

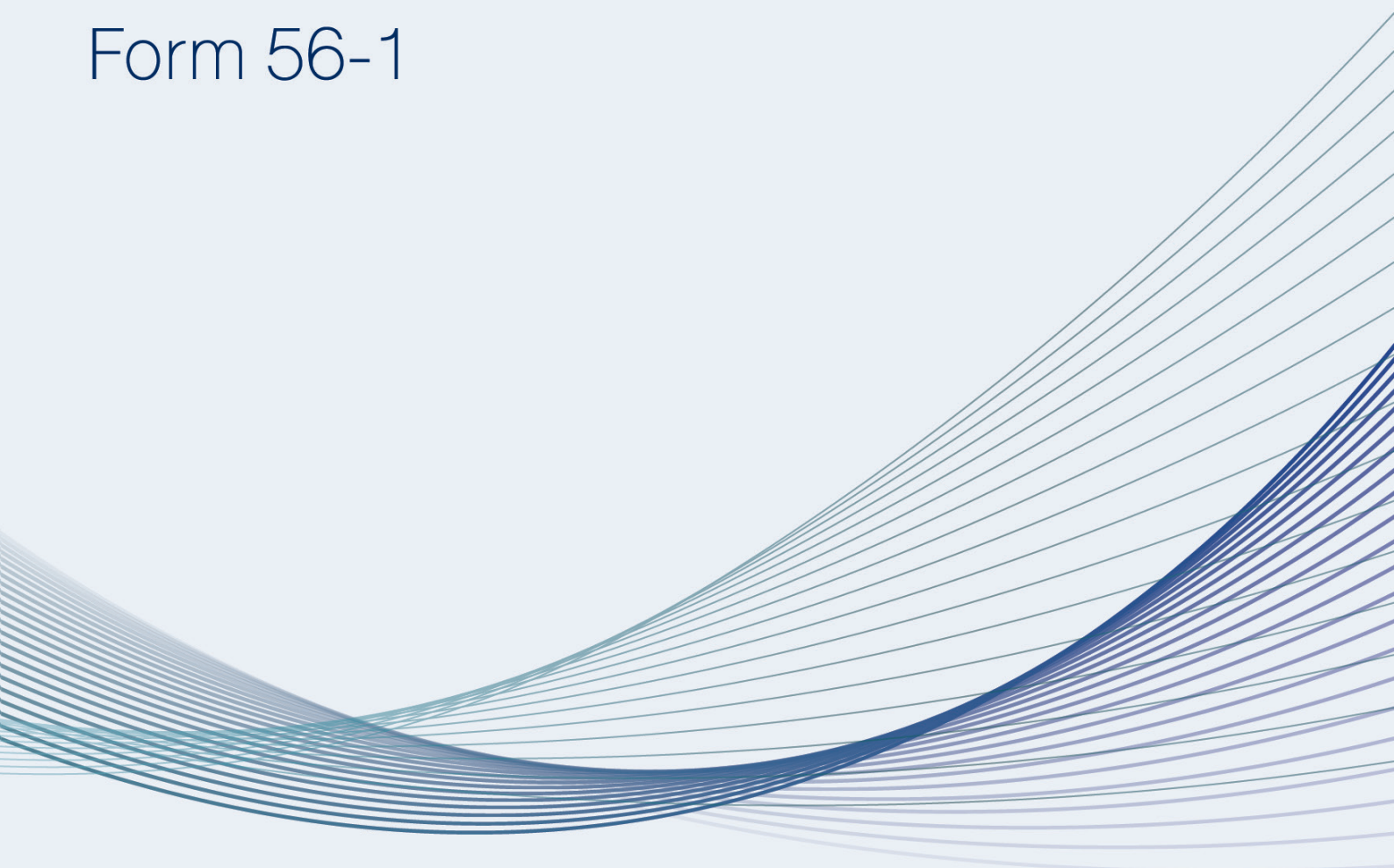


**NAVAKIJ**  
INSURANCE

**90**<sup>th</sup>

# ONE REPORT 2023

Form 56-1



## Vision

- To operate a sustainable business with reasonable profit objectives while promoting social stability and ethical integrity.
- To be a leading enterprise of non-life insurance business with a network of offices, highly competent personnel, good services and the best technology.
- To provide quality insurance coverage and quality protection for the benefit of policyholders, employees, shareholders and the general public.

## Mission

- To provide good and high-quality services to customers with fairness and integrity.
  - To innovate and develop new insurance products for the changing needs of society.
  - To focus on quality of service and reasonable cost control to achieve utmost efficiency in the development of management system.
  - To support and develop a good working environment and promote unity among employees as well as maintain competitive benefits and compensation suitable for social environment.
  - To invest in human resource development and encourage employees to be professional and maintain high ethical standard.
  - To develop and implement new technology to effectively improve our service to the customers.
- 

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# Message from the Chairman



**Mr. Suchin Wanglee**  
Chairman of the Board of Directors

The growth of Thai economy in 2023 was not as expected due to the slowdown in export and the decrease of the industrial production. The income from foreign tourists and the government consumption dropped from forecasted. Moreover, the impact from the geopolitical conflict situation was still protracted. However, the overall Thai economy in 2023 continued to expand from the previous year due to a high level of private consumption expansion according to the recovery in the labor market and an improvement in consumer confidence.

The insurance business got benefit from the economic recovery in 2023 and continued to grow as expected. The premiums of almost all types of insurance increased from the previous year, except for the marine and transportation insurance premiums, that were slightly lower than the previous year due to the slowdown in export. However, rapid technological development and changing consumer behavior challenges business operations. Consumers spend their money carefully, make smart purchasing, including prefer convenient and quick product accessibility via modern technology. Business operations shall adapt to keep up with the times for customer satisfaction and more market share.

The Board of Directors established strategies and business plans that befitted the economic conditions and insurance market. The Company also followed up on the operating performance regularly to ensure the good operating results and goal achievement. In the past year, the Company have

continued to improve and develop the management to increase competitive potential. Various new products have been developed to cover the needs of the audiences. The sales channels both in Bangkok and regional areas have been expanded for easy accessibility to products. The services to customers and business partners have been increasingly transformed into digital format. The Board of Directors also supervised the Company's risk management and internal control system to be effective for strengthening the business stability.

In addition to place emphasis on good operating performance, the Board also drives the Company towards sustainability, taking into consideration the environment, society, and corporate governance. The Company gets ready for the changes in order to create good returns for shareholders along with conducting business responsibly towards society and environment. In 2023, the Company still continuously received "excellent" scoring from the Corporate Governance Report of Thai Listed Companies assessed by Thai Institute of Directors Association.

The trust and constant support of our benefactors, shareholders, and stakeholders as well as all employees, who intend to perform their duties to the best of their abilities, drive the Company to overcome obstacles and succeed throughout the past 90 years. On behalf of the Board of Directors, I would like to thank everyone and pledge that the Board of Directors will oversee the business to grow steadily and sustainably.

# Message from the Chief Executive Officer and the President



**Mr. Pitiphong Bisalputra**  
CEO & President

After the coronavirus disease outbreak has subsided, the Thai economy is likely to expand continuously. The increase of private consumption and investment, cars sales as well as both domestic and international tourism resulted in the growth of 2023 insurance business by approximately 5%. The direct premiums of almost all types of insurance increased except for the marine and transportation insurance. Meanwhile the miscellaneous insurance claims ratio decreased significantly as the insurance companies have already settled claims for COVID-19 insurance.

In 2023, the Company's operating performance met the target with the gross insurance premiums of 3,823 million Baht and the net profits of 120 million Baht, increased from the previous year by 4% and 383% respectively. The success arises from the appropriate strategies and business plans determined by studying insurance business trends and factors affecting business operations. The Company prioritizes the customer satisfaction in both products and services. A variety of insurance products are developed for covering property and emerging threats, such as electric vehicle insurance policies and cyber insurance policies, to meet the customer needs and expand the target audiences. The Company extends distribution channels both centrally and regionally in order to reach the prospects thoroughly. The networks of claims services such as garages and hospitals are widened to provide more convenient services to customers. The sophisticated technologies such as

Artificial Intelligence (AI), Robotic Process Automation (RPA), and Enterprise Content Management are utilized to reduce work process and times; increase the efficiency of work systems and services as well as secure data and documents. The corporate and products awareness are constantly created through communication and public relations. The Company well prepares in various areas for compliance with rules and regulations that will come into effect, such as the Financial Reporting Standards No. 17.

In addition, the Company aspires to develop the organization towards sustainability, conduct business according to the principles of good governance including be responsible for the environment and society. The operations are in line with the sustainability strategy in economic, social and environmental dimensions. The Company also provides opportunities for stakeholders to participate in the business operations by listening to their opinions and responding appropriately.

The Company appreciates all shareholders, customers, partners, and business partners for always trusting and supporting the Company very well. We would also like to thank all the executives and employees put together to drive the Company's business to success and make steady progress for another year.

# Financial Highlights

## Operating Performance and Financial Position as at 31 December

Unit : million Baht

List	Financial statements in which the equity method is applied		
	2023	2022	2021
<b>Financial position</b>			
Total assets	6,169.72	6,280.63	6,278.91
Total liabilities	3,964.53	4,095.60	4,030.62
Total equity	2,205.19	2,185.03	2,248.29
<b>Operating performance</b>			
Gross premium written	3,823.85	3,666.68	3,372.95
Net premium written	3,052.06	2,795.05	2,552.56
Net earned premium	2,951.68	2,624.85	2,522.93
Profit from underwriting before operating expenses	457.83	320.70	399.76
Operating expenses	384.73	353.44	353.29
Other expenses and financial costs	20.55	11.28	6.37
Total investments income and other income	89.66	83.68	91.09
Share of profit (loss) from investment in associates	0.09	6.51	1.38
Profit before income tax expenses	142.30	46.17	132.57
Income tax expenses	22.27	21.33	23.22
Profit for the year	120.03	24.84	109.35

List	Financial statements in which the equity method is applied		
	2023	2022	2021
<b>Per share comparison</b>			
Basic earnings per share (Baht)*	3.24	0.67	2.96
Dividends per share (Baht)**	1.77	1.28	1.79
<b>Financial ratio</b>			
Return on investment (%)	2.11	2.34	2.59
Return on Equity (%)	5.47	1.12	5.04
Debt to equity ratio (Times)	1.80	1.87	1.79
Capital adequacy ratio (%)***	425.50	395.91	339.17

\* The Profits per share calculation adjusted the number of common shares used to calculate. It is considered as if the issuance of stock dividends occurred since the beginning of the first year in which the report is presented.

\*\* Proposed to 2024 Shareholder's Meeting of in April 2024 for approval.

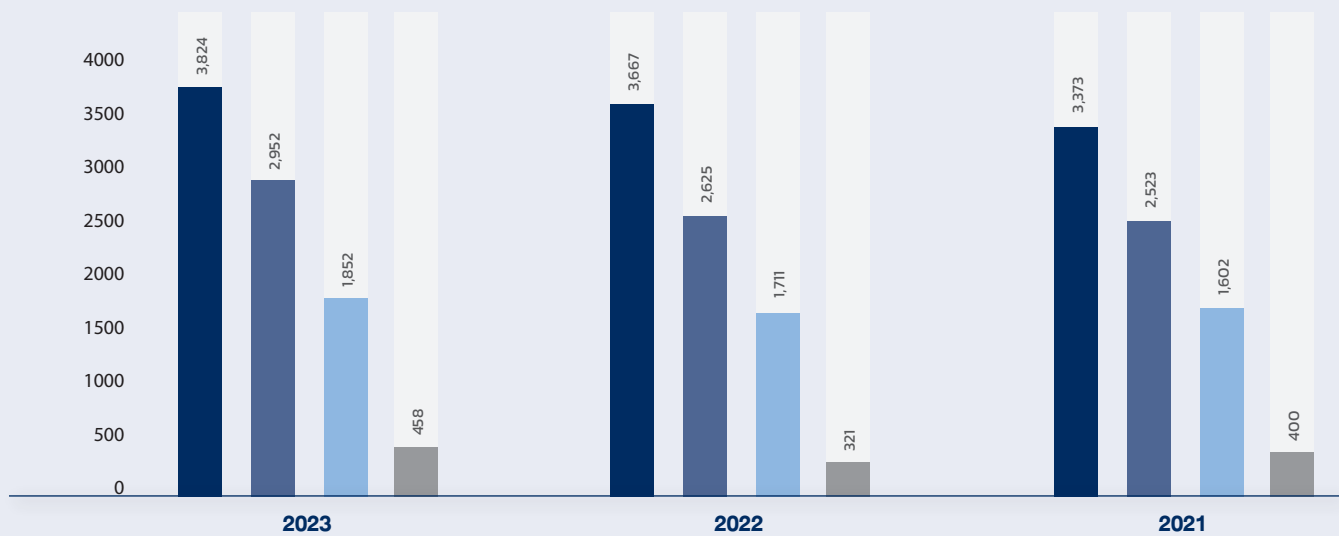
\*\*\* Information of 2023 that is unaudited.

# Operating Results From Underwriting



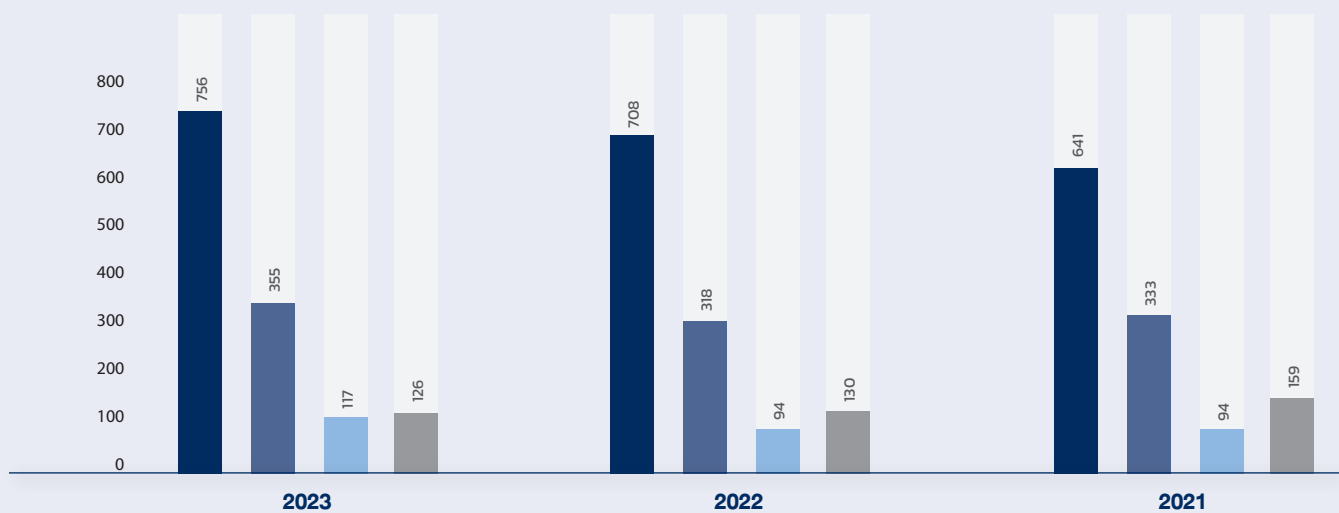
## Total Underwriting

(Unit : million Baht)



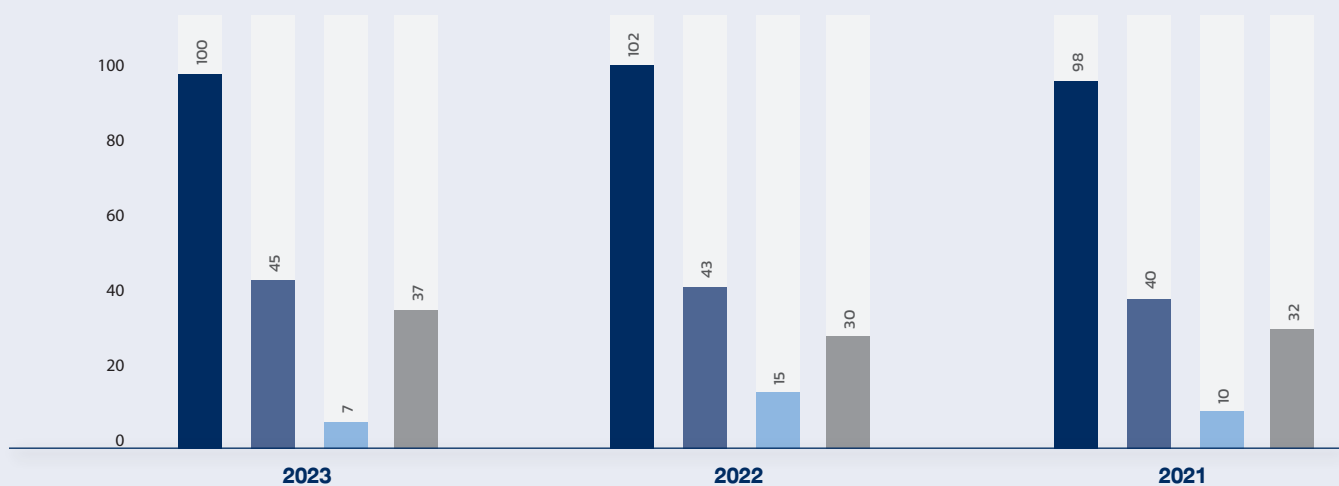
## Fire Insurance

(Unit : million Baht)



## Marine Insurance

(Unit : million Baht)

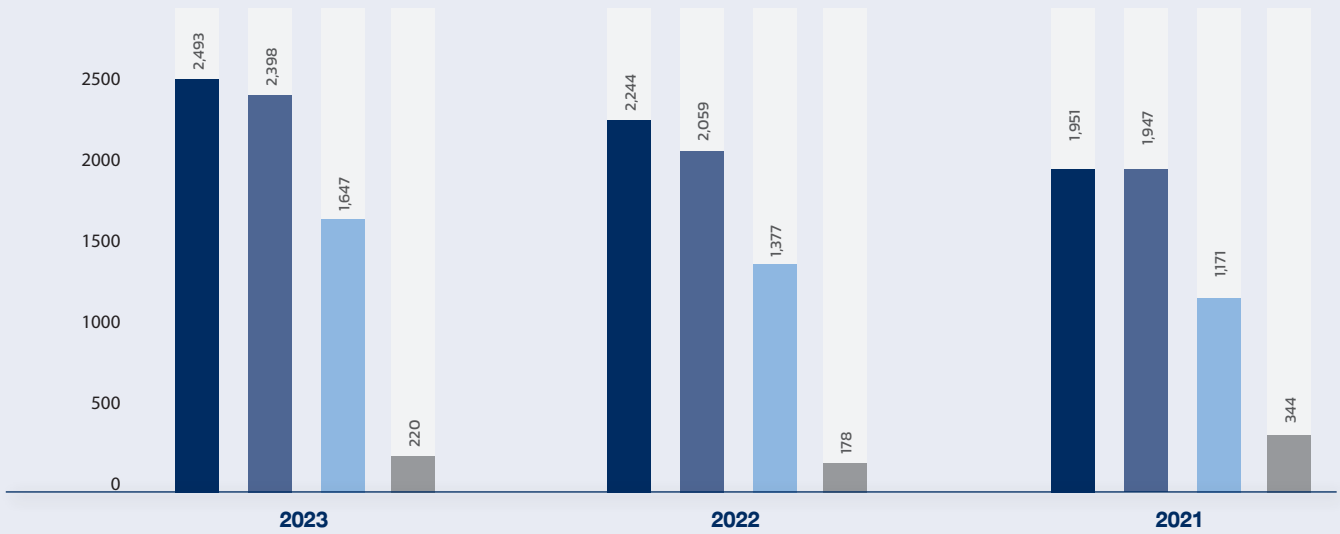






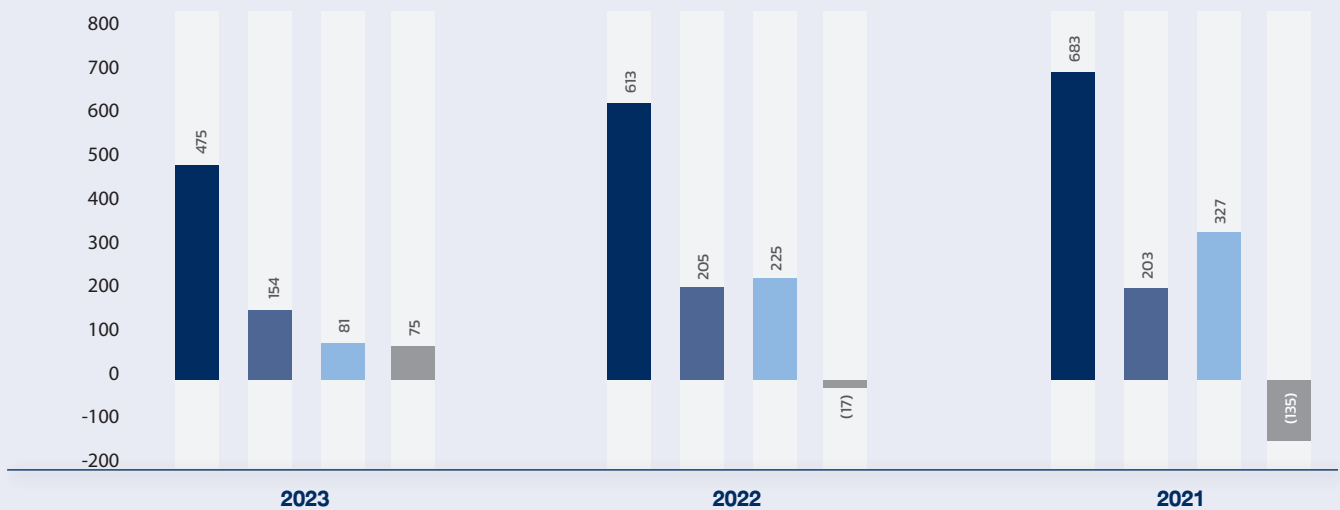
## Motor Insurance



(Unit : million Baht)





## Miscellaneous Insurance

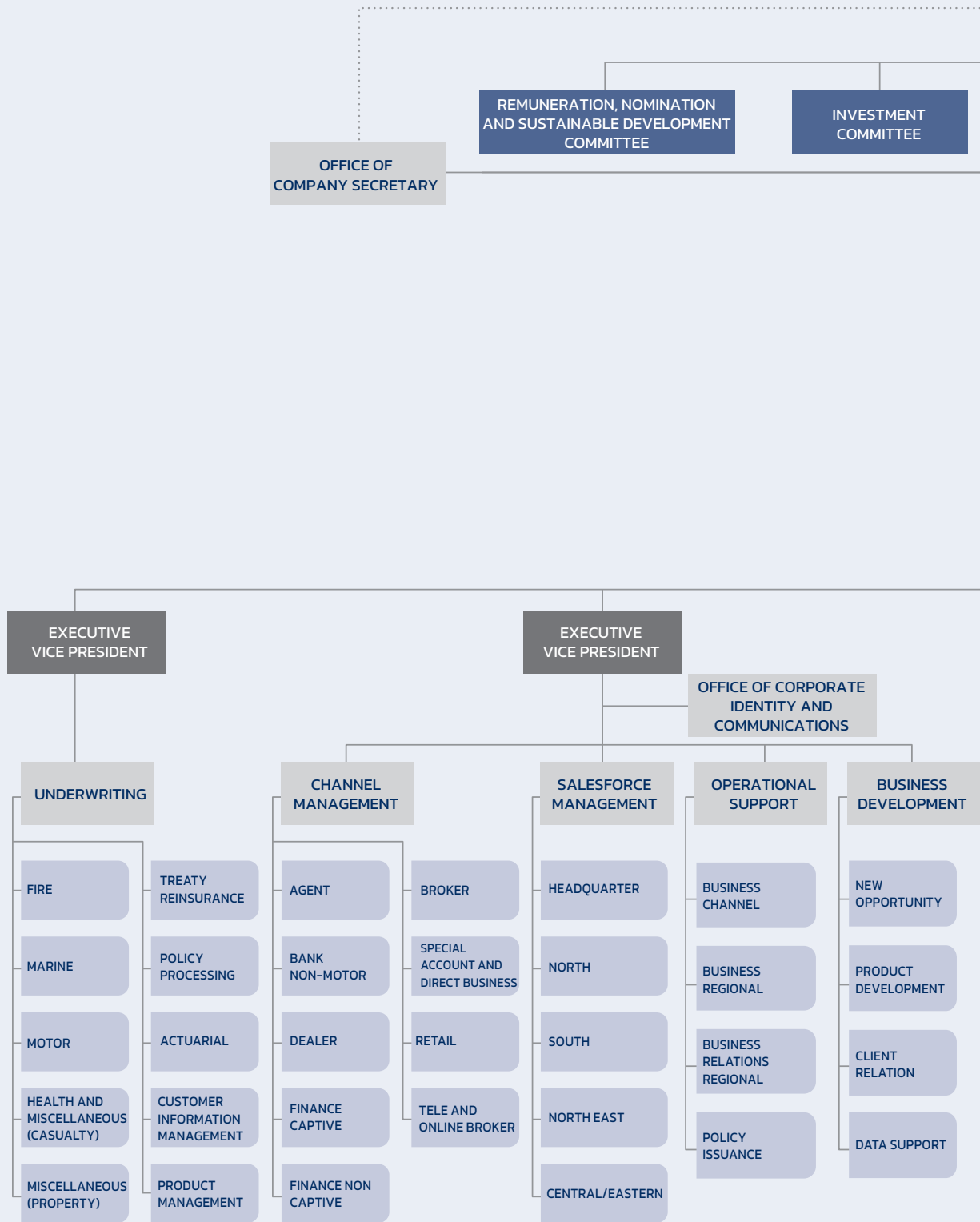
(Unit : million Baht)

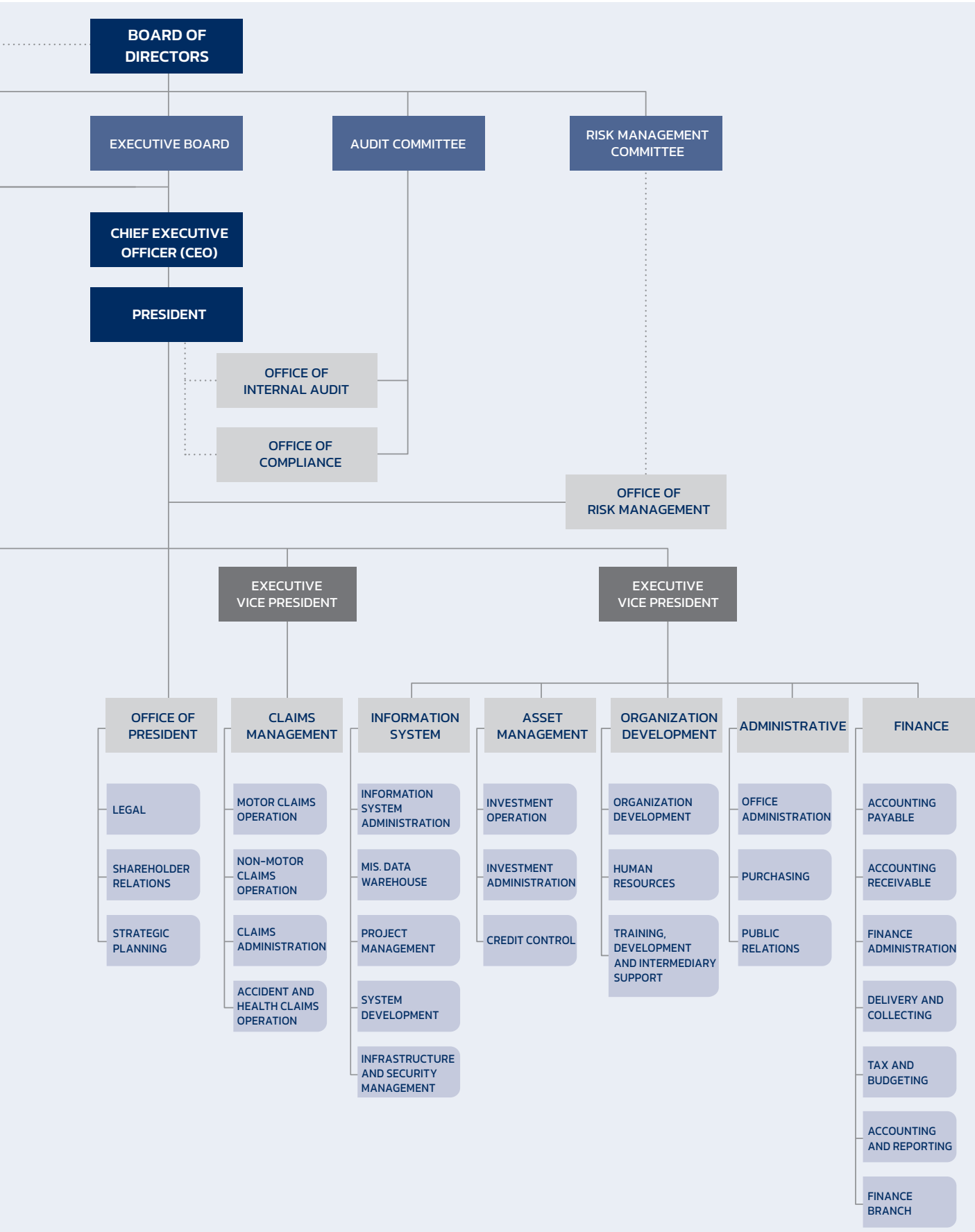


 Premium written  
 Claim and loss adjustment expenses

 Net earned premium  
 Profit from underwriting before operating expenses

# Organization Structure





# The Audit Committee's Report



The Audit Committee (the “Committee”) comprises 3 independent directors, namely Mr. Kiet Srichomkwan as the Chairman of the Committee, Gen. Montree Sungkasap and Mrs. Wanida Chansikarin as the Committee members. They are highly competent and experienced in organization management, finance and accounting.

During the year 2023, the Committee held 10 meetings. Details of the meeting attendance are as follows:

1. Mr. Kiet Srichomkwan	Chairman
	Meeting Attendance
	10 times of 10 times
2. Gen. Montree Sungkasap	Member
	Meeting Attendance
	10 times of 10 times
3. Mrs. Wanida Chansikarin	Member
	Meeting Attendance
	10 times of 10 times

The Committee performed its duties as assigned by the Board of Directors and supervised the Company’s operation in accordance with the charter and the Corporate Governance principles. The performance report for the year 2023 is as follows:

1. The Committee reviewed the quarterly and annual financial statements reports. The Committee joined

meetings with the Company’s executive officers e.g. Vice President of Finance Department, Vice President of the Office of Internal Audit as well as the Company’s external auditor, to discuss whether the preparation of financial statements complied with relevant law and financial reporting standard. The meeting was held to ensure that the audited financial statements were accurate according to financial reporting standard and disclosed information were adequate, complete and reliable. Notes of the external auditor were considered and applied to achieve optimum benefit to the Company. In addition, the Committee held a meeting with the Company’s external auditor specifically to ensure that the financial statements were prepared without any intervention and that the Company’s external auditor was independent. Executive Vice President who holds the position of Chief Financial Officer confirmed that the Company’s accounting system was effective and the collection and recording transactions were complete according to current financial reporting standard. Reviewing the statements and explanation received from the persons in charge and the external auditor, the Committee formed an opinion that the financial statements were completely and accurately prepared according to the current financial reporting standards and also in line with the stipulations of the Office of Insurance Commission (OIC).

2. The Committee reviewed and assessed the internal control system together with the external auditor through reports of the Office of Internal Audit on regular basis. There was not any significant deficiency and the internal control system was reasonably adequate and appropriate. The Committee reviewed and assessed the annual internal audit plan which followed the risk assessment result, approved budget of the Office of Internal Audit and laurels of Vice President of the Office of Internal Audit. According to the internal control system evaluation conducted by the Board, the Committee had an opinion that the internal control system was adequate and appropriate.

3. The Committee reviewed the related party transaction or the transactions that may lead to conflict of interest and the compliance with relevant laws, rules and regulations. During 2023, the Company had related transactions which were normal business transactions. The compliance checklist has been implemented to ensure the adequate and appropriate compliance with the rules and regulations of relevant laws.

4. The Committee reviewed the efficiency and effectiveness of good governance and the compliance with rules, regulations and related laws. It was found that directors, executives, and employees conducted their duties in compliance with the policies as well as all relevant laws and regulations. The Company has been a member of Thailand's Private Sector Collective Action Coalition against Corruption and the Anti-Corruption Policy has been implemented properly to its business.

5. Risk Management Committee was appointed and assigned to be responsible for the risk management. The Audit Committee reviewed the management to ensure that the Company prepared a risk management plan and adequately followed up on risk management results. The

opinion of the Audit Committee was presented to the Board of Directors for consideration in order to improve the risk management efficiency in compliance with the regulations and guidelines of the Office of Insurance Commission.

6. The Committee reviewed the Audit Committee charter on a yearly basis to be in line with new laws and regulations as well as current situation. The Committee also evaluated their performance, of which the result was ranked in a good level and regularly improved.

7. The Committee evaluated the external auditors' performance during the past year, of which result was satisfactory. It also considered their independence and qualifications and was of opinion that they were conformed to criteria regulated by Securities and Exchange Commission. Therefore, the Committee recommended that the Board of Directors appoint Ms. Narissara Chaisuwan, C.P.A. Registration No. 4812 or Ms. Rachada Yongsawadvanich C.P.A. Registration No. 4951 or Ms. Wanwilai Phetsang, C.P.A. Registration No. 5315 or Ms. Saranya Pludsri, C.P.A. Registration No. 6768, all from EY Office Limited, to be the Company's external auditor for the year 2024. The auditors' remuneration, totaling of 4,595,000 Baht, was also proposed for the Annual General Meeting of Shareholders' approval.

The Committee was of the opinion that the Company adheres the Good Corporate Governance principles in conducting business, with adequate internal control system, efficient risk management, accurate and credible accounting system and financial reports. The operation complied with relevant laws and regulations and the Company monitored and assessed business situation on regular basis.

# The Remuneration, Nomination and Sustainable Development Committee's Report



The Remuneration, Nomination and Sustainable Development Committee (“the Committee”) consists of 3 members. Details of the meeting attendance of the year 2023 are as follows:

- |                              |                    |
|------------------------------|--------------------|
| 1. Gen. Montree Sungkasap    | Chairman           |
|                              | Meeting attendance |
|                              | 3 times of 3 times |
| 2. Mr. Nipol T.Jeerawong     | Member             |
|                              | Meeting attendance |
|                              | 3 times of 3 times |
| 3. Mrs. Phornpun Phornprapha | Member             |
|                              | Meeting attendance |
|                              | 3 times of 3 times |

The Committee is assigned to consider the criteria for remuneration of the directors and the Chief Executive Officer and President; recruit candidates who have appropriate qualifications to serve as a member of the Board of Directors, subcommittees and the Chief Executive Officer and President; consider and propose guidelines for compliance with corporate governance principles and sustainable development that comply with laws, regulations and principles of good corporate governance. In the past year, the Committee considered the following matters:

## 1. Remuneration

The Committee considered the structure, criteria and rate of the remuneration of the Board of Directors and subcommittees that suited their duties, responsibilities according to the Company's strategy and goals. The Committee scrutinized the remuneration taking into consideration that of other companies in the same business, the competition, the economy, the Company's operating performance and the dividend payment. The remuneration also motivated directors and subcommittees to perform duties efficiently and effectively. The remuneration structure remained the same as the previous year. Directors received bonus and meeting allowance per meeting attendance while members of the subcommittees received only meeting allowances.

The remuneration of the Chief Executive Officer and President was based on performances and compared to the predetermined goals which were in line with the Company's strategy, objectives and operating performance of the Company.

## 2. Nomination

The Committee proposed qualified candidates to be appointed as members of the Board of Directors and members of subcommittees in replacement of those who

vacated their positions and who retired by rotation. The Committee scrutinized nominated persons to ensure that they had qualifications as specified and would be able to perform their duties in compliance with the principles of Fiduciary Duty. The Committee also considered the composition of the Board of Directors to comply with the laws or the regulations of the regulators. The diversity of skills, expertise, experience, and gender were also reviewed. In the past year, the Committee nominated new directors to replace those who retired by rotation from the director pool of Thai Institute of Directors Association. The Company gave the opportunity for directors and shareholders to nominate persons to be elected as directors between 1 September 2022 to 31 December 2022, but no nominated individual was proposed. The Committee then proposed 5 retired directors to be appointed as the Company's directors due to their qualifications in all respects and strong duty performance during their previous term of office.

In addition, the Board of Directors proposed the appointment of 2 Board of directors' members and 1 Risk Management Committee's member to replace those who

resigned. The extension of the employment contract of the Chief Executive Officer and President including guidelines of the Chief Executive Officer and President succession plans were also considered.

### **3. Sustainable Development**

The Committee reviewed Code of Conduct, Corporate Governance Policy, Sustainable Development Policy, Anti-Corruption Policy and Measures and Whistleblowing Policy as well as proposed Related Party Transactions Policy, Disclosure Policy and Safety, Occupational Health and Working Environment Policy. All policies were stipulated taking into consideration the principles of Good Corporate Governance and suggestions from the regulators to be suitable for business operations and in line with current relevant laws, criteria, and practices. The Committee also supervised and advised the management on the implementation of such policies to ensure that the Company conducted its business in accordance with the ethics and Good Corporate Governance principles, taking into account environmental, social and governance awareness.

# The Risk Management Committee's Report



**Mr. Nipol T. Jeerawong**  
Chairman of the Risk Management Committee

The Risk Management Committee (“the Committee”) consists of 5 directors and executives, who are Mr. Nipol T. Jeerawong, Chairman of the Risk Management Committee, Mr. Pitiphong Bisalputra, Mrs. Nalina Bodharamik, Mr. Anak Wanglee and Mr. Anin Wanglee. They are qualified and experienced in corporate management, risk management, investment and claims management.

In 2023, the Risk Management Committee appointed Mr. Anin Wanglee, Executive Vice President to serve a member of the Risk Management Committee instead of Ms. Anukul Thitikulrat who resigned on 30 September 2023.

In 2023, the Risk Management Committee held 5 meetings. Details of the meeting attendance are as follows:

1. Mr. Nipol	T. Jeerawong	Chairman	Meeting Attendance 5 times of 5 times
2. Mr. Pitiphong	Bisalputra	Member	Meeting Attendance 5 times of 5 times
3. Ms. Anukul	Thitikulrat	Member	Meeting Attendance 4 times of 4 times
4. Mrs. Nalina	Bodharamik	Member	Meeting Attendance 5 times of 5 times

5. Mr. Anak	Wanglee	Member	Meeting Attendance 3 times of 5 times
6. Mr. Anin	Wanglee	Member	Meeting Attendance 1 time of 1 time

The Risk Management Committee performed duties assigned by the Board of Directors and supervised the risk management in accordance with the Committee’s charter and the notification of the Office of Insurance Commission. The Risk Management Committee’s performance report for the year 2023 is summarized as follows:

1. The Committee supervised the risk management to be systematic and continuous; efficient and effective for maximum benefit as well as in accordance with the framework and policies of the Enterprise Risk Management (ERM), the Own Risk and Solvency Assessment (ORSA), including business strategies and plans. Such supervision was to insure a stable financial status, capital funds, adequate and appropriate risk management and the ability to achieve the objectives or goals of the Company both in short term and long term.



2. The Committee determined the risk management framework and policy, the risk appetite and the risk tolerance. The framework and policy, which covered at least significant risks as prescribed by the Office of Insurance Commission (OIC) were presented to the Board of Directors for approval.

3. The Committee supervised the overall activities of the Company related to risks. This included the development and implementation of risk management framework and policy across the organization to ensure that the Company conducted business correctly and effectively according to the risk management policy provided by the Board of Directors.

4. The Committee reviewed the risk management report to assess and monitor key risks and to ensure that the Company's risk management was adequate and appropriate.

5. The Committee presented and monitored risk status including changes in the overall risks of the Company. Moreover, the progress of risk management was followed-up and suggestions were provided in order to improve the risk management in compliance with the risk management framework and policy. The risk management reports were presented to the Board of Directors on a quarterly basis.

6. The Committee prepared a risk mitigation plan to handle emergency cases.

7. The Committee provided advice to the management and risk owners. Various information related to the development of risk management systems was also revised.

8. The Committee performed other duties as assigned by the Board of Directors.

# The Investment Committee's Report



**Mr. Pitiphong Bisalputra**  
Chairman of the Investment Committee

The Investment Committee (“the Committee”) consists of 3 members who are qualified and experienced in investment, namely Mr. Pitiphong Bisalputra as the Chairman of the Investment Committee, Mr. Nipol T.Jeerawong and Mr. Anak Wanglee as the members of Investment Committee.

In 2023, the Investment Committee held 4 meetings. Details of the meeting attendance are as follows:

- |                  |             |                            |
|------------------|-------------|----------------------------|
| 1. Mr. Pitiphong | Bisalputra  | Chairman                   |
|                  |             | Meeting Attendance 4 times |
| 2. Mr. Nipol     | T.Jeerawong | Member                     |
|                  |             | Meeting Attendance 3 times |
| 3. Mr. Anak      | Wanglee     | Member                     |
|                  |             | Meeting Attendance 4 times |

The Investment Committee is responsible for managing the Company's investments according to the investment policy, making a reasonable return at risk appetite. In the previous year, the Committee considered significant aspects of investment to be consistent with the current economic situation. Investment risks and returns were focused in order to achieve the expected return at risk appetite.

# The Executive Board's Report



**Mr. Pitiphong Bisalputra**  
Chairman of the Executive Board

The Executive Board consists of 5 executives who were appointed by the Board of Directors to screen the operating matters and support the performance of the Board of Directors regarding determining policies, regulations and guidelines for management.

In 2023, the Executive Board held 51 meetings. Details of meeting attendance are as follows:

1. Mr. Pitiphong Bisalputra	Chairman	Meeting attendance 50 times
2. Mrs. Nalina Bodharamik	Member	Meeting attendance 47 times
3. Mr. Anak Wanglee	Member	Meeting attendance 44 times
4. Mr. Anin Wanglee	Member	Meeting attendance 43 times
5. Dr. Saran Wanglee	Member	Meeting attendance 42 times

The Executive Board performed duties as assigned by the Board of Directors. In 2023, the following matters were considered:

1. Preparing business strategies and the Company's annual budget. The growth target, which was comparable to the growth rate of the general insurance business, was set and proposed to the Board of Directors for consideration and approval.
2. Monitoring and following up on the Company's performance in all aspects, such as product development, insurance offering, underwriting, providing reinsurance and claims management along with giving opinions, suggestions, and guidelines for solving problems in order that the Company's operation being in line with directions and goals.
3. Considering and giving opinions on market expansion plans, sales channels, and new products in order to approach more potential groups.
4. Considering and giving opinions on the Company's information technology system to be advanced and suitable for the Company's business operations in order to process data correctly.
5. Supervising the Company's operation to comply with laws, rules, regulations and accounting standards.

# SECTION 1

## BUSINESS OPERATIONS AND PERFORMANCE

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## **1. Structure and operation**

### **1.1 Business overview**

The Navakij Insurance Public Company Limited (the “Company”) was founded by Wang Lee family on 23 September 1933, originally named Luang Lee Insurance Company Limited. At the initial period, the Company provided only two classes of insurance that were fire and marine insurance. The Company changed its name to the Navakij Insurance Public Company Limited on 15 August 1985. The Company was listed in the Stock Exchange of Thailand with paid-up capital of 40 million Baht on 24 August 1990. The Company converted from the Company Limited to the Public Company Limited and changed its name to the Navakij Insurance Public Company Limited on 20 August 1993.

Throughout 90 years of conducting business, the Company has continuously adhered to the principles of Corporate Governance in the operation. The Company is always developing the work processes and services to grow steadily and sustainably. At present, the Company had paid-up capital of 370 million Baht with 24 branches throughout Thailand, both in the metropolitan areas and many provinces.

The Company insured all types of non-life insurance business that were fire insurance, marine and transportation insurance, motor insurance and miscellaneous insurance.

#### **Underwriting**

Direct insurance is to underwrite through agents, brokers, corporate brokers, and branches of the Company. The proportion of underwriting is more than 90% of the total written premium.

Reinsurance and retrocession are ceded to and accepted from other insurance companies to spread risks.

#### **Investment**

In addition to underwriting, the Company manages income by investing to be able to allocate insurance reserves sufficient for the obligations to insurance creditors. The type and proportion of investment must comply with the Notification of the Insurance Commission (OIC) Re: Investments in other businesses of Non-Life Insurance Companies B.E. 2556 and amended version. The investment is diversified in various types of assets such as deposits with financial institutions, promissory notes, government bonds, debentures, stocks, and unit trusts.

##### **1.1.1 Vision, objectives, goals and business strategies**

The Board approved strategic plans and business directions that were reviewed by the Management to comply with the business operating situation. In 2023, the Company will continue to focus on maintaining and expanding customer base continuously; adjust insurance premium

appropriately; develop insurance products taking into consideration the environment, such as electric vehicle insurance; prepare electronic insurance policies; create an online marketing channel to meet the needs of customers in the new era whose behaviors and lifestyles have changed; develop an efficient work and service system to reduce the work process and emphasize low cost management along with implement a sustainable business according to ESG.

The Board of Directors provided the vision and mission for staffs to have the same goals as follows:

### **Vision**

- To operate a sustainable business with reasonable profit objectives while promoting social stability and ethical integrity
- To be a leading enterprise of non-life insurance business with a network of offices, highly competent personnel, good services, and the best technology
- To provide quality insurance coverage and quality protection for the benefit of policyholders, employees, shareholders, and the public

### **Mission**

- To provide good and high-quality services to customers with fairness and integrity.
- To innovate and develop new insurance products for the changing needs of society.
- To focus on quality of service and reasonable cost control to achieve utmost efficiency in the development of the management system.
- To support and develop a good working environment and promote unity among employees as well as maintain competitive benefits and compensation suitable for social environment.
- To invest in human resource development and encourage employees to be professional and maintain high ethical standards.
- To develop and implement new technology to effectively improve our service to the customers.

## **1.1.2 Significant changes and developments in the past 3 years**

### **2021**

- The Company was certificated as a member of CAC (Thai Private Sector Collective Action Against Corruption) for the third time
- The Company was certified for the Information Security Management Systems Standards (ISO 27001 : 2013)

## 2022

- The Company increased registered capital by 10 million Baht to support stock dividend payment to shareholders by issuing 1 million new ordinary shares with a par value of 10 Baht per share. As a result, the registered capital of the Company increased to 360 million Baht.

## 2023

- The Company increased registered capital by 10 million Baht to support stock dividend payment to shareholders by issuing 1 million new ordinary shares with a par value of 10 Baht per share. As a result, the registered capital of the Company increased to 370 million Baht.

### 1.1.3 Information of the proceeds

The Company did not offer any equity or debt securities in 2023.

### 1.1.4 Obligations committed according to securities offering (if any)

None

### 1.1.5 The Company's general information

Name of the Company	The Navakij Insurance Public Company Limited
Stock Code	NKI
Type of Business	Non-life Insurance
Registration No.	0107536000862
Year of Establishment	23 September 1933
First Trade Date	24 August 1990
Registered Capital	370 million Baht, comprised of 37 million shares 10 Baht par value
Paid-up Capital	370 million Baht
Headquarter Address	100/47-55 Sathorn Nakorn Tower, 25 <sup>th</sup> -27 <sup>th</sup> Floor, 90/3-6 Sathorn Thani Building, 1 <sup>st</sup> Floor, North Sathorn Road, Silom, Bangrak, Bangkok 10500
Telephone	(66) 2664 7777 and 1748
Fax	(66) 2636 7999
Website	<a href="http://www.navakij.co.th">www.navakij.co.th</a>

## 1.2 Business type

### 1.2.1 Income structure

#### Direct premium

Unit: Million Baht

Direct Premium	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Fire	756.37	19.78	707.37	19.29	640.29	18.98
Marine	100.05	2.62	102.08	2.78	98.42	2.92
Motor	2,492.58	65.18	2,243.80	61.20	1,951.01	57.84
Miscellaneous	474.85	12.42	613.43	16.73	683.23	20.26
<b>Total</b>	<b>3,823.85</b>	<b>100.00</b>	<b>3,666.68</b>	<b>100.00</b>	<b>3,372.95</b>	<b>100.00</b>

#### Profit (loss) from underwriting

Unit: Million Baht

Profit (Loss) from Underwriting	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Fire	125.86	27.49	129.85	40.49	159.29	39.85
Marine	37.05	8.09	29.72	9.26	31.93	7.99
Motor	219.82	48.02	178.11	55.54	343.73	85.98
Miscellaneous	75.10	16.40	(16.98)	(5.29)	(135.19)	(33.82)
<b>Total of profit (loss) from underwriting before operating</b>	<b>457.83</b>	<b>100.00</b>	<b>320.70</b>	<b>100.00</b>	<b>399.76</b>	<b>100.00</b>
Operating expense	384.73		353.44		353.29	
<b>Total of profit (loss) from underwriting</b>	<b>73.10</b>		<b>(32.74)</b>		<b>46.47</b>	

#### Investments Income

Unit: Million Baht

Investments Income	2023		2022		2021	
	Amount	%	Amount	%	Amount	%
Interest income from debt securities	41.69	54.54	20.87	24.32	15.62	17.59
Dividends received from equity securities	58.08	75.98	59.85	69.77	52.88	59.54
Profit on investments	(14.51)	(18.98)	6.97	8.12	7.54	8.49
Fair value gain (loss)	(8.91)	(11.66)	(8.41)	(9.80)	11.39	12.82
Share of gain from investments in associates	0.09	0.12	6.51	7.59	1.38	1.56
<b>Total of investments and share of gain from investments in associates</b>	<b>76.44</b>	<b>100.00</b>	<b>85.79</b>	<b>100.00</b>	<b>88.81</b>	<b>100.00</b>



## 1.2.2 Products information

The Company has been licensed to operate all types of non-life insurance business. Products of the Company are insurance policies that provide coverage against loss or damage to property and accidents. Most policies are valid for 1 year and categorized as follows:

### (1) Products, services and innovation development

#### Motor insurance

Motor insurance provides coverage for damage from the use of car such as a collision or a rollover accident, a car loss, injury or death of a driver, a passenger and a third-party. The insurance covered damage to a third-party property, driver bail, defending on civil litigation. Types of motor insurance are as follows:

- Compulsory motor Insurance according to Road Accident Victims Protection Act, B.E. 1992 which is defined the owner to provide car insurance for a victim.
- Comprehensive motor insurance provides 3 types of coverage that are car damage, third party liability and additional coverage, e.g., driver bail and personal accident.
- Voluntary motor insurance covers only damage arising from a collision with a road vehicle.
- Voluntary motor insurance covers only third party liability.

#### Fire insurance

Fire insurance provides coverage for damage to properties such as buildings, furniture, fixtures, machines and products stocks, caused by fire, lightning and other additional risks e.g., explosion, windstorm, floods and earthquake. Moreover, the policy also covers loss from business interruption due to fire and other disasters. Types of fire insurance are as follows:

- Home insurance covers damage to residence arising from fire, lightning, explosion and natural disasters.
- Fire Microinsurance for Residential covers damage to properties arising from fire, lightning and explosion.
- Terrorism Insurance covers physical damage to properties arising from act of terrorism.
- Properties insurance covers physical damage to properties arising from strike, riot, malicious act, civil commotion, sabotage or terrorism.

#### Marine and transportation insurance

Marine and transportation insurance covers damage caused by accidents during domestic and international logistics either by car, train, ship, or plane. The insurance is divided into 2 types which are hull insurance and cargo insurance. The cargo insurance is the main product of the Company.

## Miscellaneous insurance

Apart from the insurances mentioned above, there are other types of insurance as follows:

- Personal accident insurance covers personal injury, death, dismemberment or disability arising from accident.

- Microinsurance 200 Baht covers injury, death, dismemberment or disability due to accident and funeral expenses in case of death by illness.

- Travel insurance covers bodily injury caused by accident during a trip resulting in death or dismemberment including related medical expenses.

- Oversea travel insurance provides coverage when traveling abroad. The policy covers medical expenses due to injury and illness, death, dismemberment and permanent disability arising from accident, emergency medical evacuation, repatriation to Thailand, increased cost of travel delay, loss or damage to luggage and/or personal belongings inside the luggage, luggage delay and legal liability to a third party.

- Personal health insurance and group health insurance cover medical expenses such as room, meal, medicine, surgery, and doctor's fees.

- Personal health and accident insurance bundles health and accident insurance including hospital income benefit in case of cancer or heart disease.

- Hospital income benefit insurance provides daily payment during the hospitalization according to the period of inpatient hospitalization. The insurance also covers recuperation after discharge from hospital and funeral expenses in case of death from injury or illness.

- Cancer insurance provides coverage against cancer upon diagnosis for the first time with a lump sum for treatment, monthly payment for outpatient medical expenses after surgery.

- Golfer's insurance covers bodily injuries of the insured while playing or practicing golf, loss or damage to golf equipment including third party liability in case of bodily injury and or loss or damage to property arising from the insured.

- Burglary insurance covers the assets inside the insured place that are robbed or burglarized.

- All risks insurance covers loss or damage to properties from all perils, except the ones specifically excluded in the policy.

- Contract work insurance covers assets in the construction project, machine installation, liability, equipment, tools including liability to third parties from the construction.

- Machinery insurance covers all assets that are machines such as generators, special machineries damaged by unexpected accidents such as design defects, lack of expertise, short circuits, explosion in physics or being defamed.

- Boiler insurance covers damage caused by explosion and collapse of boiler and pressure tank, that is caused by defects or misuse damaged to the life and property of third parties.

- Third party liability insurance covers legal liability of the insured to third parties for physical injury, death and damage to property.

- Money insurance covers loss of money in the insured place, which may be a safe or a vault, and outside the insured place on indicated way in the policy.

- Fidelity insurance covers financial loss of an employer caused by fraud, embezzlement or corruption committed by an employee in connection with his duties as specified.

- Legal liability insurance for controlled business under type 3 according to Fuel Control Act, B.E. 2000 provides coverage against third party legal liability arising from fire and explosion from fuel business operation or fuel storage in business premises.

- Product liability insurance covers liability arising from unsafe products of entrepreneur which may be caused by product defects.

- Gold shop insurance covers gold in case of robbery or snatching. The insurance also covers damages to buildings, safes, glass and furniture in an insured premise.

- Health Insurance for Non-Immigrant Visa O-A (1 year) and O-X (5 years) covers outpatient and inpatient medical expenses for foreigners throughout the period of living in Thailand.

- COVID-19 vaccine insurance covers medical expenses caused by allergies to the COVID-19 vaccine.

- Other miscellaneous insurances

The Company reinsures all perils identified above. At present, the Company provided reinsurance mostly from local insurance companies, so the effect of exchange rate fluctuations is minimal.

## **Reinsurance**

Reinsurance is a diversification of insurance risks in the proportion prescribed in the Non-Life Insurance Act B.E. 1992. The Company shall reinsure high sum insured properties with reinsurers in order to mitigate risks. Reinsurance can be divided into 2 types as follows:

- Facultative reinsurance provides coverage for an individual risk. The ceding company shall inform the details of each risk to reinsurers from time to time.

- Treaty reinsurance is a form of reinsurance which the ceding company makes agreement with the reinsurer to cede risks falling within the terms of the treaty during the contract period. Therefore, the reinsurer shall not consider risks which come within the scope of the contract.

The retention ratio will be set taking into consideration the capital, nature of risk and risk level of the insured properties. The selection criteria of reinsurers are specified in reinsurance strategy. The Company shall consider the credit rating of S&P or AM Best for selecting domestic and foreign reinsurance Companies with stable financial status.

## **Research and development**

### **Product development**

For the year 2023 after the epidemic situation. Trends of all consumer groups place increasing importance on risk management of insurance. This is the difference between the insurance business and other businesses. In terms of the direction of insurance product development, accident and health insurance products are still discussed and have high growth potential. Especially insurance for specific diseases and motor insurance for accident insurance. It is because insurance premiums are diverse depending on the coverage in each type and the capital is quite high, able to respond to the purchasing power of each group of insureds, and easily accessible. Serious illness and office syndrome are also interesting products. The Company prepares to design insurance for specific diseases. In order to continue to respond to the demands of consumers. As for property risk management, in order to respond to changes in various natural disasters, the Company has launched automobile insurance products that further expand protection against natural disasters.

### **Service development**

The Company uses Artificial Intelligence (AI) to continuously increase service efficiency and expand the use of technology with partners to make services through the Company's various partners convenient, fast, and most efficient for insureds.

### **Information technology systems development**

The technologies that the Company applied to develop the organization are as follows:

- Robotic Process Automation (RPA) is applied to reduce time and work errors.
- Enterprise Content Management is applied to manage documents to be safe and support work from anywhere, able to access information quickly and reduce the amount of paper used.
- Line application is applied to support accessing information, tracking, and contacting for services more quickly.
- IT Infrastructure was improved to be safe, fast, and able to support business expansion.
- The Company provides e-policies in the format of PDF file with digital signature to confirm that the policies are safe from forgery. The e-policies are sent to the customers via e-mail. The e-policies reduce the process of printing documents with faster delivery. It is also convenient for storing documents or viewing insurance policy information and protects the environment by reducing the amount of paper used. As a result, it can reduce the amount of greenhouse gas emissions.
- Producer Web Portal system safely and quickly supports the business partner services to be able to inquire about premiums and quotations, track claim status, send documents, and check policy information via a web browser. This system allows the business partners to access information quickly and reduces the amounts of papers used.

- The Company provides API (Application Program Interfaces) to transmit data with business partners efficiently, safely and quickly as well as reduces the papers used.

## **(2) Marketing and Competition**

In the past year 2023, economic growth in the last quarter was likely to be lower than the forecast due to the GDP of approximately 3-3.5%. However Thai economy, especially the tourism sector clearly recovered when compared to that during the outbreak of coronavirus disease 2019 (COVID-19). The economic growth decreased from the export sector as a result of the Chinese economy which grew less than expected. Moreover, the world economy reduced production, which resulted in a decrease in imports as well. The economy in 2023 expanded at approximately 2.5%, lower than expected.

In 2024, the economy of Thailand is expected to expand at a rate of 3.0-3.5%. The inflation is around 1.0-2.0%. The interest rates are around 2.0-2.5% and the Thai Baht currency is expected to be around 33-35 Baht per US dollar. The future economic forecasts are based on both foreign and domestic economic factors. Since Thailand's economic structure relies heavily on foreign countries up to 72%, foreign factors play an important role of which firstly is the direction of the world economy, finance, and world money markets. The US Federal Reserve or the Fed has raised interest rates continuously to 5.5%, resulting in a decrease in inflation from 9.1% to below 3.0%. Even though the Fed normally supervises inflation to not exceed 2.0%, but it is believed that the Fed notices good signs of 2024 economy. Therefore, it is expected that there will be no further interest rate adjustments. The policy rates are likely to decrease at least 3 times this year. The investment is starting to improve, while China has introduced several measures to stimulate the economy in various sectors. As a result, the economy begins to grow. Even though the economic growth remains lower than the target, it is expected to expand by 4.5%. Another interesting country is India, the world's fourth-largest economy. This year India's economy expands at about 6.5%, the highest growth in the world which shall be a pretty good driver of the world economy. Meanwhile, various measures are able to control inflation in Europe. The United States' economy, the world's largest economy, is improving and likely to contribute significantly to the global economy in 2024. The economic recovery may take time therefore world economic growth in 2024 may expand approximately 2.7-3.0%, which is starting to improve but not as much as expected. However, it positively affects Thai exports this year. Secondly, there are elections in many countries such as the United States, Russia, Ukraine, Indonesia, India, England, South Africa and about 40 other countries. These political factors are expected to result in the international situation and geopolitical conflicts becoming less intense than in past years. The elections usually focus primarily on domestic problems therefore the international conflict will subside. At the same time, there will be new policies of each government that will drive the economy, which will positively affect the world economy. This will be a positive factor for the economy of these countries, especially the United States, England, Russia, India and Indonesia. Moreover, it will favorably impact on international trade in 2024. The exports are expected to expand by approximately 3.0%. Thirdly, foreign tourism has improved because of agreement on free visas for

Chinese tourists. The number of Chinese tourists this year has increased to 8 million, bringing the total number to 35 million. As a result, the tourism income and employment in the tourism sector increases. Finally, foreign investment in Thailand has improved due to the new government and new policies. Especially the Prime Minister's visits to foreign countries and inviting investors to invest in Thailand will result in a better foreign investment environment.

#### **(A) Marketing of key products and services**

##### **Marketing policy in the past year**

The motor market has begun to return to normal situation. In addition, the government has measures to stimulate and encourage the private sector and motor entrepreneurs regarding marketing electric vehicles (EV). Such measures will be in line with the social contract agreements that every country is committed to reduce greenhouse gas emissions and focus on using pure, renewable energy to reduce global warming. As a result, the electric vehicle (EV) market in Q4/2023 will experience exponential growth because it is the end of the old governmental measures. Automakers launch campaigns to stimulate sales and also prepare for after-sales service to build confidence among consumers because car manufacturers pushing the electric vehicle (EV) market still have limitations. Fire insurance and marine and transportation insurance for 2024 must take into account the Thai economy in terms of interest rates and inflation including the impact on the industrial and business sectors of Thailand regarding imports and exports from the world economy that is expected to decline, which is related to the general insurance business sector as well. Miscellaneous insurance under government policy, which has tried to stimulate income from the tourism industry and various service business sectors, aims to build confidence for foreign tourists to travel in Thailand under special relief for foreign tourist groups. The government policy provides special privileges, free visas for countries that are target groups to increase the number of tourists, including measures to set conditions for foreign tourists to get insurance. These measures will result in a growth rate of insurance business in the same direction. In 2024, the government sector continues to implement such measures. Therefore, it is expected that the business opportunities of foreign tourism will positively impact on the insurance business for accident insurance and health insurance at the same growth rate as in 2023.

The Company has enhanced competition capability in the insurance market in 2024 by developing and adjusting products and new after-sales services in non-motor and motor insurance continuously to present to target audiences both centrally and regionally to meet the demands of producers, partners, and public. The Company focuses mainly on offering digital products and after-sales services in order to respond to the new generation market. However, the Company still maintains traditional services for customers or business partners who are still satisfied with it. The Company also expands the market and increases the customer base in the motor insurance market for electric vehicles insurance and miscellaneous insurance market, which is in line with the government policy that has been taken concretely.

## **Characteristics of business partners, potential target, and distribution channels**

The overall 2023 operating performance of the Company shows the expansion from 2022. The growth rate of each distribution channel increases or decreases due to the policies of the business partners and the Company that have been established to manage risks according to announcements or orders of the Office of Insurance Commission (OIC) and in line with the factors that impact on the overall economy, both positive and negative in 2023. This will have a chain effect on the target producers, business partners, and existing customers both centrally and regionally. In 2024, the departments that supervise distribution channels and sales plan to work together by analyzing the business direction and business partners policies for the year 2024 that plan for business growth from 2023. The Company has considered the economic crisis, interest rate and inflation which has had a profound effect since June onwards. The Company has adjusted operational guidelines in terms of price, insurance and the after-sales service policy to focus on the satisfaction of customers and partners. The Company has established the policies, gathering information and opinions from various departments. The information technology system for the operation has been developed to suit the competitive market of each audience group and each type of business partner, so that the Company can compete with new distribution channel and partners. In addition, the Company also integrates internal management to increase service efficiency and create greater satisfaction of which significant points are summarized as follows:

### **Approach 1 Expanding target customer groups for non-motor market**

The Company will expand groups of brokerage partners, both individuals and legal entities, by focusing on a non-motor insurance market. In 2024, the Company plans to expand non-motor insurance through the financial institutions that provide real estate loan services. The insurance packages will be developed for big targets and projects, such as motor gap insurance, which provide coverage for the value of the car in excess of the sum insured under the comprehensive motor insurance policy in the event of lost and total loss, and credit protection insurance. The digital products offerings continue from the year 2023 to increase marketing capabilities and quick access to the Company's services for agent and broker, both individual and legal entities, to present to potential groups conveniently.

### **Approach 2 Defining target customers for motor market**

1. The motor business market in 2023 experienced a major change. The entry of the electric vehicle (EV) business impacted on motor manufacturers, dealers, financial institutions, and non-life insurance business. The electric vehicle (EV) market has exponential growth in sales and acceptance by consumers. The government sector encourages the use of electric vehicles to meet the goals. In 2023, there was a dramatic increase in the number of electric vehicles registrations. The total number of car registrations in 2022 and 2023 were 9,729 and 76,314 respectively, growing approximately 684.4%. The new motor manufacturers that joining the market and signing the memorandum of understanding with the government sector to produce and sell electric vehicles (EV) in Thailand is an opportunity for the

Company to continuously build and increase the customer base in 2024. The increase of competitors in the electric vehicle insurance market and the announcement of the electric vehicle insurance policy in 2024, which affects the sum insured, premium and underwriting, stimulates the Company to create business opportunities in the new motor market of new brand and the used car market. In addition, the Company still prioritizes after-sales service for customers and builds confidence in trading partners who support the Company's business.

2. The sales of products have been adjusted to support the digital market and corresponds to the producers and target groups of each distribution channel because consumers are more interested in insurance policy purchasing services online. The technology is implemented in replacement of traditional operations to support the quick and convenient service for business partners and various target groups and reduce the operating costs during this economic situation.

3. The communication and public relations of the corporate image have been carried out continuously by presenting insurance products and services via the website and various media to approach targeted producers, customers and the public.

### **Approach 3: Target group, regional customer group**

1. In 2023, motor dealers in the regions were affected by motor manufacturers (new cars) as well as in the central region. Therefore, the Company still maintained the customer base and the growth in the customer base that has been transferred from other insurance companies. The growth rate of electric vehicles in the new car market increases, the Company therefore joins a business alliance with a Chinese motor manufacture to support motor insurance nationwide. This can be an opportunity to expand dealers for new motor brands as well as the target group of agents, brokers, and corporate tele sales broker channels. In 2024, it is expected that various plans and projects continually presented to the producers will cause the growth and expansion of motor insurance in the region.

2. For the general customer group, other than promoting the corporate image, In 2024 the Company will increase more access to customers in the region to expand the customer base and the general public to use the Company's services, including provide advice or consulting on insurance.

### **Approach 4: maintaining the existing customers in the renewal year for continuous growth rate**

1. Supervising and managing the customer databases for renewing all types of policy both in the central and regional areas by decentralizing authorization, supervising and controlling the operation

2. Implementing a work system to support self-services for business partners

3. Maintaining and increasing the policy renewal rates across all distribution channels. The digital system has been implemented to track policy renewal services. The Company coordinates with business partners who are ready to offer policy renewal services and emphasis on cost reduction as well as an increase in convenience and speed.



## **(B) Competition Conditions**

### **Non-Life Insurance Business in 2023**

2023 was a year of government transition and economic recovery. As a result, this year the general insurance business continues to grow as expected. From January - September 2023, the growth rate was 5.2% with total direct insurance premiums of 210,141 million Baht. Each type of insurance showed good growth trends, which can be summarized as follows.

Direct premiums of motor insurance increased by 6.0%, or 118,419 million Baht, increasing from higher sales of electric vehicles, resulting in the increase of the number of motor insurance policies, as well as the increase in average premiums of motor voluntary insurance policy. Such factors affect the increase in the motor insurance premiums in 2024.

Direct premiums of fire insurance increased by 2.1% or 7,762 million Baht, increasing in line with the increased value of housing loans in the first half of the year.

Direct premiums of marine and transportation insurance decreased by 0.6%, or 5,330 million Baht because the export value was growing but the value of imports is negative.

Direct premiums of miscellaneous insurance increased by 4.6%, or 78,630 million Baht, due to an increase from property insurance of which direct insurance premiums increased to 25,884 million Baht, or an increase of 16.1%. That was the result of the increase in reinsurance premiums due to hard markets resulting from interest rate increases and may still affect the renewal of some reinsurance contracts in the next year.

The loss ratio of all insurances was 54.5%, motor insurance was 59.4%, fire insurance was 23.6%, marine and transportation insurance was 32.9%, and miscellaneous insurance was 47.1%. The loss ratio of miscellaneous insurance, compared to the same period last year, was found to be dropping significantly due to COVID-19 outbreak situation has been resolved.

Due to the transition of government, the cabinet was unable to approve the rice scheme insurance in the crop insurance project for the year 2023, causing the business to lose insurance premium of approximately 2 billion Baht. However, the crop insurance project for the year 2024 is likely to be approved by the cabinet. The cassava insurance will be implemented for the first year. The total insurance premiums for this project are estimated to be approximately 2.2 billion Baht.

Insurance Premium Rating Bureau (IPRB), Thai General Insurance Association estimated that the non-life insurance business in 2023 would grow at 4.5-5.0%, with total direct insurance premium of 285,080-287,800 million Baht. Almost all types of insurance are likely to grow due to the economic recovery, the government transition, the increase in sales of electric vehicles including both domestic and international tourism. Such factors positively affect the insurance business.

### **The trend for the non-life insurance business in 2023**

The non-life insurance business in 2023 was forecasted to grow by 5.0-6.0% with direct premium written amounting to 301,050-303,900 million Baht mainly from an increase in sales of electric vehicles. With the support of the government sector, the sales of electric vehicles may exceed 100,000 cars. The people are aware of the importance of health insurance due to the trend of increase in medical expenses. The number of tourists increases by two times, resulting in a continuous growth. In addition, nowadays business operations and technology are changing and developing rapidly. Consumer behavior and expectations are constantly changing. This situation challenges the insurance industry to cope with change. Thai General Insurance Association (TGIA) has been working to deal with various factors that affect the confidence of the insured and the public, such as integrating cooperation with relevant agencies to prevent foreign companies from fraudulently selling insurance in Thailand without authorized licenses. The public relations are made to create knowledge and advice to the public on purchasing insurance at the same time. TGIA and the insurance business sector recognize the importance of compliance with the Personal Data Protection Act (PDPA). Therefore, they establish measures to supervise and encourage the insurance companies to comply with the law. The PDPA Guidelines for Non-life Insurance Industry has been prepared in order that the insurance companies understand and be able to fully comply with the law.

Source: Thai General Insurance Association as of 18 December 2023

Office of Insurance Commission (OIC)

Research and Statistics Department, Thai Reinsurance Public Company Limited

The Company plans to grow in line with the forecasted growth rate of insurance industry in 2024 taking into consideration the factors and impacts of highly competitive in each distribution channel under the economic and political variability, including emerging risks. The operational guidelines will focus on the directions that correspond and relate to the premium, cost and performance to meet the goals. At the same time, the capability in service is escalated to be in line with the changing business direction of the new generation by implementing digital systems to provide convenient and fast services for customers and the public including better after-sale services.

### **Competitive Strategy**

Each distribution channel's plans in 2024 focus on the relationship with the insurance producers, cost management, concise work processes, personnel management and electronic systems for escalating efficiency, speed and accuracy in recording data. Moreover, the Company will adjust the digital insurance offering to be in line with the competition and the current situation in order to ensure that all operating results meet the goals. The Company focuses on the following issues:

1. To select low-risk target groups in order to ensure the achievement of all distribution channels.

2. To adjust the insurance premium price according to the competitive conditions in the market in order to meet the demands and satisfy customers.

3. To adjust the sales promotion of each distribution channel to be related with the goals and the cost of expenses for effectiveness.

4. To develop products by using digital systems to meet the demands of all consumers, including after-sales service that consumers can access more conveniently and quickly.

5. To increase capability in after-sales service for various market directions, especially the electric vehicle (EV) market, to build confidence among partners and customers.

6. To develop personnel's potential and abilities for the digital business in line with insurance producers.

### (3) Products and Services Procurement

The Company establishes the operational guidelines for 2024 by increasing the products and services to meet the demands and behavior of each target group that are different and changing, both central and regional; to be in line with various market directions, the economic situation and government measures that facilitate overall economic growth. The Company will adjust the insurance premium price to be appropriate. For after-sales service, the Company still focuses on satisfaction of customers and partners and will continue to offer products and services that meet the demands of consumers.

Source: Office of Insurance Commission (OIC), Thai Re Knowledge Center,

[www.thairath.co.th/money/economics/analysis/2753263](http://www.thairath.co.th/money/economics/analysis/2753263)

### Company's Market Share as of 30 September 2023

Type of Insurance	Direct Insurance Premium (Thousand Baht)		Product Share (%)	Growth Rate (%)	Market Share (%)
	2023	2022			
Fire	267,066	272,501	9.68	-1.99	3.44
Marine and Transportation	69,439	67,126	2.52	3.45	1.30
Motor	1,829,189	1,573,329	66.30	16.26	1.54
Miscellaneous	593,420	727,530	21.51	-18.43	0.75
<b>Total</b>	<b>2,759,114</b>	<b>2,640,486</b>	<b>100.00</b>	<b>4.49</b>	<b>1.31</b>

Source: Office of Insurance Commission (OIC) as of 4 December 2023

#### (4) Business assets

##### Land, buildings, equipment and building lease agreements

As at 31 December 2023, fixed assets used in the Company's business operations totaled 353.94 million Baht, consisting of:

Land and buildings including building improvements	329.29	million Baht
Furnishings and office equipment	23.26	million Baht
Vehicles	1.39	million Baht

##### Land and buildings of the head office and branches owned by the Company

Asset / Location	Size		Account Value (Unit:Million Baht)	Obligation
<b>Head Office</b>				
100/47-55, 90/3-6, Sathorn Nakorn Bldg., 26 <sup>th</sup> Flr., North Sathorn Rd., Silom, Bangrak, Bangkok 10500	Office space	Condo	127.58	None
	4,344.66 sq.m			
	Parking space			
	788.50 sq.m			
<b>Office</b>				
100/20-21, Sathorn Nakorn Bldg., 14 <sup>th</sup> Flr., North Sathorn Rd., Silom, Bangrak, Bangkok 10500	Office space	Condo	145.88	None
	1,200.70 sq.m			
	Parking space			
	240.00 sq.m			
<b>Office of Claims Management Department</b>				
90/4-6, 1 <sup>st</sup> Floor, Sathorn Thani Building 1, North Sathorn Road, Silom, Bangrak, Bangkok 10500	523.39 sq.m	Condo	18.37	None
<b>Khon Kaen Branch Office</b>				
and accommodation for staff	365 sq.m	Building	2.56	None
2 booths of 3.5-storey commercial building and land		Land	0.47	
110-110/1 Srichan Rd., Nai Mueang, Mueang Khon Kaen, Khon Kaen 40000				
<b>Chiang Mai Branch Office</b>				
and accommodation for staff	355 sq.m	Building	1.84	None
2 booths of 3.5-storey commercial building and land		Land	0.53	
96 Sam Lan Rd., Phra Sing, Mueang Chiang Mai, Chiang Mai 50200				

Asset / Location	Size	Account Value (Unit:Million Baht)		Obligation
<b>Hat Yai Branch Office</b>				
and accommodation for staff	307 sq.m	Building	4.08	None
2 booths of 3-storey commercial building		Land		
and land		1.16		
14,16 Siam City Center 1 Rd., Hat Yai, Songkhla 90110				

#### **Mukdahan Branch Office**

and accommodation for staff	448 sq.m	Building	7.19	None
2 booths of 4-storey commercial building		Land	0.48	
and land				
33/19-20 Chayangkul Kor Rd., Mukdahan, Mueang Mukdahan, Mukdahan 49000				

#### **Phetchabun Branch Office**

and accommodation for staff	354 sq.m	Building	3.10	None
2 booths of 3.5-storey commercial building		Land	2.75	
and land				
199/16-17 Moo 2, Saraburi-Lomsak Rd., Sadiang, Mueang Phetchabun, Phetchabun 67000				

#### **Leased office buildings**

Asset / Location	Lease Condition
<b>Future Park Rangsit Branch Office</b>	
Ground Flr., Room G 87/1, 94 Paholyothin Rd., Prachathipat, Thanyaburi, Pathum Thani 12130	3-year building lease agreement From 1 July 2021 to 30 June 2024 Size: 52.18 sq.m
<b>Nakhon Pathom Branch Office</b>	
2 booths of 3.5-storey commercial building 560 Phetkasem Rd., Phra Prathon, Mueang Nakhon Pathom, Nakhon Pathom 73000	3-year land and building lease agreement From 1 July 2021 to 30 June 2024 Size: 320 sq.m

Asset / Location	Lease Condition
<p><b>Pranburi Branch Office</b></p> <p>2 booths of 3.5-storey commercial building 498/4 Moo 2, Phetkasem Rd., Wang Phong, Pran Buri, Prachuap Khiri Khan 77120</p>	<p>3-year land and building lease agreement From 1 January 2023 to 31 December 2025 Size: 336 sq.m</p>
<p><b>Customer Service Office</b></p> <p>90/3, 1<sup>st</sup> Floor, Sathorn Thani Tower 1, North Sathorn Road, Silom, Bangrak, Bangkok 10500</p>	<p>3-year office space lease agreement From 1 September 2022 to 31 August 2025 Size: 157 sq.m</p>
<p><b>Kanchanaphisek Warehouse 1</b></p> <p>1 booth of 4-storey commercial building 178 Soi Phraya Monthat Intersection 27, Kanchanaphisek Road, Bang Bon, Bang Bon, Bangkok 10150</p>	<p>3-year building lease agreement From 1 September 2023 to 31 August 2026 Size: 147 sq.m</p>
<p><b>Kanchanaphisek Warehouse 2</b></p> <p>1 booth of 4-storey commercial building 102 Soi Phraya Monthat Intersection 35-2/1, Kanchanaphisek Road, Bang Bon, Bang Bon, Bangkok 10150</p>	<p>3-year building lease agreement From 1 June 2023 to 31 May 2026 Size: 147 sq.m</p>
<p><b>Pattaya Backup Site</b></p> <p>1 booth of 1-storey commercial building 47/99 Moo 9, Central Pattaya Rd., Nong Prue, Bang Lamung Chonburi 20150</p>	<p>1-year building lease agreement From 1 November 2023 to 31 October 2024 Size: 48 sq.m</p>
<p><b>Pattaya Branch Office</b></p> <p>1 booth of 4-storey commercial building 72/150 Moo 4, Sukhumvit Rd., Bang Lamung, Chonburi 20150</p>	<p>3-year land and building lease agreement From 1 July 2022 to 30 June 2025 Size: 288 sq.m</p>
<p><b>Phichit Branch Office</b></p> <p>1 booth of 2-storey commercial building 4/196-197 Saruang Rd., Nai Mueang, Mueang Phichit, Phichit 66000</p>	<p>3-year land and building lease agreement From 1 June 2022 to 31 May 2025 Size: 320 sq.m</p>

Asset / Location	Lease Condition
<b>Phitsanulok Branch Office</b>	
1 booth of 4-storey commercial building 444/13 Siharat Dechochai Rd., Nai Mueang, Mueang Phitsanulok, Phitsanulok 65000	3-year land and building lease agreement From 1 May 2022 to 30 April 2025 Size: 156 sq.m
<b>Nakhon Sawan Branch Office</b>	
1 booth of 4-storey commercial building 1002/2 Moo 10, Nakhon Sawan Tok, Mueang Nakhon Sawan, Nakhon Sawan 60000	3-year land and building lease agreement From 1 September 2021 to 31 August 2024 Size: 262.64 sq.m
<b>Nakhon Ratchasima Branch Office</b>	
2 booths of 3-storey commercial building 230/11-12 Mittraphap-Nong Khai Rd., Nai Mueang, Mueang Nakhon Ratchasima, Nakhon Ratchasima 30000	3-year land and building lease agreement From 1 March 2023 to 28 February 2026 Size: 288 sq.m
<b>Ubon Ratchathani Branch Office</b>	
2 booths of 2-storey commercial building 265/4, 265/5 Uppaleesan Rd., Nai Mueang, Muang, Ubon Ratchathani 34000	3-year land and building lease agreement From 1 April 2022 to 31 March 2025 Size: 160 sq.m
<b>Udon Thani Branch Office</b>	
2 booths of 3.5-storey commercial building 419/7-8 <u>Rop Mueang</u> Rd., Mak Khaeng, <u>Mueang</u> <u>Udon Thani</u> , Udon Thani 41000	3-year land and building lease agreement From 1 November 2023 to 31 October 2026 Size: 532 sq.m
<b>Roi Et Branch Office</b>	
2 booths of 3-storey commercial building 36/2-3 Tewapibal Rd., Nai Mueang, Mueang Roi Et, Roi Et 45000	3-year land and building lease agreement From 1 November 2023 to 31 October 2026 Size: 384 sq.m
<b>Nakhon Si Thammarat Branch Office</b>	
2 booths of 3.5-storey commercial building 187 Pattanakarn-Kukwang Rd., Nai Mueang, Mueang Nakhon Si Thammarat, Nakhon Si Thammarat 80000	3-year land and building lease agreement From 1 November 2022 to 31 October 2025 Size: 294 sq.m

Asset / Location	Lease Condition
<b>Surat Thani Branch Office</b>	
1 booth of 4-storey commercial building 141/124 Moo 5, Kanchana Vithi Rd., Bang Kung, Mueang Surat Thani, Surat Thani 84000	3-year land and building lease agreement From 1 August 2023 to 31 July 2026 Size: 256 sq.m
<b>Phuket Branch Office</b>	
and accommodation for staff 2 booths of 4-storey commercial building 58/7-8 <u>Thepkrasattri</u> Rd., Ratsada, Mueang Phuket, Phuket 83000	3-year land and building lease agreement From 1 July 2023 to 30 June 2026 Size: 640 sq.m
<b>Krabi Branch Office</b>	
1 booth of 3-storey commercial building 434/50 Utarakit Rd., Krabi Yai, Mueang Krabi, Krabi 81000	3-year land and building lease agreement From 1 April 2022 to 31 March 2025 Size: 212 sq.m
<b>Chanthaburi Sub-Branch Office</b>	
1 booth of 3-storey commercial building 59/14 Phraya Trang Rd., Wat Mai, Mueang Chanthaburi, Chanthaburi 22000	3-year land and building lease agreement From 1 May 2023 to 30 April 2026 Size: 170 sq.m
<b>Chiang Rai Sub-Branch Office</b>	
1 booth of 3-storey commercial building 418/5 Moo 5, Klang Wiang Rd., Rim Kok, Mueang Chiang Rai, Chiang Rai 57100	3-year land and building lease agreement From 1 July 2023 to 30 June 2026 Size: 240 sq.m
<b>Chumphon Sub-Branch Office</b>	
and accommodation for staff 1 booth of 2-storey commercial building 177 Moo 3, Wang Phai, Mueang Chumphon, Chumphon 86000	3-year land and building lease agreement From 1 May 2021 to 30 April 2024 Size: 128 sq.m
<b>Rayong Sub-Branch Office</b>	
1 booth of 3-storey commercial building 4/20 Moo 4, Thap Ma, Mueang Rayong, Rayong 21000	3-year land and building lease agreement From 1 August 2021 to 31 July 2024 Size: 162 sq.m



## Investment policy in associated companies

As at 31 December 2023, the Company investments in associated Companies as follows:

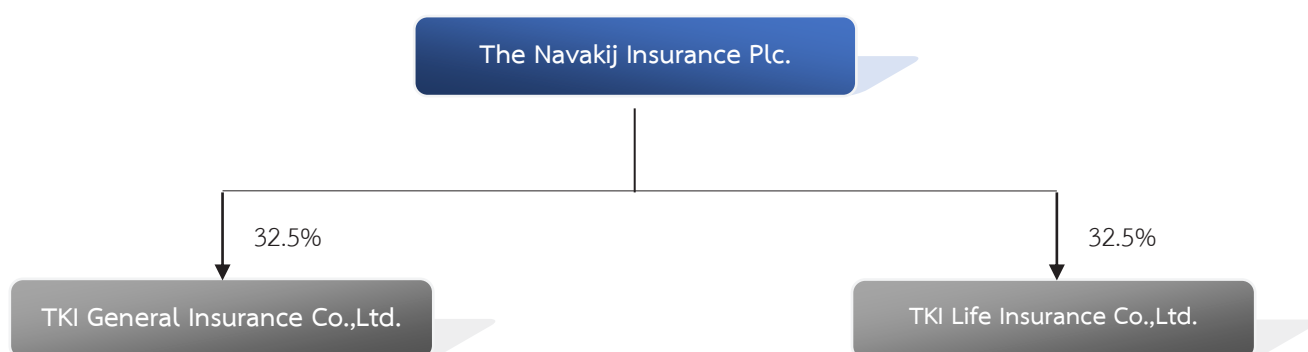
1. Investment in TKI General Insurance Co., Ltd., a non-life insurance company in the Lao People's Democratic Republic. TKI General issued 8 million ordinary shares of which the Company holds 32.50%.

2. Investment in TKI Life Insurance Co., Ltd., a life insurance company in the Lao People's Democratic Republic. TKI life issued 8 million ordinary shares of which the Company holds 32.50%.

### 1.3 Shareholding proportion of the group of the Company

#### 1.3.1 Shareholding proportion of the group of the Company

Shareholding proportion of the group of the Company as at 31 December 2023 is as follows:



#### TKI Insurance Company Limited

Type of Business	Non-life Insurance
Registered Capital	16,000,000,000 LAK Comprising 8 million shares, 2,000 LAK per share
Paid-up Capital	16,000,000,000 LAK
Headquarter Address	Level 4, Zone A office Unit, The Iconic, Unit 11, Phonxay Road, Phonxay Village, Saysettha District, Vientiane Capital, 01000, Lao PDR
Telephone	+856 21 417707
Fax	+856 21 417705
Shares held by the Company	2,600,000 shares, 2,000 LAK per value 32.50 percent of paid-up Capital

#### TKI Life Insurance Company Limited

Type of Business	Life Insurance
Registered Capital	16,000,000,000 LAK Comprising 8 million shares, 2,000 LAK per share

Paid-up Capital	16,000,000,000 LAK
Headquarter Address	Level 4, Zone A office Unit, The Iconic, Unit 11, Phonxay Road, Phonxay Village, Saysettha District, Vientiane Capital, 01000, Lao PDR
Telephone	+856 21 417707
Fax	+856 21 417705
Shares held by the Company	2,600,000 shares, 2,000 LAK per share 32.50 percent of paid-up Capital

### 1.3.2 Conflicts of interest holding shares in subsidiaries or associates

None

### 1.3.3 Relationship with businesses of shareholders

None

### 1.3.4 Shareholders

#### Major Shareholders

Top 10 major shareholders as of 28 December 2023

No.	Shareholders	No. of Shares	Percentage of Total Number of Shares
1.	Mr. Suchin Wanglee Group*	5,223,690	14.12
2.	The United Indemnity Company Limited	2,716,306	7.34
3.	Thanasarn Sombat (Thai) Company Limited	1,911,068	5.17
4.	Mr. Nataphol Srichomkwan	1,800,968	4.87
5.	Siam Motors Company Limited	1,494,800	4.04
6.	Wanglee Company Limited	1,123,302	3.04
7.	Mrs. Saijit Wanglee Group**	1,072,598	2.90
8.	Visudhi Phanich Limited	926,447	2.50
9.	Mr. Chan Chi Keung	824,295	2.23
10.	Miss Poranee Wanglee	813,309	2.20
	<b>Other Shareholders</b>	<b>19,093,217</b>	<b>51.60</b>

**Note** \*Mr. Suchin Wanglee Group consisted of 1) Mr. Suchin Wanglee holds 3,723,769 shares 2) Mrs. Rujiraporn Wanglee holds 1,295,000 shares 3) Dr. Saran Wanglee holds 204,921 shares

\*\* Mrs. Saijit Wanglee Group consisted of 1) Mrs. Saijit Wanglee holds 675,772 shares 2) Miss Jittinan Wanglee holds 252,323 shares 3) Mr. Nattachai Wanglee holds 144,503 shares.

#### 1.4 Registered capital and paid-up capital

The Company has been listed in the Stock Exchange of Thailand (SET). The registered capital is 370 million Baht which is fully paid. The total issued ordinary share is 37 million shares with a par value of 10 Baht per value.

The Company does not have any other securities apart from the ordinary shares.

#### 1.5 Other securities

The Company does not have any other securities.

#### 1.6 Dividend payment policy

The Company's dividend payment policy stipulated that the dividend shall be paid at the rate of not less than 40% of the net profit of the financial statements in which the equity method is applied and the separate financial statements must not have accumulated loss. The Board of Directors may consider dividend payment that is approved by the shareholder's meeting. The Board of Directors could consider interim dividend occasionally and reports to the shareholder's meeting for acknowledgement.

#### Previous dividend payment information

List	2023	2022	2021
Earnings per share (Baht)	3.24	0.69	3.04
Dividend rate per share (Baht)	1.7702702703	1.277778	1.7857
• Cash dividend payment per share (Baht)	1.50	1.00	1.50
• Stock dividend payment per share (Baht)	0.2702702703	0.277778	0.2857
Dividend payment ratio to net profit (percent)	54.57	185.17	57.16

#### Note

- The operating performance according to the separate financial statements in which the equity method is applied.
- The calculation of earnings per share for the year 2022 and 2021 are based on the previous reported figures. The Company does not adjust the number of ordinary shares issued during the year for stock dividend in calculation.
- Dividend payment for the year 2023 will be proposed to the 2024 Annual General Meeting of Shareholders on 23 April 2024 for approval.

## **2. Risk management**

### **2.1 Risk management policy**

The Navakij Insurance Public Company Limited realizes the importance of the Company's risk management. Therefore, for the effective risk management, the Board of Directors assigns the Risk Management Committee to determine the Enterprise Risk Management Policy and control the Own Risk and Solvency Assessment (ERM & ORSA), which has been approved by the Board of Directors to communicate the importance of the risk management policy to all departments for acknowledgment and strictly implementing the policy.

The Company defines a risk management policy which is in accordance with the Company's business strategy and the 3-year business plan by identifying the key risks according to the Company's main activities, providing the risk register, doing the risk assessment, monitoring and improving risks, which are in the high-level risks (risk tolerance) in order to mitigate risk to an acceptable risk level (risk appetite) as the specified risk management policy and does not significantly affect the Company's capital, and reporting the risk management results to the Risk Management Committee for acknowledgment.

### **2.2 Risk factors for the Company's business operations**

#### **Strategic Risk**

##### **1. The competitiveness and the liberalization of the insurance industry**

Currently there is greater competition in the non-life insurance business which can be seen in the concentration of large and medium-sized companies. Entry into the ASEAN economic community plays a major role in the increase of competition for insurance companies abroad and domestic of both which have strong financial standings, modern technology, and new innovative products for the consumer. Therefore, these companies have a potential for a higher market share supported by a strong financial backing allowing them to compete in terms of pricing, strategy, and quality of service. To stay competitive, insurance companies must adjust accordingly to those given conditions.

#### **The strategies are**

1) The Company emphasizes the existing customers group and focuses on the motor insurance business which has high potential growth and making the market share of the Company's total insurance premium is higher than the non-motor insurance.

2) The Company expands the market-based to the retail customers group and has micro-insurance products to serve the customers' needs.

3) Adjusting competitive strategy by looking for new and high potential marketing channels. Developing new products to effectively respond to changes in customers' needs, economy, and social conditions. The Company will develop the new products to support this situation.

## **2. Risks from selecting target customers that are suitable for the Company strategy and the technology that supports new products to suit for the specific risk of customer group**

The selection of target customers is very important for today's business operations, so determining the target customers is important. The Company should give precedence to managing costs including target customers to be suitable for the Company strategy as specified in order to build a better customer base in the future and create sustainable competitiveness in business. In addition, technology has an important role as it can be used to analyze, plan, and make decisions by processing from a Company database and being able to modify the application to process according to various situations for the Company's goals.

### **The Company manages the risk by**

- 1) To set the target of the new product, insurance premiums and loss ratio.
- 2) To emphasize the new product that is profitable and has high potential growth.
- 3) To make the new marketing channels and analyze customers' demand for new products.
- 4) To monitor the insurance premium growth rate and loss ratio in accordance with the Company target and make the evaluation.

## **Insurance Risk**

### **1. Increasing of amount and frequency of loss**

The impact of external factors whether physical or geographical factors, natural perils, disasters, accident, terrorism and burglary may bring disaster to lives and damage to property insured by the Company, leading to higher than expected losses. These risks may result in the premiums received from customers being lower than the actual losses or the claims reserve being inadequate, which may have an impact on the Company's capital at risk.

### **2. Ethics and moral**

The risk may arise from insurers who intend to take advantage of insurance company. In this respect, insurers may have to pay for a higher settlement than the fair amount. This may result in a higher loss ratio than expected and effect to the Company's liquidity risk.

### **The Company adopts measures to deal with the above risks by**

- 1) Analyzing the basis of loss ratio and combined ratio by monitoring and controlling to be in the Company criteria.
- 2) Implementing strict risk selection criteria, client groups and type of business which conform to the risk appetite of loss ratio. The Company analyzes the reinsurance retention appropriately in order to increase profitability and absorb risks that may occur.

3) The Company purchases the Excess of Loss Insurance which will help to control the risk that the Company takes, and to prevent the Company's performance, Company's financial status, including the level of the Company's capital fund fluctuation and severely affected by the crisis such as catastrophic events, which affect more than the Company can accept as the Company has defined in accordance with the risk management policy.

### **Market risk**

The risk arises from decreasing in value of securities from fluctuations in exchange rates, interest rating and security prices as well as from external factors such as economic, social and political situations.

#### **The Company manages the market risk by**

The Company diversifies the portfolio and spreads investment funding to include various lines of investment as well as categories of business in order to reduce fluctuations in aggregate value of investment. It closely monitors and regularly assesses factors that may cause fluctuations in the value of investment instruments in order to make a proper investment transaction according to the situation. It has a policy not to invest in speculative securities that price fluctuation is high but concentrates on blue-chip securities and ones that have steady yield. The Company has an investment committee who considers and sets up the investment policy, in addition to the Office of Insurance Commission's rule of practice promulgated under the Non-Life Insurance Act B.E.2535, in order to reduce exposure from the loss of investment funding. The committee considers and reviews the structure of the portfolio mix on a regular basis.

### **Credit risk**

The counterparty is unable to meet the agreement which has been stated in the contract and the probability that the counterparty's credit rating is downgraded.

#### **1. Investment**

More than 50 percent of the Company asset is securities investment, so the Company is taking on the risk should the issuer is default.

#### **The Company manages the investment risk by**

The strategy is making selection of investment base on credit rating of issuers of fixed income securities, assigned by reliable outside credit rating agencies such as TRIS and FITCH. It is the Company policy to invest in fixed income securities at least "Investment Grade" quality on the investment date. All invested fixed income securities will be periodically monitored for an adjustment of the debtors' credit rating and relevant information will be gathered to review business potential of the issuers. It also regularly monitors and reviews the limit for investment to ensure adequate investment limit of individual line is maintained at all time.

## 2. Reinsurance

The reinsurance companies cannot pay claim recovery the Company as specify in the contract so the Company's liquidity is affected consequently.

### **The Company manages this risk by**

The Company considers and chooses only the overseas reinsurers for the treaty reinsurance contracts with a credit rating of A- or higher. For the facultative reinsurance contracts with credit rating that higher than BBB+ and not exceeding 10% of the reinsurance proportion of overall overseas reinsurance premium. For the domestic reinsurers, the company uses the minimum capital adequacy ratio criteria that specified by OIC and monthly monitors for any adjustments to the credit ratings of foreign reinsurance companies and quarterly monitors for any adjustments to the credit ratings of local reinsurance companies.

### **Liquidity risk**

The risk arises from a given security or asset that cannot be traded quickly enough, and at the required quantity, price and time to enable the Company to have cash to pay loans or meet its obligations as they become due. Liquidity is critical to insurance operation as it can create damages in terms of monetary as well as non-monetary damages such as reputation, image, and credibility to clients, business partners, public and industry.

### **The Company establishes policy to manage liquidity risk on investment operation by**

1) Making investment on securities that are liquid such as fixed income securities from government sector or private sector that has good credit rating. It also spreads out investment funding and balances the portfolio taking into account time horizons and fund needs to pay loans and meet obligations, managing account receivable, account payable, remaining useful life of assets and changes in value of assets, deals with the remaining useful life of assets and liabilities was taken into consideration and anticipated quantity and duration properly needed in circumstances whether inside and outside the Company.

2) Maintaining adequate shareholders' equity to meet its liabilities and have an appropriate ratio to handle exposure from business and operation risks and provides other funding sources for its contingency plans for handling liquidity crisis.

3) Responsibilities and line of report to those who manage liquidity risk are clearly defined as well as establish reporting system to generate an early warning report to executives for transactions that are not conform to the Company' policy or promptly, timely and accurately report warning signs to key risk indicators.

## Operational risk

### 1. Personnel

There exists a limited skilled and specialized workforce for the insurance industry. The strategies are to support continuing growth in career path through training programs both domestic and international, to sponsored higher education scholarship, to keep high potential employees to work permanently.

### 2. Processing system

The risk arises from the insufficient or inappropriate internal control system also including the classification of responsibility ineffectively as well as there exists no guideline for examining any person who commits an offense under Anti-Money Laundering Act and Counterterrorism and Proliferation of Weapons of Mass Destruction Financing Act that may cause the Company shall be liable to fine and discredit.

#### **The strategies are**

- 1) To endorse and establish a code of work ethics based on good governance on a continuous basis.
- 2) Work manual, authority to exercise power and responsibilities are clearly defined in writing and periodically revised.
- 3) To build up a culture that values corporate risk management and work integrity and ethics.
- 4) To emphasize the investigating process those who violate or fail to comply with the Anti-Money Laundering Act, and Counterterrorism and Proliferation of Weapons of Mass Destruction Financing Act.

### 3. Technology

Statistical data and information of clients are lost or leaked to outsiders or competitors, including cyber risk. The Company will suffer a negative image, the operation will be interrupted if problems occur with the central computer it will lead to system failure or losing all data.

**There are effective information security solutions** to protect electronic information and contingency plans for central computer units. There is a back-up system in preparation for emergency disaster. A contingency business continuity plan has been designed and tested on a yearly basis.

In addition, procedures and regulations have been clearly defined and practiced in respect of security of data and system, are

- 1) Software security and data, the Company installs a program to check and detect computer viruses, firewall and the patch programs from each program producer to get rid of bugs and errors in the computer system. Two sets of backup data are kept. They are updated daily, monthly, and yearly at secured outside locations in preparation for emergency disasters.



2) Hardware and network, the Company has a contingency plan to use an outside backup site if disaster occurs.

3) Physical security of the central computer unit, the Company provides a backup power system to support short-term power outages. It also has a generator capable of keeping the unit alive should we experience longer term power outage. The Company has installed fire alarm systems and fire extinguishers specifically for electronic system protection.

4) Personnel security, the Company establishes clearly defined procedures to identify those who can access to send mail out of the office, set size limit to send mail, and report of sent mail.

5) The Company occasionally provides the information technology external auditor for information technology auditing to improve the Company's working process in accordance with international standard procedures.

#### **4. External factors**

Outside effects that can impact the Company's operation and financial status might include social (third party), market conditions, political environment, and natural factors e.g. fire, flood, or earthquake.

**The Company manages these external factors by** carefully selecting partnership management and increasing more diligence for the record of claims arising from moral hazard as well as the KYC: know your customer should be done before the issue of every new policy following the principles of risk management and comply with Anti-Money Laundering Act and Counterterrorism and Proliferation of Weapons of Mass Destruction Financing Act.

#### **5. Fraud risk**

Means the act or omission to act of fraud in order to gain unlawful benefits, regardless of whether the beneficiary of the fraud is a fraudulent person or any other involved person. In this regard, it includes internal fraud and external fraud, which has been identified as part of the operational risk.

##### **The Company manages the fraud risk by**

The Company has specified the event and source of fraud risks, which affected income, capital fund, reputation, or existence of the Company.

The Company has prescribed the procedures for fraud risk assessment and implementation.

The Company manages fraud risks, by performing at least as follows:

- 1) To set a standard and do the evaluation for qualifications and suitability of directors, and employees regularly at least once a year.
- 2) To set a policy for categorizing customers, Customer Due Diligence (CDD).
- 3) To set procedures for managing compensation claims to reduce fraud risk.
- 4) To set a guideline for assessing the qualifications of agents and brokers.
- 5) To monitor the operations of insurance agents and brokers.

6) In the case that the Company uses services from third parties, the Company prepares a policy for outsourcing third-party services and monitors risk from third-party services.

The Company prepares a policy for reporting fraud (whistleblowing).

The Company has appointed an independent person to perform an investigation into any suspicious event by reporting the investigation result to the Audit Committee quarterly at least. If the Audit Committee receives the report and found the fraud that has a serious impact on the financial status, performance or the Company reputation, the Audit Committee reports to the board of directors in order to solve the problem in the appropriate period. In case the Board of Directors or the management does not make improvements within the time specified by the Audit Committee, the Audit Committee reports to the OIC.

The Company prepares a database for internal and external fraud for monitoring fraud.

The Company revisits its policy at least once a year.

The Company prepares a report summarizing its implementation of insurance fraud risk policies and procedures, which have been approved by the Risk Management Committee and submitted to the Board of Directors at least once a year.

## **6. Corruption risk**

This risk arising from actions to seek unlawful benefits for oneself and others such as embezzlement, fraud, reporting fraud, disinformation, disclosure of confidential information of the Company, or exploitation etc., including bribery in any form by offering, promising, conferring, promising, demanding or accepting any improper money, property or other benefit with government officials, government agency, or the person in charge whether directly or indirectly in order for such person to act or refrain from performing duties which is to acquire or maintain business or any other benefits that are inappropriate for business except in the case of laws, regulations, announcements, regulations, local customs or trade customs.

**The Company has risk management by** defining the Anti-Corruption Policy, Terms and Practices of Anti-Corruption by communicating to directors, executives, employees, and stakeholders for acknowledgment. To cultivate a corporate culture of honesty, recognize the importance of this measure and understand the guidelines. It will also communicate to outsiders such as customers, partners, stakeholders, and third parties associated with the Company or may affect the Company to be aware of the Company's business practices and encourage the Company's partners to adhere to transparent business practices and not involve in corruption.

## **7. Conduct of business-related fair treatment of customer risk**

This risk arises from the operations or activities of providing customer service of the Company, causing customers not to be treated fairly.

**The Company has the Fair Treatment of Customer Policy** that defines the Company's business operations, staff working process, non-life insurance agent and broker including banks, which is in accordance with the OIC announcement.

## **8. Personal data risk**

Personal data risk caused by using, collecting, or disclosing personal data without the consent of the data subject for personal gain or trade or for the benefit of personal information using in various offenses.

**The Company has risk management by** defying the guidelines for the use or disclosure of personal information related to the non-life insurance business, and comply with the Personal Protection Act, as well as other laws related.

### **Reputational risk**

The risk arises from expectation from stakeholders that the Company may not response to all issues such as the expectation of insurance coverage or customer expectations to response their needs that may result in the loss of trust, faith, reputation, and image of the Company.

**To mitigate this**, the Company concerns on strategic vision and reputation through the cooperation between the Board of Directors and top executives. Therefore, the Company has several sources of information and experience sharing which are relevant to identify the possible risk of Company's reputation.

### **Information technology risk**

Information Technology or IT risk is basically any threat to the business data, critical systems, and business processes. It is the risk associated with the use, ownership, operation, involvement, influence, and adoption of IT within the Company. IT risks have the potential to damage business value and often come from poor management of processes and events. This will have a negative impact on the Company's business operations. In addition, cyber risk is one of the risks that the Company focuses on and included in the information technology risk because it affects the credibility of the Company's information (Trust Building) including the Company's business interruption due to a disaster happening with The Company's data center that caused the Company could not do business or has lost some or all of the data, which causes damage the Company and lack of credibility.

**The Company has risk management by** defining the information technology risk management policy and information technology security policy that complies with international standards and the Notification of the Office of Insurance Commission (OIC) Re: The Rules for Supervision and Risk Management in Information Technology of Non-Life Insurance Companies B.E.2563. Moreover, the Company complies with the IT Audit - Risk Based Supervision which is specified by OIC for monitoring and

controlling information technology risk management and cybersecurity risk. The Company has the Business Continuity Management (BCM) Plan and has the yearly testing for reporting the results to the Risk Management Committee and the Board of Director.

### **Catastrophic risk**

This risk will make the damage suddenly and seriously, they caused a lot of loss such as earthquakes, floods, etc. This is one of the important factors that may affect the Company's business operations.

**The Company has risk management by** analyzing and considering the preparation of reinsurance contracts through reinsurers with a stable financial status. This is the transferring and diversifying risks of the insurance business. This will help to limit the amount of damage that the Company can compensate the compensation without affecting the Company's financial position.

### **Emerging risk**

The loss of unseen risks but is likely to happen in the future according to the changing of the environment. This risk may occur gradually and has low probability but if it happens, this will cause a large damage to the Company. This risk is based on statistically and expectation of reliable evidence.

**The risk management plan** is applicable through the product development in order to cover cost of loss and restricting the threshold of underwriting process.

### **Group risk**

The risk that the financial status of affiliated company impacts other associated companies. Currently, the Company has investments in associated company incorporated in Laos PDR.

**The strategy** is complying with the investment plan and procedure and guideline for investment in other business defined in the risk management policy as well as relevant laws and regulations to prevent the Company's operation from causing any damage.

### **Environmental, social and governance risk**

Risk arising from business operations and investments of the Company that reflect the concrete environmental, social and governance concepts, such as encouragement the Company's investment in green financial products, encouragement the sustainability awareness in the Company's business operations etc. The sustainability information disclosure of the Company shows the policy, impact, and performance of the Company's environmental and social activities under the good corporate governance policy, including the data of greenhouse gas emissions and respect for human rights. These data will show the efficiency of the business, adjustment to accommodate risks in various areas as well as reflecting the efficiency of the energy cost and resource management of the Company in order to achieve business

sustainability in a tangible way to build credibility for investors and reduce the risk of stakeholders' conflicts in business operations. In addition, data users can see the business operations' overview in a broader dimension than financial data. This will create confidence in the organization in terms of their abilities to manage their business with efficiency, transparency, competitiveness, and generate the long-term returns for the Company.

**The risk management plan:** There are policies and goals for sustainability management. The Company's sustainability management approach is reflected in the Company's vision which is committed to conducting business in order to create social stability with ethics. Providing the valuable and quality protection to the insured and all stakeholders as well as strengthening its position as a leading company in the non-life insurance business by adhering to the NKI's core values: Creative Thinking, Accountability, Collaboration, Excellent Service. The Company uses digital technologies such as online meetings and e-policy to reduce workflows process and support the transformation of cyber transactions. The Company applies the paperless workflows with business and have the hybrid working for the employees in order to preserve the environment and reduce global warming from traffic jam. In addition, the Company also places importance on business management in accordance with good corporate governance principles and define anti-corruption policy and continuously support activities for society and public benefit for the operation of the business to grow steadily and sustainably covering all dimensions including economy, society and environment.

#### **Asset and liability management risk**

A mismatch between assets and liabilities either due to liquidity or changes in interest rates, stock prices and property prices, especially a loss reserve, unearned premium reserve, premium received in advance and duration of asset is longer than the average life of liability which affected the Company's financial standing and liquidity.

**The strategy** is defining asset and liability management as a mechanism to address the investment risk in line with investment policy, investment plan and procedure of the Company as well as guideline for investment in other business set by the Company's investment committee and have been approved by the Board of Directors in order to ensure that the Company has a suitable asset and liability management, investment in equity securities, cash ratio and liquid assets.

#### **Concentration risk**

The risk arises from the value of specific asset concentration is too high including investment and reinsurer. As the issuer and reinsurer have credit difficulties and are unable to pay the obligation, the Company will have liquidity problem subsequently.

## 1. Investment:

The Company is investing in both equity and security markets in order to get the high return as targeted. Therefore, if the Company invests in one specific equity in order to get a high return might cause the big loss when the value of equity is dramatically decreased.

**The risk management plan** is that the concentrations' restriction is applicable through the investment diversification. The Company is investing in various types of securities which is categorized according to the level of risk. We are strictly tightening the Concentration policy because it might affect the severity to the Company in terms of Liquidity, Reinsurance risk, and Capital Adequacy Ratio and Risk Based Capital.

## 2. Reinsurance

The Company is facing the risk if choosing one reinsurer for more than 50 percent of total reinsurance premiums of the Company. In the case that reinsurer is bankrupt, the Company will possibly be defaulted from the reinsurer.

**The risk management plan:** The Company has reinsurance counterparty with both local and international reinsurers. The reinsurance policy of the Company is set the maximum limit for any reinsurer's share for all classes not exceeding 50% of reinsurance premium of the Company. The Company has set the warning level at 45%. If there is an opportunity to encounter the concentration risk exposure, the Company will consider looking for other reinsurers to spread the risk.

## Legal and regulatory risk

The Company abuses, neglects or does not comply with the law, the rules and regulations stipulated by the regulatory specifications.

### **The strategies are**

- 1) The Company requires all employees to follow the relevant regulations properly as their responsibility.
- 2) The Company communicates and gives the understanding to the employee to the effect and the loss that will be occurred according to the law discipline.
- 3) The Company records and pursues the legal and regulation policy issued.
- 4) Each division in the organization set their work instructions to prevent offense against the serious law such as Anti-Money Laundering Act and Counter Terrorism Financing Act.

### **3. Driving business for sustainability**

#### **3.1 Policies and sustainable management goals**

The Company established Sustainable Development Policy adhering to the Company's vision in order to create stability for the society with ethics, strengthened being a leading company in the general insurance business and complete with quality personnel, excellent service and technology along with providing valuable and quality non-life insurance to the insured and all stakeholders. The Company adheres to the four corporate values which are creativity, accountability, collaboration, and excellent service as well as considering the relevant society and environment.

In 2023, the Board of Directors reviewed and approved the same Sustainable Development Policy as the previous year. The policy aims to raise awareness and confidence that the Company's business operations will bring economic, social, and environmental benefits. It is also consistent with the sustainable development goals of the regulators. At the same time, the Board of Directors has established a framework for sustainable development operations which covers all aspects. For economic aspects, the Company focuses on conducting business with transparency according to the principles of good corporate governance and business ethics; respects the rights and treats all stakeholder groups fairly as well as creates value added to products and services. In terms of society, the Company is still committed to developing knowledge, understanding, expanding access to insurance products, and treating employees fairly. In case of environment, the Company is committed to conducting business taking into account the environmental responsibility; developing work processes and products by applying innovation or modern technology and inculcate awareness of environmental responsibility among the Company's personnel.

The Company's sustainability commitment remains the same that is "We build agility protection for quality of life."

#### **3.2 Stakeholders impact management in the business value chain**

##### **3.2.1 Business value chain**

The Company's main business is to provide all types of non-life insurance services. The main activity in the business value chain is the design and development of policies to meet customers' needs with careful consideration of underwriting, providing convenient and fast service including considering claims fairly according to the conditions in the policy. The value chain information of the Company's key activities is as follows.

## Information of value chain in key activities

### Key activities

Value chain	Activities	Stakeholders
Production factors management	<ul style="list-style-type: none"> <li>Develop variety of products which are suitable for the target group</li> <li>Fair coverage and premium rates without taking advantage of customers</li> <li>File the insurance schedule, wording, and premium rates to the Office of Insurance Commission (OIC) for approval as required by law</li> <li>Develop concise work procedures and provide a system for checking for accuracy</li> <li>Build relationships with business partners to expand business network</li> </ul>	<ul style="list-style-type: none"> <li>Staff</li> <li>Office of Insurance Commission (OIC)</li> <li>Partners</li> <li>Target groups</li> </ul>
Operations	<ul style="list-style-type: none"> <li>Prepare sales pitch documents which contain complete and clear information</li> <li>Underwrite carefully and take into account the ability of retention</li> <li>Issue policies with correct coverage conditions as offered to customers</li> <li>Determine fair trading conditions with business partners for mutual benefit and the insureds' benefit</li> </ul>	<ul style="list-style-type: none"> <li>Staff</li> <li>Partners</li> <li>Customers</li> </ul>
Distribution of goods and services	<ul style="list-style-type: none"> <li>Provide 24 branches offices in various regions for widespread services</li> <li>Offer insurance policies by knowledgeable and experienced agents and brokers</li> <li>Provide various sales channels suiting the complexity of the policy and approaching every target group</li> </ul>	<ul style="list-style-type: none"> <li>Staff</li> <li>Partners</li> <li>Customers</li> </ul>
Marketing and sales	<ul style="list-style-type: none"> <li>Training insurance intermediaries to fully understand the product in order to properly offer the product to customers</li> <li>Publish advertisement that contains clear and accurate messages as well as notify prospects to study the insurance coverage before deciding to buy policy.</li> </ul>	<ul style="list-style-type: none"> <li>Staff</li> <li>Partners</li> <li>Customers</li> </ul>
After-sales service	<ul style="list-style-type: none"> <li>24-hour claims service</li> <li>Several partners and service providers such as garages and hospitals in many regions</li> </ul>	<ul style="list-style-type: none"> <li>Staff</li> <li>Partners</li> </ul>



Value chain	Activities	Stakeholders
	<ul style="list-style-type: none"> <li>• Quality and fair claim management system</li> <li>• Customer service process in case of policy changing or cancellation</li> <li>• Complaint system and process</li> </ul>	<ul style="list-style-type: none"> <li>• Customers</li> </ul>

### Supporting activities

Value Chain	Activities	Stakeholders
Production factors management	<ul style="list-style-type: none"> <li>• Provide quality products and services at a reasonable price, deliver goods and services according to the agreement by selecting reliable distributors or service providers who have fair trading conditions.</li> <li>• Promote the provision of environment-friendly products and services and support the use of products from renewable resources that does not cause pollution</li> </ul>	<ul style="list-style-type: none"> <li>• Staff</li> <li>• Distributors and service providers</li> </ul>
Technology development	<ul style="list-style-type: none"> <li>• Apply modern technology to develop work process to be flexible and provide fast service</li> </ul>	<ul style="list-style-type: none"> <li>• Staff</li> <li>• Distributors and technology providers</li> </ul>
Human resource development	<ul style="list-style-type: none"> <li>• Organize inside and outside training to continuously improve the skills of personnel in various fields.</li> </ul>	<ul style="list-style-type: none"> <li>• Employees</li> <li>• Distributors and training providers</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>• Manage the organization transparently based on Corporate Governance principles.</li> </ul>	<ul style="list-style-type: none"> <li>• Directors</li> <li>• Staff</li> </ul>

### 3.2.2 Stakeholders in the Business Value Chain Analysis

The Company clearly sets policies and guidelines for treating each group of stakeholders with awareness of the importance and respect for the rights of stakeholders who are involved or affected by the Company's operations both directly and indirectly. The Company also provides communication channels and stakeholder engagement activities, enabling the Company to get opinions, concerns, expectations, and new perspectives. Those issues shall be benefit for improving the efficiency of the Company's business operations.

The stakeholder engagement is established for each stakeholder group in different forms as follows:

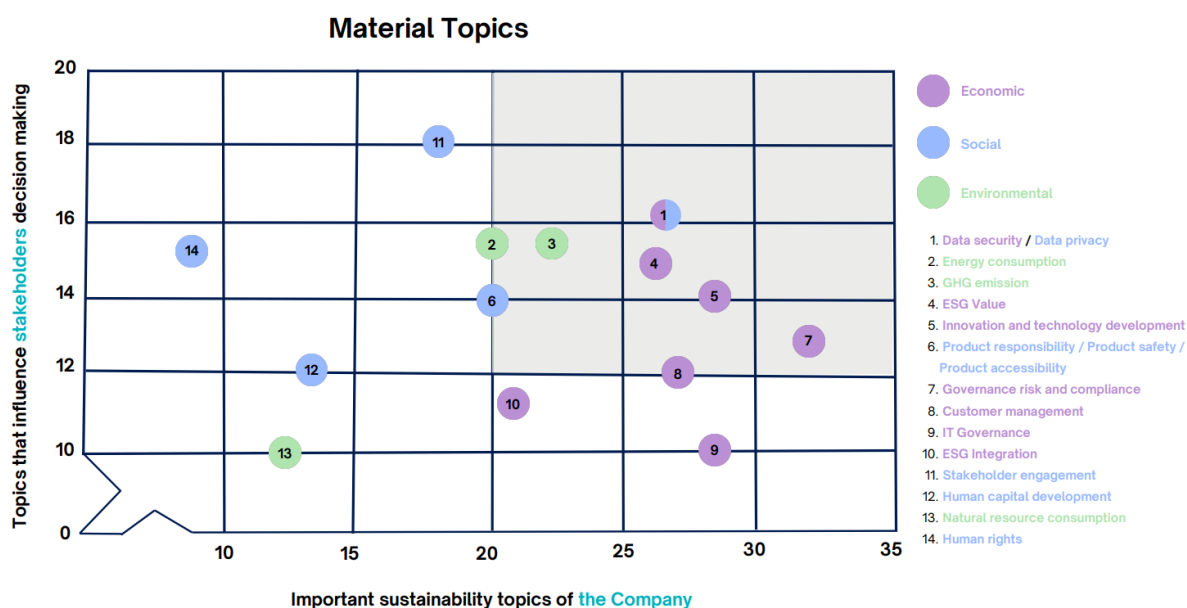
Stakeholders	Communication channels	Expectation	Response
Shareholders	<ul style="list-style-type: none"> <li>Annual General Meeting of Shareholders</li> <li>56-1 One Report</li> <li>Company's website</li> <li>Disclosure system of the Stock Exchange of Thailand</li> </ul>	<ul style="list-style-type: none"> <li>Good profit and returns</li> <li>Business operations according to the principles of good corporate governance</li> <li>Stable and sustainable business growth</li> <li>Complete and timely information disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Consistently pay dividends in line with operating results</li> <li>Operate the business in accordance with the principles of good corporate governance and sustainable development</li> <li>Disclose complete information as required by law.</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Website</li> <li>Email and social media</li> <li>Satisfaction survey</li> <li>Complaint channels and service recommendations</li> </ul>	<ul style="list-style-type: none"> <li>Variety of coverage of insurance that meets customer needs at reasonable price</li> <li>Good service and fast response to customer needs</li> <li>Security of personal information</li> </ul>	<ul style="list-style-type: none"> <li>Design products with reasonable price and a wide range of options</li> <li>Organize a Customer Service Center to serve the customers and receive complaints</li> </ul>
Business partners	<ul style="list-style-type: none"> <li>Visiting, discussion and meeting</li> <li>Training</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with commercial contact properly, transparently and fairly</li> </ul>	<ul style="list-style-type: none"> <li>Make an agreement regarding mutual benefits and strictly comply with commercial contract</li> </ul>

Stakeholders	Communication channels	Expectation	Response
		<ul style="list-style-type: none"> <li>• Convenient and fast coordination and services</li> <li>• Efficient and uncomplicated system and workflow</li> <li>• Competitive premiums</li> </ul>	<ul style="list-style-type: none"> <li>• Determine clear process and timeframes for the procedure</li> <li>• Provide convenient and fast coordination and services</li> <li>• Periodically communicate progress of proceedings</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Orientation</li> <li>• Training</li> <li>• Activities for employees</li> <li>• Website</li> <li>• Intranet, email, and social media</li> <li>• Channels for reporting clues and complaints</li> <li>• Satisfaction assessment form</li> </ul>	<ul style="list-style-type: none"> <li>• Proper compensation and benefits</li> <li>• Stability and career path</li> <li>• Knowledge and ability development</li> <li>• Work and life balance</li> <li>• Response to factors affecting work motivation</li> <li>• Equality and fair treatment</li> <li>• Good working environment</li> </ul>	<ul style="list-style-type: none"> <li>• Determine appropriate and adequate compensation and benefits comparable to businesses in the same industry.</li> <li>• Provide continuous training plan for professional development and growth.</li> <li>• Set guidelines for reducing pressure and increasing work efficiency.</li> <li>• Treat the Company's employees fairly according to personnel management regulations.</li> <li>• Establish workplace safety practices including creating a good working environment.</li> </ul>

Stakeholders	Communication channels	Expectation	Response
Competitors	<ul style="list-style-type: none"> <li>• Various communication channels of the Company</li> </ul>	<ul style="list-style-type: none"> <li>• Fair trade competition</li> </ul>	<ul style="list-style-type: none"> <li>• Compete in trade according to rules and business etiquette</li> </ul>
Creditor	<ul style="list-style-type: none"> <li>• Meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Timely repayment of debt</li> </ul>	<ul style="list-style-type: none"> <li>• Strictly follow agreement</li> </ul>
Community, society, and environment	<ul style="list-style-type: none"> <li>• Activities to help the society and the environment</li> </ul>	<ul style="list-style-type: none"> <li>• Social and environmental responsibility</li> </ul>	<ul style="list-style-type: none"> <li>• Raise awareness among employees to care about society and the environment</li> <li>• Organize activities to help the society and the environment</li> </ul>
Regulators	<ul style="list-style-type: none"> <li>• Meeting</li> <li>• Various communication channels</li> </ul>	<ul style="list-style-type: none"> <li>• Comply with the requirements correctly</li> <li>• Cooperates and support various projects</li> </ul>	<ul style="list-style-type: none"> <li>• Communicate to employees regarding laws, rules, regulations and urge to strictly comply</li> <li>• Promote good cooperation between departments</li> </ul>

### Prioritizing and identifying key sustainability issues

The Company analyzed the expectations of stakeholders in both positive and negative impacts to prioritize and identify key sustainability issues as follows:



Economic	Social	Environmental
<ul style="list-style-type: none"> <li>Personal data protection</li> <li>Innovation and technology development</li> <li>Sustainability values</li> <li>Risk management and legal compliance.</li> </ul>	<ul style="list-style-type: none"> <li>Data security</li> <li>Responsibility for products and services</li> <li>Access to products and services</li> <li>Human resource development</li> </ul>	<ul style="list-style-type: none"> <li>Energy consumption</li> <li>Greenhouse gas management</li> </ul>

### 3.3 Sustainability management in environmental aspect

#### 3.3.1 Environmental policy and practices

The Company's main business is service. Although it does not directly affect the environment, the Company recognizes the importance of sustainability in the environmental aspect. The Board of Directors therefore established the Environmental Policy that commits to complying with laws and regulations related to the environment, focuses on the economical and efficient use of natural resources to prevent and reduce the environmental impact caused by the activities, products and services of the Company. The Company raises awareness among employees to realize the importance of the environment, energy, resource consumption economically and cost-effectively; including improving work processes and changing work equipment to help reduce global warming and the consumption of resources.

The Company encourages employees to use energy and resources in a worthwhile manner, for example, reusing single-sided paper, reducing printing, turning off the air conditioner 30 minutes before 12.00 p.m. and

17.00 p.m., turning off the electricity every time employees leave the office or meeting room and during lunch break, turning off computer screens whenever they are not in use and use stairs between floors 25-27 instead of an elevator.

In 2023, the Company purchased 2 electric vehicles (EV) to reduce the amount of greenhouse gas emissions.

### 3.3.2 Environmental Performance

#### 1. Electricity and Water Management

The Company continuously reduces the use of water and electricity. However, employees returned to work in the office including the Company expanded the office space. As a result, the consumption of water and electricity increased in the head office was as follows:

	2023		2022		Percentage Change	
	Unit	Baht	Unit	Baht	Unit	Baht
Water	6,012	97,018	6,193	99,782	-3	-3
Electricity	613,097	4,040,280	607,016	3,145,088	1	28.46

#### 2. Paper Management

A lot of paper is used in the insurance business, especially in letters and policies issuing process. In 2023, the number of insurance policies increased as a result the amount of paper used increased as well. Therefore, the Company encourages employees to use paper with value by using double-sided paper, sending emails instead of printing documents and the submission of electronic meeting documents.

	2023		2022		Percentage Change	
	Page	Baht	Page	Page	Page	Page
General Documents	1,803,082	437,648	1,940,963	501,085	-7	-13
Policies Printing	11,111,508	1,500,255	8,848,629	1,187,525	26	26

#### 3. Waste and pollution management

The Company still encourages employees to separate waste. Bins are arranged to accommodate 4 types of waste, including 1) aluminum waste, 2) recyclable waste, 3) toxic waste, and 4) general waste.


The Company has started collecting data on the amount of waste since 2023 by taking out recyclables and general waste, leaving it at the building's garbage collection point to be disposed of properly that will help reduce environmental pollution.

4. Greenhouse gas management

Although the Company is a service business, various operational activities still emit direct and indirect greenhouse gases from energy consumption, use of cooling systems, vehicles and documents delivery etc. In 2023, the Company began to collect corporate carbon footprint data for the first year to analyze sources of greenhouse gas emissions and calculate the amount of greenhouse gas emissions arising from the Company's activities. The consultant from the Water and Environment Institute for Sustainability of the Federation of Thai Industries provided advice on preparing greenhouse gas emissions and recovery reports which summarized the sources of greenhouse gas emissions from the Company's activities covering scope 1-3 in operations. The Company schedules to have the data verified by the auditor certified Carbon Footprint for Organization (CFO) from the Greenhouse Gas Management Organization (Public Organization in 2025).

However, in 2023, the Company continues to support the reduction of greenhouse gas emissions by continuously conducting environmental activities and participating in the Care the Bear Project organized by the Stock Exchange of Thailand. Each activity is in line with the Sustainable Development Goals according to the SDGs as follows:

Activities	Goals
<p><b>Preparation of an electronic policy</b></p> <p>The Company issued an electronic policy and delivered to customers via electronic channels specified by customers. This type of policy reduced the process and time of printing documents. As a result, the customers received the policy faster. It also reduced the use of paper, other resources, and fuel consumption in policy delivery.</p>	
<p><b>Kao Tee Somboon Project (Perfect Step Project)</b></p> <p>The Company has been supporting the Prostheses Foundation of H.R.H the Princess Mother for six years by recycling aluminum waste to make prosthetics legs. This activity supported the ideas and conducted of environment conservation with efficient and sustainable use of limited resource.</p>	

Activities	Goals
<p><b>Employee uniforms</b></p> <p>Employees’ uniforms are made from save electricity fabric no.5, which is washable, dryable and can be worn without ironing. It also has the capacity to efficiently heat transfer, keeping the wearer cool and comfortable. In addition, the color that was used to dye the fabric are not dangerous to the wearer's health. The uniforms made from less chemicals fabric and electrical energy demonstrates environmental sustainability.</p>	

### 3.4 Sustainability management in social aspect

#### 3.4.1 Social policy and practices

The Company adheres to conduct business with social responsibility, focuses to all groups of relevant stakeholders by applying the principles of Good Corporate Governance as a guideline for the operation as well as formulates policies and practices that are consistent with the laws, rules and regulations of regulator.

#### Respect human rights

The Company commits to building a corporate culture that adheres to respect for human rights and complies strictly with laws and international principles on human rights. The Board of Directors establishes Human Rights Policy that prohibited involvement in human rights violations and was based on freedom, equality and peace and treated each other with respect and equality without discrimination of race, nationality, gender, language, religion, age, political opinion, social status, culture, customs, or any other matter. The Company does neither violate labor rights, nor hire unfairly and use child labor under the legal age limit. The actions to protect human rights are supported and promoted.

#### Fair treatment of employees

The Company places importance on treating employees thoroughly and fairly; evaluates performance and pay compensation appropriately; provides good welfare; encourages employees to continuously grow in careers path; promote a work life balance; as well as provide work safety. The Company provides employees with opportunities to participate in welfare and benefits management by electing the Welfare Committee along with specifying the complaint procedure, so that employees can exercise their rights to file complaints.



### 3.4.2 Corporate social performance

In 2023, the Company implemented social responsibility projects as below:

Activities	Goals
<p><b>Participate in the Crop Insurance Scheme</b></p> <p>The Company participated in the Corps Insurance and the Maize Insurance Scheme to cover damage or loss to the insured crops which was caused by the perils specified in the policy such as floods, droughts and windstorms, etc. The persons who would insure the crops must be those who produced and owned such corps.</p> <p>The government designated crop insurance as one of the important measures used as a tool to assist farmers in organizing their financial system to cover production costs in the event of natural disasters, protection against reduced productivity and to protect the volatile price of produce, which would help building income stability and job security for farmers.</p>	 
<p><b>Participate in “New Year Insurance Policy: Travel in Thailand Safely”</b></p> <p>The Company participated with the Office of Insurance Commission (OIC) in “New Year Insurance Policy: Travel in Thailand Safely” under the concept of “car ready, people ready, insurance ready”. This project offered an accident insurance policy in the road safety campaign project during 2023 New Year festival of with insurance premiums were low in order to approach more people and promote micro-insurance.</p>	  
<p><b>Offer low premiums insurance policies (micro insurance)</b></p> <p>The Company has developed low premiums insurance policies (micro insurances) in order that all groups of people are able to easily access insurance and manage their own risks. These micro insurances included mosquito insurance, which covers medical expenses for 6 serious diseases caused by mosquitoes and cancer insurance which has special conditions covering spouses and children.</p>	 

**Support protection of vulnerable insured groups**

The Company cooperated with Thai Walking and Running Club Confederation for Health and Thai Health Promotion Foundation in offering personal accident insurance policies to the elderly who were 66-85 years old, a vulnerable group participating in the marathon, to cover medical expenses. The Company also offered accident insurance policy for disabilities which was micro insurance and an accident insurance policy for vulnerable groups that provided protection against death due to accidents including being murdered, secretly assaulted and/or accidents while driving or riding a motorcycle, passenger motorcycle, compensatory consolation money due to accident and compensation for income while being treated as an inpatient in the hospital as well.



**Promote knowledge for insurance intermediaries and the public regarding market conduct**

The Company promoted knowledge for insurance intermediaries and the public concerning market conduct. The project aimed to provide knowledge and understanding about offering insurance policies, which was useful for reducing the compliance risk. Such knowledge was disseminated in the form of 12 video clips through both internal and external communication channels and outside the Company.



**Communicate information and knowledge with society**

The Company communicated knowledge to the public through the Company's communication channels on various matters, including prevention of dengue fever, risk of cancer from the HPV virus, a healthy vegetarian diet, diseases caused by mosquito, the causes of car accidents, using a car in the rainy season and warning about fraud.



**Vaccinated against 4 strains of influenza**

The Company provides 4 strains of influenza vaccination for employees every year to build immunity for employees and family members to reduce the severity of the disease and death rate.



**Hybrid Working**

After the outbreak of coronavirus disease 2019 has been resolved, the Company continues to conduct hybrid working project by allowing voluntary employees to work from home some days. This project lets the employees to reduce travel expenses and balance work and personal life, including the Company to continue business operation in case of emergency situations.



**Blood Donation Project**

The Company with the National Blood Center, Thai Red Cross Society, Sathorn Thani Complex and Poonpol Group Company Limited organized a blood donation event. This project has been ongoing since 2000 to deliver blood to help patients in various hospitals. In 2023, 156,000 cc of blood was donated from 390 donors.



**Body, Organ and Eye Donation Project**

The Company invited employees and the public to donate their bodies, organs, and eyes to the Eye Center of The Thai Red Cross Society, Chulalongkorn Hospital, and Thai Red Cross Organ Donation Center. The objective of this project is for benefit research, medical treatment and to pass on to patients who needed new organs for returning to their family and having the opportunity to contribute to society.



**Donation**

The Company cooperated with the Camillian Home for Children Living with Disabilities in Lat Krabang to deliver dolls, clothing, and used items donated by employees to the children. The foundation plans to convert them to food expenses and healthcare with the goal of children’s better lives.



**Car scraps donation**

The Company donated two car scraps to the Automotive Engineering Department at the Assumption Technical School Nakorn Phanom to be used in studying engine repair for the maximum educational benefits.



**Money donation**

The Company donated money to various organizations for public benefit as follows:

- The Company donated money to The Thai Red Cross in “Doing Good Deeds for Dad Project for the year 2024” to supporting the underprivileged and disabled. The project provided a mobile medical unit to diagnose and treat general illnesses to those who were in need.
- The Company donated money to the Foundation for the Blind in Thailand for the purpose to produce braille books which serve as study guides for Thai Traditional Massage for the Blind and assist them in becoming ready to apply for a medical practitioner license.
- The Company donated money to “The Dreams for Children Project No.19” to Sathorn Thani Management Service Co., Ltd. In order to give to Watrumphan School (Suksawatphichanrat). The funds was used to pay for school supplies, sports equipment, and scholarships for underprivileged children.
- The Company donated money to the Pol. Gen. Pow Sarasin Foundation for the purpose of helping the officers who were injured or killed while enforcement of the prohibition of drugs as well as to support Ban Tawan Mai's children and youth.
- The Company donated money to OPPY Company Limited with the intention of supporting the elderly community. This organization's main objective is to help the elderly resolve social issues and offers instruction and training to improve knowledge of social media and application. These are useful for the elderly to learn information, explore new knowledge and communication as well as improve their quality of life.
- The Company donated money to The College of National Defense (NDC) to organize a charitable golf tournament with the intention of generating revenue to support and improve society in collaboration with the state agencies, state enterprises, and public organization to engage in charitable and public benefit activities.



## 4. Management Discussion and Analysis

### Summary of operating performance, financial position and cash flow for 3 years

Unit: million Baht

Operating performance	2023	2022	2021
Gross premium written	3,823.85	3,666.68	3,372.95
Net premium written	3,052.06	2,795.05	2,552.56
Net earned premium	2,951.68	2,624.85	2,522.93
Total underwriting income	3,163.90	2,845.61	2,756.72
Underwriting expenses	2,706.07	2,524.91	2,356.96
Profit from underwriting before operating expenses	457.83	320.70	399.76
Operating expenses	384.73	353.44	353.29
Profit (loss) from underwriting	73.10	(32.74)	46.47
Total investments income and profit (loss)	76.35	79.28	87.43
Share of profit (loss) from investment in associates	0.09	6.51	1.38
Other income	13.31	4.40	3.66
Other expenses and financial costs	1.60	5.64	2.31
Expected credit loss	18.95	5.64	4.06
Profit before income tax expenses	142.30	46.17	132.57
Income tax expenses	22.27	21.33	23.22
Profit for the year	120.03	24.84	109.35
Total assets	6,169.72	6,280.63	6,278.91
Total liabilities	3,964.53	4,095.60	4,030.62
Equity	2,205.19	2,185.03	2,248.29
Cash flows from operating activities	(20.63)	209.70	115.18
Cash flows from investing activities	(34.21)	(151.06)	(9.91)
Cash flows from financing activities	(50.67)	(67.14)	(66.89)

## Financial ratio

Financial ratio		2023	2022	2021
Liquidity ratio				
Liquidity ratio	Times	1.15	1.11	1.19
Collection period for premium due and uncollected	Day	54.92	52.50	53.75
Profitability Ratio				
Gross profit margin	%	2.40	(1.17)	1.82
Retention Rate	%	79.82	76.23	75.68
Loss ratio	%	62.74	65.19	63.50
Underwriting and operating expenses ratio	%	34.79	36.06	34.66
Return on investment	%	2.11	2.34	2.59
Net premium ratio	Times	1.39	1.26	1.18
Net profit margin	%	3.69	0.85	3.84
Return on equity	%	5.47	1.12	5.04
Efficiency Ratio				
Return on assets	%	1.93	0.40	1.77
Assets turnovers	Times	0.52	0.47	0.46
Financial Position Ratio				
Debt to equity ratio	Times	1.80	1.87	1.79
Policy liability to capital fund	Times	1.42	1.40	1.26
Unearned premium reserve to equity ratio	Times	0.96	0.93	0.81
Unearned reserve to assets ratio	%	34.29	32.36	28.96
Dividend payout ratio *	%	54.57	185.17	57.16
Car ratio**	%	425.50	395.91	339.17

\* Proposed to 2024 Shareholder's Meeting of in April 2024 for approval.

\*\* 2023 data is unaudited.

## Operating performance analysis

Summary of operating performance in 2023 compared to 2022, the Company's profit for the year was 120.03 million Baht, increased by 95.19 million Baht or 383.21%. Profit from underwriting was 73.10 million Baht. Profits from investments and other income were 69.20 million Baht. Income tax expenses were 22.27 million Baht.

Underwriting performance for the year 2023, gross premium written was 3,823.85 million Baht, increased by 157.17 million Baht or 4.29%. Net premium written was 3,052.06 million Baht, increased by 257.01 million Baht or 9.20%. Total underwriting income was 3,163.90 million Baht, increased by 11.19%. Total underwriting expenses were 2,706.07 million Baht, increased by 7.17%. Operating expenses were 384.73 million Baht, increased by 8.85%. As a result, the Company's profit from underwriting in 2023 was 73.10 million Baht compared to the year 2022 that the Company's loss from underwriting was 32.74 million Baht.

Operating performance from investments and other income in 2023, the Company's income and profit (loss) from investments were 76.35 million Baht, decreased by 2.93 million Baht or 3.70%. Other income was 13.31 million Baht, increased by 8.91 million Baht or 202.50%. Share of profit from investment in associates was 0.09 million Baht. Expected credit loss was 18.95 million Baht, an increase of 13.31 million Baht or 235.99% from the expected credit loss of the claim receivable.

Return on equity was 5.47% compared to the previous year, that was 1.12%. Profits per share was 3.24 Baht compared to 2022 that was 0.67 Baht.

## Operating results from underwriting

### 1. Fire insurance

Unit: million Baht

Fire insurance	2023	2022	Increase (Decrease)	% Increase (Decrease)
Gross premium written	756.37	707.37	49.00	6.93
Net premium written	373.31	348.85	24.46	7.01
Net earned premium	354.87	317.65	37.22	11.72
Fee and commission income	100.01	104.63	(4.62)	(4.42)
Total underwriting income	454.88	422.28	32.60	7.72
Net claims	117.11	93.61	23.50	25.10
Fee and commission	156.92	149.58	7.34	4.91
Other underwriting expenses	54.99	49.24	5.75	11.68
Total underwriting expenses	329.02	292.43	36.59	12.51

Fire insurance	2023	2022	Increase (Decrease)	% Increase (Decrease)
Profit (loss) from underwriting	125.86	129.85	(3.99)	(3.07)
Loss ratio (%)	33	29.47	3.53	11.98

Fire insurance gross premium written in 2023 was 756.37 million Baht, increased by 6.93%. Net premium written was 373.31 million Baht, increased by 7.01%. The growth in fire insurance premiums was in line with the increase in the value of home loans in the first half of the year.

Total underwriting income of fire insurance was 454.88 million Baht, increased by 32.60 million Baht or 7.72%. Total underwriting expenses were 329.02 million Baht, increased by 12.51% from the previous year. Loss ratio was 33.00%, increased from 2022 that was 29.47%. Resulting profit ratio in profit from underwriting was 125.86 million Baht, decreased by 3.99 million Baht or 3.07% compared to 2022.

## 2. Marine and transportation insurance

Unit: million Baht

Marine and transportation insurance	2023	2022	Increase (Decrease)	% Increase (Decrease)
Gross premium written	100.05	102.08	(2.03)	(1.99)
Net premium written	44.88	43.35	1.53	3.53
Net earned premium	44.77	43.02	1.75	4.07
Fee and commission income	13.95	14.75	(0.80)	(5.42)
Total underwriting income	58.72	57.77	0.95	1.64
Net claims	7.09	15.32	(8.23)	(53.72)
Fee and commission	8.31	8.26	0.05	0.61
Other underwriting expenses	6.27	4.47	1.80	40.27
Total underwriting expenses	21.67	28.05	(6.38)	(22.75)
Profit (loss) from underwriting	37.05	29.72	7.33	24.66
Loss ratio (%)	15.84	35.62	(19.78)	(55.54)

Marine and transportation insurance gross premium written in 2023 was 100.05 million Baht, decreased by 2.03%. Net premium written was 44.88 million Baht, increased by 3.53% compared to 2022.

Total underwriting income of marine and transportation insurance was 58.72 million Baht, increased by 0.95 million Baht or 1.64%. Net claims were 7.09 million Baht, decreased by 8.23 million Baht or 53.72%. Loss ratio of 2023 was 15.84% compared to 35.62% in 2022 due to a decrease of loss ratio. As a result, the profit of marine and transportation insurance increased by 7.33 million Baht or 24.66%.



### 3. Motor Insurance

Unit: million Baht

Motor insurance	2023	2022	Increase (Decrease)	% Increase (Decrease)
Gross premium written	2,492.58	2,243.80	248.78	11.09
Net premium written	2,476.98	2,227.75	249.23	11.19
Net earned premium	2,397.62	2,059.34	338.28	16.43
Fee and commission income	5.12	3.83	1.29	33.68
Total underwriting income	2,402.74	2,063.17	339.57	16.46
Net claims	1,647.16	1,377.57	269.59	19.57
Fee and commission	371.63	359.72	11.91	3.31
Other underwriting expenses	164.13	147.77	16.36	11.07
Total underwriting expenses	2,182.92	1,885.06	297.86	15.80
Profit (loss) from underwriting	219.82	178.11	41.71	23.42
Loss ratio (%)	68.70	66.89	1.81	2.71

Motor insurance gross premium written in 2023 was 2,492.58 million Baht, increased by 248.78 million Baht or 11.09%. Net premium written was 2,476.98 million Baht, increased by 249.23 million Baht or 11.19% compared to 2022. The increase of premium was in line with the growth in the industrial sector where sales of electric vehicles increased. Moreover, the average premium per policy of voluntary motor insurance tended to increase.

Total underwriting income of motor insurance was 2,402.74 million Baht, increased by 339.57 million Baht or 16.46%. Net claims were 1,647.16 million Baht, increased by 269.59 million Baht or 19.57%. Loss ratio of 2023 was 68.70% compared to 2022 which was 66.89%. The increase in motor insurance premiums resulted in profit of 219.82 million Baht, an increase of 41.71 million Baht or 23.42% compared to 2022.

### 4. Miscellaneous insurance

Unit: million Baht

Miscellaneous insurance	2023	2022	Increase (Decrease)	% Increase (Decrease)
Gross premium written	474.85	613.43	(138.58)	(22.59)
Net premium written	156.89	175.11	(18.22)	(10.40)
Net earned premium	154.42	204.83	(50.41)	(24.61)
Fee and commission income	93.14	97.56	(4.42)	(4.53)

Miscellaneous insurance	2023	2022	Increase (Decrease)	% Increase (Decrease)
Total underwriting income	247.56	302.39	(54.83)	(18.13)
Net claims	80.43	224.62	(144.19)	(64.19)
Fee and commission	63.14	58.24	4.90	8.41
Other underwriting expenses	28.89	36.51	(7.62)	(20.87)
Total underwriting expenses	172.46	319.37	(146.91)	(46.00)
Profit (loss) from underwriting	75.10	(16.98)	92.08	542.29
Loss ratio (%)	52.09	109.66	(57.57)	(52.50)

Miscellaneous insurance gross premium written in 2023 was 474.85 million Baht, decreased by 138.58 million Baht or 22.59%. Net premium written was 156.89 million Baht, decreased by 18.22 million Baht or 10.40% compared to 2022. The decrease in miscellaneous insurance premiums came from 2023 crop insurance project, which has not yet been approved by the Cabinet due to the government transition. As a result, the Company lost the rice insurance scheme premium.

Total underwriting income of miscellaneous insurance was 247.56 million Baht, decreased by 18.13%. Net claims were 80.43 million Baht, decreased by 144.19 million Baht or 64.19%. Loss ratio was 52.09%, decreased from 2022 which was 109.66%. As a result, profit from underwriting in 2023 was 75.10 million Baht compared to 2022 which loss form underwriting was 16.98 million Baht.

Profit (loss) from underwriting of 2023 compared to 2022 had significant reasons as follows:

- Profit from accident insurance was 20.80 million Baht, increased by 7.40 million Baht or 55.22%.
- Profit from health insurance was 7.70 million Baht, increased by 107.82 million Baht compared to 2022, which had a loss of 98.42 million Baht. It was mainly due to a decrease in claims from insurance against coronavirus 2019 that all insurance policies expired in July 2022.

- Profit from agricultural insurance was 16.35 million Baht, decreased by 26.07 million Baht or 61.46%, due to the lack of crop insurance project for 2023.

## Investment performance

Unit: million Baht

Investment performance	2023	2022	Increase (Decrease)	% Increase (Decrease)
Investments income	99.77	80.72	19.05	23.60
Profits from investments	(14.51)	6.97	(21.48)	(308.18)
Profits (loss) from fair value adjustment	(8.91)	(8.41)	(0.50)	5.95
Total investments income	76.35	79.28	(2.93)	(3.70)

Investment performance	2023	2022	Increase (Decrease)	% Increase (Decrease)
Share of profit (loss) from investments in associates	0.09	6.51	(6.42)	(98.62)
Other income	13.31	4.40	8.91	202.50
Return on investment	2.11	2.34	(0.44)	(0.49)

In 2023, the Company's total investments income was 76.35 million Baht, decreased by 2.93 million Baht or 3.70% compared to the previous year. Return on investment was 2.11% compared to 2022 that was 2.34%. Investments income consisted of the following factors:

- Investments income was 99.77 million Baht, increased by 19.05 million Baht consisting of interest income from debt instruments amounting to 41.69 million Baht and dividend income from equity instruments amounting to 58.08 million Baht.

- Loss from investments were 14.51 million Baht.
- Loss from fair value adjustment for trading were 8.91 million Baht.

Share of profit (loss) from investments in associates was 0.09 million Baht, decreased by 6.42 million Baht or 98.62%. Other income was 13.31 million Baht, increased by 8.91 million Baht or 202.50%.

## Income Tax

Income tax expenses for the years ended 31 December 2023 and 2022 were summarized as follow:

Income tax	Financial statements in which the equity method is applied	
	2023	2022
Accounting profit before tax	142.30	46.17
Applicable tax rate	20%	20%
Tax expenses at the applicable tax rate	28.45	9.24
Adjustment in respect of current income tax of previous year	(2.19)	2.65
Adjustment in deferred tax	-	11.04
Net tax effect on tax-exempted revenues and non-tax-deductible expenses – net	(3.99)	(1.60)
Income tax expenses reported in statements of income	22.27	21.33

In 2023, accounting profit before tax of the Company was 142.30 million Baht. Income tax expenses reported in statements of income was 22.27 million Baht. The actual tax rate was 15.65%, which was lower than the legal applicable tax rate of 20% due to net tax impact adjustments on income or expenses that were not considered taxable income or expenses. It is in accordance with the revenue code.

## Financial statement analysis

### Assets

As of 31 December 2023, the Company's total asset amounting to 6,169.72 million Baht, a decrease of 110.91 million Baht or 1.77% compared to the previous year. The significant changes were as follows:

- Investment assets were 3,650.62 million Baht, increased by 229.93 million Baht or 6.72% from the previous year.
- Outstanding premiums were 608.87 million Baht, increased by 51.06 million Baht or 9.15% from business value of direct premium written which increased by 4.57%.
- Reinsurance assets were 580.25 million Baht, decreased by 83.21 million Baht or 12.54% that was from insurance reserve refundable from reinsurance.
- Property, building, and equipment were 353.94 million Baht, increased by 16.38 million Baht or 4.85%. In 2023, the Company renovated branch office buildings.
- Deferred income tax assets were 270.68 million Baht, increased by 28.33 million Baht or 11.69%
- Reinsurance receivable was 234.99 million Baht, decreased by 160.98 million Baht or 40.65% consisting of amounts deposit on reinsurance amounting to 0.08 million Baht and amounts due from reinsurers amounting to 234.91 million Baht.
- Cash and cash equivalents were 187.96 million Baht, decreased by 105.51 million Baht or 35.95%. The Company invested money in investment assets and renovated office buildings.

### Liabilities

As of 31 December 2023, the Company total liabilities were 3,964.53 million Baht, decreased by 131.07 million Baht or 3.20% from 2022. Major liabilities were as follows:

- Insurance contract liabilities were 3,138.76 million Baht, increased by 80.20 million Baht or 2.62% loss reserve and outstanding claims and premium reserve as shown in the table.

Unit: million Baht

Insurance contract liabilities	2023	2022	Increased (Decreased)	% Increased (Decreased)
Loss reserve and outstanding claims				
Claims incurred and reported	965.28	933.34	31.94	3.42

Insurance contract liabilities	2023	2022	Increased (Decreased)	% Increased (Decreased)
Claims incurred but not yet reported	57.78	95.56	(37.78)	(39.54)
Premium reserve				
Unearned premium reserves	2,115.70	2,029.67	86.04	4.24
Total	3,138.76	3,058.57	80.20	2.62

- Reinsurance receivables were 488.95 million Baht, decreased by 176.27 million Baht or 26.50%. It was due to a decrease of 103.48 million Baht in the amounts withheld on reinsurance and 72.79 million Baht of the amounts due to reinsurers.

- Other liabilities were 221.63 million Baht, decreased by 27.52 million Baht or 11.05% as shown in the table.

Unit: million Baht

Other liabilities	2023	2022	Increased (Decreased)	% Increased (Decreased)
Accrued fee and commission	93.77	101.88	(8.11)	(7.96)
Accrued expenses	68.33	64.99	3.34	5.14
Other				
Accrued taxes	29.55	43.74	(14.19)	(32.44)
Advance received insurance premiums	2.60	7.41	(4.81)	(64.91)
Deposits and guarantees	1.12	0.51	0.61	119.61
Other creditors	26.26	30.62	(4.36)	(14.24)
Total	221.63	249.15	(27.52)	(11.05)

Accrued fee and commission was 93.77 million Baht, decreased by 8.11 million Baht or 7.96%. It was accrued expenses payable to agents and brokers.

Accrued expenses were 68.33 million Baht, increased by 3.34 million Baht or 5.14%.

Accrued taxes were 29.55 million Baht, decreased by 14.19 million Baht or 32.44%.

## Equity

As of 31 December 2023, the Company total equity was 2,205.19 million Baht, increased by 20.16 million Baht or 0.92% from 2022. Major equity was as follows:

- Registered, issued and paid up capital was 370 million Baht, increased by 10 million Baht from 2022 due to share dividends payment and premium on share amounting to 647.29 million Baht.

- Appropriated retained earnings were 57.00 million Baht, increased by 1.00 million Baht due to the statutory appropriation from an increase in registered and paid-up capital. Appropriated retained earnings consisted of a legal reserve of 37.00 million Baht and a general reserve of 20 million Baht.

- Unappropriated retained earnings were 1,148.36 million Baht, increased by 72.56 million Baht or 6.74%.

- Other components of equity was -17.46 million Baht. It consisted of exchange differences on translation of financial statements in foreign currency and surplus (deficit) on changes in value of investments in securities as shown in the table.

Unit: million Baht

Other components of equity	2023	2022	Increase (Decrease)	% Increase (Decrease)
Exchange differences on translation of financial statements in foreign currency	(18.94)	(15.58)	(3.36)	21.55
Surplus (deficit) on changes in value of investments in securities	1.48	61.52	(60.05)	(97.59)
Total	(17.46)	45.94	(63.40)	(138.00)

### Assets quality

#### Premium receivables

As of 31 December 2023, the Company total premium receivables were 608.87 million Baht, increased by 51.06 million Baht or 9.15% from 2022 which divided by time as follows:

Unit: million Baht

Aging from the maturity date	2023	%	2022	%	Increase (Decrease)	% Increase (Decrease)
Not yet due	480.72	78.83	486.07	86.88	(5.35)	(1.10)
Not over 30 days	68.11	11.17	54.30	9.71	13.81	25.43
Over 31 days to 60 days	33.18	5.44	10.58	1.89	22.60	213.61
Over 61 days to 90 days	10.74	1.76	2.34	0.42	8.40	358.97
Over 90 days to 1 year	16.13	2.65	5.71	1.02	10.42	182.49
Over 1 year	0.91	0.15	0.44	0.08	0.47	106.82
Total premium receivables	609.79	100.00	559.44	100.00	50.35	9.00
Less: Allowance for doubtful accounts	(0.92)		(1.63)		0.71	(43.56)
Total premium receivables-net	608.87		557.81		51.06	9.15

Premium receivables divided by time were a not yet due premiums of 480.72 million Baht or 78.83% and not over 30 days in the amount of 68.11 million Baht or 11.17%. Comparison of the year 2022, premium receivables that were not yet due decreased by 5.35 million Baht or 1.10%, and premium receivables that were not over 30 days increased by 13.81 million Baht or 25.43%. Allowance for doubtful accounts was 0.92 million Baht, decreased by 0.71 million Baht or 43.56%. During the year, the Company cut off bad debts of 0.51 million Baht. The consideration of the adequacy of the allowance for doubtful accounts was conducted regularly and the amount was sufficient to cover the risk of loss from inability to collect.

### Property, building and equipment

Unit: million Baht

Property, building and equipment	2023	%	2022	%	Increase (Decrease)	% Increase (Decrease)
Property	5.39	1.52	5.39	1.60	0.00	0.00
Building	10.79	3.05	11.49	3.40	(0.70)	(6.09)
Condominium units	242.06	68.39	248.41	73.58	(6.35)	(2.56)
Buildings improvement	64.58	18.25	58.82	17.43	5.76	9.79
Office furniture, fixture and equipment	23.19	6.55	7.89	2.34	15.30	193.92
Motor vehicles	1.39	0.39	1.68	0.50	(0.29)	(17.26)
Assets under installment	6.54	1.85	3.88	1.15	2.66	68.56
<b>Total</b>	<b>353.94</b>	<b>100.00</b>	<b>337.56</b>	<b>100.00</b>	<b>16.38</b>	<b>4.85</b>

In 2023, the Company had a net book value of property, building and equipment totaling 353.94 million Baht, an increase of 16.38 million Baht or 4.85% from 2022. During the year, the Company invested more in building improvements, information technology systems and equipment to develop the work system to be more efficient.

### Investment assets and investments in associates

Unit: million Baht

Investment assets In which the equity method is applied	2023	%	2022	%	Increase (Decrease)	% Increase (Decrease)
Trading investments which are measured at FVPL	410.24	11.24	534.89	15.64	(124.65)	(23.30)
Available-for-sale investments which are measured at FVOCI	2,689.03	73.66	2,355.15	68.85	333.88	14.18

Investment assets In which the equity method is applied	2023	%	2022	%	Increase (Decrease)	% Increase (Decrease)
Held-to-maturity investments which are measured at amortized cost	550.86	15.09	529.96	15.49	20.90	3.94
Loans and interest receivables	0.49	0.01	0.69	0.02	(0.20)	(28.67)
Total investment assets	3,650.62	100.00	3,420.69	100.00	229.93	6.72
Investments in associates	17.04		21.15			

Total investment assets were 3,650.62 million Baht, increased by 229.93 million Baht or 6.72% from the previous year. It consisted of investments in securities totaling 3,650.13 million Baht and loans and interest receivables totaling 0.49 million Baht.

Investment in securities totaling 3,650.13 million Baht were as follows:

1. Trading investments which are measured at FVPL was 410.24 million Baht or 11.24% of total investment assets.

2. Available-for-sale investments which are measured at FVOCI was 2,689.03 million Baht or 73.66% of total investment assets.

3. Held-to-maturity investments which are measured at amortized cost was 550.86 million Baht or 15.09% of total investment assets.

Investments in securities classified by type as follows:

Unit: million Baht

Investments in securities	2023	%	2022	%	Increase (Decrease)	% Increase (Decrease)
Government and state enterprise securities	1,168.62	32.02	783.27	22.90	385.35	49.20
Private sector debt instruments	864.45	23.68	766.91	22.42	97.54	12.72
Equity instruments	672.36	18.42	759.74	22.21	(87.38)	(11.50)
Non-listed equity instruments	184.08	5.04	273.41	7.99	(89.33)	(32.67)
Foreign equities	41.50	1.14	45.79	1.34	(4.29)	(9.37)
investment unit	188.26	5.16	290.92	8.52	(102.66)	(35.29)
Deposits and certificates of deposit from financial institutions with maturities of more than 3 months	530.86	14.54	499.96	14.62	30.90	6.18
Total	3,650.13	100.00	3,420.00	100.00	230.13	6.73



## Investments in associates

Unit: million Baht

Associates	Nature of business	Shareholding percentage		Book value	
		2023	2022	2023	2022
TKI General Insurance Company Limited	Non-life insurance	32.50	32.50	8.82	11.03
TKI Life Insurance Company Limited	Life insurance	32.50	32.50	8.22	10.12
<b>Total</b>				<b>17.04</b>	<b>21.15</b>

Investments in associates of the Company were invested in TKI General Insurance Company Limited and TKI Life Insurance Company Limited that registered and located at the Lao People's Democratic Republic on 27 December 2016 to operate non-life and life insurance business. The investment was between insurance Companies, life insurance Companies in Thailand and local business group. The Company's shareholding percentage was 32.5%, the initial investment amount as of 31 December 2023 was 43.26 million Baht. The book value of interests in TKI General Insurance Company Limited was 8.82 million Baht, TKI Life Insurance Company Limited was 8.22 million Baht. The operating performance of 2023 was 0.09 million Baht compared to 6.51 million Baht of the previous year. However, there was a loss from exchange rate totaling 4.20 million Baht in 2023 and 9.23 million Baht in 2022 that recognized and shown in the comprehensive income statement.

## Liquidity

### Cash flow

Unit: million Baht

Item	2023	2022
Net cash provided from operating activities	(20.63)	209.70
Net cash used in investing activities	(34.21)	(151.06)
Net cash used in financing activities	(50.67)	(67.14)
Net increase (decrease) in cash and cash equivalents	(105.51)	(8.50)
Liquidity ratio	1.15	1.11

During the year 2023, cash and cash equivalents of the Company decreased by 105.51 million Baht. Liquidity ratio was increased to 1.15 from 2022 that was 1.11. Cash flows were generated from the following activities:

- Net cash provided from operating activities were 20.63 million Baht. It consisted of cash inflows from direct insurance premiums, interest income, dividend income and other income, cash outflows

related to reinsurance, claims, fee and commission, other insurance expenses, operating expenses, income tax expenses and additional investment in financial assets.

- Net cash used in investing activities were 34.21 million Baht. In 2023, the Company invested in renovating the condominiums purchased in 2022 and branch office. The Company also invested in information technology systems and equipment to develop the work system to be more efficient in service.

- Net cash used in financing activities were 50.67 million Baht that was an annual dividend payment to shareholders of 36.00 million Baht and payment of lease liabilities of 14.67 million Baht.

### **Source of fund**

As at 31 December 2023, the Company total liabilities were 3,964.53 million Baht, total equity was 2,205.19 million Baht which was equivalent to 1.80 of debt to equity ratio, close to 2022 that was 1.87. Most funds used in business operations came from equity and business operation. The major liabilities of the Company came from insurance contract which consisted of loss reserves, outstanding claim and unearned premium reserves amounting to 3,138.76 million Baht and due to reinsurers of 488.95 million Baht which occurred from the insurance business operation. The Company manages capital in order to maintain the ability to operate continuously and maintains risk-based capital in accordance with the requirements of the Office of Insurance Commission. In 2023, the total capital required under the law was 519.99 million Baht while the total capital available was 2,212.58 million Baht, a capital adequacy ratio was 425.50%, higher than the rate prescribed by law at least 140%.

### **Commitments and liabilities and management of off-balance sheet transactions**

As of 31 December 2023, the Company had an outstanding balance of lawsuits in the amount of 55.4 million Baht. The case has not been finalized yet. However, the Company's obligations in respect of these lawsuits do not exceed the maximum sum insured per the relevant policies, which was 34.90 million Baht. Nonetheless, the Company has set aside reserve for contingent loss amounting to 34.9 million Baht, and there were bank guarantees amounting to 2.20 million Baht; with a certificate issued in the Company's name amounting to 9.50 million Baht, as required in the normal course of the Company's business.

### **Factors or events significantly affecting future results of operations or financial status**

The economic slowdown, high household and business debt, high volatility of the global economic and financial system, changes in consumer behavior and the risk of drought problems on agricultural products, all have an impact on the operations of the insurance business as follows:

### **Economic factor**

The world economic slowdown from the increase in interest rates policy to reduce pressure from inflation and the prolongation of international conflict affects the domestic economy and the purchasing power of consumers. People may consider purchasing on necessity rather than insurance. The Company therefore has to offer products that are suitable and worthy to attract consumers.

### **Technology factor**

Business operating has changed according to the new environment with increased use of technology. As a result, the Company must change to a digital insurer by developing channels, formats, methods, and products that are easily accessible, using various applications to analyze and plan coverage to suit the insured. In addition, the Company must increase its competitive potential in terms of product development, service, and cost management.

### **Social factor**

Aging society has a positive impact on the Company as consumers are more interested in health insurance. However, the higher cost of medical expenses which causes higher claims has a negative impact on the Company.

### **Environmental factor**

The global warming which has currently resulted in extremely unstable climate conditions is predicted to affect continuously in the future. As a result, natural disasters and catastrophes cause more severe damage and will affect the Company's claims. The Company must underwrite carefully.

### **Legal factor**

Newly effective laws and regulations cause the Company to increase work procedures and related costs. In addition, Financial Reporting Standard No. 17 (IFRS 17) that will be effect in 2025 will affect assets and liabilities measure, including the recognition of accounting income of non-life insurance companies. Therefore, the Company must adjust our recognition and accounting records in order to prepare financial reports according to the standards.

## 5. The Company's general information

### 5.1 General information

#### Reference

Securities Registrar	Thailand Securities Depository Co., Ltd. 93 Ratchadsaphisek Road, Dindaeng, Bangkok 10400 Telephone (66) 2009 9000 Fax (66) 2009 9991
External Auditor	Miss Narissara Chaisuwan C.P.A. Registration No. 4812 EY Office Limited 33 <sup>rd</sup> Floor, Lake Rajada Office Complex, 193/136-137 Rajadapisek Road, Bangkok 10110 Telephone (66) 2264 0777 Fax (66) 2264 0789-90

### 5.2 Other information

None

### 5.3 Legal dispute

The Company did not have any legal dispute or was in the process of any lawsuit that might affect its assets or operations significantly; negatively affected the Company's assets at a value higher than 5% of shareholders' equity as at 31 December 2023.

### 5.4 Other stock exchange

None


# SECTION 2

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## CORPORATE GOVERNANCE

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## 6. The Corporate Governance Policy

### 6.1 Overview of the Corporate Governance Policy and practices

With the intention to supervise the business with transparency and fairness, the Board of Directors commits to developing corporate governance of the Company by reviewing and improving the Corporate Governance Policy ( “ the Policy” ) annually; to be in line with the changing situation and business operations. The Policy has been established based on the Organization for Economic Co-Operation and Development (OECD) and the Notification of the Office of Insurance Commission, Re: Good Corporate Governance of Non-Life Insurance Companies, B.E. 2562 (2019). The Policy was divided into 5 categories: 1) Rights of Shareholders 2) Equitable Treatment of Shareholders 3) Roles of Stakeholders 4) Disclosure and Transparency 5) Responsibilities of the Board of Directors.

The Company publishes the Corporate Governance Policy on the Company's website. The Company also encourages directors, executives and employees to understand and recognize the importance of following the policy. All personnels sign to acknowledge the policy.

In this regard, the overview of the Company's corporate governance could be classified according to the principles of Good Corporate Governance for listed companies 2017 (Corporate Governance Code for listed companies 2017) of the Securities and Exchange Commission as follows:

#### **Code 1: Establish clear leadership role and responsibilities of the Board**

The Board of Directors, as representatives of shareholders, plays an important role in supervising the business operation by determining the policies and business directions as well as performing duties with caution, honesty, and responsibility in order to build confidence for shareholders, investors, stakeholders and create sustainable value for the organization.

The Board of Directors is independent from the management. The Company clearly defines the scope of duties, responsibilities and authorities of the Board of Directors separately from the management. For the highest benefit of the Company, the Board of Directors has the authority to make decisions and supervise the Company's operations in accordance with the laws, objectives, regulations, and resolutions of the shareholders' meeting with honesty and caution. The Board examines and approves the vision, mission, strategy, direction, business goals, the Company's policies, sustainable development framework, corporate governance framework, code of conduct, business ethics, the organizational structure, which separates the duties of supervision and management appropriately. In addition, the Board is also responsible for overseeing the Company's risk management system, internal control system, compliance, reliable accounting and financial reporting system. The Board of Directors also appoints subcommittees and a company secretary to support the work of the Board of Directors as well as supervises the management to operate in accordance with the stipulated goal.

The management is responsible for preparing policies, business strategy, goals, plans and annual budget, and carries out various actions in accordance with the policies and guidelines approved by the Board of Directors.

### **Board of Directors meeting**

The Board of Directors requires at least 7 meetings per year, one of which is a meeting of non-executive directors. The Office of Company Secretary is responsible for scheduling the meeting in advance throughout the year, preparing a meeting notice together with supporting documents that contain sufficient information for decision-making, and submit it to the directors for consideration at least 7 days before the meeting. The Company has set guidelines for organizing the meeting as follows:

1. The meeting date is set in advance throughout the year, and there may be additional meetings on special agendas as necessary. However, in the month that the meeting is not held, the Company shall send a report on the operating results to all directors for acknowledgment.

2. There is a clear agenda for each meeting; the Chairman, Chief Executive Officer and an independent director shall jointly consider and determine the meeting agendas. Directors and executives are able to propose the meeting agenda too.

3. Chairman or assigned director shall summon the Board of Directors' meeting

4. The Company Secretary is responsible for preparing the meeting notice with complete and adequate meeting documents and deliver to the directors at least 7 days prior to the meeting date except in urgent cases

5. The Board of Directors can access additional necessary information from the Chief Executive Officer, director, Company Secretary or other executives.

6. At the meeting of the Board of Directors, the presence of not less than half of the total number of directors, whether joining a physical meeting or through electronic media, is required for a quorum.

7. In the event that the Chairman is unable to perform his duties, other directors who attend the meeting shall elect one of the directors to preside over the meeting.

8. Each meeting takes approximately 2 hours and all directors can discuss and express their opinions openly. The Chairman shall collect opinions and conclusions from the meeting.

9. Voting is concluded by a majority of votes. At least two-thirds of the total number of directors must be present at the meeting. In the case that the directors object to the resolution, the Company Secretary shall record the objections in the meeting minutes.

10. Director who has significant interests in any matter is not eligible to vote on that matter.

11. The Board of Directors encourages executives who will be successors to meet or present a report to the Board of Directors in order to get to know and give recommendations for effective management.

12. The Company Secretary prepares the minutes of the meeting and proposes to the Chairman of the Board for consideration before proposing to the Board of Directors' meeting for approval in the next

meeting. The minutes of the meeting that have been approved by the meeting and signed by the Chairman of the Board shall be kept systematically as confidential documents of the Office of the Company Secretary and stored in the form of electronic documents for easily searching and auditing.

In 2023, the non-executive directors conducted a meeting among themselves once on 12 December 2023 to consider the employment contract of CEO and President, the business direction, the management and the direction of the organization.

## **Code 2: Define objectives that promote sustainable development**

The Board of Directors considers, determines, and reviews the main objectives and goals annually to be in line with the changing business factors. The main goal of the Company is to conduct business with honesty and fairness, consider the benefits of stakeholders and society, apply technology to improve and develop work processes and services as well as invent a wide variety of quality products to respond to the customers' needs and expand the network of standard business partners and strengthen personnel to have excellent service skills.

The Board of Directors considers the annual business strategy and the three-year business plan to ensure that the strategy will lead the Company to achieve objectives and goals and to deliver coverage that responds to every change for every quality of life.

## **Code 3: Strengthen board effectiveness**

### **Composition of the Board of Directors**

The Board of Directors, appointed by the shareholders, consists of directors who have qualifications as required by relevant laws without prohibited characteristics. They must have knowledge, abilities, experience and skills in a variety of fields that are beneficial to the business operation. At least one director has knowledge or experience in insurance. At least one director has knowledge or experience in accounting and finance and at least one director has knowledge or experience in information technology. The Board of Directors consists of at least one-third of independent directors but not less than 3 directors. The number of executive directors shall be not more than one-third of the total number of directors in order to balance the non-executive directors and the executive directors. The Board of Directors is responsible for overseeing the Company's operations in accordance with the law, objectives and regulations, appointing subcommittees to consider and scrutinizing various matters, appointing senior management and Company Secretary. The Board of Directors decides on various matters independently from the management to check and balance the work of the management.

### **Subcommittees**

The Board of Directors has appointed 5 subcommittees, namely, 1) Audit Committee 2) Remuneration, Nomination and Sustainable Development Committee 3) Risk Management Committee 4)



Investment Committee and 5) Executive Committee; in order to screen and supervise tasks that require specific expertise and regular report pertaining the performance to the Board of Directors. The subcommittees perform their duties as assigned by the Board of Directors. They have the authority to invite the management to attend the meeting to clarify or prepare a report in order to provide advice on the actions that have been assigned as it deems appropriate. The Board of Directors specifies charters for each subcommittee which stipulates the composition, qualifications, tenure of office and clearly written authorities and responsibilities.

### **Term of directorship**

Directors shall have a term of 3 years and any director vacating the office on due term may be re-elected. An independent director shall serve on the directorship for a maximum of 3 consecutive terms, or no longer than 9 years. However, for the benefit of the Company, the Board may consider to extend the independent director's term and proposes the reasons the shareholders' meeting for approval.

### **Term of office of subcommittees**

1. The Audit Committee holds the office for a term of 3 years for a maximum of 3 consecutive terms or 9 years unless the Board of Directors has an opinion otherwise.

2. The Remuneration, Nomination and Sustainable Development Committee holds the office for a term of 3 years for a maximum of 3 consecutive terms or 9 years unless the Board of Directors has an opinion otherwise.

3. The Risk Management Committee holds office for a term of 3 years.

4. The Investment Committee holds the office for a term of 3 years for a maximum of 3 consecutive terms or 9 years unless the Board of Directors has an opinion otherwise.

5. The Executive Committee: the term of office shall be effective until the end of the position of the executive.

### **Nomination of directors**

The Remuneration, Nomination and Sustainable Development Committee (" the Committee" ) is responsible for recruiting candidate from Directors' Pool of Thai Institute of Directors Association and the name list proposed by shareholders and the Board of Directors. The Committee shall consider a variety of qualifications, in terms of skills, experiences, and specific abilities that are beneficial to the Company by preparing a Board Skill Matrix. They shall have a good work history including dedicated time and effort to perform their duties, in order to strengthen the Company's Board. After considering and scrutinizing their qualifications, the nominated persons shall be proposed to the Board of Directors and the shareholders' meeting for appointment as the Company's directors. The resolution for appointing directors to replace

those who retired by rotation must be passed by shareholder's meeting and get not less than one-half of the total number of votes of the shareholders attending the meeting and cast their votes. The shareholders shall cast all their vote to elect each director individually. The director who has interest shall abstain from voting and leave the meeting room during the consideration of this agenda.

In case of proposing retired directors to be re-elected, the Company shall consider the directors' performance evaluation to encourage the responsibility of the directors and to ensure that the nominated directors have all the qualifications according to the criteria set by the Company. The Board of Directors shall consider the nominated person before proposing to the shareholders' meeting for appointment. The Company provides the opportunity to shareholders to nominate a person to be elected as director prior to the date of the shareholders' meeting in accordance with the rules determined by the Company.

The Remuneration, Nomination and Sustainable Development Committee is also assigned by the Board of Directors to be responsible for nominating a director to be proposed that the Board of Directors appoint as Chairman of the Board.

### **Remuneration for directors**

The Company has a policy to pay remuneration to directors and subcommittees at an appropriate rate, and at a similar level to other companies in the same business. The remuneration is determined in line with the Company's goals and operating results. It shall also be appropriate to the experiences and responsibilities of the directors in order to maintain directors who have qualifications that meet the needs of the Company. Directors who are assigned to perform additional duties in various subcommittees shall receive additional remuneration according to the specified rules. The Remuneration, Nomination and Sustainable Development Committee considers and proposes the structure and rate of remuneration for directors to the Board for consideration before proposing to the shareholders' meeting for approval. Currently, the Company's directors receive 2 types of remuneration which are director's bonus and meeting allowances for directors attending the meeting. The subcommittees receive only one form of remuneration, which is meeting allowance.

### **Directorship in listed companies**

The Board of Directors has established a policy for the Company's directors to be able to hold directorships in not more than 5 listed companies, provided that holding positions in other businesses must not hinder the performance of the Company's directors. If any director holds the position of director more than the above mentioned or to become a director in a business with the same nature and in competition with the Company's business, a written report must be submitted to the Chairman and/or the Board of Directors for acknowledgment within 1 month from the date of appointment in order that the Company informs the shareholders' meeting prior to the resolution of further appointment.

The Chief Executive Officer and the President shall not hold directorship of more than 2 listed companies, subject to the Board of Directors' approval. He must not hold directorship of the company that operates the same business or competes with the Company's business unless approved by the Board of Directors.

### **Supervision of subsidiaries and/or associated companies**

The Board of Directors shall appoint a director in subsidiaries and/or associated companies, according to the proportion of shareholding and/or agreement between co-investors to control and supervise the management in accordance with the objectives. That director shall perform duties responsibly, carefully, and according to objectives, regulations, resolution of the Board meeting or shareholder meeting as well as related laws as well as control, supervise and report the operating performance to the Company. The director shall also notify the Company immediately when conducting any transactions that are subject to be disclosed to regulators.

The Company requires subsidiaries and/or associates to disclose important information to the Company, such as operating performances, financial statements, and important operational issues. The Company supervises subsidiaries and/or associates to have an internal control system, internal audit, compliance and risk management appropriate to the size and complexity of the business.

### **Performance evaluation of the Board of Directors**

The Board of Directors evaluates their performance as a whole board and individual annually. The objectives of the evaluation are to express their opinions on the overall performance of the Board of Director and to review the performance and obstacles in the past year. The Company Secretary prepares and reviews the assessment form, to be accurate, complete and in accordance with the good practice of the regulatory agencies. The assessment results are presented to the Board of Directors' meeting to consider the solutions for more efficient operation.

The whole Board of Directors' self-assessment form is divided into 6 topics: 1) Structure and qualifications of the Board 2) Roles, duties, and responsibilities of the Board 3) Board meetings 4) Performance of directors 5) Relationships with the management and 6) Self-development of directors and executive development. The individual self-assessment form consists of 3 topics: 1) Directors' qualifications 2) Roles, duties, and responsibilities of Directors and 3) Board of Directors' meeting.

The evaluation criteria are divided into 5 levels: 90-100 percent is classified as excellent, 80-89% is classified as very good, 70-79% is classified as good, 60-69% is classified as fair and 50-59% are required improvement. The results of the assessment concluded that the Board of Directors has performed its duties in accordance with the principles of good corporate governance and the Company's business ethics; with an average score of 97.90% for the whole board and an average score of 96.42% for the individual self-assessment.

The Board of Directors has assessed the performance of the sub committees, namely the Audit Committee and the Remuneration, Nomination and Sustainable Development Committee. The self-assessment is for the whole committee on the yearly basis. The assessment is divided into 3 topics: 1) Structure and Qualifications of the Subcommittees 2) Roles, Duties and Responsibilities of the Subcommittees and 3) Meetings of the Subcommittees. The evaluation criteria are divided into 5 levels, i.e., 90-100% is classified as excellent, 80-89% is classified as very good, 70-79% is classified as good, 60-69% is classified as Fair criteria, 50-59% means requiring improvement. The assessment results of the Audit Committee and the Remuneration, Nomination and Sustainable Development Committee is in excellent level with average scores of 99.68% and 98.25%, respectively.

### **Development of directors and executives**

The Company provides orientation for new directors to understand the roles, duties, and responsibilities of directors, as well as introducing the nature and guidelines of business. The Office of the Company Secretary shall deliver the Company's data and useful information to the directors on the next day from the date of appointment. Those documents consist of the manual of listed companies' directors; good corporate governance principles for listed companies and non-life insurance companies; relevant laws; including general information of the Company. Such information shall create knowledge and understanding of the Company's business and operations in order to perform the director's duties.

The Company encourages the directors and executives to regularly attend various courses of training and seminars to enhance knowledge, understanding and develop potential in performing duties. They are also supported to participate in activities of the Thai Institute of Directors Association (IOD), SET, SEC, and related agencies, both public and private sectors, in order to have continuous improvement of operations.

### **Company Secretary**

The Board of Directors appointed a company secretary to be responsible for arranging meetings of shareholders and meetings of the Board of Directors in compliance with the law, Articles of Association and various practices. The Company Secretary's duties are recording and keeping the minutes of the shareholders' meeting and the Board of Directors' meeting; supervising the Company and the Board of Directors to comply with the SET's regulations regarding information disclosure including the requirements of the SEC and other regulators related to the Company's business operations; providing preliminary advice to directors on legal matters, rules and regulations of the Company; following up to ensure the proper and consistent business operation as well as contacting and communicating with shareholders to be inform the rights of shareholders and the Company's information.

## **Code 4: Effective CEO and people management**

### **Nomination of the senior executive**

The Remuneration, Nomination and Sustainable Development Committee is assigned by the Board of Directors to select and screen qualified persons with knowledge and experience suitable for the Company's business operations and propose to the Board of Directors for consideration and appointment as the senior executive. The senior executive of the Company which is the Chief Executive Officer and the President may be considered from inside or outside the organization who are qualified and suitable for the situation of the Company in each period. In case the Company selects the senior executive from internal people, the Company shall implement the succession plan. In this regard, the preliminary qualifications of the senior executive that the Board of Directors has specified are visionary, leadership, appropriate to the organizational culture, knowledgeable with insurance business experience, business administration and other qualifications that are beneficial to business operations without conflict of interest with the Company and prohibited characteristics according to relevant laws.

### **Succession plan**

The Company prepares a succession plan. Executives are encouraged to take both domestic and international training courses to be successor of the President or Chief Executive Officer.

The Executive Committee assigns the Organization Development Department to prepare a training plan in terms of knowledge and skills for preparing personnel at each level to become a supervisor.

### **Remuneration for the senior executive**

The Remuneration, Nomination, and Sustainable Development Committee is responsible for considering the format, criteria, and remuneration for the Chief Executive Officer and the President appropriately according to the remuneration structure, consistent with performance and taking into account the performance of the Company, before presenting to the Board of Directors.

### **Performance appraisal of senior management**

The Remuneration, Nomination and Sustainable Development Committee considers and presents opinions to the Board of Directors in determining the criteria used in the annual performance evaluation of the Chief Executive Officer and the President. The criteria for consideration will be consistent with the Company's goals. The Chief Executive Officer will consider and evaluate the performance of the President, and report the results to the Remuneration, Nomination and Sustainable Committee for consideration before reporting to the Board of Directors. In addition, the Chief Executive Officer also assesses the performance of the lower-level executives together with the President in order to ensure fairness.

## Personnel development

The Company also plans to develop personnel to be the executive and the supervisory by organizing training courses throughout the year. The courses are classified as general courses and job-specific courses. The Company organizes in-house training courses and have employees attend seminars or training courses held by external institutions such as Thailand Insurance Institute and International insurance institute. The programs to visit insurance companies abroad are organized for executives as well.

## Code 5: Nurture Innovation and Responsible Business

The Board of Directors realizes the importance of respecting rights and providing fairness to stakeholders. Cooperation between the Company and its stakeholders is promoted for enhancing the Company's performance and upholding mutual benefits based on fairness. The Company treats stakeholders according to their rights under relevant laws. The Board of Directors sets policies for treating stakeholders as follows:

### 1. Shareholders

The Company has a policy to make a stable business, create added value to shareholders in the long term by being a good representative of shareholders in its operations. The interests of shareholders are maintained in order to create the highest satisfaction with good returns. The shareholders are treated equitably and equally. The accurate, complete, standardized, transparent and reliable information is disclosed to investors.

### 2. Employees

The Company treats the employees fairly, values them and strives to give all employees confidence in the organization. The employees are remunerated appropriately and provided welfare with higher standards than those required by law, such as a provident fund, health and accident insurance, annual medical checkup, safe and hygienic working environment, various staff activities and work life balance. They are encouraged to develop and grow in their career path continuously by providing both local and foreign scholarships including training courses for each level of employees throughout the year.

The Company is aware of the health and safety of employees. Therefore, Safety, Occupational Health and Working Environment Policy have been announced, along with providing knowledge and training to employees continuously. In 2023, no employees had any accidents at work.

### 3. Customers

The Company gives priority to customers' satisfaction in order to build and maintain a customer base for long-term using the Company's products and services. The Company offers standardized quality products with appropriate and enough coverage to meet the needs of customers. Fair price and claims settlement are also considerations. The Company realizes the importance of providing accurate information and knowledge to customers and does not use customers' confidential information for the

benefit of self or third parties. The Company protects information in a systematic and secure manner and there is a department that specifically receives complaints and suggestions from customers.

#### 4. Business partners

The Company sets criteria and selects its business partners with transparency without altruism or self-interest. The commercial agreements are made based on mutual benefits and the Company strictly adheres to the agreed conditions. All partners can express their opinions and suggestions on business operations. The Company also provides equality to business partners with equal information and will not disclose the business secrets of business partners to third parties. The Company stipulates criteria for selecting vendors and service providers based on legal documents, service eligibility, pricing, availability, technical competence, experience, expertise, product and service quality, customer references or business reputation and after-sales service policy.

#### 5. Business competitors

The Company aims to compete in business according to the rules and business etiquette under free competition and related law, does not seek confidential information of competitors by dishonest means, and does not infringe any intellectual property or copyright. The Company will focus on competition in terms of quality and efficiency of service for the best benefit of customers.

#### 6. Creditors

The Company has a policy to manage the business effectively and the ability to pay off debt to maintain the reputation and credibility. Guidelines to fair practices for both parties stipulate that infringement of creditors' rights is prohibited and do not conceal information that may cause damage to creditors, consider having business collateral as appropriate, pay debts on time regularly and strictly follow the agreed upon conditions. In case that the agreed conditions cannot be fulfilled, both parties shall find a solution together.

#### 7. Community, society, and environment

Because of awareness regarding conducting business with responsibility for the community, society and environment, the Company instills employees to become aware of these matters. A policy to support public profit activities is stipulated. Stakeholders are encouraged to participate in the development of communities, society, and the environment for sustainable growth, such as educational support for underprivileged students, and providing funds to renovate educational institutions. The Company also provides training courses on the environment and various activities for executives and employees in order to build awareness of conducting themselves for the benefit of society. The results of continuous and consistent social activities appear concrete. Activities carried out in 2023 are reported in the heading. "Moving Business for Sustainability"

#### 8. Respect human rights

The Company has a policy not to involve in human rights violations and realize the rights of equality. The Company complies with the principles of human rights that are protected by the Constitution of the Kingdom of Thailand. The Company neither violates human dignity, rights and personal liberties nor discriminates against any individual by separating the person's ethnic, physical condition, status socioeconomic status, education, or personal characteristics that are not related to working performance.

#### 9. Intellectual property or copyrights

The Company has established policies and procedures to prevent the violation of copyright laws and the Computer Crime Act. The employees' use of software programs is monitored to prevent the use that is not related to their jobs or that violates copyright. Unauthorized disclosure of business secrets and other confidential information is prohibited. An efficient compliance control process is implemented. In case that the Company violates legal rights due to employees' negligence or ignorance, the Company will be responsible for damages fairly and appropriately and shall punish related persons according to internal regulations and procedures.

The Information Security Management System and Data Protection Committee and Working Team are responsible for information security operations, emergency management, business continuity plan, privacy and personal data management, and cyber security in order to comply with the laws, rules, and regulations relevant to the business operations.

### **Stakeholders participation**

Stakeholders can participate in the Company's operations via various channels for suggesting, making complaints or whistleblowing if any employees are found or implied misconduct. The whistleblower shall be notified by post, electronic mail or telephone to the Vice Presidents of the Organization Development Department, the Office of Compliance, the Chief Executive Officer and the Chairman of the Audit Committee. After receiving the matter, the Company will investigate the facts and follow the procedures stipulated in the Whistleblowing and Complaint Policy.

### **Information disclosure and transparency**

The Company places importance on disclosing information and news related to the Company's operations, both financial information and non-financial information as it affects the decisions of investors and all groups of stakeholders. The information disclosed shall be transparent, accurate, complete, reliable, timely and eventual in accordance with the rules of the SET, SEC, OIC and other relevant regulatory agencies strictly.

In order that shareholders, investors, and the general public easily and thoroughly access the Company's information, various channels are provided such as 56-1 One Report, quarterly performance



reports, company website, meeting and interview, press releases for major events and upon new products launch.

The Chairman or Advisor to the Chairman of the Board or the Chief Executive Officer or the President are authorized to disclose information, publish announcement to media or clarify the case of rumors. The Company also assigns the Chief Financial Officer and the Office of Company Secretary staff to coordinate with the Stock Exchange of Thailand in disclosing information as required by law. In addition, shareholders and investors contact the Shareholder Relations Department for more information at the telephone number +66 2664 7777 ext. 1905, 1906 and 7719, E-mail Shareholders Relations Department. [office\\_president@navakij.co.th](mailto:office_president@navakij.co.th) or on through the Company website [www.navakij.co.th](http://www.navakij.co.th).

In 2023, the Company was not ordered to amend the financial statements or has been taken by a regulatory authority regarding non-disclosure of material information within a specified period.

### **Supervision and management of information technology**

The information technology and data storage systems are the significant factors for business operation. The Board of Directors assigns the Risk Management Committee to supervise the use of information technology to be in line with the business strategy. The information technology shall be flexible for changes in information technology and the Company's business operations as well as ready for handling cyber threats. The Committee also supervises the management of information technology risks and cyber threats which is considered a major risk and part of the enterprise risk management.

The Board of Directors approved the IT Risk Management Policy, IT Security Policies and Business Continuity Management Policy which have been reviewed by the Risk Management Committee. The policies were communicated to employees for acknowledgment and practice.

Information Technology Risk Management Policy established processes and procedures, risk appetite, risk assessment criteria, risk management methods, risk indicators and information technology risk reporting. The Information Technology Security Policy defines the management of information technology security, human resources and information assets management, information systems access control, physical and environmental security, threat monitoring, and contingency plans as well as cyber security risks supervision and management. For the Business Continuity Management Policy, a business continuity management framework was established in accordance with ISO 22301:2012 standards. The structure of duties and responsibilities of personnel, business impact analysis, operational recovery strategy and operational plans of various departments were also established.

The Company appointed Information Security Management System and Data Protection Committee that consisted of Chief Executive Officer and President, Chief Information Officer, Chief Risk Officer and Data Protection Officer. The Company also appointed Information Security Management Representative Committee that consisted of the Information Officer, Vice Presidents of various departments and Data

Protection Officer to be responsible for information security, corporate governance in emergencies, business continuity, privacy and personal information management and cyber security according to relevant laws, rules and regulations.

The Company organizes Penetration Test annually by simulating an information system threat scenario to assess the Company's cyber risk and find vulnerabilities in access to critical systems provided to external partners to be safe from using the Company's system services. The Company builds confidence that the system is safe according to international standards. In addition, the objective of the test is to improve and solve problems when threats to information systems occur, as well as maintain the information system to be stable and ready to use continuously.

In 2023, the Company tested Cyber Drill plan and responded to Cyber Incident Response Plan (CIRP) by creating conditions and cyber-attacks situations. The scenario was that the ransomware attacked the system, and the data were stolen from the internal system in dealing with Phishing Mail. The test results found that employees understand, be aware of cyber threats, and respond to abnormal events. They also concern about suspicious emails by immediately notifying the responsible department to investigate and take corrective action.

The Company was certified with the Information Systems Security Standard ISO 27001: 2013 since the year 2021 and still process to be granted the ISO 27001:2022 version by 2024, which represents the Company's commitment to develop and enhance the information security systems and confidential information management, credibility, and the availability of information to be in international standards. The Company was also audited according to the standards of Office of Insurance Commission (OIC 8 Domains) at the gold level for the year 2021 and 2022, which confirmed intention and determination to continuously create information technology standards of the Company.

### **Tax management**

The Company is committed to complying with tax laws and recognizes the importance of being a good taxpayer, proper, transparent, and verifiable tax payment to drive the business to grow sustainably and contribute to the development of the country. The Board of Directors therefore established Tax Policy by adhering to and complying with the requirements of tax laws. The Tax Policy of the Company is defined to manage tax planning to pay taxes accurately and on time, study the tax implications when implementing a new project or when a new law is issued to operate properly use of tax benefits in accordance with the legal framework for maximum benefit, use the right tax structure, do not seek opportunities from unusual tax structures to evade taxes as well as cooperate with government tax authorities to ensure transparency of tax operations.

## **Code 6: Strengthen effective risk management and internal control**

### **Risk management and internal control**

The Board of Directors established a holistic risk management framework and policy that corresponds to the purpose and business goals for effective risk management and strategic plan with Corporate Governance. The Board of Directors supervised the Company's risk management to risk appetite and did not exceed risk tolerance by appointing the Risk Management Committee to follow up on risk management for maximum benefits and in accordance with the holistic risk management framework and policy. The Risk Management Committee was also appointed to ensure that the Company would have a stable financial and capital position with adequate and appropriate risk management that the Company was able to achieve the objectives or goals.

### **The Audit Committee**

The Board of Directors appointed the Audit Committee (“the Committee”) whose composition and qualifications were in accordance with relevant laws. The Committee is assigned to review the Company's internal control system and internal audit system, financial reporting, compliance with laws, rules, and regulations of the regulators, connected transactions or transactions that may have conflicts of interest, proposals to appoint or remove auditors and the risk management system. In case the Committee find or suspect that there are transactions that may significantly affect the financial position and performance of the Company, the Committee will report to the Board of Directors for consideration and correction. The Audit Committee holds the meeting at least 6 times a year and reports to the Board of Directors.

### **Prevention of conflict of interest**

The Company requires directors, executives, and all employees to avoid engaging in rival business and making related transactions with a related person or juristic person that may cause a conflict of interest with the Company. However, the Board of Directors approves the related person transaction if it is a normal business transaction or a normal business support that operates in accordance with general commercial principles and considering the best interests of the Company. Such transactions must strictly comply with the regulations of the regulatory agencies. Directors or interest person must not attend the meeting or participate in the consideration or vote for such transaction. The Company shall prepare a report and disclose information about related transactions or transactions that may have conflicts of interest to shareholders in order to be used as information for examining transactions that may cause conflicts of interest. Directors and executives and vice presidents shall prepare a report on their interests when they are first appointed as directors or executives and every time there is any change in information as well as to review the information annually. The Company Secretary shall send a copy of such report to the Chairman and the Chairman of the Audit Committee.

## **Internal information control**

The Inside Information Policy and the matter of maintaining the Company's confidential information are specified in the Company's announcement on Code of Conduct. The agreements to comply with the data security policy were signed by all employees to prevent them from using the Company information for their own benefit or without permission from the Company. The violation of such regulations is a serious offense and subject to disciplinary action of which the maximum penalty is dismissal without compensation.

In addition, directors, executives, and staff responsible for the Company's information are prohibited to use inside information in trading the Company's stock for their own or third party's benefit. The Company Secretary shall send a notice to the Board of Directors and executives to refrain from trading the Company's securities 2 weeks before disclosing information or financial reports to the public. The directors and first 4 executives shall submit a report on the change of securities holding (Form 59) via the SEC's online system upon making transactions such as buying, selling, transferring, or accepting transfers of the Company's securities and notify the Company Secretary in order to report to the Board of Directors' meeting. The Company prescribes an agenda for acknowledgment of securities holdings of directors and executives as a regular agenda in every meeting of the Board of Directors.

## **Anti-Corruption Policy**

The Company is committed to resisting corruption. The Board of Directors therefore established the Anti-Corruption Policy and Measures ( " the Policy " ) which was reviewed annually. The Policy prohibited directors, executives, employees, and people who have a business relationship with the Company to resist or be involved in all forms of corruption both directly and indirectly. The Company also established guidelines for activities with high risk or is a channel of corruption and rules on giving and receiving gifts, to strengthen understanding and build a standard of work.

The Board of Directors assigned the Risk Management Committee to be responsible for ensuring that the Company has adequate and appropriate corruption risk management by reviewing the risk management report to assess and monitor significant risks and report to the Board of Directors. All departments must assess corruption risk annually as well as formulate a risk management and mitigation plan. The Office of Risk Management will analyze the operational risk management process, corruption, and fraud by evaluating, analyzing, monitoring, controlling, and compiling the overall risk status to be under risk appetite and report to the Risk Management Committee to consider risk management policy, risk appetite and risk tolerance, including reporting risks to the Board of Directors. In addition, the Company has established guidelines for high-risk activities or channels for corruption.

The Company assigned the Office of Internal Audit to audit and review the internal control system and operations in compliance with policies, guidelines, operational authority, regulations, laws, and regulatory requirements to ensure that the control system was appropriate and adequate to corruption

risk and report the audit results to the Audit Committee. The President assigned the Anti-Corruption working team to carry out activities and coordinate with various departments in implementing the Anti-Corruption Policy and Measures and report to the President.

The Company communicated the Anti-Corruption Policy and Measures to employees through various communication channels such as the intranet and other electronic communication channels, organized online learning courses with test, explained to new employees during orientation. The Company also communicated the policies to external parties such as customers, business partners, associates and stakeholders via the Company's website, annual report, electronic mail, commercial contract. In 2023, the Company invited business partners to join as members of Private Sector Collective Action against Corruption (CAC) to support the drive against corruption and expand the network of transparent business operations to partner companies.

The guidelines for supervising and monitoring corruption risks are as follows:

1. The Board of Directors has assigned the Audit Committee to supervise the implementation of anti-corruption measures, to review the financial reporting system, accounting system, internal control system, internal audit system, and risk management system. Such systems shall comply with relevant laws and international standards. They shall also be efficient, up-to-date, appropriate, and rigorous for preventing and reducing the corruption risk.

2. Stipulate guidelines for high-risk activities or channels for corruption to enhance understanding and be the standard of work process.

3. Provide channels for receiving complaints, measures to protect whistleblowers and complainants and a fair trial process. The Company imposes disciplinary penalties for an employee who committed the corruption and reviews or terminates the business transaction in the case of a third party.

Anti-Corruption monitoring and assessment

1. Assign the Office of Internal Audit to audit and review the internal control system and the operation to be in accordance with the policy, guidelines, authority, regulations, laws, and regulatory requirements; to ensure that there is an appropriate and enough control system against corruption risks. The audit report shall be presented to the Audit Committee.

2. Assign the Risk Management Committee to oversee the corruption risk management to ensure that it is adequate and appropriate. The Committee shall review the risk management reports in order to assess and monitor major risks and report them to the Board of Directors.

The Company regularly reviews the anti-corruption measures to be in accordance with changes in laws, rules, regulations and the Company's business.

The Company established Anti-Corruption Policy and Measures via

<https://www.navakij.co.th/public/core/uploaded/documents/5cf56a6df560ea85af853e5cd1e0c6c3.pdf>

## Whistleblowing and complaints

The Board of Directors established the Whistleblowing Policy for stakeholders to participate in expressing opinions or notify clues of suspected fraud, violations of regulations, irregular financial reporting and any other actions that might affect the reputation and cause damage to the Company. Stakeholders shall notify any matter via a post mail to the Navakij Insurance Public Company Limited, No. 100/47-55, 93/3-6, 26th Floor, Sathorn Nakhon Building, North Sathorn Road, Silom, Bangrak, Bangkok 10500 and telephone or send electronic mail to the persons with the following details:

- Vice president of the Organization Development Department  
Tel: 0 2664 7712                      Email: phatarawipha\_w@navakij.co.th
- Vice president of the Office of Compliance  
Tel: 0 2664 7719                      Email: charuwan\_c@navakij.co.th
- Chief Executive Officer  
Tel: 0 2664 7738                      Email: pitiphong@navakij.co.th
- Chairman of the Audit Committee via Secretary of the Committee  
Tel: 0 2664 7778                      Email: phisit\_p@navakij.co.th

Details are published on the Company's website in order that the complainants select the appropriate channels. The Company also establishes the measures to protect the whistleblowers and complainants. The complaint information shall be kept confidential. The Company shall not act unfairly towards whistleblowers, complainants or those who cooperate in the investigation.

Processes for complaints and protecting whistleblowers are as follows:

1. The details of clues and complaints must be clear or enough to investigate.
2. Information and investigation processes shall be kept confidential and disclosed with only necessary precautions. The information on whistleblowing regarding third parties and employees shall only be shared to those involved in the investigation only. While information of whistleblowing regarding senior executives shall be kept by the secretary of the Audit Committee to report directly to the Audit Committee.
3. President shall appoint 3 vice presidents who are independent from concerns and complaints as the Investigation Committee.
4. The Investigation Committee shall provide the management approach including remedies for damage and propose to the President for approval.
5. The investigation must be conducted with fair treatment of the accused.
6. The duration of the investigation depends on the complexity of the issues, the sufficiency of the evidence.
7. The Investigation Committee shall report the result of investigation and remedies for damage to the Audit Committee quarterly.

## **Code 7: Ensure disclosure and financial integrity**

### **Board of Directors report**

The Board of Directors provides the Company's separate financial statements and financial statements in which the equity method is applied at the end of the fiscal year and published on the Company's website as well as via an information disclosure system of the Stock Exchange of Thailand. Financial reports of the fiscal year shall also be published in the annual report and be presented to the shareholders' meeting as required by law. The financial reports are prepared in accordance with the current financial reporting standards and in the form prescribed by the OIC. In addition, the Board of Directors' responsibility for financial reports is also prepared along with the report of the auditor in the annual form 56-1 One Report.

The Board of Directors assigns the Audit Committee to oversee the quality of financial reports and provide opinions to the Board of Directors to ensure that the report preparation is in accordance with the requirements of the SEC, SET, OIC and related laws.

## **Code 8: Ensure engagement and communication with shareholders**

### **Rights of shareholders**

The Board of Directors realizes the duty to protect the interests and respect the fundamental rights of all shareholders. Shareholders' rights include the right to receive share certificates and to transfer shares; the right to receive sufficient and timely information which is appropriate for decision-making as well as the right to receive a profit in the form of dividends. Shareholders also have the right to attend the shareholders' meeting to vote at the meeting in order to decide on changes in policies or important matters of the Company, such as election and removal of directors, determination of directors' remuneration, selling or transfer the Company's business, buying or acquisition of other business, dividend allocation, capital increase or reduction and approval of special transactions that are not normal transactions. The Company encourages shareholders and institutional investors to exercise their rights through shareholders' meetings. The Company gives shareholders the opportunity to propose an agenda of the meeting or send questions that they would like to be answered at the shareholder meeting in advance so that all groups of shareholders are able to express their opinions and participate in decision-making on matters related to their interests. The Company will not violate the rights of shareholders.

### **Equitable treatment for shareholders**

The Board of Directors has a policy to protect the rights of all shareholders to be treated equally and fairly. Shareholders can take part in supervision of the business and operation. They can nominate a person to be elected as the Company's director, propose a meeting agenda, and submit questions related to the Company before the date of the shareholders' meeting between September and December every year. As of which, between 1 September 2022 and 31 December 2022, the Company has published

details of the rules and procedures on the matters on the Company's website and notified via the system of the Stock Exchange of Thailand (SET). Nonetheless, no shareholder proposed any matter to be included in the meeting agenda or nominated a person to be elected as a director during such period.

The Company sends the meeting invitation letter and details of related information for decision making on each agenda to all shareholders at least 21 days in advance so that shareholders have enough time to study the information. The said information is published on the Company's website in both Thai and English more than 30 days in advance of the meeting date. The Company also informs the shareholders of the meeting information via the SET website. The shareholders who are unable to attend the meeting in person can vote by using Proxy Form B which is sent along with the meeting invitation letter. The Company shall nominate at least three independent directors and executive directors as proxy of the shareholders accordingly.

### **Shareholders meeting**

The Company holds an annual general meeting of shareholders within 4 months from the end of the fiscal year. All shareholders are reported the Company's operating results and participate in consideration and decision-making on important matters. The Board of Directors clearly sets the meeting agenda, and does not add any agenda for consideration other than those specified in the notice or change any important information without notifying the shareholders in advance. The Company may organize an extraordinary general meeting of shareholders if it is necessary to propose the matter to the shareholders' meeting for consideration as a special case.

In 2023, the Company held the physical Annual General Meeting of Shareholders ("the Meeting") on 20 April 2023 at the Grand Hall, The Bangkok Club, Sathorn City Tower, 28th Floor, 175 South Sathorn Road, Tungmahamek, Sathorn, Bangkok, which is a suitable place and convenient for shareholder to attend the Meeting by public transport. The Meeting was also lived broadcast via Facebook. After the Meeting, the Company posted the recorded Meeting in video clip on the Company's website. The Chairman, chairmen of all subcommittees, and the senior executive of the Company attended the meeting. The Company managed the shareholders' meeting in full compliance with the law, regulations, and guidelines of the shareholder meeting assessment project of the Thai Investors Association.

The Company prepared an invitation notice for the 2023 Annual General Meeting of Shareholders which contained information and opinions of the Board of Directors in each agenda, meeting minutes and annual report in both Thai and English versions. Shareholders were informed to submit questions about the meeting agenda via the Company's website on 23 March 2023, 28 days before the meeting. The AGM notice was published in a newspaper between 3-5 April 2023, 3 consecutive days before the meeting. The Thailand Securities Depository Co., Ltd., the Company's registrar, send the notice of meeting to shareholders on 5 April 2023, 15 days prior to the meeting in order to allow shareholders to acknowledge and have sufficient time to consider the information prior the meeting. The Company encourages



shareholders who are unable to attend the meeting to use Proxy Form B in which shareholders can determine the voting. Proxy Form B is delivered to the shareholders together with the invitation letter for the shareholders' meeting and can be downloaded from the Company's website as well. In this regard, the Company prepares a duty stamp for attaching the proxy form for the convenience of the shareholders.

The Company uses a barcode system to register the meeting attendees in order to ensure that the registration process is fast and correct. Shareholders shall receive ballots to vote for the agenda that must be considered for approval and verification. In addition, shareholders can register to attend the meeting after the meeting started and they can vote on the agenda that has not yet been resolved.

The Board of Directors shall inform shareholders of significant information prior to the meeting, such as the number of shareholders and proxies attending the meeting, voting practices, vote counting and collection of ballots. The Chairman then proceeds to the meeting according to the meeting agenda without adding any agenda or changing any important information other than those specified in the invitation letter sent to the shareholders in advance.

The Company allocates time for the meeting appropriately and gives shareholders an opportunity to express their opinions and ask questions in each agenda before voting. Directors, executive and the Company's auditors attending the Meeting shall answer the questions. The Company Secretary shall record questions and answers in the minutes of the Annual General Meeting of Shareholders.

Shareholders have the right to vote according to the number of shares held, where one share equals one vote. In the agenda for the election of directors to replace those retiring by rotation, shareholders can vote to elect directors individually. The directors who have interests in any agenda shall not attend the meeting and vote on that agenda. The Company provides a legal advisor to provide legal opinions and act as a mediator to verify voting and vote counting in order to ensure transparency in the shareholders' meeting.

### **Resolutions disclosure**

The Company disclosed the resolutions of the 2023 Annual General Meeting of Shareholders with voting results within the meeting date. The minutes of the 2023 Annual General Meeting of Shareholders was submitted to the relevant regulatory agencies within the specified date according to the regulations and published on the Company's website. The Company also notified via the information disclosure system of the Stock Exchange of Thailand for the shareholders to acknowledge, comment, and review within 14 days after the meeting.

## **Disciplinary measures for non-compliance with policies and guidelines**

The Company provides fairness and protection to directors, executives and employees at all levels who oppose corruption. They shall not be demoted, punished or get any impact even if the corruption refusal may cause the Company to lose business or miss the opportunity to gain new business.

However, the Company's personnel should not neglect or ignore and act of corruption. They shall notify the supervisor or responsible person as soon as possible, upon witnessing any actions relevant to the Company that are considered corruption. Moreover, they shall cooperate in investigations according to the Whistleblowing and Complaints Policy.

Directors, executives and employees who commit corruption, violate Company's policies, codes of conduct and rules including supervisors or responsible persons who ignore employee's misconduct or do not resolve the offense, shall be subjected to disciplinary punishment. The Company shall set up a committee to investigate and consider the punishment fairly. The Company shall also review and possibly terminate the business with partners who violate the policy.

## **6.2 Code of Conduct**

The Company has established a written Code of Conduct as a framework for ethical business conduct, goals, and methods of business operations for shareholders' benefit and success according to the Vision, Mission and Corporate Governance Policy. In addition, the Code of Conduct also stipulates best practices for directors, executives, and employees for performing their duties with integrity in order to drive the organization to grow continuously and stably. All personnel are required to acknowledge, understand, and strictly comply with the policies set forth in the Code of Conduct. Violators shall be investigated and punished appropriately. The Board of Directors requires that the Code of Conduct shall be reviewed annually.

The essences of the Code of Conduct are as follows:

1. Perform duties with responsibility, caution, and integrity
2. Fair and equal treatment of customers
3. Comply with the conditions agreed with business partners and pay off debts on time
4. Free and fair business competition within the framework of the law
5. Community, society, and environment responsibility
6. Respect for human rights
7. Anti-corruption
8. The Anti-Money Laundering, Combating the Financing of Terrorism, and the Proliferation of Weapons of Mass Destruction (AML/CFT/WMD)
9. Respect for intellectual property
10. Protect personal data under the responsibility of the Company
11. Information systems and personal data security

12. Maintaining confidentiality and do not use internal information for personal benefit
13. Conflicts of interest awareness
14. Effective internal control system and risk management system.
15. Efficient and fair process for complaints management

The Company has published the Corporate Governance Policy, Code of Conduct, Anti-Corruption Policy and Measures, and Whistleblowing and Complaints Policy through the Company's website at <https://www.navakij.co.th/en/sustainability/significant-policies-of-nki>

### **6.3 Significant changes and developments of policies, practices, and corporate governance systems in the past year**

#### **6.3.1 Significant changes and developments related to the policies and practices review, the corporate governance system or the Board of Directors Charter in the past year**

In 2023, the Board of Directors approved the reviewed and revised Corporate Governance Policy and related policies that are Code of Conduct, Stakeholders Policy, and Conflicts of Interest Policy, Sustainable Development Policy, Environmental Policy, Human Rights Policy, Tax Policy. The Board also established Related Party Transactions Policy, Disclosure Policy, Green Procurement Policy and Safety, Occupational Health and Working Environment Policy to be in accordance with the requirements of the relevant regulatory agencies and current business operations in order to increase the efficiency of business governance. The Company has regularly reviewed and updated the said policy at least once a year.

#### **6.3.2 Other Practices in Accordance with Good Corporate Governance Principles**

The Company adheres to the principles of good corporate governance of the Securities and Exchange Commission (SEC), the Thai Institute of Directors Association (IOD) and the Office of Insurance Commission (OIC) as well as implements the Corporate Governance Code 2017 (CG Code). The Company does not comply with some CG principles however, the Company will adopt the principles of good corporate governance as much as possible by applying it to suit the company's situation as follows:

1. The Board should consist of 5-12 directors.

Currently, the Company has 13 directors which is appropriate for the size and complexity of the Company's business operations. The non-life insurance business requires directors with diverse knowledge and experiences to examine and supervise business operations. However, the Board of Directors consists of 9 non-executive directors, 5 of which are qualified as independent directors, resulting in a balance of authority, ability to independently express opinions of the management, and transparent management.

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

The Chairman of the Board is not an independent director because the insurance business requires a person with knowledge, understanding and experience in the business for the benefit of the

Company and shareholders. However, the Chairman is not an executive director. The authorities, duties and responsibilities of the Chairman and Chief Executive Officer and President are clearly separated. In addition, the Board of Directors has also appointed Mr. Chan Soo Lee, an independent director, to consider the Board of Directors' meeting agenda.

3. Independent directors should have a term of office not exceeding 9 years.

The Board of Directors stipulates that independent directors may hold office for not more than 3 consecutive terms or not more than 9 years unless for the benefit of the Company, the Board of Directors may consider extending the term of office of independent directors. However, such independent directors shall be able to give opinions independently, and in accordance with the relevant rules. 2 independent directors have a term of office of more than 9 years because they have appropriate qualifications and skills that are beneficial to the Company. Moreover, recruiting new independent directors with experience in the Company's business is quite difficult. The Board of Directors has presented the reasons of such necessity to the shareholders' meeting for consideration accordingly.

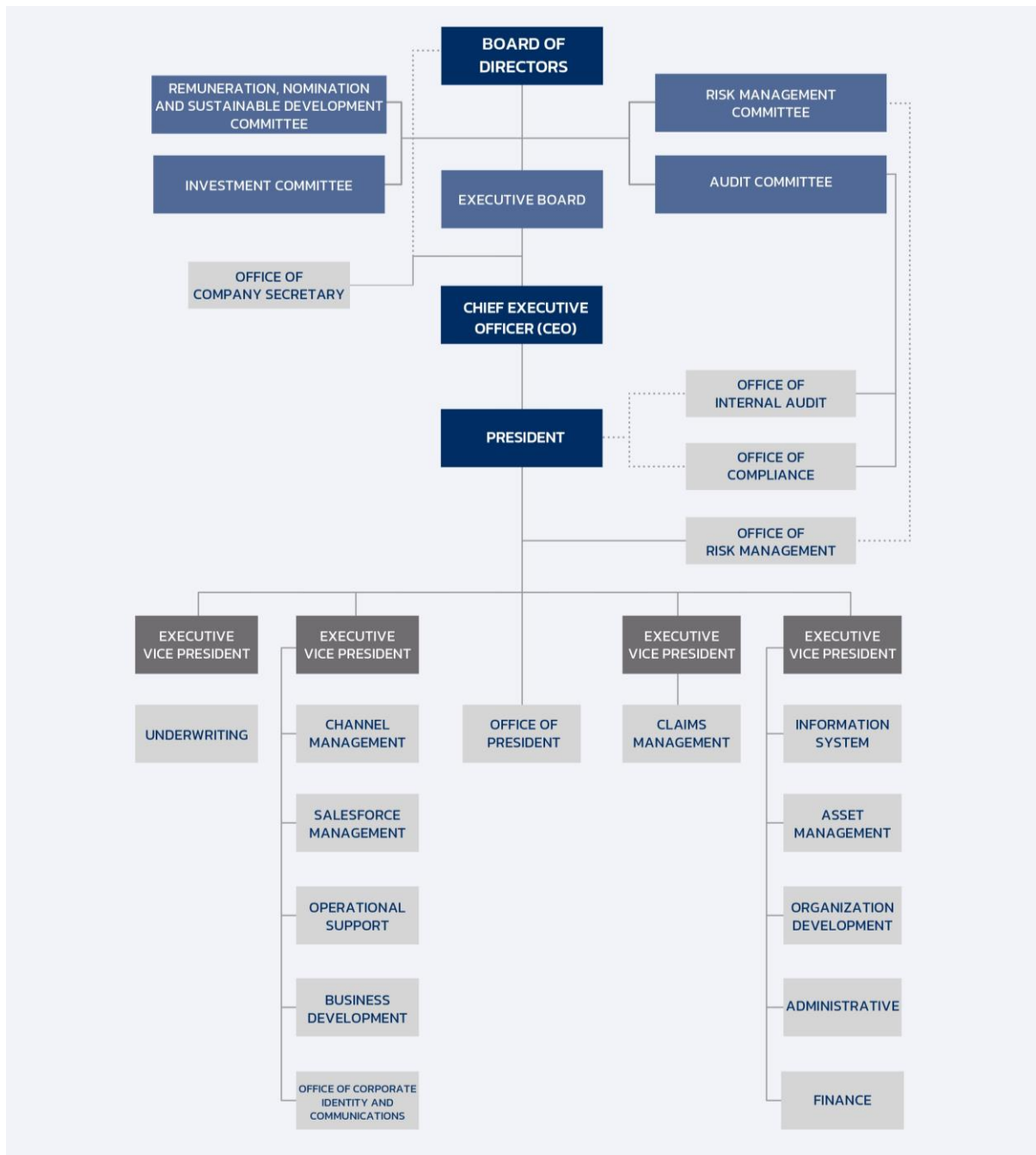
4. Press releases to the media

The Company did not hold any press conference to present the Company's financial status. However, the Company published operating performance, summary of listed company information and important events via the website of the Stock Exchange of Thailand. The Company also published marketing news and new products via the various communication channels such as websites, Facebook and Line Official.

## 7. Corporate Governance Structure and Information of Committees, Subcommittees, Executives, Staffs and Others

### 7.1 The Structure of corporate governance

The Company's structure consists of the Board of Directors and 5 subcommittees that are Audit Committee, Remuneration Nomination and Sustainable Development Committee, Risk Management Committee, Investment Committee and Executive Board.



## **7.2 Information of the Board of Directors**

### **7.2.1 Composition of the Board of Directors**

Under the Company's Articles of Association and the Board of Directors Charter, the Board comprises of no fewer than 9 members who are competent with skills and extensive experience to the benefit of the Company's operation with diversity in skills, experience, and gender. The Chairman of the Board, the Chief Executive Officer and the President, shall not be the same person in order to maintain a balance of authority between supervisory and management functions. The Company defines independent directors as specified by the standard of the Capital Market Supervisory Board.

At present, the Company's Board consists of 13 directors as follows:

1. 9 non-executive directors, 69.23% of the entire Board
2. 5 independent directors, which exceeds one-third of the entire Board, 38.46% of the entire Board
3. 4 executive directors, 30.77% of the entire Board
4. 3 female directors, 23.08% of the entire Board

#### **Qualification of director**

1. Directors should be competent with skills and extensive experience to benefit the Company's operation, with various skills and integrity. At least one director shall be an expert in non-life insurance business, at least one in accounting and at least one in the area of information technology.

2. Directors must possess relevant qualifications and shall not possess prohibited characteristics, according to the Public Limited Company Act, Non-life Insurance Act, and other relevant laws.

3. Directors should have the ability to exercise sound and independent judgments, free from any conflict of interest from the management and other stakeholders.

4. Directors could dedicate appropriate time to performing their duties.

5. Independent Directors must possess the qualifications as specified by the Notification of the Capital Market Supervisory Board and relevant Notifications.

## Board skill matrix

No.	Name	Non-Life Insurance	Insurance Product	Actuary	Risk Management	Audit	Internal Control	Finance and Accounting	Investment	Management	Fair Treatment of Customers	Information Technology	Corporate Governance	Legal
1.	Mr. Suchin Wanglee	✓	✓	✓				✓	✓	✓	✓	✓	✓	✓
2.	Mr. Pitiphong Bisalputre	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
3.	Mr. Kiet Srichomkwan	✓	✓		✓	✓	✓	✓	✓	✓	✓		✓	
4.	Gen. Montree Sungkasap				✓	✓	✓			✓	✓		✓	
5.	Mr. Nipol T. Jeerawong	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓
6.	Mrs. Wanida Chansikarin	✓	✓		✓	✓	✓	✓	✓	✓	✓		✓	✓
7.	Mr. Chan Soo Lee	✓	✓		✓			✓	✓	✓	✓		✓	
8.	Mrs. Phompun Phomprapha					✓		✓	✓	✓	✓			
9.	Mr. Thamnu Wanglee	✓	✓		✓			✓	✓	✓	✓			✓
10.	Mr. Vuttichai Wanglee	✓	✓		✓		✓		✓	✓	✓		✓	
11.	Miss Jittinan Wanglee						✓		✓	✓			✓	
12.	Dr. Saran Wanglee	✓	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓
13.	Mr. Anak Wanlee				✓			✓	✓			✓		
14.	Mr. Anin Wanglee	✓		✓	✓						✓			
15.	Ms. Charuwan Chabchamrun	✓					✓				✓		✓	✓
	Total	11	9	4	11	5	9	9	12	12	12	5	11	6

## 7.2.2 The director's information

The list of Company's directors as of 31 December 2023

No.	Name	Position
1.	Mr. Suchin Wanglee	Chairman of the Board Non-Executive Director
2.	Mr. Pitiphong Bisalputra	Executive Director Chairman of the Executive Board Chairman of the Investment Committee
3.	Mr. Keit Srichomkwan	Independent Director Chairman of the Audit Committee
4.	Gen. Montree Sungkasap	Independent Director Chairman of the Remuneration, Nomination and Sustainable Development Committee Member of the Audit Committee
5.	Mr. Nipol T. Jeerawong	Non-executive Director Chairman of the Risk Management Committee Member of the Remuneration, Nomination and Sustainable Development Committee
6.	Mrs. Wanida Chansikarin	Independent Director Member of the Audit Committee
7.	Mrs. Phornpun Phornprapha	Independent Director Member of the Remuneration, Nomination and Sustainable Development Committee
8.	Mr. Chan Soo Lee	Independent Director
9.	Mr. Vuttichai Wanglee	Non-Executive Director
10.	Miss Jittinan Wanglee	Non-Executive Director
11.	Dr. Saran Wanglee	Executive Director
12.	Mr. Anak Wanglee	Executive Director Member of the Risk Management Committee Member of the Investment Committee
13.	Mr. Anin Wanglee	Executive Director Member of the Risk Management Committee

### Note:

No.12 was appointed as a member of the Board of directors on 10 May 2023 in replacement of Mr. Thamnu Wanglee, a non-executive director, who resigned from the Board.

No.13 was appointed as a director on 10 May 2023 in replacement of Ms. Charuwan Chabchamrun, an executive director, who resigned from the Board.



The Chairman of the Board is not an independent director, but he is not an executive director. The Chairman's authorities and duties separate distinctly from the management. The Board of Directors appointed Mr. Chan Soo Lee, an independent director, to participate in setting the Board of Director's meeting agendas to counterbalance authority between the Board of Director and the management.

### **7.2.3 Roles of the Board of Directors**

#### **Duties and responsibilities of the Board of Directors**

1. To oversee that the Company's operations are operated in accordance with the objects, the articles of association of the Company, and the resolutions of the shareholders' meeting, as well as the regulations specified by relevant laws in good faith and with due care to preserve the greatest interests of the Company.

2. To consider and approve vision, mission, strategies, business direction and goals including important business policies, as well as overseeing the management operate in accordance with the vision or framework with effectiveness and efficiency.

3. To regularly monitor, evaluate and approve the implementation of the sustainable development framework, code of ethics and the code of conduct of the Company at least once a year.

4. To approve the organizational structure that maintains a balance of power between supervisory and management functions.

5. To supervise the Company to have processes for controlling, monitoring, and auditing a risk management, an internal control system and compliance, including independent unit or personnel to audit the said operations to ensure adequate efficiency and transparency.

6. To supervise an accounting system, financial reporting and reliable auditing.

7. To appoint appropriate and sufficient subcommittees to support the Board of directors' performance as well as to consider the composition of the subcommittees and any significant changes that may affect their performance.

8. To oversee the disclosure of information regarding good governance, sustainable development, financial reports, and important matters in accordance with the relevant rules and regulations to public and regulators accurately, completely and timely.

9. To oversee a selection of directors and an efficient succession plan of the top executives.

10. To appoint or delegate any other person(s) to conduct the Company's business subject to control of and within the time frame as may be specified by the Board.

11. To oversee the performance evaluation of the Board and subcommittees annually.

12. To approve connected transactions and any transactions in compliance with the laws and regulations specified by all regulatory agencies such as OIC, SEC Etc., to prevent transactions that may have a conflict of interest.

13. To approve the acquisition and disposition of assets and any transactions in compliance with the laws and regulations specified by all regulatory agencies such as OIC, SEC Etc., to prevent transactions that may have a conflict of interest.

14. To approve a significant matter submitted by the management such as business plan, budget or any project of which the transaction value is greater than the authority of the management.

15. To approve the criteria for annual incentive bonus payment for the employees.

16. To appoint the Company Secretary to ensure that the Board and the Company perform their duties in accordance with relevant laws, rules, and regulations.

### **Authority of the Board of Directors**

1. Appoint and remove the subcommittees, Chief Executive Officer and President including delegate authorities to them.

2. Appoint and remove the company secretary

3. Approve directions and strategic goals of the Company

4. Approve significant policies of the Company

5. Approve the receipt or cancellation of credit limit in the amount that exceeds the authority of the Executive Board

6. Approve the sale of equity instruments and/or debt instruments in the amount that exceeds the authority of the Investment Committee

7. Approve the acquisition and investment in fixed assets in the amount that exceeds the authority of the Executive Board

8. Approve the reconditioning, destruction and write-off fixed assets and intangible assets in the amount that exceeds the authority of the Executive Board

9. Approve the conciliation, the arbitration, the complaint, the prosecution and/or the litigation on behalf of the Company of which the capital exceeds the authority of the Executive Board

10. Approve the remuneration of the advisor to the Executive Board, the Chief Executive Office and the President

11. Delegate authority of the Board to the management, executives or other persons to act on behalf of the Board of Directors

12. Invite the management and related staffs give explanations and opinions, attend the meeting or submit documents as deemed necessary

### **Authorized directors**

The Company's authorized signatures are divided in 2 categories as follows:

1. Insurance policy of the Company shall be signed by any one of 4 directors, namely Mr. Pitiphong Bisalputra or Dr. Saran Wanglee or Mr. Anak Wanglee or Mr. Anin Wanglee and affixed with the Company's seal.

2. Other juristic act other than those specified in No.1 shall be signed by 2 of 7 directors, namely Mr. Suchin Wanglee, Mr. Vuttichai Wanglee, Mr. Nipol T. Jeerawong, Mr. Pitiphong Bisalputra, Dr. Saran Wanglee, Mr. Anak Wanglee, Mr. Anin Wanglee and affixed with the Company's seal,

### 7.3 Information of subcommittees

The Board of Directors appointed 5 subcommittees which are 1) the Audit Committee 2) the Remuneration, Nomination and Sustainable Development Committee 3) the Risk Management Committee 4) the Investment Committee and 5) the Executive Board to perform and consider the specific issues before presenting to the Board of Directors. The charters of all subcommittees are determined in writing.

#### (1) The Audit Committee

The Audit Committee is appointed by the Board of Directors to review financial statements and internal audit of the Company. The Audit Committee includes not less than 3 members who are independent directors. At least 1 member must have sufficient knowledge and experience in accounting or finance to review financial statements. The term of office is 3 years and not more than 3 terms except the Board of Directors has another opinion.

As at 31 December 2023, the Audit Committee consists of 3 independent directors. The second director has expertise in accounting and finance with significant experience in reviewing financial reports. However, all the 3 directors listed below will be vacated from the office on due term in November 2024.

No.	Name	Position
1.	Mr. Kiet Srichomkwan	Chairman of the Audit Committee
2.	Mrs. Wanida Chansikarin	Member of the Audit Committee
3.	Gen. Montree Sungkasap	Member of the Audit Committee

Mr. Phisit Photisatian, Vice President of the Office of Internal Audit is the secretary of the Audit Committee.

#### Duties and responsibilities of the Audit Committee

1. To review the Company's financial reports to ensure the quality that are completely and accurately prepared according to accounting standards.

2. To review the Company's internal control system and internal audit systems to ensure the efficient and to approve the appointment, transfer, removal and considering compensation and merit increases of internal audit chief as well as to define duties and responsibilities of internal audit unit.

3. To review that the Company's operations are operated in accordance with the laws and regulations specified by SEC, SET, OIC as well as other related laws.

4. To consider, select, nominate and dispose of an independent person to be the Company's external 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.

5. To review connected transactions or any transactions in compliance with the laws and regulations specified by SET, to prevent transactions that may have a conflict of interest, to ensure that the transactions are reasonable and to preserve the greatest interest of the Company.

6. To review the efficiency of the Company's risk management system.

7. To report the Committee's performance to the board of directors at least 4 times a year.

8. To prepare report of the Committee that would be signed by the Committee's Chairman to be disclosed in the Company's annual report. The report must be consisted of at least as follows:

8.1 An opinion on the accuracy, completeness and creditability of the Company's financial reports

8.2 An opinion on the adequacy of the Company's internal control system

8.3 An opinion on complying with the laws and regulations specified by all regulatory agencies and others relating to the Company's operations

8.4 An opinion on the suitability of the auditor

8.5 An opinion on the transactions that may have a conflict of interest

8.6 Number of the Committee's meetings and the attendance of each member

8.7 An opinion or overview comment received by the Committee from its performance of duties in accordance with the charter

8.8 Other transactions which should be known to the shareholders and general investors, subject to the scope of duties and responsibilities assigned by the Company's board of directors

9. To perform any other tasks as assigned by the board of directors thereof with the approval of the Committee.

10. In performing of their duties, if it is found or suspected that there is a transaction or any of the following acts which may materially affect the Company's financial condition and operating results, the Committee shall report to the Board of Directors for rectification within the period of time that the Committee thinks fit.

10.1 The transactions that may have a conflict of interest

10.2 Any fraud, irregularity, or material defect in the internal control system

10.3 An infringement of the laws and regulations specified by all regulatory agencies and other relating to the Company's operations

If the Company's Board of Directors or management fails to make a rectification within the period of time under the first paragraph, any member of the Committee may report on the transaction or act under the first paragraph to SEC or SET and the Committee must be reported to OIC immediately.

11. If the external auditor discovers any suspicious circumstance that the director, manager, or any other person responsible for the operation of the Company commits an offense as defined by laws and the auditor informed the fact relating to such circumstance to the Committee in order to continue the inspection without delay. The Committee shall inspect the circumstance and report the result of preliminary inspection to SEC and the external auditor within 30 days from the date received the external auditor notified. The suspicious circumstance to be reported and the process to uncover facts of such circumstance shall be as specified by the Capital Market Supervisory Board.

### **The Audit Committee meeting**

The Committee holds at least six meetings a year.

### **(2) The Remuneration, Nomination and Sustainable Development Committee**

The Remuneration, Nomination and Sustainable Development Committee is appointed by the Board of Directors to support the Board of Directors' duties in remuneration and nomination of directors and senior executive including sustainable development function. The Remuneration, Nomination and Sustainable Development Committee consists of at least 3 members. The Chairman and at least 2 of 3 members must be independent director, the other must be a non-executive director. The committee's term of office is 3 years.

As at 31 December 2023, the Remuneration, Nomination and Sustainable Development Committee consists of 3 directors. The Chairman and the second director are independent directors. All members as below name list who will be vacated the office on due term in February 2025.

No.	Name	Position
1.	Gen. Montree Sungkasap	The Chairman of Remuneration, Nomination and Sustainable Development Committee
2.	Mr. Phornpun Phornprapha	Member of Remuneration, Nomination and Sustainable Development
3.	Mr. Nipol T. Jeerawong	Member of Remuneration, Nomination and Sustainable Development

### **Duties and responsibilities of remuneration**

1. To propose that the Board of Directors' meeting or shareholder's meeting (as it may be) consider and approve the structure and procedures of remunerations for the Board of Directors, the subcommittees, and the Chief Executive Officer and the President.

2. To consider and fix a bonus for the Board of Directors and the committees and propose to the Board of Directors and shareholders' meeting for approval.

3. To consider criteria and performance evaluation of the Chief Executive Officer and the President.

4. To consider and fix bonus for the Chief Executive Officer and the President and propose to the board of directors for approval.

5. To consider the rules and conditions for new securities offering or warrants to purchase shares for directors and employees. Good rules and conditions would motivate the performance of directors and employees that can create long-term value added for shareholders and retain quality personnel under the criteria that are fair to shareholders. However, the opinion will be presented to the Board of Directors for consideration.

6. To consider and review authority and duties regarding remuneration annually to be appropriated and complied with legal and regulations of regulators such as OIC, SET and SEC etc. before proposing to the Board of Directors.

#### **Duties and responsibilities of nomination**

1. To consider the structure and composition of the Board of Directors to be appropriate to the Company including the duties and responsibilities towards the shareholders, as well as in accordance with the requirements and best practices of regulatory agencies.

2. To consider the criteria and methods of nominating for the Company's directors and senior executives (the Chief Executive Officer and the President) and propose to the Board of Directors for approval.

3. To consider and screen qualified persons for serving as the Company's directors and the Chief Executive Officer and the President, when the term expires, or the position becomes vacant. After that, the Committee will present a candidate to the Board of Directors for consideration and approval before proposing to the shareholders' meeting; or to consider appointing case by case.

4. To Consider and propose training guidelines for performing the duties of directors and knowledge related to the Company's business for the Board of Directors and senior executives to increase the potential.

5. To supervise a succession plan for the Chief Executive Officer and the President, so that the Company's management can operate continually.

6. To consider and review the authority and duties related to nomination to comply with laws, regulations, or notifications of regulatory and propose to the Board of Directors for approval.

7. To evaluate the performance of the Remuneration, Nomination and Sustainable Development Committee annually and report the evaluation results to the Board of Directors.

### Duties and responsibilities of sustainable development

1. To consider policies and guidelines for sustainable development to be in accordance with the laws, rules, regulations of government agencies and regulators; as well as being suitable for business operations and propose to the Board of Directors for approval.

2. To monitor and evaluate the implementation of the Sustainable Development Policy, Corporate Governance Policy, Code of Conduct, and other related policies

3. To provide advice and encourage personnel in the Company at all levels to follow the Company's sustainable development guidelines.

4. To Consider and approve the disclosure of sustainable information before disclosing to stakeholders.

5. Review the authority and duties related to sustainable development to comply with laws, regulations, or notifications of regulatory and propose to the Board of Directors for approval.

### The Remuneration, Nomination and Sustainable Development Committee meeting

The Committee holds at least 2 meetings a year.

### (3) The Risk Management Committee

The Risk Management Committee is appointed by the Board of Director to supervise the Company's risk management to be effective in accordance with the overall framework of risk management including strategic plan and business plan. The Risk Management Committee consists of not less than 5 members who are a director and an executive or an expert who are proficient in risk management, not less than 5 members, with the term 3 years.

As at 31 December 2023, the Risk Management Committee consists of 5 directors and executives as below name list. All members will be vacated the office on due term in February 2025.

No.	Name	Position
1.	Mr. Nipol T. Jeerawong	The Chairman of the Risk Management Committee
2.	Mr. Pitiphong Bisalputra	Member of the Risk Management Committee
3.	Mrs. Nalina Bodharamik	Member of the Risk Management Committee
4.	Mr. Anak Wanglee	Member of the Risk Management Committee
5.	Mr. Ain Wanglee	Member of the Risk Management Committee

#### Note:

No.5 was appointed as a member of the Risk Management Committee on 7 November 2023 in replacement of Mrs. Anukul Thitikulrat who resigned from the Committee.

### **Duties and responsibilities of the Risk Management Committee**

1. To review and propose risk management policy and risk appetite to the Board of Directors for approval, at least as specified by the Office of Insurance Commission (OIC).
2. To supervise the overall risk related activities of the Company including the development and implementation of the enterprise risk management frameworks and policies to ensure that the business is operated under the risk management policy assigned by the Board of Directors correctly and efficiently.
3. To review the risk management reports and periodically follow up on major risks and make sure that the Company has managed risks appropriately and efficiently.
4. To submit to the Board of Directors, a report of overall risk exposure to the Company including review whether the internal audit system is appropriate to manage exposure from major risks and report to the Board of Directors at least once a quarter.
5. To prepare the risk mitigation plan for emergency
6. To provide advice to various departments that are risk management departments and to consider revising various information about the development of the risk management system

### **The Risk Management Meeting**

The Committee holds at least 4 meetings a year.

### **(4) The Investment Committee**

The Investment Committee is appointed by the Board of Director to be responsible for investment plan of the Company in accordance with the framework of investment policy, risk management policy and regulations of investment which is defined by the Investment Committee. The Investment Committee consists of directors, executives, or executive officers of the Company, at least 3 members with a term of 3 years.

As at 31 December 2023, the Investment Committee consists of 3 members as follows:

No.	Name	Position
1.	Mr. Pitiphong Bisalputra	Chairman of the Investment Committee
2.	Mr. Nipol T. Jeerawong	Member of the Investment Committee
3.	Mr. Anak Wanglee	Member of the Investment Committee

Mr. Suchin Wanglee is the advisor to the Investment Committee

### **Duties and responsibilities of the Investment Committee**

1. To set the Investment Policy and the Other Business Operation Guideline before submitting to the Board of Directors for approval.



2. To review investment plans and complying with the policies designed by the Board of Directors, the Company's risk management strategy and to ensure its consistency and compliance with regulations of OIC and related laws.

3. To consider and define guidelines for investment risk management strategy.

4. To consider and set investment procedures for the Company.

5. To oversee the investment management in accordance with the policies, plans, procedures and risk management strategy approved by the Board of Directors.

6. To review and adjust investment policy and investment plans so as to fit in with a change in investment climate and propose a revised investment policy to the board of directors for approval.

7. To consider approval of investment in securities.

8. To consider approval of general loan.

### **The Investment Committee meeting**

The Committee holds at least 4 meetings a year.

### **(5) The Executive Board**

The Executive Board is appointed by the Board of Directors to support the performance of the Board of Directors in issuing the policy, regulations, and management guidelines of the Company. The Executive Board includes not less than 3 members who are executives or executive directors appointed by the Board of Directors. The term of office shall be effective consistent with the status of the Company's executive officers.

As at 31 December 2023, the Executive Board consists of 5 executives as follows:

No.	Name	Position
1.	Mr. Pitiphong Bisalputra	Chairman of the Executive Board
2.	Mrs. Nalina Bodharamik	Member of the Executive Board
3.	Mr. Anak Wanglee	Member of the Executive Board
4.	Mr. Anin Wanglee	Member of the Executive Board
5.	Dr. Saran Wanglee	Member of the Executive Board

Mr. Suchin Wanglee is the advisor to the Executive Board.

### **Duties and responsibilities of the Executive Board**

1. To control and supervise the Company's operation and its subsidiaries that are carried out according to the policies and major operating plans, with utmost efficiency and effectiveness, as assigned by the Board.

2. To make corporate policy, budget, guidelines and other operating plans of the Company and its subsidiaries and report on such to the Board.

3. To control and supervise the Company and its subsidiaries conducts in compliance with the Securities and Exchange Act, the Non-Life Insurance Act, the Public Company Act and other related applicable regulations thereof.

4. To control and supervise the Company to follow generally accepted accounting standards and prepare financial statements to show accurately and reasonably the financial and operational results of the Company and its subsidiaries.

5. To evaluate and assess risks in the operating business of the Company and its subsidiaries and make appropriate measures to manage such risk and inform the Board thereof.

6. To perform any other tasks as assigned by the Board thereof.

### **Authority**

1. To manage the Company's operation and its subsidiaries according to the policy, budget and operating plans.

2. To delegate the management authority to the respective responsible executives of the Company and its subsidiaries according to level of command.

3. To manage and handle all matters related to underwriting, claims management, investment and general management.

4. To purchase, hire, sell and transfer assets, and to authorize expenditure within the limit of 50 million Baht.

5. To authorize expenditure that exceeds the budget but not over 20 percent of the budget.

6. In the event that the Board has given authority to the Executive Board or in the event that the Executive Board has given authority to the President and/or any executives to act on behalf of the Company or its subsidiaries, the authority given so does not include the power to approve transactions that the assignee or the involved person may have interest, or conflict of interest with the Company or its subsidiaries.

### **The Executive Board Meeting**

The Committee holds at least 2 meetings a month.

## 7.4 Executives

### 7.4.1 Name and position of executives

As at 31 December 2023, the executives of the Company consists of the following:

No.	Name	Position
1.	Mr. Pitiphong Bisalputra	Chief Executive Officer and President
2.	Mrs. Nalina Bodharamik	Executive Vice President – Underwriting/ Risk Management
3.	Mr. Anak Wanglee	Executive Vice President – Finance / Assets Management/ Information System / Administrative / Organization Development
4.	Mr. Anin Wanglee	Executive Vice President - Claims Management
5.	Dr. Saran Wanglee	Executive Vice President – Channel Management/ Marketing Salesforce/ Marketing Support/ Business Development and Corporate Identity Communications

**Note:** the structure of Corporate Governance shows on 7.1 the Corporate Governance Structure

#### Duties and responsibilities of the Chief Executive Officer

1. To monitor and provide advises to the president and the management in managing the Company to achieve its vision and overall objectives set by the board of directors, cooperated in management by all units in the organization to achieve their responsible objectives.

2. To motivate and/or oversee participation from all members of the organization towards common directions and objectives.

3. To establish sound working understandings of roles and duties of the management with the Board of Directors to work towards a common direction.

4. To provide recommendations to the management including review and oversee management direction and business strategies including normal business operation plans before presenting them to the board of directors.

5. To oversee the adequacy of strategies, annual budget and operation plans in accordance with the Board's policy.

6. To oversee the development of a good culture and sound environment in workplace for the Company's personnel with taking in consideration of their pride and respect for human dignity including having code of moral and equal treatment for them.

7. To consider and evaluate the president's performance and report it directly to the Board of Directors and/or assigned subcommittees.

8. Cooperating with the president to consider and evaluate performance of executives to ensure fairness.

#### Duties and responsibilities of the President

1. To perform policy, strategic direction, business plan and annual budget of the Company and propose to the Board of Directors for approval as well as to proceed as the resolutions approved by the Board of Directors.

2. To report on the Company's operating performance monthly and quarterly compared to business plan and budget with suggestion to the Board of Directors.

3. To approve the Company's expenditure with a limit of not over 1 million Baht. In case that the expense approved exceeding 1 million Baht but not exceeding 10 million Baht, the President shall report such transaction to the Chief Executive Officer.

4. Other matters assigned by the Board of Directors.

#### 7.4.2 The Executive Board and Executives Remuneration

The Company does not remunerate the Executive Board. For the remuneration of the Chief Executive Officer and the President, the Remuneration, Nomination and Sustainable Development Committee will consider initially and propose to the Board of Directors for approval. Such remuneration shall be appropriately fixed based on the remuneration structure of the Company, including his/her performance and consistency with the duties and responsibilities assigned.

The CEO and the President shall determine the appropriate amount of the remuneration for the Company's executive officers at a level of vice president and higher, with consideration of his/her performance and the Company's operation result.

##### 1. Cash Remuneration

In 2023, the total remuneration for 5 executives in the form of salaries and bonuses amounted to 24,875,050 Baht.

The remuneration paid for 5 executives for the year 2021 - 2023 are as follows:

(Unit : Baht)

Remuneration	2023		2022		2021	
	Person	Amount	Person	Amount	Person	Amount
Salaries and bonuses	5	24,875,050	6	28,256,475	6	24,975,575

## 2. Other Remuneration

The Company has established a provident fund at the rate of 5% of the salary. In 2023, the Company made contributions of 1,022,700 Baht to provident fund for the 5 executives.

A paid provident fund of 5 executives for the year 2021 - 2023 are as follows:

(Unit : Baht)

Remuneration	2023		2022		2021	
	Person	Amount	Person	Amount	Person	Amount
Provident fund	5	1,022,700	6	932,423	6	855,895

## 7.5 Information of employees

As at 31 December 2023 the Company has 559 employees in any departments as follows:

Department	Number (Person)		
	Female	Male	Total
Office of Executive	2	6	8
Underwriting	60	18	78
Channel Management	30	14	44
Marketing Salesforce	25	34	59
Marketing Support	68	8	76
Business Development	6	2	8
Claims Management	39	86	125
Information System	7	16	23
Assets Management	4	3	7
Office of President	5	-	5
Organization Development	5	2	7
Administrative	28	10	38
Finance	63	3	66
Office of Risk Management	2	-	2
Office of Internal Audit	3	3	6
Office of Compliance	2	1	3
Office of Corporate Identity and Communications	3	1	4
<b>Total</b>	<b>352</b>	<b>207</b>	<b>559</b>

### **Information of employees with disability**

The Company has followed guidelines for promoting people with disabilities employment and the underprivileged by contributing money to the Fund for Promotion or Development of Life Quality of Disabled Persons under Section 34, The Empowerment of Persons with Disabilities Act, B.E. 2007 within March of every year. For the number of people with disabilities that the Company must employ in the ratio of 100: 1, the Company paid into the Fund for Promotion or Development of Life Quality of Disabled Persons amounted to 718,320 Baht in 2023.

### **Policies and regulations to employees**

The Company treats employees fairly based on human rights principles and respecting the rights and freedoms of employees. Recruiting and selecting candidates will consider potential and ethics without discrimination. Evaluating work performance and remuneration are considered appropriately. The company provides opportunities for employees to participate in welfare and benefits management. The employees are supported to develop themselves and grow continuously in their careers path. The work-life balance is promoted. Guidelines regarding safety, occupational health, and the environment are established. There is also a channel for making complaints or reporting complaints, along with measures to protect those who make complaints or provide clues.

### **Total remuneration and the type of remuneration given to employees**

In 2023, the Company's total remuneration for employees amounted to 303.73 million Baht.

The Company reviews the Pay for Performance criteria to be complied with the remuneration and according to the Company's operation continuously such as adjusting the weight of performance management annually, setting the higher goal to challenge compared to the previous year. The Company provides a concrete remuneration system to encourage employees to have more potential. In addition, the Company takes into consideration the sufficiency of living in the current economic situation. An incentive bonus shall be paid to employees according to the employees' performance and the Company operating performance in order to encourage employees to achieve the Company's goal.

The Company provides a systematic performance evaluation that the employees and supervisor jointly determine key performance indicator (KPI) in order to create empirical evidence, measurable, and evaluable, along with setting core competency to keep employees who are smart and good.

The Company considers remuneration to be fair and that employees, who have equal performance, shall receive equal remuneration. Employees who perform better or more performance shall receive higher remuneration. The Company gives importance to all types of work because every job has an impact on success. Therefore, the work performance is analyzed and evaluated transparently.

The Company has welfare benefit to reduce expense of the employees, e.g. medical expenses, dental expenses, eyeglasses or contact lenses, uniform, grant, emergency loan, vehicle loan, house loan.

### Provident fund

The Company registered a provident fund on 1 June 1990 which was under the supervision of the Provident Fund Committee. In 2023, the Company contributed to the provident fund at the rate of 5% of the salary, total amount 9.58 million Baht.

Age (Year)	Provident Fund Payment		
	Member (Person)	Amount (million Baht) per year	Ratio
< 30 years	61	0.68	10.9%
30-50 year	297	6.27	53.1%
> 50 years	48	2.63	8.6%
None	153	-	27.4%

### Human resource development policy

The Company manages human resources to suit workloads and always improves the recruitment system to be more efficient and faster. The Company provides more channels to recruit applicants, creates a recruitment system that can select candidates who met the criteria with a good attitude and behaviour in accordance with the culture of the Company.

Human resource development plan is set by considering business development plan under unified culture. The Company establishes the core competency as the main qualification to determine the main qualities that the Company expects from employees in terms of behavior and abilities that are consistent in the same direction and contribute for achieving the Company's goal.

The Company has a priority to develop and increase employees' knowledge. In 2023, the employees took 52 training courses and seminars, which cost 1,776,800 Baht.

Type of Training	Number		
	Courses	Attended	Training Hour
<b>Outsource Training</b>	45	67	2,133
For example, management, insurance, law, computer, claims, marketing, accounting, personnel management			

Type of Training	Number		
	Courses	Attended	Training Hour
<b>Internal Training</b> For example, orientation, computer, profession, anti-corruption, and environment.	22	1,484	504
<b>Total</b>	<b>67</b>	<b>1,551</b>	<b>2,637</b>
Average training hours per year			<b>4.45</b>

**Note:**

1. In 2023, the average number of employees was 592
2. 1 employee might attend more than 1 training course
3. The Company organized 1 internal e-Learning training course nationwide for the anti-corruption and cyber threats awareness.

**Occupational Health and Safety Management Plan**

The Company is aware of the importance of safety, occupational health and working environment that affect the quality of life of employees by promoting safety, occupational health and the working environment that complies with international laws and standards. The workplace is designed to be suitable for the nature of work and safe, including improved to always be in good condition. The employees are reminded to keep the environment clean by following the 5 principles: manage, convenience, clean, hygienic, and habit. The Company provides tools and safety equipment that are appropriate to the employees’ job descriptions. Fire evacuation drills to prepare for emergencies is organized. The Company also promotes good health among employees by providing annual health examinations and provides vaccination against disease and exercise

**Employee Engagement Plan and Result**

The Company prioritizes human resources, which are valuable. Therefore, the Company are committed to building bonds between employees and the Company to retain talented employees. The development of knowledge and various skills are regularly promoted. The employees are encouraged to participate in expressing their opinions for the development through various projects and activities. Discussions to transfer knowledge are organized. The Company also gives employees opportunities to change their job duties to learn new jobs. In 2023, 505 employees responded to the satisfactory survey which was divided into 5 topics with 4 levels of satisfaction. An overview of the results is at a good level. Pride and loyalty to the Company were the topics that employees were most satisfied with, followed by the topic of atmosphere and working environment and performance evaluation respectively. The Company has an employee turnover rate of 8.07%, which is at a low level. The tendency of the turnover rate continuously decreases, compared to the average of the past 3 years. As a result, most of the



employees have long working experience. Their knowledge and experience can be passed on continuously from generation to generation.

## **7.6 Other Information**

### **7.6.1 Information of responsible position**

#### **Company Secretary**

Ms. Charuwan Chabchamrun, the Company's vice president level, was appointed by the Board of Directors since 15 May 2014, to serve as the company secretary. The Office of Company Secretary supports the company secretarial work to be efficiency and effective as well as compliance with the principles of good corporate governance as shown in attachment no. 1.

#### **Duties and responsibilities of the Company Secretary**

1. Organize the meetings of shareholders and the Board as stipulated by law, the Company's Articles of Association, and other guidelines.
2. Prepare the minutes of shareholders' meetings and the minutes of the Board's meetings as well as filing documents.
3. Prepare and keep director registration.
4. Keep report on the interest of directors and executives and submit the copies to the Chairman of the Board and the Chairman of the Audit Committee.
5. Ensure that the disclosure of the Company's operations and the Board activities comply with rules and regulations of SET, SEC., OIC and other relevant regulators.
6. Provide appropriate advice to the Board regarding related laws, the Company's rules and regulations, as well as monitor compliance with accuracy on a regular basis.
7. Communicate with internal departments of the Company to comply with the resolutions of the Board of Directors Meeting and the Shareholder's Meeting.
8. Prepare the annual report.
9. Communicate with the Company's shareholders to acknowledge the Company's news and general information.
10. Proceed along with the notifications of Thai Capital Market Supervisory Board.
11. Perform other duties that are assigned by the Company.

#### **Accounting supervisor**

The Company assigned Mrs. Maysa Suntranusorn, Senior Manager of the Finance Department, to be an accounting supervisor. Her qualifications comply with the notification of Department of Business Development. More details are in attachment no. 1.

## Head of the Internal Audit

The Company assigned Mr. Phisit Photisatian, Vice President of the Office of Internal Audit, to be the head of internal audit. More detail is in attachment no.3

## Duties and Responsibilities of the Head of Internal Audit

1. Define, implement, and maintain an audit plan based on the risk level to examine and assess the consistency of the Company's work processes with the Company's risk management culture.
2. Review and report on the accuracy, reliability, completeness of financial information and performance, as well as methods of performance evaluation and measurement.
3. Verify that the Company has an adequate and efficient internal control system to manage the risks up to a controllable level and in line with Corporate Governance process.
4. Follow and assess the adequacy and effectiveness of policy, work process and documentation, including operating control of both the Company and the business groups.
5. Review operations or plans to ensure consistency with objectives and goals, as well as the implementation of those prescribed plans with efficiency and cost-effectiveness according to a good and proper governance process.
6. Examine the operations of all departments in the Company to comply with the non-life insurance and other relevant
7. Revise the efficiency and effectiveness of risk management in accordance with the framework and policy of overall risk management approved by the Board of Directors.
8. Monitor and assess the effectiveness of the departments in charge of controlling the Company's operations, particularly, the Office of Risk Management and the Office of Compliance and disclose key issues found for further improvements.
9. Review the work system with significant impact on operating performance and report to be in accordance with the Company's policies, work plans and regulations including relevant laws.
10. Assess procedures for protecting the Company and insured's assets, as well as review the suitability of property preservation and examine the existence of the property.
11. Appraise the efficiency and cost-effectiveness of the Company's resource utilization.
12. Audit and evaluate risk and fraud management guidelines, the occurrence of errors, omission, and other unusual entries.
13. Examine the suitability of information technology to be in accordance with the Company's plan and IT risks
14. Evaluate information system to ensure that there is adequate and efficient internal control that could protect the computer activities including backup system to support continuity management.
15. Assess the reliability, completeness and effectiveness of information management procedure including methods used to identify, evaluate, classify and report on the use of information in the Company.

16. Assess the reliability of hierarchy reporting system including confidentiality in case that employees report rules violation as well as protection against retaliation and following up

17. Prepare the audit plan by learning the work system, action, initial survey, resources, and procedures of the department to be audited

18. Prepare the audit report by collecting information and fact from the audit and consider with Vice President of the audited department for the comment and suggestion

19. Prepare the internal control evaluation report and present the summary of facts, suggestions, solution and opinion of the audited department to the Audit Committee and President for supervisory

20. Follow up the revision according to the suggestion in the audit report.

21. In case that the audit report does not specify the clarification or corrective action of the audited department, the vice president of the related department is responsible for providing written explanation and solution within 30 days of receipt of the report

22. Control and keep the audit report and working paper and related documents used for auditing

23. Coordinate with external auditor to enhance audit efficiency and reduce duplicated audit activities.

24. Evaluate the working quality of external auditor. (if related)

### **Head of the Compliance**

The Company assigned Ms. Charuwan Chabchamrun, Senior Vice President supervising the Office of Compliance to be the head of compliance. More detail is on attachment no.3

### **Duties and Responsibilities of the Head of Compliance**

1. Compile laws, rules, regulations, orders and notifications which are announced by regulators
2. Summarize new and changed laws, rules, regulations, orders and notifications which are issued by regulators and communicate to all staff for acknowledgement and compliance
3. Give a suggestion and advice related to laws, rules, regulations and notification for business operating
4. Coordinate with all departments to prepare compliance risk management plan as well as proposed solutions to non-compliance transactions
5. Prepare annual legal compliance report to the President and the Audit Committee
6. Educate employees about the laws, rules and regulations related to the Company's operations
7. Coordinate with the Office of Insurance Commission and other regulatory agencies under the law on behalf of the Company

## 7.6.2 Shareholder Relations

The Shareholder Relations division is responsible for investor relations. Ms. Charuwan Chabchamrun is assigned to be the head of the division. Investors shall contact the Shareholder Relations Division at:

Shareholder Relations Division

100/47-55, 90/3-6, floor 27, Sathorn Nakorn Tower, North Sathorn Road, Silom, Bangrak, Bangkok 10500.

Telephone: 0 2664 7777 ext. 1905, 1906 and 7719

E-mail: office\_president@navakij.co.th

## 7.6.3 Remuneration of Auditor

### Audit Fee

The Company pays audit fee to EY Office Limited for the year 2023, details as follows:

1. Annual audit and quarterly review fee for the financial statements	1,980,000 Baht
2. Review fee for RBC (Risk Based Capital) for the year 2023 and second quarter of the year 2023	<u>585,000</u> Baht
<b>Total</b>	<b><u>2,565,000</u> Baht</b>

### Non-Audit Fee

In the previous year, the Company paid a fee for auditing the analysis report of accounting practices against the requirements of Financial Reporting Standards No. 17 to the auditor, totaling 550,000 Baht.

## 8. Corporate governance performance report

### 8.1 Summary of the performance of the Board of Directors in the past year

In 2023, the Board of Directors reviewed the Corporate Governance Policy and Code of Conduct, to be in line with the Corporate Governance Code of Listed Companies 2017, taking into consideration the recommendations from the Corporate Governance Report of Thai Listed Companies.

#### 8.1.1 Nomination, development, and performance evaluation of the Board of Directors

##### (1) Independent director

The Remuneration, Nomination and Sustainable Development Committee is responsible for nominating directors. The Board of Directors consists of 5 independent directors. The Company defines definitions of independent directors as same as the criteria of Thai Capital Market Supervisory Board as follows:

1. Shall not hold more than 1% of total voting shares of the Company, its parent company, subsidiary, associate, major shareholder, or the controlling person of the Company including the shareholding of related persons.

2. Shall neither be nor have ever been a director with management authority, an employee, a staff or an advisor who receives a regular salary, or a controlling person of the Company, its parent company, subsidiary, associate, same-tier subsidiary company, major shareholder or controlling person of the Company, unless the term has been terminated for not less than 2 years.

3. Shall not be a person who relating by blood or legal parents, spouses, siblings and child, including the spouses of child, an executive, a major shareholder, a controlling person of the Company and a person who will be nominated to be an executive or authorized person of the Company or subsidiary.

4. Shall neither have nor have ever had a business relationship with the Company, its parent company, subsidiary, associated Company, a major shareholder, or an authorized person of the Company. Shall not be a person who is significant shareholder or an authorized person able to have business relationship with the Company, its parent company, the subsidiary, an associated Company, a major shareholder or an authorized person; by considering transactions with 20 million Baht or 3% of the Company's net tangible assets, unless the term has been terminated for not less than 2 years.

5. Shall neither be nor have ever been an auditor of the Company, its parent company, a subsidiary, an associated Company, a major shareholder, or an authorized person of the Company. Shall not be a significant shareholder, an authorized person or a partner of the audit firm which employs the auditor of the Company, its parent company, a subsidiary, an associated Company, a major shareholder or an authorized person of the Company, unless the term has been terminated for not less than 2 years.

6. Shall not be nor have ever been a provider of any professional services, including a legal advisor or a financial advisor who receives 2 million Baht service fee per year from the Company, its

parent company, the subsidiary, an associated Company, a major shareholder, or an authorized person of the Company. Shall not be a significant shareholder, an authorized person or a partner of that professional service provider unless the term has been terminated for not less than 2 years.

7. Shall not be a director appointed to represent the Company's directors, a major shareholder or a shareholder who is related to a major shareholder.

8. Shall not operate the same business and have significant competition with the Company's business or subsidiaries. Shall not be a significant partner in the partnership or be a director who participates in the management, an employee, a staff, a consultant who receives a regular salary or hold shares more than 1% of the total number of shares of voting rights of another company which operate the same business and in competition with the Company or its subsidiary.

9. Shall not have any other characteristics that prevent the ability to express independent opinions on the Company's operations.

### **Business relationship of independent directors**

The Board of Directors approved the extenuated prohibition criteria on business relationship of independent directors. The value size is not more than 3% of the net tangible assets (NTA) of the Company. The business relationships must be an ordinary business and must support the Company's operations in a general condition the Company should treat contractual parties in the same situation without any benefits that might affect independent opinions. The supervision procedures are as follows:

1. The Executive Board examines and reports the business relationship of independent directors whose transaction exceeds 3% of NTA to the Board of Directors' Meeting.

2. Information on independent directors' business relations shall be presented to the Board of Directors' Meeting and the shareholders' Meeting for nominating independent directors.

3. Business relationships of independent directors shall be disclosed in the form of 56-1 One Report, or in accordance with the notification of Office of the Securities and Exchange Commission.

In 2023, the motor dealer and the motor repair service center that Mr. Kiet Srichomkwan, the Company's independent director, is a major shareholder; had a business relationship with the Company. The business value was 11.18 million Baht, which was not more than 20 million Baht and not more than 3 % of the Company's NTA. The Board of Directors was of the opinion that it did not affect the independent opinion because it was normal business and supported normal business transactions. The mentioned business was divided into 2 parts; 1) Insurance premiums under marketing campaign of Toyota Motor Thailand Co., Ltd., that provided free policies for customers who select the insurance company by themselves, amounted to 767,021 Baht 2) motor repair cost under the Toyota Care for customers whose policies specified the repair service center, amounted to 10.41 million Baht.

## **Independence of the Chairman of the Board of Directors**

The Chairman of the Board is not an independent director, but duties and responsibilities are clearly separated from the Chief Executive Officer and the President; so that the Chairman can independently supervise the operations of the management. The Chairman has duties and responsibilities as follows:

1. To preside over the Board of Directors Meeting
2. To make decisive vote, in case of equal voting result
3. To summon the Board of Directors' Meeting
4. To preside over the Shareholders' Meeting.

In this regard, the Board of Directors has appointed Mr. Chan Soo Lee, an independent director, to participate in determining the agenda for the Board of Directors' Meeting.

## **(2) Nomination of directors and senior executives**

### **Nomination of directors**

The Remuneration, Nomination and Sustainable Development Committee is responsible for selecting and nominating person who has qualifications, knowledge, and experience in accordance with the criteria specified by the Company for the Board of Directors to approve before proposing to the Shareholders' Meeting for appointment. During 1 September 2022 to 31 December 2022, the Company gave shareholders an opportunity to propose candidates to be nominated as directors via the Company's website. However, none of the shareholders proposed a qualified candidate.

2023 Annual General Meeting of Shareholder resolved the appointment of 5 former directors, namely Mr. Suchin Wanglee, Mr. Pitiphong Bisalputra, Dr. Saran Wanglee, Mr. Kiet Srichomkwan and Mrs. Phronpun Phornprapha, whose terms of office had expired for another term.

Details of the nomination of directors are reported in section 6.1 Overview of Corporate Governance Policies and Practices, Principle 3: an effective board development.

### **Nomination of senior executives**

The Remuneration, Nomination and Sustainable Development Committee is responsible for recruiting and screening persons with appropriate qualifications, abilities, and experiences to propose to the Board of Directors in order to appoint to be a senior executive in the position of the Chief Executive Officer and the President including considering the remuneration to propose to the Board of Directors.

In 2023, the Company considered renewing the work contract of Mr. Pitiphong Bisalputra, Chief Executive Officer and President, as well as determine the appropriate remuneration.

The nomination of senior executives is reported in section 6.1 Overview of Corporate Governance Policies and Practices, Principle 4: Nomination and development of senior executives and personnel management.

### Directors and Executives development

The Company encourages directors and executives to attend training courses, seminars or various meetings to enhance knowledge and ability. In 2023, directors and executives attended training, seminars and meetings as follows:

Directors	Course/Seminar/Meeting
Gen. Montree Sungkasap	<ul style="list-style-type: none"> <li>- Seminar on the Strong Securities Issuer Project, topic "Role and Duties of Directors and Executives of Listed Companies" Organized by the Securities and Exchange Commission</li> <li>- Seminar on "Importance of the Audit Committee and Confidence in the Thai Capital Market" Organized by the Stock Exchange of Thailand</li> </ul>
Mrs. Wanida Chansikarin	<ul style="list-style-type: none"> <li>- Seminar on "Importance of the Audit Committee and Confidence in the Thai Capital Market" Organized by the Stock Exchange of Thailand</li> </ul>
Dr. Saran Wanglee	<ul style="list-style-type: none"> <li>- Board Nomination and Remuneration Program (BNCP On-Site) training course, class 18 Organized by the Thai Institute of Directors Association</li> </ul>
Mr. Anak Wanglee	<ul style="list-style-type: none"> <li>- Director Accreditation Program (DAP Online) training course, class 209 Organized by the Thai Institute of Directors Association.</li> <li>- Training on the e-Learning CFO Refresher course on the topic "Sustainable Business Operations (ESG) Issues Related to Operational Strategy Disclosure of information and financial reports of listed companies" Organized by the Stock Exchange of Thailand</li> </ul>



**8.1.2 Meeting attendance and remuneration of individual director**  
**Meeting attendance of the Board of Directors and Sub-Committees in 2023**

No.	Directors	Board of Directors (7 Times)	Non-Executive Directors (1 Times)	Audit Committee (10 Times)	Remuneration, Nomination & CG Committee (3 Times)	Risk Management Committee (5 Times)	Investment Committee (4 Times)	Executive Board (51 Times)	Annual General Meeting of Shareholders
1.	Mr. Suchin Wanglee	7/7	1/1	-	-	-	-	-	1/1
2.	Mr. Pithong Bisalputra	7/7	-	-	-	5/5	4/4	50/51	1/1
3.	Mr. Kiet Srichomkwan	7/7	1/1	10/10	-	-	-	-	1/1
4.	Gen. Montree Sungkasap	7/7	1/1	10/10	3/3	-	-	-	1/1
5.	Mr. Nipol T. Jeerawong	7/7	1/1	-	3/3	5/5	3/4	-	1/1
6.	Mrs. Wanida Chansikarin	7/7	1/1	10/10	-	-	-	-	1/1
7.	Mr. Chan Soo Lee	7/7	1/1	-	-	-	-	-	1/1
8.	Mrs. Phornpun Phornprapha	6/7	1/1	-	3/3	-	-	-	1/1
9.	Mr. Vuttichai Wanglee	7/7	1/1	-	-	-	-	-	1/1
10.	Miss Jittinan Wanglee	5/7	1/1	-	-	-	-	-	1/1
11.	Dr. Saran Wanglee	7/7	-	-	-	-	-	42/51	1/1
12.	Mr. Anak Wanglee	4/4	-	-	-	3/5	4/4	44/51	-
13.	Mr. Anin Wanglee	4/4	-	-	-	1/1	-	43/51	-
14.	Mr. Thamnu Wanglee	2/2	-	-	-	-	-	-	1/1
15.	Ms. Charuwan Chabchamrun	2/2	-	-	-	-	-	-	1/1
16.	Mrs. Nalina Bodharamik	-	-	-	-	5/5	-	47/51	-
17.	Miss Anukul Thitikulrat	-	-	-	-	4/4	-	-	-

**Note:**

No.12 was appointed as a director on 10 May 2023 in replacement of Mr. Thamnu Wanglee

No.13 was appointed as a director on 10 May 2023 in replacement of Ms. Charuwan Chabchamrun and was appointed as a member of the Risk Management Committee on 7 November 2023 in replacement of Miss Anukul Thitikulrat

No.14 was vacated from the position of a director on 21 April 2023 due to resignation

No.15 was vacated from the position of a director on 21 April 2023 due to resignation

No.17 was vacated from the position of a member of the Risk Management Committee on 30 September 2023 due to resignation

**Remuneration of Directors**

The Board of Directors determines the directors' remuneration taking into consideration the duty, responsibility and the performance comparing with other similar business companies including the dividends paid to shareholders. The 2021 Annual General Meeting of Shareholders resolved to approve the remuneration of directors and subcommittees as follows:

## 1. Cash remuneration

It is divided into 2 types as follows:

## 1.1 Meeting Allowance: Paid to directors and subcommittees who attend the meeting.

The rates of payment per meeting attendance are as follows.

Board/Committee	Chairman (Baht/Times)	Director (Baht/Times)
Board of Directors	30,000	20,000
Audit Committee	30,000	20,000
Remuneration, Nomination and Sustainable Development Committee	20,000	10,000
Risk Management Committee	20,000	10,000
Investment Committee	20,000	10,000

## 1.2 Bonus: Paid to the Board of Directors in the amount of 2,300,000 Baht. The Chairman of the Board and the Chief Executive Officer are paid 2 times.

## 2. Other remuneration

The Company does not provide any other remuneration or benefits to the directors.

### Summary of Remuneration for Board of Directors in 2023

No.	Names	Board of Directors	Non-Executive Directors	Audit Committee	Remuneration, Nomination & SD Committee	Risk Management Committee	Investment Committee	Director's Bonus	Total
1.	Mr. Suchin Wanglee	210,000	30,000	-	-	-	-	287,500	527,500
2.	Mr. Pitiphong Bisalputra	140,000	-	-	-	50,000	80,000	287,500	557,500
3.	Mr. Kiet Srichomkwan	140,000	20,000	300,000	-	-	-	143,750	603,750
4.	Gen. Montree Sungkasap	140,000	20,000	200,000	60,000	-	-	143,750	563,750
5.	Mr. Nipol T. Jeerawong	140,000	20,000	-	30,000	100,000	30,000	143,750	463,750
6.	Mrs. Wanida Chansikarin	140,000	20,000	200,000	-	-	-	143,750	503,750
7.	Mr. Chan Soo Lee	140,000	20,000	-	-	-	-	143,750	303,750
8.	Mrs. Phompun Phomprapha	120,000	20,000	-	30,000	-	-	143,750	313,750
9.	Mr. Vuttichai Wanglee	140,000	20,000	-	-	-	-	143,750	303,750
10.	Miss Jittinan Wanglee	100,000	20,000	-	-	-	-	143,750	263,750
11.	Dr. Saran Wanglee	140,000	-	-	-	-	-	143,750	283,750
12.	Mr. Anak Wanglee	80,000	-	-	-	30,000	40,000	-	150,000
13.	Mr. Anin Wanglee	80,000	-	-	-	10,000	-	-	90,000
14.	Mr. Thamnu Wanglee	40,000	-	-	-	-	-	143,750	183,750
15.	Ms. Charuwan Chabchamrun	40,000	-	-	-	-	-	143,750	183,750
16.	Prof. Hiran Radeesri	-	-	-	-	-	-	143,750	143,750
17.	Mrs. Nalina Bodharamik	-	-	-	-	50,000	-	-	50,000
18.	Miss Anukul Thitikulrat	-	-	-	-	40,000	-	-	40,000
	<b>Total</b>	<b>1,790,000</b>	<b>190,000</b>	<b>700,000</b>	<b>120,000</b>	<b>280,000</b>	<b>150,000</b>	<b>2,300,000</b>	<b>5,530,000</b>

**Note:**

No.1 Chairman of the Board of Directors' total remuneration does not include that of the position of an advisor to the Executive Board, which are salary, bonus, and provident fund contributions. Total remuneration for the whole year is 9,219,160 Baht.

No.2 Chief Executive Officer and Chairman of the Investment Committee

No.3 Chairman of the Audit Committee

No.4 Chairman of the Remuneration, Nomination and Sustainable Development Committee

No.5 Chairman of the Risk Management Committee's total remuneration does not include that of the position of an advisor to the Chairman, which are salary, bonus and provident fund contributions. Total remuneration for the whole year is 5,679,500 Baht.

No.12 was appointed as a director on 10 May 2023 in replacement of Mr. Thamnu Wanglee

No.13 was appointed as a director on 10 May 2023 in replacement of Ms. Charuwan Chabchamrun and was appointed as a member of the Risk Management Committee on 7 November 2023 in replacement of Miss Anukul Thitikulrat

No.14 was vacated from the position of a director on 21 April 2023 due to resignation

No.15 was vacated from the position of a director on 21 April 2023 due to resignation

No.16 was vacated from the position of director due to the expiration of term of office in 2022. Received a director's bonus based on the performance in 2022.

No.18 was vacated from the position of a member of the Risk Management Committee on 30 September 2023 due to resignation.

**8.1.3 Supervision of subsidiaries and associated companies**

The Company has established guidelines for supervising subsidiaries and associated companies by appointing a representative to be director in the associated companies in proportion to the shareholding to supervise the management of the associated companies. The representative directors must perform in accordance with the objectives, regulations, resolutions of the Board and shareholders meeting as well as related laws of associated companies; set directions, strategies, policies, and business plans to be in line with the Company's direction; report to the Company on the operations; also consider and vote at associated companies Board meetings.

The Company requires the associated company to disclose important information to the Company, such as operating performance, financial statements, and important operational issues. The associated company is also supervised to have appropriate internal control systems, internal audit, compliance, and risk management to the size and complexity of the business.

#### **8.1.4 Monitoring to ensure compliance with corporate governance policies and guidelines**

The Company has paid attention to compliance with the Corporate Governance Policy and Code of Conduct. In 2023, the Company received an Excellent CG Scoring from the Corporate Governance Report of Thai Listed Company and received 93 score for the assessment of the Shareholders' Meeting.

The Company has monitored on compliance with the corporate governance principles in 4 other issues as follows:

##### **(1) Prevention of conflict of interest**

The Company determines that the personnel should avoid any action that competes with the Company or making transactions related to oneself that might cause conflicts of interest. The Company required directors, executives, and vice presidents to prepare a report on interest and review such report annually.

The details of the prevention of conflicts of interest were reported in section 6.1 Overview of Corporate Governance Policies and Practices, Principle 6: Risk management supervision and internal control systems.

In 2023, neither director nor executive of the Company took any position of director in other rival company. There were no related party transactions that might cause conflicts of interest with the Company.

##### **(2) Exploitation of internal information**

The Board of Directors establishes a policy to prevent the exploited use of internal information by the Board of Directors, executives and employees including related persons such as spouses and underage children. Any violator would be punished.

Details on the supervision of the use of internal information were provided in a report in section 6.1 Overview of Corporate Governance Policies and Practices, Principle 6: Risk management supervision and internal control systems.

In the previous year, Directors who traded in the Company's securities prepared a securities trading report (Form 59) within the specified period. There were no securities trading transactions during the silent period.

## NKI's shareholding of the Board of Directors and Executives

	Name	Share Capital (Shares)					
		As of		As of		Increase (Decrease)	
		28 December 2023		30 December 2022		During Financial Year	
		Held Personally	Held by Spouse/ Minor Child	Held Personally	Held by Spouse/ Minor Child	Held Personally	Held by Spouse/ Minor Child
1.	Mr. Suchin Wanglee	3,723,769	1,295,000	3,623,127	1,260,000	100,642	35,000
2.	Mr. Pitiphong Bisalputra	174,470	-	169,756	-	4,714	-
3.	Mr. Kiet Srichomkwan	44,181	-	42,987	-	1,194	-
4.	Gen. Montree Sungkasap	-	-	-	-	-	-
5.	Mr. Nipol T. Jeerawong	61,181	37,530	59,528	36,516	1,653	1,014
6.	Mrs. Wanida Chansikarin	3,912	-	3,807	-	105	-
7.	Mr. Chan Soo Lee	365,206	-	355,336	-	9,870	-
8.	Mrs. Phornpun Phornprapha	-	-	-	-	-	-
9.	Mr. Vuttichai Wanglee	645,034	14,921	627,601	14,518	17,433	403
10.	Miss Jittinan Wanglee	252,323	-	245,504	-	6,819	-
11.	Dr. Saran Wanglee	204,921	-	199,383	-	5,538	-
12.	Mr. Anak Wanglee	75,046	-	73,018	-	2,028	-
13.	Mr. Anin Wanglee	111,043	-	108,043	-	3,000	-
14.	Mr. Thamnu Wanglee	473,200	17,860	460,411	17,378	12,789	482
15.	Ms. Charuwan Chabchamrun	-	-	-	-	-	-
16.	Mrs. Nalina Bodharamik	-	-	-	-	-	-
17.	Miss Anukul Thitikulrat	-	-	-	-	-	-
	<b>Total</b>	<b>6,134,286</b>	<b>1,365,311</b>	<b>5,968,501</b>	<b>1,328,412</b>	<b>165,785</b>	<b>36,899</b>

### (3) Anti-Corruption

In 2023, Anti-Corruption Working Team (“the Working Team”) reviewed the Anti-Corruption Policy and Measures to be in accordance with the guidelines of Thai Private Sector Collective Action against Corruption and other relevant laws including changed rules, regulations, legal requirements, and business of the Company. The Working Team proposed a reviewed version of the Anti-Corruption Policy and Measures to the Remuneration, Nomination and Sustainable Development Committee to consider and approve before proposing to the Board of Directors for approval in the meeting No. 6/2023 held on 7 November 2023.

The Working Team communicated the Policies and Measures via the Company's intranet system for employees to be acknowledged and learn through Navakij Training Campus system between 6-28 December 2023. The Company also communicated the mentioned Policies and Measures to third parties,

such as partners, business partners and associated companies via the Company's website and electronic mail and also specified conditions on Anti-Corruption in the commercial contract. In addition, the Company also invited business partners to join as members of Thailand Private Sector Collective Action Coalition Against Corruption.

The Company categorizes corruption risk in operational risks and requires all departments to assess operational risks as well as prepare a risk mitigation plan annually. The Office of Risk Management would monitor and summarize the risks, give advice on the preparation of a risk management plan and report to the Risk Management Committee.

The Company was recertified as a member of the Thai Private Sector Collective Action against Corruption. The Company was certified for the first time in 2015 and recertified in 2018 and 2021.

#### **(4) Whistleblowing**

The Company establishes the Whistleblowing Policy to enable stakeholders to make suggestions, complaints, or whistleblowing actions that might imply misconduct by the Company's employees. The Company did not receive any corruption complaints in the year 2023.

#### **(5) Compliance with Code of Conduct**

In 2023, the Company did not find any significant violation of the policies and guidelines against Code of Conduct.

#### **(6) Information and information system security incident monitoring**

Employees acknowledge and comply with the Personal Data Protection Policy for stakeholders, Information Security Policy and Information Technology Risk Management. In 2023, the Company did not find any significant violation of aforementioned policies. Incidents of information leakage or misuse were also not found.

#### **(7) Tax management**

The Company committed to tax operations in accordance with the laws and regulations of the government taxation and Tax Policy of the Company by managing tax correctly, punctually, with complete accounting records. The Company regularly reviewed tax calculations and kept reports in proper format without any tax evasion. The Company will study the tax implications when implementing new projects or transactions, including when there are new tax laws or policies to proceed correctly as required by law. The Company considers using tax reduction measures as supported by the government to achieve maximum benefit to the Company and stakeholders and not seek opportunities from irregular tax structures or taking any actions that are tax evasion. The Company also cooperates with government sectors in preparing tax information to ensure that the Company conducts tax operations transparently and in accordance with the law.

## **8.2 Report on the performance of the subcommittees in the past year**

### **8.2.1 Number of meetings and attendance of the Audit Committee**

Show details in “8.1.2 Meeting attendance and remuneration of individual director”

### **8.2.2 Performance of the Audit Committee**

Show details in “Report of the Audit Committee”

## **8.3 Summary on the performance of other sub-committees**

### **8.3.1 Report on the performance of the Remuneration, Nomination and Sustainable Development Committee**

Show details in “Report of the Remuneration, Nomination and Sustainable Development Committee”

### **8.3.2 Report on the performance of the Risk Management Committee**

Show details in “Report of the Risk Management Committee”

### **8.3.3 Report on the performance of the Investment Committee**

Show details in “Report of the Investment Committee”

### **8.3.4 Report on the performance of the Executive Board**

Show details in “Report of the Executive Board”



## **9 Internal control and related parties transaction**

### **9.1 Internal control**

#### **9.1.1 The opinion of the Board of Directors on internal control system**

The Board of Directors Meeting No.1/2024 on 19 February 2024 in which the Audit Committee attended, considered the Company's internal control systems sufficiency evaluation form in 5 areas which were the control environment, the risk assessment, the control activities, the information, and communication as well as the monitoring activities. The internal control system, which was assessed according to the evaluation form of the Securities and Exchange Commission (SEC), was reviewed by the Audit Committee, taking into consideration the management interrogation, the Audit Committee's opinion, and the Office of Internal Audit's internal control report.

The Board of Directors was of the opinion that the Company has an adequate and appropriate internal control system. The Company provided sufficient personnel to operate according to the system effectively. The Office of Internal Audit staff did not have knowledge of auditing information systems, so the Company provided an outsource expert to audit the information systems. In 2023, the outsource experts audited the IT governance and risk management, cyber crimes as well as ISO 27001 standard.

The Company prepared the Risk Management Policy in accordance with various determined criteria which was considered appropriate for the Company together with the risk assessment reports. The Risk Management Committee was assigned to monitor the Company's risk management results quarterly.

The Company abided by the Good Corporate Governance Policy for the benefits of the insureds, employees, shareholders and society. The Company joined Thai Private Sector Collective Action against Corruption for transparent and ethic operation, complied with business-related laws, and provided valuable and quality insurance coverage.

The Audit Committee Meeting No. 1/2015 on 8 January 2015 agreed to appoint Mr. Phisit Photisatian to be the head of the Office of Internal Audit from 1 January 2015 because of his appropriate educational background, training, and experience. The Office of Internal Audit reported directly to the Audit Committee.

The appointment, removal, transfer, and performance evaluation of the head of the Office of Internal Audit shall be approved by the Audit Committee. The qualifications and responsibilities of the head of the Office of Internal Audit are presented in attachment 3.

## **9.2 Related transactions**

### **Definition of related transactions**

The Company and related businesses are bound to conduct transactions with one another in such ways as through shareholding, common directors or business transaction arose in the ordinary course of business based on market terms and conditions. They are disclosed in notes to the financial statements, under item 33 as shown in “Section 3 Financial Report”.

### **Procedures for approving related transactions**

The Board of Directors has approved guidelines and procedures for related transactions to ensure the Company’s best interest. The management and/or the person authorized by the management are authorized to make related transactions that are normal business or normal business support under traditional business practices e.g. insurance or investment transactions. The directors and management who hold positions of executive and vice president shall prepare the interest reports annually of which the information is used for checking related transactions. The management shall propose the transactions that require approval in compliance with rules and procedures prescribed by laws to the Audit Committee, the Board of Directors and the shareholders’ meeting for approval respectively. The complete information of such transactions shall be disclosed. The directors, executives or stakeholders who have an interest shall neither participate in consideration nor vote on those transactions.

### **Policy or tendency of related transactions process in the future**

Future related transactions shall be conducted by implementing fairly and transparently as well as complying with rules and regulations of the Notification of the Securities and Exchange Commission.

# SECTION 3

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## FINANCIAL STATEMENTS

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## Report of the Board of Directors' responsibilities for the financial statements

The Board of directors puts strong emphasis on the principles of Good Corporate Governance and supervised the financial reports presented in the annual report. Such financial reports were prepared in accordance with Thai Financial Reporting Standards, applying the appropriate accounting policies and consistently adhered with careful discretion and best estimation in the preparation. Moreover, significant information which was disclosed sufficiently in the notes to financial statements benefited shareholders and investors in a transparent manner.

The Board of Directors has provided and maintained the appropriate and efficient internal control system to reasonably ensure that the accounting data are accurate, complete, and sufficient to maintain its assets and to prevent fraud and materially irregular operation.

The Audit Committee that comprises independent directors has been assigned by the Board of Directors to take charge of the Company's financial reports and internal control quality matters. The Audit Committee's opinion regarding this issue is disclosed in this annual report under the section of the Audit Committee's report.

The Board of Directors is of the opinion that the overall internal control system of the Company is sufficient, appropriate, able to build the confidence that the financial statement of the Company for the year ended 31 December 2023 is reliable, complies with relevant laws and regulations as well as in accordance with Thai Financial Reporting Standards.



**Suchin Wanglee**  
Chairman of the Board of Directors



**Pitiphong Bisalputra**  
CEO & President

The Navakij Insurance Public Company Limited  
Report and financial statements  
31 December 2023

## **Independent Auditor's Report**

To the Shareholders of The Navakij Insurance Public Company Limited

### **Opinion**

I have audited the accompanying financial statements, in which the equity method is applied, of The Navakij Insurance Public Company Limited, which comprise the statement of financial position as at 31 December 2023, and the related statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of The Navakij Insurance Public Company Limited for the same period.

In my opinion, the financial statements, in which the equity method is applied, referred to above present fairly, in all material respects, the financial position of The Navakij Insurance Public Company Limited as at 31 December 2023, its financial performance and cash flows for the year then ended and the separate financial statements of The Navakij Insurance Public Company Limited in accordance with Thai Financial Reporting Standards.

### **Basis for Opinion**

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. 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 are described below.

### ***Insurance premium recognition***

In 2023, the Company had revenue from insurance premiums amounting to Baht 3,823.8 million, which were derived from retail insured and had a large number of policies. The insurance premiums are collected from variety customers and insurance premiums amount rely on the processing of information technology system. I therefore focused on examining that insurance premium was correctly recognised as actually incurred.

I have assessed and tested the internal controls of information technology system and its internal controls with respect to underwriting, insurance premiums calculation and revenue recognition of insurance premiums by making enquiry of responsible executives, gaining an understanding and selecting representative samples to test the operation of the designed controls. In addition, I selected representative samples of insurance policies to assess whether revenue recognition was consistent with conditions specified in the insurance policies. I reviewed the insurance policies and endorsement transactions occurring during the accounting period, before and after period-end, which were recognised as revenues of the Company. In addition, I performed analytical procedures to compare insurance premiums recognised throughout the period and tested on sampling basis for accounting entries related to insurance premiums made through journal vouchers.

### ***Insurance contract liabilities - claim reserves and outstanding claims***

Insurance contract liabilities - claim reserves and outstanding claims account is significant to the financial statements. As at 31 December 2023, the Company had claim reserves and outstanding claims amounted to Baht 1,023.1 million (representing 26 percent of total liabilities). Claim reserves and outstanding claims normally includes both claims incurred and reported and claims incurred but not reported, which were calculated by the Company's management using actuarial techniques. The key assumptions applied were based on historical data and required the management to exercise substantial judgement in estimating such reserves, so I addressed the adequacy of claim reserves and outstanding claims as a key audit matter. In addition, such claim reserves and outstanding claims are directly relevant to claim reserves refundable from reinsurers which were also calculated by the Company's management using actuarial techniques. As at 31 December 2023, the Company had claim reserves refundable from reinsurers amounting to Baht 166.8 million.

I have assessed and tested the internal controls relevant to claims, loss adjustments, estimation of claim reserves and outstanding claims, and reinsurance by making enquiry of responsible executives regarding the criteria and assumptions used in the estimates made by the actuary. Performed random test reported claims and major claims file, and performed analytical procedures on the frequency of claims and average loss per claim. In addition, I reviewed the actuarial report to assess whether it was consistent with the reserve recognised, assessed the assumptions and methods used in the calculation of the reserves, test the data used by the actuary in calculating the reserves. Moreover, I also reviewed the estimates of insurance reserves refundable from reinsurers.

### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Company, but does not include the financial statements and my auditor's report thereon. The annual report of the Company is expected to be made available to me after the date of this auditor's report.

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.

When I read the annual report of the Company, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

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

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

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

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

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

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

Narissara Chaisuwan  
Certified Public Accountant (Thailand) No. 4812

EY Office Limited  
Bangkok: 19 February 2024

**The Navakij Insurance Public Company Limited**

**Statements of financial position**

**As at 31 December 2023**

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		31 December	31 December	31 December	31 December
		2023	2022	2023	2022
<b>Assets</b>					
Cash and cash equivalents	6	187,964,771	293,466,693	187,964,771	293,466,693
Premium receivables	7	608,865,352	557,809,721	608,865,352	557,809,721
Accrued investment income		8,006,135	6,187,364	8,006,135	6,187,364
Reinsurance assets	8	580,254,609	663,462,167	580,254,609	663,462,167
Reinsurance receivables	9	234,986,796	395,973,799	234,986,796	395,973,799
Investment assets					
Investments in securities	10.1	3,650,126,203	3,419,999,695	3,650,126,203	3,419,999,695
Loans and interest receivables	11	491,492	686,989	491,492	686,989
Investments in associates	12.1	17,037,797	21,149,002	22,574,882	33,337,976
Property, building and equipment	13	353,940,595	337,559,369	353,940,595	337,559,369
Right-of-use assets	14.1	26,572,816	28,215,001	26,572,816	28,215,001
Intangible assets	15	13,836,200	16,543,913	13,836,200	16,543,913
Deferred tax assets	16.1	270,678,136	242,352,174	269,570,720	239,914,380
Other assets					
Claims receivable from litigants	17	127,183,251	107,569,537	127,183,251	107,569,537
Deposits on rice field insurance scheme		11,801,423	80,210,983	11,801,423	80,210,983
Others		77,972,520	109,448,535	77,972,520	109,448,535
<b>Total assets</b>		<b>6,169,718,096</b>	<b>6,280,634,942</b>	<b>6,174,147,765</b>	<b>6,290,386,122</b>

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

**The Navakij Insurance Public Company Limited**

**Statements of financial position (continued)**

**As at 31 December 2023**

(Unit: Baht)

	Note	Financial statements in which			
		the equity method is applied		Separate financial statements	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
<b>Liabilities and equity</b>					
<b>Liabilities</b>					
Insurance contract liabilities	18	3,138,757,064	3,058,558,266	3,138,757,064	3,058,558,266
Due to reinsurers	19	488,953,718	665,223,974	488,953,718	665,223,974
Income tax payable		3,936,194	18,442,399	3,936,194	18,442,399
Lease liabilities	14.2	37,086,020	36,804,175	37,086,020	36,804,175
Employee benefit obligations	20	74,159,806	67,423,858	74,159,806	67,423,858
Other liabilities					
Fee and commission payables		93,773,398	101,880,333	93,773,398	101,880,333
Accrued expenses		68,330,577	64,994,559	68,330,577	64,994,559
Others		59,529,512	82,276,441	59,529,512	82,276,441
<b>Total liabilities</b>		<b>3,964,526,289</b>	<b>4,095,604,005</b>	<b>3,964,526,289</b>	<b>4,095,604,005</b>
<b>Equity</b>					
Share capital	21				
Registered, Issued and paid up					
37,000,000 ordinary shares of Baht 10 each					
(2022: 36,000,000 ordinary					
shares of Baht 10 each)		370,000,000	360,000,000	370,000,000	360,000,000
Share premium		647,294,382	647,285,572	647,294,382	647,285,572
Retained earnings					
Appropriated					
Statutory reserve	22	37,000,000	36,000,000	37,000,000	36,000,000
General reserve		20,000,000	20,000,000	20,000,000	20,000,000
Unappropriated		1,148,359,358	1,075,801,410	1,133,844,516	1,025,791,482
Other components of equity		(17,461,933)	45,943,955	1,482,578	105,705,063
<b>Total equity</b>		<b>2,205,191,807</b>	<b>2,185,030,937</b>	<b>2,209,621,476</b>	<b>2,194,782,117</b>
<b>Total liabilities and equity</b>		<b>6,169,718,096</b>	<b>6,280,634,942</b>	<b>6,174,147,765</b>	<b>6,290,386,122</b>

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

The Navakij Insurance Public Company Limited

Statements of income

For the year ended 31 December 2023

(Unit: Baht)

	Financial statements				
	Note	in which the equity method is applied		Separate financial statements	
		2023	2022	2023	2022
<b>Income</b>					
Gross premium written		3,823,848,543	3,666,681,691	3,823,848,543	3,666,681,691
Less: Premiums ceded to reinsurers		(771,788,211)	(871,628,711)	(771,788,211)	(871,628,711)
Net premium written		3,052,060,332	2,795,052,980	3,052,060,332	2,795,052,980
Less: Unearned premium reserves increase					
from prior year		(100,384,078)	(170,199,062)	(100,384,078)	(170,199,062)
Net earned premium		2,951,676,254	2,624,853,918	2,951,676,254	2,624,853,918
Fee and commission income		212,231,675	220,761,549	212,231,675	220,761,549
Investments income	24	99,772,053	80,723,639	99,772,053	80,723,639
Profit (loss) on investments		(14,509,889)	6,969,094	40,714,708	6,969,094
Fair value loss		(8,912,997)	(8,417,948)	(8,912,997)	(8,417,948)
Loss on impairment of investments in associates	12.1	-	-	(10,763,094)	-
Share of gain from investments in associates	12.3	92,646	6,510,357	-	-
Other income		13,307,038	4,396,171	13,307,038	4,396,171
<b>Total income</b>		<b>3,253,656,780</b>	<b>2,935,796,780</b>	<b>3,298,025,637</b>	<b>2,929,286,423</b>
<b>Expenses</b>					
Gross claim and loss adjustment expenses		2,141,032,749	2,071,275,195	2,141,032,749	2,071,275,195
Less: Claim recovery from reinsurers		(289,249,563)	(360,155,576)	(289,249,563)	(360,155,576)
Commission and brokerage expenses		600,008,510	575,795,415	600,008,510	575,795,415
Other underwriting expenses		254,278,047	237,997,091	254,278,047	237,997,091
Operating expenses	25	384,733,505	353,441,557	384,733,505	353,441,557
Financial costs		1,602,330	1,907,055	1,602,330	1,907,055
Expected credit loss	26	18,951,904	5,638,385	18,951,904	5,638,385
Other expenses		-	3,728,656	-	3,728,656
<b>Total expenses</b>	27	<b>3,111,357,482</b>	<b>2,889,627,778</b>	<b>3,111,357,482</b>	<b>2,889,627,778</b>
<b>Profit before income tax expenses</b>		<b>142,299,298</b>	<b>46,169,002</b>	<b>186,668,155</b>	<b>39,658,645</b>
Income tax expenses	16.2	(22,273,925)	(21,326,681)	(31,147,696)	(8,979,690)
<b>Profit for the year</b>		<b>120,025,373</b>	<b>24,842,321</b>	<b>155,520,459</b>	<b>30,678,955</b>
<b>Earnings per share</b>	30				
Basic earnings per share		3.24	0.67	4.20	0.83

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

**The Navakij Insurance Public Company Limited**

**Statements of comprehensive income**

**For the year ended 31 December 2023**

(Unit: Baht)

	Note	Financial statements			
		in which the equity method is applied		Separate financial statements	
		2023	2022	2023	2022
<b>Profit for the year</b>		120,025,373	24,842,321	155,520,459	30,678,955
<b>Other comprehensive income</b>					
Other comprehensive income to be reclassified to profit and loss in subsequent periods					
Loss of exchange on translation of financial statements in foreign currency					
	12.3	(4,203,850)	(9,230,737)	-	-
Loss on changes in value of available-for-sale investments measured at fair value through other comprehensive income					
		(75,053,510)	(38,163,650)	(130,278,106)	(38,163,650)
Add: Income tax effect					
		15,851,472	9,478,878	26,055,621	7,632,730
Other comprehensive income to be reclassified to profit and loss in subsequent periods - net of tax					
		(63,405,888)	(37,915,509)	(104,222,485)	(30,530,920)
Other comprehensive income not to be reclassified to profit and loss in subsequent periods					
Actuarial gain (loss)					
	20	(584,281)	2,885,370	(584,281)	2,885,370
Add (less): Income tax effect					
		116,856	(577,074)	116,856	(577,074)
Other comprehensive income not to be reclassified to profit and loss in subsequent periods - net of tax					
		(467,425)	2,308,296	(467,425)	2,308,296
Other comprehensive loss for the year					
		(63,873,313)	(35,607,213)	(104,689,910)	(28,222,624)
<b>Total comprehensive income (loss) for the year</b>					
		56,152,060	(10,764,892)	50,830,549	2,456,331

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

**The Navakij Insurance Public Company Limited**

**Statements of cash flows**

**For the year ended 31 December 2023**

(Unit: Baht)

	Financial statements			
	in which the equity method is applied		Separate financial statements	
	2023	2022	2023	2022
<b>Cash flows from operating activities</b>				
Direct premium written	3,735,807,723	3,584,276,191	3,735,807,723	3,584,276,191
Cash paid for reinsurance	(211,527,870)	(242,905,642)	(211,527,870)	(242,905,642)
Interest income	33,086,806	27,668,646	33,086,806	27,668,646
Dividend income	58,080,359	59,854,272	58,080,359	59,854,272
Other income	13,734,877	5,981,221	13,734,877	5,981,221
Loss incurred and loss adjustment expenses on direct insurance	(2,097,565,197)	(2,035,446,467)	(2,097,565,197)	(2,035,446,467)
Commission and brokerage on direct insurance	(598,408,776)	(556,183,529)	(598,408,776)	(556,183,529)
Other underwriting expenses	(243,104,108)	(237,324,700)	(243,104,108)	(237,324,700)
Operating expenses	(333,931,177)	(327,401,801)	(333,931,177)	(327,401,801)
Income tax expenses	(49,137,763)	(18,346,101)	(49,137,763)	(18,346,101)
Cash received - financial assets	3,803,221,863	3,350,176,511	3,803,221,863	3,350,176,511
Cash paid - financial assets	(4,130,888,209)	(3,400,645,892)	(4,130,888,209)	(3,400,645,892)
<b>Net cash provided (used in) from operating activities</b>	<b>(20,631,472)</b>	<b>209,702,709</b>	<b>(20,631,472)</b>	<b>209,702,709</b>
<b>Cash flows from investing activities</b>				
Purchases of property, building and equipment	(32,921,838)	(149,924,487)	(32,921,838)	(149,924,487)
Purchases of intangible assets	(1,463,817)	(2,114,371)	(1,463,817)	(2,114,371)
Disposals of property, building and equipment	178,831	974,064	178,831	974,064
Disposals of intangible assets	-	2,059	-	2,059
<b>Net cash used in investing activities</b>	<b>(34,206,824)</b>	<b>(151,062,735)</b>	<b>(34,206,824)</b>	<b>(151,062,735)</b>
<b>Cash flows from financing activities</b>				
Cash received from share capital issuance	8,810	10,500	8,810	10,500
Repayment of lease liabilities	(14,676,786)	(14,653,885)	(14,676,786)	(14,653,885)
Dividend paid	(36,000,000)	(52,499,500)	(36,000,000)	(52,499,500)
<b>Net cash used in financing activities</b>	<b>(50,667,976)</b>	<b>(67,142,885)</b>	<b>(50,667,976)</b>	<b>(67,142,885)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(105,506,272)</b>	<b>(8,502,911)</b>	<b>(105,506,272)</b>	<b>(8,502,911)</b>
Cash and cash equivalents at beginning of year	293,466,693	301,851,326	293,466,693	301,851,326
Add: Allowance for expected credit loss decrease	4,350	118,278	4,350	118,278
<b>Cash and cash equivalents at end of year</b>	<b>187,964,771</b>	<b>293,466,693</b>	<b>187,964,771</b>	<b>293,466,693</b>

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



The Navakij Insurance Public Company Limited  
 Statements of changes in equity  
 For the year ended 31 December 2023

(Unit: Baht)

	Note	Financial statements in which the equity method is applied									
		Issued and paid-up share capital	Share premium	Retained earnings		Unappropriated	Other components of equity			Total other components of equity	Total
				Statutory reserve	General reserve		Appropriated	Exchange differences on translation of financial statements in foreign currency	Surplus (deficit) on changes in value of investments in securities		
<b>Balance as at 1 January 2022</b>		350,000,000	647,275,073	35,000,000	20,000,000	1,112,150,293	(8,196,843)	92,056,307	83,859,464	2,248,284,830	
Profit for the year		-	-	-	24,842,321	-	-	-	-	24,842,321	
Other comprehensive income (loss) for the year		-	-	-	2,308,296	(7,384,589)	(30,530,920)	(37,915,509)	(37,915,509)	(35,607,213)	
Total comprehensive income (loss) for the year		-	-	-	27,150,617	(7,384,589)	(30,530,920)	(37,915,509)	(37,915,509)	(10,764,892)	
Increase share capital	21	10,000,000	10,499	-	-	-	-	-	-	10,010,499	
Transfer unappropriated retained earning to statutory reserve	22	-	-	1,000,000	(1,000,000)	-	-	-	-	-	
Dividend paid	31	-	-	-	(62,499,500)	-	-	-	-	(62,499,500)	
<b>Balance as at 31 December 2022</b>		360,000,000	647,285,572	36,000,000	20,000,000	1,075,801,410	(15,581,432)	61,525,387	45,943,955	2,185,030,937	
<b>Balance as at 1 January 2023</b>		360,000,000	647,285,572	36,000,000	20,000,000	1,075,801,410	(15,581,432)	61,525,387	45,943,955	2,185,030,937	
Profit for the year		-	-	-	120,025,373	-	-	-	-	120,025,373	
Other comprehensive income (loss) for the year		-	-	-	(467,425)	(3,363,080)	(60,042,808)	(63,405,888)	(63,405,888)	(63,873,313)	
Total comprehensive income (loss) for the year		-	-	-	119,557,948	(3,363,080)	(60,042,808)	(63,405,888)	(63,405,888)	56,152,060	
Increase share capital	21	10,000,000	8,810	-	-	-	-	-	-	10,008,810	
Transfer unappropriated retained earning to statutory reserve	22	-	-	1,000,000	(1,000,000)	-	-	-	-	-	
Dividend paid	31	-	-	-	(46,000,000)	-	-	-	-	(46,000,000)	
<b>Balance as at 31 December 2023</b>		370,000,000	647,294,382	37,000,000	20,000,000	1,148,359,358	(18,944,512)	1,482,579	(17,461,933)	2,205,191,807	

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

**The Navakij Insurance Public Company Limited**  
**Statements of changes in equity (continued)**  
**For the year ended 31 December 2023**

(Unit: Baht)

	Note	Separate financial statements							Total
		Issued and paid-up share capital	Retained earnings			Other components of equity - surplus (deficit) on changes in value of investments in securities			
			Share premium	Appropriated		Unappropriated	in securities	Total	
				Statutory reserve	General reserve				
<b>Balance as at 1 January 2022</b>		350,000,000	647,275,073	35,000,000	20,000,000	1,056,303,731	136,235,983	2,244,814,787	
Profit for the year		-	-	-	-	30,678,955	-	30,678,955	
Other comprehensive income (loss) for the year		-	-	-	-	2,308,296	(30,530,920)	(28,222,624)	
Total comprehensive income (loss) for the year		-	-	-	-	32,987,251	(30,530,920)	2,456,331	
Increase share capital	21	10,000,000	10,499	-	-	-	-	10,010,499	
Transfer unappropriated retained earning to statutory reserve	22	-	-	1,000,000	-	(1,000,000)	-	-	
Dividend paid	31	-	-	-	-	(62,499,500)	-	(62,499,500)	
<b>Balance as at 31 December 2022</b>		360,000,000	647,285,572	36,000,000	20,000,000	1,025,791,482	105,705,063	2,194,782,117	
<b>Balance as at 1 January 2023</b>		360,000,000	647,285,572	36,000,000	20,000,000	1,025,791,482	105,705,063	2,194,782,117	
Profit for the year		-	-	-	-	155,520,459	-	155,520,459	
Other comprehensive income (loss) for the year		-	-	-	-	(467,425)	(104,222,485)	(104,689,910)	
Total comprehensive income (loss) for the year		-	-	-	-	155,053,034	(104,222,485)	50,830,549	
Increase share capital	21	10,000,000	8,810	-	-	-	-	10,008,810	
Transfer unappropriated retained earning to statutory reserve	22	-	-	1,000,000	-	(1,000,000)	-	-	
Dividend paid	31	-	-	-	-	(46,000,000)	-	(46,000,000)	
<b>Balance as at 31 December 2023</b>		370,000,000	647,294,382	37,000,000	20,000,000	1,133,844,516	1,482,578	2,209,621,476	

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

## **The Navakij Insurance Public Company Limited**

### **Notes to financial statements**

**For the year ended 31 December 2023**

#### **1. General information**

The Navakij Insurance Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the non-life insurance and has 24 branches located in provinces. The registered office of the Company, which is the head office, is at 100/47-55, and 90/3-6, North Sathorn Road, Silom, Bangrak, Bangkok.

#### **2. Basis for preparation of the 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 guidelines prescribed by the Office of Insurance Commission (“OIC”), and in accordance with the format of financial statements specified in the Notification of the OIC regarding criteria, procedures, conditions and terms for preparation and submission of financial statements of non-life insurance companies B.E. 2566 dated 8 February 2023.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in accounting policies.

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

##### **2.1 Financial statements in which the equity method is applied**

The Company prepares the financial statements, in which equity method is applied, by presented investment in associates under the equity method.

##### **2.2 Separate financial statements**

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

### **3. New financial reporting standards**

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

During the year, the Company has adopted the revised financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

However, the Company applied the temporary exemption for the adoption of Thai Financial Reporting Standard 9 (TFRS 9): Financial Instruments and Thai Financial Reporting Standard 7 (TFRS 7): Disclosure of Information relating to Financial Instruments, which were revised in Thai Financial Reporting Standard 4: Insurance Contracts allowing the extension of the exemption period for the adoption of such TFRS 9 and TFRS 7 whereby the exemption period will end for the financial statements having the fiscal period starts on or after 1 January 2025 or when Thai Financial Reporting Standard 17: Insurances Contracts becomes effective.

The adoption of these financial reporting standards and temporary exemption does not have any significant impact on the Company's financial statements.

#### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2024**

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 2024. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards except TFRS 17 Insurance Contracts, which will supersede TFRS 4 Insurance Contracts, TFRS 9 Financial Instruments (Revised 2023) and TFRS 7 Financial Instruments: Disclosures, which will supersede Thai Accounting Guidance related to financial instruments and disclosures applicable to insurance business. Those standards will be effective for fiscal years beginning on or after 1 January 2025 and involved changes to key principles, summarised below.

## **TFRS 17 Insurance Contracts**

This financial reporting standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts. An entity shall recognise a group of insurance contracts it issues from the earliest of the beginning of the coverage period of the group of contracts, the date when the first payment from a policyholder in the group becomes due and for a group of onerous contracts, when the group becomes onerous. Upon initial recognition, this standard establishes the general model for the measurement whereby an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows represent the estimates of future cash flows, which arise from substantive rights and obligations that exist during the reporting period, and a risk adjustment for non-financial risk. The contractual service margin represents the unearned profit that the entity will recognise as it provides insurance contract services in the future and the release from risk.

However, the Company may adopt either the Variable Fee Approach or Premium Allocation Approach if contracts meet certain requirements under this standard. In addition, this standard requires the entity to present and disclose more information related both qualitative and quantitative information.

## **TFRS 9 Financial Instruments (Revised 2023) and TFRS 7 Financial Instruments: Disclosures**

These standards will require an entity to reclassify and measure financial instruments to at fair value or amortised cost based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, on the basis of the facts and circumstances in existence that exist at the initial date of application whereby an entity will classify as financial assets measured at amortised cost, financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income and there will be a change in the method of recognition profit and loss after initial recognition depends on the type of instrument and its classification.

However, the Company's management is in the process of assessment of the impact to financial statement for the year that such standards will be effective.

## 4. Summary of significant accounting policies

### 4.1 Product classification

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

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

The Company classifies all insurance contracts as short-term insurance contracts, which means insurance contracts that have coverage periods of up to 1 year and no automatic renewal clause, as well as insurance contracts that have coverage periods of more than 1 year and the Company can terminate, increase or decrease insurance premiums or change any benefits of the insurance contracts throughout the coverage period.

### 4.2 Revenue recognition

#### (a) Gross premium written

Gross premium written consists of direct premium and reinsurance premium less premium of canceled policies and premiums refunded to policyholders.

Direct premium is recognised as income on the date the insurance policy comes into effect at the amount specify in the policies.

Reinsurance premium is recognised as income on the date the insurance policy comes into effect, or when the reinsurer places the statement of accounts with the Company.

#### (b) Fee and commission income

Fee and commission income from ceded premium are recognised as income when incurred.

- (c) Interest income and dividends received from investments

*Interest income*

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

*Dividends received*

Dividends are recognised as revenue when the right to receive the dividends is established.

- (d) Profit (loss) on investments

Profit (loss) on investments consist of profit (loss) on disposal of investments and impairments of investments and present net of related expenses. Profit (loss) on investments are recognised as revenues or expenses on the transaction date.

- (e) Fair value gain (loss)

Fair value gain (loss) consist of gain (loss) from the change in fair value of financial instrument. The Company recognises in profit or loss on the fair value measurement date.

#### **4.3 Expenses recognition**

- (a) Premiums ceded to reinsurer

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

- (b) Claim and loss adjustment expense

Claim and loss adjustment expense consist of claim and loss adjustment expenses of direct insurance and reinsurance of both reported and not reported, and include the amounts of claim, related expenses, and claim adjustments of current and prior period incurred during the year, less residual value and other recoveries (if any), and claim recovery from reinsurers.

Claims recovery from reinsurer is recognised when claim and loss adjustment expenses are recorded as the condition in the relevant reinsurance contract.

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

Claim and loss adjustment expenses of reinsurance are recognised when the reinsurer places the loss advice with the Company.

(c) Commission and brokerage expenses

Commission and brokerage expenses are expended when incurred.

(d) Other underwriting expenses

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

(e) Operating expenses

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

(f) Finance cost

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

#### **4.4 Cash and cash equivalents**

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

#### **4.5 Premium receivables and allowance for doubtful accounts**

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

Increase (decrease) in allowance for doubtful accounts is recorded as expenses during the year.

#### **4.6 Reinsurance assets**

Reinsurance assets consist of insurance reserve refundable from reinsurers which is estimated based on the related reinsurance contract of loss reserves and outstanding claim in accordance with the law regarding insurance reserve calculation, and unearned premium reserves.



The Company set up an allowance for doubtful accounts of reinsurance assets when had indicator for impairment, based on loss that may be incurred due to uncollectible, taking into account collection experience, aged of balance, and the status of receivables from reinsurers as at the end of the reporting periods.

Increase (decrease) in allowance for doubtful accounts is recorded as expenses during the year.

#### **4.7 Reinsurance receivables and due to reinsurers**

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

Amounts due from reinsurers consist of inward premium receivable, accrued fee and commission income, claim and various other items receivable from reinsurers, less allowance for doubtful accounts. The Company set up an allowance for doubtful accounts for loss 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) Due to reinsurers are stated at the outstanding balance of amount due to reinsurers and amounts withheld on reinsurance.

Amounts due to reinsurers consist of reinsurance premiums, and other items payable to reinsurers, excluding loss reserve from reinsurance.

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

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

#### **4.8 Financial instruments**

- (a) Investments in securities

Trading investments are stated at fair value. Change in the fair value of these investments are recorded in profit or loss. Investments are classified as trading investments if the Company intends to sell them in the near future.

Available-for-sale investments are stated at fair value. Change in the fair value of these investments are recorded in other comprehensive income.

Investments in debt instruments, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt instruments is amortised by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.

Investments in non-marketable equity instruments (non-listed company) are stated at fair value and classified as available-for-sale investments. Change in the fair value of these investments are recorded in other comprehensive income.

The fair value of marketable securities is based on the latest bid price of the last working day of the period. The fair value of debt instruments is determined based on yield rate quoted by the Thai Bond Market Association. The fair value of unit trust is determined from its net asset value. The fair value of non-marketable equity instruments is determined using generally accepted pricing model or approximated to their net book value if the fair value cannot be reliably estimated.

The weighted average method is used for computation of the cost of investments.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in the statements of income.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in statements of income or recorded as revaluation surplus or deficit in other components of equity, depending on the type of investment that is reclassified.

At end of reporting period, available-for-sale investments and investments in held-to-maturity of debt instruments are stated net of an allowance for impairment or an allowance for expected credit loss (if any).

(b) Loans and interest receivables

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

(c) Classification and measurement of financial liabilities

At initial recognition the Company's financial liabilities are recognised at fair value net of transaction costs and classified as liabilities to be subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of income when the liabilities are derecognised as well as through the EIR amortisation process.

(d) 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 the Company has transferred substantially all the risks and rewards of the asset, or the Company has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(e) Impairment of financial assets

The Company recognises expected credit loss on its financial assets measured at amortised cost and financial assets that are debt instruments which are classified as available-for-sale investments using general approach in accordance with Accounting Guidance related to financial instruments. The Company recognises an allowance for expected credit loss at the amount equal to the lifetime expected credit loss when there has been a significant increase in credit risk since initial recognition but that are not credit-impaired or that are impaired. However, if there has not been a significant increase in credit risk since initial recognition, the Company recognised allowance for expected credit loss at the amount equal to the expected credit loss in the next 12 months.

At every reporting date, the Company assesses whether there has been a significant increase in the credit risk of financial assets since initial recognition by considering internal and external credit ratings of the counterparties and overdue status such as over 30 days past due, and if the debtor is more than 90 days past due it is assessed to be credit-impaired.

Expected credit loss is calculated using probability of default (PD), loss given default (LGD) and exposure at default (EAD). The Company assessed PD and LGD by considering the historical loss experience adjusted with current observable data and reasonable and supportable forward-looking information. The Company determines EAD using gross carrying value at the reporting date.

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

For other financial assets or contract assets that do not contain a significant financing component, the Company applies a simplified approach to determine the lifetime expected credit loss. It is based on its historical credit loss experience and adjusted for forward-looking factors specific to the debtors and the economic environment.

Increase (decrease) in allowance for expected credit loss and allowance for impairment is recognised as expenses during the year in statement of income. The Company has a policy to write off any financial assets when it is believed that they will not be collected from the debtor.

#### **4.9 Investments in associates**

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

Investments in associates, as presented in the separate financial statements, are stated at cost net of allowance for impairment (if any). Loss on impairment is recorded as expenses in the statement of income.

#### **4.10 Property, buildings and equipment /Depreciation**

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

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

Buildings	-	20, 40	years
Condominium units	-	20, 40	years
Buildings improvement	-	5, 10, 20	years
Office furniture, fixture and equipment	-	5	years
Motor vehicles	-	5	years

Depreciation is included in determining income.

No depreciation is provided on land and assets under installation.

An item of land, buildings and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset (the difference between the net compensation from disposal of an assets and the carrying amounts) is included in statement of income when the asset is derecognised.

#### 4.11 Intangible assets and amortisation

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

Intangible assets with finite life is amortised 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 asset are reviewed at least at each financial year end. The amortisation expense is charged to statement of income.

The useful life of intangible assets with finite useful life which is computer software is 2, 5 and 10 years.

No amortisation is provided on computer software under development.

#### 4.12 Leases

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

The Company 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 Company recognises right-of-use assets representing the right to use underlying assets and lease liabilities based on lease payments.

##### ***Right-of-use assets***

Right-of-use assets are measured at cost, less accumulated depreciation, any accumulated impairment loss, 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.

Lease buildings	-	3 - 6	years
Office equipment	-	4	years
Motor vehicles	-	3 - 5	years
Computer	-	5	years
Computer software	-	10	years

### ***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 and amounts expected to be payable under residual value guarantees.

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

### ***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.

#### **4.13 Impairment of non-financial assets**

At the end of each reporting period, the Company performs impairment reviews in respect of the investments in associates, property, building and equipment, right-of-use asset or other intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised 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 determining value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by a valuation model that, based on information available, reflects the amount that the Company could obtain from the disposal of the asset in an arm's length transaction between knowledgeable, willing parties, after deducting the costs of disposal.

An impairment loss is recognised in statement of income.

#### 4.14 Insurance contract liabilities

Insurance contract liabilities consist of claim reserve and outstanding claims and premium reserves.

(a) Claim reserve and outstanding claims

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

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

(b) Premium reserves

Premium reserves consist of unearned premium reserve and unexpired risk reserve.

(a) Unearned premium reserve

Unearned premium reserve is calculated based on direct premium before deducting premium ceded as follows:

Transportation (cargo), travelling accident with coverage periods of not over six-months	- 100% of premium as from the date policy is effective, throughout the period of insurance coverage
Others	- Daily average basis by the period of coverage under policy

Outward unearned premium reserve is calculated based on reinsurance premium ceded, as the same method as direct insurance, and recognised for the policy that transfer insurance risk to reinsurer.

The increase or decrease in unearned premium reserves from prior year is to be recognised in statement of income

(b) Unexpired risk reserve

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

As at the end of reporting period, the Company compares the amounts of unexpired risk reserve with unearned premium reserve, and if unexpired risk reserve is higher than unearned premium reserve, the difference is recognised and the unexpired risk reserve is therefore presented in the financial statements.

#### 4.15 Employee benefits

(a) **Short-term employee benefits**

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

(b) **Post-employment benefits**

***Defined contribution plans***

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

***Defined benefit plans***

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

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

Actuarial gain and loss arising from post-employment benefits are recognised immediately in other comprehensive income.

#### 4.16 Provisions

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



#### **4.17 Foreign currencies**

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

Transactions in foreign currencies are translated into Baht at the exchange rates ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rates ruling at the end of reporting period.

Gain and loss on exchange are included in determining income.

#### **4.18 Income tax**

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

##### **Current tax**

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

##### **Deferred tax**

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

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

The Company records deferred tax directly to equity if the tax relates to items that are recorded directly to equity.

#### **4.19 Related party transactions**

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

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

#### **4.20 Fair value measurement**

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

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

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

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

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

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

#### **5. Significant accounting judgements and estimates**

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

##### **5.1 Allowance for doubtful accounts on premium receivables and amounts due from reinsurers**

In determining an allowance for doubtful accounts on premium receivables and amounts due from reinsurers, the management needs to make judgement and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

## **5.2 Allowance for impairment on equity instruments and unit trusts classified as available-for-sale investments and measured at FVOCI**

The Company treats equity instruments and unit trusts classified as available-for-sale investments and measured at FVOCI as impaired when there has been a significant or prolonged decline in the fair value or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

## **5.3 Allowances for expected credit loss of financial assets**

The management is required to use judgement in estimating allowance for expected credit loss of financial assets. The Company’s calculation of allowance for expected credit loss depends on the criteria used for assessment of a significant increase in credit risk, the debtors status analysis and the probability of debt collection. This estimation has various relevant factors; therefore, the actual results may differ from estimates.

## **5.4 Land, buildings and equipment/ Depreciation**

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual values of the Company’s buildings and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review land, buildings and equipment for impairment on a periodical basis and record impairment loss when it is determined that their recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

## **5.5 Deferred tax assets**

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

## **5.6 Loss reserves and outstanding claims**

At the end of each reporting period, the Company has to estimate loss reserves and outstanding claims taking into account two factors. These are claims incurred and reported, and the claims incurred but not yet reported (IBNR). The ultimate loss of outstanding claims is established using a range of standard actuarial claims projection techniques. The main assumptions underlying these techniques relate to various factors. To perform the calculation, it is necessary to perform analysis based on the type of insurance and to use the services of an actuary expertise, experience, and an understanding of the insurance business and the Company’s products. Nevertheless, such estimates are forecasts of future outcomes, and actual results could differ.

## **5.7 Unexpired risk reserve**

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

## **5.8 Post-employment benefits under defined benefit plans**

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

## **5.9 Determining the lease term and estimating the incremental borrowing rate of leases**

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

The Company 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 Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

## **5.10 Allowance for impairment of non-financial assets**

In determining allowance for impairment of a non-financial assets, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, both fair value less costs of disposal calculation and value in use calculation. The calculation is based on a discounted cash flow model which requires various assumptions such as the discount rate used for the model, the expected future cash-inflows and the growth rate used for extrapolation purposes. Change in assumptions could affect the value in use calculation.

## **5.11 Litigation**

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

## **5.12 Recognition and derecognition of assets and liabilities**

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

### 5.13 Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value and disclosures of fair value hierarchy.

### 6. Cash and cash equivalents

	(Unit: Baht)	
	2023	2022
Cash on hand	255,000	257,000
Deposits at banks with no fixed maturity date	187,735,263	263,239,535
Deposits at bank with fixed maturity date	-	30,000,000
Total cash and cash equivalents	187,990,263	293,496,535
Less: Allowance for expected credit loss	(25,492)	(29,842)
Total cash and cash equivalents, net	<u>187,964,771</u>	<u>293,466,693</u>

As at 31 December 2023, current deposits, saving deposits and fixed deposits carried interest between 0.15 and 0.55 percent per annum (2022: between 0.10 and 1.80 percent per annum).

### 7. Premium receivables

As at 31 December 2023 and 2022, the balances of premium receivables from direct insurance are classified by aging from the maturity date under the stipulated law of the premium collection as follows:

	(Unit: Baht)	
	2023	2022
Not yet due	480,713,294	486,073,041
Not over 30 days	68,106,938	54,291,619
Over 31 days to 60 days	33,183,987	10,584,184
Over 61 days to 90 days	10,738,638	2,337,161
Over 91 days to 1 year	16,131,614	5,711,585
Over 1 year	914,835	444,360
Total premium receivables	609,789,306	559,441,950
Less: Allowance for doubtful accounts	(923,954)	(1,632,229)
Total premium receivables, net	<u>608,865,352</u>	<u>557,809,721</u>

For premium receivables due from agents and brokers, the Company has stipulated the collection guideline in accordance with the law of the premium collection. For overdue premium receivables, the Company has the legal process with such agents and brokers.

#### 8. Reinsurance assets

	(Unit: Baht)	
	2023	2022
Insurance reserve refundable from reinsurers		
Claims reserve	166,831,762	235,682,956
Unearned premium reserve	413,422,847	427,779,211
Reinsurance assets	<u>580,254,609</u>	<u>663,462,167</u>

#### 9. Reinsurance receivables

	(Unit: Baht)	
	2023	2022
Amounts deposit on reinsurance	78,124	96,677
Amounts due from reinsurers	234,908,672	395,877,122
Total	<u>234,986,796</u>	<u>395,973,799</u>

As at 31 December 2023 and 2022, the balances of amounts due from reinsurers are classified by aging as follows:

	(Unit: Baht)	
	2023	2022
Not yet due	163,466,161	377,928,645
Not over 1 year	70,800,081	14,753,507
Over 1 year to 2 years	453,615	1,988,697
Over 2 years	188,815	1,206,273
Total amounts due from reinsurers	<u>234,908,672</u>	<u>395,877,122</u>

## 10. Investments in securities

### 10.1 Classified by type of investments

(Unit: Baht)

	Financial statements in which the equity method is applied			
	2023		2022	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<b>Trading investments which are measured at FVPL</b>				
Equity instruments	323,222,808	337,440,697	436,997,809	442,008,200
Unit trusts	154,305,355	72,799,280	156,267,420	92,881,840
<b>Total</b>	<b>477,528,163</b>	<b>410,239,977</b>	<b>593,265,229</b>	<b>534,890,040</b>
Less: Unrealised loss	(67,288,186)		(58,375,189)	
<b>Total</b>	<b>410,239,977</b>		<b>534,890,040</b>	
<b>Available-for-sale investments which are measured at FVOCI</b>				
Government and state enterprise securities	1,149,670,627	1,148,622,357	753,522,060	753,275,350
Private debt securities	867,453,400	864,454,975	771,034,524	766,911,294
Equity instruments	416,750,485	334,914,986	352,880,242	317,735,563
Non-listed equity instruments	30,834,240	184,077,846	104,905,795	273,407,232
Foreign equity instruments	37,200,000	41,500,328	37,200,000	45,784,596
Unit trusts	189,840,900	115,458,103	278,586,317	198,037,460
<b>Total</b>	<b>2,691,749,652</b>	<b>2,689,028,595</b>	<b>2,298,128,938</b>	<b>2,355,151,495</b>
Add: Unrealised gain	1,853,223		76,906,733	
Less: Allowance for expected credit loss	(669,780)		(626,452)	
Less: Allowance for impairment	(3,904,500)		(19,257,724)	
<b>Total</b>	<b>2,689,028,595</b>		<b>2,355,151,495</b>	
<b>Held-to-maturity investments which are measured at amortised cost</b>				
Government and state enterprise securities	20,000,000		30,000,000	
Deposits and certificate of deposits at financial institutions which are matured over 3 months	530,936,557		500,001,007	
<b>Total</b>	<b>550,936,557</b>		<b>530,001,007</b>	
Less: Allowance for expected credit loss	(78,926)		(42,847)	
<b>Total</b>	<b>550,857,631</b>		<b>529,958,160</b>	
<b>Total investments in securities</b>	<b>3,650,126,203</b>		<b>3,419,999,695</b>	

(Unit: Baht)

	Separate financial statements			
	2023		2022	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<b>Trading investments which are measured at FVPL</b>				
Equity instruments	323,222,808	337,440,697	436,997,809	442,008,200
Unit trusts	154,305,355	72,799,280	156,267,420	92,881,840
<b>Total</b>	<b>477,528,163</b>	<b>410,239,977</b>	<b>593,265,229</b>	<b>534,890,040</b>
Less: Unrealised loss	(67,288,186)		(58,375,189)	
<b>Total</b>	<b>410,239,977</b>		<b>534,890,040</b>	
<b>Available-for-sale investments measured at FVOCI</b>				
Government and state enterprise securities	1,149,670,627	1,148,622,357	753,522,060	753,275,350
Private debt securities	867,453,400	864,454,975	771,034,524	766,911,294
Equity instruments	416,750,485	334,914,986	352,880,242	317,735,563
Non-listed equity instruments	30,834,240	184,077,846	49,681,200	273,407,232
Foreign equity instruments	37,200,000	41,500,328	37,200,000	45,784,596
Unit trusts	189,840,900	115,458,103	278,586,317	198,037,460
<b>Total</b>	<b>2,691,749,652</b>	<b>2,689,028,595</b>	<b>2,242,904,343</b>	<b>2,355,151,495</b>
Add: Unrealised gain	1,853,223		132,131,328	
Less: Allowance for expected credit loss	(669,780)		(626,452)	
Less: Allowance for impairment	(3,904,500)		(19,257,724)	
<b>Total</b>	<b>2,689,028,595</b>		<b>2,355,151,495</b>	
<b>Held-to-maturity investments measured at amortised cost</b>				
Government and state enterprise securities	20,000,000		30,000,000	
Deposits and certificate of deposits at financial institutions which are matured over 3 months	530,936,557		500,001,007	
<b>Total</b>	<b>550,936,557</b>		<b>530,001,007</b>	
Less: Allowance for expected credit loss	(78,926)		(42,847)	
<b>Total</b>	<b>550,857,631</b>		<b>529,958,160</b>	
<b>Total investments in securities</b>	<b>3,650,126,203</b>		<b>3,419,999,695</b>	



## 10.2 Classified by stage of credit risk

(Unit: Baht)

	2023		2022	
	Fair value	Allowance for	Fair value	Allowance for
		expected credit losses		expected credit losses
<b>Available-for-sale investments measured at FVOCI</b>				
Debt instruments without a significant increase in credit risk (Stage 1)				
Government and state enterprise securities	1,148,622,357	(2,930)	753,275,350	-
Private debt securities	864,454,975	(666,850)	766,911,294	(626,452)
	<u>2,013,077,332</u>	<u>(669,780)</u>	<u>1,520,186,644</u>	<u>(626,452)</u>

(Unit: Baht)

	2023			2022		
	Gross carrying value	Allowance for expected credit losses	Net carrying value	Gross carrying value	Allowance for expected credit losses	Net carrying value
	<b>Held-to-maturity investments measured at amortised cost</b>					
Debt instruments without a significant increase of credit risk (Stage 1)						
Government and state enterprise securities	20,000,000	(1,485)	19,998,515	30,000,000	(2,300)	29,997,700
Deposits and certificate of deposits at financial institutions which are matured over 3 months	530,936,557	(77,441)	530,859,116	500,001,007	(40,547)	499,960,460
	<u>550,936,557</u>	<u>(78,926)</u>	<u>550,857,631</u>	<u>530,001,007</u>	<u>(42,847)</u>	<u>529,958,160</u>

### 10.3 Classified by remaining period of debt instruments

As at 31 December 2023 and 2022, investments in debt instruments measured at FVOCI and amortised cost has period to maturity counting from the year end date as follows:

(Unit: Baht)

	2023					2022				
	Period to maturity		5 years	Unspecified	Total	Period to maturity		5 years	Unspecified	Total
	1 year	1 - 5 years				1 year	1 - 5 years			
<b>Available-for-sale investments measured at FVOCI</b>										
Government and state enterprise securities	1,093,169,628	56,500,999	-	-	1,149,670,627	703,684,214	49,837,846	-	-	753,522,060
Private enterprise securities	377,056,147	460,397,253	30,000,000	-	867,453,400	239,195,595	501,838,929	30,000,000	-	771,034,524
Unit trusts	-	-	-	-	-	-	-	-	70,421,087	70,421,087
<b>Total</b>	<b>1,470,225,775</b>	<b>516,898,252</b>	<b>30,000,000</b>	<b>-</b>	<b>2,017,124,027</b>	<b>942,879,809</b>	<b>551,676,775</b>	<b>30,000,000</b>	<b>70,421,087</b>	<b>1,594,977,671</b>
Add (less): Unrealised gain (loss)	(1,667,446)	(1,646,716)	(62,753)	-	(3,376,915)	(116,223)	(3,915,428)	288,163	(8,776,774)	(12,520,262)
Less: Allowance for expected credit loss	(334,585)	(245,935)	(89,260)	-	(669,780)	(140,928)	(400,003)	(85,521)	-	(626,452)
Less: Allowance for impairment	-	-	-	-	-	-	-	-	(15,353,224)	(15,353,224)
<b>Total</b>	<b>1,468,223,744</b>	<b>515,005,601</b>	<b>29,847,987</b>	<b>-</b>	<b>2,013,077,332</b>	<b>942,622,658</b>	<b>547,361,344</b>	<b>30,202,642</b>	<b>46,291,089</b>	<b>1,566,477,733</b>
<b>Held-to-maturity investments measured at amortised cost</b>										
Government and state enterprise securities	10,000,000	10,000,000	-	-	20,000,000	-	30,000,000	-	-	30,000,000
Deposits and certificate of deposits at financial institutions which are matured over 3 months	530,936,557	-	-	-	530,936,557	500,001,007	-	-	-	500,001,007
<b>Total</b>	<b>540,936,557</b>	<b>10,000,000</b>	<b>-</b>	<b>-</b>	<b>550,936,557</b>	<b>500,001,007</b>	<b>30,000,000</b>	<b>-</b>	<b>-</b>	<b>530,001,007</b>
Less: Allowance for expected credit loss	(78,181)	(745)	-	-	(78,926)	(40,547)	(2,300)	-	-	(42,847)
<b>Total</b>	<b>540,858,376</b>	<b>9,999,255</b>	<b>-</b>	<b>-</b>	<b>550,857,631</b>	<b>499,960,460</b>	<b>29,997,700</b>	<b>-</b>	<b>-</b>	<b>529,958,160</b>

#### 10.4 Fair value of investments in debt instruments

In classification and measurement of financial assets under the Thai Accounting Guidance related to financial instruments and disclosures applicable to insurance business, the Company are not required to take into consideration its business model and the characteristics of the contractual cash flows, however, if the financial assets has been classified and measured in accordance with TFRS 9, the effects would have been as follows:

(Unit: Baht)

	2023			
	The contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal		The contractual terms of financial assets give rise on specified dates to cash flows that are not solely payments of principal and interest on the outstanding principal	
	Fair value	Changes in fair value during year	Fair value	Changes in fair value during year
	Fair value	year	Fair value	year
<b>Available-for-sale investments measured at FVOCI</b>				
Government and state enterprise securities	1,148,622,357	(801,560)	-	-
Private enterprise securities	864,454,975	1,124,805	-	-
<b>Held-to-maturity investments measured at amortised cost</b>				
Government and state enterprise securities	19,979,085	(337,308)	-	-
Deposits and certificate of deposits at financial institutions which are matured over 3 months	530,859,116	-	-	-
<b>Total</b>	<b>2,563,915,533</b>	<b>(14,063)</b>	<b>-</b>	<b>-</b>

(Unit: Baht)

	2022			
	The contractual terms of financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal		The contractual terms of financial assets give rise on specified dates to cash flows that are not solely payments of principal and interest on the outstanding principal	
	Fair value	Changes in fair value during year	Fair value	Changes in fair value during year
	Fair value	Changes in fair value during year	Fair value	Changes in fair value during year
<b>Available-for-sale investments</b>				
<b>measured at FVOCI</b>				
Government and state enterprise securities	753,275,350	(373,546)	-	-
Private enterprise securities	766,911,294	(3,194,133)	-	-
Unit trusts	-	-	46,291,089	(2,382,606)
<b>Held-to-maturity investments</b>				
<b>measured at amortised cost</b>				
Government and state enterprise securities	30,316,393	(119,220)	-	-
Deposits and certificate of deposits at financial institutions which are matured over 3 months	499,960,460	-	-	-
<b>Total</b>	<b>2,050,463,497</b>	<b>(3,686,899)</b>	<b>46,291,089</b>	<b>(2,382,606)</b>

## 10.5 Investments subject to restriction

As at 31 December 2023 and 2022, the Company had pledged certain assets as securities and insurance reserves with the Registrar of the Office of Insurance Commission in accordance with the Non-life Insurance Act and pledged for non-life insurance project as required in the normal course of business of the Company as described below.

	(Unit: Baht)			
	2023		2022	
	Cost	Fair value	Cost	Fair value
<b>Assets pledged</b>				
Government bonds	15,000,000	15,302,416	15,000,000	15,165,854
<b>Assets reserve as non-life insurance reserve</b>				
Government and state enterprise securities	365,000,000	361,984,278	315,000,000	314,181,360
<b>Non-life insurance project</b>				
Government and state enterprise securities	10,000,000	10,000,000	10,000,000	10,000,000

## 11. Loans and interest receivables

As at 31 December 2023 and 2022, the balances of loans and interest receivables, classified by stage of credit risk, were as follows:

Classification	(Unit: Baht)		
	2023		
	Mortgaged loans	Others	Total
Stage 1 - Loans with no a significant increase in credit risk	33,927	457,565	491,492
Loans and interest receivables - net	33,927	457,565	491,492
			(Unit: Baht)
Classification	2022		
	Mortgaged loans	Others	Total
	Stage 1 - Loans with no a significant increase in credit risk	82,329	604,660
Loans and interest receivables - net	82,329	604,660	686,989

These are loans provided to employees in accordance with the employee welfare scheme, with a credit facility not to exceed 5 times employee's base salary with a limit of Baht 50,000 for loans secured by personal guarantees, and a credit facility not to exceed 80% of the appraised value of collateral for secured loans. Interest on these loans is charged at rates of 7.0% and 6.5% per annum, respectively.

## 12. Investments in associates

### 12.1 Details of associates

As at 31 December 2023 and 2022, the Company has investments in associates, which are incorporated in Laos, as detailed below:

					(Unit: Baht)				
Company's name	Nature of business	Country of incorporation	Shareholding		Financial statements in which the equity method is applied		Separate financial statements		
			percentage		Book value		Cost/Book value		
			2023	2022	2023	2022	2023	2022	
				(%)	(%)				
TKI General Insurance Company Limited	Non-life insurance	Lao	32.50	32.50	8,814,719	11,029,511	21,628,040	21,628,040	
TKI Life Insurance Company Limited	Life insurance	Lao	32.50	32.50	8,223,078	10,119,491	21,628,039	21,628,039	
Total					17,037,797	21,149,002	43,256,079	43,256,079	
Less: Allowance for impairment					-	-	(20,681,197)	(9,918,103)	
Investments in associates - net					17,037,797	21,149,002	22,574,882	33,337,976	

### 12.2 Financial information of associates

#### Summarised information about financial position

					(Unit: Baht)			
		2023		2022				
		TKI General Insurance Company Limited	TKI Life Insurance Company Limited	TKI General Insurance Company Limited	TKI Life Insurance Company Limited			
Total assets		39,096,916	32,039,257	49,405,146	37,160,172			
Total liabilities		(11,974,701)	(6,737,476)	(15,468,188)	(6,023,276)			
Net assets		27,122,215	25,301,781	33,936,958	31,136,896			
Shareholding percentage (%)		32.50	32.50	32.50	32.50			
Book value of the associates based on equity method		8,814,719	8,223,078	11,029,511	10,119,491			

## Summarised information of comprehensive income

(Unit: Baht)

	For the years ended 31 December			
	2023		2022	
	TKI General Insurance Company Limited	TKI Life Insurance Company Limited	TKI General Insurance Company Limited	TKI Life Insurance Company Limited
Revenues	13,529,976	9,661,605	24,799,704	18,118,983
Profit for the year	(436,938)	722,003	12,043,730	7,988,139
Other comprehensive loss				
- exchange differences on translation of financial statements in foreign currency	(6,377,804)	(6,557,118)	(14,964,583)	(13,437,683)
Total comprehensive loss	(6,814,742)	(5,835,115)	(2,920,853)	(5,449,544)

The financial information of associated companies as the above tables were prepared by the management of such company.

### 12.3 Shares of gain and other comprehensive loss from investments in associated companies and dividend received

During the years ended 31 December 2023 and 2022, the Company recognised its share of gain and other comprehensive loss from investments in associated companies in the financial statements, in which the equity method is applied, and recognised dividend income in the separate financial statements as follows:

Associates	Financial statements in which the equity method is applied				Separate financial statements	
	Loss from exchange differences on translation from statement of other comprehensive income				Dividend received	
	Share of gain (loss) in statement of income		Share of gain (loss) in statement of income		Share of gain (loss) in statement of income	
	2023	2022	2023	2022	2023	2022
TKI General Insurance Company Limited	(142,005)	3,914,212	(2,072,786)	(4,863,490)	-	-
TKI Life Insurance Company Limited	234,651	2,596,145	(2,131,064)	(4,367,247)	-	-
	92,646	6,510,357	(4,203,850)	(9,230,737)	-	-

### 13. Property, building and equipment

(Unit: Baht)

	Land	Buildings	Condominium	Building improvements	Furniture, fixtures and equipment	Motor vehicles	Assets under installment	Total
<b>Cost</b>								
1 January 2022	5,385,371	24,521,452	270,282,501	121,170,363	106,623,489	47,006,231	158,850	575,148,257
Additions	-	-	142,828,280	119,267	1,145,160	-	5,831,776	149,924,483
Disposals	-	-	-	(6,449,279)	(2,582,720)	(12,399,713)	-	(21,431,712)
Transfer in (out)	-	-	-	1,439,718	673,034	-	(2,112,752)	-
31 December 2022	5,385,371	24,521,452	413,110,781	116,280,069	105,858,963	34,606,518	3,877,874	703,641,028
Additions	-	-	-	-	13,868,092	190,920	18,862,826	32,921,838
Disposals	-	(2,000,350)	-	(13,036,802)	(32,696,696)	(732,636)	-	(48,466,484)
Transfer in (out)	-	-	-	10,822,632	5,379,048	-	(16,201,680)	-
31 December 2023	5,385,371	22,521,102	413,110,781	114,065,899	92,409,407	34,064,802	6,539,020	688,096,382
<b>Accumulated depreciation</b>								
1 January 2022	-	12,334,598	161,455,490	58,293,406	96,939,112	41,272,870	-	370,295,476
Depreciation for the year	-	698,098	3,245,472	4,548,877	3,563,741	456,932	-	12,513,120
Depreciation on disposals	-	-	-	(5,390,043)	(2,536,846)	(8,800,048)	-	(16,726,937)
31 December 2022	-	13,032,696	164,700,962	57,452,240	97,966,007	32,929,754	-	366,081,659
Depreciation for the year	-	698,098	6,347,784	4,675,202	3,748,840	473,525	-	15,943,449
Depreciation on disposals	-	(2,000,344)	-	(12,642,065)	(32,499,682)	(727,230)	-	(47,869,321)
31 December 2023	-	11,730,450	171,048,746	49,485,377	69,215,165	32,676,049	-	334,155,787
<b>Net book value</b>								
31 December 2022	5,385,371	11,488,756	248,409,819	58,827,829	7,892,956	1,676,764	3,877,874	337,559,369
31 December 2023	5,385,371	10,790,652	242,062,035	64,580,522	23,194,242	1,388,753	6,539,020	353,940,595
<b>Depreciation for the year</b>								
2022								12,513,120
2023								15,943,449

As at 31 December 2023, the Company had certain items of buildings and equipment which have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to Baht 314.4 million (2022: Baht 349.9 million).



## 14. Leases

The Company has lease contracts for various items used in its operations. Leases generally have lease terms between 3 - 10 years.

### 14.1 Right-of-use assets

(Unit: Baht)

	Lease buildings	Office equipment	Motor vehicles	Computer Computer	Computer software	Total
1 January 2022	28,402,016	3,788,274	5,290,998	-	1,002,823	38,484,111
Increase during year	1,412,093	-	5,011,300	3,750,000	-	10,173,393
Adjustments	(1,331,734)	(742,488)	-	-	-	(2,074,222)
Depreciation for the year	(11,192,173)	(2,637,827)	(3,755,934)	(614,047)	(168,300)	(18,368,281)
31 December 2022	17,290,202	407,959	6,546,364	3,135,953	834,523	28,215,001
Addition during period	8,542,940	-	4,813,360	-	-	13,356,300
Cancelled during period	-	-	-	(1,786)	-	(1,786)
Depreciation for the period	(10,374,609)	(407,959)	(3,396,123)	(649,708)	(168,300)	(14,996,699)
31 December 2023	15,458,533	-	7,963,601	2,484,459	666,223	26,572,816

### 14.2 Lease liabilities

(Unit: Baht)

	2023	2022
Lease liabilities	38,876,434	39,103,908
Less: Deferred interest expenses	(1,790,414)	(2,299,733)
Total	37,086,020	36,804,175
Less: Portion due within one year	(13,416,705)	(13,242,599)
Lease liabilities - net of current portion	23,669,315	23,561,576

Movements of the lease liability account during the year ended 31 December 2023 is summarised below:

(Unit: Baht)

	Lease buildings	Office equipment	Motor vehicles	Computer	Total
1 January 2023	26,039,058	278,986	7,319,564	3,166,567	36,804,175
Add: Addition during period	8,542,940	-	4,813,360	-	13,356,300
Add: Financial cost for the period	1,171,762	7,013	306,477	117,079	1,602,331
Less: Lease payments during period	(9,667,480)	(264,000)	(3,917,186)	(828,120)	(14,676,786)
31 December 2023	<u>26,086,280</u>	<u>21,999</u>	<u>8,522,215</u>	<u>2,455,526</u>	<u>37,086,020</u>

### 14.3 Expenses relating to leases that are recognised in statement of income

(Unit: Baht)

	For the years ended 31 December	
	2023	2022
Depreciation of right-of-use assets	14,996,699	18,368,281
Finance costs on lease liabilities	1,602,331	1,907,055
Expense relating to short-term leases	404,171	143,880
Expense relating to leases of low-value assets	3,701,887	2,844,446
Total expenses	<u>20,705,088</u>	<u>23,263,662</u>

The Company had total cash outflows for leases for the year ended 31 December 2023 of Baht 18.7 million, including the cash outflow related to short-term lease and leases of low-value assets (2022: Baht 17.6 Million).

## 15. Intangible assets

As at 31 December 2023 and 2022, the net book value of intangible assets are presented below.

(Unit: Baht)

	Computer Software	Computer software under improvement	Total
<b>Cost</b>			
1 January 2022	99,250,687	-	99,250,687
Additions	176,496	1,937,875	2,114,371
Disposals during the year	(64,571)	-	(64,571)
31 December 2022	99,362,612	1,937,875	101,300,487
Additions	548,500	915,317	1,463,817
Transfer in (out)	-	-	-
Write-off	(772,000)	-	(772,000)
31 December 2023	99,139,112	2,853,192	101,992,304
<b>Accumulated amortisation</b>			
1 January 2022	80,584,834	-	80,584,834
Amortisation for the year	4,236,311	-	4,236,311
Accumulated amortisation on disposals	(64,571)	-	(64,571)
31 December 2022	84,756,574	-	84,756,574
Amortisation for the year	4,163,810	-	4,163,810
Accumulated amortisation on write-off	(764,280)	-	(764,280)
31 December 2023	88,156,104	-	88,156,104
<b>Net book value</b>			
31 December 2022	14,606,038	1,937,875	16,543,913
31 December 2023	10,983,008	2,853,192	13,836,200
<b>Amortisation for the year</b>			
2022			4,236,311
2023			4,163,810

As at 31 December 2023, the Company had certain items of computer software which have been fully amortised but are still in use. The gross carrying amount before deducting accumulated amortisation of those assets amounted to Baht 59.3 million (2022: Baht 59.2 million)

## 16. Deferred tax assets and income tax expenses

### 16.1 Deferred tax assets

The components of deferred tax assets and liabilities as at 31 December 2023 and 2022 are as follows:

	(Unit: Baht)			
	Financial statements in which the equity method is applied			
	Balance as at 31 December		Changes in deferred tax assets and liabilities recognised in statements of income for the years ended 31 December	
	2023	2022	2023	2022
<b>Deferred tax assets</b>				
Unearned premium reserve	96,289,417	96,773,188	(483,771)	14,640,017
Allowance for loss on impairment of investments in securities	780,900	3,851,545	(3,070,645)	780,900
Allowance for expected credit loss	45,592,721	41,802,340	3,790,381	1,127,677
Allowance for doubtful accounts	11,675	168,155	(156,480)	50,885
Loss reserves	84,077,261	81,344,180	2,733,081	23,786,551
Provision for loss incurred but not reported	7,755,857	8,984,734	(1,228,877)	(5,680,652)
Employee benefit obligations	18,591,021	18,661,815	(70,794)	(4,023,151)
Share of loss from investments in associates	5,243,655	4,421,415	822,240	544,075
Fair value loss of trading investments	13,457,637	11,675,038	1,782,599	1,683,590
Others	12,682,540	11,638,864	1,043,676	(432,315)
<b>Total</b>	<b>284,482,684</b>	<b>279,321,274</b>		
<b>Deferred tax liabilities</b>				
Unrealised gain on changes in value of available-for-sale investments	370,645	15,381,347	15,010,702	7,632,730
Difference of investment cost arising from reclassification	11,733,903	8,802,834	(2,931,069)	(1,358,704)
Others	1,700,000	12,784,919	11,084,919	(12,045,805)
<b>Total</b>	<b>13,804,548</b>	<b>36,969,100</b>		
Deferred tax assets - net	270,678,136	242,352,174		
<b>Total changes</b>			<b>28,325,962</b>	<b>26,705,798</b>
Changes were recognised in:				
- Statement of income			12,357,634	17,803,995
- Statement of comprehensive income			15,968,328	8,901,803
			<b>28,325,962</b>	<b>26,705,798</b>

(Unit: Baht)

	Separate financial statements			
	Balance as at 31 December		Changes in deferred tax assets and liabilities recognised in statements of income for the years ended 31 December	
	2023	2022	2023	2022
<b>Deferred tax assets</b>				
Unearned premium reserve	96,289,417	96,773,188	(483,771)	14,640,017
Allowance for loss on impairment of investments in securities	780,900	3,851,545	(3,070,645)	780,900
Allowance for loss on impairment of investments in associates	4,136,239	1,983,621	2,152,618	-
Allowance for expected credit loss	45,592,721	41,802,340	3,790,381	1,127,677
Allowance for doubtful accounts	11,675	168,155	(156,480)	50,885
Loss reserves	84,077,261	81,344,180	2,733,081	23,786,551
Provision for loss incurred but not reported	7,755,857	8,984,734	(1,228,877)	(5,680,652)
Employee benefit obligations	18,591,021	18,661,815	(70,794)	(4,023,151)
Fair value loss of trading investments	13,457,637	11,675,038	1,782,599	1,683,590
Others	12,682,540	11,638,864	1,043,676	(432,315)
<b>Total</b>	<b>283,375,268</b>	<b>276,883,480</b>		
<b>Deferred tax liabilities</b>				
Unrealised gain on changes in value of available-for-sale investments	370,645	26,426,266	26,055,621	7,632,730
Difference of investment cost arising from reclassification	11,733,903	8,802,834	(2,931,069)	(1,358,704)
Others	1,700,000	1,740,000	40,000	(1,000,886)
<b>Total</b>	<b>13,804,548</b>	<b>36,969,100</b>		
<b>Deferred tax assets - net</b>	<b>269,570,720</b>	<b>239,914,380</b>		
<b>Total changes</b>			<b>29,656,340</b>	<b>37,206,642</b>
Changes were recognised in:				
- Statement of income			3,483,863	30,150,986
- Statement of comprehensive income			26,172,477	7,055,656
			<b>29,656,340</b>	<b>37,206,642</b>

## 16.2 Income tax expenses

Income tax expenses for the years ended 31 December 2023 and 2022 are made up as follows:

(Unit: Baht)

	Financial statements in which			
	the equity method is applied		Separate financial statements	
	2023	2022	2023	2022
<b>Current income tax:</b>				
Current income tax charge for the year	(36,824,733)	(36,487,627)	(36,824,733)	(36,487,627)
Adjustment in respect of current income tax of previous year	2,193,174	(2,643,049)	2,193,174	(2,643,049)
<b>Deferred tax:</b>				
Adjustment in deferred tax	-	(11,044,919)	-	-
Relating to origination and reversal of temporary differences	12,357,634	28,848,914	3,483,863	30,150,986
Income tax expenses reported in statements of income	<u>(22,273,925)</u>	<u>(21,326,681)</u>	<u>(31,147,696)</u>	<u>(8,979,690)</u>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2023 and 2022 are as follows:

(Unit: Baht)

	Financial statements in which the			
	equity method is applied		Separate financial statements	
	2023	2022	2023	2022
Accounting profit before tax	<u>142,299,298</u>	<u>46,169,002</u>	<u>186,668,155</u>	<u>39,658,645</u>
Applicable tax rate	20%	20%	20%	20%
Tax expenses at the applicable tax rate	(28,459,860)	(9,233,801)	(37,333,631)	(7,931,729)
Adjustment in respect of current income tax of previous year	2,193,174	(2,643,049)	2,193,174	(2,643,049)
Adjustment in deferred tax	-	(11,044,919)	-	-
Net tax effect on tax-exempted revenues and non tax-deductible expenses - net	<u>3,992,761</u>	<u>1,595,088</u>	<u>3,992,761</u>	<u>1,595,088</u>
Income tax expenses reported in statements of income	<u>(22,273,925)</u>	<u>(21,326,681)</u>	<u>(31,147,696)</u>	<u>(8,979,690)</u>

## 17. Claims receivable from litigants

Claims receivable from litigants classified by the year of the claims incurred are as follows:

	(Unit: Baht)	
	2023	2022
<b>Claim years</b>		
Year 2023	113,812,278	-
Year 2022	54,385,278	89,867,583
Year 2021	37,362,866	48,397,615
Year 2020	39,538,358	44,394,893
Year 2019	24,272,622	29,860,470
Prior to 2019	84,993,992	103,356,031
Total claims receivable from litigants	354,365,394	315,876,592
Less: Allowance for expected credit loss	(227,182,143)	(208,307,055)
Claims receivable from litigants, net	127,183,251	107,569,537

## 18. Insurance contract liabilities

	(Unit: Baht)		
	2023		
	Insurance contract liabilities	Reinsurance assets	Net
Claim reserves and outstanding claims			
Claim incurred and reported	965,280,158	(147,828,197)	817,451,961
Claim incurred but not reported	57,782,848	(19,003,565)	38,779,283
Premium reserves			
Unearned premium reserves	2,115,694,058	(413,422,847)	1,702,271,211
Total	3,138,757,064	(580,254,609)	2,558,502,455

	(Unit: Baht)		
	2022		
	Insurance contract liabilities	Reinsurance assets	Net
Claim reserves and outstanding claims			
Claim incurred and reported	933,335,377	(185,050,079)	748,285,298
Claim incurred but not reported	95,556,545	(50,632,877)	44,923,668
Premium reserves			
Unearned premium reserves	2,029,666,344	(427,779,211)	1,601,887,133
Total	3,058,558,266	(663,462,167)	2,395,096,099

During the years 2023 and 2022, the management of the Company entered into reinsurance agreements in order to mitigate insurance risk. Although positions are managed on a net basis by management, insurance contract liabilities disclosures have been made on both a gross and net basis in order to provide a comprehensive set of disclosures.

### 18.1 Claim reserves and outstanding claims

	(Unit: Baht)	
	For the years ended 31 December	
	2023	2022
Beginning balance	1,028,891,922	1,019,959,239
Claim expenses for the year	2,407,989,723	2,372,136,274
Change in claim reserves and outstanding claims		
from the prior year	(122,747,680)	(100,333,440)
Change in assumption for calculating claim reserves	(37,773,696)	(119,380,848)
Claim paid during the year	(2,253,297,263)	(2,143,489,303)
Ending balance	<u>1,023,063,006</u>	<u>1,028,891,922</u>

As at 31 December 2023, the Company has claim reserves and outstanding claims under reinsurance contracts at Baht 14.4 million (2022: Baht 10.5 million).



## 18.2 Claim development table

### (a) Gross claims table

(Unit: Million Baht)

Reporting year/ Accident year	Prior to 2014	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
		Claim estimates:										
- as at accident year		1,409	1,956	2,187	1,761	1,754	2,143	1,901	2,262	2,360	2,327	
- Next one year		1,388	1,941	2,199	1,749	1,715	2,045	1,784	2,095	2,306		
- Next two years		1,385	1,961	2,200	1,742	1,701	2,037	1,758	2,074			
- Next three years		1,386	1,957	2,189	1,740	1,698	2,028	1,742				
- Next four years		1,379	1,952	2,188	1,739	1,695	2,019					
- Next five years		1,378	1,952	2,190	1,737	1,692						
- Next six years		1,378	1,954	2,187	1,735							
- Next seven years		1,379	1,951	2,186								
- Next eight years		1,378	1,950									
- Next nine years		1,377										
Ultimate claim reserves		1,377	1,950	2,186	1,735	1,692	2,019	1,742	2,074	2,306	2,327	
Cumulative payment to date		(1,376)	(1,948)	(2,184)	(1,731)	(1,690)	(2,013)	(1,729)	(2,045)	(2,195)	(1,496)	
Total	3	1	2	2	4	2	6	13	29	111	831	1,004
Claim for inward treaty												12
Unallocated loss adjustment expenses												7
Total claim reserves and outstanding claims before reinsurance												<u>1,023</u>

**(b) Net claims table**

(Unit: Million Baht)

Reporting year/ Accident year	Prior to										Total		
	2014	2014	2014	2015	2016	2017	2018	2019	2020	2021		2022	2023
Claim estimates:													
- as at accident year		1,270	1,681	1,901	1,500	1,330	1,541	1,590	1,706	1,862	2,007		
- Next one year		1,262	1,660	1,853	1,470	1,309	1,471	1,511	1,666	1,836			
- Next two years		1,253	1,680	1,856	1,462	1,296	1,467	1,494	1,642				
- Next three years		1,254	1,678	1,852	1,461	1,295	1,459	1,480					
- Next four years		1,253	1,672	1,852	1,462	1,291	1,453						
- Next five years		1,251	1,672	1,854	1,460	1,289							
- Next six years		1,251	1,676	1,848	1,458								
- Next seven years		1,253	1,672	1,846									
- Next eight years		1,252	1,671										
- Next nine years		1,251											
Ultimate claim reserves		1,251	1,671	1,846	1,458	1,289	1,453	1,480	1,642	1,836	2,007		
Cumulative payment to date		(1,250)	(1,669)	(1,845)	(1,457)	(1,287)	(1,447)	(1,469)	(1,625)	(1,754)	(1,296)		
Total		3	1	2	1	2	6	11	17	82	711	837	
Claim for inward treaty												12	
Unallocated loss adjustment expenses												7	
Total claim reserves and outstanding claims before reinsurance												856	

### 18.3 Methodology and assumption

The methodology and assumptions adopted for the gross and net valuations of insurance contract liabilities (claim reserves and outstanding claims) as at 31 December 2023 and 2022 are presented as follows:

(a) Outstanding claims provision

1. Direct and inward facultative business

The Company used 3 actuarial methods as follows:

- 1.1 Chain Ladder method based on both claims paid and claims incurred
- 1.2 Bornhuetter-Ferguson method (“BF”) based on both claims paid and claims incurred
- 1.3 Expected Loss Ratio method (“ELR”)

The Company mostly relies on the Chain Ladder method on claims incurred to derive the best estimate of claims liability. The BF and ELR methods are also used where appropriate. Loss Development Factors (“LDF”) are selected based on a range of criteria, which include the pattern of historical claims payments and claims incurred. In most instances, the loss development factors selected are based on various average loss development factors for each development year. The Company also takes into consideration whether averages may not be appropriate, for reasons such as the average not reflecting the Company’s operational changes, the average being inappropriate due to distortion by large claims, or the average being contrary to a trend of the historical ratios.

Both qualitative and quantitative factors are taken by the Company into consideration in the selection of LDF to produce claim reserves that appropriately reflect the Company’s future claims liability as at the valuation date.

2. Inward treaty business

The Company uses a basic approach in estimating claims reserves provision for inward treaty business. This approach assumes that the claims reserves requirements for the inward treaty business would be proportionally similar to those of the direct and inward facultative business. The Company therefore use the percentage of gross outstanding case reserves to apply with inward treaty contracts.

(b) Estimation of Unallocated Loss Adjustment Expenses reserve (ULAE)

In determining the ULAE, the Company used total expenses to estimate the claim expenses. ULAE is calculated from the ratio of ULAE to the average of paid loss and reported loss which is based on the assumption that half of a claim's ULAE is expended when a loss is reported, and half when it is paid.

The ULAE ratios are computed for motor and non-motor classes separately and are applied onto the best estimate of gross claim liability (excluding flood claims in 2011) to obtain the ULAE reserves for claims liability.

ULAE reserve is computed as the sum of the ULAE ratio multiplied by half of the case reserve and outstanding claims, plus the ULAE ratio multiplied by the incurred but not reported (IBNR) reserve.

(c) Economic assumptions

The Company has not discounted for future investment earnings, and has not explicitly inflation adjusted claim amounts payable in the future. However, the Company has implicitly allowed for future claims inflation to the extent that this is evident in past claims development.

(d) Other assumptions

The Company has assumed that claims development patterns are generally consistent and stable over the years and also assumed that the past inflation pattern will continue into future projected years. For claims prior to accident year 2004, the Company has reached their ultimate claim so there would be no IBNR from these claims.

#### 18.4 Unearned premium reserves

(Unit: Baht)

	For the years ended 31 December	
	2023	2022
Beginning balance	2,029,666,344	1,818,326,935
Premium written for the year	3,823,848,543	3,666,681,691
Premium earned for the current year	(3,737,820,829)	(3,455,342,282)
Ending balance	<u>2,115,694,058</u>	<u>2,029,666,344</u>

#### 19. Due to reinsurers

(Unit: Baht)

	2023	2022
Amounts withheld on reinsurance	154,114,955	257,593,579
Amounts due to reinsurers	334,838,763	407,630,395
Total due to reinsurers	<u>488,953,718</u>	<u>665,223,974</u>

## 20. Employee benefit obligations

The movement of provision for employee benefit obligations for the years ended 31 December 2023 and 2022 was as follows: 31

(Unit: Baht)

	For the years ended 31 December	
	2023	2022
<b>Employee benefit obligations at beginning of year</b>	67,423,858	67,415,580
Included in statement of income:		
Current service cost	9,684,778	9,477,156
Interest cost	1,852,023	1,356,092
Total items included in statement of income	11,536,801	10,833,248
Included in statement of comprehensive income:		
Actuarial loss (gain) arising from		
Demographic assumption change	383,664	(667,835)
Financial assumption change	1,275,169	(1,752,276)
Experience adjustment	(1,074,552)	(465,259)
Total items included in statement of comprehensive income	584,281	(2,885,370)
Benefit paid during the year	(5,385,134)	(7,939,600)
<b>Employee benefit obligations at end of year</b>	<b>74,159,806</b>	<b>67,423,858</b>

As at 31 December 2023, the weighted average duration of the liabilities for long-term employee benefit is 11 years, and the Company expected to pay Baht 10.4 million of long-term employee benefits during the next year (2022: 11 years and Baht 5.9 million, respectively).

Significant actuarial assumptions are summarised below:

(Unit: % per annum)

	2023	2022
Discount rate	2.7	2.8
Salary increase rate	3.4 - 6.0	3.3 - 5.8
Staff turnover rate	0.0 - 16.0	0.0 - 16.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2023 and 2022 are summarised below:

	2023			
	Increase in assumption	Employee benefit obligations increase (decrease)	Decrease in assumption	Employee benefit obligations increase (decrease)
	(%)	(Baht)	(%)	(Baht)
Discount rate	1.0	(4,838,622)	1.0	5,521,080
Salary increase rate	1.0	5,762,108	1.0	(5,150,927)
Staff turnover rates	10.0 <sup>(1)</sup>	(2,559,166)	10.0 <sup>(1)</sup>	2,749,305

<sup>(1)</sup> 10% of the turnover rate used as assumption.

	2022			
	Increase in assumption	Employee benefit obligations increase (decrease)	Decrease in assumption	Employee benefit obligations increase (decrease)
	(%)	(Baht)	(%)	(Baht)
Discount rate	1.0	(4,495,141)	1.0	5,128,437
Salary increase rate	1.0	5,356,285	1.0	(4,786,474)
Staff turnover rates	10.0 <sup>(1)</sup>	(2,403,444)	10.0 <sup>(1)</sup>	2,586,210

<sup>(1)</sup> 10% of the turnover rate used as assumption.

## 21. Share capital

On 20 April 2023, the 2023 Annual General Meeting of shareholders approved an increase of the Company's registered share capital from Baht 360 million to be Baht 370 million (37 million shares of Baht 10 each) by newly issues the ordinary shares in amount of 1 million shares with the par value at Baht 10 per share to support the stock dividend payment, and approved to allocate indivisible share remaining after such allocated the stock dividend to the Navakij Insurance Provident Fund. The Company registered the increase of share capital with the Ministry of Commerce on 2 June 2023.

On 26 April 2022, the 2022 Annual General Meeting of shareholders approved an increase of the Company's registered share capital from Baht 350 million to be Baht 360 million (36 million shares of Baht 10 each) by newly issues the ordinary shares in amount of 1 million shares with the par value at Baht 10 per share to support the stock dividend payment, and approved to allocate indivisible share remaining after such allocated the stock dividend to the Navakij Insurance Provident Fund. The Company registered the increase of share capital with the Ministry of Commerce on 7 June 2022.

## 22. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit, until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

During the year 2023 and 2022, the Company set aside a statutory reserve of its net profit amounting to Baht 1 million each. As at 31 December 2023, the Company has statutory reserve totalling Baht 37 million and Baht 36 million, respectively.

## 23. 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 the Executive Board.

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

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

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

Segment assets and liabilities of the Company's operating segments as at 31 December 2023 and 2022 are as follows:

(Unit: Baht)

	Financial statements in which the equity method is applied						Total
	Fire	Marine and transportation	Motor	Miscellaneous	Total segments	Unallocated	
<b>Assets</b>							
As at 31 December 2023	478,307,446	32,984,773	276,697,983	401,129,759	1,189,119,961	4,980,598,135	6,169,718,096
As at 31 December 2022	482,714,337	36,834,372	285,098,400	416,624,779	1,221,271,888	5,059,363,054	6,280,634,942
<b>Liabilities</b>							
As at 31 December 2023	688,790,785	36,446,849	2,028,218,964	385,300,466	3,138,757,064	825,769,225	3,964,526,289
As at 31 December 2022	693,616,685	41,324,782	1,859,924,123	463,692,676	3,058,558,266	1,037,045,739	4,095,604,005

(Unit: Baht)

## Financial statement in which the equity method is applied

For the year ended 31 December 2023

	Fire	Marine and transportation	Motor	Miscellaneous	Total
<b>Underwriting income</b>					
Gross premium written	756,363,917	100,053,149	2,492,577,453	474,854,024	3,823,848,543
Less: Premiums ceded to reinsurers	(383,041,253)	(55,176,437)	(15,601,646)	(317,968,875)	(771,788,211)
Net premium written	373,322,664	44,876,712	2,476,975,807	156,885,149	3,052,060,332
Less: Unearned premium reserves					
increase from prior year	(18,452,129)	(111,397)	(79,352,674)	(2,467,878)	(100,384,078)
Net earned premium	354,870,535	44,765,315	2,397,623,133	154,417,271	2,951,676,254
Fee and commission income	100,018,638	13,952,635	5,118,714	93,141,688	212,231,675
<b>Total underwriting income</b>	<b>454,889,173</b>	<b>58,717,950</b>	<b>2,402,741,847</b>	<b>247,558,959</b>	<b>3,163,907,929</b>
<b>Underwriting expenses</b>					
Claim and loss adjustment					
expenses - net	117,109,988	7,081,537	1,647,164,942	80,426,719	1,851,783,186
Commission and brokerage expenses	156,921,806	8,313,614	371,631,625	63,141,465	600,008,510
Other underwriting expenses	54,994,190	6,269,917	164,128,638	28,885,302	254,278,047
<b>Total underwriting expenses</b>					
<b>before operating expenses</b>	<b>329,025,984</b>	<b>21,665,068</b>	<b>2,182,925,205</b>	<b>172,453,486</b>	<b>2,706,069,743</b>
<b>Profit from underwriting before</b>					
<b>operating expenses</b>	<b>125,863,189</b>	<b>37,052,882</b>	<b>219,816,642</b>	<b>75,105,473</b>	<b>457,838,186</b>
Operating expenses					(384,733,505)
<b>Profit from underwriting</b>					73,104,681
Investments income					99,772,053
Loss on investments					(14,509,889)
Fair value loss					(8,912,997)
Share of profit from investments in					
associates					92,646
Other income					13,307,038
Finance costs					(1,602,330)
Expected credit loss					(18,951,904)
<b>Profit before income tax expenses</b>					142,299,298
Income tax expenses					(22,273,925)
<b>Profit for the year</b>					<b>120,025,373</b>



(Unit: Baht)

## Financial statement in which the equity method is applied

For the year ended 31 December 2022

	Fire	Marine and transportation	Motor	Miscellaneous	Total
<b>Underwriting income</b>					
Gross premium written	707,368,084	102,082,808	2,243,799,222	613,431,577	3,666,681,691
Less: Premiums ceded to reinsurers	(358,523,068)	(58,737,757)	(16,044,992)	(438,322,894)	(871,628,711)
Net premium written	348,845,016	43,345,051	2,227,754,230	175,108,683	2,795,052,980
Add (less): Unearned premium reserves (increase) decrease from prior year	(31,193,407)	(324,026)	(168,406,810)	29,725,181	(170,199,062)
Net earned premium	317,651,609	43,021,025	2,059,347,420	204,833,864	2,624,853,918
Fee and commission income	104,623,460	14,752,028	3,826,574	97,559,487	220,761,549
<b>Total underwriting income</b>	<b>422,275,069</b>	<b>57,773,053</b>	<b>2,063,173,994</b>	<b>302,393,351</b>	<b>2,845,615,467</b>
<b>Underwriting expenses</b>					
Claim and loss adjustment expenses - net	93,608,795	15,323,042	1,377,564,715	224,623,067	1,711,119,619
Commission and brokerage expenses	149,578,278	8,260,933	359,721,571	58,234,633	575,795,415
Other underwriting expenses	49,241,144	4,473,773	147,770,752	36,511,422	237,997,091
<b>Total underwriting expenses</b>	<b>292,428,217</b>	<b>28,057,748</b>	<b>1,885,057,038</b>	<b>319,369,122</b>	<b>2,524,912,125</b>
<b>Profit (loss) from underwriting before operating expenses</b>	<b>129,846,852</b>	<b>29,715,305</b>	<b>178,116,956</b>	<b>(16,975,771)</b>	<b>320,703,342</b>
Operating expenses					(353,441,557)
<b>Loss from underwriting</b>					<b>(32,738,215)</b>
Investments income					80,723,639
Profit on investments					6,969,094
Fair value loss					(8,417,948)
Share of profit from investments in associates					6,510,357
Other income					4,396,171
Finance costs					(1,907,055)
Expected credit loss					(5,638,385)
Other expenses					(3,728,656)
<b>Profit before income tax expenses</b>					<b>46,169,002</b>
Income tax expenses					(21,326,681)
<b>Profit for the year</b>					<b>24,842,321</b>

## Geographic information

The Company is operated its business in Thailand only, as a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

## Major customers' information

During the year ended 31 December 2023, the Company had gross premium written from 310 major customer amounting to Baht 310 million (2022: 1 major customers amounting to Baht 367 million).

## 24. Investments income

During the years ended 31 December 2023 and 2022, the Company has investment income as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2023	2022
Interest income from debt securities	41,691,695	20,869,367
Dividends received from equity securities	58,080,358	59,854,272
Investments income	<u>99,772,053</u>	<u>80,723,639</u>

## 25. Operating expenses

	(Unit: Baht)	
	For the years ended 31 December	
	2023	2022
Personnel expenses	250,451,034	229,817,161
Premises and equipment expenses	76,455,261	68,933,147
Taxes and duties	3,359,241	2,712,312
Bad debts and doubtful accounts (reversal)	(758,622)	1,152,678
Other operating expenses	55,226,591	50,826,259
Total operating expenses	<u>384,733,505</u>	<u>353,441,557</u>

## 26. Expected credit loss

	(Unit: Baht)	
	For the years ended 31 December	
	2023	2022
Cash and cash equivalents	(4,350)	(118,278)
Accrued investments income	1,758	(8,772)
Investments in securities	79,408	(287,172)
Claims receivable from litigants	18,875,088	6,052,607
Total	<u>18,951,904</u>	<u>5,638,385</u>

## 27. Expenses by nature

	(Unit: Baht)	
	For the years ended 31 December	
	2023	2022
Net claim and loss adjustment expenses	1,801,295,884	1,663,701,475
Commissions and brokerage expenses	600,008,511	575,795,415
Other underwriting expenses	213,208,036	197,982,740
Personnel expenses	342,008,348	317,249,655
Premises and equipment expenses	76,455,261	68,933,147
Taxes and duties	3,359,240	2,712,312
Bad debts and doubtful accounts (reversal)	(758,622)	1,152,678
Finance costs	1,602,330	1,907,055
Expected credit loss	18,951,904	5,638,385
Other operating expenses	55,226,590	54,554,916
Total	<u>3,111,357,482</u>	<u>2,889,627,778</u>

## 28. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5 percent of basic salary. The fund, which is managed by Tisco Asset Management Public Company Limited, will be paid to employees upon termination in accordance with the fund rules. During the year 2023, the Company contributed Baht 9.6 million (2022: Baht 9.5 million) to the fund.

## 29. Contribution to the General Insurance Fund

(Unit: Baht)

	For the years ended 31 December	
	2023	2022
Accumulated contribution at the beginning of the year	92,489,226	83,426,200
Contribution during the year	12,055,891	9,063,026
Accumulated contribution at the end of the year	104,545,117	92,489,226

## 30. Earnings per share

Basic earnings per share is calculated by dividing profit for the year (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year, after adjusting the number of ordinary shares as a result of the increase in share capital arising from the issue of stock dividend.

On 20 April 2023, the 2023 Annual General Meeting of shareholders approved to pay a cash dividend of Baht 1.0 per share, and stock dividend of 1 million shares to the existing shareholders. For the purpose of calculating earnings per share, the Company adjusted the number of ordinary shares used to calculate the earnings per share, as though it had issued the stock dividend at the beginning of the reporting year.

	Financial statements in which the equity method is applied		Separate financial statements	
	2023	2022 (Restated)	2023	2022 (Restated)
Number of ordinary shares issued				
during the year (shares)	37,000,000	36,000,000	37,000,000	36,000,000
Number of stock dividend				
additional issue (shares) in 2023	-	1,000,000	-	1,000,000
Total (shares)	37,000,000	37,000,000	37,000,000	37,000,000
Profit for the period (Baht)	120,025,373	24,842,321	155,520,459	30,678,955
Earnings per share (Baht per share)	3.24	0.67	4.20	0.83

### 31. Dividends

Dividends declared during the years ended 31 December 2023 and 2022 consisted of the following:

	Approved by	Total dividends (Million Baht)	Dividends per share (Baht)
Annual dividends for 2022 (Cash dividends with the par value at 1.00 Baht per share and stock dividend at the rate of Baht 0.28 per share)	2023 Annual General Meeting No.91 on 20 April 2023	46.0	1.28
Annual dividends for 2021 (Cash dividends with the par value at 1.50 Baht per share and stock dividend at the rate of Baht 0.29 per share)	2022 Annual General Meeting No.90 on 26 April 2022	62.5	1.79

### 32. Commitments and contingent liabilities

#### 32.1 Leases and service agreements commitments

As at 31 December 2023 and 2022, future minimum payments required under short-term leases, leases of low-value assets and service agreements were as follows.

	2023	2022
Payable within:		
Within 1 year	106,448	212,894
Over 1 to 3 years	-	106,448

### **32.2 Capital commitments**

As at 31 December 2023, the Company had capital commitments of approximately Baht 1.8 million relating to building improvement, furniture, fixtures and equipment and amounting to Baht 14.3 million relating to computer software (2022: Baht 2.6 million and Baht 10.1 million, respectively).

### **32.3 Letter of Guarantees**

As at 31 December 2023, there were bank guarantees amounting to Baht 2.2 million, and a certificate issued in the Company's name amounting to Baht 9.5 million, as required in the normal course of the Company's business (2022: Baht 2.1 million and Baht 7.1 million, respectively).

### **32.4 Litigation**

As at 31 December 2023, the Company has been sued for damages totaling approximately Baht 55.4 million as insurer. The cases have not yet been finalised. However, the Company's obligations in respect of these lawsuits do not exceed the maximum sum insured per the relevant policies, which is Baht 34.9 million, and the Company has set aside reserves for contingent losses amounting to Baht 34.9 million in the financial statements (2022: Baht 69.1 million, Baht 38.9 million and Baht 38.9 million, respectively).

### 33. Related party transactions

#### 33.1 Nature of relationship

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

The relationships between the Company and its related parties are summarised below.

Name of related parties	Nature of relationship
TKI General Insurance Company Limited	Associated company
TKI Life Insurance Company Limited	Associated company
The United Indemnity Co., Ltd.	7.18% of shares held in the Company
Thanasarn Sombat (Thai) Company Limited	5.17% of shares held in the Company and common directors
The Falcon Insurance Plc. <sup>(2)</sup>	12.00% of shares held by the Company
Thai Metal Drum Manufacturing Plc.	Common directors and through shareholding
Rangsit Plaza Co., Ltd.	Common directors and through shareholding
Sathorn Thani Co., Ltd.	Common directors and through shareholding
Siam Motors Co., Ltd.	Common directors and through shareholding
Wanglee Co., Ltd.	Common directors and through shareholding
Thaire Life Assurance Plc.	Common directors and through shareholding
Rangsit Ruam Patana Co., Ltd.	Common directors and through shareholding
Poon Phol Co., Ltd.	Common directors and through shareholding
Pipatanasin Co., Ltd.	Common directors and through shareholding
Varopakorn Plc.	Common directors
Serm Suk Plc.	Common directors
Chaitip Co., Ltd.	Common directors
Alinkij Siam Co., Ltd.	Common directors
Siam Calsonic Co., Ltd. <sup>(1)</sup>	Common directors
Siam Riken Industrial Co., Ltd. <sup>(1)</sup>	Common directors
Siam International Corp., Ltd.	Common directors
The Pet Co., Ltd.	Common directors
Toyota Petchaboon Toyota's Dealer Co., Ltd.	Common directors
Thai Petchaboon Co., Ltd.	Common directors
BTS Group Holdings Plc.	Common directors
C.E.S. Co., Ltd.	Common directors
Bangkok Motor Works Co., Ltd.	Common directors
Thong Thaworn Pattana Co., Ltd.	Common directors
Siam Auto Parts Co., Ltd.	Common directors
Thaworn Estate Co., Ltd.	Common directors
Siam Country Club Co., Ltd.	Common directors
S T M S Co., Ltd.	Common directors
Poonpipat Co., Ltd.	Common directors
Aqua flow Co., Ltd.	Common directors
Starflex Plc.	Common directors
Jitpipat Co., Ltd.	Common directors
Sittinan Co., Ltd.	A related person of the Company's director is a major shareholder
PIA Interior Co., Ltd.	A related person of the Company's director is a major shareholder

<sup>(1)</sup> Since January 2022, it is not a related party.

<sup>(2)</sup> Since July 2023, it is not a related party.

### 33.2 Significant related party transactions

During the years ended 31 December 2023 and 2022, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Baht)

	For the years ended		Pricing policy
	31 December		
	2023	2022	
<b>Transactions with associated companies</b>			
Reinsurance premium written	1,584,763	2,510,179	Ceded rates as specified based on the type of insurance and the reinsurance contracts
Claim expenses	20,861	43	Actual incurred
Commission paid to reinsurance	346,263	503,840	Ceded rates as specified based on the type of insurance and the reinsurance contracts
<b>Transactions with related companies</b>			
Direct premium written	74,174,027	79,740,018	Rates as specified in insurance contracts
Reinsurance premium written	2,776,240	13,301,913	Ceded rates as specified based on the type of insurance and the reinsurance contracts
Premium ceded	16,081,632	23,849,473	Ceded rates as specified based on the type of insurance and the reinsurance contracts
Claim expenses	10,711,994	19,539,182	Actual incurred
Commission paid to reinsurance	1,039,780	4,518,548	Ceded rates as specified based on the type of insurance and the reinsurance contracts
Commission received	7,453,125	9,516,809	Ceded rates as specified based on the type of insurance and the reinsurance contracts
Dividend income	21,218,160	23,240,940	As declared
Dividend paid	12,416,438	11,325,735	As declared
Rental and service fee for branch office expenses	240,020	240,135	Contract price
Rental income	172,973	172,973	Contract price



### 33.3 Outstanding balances

The balances of the accounts between the Company and those related companies as at December 2023 and 2022 are as follows: 31

	(Unit: Baht)	
	2023	2022
<b>Reinsurance receivables - Amounts due from reinsurers</b>		
The Falcon Insurance Plc.	-	14,604,716
TKI General Insurance Co., Ltd.	95,408	2,260,630
Total	<u>95,408</u>	<u>16,865,346</u>
<b>Investments in securities - Equity securities</b>		
Thai Metal Drum Manufacturing Plc.	295,582,500	301,213,200
BTS Group Holdings Plc.	28,800,000	33,819,000
Thaire Life Assurance Plc.	1,235,086	31,286,718
The Falcon Insurance Plc.	-	57,576,000
Sathorn Thani Co., Ltd.	19,975,000	23,755,000
Rangsit Plaza Co., Ltd.	17,896,000	18,592,000
Starflex Plc.	3,132,800	3,814,800
Total	<u>366,621,386</u>	<u>470,056,718</u>
<b>Due to reinsurers - Amounts due to reinsurance</b>		
The Falcon Insurance Plc.	-	21,037,185
TKI General Insurance Co., Ltd.	76,025	596,743
Total	<u>76,025</u>	<u>21,633,928</u>

### 33.4 Directors and management's benefits

During the years ended 31 December 2023 and 2022, the Company had employment benefits expenses payable to their directors and management as below.

	(Unit: Baht)	
	For the years ended 31 December	
	2023	2022
Short-term benefits	51,319,360	55,532,230
Post-employment benefits	893,619	718,570
Total	<u>52,212,979</u>	<u>56,250,800</u>

## **34. Risk of insurance company**

### **34.1 Insurance risk**

Insurance risk refers to the risk resulting from fluctuations in the frequency, the severity and the timing of damage deviations from assumptions that are used to determine premium rates, calculation of reserves and underwriting. The insurance risk causes or is a factor that contributes to the following risks:

a. Increase in the amount and frequency of loss

The impact of external factors, including physical or geographical factors, natural perils, disasters, accidents, terrorism and burglary may increase damage to lives, physical and property insured by the Company, leading to higher than expected losses. Such risks may result in the premiums received from customers being lower than the actual losses or the claims reserve being inadequate, which may have an impact on the Company's capital at risk.

b. Suboptimal proportions of types of insurance products

The Company focuses on specific types of insurance products in order to expand its business and retain market share, which means that the Company's revenue and expenses are highly dependent on these insurance products. Some types of insurance have high loss ratio, and this in turn increases the Company's average cost of claims. As a result, the Company's risk with respect to revenue or profit, or its capital funds may be affected.

c. Ethical or moral risk

This is the risk of dishonest actions being taken by insured persons for their personal gains, causing the Company payment of a higher settlement than a fair amount. This may result in a higher of loss ratio than expected and effect to the Company's liquidity risk.

The measures adopted by the Company in response to those above risks are as follows:

1. Analysis on the basis of loss ratio and combined ratio plus expenses incurred in accordance with the ratio specified by the Company.
2. Selection based on client group, nature of business and insurable risk, in accordance with specified criteria that correlate with acceptable risk levels, and analysis of the appropriate retention and ceded ratios to improve potential profitability.

3. Reinsurance to spread risk exposure by placing treaty and facultative reinsurance with local and overseas financial secured companies which have a credit rating of at least A-, and by purchasing excess of loss reinsurance that helps control retention risk to prevent exposure from the crisis, and to reduce the volatility of the Company's operations, financial position and capital level.
4. Management of the composition of the portfolio by writing all classes of insurance products and adjusting the portfolio mix according to market situation and customer demands. Technical knowledge and up to date statistics are used to plan marketing strategies to penetrate target markets by introducing products that are profitable and have high potential to expand.
5. Analysis of the concentration of insurance risk.

Concentration of insurance contracts liabilities segregated by insurance type are shown below.

(Unit: Baht)

	2023			2022		
	Gross premium reserves	Outward premium reserves	Net	Gross premium reserves	Outward premium reserves	Net
Fire	558,580,251	(216,543,323)	342,036,928	525,542,941	(201,958,141)	323,584,800
Marine and transportation	25,919,342	(14,056,384)	11,862,958	26,933,070	(15,181,510)	11,751,560
Motor	1,269,830,350	(7,833,162)	1,261,997,188	1,189,738,991	(7,094,478)	1,182,644,513
Miscellaneous	261,364,115	(174,989,978)	86,374,137	287,451,342	(203,545,082)	83,906,260
<b>Total</b>	<b>2,115,694,058</b>	<b>(413,422,847)</b>	<b>1,702,271,211</b>	<b>2,029,666,344</b>	<b>(427,779,211)</b>	<b>1,601,887,133</b>

(Unit: Baht)

	2023			2022		
	Gross loss reserves	Outward loss reserves	Net	Gross loss reserves	Outward loss reserves	Net
Fire	130,210,535	(73,648,093)	56,562,442	168,073,744	(102,393,570)	65,680,174
Marine and transportation	10,527,507	(3,973,780)	6,553,727	14,391,712	(6,757,829)	7,633,883
Motor	758,388,614	(1,189,424)	757,199,190	670,185,132	(839,886)	669,345,246
Miscellaneous	123,936,350	(88,020,465)	35,915,885	176,241,334	(125,691,671)	50,549,663
<b>Total</b>	<b>1,023,063,006</b>	<b>(166,831,762)</b>	<b>856,231,244</b>	<b>1,028,891,922</b>	<b>(235,682,956)</b>	<b>793,208,966</b>

## 6. Sensitivity analysis

Sensitivity analysis is performed to analyse the risk that insurance liabilities will increase or decrease as a result of changes in the assumptions used in the calculation of claim liabilities, which will impact the claims liabilities both before and after reinsurance. The risk may occur because the frequency or severity of losses, or loss adjustment expenses are not in line with expectations.

The Company performed analysis of the sensitivity of insurance liabilities to changes in key variables. The variables for which tests were performed were the ultimate loss ratio (“ULR”) in the latest accident year and the unallocated loss adjustment expense ratio (“ULAE”) for the best estimate of insurance liabilities, with selection of variables based on appropriateness and the possibility of occurrence.

The impact on the best estimate of insurance liabilities of changes in key variables is shown in the following table.

(Unit: Million Baht)

	2023				
	Assumption change	Increase (decrease) in provision for gross claim liabilities	Increase (decrease) in provision for net claim liabilities	Increase (decrease) in profit before tax	Increase (decrease) in owner's equity
Ultimate loss ratio in latest accident year	+ 5%	109	93	(93)	(74)
Ultimate loss ratio in latest accident year	- 5%	(109)	(93)	93	74
ULAE ratio	+50%	3.5	3.5	(3.5)	(2.8)
ULAE ratio	-50%	(3.5)	(3.5)	3.5	2.8

(Unit: Million Baht)

	2022				
	Assumption change	Increase (decrease) in provision for gross claim liabilities	Increase (decrease) in provision for net claim liabilities	Increase (decrease) in profit before tax	Increase (decrease) in owner's equity
Ultimate loss ratio in latest accident year	+ 5%	105	82	(82)	(66)
Ultimate loss ratio in latest accident year	- 5%	(104)	(81)	81	65
ULAE ratio	+ 50%	3.2	3.2	(3.2)	(2.5)
ULAE ratio	- 50%	(3.2)	(3.2)	3.2	2.5

## 34.2 Credit risk

Credit risk is the risk that the Company may suffer a financial loss as a result of a counterparty's inability to comply with the specified terms. The Company is exposed to credit risk primarily with respect to insurance and investments. The Company's maximum exposure to credit risk is limited to the book value less allowance for impairment as presented in the statement of financial position. The management manages the risk by adopting appropriate credit control policies and procedures, as follows:

a. Credit risk from underwriting

(1) Risk from reinsurers

The Company considers and selects only reinsurers with a credit rating of A- or higher and monthly monitors for any adjustments to the credit ratings of reinsurance companies.

(2) Risk from premium receivables collection

The Company possesses an efficient process of closely following up its outstanding premiums from the insured, agents and brokers, in addition to requiring agents and brokers to submit collateral for the specified credit limits allowed by the Company.

A credit impairment analysis of claims receivable from litigants is performed at each reporting date. The expected credit loss rates are based on actual claim statistics over the past 10 - 13 years, by classifying debtors into 2 types, namely insurance company litigants and non-insurance litigants. The calculation of expected credit loss reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

b. Credit risk from investments

The Company selects investments based on the credit ratings of the issuers of fixed income securities, assigned by reliable outside credit rating agencies such as TRIS and FITCH. It is the Company's policy to invest in fixed income securities of at least "Investment Grade" quality. All invested fixed income securities are periodically monitored for any adjustment in the debtors' credit rating and relevant information is gathered to review the business potential of the issuers. The Company also regularly monitors and reviews the limits set for investment to ensure adequate investment limits are maintained for individual lines at all times.

An impairment analysis of investments in debt instruments, cash deposits and accrued investment income is performed at each reporting date. The provision of expected credit loss is calculated by using the General Approach by classifying the investments into stages as follows:

- Stage 1 Investment grade debt instruments where there has no significant increase in credit risk. The Company recognises allowance for expected credit loss at an amount equal to the expected credit loss in the next 12 months.
- Stage 2 Debt instruments where there has significant increase in credit risk but that are not credit impaired such as a downgrade of credit rating. The Company recognises allowance for expected credit loss at an amount equal to the lifetime expected credit loss of the financial assets.
- Stage 3 When there is a significant indication of credit impairment, such as failure to fulfil a contract (overdue principal or interest), borrowers experiencing serious financial problems, the lender relaxing conditions for borrowers and the possibility of borrower bankruptcy, the Company recognises allowance for expected credit loss at an amount equal to the lifetime expected credit loss of the financial assets.

At every reporting date, the Company assesses whether there has been a significant increase in credit risk of financial assets since initial recognition. In the event of a significant change in credit risk, the debt instruments are restaged according to the indications or evidence of the assets being credit-impaired. The calculation of expected credit loss reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The below table showed the maximum exposure to credit risk for financial assets before collateral or any activities that could mitigate credit risk. The maximum exposure to credit risk has carrying amounts that was presented the credit quality of financial assets exposed to credit risk as follows.

(Unit: Baht)

	2023				
	Financial assets where there has no significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets where applied simplified approach to calculated ECL (Lifetime ECL - simplified approach)	Total
<b>Cash and cash equivalents</b>					
Investment grade	187,990,263	-	-	-	187,990,263
Allowance for expected credit loss	(25,492)	-	-	-	(25,492)
Net book value	<u>187,964,771</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>187,964,771</u>
<b>Accrued investment income</b>					
Investment grade	8,013,397	-	-	-	8,013,397
Allowance for expected credit loss	(7,262)	-	-	-	(7,262)
Net book value	<u>8,006,135</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,006,135</u>
<b>Available-for-sale investments measured at FVOCI</b>					
	2,013,077,33				2,013,077,33
Investment grade	2	-	-	-	2
	<u>2,013,077,33</u>				<u>2,013,077,33</u>
<b>Total fair value</b>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2</u>
Allowance for expected credit loss	(669,780)	-	-	-	(669,780)
<b>Held-to-maturity investments measured at amortised cost</b>					
Investment grade	550,936,557	-	-	-	550,936,557
Allowance for expected credit loss	(78,926)	-	-	-	(78,926)
Net book value	<u>550,857,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>550,857,631</u>
<b>Loans and interest receivables</b>					
Not yet due	491,492	-	-	-	491,492
Allowance for expected credit loss	-	-	-	-	-
Net book value	<u>491,492</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>491,492</u>
<b>Other assets - Claims receivable from litigants</b>					
Overdue	-	-	-	354,365,394	354,365,394
				(227,182,143)	(227,182,143)
Allowance for expected credit loss	-	-	-	-	-
Net book value	<u>-</u>	<u>-</u>	<u>-</u>	<u>127,183,251</u>	<u>127,183,251</u>
<b>Other assets - Brokers receivables</b>					
Overdue	-	-	-	37,619,225	37,619,225
Allowance for expected credit loss	-	-	-	-	-
Net book value	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,619,225</u>	<u>37,619,225</u>

(Unit: Baht)

	2022				
	Financial assets where there has no significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets where applied simplified approach to calculated ECL (Lifetime ECL - simplified approach)	Total
<b>Cash and cash equivalents</b>					
Investment grade	293,496,535	-	-	-	293,496,535
Allowance for expected credit loss	(29,842)	-	-	-	(29,842)
Net book value	<u>293,466,693</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>293,466,693</u>
<b>Accrued investment income</b>					
Investment grade	6,192,866	-	-	-	6,192,866
Allowance for expected credit loss	(5,502)	-	-	-	(5,502)
Net book value	<u>6,187,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,187,364</u>
<b>Available-for-sale investments measured at FVOCI</b>					
	1,520,186,64				1,520,186,64
Investment grade	4	-	-	-	4
	<u>1,520,186,64</u>				<u>1,520,186,64</u>
<b>Total fair value</b>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>
Allowance for expected credit loss	(626,452)	-	-	-	(626,452)
<b>Held-to-maturity investments measured at amortised cost</b>					
Investment grade	530,001,007	-	-	-	530,001,007
Allowance for expected credit loss	(42,847)	-	-	-	(42,847)
Net book value	<u>529,958,160</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>529,958,160</u>
<b>Loans and interest receivables</b>					
Not yet due	686,989	-	-	-	686,989
Allowance for expected credit loss	-	-	-	-	-
Net book value	<u>686,989</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>686,989</u>
<b>Other assets - Claims receivable from litigants</b>					
Overdue	-	-	-	315,876,592	315,876,592
				(208,307,055)	(208,307,055)
Allowance for expected credit loss	-	-	-	-	-
Net book value	<u>-</u>	<u>-</u>	<u>-</u>	<u>107,569,537</u>	<u>107,569,537</u>
<b>Other assets - Brokers receivables</b>					
Overdue	-	-	-	54,518,261	54,518,261
Allowance for expected credit loss	-	-	-	-	-
Net book value	<u>-</u>	<u>-</u>	<u>-</u>	<u>54,518,261</u>	<u>54,518,261</u>



The table below shows the significant movement in the allowance for expected credit loss for the year ended 31 December 2023 and 2022 are as follow.

					(Unit: Baht)	
					2023	
	Financial assets where there has no significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets where applied simplified approach to calculated ECL (Lifetime ECL - simplified approach)	Total	
<b>Other assets - Claims receivable from litigants</b>						
Beginning balance	-	-	-	208,307,555	208,307,555	
Change due to remeasurement of allowance for expected credit loss	-	-	-	7,605,185	7,605,185	
Newly purchased or acquired financial assets	-	-	-	83,170,464	83,170,464	
Amounts written off	-	-	-	(71,901,061)	(71,901,061)	
Ending balance	-	-	-	227,182,143	227,182,143	

					(Unit: Baht)	
					2022	
	Financial assets where there has no significant increase in credit risk (12-mth ECL)	Financial assets where there has been a significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets where applied simplified approach to calculated ECL (Lifetime ECL - simplified approach)	Total	
<b>Other assets - Claims receivable from litigants</b>						
Beginning balance	-	-	-	202,254,448	202,254,448	
Change due to remeasurement of allowance for expected credit loss	-	-	-	12,852,287	12,852,287	
Newly purchased or acquired financial assets	-	-	-	64,561,465	64,561,465	
Amounts written off	-	-	-	(71,360,645)	(71,360,645)	
Ending balance	-	-	-	208,307,555	208,307,555	

### 34.3 Market risk

Market risk is the risk that change in interest rates, foreign exchange rates and securities prices may have an effect on the Company's financial position. The Company had no significant financial instruments denominated in foreign currencies; market risk is therefore confined only to interest rate risk and equity position risk.

The Company manages market risk by diversifying its portfolio and spreading its investment funding to include various lines of investment as well as categories of business in order to minimise fluctuations in the aggregate value of its investments. It closely monitors and regularly assesses factors that may cause fluctuations in the value of investment instruments in order to make appropriate investment transactions in the circumstances. The Company has a policy not to invest in speculative securities that are highly exposed to price fluctuations but to focus on blue-chip securities and securities that generate steady yields. The Company has an investment committee who consider and set investment policies in addition to the Office of Insurance Commission's rules, in order to reduce exposure to investment loss, and also review the structure of the portfolio mix on a regular basis.

#### a. Interest rate risk

Interest rate risk is the risk that the value of assets or liabilities will fluctuate due to changes in market interest rates.

As at 31 December 2023 and 2022, significant assets and liabilities classified by type of interest rates, with those assets and liabilities that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date as follows:

(Unit: Baht)

	2023						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Effective interest rate
	Maturity date or repricing date						
	Within 1 year	1 - 5 years	5 years				(% per annum)
<b><u>Financial assets</u></b>							
Cash and cash equivalents	-	-	-	187,709,771	255,000	187,964,771	0.15 - 0.55
Accrued investment income	-	-	-	-	8,006,135	8,006,135	-
Investments in securities							
Government and state enterprise securities	1,102,699,12					1,168,620,87	
Private debt securities	5	65,921,747	-	-	-	2	1.58 - 2.47
Equity instruments	375,523,879	459,083,108	29,847,988	-	-	864,454,975	0.76 - 3.94
Unit trusts	-	-	-	-	897,933,857	897,933,857	
Deposits and certificate deposits at financial institutions	-	-	-	-	188,257,383	188,257,383	
Loans and interest receivables	530,859,116	-	-	-	-	530,859,116	0.35 - 2.50
Other assets - Claims receivable from litigants	237,060	254,432	-	-	-	491,492	6.50 - 7.00
Other assets - Brokers receivables	-	-	-	-	127,183,251	127,183,251	-
Premium receivables	-	-	-	-	37,619,225	37,619,225	-
Reinsurance assets - claim reserves	-	-	-	-	608,865,352	608,865,352	-
Reinsurance receivables	-	-	-	-	234,986,796	234,986,796	-
<b><u>Financial liabilities</u></b>							
Lease liabilities	13,416,705	23,669,315	-	-	-	37,086,020	2.09 - 5.00
<b><u>Insurance liabilities</u></b>							
Insurance contract liabilities - claim reserves and outstanding claims	-	-	-	-	1,023,063,00	1,023,063,00	
Due to reinsurers	-	-	-	-	6	6	-
	-	-	-	-	488,953,718	488,953,718	-

(Unit: Baht)

2022							
Fixed interest rates							
Maturity date or repricing date							
	Within			Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	1 year	1 - 5 years	5 years				
<b>Financial assets</b>							
Cash and cash equivalents	29,997,710	-	-	263,211,983	257,000	293,466,693	0.10 - 1.80
Accrued investment income	-	-	-	-	6,187,364	6,187,364	-
Investments in securities							
Government and state enterprise securities	703,447,219	79,825,831	-	-	-	783,273,050	0.42 - 1.62
Private debt securities	239,175,439	497,533,213	30,202,642	-	-	766,911,294	0.97 - 5.10
					1,078,935,59	1,078,935,59	
Equity instruments	-	-	-	-	1	1	-
Unit trusts	-	-	-	-	290,919,300	290,919,300	-
Deposits and certificate deposits at financial institutions	499,960,460	-	-	-	-	499,960,460	0.35 - 1.35
Loans and interest receivables	74,805	612,184	-	-	-	686,989	6.50 - 7.00
Other assets - Claims receivable from litigants	-	-	-	-	107,569,537	107,569,537	-
Other assets - Brokers receivables	-	-	-	-	54,518,261	54,518,261	-
<b>Insurance assets</b>							
Premium receivables	-	-	-	-	557,809,721	557,809,721	-
Reinsurance assets - claim reserves	-	-	-	-	235,682,956	235,682,956	-
Reinsurance receivables	-	-	-	-	395,973,799	395,973,799	-
<b>Financial liabilities</b>							
Lease liabilities	13,242,599	23,561,576	-	-	-	36,804,175	0.79 - 4.75
<b>Insurance liabilities</b>							
Insurance contract liabilities - claim reserves and outstanding claims	-	-	-	-	1,028,891,92	1,028,891,92	-
Due to reinsurers	-	-	-	-	665,223,974	665,223,974	-

### *Interest rate sensitivity*

The following table demonstrates the sensitivity of the Company's equity to a reasonably possible change in interest rates which will effect to the fair value of debt instruments as at 31 December 2023.

	2023		2022	
	Increase (decrease)	Effect on equity	Increase (decrease)	Effect on equity
	(%)	(Million Baht)	(%)	(Million Baht)
Available-for-sale investments -				
Debt instruments	1.0	(17.9)	1.0	(15.1)
Available-for-sale investments -				
Debt instruments	(1.0)	18.9	(1.0)	16.0

The above analysis has been prepared assuming that the amounts of debt instruments and all other variables remain constant. As a result, a change in interest rates affects fair value of investments in debt instruments.

#### b. Equity position risk

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

As at 31 December 2023 and 2022, the Company has risk from its investments in securities of which the price will change with reference to market conditions.

### **34.4 Liquidity risk**

Liquidity risk is the risk that the Company will be unable to liquidate its assets and/or procure sufficient funds to discharge its obligations in a timely manner, resulting in the occurrence of a financial loss.

The Company policies of management of liquidity risk are as follows:

- a. The Company invests in securities that are liquid, such as government sector securities or private sector securities with a low credit risk. It also spreads its investment funding and balances the portfolio, taking into account time horizons and fund needs to pay and meet obligations, management of accounts receivable and accounts payable, the period to maturity of assets and changes in the value of assets, given that, the maturity structure of assets and liabilities is in the appropriate level both volume and period, and correspond to external and internal circumstances surrounding the Company.

- b. Adequate shareholders' equity is maintained to cover liabilities and to manage exposure to business and operation risks. Other funding sources with high liquidity should also be secured as contingency plan.
- c. Responsibilities and lines of reporting to those who manage liquidity risk are clearly defined and a reporting system has been established to generate an early warning report for executives on transactions that do not conform to the Company's policy and to promptly, timely and accurately report warning signs of key risk indicators.

Counting from the financial position date, the periods to maturity of assets and liabilities held as at 31 December 2023 and 2022 are as follows:

(Unit: Baht)

	2023					Total
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	
<b><u>Financial assets</u></b>						
Cash and cash equivalents	187,964,771	-	-	-	-	187,964,771
Accrued investment income	-	8,006,135	-	-	-	8,006,135
Investments in securities		2,009,082,12				3,650,126,20
	860,613,067	0	525,004,855	29,847,988	225,578,173	3
Loans and interest receivables	-	237,060	254,432	-	-	491,492
Other assets - Claims receivable from litigants	-	127,183,251	-	-	-	127,183,251
Other assets - Brokers receivables	-	37,619,225	-	-	-	37,619,225
<b><u>Insurance assets</u></b>						
Premium receivables	-	608,865,352	-	-	-	608,865,352
Reinsurance assets - claim reserves	-	142,708,446	22,773,565	1,349,751	-	166,831,762
Reinsurance receivables	-	234,986,796	-	-	-	234,986,796
<b><u>Financial liabilities</u></b>						
Lease liabilities	-	13,416,705	25,459,729	-	-	38,876,434
<b><u>Insurance liabilities</u></b>						
Insurance contract liabilities - claim reserves and outstanding claims	-	860,804,942	157,072,657	5,185,407	-	1,023,063,00 6
Due to reinsurers	-	488,953,718	-	-	-	488,953,718

(Unit: Baht)

	2022					Total
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	
<b><u>Financial assets</u></b>						
Cash and cash equivalents	263,468,983	29,997,710	-	-	-	293,466,693
Accrued investment income	-	6,187,364	-	-	-	6,187,364
Investments in securities	1,050,663,063	1,442,583,118	577,359,044	30,202,642	319,191,828	3,419,999,695
Loans and interest						
receivables	-	74,805	612,184	-	-	686,989
Other assets - Claims						
receivable from litigants	-	107,569,537	-	-	-	107,569,537
Other assets - Brokers						
receivables	-	54,518,261	-	-	-	54,518,261
<b><u>Insurance assets</u></b>						
Premium receivables	-	557,809,721	-	-	-	557,809,721
Reinsurance assets - claim						
reserves	-	205,046,310	28,663,573	1,973,073	-	235,682,956
Reinsurance receivables	-	395,973,799	-	-	-	395,973,799
<b><u>Financial liabilities</u></b>						
Lease liabilities	-	13,242,599	25,861,309	-	-	39,103,908
<b><u>Insurance liabilities</u></b>						
Insurance contract liabilities -						
claim reserves and						
outstanding claims	-	871,146,343	152,530,569	5,215,011	-	1,028,891,923
Due to reinsurers	-	665,223,974	-	-	-	665,223,974

### 35. Fair value measurement for financial assets

As at 31 December 2023 and 2022, the Company had the following financial instruments that were measured at fair value or were measured at cost but has to disclose fair value, using different levels of inputs as follows:

(Unit: Baht)

	2023				Carrying value
	Fair value				
	Level 1	Level 2	Level 3	Total	
<b><u>Financial assets measured at fair value</u></b>					
Trading investments which are measured at FVPL					
Equity instruments	337,440,697	-	-	337,440,697	337,440,697
Unit trusts	72,799,280	-	-	72,799,280	72,799,280
Available-for-sale investments measured at FVOCI					
Government and state enterprise securities					
	-	1,148,622,357	-	1,148,622,357	1,148,622,357
Private debt securities	-	864,454,975	-	864,454,975	864,454,975
Equity instruments	334,914,986	-	225,578,174	560,493,160	560,493,160
Unit trusts	115,458,103	-	-	115,458,103	115,458,103
<b><u>Financial asset for which fair value are disclosed</u></b>					
Cash and cash equivalents	187,964,771	-	-	187,964,771	187,964,771
Accrued investment income	8,006,135	-	-	8,006,135	8,006,135
Held-to-maturity investments measured amortise cost					
Government and state enterprise securities					
	-	19,979,085	-	19,979,085	19,998,515
Deposits and certificate of deposits at financial institutions which are matured over 3 months					
	530,859,116	-	-	530,859,116	530,859,116
Loans and interest receivables	491,492	-	-	491,492	491,492



(Unit: Baht)

	2022				
	Fair value				
	Level 1	Level 2	Level 3	Total	Carrying value
<b><u>Financial assets measured at fair value</u></b>					
Trading investments which are measured at FVPL					
Equity instruments	442,008,200	-	-	442,008,200	442,008,200
Unit trusts	92,881,840	-	-	92,881,840	92,881,840
Available-for-sale investments measured at FVOCI					
Government and state enterprise securities					
	-	753,275,350	-	753,275,350	753,275,350
Private debt securities					
	-	766,911,294	-	766,911,294	766,911,294
Equity instruments					
	317,735,563	-	319,191,828	636,927,391	636,927,391
Unit trusts					
	151,746,371	46,291,089	-	198,037,460	198,037,460
<b><u>Financial asset for which fair value are disclosed</u></b>					
Cash and cash equivalents					
	293,466,693	-	-	293,466,693	293,466,693
Accrued investment income					
	6,187,364	-	-	6,187,364	6,187,364
Held-to-maturity investments measured amortise cost					
Government and state enterprise securities					
	-	30,316,393	-	30,316,393	29,997,700
Deposits and certificate of deposits at financial institutions which are matured over 3 months					
	499,960,460	-	-	499,960,460	499,960,460
Loans and interest receivables					
	686,989	-	-	686,989	686,989

The fair value hierarchy of financial assets as at 31 December 2023 and 2022 presents according to Note 4.20 to financial statements.

The method used for fair value measurement depends upon the characteristics of the financial instruments. The Company establishes the fair value of its financial instruments by adopting the following methods and assumptions.

- (a) Financial assets maturing in the short-term, which consist of cash and cash equivalents, deposit at financial institutions, accrued investment income and other assets, their fair value is estimated based on the carrying amount presented in the statements of financial position.
- (b) The fair value of investments in debt instruments is generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association.
- (c) Investments in marketable equity instruments have been presented at fair value by using market price. Investments in non-listed equity instruments are determined using generally accepted pricing model or approximated to their net book values if the fair value cannot be reliably estimated.
- (d) Investments in marketable unit trusts have been presented at fair value by using market price. Investments in non-listed unit trusts are determined by using the net asset value as announced by asset management company.
- (e) The fair value of fixed rate loans is determined by discounting the expected future cash flows by using the current market interest rate.

During the current year, there were no transfers within the fair value hierarchy.

Reconciliation of recurring fair value measurements of financial assets, categorised within Level 3 of the fair value hierarchy, are as follows.

	(Unit: Baht)
	Financial statements in which the equity method is applied and Separate financial statements
Balance as of 1 January 2023	319,191,828
Net gain recognised into other comprehensive income	32,386,345
Less: Disposals during the year	(126,000,000)
Balance as of 31 December 2023	225,578,173

Key assumptions used to measure the fair value of investments, categorised within Level 3 that there has been a significant change in fair value are summarised below.

<b>Financial instruments</b>	<b>Valuation technique</b>	<b>Significant unobservable inputs</b>	<b>Rates</b>	<b>Sensitivity of the input to fair value</b>
<u>Investments in Insurance business</u>				
Non listed equity investments	Discounted future cashflow	Discount rate	9.50%	1% decrease in the discount rate would result in an increase in fair value by Baht 0.60 million and 1% increase in the discount rate would result in a decrease in fair value by Baht 0.53 million.

### 36. Capital management

The primary objectives of the Company's capital management is to ensure that it preserves ability to continue its business as a going concern and to maintain capital reserve in accordance with Notifications of the OIC.

### 37. Event after reporting period

On 19 February 2024, a meeting of the Board of Directors passed the following resolutions to propose to the Annual General Meeting of shareholders:

1. Approve an increase of the Company's registered capital from Baht 370 million to be Baht 380 million to be divided into 38 million shares with the par value at 10 Baht per share, by newly issue the ordinary shares in amount of 1 million shares with the par value at 10 Baht to support the stock dividend payment.
2. Approve the allocation of profits for cash dividend and stock dividend payment approximately Baht 65.5 million, as follows:
  - 2.1 Cash dividend will be paid at the rate of Baht 1.5 per share for the 37 million existing shares, totaling Baht 55.5 million.
  - 2.2 Stock dividend will be paid at the ratio of 37 existing shares per 1 stock dividend, totaling of the stock dividend payment at 1 million shares, at par value Baht 10, totaling Baht 10 million or equivalent to Baht 0.27 per share. In case that any shareholders hold the indivisible share remaining after such allocated, cash will be paid instead of the stock dividend at the rate of Baht 0.27 per share.
  - 2.3 Approve to allocate indivisible share remaining after such allocated the stock dividend to the registered Navakij Insurance Provident Fund.


### **38. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 19 February 2024.

# ATTACHMENT

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Attachments 1	Details of Directors, Executives, Chief Financial Officer, Person Supervising Accounting and Company Secretary	<b>236</b>
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## Attachment 1

### Details of the Directors

Name Position / Date of Appointment	Age (year)	Highest Education Degree / Training Program	NKI Shareholding (percent)	Family Relationship between directors and executives	Working experience within 5 years		
					Period	Position	Name of Agency/Company
<b>Mr. Suchin Wanglee</b> - Chairman of the Board - Director - Advisor to Investment Committee - Advisor to the Executive Board Date of Appointment: 29 April 1993 Latest re-election: 25 June 2020	88	- Bachelor of Engineering, Electronics Northrop Institute of Technology, USA Director and Executive Training Program - Directors Accreditation Program (DAP 105/2013) - Role of the Chairman Program (RCP 4/2001) Thai Institute of Directors Association - Thailand Insurance Leadership Program, class 2/2012 OIC Advanced Insurance Institute - Top Executive Program in Urban Green Bangkok Development Urban Green Development Institute - Top Executive Program in Commerce and Trade (TEPCOT) Commerce Academy - Capital Market Academy Program (Class 9/2009) Capital Market Academy - Executive Course Harvard University, USA	10.06	Father of - Dr. Saran Wanglee Son of Uncle - Mr. Thamnu Wanglee - Mr. Vuttichai Wanglee Younger Uncle of - Mr. Pitiphong Bisalputra Older uncle of - Ms. Jittinan Wanglee Younger Uncle of - Mr. Anak Wanglee - Mr. Anin Wanglee	2001-Present	Chairman of the Board	The Navakij Insurance Plc.
					1993-Present	Director	The Navakij Insurance Plc.
					Other Listed Company (4)		
					2013-Present	Audit Committee	Sernsuk Plc.
					2012-Present	Chairman of the Remuneration Committee	Sernsuk Plc.
					2011-Present	Vice Chairman	Sernsuk Plc.
					2010-Present	Independent Director	Sernsuk Plc.
					2021-Present	Chairman of the Nomination and Remuneration Committee	BTS Group Holding Plc.
					2010-Present	Director/ Member of the Audit Committee	BTS Group Holding Plc.
					2018-Present	Member of the Nomination and Remuneration Committee	Thai Metal Drums MFG. Plc.
					1989-Present	Chairman	Thai Metal Drums MFG. Plc.
2016-Present	Member of the Investment Committee	Thaire Life Assurance Plc.					
1999-Present	Chairman	Thaire Life Assurance Plc.					
1994-2019	Director	Varopakorn Plc.					
1978-2016	Director/ Chairman	Thai Reinsurance Plc.					
Other Business (11)							
2017-Present	Director	Pipatanasin Co., Ltd.					
2017-Present	Director/ Chairman	C.E.S. Co., Ltd.					
2017-Present	Director	Poon Phol Co., Ltd.					
2007-Present	Director	Aqua Infinite Co., Ltd.					
2006-Present	Director	Wanglee Pattana Co., Ltd.					
2005-Present	Director	Rajdamri Hotel Plc.					
1991-Present	Chairman	Rangsit Plaza Co., Ltd.					

Name Position / Date of Appointment	Age (year)	Highest Education Degree / Training Program	NKI Shareholding (percent)	Family Relationship between directors and executives	Working experience within 5 years		
					Period	Position	Name of Agency/Company
<b>Mr. Suchin Wanglee (Cont'd)</b>					2022-Present 1988-Present 1982-Present 1968-Present 2014-2021 2008-2019 1990-2017	Chairman Director Chairman Director Advisor to Chairman of the Board Director/ Chairman Director	The Pet Co., Ltd. The Pet Co., Ltd. Sathorn Than Co., Ltd. Wanglee Co., Ltd. The Falcon Insurance Plc. T.J.I. Co., Ltd. Nuchapon Co., Ltd.
<b>Mr. Pitiphong Bisalputra</b>	60	- Master of Business Administration University of Hartford, USA  Director and Executive Training Program - Successful Formulation and Execution of Strategy (SFE 3/2009) - Director Certification Program (DAP 5/2003) Thai Institute of Directors Association - Advanced Diploma in Security Management Program (3/2011) - The National Defence Course Class 57 Association of National Defence College of Thailand Under The Royal Patronage of His Majesty The King - Business Revolution and Innovation Network (BRAIN) (Class 5) The Federation of Thai Industries	0.47	Son of Older Sister - Mr. Suchin Wanglee Son of Aunt - Ms. Jitthana Wanglee - Dr. Saran Wanglee - Mr. Anak Wanglee - Mr. Anin Wanglee	2014-Present 2014-Present 2014-Present 2008-Present 2007-Present 2002-Present Other Listed Company (2) 2019-Present 2018-Present	Chairman of the Investment Committee Chairman of the Executive Board Chief Executive Officer President Member of the Risk Management Committee Director Director Director/ Member of the Audit Committee/ Member of the Nomination Committee	The Navakij Insurance Plc. The Navakij Insurance Plc. The Navakij Insurance Plc. The Navakij Insurance Plc. The Navakij Insurance Plc. The Navakij Insurance Plc. The Navakij Insurance Plc. Varopakorn Plc. Thai Metal Drum Plc.
Date of appointment: 25 April 2002 Latest re-election: 25 June 2020					Other Business (12) 2017-Present 2017-Present 2010-Present 2007-Present 1997-Present 1993-Present 1990-Present 1987-Present	Director Director Director Director Director Director Director Director Director Director	TKI General Insurance Co., Ltd. (Lao PDR.) Thai Insurers Datanet Co., Ltd. Thai General Insurance Association Thanapisal Co., Ltd. Praphai and Sons Co., Ltd. Rangsit Ruampatana Co., Ltd. Thanasarn Sombat (Thai) Co., Ltd. Thamrongsup Co., Ltd. Thana Nondzee Co., Ltd. Dhanarat Co., Ltd.

Name Position / Date of Appointment	Age (year)	Highest Education Degree / Training Program	NKI Shareholding (percent)	Family Relationship between directors and executives	Working experience within 5 years		
					Period	Position	Name of Agency/Company
<b>Mr. Phiphong Bisaiputra (Cont'd)</b>							
<b>Gen. Montree Sungkasap</b> - Independent Director - Chairman of the Remuneration, Nomination and Sustainable Development Committee - Member of the Audit Committee  Date of appointment: 26 April 2022	75	- Master of Arts (Military) Command and General Staff College Director and Executive Training Program - Board Nomination and Compensation Program (BNCP 2021) - Director Certification Program (DCP 2018) - Advance Audit Committee Program (AACP 2018) - The Role of Chairman Program (RCP 2007) Thai Institute of Directors Association	None	None	2022-Present 2022-2023 1987-2017 2022-Present	Director Director Director Director Director Chairman of the Remuneration, Nomination and Sustainable Development Committee Member of the Audit Committee	Ban Ayothaya Co., Ltd. Aqua Flow Co., Ltd Thailand Insurance Institute Aqua Master Solution Co., Ltd. The Navakij Insurance Plc. The Navakij Insurance Plc. The Navakij Insurance Plc.
					<b>Other Listed Company (1)</b>		
					2018-Present	Independent Director/ Chairman of the Audit Committee and the Remuneration and Nomination Committee	Starflex Plc.
					2018-2022	Independent Director/ Chairman/ Chairman of the Risk Management Committee	NFC Plc.
					<b>Other Business (2)</b>		
					2011-Present	Advisor to the Board/ Member of the National Broadcasting and Telecommunication Commission	Office of the National Broadcasting and Telecommunications Commission (NBTC)
					2010-Present	Advisor to the Chairman of the Board	SC Group Co.,Ltd.
					2022-Present	Chairman of the Audit Committee	The Navakij Insurance Plc.
					1999-Present	Director	The Navakij Insurance Plc.
					2019-2022	Chairman of the Remuneration, Nomination and Corporate Governance Committee	The Navakij Insurance Plc.
					2012-2019	Member of the Remuneration Nomination and Corporate Governance Committee	The Navakij Insurance Plc.
					1999-2022	Member of the Audit Committee	The Navakij Insurance Plc.
					<b>Other Listed Company (1)</b>		
					2016-Present	Director/ Member of the Audit Committee	VGI Global Media Plc.
					<b>Other Business (8)</b>		



Name Position / Date of Appointment	Age (year)	Highest Education Degree / Training Program	NKI Shareholding (percent)	Family Relationship between directors and executives	Working experience within 5 years		
					Period	Position	Name of Agency/Company
<b>Mr. Kiet Srichomkwan (Cont'd)</b>		<ul style="list-style-type: none"> <li>- Monitoring Fraud Risk Management (MFM 2/2010)</li> <li>- Monitoring the Internal Audit Function (MIA 7/2010)</li> <li>- Monitoring the Quality of Financial Reporting (MFR 9/2009)</li> <li>- Improving the Quality of Financial Reporting (OFR 4/2006)</li> <li>- Audit Committee Program (ACP 2/2004)</li> <li>- Finance for Non-Finance Director (FND 7/2003)</li> <li>- Director Accreditation Program (DAP 4/2003)</li> <li>- Director Certification Program (DCP 18/2002)</li> <li>- Thai Institute of Directors Association</li> <li>- Top Executive Program in Commerce and Trade Commerce Academy (2/2009)</li> </ul>			<ul style="list-style-type: none"> <li>2003-Present Chairman</li> <li>2002-Present Chairman</li> <li>1995-Present Director</li> <li>1990-Present Director</li> <li>1988-Present Director</li> <li>1988-Present Director</li> <li>1987-Present Director</li> <li>1977-Present Chairman</li> </ul>	<ul style="list-style-type: none"> <li>Alinkij Siam Co., Ltd.</li> <li>Toyota Petchaboon Toyota's Dealer Co., Ltd.</li> <li>Pen Sook Co., Ltd.</li> <li>Suan Petchaboon Co., Ltd.</li> <li>Din Prasit Co., Ltd.</li> <li>Thai Petchaboon Co., Ltd.</li> <li>Suansilver Beach Co., Ltd.</li> <li>Benja Rungrueng Co., Ltd.</li> </ul>	
<b>Mr. Nipol T. Jeeerawong</b>	73	<ul style="list-style-type: none"> <li>- Bachelor Degree in Statistics/ Mini MBA Thammasat University</li> <li>- Director and Executive Training Program</li> <li>- Director Certification Program Update (DCPU 5/2015)</li> <li>- Board Matters and Trend (BMT 2017)</li> <li>- Director Certification Program Refresher Course (RE DCP 1/2008)</li> <li>- Director Certification Program (DCP 18/2002)</li> <li>- Thai Institute of Directors Association</li> <li>- The Executive Program in Energy Literacy for a Sustainable Future (Class 14)</li> <li>- Thailand Energy Academy</li> <li>- Capital Market Academy Program (Class 13)</li> <li>- Capital Market Academy</li> <li>- National Defence College, The State, Private</li> </ul>	0.17	None	<ul style="list-style-type: none"> <li>2019-Present Member of the Remuneration, Nomination and Sustainable Development Committee</li> <li>2015-Present Member of the Investment Committee</li> <li>2014-Present Advisor to Chairman of the Board</li> <li>2009-Present Chairman of the Risk Management Committee</li> <li>1992-Present Director</li> <li>2007-2014 Chairman of the Investment Committee</li> <li>2007-2014 Chairman of the Executive Board</li> <li>1997-2007 President</li> </ul>	<ul style="list-style-type: none"> <li>The Navakij Insurance Plc.</li> <li>The Navakij Insurance Plc.</li> <li>The Navakij Insurance Plc.</li> <li>The Navakij Insurance Plc.</li> <li>The Navakij Insurance Plc.</li> <li>The Navakij Insurance Plc.</li> <li>The Navakij Insurance Plc.</li> </ul>	
Other Listed Company (None)							
					2017-2018	Advisor to the Board of Directors	Eastern Water Resources Development and Management Plc.
					2016-2017	Advisor to the Investment Committee Advisor to the Remuneration Committee Director Chairman of the Risk Management Committee Chairman of the Investment Committee	Eastern Water Resources Development and Management Plc.

Name Position / Date of Appointment	Age (year)	Highest Education Degree / Training Program	NKI Shareholding (percent)	Family Relationship between directors and executives	Working experience within 5 years		
					Period	Position	Name of Agency/Company
<b>Mr. Nipol T. Jeeerawong (Cont'd)</b>		Sector and Political Sector Course (Class 3) The Association of National Defence College of Thailand Under The Royal Patronage of His Majesty The King - Senior Executive Management Program (SEP-10) Sasin Graduate Institute of Business Administration, Chulalongkorn University - Insurance Management Scandia Management Program, Sweden - General and Advance Insurance Management Swiss Insurance Training Center, Switzerland			Other Business (2)		
					2018-Present 2016-2018	Independent Director Director	Ornsirin Co., Ltd. Faculty of Liberal of Arts, Thammasat University
<b>Mrs. Wanida Chansikarin</b> - Independent Director - Member of the Audit Committee  Date of Appointment: 18 December 2019 Latest Re-election: 27 April 2021	63	- Bachelor Degree in Accounting Rajamangala University of Technology - Bachelor Degree in Finance Sukhothai Thammathirath Open University - Diploma in Auditing Thammasat University  Director and Executive Training Program - Audit Committee Program (ACP) - Director Accreditation Program (DAP) Thai Institute of Directors Association - Duties and Responsibilities of Director in the Context of Changing World - Corporate Governance Program for Insurance Companies Thai Institute of Directors Association and Office of Insurance Commission - Easy listening : Accounting for AC The Securities and Exchange Commission, Thailand	0.01	None	2019-Present Director/ Member of the Audit Committee The Navakij Insurance Plc.		
					Other Listed Company (1)		
					2018-Present 1999-2017	Chairman of the Audit Committee Member of the Audit Committee	Thai Metal Drums Plc. Thai Metal Drums Plc.
					Other Business (7)		
					2018-Present 2018-Present 2007-Present 2007-Present 2004-Present 1998-Present 1995-Present 1991-Present 1987-Present	Director Manager of Finance Director Director Director Director Director Director Manager of Accounting	STMS Agency Co., Ltd. STMS Co., Ltd. Aqua Infinite Co., Ltd. Aqua Flow Co., Ltd STMS Co., Ltd. Sathorn Nakorn Tower Co., Ltd. Sinn Sathorn Co., Ltd. Sathorn Thani Co., Ltd. Sathorn Thani Co., Ltd.

Name Position / Date of Appointment	Age (year)	Highest Education Degree / Training Program	NKI Shareholding (percent)	Family Relationship between directors and executives	Working experience within 5 years		
					Period	Position	Name of Agency/Company
<b>Mrs. Wanida Chansrikarin (Cont'd)</b>		- The Importance of the Audit Committee to the Confidence in the Capital Market The Stock Exchange of Thailand					
<b>Mrs. Phornpun Phornbrapha</b> - Independent Director - Member of the Remuneration, Nomination and Sustainable Development Committee  Date of appointment: 22 February 2022 Latest re-election: 26 April 2022	71	- Diploma of Fine Art Marymount College, U.S.A.  Director and Executive Training Program  None	None	None	2022-Present	Director/Member of the Remuneration, Nomination and Sustainable Development Committee	The Navakij Insurance Plc.
					Other Listed Company (None)		
					Other Business (9)		
					N/A	Assistant to Managing Director	Siam Motor Co.,Ltd
					N/A	Managing Director	Thaworn Holdings Co.,Ltd
					N/A	Managing Director	Siampile Co.,Ltd.
					N/A	Director	Bangkok Motor Works Co.,Ltd
					N/A	Director	Siam International Corp.Ltd.
					N/A	Director	Thongthavorn Patthana Co.,Ltd.
					N/A	Director	Siam Auto Parts Co.,Ltd.
					N/A	Director	Thaworn Estate Co.,Ltd
					N/A	Director	Siam Country Club Co.,Ltd.
<b>Mr. Chan Soo Lee</b> - Independent Director  Date of appointment: 29 April 2003 Latest re-election: 27 April 2021	64	- Bachelor of Engineering, Electronic & Computer National University of Singapore, Singapore  Director and Executive Training Program - Director Accreditation Program (DAP 101/2013) Thai Institute of Directors Association	0.99	None	2003-Present	Director	The Navakij Insurance Plc.
					Other Listed Company (None)		
					Other Business (5)		
					2017-Present	Director	Sino Port Co., Ltd.
					2012-Present	Managing Director	Alpharia Pte. Ltd.
					2004-Present	Managing Director	TGLD Holdings Pte. Ltd.
					1995-Present	Director	Wanglee Co., Ltd.
					1993-Present	Managing Director	Tan Guan Lee Co., Ltd.
					1992-Present	Director	The Navakij Insurance Plc.
<b>Mr. Thamnu Wanglee</b> - Director  Date of appointment: 29 April 1992	87	- Diploma E.M.I. Electronic College, London, UK	1.28	Son of Younger Uncle - Mr. Suchin Wanglee - Mr. Vuttichai Wanglee	Other Listed Company (None)		
					Other Business (3)		
					N/A	Chairman	Thanatip Co., Ltd.

Name Position / Date of Appointment	Age (year)	Highest Education Degree / Training Program	NKI Shareholding (percent)	Family Relationship between directors and executives	Working experience within 5 years		
					Period	Position	Name of Agency/Company
<b>Mr. Thamnu Wanglee (Cont'd)</b>  Latest re-election: 26 April 2022 Date of resignation: 21 April 2023		Director and Executive Training Program - Director Accreditation Program (DAP 51/2006) Thai Institute of Directors Association			N/A	Director	Plapat Co., Ltd.
					N/A	Director	Wanglee Co., Ltd.
<b>Mr. Vuttichai Wanglee</b> - Director  Date of appointment: 29 April 1992 Latest re-election: 27 April 2021	83	- Bachelor of Industrial Engineering Boston University, USA Director and Executive Training Program - Director Accreditation Program (DAP 93/2011) Thai Institute of Directors Association	1.74	Son of Younger Uncle - Mr. Suchin Wanglee Son of Older Uncle - Mr. Thamnu Wanglee	1992-Present	Director	The Navakij Insurance Plc.
					Other Listed Company (None)		
					Other Business (5)		
					2008-Present	Director	Chao Phaya Resort Ltd.
					1988-Present	Managing Director/ Director	Chaitip Co., Ltd.
					1969-Present	Managing Director/ Director	Wanglee Co., Ltd.
						Managing Director/ Director	Barn Sathorn Nua Co., Ltd.
						Managing Director/ Director	Wanglee Pattana Co.,Ltd.
					2003-Present	Director	The Navakij Insurance Plc.
					Other Listed Company (None)		
Other Business (10)							
<b>Ms. Jittinan Wanglee</b> - Director  Date of appointment: 29 April 2003 Latest re-election: 27 April 2021	52	- Master of Business Administration Babson College, USA Director and Executive Training Program - Director Accreditation Program (DAP 63/2007) Thai Institute of Directors Association	0.68	Son of Younger Brother - Mr. Suchin Wanglee Son of Younger Uncle - Mr. Pitiphong Bisalutra Son of Younger Uncle - Dr. Saran Wanglee - Mr. Anak Wanglee - Mr. Anin Wanglee	2023-Present	Director	Sathorn Thani Co., Ltd.
					2019-Present	Co-MD, Business Group	Rangsit Plaza Co., Ltd.
					2017-Present	Director	Sino Port Co., Ltd.
					2014-Present	Director	Pipatanasin Co., Ltd.
					2014-Present	Director	Poon phiphath Co., Ltd.
					2011-Present	Executive Vice President	Rangsit Plaza Co., Ltd.
						Business Development & Marketing	
					2010-Present	Director	Shopping Center Services Co., Ltd.
					2010-Present	Director	Jittipat Co., Ltd.
					2009-Present	Director	Thana Nondzee Co., Ltd.
2009-Present	Director	Somruedee Co., Ltd					
2006-Present	Director	Rangsit Plaza Co., Ltd.					
2005-Present	Director	Rangsit IT Co., Ltd.					

Position / Date of Appointment	Name	Age (year)	Highest Education Degree / Training Program	NKI Shareholding (percent)	Family Relationship between directors and executives	Working experience within 5 years			
						Period	Position	Name of Agency/Company	
<b>Dr. Saran Wanglee</b> - Director (Executive Director) - Member of the Executive Board - Executive Vice President - Chanel Management - Salesforce Management - Operational Support - Business Development - Corporate Identity and Communications Date of appointment: 18 December 2019 Latest re-election: 25 June 2020	43  - Doctor of Philosophy in Business Administration, Sasin Graduate Institute of Business Administration, Chulalongkorn University  Director and Executive Training Program - Director Accreditation Program (DAP 168) - Financial Statements for Directors (FSD 28) - Board Nomination and Compensation Program (BNCP18) Thai Institute of Directors Association - Top Executive Program in Commerce and Trade (TEPCOT), Class 13, Commerce Academy - Ultra Wealth Group, Class 3 Independent Organization - Thailand Insurance Leadership Program OIC Advanced Insurance Institute - Wealth Enhancement Program (WEP) Tisco Bank Plc. - Intermediate Certificate Course of Young Leadership in Democratic Governance King Prajadhipok's Institute	0.55	Son of - Mr. Suchin Wanglee Son of Younger Uncle - Mr. Pitiphong Bisalputra Son of Older Uncle - Ms. Jittinan Wanglee Son of Younger Uncle - Mr. Anak Wanglee - Mr. Anin Wanglee	2019-Present	Director/ Executive Vice President	The Navakij Insurance Plc.			
				2015-Present	Vice President of Business Development	The Navakij Insurance Plc.			
				2016-2019	Assistant President	The Navakij Insurance Plc.			
				Other Listed Company (None)					
				Other Business (13)					
					Director		S T M S Co., Ltd.		
					Director		Rangsit Plaza Co., Ltd.		
					Director		TKI General Insurance Co., Ltd. (Lao PDR)		
					Director		Sino Port Co., Ltd.		
					Director		Sithinan Co., Ltd.		
					Director		The Navasakol Co., Ltd		
					Director		Thanasarn Sombat (Thai) Co., Ltd.		
					Director		Nice Neighbourhood Corporation Co., Ltd.		
	Director		Lake Ratchada Co., Ltd.						
	Director		Agro Polipack Co., Ltd.						
	Director		Madame Pia Co., Ltd.						
	Director		Aqua Flow Co., Ltd						
	Director		Aqua Infinite Co., Ltd.						
	Director		The Falcon Insurance Plc.						
<b>Ms. Charuwan Chabchamrun</b> - Director (Executive Director) - Company Secretary Date of appointment: 26 February 2015 Latest re-election: 26 April 2022 Date of resignation: 21 April 2023	54  - Bachelor of Arts Chulalongkorn University  Director and Executive Training Program - Board Matters & Trends (BMT 6/2018) - Company Secretary Program (CSP 56/2014) - Director Accreditation Program (DAP 2014) Thai Institute of Directors Association	None	None	2022-Present	Senior Vice President	The Navakij Insurance Plc.			
				2014-Present	Company Secretary	The Navakij Insurance Plc.			
				2015-2023	Director	The Navakij Insurance Plc.			
				2014-2022	Vice President of Office of President	The Navakij Insurance Plc.			
				2014-2022	Vice President of Office of Compliance	The Navakij Insurance Plc.			
				Other Listed Company (None)					
				Other Business (None)					

Name Position / Date of Appointment	Age (year)	Highest Education Degree / Training Program	NKI Shareholding (percent)	Family Relationship between directors and executives	Working experience within 5 years		
					Period	Position Name of Agency/Company	
<b>Ms. Charuwan Chabchamrun (Cont'd)</b>		<ul style="list-style-type: none"> <li>- Preliminary to Corporate Sustainability</li> <li>- Sustainability Commitment</li> <li>- Value Chain and Stakeholder Analysis</li> <li>- Strategies and Process for Sustainability Operations</li> <li>- Materiality and Sustainable Risk Analysis</li> <li>- Sustainability Disclosure</li> <li>- Stock Exchange of Thailand</li> <li>- Grabbing Opportunity to Sustainable Growth</li> <li>- Thailand Securities Depository Co., Ltd.</li> </ul>					
<b>Mr. Anak Wanglee</b>	47	<ul style="list-style-type: none"> <li>- Master of Science in Information Systems</li> <li>- Northeastern University, USA</li> <li>- M.A. in Economics</li> <li>- Boston University, USA</li> <li>- Director and Executive Training Program</li> <li>- Director Accreditation Program (DAP/209)</li> <li>- Thai Institute of Directors Association</li> <li>- e-Learn CFO Refresher: ESG Issues Related to Business Strategies, Information Disclosure and Financial Reports of Listed Companies</li> <li>- Stock Exchange of Thailand</li> </ul>	0.2	<ul style="list-style-type: none"> <li>- Son of Older Brother</li> <li>- Mr. Suchin Wanglee</li> <li>- Son of Younger Uncle</li> <li>- Mr. Pitiphong Bisalputra</li> <li>- Son of Older Uncle</li> <li>- Ms. Jittinan Wanglee</li> <li>- Dr. Saran Wanglee</li> <li>- Older Brother</li> <li>- Mr. Anin Wanglee</li> </ul>	<ul style="list-style-type: none"> <li>2023-Present</li> <li>2019-Present</li> <li>2015-Present</li> <li>2014-Present</li> <li>2014-Present</li> <li>2015-2019</li> <li>Other Listed Company (None)</li> <li>Other Business (7)</li> <li>2023-Present</li> <li>2018-Present</li> <li>2017-Present</li> <li>2017-Present</li> <li>2015-Present</li> <li>2007-Present</li> <li>2004-Present</li> </ul>	<ul style="list-style-type: none"> <li>Director</li> <li>Member of the Executive Board</li> <li>Member of the Risk Management Committee</li> <li>Member of the Investment Committee</li> <li>Vice President of Assets Management Dept.</li> <li>Assistant President</li> <li>Independent Director</li> <li>Chairman of the Audit Committee</li> <li>Member of the Nomination and Remuneration Committee</li> <li>Director</li> <li>Director</li> <li>Director</li> <li>Director</li> <li>Director</li> <li>Director</li> </ul>	<ul style="list-style-type: none"> <li>The Navakij Insurance Plc.</li> <li>The Navakij Insurance Plc.</li> <li>The Navakij Insurance Plc.</li> <li>The Navakij Insurance Plc.</li> <li>The Navakij Insurance Plc.</li> <li>The Navakij Insurance Plc.</li> <li>Phattara Palm Oil Co., Ltd</li> <li>Thanasarn Sombat (Thai) Co., Ltd.</li> <li>Sino Port Co., Ltd</li> <li>Poon Pipat Co., Ltd</li> <li>The Navasakol Co., Ltd</li> <li>Somrudee Co., Ltd</li> <li>S&amp;U Co., Ltd</li> </ul>
<ul style="list-style-type: none"> <li>- Director (Executive Director)</li> <li>- Chief Financial Officer</li> <li>- Executive Vice President,</li> <li>- Assets Management</li> <li>- Organization Development</li> <li>- Administrative</li> <li>- Information System</li> <li>- Finance</li> <li>- Member of the Risk Management Committee</li> <li>- Member of the Investment Committee</li> <li>- Member of the Executive Board</li> </ul>							
Date of appointment: 10 May 2023							

Name Position / Date of Appointment	Age (year)	Highest Education Degree / Training Program	NKI Shareholding (percent)	Family Relationship between directors and executives	Working experience within 5 years		
					Period	Position	Name of Agency/Company
<b>Mr. Anin Wanglee</b> - Director (Executive Director) - Executive Vice President, Claims Management - Acting Vice President of Claims Management - Member of the Executive Board  Date of appointment: 10 May 2023	45	- Master of Business Administration Bentley College, USA  Director and Executive Training Program - Director Accreditation Program (DAP 119/2015) Thai Institute of Directors Association	0.3	Son of Older Brother - Mr. Suchin Wanglee Son of Younger Uncle - Mr. Pitiphong Bisalputra Son of Older Uncle - Ms. Jittinan Wanglee - Dr. Saran Wanglee Younger Brother - Mr. Anak Wanglee	2023-Present	Director	The Navakij Insurance Plc.
					2019-Present	Member of the Executive Board	The Navakij Insurance Plc.
					2017-Present	Acting Vice President of Claims Management Department	The Navakij Insurance Plc.
					2015-2019	Assistant President	The Navakij Insurance Plc.
					2013-2014	Vice President of Claims Management Dept.	The Navakij Insurance Plc.
					Other Listed Company (1)		
					2015-Present	Director/ Member of Audit Committee	Thai Metal Drums MFG. Plc.
					Other Business (5)		
					2019-Present	Director	Sitthinan Co., Ltd.
					2017-Present	Director	C.E.S. Co., Ltd.
2014-Present	Director	Poonvanich Co., Ltd.					
2014-Present	Director	S&U Co., Ltd.					
2013-Present	Director	The United Indemnity Co., Ltd.					

### Details of Executives

Position / Date of Appointment	Age (Year)	Highest Education Degree/ Training Program	NKI Shareholding (percent)	Family Relationship between directors and executives	Working experience with 5 years		
					Period	Position	Name of Agency/Company
<b>Mrs. Nalina Bocharamak</b> - Executive Vice President, Underwriting and Risk Management - Member of the Risk Management Committee - Member of the Executive Board  Commence in Year 2009	54	- Master of Business Administration University of West Florida, USA	None	None	2018-Present	Acting Vice President of Office of Risk Management	The Navakij Insurance Plc.
					2014-Present	Member of the Risk Management Committee	The Navakij Insurance Plc.
					2013-Present	Executive Vice President	The Navakij Insurance Plc.
					2010-Present	Member of the Executive Board	The Navakij Insurance Plc.
					2009-2013	Assistant President	The Navakij Insurance Plc.
					Other Listed Company (None)		
					Other Business (None)		

### Details of the Person Supervising Accounting

Position / Date of Appointment	Age (Year)	Highest Education Degree/ Training Program	NKI Shareholding (percent)	Family Relationship between directors and executives	Working experience with 5 years		
					Period	Position	Name of Agency/Company
<b>Mrs. Maysa Suntranusorn</b> - The person supervising accounting *qualifications and conditions in accordance with the rules prescribed in the notification of the Department of Business Development.* - Senior Manager of Finance Commence in Year 1993 Date of Appointment: 1 July 2021	53	- Bachelor Degree in Accounting Bangkok University  Training Program - Summary of Significant Changes in the Thai Financial Reporting Standard (TFRS) effective in 2023 - IFRS17 Insurance Contract 101) - IFRS17 Guidelines - Accounting Tools, AI, RPA, OCR Technology and Accounting in Digital Era - Provision for impairment of financial instruments (TFRS9)	None	None	2018-Present	Senior Manager of Finance	The Navakij Insurance Plc.
					Other Listed Company (None)		
					Other Business (None)		



Name Position / Date of Appointment	Age (Year)	Highest Education Degree/ Training Program	NKI Shareholding (percent)	Family Relationship between directors and executives	Working experience with 5 years	
					Period	Position Name of Agency/Company
<b>Mrs. Maysa Suntranuorn (Cont'd)</b>		<ul style="list-style-type: none"> <li>- Electronic System for Submitting Contributions of Insurance Companies</li> <li>- Tax Impact Study Related to International Financial Standard Reporting No. 17: Insurance Contract</li> <li>- Stamp Duty for E-Policy</li> <li>- Cash Stamp Duty for Electronic Instruments</li> </ul>				

#### Details of Company Secretary

Name Position / Date of Appointment	Age (Year)	Highest Education Degree/ Training Program	NKI Shareholding (percent)	Family Relationship between directors and executives	Working experience with 5 years		
					Period	Position	Name of Agency/Company
<b>Ms. Charuwan Chabchamrun</b> - Company Secretary	54	<ul style="list-style-type: none"> <li>- Bachelor of Arts Chulalongkorn University</li> </ul>	None	None	<ul style="list-style-type: none"> <li>2022-Present Senior Vice President</li> <li>2014-Present Company Secretary</li> <li>2015-2023 Director</li> <li>2014-2022 Vice President of Office of President</li> <li>2014-2022 Vice President of Office of Compliance</li> </ul>	<ul style="list-style-type: none"> <li>The Navakij Insurance Plc.</li> <li>The Navakij Insurance Plc.</li> <li>The Navakij Insurance Plc.</li> <li>The Navakij Insurance Plc.</li> <li>The Navakij Insurance Plc.</li> </ul>	
Date of appointment: 15 May 2014		<ul style="list-style-type: none"> <li>Director and Executive Training Program</li> <li>- Board Matters and Trends (BMT 6/2018)</li> <li>- Director Accreditation Program (DAP 2014)</li> <li>- Company Secretary Program (CSP 56/2014)</li> <li>Thai Institute of Directors Association</li> <li>- Preliminary to Corporate Sustainability</li> <li>- Sustainability Commitment</li> <li>- Value Chain and Stakeholder Analysis</li> <li>- Strategies and Process for Sustainability Operations</li> <li>- Materiality and Sustainable Risk Analysis</li> <li>- Sustainability Disclosure</li> <li>- THIS 1-on-1 Advisory 2023</li> <li>- THSI 2023 Assessment Preparation</li> <li>Stock Exchange of Thailand</li> </ul>					
						Other Listed Company (None)	
						Other Business (None)	

Name Position / Date of Appointment	Age (Year)	Highest Education Degree/ Training Program	NKI Shareholding (percent)	Family Relationship between directors and executives	Period	Working experience with 5 years	
						Position	Name of Agency/Company
<b>Ms. Charuwan Chabchamun (Cont'd)</b>		<ul style="list-style-type: none"> <li>- Disclosure of Sustainability Report According to ISSB</li> <li>- The Corporate Responsibility to Respect Human Rights The Securities and Exchange Commission</li> <li>- CGR Workshop 2023</li> <li>Thai Institute of Directors Association and Stock Exchange of Thailand</li> <li>- Grabbing Opportunity to Sustainable Growth</li> <li>- Issuer Portal and SETLink Training</li> <li>Thailand Securities Depository Co.,Ltd.</li> <li>- Organizing Board of Director Meeting</li> <li>Thai Company Secretary Club</li> <li>- Board Retreat and NED Meeting</li> <li>- AGM Notice / Board Resolution</li> <li>Thai Listed Companies Association</li> <li>- AGM Checklist Training</li> <li>Thai Investors Association</li> <li>- Interest Reports and Inside Information Policy</li> <li>- Information Disclosure through SET Link Training</li> <li>Stock Exchange of Thailand</li> <li>- Guidelines for Disclosing ESG Report and Corporate Governance for the Non-Life Insurance Companies</li> <li>Office of Insurance Commission</li> <li>- Foster an Innovative Environment of Drive Positive change</li> <li>Thai General Insurance Association</li> </ul>					

## **Attachment 2**

### **Detail of subsidiary's director**

The Company does not have any subsidiary.

### Attachment 3

#### Details of Head of the Office of Internal Audit

Name	Age (Year)	Education / Training Program	% of Share Possession	Family Relationship among Directors / Executives	Working Experiences		
					Time Period	Position	Company
<b>Mr. Phisit Photsatian</b> Vice President, Office of Internal Audit	56	Bachelor of Accounting Chiang Mai University  Training Program - Certified Professional Internal Audit of Thailand (CPIAT) The Institute of Internal Auditors of Thailand - Insurance Management Development Program Thai General Insurance Association	None	None	2015-Present	Vice President, Office of Internal Audit	The Navakij Insurance Plc.
					2013-2014	Assistant Vice President, Office of Internal Audit	The Navakij Insurance Plc.
					2006-2013 1995-2006	Finance and Accounting Manager Assistant Vice President, Finance and Accounting Dept.	Bangkok Thonburi Insurance Plc. Thai Commercial Insurance Plc.

#### Detail of Head of the Office of Compliance

Name	Age (Year)	Education / Training Program	% of Share Possession	Family Relationship among Directors / Executives	Working Experiences		
					Time Period	Position	Company
<b>Ms. Charuwan Chabochamrun</b> Senior Vice President Office of Compliance	54	Bachelor of Arts Chulalongkorn University  Training Program - Insurance Management Development Program Thai General Insurance Association - Compliance for Insurance Business Chula Unisearch - Anti-Money Laundering and Combating the Financing of Terrorism Standards for those who have a duty to report - PDPA for Insurance Business	None	None	2022-Present	Senior Vice President, Office of Compliance and Office of President Company Secretary	The Navakij Insurance Plc.
					2014-Present	Vice President, Office of Compliance	The Navakij Insurance Plc.
					2014-Present	Vice President, Office of President	The Navakij Insurance Plc.
					2014-2022	Vice President, Administrative Dept.	The Navakij Insurance Plc.
					2009-2014		

Name	Age (Year)	Education / Training Program	% of Share Possession	Family Relationship among Directors / Executives	Working Experiences	
					Time Period	Position
<b>Ms. Charuwan Chabchamrun (Cont'd)</b>		<ul style="list-style-type: none"> <li>- Personal Data Protection Act, B.E. 2562 Training Course</li> <li>Office of Insurance Commission (OIC)</li> <li>- Road to Certify 3/2023 (Anti-Corruption Assessment Version 4)</li> <li>Thai Institute of Directors</li> <li>- Sustainable Innovation : How Equality Drives Business Transformation and Foster an Innovative Environment to Dive Positive Change"</li> <li>Thai General Insurance Association</li> <li>- Going Forward 2023: Complaints Management under PDPA</li> <li>Office of the Personal Data Protection Commission (PDPC)</li> </ul>				

Note: Duties and responsibilities of Head of the Office of Internal Audit and Head of the Office of Compliance show in 7.6 Other Information

## **Attachment 4**

### **Assets for business operations**

Details are presented in “1.1.2 (4) Assets for Business Operations”

## **Attachment 5**

### **Corporate Governance Policy, Code of Conduct and Board of Directors and Subcommittee Charters**

#### **Corporate Governance Policy**

<https://www.navakij.co.th/public/core/uploaded/documents/802207e1481e0d0c96648c8d21298ddc.pdf>

#### **Code of Conduct**

<https://www.navakij.co.th/public/core/uploaded/documents/9e0467540723843092e46b7e5704cf3a.pdf>

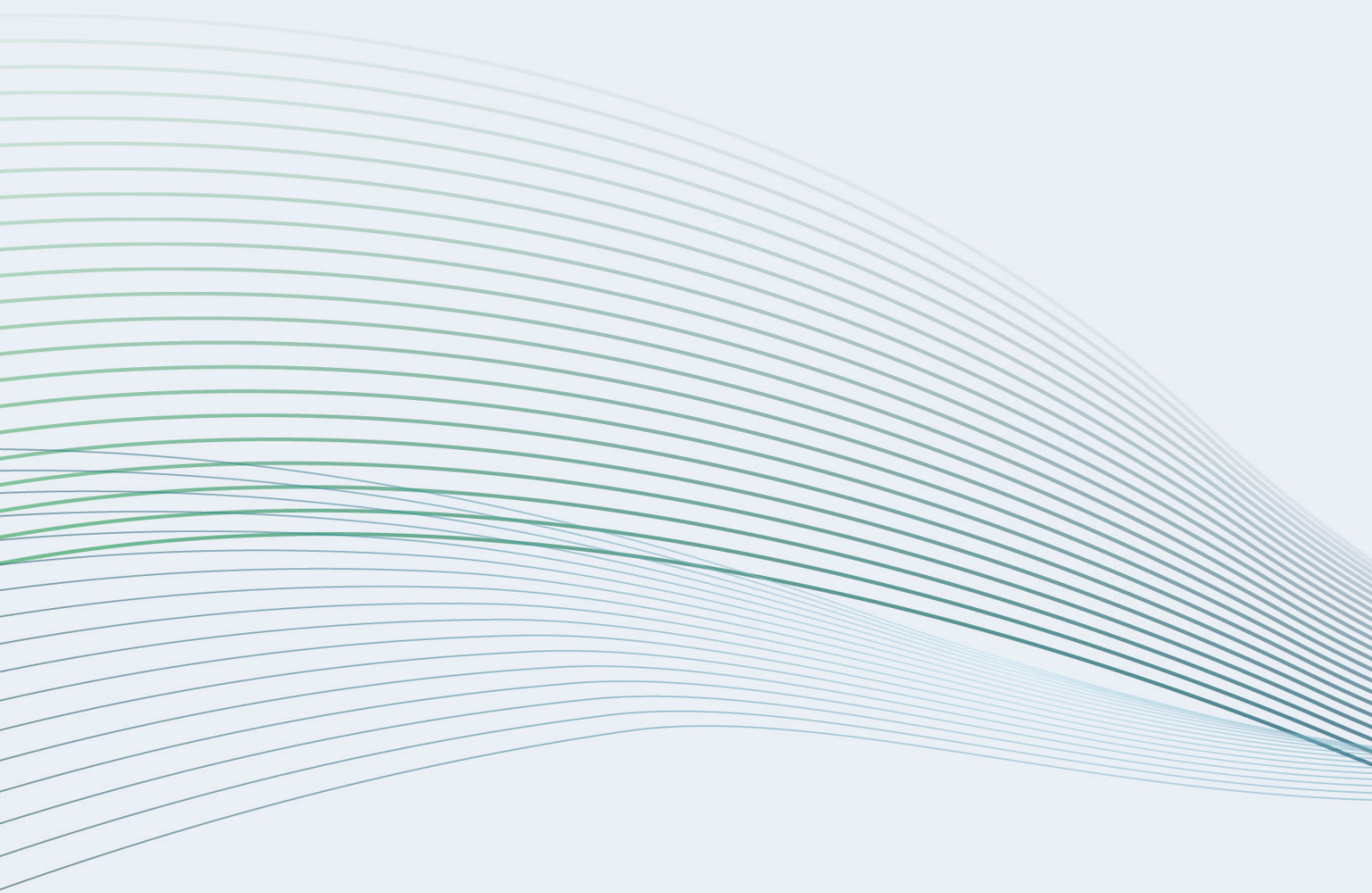
#### **Board of Director and Subcommittee Charter**

<https://www.navakij.co.th/en/sustainability/charters-and-definition-of-independent-director>

## **Attachment 6**

### **Report of the Audit Committee**

Details are presented in “Report of the Audit Committee”



**NAVAKIJ**  
**INSURANCE**

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