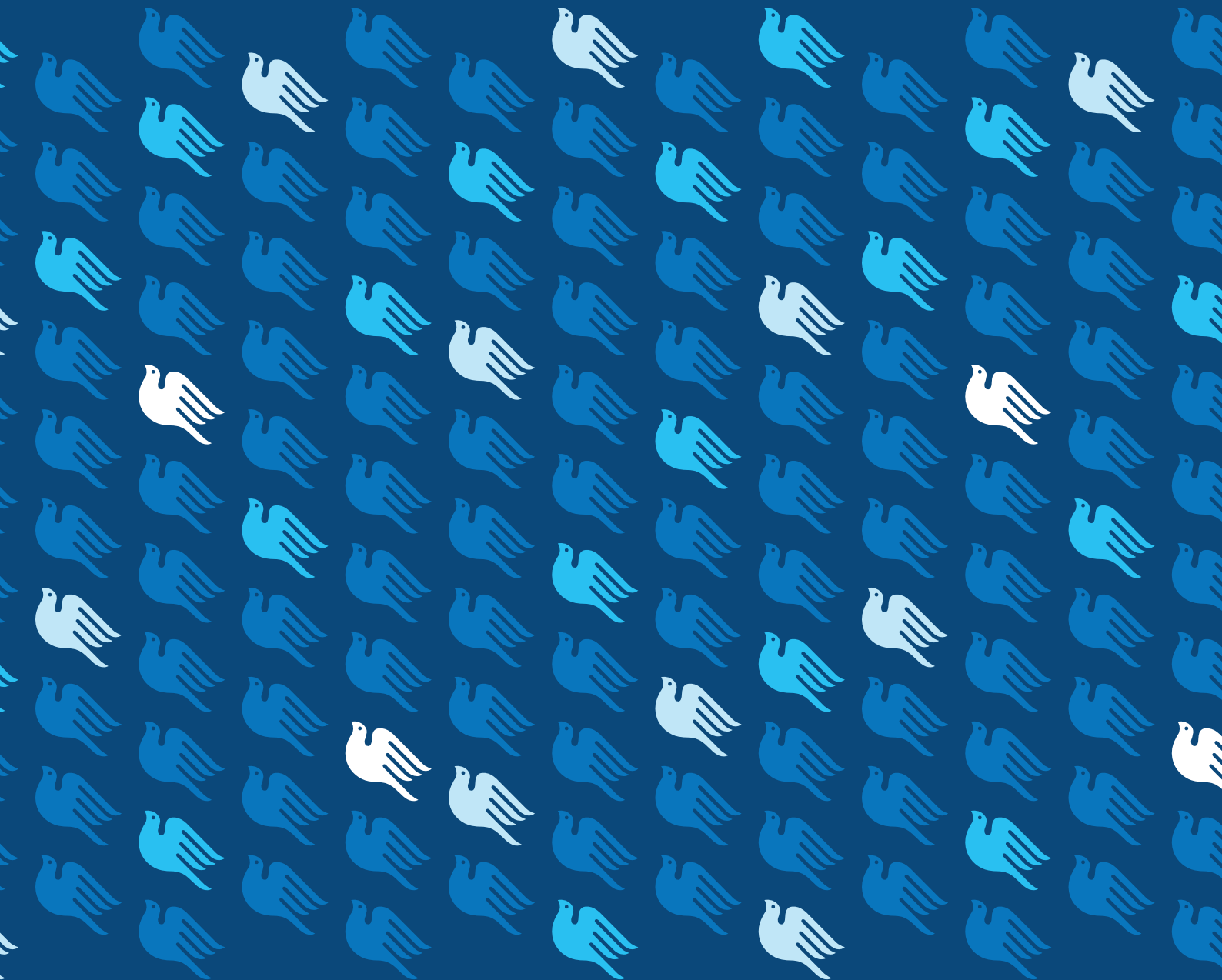




ANNUAL REPORT 2020

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	
PRIDE IN 2020	4	GOVERNANCE COMMITTEE	73
MESSAGE FROM THE CHAIRMAN	6	REPORT ON THE BOARD OF DIRECTOR'S	
MESSAGE FROM THE CHIEF EXECUTIVE		RESPONSIBILITY FOR FINANCIAL	
OFFICER AND PRESIDENT	8	STATEMENTS	74
REPORT OF THE COMPANY'S		REPORT OF INDEPENDENT AUDITOR	75
OPERATIONS	10	STATEMENTS OF FINANCIAL POSITION	78
INVESTMENT INCOME	15	STATEMENTS OF COMPREHENSIVE	
INVESTMENT	16	INCOME	80
INVESTMENTS IN SECURITIES	17	STATEMENTS OF CASH FLOWS	82
SHAREHOLDING IN OTHER COMPANIES	18	STATEMENTS OF CHANGES IN	
REVENUE STRUCTURE	19	OWNERS' EQUITY	84
SUMMARY OF QUARTERLY		NOTES TO FINANCIAL STATEMENTS	86
FINANCIAL RESULTS	20	COMPANY'S FINANCIAL STATUS	146
FIVE YEARS REVIEW	21	FINANCIAL RATIO	152
POLICY ON AND THE OVERALL		RELATED PARTIES TRANSACTIONS	153
BUSINESS TRANSACTION	22	ORGANIZATION STRUCTURE	155
TYPE OF BUSINESS TRANSACTIONS	26	MANAGEMENT STRUCTURE	156
RISK FACTORS	34	SHAREHOLDINGS STRUCTURE	165
ADVISORY BOARD	39	PRINCIPLES OF GOOD CORPORATE	
BOARD OF DIRECTORS AND		GOVERNANCE	168
BOARD OF DIRECTORS PROFILE	40	INTERNAL CONTROL AND	
MANAGEMENT COMMITTEE AND		RISK MANAGEMENT	187
MANAGEMENT COMMITTEE PROFILE	48	GENERAL INFORMATION	189
CORPORATE SOCIAL RESPONSIBILITY	56	LINES OF BUSINESS	193
REPORT OF THE AUDIT COMMITTEE	71		
REPORT OF THE REMUNERATION AND			
NOMINATION COMMITTEE	72		





# FINANCIAL HIGHLIGHTS

(Baht'000)

	2020	2019	Change %
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## For The Year

Premium Written	22,858,220	21,008,919	8.8
Underwriting Income	2,873,110	2,242,242	28.1
Operating Expenses	984,279	1,078,263	(8.7)
Finance Costs	39,337	2,553	1,440.8
Net Profits from Underwriting	1,849,494	1,161,426	59.2
Net Investment Revenue	1,360,589	1,624,531	(16.2)
Profits before Income Tax Expenses	3,210,083	2,785,957	15.2
Income Tax Expenses	504,487	334,676	50.7
Net Profits	2,705,596	2,451,281	10.4

## At Year - end

Unearned Premium Reserve	10,310,716	9,978,382	3.3
Shareholders' Equity	30,343,047	31,023,097	(2.2)

## Per Share

(Baht)

Basic Earnings Per Share	25.41	23.02	10.4
Ordinary Share (Shares)	106.47 Million	106.47 Million	-
Dividends	15.00	14.00	7.1
Book Value	285.41	291.38	(2.0)
Market Price (High-Low)	296-173	338-293	-
Market Price at Year-end	276	295	(6.4)

# PRIDE IN 2020

—

Bangkok Insurance Public Company Limited has conducted its business transactions for a long time, currently entering into its 74<sup>th</sup> year.

The Company has given priority to the development of a sound service and selection of insurance products appropriate to its customers' lifestyle and the current situation, ready to introduce modern innovations to continuously providing services in response to every demand of the Company's customers and business partners, causing the Company to receive quality awards regarded as honorable awards from a number of leading organizations both inside and outside the country.

For 2020, the Company has obtained pride through the following awards.

## Honorable Award

The "Best Non-Life Insurance Company 2020" award, continued for the third year, from the International Finance Awards 2020, organized by International Finance Magazine (IFM), a world's leading business and finance magazine. The award was 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 "Best Non-Life Insurance CEO – Mr. Apisit Anantanatarat" award from the International Finance Awards 2020, organized by International Finance Magazine (IFM). The award was presented to Dr. Apisit Anantanatarat, Chief Executive Officer and President, as a qualified person having knowledge of and capability in the efficient management of the Company's operating performance, causing it to have continuously sound management and stability. Furthermore, Dr. Apisit is also a good and praiseworthy model person for the Company's employees in terms of having a strong determination and intention in his work performance, aimed at the organization's better progress.



The “Excellence of the Year Innovation & Leadership Insurance” award from the LE FONTI AWARDS 2020, organized by LE FONTI, an online magazine and medium renowned for global business, economy and finance. The award was presented to the Company for its excellence in service innovations and being a leading non-life insurance company having an efficient and modern system of management and operating performance, apart from introducing modern technology and innovations to constantly developing products and services for customers in compliance with the Company’s business transactions, aimed at providing convenience and quickness to its customers in response to their demands in a digital era.

The “Product of the Year 2020 – Excellent Insurance Group of Products and Services for the Year for Motor Insurance Class 1” award from the Product of the Year Awards 2020, organized by Business+ Magazine, in cooperation with the College of Management, Mahidol University. The award was presented to the Company for the development of its quality products and services of Motor Insurance Class 1 through efficient management, apart from introducing modern technology to providing motor claims service in convenient and quick response to customers’ demand, generating confidence and trust among customers throughout.

The “Outstanding Non-Life Insurance Company Promoting Insurance Policy for the Public for 2019” award from the All-inclusive Outstanding Insurance Award, organized by the Office of Insurance Commission (OIC). The award was presented to the Company for steadily developing its small-scale insurance policy or micro insurance, in collaboration with its business partners, by carrying out various activities to extend distribution channels and submit policies to customers and the public across the country, aimed at enabling the people to gain access to all-inclusive and more comprehensive insurance, which is a risk management of conducting their life.

Certificate of National Outstanding Establishments for Labour Relations and Welfare for 2020, organized by the Department of Labour Protection and Welfare, Ministry of Labour. The Company has had standard management of labour relations and had appropriate arrangement of labour welfare, including creating sound working environment to promote its employees’ sound quality of life as well as security and safety, leading to cooperation for efficient performance and generating the progress of business transactions.

## Financial Strength Rating

Bangkok Insurance derived, on November 9, 2020, 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 29, 2020, 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 9, 2020
Financial Strength Rating - Local Currency	A- (Strong)
Issuer Credit Rating - Local Currency	A- (Strong)
Outlook	Stable
A.M. Best	May 29, 2020
Financial Strength Rating	A- (Excellent)
Financial Strength Rating Outlook	Negative
Issuer Credit Rating	a- (Excellent)
Issuer Credit Rating Outlook	Negative

## MESSAGE FROM THE CHAIRMAN





The year 2020 is regarded as a tremendously challenging year for business transactions due to the spread of the Corona Virus Disease 2019 (COVID-19), significantly influencing the economies of numerous countries across the world, including the Thai economy, of which principal incomes derived from exports and tourism were inevitably impacted. Furthermore, Thailand was also confronted with such problems as the immensely rising household sector's debts, shrinking consumers' purchasing power, apart from a serious drop in total real estate and new car sales in the country, and a domestic political problem. Such factors had continuously affected the non-life insurance industry. Based on the Insurance Premium Rating Bureau's data, the non-life insurance industry's direct premium written in 2020 experienced a significantly declining growth of only 3.9 percent, compared to the previous year, though there was a supporting positive factor, for instance, an enormous growth of total sales of COVID-19 insurance policy and other health insurance policies owing to consumers' realization of their illness risk.

During such spreading situation, Bangkok Insurance Public Company Limited is the country's first non-life insurance company to develop a COVID-19 insurance policy in the market, aimed at helping to relieve customers' risk and anxiety of their loss of income in case of being infected and quarantined for medical treatment for a long period of time, with Find-Pay-End coverage and a cheap premium to which all groups of consumers can have access. In addition, the Company has also developed its new products and services in compliance with consumers' behavior changing toward new normal, besides minimizing such impacts on customers as a raise in service channels via Line Official Account @bangkokinsurance, an increase in a medical treatment service through a Telemedicine system, a design of short-term motor insurance products, apart from allowing customers to make a premium payment on a monthly installment basis, with maximum 6 months.

Despite innumerable negative factors, the Company's operating returns in 2020 are able to attain a targeted growth, with its total written premium rising by 8.8 percent to Baht 22,858.2 million, compared to the year before, and a net income of Baht 2,705.6 million, or earnings per share of Baht 25.41. The Company's Board of Directors' meeting on February 19, 2021, has approved a final dividend payment of Baht 6 per share for the year 2020. Therefore, in 2020, the Company had made total dividend payments of Baht 15 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 2020 as high as 280.8 percent, higher than that defined by law, apart from the maintenance of high Financial Strength Rating of A- (Stable) (ranked by the Standard and Poor's Institution (S&P) as at November 9, 2020) and A- (Excellent) (ranked by the A.M. Best Company as at May 29, 2020).

Finally, on behalf of Bangkok Insurance Public Company Limited, 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 dedicating themselves to excellent performance through their greatest knowledge and capability, including supporting activities fully helping society, causing the Company, in 2020, to witness an outstanding growth and have a sound image, being able to strongly and securely go through one of the most serious economic crises in history.



Mr. Chai Sophonpanich

## MESSAGE FROM THE CHIEF EXECUTIVE OFFICER AND PRESIDENT



For the past year 2020, Bangkok Insurance Public Company Limited, like other business sectors, had been confronted with uncertainty and such numerous challenging factors as a tremendous slowdown of the global and domestic economies as a direct consequence of the spread of the Corona Virus Disease 2019 (COVID-19), coupled with the vulnerability of domestic politics and the non-life insurance industry's fierce price competition due to consumers' purchasing-decision behavior in a new era, emphasizing a comparison of prices and coverage, and far higher expectations in all respects. Nonetheless, under such circumstances, the Company was still able to soundly conduct its business transactions, attaining a targeted written premium growth.

As a consequence of the Company's attachment to the principle of generating an equilibrium in its work extension in parallel with maintaining its performance standard, not ceasing to develop the service efficiency through an introduction of advanced technology to such works as underwriting, claims, product development and design, and supporting work, aimed at responding to customers' and business partners' demands and creating the greatest satisfaction for them, the Company has been awarded numerous honorable awards from various institutions, including the Best Non-Life Insurance Company Award, continued for 3 consecutive years, and Best Non-Life Insurance CEO, organized by International Finance Magazine (IFM), the Excellence of the Year Innovation & Leadership Insurance Award, organized by LE FONTI, the Outstanding Non-Life Insurance Company Promoting Insurance Policy for the Public for 2019 Award, organized by the Office of Insurance Commission (OIC), the Certificate of National Outstanding Establishments for Labour Relations and Welfare for 2020, organized by the Department of Labour Protection and Welfare, Ministry of Labour, the Product of the Year 2020 - Excellent Insurance Group of Products and Services of the Year for Motor Insurance Class 1 Award, organized by Business+ Magazine, in cooperation with the College of Management, Mahidol University.

In addition, in 2020, the Company had still continuously carried out its activities to repay society and conserve the environment on the basis of promoting and encouraging people in society to have better quality of life, apart from focusing on conducting business transactions transparently, fairly and in compliance with laws, regulations and the principle of good corporate governance, to all of which the Company has attached in its business transactions throughout 73 years under its vision, "the preferred non-life insurer in Thailand" we will strive for progress for everlasting sustainable growth.

On this occasion, I would like to thank our customers, shareholders, Board of Directors and business allies for their great support of the Company throughout. I would also like to thank sincerely all the Company's management and employees for their strong determination and excellent performance, causing the Company, in 2020, to be successful and have satisfactory operating returns.



Dr. Apisit Anantanatarat

# REPORT OF THE COMPANY'S OPERATIONS

## Summary of Operating Performance for the Year 2020 Operation and Financial Status of the Company

For 2020, the premium written income for all classes of insurance rose by 8.8 percent to Baht 22,858.2 million, compared to 2019. Marine hull insurance and miscellaneous insurance achieved the highest growth rates of 35.7 percent and 14.8 percent, respectively, compared to 2019.

In 2020, the net underwriting experienced a return of Baht 2,873.1 million, an increase of Baht 630.9 million, or 28.1 percent, over 2019, due mainly to the fact that in 2020, the unearned premium reserve dropped by Baht 1,296.3 million, resulting in a rise in the premium income of Baht 1,661.1 million, compared to the year before.

The net investment income and other income in 2020 was Baht 1,360.6 million, a decline of 16.2 percent, over 2019. 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 3,210.1 million, a rise of 15.2 percent. After income tax deduction, the net income totaled Baht 2,705.6 million, a growth of 10.4 percent, compared to 2019, or Baht 25.41 per share, compared to Baht 23.02 per share in 2019.

The Company has already made three interim dividend payments of Baht 3 per share for the year 2020. The total dividend payment was Baht 9 per share. The Board of Directors proposed to the shareholders to consider and approve for the final dividend payment for the year 2020 at Baht 6 per share so the annual dividend payment for the year 2020 shall be Baht 14 per share. The proposed final dividend payment is subjected to the approval of 28<sup>th</sup> Annual General Meeting of Shareholders.

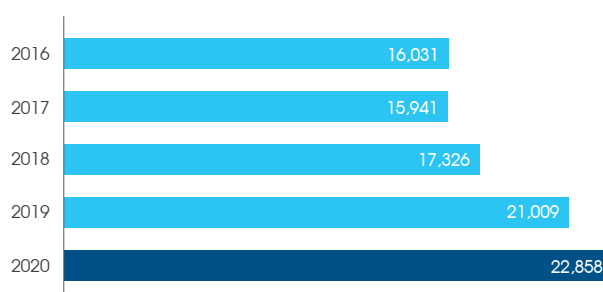
Based on the financial statements as at December 31, 2020, the total assets of the Company amounted to Baht 59,503.8 million, a rise of 3.8 percent from Baht 57,327.1 million in the previous year. This was accompanied by a significant alteration in assets, particularly a growth in net reinsurance assets, right-of-use assets (resulting from the start of use of TFRS 16 accounting standards

from January 1, 2020), and net loans and interest receivables of Baht 1,907.8 million, 886.6 million and 162.7 million, respectively, and a decline in investments in securities of Baht 534.3 million.

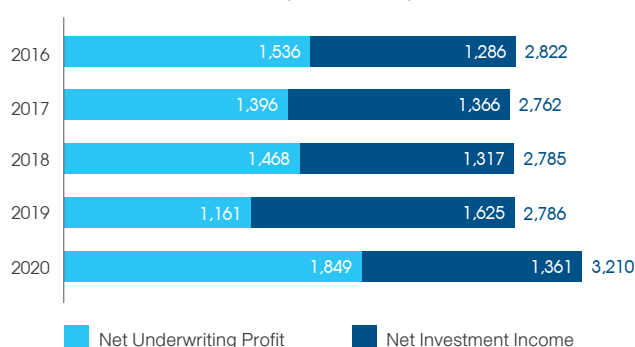
Liabilities at 2020 year-end totaled Baht 29,160.7 million, a growth of Baht 2,856.7 million, or 10.9 percent, over 2019. A significant change was a rise in insurance contract liabilities, lease liabilities, and due to reinsurers of Baht 2,413.0 million, 738.7 million and 183.8 million, respectively, and a diminution in deferred tax liabilities of Baht 492.3 million.

Owners' equity on December 31, 2020, equaled Baht 30,343.1 million, a decline from Baht 31,023.1 million, or 2.2 percent, in 2019. Significant components were a decrease of Baht 1,829.7 million, or 10.7 percent, in other components of owners' equity, and a growth of Baht 1,149.6 million, or 27.2 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 2020

### Fire Insurance

In 2020, the Company registered Baht 1,557.9 million in written fire insurance premium, a rise of 2.2 percent over 2019. The increase in premium written was due mainly to a growth from Personal Lines Business Unit.

The net premium written amounted to Baht 1,000.0 million, a decrease of 3.7 percent, with the Company taking a retention of 64.2 percent, compared to 68.1 percent in 2019. The loss ratio in 2020 was 25.6 percent, a rise from 2019, which was 12.9 percent. As a result, the Company's fire underwriting returns in 2020 dropped by 17.9 percent to Baht 466.1 million, compared to 2019.

### Marine Insurance

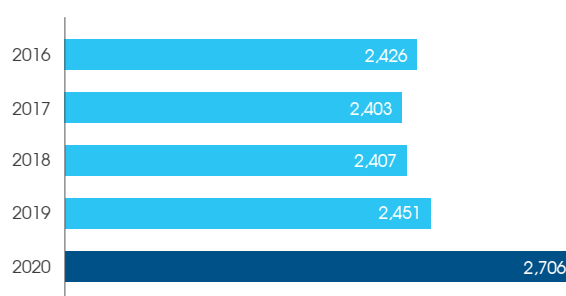
- **Hull** In 2020, the Company registered a total of Baht 60.1 million in written marine hull insurance premium, an augmentation of 35.7 percent over 2019. This was due mainly to a rise in the premium from Broker Business Unit.

The net premium written amounted to Baht 7.4 million, an increase of 27.6 percent from 2019. This was thanks to the Company's retention of 12.3 percent in 2020, compared to 13.1 percent in the previous year. As a consequence of the Company's underwriting in 2020, the loss ratio was 46.2 percent, a growth from 31.7 percent over 2019, but there was still a return of Baht 10.1 million and a rise in underwriting profit of Baht 0.7 million from the previous year.

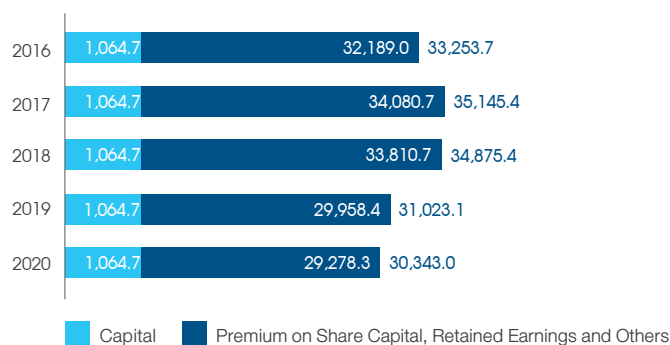
- **Cargo** In 2020, the Company registered Baht 552.1 million in written marine cargo insurance premium, a decline of 1.4 percent over the year before. This was due to an abatement in the premium from Commercial Lines Business Unit and Broker Business Unit.

The net premium written totaled Baht 230.1 million, a decrease of 8.6 percent, due to the Company's retention reduction from 44.9 percent in 2019 to 41.7 percent in 2020. The loss ratio in 2020 dwindled to 24.0 percent, compared to 39.2 percent in 2019, resulting in the Company's underwriting profit of Baht 113.7 million in 2020, a growth of 36.5 percent from the year before.

### Net Profit after Income Tax (Million Baht)



### Owners' Equity (Million Baht)



### Motor Insurance

In 2020, the Company registered Baht 9,333.9 million in written motor insurance premium, a rise of 3.8 percent over 2019. This was due to an expansion of its business through Broker Business Unit which had projects with some of its business partners. In this connection, the Company has considered making an adjustment of a lower portfolio of motor insurance class 3 (truck) through the Branch Network and Ventures since there is a rather high loss rate.

The net premium written amounted to Baht 9,029.9 million, an increase of 3.3 percent over 2019. In 2020, the Company's retention was 96.7 percent, a drop from 2019, which was 97.2 percent. The loss ratio grew from 65.6 percent in 2019 to 66.1 percent in 2020, but the expenses ratio abated from 29.5 percent in 2019 to 25.9 percent in 2020, resulting in the Company's underwriting profit of Baht 725.1 million in 2020, a rise of 89.7 percent from the previous year.

### Miscellaneous Insurance

Miscellaneous insurance consists of five major categories: General Accident, Engineering, Personal Insurance, Aviation, and All Risks. In 2020, the Company registered Baht 11,354.2 million in written miscellaneous insurance premium, a rise from Baht 9,889.9 million, or 14.8 percent, in 2019. The growth in the direct premium written was due to personal accident insurance and health insurance via Personal Lines Business Unit which extended its personal lines base through Telemarketing channel, particularly from COVID-19 insurance and all risks insurance via Broker Business Unit, and Commercial Lines Business Unit.

The net premium written for all categories totaled Baht 4,541.9 million, an increase of 3.1 percent over 2019. The Company's retention was 40.0 percent in 2020, a decline from 2019, which was 44.6 percent. The overall loss ratio expanded from 44.2 percent in 2019 to 45.7 percent in 2020, but the expenses ratio dwindled from 27.1 percent in 2019 to 20.0 percent in 2020. Consequently, the Company's underwriting profit in 2020 grew by 29.9 percent to Baht 1,558.1 million, compared to 2019.

### Underwriting Expenses

Underwriting expenses consist of net claims, commission and brokerages, and other underwriting expenses. The Company's underwriting expenses totaled Baht 13,612.6 million, representing a rise of 11.6 percent over 2019. The claims and expenses on claims management incurred during 2020 rose by 17.4 percent from the previous year. Similarly, commission and brokerages, and other underwriting expenses increased by 5.4 percent and 1.2 percent, respectively, over the year before.

In 2020, the Company's all classes of direct premium written amounted to Baht 21,546.5 million, a growth of 7.4 percent over 2019. The Company's market share in 2020 was 8.5 percent, an increase from 2019, which was 8.2 percent and could retain the third rank in market share as in the year before. The ratio of 47.7 percent from the miscellaneous insurance premium had a growth rate of 12.4 percent, resulting in 11.1 percent miscellaneous premium market share in 2020, an increase from 2019, which was 10.8 percent. Motor insurance's market share rose from 6.2 percent in 2019 to 6.4 percent in 2020, while fire insurance and marine insurance had market shares of 13.5 percent and 11.0 percent, respectively.

### Future Projects

In 2020, the Company has developed its service in line with customers' digital lifestyle by cooperating with its allies to develop Health Care Platform, providing advice on health problems in the form of both processing to analyze the possibility of a disease (AI Symptom Checker), using a disease diagnostic system and informing service users of a preliminary symptom diagnostic consequence, and Telemedicine, which is a service allowing customers to get convenience by not having to go to see a doctor, while being able to consult a doctor personally via the application. After consultation and receiving a diagnostic result, customers will obtain prescribed medicine delivered to them by a given address.

In addition, the Company has initiated giving its claims service through a Line application which is regarded as another channel enhancing convenience and swiftness in receiving customers' claims report. Customers can report their motor claims by sharing a location of the accident scene, apart from being able to send a message and an image of the car damaged, including inquiring a motor claims officer instantly.

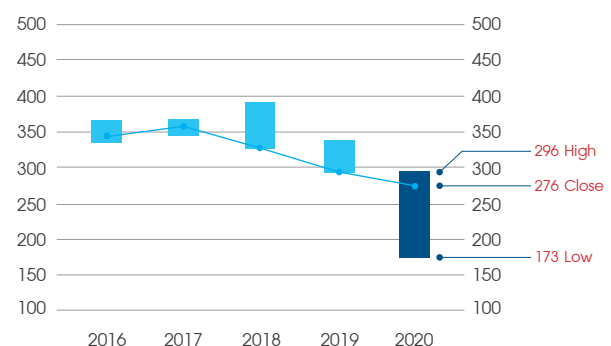
For 2021, the Company has a work plan to invest in technology which will boost its insurance service standard and is studying an adjustment of the Company's core underwriting system through modern technology, as well as developing and designing universally to help supplement the work and information 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. Besides, the Company also possesses a work plan to introduce digital technology to the insurance business, for instance, technology concerning insurance distribution, technology enhancing channels and facilitating customers' claims report or payment, and technology helping reduce working steps of claims, such as use of AI instead of men to analyze car damage.

Additionally, the Company has also given priority to being a data-driven organization using a database to push forward its business, focusing on the Company's management and employees to analyze data, aimed at a business decision support for work on underwriting, claims and development of products in response to each target customer group, with the aim of increasing the quality of services for customers or business partners.

### Dividends (Baht)



### Development of Share Prices (Baht)



# REPORT OF THE COMPANY'S OPERATIONS

(Million Baht)

Premium Written	2020	2019	Change %	2020 Distribution %
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## Types of Insurance

Fire	1,557.9	1,525.0	2.2	6.82
Marine	612.2	604.3	1.3	2.68
Motor	9,333.9	8,989.7	3.8	40.83
Miscellaneous	11,354.2	9,889.9	14.8	49.67
Total	22,858.2	21,008.9	8.8	100.00

## Underwriting Income

### Types of Insurance

Fire	466.1	567.4	(17.9)	16.22
Marine	123.8	92.7	33.5	4.31
Motor	725.1	382.2	89.7	25.24
Miscellaneous	1,558.1	1,199.9	29.9	54.23
Total	2,873.1	2,242.2	28.1	100.00
Operating Expenses	984.3	1,078.3	(8.7)	34.26
Finance Costs	39.3	2.5	1,472.0	1.37
Net Profits from Underwriting	1,849.5	1,161.4	59.2	64.37

(Million Baht)

Net Investment Revenue	2020	2019	Change %
Interest	274.9	319.0	(13.8)
Dividends	852.3	907.5	(6.1)
Gain on Sales of Securities and Assets	187.5	239.1	(21.6)
Rental and Other Income	171.8	182.7	(6.0)
Share of Profits in Associates under the Equity Method	20.8	23.4	(11.1)
Gain (Loss) from Reversal Impairment of Investment	-	42.2	(100.0)
	1,507.3	1,713.9	(12.1)
Investment Expenses	86.4	89.3	(3.2)
Expected Credit Losses	60.3	-	100.0
Net Investment Revenue	1,360.6	1,624.6	(16.3)
<b>Operating Results</b>			
Net Profits from Underwriting	1,849.5	1,161.4	59.2
Net Investment Revenue	1,360.6	1,624.6	(16.2)
Profits before Income Tax Expenses	3,210.1	2,786.0	15.2
Income Tax Expenses	504.5	334.7	50.7
Net Profits	2,705.6	2,451.3	10.4
Basic Earnings Per Share (Baht)	25.41	23.02	10.4
Ordinary Share (Shares)	106.47 Million	106.47 Million	-
Par (Baht)	10.00	10.00	-

# INVESTMENT INCOME

Net investment income in 2020 amounted to Baht 1,507.3 million, a decrease of Baht 206.6 million, or 12.1 percent, over 2019. This comprised Baht 274.9 million from the interest, a reduction of 13.8 percent; Baht 852.3 million from dividends, a decrease of 6.1 percent; Baht 187.5 million gain on sales of securities and assets, a diminution of 21.6 percent; Baht 171.8 million from rental and other income, a drop of 6.0 percent; Baht 20.8 million of share of profit in associates under the equity method, a decrease of 11.1 percent. In 2020, the Company's investment expenses dropped by 3.2 percent to Baht 86.4 million and expected credit losses, as defined in the accounting guidance related of financial instruments and disclosures applicable to insurance business, of Baht 60.3 million, while its net investment incomes amounted to Baht 1,360.6 million. Thus, the Return on Investment (ROI) was 3.3 percent of the investment portfolio market value, or 5.5 percent of the investment, portfolio at cost.

At 2020 year-end, the SET index closed at 1,449.35, a drop of 130.49, or 8.3 percent, from 2019, which closed at 1,579.84. In 2020, the Thai economy was severely affected by the spreading of the COVID-19 both at the beginning and end of the year. As a consequence, the Company had a higher surplus on revaluation of share values in the SET, totaling Baht 17,060.6 million, a decline of Baht 3,925.5 million, or 18.7 percent, over 2019.

The Company's investment portfolio at 2020 year-end had increased by Baht 1,968.0 million, or 7.8 percent, to Baht 27,075.4 million. For the portfolio allocation, the Baht 19,135.6 million fixed income investment accounted for 70.7 percent of the total investment portfolio, while the remaining Baht 7,939.8 million, or 29.3 percent, was invested in both listed and unlisted common stocks and fund units.

Fixed income investments consisted of investments held-to-maturity measured at amortised cost (deposits of financial institutions due over 3 months), rose by Baht 2,509.0 million, or 22.4 percent, from the previous year to Baht 13,729.7 million, or 50.7 percent of the total investment portfolio. Investments in government and state enterprise securities, with the fair value measured through other comprehensive income, dropped by Baht 408.7 million, or 11.2 percent, from the year before to Baht 3,252.2 million, representing 12.0 percent of the total investment portfolio. Investments in private enterprise debt securities, with the fair value measured through other comprehensive income, declined by Baht 325.3 million, or 34.0 percent, from the previous year to Baht 630.8 million, representing 2.3 percent of the total investment portfolio.

In addition, the Company also has mortgaged loans, another type of its fixed income capital, which grew by Baht 207.8 million, or 15.9 percent, to Baht 1,514.6 million, or 5.6 percent of the total investment portfolio.

For the investment in equity securities in 2020, the Company's investments in securities with the fair value measured through other comprehensive income was Baht 6,083.7 million. When subtracted by the allowance of impairment of Baht 65.1 million, the remaining net investments in securities, measured at fair value through other comprehensive income of Baht 6,018.6 million, or 22.2 percent. This comprised investments in listed securities, both inside and outside the country, which dropped by Baht 7.7 million, or 0.1 percent, to Baht 5,305.7 million, or 19.6 percent of the total investment portfolio, compared to 2019. 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 amounted to Baht 712.9 million, a decline by Baht 88.9 million, or 11.1 percent, from the previous year, representing 2.6 percent of the total investment portfolio. The 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-list securities. In fact, most non-listed securities were regarded as strategic investments in order to generate business relationships with others and support the Company's business transactions.

Investment in associated rose by Baht 22.5 million, or 9.1 percent, to Baht 268.9 million, representing 1.0 percent of the total investment portfolio, the increase stemming from the share of profit, 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, the Company has investments in funds investing in equity securities amounted to Baht 347.5 million, representing 1.3 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 rose by 59.2 million, or 4.8 percent, to Baht 1,304.8 million, representing 4.8 percent of the total investment portfolio.

# INVESTMENT

(Million Baht)

Composition of Investment Portfolio (At Cost)	Year end 2020	Year end 2019	Change %	Distribution % 2020
Fixed Interest Bearing Securities				
Deposits at Banks	13,729.7	11,220.7	22.4	50.7
Collateralised Loans	1,514.6	1,306.8	15.9	5.6
Bonds	3,252.2	3,660.9	(11.2)	12.0
Debentures and Other Loans	639.1	964.3	(33.7)	2.4
Total Fixed Interest Bearing Securities	19,135.6	17,152.7	11.6	70.7
Shares - Listed	5,305.7	5,313.4	(0.1)	19.6
- Unlisted	712.9	801.8	(11.1)	2.6
- Associated	268.9	246.4	9.1	1.0
Unit of Closed-end Fund - Listed	1,602.3	1,543.1	3.8	5.9
- Unlisted	50.0	50.0	-	0.2
Total Investment Portfolio	27,075.4	25,107.4	7.8	100.0

(Million Baht)

Composition of Investment Portfolio At Cost and Fair Value	Year end 2020			
	At Cost	Fair Value	Surplus (Deficit) on Investments Measured at Fair Value	Allowance for Expected Credit Losses
Fixed Interest Bearing Securities				
Deposits at Banks	13,729.7	13,727.0	-	(2.7)
Collateralised Loans	1,514.6	1,465.4	-	(49.2)
Bonds	3,252.2	3,300.5	48.3	-
Debentures and Other Loans	639.1	587.3	(51.8)	-
Total Fixed Interest Bearing Securities	19,135.6	19,080.2	(3.5)	(51.9)
Shares - Listed	5,305.7	22,366.3	17,060.6	-
- Unlisted	712.9	2,746.7	2,033.8	-
- Associated	268.9	268.9	-	-
Unit of Closed-end Fund - Listed	1,602.3	1,658.2	55.9	-
- Unlisted	50.0	46.4	(3.6)	-
Total Investment Portfolio	27,075.4	46,166.7	19,143.2	(51.9)

# INVESTMENTS IN SECURITIES

Investments in Listed Securities as at December 31, 2020, 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	1.80	40.73	1,397	118.50	4,063
Bumrungrad Hospital	Health Care Services	13.43	9.60	1,025	120.00	12,809
Bangkok Life Assurance	Insurance	4.60	6.04	475	21.00	1,650
TQM Corporation	Insurance	2.34	39.40	276	134.00	939
Charoeng Thai Wire & Cable	Industrial Materials and Machinery	7.20	6.71	192	6.70	192
Thai Reinsurance	Insurance	2.37	1.32	132	1.27	127
Fine Metal Technologies	Industrial Materials and Machinery	9.68	24.01	112	19.30	90
SCG Packaging	Packaging	0.03	35.00	51	41.50	60
The Siam Cement	Construction Materials	0.01	442.28	49	378.00	42
Frasers Property (Thailand)	Property Development	0.32	7.52	48	12.20	79
Intouch Holdings	Information & Communication Technology	0.02	70.13	48	56.25	39
MK Restaurant Group	Food and Beverage	0.06	83.00	46	49.00	27
CH. Karnchang	Construction Services	0.09	28.29	43	16.60	25
Charoen Pokphand Foods	Food and Beverage	0.02	29.24	42	26.75	38
Major Cineplex Group	Media and Publishing	0.29	15.19	40	17.90	47
Bangkok Aviation Fuel Services	Energy and Utilities	1.16	5.30	39	23.80	176
Chumporn Palm Oil Industry	Food and Beverage	5.28	1.13	38	1.78	60
Nonthavej Hospital	Health Care Services	3.19	7.28	37	42.25	216
Sino-Thai Engineering and Construction	Construction Services	0.10	23.67	36	12.60	19
PTT	Energy and Utilities	0.00	41.86	36	42.25	37
Advanced Info Service	Information & Communication Technology	0.01	190.39	36	176.00	33
Samitivej	Health Care Services	0.12	288.34	35	397.00	49
TTW	Energy and Utilities	0.09	8.97	33	12.30	45
Dhipaya Insurance	Insurance	0.26	20.91	32	26.50	41
Asia Sermkij Leasing	Finance and Securities	0.99	9.17	32	21.80	76
Allianz Ayudhya Capital	Insurance	0.24	33.47	31	33.00	31
Bangkok Expressway and Metro	Transportation and Logistics	0.05	4.20	31	8.30	61
CP ALL	Commerce	0.01	67.03	31	58.25	27
BTS Group Holdings	Transportation and Logistics	0.02	10.59	31	9.25	27
Ratch Group	Energy and Utilities	0.04	45.58	29	53.00	33
Total 30 Listed Companies				4,483		21,158
Other 72 Listed Companies				807		1,200
Unit trust				1,652		1,705
Warrant				-		-
Total				6,942		24,063

# SHAREHOLDING IN OTHER COMPANIES

Investment in Companies at 10% or more of Paid-up capital as at December 31, 2020

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. Grand Slipi Tower 42 <sup>nd</sup> Floor, Unit G-H Jl. Letjen S. Parman Kav. 22-24, Palmerah, Jakarta Barat 11480, 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	Union Sime Darby (Thailand) Limited 323 United Center, 30 <sup>th</sup> Floor, Unit 3002A, Silom Road, Silom, Bangrak, Bangkok 10500	Insurance Broker	Ordinary	6,000	15.00
8	Bumrungrad Hospital Public Company Limited 33 Sukhumvit Soi 3 (Nana Nua), Klongtoey Nua, Wattana, Bangkok 10110	Health Care Services	Ordinary	106,740,417	13.43
9	Bangkok Mitsubishi UFJ Lease Co.,Ltd. 173/35, Asia Centre Tower 26 <sup>th</sup> Fl., South Sathorn Road, Thungmahamek, Sathorn, Bangkok 10120	Leasing	Ordinary	60,000	10.00
10	Bangkok Chayorath Co.,Ltd. 25 Bangkok Insurance/Y.W.C.A. Building, 10 <sup>th</sup> Fl. Sathon Tai Road, Tungmahamek, Sathon, Bangkok 10120	Insurance Broker	Ordinary	10,000	10.00



# REVENUE STRUCTURE

(Million Baht)

Premium Written	2020	Distribution %	2019	Distribution %	2018	Distribution %
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## Types of Insurance

Fire	1,557.9	6.82	1,525.0	7.26	1,610.4	9.29
Marine	612.2	2.68	604.3	2.88	436.1	2.52
Motor	9,333.9	40.83	8,989.7	42.79	6,888.1	39.76
Miscellaneous	11,354.2	49.67	9,889.9	47.07	8,391.6	48.43
Total	22,858.2	100.00	21,008.9	100.00	17,326.2	100.00

## Underwriting Income

### Types of Insurance

Fire	466.1	16.22	567.4	25.31	554.2	21.72
Marine	123.8	4.31	92.7	4.13	134.0	5.25
Motor	725.1	25.24	382.2	17.05	474.3	18.59
Miscellaneous	1,558.1	54.23	1,199.9	53.51	1,389.2	54.44
Total	2,873.1	100.00	2,242.2	100.00	2,551.7	100.00
Operating Expenses	984.3	34.26	1,078.3	48.09	1,080.8	42.35
Finance Costs	39.3	1.37	2.5	0.11	3.2	0.13
Net Profits from Underwriting	1,849.5	64.37	1,161.4	51.80	1,467.7	57.52

## Net Investment Revenue

Interest	274.9	18.24	319.0	18.61	280.5	19.95
Dividends	852.3	56.54	907.5	52.95	863.6	61.42
Gain on Sales of Securities and Assets	187.5	12.44	239.1	13.95	107.4	7.64
Rental and Other Income	171.8	11.40	182.7	10.66	159.4	11.33
Share of Profits in Associates under the Equity Method	20.8	1.38	23.4	1.37	17.0	1.21
Gain (Loss) from Reversal Impairment of Investment	-	-	42.2	2.46	(21.8)	(1.55)
	1,507.3	100.00	1,713.9	100.00	1,406.1	100.00
Investment Expenses	86.4	5.73	89.3	5.21	88.5	6.29
Expected Credit Losses	60.3	4.00	-	-	-	-
Net Investment Revenue	1,360.6	90.27	1,624.6	94.79	1,317.6	93.71

# SUMMARY OF QUARTERLY FINANCIAL RESULTS

(Baht'000)

Quarterly Results of Operations	2020				2019			
	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
Premium Written	6,136,135	4,997,694	6,001,403	5,722,988	4,896,202	4,810,955	5,565,100	5,736,662
Underwriting Income	615,863	788,854	857,261	611,132	571,345	491,084	481,491	698,322
Operating Expenses	277,670	214,244	222,983	269,382	285,718	264,581	250,559	277,405
Finance Costs	9,657	9,853	9,979	9,848	703	668	614	568
Net Profits from Underwriting	328,536	564,757	624,299	331,902	284,924	225,835	230,318	420,349
Net Investment Revenue	428,366	351,321	284,174	109,168	370,380	402,027	469,703	143,320
Gain on Sales of Securities and Assets	31,301	169,406	(7,394)	(5,753)	1,882	96,568	(10,545)	151,196
Profits before Income Tax Expenses	788,203	1,085,484	901,079	435,317	657,186	724,430	689,476	714,865
Income Tax Expenses	119,416	153,166	139,507	92,398	75,180	48,238	78,041	133,217
Net Profits	668,787	932,318	761,572	342,919	582,006	676,192	611,435	581,648

## Per Share

(Baht)

Basic Earnings Per Share	6.28	8.76	7.15	3.22	5.47	6.35	5.74	5.46
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	6.00	3.00	3.00	3.00	5.00
Market Price								
High	296	285	289	282	334	334	338	322
Low	173	218	278	270	323	323	319	293
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	2020	2019	2018	2017	2016
Premium Written	22,858,220	21,008,919	17,326,215	15,940,907	16,031,324
Underwriting Income	2,873,110	2,242,242	2,551,762	2,386,593	2,553,177
Operating Expenses	984,279	1,078,263	1,080,794	986,582	1,012,932
Finance Costs	39,337	2,553	3,266	3,618	3,768
Net Profits from Underwriting	1,849,494	1,161,426	1,467,702	1,396,393	1,536,477
Net Investment Revenue	1,173,029	1,385,430	1,210,208	1,227,658	1,229,910
Gain on Sales of Securities and Assets	187,560	239,101	107,424	138,251	55,508
Profits before Income Tax Expenses	3,210,083	2,785,957	2,785,334	2,762,302	2,821,895
Income Tax Expenses	504,487	334,676	378,526	359,205	396,107
Net Profits	2,705,596	2,451,281	2,406,808	2,403,097	2,425,788

## At Year - end

Unearned Premium Reserve	10,310,716	9,978,382	8,275,770	7,340,161	7,399,141
Shareholders' Equity	30,343,047	31,023,097	34,875,364	35,145,442	33,253,729

## Per Share

(Baht)

Basic Earnings Per Share	25.41	23.02	22.61	22.57	22.78
Ordinary Share (Shares)	106.47 Million	106.47 Million	106.47 Million	106.47 Million	106.47 Million
Dividends	15.00	14.00	14.00	14.00	14.00
Book Value	285.41	291.38	327.56	330.10	312.33
Market Price					
High	296.00	338.00	392.00	368.00	366.00
Low	173.00	293.00	327.00	345.00	335.00
Market Price at Year - end	276.00	295.00	329.00	358.00	344.00
Par Value	10.00	10.00	10.00	10.00	10.00
Number of Employees	1,592	1,550	1,498	1,495	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 74<sup>th</sup> year and possesses the paid-up capital of Baht 1,064.7 million, consisting of stocks of 106.47 million shares valued at Baht 10 per share.

## Vision

The Company's vision is "Bangkok Insurance aims to be the preferred non-life insurer in Thailand". The Company will strive to progress with quality products and services that meet 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.

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 co 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 2020. These are the "Best Non-Life Insurance Company 2020" and the "Best Non-Life Insurance CEO," organized by

International Finance Magazine (IFM) and the "Excellence of the Year Innovation & Leadership Insurance," organized by LE FONTI. Besides, the Company has also been awarded, The Promotion of Insurance Policy for the Public 2019 Awards, organized by the Office of Insurance Commission (OIC), The Establishments with Outstanding Labor Relations and Labor Welfare 2020 Awards, organized by the Department of Labour Protection and Welfare, Ministry of Labour, apart from The Product of the Year 2020 - Excellent Insurance Group of Goods and Services: Motor Insurance Class 1 Product, organized by Business + Magazine in cooperation with College of Management, Mahidol University.

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 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.

During the situation of the spread of COVID-19, the Company has established its Alternative Site at Pattanakarn micro branch and has procured equipment and a work system necessary for its employees to work from home, allowing most of them to work at home for several months, while being able to retain their capability to provide services to customers and business partners as usual.

### 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 carrying out activities on a contest of a marketing communication plan, 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. Despite the period of the spread of COVID-19, the Company has also provided its staff with virtual seminars organized by myriad institutions, aimed at staff's continuous development of their knowledge and ability.

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 2020, the Company still donated medical equipment to hospitals, as continued from the previous year, for instance, presenting ventilators and accessories to hospitals in Bangkok and upcountry for the benefit of medical treatment and in response to a situation of the spread of COVID-19.

Furthermore, the Company has also given top priority to education development and sound quality of life for the country's youth by presenting student uniforms, learning equipment, water filters and a lunch fund to schools in poverty-stricken areas.

As a consequence of a big flood in a number of provinces, for example, Nan, Sa Kaeo, Nakhon Ratchasima, and Suphan Buri, 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 2020, the Company had targeted its total written premium of Baht 22,800.0 million, a growth of 8.0 percent, which was a very challenging target in a situation of the spread of COVID-19. The significant performance strategies include an extension of the motor insurance work for the insurance type with a steadily sound performance, an expansion of an insurance market for economy-package personal accident insurance and health insurance, and an augmentation of underwriting of assets in foreign countries via credit customers of Bangkok Bank in

a foreign country. Such extension of work is based on a strict maintenance of underwriting discipline, for instance, an increase in some classes of motor premiums in compliance with actual risk, as well as a stringent risk survey on properties and places to be insured prior to underwriting consideration.

The Company is also determined to develop its services more outstanding and superior to its competitors, focusing on raising new services via a digital channel to provide convenience to customers, for example, an introduction of a Clicknic application, which is the Telemedicine service provider, for customers taking health insurance, an increase in service channels for personal lines business through Line Official Account @bangkokinsurance, apart from a service on periodically reporting on the status of car repair to customers via a BKI iCare application, and development of information technology connecting a working system and procedure with business partners, aimed at raising their convenience in working with the Company and enabling them to save operating costs, while providing better services to customers.

## **Significant Change and Development**

- A Change of Authority in Controlling the Company  
None.

## **Type of Business over the Previous Year**

The outbreak of Coronavirus 2019 (COVID-2019) has had an impact on all sectors of the economy, making a projection of Thailand's gross domestic product (GDP) growth rate in 2020 of 6.1 percent shrinking (Office of the National Economic and Social Development Council), which goes in the same direction as a global GDP growth rate, which was anticipated to shrink by 3.5 percent (International Monetary Fund). In this connection, tourism, which is the country's significant source of income and has a proportion of almost 20.0 percent of GDP, has been seriously impacted by a policy on closing the door on foreign tourists, which dropped to only 6.7 million in 2020, compared to 39.8 million in the previous year (Tourism Authority of Thailand). Similarly, the exports have been tremendously influenced by the closure of the border and trading partners' shrinking economies, while a high level of the household sector's debts has affected consumers' purchasing power. In the third quarter of 2020, the ratio of households' debts to Thai GDP was 86.6 percent, which was the highest level in 18 years (Bank of Thailand), causing financial institutions to be stricter in their consideration for a credit release, enormously impacting total cars and real estate sales.

The non-life insurance industry has been one of sectors influenced by the spread of COVID-19 as well, though not much when compared to some business sectors, reflected in a decline in a direct premium written growth to 3.9 percent in 2020, compared to 5.2 percent in 2019 (Insurance Premium Rating Bureau).

When classified by the insurance class, the motor premium could achieve a growth rate of only 1.4 percent, compared to 5.8 percent in 2019, due to a decline in the total car sales in the country to only 792,146 cars, a drop of 21.4 percent from 2019, which had the total sales of 1,007,552 cars (Toyota Motor Thailand).

Meanwhile, marine insurance dropped by 3.6 percent, as continued from 2019, which shrank by 0.8 percent, owing to negative growth of the amount of exports and imports stemming from the use of a city-closing measure in many countries, causing diminishing commodity consumption demand of Thailand's significant trading partners, and stagnation of a production line in foreign countries.

In addition, the total house sales went down due to financial institutions' strictness in providing credits and Central Bank's measures on housing credit provision control owing to a high level of households' debts, causing a continuous slowdown in fire premium growth of only 0.5 percent, as continued from 2019, which diminished by 0.1 percent.

Nonetheless, the miscellaneous premium could achieve 9.2 percent growth, compared to 5.4 percent growth in the year before, since it derived a positive factor from the people's interest in and taking a considerable amount of insurance for COVID-19 coverage, including other types of health insurance, causing health insurance, regarded as part of miscellaneous insurance, to attain a growth rate of 45.9 percent, compared to 17.1 percent in 2019. Moreover, the spread of COVID-19 also results in a constant rise in a reinsurance premium rate in the global reinsurance market to compensate for claims incurred by damage from COVID-19 and reinsurance companies' diminishing investment returns, resulting in mounting premium rates of other types of miscellaneous insurance, for instance, property insurance and public liability insurance, though there has been an immense drop in total sales of certain types of miscellaneous insurance stemming from the spread of COVID-19, such as travel insurance, travel accident insurance for tour operators and guides, and event cancellation insurance.

In 2020, the Company was able to achieve an operating result higher than targeted, with the total written premium rising by 8.8 percent to Baht 22,858.2 million. In 2020, the Company's net underwriting profit was Baht 1,849.5 million. When combined with the net investment income and other income of Baht 1,360.6 million, the Company's earnings before tax were Baht 3,210.1 million, while its net income was Baht 2,705.6 million, an increase of 10.4 percent, or earnings per share of Baht 25.41. The Company's Board of Directors has approved, on February 19, 2021, a final dividend payment of Baht 6 per share. In 2020, the total dividend payment was Baht 15 per share.

With its robust financial standing, the Company's Capital Adequacy Ratio (CAR), as at the end of September 2020, was 280.8 percent (standard criteria: not less than 120.0 percent). Moreover, two of the world's leading rating institutions, namely, the Standard & 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 41.70 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

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## Marketing and Competition

### Major Policy on Marketing of Products and Services

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

The spread of COVID-19 has a severe impact on the Thai economy in all sectors, such as limiting an international travel, the global economy's negative growth, influencing the tourism and exports sectors, apart from causing numerous businesses to stop their operation, resulting in considerable unemployment and the household sector's debts, which was high in the previous year, becoming higher. Furthermore, decreasing consumers' purchasing power has caused shrinking total sales of cars and real estate inside the country, while the Bank of Thailand's reduces its policy interest rate to a record low level, making it more difficult to generate investment returns.

Nonetheless, despite being confronted with impediments to their business transactions, non-life insurance companies are still able to generate the growth of their total premium written, compared to the previous year, though it is a diminishing growth rate. This results from a significant expansion of health insurance premium due to the spread of COVID-19, causing consumers to increasingly realize the significance of taking care of their health, reflected from the total sales of COVID-19 policy in the first eleven months of 2020, totaling 9.2 million policies (OIC). In addition, insurance projects in which the government sector has supported a premium, such as the crops insurance project, experience a continuous growth rate, which can be seen from an increase in underwriting area for the rice field insurance project from 31 million rais in 2019 to 44 million rais in 2020, while the maize-for-animal insurance project raised its underwriting area from 1.8 million rais in 2019 to 2 million rais in 2020. Similarly, the government sector's investment still experiences sound growth, compared to the year before, in compliance with the government policy on speeding up its budget spending as a factor stimulating the country's economic growth, benefiting insurance relating to construction projects.

Competition strategies popular among insurance companies in 2020 included the following.

- Cooperation to become an ally with various businesses so as to distribute insurance products to customers and those

allies' business partners. Insurance companies' allies are, for instance, hotels, department stores, convenient stores, gas stations, including such online platforms as Grab, Line, Lazada and commercial banks' mobile banking.

- Development of an online service channel or digital platform to provide a better service to customers and business partners and decrease operating costs, for example, development of a mobile application to provide such services as claims, insurance premium payment, including helping to generate customer relations, cooperating to become an ally with telemedical service providers (Telemedicine), aimed at giving convenience to customers purchasing health insurance, or development of technology allowing agents and brokers to record data or retrieve data from insurance companies' database so that they can work with insurance companies more conveniently and quickly, apart from providing a better service to customers.
- Development of usage-based or risk-based insurance policies using technology to measure the level of each individual's usage or risk, in addition to an issuance of policies with short-term coverage of one month or quarter to be in compliance with a diminishing premium payment based on the level of risk, appropriate for a slowdown in an economic condition.

For Bangkok Insurance Public Company Limited's guideline for operating performance in 2020, the Company had set the target on a total premium growth of Baht 22,800.0 million, an increase of 8.0 percent, compared to the year before, which was a very challenging target for the current situation. The Company had defined competition strategies in conformity with the market situation and consumers' demand in order to achieve the established goal as the following.

- Focusing on an extension of motor insurance work in the type of insurance with a continuously sound performance consequence, for instance, 2 Plus voluntary motor insurance,



ambulance insurance and high sum motor insurance. Likewise, the Company avoids its underwriting of high-risk motor groups such as trucks, and cars used in logistics business.

- Extending a market for personal accident insurance and health insurance through focusing on issuing an economy insurance package with coverage limited and specific to risk which customers demand and has a lower premium than that of a standard policy, like a health policy with specific coverage for influenza and such mosquito-borne diseases as dengue, Zika virus, encephalitis, JE (Japanese encephalitis), Chikungunya and malaria, and a health policy with coverage for an illness caused by high-blood pressure and diabetes, including Find-Pay-Finish COVID-19 insurance or a lump-sum payout policy which the Company has been the first distributor in Thailand.
- Expanding underwriting of assets in foreign countries via Bangkok Bank's loan customers in a foreign country, which has a trend of high growth, in line with Bangkok Bank's policy on concentrating on an extension of business credit work in ASEAN countries through reinsurance from insurance companies in those countries in which the Company has co-invested or has been their business partner.
- Still emphasizing having a discipline in underwriting by being in strict compliance with the Company's underwriting policy, for example, increasing some types of motor premiums in accordance with true risk, strictly arranging for a risk survey on insured assets and premises via such modern technologies as fire simulation, fire hydrant flow test, drone, thermoscan, etc. so as to be used as data for an underwriting decision, apart from giving advice to high-risk customers on a guideline for diminishing their risk prior to the Company's underwriting agreement.
- Suggesting new services through a digital channel to provide convenience to customers, such as a cooperation with a Clicknik application, which is the Telemedicine service provider, in order to give a service to corporate customers buying health insurance, or an increase in service channels for personal lines business via LINE Official Account@ bangkokinsurance, including having a service informing customers periodically of their car-repair status through a BKI iCare application.
- Developing a technology information system linking a collective work system and procedure with business partners, aimed at providing them with convenience of working with

the Company, apart from enabling them to reduce their operating cost and provide a better service to customers.

Besides its strategies on market expansion and customer service provision, the Company has also focused on enhancing work efficiency and decreasing operating cost in the long term by introducing Robotic Process Automation (RPA) technology to covering work on underwriting, claims, and accounting and finance, which helps to diminish time for repeated and abundant work and reduce human errors, resulting in the Company's capability to quickly respond to customers' demand, in addition to helping to generate competitive advantages.

Not only those mentioned above, the Company has also concentrated on becoming a data-driven organization through the development of its Enterprise Data Warehouse system, aimed at creating information and data beneficial to an analysis of underwriting, risk survey and claims, and to the development of products in response to each target group's demand, with customer centricity a wider variety, apart from using it for overseeing an underwriting consideration so that it is in accordance with the Company's policy, and lessening underwriting risk.

## 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, travel insurance, and insurance products for coverage of professional liability for medical doctors, engineers, organizations' directors and executives, 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

	2020 (%)	2019 (%)	2018 (%)
Ratio of First 10 Major Customers (%)	10.1	9.2	7.8

### 3. Target Customer Group

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

### 4. Distribution Channel

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

#### 4.1 Agents

The Company had, at 2020 year-end, agents totaling 2,308 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 2020 year-end, a total of 358 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 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 present policies to customers accurately. Currently, since there is a steadily dropping trend of the bank's customers using services via its counter, apart from an abating number of bank branches, the Company has been on its way to developing insurance products and connecting work systems in order to distribute its insurance policies through Bangkok Bank's mobile banking instead.

#### 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, BKK 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 presentation and distribution via an online channel, such as the Company's website, and a social media channel, namely LINE Official Account. In addition, in the current situation in which consumers have behavior of increasingly purchasing goods and services through an online channel, the Company has, therefore, sought different business allies, focusing on digital platform providers, aimed at co-developing insurance products appropriate for a distribution to those allies' customers and business partners.

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	2,308	20.5
Brokers	358	27.2
Financial Institutions	37	19.7
Direct Customers	-	32.6

## Competition in 2020

### 1. Nature of Competition in the Industry

In 2020, 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 64.5 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

	2020	2019	2018
<b>Bangkok Insurance Public Company Limited</b>			
Premium written (Million Baht)	21,546	20,059	16,729
Growth Rate (%)	7.4	19.9	8.9
<b>Non-Life Insurance Market</b>			
Premium written (Million Baht)	254,377	244,062	231,990
Growth Rate (%)	3.9	5.2	5.7

Source: Insurance Premium Rating Bureau

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

Types of Insurance	2020		2019		2018	
	Rank	Market Share	Rank	Market Share	Rank	Market Share
Fire	3	13.5	3	13.4	2	14.3
Marine	2	11.0	2	10.4	5	7.4
Motor	3	6.4	3	6.2	5	5.0
Miscellaneous	2	11.1	2	10.8	2	10.0
Total	3	8.5	3	8.2	3	7.2

Source: Insurance Premium Rating Bureau

## 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 and Poor's Institution (S&P) and A.M. Best Company have ranked the Company's financial strength rating with the scores of A- (Stable) and A- (Excellent), respectively. Additionally, the Company's debt to equity ratio is only 0.96 times, 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, 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 credit customers who are business organizations, and for a premium from personal lines business via Bangkok Bank. Furthermore, Bangkok Bank also has 17 branches in 9 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 communication channels of the Company's brand and products 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 has been found to start being disseminated in social media, the Company 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, besides being flexible in an adjustment of their way of thinking and working in conformity with changing 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. Additionally, the Company 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 data storage system and work system favorable to its employees' remote working, aimed at creating its business continuity in case of a crisis, like at the time when there is a violent spread of COVID-19 and the Company enables the majority of its employees to work from home for several months, while still being able to maintain its ability to provide services to customers and business partners efficiently, generating confidence among them no matter when an unexpected event occurs, to ensure the Company's retained potential of continuous business transactions and services.

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

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 sought allies who are digital platform providers in order to extend its insurance work through those allies' customer bases and business partners.

#### 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 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 2020, when Thailand had been confronted with the spread of COVID-19, the Company gave first priority to a medical and public health support by presenting ventilators and medical equipment to various hospitals, including carrying out a presentation of life-saving equipment project in collaboration with the FM91.0MHz.

#### Important Factors Affecting Opportunities or Limitations of Business Transactions in 2020

1. Governments of various countries, including the Thai government, have applied a policy of limiting international travel to preventing the spread of the coronavirus pandemic (COVID-19), causing a severe impact on international travel, importation and exportation, significantly influencing insurance premiums derived from tourism business, imports and exports business, as well as related businesses.

2. The total car sales in the country has tremendously declined, with a total sales amount of 792,146 cars in 2020, a negative growth rate of 21.4 percent, compared to the year before (Toyota Motor Thailand), affecting a motor premium, which has the highest ratio in the non-life insurance market.
3. A problem of the household sector's debts of a high level has impacted consumers' purchasing power. Based on the Bank of Thailand's data, in the third quarter of 2020, the ratio of households' debts to GDP was at 86.6 percent, the highest level in 18 years.
4. The number of commercial bank branches has a continuously diminishing trend due to consumers' behavior having a trend of conducting business transactions more via digital banking, directly impacting the Company's distribution of its policies over the counter Bancassurance.
5. Financial institutions' more stringent consideration for a credit release and concentration on helping existing customers not to become ones with a bad debt, rather than extend a new credit, resulting in financial institutions' decline in the distribution of insurance to their credit customers.
6. The Bank of Thailand's reduction of policy interest rate from 1.25 percent to only 0.5 percent at 2020 year-end. A low interest rate is anticipated to continue over a certain period of time until an economic revival, influencing the generation of investment returns.
7. An alteration of consumers' behavior in purchasing goods and services or conducting financial transactions more via an online channel helps to create new distribution channels, encouraging the Company to cooperate to become an ally with online business providers, aimed at finding a guideline for developing insurance products appropriate for those online businesses' customers and business partners.
8. A significant diminution in claims rates of motor insurance and health insurance owing to a decrease in people's travel incurred by the government's work-from-home measure and travel limit measure, coupled with people's avoidance of going to hospital during the spread of COVID-19, and possession of stricter hygienic behavior, such as wearing masks, social distancing or regular handwashing.
9. The spread of COVID-19 helps to generate the Company's opportunity to distribute certain classes of policies, for instance, health insurance and travel insurance with COVID-19 coverage, including cyber insurance due to a mounting occurrence of a cyber crime stemming from people's rising remote working and online business transactions.
10. The government policy on insurance business promotion aiming to minimize people's risk and relieve the government sector's burden on its budget, for example, a rise in rice field area taking part in the first rice crop insurance project, and determination of foreigners expecting to come to Thailand having to purchase insurance with COVID-19 coverage of \$100,000.
11. The regulator's policy on a support of the insurance industry so that it is able to conduct business transactions smoothly during the spread of COVID-19, for instance, allowing insurance salespersons to offer a sale by using their voice or image, which is regarded as meeting customers, while customers can confirm their purchase of insurance via a Digital Face to Face channel, permitting insurance companies to release an e-Policy instead of a copy policy, allowing insurance companies to permit their customers to pay a motor premium on a monthly installment basis, with a maximum period of 6 months, including permitting insurance companies to distribute their policies with short-term coverage of one quarter, month or day.

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

In 2020, the Company had a total written premium of Baht 22,858.2 million, with premium growth in nearly all classes of insurance except marine insurance, which experienced a negative growth. The miscellaneous premium had a ratio of 49.7 percent of the total written premium, a rise of 14.8 percent over the previous year, due to the growth of premium from Commercial Lines Business Unit, expansion from Telemarketing via Personal Lines Business Unit, particularly from COVID-19 insurance work, and work extension through Agent Business Unit. The motor premium had a ratio of 40.8 percent of the total written premium, a 3.8 percent growth rate, compared to the year before, owing to an extension of work via Broker Business Unit. Meanwhile, a total written premium for other classes of insurance, except miscellaneous insurance and motor insurance, accounted for 9.5 percent, a slight fall compared to the year before.

## Written Premium Classified by Types of Insurance

(Million Baht)

Type	2020	Distribution %	2019	Distribution %	2018	Distribution %
Fire	1,557.9	6.8	1,525.0	7.2	1,610.4	9.3
Hull	60.1	0.3	44.3	0.2	38.7	0.2
Cargo	552.1	2.4	560.0	2.7	397.4	2.3
Motor	9,333.9	40.8	8,989.7	42.8	6,888.1	39.8
Miscellaneous	11,354.2	49.7	9,889.9	47.1	8,391.6	48.4
Total	22,858.2	100.0	21,008.9	100.0	17,326.2	100.0

Concerning the Company's loss ratio in 2020, it was 56.4 percent, higher than that in 2019, which was 54.1 percent. The loss ratio rose by 2.3 percent as a consequence of growing claims of Baht

1,243.2 million, or 17.4 percent, compared to the previous year, while the net written premium and earned premium rose by 2.5 percent and 12.6 percent, respectively, over the year before.

## Loss Ratio on Underwriting

(Million Baht)

Type	2020			2019			2018		
	Earned Premium	Claims	Loss Ratio (%)	Earned Premium	Claims	Loss Ratio (%)	Earned Premium	Claims	Loss Ratio (%)
Fire	1,020.1	261.2	25.6	1,058.1	136.0	12.9	1,089.1	162.4	14.9
Hull	6.9	3.2	46.2	6.0	1.9	31.7	4.9	(6.6)	(134.7)
Cargo	237.1	56.9	24.0	237.6	93.2	39.2	202.1	56.6	28.0
Motor	9,036.9	5,974.2	66.1	7,713.5	5,057.2	65.6	6,177.5	3,918.1	63.4
Miscellaneous	4,543.7	2,076.5	45.7	4,168.4	1,840.5	44.2	3,826.7	1,454.6	38.0
Total	14,844.7	8,372.0	56.4	13,183.6	7,128.8	54.1	11,300.3	5,585.1	49.4

# RISK FACTORS

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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 Products Committee and the Underwriting and Claims Committee to manage risk as the following:

Concerning product design and development, the Company has defined the framework and policy on product issuance in accordance with its vision, strategies, financial goals, work plans and related laws, including overseeing to ensure that the Company has a fair treatment to its customers.

As for underwriting, the Company has annually reviewed its underwriting policy and reinsurance management framework, possessed an operating plan which can be adjusted to be flexible and in compliance with changing situations, analyzed the level of risk retention appropriate for acceptable risks, reviewed the insurance premium rate and underwriting criteria appropriate for the competition condition in the market,

arranged for a systematic reinsurance to enhance the potential of underwriting and properly disperse risks, including creating culture of a fair treatment to customers.

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, and



making a summary of the overall accumulated risk based on the nature of risk for all types of contracts.

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 2020, the whole world had been impacted by the coronavirus disease (COVID-19) and an adjustment of a lower global oil price from a missing demand due to the stagnation of and a slowdown in economic activities. The business sectors which were severely affected were, for instance, aviation business, tourism business, food shop business, including other businesses, forcing the government in each country to take various measures to stimulate the economic revival inside the country. A lock down in many countries caused a decrease in economic activities, resulting in an adjustment of a higher unemployment rate. Though central banks worldwide had formulated a relaxing financial policy by adjusting a lower policy interest rate to stimulate the economy and generate confidence among the household sector and business sector, it did not have much influence. For Thailand the Monetary Policy Committee (MPC) had made an adjustment of a lower policy interest rate 2 times in the first and second quarters from 1.0 percent to 0.5 percent, causing low deposit interest rates and returns in the debt securities market. This was coupled with a fluctuation of the SET index which experienced a significantly lower adjustment in the first quarter owing to the spread of COVID-19, and increased in the second quarter since Thailand could effectively control the spread, but dropped again in the third quarter due to a resurgence of the disease in foreign countries and listed companies' tremendously diminishing returns until the fourth quarter, when there was news of the vaccine production.

Based on risks with which the Company had been confronted, the Company has managed its risk as the following.

### 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. In the previous year, a number of companies encountered the hardship caused by the situation that had occurred.

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

- For risk associated with providing loans

The Company will increase the intensity of a consideration of 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 debtors affected by COVID-19 and the economic situation, the Company has considered a guideline for providing assistance to them in compliance with the central bank's declaration, aimed at their survival and ability to pay debt.

- 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. In the year before, the Company raised the significance of a consideration of debt instruments issuers' credit by selecting to invest in debt instruments of which the credit rating is higher than A and over, and which are in business slightly influenced by the situation occurred, apart from choosing to invest in the environment, social and governance (ESG) business such as debentures for the environmental preservation which will result in sound and sustainable returns for all parties of stakeholders.

Nonetheless, some companies have had their credit rating degraded but it is still at the investment grade, while other companies are severely impacted and have to enter a rehabilitation process and later operate in line with a debt payment process.

## 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 Risks

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

To manage liquidity risk, the Company has allocated a portion of investment as a bank deposit, notes and the Bank of Thailand short-term bonds, all with high liquidity, which is reserved for operating expenses, while the deposit 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. In 2020, due to a fluctuation of the SET, the market value of equity securities had abated. However, the market value of securities occupied is still much higher than their cost value.

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 competitiveness

and an ability to survive on the day the globe revolves faster amidst the new spread of COVID-19, an economic depression and climate change, apart from selecting to invest in outstanding stocks for the Company's sustainable business transaction, or stocks in the ESG group which gives priority to 3 components, namely, the environment, social and corporate governance, in parallel with a sound operating performance. 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 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 or 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 and Authorized Director

Age 77 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 - 2017)
- 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)
- Director, Bangkok Life Assurance Public Co., Ltd. (Aug 14, 2020 - present, 1968 - 2015)

- Chairman, Charoong Thai Wire & Cable Public Co., Ltd. (Sep 4, 2018 - present, 1986 - Jun 2017)
- Chairman, Fine Metal Technologies Public Co., Ltd. (Formerly known as Furukawa 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)

#### 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)
- Director, The General Insurance Association (1970 - 2007)
- President, The General Insurance Association (1984 - 1986, 1989 - 1991, 1997 - 1999, 1999 - 2001, 2005 - 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 78 Years Old

Date of Appointment

April 7, 1999

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

- None

### Education/Training

- Ph.D. (Honoris Causa) on Mass Communication, Ramkhamhaeng University
- Ph.D. (Honoris Causa) on Arts, Rajabhat Institute Lampang
- Graduate in Commerce from Ross College (Dublin), Ireland
- 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

### Work Experiences

#### 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)
- Honorary Chairman, Asia Pacific Potash Corporation Ltd. (1984 - 2006)
- Corporate Chairman, MC. Industrial Chemical Co., Ltd. (1997 - 2005)



## Mr. Chor.nun Petpaisit

### Independent Director and Director of the Audit Committee

Age 68 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, Shangri-La Hotel Public Co., Ltd. (Jul 30, 2020 - present)
- Independent Director and Director of the Audit Committee, Fine Metal Technologies Public Co., Ltd. (Formerly known as 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 Potjane Thanavarant Independent Director and Director of the Audit Committee

Age 74 Years Old

Date of Appointment

February 27, 2007

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

- None

### Education/Training

- M.B.A., Syracuse University, New York, U.S.A.
- B.B.A. (Accounting), Chulalongkorn University
- 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 National Defence College of Thailand

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

- Driving Company Success with IT Governance Program (ITG) Class 2/2016
- Director Certification Program Update (DCPU) Class 1/2014
- Anti - Corruption for Executive Program (ACEP) Class 7/2013
- Advanced Audit Committee Program (AACP) Class 10/2013
- Financial Institutions Governance Program (FGP) Class 2/2011

- Audit Committee Program (ACP) Class 32/2010
- Role of the Compensation Committee Program (RCC) Class 4/2007
- Role of the Chairman Program (RCP) Class 13/2006
- Director Certification Program (DCP) Class 17/2002

### Work Experiences

#### Positions in Listed Companies

- Director of the Audit Committee, Bangkok Insurance Public Co., Ltd. (Mar 1, 2007 - present)
- Independent Director, Bangkok Insurance Public Co., Ltd. (Feb 27, 2007 - present)
- Independent Director and Chairman of the Audit Committee, Thai Reinsurance Public Co., Ltd. (Jul 7, 2020 - present)
- Independent Director and Audit Committee Member, Thai Reinsurance Public Co., Ltd. (2014 - 2020)
- Director of the Remuneration and Nominating Committee, Thai Reinsurance Public Co., Ltd. (2012 - 2014)
- 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 Board (Independent Director), Audit Committee Member and Chairman of the Compensation & Nominating Committee, Univentures Public Co., Ltd. (present)
- 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 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 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)
- Member of the Council of State (present)
- Qualified Member of the Committee, The Thai Investors Association (Mar 24, 2017 - Aug 2020)
- Qualified Member of the Committee, The Federation of Thai Insurance Organization (Apr 2007 - Jun 2020)
- 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 78 Years Old

Date of Appointment

April 26, 2004

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

- None

### Education/Training

- M.B.A. (Finance), the Wharton School of Finance and Commerce, University of Pennsylvania

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

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

- Director Certification Program (DCP) Class 0/2000

### Work Experiences

#### Positions in Listed Companies

- Chairman of the Remuneration and Nomination Committee, Bangkok Insurance Public Co., Ltd. (Aug 18, 2004 – present)
- Independent Director, Bangkok Insurance Public Co., Ltd. (Apr 26, 2004 – present)
- Executive Director, Bangkok Bank Public Co., Ltd. (2005 – present)
- Chairman of Risk Management Committee, Bangkok Bank Public Co., Ltd. (2005 – Jan 2019)

- Managing Director, Bangkok Bank Public Co., Ltd. (2006 – 2010)
- Independent Director and Chairman of the Audit Committee, Thai Optical Group Public Co., Ltd. (2004 – present)
- Independent Director, TWZ Corporation Public Co., Ltd. (2005 – 2013)
- President and Chief Executive Director, Krung Thai Bank Public Co., Ltd. (1999 – 2001)

#### Positions in Non-listed Companies

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



## Mr. Suvarn Thansathit

Independent Director and Director of the Remuneration and Nomination Committee

Age 76 Years Old

Date of Appointment

April 26, 2005

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

- None

### Education/Training

- M.Sc. in Commerce, University of Santo Tomas, Philippines
- B.B.A. Management, University of the East, 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

### Work 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. (Apr 30, 2019 – present)
- Member, Board of Executive Directors, Bangkok Bank Public Co., Ltd. (Dec 18, 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

- Director, Clinixir Co., Ltd. (Jul 23, 2020 – present)
- 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 71 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) Class 5/2018
- Anti-Corruption for Executive Program (ACEP) Class 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

- Director, BAFS Clean Energy Corporation Co., Ltd. (2020 - present)
- Chairman, BAFS INTECH Co., Ltd. (2018 - present)
- 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)



## Mrs. Nintira Sophonpanich

Independent Director and Director of the Corporate Governance Committee

Age 55 Years Old

Date of Appointment

April 23, 2010

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

- Nicec-in-law of Mr. Chai Sophonpanich

### Education/Training

- M.B.A., London University CASS Business School, England
- B.Sc. Economics (Hon.) London School of Economics and Political Sciences, England

- Financial Executive Development Program (FINEX V)

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

- Director Accreditation Program (DAP) Class 40/2005

### Work Experiences

#### Positions in Listed Companies

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

Age 68 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

- 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)
- Adviser, Bangkok Insurance Public Co., Ltd. (2019 – 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 – Aug 11, 2020)
- Director and Member of the Nominating and Remuneration Committee, Bangkok Life Assurance Public Co., Ltd. (Apr 26, 2016 – Aug 11, 2020)

#### 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. Satoru Ogura

Independent Director

Age 52 Years Old

Date of Appointment

May 15, 2020

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

- None

### Education/Training

- Bachelor of Laws, Nagoya University, Japan

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

- None

### Work Experiences

#### Positions in Listed Companies

- Independent Director, Bangkok Insurance Public Co., Ltd. (May 15, 2020 – present)

#### Positions in Non-listed Companies

- Non-Executive Director, Asia Financial Holding Limited (Mar 2020 – present)
- Non-Executive Director, Aioi Nissay Dowa Europe Limited (Apr 2019 – present)

- Non-Executive Director and SOOA (Senior Officer outside Australia), Aioi Nissay Dowa Insurance Company Australia Pty Ltd. (Apr 2018 – present)
- General Manager, Global Business Department, Aioi Nissay Dowa Insurance Company Limited (Apr 2018 – present)
- Risk & Reinsurance Coordinator, Aioi Nissay Dowa Insurance Company of Europe Ltd. (Apr 2009 – Mar 2018)



## Dr. Apisit Anantanarat

Chief Executive Officer and President  
and Authorized Director

Age 57 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), ANZIIIF (Senior Associate), Australia
- Certificate, The Columbia Senior Executive Program, Columbia University, U.S.A.
- Thailand Insurance Super Leadership Program Class 1/2020
- Certificate, Capital Market Academy Leadership Program (CMA), Class 24/2017
- Thailand Insurance Leadership Program Class 3/2013
- Aon's 16<sup>th</sup> 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 President, Bangkok Insurance Public Co., Ltd.  
(Jan 1, 2019 - present)
- Director and President, Bangkok Insurance Public Co., Ltd. (Apr 22, 2016 - present)
- President, Bangkok Insurance Public Co., Ltd. (Jan 1, 2016 - Apr 21, 2016)
- 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. Virasak Sutanthavibul

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

(Resigned as from Feb 18, 2021)

## Mr. Yukihiko Ishikawa

Independent Director

(Resigned as from May 14, 2020)

# BOARD OF DIRECTORS

## BOARD OF DIRECTORS

### Chairman

Mr. Chai Sophonpanich

### Directors

VDC Col Plengsakdi Prakaspesat

Mr. Chor.nun Petpaisit

Miss Potjaneer Thanavaranit

Mr. Singh Tangtaswas

Mr. Suvarn Thansathit

M.R. Supadis Diskul

Mrs. Nintira Sophonpanich

Mr. Panus Thiravanitkul

Mr. Satoru Okura

(Appointed on May 15, 2020)

Dr. Apisit Anantanatarat

Mr. Virasak Sutanthavibul

(Resigned as from February 18, 2021)

Mr. Yukihiko Ishikawa

(Resigned as from May 14, 2020)

### Company Secretary

Mrs. Srichittra Pramojaney

## Audit Committee

### Chairman

VDC Col Plengsakdi Prakaspesat

### Members

Mr. Chor.nun Petpaisit

Miss Potjaneer Thanavaranit

## Remuneration and Nomination Committee

### Chairman

Mr. Singh Tangtaswas

### Members

Mr. Suvarn Thansathit

M.R. Supadis Diskul

Mr. Virasak Sutanthavibul

(Resigned as from February 18, 2021)

## Corporate Governance Committee

### Chairman

Mr. Virasak Sutanthavibul

(Resigned as from February 18, 2021)

### Members

Mrs. Nintira Sophonpanich

Mr. Panus Thiravanitkul

## The Risk Management Committee

### Chairman

Dr. Apisit Anantanatarat

### Vice - Chairman

Mr. Suphat Yookongbandhu

### Members

Mr. Anon Vangvasu

Mrs. Srichittra Pramojaney

Mr. Sorat Vongankij

## The Investment Committee

### Chairman

Mr. Chai Sophonpanich

### Members

Mr. Panus Thiravanitkul

Dr. Apisit Anantanatarat

Mrs. Srichittra Pramojaney

Mr. Ekamol Aungkavattana

## Product Governance Committee

### Chairman

Dr. Apisit Anantanatarat

### Members

Mr. Yingyot Sangchai

Mr. Chaiyot Soonhoa

Mr. Tirathana Visetbhakdi

Miss Umaporn Hualbuttar

Mr. Thaveewong Chotemaneenophan

Mr. Kitisak Suriyaratapimol

Mrs. Natsaran Woraratpanya

Miss Patthamon Boonmee



# MANAGEMENT COMMITTEE AND MANAGEMENT COMMITTEE PROFILE

**Dr. Apisit  
Anantanarat**

**Mr. Suphat  
Yookongbandhu**

**Mr. Jakkrit  
Chewanuntapornchai**



**Mr. Chai  
Sophonpanich**

**Mr. Chawan  
Sophonpanich**

**Miss Paveena  
Juchuan**

**Mrs. Srichittra  
Pramojaney**

**Mr. Theerayut  
Kitvoraphat**

**Mr. Yingyot  
Sangchai**

**Miss Lasa  
Sophonpanich**



**Mr. Sarawut  
Deesomboon**

**M.L. Chalitpong  
Sanidvong**

**Mr. Pitiphong  
Chaochaikhong**

## Dr. Apisit Anantanatarat

Chief Executive Officer and President and Authorized 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), ANZIIIF (Senior Associate), Australia
- Certificate, The Columbia Senior Executive Program, Columbia University, U.S.A.
- Thailand Insurance Super Leadership Program Class 1/2020
- 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 16<sup>th</sup> 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 President (Jan 1, 2019 - present)
- Director and President (Apr 22, 2016 - present)
- President (Jan 1 - Apr 21, 2016)
- 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 2, 2012 - present)

## Mrs. Srichitra 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

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

### Work Experiences

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

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### 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, Agent Business Unit (Apr 1, 2020 - 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 2015 - present)

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## Miss Paveena Juchuan

Executive Vice President

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### Commence

August 1992

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

- None

### Education

- Master of Science (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)

### Training

- TransRe International Management Program: Partnership for Success, New York, U.S.A.
- Mini M.B.A., Center for Business Innovation, NIDA Business School
- 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 - present)
- First Vice President, Commercial Lines Business Unit (Nov 2013 - 2015)
- Vice President, Special Risk Business Unit (Oct 2010 - Oct 2013)

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## Mr. Chawan Sophonpanich

Executive Vice President

(Appointed on January 22, 2020)

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### 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 1, 2019 - Jan 21, 2020)
- Senior Vice President, Personal Lines Business Unit (Jan 1, 2016 - Jan 31, 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 (Jul 2014 - 2015)
- Assistant Vice President, Broker Business Unit (Apr 2012 - Jun 2014)

### Others

- Chairman and Chairman of Investment Committee, Aioi Bangkok Insurance Public Co., Ltd. (Feb 26, 2020 - present)

## 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
- Transform to Your Right Mix of Hybrid IT, Hewlett Packard Enterprise (HPE) CIO Forum 2017
- 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

### 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
- 4<sup>th</sup> 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 (Jun 1, 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

---

### 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 2017 - May 2019)
- First Vice President, Risk Assessment Office (Nov 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

---

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

### Others

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

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## Mr. Theerayut Kitvoraphat

Senior Vice President

(Appointed on January 2, 2020)

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### 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 25<sup>th</sup> 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)

# FIRST VICE PRESIDENT AND VICE PRESIDENT





# FIRST VICE PRESIDENT AND VICE PRESIDENT

- |                                   |                                    |
|-----------------------------------|------------------------------------|
| 1. Mr. Alonggorn Gradtip          | 25. Mr. Sarayuth Apaipim           |
| 2. Mr. Anawaj Saibang             | 26. Miss Sirirath Ojarutip         |
| 3. Mr. Anek Keereesathien         | 27. Mr. Sithikul Arayavechakit     |
| 4. Mr. Chaiyot Soonhoa            | 28. Mr. Songkiat Nualon            |
| 5. Mr. Charun Jongudomporn        | 29. Mrs. Sumana Trongtranon        |
| 6. Mr. Jirawong Thantachote       | 30. Mr. Suphachai Assawarakse      |
| 7. Mr. Kannasootr Homjan          | 31. Mr. Surasak Xuto               |
| 8. Mr. Kiettisak Sirilikitchai    | 32. Miss Sutida Malila             |
| 9. Mr. Natthajak Santatilokkul    | 33. Mr. Tassapong Budsayaplakorn   |
| 10. Mrs. Netnapit Poolsap         | (Appointed on August 17, 2020)     |
| 11. Mr. Pairin Chaibenjapol       | 34. Mr. Tawee Kvanthong            |
| 12. Mr. Paisan Vohakiat           | 35. Mr. Teerawat Jaturavit         |
| 13. Miss Pantita Panyamee         | 36. Mr. Tirathana Visetbhakdi      |
| 14. Mrs. Pattraporn Therdchanakul | 37. Miss Tusaneeya Uppalawanna     |
| 15. Mr. Pattraradanai Inpongnuwat | 38. Miss Umaporn Hualbuttar        |
| 16. Miss Paviga Rawdyoo           | 39. Mr. Varit Unprasertporn        |
| 17. Mr. Peerapat Thawornniti      | 40. Mr. Vichien Moleewon           |
| 18. Miss Pisamai Wiphatkrut       | 41. Miss Walailuck Phochakaparipan |
| 19. Mr. Pisit Kidcharoensuk       | 42. Mrs. Waraporn Dhanisornkul     |
| 20. Miss Pranee Komonkawin        | 43. Mr. Wera Virojsirasak          |
| 21. Miss Rangsimarath Thongdeekam | 44. Miss Wilai Lertritpuwadol      |
| 22. Miss Rataya Singh             | 45. Mr. Wiwat Panyakiattikun       |
| 23. Miss Ratchada Wongsomboon     | 46. Mr. Yongyuth Tangtrongpaioj    |
| 24. Mrs. Rujirath Panyakiatikun   |                                    |

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Remarks: Retired on January 1, 2021

- |                               |                                 |
|-------------------------------|---------------------------------|
| 1. Mrs. Anutra Chanprasartsuk | 5. Mr. Somchai Chiaranaiphaisan |
| 2. Mr. Jeravat Payakarasamit  | 6. Mrs. Suwannee Sithisukh      |
| 3. Mr. Paitoon Chanpanorrak   | 7. Mr. Trirak Krutvecho         |
| 4. Mr. Prayudh Jatarupamaya   | 8. Mr. Winai Kunprasert         |

# CORPORATE SOCIAL RESPONSIBILITY

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

- Create awareness among the Company's management and employees at all levels so that everyone is fully aware of the significance of activities that benefit society and realizes it is one's duty to take part in these activities of the Company.
- Support social activities to assist the underprivileged and those suffering from natural disasters. Also, to preserve Thai historical artifacts and artworks that are integral to the nation's heritage.
- Allocate budgets to ensure constant support for social activities.
- Promote education for the underprivileged through giving priority to fields of study in which Thailand is lacking so as to develop a pool of talent that can serve as a significant driving force for the country's development.

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

## 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.

## The Company's Stakeholders

### 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 difference as limitations to their participation in the Company's work. In addition, the Company will take care of its employees' remuneration and welfare schemes so that they are at an appropriate level, as well as provide them with an opportunity to fully develop themselves in order to be prepared to move forward.
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 transparency and creating 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's 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](mailto:anti-corruption@bangkokinsurance.com), both of which will be sent directly to the head of Internal Audit Office. A complaint filed to the Company will be strictly treated as the most confidential, while it has a protective measure for those giving data or reporting a corrupt practice clue so that they will not get into trouble. The Company will treat all parties on a fair basis. If a person committing corruption is the Company's employee, he/she is subject to disciplinary punishment according to its rules and regulations, and may even be penalized by 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 Working Paper for Better Corruption Prevention.

## Respect of Human Rights

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

### Core Issue : 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.
- 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 information, 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 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 Labor

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

#### The Company's 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

### Focused issue

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

### The Company's implementation

- In 2020, the Company provided innumerable training courses to its staff, with an average of 3 training days per staff per year, implementing based on a Training Needs by Position plan for all staff, both in the forms of hard skills and soft skills, aimed at all staff's knowledge and skills essential to work performance in line with a development guideline of 70:20:10, 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 staffs who are skillful or expert in their work
  - Online overseas training
  - 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 supports, constantly and every year in the form of a scholarship, its staff to take an insurance course offered by such outstanding and accepted external institutions as CII, ANZILF and TII.
- 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

### The Company's 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 2020 were, for example, the 5s activity, air quality measurement in the workplace, a sanitizer service in the office building, basic fire fighting and evacuation fire drill training.
- In 2020, there were no accidents nor serious sickness.

#### 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

#### The Company's implementation

- The Company has provided for an election of the Welfare Committee in compliance with the Labour Protection Act, Article 96. The committee, having a two-year term, will collectively provide a consultation and advice for a guideline for arrangements for welfare beneficial to the Company's staff.
- 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 Thanyarak Breast Center.
  - Provide for aerobic dance, yoga, badminton court to encourage and promote staff's exercise, aimed at relaxation from work and robust physical health.
  - Establish a provident fund which employees save and use during retirement, while they can select a maximum cumulative rate of 15 percent. In 2020, the Company had realized the significance of having its staff's savings sufficient for their living after retirement and thus made an adjustment of a higher contribution rate to a provident fund in conformity with a criterion for counting staff's working age and assumption of position.
  - 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 pertinent to the level of risk appropriate for each individual and age span.
  - Organize, for 1 time, the "Mind Spa" activity at a meditation practice school outside the Company in order for staff to practice meditation and calm their mind.
  - 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.
  - The Company together with Thai Health Promotion Foundation and the Royal college of Physicians of Thailand organized the "Healthy BKI" project, aimed at employees' knowledge of adjusting consumption behavior, exercise, including relaxation from work, with a total of 90 employees taking part in the project.
  - Carry out an activity to present a birthday present to staff each month.
  - Present a souvenir to staff working for the Company for 10, 20 and 25 years, apart from working for it until they are 60, totaling 158 employees, in honor of pride in their constant perseverance, determination and dedication to work performance for the Company.
  - 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.

## Development of Products and Innovations

Since the Company realizes that development of products and services for its customers, aimed at their reception of services in response to their needs and satisfaction, is the most significant, it has constantly created new innovations through development of products, services, working procedures and distribution channels so as to be in compliance with the current situation and generate the greatest benefit to customers, business partners and consumers. In 2020, the Company developed the following products and service innovations.

### Motor Insurance Class 3+ Monthly

The motor insurance class 3+ Monthly is for a gentle used car or pickup truck aged 2-10 years with no car inspection required.

- A 90-days value package with the premium of Baht 1,990 or Baht 22 per day for a car or Baht 2,190 or Baht 24 per day for a pickup truck.
- The sum insured is up to baht 100,000 including the coverage of nature perils.
- The insurance plan provides personal accident and medical expenses for a driver and passengers (up to 6 passengers for a car and 2 passengers for a pickup truck).
- Easy and convenient to apply for online insurance and receive the policy in the format of e-policy.
- The 24-hour auto assistance service is available nationwide.
- No deductible.

### Sam-Rok-Kuan-Jai Insurance (Insurance against 3 Vexing Diseases) + COVID-19 (with a coverage period of 180 days and 1 year)

Due to the COVID-19 global outbreak, the Company has designed the Sam-Rok-Kuan-Jai Insurance (Insurance against 3 Vexing Diseases) + COVID-19 which provides protection for any of these three vexing disease, i.e. influenza; hand, foot and mouth disease; and mosquito-related diseases; and COVID-19. The insured will receive consolation money up to Baht 50,000 and daily compensation payments of Baht 1,000 per day in case of being an in-patient for at least 5 days. This insurance plan is applicable to an insured aged 6-70 years.

### COVID Cover

The Company has issued COVID Cover insurance policies, aimed at maximizing benefit and relieving concern of the consumers. The insured will receive consolation money of Baht 50,000 in case of being diagnosed with COVID-19; medical expenses up to Baht 50,000 and any illnesses such as coma, brain and nervous system damage or disorders up to Baht 500,000. This insurance plan is applicable to an insured aged 0-70 years with the premium of Baht 699 per year.

### Burglary Insurance

This insurance plan provides coverage for damage to assets within the building structures, personal belongings and arising from burglary, robbery and theft with evidence of forcible for entry or exist the insured premise. The premium starting from Baht 400 per year when applying with fire insurance policy.

### Cancer Insurance

This worry-free insurance policy covers all kinds and all stages of cancer with a fixed premium rate. There are 3 plans as follow:

1. Classic Care: this plan covers all kinds and all stages of cancer detected for the first time with the sum insured of Baht 1,000,000, and of Baht 200,000 for skin cancer.
2. Superior Care: this plans provides additional coverage of Baht 100,000 for cancer specified by sex (Male: prostate cancer, colon cancer, liver cancer and lung cancer; Female: breast cancer, ovary cancer, cervical cancer and vaginal cancer) including chemotherapy and radiation therapy.
3. Premier Care: this plans provides the relevant expenses and additional coverage for daily compensation payments up to Baht 1,500 per day, monthly compensation up to Baht 5,000 per day maximum of 3 months and transportation expenses of Baht 1,000 maximum of 5 times.

### Health IPD Plan

The policy covers medical expenses from illnesses for in-patient cases, including the following items: room, food, and general service fees without a limit in terms of a maximum sum insured per disease or injury throughout the policy period. This insurance plan is applicable to an insured aged 16-60 years and can be renewed to 65 years. The premium starts from Baht 9,000 per year and can be used for tax deduction, amount actually paid, but no more than Baht 25,000 per year.



## Responsibility to Customers and Business Partners

### 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.

### 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.

### 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 breach of credit card data in conformity with the Payment Card Industry Data Security Standard (PCI-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 steady improvement of an IT system's security patch 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 2020, the Company had a project for a sustainable diminution in energy use, as the following.

1. A project on a change of light bulbs to LED ones in the central area on 1<sup>st</sup> – 31<sup>st</sup> floors of Bangkok Insurance's building, which was completely implemented in November 2019. Based on a calculation, there is a drop in an amount of power use of 43,532 kWh/Year, as follows.

Average Electricity Use before the Change of LED			
Old 18-watt light bulbs totaling 739 bulbs used for 12 hours	159.62 kWh	= 262.46	kWh/Day
Old 60-watt light bulbs totaling 107 bulbs used for 12 hours	77.04 kWh		
Old 50-watt light bulbs totaling 43 bulbs used for 12 hours	25.80 kWh		
260 workdays per year		= 68,239.60	kWh/Year
The SEC in 2019 is Baht 3.78		= 257,945.69	Baht/Year
Average Electricity Use after the Change of LED			
New 9-watt light bulbs totaling 739 bulbs used for 12 hours	79.81 kWh	= 94.99	kWh/Day
New 8-watt light bulbs totaling 107 bulbs used for 12 hours	10.27 kWh		
New 9.5-watt light bulbs totaling 43 bulbs used for 12 hours	4.90 kWh		
260 workdays per year		= 24,697.40	kWh/Year
The SEC in 2019 is Baht 3.78		= 93,356.17	Baht/Year
Energy consumption reduction		= 43,542.20	kWh/Year
Result of energy reduction per year		= 164,589.52	Baht/Year

Note: Since there is no installation of a meter measured specifically for power for illumination, it is not possible to display the result of units actually utilized for this purpose.

2. A study of the project on a change in an air-conditioning system on tenants' 23<sup>rd</sup> – 31<sup>st</sup> floors, which was completely implemented in September 2020. The consequence of an energy consumption in the tenants' area between October and December 2020 is as the following.

#### Amount of Energy Consumption on the 23<sup>rd</sup> – 31<sup>st</sup> Floors (kWh)

Month	Before Air-Conditioner Change Average Value from January to September 2020	After Air-Conditioner Change		
		Oct. 2020	Nov. 2020	Dec. 2020
Amount (kWh)	111,127	87,147	98,718	85,360
Saving result (kWh)		23,980	12,409	25,767

3. A study of the project on a change in an air-conditioning system on the Company's Building 1<sup>st</sup> – 11<sup>th</sup> floors.
4. 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 by laws. 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-weighting 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 and Society

Bangkok Insurance Public Company Limited, in collaboration with the Bangkok Insurance Foundation, has encouraged, supported and assisted underprivileged people in society so that they can lead their lives worthily and sustainably, apart from instilling an idea in all of the Company's management and employees in order for them to be aware of the value of doing good and taking part in helping to promote people's sound quality of life. 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 2020, 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

#### 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, granted scholarships to poor students for their university education. In 2020, 40 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 653 scholarships or a grant of Baht 125,660,326 had been presented.



#### BKI Scholarships

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 2020, the Company granted 24 scholarships to these students, amounting to Baht 795,000.

#### 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 2020, the Company presented writing equipment and bottled water for use in education-promotion activities of various universities, totaling 4 activities.

#### BKI Internship Project

The Company has initiated its BKI Internship project with the aim to open an opportunity for students from different universities for their bachelor's degree study through a participation in the internship project, aimed at receiving on-the-job experience from working with an organization having a work management system which is efficient and beneficial to a wide variety of

occupations, for instance, underwriting and business development. Students will derive an allowance during their internship and receive a work certificate at the end of internship.

#### Support the Breakfast to Students

The Company, in cooperation with the Bangkok Insurance Foundation, has carried out the project in supporting breakfast to students of 20 schools under the supervision of Sakon Nakhon Primary Educational Service Area 1, totaling 1,190 students, amounting to Baht 2,349,000. This aim is to promote students in remote areas to have nutritious and worthy breakfast, generating students' good health and learning development, as well as fair IQ, apart from creating a participation of schools, student's family and community.

#### Other Projects

The Company, in collaboration with the Bangkok Insurance Foundation, has presented student uniforms, Dharma practice uniforms, student shoes, satchels and a lunch fund, amounting to Baht 176,557 at Ban Kok Plai school and Kongtubbok-Utidbannongphai school, Amphoe Ta Phraya, Sa Kaeo. Besides, the Company has provided a grant for the construction of toilets for small children at Kongtubbok-Utidbannongphai school, Amphoe Ta Phraya, Sa Kaeo.



### 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:

#### Medical Equipment to Hospitals

The Company has presented medical equipment consisting of equipment and instruments for an orthopedic surgery, totaling over Baht 920,000, to Um Phang Hospital, Tak in support of an orthopedic surgery for patients lacking money and health security, helping them to avoid loss of life.

In addition, the Company presents ventilators of a high-flow rate, along with other necessary instruments, to hospitals across the country for the treatment of patients in a critical condition, having to use a ventilator, with the following details.

- Faculty of Medicine, Ramathibodi Hospital and the Ramathibodi Foundation, totaling 4 ventilators
- Nopparatjathane Hospital, totaling 3 ventilators
- Maharaj Nakhon Si Thammarat Hospital, totaling 4 ventilators
- Lerdsin Hospital, totaling 4 ventilators
- Mahachai Hospital, totaling 1 ventilator
- Chaophrayayommarat Hospital, totaling 1 ventilator
- Lampang Hospital, totaling 1 ventilator
- Neurological Hospital, totaling 1 ventilator

#### Fighting a Crisis to Make Kids Full Project

The Company, in cooperation with the Equitable Education Fund (EEF), has presented 335 sets of survival bags and drinking water for sound nutrition in the "Fighting a Crisis to Make Kids Full" project, apart from making a survey on children and young people impacted by the spread of Coronavirus 2019 (COVID-19) in community areas of waifs and orphans, the Hub Saidek Youth Club, the HDF Mercy Center at Klongtoey and the Foundation for the Better Life of Children.

Besides, the Company has made a contribution of Baht 100,000 to the School of Life Foundation, in support of people suffering from the crisis.

### Blood Donation

The Company has persuaded its management, staff, customers and business partners, as well as the general public to donate blood to National Blood Center, 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 2020, the Company carried out its blood-donation activity 4 times with over 378,000 c.c. of blood donated.

#### Water Filters for School Students

The Company has presented water filters, treatment sets and drinking water dispensers to Ban Boogeta school, Amphoe Waeng, Narathiwat. For a presentation of water filters to the school this time, it is an activity under the "Clean Drinking Water for Students in Rural Area" project, which the Company, in collaboration with the Bangkok Insurance Foundation, has continuously organized for students' sound hygiene since 2014, while water filters have been presented to 78 schools.

### Relief of Natural Disasters

Apart from the Company's giving importance to its staff's safety by appointing 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 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 the following areas.

- Victims in 11 villages of Tambon Toom, Amphoe Pak Thong Chai, Nakhon Ratchasima, totaling 810 sets
- Victims in Moo 1-10, Tambon Tha Kham, Amphoe Aranyaprathet, Sa Kaeo, totaling 711 sets
- Victims in Moo 3, 4, 7 and 10, Tambon Wat Bot, Amphoe Bang Plama, Suphan Buri

Additionally, the Company has donated money and 1,000 box lunches to flood victims in Amphoe Wiang Sa, Nan.

#### Providing Knowledge of Safety to Young People

The Company led its public-minded staff to carry out an activity providing knowledge of safety to school students, apart from presenting extinguishing equipment, wooden splint sets for bracing arms and legs, and medicine bags to Wat Radbumroong school (Sawairad-uppatham), Amphoe Krathum Baen, Samut Sakhon for use as first-aid kits and prevention equipment for risk which may befall students and school staff.

#### 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:

##### Promote Handicraft Occupation for Villagers

The Company has initiated the Promotion of Handicraft Occupation for Villagers 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. Currently, promotion of handicraft occupation for villagers has been extended to 3 groups, namely, group of Ban Kham Soi, Amphoe Nikhom Kham Soi and group of Ban Nong Ian Dong, Amphoe Khamcha-i, Mukdahan, and group of Ban Promthintai, Amphoe Khok Samrong, Lopburi, while plastic fiber is changed to that produced from recycled materials of which fiber is soft and looks more beautiful when woven into baskets.

##### Support the Thai Environmental and Community Development Association

The Company has, since 1984, consistently supported the Thai Environmental and Community Development Association (Magic Eyes). In 2020, 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 Rajapruek Institute Foundation annually. In 2020, the Company made a contribution of Baht 150,000, for use in the foundation's activities.

#### Support the Utokepat Foundation under Royal Patronage

The Company has, since 2018, supported an insurance policy for the Utokepat Foundation under royal patronage. In 2020, the Company supported personal accident insurance for a group of 93 teachers and students taking part in the royally initiated "Phi Nam Nong Rak Nam" activity at Vajiralongkorn Dam, Amphoe Thong Pha Phum, Kanchanaburi.

##### Give Never Stop Project

The Company, in cooperation with the FM 91.0 MHz, has organized the Give Never Stop project, presenting lifesaving equipment, aimed at being a medium in delivering necessary lifesaving equipment, for instance, wheelchairs, oxygen bags and medicine sprayer, to those who need them.

##### 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:

##### Mind Spa Project

The Company has, each year, 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 at Sangtham, Pak Chong, Nakhon Ratchasima.

##### Community Museum of Ban Promthintai

Bangkok Insurance has, since 2007, made a contribution supporting an establishment of the community museum of Ban Promthintai in Lop Buri, with the aim of developing it to become a source of cultural heritage for younger generations to study. In 2020 the Company supported a budget for the Study of Production Technology for Ancient Stone Ornament from the Archaeological Sites of Ban Promthintai project, and production of a video showing around the community museum of Ban Promthintai.

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 Thanavarani and Mr. Chor.nun Petpaisit, Committee Members.

In 2020, 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 2020, examined the report on audit consequences based on the plan, as well as made suggestions for the efficiency and effectiveness of the Internal Audit Office's performance, in addition to exchanging opinions and providing advice to the Company's management in order to follow up with improvement on significant issues according to an audit report. This is to ensure that the Company has a good internal control system and practices that comply with the relevant laws and regulations.
3. **Checking to Prevent a Conflict of Interest.** The Audit Committee has examined interrelated parties transactions of companies and persons concerned that may generate

a conflict of interest with the Company. This is to ensure business transparency and actual transactions for normal business practices, which does not significantly affect the Company.

4. **Selecting and Proposing an Appointment of Auditor.**

The Audit Committee has considered and proposed to the Company's Board of Directors for approval from the shareholders' meeting for the appointment of Miss Rachada Yongsawadvanich and/or Miss Somjai Khunapasut and/or Miss Ratana Jala and/or Miss Narisara Chaisuwan of EY Office Limited as auditors for the year 2020, with the remuneration of Baht 2,850,000.

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 2020, 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 2020, the remuneration was defined at the shareholders' meeting at Baht 16,000,000, an increase from Baht 12,500,000 in the previous year.

In 2020, 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 appointed the Corporate Governance Committee, comprising 3 members, each with a three-year term, namely, Mr. Virasak Sutanthavibul, Committee Chairman, Mrs. Nintira Sophonpanich and Mr. Panus Thiravanitkul, Committee Members, to have duties on and responsibilities for considering, defining and reviewing the Company's policy on good corporate governance and the morality of business performance, apart from overseeing to ensure that the Company's Board directors, executives and employees perform based on the principle of good corporate governance, and providing recommendations to the Board concerning a guideline for good corporate governance.

In 2020, 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 oversee and support the Company's performance based on the principle of good corporate governance, resulting in the Company's corporate governance assessment score for listed companies based on the Corporate Governance Report of Thai Listed Companies (CGR) for 2020, organized by the IOD, at an "Excellence" level.
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, encourage and support the Company's Board's performance evaluation once a year of the entire Board, an individual Board director, and committees so that the evaluation consequence will be used to develop the Company's Board directors' duty performance.
8. To oversee and support the Company's shareholders' general meeting to ensure its transparency, with a consideration of all groups of shareholders' rights and equality, resulting in the Company's score in 2020, for a quality evaluation of the Company's shareholders' general meeting (AGM Checklist) organized by the Thai Investors Association, being 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 and a reasonable estimation principle. 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, timely 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, consisting of independent directors, 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 internal control system of the Company is adequate and appropriate, generating justified confidence in the reliability of the Company's financial statements as at December 31, 2020. 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. The independent auditor has audited and given her opinions in the auditor's report, which is displayed in the Company's annual report.



(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 2020, 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 December 31, 2020, 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 2020, the Company had gross premium written of Baht 22,858 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 general controls relevant to 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 gross premium written, which were disaggregated by insurance types, and tested key manual adjustments made through journal vouchers.

## Loss reserves

As at December 31, 2020, the Company had loss reserves of Baht 7,712 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.

#### *Allowance for expected credit losses*

As at December 31, 2020, the Company had loans and interest receivables amounting to Baht 1,526 million (before allowance for expected credit losses). In estimating allowance for expected credit losses (ECL) on such loans and interest receivables, the management shall exercise judgment in determining significant increases in each debtor's credit risk and considering selection of assumptions such as the rates of loss given default and the rates of probability of default, etc. used in the ECL calculation model. Such an estimation related to forecast and is uncertain. I therefore focused on adequacy of allowance for expected credit losses on such loans and interest receivables.

I gained an understanding of the ECL calculation model and the staging based on changes in credit risk of debtors, assessed and tested on data used in staging, and tested data used in the ECL calculation model with respect to the rates of loss given default and the rates of probability of default, including the calculations according to such model.

#### *Fair value of investment in equity securities*

The Company had investments in non-marketable equity securities, which were classified as available-for-sale investments measured at fair value through other comprehensive income. As at December 31, 2020, such investments stated at fair value totaling Baht 2,747 million. In fair value assessment, the management is required to exercise a high level of considerable judgment in selection of valuation methods, financial models, and various assumptions such as growth rate, discounted rate, etc. used in valuation. Such fair value assessment related to an estimation of future cash flows each entity would generate, which were uncertain. I therefore focused on fair value of such investments.

I reviewed the appropriateness of the valuation method and financial models selected by the Company's management, tested key assumptions used in fair value assessment by comparing with industry's information, historical performance and future trend and tested calculation fair value.

#### *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 17, 2021



# STATEMENT OF FINANCIAL POSITION

As at December 31, 2020

(Baht'000)

Assets	Note	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Cash and cash equivalents	7	141,557	138,824	141,557	138,824
Premium receivables	8	2,765,897	2,781,688	2,765,897	2,781,688
Accrued investment income	9	42,863	71,682	42,863	71,682
Reinsurance assets	10	7,560,169	5,652,332	7,560,169	5,652,332
Reinsurance receivables	11	389,322	393,521	389,322	393,521
Investment assets					
Investments in securities	12.1	44,424,088	44,958,408	44,424,088	44,958,408
Loans		-	1,313,733	-	1,313,733
Loans and interest receivables	13	1,476,419	-	1,476,419	-
Investment properties	14	117,930	135,207	117,930	135,207
Investments in associates	15.1	268,911	246,371	129,396	129,396
Premises and equipment	16	614,945	740,712	614,945	740,712
Right-of-use assets	17.1	886,561	-	886,561	-
Intangible assets	18	101,676	116,379	101,676	116,379
Other assets					
Land and building leasehold rights		-	38,927	-	38,927
Others		713,452	739,299	713,452	739,299
<b>Total assets</b>		<b>59,503,790</b>	<b>57,327,083</b>	<b>59,364,275</b>	<b>57,210,108</b>

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

As at December 31, 2020

(Baht'000)

Liabilities and Owners' Equity	Note	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
		December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
<b>Liabilities</b>					
Insurance contract liabilities	19	18,022,514	15,609,541	18,022,514	15,609,541
Due to reinsurers	20	2,737,452	2,553,721	2,737,452	2,553,721
Income tax payable		196,693	136,231	196,693	136,231
Lease liabilities	17.2	778,849	40,059	778,849	40,059
Employee benefit obligations	21	777,203	710,874	777,203	710,874
Deferred tax liabilities	22.1	2,984,539	3,476,763	2,956,636	3,453,368
Other liabilities					
Premiums received in advance		1,717,483	1,810,512	1,717,483	1,810,512
Commission payables		411,903	416,503	411,903	416,503
Accrued expenses		607,434	683,970	607,434	683,970
Others		926,673	865,812	926,673	865,812
<b>Total liabilities</b>		29,160,743	26,303,986	29,132,840	26,280,591
<b>Owners' equity</b>					
Share capital	23				
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	24	106,470	106,470	106,470	106,470
Other reserve	25	7,000,000	7,000,000	7,000,000	7,000,000
Unappropriated		5,373,112	4,223,458	5,259,107	4,126,085
Other component of owners' equity		15,356,265	17,185,969	15,358,658	17,189,762
<b>Total owners' equity</b>		30,343,047	31,023,097	30,231,435	30,929,517
<b>Total liabilities and owners' equity</b>		59,503,790	57,327,083	59,364,275	57,210,108

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

# STATEMENT OF COMPREHENSIVE INCOME

For the years ended December 31, 2020

(Baht'000)

	Note	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
		2020	2019	2020	2019
<b>Profit or loss:</b>					
<b>Revenues</b>					
Gross premium written		22,858,220	21,008,919	22,858,220	21,008,919
Less: Premium ceded to reinsurers		(8,048,865)	(6,564,361)	(8,048,865)	(6,564,361)
Net premium written		14,809,355	14,444,558	14,809,355	14,444,558
Add (less): Unearned premium reserves (increased) decreased from prior year		35,381	(1,260,959)	35,381	(1,260,959)
Earned premium		14,844,736	13,183,599	14,844,736	13,183,599
Fee and commission income		1,641,001	1,253,219	1,641,001	1,253,219
Investment revenue		1,127,222	1,226,491	1,127,222	1,226,491
Gains on investments		185,241	281,138	185,241	281,138
Share of profits in associates under the equity method	15.2	20,790	23,370	-	-
Other income		174,083	182,847	174,083	182,847
<b>Total revenues</b>		17,993,073	16,150,664	17,972,283	16,127,294
<b>Expenses</b>					
Gross claims		12,327,280	9,125,530	12,327,280	9,125,530
Less: Claim recovery from reinsurers		(3,955,308)	(1,996,776)	(3,955,308)	(1,996,776)
Commissions and brokerages		2,865,234	2,717,317	2,865,234	2,717,317
Other underwriting expenses		2,375,421	2,348,505	2,375,421	2,348,505
Operating expenses	27	984,279	1,078,263	984,279	1,078,263
Investment expenses		86,426	89,315	86,426	89,315
Finance costs		39,337	2,553	39,337	2,553
Expected credit losses	28	60,321	-	60,321	-
<b>Total expenses</b>	29	14,782,990	13,364,707	14,782,990	13,364,707
<b>Profits before income tax expenses</b>		3,210,083	2,785,957	3,189,293	2,762,587
Less: Income tax expenses	22.2	(504,487)	(334,676)	(500,329)	(330,002)
<b>Net profits</b>		2,705,596	2,451,281	2,688,964	2,432,585

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

For the years ended December 31, 2020

(Baht'000)

	Note	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
		2020	2019	2020	2019
<b>Other comprehensive income:</b>					
Items to be recognised in profit or loss in subsequent periods:					
Shares of other comprehensive income (loss) from associates	15.2	1,750	(4,742)	-	-
Losses on revaluation of available-for-sale investments are measured at fair value through other comprehensive income		(5,002,416)	(5,836,529)	(5,002,416)	(5,836,529)
Total items to be recognised in profit or loss in subsequent periods		(5,000,666)	(5,841,271)	(5,002,416)	(5,836,529)
Add: Income taxes		1,000,133	1,168,254	1,000,483	1,167,306
Items to be recognised in profit or loss in subsequent periods - net of income taxes		(4,000,533)	(4,673,017)	(4,001,933)	(4,669,223)
Items not to be recognised in profit or loss in subsequent periods:					
Actuarial losses		(35,681)	(174,940)	(35,681)	(174,940)
Add: Income taxes		7,136	34,988	7,136	34,988
Items not to be recognised in profit or loss in subsequent periods - net of income taxes		(28,545)	(139,952)	(28,545)	(139,952)
<b>Other comprehensive loss for the years</b>		(4,029,078)	(4,812,969)	(4,030,478)	(4,809,175)
<b>Total comprehensive loss for the years</b>		(1,323,482)	(2,361,688)	(1,341,514)	(2,376,590)
<b>Earnings per share:</b>	31				
Basic earnings per share					
Net profits		25.41	23.02	25.26	22.85

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

# STATEMENT OF CASH FLOWS

For the years ended December 31, 2020

(Baht'000)

	Note	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
		2020	2019	2020	2019
<b>Cash flows from (used in) operating activities</b>					
Direct premium written		21,471,962	19,883,141	21,471,962	19,883,141
Cash paid for reinsurance		(2,777,161)	(1,868,805)	(2,777,161)	(1,868,805)
Interest income		304,337	289,873	304,337	289,873
Dividend income		851,161	906,363	851,161	906,363
Other investment income		154,903	160,871	154,903	160,871
Other income		16,861	21,793	16,861	21,793
Losses incurred on direct insurance		(9,947,053)	(9,118,523)	(9,947,053)	(9,118,523)
Commissions and brokerages on direct insurance		(2,639,521)	(2,488,209)	(2,639,521)	(2,488,209)
Other underwriting expenses		(2,763,228)	(2,688,188)	(2,763,228)	(2,688,188)
Operating expenses		(696,589)	(874,755)	(696,589)	(874,755)
Investment expenses		(47,472)	(63,649)	(47,472)	(63,649)
Income taxes		(465,085)	(410,265)	(465,085)	(410,265)
Cash received on financial assets		21,874,999	-	21,874,999	-
Cash paid for financial assets		(23,718,426)	-	(23,718,426)	-
Investments in securities		-	(2,561,342)	-	(2,561,342)
Loans		-	126,103	-	126,103
<b>Net cash provided by operating activities</b>		1,619,688	1,314,408	1,619,688	1,314,408
<b>Cash flows from (used in) investing activities</b>					
Cash flows from					
Premises and equipment		2,576	223	2,576	223
Cash from investing activities		2,576	223	2,576	223
Cash flows used in					
Premises and equipment		(52,712)	(124,427)	(52,712)	(124,427)
Intangible assets		(19,790)	(9,692)	(19,790)	(9,692)
Cash used in investing activities		(72,502)	(134,119)	(72,502)	(134,119)
<b>Net cash used in investing activities</b>		(69,926)	(133,896)	(69,926)	(133,896)

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

For the years ended December 31, 2020

(Baht'000)

	Note	Financial Statements in which the Equity Method is Applied		Separate Financial Statements	
		2020	2019	2020	2019
<b>Cash flows from (used in) financing activities</b>					
Repayments of lease liabilities		(60,361)	-	(60,361)	-
Dividends paid		(1,486,668)	(1,461,255)	(1,486,668)	(1,461,255)
<b>Net cash used in financing activities</b>		(1,547,029)	(1,461,255)	(1,547,029)	(1,461,255)
<b>Net increase (decrease) in cash and cash equivalents</b>		2,733	(280,743)	2,733	(280,743)
Cash and cash equivalents at beginning of the years		138,824	419,567	138,824	419,567
Less: Increase in allowance for expected credit losses	7	-	-	-	-
<b>Cash and cash equivalents at end of the years</b>		141,557	138,824	141,557	138,824

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



# STATEMENT OF CHANGES IN OWNERS' EQUITY

For the years ended December 31, 2020

Financial Statements in which the Equity Method is Applied	Note	Issued and Paid-up Share Capital	Share Premium
<b>Balance as at January 1, 2019</b>		1,064,700	1,442,500
Retained earnings appropriated to be other reserve	25	-	-
Dividend paid	32	-	-
Net profit		-	-
Other comprehensive loss for the year		-	-
<b>Balance as at December 31, 2019</b>		1,064,700	1,442,500
<b>Balance as at January 1, 2020</b>		1,064,700	1,442,500
Cumulative effects of the changes in accounting policies	4	-	-
<b>Balance as at January 1, 2020 - as restated</b>		1,064,700	1,442,500
Dividend paid	32	-	-
Net profit		-	-
Other comprehensive income (loss) for the year		-	-
<b>Balance as at December 31, 2020</b>		1,064,700	1,442,500

Separate Financial Statements	Note	Issued and Paid-up Share Capital	Share Premium
<b>Balance as at January 1, 2019</b>		1,064,700	1,442,500
Retained earnings appropriated to be other reserve	25	-	-
Dividend paid	32	-	-
Net profit		-	-
Other comprehensive loss for the year		-	-
<b>Balance as at December 31, 2019</b>		1,064,700	1,442,500
<b>Balance as at January 1, 2020</b>		1,064,700	1,442,500
Cumulative effects of the changes in accounting policies	4	-	-
<b>Balance as at January 1, 2020 - as restated</b>		1,064,700	1,442,500
Dividend paid	32	-	-
Net profit		-	-
Other comprehensive loss for the year		-	-
<b>Balance as at December 31, 2020</b>		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	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
106,470	7,000,000	4,223,458	(3,793)	17,189,762	17,185,969	31,023,097
-	-	(36,818)	-	2,170,829	2,170,829	2,134,011
106,470	7,000,000	4,186,640	(3,793)	19,360,591	19,356,798	33,157,108
-	-	(1,490,579)	-	-	-	(1,490,579)
-	-	2,705,596	-	-	-	2,705,596
-	-	(28,545)	1,400	(4,001,933)	(4,000,533)	(4,029,078)
106,470	7,000,000	5,373,112	(2,393)	15,358,658	15,356,265	30,343,047

(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	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
106,470	7,000,000	4,126,085	17,189,762		30,929,517
-	-	(36,818)	2,170,829		2,134,011
106,470	7,000,000	4,089,267	19,360,591		33,063,528
-	-	(1,490,579)	-		(1,490,579)
-	-	2,688,964	-		2,688,964
-	-	(28,545)	(4,001,933)		(4,030,478)
106,470	7,000,000	5,259,107	15,358,658		30,231,435

# NOTES TO FINANCIAL STATEMENTS

For the year ended December 31, 2020

## 1. General Information

### 1.1 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, 2020 and 2019, such major shareholder held 9.97% of the issued and paid-up ordinary shares of the Company. The Company is principally engaged in the provision of non-life insurance. The Company's registered office is located at No. 25, Bangkok Insurance Building, South Sathon Road, Thung Maha Mek, Sathon, Bangkok.

### 1.2 Coronavirus 2019 Pandemic

The Coronavirus 2019 (COVID-19) pandemic has caused an economic slowdown and impacted businesses and industries in various sectors either directly or indirectly. This situation may bring uncertainties and have an impact on the environment in which the business operates. The Company's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues (if any) as the situation has evolved.

## 2. Basis for Preparation of Financial Statements

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547, and in accordance with Thai accounting practices related to insurance and the accounting and reporting guidelines prescribed by the Office of Insurance Commission ("OIC"), and in accordance with the format of financial statements specified in the Notification of the Office of Insurance Commission ("OIC") regarding criteria, procedures, terms and conditions for preparation and submission of financial statements and operating performance reports of non-life insurance companies (No.2) B.E. 2562 dated April 4, 2019.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in Note 5 to the financial statements regarding the summary of significant accounting policies.

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

### 2.1 The financial statements in which the equity method is applied

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

### 2.2 Separate financial statements

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

## 3. New Financial Reporting Standards

### 3.1 Financial reporting standards that became effective in the current year

During the period, the Company has adopted the revised (revised 2019) and new 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. However, the new standard involves changes to key principles, which are summarised below:

**(a) Financial reporting standards and Accounting Guidance related to financial instruments**

**Financial reporting standards related to financial instruments**

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

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 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.

**Accounting Guidance related to financial instruments and disclosures applicable to insurance business**

Accounting Guidance related to financial instruments and disclosures applicable to insurance business was issued to comply with TFRS 4 (revised 2019) 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 temporarily effective in 2020, and to adopt the 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 operation in non-insurance related business. For such reasons, the Company meets certain criteria stipulated in TFRS 4: Insurance Contracts, and the Company has no change in the entity's core activities in the following accounting periods. The Company's management, therefore, considered to adopt such accounting guidance instead of the adoption of TFRS 9 and TFRS 7.

There will be impact in the following key matters to the Company's financial statement from the adoption of this accounting guidance.

#### Classification and measurement of financial assets

The Company shall classify financial assets as trading securities, available for sale securities, held to maturity securities, and receivables and loans by not taking into consideration of its business model and the characteristics of the contractual cash flows. The Company was considered as follows;

- The Company has still decided to continue to classify its available-for-sale investments both debt instruments and equity instruments, except for non-listed equity securities, as financial assets measured at fair value through other comprehensive income.
- The Company considers to change classification of its investments in non-listed equity securities to be financial assets measured at fair value through other comprehensive income. They were previously classified as general investments measured at cost net of allowance for impairment (if any) under the cancelled former accounting standard.
- The Company has still continued to classify and present loans, which the Company holds to collect contractual cash flow (both principal and interest), as loans and interest receivables measured at amortised cost.

#### Classification of financial liabilities

The adoption of this accounting guidance does not have any impact to classification of financial liabilities. The Company continues to classify financial liabilities measured at amortised cost.

#### Impairment of financial assets

This accounting guidance requires the Company to move from incurred loss provisioning, under former accounting policy, to expected loss provisioning by recognising 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 considers to adopt the general approach to determine expected credit loss on financial assets.

#### Transition

The Company initially adopted this accounting guidance using the modified retrospective method whereby the adjustment of the cumulative effect was made against retained earnings or other components of owners' equity as at January 1, 2020, and the comparative information was not restated.

The cumulative effects of the changes in accounting policies were described in Note 4 to financial statements.

#### **(b) 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 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases.

The Company initially adopted this financial reporting standard using the modified retrospective method whereby an adjustment of the cumulative effect was made against retained earnings as at January 1, 2020, and the comparative information was not restated.

The cumulative effect of the change in accounting policy is described in Note 4 to financial statements.

(c) **Accounting Guidance on Temporary Relief Measures on Accounting Alternatives in Response to the Impact of the Coronavirus 2019 (COVID-19) Pandemic**

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures on Accounting Alternatives in Response to the Impact of the Coronavirus 2019 (COVID-19) Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On April 22, 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between January 1, 2020 and December 31, 2020.

The Company has elected to apply the following temporary relief measure on accounting alternatives:

- The Company elected not consider any reduction in lease payments by lessors resulting from the COVID-19 situation as a lease modification, whereby it will gradually decrease the lease liabilities due in each period proportionately to the reduced portion of the lease liabilities and make a reversal of depreciation of right-of-use assets and interest on lease liabilities recognised in each period proportionately to the reduced lease liabilities and recognise the differences in profit or loss. However, such reduced amounts were not material to the Company's financial statements.

**3.2 Financial reporting standards that became effective for fiscal years beginning on or after January 1, 2021**

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years beginning on or after January 1, 2021. These revised 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 Company's management is currently evaluating the impact of these revised standards to the financial statements in the year when they are adopted.

**4. Cumulative Effects of the Changes in Accounting Policies**

As described in Notes 3.1 (a) and (b) to financial statements, during the current year, the Company initially adopted financial reporting standards related to Accounting Guidance related to financial instruments and disclosures applicable to insurance business ("Accounting Guidance related financial instruments") and TFRS 16. The cumulative effects of applying these standards were recognised as adjustments to retained earnings or other components of owners' equity as at January 1, 2020 and the comparative information would not be restated.



The impacts on the beginning balance of retained earnings or other components of owners' equity of 2020 from the adoption of these standards were presented as follows:

(Baht'000)

	Financial Statements in which the Equity Method is Applied				
	December 31, 2019	The Impacts of		Reclassification <sup>(1)</sup>	January 1, 2020
		Accounting Guidance Related to Financial Instruments (Note 4.1)	TFRS 16 (Note 4.2)		
<b>Statement of financial position</b>					
<b>Assets</b>					
Cash and cash equivalents	138,824	-	-	-	138,824
Accrued investment income	71,682	(13)	-	(3,570)	68,099
Investments in securities	44,958,409	2,709,777	-	-	47,668,186
Loans	1,313,733	-	-	(1,313,733)	-
Loans and interest receivables	-	(42,250)	-	1,317,303	1,275,053
Premises and equipment	740,712	-	-	(37,526)	703,186
Land and building leasehold rights	38,927	-	-	(38,927)	-
Right-of-use assets	-	-	828,170	76,453	904,623
Other assets	739,299	-	(105,349)	-	633,950
<b>Liabilities</b>					
Lease liabilities	40,059	-	722,821	-	762,880
Deferred tax liabilities	3,476,763	533,503	-	-	4,010,266
<b>Owners' equity</b>					
Retained earnings - unappropriated	4,223,458	(36,818)	-	-	4,186,640
Other components of owners' equity	17,185,969	2,170,829	-	-	19,356,798

<sup>(1)</sup> The Company has reclassified certain line items in accordance with the format of financial statements specified by OIC and applicable to new Thai Financial Reporting Standards since January 1, 2020 onwards.

	Separate Financial Statements				
	December 31, 2019	The Impacts of		Reclassification <sup>(1)</sup>	January 1, 2020
		Accounting Guidance Related to Financial Instruments (Note 4.1)	TFRS 16 (Note 4.2)		
<b>Statement of financial position</b>					
<b>Assets</b>					
Cash and cash equivalents	138,824	-	-	-	138,824
Accrued investment income	71,682	(13)	-	(3,570)	68,099
Investments in securities	44,958,409	2,709,777	-	-	47,668,186
Loans	1,313,733	-	-	(1,313,733)	-
Loans and interest receivables	-	(42,250)	-	1,317,303	1,275,053
Premises and equipment	740,712	-	-	(37,526)	703,186
Land and building leasehold rights	38,927	-	-	(38,927)	-
Right-of-use assets	-	-	828,170	76,453	904,623
Other assets	739,299	-	(105,349)	-	633,950
<b>Liabilities</b>					
Lease liabilities	40,059	-	722,821	-	762,880
Deferred tax liabilities	3,453,368	533,503	-	-	3,986,871
<b>Owners' equity</b>					
Retained earnings - unappropriated	4,126,085	(36,818)	-	-	4,089,267
Other components of owners' equity	17,189,762	2,170,829	-	-	19,360,591

<sup>(1)</sup> The Company has reclassified certain line items in accordance with the format of financial statements specified by OIC and applicable to new Thai Financial Reporting Standards since January 1, 2020 onwards.

#### 4.1 Financial instruments

Details of the impact on owners' equity as at January 1, 2020 due to the adoption of Accounting Guidance related to financial instruments were presented as follows:

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements
Changes in measurement of investments in non-listed securities from cost method to fair value method	2,713,536
Less: Income taxes	(542,707)
Impacts on other component of owners' equity as at January 1, 2020	2,170,829
Recognition of an allowance for expected credit losses on	
Loans and interest receivables	(42,263)
Investments in debt securities	(3,759)
Add: Income taxes	9,204
Impacts on retained earnings as at January 1, 2020	(36,818)
Total impacts on owners' equity as at January 1, 2020	2,134,011

As at January 1, 2020, the amounts of financial assets in accordance with Accounting Guidance related to financial instruments as compared to those under the former accounting basis, were as follows:

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements				
	Amounts Under the Former Accounting Basis	Amounts in Accordance with Accounting Guidance			
		Available-for-Sale Investments Measured at Fair Value Through Other Comprehensive Income	Held-to-Maturity Investments Measured at Amortised Cost	Other Financial Assets Measured at Amortised Cost	Total
Cash and cash equivalents	138,824	-	-	138,824	138,824
Accrued investment income	71,682	-	-	68,099	68,099
Investments in securities	44,958,409	36,447,505	11,220,681	-	47,668,186
Loans and interest receivables	1,313,733	-	-	1,275,053	1,275,053

As at January 1, 2020, the Company did not designate any financial liabilities to be measured at fair value through profit or loss.

The reconciliation of the balances of allowance for doubtful accounts recognised in accordance with TAS 101 Doubtful Accounts and Bad Debts and allowance for impairment recognised in accordance with TAS 105 Accounting for Investments in Debt and Equity Securities as at December 31, 2019 to the balance of allowance for expected credit losses determined in accordance with Accounting Guidance related to financial instruments as at January 1, 2020 whereby the differences were due to remeasurement of allowance for expected credit losses under requirement of this Accounting Guidance.

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements		
	Allowance for Doubtful Accounts and Impairment as at December 31, 2019	Increase	Allowance for Expected Credit Losses as at January 1, 2020
Cash and cash equivalents	-	-	-
Accrued investment income	-	13	13
Investments in securities	-	3,759	3,759
Loans and interest receivables	1,295	42,253	43,548
Total	1,295	46,025	47,320

## 4.2 Leases

Upon initial application of TFRS 16 the Company recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at January 1, 2020. For leases previously classified as finance leases, the Company recognised the carrying amount of the right-of-use assets and lease liabilities based on the carrying amounts of the lease assets and lease liabilities immediately before the date of initial application of TFRS 16.

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements
Operating lease commitments as at December 31, 2019	206,410
Add: Option to extend lease term	1,574,188
Less: Contracts reassessed as service agreements	(3,391)
Less: Deferred interest expenses	(1,054,386)
Increase in lease liabilities due to the first time adoption of TFRS 16	722,821
Liabilities under finance lease agreements as at December 31, 2019	40,059
Lease liabilities as at January 1, 2020	762,880
Weighted average incremental borrowing rate (% per annum)	5.00%

The adjustments of right-of-use assets due to the first time adoption of TFRS 16 as at January 1, 2020 were summarised below:

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements
Leased land	810,184
Leased buildings	17,987
Total right-of-use assets	828,171
Less: Advance payments	(105,350)
Increase in lease liabilities due to the first time adoption of TFRS 16	722,821

## 5. Summary of Significant Accounting Policies

### 5.1 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.

## 5.2 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 income is calculated using the effective interest method and recognised on an accrual basis. The effective interest rate is applied to the gross carrying amount of a financial asset, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial asset (net of the expected credit loss allowance).

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.

## 5.3 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.

(f) **Finance cost**

Interest expense from financial liabilities at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

#### 5.4 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. Increase (decrease) in an allowance for expected credit loss is recorded as an expenses during the years.

#### 5.5 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. Increase (decrease) in an allowance for doubtful account is recorded as an increase (a decrease) to expenses during the years.

#### 5.6 Reinsurance assets and allowance for impairment

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.

#### 5.7 Reinsurance receivables and due to reinsurers and allowance for doubtful accounts

- (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 net of allowance for doubtful account. 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.

#### 5.8 Investment assets

(a) **Investments in securities**

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



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

Investments in non-marketable equity securities, which are classified as available-for-sale investments, are stated at fair value. Changes in fair value are recognised in other comprehensive income.

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.

At the end of reporting period, available-for-sale investment in debt instrument measured at fair value net of expected credit loss (if any) and held-to-maturity investment in debt instruments measured at amortised cost net of expected credit loss (if any)

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.

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.

**(b) Loans and interest receivables**

Loans and interest receivables are stated at amortised cost and net of allowance for expected credit losses (if any).

**(c) 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.

## **5.9 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.

## **5.10 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
Condominium units	- 20 years
Furniture, fixture and office equipment	- 3 years and 5 years
Motor vehicles	- 5 years

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.

### 5.11 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.

### 5.12 Leases

At inception of contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### *The Company as a lessee*

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

#### (a) Right-of-use assets

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities initially recognised, initial direct costs incurred, and lease payments made at or before the commencement date of the lease less any lease incentives received.

Depreciation of right-of-use assets are calculated by reference to their costs on the straight-line basis over the shorter of their estimated useful lives and the lease term.

Land	15 and 33 years
Buildings	3 and 5 years
Motor vehicles	5 years

If ownership of the leased asset is transferred to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

#### (b) Lease liabilities

Lease liabilities are measured at the present value of the lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be payable under residual value guarantees. Moreover, the lease payments include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising an option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

The Company determines the present value of the lease payments, discounted by the interest rate implicit in the lease agreement or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

(c) **Short-term leases and leases of low-value assets**

A lease that has a lease term less than or equal to 12 months from commencement date or a lease of low-value assets is recognised as expenses on a straight-line basis over the lease term.

*The Company as a lessor*

A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset to a lessee. Lease receivables from operating leases is recognised as income in profit or loss on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying assets and recognised as an expense over the lease term on the same basis as the lease income.

### 5.13 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-month	- 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 to be incurred during the remaining coverage period, based on historical claims data.

## 5.14 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 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.

## 5.15 Provisions

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

## 5.16 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.

## 5.17 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 the end of 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.

## 5.18 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.

## 5.19 Impairment of assets

### (a) Financial assets

The Company recognises expected credit loss on its financial assets measured at amortised cost and financial assets that are debt instruments measured at fair value through other comprehensive income, without requiring a credit-impaired event to have occurred prior to the recognition. The Company accounts for changes in credit risk in stages, with differing methods of determining allowance for expected credit losses.

Losses on impairment of investments in equity instruments and unit trusts classified as available-for-sale securities are recognised immediately in profit or loss when there is objective evidence of impairment, determined on the basis of evidence that indicates the cost of investments may not be recovered and there is a significant or prolonged decline in fair value of investments to below its costs. Losses on impairment (if any) are recorded as expenses in profit or loss.

### (b) Non-financial assets

At the end of each reporting period, the Company performs impairment reviews in respect of premises 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.

## 5.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure 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.

## 6. 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:

#### 6.1 Classification of reinsurance contracts

In considering whether reinsurance contracts meet the definition of insurance contracts under Thai Financial Reporting Standards, the Company is required to test whether the contracts transfer significant insurance risk to the reinsurers, using an actuarial technique based on assumptions regarding historical claims data and other assumptions. The management is required to exercise judgement in determining these assumptions.

#### 6.2 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 to whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

#### 6.3 Allowance for expected credit losses and allowance for impairment on financial assets

The management is required to use judgement in estimating allowance for expected credit losses for financial assets. The Company's calculation of allowance for expected credit losses depends on the criteria used for assessment of a significant increase in credit risk, the risk that collateral value cannot be realised, the probability of debt collection. The use of different estimates and assumptions could affect the amount of the allowance for credit losses and, therefore, the allowance may need to be adjusted in the future.

The Company sets aside allowance for impairment on available-for-sale equity 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.

#### 6.4 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.

#### 6.5 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.

#### 6.6 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.

#### 6.7 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.

#### 6.8 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.

## 6.9 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.

## 6.10 Leases

### *The Company as a lessee*

#### Determining the lease term with extension and termination options

In determining the lease term, the management is required to exercise judgement in assessing whether the Company is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Company to exercise either the extension or termination option.

#### Estimating the incremental borrowing rate

The Company cannot readily determine the interest rate implicit in the lease contract, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

### *The Company as a lessor*

#### Lease classification

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

## 6.11 Employee benefit obligations

Employee benefit obligations 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.

## 6.12 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.

## 6.13 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.



## 7. Cash and cash Equivalents

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31, 2020	December 31, 2019
Cash on hand	2,787	2,758
Deposits at banks with no fixed maturity date	138,770	136,066
Total cash and cash equivalents	141,557	138,824
Less: Allowance for expected credit losses	-	-
Cash and cash equivalents - net	141,557	138,824

As at December 31, 2020 and 2019, deposits at banks carried interests at the rates between 0.13 and 0.30 percent per annum and 0.38 and 1.00 percent per annum, respectively.

## 8. Premium Receivables

As at December 31, 2020 and 2019, 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, 2020	December 31, 2019
Not yet due	2,202,950	2,188,800
Overdue not longer than 30 days	191,470	195,943
Overdue 31 days to 60 days	119,564	135,525
Overdue 61 days to 90 days	61,118	49,160
Overdue 91 days to 1 year	190,795	212,260
Overdue longer than 1 year	16,245	42,249
Total	2,782,142	2,823,937
Less: Allowance for doubtful accounts	(16,245)	(42,249)
Premium receivables - net	2,765,897	2,781,688

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.

## 9. Accrued Investment Income

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31, 2020	December 31, 2019
Accrued interest income	39,480	68,949
Accrued dividend income	3,926	2,733
Total accrued investment income	43,406	71,682
Less: Allowance for expected credit losses	(543)	-
Accrued investment income - net	42,863	71,682

## 10. Reinsurance Assets

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31, 2020	December 31, 2019
Insurance reserves refundable from reinsurers		
Loss reserves	4,304,602	2,765,219
Unearned premium reserves	3,255,621	2,887,906
Total	7,560,223	5,653,125
Less: Allowance for impairment	(54)	(793)
Reinsurance assets - net	7,560,169	5,652,332

## 11. Reinsurance Receivables

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31, 2020	December 31, 2019
Amounts deposited on reinsurance	42,445	36,122
Amounts due from reinsurers	367,902	377,942
Total	410,347	414,064
Less: Allowance for doubtful accounts	(21,025)	(20,543)
Receivables on reinsurance contracts - net	389,322	393,521

As at December 31, 2020 and 2019, 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, 2020	December 31, 2019
Not over 12 months	336,807	360,468
Overdue from 1 year to 2 years	19,945	15,688
Overdue longer than 2 years	11,150	1,786
Total amounts due from reinsurers	367,902	377,942
Less: Allowance for doubtful accounts	(21,025)	(20,543)
Amounts due from reinsurers - net	346,877	357,399

## 12. Investments in Securities

### 12.1 Classified by type of investment

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements			
	December 31, 2020		December 31, 2019	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<b>Available-for-sale investments measured at fair value through other comprehensive income</b>				
Government and state enterprise securities	3,252,226	3,300,520	3,660,914	3,690,676
Private sector debt securities	630,817	579,039	956,076	968,224
Common stocks	6,083,660	25,112,951	5,313,427	26,299,549
Unit trusts	1,652,329	1,704,622	1,593,088	2,052,259
Total	11,619,032	30,697,132	11,523,505	33,010,708
Add: Unrealised gains	19,198,323	-	21,487,203	-
Less: Allowance for impairment	(65,082)	-	-	-
Less: Allowance for expected credit losses	(55,141)	-	-	-
Available-for-sale investments measured at fair value through other comprehensive income - net	30,697,132	30,697,132	33,010,708	33,010,708
<b>Held-to-maturity investments measured at amortised cost</b>				
Deposits at financial institutions which matured over 3 months	13,729,657		11,220,681	
Less: Allowance for expected credit losses	(2,701)		-	
Held-to-maturity investments measured at amortised cost - net	13,726,956		11,220,681	
<b>General investments</b>				
Domestic equity securities	-		648,594	
Foreign equity securities	-		153,208	
Total	-		801,802	
Less: Allowance for impairment	-		(74,783)	
General investments - net	-		727,019	
Investment in securities - net	44,424,088		44,958,408	

## 12.2 Classified by stage of credit risk

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements			
	December 31, 2020		January 1, 2020	
	Fair Value	Allowance for Expected Credit Losses Recognised in Profit or Loss	Fair Value	Allowance for Expected Credit Losses Recognised in Profit or Loss
<b>Available-for-sale investments measured at fair value through other comprehensive income</b>				
Stage 1 - Debt securities without a significant increase of credit risk	3,827,529	(734)	4,658,900	(1,903)
Stage 3 - Credit impaired debt securities	52,030	(54,407)	-	-
Total	3,879,559	(55,141)	4,658,900	(1,903)

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements		
	December 31, 2020		
	Gross Carrying Value	Allowance for Expected Credit Losses Recognised in Profit or Loss	Net Carrying Value
<b>Held-to-maturity investments measured at amortised cost</b>			
Stage 1 - Debt securities without a significant increase of credit risk	13,729,657	(2,701)	13,726,956
Total	13,729,657	(2,701)	13,726,956

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements		
	January 1, 2020		
	Gross Carrying Value	Allowance for Expected Credit Losses Recognised in Profit or Loss	Net Carrying Value
<b>Held-to-maturity investments measured at amortised cost</b>			
Stage 1 - Debt securities without a significant increase of credit risk	11,220,681	(1,857)	11,218,824
Total	11,220,681	(1,857)	11,218,824

### 12.3 Remaining periods to maturity of debt securities

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements							
	December 31, 2020				December 31, 2019			
	Period to Maturity				Period to Maturity			
	1 year	1 - 5 years	Over 5 years	Total	1 year	1 - 5 years	Over 5 years	Total
<b>Available-for-sale investments measured at fair value through other comprehensive income</b>								
Government and state enterprise securities	2,020,493	1,031,733	200,000	3,252,226	2,425,502	1,035,412	200,000	3,660,914
Private enterprise debt securities	135,000	400,817	95,000	630,817	515,000	441,076	-	956,076
Total	2,155,493	1,432,550	295,000	3,883,043	2,940,502	1,476,488	200,000	4,616,990
Add (less): Unrealised gains (losses)	(2,511)	(17,002)	16,029	(3,484)	5,120	26,077	10,713	41,910
<b>Available-for-sale investments measured at fair value through other comprehensive income - net</b>	2,152,982	1,415,548	311,029	3,879,559	2,945,622	1,502,565	210,713	4,658,900
<b>Held-to-maturity investments measured at amortised cost</b>								
Deposits at financial institutions with maturity of longer than 3 months	13,726,956	-	-	13,726,956	11,220,681	-	-	11,220,681
<b>Total held-to-maturity investments measured at amortised cost</b>	13,726,956	-	-	13,726,956	11,220,681	-	-	11,220,681

### 12.4 Fair values of investments in debt instruments

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements			
	December 31, 2020			
	Pass the SPPI Tests		Fail the SPPI Tests	
	Fair Value	Changes in fair Value During the Year	Fair Value	Changes in fair Value During the Year
<b>Available-for-sale investments measured at fair value through other comprehensive income</b>				
Government and state enterprise securities	3,300,520	18,533	-	-
Private enterprise debt securities	579,039	(63,927)	-	-
<b>Held-to-maturity investments measured at amortised cost</b>				
Deposits at financial institutions with maturity of longer than 3 months	13,726,956	-	-	-
Total	17,606,515	(45,394)	-	-

## 12.5 Revaluation surplus on available-for-sale investments measured at fair value through other comprehensive income

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the Year Ended December 31,	
	2020	2019
Revaluation surplus on available-for-sale investments measured at fair value through other comprehensive income at beginning of the years	21,487,203	27,323,732
Cumulative effects of the changes in accounting policies	2,713,536	-
Revaluation surplus on available-for-sale investments measured at fair value through other comprehensive income at beginning of the years - as restated	24,200,739	27,323,732
Revaluation during the years	(4,953,609)	(5,596,795)
Gains on sales of available-for-sale investments measured at fair value through other comprehensive income transferred to be recognised in profit or loss	(48,807)	(239,734)
Revaluation surplus on available-for-sale investments measured at fair value through other comprehensive income at end of the years	19,198,323	21,487,203
Less: Income taxes	(3,839,665)	(4,297,441)
Revaluation surplus on available-for-sale investments measured at fair value through other comprehensive income at end of the years - net of income taxes	15,358,658	17,189,762

## 12.6 Investments subject to restriction and commitment

As at December 31, 2020 and 2019, the Company placed certain assets as securities and insurance reserves with the Registrar in accordance with the Non-life Insurance Act 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 below.

(Million Baht)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements			
	December 31, 2020		December 31, 2019	
	Cost	Fair Value	Cost	Fair Value
<b>Placed as securities</b>				
Government bonds	14.0	14.3	14.0	14.0
<b>Placed as insurance reserves</b>				
Ordinary shares	35.2	113.7	35.2	153.0
Government bonds	1,240.0	1,286.9	1,170.0	1,196.6
Debentures	210.0	212.5	180.0	184.8
	1,485.2	1,613.1	1,385.2	1,534.4
<b>Placed to secure bank overdraft facilities</b>				
Deposits at financial institutions	30.0	30.0	30.0	30.0
<b>Placed as performance bonds</b>				
Government and state enterprise bonds	-	-	25.2	25.6
<b>Placed to secure bank guarantees</b>				
Deposits at financial institutions	20.0	20.0	20.0	20.0

### 13. Loans and Interest Receivables

As at December 31, 2020, the balances of loans and interest receivables, classified by stage of credit risk, were as follows:

(Baht'000)

Classification	Financial Statements in which the Equity Method is Applied and Separate Financial Statements		
	December 31, 2020		
	Mortgaged Loans	Others	Total
Stage 1 - Loans without a significant increase of credit risk	1,344,386	8,305	1,352,691
Stage 2 - Loans with significant increases of credit risk	17,942	-	17,942
Stage 3 - Credit impairment loans	155,043	-	155,043
Total loans and interest receivables	1,517,371	8,305	1,525,676
Less: Allowance for expected credit losses	(49,257)	-	(49,257)
Loans and interest receivables - net	1,468,114	8,305	1,476,419

(Baht'000)

Classification	Financial Statements in which the Equity Method is Applied and Separate Financial Statements		
	January 1, 2020		
	Mortgaged Loans	Others	Total
Stage 1 - Loans without a significant increase of credit risk	1,151,925	8,267	1,160,192
Stage 2 - Loans with significant increases of credit risk	1,607	-	1,607
Stage 3 - Credit impairment loans	156,802	-	156,802
Total loans and interest receivables	1,310,334	8,267	1,318,601
Less: Allowance for expected credit losses	(43,548)	-	(43,548)
Loans and interest receivables - net	1,266,786	8,267	1,275,053

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, 2020 and 2019, the balances of employee loans were Baht 153.9 million and Baht 129.8 million, respectively.



## 14. Investment Properties

As at December 31, 2020 and 2019, the investment properties were presented below.

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31, 2020	December 31, 2019
Cost	533,653	533,653
Less: Accumulated depreciation	(415,723)	(398,446)
Net book value	117,930	135,207

Reconciliations of the net book value of investment properties for the years ended December 31, 2020 and 2019 were presented below.

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the Years Ended December 31,	
	2020	2019
Net book value at beginning of the years	135,207	152,436
Depreciation charged for the years	(17,277)	(17,229)
Net book value at end of the years	117,930	135,207

The fair values of the investment properties as at December 31, 2020 and 2019 were stated as below:

(Million Baht)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31, 2020	December 31, 2019
Office building for rent	225.8	259.2

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 Years Ended December 31,	
	2020	2019
Rental income	153,480	159,411
Direct operating expenses, which generated rental income	85,579	67,074
Total expenses	85,579	67,074

## 15. Investments in Associates

### 15.1 Details of associates

Company's Name	Nature of Business	Country of Incorporation	Paid-up Share Capital as at		Shareholding	
			December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
			(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, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Asia Insurance (Cambodia) Plc.	103,875	93,040	30,202	30,202
Asian Insurance International (Holding) Limited	135,923	127,066	72,054	72,054
Bangkok Insurance (Lao) Company Limited	29,113	26,265	27,140	27,140
Total	268,911	246,371	129,396	129,396

### 15.2 Shares of profits, share of other comprehensive income (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		Share of Other Comprehensive Incomes (Loss) from Investments in Associates		Dividend Received	
	For the Years Ended December 31,		For the Years Ended December 31,		For the Years Ended December 31,	
	2020	2019	2020	2019	2020	2019
Asia Insurance (Cambodia) Plc.	10,835	8,845	-	-	-	-
Asian Insurance International (Holding) Limited	7,107	11,827	1,750	(4,742)	-	-
Bangkok Insurance (Lao) Company Limited	2,848	2,698	-	-	-	-
Total	20,790	23,370	1,750	(4,742)	-	-

### 15.3 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, 2020	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
Total assets	715.7	517.7	273.7	206.0	462.3	267.1
Total liabilities	(291.2)	(123.2)	-	-	(402.6)	(210.5)
Net assets	424.5	394.5	273.7	206.0	59.7	56.6
Shareholding percentage (%)	22.9	22.9	41.7	41.7	38.0	38.0
Shares of net assets of the associates	97.3	90.4	114.2	85.9	22.7	21.5
Carrying values based on the equity method	103.9	93.0	135.9	127.1	29.1	26.3

#### Summarised information from statements of comprehensive income

(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,	
	2020	2019	2020	2019	2020	2019
Revenues	107.6	105.9	10.1	8.9	33.9	28.4
Net profits	45.1	39.0	8.9	8.4	9.4	3.6
Other comprehensive income (loss) for the years	-	-	4.2	(11.4)	-	-
Total comprehensive income (loss) for the years	45.1	39.0	13.1	(3.0)	9.4	3.6

As at December 31, 2020 and 2019, 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, which were unaudited by their auditors. However, the Company obtained the 2019 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.

## 16. 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
<b>Cost</b>							
January 1, 2019	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
Transfers in (out)	-	-	-	13,181	-	(13,181)	-
Disposals	-	-	-	(19)	(10,612)	-	(10,631)
December 31, 2019	222,737	833,958	8,751	1,894,390	149,527	63,152	3,172,515
Transferred to right-of-use assets	-	-	-	-	(111,470)	-	(111,470)
January 1, 2020	222,737	833,958	8,751	1,894,390	38,057	63,152	3,061,045
Additions	-	-	-	29,452	7,762	15,498	52,712
Transfers in (out)	28	-	(28)	45,106	-	(45,106)	-
Disposals	-	-	-	(471)	(15,260)	-	(15,731)
December 31, 2020	222,765	833,958	8,723	1,968,477	30,559	33,544	3,098,026
<b>Accumulated depreciation</b>							
January 1, 2019	-	587,552	8,721	1,557,856	81,418	-	2,235,547
Depreciation for the year	-	26,280	-	154,101	26,466	-	206,847
Accumulated depreciation on disposals	-	-	-	(19)	(10,572)	-	(10,591)
December 31, 2019	-	613,832	8,721	1,711,938	97,312	-	2,431,803
Transferred to right-of-use assets	-	-	-	-	(73,944)	-	(73,944)
January 1, 2020	-	613,832	8,721	1,711,938	23,368	-	2,357,859
Depreciation for the year	-	26,003	-	109,507	5,186	-	140,696
Accumulated depreciation on disposals	-	-	-	(471)	(15,003)	-	(15,474)
December 31, 2020	-	639,835	8,721	1,820,974	13,551	-	2,483,081
<b>Net book value</b>							
December 31, 2019	222,737	220,126	30	182,452	52,215	63,152	740,712
December 31, 2020	222,765	194,123	2	147,503	17,008	33,544	614,945
<b>Depreciation for the years:</b>							
2019							206,847
2020							140,696

As at December 31, 2020 and 2019, certain equipment items were fully depreciated but are still in use. The original cost before deducting accumulated depreciation of those assets amounted to Baht 1,681.4 million and Baht 1,492.4 million, respectively.

## 17. Leases

The Company has lease contracts for various items of land, building, and motor vehicles used in its operations. Leases generally have lease terms between 3 to 33 years.

### 17.1 Right-of-use assets

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements			
	Land	Building	Motor Vehicles	Total
Net book value as at December 31, 2019	-	-	-	-
Transferred from "Premises and equipment" and "Land and building leasehold rights"	33,906	5,021	37,526	76,453
Cumulative effects of the changes in accounting policies (Note 4.2)	810,184	17,987	-	828,171
Net book value as at January 1, 2020	844,090	23,008	37,526	904,624
Addition during the year	-	1,859	35,021	36,880
Depreciation for the year	(22,310)	(11,620)	(21,013)	(54,943)
Net book value as at December 31, 2020	821,780	13,247	51,534	886,561

### 17.2 Lease liabilities

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements				
	Land	Building	Office Equipment	Vehicles	Total
Liabilities under finance lease agreements as at December 31, 2019	-	-	35	40,024	40,059
Cumulative effects of the changes in accounting policies (Note 4.2)	705,588	17,233	-	-	722,821
Lease liabilities as at January 1, 2020	705,588	17,233	35	40,024	762,880
Add: New lease agreement during the year	-	1,859	-	35,231	37,090
Add: Financial cost recognised during the year	35,892	681	1	2,768	39,342
Less: Lease paid during the year	(24,846)	(11,438)	(36)	(24,143)	(60,463)
Lease liabilities as at December 31, 2020	716,634	8,335	-	53,880	778,849

(Million Baht)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements							
	December 31, 2020				December 31, 2019			
	Within 1 year	1 - 5 years	Over 1 years	Total	within 1 year	1 - 5 years	Over 1 years	Total
Future minimum lease payments	53	184	1,565	1,802	19	24	-	43
Deferred interest expenses	(39)	(193)	(791)	(1,023)	(2)	(1)	-	(3)
Present value of future minimum lease payments	14	(9)	774	779	17	23	-	40

### 17.3 Expenses relating to leases recognised in profit or loss

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements
	December 31, 2020
Depreciation expenses of right-of-use assets	54,844
Interest expense on lease liabilities	39,336
Expenses relating to short-term leases	49
Loss from the differences of reduction in lease payments	1
Total expenses	94,230

The Company had total cash outflows of Baht 60.4 million for leases for the year ended December 31, 2020. Moreover, the Company had non-cash additions to right-of-use assets and lease liabilities of Baht 94.2 million.

### 17.4 Leases of the Company as a lessor

As at December 31, 2020, the Company had future minimum rentals receivable under non-cancellable operating leases as follows:

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements
	December 31, 2020
Within 1 year	91,134
Over 1 year and up to 5 years	179,421
Total	270,555

## 18. Intangible Assets

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements		
	Computer Softwares	Computer Softwares Under Development	Total
<b>Cost</b>			
January 1, 2019	559,199	-	559,199
Addition	4,166	5,525	9,691
December 31, 2019	563,365	5,525	568,890
Addition	4,201	15,589	19,790
December 31, 2020	567,566	21,114	588,680
<b>Accumulated amortisation</b>			
January 1, 2019	394,425	-	394,425
Amortisation for the year	58,086	-	58,086
December 31, 2019	452,511	-	452,511
Amortisation for the year	34,493	-	34,493
December 31, 2020	487,004	-	487,004
<b>Net book value</b>			
December 31, 2019	110,854	5,525	116,379
December 31, 2020	80,562	21,114	101,676
<b>Amortisation for the years</b>			
2019			58,086
2020			34,493

As at December 31, 2020 and 2019, certain computer softwares were fully amortised but are still in use. The original cost before deducting accumulated amortisation of those assets amounted to Baht 316.2 million and Baht 252.2 million, respectively.

## 19. Insurance Contract Liabilities

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements		
	December 31, 2020		
	Insurance Contract Liabilities	Reinsurance on Liabilities	Net
Loss reserves			
Claims incurred and reported	7,138,869	(4,204,314)	2,934,555
Claims incurred but not reported	572,929	(100,234)	472,695
Premium reserves			
Unearned premium reserves	10,310,716	(3,255,621)	7,055,095
Total	18,022,514	(7,560,169)	10,462,345



(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

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.

#### 19.1 Loss reserves

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the Years Ended December 31,	
	2020	2019
Beginning balances	5,631,159	6,459,828
Claim incurred during the years	11,470,643	9,430,900
Change in loss reserves of claimed incurred in prior years	871,648	(162,151)
Changes in assumptions in calculating loss reserves	50,801	(128,430)
Claims and loss adjustment expenses paid during the years	(10,312,453)	(9,968,988)
Ending balances	7,711,798	5,631,159

As at December 31, 2020 and 2019, the Company, which is a reinsurer under the reinsurance contracts, had loss reserves under such contracts totaling Baht 287.6 million and Baht 181.7 million, respectively.

## 19.2 Claim development table

### (a) Gross claims table

(Million Baht)

Accident year / Reporting year	Prior to 2012	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Loss reserves:											
- as at accident year		8,244	5,097	6,854	7,101	7,157	8,454	8,246	9,431	11,471	
- Next one year		9,127	5,562	7,359	7,382	7,407	8,004	8,239	9,687		
- Next two years		8,584	5,928	6,846	6,947	7,295	7,564	8,113			
- Next three years		8,397	5,709	6,693	6,949	7,130	7,501				
- Next four years		8,334	5,672	6,655	6,870	7,099					
- Next five years		8,259	5,685	6,631	6,857						
- Next six years		8,235	5,682	6,632							
- Next seven years		8,234	5,680								
- Next eight years		8,233									
Cumulative ultimate claim		8,233	5,680	6,632	6,857	7,099	7,501	8,108	9,670	11,904	
Cumulative payments		(8,219)	(5,648)	(6,599)	(6,750)	(7,035)	(7,299)	(7,751)	(8,889)	(6,517)	
Total	284	14	32	33	107	64	202	357	781	5,387	7,261
Inward treaty											317
Unallocated loss adjustment expenses											134
Total gross loss reserves											7,712

### (b) Net claims table

(Million Baht)

Accident year / Reporting year	Prior to 2012	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Loss reserves:											
- as at accident year		3,554	4,251	5,082	5,414	5,415	5,724	5,491	6,972	7,721	
- Next one year		3,784	4,521	5,267	5,720	5,549	5,736	5,403	7,163		
- Next two years		3,712	4,500	5,119	5,389	5,275	5,554	5,406			
- Next three years		3,701	4,283	4,983	5,383	5,272	5,547				
- Next four years		3,566	4,261	4,979	5,363	5,267					
- Next five years		3,546	4,262	4,982	5,358						
- Next six years		3,546	4,261	4,982							
- Next seven years		3,556	4,260								
- Next eight years		3,555									
Cumulative ultimate claim		3,555	4,260	4,982	5,358	5,266	5,546	5,408	7,172	8,021	
Cumulative payments		(3,554)	(4,258)	(4,977)	(5,349)	(5,238)	(5,527)	(5,348)	(6,875)	(5,427)	
Total	(58)	1	2	5	9	28	19	60	297	2,594	2,957
Inward treaty											316
Unallocated loss adjustment expenses											134
Total net loss reserves											3,407

### 19.3 Assumptions

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

#### (a) Assumptions of claim experiences

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

#### (b) Assumptions of related expenses

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

### 19.4 Unearned premium reserves

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the Years Ended December 31,	
	2020	2019
Beginning balances	9,978,382	8,275,770
Premium written during the years	22,858,219	21,008,919
Premium earned during the years	(22,525,885)	(19,306,307)
Ending balances	10,310,716	9,978,382

### 20. Due to Reinsurers

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	December 31, 2020	December 31, 2019
Amounts withheld on reinsurance	1,509,258	1,105,589
Amounts due to reinsurers	1,228,194	1,448,132
Total due to reinsurers	2,737,452	2,553,721

## 21. Employee Benefit Obligations

Changes in employee benefit obligations, which were compensations on employee retirement, for the years ended December 31, 2020 and 2019 were as follows:

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the Years Ended December 31,	
	2020	2019
Employee benefit obligations at beginning of the years	710,874	381,189
Included in profit or loss:		
Current service costs	64,894	51,921
Interest costs	10,663	9,124
Past service costs	-	114,403
Included in other comprehensive income or loss:		
Actuarial (gains) losses arising from:		
- Demographic assumptions changes	11,266	9,618
- Financial assumption changes	19,232	164,499
- Experience adjustments	5,184	823
Benefits paid during the years	(44,910)	(20,703)
Employee benefit obligations at end of the years	777,203	710,874

As at December 31, 2020 and 2019, the Company expected to pay long-term employee benefits of Baht 29.8 million and Baht 39.3 million, respectively, over the next 1-year period.

As at December 31, 2020 and 2019, the weighted average durations of the liabilities on long-term employee benefits were 12.9 years and 12.6 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, 2020	December 31, 2019
	(%)	(%)
Discount rates	1.5	1.7
Future salary incremental rate	6.0	6.0
Employee turnover rates (depending on age)	1.4 - 18.0	1.3 - 19.0

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, 2020		Increase (Decrease) in Employee Benefit Obligations as at December 31, 2019	
	+1%	-1%	+1%	-1%
Discount rate	(89.6)	107.5	(79.5)	95.0
Future salary incremental rate	97.5	(83.5)	86.3	(74.1)
Employee turnover rates	(37.6)	42.3	(32.9)	36.8

On April 5, 2020, 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 already reflected the effect of the change by recognising as past service costs in profit or loss.

## 22. Deferred Tax Liabilities and Income Tax Expenses

### 22.1 Deferred tax liabilities

As at December 31, 2020 and 2019, the components of deferred tax assets and liabilities consisted of tax effects arising from the following transactions.

(Bath'000)

	Financial Statements in which the Equity Method is Applied		Changes in Deferred Tax Assets or Liabilities	
	December 31, 2020	December 31, 2019	For the Years Ended December 31,	
			2020	2019
Deferred tax assets arose from:				
Allowance for expected credit losses	21,528	-	21,528	-
Allowance for impairment on investments	13,017	14,957	(1,940)	(8,444)
Premium reserves	226,271	262,530	(36,260)	51,676
Loss reserves of claims incurred and reported	388,778	353,917	34,861	(12,281)
Loss reserves of claims incurred but not yet reported	94,539	59,126	35,413	(1,536)
Lease liabilities	155,770	-	155,770	-
Employee benefit obligations	155,440	142,175	13,266	65,937
Others	4,998	11,368	(6,370)	(11,267)
Total	1,060,341	844,073		
Deferred tax liabilities arose from:				
Gains on revaluation of available-for-sale investments	3,839,665	4,297,441	457,776	1,167,306
Right-of-use assets	177,312	-	(177,312)	-
Shares of profits from investments in associates	27,903	23,395	(4,508)	(3,726)
Total	4,044,880	4,320,836		
Deferred tax liabilities	2,984,539	3,476,763		
Total changes			492,224	1,247,665
Changes were recognised in:				
- Retained earnings at beginning of the years			9,204	-
- Other components of equity at beginning of the years			(542,707)	-
- Profit or loss			18,458	44,423
- Other comprehensive income			1,007,269	1,203,242
			492,224	1,247,665

	Separate Financial Statements		Changes in Deferred Tax Assets or Liabilities	
	December 31, 2020	December 31, 2019	For the Years Ended December 31,	
			2020	2019
Deferred tax assets arose from:				
Allowance for expected credit losses	21,528	-	21,528	-
Allowance for impairment on investments	13,017	14,957	(1,940)	(8,444)
Premium reserves	226,271	262,530	(36,260)	51,676
Loss reserves of claims incurred and reported	388,778	353,917	34,861	(12,281)
Loss reserves of claims incurred but not yet reported	94,539	59,126	35,413	(1,536)
Lease liabilities	155,770	-	155,770	-
Provision for long-term employee benefits	155,440	142,175	13,266	65,937
Others	4,998	11,368	(6,370)	(11,267)
Total	1,060,341	844,073		
Deferred tax liabilities arose from:				
Gains on revaluation of available-for-sale investments	3,839,665	4,297,441	457,776	1,167,306
Right-of-use assets	177,312	-	(177,312)	-
Total	4,016,977	4,297,441		
Deferred tax liabilities	2,956,636	3,453,368		
Total changes			496,732	1,251,391
Changes were recognised in:				
- Retained earnings at beginning of the years			9,204	-
- Other components of equity at beginning of the years			(542,707)	-
- Profit or loss			22,616	49,097
- Other comprehensive income			1,007,619	1,202,294
			496,732	1,251,391



## 22.2 Income tax expenses

Income tax expenses for the years ended December 31, 2020 and 2019 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,	
	2020	2019	2020	2019
<b>Current income taxes:</b>				
Corporate income tax charge	(522,945)	(379,099)	(522,945)	(379,099)
<b>Deferred income taxes:</b>				
Deferred income taxes relating to origination and reversal of temporary differences	18,458	44,423	22,616	49,097
Income tax expenses reported in profit or loss	(504,487)	(334,676)	(500,329)	(330,002)

Reconciliations between income tax expenses and the product of accounting profits for the years ended 31 December 2020 and 2019 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,	
	2020	2019	2020	2019
Accounting profits before income tax expenses	3,210,083	2,785,957	3,189,293	2,762,587
Applicable tax rate	20%	20%	20%	20%
Income taxes at the applicable tax rate	(642,017)	(557,192)	(637,859)	(552,518)
Adjustment in respect of current income taxes of prior year	(30)	(902)	(30)	(902)
Income tax refunds	-	40,289	-	40,289
Net tax effect on tax-exempted revenues and non tax-deductible expenses	137,560	183,129	137,560	183,129
Income tax expenses reported in profit or loss	(504,487)	(334,676)	(500,329)	(330,002)

## 23. Share Capital

As at December 31, 2020 and 2019, 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.

## 24. 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.

## 25. Other Reserve

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.

## 26. Segment Information/Major Customers

### 26.1 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, 2020				
	Fire	Marine and Transportation	Motor	Miscellaneous	Total
<b>Underwriting revenues</b>					
Gross premium written	1,557,903	612,219	9,333,935	11,354,163	22,858,220
Less: Premium ceded to reinsurers	(557,860)	(374,731)	(304,039)	(6,812,235)	(8,048,865)
Net premium written	1,000,043	237,488	9,029,896	4,541,928	14,809,355
Add: Unearned premium reserves decrease from prior year	20,095	6,468	7,019	1,799	35,381
Earned premium	1,020,138	243,956	9,036,915	4,543,727	14,844,736
Commission and brokerage fee income	267,563	75,999	91,928	1,205,511	1,641,001
<b>Total underwriting income</b>	<b>1,287,701</b>	<b>319,955</b>	<b>9,128,843</b>	<b>5,749,238</b>	<b>16,485,737</b>
<b>Underwriting expenses</b>					
Net claims	261,234	60,094	5,974,179	2,076,465	8,371,972
Commission and brokerage expenses	298,480	47,213	1,422,287	1,097,254	2,865,234
Other underwriting expenses	261,931	88,858	1,007,238	1,017,394	2,375,421
<b>Total underwriting expenses</b>	<b>821,645</b>	<b>196,165</b>	<b>8,403,704</b>	<b>4,191,113</b>	<b>13,612,627</b>
<b>Profit from underwriting</b>	<b>466,056</b>	<b>123,790</b>	<b>725,139</b>	<b>1,558,125</b>	<b>2,873,110</b>
Investment revenue					1,127,222
Gains on investments					185,241
Shares of profits from investments in associates					20,790
Other income					174,083
Operating expenses					(984,279)
Investment expenses					(86,426)
Finance costs					(39,337)
Expected credit losses					(60,321)
<b>Profit before income tax expenses</b>					<b>3,210,083</b>
Less: Income tax expenses					(504,487)
<b>Net profit</b>					<b>2,705,596</b>

	Financial Statements in which Equity Method is Applied				
	For the Year Ended December 31, 2019				
	Fire	Marine and Transportation	Motor	Miscellaneous	Total
<b>Underwriting revenues</b>					
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
<b>Total underwriting income</b>	<b>1,290,675</b>	<b>326,878</b>	<b>7,785,660</b>	<b>5,033,605</b>	<b>14,436,818</b>
<b>Underwriting expenses</b>					
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
<b>Total underwriting expenses</b>	<b>723,240</b>	<b>234,191</b>	<b>7,403,468</b>	<b>3,833,677</b>	<b>12,194,576</b>
<b>Profit from underwriting</b>	<b>567,435</b>	<b>92,687</b>	<b>382,192</b>	<b>1,199,928</b>	<b>2,242,242</b>
Investment revenue					1,226,491
Gains on investments					281,138
Shares of profits from investments in associates					23,370
Other income					182,847
Operating expenses					(1,078,263)
Investment expenses					(89,315)
Finance costs					(2,553)
<b>Profit before income tax expenses</b>					<b>2,785,957</b>
Less: Income tax expenses					(334,676)
<b>Net profit</b>					<b>2,451,281</b>

The following table presented the Company's operating segment assets and liabilities as at December 31, 2020 and 2019.

(Baht'000)

	Financial Statements in which Equity Method is Applied						
	Fire	Marine and Transportation	Motor	Miscellaneous	Total Segments	Unallocated	Total
<b>Assets</b>							
As at December 31, 2020	482,420	189,891	1,083,228	8,769,581	10,525,120	48,978,669	59,503,789
As at December 31, 2019	429,558	225,336	1,042,583	6,926,472	8,623,949	48,703,134	57,327,083
<b>Liabilities</b>							
As at December 31, 2020	2,918,068	322,660	6,995,641	12,082,322	22,318,691	6,842,051	29,160,742
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

## 26.2 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.

## 26.3 Major customers

In 2020 and 2019, the Company had gross premium written from one major customer amounting to Baht 2,495.0 million and Baht 2,611.7 million, respectively.

## 27. Operating Expenses

(Baht'000)

	Financial Statements in which Equity Method is Applied and Separate Financial Statements	
	For the Years Ended December 31,	
	2020	2019
Personnel expenses	532,552	527,333
Premises and equipment expenses	261,382	292,413
Taxes and duties	913	769
Bad debts and doubtful accounts	1,918	14,042
Other operating expenses	187,514	243,706
Total operating expenses	984,279	1,078,263

## 28. Expected Credit Losses

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements
	For the Year Ended December 31, 2020
Expected credit losses increased (decreased) during the year:	
Cash and cash equivalents	-
Accrued investment income	530
Investments in securities	54,083
Loans and interest receivables	5,708
Total	60,321

## 29. Expenses by Nature

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements	
	For the Year Ended December 31,	
	2020	2019
Net claims	7,913,705	6,671,059
Commissions and brokerage expenses	2,865,234	2,717,317
Other underwriting expenses	795,710	696,378
Personnel expenses	1,450,378	1,367,521
Premises and equipment expenses	609,297	665,019
Other operating expenses	1,047,785	1,241,448
Investment expenses	1,223	3,412
Finance costs	39,337	2,553
Expected credit losses	60,321	-
Total	14,782,990	13,364,707

## 30. 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, 2020 and 2019, the Company recognised the contributed Baht 83.4 million and Baht 68.0 million, respectively, to the fund.

## 31. Earnings per Share

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

## 32. Dividends Paid

Dividends declared during the years 2020 and 2019 were as follow:

	Approved by	Total Dividend	Dividend Per Share
		(Million Baht)	(Baht)
The 3 <sup>rd</sup> interim dividend for 2020	Meeting No. 5/20 of Board of Directors on November 13, 2020	319.4	3.00
The 2 <sup>nd</sup> interim dividend for 2020	Meeting No. 4/20 of Board of Directors on August 14, 2020	319.4	3.00
The 1 <sup>st</sup> interim dividend for 2020	Meeting No. 3/20 of Board of Directors on May 15, 2020	319.4	3.00
The 4 <sup>th</sup> interim dividend for 2019	Meeting No. 2/20 of Board of Directors on April 13, 2020	532.3	5.00
Total dividends for the year 2020		1,490.5	14.00

	Approved by	Total Dividend	Dividend Per Share
		(Million Baht)	(Baht)
The 3 <sup>rd</sup> interim dividend for 2019	Meeting No. 4/19 of Board of Directors on November 8, 2019	319.4	3.00
The 2 <sup>nd</sup> interim dividend for 2019	Meeting No. 3/19 of Board of Directors on August 9, 2019	319.4	3.00
The 1 <sup>st</sup> 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

## 33. Related Party Transactions

### 33.1 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.	Insurance	Related by way of having common directors and shareholding
Charoong Thai Wire and Cable Pcl.	Electrical products	Related by way of having common directors and shareholding
Fine Metal Technologies Pcl. (Formerly known as "Furukawa Metal (Thailand) Pcl.")	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 Pcl.	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.	Entertainment and Leisure	Related by way of having common directors and shareholding
Thai Metal Processing Co., Ltd.	Electronic parts	Related by way of having common directors and shareholding
Asia Sermkij Co., Ltd.	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



### 33.2 Significant related party transactions

During the years ended December 31, 2020 and 2019, 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 were as follows:

(Baht'000)

	For the Years Ended December 31,		Pricing Policy
	2020	2019	
<b>Transactions with associates and related companies</b>			
<i>Income</i>			
Premium written	674,871	608,415	Normal commercial terms for underwriting
Fee and commission income	221,699	192,645	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contracts
Interest income <sup>(1)</sup>	74,446	73,806	Similar rates as financial institutions and related companies offered to their general customers
Dividend income <sup>(1)</sup>	583,749	634,847	The declared amount
Rental income <sup>(2)</sup>	5,101	4,833	Same rates the Company offered to its general customers
<i>Expenses</i>			
Premium ceded to reinsurers	681,244	600,404	Normal commercial terms for reinsurance depending on types of insurance and reinsurance contracts
Claims recovery	(230,722)	(207,177)	As actually incurred
Commissions and brokerages	74,426	61,500	Normal commercial terms for underwriting
Management fee for private fund <sup>(3)</sup>	-	139	Similar rates the related party offered to its general customers
Fee for trading securities <sup>(3)</sup>	1,094	1,067	Similar rates the related party offered to general customers
<i>Owner's equity</i>			
Dividend paid	196,580	190,696	The declared amount

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

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

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

### 33.3 Outstanding balances

As at December 31, 2020 and 2019, the Company had the following significant balances with its related companies.

(Baht'000)

	December 31, 2020	December 31, 2019
<b><u>Associates</u></b>		
Investment in associates - cost	129,396	129,396
<b><u>Related companies</u></b>		
Deposits at financial institutions	8,388,796	5,559,220
Premium receivables	28,209	37,480
Accrued interest income on debentures <sup>(1)</sup>	111	-
Reinsurance assets		
Amounts deposited on reinsurance	7,117	7,090
Amounts due from reinsurers	8,730	14,138
Available-for-sale investments measured at fair value through other comprehensive income		
Equity securities	20,165,152	23,257,829
Debt securities	9,404	-
General investments	-	600,377
Loans and interest receivables	157,178	157,578
Other assets		
Deposits and golf club membership fees	35,900	36,293
Account receivable on sales of securities	3,779	79
Due to reinsurers		
Amounts withheld on reinsurance	99,714	104,373
Amounts due to reinsurers	61,376	45,810
Insurance contract liabilities		
Loss reserves	-	318
Other Liabilities		
Lease liabilities	-	36
Accounts payable on purchases of securities	-	2,923

<sup>(1)</sup> Presented in "Accrued investment income" in statements of financial position

### 33.4 Directors' and key management's benefits

During the years ended December 31, 2020 and 2019, 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,	
	2020	2019
Short-term benefits	89.8	94.8
Post-employment benefits	10.1	4.3
Total	99.9	99.1

### 34. 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,	
	2020	2019
Accumulated contribution at beginning of the years	366,986	316,839
Contribution during the years	53,866	50,147
Accumulated contribution at end of the years	420,852	366,986

### 35. Commitments and Contingent Liabilities

#### 35.1 Capital Commitments

As at December 31, 2020 and 2019, there were outstanding capital commitments contracted for decoration and renovation of building, and computer software development totaling to Baht 75.2 million and Baht 34.5 million, respectively.

#### 35.2 Litigation

As at December 31, 2020 and 2019, the Company had litigation claims totaling approximately Baht 2,859.9 million and Baht 2,968.4 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 340.3 million and Baht 779.2 million, respectively. However, the Company has considered and estimated for losses that may arise from those cases amounting to approximately Baht 116.0 million and Baht 105.4 million, respectively, which were already recognised in "Insurance contract liabilities" in the statements of financial position as at those dates.

### 36. Risks and Risk Management Policies

#### 36.1 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 contract liabilities segregated by insurance type was shown below.

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements					
	December 31, 2020					
	Gross Premium Reserves	Outward Premium Reserves	Net	Gross Loss Reserves	Outward Loss Reserves	Net
Fire	795,785	(266,625)	529,160	259,543	(84,461)	175,082
Marine and transportation	142,350	(63,336)	79,014	90,659	(43,095)	47,564
Motor	4,748,402	(151,819)	4,596,583	2,200,473	(45,698)	2,154,775
Miscellaneous	4,624,179	(2,773,841)	1,850,338	5,161,123	(4,131,294)	1,029,829
Total	10,310,716	(3,255,621)	7,055,095	7,711,798	(4,304,548)	3,407,250

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements					
	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

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. The risk may occur because the frequency and severity of damage, or loss adjustment expenses may not be as expected. This information is not a forecast or prediction of future market conditions and should be used with care.

(Million Baht)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements				
	December 31, 2020				
	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 %	1,147.1	772.1	(772.1)	(617.7)
Average claim expenses	-10 %	(1,147.1)	(772.1)	772.1	617.7
Average number of claim	+10 %	1,147.1	772.1	(772.1)	(617.7)
Average number of claim	-10 %	(1,147.1)	(772.1)	772.1	617.7

(Million Baht)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements				
	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

## 36.2 Credit risk

### Insurance assets

Concentrations of the credit risk with respect to premium receivables and amounts due from reinsurers are considered low since the insured and reinsurers are diversified in various industry sectors throughout the regions in Thailand.

The Company has considered the financial status and credit rating of all reinsurance companies and ceded to many trustworthy ceding companies that are capable of reinsurance. This helps diversification of risk. In addition, it has cautiously scrutinised the reinsurance conditions through the unit that is well versed in the reinsurance business and have its legal department considered legal aspects, 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 place collateral according to the specified credit limit required by the Company.

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

### Financial assets

Concentrations of the credit risk with respect to mortgaged 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 to settle debt and the ratios 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, including determination of loan to value ratio so that it is not beyond the legal limit and monitor cash inflows in each month, including consistency of debt payment.

The Company continuously monitors all assets subject to Expected credit loss (ECL). In order to determine ECL from asset classification policy by using 12-month expected credit losses and Lifetime expected credit loss appropriately.

The Company considers guidelines on asset classification under credit risk characteristic as follows:

Stage 1 - Assets with no significant increase in credit risk (performing)

Stage 2 - Assets with significant increase in credit risk (under-performing)

Stage 3 - Credit-impaired or defaulted assets (non-performing)

As for criteria in asset classification, ECL provisioning and assets written off, the Company considers both quantitative and qualitative factors. In consideration of quantitative factors, it takes into accounts default periods of contractual interest and principal payments determined overdue periods (e.g. 30 days past due or 90 days past due and soon. Qualitative factors should also be considered. Such as, in case that it is unlikely to receive the outstanding contractual amounts, significant decrease in credit quality of counterparties is expected, events that impact on business performance and credit rating of the issuer and forecasted information such as economic and industrial conditions, which are also factors to consider significant increase in credit risk.

The information relating to credit quality of financial assets were as below:

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements			
	December 31, 2020			
	Stage 1 - Loans without a Significant Increase in Credit Risk	Stage 2 - Loans with a Significant Increase in Credit Risk	Stage 3 - Credit - Impaired Loans	Total
<b>Cash and cash equivalents</b>				
Investment grade	141,557	-	-	141,557
Less: Allowance for expected credit losses	-	-	-	-
Net book value	141,557	-	-	141,557
<b>Accrued investment income</b>				
Investment grade	42,379	-	-	42,379
Non-investment grade	-	-	1,028	1,028
Total	42,379	-	1,028	43,407
Less: Allowance for expected credit losses	(9)	-	(534)	(543)
Net book value	42,370	-	494	42,864
<b>Available-for-sale investments measured at fair value through other comprehensive income</b>				
Investment grade	3,827,529	-	-	3,827,529
Non-investment grade	-	-	52,030	52,030
Total fair value	3,827,529	-	52,030	3,879,559
Allowance for expected credit losses recognised in profit or loss	734	-	54,407	55,141
<b>Held-to-maturity investments measured at amortised cost</b>				
Investment grade	13,729,657	-	-	13,729,657
Less: Allowance for expected credit losses	(2,701)	-	-	(2,701)
Net book value	13,726,956	-	-	13,726,956
<b>Loans and interest receivables</b>				
Not yet due	1,039,144	-	-	1,039,144
Over due				
Less than 3 months	313,547	17,942	-	331,489
3 - 6 months	-	-	21,426	21,426
Longer than 12 months	-	-	133,617	133,617
Total	1,352,691	17,942	155,043	1,525,676
Less: Allowance for expected credit losses	(1)	-	(49,256)	(49,257)
Net book value	1,352,690	17,942	105,787	1,476,419

The above table showed the maximum exposure to credit risk for financial assets. The maximum exposure was shown in gross carrying amounts before collateral or any activities that could mitigate credit risk.

For financial assets recognised in the statement of financial position, the maximum exposure to credit risk equals their gross carrying amounts net of allowance for expected credit losses.

The significant movements in allowance for expected credit losses were stated below:

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements			
	December 31, 2020			
	Stage 1 - Loans without a Significant Increase in Credit Risk	Stage 2 - Loans with a Significant Increase in Credit Risk	Stage 3 - Credit - Impaired Loans	Total
<b>Available-for-sale investments measured at fair value through other comprehensive income</b>				
Beginning balance - January 1, 2020	1,903	-	-	1,903
Change due to restaging	(98)	-	98	-
Change due to remeasurement of allowance for expected credit losses	171	-	54,309	54,480
Newly purchased or acquired financial assets	126	-	-	126
Amounts written off	(1,368)	-	-	(1,368)
Ending balance - December 31, 2020	734	-	54,407	55,141
<b>Held-to-maturity investments measured at amortised cost</b>				
Beginning balance - January 1, 2020	1,857	-	-	1,857
Change due to remeasurement of allowance for expected credit losses	1	-	-	1
Newly purchased or acquired financial assets	2,690	-	-	2,690
Amounts written off	(1,847)	-	-	(1,847)
Ending balance - December 31, 2020	2,701	-	-	2,701
<b>Loans and interest receivables</b>				
Beginning balance - January 1, 2020	1	-	43,548	43,549
Change due to remeasurement of allowance for expected credit losses	(1)	-	5,708	5,707
Newly purchased or acquired financial assets	1	-	-	1
Ending balance - December 31, 2020	1	-	49,256	49,257

### 36.3 Market risk

Market risk is the risk that changes in interest rate, exchange rate, and equity prices could lead to volatility in the financial position of the Company.



(a) 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 31 December 2020 and 2019, significant assets and liabilities classified by type of interest rate were summarised below;

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements						
	December 31, 2020						
	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	-	-	-	138,770	2,787	141,557	0.13 - 0.30
Accrued investment income	38,443	-	493	-	3,927	42,863	0.38 - 4.62
Investments in securities							
Government and state enterprise securities	2,022,326	1,062,973	215,221	-	-	3,300,520	0.50 - 2.40
Private enterprise debt securities	130,657	352,574	95,808	-	-	579,039	2.11 - 4.62
Common stocks	-	-	-	-	25,112,950	25,112,950	-
Unit trusts	-	-	-	-	1,704,622	1,704,622	-
Deposits at financial institutions	13,726,956	-	-	-	-	13,726,956	0.38 - 1.45
Loans and interest receivables	333	8,837	144,683	1,322,566	-	1,476,419	2.50 - 7.00
Financial liabilities							
Lease liabilities	53,359	112,713	1,635,819	-	-	1,801,891	5.00 - 5.21
Assets under insurance contracts							
Premium receivables	-	-	-	-	2,765,897	2,765,897	-
Reinsurance assets - loss reserves	-	-	-	-	4,304,548	4,304,548	-
Reinsurance receivables	-	-	-	-	389,322	389,322	-
Liabilities under insurance contracts							
Insurance contract liabilities - loss reserves	-	-	-	-	7,711,798	7,711,798	-
Due to reinsurers	-	-	-	-	2,737,452	2,737,452	-

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements						
	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
Accrued investment income	65,379	-	-	3,570	2,733	71,682	0.38 - 7.00
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
Financial liabilities							
Liabilities under finance lease agreements	17,288	22,771	-	-	-	40,059	5.21
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	-

The changes in interest rates affected on the Company's profit and loss and owners' equity as at December 31, 2020 were summarised below:

(Million Baht)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements		
	Interest Rate Change	Profit Before Income Tax Increased (Decreased)	Owners' Equity Increased (Decreased)
Investments in debt instruments	+0.25%	-	(22.5)
	-0.25%	-	(5.1)
Deposits at financial institutions	+0.25%	(22.3)	(17.8)
	-0.25%	(61.6)	(49.3)
Loans and interest receivables	+0.50%	4.7	3.7
	-0.50%	(4.7)	(3.7)

The above analysis has been prepared assuming that the amounts of the floating rate financial assets and all other variables remain constant for a year. Moreover, the floating legs of these assets are assumed to not yet have set interest rates. As a result, a change in interest rates affects fair value of the sensitivity calculation. This information is not a forecast or prediction of future market conditions and should be used with care.

#### (b) 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, 2020 and 2019, the Company did not enter into any forward foreign exchange contracts to mitigate possible foreign exchange risk.

As at December 31, 2020 and 2019 the Company had the balances of assets and liabilities denominated in foreign currencies were summarised below.

Foreign Currency	Assets		Liabilities		Average Exchange Rate	
	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019	December 31, 2020	December 31, 2019
	(Million Baht)	(Million Baht)	(Million Baht)	(Million Baht)	(Baht per 1 foreign currency unit)	
US dollar	362.3	565.2	389.6	566.6	29.991	30.108
Philippine peso	32.2	24.7	-	13.4	0.623	0.592
HK dollar	7.6	7.4	3.9	0.5	3.866	3.865
China yuan	5.3	-	-	-	4.601	4.30
Indonesia rupiahs	2.9	4.8	0.1	1.2	0.002	0.002
Euro	1.5	1.4	-	2.1	36.816	33.678
Poundsterling	1.4	2.3	0.1	1.9	40.562	39.444
Japanese yen	0.9	0.8	-	0.1	0.290	0.275
Vietnam dong	0.5	5.3	-	-	0.001	0.001
Brunai dollar	0.5	-	-	-	22.612	22.260
Malaysia ringgit	-	0.5	-	-	7.414	7.300
India rupee	-	0.4	-	0.4	0.400	0.413
Australia dollar	-	0.1	0.1	0.1	22.878	21.013
Taiwan dollar	-	-	-	19.6	1.069	1.002
Pakistan rupee	-	-	-	0.5	0.187	0.195

#### (c) Equity position risk

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

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, 2020 and 2019, the Company had risk from its investments in equity securities of which the price would change with reference to market conditions.

### 36.4 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, 2020 and 2019 were as follows:

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements					
	December 31, 2020					
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
<b>Financial assets</b>						
Cash and cash equivalents	141,557	-	-	-	-	141,557
Accrued investment income	-	42,370	-	-	493	42,863
Investments in securities	-	15,879,939	1,415,547	311,029	26,817,573	44,424,088
Loans and interest receivables	101,568	709,178	452,750	212,923	-	1,476,419
<b>Financial liabilities</b>						
Lease liabilities	-	53,359	112,713	1,635,819	-	1,801,891
<b>Assets under insurance contracts</b>						
Premium receivables	-	2,765,897	-	-	-	2,765,897
Reinsurance assets - loss reserves	-	2,771,704	1,532,844	-	-	4,304,548
Reinsurance receivables	-	389,322	-	-	-	389,322
<b>Liabilities under insurance contracts</b>						
Insurance contract liabilities - loss reserves	-	4,965,637	2,746,161	-	-	7,711,798
Due to reinsurers	-	2,737,452	-	-	-	2,737,452

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements					
	December 31, 2019					
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
<b>Financial assets</b>						
Cash and cash equivalents	138,824	-	-	-	-	138,824
Accrued investment income	5	71,677	-	-	-	71,682
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
<b>Financial liabilities</b>						
Liabilities under finance lease agreements	-	17,288	22,771	-	-	40,059
<b>Assets under insurance contracts</b>						
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
<b>Liabilities under insurance contracts</b>						
Insurance contract liabilities - loss reserves	-	3,603,112	2,028,047	-	-	5,631,159
Due to reinsurers	-	2,553,721	-	-	-	2,553,721

### 37. Fair value of financial assets

As of December 31, 2020 and 2019, the Company had the following financial assets that were measured at fair value or cost but fair value were disclosed by using different levels of inputs as follows:

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements				
	December 31, 2020				
	Fair Value				Carrying Value
	Level 1	Level 2	Level 3	Total	
<b>Financial assets measured at fair value</b>					
Investments in securities					
Government and state enterprise securities	-	3,300,520	-	3,300,520	3,300,520
Private enterprise debt securities	-	579,039	-	579,039	579,039
Equity securities	24,024,544	46,356	2,746,673	26,817,573	26,817,573
<b>Financial asset for which fair value are disclosed</b>					
Cash and cash equivalent	141,557	-	-	141,557	141,557
Accrued investment income	42,863	-	-	42,863	42,863
Investment in securities					
Held-to-maturity investments	13,726,956	-	-	13,726,956	13,726,956
Loans and interest receivables	-	-	1,457,855	1,457,855	1,476,419
Investment properties	-	-	225,789	225,789	117,930

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements				
	December 31, 2019				
	Fair Value				Carrying Value
	Level 1	Level 2	Level 3	Total	
<b>Financial assets measured at fair value</b>					
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
<b>Financial asset for which fair value are disclosed</b>					
Cash and cash equivalent	138,824	-	-	138,824	138,824
Accrued investment income	71,682	-	-	71,682	71,682
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	-	-	259,246	259,246	135,207

The fair value hierarchy of financial assets were described in Note 5.20 to the financial statements. During the years, there were no transfers within the fair value hierarchy.

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

- (a) Financial assets with short-term maturity, which were cash and cash equivalents and accrued investment income, were presented at fair value, which were estimated to approximate their carrying values as stated in the statements of financial position.
- (b) Investments in equity securities were presented at fair value, which was derived from market price. In case of non-marketable equity securities, the fair value was determined using generally accepted methods, e.g. price per book value method or discounted cash flow techniques discounted by the Weighted Average Cost of Capital (WACC) appropriate to each security, except for unit trusts, which are not listed on the Stock Exchange of Thailand, their fair values are determined using the net asset value per unit announced by the fund managers.
- (c) Investments in debts securities were presented at market prices or determined using the yield curve as announced by the Thai Bond Market Association.
- (d) Loans were presented at fair value, which is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions.
- (e) Investment properties were 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.

Reconciliation of fair value measurements of equity financial assets, categorised within Level 3 of the fair value hierarchy, were presented below:

(Baht'000)

	Financial Statements in which the Equity Method is Applied and Separate Financial Statements
Balance as of January 1, 2020	3,440,555
Disposal during the year	(23,831)
Losses on revaluation during the year	(670,051)
Balance as of December 31, 2020	2,746,673

### 38. 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.

### 39. Approval of Financial Statements

These financial statements were authorised for issue by the Company's Executive Directors on February 17, 2021.

# COMPANY'S FINANCIAL STATUS

## Assets

As at December 31, 2020, the Company's total assets amounted to Baht 59,503.8 million, an increase of Baht 2,176.7 million, or 3.8 percent, over 2019. Significant components of the assets are described below.

- Investments in securities dropped by Baht 534.3 million, or 1.2 percent, to Baht 44,424.1 million, compared to 2019. Investments in securities are comprised of available-for-sale investments, measured at fair value through other comprehensive income - net, of Baht 30,697.1 million, or 69.1 percent of securities investments, and held-to-maturity investments measured at amortised cost-net (deposits at financial institutions which matured over 3 months) of Baht 13,727.0 million, or 30.9 of securities investments.
- Net reinsurance assets totaled Baht 7,560.2 million, a rise of Baht 1,907.8 million, or 33.8 percent, over 2019.
- Net premium receivables declined by Baht 15.8 million, or 0.6 percent, to Baht 2,765.9 million, compared to 2019.
- Net loans and interest receivables grew by Baht 162.7 million, or 12.4 percent, to Baht 1,476.4 million, over 2019, as defined in the accounting guideline related to financial instruments and disclosures applicable to insurance business, effective from January 1, 2020.
- Net-property, premises and equipment abated by Baht 125.8 million, or 17.0 percent, to Baht 614.9 million, compared to 2019.
- Right-of-use assets amounted to Baht 886.6 million, in accordance with the new financial reporting standards, which was first implemented in 2020.

## Liabilities

The Company's total liabilities at 2020 year-end rose by Baht 2,856.7 million, or 10.9 percent, to Baht 29,160.7 million, compared to 2019. Significant elements of liabilities include the following:

- Insurance contract liabilities grew by Baht 2,413.0 million, or 15.5 percent, to Baht 18,022.5 million, compared to 2019.
- Deferred tax liabilities fell by Baht 492.3 million, or 14.2 percent, to Baht 2,984.5 million, over 2019.
- Due to reinsurers increased by Baht 183.8 million, or 7.2 percent, to Baht 2,737.5 million, compared to 2019.
- Lease liabilities rose by Baht 738.7 million to Baht 778.8 million, over 2019, in compliance with the new financial reporting standards, which was first implemented in 2020.

## Owners' Equity

The Company's owners' equity at 2020 year-end diminished by Baht 680.0 million, or 2.2 percent, to Baht 30,343.1 million, over 2019. Important components of the owners' equity are listed below.

- Registered, issued and paid-up capital totaled Baht 1,064.7 million and share premium amounted to Baht 1,442.5 million, both unchanged from the previous year.
- Appropriated retained earnings (Other reserve) amounted to Baht 7,000.0 million, unchanged from the year before.
- Unappropriated retained earnings totaled Baht 5,373.1 million, a rise of Baht 1,149.6 million, or 27.2 percent, compared to 2019.
- Other component of owners' equity (a surplus on revaluation of available-for-sale investments base on net of income taxes) dwindled by Baht 1,829.7 million, or 10.7 percent, to Baht 15,356.3 million, over 2019.

## Assets Quality

### Debtors (Premium receivables)

As at December 31, 2020, premium receivables had dwindled by Baht 15.8 million, or 0.6 percent, to Baht 2,765.9 million, over 2019. They can be classified by aging as follows:



(Million Baht)

Overdue	2020			2019		
	From the Insured	From Agent and Broker	Total	From the Insured	From Agent and Broker	Total
Not Yet Due	423.6	1,779.3	2,202.9	782.1	1,406.7	2,188.8
Overdue not longer than 30 days	71.8	119.7	191.5	70.8	125.1	195.9
Overdue 31 days - 60 days	43.4	76.2	119.6	43.9	91.6	135.5
Overdue 61 days - 90 days	37.9	23.2	61.1	15.1	34.1	49.2
Overdue 91 days - 1 year	82.1	108.7	190.8	95.0	117.3	212.3
Overdue longer than 1 year	3.3	12.9	16.2	26.3	15.9	42.2
Total overdue	662.1	2,120.0	2,782.1	1,033.2	1,790.7	2,823.9
Less: Allowance for Doubtful Accounts	3.3	12.9	16.2	26.3	15.9	42.2
<b>Premium Receivables - Net</b>	<b>658.8</b>	<b>2,107.1</b>	<b>2,765.9</b>	<b>1,006.9</b>	<b>1,774.8</b>	<b>2,781.7</b>

Debtors, within a grace period and overdue less than 30 days, for premium receivables amounted to Baht 2,394.4 million, representing 86.1 percent of the uncollected total premium of Baht 2,782.1 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.

## Policy on the Determination of Credit Term for Business Partners or Customers of Each Type of Business

The Company has a policy and practice method with regard to its premium collection so that they are efficient and in compliance with the requirement of OIC. The Company has defined its premium collection based on the following terms.

### 1. In the case the Company collects premiums directly from the insured

Business Unit	Premium Collection Period			
	Non-motor (Type of Insured)		Motor (Type of Insured)	
	Person	Juristic Person	Person	Juristic Person
All channels	Not exceeding 15 days starting from beginning coverage date	Not exceeding 30 days starting from beginning coverage date	Not exceeding beginning coverage date	Not exceeding 15 days starting from beginning coverage date

### 2. In the case the Company collects premiums through its business partners

Business Partner	Premium Collection Period				
	Non-Motor	Motor - Insurance on Behalf of			
		Person		Juristic Person	
		Starting Coverage Days 1-15	Starting Coverage Days 16-31	Starting Coverage Days 1-15	Starting Coverage Days 16-31
- Agent - Broker - Financial Institution	Not exceeding 60 days	Not exceeding same month-end	Not exceeding day 15 <sup>th</sup> of next month	Not exceeding day 15 <sup>th</sup> of next month	Not exceeding next month-end

Financial ratio relating to average credit term that truly occurs

	2020	2019	2018
<b>Average Credit Term for Premium Collections (Day)</b>			
- Non-Motor	47	50	50
- Motor	33	34	35
<b>Premium Receivables Ratio (%)</b>			
- Non-Motor	11.9	14.8	16.0
- Motor	9.9	10.2	11.6

For 2020, the Company had an average credit term for premium collections for non-motor and motor insurance of 47 days and 33 days, respectively, reflecting its efficiency in better premium collections, compared to the year before, and being within the criteria of the defined policy. This resulted in the Company having the premium receivables ratios for 2020 for non-motor and motor insurance of 11.9 percent and 9.9 percent, respectively.

Although this year the overall Thai economy has been impacted by the spreading of the Coronavirus disease (COVID-19), the Company has had a measure to relieve the insured's financial burden through being lenient with their premium payment via a credit card on an installment basis, from two to six months, as appropriate. Similarly, in 2020, there was insurance for the COVID-19 through the Telemarketing channel, in which customers could pay a premium immediately when purchasing insurance, which had a good impact on the Company's term of premium collection.

## Loans

As at December 31, 2020, the Company's total net loans and interest receivables, carried at amortization cost and less expected credit losses as defined in the accounting guideline related to financial instruments and disclosures applicable to insurance business, rose from January 1, 2020, by Baht 201.3 million, or 15.8 percent, to Baht 1,476.4 million. They were mortgage loans or those having a person as collateral security. Out of the Company's total loan and interest receivable amount, Baht 190.0 million, or 12.9 percent, was housing loans and interest receivables, while the remaining Baht 1,286.4 million, or 87.1 percent, was loans and interest receivables 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.

Loans can be classified by an analysis of credit risk categorization as follows:

(Million Baht)

Classification	December 31, 2020			January 1, 2020		
	Principal		Total	Principal		Total
	Mortgage	Others		Mortgage	Others	
Stage 1 - Loans without a significant increase in credit risk	1,344.4	8.3	1,352.7	1,151.9	8.3	1,160.2
Stage 2 - Loans with a significant increase in credit risk	17.9	-	17.9	1.6	-	1.6
Stage 3 - Loans with credit impairment	155.1	-	155.1	156.8	-	156.8
Total Loans and Interest Receivables	1,517.4	8.3	1,525.7	1,310.3	8.3	1,318.6
Less: Allowance for Expected Credit Losses	(49.3)	-	(49.3)	(43.5)	-	(43.5)
Loans and Interest Receivables - Net	1,468.1	8.3	1,476.4	1,266.8	8.3	1,275.1

## Investments in Securities

In 2020, the global economy was severely impacted by the spreading of COVID-19, creating concern to worldwide financial markets and capital markets, shrinking expanding rates in the economic, production and trading sectors in many countries, as well as an adjustment of a higher unemployment rate, causing governments in various countries across the world to issue economy-stimulating measures to relieve the effects of COVID-19. Currently, a number of countries worldwide still experience higher spreading of the disease, resulting in a slowdown in the overall global economy.

For the overall Thai economy in 2020, at the beginning of the year occurred the spread of COVID-19, causing various economic activities to stop short due to the government's measures, particularly in the tourism sector, in which international traveling is limited, sluggish demands, both in and outside the country, caused by economic stagnation worldwide, apart from employment and household incomes being seriously affected by the shrinking economy, causing the country's industrial sector's production and the private sector's investment to diminish significantly. In this connection, the government sector has formulated different policies to help stimulate the country's economy, including a relaxing financial policy. At the start of the year the Monetary Policy Committee (MPC) had reduced the policy interest rate twice and had retained a low level of the policy interest rate, aimed at economic liquidity and a support of economic revival following the ease of the spread of COVID-19, resulting in a gradual recovery of the Thai economy in the latter half of the year. Nonetheless, after a resurgence of the COVID-19 disease, a myriad of business sectors begin to be affected, causing a drop in their capability to respond to the economic impact.

For the Company, its overall investment income in 2020 had decreased, compared to the previous year. The interest and dividends dropped by Baht 99.3 million, or 8.1 percent, to Baht 1,127.2 million. A return from investment capital abated by Baht 95.9 million, or 34.1 percent, to Baht 185.2 million. Therefore, the total investment income in 2020 dwindled by Baht 264.0 million, or 16.3 percent, to Baht 1,360.6 million. When combined with a return from the underwriting, the Company's net return in 2020 amounted to Baht 2,705.6 million, a rise of Baht 254.3 million, or 10.4 percent, over 2019.

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 2020 financial statements, which were displayed as a surplus on revaluation of available-for-sale investments net of income taxes amounting to Baht 15,356.3 million, a fall of Baht 1,829.7 million, or 10.7 percent, compared to 2019, in compliance with the SET index at 2020 year-end closed at 1,449.35, a drop of 130.49, or 8.3 percent, from 2019, which closed at 1,579.84.

When classified in detail, as at December 31, 2020, the Company's investment capital for significant securities included the following. Held-to-maturity investments measured at amortised cost-net (deposits at financial institutions which matured over 3 months) amounted to Baht 13,729.7 million, with a fair value of Baht 13,727.0 million, while investments in government and state enterprise securities, measured at fair value through other comprehensive income-net, totaled Baht 3,252.2 million, with a fair value of Baht 3,300.5 million, investments in private enterprise debt securities, measured at fair value through other comprehensive income-net, equaled Baht 630.8 million, with a fair value of Baht 579.0 million, and investments in equity securities, measured at fair value through other comprehensive income-net, amounted to Baht 6,083.7 million, with a remaining value, measured at fair value through other comprehensive income-net, of Baht 6,018.6 million, with a fair value of Baht 25,113.0 million after the reduction of allowance for impairment of Baht 65.1 million.

The investment in unit trusts, measured at fair value through other comprehensive income-net, amounted to Baht 1,652.3 million, with a fair value of Baht 1,704.6 million, which were classified into equity funds, property funds, real estate investment trust and infrastructure funds.

## Liquidity

### Cash Flows

As at December 31, 2020, the Company's cash and cash equivalents rose by Baht 2.8 million, or 2.0 percent, to Baht 141.6 million. The Company's net cash on its activities were as follows:

(Million Baht)

	2020	2019
Net Cash from (used in) Operating Activities	1,619.6	1,314.4
Net Cash from (used in) Investing Activities	(69.9)	(133.9)
Net Cash from (used in) Financing Activities	(1,547.0)	(1,461.3)
Increase (Decrease) in Net Cash and Cash Equivalents	2.7	(280.8)

- Net cash from operating activities totaled Baht 1,619.6 million, which came mainly from direct premium written and interest and dividend investment income.
- Net cash used in investing activities totaled Baht 69.9 million, which was mainly used in property, premises and equipment, including non-existent assets.
- Net cash used in financing activities totaled Baht 1,547.0 million, which was used in a dividend payment of Baht 1,486.7 million and in debt payment under lease agreements of Baht 60.3 million.

### 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 2020, the Company's major investment expenses were on an information technology system, building rehabilitation, and office equipment and decoration which were aimed at improving the Company's modern outlook and efficiency of customer services.

In 2020, the Company's investment expenses on property, premises and equipment amounted to Baht 50.1 million, and non-existent assets of Baht 19.8 million.

### Sources of Funds

As at December 31, 2020, the Company's liabilities were Baht 29,160.7 million, while owners' equity was Baht 30,343.1 million. Thus, the debt to equity ratio was 1.0 time. In 2020, the Company's total liabilities had risen by Baht 2,856.7 million, or 10.9 percent, compared to 2019, due to an increase in insurance contract liabilities, due to reinsurers and liabilities under lease agreements. Owners' equity fell by Baht 680.0 million, or 2.2 percent, over 2019, from the owners' equity's other components which dropped by Baht 1,829.7 million, or 10.7 percent, in a surplus on evaluation of net available-for-sale investments from income taxes, compared to 2019. Nevertheless, unappropriated retained earnings experienced a growth of Baht 1,149.6 million, or 27.2 percent, over 2019.

# FINANCIAL RATIO

		2020	2019	2018
<b>Liquidity Ratio</b>				
Current Ratio	(Times)	0.86	0.79	0.61
Receivable Turnover	(Times)	8.24	7.66	6.79
Collection Period	(Days)	43.69	47.00	53.04
<b>Profitability Ratio</b>				
Retention Rate	(%)	99.76	109.56	105.64
Loss Ratio	(%)	56.40	54.07	49.42
Profit Margin	(%)	12.75	8.06	12.32
Underwriting and Operation Expenses Ratio	(%)	31.14	37.12	37.59
Return on Investment	(%)	3.25	3.59	2.85
Net Premium Ratio	(Times)	0.48	0.44	0.34
Net Profit Margin	(%)	16.55	16.50	18.91
Return on Equity	(%)	8.82	7.44	6.87
<b>Efficiency Ratio</b>				
Return on Assets	(%)	5.50	4.72	4.61
Fixed Assets Turnover	(Times)	13.11	16.13	11.88
Total Assets Turnover	(Times)	0.28	0.25	0.21
<b>Financial Ratio</b>				
Debt to Equity Ratio	(Times)	0.96	0.85	0.74
Policy Liability to Capital Fund	(Times)	0.59	0.50	0.42
Equity/Net Premium Income	(Times)	2.05	2.15	2.92
Equity/Net Outstanding Claims	(Times)	3.93	5.51	5.43
Equity/Assets	(Times)	0.51	0.54	0.58
Unearned Premium Reserve to Equity	(Times)	0.34	0.32	0.24
Unearned Premium Reserve/Total Assets	(%)	17.33	17.41	13.71
Payout Ratio	(%)	59.03	60.82	61.92
<b>Per Share</b>				
Par Value	(Baht)	10.00	10.00	10.00
Book Value	(Baht)	284.99	291.38	327.56
Basic Earnings	(Baht)	25.41	23.02	22.61
Dividends	(Baht)	15.00	14.00	14.00
<b>Growth Rate</b>				
Premium Written	(%)	8.80	21.26	8.69
Underwriting Profit	(%)	62.27	(20.87)	5.07
Investment Profit	(%)	(16.25)	23.29	(3.53)
Profit Before Income Tax Expenses	(%)	15.22	0.02	0.83
Income Tax Expenses	(%)	50.74	(11.58)	5.38
Net Profit	(%)	10.37	1.85	0.15
Total Assets	(%)	3.80	(5.43)	0.86

# 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 15 and 33 of the financial statements for the year 2020, the Company would like to reveal additional information for cross-over transaction as follows:

(Million Baht)

Transaction with Related Party	Related Party	Relationship	2020	2019
Investment in Associated Companies	Disclosure in Note 15	-	268.9	246.4
Investments in Listed Securities	Disclosure in Note 33	-	20,165.1	23,257.8
Investment in Non-Listed Securities	Disclosure in Note 33	-	-	600.3
Premiums Written	Bangkok Bank PCL.	Having Common Directors and 9.97% of Shareholding in the Company	327.9	311.2
Premium Due and Uncollected	Bangkok Bank PCL.	Having Common Directors and 9.97% of Shareholding in the Company	6.5	17.8
Interest Income*	Bangkok Bank PCL.	Having Common Directors and 9.97% of Shareholding in the Company	68.4	67.1
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	8,388.8	5,559.2

\* 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.

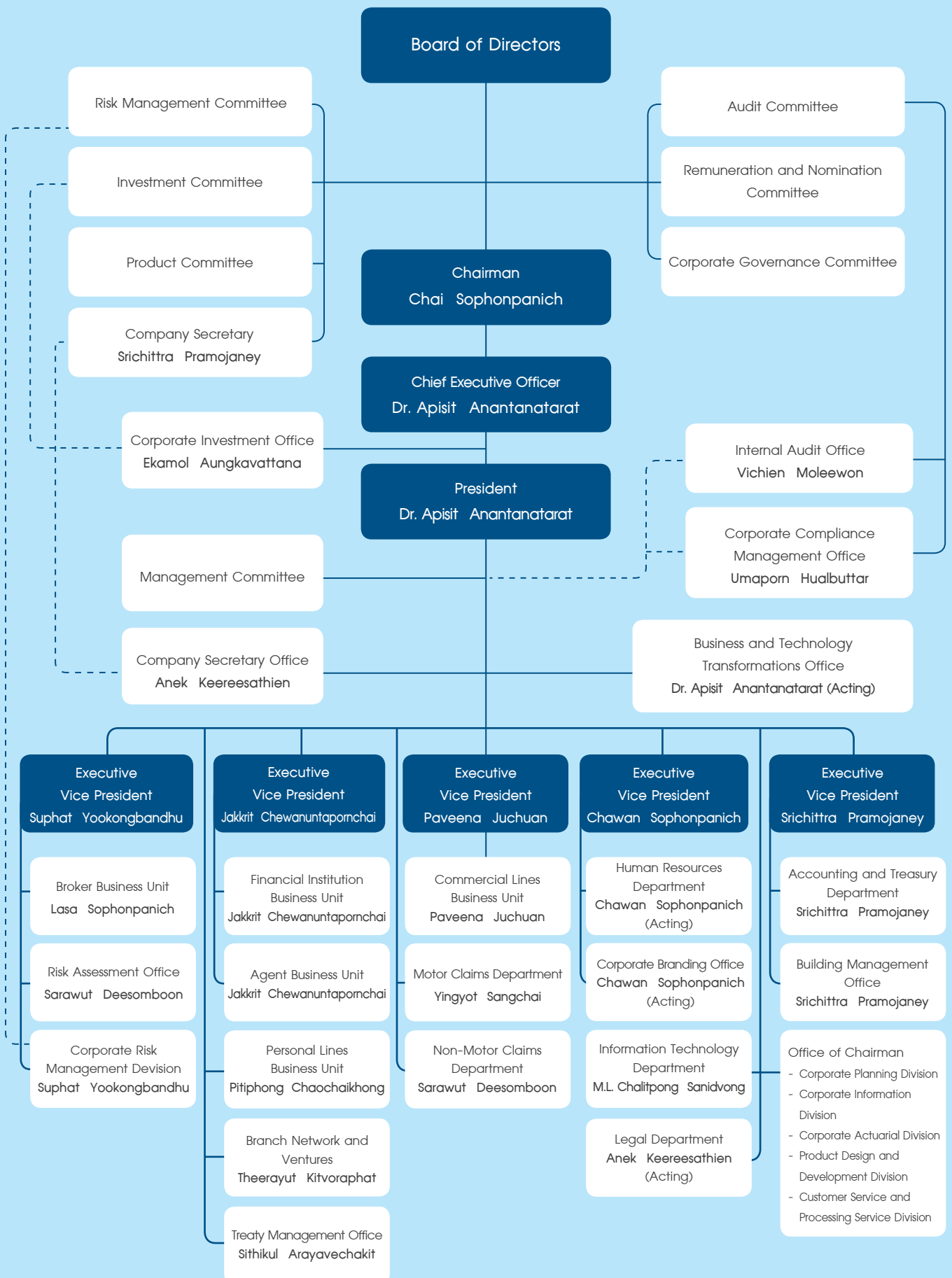
## **Policy of Making Interrelated Items in the Future**

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



# MANAGEMENT STRUCTURE

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

1. The Board of Directors and 6 committees, which directly report to the Board, comprising the Audit Committee, the Remuneration and Nomination Committee, the Corporate Governance Committee, the Investment Committee, the Risk Management Committee and the Product Committee.
2. The Company's Management, together with 7 committees, which directly report to the Management, consisting of the Sustainable Development Committee, the Insurance and Claims Committee, the Information Technology Committee, the Safety, Health and Environmental Committee, the Information Security Management Committee, the Procurement on Building Management Committee and the High Loss or Complicated Claims 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, 2020) 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 2020 are given below.

Name-Position			No. of Attendance/Invitation				Annual Remuneration (Baht)****
			1	2	3	4	
1. Executive Director							
1. Dr. Apisit Anantanatarat	Chief Executive Officer and President	5/5	-	-	-	930,000	
2. Non-Executive Directors							
2. Mr. Chai Sophonpanich	Chairman	5/5	-	-	-	1,860,000	
3. Mr. Panus Thiravanitkul	Director	5/5	-	-	-	930,000	
	and Director of the Corporate Governance Committee	-	-	-	1/1	100,000	
4. Mr. Satoru Okura	Independent Director (Appointed on May 15, 2020)	2/2	-	-	-	500,000	
2.1 The Audit Committee*							
5. VDC Col Plengsakdi Prakaspesat	Independent Director	5/5	-	-	-	930,000	
	and Chairman of the Audit Committee	-	6/6	-	-	390,000	
6. Miss Potjaneer Thanavarani	Independent Director	5/5	-	-	-	930,000	
	and Director of the Audit Committee	-	6/6	-	-	390,000	
7. Mr. Chor.nun Petpaisit	Independent Director	5/5	-	-	-	930,000	
	and Director of the Audit Committee	-	6/6	-	-	390,000	

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	5/5	-	-	-	930,000
	and Chairman of the Remuneration and Nomination Committee	-	-	2/2	-	90,000
9. Mr. Suvarn Thansathit	Independent Director	5/5	-	-	-	930,000
	and Director of the Remuneration and Nomination Committee	-	-	2/2	-	90,000
10. M.R. Supadis Diskul	Independent Director	5/5	-	-	-	930,000
	and Director of the Remuneration and Nomination Committee	-	-	2/2	-	90,000

## 2.3 The Corporate Governance Committee\*\*\*

11. Mr. Virasak Sutanthavibul	Independent Director	5/5	-	-	-	930,000
	and Chairman of the Corporate Governance Committee	-	-	-	1/1	100,000
	and Director of the Remuneration and Nomination Committee	-	-	2/2	-	90,000
	(Resigned as from February 18, 2021)					
12. Mrs. Ninthira Sophonpanich	Independent Director	5/5	-	-	-	930,000
	and Director of the Corporate Governance Committee	-	-	-	1/1	100,000
Mr. Yukihiro Ishikawa	Director (Resigned as from May 14, 2020)	1/1	-	-	-	180,000
Total		5 Times	6 Times	2 Times	1 Times	13,670,000

Notes: Meeting Attendance/Number of Meeting Invitations

1 The Board of Directors' meeting.

2. The Audit Committee's meeting in 2020: 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 13, 2020, and effective from November 17, 2020, for a three-year term. The Committee's term will be due on November 16, 2023. The Committee members, comprising VDC Col Plengsakdi Prakaspesat, Miss Potjanee Thanavarani 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 28, 2020, and effective from February 28, 2020, for a three-year term. The Committee's term will be due on February 27, 2023.

\*\*\*\* The Board Directors' Remuneration for 2020 was approved by shareholders' 27<sup>th</sup> general meeting on June 26, 2020, in the amount not exceeding Baht 16,000,000.

## 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, before presenting it to shareholders' meeting for further consideration for approval.
- 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 oversee the use of information technology to ensure that it is in line with the Company's strategies on business transactions, including overseeing its risk management of information technology and cyber threat.
- 2.18 To ensure that there is a formulation of policies concerning overseeing and risk management of information technology and cyber threat.
- 2.19 To conduct any duties so that they are in accordance with laws, orders and the Company's shareholders' resolutions.
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 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.

The Management Committee (as at December 31, 2020) is comprised of 12 executive members whose names are listed below.

#### Name and Position of the Management Committee

1. Dr. Apisit Anantanatarat	Chief Executive Officer and President
2. Mr. Suphat Yookongbandhu	Executive Vice President
3. Mrs. Srichittra Pramojaney	Executive Vice President and Company Secretary
4. Mr. Jakkrit Chewanuntapornchai	Executive Vice President
5. Miss Paveena Juchuan	Executive Vice President
6. Mr. Chawan Sophonpanich	Executive Vice President (Appointed on January 22, 2020)
7. Miss Lasa Sophonpanich	Senior Vice President
8. M.L. Chalitpong Sanidvong	Senior Vice President
9. Mr. Pitiphong Chaochaikhong	Senior Vice President
10. Mr. Sarawut Deesomboon	Senior Vice President
11. Mr. Yingyot Sangchai	Senior Vice President
12. Mr. Theerayut Kitvoraphat	Senior Vice President (Appointed on January 2, 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. Remuneration for Directors and Management

### 4.1 Remuneration in the Form of Money

- (a) In 2020, the Company paid the Board's attendance fee to the Board directors, totaling Baht 13,670,000. The payment procedure has to go through a consideration of the Remuneration and Nomination Committee, while the annual

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.

remuneration amount, which does not exceed Baht 16,000,000, 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)	
	(Old Rate)	(New Rate)
Chairman of the Board of Directors	360,000	500,000
The Board Directors	180,000	250,000
The Audit Committee	90,000	100,000
The Remuneration and Nomination Committee	90,000	100,000
The Corporate Governance Committee	90,000	100,000

Note: In 2020, the Company's Board of Directors had considered and compared assets, net income and remuneration of directors of other listed companies of similar industry or approximate size and operating returns, and had subsequently approved of a proposal for shareholders' consideration for approval of new remuneration rates, which were approved by shareholders' 27<sup>th</sup> general meeting on June 26, 2020.

- (b) As at December 31, 2020, the Company's executive directors comprised 12 members, who were paid a total remuneration of Baht 76,093,150 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 12 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 2020, other remuneration, which is a fixed remuneration, such as provident fund and severance pay upon retirement, totaling Baht 5,156,720, was paid to the 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 2020, a total remuneration, both in the form of money (as in 4.1 - b) and others (as in 4.2), of Baht 81,249,870 was paid.

## 5. Personnel

### Total Employees

As at December 31, 2020, the Company had a total of 1,592 employees, comprising 1,179 employees working on the Company's core business lines, and 413 employees working on supporting business lines.

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

Business Unit	Number of Employees (Person)
Agent Business Unit	81
Broker Business Unit	85
Commercial Lines Business Unit	82
Financial Institution Business Unit	89
Personal Lines Business	76
Branch Network and Ventures	305
Treaty Operations Office	12
Risk Assessment Office	21
Non-Motors Claims Department	63
Motor Claims Department	365
<b>Total</b>	<b>1,179</b>

### Total Remuneration and Characteristic of Remuneration for Employees

In 2020, the Company's employees were paid a total remuneration of Baht 1,335,378,285 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.

### Reason/Policy in Case of a Significant Change in the Number of Employees, or a Labor Dispute

- None -

### Policy on Personnel Development

In 2020, 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 was fully developed, aimed at their utmost efficiency. Currently, the world has been confronted with a crisis of the spreading of COVID-19, leading to a rapid change, with numerous factors



driving and motivating each organization to adapt itself swiftly. To develop its personnel amidst this pressing changing circumstance, the Company has adjusted its learning strategy appropriate for the situation by implementing in compliance with 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 and the Company. Furthermore, employees are 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, covering and in line with the organization's core competency, ranging from general competency, functional competency to managerial competency. The Company has 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 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 more learning via an 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, besides encouraging them to learn, develop and adapt themselves rapidly by offering courses efficient in generating learning through experience, aimed at employees' ability to apply it to their work performance, and flexibility in learning new things to which they are not accustomed. The Company has not only conducted training for knowledge and skills but also focused on 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, aimed at 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 2020, the Company had a project promoting its staffs' self-study, a pilot project allowing staff to access another type of learning other than listening to a lecture in the classroom, for instance, online learning emphasizing learning via courses offering video clips from which learners could, at convenient time, have an access to an online lesson that was a standard knowledge body. It was learning by which learners could access a document warehouse and other learning media from which they could download for reading and review. The project also offered another learning method encouraging a participation in social activities focusing on learning through other people's experience and exchanging experiences among learners themselves.

In 2020, 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 2020, the Company provided for a total of 69 in-house training courses.

- For insurance courses, the Company has developed various courses in line with their practicality, focusing on staff ranging from officers to executives 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 comprehensively expanding it to operating staff, which will further help generate the Company's sustainability.
- For courses relating to the development of working skills and efficiency, the Company has provided for integrated learning courses by searching for personnel's and departments' training need, aimed at better development of their skills and performance capabilities, including staff's higher performance satisfaction. Training will enable staff to have skills appropriate for jobs under their current responsibility, apart from developing their knowledge and skills proper for future job positions.

- Concerning courses on the potential development for advancement in one's career, the Company has provided these courses to 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, consisting of 3 courses, such as quality management system (ISO), enterprise risk management and information security awareness, the Company has continuously provided these courses to all levels of its employees in support of their self-learning, aimed at their self-management skill based on the "BKI Encourages Learning throughout One's Life" concept.

In addition, the Company also has the organization's knowledge management by providing for knowledge sharing on each respect of insurance by experts within the organization, apart from implementing management of significant knowledge within each department as well, starting with identifying essential and important knowledge through establishing a form determining key organization knowledge, aimed at being informed of essential and important knowledge directly impacting work accomplishment, both where such knowledge is and how it is stored, after which there is knowledge management via sharing and mutual learning.

In 2020, the Company provided an average of 3 days/staff/year, while the budget spent on the Company's staff training and development amounted to over Baht 6 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.

## 2. External Training

It is another form of training by external institutions, in which the Company encourages its employees to have an opportunity for training on insurance and development of needed knowledge and skills which will generate new experience and viewpoint for them. In 2020, the Company provided its staff with a total of 146 external training courses.

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 preparedness and 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.

# SHAREHOLDINGS STRUCTURE

## Breakdown of Shareholdings

As at November 27, 2020 (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	2,434	78.87	4,108,222	3.86
10,001 - 50,000	407	13.19	8,819,049	8.28
50,001 - 150,000	145	4.70	11,995,618	11.27
150,001 Up	100	3.24	81,547,111	76.59
	3,086	100.00	106,470,000	100.00

Nationality of Shareholder	Percentage of Shareholders (%)	Percentage of Shares (%)
Thai	98.38	84.14
Foreign	1.62	15.86

## Major Shareholders and Numbers of Shareholdings

as at November 27, 2020 (The Record Date) for the right to attend the meeting and to receive the dividend payment.

Name	Number of Shares As at November 27, 2020	%
1. Bangkok Bank Public Co., Ltd.	10,613,194	9.97
2. Mr. Chai Sophonpanich *	3,917,051	3.68
3. HWIC Asia Fund A/C CLASS C	3,498,030	3.29
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 Nissay Dowa Insurance Co., Ltd.	2,989,599	2.81
8. Mr. Charn Sophonpanich	2,884,377	2.71
9. Mr. Chattri Sophonpanich **	2,514,033	2.36
10. Mr. Niti Osathanugrah	2,224,362	2.09
11. Bangkok Life Assurance Public Co., Ltd.	2,095,840	1.97
12. Mrs. Aruwan Sophonpanich	2,036,811	1.91
13. Glory Hope Limited	1,658,517	1.56
14. Vayupak Fund 1 MFC Asset Management Public Co., Ltd.	1,589,203	1.49

Name	Number of Shares As at November 27, 2020	%
15. Vayupak Fund 1 Krung Thai Asset Management Public Co., Ltd.	1,589,203	1.49
16. Rabil Holding Co., Ltd.	1,406,071	1.32
17. Bangkok Rinvest Co., Ltd.	1,282,100	1.20
18. Thai Reinsurance Public Co., Ltd.	1,232,341	1.16
19. BNP Paribas Singapore Branch	1,071,733	1.01
20. Jatubhut Holding Co., Ltd.	998,151	0.94

Remarks: \* Inclusive of Relatives' stock under Section 258 of the S.E.C. Act. B.E. 2535, as follows:

Spouse - Mrs. Nuchanart Sophonpanich 1,103,671 Shares

\*\* Passed away and not yet found the transfer of share ownership

## Shareholding of the Board of Directors

as at November 27, 2020 (The Record Date) for the right to attend the meeting and to receive the dividend payment.

Name (As at December 31, 2020)	Number of Shares (As at November 27, 2020)	Number of Shares (As at November 22, 2019)	Change
1. Mr. Chai Sophonpanich *	3,917,051	3,425,026	492,025
2. VDC Col Plengsakdi Prakaspesat	-	-	-
3. Miss Potjaneer Thanavaranit	-	-	-
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 (Resigned as from February 18, 2021)	-	-	-
9. Mrs. Ninthira Sophonpanich **	2,949	2,949	-
10. Mr. Panus Thiravanitkul ***	65,600	59,600	6,000
11. Mr. Satoru Ogura (Appointed on May 15, 2020)	-	-	-
12. Dr. Apisit Anantanatarat	4,613	4,613	-
Mr. Yukihiko Ishikawa (Resigned as from May 14, 2020)	-	-	-

Remarks: Inclusive of Relatives' stock under Section 258 of the S.E.C. Act. B.E. 2535, as follows:

\* Spouse - Mrs. Nuchanart Sophonpanich 1,103,671 Shares

\*\* Spouse - Mr. Chartsiri Sophonpanich 2,949 Shares

\*\*\* Spouse - Mrs. Suporn Thiravanitkul 5,600 Shares

## Shareholding of Management Committee

as at November 27, 2020 (The Record Date) for the right to attend the meeting and to receive the dividend payment:

Name (As at December 31, 2020)	Number of Shares (As at November 27, 2020)	Number of Shares (As at November 22, 2019)	Change
1. Dr. Apisit Anantanarat	4,613	4,613	-
2. Mr. Suphat Yookongbandhu *	69,409	69,409	-
3. Mrs. Srichitra Pramojaney	19,560	15,560	4,000
4. Mr. Jakkrit Chewanuntapornchai	-	-	-
5. Miss Paveena Juchuan	-	-	-
6. Mr. Chawan Sophonpanich (Appointed on January 22, 2020)	438,181	438,181	-
7. Miss Lasa Sophonpanich	503,125	487,625	15,500
8. M.L. Chalitpong Sanidvong	-	-	-
9. Mr. Pitiphong Chaochaikhong	-	-	-
10. Mr. Sarawut Deesomboon	-	-	-
11. Mr. Yingyot Sangchai	-	-	-
12. Mr. Theerayut Kitvoraphat (Appointed on January 2, 2020)	-	-	-

Remarks: Inclusive of Relatives' stock under Section 258 of the S.E.C. Act. B.E. 2535, as follows:

\* 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	
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
28/2021	2020	3.00	3.00	3.00	6.00 *	15.00 *

Remarks: \* The final dividend payment for the year 2020 and it has to be approved by the shareholders at the 28<sup>th</sup> annual 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 the value for the organization, generating the greatest benefit for all stakeholders, and 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 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 copy rights, 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 the 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 [www.bangkokinsurance.com](http://www.bangkokinsurance.com).

### 1.1 Investment Governance Policy

The Company has conducted its business transactions with responsibility, transparency, good corporate governance and paying attention to its shareholders, customers, business partners, employees and regulator, apart from being seriously responsible to society and the environment, focusing on sustainable growth. The Company fully realizes the significance of the principle of investment governance and has therefore declared its Investment Governance Code (I Code) since 2017 onwards, with the Board of Directors' approval. The Company has formulated its "Investment Governance Policy" in order for its Board of Directors, management and employees, related to the performance, to use as a performance principle, with responsibility and having an efficient decision for and follow-up of investment, besides taking part in overseeing the company invested so that it conducts its business transactions on the Environment, Social and Governance (ESG) basis, resulting in all parties of stakeholders' sound and sustainable operating returns.

## 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 6 committees, namely the Audit Committee, the Remuneration and Nomination Committee, the Corporate Governance Committee, the Investment Committee, the Risk Management Committee and the Products Committee.
2. Committees which directly report to the Management Committee, consists of 7 committees, namely the Sustainable Development Committee, the Underwriting and Claims Committee, the Information Technology Committee, the Safety, Health and Environmental Committee, the Information Security Management Committee, the High Loss or Complicated Claims Committee and the Procurement on Building Management Committee.

### 1. Committees Directly Reporting to the Board

The Company's Board of Directors has appointed 6 committees, which directly report to the Board, comprising the Audit Committee, the Remuneration and Nomination Committee, the

Corporate Governance Committee, the Investment Committee, the Risk Management Committee and the Products Committee. In this regard, Board directors and/or executives have been appointed as members of the 6 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, 2020) is comprised of 3 independent Board directors, namely,

1. VDC Col Plengsakdi Prakaspesat Independent Director and Chairman of the Audit Committee
2. Miss Potjaneer Thanavarani 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, 2020) 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 |

(Resign as from February 18, 2021)

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, 2020) comprises 3 Board directors, and whose chairman and one of its members are independent directors, namely,

- |                              |                                                                               |
|------------------------------|-------------------------------------------------------------------------------|
| 1. Mr. Virasak Sutanthavibul | Independent Director and<br>Chairman of the Corporate<br>Governance Committee |
|------------------------------|-------------------------------------------------------------------------------|

(Resign as from February 18, 2021)

- |                              |                                                                               |
|------------------------------|-------------------------------------------------------------------------------|
| 2. Mrs. Nintira Sophonpanich | Independent Director and<br>Director of the Corporate<br>Governance Committee |
| 3. Mr. Panus Thiravanitkul   | Director and Director of the<br>Corporate Governance<br>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, 2020) comprises 5 members, who are a director and executives, namely,

#### Chairman

- |                           |                                          |
|---------------------------|------------------------------------------|
| 1. Dr. Apisit Anantanarat | Chief Executive Officer<br>and President |
|---------------------------|------------------------------------------|

#### Vice-Chairman

- |                             |                          |
|-----------------------------|--------------------------|
| 2. Mr. Suphat Yookongbandhu | Executive Vice President |
|-----------------------------|--------------------------|

#### Members

- |                              |                                           |
|------------------------------|-------------------------------------------|
| 3. Mr. Anon Vangvasu         | The Management's<br>Advisor               |
| 4. Mrs. Srichitra Pramojaney | Executive Vice President                  |
| 5. Mr. Sorat Vongankij       | Vice President of<br>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, at least as defined by laws, including reviewing the Company's report on the overall risk management, and as assessment of financial risk and stability before presenting it to the Board for consideration for approval.
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 organization's defined risk management framework and policy, strategies and acceptable risk level and report it to the Board for acknowledgement at least once every three months.
5. To support the performance and promote the generation of the organization's all-inclusive risk management culture so that all divisions are able to manage their risks and fulfill the organization's risk management goals.
6. To arrange for management plans and measures in case of risk of an emergency.

#### 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, 2020) comprises 5 members, who are directors and executives, namely,

#### Chairman

- |                          |          |
|--------------------------|----------|
| 1. Mr. Chai Sophonpanich | Chairman |
|--------------------------|----------|

#### Members

2. Mr. Panus Thiravanitkul	Director and Director of the Corporate Governance Committee
3. Dr. Apisit Anantanatarat	Chief Executive Officer and President
4. Mrs. Srichitra Pramojaney	Executive Vice President
Member and Secretary	
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, responsibilities and an investment amount to be approved 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.

#### 1.6 The Products Committee

The Products Committee (as at December 31, 2020) comprises 9 members, who are a director, executives, division heads or specialists equivalent to division heads, namely,

#### Chairman

1. Dr. Apisit Anantanatarat	Chief Executive Officer and President
-----------------------------	---------------------------------------

#### Members

2. Mr. Yingyot Sangchai	Senior Vice President of Motor Claims Department
3. Mr. Chaiyot Soonhoa	Vice President of Claims Department
4. Mr. Tirathana Visetbhakdi	Vice President of Products Development Design Department
5. Miss Umaporn Hualbuttar	Vice President of Compliance Office
6. Mr. Thaveewong Chotemaneenophan	Assistant Vice President of Actuarial Department
7. Mr. Kitisak Suriyaranapimol	Assistant Vice President of Personal Lines Business Division
8. Mrs. Natsaran Woraratpanya	Assistant Vice President of Investment Department
9. Miss Patthamon Boonmee	Specialist of Law Division

Each member of the Products Committee has sound knowledge, skills and experiences in insurance products issuance, insurance products development, actuarial mathematics, investment, laws, compliance, risk management and work performance.

#### The Director of the Products Committee's Term of Office

The director of the Products Committee has a two-year term.

#### The Scope of Duties and Authority of the Products Committee

1. To define the products issuance framework and policy, through a combination of the Company's risks, strategies and funds, before presenting it to the Board for consideration for approval, including a consideration of the insurance principle, actuarial mathematics principle, related laws, as well as appropriateness and fairness to customers.
2. To oversee the Company's performance in relation to its product issuance to ensure that is in compliance with the vision, strategies, financial goals, and plans as defined by the Board of Directors.
3. To oversee the Company's practices to ensure that they are in accordance with related laws, rules and regulations, apart from overseeing and following up the insurance product issuance.
4. To oversee a fair treatment of the Company's customers.
5. To oversee to ensure that the personnel relating to products are prepared, in terms of both quality and quantity, in accordance with the business amount.

6. To oversee and follow up the Company's performance to ensure its preparedness and efficiency in the product distribution.

#### The Products 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 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 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 two months, 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 BKL 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 accomplished.

### 2.2 The Underwriting and Claims Committee

comprises at least 3 executives, each having a two-year term and at least one meeting every three months, having knowledge, expertise and understanding of underwriting and a consideration of each category of risks, including reinsurance, with the following scope of duties and authority.

1. To define the policies on underwriting, reinsurance 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 consider for approval of rules and orders and practice procedures of the Company's underwriting, reinsurance and claims consideration.
6. 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.

### 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.

### 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 any party having authority to control. This includes shares held by a particular independent director's party concerned.
2. Are not or did not use to be directors having something to do with the Company's administration, nor are they its employees, staff, advisers with a regular salary, nor do they have authority to control in the Company, corporations, affiliated companies, associated companies, affiliated companies in the same order, major shareholders or any party having authority to control except that they have extricated themselves from those responsibilities for no less than two years prior to an appointment. Nonetheless, such prohibited attributes do not include the case of independent directors having been government officials or the government sector's advisers who are major shareholders or have authority to control.
3. Are not persons having blood line relationship or through a registration in the manner of father, mother, spouse, brother, sister and offspring, including spouse of other directors' offspring's, executives, major shareholders, any party having authority to control, or person who will be nominated a director, 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, in the manner that may prevent the use of sound discretion. 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, 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, 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, major shareholders, or the party

having authority to control belong, 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, major shareholders, or the party having authority to control. Nor are they major shareholders, the party having authority to control, or partner of those professional service providers except that they have extricated themselves from those responsibilities for no less than two years prior to an appointment.
7. Are not directors appointed to become representatives of the boards of major shareholding companies or shareholders related to the Company's major shareholders.
8. Do not have the same business transaction as, and a significant competition with the Company's or affiliated companies' business. Neither are they other companies' partner owning significant partnership, nor directors taking part in their administration, nor their employees, staff and advisers with a regular salary, nor have 1 percent of all the eligible votes in other companies having the same business transaction as, and a significant competition with the Company or affiliated companies.
9. Possess no other property that prevents them from independently expressing their opinions.

#### 1.1.2 Qualifications of the Audit Committee Members

The Audit Committee members shall have the following qualifications:

1. Have all the qualifications of independent directors.
2. Are not directors assigned by the Company's Board of Directors to make decisions on the operation of the Company, corporations, affiliated companies, associated companies, affiliated companies in the same order, the Company's major shareholders or party having authority to control.
3. Are not directors of corporations, affiliated companies, or affiliated companies in the same order, particularly those listed in the SET.
4. A minimum of one Audit Committee member has knowledge and experience sufficient to verify the Company's financial statements' reliability.
5. Be able to sufficiently devote their time and express opinions in the performance of their work as the Audit Committee directors.

#### 1.2 Procedure for Directors and Independent Directors Nomination

To appoint a new director of the Board replacing a director whose term is due, the Remuneration and Nomination Committee will nominate the qualified person to the Company's Board for consideration before proposing to the shareholders' general

meeting for appointment approval. However, this has to be endorsed by the majority of shareholders at the meeting. The following are the criteria for the appointment of directors, as defined in the Company's rules and regulations:

1. The Board of Directors shall comprise at least 5 directors, and no less than half shall reside within the Kingdom.
2. No less than three-fourths of the directors must be of Thai nationality.
3. The directors shall be elected at the shareholders' meeting. Each shareholder shall have a number of votes equal to the number of shares held. Decisions shall be made by a majority vote. In the event of a tied vote, the chairman of the meeting shall have the casting vote.
4. At every annual general meeting, one-third of the directors shall retire. Directors who vacate office may be re-elected.
5. The shareholders' meeting may pass a resolution removing any director from office, prior to retirement, by reason of the expiration of the director's term of office, by a vote of not less than three-fourths of the number of shareholders attending the meeting, who have the right to vote and who hold shares totaling not less than half the number of shares held by shareholders attending the meeting and having the right to vote.

For an appointment of a new director of the Board superseding a director who quits the job for a reason other than his/her term is due, it has to be approved by the Board's meeting, with the votes of no less than three-fourths of the remaining Board directors. A new Board director appointed has a term equal to the remaining term of the director leaving his/her position.

#### Minor Shareholders' Rights to Appoint Directors

To protect minor shareholders' rights, with an aim to have all shareholders treated equally, the Company has provided an opportunity for all of them to nominate a new Board director who is of high proficiency and appropriate for an appointment as a Board member. This is carried out in advance from October 1 to December 31 of each year. In this regard, the Company has notified its shareholders through the SET's information report channel and the Company's website at [www.bangkokinsurance.com](http://www.bangkokinsurance.com). Similarly, the criteria for nomination of a new Board director are defined in advance, along with the nomination form, and also displayed on the website.

## 2. Qualifications and Procedure for the Management Nomination

The Chief Executive Officer is authorized by the Board to make a consideration and appointment of a person of high proficiency, knowledge and experience in the non-life insurance industry as the Company's top management in order to perform his/her duties and operate the Company's business to fulfill the goals and objectives defined. The nomination procedure is based on the Company's regulations on its human resources management, and subsequently reported to the Board for acknowledgement.

#### Data on Transaction Related to Business Relations or Provision of Occupational Services between Independent Directors and Companies, Affiliated Companies, Associated Companies or a Party that May Have Conflicts

Through the effective procedure of the Board directors' nomination, the Company's independent directors are appropriately qualified and truly independent. Furthermore, they do not occupy the position of independent directors or members of corporations, affiliated companies or affiliated companies in the same order.

In addition, the Company has no commercial agreements or transactions related to business relations or provision of occupational services between the Company and its Board directors, independent directors, management, including corporations, affiliated companies, associated companies or any party that may have conflicts, which has a value exceeding that defined by the Securities and Exchange Commission (SEC).

Nonetheless, the Board of Directors' meeting (No. 3/2008) held on August 14, 2008, had approved in principle, the permission for companies, associated companies and affiliated companies to do business which may have a related transaction with the Company's Board of Directors, management or any party concerned, both the transaction that was made earlier and/or one that will be made in the future. This is based on the condition that such a business transaction has commercial agreements in the same way as a reasonable man will treat a general party to a contract in the same situation, through the commercial bargaining power without the influence of his/her status as the Company's Board director, management or any party concerned. Please see more details in the section "Related Parties Transactions".

#### The Company's Board of Directors' Requirements on a Succession Plan and Development of Executives

The Company's Board of Directors has assigned the Remuneration and Nomination Committee to be responsible for selecting a qualified person appropriate for assuming the position of the Chief Executive Officer and the President, by nominating an insider first or an outsider in case of necessity, including taking charge of formulating a plan for a succession by reducing the risk or impact of a lack of successors as much as possible. Consequently, there has to be a plan for steadily developing successors in order to be prepared for the qualifications for a succession to a higher position via the following policy.

1. The Remuneration and Nomination Committee gives a policy on selecting the qualifications of a successor of the Chief Executive Officer and the President to the Chief Executive Officer for consideration and implementation.
2. The Chief Executive Officer 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.

### 6. Remuneration for the Auditor

In 2020, the Company paid remuneration to its auditor as follows:

1. Remuneration for audit of annual financial statements and review of quarterly financial statement	2,210,000 Baht
2. Remuneration for review of a Risk-Based Capital (RBC) report for 2020 and audit in accordance with a jointly agreed method of the second quarterly RBC report for 2020	640,000 Baht
3. Other service expenses	- Baht
<b>Total</b>	<b>2,850,000 Baht</b>

## 7. Practices Based on the Policy on Good Corporate Governance

In 2020, 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 witnesses verifying 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. The Company also arranges for shareholders' transparent voting on significant issues for each agenda.
- For a report on shareholders' general meeting, there is a notification of the names of directors/executives attending the meeting and taking a leave of absence, 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, and recording of resolution consequences and voting results for each agenda of shareholders' meeting, whether agreed, disagreed, abstention or invalid ballots. Similarly, questions on significant issues asked by shareholders and explained by the Company during the meeting are also summarily recorded. Details of the report on shareholders' general meeting are open to shareholders' examination and displayed on the Company's website.

In 2020, the Company held a general meeting of shareholders on June 26, 2020, at 2.00 p.m. at room 1105, on the 11<sup>th</sup> 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 2020.

### 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 2020, 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 appropriate 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), supported public health promotion through a financial contribution to the Buddhist Monks Health Promotion fund, presented ventilators and medical equipment to hospitals in rural areas, granted scholarships to poor students at the university level, supported the Breakfast Fund for Primary School Students project, supported society and occupation development activities via the "Promotion of Occupation for Villagers" project, supported Buddhism via organizing a merit-making ceremony of Phapa and jointly constructing the Luangpoo Ban Thanakaro Museum, provided archaeological support through the "Study the Technology for Producing Ancient Stone Ornaments from Archaeological Sites of Ban Promthintai" project and producing a video introducing the community museum of Ban Promthintai, supported public disaster relief by presenting subsistence bags to flood victims and organizing activities promoting the safety and of and concern for juveniles. All activities and projects have been offered to the Company's management and staff so that they can participate, as well as realize the significance of conducting themselves in a way that would truly benefit society.

Details of activities performed in 2020 can be viewed on the Company's website at [bangkokinsurance.com](http://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 the 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 by universal human rights principles by promoting knowledge and understanding of the issue among its employees so that they can appropriately apply the human rights principles to the performance of their work and duties.
- **Intellectual Property or Copyright** The Company constantly encourages its employees to initiate and develop new products, whether development of a work manual, product design or computer programs. This is aimed not only at benefiting business, but also at developing employees' potential. Nevertheless, any work which the Company's

employees have created during the time they worked with it, whether assigned by the Company, or by use of the Company's data, or the work learned from the Company, is regarded as the Company's sole ownership, while such data, including the Company's confidential business data and other confidential data, must not be disclosed to outsiders without the Company's permission. In addition, the Company has also defined policies and practice regulations to prevent violations of copyright laws and an act on the computer offense commission, as well as notified them to the Company's employees. Besides, the Company has an efficient control process for its employees' practices in compliance with rules and regulations

- **Convention Against Corruption** The Company has a policy on anti-corruption for its Board directors, management and employees to strictly abide by it by banning them from demanding, practicing or accepting corrupt practices of all forms, exploiting their authority, whether directly or indirectly, to seek any advantage for themselves or others, offering unlawful interests to any other person as an incentive, accepting or giving gifts or giving a reception beyond necessity, besides forbidding them to lend their support in the form of money or other benefits, whether directly or indirectly, to political parties, and to donate money or provide financial support to other people or agencies as a channel for paying a bribe. Additionally, the Company has also steadily provided training to all its new employees, while the Internal Audit Office has inspected and made an assessment of the implementation in compliance with the Company's anti-corruption policy.
- **Communications with Stakeholders and Receiving Complaints** The Company has also arranged for channels to provide convenience to each group of stakeholders to communicate or file a complaint on matters that may cause damage to the Company, acts violating laws, orders, regulations and code of ethics, including frauds and corruption, to its Board of Directors through the Audit Committee, the Company secretary, the Internal Audit Office and Quality Control Center. The complaints may be directly filed verbally or in writing, sent as a letter via an e-mail or the Company's website. Details of the method of complaint filing can be studied from the Company's policy on a report on corrupt practice clues revealed on its website at [www.bangkokinsurance.com](http://www.bangkokinsurance.com).

#### 4. Data Disclosure and Transparency

The Company's Board has given priority to the information disclosure since it is a matter affecting the decision of investors and stakeholders, and thus has had a policy for the Company to disclose both its financial and non-financial data, as defined by the SEC, SET and other government agencies. Data disclosure focuses on transparency, accuracy, completeness and timelessness, through press conferences and the channels of the

SET, as well as the Company's annual report and the annual report presentation form (Form 56-1). Additionally, the data is disclosed both in Thai and English via the Company's website, and continually updated for reliability and easy and equal access by shareholders and other related persons. The following is a summary of the significant disclosed data.

1. Disclosure of financial and non-financial data accurately, completely and in time.
2. Preparation for a report on the Board of Directors' responsibility for financial statements.
3. Preparation for a summary report on the policy on good corporate governance, code of corporate conduct, policy on risk management and CSR policy as approved, as well as the consequence of performance based on those policies.
4. Disclosure of audit remuneration and remuneration for other services provided by the auditor.
5. Disclosure of the roles and duties of the Board and sub-committees, numbers of meetings and meeting attendance of each Board director in the previous year.
6. The constant training and development of occupational knowledge of the Board.
7. 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 Implement 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 2020, 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 2020, 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 director's 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 2020, the Company had a get-together with analysts and investors 1 time 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)
November 27, 2020	1	1

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 at [www.bangkokinsurance.com](http://www.bangkokinsurance.com)

#### 4.6. Policy on Responsibilities to Society and the Environment and Implementation Consequence

This has been reported in the section Stakeholders' Rights in "Society and Environment".

#### 5. The Section on the Board of Directors' Responsibilities

The Company's Board fully realizes its roles and responsibilities as the shareholders' representative, principally responsible for making decisions on the Company's significant policies and strategies. In addition, the Board will see to it that the Company's management has implemented the policies and strategies defined for the Company's utmost benefit. To fulfill this goal, the Board has implemented the principles of good corporate governance as the following:

##### 5.1. The Board of Directors' Structure

1. **Components of the Board** It has been reported in the section Management Structure.

2. **The Board of Directors' Term of Office** The Company has clearly defined the Board of Directors' term of office in its rules and regulations, no. 23, which is proclaimed on the Company's website at [www.bangkokinsurance.com](http://www.bangkokinsurance.com).
3. **Qualifications of Independent Directors** It has been reported in the section Qualifications and Procedure for Nomination of the Board Directors.

## 5.2. The Sub-Committee

It has been reported in the section Sub-Committees.

## 5.3. The Board of Directors' Roles, Duties and Responsibilities

### 1. Leadership and Vision of the Board of Directors

The Company's Board of Directors consists of knowledgeable and experienced persons from various fields who are supportive of the Company's administration. All directors take part in cautiously defining, giving approval to and annually reviewing all important vision and policy statements, missions, strategies and business goals of the Company. They also ensure that the Company's management's performance will, as a matter of principle, be presented to the Board of Directors every three months. In addition, the Board also occasionally plays a role in giving approval to the performance guidelines of the various sub-committees, such as the Audit Committee, the Remuneration and Nomination Committee, and the Corporate Governance Committee. In 2020, 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 10 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 2020, there was a 10<sup>th</sup> improvement for more clarification of the policy on corporate governance on November 13, 2020, aimed at its being updated and in conformity with OIC's Notice on non-life insurance companies' criteria for overseeing and

management of risks of information technology B.E. 2563, effective from January 1, 2021, and the Company's declarations on an appointment of specific-purpose committees.

Details of the Company's policy on good corporate governance may be viewed on the Company's website at [www.bangkokinsurance.com](http://www.bangkokinsurance.com).

### 3. Business Code of Ethics

The Company's Board of Directors has approved the publication of the Company's code of ethics (rules of conduct) to be presented to the Board and staff, including propagating the code of ethics on the Company's Intranet. This aims at communicating good practices to the Company's Board and staff so that they will use them as a principle for their work performance. In this connection, it is the duty of all levels of management to make sure that their subordinates know, understand and actually perform according to the Company's code of ethics. In addition, the Company has steadily offered a training course on its code of ethics to all new staff.

Details of the Company's code of ethics can be viewed on the Company's website at [www.bangkokinsurance.com](http://www.bangkokinsurance.com).

### 4. Conflict of Interest

The Company's Board of Directors has taken measures to impede conflicts of interest and the seeking of one's self-interest by defining this as a principle in the rule of conduct for both Board directors and staff. Additionally, the Board has assigned the Audit Committee to oversee and report to it on crossover transactions and those with conflicts of interest. These have been cautiously considered for appropriateness, with honesty, justification and independence based on the defined code of ethics, in the best interests of the Company, all of which is performed in the same manner as transactions made with outsiders. Furthermore, the Audit Committee has also performed in accordance with the SET's criteria in reporting on and disclosing such information each quarter in the Company's annual report and the annual report presentation form (Form 56-1).

- **Control over the Use of Insider Information** It has been reported in the section "Control over the Use of Insider Information".

### 5. Controlling System, Internal Audit and Risk Management

Observing the important internal controls at both the managerial and operational levels, the Company's Board of Directors has set out the responsibilities of executives and employees in writing, and also requires that the executives assess the adequacy of internal controls at least once a year. Furthermore, the Company also possesses work units taking charge of auditing and evaluating all departments' performance so that it is in compliance with

practice procedures, laws and orders, including all sections' risk management as the following:

- **The Internal Audit Office**, which 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 Corporate Compliance Management 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' performance are in conformity with laws, and steadily overseeing and following up the matter.
- **Corporate 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 2020, 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 28, 2020, and submitted it to the Office of Insurance Commission (OIC) on March 26, 2020.

#### 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 2020, 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 2020, 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 Board 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 2020, for each of the Board of Directors' meetings, senior executives, namely, Chief Executive Officer 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 2020, 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 2020 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 2020, the combined evaluation consequence from all sections was at an excellence level, with an average score of 4.84 from a full score of 5, representing 96.80 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 2020, the combined evaluation consequence from all sections was at an excellence level, with an average score of 4.78 from a full score of 5, representing 95.60 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 2020, the combined evaluation consequence from all sections was at an excellence level, with an average score of 5 from a full score of 5, representing 100 percent, equal to an evaluation consequence in the previous year.

2) The Corporate Governance Committee

In 2020, 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 2020, the combined evaluation consequence from all sections was at an excellence level, with an average score of 4.90 from a full score of 5, representing 98.0 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 2020, 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 2020, the Company's Board directors had received development and training in the following courses.

Name	Position	Course
1. Dr. Apisit Anantanarat	Chief Executive Officer and President	- Thailand Insurance Super Leadership Program (Class 1/2020)

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. 5/2020) held on November 13, 2020, 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 Corporate Compliance Management 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 Corporate Compliance Management 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 Corporate Compliance Management Office are as follows:

#### Details of the qualifications of the Company's Head of Internal Audit Office

##### Mr. Vichien Moleewon

Department	Internal Audit Office
Position	First Vice President
Education	B.B.A., Ramkhamhaeng University
Work Experience	<ul style="list-style-type: none"> <li>- First Vice President, Internal Audit Office, Bangkok Insurance Public Co., Ltd. (Jan 1, 2016 - present)</li> <li>- Vice President, Internal Audit Office, Bangkok Insurance Public Co., Ltd. (May - Dec 2015)</li> <li>- Vice President, Compliance Office, Bangkok Insurance Public Co., Ltd. (2014 - May 2015)</li> <li>- Head of Compliance and Enterprise Risk Management Bangkok Insurance Public Co., Ltd. (2007 - 2014)</li> </ul>
Training	<ul style="list-style-type: none"> <li>- Anti-Corruption The Practical Guide</li> <li>- Integrated Risk Management &amp; Strategy</li> <li>- Investment Strategy for Insurance Business</li> <li>- GRC: Governance Risk Compliance</li> </ul>

##### Miss Umaporn Hualbuttar

Department	Corporate Compliance Management Office
Position	Vice President
Education	<p>B.Ac., Chulalongkorn University</p> <p>M.P.P.M., National Institute of Development Administration Certificate of Computer English Program, Sukhothai Thammathirat University</p> <p>Certified Professional Internal Auditor (CPIA)</p>
Work Experience	<ul style="list-style-type: none"> <li>- Vice President, Compliance Office, Bangkok Insurance Public Co., Ltd. (2015 - present)</li> <li>- Vice President, Organization Risk Management, Bangkok Insurance Public Co., Ltd. (2015 - present)</li> <li>- Vice President, Operations Audit, Bangkok Insurance Public Co., Ltd. (2014 - 2015)</li> <li>- Head of Operations Audit, Bangkok Insurance Public Co., Ltd. (2007 - 2014)</li> <li>- Assistant Vice President, Internal Audit Department, Bangkok Insurance Public Co., Ltd. (2004 - 2006)</li> </ul>
Training	<ul style="list-style-type: none"> <li>- Governance as a Driving Force for Business Sustainability</li> <li>- Risk Oversight: High Priority of the Board</li> <li>- KPI, KRI and KCI and Risk Management</li> <li>- Risk &amp; Capital Management</li> <li>- Organization Risk Management</li> <li>- Anti-Money Laundering and Anti-Financial Support of Terrorism for Concerned Officials</li> </ul>

# 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, 2020
Location: Head Office	Bangkok Insurance Building 25 Sathon Tai Road, Thung Maha Mek, Sathon, 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 3312 3545 Fax 0 3312 3592

### Chumphon

168/1-2 Moo 5, Wang Phai, Mueang Chumphon,  
Chumphon 86000  
Tel. 0 7765 8734 Fax 0 7765 8738

### Hat Yai

830 Phetkasem Road, Hat Yai, Songkhla 90110  
Tel. 0 7422 0961 Fax 0 7423 2576

### Hua Hin

66/115-116 Phetkasem Road, Hua Hin,  
Prachuap Khiri Khan 77110  
Tel. 0 3252 2090 Fax 0 3252 2099

### Kanchanaburi

591, 593 Saeng Chuto Tai Road, Pak Praek,  
Mueang Kanchanaburi, Kanchanaburi 71000  
Tel. 0 3451 7565 Fax 0 3451 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 52100  
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, 4<sup>th</sup> 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
- Local Fisher Insurance
- Marine Hull Fishery Insurance (Microinsurance)

## Motor Insurance

- Compulsory Motor Insurance
- Voluntary Motor Insurance

## Miscellaneous Insurance

### Personal Insurance

- Personal Accident Insurance
- Group Accident Insurance
- Personal Accident and Health Insurance
- Group Accident and Health Insurance
- Accident and Disease Specific Health Insurance
- Student Group Accident Insurance
- Travel Accident Insurance for Individual or Group of Tourists
- Comprehensive Travel Accident Insurance
- Overseas Student Travel Insurance
- Hospital Income Insurance
- Travel Accident Insurance for Tour Operators and Guides
- PA (Microinsurance)
- Cancer Insurance
- Cancer Plus PA Insurance
- Named Perils Insurance
- Dread Disease Insurance
- Loan Protection Insurance Policy (Fixed Sum Insured)
- Boat Passenger Personal Accident Insurance
- Health 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 & 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

## Legal Adviser

- None

## Financial Adviser

- None

## Principal Financial Institution

Bangkok Bank Public Co., Ltd.

## Trustee

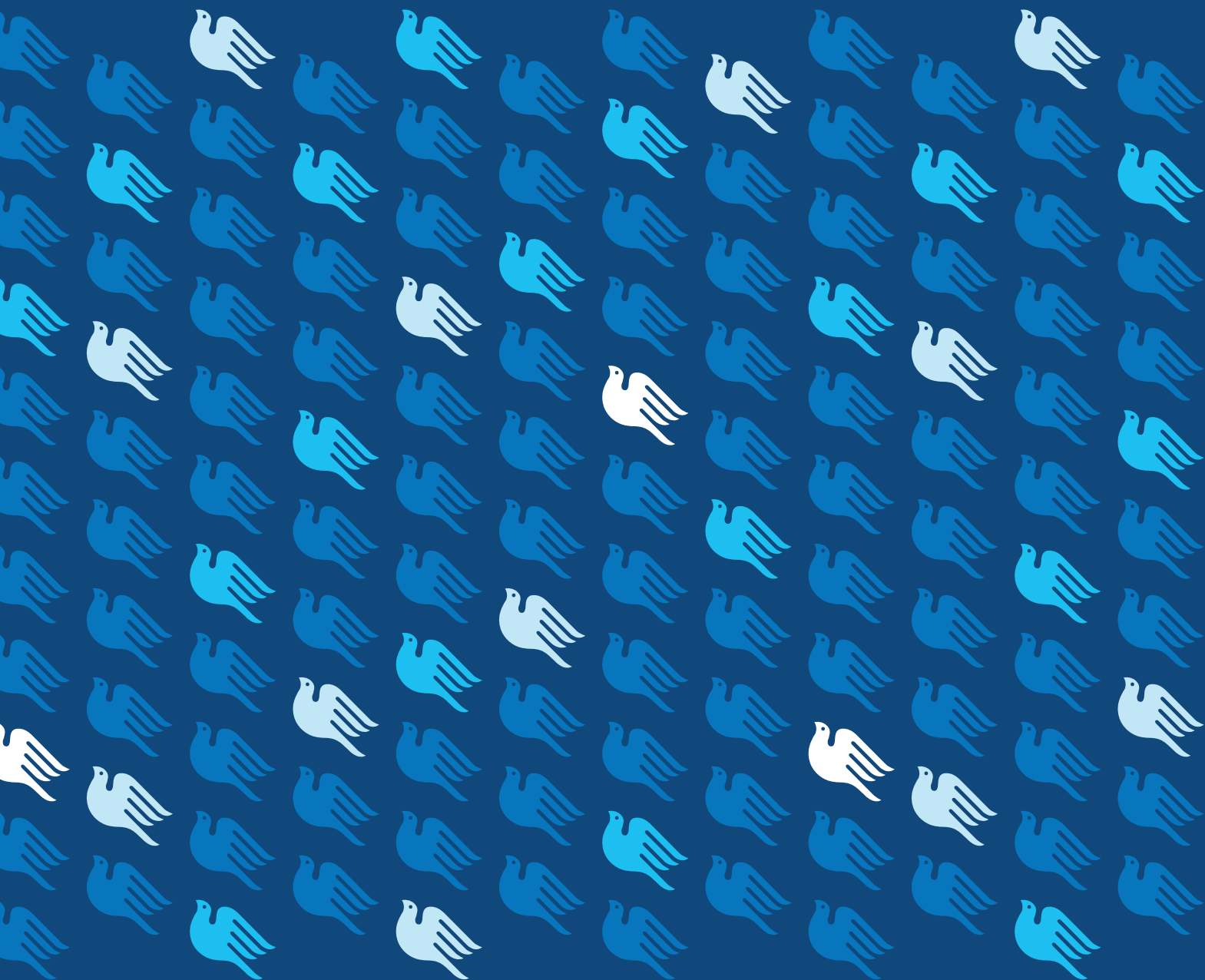
- None

## Auditor

Rachada Yongsawadvanich  
Certified Public Accountant (Thailand) No. 4951  
EY Office Limited  
33<sup>rd</sup> Floor, Lake Rajada Office Complex,  
193/136-137 Ratchadaphisek Road, Klongtoey, Bangkok 10110  
Tel. 0 2264 0777  
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โทรศัพท์ 0 2285 8888 โทรสาร 0 2610 2100

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