



THAI REINSURANCE
PUBLIC COMPANY LIMITED

FORM 56-1 ONE REPORT 2021

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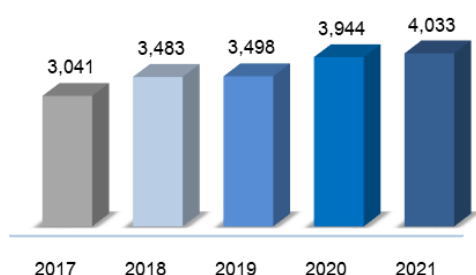
Financial Highlights

(Unit: THB Million)

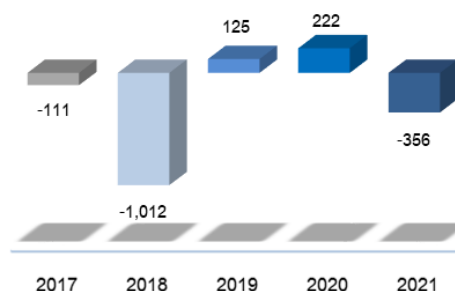
Operating Results	Growth (Percent)				
	2021	2020	2019	2021/2020	2020/2019
Gross Written Premium	4,407	4,329	4,455	1.8	(2.8)
Net Written Premium	4,033	3,944	3,498	2.3	12.8
Profit (Loss) before Income Tax*	(436)	255	164	(271.0)	55.5
Net Profit (Loss)	(356)	222	125	(260.4)	77.6
Net Profit (Loss) per Share (THB)	(0.08)	0.05	0.03	(260.0)	66.7

Remark * Less profit of non-controlling interest of the subsidiaries

Net Written Premium (THB Million)



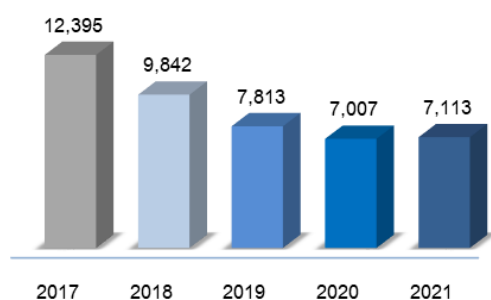
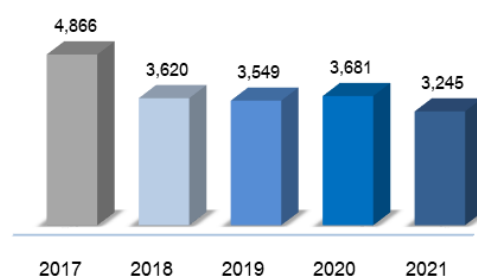
Net Profit (THB Million)



(Unit: THB Million)

Financial Status at the End of Year	Growth (Percent)				
	2021	2020	2019	2021/2020	2020/2019
Total Assets	7,113	7,007	7,813	1.5	(10.3)
Total Liabilities	3,868	3,325	4,263	16.3	(22.0)
Share Capital Issued and Paid-up	3,709	3,709	4,215	0.00	(12.0)
Capital Funds or Shareholders' Equity	3,245	3,681	3,549	(11.8)	3.7
Book Value per Share (THB)	0.77	0.87	0.84	(11.5)	3.6
Dividend per Share (THB)	-	0.04	-	-	-

Total Assets (THB Million)

Capital Funds or Shareholders' Equity
(THB Million)

(Unit: Percent)

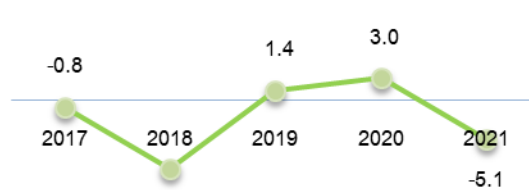
Financial Ratios	2021	2020	2019
Return on Revenue*	(7.9)	5.0	3.0
Return on Net Written Premium	(8.8)	5.6	3.6
Return on Equity	(10.3)	6.1	3.5
Return on Assets	(5.1)	3.0	1.4
Return on Investments	2.3	3.3	6.0
Combined Ratio	114.8	98.6	106.2

Remark * Total revenues consists of net written premium, investment income and profit, service income and other income

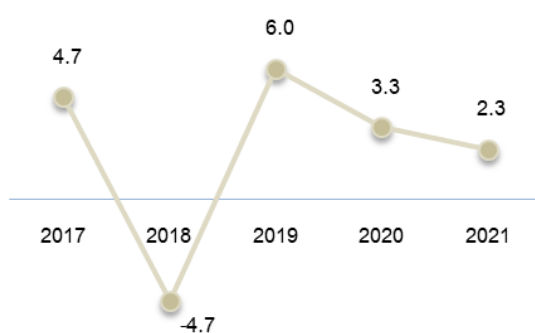
Return on Equity (Percent)



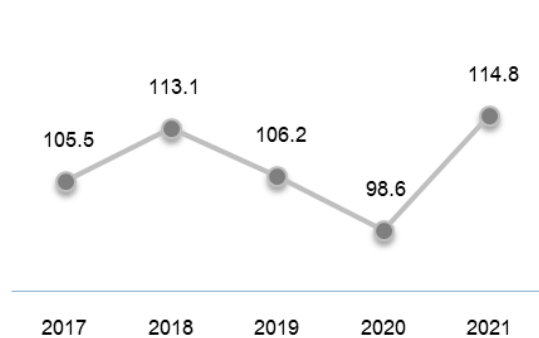
Return on Assets (Percent)



Return on Investments (Percent)



Combined Ratio (Percent)



Letter to Shareholders

Dear Shareholders,

From 2020 to present, many countries around the world, including Thailand, have witnessed successive waves of the COVID-19 pandemic caused by multiple mutations of the virus. With the pandemic lingering on and becoming more severe than anticipated, Thailand recorded a cumulative number of more than 2.2 million infected people by the end of 2021, and the number is still climbing. This has led to a massive loss to the “Lump-sum Payout” COVID-19 policies and has gravely wounded the whole non-life insurance business.

THRE has likewise been hit hard by this crisis. Although we have exercised due care and limited our written premium for the “Lump-sum Payout” policies at only THB 70 million (versus THB 144 million in 2020), the much greater-than-projected number of infections has resulted in a significantly high amount of claims and relatively affected the overall performance of the Company.

The Company has already pondered on the mistakes from this crisis and outlined preventive measures against such mistakes.

In terms of our capital position, the Company’s capital adequacy ratio (CAR) as of Q3/2021 stood at 250%, far exceeding the OIC’s minimum requirement of 120%, and is expected to return to the level above 300% in 2022. The Company could also maintain a high international credit rating at “A-” or “Strong” with a stable outlook, as assigned by Fitch Rating, which demonstrated THRE Group’s solid financial position.

With the revival of the overall economy and economic activities predicted for 2022, the Company recognizes opportunities in many businesses that will be getting back on track such as traveling, tourism, and health insurance. We have made preparations in all aspects to cater to the growing demand for insurance.

Amid a hard market trend worldwide, the Company is also ready to grab this opportunity and expand into commercial line.

As for our service business, the Board of Directors at the Meeting No. 1/2022 approved the plan to spin-off a THRE’s subsidiary on the stock market. Through an ongoing process, the filing is scheduled for the latter half of 2022.

From 2021 operating results, the Company recorded a net loss of THB 356 million. If excluding the COVID-19 impacts particularly the Lump-sum Payout policies, the Company would have earned a profit of around THB 348 million, a surge of 56.8% from the prior year’s profit of THB 222 million. Our performance, by business line, is as follows:

Reinsurance Performance

Gross written premium amounted to THB 4,407 million and net written premium of THB 4,033 million, an continually increase of 1.8% by growth in both personal line and commercial line.

Underwriting loss stood at THB 601 million. Without the COVID-19 impacts which primarily resulted from the Lump-sum Payout policies, the Company would have an underwriting profit of THB 279 million, up 416.7% from last year profit of THB 54 million thanks to the lockdown measures and travel restrictions, which helped to lower claims from motor insurance, and also to the recovery of property insurance. Combined ratio was 115.1%. Without the COVID-19 impacts, it would become 92.7%, improving from 98.9% in 2020.

Service Income

Net service income dropped 15.9% to THB 53 million due to higher expenses relating to group restructuring and impacts of the lockdown measures and travel restrictions amid the COVID-19 situation, and allowance for doubtful debts of THB 1 million from insurance companies that are under license revocation.

THRE Group included 1) EMCS Thai Co., Ltd. (EMCS), a provider of electronic motor claims applications, 2) Thaire Services Co., Ltd. (THRES), a provider of Third Party Administration services, 3) Thaire Innovation Co., Ltd. (THREI), a provider of innovative platform services for insurance business, and 4) Thaire Actuarial Consulting Co., Ltd. (THREA), a provider of actuarial consulting services. The Company has collaborated with these subsidiaries in aligning new technologies and innovations with our service formats, for example, Robotic Process Automation (RPA), Artificial Intelligence (AI), Blockchain & Cloud, etc.

In 2021, the Company restructured its subsidiaries by transferring THRES, THREI and THREA to be under EMCS with plan to list EMCS on the Market for Alternative Investment (“mai”), which is expected to be completed by 2022. This is aimed to clearly separate the reinsurance business and the technology and innovation business in order to develop and uplift our service quality towards sustainable revenue growth and expand investment in the subsidiary group which will gain direct access to funding from investors and become less financially reliant on the Company.

Investment Income

Net investment income was recorded at THB 103 million, down by 22.0% due to the COVID-19 impact which caused a decline in interest and dividend income.

Moving Forward

2022 will be the final year of our three-year strategic plan for 2020-2022. The Company will from now still embrace our vision, "To be the most valuable Personal Line Insurance Partner in Thailand and South East Asia." This denotes that the Company will accentuate the expansion of both reinsurance and service businesses and revamp the strategic plan to keep up with changes in competition and market conditions. Here are the highlights of our strategic plan:

1. Emphasize the expansion of personal line business, particularly accidental and health insurance for both conventional and non-conventional products. Non-conventional business will be expanded in the form of segmentation through development of new products and channels in collaboration with our customers or business partners, domestic and overseas, so as to deliver solutions that more truly suit the target in conjunction with the use of technology.

As for commercial line business, we will properly align our pricing with the market condition, which currently is trending towards a hard market.

2. Apply new technology, such as AI, blockchain, robotics, etc., to enhance operational efficiency and develop products or services for insurance business on a fully-integrated basis in a bid to grow reinsurance premium and service income.
3. Concentrate on fully-fledged expansion of reinsurance and service businesses into Southeast Asia (SEA) market. In 2021, THRE Group brought in premium income of THB 44 million from foreign reinsurance in Cambodia, Laos, Vietnam and the Philippines. For service business, we already entered into a Memorandum Of Understanding (MOU) to set up an entity in Cambodia, and are now making preparations for such business operation. For the time being, we also are in the process of conducting a study and concluding a business plan with our strategic partner for business expansion to Vietnam, with final conclusion expected in 2022. Our further target set to be attained by 2022 is to gain a foothold in both reinsurance and service businesses in the Philippines and Indonesia.
4. Broaden business cooperation with Fairfax Financial Holding Group and National Reinsurers in each ASEAN country to develop and build upon businesses in these countries to a greater extent.

However, the above plans shall be able to adapt flexibly according to any changing circumstances under current volatility market.

Yours sincerely,



(Mr. Oran Vongsuraphichet)

Chief Executive Officer

Part 1

Business Operations and Performance

1. Structure and Operations of the Group

1.1 Policy and Overview of Business Operation

1.1.1 Vision, Objectives, Goals or Operational Strategies

From 43 years of experience in reinsurance business, the Company and its subsidiaries ("THRE Group") have amassed knowledge and expertise and, today, become an organization with full potential in reinsurance and servicing, sales channel expansion, product designing, and new marketing strategies that are aligned to behaviors of each specific consumer segment. The aim is to bring the Company to the forefront of fully-fledged reinsurance and related insurance service business in both Thailand and the Southeast Asian Region.

In 2021, the Company's corporate vision is "To be the most valuable Personal Line Insurance Partner in Thailand and South East Asia" through the integration of fully-fledged reinsurance and related insurance service business in Thailand and expanding to the ASEAN member countries, with the aim of ensuring the Company's solid and sustainable growth with a steadily good return on investment.

Mission "Increase value to all stakeholders including customer, business partner, shareholder and employee "

Recognising the pace of change in both the business environment and in consumer expectations, the Company continually reviews its business strategies and ensures that it's able to provide needed capacity and meet the new competitive challenges that emerge.

The Company's sustainable growth will progress through four key strategies which are:

- 1) Developing current products to suit the changing market conditions and designing new products for the market in response to consumers and business partners' needs whilst simultaneously managing expenses at a level where the Company can realise the status of a valued business partner.
- 2) Implementing a two- fold growth strategy for the Company one in reinsurance and the other in insurance industry consultancy & services. The purpose being to add value to the core business, minimize fluctuations in business performance, diversify business risk, and identify opportunities for expansion into new markets, principally in Southeast Asia. All ultimately leading to the Company's long-term growth prospects.
- 3) Exercising prudent and consistent underwriting standards when providing reinsurance based on risk exposure thereby limiting the possibility of an undesirable impact on results. Managing

business expansion under capital adequacy regulations thus maintaining financial stability and providing positive returns for shareholders.

- 4) Applying technology to increase efficiency and create innovations in the insurance value chain and provide business opportunities for customers and business partners through joint product development in new and existing distribution channels.

History

In 1978, there was a growing awareness in the insurance sector about the importance of reinsurance to Thailand. This was because insurance industry's dramatic growth in line with Thai economic advancement at that time had outstripped its limited underwriting capacity such that local insurers had to pass on nearly all their premiums to reinsurers abroad. The industry and the government accordingly agreed that such transfer of premiums overseas virtually led to a loss of opportunity and trade deficit.

To bring the utmost benefit to the country's insurance business and economy by reducing the opportunity loss from capital outflow as well as to enhance the local underwriting capacity, the public and private sectors involved in insurance business joined forces in establishing Thai Reinsurance Co., Ltd. on July 18, 1978. The Company obtained a license from the Ministry of Commerce to operate life and non-life reinsurance businesses with an initial registered capital of THB 30 million, which was injected by local insurance and life assurance companies through their respective shareholding.

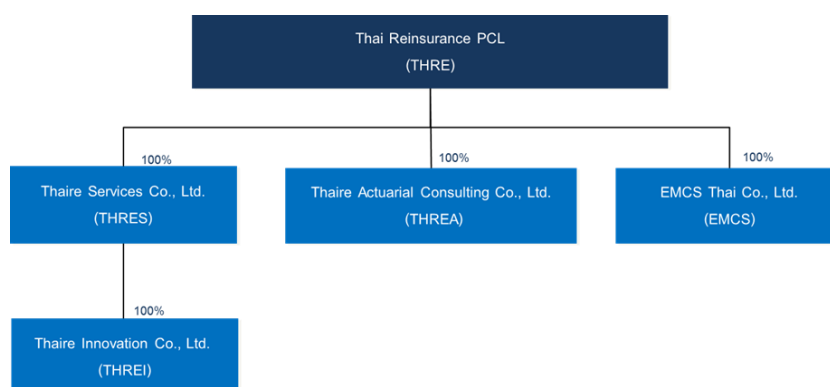
In the early stage of its operation, the Company focused on passive reinsurance, meaning that it only provided reinsurance to the insurers and played no part in the latter's product development. The Company later changed its strategy towards active reinsurance with a view to exploring new marketing opportunities and products. To such end, the Company participated in all activities with the insurers, ranging from offering and developing products in market demand to devising marketing plans, giving advice on underwriting, and seeking marketing channels in collaboration with the insurers. By doing so, the Company was able to determine the patterns and premium rates as appropriate, obtain a higher proportion of reinsurance underwriting, and access a greater amount of large reinsurance cases. As such, the Company engaged in two types of reinsurance business: conventional and non-conventional. In 1993, the Company registered the transformation into a public company under the law governing public limited companies with a registered capital of THB 90 million and was renamed, "Thai Reinsurance Public Company Limited or THRE."

With its registered and paid-up capital now reaching THB 3,709 million, the Company today operates non-life reinsurance covering property, accident and health, engineering, marine cargo and hull, together with related insurance services provided by the subsidiaries.

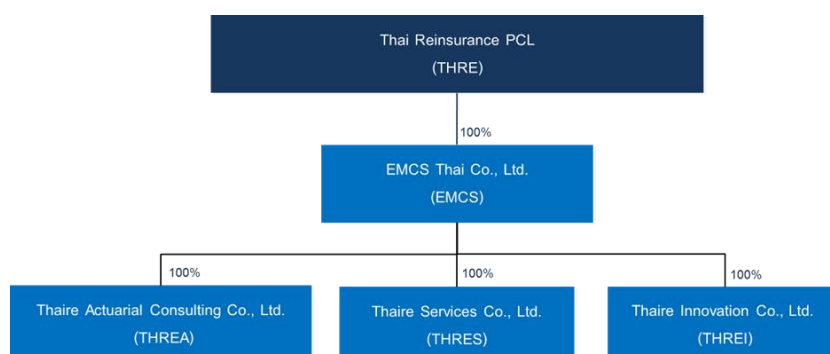
1.1.2 Significant Changes and Developments

- October 2021** The Company was rated “Excellent” in the Corporate Governance Report of Thai Listed Companies (CGR) in 2021, organized by the Thai Institute of Directors (IOD).
- July 2021** EMCS Thai Company Limited (“EMCS”) the subsidiary of the Company, increased the registered capital of THB 150 million from THB 30 million to a registered capital of THB 180 million.
- July 2021** Restructured the Company’s Subsidiaries with the details as follows:
- Thaire Services Company Limited (“THRES”), the subsidiary of the Company, transferred 100% shares of Thaire Innovation Company Limited (“THREI”) to EMCS Thai Company Limited (“EMCS”).
 - The Company transferred 100% shares of Thaire Actuarial Consulting Company Limited (“THREA”) and THRES to EMCS.

Shareholding Structure Before the Restructure



Shareholding Structure After the Restructure



In this regard, there is no change in the shareholding proportion in the Company’s subsidiaries held by the Company after restructuring.

March 2021	Fitch Ratings assigned Thai Re's its International Insurer Financial Strength (IFS) Rating of "A-". (Strong), with Stable outlook.
November 2020	The Company was rated "Excellent" in the Corporate Governance Report of Thai Listed Companies (CGR) in 2020, organized by the Thai Institute of Directors (IOD).
October 2020	The Company's registered and paid-up share capital decreased from THB 4,215.0 million to THB 3,709.2 million by reducing the par value per share from THB 1.00 to THB 0.88.
April 2020	Fitch Ratings assigned Thai Re's its International Insurer Financial Strength (IFS) Rating of "A-". (Strong), with Stable outlook.
November 2019	Fitch Ratings assigned Thai Re's its International Insurer Financial Strength (IFS) Rating of "A-". (Strong), with Stable outlook.
October 2019	The Company was rated "Very Good" in the Corporate Governance Report of Thai Listed Companies (CGR) in 2019, organized by the Thai Institute of Directors (IOD).
October 2019	In 2019 the Company received the certificate "Gold Level" from the Happy Provident Fund Company Award jointly organized by the Securities and Exchange Commission, The Stock Exchange of Thailand, The Association of Investment Management Companies, and The Association of Provident Funds resulting from the Company has promoted and educated the employee on the financial and saving for retirement plan
March 2019	Thaire Services Co., Ltd. (THRES), the subsidiary of the Company, purchased THREI shares from existing shareholders which represented 51.0 percent of the total paid-up shares resulting in indirect shareholding in THREI of the Company increased to 100 percent.
February 2019	The Company reduced its investment in THREL to 10.1 percent.

1.1.3 Name, Location of the Head Office and Company Details

Company Name	Thai Reinsurance PCL
Location	48/22-24 Soi Rajchadapisek 20, Rajchadapisek Road, Samsennok, Huaykwang, Bangkok 10310
Phone	0-2660-6111 0-2666-8088
Fax:	0-2660-6100 0-2666-8080
Nature of Business	Provision of reinsurance (non-life insurance business)
Registered Number	0107536001729
Home Page	www.thaire.co.th
No. of Issued/Paid-up shares	4,214,993,832 ordinary shares of THB 0.88 each,
Registered Capital	Total THB 3,709,194,572.16

1.2 Nature of Business

1.2.1 Revenue Structure

Structure of the Company and its subsidiaries consists of three major revenue streams;

- (1) Underwriting Income
- (2) Investment Income
- (3) Service Income from subsidiaries

(Unit: THB Million)

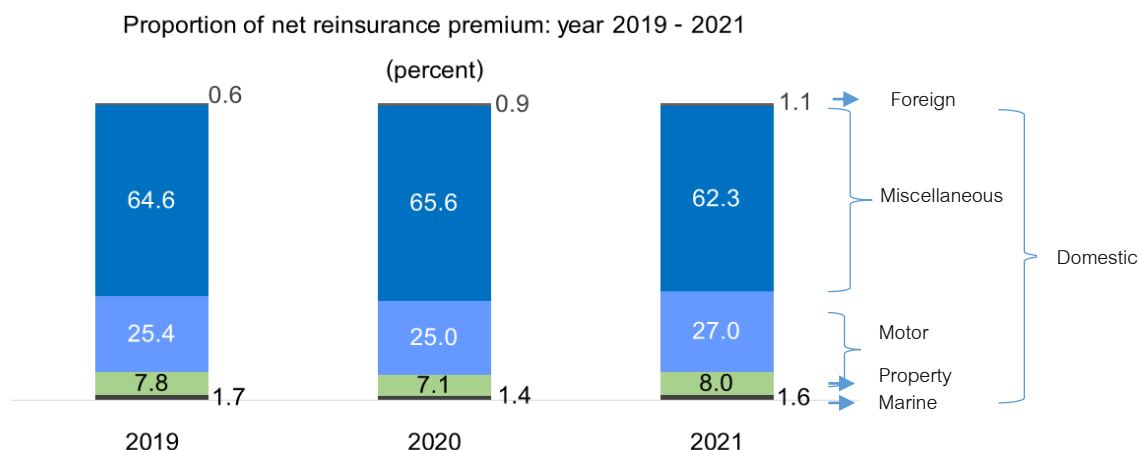
Business Group	Generated by	2021		2020		2019	
		Amount	Percent	Amount	Percent	Amount	Percent
1. Underwriting Income							
- Net Earned Premium	Thai Re & Subsidiaries	4,051.3	87.1	3,749.9	84.6	3,608.8	76.8
	Thai Re	4,051.3		3,749.9		3,608.8	
- Fee and Commission Income	Thai Re & Subsidiaries	90.2	1.9	159.7	3.6	394.4	8.4
	Thai Re	90.2		159.7		394.4	
2. Net Investment Income	Thai Re & Subsidiaries	110.0	2.4	137.4	3.1	307.8	6.6
	Thai Re ^{/1}	174.9		175.8		346.1	
3. Service and Others Income	Thai Re & Subsidiaries	400.0	8.6	385.3	8.7	385.6	8.2
Total (The Company and its subsidiaries)		4,651.5	100.0	4,432.3	100.0	4,696.6	100.0

Remark ^{/1} Included dividend income from subsidiaries.

1.2.2 Core Business

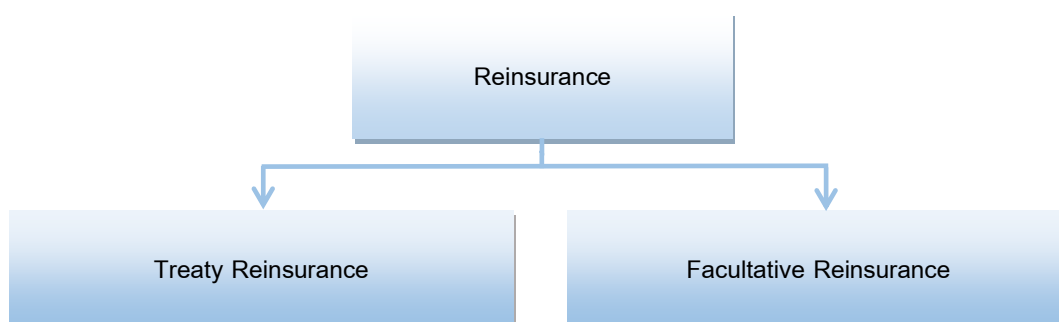
- Reinsurance
 - Classified by class of business

The Company offers variety of general reinsurance service to all local and international insurers. A three-year comparison of the proportion of net reinsurance premium by business classes is shown below:



○ Classified by type of reinsurance contracts

The Company provides two main types of reinsurance contracts: facultative reinsurance and treaty reinsurance.



1. Treaty Reinsurance : TTY

Treaty reinsurance is a treaty arrangement under which the terms and conditions of reinsurance are pre-negotiated with either local or international insurance companies, stipulating the scope of exclusions and the maximum coverage for risks to be reinsured. Treaty contracts are executed according to the type of reinsurance, e.g., Fire, Marine, Miscellaneous, Motor, etc.

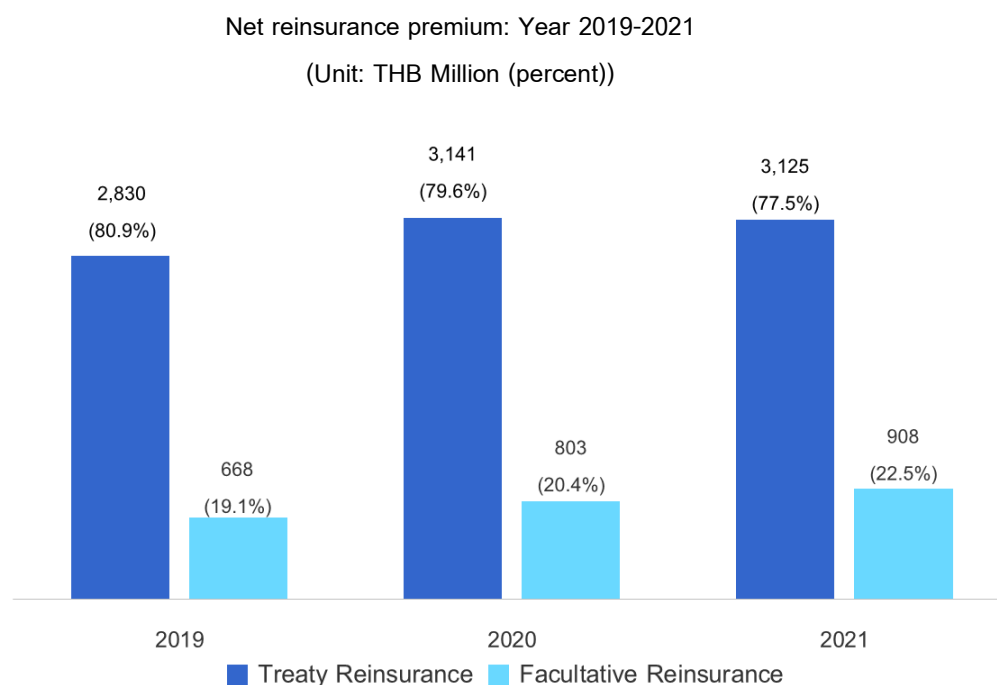
Under the treaty contract made in the form of “Market Agreement”, the members agree to a retrocessional arrangement that provides for a partial allocation back to all participants in a definite ratio as specified in the treaty arrangement. In other treaty reinsurance agreements, risk is entirely retained by the Company. The Company also has a policy to make only partial retrocessions for insurance policies that provide protection for more than one year.

In 2021, the net reinsurance premium under TTY agreements was 77.5 percent of the total, decreasing from 79.6 percent in 2020.

2. Facultative Reinsurance : FAC

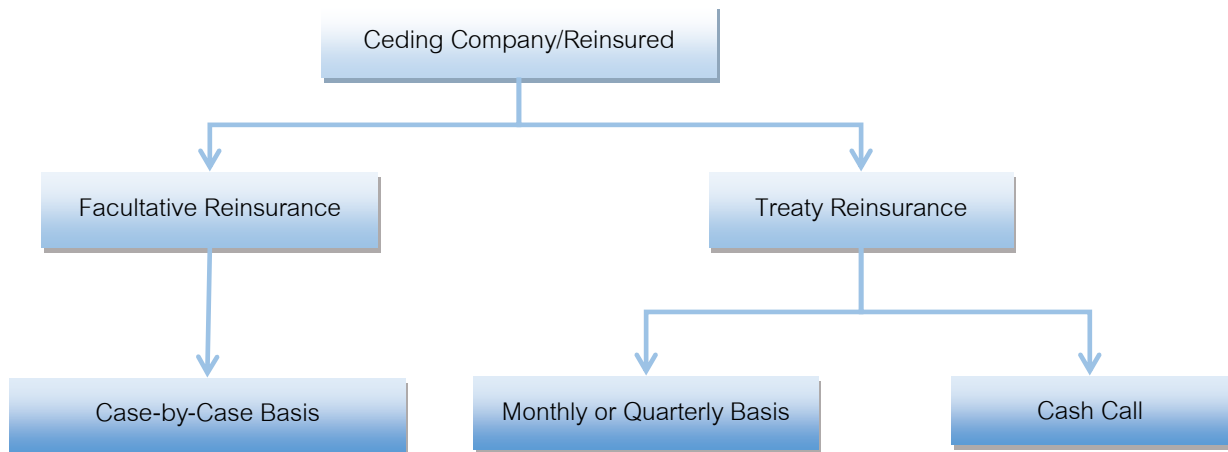
Facultative reinsurance is a type of reinsurance contract underwritten for a single risk or an individual policy. The Company has an option to accept or decline to provide reinsurance for any such risk based on its underwriting criteria and limits

In 2021, the net reinsurance premium under facultative reinsurance contracts was 22.5 percent of the total, increasing from 20.4 percent in 2020.



○ Compensation

Compensation for ceding company/reinsured



When any loss incurs, the cedant will notify the Company, as its reinsurer, in order to set aside pro rata loss reserve to the amount reinsured. The Company may or may not participate in a risk survey, but will be provided with a survey report for the case of major loss.

Claim settlement:

- For treaty reinsurance, a cash call limit is provided in the agreement. For large claims where they exceed the cash call limit, the Company will pay the amount of claim promptly. Claims that are below the cash call limit will be settled on a regular accounting basis.
- For facultative reinsurance, claims are settled on a case-by-case basis as agreed upon between the insurance company and the insured.

- **Market situation and competition**

Current Non-Life Insurance Business Condition

The Office of the National Economic and Social Development Council (NESDC) revealed that the Thai economy in 2021 would likely grow by 1.2 percent, a turnaround from the contraction of 6.1 percent in 2020. The new phase of the COVID-19 pandemic emerging in early 2021 has affected several economic sectors such as the household consumption which shrank due to travel restrictions having hindered consumer spending and economic activities, the tourism sector which is the key driver of Thai economy, and the public investment which would tend to recover more slowly than expected by the NESDC. Nevertheless, the government sector has rolled out both financial and fiscal measures, including the decrees on raising loans and additional loans, to tackle the problems and remedy and revitalize the economy and society from the COVID-19 impacts. In view of this, coupled with the stronger recovery in the major trading partners' economies and global trade, the improving COVID-19 situation in the latter half of 2021, and the attainment of vaccination target, the government sector has therefore eased the pandemic prevention and control measures and implemented a policy to reopen the country to international visitors in the designated areas as from November 1, 2021. Moreover, measures such as the half-half co-payment scheme, the We Travel Together campaign, and others have been launched to stimulate consumer spending towards the end of the year, thereby helping to increase traveling under strict infection prevention measures. These factors have augured well not only for Thai economic advancement but also for all classes of non-life insurance business with a good growth potential of their direct written premiums.

Non-Life Insurance Business Trend

- 1) **Personal accident and health insurance** Amid the successive waves of the pandemic hitting Thailand from early 2021 onwards, the COVID-19 insurance has regained popularity through both policy renewal and new insurance, with either the "Lump-sum Pay out" plan or the medical bill payment plan. Some have aligned their coverage with the situation by offering, for example, medical bill payment and compensation, COVID-19 vaccine allergy insurance, etc. Moreover, new products have been developed to cater to specific consumer segments, including lump-sum health insurance, health insurance for high-net-worth individuals, seniors, and children, critical illness insurance, specific illness insurance, and so forth. Online platforms are used as the important sales channel that allows for an easy, convenient and quick purchase and can better fulfill customer needs. Factors such as the upcoming aging society and the higher cost

of healthcare have increased public awareness of the significance of health insurance. As a result, health insurance, excluding COVID-19 coverage, has gained popularity and grown by a robust 16.8 percent, while accident insurance, excluding COVID-19 coverage, increased by 0.3 percent. However, the severe and prolonged pandemic has, from May 2021 onwards, prompted non-life insurers to gradually cease their sales and renewal of COVID-19 insurance policies with the “Lump-sum Pay out” plan, and to sell only the insurance with medical bill payment plan. Accident insurance and health insurance that included COVID-19 coverage grew by 4.0 percent and 18.5 percent respectively.

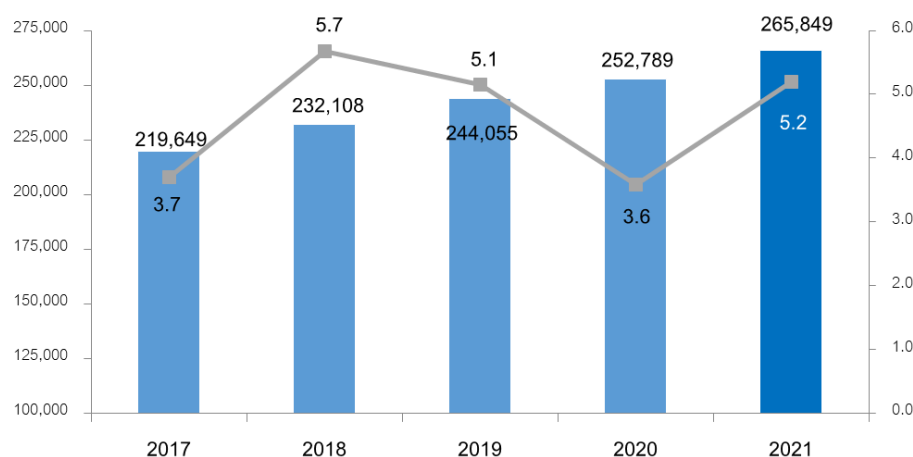
- 2) **Travel insurance** In 2021, the continued severity of the new wave of COVID-19 pandemic, the high number of new infections, and the government sector's travel restriction measures for infection control resulted in limitations on both domestic and international travels. However, from late 2021, the pandemic in several countries, including Thailand, has improved and the vaccination has expanded to a larger scale. Thailand could achieve the target vaccination rate and has reopened the country as from November 1, 2021, thus relaxing people's traveling. Although domestic and international travels may not yet return to normalcy, the travel trend is increasing. Due to such factor and the sharp decline in travel insurance premium in 2020, the premium in 2021 accordingly expanded by 38.9 percent relative to 2020.
- 3) **Fire insurance** Apart from hurting residential sales and ownership transfers, the COVID-19 fallout has triggered a change in consumer preference to housing with a higher level of privacy. Thus, horizontal properties such as detached houses priced at THB 10 million or more have grown healthily in terms of sales and transfer value. This, together with the low level of interest rates prevailing since 2020 and the Bank of Thailand's temporary easing of the LTV (Loan to Value) rules for loan agreements executed between October 20, 2021 and December 31, 2022 and issue of refinancing promotion measures, has led to an expectation that both new mortgage lending and home loan refinance will become buoyant again around late 2021 into 2022. However, due to the COVID-19 pandemic in 2021, the Real Estate Information Center predicts that the overall newly-extended home loans for the whole of 2021 will witness a year-on-year drop of 4.3 percent in value to THB 586,040 million, while the outstanding personal housing loans nationwide will increase by 6.1 percent year-on-year to THB 4,523,597 million in 2021, thus resulting in premium growth of 3.5 percent for full-year 2021.
- 4) **Industrial All Risks (IAR) insurance** The shrinkage of reinsurance capacity in the world market since late 2019, as triggered by the more frequent natural disasters and intensified by the COVID-19 outbreak since 2020, had led the IAR insurance and reinsurance business into a hard market. Besides, damages from huge fires occurring

more often in Thailand from the beginning of the past year have caused not only the ongoing hikes in IAR premium rates but also the more stringent underwriting terms and conditions. However, since insurance still serves as one of the crucial risk management tools for business and industrial sectors, demand for IAR insurance remains high, leading the IAR insurance market to grow by 10.0 percent in 2021.

- 5) **Motor insurance** The persistent COVID-19 pandemic has weakened consumers' purchasing power, as evident from a year-on-year decrease of roughly 3.3 percent in domestic sales of new cars in full-year 2021 to about 760,000 units (a forecast by ttb analytics). However, the increased popularity of electric vehicles and the more advanced technology of new car models have contributed to a hike in vehicle prices, which will likely lead to growth in motor insurance premium. On the contrary, there is a negative factor from stiffer competition as the decline in short-term premium rates might prompt insurance companies to resort to pricing strategy in a bid to retain their market share, which will adversely affect growth in the motor insurance market. As such, the compulsory and voluntary motor insurance premium will grow marginally by 2.1 percent in 2021.
- 6) **Marine Hull and Cargo insurance** The economic improvement of Thailand's major trading partners and the steady increase in global trade since the first quarter of 2021 have relatively led to a recovery in Thai exports to the key trading partner countries, particularly the USA, the Eurozone, the UK, Australia, China and newly industrialized countries. As predicted by the NESDC, Thai export for the whole of 2021 will likely expand by as high as 16.8 percent in value term and 13.3 percent in volume. Based on this factor, marine hull and cargo insurance premium will grow by a remarkable 19.6 percent in 2021.

Taking into account all aforementioned factors, direct written premium of the non-life insurance business in 2021 will increase by 5.2 percent, or to approximately THB 265,849 million compared with the previous year of THB 252,789 million.

Direct Premium and Growth Rate: 2017 – 2021



Source: OIC/Insurance Premium Rating Bureau

On the side of market share, it is found that, in 2021, there were a total of 54 licensed non-life insurance companies, of which the top six companies wrote 51.2 percent of the total market. In the wake of the COVID-19 pandemic from 2020 onwards, certain non-life insurers have introduced COVID-19 insurance with either the “Lump-sum Pay out” plan or the medical bill payment plan. However, the pandemic has intensified with a massive number of infections, leading to a huge amount of claims for the “Lump-sum Pay out” policies and losses to the operators and thereby harming their financial stability. In 2021, there were two non-life insurance companies becoming financially distressed to the extent that their licenses were finally revoked, thus reducing the number of non-life insurance companies to 52 as of year-end 2021. The major distribution channels (in 2020) were insurance brokers, 59.7 percent; agencies, 13.5 percent; and banks, 11.5 percent, respectively.

It is apparent that as from 2020 the non-life insurance business has been threatened by the COVID-19 crisis like all other types of businesses. This simultaneously created an opportunity for the business since the crisis has heightened public awareness of the importance of health insurance. To ride out the COVID-19 crisis, non-life insurance companies have turned to compete in pricing, protection plans and servicing, along with development of new distribution channels and services through the use of technology and online social media, especially in the accident/health and motor classes. This is another crucial factor that will create a tougher competitive environment at present and in the not too distant future. Amid the pandemic which has become much worse than expected, there is still a substantial number of COVID-19 policies that remain valid by the end of 2021 and the non-life insurers must continue to take those risks until the end of the contracts, most of which will have the coverage ended around June 2022. Thus, the non-life insurance

business will remain vulnerable to uncertainties and risks in every respect, whether financial security, insurance, reputation, laws and regulations, and so forth. Such uncertainties and risks are the crises that the non-life insurance industry must encounter and can overcome by way of prudent management.

Non-Life Reinsurance Market

The total reinsurance premiums ceded in 2021 accounted for THB 76,203 million, representing 28.7 percent of direct written premiums. Of such total reinsurance premiums, 16.3 percent was reinsurance ceded by Thai domestic insurers. Reinsurance written by Thai Re amounted to THB 4,407 million or around 5.8 percent, while the remaining 83.7 percent was reinsurance ceded to overseas reinsurers.

	2021 Non-Life Reinsurance Premiums		
	THB Million	Proportion (Percent of Direct Premium)	Proportion (Percent of Reinsurance Premium)
Direct written premiums	265,849	100.0	
Reinsurance ceded premiums	76,203	28.7	100.0
- Domestic	12,408	4.7	
Thai Re ¹	4,407	1.7	5.8
Other companies	8,001	3.0	10.5
- Foreign	63,795	24.0	83.7

Source: Insurance Premium Rating Bureau and ¹ Thai Re

Competitive edges in Thai reinsurance market lie in expertise and professionalism, ability to take risk, financial stability, customer relations management, and pricing. The Company is confident that it will be able to impressively expand the business opportunity.

Industry Outlook

As at the end of 2021, several countries across the globe have had more than half of their population fully vaccinated against the COVID-19. For Thailand, around 73.0 percent of the population have received full vaccination and, in 2022, booster shots (third and fourth doses) will be offered to the people, while the vaccination of children aged 5 – 11 years is scheduled to start in February 2022. With such efficient vaccine distribution to the people and the expectation that the pandemic will likely improve and become endemic, the government sector has accordingly relaxed the infection control measures such that economic activities have increasingly returned to normal, and also issued various policies to stimulate the people's spending, leading to private consumption expansion. Meanwhile,

tourism tends to recover following the reopening of the country as from November 1, 2021 to welcome back tourists through numerous measures, alongside the relaxation of international travel restrictions by many countries. Public and private investments are anticipated to pick up on account of the increase in export-oriented production to meet demand for Thai products from the key trading partners. As well, the government sector's spending will grow, especially on infrastructure development to stimulate the country's economic advancement. These factors help to revive economic activities in the country.

However, there are negative factors that could be a drag on the economic growth, including the spread of the COVID-19's Omicron variant or any other future emerging variants, the high level of household debts and unemployment rate, the global economic and financial volatility, and the internal political problems.

Based on all these factors, the NESDC has forecast that the Thai economy will grow at a faster pace than in 2021, by around 3.5 – 4.5 percent. The domestic economic recovery will lead to relative growth in the non-life insurance business.

The COVID-19 pandemic, the entry into an ageing society, and the increasing medical expenses are the key factors heightening public awareness of the importance of their and their family members' healthcare welfare. Meanwhile, insurers are seeking to develop and design new products and services to more truly fulfill the needs of each consumer segment, as well as expand their online sales channels, whether through the companies' own channels or collaboration with their business partners such as brokers and banks, thus allowing quick, easy and convenient access to insurance and better addressing customers' needs. Based on all these factors, it is expected that accident and health insurance (excluding COVID-19 coverage) will grow continuously. Likewise, travel insurance is anticipated to expand, considering that this class of insurance saw a marginal growth rate in 2020-2021 and that several countries, including Thailand, have started to reopen to international travelers subject to pandemic control measures such as requirements of travelers to be fully vaccinated, conduct pre-departure virus testing, etc.

Other insurance classes such as property, motor, marine hull and cargo, and miscellaneous insurance are expected to grow in tandem with the predicted economic recovery, while still prone to various risk factors. Therefore, the non-life insurance business will carry on in such an uncertain environment. The Company further predicts that the overall non-life insurance business will likely grow in 2022 by roughly 4.5 percent and achieve direct written premium of around THB 277,740 million.

Nonetheless, the prolonged pandemic and massive number of infections in Thailand have badly wounded the insurance industry, with a huge claim value for the “Lump-sum Pay out” policies and a large number of COVID-19 policies still remaining in effect in 2022. Given the emergence of another phase of severe COVID-19, some insurers will have to pay out a substantial amount of compensation and may suffer heavy losses over such COVID-19 claims, which will inevitably affect their financial position and probably force them into closure of business. Apparently in early 2022, a few insurance companies filed to the OIC for the termination of their business. It is possible that some other companies may follow in the future. If so, this crisis will take its toll on the insurance business and several concerned parties, including the insured.

- **Investment**

- **Sources of funds**

The Company's source of capital are shareholders' equity and cash flow from operation. It is not the Company's policy to obtain the funding from loan and off-balance sheet transaction. However insurance business must maintain an adequate capital to support its operation and business expansion. As such it might be necessary to raise funds by capital increase or other appropriate method if necessary.

- **Investment policy**

The Company adopts a conservative investment policy by strongly emphasizing on risk management and rate of return. Rather than expecting solely on maximum benefit, the Company aims to achieve a stable long-term return and maintain appropriate liquidity in tune with cash receivable, at present and in the future, while controlling risks at an acceptable low level and adhering strictly to the OIC's regulations. Our investment policy is reviewed regularly in order to correspond with the fast changing in financial and investment market landscapes.

- Operating assets

As at December 31, 2021, the Group had the operating assets as listed below:

Asset Types/Characteristics	Ownership	Net Book Value (THB million)	Obligations
The Company's office, 198.4 Sq.wa Land and 3 of 6-storey buildings located at Preecha Complex, Ratchadaphisek Road, Huai Khwang, Bangkok.	Owned by the Company	118	None
The subsidiary's office, 69.6 Sq.wa Land and 6 storey office building located at Preecha Complex, Ratchadaphisek Road, Huai Khwang, Bangkok.	Owned by the subsidiary	33	Collateral for the subsidiary's Overdraft
The subsidiary's office, 69.6 Sq.wa Land and 6 storey office building located at Preecha Complex, Ratchadaphisek Road, Huai Khwang, Bangkok.	Owned by the subsidiary	48	None
Motor Vehicles	Owned by the Company and its subsidiaries	1	None
Office equipment and furniture	Owned by the Company and its subsidiaries	5	None
Computers	Owned by the Company and its subsidiaries	24	None
Right-of-Use Assets	Right of use	7	None
Computer software	Right of use	112	None
Other intangible assets	Right of use	17	None
Total		365	

- **Valuation of premises**

The Company has a policy to appraise the Company's premises every 3 years for calculating its capital under the principle of Risk Based Capital (RBC) and complying with 2 of the Notifications of the Board of Insurance Commission as the followings;

1. Notification on Valuation of Assets and Insurance Liabilities of Insurance Companies (No.4) B.E.2562
2. Notification on the Capital's Classification and Type, and Capital Calculation's Guidelines, Method and Conditions (No. 5) B.E.2564

The appraisal as mentioned above does not affect to the Company's financial statements, related transactions and business structure. The Company's premises that are used for administrative purposes has been appraised by the independent appraiser in 2021 and the next appraisal will be in 2024.

- **Outstanding of undelivered projects**

None

1.3 Shareholding Structure of THRE Group

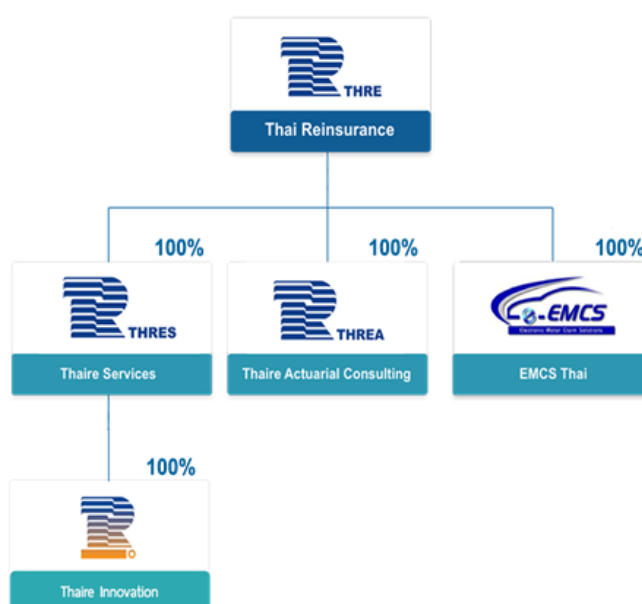
1.3.1 Structure of THRE Group

The Company's shareholding structure is clear and there is neither cross holding nor pyramid structure in THRE Group, thus shall mitigate the conflict of interest. In case of related party transactions, the Company abides by the interest and conflict of interest policy and the measures or procedures for approval of related party transactions.

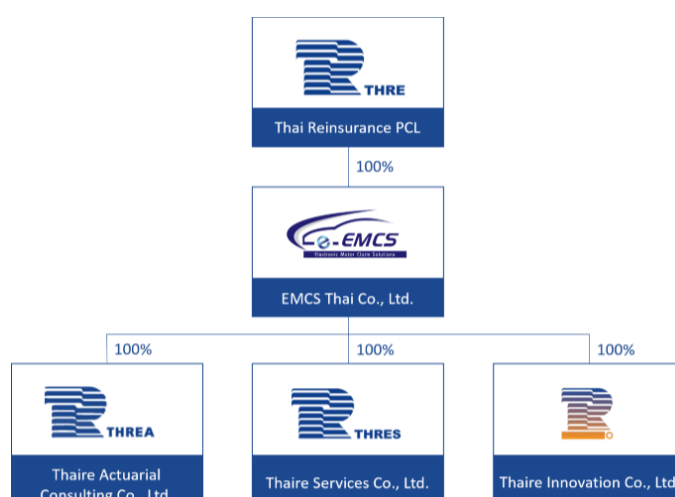
In July 2021, the Company's subsidiaries were restructured as described in the topic of Significant Changes and Developments on page 8.

As of December 31, 2021, the Company had a total of four subsidiaries, established to engage in the insurance-related services businesses.

Shareholding Structure Before the Restructure



Shareholding Structure After the Restructure



- **Business operations of the subsidiaries are as follows:**

EMCS Thai Co., Ltd. (EMCS) : The Company's' shareholding in EMCS is 100 percent. EMCS was established in November 2000 and current registered and paid-up capital THB 180 million. It provides electronic motor claim solutions and holds 100 percent shareholding in 3 subsidiaries as follows:

1. **Thaire Services Co., Ltd. (THRES)** : THRES was established in April 2006 with current registered and paid-up capital THB 100 million. It provides a wide range of outsourcing services solution to life & non-life insurance companies and self insured corporation.
2. **Thaire Actuarial Consulting Co., Ltd. (THREA)** : THREA was established in January 2011 with current registered and paid-up capital THB 50 million and providing actuarial services.
3. **Thaire Innovation Co., Ltd. (THREI)** : THREI was established in December 2016 with current registered and paid-up capital of THB 37.5 million and providing digital platforms, technical consultation and related services to business and individual.

Other entities in which the Company holds more than 10 percent of shares.

1. **T.I.I. Co., Ltd.** : The Company's' shareholding is 20.33 percent. Its registered and paid-up capital are THB 21.5 million with the provision of insurance training.
2. **Thaire Life Assurance PCL.** : The Company's' shareholding is 10.10 percent. Its registered and paid-up capital are THB 600 million with the provision of life reinsurance.

1.3.2 Parties with Conflict of Interest Hold more than 10 Percent of Shares in Subsidiaries or Associates

None

1.3.3 Relationship with Business of Major Shareholders

The Company does not have any relationship or connection with other businesses of its major shareholders, nor enter into any transactions and share any main resources, nor rely on and support each other in the form of a value chain or in any other manners with the business of its major shareholders.

1.3.4 Shareholders

(1) Major Shareholders

a. Top ten major shareholders as of January 21, 2022 are as follows:

	Shareholders	No. of Shares	Percentage (Percent)
1	HWIC ASIA FUND A/C CLASS C	1,987,104,436	47.14
2	The Viriyah Insurance Public Company Limited	133,658,535	3.17
3	MR. WACHIRA TAYANARAPORN	132,000,000	3.13
4	Bangkok Insurance Public Company Limited	103,551,996	2.46
5	Thai NVDR Company Limited	68,186,010	1.62
6	The Navakij Insurance Public Company Limited	64,895,919	1.54
7	MR. PAKKAWA PATTAPONG	57,500,000	1.36
8	TWWC Company Limited	41,866,939	0.99
9	MR. ORAN VONGSURAPHICHET	36,548,300	0.87
10	MISS CHAPORN PUNYANITYA	35,770,000	0.85
	Total	2,661,082,135	63.13
	Other Shareholders	1,553,911,697	36.87
	Grand Total	4,214,993,832	100.00

Remark ¹Thai NVDR Company Limited, the issuer of NVDRs, do not exercise voting rights at the shareholders' meeting. Investors can check the latest number of shares of the company held by Thai NVDR Co., Ltd. at the website of the Stock Exchange of Thailand (www.set.or.th)

b. The group of major shareholders who, by actions, has a significant influence over the determination of policy or the management or control of operations of the Company.

HWIC Asia Fund, a major shareholder of the Company, owns 47.14 percent of total shares as of the registration book closing date of January 21, 2022.

For the latest update on the top ten major shareholders, please visit website of the Company at <https://investor.thaire.co.th/shareholdings.html> and the Stock Exchange of Thailand at www.set.or.th after the closing of the shareholders registration book.

(2) Shareholders' Agreement

The Company has entered a written agreement with Fairfax, major shareholder as follows:
Fairfax has no ultimate control over the company and has the right to nominate maximum 40 percent of the total number of Company' Board of Directors.

1.4 Registered Capital and Paid-up Capital

1.4.1 Registered Capital

The Company has registered and paid-up capital of THB 3,709,194,572 divided into ordinary shares 4,214,993,832 shares with a par value of THB 0.88 per share. The Company has only one type of common stock. No preferred shares and other types of securities

1.5 Issue of Other Securities

The Company has not issued any preferred shares, debt securities or convertible securities that may affect rights of the shareholders.

1.6 Dividend Policy

Under a current policy, the minimum dividend payout is 40 percent of net profit from separate financial statements after the deductions to all reserves. For subsidiaries' share, the payout is in correspondence to business outcomes.

Dividend Information

Year	2017	2018	2019	2020	2021
Earnings per share (THB)	0.15	(0.24)	0.03	0.05	(0.08)
Dividend per share (THB)	0.10	0	0	0.04	0
Payout Ratio (percent)	66.67	0	0	80.00	0

2. Enterprise Risk Management

2.1 Enterprise Risk Management Policy and Framework

The Company has developed its own Enterprise Risk Management (ERM) policy and framework which is approved by the Board of Directors to serve as a beacon for the Company's risk management activities that must be in line with its strategy and risk appetite.

The Company's ERM Framework has been developed based on various risk management frameworks established by leading international associations e.g. the International Association of Insurance Supervisors, the Casualty Actuarial Society, Standard and Poor's, A.M. Best, Fitch Ratings, and the Committee of Sponsoring Organizations of the Treadway Commission as well as related regulatory requirements.

The Company has also developed its annual risk appetite which serves as a boundary around risk taking activities that enable the Company to achieve its goals. Key risks that could affect the Company's short-term and long-term objectives are identified, assessed, managed, and controlled. Key Risk Indicators and relative benchmarks are set and monitored whereas risk management measures are developed and assessed to ensure that all key risks are managed within the Company's risk appetite.

Past loss events are taken into account when the Company revises its strategies and operations. Key risks are continuously monitored to ensure that they are properly and effectively managed and responsive to changes in business environment. Key risk status and related matters are reported to the Enterprise Risk Management Committee and the Board of Directors every quarter.

Risk and capital management policy is embedded and incorporated into the Company's budget planning, and capital allocation, and performance management where risk capital charge is considered along with operating costs, expenses, claims, underwriting results, and investment returns. The overall aim is to ensure an appropriate risk-reward balance throughout the Company's undertakings.

2.2 Risk Factors

2.2.1 Risks that Affect the Company's Business Operations

The growing intensity of VUCA in the business environment resulting from social, technological, environmental, economic, and political drivers is creating a whole new world of risks that are more volatile, uncertain, complex, and ambiguous than the Company could have imagined.

These internal and external change results in various risk factors that could affect the Company's business operations in various ways e.g. catastrophe, climate change, cyber crime, information

technology risk, regulations, investment performance, lack of talent, competition, reputation risk, strong balance sheet risk, and various types of emerging risks

The Company, therefore, needs effective and efficient enterprise risk management that enables the Company to take advantage of VUCA environment and helps the Company accomplish its mission, fulfill its vision, achieve its strategic goals, and thrive in the future.

2.2.2 Shareholders Risk

The risk that may prevent shareholders from receiving the returns or rights they deserve or the full/partial loss of investment amount including related risk management policy, as described in section 2.3 which covers the Company's main risks affecting organizational goal achievements, financial stability, performance, and other related risk management policy.

Therefore, there are low probabilities for the Company to lose all its investment assets and potential shareholders risk mentioned above to occur and does not have a significant impact on the Company's shareholders.

2.3 Key Risks and Their Related Risk Management Measures

2.3.1 Strategic Risk

Strategic risk is the risk arising from the formulation of business policy, strategic plans, operation plans, and their executions that are inappropriate or not responsive to changes in the Company's internal and external environments.

The Company manages its strategic risk by developing its strategic plans that are well aligned with the Company's mission and vision. The Company's strategic plans are continuously monitored and revised to ensure that they keep up with the changing market conditions. Business process improvements are regularly conducted to efficiently help the Company meet its goals and objectives.

The Company emphasizes on expanding its range of personal lines which covers more diversified and low sum insured risk. This will minimize the adverse effects on the operating results and enable the Company to have more sustainable performance. The Company also focuses on developing new distribution channels, products, and services and improving its business process and IT system so that it can operate at a lower cost than its rivals. The Company is also committed to employee development as they become the driving force that helps the Company achieve its business objectives and long term sustainable growth.

- **Innovation risk**

Innovation risk is the risk arising from the Company's inability to develop innovative products and channels for future business.

Customer behavior data for niche customer segments are captured, analyzed, and utilized so that the Company would be able to better develop innovative products and channels that match potential consumers' expectations within each segment.

- **Strong balance sheet risk**

Strong balance sheet risk is the risk arising from income fluctuation, liquidity problems, or insufficient capital to cope with unexpected events often resulting in financial distress.

The Company is well aware of the potential causes of capital deficiency and has implemented risk management measures to address these issues. Factors affecting capital adequacy are examined thoroughly and fully addressed. The Company has integrated the risk and capital management concept into its business strategies and core business activities to ensure that the Company is financially secure and has sufficient capital to cover both current growth and unexpected future exposures.

In case there is some potential new sizable projects that might affect the Company's performance, projected Capital Adequacy Ratio will be calculated and used in the decision making process. The Company has a conservative and actuarially sound loss reserve calculation.

Reserve adequacy must be evaluated at least once a year whereas the Company's actuarial report must be signed off by the Fellow actuary. The Company also establishes an effective account receivable management, and continuously monitors its customer's financial condition.

- **Customer concentration risk**

Customer concentration risk is the risk arising from too much reliance on income or profit from a company or group of companies where loss of one or a few may have an adverse effect on the Company's financial performance.

The Company manages its customer concentration risk by developing a policy that aims to grow and expand business with several non-life insurance companies to diversify income sources and reduce risk of overdependence on any single insurer. The Company continues

to improve service quality with existing customers to ensure high levels of customer satisfaction and customer retention.

2.3.2 Operational Risk

Operational risk is the risk arising from inadequate or lack of control over internal processes, people, systems, or external events.

- **Human capital risk**

Human capital risk is the risk arising from the inability for the workforce to achieve business goals and objectives, insufficient talent, inability to develop talent in accordance with their expectations and the Company's plans, lack of mechanism that foster innovative behavior and innovation within the Company, or low engagement from employees that might lead to high turnover ratio and below-target performance.

The Company manages its human capital risk by deploying a talent development program for middle management and a succession plan for senior management. Competency-based training programs have been in place whereas internal regulations and welfare have been revised. Various Company activities have been continuously deployed to increase employee engagement.

- **Business process risk**

Business process risk is the risk arising from erroneous or ineffective business processes. The Company manages its business process risk by developing and implementing control measures and revising its operational manuals periodically to ensure that they are complete, accurate, and up to date. Information technology systems that integrate business functions across the enterprise have been used to support business operations throughout the Company. Internal operations are continuously monitored and improved by the process improvement department to ensure the efficient conduct of all operations and audited by the internal audit department.

- **Information technology management and cybersecurity risk**

Information technology and cybersecurity risk is the risk arising from the Company's inability to utilize its information technology to effectively support its operations, inability to use IT system to enable or enhance business, or inability to prevent cyber threats to IT systems, data, and infrastructure.

The Company manages its IT and cybersecurity risk by putting in place IT policies and procedures to ensure operational continuity, protection against data loss, and prevention of data breaches. A variety of IT security including system security and data security have been put in place whereas cybersecurity policies and guidelines have been developed and maintained. IT security awareness and cybersecurity training programs are mandatory provided to all employees. Latest news and update about IT security and cybersecurity are regularly shared with all employees.

In addition through Business Continuity Management a Business Continuity Plan is in place to ensure that the Company is well prepared and able to manage unexpected situations that might affect its business operations. The Company-wide BCP drills are revised and conducted once a year. Additionally, the IT team is encouraged to develop new innovative ideas and explore new opportunities with existing business partners and various startups.

- **Compliance risk**

Compliance risk is the risk arising from the Company's inability to act in accordance with industry laws and regulations as well as its internal policies.

Compliance risk management system has been put in place to manage compliance risk. The Company regularly informs new regulations to all employees. The Company always participates in public hearing process and provides constructive comments to the regulators. Warning system has been put in place together with legal search system. Compliance status is reported to senior executives every month and the Enterprise Risk Management Committee and the Audit Committee every quarter. Inter-departmental meeting is called upon to prevent or solve some special issues if needed.

- **Fraud risk**

Fraud risk is the risk arising from wrongful or criminal deception as well as violation of internal or external regulations, intended to result in financial or personal gain.

The Company manages fraud risk by having various policies in place as well as the internal control and audit systems to prevent, detect, and deter fraud in the Company.

2.3.3 Insurance Risk

Insurance risk is the risk arising from fluctuations in the timing, frequency and severity of insured events, relative to the expectations of the Company at the time of product development,

ratemaking, underwriting, and reinsurance or fluctuations in the timing and amount of loss reserves and claim settlements.

The Company manages its insurance risk by developing its own underwriting guidelines based on technical knowledge and updated statistics and revising them periodically to keep up with changes in market conditions. The Company places a strong emphasis on underwriting discipline of individuals. Underwriting audit is in place to assure that underwriting guidelines are strictly followed. Statistical data and insights are incorporated into marketing plans to help the Company developing new profitable products with long-term growth potential. Customer needs are identified and taken in to account when developing new products for the niche market. The Company has established the policy that requires all products to be reviewed every 2 years.

The Company constantly monitors claim aging to ensure that suspended claims are not left untouched and puts in place claim monitoring and claim management system to ensure prompt payment. Simulation models for flood and earthquake have already been in place as well as the Company's excess of loss program to protect the reinsurance contracts underwritten against adverse claims experience.

2.3.4 Market Risk

Market risk is the risk arising from changes in market variables such as interest rates, exchange rates, equity prices, and real estate prices.

The Company manages its market risk by establishing its investment policy that is in accordance with the OIC's requirements, with clear guidelines to provide direction for investment and portfolio management. Changes in the economic, political, and regulatory environment are taken into consideration as part of the Company's ongoing monitoring process and incorporated into the Company's investment strategy and portfolio management.

The Company has adopted a prudent investment policy and avoids speculative investments that would jeopardize its capital. The Company invests in high quality securities that are expected to generate reasonable and consistent returns. Major losses on the Company's investment portfolio are not considered likely. Since investment income is the major source of income for the Company, investment activities are closely monitored by the Board of Directors and the Company's Executives.

2.3.5 Liquidity Risk

Liquidity risk is the risk arising from the Company's inability to meet its debt obligations as they become due, caused by the lack of marketability of an investment, sales of its illiquid assets at less

than their fair value, or settlement of financial obligations with costs that are significantly higher than expected.

The Company manages its liquidity risk by establishing procedures to measure, monitor, and manage its liquid assets and cash flow. Matching assets are held in relation to liabilities incurred. The Company also manages its liquidity position through prudent investment decisions and diversification of assets and liabilities to ensure that sufficient cash is available when needed. The Company's liquidity position is set to be higher than the level of liquidity required by the Office of Insurance Commission.

2.3.6 Credit Risk

Credit risk is the risk arising from possible default by the Company's counterparties or from changes in the credit quality of issuers of securities or the Company's retrocessionaires.

The Company manages its credit risk by regularly analyzing and evaluating its retrocessionaires and issuers of securities' credit quality and monitoring their financial stability. The Company has a strict policy to retrocede its business to retrocessionaires and buy the securities from the issuers that have credit ratings of at least "A-."

2.3.7 Emerging Risk

Emerging risk is the risk that does not currently exist but might emerge at some point in the future due to changes in the social, technological, economic, environmental, and political developments and cause adverse effects to business.

The Company manages its emerging risk by continually gathering and analyzing all relevant information as it arises to understand which emerging risks are most likely to materialize, and develop sound practices to manage them. The Company periodically revises its policy terms and conditions to ensure that emerging risks are considered in all core activities, especially product design and development, pricing, and underwriting, so that the Company's adverse impacts from to emerging risks are limited.

3. Driving Business for Sustainability

3.1 Sustainability Management Policy and Goals

Thai Reinsurance Public Company Limited and its subsidiaries operate business with an awareness of and importance given to sustainable development. The Company has the main objectives to generate good returns, create value for the insurance business along with social and environmental development according to the guidelines on sustainable development, and maintain the balance of the three dimensions, economy, society and environment, for the utmost benefit of all groups of stakeholders and in accordance with the sustainable development goals (SDGs). The Company has mapped out the sustainability policy and publicized this policy on its website (read more about the policy at <https://investor.thaire.co.th/storage/content/corporate-governance/20220104-thre-sustainability-policy-en.pdf>) The Company has also outlined the framework and goals for driving sustainability as follows:

Economic Dimension

- Utilise the recognised practices of good governance in operating the business for the overall benefit of all stakeholders.
- Establish strategic and business practices for sustainability through fully considering the operating environment, change factors, opportunities and risks that could affect the achievement of key objectives of the organisation, and all issues that may affect stakeholders.
- Encourage innovative ideas especially in the field of new technology to build business value, strengthen competitiveness and respond to stakeholder expectations.
- Enhance the stability of the insurance sector for public benefit by identifying consumer needs and developing products and services to fulfill those needs. This allows insurance businesses to provide products and services that meet customer expectations and the opportunity for the generation of profitable growth for the THRE Group and its partners in the insurance sector through offering a comprehensive range of products and services.
- Development of service and product quality.
- Implement the innovative ideas and new technology in all departments to enable the Company to deliver more efficient and effective services and supporting sustainable development.
- Efficient risk management and internal control.

Social Dimension

- Human Right.

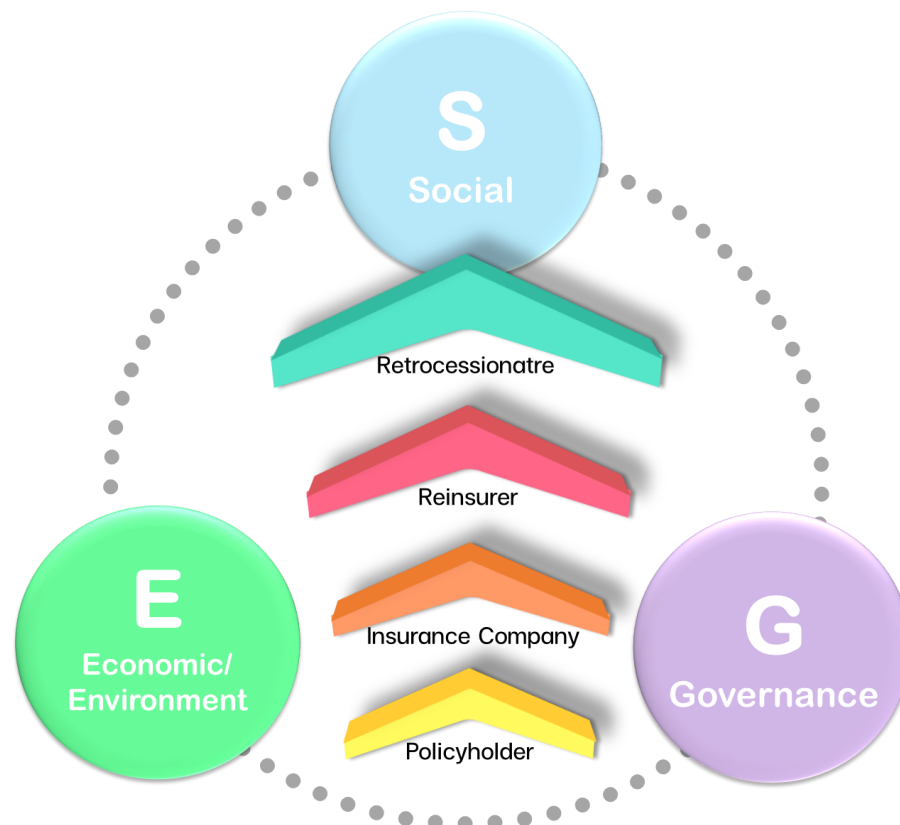
- Fair and equal treatment of employees.
- Development of employees' skills and knowledge and taking care of their wellbeing.
- Enhance the secure of customers, business partners, shareholders, employees and all parties concerned directly or indirectly with the THRE Group.
- Disclosure of data regarding the THRE Groups sustainability performance, ensuring reliable financial and non-financial information.
- Development of community and society.

Environment Dimension

- Ensure efficient and effective utilization of all resources, namely energy, water and paper by recognizing the use and development of resources across the value chain and changes in any internal or external factors.
- Ensure ethical business practices are maintained to further secure sustainable growth.

3.2 Management of Impacts on Stakeholders within Business Value Chain

3.2.1 Value Chain



Reinsurance is considered a part of enhancing social security. This is a risk management tool for insurance companies and help the insurance company to increase its capacity. The reinsurance

premium will be invested with financial institutions to use as a source of fund for lending which create more stability for the society. People and entrepreneur who do the insurance will have more stability in their lives and their assets. Therefore insurance and reinsurance play an important role in enhancing the stability of society and the economic system. The growth of the insurance industry has also driven other industries. Reinsurance therefore is a part of social responsibility in insurance business.

3.2.2 Stakeholder Analysis from the Business Value Chain

Group of Stakeholders	Stakeholders' Expectations	Methods of Participation	The Company's Actions
Internal Stakeholders			
Shareholders 	<ul style="list-style-type: none"> • Achievement of Company's vision and goal • A high and sustainable return on investment • Having business development and responding to the future changes • Sound risk management and good corporate governance • Receipt of accurate, complete and timely information, both financial and non-financial 	<ul style="list-style-type: none"> • Shareholders' meeting • Feedback or complaint reporting through designated channels • Disclosure of performance • Form 56-1 One Report • Road show activity • Coordination with IR center • Meeting with analysts, investors and fund managers 	<ul style="list-style-type: none"> • Deliver high and consistent returns for shareholders • Treat all shareholders on an equitable basis • Disclose both financial and non-financial information in a reliable, complete and timely manner
Employees 	<ul style="list-style-type: none"> • Reasonable compensation • Career stability and advancement • Welfare and fringe benefits • Training and capability development • A regular update on relevant news and Information • Respect for rights and fair treatment 	<ul style="list-style-type: none"> • Communication of the Company's vision and goal • Staff meeting with CEO activity • Performance evaluation • Promotion of personnel development • Welfare Committee • Employee engagement survey • Feedback or complaint reporting through designated channels 	<ul style="list-style-type: none"> • Implement a transparent personnel recruitment process • Ensure that compensation is commensurate with duty and responsibility • Promote employee skill development to enhance work efficiency

Group of Stakeholders	Stakeholders' Expectations	Methods of Participation	The Company's Actions
External Stakeholders			
Customers 	<ul style="list-style-type: none"> • Good quality of products and services • Availability of complete information crucial to decision-making • Quick response to customer needs 	<ul style="list-style-type: none"> • Customer satisfaction survey • Delivery of products and services • Rendering of advice and assistance • Customer visit 	<ul style="list-style-type: none"> • Co-develop products and services with customers • Promote group members' provision of supporting services to insurance companies
Business Partners, Competitors and Creditors 	<ul style="list-style-type: none"> • A fair and transparent procurement process • Payment punctuality • Creation of long-term value and cooperation • Partner and competitor confidentiality • Fair and equitable treatment to business partners 	<ul style="list-style-type: none"> • Communication via various media • Business cooperation • Execution of contracts 	<ul style="list-style-type: none"> • Not take advantage of business partners or counterparties
Supervisory Authorities and Government Agencies 	<ul style="list-style-type: none"> • Compliance with the laws, rules and regulations 	<ul style="list-style-type: none"> • Participation in activities and projects organized by regulatory agencies and organizations concerned • Submission of reports to regulatory agencies 	<ul style="list-style-type: none"> • Strictly observe the laws, rules and regulations

3.3 Sustainability Management in Environmental Dimension

3.3.1 Environmental Policy and Practice Guidelines

The Company's reinsurance business operation may not directly create an environmental impact. However, the Company still promotes the operation of business in a socially responsible manner and with an efficient use of energy and resources as the guidelines for the Company to achieve the main objectives and goals on a sustainable basis.

The Company ensures a sustainable use of resources and reduction of environmental impacts both at present and in the future by adopting the principle of 3R: (1) Reduce, (2) Reuse and (3) Recycle. Also, the Company has incorporated environmental practice guidelines into the code of ethics and business conduct for the directors, executives and employees to adhere to.

3.3.2 Performance in Environmental Dimension

In 2021, the Company performed several activities to protect and preserve the environment as follows:

- **Energy management**

The Company encouraged energy efficiency and had a strong determination to reduce energy use through public relations and campaigns for power saving and installation of sensor lights. As a result, the Company's average power consumption per employee in 2021 dropped by 14% from 2020.

- **Water management**

Recognizing the importance of water use, the Company campaigned for and cultivated water saving and efficiency consciousness among its employees, thereby helping to cut down on the average water consumption per employee by 15% from 2020.

- **Paper management**

The Company was earnest in reducing the use of paper in working processes of all departments across the organization by introducing an electronic filing system, setting applications for use in the business processes, and communicating via e-mail instead of forwarding copied documents to other units. This, together with the work from home measure amid the COVID-19 situation, led the use of paper in 2021 to plunge by 40% from 2020.

- **Management for greenhouse gas reduction**

Although its business operation does not create any direct impact from greenhouse gas emissions, the Company still is aware of the significance of this issue and will further devise plans for greenhouse gas reduction in the future when it is ready.

3.4 Sustainability Management in Social Dimension

3.4.1 Social Policy and Practice Guidelines

The Company conducts business under the corporate governance principles by giving importance to equitable treatment of all groups of stakeholders, not performing any act that infringes upon the rights of all stakeholders, adhering to the human rights principles, emphasizing the values of life, body and property as well as taking care of the quality of life of employees to ensure their happiness at work, and establishing the best practices towards all stakeholders, which are incorporated into the business ethics, and the human rights policy (see more details from the Company's website at <https://investor.thaire.co.th/en/corporate-governance>).

3.4.2 Performance in Social Dimension

• Employees

Human resource management is the single most important management activity, if done well the company flourishes, if done badly it will fail. THRE puts considerable effort into ensuring staff development together with fair and equitable compensation policies.

○ Personnel development

The Company attaches a high degree of importance to personnel development and aims for employee management to enhance their potentials, skills and abilities that will move the Company into achieving success in the direction of its business operation. Please see further details in the "Policy on Personnel Development" section.

In 2021, the Company assigned 119 employees to attend 45 training courses in and outside the country, with total training period of 2,417 hours or an average of 6 training hours per person trained

Course	Number of Courses	Number of Participants
Insurance	5	119
Non-Insurance	40	119
Total	45	238

○ Employees' health, workplace environment and safety

The Company looks after and places a focus on health, workplace environment and safety of all employees. It has provided fitness areas for employees to exercise and a room where they can relax, meet and chat. All office equipment has been inspected and repaired to always be ready for use and ensure a safe workplace. In the wake of the COVID-19

pandemic, the Company has changed the work patterns by allowing employees to work from home and cleaned the office periodically to maintain the workplace hygiene at all times and ensure safety for the employees when they need to work in office.

○ Core value

The Company cultivates the core value of 3 No's: No Fear, No Limit, No Boundary, which are aimed at encouraging employees to dare to think, dare to do, constantly learn new things, and never cease to innovate and develop themselves.

○ Labor disputes

The Company does not have any legal disputes or lawsuits relating to labor disputes.

● Community and society

Placing importance on the community and society, the Company has taken part in the development of quality of life and promoted the engagement with the community and society.

- The Company has supported the children by providing them the scholarships to further their education and they finally can support their families and local community. This is an ongoing project and in 2021 high school student in Mookdaharn province were supported by the Company's scholarships amounting to THB 0.5 million.
- In 2021 the Company's contribution to support the society amounting to THB 0.6 million were as follows:
 - Donating Personal Protective Equipment (PPE) from the Company's project of "CSR THRE 10M STEPS" to help Covid-19 patients at Chulalongkorn Hospital, Thai Red Cross Society
 - Donating ventilators and medical equipment in cooperation with the Thai General Insurance Association
 - Purchasing a high-flow oxygen concentrator for KMC Hospital
 - Donating medical tools and equipment for Rajavithi Hospital
 - Purchasing Personal Protective Equipment (PPE) for Field Hospital
 - Donating to Madam Pang Foundation for Community Isolation
 - Donating to the Office of Insurance Commission for Sinopharm Vaccine
 - Co-host with the Office of Insurance Commission to present robes to monks at the end of Buddhist Lent

For More details can be found in the 2021 Sustainability Report on the website:

<https://investor.thaire.co.th/en/results-center/investor-kits>

4. Management's Discussion and Analysis

4.1 Analysis of Performance and Financial Position

Overall Performance

(Unit: THB Million)

	2021	2020	2019	+/- 2021/2020	+/- 2020/2019
Gross Written Premium	4,407	4,329	4,455	1.8%	(2.8%)
Underwriting Profit (Loss)	(601)	54	(225)	(1213.0%)	123.9%
Net Investment Income	103	132	301	(21.7%)	(56.3%)
Net Services Income	53	63	80	(16.1%)	(20.7%)
Profit (Loss) Before Tax	(436)	255	164	(271.0%)	55.6%
Income Tax	80	(33)	(39)	(346.5%)	(16.2%)
Net Profit (Loss)	(356)	222	125	(260.4%)	77.9%

Net loss for the year 2021 THB 356 million was significantly decreased from last year a profit of THB 222 million (down 260.4%) due to several factors as follows:

1. Gross written premium for the year 2021 THB 4,407 million increased 1.8% due to expansion in property and motor business growth. While gross written premium for the year 2020 THB 4,329 million decreased 2.8% due to long-term reinsurance projects's premium gradually decline by THB 598 million from the year 2019 (or down 13.4%). However, the Company had new premium growth particularly from Health insurance with higher retention to offset against the long-term premiums, then resulting in a slight decrease of 2.8%
2. Underwriting results for the year 2021 turned to a loss of THB 601 million due to COVID-19 impact. Without COVID-19 impact mostly from the lump-sum payout policies, reinsurance results would turn into a profit of THB 279 million which would be higher than last year profit of THB 54 million or growing 417% due mainly to the COVID-19 health protection measures such as lockdown and traveling restriction caused a reduction in motor claims and property insurance results also improved gradually. Comparing the year 2020 to 2019, the performance improved 123.9% due to decremental claim expenses and long-term projects costs gradually decline in proportion to the premium reduction. Besides, underwriting results improved significantly from Health insurance.
3. Net investment income for the year 2021 of THB 103 million, a decrease of 21.7 % due to the COVID-19 impact which caused lower dividend and interest income. Comparing the year 2020 to 2019, in the year 2019 there was a gain from selling investment funds of THB 112 million but only THB 2 million in 2020 because of the new accounting standards (TFRS 9) impact has changed its presentation of

gain/loss from selling investment funds FVOCI to be presented directly in Retained Earnings, instead of Statement of Income.

Performance by segment

Analysis of Non-Conventional vs Conventional business

1. Non-Conventional

(Unit: THB Million)

	2021	2020	2019	+/- 2021/2020	+/- 2020/2019
Gross Written Premium	2,235	2,400	2,602	(6.9%)	(7.8%)
Net Written Premium	2,232	2,329	1,958	(4.2%)	18.9%
Underwriting Profit (Loss)*	(482)	259	(15)	(286.6%)	1,858.5%
Loss Ratio (%)	76.5	41.3	48.4	35.2 ppt.	(7.1 ppt.)
Combined Loss and					
Commission Ratio (%)	121.2	88.2	100.7	33.0 ppt.	(12.5 ppt.)

Remark * Excluded underwriting expenses

Non-Conventional premiums declined 6.9% in 2021 and 7.8 percent in 2020 due to the gradual expiry of long-term reinsurance projects in the amount of THB 96 million in 2021 and THB 598 million in 2020. Net reinsurance premium increased in 2020 by 18.9% due to the growing in health insurance with higher retention to compensate for the decrement in the longer-term projects.

Underwriting profit for the year 2020 THB 259 million increased 1,858.5% due mainly to lower long-term projects expenses in proportion to its written premiums and the improve in underwriting results of the growing health insurance. However, in 2021, there was a loss of THB 482 million due to the COVID-19 impact resulting in higher of loss ratio and the combined loss and commission ratio by 35.2 points and 33.0 points, respectively. Without the COVID-19 impact, the Company would have a profit of THB 349 million, or an increase of 181.5% from the previous year.

2. Conventional

(Unit: THB Million)

	2021	2020	2019	+/- 2021/2020	+/- 2020/2019
Gross Written Premium	2,172	1,928	1,853	12.7%	4.1%
Net Written Premium	1,801	1,615	1,540	11.5%	4.9%
Underwriting Profit (Loss)*	199	140	121	42.3%	12.9%
Loss Ratio (%)	54.1	59.7	62.7	(5.6 ppt.)	(3.0 ppt.)
Combined Loss and Commission Ratio (%)	88.8	91.1	92.5	(2.3 ppt.)	(1.4 ppt.)

Remark * Excluded underwriting expenses

Conventional business has improved continually in 2021 and 2020 with gross written premium increased 12.7% and 4.1% respectively and net written premium increased by 11.5% and 4.9% orderly due to growing business in motor and property insurance. Underwriting profit has also improved by 42.3% and 12.9% due to lower claim expenses from the effect of COVID-19 lockdown measures and travel restrictions. Loss ratio has gradually decreased by 5.6 and 3.0 points.

Results of Domestic Reinsurance by Products

(Unit: THB Million)

	2021	2020	2019	+/- 2021/2020	+/- 2020/2019
Gross Written Premium					
Property	398	347	330	14.9%	5.1%
Marine	78	66	71	18.4%	(7.3%)
Motor	1,101	988	888	11.4%	11.4%
Miscellaneous	2,786	2,891	3,145	(3.7%)	(8.1%)
Total	4,363	4,292	4,434	1.6%	(3.2%)
Net Written Premium					
Property	324	281	272	15.2%	3.4%
Marine	62	53	58	16.2%	(8.3%)
Motor	1,090	988	888	10.4%	11.3%
Miscellaneous	2,514	2,584	2,259	(2.8%)	14.4%
Total	3,990	3,908	3,477	2.1%	12.4%
Underwriting Profit (Loss) *					
Property	60	76	(19)	(21.2%)	498.9%
Marine	4	14	10	(68.1%)	43.8%
Motor	129	50	84	156.5%	(40.3%)
Miscellaneous	(474)	261	31	(281.2%)	751.1%
Total	(281)	401	106	(169.9%)	279.9%
Loss Ratio (%)					
Property	36.6	32.3	67.5	4.3 ppt.	(35.2 ppt.)
Marine	39.2	24.5	35.4	14.7 ppt.	(10.9 ppt.)
Motor	53.0	63.9	61.8	(10.9 ppt.)	2.1 ppt.
Miscellaneous	76.5	45.5	51.0	31.0 ppt.	(5.5 ppt.)
Total	66.6	48.8	54.7	17.8 ppt.	(5.9 ppt.)
Combined Loss and Commission Ratio (%)					
Property	80.4	73.0	107.1	7.4 ppt.	(34.1 ppt.)
Marine	92.7	73.8	83.8	18.9 ppt.	(10.0 ppt.)
Motor	87.9	94.6	90.8	(6.7 ppt.)	3.8 ppt.
Miscellaneous	118.4	89.3	98.7	29.1 ppt.	(9.4 ppt.)
Total	107.0	89.2	97.1	17.8 ppt.	(7.9 ppt.)

Remark * Excluded underwriting expenses

- **Property**

Gross written premium THB 398 million increased 14.9% and net written premium of THB 324 million up 15.2% from the year 2020 due to globally hard market trend particularly in this property business. Underwriting profit of THB 60 million and combined loss and commission ratio at 80.4% was slightly changed from the year 2020. In the year 2019, there were several major fire claims and resulted in the combined loss and commission ratio peaked at 107.1%.

- **Marine**

Gross written premium THB 78 million increased 18.4% and net written premium THB 62 million up 16.2% due to overall marine activities recovery from COVID-19 impact. In contrast, underwriting profit THB 4 million decreased from 2020 and 2019 mainly due to higher claim expenses which also resulted in the combined loss and commission ratio at 92.7% (Y2020 at 73.8% and Y2019 at 83.8%).

- **Motor**

Gross written premium THB 1,101 million and net written premium THB 1,090 million has growing continually more than 10% due to motor business expansion. Underwriting profit THB 129 million up 156.5% due to lower claim expenses from COVID-19 impact resulted from lockdown measures and traveling restrictions. Loss ratio stood at 53.0% (down 10.9 ppt.).

- **Miscellaneous**

Gross written premium of THB 2,786 million decreased 3.7% and 8.1% from 2020 and 2019 orderly due to the long-term reinsurance projects gradually decline by THB 96 million in 2021 and THB 598 million in 2020. Net written premium increased 14.4% in the year 2020 resulted from growing health insurance with higher retention to compensate the decline in the long-term projects. Underwriting results was improved to THB 261 million in 2020 due to lower claim expenses from the long-term projects in proportionate to its premium declining. However, it turned to a loss of THB 474 million in 2021 due to COVID-19 claim expenses particularly from the lump-sum payout policies.

Results of Foreign Reinsurance

(Unit: THB Million)

	2021	2020	2019	+/- 2021/2020	+/- 2020/2019
Gross Written Premium	44.0	36.5	21.2	20.5%	72.2%
Net Written Premium	44.0	36.5	21.2	20.5%	72.2%
Underwriting Profit (Loss)*	(2.9)	(2.9)	1.3	-	(323.1%)
Loss Ratio (%)	69.5	64.8	50.1	4.7 ppt.	14.7 ppt.
Combined Loss and					
Commission Ratio (%)	106.9	108.2	91.7	(1.3 ppt.)	16.5 ppt.

Remark * Excluded underwriting expenses

According to the expansion plan to ASEAN Economic Community (AEC), gross written premium has grown steadily by 72.2% in 2020 and 20.5% in 2021 derived from Vietnam, Cambodia and Singapore. Underwriting results was still at loss of THB 2.9 million same to the previous year due to higher claim expenses.

Investment Results

(Unit: THB Million)

	2021	2020	2019	+/- 2021/2020	+/- 2020/2019
Net investments income	101	122	170	(17.2%)	(28.2%)
Gain on investments	-	2	112	(100.0%)	(98.2%)
Fair value gain on					
investments	9	13	26	(30.8%)	(50.0%)
Investment expenses	(7)	(5)	(7)	40.0%	(28.6%)
Total	103	132	301	(22.0%)	(56.1%)

Net investment income THB 101 million derived mainly from interest and dividend income. It declined since the year 2019 due to the COVID-19 impact which caused significant lower returns from both financial and capital markets.

Meanwhile, there was no gain/loss from financial instruments in 2021 and only THB 2 million in 2020 whereas a gain of THB 112 million in 2019 due to the effect of the new accounting standard (TFRS9). Under the TFRS9 with effective in 2020, gain/loss from the sale of FVOCI investment assets will be reflected directly in retained earnings, instead of the income statement.

Fair value gain on investment in 2021 amounted THB 9 million and THB 13 million in 2020 declined by 30.8% and 50.0% respectively as a result of the volatility of securities prices in the Stock Exchange of Thailand from the COVID-19 impact.

4.2 Service Business

(Unit: THB Million)

Company name / Nature of business		2021	2020	2019	+/- 2021/2020	+/- 2020/2019
EMCS Thai /	Income*	167	165	159	1.4%	3.8%
Providing intuitive solution towards Motor Claim Industry	Profit (loss)*	36	49	52	(26.0%)	(6.6%)
Thaire Services /	Income*	262	216	219	21.1%	(1.2%)
Providing a wide range of outsourcing services solution to life and non-life insurance companies and self insured corporation	Profit (loss)*	45	11	21	297.7%	(45.7%)
Thaire Actuarial Consulting /	Income*	16	14	14	16.2%	(2.8%)
Actuarial consulting services	Profit (loss)*	1	4	(1)	(71.6%)	486.9%
Thaire Innovation /	Income*	5	-	-	100.0%	-
Providing digital platforms, technical consultation and related services to business and individual.	Profit (loss)*	1	(4)	(5)	133.7%	27.2%

Remark * Income before deduction of related party transactions

EMCS Thai Company Limited posted its revenue of THB 167 million in 2021 growing steadily since 2019. There was a slower growth pace in 2021 due to the COVID-19 impact from lockdown measures and travel restrictions. Profitability in 2021 decreased by 26.0% from 2020 due to several one-off expenses related to the Group's restructuring and new investment such as AI projects in order to provide more in new services to clients.

Thaire Services Company Limited in 2021 posted revenue of THB 262 million, an increase of 21.1% due to gain from sale of Thaire Innovation Company Limited's shares to EMCS Thai Company Limited THB 36 million as part of the group restructuring. It also resulted in an increase of profit up 293.9%. The profit dropped 45.7% in 2020 due to the COVID-19 impact especially on the training business. The situation was improved when the company shifted to online training in 2021.

Thaire Actuarial Consulting Company Limited posted revenue of THB 16 million, an increase of 16.2% due to new revenue stream in relation to TFRS9 and TFRS17. Net profit of THB 1 million was slightly down from THB 3 million from the previous year due to a one-off reversal of impairment in intangible assets of THB 3.5 million in 2020.

Thaire Innovation was granted by the Ministry of Commerce to change its business objectives from “Non-life insurance broker” to “E-commerce services” in February 2021. Subsequently the Company started its operations with a revenue of THB 5 million and a profit of THB 1 million.

4.3 Financial Position

Assets

Total assets of THB 7,113 million increased from last year THB 106 million or 1.5% mainly due to an incremental in deferred tax assets THB 74 million, reinsurance assets and receivable THB 239 million derived by growing reinsurance premiums. In contrast, an investment asset dropped by THB 226 million due to higher claims payment.

Liabilities

Total liabilities of THB 3,868 million increased THB 543 million or 16.3% mainly came from an increase in insurance contract liabilities & due to reinsurers totally THB 474 million as a result of COVID-19 claim reserves, and an increase in advance premium THB 57 million from long-term reinsurance contracts.

Equity

Shareholders' equity of THB 3,245 million decreased of THB 436 million or 11.8% mainly due to net loss of this year of THB 356 million.

Key Accounting Policies

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 of reporting guidelines prescribed by the Office of Insurance Commission (“the OIC”). The presentation of the financial statements has been made in compliance with the format specified in the Notification of the OIC regarding criteria, procedures, terms, and conditions for preparation and submission of financial statements and operating performance reports of non-life insurance companies B.E. 2559 dated April 4, 2019.

During the year, the Group adopted several revised and new financial reporting standards and interpretations with effective beginning on or after January 1, 2021. Such financial reporting standards

have been revised or made available to make them consistent with International Financial Reporting Standards. It mainly clarifies accounting practices and provides accounting practices to users. The adoption of these financial reporting standards does not have any material impact to the financial statements of the Company and its subsidiaries.

The Federation of Accounting Professions has announced several revised financial reporting standards to be effective beginning on or after January 1, 2022. Such financial reporting standards have been revised or made available to be equivalent to these reporting standards. Most of them clarify accounting practices and some financial reporting standards provide practical waivers or temporary exemptions to users. The Group's management believes that the revised standard will not have any significant impact on the Group's financial statements.

4.4 Contingencies and Off-Balance Sheet Arrangements

The Company has certain contingencies as follows:

1. Service contracts of THB 20.2 million related to maintenance of reinsurance software computers.
2. Capital expenditures of THB 3.5 million related to the development of software computer and building improvement.

4.5 Factors Affecting Future Performance

External Factors

- The impact of COVID-19 to the financial position and performance of the company. It also extends to insurance companies as trading partners of the Company which are in the process of improving their capital adequacy and some are in the process of revocation their insurance licenses, etc.
- Changes in regulatory policies that may affect the overall insurance industry as in the past year for the COVID-19 situation, especially the lump-sum payout policies.
- Economic slowdown in the past few years from the COVID-19 impact that may lessening the growth of premium income
- High volatility interest rates and dividends from the sluggish domestic and international economic impact.

Internal Factors

- The International Financial Reporting Standard No. 17 (IFRS17) is due adoption to all international insurance companies with effective January 1, 2023. For Thailand, it's still under the consideration of the Federation of Accounting Professions which expected to be effective on January 1, 2025. We expect IFRS17 would make vast impact to the Company's overall financial statements and operating

results. Thus, the Company has started an intensive study to analyse the impact and will inform to the shareholders in due course.

Insurance Risk Management

The Company still focus more in personal line, non-conventional business, than the conventional. Unless the property insurance premium rates improves into an appropriate level justifying its risks. The spread of COVID-19 in 2020 - 2021 has resulted in a significant increase in property insurance especially with high sum insured assets. The Company therefore mitigate the risk by entering into an Excess of Loss Protection in order to limit the liability to leverage the Company's capital fund as follows:

(THB million)

Type	Limit of liability	Excess coverage	Total
Fire & Misc	50	1,500	1,550
Marine	30	70	100

Additionally, the Company continues closely and timely monitoring risk accumulation and assesses the highest potential impact of natural perils on a quarterly basis.

4.6 Key Financial Information

4.6.1 Financial Position

Thai Reinsurance Public Company Limited and its subsidiaries

Statements of financial position

(Unit: THB Million)

	2021	%	2020	%	2019	%
Assets						
Cash and cash equivalents	285.6	4.0	209.8	3.0	184.6	2.4
Accrued investment income	3.1	-	2.7	-	6.2	0.1
Reinsurance assets	315.4	4.4	175.6	2.5	769.3	9.8
Receivables from reinsurance contracts	1,459.5	20.5	1,360.0	19.4	1,528.5	19.6
Debt financial assets*	2,642.6	37.3	2,472.5	35.4	-	-
Equity financial assets*	1,024.7	14.4	1,496.7	21.4	-	-
Investments in securities*	-	-	-	-	4,046.1	51.7
Loans and interest receivables	14.9	0.2	17.0	0.2	21.4	0.3
Premises and equipment	228.6	3.2	233.9	3.3	248.8	3.2
Right-of-use assets	6.6	0.1	5.9	0.1		
Intangible assets	129.4	1.8	117.1	1.7	114.2	1.5
Deferred tax assets	320.0	4.5	245.8	3.5	240.7	3.1
Other assets						
Deferred commissions and brokerages expenses	491.5	6.9	499.9	7.1	510.5	6.5
Corporate income tax awaiting refund	48.0	0.7	35.3	0.5	33.7	0.4
Others	143.1	2.0	134.5	1.9	108.6	1.4
Total assets	7,113.0	100.0	7,006.7	100.0	7,812.6	100.0

Remark * In 2020, the Group has changed the classification of “Investments in securities” to “investment assets” due to the adoption of Thai Financial Reporting Standards related to financial institute which are effective in January 1, 2020.

Thai Reinsurance Public Company Limited and its subsidiaries
Statements of financial position (continued)

(Unit: THB Million)

	2021	%	2020	%	2019	%
Liabilities						
Insurance contract liabilities	2,962.8	41.6	2,537.8	36.3	2,862.4	36.6
Due to reinsurers	455.5	6.4	406.9	5.8	932.1	12.0
Derivation liabilities	-	-	0.1	-		
Income tax payables	3.7	0.1	5.0	0.1	5.5	0.1
Employee benefit obligations	76.6	1.1	78.6	1.1	64.1	0.8
Lease liabilities	6.5	0.1	5.9	0.1	4.1	0.1
Other liabilities						
Premium received in advance	210.4	3.0	153.4	2.2	235.2	3.0
Deferred commissions and brokerages income	26.2	0.4	22.2	0.3	78.4	1.0
Dividend payables	-	-	1.5	-	1.6	-
Others	126.3	1.8	113.8	1.6	79.9	1.0
Total liabilities	3,868.0	54.5	3,325.2	47.5	4,263.3	54.6
Owners' equity						
Share capital						
Registered, issued and paid-up*	3,709.2	52.0	3,709.2	52.9	4,215.0	54.0
Retained earnings						
Appropriated						
- Statutory reserve	65.7	0.9	61.7	0.9	90.4	1.1
Unappropriated	(201.4)	(2.8)	400.4	5.7	(412.8)	(5.3)
Other components of owners' equity	(328.5)	(4.6)	(489.8)	(7.0)	(343.3)	(4.4)
Total owners' equity	3,245.0	45.5	3,681.5	52.5	3,549.3	45.4
Total liabilities and owners' equity	7,113.0	100.0	7,006.7	100.0	7,812.6	100.0

Remark * On October 8, 2020, Thai Reinsurance PLC. registered its registered and paid-up share capital reduction with the Department of Business Development, the Ministry of Commerce, of THB 505.8 million that was made by reducing the par value per share from THB 1.00 to THB 0.88. As a result, the Company's registered and paid-up share capital decreased from THB 4,215.0 million to THB 3,709.2 million which was approved by the Annual General Shareholders Meeting No.27 held on July 7, 2020.

4.6.2 Statements of Income

Thai Reinsurance Public Company Limited and its subsidiaries

Statements of income

(Unit: THB Million)

	2021	%	2020	%	2019	%
Revenues						
Gross reinsurance premium written	4,407.1	94.7	4,328.7	97.7	4,455.3	94.9
Less: Premium ceded to reinsurers	(373.7)	(8.0)	(384.5)	(8.7)	(957.6)	(20.4)
Net reinsurance premium written	4,033.4	86.7	3,944.2	89.0	3,497.7	74.5
Add (Less): Unearned premium reserves (increased) decreased from prior period	17.9	0.4	(194.3)	(4.4)	111.1	2.3
Net earned reinsurance premium	4,051.3	87.1	3,749.9	84.6	3,608.8	76.8
Commission and brokerage income	90.2	1.9	159.7	3.6	394.4	8.4
Net investment revenues	101.0	2.2	122.1	2.8	170.3	3.6
Net gains (losses) from financial instruments	-	-	2.3	0.1	111.9	2.4
Fair value (gains) losses on financial instruments	9.0	0.2	13.0	0.3	25.8	0.6
Share of loss from investment in an associate	-	-	-	-	(0.3)	-
Service income	389.1	8.4	379.1	8.5	375.7	8.0
Other income	11.0	0.2	6.2	0.1	10.0	0.2
Total revenues	4,651.6	100.0	4,432.3	100.0	4,696.6	100.0

Thai Reinsurance Public Company Limited and its subsidiaries

Statements of income (continued)

(Unit: THB Million)

	2021	%	2020	%	2019	%
Expenses						
Unexpired risk reserves increased	127.0	2.7	-	-	-	-
Gross claims	2,841.9	61.1	2,074.3	46.8	3,117.6	66.4
Less: claim recovery from reinsurers	(267.7)	(5.8)	(238.5)	(5.4)	(1,140.5)	(24.3)
Commission and brokerage expenses	1,723.7	37.1	1,675.5	37.8	1,919.4	40.9
Other underwriting expenses	131.5	2.8	155.1	3.5	144.3	3.1
Operating expenses	185.7	4.0	189.4	4.4	187.5	4.0
Investment expenses	6.9	0.1	5.8	0.1	6.8	0.1
Service expenses	335.9	7.2	315.7	7.1	295.6	6.3
Finance costs	0.4	-	0.4	-	0.2	-
Expected credit losses	2.0	-	-	-	-	-
Other expenses	0.8	-	0.1	-	2.2	-
Total expenses	5,088.1	109.2	4,177.8	94.3	4,533.1	96.5
Profits (losses) before income taxes	(436.5)	(9.2)	254.5	5.7	163.5	3.5
Income tax expenses	80.1	1.7	(32.5)	(0.7)	(38.7)	(0.8)
Net profits (losses) :	(356.4)	(7.5)	222.0	5.0	124.8	2.7
Net profits (losses) attributable to:						
The Company's shareholders	(356.4)	(7.5)	222.0	5.0	125.1	2.7
Non-controlling interests of the subsidiaries	-	-	-	-	(0.3)	-
Total	(356.4)	(7.5)	222.0	5.0	124.8	2.7
Basic earnings per share						
Net profits (losses) attributable to the Company's shareholders	(0.08)		0.05		0.03	

4.6.3 Statements of Comprehensive Income

Thai Reinsurance Public Company Limited and its subsidiaries

Statements of comprehensive income

(Unit: THB Million)

	2021	%	2020	%	2019	%
Net profits (losses)	(356.4)	(7.5)	222.0	5.0	124.8	2.7
Other comprehensive income (loss)						
Items to be recognised in statements of income for subsequent periods						
Losses on revaluation of available-for-sale investments					(243.0)	(5.2)
Add: Income taxes					48.6	1.0
Losses on revaluation of available-for-sale investments - net of income taxes					(194.4)	(4.2)
Losses on investments in debt securities measured at fair value through other comprehensive income	(3.4)	(0.1)	(0.1)	-		
Add: Income taxes	0.7	0.0	(0.0)	-		
Losses on investments in debt securities measured at fair value through other comprehensive income - net of income taxes	(2.7)	(0.1)	(0.1)	-		
Total items to be recognised in statements of income for subsequent periods	(2.7)	(0.1)	(0.1)	-	(194.4)	(4.2)
Items not to be recognised in statements of income for subsequent periods						
Losses on investments in equity securities measured at fair value through other comprehensive income	105.1	2.3	(122.4)	(2.8)		
Add: Income taxes	(21.0)	(0.5)	24.5	0.6		
Losses on investments in equity securities measured at fair value through other comprehensive income - net of income taxes	84.1	1.8	(97.9)	(2.2)		
Actuarial losses	8.8	0.2	(5.6)	(0.1)	(7.8)	(0.2)
Add: Income taxes	(1.8)	0.0	1.1	-	1.6	0.1
Actuarial losses - net of income taxes	7.0	0.2	(4.5)	(0.1)	(6.2)	(0.1)
Total items not to be recognised in statements of income for subsequent periods	91.1	2.0	(102.4)	(2.3)	(6.2)	-
Other comprehensive income (loss) for the year	88.4	1.9	(102.5)	(2.3)	(200.6)	(4.3)
Total comprehensive income (loss) for the year	(268.0)	(5.8)	119.5	2.7	(75.8)	(1.6)

Thai Reinsurance Public Company Limited and its subsidiaries
Statements of comprehensive income (continued)

(Unit: THB Million)

	2021	%	2020	%	2019	%
Total comprehensive income (loss) for the periods attributable to:						
Shareholders of the Company	(268.0)	(5.8)	119.5	2.7	(75.5)	(1.6)
Non-controlling interest of the subsidiaries	-	-	-	-	(0.3)	-
Total	(268.0)	(5.8)	119.5	2.7	(75.8)	(1.6)

4.6.4 Statements of Cash Flows

Thai Reinsurance Public Company Limited and its subsidiaries

Statements of cash flows

(Unit: THB Million)

	2021	2020	2019
Cash flows from operating activities			
Cash received (paid) for reinsurance	1,666.7	1,958.9	(179.4)
Interest income	15.9	25.0	32.2
Dividend income from other companies	71.9	100.8	135.4
Revenues from other investments	5.8	71.0	9.5
Other income	407.7	361.5	371.7
Commission and brokerage expenses	(1,643.9)	(1,772.5)	(1,026.1)
Other underwriting expenses	(153.2)	(144.0)	(147.5)
Operating expenses	(157.9)	(163.8)	(171.6)
Other expenses	(300.3)	(273.2)	(247.1)
Income tax expenses	(31.2)	(18.2)	(21.5)
Cash received on financial assets*	1,350.2	1,590.1	-
Cash paid for financial assets*	(940.1)	(1,676.3)	-
Investments in securities*	-	-	1,017.4
Loans	2.1	4.4	2.0
Investment in an subsidiary	-	-	(4.8)
Net cash provided by (used in) operating activities	293.7	63.7	(229.8)
Cash flows from investing activities			
Disposals of equipment and intangible assets	0.2	0.5	0.9
Purchases of premises, equipment and intangible assets	(46.6)	(36.6)	(30.3)
Net cash used in investing activities	(46.4)	(36.1)	(29.4)
Cash flows from financing activities			
Dividends paid	(168.6)	-	-
Overdraft	(2.8)	(2.3)	-
Repayments on long-term loans	-	-	(3.8)
Net cash used in financing activities	(171.4)	(2.3)	(3.8)
Net increase (decrease) in cash and cash equivalents	75.9	25.3	(263.0)
Cash and cash equivalents at beginning of the year	209.8	184.6	446.3
Add: Cash and cash equivalents held by the associate whose status was changed to the subsidiary	-	-	1.3
Less: Expected credit losses increased from prior year	-	(0.1)	-
Cash and cash equivalents at end of the years	285.7	209.8	184.6

Remark * In 2020, the Group has changed the classification of "Investments in securities" to "investment assets" due to the adoption of Thai Financial Reporting Standards related to financial institute which are effective in January 1, 2020.

4.6.5 Financial Ratio

Thai Reinsurance Public Company Limited and its subsidiaries

Financial Ratio

	2021	2020	2019
<u>LIQUIDITY RATIO</u>			
Current Ratio	1.40	1.30	1.20
Premium Receivables Turnover (Day)	51.95	61.50	66.11
<u>PROFITABILITY RATIO</u>			
RETENTION RATE (%)	91.52	91.12	78.51
Loss Ratio (%)	66.67	48.96	54.79
Gross Profit (%)	(14.89)	1.36	(6.43)
Acquisition Ratio (%)	48.15	49.63	51.45
Return on Investment (%)	2.30	3.30	6.00
Reinsurance Contract Receivable Turnover (times)	1.16	1.09	0.98
Net Profit (%)	(7.85)	4.97	2.98
Return on Equity (%)	(10.29)	6.14	3.49
<u>EFFICIENCY RATIO</u>			
Return on Assets (%)	(5.05)	3.00	1.42
Assets Turnover (เท่า)	0.64	0.60	0.47
<u>FINANCIAL RATIO</u>			
Debt to Equity (Times)	1.19	0.90	1.20
Policy Liability to Capital Fund (Times)	0.82	0.64	0.59
Unearned premium reserves to Equity (Times)	0.37	0.33	0.29
Unearned premium reserves to Assets (Times)	0.17	0.17	0.13
Dividend Per Share (%) *	-	80.00	-
<u>Value per share</u>			
Net assets per share (THB)	0.77	0.87	0.84
Earning per share (THB)	(0.08)	0.05	0.03
Dividend per share (THB)	-	0.04	-

Remark * Calculated using net profit (loss) from Separate Financial Statements

5. General Information and Other Important Information

5.1 General Information

5.1.1 Other Entities in which the Company Holds more than 10 Percent Shares

- Direct shareholding

1.	Company Name	EMCS Thai Co., Ltd.
	Location	48/21 Rajchadapisek Soi 20, Rajchadapisek Road, Samsennok, Huaykwang, Bangkok 10310
	Phone	0-2011-8600
	Fax:	0-2011-8610
	Nature of Business	Providing intuitive solution towards Motor Claim Industry
	Registered Number	0105543108248
	Website	www.emcsthai.com
	No. of Issued/Paid-up Shares	36,000,000 ordinary shares of THB 5 each,
	Registered Capital	Total THB 180,000,000
	Percentage Owned	100.00 percent
2.	Company Name	T.I.I. Co., Ltd. (Thailand Insurance Institute)
	Location	3354/32 Manorom Building, 10th Floor, Rama IV Road, Klongtoey, Bangkok 10110
	Phone	0-2671-7440
	Fax:	-
	Nature of Business	Provision of insurance training
	Registered Number	0105531078233
	Website	www.tiins.com
	No. of Issued/Paid-up Shares	215,000 ordinary shares of THB 100 each,
	Registered Capital	Total THB 21,500,000
	Percentage Owned	20.33 percent

3. Company Name	Thaire Life Assurance PCL.
Location	48/15 Rajchadapisek Soi 20, Rajchadapisek Road, Samsennok, Huaykwang, Bangkok 10310
Phone	0-2666-9000
Fax:	0-2277-6227
Nature of Business	Provision of reinsurance (life insurance business)
Registered Number	0107554000241
Website	www.thairelife.co.th
No. of Issued/Paid-up Shares	600,000,000 ordinary shares of THB 1 each,
Registered Capital	Total THB 600,000,000
Percentage Owned	10.10 percent

● Indirect shareholding by EMCS Thai Co., Ltd.

1. Company Name	Thaire Services Co., Ltd.
Location	48/16 Rajchadapisek Soi 20, Rajchadapisek Road, Samsennok, Huaykwang, Bangkok 10310
Phone	0-2660-1234
Fax:	0-2276-7816
Nature of Business	Providing a wide range of outsourcing services solution to life and non-life insurance companies and self insured corporation.
Registered Number	0105549052511
Website	www.thaireservices.com
No. of Issued/Paid-up Shares	10,000,000 ordinary shares of THB 10 each,
Registered Capital	Total THB 100,000,000
Percentage Owned	100.00 percent

2. Company Name	Thaire Actuarial Consulting Co., Ltd.
Location	48/22, 5 th Floor, Soi Rungruang, Rajchadapisek Road, Samsennok, Huaykwang, Bangkok 10310
Phone	0-2167-3011-4
Fax:	0-2167-3014
Nature of Business	Actuarial consulting services
Registered Number	0105554004694
Website	www.thaireactuarial.co.th
No. of Issued/Paid-up Shares	500,000 ordinary shares of THB 100 each,
Registered Capital	Total THB 50,000,000
Percentage Owned	100.00 percent
3. Company Name	Thaire Innovation Co., Ltd.
Location	48/24, 6 th Floor, Soi Rungruang, Rajchadapisek Road, Samsennok, Huaykwang, Bangkok 10310
Phone	0-2660-6111 0-2666-8088
Fax:	0-2660-6100 0-2666-8080
Nature of Business	Providing digital platforms, technical consultation and related services to business and individual.
Registered Number	0105559189374
No. of Issued/Paid-up Shares	375,000 ordinary shares of THB 100 each,
Registered Capital	Total THB 37,500,000
Percentage Owned	100.00 percent

5.1.2 Other References

Share Registrar/Transfer Agent	Thailand Securities Depository Co., Ltd. The Stock Exchange of Thailand Building, 93 Ratchadaphisek Road, Dindaeng, Dindaeng, Bangkok 10400 Phone: 0-2009-9388 Fax: 0-2009-9476
Auditor	Rachada Yongsawadvanich CPA Registration No. 4951 EY Office Limited 193/136-137, 33 rd Floor, Lake Rajchada Office Complex, New Rajchadapisek Road, Bangkok 10110 Phone: 0-2264-0777 Fax: 0-2264-0789-90

5.2 Other Important Information

-None-

5.3 Legal Dispute

The Company had a dispute which has not yet been resolved with a foreign reinsurance company through arbitration. The Company entered into a reinsurance agreement with the said reinsurance company since 2015 and has continually received the compensation pursuant to the terms of the reinsurance agreement. Until 2020 such reinsurance company was behind in payment. The Company has continuously followed up for the collection of outstanding amount but was refused to settle any payment. The Company therefore submitted the dispute for arbitration through the arbitration process. As of December 31, 2021 the Company was entitled to receive the amount of THB 140 million (excluding interest). Instead of paying the said amount to the Company, the reinsurance company submitted a counter dispute claiming that it had the right to rescind the reinsurance contract and claim monetary restitution of approximately THB 745 million (plus interest from August 14, 2020).

The Company's management has considered all the arguments raised by the said reinsurance company, including the Company's supporting evidence, as well as comparing the market practice between the Company and other reinsurers in making reinsurance agreements with the same characteristics, together with a legal opinion from the Company's external legal counsel, and reasonably believed that the said reinsurance company was not entitled to rescind the reinsurance agreement. The Company strongly believes that such allegations and the counterclaim amount do not have legal merit. Therefore, such dispute will not cause damage to the Company and will not have any significant impact on the Company's business operations

5.4 Secondary Market

None

5.5 Regularly Contacted Financial Institutions (Only Bond Issuers)

The Company does not issue bonds.

Part 2

Corporate Governance

6. Corporate Governance Policy

6.1 Overview of Corporate Governance Policies and Practices

Board of Directors of Thai Re and its subsidiaries are committed to conduct business in accordance with good corporate governance principles. The Company promotes innovation that adds value to shareholders, employees, customers, partners and all stakeholders to ensure that the Company has competitiveness and can adapt to various change factors. The Company also takes into account the ethics in business and the impact on society and the environment in the long term for sustainable organization.

The Board of Directors has outlined the corporate governance policy for the directors, executives and employees to abide by in performing their duties. Compliance with this policy is the key indicator for measuring the business management performance of the Board of Directors and executives and evaluating the performance of all employees.

The Company promotes the compliance with the corporate governance principles and business ethics and communicates with the directors, executives and all employees to recognize and acknowledge the importance of corporate governance and ethics. All employees are to study, acquaint themselves with, and sign the acknowledgement of the corporate governance policy, which also are posted on the Company's website, as a guideline for performing their duties. The Company has followed up on the overall policy compliance by entrusting the concerned parties with the tasks of monitoring and reporting to the Board of Directors, for example, assignment of the Audit Committee to monitor the conflict of interest, internal control and audit, and regulatory compliance and report the results to the Board of Directors on a quarterly basis; assignment of the Company Secretary to be responsible for securities holding reports of the directors and the management and reporting to the Board of Directors on a quarterly basis, etc. Read more about the corporate governance policy on the Company's website at <https://investor.thaire.co.th/storage/content/corporate-governance/20220104-thre-policy-cg-en.pdf>

6.2 Business Ethics

The Company has formulated the code of best practices clearly and adequately to prevent any misconduct, create a good role model and maintain responsibility towards all stakeholder groups. This attests to its strong determination and desire for the directors, executives and employees to perform their duties under the framework for morality, righteousness, integrity, equality, legal compliance and adherence to the Company's Articles of Association in order for the Company to achieve the objectives of

business operation. (Details of Business Ethics can be read in the Company's website: <https://investor.thaire.co.th/storage/content/corporate-governance/20220104-thre-business-ethics-en.pdf>)

6.3 Significant Changes and Development in Corporate Governance Policies, Guidelines and Systems in 2021

6.3.1 Compliance with Good Corporate Governance Principles by the Company in 2021

The Company is committed to embrace the principles of good corporate governance and management and create value for shareholders, employees, customers, business partners and all groups of stakeholders. The Board of Directors' meeting held on March 5, 2021 considered the key appropriateness of the Company's CG Code to be applied in the business operations as follows.

- (1) The Company establishes a sufficient and appropriate good corporate governance policy.
- (2) The Company is in process of applying CG Code to improve the Company's initial good corporate governance guidelines in accordance with the CG Code, 2017 edition.

The Company applies the CG Code for Listed Companies that matches the context within which its business operates to ensure transparency, efficiency and sustainability. The Company's corporate governance principles under the CG Code are as follows:

Principle 1: Establish Clear Leadership Role and Responsibilities of the Board

- All the directors and executives understand their roles as leaders of the organization and perform their duties responsibly, carefully and with integrity and act as good role models for all executives and employees. The compliance unit monitors and ensures that the laws, regulations and resolutions of the shareholders' meetings are strictly complied with.
- The Company segregates the roles, duties and responsibilities of the Board of Directors, the Board Chairman, Chief Executive Officer and the management and discloses these in the Form 56-1 One Report and on the Company's website.
- The Board of Directors approves all matters of significance relating to corporate strategy, policy, objectives, goals, risk management, business plans, financial targets and yearly budgets. Additionally, overseeing efficient allocation and use of resources, performance assessment, monitoring and reporting to ensure the corporate goals are achieved.
- The Board of Directors defines, and monitors compliance of all Designated Authorities required for the business operations. This is communicated to all executives and employees requiring their acceptance and adherence.

- The Board of Directors are informed of the Company's operating results by the Chief Executive Officer on a quarterly basis.
- The Board of Directors believe that business should be conducted under strict rules of corporate governance and sustainable development by publishing its corporate governance policy, sustainability policy, codes of conduct and ethics, anti-corruption policies and measures, and other CG-related policies. All these standards of corporate behavior are communicated to all executives, employees and stakeholders requiring their acceptance and adherence and monitored through an annual compliance audit.
- The Board of Directors is aware of the importance of operating the business ethically and in a socially and environmentally responsible manner whilst seeking favorable returns and sustainable growth. The Company also seeks innovative ideas to create added value for all stakeholders and is always ready to adapt to change and compete successfully.

Principle 2: Define Objectives that Promote Sustainable Value Creation

- The Company clearly defines and communicates its corporate goals and objectives to all employees, and these become the foundation for business plans and budgets.
- The Company has promoted the implementation of new innovation and technology to increase work efficiency, explore more distribution channels, analysing and developing products including the services of subsidiaries such as Reinsurance System, Accounting and Financial System. This will enable the Company to compete and meet the consumer needs and create the Company's value as well as all stakeholders for sustainable growth.
- The Company places importance on sound corporate governance within its corporate culture. Its corporate governance policy encompasses six key principles, details of which are provided in the Sustainable Development Report available on the Company's website under the topic of "Investor Kit" (<https://investor.thaire.co.th/en/results-center/investor-kits>)
- The Board of Directors monitors and ensures compliance of resource management and that business operations are in alignment with established strategic plans.

Principle 3: Strengthen Board Effectiveness

1. Structures, roles and duties of the Board of Directors and sub-committees

- The Board of Directors monitors and ensures diversity among the board members. This is to provide the Company with a wide range of skills, ability, experience, knowledge, gender and age essential for the establishment and achievement of the corporate strategies and objectives. A Board Skill Matrix is used to appoint suitably qualified members of the Board of Directors.

- Each director has working experience or ever held top management position in private or government sectors with the expertise in management, insurance, investment, technology, finance & accounting, corporate governance and risk management which made the current board composition diversely and suit with the Company's business in all aspects. In order to recruit the qualified persons, the Company has defined the criteria and procedures for nominating and appointing directors.
- The Board of Directors considered appropriate with the size of the Company. The balance between executive and non-executive directors is also considered appropriate and the number and qualifications of independent directors are complied with the SEC and OIC's requirements.
- The Board Chairman and the Chief Executive Officer are not the same person and their roles and duties are clearly divided to ensure a balance of responsibility between them.
- The Board of Directors has appointed sub-committees to assist in enhancing its efficiency and overseeing the Company's operation, consisting of three sub-committees, which are the Audit Committee, the Nomination and Remuneration Committee and the Investment Committee, and one management-level committee, the Enterprise Risk Management Committee. Their duties and responsibilities are clearly defined, as described in the "sub committees" Section
- The Nomination and Remuneration Committee holds a meeting to set out the criteria and process of director nomination and appointment to ensure the candidates have the required qualifications, knowledge and expertise, and then recommends the candidates to the Board of Directors for appointment or approval, as the case may be, before proposing to the shareholders' meeting for further consideration on the director appointment.
- All directors understand their role and duty to update their holding of other positions and shall report to the Company at the end of each year and/or when there is any change during the year.

2. Self-assessment of the Board of Directors

The Board of Directors regularly conducts a board performance evaluation and review its working performance, problems and obstacles arising over the past year. The evaluation results are then proposed to the Board of Directors' meeting for improvement of the Board of Directors' working efficiency and effectiveness. (Details of Self-assessment of the Board of Directors can be found on page 107)

3. Director development

The Board of Directors supports the training and provision of knowledge for directors so that they can continuously develop and improve their duty. There was an orientation for new directors so that newly elected directors can perform their duties more efficiently. (Details of Director development in 2021 can be found page 107)

Principle 4: Ensure Effective CEO and People Management

1. Nomination of senior executives

The Board of Directors attaches importance to the nomination and development of senior executives to ensure their knowledge and qualification suit with the Company business. Certain criteria and suitable qualification are set in nomination process for executives.

2. Succession plan

The Company has a succession plan from the department manager to senior management level and the identification of qualified candidates has been clearly set. The succession plan shall be reviewed annually to prevent the personnel and operation risks and always be ready to report to Board of Directors.

3. Development of senior executives and employees

The senior executives and employees are encouraged to develop their necessary skills through various methods such as coaching, on the job training, training both outside and inside the Company including self-learning program. Appropriate training courses shall be provided to all employees by the Human Capital Management & Development.

4. Performance evaluation of senior executives

The Board of Directors annually conducts a performance evaluation of the Chief Executive Officer and other senior executives as a basis for their remuneration. The Nomination and Remuneration Committee draws up the criteria for performance evaluation, conducts the performance assessment, and determines the remuneration of Chief Executive Officer and the remuneration of other senior executives as evaluated by Chief Executive Officer before proposing to the Board of Directors' meeting for consideration and approval.

5. Remuneration of directors, committee members and executives

The Board of Directors plays a key role in outlining policies and overseeing the Company's operation and compliance with the best practices. As such, the remuneration of

directors and other committee members should be appropriate and consistent with the long-term goals and objectives of the Company and also commensurate with their duties and responsibilities based on the individual directors' role and participation and should be competitive with other comparable businesses.

The Nomination and Remuneration Committee determines the remuneration of directors and senior management at the President level and higher. The remuneration of directors is subject to the approval of the shareholders' meeting and the remuneration of each sub-committee also proposed separately for approval. The remuneration of Chief Executive Officer and other senior executives is subject to the approval of the Board of Directors' meeting and, according to the remuneration criteria, is competitive with other businesses, commensurate with their duties and responsibilities, and be adequate to motivate and retain the qualified personnel. The remuneration of each senior executive is determined based on his or her annual performance evaluation together with the Company's performance.

Principle 5: Nurture Innovation and Responsible Business

1. Promotion of innovation

- The Company encourages innovation and new technology in all of its work units with respect to product development, marketing, distribution channel, business process so as to ensure more efficient and more effective results and enable the Company to create and maintain a sustainable competitive advantage.
- As regards organizational management and sustainability, the Company attaches importance to efficient management of both internal and external resources. The Board of Directors considers and approves plans and budgets for all resources required by the Company to enable the Company to achieve the corporate goals and objectives on a sustainable basis, and also oversees and ensures that the IT risk management and the policy and measures for IT system security are in place.

2. Responsible business operation

Although its reinsurance business has no direct impact on the environment, the Company still advocates a business operation that is socially and environmentally responsible and does not infringe upon stakeholders' rights in seeking sustainable achievement of objectives.

2.1 Non-violation of human rights

The Company recognizes its responsibility to all groups of stakeholders such as shareholders, investors, employees, customers, business partners, competitors, creditors

and others including communities, society and the environment in a bid to retain their sustainable mutual interests by paying attention to rights of those stakeholders according to the laws and obligations of the Company. The Company will not perform any act that infringes upon rights of stakeholders. The Board of Directors has a policy on human rights for adherence by all executives and employees. The Company's code of conduct and ethics sets out the standards of behavior to ensure that stakeholder's rights are fully observed. Any stakeholder damaged by a failure of the Company to observe such rights can expect fair and proper compensation for any damage suffered

More details of the policy on human rights are available at the Company's website: <https://investor.thaire.co.th/storage/content/corporate-governance/20220104-thre-policy-human-right-en.pdf>

2.2 Treatment to stakeholders

The Company has formulated a guideline on treatment to each group of stakeholders for all directors, executives and employees to adhere to, the details of which are as follows:

Treatment to shareholders

Apart from the basic shareholder rights established by law and the Company's Articles of Association such as a right to attend the shareholders' meeting, right to vote, right to express opinion freely at the shareholders' meeting, and right to earn a fair return, the Company also provides additional protection to shareholders rights as follows:

- Ensure that the shareholders are provided with full disclosure of all information both financial and non-financial accurately, correctly and simultaneously through the Stock Exchange of Thailand's electronic media, the Company's website, and all other forms of media.
- Encourage shareholders to exercise their right to attend shareholders meetings, their right to vote and other rights to which they are entitled, and not perform any act that violates or prejudices shareholders' rights.
- Permits shareholders the right to make suggestions or lodge a complaint regarding the Company's business operation through channels indicated on the Company's website. The Company will ensure that all suggestions or complaints are screened and considered by the Board of Directors or the concerned parties and the outcome of such advised to shareholders. In 2021, there were no suggestions or complaints filed. Telephone calls were made to Investor Relations asking for information about the Company's business operations.

Treatment to employees

Employees hold the key to a successful reinsurance and insurance-based enterprise. The Company seeks to encourage its employees to have pride in their work and be keen to advance their careers. The Company therefore attaches priority to staff development, fair treatment of all employees and provision of compensation compares favorably within the insurance industry. The Company also ensures employees' well-being through a modern and comfortable workplace environment. Employees are also provided with health benefits and recreational activities. The details are as follows:

- All employees are accorded treatment following human rights principles with dignity, equality and without violation or infringement of any other rights.
- Employees at all levels are properly selected through a fair and transparent recruitment process, based on the required qualifications for each position, educational background, work experience and other requirements without discrimination based on sex, age, nationality, religious or any other status unrelated to job requirements.
- The Company considers health and safety at work to be an essential part of employee treatment. A safety, occupational health and workplace environment committee ensures that all aspects of workplace health and safety are properly considered. The Company also fosters a pleasant work environment for employees and provides safety and convenience for customers, business partners and stakeholders when visiting the Company. A disaster recovery plan has been formulated in the event of fire or another emergency and the plan execution is practiced annually. All equipment is inspected, maintained and repaired to always remain functional. In 2021, there was no report of any employee accident or sickness at work. The Company has incorporated the best practice for safety into its code of conduct and ethics.
- A welfare committee has been set up as an employee representative to work with the management in improving employee welfare and to arrange activities for employee participation such as New Year's activities and other off-premises events.
- The Company provides its employees with pre-employment checkups and annual health checkups according to age groups. For health promotion among employees, the Company makes available standard and comfortable fitness rooms with complete workout equipment. Employees are encouraged to participate in sports activities organized by the insurance sector to promote exercise by employees and give them an opportunity to socialize with their peers in the same business. It is believed that having healthy staff members is a way to reduce sickness and improve efficiency.

- Under the Company's policy and procedure for remuneration and welfare, employee compensation is set out at an appropriate level that is commensurate with their duties and responsibilities and competitive with the comparable positions in similar businesses. The employee compensation is determined based on salary and compensation surveys in insurance business and other industries derived from various sources together with the individual employees' yearly performance evaluation. The Company has also established an employee provident fund which gives employees the rights to receive employer's contribution and benefit thereof from the Company based on the required years of service specified by the Company so that they will have accumulated savings for their future needs. Details of employee compensation (including contributions to the provident fund).
- The Company has established a human resource development policy, encouraging consistent employee training and competency development to enhance skills and helping employees advance their careers. Recognizing that employees are the most valued asset of the organization, the Company makes certain that all employees are developed according to their career path and career development plan created for each of them.
- Employees are encouraged to access information through channels such as the Company's Intranet, internal announcements or e-mail to promote the communication between the Company and employees enhancing efficiency and developing good team work.
- The annual employee engagement survey shall be conducted to measure the level of engagement of employees towards their supervisors, colleagues and team as well as having good communication and human relation skill. The survey results will be used to motivate the employee as well as good working attitude which will result in the achievement of the goals and success of the Company.
- Channels are made available for employees to make comments, lodge complaints and raise any other work-related issues, all of which will be considered in a fair and transparent manner and be treated in accordance with the policy on complaints/whistleblowing and whistleblower protection.

Treatment to customers

The Company attaches considerable importance to customer satisfaction. It has developed a code of best practice in customer relations including fair and non-discriminatory treatment of customers, building of good and sustainable customer relations:

- The Company treats customers on a fair and non-discriminatory basis and avoids any unethical acts or using the customers' confidential information for the benefit of third party.
- The Company strictly honors the contractual conditions made with customers and delivers quality and reliable services in accordance with its business standards.
- The Company provides services in a polite and respectful manner and promotes a good and sustainable relationship with customers to ensure friendliness and satisfaction for all parties, thereby resulting in services rendered with quality, accuracy, rapidity and responsiveness to customer needs.
- The Company will not disclose customers' information which is derived from its business operations unless otherwise permitted by the customers or where it has the duty or is required by law to make such disclosure or where the disclosure will benefit insurance business or the public as a whole.
- The Company gives advice on and assistance in matters relevant to its business or matters that are not beyond its ability.
- The Company improves and maintains its service standards to ensure timely and genuine responsiveness to customers' requirements and arranges for a business unit to closely take care of the individual customers. It also conducts study, research and co-development of products and services that meet customers' demand, additionally preparing analytical and research papers and arranging seminars that are useful for customers and business partners.

Treatment to business partners, competitors and creditors

The Company is committed to treating business partners, competitors and creditors under the rules for ethical, free and fair trade competition and within the purview of the laws and their mutual obligations. This has been incorporated into the code of conduct and ethics in order for all parties to abide by, as follows:

- The Company sets out rules for evaluation and selection of business partners and counterparties and opts to do business with those who conduct business with accountability, ethics and integrity and are not involved in any forms of fraud.
- The Company treats all business partners and counterparties on an equitable and non-discriminatory basis and does not take advantage of them.

- The Company puts in place a management and follow-up system to ensure the agreement conditions are completely fulfilled, together with an anti-corruption process at all steps of its operation.
- The Company will not perform any act that will tarnish its competitors' reputation through any allegation that may cause reputational damage.
- The Company will not seek to obtain confidential information of its competitors by any unethical or improper method.
- The Company will not perform any act that will infringe upon intellectual property and invention under the patent of its competitors or other parties.
- The Company complies with all conditions under agreements made with creditors in a strict, correct, complete and punctual manner with respect to guarantee, fund management, payment and any other matters agreed upon with the creditors. In the event of failure to fulfill the conditions, the Company will promptly notify the creditors and provide reasons and remedial measures for such failure in order to jointly seek solutions to the problems.
- The Company abides by the anti-corruption policy and measures and the principle of integrity, and neither gives nor receives any bribe whether in form of a gift or any other benefit. It shall not perform any act that is conducive to fraud and bribery, and shall not perform any act or assist in or support any act that is deemed as a misconduct according to the relevant laws and notifications, nor perform any act relating to property in bad faith or any act that is detrimental to the national economy or security, nor conceal or take part in embezzlement or sale of property obtained from such act. The Company communicates the said policy to outsiders and its employees for acknowledgement and adherence to. More details can be found in the Company's 2021 Sustainable Development Report.
- The Company abides by the laws governing intellectual property or copyright and will not infringe on intellectual property or copyright. Besides, before using any invention or information belonging to a third party, the Company shall examine and make certain that it is not an infringement on intellectual property or copyright of other party

In 2021 The Company has a dispute that is not yet final with a foreign reinsurance company. Details can be found in "legal dispute section".

Treatment to society and the environment

In conducting its business, the Company pays attention to all groups of stakeholders and acts as a good corporate citizen contributing positively to communities, society and the environment. The Company has incorporated into the code of conduct and ethics, to which all staff members must adhere, the best practices towards society and the environment including the promotion of an efficient use of resources, as follows:

- The Company encourages all employees to join in CSR activities and community development, and operates business without causing any impact on society and the environment. All members of the organization have cooperated in conducting business without posing any impact on society, the environment and all groups of stakeholders. . More details can be found in the Company's 2021 Sustainable Development Report.
- The Company is determined to operate business with fairness and display responsibility to society, the environment and all groups of stakeholders in its core business processes. The Company assesses the impact of its activities on the economy, society and the environment and also pinpoints the issues that significantly affect its business operation or have an influence on stakeholders' decision-making so that it could identify operational goals that cause no impact on society and the environment and could disclose the operational information that is particularly important to the organization and its stakeholders.
- The Company educates its employees on conservation of natural resources and the environment. It encourages all employees to most efficiently use natural resources by, for example, using the computerized data filing technology so as to reduce paper consumption, ensuring that both sides of the paper are used, using energy-saving electrical appliances, setting the turn-on/off times for air-conditioners, switching off air-conditioners and lightings during lunch break or when they are not needed in order to save energy, recycling used items, etc.
- Workplace environment is improved and maintained to be in a tidy, pleasant and healthy condition up to safety standard to ensure employees' security while at work.
- The Company is aware of the importance of society and communities. As part of Thai society, the Company deems that it has duty and responsibility to support and operate CSR activities, which is in line with the main objective of its establishment to operate business for the utmost benefit of insurance business and national economy as a whole. More details can be found in the Company's 2021 Sustainable Development Report.

Treatment to regulators and government agencies

- The Company complies with all laws, notifications, rules and regulations stipulated by the concerned regulators and government agencies including corporate governance and anti-corruption cooperation. The Company was already recertified its membership of Thai Private Sector Collective Action Against Corruption ("CAC") for the 2nd time.

Principle 6: Strengthen Effective Risk Management and Internal Control

1. Risk management and internal control

- The Company has in place efficient and effective risk management and internal control systems which enable it to achieve the main corporate goals and objectives and attain the established target, thereby leading to financial security, competitive advantage, prevention of legal offence, and sustainable growth.
- The Company gives importance to risk management that emphasizes learning from the past loss events and refines the risk management measures and key risk indicators that are appropriate and compatible with the changing business environment. Risk impact and possibility are evaluated so as to prioritize risks and apply a suitable risk management approach. The Board of Directors has considered and approved a policy on risk management that is in line with the Company's main goals and objectives, strategy and risk appetite and regularly reviews the policy at least once a year. The Company has established the Enterprise Risk Management Committee to be responsible for monitoring its risk-based performance and submitting a report thereon to the Board of Directors on a quarterly basis.
- Recognizing the significance of internal control, the Company has put in place an efficient enterprise-wide internal control system to mitigate corruption risk, prevent legal offence, and promote and instill in all employees the norm of compliance with the laws and the Company's regulations. A legal compliance unit has been set up to ensure the Company operates business in conformity with the relevant laws.

2. Whistleblowing or complaints

The Company provides secure and easily accessible complaint channel and a complaint management process for employees or outsiders or stakeholders to report complaints about damages occurring to them or voice their concerns or report any suspicious incidents or clues to possible misconduct concerned with the Company, as well as to seek advice on compliance with the code of ethics and the related policies. The reported information shall be treated as confidential and the

informants or whistleblowers shall be protected and shall neither be punished nor be adversely affected from their reporting such complaints or whistleblowing. The Company communicates the said policy to employees and outsiders for acknowledgement and adherence to. The policy on complaints/whistleblowing and whistleblower protection can be found on the Company's website at <https://investor.thaire.co.th/storage/content/corporate-governance/20220104-thre-policy-complaint-en.pdf>

Principle 7: Ensure Disclosure and Financial Integrity

1. Information disclosure

The Company attaches importance to maintaining of financial reliability and disclosing of material information. The Board of Directors is responsible for overseeing and ensuring that the Company's financial reporting and information disclosure are carried out in an accurate, adequate, timely and equitable manner and that the disclosure through various channels strictly complies with the legal or regulatory requirements. The Company has disclosed information to demonstrate its good corporate governance and business transparency as follows:

- The Company prepares, communicates and posts the corporate governance policy, anti-fraud policy, anti-corruption policy and measures, and all other CG-related policies on the Company's Intranet and website (<https://investor.thaire.co.th/en/corporate-governance>) for the directors, executives, employees and all groups of stakeholders to acknowledge and abide by, with a policy review conducted on a yearly basis.
- The Company's information, both financial and non-financial, is disclosed. The financial information, especially financial statements, are to be audited/reviewed by the auditors and approved by the Audit Committee / Board of Directors before submission to the SET, the SEC, shareholders, investors and concerned agencies.
- Essential information is made available on the Company's website in both Thai and English languages, including information such as nature of business, list of the Board of Directors and management team, financial statements, Form 56-1 One Report, important news and business activities, which are useful to shareholders, investors, analysts and public. The Company also discloses the roles and duties of the Board of Directors and sub-committees, meeting frequency and meeting attendance of each director in the past year. Details can be found in "Report on Important Operational Results of Corporate Governance".
- The Company publishes a report on the Board of Directors' responsibility for financial report in its Form 56-1 One Report.

- The Company discloses information on remuneration of directors and management in the Form 56-1 One Report and also discloses the policy on remuneration of the individual directors for serving as director and senior management, including type, nature and amount of remuneration received by each director for serving as the sub-committees and as director in subsidiaries. Details can be found in “Report on Important Operational Results of Corporate Governance”.
- The Company sets a requirement to report all trading transactions/securities holdings of directors and executives. The Company Secretary is assigned to collect all of such information for reporting to the Board of Directors' meeting on a quarterly basis.
- The Company discloses Investment Governance Code (I Code) and Compliance with I Code 2021 on the Company's website (<https://investor.thaire.co.th/en/corporate-governance>)

2. Investor relations

The Company gives importance to investor relations management and remains committed to performing duties with accountability and integrity and providing accurate, adequate and reliable information to ensure that the investors, analysts and interested parties could receive the information in a correct, sufficient, complete, transparent and equitable manner by contacting Mr. Oran Vongsuraphichet, Director & Chief Executive Officer, and Investor Relation department at 02-660-6111 or e-mail: ir@thaire.co.th. In 2021, there were 10 meetings held with members of the media, stock analysts, investors and fund managers

3. Report on interests

The Company has established rules and procedures for reporting interests of directors, executives and their related persons, which were duly approved by the Board of Directors, as a guideline for all concerned parties to abide by. Such report will be useful for complying with the regulations for connected transactions and monitoring the interests of directors, executives and their related persons with the Company's business as follows:

- The Company has a policy for the directors and executives to disclose their interests and their related persons in a form designated by the Company on a yearly basis and when there is a change in such information during the year. The directors and executives who have interests in any transactions of the Company shall not participate in decision-making, and the transactions shall be processed according to the Company's measures or procedures for approval of related party transactions.

- The Company has a policy on trading of the Company's securities and procedures for reporting of securities holding in order for the directors, executives and employees who can access and benefit from such information to abide by, and requires that the directors and executives have duty to report their securities holding in accordance with the SEC's regulations.

Principle 8: Ensure Engagement and Communication with Shareholders

1. Rights of shareholders

The Company gives importance to and respects rights to which the shareholders are entitled in their capacity as both investors and owners of the Company, and accordingly provides the shareholders with an opportunity to exercise their basic rights under the laws, comprising right to sell, buy or transfer shares held by them, right to receive a share of profit from the Company, right to attend a shareholders' meeting, right to cast votes at the meeting, right to express an opinion, right to receive equal treatment with respect to share repurchase by the Company, right to jointly decide on crucial issues of the Company such as appointment or removal of directors, appointment of an auditor, amendment to the Articles of Association or the Memorandum of Association, etc.

In addition, the Company pays higher regard to the shareholders' rights than to such basic rights, including right to have access to crucial information sufficiently and timely via the Company's website, right to communicate with the Board of Directors through the channels designated by the Company, etc.

The Company communicates with the shareholders, discloses crucial information and discloses its shareholding structure in subsidiaries and associated companies clearly in Form 56-1 One Report and on its website in order for the shareholders to rest assured that the Company has an efficient, transparent and examinable management structure which could deliver a reasonable shareholder return and lead to sustainable growth.

2. Shareholders' meeting

The Company sets out that an annual general meeting of shareholders is held within the first four months after the end of an accounting year and that, where there is an urgent need to consider any matter which could affect or is related to the shareholders' interest and is subject to the shareholders' approval, the Board of Directors may then convene an extraordinary general meeting of shareholders case by case.

In 2021, the Company held 1 shareholders' meeting which was 28th Annual General Meeting of Shareholders on April 23, 2021. There were 8 out of 11 directors attending the

meeting or 72.72 percent. From the outbreak of COVID-19, the Company limited the number of shareholders who wanted to attend the meeting in person. However live broadcast was also provided to facilitate the shareholders who could not attend in person as well. The Board Chairman and the Chairman of Audit Committee also attended the meeting.

The Company has always complied the good practice in shareholders' meeting arrangement according to the guideline of Thai Investor Association as follows:

2.1 Treatment to shareholders before the meeting date

- The Company provided the shareholders with an opportunity to propose meeting agenda or submit questions about the Company and to nominate qualified persons for election as the Company's directors at the 2021 Annual General Meeting of Shareholders (AGM) in advance during the period from September 11, 2020 to December 31, 2020 through e-mail or letter sent directly to the Company Secretary. At the end of such period, none of the shareholders proposed the meeting agenda or nominated any qualified person as the Company's director for the Board of Directors' consideration.
- The notice of the meeting, meeting agenda with the Board of Directors' opinion, proxy forms prescribed by Ministry of Commerce comprising Proxy Form A, Form B and Form C (applicable to only shareholders who are registered as foreign investors and have appointed a custodian in Thailand to take care of their shares), documents or evidence showing identification of the shareholders or proxies entitled to attend the meeting, and documents for all agenda items are publicized via the Company's website in both Thai and English languages at least 30 days ahead of the meeting date. In 2021, the Company posted the notice of the shareholders' meeting on its website 31 days prior to the meeting date.
- The Company encourages the shareholders who are unable to attend the meeting to assign other person or any of the independent directors as their proxies to attend and vote at the meeting on their behalf by using the proxy form in which they could determine their voting direction. The Company publicizes the proxy forms and all details and procedures on its website at least 30 days in advance. For the AGM held in April 2021, there were a total of 152 shareholders present at the meeting, with 17 of them attending in person and 135 by proxies.
- The invitation letter shall be delivered informing the date, time and venue of the meeting together with the followings : meeting agenda, objective and reason, board opinion, Form 56-1 One Report in QR Code format, proxy form specified by the Ministry of Commerce, proxy appointing process, names of independent directors to be appointed

as a proxy, required documents to be presented on the meeting date, Company's Articles of Association regarding the shareholders' meeting and voting, etc. in order to maintain the right to attend the meeting. The Company has actually sent the invitation letter and supporting documents to the shareholders at least 21 days before the meeting date so that the shareholders shall receive sufficient, correct, complete information and consider the agenda in advance. The meeting announcement was also posted in the newspaper at least 3 days before the meeting for 3 consecutive days in order to notify the shareholders in advance to attend the meeting. In 2021 the Company delivered the invitation letter and supporting documents to shareholders 28 days in advance.

- The Company facilitates and encourages all shareholder groups, whether individual or juristic persons and institutional investors, to participate in a shareholders' meeting in order to allow for all shareholders to equally exercise their rights at the meeting, by setting the suitable meeting time and date and arranging the meeting venue that is conveniently accessible by all shareholders. The Company also provides proxy forms, i.e. Proxy Form A, Form B and Form C, for all shareholder groups who are unable to attend the meeting to assign a proxy to attend the meeting on their behalf. In addition, the Company contacts institutional investors such as asset management companies or custodians to dispatch their representatives to attend the meeting and assists in screening all documents for meeting attendance in advance.

2.2 Treatment to shareholders on the meeting date

- Due to the COVID-19 situation, the Company had to set up the meeting room with a distance which caused the number of seats be limited. The Company however has facilitated the shareholders by arranging the broadcast live via the VDO Conference for shareholders who did not wish to attend the meeting in person.
- The Company facilitates for all shareholders and proxies, whether they are individual, juristic or institutional investors, on the meeting date on an equitable basis. The Company arranges for a sufficient number of reception staff, document screening staff and computer equipment to facilitate the registration, the meeting and the vote counting in an efficient manner. English language interpreters are available for foreign investors who wish to attend the meeting.
- To prevent the outbreak of Covid-19, the Company set up a screening point in front of the meeting room for all attendees to register, fill out questionnaires and temperature screening.
- Registration begins 1.30 hours before commencement of the meeting. The Company will not perform any act in such a way that will restrict rights of the shareholders to

attend the meeting and all shareholders are entitled to register for attending the meeting at any time throughout the meeting.

- The barcode system is used for meeting registration and vote counting to ensure accuracy, convenience, and rapidity.
- Before the meeting, the Company Secretary will introduce to the shareholders the Board of Directors, the management, the auditors and the legal advisor who has been assigned to inspect the votes counting, and will inform the meeting of the number and percentage of shareholders attending the meeting in person and by proxy and also explain to the shareholders about how to cast the votes and to use the voting ballots for each agenda item. The voting ballots for director election will be separated from other agenda items. The shareholders and proxies attending the meeting have the right to cast votes equal to the number of shares they hold. One ordinary share is equal to one vote. The Company has only one type of shares, i.e. ordinary shares, and does not have any preferred shares and any other types of securities.
- The Company's legal advisor is assigned to serve as inspector of vote casting and vote counting in order to monitor and ensure that the registration, the meeting and the vote counting are conducted transparently and accurately at every step in accordance with the laws and the Company's Articles of Association, while the shareholders are given an opportunity to the vote counting and to raise any questions regarding the vote counting.
- The Company conducts the meeting according to the agenda and has no policy to add any new agenda items or change material information without notifying the shareholders in advance. During the meeting, the Chairman allows the shareholders to raise questions and express opinions on each agenda item and provides clarifications to all queries to the shareholders' satisfaction. At the previous meeting of shareholders, the Board Chairman, the Audit Committee Chairman, Director & CEO, senior management, the auditors and the legal advisor participated in the meeting to answer the questions raised by the shareholders.
- The shareholders are instructed to use voting ballots for all agenda items. Voting ballots are provided for each agenda item. Separate ballots are used for each director election to enable the shareholders to vote as they deem appropriate. Voting ballots are collected in the meeting room and the results of such vote counting will be combined with the votes indicated in advance in the proxy forms before announcing the final voting results to the meeting.
- The shareholders who join the meeting after the meeting already started have the right to cast votes on the agenda item that is still under consideration and has not yet been voted on.

2.3 Treatment to shareholders after the meeting date

- Resolutions of the shareholders' meeting will be disclosed together with voting results by the next business day immediately after the meeting date through a news release to the SET. For 2021 Annual General Meeting of Shareholders, the Company could disclose the meeting's resolutions and voting results on the day of the meeting.
- The Company prepares Minutes of the Shareholders' Meeting by containing therein all material information such as explanations, questions, comments, voting procedures, voting results, and so on. For 2021 Annual General Meeting of Shareholders, the Company completed the Minutes within 14 days after the meeting and submitted to the SET in accordance with the SET's requirements. The Minutes were also available on the Company's website for the shareholders who were or were not at the meeting to view.
- Visual records of the meeting were also made available for shareholders who did not attend the meeting or any interested persons to view on the Company's website at www.thaire.co.th.

3. Equitable treatment of shareholders

All groups of shareholders, whether major shareholders, minority shareholders, institutional investors or foreign investors, are treated on a fair and non-discriminatory basis with their rights being equally protected. The Company abides by the following best practices:

- All shareholders are given an equal right, regardless of the percentage and period of their shareholding, to propose meeting agenda in advance and to nominate persons for director election. The Company has disclosed this information via the SET and posted the clearly-defined relevant process on the Company's website. For the recent 2021 Annual General Meeting of Shareholders, the shareholders were allowed a period of time from September 11, 2020 to December 31, 2020, or more than three months before the end of the accounting year, to propose director nomination and meeting agenda through e-mail or letter sent directly to the Company Secretary for compilation and submission to the Nomination and Remuneration Committee and/or the Board of Directors for further consideration. In the event that the Board of Directors resolves to reject the agenda items proposed by the shareholders, the Company will notify the shareholders of reasons for such rejection at the shareholders' meeting. Besides, the shareholders who attend the Annual General Meeting of Shareholders are also granted the right to additionally nominate persons for director election directly to the meeting. At the recent 2021 Annual General Meeting of Shareholders, none of the shareholders nominated any qualified persons for election as directors or proposed any additional agenda items.

- The shareholders are able to forward their questions, comments or suggestions in advance through e-mail or letter directly to the Company Secretary prior to the meeting date so that all questions could be gathered for further clarification at the meeting. In 2021, none of the shareholders submitted any questions, comments or suggestions in advance through the aforementioned channels.
- In order to protect the interest of and facilitate communication with all groups of shareholders, the notice of the meeting, meeting materials, Minutes of the previous meeting, and any related information are posted on the Company's website and available in both Thai and English. The Company also assigns its staff members proficient in English language to serve as interpreters for the foreign shareholders who attend the meeting.
- The meeting is conducted according to the agenda indicated in the meeting notice. The Company adheres to the policy and does not add any new agenda items at the meeting without notifying the shareholders in advance.
- All shareholders have an equal access to the Company's information. Up-to-date information is disclosed through the Company's website, the SET's information disclosure system as well as the Company's investor relations unit.
- The Company has devised measures against misuse of internal information by its directors, executives and employees, as described in "Internal Information Disclosure Policy." Information regarding interests of the directors, executives and their related persons is reported to the Board of Directors. The directors or executives who have a conflict of interest in or are connected with any transactions shall be prohibited from involving in the approval process for any such transactions. The Audit Committee is assigned to follow up on this matter and report to the Board of Directors on a quarterly basis.

6.3.2 Principles Not Yet Applicable to the Organization

The Board of Directors attaches importance to the principles of good corporate governance and applies the Principles of Good Corporate Governance for Listed Companies 2012 set out by the Stock Exchange of Thailand and the CG Code for Listed Companies 2017 that fit with the context within which the Company operates business in order to create sustainable value, improve its corporate governance standard, and ensure transparent and efficient business operation with sustainable growth. However, in 2021 the Company's compliance to the Principles of Good Corporate Governance for Listed Companies 2012 and the CG Code was not completed, details of which are as follows:

1. The Chairman of the Board should be an independent director.

The Company's practice: The current Board Chairman is not an independent director. This is because the Company needs to rely on a person who has in-depth knowledge, understanding and experience of the insurance business, its core activity, which are crucial to decision-making to ensure the best interests of the Company, its shareholders and stakeholders as a whole and to achieve the established goals and sustainable growth.

2. A policy should be set to limit the number of companies in which each director can hold position simultaneously

The Company's practice: The Company has no such policy in place since it needs directors with knowledge and skills in insurance sector where there is a shortage of qualified candidates. Most of the directors have expertise in the business and the required fields and their other business positions do not affect their ability to perform their duty as a director of the Company.

3. A policy should be stated regarding board positions in other firms held by the Company's Chief Executive Officer.

The Company's practice: The Company has not formulated such a policy. However, its Chief Executive Officer has the required knowledge, competence and experience in the insurance business and is fully able to perform his responsibilities.

4. A policy should be set to limit the term of office of an independent director.

The Company's practice: The Company has not set a limit on the maximum term of office for directors, independent directors, and committee members because it needs persons with knowledge and skills in insurance sector where there is a shortage of qualified candidates. However, the Company's Board of Directors has considered and concluded that all independent directors are still able to perform their duty and raise the opinions independently to maintain the interests of the Company and all stakeholders.

5. There should be a consultant firm or director database for new director nomination.

The Company's practice: The Company adopts the criteria for director nomination and selection based on the nature of business and strategy and accordingly defines qualifications of the nominated directors that are suitable and compatible with its business strategy, especially focusing on the necessary skills it still lacks. The Company also uses a policy on diversity in board composition in terms of professional skills, specialized expertise, knowledge and competence, and working experience in order to nominate qualified persons as its directors or executives who have the required experience, knowledge and capability that are useful to the

Company. The Board Skill Matrix is used as a basis for director nomination to ensure that the selected board members have suitable qualifications that align with the Company's business direction.

6. A policy should be set on the required meeting quorum at the time the board of directors will cast votes, whereby there must be at least two-thirds of the total number of directors present at such meeting.

The Company's practice: Pursuant to Section 80 of the Public Limited Companies Act 1992 and Article 25 of the Company's Articles of Association, in a meeting of the Board of Directors, the presence of not less than one half of the total number of directors is required to constitute a quorum. In 2021, 3 out of 4 meetings, all directors attended the meeting and there was only 1 meeting the 1 director did not attend. Any director who has conflict of interest in any transaction shall not entitled to consider and vote on such issue.

7. A corporate governance committee should be set up.

The Company's practice: The Board of Directors recognize the importance of good corporate governance for the best interests of the Company at the same time promoting fairness and transparency in business operation. Therefore several policies has been set as follows: anti-corruption policy, complaints / whistleblowing and whistleblower protection and other CG related policies related to corporate governance. The Company ensures that all directors, executives and employees comply with these policies and follows up on such policy compliance.

8. The Nomination and Remuneration Committee should be comprised entirely of independent directors.

The Company's practice: The Nomination and Remuneration Committee members consist 3 directors of which 1 member is independent director. They are fully qualified and can perform their duties independently. Any member who has conflict of interest will abstain from consideration and voting.

7.2 Board of Directors

Board of Directors Structure

The Company's Board of Directors comprises of 10 members. The number of independent directors complies with Securities and Exchange Commission rules. A director's term is three years with no limit to the number of terms an individual can serve. A biography of each director is in Attachment 1: Details of Board of Directors, Executives, Controlling Persons, the person in charge of finance and accounting and Company Secretary

The Board chairman, Vice-Chairman, and Board Secretary shall be elected annually at the first Board meeting after the Annual General Meeting of Shareholders. To separate the role of policy setting, auditing, and management, the Chairman and Chief Executive Officer (CEO) are required not to be the same persons.

7.2.1 Board of Directors Structure

The Board of Directors of the Company consists of 10 members, nine members are non-executive directors, one member from the management (90 percent of all directors), and four members are independent directors (40 percent of all directors). Eight members hold the Thai Institute of Directors (IOD) qualifications for public company board service.

The Board of Directors is responsible for ensuring that the business is expertly managed and that shareholders' interests are protected at all times through the setting of clear visions and strategies to achieve business objectives and financial success.

As of December 31, 2021, members of the Board of Directors are as below:

Board of Directors	Position
1. Mr. Jiraphant Asvatanakul	Chairman, Director of Nomination and Remuneration Committee and Director of Investment Committee
2. Mr. Chandran Ratnaswami	Vice Chairman, Chairman of Nomination and Remuneration Committee, Chairman of Investment Committee
3. Ms. Potjaneer Thanavarani	Independent Director and Chairman of Audit Committee
4. Mr. Kerati Panichewa	Director
5. Mr. Sara Lamsam	Independent Director
6. Mr. Gobinath Arvind Athappan	Director
7. Mrs. Chaveewan Aksornsawaddi	Independent Director and Director of Audit Committee
8. Ms. Ada Ingawanij	Independent Director, Director of Audit Committee and Director of Nomination and Remuneration Committee

Board of Directors	Position
9. Dr. Apisit Anantanatarat	Director
10. Mr. Oran Vongsuraphichet	Director, Director of Investment Committee, Chairman of Enterprise Risk Management Committee and Chief Executive Officer

The directors authorized to sign on behalf of the Company are Mr.Jiraphant Asvatanakul, Mr. Oran Vongsuraphichet and Mr. Kerati Panichewa. Any two shall co-sign with the Company's seal affixed.

Scope of duties, authorities and responsibilities of the board of directors

- Supervise and manage the Company to be in accordance with the law, Company's objectives, the Articles of Association and the resolutions of shareholders' meetings by aiming at the appropriate benefit of the Company.
- Review and approve Company's policy and business plan as follows:
 - Approval of important issues in Company's business, i.e. structure, management, vision, mission, objectives, plan, strategy, policy, risk management, long-term business plan, financial goal and annual budget.
 - Approval of hiring or termination of the Company's top management, approval of salary and employee benefits and annual performance evaluation of top management.
 - Approval of annual salary increase rate for employees and regulations on the welfare of employees.
 - Assigning the responsibility and authority to management and their subordinates.
 - Follow up and evaluating the Company's performance compared to the plan and budget.
- Put in place a robust financial reporting and auditing system and efficient internal control and risk management process.
- Ensure that the Company follows good corporate governance practices, business ethics and corporate social responsibilities.
- Consider and approve all connected transactions, related party transactions, acquisition and disposal of assets, and any other acts as required by law or supervising authority to avoid all conflicts of interest.
- Consider the appointment of sub-committees where issues require such consideration.

Moreover the Board of Directors have delegated management authority to the Chief Executive Officer and Chief Executive Officer may delegate to its subordinates as appropriate. Responsibilities for all management activities is granted except for authority to approve any transaction where there may be a conflict of interest involving the Company or its subsidiaries.

Scope of duties, authorities and responsibilities of the chairman

1. The Board Chairman or person designated by the Board Chairman has a duty to call for a meeting of Board of Directors by submitting an invitation letter at least 14 days before the meeting date allowing the directors adequate time to fully consider the matters.
2. Determine the meeting agenda with the Chief Executive Officer.
3. Encourage the directors to attend the meeting and ensuring that the meetings run effectively with sufficient time for the presentation of information and questions and opinions from the directors. Controlling the discussions and summation of the meeting's resolutions.
4. Promote corporate governance principles among directors.
5. Communicate the essential information to directors.
6. Encourage the directors' participation in shareholders' meetings and acts as Chairman of the meeting. Control and ensure that the meeting is efficient and respond to all questions raised by shareholders.
7. Supervise and follow up the directors to perform their duty in the scope of authorities and responsibilities to meet the Company's objectives and plans and compliance with the laws and the corporate governance principles of the Company.
8. Promote good relationship between executive directors and non-executive directors including the directors and management.

7.2.2 Approval Authority of the Board of Directors

The Board of Directors has the authority to approve important matters of the Company as stipulated by law. The board also has empowered the operational authority to the Chief Executive Officer and senior management in various matters within the specified authority or credit limit. In case the authority or credit limit is exceeded, it shall be proposed to Board of Directors for approval.

7.3 Sub-Committees

Name and scope of Duties, Authorities and Responsibilities of the sub-committees

For more efficiency of supervising and managing the Company, the Board of Directors appoints three sub-committees to oversee, monitor and resolve or give recommendation which are Audit Committee, Nomination and Remuneration Committee, Investment Committee and one management committee level namely the Enterprise Risk Management Committee. The structures and accountabilities are as follows:

● Audit committee

Audit Committee was established on February 24, 1999 comprising of three independent directors and each member has a term of office for 3-year. Current committee members are:

Name	Position
1. Ms. Potjanee Thanavarant	Chairman of Audit Committee
2. Mrs.Chaveewan Aksornsawaddi	Director of Audit Committee
3. Ms. Ada Ingawanij	Director of Audit Committee

The committee members have a strong accounting and financial background. Their main role is to examine and supervise the Company's operations, financial report and internal control systems. The committee also recommends the appointment of the external auditor and also deals with issues involving conflicts of interest. Two members namely Ms. Potjanee Thanavarant and Mrs.Chaveewan Aksornsawaddi graduated in accounting.

Scope of duties and authority

1. Review and ensure the Company's financial reporting is accurate, reliable, with complete disclosure of significant information in accordance with Generally Accepted Accounting Principles.
2. Review and ensure the Company's internal control, internal audit and information technology audit are appropriate and effective.
3. Consider the charter of the internal audit unit and ensure the unit is independent. Also, to approve the appointment, performance evaluation, promotion, transfer and termination of the head of the internal audit unit or any other unit in charge of an internal audit.
4. Review and ensure the Company's practices comply with the laws and regulations specified by the Securities and Exchange Commission (SEC), the Stock Exchange of Thailand (SET), and others related to the Company's business.

In the case where the Audit Committee found a violation of the non-life insurance law and the Board of Directors does not take any remedy within the time deemed appropriate. The Audit Committee shall report to the Office of Insurance Commission (OIC) immediately.

5. Consider, select, nominate, and terminate an independent person to be the Company's auditor, and to propose such person's remuneration, as well as to attend a non-management meeting with the auditor at least once a year.
6. Consider related party transactions or transactions where there may be a conflict of interest and ensure that they conform to the laws and regulations of The Stock Exchange of Thailand (SET) and are reasonable and for the best interests of the Company.

7. Review and ensure the Company's risk management system is appropriate, effective and discreet according to the internationally accepted framework.
8. Review and ensure the Company has appropriately and adequately implemented the anti-fraud /corruption measures and the whistleblowing /protection system.
9. Express an opinion on the Company's overall internal control assessment report submitted to the Board of Directors.
10. Review and ensure the Audit Committee Charter covers the duties and responsibilities of the Audit Committee under the principles of good corporate governance and the laws and regulations relating to the Company's business at least once a year.
11. Prepare an Audit Committee Report signed by the Audit Committee Chairman. The report must contain information at least as required by The Stock Exchange of Thailand (SET) for publication in the Company's annual report.
12. Perform any other duties assigned by the Board of Directors with the consent of the Audit Committee.

In cases where an internal audit or other work of the Audit Committee requires specialized expertise, the Audit Committee shall consider hiring the consultants or external experts with the Company's budget, for professional opinions or recommendations.

● **Nomination and remuneration committee**

Nomination and Remuneration Committee was established on February 20, 2009 comprising of three members. The committee has a term of office for 3-year. The current members are:

Name	Position
1. Mr. Chandran Ratnaswami	Chairman of Nomination and Remuneration Committee
2. Mr. Jiraphant Asvatanakul	Director of Nomination and Remuneration Committee
3. Ms. Ada Ingawaniij	Director of Nomination and Remuneration Committee

Scope of duties and authority

Nomination responsibilities

1. Determine and recommend structure, size and composition and qualifications of the Board of Directors and sub-committees.
2. Determine policy, criteria, qualifications and nominating procedures for the appointment of directors and sub-committee members to replace those who completing their terms.
3. Recommend and nominate directors and sub-committee members from qualified candidates and propose to the Board of Directors or to Shareholder's Meeting for consideration and approval, as the case may be.

4. Select, screen and propose the qualified person for the position of Chief Executive Officer whenever this is vacant including to propose the criteria and succession plan of top management for Board of Director's consideration.

Top management means Chief Executive Officer and the President Level

Remuneration responsibilities

1. Determine a policy and structure of remuneration and other benefits for directors and sub-committee members based on transparent criteria and reasonable with the duties, responsibilities, related risks and also take into account on the increase of long-term shareholders' equity.
2. Determine the remuneration policy of top management for both short term and long term which will be in line with the Company's and their performance.
3. Determine the annual remuneration of the Board of Directors and sub-committee members to propose to Board of Directors for consideration and to Shareholder's Meeting for approval.
4. Determine the annual remuneration of each top management and annual salary increment budget of staff which will be in line with the Company's performance and proposed to Board of Directors for approval.

Other responsibilities

Perform any other duties as assigned by the Board of Directors with the consent of the Nomination and Remuneration Committee.

● **Investment committee**

Investment Committee was established on February 28, 1994 comprising of three members. The committee has a term of office for 3-year. The current members are:

Name	Position
1. Mr. Chandran Ratnaswami	Chairman of Investment Committee
2. Mr. Oran Vongsuraphichet	Director of Investment Committee
3. Mr. Jiraphant Asvatanakul	Director of Investment Committee

Scope of duties and authority

1. Consider the investment policy framework covering the investment and other business operations of non-life insurance companies to be in line with the rules of The Office of Insurance and propose to Board of Directors for approval.

2. Approve the Company's investment plan to be in line with the investment policy framework and risk management policy.
3. Revise and amend the investment policy framework and investment plans to suit with the changing circumstances and propose to Board of Directors for approval.
4. Supervise the Company's investment and other business operations, fund management to be in line with the investment policy framework, risk management policy, investment methodology and the relevant legal requirements.
5. Supervise the Company's investment transaction and other business operations to be transparent with good corporate governance to prevent the conflict of interest.
6. Regularly report the investment performance and other investment operations to Board of Directors.
7. Perform any other duties assigned by the Board of Directors with the consent of the Investment Committee.

● Enterprise risk management committee

The Enterprise Risk Management Committee was established on February 25, 2010. At present, the Company's CEO serve as Committee Chairman. The Enterprise Risk Management Committee consists of the subsidiary CEOs and senior executives from various departments as follows:

Name	Position
1. Mr.Oran Vongsuraphichet	Chairman of Enterprise Risk Management Committee
2. Mrs.Thitaporn Tarakit	Director of Enterprise Risk Management Committee
3. Mrs.Nantinee Chinwanno	Director of Enterprise Risk Management Committee
4. Ms.Pojaman Fuangaromya	Director of Enterprise Risk Management Committee
5. Mr.Chamroen Phusit	Director of Enterprise Risk Management Committee
6. Mr.Chatchai Payakarintarangkura	Director of Enterprise Risk Management Committee
7. Mr.Wichai Chaochaichaoenkul	Director of Enterprise Risk Management Committee
8. Mrs.Nawarat Wongthitirat	Director of Enterprise Risk Management Committee
9. Dr.Piyawadee Khovidhunkit	Director and Secretary of Enterprise Risk Management Committee

Scope of authority

1. Seek any information it requires from employees who are directed to cooperate with the Committee's requests, or from external parties.
2. Take additional actions on any matters within its scope of responsibility, as necessary, to perform its duties and responsibilities.

Scope of duties and responsibilities

1. Oversee the Company's risk management policy which covers strategic risk, operational risk, insurance risk, market risk, credit risk, liquidity risk, and other risks as deemed appropriated, and submit to the Board of Directors for approval.
2. Assess the overall effectiveness of current risk measures and the Company's Enterprise Risk Management framework and policy.
3. Meet at least quarterly to monitor the Company's risk status and the effectiveness of risk measures and provide ongoing guidance and support for the refinement of the overall risk management framework.
4. Report to the Board of Directors at least quarterly on the Company's risk status and the effectiveness of risk measures used to control the exposures, as well as significant incidents and proposed risk mitigation measures to ensure that the Company's risk profile stays within its risk appetite.
5. Review the effectiveness of the Company's Enterprise Risk Management Policy and Framework at least annually and update it as needed to respond to any event that might have a significant or material effect on the Company's financial position.
6. Ensure that the Company's Enterprise Risk Management complies with relevant regulatory requirements.
7. Perform other duties and responsibilities delegated by the Board of Directors.

In addition, the Board of Directors may appoint other sub-committees to deal with other special or important tasks occasionally.

7.4 Management

At December 31, 2021, the management of the Company according to definition of the Securities & Exchange Commission were:

Name	Position
1. Mr. Oran Vongsuraphichet	Director & Chief Executive Officer
2. Mrs. Nantinee Chinwanno	Executive Vice President
3. Ms. Pojaman Fuangaromya	Executive Vice President
4. Mr. Wichai Chaochaicharoenkul	Senior Vice President
5. Mr. Chamroen Phusit	Senior Vice President
6. Dr. Piyawadee Khovidhunkit	Senior Vice President
7. Mr. Chatchai Payakarintarangkura ¹	Senior Vice President (Head of Accounting and Finance)

Remark: ¹Mr. Chatchai Payakarintarangkura held the position of Head of Accounting and Finance and responsible for overseeing accounting by registering as an accountant for the Company since January 1, 2018. In 2021, Mr. Chatchai has trained in accounting for 6 hours. (Details can be found in Attachment 1)

The scope of duties, authorities and responsibilities of the CEO

1. Follow all legal and regulatory principles and undertake management of the Company in accordance with the resolution of shareholder's meeting and Board of Directors' meeting with honesty and integrity to protect the interest of the Company.
2. Recruit and develop employees of the Company and follow all disciplinary procedures as may be necessary. These authorities do not extend to employees directly employed by the Board.
3. Establish working regulations, job descriptions and manage the Company in accordance with the Company's regulations.
4. Manage business consistent with the Company's regulations and set authority levels for all employees.
5. Act as legal representative of the Company in all business transactions except where the CEO may have a conflict of interest with the Company or its subsidiaries. For business transactions that involve conflicts of interest, the consent of the Board of Directors will be required. The CEO may also appoint a representative to handle any specific transaction. The Company will not be involved in any act which is undertaken by the CEO in violation of the Company's regulations or consent of the Board of Directors unless the Board of Directors later ratifies such act.
6. When CEO is unavailable, the Executive Vice President may temporarily take over responsibilities to continue routine activities reporting later to the CEO. The Chairman will be advised when the CEO is unavailable or when the position of CEO is vacant, the Board of Directors has responsibility to select a new CEO. In the meantime, the Board of Directors may select a temporary replacement from the executives to undertake CEO's responsibilities.

7.5 Details of Employees

As of December 31, 2021, Thai Re Group had total workforce of 303 people. The number of employees working on each core business line is listed below:

Department	Employees
Reinsurance (THRE)	
Executive	7
Business Development	25
Business Support	42
Organization Support	51
Total	125
Service Providers (Subsidiaries)	178
Grand Total	303

- **Remunerations for employees**

The employees are considered as the important resources to bring the Company to achieve its vision and goal. Therefore, the Company determines the appropriate organizational structure and manpower, with an effective recruitment process to identify employees who have the knowledge, skills, experience and abilities to drive the Company towards the goals. In addition, the Company is confident that all selected employees are not involved in corruption.

The Company provides all its employees with fair and reasonable remuneration, based on qualifications, knowledge, ability and working experience. Annual salaries are determined through a clear, fair and transparent process on a pay-for-performance basis. Individual employees' performance is measured by a combination of assessment of Objectives & Key Results (OKR), which are cascaded from the top down to groups, departments, divisions and staff members respectively, and assessment of competency that aligns with the organizational culture. For the long-term the Company measures the employees' capability by their competency, which is used to determine their career advancement. Moreover, the Company periodically conducts a survey on compensation offered by its peers with a view to maintaining and enhancing its competitiveness in human capital management.

Apart from salaries, the remuneration package includes bonuses, financial aids, employee provident fund to which the Company contributes five to ten percent of the individual employees' salary depending on years of service, healthcare, social security fund, defined benefit plan, life, accident & health insurance, and human resource development.

In 2021, Thai Re Group has taken measures to help employees affected by the COVID-19 situation, including lower interest rates on loans and moratoriums, supply of masks and alcohol gels, providing the Antigen Test Kit (ATK), 3 Vaccination as well as helping with food and travel expenses to employees who are necessary to be at the office.

In 2021, Thai Re Group paid THB 384 million for employee remuneration, details of which are as follows:

Employees expenses	Thai Reinsurance (THRE)	Service Provider (Subsidiaries)	Total*
Salaries and wages	157	175	332
Social security fund	1	1	2
Contribution to provident fund	11	10	21
Defined benefit plans	4	6	10
Other benefits	8	11	19
Total	181	203	384

Remark: *Excluding related party transactions with the subsidiaries from the consolidated financial statements.

● Provident fund

	Number of employees who are members of the Provident Fund (persons)	Proportion of employees who are members of the Provident Fund / total number of employees (%)
Thai Reinsurance (THRE)	117	93.6
Service Provider (Subsidiaries)	268	88.45

○ Policy on selection of provident fund manager

The Company selected Krungsri Asset Management Co., Ltd., one of the country's leading asset management companies approved by the Office of the Securities and Exchange Commission, as the manager of its provident fund. The selection was made based on factors such as the fund manager's stability, track records, diverse investment options, risk management, servicing, and value given to the environmental, social and governance (ESG) practices. The Company's provident fund is in the employee's choice system which allows the employees to create a diversified investment portfolio that best suits each one of them, taking into account their ability to take risks and individual investment targets, under the investment framework formulated by the Fund Committee.

- **Human resource development policy**

The Company recognizes and attaches a high degree of importance to personnel development in order to enhance their skills necessary for and compatible with the fast-changing technologies and to gear up for today's world of ongoing uncertainty, volatility and change, or known as the VUCA world (V-Volatility, U-Uncertainty, C-Complexity, and A-Ambiguity). In this regard, the Company has adopted the T-shaped competency model, whereby the employees are required to have not only expertise in one particular field but also a broad base of knowledge and be able to complement knowledge with expertise or hard skills with soft skills as well as apply such knowledge and skills in the VUCA work environment. The employees are allowed to choose the skills they need to develop under the Individual Development Plan, which features in-class and online training or non-formal training such as project studies, and others.

Moreover, the Company pursues the goal to be a learning organization by nurturing an atmosphere conducive to continuous learning. To achieve this, it has launched, among others, the Knowledge Management (KM) program, the "Read and Share" project, and the ongoing "Knowledge Sharing" activity to allow for the employees to exchange new knowledge, not necessarily directly related to their work, with their colleagues and guest lecturers in a constructive environment. The Company also provides master's degree scholarships in the necessary fields to its employees.

7.6 Other important information

7.6.1 Head of Accounting Supervision

Mr. Chatchai Payakarintarangkura held the position of Head of Accounting and Finance and responsible for overseeing accounting by registering as an accountant for the Company since January 1, 2018. In 2021, Mr. Chatchai has trained in accounting for 6 hours. (Details can be found in the Attachment 1)

7.6.2 Company Secretary

The Board of Directors appointed Ms. Waraporn Lertrungrueng as the Company Secretary from June 1, 2018. The qualifications and the roles of the Company Secretary can be found in the Attachment 1.

7.6.3 Auditors' Remuneration

- **Audit fee**

Remuneration for the Company's external auditors includes fees for the annual audit, review of quarterly financial statements, audit and review of the risk-based capital report.

In 2021, the Company and its subsidiaries paid total audit fees of THB 5,300,000 to EY Office Ltd., consisting of audit fees for the Company of THB 2,900,000 and audit fees for four subsidiaries of THB 2,400,000.

- **Non-audit fee**

In 2021, the Company and its subsidiaries did not pay any other non-audit fee to EY Limited and the auditor.

8. Report on Important Operational Results of Corporate Governance

8.1 Summary of Board of Directors' Performance Last Year

Board of directors' meeting

The Board of Directors regularly holds a quarterly meeting as scheduled one year in advance. Special sessions can be called if needed. In 2021, the Board of Directors held four meetings. The Chairman and Chief Executive Officer together determine the meeting's agenda and each director can raise any issues included in the agenda. The secretary will send a notification letter that includes the meeting agenda and related documents at least 14 days prior to the meeting. During the meeting, Top management may attend some sessions for more information and clarification. Where voting is necessary a simple majority prevails. Where a Director declares conflict of interest, he or she may not participate and vote in that item. Meetings usually last two hours. Draft minutes of the meeting are sent to directors to ensure check for accuracy within 14 days of the meeting. The Board-approved minutes are then retained at the head office and remain available for inspection by interested parties.

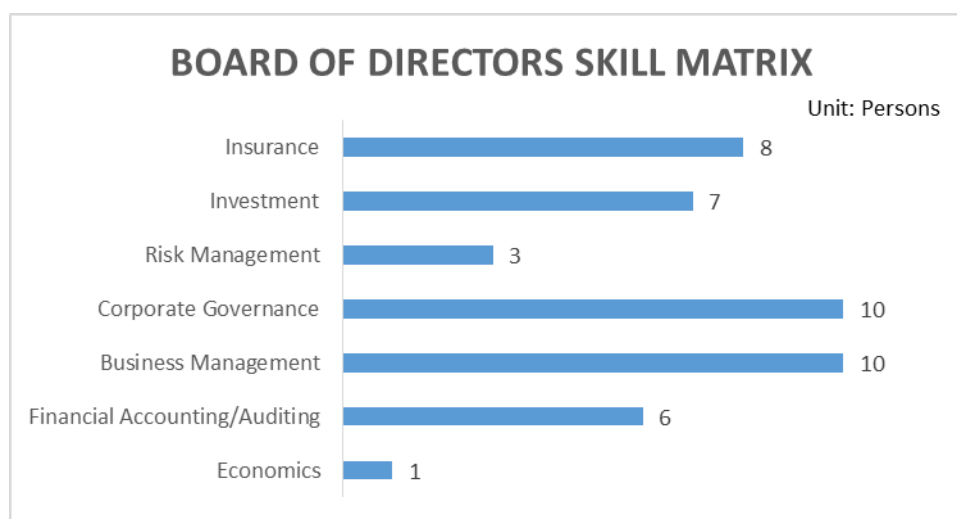
The Board also conducts an annual meeting of non-executive directors on November 30, 2021, to evaluate the annual performance, approve annual remuneration of Chief Executive Officer and employees, and discuss any other issues if any.

8.1.1 Nomination and Appointment of Directors and Top Management

- Nomination of directors and senior executives

Criteria for director nomination

For the process of director nomination and selection the Nomination and Remuneration Committee ensure that the qualifications required for each director's position meet the Company's operational and strategic needs. To ensure diversity among the directors, experience, professional skills, specialized knowledge and expertise of nominees is also considered. The Board Skill Matrix, as shown in Figure (1), is used as a basis for reviewing board composition and director nominations to ensure that selected board members views and opinions are in alignment with the Company's strategy and future direction.



To be appointed as a director or senior executive, nominees will have to have demonstrated that their expertise, professionalism and business acumen will bring added value to the Company. They must also completely meet the qualifications specified in Section 68 of the Public Limited Companies Act B.E. 2535 (and as amended) and the Notification of the SEC and must not possess any prohibited characteristics under the SEC Act (and as amended) and other applicable laws and regulations.

At present, the Board of Directors consists of 10 directors which suit the Company's size. Each director has working experience or ever held top management position in private or government sectors who has expertise in business management, insurance, investment, corporate governance, risk management and finance & accounting which made the current board composition diversely and suitable with the business in all aspects.

Nomination and appointment process for directors

Candidates for director position are to pass the nomination process of the Nomination and Remuneration Committee and require an approval of Board of Directors or the shareholders' meeting. There is no limit to number of director seats that the individual or group of shareholders can nominate according to their shareholding percentage. The Committee offers an equal opportunity to all individual to propose suitable candidates through the Company's website prior to the Annual General Meeting of Shareholders, or usually during three months before the end of fiscal year. The candidates must be competent and have a specialized professional background from various fields. Also, they must have leadership skills, vision, virtue, ethics and good track records and must be able to express opinion independently. The shareholders shall cast their votes for each candidate in accordance with the rules and regulations of the Company as follows:

- 1) Each shareholder is entitled to one vote per share.
- 2) Each shareholder may exercise all of his/her votes as stated in rule number 1) to elect either one or several candidates. However, his/her votes can not be split among all candidates. The Company does not apply cumulative voting due to its shareholders structure under which there is not any absolute major shareholder who has a controlling influence over the Company and over the decision on director election.
- 3) Those who receive the highest votes cast by shareholders shall be elected as directors in descending order until all of the required director positions are filled. In the event of a tied vote on the last in the order of director positions to be filled, the Chairman of the meeting shall have the deciding vote.

At present there are 2 directors appointed by major shareholders who are Mr. Chandran Ratnaswami and Mr. Gobinath Arvind Athappan

Criteria for executive recruitment

The Board of Directors, upon the recommendation of the Nomination and Remuneration Committee, considers an appointment of top management at president level and higher to be responsible for business operations, based on both the candidate's qualifications for an executive position and the Company's succession plan.

Nomination and appointment process for executives

The Nomination and Remuneration Committee is responsible for nominating a qualified candidate for the Chief Executive Officer (CEO) position. CEO and the Nomination and Remuneration Committee are jointly responsible for nominating senior executives in the first line below the CEO that is the president level. Qualified candidates are considered based on their knowledge, competence, skill and experience that will be useful for the Company's business operation, as well as their profound understanding of the Company's business and administrative ability to achieve the Company's goals and objectives. After completion of the selection and nomination process, names of the qualified persons will be proposed to the Board of Directors for approval.

The Nomination and Remuneration Committee is also responsible for the Company's management succession plan.

- **Nomination and appointment of independent directors**

The Company sets out the criteria for the selection process of independent directors. A candidate must meet the qualifications for director nomination of the Company as well as the qualifications of 'Independent Director' as defined by the SEC and OIC, which are:

Qualifications of independent director

"Independent Director" is a person who meets all qualifications and has the minimum independency as required under the Notification of the SEC, SET and OIC as follows:

1. An independent director must not hold more than 1 percent of the total number of shares with voting rights of the Company, parent company, subsidiaries, associated companies or any other juristic persons who may have a conflict of interest, inclusive of number of shares held by his/her related persons.
2. An independent director must not be a director who takes part in management, an employee, a staff member or an advisor who receives a regular salary, or a controlling person of the Company, parent company, subsidiaries, associated companies or subsidiaries of the same rank or juristic persons who may have a conflict of interest, unless the foregoing relationship already ended for at least two years before the date of appointment as the Company's independent director.
3. An independent director must not have relationship, whether by blood or by legal registration, in the form of fatherhood, motherhood, spouse, sibling and child as well as child's spouse of the executives, major shareholders, controlling persons or persons to be nominated as executives or controlling persons of the Company or its subsidiaries.
4. An independent director must not have existing or previous business relationship with the Company, parent company, subsidiaries, associated companies or juristic persons who may have a conflict of interest in a manner that may obstruct the exercise of his/her independent judgment, and must not be the existing or former major shareholder, non-independent director, or executive of those who have business relationship with the Company, parent company, subsidiaries, associated companies or juristic persons who may have a conflict of interest, unless the foregoing relationship already ended for at least two years before the date of appointment as the Company's independent director.

The term "business relationship" in the first paragraph includes any normal business transaction, rent or rent out of immovable property, transaction relating to assets or services, or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, in

the amount of 3 percent or more of the net tangible assets of the applicant or THB 20 million or more, whichever is lower.

5. An independent director must not be or have been an auditor of the Company, parent company, subsidiaries, associated companies or juristic persons who may have a conflict of interest, and must not be a major shareholder, non-independent director, executive or managing partner of an audit firm which employs auditors of the Company, parent company, subsidiaries, associated companies or juristic persons who may have a conflict of interest, unless the foregoing relationship already ended for at least two years before the date of appointment as the Company's independent director.
6. An independent director must not be or have been a professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding THB 2 million from the Company, parent company, subsidiaries, associated companies or juristic persons who may have a conflict of interest, and, in case the professional advisor is a juristic person, must not be or have been a major shareholder, non-independent director, executive or managing partner of the professional advisor, unless the foregoing relationship already ended for at least two years before the date of appointment as the Company's independent director.
7. An independent director must not be appointed as a representative of the Company's director, major shareholder or shareholders who are related to the Company's major shareholder.
8. An independent director must not undertake any business in the same nature and in competition with the business of the Company or its subsidiary, nor be a significant partner in a partnership or director with management authority, employee, staff member or advisor who receives salary or holds shares exceeding 1% of the total number of shares with voting rights of another company which undertakes business in the same nature and in competition with the business of the Company or its subsidiary.
9. An independent director must not have any other characteristics which make him/her incapable of expressing independent opinions with regard to the Company's business affairs.

The Board of Directors has considered, with due care, that all independent directors fully meet the qualifications set forth by the Company and their resuming in such position for several consecutive terms does not have any impact on the discharge of their duty and provision of independent opinions.

- **Director development**

The Board of Directors supports the training and provision of knowledge for directors so that they can continuously develop and improve their duty. The Company Secretary will from time to time provide them with the details of training courses that are useful for performing their duties. The Company will arrange an orientation session for new directors to ensure that the new directors can perform their duties efficiently. The Chief Executive Officer will brief the new directors on essential information such as insurance market data and company general information.

Details of directors who attended the seminar in 2021 can be found in Attachment 1.

- **Self-assessment of the Board of Directors in 2021**

The Board of Directors regularly conducts a board performance evaluation on a yearly basis. The evaluation results are then proposed to the Board of Directors' meeting for improvement of the Board of Directors' working efficiency and effectiveness. Like previous years, the board performance evaluation for 2021 was carried out (as a whole and individual basis) using the assessment form issued by the Stock Exchange of Thailand's Corporate Governance Center. The form was filled out by all directors, asking for their opinion on six key issues as follows:

1. Board structure and qualifications
2. Roles, duties and responsibilities of the board
3. The board meeting
4. Duties of directors
5. Relationship with the management
6. Director's self-improvement and management training

In 2021 the overall assessment scores show that the Board of Directors strongly agreed or opined that the above issues were excellently conducted. The average assessment score as a whole was 3.88 out of the total 4.00, or 97.08 percent and as individual basis self-assessment results of 3.91 or 97.79 percent. In addition, the Board of Directors also arranged for a self-assessment of all sub-committees, namely the Audit Committee, the Nomination and Remuneration Committee and the Investment Committee. The assessment results reveal that all sub-committees performed their duties completely and in line with the charters.

8.1.2 Board of Directors' Meetings and Remuneration of Each Director

- Names of the Board of Directors including their meeting attendance in 2021 are given below:

Board of Directors	Position	No. of meetings attended / No. of meetings held				
		Board of Directors	Audit Committee	Nomination and Remuneration Committee	Investment Committee	AGM
1. Mr. Chai Sophonpanich ¹	Chairman, Director of Investment Committee and Director of Nomination and Remuneration Committee	1/4 ¹	-	1/3 ¹	1/2 ¹	1/1
2. Mr. Chandran Ratnaswami	Vice Chairman, Chairman of the Nomination and Remuneration Committee, and Chairman of Investment Committee	4/4	-	3/3	2/2	0/1 ²
3. Mr. Kerati Panichewa	Director	4/4	-	-	-	1/1
4. Mr. Jiraphant Asvatanakul	Chairman ³ and Director of Nomination and Remuneration Committee and Director of Investment Committee	4/4	-	3/3	1/2 ⁴	1/1
5. Mr. Chanin Roonsamran ⁵	Independent Director and Director of Audit Committee	1/4 ⁵	1/4 ⁵	-	-	0/1 ²
6. Mr. Sara Lamsam	Independent Director	4/4	-	-	-	1/1
7. Ms. Potjanee Thanavarani	Independent Director and Chairman of Audit Committee	4/4	4/4	-	-	1/1
8. Mr. Gobinath Arvind Athappan	Director	4/4	-	-	-	0/1 ²
9. Mrs. Chaveewan Aksornsawaddi	Independent Director and Director of Audit Committee	4/4	4/4	-	-	1/1
10. Ms. Ada Ingawanij	Independent Director, Director of Audit Committee and Director of Nomination and Remuneration ⁶	4/4	4/4	1/3 ⁶	-	1/1
11. Dr. Apisit Anantanarat ⁷	Director	3/4 ⁷	-	-	-	0/1 ²
12. Mr. Oran Vongsuraphichet	Director, Director of Investment Committee, Chairman of Enterprise Risk Management Committee and Chief Executive Officer	4/4	-	2/3 ⁸	2/2	1/1

Remark ¹ Left the position of Chairman, Chairman of Investment Committee and Chairman of Nomination and Remuneration Committee on April 23, 2021.

² The director was absence due to prior engagement.

³ Appointed by board meeting no.2/2021 on May 25, 2021.

⁴ Appointed by board meeting no.1/2021 on February 24, 2021.

⁵ Left the position of Independent Director and Director of Audit Committee on April 23, 2021.

⁶ Appointed by board meeting no.3/2021 on August 31, 2021.

⁷ Appointed by Annual General Meeting no.28 on April 23, 2021.

⁸ Left the position of Director of Nomination and Remuneration Committee on August 31, 2021.

● Remunerations for the Directors and Executives

Remuneration policies for the Directors and Executives

The Nomination and Remuneration Committee shall determine the Board of Directors and executives remuneration to propose to Board of Directors and/or shareholder's meeting for approval. The remuneration plan for the Directors and senior management of the company is in line with industry peers. Directors who are members of sub-committees shall receive extra compensation. Each executive's annual performance evaluation is a consideration in determining his/her annual remuneration.

○ Monetary remuneration

a. Remunerations for directors

The remunerations in 2021 according to the resolution of the Annual General Meeting of Shareholders No. 28 on April 23, 2021 are listed below:

(Unit: THB)

Board of Directors	Remunerations (Monthly per person)		Meeting Allowance*		Gratuity
	Chairman	Director	Chairman	Director	
Board of Directors	30,000	25,000	35,000	25,000	-
Audit Committee	-	-	50,000	35,000	-
Nomination and Remuneration Committee	-	-	25,000	25,000	-
Investment Committee	-	-	25,000	25,000	-
Enterprise Risk Committee	-	-	-	-	-

Remark * Meeting allowance per person was paid to only the attendees of the meeting.

The remunerations¹ in 2021 are listed below:

Board of Directors	Remunerations (Monthly)	Gratuity	Remunerations				
			Board of Directors	Audit Committee	Nomination and Remuneration Committee	Investment Committee	Total
1. Mr. Chai Sophonpanich ²	90,000	528,626	35,000	-	-	25,000	678,626
2. Mr. Surachai Sirivallop ³	-	198,234	-	-	-	-	198,234
3. Mr. Chandran Ratnaswami	300,000	396,469	100,000	-	50,000	50,000	896,469
4. Mr. Kerati Panichewa	300,000	264,313	100,000	-	-	-	664,313
5. Mr. Jiraphant Asvatanakul	335,000	264,313	130,000	-	50,000	25,000	804,313
6. Mr. Chanin Roonsamran ⁴	75,000	264,313	-	35,000	-	-	374,313
7. Mr. Aswin Kongsiri ⁵	-	132,156	-	-	-	-	132,156
8. Mr. Sara Lamsam	300,000	264,313	100,000	-	-	-	664,313
9. Ms. Potjaneer Thanavarant	300,000	264,313	100,000	200,000	-	-	864,313
10. Mr. Gobinath Arvind Athappan	300,000	264,313	100,000	-	-	-	664,313
11. Mrs. Chaveewan Aksornsawaddi	300,000	132,156	100,000	140,000	-	-	672,156
12. Ms. Ada Ingawanij ⁶	300,000	132,156	100,000	140,000	25,000	-	697,156
13. Dr. Apisit Anantanatarat ⁷	200,000	-	75,000	-	-	-	275,000
14. Mr. Oran Vongsuraphichet ⁸	300,000	264,313	100,000	-	-	50,000	714,313
Total	3,100,000	3,369,988	1,040,000	515,000	125,000	150,000	8,299,988

Remark ¹ The committee's remuneration did not include the remuneration as Company's management. There was no remuneration for Risk Management Committee.

² Left the position of Chairman, Chairman of Investment Committee and Chairman of Nomination and Remuneration Committee on April 23, 2021.

³ Left the position of Vice Chairman, Director of Investment and Director of Nomination and Remuneration Committee on July 7, 2020.

⁴ Left the position of Independent Director and Director of Audit Committee on April 23, 2021.

⁵ Left the position of Independent Director and Director of Audit Committee on July 7, 2020.

⁶ Appointed the position of Director of Nomination and Remuneration Committee by board meeting no.3/2021 on August 31, 2021.

⁷ Appointed the position of Director by Annual General Meeting no.28 on April 23, 2021.

⁸ Left the position of Director of Nomination and Remuneration Committee on August 31, 2021.

b. Monetary remuneration for executives

In 2021, the Company paid salaries and bonus to seven executives, according to the list in the 'Management' Section, totally THB 74 million*.

Remark * Including remuneration received from subsidiaries

○ Other remunerations

a. Other remunerations for directors

-None-

b. Other remunerations for executives

The Company also offers provident fund and employee retirement fund to executives. In 2021, contribution to such funds was provided for seven executives, according to the list in the 'Management' Section as follows:

- Contribution to the provident fund at a rate of 5 -10 percent of salary, totaling THB 3.8 million.
- Contribution to post-employment benefits totaling THB 5.2 million.

8.1.3 Monitoring of Subsidiaries and Associated Companies

Under the Company's mechanism for monitoring of its subsidiaries and associated companies, the Board of Directors and/or the management are responsible for nominating and voting on appointment of the Company's directors and/or executives to serve as directors of the subsidiaries and associated companies. The appointed persons shall be obligated to perform duties in the best interest of the subsidiaries or associated companies that they serve.

In the case of subsidiary companies, the Company has stipulated that its representatives appointed as the subsidiaries' directors must ensure that the subsidiaries have completely and accurately drawn up a guideline on connected transactions, acquisition/disposal of assets or any other crucial transactions, and have adhered to the disclosure rules and rules for the said transactions similar to the rules of the Company. They must also supervise and ensure that the subsidiaries keep data files and account books available for the Company to examine and submit them in time for preparation of the group's consolidated financial statements.

However, there has been no agreement between the Company and other shareholders with respect to the management of the subsidiaries and associated companies.

8.1.4 Monitoring of Compliance with the Corporate Governance Policy and Guidelines

The Company attaches importance to good corporate governance and has set out the related policies and guidelines in the corporate governance policy and business ethics, as well as encouraged the translation of the policy into practice so as to build trust among the stakeholders.

In the past year, the Company monitored and ensured the corporate governance policy and guidelines were complied with, as follows:

- **Prevention of Conflict of Interest**

The Company has outlined the interest and conflict of interest policy for the directors and executives to adhere to in the best interests of the Company. The Audit Committee has duties to oversee and ensure strict compliance with the established regulations and also to compile and report the related party transactions that may create a conflict of interest to the Board of Directors on a quarterly basis. In the past year, the Company reviewed the interest and conflict of interest policy, which was already approved by the Board of Directors on March 5, 2021

- **Use of Internal Information for Benefits**

The Company monitors and ensures that the use of internal information conforms with the laws and the corporate governance principles. This has been prescribed in writing in the internal information policy, which is available on the Company's website at <https://investor.thaire.co.th/en/corporate-governance>

In the past year, none of the directors and executives were found to have performed any securities trading during the blackout period designated by the Company.

- **Anti-corruption**

The Company has a policy to counter corruption and bribery for commercial benefit and has established this as the best practices for customers, competitors and state agencies in its code of business ethics since 2000. Under the policy, all directors, executives and employees shall abide by the principles of integrity and shall neither give nor receive any bribe whether in form of a gift or any other benefit. They shall not perform any act that is conducive to fraud and bribery; nor perform any act or assist in or support any act that is deemed as a misconduct according to the relevant laws and notifications; nor perform any act relating to property in bad faith or any act that is detrimental to the national economy or security; nor conceal or take part in a transfer or sale of property obtained from such act.

In addition, the Company has drawn up a policy on interest and conflict of interest and a policy on control over the use of internal information, aiming to ensure performing of duties in a transparent and examinable manner in line with its corporate governance principles.

In 2021 The Company was 2nd recertified as a member of Thai Private Sector Collective

Action Against Corruption, “CAC”. the Company has reviewed the anti-corruption policy by specifying risk evaluation procedures, guidelines in monitoring and supervising corruption within the Company as well as following up results to indicate its concrete and determination in operating the business with integrity, transparency and equality to every stakeholder in compliance with good governance policy. The Company's Board of Directors have also revised the appropriateness of anti-corruption policy on an annual basis. The said anti-corruption policy and measures will be communicated to the employees via training programs and also to external party.

The Anti-Corruption Policy and Measures can be download from the Company's website at <https://investor.thaire.co.th/storage/content/corporate-governance/20220104-thre-ac-measures-en.pdf>

- **Whistleblowing**

The Company provides whistleblowing and complaint channels for stakeholders to report any such concerns. The Secretary to the Audit Committee has a duty to preliminarily consider the complaint and screen factual information thereon before reporting to the Audit Committee Chairman. No complaints were lodged last year.

8.2 Report of the Audit Committee Performance Last Year

8.2.1 Report of the Audit Committee Performance

In 2021, the Audit committee members held four meetings; their main duties can be summarized as follows:

1. Review of the financial statements of the Company prior to submission to the Stock Exchange of Thailand and the Securities Exchange Commission.
2. Nominate of auditors and their remuneration. In 2021, EY Office Limited was nominated and appointed as auditors of the Company for another year.
3. Hold two meetings with the external auditors. A meeting without the attendance of management to review the guidelines and the scope of audit performance. And another meeting to review the audit plans, its results, and recommendations has been undertaken to ensure that all audit processes are done in a manner with auditing standards.
4. Supervise and approving internal annual audit plans based on the Company's risk status. The inspection reports are audited to ensure that the investigation has been completed in accordance with auditing standards. This includes monitoring of the proposed revisions to the internal controls system to improve efficiency and effectiveness.

5. Review the related party transaction reports every quarter.
6. Review the Company's risk management policies, policy implementation and guidelines for effective risk management.
7. Review the compliance with laws and regulations every quarter.
8. Review the Company for appropriate and adequate implementation on anti-fraud /corruption measures and the whistleblowing /protection system.
9. Review the Audit Committee Charter to cover the duties and responsibilities under the principles of good corporate governance.
10. Conduct the annual Audit Committee self-evaluation for review and self-improvement.
11. Conduct the annual internal control adequacy evaluation and propose results to the Board of Directors.

In the year 2021, the Audit Committee has fully performed its duties in accordance with the Audit Committee Charter assigned by the Board of Directors. The full report of the Audit Committee can be found in Attachment 6.

8.3 Reports of Sub-Committees Performance

8.3.1 Report of the Nomination and Remuneration Committee Performance

In 2021, the Nomination and Remuneration committee held three meetings to appoint qualified persons to replace retired directors and determine remuneration for Sub-Committee and Board of Directors, Chief Executive Officer and employees.

The Committee has fully performed its duties in accordance with the Charter of the Nomination and Remuneration Committee assigned by the Board of Directors. The full report of the Nomination and Remuneration Committee can be found in Attachment 6.

8.3.2 Report of the Investment Committee Performance

In 2021 the Investment Committee held two meeting to consider the annual investment framework and plan to suit with the economic and investment trend.

In the year 2021, the Investment Committee has fully performed its duties in accordance with the Charter of the Investment Committee assigned by the Board of Directors. The full investment report can be found in Attachment 6.

8.3.3 Report of the Enterprise Risk Management Committee Performance

The Enterprise Risk Management Committee had met five times in 2021 to revise the Company's risk appetite and identify the Company's top risks. Risk register has been prepared whereas risk owner, risk tolerance, key risk indicators, and risk management measures have been revised to ensure that the Company's enterprise risk management that has been put in place is efficient and effective, and enable the Company to manage its risks within the Company's risk appetite. The Enterprise Risk Management Committee has continuously monitored the Company's risk profile, key risk status and Capital Adequacy Ratio and report the results to the Board of Directors every quarter.

9. Internal Control and Related Party Transactions

9.1 Internal Control

9.1.1 Summary of the Board of Directors' Opinion Regarding Internal Control Systems

At the Board of Directors' Meeting No. 1/2022 held on February 22, 2022, which was attended by all members of the Audit Committee, the Board of Directors considered the Form for Evaluation of Internal Control Adequacy for the year 2021 which was agreed by the Audit Committee in accordance with the framework for the internal control guidelines by The Committee of Sponsoring Organizations of the Treadway Commission (COSO). The COSO internal control framework consists of five components which are Control Environment, Risk Assessment, Control Activities, Information & Communication and Monitoring Activities.

The Board of Directors has an opinion that the Company and subsidiaries have sufficient and appropriate components of internal controls by establishing, maintaining and reviewing to ensure existence and consistency of the internal controls in regard to financial reporting, operations and compliance. The Company has separated duties and responsibilities between the operating staff and the control and evaluation staff to ensure proper checks and balances exist. Authority of the executives and operating officials at all levels are clearly defined in writing, covering any transactions that may involve a conflict of interest. Risks are identified and assessed and risk prevention and management measures are clearly devised. Regulatory compliance is monitored through a quarterly compliance report that is submitted to the Audit Committee. The Company also monitors and makes sure that all significant information is disclosed in an accurate, complete and timely manner in accordance with the regulations of the SET and the SEC.

9.1.2 Opinion of the Audit Committee that Is Different from the Board of Directors or the Auditor's Observation Regarding Internal Control

The Audit Committee's opinion is in line with the Board of Directors and auditors.

9.1.3 Head of Internal Audit Department

The Company has established the Internal Audit Department which is under the direct supervision of the Audit Committee who have full authority to appoint, dismiss and transfer the Head of Internal Audit Department.

The Audit Committee monitors the operational activities of the Head of the Internal Audit Department. The Committee supports training programme for the Department's Head to ensure that he or she obtains skills and knowledge appropriate for the role of internal auditor.

Education/training background and working experience of Head of Internal Audit are disclosed in Attachment 3.

9.1.4 Head of Compliance Department

The Company set up a Compliance Department as approved by the Board of Directors' meeting, special session held on October 10, 2014 and has been under supervision of the Audit Committee.

During the year, the Compliance Department audits on compliance of all relevant regulations and laws and report to the Audit Committee on quarterly basis.

Education/training background and working experience of Head of Internal Audit are disclosed in Attachment 3.

9.2 Related Party Transactions

9.2.1 Group Restructuring

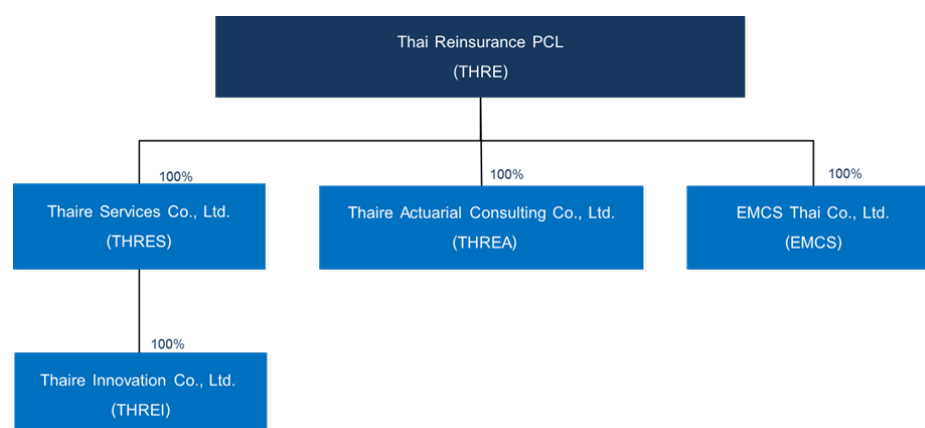
The Company restructured its subsidiaries group structure in the year 2021 in order to explicitly separate its group businesses between Reinsurance Business and Insurance-Related Technology Business. In addition, to support the Company's subsidiaries to be listed on the Stock Exchange in the future.

Group restructuring were made by sell and transfer under common control (UCC). After restructuring, The Company still directly and indirectly holds 100% of its subsidiaries' shares as the following details;

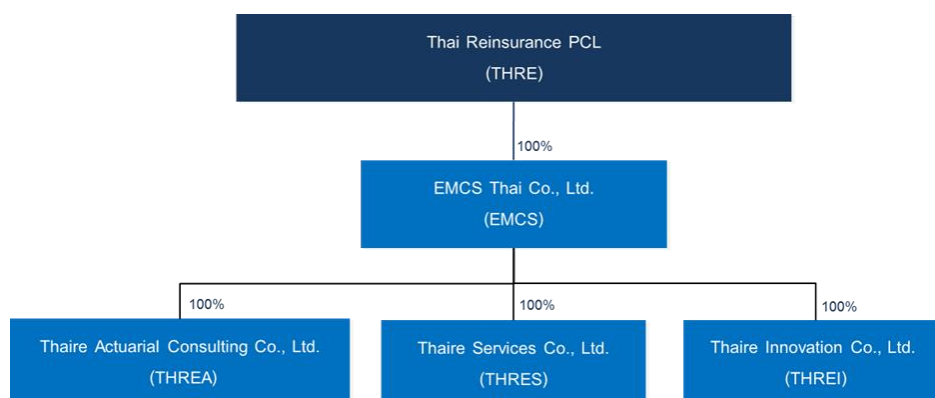
- Thaire Services Company Limited ("THRES"), the Company's subsidiary, transferred its entire 100% shares held in Thaire Innovation Company Limited ("THREI") at par value to another Company's subsidiary, EMCS Thai Company Limited ("EMCS").
- EMCS with approval by the Office of Insurance Commission ("OIC") issued new 30,000,000 ordinary shares with a par value of THB 5 per share amounting to THB 150 million. As a result, EMCS has an issued and paid-up share capital of THB 180 million.
- The Company transferred its entire 100% shares held in THRES and Thaire Actuary Consulting Company Limited ("THREA"), both at the par value or equivalent to THB 150 million in exchange of the newly-issued ordinary shares of EMCS.

After the Group restructuring, THREI, THRES and THREA are the subsidiaries of EMCS.

Shareholding Structure Before the Restructure



Shareholding Structure After the Restructure



9.2.2 Related Parties Transactions

The Company group has had related parties transactions with related companies (in terms of shareholders and/or co-directors) and within the group for normal operations according to the agreed conditions. The operation shall be managed with faithfulness, reasonable and independency at the same price and condition as third parties. The related parties transactions report shall be submitted to the Audit Committee to review and to Board of Directors for acknowledgment on quarterly basis. The Audit Committee agreed that the related transactions were disclosed completely and righteously as mentioned in the Audit Committee Report (Attachment 6). The related parties transactions can be summarized as follows:

Reinsurance

(Unit: THB Million)

Company Involved	Gross reinsurance premium written			Premium ceded to reinsurers			Amounts due from (to) reinsurers			Amounts deposited (withheld) on reinsurance			Name of Directors
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	
Bangkok Insurance PCL.	634.82	563.29	490.15	139.98	104.42	75.68	61.76	11.57	15.92	51.06	46.69	46.07	Mr. Chai Sophonpanich *
Krungthai Panich Insurance PCL.	17.66	10.57	10.01	-	-	0.02	1.64	1.34	2.15	2.19	1.84	0.84	Dr. Apisit Anantanatarat *
Falcon Insurance PCL.	187.22	172.33	195.30	5.30	5.40	4.83	12.62	9.96	18.56	13.76	9.51	16.06	Mr. Kerati Panichewa
Thaivivat Insurance PCL.	150.17	136.93	208.77	-	-	0.01	0.22	(26.10)	(7.20)	94.25	93.20	67.59	Mr. Oran Vongsuraphichet
Muang Thai Insurance. PCL.	803.59	795.69	698.50	-	-	0.03	12.21	11.66	37.91	173.60	197.58	164.97	Mr. Jiraphant Asavatanakul
													Mr. Sara Lamsam
Total	1,793.46	1,678.81	1,602.73	145.28	109.82	80.57	88.45	8.43	67.34	334.86	348.82	295.53	

(Unit: THB Million)

Company Involved	Commission & Brokerage Income			Commission & Brokerage Expenses			Claims Recovery			Claims Expenses			Name of Directors
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	
Bangkok Insurance PCL.	61.24	49.36	34.03	239.19	221.65	195.26	139.84	31.69	34.05	387.42	240.66	183.04	Mr. Chai Sophonpanich *
Krungthai Panich Insurance PCL.	(0.02)	0.01	0.01	4.18	3.05	2.33	(0.06)	(0.49)	0.80	4.41	2.17	3.17	Dr. Apisit Anantanatarat *
Falcon Insurance PCL.	2.61	2.63	2.31	58.37	52.65	54.65	5.14	1.77	2.09	79.30	58.09	72.98	Mr. Kerati Panichewa
Thaivivat Insurance PCL.	(0.09)	(0.00)	0.01	15.07	13.65	22.21	(0.06)	(0.26)	0.51	231.29	17.48	209.52	Mr. Oran Vongsuraphichet
Muang Thai Insurance. PCL.	(0.70)	(0.08)	0.07	296.20	277.20	265.46	(0.18)	(1.57)	2.62	451.69	441.25	434.18	Mr. Jiraphant Asavatanakul
													Mr. Sara Lamsam
Total	63.04	51.92	36.43	613.01	568.20	539.91	144.68	31.14	40.07	1,154.11	759.65	902.89	

Remark: * The Annual General Meeting of Shareholders No. 28 on April 23, 2021, Mr. Chai Sophonpanich completed his term as a director of the Company and the Meeting resolved to appoint Dr. Apisit Anantanatarat to be the Director of the Company.

Other Services (Performed by Subsidiary Companies)

(Unit: THB Million)

Company Involved	Service Income			Account Receivable			Accrued Revenue			Name of Director
	2021	2020	2019	2021	2020	2019	2021	2020	2019	
Bangkok Insurance PCL.	2.49	7.21	7.92	0.70	0.58	2.03	0.01	0.01	0.01	Mr. Chai Sophonpanich *
Krunghai Panich Insurance PCL.	1.19	0.10	0.46	0.08	0.00	0.05	0.01	0.01	0.01	Dr. Apisit Anantanarat *
Falcon Insurance PCL.	3.80	2.77	2.87	0.30	0.60	0.35	0.23	0.05	-	Mr. Kerati Panichewa
Thaire Life Assurance PCL.	6.81	7.43	4.81	-	-	-	-	-	-	Mr. Oran Vongsuraphichet
Thaivivat Insurance PCL.	1.10	0.05	0.23	0.21	-	0.02	-	-	-	Mr. Oran Vongsuraphichet
Muang Thai Insurance PCL.	8.37	15.61	17.76	1.34	1.30	1.56	0.01	0.01	-	Mr. Jiraphant Asavatanakul
Muang Thai Life Assurance PCL.	0.02	-	-	-	-	-	-	-	-	Mr. Sara Lamsam
Kasikornbank PCL.	0.00	0.01	-	-	-	-	-	-	-	Mr. Sara Lamsam
Total	23.78	33.18	34.05	2.63	2.48	4.01	0.26	0.08	0.02	

Remark: *The Annual General Meeting of Shareholders No. 28 on April 23, 2021, Mr. Chai Sophonpanich completed his term as a director of the Company and the Meeting resolved to appoint Dr. Apisit Anantanarat to be the Director of the Company.

Investment in Securities

(Unit: THB Million)

Company Involved Type of Investment	Type of Investment	Investment Fund (Market Value)			Dividend / Interest			Shareholding THAIRE		Dividend Payout			Name of Director
		2021	2020	2019	2021	2020	2019	No. of shares	Percent	2021	2020	2019	
Bangkok Insurance PCL.	Common Stock	102.47	338.90	362.31	14.19	17.30	17.25	103.55	2.46%	4.14	-	-	Mr. Chai Sophonpanich *
Falcon Insurance PCL.	Common Stock	-	-	-	-	-	-	25.36	0.60%	1.01	-	-	Dr. Apisit Anantanatarat *
Thaire Life Assurance PCL.	Common Stock	197.55	190.30	218.15	8.48	7.88	16.97	-	-	-	-	-	Mr. Oran Vongsuraphichet
Thaivivat Insurance PCL.	Common Stock	-	-	-	-	-	-	3.67	0.09%	0.15	-	-	Mr. Oran Vongsuraphichet
Muang Thai Life Assurance PCL.	Common Stock	-	-	-	-	-	-	30.80	0.73%	1.23	-	-	Mr. Jiraphant Asavatanakul
KASIKORNBANK PCL.	Common Stock	90.56	72.00	-	1.92	2.90	-	-	-	-	-	-	Mr. Sara Lamsam
T.I.I. Co., Ltd. (Thailand Insurance Institute)	Common Stock	17.71	17.71	-	0.66	0.40	-	-	-	-	-	-	Mr. Sara Lamsam
HWIC Asia Fund	Common Stock	-	-	-	-	-	-	1,987.10	47.14%	79.48	-	-	Mr. Chandran Ratnaswami
Total	รวม	408.29	618.91	580.46	25.25	28.48	34.22	2,150.48	51.02%	86.01	-	-	

Remark: * The Annual General Meeting of Shareholders No. 28 on April 23, 2021, Mr. Chai Sophonpanich completed his term as a director of the Company and the Meeting resolved to appoint Dr. Apisit Anantanatarat to be the Director of the Company.

All of the investments mentioned above except T.I.I. Co., Ltd. (Thailand Insurance Institute) were traded in the Stock Exchange of Thailand as long-term investments. It is necessary to disclose that the Company has an investment policy not to do "Cross Holding."

In addition, the Company also has transactions with our subsidiaries as shown in the following table:

(Unit: THB Million)

Company Involved	Service income			Service expenses			Dividend income			Disposals assets			Name of Director
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019	
EMCS Thai Co., Ltd.	-	0.05	-	-	-	-	52.80	40.08	36.00	-	-	-	Mr. Oran Vongsuraphichet
Thaire Services Co., Ltd.	0.37	0.37	0.40	9.15	9.20	8.40	3.00	-	4.50	-	-	-	Mr. Oran Vongsuraphichet
Thaire Actuarial Consulting Co., Ltd.	0.20	0.20	0.20	-	3.53	-	-	-	-	-	-	-	Mr. Oran Vongsuraphichet
Thaire Innovation Co., Ltd.	-	-	-	2.00	-	-	-	-	-	0.28	-	-	Mr. Oran Vongsuraphichet
Total	0.57	0.62	0.60	11.15	12.73	8.40	55.80	40.08	40.50	0.28	-	-	

9.2.3 Necessity and Validity of the Related Parties Transactions

The related parties transactions are normal course of business and considered to be beneficial to the Company's business. The transactions with subsidiaries and associate are also considered a maximization of the existing resources and to reduce the expense. Quarterly report of related parties transactions shall be submitted to the Audit Committee for acknowledgment.

9.2.4 Policy on Interest and Conflict of Interest

The Board of Directors recognizes the importance of prevention of interest and conflict of interest and has established a policy on interest and conflict of interest as follows:

1. The directors and executives must disclose their interests and their related persons as follows:
 - a. First disclosure : within 7 days after the appointment
 - b. Annual disclosure : report as of 31 December of every year
 - c. Report any change on their interest : within 3 days

In order for the Company to have the information for the connected transactions process which may cause conflict of interest and may lead to the transfer of benefits of the Company and its subsidiaries.

2. The Board of Directors shall prudently control and monitor any transactions that are prone to a conflict of interest by determining approval procedures for connected transactions in writing.
3. The directors must not approve any matters in which they have interests or have conflicts of interest both directly and indirectly.
4. The Audit Committee shall report transactions with a possible conflict of interest and connected transactions to the Board of Directors on a quarterly basis.
5. If there are any connected transactions that are subject to disclosure rules or approval from the shareholders pursuant to the SET's requirements, the Company shall, before entering into the transactions, clearly disclose to shareholders the information regarding relationship of the connected persons, policy on determination of transaction value, reasons for entry into the transactions, and opinion of the Board of Directors on the transactions.
6. The Board of Directors sets out that materials on related party transactions shall be disclosed in 56-1 One Report of the Company, with details about names of persons who may have a conflict of interest, relationship, nature of the transactions, conditions, policy on price determination and value of the transactions, reasons and necessity of the transactions.

9.2.5 Guidelines on Consideration of Transactions that Have/May Have a Conflict of Interest

Consideration of transactions that have/may have a conflict of interest shall comply with the rules set forth by the SEC and the SET. The Audit Committee has duty to monitor and ensure that the rules are strictly adhered to, as well as duty to compile and report transactions with related parties that may lead to transactions with a possible conflict of interest to the Board of Directors on a quarterly basis.

9.2.6 Authorization of the Related Party Transactions

Due to the Company's listing on the Stock Exchange of Thailand (SET), the related party transactions are subject to rule and regulate the SET. The related party transactions are also required to be monitored and supervised closely by executives. In addition, directors who have no conflict of interest to the related transaction will manage the process of related party transaction as mentioned in the previous chapter. However, this does not include routine transactions of the Company such as purchasing. It is necessary for the Company to publish information about the types and values of the related party transactions and also to provide reasons why they choose to do related party transactions in the annual shareholders meeting. Prior to any related party transactions by the Company, permission from the Stock Exchange of Thailand is required.

For all existing transactions that are comparable with market price and have been ongoing for many years, usually automatically acquire the authorization from the auditor. Summary report on the related party transactions will be submitted to the Audit Committee quarterly.

Therefore, the Company did not have related party transactions business that may have a conflict of interest.

9.2.7 Trend of the Related Party Transactions in the Future

The Company still has a policy to continue the related party transactions with the conditions according to the marketing mechanism and normal trade regulation with the comparative price for clients as usual.

9.2.8 Disclosure of the Connected Transactions Policy

The Board of Directors of Thai Reinsurance PCL. has set out the connected transactions policy in a bid to ensure that such transactions are carried out correctly, properly and in conformity with the applicable laws and regulations, comprising (1) Notification of the Capital Market Supervisory Board No. TorChor. 21/2551 Re: Rules on Connected Transactions and (2) Notification of the

Board of Governors of the Stock Exchange of Thailand Re: Disclosure of Information and Other Acts of Listed Company Concerning the Connected Transactions B.E. 2546.

Read more about the connected transactions policy on the Company's website at <https://investor.thaire.co.th/storage/content/corporate-governance/20220104-thre-policy-transaction-en.pdf>, the Corporate Governance page.

In 2021, the Company did not enter into any connected transaction.

Part 3

Financial Statements

10. Ten-Year Financial Highlights

Consolidated financial statements	2021	2020	2019	2018	2017	2016	2015	2014**	2013	2012	2011
								(Restated)			
Gross Written Premium	4,407	4,329	4,455	4,849	4,903	5,183	5,262	4,714	5,918	6,261	7,416
Net Written Premium	4,033	3,944	3,498	3,483	3,041	3,404	3,314	4,462	5,550	5,357	5,757
Net Underwriting Profit (Loss) ¹	(601)	54	(225)	(459)	(174)	264	276	(2,150)	(4,320)	(6,093)	(2,352)
Net Investment Income	103	132	301	(297)	371	45	2,914	590	742	728	272
Net Services Income	53	63	80	65	71	58	63	49	62	45	21
Profit (Loss) before Income Tax	(436)	255	164	(688)	257	347	3,202	(1,339)	(3,529)	(5,346)	(2,052)
Net Profit (Loss)	(356)	222	125	(1,012)	(111)	278	2,655	(1,953)	(2,799)	(4,349)	(1,660)
Total Assets	7,113	7,007	7,813	9,842	12,395	14,418	15,112	14,682	27,910	33,433	25,720
Total Liabilities	3,868	3,325	4,263	6,222	7,529	9,038	9,656	10,899	25,082	30,154	24,978
Share capital paid up*	3,709	3,709	4,215	4,215	4,215	4,215	4,215	4,215	3,512	3,512	1,187
Capital Funds (Shareholders' Equity)	3,245	3,681	3,549	3,620	4,866	5,320	5,413	3,054	2,273	3,476	728
Book Value per share (Baht)	0.77	0.87	0.84	0.86	1.15	1.26	1.28	0.72	0.65	0.99	0.61
Dividend Per Share (Baht)	-	0.04	-	-	0.10	0.15	-	-	-	-	0.2

Remarks * On 8 October 2020, Thai Reinsurance PLC. registered its registered and paid-up share capital reduction of Baht 505.8 million that was made by reducing the parvalue per share from Baht 1.00 to Baht 0.88. As a result, the Company's registered and paid-up share capital decreased from Baht 4,215.0 million to Baht 3,709.2 million which was approved by the Annual General Shareholders Meeting No.27 held on 7 July 2020.

Remark * On 8 October 2020, Thai Reinsurance PLC. registered its registered and paid-up share capital reduction of Baht 505.8 million that was made by reducing the par value per share from Baht 1.00 to Baht 0.88. As a result, the Company's registered and paid-up share capital decreased from Baht 4,215.0 million to Baht 3,709.2 million which was approved by the Annual General Shareholders Meeting No.27 held on 7 July 2020.

Consolidated financial statements	2021	2020	2019	2018	2017	2016	2015	2014** (Restated)	2014	2013	2012	2011
Ratio (Percent)												
Return on Revenue	(7.9)	5.0	3.0	(25.1)	(2.9)	6.9	40.8	(28.2)	(28.2)	(42.7)	(69.1)	(26.8)
Return on Net Written Premium	(8.8)	5.6	3.6	(29.1)	(3.7)	8.2	80.1	(43.8)	(32.2)	(50.4)	(81.2)	(28.8)
Return on Equity	(10.3)	6.1	3.5	(23.9)	(2.2)	5.2	62.7	(73.3)	(73.3)	(97.4)	(206.9)	(89.9)
Return on Assets	(5.1)	3.0	1.4	(9.1)	(0.8)	1.9	17.8	(9.2)	(9.2)	(9.1)	(14.7)	(9.5)
Return on Investment	2.3	3.3	6.0	(4.7)	4.7	0.5	28.7	4.5	4.5	4.4	4.9	3.4
Loss Ratio ²	66.7	49.0	54.8	54.8	46.8	43.6	43.6	101.2	85.3	136.1	169.9	103.7
Acquisition Ratio ³	48.1	49.6	51.5	58.3	58.7	48.9	50.3	46.7	44.5	42.4	44.1	43.7
Combined Ratio	114.8	98.6	106.2	113.1	105.5	92.5	93.9	147.9	129.8	178.5	214.0	147.4
Solvency Ratio	85.9	91.7	102.5	121.8	167.5	157.7	127.7	59.7	43.9	51.8	39.2	32.1
Current Ratio (times)	1.4	1.3	1.2	1.1	1.2	1.2	1.1	1.1	1.1	1.0	1.1	1.1
Reserve Ratio ⁴	117.7	123.2	139.6	170.6	234.5	249.8	227.2	151.3	111.2	218.7	272.2	120.3

Description:

a) In 2015, the Company has changed in percentage of shareholding in Thaire Life Assurance Public Company Limited and changed the status of the investment in Thaire Life Assurance Public Company Limited from investments in subsidiary to investments in associated company.

* 2014 were restated, the operating results of Thaire Life Assurance Public Company Limited were presented separately as "Profit of the former subsidiary before the change of status" to associated company".

b) In 2016, the Company has changed in percentage of shareholding in Thaire Life Assurance Public Company Limited and changed the status of the investment in Thaire Life Assurance Public Company Limited from investments in associated company to investments assets.

c) The Company has changed Acquisition Ratio formula from "acquisition cost to netwritten premiums" to "acquisition cost to earned premium" that caused to change in combined ratio which were presented in 2010 - 2019 in this report.

Note:

1. Net of other operating expenses, bad debts and doubtful accounts

2. Loss incurred expressed as a percentage of earned premiums

3. A ratio of total commission to earned premium plus total incurred expenses to earned premium

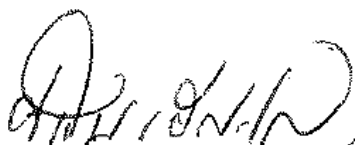
4. Aggregation of Unpaid losses, Unearned premium reserve and Life policy reserve

11. Report on the Board of Directors' Responsibilities for the Financial Report

The Board of Directors are responsible for the Company and its subsidiaries' financial statements including the financial information shown in Form 56-1 One Report. The Company's financial statements ended December 31, 2021 are prepared in accordance with the Thai Accounting Standard. The appropriate accounting policies are constantly implemented. Sufficient important information are disclosed in the footnotes of the financial statements which have been audited by the auditors.

The Board of Directors have provided and maintained the effectiveness of risk management, internal control, internal audit and supervision, to be assured that the financial records are accurate, complete and adequate to protect the Company's assets and to prevent any significant operational risk. The Board of Directors have appointed an Audit Committee comprised of independent directors and non-management members of the Company as regulators in this matter. The opinion of the Audit Committee with regards to these matters appears in the Report of the Audit Committee in this Form 56-1 One Report.

The Board of Directors are of the view that the Company has maintained an effective internal control system at an adequate and appropriate level to assure the credibility of the financial statements. The financial positions, operating performance and cash flows of Thai Reinsurance Public Co., Ltd. and its subsidiaries are presented correctly and completely in accordance with the accounting standard.



(Mr. Jiraphant Asvatanakul)

Chairman



(Mr. Oran Vongsuraphichet)

Chief Executive Officer

12. Independent Auditor's Report

To the shareholders of Thai Reinsurance Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Thai Reinsurance Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2021, and the related consolidated statements of income, comprehensive income, changes in owners' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Thai Reinsurance 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 Thai Reinsurance Public Company Limited and its subsidiaries and of Thai Reinsurance Public Company Limited as at 31 December 2021, their 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 Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions under the Royal Patronage of His Majesty the King as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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.

Reinsurance premiums written

Revenues from the Company's core business are reinsurance premiums written whereby in 2021, the Company had reinsurance premium written of Baht 4,407 million. In doing the reinsurance business, the Company has entered into both facultative reinsurance and treaty reinsurance contracts with customers that are general insurance companies whereby the contracts contain various conditions relating to type of insurance, ceding ratios and coverage periods, among others. In addition, recognition of earned reinsurance premiums under the reinsurance contracts is required to meet the criteria and definition of insurance contracts under Thai Financial Reporting Standards, which involve the judgement exercised by the Company's management in considering and reviewing classification of insurance contracts. Therefore, I focused on examining that reinsurance premiums were actually earned and correctly recognised.

The audit procedures I performed were to assess and test, on a sampling basis, the Company's internal controls relevant to the recognition of reinsurance premium earned from reinsurance contracts, to assess the methodology and key assumptions used in the tests of insurance contract classification, to test accuracy and completeness of data used by the Company for the tests of insurance contract classification and to reconcile the amounts of reinsurance premium with those shown on the statements of accounts received from the reinsured. In addition, I performed analytical procedures of gross premium written, disaggregated by type of reinsurance and tested, on a sampling basis, significant adjustments made by journal vouchers.

Loss reserves

As described in Note 18 to the financial statements, as at 31 December 2021 the Company had loss reserves (included as a part of insurance contract liabilities) of Baht 1,516 million. Loss reserves are estimates of losses from both claims incurred and reported and claims incurred but not reported. In such estimation, major assumptions used were determined with reference to historical and forecast data. These assumptions require management to exercise substantial judgment and are highly uncertain. Such estimates are also dependent on the accuracy of the data related to the number, amounts and pattern of claims incurred, and the accuracy of the forecasted information. I therefore focused on the adequacy of the Company's loss reserves.

I performed audit procedures by assessing and testing, on a sampling basis, the Company's internal controls relevant to recording of claims, assessing the appropriateness of methodology and assumptions used in estimating loss reserves, testing, on a sampling basis, the data used in estimation against the Company's incurred claims data, and reviewing documents and loss reports of major claims from insurance companies against accounting records of such losses.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group'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 Group'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 Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

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: 22 February 2022

13. Financial Statements and Note

Thai Reinsurance Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2021 and 2020

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Assets					
Cash and cash equivalents	7	285,636,307	209,845,474	159,043,018	125,548,222
Accrued investment income		3,139,941	2,655,437	2,876,919	2,293,229
Reinsurance assets	8	315,402,300	175,571,883	315,402,300	175,571,883
Receivables from reinsurance contracts	9	1,459,454,706	1,359,976,971	1,459,454,706	1,359,976,971
Debt financial assets	10	2,642,521,672	2,472,537,053	2,533,790,498	2,326,625,261
Equity financial assets	11	1,024,721,417	1,496,699,198	1,024,721,417	1,496,699,198
Loans and interest receivables	12	14,945,799	17,047,440	14,930,907	16,961,745
Investments in subsidiaries	13.2	-	-	317,699,900	307,699,320
Premises and equipment	14	228,564,189	233,858,280	129,297,647	131,580,371
Right-of-use assets	15.1	6,603,680	5,905,255	3,225,693	3,791,832
Intangible assets	16	129,378,637	117,058,108	53,162,373	59,111,650
Deferred tax assets	17.1	320,002,287	245,801,358	311,521,171	233,133,079
Other assets					
Deferred commissions and brokerages expenses		491,466,637	499,916,518	491,466,637	499,916,518
Corporate income tax awaiting refund		48,047,938	35,278,886	45,347,837	32,671,065
Others		143,122,041	134,511,102	67,033,332	51,285,070
Total assets		7,113,007,551	7,006,662,963	6,928,974,355	6,822,865,414

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

Thai Reinsurance Public Company Limited and its subsidiaries
 Statements of financial position (continued)
 As at 31 December 2021 and 2020

(Unit: Baht)

	Note	Consolidated		Separate	
		financial statements		financial statements	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020
Liabilities and owners' equity					
Liabilities					
Insurance contract liabilities	18	2,962,841,650	2,537,813,832	2,962,841,650	2,537,813,832
Due to reinsurers	19	455,504,191	406,897,710	455,504,191	406,897,710
Derivative liabilities	20	20,731	90,654	-	-
Income tax payables		3,672,967	5,035,877	-	-
Employee benefit obligations	21	76,622,526	78,643,654	43,520,981	45,926,269
Lease liabilities	15.2	6,502,434	5,891,092	2,977,958	3,696,103
Other liabilities					
Premium received in advance		210,448,814	153,379,763	210,448,814	153,379,763
Deferred commissions and brokerages income		26,206,046	22,223,663	26,206,046	22,223,663
Others		126,229,061	115,242,449	43,309,367	47,734,368
Total liabilities		3,868,048,420	3,325,218,694	3,744,809,007	3,217,671,708
Owners' equity					
Share capital	22				
Registered, issued and paid-up					
4,214,993,832 ordinary shares of Baht 0.88 each		3,709,194,572	3,709,194,572	3,709,194,572	3,709,194,572
Retained earnings					
Appropriated					
Statutory reserve	23	65,700,000	61,700,000	48,500,000	48,500,000
Unappropriated		(201,462,609)	400,411,936	(338,879,835)	243,543,999
Other components of owners' equity		(328,472,832)	(489,862,239)	(234,649,389)	(396,044,865)
Total owners' equity		3,244,959,131	3,681,444,269	3,184,165,348	3,605,193,706
Total liabilities and owners' equity		7,113,007,551	7,006,662,963	6,928,974,355	6,822,865,414

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

Thai Reinsurance Public Company Limited and its subsidiaries
Statements of income
For the years ended 31 December 2021 and 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Revenues					
Gross reinsurance premium written		4,407,066,292	4,328,727,602	4,407,066,292	4,328,727,602
Less: Premium ceded to reinsurers		(373,685,096)	(384,549,052)	(373,685,096)	(384,549,052)
Net reinsurance premium written		4,033,381,196	3,944,178,550	4,033,381,196	3,944,178,550
Add (less): Unearned premium reserves (increased) decreased					
from prior year		17,938,564	(194,315,826)	17,938,564	(194,315,826)
Earned reinsurance premium		4,051,319,760	3,749,862,724	4,051,319,760	3,749,862,724
Commissions and brokerage income		90,161,625	159,675,467	90,161,625	159,675,467
Net investment revenues	25	101,003,395	122,076,870	155,951,690	160,559,129
Net gains from financial instruments	26	44,982	2,334,716	10,000,000	2,313,067
Fair value gains on financial instruments	27	8,974,553	12,988,105	8,903,631	12,967,653
Service income		389,090,673	379,171,559	-	-
Other income		10,958,386	6,203,782	7,517,297	1,913,953
Total revenues		4,651,553,374	4,432,313,223	4,323,854,003	4,087,291,993
Expenses					
Unexpired risk reserves increased		127,017,800	-	127,017,800	-
Gross claims		2,841,861,870	2,074,314,581	2,841,861,870	2,074,314,581
Less: claim recovery from reinsurers		(267,676,624)	(238,535,607)	(267,676,624)	(238,535,607)
Commissions and brokerage expenses		1,723,681,090	1,675,486,829	1,723,681,090	1,675,486,829
Other underwriting expenses		131,535,357	155,091,181	131,545,030	155,165,309
Operating expenses	28	185,696,736	189,439,207	196,382,691	202,666,002
Investment expenses		6,895,422	5,837,171	6,895,422	5,837,171
Service expenses		335,888,330	315,730,697	-	-
Finance costs		390,079	399,275	174,673	228,661
Expected credit losses	29	1,964,237	(42,009)	91,932	(153,895)
Other expenses		828,484	64,687	1,972,420	314,640
Total expenses	30	5,088,082,781	4,177,786,012	4,761,946,304	3,875,323,691
Profit (loss) before income taxes		(436,529,407)	254,527,211	(438,092,301)	211,968,302
Income tax benefits (expenses)	17.2	80,067,292	(32,526,974)	99,811,417	(17,266,958)
Net profits (losses)		(356,462,115)	222,000,237	(338,280,884)	194,701,344
Net profits (losses) attributable to:					
Shareholders of the Company		(356,462,115)	222,000,237	(338,280,884)	194,701,344
Non-controlling interests of the subsidiaries		-	-		
		(356,462,115)	222,000,237		
Earnings (losses) per share					
Basic earnings per share	32				
Net profits (losses) attributable to shareholders of the Company		(0.08)	0.05	(0.08)	0.05

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

Thai Reinsurance Public Company Limited and its subsidiaries
Statements of comprehensive income
For the years ended 31 December 2021 and 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Net profits (losses)		(356,462,115)	222,000,237	(338,280,884)	194,701,344
Other comprehensive income (loss)					
Items to be recognised in statements of income for subsequent periods					
Losses on investments in debt securities measured at fair value through other comprehensive income		(3,365,999)	(124,825)	(3,358,412)	(73,803)
Add: Income taxes		673,200	24,965	671,682	14,761
Losses on investments in debt securities measured at fair value through other comprehensive income - net of income taxes		(2,692,799)	(99,860)	(2,686,730)	(59,042)
Total items to be recognised in statements of income for subsequent periods		(2,692,799)	(99,860)	(2,686,730)	(59,042)
Items not to be recognised in statements of income for subsequent periods					
Gains (losses) on investments in equity securities measured at fair value through other comprehensive income		105,128,881	(122,402,331)	105,128,881	(122,402,331)
Add (less): Income taxes		(21,025,776)	24,480,466	(21,025,776)	24,480,465
Gains (losses) on investments in equity securities measured at fair value through other comprehensive income - net of income taxes		84,103,105	(97,921,865)	84,103,105	(97,921,866)
Actuarial gains (losses)		8,759,311	(5,628,106)	5,346,161	(3,486,334)
Add (less): Income taxes		(1,751,862)	1,125,621	(1,069,232)	697,267
Actuarial gains (losses) - net of income taxes		7,007,449	(4,502,485)	4,276,929	(2,789,067)
Total items not to be recognised in statements of income for subsequent periods		91,110,554	(102,424,350)	88,380,034	(100,710,933)
Other comprehensive income (loss) for the years		88,417,755	(102,524,210)	85,693,304	(100,769,975)
Total comprehensive income (loss) for the years		(268,044,360)	119,476,027	(252,587,580)	93,931,369
Total comprehensive income (loss) for the years attributable to:					
Shareholders of the Company		(268,044,360)	119,476,027	(252,587,580)	93,931,369
Non-controlling interest of the subsidiaries		-	-	-	-
		(268,044,360)	119,476,027		

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

Thai Reinsurance Public Company Limited and its subsidiaries:
Statements of changes in owners' equity
For the years ended 31 December 2021 and 2020

	Note	Consolidated financial statements										(Unit: Baht)		
		Equity attributable to shareholders of the Company					Other components of owners' equity							
		Retained earnings		Debt securities	Equity securities		Deficit as a result		Total other		Total equity attributable to shareholders of the Company		Equity attributable to non-controlling interests of the subsidiary	Total owners' equity
		Issued and paid-up share capital	Appropriated - Statutory reserve	Unappropriated	measured at fair value through other comprehensive income - net of income taxes	measured at fair value through other comprehensive income - net of income taxes	if change in shareholding percentage in a subsidiary	components of owners' equity	shareholders' equity					
Balance as at 1 January 2020		4,214,993,832	90,400,000	(399,333,899)	4,836,394	(255,260,773)	(89,908,024)	(340,332,403)	3,565,727,530	-	3,565,727,530			
Net profit		-	-	222,000,237	(99,860)	(97,921,865)	-	(98,021,725)	222,000,237	-	222,000,237	(102,524,210)		
Other comprehensive loss for the year		-	-	(4,502,485)	(99,860)	(97,921,865)	-	(98,021,725)	(102,524,210)	-	(102,524,210)			
Total comprehensive income (loss) for the year		-	-	217,497,752	(99,860)	(97,921,865)	-	(98,021,725)	119,476,027	-	119,476,027			
Decrease share capital to offset the deficit	22	(505,799,260)	-	505,799,260	-	-	-	-	-	-	-	-		
Transfer statutory reserve to offset against deficit	23	-	(38,559,081)	38,559,081	-	-	-	-	-	-	-	-		
Appropriated to statutory reserve	23	-	9,859,081	(9,859,081)	-	-	-	-	-	-	-	-		
Reversal of expired dividend payable		-	-	154,289	-	-	-	-	154,289	-	154,289			
Transfer gain on disposals of investment in equity securities directly against retained earnings	11.2	-	-	47,594,534	-	(47,594,534)	-	(47,594,534)	-	-	-	-		
Adjusted purchase price allocation		-	-	-	-	-	-	(3,913,577)	(3,913,577)	-	(3,913,577)			
Balance as at 31 December 2020		3,709,194,572	61,700,000	400,411,936	4,736,534	(400,777,172)	(93,821,601)	(489,862,239)	3,681,444,269	-	3,681,444,269			
Balance as at 1 January 2021		3,709,194,572	61,700,000	400,411,936	4,736,534	(400,777,172)	(93,821,601)	(489,862,239)	3,681,444,269	-	3,681,444,269			
Net loss		-	-	(356,462,115)	-	-	-	-	(356,462,115)	-	(356,462,115)			
Other comprehensive income (loss) for the year		-	-	7,007,449	(2,692,799)	84,103,105	-	81,410,306	88,417,755	-	88,417,755			
Total comprehensive income (loss) for the year		-	-	(349,454,666)	(2,692,799)	84,103,105	-	81,410,306	(268,044,360)	-	(268,044,360)			
Dividend paid	33	-	-	(168,599,753)	-	-	-	-	(168,599,753)	-	(168,599,753)			
Appropriated to statutory reserve	23	-	4,000,000	(4,000,000)	-	-	-	-	-	-	-	-		
Reversal of expired dividend payable		-	-	158,975	-	-	-	-	158,975	-	158,975			
Transfer loss on disposals of investment in equity securities directly against retained earnings	11.2	-	-	(79,979,101)	-	79,979,101	-	79,979,101	-	-	-	-		
Balance as at 31 December 2021		3,709,194,572	65,700,000	(201,462,609)	2,043,735	(236,694,966)	(93,821,601)	(328,472,832)	3,244,959,131	-	3,244,959,131			

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

Thai Reinsurance Public Company Limited and its subsidiaries
Statements of changes in owners' equity (continued)
For the years ended 31 December 2021 and 2020

(Unit: Baht)

	Note	Separate financial statements						
		Issued and paid-up share capital	Retained earnings		Other components of owners' equity			Total owners' equity
			Appropriated - Statutory reserve	Unappropriated	Debt securities measured at fair value through other comprehensive income - net of income taxes	Equity securities measures fair value through other comprehensive income - net of income taxes	Total other components of owners' equity	
Balance as at 1 January 2020		4,214,993,832	77,200,000	(530,616,361)	4,791,350	(255,260,773)	(250,469,423)	3,511,108,048
Net profit		-	-	194,701,344	-	-	-	194,701,344
Other comprehensive loss for the year		-	-	(2,789,067)	(59,042)	(97,921,866)	(97,980,908)	(100,769,975)
Total comprehensive income (loss) for the year		-	-	191,912,277	(59,042)	(97,921,866)	(97,980,908)	93,931,369
Decrease share capital to offset the deficit	22	(505,799,260)	-	505,799,260	-	-	-	-
Transfer statutory reserve to offset against deficit	23	-	(38,559,081)	38,559,081	-	-	-	-
Appropriated to statutory reserve	23	-	9,859,081	(9,859,081)	-	-	-	-
Reversal of expired dividend payable		-	-	154,289	-	-	-	154,289
Transfer gain on disposals of investment in equity securities directly against retained earnings	11.2	-	-	47,594,534	-	(47,594,534)	(47,594,534)	-
Balance as at 31 December 2020		3,709,194,572	48,500,000	243,543,999	4,732,308	(400,777,173)	(396,044,865)	3,605,193,706
Balance as at 1 January 2021		3,709,194,572	48,500,000	243,543,999	4,732,308	(400,777,173)	(396,044,865)	3,605,193,706
Net loss		-	-	(338,280,884)	-	-	-	(338,280,884)
Other comprehensive income (loss) for the year		-	-	4,276,929	(2,686,730)	84,103,105	81,416,375	85,693,304
Total comprehensive income (loss) for the year		-	-	(334,003,955)	(2,686,730)	84,103,105	81,416,375	(252,587,580)
Dividend paid	33	-	-	(168,599,753)	-	-	-	(168,599,753)
Reversal of expired dividend payable		-	-	158,975	-	-	-	158,975
Transfer loss on disposals of investment in equity securities directly against retained earnings	11.2	-	-	(79,979,101)	-	79,979,101	79,979,101	-
Balance as at 31 December 2021		3,709,194,572	48,500,000	(338,879,835)	2,045,578	(236,694,967)	(234,649,389)	3,184,165,348

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

Thai Reinsurance Public Company Limited and its subsidiaries
Statements of cash flows
For the years ended 31 December 2021 and 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Cash flows from operating activities					
Cash received for reinsurance		1,666,729,762	1,958,862,675	1,666,729,762	1,958,862,675
Interest income		15,900,650	25,049,422	14,949,774	23,691,258
Dividends received from subsidiaries		-	-	55,799,985	40,079,987
Dividend income from other companies		71,897,654	100,753,335	71,897,654	100,753,335
Revenues from other investments		5,825,165	71,038,775	5,825,165	70,992,126
Other income		407,653,460	361,537,793	7,517,297	1,913,953
Commission and brokerage expenses		(1,643,852,402)	(1,772,494,217)	(1,643,852,402)	(1,772,494,217)
Other underwriting expenses		(153,180,689)	(144,019,297)	(153,190,362)	(144,093,425)
Operating expenses		(157,946,380)	(163,915,806)	(169,927,342)	(176,831,340)
Other expenses		(300,320,047)	(273,183,067)	(1,972,408)	(312,363)
Income tax revenues (expenses)		(31,208,329)	(18,160,668)	(12,677,307)	6,815
Cash received on financial assets		1,350,212,933	1,590,118,217	1,262,194,474	1,567,928,204
Cash paid for financial assets		(940,073,875)	(1,676,256,826)	(889,285,670)	(1,645,217,073)
Loans		2,101,640	4,393,604	2,030,838	4,323,735
Investments in a subsidiary		-	-	(580)	-
Net cash provided by operating activities		293,739,542	63,723,940	216,038,878	29,603,670
Cash flows from investing activities					
Disposals of equipment and intangible assets		168,171	450,179	-	91,873
Purchases of premises, equipment and intangible assets		(46,630,524)	(36,500,606)	(12,222,625)	(7,798,655)
Net cash used in investing activities		(46,462,353)	(36,050,427)	(12,222,625)	(7,706,782)
Cash flows from financing activities					
Repayment of lease liabilities		(2,837,286)	(2,289,822)	(1,699,019)	(1,610,586)
Dividend paid		(168,599,753)	-	(168,599,753)	-
Net cash used in financing activities		(171,437,039)	(2,289,822)	(170,298,772)	(1,610,586)
Net increase in cash and cash equivalents		75,840,150	25,383,691	33,517,481	20,286,302
Cash and cash equivalents at beginning of the years		209,845,474	184,603,593	125,548,222	105,346,768
Less: Increase in allowance for expected credit losses		(49,317)	(141,810)	(22,685)	(84,848)
Cash and cash equivalents at end of the years		285,636,307	209,845,474	159,043,018	125,548,222

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

Thai Reinsurance Public Company Limited and its subsidiaries

Notes to financial statements

For the years ended 31 December 2021 and 2020

1. General information

1.1 Corporate information

Thai Reinsurance Public Company Limited (“the Company”) is a public company, incorporated, domiciled in Thailand and listed on the Stock Exchange of Thailand. As at 31 December 2021 and 2020, its major shareholder is HWIC ASIA FUND, which 47% of the issued and paid-up share capital of the Company. The Company is principally engaged in the provision of non-life reinsurance and its registered address is located at 48/22-24 Soi Rajchadapisek 20, Rajchadapisek Road, Samsennok Sub-district, Huaykwang District, 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 of 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 (“the OIC”). The presentation of the financial statements has been made in compliance with the format of financial statements specified the Notification of the Office of Insurance Commission (“OIC”) regarding criteria, procedures, conditions and terms for preparation and submission of financial statements and operating performance reports of non-life insurance companies (No. 2) B.E. 2562 dated 4 April 2019.

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

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

2.1 Basis of consolidation

- (a) The consolidated financial statements include the financial statements of Thai Reinsurance Public Company Limited and its subsidiaries (hereinafter collectively called “the Group”) as follows:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding as at 31 December	
			2021	2020
			%	%
EMCS Thai Co., Ltd.	Provision of computer services in relation to motor claim management	Thailand	100.0	100.0
Thaire Services Co., Ltd. ⁽¹⁾	Provision of claim management and marketing services	Thailand	100.0	100.0
Thaire Actuarial Consulting Co., Ltd ⁽¹⁾	Provision of actuarial, training and advisory services	Thailand	100.0	100.0
Thaire Innovation Co., Ltd. ⁽¹⁾	Provision of develop electronic commerce services	Thailand	100.0	100.0

⁽¹⁾ Prior to July 2021, they were directly held by the Company and since July 2021, they have been indirectly held through EMCS Thai Company Limited.

- (b) The Company is deemed to have control over an investee or subsidiaries if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- (c) Subsidiaries are fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- (d) The financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.
- (e) Material balances and transactions between the Company and its subsidiary companies have been eliminated from the consolidated financial statements.
- (f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.2 Basis of separate financial statements preparation

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

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Group has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

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

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

4. Significant accounting policies

4.1 Reinsurance contracts classification

The Company classifies reinsurance and retrocession contracts (hereinafter referred to as "reinsurance contracts") based on the characteristics of the contract. Reinsurance contracts are contracts whereby the reinsurer accepts significant insurance risk from the reinsured and agrees to compensate the reinsured if specified uncertain future events (the insured event) adversely affect the reinsured. To determine whether a significant insurance risk has been accepted, the insurer compares the amount of benefits payable if an insured event occurs with the amount of benefits payable if the insured event did not occur. If the above condition is not met, the Company classifies the reinsurance contract as an investment contract. Investment contracts are the contracts that have the legal form of insurance contracts and transfer financial risk to the reinsurer, but not significant insurance risk. Financial risks are as interest rate risk, exchange rate risk, or financial instrument price risk.

The Company classifies its contracts by assessing the significant of each contract's reinsurance risk. If any contract has been classified as reinsurance contracts, it will continue its status until all rights and obligations are cancelled or terminated. Any contract which had been initially classified as investment contracts, will be classified as a reinsurance contract in the later time if the Company has been found exposed to reinsurance risk significantly from such contracts.

4.2 Revenue recognition

(a) Reinsurance premium written

Reinsurance premium written consists of reinsurance premium less premium of the cancelled policy and premium refunded to the policyholders.

Reinsurance premium written is recognised when the Company receives the reinsurance application or the statement of accounts and confirms the coverage under the reinsurance contracts.

For long-term insurance policies with coverage periods of longer than 1 year, they are recorded as premium received in advance and will be gradually recognised as earned over the annual coverage periods.

(b) Commission and brokerage income

Commission and brokerage income include profit commission from retrocession contracts.

Commission and brokerage income

Commission and brokerage income consist of commission and brokerage fees received based on a percentage of premium retroceded and other commissions income.

Commission and brokerage income are recorded as deferred revenues and will gradually be amortised as revenues proportionately to the retroceded premiums that are recognised as expenses.

For long-term insurance policies with coverage periods of longer than 1 year, related commission and brokerage fees are recorded as commission received in advance, and will gradually be amortised as revenue over the annual coverage periods.

Profit commission from retrocession contracts

Profit commission from reinsurance contracts is recognised as revenue on an accrual basis, based on an estimate of reinsurance profit over the term of a reinsurance contract calculated in accordance with the method and profit commission rate stipulated in the retrocession contracts.

At the end of each reporting period, the Company calculates profit commission from retrocession contract based on its portion of estimated cumulative retrocession profits from the effective date

to the end of the retrocession contract term. If the Company incurs more or less profit commission as compared to the prior period's estimate, the Company will record it as "Amount due from reinsurers" which are presented as assets in the statements of financial position or "Profit commission reserves from retrocession contracts", which are presented as liabilities in the statements of financial position, as the case may be, and recognises against commission and brokerage income in the statements of income.

(c) Net 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 allowance of expected credit loss).

Interest on loan is recognised as revenue on an accrual basis, based on effective interest rate is applied to the amount of principal outstanding.

Dividends are recognised as revenues when the Group had the right to receive the dividend.

Gain (loss) on investments are recognised as revenues or expenses on the transaction dates.

(d) Gain (loss) on financial instruments

Profit (loss) on disposal or write off of debt instruments measured at amortised cost, debt instruments measured at fair value through other comprehensive income, and equity instruments measured at fair value through profit or loss. The Company recognises in profit or loss on the transaction date.

(e) Fair value gain (loss) on financial instruments

Fair value gain (loss) from the change in fair value of equity instruments measured at fair value through profit or loss.

(f) Service income

Service income is recognised as revenue when services have been rendered taking into account the stage of completion.

(g) Claim recovery from reinsurers

Claim recovery from reinsurers is recognised proportionately to the ceded portion of claims and loss adjustment expenses recognised as expenses in the statement of income, which is estimated with reference to conditions in the ceded reinsurance contracts. The Company presents the amount of claim recovery from reinsurers as a deduction from gross claims in the statement of income.

4.3 Expenses recognition

(a) Premium ceded to reinsurances

Ceded premium is recognised as expenses when the insurance risk is transferred to another reinsurer.

For long-term insurance policies with coverage periods of longer than 1 year, related cede premium is recorded as premium ceded in advance, and gradually recognised as expenses over the annual coverage period.

(b) Gross claims

Gross claims consist claims and loss adjustment expenses on reinsurance, which present the amounts of claims, related expenses, and loss adjustments of current and prior period claims incurred during the years, deducted by the residual value and others recoveries (if any) and claims recovery from reinsurers.

Gross claims are recognised as expenses when the reinsurer places the loss advice or the statement of accounts with the Company and estimates made by the Company's management. However, the maximum value of claims estimated does not exceed the sum-insured under the relevant policy.

(c) Commission and brokerage expenses

Commission and brokerage expenses are recorded as deferred expenses and will be gradually amortised as expenses proportionately to the earned premium.

For commissions and brokerage expenses of reinsurance with coverage periods of longer than 1 year, related commission and brokerage expenses are recorded as deduction from premium received in advance and recognised as expenses over the annual coverage periods.

(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.

4.4 Cash and cash equivalents and allowance for expected credit losses

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. The Company determined the allowance for expected credit loss based on the general approach. Increase (decrease) in an allowance for expected credit loss is recorded as an expenses during the years.

4.5 Reinsurance assets and allowance for impairment

Reinsurance assets are presented at an amount equal to the recoverable portion of reserves from reinsurance, which is estimated with reference to the reinsurance contracts related to unearned premium reserves, claims reserves and outstanding claims, in accordance with the law regarding insurance reserve calculation.

At the end of the reporting period, the Company performs impairment reviews in respect of the reinsurance assets. Reinsurance assets are considered to be impaired whenever there are object evidences as a result of the events, that occurred after the initial recognition of reinsurance assets, and the Company may not receive whole of reinsurance recoverable amount according to reinsurance conditions and the effects of such amount can be measured with reliability. An impairment loss is recognised in the statement of income.

4.6 Reinsurance receivables and allowance for impairment/due to reinsurers

(a) Reinsurance receivables

Reinsurance receivables are stated at the outstanding balance of amount due from reinsurers and amounts deposited on reinsurance.

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

(b) Amounts due to reinsurers

Amounts due to reinsurers are stated at the outstanding balance payable from reinsurance and amounts withheld on reinsurance.

Amounts due to reinsurers consist of reinsurance premiums and other payable to reinsurers, excluding claims.

The Company presents net receivables from/amount due to of reinsurance to the same entity when the following criteria for offsetting are met.

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

4.7 Financial instruments

(a) Derivatives

The Group applies derivatives, such as forward exchange contracts, for hedging its exchange rate risk.

The Group initially recognises derivatives at fair values and subsequently re-measures at their fair values at the end of reporting periods. Gains or losses on revaluation of derivatives are recognised as revenues or expenses in the statements of income. The Group presents derivatives as financial assets when the fair value is higher than zero and as financial liabilities when the fair value is less than zero.

(b) Investment in securities and allowance for expected credit losses

The Group has classified its financial assets initially recognised as the following debt and equity financial assets:

Financial assets - debt securities

The Group classifies investments in debt securities as financial assets, which are to be subsequently measured at amortised cost or fair value according to its business model of financial assets management and their contractual cash flows characteristics. Such classification is based on facts and circumstances on the first-time adoption date or the acquisition date when initial or receive, classifies as follows:

- Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in statement of income. These financial assets include derivatives, securities held for trading, and financial assets with cash flows that are not solely payments of principal and interest. These financial assets initial recognised at fair value and will be recognised as net gain or loss from investment in profit or loss when disposal.

- Financial assets measured at fair value through other comprehensive income

Investments in debt securities whose both of the following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting

contractual cash flows and selling financial assets; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has classified these as financial assets measured at fair value through other comprehensive income. These financial assets are initially recognised at fair value.

After initial recognition, gain or loss on changes in fair value are presented as a separate item in other comprehensive income. Profit or loss from the cumulative fair value of debt securities changes are recognised in other comprehensive income is recycled to profit or loss when derecognition. The expected credit loss and interest income which is calculated using the effective interest rate method are recognised in profit or loss.

At the end of reporting period, investments in debt securities measured at fair value through other comprehensive income are presented in the statement of financial position net of allowance for expected credit loss (if any).

- Financial assets measured at amortised cost

Investments in debt securities whose both of the following conditions are met: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. The Group has classified these as financial assets measured at amortised cost. These financial assets are initially recognised at fair value as at transaction date.

At the end of reporting period, investments in debt securities measured at amortised cost are presented in the statement of financial position net of allowance for expected credit loss (if any).

Profit and loss from derecognition, change in value, or impairment on such assets will recognise in statement of income.

Financial assets - equity securities

All equity instruments are recognised at fair value in the statement of financial, classifies as follows:

- Financial assets measured at fair value through profit or loss

Investment in equity securities that held for trading. The Group has classified the financial assets measured at fair value through profit or loss, where an irrevocable election has been made by the management. Such classification is determined on an instrument-by-instrument basis.

After initial recognition, gain or loss arising from changes in fair value are recognised in profit or loss.

At the end of reporting period, investments in equity securities measured at fair value through profit or loss are presented in the statement of financial position at fair value.

- Financial assets measured at fair value through other comprehensive income

Investment in equity securities that not held for trading but held for strategic purposes or for securities with potential for low market volatility. The Group has classified the financial asset measured at fair value through other comprehensive income, where an irrevocable election has been made by the management. Such classification is determined on an instrument-by-instrument basis. Moreover, the Group has classified investments in real estate investment trusts and infrastructure trusts, infrastructure funds and property funds are investment in equity instrument designated at fair value through other comprehensive income.

After initial recognition, gain or loss arising from changes in fair value of investment in equity securities is separately presented in other comprehensive income. The cumulative gain or loss arising from change in fair value will be recognised in retained earnings when disposal. Dividends are recognised as other income in statement of income, except when the dividends clearly represent a recovery of part of the cost of the financial asset, in which case, the gains are recognised in other comprehensive income.

At the end of the reporting period, investments in equity securities designated at fair value through other comprehensive income are presented in the statement of financial position at fair value. In addition, investments in equity instruments designated at fair value through other comprehensive income without requiring an expected credit loss.

Fair value

The fair value of marketable securities is calculated based on the latest bid price of the last working day of the period as quoted on the Stock Exchange of Thailand. The fair value of non-marketable securities is calculated using discounted future cash flows techniques. The fair value of government bonds, state enterprise securities and private debt securities is calculated using the formula determined by the Thai Bond Market Association. The fair value of unlisted investment units was determined by using the net asset value per unit as announced by the fund managers.

Derecognition of financial instruments

A financial asset is primarily derecognised when the rights to receive cash flows from the asset have expired or have been transferred and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

The Group derecognised financial liability when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(c) Loans and interest receivables and allowance for expected credit loss

Loans and interest receivables are stated at amortised cost and less allowance for expected credit loss (if any).

(d) Other financial assets

Other financial assets are comprised of account receivables of subsidiaries, which stated at net realisable value. The Group recognised the allowance for expected credit loss on such assets by applies a simplified approach to determine the lifetime expected credit loss. Increase (decrease) in allowance for expected credit loss is recognised as expenses during the year.

4.8 Investments in subsidiaries

Investments in subsidiaries are accounted for in the separate financial statements using the cost method net of allowance for impairment (if any). Loss on impairment is recognised as expense in the statements of income.

4.9 Premises and equipment and depreciation

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

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

Buildings	- 20 years
Leasehold improvement	- 3 years, 10 years (over the lease periods)
Motor vehicles	- 5 years
Office equipment and furniture	- 5 years

Computers - 3 years and 5 years

Depreciation is recognised as expense in statements of income.

No depreciation is provided on land and buildings in progress.

The Group derecognises an item of property, buildings and equipment 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 statement of income when the asset is derecognised.

4.10 Intangible assets and amortisation

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

The Group amortised intangible assets with finite lives on the straight-line 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 the statement of income.

The intangible assets with finite useful lives are deferred technical knowledge acquisition cost and computer softwares, which are expected to generate economic benefit within 5 years and 10 years.

No amortisation is provided on computer softwares under development.

4.11 Right-of-use assets/lease liabilities

At inception of contract, the Group 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 Group applied 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 Group 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.

Equipment	5	years
Motor vehicles	5	years

If ownership of the leased asset is transferred to the Group 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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 Group discounted the present value of the lease payments by the interest rate implicit in the lease or the Group'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.

4.12 Insurance contract liabilities

Insurance contract liabilities consist of loss reserves and premium reserves.

(a) Loss reserves

Loss reserves include outstanding claims and loss reserves whereby outstanding claims are recorded at the amounts to be actually paid while 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 loss reserves does not exceed the sum-insured under the relevant policy.

Estimation of loss reserves are calculated using an actuarial method based on the best estimate of claims, including loss adjustment expenses, 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. The higher of the loss reserves estimated and those already recognised in the accounts will then be recognised as claims incurred but not yet reported (IBNR).

(b) Premium reserves

At the end of each reporting period, the Company compares the amounts of unexpired risk reserves with unearned premium reserves, and if unexpired risk reserves are higher than unearned premium reserves, the difference is recognised and the unexpired risk reserves are presented in the financial statements.

Unearned premium reserves

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

Fire, motor and miscellaneous insurance - Treaty	- Monthly average basis (the one-twenty fourth basis)
Fire, motor and miscellaneous insurance - Facultative	- Daily average basis (the one-three hundred and sixty fifth basis)
Hull insurance	- Monthly average basis (the one-twenty fourth basis)
Cargo insurance - Treaty	- Net reinsurance premium written for the last three months
Cargo insurance - Facultative and travelling accident with coverage period of not over six-month	- 100% of reinsurance premium as from the date policy is effective

Unexpired risk reserves

Unexpired risk reserves are the reserves for the claims and relevant expenses that may be incurred in respect of in-force policies. Unexpired risk reserve is calculated using an actuarial method based on a best estimate of the claims that are expected be incurred during the remaining period of coverage, with reference to historical claims data.

4.13 Employee benefit obligations

(a) Short-term employee benefits

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

(b) Long-term employee benefits

Defined contribution plans

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

Defined benefit plan

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

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

Actuarial gains and losses arising from post-employment benefits are recognised immediately in statements of comprehensive income.

4.14 Related party transactions

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

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

4.15 Income taxes

Income tax expenses represent the sum of current income taxes and deferred income taxes.

(a) Current income taxes

Current income taxes are provided in the accounts at the amounts 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 their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Group 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 Group 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 Group records deferred tax directly to owners' equity if the taxes relate to items that are recorded directly to owners' equity.

4.16 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the Company's functional currency. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

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

4.17 Provisions

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

4.18 Impairment of assets

(a) Financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVTPL. The Group accounts for changes in ECLs in stages with differing methods of determining allowance for credit losses and the effective interest rate applied at each stage classified in any of the stages based on changes in credit quality since initial recognition.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a

significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure (a lifetime ECL).

The Group considers a significant increase in credit risk to have occurred when contractual payments are more than 90 days past due and considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Group may also consider a financial asset to have a significant increase in credit risk and to be in default using other internal or external information, such as credit rating of issuers.

The subsidiaries apply a simplified approach in calculating ECLs for account receivables. Therefore, the subsidiaries do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(b) Non-financial assets

At the end of each reporting period, the Group performs impairment reviews in respect of property, buildings and equipment and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised in statements of income 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 Group estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of income.

4.19 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Group applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. In case where there is no active market of an identical asset or liability or when a quoted market price is not available, the Group 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 Group determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgments and estimates

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

5.1 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.

5.2 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.

5.3 Allowance for expected credit losses of financial assets

In determining an allowance for expected credit losses of financial assets, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the forecast economic condition for groupings of various customer segments with similar credit risks. The Group's historical credit loss experience and forecast economic conditions may also not be representative of whether a customer will actually default in the future.

5.4 Allowance for impairment on reinsurance assets

In determining allowance for impairment on reinsurance assets, the management needs to exercise judgement and estimate losses on reinsurance assets based on conditions in contracts and occurred events that may result in the Company being unable to receive the entire amount under the terms of the contracts.

5.5 Allowance for doubtful accounts on reinsurance receivables

In determining the allowance for doubtful accounts on receivables from reinsurance contracts, the management needs to exercise judgement and estimate loss for each debtor based upon past collection history, the aging profile of the outstanding debts and the prevailing economic conditions.

5.6 Allowance for impairment of non-financial assets

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs of disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next 5 years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the performance of the assets of the cash-generating unit being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to intangible assets recognised in financial statements by the Group.

5.7 Premises and equipment/Right-of-use assets

In calculating depreciation of buildings and equipment, and right-of-use assets, the management is required to estimate of the useful lives and salvage values of the Group's building and equipment, and right-of-use assets and to review estimate useful lives and salvage values when there are any changes.

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

5.8 Intangible assets

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

5.9 Deferred tax assets

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

5.10 Loss reserves

At the end of each reporting period, the Company has to estimate loss reserves, taking into accounts two parts, which are the claims incurred and reported, and the claims incurred but not yet reported (IBNR). The actuarial method is used in calculation whereby the main assumptions consist of historical experience data, which are ultimate loss ratio and unallocated loss adjustment expense ratio. Nevertheless, such estimates are forecasts of future outcomes, and actual results could differ.

5.11 Unexpired risk reserves

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

5.12 Profit commission from reinsurance contracts

Profit commission from reinsurance contracts is estimated at a percentage of cumulative reinsurance profit over the term of the reinsurance contract. Cumulative profit is calculated by deducting the best estimates of the cumulative claims and relevant expenses over the term of the reinsurance contract from the cumulative insurance premiums. The management is required to exercise judgement, with reference to historical claims data and the best estimates available at the time.

5.13 Lease

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 Group 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 Group to exercise either the extension or termination option.

Estimating the incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease, 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 Group 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.

5.14 Employee benefit obligations and payables

Employee benefit obligations and payables are provision for liabilities under the defined benefit plan and other long-term employee benefit plan, which are determined using actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

5.15 Litigation

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

5.16 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 exercise judgment, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (bank and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

6. Classification of financial assets and liabilities

As at 31 December 2021 and 2020, carrying amounts of financial assets and liabilities were classified as follows.

(Unit: Thousand Baht)

Consolidated financial statements					
31 December 2021					
	Financial instruments measured at fair value through profit or loss	Debt securities measured at fair value through other comprehensive income	Equity securities designated to be measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
Financial assets					
Cash and cash equivalents	-	-	-	285,636	285,636
Accrued investment income				3,140	3,140
Debt financial assets	134,865	2,258,724	-	248,933	2,642,522
Equity financial assets	-	-	1,024,721	-	1,024,721
Loans and interest receivables	-	-	-	14,946	14,946
Financial liabilities					
Derivative liabilities	21	-	-	-	21
Lease liabilities	-	-	-	6,502	6,502

(Unit: Thousand Baht)

Consolidated financial statements					
31 December 2020					
	Financial instruments measured at fair value through profit or loss	Debt securities measured at fair value through other comprehensive income	Equity securities designated to be measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
Financial assets					
Cash and cash equivalents	-	-	-	209,845	209,845
Accrued investment income	-	-	-	2,655	2,655
Debt financial assets	130,646	1,901,925	-	439,966	2,472,537
Equity financial assets	-	-	1,496,699	-	1,496,699
Loans and interest receivables	-	-	-	17,047	17,047
Financial liabilities					
Derivative liabilities	91	-	-	-	91
Lease liabilities	-	-	-	5,891	5,891

(Unit: Thousand Baht)

Separate financial statements					
31 December 2021					
	Financial instruments measured at fair value through profit or loss	Debt securities measured at fair value through other comprehensive income	Equity securities designated to be measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
Financial assets					
Cash and cash equivalents	-	-	-	159,043	159,043
Accrued investment income	-	-	-	2,877	2,877
Debt financial assets	120,189	2,248,648	-	164,953	2,533,790
Equity financial assets	-	-	1,024,721	-	1,024,721
Loans and interest receivables	-	-	-	14,931	14,931
Financial liabilities					
Lease liabilities	-	-	-	2,978	2,978

(Unit: Thousand Baht)

Separate financial statements					
31 December 2020					
	Financial instruments measured at fair value through profit or loss	Debt securities measured at fair value through other comprehensive income	Equity securities designated to be measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
Financial assets					
Cash and cash equivalents	-	-	-	125,548	125,548
Accrued investment income	-	-	-	2,293	2,293
Debt financial assets	114,016	1,901,612	-	310,997	2,326,625
Equity financial assets	-	-	1,496,699	-	1,496,699
Loans and interest receivables	-	-	-	16,962	16,962
Financial liabilities					
Lease liabilities	-	-	-	3,696	3,696

7. Cash and cash equivalents

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Cash on hand	106	106	35	35
Deposits at banks with no fixed maturity date				
Saving and current accounts	280,721	209,881	159,116	125,598
Deposits at banks with fixed maturity date	5,000	-	-	-
Total	285,827	209,987	159,151	125,633
Less: allowance for expected credit losses	(191)	(142)	(108)	(85)
Cash and cash equivalents - net	285,636	209,845	159,043	125,548

As at 31 December 2021 and 2020, saving accounts, money market funds and government bonds carried interest between 0.05% to 0.40% per annum and 0.05% to 0.13% per annum, respectively.

8. Reinsurance assets

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	31 December 2021	31 December 2020
Insurance reserves refundable from reinsurers		
Claim reserves	198,203	111,707
Premium reserves		
Unearned premium reserves	75,169	63,865
Unexpired risk reserves	42,030	-
Reinsurance assets	315,402	175,572

9. Reinsurance receivables

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	31 December 2021	31 December 2020
Amounts deposited on reinsurance	854,568	811,569
Amounts due from reinsurers	624,635	570,748
Total	1,479,203	1,382,317
Less: Allowance for doubtful accounts	(19,748)	(22,340)
Reinsurance receivables - net	1,459,455	1,359,977

As at 31 December 2021 and 2020, the outstanding balances of amounts due from reinsurers were classified by overdue periods as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	31 December 2021	31 December 2020
Not yet due	383,048	336,009
Not over 12 months	53,000	206,285
Over 1 year to 2 years	168,917	4,096
Over 2 years	19,670	24,358
Total amounts due from reinsurers	624,635	570,748

As at 31 December 2021 and 2020, the Company has an overdue amount of Baht 190 million due from an oversea reinsurer and the amount of Baht 50 million due to the same reinsurer, leaving the net amount due of Baht 140 million (excluding interest) presented as a part of "Amounts due from reinsurers". The Company has continuously followed up for collection of such amount, but the thereon reinsurer refused to make any payment. The Company therefore submitted its request for collection of the disputed amount through the arbitration process. However, such reinsurer still denied payment and purportedly asserted that it was entitled to cancel the reinsurance agreement and claimed for monetary restitution of a total of approximately Baht 745 million plus interest to be accrued since 14 August 2020. In this regard, the Company's management has considered all the arguments raised by such reinsurer, including the Company's supporting evidences, as well as comparing the practice in the market between the Company and other reinsurers in making reinsurance contracts, together with a legal opinion from the Company's external legal counsel, and reasonably believed that the cancellation of the reinsurance agreement was not lawful. In view of this, the Company strongly believes that such allegations have no sufficient legal merit and the Company would incur no significant loss in relation to such disputes. Therefore, the

management considers not to record any allowance for doubtful accounts for such overdue reinsurance receivables and not to record any provision for contingent liabilities as a result of such counterclaim. On 20 October 2021, the Court appointed the 3rd arbitrator whereby there is a representative from each party and a joint representative from both parties. Hence, such disputes started into the arbitration process and have not yet been finalised.

10. Debt financial assets

10.1 Classified by types of investments

(Unit: Thousand Baht)

	Consolidated financial statements			
	31 December 2021		31 December 2020	
	Cost/ amortised		Cost/ amortised	
	cost	Fair value	cost	Fair value
Debt securities measured at fair value through profit or loss				
Private sector debt securities	43,072	62,012	103,278	130,646
Foreign debt securities	69,856	72,853	-	-
Total	112,928	134,865	103,278	130,646
Add: Unrealised gains	21,937		27,368	
Total debt securities measured at fair value through profit or loss	134,865		130,646	
Debt securities measured at fair value through other comprehensive income				
Government and state enterprise securities	2,075,284	2,075,950	1,650,095	1,652,490
Private sector debt securities	181,000	182,774	246,000	249,435
Total	2,256,284	2,258,724	1,896,095	1,901,925
Add: Unrealised gains	2,555		5,920	
Less: Allowance for expected credit losses	(115)		(90)	
Total debt securities measured at fair value through other comprehensive income	2,258,724		1,901,925	
Debt securities measured at amortised cost				
Deposits at financial institutions with a maturity period of longer than 3 months	249,000		440,000	
Less: Allowance for expected credit losses	(67)		(34)	
Debt securities measured at amortised cost - net	248,933		439,966	
Debt financial assets - net	2,642,522		2,472,537	

(Unit: Thousand Baht)

	Separate financial statements			
	31 December 2021		31 December 2020	
	Cost/ amortised		Cost/ amortised	
	cost	Fair value	cost	Fair value
Debt securities measured at fair value through profit or loss				
Private sector debt securities	28,749	47,336	87,000	114,016
Foreign debt securities	69,856	72,853	-	-
Total	98,605	120,189	87,000	114,016
Add: Unrealised gains	21,584		27,016	
Total debt securities measured at fair value through profit or loss				
loss	120,189		114,016	
Debt securities measured at fair value through other comprehensive income				
Government and state enterprise securities	2,065,206	2,065,874	1,649,787	1,652,177
Private sector debt securities	181,000	182,774	246,000	249,435
Total	2,246,206	2,248,648	1,895,787	1,901,612
Add: Unrealised gains	2,557		5,915	
Less: Allowance for expected credit losses	(115)		(90)	
Total debt securities measured at fair value through other comprehensive income	2,248,648		1,901,612	
Debt securities measured at amortised cost				
Deposits at financial institutions with a maturity period of				
longer than 3 months	165,000		311,000	
Less: Allowance for expected credit losses	(47)		(3)	
Debt securities measured at amortised cost - net	164,953		310,997	
Debt financial assets - net	<u>2,533,790</u>		<u>2,326,625</u>	

10.2 Classified by stage of credit risk

(Unit: Thousand Baht)

Consolidated financial statements				
31 December 2021		31 December 2020		
	Allowance for expected credit losses recognised in statement of Fair value		Allowance for expected credit losses recognised in statement of Fair value	
Debt securities measured at fair value through profit or loss				
Debt securities without a significant increase in credit risk (Stage 1)	2,258,724	(115)	1,901,925	(90)

(Unit: Thousand Baht)

Separate financial statements				
31 December 2021		31 December 2020		
	Allowance for expected credit losses recognised in statement of Fair value		Allowance for expected credit losses recognised in statement of Fair value	
Debt securities measured at fair value through profit or loss				
Debt securities without a significant increase in credit risk (Stage 1)	2,248,648	(115)	1,901,612	(90)

(Unit: Thousand Baht)

Consolidated financial statements						
31 December 2021			31 December 2020			
Allowance for expected credit losses			Allowance for expected credit losses			
Gross carrying value	recognised in statement of income	Net carrying value	Gross carrying value	recognised in statement of income	Net carrying value	
Debt securities measured at amortised cost						
Debt securities without a significant increase of credit risk (Stage 1)						
249,000	(67)	248,933	440,000	(34)	439,966	

(Unit: Thousand Baht)

Separate financial statements						
31 December 2021			31 December 2020			
Allowance for expected credit losses			Allowance for expected credit losses			
Gross carrying value	recognised in statement of income	Net carrying value	Gross carrying value	recognised in statement of income	Net carrying value	
Debt securities measured at amortised cost						
Debt securities without a significant increase of credit risk (Stage 1)						
165,000	(47)	164,953	311,000	(3)	310,997	

10.3 Investments subject to restriction and commitment

As at 31 December 2021 and 2020, the Company placed certain investments as securities and insurance reserves with the Registrar in accordance with the Non-Life Insurance Act and others as required in the normal course of business of the Group as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2021		31 December 2020	
	Cost	Fair value	Cost	Fair value
Placed as securities				
Government bonds	14.7	15.2	14.7	15.5
Placed as insurance reserves				
Government and state enterprise bonds	220.0	221.4	220.0	223.9
Placed as performance bonds				
Government bonds	0.1	0.1	0.6	0.6
	<u>234.8</u>	<u>236.7</u>	<u>235.3</u>	<u>240.0</u>

(Unit: Million Baht)

	Separate financial statements			
	31 December 2021		31 December 2020	
	Cost	Fair value	Cost	Fair value
Placed as securities				
Government bonds	14.7	15.2	14.7	15.5
Placed as insurance reserves				
Government and state enterprise bonds	220.0	221.4	220.0	223.9
Placed as performance bonds				
Government bonds	-	-	0.3	0.3
	<u>234.7</u>	<u>236.6</u>	<u>235.0</u>	<u>239.7</u>

11. Equity financial assets

11.1 Classified by types of investments

(Unit: Thousand Baht)

	Consolidated and Separate financial statements			
	31 December 2021		31 December 2020	
	Cost	Fair value	Cost	Fair value
Equity securities designated at fair value through other comprehensive income				
Domestic equity securities	1,251,905	961,685	2,000,771	1,496,699
Foreign equity securities	68,685	63,036	-	-
Total	1,320,590	1,024,721	2,000,771	1,496,699
Less: Unrealised losses	(295,869)		(500,972)	
Less: Allowance for impairment	-		(3,100)	
Equity securities measured at fair value through other comprehensive income - net	1,024,721		1,496,699	
Equity financial assets	1,024,721		1,496,699	

11.2 Derecognition of investments

During the years, the Company derecognised its investments in equity securities designated as at fair value through other comprehensive income. The Company therefore transferred changes in fair value previously recognised in other comprehensive income, to be recognised directly against in retained earnings as follows:

(Unit: Thousand Baht)

Consolidated and Separate financial statements				
For the year ended 31 December 2021				
			Loss on changes in fair value previously recognised in other comprehensive income (net of income taxes)	Reason for derecognition
	Fair value on the derecognition date	Dividend received		
Derecognition of investments				
Domestic equity securities	752,793	17,551	(79,979)	Disposals

(Unit: Thousand Baht)

Consolidated and Separate financial statements				
For the year ended 31 December 2020				
			Gain on changes in fair value previously recognised in other comprehensive income (net of income taxes)	Reason for derecognition
	Fair value on the derecognition date	Dividend received		
Derecognition of investments				
Domestic equity securities	334,116	6,411	47,595	Disposals

12. Loans and interest receivables

As at 31 December 2021 and 2020, the balances of loans and interest receivables, classified by stage of credit risk, were as follows:

(Unit: Thousand Baht)

Consolidated financial statements						
Classification	31 December 2021			31 December 2020		
	Mortgaged			Mortgaged		
	loans	Others	Total	loans	Others	Total
Loans without a significant increase of credit risk (Stage 1)	14,852	94	14,946	16,836	211	17,047
(Unit: Thousand Baht)						
Separate financial statements						
Classification	31 December 2021			31 December 2020		
	Mortgaged			Mortgaged		
	loans	Others	Total	loans	Others	Total
Loans without a significant increase of credit risk (Stage 1)	14,852	79	14,931	16,836	126	16,962

The entire outstanding balances of loans and interest receivables were due from employees in accordance with employee welfare plans. Interest is charged on the loans at rates between 0.01% to MLR-3% per annum, with reference to the MLR rate announced by commercial banks, depending on the type of loans. However, the outstanding balances were not yet due and there were no outstanding balances of interest receivable at the end the reporting years.

13. Investments in subsidiaries

13.1 Share capital of subsidiaries and shareholding percentage in subsidiaries

Company's Name	Nature of Business	Country of Incorporation	Paid-up Capital		Percentage Holding	
			31 December 2021	31 December 2020	31 December 2021	31 December 2020
			Thousand Baht	Thousand Baht	%	%
EMCS Thai Co., Ltd.	Provision of computer services in relation to motor claim management	Thailand	180,000	30,000	100	100
Thaire Services Co., Ltd.	Provision of claim management and marketing services	Thailand	100,000 ⁽¹⁾	100,000	100 ⁽¹⁾	100
Thaire Actuarial Consulting Co., Ltd.	Provision of actuarial, training and advisory services	Thailand	50,000 ⁽¹⁾	50,000	100 ⁽¹⁾	100
Thaire Innovation Co., Ltd.	Provision of develop electronic commerce service	Thailand	37,500 ⁽¹⁾	37,500 ⁽²⁾	100 ⁽¹⁾	100 ⁽²⁾

⁽¹⁾ Prior to July 2021, they were held directly by the Company and since July 2021, they have been indirectly held through EMCS Thai Company Limited.

⁽²⁾ Prior to 8 July 2021, it was indirectly held through Thaire Services Company Limited.

On 8 July 2021, Thaire Services Company Limited transferred its entire 100% shares held in Thaire Innovation Company Limited to EMCS Thai Company Limited at the price equal to the par value of Baht 100 per share or Baht 37.5 million. Thaire Services Company Limited already paid for such shares.

On 9 July 2021, the Company transferred its entire 100% shares held in both Thaire Services Company Limited and Thaire Actuary Consulting Company Limited to EMCS Thai Company Limited at the total par value of both companies or equivalent to Baht 150 million and was settled by the 30,000,000 newly-issued ordinary shares of EMCS Thai Company Limited with a par value of Baht 5 per share amounting to Baht 150 million. As a result, EMCS Thai Company Limited has an issued and paid-up share capital of Baht 180 million. The capital increases was approved by the Office of Insurance Commission ("OIC") on 30 June 2021.

The restructure of shareholding in subsidiaries as described above would have no impact to the consolidated financial statements of the Group since the transfers of shares of the 3 subsidiaries were intra-group transfers in accordance with the Accounting Guidance on Business Combination under Common Control.

13.2 Investments in subsidiaries presented under the cost method

(Unit: Thousand Baht)

Company's name	Separate financial statements							
	Cost		Allowance for impairment		Carrying values under the cost method		Dividend received during the years ended	
	31	31	31	31	31	31	31	31
	December	December	December	December	December	December	December	December
	2021	2020	2021	2020	2021	2020	2021	2020
Subsidiaries directly held by the Company								
EMCS Thai Co., Ltd.	317,700	167,700	-	-	317,700	167,700	52,800	40,080
Thaire Services Co., Ltd.	-	100,000	-	-	-	100,000	3,000	-
Thaire Actuarial Consulting Co., Ltd.	-	50,000	-	(10,000)	-	40,000	-	-
Total investment in subsidiaries	317,700	317,700	-	(10,000)	317,700	307,700	55,800	40,080
Subsidiaries indirectly held through another subsidiary								
Thaire Services Co., Ltd.	100,000	-	-	-	100,000	-	1,500	-
Thaire Actuarial Consulting Co., Ltd.	40,000	-	-	-	40,000	-	-	-
Thaire Innovation Co., Ltd.	1,000	23,222	-	(22,222)	1,000	1,000	-	-
	141,000	23,222	-	(22,222)	141,000⁽¹⁾	1,000⁽²⁾	1,500⁽³⁾	-

⁽¹⁾ This was carrying value presented in the financial statements of EMCS Thai Company Limited.⁽²⁾ This was carrying value presented in the financial statements of Thaire Services Company Limited.⁽³⁾ This was dividend income presented in the separate financial statements of EMCS Thai Company Limited.

14. Premises and equipment

(Unit: Thousand Baht)

Consolidated financial statements								
	Land	Buildings	Leasehold improvement	Motor vehicles	Office equipment and furniture	Computers	Assets under installation	Total
Cost								
1 January 2020	99,739	165,198	-	5,453	76,982	78,229	7,420	433,021
Additions	-	25	-	-	1,506	9,917	1,339	12,787
Transfer in (out)	-	145	-	(7)	555	8,066	(8,759)	-
Disposals/write-off	-	-	-	(1,186)	(1,476)	(9,958)	-	(12,620)
Adjustment	-	-	-	-	(78)	-	-	(78)
31 December 2020	99,739	165,368	-	4,260	77,489	86,254	-	433,110
Additions	-	91	104	-	1,465	14,916	2,954	19,530
Transfer in (out)	-	34	800	-	-	-	(834)	-
Disposals/write-off	-	(6)	-	-	(1,175)	(7,541)	-	(8,722)
31 December 2021	99,739	165,487	904	4,260	77,779	93,629	2,120	443,918
Accumulated depreciation								
1 January 2020	-	45,032	-	3,869	63,409	67,340	-	179,650
Depreciation for the year	-	7,388	-	630	5,793	9,199	-	23,010
Accumulated depreciation on disposals/write-off	-	-	-	(1,186)	(1,273)	(9,935)	-	(12,394)
Adjustment	-	-	-	-	-	308	-	308
31 December 2020	-	52,420	-	3,313	67,929	66,912	-	190,574
Depreciation for the year	-	7,957	-	427	5,786	10,589	-	24,759
Accumulated depreciation on disposals/write-off	-	(3)	-	-	(1,114)	(7,540)	-	(8,657)
31 December 2021	-	60,374	-	3,740	72,601	69,961	-	206,676
Allowance for impairment								
1 January 2020	-	8,678	-	-	11	2	-	8,691
Decrease during the year	-	-	-	-	(11)	(2)	-	(13)
31 December 2020	-	8,678	-	-	-	-	-	8,678
Decrease during the year	-	-	-	-	-	-	-	-
31 December 2021	-	8,678	-	-	-	-	-	8,678
Net book value								
31 December 2020	99,739	104,270	-	947	9,560	19,342	-	233,858
31 December 2021	99,739	96,435	904	520	5,178	23,668	2,120	228,564
Depreciation for the year								
2020								23,010
2021								24,759

(Unit: Thousand Baht)

	Separate financial statements						Total
	Land	Buildings	Motor vehicles	Office equipment and furniture	Computer	Assets under installation	
Cost							
1 January 2020	63,664	86,210	3,149	63,176	23,432	-	239,631
Additions	-	25	-	632	3,096	145	3,898
Transfer in (out)	-	145	-	-	-	(145)	-
Disposals/write-off	-	-	-	(692)	(3,010)	-	(3,702)
Adjustment	-	-	-	(79)	-	-	(79)
31 December 2020	63,664	86,380	3,149	63,037	23,518	-	239,748
Additions	-	91	-	369	8,786	34	9,280
Transfer in (out)	-	34	-	-	-	(34)	-
Disposals/write-off	-	-	-	(275)	-	-	(275)
31 December 2021	63,664	86,505	3,149	63,131	32,304	-	248,753
Accumulated depreciation							
1 January 2020	-	23,262	1,571	54,371	22,213	-	101,417
Depreciation for the year	-	4,313	630	3,985	1,431	-	10,359
Accumulated depreciation on disposals/write-off	-	-	-	(602)	(3,006)	-	(3,608)
31 December 2020	-	27,575	2,201	57,754	20,638	-	108,168
Depreciation for the year	-	4,323	427	3,917	2,894	-	11,561
Accumulated depreciation on disposals/write-off	-	-	-	(274)	-	-	(274)
31 December 2021	-	31,898	2,628	61,397	23,532	-	119,455
Net book value							
31 December 2020	63,664	58,805	948	5,283	2,880	-	131,580
31 December 2021	63,664	54,607	521	1,734	8,772	-	129,298
Depreciation for the year:							
2020							10,359
2021							11,561

As at 31 December 2021 and 2020, the Group had certain equipment items, which had been fully depreciated but are still in use. The original costs before deducting accumulated depreciation of those assets amounted to Baht 106.3 million and Baht 101.2 million, respectively (the Company only: Baht 65.8 million and 62.6 million, respectively).

As at 31 December 2021 and 2020, land and buildings thereon of a subsidiary with net book values amounting to 27.2 million and Baht 28.5 million, respectively, was granted an overdraft facility by a financial institution with interest at the rate of MOR.

15. Right-of-use assets/Lease liabilities

The Group has lease contracts for items of office equipment and motor vehicles used in its operations.

Leases generally have lease terms between 1 - 5 years.

15.1 Right-of-use assets

	Consolidated financial statements			Separate financial statements		
	Motor			Motor		
	Equipment	vehicle	Total	Equipment	vehicle	Total
Cost:						
1 January 2020	347	7,425	7,772	347	4,738	5,085
31 December 2020	347	7,425	7,772	347	4,738	5,085
Additions during the year	589	2,471	3,060	589	219	808
Write-off due to expired and cancelled contracts	(116)	-	(116)	(116)	-	(116)
31 December 2021	820	9,896	10,716	820	4,957	5,777
Accumulated amortisation						
1 January 2020	-	-	-	-	-	-
Amortisation during the year	176	1,691	1,867	176	1,118	1,294
31 December 2020	176	1,691	1,867	176	1,118	1,294
Amortisation during the year	258	2,103	2,361	258	1,115	1,373
Write-off due to expired and cancelled contracts	(116)	-	(116)	(116)	-	(116)
31 December 2021	318	3,794	4,112	318	2,233	2,551
Net book value as at						
31 December 2020	171	5,734	5,905	171	3,620	3,791
31 December 2021	502	6,102	6,604	502	2,724	3,226

15.2 Lease liabilities

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
Lease payments	7,015	6,515	3,159	4,025
Less: Deferred interest expenses	(513)	(624)	(181)	(329)
Total	6,502	5,891	2,978	3,696
Less: Portion due within one year	(2,969)	(3,120)	(1,956)	(2,575)
Lease liabilities - net of current portion	3,533	2,771	1,022	1,121

Movements of the lease liability account during the years ended 31 December 2021 and 2020 are summarised below:

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	Equipment	Motor vehicle	Total	Equipment	Motor vehicle	Total
1 January 2020	347	7,442	7,789	347	4,738	5,085
Finance costs	6	386	392	6	215	221
Lease payments	(177)	(2,113)	(2,290)	(177)	(1,433)	(1,610)
31 December 2020	176	5,715	5,891	176	3,520	3,696
Additions during the year	589	2,471	3,060	589	219	808
Finance costs	6	382	388	6	167	173
Lease payments	(265)	(2,572)	(2,837)	(265)	(1,434)	(1,699)
31 December 2021	506	5,996	6,502	506	2,472	2,978

15.3 Expenses relating to leases that are recognised in profit or loss

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the year ended 31 December 2021	For the year ended 31 December 2020	For the year ended 31 December 2021	For the year ended 31 December 2020
Depreciation expense of right-of-use assets	2,361	1,867	1,373	1,294
Interest expense on lease liabilities	388	392	173	221
Expense relating to short- term leases	4,460	4,214	-	-
Expense relating to leases of low-value assets	233	234	-	-
Total expenses	7,442	6,707	1,546	1,515

For the year ended 31 December 2021 and 2020, the Group had total cash outflows for leases of Baht 7.5 million Baht 6.7 million, respectively, (the Company only: Baht 1.7 million and Baht 1.6 million, respectively), including the cash outflow related to short-term lease, leases of low-value assets and variable lease payments that do not depend on an index or a rate.

16. Intangible assets

(Unit: Thousand Baht)

Consolidated financial statements					
	Computer software		Computer Software under development	Deferred technical knowledge acquisition cost	Total
	In-house development	Purchase/acquisition			
Cost					
1 January 2020	2,559	186,659	11,792	38,533	239,543
Additions	790	701	20,849	1,540	23,880
Transfer in (out)	152	7,996	(8,148)	-	-
Disposals/write-off	-	(2,467)	-	(7,309)	(9,776)
31 December 2020	3,501	192,889	24,493	32,764	253,647
Additions	-	3,986	21,382	1,540	26,908
Transfer in (out)	163	25,993	(26,156)	-	-
Disposals/write-off	-	(1,456)	-	-	(1,456)
Adjustment	(790)	790	(35)	(814)	(849)
31 December 2021	2,874	222,202	19,684	33,490	278,250
Accumulated amortisation					
1 January 2020	45	102,590	-	8,363	110,998
Amortisation for the year	444	13,599	-	2,159	16,202
Accumulated amortisation on disposals/write-off	-	(2,467)	-	(1,464)	(3,931)
31 December 2020	489	113,722	-	9,058	123,269
Amortisation for the year	287	13,925	-	1,012	15,224
Accumulated amortisation on disposals/write-off	-	(1,140)	-	-	(1,140)
Adjustment	(87)	87	-	(2,787)	(2,787)
31 December 2021	689	126,594	-	7,283	134,566
Allowance for impairment					
1 January 2020	-	2,780	-	11,600	14,380
Increase (decrease) during the year	-	2,440	-	(3,500)	(1,060)
31 December 2020	-	5,220	-	8,100	13,320
Adjustment	-	-	-	985	985
31 December 2021	-	5,220	-	9,085	14,305
Net book value					
31 December 2020	3,012	73,947	24,493	15,606	117,058
31 December 2021	2,185	90,388	19,684	17,122	129,379
Amortisation for the years					
2020					16,202
2021					15,224

(Unit: Thousand Baht)

	Separate financial statements			
	Deferred technical			Total
	Computer softwares	Computer softwares under development	knowledge acquisition cost	
Cost				
1 January 2020	121,372	1,172	13,663	136,207
Additions	578	1,641	1,540	3,759
Transfer in (out)	726	(726)	-	-
Disposals/write-off	(2,467)	-	-	(2,467)
31 December 2020	120,209	2,087	15,203	137,499
Additions	735	476	1,540	2,751
Transfer in (out)	1,146	(1,146)	-	-
31 December 2021	122,090	1,417	16,743	140,250
Accumulated amortisation				
1 January 2020	70,894	-	1,447	72,341
Amortisation for the year	8,031	-	482	8,513
Accumulated amortisation on disposals/write-off	(2,467)	-	-	(2,467)
31 December 2020	76,458	-	1,929	78,387
Amortisation for the year	8,219	-	482	8,701
31 December 2021	84,677	-	2,411	87,088
Net book value				
31 December 2020	43,751	2,087	13,274	59,112
31 December 2021	37,413	1,417	14,332	53,162
Amortisation for the year				
2020				8,513
2021				8,701

As at 31 December 2021 and 2020, the Group had certain computer software, which had have been fully amortised but are still in use. The original costs before deducting accumulated amortisation of those assets amounted to Baht 66.8 million and 65.2 million, respectively (the Company only: Baht 39.6 million and 39.2 million, respectively).

17. Deferred tax assets and income tax expenses

17.1 Deferred tax assets

The components of deferred tax assets were the tax effects arose from the following transactions:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Consolidated financial statements		Separate financial statements	
					Changes in deferred tax assets or liabilities for the years ended 31 December		Changes in deferred tax assets or liabilities for the years ended 31 December	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	2021	2020	2021	2020
Deferred tax assets (liabilities)								
arose from:								
Loss reserves	263,645	227,732	263,645	227,732	35,913	15,416	35,913	15,416
Unexpired risk reserves	25,404	-	25,404	-	25,404	-	25,404	-
Commission receivable/payable from reinsurance	(6,715)	(9,346)	(6,715)	(9,346)	2,631	(43,548)	2,631	(43,548)
Deferred commission and brokerage income	5,241	4,445	5,241	4,445	796	(11,248)	796	(11,248)
Not yet utilised brought forward tax losses	118,255	60,318	118,255	60,318	57,937	6,598	57,937	6,598
Unrealised loss on investments	58,663	99,010	58,662	99,011	(40,347)	35,657	(40,349)	35,658
Allowance for doubtful accounts	4,530	4,676	3,950	4,468	(146)	(100)	(518)	(175)
Unrealised gains as a result of reclassification of investment types	(68,952)	(75,401)	(68,952)	(75,401)	6,449	-	6,449	-
Deferred commission and brokerage expenses	(98,293)	(99,983)	(98,293)	(99,983)	1,690	2,112	1,690	2,112
Others	18,224	34,350	10,324	21,889	(16,126)	225	(11,565)	(1,058)
Deferred tax assets	320,002	245,801	311,521	233,133	74,201	5,112	78,388	3,755
Total changes					74,201	5,112	78,388	3,755
Recognition of changes in:								
- Retained earnings at beginning of the year					-	(3,372)	-	(3,436)
- Other component of equity at beginning of the year					-	(746)	-	(735)
- Statements of income					96,305	(16,401)	99,811	(17,267)
- Statements of comprehensive income					(22,104)	25,631	(21,423)	25,193
Total changes					74,201	5,112	78,388	3,755

As at 31 December 2021 and 2020, the Company had deferred tax assets which were recognised on unused tax losses that will gradually expire by 2026.

17.2 Income tax expenses

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Current income tax:				
Current income tax charge for the years	(16,238)	(16,126)	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	96,305	(16,401)	99,811	(17,267)
Income tax benefits (expenses) reported in statements of income	80,067	(32,527)	99,811	(17,267)

Reconciliations between income tax expenses and the product of accounting profits for the years ended 31 December 2021 and 2020 and the applicable tax rates were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Accounting profit (loss) before income taxes	(436,529)	254,527	(438,092)	211,968
Applicable tax rate	20%	20%	20%	20%
Income taxes at the applicable tax rates	87,306	(50,905)	87,618	(42,394)
Tax effects of:				
Tax losses expected not to be able to utilise	(8,000)	-	(8,000)	-
Tax-exempted revenues	28,478	21,872	20,878	21,872
Non-tax deductible expenses	(910)	(537)	(549)	(318)
Others	(26,807)	(2,957)	(136)	3,573
Total	(7,239)	18,378	12,193	25,127
Income tax benefits (expenses) reported in statements of income	80,067	(32,527)	99,811	(17,267)

18. Insurance contract liabilities

(Unit: Thousand Baht)

	Consolidated and separate financial statements					
	31 December 2021			31 December 2020		
	Insurance		Net	Insurance		Net
	contract liabilities	Reinsurance of liabilities		contract liabilities	Reinsurance of liabilities	
Loss reserves						
- For reported claims	829,661	(72,905)	756,756	557,522	(52,778)	504,744
- For claims incurred but not reported	686,768	(125,298)	561,470	692,845	(58,929)	633,916
Premium reserves						
- Unearned premium reserves	1,275,203	(75,169)	1,200,034	1,280,337	(63,865)	1,216,472
- Unexpired risk reserves	169,047	(42,030)	127,017	-	-	-
Other insurance liabilities	2,163	-	2,163	7,110	-	7,110
Total	2,962,842	(315,402)	2,647,440	2,537,814	(175,572)	2,362,242

18.1 Loss reserves

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2021	2020
Beginning balances	1,250,367	1,577,879
Claims incurred during the current years	3,155,603	2,030,297
Changes in loss reserves of prior years'		
incurred claims	(319,319)	39,126
Claims paid during the years	(2,570,222)	(2,396,935)
Ending balances	1,516,429	1,250,367

18.2 Claims development table

(a) Gross claims table

(Unit: Million Baht)

Reporting year/ Underwriting year	31 December 2021											
	Prior to 2012	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Estimates of cumulative ultimate claims:												
- End of the reporting year	16,574	670	684	630	705	950	1,029	1,168	1,371	1,183	2,326	
- Next one year	26,824	1,219	1,085	1,045	1,177	1,467	1,628	1,844	2,087	1,691		
- Next two years	35,306	1,377	1,065	1,037	1,202	1,510	1,651	1,892	2,058			
- Next three years	39,619	1,574	1,058	1,033	1,202	1,501	1,652	1,867				
- Next four years	40,877	1,672	1,056	1,026	1,206	1,493	1,643					
- Next five years	41,879	1,741	1,054	1,022	1,208	1,495						
- Next six years	42,528	1,847	1,054	1,019	1,208							
- Next seven years	44,130	1,873	1,056	1,020								
- Next eight years	45,153	1,918	1,056									
- Next nine years	45,232	1,963										
Estimates of cumulative ultimate claims incurred	45,249	1,963	1,056	1,020	1,208	1,495	1,643	1,867	2,058	1,691	2,326	61,576
Cumulative payments to date	(45,216)	(1,954)	(1,057)	(1,020)	(1,208)	(1,490)	(1,635)	(1,827)	(1,946)	(1,367)	(1,340)	(60,060)
Total gross claims	33	9	(1)	-	-	5	8	40	112	324	986	1,516

(b) Net claims table

(Unit: Million Baht)

Reporting year/ Underwriting year	31 December 2021											
	Prior to 2012	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Estimates of cumulative ultimate claims:												
- End of the reporting year	5,252	626	632	584	668	893	829	1,034	1,118	1,069	2,019	
- Next one year	12,589	1,155	1,026	996	1,133	1,407	1,411	1,692	1,770	1,609		
- Next two years	18,433	1,317	1,008	988	1,159	1,448	1,435	1,741	1,744			
- Next three years	21,767	1,461	1,002	984	1,159	1,440	1,435	1,717				
- Next four years	22,348	1,495	1,001	978	1,163	1,433	1,427					
- Next five years	22,421	1,534	999	974	1,165	1,434						
- Next six years	22,501	1,555	999	971	1,165							
- Next seven years	22,668	1,582	1,001	972								
- Next eight years	22,842	1,612	1,001									
- Next nine years	22,873	1,656										
Estimates of cumulative ultimate claims incurred	22,870	1,656	1,001	972	1,165	1,435	1,427	1,717	1,744	1,609	2,019	37,615
Cumulative payments to date	(22,845)	(1,647)	(1,002)	(971)	(1,164)	(1,431)	(1,419)	(1,679)	(1,645)	(1,291)	(1,203)	(36,297)
Total net claims	25	9	(1)	1	1	4	8	38	99	318	816	1,318

Key assumptions and the methods, which were used in determining assumptions in estimation of loss reserves, were described in Note 36.1 to the financial statements.

18.3 Unearned premium reserves

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2021	2020
Beginning balances	1,280,337	1,275,476
Premium written for the years	4,407,066	4,328,728
Premium earned during the years	(4,412,200)	(4,323,867)
Ending balances	1,275,203	1,280,337

18.4 Unexpired risk reserves

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	For the year ended	For the year ended
	31 December 2021	31 December 2020
Beginning balances	-	-
Addition during the periods	169,047	-
Ending balances	169,047	-

19. Due to reinsurers

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	31 December 2021	31 December 2020
Amounts withheld on reinsurance	89,488	82,113
Other reinsurance payables	366,016	324,785
Total due to reinsurers	455,504	406,898

20. Derivatives liabilities

As at 31 December 2021 and 2020, the Company had the following financial derivatives, present at fair value as follows.

(Unit: Thousand Baht)

Types of contracts	Consolidated financial statement			
	31 December 2021		31 December 2020	
	Notional amounts	Fair value of contracts	Notional amounts	Fair value of contracts
Derivatives held for trading:				
Forward exchange contracts	4,784	21	4,371	91

As at 31 December 2021 and 2020, a subsidiary entered into USD forward exchange contract with a commercial bank. The contract has a period of 6.2 months and 2.4 months, respectively.

21. Employee benefit obligations

The movements of employee benefit obligations for the years ended 31 December 2021 and 2020 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2021	2020	2021	2020
Employee benefit obligations at beginning of the years	78,643	64,135	45,926	38,601
Included in statements of income:				
- Current service cost	9,117	8,030	3,631	3,218
- Interest cost	1,200	1,075	679	621
	10,317	9,105	4,310	3,839
Included in statements of comprehensive income:				
Actuarial (gains) losses arising from				
- Demographic assumptions changes	706	(2,546)	200	(1,259)
- Financial assumptions changes	(9,815)	899	(7,316)	358
- Experience adjustments	350	7,275	1,770	4,387
Total actuarial losses	(8,759)	5,628	(5,346)	3,486
Payments during the years	(3,578)	(225)	(1,369)	-
Employee benefit obligations at end of the years	76,623	78,643	43,521	45,926

Long-term employee benefit expenses included in statements of income for the years ended 31 December 2021 and 2020 were separately shown as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2021	2020	2021	2020
Loss adjustment expenses	180	163	180	163
Other underwriting expenses	915	694	915	694
Investments expenses	202	199	202	199
Operating expenses	3,013	2,783	3,013	2,783
Service expenses	6,007	5,266	-	-
Total expenses recognised in statements of income	10,317	9,105	4,310	3,839

As at 31 December 2021 and 2020, the Group expected to pay Baht 4.5 million and Baht 1.5 million, respectively, (the Company only: Baht 4.5 million and Baht 1.5 million respectively) over the next 1-year period.

As at 31 December 2021 and 2020, the weighted average durations of the liabilities for long-term employee benefits were 11 years and 13 years, respectively (The Company only: 9 years and 11 years, respectively).

Principal actuarial assumptions at the valuation dates were as follows:

	(Unit: Percent per annum)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Discount rates	1.91 - 2.98	1.49 - 2.17	1.91	1.49
Salary incremental rate	5.0 - 7.0	6.50	5.0	6.50
Staff turnover rates	10.00 - 20.00	10.52 - 20.27	10.00 - 20.00	10.52 - 20.27

The impact from sensitivity analysis on principal actuarial assumptions to the present value of employee benefit obligations as at 31 December 2021 and 2020 were summarised below.

Consolidated financial statements				
31 December 2021				
	Assumption increase	Increase (decrease) in employee benefit obligations	Assumption decrease	Increase (decrease) in employee benefit obligations
	(Percent per annum)	Million Baht	(Percent per annum)	Million Baht
Discount rate	1.0	(5.8)	1.0	6.6
Salary increase rate	1.0	7.2	1.0	(6.3)
Staff turnover rate	10.0 ⁽¹⁾	(4.2)	10.0 ⁽¹⁾	5.3

⁽¹⁾ 10% of staff turnover rate assumptions applied.

Consolidated financial statements				
31 December 2020				
	Assumption increase	Increase (decrease) in employee benefit obligations	Assumption decrease	Increase (decrease) in employee benefit obligations
	(Percent per annum)	Million Baht	(Percent per annum)	Million Baht
Discount rate	1.0	(6.6)	1.0	7.7
Salary increase rate	1.0	8.3	1.0	(7.3)
Staff turnover rate	10.0 ⁽¹⁾	(5.0)	10.0 ⁽¹⁾	6.4

⁽¹⁾ 10% of staff turnover rate assumptions applied.

Separate financial statements				
31 December 2021				
	Assumption increase	Increase (decrease) in employee benefit obligations	Assumption decrease	Increase (decrease) in employee benefit obligations
	(Percent per annum)	Million Baht	(Percent per annum)	Million Baht
Discount rate	1.0	(2.7)	1.0	3.0
Salary increase rate	1.0	3.5	1.0	(3.1)
Staff turnover rate	10.0 ⁽¹⁾	(1.7)	10.0 ⁽¹⁾	1.9

(1) 10% of staff turnover rate assumptions applied.

Separate financial statements				
31 December 2020				
	Assumption	Increase (decrease) in employee benefit obligations	Assumption	Increase (decrease) in employee benefit obligations
	increase		decrease	
	(Percent per annum)	Million Baht	(Percent per annum)	Million Baht
Discount rate	1.0	(3.3)	1.0	3.8
Salary increase rate	1.0	4.2	1.0	(3.7)
Staff turnover rate	10.0 ⁽¹⁾	(2.3)	10.0 ⁽¹⁾	2.7

⁽¹⁾ 10% of staff turnover rate assumptions applied.

22. Share capital

As at 31 December 2021 and 2020, the Group's registered, issue and paid-up share capital consisted of 4,214,993,832 ordinary shares with a par value of Baht 0.88 each.

On 7 July 2020, the Annual General Shareholders Meeting No.27 approved that a registered capital reduction of Baht 505.8 million was made by reducing the par value per share from Baht 1.00 to Baht 0.88. As a result, the Company's registered and paid-up share capital decreased from Baht 4,215.0 million to Baht 3,709.2 million. The Company registered its capital decrease with the Department of Business Development, the Ministry of Commerce on 8 October 2020.

Reconciliation of the Group's registered and paid-up share capital during the year ended 31 December 2020 as following:

(Unit: Thousand Baht)			
	Par value	For the year ended 31 December 2020	
		Number of shares	Amount
Registered and paid-up share capital:			
Balance as at beginning of the year	1.00	4,214,993,832	4,214,994
registered capital reduction	(0.12)	4,214,993,832	(505,799)
Balance as at ending of the year	0.88	4,214,993,832	3,709,195

23. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. During the year ended 31 December 2020, the Company transferred the statutory reserve of Baht 38.6 million in order to offset the deficit which was according to the resolutions made at the Annual General Shareholders Meeting No.27 held on 7 July 2021 and appropriated profit for the year 2020 to statutory reserve amounting to Baht 9.8 million.

According to the Civil and Commercial Code, the subsidiary is required to set aside a statutory reserve an amount equal to at least 5% of its net income each time the subsidiary pay out a dividend, until such reserve reaches 10% of the subsidiary's registered share capital. The statutory reserve cannot be used for dividend payment. During the year ended 31 December 2021, the subsidiaries appropriated net profit to statutory reserve amounting to Baht 4.0 million (2020: No appropriation).

24. Segment information/major customer information

24.1 Operating segment information

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 of Executive Board.

For management purposes, the Group is organised into business units based on its business types; reinsurance business and other service business. The reinsurance divides by types of products and services and have two reportable segments are "conventional products" and "non-conventional products". Segments are differentiated based on the design of the product, and specifically whether they are a traditional product line available in the current market and a new type of product in expectation of market demand and the Group can continuously service.

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

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

As at 31 December 2021 and 2020, assets and liabilities can be classified by operating segment as follows:

(Unit: Thousand Baht)

	Consolidated financial statement					
	31 December 2021			31 December 2020		
	Non-life insurance	Other	Total	Non-life insurance	Other	Total
Total assets	6,605,494	507,514	7,113,008	6,508,264	498,399	7,006,663
Total liabilities	3,744,500	123,548	3,868,048	3,217,672	107,547	3,325,219

Operating segment information can be classified by type of insurance products as follows:

(Unit: Thousand Baht)

	Consolidated financial statement		
	For the year ended 31 December 2021		
	Conventional products	Non-conventional products	Total
Underwriting income			
Gross reinsurance premium written	2,172,361	2,234,705	4,407,066
Less: Premium ceded to reinsurers	(371,120)	(2,565)	(373,685)
Net reinsurance premium written	1,801,241	2,232,140	4,033,381
Add (less): Unearned premium reserves (increased) decreased from prior year	(26,866)	44,805	17,939
Net earned reinsurance premium	1,774,375	2,276,945	4,051,320
Underwriting expenses			
Unexpired risk reserves increased	-	127,018	127,018
Net claims expenses	960,242	1,613,943	2,574,185
Net commissions and brokerage expenses	615,196	1,018,324	1,633,520
Other underwriting expenses	40,593	90,942	131,535
Total underwriting expenses	1,616,031	2,850,227	4,466,258
Profit (loss) from underwriting	158,344	(573,282)	(414,938)
Operating expenses			(185,697)
Loss before service and investment revenues			(600,635)
Net service revenue			53,202
Net investment revenue			103,128
Net other revenue			7,776
Loss before income tax expenses			(436,529)
Income tax benefits			80,067
Net loss			(356,462)

(Unit: Thousand Baht)

Consolidated financial statement			
For the year ended 31 December 2020			
	Conventional products	Non-conventional products	Total
Underwriting income			
Gross reinsurance premium written	1,928,415	2,400,312	4,328,727
Less: Premium ceded to reinsurers	(313,077)	(71,472)	(384,549)
Net reinsurance premium written	1,615,338	2,328,840	3,944,178
Less: Unearned premium reserves increased from prior year	(53,222)	(141,093)	(194,315)
Net earned reinsurance premium	1,562,116	2,187,747	3,749,863
Underwriting expenses			
Net claims expenses	931,951	903,828	1,835,779
Net commissions and brokerage expenses	490,378	1,025,434	1,515,812
Other underwriting expenses	31,367	123,724	155,091
Total underwriting expenses	1,453,696	2,052,986	3,506,682
Profit from underwriting	108,420	134,761	243,181
Operating expenses			(189,439)
Profit before service and investment revenues			53,742
Net service revenue			63,441
Net investment revenue			131,562
Net other revenue			5,782
Profit before income tax expenses			254,527
Income tax expenses			(32,527)
Net profit			222,000

24.2 Geographic information

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

24.3 Major customers

During the years ended 31 December 2021 and 2020, the Group had gross reinsurance premium written for the amount equal to or more than 10% of total gross reinsurance premium written from major insurance companies as follows:

	(Unit: Million Baht)	
	Consolidated financial statements	
	For the year ended 31 December	
	2021	2020
Gross reinsurance premium written	3,066	2,615
Percentage of total gross reinsurance premium written (%)	70	60
Number of major customers (companies)	4	3

25. Net investment revenues

	(Unit: Thousand Baht)			
	Consolidate		Separate	
	financial statements		financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	2021	2020	2021	2020
Dividend incomes	85,411	98,653	141,212	138,707
Interest income	15,592	23,424	14,740	21,852
Total	101,003	122,077	155,952	160,559

26. Net gains from financial instrument

	(Unit: Thousand Baht)			
	Consolidate		Separate	
	financial statements		financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	2021	2020	2021	2020
Gain (losses) on disposal and derecognition:				
Debt securities measured at fair value through				
profit or loss	45	(615)	-	(620)
Debt securities measured at fair value through				
other comprehensive income	-	2,709	-	2,692
Equity securities measured at fair value				
through profit or loss	-	241	-	241
Gain from reversal of impairment loss on				
investments in a subsidiary	-	-	10,000	-
Total	45	2,335	10,000	2,313

27. Fair value gains on financial instruments

	(Unit: Thousand Baht)			
	Consolidate		Separate	
	financial statements		financial statements	
	For the year ended		For the year ended	
	31 December		31 December	
	2021	2020	2021	2020
Fair value gains (losses) on investments				
Debt securities measured at fair value				
through profit or loss	8,905	13,079	8,904	12,968
Derivatives	70	(91)	-	-
Total	8,975	12,988	8,904	12,968

28. Operating expenses

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Personnel expenses	122,103	135,205	122,170	138,781
Premises and equipment expenses, which were not expenses for underwriting	26,937	25,045	37,532	34,582
Taxes and duties	298	(4)	298	(4)
Reversal of bad debts and doubtful accounts	(936)	(761)	(936)	(761)
Other operating expenses	37,295	29,954	37,319	30,068
Total operating expenses	185,697	189,439	196,383	202,666

29. Expected credit losses

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Cash and cash equivalents	49	17	23	14
Debt instruments measured at fair value through other comprehensive income	25	(73)	25	(73)
Debt instruments measured at amortised cost	33	(88)	44	(95)
Other financial assets	1,857	102	-	-
Total	1,964	(42)	92	(154)

30. Expenses

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Unexpired risk reserves	127,018	-	127,018	-
Gross claims	2,836,283	2,069,423	2,836,283	2,069,424
Claim recovery from reinsurers	(267,677)	(238,536)	(267,677)	(238,536)
Commissions and brokerage expenses	1,723,681	1,675,487	1,723,681	1,675,487
Other underwriting expenses	85,868	115,112	85,878	115,186
Personnel expenses	368,590	368,452	180,311	189,488
Premises and equipment expenses	148,681	136,825	37,532	34,582
Reversal of bad debts and doubtful accounts	(936)	(761)	(936)	(761)
Finance costs	390	399	175	229
Expected credit losses (reversal)	1,964	(42)	92	(154)
Other expenses	64,221	51,427	39,589	30,379
Total expenses	5,088,083	4,177,786	4,761,946	3,875,324

31. Provident Fund

The Group and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. The fund is contributed to by both the employees and the Group 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 Krungsri Asset Management Company Limited and will be paid to employees upon termination in accordance with the fund rules. During the years ended 31 December 2021 and 2020, the Group contributed Baht 23 million and 21 million, respectively, to the fund (the Company only: Baht 11 million and 10 million, respectively).

32. Earnings per share

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

33. Dividends

Dividends were declared during the year ended 31 December 2021 as follows:

	Approved by	Total dividends (Million Baht)	Dividends per share (Baht)
Annual dividends for 2020	Resolution at the 28th Annual General Meeting held on 23 April 2021	168.6	0.04

34. Related party transactions

34.1 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 relationships between the Group and its related parties are summarized below:

Name of related parties	Relationship with the Company
EMCS Thai Co., Ltd.	Subsidiary
Thaire Services Co., Ltd.	Subsidiary
Thaire Actuarial Consultation Co., Ltd.	Subsidiary
Thaire Innovation Co., Ltd.	Subsidiary
Thaire Life Assurance Plc.	Related by way of common directors and shareholding
Bangkok Insurance Plc.	Related by way of common directors and shareholding
Thaivivat Insurance Plc.	Related by way of common directors and shareholding
Krungthai Panich Insurance Plc.	Related by way of common directors and shareholding
The Falcon Insurance Plc.	Related by way of common directors and shareholding
HWIC ASIA FUND	Related by way of common directors and shareholding
Muang Thai Insurance Plc.	Related by way of common directors
Muang Thai Life Assurance Plc.	Related by way of common directors
Kasikornbank Plc.	Related by way of common directors

34.2 Significant related party transactions

During the years, the Group had significant business transactions with its related parties. Such transactions, which were summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Group and those related parties.

(Unit: Million Baht)

	Consolidated financial statements		Separate financial statements		
	For the years ended		For the years ended		
	31 December		31 December		Pricing policy
	2021	2020	2021	2020	
<u>Transactions with subsidiaries</u>					
(eliminated from the consolidated financial statements)					
Revenues					
Dividend income	-	-	56	40	As declared
Expenses					
Service expenses	-	-	11	13	At cost
<u>Transactions with related parties</u>					
Revenues					
Reinsurance premium written	1,793	1,679	1,793	1,679	Ceded rates depending on type of insurance as specified in the reinsurance contracts
Commission income	63	52	63	52	Contracted rates or as mutually agreed
Dividend income	25	25	25	25	As declared
Service income	26	33	-	-	Contracted rates or as mutually agreed
Claim recovery from reinsurers	145	31	145	31	At the ratios as specified in the retrocession contracts
Expenses					
Premium ceded to reinsurers	145	110	145	110	Ceded rates depending on type of insurance as specified in the retrocession contracts
Gross claims	1,154	760	1,154	760	At loss rates as specified in the reinsurance contracts
Commission expenses	613	568	613	568	Contracted rates or as mutually agreed

During the year 2021, the subsidiaries had service income and service expenses charged among them, with transfer price as determined in the contracts, mutually agreed or at cost, totalling Baht 7.3 million.

Moreover, the Company transferred 3 employees to a subsidiary in order to provide service to its clients, with these transferred employees retaining the right to continue their years of services. Therefore, the

Company transferred employee benefits obligation of these employees totalling Baht 0.4 million to the subsidiary.

34.3 Outstanding balances

As at 31 December 2021 and 2020, the Group had the outstanding balances with its related parties as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
Reinsurance receivables				
Amounts deposited on reinsurance	334,862	348,938	334,862	348,938
Amounts due from reinsurers	184,215	137,374	184,215	137,374
Other assets				
Deferred commissions and brokerage expenses	177,388	163,682	177,388	163,682
Trade receivables	2,365	2,482	-	-
Insurance contract liabilities				
Loss reserves	743,745	553,795	743,745	553,795
Due to reinsurers				
Amounts withheld on reinsurance	-	122	-	122
Other reinsurance payables	95,771	128,943	95,771	128,943
Other liabilities				
Premium received in advance - net	110,974	60,847	110,974	60,847
Deferred commissions and brokerage income	15,325	14,048	15,325	14,048
Unearned revenues	263	87	-	-

34.4 Directors and management personnel's remuneration

During the years ended 31 December 2021 and 2020, the Group incurred employee benefit expenses on their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2021	2020	2021	2020
Short-term benefits	128,413	79,016	67,708	51,693
Long-term benefits	7,783	6,126	5,198	3,557
Total	136,196	85,142	72,906	55,250

35. Commitments and contingent liabilities

35.1 Service commitments

As at 31 December 2021 and 2020, the Group had outstanding service commitment and future minimum service fees amounting to Baht 20.2 million and Baht 0.8 million, respectively (The Company only: Baht 0.7 million and Baht 0.1 million, respectively).

35.2 Capital commitments

As at 31 December 2021 and 2020, the Group had outstanding capital commitments contracted for renovation of building, totaling to Baht 2.6 million and no commitment, respectively, and for computer software development totaling to Baht 0.9 million and Baht 2.0 million, respectively, (The Company only: As at 31 December 2021, there was no commitment and as at 31 December 2020, the Company had outstanding capital commitments contracted for computer software development totaling to Baht 0.5 million).

35.3 Litigations

As described in Note 9 to the financial statements, as at 31 December 2021 and 2020, the Company has dispute with an overseas reinsurer. Such reinsurer claimed for monetary restitution through arbitration process for a total of approximately Baht 745 million plus interest. However, the Company's management believes that such allegations and the counterclaim amount have no sufficient legal merit and the Company would incur no significant loss in relation to such disputes. Therefore, the management considers not to set aside any provision for contingent liabilities.

36. Risks and risk management policies

36.1 Reinsurance risks

Reinsurance risk is the risk arising from the Company's reinsurance activities that might experience significant fluctuations in the timing, frequency, and severity of insured events, relative to the Company's expectations.

Underwriting guidelines are developed based on technical knowledge and updated statistics and revised periodically to keep up with changes in market conditions. The Company places a strong emphasis on underwriting discipline of individuals. Underwriting audit is in place to assure that underwriting guidelines are strictly followed. Statistical data and insights are incorporated into marketing plans and ratemaking process to help the Company develop new profitable products with long-term growth potential. Customer surveys are periodically conducted to make sure that new products are able to meet customer expectations. The Company's actuarial Fellow performs risk transfer tests on all new products and approves their pricing. The product review policy that is well established requires all products to be reviewed every 2 years.

Geographical areas and its related risks are diversified and taken into account in the underwriting process. Risk accumulation is closely and timely monitored on a monthly basis. Simulation models for flood and earthquake are already in place as well as the Company's excess of loss program to protect the reinsurance contracts underwritten against adverse claims experience that might affect the Company's strength. The Company has a strict policy to retrocede its business to retrocessionaires that have credit ratings of at least "A-".

The Company continuously monitors claim aging to ensure that suspended claims are not left untouched. The Company also puts in place claim monitoring and claim management system to ensure prompt payment. The Company has adopted the conservative methods and assumptions for the calculation of its technical provisions. Factors that might significantly affect the Company's loss reserve are examined and analyzed thoroughly and continuously. Loss reserve adequacy testing is performed on an annual basis. Loss reserve estimates are actuarially sound and signed off by the Company's actuarial Fellow.

As at 31 December 2021 and 2020, reinsurance contract liabilities were classified by type insurance as follows.

(Unit: Million Baht)

	Consolidated and separate financial statements					
	31 December 2021			31 December 2020		
	Premium reserves			Premium reserves		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Fire	127	(13)	114	108	(14)	94
Marine	5	(1)	4	4	(1)	3
Motor	360	(5)	355	332	-	332
Personal accident	327	(26)	301	356	(28)	328
Miscellaneous	456	(30)	426	480	(21)	459
Total	1,275	(75)	1,200	1,280	(64)	1,216

(Unit: Million Baht)

	Consolidated and separate financial statements					
	31 December 2021			31 December 2020		
	Claim reserves			Claim reserves		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Fire	187	(34)	153	158	(30)	128
Marine	29	(2)	27	17	(2)	15
Motor	519	(2)	517	470	-	470
Personal accident	174	(13)	161	169	(9)	160
Miscellaneous	607	(147)	460	436	(70)	366
Total	1,516	(198)	1,318	1,250	(111)	1,139

Key assumptions and the method used in determining assumptions for estimation of loss reserves were as follows.

(a) Ultimate loss ratio

The Company adopts the Chain Ladder method, which takes into accounts historical reported claims development patterns and premium written, to determine assumptions used in calculation of the Ultimate Loss Ratio, using the Expected Loss Ratio method. Such method is an actuarial method that brings the results of the multiplication of the Ultimate Loss Ratio and the earned premiums to arrive at the value of loss reserves.

(b) Unallocated loss adjustment expense ratio (ULAE), which is categorised into 2 types as follows.

- The average of ULAE per claim

The Company uses the total ULAE and the total number of claims in the last fiscal year to calculate the average ULAE per claim. Such average value is used to estimate ULAE reserves for claims that have been reported but not yet closed.

- ULAE to total paid claim ratio

The Company uses ULAE and the value of paid claims in the current fiscal year to calculate the ratio of ULAE to total paid claims. Such ULAE ratio will be used to estimate ULAE reserves for claims that have been incurred but not yet reported.

The impact from sensitivity analysis on key assumptions to the value of loss reserves and other relevant accounts as at 31 December 2021 and 2020 were summarised below.

	Consolidated and separate financial statements				
	31 December 2021				
		Loss reserves			
Assumption	Increase in	Increase in	Decrease in	Decrease in	
increase	gross claim	net claim	profit before	owners'	
(decrease)	reserves	reserves	income tax	equity	
(Percent)	Million	Million	Million	Million	
	Baht	Baht	Baht	Baht	
Ultimate Loss Ratio	5.0	264	244	(244)	(195)
(Loss reserves for underwriting years from 2020 to 2021)	(5.0)	(161)	(148)	148	118
Changes in loss reserves	5.0	10	9	(9)	(7)
(Loss reserves for underwriting years before 2020)	(5.0)	(10)	(9)	9	7
Unallocated Loss Adjustment	5.0	0.2	0.2	(0.2)	(0.2)
Expense Ratio	(5.0)	(0.2)	(0.2)	0.2	0.2

Consolidated and separate financial statements					
31 December 2020					
Assumption	Loss reserves		Decrease in		
	Increase in	Increase in	profit before	Decrease in	
	gross claim	net claim	income tax	owners'	
(decrease)	reserves	reserves	expenses	equity	
(Percent)	Million	Million	Million	Million	Million
	Baht	Baht	Baht	Baht	Baht
Ultimate Loss Ratio	5.0	291	266	(266)	(213)
(Loss reserves for underwriting	(5.0)	(201)	(190)	190	152
years from 2019 to 2020)					
Changes in loss reserves	5.0	10	10	(10)	(8)
(Loss reserves for underwriting	(5.0)	(10)	(10)	10	8
years before 2019)					
Unallocated Loss Adjustment	5.0	0.2	0.2	(0.2)	(0.1)
Expense Ratio	(5.0)	(0.2)	(0.2)	0.2	0.1

36.2 Financial risk management policies

36.2.1 Financial instruments risks

The Group's financial instruments principally comprise cash and cash equivalents, investments in securities, loans, derivative securities, and other financial assets. The financial risks associated with these financial instruments and how they are managed is described below.

(a) Credit risk

Credit risk is the risk of default by the Group's counterparties unable to execute the contract's liabilities or possibilities that such counterparties being downgraded its credit rating.

(1) Insurance assets

The Group manages credit risk by analyze debtors' payment capability together with regularly monitoring their financial position. The Group also established policies and procedures to control credit limits and set up a strict policy to retrocede its business to retrocessionaires that have credit ratings of at least "A-".

(2) Financial assets

The Group has avoided speculative investments and invests in high quality securities that are expected to generate reasonable and consistent returns. The Group also established

policies and procedures to control credit limits and set up a strict policy to buy securities from the issuers that have credit ratings of at least "A-". The Group regularly analyses and evaluates the issuers' solvency, and monitors their credit ratings, performances, news and economic effects.

ECLs are calculated concerning the probability-weighted amounts which are determined by evaluating a range of reasonably possible outcomes, the time value of money, and considering all reasonable and supportable information. This includes forward-looking information. Such ECLs are calculated the estimate of expected cash shortfalls by multiplying the probability of default (PD) with the loss given default (LGD) with the expected exposure at the time of default (EAD).

For ECLs recognition, financial assets are classified in any of the below 3 stages. A financial asset can move between stages during its lifetime. The stages are based on changes in credit quality since initial recognition and considered the economic situation's changes. The Group defined the financial assets' stages as follows:

Stage 1 Financial assets that have not had a significant increase in credit risk

Financial assets that have not had a significant increase in credit risk (SICR) since initial recognition (i.e. no Stage 2 or 3 triggers apply) or debt investment that considered to have low credit risk at each reporting date with the exception of purchased or originated credit impaired (POCI) assets. The provision for ECL is 12-month ECL. 12-month ECL are the portion of lifetime ECL that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Stage 2: Financial assets have a SICR

When financial assets have a SICR since initial recognition, ECLs are recognised for possible default events over the lifetime of the financial assets. SICR is assessed by using a number of quantitative and qualitative factors that are significant to the increase in credit risk. Financial assets that are 90 or more days past due and not credit-impaired will always be considered to have experienced a significant increase in credit risk.

Stage 3: Lifetime ECL credit impaired

Financial assets that are credit-impaired or in default represent those that are at least 180 days past due in respect of principal and/or interest. Financial assets are also considered to be credit-impaired where the customers are unlikely to repay on the occurrence of one or more observable events that have a negative impact on the estimated future cash flows of the financial assets.

Risks related to the concentration of loans to are not substantial since the Company provides loans only to its employees and the loan collateral provided is adequate to cover the loan amount. The ratio of loans to collateral values is in accordance with the requirements set by the Office of Insurance Commission.

The Subsidiaries manage credit risk of other financial assets by adopting appropriate credit control policy to each counterparty which its outstanding and financial position are regularly monitored. Each subsidiary calculates ECLs by choosing the historical periods which reflect the current collection conditions and suitable analysis and adjusted for forward-looking factors specific to the debtors and the economic environment. ECL of each overdue period at each reporting date are calculated the estimate of expected cash shortfalls by multiplying the receivables' outstanding with its default rate based on collection experiences.

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

(Unit: Thousand Baht)

	Consolidated financial statements				
	31 December 2021				
	Financial assets where there without significant increase in credit risk (Stage 1)	Financial assets where there with a significant increase in credit risk (Stage 2)	Financial assets that are credit- impaired (Stage 3)	Financial assets where applied simplified approach to calculated expected credit losses	Total
Cash and cash equivalents					
Investment grade	285,827	-	-	-	285,827
Less: Allowance for expected credit losses	(191)	-	-	-	(191)
Net book value	285,636	-	-	-	285,636
Debt securities measured at fair value through other comprehensive income					
Investment grade	2,258,724	-	-	-	2,258,724
Total fair value	2,258,724	-	-	-	2,258,724
Allowance for expected credit losses recognised in statements of income	(115)	-	-	-	(115)
Debt securities measured at amortised cost					
Investment grade	249,000	-	-	-	249,000
Less: Allowance for expected credit losses	(67)	-	-	-	(67)
Net book value	248,933	-	-	-	248,933
Other financial assets					
Not yet due	2,501	-	-	51,021	53,522
Over due					
Less than 3 months	-	-	-	18,969	18,969
3 - 6 months	-	-	-	441	441
6 - 9 months	-	-	-	325	325
9 - 12 months	-	-	-	37	37
Over 12 months	-	-	-	291	291
Total	2,501	-	-	71,084	73,585
Less: Allowance for expected credit losses	(1)	-	-	(2,901)	(2,902)
Net book value	2,500	-	-	68,183	70,683

(Unit: Thousand Baht)

Consolidated financial statements					
31 December 2020					
	Financial assets where there without significant increase in credit risk (Stage 1)	Financial assets where there with a significant increase in credit risk (Stage 2)	Financial assets that are credit- impaired (Stage 3)	Financial assets where simplified approach to calculated expected credit losses	Total
Cash and cash equivalents					
Investment grade	209,987	-	-	-	209,987
Less: Allowance for expected credit losses	(142)	-	-	-	(142)
Net book value	209,845	-	-	-	209,845
Debt securities measured at fair value through other comprehensive income					
Investment grade	1,901,925	-	-	-	1,901,925
Total fair value	1,901,925	-	-	-	1,901,925
Allowance for expected credit losses recognised in statements of income	90	-	-	-	90
Debt securities measured at amortised cost					
Investment grade	440,000	-	-	-	440,000
Less: Allowance for expected credit losses	(34)	-	-	-	(34)
Net book value	439,966	-	-	-	439,966
Other financial assets					
Not yet due	-	-	-	61,251	61,251
Over due					
Less than 3 months	-	-	-	16,308	16,308
3 - 6 months	-	-	-	259	259
6 - 9 months	-	-	-	49	49
9 - 12 months	-	-	-	29	29
Over 12 months	-	-	-	806	806
Total	-	-	-	78,702	78,702
Less: Allowance for expected credit losses	-	-	-	(1,044)	(1,044)
Net book value	-	-	-	77,658	77,658

(Unit: Thousand Baht)

Separate financial statements				
31 December 2021				
Financial assets				
where there				
without	Financial assets			
significant	where there with			
increase in	a significant	Financial assets		
credit risk	increase in credit	that are credit-		
(Stage 1)	risk (Stage 2)	impaired (Stage 3)	Total	
Cash and cash equivalents				
Investment grade	159,151	-	-	159,151
Less: Allowance for expected credit losses	(108)	-	-	(108)
Net book value	159,043	-	-	159,043
Debt securities measured at fair value through other comprehensive income				
Investment grade	2,248,648	-	-	2,248,648
Total fair value	2,248,648	-	-	2,248,648
Allowance for expected credit losses recognised in statements of income	(115)	-	-	(115)
Debt securities measured at amortised cost				
Investment grade	165,000	-	-	165,000
Less: Allowance for expected credit losses	(47)	-	-	(47)
Net book value	164,953	-	-	164,953
Other financial assets				
Not yet due	2,501	-	-	2,501
Less: Allowance for expected credit losses	(1)	-	-	(1)
Net book value	2,500	-	-	2,500

(Unit: Thousand Baht)

Separate financial statements				
31 December 2020				
Financial assets				
where there				
without	Financial assets			
significant	where there with			
increase in	a significant		Financial assets	
credit risk	increase in credit		that are credit-	
(Stage 1)	risk (Stage 2)		impaired (Stage 3)	Total
Cash and cash equivalents				
Investment grade	125,633	-	-	125,633
Less: Allowance for expected credit losses	(85)	-	-	(85)
Net book value	125,548	-	-	125,548
Debt securities measured at fair value through other comprehensive income				
Investment grade	1,901,612	-	-	1,901,612
Total fair value	1,901,612	-	-	1,901,612
Allowance for expected credit losses				
recognised in statements of income	90	-	-	90
Debt securities measured at amortised cost				
Investment grade	311,000	-	-	311,000
Less: Allowance for expected credit losses	(3)	-	-	(3)
Net book value	310,997	-	-	310,997

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:

(Unit: Thousand Baht)

	Consolidated financial statements				
	For the year ended 31 December 2021				
	Financial assets where there without significant increase in credit risk (Stage 1)	Financial assets where there with a significant increase in credit risk (Stage 2)	Financial assets that are credit- impaired (Stage 3)	Financial assets where applied simplified approach to calculated expected credit losses	Total
Cash and cash equivalents					
Beginning balance as at 1 January 2021	142	-	-	-	142
Change due to remeasurement of allowance for impairment	49	-	-	-	49
Ending balance as at 31 December 2021	191	-	-	-	191
Debt securities measured at fair value through other comprehensive income					
Beginning balance as at 1 January 2021	90	-	-	-	90
Change due to remeasurement of allowance for impairment	36	-	-	-	36
Amounts written off	(11)	-	-	-	(11)
Ending balance 31 December 2021	115	-	-	-	115
Debt securities measured at amortised cost					
Beginning balance as at 1 January 2021	34	-	-	-	34
Newly purchased or acquired financial assets	67	-	-	-	67
Amounts written off	(34)	-	-	-	(34)
Ending balance 31 December 2021	67	-	-	-	67
Other financial assets					
Beginning balance as at 1 January 2021	-	-	-	1,044	1,044
Change due to remeasurement of allowance for impairment	-	-	-	1,857	1,857
Newly purchased or acquired financial assets	1	-	-	-	1
Ending balance 31 December 2021	1	-	-	2,901	2,902

(Unit: Thousand Baht)

	Consolidated financial statements				
	For the year ended 31 December 2020				
	Financial assets where there without significant increase in credit risk (Stage 1)	Financial assets where there with a significant increase in credit risk (Stage 2)	Financial assets that are credit- impaired (Stage 3)	Financial assets where applied simplified approach to calculated expected credit losses	Total
Cash and cash equivalents					
Beginning balance as at 1 January 2020	125	-	-	-	125
Change due to remeasurement of allowance for impairment	17	-	-	-	17
Ending balance as at 31 December 2020	142	-	-	-	142
Debt securities measured at fair value through other comprehensive income					
Beginning balance as at 1 January 2020	163	-	-	-	163
Change due to remeasurement of allowance for impairment	6	-	-	-	6
Newly purchased or acquired financial assets	5	-	-	-	5
Amounts written off	(84)	-	-	-	(84)
Ending balance 31 December 2020	90	-	-	-	90
Debt securities measured at amortised cost					
Beginning balance as at 1 January 2020	122	-	-	-	122
Newly purchased or acquired financial assets	34	-	-	-	34
Amounts written off	(122)	-	-	-	(122)
Ending balance 31 December 2020	34	-	-	-	34
Other financial assets					
Beginning balance as at 1 January 2020	-	-	-	942	942
Change due to remeasurement of allowance for impairment	-	-	-	102	102
Ending balance 31 December 2020	-	-	-	1,044	1,044

(Unit: Thousand Baht)

	Separate financial statements			
	For the years ended 31 December 2021			
	Financial assets where there without significant increase in credit risk (Stage 1)	Financial assets where there with a significant increase in credit risk (Stage 2)	Financial assets that are credit- impaired (Stage 3)	Total
Cash and cash equivalents				
Beginning balance as at 1 January 2021	85	-	-	85
Change due to remeasurement of allowance for expected credit losses	23	-	-	23
Ending balance as at 31 December 2021	108	-	-	108
Debt securities measured at fair value through other comprehensive income				
Beginning balance as at 1 January 2021				
Change due to remeasurement of allowance for expected credit losses	90	-	-	90
Newly purchased or acquired financial assets	36	-	-	36
Amounts written off	(11)	-	-	(11)
Ending balance as at 31 December 2021	115	-	-	115
Debt securities measured at amortised cost				
Beginning balance as at 1 January 2021	3	-	-	3
Newly purchased or acquired financial assets	47	-	-	47
Amounts written off	(3)	-	-	(3)
Ending balance as at 31 December 2021	47	-	-	47
Other financial assets				
Beginning balance as at 1 January 2021	-	-	-	-
Newly purchased or acquired financial assets	1	-	-	1
Ending balance as at 31 December 2021	1	-	-	1

(Unit: Thousand Baht)

	Separate financial statements			
	For the years ended 31 December 2020			
	Financial assets where there without significant increase in credit risk (Stage 1)	Financial assets where there with a significant increase in credit risk (Stage 2)	Financial assets that are credit- impaired (Stage 3)	Total
Cash and cash equivalents				
Beginning balance as at 1 January 2020	71	-	-	71
Change due to remeasurement of allowance for expected credit losses	14	-	-	14
Ending balance as at 31 December 2020	85	-	-	85
Debt securities measured at fair value through other comprehensive income				
Beginning balance as at 1 January 2020	163	-	-	163
Change due to remeasurement of allowance for expected credit losses	6	-	-	6
Newly purchased or acquired financial assets	5	-	-	5
Amounts written off	(84)	-	-	(84)
Ending balance as at 31 December 2020	90	-	-	90
Debt securities measured at amortised cost				
Beginning balance as at 1 January 2020	98	-	-	98
Newly purchased or acquired financial assets	3	-	-	3
Amounts written off	(98)	-	-	(98)
Ending balance as at 31 December 2020	3	-	-	3

(b) 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 Group.

The Company has an investment policy and clear guidelines to provide direction for investment and portfolio management. These have been established in accordance with the Non-Life Insurance Acts. Changes in the economic, political, and regulatory environment are taken into consideration as part of the Company's ongoing monitoring process and incorporated into The Company's investment strategy and portfolio management.

The Company has adopted a prudent investment policy and avoids speculative investments that would jeopardize its capital. The Company invests in high quality securities that are expected to generate reasonable and consistent returns. Major losses on the Company's investment portfolio are not considered likely. Since investment income is the major source of income for the Company, investment activities are closely monitored by the Board of Directors and the Company's Executives.

Interest rate risk

Interest rate risk is the risk that the value of the Group's financial instruments will change due to movements in interest rates

The Group manages its interest rate risk by taking into account its finance costs, expected returns on investment, and possible interest rate movements before making investment decisions. Changes in interest rates are closely monitored whereas the effects on the Group's exposure are periodically analysed.

As at 31 December 2021 and 2020, significant assets and liabilities classified by type of interest rate are summarized in the table below, with those financial assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the pricing date (if this occurs before the maturity date).

(Unit: Million Baht)

Consolidated financial statements							
31 December 2021							
Fixed interest rates							
Based on repricing date or maturity date from 31 December 2020							
	Within 1 year	1 - 5 years	Longer than 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
Financial Assets							
Cash and cash equivalents	-	-	-	286	-	286	0.05 - 0.40
Reinsurance receivables	-	-	-	-	1,459	1,459	-
Debt financial assets	2,436	72	-	-	135	2,643	0.39 - 3.10
Equity financial assets	-	-	-	-	1,025	1,025	-
Loans and interest receivables	-	-	-	15	-	15	2.25 - 3.25
Financial Liabilities							
Due to reinsurers	-	-	-	-	456	456	-
Lease liabilities	1	6	-	-	-	7	1.55 - 6.90

(Unit: Million Baht)

Consolidated financial statements							
31 December 2020							
Fixed interest rates							
Based on repricing date or maturity date from 31 December 2020							
	Within 1 year	1 - 5 years	Longer than 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
Financial Assets							
Cash and cash equivalents	-	-	-	209	1	210	0.05 - 0.13
Reinsurance receivables	-	-	-	-	1,359	1,359	-
Debt financial assets	1,918	424	-	-	131	2,473	0.45 - 3.10
Equity financial assets	-	-	-	-	1,497	1,497	-
Loans and interest receivables	-	-	-	17	-	17	2.25 - 3.25
Financial Liabilities							
Due to reinsurers	-	-	-	-	407	407	-
Lease liabilities	2	4	-	-	-	6	2.26 - 6.90

(Unit: Million Baht)

Separate financial statements

31 December 2021

Fixed interest rates

Based on repricing date or
maturity date from
31 December 2020

Longer

Within 1 year	1 - 5 years	than 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
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Financial Assets

Cash and cash equivalents	-	-	-	159	-	159	0.05 - 0.40
Reinsurance receivables	-	-	-	-	1,459	1,459	-
Debt financial assets	2,342	72	-	-	120	2,534	0.39 - 3.10
Equity financial assets	-	-	-	-	1,025	1,025	-
Loans and interest receivables	-	-	-	15	-	15	2.25 - 3.25

Financial Liabilities

Due to reinsurers	-	-	-	-	456	456	-
Lease liabilities	1	2	-	-	-	3	1.55 - 3.45

(Unit: Million Baht)

Separate financial statements

31 December 2020

Fixed interest rates

Based on repricing date or maturity
date from
31 December 2020

Longer

Within 1 year	1 - 5 years	than 5 years	Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
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Financial Assets

Cash and cash equivalents	-	-	-	125	-	125	0.05 - 0.13
Reinsurance receivables	-	-	-	-	1,359	1,359	-
Debt financial assets	1,789	424	-	-	114	2,327	0.45 - 3.10
Equity financial assets	-	-	-	-	1,497	1,497	-
Loans and interest receivables	-	-	-	17	-	17	2.25 - 3.25

Financial Liabilities

Due to reinsurers	-	-	-	-	407	407	-
Lease liabilities	2	2	-	-	-	4	2.26 - 3.45

The changes in interest rates affected on the Company's profit before income tax for the years ended 31 December 2021 and 2020 and owners' equity as at 31 December 2021 and 2020, were summarised below:

Consolidated financial statements						
	31 December 2021			31 December 2020		
	Impact to		Impact to	Impact to		Impact to
	Increase/ (decrease)	profit before income tax		Increase/ (decrease)	profit before income tax	
	(Percent)	(Million Baht)	owners' equity (Million Baht)	(Percent)	(Million Baht)	owners' equity (Million Baht)
Deposits at financial						
institutions	1.0	2,851	2,281	1.0	2,092	1,674
	(1.0)	(2,851)	(2,281)	(1.0)	(2,092)	(1,674)
Loans	1.0	149	119	1.0	169	135
	(1.0)	(149)	(119)	(1.0)	(169)	(135)

Separate financial statements						
	31 December 2021			31 December 2020		
	Impact to		Impact to	Impact to		Impact to
	Increase/ (decrease)	profit before income tax		Increase/ (decrease)	profit before income tax	
	(Percent)	(Million Baht)	owners' equity (Million Baht)	(Percent)	(Million Baht)	owners' equity (Million Baht)
Deposits at financial						
institutions	1.0	1,590	1,272	1.0	1,255	1,004
	(1.0)	(1,590)	(1,272)	(1.0)	(1,255)	(1,004)
Loans	1.0	149	119	1.0	168	134
	(1.0)	(149)	(119)	(1.0)	(168)	(134)

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.

Foreign currency risk

The Group's exposure to foreign currency risk arises mainly from underwriting and reinsurance transactions that are denominated in foreign currencies.

The Group has assessed the potential impact against the cost of such risk management and considered not enter into any forward foreign currency contracts due to the amount of foreign

currency transactions doesn't have significant effect to the financial statements and some currencies are not available in the forward currency market.

As at 31 December 2021 and 2020, the balances of financial assets and liabilities denominated in foreign currencies were summarised belows.

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	31 December		31 December		31 December	
	2021	2020	2021	2020	2021	2020
	(Million units)	(Million units)	(Million units)	(Million units)	(Baht per 1 foreign currency unit)	
US Dollar	0.49	0.59	0.19	0.37	33.3731	29.9909
South Korea Won	0.21	0.38	-	0.28	0.0283	0.0276
Lao Kip	188.60	87.32	1.86	1.94	0.0030	0.0032
Philippines Peso	1.60	0.82	0.73	0.06	0.6523	0.6235

Equity risk

Equity risk is the risk involved in holding equity which may lead to fluctuations in the market value of the Group's earnings or financial assets.

The Group has adopted a prudent investment policy and procedures. Changes in economic environments are taken into consideration as part of the Group's ongoing monitoring process and incorporated into the Group's investment strategy and portfolio management. The Group avoids speculative investments that would jeopardize its capital and invests in high quality securities that are expected to generate reasonable and consistent returns.

As at 31 December 2021 and 2020, the Group had risk from its equity financial assets of which the price would change with reference to market conditions.

(c) Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet commitments at maturity dates due to inability to liquidate its financial assets and/or procure sufficient funds and/or fund with unacceptable cost. to discharge its obligations in a timely manner, resulting in the occurrence of a financial loss

The Group manages its liquidity position through monthly monitoring liquidity's assets, prudent investment decisions and diversification of assets and liabilities to ensure that sufficient cash is available when needed. The Group's liquid assets are measured and monitored every month whereas its liquidity position is set to be higher than the level of liquidity required by the Office of Insurance Commission.

As at 31 December 2021 and 2020, the periods to maturity of financial assets and liabilities counting from the financial position date were as follows:

(Unit: Million Baht)

Consolidated financial statements						
31 December 2021						
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Financial assets						
Cash and cash equivalents	286	-	-	-	-	286
Reinsurance receivables	-	1,314	145	-	-	1,459
Debt financial assets	-	2,436	72	-	135	2,643
Equity financial assets	-	-	-	-	1,025	1,025
Loans and interest receivables	-	2	7	6	-	15
Financial liabilities						
Due to reinsurers	-	394	59	3	-	456
Lease liabilities	-	1	6	-	-	7

(Unit: Million Baht)

Consolidated financial statements						
31 December 2020						
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Financial assets						
Cash and cash equivalents	210	-	-	-	-	210
Reinsurance receivables	-	1,347	11	1	-	1,359
Debt financial assets	-	1,918	424	-	131	2,473
Equity financial assets	-	-	-	-	1,497	1,497
Loans and interest receivables	-	2	8	7	-	17
Financial liabilities						
Due to reinsurers	-	370	34	3	-	407
Lease liabilities	-	2	4	-	-	6

(Unit: Million Baht)

	Separate financial statements					
	31 December 2021					
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Financial assets						
Cash and cash equivalents	159	-	-	-	-	159
Reinsurance receivables	-	1,314	145	-	-	1,459
Debt financial assets	-	2,342	72	-	120	2,534
Equity financial assets	-	-	-	-	1,025	1,025
Loans and interest receivables	-	2	7	6	-	15
Financial liabilities						
Due to reinsurers	-	394	59	3	-	456
Lease liabilities	-	1	2	-	-	3

(Unit: Million Baht)

	Separate financial statements					
	31 December 2020					
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Financial assets						
Cash and cash equivalents	126	-	-	-	-	126
Reinsurance receivables	-	1,347	11	1	-	1,359
Debt financial assets	-	1,789	424	-	114	2,327
Equity financial assets	-	-	-	-	1,497	1,497
Loans and interest receivables	-	2	8	7	-	17
Financial liabilities						
Due to reinsurers	-	370	34	3	-	407
Lease liabilities	-	2	2	-	-	4

As at 31 December 2021 and 2020, the periods to maturity of assets and liabilities from insurance contracts counting from the financial position date were as follows:

(Unit: Million Baht)

Consolidated and separate financial statements						
31 December 2021						
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Assets from insurance contracts						
Insurance reserve						
refundable from reinsurers						
Loss reserves	-	195	1	2	-	198
Total	-	195	1	2	-	198
Liabilities from insurance contracts						
Loss reserves	-	1,502	3	11	-	1,516
Other insurance liabilities	-	-	2	-	-	2
Total	-	1,502	5	12	-	1,519

(Unit: Million Baht)

Consolidated and separate financial statements						
31 December 2020						
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
Assets from insurance contracts						
Insurance reserve						
refundable from reinsurers						
Loss reserves	-	108	-	4	-	112
Total	-	108	-	4	-	112
Liabilities from insurance contracts						
Loss reserves	-	1,235	-	15	-	1,250
Other insurance liabilities	-	-	7	-	-	7
Total	-	1,235	7	15	-	1,257

36.2.2 Fair values of financial instruments

As of 31 December 2021 and 2020, the Group had the following assets and liabilities that were measured at fair value and assets and liabilities for which fair values were disclosed by fair value levels as follows:

(Unit: Million Baht)

	Consolidated financial statements				
	31 December 2021				
	Carrying	Fair values			
	values	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Debt financial assets	2,394	-	2,394	-	2,394
Equity financial assets	1,025	997	-	28	1,025
Assets for which fair value were disclosed					
Debt financial assets measured at					
amortised cost	249	-	249	-	249
Loans and interest receivables	15	-	-	15	15

(Unit: Million Baht)

	Consolidated financial statements				
	31 December 2020				
	Carrying	Fair values			
	values	Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Debt financial assets	2,033	-	2,033	-	2,033
Equity financial assets	1,497	1,481	-	16	1,497
Assets for which fair value were disclosed					
Debt financial assets measured at					
amortised cost	440	-	440	-	440
Loans and interest receivables	17	-	-	17	17

(Unit: Million Baht)

	Separate financial statements				
	31 December 2021				
	Carrying values	Fair values			
		Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Debt financial assets	2,369	-	2,369	-	2,369
Equity financial assets	1,025	997	-	28	1,025
Assets for which fair value were disclosed					
Debt financial assets measured at					
amortised cost	165	-	165	-	165
Loans and interest receivables	15	-	-	15	15

(Unit: Million Baht)

	Separate financial statements				
	31 December 2020				
	Carrying values	Fair values			
		Level 1	Level 2	Level 3	Total
Assets measured at fair value					
Debt financial assets	2,016	-	2,016	-	2,016
Equity financial assets	1,497	1,481	-	16	1,497
Assets for which fair value were disclosed					
Debt financial assets measured at					
amortised cost	311	-	311	-	311
Loans and interest receivables	17	-	-	17	17

The fair value hierarchy of financial assets and liability was in accordance with those described in Note 4.19 to the financial statements. The methods and assumptions used by the Group in estimating the fair values of financial instruments were as follows:

(a) Debt financial assets

The fair value of bonds and debentures were estimated based on prices determined using the yield curve as announced by the Thai Bond Market Association.

The fair value of unlisted investment units, which classified as debt securities, was determined by using the net asset value per unit as announced by the fund managers.

(b) Equity financial assets

The fair value of equity securities, which were marketable securities, was estimated based on the last bid price of the last working day of the year.

The fair value of unlisted investment units, which classified as equity securities, was determined by using the net asset value per unit as announced by the fund managers.

The fair value of non-marketable securities was determined approximately using the discounted cash flow model or dividend discounted model.

(c) Derivatives instrument

The fair value of derivatives instrument is obtained from the counter-party.

(d) Loans and interest receivables

The fair value was estimated to be the present value of cashflows expected from the loans, discounted by the current market interest rate.

During the current year, there were no transfers within the fair value hierarchy.

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

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	For the year ended 31 December	
	2021	2020
Beginning balance of the year	16,115	20,567
Gains (losses) on revaluation during the year	12,382	(4,452)
Ending balance of the year	28,497	16,115

37. Capital management

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

38. Event after the reporting period

On 14 February 2022, the Board of Directors' Meeting of a subsidiary passed a resolution to propose to the Annual General Meeting for an approval of payment of a dividend of Baht 0.22 per share, or a total of Baht 2.2 million, from its 2021 operating results to its shareholders.

39. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 22 February 2022.

Attachment 1: Details of Board of Directors, Executives, Controlling Persons, the person in charge of finance and accounting and Company Secretary

Board of Directors

1. Mr.Jiraphant Asvatanakul

Board Chairman¹, Director of Nomination and Remuneration Committee and Director of Investment Committee²

Age 62

Date of Appointment: October 1993

Education

Master of Accountancy, University of Texas at Austin, U.S.A.

Training Courses

- Director Accreditation Program (DAP) 13/2004
- Thailand Insurance Leadership Program 1/2011, OIC Advanced Insurance Institute
- National Defence College Program class 56, Thailand National Defence College
- Top Executive Program in Commerce and Trade 8/2015, University of Thai Chamber of Commerce
- Certificate of Top Executive Program 22/2016, Capital Market Academy
- Thailand Insurance Super Leadership Program 1/2020, OIC Advanced Insurance Institute

Training in 2021

- Health Ambassador Program 1/2021
- Strategy and Innovation for Business in Asia 2/2021, Mahidol University

Experience (in the last 5 years)

Listed Company

May 2021 - present	Board Chairman	Thai Reinsurance PCL.
Feb 2021 – present	Director of Investment Committee	Thai Reinsurance PCL.
Jun 2012 – present	Director of Nomination and Remuneration Committee	Thai Reinsurance PCL.
1993 – present	Director	Thai Reinsurance PCL.
1986 – present	Chief Executive Officer & Managing Director	Thaivivat Insurance PCL.
	Director of Investment Committee	
2016– present	Independent Director, Director of Audit Committee and Director of Nomination and Remuneration Committee	Vichitbhan Palm oil PCL.

Non-Listed Company and Others

2021 - present	Board Chairman	The Federation of Thai Insurance Organizations
2020 - present	Director	MAFAM Co., Ltd.
2017 – present	Director	Thai General Insurance Fund
2019 – present	Vice Chairman	The Thai Chamber of Commerce
2019 - present	Advisor	Board of Trade of Thailand
2019 – present	Director and Advisory Director to Accounting, Finance and Investment Committee	Thai General Insurance Association
2017– 2019	President	Thai General Insurance Association

2016 – present	Chairman	Thai-Iran Business Council
2015 – present	Treasurer	Thai-China Business Council
2001 – present	Vice Chairman, Chairman of Investment Committee	Road Accident Victims Protection Co., Ltd.
2009 – 2019	Director	T.I.I. Co., Ltd.

Shareholding: 0.018 percent

Family Relationship - None -

Remark: ¹ Appointed by board meeting no.2/2021 on May 25, 2021.

² Appointed by board meeting no.1/2021 on February 23, 2021.

2. Mr. Chandran Ratnaswami

Vice Chairman, Chairman of Nomination and Remuneration Committee and Chairman of Investment Committee

Age 72

Date of Appointment: February 2012

Education

M.B.A., University of Toronto, Canada

Training Courses -

Experience (in the last 5 years)

Listed Company

Nov 2018 – present	Chairman of Investment Committee	Thai Reinsurance PCL.
Aug 2017 – present	Vice Chairman	Thai Reinsurance PCL.
Nov 2017 – present	Chairman of Nomination and Remuneration Committee	Thai Reinsurance PCL.
2012 – 2018	Director of Investment Committee	Thai Reinsurance PCL.
2012 – 2017	Director	Thai Reinsurance PCL.
2014 – 2017	Director of Nomination and Remuneration Committee	Thai Reinsurance PCL.

Overseas Listed Company

2016 – present	Non-Executive Director, Director of Audit Committee, Director of Nomination and Remuneration Committee	Quess Corp. Ltd.
2014 – present	Director	Fairfax India Holdings Corporation
2012 – present	Non-Executive Director	IIFL Finance Ltd.
2012 – present	Director of Audit Committee, Director of Nomination and Remuneration Committee	Thomas Cook (India) Ltd.
2010 – present	Director of Audit Committee	Zoomer Media Limited

Non-Listed Company and Others

2019 – present	Director	Fairfax Consulting Services India Ltd.
2019 – present	Director	11470370 Canada Inc.
2017 – present	Chairman of Investment Committee, Chairman of Risk Management Committee, Director of Audit Committee, Chairman of Policyholder Protection Committee, Director of Nomination and Remuneration Committee and Director of Corporate Social Responsibility Committee and Director of Share Allotment Committee	Go Digit General Insurance Limited
2017 – present	Director of Corporate Social Responsibility Committee	Go Digit Infoworks Services Private Limited

2017 – present	Director	Bangalore International Airport Ltd.
2016 – present	Chairman of Investment Committee and Director of Nomination Committee	Fairfirst Insurance Ltd.
2016 – present	Director	Sanmar Engineering Services Ltd.
2015 – present	Chairman of Nomination and Remuneration Committee	National Collateral Management Services
2015 – present	Director	HW Private Investments Ltd.
2015 – present	Director	I Investments Ltd.
2014 – present	Director	H Investments Ltd.
2014 – present	Director	FIH Mauritius Investments Ltd.
2014 – present	Director	FIH Private Investments Ltd.
2011 – present	Director	Fairbridge Investments (Mauritius) Ltd.
2011 – present	Director	Fairbridge Capital Private Ltd.
2011 – present	Director	Fairbridge Capital (Mauritius) Ltd.
2008 – present	Director	Primary Real Estate Investments
2004 – present	Director	FAL Corporation
2004 – present	Director	ORE Holdings Ltd.
2000 – present	Director	HWIC Asia Fund
2004 - 2019	Director	Cheran Enterprise Private Ltd.
Shareholding	- None -	
Family Relationship	- None -	

3. Mr.Kerati Panichewa

Director

Age 62

Date of Appointment: October 1993

Education

M.B.A., College of Notre Dame, U.S.A.

Training Courses

- Directors Certification Program (DCP) 1/2000

Experience (in the last 5 years)

Listed Company

Jan 2020 - present	Director	Thai Reinsurance PCL.
2016 – Jan 2020	Independent Director	Thai Reinsurance PCL.
1993 – 2016	Director	Thai Reinsurance PCL.
1993 – present	Director	TTL Industries PCL.

Non-Listed Company and Others

2019 – present	Director and Executive Director	Krung Thai Panich Insurance PCL.
2009 – 2019	Chief Executive Officer	Krung Thai Panich Insurance PCL.
present	Director	TWWC Co., Ltd.

Shareholding: 0.03 percent

Family Relationship - None -

4. Ms.Potjanee Thanavaranit

Independent Director and Chairman of Audit Committee

Age 75

Date of Appointment: April 2007

Education

M.B.A., Syracuse University, U.S.A.

Training Courses

- Director Certification Program (DCP) 17/2002
- The Role of Chairman (RCM) 13/2006
- The Role of the Compensation Committee (RCC) 4/2007
- Audit Committee Program (ACP) 32/2010
- Financial Institution Governance Program (FGP) 2/2011
- Advanced Audit Committee Program (AACP) 10/2013
- Anti-Corruption for Executive Program (ACEP) 7/2013
- Director Certification Program Update (DCPU) 1/2014
- Driving Company Success with IT Governance (ITG) 2/2016
- 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 Program class 42, Thailand National Defence College
- Certificate of Top Executive Program class 8, Capital Market Academy
- Certificate of Top Executive Program in Commerce and Trade class 3, Commerce Academy
- Advance Security Management Program class 2, Thailand National Defence College

Training in 2021

- Director Leadership Certification Program (DLCP) 0/2021
- Board Nomination & Compensation Program (BNCP) 11/2021
- Risk Management Program for Corporate Leaders (RCL) 25/2021 by IOD

Experience (in the last 5 years)

Listed Company

Jul 2020 – present	Chairman of Audit Committee	Thai Reinsurance PCL.
Apr 2014 – Jul 2020	Director of Audit Committee	Thai Reinsurance PCL.
2007 – present	Independent Director	Thai Reinsurance PCL.
Nov 2017 – present	Independent Director, Chairman of Risk Management Committee	Berli Jucker PCL.
2009 – 2016	Independent Director	Berli Jucker PCL.
May 2014 – present	Chairman of Remuneration Committee and Chairman of Good Corporate Governance Committee	Oishi Group PCL.
Feb 2009 – present	Independent Director and Director of Audit Committee	Oishi Group PCL.
Apr 2012 – present	Chairman of Audit Committee	Bank of Ayudhya PCL.
Apr 2010 – present	Independent Director, Director of Audit Committee	Bank of Ayudhya PCL.

2007 – present	Board Chairman, Independent Director, Director of Audit Committee and Chairman of Nomination and Remuneration Committee	Univentures PCL.
2007 – present	Independent Director and Director of Audit Committee	Bangkok Insurance PCL.
2016 – 2017	Independent Director and Chairman of Audit Committee	Big C Supercenter PCL.

Overseas Listed Company

Nov 2021 - present	Chairman of Audit Committee, Chairman of Sustainability and Risk Management, Director of Nomination Committee, Chief of Independent Director	Thai Beverage PCL.(Listed in Singapore)
Feb 2019 – Nov 2021	Director of Audit Committee	Thai Beverage PCL. (Listed in Singapore)
Jan 2018 – present	Independent Director	Thai Beverage PCL. (Listed in Singapore)

Non-Listed Company and Others

Mar 2020 – present	Chairman of the Committee on Audit and Evaluation	Office of the National Anti-Corruption Commission
Mar 2021 - present	Director of Audit Committee	Mae Fah Luang University
Feb 2018 – present	Honorary Member, University Council	Mae Fah Luang University
Aug 2017 – present	Chairman of Audit Committee	Thai Institute of Directors
Jun 2017 – present	Vice Chairman	Thai Institute of Directors
May 2017 – Jun 2017	Director	Thai Institute of Directors
2006 – present	Director	The Council of State
2017 – 2020	Honorary Director	Thai Investors Association
2007 – 2020	Honorary Member	The Federation of Thai Insurance Organizations

Shareholding 0.005 percent

Family Relationship - None -

5. Mr.Sara Lamsam

Independent Director

Age 51

Date of Appointment: Apr 2009

Education

M.B.A., Boston University, U.S.A.

Training Courses

- Director Certification Program (DCP) class 4
- Executive Course in Applied Psychology Administration 97/2005, Institute of Security Psychology
- Top Executive Program 4/2007, Capital Market Academy
- Thailand Insurance Leadership Program 1/2011, OIC Advanced Insurance Institute
- Metropolitan Development Training Course for the Top Executives class 1 , Urban Green Development Institute Bangkok
- The Program of Senior Executive on Justice Administration 17/2012, Judicial Training Institute

- Industrial and Investment Development for Executive (IBID) 1/2013, Institute of Business and Industrial Development
- Global Business Leaders Program class 1, LEAD Business Institute, a partner of Cornell University, USA
- Top Executive Program in Commerce and Trade 8/2015 , University of the Thai Chamber of Commerce
- Harvard Business School Advanced Management Program 186, Boston, USA
- Advanced Master of Management Program class 2, National Institute of Development Administration (NIDA)
- Business Revolution and Innovation Network (BRAIN) class 2, The Federation of Thai Industries
- Executive Development Program class 2019, Loyal Thai Police
- National Defence College Program class 63, Thailand National Defence College

Training in 2021

- Seminar “ Additional contracts for new health insurance standards and guidelines to personal data protection laws for life insurance ”
- Seminar “ IFRS 17 for Life Insurance ”
- Seminar “Good Corporate Governance for Thai Insurance Business Sustainability”
- Seminar “Cyber Resilience Leadership: Herd Immunity”
- Seminar “Investment in Digital Assets”
- Seminar “Sustainability Communication”
- Lecturer on the topic of :
 - “Workforce Empowerment for the Next S Curve”
 - “The Readiness of New Gen in Next Normal : skill & challenge in the future world”
 - “Economy, Finance, Insurance and Adaptation to Drive Business in the Globalization and New Normal Era with Thai Medium-sized Business Mutual Fund and International Stock Market”
 - “Pillar: Lesson Learned Topic : The Great Rebuild (Overlook the problem and success among covid crisis)”
 - “New Era of Insurance Business”
 - “Getting ready to get old : How to live to 100 in this whole new world”
 - “Thai Insurance Ecosystem, where are the wings heading?”

Experience (in the last 5 years)

Listed Company

2016 – present	Independent Director	Thai Reinsurance PCL.
2009 – 2016	Director	Thai Reinsurance PCL.
2016 – present	Director	Kasikorn Bank PCL.
2018 – present	Director of Corporate Governance Committee	Kasikorn Bank PCL.
2016 – 2018	Director of Enterprise Risk Management Committee	Kasikorn Bank PCL.
2009 – present	Advisor to Managing Director	Muang Thai Insurance PCL.
2008 – present	Director and Executive Board	Muang Thai Insurance PCL.
2009 – present	Director of Risk Management Committee	Phatra Leasing PCL.
2007 – present	Chairman of Executive Committee	Phatra Leasing PCL.
2004 – present	Director	Phatra Leasing PCL.
2550 - 2562	Director of Remuneration and Nomination Committee	Phatra Leasing PCL.

Overseas Listed Company

2015 – present	Vice Chairman, Chairman of Executive Board, Chairman of Investment and Director of Risk Management	Sovannaphum Life Assurance PLC. (Cambodia)
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Non-Listed Company and Others

2021 - present	Chief Executive Officer	Muang Thai Life Assurance PCL.
2010 – 2021	Managing Director and Chief Executive Officer	Muang Thai Life Assurance PCL.
2003 – present	Director	Muang Thai Life Assurance PCL.
2021 - present	Director	Board of Trade of Thailand
2021 - present	President of Finance, Investment and Insurance Trade Association	Board of Trade of Thailand
2017 - 2020	Advisor to Board	The Thai Chamber of Commerce
2017 - 2018	Advisor to Risk Management Committee	Board of Trade of Thailand
2021 - present	Vice Chairman	The Federation of Thai Insurance Organizations
2017 – present	Director	The Federation of Thai Insurance Organizations
2015 – 2017	Chairman	The Federation of Thai Insurance Organizations
2020 - present	President	The Thai Life Assurance Association
2016 – 2020	Vice President (Marketing)	The Thai Life Assurance Association
2020 - present	Director	Cancer Foundation, Siriraj Hospital
2019 – 2021	Director	Bangkok Art and Culture Centre Foundation
2017 – present	Director	Fuchsia Venture Capital Co., Ltd.
2016 – present	Director and Chairman of Risk Management Committee	MB Ageas Life Insurance
2015 – present	Director	Thai Financial Planners Association
2016 – 2020	President	Thai Financial Planners Association
2015 – present	Advisor	The Society of Actuaries of Thailand
2012 – present	Director	Yupong Co., Ltd.
2012 - present	Executive Board	Police Hospital Foundation
2011 - present	Member of the Committee on Funding for Specialized Pediatric Medical Center	Children Hospital Foundation
2009 – present	Director and Chief Executive Officer	Muang Thai Group Holding Co., Ltd.
2009 – present	Director and Chief Executive Officer	Muang Thai Holding Co., Ltd.
2009 – present	Director	Muang Thai Asset PCL.
2009 - present	University Council Member	University of Thai Chamber of Commerce
2008 – present	Director	Muang Thai Group Service Co., Ltd.
2007 - present	Director	Muang Thai Real Estate PCL.
2007 – present	Director	T.I.I. Co., Ltd.
2005 - present	Director	Pol.Gen. Pao Sarasin Foundation
1998 – present	Director	Yupayong Co., Ltd.

Shareholding 0.08 percent

Family Relationship - None -

6. Mr. Gobinath Arvind Athappan

Director

Age 50

Date of Appointment: April 2012

Education

M.B.A., MIT Sloan School of Management U.S.A.

Training Courses

- None -

Experience (in the last 5 years)**Listed Company**

2012 – present	Director	Thai Reinsurance PCL.
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Overseas Listed Company

2016 – present	Director	BIDV Insurance Corporation, Vietnam
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Non-Listed Company and Others

2015 – present	Chief Executive Officer	The Pacific Insurance Berhad, Malaysia
2015 – present	Vice Chairman	Falcon Insurance Co., Ltd., Hong Kong
2015 – present	Vice Chairman	Fairfax Asia Limited
2017 – 2020	Regional Director	MS First Capital Insurance Ltd., Singapore

Shareholding - None –

Family Relationship - None -

7. Mrs.Chaveewan Aksornsawaddi

Independent Director, Director of Audit Committee

Age 58

Date of Appointment: July 2020

Education

Master of Accountancy, Thammasart University

Training Courses

- Accounting & Auditing Training - Federation of Accounting Professions

Training in 2021

- Director Accrediation Program (DAP) 181/2021

Experience (in the last 5 years)**Listed Company**

July 2020 – present	Independent Director, Director of Audit Committee	Thai Reinsurance PCL.
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Non-Listed Company and Others

Sep 2021 - present	Advisor to Finance and Budgeting	Mahamakut Buddhist University
Sep 2019 – Aug 2021	Vice-Rector to Finance and Accounting	Mahamakut Buddhist University
1997 – 2011	Partner	Pricewaterhouse Cooper, Bangkok

Shareholding - None –

Family Relationship - None -

8. Ms. Ada Ingawanij

Independent Director, Director of Audit Committee, Director of Nomination and Remuneration Committee¹

Age 53

Date of Appointment: July 2020

Education

MSc. in International Banking and Finance Studies, University of Southampton, England
(under Bank of Thailand Scholarship)

Training Courses

- Director Certification Program (DCP) 206/2015
- Capital Market Academy Leader Program CMA class 22
- Capital Market Academy Greater Mekong Subregion Program class 4

Training in 2021

- Board Nomination & Compensation Program (BNCP) 12/2021
- Leadership ACT, Slingshot Group class 2021

Experience (in the last 5 years)

Listed Company

Aug 2021 - present	Director of Nomination and Remuneration Committee	Thai Reinsurance PCL.
Jul 2020 – present	Independent Director, Director of Audit Committee	Thai Reinsurance PCL.

Non-Listed Company and Others

2021 - present	Director of Nomination, Remuneration and Corporate Governance Committee	Sukhumvit Asset Management Co., Ltd
2019 – present	Director, Director of Audit Committee	Sukhumvit Asset Management Co., Ltd.
2019 – present	Director and Executive Committee	Foundation for Public Policy and Good Governance
2008 – present	Member of Investment advisory Committee	The Thai Red Cross Society
2015 – 2018	Executive Vice President	Thai Institute of Directors

Shareholding - None –

Family Relationship - None -

Remark: ¹ Appointed by board meeting no.3/2021 on August 31, 2021

9. Dr. Apisit Anantanatarat

Director

Age 58

Date of Appointment: April 2021

Education

Doctor of Organization Development and Transformation, Cebu Doctors' University, Philippines

Training Courses

- Director Accreditation Program (DAP) 149/2018
- Thailand Insurance Leadership Program class 3/2013
- Certificate, Capital Market Academy Leadership Program (CMA) class 24/2017
- CIO VMWare World Conference 2017, Spain

- From Science Fiction to Reality : Man and Man – Made Risks 2018, R + V Re, Germany
- Aon's 16th Hazards Conference 2019, Australia
- Diploma of Financial Service (General Insurance), ANZIIF (Senior Associate), Australia
- Certificate, The Columbia Senior Executive Program, Columbia University, U.S.A.
- 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
- Thailand Insurance Super Leadership Program class 1/2020

Training in 2021

- Seminar "Cyber Resilience Leadership : Herd Immunity for Financial Institution 2021"

Experience (in the last 5 years)

Listed Company

Apr 2021 - Present	Director	Thai Reinsurance PCL.
Jan 2019 - Present	Chief Executive Officer and President	Bangkok Insurance PCL.
Apr 2016 - Present	Director and President	Bangkok Insurance PCL.
2016	President	Bangkok Insurance PCL.

Non-Listed Company and Others

May 2016 – present	Director	Thai ORIX Leasing Co., Ltd.
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Shareholding – None –

Family Relationship - None -

10. Mr.Oran Vongsuraphichet

Director, Director of Investment Committee, Chairman of Enterprise Risk Management Committee and Chief Executive Officer

Age 52

Date of Appointment: April 2013

Education

Ph.D. in International Business, Asian Institute of Technology

Training Courses

- Director Certification Program (DCP) 230/2016
- Top Executive Program, Capital Market Academy class 22
- Thailand Insurance Leadership Program class 3 OIC Advanced Insurance Institute
- Thailand Insurance Super Leadership Program class 1/2020, OIC Advanced Insurance Institute

Experience (in the last 5 years)

Listed Company

2017 - present	Director of Investment Committee	Thai Reinsurance PCL.
2016 – present	Director and Chief Executive Officer	Thai Reinsurance PCL.
2013 – 2015	Director, President and Chief Operating Officer	Thai Reinsurance PCL.
2012 – 2013	President	Thai Reinsurance PCL.
Feb 2019 – Aug 2021	Director of Nomination and Remuneration Committee	Thai Reinsurance PCL.
2019 - present	Director	Thaire Life Assurance PCL
2014 – 2016	Director	Thaire Life Assurance PCL.

2017 – 2019	Independent Director, Director of Investment Committee	Eastern Water Resources Development and Management PCL.
<u>Non-Listed Company and Others</u>		
Jun 2021 – present	Director	TTT Food Co.,Ltd.
May 2021 - present	Director	Thai Insurers Datanet Co., Ltd.
Feb 2020 – present	Director	Cho Heng Rice Vermicelli Factory Co., Ltd.
Apr 2021 - present	Secretary General	Thai General Insurance Association
2017 – 2021	Deputy Secretary General	Thai General Insurance Association
May 2021 - present	Board Chairman	Thaire Services Co., Ltd.
2020 – present	Vice Chairman	Thaire Services Co., Ltd.
2013 – July 2020	Director	Thaire Services Co., Ltd.
June 2021 - present	Director of Nomination and Remuneration Committee Chairman of Executive Committee	EMCS Thai Co., Ltd.
Apr 2021– May 2021	Board Chairman	EMCS Thai Co., Ltd.
Jul 2020 – Apr 2021	Vice Chairman	EMCS Thai Co., Ltd.
2012 – Jul 2020	Director	EMCS Thai Co., Ltd.
2010 – present	Director	Thong Thai Textile Co., Ltd.
2012 – present	Director	Falcon Insurance PCL.
Jun 2019 – Jan 2022	Board Chairman and Chief Executive Officer	Thaire Innovation Co., Ltd.
Mar 2019 – Jan 2022	Director	Thaire Innovation Co., Ltd.
2017 – Jan 2022	Chief Executive Officer	Thaire Actuarial Consulting Co., Ltd.
2013 – Jan 2022	Director	Thaire Actuarial Consulting Co., Ltd.
2010 – 2018	Director	V.A.S Garment (Thailand) Co., Ltd.
2010 – 2018	Director	Titan Sport Wear Co., Ltd.
Shareholding	0.87 percent	
Family Relationship	- None -	

Management Team

1. Mrs.Nantinee Chinwanno

Executive Vice President : Business Development & Customer Support

Age 58

Education

M.B.A., University of Missouri, U.S.A.

Experience_(in the last 5 years)

Listed Company

2011 – present	Executive Vice President	Thai Reinsurance PCL
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Non-Listed Company

May 2021 – present	Director	Thaire Services Co.,Ltd.
2011 – 2017	Director	Thaire Life Assurance Broker Co., Ltd.

Shareholding - None –

Family Relationship - None -

2. Ms.Pojaman Fuangaromya

Executive Vice President : Business Development, Claim & International Business

Age 48

Education

M.B.A., Seattle University, U.S.A.

Experience (in the last 5 years)

Listed Company

2017 – present	Executive Vice President	Thai Reinsurance PCL
2012 – 2016	Senior Vice President	Thai Reinsurance PCL

Non-Listed Company

Oct 2021 – present	Director	Thaire Innovation Co.,Ltd.
June 2019 – Jan 2022	General Manager	Thaire Innovation Co.,Ltd.

Shareholding 0.004 percent

Family Relationship - None –

3. Mr.Chamroen Phusit

Senior Vice President : Investment

Age 59

Education

B.B.A., Dhurakij Pundit University

Experience (in the last 5 years)

Listed Company

2011 – present	Senior Vice President	Thai Reinsurance PCL
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Shareholding 0.000002 percent

Family Relationship - None -

4. Dr.Piyawadee Khovidhunkit

Senior Vice President : Enterprise Risk Management and Compliance

Age 51

Education

Ph.D. - Risk, Insurance and Healthcare Temple University, U.S.A.

Experience(in the last 5 years)

Listed Company

2018 – present	Senior Vice President –Enterprise Risk Management and Compliance	Thai Reinsurance PCL.
2015 – 2017	Senior Vice President - Enterprise Risk Management	Thai Reinsurance PCL.

Non-Listed Company and Others

Sept 2021 - present	Advisor to the Board	Thai General Insurance Association
Jun 2021 – present	Advisor to Risk Management Committee	The Thai Chamber of Commerce and Board of Trade of Thailand
2020 – present	Director	T.I.I. Co.,Ltd.

2017 - present	Director	The Society of Actuaries of Thailand
Shareholding	- None -	
Family Relationship	- None -	

5. Mr.Wichai Chaochaicharoenkul

Senior Vice President : Human Capital Management & Development and Administration

[Age](#) 47

[Education](#)

Master of Arts-Industrial – Organizational Psychology, Minnesota State University, U.S.A.

[Experience \(in the last 5 years\)](#)

Listed Company

Aug 2021 – present	Secretary to Nomination and Remuneration Committee	Thai Reinsurance PCL.
2017 – present	Senior Vice President – – Human Capital Management & Development and Administration	Thai Reinsurance PCL.
2015 – present	Senior Vice President – Human Capital Management & Development	Thai Reinsurance PCL.

[Shareholding](#) - None -

[Family Relationship](#) - None -

6. Mr.Chatchai Payakarintarangkura

Senior Vice President : Accounting, Finance, Financial Analysis & Budget Control and Process Improvement

(Head of Accounting and Finance and responsible for the Company's accounting)

[Age](#) 49

[Education](#)

Master of Arts, Chulalongkorn University

[Training/Seminar Courses: Year 2021](#)

- CFO Refresher by SET

[Experience_\(in the last 5 years\)](#)

Listed Company

Aug 2021 – present	Secretary to Investment Committee	Thai Reinsurance PCL.
Jan 2018 – present	Senior Vice President - Accounting, Finance, Financial Analysis & Budget Control and Process Improvement	Thai Reinsurance PCL.
Nov 2017 – Dec 2017	Senior Vice President - Accounting, Finance, and Operations Control & Budgeting	Thai Reinsurance PCL.

Non-Listed Company and Others

Jan 2022 - present	Director	Thaire Actuarial Consulting Co., Ltd.
Jun 2021 - present	Executive Committee	EMCS Thai Co.,Ltd.
Mar 2019 – Oct 2021	Director	Thaire Innovation Co., Ltd.
2004 – present	Director	M to M Consulting Co., Ltd.

Shareholding - None -
 Family Relationship - None -

Company Secretary

Ms. Waraporn Lertrungrueng

Company Secretary

Age 56

Education

Bachelor of Arts., Thammasart University

Training/Seminar Courses:

- Board Reporting Program 19/2016
- Company Reporting Program 17/2017
- Company Secretary Program (CSP) 83/2017

Experience_(in the last 5 years)

Listed Company

Jun 2018 – present	Company Secretary	Thai Reinsurance PCL.
Oct 1994 – Jun 2018	Executive Secretary	Thai Reinsurance PCL.

Shareholding - None -

Family Relationship - None -

The Scope of Duties and Responsibilities of the Company Secretary

The Company Secretary is responsible for all matters relating to Board registration, Notice to Board Meeting, Minutes of Board Meeting, annual report, Notice to Shareholder's meeting, Minutes of Shareholder's Meeting including the reports on conflict of interest of the Board or management and other transactions required by Capital Market Supervisory Board. According to section 89/14, the copy of conflict of interest report should be presented to the Board Chairman and Audit Committee Chairman within seven working days of receipt of such report.

Additional duties and responsibilities include:

1. Provide regular advice to the Board of Directors in respect of all legal and regulatory issues.
2. Organise shareholders and Board meetings in compliance with legal and regulatory requirements.
3. Record proceedings of shareholders and Board meetings and ensure decisions agreed at the meetings are implemented.
4. Follow legal and regulatory requirements in the control and disclosure of corporate information.
5. Follow legal and regulatory requirements in respect of Board decisions.

Shareholding of Director and Management : Shareholding of Board of Directors and management including those related to section 258 of the Securities and Exchange of B.E. 2535 Act (as amended) are as follows:

No.	Name	No. of Shares as of Dec 31, 2020 ¹	No. of Shares as of Dec 31, 2021 ¹	Change Increase (Decrease) in 2021	Percentage
Director					
1	Mr. Chai Sophonpanich ² Their spouses and children who have not reached maturity	3,739,104 -	3,739,104 -	- -	0.09
2	Mr. Chandran Ratnaswami Their spouses and children who have not reached maturity	- -	- -	- -	- -
3	Mr. Kerati Panichewa Their spouses and children who have not reached maturity	35,091,582 -	1,294,240 -	(33,797,342) -	0.03 -
4	Mr. Jiraphant Asvatanakul Their spouses and children who have not reached maturity	770,616 -	770,616 -	- -	0.018 -
5	Mr. Chanin Roonsamram ² Their spouses and children who have not reached maturity	- -	- -	- -	- -
6	Ms. Potjaneer Thanavarani Their spouses and children who have not reached maturity	204,820 -	204,820 -	- -	0.005 -
7	Mr. Sara Lamsam Their spouses and children who have not reached maturity	3,500,000 -	3,500,000 -	- -	0.08 -
8	Mr. Gobinath Arvind Athappan Their spouses and children who have not reached maturity	- -	- -	- -	- -
9	Mrs. Chaveewan Aksornsawaddi Their spouses and children who have not reached maturity	- -	- -	- -	- -
10	Ms. Ada Ingawanij Their spouses and children who have not reached maturity	- -	- -	- -	- -
11	Dr. Apisit Anantanatarat Their spouses and children who have not reached maturity	- -	- -	- -	- -
12	Mr. Oran Vongsuraphichet Their spouses and children who have not reached maturity	36,548,300 -	36,548,300 -	- -	0.87 -

No.	Name	No. of Shares as of Dec 31, 2020 ¹	No. of Shares as of Dec 31, 2021 ¹	Change Increase (Decrease) in 2021	Percentage
Management					
1	Mrs. Nantinee Chinwanno	-	-	-	-
	Their spouses and children who have not reached maturity	-	-	-	-
2	Ms. Pojaman Fuangaromya	155,832	155,832	-	0.0004
	Their spouses and children who have not reached maturity	-	-	-	-
3	Mr. Chamroen Phusit	90	90	-	0.000002
	Their spouses and children who have not reached maturity	-	-	-	-
4	Dr. Piyawadee Khovidhunkit	-	-	-	-
	Their spouses and children who have not reached maturity	-	-	-	-
5	Mr. Wichai Chaochaicharoenkul	-	-	-	-
	Their spouses and children who have not reached maturity	-	-	-	-
6	Mr. Chatchai Payakarintarangkura	-	-	-	-
	Their spouses and children who have not reached maturity	-	-	-	-

Remark: ¹ Number of common stock issued and Paid-up 4,214,993,832 shares

² Retired from director position on April 23, 2021

Directorship of Directors and Executives in Subsidiaries, Associated Companies, Joint Venture and Related Companies

Name	THRE	Subsidiaries				Related Companies
		THRES	THREA	EMCS	THREI	
1. Mr. Chai Sophonpanich ¹	X					X Bangkok Insurance PCL.
2. Mr. Chandran Ratnaswami	/					/ HWIC Asia Fund
3. Mr. Kerati Panichewa	/					// Krung Thai Panich Insurance PCL.
4. Mr. Jiraphant Asvatanakul ²	x					// Thaivivat Insurance PCL.
						/ Road Accident Victims Protection Co., Ltd.
5. Mr. Chanin Roonsamram ¹	/					
6. Ms. Potjaneer Thanavarant	/					/ Bangkok Insurance PCL.
7. Mr. Sara Lamsam	/					// Muang Thai Life Assurance PCL.
						// Muang Thai Insurance PCL.
8. Mr. Gobinath Arvind Athappan	/					
9. Mrs. Chaveewan Aksornsawaddi	/					
10. Ms. Ada Ingawanij	/					
11. Dr. Apisit Anantanarat	/					// Bangkok Insurance PCL.
12. Mr. Oran Vongsuraphichet	//	X	// ³	//	X ³ //I ³	/ Falcon Insurance PCL.

Remark: ¹ Retired from director on April 23, 2021.

² Appointed by board meeting no.2/2021 on May 25, 2021.

³ Left the position of Executive Director, Chairman and Management on January 26, 2022

Name	THRE	Subsidiaries				Related Companies
		THRES	THREA	EMCS	THREI	

Management

1. Mrs. Nantinee Chinwanno /
2. Ms. Pojaman Fuangaromya¹ /
3. Mr. Chamroen Phusit
4. Dr. Piyawadee Khovidhunkit
5. Mr. Wichai Chaochaicharoenkul
6. Mr. Chatchai Payakarintarangkura /² //

Remark: ¹Left the position of General Manager of THREI on January 26, 2022

²Appointed the position of Director on January 26, 2022

Remark : / = Director X = Chairman // = Executive Director /// Management

The directors authorized to sign on behalf of the Company are Mr.Jiraphant Asvatanakul, Mr. Oran Vongsuraphichet and Mr. Kerati Panichewa, Any two shall co-sign with the Company's seal affixed.

Attachment 2: Details of Directors in Subsidiaries

As of December 31, 2021, the List of Directors and Executives of the Company holding directorships of subsidiaries are as follows:

Name	EMCS	THRES	THREA	THREI
Mr. Oran Vongsuraphichet	//	X	// ¹	X ¹
Mrs. Nantinee Chinwanno		/		
Ms. Pojaman Fuangaromya				/
Mr.Chatchai Payakarintarangkura	//		/ ²	

Remark: / = Director X = Chairman // = Executive Director

¹ Left the position of Executive Director, Chairman and Management on January 26, 2022

² Appointed the position of Director on January 26, 2022

Attachment 3: Head of Internal Audit and Compliance

Name Position	Education / Diploma / Certificate / Training	Experience (in the last 5 years)		
		Period	Position	Company
Miss Siwaporn Kerdsin Assistant Vice President - Internal Audit	Education	2019 - present	Assistant Vice President -Internal Audit	Thai Reinsurance PCL.
	<ul style="list-style-type: none"> Bachelor of Accounting Accounting Major Faculty of Commerce and Accountancy, Thammasat University 	2017 – 2018	Assistant Vice President - Account and Tax	Thai Credit Retail Bank Public Company Limited
	Diploma / Certificate / Training	2015 - 2017	Audit Manager	EY Company Limited
Dr. Piyawadee Khovidhunkit Senior Vice President - Enterprise Risk Management and Compliance	Education	Sept 2021 - present	Advisor to the Board	Thai General Insurance Association
	<ul style="list-style-type: none"> Ph.D. (Risk, Insurance, and Healthcare), Temple University, U.S.A. 	Jun 2021 – present	Advisor to Risk Management Committee	The Thai Chamber of Commerce and Board of Trade of Thailand
	<ul style="list-style-type: none"> Master's degree – M.S. (Risk Management and Insurance), Temple University, U.S.A. 	2020 – present	Director	T.I.I. Co.,Ltd.
	<ul style="list-style-type: none"> Master's degree – M.B.A. (Finance), Drexel University, U.S.A. 	2017 - present	Director	The Society of Actuaries of Thailand
	<ul style="list-style-type: none"> Bachelor's degree – Bachelor of Statistics (Applied Statistics) Faculty of Commerce and Accountancy, Chulalongkorn University 	2018 - present	Senior Vice President - Enterprise Risk Management and Compliance	Thai Reinsurance PCL.
	Diploma / Certificate / Training	2015 – 2017	Senior Vice President - Enterprise Risk Management	Thai Reinsurance PCL.
	<ul style="list-style-type: none"> Thailand Insurance Leadership Program (class 6) OIC Advanced Insurance Institute Health Ambassador (class 2) Chulabhorn Royal Academy Thailand Data Protection Guidelines 2.0 (TDPG 2.0) (class 2) Faculty of Law, Chulalongkorn University The Personal Data Protection Act B.E. 2019 : Procedures and Practices (class 4) Political Science Association of Kasetsart University in collaboration with Digital Media Law Institution, Kasem Bundit University 			

Name Position	Education / Diploma / Certificate / Training	Experience (in the last 5 years)		
		Period	Position	Company
	<ul style="list-style-type: none">• Anti-Money Laundering and Counter Financing of Terrorist (AML/CFT) Training for Transaction Reports under section 13 and section 16, 2020 (class 2) The Anti-Money Laundering Office (AMLO)			

Attachment 4: Operating Assets and Investment Policy on Subsidiaries and Associated Companies

Operating Assets

The Company and its subsidiaries has disclosed the main fixed assets, which the Company and its subsidiaries used in the business are disclosed in the section Operating Assets.

Policy on Investment in Subsidiaries and Associated companies

Apart from reinsurance as its core business, the Company has 4 subsidiaries as a group to become a full-service provider for insurance-related activities, namely; (1) EMCS Thai Company Limited, (2) Thaire Services Company Limited (3) Thaire Acturial Consulting Company Limited, and (4) Thaire Innovation Company Limited, aiming to ensure continuous income growth in addition to income from non-life reinsurance business and investment income, as well as to reduce impact from the performance fluctuations. At present, income from service business continuously grow to strengthen the Company's income base in a sustainable way.

The Company has a policy on investment in Subsidiaries and Associated company. The Board of Directors approves the Investment Policy in accordance with the recommendation of the Investment Committee. The decision makes in align with the Office of Insurance Commission (OIC)'s notifications and other related regulations, Securities and Exchange Commission (SEC) and The Stock Exchange of Thailand (SET).

The Company has a framework to supervise the operations of its subsidiaries by assign the directors and/or executives of the Company to manage and supervise operations, including ensuring an appropriate risk management and internal control for maximum benefits and sustainable growth.

Moreover, designated directors and/or executives are responsible for ensuring that the subsidiaries comply with the the Office of Insurance Commission (OIC)'s notifications and other related regulations from Securities and Exchange Commission (SEC), and The Stock Exchange of Thailand (SET) regarding connected transactions, acquisition, disposal of assets, and other related transaction.

Attachment 5: Policy and Guidelines on Corporate Governance and Business Ethics

The Company is aware of the significance of business operation under the corporate governance principles and on the basis of ethics and accountability to all groups of stakeholders. Therefore, it has established the corporate governance policy and business ethics for the directors, executives and employees to adhere to in performing their duties. Read more about the corporate governance policy and business ethics on the Company's website at <https://investor.thaire.co.th/en/corporate-governance>

Attachment 6: Sub-Committees Report

Audit Committee Report

Dear Shareholders,

The Audit Committee is composed of three independent directors, Ms. Potjanee Thanavaranit as a Chairman of the Audit Committee, Mrs. Chaveewan Aksornsawaddi and Ms. Ada Ingawaniij. All three members are knowledgeable and experienced in reviewing the reliability of financial statements as required by the Office of the Securities and Exchange Commission.

In the year 2021, the Audit Committee performed their duties completely in accordance with the Audit Committee Charter as assigned by the Board of Directors. There were four meetings which were held in the year and the Management, independent auditor, Head of Compliance and Enterprise Risk Management Department and Head of Internal Audit Department were also invited to join the meetings on the relevant agenda in which they were concerned. The main duties performed by the Audit Committee during the year 2021 can be summarized as follows:

1. Reviewed the Company's financial reporting before disclosing to the Stock Exchange of Thailand and the Office of the Securities and Exchange Commission.
2. Nominated, recommended the appointment of an auditor and determined the auditor's remuneration, whereby EY Office Limited, by its certified public accountants, Ms. Rachada Yongsawadvanich and/or Ms. Somjai Kunapasut and/or Ms. Narissara Chaisuwan and/or Ms. Wanwilai Petchsang were nominated for appointment as the auditor of the Company for the year 2021.
3. Attended two meetings with the auditor, one of which was an independent meeting without participation of the Management, to consider the guideline and scope of auditing, audit results and audit recommendations to ensure that the audit of financial statements has been completed in accordance with the Thai Standards on Auditing.
4. Reviewed the report of related party transactions on a quarterly basis to ensure that the transactions that may have a conflicts of interest were conducted in compliance with the laws and maintain the maximum benefits of the Company.
5. Reviewed the Enterprise Risk Management system to ensure the appropriateness, effectiveness and conciseness according to the framework which is accepted by international standards.
6. Reviewed the report on compliance with relevant laws and regulations on a quarterly basis.

7. Reviewed the report on compliance with anti-corruption measures and the complaint or clue of misconduct through the whistleblowing channel of the Company, including the protection of information provider.
8. Supervised the Internal Audit Department to perform its duties independently and objectively. Approved the annual internal audit plan based on significant risks of the Company. Reviewed the internal audit report to ensure that the internal audit procedures have been performed completely and appropriately in accordance with International Professional Practices Framework of Internal Auditing, including followed up on the results of the improvement to make the internal control systems more effective and efficient.
9. Arranged for the annual evaluation of internal control adequacy by considering and proposing the Form for Evaluation of Internal Control Adequacy for the year 2021 to the Board of Directors for approval.
10. Reviewed of the Audit Committee Charter to cover the current duties, responsibilities and in accordance with the good corporate governance practices.
11. Evaluated the annual performance of the Audit Committee as a group assessment and discussed the results of the assessment in the Audit Committee meeting.

The Audit Committee's opinions are as follows:

1. According to the review of significant accounting policies, information regarding significant items in the statements of financial position and performance of the Company, and the independent meeting with the auditor to discuss about observations in the financial reporting, the Audit Committee has not found any material misstatements in the financial statements of the Company. The Audit Committee have reasonable assurance that the financial statements of the Company are reliable and accurate in accordance with Generally Accepted Accounting Principles.
2. The auditor appointed by the Company has been approved by the Office of the Securities and Exchange Commission (SEC), is independent, and did not have any relationship or other services that may cause a conflicts of interest in performing the audit for the Company. The auditor has experience in auditing of many insurance companies and the audit firm is a well-recognized both domestically and internationally. Therefore, it can ensure that the audit operations will be conducted efficiently and transparent in accordance with international standards.
3. All related party transactions or transactions that may cause a conflicts of interest were done in conformity with the laws and regulations of the Stock Exchange of Thailand and were reasonable to maintain the maximum benefits of the Company. There was no indication or observation of any potential irregularity.
4. The Company focuses on corporate compliance with the law on securities and exchange, regulations of the Stock Exchange of Thailand and other laws relevant to the business of the

Company including the compliance with all forms of anti-corruption measures. In the year 2021, there was no complaint or clue of misconduct through the whistleblowing channel of the Company.

5. The Company has an effective and an adequate of internal control system, risk management system, internal audit system and governance system.
6. The Audit Committee has the number of members, composition and qualifications suitable for performing duties as specified in Audit Committee Charter efficiently. The Audit Committee has performed duties in accordance with the scope of responsibilities accurately and completely in all respects with good cooperation and support from all concerned parties.



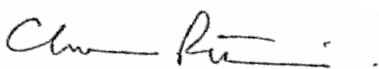
(Miss Potjanee Thanavarani)

Chairman of Audit Committee

Nomination and Remuneration Committee Report

The Nomination and Remuneration Committee presently comprises 3 directors in which Mr.Chandran Ratnaswami serves as Chairman and Mr.Jiraphant Asvatanakul, Ms.Ada Ingawanij serve as members. Nomination duties are to oversee the structure, size, composition and qualification of the board of directors to suit the Company's strategy and business. Considering and nominating the directors, sub-committee members and Chief Executive Officer in case of vacancy due to retiring by rotation, resignation or any other cases and propose to the board of directors for consideration. For compensation responsibilities include setting the policy & remuneration structure and other benefits for Board of Directors, sub-committee members, senior executives and staff to be align with the performance and Company's operating results with the clear criteria, transparency and suit with the accountability.

In 2021 the Nomination and Remuneration Committee held the meetings to nominate one new director to replace the director retiring by rotation for election at the Annual General Meeting of Shareholders, namely Dr.Apisit Anantanatarat and to consider the compensation for the board of directors, sub-committee members including the annual salary increase of senior executives and staff and proposed to the Board of Directors for consideration and approval. The Committee has performed its duty carefully as described in the Charter by aiming to the maximum benefit of the Company and all stakeholders.



(Mr. Chandran Ratnaswami)

Chairman of Nomination and Remuneration Committee

Investment Committee Report

The Investment Committee comprises 3 directors in which Mr.Chandran Ratnaswami serves as Chairman and Mr.Jiraphant Asvatanakul, Mr.Oran Vongsuraphichet serve as members. The Committee is responsible for the investment policy framework and plan as well as overseeing the investment in other business operations of the Company whilst ensuring they are in accordance with all relevant laws and the Company's risk management policy. Additionally, ensuring full compliance with agreed standards of transparency and avoidance of conflicts of interest.

In 2021 the Investment Committee had the meetings to consider the annual investment framework and plan to suit with the economic and investment trend to propose to Board of Directors for approval. In addition from the low interest rate and to increase the return of overall Company's investment portfolio, the Committee has approved the investment in foreign equity. The Committee has undertaken the duty in accordance with the Charter with due care and taking into account the best interests of the Company.



(Mr. Chandran Ratnaswami)
Chairman of Investment Committee

Thai Reinsurance Public Company Limited

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