

56-1 One Report

2021



NAVAKIJ

INSURANCE



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.



The pandemic of Coronavirus disease 2019 (COVID-19) over the past 2 years is the newly emerged risk that has a wide impact in many aspects to all regions around the world in terms of public health, economy, education and livelihood. In addition to the general people have to adjust their daily lifestyle to be safe from the pandemic, all kinds of businesses have to make huge adaptations to keep up with the sudden changes. The “new normal” lifestyle has resulted in dramatic changes in term of behaviors. It is also a catalyst for digital systems to play bigger roles in daily life. As of which, the insurance business, as a risk manager, would inevitably suffer from such impacts, and have to consider adjusting the new business model in order to be able to operate the business during the economic recession.

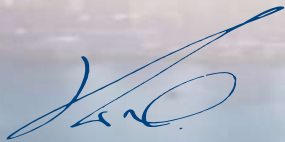
Mr. Suchin Wanglee
Chairman of the Board of Directors

In 2021, the Company's operating results continue to grow and be profitable. This is the result of being well-prepared to handle with the aforementioned situations. The Company has carefully formulated strategies and business plans, and closely monitored the situation in order to examine the adjustment of the operation plan, and ensure it to be consistent and appropriate with the situation in a timely manner; by developing insurance products to have a variety of coverage and meet the needs of each group of customers, expanding distribution channels to reach customers more easily, including the use of technology systems in various processes to improve the efficiency of work, service and management of operating costs.

In addition to focusing on business and operating results, the Company remains committed to developing the organization for sustainable growth with transparent management, being compliance with the laws and regulations of regulatory bodies, fight against corruption in all forms, conduct business in a socially responsible manner, support activities for the public benefit, and adhere to the principles of corporate governance all along. As a result, the Company was certified as a member of the Thai Private Sector Collective Action Coalition against Corruption for the third time and received the results of the corporate governance assessment of Thai listed companies, from the Thai Institute of Directors Association for the year 2021, in the "excellent" level, whereas the scores in all categories are higher than the overall average.

The Company's progress over time is a testament to our commitment to the Company's vision and mission; to be a leading non-life insurance company that operates business with ethics and responsibility to society, community and environment to create stability for society and create benefits for all groups of stakeholders. On behalf of the Board of Directors, I would like to express my gratitude to all stakeholders for their continued trust and support to the Company, and be rest assured that the Company will develop its operations in all aspects for the company to grow its business sustainably.

Coping with the Coronavirus 2019 (COVID-19) pandemic that has been progressively intensified over the past year has become the great challenge against living and business as well as affected disruption in all industries. “Navakij” has made preparations in all aspects, such as operation, sales, services and finance to deal with such situation since the beginning of the outbreak. Thus the Company passed the crisis smoothly with satisfying results.



Mr. Pitiphong Bisalputra
CEO & President



In 2021, the Company's direct written premium was 3,332 million Baht and net profit was 108 million Baht, an increase of 72 percent from the previous year. During the crisis, people have increased emphasis on health and medical expenses, resulting in an increase of the Company's health insurance premiums by 136 percent. The Company has closely monitored the situation of the COVID-19 pandemic, and adjusted the health insurance plan accordingly in order to maintain the ability to settle claims according to the insurance coverage. Moreover, the Company also increased profits from motor insurance due to 10 percent decrease in loss ratio, which is benefited from disease control measures that limit traveling.

In addition to long-term business planning, the Company reviews the strategic plan on a yearly basis to suit the situation at a time. In 2021, the Company focused on expanding the market, increasing distribution channels and sales representatives, penetrating new target groups, and maintaining the existing customer base as well as developing products to cover the needs of target groups and market direction. The Company has implemented modern systems for issuing policy, insurance premiums payment, and claims management; to increase the efficiency of operation and services as well as facilitating customers for satisfaction.

The Company is committed to improving the operations for better operating performance, as well as conducting the business with social responsibility and good corporate governance which is the most important factor to develop the organization towards sustainability. On behalf of the management, I would like to thank you all shareholders, customers, business partners, and investors for always trusting and believing in the quality and service of the Company.

Operating Results and Financial Status as at 31 December 2021

	Unit	Financial Statements (The equity method is applied)		
		2021	2020	2019
Financial Position				
Total assets	Million Baht	6,278.91	6,077.94	5,703.30
Total liabilities	Million Baht	4,030.62	3,983.38	3,636.81
Total equity	Million Baht	2,248.29	2,094.56	2,066.49
Investment assets	Million Baht	3,407.38	3,243.03	3,045.13
Dividend per share*	Baht	1.79	1.50	1.28
Number of paid-up shares	Shares	35,000,000	35,000,000	35,000,000
Number of registered shares	Shares	35,000,000	35,000,000	35,000,000
Total capital available**	Million Baht	2,121.86	2,051.26	2,183.29
Total capital required**	Million Baht	616.00	458.86	605.97
Operating Performance				
Gross premium written	Million Baht	3,372.95	3,326.05	3,023.91
Net premium written	Million Baht	2,552.56	2,557.41	2,278.50
Net earned premium	Million Baht	2,522.93	2,437.21	2,209.45
Fee and commission income	Million Baht	233.79	193.85	182.36
Net claim and loss adjustment expenses	Million Baht	1,602.00	1,440.97	1,434.81
Total underwriting expenses	Million Baht	754.96	772.97	746.11
Profit (loss) from underwriting	Million Baht	399.76	417.12	210.89
Operating expenses	Million Baht	353.29	338.19	361.11
Profit (loss) from underwriting after deducting operating expenses	Million Baht	46.47	78.93	173.91
Total investments income	Million Baht	87.43	11.64	180.68
Profit before income tax expenses	Million Baht	132.57	86.60	29.60
Income tax revenue (expenses)	Million Baht	(23.22)	(15.27)	0.04
Profit for the year	Million Baht	109.35	71.33	29.64
Total comprehensive income (loss) for the year	Million Baht	206.23	(10.60)	10.29
Liquidity Ratio				
Liquidity ratio	Times	1.36	1.30	1.34

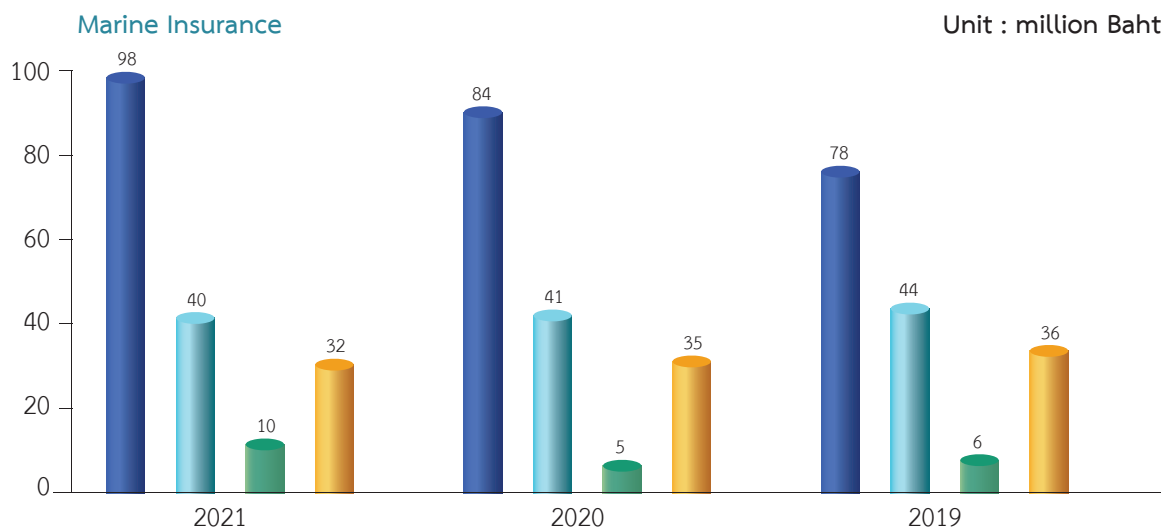
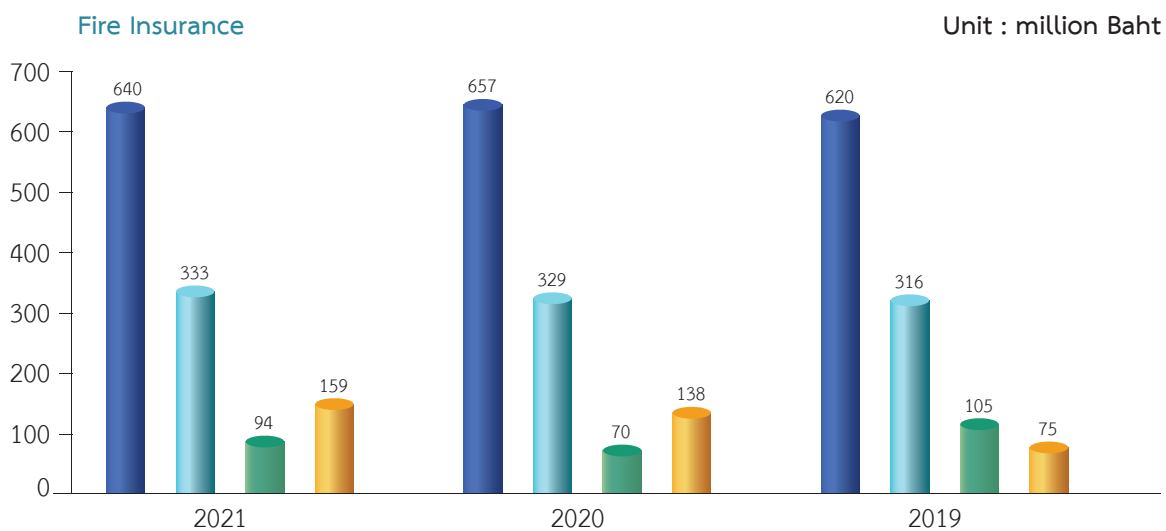
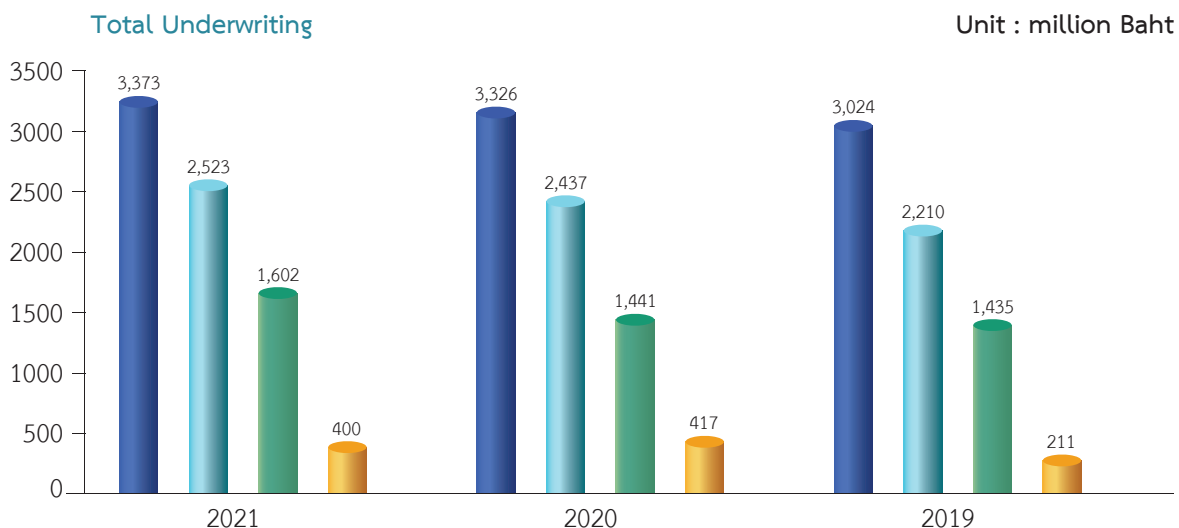
Financial Statements
(The equity method is applied)

	Unit	2021	2020	2019
Collection period for premium due and uncollected	Days	55	53	54
Profitability Ratio				
Gross premium written growth ratio	Percent	1.41	9.99	4.54
Retention ratio	Percent	75.68	76.89	75.35
Loss ratio	Percent	63.50	59.12	64.94
Acquisition ratio	Percent	20.66	23.76	25.52
Operating expense to earned premium ratio	Percent	14.00	13.88	16.34
Combined ratio	Percent	98.16	96.76	106.80
Underwriting profit to earned premium ratio	Percent	1.84	3.24	(6.80)
Return on investment	Percent	2.57	0.36	5.93
Return on equity	Percent	5.04	3.43	1.42
Profit per share	Baht	3.12	2.04	0.85
Efficiency Ratio				
Return on assets	Percent	1.77	1.21	0.54
Assets turnovers	Times	0.46	0.45	0.47
Financial Position Ratio				
Gross premium written to equity ratio	Times	1.50	1.59	1.46
Debt to equity ratio	Times	1.79	1.90	1.76
Policy Liability to equity ratio	Times	1.26	1.26	1.25
Unearned premium reserve to equity ratio	Times	0.81	0.85	0.79
Unearned reserve to total assets ratio	Percent	28.96	29.26	28.80
Capital adequacy ratio**	Percent	344.46	447.03	360.30
Dividend payout ratio*	Percent	57.16	73.61	151.79

* Proposed for the approval to the Shareholder's Meeting of 2022 in April 2022

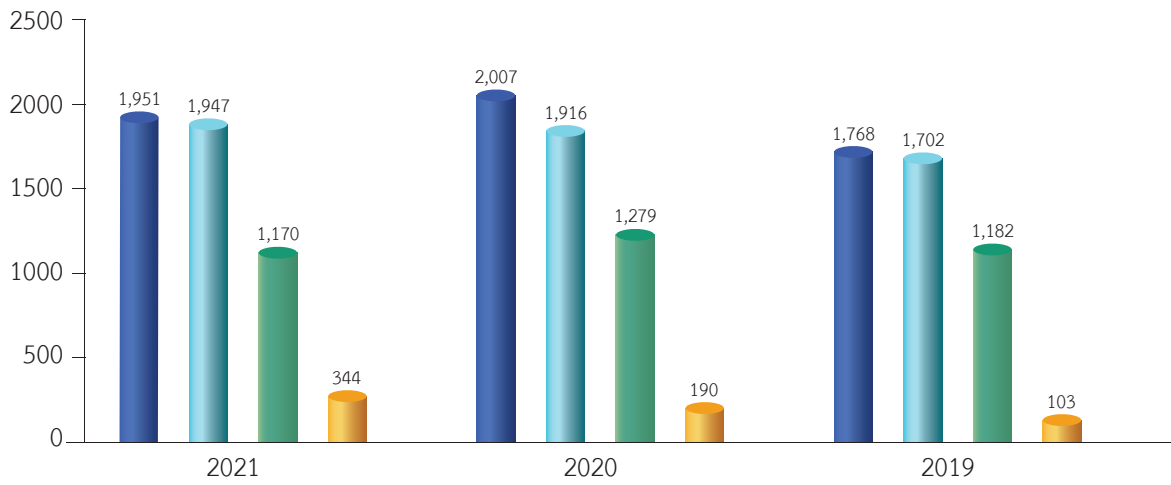
** Unaudited

Operating Results from Underwriting



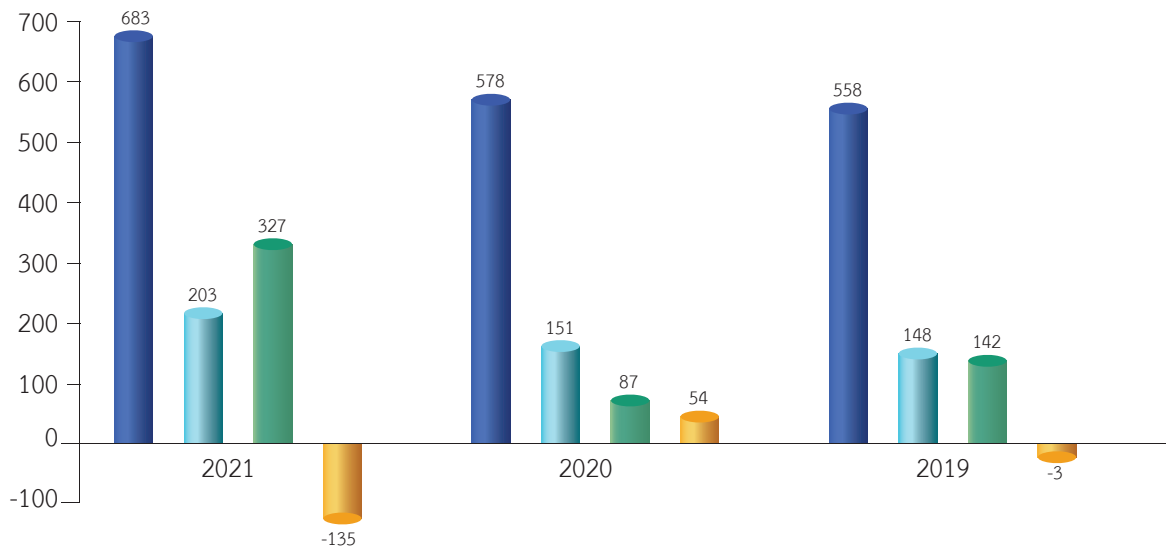
Motor Insurance

Unit : million Baht



Miscellaneous Insurance

Unit : million Baht



Premium written



Net earned premium

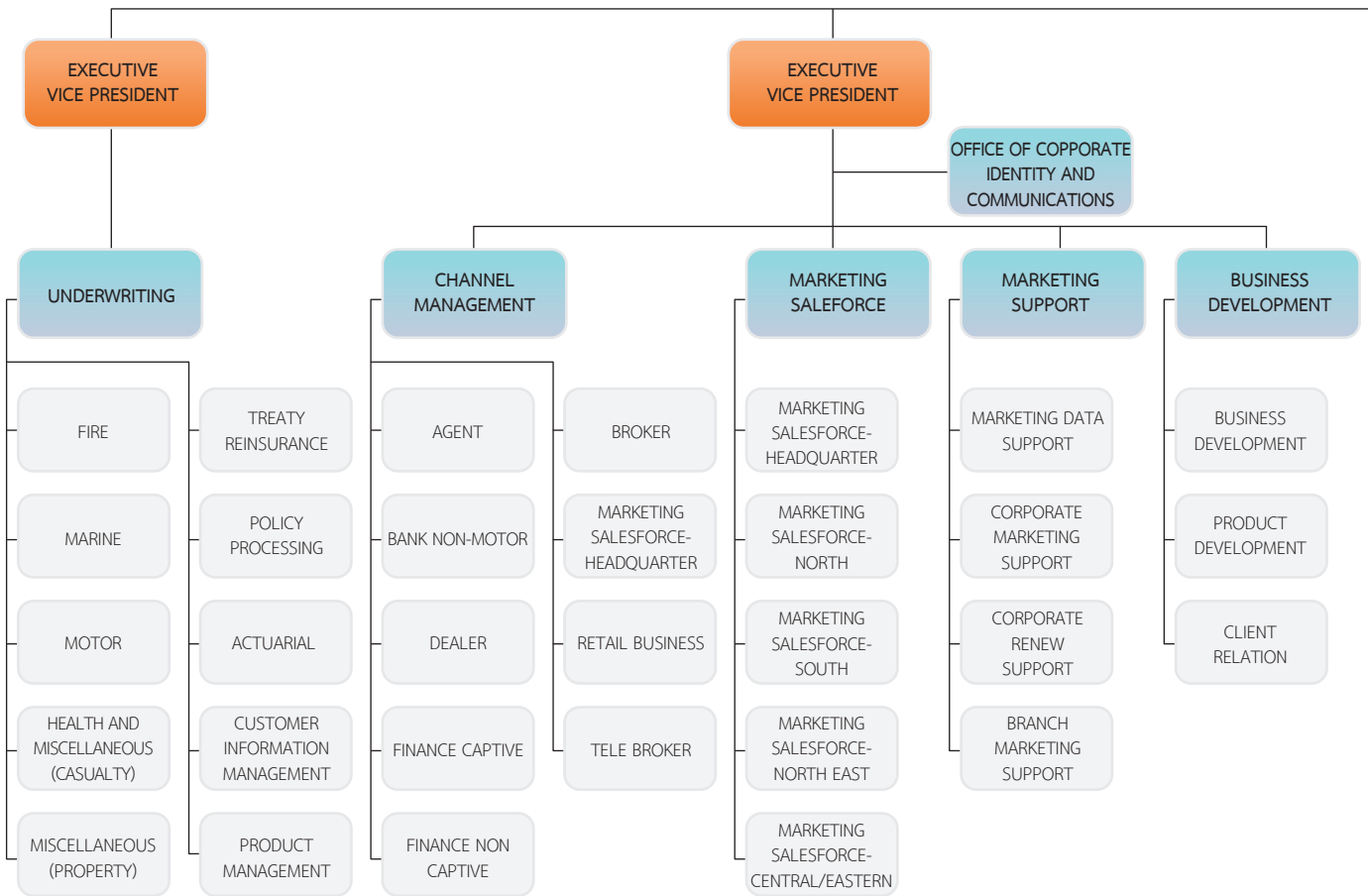
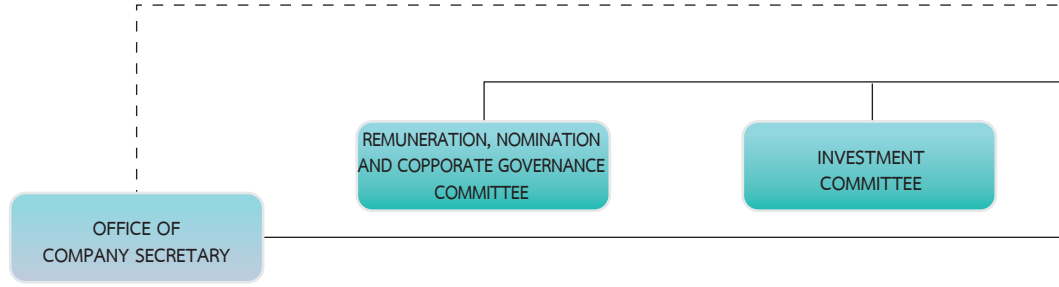


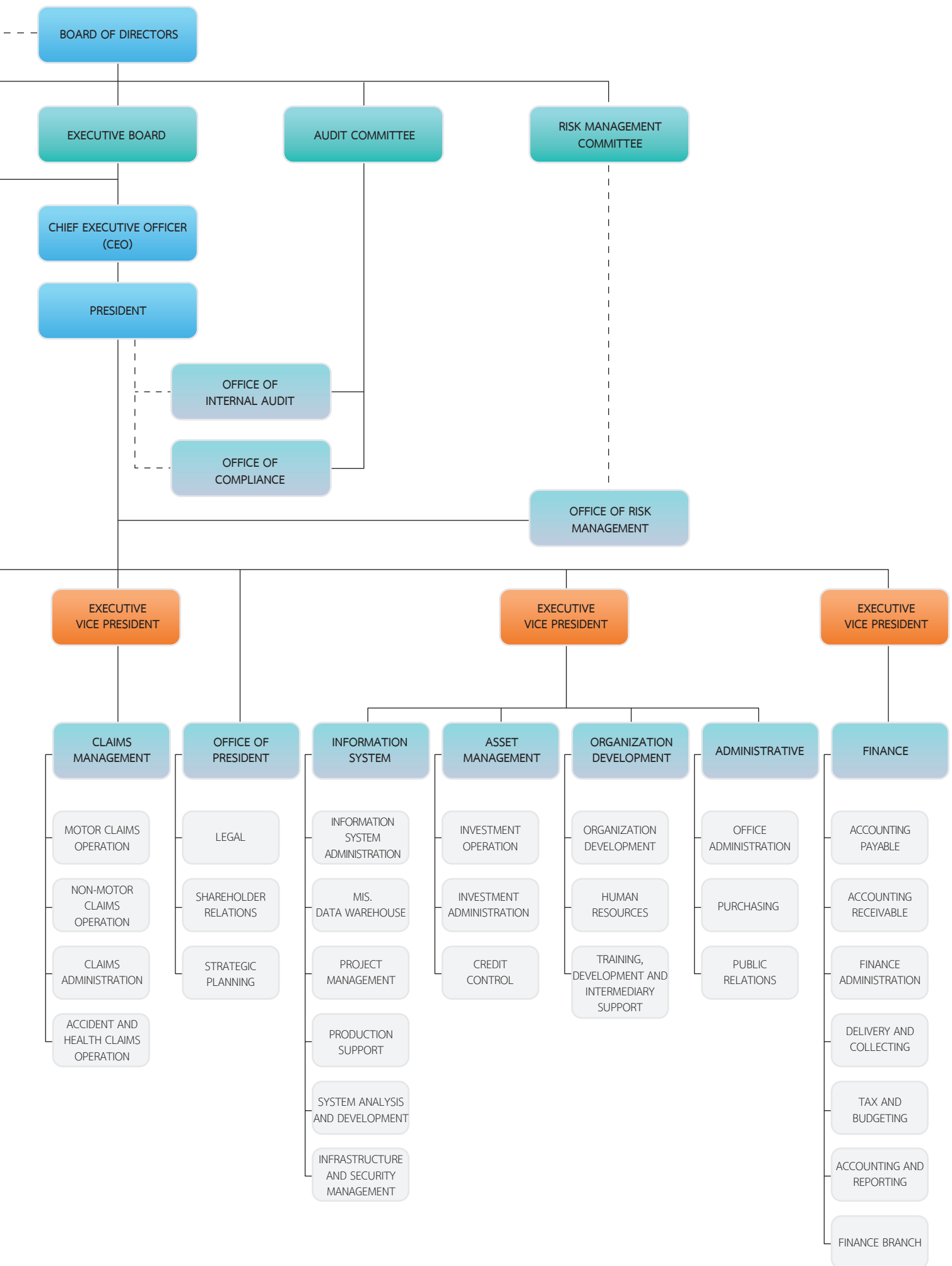
Claim and loss adjustment expenses



Profit from underwriting before operating expenses

ORGANIZATION STRUCTURE





The Audit Committee (the "Committee") comprises independent directors, namely Professor Hiran Radeesri as the Chairman of the Committee, Mr. Kiet Srichomkwan and Mrs. Wanida Chansikarin as the Committee members. They are highly competent and experienced in organization management, finance and and accounting.



Professor Hiran Radeesri
Chairman of the Audit Committee



During 2021, the Committee held ten meetings, details of the meeting attendance are as follows:

1. Professor Hiran Radeesri	Chairman	Meeting Attendance	10/10	times
2. Mr. Kiet Srichomkwan	Director	Meeting Attendance	10/10	times
3. Mrs. Wanida Chansikarin	Director	Meeting Attendance	10/10	times

The Committee performed its duties as assigned by the board of directors and supervised the Company's operation in accordance with its charter and corporate governance principles. The performance report for the year is as follows:

1. The Committee reviewed the financial statements for the year 2020 and the quarterly financial statements. 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 accounting to financial reporting standard and disclosed information were adequate, complete and reliable. Feedbacks and suggestions from 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 were confident that collection and recording transactions were complete according to current financial reporting standard. From 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 Thai 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 office of internal audit on regular basis. There is not any significant deficiency and the internal control system is reasonably adequate and appropriate. The Committee reviewed and assessed the annual internal audit plan which follows the risk assessment result and approved budget of the office of internal audit and laurels of the vice president of the Office of Internal Audit. From a review of the internal control system conducted by the Committee, it 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 taking into consideration relevant laws, rules and regulations. During 2021, the Company had significant business transactions with related parties arose in the ordinary course of business. The compliance checklist has been implemented to ensure the compliance with the rules and regulations of related laws with adequately and appropriate.

4. The Committee reviewed the efficiency and effectiveness of good governance and the compliance with rules and regulations and related laws and the Office of Compliance's report. It was found that the directors, executives, and employees had complied with the policy and all relevant laws and regulations. The Company is 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 to risk management. The Audit Committee together with the Company's executives assessed the risk management plan to ensure that it was implemented effectively. The Risk Management Committee provided recommendations to the board of directors for operation improvement in order to enhance the plan effectiveness and to comply with OIC's regulations and guidelines.

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

7. The Committee evaluated the external auditor performance during the past year, of which result is 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, all from EY Office Limited, to be the Company's external auditor for the year 2022 and also proposed audit fees and others, totaling of 2.505 million Baht, submitted to the annual general meeting of shareholders for approval.

The Committee formed an opinion that the Company observed good governance principles in conducting its 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 Corporate Governance Committee ("The Committee") consists of 3 directors. In the year 2021, the Committee held 2 meetings of which attendance were as follows:

- | | | | | |
|------------------|--------------|----------|--------------------|-----------|
| 1. Mr. Kiet | Srichomkwan | Chairman | Meeting Attendance | 2/2 times |
| 2. Mr. Nipol | T. Jeerawong | Director | Meeting Attendance | 2/2 times |
| 3. Mr. Phornpong | Phornprapha | Director | Meeting Attendance | 1/2 times |

As assigned by the Board of Directors, the Committee performed its duties on scrutinizing the remuneration method, criteria and procedures for nomination of the Company's directors, sub-committee and top management. Its duties also covered considering and proposing appropriate guidelines for corporate governance to the Board of Directors. In 2021, important matters considered by the Committee is summarized as follows:



Kiet Srichomkwan

Chairman of the Remuneration, Nomination and Governance Committee



1. Remuneration

The Committee proposed the remuneration structure for directors and sub-committees in form of bonus and meeting allowances as in the previous year, taking into consideration the remuneration structure of other listed companies, economy, the Company's performance and dividends payment. The directors received two forms of remuneration which were director's bonus, aligned with the Company's performance, and meeting allowance for attendance. The sub-committee received meeting allowances only. The top management's remuneration was adjusted in accordance with the salary increment rate of the Company.

2. Nomination

The Committee proposed the appointment of qualified persons to replace the Company's directors and sub-committee who retired by rotation. The nominated person must be knowledgeable, competent, and experienced. In addition, they must not have any characteristics prohibited by relevant laws and regulations. The Company's provided shareholders an opportunity to nominate persons to be appointed as the Company's director during 9 September 2020 to 31 December 2020. As no nominated person was proposed, the Company considered proposing to re-appoint all retired directors to serve as the Company's director for another term due to their qualifications in all respects and strong duty performance during their previous term of office. An independent director who held his office for more than 9 years was also proposed to be re-appointed as well because he was able to independently express his opinion which was benefit for business operation. The Committee proposed that the Board appoint the Investment Committee members and the Audit Committee members who retired by rotation and extend the employment contract of the Chief Executive Officer and President for another year.

3. Corporate Governance

The Committee improved the Company's corporate governance performance taking into consideration the advice given by related agencies. The Corporate Governance policy, the Code of Conduct, the Stakeholder Policy, the Conflict of Interest Policy and the Anti-Corruption Policy and Measures were reviewed annually to comply with current operation and relevant laws and regulations. The Committee also considered the progress of the sustainable development.



Risk Management Committee consists of 5 directors and executives of the Company, namely Mr. Nipol T. Jeerawong, Chairman of the Risk Management Committee, Mr. Pitiphong Bisalputra, Ms. Anukul Thitikulrat, Mrs. Nalina Bodharamik and Mr. Anak Wanglee, served as Risk Management Committee who are qualified and experienced in corporate management, risk management, investment, finance and accounting.

During the year 2021, the Risk Management Committee held 5 meetings with details of the meeting attendance of the Risk Management Committee members as follows:

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

A handwritten signature in blue ink, appearing to read 'N. Jeerawong', with a large, stylized flourish at the end.

Mr. Nipol T. Jeerawong

Chairman of the Risk Management Committee

The Risk Management Committee has performed its duties within the scope assigned by the Board of Directors and supervised in accordance with the Charter of the Risk Management Committee and the Notification of the Insurance Commission. The Risk Management Committee summarized the report on the performance of duties for the year 2021 as follows:

1. Supervise the risk management in a systematic and continuous manner, efficient and effective with maximum beneficial results, and in accordance with the framework and policies of Enterprise Risk Management (ERM) and Own Risk and Solvency Assessment (ORSA), including business strategies and plans; in order to ensure that the Company has a stable financial status and capital funds and have adequate and appropriate risk management, and able to achieve the objectives or goals of the Company both in the short term and in the long term.

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

3. Supervise the overall activities of the Company related to risks. This includes the development and implementation of risk management framework and policy across the organization; to ensure that the Company operates its business correctly and effectively according to the risk management policy provided by the Board of Directors.

4. Review the risk management report to assess and monitor key risks, and to ensure that the organization has adequate and appropriate risk management.

5. Present and monitor risk status including changes in the overall risks of the Company, follow up on the progress of risk management, provide suggestions on what needs to be done to improve, to be in accordance with the risk management framework and the risk management policy, and report to the Board of Directors on a quarterly basis

6. Prepare a risk mitigation plan to handle with emergency risks

7. Provide advice to various departments that are risk management departments and consider revising various information related to the development of risk management systems

8. Perform duties as assigned by the Board of Directors.

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

In 2021, the Investment Committee held 4 meetings, with details of the meeting attendance of as follows:

1. Mr. Pitiphong Bisalbutra Chairman
Meeting Attendance 4 times
2. Mr. Nipol Tangjareewong,
Member Meeting Attendance 4 times
3. Mr. Anak Wanglee
Member Meeting Attendance 4 times



Mr. Pitiphong Bisalbutra
Chairman of Investment Committee



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 Investment Committee considered important issues as follows:

1. The Committee always considered the investment situation in all aspects, especially the investment return and risk in order to obtain the expected return at the appropriate risk level. In the past year, the investment situation has been highly volatile due to the impact of the Coronavirus Disease (COVID-19) pandemic. Therefore, the Company has focused on investing in short-term instruments for flexibility in liquidity risk management, and reducing the credit rating of the instrument. As a result, the average time to maturity of the investment portfolio was reduced. When the investment situation began to improve, the Committee has reconsidered the appropriateness of investment portfolio management, by adjusting KRI-Investment (Key Risk Indicator). The time to maturity, originally set of not more that 1.5 years, was extended to a maximum of 2 years to be in line with the situation at that time and higher returns.

2. The Investment Committee Charter dated 15 May 2014 stipulated that “non-executive Investment Committee’s member has a term of office of 3 years, and may hold office for no longer than 3 terms unless the Board of Directors has an opinion otherwise.” In 2021, Mr. Nipol T. Jeerawong was due to retire by rotation. The Board of Directors has considered and is the opinion that he has knowledge, ability and proper qualifications. Therefore, the Board resolved to re-appoint him as the Investment Committee member for another term.

Report of the Board of Directors' Responsibilities for the Financial Statements

Board of directors puts strong emphasis on principles of good corporate governance and supervised 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 views 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 and appropriate and can build the confidence that the financial statements of NKI for the year ended 31 December 2021 are reliable, comply 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

SECTION 1

BUSINESS OPERATIONS AND PERFORMANCE

1. Structure and Operation

1.1 Business Overview

The Navakij Insurance Public Company Limited (the “Company”) has been engaged in the non-life insurance business since the 23rd of September 1933. Founded by the Wanglee Family, the Company was initially known as Luang Lee Insurance Company Limited. At the initial period, there were only two classes of insurance provided by the Company, fire and marine insurance. The Company changed its name to The Navakij Insurance Public Company Limited on 15 August 1985. On 24 August 1990, the Company was listed in the Stock Exchange of Thailand with a paid up capital of forty million Baht and as a result, increased its capital to eighty million Baht in 1992. On 20 August 1993, the Company converted its status to a public limited company.

The Company has developed its business with achieving sustainable growth over past 88 years. Presently, its paid up capital is 350 million Baht with 24 branches throughout the country, both in the metropolitan areas and many provinces.

Underwriting is the core function of the Company. The Company engages in most of non-life insurance i.e. fire, marine and transportation, motor and miscellaneous.

Underwriting

Direct insurance is underwritten through agents, brokers, corporate brokers, and branches of the Company. Its proportion is more than 90 percent of the total written premium.

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

Investment

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

1.1.1 Vision, Objectives, Goals and Business Strategy

The management proposed that the board of directors approve the Company's strategies and policies which were reviewed annually. The Company's business direction for the year 2022 focuses on maintaining the growth rate in the insurance business, building business partnership and promoting proactive marketing through online channels in order to expand business channels. The strategy plan also includes developing new products in accordance with the current situation and government projects. In order to modernize and expand business, the Company continues to develop the digital service models as well as adjust the work process and develop the work system.

The board of directors has set the vision and mission to have the same goal 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 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.

1.1.2 Significant changes and developments in the past 3 years

2019

Increased registered capital by 10 million Baht to support the stock dividend payment to existing shareholders by issuing new 1 million ordinary shares with a par value of 10 Baht per share, as a result total registered capital were 350 million Baht.

2020

- Paid an interim dividend for 2019 operating performance from 2010 retained earnings for 35 million shares at the rate of 1.2857 Baht per share.
- Abolished Suvarnabhumi branch and transferred its liabilities to Rangsit branch according to the Company's branch management policy.
- Restructured the organization by establishing the Office of Corporate Image and Communication to increase the efficiency in managing the corporate image and communication.

2021

- Paid a dividend for 2020 operating performance from 2010 and 2015 retained earnings for 35 million shares at the rate of 1.50 Baht per share.
- Certified for information security management systems standards (ISO 27001 : 2013)

1.1.3 Information of the proceeds

The Company did not offer any equity or debt securities.

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	350 million Baht, comprised of 35 million shares 10 Baht par value
Paid-up Capital	350 million Baht
Headquarter Address	100/47-55 Sathorn Nakorn Tower, 25 th -27 th Floor, 90/3-6 Sathorn Thani Building, 1 st Floor, North Sathorn Road, Silom, Bangrak, Bangkok 10500
Telephone	(66) 2664 7777 and 1748
Fax	(66) 2636 7999
Website	www.navakij.co.th

1.2 Business Type

1.2.1 Income Structure

Direct Premium

Unit: Million Baht

Direct Premium	2021		2020		2019	
	Number	Percent	Number	Percent	Number	Percent
Fire	640.29	18.98	565.92	19.75	620.18	20.51
Marine	98.42	2.92	83.63	2.51	78.38	2.59
Motor	1,951.23	57.84	2,007.20	60.35	1,767.67	58.46
Miscellaneous	722,477	20.26	578.30	17.39	557.68	18.44
Total	3,372.95	100.00	3,326.05	100.00	3,023.91	100.00

Profit (Loss) from Underwriting

Unit : Million Baht

Profit (Loss) From Underwriting	2021		2020		2019	
	Number	Percent	Number	Percent	Number	Percent
Fire	159.30	39.85	138.02	33.09	74.85	35.49
Marine	31.93	7.99	34.59	8.29	35.91	17.03
Motor	343.73	85.99	189.93	45.53	103.39	49.03
Miscellaneous	(153.20)	(33.82)	54.58	13.09	(3.26)	(1.55)
Total of profit (loss) from underwriting before operating	339.76	100.00	417.12	100.00	210.89	100.00
Operating expense	353.29		338.19		361.11	
Total of profit (loss) from underwriting	46.47		78.93		(150.22)	

Investment Income	2021		2020		2019	
	Number	Percent	Number	Percent	Number	Percent
Interest income from debt instruments	15.62	17.87	28.92	248.49	35.82	20.60
Dividends from equity instruments	52.88	60.48	33.03	283.76	58.32	33.53
Profit (loss) from divestment	7.54	8.62	7.44	63.94	29.62	17.03
Profit (loss) from transfer of investment type	-	-	-	-	60.35	34.70
Impairment investment	-	-	-	-	(6.60)	(3.79)
Profit (loss) form fair value adjustment	11.39	13.03	(57.75)	(496.19)	(3.60)	(2.07)
Total of Investment Income	87.43	100.00	11.64	100.00	173.91	100.00

1.2.2 Information of Products

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

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 a 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, that caused by fire, lightning and other additional risks e.g., explosion,

windstorm, floods, earthquake. Moreover, the policy also covers loss from business interruption due to fire and other disasters. Types of fire insurance are as follows:

- 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.
- Covers physical damage to properties arising from act of terrorism
- 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 transportation either by car, train, ship, or plane. The insurance is divided into 2 types, cargo insurance and hull insurance. Cargo insurance is the main product of the Company is cargo insurance.

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 a special prize for hole in one. The insurance also covers 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, explosions in physics or being defamed.
- Boiler insurance covers damage caused by explosion and collapse of boiler and pressure tank, pressure 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 employer caused by fraud, embezzlement or corruption committed by an employee in connection with his duties as specified.
- Liability insurance provides protection against third party legal liability arising from fire, fuel explosion or fuel storage in a business premise of the operation of controlled business type 3 according to Fuel Control Act, B.E. 2000.
- Product liability insurance covers liability from unsafe products of entrepreneur which may be caused by defects of the product.
- 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 premises.
- Health Insurance for Non-Immigrant Visa O-A (1 year) and O-X (5 years) covers outpatient and inpatient health insurance for foreigners throughout the period of living in Thailand.
- COVID-19 insurance covers medical expense from coma state caused by COVID-19 including and compensation from hospitalization. (The sale is currently discontinued)
- 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 from local insurance companies, so the effect of exchange rate fluctuations is minimal.

Reinsurance

Reinsurance is the risks insurance distributed in the proportion prescribed in accordance with 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 is 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

The COVID-19 pandemic has resulted in more online transactions. The policy offering tends to be online marketing. Therefore, product development focuses on the simplicity of underwriting, reasonable premiums and related to the COVID-19 situation, such as, COVID-19 insurance, vaccine allergy insurance or bundle policy for diversity and unique. The Company invents products to meet the demand of customers with competitive insurance premiums but still adhered to consumers' highest satisfaction as well as offering simple coverage product to comply with the Company's policy and goal.

Service Development

The Company provided Robotic Process Automation (RPA) in motor claim management process for data recording, verifying the accuracy of the information and issuing a report in order to shorten the working time and increase work efficiency. The Claim Online system was developed to be a channel for contractual service providers to deliver repair and service proposal as well as billing in replacement of fax and e-mail. The system provided clear and secure tracking report.

Information Technology Systems Development

Robotic Process Automation (RPA) was developed to reduce time and error in various work processes. In addition, the Company developed an electronic policy issuing system (E-Policy) to increase efficiency in policy delivery to customers.

(2) Marketing and Competition

Thai economy in Q4/2021 was better than Q3/2021 due to the expansion of private consumption, public spending and investment, export of agricultural production including tourism according to government policies and measures. Thai economies in 2021 increased by 1.6% compared with the decrease of 6.2% in 2020 although the COVID-19 pandemic became more severe than 2020 and affected the global economy, the political and administrative factors of government stability affected private

sector confidence according to the consumer satisfaction index. Nonetheless, the government issued various measures to help low-income family and small entrepreneurs or SME through various economic projects to advance liquidity circulation.

It is expected that Thai economy will be expanded 3.5% – 4.5% in 2022 by the following factors that are economic recovery trend and the amount of world trade, government spending, demand expansion of private sector and adjusting to an unusual low growth in 2021. Payment of private and public consumption, total investment and exportation are forecasted to be better because COVID-19 epidemic will be controlled. Private consumption will be supported by exportation, agricultural income, tourism income from both foreign tourists and Thai tourists and measures to recover the impact and stimulate the domestic economy of the government sector.

(A) Marketing of Key Products and Services

Marketing Policy in the Past Year

Summary of operating results of non-life insurance business for the year 2021 grew 4%, with 262,746 million Baht of gross written premium. The growth rate was in line with the economic situation caused by the epidemic of the COVID-19. The highest growth was miscellaneous insurance related to COVID-19 insurance policy that claims ratio from insured were very high compared to the previous year. Especially, COVID-19 claims ratio was more than 40 billion Baht which in 2020 was 10 billion Baht. Many insurance companies had to provide coverage of COVID-19 policy until April 2022. However, the Office of Insurance Commission (OIC) issued measures to supervise insurance companies in order to protect the right of insureds. The insurance companies also adjusted the policy to provide the coverage under the epidemic of COVID-19 new species. Miscellaneous insurance in 2022 was forecasted to be decreased compared to the year 2020 and 2021. In addition, the operating results of motor insurance grew because of the reducing of using motors during COVID-19 epidemic so there were less accidents and claims. Fire insurance had gross written premium 10,355 million Baht. Marine and transportation had gross written premium 6,317 million Baht. Both were in line with Thai economic situation in Q2/2021 that there was more exportation until the end of 2021. The growth of each class of insurance was different depending on factors and measures of government sector along with the business plan of private sector. The foreign target partners gradually relieved the COVID-19 measures so marine and transportation insurance in 2022 forecasted to be more expand than the year 2021. Exportation was expected to be more operation than the year 2021. The miscellaneous according to the government policy tried to promote domestic tourism that could make the income and ensure safety for the foreign tourists. The epidemic controlled measure of the government would be relieved to foreign tourists and expected to be active in Q1/2022. Travel policy for affordable Thai people was the one measure of the government such as Thai Teaw Thai that the business sectors including non-life insurance had good support. Fire insurance might vary depending on the economic situation, especially the real estate market which currently had non-performing asset in

2021. Low growth rate of credit lending due to the limited purchasing of new consumers and the epidemic in 2020 – 2021. Current credit customers were affected including Non-Performing Loan (NPL) of financial institutions of the government particularly according to the policy of Bank of Thailand that announced a request for cooperation to help financial institutions' loan customers in 2020 – 2021. The opportunity of motor insurance in 2022 was expected to focus on the Electric Vehicle or EV to meet with the demands of the new generation who focused on saving energy and reducing pollution; that could be seen from the presentation of Europe, China, Korea and Japan about new products in the late of 2020-2021. In the Q4/2021, electric vehicle peaked the sales that was higher than Q2 and Q3 which were negative. In addition, during the past few years, the consumption behavior and lifestyle of the new generation continuously increased and the changing lifestyles influenced the decision to operate the non-life insurance business as well. Many insurance Companies improved the products, offerings and services, to meet the demands of the target groups as much as possible. It could be said that "digital" was not just a system, but it would soon become a full-fledged new consumer culture.

The Company developed and adjusted product models including new after-sales services for both motor and non-motor to target group for reaching the demands of type of job, business partners, and general. The Company operated continually from the year 2020 – 2021 by focusing on the presentation of products and after-sales services in digital to comply with the market of the new generation. Nevertheless, the Company still maintains the original service for customers or business partners who are still satisfied.

Characteristics of Partners, Target Customers and Distribution Channels

The overall performance of the Company in 2021 increased from 2020, with each distribution channel had a different growth depending on the policy of the partners and the Company; in order to manage risks according to the announcements of the Office of Insurance Commission (OIC). However, COVID-19 affected the overall economic from 2020 – 2021 and targeted job sources, business partners and all customers. Therefore, in 2022, the divisions that supervised the distribution channels and the sales planned to work by analyzing the policies of partners in 2022 that might continue to be negatively affected from 2020-2021; by adjusting the operational guidelines to comply with the situation. In addition, the Company provided an internal policy which collected information and opinions from various departments; to prepare operational measures to suit the competitive approach in the market of each target customers and business partners to have more variety. Also, the Company focuses on coordination and effective operation whether it was a distribution channel or a supporting agency; that could be summarized as follows:

Approach 1: Target Customers for Motor market

1. The group of electric vehicles or EV is one that the government encouraged for using electric vehicles to meet the goals. Various carmakers including independent dealers have gradually

imported EV to create business opportunities and replace oil energy, as well as to reduce the global pollution. Thus, 2022 is deemed as an opportunity to build and increase a new target customer through various distribution channels based on their purchasing power that could be offering other products in the future. As for the target customers of other motor markets, the Company continues to plan and expand the customer base to be in line with the competitive conditions.

2. Encouraging and adjusting the sale of various products to support the digital market and comply with various work sources and target groups of all distribution channels. The digital marketing increases during the COVID-19 epidemic, which the consumers buy insurance policies via online platform including the use of the technology of the Company to support the service of various partners or target groups; to be more convenient, faster and more compact with reducing the cost.

3. To focus on communicating the corporate image by presenting insurance products and services through websites and media. The purposes are to provide the target job source and various customers of all distribution channels including those who might interested in products of the Company.

Provincial Target Group

1. In 2021, the motor in the region has much expansion in both dealer channel, broker channel, as well as the tele broker channel. In 2022, plans and projects, which all distribution channels have continually presented to various sources, is expected that the overview of the provincial motor will grow and expand.

2. The general customer group continues to operate in the same way as the central one; focusing on communicating the image of the Company in the region in order to increase the opportunity to expand the customer base and the general public to be served by services of the Company; including providing advice or consulting on all types of insurance.

Approach 2: Expanding the Target Customer Group for the Non-Motor Market

Expanding partner group of brokerages both individuals and juristic persons to increase the number by focusing on non-motor insurance customer group. At the same time, in 2022, there will be a shift in digital product offerings for agents, brokers both individuals and legal entities; to present to target customers for increasing marketing capabilities and access to the Company's services more conveniently and quickly.

Expansion of customer group in various types of loans through distribution channels of financial institutions or bank non-motor, both for individual customers and small entrepreneurs. Since in 2020 – 2021, this credit group has been affected by the COVID-19 and business policy adjustments of financial partner, resulting a decrease in the quantity and job opportunities in 2021 from the goal. Therefore, in 2022, the direction and work plan must be adjusted to be in line with the new sources of work and target groups in the sector of non-bank financial institutions by focusing on increasing strategies for selling

products and presenting services in a digital format; in accordance with the type of credit that customers use, whether central or region. Especially, there are many cooperative target groups in the region that are considered to have opportunities to expand the business to support insurance work and are considered as financial institutions as well.

Approach 3: Maintaining the current customers during the policy renewal year to have a continuous growth rate

Customer database management planning for all types of policy renewal both in the central and regional areas by using a centralized command system for management to be in the same procession.

Modification of restrictions or conditions for certain policy renewal, increasing the amount of renewal work or an option for the insured to continue using the service of the Company.

Maintaining the base and increasing policy renewal of all distribution channels whether operating directly or indirectly.

Preparing a digital system service for the customers in all distribution channels by coordinating with partners who are ready to cooperate offering insurance policy renewal services and focusing on management to reduce costs and increase convenience along with speed for partners and insureds.

QR Code and credit cards for insurance premium payment for the customers.

(B) Competition Conditions

Non-Life Insurance Business in 2021

Non-life insurance business in 2021 had to deal with the economic recession caused by various factors. As COVID-19 epidemic around the world, including Thailand, continued to be severe with a new wave of outbreaks since the end of March 2021. The epidemic spread throughout all regions, resulting in COVID-19 insurance premiums being grow significantly. Many governments, including Thailand, announced lockdowns in the second quarter of 2021, causing the economy to slow down resulting no growth of insurance premiums. Although there was a better loss ratio in some types of insurance, such as motor insurance because people travel less. In the third quarter of 2021, vaccination was accelerated for normal life and conduct economic activities under Universal Prevention measures. However, there was still an epidemic of a new COVID-19 that is Delta. As a result, the infection rate in Thailand increased to averagely 15,000 people or 2.8% per day. Even though, the acceleration of vaccination in the Q4/2021 reduced Delta in Thailand; but COVID-19 Omicron, which spread more faster, was found in South Africa in December 2021. Because there was a policy of reopening the country, making people who travel from abroad were at risk causing another wave of outbreaks. As a result, the non-life insurance business was affected by an increasing of COVID-19 loss ratio. It was estimated that the insurance claims for COVID-19 as of December 2021 were approximately 40 billion Baht, while the COVID-19 insurance premium was

approximately 10,562 million Baht. In addition, because of an opening the country policy, there will be additional claims from other types of insurance.

From the mentioned factors, the gross written premium of the non-life insurance business in 2021 was recorded 262,746 million Baht, an increase of 3.97% or 10,030 million Baht compared to the same previous year. Motor insurance was 147,406 million baht, increased 0.94 % or 1,368 million Baht. Non-motor was 115,339 million Baht, increased 8.12 or 8,662 million Baht. The highest premium was voluntary motor insurance that was 128,772 million Baht, an increase of 1.10%. Next is miscellaneous insurance that was 98,667 million Baht, an increase of 8.16%. The third was fire insurance that was 10,355 million Baht, an increase of 1.84%. The last was marine and transportation that was 6,317 million Baht which increased 19.43 present. The percentage of policyholders per population was 39.47%. Non-life insurance premiums per population of 3,906 Baht. Investment assets of non-life insurance businesses was 340,000 million Baht, a decrease of 0.12%. In addition, the non-life insurance business had a capital adequacy ratio (CAR) 263.36%, which was still higher than the legal limit.

The Trend for the Non-Life Insurance Business in 2022

The trend for the non-life insurance business in 2022 is forecasted that gross premium written will be 267,100 – 269,800 million Baht, growing around 1.5-2.5% per year, which is close to the projection of Thai economy that is expected to grow 3.5-4.5% per year. However, insurance premiums will still be lower than those in pre-COVID period, which doubled as GDP, due to the key factor being the epidemic of the Omicron, which is forecasted to have an impact on the economy and the non-life insurance business in the first quarter of 2022, resulting in the first half of the year. The motor usage will be less and make the premium per product tend to decrease as well. At the same time, new premiums from COVID-19 insurance in 2022 will disappear around 2-3% of total premiums, making health insurance premiums negative. According to the research data from Thai Reinsurance Co., Ltd. (Public) which is predicted that insurance claims for COVID-19 may exceed to 100 billion Baht in case of Omicron. From the case of the Delta until the end of 2021, it is estimated that the non-life insurance business will have to pay about 40 billion Baht, which is a high-end payment of 34 billion Baht, and the remaining 6,000 million Baht is medical expenses / coma / daily income compensation. If in 2022 there is an outbreak of Omicron, COVID-19 insurance claims can be as high as 110,000-180,000 million Baht. Since the statistics show that Omicron can spread 3-4 times faster than Delta. The overall coronavirus infection rate of insured people was 3.8%, higher or 2.8% than the total infection rate of Thai population. Whereby in 2022, the cost of health insurance claims and COVID-19 insurance may increase as Long COVID will weaken internal organs. This will affect future illnesses and affect health insurance accordingly.

In 2022, it is forecasted that number of motor insurance will return to normal as 86 hundred thousand vehicles and the competition is likely to remain intense in terms of price and service. It is expected that motor insurance premiums will grow 6.0%. Assets insurance (fire and all risks insurance)

will grow at the same rate of 8.0% because Thai economy is recovering with purchasing power. SME businesses will gradually recover as well. A premium increase from the contraction of reinsurance capacity, the natural disasters, accident and health insurance are expected to gain popularity in 2022. However, the growth in accident and health insurance premiums in 2021 is partly driven by the growth of COVID-19 premiums, the latest wave of outbreaks that have infected many people and caused high number of claims. As a result, many non-life insurance companies stopped selling COVID-19 insurance policy such as Found-Pay-Finish and medical expenses by changing to coma caused by COVID-19 and vaccine allergy instead. In 2022, non-life insurance companies will have to revisit a policy renewal and existed coverage as well as the sale of a new policy. Moreover, there still need to review and adjust the rates of accident and health insurance premiums to reflect the changed risks altogether. In term of the direct premium for COVID-19 insurance, it is likely to drop significantly compared to 2021. Including and excluding COVID-19 accident premiums are projected to grow by -0.9% and 4.0% while health insurance including and excluding COVID-19 will grow -8.4% and 15.0%. The marine and transportation insurance are forecasted to grow 15.0% due to a recovering global trade situation in 2021. The WTO forecast of global trade in the years 2022-2023 that it will at an average rate of 6.2%. The travel insurance premiums in 2022 are projected to grow 20.0%, as the recovery of tourism from vaccination in many countries until the country can be fully open and the travel begins.

Therefore, in the year 2022, the non-life insurance business will still face challenges and external risk factors that have implications for businesses to monitor, follow and adjust accordingly. Thus, the Company might need to adjust the business strategy as follows: 1) adjusting to the new normal 2) managing expenses more efficiently by using more digital and technology 3) finding new insurance to regain from the impact of COVID-19 with low interest rate and comply with digital society.

Source: Thai General Insurance Association as of 18 November 2021

Office of Insurance Commission (OIC) as of 28 February 2022

Research and Statistics Department, Thai Reinsurance Company Limited (Public)

The Company plans to expand closely to that the non-life insurance business forecasted growth rate in 2022 with factors and impacts of highly competitive recognition including the impact due to COVID-19. As of which, the various operational guidelines will focus on the direction that corresponds and relates to the premium, cost and performances to meet the goals. At the same time, the capability in service has been increased to be in line with the changing business direction of the new generation by preparing digital systems to adapt and provide services to individuals that are customers, companies and the general public who are interested in the products and services for easy access, convenience and speed, including good after-sales service.

Competitive Strategy

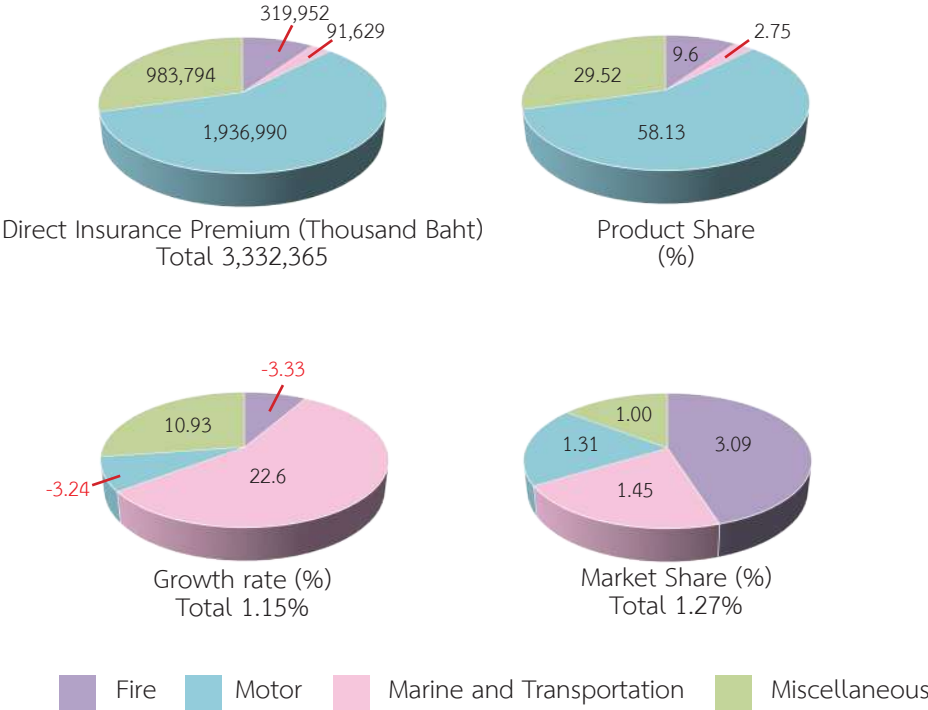
The planning of each distribution channel in 2022 focuses on the relationship between the target group and cost management including personnel management and mechanical systems in order to increase the potential to support data recording in the system to be quick, accurate and precise. Also, adjusting the digital product offering to be in line with the competitive environment and changing behavior of consumers during COVID-19 in order to ensure that all operating results meet the goals. The Company pays attention to the following issues:

1. To select target groups with low risk in order to ensure the results of all distribution channels to achieve the goals.
2. Adjusting the insurance premium price to be in line with the target customers according to the competitive conditions in the market in order to meet the demands and satisfy them.
3. Adjusting the promotion of each distribution channel to be related between the specified goals and the cost of expenses for effectiveness
4. Product development and improvement to meet the demands of consumers in each changing market and vary in each distribution channel, including after-sales service that consumers can access more conveniently and quickly by using digital systems to support.
5. Developing personnel to have more potential and abilities to support the competition that has changed to digital business in line with work sources and target partners that have developed digital service systems as well.

(3) Products and Services Procurement

Operational guidelines in 2021, the Company will focus on adjusting the form of products and services to meet the demands and behaviors of customers in each source of work that are different and change. This is a consequence of change in consumer behavior after the epidemic in 2020 and also affects the competitive form of the insurance market; such as insurance products that meet the demands and are up-to-date, presentation style that can reach target customers quickly, and reasonable premiums; but still compete with competitors. Based on this rapid change, it can be concluded that insurance business in 2021 must offer both products and services that are more complied to the demands of consumers in online platform in order to reach consumers more quickly. The target customers are not attached to the brand as in the past; but focus on convenient, quick access and consider the insurance premium as the main factor.

Company's Market Share as of 31 December 2021



Source: Information from the OIC as of 28 February 2022

(4) Business Assets

Land, buildings, equipment and building lease agreements

As at 31 December 2021, fixed assets used in the Company's business operations totaled 204.85 million Baht, consisting of:

Land and buildings including building improvements	189.44	million Baht
Furnishings and office equipment	9.68	million Baht
Vehicles	5.73	million Baht

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

Asset / Location	Area	Account Value (Unit:Million Baht)	Obligation
Head Office 100/47-55, 90/3-6 Sathorn Nakorn Bldg., 26 th Flr., North Sathorn Rd., Silom, Bangrak, Bangkok 10500	Head Office 4,344.66 meters Parking 788.50 meters	Condo 137.89	None
Office of Claims Management department 90/4-6, 1 st Floor, Sathorn Thani Building 1, North Sathorn Road, Silom, Bangrak, Bangkok 10500	523.39 meters	Condo 20.44	None
Khon Kaen Branch Office 110-110/1 Srichan Rd., Nai Mueang, Mueang Khon Kaen, Khon Kaen 40000	365 meters	Land 0.46	None
Chiang Mai Branch Office 96 Sam Lan Rd., Phra Sing, Mueang Chiang Mai, Chiang Mai 50200	355 meters	Land 0.53	None
Hat Yai Branch Office 14,16 Siam City Center 1 Rd., Hat Yai, Songkhla 90110	307 meters	Building 5.29 Land 1.16	None
Mukdahan Branch Office 33/19-20 Chayangkul Kor Rd., Mukdahan, Mueang Mukdahan, Mukdahan 49000	448 meters	Building 6.10 Land 0.48	None

Asset / Location	Area	Account Value (Unit:Million Baht)		Obligation
Phetchabun Branch Office 199/16-17 Moo 2, Saraburi-Lomsak Rd., Sadiang, Mueang Phetchabun, Phetchabun 67000	354 meters	Building	3.39	None
		Land	2.75	

Office buildings and leased branches for business

Asset / Location	Rent Condition
Future Park Rangsit Branch Office Ground Flr., Room G 87/1, 94 Paholyothin Rd., Prachathipat, Thanyaburi, Pathum Thani 12130	Office rental contract - term 3 years From 1 July 2021 to 30 June 2024 Area 52.18 meters
Suvarnabhumi Branch Office Room 432, 4 th floors, 999, Moo 7, building 301 Suvarnabhumi Airport Free Zone, Bangna-Trad Road Km.15, Racha Thewa, Bang Phli, Samut Prakan 10540	Office rental contract – term 1 year 9 months 15 days From 28 September 2018 to 15 June 2020 Area 51.25 meters
Nakhon Pathom Branch Office 560 Phetkasem Rd., Phra Prathon, Mueang Nakhon Pathom, Nakhon Pathom 73000	Land lease agreement with buildings – term 3 years From 1 July 2021 to 30 June 2024 Area 320 meters
Pranburi Branch Office 498/4 Moo 2, Phetkasem Rd., Wang Phong, Pran Buri, Prachuap Khiri Khan 77120	Land lease agreement with buildings – term 3 years From 1 January 2020 to 31 December 2022 Area 336 meters
Customer Service Office 90/3, 1 st Floor, Sathorn Thani Tower 1, North Sathorn Road, Silom, Bangrak, Bangkok 10500	Office rental contract - term 3 years From 1 September 2019 to 31 August 2022 Area 157 meters
Kanchanaphisek Warehouse 1 Commercial building 4 th floors, 1 booth, 45/1856, Soi DK 16, Kanchanaphisek Road Bang Bon, Bang Bon, Bangkok 10150	Building rental contract - term 3 years From 1 September 2020 to 31 August 2023 Area 147 meters

Asset / Location	Rent Condition
Kanchanaphisek Warehouse 2 Commercial building 4 th floors, 1 booth, 102 Soi Phraya Monthat Intersection 35-2/1, Kanchanaphisek Road, Bang Bon, Bang Bon, Bangkok 10150	Building rental contract - term 3 years From 1 June 2020 to 31 May 2023 Area 147 meters
Pattaya Branch Office 72/150 Moo 4, Sukhumvit Rd., Bang Lamung, Chonburi 20150	Land lease agreement with buildings - term 3 years From 1 July 2019 to 30 June 2022 Area 288 meters
Phichit Branch Office 4/196-197 Saruang Rd., Nai Mueang, Mueang Phichit, Phichit 66000	Land lease agreement with buildings - term 3 years From 1 June 2019 to 31 May 2022 Area 320 meters
Phitsanulok Branch Office 444/13 Siharat Dechochai Rd., Nai Mueang, Mueang Phitsanulok, Phitsanulok 65000	Land lease agreement with buildings - term 3 years From 1 May 2019 to 30 April 2022 Area 156 meters
Nakhon Sawan Branch Office 1002/2 Moo 10, Matuli Rd., Nakhon Sawan Tok, Mueang Nakhon Sawan, Nakhon Sawan 60000	Land lease agreement with buildings - term 3 years From 1 September 2021 to 31 August 2024 Area 262.64 meters
Nakhon Ratchasima Branch Office 230/11-12 Mittraphap-Nong Khai Rd., Nai Mueang, Mueang Nakhon Ratchasima, Nakhon Ratchasima 30000	Land lease agreement with buildings - term 3 years From 1 March 2020 to 28 February 2023 Area 288 meters
Ubon Ratchathani Branch Office 324, 326 Phichit Rangsan Rd., Nai Mueang, Mueang Ubon Ratchathani, Ubon Ratchathani 34000	Land lease agreement with buildings – term 6 months From 1 December 2021 to 31 May 2022 Area 780.40 meters
Udon Thani Branch Office 419/7-8 Rop Mueang Rd., Mak Khaeng, Mueang Udon Thani, Udon Thani 41000	Land lease agreement with buildings - term 3 years From 1 November 2020 to 31 October 2023 Area 532 meters

Asset / Location	Rent Condition
Roi Et Branch Office 36/2-3 Tewapibal Rd., Nai Mueang, Mueang Roi Et, Roi Et 45000	Land lease agreement with buildings - term 3 years From 1 November 2020 to 31 October 2023 Area 384 meters
Nakhon Si Thammarat Branch Office 187 Pattanakarn-Kukwang Rd., Nai Mueang, Mueang Nakhon Si Thammarat, Nakhon Si Thammarat 80000	Land lease agreement with buildings - term 3 years From 1 November 2019 to 31 October 2022 Area 294 meters
Surat Thani Branch Office 141/124 Moo 5, Kanchana Vithi Rd., Bang Kung, Mueang Surat Thani, Surat Thani 84000	Land lease agreement with buildings - term 3 years From 1 August 2020 to 31 July 2023 Area 256 meters
Phuket Branch Office 58/7-8 Thepkrasattri Rd., Ratsada, Mueang Phuket, Phuket 83000	Land lease agreement with buildings - term 3 years From 1 July 2020 to 30 June 2023 Area 640 meters
Krabi Branch Office 434/50 Utarakit Rd., Krabi Yai, Mueang Krabi, Krabi 81000	Land lease agreement with buildings - term 3 years From 1 April 2019 to 31 March 2022 Area 212 meters
Chanthaburi Sub-Branch Office 59/14 Phraya Trang Rd., Wat Mai, Mueang Chanthaburi, Chanthaburi 22000	Land lease agreement with buildings - term 3 years From 1 May 2020 to 30 April 2023 Area 170 meters
Chiang Rai Sub-Branch Office 418/5 Moo 5, Klang Wiang Rd., Rim Kok, Mueang Chiang Rai, Chiang Rai 57100	Land lease agreement with buildings - term 3 years From 1 July 2020 to 30 June 2023 Area 240 meters
Chumphon Sub-Branch Office 177 Moo 3, Wang Phai, Mueang Chumphon, Chumphon 86000	Land lease agreement with buildings - term 3 years From 1 May 2021 to 30 April 2024 Area 128 meters

Asset / Location	Rent Condition
Rayong Sub-Branch Office 4/20 Moo 4, Thap Ma, Mueang Rayong, Rayong 21000	Land lease agreement with buildings - term 3 years From 1 August 2021 to 31 July 2024 Area 162 meters

Investment Policy in Associated Companies

As at 31 December 2021, the Company investments in associated Companies as follows:

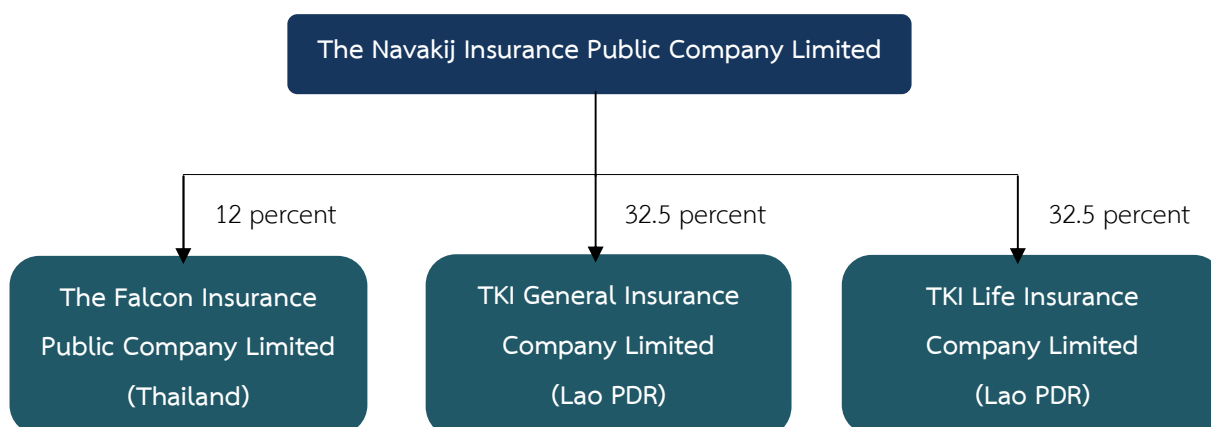
1. Investment in TKI General Insurance Co., Ltd. that was Non-life insurance Company in the Lao People's Democratic Republic. The Company has an 32.50% investment of the total comprised of 8 million shares sold.

2. Investment in TKI Life Insurance Co., Ltd. That was Life insurance Company in the Lao People's Democratic Republic. The Company has an 32.50% investment of the total comprised of 8 million shares sold.

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 2021 summarized as follows:



The Falcon Insurance Public Company Limited (Thailand)

Type of Business	Non-life Insurance
Registered Capital	100 million Baht Comprise 10 million shares @10 Baht par value
Paid-up Capital	100 million Baht
Headquarter Address	33/4 Floor 24-25 A Building, The Nine Tower, Rama 9 Road, Huai Khwang Subdistrict, Huai Khwang District, Bangkok 10310
Telephone	0 2676 9888
Fax	0 2676 9898
Shares held by the Company	1,200,000 shares comprised of 10 Baht per value 12 percent of paid-up Capital

TKI General Insurance Company Limited (Lao PDR)

Type of Business	Non-life Insurance
Registered Capital	16,000,000,000 LAK Comprise 8 million shares @2,000 LAK per value
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 comprised 2,000 LAK per value 32.50 percent of paid-up Capital

TKI Life Insurance Company Limited (Lao PDR)

Type of Business	Life Insurance
Registered Capital	16,000,000,000 LAK Comprise 8 million shares @2,000 LAK per value
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 comprised of 2,000 LAK per value 32.50 percent of pid-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 ten major shareholders as of 30 December 2021

No.	Shareholders	No. of Shares	Percentage of Total Number of Shares
1.	Mr. Suchin Wanglee Group ⁽¹⁾	4,941,330	14.12
2.	The United Indemnity Company Limited	2,494,372	7.13
3.	Thanasarn Sombat (Thai) Company Limited	1,777,435	5.08
4.	Mr. Nataphol Srichomkwan	1,648,944	4.71
5.	Siam Motors Company Limited	1,414,000	4.04
6.	Mr. Pradit Rodloytuk	1,130,546	3.23
7.	Mrs. Saijit Wanglee Group ⁽²⁾	1,014,622	2.90
8.	Wanglee Company Limited	952,408	2.72
9.	Visudhi Phanich Limited	876,372	2.50
10.	Mr. Chan Chi Keung	779,739	2.23
	Other Shareholders	17,970,232	51.34

Note:

- (1) Mr. Suchin Wanglee Group consisted of 1) Mr. Suchin Wanglee holds 3,522,485 shares 2) Mrs. Rujiraporn Wanglee holds 1,225,000 shares 3) Dr. Saran Wanglee holds 193,845 shares
- (2) Mrs. Saijit Wanglee Group consisted of 1) Mrs. Saijit Wanglee holds 639,244 shares 2) Ms. Jittinan Wanglee holds 238,685 shares 3) Mr. Nattachai Wanglee holds 136,693 shares

1.4 Registered Capital and Paid-up Capital

The Company registered capital in The Stock Exchange of Thailand (SET) with 350 million Baht, paid-up capital is 350 million Baht comprised 35 million shares @10 Baht par value.

The Company does not have any other securities.

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 percent of the net profit of the financial statements in which the equity method is applied and the separate financial statements must not have accumulate loss. The board of director may consider dividend payment provided that it is approved by the shareholder's meeting. The board of director could consider interim dividend occasionally and reports to the shareholder's meeting for acknowledgement.

Past dividend payment information

Year	2021	2020	2019
Earnings per share (Baht)	3.12	2.04	0.85
Dividend rate per share (Baht)	1.7857	1.50	1.2857
• Cash dividend payment per share (Baht)	1.50	1.50	1.2857
• Stock dividend payment per share (Baht)	0.2857	-	-
Dividend payment ratio to net profit (percent)	57.16	73.61	151.79

Note:

- The operating results according to the financial statement in which the equity method is applied.
- The Company adjusted common shares, which is calculated earnings per share, to calculate net profit per share by considering issued dividend shares to be occurred at the beginning of the first year report.

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 a greater competition in the non-life insurance business which can be seen in the concentration of large and medium sized companies. Entry in 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 with those given conditions.

The strategies are

1) The Company emphasizes the existing customers group and focus on the motor insurance business which has the 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 expanding the market-based to the retail customers group and also have 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 regarding 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 are important. The Company should give precedence to manage costs including target customers to be suitable with the Company strategy as specified in order to build a better customer base in the future and create the sustainable competitiveness in business. In addition, technology has an important part that can be used to analyze, plan, and make decisions by processing from a Company database and able to modify the application processing 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 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 of 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 on the basis of Loss ratio and Combined ratio by monitoring and controlling to be in the Company criteria.
- 2) Implements 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 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 spreading 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 to value of investment instruments in order to make a proper investment transaction according to situation. It has 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 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 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 at least A- 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. 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 reinsurers with a credit rating of A- or higher 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 with 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 limited skilled and specialized workforce for 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 Counter-Terrorism 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 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 Terrorism and Proliferation of Weapons of Mass Destruction Financing Act.

3. Technology

Statistical data and information of clients were lost or leaked to outsiders or competitors, including the cyber risk. The Company will suffer negative image, the operation will be interrupted if problems occurred to 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 plan for central computer unit. 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 particular program producers 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 disaster.
- 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 backup power system to support short term power outage. It also has a generator capable of keeping the unit live should we experience longer term power outage. The Company has installed fire alarm system and fire extinguishers specifically for electronic system protection.

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

Outsider effect 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 of 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 also comply with Anti-Money Laundering Act and Counter-Terrorism 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 regarding 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 effected on income, capital fund, reputation, or existence of the Company.

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

The Company manages fraud risks, by performing at least the following items;

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 of the Company uses services from third parties, the Company prepares a policy for outsourcing third-party services, monitor risk from third-party services.

The Company prepares a policy for reporting fraud (whistle-blowing).

The Company has appointed an independent person to perform an investigation on 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 Company reputation, the audit committee reports to the board of directors in order to

solve the problem in the appropriate period. In case of 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 have an understanding of 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 Risk

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

The Company has the conduct of business 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 personal information collection or disclosure 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 resulting in the loss of trust, faith, reputation and image of the Company.

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

Information Technology Risk

Information Technology or IT risk is basically any threat to your 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 specified by OIC for monitoring and controlling about the 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 stable financial status. This is the transferring and diversifying risks of the insurance business. This will help to limit the amount of the damage that the Company can compensate the compensation without affecting the Company's financial position.

Emerging Risk

The loss from 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 the reliable evidence.

The risk management plan is applicable though 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 to other associates companies. Currently, the Company has investments in associates are incorporated in Laos.

The strategy is complying with 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.

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 unable to pay obligation, the Company will have liquidity problem subsequently.

1. Investment:

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

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

2. Reinsurance

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

The risk management plan: The Company has the reinsurance counterparty with both local and international reinsurers. The reinsurance policy of the Company is restricted though the ceiling of the amount of reinsure. The diversification to each reinsurer does not exceed 45 percent of the aggregate reinsure value of the Company.

Legal and Regulatory Risk

The Company abuses, neglects or an offense to 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 responsibilities.
- 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 Sustainability Management Goals

The Company realizes the importance of sustainable development. The sustainability management approach of "Navakij" is reflected in the vision of the Company that is committed to conducting business in order to create stability for the society with ethics; providing valuable and quality protection to the insured and all stakeholders, as well as strengthening its position as a leading non-life insurance company. The Company adheres to the four corporate values: creativity, accountability, collaboration and excellent service as well as takes into account the society and environment related to business.

Moreover, the Company also pays attention to good corporate governance, stakeholders and business value chain. The Company adheres to be a good citizen by complying with the laws and regulations of relevant agencies, establishing anti-corruption policy and continually providing supports to social and public activities.

The year 2021 is the beginning of sustainability management. The Company has set up the Sustainable Development Working Team, which is primarily responsible for carrying out sustainability activities to ensure stable and sustainable business growth, covering all aspects of economy, society and environment.

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 the needs of customers. The Company is committed to modernizing the organization along with the emphasis on social responsibility. Thus, the Company develops new innovations continually to keep up with the changes in today's society, and in response to the needs of consumers in the digital era, such as the implementation of modern technology in policies production in order to reduce the work process, paper, time as well as fast delivery of policies. The products and sales channels are also developed to be up-to-date and fully meet the needs of customers.

Information of Value Chain in Key Activities

Production Factors	Operation	Distribution of Goods and Services	Marketing and Sales	After-Sales Service
<ul style="list-style-type: none"> - Insurance product development and premium - Underwriting 	<ul style="list-style-type: none"> - Develop variety of products and suitable for the target group - Fair coverage and premium rates without taking advantage of customers - Appoint a Product Committee to supervise the issuing of new products, and set the insurance premium rates to be appropriate, and fair for the maximum benefit to the customers including in accordance with the rules prescribed by law - Underwriting carefully and take into account the ability of retention - Issue policies with correct coverage conditions as offered to customers 	<ul style="list-style-type: none"> - Branch offices in many regions for the convenience of policies offering and providing services - Various channels for offering insurance policies to access the various targeted groups - Knowledgeable and experience insurance offerors - Offering channels that are suitable for the nature and complexity of the policy 	<ul style="list-style-type: none"> - Training for insurance offerors to fully understand the product in order to properly offer the product to customers - True and clear messages of advertising that do not create misunderstandings on the essence of the policy with a warning for customers to understand the details before making a decision 	<ul style="list-style-type: none"> - 24-hour claims service - Several partners and service providers such as garages and hospitals in many regions - Quality and fair claim management system. - Customer service process in case of policy changing or cancellation - Complaint system and process - Prepare customer satisfaction assessment form to improve the service of claims

3.2.2 Stakeholders in the Business Value Chain Analysis

The Company values all stakeholders in the business value chain. There are clear policies and guidelines for treating each stakeholder group as shown in the Company's business ethics manual. The Company also provides communication channels and stakeholder engagement activities, enabling the Company to get opinions, concerns, expectations, and new perspective. 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/Engagement	Expectation	Response
Shareholders	<ol style="list-style-type: none"> Annual General Meeting of Shareholders Annual report Disclosure of various information through corporate communication channels and the Stock Exchange of Thailand 	<ol style="list-style-type: none"> Good profit and returns Stable and sustainable business growth 	<ol style="list-style-type: none"> Consistently pay dividends in line with operating results Operate the business in accordance with the principles of good corporate governance and sustainable development.
Customers	<ol style="list-style-type: none"> Provide accurate, complete and clear information about products and services through various communication channels of the organization. Customer satisfaction survey and channels for complaints and suggestions 	<ol style="list-style-type: none"> Good product with reasonable price and a wide range of options Good service and fast response to customer needs 	<ol style="list-style-type: none"> Design products with reasonable price and a wide range of options Organize a Customer Service Center to serve the customers and receive complaints
Partners	<ol style="list-style-type: none"> Visits and meetings to discuss regularly for strengthen relationship and acknowledge the operational problems, opinions and suggestions Organize training about non-life insurance and insurance products. 	<ol style="list-style-type: none"> Comply trade contracts properly fair and transparent Convenient and fast coordination and services Efficient and uncomplicated work system and workflow 	<ol style="list-style-type: none"> Make an agreement with regard to mutual benefits and strictly comply with trade contracts Inform partners of the procedures and timeframes for the process.

Stakeholders	Communication/Engagement	Expectation	Response
Employees	<ol style="list-style-type: none"> 1. Orientation for new employees 2. Internal and external training for employees 3. Activities for employees such as dressing in various festivals for fun and prizes 4. Annual checkup and vaccination 5. Communication through various channels such as intranet, email, LINE and Facebook groups. 6. Annual employee satisfaction survey form. 	<ol style="list-style-type: none"> 1. Proper compensation and benefits 2. Good working environment 3. Stability and career path 4. Equality, fairness and transparency 5. Knowledge and ability development 6. Work and life balance 	<ol style="list-style-type: none"> 1. Determine appropriate and adequate compensation and benefits, comparable to businesses in the same industry. 2. Establish workplace safety practices including creating a good working environment 3. Provide continuous training plan for professional development and growth. 4. Treat the Company's employees fairly according to personnel management regulations
Competitors	<ol style="list-style-type: none"> 1. Notify information through various communication channels of the Company 	<ol style="list-style-type: none"> 1. Fair trade competition 	<ol style="list-style-type: none"> 1. Compete in trade according to rules and business etiquette.
Creditor	<ol style="list-style-type: none"> 1. Meeting 	<ol style="list-style-type: none"> 1. Paying back debts on time 	<ol style="list-style-type: none"> 1. Strictly comply with the agreed terms.
Community, Society, and Environment	<ol style="list-style-type: none"> 1. Activities to help society and the environment 	<ol style="list-style-type: none"> 1. Social and environmental responsibility 	<ol style="list-style-type: none"> 1. Raise awareness among employees to care about society and the environment. 2. Organize activities to help society and the environment

In 2021, the Sustainable Development Working Team analyzed the first group of stakeholders in the business chain which is employee. An employee satisfaction survey has been created in order to learn employees' satisfaction and expectations for considering appropriate and effective response. The survey consisted of 7 issues: 1. working environment 2. responsibility 3. opportunity and career path 4. core values 5. pride and loyalty to the organization 6. performance evaluation and 7. welfare. The satisfaction was divided into 4 levels: 1 which was the least satisfied to 4 which was the most satisfied.

The summary of the employee satisfaction assessment results for the year 2021 for all 7 topics was averaged at level 3, meaning very satisfied. The pride and loyalty to the organization were at level 4, which was the most satisfied, demonstrating the strength of the organization that builds confidence in its employees. The matters that need most improvement was analysed and consideration for solutions by relevant departments.

3.3 Sustainability Management in Environmental Dimensions

3.3.1 Environmental Policies 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 dimension. Therefore, the Company has raised awareness among employees to comply with the energy saving policy and reduce the use of resources to help reduce global warming as follows:

- Reuse single-sided paper
- Print only necessary documents
- Turn off the air conditioner before lunch break and 30 minutes before finishing the work
- Turn off the light every time the employees leave the office or meeting room and during lunch break
- Change the incandescent lamps in the Company to energy-saving lamps
- Encourage employees to turn off their computer screens every time they are not in use
- Encourage employees to use stairs to go up and down between floors 26-27 instead of using the elevator
- The Company's cars can only refuel with gasohol

3.3.2 Environmental Performance

1. Electricity and Water Management

The Company continuously raises awareness and campaigns to reduce water and electricity use, resulting in a decrease of use of water and electricity has decreased in 2021, as detailed in the table.

	2021		2020		Percentage Change	
	Unit	Baht	Unit	Baht	Unit	Baht
Water	3,395	54,409.50	5,614	90,289.50	-39.53	-39.74
Electricity	601,619	2,768,636.56	635,019	2,839,725.51	-5.26	-2.50

2. Paper Management

A lot of paper is used in insurance business, especially in policy issuing process and letters. Thus, the Company encourages employees to use paper with value by using double-sided paper, and the submission of electronic meeting documents, including the preparation of electronic *policies*.

	2021		2020		Percentage Change	
	Page	Baht	Page	Baht	Unit	Baht
General Documents	730,052	154,843.90	2,262,116	575,809.10	-67.73	-73.11
Policies Printing	7,467,911	992,446.76	4,729,978	653,777.44	57.88	51.80

Note: In 2021, the policies printing was high during the COVID-19 insurance

3. Environmental Projects

In 2021, the Company has implemented environmental projects as below:

Activities	Details	Sustainable Development Goals (SDGs)
Electronic Policy	Prepare electronic policies and deliver to customers via electronic channels that customers request. This method reduces the process and time of printing documents. As a result, customers receive the policy faster. It also reduces the use of paper and other resources used in the policy printing process. In addition, it also reduces the consumption of fuel in the policy delivery.	12 th Goal: Responsible Consumption and Production

Activities	Details	Sustainable Development Goals (SDGs)
Perfect Step	Encourage employees to separate waste in order to collect aluminum waste such as rings from drinking bottle caps, soft drink cans, screw caps on beverage bottles and soda cans. Then donate them to the Prostheses Foundation of Her Royal Highness the Princess Mother to make prosthetic legs for patients	3 rd Goal: Good Health and Well-being 12 th Goal: Responsible Consumption and Production
Donation of Books and Second-Hand Clothes	Invite executives and employees to donate all types of unread books and unused clothes to the Mirror Foundation	4 th Goal: Quality Education 11 th Goal: Sustainable Cities and Communities
Use paper wreaths instead of fresh flower wreaths	Switch from sending fresh floral wreaths to sending paper wreaths made from recycled and environmentally friendly materials; to express condolences and choose to order a wreath from a company that supports opportunity and jobs creation for people in the community. In addition, wreath dealers also donate 10-40 percent of the cost of the wreath to charities.	1 st Goal: No Poverty 11 th Goal: Sustainable Cities and Communities

3.4 Sustainability Management in Social Dimensions

3.4.1 Social Policies and Practices

The Company adheres to conducting business with social responsibility, focusing to all groups of relevant stakeholders by applying the principles of good corporate governance as a guideline for the operation as well as formulating policies and practices that are consistent with the laws, rules and regulations of regulatory agencies.

Respect Human Rights

The Company has a policy of respecting human rights, including prohibiting organizations and employees from engaging in human rights violations and upholding the principles of liberty, equality and peace, wherein the recruitment shall not be restricted to race, religion and gender; unlimited freedom of thought and participation in political activities that do not affect or bring damage to the organization.

Fair Treatment of Labor

The Company places importance on fair treatment of employees by appointing a welfare committee to take care of employees to have equal rights under the law, as well as set up a complaint process so that employees who face problems in various matters can exercise their rights to complain.

3.4.2 Corporate Social Performance

In 2021, the Company has implemented Social Responsibility Projects as below:

Activities	Details	Sustainable Development Goals (SDGs)
Using the Mobile Application for Health and Accident Insurance Services	Participate in third-party mobile application services in order for the insured to search for various information under the health insurance policy and accident insurance easily and quickly, such as the coverage under the policy claim history, names, maps and phone numbers of hospitals in the network including various medical services	3 rd Goal: Good Health and Well-being
Communicating information and knowledge with society	Inform stakeholders about various knowledge and important matters to be aware as follows: <ol style="list-style-type: none"> 1. Fraud offering for Coronavirus Disease (COVID-19) insurance 2. Behaviors that should not be done; in the case of intentionally infecting oneself with coronavirus and penalties 3. Diseases caused by mosquitoes and how to prevent it 	3 rd Goal: Good Health and Well-being 11 th Goal: Sustainable Cities and Communities

Activities	Details	Sustainable Development Goals (SDGs)
	<p>4. How to prevent the cause of house fire</p> <p>5. Benefits of a vegetarian diet that promotes health</p> <p>6. Causes of cancer</p> <p>7. Car care information to reduce the risks and prolong the service life</p> <p>8. Preliminary provision of residential fire insurance</p>	
<p>Vaccination against coronavirus disease 2019 and 4 strains of influenza</p>	<p>To build immunity among employees, family members of employees, partners, communities and society in order to reduce disease severity and mortality.</p> <p>1. Survey employees' and related persons' need for vaccination to know the total number of vaccines required</p> <p>2. Liaise with government agencies and the private sector involved in providing vaccines</p> <p>3. Inform the schedule, date, time and place for the activities to the relevant persons. and participate in activities in unison</p> <p>4. Employees who receive vaccinations record vaccination records in the company's system.</p>	<p>3rd Goal: Good Health and Well-being</p>

Activities	Details	Sustainable Development Goals (SDGs)
Blood Donation Project	Invite employees and the public to donate blood with the National Blood Center, Thai Red Cross Society, Poonphol Group and Sathorn Thani Complex, which received 188,400 cc of blood from 471 donors.	3 rd Goal: Good Health and Well-being
Body, Organ and Eye Donation Project	Invite employees and the public to donate their bodies, organs and eyes to the King Chulalongkorn Memorial Hospital, Thai Red Cross Society's Organ Donation Center and Thai Red Cross Eye Bank	3 rd Goal: Good Health and Well-being
Give Blood and keep the world beating	Donated funds to make T-shirts for World Blood Donor Day 2021 to the Thai Red Cross Society in the project "Give Blood and keep the world beating" "Give Blood, Save the World Out of Crisis" to thank those who donated blood during blood shortages at the Blood Center of Thai Red Cross on June 12 th , 2021	3 rd Goal: Good Health and Well-being
Do Good Deeds for Dad Winter 2022	Provide fund of 20,000 Baht to the Thai Red Cross Society to purchase necessary items for health promotion and improve the quality of life of the people	3 rd Goal: Good Health and Well-being
Donate funds to buy ventilators for COVID-19 patients	Make a donation to Pranangklaow Hospital through the Thai	3 rd Goal: Good Health and Well-being

Activities	Details	Sustainable Development Goals (SDGs)
	<p>General Insurance Association to purchase ventilators which were running shortage due to the situation of the epidemic of the coronavirus that became more severe</p>	
<p>Participate in the Project “Insurance unites to provide vaccine against COVID to people”</p>	<p>Donate funds for the purchase of Sinopharm Vaccines to distribute to the handicapped group, vulnerable people and those who do not have access to the coronavirus vaccine 2019, in the cooperation project between the Office of Insurance Commission (OIC), alumni association of the Institute of Insurance Technology and networking agencies</p>	<p>3rd Goal: Good Health and Well-being 11th Goal: Sustainable Cities and Communities</p>
<p>Participate the Crop Insurance Scheme</p>	<p>The Company has participated in the Rice insurance and the Maize insurance Scheme to cover damage or loss to the insured crops which is caused by the perils specified in the policy such as floods, droughts and windstorms, etc. The person who will insure the crop must be the one who produces that crop by himself and owns that produce.</p> <p>The government has designated crop insurance as one of the important measures used as a tool to assist farmers in</p>	<p>8th Goal: Decent Work and Economic Growth 11th Goal: Sustainable Cities and Communities</p>

Activities	Details	Sustainable Development Goals (SDGs)
	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 will help building income stability and job security for farmers.	
Join the Coronavirus Disease 2019 Insurance Program for medical personnel of the Ministry of Health	The Company has joined the Coronavirus Disease 2019 insurance for 274,000 medical personnel of the Ministry of Health by providing coverage for sickness from Coronavirus 2019 that causes death from the disease, or in a coma until death, to show concern for the performance of duties and to build morale for the medical personnel	3 rd Goal: Good Health and Well-being 11 th Goal: Sustainable Cities and Communities
Participate in mitigation projects for the insured	Participate in insurance for assets under the insurance company's policy that has been revoked of insurance business licenses. The insured can use insurance premiums returned from the original policy as payment for purchasing a new policy with the Company, to help and alleviate suffering for the insured according to the policy of the Office of Insurance Commission (OIC).	8 th Goal: Decent Work and Economic Growth

Activities



4. Management Discussion and Analysis

4.1 Operation Results in which the equity method is applied ended 31 December 2021 and 2020

Unit: million Baht

Items	2021	2020	Increase (Decrease)	Increase (Decrease) (Percent)
Gross premium written	3,372.95	3,326.05	46.90	1.41
Net premium written	2,552.56	2,557.41	(4.85)	(0.19)
Net earned premium	2,522.93	2,437.21	85.72	3.52
Fee and commission income	233.79	193.85	39.94	20.60
Total underwriting income	2,756.72	2,631.06	125.66	4.78
Net claim and loss adjustment expenses	1,602.00	1,440.97	161.03	11.18
Commission and brokerage expenses	525.79	530.73	(4.94)	(0.93)
Other underwriting expenses	229.17	242.24	(13.07)	(5.40)
Total underwriting expenses	2,356.96	2,213.94	143.02	6.46
Profit (loss) from underwriting	399.76	417.12	(17.36)	(4.16)
Operating expenses	353.29	338.19	15.10	4.46
Share of profit (loss) from investment in associates	1.38	(0.97)	2.35	(242.27)
Total investments income	87.43	11.64	75.79	651.12
Financial costs	2.31	3.04	(0.73)	(24.02)
Expected credit loss	4.06	6.11	(2.05)	(33.61)
Profit before income tax expenses	132.57	86.60	45.97	53.09
Income tax revenue (expenses)	23.22	15.27	7.95	52.06
Profit for the year	109.35	71.33	38.02	53.31
Retention ratio	75.68	76.89		
Loss ratio	63.50	59.12		
Acquisition ratio	20.66	23.76		

Summary of 2021 operating results compared to 2020 according to the financial statements in which the equity method is applied

The Company's profit for the year was 109.35 million Baht compared to the previous year of 71.33 million Baht, an increase of 38.02 million Baht or 53.31 percent. Net written premium was 3,372.95 million Baht, increased by 46.90 million Baht or 1.41 percent. Total underwriting income was 2,756.72 million Baht, an increase of 125.66 million Baht. Total underwriting expenses was 2,356.96 million Baht, increased by 143.02 million Baht. Profit from underwriting before operating expenses was 399.76 million Baht, decreased by 17.36 million Baht or 4.16 percent.

Operating expenses was 353.29 million Baht, increased by 15.10 million Baht. Investments income was 87.43 million Baht, increased by 75.79 million Baht.

Return on equity was 5.04 percent compared to the previous year of 3.43 percent. Profit per share was 3.12 Baht compared to 2.04 Baht of the previous year.

Major Factors Attributed to Operating Results in 2021 are as follows:

1. Operating Results from Underwriting

Unit: million Baht

Items	2021	2020	Increase (Decrease)	Increase (Decrease) (Percent)
Gross premium written	3,372.95	3,326.05	46.90	1.41
Net premium written	2,552.56	2,557.41	(4.85)	(0.19)
Net earned premium	2,522.93	2,437.21	85.72	3.52
Fee and commission income	233.79	193.85	39.94	20.60
Total underwriting income	2,756.72	2,631.06	125.66	4.78
Net claim and loss adjustment expenses	1,602.00	1,440.97	161.03	11.18
Commission and brokerage expenses	525.79	530.73	(4.94)	(0.93)
Other underwriting expenses	229.17	242.24	(13.07)	(5.40)
Total underwriting expenses	2,356.96	2,213.94	143.02	6.46
Profit (loss) from underwriting	399.76	417.12	(17.36)	(4.16)
Retention Ratio	75.68	76.89		
Loss Ratio	63.50	59.12		
Acquisition Ratio	20.66	23.76		

In 2022, the Company's profit from underwriting was 399.76 million Baht, decreased by 17.36 million Baht or 4.16 percent. The reason was total underwriting income increased by 125.66 million Baht while total underwriting expenses increased by 143.02 million Baht with the following details:

1.1 Underwriting Income

In 2021, the Company's gross written premium was 3,372.95 million Baht compared to the previous year which was 3,326.05 million Baht, decreased by 46.90 million Baht or 1.41 percent due to an increase of marine and transportation and miscellaneous gross written premium. Net written premium was 2,552.56 million Baht, a decrease of 4.85 million Baht from the previous year due to outward premium in 2021 which was 820.39 million Baht increased by 51.75 million Baht or 6.73 percent from the same previous year. The retention rate was 75.68 percent, lower than that of 76.89 percent in the previous year.

The Company's total underwriting income was 2,756.72 million Baht, increased by 125.66 million Baht or 4.78 percent, including:

- (1) Net earned premium was 2,522.93 million Baht, increased by 85.72 million Baht.
- (2) Fee and commission income was 233.79 million Baht, increased by 39.94 million Baht or 20.60 percent.

1.2 Underwriting expenses

In 2021, total underwriting income was 2,356.96 million Baht, an increase of 143.02 million Baht or 6.46 percent compared to the previous year, including:

(1) Claims and loss adjustment expenses were 1,602.00 million Baht, increased by 161.03 million Baht or 11.18 percent. Loss ratio was 63.50 percent, higher than that of 59.12 percent in the previous year.

(2) Commission and brokerage expenses were 525.79 million Baht, decreased by 4.94 million Baht from the previous year.

(3) Other underwriting expenses were 229.17 million Baht, decreased by 13.07 million Baht or 5.40 percent because the Company reduced marketing event due to COVID-19 pandemic.

1.3 Profit (loss) from underwriting before operating expenses is categorized as follows:

Fire Insurance

Unit: million Baht

Items	2021	2020	Increase (Decrease)	Increase (Decrease) (Percent)
Gross premium written	640.29	656.92	(16.63)	(2.53)
Net premium written	330.54	362.94	(32.40)	(8.93)

Fire Insurance

Unit: million Baht

Items	2021	2020	Increase (Decrease)	Increase (Decrease) (Percent)
Net earned premium	333.09	329.26	3.83	1.16
Fee and commission income	112.88	82.46	30.42	36.89
Total underwriting income	445.97	411.72	34.25	8.32
Claims and loss adjustment expenses	94.02	69.97	24.05	34.37
Commission and brokerage expenses	144.20	149.25	(5.05)	(3.38)
Other underwriting expenses	48.46	54.48	(6.02)	(11.05)
Total underwriting expenses	286.68	273.70	12.98	4.74
Profit (loss) from underwriting	159.29	138.02	21.27	15.41
Retention ratio	51.62	55.25		
Loss ratio	28.23	21.25		
Acquisition ratio	23.95	36.83		

In 2021, profit from fire insurance was 159.29 million Baht, increased by 21.27 million Baht or 15.41 percent. Gross premium written was 640.29 million Baht, decreased by 16.63 million Baht. Net premium written was 330.54 million Baht, a decrease of 32.40 million Baht. Retention ratio was 51.61 percent, lower than that of 55.25 percent in the previous year.

Total underwriting income was 445.97 million Baht, an increase of 34.25 million Baht or 8.32 percent from the previous year, including:

- (1) Net earned premium was 333.09 million Baht, increased by 3.83 million Baht from the previous year.
- (2) Fee and commission income were 112.88 million Baht, increased by 30.42 million Baht due to recovery from fire claims paid in 2015 and 2020 and reduction of fee and commission income for the year 2021.

Total underwriting expenses were 286.68 million Baht, increased by 12.98 million Baht from the previous year, including:

- (1) Claims and loss adjustment expenses were 94.02 million Baht, increased by 24.05 million Baht due to the major claims of fire insurance in 2021.

- (2) Commission and brokerage expenses were 144.20 million Baht, decreased by 5.05 million Baht from the previous year.
- (3) Other underwriting expenses were 48.46 million Baht, a decrease of 6.02 million Baht from the previous year.

Marine and transportation insurance

Unit: million Baht

Items	2021	2020	Increase (Decrease)	Increase (Decrease) (Percent)
Gross premium written	98.42	83.63	14.79	17.69
Net premium written	40.44	40.22	0.22	0.55
Net earned premium	39.95	41.15	(1.20)	(2.92)
Fee and commission income	16.59	14.20	2.39	16.83
Total underwriting income	56.54	55.35	1.19	2.15
Claims and loss adjustment expenses	10.15	4.91	5.24	106.72
Commission and brokerage expenses	10.58	12.16	(1.58)	(12.99)
Other underwriting expenses	3.88	3.69	0.19	5.15
Total underwriting expenses	24.61	20.76	3.85	18.55
Profit (loss) from underwriting	31.93	34.59	(2.66)	(7.69)
Retention ratio	41.09	48.09		
Loss ratio	25.41	11.93		
Acquisition ratio	(5.33)	4.01		

In 2021, profit from marine and transportation insurance was 31.93 million Baht, decreased by 2.66 million Baht or 7.69 percent. Gross written premium was 98.42 million Baht, increased by 14.79 million Baht from the previous year. Net written premium was 40.44 million Baht, an increase of 0.22 million Baht. Retention ratio was 41.09 percent, lower than that of 48.09 percent in 2020.

Total underwriting income was 56.54 million Baht, increased by 1.19 million or 2.15 percent from the previous year including:

- (1) Net earned premium was 39.95 million Baht, a decrease of 1.20 million Baht from the previous year.

- (2) Fee and commission income were 16.59 million Baht, increased by 2.39 million Baht from the previous year because of an increase of outward premium.

Total underwriting expenses were 24.61 million Baht, increased by 3.85 million Baht from the previous year including:

- (1) Claims and loss adjustment expenses were 10.15 million Baht, increased by 5.24 million Baht. Loss ratio was 25.41 percent, increased from the previous which was 11.93 percent.
- (2) Commission and brokerage expenses were 10.58 million Baht, decreased by 1.58 million Baht while gross written premium increased by 14.79 million Baht because of the adjustment of conditions and other acquisition cost of major underwriting.
- (3) Other underwriting expenses were 3.88 million Baht, an increase of 0.19 million Baht.

Motor Insurance

Unit: million Baht

Items	2021	2020	Increase (Decrease)	Increase (Decrease) (Percent)
Gross premium written	1,951.01	2,007.20	(56.19)	(2.80)
Net premium written	1,940.02	1,995.42	(55.40)	(2.78)
Net earned premium	1,946.95	1,915.50	31.45	1.64
Fee and commission income	2.41	2.73	(0.32)	(11.72)
Total underwriting income	1,949.36	1,918.23	31.13	1.62
Claims and loss adjustment expenses	1,170.50	1,278.65	(108.15)	(8.46)
Commission and brokerage expenses	299.80	310.89	(11.09)	(3.57)
Other underwriting expenses	135.33	138.76	(3.43)	(2.47)
Total underwriting expenses	1,605.63	1,728.30	(122.67)	(7.10)
Profit (loss) from underwriting	343.73	189.93	153.80	80.98
Retention ratio	99.44	99.41		
Loss ratio	60.12	66.75		
Acquisition ratio	22.23	23.33		

In 2021, profit from motor underwriting was 343.73 million Baht, 153.80 million Baht or 80.98 percent increased. Gross written premium was 1,951.01 million Baht, decreased by 56.19 million Baht from the previous year. Net written premium was 1,940.02 million Baht, a decrease of 55.40 million Baht. Retention ratio was 99.44 percent compared to the previous year which was 99.41 percent.

Total underwriting income was 1,949.36 million Baht, increased by 31.13 million Baht or 1.62 percent including:

- (1) Net earned premium was 1,946.95 million Baht, increased by 31.45 million Baht from the previous year.
- (2) Fee and commission income were 2.41 million Baht, decreased by 0.32 million Baht from the previous year.

Total underwriting expenses were 1,605.63 million Baht, decreased by 122.67 million Baht including:

- (1) Claims and loss adjustment expenses were 1,170.50 million Baht, a decrease of 108.15 million Baht. Loss ratio decreased due to vehicle utilization reduction during the COVID-19 pandemic.
- (2) Commission and brokerage expenses were 299.80 million Baht, decreased by 11.09 million Baht from the previous year.
- (3) Other underwriting expenses were 135.33 million Baht, a decrease of 3.43 million Baht from the previous year due to the reduction of gross written premium and marketing events during the COVID-19 pandemic.

Miscellaneous Insurance

Unit: million Baht

Items	2021	2020	Increase (Decrease)	Increase (Decrease) (Percent)
Gross premium written	683.23	578.30	104.93	18.14
Net premium written	241.56	158.83	82.73	52.09
Net earned premium	202.94	151.30	51.64	34.13
Fee and commission income	101.91	94.46	7.45	7.89
Total underwriting income	304.85	245.76	59.09	24.04
Claims and loss adjustment expenses	327.33	87.44	239.89	274.35
Commission and brokerage expenses	71.21	58.43	12.78	21.87
Other underwriting expenses	41.50	45.31	(3.81)	(8.41)
Total underwriting expenses	440.05	191.18	248.87	130.18
Profit (loss) from underwriting	(135.20)	54.58	(189.78)	(347.71)
Retention ratio	35.36	27.46		
Loss ratio	161.29	57.79		
Acquisition ratio	5.32	6.13		

In 2021, loss from miscellaneous insurance was 135.20 million Baht compared with the previous year that profits were 54.58 million Baht. Gross written premium was 683.23 million Baht, increased by 104.93 million Baht from the previous year. Net written premium was 241.56 million Baht, increased by 82.73 million Baht from the previous year resulting from an increase of health insurance premium of 65.76 million Baht from COVID-19 insurance. Health insurance in 2021 booked a loss of 190.52 million Baht, compared with the previous year that was profited 5.81 million Baht. Retention ratio was 35.36, higher than that of 27.46 percent of the year 2020.

Total underwriting income was 304.85 million Baht, increased by 59.09 million Baht or 24.04 percent from the previous year including:

- (1) Net earned premium was 202.94 million Baht, an increase of 51.64 million Baht from COVID-19 insurance policies which the Company did not offer in the previous year.
- (2) Fee and commission income were 101.91 million Baht, increased by 7.45 million Baht from the previous year.

Total underwriting expenses were 440.05 million Baht, increased by 248.87 million Baht or 130.18 percent from the previous year including:

- (1) Claims and loss adjustment expenses were 327.33 million Baht, increased by 239.89 million Baht.
- (2) Commission and brokerage expenses were 71.21 million Baht, increased by 12.78 million Baht from the previous year.
- (3) Other underwriting expenses were 41.50 million Baht, decreased by 3.81 million Baht from the previous year.

2. Operating Expenses

In 2021, the Company's operating expenses were 353.29 million Baht, increased by 15.10 million Baht or 4.46 percent from the increase of fee, employee remuneration and mechanical development as well as the decrease of bad debt, allowance for doubtful account and travel expense.

3. Investment Performance

In 2021, the Company's total investments income was 87.43 million Baht compared to the previous year that was 11.64 million Baht, increased by 75.79 Baht including:

- (1) Investments income was 68.50 million Baht, an increase of 6.55 million Baht which included interest from debt instruments amounting to 15.62 million Baht and dividend from equity instruments amounting to 52.88 million Baht.
- (2) Profit from investments were 7.54 million Baht, increased by 0.10 million Baht from the previous year.

- (3) Profit from fair value adjustment for trading investments was 11.39 million Baht. In 2020, loss from fair value adjustment was 57.75 million Baht.

In 2021, rate of yield from investments is 2.57 percent higher than the year 2020 which was 0.36 percent. Other income is 3.66 million Baht, decreased 2.49 million Baht or 40.49 percent. In 2021, share of profit from investments in associates is 1.38 million Baht while in the year of 2020 was lost 0.97 million Baht.

4.2 Financial statement in which the equity method is applied ended 31 December 2021 and 2020

1. Components of assets Change and quality of assets

Financial statement in which the equity method is applied

Unit: million Baht

Statements of financial position As at 31 December 2021	2021	Percent of Total assets	2020	Percent of Total assets	Increase (Decrease) from last year	Increase (Decrease) from last year (Percent)
Assets						
Cash and cash equivalents	301.85	4.81	263.54	4.34	38.31	14.54
Premium receivables	511.71	8.15	495.42	8.15	16.29	3.29
Accrued investment income	7.72	0.12	6.31	0.10	1.41	22.35
Reinsurance assets	722.57	11.51	530.52	8.73	192.05	36.20
Reinsurance receivables	504.27	8.03	598.82	9.85	(94.55)	(15.79)
Investment assets						
Investments in securities	3,406.99	54.26	3,242.39	53.35	164.60	5.08
Loans and interest receivables	0.39	0.01	0.64	0.01	(0.25)	(39.06)
Investment in associates	23.87	0.38	24.81	0.41	(0.94)	(3.79)
Property, building and equipment	204.85	3.26	212.58	3.50	(7.73)	(3.64)
Right-of-use assets	38.48	0.61	57.27	0.94	(18.79)	(32.81)
Intangible assets	18.67	0.30	19.01	0.31	(0.34)	(1.79)
Deferred tax assets	215.65	3.43	234.45	3.86	(18.80)	(8.02)

Statements of financial position As at 31 December 2021	2021	Percent of Total assets	2020	Percent of Total assets	Increase (Decrease) from last year	Increase (Decrease) from last year (Percent)
Other assets						
Claims receivable from litigants	102.17	1.63	104.30	1.71	(2.13)	(2.04)
Deposits on Rice Insurance Scheme	103.10	1.64	148.32	2.44	(45.22)	(30.49)
Others	116.62	1.86	139.56	2.30	(22.94)	(16.44)
Total assets	6,278.91	100.00	6,077.94	100.00	200.97	3.31

As of 31 December 2021, the Company's total asset was 6,278.91 million Baht, an increase of 200.97 million Baht or 3.31 percent compared to the previous year which total assets was 6,077.94 million Baht. The significantly changes were as follows:

(1) Cash and cash equivalents were 301.85 million Baht, consisting of cash on hand amounting to 0.26 million Baht and deposits at banks with no fixed maturity date of 301.59 million Baht or 4.81 percent of total assets, increased by 38.31 million Baht or 14.54 percent from the previous year. The Company focused on maintaining appropriate liquidity to support claims settlement. A digital receipt and payment transaction system was developed to reduce the use of cash and cheque, resulting in reduction of operating cost, safety, rapidity and risk of infection spreading.

(2) Premium receivables were 511.71 million Baht or 8.15 percent of total assets. Premium receivable due from insured, agents and brokers increased by 16.29 million Baht or 3.29 percent. The collection period was 55 days.

Details of premium receivables classified by aging are as follows:

Unit: million Baht

Aging from the maturity date	2021	Percent	2020	Percent	Increase (Decrease)	Increase (Decrease) (Percent)
Not yet due	434.96	84.68	411.36	81.97	23.60	5.74
Not over 30 days	48.5	9.44	56.63	11.28	(8.13)	(14.36)
Over 31 days to 60 days	14.65	2.85	17.97	3.58	(3.32)	(18.48)
Over 61 days to 90 days	6.45	1.26	2.88	0.57	3.57	123.96

Aging from the maturity date	2021	Percent	2020	Percent	Increase (Decrease)	Increase (Decrease) (Percent)
Over 91 days to 1 year	9.04	1.76	8.72	1.74	0.32	3.67
Over 1 year	0.08	0.02	4.29	0.85	(4.21)	(98.14)
Total premium receivables	513.68	100.00	501.85	100.00	11.83	2.36
Less: Allowance for doubtful accounts	(1.97)	(0.38)	(6.43)	(1.28)	4.46	(69.36)
Total premium receivables, net	511.71	9.62	495.42	98.72	16.29	3.29

Total premium receivables were 434.96 million Baht. Not yet due premium was 84.68 percent of total premium receivables, increased by 23.60 million Baht or 5.74 percent. Allowance for doubtful accounts decreased by 4.46 million Baht from bad debt write-off amounting to 4.54 million Baht affected over 1-year premium receivables to be decreased from 4.29 million Baht in 2020 to 0.08 million Baht in 2021. Allowance for doubtful accounts was always reviewed and enough for the risk of inability to make collection.

(3) Investments receivables income was 7.72 million Baht or 0.12 percent of total assets consisting of dividend receivables amounting to 4.23 million Baht and interest receivables amounting to 3.49 million Baht.

(4) Reinsurance assets were 722.57 million Baht or 11.51 percent of total assets, increased by 192.05 million Baht or 36.20 percent from the previous year due to an increase of reinsurance reserves refundable from reinsurers amounting to 94.75 million Baht. Claims recovery reserves for claims incurred but not yet reported amounting to 87.31 million Baht increased from an increase of Rice Insurance Scheme and COVID-19 health insurance.

(5) Reinsurance receivables amounting to 504.27 million Baht or 8.03 percent of total assets, decreased by 94.55 million Baht or 15.79 percent from the previous year, consisting of amounts deposits from reinsurance of 0.18 million Baht and amount due from reinsurers of 504.09 million Baht.

Receivables from reinsurance were accrued from commission income and claims received from reinsurers amounting to 99.74 percent. Overdue period was not more than 1 year. The financial status of reinsurance receivables was stable, so the reserves for the risk of not receive payment was unnecessary.

Details of outstanding period are as follows:

Unit: million Baht

Aging from the maturity date	2021	Percent	2020	Percent	Increase (Decrease)	Increase (Decrease) (Percent)
Not yet due	379.66	75.32	251.57	42.02	128.09	(135.42)
Not over 1 year	123.11	24.42	269.59	45.03	(146.48)	154.86
Over 1 year to 2 years	1.10	0.22	77.43	12.93	(76.33)	80.70
Over 2 years	0.21	0.04	0.08	0.01	0.13	(0.14)
Total amounts due from reinsurance	504.09	100.00	598.68	100.00	(94.59)	100.00

(6) Total investment assets were 3,407.38 million Baht or 54.27 percent of total assets including investments in securities that was 3,406.99 million Baht and loans for the Company's employee welfare amounting to 0.39 million Baht.

Investments in securities were 3,406.99 million Baht, increased by 164.60 million Baht from the previous year including

1. Trading investments were 547.54 million Baht, increased by 7.26 million Baht.
2. Available-for-sale investments were 2,198.91 million Baht, increased by 214.74 million Baht.
3. Hold-to-maturity investments were 660.54 million Baht, decreased by 57.40 million Baht.

(7) Investment in associates are investments in TKI General Insurance Company Limited and TKI Life Insurance Company Limited. Both companies registered and located at the Lao People's Democratic Republic on 27 December 2016 to operate insurance and life insurance business. Those companies are jointly invested by Thai non-life insurers, life insurers and local business group. The Company's investment proportion is 32.5 percent. The initial investment amount as of 31 December 2021 was 43.26 million Baht. The book value of interests in TKI General Insurance Company Limited was 11.98 million Baht and in TKI Life Insurance Company Limited was 11.89 million Baht. The decrease in investment value was from the recognition of business loss during the year 2017 - 2020. However, in 2021, the two associated Companies had profit of 1.38 million Baht, compare with loss of the previous year of 0.97 million Baht, but still had currency exchange loss of 2.33 million Baht in 2021 and 1.23 million Baht in 2020 that recognized and shown in the comprehensive income statement.

Details of book value and the book cost of the investment are as follows:

Financial statement in which investment are showed under the equity method

Unit: million Baht

Associates	Nature of business	Shareholding percentage		Book value	
		2021	2020	2021	2020
		(Percent)	(Percent)		
TKI General Insurance Company Limited	Non-life insurance	32.5	32.5	11.98	11.96
TKI Life Insurance Company Limited	Life insurance	32.5	32.5	11.89	12.85
Total				23.87	24.81

(8) In 2021, the book value of property, building and equipment before deducting accumulated depreciation was 575.15 million Baht. The net book value after deducting accumulated depreciation of 370.30 million Baht, was 204.85 million Baht. During 2021, the book value decreased by 7.73 million Baht caused by additional acquisition and distribution. In 2021, the Company invested in the IT system and equipment amount of 3.83 million Baht to develop operational process. The Company had depreciation and amortization amounting to 13.90 million Baht.

(9) Intangible assets before deducting amortization for the year 2021 was 99.25 million Baht and accumulated amortization was 80.58 million Baht. The net book value of intangible assets was 18.67 million Baht. In 2021, intangible assets increased by 9.28 million Baht due to the investment in computer software.

(10) Deferred income tax assets amounted to 215.65 million Baht, decreased by 18.80 million Baht from the previous year. Deferred income tax will be used to reduce the amount of corporate income tax payments. It will depend on the conditions according to tax law, whereby the Company must have future taxable profits which corporate income tax will be paid. The Company is confident that the Company will have a profit from business and be able to use the deferred tax asset.

(11) Right-to-use assets amounted to 38.48 million Baht, decreased by 18.79 million Baht from the previous year due to depreciation.

(12) Claims receivable from litigants-net were 102.17 million Baht or 1.63 percent of total assets, a decrease of 2.13 million Baht. It was the estimated motor claims recovery from the insurance Company of the parties and from the uninsured parties.

Details of claims receivable from litigants classified by the year of the claims incurred are as follows:

Unit: million Baht

Claims Year	2021	Percent	2020	Percent	Increase (Decrease)
Year 2021	80.40	26.41			23.20
Year 2020	57.20	18.79	99.89	32.96	(42.69)
Year 2019	32.45	10.66	42.69	14.08	(10.24)
Year 2018	29.39	9.66	33.06	10.91	(3.66)
Year 2017	26.10	8.57	30.06	9.92	(3.96)
Year 2016	23.63	7.76	28.17	9.29	(4.54)
Prior to 2016	55.26	18.15	69.23	22.84	(13.97)
Total	304.42	100.00	303.09	100.00	1.33
Less : Allowance for expected credit loss	(202.25)	(66.44)	(198.79)	(65.59)	(3.46)
Claims receivable from litigants, net	102.17	33.56	104.30	34.41	(2.13)

The Company considered expected credit loss by using experience and actuarial methods to calculate the statistics and probability of receiving payments and the present value. The proportion of expected credit loss in 2021 was 66.44 percent and 65.59 percent in 2020. The Company considered the appropriation of expected credit loss regularly, and the amount was enough for the risk of inability to make collection.

(13) Deposits for the Rice Insurance Scheme amounted to 103.10 million Baht or 1.64 percent of total assets, decreased by 45.22 million Baht or 30.49 percent from 2020 from the refund of the remaining reserve for the claims payment from the Rice Insurance Scheme in the year 2019, which was terminated.

2. Components and changes of liabilities and equity

Financial statements in which the equity method is applied

Unit: million Baht

Statement of financial position As at 31 December 2021	2021	Percent of Total liabilities and Equity	2563	Percent of Total liabilities and equity	Increase (Decrease) from last	Increase (Decrease) from last (Percent)
Liabilities						
Insurance contract liabilities	2,838.29	45.20	2,639.42	43.43	198.87	7.53
Due to reinsurers	839.31	13.37	967.66	15.92	(128.35)	(13.26)
Income tax payable	7.48	0.12	25.98	0.43	(18.50)	(71.21)
Lease liabilities	41.60	0.66	54.27	0.89	(12.67)	(23.35)
Employee benefit obligations	67.41	1.07	63.58	1.04	3.83	6.02
Other liabilities						
Fee and commission payable	94.73	1.51	103.79	1.71	(9.06)	(8.73)
Accrued expenses	84.59	1.35	63.27	1.04	21.32	33.70
Others	57.21	0.91	65.41	1.08	(8.20)	(12.54)
Total liabilities	4,030.62	64.19	3,983.38	65.54	47.24	1.19
Equity						
Share capital						
35,000,000 ordinary shares of Baht 10 each	350.00	5.57	350.00	5.76	-	-
Registered, Issued and paid up						
35,000,000 ordinary shares of Baht 10 each	350.00	5.57	350.00	5.76	-	-
Share premium	647.28	10.31	647.28	10.65	-	-
Retained earnings						
Appropriated						
Statutory reserve	35.00	0.56	35.00	0.58	-	-

Statement of financial position As at 31 December 2021	2021	Percent of Total liabilities and Equity	2563	Percent of Total liabilities and equity	Increase (Decrease) from last	Increase (Decrease) from last (Percent)
General reserve	20.00	0.32	20.00	0.33	-	-
Unappropriated	1,112.15	17.71	1,053.03	17.33	59.12	5.61
Other components of equity	83.86	1.34	(10.75)	(0.18)	94.61	(880.09)
Total equity	2,248.29	35.81	2,094.56	34.46	153.73	7.34
Total liabilities and equity	6,278.91	100.00	6,077.94	100.00	200.97	3.31

2.1 Composition of Liabilities

In 2021, total liabilities were 4,030.62 million Baht, increased by 47.24 million Baht or 1.19 percent. There are significant changes compared to the previous year as follows:

(1) Insurance contract liabilities amounted to 2,838.29 million Baht or 45.20 percent of total liabilities and equity, increased by 198.87 million Baht or 7.53 percent from the previous year. They consisted of claims reserves for claims incurred and reported amounting to 805.2 million Baht, claims reserves for claims incurred but not reported amounting to 214.94 million Baht and unearned premium reserves for active insurance contract amounting to 1,818.33 million Baht. The details are as follows:

Unit: million Baht

Items	2021	Percent	2020	Percent	Increase (Decrease)	Increase (Decrease) (Percent)
Claim reserve and outstanding claims						
Claim incurred and reported	805.02	28.36	761.83	28.86	43.19	5.67
Claim incurred but not reported	214.94	7.57	98.88	3.75	116.06	117.36
Premium reserves						
Unearned premium reserves	1,818.33	64.07	1,778.71	67.39	39.62	2.23
Total	2,838.29	100.00	2,639.42	100.00	198.87	7.53

In 2021, claims reserves for claim incurred but not reported increased by 116.06 million Baht or 117.36 percent from estimated claim incurred but not reported of Rice Insurance Scheme and COVID-19 insurance.

(2) Due to reinsurers consisted of amounts withheld on reinsurance, amounts due to reinsurers and claims recovery from the Rice Insurance Scheme. In 2021, total due to reinsurers amounted to 839.31 million Baht or 13.37 percent of the total liabilities and equity decreasing from the previous year by 128.35 million Baht or 13.26 percent. The details are as follows.

Unit: million Baht

Items	2021	Percent	2020	Percent	Increase (Decrease)	Increase (Decrease) (Percent)
Amount withheld on reinsurance	254.29	30.30	321.31	33.20	(67.02)	(20.86)
Amount due to reinsurance	585.02	69.70	646.35	66.80	(61.33)	(9.49)
Total due to reinsurance	839.31	100.00	967.66	100.00	(128.35)	(13.26)

(3) In 2021, lease liabilities amounted to 41.60 million Baht, decreased by 12.67 or 23.35 percent from the previous year because of due payment in accordance with the terms of the contract.

Unit: million Baht

Items	2021	2020	Increase (Decrease)	Increase (Decrease) (Percent)
Lease liabilities	44.99	59.97	(14.98)	(24.98)
Less: Deferred interest expenses	(3.39)	(5.70)	2.31	(40.46)
Total	41.60	54.27	(12.67)	(23.35)
Less: Portion due within one year	(14.05)	(12.90)	(1.15)	8.95
Lease liabilities – net of current portion	27.55	41.37	(13.82)	(33.43)

(4) Accrued employee benefit obligations is employee benefit obligations after retirement in accordance with the labor law. The number of employees eligible for the benefit were 515 in 2021 and 524 in 2020. The employee benefit obligations in 2021 were 67.41 million Baht or 1.07 percent of the total liabilities and equity, increased from the previous year by 3.83 million Baht or 6.02 percent. In 2021, service costs and interest costs were 10.66 million Baht compared to the previous year that amounted to

6.60 million Baht. The increase came from a decrease of adjustment in the changing rate of the number of employees. The details are as follows:

The movement of provision for employee benefit obligations for the year ended 31 December 2021 and 202 was as follows:

Unit: Million Baht

	2021	2020
Employee benefit obligations at beginning of year	63.58	61.30
Included in statement of income:		
Current service cost	9.71	5.47
Interest cost	0.95	1.13
Past service cost	-	-
Total items included in statement of income	10.66	6.60
Included in statement of comprehensive income:		
Demographic assumption change	1.93	7.11
Financial assumption change	(2.45)	(10.20)
Experience adjustment	(2.33)	3.95
Total items included statement of comprehensive income	(2.84)	0.86
Benefit paid during the year	(3.98)	(5.18)
Employee benefit obligations at end of year	67.41	63.58

(5) Accrued fee and commission payables for agents and brokers amounted to 94.73 million Baht or 1.51 percent of total liabilities and equity, decreased by 9.06 million Baht or 8.73 percent from the previous year.

(6) Accrued expense amounted to 84.59 million Baht or 1.35 percent of total liabilities and equity, increased by 21.32 million Baht or 33.70 percent from the previous year. The increased amount came from personnel expenses in terms of incentive bonus increased by 16.21 million baht and sale promotion expenses amounting to 4.38 million Baht.

2.2 Component of equity

(1) In 2021, component of equity was 2,248.29 million Baht, increased by 153.73 million Baht or 7.34 percent from the previous year due to an increase of unappropriated retained earnings amounting to 59.12 million Baht including:

Unit: million Baht	
Dividend paid	(52.50)
Profit for the year 2021	109.35
Other comprehensive income for the year 2021 (loss)	2.27
Total	59.12

(2) Other components of equity increased 94.61 million Baht including:

Unit: million Baht	
Exchange differences on translation of financial statements in foreign currency (loss)	(1.86)
Surplus (deficit) on changes in value of investments in securities	96.47
total	94.61

4.3 Liquidity

During the year 2021, the Company had net cash from operating performances of 115.17 million Baht. Net cash used in investment amounted to 9.90 million Baht. Net cash used in financing activities amounted to 66.90 million Baht, consisting of cash flow used for dividend payment of 52.5 million Baht and due payment under the lease agreement of 14.40 million Baht.

As of 31 December 2021, the Company's liquidity ratio stood at 1.35 times, higher than the last year of 1.30 times. Nonetheless, the Company's liquid assets are cash and cash equivalents. Most investment in securities was highly liquid which can be readily converted to highly liquid assets, cash, and cash equivalent.

In 2021, the Company's capital expenditures included information systems development to continually serve its business expansion.

4.4 Source of Fund

As of 31 December 2021, the Company total liabilities were 4,030.62 million Baht, total equity was 2,248.29 million Baht which is equivalent to 1.79 of debt to equity ratio, lower than 1.90 of 2020. Most funds used in business operations came from an equity and business operation. The major liabilities of the Company were insurance contract liabilities which included claims reserves and outstanding claims, unearned premium reserves of 2,838.29 million Baht and due to reinsurers of 839.31 million Baht. Such

liabilities came from insurance which is the Company's core business. The Company managed its capital order to maintain the ability to operate continuously and maintain risk-based capital in accordance with the requirements of the Office of Insurance Commission. In 2021, the total capital required was 616.00 million Baht while total capital available was 2,121.86 million Baht. The capital adequacy ratio was 344.46 percent that was higher than the rate prescribed by law at least 140 percent.

4.5 Liabilities Commitments and Off-Balance Sheet Transactions Management

As of 31 December 2021, the Company has been sued for damages totaling approximately 66.10 million Baht. However, the Company's obligations in respect of these lawsuits do not exceed the maximum sum insured per the relevant policies, which is 34.10 million Baht. Nonetheless, the Company has set aside reserve for contingent loss amounting to 33.60 million Baht in the financial statement. There were bank guarantees amounting to 2.60 million Baht and certificates issued in the Company's name amounting to 7.00 million Baht, as required in the normal course of the Company's business.

4.6 Impacts from the situation of the coronavirus infection (COVID-19)

In 2021, the Company was not affected by the COVID-19 pandemic in both operational and financial aspects. The Company followed the Business Continuity Plan (BCP) to ensure that all services remain effective. The employees were assigned to work from home to reduce density in office and transportation. The disaster recovery site (DR Site) was prepared for working in case the close of head office. Moreover, computer and communication system were also provided to support employees who work from home and at DR Site. During such situation, the Company still delivered services to customers as usual.

4.2 Factors or events affecting future results of operations

Economic Situation

The economic slowdown results in a decrease in the purchasing power. The insured may delay the decision, reduce coverage or sum insured, change the type of insurance, such as changing from comprehensive motor insurance to motor insurance class 3 or not renewing the insurance. All mentioned factors affect the revenue of the Company. Therefore, the Company shall develop products and calculate the insurance premiums appropriately to facilitate the purchase of insurance as well as recommend prospects to be aware of the importance of insurance.

Climate Change

Climate change and global warming exacerbate natural perils and disasters. As a result, the damage of insured properties increases in size and value. Thus, the Company has to manage claims carefully for not affecting the Company's financial position.

Emerging Risks

Emerging risks could result in huge losses or damages that could affect financial position so the Company must consider various information for developing products to cope with emerging risks.

Changes in consumer behavior

The new normal lifestyle after COVID-19 pandemic has resulted rapid change of insureds' behavior. Digital system has increased important role in life and business. The Company must understand the demand of insureds both before and after the purchase of the product to plan the appropriate marketing.

4.3 Financial Highlights

Statements of financial position as at 31 December 2021, 2020 and 2019

(Unit : million Baht)

	Financial statements In which the equity method is applied						Separate financial statements					
	2021		2020		2019		2021		2020		2019	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Assets												
Cash and cash equivalents	301.85	4.81	263.54	4.34	139.65	2.45	301.85	4.81	263.54	4.34	139.65	2.47
Premium receivables	511.71	8.15	495.42	8.15	460.19	8.07	511.71	8.15	495.42	8.16	460.19	8.13
Accrued investment income	7.72	0.12	6.31	0.10	7.99	0.14	7.72	0.12	6.31	0.10	7.99	0.14
Reinsurance assets	722.57	11.51	530.52	8.73	659.62	11.57	722.57	11.51	530.52	8.73	659.62	11.65
Reinsurance receivables	504.27	8.03	598.82	9.85	532.73	9.34	504.27	8.04	598.82	9.86	532.73	9.41
Investment assets												
Investments in securities	3,406.99	54.26	3,242.39	53.35	3,044.18	53.38	3,406.99	53.30	3,242.39	53.39	2,988.96	52.80
Loans and interest receivables	0.39	0.01	0.64	0.01	0.95	0.02	0.39	0.01	0.64	0.01	0.95	0.02
Investments in associates	23.87	0.38	24.81	0.41	27.02	0.47	33.34	0.53	33.34	0.55	43.26	0.76
Property, building and equipment	204.85	3.26	212.58	3.50	242.55	4.25	204.85	3.26	212.58	3.50	242.55	4.28
Right-of-use assets	38.48	0.61	57.27	0.94	0.00	0.00	38.48	0.61	57.27	0.94	0.00	0.00
Intangible assets	18.67	0.30	19.01	0.31	53.36	0.93	18.67	0.30	19.01	0.31	53.36	0.94
Deferred tax assets	215.65	3.43	234.45	3.86	213.72	3.75	202.71	3.23	221.70	3.65	210.47	3.72

(Unit : million Baht)

	Financial statement						Separate financial statements					
	In which the equity method is applied											
	2021		2020		2019		2021		2020		2019	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Other assets												
Claims receivable from litigants	102.17	1.63	104.30	1.71	118.75	2.08	102.17	1.63	104.30	1.72	118.75	2.10
Deposits on rice field insurance scheme	103.10	1.64	148.32	2.44	73.69	1.29	103.10	1.89	148.32	2.44	73.69	1.30
Others	116.62	1.86	139.56	2.30	128.90	2.26	116.62	1.86	139.56	2.30	128.90	2.28
Total assets	6,278.91	100.00	6,077.94	100.00	5,703.30	100.00	6,275.44	100.00	6,073.72	100.00	5,661.07	100.00
Liabilities and equity												
Liabilities												
Insurance contract liabilities	2,838.29	45.20	2,639.42	43.43	2,581.11	45.26	2,838.29	45.23	2,639.42	43.46	2,581.11	45.60
Due to reinsurances	839.31	13.37	967.66	15.92	761.02	13.34	839.31	13.38	967.66	15.93	761.02	13.44
Income tax payable	7.48	0.12	25.98	0.43	9.09	0.16	7.48	0.12	25.98	0.43	9.09	0.16
Lease liabilities	41.60	0.66	54.27	0.89			41.60	0.66	54.27	0.89		
Employee benefit obligations	67.41	1.07	63.58	1.04	61.30	1.08	67.41	1.07	63.58	1.04	61.30	1.08
Other liabilities												
Fee and commission payables	94.73	1.51	103.79	1.71	86.73	1.52	94.73	1.51	103.79	1.71	86.73	1.53
Accrued expenses	84.59	1.35	63.27	1.04	44.58	0.78	84.59	1.35	63.27	1.04	44.58	0.79
Liabilities under finance lease agreements	0.00	0.00	0.00	0.00	15.87	0.28	0.00	0.00	0.00	0.00	15.87	0.28
Others	57.21	0.91	65.41	1.08	77.11	1.35	57.21	0.91	65.41	1.08	77.11	1.36
Total liabilities	4,030.62	64.19	3,983.38	65.54	3,636.81	63.77	4,030.62	64.23	3,983.38	65.58	3,636.81	64.24

(Unit : Million Baht)

	Financial statements						Separate financial statements					
	In which the equity method is applied											
	2021		2020		2019		2021		2020		2019	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Equity												
Share capital												
Registered												
35,000,000 ordinary shares of Baht 10 each	350.00	5.57	350.00	5.76	350.00	6.14	350.00	5.58	350.00	5.76	350.00	6.18
Issued and paid up												
35,000,000 ordinary shares of Baht 10 each	350.00	5.57	350.00	5.76	350.00	6.14	350.00	5.58	350.00	5.76	350.00	6.18
Share premium	647.28	10.31	647.28	10.65	647.28	11.35	647.28	10.31	647.28	10.66	647.28	11.44
Retained earnings												
Appropriated												
Statutory reserve	35.00	0.56	35.00	0.58	35.00	0.61	35.00	0.56	35.00	0.58	35.00	0.62
General reserve	20.00	0.32	20.00	0.33	20.00	0.35	20.00	0.32	20.00	0.33	20.00	0.35
Unappropriated	1,112.15	17.71	1,053.03	17.32	1,047.82	18.37	1,056.30	16.83	998.29	16.44	1,000.24	17.67
Other components of equity	83.86	1.34	(10.75)	(0.18)	(33.61)	(0.59)	136.24	2.17	39.77	0.65	(28.26)	(0.50)
Total equity	2,248.29	35.81	2,094.56	34.46	2,066.49	36.23	2,244.82	35.77	2,090.34	34.42	2,024.26	35.76
Total liabilities and equity	6,278.91	100.00	6,077.94	100.00	5,703.30	100.00	6,275.44	100.00	6,073.72	100.00	5,661.07	100.00

Statements of income and statements of comprehensive income for the year ended 31 December 2021, 2020 and 2019

(Unit : (Million Baht))

	Financial statements In which the equity method is applied						Separate financial statements					
	2021		2020		2019		2021		2020		2019	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Income												
Gross premium written	3,372.95	100.00	3,326.05	100.00	3,023.91	100.00	3,372.95	100.00	3,326.05	100.00	3,023.91	100.00
Less: Premium ceded to reinsurers	(820.39)	(24.32)	(768.64)	(23.11)	(745.41)	(24.65)	(820.39)	(24.32)	(768.64)	(23.11)	(745.41)	(24.65)
Net premium written	2,552.56	75.68	2,557.41	76.89	2,278.50	75.35	2,552.56	75.68	2,557.41	76.89	2,278.50	75.35
Less: Unearned premium reserves increase from prior year	(29.63)	(0.88)	(120.20)	(3.61)	(69.05)	(2.28)	(29.63)	(0.88)	(120.20)	(3.61)	(69.05)	(2.28)
Net earned premium	2,522.93	74.80	2,437.21	73.28	2,209.45	73.07	2,522.93	74.80	2,437.21	73.28	2,209.45	73.07
Fee and commission income	233.79	6.93	193.85	5.83	182.36	6.03	233.79	6.93	193.85	5.83	182.36	6.03
Share of gain (loss) from investments in associates	1.38	0.04	(0.97)	(0.03)	(2.02)	(0.07)	0.00	0.00	0.00	0.00	0.00	0.00
Investments income	68.50	2.03	61.95	1.86	94.14	3.11	68.50	2.03	61.95	1.86	94.14	3.11
Profit on investments	7.54	0.22	7.44	0.22	83.37	2.76	7.54	0.22	7.44	0.22	83.37	2.76
Fair value gain (loss)	11.39	0.34	(57.75)	(1.74)	(3.60)	(0.12)	11.39	0.34	(57.75)	(1.74)	(3.60)	(0.12)
Loss on impairment of investments in associates	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	(9.92)	(0.30)	0.00	0.00
Other income	3.66	0.11	6.15	0.19	8.79	0.29	3.66	0.11	6.15	0.19	8.79	0.29
Total income	2,849.19	84.47	2,647.88	79.61	2,572.49	85.07	2,847.81	84.43	2,638.93	79.34	2,574.51	85.14
Expenses												
Gross claim and loss adjustment expenses	2,043.09	60.57	1,694.59	50.95	1,995.40	65.99	2,043.09	60.57	1,694.59	50.95	1,995.40	65.99
Less: Claim recovery from reinsurers	(441.09)	(13.08)	(253.62)	(7.63)	(560.59)	(18.54)	(441.09)	(13.08)	(253.62)	(7.63)	(560.59)	(18.54)
Commission and brokerage expenses	525.79	15.59	530.73	15.96	470.81	15.57	525.79	15.59	530.73	15.96	470.81	15.57
Other underwriting expenses	229.17	6.79	242.24	7.28	275.30	9.10	229.17	6.79	242.24	7.28	275.30	9.10

(Unit : Million Baht)

	Financial statements In which the equity method is applied						Separate financial statements					
	2021		2020		2019		2021		2020		2019	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
Operating expenses	353.29	10.47	338.19	10.17	361.11	11.94	353.29	10.47	338.19	10.17	361.11	11.94
Financial costs	2.31	0.07	3.04	0.09	0.86	0.03	2.31	0.07	3.04	0.09	0.86	0.03
Expected credit loss	4.06	0.12	6.11	0.18	0.00	0.00	4.06	0.12	6.11	0.18	0.00	0.00
Total expenses	2,716.62	80.53	2,561.28	77.00	2,542.89	84.09	2,716.62	80.53	2,561.28	77.00	2,542.89	84.09
Profit before income tax expenses	132.57	3.94	86.60	2.61	29.60	0.98	131.19	3.89	77.65	2.34	31.62	1.05
Income tax expenses	(23.22)	(0.69)	(15.27)	(0.46)	0.04	0.00	(22.95)	(0.68)	(13.48)	(0.41)	(0.36)	(0.01)
Profit for the year	109.35	3.25	71.33	2.15	29.64	0.98	108.24	3.22	64.17	1.93	31.26	1.04
Earnings per share												
Basic earnings per share	3.12		2.04		0.85		3.09		1.83		0.89	
Other comprehensive income												
Other comprehensive income to be reclassified to Profit and loss in subsequent periods												
Exchange differences on translation of financial statements in foreign currency (loss)	(2.33)	(0.07)	(1.23)	(0.04)	(3.43)	(0.11)	0.00	0.00	0.00	0.00	0.00	0.00
Gain (loss) on changes in value of available-for-sale investments which are measured at fair value through other comprehensive income	120.59	3.58	(100.32)	(3.02)	(15.58)	(0.52)	120.59	3.58	(100.32)	(3.02)	(15.57)	(0.52)
Add (less): Income tax effect	(23.65)	(0.70)	20.31	0.61	3.80	0.13	(24.12)	(0.67)	20.06	0.60	3.11	0.10
Other comprehensive income to be reclassified to profit and loss in subsequent periods – net of tax (loss)	94.61	2.81	(81.24)	(2.45)	(15.21)	(0.50)	96.47	2.86	(80.26)	(2.42)	(12.46)	(0.42)

(Unit : Million Baht)

	Financial statements In which the equity method is applied						Separate financial statements					
	2021		2020		2019		2021		2020		2019	
Other comprehensive income not to be reclassified to profit and loss in subsequent periods												
Actuarial gain (loss)	2.84	0.08	(0.85)	(0.03)	(5.18)	(0.17)	2.84	0.08	(0.85)	(0.03)	(5.18)	(0.17)
Add (less): Income tax effect	(0.57)	(0.02)	0.17	0.01	1.04	0.03	(0.57)	(0.02)	0.17	0.01	1.04	0.03
Other comprehensive income not to be reclassified to profit and loss in subsequent periods – net of tax (loss)	2.27	0.07	(0.69)	(0.02)	(4.14)	(0.14)	2.27	0.07	(0.68)	(0.02)	(4.14)	(0.14)
Total comprehensive income for the year (loss)	206.23	6.11	(10.60)	(0.32)	10.29	0.34	206.98	6.14	(16.77)	(0.51)	14.66	0.48

Statements of cash flows for the year ended 31 December 2021, 2020 and 2019

(Unit : Million Baht)

	Financial statements			Separate financial statements		
	In which the equity method is applied					
	2021	2020	2021	2020	2021	2020
Cash flows from (used in) operating activities						
Direct premium written	3,295.44	3,250.72	3,006.44	3,295.44	3,250.72	3,006.44
Cash paid for reinsurance	(344.31)	(24.07)	(51.09)	(344.31)	(24.07)	(51.09)
Interest income	21.08	26.82	30.51	21.08	26.82	30.51
Dividend income	52.87	33.03	58.32	52.87	33.03	58.32
Other income	4.90	5.90	6.02	4.90	5.90	6.02
Loss incurred and loss adjustment expenses on direct insurance	(1,830.86)	(1,853.19)	(1,759.78)	(1,830.86)	(1,853.19)	(1,759.78)
Commission and brokerage on direct insurance	(521.84)	(503.73)	(446.39)	(521.84)	(503.73)	(446.39)
Other underwriting expenses	(222.64)	(244.40)	(260.02)	(222.64)	(244.40)	(260.02)
Operating expenses	(279.67)	(282.85)	(326.85)	(279.67)	(282.85)	(326.85)
Income tax expenses	(47.14)	(10)	(20.23)	(47.14)	(10)	(20.23)
Cash received – financial assets	2,316.69	2,404.08	2,824.72	2,316.69	2,404.08	2,824.72
Cash paid – financial assets	(2,329.35)	(2,638.20)	(2,979.75)	(2,329.35)	(2,638.20)	(2,979.75)
Net cash from operating activities	115.17	164.11	81.90	115.17	164.11	81.90

(Unit : Million Baht)

	Financial statements			Separate financial statements		
	In which the equity method is applied					
	2021	2020	2019	2021	2020	2019
	Amount	Amount	Amount	Amount	Amount	Amount
Cash flows from (used in) investing activities						
Purchases of property, building and equipment	(6.60)	(4.58)	(3.02)	(6.60)	(4.58)	(3.02)
Purchases of intangible assets	(3.96)	(2.35)	(0.15)	(3.96)	(2.35)	(0.15)
Disposals of property, building and equipment	0.66	0.23	0.64	0.66	0.23	0.64
Disposals of intangible assets		31.22	0.00		31.22	0.00
Net cash from (used in) investing activities	(9.90)	24.52	(2.53)	(9.90)	24.52	(2.53)
Cash flows from (used in) financing activities						
Cash received share capital	0.00	0.00	0.02	0.00	0.00	0.02
Repayment of lease liabilities	(14.40)	(19.65)	(8.19)	(14.40)	(19.65)	(8.19)
Dividend paid	(52.50)	(45.00)	(51.00)	(52.50)	(45.00)	(51.00)
Net cash used in financing activities	(66.90)	(64.65)	(59.17)	(66.90)	(64.65)	(59.17)
Less: Allowance for expected credit loss increase	(0.06)	(0.09)	0.00	(0.06)	(0.09)	0.00
Net increase in cash and cash equivalents	38.31	123.89	20.20	38.31	123.89	20.20
Cash and cash equivalents at beginning of year	263.54	139.65	119.45	263.54	139.65	119.45
Cash and cash equivalents at end of year	301.85	263.54	139.65	301.85	263.54	139.65

Financial Ratio

	Unit	Financial statements in which equity method is applied		
		2021	2020	2019
Liquidity Ratio				
Liquidity ratio	Times	1.36	1.30	1.34
Collection period for premium due and uncollected	Day	55	53	54
Profitability Ratio				
Retention ratio	%	75.68	76.89	75.35
Loss ratio	%	63.50	59.12	64.94
Acquisition ratio	%	20.66	23.76	25.52
Operating expense to earned premium ratio	%	14.00	13.88	16.34
Combined ratio	%	98.16	96.76	106.80
Underwriting profit to earned premium ratio	%	1.84	3.24	-6.80
Return on investment	%	2.57	0.36	5.71
Return on equity (average)	%	5.04	3.43	1.42
Profit per share	Baht	3.12	2.04	0.85
Efficiency Ratio				
Return on assets (average)	%	1.77	1.21	0.54
Assets turnovers (average)	Times	0.46	0.45	0.47
Financial Position Ratio				
Debt to equity ratio	Times	1.79	1.90	1.76
Policy Liability to equity ratio	Times	1.26	1.26	1.25
Unearned premium reserve to equity ratio	Times	0.81	0.85	0.79
Unearned reserve to total assets ratio	%	28.96	29.26	28.80
Dividend payout ratio*	%	57.16	73.61	151.79

* Proposed to 2022 Shareholder's Meeting of in April 2022 for approval.

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 rd 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

None

5.4 Other Stock Exchange

None

SECTION 2

CORPORATE GOVERNANCE

6. Corporate Governance Policy

6.1 Overview of Corporate Governance Policies and Practices

The Board of Directors has an intention to manage the business by adhering to the principles of good corporate governance. It is a key principle in determining the direction of the Company's operations; to be transparent and fair, for the maximum benefit of shareholders, all groups of stakeholders and society as a whole. This will result in enhancing the capability of the Company in operating business, adding value and promoting stable and sustainable business growth.

The Company is committed to enhancing the corporate governance to the best practice, with the condition of transparency good ethics, building confidence for all stakeholders and related groups including being responsible for society and the environment. Hence, the Board of Directors has developed good corporate governance principles which is comparable to the principles OECD (The Organization for Economic Co-Operation and Development) and has established the corporate governance policy of the Company which can be divided into 5 categories, namely 1) Rights of Shareholders 2) Equitable Treatment of Shareholder 3) Roles of Stakeholders 4) Disclosure and Transparency, and 5) Responsibilities of the Board of Directors. Also, it is determined to be continually reviewed annually to consider improvements, corrections or additions to be appropriate for the circumstances and consistent with the Company's business operations at all times

Board of Directors, executives and all employees are committed to the core principles of corporate governance in accordance with 6 international standards, which consist of:

1. Accountability
Accountability for decision making and own actions
2. Responsibility
Responsibility for performing duties and tasks as assigned with knowledge and competence under regulations
3. Equitability
Equitable treatment of stakeholders, to be fair to all parties
4. Transparency
Transparent operation and disclosure of verifiable information
5. Ethics
Morality and ethics in business

6. Corporate Social Responsibility

Having Social responsibility

6.1.1 Policies and guidelines related to the Board of Directors

The Board of Directors, as representatives of shareholders, plays an important role in formulating the policies and directions of the Company's operations; by performing duties with caution, honesty, and responsibility to their own duties, 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, whereby the Company has clearly defined the scope of duties, responsibilities and powers of the Board of Directors from the management. 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. It examines and approves the vision, mission, strategy, direction, business goals, the Company's policies, corporate governance framework, code of conduct, and business ethics. In addition, it is also responsible for overseeing the Company's risk management system, internal control system, compliance, reliable accounting and financial reporting system, appointing sub-committees and company secretary for supporting the work of the Board of Directors as well as having a duty to supervise the management to operate in accordance with the stipulated goal.

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

Composition of the Board of Directors

The Board of Directors, appointed by the shareholders, consists of directors who have knowledge, abilities, experience and skills in a variety of fields that are beneficial to the business operation. The Board of Directors is responsible for overseeing the Company's operations in accordance with the law, objectives and regulations, appointing sub-committees 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.

Sub-Committees

The Board of Directors has appointed 5 sub-committees, namely 1) Audit Committee 2) Remuneration-Nomination and Governance Committee 3) Risk Management Committee 4) Investment Committee and 5) Executive Committee; in order to help screening and supervising tasks that require specific expertise and regular report pertaining the performance to the Board of Directors. The sub-committees perform their duties as assigned by the Board of Directors. They have an authority to invite 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 sub-committee 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 review to extend the independent director's term by proposing the shareholders' meeting for approval.

Term of Office of Sub-Committees

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. Remuneration-Nomination and Governance Committee holds the office for a term of 3 years and can be in the position for no more than 3 terms or 9 years unless the Board of Directors has an opinion otherwise.

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

4. Investment Committee: Investment Committee Members holding executive position shall hold a term continuously according to the status of the Company's executive such as resignation or lack of eligibility to perform duties. Non-executive Investment Committee Members shall hold a term of 3 years for not more than 3 terms or 9 years unless the Board of Directors consider otherwise.

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

Nomination of Directors and Executives

The Remuneration-Nomination and Governance Committee is responsible for recruiting people; by considering a variety of qualifications, in terms of skills, experiences, and specific abilities that are beneficial to the Company. They shall have a good work history including dedicating time and effort to perform their duties, in order to strengthen the Company's Board. The nominated persons shall be proposed to the Board of Directors and the shareholders' meeting for appointment as the Company's directors. The resolution of director appointment passed by shareholder's meeting must get not less than one-half of the total number of votes of the shareholders attending the meeting.

In case of proposing retired directors to be re-elected, the Company shall evaluate the directors' performance 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 will

consider the nominated person before proposing to the shareholders' meeting for appointment. The Company will provide the opportunity to shareholders to nominate a person to be elected as directors in advance of the date of the shareholders' meeting in accordance with the rules determined by the Company.

The Remuneration-Nomination and Governance Committee is also assigned by the Board of Directors to be responsible for selecting and screening persons with qualifications, knowledge and experience suitable for the Company's business operations in order to propose that the Board of Directors appoint as the Chairman of the Board and executives in the position of Chief Executive Officer and President. This may be considered from insiders or outsiders who are qualified for the Company's.

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.

The succession plan of other positions that is inferior to the Managing Director;

Remuneration for Directors and Executives

The Company has a policy to pay remuneration to directors and sub-committees at an appropriate rate, and at similar level to other companies in the same business group. 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 sub-committees will receive additional remuneration according to the specified rules. The Remuneration-Nomination and Corporate Governance Committee considers and proposes the structure and rate of remuneration for directors to the Board for approval 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 sub-committees receive only one form of remuneration, which is meeting allowance.

The Company considers the remuneration of senior management appropriately in accordance with the Company's remuneration structure. The Remuneration-Nomination and Corporate Governance Committee will review the remuneration of the Chief Executive Officer and the President in accordance with the performance of each executive and the Company as well.

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 business guidelines of the Company. 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 consists of director's manual of listed companies, 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 prepare to perform the director's duties.

The Company supports and encourages the Company directors and high-level executives to regularly attend training and seminars in various courses, to enhance knowledge, understanding and develop potential in performing duties. They also participate in activities that increase knowledge from 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.

In addition, the Company has also planned to develop personnel in the organization to be at the executive level and the head of the department. Training courses are organized throughout the year which are classified into general courses and job-specific courses. Training courses are organized both internally (In-house Training) and externally by sending employees to attend training seminars with external institutions such as the Thai Insurance Institute and insurance institutes abroad. In addition, a program for executives to visit foreign insurance companies is also organized.

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 6) Self-Development of directors and executive development. The individual self-assessment form consists 3 topics: 1) Directors' qualifications 2) Roles, duties and responsibilities of Directors 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 for 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 95.99% for the whole board and an average score of 95.08% for the individual self-assessment.

The Board of Directors has assessed the performance of the board-level sub-committees, namely the Audit Committee and the Remuneration-Nomination and Governance 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 Sub-Committees 2) Roles, Duties and Responsibilities of the Sub-Committees and 3) Meetings of the Sub-Committees. The evaluation criteria are divided into 5 levels, i.e., 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 criteria, 50-59% are in need of improvement. The assessment results of the Audit Committee and the Remuneration - Nomination and Governance Committee is in excellent level with average scores of 98.95% and 96.52%, respectively.

Performance Appraisal of Senior Management

The Remuneration-Nomination and Corporate Governance Committee considers and presents its 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 Governance 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.

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 Company Secretary Office 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 was not held, the Company will send a report on the operating results to the Board of Directors for acknowledgment.
2. There is a clear agenda for each meeting; the Chairman, Chief Executive Officer and an independent director will jointly consider and determine the meeting agendas. Directors and executives are able to propose the meeting agenda too.
3. Chairman or assigned director is the person who summons the Board of Directors' meeting

4. The company secretary is responsible for preparing the meeting invitation letter with complete and adequate meeting documents to 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 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 will be the one who collects 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; and if the directors object to the resolution, the objection shall be recorded in the minutes of the meeting.

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 have the opportunity to meet or present a report to the Board of Directors in order to get to know and advice on issues that will develop the executives to be more effective.

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 will be kept systematically as confidential documents of the Office of the Company Secretary and stored in the form of electronic documents for easy of searching and checking.

In 2021, the non-executive directors conducted a meeting among themselves once to consider the management and the direction of the organization on 14 December 14 2021.

Board of Directors Report

The Board of Directors provides the Company's financial reports and the consolidated financial reports of the Company and its associated companies at the end of the fiscal year in the annual report to be presented to the shareholders' meeting as required by law. The preparation of financial reports is 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 registration statement (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.

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 provided 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 hold positions in no more than 2 other listed companies, subject to approval from the Board of Directors and must not hold a position as a director of another company that operates the same business and is in competition with the business of the company unless approved by the Board of Directors.

Supervision of Associated Companies

The Executive Committee is responsible for nominating and appointing a person to be a director of an associated company with the approval of the Board of Directors. Persons appointed as directors in associated companies are responsible to operate business for the best interest. In case of an important matter that must be approved by the Company's Board of Directors, the appointed person must get approval by the committee before voting or exercising the right to vote.

Company Secretary

The Board of Directors appoints 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 regulatory agencies related to the Company's business operations, providing preliminary advice to directors on legal matters, rules and regulations of the Company and following up to ensure the proper and consistent business operation as well as contacting and communicating with shareholders to be informed of the rights of shareholders and the Company's information.

6.1.2 Policies and Practices Related to Shareholders and Stakeholders

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, the right to receive a share of profits 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 fundamentals of the Company, such as election and removal of directors, determination of directors' remuneration, selling or transferring the Company's business to another person, buying or accepting other business transfers, dividend allocation, capital increase or capital reduction and approval of other special transactions that are not normal transactions. The Company encourages shareholders and institutional investors to exercise their rights through shareholders' meetings; so that all groups of shareholders are involved in decisions related to their interests.

Shareholders Meeting

The Company holds an annual general meeting of shareholders within 4 months from the end of the fiscal year for shareholders. All shareholders are reported the Company's operating results and participate in consideration and decision-making on important agenda. 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 in the event that it is necessary to propose the matter to the shareholders' meeting for consideration as a special case.

In 2021, the Company held the Annual General Meeting of Shareholders on 27 April 2021 at the Company's meeting room, 25th floor, Sathorn Nakorn Tower, 100 North Sathorn Road, Silom, Bangrak, Bangkok, which is convenient for shareholders' travel and sufficiently accommodate shareholders. The Chairman, chairman of all sub-committees, and the top executives of the Company attended the meeting. Due to the Coronavirus-2019 pandemic, the Company has stipulated measures and guidelines for the general meeting of shareholders in accordance with the requirements determined by the Department of Disease Control, the Ministry of Public Health in order to prevent the risk of disease spreading. Nevertheless, the Company still managed the shareholders' meeting in full compliance with the law, regulations and guidelines of the shareholder meeting assessment project of the Thai Investors Association, in which the Company received a full score of 100.

The Company prepared an invitation notice for the 2021 Annual General Meeting of Shareholders which contained detailed information and opinions of the Board of Directors in each agenda, meeting minutes and annual report. Shareholders were informed to submit questions about the meeting agenda via the Company's website on 23 March 2021, 35 days before the meeting. The AGM notice was published in a newspaper between 7-9 April 2021, 3 consecutive days before the meeting. The Center Securities Depository (Thailand) Co., Ltd. as the Company's Registrar submitted a notice of meeting to shareholders on 5 April 2021, 21 days prior to the meeting in order to allow shareholders to acknowledge, and have sufficient time to consider the information prior to attend 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 informs shareholders of important information prior to the meeting, such as the number of shareholders attending the meeting and appointing their proxies, voting practices, vote counting and collection of ballots. The Chairman then proceeded 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 additional questions in each agenda before voting. The Company Secretary will record questions and answers in the minutes of the Annual General Meeting of Shareholders. In the 2021 annual meeting, there were no shareholders asking questions or giving suggestions to the Company.

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 for the election of directors individually. The directors who have interests in any agenda will not attend the meeting and vote on that agenda. The Company has provided 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.

The Company disclosed the resolutions of the 2021 Annual General Meeting of Shareholders with voting results within the meeting date. The minutes of the 2021 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 for the shareholders to acknowledge, comment, and review within 14 days after the meeting is finished.

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 have the opportunity to 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 9 September 2020 and 31 December 2020, the Company has published details of the rules and procedures on the aforementioned matters on the Company's website, and notified via the system of 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 was published on the Company's website in both Thai and English more than 30 days in advance of the meeting date, and informed the shareholders of the meeting information via the SET website. However, the shareholders who are unable to attend the meeting in person can vote by using Proxy Form B which was sent along with the meeting invitation letter. The Company will nominate at least three independent directors and executive directors as proxy of the shareholders accordingly.

Roles of Stakeholders

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 create added value, and is determined to be a good representative of shareholders in its operations. The interests of shareholders are maintained in order to create the highest satisfaction for shareholders with good returns. Also, the disclosure of information to investors is accurate, complete, standardized, transparent and reliable.

2. Employees

The Company treats its employees fairly, values employees and strives to give all employees confidence in the organization. Employees are remunerated appropriately and provided welfare with higher standards than those required by law, such as a provident fund, health and accident insurance plans, annual medical checkup, safe and hygienic working environment, various staff activities. 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 takes into account the health and safety of employees. Therefore, policies and guidelines regarding workplace safety and hygiene have been announced, along with providing

knowledge and training to employees continuously under the topic "Security, Occupational Health and Environment Policy". In 2021, 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 sufficient 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. There is a department that specifically receives complaints and suggestions from customers.

4. Business Partner

The Company sets criteria and selects its business partners with transparency without altruism or self-interest. All partners have the opportunity to 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 the related law, does not destroy the reputation 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. Creditor

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 appropriate business collaterals are required. Both parties shall strictly abide by the agreed terms. In case that the agreed conditions cannot be fulfilled, both parties shall finding a solution together.

7. Community, Society, and Environment

The Company realizes the social responsibility and environmental conservation and 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 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 2021 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. Employees' use of software programs is monitored to prevent use of software 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

All groups of stakeholders can participate in the Company's operations by suggesting, making complaints or whistleblowing in the event that 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 attaches importance to the disclosure of information, 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 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 or on through the Company website www.navakij.co.th.

In 2021, 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 of time.

Internal Information Control

The Code of Ethics stipulates the confidentiality of the Company's information. Agreements to comply with data security policy were signed by all employees in order to prevent them from using the Company information for their own benefit or without permission from the Company. 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 in the Company's securities 2 weeks before disclosing information or financial reports to the public. The directors and 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.

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 in case that it is a normal business that operates in accordance with general commercial principles, and taking into account 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 will 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 from the department head level shall prepare a report on their interests when they are first appointed as directors or executives and every time there is a change in information as well as to review the information annually. The Company Secretary will send a copy of such report to the Chairman and the Chairman of the Audit Committee.

Anti-Corruption Policy

The Company is committed to fighting against and not accepting all forms of corruption. The Board of Directors approved Anti-Corruption Policies and Measures which has been reviewed and agreed by the Remuneration, Nomination and Governance Committee every year as a guideline for directors, executives and all employees. The policy stipulates the principle that directors, executives and employees of the Company including those who have business connections with the Company are prohibited to admit or is involve in all forms of corruption both directly and indirectly.

The Board has established governance guidelines to prevent and monitor the corruption risks. The Audit Committee is assigned to supervise the implementation of anti-corruption measures, review the financial reporting system, accounting system, internal control system, internal audit system and risk management system; to ensure the compliance with the relevant laws and international standards. The mentioned systems shall be efficient, up-to-date, appropriate and concise, in order to prevent and reduce the corruption risk. The Risk Management Committee considers risk management policies and stipulates risk target, risk appetite and risk tolerance.

All departments shall assess the corruption risk annually as well as prepare a preliminary risk management plan. The Office of Risk Management Office shall analyze the operational and fraud risk management process by assessing, analyzing, monitoring, controlling and collecting the overall risk position to be risk appetite and report to the Risk Management Committee and the Board of Directors. In addition, the Company has established guidelines for high-risk activities or as a channel for corruption, to improve understanding and be the norm in the work.

The Anti-Corruption Working Team, appointed by the Managing Director, is responsible for coordinating with various departments to communicate internal policies through the Company's intranet. The working team also provides training and testing for employees through an electronic learning system and orientation. It also communicates the policy to third parties such as customers, partners and stakeholders through the Company's website, annual report, electronic mail including specifying as a clause in a commercial contract. The Company also provides channels for receiving complaints, measures to protect whistleblowers and the complainant as well as a fair trial process. An employee who

committed the violation shall be punished according to the disciplinary. The Company shall review or terminate the business transaction with a third party who commits corruption.

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

Supervision and Management of Information Technology

The information technology and 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 and IT Security Policies which have been scrutinized by the Risk Management Committee. The policies were communicated to employees for acknowledgment and practice.

Information Technology Risk Management Policy stipulates guidelines for information technology risk management, scope and criteria for risk management, risk index, risk monitoring and review process including 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.

The Company appointed Information Security Management System and Data Protection Committee and Working Committee 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.

In 2021, the Company was certified with the Information Systems Security Standard (ISO 27001:2013), 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.

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.

Corruption is a violation of the Company's policies, codes of conduct and rules. Directors, executives and employees who commit corruption, supervisors or responsible persons who ignore employee's misconduct or do not resolve the offense will be subject to disciplinary punishment. The Company shall set up a committee to investigate the consider the punishment fairly. It will also consider reviewing 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 stipulated 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 will be

investigated and disciplined 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. Respect for intellectual property
9. Maintaining the information systems and personal data security
10. Maintaining confidentiality and do not use internal information for personal gain.
11. Conflicts of interest awareness
12. Maintain effective internal control system and risk management system.
13. 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/th/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 2021, the Board of Directors approved the reviewed and revised Corporate Governance Policy and related policies such as; Code of Conduct, Stakeholders Policy, and Conflicts of Interest 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) and the Thai Institute of Directors Association (IOD) as well as implement the Corporate Governance Code 2017 (CG Code). In 2021, the Company received the “excellent” recognition of the Corporate Governance Report Program of Thai listed companies organized by the Thai Institute of

Directors Association (IOD) and received an evaluation score of 100 or classified as "excellent" in the 2021 Annual General Meeting Quality Assessment Program. 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 10 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 the 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. 4 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

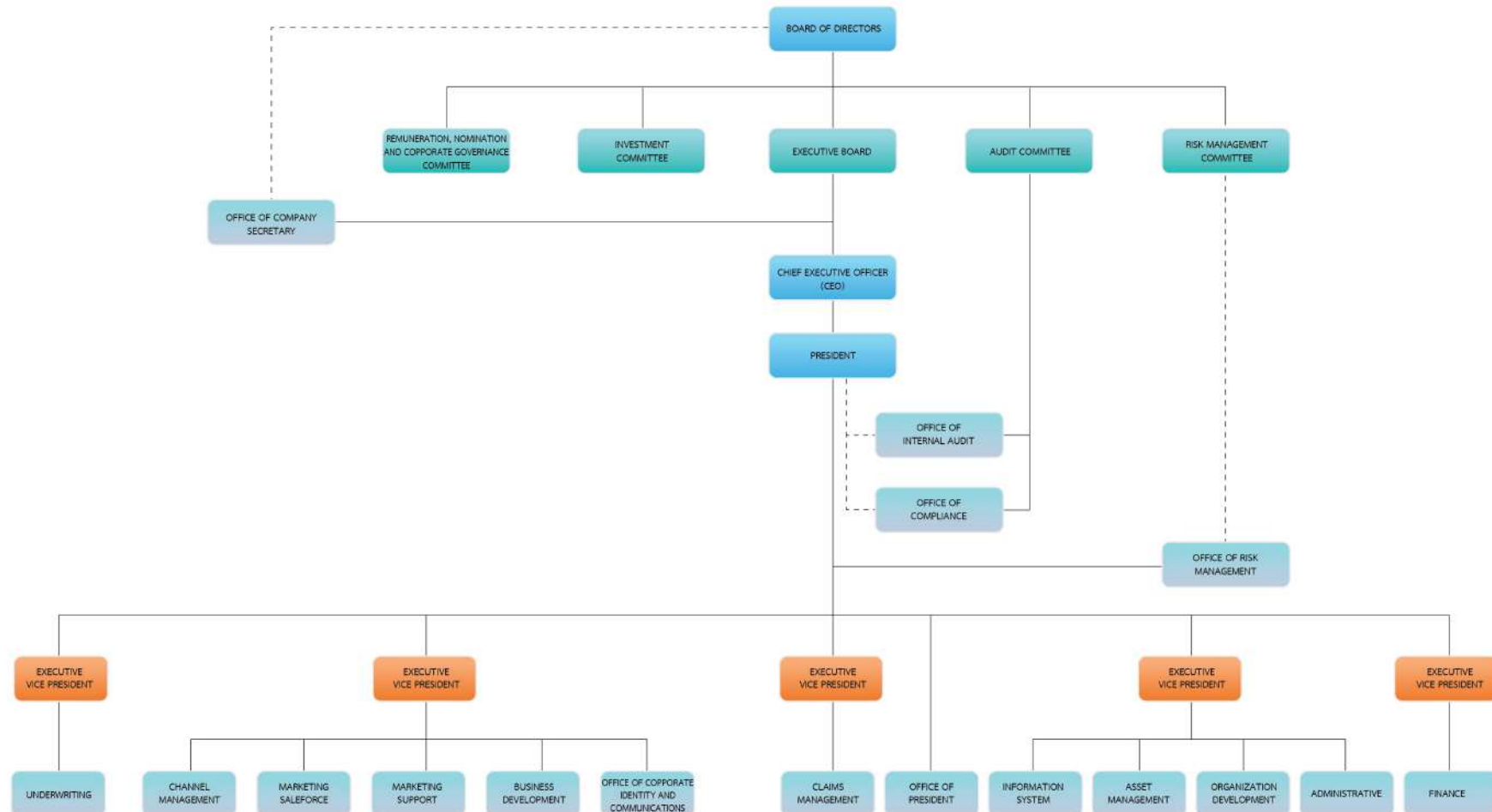
The Company does not hold press releases about the Company's financial results. However, it does provide opportunities for journalists and securities analysts to meet and interview about the operating results, significant event and new products.

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 & Corporate Governance Committee, Risk Management Committee, Investment Committee and Executive Board.

ORGANIZATION STRUCTURE



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 comprise of no fewer than 9 members who are competent with skills and extensive experience to te benefit of the Company's operation. At least one director shall be an expert in the area of non-life insurance business, at least one in the area of accounting and at least one in the area of information technology. 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 power 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. 10 non-executive directors, 76.92% of the entire Board
2. 5 independent directors, which exceeds one-third of the entire Board, 38.46% of the entire Board
3. 3 executive directors, 23.07% of the entire Board
4. 3 female directors, 23.07% 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 mixes and integrity. At least one director shall be an expert in the area of non-life insurance business, at least one in the area of 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 perform the 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	Insurance Product	Actuary	Risk Management and Internal Control	Finance and Accounting	Investment and Management	Fair Treatment of Customers	Information Technology	Corporate Governance	Legal
1.	Mr. Suchin Wanglee	✓	✓		✓		✓	✓	✓	✓
2.	Mr. Pitiphong Bisalputre	✓	✓	✓		✓		✓	✓	
3.	Professor Hiran Radeesri	✓	✓	✓	✓	✓	✓	✓	✓	✓
4.	Mr. Kiet Srichomkwan	✓		✓	✓	✓	✓		✓	
5.	Mr. Nipol T. Jeerawong	✓	✓	✓	✓	✓	✓	✓	✓	✓
6.	Mrs. Wanida Chansikarin	✓		✓	✓	✓	✓	✓	✓	✓
7.	Mr. Phornpong Phornprapha	✓		✓	✓	✓	✓	✓	✓	✓
8.	Mr. Chan Soo Lee	✓			✓	✓		✓		
9.	Mr. Thamnu Wanglee	✓			✓	✓	✓			✓
10.	Mr. Vuttichai Wanglee	✓		✓	✓	✓	✓		✓	
11.	Ms. Jittinan Wanglee			✓	✓	✓			✓	
12.	Dr. Saran Wanglee	✓	✓	✓	✓	✓	✓	✓	✓	✓
13.	Ms. Charuwan Chabchamrun	✓		✓			✓		✓	✓
	Total	12	5	10	11	11	10	8	10	8

The Directors Information

The list of Company's directors as of 31 December 2021

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
3.	Professor Hiran Radeesri	Independent Director Chairman of the Audit Committee
4.	Mr. Keit Srichomkwan	Independent Director Member of the Audit Committee Chairman of Remuneration Nomination & Corporate Governance Committee
5.	Mr. Nipol T. Jeerawong	Non-executive Director The Chairman of Risk management Committee Director of Remuneration Nomination & Corporate Governance Committee
6.	Mrs. Wanida Chansikarin	Independent Director Member of the Audit Committee
7.	Mr. Phornpong Phornprapha	Independent Director Member of the Remuneration Nomination & Corporate Governance Committee
8.	Mr. Chan Soo Lee	Independent Director
9.	Mr. Thamnu Wanglee	Non-Executive Director
10.	Mr. Vuttichai Wanglee	Non-Executive Director
11.	Ms. Jittinan Wanglee	Non-Executive Director
12.	Dr. Saran Wanglee	Executive Director
13.	Ms. Charuwan Chabchamrun	Executive Director

The Chairman of the Board is not an independent director however he is not an executive director. The Chairman's authorities and duties separate distinctly from those of the management. The Company 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 corporate governance framework, code of ethics and the code of conduct of the Company at least once a year.

4. To approve the organizational structure that maintain 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, a 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 significantly changes that may affect their performance.

8. To oversee disclosure of information regarding good governance, financial reports and important matters in accordance with the relevant rules and regulations to public and regulatory agencies 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 three directors, namely Mr. Pitiphong Bisalputra, Ms. Charuwan Chabchamrun or Dr. Saran Wanglee and affixed with the Company's seal.
2. Other juristic act other than those specified in No.1 shall be signed by two of six directors, namely Mr. Suchin Wanglee, Mr. Vuttichai Wanglee, Mr. Nipol T. Jeerawong, Mr. Pitiphong Bisalputra, Ms. Charuwan Chabchamrun or Dr. Saran 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 Corporate Governance 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 included 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 2021, the Audit Committee consists of 3 independent directors. The first and the third director have expertise in accounting and finance with the significant experience in reviewing financial reports. However, all of 3 directors as listed below will be vacated the office on due term in November 2024.

No.	Name	Position
1	Professor Hiran Radeesri	Chairman of the Audit Committee
2	Mr. Kiet Srichomkwan	Member of the Audit Committee
3	Mrs. Wanida Chansikarin	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 the 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 disposal 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 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 following items;

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 noticed. 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 & Corporate Governance Committee

The Remuneration Nomination & Corporate Governance 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 corporate governance function. The Remuneration Nomination & Corporate Governance Committee consists of at least 3 members. The Chairman and at least 2 of 3 members must be independent director, the other one must be a non-executive director. The committee's term of office is 3 years.

As at 31 December 2021, the Remuneration Nomination & Corporate Governance 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 2022.

No.	Name	Position
1	Mr. Kiet Srichomkwan	The Chairman of Remuneration Nomination & Corporate Governance Committee
2	Mr. Phornpong Phornprapha	Member of Remuneration Nomination & Corporate Governance Committee
3	Mr. Nipol T. Jeerawong	Member of Remuneration Nomination & Corporate Governance Committee

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 committees and top executives.

2. To consider and fix bonus for the board of directors and the committees and propose to the board of directors and shareholders' meeting for approval.

3. To consider and fix bonus for top executives and propose to the board of directors for approval.

4. To consider and review authority and duties of the remuneration to appropriate and comply with legal and regulations of regulatory agencies such as OIC, SET and SEC etc.

Duties and Responsibilities of Nomination

1. To determine criteria and procedures for selection of nominees to serve as the Company's directors, member of the committees and top executives propose to the board of directors for approval.

2. To recruit and nominate a qualified person to serve as the Company's director, the committees and top executives when retiring by rotation or the position is vacant, propose to the board of directors' meeting or shareholder's meeting for approval.

3. To review structure and composition of the board of directors appropriate to the organization and accountability to the shareholders.

4. To consider and review authority and duties of the nominating to appropriate and comply with legal and regulations of regulatory agencies such as OIC, SET and SEC etc.

Duties and Responsibilities of Governance

1. To consider and review whether policy and the practice concerning the corporate governance policy and code of conduct of the Company are appropriate and adequate to the Board for approval.

2. To monitor and evaluate the implementation of the corporate governance policy and the code of conduct of directors and staffs at least once a year.

3. To consider the appointing of working group to support relating works to the corporate governance and the code of conduct suitability.

The Remuneration Nomination & Corporate Governance Meeting

The Committee holds at least two 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 the expert who are proficient in risk management not less than 5 members, with the term 3 years.

As at 31 December 2021, 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 2022.

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	Ms. Anukul Thitikulrat	Member of the Risk Management Committee
4	Mrs. Nalina Bodharamik	Member of the Risk Management Committee
5	Mr. Anak Wanglee	Member of the Risk Management 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 the Commission and Trading Business (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.

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 with 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 give advice to all division/department of the risk management sector, consider and resolve development system of the risk management.

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 four 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 not less than 3 members who are 1) Chief Executive Officer and the President 2) Vice President of the Assets Management Department and 3) the person who is appointed by the Board of Directors. The Investment Committee member who holds a position of the executive shall hold a term continuously according to the status of the Company's executive. The Investment Committee member who is appointed by the Board of Director holds a term of 3 years.

As at 31 December 2021, 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 investment policy and submit 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.
9. To consider approval of disposition of real property.

Investment Committee Meeting

The Committee holds at least four meetings a year.

(5) 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 2021, the Executive Board consists of 6 executives as follows:

No.	Name	Position
1	Mr. Pitiphong Bisalputra	Chairman of the Executive Board
2	Ms. Anukul Thitikulrat	Member of the Executive Board
3	Mrs. Nalina Bodharamik	Member of the Executive Board
4	Mr. Anak Wanglee	Member of the Executive Board
5	Mr. Anin Wanglee	Member of the Executive Board
6.	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, guideline 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 operation results of the Company and its subsidiaries.

5. To evaluate and assess risks in 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 two meetings a month.

7.4 Executives

7.4.1 Name and position of executives

As at 31 December 2021, the executive of the Company consists of the following:

No.	Name	Position
1	Mr. Pitiphong Bisalputra	Chief Executive Officer and President
2	Ms. Anukul Thitikulrat	Executive Vice President – Finance
3	Mrs. Nalina Bodharamik	Executive Vice President – Underwriting/ Risk Management
4	Mr. Anak Wanglee	Executive Vice President – Assets Management/ Organization Development/ Administrative and Information System
5	Mr. Anin Wanglee	Executive Vice President - Claims Management
6	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, will all units in the organization cooperatively to achieve their respectively 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 as a whole including normal business operation plans before presenting to the board of directors.

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

6. To oversee development of 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 sub-committees.

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 propose to the board of directors for approval and to proceed as the resolutions approved by the board of directors.

2. To report the Company's operating performance by monthly and quarterly compared to business plan and budget with suggestion to the board of directors.

3. To approve the Company's expenditure with limit of not over 1 million Baht that he must be reported to the Chief Executive Officer.

4. Other matters assigned by the board of directors.

7.4.2 Directors and Executives Remuneration

The Remuneration, Nomination and Corporate Governance Committee is responsible for reviewing the remuneration for CEO and President and propose to the board of directors for approval. Such remuneration will 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 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 2021, the total remuneration for six executives in the form of salaries and bonuses amounted to 24,975,575 Baht.

The remuneration paid for six executives from 31 December 2021 are as follows:

(Unit : Baht)

Remuneration	2021		2020		2019	
	Person	Amount	Person	Amount	Person	Amount
Salaries and bonuses	6	24,975,575	6	22,911,500	7	29,567,470

2. Other Remuneration

The Company has established a provident fund at the rate of five percent of the salary. In 2021, the Company made contributions of 855,895 Baht to provident fund for the 6 executives.

A provident fund of six executives from 2019 to 31 December 2021 is paid as following:

(Unit : Baht)

Remuneration	2021		2020		2019	
	Person	Amount	Person	Amount	Person	Amount
Provident fund	6	855,895	6	810,390	7	795,570

7.5 Information of employees

As at 31 December 2021 the Company has 556 employees in any departments as follows:

Department	Number (Person)		
	Female	Male	Total
Office of Executive	2	6	8
Underwriting	60	19	79
Channel Management	31	12	43
Marketing Salesforce	26	28	54
Marketing Support	61	8	69
Business Development	5	-	5
Claims Management	44	74	118
Information System	6	20	26
Assets Management	5	2	7
Office of President	5	-	5
Organization Development	6	2	8
Administrative	33	12	45
Finance	62	14	76
Office of Risk Management	2	-	2

Department	Number (Person)		
	Female	Male	Total
Office of Internal Audit	4	2	6
Office of Compliance	1	1	2
Office of Corporate Identity and Communications	2	1	3
Total	355	201	556

Information of employees with disability

The Empowerment of Persons with Disabilities Act, B.E. 2007 stipulates 3 cases of occupational methods for person with disability as follows: 1) employ person with disability in accordance with section 33, 2) make contribution to the Fund for Promotion or Development of Life Quality of Disabled Persons according to section 34, and 3) grant concession or arrange a place to supply goods or services according to section 35 of the Empowerment of Persons with Disabilities Act, B.E. 2007 and amended by Empowerment of Persons with Disabilities Act (Version 2) , B.E. 2013. In 2021, the Company contributed money to Department of Empowerment of Persons with Disabilities total 685,470 Baht.

Policies and regulations to employees

The Company paid attention to human resource development policy. The principle and method for human resource are adjusting constantly to be in line with the business operation. The Company encouraged knowledge and skill development, up skill and re skill, learning technology digital as well as providing offline training program to get along with current situation.

Total remuneration and the type of remuneration given to employees

In 2021, the Company's total remuneration for employees amounted to 276.41 million Baht

The Company reviews the Pay for Performance criteria to be linked with the remuneration and according to the Company's operation under COVID-19 pandemic situation such as adjusting the weight of performance management annually, setting the higher goal to challenge compared to the previous year. The Company provides concrete remuneration system to encourage employees for more potential. In addition, the Company takes into consideration the sufficiency of living in the current economic situation. Regular and incentive bonus shall be paid to employees. Incentive bonus is paid according to the employees' performance and the Company operating results in order to encourage employees to achieve the Company's goal.

Annual salary adjustment shall be done after the systematic evaluation of performance. Key Performance Indicator (KPI) that supports the Company's goal is set and mutually accepted between the

employees and the supervisor to create empirical evidence, measurable and evaluable results. Core Competency is one factor that the Company ensures to have good and talented employees.

The Company considers remuneration fairly. The employees who had equal performance would receive equal remuneration while the employees who performed better or harder were paid higher. However, the Company analyzed and evaluated the work transparently. Comparison between all duties in the organization because every job was important to the Company but differ only by function.

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 2021, the Company contributed to the provident fund at the rate of 5 percent of the salary, total amount 9.21 million Baht.

Age (Year)	Provident Fund Payment		
	Member (Person)	Amount (million Baht) per year	Ratio
< 30 year	72	0.76	13%
30-50 year	304	5.80	55%
> 50 year	47	2.65	8%
None	133	-	24%

Human Resource Development Policy

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

Human resource development plan is set according to business development plan under Unified Culture. The Company establishes the Core Competency as the main qualification that defines expectation and ability of the employees to conduct in the same direction and to contribute for achieve the Company's goal..

The Company has a priority to develop and increase employees' knowledge In 2021, the employees took 52 training courses and seminars, which cost 1,106,943 Baht.

Type of Training	Number		
	Courses	Attended	Training Hour
Outsource Training For example, management, insurance, law, computer, claims, marketing, accounting, personnel management	80	516	2,020
Internal Training For example, orientation, computer, profession, anti-corruption and environment.	15	1,372	155
Total	95	1,843	2,175
Average training hours per year			3.91

Note

1. In 2021, the average number of employees was 556
2. 1 employee might attend more than 1 training course
3. Anti-corruption course is organized as online training nationwide 1 time

Occupational Health and Safety Management Plan

The Company considers safety that affected the quality of life of employees as priority. In term of health, the Company provides annual medical checkup, recreational activities. For safety, there were fire escape, exchange of access cards for outsiders. For protection, there was a fire protection system with a plan for emergencies and disasters. In addition, the Company is responsible for maintaining the environment to be safe for lives and properties of employees at all times.

Employee Engagement Plan and Result

The Company regards employees as the most valuable resource and encourages them to improve knowledge and skills regularly as well as keeps talented employees to work with the Company. The Company promotes the engagement between employees and the Company and also encourages employees to express opinions for the development of the Company through various projects and activities. The Company organized a seminar to improve knowledge, expertise and experience from talented employees. In 2021, the Company provided a satisfactory survey for 503 employees. The assessment topics were categorized into 7 issues, measuring 4 levels of satisfaction: 1 = least, 2 = low, 3 = high and 4 = the highest. The overall result showed that the employee satisfaction was at level 3, which was high. Pride and loyalty to the organization is the most satisfied and core value was the second. The results of the survey are in line with the turnover rate in 2021, which was low level at 9.44 percent, and decreased constantly compared to the Company's average of the past 3 years. Most of the employees were experienced, professionals and able to transfer knowledge and experience continuously made customer service efficient.

7.6 Other Information

7.6.1 Information of responsible position

Accounting Supervisor

The Company assigned Mrs. Maysa Suntranusorn, Senior Manager of Finance Department to be an accounting supervisor from 1 July 2021 in place of Ms. Thiranant Chunsard, a previous accounting supervisor who retired on 30 June 2021. Her qualifications of accounting supervisor comply with the notification of Department of Business Development. More detail is on attachment no. 1.

Company Secretary

Ms. Charuwan Chabchamrun, the Company's director and vice president, was appointed by the board of directors since 15 May 2014, to serve as the company secretary. Her qualifications in term of skills and knowledge fulfill the functions for which she has been appointed. 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 monitoring the 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.

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 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 the 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 Unit

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

Duties and Responsibilities of the Head of Compliance Unit

1. Compile laws, rules, regulations, orders and notifications which is announced by regulators

2. Summarized 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 propose 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. Being a coordinator on behalf of the Company with the Office of Insurance Commission and other regulatory agencies under the law.

7.6.2 Shareholder Relations

The Company set up a Shareholder Relations Division to coordinate with the investors. Investors could contact Shareholder Relations Division at:

Shareholder Relations Division

100/47-55, 90/3-6 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 2021, details as follows:

1. Annual audit and quarterly review fee for the financial statements	1,865,000	Baht
2. Review fee for RBC (Risk Based Capital) for the year 2020 and second quarter of the year 2021	<u>585,000</u>	Baht
Total	<u>2,450,000</u>	Baht

Non-Audit Fee

In the previous year, the Company did not pay non-audit fee for any other service than audit work to the office of auditors.

8. Corporate Governance Performance Report

8.1 Summary of the Performance of the Board of Directors in the Past Year

In 2020, 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

Remuneration-Nomination and Corporate Governance 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 share 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 the 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 relation 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 2021, 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 16.83 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 were divided into 3 parts; 1) insurance premium of Mr. Kiet Srichomkwan and the companies of which he holds a major shares cost 903,077 Baht 2) insurance premiums under marketing campaign of Toyota Motor Thailand Co., Ltd., that provided free policies for customers who select the

insurance company by themselves, cost 719,671 Baht 3) motor repair cost under the Toyota Care for customers whose policies specified the repair service center, cost 15.21 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 Corporate Governance 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 9 September 2020 to 31 December 2020, 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.

2021 Annual General Meeting of Shareholder resolved to re-appoint 4 directors who retired by rotation; Mrs. Wanida Chansikarin, independent director; Mr. Chan Soo Lee, independent director; Mr. Vuttichai Wanglee, director and Miss Jittinan Wanglee, director to be directors for another term.

Details of the nomination of directors are reported in section 6.1.1 Policies and Guidelines Related to the Committee and section 7.3 (2) the Remuneration, Nomination and Corporate Governance Committee.

Nomination of Senior Executives

The Remuneration, Nomination and Corporate Governance 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 a senior executive including considering the remuneration to propose to the Board of Directors.

In 2021, the Company considered renewing the contract to hire Mr. Pitiphong Bisalputra as Chief Executive Officer and President, as well as determine the appropriate remuneration.

The nomination of senior executives is reported in section 6.1.1 Policy and Guidelines Related to the Board of Directors and section 7.3 (2) the Remuneration, Nomination and Corporate Governance Committee.

Directors and Executives Development

The Company encourages directors and executives to attend training courses, seminars or various meetings to enhance knowledge and ability. In 2021, directors and executives attended training, seminars and meetings as follows:

Directors	Course/Seminar/Meeting
Professor Hiran Radeesri	The Audit Committee of listed Companies Meeting, organized by the Securities and Exchange Commission
Mr. Kiet Srichomkwan	The Audit Committee of listed Companies Meeting, organized by the Securities and Exchange Commission
Mrs. Wanida Chansikarin	The Audit Committee of listed Companies Meeting, organized by the Securities and Exchange Commission
Ms. Charuwan Chabchamrun	<ul style="list-style-type: none"> -The Seminar of Board of Directors and Senior Executives of insurance companies on “Good Corporate Governance Path to Sustainability of Thai Insurance Business”, organized by the Office of Insurance Commission -The seminar on Sustainability, ESG and a company's reporting (Corporate sustainability concept and reporting data) organized by EY Office Company Limited.

8.1.2 Meeting attendance and remuneration of individual director

Meeting attendance of the Board of Directors and Sub-Committees in 2021

No.	Directors	Board of Directors (6 Times)	Non-Executive Directors (6 Times)	Audit Committee (10 Times)	Remuneration, Nomination & CG Committee (2 Times)	Risk Management Committee (5 Times)	Investment Committee (4 Times)	Executive Board (50 Times)	Annual General Meeting of Shareholders
1.	Mr. Suchin Wanglee	6/6	1/1	-	-	-	-	50/50	1/1
2.	Mr. Pitiphong Bisalputra	6/6	-	-	-	5/5	4/4	49/50	1/1
3.	Prof. Hiran Radeesri	6/6	1/1	10/10	-	-	-	-	1/1
4.	Mr. Kiet Srichomkwan	6/6	1/1	10/10	2/2	-	-	-	1/1
5.	Mr. Nipol T. Jeerawong	6/6	1/1	-	2/2	5/5	4/4	42/50	1/1
6.	Mrs. Wanida Chansikarin	6/6	1/1	10/10	-	-	-	-	1/1
7.	Mr. Phornpong Phornprapha	3/6	0/1	-	1/2	-	-	-	1/1
8.	Mr. Chan Soo Lee	6/6	1/1	-	-	-	-	-	1/1
9.	Mr. Thamnu Wanglee	6/6	1/1	-	-	-	-	-	0/1
10.	Mr. Vuttichai Wanglee	6/6	1/1	-	-	-	-	-	1/1
11.	Miss Jittinan Wanglee	6/6	1/1	-	-	-	-	-	1/1
12.	Dr. Saran Wanglee	6/6	-	-	-	-	-	49/50	1/1
13.	Ms. Charuwan Chabchamrun	6/6	-	-	-	-	-	-	1/1
14.	Miss Anukul Thitikulrat	-	-	-	-	5/5	-	48/50	
15.	Mrs. Nalina Bodharamik	-	-	-	-	5/5	-	46/50	
16.	Mr. Anak Wanglee	-	-	-	-	4/5	4/4	40/50	
17.	Mr. Anin Wanglee	-	-	-	-	-	-	42/50	

Note: No. 7 vacated his office on 22 December 2021 due to decease

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 sub-committees as follows:

1. Cash remuneration

It is divided into 2 types as follows:

1.1 Meeting Allowance: Paid to directors and sub-committees 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 Corporate Governance 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 2,625,000 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 2021

No.	Names	Board of Directors	Non-Executive Directors	Audit Committee	Remuneration, Nomination & CG Committee	Risk Management Committee	Investment Committee	Director's Bonus	Total
1.	Mr. Suchin Wanglee	180,000	30,000	-	-	-	-	350,000	560,000
2.	Mr. Pitiphong Bisalputra	120,000	-	-	-	50,000	80,000	350,000	600,000
3.	Prof. Hiran Radeesri	120,000	20,000	300,000	-	-	-	175,000	615,000
4.	Mr. Kiet Srichomkwan	120,000	20,000	200,000	40,000	-	-	175,000	555,000
5.	Mr. Nipol T.Jeerawong	120,000	20,000	-	20,000	100,000	40,000	175,000	475,000
6.	Mrs. Wanida Chansikarin	120,000	20,000	200,000	-	-	-	175,000	515,000
7.	Mr. Phornpong Phornprapha	60,000	-	-	10,000	-	-	175,000	245,000
8.	Mr. Chan Soo Lee	120,000	20,000	-	-	-	-	175,000	315,000
9.	Mr. Thamnu Wanglee	120,000	20,000	-	-	-	-	175,000	315,000
10.	Mr. Vuttichai Wanglee	120,000	20,000	-	-	-	-	175,000	315,000
11.	Miss Jittinan Wanglee	120,000	20,000	-	-	-	-	175,000	315,000
12.	Dr. Saran Wanglee	120,000	-	-	-	-	-	175,000	295,000
13.	Ms. Charuwan Chabchamrun	120,000	-	-	-	-	-	175,000	295,000
14.	Miss Anukul Thitikulrat	-	-	-	-	50,000	-	-	50,000
15.	Mrs. Nalina Bodharamik	-	-	-	-	50,000	-	-	50,000
16.	Mr. Anak Wanglee	-	-	-	-	50,000	40,000	-	90,000
Total		1,560,000	190,000	700,000	70,000	300,000	160,000	2,625,000	5,605,000

Note:

- No. 1 Chairman of the Board; total remuneration does not include the remunerations of being an advisor to the Executive Board, which are salaries, bonuses and contributions to the provident fund totaling 9,069,060 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 Corporate Governance Committee
- No. 5 Chairman of the Risk Management Committee; total remuneration does not include remunerations of being an advisor to the Chairman of the Board, which are salaries, bonuses and contributions to the provident fund totaling 5,587,000 Baht.
- No. 7 Vacated his office on 22 December 2021 due to decease

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. The Company regularly acknowledges the operating results of the associated companies.

The details of the supervision of the associated companies' operations are reported in section 6.1.1 Policy and Guidelines Related to the Board of Directors.

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 2021, the Company received a 5-star or excellent for corporate governance assessment and received a full score of 100 for the quality 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 determined that the personnel should avoid any action that was in competition 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 6.1.2 Policy and Practices Related to Shareholders and Stakeholders.

In 2021, neither director nor executive of the Company took the position of director in other rival company. There were not related party transactions that might cause conflicts of interest with the Company.

(2) Exploitation of Internal Information

The Board of Directors established 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 6.1.2 Policy and Practices Related to Shareholders and Stakeholders.

In 2021, 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)	
		30 December 2021		30 December 2020		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	3,522,485	1,225,000	3,522,485	1,225,000	-	-
2	Mr. Pitiphong Bisalputra	165,042	-	160,042	-	5,000	-
3	Prof. Hiran Radeesri	-	-	-	-	-	-
4	Mr. Kiet Srichomkwan	41,793	-	41,793	-	-	-
5	Mr. Nipol T. Jeerawong	57,875	35,502	57,875	39,602	-	(4,100)
6	Mrs. Wanida Chansikarin	3,702	-	3,702	-	-	-
7	Mr. Phompong Phomprapha	-	-	-	-	-	-
8	Mr. Chan Soo Lee	345,466	-	345,466	-	-	-
9	Mr. Thamnu Wanglee	429,688	16,896	429,688	16,896	-	-
10	Mr. Vuttichai Wanglee	610,168	14,115	610,168	14,115	-	-
11	Miss Jittinan Wanglee	238,685	-	238,685	-	-	-
12	Dr. Saran Wanglee	193,845	-	188,845	-	5,000	-
13	Ms. Charuwan Chabchamrun	-	-	-	-	-	-
14	Miss Anukul Thitikulrat	-	-	-	-	-	-
15	Mrs. Nalina Bodharamik	-	-	-	-	-	-
16	Mr. Anak Wanglee	70,990	-	65,990	-	5,000	-
17	Mr. Anin Wanglee	105,043	-	100,043	-	5,000	-

(3) Anti-Corruption

In 2021, the Board of Directors approved the Anti-Corruption Policy and Measures that were reviewed in accordance with the guidelines of Thai Private Sector Collective Action against Corruption and other relevant laws. The policy stipulated that the directors, executives and employees of the Company including those who had business relationship with the Company, would be prohibited from accept or relate to corruption both directly and indirectly. The Company also established guidelines for high-risk corruption activities.

The President appointed an the Anti-Corruption Working Team to provide activities and coordinate with various parties in order to implement the Anti-Corruption Policy and Measures and reported to the President.

All departments in the Company had to assess the corruption risks annually, prepared a risk management and mitigation plan. The Office of Risk Management analyzed and assessed the effectiveness of the risk management plan to maintain the risk as risk target and reported the risk management results to the Risk Management Committee and the Board of Directors. In addition, the Company assigned the Office of Internal Audit to be responsible for reviewing the internal control system and ensured the accuracy of operation.

The Company clarified the importance of the revised Anti-Corruption Policy and Measures at the Board of Directors' Meeting on 9 November 2021 for acknowledgment and approval. The Company clarified the guidelines for receiving gifts at the management meeting. The Policy was also communicated to employees through various communication channels such as intranet and other electronic communication channels. The Company organized training courses in the form of e-learning for employees to train and evaluate their understanding. Moreover, on 24 December 2021, the Company also communicated this matter to third parties such as customers, business partners, associated companies and stakeholders through the Company's website, annual report, electronic mail, and specified an anti-corruption clause in a commercial contract.

The Board assigned the Risk Management Committee to be responsible to supervise, monitor and evaluate the implementation of the Anti-Corruption Policy and Measures in order to ensure the adequate and appropriate corruption risk management. The risk management reports were reviewed and reported to the Board of Directors.

Office of Internal Audit was responsible for auditing and reviewing the internal control system and the operation to comply with the policies, practices, authority, regulations, laws and regulations of the regulators to ensure that the internal control system was appropriate and sufficient for corruption risks. The audit report shall be present to the Audit Committee. The Company also regularly reviews the Anti-Corruption Measures to comply with changes in rules, regulations, law and business change.

In 2021, 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 the second time in 2018.

Further details were reported in section 6.1.2 Policy and Practices Related to Shareholders and Stakeholders. The Company published the complete Anti-Corruption Policy and Measures on the Company's website at <https://www.navakij.co.th/th/sustainability/significant-policies-of-nki>

(4) Whistleblowing

The Board of Directors established the Whistleblowing and Grievance Policy to enable stakeholders to make suggestions, complaints, or whistle-blowing actions that might imply misconduct by the Company's employees. The concerns shall be sent directly to the Board of Directors at 100/47-55, 90/3-6 North Sathorn Road, Silom, Bangrak, Bangkok 10500 or through the following channels:

- Vice President of Organization Development
Telephone 0 2664 7712 E-mail phatarawipha_w@navakij.co.th
- Vice President of Office of Compliance
Telephone 0 2664 7719 E-mail charuwan_c@navakij.co.th
- Chief Executive Officer
Telephone 0 2664 7738 E-mail pitiphong@navakij.co.th
- Chairman of the Audit Committee via the secretary of the Audit Committee
Telephone 0 2664 7778 E-mail phisit_p@navakij.co.th

More details are published on the Company's website. The Company's also stipulated the measures to protect whistleblowers and complainants. The complaint information will be kept confidential. The Company shall not do anything unfair to whistleblowers, complainants or persons who cooperate in the investigation.

Complaint Process and Whistleblower Protection

1. Details and complaints must be clear or sufficient enough for further investigation process.
2. Information and investigation process will be confidential and disclosed carefully as necessary. The concern about third party and general staff shall be disclosed to those in the investigation process. Whistleblowing and complaints of senior executives will be kept by the secretary to the Audit Committee to report directly to the Audit Committee.
3. The President shall appoint at least three vice presidents who are independent from the concern and complaint to be the Investigation Committee.
4. The Investigation Committee will provide the management approach including remedies for damage in case the investigation found that the clues are based on truth, and propose to the President for operation approval
5. The investigation will be conducted fairly to the complainant.
6. Processing time depends on the complexity of the issues and the adequacy of evidence.
7. The Investigation Committee will report the investigation results and remedies for damage to the Audit Committee at least once a quarter.

In 2021, the Company was not received any corruption complaints.

8.2 Reports of sub committees' performance in the past year

8.2.1 Number of meetings and meeting attendance of the Audit Committee

Details are presented in “8.1.2 Meeting attendance and remuneration of the directors”

8.2.2 Report of the Audit Committee

Details are presented in the “Report of the Audit Committee”

8.3 Reports of other sub committees

8.3.1 Report of the Remuneration, Nomination and Governance Committee

Details are presented in the “Report of the Remuneration, Nomination and Governance Committee”

8.3.2 Report of the Risk Management Committee

Details are presented in the “Report of the Risk Management Committee”

8.3.3 Report of the Investment Committee

Details are presented in the “Report of the Investment Committee”

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.1/2022 on 22 February 2022 in which the Audit Committee attended, considered the Company's internal control systems sufficiency evaluation form in 5 different areas which were internal control, risk assessment, operational control, Information and communication system and monitoring system. The internal control system was assessed according to the evaluation form of the Securities and Exchange Commission (SEC), taking in to consideration the management interrogation, the Audit Committee's opinion and the Office of Internal Audit's report. The assessment has been reviewed by the Audit Committee.

The Board of Directors gave the opinion that the Company had adequate and appropriate internal control system. The Company arranged enough personnel to operate according to the system effectively. The Office of Internal Audit did not have any person who had knowledge of information systems audit, so the Company need to assign an outsource experts to audit the supervision and risk management of the information technology and cyber threats.

The Company prepared risk management policy in accordance with various criteria and was considered appropriate for the Company with 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 since 1 January 2015 because of appropriate educational background, training and experience. The Office of Internal Audit directly reported to the Audit Committee.

The appointment, removal, transfer and evaluation of performance 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

Nature 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 Approval of Related Transactions

The Board of Directors has approved guidelines and procedures of related transactions to ensure the Company’s best interest, authorized the management and/or the person authorized by the management the power to make related transaction that are normal business or normal business support under traditional business practices e.g. insurance or investment transactions. The directors and management who hold up a position of vice president shall disclose to the Company annually whether they hold any stakes involving potential conflict of interest. In case where such transactions need approval in accordance with the regulations and procedures prescribed by law, the management shall propose such matters to the Audit Committee, the Board of Directors or at the shareholders’ meeting for approval respectively, and shall disclose the information completely. Under no circumstance shall directors or management concerned be allowed to participate in the process of considering approval.

Policy or Tendency of Related Transactions Process in the Future

Future related transactions shall be conducted by implementing fair method, transparent and complying with rules and regulations of the Notification of Capital Market Supervisory Board and OIC.

The Navakij Insurance Public Company Limited
Report and financial statements
31 December 2021

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 2021, 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 2021, 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 as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

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

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

Key audit matters and how audit procedures respond for each matter are described below.

Insurance premium recognition

In 2021, the Company had revenue from insurance premiums amounting to Baht 3,373 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 2021, the Company had claim reserves and outstanding claims amounted to Baht 1,020 million (representing 25 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 2021, the Company had claim reserves refundable from reinsurers amounting to Baht 336 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: 22 February 2022

The Navakij Insurance Public Company Limited

Statements of financial position

As at 31 December 2021

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		31 December	31 December	31 December	31 December
		2021	2020	2021	2020
Assets					
Cash and cash equivalents	6	301,851,326	263,536,309	301,851,326	263,536,309
Premium receivables	7	511,712,858	495,415,614	511,712,858	495,415,614
Accrued investment income		7,716,990	6,310,348	7,716,990	6,310,348
Reinsurance assets	8	722,571,121	530,518,011	722,571,121	530,518,011
Reinsurance receivables	9	504,266,249	598,821,741	504,266,249	598,821,741
Investment assets					
Investments in securities	10.1	3,406,995,306	3,242,393,635	3,406,995,306	3,242,393,635
Loans and interest receivables	11	386,007	644,535	386,007	644,535
Investments in associates	12.1	23,869,382	24,810,808	33,337,976	33,337,976
Property, building and equipment	13	204,852,781	212,575,466	204,852,781	212,575,466
Right-of-use assets	14.1	38,484,111	57,274,903	38,484,111	57,274,903
Intangible assets	15	18,665,853	19,009,224	18,665,853	19,009,224
Deferred tax assets	16.1	215,646,375	234,453,056	202,707,738	221,702,704
Other assets					
Claims receivable from litigants	17	102,169,497	104,296,360	102,169,497	104,296,360
Deposits on rice field insurance scheme		103,104,181	148,316,496	103,104,181	148,316,496
Others		116,618,748	139,557,665	116,618,748	139,557,665
Total assets		6,278,910,785	6,077,934,171	6,275,440,742	6,073,710,987

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 2021

(Unit: Baht)

	Note	Financial statements in which the equity method is applied		Separate financial statements	
		31 December	31 December	31 December	31 December
		2021	2020	2021	2020
Liabilities and equity					
Liabilities					
Insurance contract liabilities	18	2,838,286,174	2,639,423,125	2,838,286,174	2,639,423,125
Due to reinsurers	19	839,315,814	967,658,760	839,315,814	967,658,760
Income tax payable		7,479,782	25,976,848	7,479,782	25,976,848
Lease liabilities	14.2	41,597,346	54,273,631	41,597,346	54,273,631
Employee benefit obligations	20	67,415,580	63,575,523	67,415,580	63,575,523
Other liabilities					
Fee and commission payables		94,734,854	103,786,940	94,734,854	103,786,940
Accrued expenses		84,587,930	63,270,571	84,587,930	63,270,571
Others		57,208,475	65,412,256	57,208,475	65,412,256
Total liabilities		4,030,625,955	3,983,377,654	4,030,625,955	3,983,377,654
Equity					
Share capital	21				
Registered, Issued and paid up					
35,000,000 ordinary shares of Baht 10 each		350,000,000	350,000,000	350,000,000	350,000,000
Share premium		647,275,073	647,275,073	647,275,073	647,275,073
Retained earnings					
Appropriated					
Statutory reserve	22	35,000,000	35,000,000	35,000,000	35,000,000
General reserve		20,000,000	20,000,000	20,000,000	20,000,000
Unappropriated		1,112,150,293	1,053,031,005	1,056,303,731	998,292,067
Other components of equity		83,859,464	(10,749,561)	136,235,983	39,766,193
Total equity		2,248,284,830	2,094,556,517	2,244,814,787	2,090,333,333
Total liabilities and equity		6,278,910,785	6,077,934,171	6,275,440,742	6,073,710,987
		-	-	-	-

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

Directors

The Navakij Insurance Public Company Limited

Statements of income

For the year ended 31 December 2021

(Unit: Baht)

	Note	Financial statements			
		in which the equity method is applied		Separate financial statements	
		2021	2020	2021	2020
Income					
Gross premium written		3,372,953,128	3,326,060,853	3,372,953,128	3,326,060,853
Less: Premiums ceded to reinsurers		(820,397,591)	(768,642,517)	(820,397,591)	(768,642,517)
Net premium written		2,552,555,537	2,557,418,336	2,552,555,537	2,557,418,336
Less: Unearned premium reserves increase					
from prior year		(29,620,778)	(120,205,390)	(29,620,778)	(120,205,390)
Net earned premium		2,522,934,759	2,437,212,946	2,522,934,759	2,437,212,946
Fee and commission income		233,781,910	193,847,519	233,781,910	193,847,519
Investments income	24	68,504,793	61,945,218	68,504,793	61,945,218
Profit on investments		7,535,365	7,441,488	7,535,365	7,441,488
Fair value gain (loss)		11,392,970	(57,748,450)	11,392,970	(57,748,450)
Loss on impairment of investments in associates		-	-	-	(9,918,103)
Share of gain (loss) from investments in associates	12.3	1,384,530	(972,729)	-	-
Other income		3,657,259	6,153,404	3,657,259	6,153,404
Total income		2,849,191,586	2,647,879,396	2,847,807,056	2,638,934,022
Expenses					
Gross claim and loss adjustment expenses		2,043,087,099	1,694,593,086	2,043,087,099	1,694,593,086
Less: Claim recovery from reinsurers		(441,083,378)	(253,632,343)	(441,083,378)	(253,632,343)
Commission and brokerage expenses		525,791,789	530,733,683	525,791,789	530,733,683
Other underwriting expenses		229,164,451	242,247,337	229,164,451	242,247,337
Operating expenses	25	353,294,270	338,187,246	353,294,270	338,187,246
Financial costs		2,308,051	3,037,773	2,308,051	3,037,773
Expected credit loss	26	4,058,436	6,112,685	4,058,436	6,112,685
Total expenses	27	2,716,620,718	2,561,279,467	2,716,620,718	2,561,279,467
Profit before income tax expenses		132,570,868	86,599,929	131,186,338	77,654,555
Income tax expenses	16.2	(23,225,688)	(15,274,879)	(22,948,782)	(13,485,804)
Profit for the year		109,345,180	71,325,050	108,237,556	64,168,751
Earnings per share					
Basic earnings per share	30	3.12	2.04	3.09	1.83

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 2021

(Unit: Baht)

	Note	Financial statements			
		in which the equity method is applied		Separate financial statements	
		2021	2020	2021	2020
Profit for the year		<u>109,345,180</u>	<u>71,325,050</u>	<u>108,237,556</u>	<u>64,168,751</u>
Other comprehensive income					
Other comprehensive income to be reclassified to profit and loss in subsequent periods					
Exchange differences on translation of financial statements in foreign currency (loss)	12.3	(2,325,956)	(1,233,302)	-	-
Gain (loss) on changes in value of available-for-sale investments measured at fair value through other comprehensive income	10.5	120,587,237	(100,324,459)	120,587,237	(100,324,459)
Add (less): Income tax effect		<u>(23,652,256)</u>	<u>20,311,553</u>	<u>(24,117,447)</u>	<u>20,064,893</u>
Other comprehensive income to be reclassified to profit and loss in subsequent periods - net of tax (loss)		<u>94,609,025</u>	<u>(81,246,208)</u>	<u>96,469,790</u>	<u>(80,259,566)</u>
Other comprehensive income not to be reclassified to profit and loss in subsequent periods					
Actuarial gain (loss)	20	2,842,635	(855,983)	2,842,635	(855,983)
Add (less): Income tax effect		<u>(568,527)</u>	<u>171,197</u>	<u>(568,527)</u>	<u>171,197</u>
Other comprehensive income not to be reclassified to profit and loss in subsequent periods - net of tax (loss)		<u>2,274,108</u>	<u>(684,786)</u>	<u>2,274,108</u>	<u>(684,786)</u>
Other comprehensive income for the year (loss)		<u>96,883,133</u>	<u>(81,930,994)</u>	<u>98,743,898</u>	<u>(80,944,352)</u>
Total comprehensive income for the year (loss)		<u><u>206,228,313</u></u>	<u><u>(10,605,944)</u></u>	<u><u>206,981,454</u></u>	<u><u>(16,775,601)</u></u>

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 2021

(Unit: Baht)

	Financial statements			
	in which the equity method is applied		Separate financial statements	
	2021	2020	2021	2020
Cash flows from (used in) operating activities				
Direct premium written	3,295,439,396	3,250,724,673	3,295,439,396	3,250,724,673
Cash paid for reinsurance	(344,307,258)	(24,068,137)	(344,307,258)	(24,068,137)
Interest income	21,077,679	26,822,775	21,077,679	26,822,775
Dividend income	52,875,176	33,025,048	52,875,176	33,025,048
Other income	4,895,849	5,897,234	4,895,849	5,897,234
Loss incurred and loss adjustment expenses on direct insurance	(1,830,862,317)	(1,853,185,974)	(1,830,862,317)	(1,853,185,974)
Commission and brokerage on direct insurance	(521,843,443)	(503,733,637)	(521,843,443)	(503,733,637)
Other underwriting expenses	(222,642,025)	(244,402,761)	(222,642,025)	(244,402,761)
Operating expenses	(279,670,991)	(282,853,518)	(279,670,991)	(282,853,518)
Income tax expenses	(47,136,857)	(9,997,072)	(47,136,857)	(9,997,072)
Cash received - financial assets	2,316,695,249	2,404,080,894	2,316,695,249	2,404,080,894
Cash paid - financial assets	(2,329,344,769)	(2,638,199,628)	(2,329,344,769)	(2,638,199,628)
Net cash from operating activities	115,175,689	164,109,897	115,175,689	164,109,897
Cash flows from (used in) investing activities				
Purchases of property, building and equipment	(6,603,517)	(4,576,125)	(6,603,517)	(4,576,125)
Purchases of intangible assets	(3,959,622)	(2,347,619)	(3,959,622)	(2,347,619)
Disposals of property, building and equipment	658,134	232,699	658,134	232,699
Disposals of intangible assets	-	31,214,500	-	31,214,500
Net cash from (used in) investing activities	(9,905,005)	24,523,455	(9,905,005)	24,523,455
Cash flows from (used in) financing activities				
Repayment of lease liabilities	(14,394,781)	(19,657,040)	(14,394,781)	(19,657,040)
Dividend paid	(52,500,000)	(44,999,449)	(52,500,000)	(44,999,449)
Net cash used in financing activities	(66,894,781)	(64,656,489)	(66,894,781)	(64,656,489)
Net increase in cash and cash equivalents	38,375,903	123,976,863	38,375,903	123,976,863
Cash and cash equivalents at beginning of year	263,536,309	139,646,681	263,536,309	139,646,681
Less: Allowance for expected credit loss increase	(60,886)	(87,235)	(60,886)	(87,235)
Cash and cash equivalents at end of year	301,851,326	263,536,309	301,851,326	263,536,309

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 2021

(Unit: Baht)

Financial statements in which the equity method is applied

	Issued and paid-up		Retained earnings			Other components of equity			Total							
						share capital	Share premium	Statutory reserve		General reserve	Unappropriated	Exchange differences on translation of financial statements in foreign currency	Surplus (deficit) on changes in value of investments in securities	Total other components of equity		
															Appropriated	
Balance as at 1 January 2020	350,000,000	647,275,073	35,000,000	20,000,000	1,027,390,190	(5,349,436)	75,846,083	70,496,647	2,150,161,910							
Profit for the year	-	-	-	-	71,325,050	-	-	-	71,325,050							
Other comprehensive income for the year (loss)	-	-	-	-	(684,786)	(986,642)	(80,259,566)	(81,246,208)	(81,930,994)							
Dividend paid (Note 31)	-	-	-	-	(44,999,449)	-	-	-	(44,999,449)							
Balance as at 31 December 2020	350,000,000	647,275,073	35,000,000	20,000,000	1,053,031,005	(6,336,078)	(4,413,483)	(10,749,561)	2,094,556,517							
Balance as at 1 January 2021	350,000,000	647,275,073	35,000,000	20,000,000	1,053,031,005	(6,336,078)	(4,413,483)	(10,749,561)	2,094,556,517							
Profit for the year	-	-	-	-	109,345,180	-	-	-	109,345,180							
Other comprehensive income for the year	-	-	-	-	2,274,108	(1,860,765)	96,469,790	94,609,025	96,883,133							
Dividend paid (Note 31)	-	-	-	-	(52,500,000)	-	-	-	(52,500,000)							
Balance as at 31 December 2021	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							

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 2021

(Unit: Baht)

	Separate financial statements					Other components of equity - surplus (deficit) on changes in value of investments in securities	Total
	Issued and paid-up share capital	Share premium	Retained earnings		Unappropriated		
			Appropriated				
			Statutory reserve	General reserve			
Balance as at 1 January 2020	350,000,000	647,275,073	35,000,000	20,000,000	979,807,551	120,025,759	2,152,108,383
Profit for the year	-	-	-	-	64,168,751	-	64,168,751
Other comprehensive income for the year (loss)	-	-	-	-	(684,786)	(80,259,566)	(80,944,352)
Dividend paid (Note 31)	-	-	-	-	(44,999,449)	-	(44,999,449)
Balance as at 31 December 2020	<u>350,000,000</u>	<u>647,275,073</u>	<u>35,000,000</u>	<u>20,000,000</u>	<u>998,292,067</u>	<u>39,766,193</u>	<u>2,090,333,333</u>
Balance as at 1 January 2021	350,000,000	647,275,073	35,000,000	20,000,000	998,292,067	39,766,193	2,090,333,333
Profit for the year	-	-	-	-	108,237,556	-	108,237,556
Other comprehensive income for the year	-	-	-	-	2,274,108	96,469,790	98,743,898
Dividend paid (Note 31)	-	-	-	-	(52,500,000)	-	(52,500,000)
Balance as at 31 December 2021	<u>350,000,000</u>	<u>647,275,073</u>	<u>35,000,000</u>	<u>20,000,000</u>	<u>1,056,303,731</u>	<u>136,235,983</u>	<u>2,244,814,787</u>

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 2021

1. General information

1.1 Corporate 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.

1.2 The COVID-19 pandemic

The COVID-19 pandemic is continuing to evolve, and is directly and indirectly affecting businesses in many sectors, resulting in an economic slowdown and instability in money markets and capital markets. This situation may bring uncertainties and may have an impact on the environment in which the Company operates. The Company’s management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

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 and operating performance reports of non-life insurance companies (No.2) B.E. 2562 dated 4 April 2019.

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 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

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

3.2 Financial reporting standards that became effective for fiscal year beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

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

4. 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 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 insurer 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 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 profit or loss 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 3, 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	- 5	years
Motor vehicles	- 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.

(1) 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

(2) 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 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)	
	2021	2020
Cash on hand	257,000	307,000
Deposits at banks with no fixed maturity date	301,742,446	263,316,544
Total cash and cash equivalents	301,999,446	263,623,544
Less: Allowance for expected credit loss	(148,120)	(87,235)
Total cash and cash equivalents, net	<u>301,851,326</u>	<u>263,536,309</u>

As at 31 December 2021, saving deposits and current deposits carried interest between 0.05 and 0.25 percent per annum (2020: between 0.05 and 0.55 percent per annum).

7. Premium receivables

As at 31 December 2021 and 2020, 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)	
	2021	2020
Not yet due	434,957,500	411,362,456
Not over 30 days	48,500,570	56,626,095
Over 31 days to 60 days	14,645,048	17,974,664
Over 61 days to 90 days	6,453,625	2,878,475
Over 91 days to 1 year	9,044,433	8,715,044
Over 1 year	82,189	4,288,660
Total premium receivables	513,683,365	501,845,394
Less: Allowance for doubtful accounts	(1,970,507)	(6,429,780)
Total premium receivables, net	<u>511,712,858</u>	<u>495,415,614</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)	
	2021	2020
Insurance reserve refundable from reinsurers		
Claims reserve	335,932,257	153,880,298
Unearned premium reserve	386,638,864	376,637,713
Reinsurance assets	<u>722,571,121</u>	<u>530,518,011</u>

9. Reinsurance receivables

	(Unit: Baht)	
	2021	2020
Amounts deposit on reinsurance	171,999	145,408
Amounts due from reinsurers	504,094,250	598,676,333
Total	<u>504,266,249</u>	<u>598,821,741</u>

As at 31 December 2021 and 2020, the balances of amounts due from reinsurers are classified by aging as follows:

	(Unit: Baht)	
	2021	2020
Not yet due	379,663,482	251,573,288
Not over 1 year	123,106,011	269,586,242
Over 1 year to 2 years	1,113,666	77,429,861
Over 2 years	211,091	86,942
Total amounts due from reinsurers	<u>504,094,250</u>	<u>598,676,333</u>

10. Investments in securities

10.1 Classified by type of investments

(Unit: Baht)

	Financial statements in which the equity method is applied			
	2021		2020	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments which are measured at FVPL				
Equity instruments	441,235,308	456,546,387	445,368,008	424,182,917
Unit trusts	156,267,420	90,999,100	156,267,420	116,102,300
Total	597,502,728	547,545,487	601,635,428	540,285,217
Less: Unrealised loss	(49,957,241)		(61,350,211)	
Total	547,545,487		540,285,217	
Available-for-sale investments which are measured at FVOCI				
Government and state enterprise securities	735,110,189	735,237,025	979,883,319	980,893,657
Private debt securities	681,307,532	680,378,435	364,869,420	367,437,373
Equity instruments	278,078,313	246,060,084	262,837,897	194,781,440
Non-listed equity instruments	104,905,795	285,928,438	104,905,795	199,921,121
Foreign equity instruments	37,200,000	41,721,824	37,200,000	41,909,004
Unit trusts	263,390,308	209,586,282	255,585,212	199,229,535
Total	2,099,992,137	2,198,912,088	2,005,281,643	1,984,172,130
Add (less): Unrealised loss	115,070,383		(5,516,854)	
Less: Allowance for expected credit loss	(797,209)		(239,435)	
Less: Allowance for impairment	(15,353,223)		(15,353,224)	
Total	2,198,912,088		1,984,172,130	
Held-to-maturity investments which are measured at amortised cost				
Government and state enterprise securities	30,000,000		30,000,000	
Deposits and certificate of deposits at financial institutions which are matured over 3 months	630,696,993		688,126,506	
Total	660,696,993		718,126,506	
Less: Allowance for expected credit loss	(159,262)		(190,218)	
Total	660,537,731		717,936,288	
Total investments in securities	3,406,995,306		3,242,393,635	

(Unit: Baht)

	Separate financial statements			
	2021		2020	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments which are measured at FVPL				
Equity instruments	441,235,308	456,546,387	445,368,008	424,182,917
Unit trusts	156,267,420	90,999,100	156,267,420	116,102,300
Total	597,502,728	547,545,487	601,635,428	540,285,217
Less: Unrealised loss	(49,957,241)		(61,350,211)	
Total	547,545,487		540,285,217	
Available-for-sale investments measured at FVOCI				
Government and state enterprise securities	735,110,189	735,237,025	979,883,319	980,893,657
Private debt securities	681,307,532	680,378,435	364,869,420	367,437,373
Equity instruments	278,078,313	246,060,084	262,837,897	194,781,440
Non-listed equity instruments	49,681,200	285,928,438	49,681,200	199,921,121
Foreign equity instruments	37,200,000	41,721,824	37,200,000	41,909,004
Unit trusts	263,390,308	209,586,282	255,585,212	199,229,535
Total	2,044,767,542	2,198,912,088	1,950,057,048	1,984,172,130
Add: Unrealised gain	170,294,978		49,707,741	
Less: Allowance for expected credit loss	(797,209)		(239,435)	
Less: Allowance for impairment	(15,353,223)		(15,353,224)	
Total	2,198,912,088		1,984,172,130	
Held-to-maturity investments measured at amortised cost				
Government and state enterprise securities	30,000,000		30,000,000	
Deposits and certificate of deposits at financial institutions which are matured over 3 months	630,696,993		688,126,506	
Total	660,696,993		718,126,506	
Less: Allowance for expected credit loss	(159,262)		(190,218)	
Total	660,537,731		717,936,288	
Total investments in securities	3,406,995,306		3,242,393,635	

10.2 Classified by stage of credit risk

(Unit: Baht)

	2021		2020	
	Fair value	Allowance for expected credit losses recognised in statement of income	Fair value	Allowance for expected credit losses recognised in statement of income
Available-for-sale investments measured at FVOCI				
Debt instruments without a significant increase in credit risk (Stage 1)				
Government and state enterprise securities	735,237,025	-	980,893,657	-
Private debt securities	680,378,435	(797,209)	367,437,373	(239,435)
	<u>1,415,615,460</u>	<u>(797,209)</u>	<u>1,348,331,030</u>	<u>(239,435)</u>

(Unit: Baht)

	2021			2020		
	Gross carrying value	Allowance for expected credit losses recognised in statement of income	Net carrying value	Gross carrying value	Allowance for expected credit losses recognised in statement of income	Net carrying value
Held-to-maturity investments measured at amortised cost						
Debt instruments without a significant increase of credit risk (Stage 1)						
Government and state enterprise securities	30,000,000	(7,047)	29,992,953	30,000,000	(6,105)	29,993,895
Deposits and certificate of deposits at financial institutions which are matured over 3 months	630,696,993	(152,215)	630,544,778	688,126,506	(184,113)	687,942,393
	<u>660,696,993</u>	<u>(159,262)</u>	<u>660,537,731</u>	<u>718,126,506</u>	<u>(190,218)</u>	<u>717,936,288</u>

10.3 Classified by remaining period of debt instruments

As at 31 December 2021 and 2020, investments in debt instruments measured at FVOCI and amortised cost has period to maturity counting from the year end date as follows:

(Unit: Baht)

	2021				2020			
	Period to maturity		Unspecified	Total	Period to maturity		Unspecified	Total
	1 year	1 - 5 years			1 year	1 - 5 years		
Available-for-sale investments measured at FVOCI								
Government and state enterprise securities	714,289,867	20,820,322	-	735,110,189	958,501,714	21,381,605	-	979,883,319
Private enterprise securities	352,839,093	328,468,439	-	681,307,532	309,869,420	55,000,000	-	364,869,420
Unit trusts	-	-	70,421,087	70,421,087	-	-	70,421,087	70,421,087
Total	1,067,128,960	349,288,761	70,421,087	1,486,838,808	1,268,371,134	76,381,605	70,421,087	1,415,173,826
Add (less): Unrealised gain (loss)	476,611	(481,663)	(6,394,169)	(6,399,221)	2,937,142	880,584	(7,970,305)	(4,152,579)
Less: Allowance for expected credit loss	(312,145)	(485,064)	-	(797,209)	(202,123)	(37,312)	-	(239,435)
Less: Allowance for impairment	-	-	(15,353,223)	(15,353,223)	-	-	(15,353,223)	(15,353,223)
Total	1,067,293,426	348,322,034	48,673,695	1,464,289,155	1,271,106,153	77,224,877	47,097,559	1,395,428,589
Held-to-maturity investments measured at amortised cost								
Government and state enterprise securities	-	30,000,000	-	30,000,000	-	30,000,000	-	30,000,000
Deposits and certificate of deposits at financial institutions which are matured over 3 months	630,696,993	-	-	630,696,993	688,126,506	-	-	688,126,506
Total	630,696,993	30,000,000	-	660,696,993	688,126,506	30,000,000	-	718,126,506
Less: Allowance for expected credit loss	(152,215)	(7,047)	-	(159,262)	(184,113)	(6,105)	-	(190,218)
Total	630,544,778	29,992,953	-	660,537,731	687,942,393	29,993,895	-	717,936,288

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)

	2021			
	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
Available-for-sale investments measured at FVOCI				
Government and state enterprise securities	735,237,025	(883,502)	-	-
Private enterprise securities	680,378,435	(3,497,050)	-	-
Unit trusts	-	-	48,673,695	1,576,137
Held-to-maturity investments measured at amortised cost				
Government and state enterprise securities	30,435,612	(113,917)	-	-
Deposits and certificate of deposits at financial institutions which are matured over 3 months	630,544,778	-	-	-
Total	2,076,595,850	(4,494,469)	48,673,695	1,576,137

(Unit: Baht)

2020

	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
Available-for-sale investments measured at FVOCI				
Government and state enterprise securities	980,893,657	254,802	-	-
Private enterprise securities	367,437,373	(2,013,246)	-	-
Unit trusts	-	-	47,097,559	(4,914,725)
Held-to-maturity investments measured at amortised cost				
Government and state enterprise securities	30,549,530	442,204	-	-
Deposits and certificate of deposits at financial institutions which are matured over 3 months	687,942,393	-	-	-
Total	2,066,822,953	(1,316,240)	47,097,559	(4,914,725)

10.5 Other components of equity - surplus (deficit) on changes in value of investments in securities

(Unit: Baht)

	Financial statements in which the equity method is applied		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2021	2020	2021	2020
Balance - beginning of the year	(4,413,483)	75,846,083	39,766,193	120,025,759
Changes during the year				
Unrealised gain (loss) during the year	126,589,089	(92,153,065)	126,589,089	(92,153,065)
Realised gain that included in profit or loss	(6,001,852)	(8,171,394)	(6,001,852)	(8,171,394)
	120,587,237	(100,324,459)	120,587,237	(100,324,459)
Relating income tax	(24,117,447)	20,064,893	(24,117,447)	20,064,893
Net comprehensive income for the year (loss)	96,469,790	(80,259,566)	96,469,790	(80,259,566)
Balance - end of the year	92,056,307	(4,413,483)	136,235,983	39,766,193

10.6 Investments subject to restriction

As at 31 December 2021 and 2020, 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)

	31 December 2021		31 December 2020	
	Cost	Fair value	Cost	Fair value
Assets pledged				
Government bonds	15,000,000	15,665,911	15,000,000	16,171,969
Assets reserve as non-life insurance reserve				
Government and state enterprise securities	300,000,000	299,849,719	293,000,000	292,693,731
Non-life insurance project				
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 2021 and 2020, the balances of loans and interest receivables, classified by stage of credit risk, were as follows:

(Unit: Baht)

Classification	2021		
	Mortgaged loans	Others	Total
Stage 1 - Loans with no a significant increase in credit risk	127,712	258,295	386,007
Loans and interest receivables - net	<u>127,712</u>	<u>258,295</u>	<u>386,007</u>

(Unit: Baht)

Classification	2020		
	Mortgaged loans	Others	Total
Stage 1 - Loans with no a significant increase in credit risk	170,173	474,362	644,535
Loans and interest receivables - net	<u>170,173</u>	<u>474,362</u>	<u>644,535</u>

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 2021 and 2020, 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 percentage		Financial statements in which the equity method is applied		Separate financial statements	
					Book value		Cost/Book value	
					2021	2020	2021	2020
			(%)	(%)				
TKI General Insurance Company Limited	Non-life insurance	Lao	32.50	32.50	11,978,789	11,956,098	21,628,040	21,628,040
TKI Life Insurance Company Limited	Life insurance	Lao	32.50	32.50	11,890,593	12,854,710	21,628,039	21,628,039
Total					23,869,382	24,810,808	43,256,079	43,256,079
Less: Allowance for impairment					-	-	(9,918,103)	(9,918,103)
Investments in associates - net					23,869,382	24,810,808	33,337,976	33,337,976

12.2 Financial information of associates

Summarised information about financial position

(Unit: Baht)

	2021		2020	
	TKI General Insurance Company Limited	TKI Life Insurance Company Limited	TKI General Insurance Company Limited	TKI Life Insurance Company Limited
Total assets	55,072,367	42,066,727	51,918,175	43,725,452
Total liabilities	(18,214,556)	(5,480,286)	(15,130,183)	(4,172,497)
Net assets	36,857,811	36,586,441	36,787,992	39,552,955
Shareholding percentage (%)	32.50	32.50	32.50	32.50
Book value of the associates based on equity method	11,978,789	11,890,593	11,956,098	12,854,710

Summarised information of comprehensive income

(Unit: Baht)

	For the years ended 31 December			
	2021		2020	
	TKI General Insurance Company Limited	TKI Life Insurance Company Limited	TKI General Insurance Company Limited	TKI Life Insurance Company Limited
Revenues	16,755,860	12,146,076	8,599,640	9,126,742
Profit (loss) for the year	4,025,709	234,383	(2,628,761)	(364,251)
Other comprehensive income (loss)				
- exchange differences on translation of financial statements in foreign currency	(3,955,890)	(3,200,897)	(1,790,358)	(2,004,418)
Total comprehensive income (loss)	69,819	(2,966,514)	(4,419,119)	(2,368,669)

The financial information of associated companies as the above tables were prepared by the management of such company.

12.3 Shares of gain (loss) and other comprehensive income from investments in associated companies and dividend received

During the years ended 31 December 2021 and 2020, the Company recognised its share of gain (loss) and other comprehensive income (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	
	Share of gain (loss) from exchange differences on translation					
	Share of gain (loss)		Share of gain (loss) from exchange differences on translation		Dividend received	
	2021	2020	2021	2020	2021	2020
TKI General Insurance Company Limited	1,308,355	(854,347)	(1,285,664)	(581,866)	-	-
TKI Life Insurance Company Limited	76,175	(118,382)	(1,040,292)	(651,436)	-	-
	1,384,530	(972,729)	(2,325,956)	(1,233,302)	-	-

13. Property, building and equipment

(Unit: Baht)

	Land	Buildings	Condominium	Building improvements	Furniture, fixtures and equipment	Motor vehicles	Assets under installment	Total
Cost								
1 January 2020	5,385,371	24,521,452	270,282,501	121,206,325	109,926,945	48,782,398	-	580,104,992
Additions	-	-	-	16,822	2,335,209	2,224,094	-	4,576,125
Disposals	-	-	-	(373,348)	(1,266,787)	(642,000)	-	(2,282,135)
31 December 2020	5,385,371	24,521,452	270,282,501	120,849,799	110,995,367	50,364,492	-	582,398,982
Additions	-	-	-	-	3,829,044	44,860	2,729,612	6,603,516
Disposals	-	-	-	(657,168)	(9,793,952)	(3,403,121)	-	(13,854,241)
Transfer in (out)	-	-	-	977,732	1,593,030	-	(2,570,762)	-
31 December 2021	5,385,371	24,521,452	270,282,501	121,170,363	106,623,489	47,006,231	158,850	575,148,257
Accumulated depreciation								
1 January 2020	-	10,938,402	155,410,052	50,141,074	97,230,740	42,573,234	-	356,293,502
Depreciation for the year	-	698,098	3,022,719	4,524,566	5,472,107	2,066,908	-	15,784,398
Depreciation on disposals	-	-	-	(354,106)	(1,264,698)	(635,580)	-	(2,254,384)
31 December 2020	-	11,636,500	158,432,771	54,311,534	101,438,149	44,004,562	-	369,823,516
Depreciation for the year	-	698,098	3,022,719	4,537,374	4,981,533	664,703	-	13,904,427
Depreciation on disposals	-	-	-	(555,502)	(9,480,570)	(3,396,395)	-	(13,432,467)
31 December 2021	-	12,334,598	161,455,490	58,293,406	96,939,112	41,272,870	-	370,295,476
Net book value								
31 December 2020	5,385,371	12,884,952	111,849,730	66,538,265	9,557,218	6,359,930	-	212,575,466
31 December 2021	5,385,371	12,186,854	108,827,011	62,876,957	9,684,377	5,733,361	158,850	204,852,781
Depreciation for the year								
2020								15,784,398
2021								13,904,427

As at 31 December 2021, 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 363.9 million (2020: Baht 359.0 million).

14. Leases

The Company has lease contracts for various items used in its operations. Leases generally have lease terms between 1 - 6 years.

14.1 Right-of-use assets

	(Unit: Baht)				
	Lease buildings	Office equipment	Motor vehicles	Computer software	Total
1 January	52,103,958	8,888,482	12,757,300	1,339,423	75,089,163
2020					
Increase					
during year	-	901,021	-	-	901,021
Adjustments	(434,509)	-	-	-	(434,509)
Depreciation	(11,407,191)	(2,972,130)	(3,733,151)	(168,300)	(18,280,772)
for the year					
31 December	40,262,258	6,817,373	9,024,149	1,171,123	57,274,903
2020					
Addition					
during					
period	2,395,750	-	-	-	2,395,750
Cancelled					
during period	(3,008,157)	-	-	-	(3,008,157)
Depreciation	(11,247,835)	(3,029,099)	(3,733,151)	(168,300)	(18,178,385)
for the period					
31 December	28,402,016	3,788,274	5,290,998	1,002,823	38,484,111
2021					

14.2 Lease liabilities

	(Unit: Baht)	
	2021	2020
Lease liabilities	44,990,692	59,972,816
Less: Deferred interest expenses	(3,393,346)	(5,699,185)
Total	41,597,346	54,273,631
Less: Portion due within one year	(14,053,496)	(12,899,259)
Lease liabilities - net of current portion	27,543,850	41,374,372

Movements of the lease liability account during the year ended 31 December 2021 is summarised below:

	(Unit: Baht)			
	Lease buildings	Office equipment	Motor vehicles	Total
1 January 2021	43,064,129	2,978,725	8,230,777	54,273,631
Add: Addition during period	2,395,750	-	-	2,395,750
Add: Financial cost for the period	1,931,767	121,836	277,300	2,330,903
Less: Cancelled during period	(3,008,157)	-	-	(3,008,157)
Less: Lease payments during period	(9,878,841)	(1,152,100)	(3,363,840)	(14,394,781)
31 December 2021	<u>34,504,648</u>	<u>1,948,461</u>	<u>5,144,237</u>	<u>41,597,346</u>

14.3 Expenses relating to leases that are recognised in statement of income

	(Unit: Baht)	
	For the years ended 31 December	
	2021	2020
Depreciation of right-of-use assets	18,016,895	17,990,252
Finance costs on lease liabilities	2,308,051	3,037,773
Expense relating to short-term leases	107,833	198,972
Expense relating to leases of low-value assets	1,788,286	794,585
Total expenses	<u>22,221,065</u>	<u>22,021,582</u>

The Company had total cash outflows for leases for the year ended 31 December 2021 of Baht 16.2 million, including the cash outflow related to short-term lease and leases of low-value assets (2020: Baht 19.3 Million).

15. Intangible assets

As at 31 December 2021 and 2020, the net book value of intangible assets are presented below.

(Unit: Baht)

	Computer Software	Computer software under improvement	Total
Cost			
1 January 2020	92,728,846	32,251,100	124,979,946
Additions	1,178,169	1,169,450	2,347,619
Disposals/cancelled during the year	(822,000)	(31,214,500)	(32,036,500)
31 December 2020	93,085,015	2,206,050	95,291,065
Additions	840,972	3,118,650	3,959,622
Transfer in (out)	5,324,700	(5,324,700)	-
31 December 2021	99,250,687	-	99,250,687
Accumulated amortisation			
1 January 2020	72,960,091	-	72,960,091
Amortisation for the year	3,321,750	-	3,321,750
31 December 2020	76,281,841	-	76,281,841
Amortisation for the year	4,302,993	-	4,302,993
31 December 2021	80,584,834	-	80,584,834
Net book value			
31 December 2020	16,803,174	2,206,050	19,009,224
31 December 2021	18,665,853	-	18,665,853
Amortisation for the year			
2020			3,321,750
2021			4,302,993

As at 31 December 2021, 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 55.6 million (2020: Baht 53.4 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 2021 and 2020 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	
	2021	2020	2021	2020
Deferred tax assets				
Unearned premium reserve	82,133,171	75,819,992	6,313,179	1,727,860
Allowance for loss on impairment of investments in securities	3,070,645	3,070,645	-	-
Allowance for expected credit loss	40,674,663	39,862,976	811,687	1,222,537
Allowance for doubtful accounts	117,270	453,824	(336,554)	163,327
Loss reserves	57,557,629	66,105,532	(8,547,903)	9,306,544
Provision for loss incurred but not reported	14,665,386	8,916,089	5,749,297	392,690
Employee benefit obligations	22,684,966	18,700,944	4,552,549	4,162,172
Share of loss from investments in associates	3,877,339	3,689,053	(276,906)	194,546
Unrealised loss on changes in value of available-for-sale investments	-	1,103,372		
Fair value loss of trading investments	9,991,448	12,270,042	(2,278,594)	11,549,690
Others	12,071,179	11,708,847	362,332	(2,751,732)
Total	246,843,696	241,701,316		
Deferred tax liabilities				
Unrealised gain on changes in value of available-for-sale investments	23,014,077	-		
Difference of investment cost arising from reclassification	7,444,130	6,822,493	(621,637)	(4,702,820)
Others	739,114	425,767	(313,347)	(97,504)
Total	31,197,321	7,248,260		
Deferred tax assets - net	215,646,375	234,453,056		
Total changes			5,414,103	21,167,310

(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	
	2021	2020	2021	2020
Deferred tax assets				
Unearned premium reserve	82,133,171	75,819,992	6,313,179	1,727,860
Allowance for loss on impairment of investments in securities	3,070,645	3,070,645	-	-
Allowance for loss on impairment of investments in associates	1,983,621	1,983,621	-	1,983,621
Allowance for expected credit loss	40,674,663	39,862,976	811,687	1,222,537
Allowance for doubtful accounts	117,270	453,824	(336,554)	163,327
Loss reserves	57,557,629	66,105,532	(8,547,903)	9,306,544
Provision for loss incurred but not reported	14,665,386	8,916,089	5,749,297	392,690
Employee benefit obligations	22,684,966	18,700,944	4,552,549	4,162,172
Fair value loss of trading investments	9,991,448	12,270,042	(2,278,594)	11,549,690
Others	12,071,179	11,708,847	362,332	(2,751,732)
Total	244,949,978	238,892,512		
Deferred tax liabilities				
Unrealised gain on changes in value of available-for-sale investments	34,058,996	9,941,548		
Difference of investment cost arising from reclassification	7,444,130	6,822,493	(621,637)	(4,702,820)
Others	739,114	425,767	(313,347)	(97,504)
Total	42,242,240	17,189,808		
Deferred tax assets - net	202,707,738	221,702,704		
Total changes			5,691,009	22,956,385

16.2 Income tax expenses

Income tax expenses for the years ended 31 December 2021 and 2020 are made up as follows:

(Unit: Baht)

	Financial statements in which the			
	equity method is applied		Separate financial statements	
	2021	2020	2021	2020
Current income tax:				
Current income tax charge for the year	(29,378,912)	(37,382,714)	(29,378,912)	(37,382,714)
Adjustment in respect of current income tax of previous year	739,121	940,525	739,121	940,525
Deferred tax:				
Relating to origination and reversal of temporary differences	5,414,103	21,167,310	5,691,009	22,956,385
Income tax expenses reported in statements of income	<u>(23,225,688)</u>	<u>(15,274,879)</u>	<u>(22,948,782)</u>	<u>(13,485,804)</u>

Reconciliation between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2021 and 2020 are as follows:

(Unit: Baht)

	Financial statements in which the			
	equity method is applied		Separate financial statements	
	2021	2020	2021	2020
Accounting profit before tax	<u>132,570,868</u>	<u>86,599,929</u>	<u>131,186,338</u>	<u>77,654,555</u>
Applicable tax rate	20%	20%	20%	20%
Tax expenses at the applicable tax rate	(26,514,174)	(17,319,986)	(26,237,268)	(15,530,911)
Adjustment in respect of current income tax of previous year	739,121	940,525	739,121	940,525
Effects of:				
Exempted expenses	(4,363,617)	(4,194,630)	(4,363,617)	(4,194,630)
Allowed additional expense deductions	367,549	467,449	367,549	467,449
Others	6,545,433	4,831,763	6,545,433	4,831,763
Income tax expenses reported in statements of income	<u>(23,225,688)</u>	<u>(15,274,879)</u>	<u>(22,948,782)</u>	<u>(13,485,804)</u>

17. Claims receivable from litigants

Claims receivable from litigants classified by the year of the claims incurred are as follows:

	(Unit: Baht)	
	2021	2020
Claim years		
Year 2021	80,399,884	-
Year 2020	57,195,826	99,888,861
Year 2019	32,449,469	42,686,952
Year 2018	29,393,698	33,056,616
Year 2017	26,102,087	30,062,106
Year 2016	23,625,660	28,169,071
Prior to 2016	55,257,321	69,225,446
Total claims receivable from litigants	304,423,945	303,089,052
Less: Allowance for expected credit loss	(202,254,448)	(198,792,692)
Claims receivable from litigants, net	<u>102,169,497</u>	<u>104,296,360</u>

18. Insurance contract liabilities

	(Unit: Baht)		
	2021		
	Insurance contract liabilities	Reinsurance assets	Net
Claim reserves and outstanding claims			
Claim incurred and reported	805,021,846	(194,321,796)	610,700,050
Claim incurred but not reported	214,937,393	(141,610,461)	73,326,932
Premium reserves			
Unearned premium reserves	1,818,326,935	(386,638,864)	1,431,688,071
Total	<u>2,838,286,174</u>	<u>(722,571,121)</u>	<u>2,115,715,053</u>
			(Unit: Baht)
	2020		
	Insurance contract liabilities	Reinsurance assets	Net
Claim reserves and outstanding claims			
Claim incurred and reported	761,833,498	(99,576,123)	662,257,375
Claim incurred but not reported	98,884,621	(54,304,175)	44,580,446
Premium reserves			
Unearned premium reserves	1,778,705,006	(376,637,713)	1,402,067,293
Total	<u>2,639,423,125</u>	<u>(530,518,011)</u>	<u>2,108,905,114</u>

During the years 2021 and 2020, 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	
	2021	2020
Beginning balance	860,718,119	938,426,814
Claim expenses for the year	2,149,880,458	1,976,494,863
Change in claim reserves and outstanding claims		
from the prior year	(101,005,141)	(174,781,120)
Change in assumption for calculating claim reserves	116,052,771	(2,785,298)
Claim paid during the year	(2,005,686,968)	(1,876,637,140)
Ending balance	<u>1,019,959,239</u>	<u>860,718,119</u>

As at 31 December 2021, the Company has claim reserves and outstanding claims under reinsurance contracts at Baht 7.3 million (2020: Baht 5.3 million).

18.2 Claim development table

(a) Gross claims table

	(Unit: Million Baht)										
Reporting year/ Accident year	Prior to 2013	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Claim estimates:											
- as at accident year		1,379	1,409	1,956	2,187	1,761	1,754	2,143	1,901	2,262	
- Next one year		1,396	1,388	1,941	2,199	1,749	1,715	2,045	1,784		
- Next two years		1,359	1,385	1,961	2,200	1,742	1,701	2,037			
- Next three years		1,361	1,386	1,957	2,189	1,740	1,698				
- Next four years		1,358	1,379	1,953	2,188	1,739					
- Next five years		1,359	1,378	1,952	2,190						
- Next six years		1,356	1,378	1,954							
- Next seven years		1,357	1,379								
- Next eight years		1,358									
Ultimate claim reserves		1,358	1,379	1,954	2,190	1,739	1,698	2,037	1,784	2,262	
Cumulative payment to date		(1,354)	(1,375)	(1,947)	(2,183)	(1,729)	(1,687)	(2,006)	(1,693)	(1,428)	
Total	7	4	4	7	7	10	11	31	91	834	1,006
Claim for inward treaty											9
Unallocated loss adjustment expenses											5
Total claim reserves and outstanding claims before reinsurance											<u>1,020</u>

(b) Net claims table

(Unit: Million Baht)

Reporting year/ Accident year	Prior to 2013	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
Claim estimates:											
- as at accident year		1,209	1,270	1,681	1,901	1,500	1,330	1,541	1,590	1,706	
- Next one year		1,236	1,262	1,660	1,853	1,470	1,309	1,471	1,511		
- Next two years		1,203	1,253	1,680	1,856	1,462	1,296	1,467			
- Next three years		1,205	1,254	1,678	1,852	1,461	1,295				
- Next four years		1,202	1,253	1,673	1,852	1,462					
- Next five years		1,202	1,251	1,672	1,854						
- Next six years		1,199	1,251	1,676							
- Next seven years		1,200	1,253								
- Next eight years		1,201									
Ultimate claim reserves		1,201	1,253	1,676	1,854	1,462	1,295	1,467	1,511	1,706	
Cumulative payment to date		(1,197)	(1,249)	(1,668)	(1,847)	(1,455)	(1,285)	(1,441)	(1,436)	(1,183)	
Total	6	4	4	8	7	7	10	26	75	523	670
Claim for inward treaty											9
Unallocated loss adjustment expenses											5
Total claim reserves and outstanding claims after reinsurance											684

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 2021 and 2020 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.

(b) 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.

(c) 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	
	2021	2020
Beginning balance	1,778,705,006	1,642,685,707
Premium written for the year	3,372,953,128	3,326,060,853
Premium earned for the current year	(3,333,331,199)	(3,190,041,554)
Ending balance	<u>1,818,326,935</u>	<u>1,778,705,006</u>

19. Due to reinsurers

(Unit: Baht)

	2021	2020
Amounts withheld on reinsurance	254,291,517	321,305,350
Amounts due to reinsurers	585,024,297	646,353,410
Total due to reinsurers	<u>839,315,814</u>	<u>967,658,760</u>

20. Employee benefit obligations

The movement of provision for employee benefit obligations for the years ended 31 December 2021 and 2020 was as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2021	2020
Employee benefit obligations at beginning of year	63,575,523	61,300,779
Included in statement of income:		
Current service cost	9,709,613	5,472,099
Interest cost	957,080	1,128,462
Total items included in statement of income	10,666,693	6,600,561
Included in statement of comprehensive income:		
Actuarial loss (gain) arising from		
Demographic assumption change	1,933,320	7,113,993
Financial assumption change	(2,441,874)	(10,203,509)
Experience adjustment	(2,334,081)	3,945,499
Total items included in statement of comprehensive income	(2,842,635)	855,983
Benefit paid during the year	(3,984,001)	(5,181,800)
Employee benefit obligations at end of year	67,415,580	63,575,523

As at 31 December 2021, the weighted average duration of the liabilities for long-term employee benefit is 11 years, and the Company expected to pay Baht 7.2 million of long-term employee benefits during the next year (2020: 12 years and Baht 5.0 million, respectively).

Significant actuarial assumptions are summarised below:

	(Unit: % per annum)	
	2021	2020
Discount rate	2.1	1.6
Salary increase rate	3.1 - 5.5	3.1 - 5.8
Staff turnover rate	0.0 - 17.0	0.0 - 16.9

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2021 and 2020 are summarised below:

31 December 2021				
	Increase in assumption	Employee benefit obligations increase (decrease)	Decrease in assumption	Employee benefit obligations increase (decrease)
	(%)	(Baht)	(%)	(Baht)
Discount rate	1.0	(4,576,658)	1.0	5,233,263
Salary increase rate	1.0	5,450,255	1.0	(4,863,240)
Staff turnover rates	10.0 ⁽¹⁾	(2,366,567)	10.0 ⁽¹⁾	2,547,473

⁽¹⁾ 10% of the turnover rate used as assumption.

31 December 2020				
	Increase in assumption	Employee benefit obligations increase (decrease)	Decrease in assumption	Employee benefit obligations increase (decrease)
	(%)	(Baht)	(%)	(Baht)
Discount rate	1.0	(4,365,295)	1.0	4,981,713
Salary increase rate	1.0	5,165,439	1.0	(4,619,841)
Staff turnover rates	10.0 ⁽¹⁾	(2,398,044)	10.0 ⁽¹⁾	2,602,387

⁽¹⁾ 10% of the turnover rate used as assumption.

21. Share capital

As at 31 December 2021 and 2020, the Company's registered, issue and paid-up share capital consisted of 35,000,000 ordinary shares with a par value of Baht 10 each.

22. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5 percent of its net profit, until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution.

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 2021 and 2020 are as follows:

(Unit: Baht)

	Financial statements in which the equity method is applied						
	Fire	Marine and transportation	Motor	Miscellaneous	Total segments	Unallocated	Total
Assets							
As at 31 December 2021	457,082,654	31,449,225	249,001,375	496,750,724	1,234,283,978	5,044,626,807	6,278,910,785
As at 31 December 2020	368,215,332	21,469,656	240,740,937	395,507,701	1,025,933,626	5,052,000,545	6,077,934,171
Liabilities							
As at 31 December 2021	657,333,950	34,325,068	1,570,537,614	576,089,542	2,838,286,174	1,192,339,781	4,030,625,955
As at 31 December 2020	535,238,645	25,623,259	1,669,715,900	408,845,321	2,639,423,125	1,343,954,529	3,983,377,654

(Unit: Baht)

Financial statement in which the equity method is applied

For the year ended 31 December 2021

	Fire	Marine and transportation	Motor	Miscellaneous	Total
Underwriting income					
Gross premium written	640,288,595	98,423,455	1,951,014,792	683,226,286	3,372,953,128
Less: Premiums ceded to reinsurers	(309,753,794)	(57,977,873)	(10,993,199)	(441,672,725)	(820,397,591)
Net premium written	330,534,801	40,445,582	1,940,021,593	241,553,561	2,552,555,537
Add (less): Unearned premium reserves (increase) decrease from prior year	2,552,589	(496,174)	6,932,255	(38,609,448)	(29,620,778)
Net earned premium	333,087,390	39,949,408	1,946,953,848	202,944,113	2,522,934,759
Fee and commission income	112,880,452	16,585,053	2,408,620	101,907,785	233,781,910
Total underwriting income	445,967,842	56,534,461	1,949,362,468	304,851,898	2,756,716,669
Underwriting expenses					
Claim and loss adjustment expenses - net	94,016,527	10,147,102	1,170,499,884	327,340,208	1,602,003,721
Commission and brokerage expenses	144,200,352	10,579,371	299,798,580	71,213,486	525,791,789
Other underwriting expenses	48,455,251	3,879,366	135,332,902	41,496,932	229,164,451
Total underwriting expenses before operating expenses	286,672,130	24,605,839	1,605,631,366	440,050,626	2,356,959,961
Profit (loss) from underwriting before operating expenses	159,295,712	31,928,622	343,731,102	(135,198,728)	399,756,708
Operating expenses					(353,294,270)
Profit from underwriting					46,462,438
Investments income					68,504,793
Profit on investments					7,535,365
Fair value gain					11,392,970
Share of profit from investments in associates					1,384,530
Other income					3,657,259
Finance costs					(2,308,051)
Expected credit loss					(4,058,436)
Profit before income tax expenses					132,570,868
Income tax expenses					(23,225,688)
Profit for the year					109,345,180

(Unit: Baht)

Financial statement in which the equity method is applied

For the year ended 31 December 2020

	Fire	Marine and transportation	Motor	Miscellaneous	Total
Underwriting income					
Gross premium written	656,921,903	83,624,957	2,007,205,149	578,308,844	3,326,060,853
Less: Premiums ceded to reinsurers	(293,977,849)	(43,409,360)	(11,784,632)	(419,470,676)	(768,642,517)
Net premium written	362,944,054	40,215,597	1,995,420,517	158,838,168	2,557,418,336
Add (less): Unearned premium reserves (increase) decrease from prior year	(33,688,316)	938,158	(79,917,629)	(7,537,603)	(120,205,390)
Net earned premium	329,255,738	41,153,755	1,915,502,888	151,300,565	2,437,212,946
Fee and commission income	82,462,686	14,196,604	2,727,996	94,460,233	193,847,519
Total underwriting income	411,718,424	55,350,359	1,918,230,884	245,760,798	2,631,060,465
Underwriting expenses					
Claim and loss adjustment expenses - net	69,964,533	4,908,214	1,278,651,570	87,436,426	1,440,960,743
Commission and brokerage expenses	149,254,540	12,161,237	310,889,959	58,427,947	530,733,683
Other underwriting expenses	54,483,375	3,692,089	138,760,333	45,311,540	242,247,337
Total underwriting expenses before operating expenses	273,702,448	20,761,540	1,728,301,862	191,175,913	2,213,941,763
Profit from underwriting before operating expenses	138,015,976	34,588,819	189,929,022	54,584,885	417,118,702
Operating expenses					(338,187,246)
Profit from underwriting					78,931,456
Investments income					61,945,218
Profit on investments					7,441,488
Fair value loss					(57,748,450)
Share of loss from investments in associates					(972,729)
Other income					6,153,404
Finance costs					(3,037,773)
Expected credit loss					(6,112,685)
Profit before income tax expenses					86,599,929
Income tax expenses					(15,274,879)
Profit for the year					71,325,050

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 years ended 31 December 2021, the Company had gross premium written from major customers amounting to Baht 621 million (2020: Baht 763 million).

24. Investments income

During the years ended 31 December 2021 and 2020, the Company has investment income as follows:

	(Unit: Baht)	
	For the years ended 31 December	
	2021	2020
Interest income from debt securities	15,629,617	28,920,171
Dividends received from equity securities	52,875,176	33,025,047
Investments income	<u>68,504,793</u>	<u>61,945,218</u>

25. Operating expenses

	(Unit: Baht)	
	For the years ended 31 December	
	2021	2020
Personnel expenses	234,083,693	216,164,199
Premises and equipment expenses	71,154,284	69,658,259
Taxes and duties	1,570,354	1,182,044
Bad debts and doubtful accounts (reversal)	(21,840)	1,654,410
Other operating expenses	46,507,779	49,528,334
Total operating expenses	<u>353,294,270</u>	<u>338,187,246</u>

26. Expected credit loss

	(Unit: Baht)	
	For the years ended 31 December	
	2021	2020
Cash and cash equivalents	60,885	39,369
Accrued investments income	8,977	2,895
Investments in securities	526,818	(469)
Claims receivable from litigants	3,461,756	6,070,890
Total	<u>4,058,436</u>	<u>6,112,685</u>

27. Expenses by nature

	(Unit: Baht)	
	For the years ended 31 December	
	2021	2020
Net claim and loss adjustment expenses	1,554,037,513	1,395,077,008
Commissions and brokerage expenses	525,791,789	530,733,683
Other underwriting expenses	188,564,105	200,821,751
Personnel expenses	322,650,247	303,473,520
Premises and equipment expenses	71,154,284	69,658,259
Taxes and duties	1,570,354	1,182,044
Bad debts and doubtful accounts (reversal)	(21,840)	1,654,410
Expected credit loss	2,308,051	3,037,773
Finance costs	4,058,436	6,112,685
Other operating expenses	46,507,779	49,528,334
Total	<u>2,716,620,718</u>	<u>2,561,279,467</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 2021, the Company contributed Baht 9.2 million (2020: Baht 9.1 million) to the fund.

29. Contribution to the General Insurance Fund

	(Unit: Baht)	
	For the years ended 31 December	
	2021	2020
Accumulated contribution at the beginning of the year	75,095,287	66,859,132
Contribution during the year	8,330,913	8,236,155
Accumulated contribution at the end of the year	<u>83,426,200</u>	<u>75,095,287</u>

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.

31. Dividends

Dividends declared during the years ended 31 December 2021 and 2020 consisted of the following:

	Approved by	Total dividends (Million Baht)	Dividends per share (Baht)
Annual dividends for 2020	Annual General Meeting No. 89 on 27 April 2021	52.5	1.50
Interim dividends for 2019	Board of Directors Meeting No. 3/2020 on 14 April 2020	45.0	1.29

32. Commitments and contingent liabilities

32.1 Leases and service agreements commitments

As at 31 December 2021 and 2020, future minimum payments required under short-term leases, leases of low-value assets and service agreements were as follows.

	(Unit: Baht)	
	2021	2020
Payable within:		
Within 1 year	212,894	425,830
Over 1 to 3 years	319,342	567,773

32.2 Capital commitments

As at 31 December 2021, the Company had capital commitments of approximately Baht 0.02 million relating to building improvement, furniture, fixtures and equipment (2020: Baht 2.7 million relating to program computer).

32.3 Letter of Guarantees

As at 31 December 2021, there were bank guarantees amounting to Baht 2.6 million, and a certificate issued in the Company's name amounting to Baht 7.0 million, as required in the normal course of the Company's business (2020: Baht 2.6 million and Baht 6.5 million, respectively).

32.4 Litigation

As at 31 December 2021, the Company has been sued for damages totaling approximately Baht 66.1 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 34.1 million, and the Company has set aside reserves for contingent losses amounting to Baht 33.6 million in the financial statements (2020: Baht 53.2 million, Baht 22.5 million and Baht 22.5 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.	7.11% of shares held in the Company
Thanasarn Sombat (Thai) Company Limited	5.06% of shares held in the Company and common directors
The Falcon Insurance Plc.	12.00% of shares held by the Company
Thai Metal Drum Manufacturing Plc.	Common directors and through shareholding
Varopakorn 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
Dusit Thani Plc. ⁽¹⁾	Common directors
Serm Suk Plc.	Common directors
Chaitip Co., Ltd.	Common directors
Alinkij Siam Co., Ltd	Common directors
Siam Calsonic Co., Ltd.	Common directors
Siam Riken Industrial Co., Ltd.	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
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

(1) Since October 2021 not related party

33.2 Significant related party transactions

During the years ended 31 December 2021 and 2020, 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		
	2021	2020	
Transactions with associated companies			
Reinsurance premium written	3,031,330	1,834,017	Ceded rates as specified based on the type of reinsurance and the reinsurance contracts
Commission paid to reinsurance	654,071	435,665	Ceded rates as specified based on the type of reinsurance and the reinsurance contracts
Transactions with related companies			
Direct premium written	79,853,384	71,844,616	Rates as specified in insurance contracts
Reinsurance premium written	12,913,844	14,453,629	Ceded rates as specified based on the type of reinsurance and the reinsurance contracts
Premium ceded	24,292,637	23,641,858	Ceded rates as specified based on the type of reinsurance and the reinsurance contracts
Claim expenses	18,464,664	17,666,648	Actual incurred
Commission paid to reinsurance	4,633,622	4,912,890	Ceded rates as specified based on the type of reinsurance and the reinsurance contracts
Commission received	9,482,552	9,321,160	Ceded rates as specified based on the type of reinsurance and the reinsurance contracts
Dividend income	21,488,560	9,235,180	As declared
Rental and service fee for branch office expenses	239,674	406,432	Contract price
Rental income	172,973	170,352	Contract price

33.3 Outstanding balances

The balances of the accounts between the Company and those related companies as at 31 December 2021 and 2020 are as follows:

	(Unit: Baht)	
	2021	2020
Reinsurance receivables - Amounts due from reinsurers		
The Falcon Insurance Plc.	6,959,142	20,362,658
TKI General Insurance Co., Ltd.	2,210,481	681,418
Total	<u>9,169,623</u>	<u>21,044,076</u>
Investments in securities - Equity securities		
Varopakorn Plc.	1,046,952	993,413
Thai Metal Drum Manufacturing Plc.	300,817,400	257,776,850
BTS Group Holdings Plc.	38,107,600	37,000,000
Thaire Life Assurance Plc.	24,287,000	23,550,000
The Falcon Insurance Plc.	74,659,200	61,932,000
Sathorn Thani Co., Ltd.	20,945,000	16,745,000
Rangsit Plaza Co., Ltd.	16,044,000	11,224,000
Total	<u>475,907,152</u>	<u>409,221,263</u>
Due to reinsurers - Amounts due to reinsurance		
The Falcon Insurance Plc.	12,671,175	22,038,732
TKI General Insurance Co., Ltd.	585,998	229,048
Total	<u>13,257,173</u>	<u>22,267,780</u>

33.4 Directors and management's benefits

During the years ended 31 December 2021 and 2020, the Company had employment benefits expenses payable to their directors and management as below.

	(Unit: Baht)	
	For the years ended 31 December	
	2021	2020
Short-term benefits	53,756,142	50,720,645
Post-employment benefits	711,634	417,664
Total	<u>54,467,776</u>	<u>51,138,309</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)

	2021			2020		
	Gross premium reserves	Outward premium reserves	Net	Gross premium reserves	Outward premium reserves	Net
Fire	463,612,689	(171,221,297)	292,391,392	467,341,473	(172,397,491)	294,943,982
Marine and transportation	26,493,301	(15,065,767)	11,427,534	19,107,206	(8,175,845)	10,931,361
Motor	1,019,377,924	(5,140,221)	1,014,237,703	1,026,011,142	(4,841,184)	1,021,169,958
Miscellaneous	308,843,021	(195,211,579)	113,631,442	266,245,185	(191,223,193)	75,021,992
Total	1,818,326,935	(386,638,864)	1,431,688,071	1,778,705,006	(376,637,713)	1,402,067,293

(Unit: Baht)

	2021			2020		
	Gross loss reserves	Outward loss reserves	Net	Gross loss reserves	Outward loss reserves	Net
Fire	193,721,261	(136,949,751)	56,771,510	67,897,172	(42,325,983)	25,571,189
Marine and transportation	7,831,767	(1,669,346)	6,162,421	6,516,053	(1,412,646)	5,103,407
Motor	551,159,690	(873,899)	550,285,791	643,704,758	(723,842)	642,980,916
Miscellaneous	267,246,521	(196,439,261)	70,807,260	142,600,136	(109,417,827)	33,182,309
Total	1,019,959,239	(335,932,257)	684,026,982	860,718,119	(153,880,298)	706,837,821

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)

		2021			
		Increase (decrease)	Increase (decrease)	Increase (decrease)	Increase (decrease)
		in provision for gross	in provision for net	in profit before tax	in owner's equity
		claim liabilities	claim liabilities		
Assumption	change				
Ultimate loss ratio in latest accident year	+ 5%	105	82	(82)	(66)
	- 5%	(103)	(81)	81	65
ULAE ratio	+50%	0.4	0.4	(0.4)	(0.3)
	-50%	(0.4)	(0.4)	0.4	0.3

(Unit: Million Baht)

		2020			
		Increase (decrease)	Increase (decrease)	Increase (decrease)	Increase (decrease)
		in provision for gross	in provision for net	in profit before tax	in owner's equity
		claim liabilities	claim liabilities		
Assumption	change				
Ultimate loss ratio in latest accident year	+5%	99	80	(80)	(64)
	-5%	(96)	(76)	76	61
ULAE ratio	+50%	3	3	(3)	(3)
	-50%	(3)	(3)	3	3

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)

31 December 2021

	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
Cash and cash equivalents					
Investment grade	301,999,446	-	-	-	301,999,446
Allowance for expected credit loss	(148,120)	-	-	-	(148,120)
Net book value	<u>301,851,326</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>301,851,326</u>
Accrued investment income					
Investment grade	7,731,264	-	-	-	7,731,264
Allowance for expected credit loss	(14,274)	-	-	-	(14,274)
Net book value	<u>7,716,990</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,716,990</u>
Available-for-sale investments measured at FVOCI					
Investment grade	1,415,615,460	-	-	-	1,415,615,460
Total fair value	<u>1,415,615,460</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,415,615,460</u>
Allowance for expected credit loss	<u>797,209</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>797,209</u>
Held-to-maturity investments measured at amortised cost					
Investment grade	660,696,993	-	-	-	660,696,993
Allowance for expected credit loss	(159,262)	-	-	-	(159,262)
Net book value	<u>660,537,731</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>660,537,731</u>
Loans and interest receivables					
Not yet due	386,007	-	-	-	386,007
Allowance for expected credit loss	-	-	-	-	-
Net book value	<u>386,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>386,007</u>
Other assets - Claims receivable from litigants					
Overdue	-	-	-	304,423,945	304,423,945
Allowance for expected credit loss	-	-	-	(202,254,448)	(202,254,448)
Net book value	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,169,497</u>	<u>102,169,497</u>
Other assets - Brokers receivables					
Overdue	-	-	-	58,622,019	58,622,019
Allowance for expected credit loss	-	-	-	-	-
Net book value	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,622,019</u>	<u>58,622,019</u>

(Unit: Baht)

31 December 2020

	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
Cash and cash equivalents					
Investment grade	263,623,544	-	-	-	263,623,544
Allowance for expected credit loss	(87,235)	-	-	-	(87,235)
Net book value	<u>263,536,309</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>263,536,309</u>
Accrued investment income					
Investment grade	6,315,646	-	-	-	6,315,646
Allowance for expected credit loss	(5,298)	-	-	-	(5,298)
Net book value	<u>6,310,348</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,310,348</u>
Available-for-sale investments measured at FVOCI					
Investment grade	1,348,331,030	-	-	-	1,348,331,030
Total fair value	<u>1,348,331,030</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,348,331,030</u>
Allowance for expected credit loss	<u>239,435</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>239,435</u>
Held-to-maturity investments measured at amortised cost					
Investment grade	718,126,506	-	-	-	718,126,506
Allowance for expected credit loss	(190,218)	-	-	-	(190,218)
Net book value	<u>717,936,288</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>717,936,288</u>
Loans and interest receivables					
Not yet due	644,535	-	-	-	644,535
Allowance for expected credit loss	-	-	-	-	-
Net book value	<u>644,535</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>644,535</u>
Other assets - Claims receivable from litigants					
Overdue	-	-	-	303,089,052	303,089,052
Allowance for expected credit loss	-	-	-	(198,792,692)	(198,792,692)
Net book value	<u>-</u>	<u>-</u>	<u>-</u>	<u>104,296,360</u>	<u>104,296,360</u>
Other assets - Brokers receivables					
Overdue	-	-	-	66,479,284	66,479,284
Allowance for expected credit loss	-	-	-	-	-
Net book value	<u>-</u>	<u>-</u>	<u>-</u>	<u>66,479,284</u>	<u>66,479,284</u>

The table below shows the movement in the allowance for expected credit loss for the year ended 31 December 2021.

(Unit: Baht)

31 December 2021

	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
Cash and cash equivalents					
Beginning balance	87,235	-	-	-	87,235
Change due to remeasurement of allowance for expected credit loss	60,885	-	-	-	60,885
Ending balance	148,120	-	-	-	148,120
Accrued investment income					
Beginning balance	5,298	-	-	-	5,298
Change due to remeasurement of allowance for expected credit loss	9,765	-	-	-	9,765
Amounts written off	(789)	-	-	-	(789)
Ending balance	14,274	-	-	-	14,274
Available-for-sale investments measured at FVOCI					
Beginning balance	239,435	-	-	-	239,435
Change due to remeasurement of allowance for expected credit loss	40,012	-	-	-	40,012
Newly purchased or acquired financial assets	719,292	-	-	-	719,292
Amounts written off	(201,530)	-	-	-	(201,530)
Ending balance	797,209	-	-	-	797,209
Held-to-maturity investments measured at amortised cost					
Beginning balance	190,218	-	-	-	190,218
Change due to remeasurement of allowance for expected credit loss	21,414	-	-	-	21,414
Amounts written off	(52,370)	-	-	-	(52,370)
Ending balance	159,262	-	-	-	159,262
Other assets - Claims receivable from litigants					
Beginning balance	-	-	-	198,792,692	198,792,692
Change due to remeasurement of allowance for expected credit loss	-	-	-	15,982,361	15,982,361
Newly purchased or acquired financial assets	-	-	-	55,012,201	55,012,201
Amounts written off	-	-	-	(67,532,806)	(67,532,806)
Ending balance	-	-	-	202,254,448	202,254,448

31 December 2020

	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
Cash and cash equivalents					
Beginning balance	47,866	-	-	-	47,866
Change due to remeasurement of allowance for expected credit loss	39,369	-	-	-	39,369
Ending balance	87,235	-	-	-	87,235
Accrued investment income					
Beginning balance	2,403	-	-	-	2,403
Change due to remeasurement of allowance for expected credit loss	3,106	-	-	-	3,106
Newly purchased or acquired financial assets	1,695	-	-	-	1,695
Amounts written off	(1,906)	-	-	-	(1,906)
Ending balance	5,298	-	-	-	5,298
Available-for-sale investments measured at FVOCI					
Beginning balance	332,263	-	-	-	332,263
Change due to remeasurement of allowance for expected credit loss	119,377	-	-	-	119,377
Newly purchased or acquired financial assets	12,189	-	-	-	12,189
Amounts written off	(224,394)	-	-	-	(224,394)
Ending balance	239,435	-	-	-	239,435
Held-to-maturity investments measured at amortised cost					
Beginning balance	97,859	-	-	-	97,859
Newly purchased or acquired financial assets	190,218	-	-	-	190,218
Amounts written off	(97,859)	-	-	-	(97,859)
Ending balance	190,218	-	-	-	190,218
Other assets - Claims receivable from litigants					
Beginning balance	-	-	-	192,721,802	192,721,802
Change due to remeasurement of allowance for expected credit loss	-	-	-	11,691,737	11,691,737
Newly purchased or acquired financial assets	-	-	-	87,779,595	87,779,595
Amounts written off	-	-	-	(93,400,442)	(93,400,442)
Ending balance	-	-	-	198,792,692	198,792,692

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 2021 and 2020, 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)

	2021					
	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Maturity date or repricing date					
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	301,594,326	257,000	301,851,326	0.05 - 0.25
Accrued investment income	-	-	-	7,716,990	7,716,990	-
Investments in securities						
Government and state						
enterprise securities	744,342,097	20,887,881	-	-	765,229,978	0.24 - 0.78
Private debt securities	352,944,284	327,434,151	-	-	680,378,435	0.97 - 5.05
Equity instruments	-	-	-	1,030,256,732	1,030,256,732	-
Unit trusts	-	-	-	300,585,382	300,585,382	-
Deposits and certificate deposits at financial institutions	630,544,778	-	-	-	630,544,778	0.35 - 0.75
Loans and interest receivables	110,112	275,895	-	-	386,007	6.50 - 7.00
Other assets - Claims receivable from litigants	-	-	-	102,169,497	102,169,497	-
Other assets - Brokers receivables	-	-	-	58,622,019	58,622,019	-
Insurance assets						
Premium receivables	-	-	-	511,712,858	511,712,858	-
Reinsurance assets - claim reserves	-	-	-	335,932,257	335,932,257	-
Reinsurance receivables	-	-	-	504,266,249	504,266,249	-
Financial liabilities						
Lease liabilities	14,053,495	27,543,851	-	-	41,597,346	0.79 - 6.64
Insurance liabilities						
Insurance contract liabilities - claim reserves and outstanding claims	-	-	-	1,019,959,239	1,019,959,239	-
Due to reinsurers	-	-	-	839,315,814	839,315,814	-

2020

	Fixed interest rates		Floating interest rate	Non-interest bearing	Total	Effective interest rate (% per annum)
	Maturity date or repricing date					
	Within 1 year	1 - 5 years				
Financial assets						
Cash and cash equivalents	-	-	263,229,309	307,000	263,536,309	0.05 - 0.55
Accrued investment income	-	-	-	6,310,348	6,310,348	-
Investments in securities						
Government and state enterprise securities	959,331,032	51,556,520	-	-	1,010,887,552	0.38 - 3.65
Private debt securities	311,775,121	55,662,252	-	-	367,437,373	0.95 - 3.41
Equity instruments	-	-	-	860,794,482	860,794,482	-
Unit trusts	-	-	-	315,331,835	315,331,835	-
Deposits and certificate deposits at financial institutions	687,942,393	-	-	-	687,942,393	0.35 - 2.30
Loans and interest receivables	188,607	455,928	-	-	644,535	6.50 - 7.00
Other assets - Claims receivable from litigants	-	-	-	104,296,360	104,296,360	-
Other assets - Brokers receivables	-	-	-	66,479,284	66,479,284	-
Insurance assets						
Premium receivables	-	-	-	495,415,614	495,415,614	-
Reinsurance assets - claim reserves	-	-	-	153,880,298	153,880,298	-
Reinsurance receivables	-	-	-	598,821,741	598,821,741	-
Financial liabilities						
Lease liabilities	12,899,259	41,374,372	-	-	54,273,631	0.33 - 6.64
Insurance liabilities						
Insurance contract liabilities - claim reserves and outstanding claims	-	-	-	860,718,119	860,718,119	-
Due to reinsurers	-	-	-	967,658,760	967,658,760	-

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 2021.

	2021		2020	
	Increase (decrease)	Effect on equity	Increase (decrease)	Effect on equity
	(%)	(Million Baht)	(%)	(Million Baht)
Available-for-sale investments -				
Debt instruments	1.0	(11.2)	1.0	(6.7)
Available-for-sale investments -				
Debt instruments	(1.0)	11.7	(1.0)	6.9

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 2021 and 2020, 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 2021 and 2020 are as follows:

(Unit: Baht)

	2021					Total
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	
<u>Financial assets</u>						
Cash and cash equivalents	301,851,326	-	-	-	-	301,851,326
Accrued investment income	-	7,716,990	-	-	-	7,716,990
Investments in securities	1,003,191,854	1,727,831,158	348,322,033	-	327,650,261	3,406,995,306
Loans and interest receivables	-	110,112	275,895	-	-	386,007
Other assets - Claims receivable from litigants	-	102,169,497	-	-	-	102,169,497
Other assets - Brokers receivables	-	58,622,019	-	-	-	58,622,019
<u>Insurance assets</u>						
Premium receivables	-	511,712,858	-	-	-	511,712,858
Reinsurance assets - claim reserves	-	293,351,482	41,532,565	1,048,209	-	335,932,257
Reinsurance receivables	-	504,266,249	-	-	-	504,266,249
<u>Financial liabilities</u>						
Lease liabilities	-	14,449,539	30,541,153	-	-	44,990,692
<u>Insurance liabilities</u>						
Insurance contract liabilities - claim reserves and outstanding claims	-	862,123,259	150,260,888	7,575,092	-	1,019,959,239
Due to reinsurers	-	839,315,814	-	-	-	839,315,814

(Unit: Baht)

	2020					Total
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	
<u>Financial assets</u>						
Cash and cash equivalents	263,536,309	-	-	-	-	263,536,309
Accrued investment income	-	6,086,078	224,270	-	-	6,310,348
Investments in securities	934,296,192	1,959,048,546	107,218,772	-	241,830,125	3,242,393,635
Loans and interest						
receivables	-	188,607	455,928	-	-	644,535
Other assets - Claims						
receivable from litigants	-	104,296,360	-	-	-	104,296,360
Other assets - Brokers						
receivables	-	66,479,284	-	-	-	66,479,284
<u>Insurance assets</u>						
Premium receivables	-	495,415,614	-	-	-	495,415,614
Reinsurance assets - claim						
reserves	-	132,780,917	20,619,228	480,153	-	153,880,298
Reinsurance receivables	-	598,821,741	-	-	-	598,821,741
<u>Financial liabilities</u>						
Lease liabilities	-	15,269,448	44,703,368	-	-	59,972,816
<u>Insurance liabilities</u>						
Insurance contract liabilities						
- claim reserves and						
outstanding claims	-	737,441,797	116,980,831	6,295,491	-	860,718,119
Due to reinsurers	-	967,658,760	-	-	-	967,658,760

35. Fair value measurement for financial assets

As at 31 December 2021 and 2020, the Company had the following financial assets and financial liabilities 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)

	2021				Book value
	Fair value				
	Level 1	Level 2	Level 3	Total	
<u>Financial assets measured at fair value</u>					
Trading investments which are measured at FVPL					
Equity instruments	456,546,387	-	-	456,546,387	456,546,387
Unit trusts	90,999,100	-	-	90,999,100	90,999,100
Available-for-sale investments measured at FVOCI					
Government and state enterprise securities					
	-	735,237,025	-	735,237,025	735,237,025
Private debt securities					
	-	680,378,435	-	680,378,435	680,378,435
Equity instruments	246,060,084	-	327,650,261	573,710,345	573,710,345
Unit trusts	160,912,587	48,673,696	-	209,586,282	209,586,282
<u>Financial asset for which fair value are disclosed</u>					
Cash and cash equivalents	301,851,326	-	-	301,851,326	301,851,326
Accrued investment income	7,716,990	-	-	7,716,990	7,716,990
Held-to-maturity investments measured amortise cost					
Government and state enterprise securities					
	-	30,435,612	-	30,435,612	29,992,953
Deposits and certificate of deposits at financial institutions which are matured over					
3 months	630,544,778	-	-	630,544,778	630,544,778
Loans and interest receivables	386,007	-	-	386,007	386,007

(Unit: Baht)

	2020				Book value
	Fair value				
	Level 1	Level 2	Level 3	Total	
<u>Financial assets measured at fair value</u>					
Trading investments which are measured at FVPL					
Equity instruments	424,182,917	-	-	424,182,917	424,182,917
Unit trusts	116,102,300	-	-	116,102,300	116,102,300
Available-for-sale investments measured at FVOCI					
Government and state enterprise securities					
	-	980,893,657	-	980,893,657	980,893,657
Private debt securities					
	-	367,437,373	-	367,437,373	367,437,373
Equity instruments	194,781,440	-	241,830,125	436,611,565	436,611,565
Unit trusts	152,131,976	47,097,559	-	199,229,535	199,229,535
<u>Financial asset for which fair value are disclosed</u>					
Cash and cash equivalents	263,536,309	-	-	263,536,309	263,536,309
Accrued investment income	6,310,348	-	-	6,310,348	6,310,348
Held-to-maturity investments measured amortise cost					
Government and state enterprise securities					
	-	30,549,530	-	30,549,530	29,993,895
Deposits and certificate of deposits at financial institutions which are matured over					
3 months	687,942,393	-	-	687,942,393	687,942,393
Loans and interest receivables	644,535	-	-	644,535	644,535

The fair value hierarchy of financial assets and financial liabilities as at 31 December 2021 and 2020 presents according to Note 4.20 to financial statements.

The method used for fair value measurement depends upon the characteristics of the financial assets and financial liabilities. The Company establishes the fair value of its financial assets and financial liabilities 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.
- (f) Fair values of lease liabilities were approximated to their carrying value due to carrying an approximate market 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 2021	241,830,125
Net loss recognised into other comprehensive income	85,820,136
Balance as of 31 December 2021	327,650,261

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.

Financial instruments	Valuation technique	Significant unobservable inputs	Rates	Sensitivity of the input to fair value
<u>Investments in Vegetable oil producer industry</u>				
Non-listed equity investments	Price per book value approach	Average price per book ratio	1.87%	10% increase (decrease) in the rate would result in an increase (decrease) in fair value by Baht 12.8 million.
		Discount for lack of marketability	20.00%	10% increase (decrease) in the discount would result in a decrease (increase) in fair value by Baht 16.0 million.
<u>Investments in Insurance industry</u>				
Non-listed equity investments	Price per book value approach	Average price per book ratio	1.30%	10% increase (decrease) in the rate would result in an increase (decrease) in fair value by Baht 7.5 million.
		Discount for lack of marketability	20.00%	10% increase (decrease) in the discount would result in a decrease (increase) in fair value by Baht 9.3 million.
	Discounted future cash flow	Discount rate	10.50%	1% decrease in the discount rate would result in a increase in fair value by Baht 0.7 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 22 February 2022, 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 350 million to be Baht 360 million to be divided into 36 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 62.5 million, as follows:
 - 2.1 Cash dividend will be paid at the rate of Baht 1.50 per share for the 35 million existing shares, totaling Baht 52.5 million. Payment is scheduled to be made on 20 May 2022.
 - 2.2 Stock dividend will be paid at the ratio of 35 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 0.29 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 0.29 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 22 February 2022.

SECTION 4

CERTIFICATION OF THE ACCURACY OF THE INFORMATION

The Company has examined the information contained in this annual registration statement and hereby certify that the information contained herein is neither false nor misleading nor missing any material information. The Company further certify that:

1. The financial statements and financial summary in this registration statement present fairly, in all material respects, the financial position, the results of the operations and cash flows of the Company and subsidiary companies.

2. The Company provides sound information disclosure systems to ensure that the Company has accurately disclosed all the Company's and subsidiary companies' material information and that all the procedures of the said systems were followed properly.

3. The Company provides reliable internal control system and ensures that the Company has comprehensively complied with the said system. Moreover, the Company has reported the internal control assessment as of 13 January 2021 to the auditor and the Audit Committee. The information presented includes errors and significant changes, if any, of the internal control systems as well as any misconduct which might gave an effect on the preparation of the Company's and subsidiary companies' financial statements.

In order to ensure the authenticity and the wholeness of the said documents, the Company authorizes Mr. Pitiphong Bisalputra to sign every page of each document. If any document does not contain the signature of Mr. Pitiphong Bisalputra, the Company will deem that such documents is not the document that the Company certified.

	Name	Position	Signature
1.	Mr. Suchin Wanglee	Director	
2.	Ms. Charuwan Chabchamrun	Director	

Attorney	Name	Position	Signature
	Mr. Pitiphong Bisalputra	Chief Executive Officer and President	

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 with 5 years		
					Peroid	Position	Name of Agency/Company
Mr. Suchin Wanglee - The Chairman of the Board - Director - The advisor of Investment Committee - The advisor of Executive Board Date of Appointment: 29 April 1993 Latest re-election: 25 June 2020	85	- 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 Advncanced 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 (lass 9/2009) Capital Market Academy - Executive Course, Harvard University, USA	13.56	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.
					2010-Present	Director, Member of the Audit Committee	BTS Group Holding Plc.
						Member of the Nomination and Remuneration Committee	
					2018-Present	Chairman	Thai Metal Drums MFG. Plc.
					1989-Present	Director	Thai Metal Drums MFG. 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.
					2014-Present	Advisor to Chairman of the Board	The Falcon Insurance Plc.
					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.
1988-Present	Director	The Pet Co., Ltd.					
1982-Present	Chairman	Sathom Thani Co., Ltd.					
1968-Present	Director	Wanglee Co., Ltd.					
2008-2019	Director/Chairman	T.I.I. Co., Ltd.					
1990-2017	Director	Nuchapon 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 with 5 years		
					Peroid	Position	Name of Agency/Company
Mr. Pitiphong Bisalputra - Director - The Chairman of Investment Committee - The Chairman of the Executive Board - Member of Risk Management Committee - The Chief Executive Officer and Presiddnt (Executive Director) Date of appointment: 25 April 2002 Latest re-election: 25 June 2020	57	- 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	0.47	Son of Older Sister - Mr. Suchin Wanglee Son of Aunt - Ms. Jittinan Wanglee - Dr. Saran Wanglee - Mr. Anak Wanglee - Mr. Anin Wanglee	2014-Present	Chairman of the Investment Committee	The Navakij Insurance Plc
					2014-Present	Chairman of the Executive Board	The Navakij Insurance Plc
					2014-Present	Chief Executive Officer	The Navakij Insurance Plc
					2008-Present	President	The Navakij Insurance Plc
					2007-Present	Member of the Risk Management Committee	The Navakij Insurance Plc
					2002-Present	Director	The Navakij Insurance Plc
					Other Listed Company (2)		
					2019-Present	Director	Varopakorn Plc.
					2018-Present	Director/Member of the Audit Committee/ Member of the Remuneration & Nomination Committee	Thai Metal Drum Plc.
					Other Business (12)		
					2017-Present	Director	TKI General Insurance Co., Ltd. (Lao PDR.)
					2017-Present	Director	Thai Insurers Datanet Co., Ltd.
					2010-Present	Director	Thai General Insurance Association
2007-Present	Director	Thanapisal Co., Ltd.					
1997-Present	Director	Praphai and Sons Co., Ltd.					
1993-Present	Director	Rangsit Ruampatana Co., Ltd.					
1990-Present	Director	Thanasarn Sombat (Thai) Co., Ltd.					
1987-Present	Director	Thamrongsup Co., Ltd.					
	Director	Thana Nondzee Co., Ltd.					
	Director	Dhanarat Co., Ltd.					
	Director	Ban Ayothaya Co., Ltd.					
	Director	Aqua Flow Co., Ltd					
1987-2017	Director	Aqua Master Solution Co., Ltd.					
Professor Hiran Radeesri - Independent Director - Chairman of the Audit Committee Date of appointment: 24 August 1999 Latest Re-election: 25 April 2019	92	- Master of Business Administration The Wharton School of Finance, University of Pennsylvania, USA Director and Executive Training Program - Successful Formulation and Execution	None	None	1999-Present	Director Chairman of Audit Committee	The Navakij Insurance Plc.
					Other Listed Company (2)		
					1999-2020	Chairman of Audit Committee	Dusit Thani Plc.
					2001-2018	Chairman of Audit Committee	Thai Com Plc.
					Other Business (3)		

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
		<ul style="list-style-type: none"> of Strategy (SFE 3/2009) - Excellent Board Decision - Director Certification Program (DCP 0/2000) Thai Institute of Directors Association - Capital Market Academy Program (Class 5) Capital Market Academy - Corporate Director Education Program Yale School of Management, USA - Public Enterprise Policy and Management Harvard University, USA - Infrastructure Project Planning and Evaluation Bradford University, England 			2009-Present 1999-Present 2002-2017	Honorary Chairman Director Expert on Corporate Governance & Social Responsibility	Thai Institute of Directors Association Aueradee Co., Ltd. The Stock Exchange of Thailand
Mr. Kiet Srichomkwan <ul style="list-style-type: none"> - Independent Director - Member of the Audit Committee - Chairman of the Remuneration Nomination & Corporate Governance Committee Date of appointment: 23 November 1999 Latest re-election: 25 June 2020	84	<ul style="list-style-type: none"> - Bachelor of Business Administration Western New Mexico University, USA Director and Executive Training Program - Director Certification Program Update (DCPU 5/2015) - Role of the Chairman Program (28/2012) - Role of Nomination and Governance 	0.12	None	2019-Present 2012-2019 1999-Present	Chairman of Remuneration Nomination & Corporate Governance Committee Member of Remuneration Nomination & Corporate Governance Committee Director/Member of Audit Committee	The Navakij Insurance Plc. The Navakij Insurance Plc. The Navakij Insurance Plc.
					Other Listed Company (1)		
					2016-Present	Director/Member of Audit Committee	VGI Global Media Plc.
					Other Business (8)		
		<ul style="list-style-type: none"> Committee (RNG 3/2012) - Monitoring the System of Internal Control and Risk Management (MIR 9/2010) - Monitoring Fraud Risk Management (MFM 2/2010) - Monitoring the Internal Audit Function (MIA 7/2010) - Monitoring the Quality of Financial Reporting (MFR 9/2009) - Improving the Quality of Financial Reporting (QFR 4/2006) - Audit Committee Program (ACP 2/2004) 			2003-Present 2002-Present 1995-Present 1990-Present 1988-Present 1988-Present 1987-Present 1977-Present	Chairman Chairman Director Director Director Director Chairman	Alinkij Siam Co., Ltd. Toyota Petchaboon Toyota's Dealer Co., Ltd. Pen Sook Co., Ltd Suan Petchaboon Co., Ltd. Din Prasit Co., Ltd. Thai Petchaboon Co., Ltd. Suansilver Beach Co., Ltd. Benja Rungrueng 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 with 5 years			
					Peroid	Position	Name of Agency/Company	
		<ul style="list-style-type: none"> - Finance for Non-Finance Director (FND 7/2003) - Director Accreditation Program (DAP 4/2003) - Director Certification Program (DCP 18/2002) Thai Institute of Directors Association - Top Executive Program in Commerce and Trade, Commerce Academy (2/2009) 						
Mr. Nipol T.Jeerawong <ul style="list-style-type: none"> - Director - Advisor of Chairman of the Board of Direcotors - Chairman of the Risk Management Committee - Member of the Remuneration Nomination & Corporate Governance Committee - Member of the Investment Committee 	70	<ul style="list-style-type: none"> - Bachelor Degree in Statistics/ Mini MBA Thammasat University Director and Executive Training Program - Director Certification Program Update (DCPU 5/2015) - Board Matters & Trend (BMT 2017) - Director Certification Refresher Program Refresher Course DCP (DCP Re 1/2008) - Director Certification Program (DCP 18/2002) 	0.27	None	2019-Present 2015-Present 2014-Present 2009-Present 1992-Present 2007-2014 2007-2014 1997-2007	Member of Remuneration Nomination & Corporate Governance Committee Member of Investment Committee Advisor of Chairman of the Board Chairman of Risk Management Committee Director Chairman of Investment Committee The Chief Executive Officer President	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	
Date of appointment: 29 April 1992 Latest Re-election: 25 April 2019		<ul style="list-style-type: none"> Thai Institute of Directors Association - The Executive Program in Energy Literacy for a Sustainable Future Thailand Energy Academy - Capital Market Academy Program (Class 13) Capital Market Academy - National Defence College, The State, Private 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 				Other Listed Company (1) 2017-2018 2016-2017	Advisor of the Board of Directors Advisor of Investment Committee Advisor of Remuneration Committee Director	Eastern Water Resources Development and Management Plc. Eastern Water Resources Development and Management Plc.
						Other Business (2) 2016-Present 2018-Present	Director Director	Faculty of Liberal of Arts, Thammasat University Onsririn Company limited Thammasat University

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
		- General and Advance Insurance Management Swiss Insurance Training Center, Switzerland					
Mrs. Wanida Chansikarin - Independent Director - Member of the Audit Committee Date of Appointment: 18 December 2019 Latest Re-election: 27 April 2021	60	- Bachelor Degree in Accounting Rajamangala University of Technology - Bachelor Degree in Finance Sukhothai Thammathirat Open University - Diploma in Auditing Thammasat University Director and Executive Training Program - Audit Committee Program (ACP) - Director Accreditation Program (DAP)	0.01	None	2019-Present	Director/Member of the Audit Committee	The Navakij Insurance Plc.
					Other Listed Company (1)		
					2018-Present	Chairman of the Audit Committee	Thai Metal Drums Plc.
					1999-2017	Member of the Audit Committee	Thai Metal Drums Plc.
					Other Business (7)		
					2018-Present	Director	STMS Agency Co., Ltd
					2018-Present	Manager of Finance	STMS Co., Ltd.
					2007-Present	Director	Aqua Infinite Co., Ltd.
					2007-Present	Director	Aqua Flow Co., Ltd
					2004-Present	Director	STMS Co., Ltd.
		Thai Institute of Directors Association			1998-Present	Director	Sathorn Nakorn Tower Co., Ltd.
					1995-Present	Director	Sinn Sathorn Co., Ltd.
					1991-Present	Director	Sathorn Thani Co., Ltd.
					1987-Present	Manager of Accounting	Sathorn Thani Co., Ltd.
Mr. Phornpong Phornprapha - Independent Director - Member of the Remuneration Nomination & Corporate Governance Committee Date of appointment: 26 April 2007 Latest re-election: 25 June 2020 Date of retirement: 22 December 2020 (Decease)	70	- Bachelor Degree in Business Administration California State University, USA Director and Executive Training Program -None-	None	None	2012-2021	Member of the Remuneration Nomination & Corporate Governance Committee	The Navakij Insurance Plc.
					2007-2021	Director	The Navakij Insurance Plc.
					Other Listed Company (-None-)		
					Other Business (23)		
					2013-2021	Director	Siam Country Club Co., Ltd.
					2005-2021	Director	International Properties Co., Ltd.
					2005-2021	Vice Honorary Chairman/Director	Siam NGK Spark Plug Co., Ltd.
					1999-2021	Director	Laem Chabang International Terminal Co., Ltd.
					1996-2021	Director	Exedy Friction Material Co., Ltd.
					1996-2021	Honorary Chairman/Director	KYB (Thailand) Co., Ltd.
1996-2021	President/Director	Siam Chita Co., Ltd.					
1995-2021	Director/Honorary Chairman	Siam Calsonic 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 with 5 years		
					Period	Position	Name of Agency/Company
					1995-2021	President/Director	Hitachi Automotive Systems Chonburi Co., Ltd.
					1994-2021	Honorary Chairman/Director	Exedy (Thailand) Co., Ltd.
					1993-2021	Senior Executive Vice President /Director	Siam Motors Co., Ltd.
					1990-2021	Director	Bhupirom Co., Ltd.
					1986-2021	President/Director	Siam Auto Parts Co., Ltd.
					1984-2021	President/Director	Siam Riken Industrial Co., Ltd.
					1982-2021	Director	Thaworn Estate Co., Ltd.
					1982-2021	Director	Siampile Co., Ltd.
					1982-2021	Director	Thongthavorn Patthana Co., Ltd.
					1980-2021	Director	Universal Mining Co., Ltd.
					1969-2021	President/Director	Siam International Corp. Ltd.
						Director	Thaworn Holdings Co., Ltd.
						Director	Nissan Motor (Thailand) Co., Ltd.
						Director	Bangkok motor works Co., Ltd
						Director	Siam Union Container Co., Ltd.
Mr. Chan Soo Lee - Independent Director Date of appointment: 29 April 2003 Latest re-election: 24 April 2018	62	- 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.
Mr. Thamnu Wanglee - Director Date of appointment: 29 April 1992 Latest re-election: 25 April 2019	84	- Diploma E.M.I. Electronic College, London, UK Director and Executive Training Program - Director Accreditation Program (DAP 51/2006) Thai Institute of Directors Association	1.33	Son of Younger Uncle - Mr. Suchin Wanglee - Mr. Vuttichai Wanglee	1992-Present	Director	The Navakij Insurance Plc.
					Other Listed Company (None)		
					Other Business (3)		
						Chairman	Thanatip Co., Ltd.
						Director	Plapat Co., Ltd.
						Director	Wanglee 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 with 5 years		
					Peroid	Position	Name of Agency/Company
Mr. Vuttichai Wanglee - Director Date of appointment: 29 April 1992 Latest re-election: 24 April 2021	80	- Bachelor of Industrial Engineering Boston University, USA Director and Executive Training Program - Director Accreditation Program (DAP 93/2011) Thai Institute of Directors Association	1.79	Son of Younger Uncle - Mr. Suchin Wanglee Son of Older Uncle - Mr. Thamnu Wanglee	1992-Present	Director	Tha 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.					
	Managing Director/Director	Wanglee Pattana Co.,Ltd.					
Ms. Jittinan Wanglee - Director Date of appointment: 29 April 2003 Latest re-election: 24 April 2021	49	- 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 Bisalputra Son of Younger Uncle - Dr. Saran Wanglee Son of Uncle - Mr. Anak Wanglee - Mr. Anin Wanglee	2003-Present	Director	The Navakij Insurance Plc.
					Other Listed Company (None)		
					Other Business (9)		
					2019-Present	Co-MD, Business Group	Rangsit Plaza Co., Ltd.
					2011-Present	Executive Vice President	Rangsit Plaza Co., Ltd.
						Business Development & Marketing	
					2017-Present	Director	Sino Port Co., Ltd.
					2014-Present	Director	Pipatanasin Co., Ltd.
					2014-Present	Director	Poon phiphat Co., Ltd.
					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.					
Dr. Saran Wanglee - Director - Member of the Executive Board - Exeucive Vice President - Business Development - Channel Managemnet - Marketing & Slaesforce - Marketing Support - Corporate Identity and Communications	40	- Doctor of Philosophy in Business Administration, Marketing Sasin Graduate Institute of Businss Administration, Chulalongkorn University Director and Executive Training Program - Director Accreditation Program (DAP 168) - Financial Statements for Directors (FSD 28) Thai Institute of Directors Association	0.55	Son of - Mr. Suchin Wanglee Son of Younger Uncle - Mr. Pitiphong Bisalputra Daughter of Older Uncle - Ms. Jittinan Wanglee Son of Younger Uncle	2019-Present	Director/Executive Vice President	The Navakij Insurance Plc.
					2016-2019	Assistant President	The Navakij Insurance Plc.
					2015-Present	Vice President of Business Development	The Navakij Insurance Plc.
					Other Listed Company (None)		
					Other Business (14)		
					2020-Present	Director	Rangsit Plaza Co., Ltd.
					2019-Present	Director	Sasin Graduate Institute of Business Administration Chulalongkorn Univieristy

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		
					Peroid	Position	Name of Agency/Company
(Executive Director) Date of appointment: 18 December 2019 Latest re-election: 25 June 2020		- Thailand Insurance Leadership Program OIC Advanced Insurance Institute - Intermediate Certificate Course of Young Leadership in Democratic Governance King Prajadhipok's Institute		- Mr. Anak Wanglee - Mr. Anin Wanglee	2017-Present 2017-Present 2017-Present 2015-Present 2015-Present 2014-Present 2011-Present 2011-Present 2008-Present 2008-Present 2007-Present 2014-2019	Director Director Director Director Director Director Director Director Director Director Director Director	TKI General Insurance Co., Ltd. (Lao PDR.) Sino Port Co., Ltd. Sitthinan Co., Ltd. The Navasakol Co., Ltd Thanasarn Sombat (Thai) Co., Ltd. Nice Neighbourhood Cotporation Co., Ltd. Lake Ratchada Co., Ltd. Agro Polipack Co., Ltd. Madame Pia Co., Ltd. Aqua Flow Co., Ltd Aqua Infinite Co., Ltd. The Falcon Insurance Plc.
Ms. Charuwan Chabchamrun - Director - Company Secretary (Executive Director) Date of appointment: 21 April 2016 Latest re-election: 25 April 2019	51	- 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 Thai Institute of Directors Association	None	None	2015-Present 2014-Present 2014-Present 2014-Present 2014-Present 2009-2017	Director Vice President of Office of President Vice President of Office of Company Secretary Vice President of Office of Compliance Company Secretary Vice President of Administrative Department	The Navakij Insurance Plc. The Navakij Insurance Plc. The Navakij Insurance Plc. The Navakij Insurance Plc. The Navakij Insurance Plc. The Navakij Insurance Plc.
					Other Listed Company (None)		
					Other Business (None)		

Details of Executives (as defined according to SEC)

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		
					Peroid	Position	Name of Agency/Company
Ms. Anukul Thitikulrat - Chief Finance Officer - Executive Vice President, Finance - Member of the Risk Management Committee - Member of the Executive Board	59	- Master of Business Administration Chulalongkorn University - Bachelor of Business Administration Thammasat University	None	None	2013-Present 2010-Present 2009-Present	Executive Vice President Member of the Executive Board Member of the Risk Management Committee	The Navakij Insurance Plc. The Navakij Insurance Plc. 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
Commence in: Year 2002		Director and Executive Training Program - Related party transaction an impairmen Impairmen Issues - Transfer Pricing - Automation & RPA (Robot Process Automation) for Accounting - How important are intangible assets impairment - Supervisory review quarterly financial reports Thai Listed Companies Association - Thai Financial Reporting Standards 17 Thai General Insurance Association					
Mrs. Nalina Bodharamik - Executive Vice President, Underwriting and Risk Management - Member of the Risk Management Committee - Member of the Executive Board Commence in Year 2009	51	- Master of Business Administration University of West Florida, USA	None	None	2018-Present 2014-Present 2013-Present 2010-Present 2009-2013	Acting Vice President of Office of Risk Management Member of the Risk Management Committee Executive Vice President Member of the Executive Board Assistant President	The Navakij Insurance Plc. The Navakij Insurance Plc. The Navakij Insurance Plc. The Navakij Insurance Plc. The Navakij Insurance Plc.
					Other Listed Company (None)		
					Other Business (None)		
Mr. Anak Wanglee - Executive Vice President, - Assets Management - Organization Development - Administrative - Information System - Member of the Risk Management Committee - Member of the Investment Committee - Member of the Executive Board Commence in Year 2015	44	- Master of Science in Information Systems Northeastern University, USA - M.A. in Economics Boston University, USA	0.2	Son of Older Brother - Mr. Suchin Wanglee Son of Younger Uncle - Mr. Pitiphong Bisalputra Son of Older Uncle - Ms. Jittinan Wanglee - Dr. Saran Wanglee Older Brother - Mr. Anin Wanglee	2019-Present 2015-Present 2015-2019 2014-Present 2014-Present	Executive Vice President Member of the Risk Management Committee Asistant President Member of the Investment Committee Vice President of Assets Management Dept.	The Navakij Insurance Plc. The Navakij Insurance Plc. The Navakij Insurance Plc. The Navakij Insurance Plc. The Navakij Insurance Plc.
					Other Listed Company (None)		
					Other Business (7)		
					2018-Present	Director	Thanasarn Sombat (Thai) Co., Ltd.
					2017-Present	Director	Sino Port Co., Ltd
					2017-Present	Director	Poon Pipat Co., Ltd
					2015-Present	Director	The Navasakol 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 with 5 years		
					Peroid	Position	Name of Agency/Company
					2011-Present 2007-Present 2004-Present	Director/Operation Manager Director Director	Marco Technology Co., Ltd Somrudee Co., Ltd S&U Co., Ltd
Mr. Anin Wanglee - Executive Vice President, Claims Management - Acting Vice President of Claims Management - Member of the Executive Board Commence in Year 2010	42	- Master of Business Administration Bently College, USA Director and Executive Training Program - Director Accreditation Program	0.3	Son of Older Brother - Mr. Suchin Wanglee Son of Younger Uncle - Mr. Pitiphong Bisalputra Son of Older Uncle - Ms. Jittinan Wanglee - Mr. Khet Wanglee Younger Brother - Mr. Anak Wanglee	2019-Present 2017-Present 2015-2019 2013-2014	Executive Vice President Acting Vice President of Claims Management Department Asistant President Vice President of Claims Management Dept.	The Navakij Insurance Plc. The Navakij Insurance Plc. The Navakij Insurance Plc. The Navakij Insurance Plc.
					Other Listed Company (1)		
					2015-Present	Director/Member of Audit Committee	Thai Metal Drums MFG. Plc.
					Other Business (6)		
					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 the Person Supervising Accounting

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		
					Peroid	Position	Name of Agency/Company
Ms. Thiranant Chunsard - The person supervising accounting *qualifications and conditions in accordance with the rules prescribed in the notification of the Deartment of Business Development.* - Senior Manager of Finance Commence in Year 2007 Retirement on 30 June 2021	56	- Bachelor of Business Administration in Accounting Ramkhamhaeng University. - Executive Development Programme - MIM: Executive Diploma Program Modern Insurance Management Faculty of Commerce and Accountancy, Thammasat University Director and Executive Training Program - Thai Financial Reporting Standards 9	None	None	2009-Present	Senior Manager of Finance	Tha 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		
					Peroid	Position	Name of Agency/Company
		Financial Instruments and NPAs (TFRS9) and Thai Financial Reporting Standards 16 (TFRS16) - Thai Financial Reporting Standards 4 Insurance Contract (TFRS4), RBC 2 and Preparation for the Standard IFRS17 - Digital Transformation – Planning & Budgeting and Expense Management - The impact of the COVID-19 epidemic situation on listed companies (until 30 June 2020) and preparation for closing the financial statements for the year 2020 - Transfer Pricing - Blockchain is here. What's your next move? - Related Party Transaction and Impairment Issues					
Mrs. Maysa Suntranusorn - 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 Replacement of Ms.Thiranant Chunsard who is retired	51	- Bachelor Degree in Accounting Bangkok University Director and Executive Training Program - Seminar to review draft financial reporting standards 17 Insurance Contract - Seminar on draft financial statements to support financial reporting standards 17 Insurance Contract - How to assess the value of non-life insurance Companies and preparation from TFRS4 to TFRS17 - Smart FSCOMP system for submitting the financial statements in SET Taxonomy template - Breaking through the Disruption, the challenges of accountants in the Digital age. - The development of accounting systems in	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		
					Peroid	Position	Name of Agency/Company
		the digital era that is worth watching. - The importance and role of forensic accountants in national strategy on AML/CFT and related laws. - Trends of Forensic Accountants in Thailand - Adaptive System - Code of Conduct has changed (Draft) Manual Code of Conduct for Professional Accountants - Forensic Accounting Series Investigative Technique in Forensic Accounting - Transfer Pricing					

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		
					Peroid	Position	Name of Agency/Company
Ms.Charuwan Chabchamrun - Company Secretary Date of appointment: 15 May 2014	51	- 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 Thai Institute of Directors Association	None	None	2014-Present 2014-Present 2014-Present 2014-Present 2009-2017	Vice President of Office of President Vice President of Company Secretary Vice President of Complaine Company Secretary Vice President of Administrative	The Navakij Insurance Plc. The Navakij Insurance Plc. The Navakij Insurance Plc. The Navakij Insurance Plc. The Navakij Insurance Plc.
					Other Listed Company (None)		
					Other Business (None)		

Attachment 2

Information 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
Mr. Phisit Photisatian Vice President, Office of Internal Audit	54	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 InsurancePlc.
					2006-2013	Finance and Accounting Manager	Bangkok Thonburi Insurance Plc.
					1995-2006	Assistant Vice President, Finance and Accounting Dept.	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
Ms. Charuwan Chabchamrun Vice President, Office of Compliance	51	Bachelor of Arts Chulalongkorn University Training Program - Insurance Management Development Program Thai General Insurance Association - Compliance for Insurance Business Chula Unisearch	None	None	2014-Present	Vice President, Office of President	The Navakij Insurance Plc.
					2014-Present	Vice President, Office of Company Secretary	The Navakij Insurance Plc.
					2014-Present	Vice President, Office of Compliance	The Navakij Insurance Plc.
					2014-Present	Company Secretary	The Navakij Insurance Plc.
					2009-2014	Vice President, Administrative Dept.	The Navakij Insurance Plc.

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 Sub Committee Charters

Corporate Governance Policy

<https://www.navakij.co.th/public/core/uploaded/documents/2480cf805d49b715efb7201001898e92.pdf>

Code of conduct

<https://www.navakij.co.th/public/core/uploaded/documents/88825a7517db177b78deb857d1a52d83.pdf>

Board of Director and Sub Committee 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”