within 30 days, starting from the date the complaint is filed or additional documents are provided (if any).

2.7 The Procurement on Building Management Committee comprises at least 3 executives, each having a two-year term and at least one meeting every three months, with the following scope of duties and authority.

1. To define the policy and strategy on the overall procurement on the building management, including a review of the policy so that it fulfills the Company's goals.

2. To consider for approval, in principle, the work plans and projects, including the budget concerned with the building management, besides following up the success of those work plans and projects.

3. To consider for approval, in due time, of general expenses and those for specific or routine work/projects, in an amount of over Baht 500,000.

4. To consider for approval of the determination of the rent of office buildings and the investment relating to the rented buildings.

3. The Nomination and Appointment of Senior Executives

The Company's Board of Directors has assigned the Remuneration and Nomination Committee to take care of the issue of the proportion, number and components of the Board of Directors, as well as to nominate a qualified person, with sound knowledge and proficiency, to supersede a director, Chief Executive Officer or President in case of the expiry of his term, resignation or other reasons, apart from nominating a new Board member to shareholders or the Board for consideration and appointment, based on the case and in accordance with the Remuneration and Nomination Committee's duties and authority specified in "The Remuneration and Nomination Committee" section. In this connection, appropriate qualifications and nomination procedures for a selection of a new Board director and senior executive, including minor shareholders' rights to appoint Board directors, are defined as follows:

1. Qualifications and Procedure for Nominations of the Board Directors and Independent Directors

1.1 Qualifications of Directors

The Company's Board directors, without regard to their gender, possess comprehensive knowledge, experience and specific capability to perform their duties. Besides, they have a good understanding of their responsibilities and the characteristic of the Company's business transactions, including having readiness to independently express their opinions on decision-making on any issue, with a consideration of the Company's greatest benefit and a fair treatment to each group of stakeholders. Similarly, the Board directors, in their capacity as director, can fully devote their time and effort to the Company.

1.1.1 Qualifications of Independent Directors

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

1. Have no more than 0.5 percent of all the eligible votes in the Company, corporations, affiliated companies, associated companies or juristic persons that

are the Company's major shareholders or have authority to control. This includes shares held by any party concerned.

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

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

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

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

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

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

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

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

1.1.2 Qualifications of the Audit Committee Members

The Audit Committee members shall have the following qualifications:

1. Have all the qualifications of independent directors.

2. Are not directors assigned by the Company's Board of Directors to make decisions on the operation of the Company, corporations, affiliated companies, associated companies, affiliated companies in the same order, or juristic persons that are the Company's major shareholders or party having authority to control.

3. Are not directors of corporations, affiliated companies, or affiliated companies in the same order, particularly those listed in the SET.

4. A minimum of one Audit Committee member has knowledge and experience sufficient to verify the Company's financial statements' reliability.

5. Be able to sufficiently devote their time and express opinions in the performance of their work as the Audit Committee directors.

1.2 Procedure for Directors and Independent Directors Nomination

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

1. The Board of Directors shall comprise at least 5 directors, and no less than half shall reside within the Kingdom.

2. No less than three-fourths of the directors must be of Thai nationality.

3. The directors shall be elected at the shareholders' meeting. Each shareholder shall have a number of votes equal to the number of shares held. Decisions shall be made by a majority vote. In the event of a tied vote, the chairman of the meeting shall have the casting vote.

4. At every annual general meeting, one-third of the directors shall retire. Directors who vacate office may be re-elected.

5. The shareholders' meeting may pass a resolution removing any director from office, prior to retirement, by reason of the expiration of the director's term of office, by a vote of not less than three-fourths of the number of shareholders attending the meeting, who have the right to vote and who hold shares totaling not less than half the number of shares held by shareholders attending the meeting and having the right to vote.

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

Minor Shareholders' Rights to Appoint Directors

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

2. Qualifications and Procedure for the Management Nomination

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

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

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

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

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

The Company's Board of Directors' Requirements on a Succession Plan and Development of Executives

The Company's Board of Directors has assigned the Remuneration and Nomination Committee to be responsible for selecting a qualified person appropriate for assuming the position of the Chief Executive Officer and the President, by nominating an insider first or an outsider in case of necessity, including taking charge of formulating a plan for a succession by reducing the risk or impact of a lack of successors as much as possible. Consequently, there has to be a plan for steadily developing successors in order to be prepared for the qualifications for a succession to a higher position via the following policy.

1. The Remuneration and Nomination Committee gives a policy on selecting the qualifications of a successor of the Chief Executive Officer and the President to the Chief Executive Officer for consideration and implementation.

2. The Chief Executive Officer defines the qualifications, knowledge, capability and competency of a successor of the Chief Executive Officer, the President, including the senior executives of departments, based on the organization structure.

3. The President has a duty on making an assessment of the knowledge, ability and consequence of performance according to competency of departments' senior executives, apart from formulating an individual development plan in accordance with the principle of personnel development, through controlling and overseeing to ensure that there is complete development in compliance with the plan defined, and making an evaluation of the development progress by providing a concrete feedback.

4. The Chief Executive Officer reports the consequence of development of executives who are successors of the Chief Executive Officer and the President to the Remuneration and Nomination Committee every time there is an annual meeting of the Remuneration and Nomination Committee. The report will be presented to the Company's Board of Directors at its annual meeting.

Appointment of Executives

The Company's Board has assigned the Remuneration and Nomination Committee to consider an appointment of the Chief Executive Officer and the President and to propose for approval to the Board at its annual meeting, while the Board will subsequently propose for approval to the shareholders' annual general meeting.

For an appointment of head of departments based on the organization structure, it is the duty of the Company's Chief Executive Officer and/or President to make a selection and appointment later.

4. The Overseeing of Operating Performance of Affiliated Companies and Associated Companies

For overseeing the operating performance of affiliated companies and associated companies, the Company possesses only 3 associated companies. To oversee its associated companies' operating performance, the Company has appointed some people as the associated companies' board directors. The Company's Board of Directors will nominate board directors to its associated companies and propose to the Chairman of the Board for approval. Those appointed as associated companies' board directors have duties to perform to the best advantage of the companies. Similarly, they have to get approval from the Company's Board prior to making a resolution on a significant issue, at the same level as that which has to derive approval from its Board if carried out by the Company itself.

5. Control over the Use of Insider Information

The Company has given top priority to overseeing the use of insider information in conformity with the principle of good corporate governance. As a consequence, access to the Company's information is limited to executives and employees, and all computerized data is available only to those entitled to be entrusted with a password. The Board of Directors and the Management will not, as fundamental to their management principles, disclose the Company's performance data to outsiders, or exploit their authority or opportunities at work to seek any advantage for themselves or related people, before the data is revealed to the general public. Besides, the Company's Board directors, executives and employees, informed of data substantial to securities price alteration, are forbidden to purchase or sell the Company's stocks during the period defined until such insider information is revealed to the general public and it

is beyond twenty-four hours starting from the date the data is displayed. In the case of violations of disciplinary rules and regulations, the Company will rule on their penalties in accordance with its policy.

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

6. Remuneration for the Auditor

In 2019, the Company paid remuneration to its auditor as follows:

1. Remuneration for audit of annual financial statements and review of quarterly financial statement	2,060,000	Baht
2. Remuneration for review of a Risk-Based Capital (RBC) report for 2019 and audit in accordance with a jointly agreed method of the second quarterly RBC report for 2019	600,000	Baht
3. Other service expenses	-	Baht
Total	2,660,000	Baht

7. Practices Based on the Policy on Good Corporate Governance

In 2019, the Company had performed in compliance with its policy on good corporate governance as the following:

1. The Section on Shareholders' Rights

1.1 Awareness of Significance of Shareholders' Rights

The Company has given priority to and respected the rights of all shareholders, who are regarded as the business's owners. Thus, all shareholders, either major or minor, are encouraged to exercise their rights equally based on the criteria defined by law, which is identified in the Company's rules and regulations, and policy on good corporate governance, for instance, the right to purchase, sell or transfer shares; right to receive the Company's profit share; right to attend shareholders' general meeting; right to give a mandate to any person to attend the meeting instead and vote on his/her behalf; right to nominate a Board director; right to vote for a Board director and determine his

remuneration; right to propose the meeting agenda; right to appoint an auditor and determine his service remuneration, and right to obtain sufficient data and information. In addition, shareholders will be equally and transparently provided with accurate, complete and updated information at every meeting. Details of shareholders' rights are given in the Company's policy on good corporate governance, and rules and regulations.

1.2 Promotion of Shareholders' Rights

- The shareholders' meeting, normally held once a year, is regarded as a good opportunity for shareholders to exercise their rights in making a decision regarding the Company's performance on various issues. Generally, the meeting is held within 4 months of the Company's accounting year-end, or when there is an urgent need on special issues affecting or involving shareholders' interests, or relating to conditions or regulations and laws that have to be approved by shareholders. In these cases, the extraordinary shareholders' meeting will be convened.

- The Company will, 14 days in advance of every meeting, send out invitation letters to all shareholders, informing them of the date, time and place of the meeting, meeting agenda and the Board's recommendations, together with the necessary documents and information to guide their decisions on voting on significant issues. In this regard, the Company will disseminate the news in an invitation letter for the meeting through the SET and the Company's website.

- In the case a shareholder cannot attend the meeting, he/she can still exercise his/her rights by giving a mandate to any person or the Board's independent director, who also sits on the Audit Committee and whose name is identified in the mandate, to attend the meeting and vote on his/her behalf. The Company has also notified the independent director of its nomination of him to receive a shareholder's mandate so that the latter (director) can attend the meeting.

- For every shareholder's meeting, all 12 directors of the Company's Board, including the chairman of a sub-committee, and the Company's Management Committee attend the meeting in order to answer shareholders' questions on related issues.

- The Company also facilitates registration in advance. Before a meeting the Company secretary will inform the shareholders of the practice method for shareholders' general meeting, including the method of vote counting. Furthermore, the Company also arranges for the minority of shareholders to act as observers for vote counting.

- During the meeting, all shareholders can fully exercise their rights through a debate, interrogation and expression of opinion for all items on the agenda. Details of the meeting will be recorded and open to shareholders' examination.

- For a report on shareholders' general meeting, there is a notification of the names of directors attending the meeting and taking a leave of absence, and recording of an explanation of the practice method of vote casting for each agenda and the method of score result presentation to shareholders prior to the meeting, including giving them an opportunity to raise issues or ask questions but nobody asks questions. Similarly, voting results for each agenda of shareholders' meeting, whether agreed, or disagreed or abstention, are also recorded.

In 2019, the Company held a general meeting of shareholders on April 26, 2019, at 2.00 p.m. at room 1105, on the 11th floor of the Bangkok Insurance Building, 25 Sathon Tai Road, Thung Maha Mek, Sathon, Bangkok. All the 12 Board directors attended the meeting, while the meeting proceeded absolutely in accordance with the policy defined. Through the procedure of holding shareholders' meeting in a manner that promotes an equal exercise of

every shareholder's rights, the Thai Investors Association gave a full score of 100 in a quality evaluation of the Company's shareholders' general meeting for 2019.

2. The Section on Equality of Shareholders

The Company realizes the significance of every shareholder and attempts to generate the equality among all groups of shareholders, whether major or minor, institution investors or foreign shareholders, particularly minor shareholders, as the following:

- The Company informs of the meeting and meeting agenda and the Board's recommendations to the SET and disseminate them on the Company's website 30 days in advance of shareholders' general meeting.

- At the meeting, the Company secretary has informed shareholders of regulations used in the meeting, phases of vote casting, including the right to vote based on each category of share.

- The Company prepares invitation letters for shareholders' general meeting, together with the necessary documents in the English language to be submitted to foreign shareholders.

- The Company has allowed all shareholders to propose any important issues that should be put on the agenda of the Company's shareholders' annual meeting, including nominating, prior to the meeting, a new director who is of high proficiency and appropriate for appointment as a Board member.

- In order to have control over the use of insider information, access to the Company's information is limited to those directly concerned with the work performance only. A policy on the use of insider information for Board directors, executives and employees, informed of data substantial to stocks price alteration, has been defined for their implementation. The Company has also formulated in writing regulations on security arrangements and security transference in accordance with those of the Security Act and Security Exchange Act of 1992, Section 59. In this regard, the scope of report, reporters, reporting methodology, and reporting time, including the quarterly report to the Company's Board for its acknowledgement, have been defined so that they will be strictly complied with.

3. The Section on Stakeholders' Rights

The Company is fully cognizant of its stakeholders' rights and obviously defines its treatment of each group of stakeholders since it believes that the stakeholders' support benefits the Company's good reputation and ability to compete in the market, as well as helps build up the Company's profit in the long term. A guideline for the Company's treatment classified by group of stakeholders is summarized below.

- **Shareholders** The Company is determined to be a good representative of shareholders by taking good care of their benefits and providing them with the greatest satisfaction through high and continuous remuneration. Likewise, all reliable business information will be disseminated to them accurately, completely and transparently in conformity with generally accepted standard.

- **Employees** The Company will treat its employees at all levels equally on the basis of moral and fairness principles in order to encourage them to work efficiently, without regard to sex, race, religion or institutional differences as limitations to their career advancement. All employees are also consistently urged and trained to develop their skills and knowledge necessary to the successful implementation of their work, aimed at generating utmost satisfaction for customers, for instance, training on an insurance subject, and development of skills and knowledge necessary to the successful implementation of one's work.

Besides, all levels of employees are encouraged to study or seek new branches of knowledge, focusing on development of multi skills via training both inside and outside the company, on-the-job training, coaching, job rotation, counselling, scholarship provision and an assignment of work or projects, apart from giving importance to self-learning through creating and developing different patterns of learning to enable all employees to learn by themselves, promoting a learning organization in which employees can learn and enhance their experience in each job, aimed at their comprehensive knowledge in conformity with the organization's goals and strategies.

The policy on development of the Company's employees, including a budget spent in 2019, is revealed under the item "Policy on Employees' Development". Apart from fair remuneration, all other welfare schemes are, of course, higher than the requirements of the Ministry of Labour, i.e. provident fund scheme, life and health insurance coverage, 5s and relaxation programs, as well as the maintenance of a good working atmosphere and the protection of employees' health and safety.

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

- **Business partners** The Company regards its business partners as trading partners and therefore treats them on an honest, transparent, fair and equal basis, including being in strict compliance with the contracts or conditions agreed

upon, besides providing them with accurate, sufficient and equal information and data. These business partners will be given opportunities to comment and propose suggestions concerning any and all joint business issues. In addition, the Company has clearly defined the procedures for selecting its business partners and an assessment of their performance in its performance manual. To ensure that the rights of business partners are protected, the Company will treat business partners' secrets as strictly confidential.

For the procedures for selecting and evaluating its business partners, the Company has defined the following criteria and implementing stages.

1. Define qualifications of business partners doing business with the Company. The qualifications and measures for selecting business partners include the following.

1.1 Never be revoked of their license.

1.2 Not have an impaired reputation of fraud or malfeasance.

1.3 Give support to customer services.

1.4 Have potential of growing with the Company in the long term.

2. Define documents supplementing business partners' application.

3. Consider qualifications and documents supplementing business partners' application.

4. Inform business partners of consideration results to accept them as the Company's contractual business partners.

5. Arrange for a contract between the Company and business partners, apart from asking them for cooperation of being in compliance with an anti-corruption policy, and recording business partner list registration in the contract.

6. Annually make an assessment of business partners based on the criteria the Company has defined, including making a survey on customer satisfaction derived from their services.

7. Make a conclusion of an annual business partner assessment and present it to superiors for a consideration for approval.

8. Inform business partners of an annual assessment result.

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

- **Creditors** The Company is strongly committed to a fair and equal treatment of all its creditors on an honest and fair basis for both sides, and will therefore follow all agreed conditions with its creditors. If the conditions agreed upon cannot be honored or there is a cause of default on its payment, the Company will notify its creditors in advance without concealing the fact so as to jointly find quick and fair solutions, apart from seeking for the capital management with structure to support the Company's business performance and retain the confidence among its creditors.

- **Society and Environment** The Company realizes its responsibilities to society and to the preservation of the environment. As a consequence, it has supported many activities that benefit the community, such as the development of society through employing disabled labor. It also provides support and assistance to communities jointly with other agencies both in the government and the private sector. For instance, the Company's management has offered a mobile medical service to treat people in poverty-stricken areas. In addition, the Company has supported royal activities via its financial contributions to the Ananda Mahidol Foundation, the Chai Pattana Foundation and the Graduates Go Home project, supported environmental development in collaboration with the Thai Environmental and Community Development Association (Magic Eyes) and the Rajapruek Institute Foundation, supported public health activities such as the Toilet Construction for Schools in Rural Areas project and the Clean Drinking Water for Students in Rural Area project, presented medical equipment to hospitals in rural areas, granted scholarships to poor students at the university level, promoted students' reading habit, supported Buddhism via organizing a merit-making ceremony of Phapa, provided archaeological support by rehabilitating the archaeological sites of Ban Promthintai in Lopburi, supported public disaster relief, presented bulletproof vests to soldiers in 3 southern border provinces, presented subsistence bags to flood victims, apart from offering various training programs and activities to its management and staff so that they can participate, as well as realize the significance of conducting themselves in a way that would benefit society. All activities and projects have been continuously implemented for the true and sustainable benefit to society.

Details of activities performed in 2019 can be viewed on the Company's website at bangkokinsurance.com.

- **The Government Sector** The Company has strictly carried out its business transactions under the requirements defined by laws, rules and regulations concerned, apart from cooperating and maintaining a good relation with government agencies and the regulator, through providing accurate, complete and sufficient information and data

requested by them in order to display its transparency, as well as generating mutual confidence and trust.

- **Practices according to Human Rights Principles** The Company is determined to abide universal human rights principles by knowledge and understanding of the issue among its employees so that they can appropriately apply the human rights principles to the performance of their work and duties.

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

- **Convention Against Corruption** The Company has a policy on anti-corruption for its Board directors, management and employees to strictly abide by it by banning them from demanding, practicing or accepting corrupt practices of all forms, exploiting their authority, whether directly or indirectly, to seek any advantage for themselves or others, offering unlawful interests to any other person as an incentive, accepting or giving gifts or giving a reception beyond necessity, besides forbidding them to lend their support in the form of money or other benefits, whether directly or indirectly, to political parties, and to donate money or provide financial support to other people or agencies as a channel for paying a bribe. Additionally, the Company has also steadily provided training to all its new employees, while the Internal Audit Office has inspected and made an assessment of the implementation in compliance with the Company's anti-corruption policy.

- **Communications with Stakeholders and Receiving Complaints** The Company has also arranged for channels to provide convenience to each group of stakeholders to communicate or file a complaint on matters that may cause damage to the Company, acts violating laws, orders, regulations and code of ethics, including frauds and corruption, to its Board of Directors through the Audit Committee, the Company secretary, the Internal Audit

Office and Quality Control Center. The complaints may be directly filed verbally or in writing, sent as a letter via an e-mail or the Company's website. Details of the method of complaint filing can be studied from the Company's policy on a report on corrupt practice clues revealed on its website at bangkokinsurance.com.

4. Data Disclosure and Transparency

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

1. Disclosure of financial and non-financial data accurately, completely and in time.
2. Preparation for a report on the Board of Directors' responsibility for financial statements.
3. Preparation for a summary report on the policy on good corporate governance, code of corporate conduct, policy on risk management and CSR policy as approved, as well as the consequence of performance based on those policies.
4. Disclosure of audit remuneration and remuneration for other services provided by the auditor.
5. Disclosure of the roles and duties of the Board and sub-committees, numbers of meetings and meeting attendance of each Board director in the previous year.
6. The constant training and development of occupational knowledge of the Board.
7. Having a get-together with analysts and investors.
8. Data disclosure on the Company's website and updating data listed below.
 - 1) The Company's vision and mission.
 - 2) The type of the Company's business transactions.
 - 3) A name list of the Board directors and executives.
 - 4) The Company's financial statements and a report on its operations both at present and of the year before.
 - 5) The annual report presentation form (Form 56-1) and the annual report, which can be downloaded.
 - 6) The shareholding structure of major shareholders and the proportion of shareholding.

- 7) Invitation letters for shareholders' general meeting.
- 8) A report on shareholders' general meeting.
- 9) The Company's rules and regulations.
- 10) The policy on good corporate governance.
- 11) The code of ethics for the Company's Board directors and employees.
- 12) The policy on anti-corruption.
- 13) The policy on a report on corrupt practices clues (whistle blowing).
- 14) The organization's structure.
- 15) The data on contacting sections or persons responsible for Investor Relations work.

4.1 An Adjustment of the Corporate Governance Code

The Company's Board of Directors has considered and realized its roles and duties as the organization's leader, as well as encouraged an adjustment of the Corporate Governance Code : CG Code, issued by the SET, to the Company's context, aimed at generating the business's sustainable value, making business transactions based on a moral basis, respecting the rights of and having responsibilities to shareholders and stakeholders, being able to adapt itself to changes and being competitive through sound financial returns in the long run, benefiting society, as well as developing and reducing impacts on the environment.

In 2019, the Company's Board of Directors had completely scrutinized and comprehended the benefits and significance of a proper adjustment of the CG Code to the Company's performance to further create sound financial returns and sustainable business value. Nonetheless, for the practical guideline inappropriate for the Company's business transactions, its Board had considered and issued suitable substitute measures and recorded it as part of the Board's resolution for an annual consideration and review. In 2019, the Company had an issue it had not practiced and had an appropriate substitute measure as the following:

- 1) Defining the criteria limiting the number of listed companies in which the Company's Board directors may hold office, the total not exceeding 5 companies.
- 2) A policy allowing an independent director to continuously hold office not exceeding 9 years, starting from the day he/she is appointed to the post of an independent director for the first time.

Since compliance with such a principle may affect the nomination of qualified persons to sit on the Board. Nevertheless, the Board has constantly reviewed its directors' term each year and in the case of an independent director being appointed for another term, the Board will scrutinize the necessity, and his/her skills, experiences and specific capability beneficial to the Company.

4.2 Remuneration for Directors and Management

It has been reported in Remuneration for Directors and Management section in “the Management”.

4.3 The Board of Directors’ Responsibilities for Financial Statements

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

4.4 Role and Duty Performance of the Board of Directors

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

4.5 Investment Relations

In 2019, the Company had a get-together with analysts and investors 3 times to provide data on the Company’s operating performance direction and returns. A detail is given below.

Date	Analysts/Investors (Item)	Number of Companies (Unit)
June 19, 2019	4	3
August 7, 2019	1	1
December 2, 2019	4	3

In addition, the Company has established an Investor Relations in charge of communicating the Company’s information and data with investors and outsiders, besides treating them equally and fairly, as well as in a well-arranged manner.

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

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

This has been reported in the section Stakeholders' Rights in "Society and Environment".

5. The Section on the Board of Directors' Responsibilities

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

5.1 The Board of Directors' Structure

1. **Components of the Board** It has been reported in the section Management Structure.

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

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

5.2 The Sub-Committee

It has been reported in the section Sub-committees

5.3 The Board of Directors' Roles, Duties and Responsibilities

1. Leadership and Vision of the Board of Directors

The Company's Board of Directors consists of knowledgeable and experienced persons from various fields who are supportive of the Company's administration. All directors take part in cautiously defining, giving approval to and annually reviewing all important vision and policy statements, missions, strategies and business goals of the Company. They also ensure that the Company's management's performance will, as a matter of principle, be presented to the Board of Directors every three months. In addition, the Board also occasionally plays a role in giving approval to the performance guidelines of the various sub-committees, such as the Audit Committee, the Remuneration and Nomination Committee, and the Corporate Governance Committee. In 2019, the Board had reviewed, improved and approved the Company's vision, missions and strategies.

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

2. Approval of Policy on Corporate Governance

In 2005, the Board of Directors approved for the first time, in writing, the formulation of the Company's policy on corporate governance, as well as approved the policy modification 9 times. In this regard, the Board has assigned the Company's management to take charge of a follow-up of the policy implementation in order to report recommendations to the Corporate Governance Committee for an improvement of the policy in order that it is updated and appropriate for the changing situations, and increasingly has a practice guideline of international standard.

In 2019, there was a 9th improvement for more clarification of the policy on corporate governance on August 9, 2019, in conformity with OIC's Notice on non-life insurance companies' good corporate governance B.E. 2562, effective from August 26, 2019, regarding the components of executive directors, duties and responsibilities of the Company's Board of Directors and management, policy on conflicts of interest, communication with stakeholders and complaint reception, internal control and risk management.

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

3. Business Code of Ethics

The Company's Board of Directors has approved the publication of the Company's code of ethics (rules of conduct) to be presented to the Board and staff, including propagating the code of ethics on the Company's Intranet. This aims at communicating good practices to the Company's Board and staff so that they will use them as a principle for their work performance. In this connection, it is the duty of all levels of management to make sure that their subordinates know, understand and actually perform according to the Company's code of ethics. In addition, the Company has steadily offered a training course on its code of ethics to all new staff.

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

4. Conflict of Interest

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

- **Control over the Use of Insider Information** It has been reported in the section "Control over the Use of Insider Information".

5. Controlling System, Internal Audit and Risk Management

Observing the important internal controls at both the managerial and operational levels, the Company's Board of Directors has set out the responsibilities of executives and employees in writing, and also requires that the executives assess the adequacy of internal controls at least once a year. Furthermore, the Company also possesses work units taking charge of auditing and evaluating all departments' performance so that it is in compliance with practice procedures, laws and orders, including all sections' risk management as the following:

- **The Internal Audit Office**, which reports directly to the Audit Committee, is in charge of auditing all sections' performance, apart from the accuracy and reliability of the Company's accounting data and financial statements so that their performance is in accordance with the Company's policy, declarations, rules and regulations, and laws, besides monitoring the accuracy and appropriateness of its work system and information control system so as to assess the efficiency and security of the work system, including following up and evaluating the Company's overall risk management efficiency.

- **The Compliance Office**, which reports directly to the Audit Committee, takes charge of the determination of a guideline for all departments' performance in compliance with laws, an assessment of the appropriateness of the Company's performance approach, including following up immediately when any deficiency or inappropriateness is detected, besides making an analysis and study on the

problem, providing advice on laws, regulations, requirements and practices to ensure all departments' performances are in conformity with laws, and steadily overseeing and following up the matter.

- **Enterprise Risk Management Division**, which reports directly to the Executive Vice President, is in charge of defining the strategy and guideline for the Company's risk management operation, along with the Risk Management Committee, determining the framework and guideline for risk management, apart from establishing KPIs together with other departments and giving suggestions and recommending steps of risk management operations to all of the Company's departments.

Additionally, the Company's Board of Directors has assigned the Risk Management Committee to be responsible for defining the framework of risk management and the policy on risk management, while such a framework and policy on risk management will be annually presented to the Board for a consideration for approval. Similarly, the Risk Management Committee will follow up the Company's risks so that they are at an acceptable level, including reviewing the sufficiency and efficiency of the Company's performance in line with its policy and procedure on risk management, and communicating with concerned staff for their acknowledgement. The report on risk management consequence to the Board of Directors has to be made at least once every three months.

In 2019, the Risk Management Committee had reviewed the framework of risk management and the policy on risk management and presented them to the Board for a consideration for approval on February 22, 2019, and submitted it to the Office of Insurance Commission (OIC) on March 20, 2019.

5.4 The Board of Directors' Meeting

1. The Meeting Schedule The Company's Board of Directors will meet a minimum of once every three months. Nonetheless, there may be an additional extraordinary meeting as the Board thinks appropriate. Each Board member will be informed of the Board's meeting schedule in advance in the fourth quarterly meeting of each year so that he/she may set aside time for the meeting. In 2019, the Board of Directors' meeting proceeded according to the schedule planned, resulting in the Board members' average meeting attendance of over 80 percent of all the Board's plenary meetings.

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

3. The Delivery of Meeting Documents For the delivery of the Board's meeting documents, the Company secretary will send out meeting invitation letters, including an agenda and other relevant documents, no less than 7 days prior to the date of the meeting, to all the Board members to ensure that they have sufficient time to scrutinize the data before the meeting. In 2019, meeting invitation letters and other relevant documents were submitted to each Board member in time for all meetings.

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

5. The Invitation of Executives for Meeting Attendance In 2019, for each of the Board of Directors' meetings, senior executives, namely, Director and Chief Executive Officer, Director and President, and Executive Vice President of Accounting and Treasury Department, would attend the meeting in order to answer the Board directors' questions and doubts.

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

documents.

7. The Meeting of Non-Executive Directors For the meeting of non-executive directors, in 2006, the Board approved a policy encouraging its non-executive directors to convene a meeting among themselves, and assigned the Company secretary to facilitate such a meeting. Nonetheless, through 2019, apart from the meetings of the Audit Committee, the Remuneration and Nomination Committee, and the Corporate Governance Committee for an implementation of the missions assigned to them, the non-executive directors had never convened a meeting among themselves.

A summary of each Board director's meeting attendance in 2019 is given in the section "the Management" with respect to the Board of Directors.

5.5 Board of Directors' Self-Evaluation

The Company's Board of Directors has realized the significance of creating an effective Board and has arranged for an annual evaluation of the Board's duty performance so that the evaluation consequence will be subsequently used to improve and develop the Board's duty performance. The Board's evaluation consists of 3 parts as the following:

1. An evaluation of the entire Board's work performance: to be used to evaluate the Board of Directors' overall duty performance.
2. An evaluation of an individual Board director's work performance: to be used for a self-evaluation of a Board director's duty performance.
3. An evaluation of a sub-committee's work performance: to be used to evaluate the overall duty performance of the Audit Committee, the Corporate Governance Committee, and the Remuneration and Nomination Committee.

The Company has a procedure for a work performance evaluation of the entire Board of Directors, an individual Board director and a sub-committee, as the following:

1. Make an evaluation of the operating performance efficiency of the entire Board of Directors, an individual Board director and a sub-committee, at least once a year.
2. The Company secretary summarizes and proposes the consequence of the operating performance efficiency evaluation to the Company's Board of Directors.
3. The Corporate Governance Committee considers for improvement of the operating performance efficiency based on the evaluation consequence and proposes to the Company's Board of Directors for

acknowledgement.

The objective of a self-evaluation of an individual Board director will focus on an evaluation that can reflect the operating performance efficiency in accordance with the principle of good corporate governance. The criteria for a work performance evaluation is classified as follows:

1. An Evaluation of the Entire Board's Work Performance:

An evaluation of the operating performance efficiency of the entire Board of Directors is classified into 6 sections, namely,

- 1.1 The Board's policy
- 1.2 The Board's duty performance
- 1.3 The Board's structure
- 1.4 The Board's performance guideline
- 1.5 Preparation for and implementation

of the Board's Meeting

- 1.6 The Board director's characters

In 2019, the combined evaluation consequence from all sections was at an excellence level, with an average score of 4.85 from a full score of 5, representing 97.0 percent, approximate to an evaluation consequence in the previous year.

2. An Evaluation of an Individual Board of Director's Work Performance consists of 3 sections of an evaluation as the following:

- 2.1 The Board's structure and qualifications
- 2.2 The Board's meeting
- 2.3 The Board's roles, duties and responsibilities

In 2019, the combined evaluation consequence from all sections was at an excellence level, with an average score of 4.86 from a full score of 5, representing 97.2 percent.

3. An Evaluation of a Sub-Committee's Work Performance consists of 3 sections of an evaluation as follows:

- 3.1 A sub-committee's structure and qualifications
- 3.2 Preparation for and implementation of a sub-committee's meeting
- 3.3 A sub-committee's roles, duties and responsibilities

The evaluation consequences for the 3 sub-committees are given below.

1) The Audit Committee

In 2019, the combined evaluation consequence from all sections was at an excellence level, with an average score of 5.0 from a full score of 5, representing 100.0 percent.

2) The Corporate Governance Committee

In 2019, the combined evaluation consequence from all sections was at an excellence level, with an average score of 4.97 from a full score of 5,

representing 99.4 percent.

3) The Remuneration and Nomination Committee

In 2019, the combined evaluation consequence from all sections was at an excellence level, with an average score of 4.88 from a full score of 5, representing 97.6 percent.

5.6 Procedure on the Determination and Appropriateness of Remuneration

The Company's Board of Directors has a policy to determine the Board directors' remuneration to the amount paid to other listed companies' directors of similar businesses or companies with approximate returns. The Board thus assigns the Remuneration and Nomination Committee to determine the Board directors' remuneration based on the scope of their roles and responsibilities, including the benefits to be derived from them, before proposing it to the shareholders' general meeting for approval. Furthermore, the Remuneration and Nomination Committee has annually made an assessment of the performance of the Company's head of department and senior executives in order to be used for the determination of their remuneration, and presentation to the Board for a consideration for approval.

In 2019, the Remuneration and Nomination Committee had made an evaluation of the performance of the Company's head of department and senior executives and presented it to the Board of Directors for a consideration for approval of the remuneration.

5.7 Development of the Board of Directors and Executives

The Company's Board of Directors has a policy of promoting and supporting directors, executives and other staff, relating to the Company's corporate governance system, to receive regular training with an aim to constantly improve their performance, apart from encouraging directors and executives to attend a training course concerning the Company's business transactions, aimed at enhancing their knowledge and supporting their efficient duty performance.

For a new Board director orientation, the Company has realized the significance of its new director's duty performance. Every time there is a change in the Board, the Company has assigned its secretary to arrange for a new Board director instruction for the Company's overall operating performance, Board of Directors' structure, and corporate governance, aimed at his/her understanding and the benefit to his/her duty performance, besides submitting supplementary documents to a new director, such as the Company's annual report, policy on corporate governance, policy on anti-corruption, policy on a whistle blowing, and so on.

INTERNAL CONTROL AND RISK MANAGEMENT

1. Internal Control System

The Company has established an efficient and effective internal control and risk management system. The Company's Board of Directors and management have duties and responsibilities for arranging and preserving an internal control and risk management system which enables the Company's operating performance to fulfill its established goals and objectives.

The meeting of the Board of Directors (No. 4/2019) held on November 8, 2019, with all members of the Audit Committee in attendance, reviewed the efficiency of the internal control system using the SEC's assessment questionnaire as a guideline, which covered the following issues:

Control Environment

1. The organization displays its attachment to the merit of integrity and ethics.
2. The Company's Board of Directors is independent of its management and is in charge of overseeing and developing an implementation of an internal control.
3. The Company's management has arranged the reporting line structure, and the determination of command authority and appropriate responsibilities to enable the organization to achieve its objectives under the Board of Directors' overseeing.
4. The organization reveals its determination to motivate, develop and preserve knowledgeable and capable employees.
5. The organization defines its employees' duties on and responsibilities for an internal control so as to fulfill its objectives.

Risk Assessment

6. The organization obviously and adequately defines its objectives to enable the identification and assessment of various risks relating to its objective fulfillment.
7. The organization makes all-inclusive identification and analysis of all types of risks which may have an impact on its objective fulfillment.
8. The organization has considered the opportunity for a possible corrupt practice in its risk assessment aimed at achieving its objectives.
9. The organization is able to identify and assess a change which may affect an internal control system.

Control Activities

10. The organization has a control measure which helps reduce a risk of not achieving its objectives to an acceptable level.
11. The organization chooses and develops general control activities through a technological system in support of its objective fulfillment.
12. The organization carries out control activities via its policy which defines what is expected and implementation steps so that the policy defined can lead to an implementation.

Information and Communication

- 13. The organization has related and quality data to enable an internal control to go on as defined.
- 14. The organization communicates internal data, including objectives of and responsibilities for an internal control so that it can go on as planned.
- 15. The organization communicates with external agencies relating to issues that may have an impact on an internal control.

Monitoring Activities

- 16. The organization follows up and evaluates its internal control to ensure that an internal control still resumes completely and properly.
- 17. The organization timely evaluates and communicates the deficiency of an internal control upon the person responsible, including the Company's management and Board of Directors, as appropriate.

The Company's Board of Directors has reviewed the Company's internal control system and unanimously agreed that its internal control system and risk management is sufficient and appropriate, without any deficiency of its internal control system, having a control and protection of the Company's properties, as well as adequate personnel to implement the system efficiently.

2. The Audit Committee's Opinion

The Audit Committee has reviewed the efficiency of the Company's internal control system using the SEC's assessment questionnaire as a guideline, and has unanimously agreed as the Company's Board of Directors that the Company has established a proper and effective internal control system and efficient risk management, as well as having a sound control and protection of the Company's assets, apart from sufficient personnel to implement the system efficiently.

3. The Company's Head of Internal Audit Office and Compliance Office

The Company's Head of Internal Audit Office is under the supervision of Mr. Vichien Moleewon, whose qualifications the Audit Committee considers proper to perform his work efficiently, while the Company's Head of Compliance Office is under the supervision of Miss Umaporn Hualbuttar.

An appointment, dismissal or transfer of the Company's head of Internal Audit Office must be approved by the Audit Committee. Detailed data on the qualifications of the Company's head of Internal Audit Office and Compliance Office are as follows:

Details of the qualifications of the Company's Head of Internal Audit Office

Mr. Vichien Moleewon

Department	Internal Audit Office
Position	First Vice President
Education	B.B.A., Ramkhamhaeng University
Work Experience	<ul style="list-style-type: none"> - First Vice President, Internal Audit Office, Bangkok Insurance Public Co., Ltd. (Jan 1, 2016 - present) - Vice President, Internal Audit Office, Bangkok Insurance Public Co., Ltd. (May - Dec 2015) - Vice President, Compliance Office, Bangkok Insurance Public Co., Ltd. (2014 - May 2015) - Head of Compliance and Enterprise Risk Management, Bangkok Insurance Public Co., Ltd. (2007 - 2014)
Training	<ul style="list-style-type: none"> - Anti-Corruption: The Practical Guide - Integrated Risk Management & Strategy - Investment Strategy for Insurance Business - GRC: Governance Risk Compliance

Miss Umaporn Hualbuttar

Department	Compliance Office
Position	Vice President
Education	<ul style="list-style-type: none"> - B.Ac., Chulalongkorn University - M.P.P.M., National Institute of Development Administration - Certificate of Computer English Program, Sukhothai Thammathirat University - Certified Professional Internal Auditor (CPIA)
Work Experience	<ul style="list-style-type: none"> - Vice President, Compliance Office, Bangkok Insurance Public Co., Ltd. (2015 - present) - Vice President, Organization Risk Management, Bangkok Insurance Public Co., Ltd. (2015 - present) - Vice President, Operations Audit, Bangkok Insurance Public Co., Ltd. (2014 - 2015) - Head of Operations Audit, Bangkok Insurance Public Co., Ltd. (2007 - 2014) - Assistant Vice President, Internal Audit Department, Bangkok Insurance Public Co., Ltd. (2004 - 2006)
Training	<ul style="list-style-type: none"> - Governance as a Driving Force for Business Sustainability - Risk Oversight: High Priority of the Board - KPI, KRI and KCI and Risk Management - Risk & Capital Management - Organization Risk Management - Anti-Money Laundering and Anti-Financial Support of Terrorism for Concerned Officials

GENERAL INFORMATION

Name of Company	Bangkok Insurance Public Co., Ltd.
Registration No.	0107536000625
Established	1947
Principal Lines of Business	Non-Life Insurance
Accounting Period Ended	December 31, 2019
Location: Head Office	Bangkok Insurance Building 25 Sathon Tai Road, Bangkok 10120 Tel. 0 2285 8888 Fax: 0 2610 2100 Accident Notification Tel. 1620 www.bangkokinsurance.com

Branches

Aranyaprathet

4-5 Thana Withi Road, Aranyaprathet,
Aranyaprathet, Sa Kaeo 27120
Tel. 0 3723 2673 Fax: 0 3723 2822

Ayutthaya

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

Chachoengsao

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

Chanthaburi

555/7-8 Moo 5, Raksakchamun Road, Tha Chang,
Mueang Chanthaburi, Chanthaburi 22000
Tel. 0 3930 1412 Fax: 0 3930 1417

Chiang Mai

102 Chiang Mai-Lampang Road,
Chang Phueak, Mueang Chiang Mai, Chiang Mai 50300
Tel. 0 5321 9182 Fax: 0 5322 3644

Chiang Rai

124/9 Moo 4, Rim Kok, Mueang Chiang Rai,
Chiang Rai 57100
Tel. 0 5371 7291 Fax: 0 5371 7295

Chonburi

209/21-22 Moo 3, Phraya Satcha Road, Samet,
Mueang Chonburi, Chonburi 20000
Tel. 0 3812 3545 Fax: 0 3812 3592

Chumphon

168/1-2 Moo 5, Wang Phai, Mueang Chumphon,
Chumphon 86000
Tel. 0 7765 8734 Fax: 0 7765 8738

Hat Yai

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

Hua Hin

66/115-116 Phetkasem Road, Hua Hin,
Prachuap Khiri Khan 77110
Tel. 0 3252 2090 Fax: 0 3252 2099

Kanchanaburi

591, 593 Saeng Chuto Tai Road, Pak Praek,
Mueang Kanchanaburi, Kanchanaburi 71000
Tel. 0 3451 7565 Fax: 0 3462 3391

Kanchanaphisek

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

Khon Kaen

345 Moo 4, Prachasamosorn Road,
Nai Mueang, Mueang Khon Kaen, Khon Kaen 40000
Tel. 0 4324 1090 Fax: 0 4324 1095

Lampang

235-237 Highway Lampang-Ngao Road, Suandok,
Mueang Lampang, Lampang 52000
Tel. 0 5402 0170 Fax: 0 5402 0175

La Salle

1043 La Salle Road, Bang Na, Bangkok 10260
Tel. 0 2745 8806 Fax: 0 2745 8817

Mae Sot

11/32-33 Sai-Asia Road, Mae Sot, Mae Sot, Tak 63110
Tel. 0 5553 6517 Fax: 0 5553 6521

Mukdahan

81/6 Mukdahan-Don Tan Road, Si Bun Rueang,
Mueang Mukdahan, Mukdahan 49000
Tel. 0 4261 4245 Fax: 0 4261 4249

Nakhon Pathom

176, 178 Songphol Road, Lamphaya,
Mueang Nakhon Pathom, Nakhon Pathom 73000
Tel. 0 3427 3055 Fax: 0 3427 3060

Nakhon Ratchasima

22/6 Mittraphab Road, Nai Mueang, Mueang Nakhon
Ratchasima, Nakhon Ratchasima 30000
Tel. 0 4424 5288 Fax: 0 4424 5500

Nakhon Sawan

49/52-53 Moo 5, Krairat Road, Nakhon Sawan Tok,
Mueang Nakhon Sawan, Nakhon Sawan 60000
Tel. 0 5688 2341 Fax: 0 5688 2347

Nakhon Si Thammarat

6/33-34 Soi Twin Lotus, Pattanakarn Khukhwang Road,
Nai Mueang, Mueang Nakhon Si Thammarat,
Nakhon Si Thammarat 80000
Tel. 0 7577 4636 Fax: 0 7577 4640

Pattaya

131/27-28 Moo 9, Sukhumvit Road, Nong Prue,
Bang Lamung, Chonburi 20150
Tel. 0 3841 1213 Fax: 0 3842 5209

Phitsanulok

362/19 Moo 3, Mittraphab Road, Aranyik,
Mueang Phitsanulok, Phitsanulok 65000
Tel. 0 5530 4291 Fax: 0 5530 4296

Phuket

101/9 Moo 1, Chalermprakiat Rama IX Road,
Bypass Square, Kathu, Phuket 83120
Tel. 0 7630 4055 Fax: 0 7630 4059

Rangsit

52/18 Moo 2, Rangsit-Pathum Thani Road, Bang Phun,
Mueang Pathum Thani, Pathum Thani 12000
Tel. 0 2567 1121 Fax: 0 2567 2180

Ratchaburi

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

Rayong

313/6-7 Moo 5, Sukhumvit Road (Bypass 36),
Choengnoen, Mueang Rayong, Rayong 21000
Tel. 0 3891 5818 Fax: 0 3891 5808

Roi Et

295, 295/1 Tawapiban Road, Nai Mueang,
Mueang Roi Et, Roi Et 45000
Tel. 0 4351 2521 Fax: 0 4351 2530

Samutsakorn

199/1 Moo 3, Nadee, Mueang Samutsakorn,
Samutsakorn 74000
Tel. 0 3417 1980 Fax: 0 3417 1984

Saraburi

36/1 Moo 1, Dao Ruang, Mueang Saraburi,
Saraburi 18000
Tel. 0 3671 3713 Fax: 0 3671 3718

Suphan Buri

150/20-21 Malaiman Road, Rua Yai,
Mueang Suphan Buri, Suphan Buri 72000
Tel. 0 3545 1811 Fax: 0 3545 1815

Surat Thani

84/25 Moo 2, Surat-Phunphin Road, Makham Tia,
Mueang Surat Thani, Surat Thani 84000
Tel. 0 7727 3806 Fax: 0 7727 3805

Surin

369/1-2 Moo 16, Salakdai, Mueang Surin, Surin 32000
Tel. 0 4455 8620 Fax: 0 4455 8662

Trang

50/17-18 Moo 10 Trang-Palian Road, Khok Lo,
Mueang Trang, Trang 92000
Tel. 0 7558 2848 Fax: 0 7558 2847

Ubon Ratchathani

949/9 Chayangkun Road, Nai Mueang,
Mueang Ubon Ratchathani, Ubon Ratchathani 34000
Tel. 0 4531 2081 Fax: 0 4531 2085

Udon Thani

154/6 Moo 2, Na Di, Mueang Udon Thani,
Udon Thani 41000
Tel. 0 4293 1585 Fax: 0 4293 1610

Uttaradit

2/48-49 Charoentharn Road, Tha It, Mueang Uttaradit,
Uttaradit 53000
Tel. 0 5541 6560 Fax: 0 5541 6564

Motor Claims Service Center

Kaset-Nawamin

111/19 Moo 4, Soi Prasert-Manukitch 23,
Kaset-Nawamin Road, Chorakhe Bua, Lad Phrao,
Bangkok 10230
Tel. 0 2553 3171-3 Fax: 0 2553 3170

Pattanakarn

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

Sam Sen

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

Micro Branches

Suvarnabhumi Airport

999 Room No. 412, 4th Floor, Building No. 302, Moo 7,
Bangna-Trad Road, Racha Thewa, Bangphli,
Samutprakarn 10540
Tel. 0 2134 4038-9 Fax: 0 2134 3598

BKI Care Station

CentralFestival Phuket

Tel. 0 7624 8084, 08 1737 0053 Fax: 0 7624 8084

CentralPlaza Chaengwattana

Tel. 0 2835 3261, 08 1833 6402 Fax: 0 2835 3261

CentralPlaza Chiang Rai

Tel. 0 5317 9841, 08 1702 0610 Fax: 0 5317 9841

CentralPlaza Chonburi

Tel. 0 3805 3947, 08 1934 4416 Fax: 0 3805 3947

CentralPlaza Grand Rama IX

Tel. 0 2160 3808, 09 0197 3925 Fax: 0 2160 3808

CentralPlaza Khon Kaen

Tel. 0 4328 8136, 08 5485 7593 Fax: 0 4328 8136

CentralPlaza Lardprao

Tel. 0 2937 0187, 08 1172 9459 Fax: 0 2937 0187

CentralPlaza Phitsanulok

Tel. 0 5533 8485, 09 0197 3924 Fax: 0 5533 8485

CentralPlaza Pinklao

Tel. 0 2884 8282, 08 4751 7179 Fax: 0 2884 8282

CentralPlaza RAMA II

Tel. 0 2872 4060, 08 1373 8400 Fax: 0 2872 4060

CentralPlaza RAMA III

Tel. 0 2673 5512, 08 9967 7455 Fax: 0 2673 5512

CentralPlaza Ramindra

Tel. 0 2970 5726, 08 4360 7400 Fax: 0 2970 5726

CentralPlaza Rattanathibet

Tel. 0 2525 4566, 08 1875 0203 Fax: 0 2525 4566

CentralPlaza Surat Thani

Tel. 0 7760 2705, 08 1902 4875 Fax: 0 7760 2705

CentralPlaza Ubon Ratchathani

Tel. 0 4542 2400, 08 1172 9608 Fax: 0 4542 2400

CentralPlaza Udon Thani

Tel. 0 4292 1473, 08 4388 3129 Fax: 0 4292 1473

CentralPlaza WestGate

Tel. 0 2004 9160, 06 3221 9907 Fax: 0 2004 9160

Central World

Tel. 0 2646 1850, 08 1833 6254 Fax: 0 2646 1850

Fashion Island

Tel. 0 2947 5670, 08 1373 7951 Fax: 0 2947 5670

Future Park Rangsit

Tel. 0 2958 0787, 08 1832 7767 Fax: 0 2958 0787

Mega Bangna

Tel. 0 2105 1655, 06 3272 1727 Fax: 0 2105 1655

Paradise Park

Tel. 0 2047 0315, 08 5485 7592 Fax: 0 2047 0315

Silom Complex

Tel. 0 2632 0194, 08 9204 9798 Fax: 0 2632 0194

The Mall Bangkhae

Tel. 0 2454 5348, 08 4360 7375 Fax: 0 2454 5348

The Mall Bangkokpi

Tel. 0 2363 3157, 08 4874 3926 Fax: 0 2363 3157

The Mall Ngamwongwan

Tel. 0 2121 4657, 08 9967 7451 Fax: 0 2121 4657

The Mall Thapra

Tel. 0 2477 7013, 08 4360 7380 Fax: 0 2477 7013

LINES OF BUSINESS

FIRE INSURANCE

- FIRE INSURANCE
- LEASEHOLD INSURANCE
- BUSINESS INTERRUPTION FIRE INSURANCE
- FIRE DWELLING HOUSE INSURANCE POLICY (MICROINSURANCE)

MARINE INSURANCE

- MARINE CARGO INSURANCE
- MARINE HULL INSURANCE
- CARRIERS' LIABILITY INSURANCE
- LOGISTICS SERVICE PROVIDER LIABILITY INSURANCE

MOTOR INSURANCE

- COMPULSORY MOTOR INSURANCE
- VOLUNTARY MOTOR INSURANCE

MISCELLANEOUS INSURANCE

PERSONAL INSURANCE

- PERSONAL HEALTH INSURANCE
- PERSONAL ACCIDENT INSURANCE
- GROUP HEALTH INSURANCE
- GROUP ACCIDENT INSURANCE
- PERSONAL ACCIDENT AND DISEASE SPECIFIC HEALTH INSURANCE
- STUDENT GROUP ACCIDENT INSURANCE
- TRAVEL ACCIDENT INSURANCE FOR INDIVIDUAL OR GROUP OF TOURISTS
- COMPREHENSIVE TRAVEL ACCIDENT INSURANCE
- HOSPITAL INCOME INSURANCE
- TRAVEL ACCIDENT INSURANCE FOR TOUR OPERATORS AND GUIDES
- PA 200 (MICROINSURANCE)
- CANCER INSURANCE
- CANCER PLUS PA INSURANCE
- DREAD DISEASE INSURANCE
- LOAN PROTECTION INSURANCE
- BOAT PASSENGER PERSONAL ACCIDENT INSURANCE
- HEALTH CARE INSURANCE FOR LONG STAY VISA

PROPERTY INSURANCE

- ACCIDENTAL DAMAGE (PROPERTY) INSURANCE
- ALL RISKS INSURANCE
- BURGLARY INSURANCE
- PLATE GLASS INSURANCE
- MONEY INSURANCE
- NEON-SIGN INSURANCE
- TERRORISM INSURANCE
- POLITICAL VIOLENCE FOR PROPERTY INSURANCE
- GOLD SHOP INSURANCE
- ELECTRICAL APPLIANCE EXTENDED WARRANTY INSURANCE
- MOTORCYCLE INSURANCE FOR LESSOR AND LESSEE

ENGINEERING INSURANCE

- CONTRACT WORKS INSURANCE
- ERECTION ALL RISKS INSURANCE
- BOILER & PRESSURE VESSEL INSURANCE
- ELECTRONIC EQUIPMENT INSURANCE
- CONTRACTORS' PLANT AND EQUIPMENT INSURANCE
- MACHINERY BREAKDOWN INSURANCE

LIABILITY INSURANCE

- PUBLIC LIABILITY INSURANCE
- EMPLOYER'S LIABILITY INSURANCE
- MEDICAL MALPRACTICE LIABILITY INSURANCE
- MEDICAL MALPRACTICE INSURANCE (INSTITUTION)
- PROFESSIONAL LIABILITY INSURANCE ARCHITECTS AND ENGINEERS
- DIRECTORS AND OFFICERS LIABILITY INSURANCE
- WORKMEN'S COMPENSATION INSURANCE
- GENERAL PUBLIC LIABILITY INSURANCE FOR THE CONTROLLED BUSINESS CATEGORY 3
- BUILDING INSPECTOR INSURANCE POLICY
- LEGAL LIABILITY INSURANCE FROM UNSAFE PRODUCT
- TRANSPORTATION OF HAZARD MATERIAL LIABILITY INSURANCE
- PUBLIC LIABILITY INSURANCE FOR MINE

OTHER INSURANCE

- FIDELITY GUARANTEE INSURANCE
- BAIL BOND INSURANCE
- TRADE CREDIT INSURANCE
- HOME MULTICOVER INSURANCE
- GOLFER'S INDEMNITY INSURANCE
- WEDDING INSURANCE
- SHOP MULTICOVER INSURANCE
- SURETY BOND INSURANCE
- MOTOR ACCIDENT COMPENSATION INSURANCE
- BUSINESS INSURANCE FOR SME
- CYBER INSURANCE
- AVIATION INSURANCE
- EVENT CANCELLATION INSURANCE
- AIRCRAFT HULL, SPARES AND LIABILITY INSURANCE
- AVIATION PERSONAL ACCIDENT INSURANCE
- DORMITORY INSURANCE
- JET SKI INSURANCE
- BIKE INSURANCE
- DURIAN INSURANCE
- LAVA DURIAN INSURANCE

OTHER REFERENCE PERSONS

Securities Registra

Thailand Securities Depository Co., Ltd.
62 Ratchadaphisek Road, Dindaeng,
Dindaeng, Bangkok 10400
Tel. 0 2009 9000
Fax: 0 2009 9991
SET Center: 0 2009 9999
email: SETContactCenter@set.or.th
www.set.or.th/tsd

Trustee

- None

Auditor

Rachada Yongsawadvanich
Certified Public Accountant (Thailand) No. 4951
EY Office Limited
33rd Floor, Lake Rajada Office Complex,
193/136-137 Ratchadaphisek Road, Klongtoey,
Bangkok 10110
Tel. 0 2264 0777
Fax: 0 2264 0789-90
email: ernstyong.thailand@th.ey.com
www.ey.com

Legal Adviser

Manukit Law Office
59/6 Suapa Road, Pom Prap,
Pom Prap Sattru Phai, Bangkok 10100
Tel. 0 2221 3466
Fax: 0 2221 3191

Financial Adviser

-None

Principal Financial Institution

Bangkok Bank Public Co., Ltd.



