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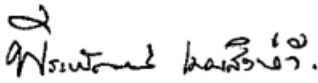
Annual Information Disclosure Form 1


**Information Disclosure Form (Appended to the Order of the Registrar No. 72/2020)**

**Re: Information Disclosure of Non-life Insurance Company 2022**

**Part 1 Certification of integrity of the disclosed information**

The company has verified the disclosed information with circumspection and would like to certify that it is correct, full and not false to cause misunderstanding or not lacking the information that should be notified in the essence, and accuracy of the revealed information in all items.

Signed .....  
  
(Mr. Perapart Meksingvee)  
Title: Authorized Director

Signed .....  
  
(Mrs. Thanawan Chaisithikarnkha)  
Title: Authorized Director

Information disclosed on 22 May 2023.

Annual information for 2022

## **Part 2 Description of the disclosed information**

### **1. Profile of the company, policy, objective and strategy in the business operations to achieve the goal in the business as specified, including the information related to the business characteristics, product details and the essential services. Moreover, it includes the channel on the contact with the company, method and duration used in the demand and compensation or claim in accordance with the insurance contract.**

#### **1.1 Profile of the company**

The company is one of the insurance companies established in 1997 in accordance with the policy of the government in the preparation of readiness of the country to open up for trade liberalization in insurance business with the registered capital currently paid-up at 4,930 million baht. It consists of common stock in 493 million shares with the par value of 10 baht per share.

The company is a subsidiary of Thanachart Capital PCL in accordance with the restructuring of the shareholding structure plan of companies in the financial business group in accordance with the consolidated supervision.

Currently the company provides all types of non-life insurance services. with a focus on development of products and service innovations on a customer centric basis.

#### **1.2 Policies, objectives, and strategies in the business operations**

##### **Vision**

The company aims to become a leading provider of non-life insurance services for retail customers by applying information technology and analyses to provide customers with protection that meet their needs, aiming at bringing the maximum benefits to customers, employees, trading partners, the society and shareholders.

##### **Missions**

1. Be a leader in automobile insurance, striving to grow through innovative automobile insurance products and focusing on establishing TNI as the top-of-mind brand of customers for automobile insurance products.
2. Impress customers with excellent services, by applying innovations, technologies and digital applications to creating good experiences and positive impressions at various points such as the headquarters, branches, Meet & Care service points, and the delivery of services at accident sites.
3. Create values for each group of customers by giving excellent services that align with their behavior and needs. Develop the operations further by building on the past experiences of customers to enhance customer confidence and strengthen the loyalty of TNI's brand.
4. Be an organization driven by achievements, through creation of corporate culture that places emphasis on involvement of customers and on applying innovations to business operations, along with planning for continuous employee development.

### 1.3 Business Characteristics

The company does the business non-life insurance of all types via the distribution channel covering all channels, including through the agents, brokers, bancassurance, telemarketing, walk-in and the Internet, etc. Furthermore, the firm's branch offices and extensive service networks in major cities nationwide are always available to provide customers with the best services and experiences.

### 1.4 Detailed characteristics of the company. The important services of the company and the percentage ratios of the insurance premium divided by the type of insurance.

#### Product and Service Characteristics

The company provides insurance services comprehensively in the four main types covering the demand of the customers as follows:

**1. Fire insurance.** Giving protection on the property including the personal and business sectors but majority is focusing on personal sectors. It has different types of plans on insurance that diversity in response to the demand of the insured differently in each sector.

**2. Motor insurance.** It provides vehicular protection, including liability arises from the use of the vehicle consisted of the compulsory and voluntary insurance sectors. In the voluntary insurance sector, the company has provided diverse protection plans, both the types 1, 2, 3 and 5 to be able to response to the different demands of the different insured completely.

**3. Personal accident and health insurance.** It protects against loss of life, dismemberment, disability, including the cost of treatment from accidents and sickness, It has different types of plans covering individuals, group and organizational customers in response to the demand of customers in each life stage and/or lifestyle.

**4. Miscellaneous insurance.** It protects the customers who want other protections other than the three types of insurance as mentioned above e.g. Travel Insurance, Home Insurance, etc.

The major customers at about 98 percent of the total customers are retail customers with the insured property in the range of not exceeding 5 million baht with the type of the loss insurance product that the customers used the service are motor, personal accident, and home insurance. Such the groups of customers came from various channels e.g., bancassurance, brokers, online and including other channels according to the company's market expansion strategy.

As for the commercial sector such as the institutions and the private organizations doing business in diverse fields both commerce and industry. We provided the main service products for this group of customers with Group Personal Accident. Referring to the customer base as mentioned above can be summarized that ever since our company has started the non-life insurance; it did not depend on a particular case in excess of 30 percent of the total revenue of the company. Moreover, it has opened the service operations for domestic customers only.

Unit: Million Baht

Item	Fire Insurance	Marine and Transportation Insurance		Motor Insurance		Miscellaneous Insurance						Total
		Hull	Cargo	Compulsory	Voluntary	Property	Third Party Liability	Engineering	Personal Accident	Health	Other	
Gross Direct Premium	72	-	-	152	8,982	24	-	-	915	20	155	10,320
Proportion of Insurance Premium (Percentage)	0.70%	-	-	1.47%	87.04%	0.23%	-	-	8.87%	0.19%	1.50%	100.00%

Remark: Information source comes from the annual report

**1.5 Contact channels with the company method and duration used in the demand for compensation or claim according to the insurance contract.**

- 1.5.1 Procedure, time, document and method on applying for a claim in accordance with the insurance contract.
- 1.5.2 Method of contact with the company and the relevant agencies in case there is a dispute or complaint.
- 1.5.3 Procedures and methods for contacting the company. In case the customer informs the company for vehicle repair by MEET & CARE service center.

[https://www.thanachartinsurance.co.th/tnifrontend\\_en/articledetail\\_en.aspx?id=296](https://www.thanachartinsurance.co.th/tnifrontend_en/articledetail_en.aspx?id=296)

[https://www.thanachartinsurance.co.th/tnifrontend\\_en/articledetail\\_en.aspx?id=160](https://www.thanachartinsurance.co.th/tnifrontend_en/articledetail_en.aspx?id=160)

**2. Framework on good governance and process on internal control of the company, including the details on the frame of implementation and such the process.**

**2.1 Framework of good governance and internal control process of the company**

[https://www.thanachartinsurance.co.th/download\\_center/corporate%20governance.pdf](https://www.thanachartinsurance.co.th/download_center/corporate%20governance.pdf)

[https://www.thanachartinsurance.co.th/download\\_center/csr1.pdf](https://www.thanachartinsurance.co.th/download_center/csr1.pdf)

[https://www.thanachartinsurance.co.th/download\\_center/csr2.pdf](https://www.thanachartinsurance.co.th/download_center/csr2.pdf)

**2.2 Organization chart**

[https://www.thanachartinsurance.co.th/download\\_center/organization\\_chart.pdf](https://www.thanachartinsurance.co.th/download_center/organization_chart.pdf)

## 2.3 Managerial Structure of the Company

### **The Board of Directors**

The details relating to the composition, duties and responsibilities of the Company's Board of Directors are as follows:

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

The Company has specified the number of directors in compliance with legal requirements and also in line with the type and size of the business which it operates. In this connection, to support the efficient performance of the Board of Directors' duties, at least one third of the board shall be independent directors who not only are independent from management, but also do not have any conflict of interest or any relationship with the Company's business.

As of December 31,2021, the Board of Directors was composed of the follow members:

1.	Mr. Banterng	Tantivit	Chairman
2.	Mr. Suphadej	Poonpipat	Vice Chairman
3.	Mr. Praphan	Anupongongarch	Director
4.	Mr. Wichian	Mektrakarn	Director (Independent Director)
5.	Mr. Pirus	Pradithavani	Director (Independent Director)
6.	Mr. Surapant	Meknavin	Director (Independent Director)
7.	Mrs. Thanawan	Chaisithikarnkha	Director
8.	Mr. Perapart	Meksingvee	Director

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

The Board of Director is responsible for all the Company's shareholders. It participates in the corporate governance in an independent, impartial manner, taking into account the interests of both shareholders and other stakeholders. In this connection, the duties and responsibilities of the Board of Directors shall be in line with the Company's Articles of Association.

### **The management**

1.	Mr. Perapart	Meksingvee	Chief Executive Officer
2.	Mr. Suwat	Radomsuttikul	Chief Claims Officer
3.	Mr. Kongsak	Hansawangsin	Chief Insurance Product Officer
4.	Mr. Pornchai	Wongtirasin	Chief Financial Officer
5.	Mrs. Vichinee	Oraphan	Chief Sales Channel Officer
6.	Mrs. Sunee	Kittiruangwittaya	Chief Operating Officer
7.	Mr. Pannop	Suebkaew	Chief Information Technology Officer
8.	Miss Watcharaporn	Thongkam	Chief Risk Officer
9.	Mr. Theekapak	Sriyukwong	Chief Innovation Officer
10.	Miss Kittipha	Chantanaprasert	Chief Insurance Compliance Officer
11.	Mrs. Suwannee	Janpreecha	Head of Branch Service Network
12.	Miss Supawandee	Pattanapongviboon	Head of Customer Service Center
13.	Mr. Natthapong	Hoonniwat	Assistant Vice President-General Audit
14.	Mr. Amata	Chitsopha	Head of Business Process Design
15.	Miss Pakathip	Nongharnpitak	Head of Human Resource
16.	Mrs. Supawan	Lapruai	Head of Corporate Secretariat

## 2.4 Sub-committees

### 2.4.1 Executive Committee

The Company's Board of Directors is responsible for establishing the Executive Committee which is composed of executive directors or directors representing major shareholders. In this connection, the Executive Committee reports directly to the Board of Directors. as of December 31,20212, the Committee was composed of the following members:

- |                 |                |                        |
|-----------------|----------------|------------------------|
| 1. Mr. Suphadej | Poonpipat      | Chairman               |
| 2. Mr. Praphan  | Anupongongarch | Vice President         |
| 3. Mr. Perapart | Meksingvee     | Director and Secretary |

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

1. To manage and ensure that the management is in line with the policies, goals, budgets, and plans approved by the Board of Directors.
2. To manage risks.
3. To manage the Company's transactions including, among others, underwriting and claims payments.
4. To manage internal operations and/or delegate the management duties which are within the Executive Committee's scope of authority.
5. To screen work-related matters before presenting them to the Board of Directors.

### 2.4.2 Audit committee

The Company's Board of Directors has appointed the Audit Committee, which is composed of three members. All the members are independent directors and have knowledge, understanding and work experience in accounting/finance. They serve as the Board of Director's key tool in overseeing the operations, ensuring that the operations follow correct standards and that the conduct of business affairs is transparent and in compliance with regulations of the state agencies concerned as well as the Company's regulations. The objective is to establish appropriate internal control systems and reliable reporting systems which, are of benefit to all parties concerned, including shareholders. As of 31 December 2022, the Audit Committee was composed of the following members:

- |                 |              |                                 |
|-----------------|--------------|---------------------------------|
| 1. Mr. Wichian  | Mektrakarn   | Chairman (Independent Director) |
| 2. Mr. Pirus    | Prdithavanij | Director (Independent Director) |
| 3. Mr. Surapant | Meknavin     | Director (Independent Director) |

#### **Duties and responsibilities of the audit committee**

1. To review the financial reports and the information disclosure in the Company's financial reports.
2. To review the Company's internal control, the information technology security, and the effectiveness of corporate risk management.
3. To oversee the internal audit, as well as personnel, and resources, which are necessary to operation, and the independence of the internal audit unit.
4. To oversee the compliance with regulations and ensure that personnel and resources necessary to operation comply with regulations.
5. To review the qualifications of the authorized auditor and nominate the authorized auditor as well as determine audit fee before proposing it to the Board of Directors.
6. To review connected transactions or transactions that may lead to conflicts of interest and ensure that these transactions comply with relevant laws and regulations.

### **Duties and responsibilities of the audit committee**

7. To report to the Board of Directors about any observance of suspicious transactions or actions that may have significant impact on the Company's financial position.
8. To review and monitor the Company's operation, ensuring that it complies with anti-corruption policies and that there are sufficient control measures.
9. To perform other duties as assigned by the Board of Directors and approved by Audit Committee.

### **2.4.3 Risk Oversight Committee**

The Board of Directors realizes the significance of good corporate governance, so the Board appoints the Risk Oversight Committee to act as its key tool to oversee and manage the Company's overall risks, keeping the risk under an appropriate level. As of 31 December 2022, the members of the Risk Oversight Committee were as follows.

- |                      |               |           |
|----------------------|---------------|-----------|
| 1. Mr. Pirus         | Pradithavanij | Chairman  |
| 2. Mr. Wichian       | Mektrakarn    | Director  |
| 3. Mr. Surapant      | Meknavin      | Director  |
| 4. Mr. Perapart      | Meksingvee    | Director  |
| 5. Miss Watcharaporn | Thongkam      | Secretary |

### **Duties and Responsibilities of the Risk Oversight Committee**

1. To provide advice to the Company's Board of Directors concerning scope or framework for supervisory and overseeing the Company's risks
2. To ensure that the top management as well as the head of risk management unit follow the risk management policies and strategies and keep the risk at an acceptable level.
3. To oversee and ensure that the strategies relating to management of capital and liquidity for handling the Company's various risks are in line with the acceptable risk levels, which have been approved.
4. To reconsider and review the overall adequacy and effectiveness of the risk management policy and strategies as well as the acceptable risk levels at least once a year or in the event of a significant change. In this connection, the Risk Oversight Committee should discuss and exchange opinions with the Audit Committee in order to assess whether the Company's risk management policy and strategies cover all types of risks including the new ones as well as whether the implementation of the policy and strategies is efficient and effective.
5. To regularly report the Board of Directors on the risk position, the effectiveness of the risk management, and the status relating to the observance of the risk-conscious culture, significant factors and problems as well as the things to be improved or corrected in line with the Company's risk management policy and strategies.
6. To provide opinions or participate in the assessment of the efficiency and effectiveness relating to performance of the head of risk management unit.

#### 2.4.4 The IT Oversight Committee

The Board of Directors appoints the Information Technology Committee. The role of The Board of Directors to perform technology are efficient and effective. And oversee of technology with the risk management framework relate strategy and supervision of the Company and as of December 31,2022 had the following members:

1. Mr. Surapant	Meknavin	Chairman
2. Mr. Wichian	Mektrakarn	Director
3. Mr. Pirus	Pradithavanij	Director
4. Mr. Perapart	Meksingvee	Director
5. Miss. Suwimol	Attasart	Secretary

#### **Duties and Responsibilities of the IT Oversight Committee**

1. Supervise the use of information technology (IT), ensuring that it conforms with the Company's business strategies and that it contains adequate flexibility to handle any IT changes. In supervising the use of IT, the IT Oversight Committee would also take into account potential business changes and be prepared for possible cyber threats. The Committee is also in charge of determining an appropriate direction and objectives of information system security management in line with the organization's business continuity management plans.
2. Arrange management of IT risks, information system security risks, and risks related cyber threats that may occur from the applications of IT in business operation. These risks should be regarded as key organizational risks and included as part of the enterprise risk management (ERM).
3. Identify IT-related policies and provide the operation guidelines for all approved policies related to information system security management. Supervise the management of IT risks as well as cyber threat risks. Use services from outsourced service providers, which should be recorded in a written form, and seek approval from the Board of Directors. The details are as follows.
  - (a) The IT risk management guideline;
  - (b) The IT security policy, which would include operation plans or operation directions, covering the following issues:
    1. The IT continuity plan
    2. The supervisory plan for the management of cyber security risks
  - (c) The ISMS policy
  - (d) The IT sourcing policy
4. Ensure that the policies mentioned in Item 3 above are approved, and then arrange the operation guidelines for the approved policies in order to make sure that the approved policies are appropriately implemented. The Committee shall review such policies and operation guidelines at least once annually or every time when major changes are made



**Duties and Responsibilities of the IT Oversight Committee (Continue)**

5. Arrange the reports to the Board of Directors or Executive Committee or the Committee in charge at least on the following issues:
  - (a) The report on the outcome of the Company's overall IT risk management. The risk management unit shall be assigned to report to the Board of Directors or any sub-committee in charge.
  - (b) The report on effectiveness of the security management system.
  - (c) The information related to key problems or events about IT, which may have a major impact on the Company's reputation or on the Company's business and security operations.
  - (d) The outcome of the test and operation based on the IT contingency plan.
6. Approve IT-related projects as well as recruit outsourced service providers before seeking further approval from the Executive Committee and/or the Board of Directors.
7. Perform other duties as assigned by the Board of Directors.

#### **2.4.5 Risk Management Committee**

Realizing the significance of good corporate governance, the Board of Directors has established the Risk Management Committee, which acts as a key tool to manage risks that may arise from performing certain transactions as well as minimize possible risks that may impact business operation. In addition, the Committee also sees that the overall risk management is carried out in accordance with the guidelines provided by the OIC. As of 31 December 2022, the members of the Risk Management Committee were as follows:

1. Mr. Perapart	Meksingvee	Chairman
2. Mr. Kongsak	Hansawangsin	Director
3. Mr. Suwat	Radomsuttikul	Director
4. Mr. Pornchai	Wongtirasim	Director
5. Mr. Phinit	Phongphet	Director
6. Miss. Watcharaporn	Thongkarn	Committee and Secretary

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

1. To specify the framework and determine the risk management policy; and report overall risk management, risk assessment and the Company's financial stability to the Executive Committee for review before proposing it to the Board of Directors for approval.
2. To formulate the risk management strategies to be in line with the risk management policy; assess, monitor and oversee the Company's various activities with risk exposure, ensuring that the risks are at appropriate levels
3. To assess and review the adequacy of the risk management policy, including the effectiveness and efficiency of the risk management system as well as the implementation of the established policy.
4. To determine operating standards for the risk management in the areas of prevention of potential damages and problem solving.
5. To assess both internal and external risk factors, which may have a significant impact on the Company's financial position, the information of which will be used for improvement of the Company's overall risk management policy.
6. To specify and instruct work units under the umbrella of the Risk Management Committee in order to develop better mechanisms for managing, controlling and monitoring the risks.
7. To monitor and control the implementation of risk management activities undertaken by directors and/or various work units, ensuring that the implementation is in line with the established policy.
8. To regularly send the Audit Committee a report on the performance of the Risk Management Committee's duties as well as the improvements, which need to be made in line with the established policy and strategies.

#### **2.4.6 Investment portfolio committee**

As of December 31,2022, Members of the Investment Portfolio Committee include the following:

- |   |              |                       |
|---|--------------|-----------------------|
| 1. Mr. Perapart   | Meksingvee   | Chairman              |
| 2. Mr. Piyaphong  | Artmangkorn  | Director              |
| 3. Mr.Boonchai  | Kiatthanavit | Director              |
| 4. Mr. Pornchai   | Wongtirasin  | Director              |
| 5. Representative from Risk<br>Management Department    |              | Secretary             |
| 6. Representative from the Financial Risk<br>Management |              | Associate participant |

#### **Duties and responsibilities of the Investment portfolio committee**

1. Prepare investment policy framework for approval to the Board of Directors.
2. To ensure the Company's investment follows the framework of the investment policy/the risk management policy and accord the nature of business and non-life insurance products as well as the Company's obligations to the insured in the form of cash flows, amount of money, time period and foreign currencies.
3. To consider and approve the investment budget within the framework of the investment policy and/or the investment plan.
4. To consider and review improvement or corrective guidelines for revising the risk relating to investment, including market risk, credit risk, liquidity risk, operation risk, concentration risk or strategic risk, among others.
5. To consider and determine the provision coverage ratio or the allowance for impairment of investment.
6. To report on the Investment Portfolio Committee's performance to the chairman of the Executive Committee, the Executive Committee, or the Board of Directors.
7. To oversee and ensure compliance with the corporate governance policy, adherence to transparency measures, as well as prevention of conflict of interest relating to investment.
8. To oversee work systems relating to personnel and information used for investment, ensuring that they are adequate to support the operation.
9. To consider other matters, as assigned by Management.

#### **2.4.7 Data Governance Steering committee**

As of December 31,2022, Data Governance Steering committee include the following:

1. Mr. Kongsak	Hansawangsin	Chairman
2. Mr. Suwat	Radomsuttikul	Director
3. Mr. Theekapak	Sriyukwong	Director
4. Mr. Mahaphon	Gindarkan	Director
5. Mr. Phinit	Phongphet	Director
7. Mr. Thitiwat	Sukngeonthanaphan	Director
8. Miss Kittipha	Chantanaprasert	Director
9. Mr. Pannop	Suebkaew	Director
10. Mr. Amata	Chitsopha	Director
11. Miss Watcharaporn	Thongkam	Director
12. Mrs. Sunee	Kittiruangwittaya	Director
13. Miss. Pensiri	Paiboon	Secretary

#### **Duties and responsibilities of the Data Governance Steering committee**

1. Determine the data governance framework and government framework as specified by law.
2. Determine the principles and policies relating to data governance, which should be appropriate to the Company.
3. Establish working panels to ensure that related operations are carried out in accordance with the data governance framework, in order to ensure that the Company's data is accurately and effectively managed.
4. Consider, review, and approve the roles, rights, duties and responsibilities of all stakeholder being involved in data management, data governance process, and the evaluation of operation and success of the data governance.
5. Consider, review and approve the principles, methods, and operation guidelines in order to ensure that works in each area go well in line as the plans proposed by the working panels, taking into account the laws, regulation and the Company's articles of associations.
6. Monitor, follow up, evaluation and report the operation performance to the management in order to seek approval for the proposed projects as well as the process. In case the proposed projects cannot be approved, other related projects shall be considered.

## 2.4.8 Product Governance Committee

As of December 31,2022, Product Governance Committee include the following:

1. The Chief Executive Office	Chairman
2. The Head of Insurance Products	Director
3. The Head of Sale Channels	Director
4. The Head of Operations	Director
5. The Head of Finance & Investment	Director
6. The Head of Risk Management	Director
7. The Head of Insurance Compliance	Director
8. The Head of Actuarial Marketing	Director

### **Duties and responsibilities of the Product Governance Committee**

1. Determine the market conduct policy, and seek approval from the Executive Management. Once approved by the Executive Management, the policy shall be finally approved by the Board of Directors. This plan is required to be reviewed at least once annually (or when major changes are made). In addition, the policy should also be put into practice.
2. Determine the framework and policy for product launches and seek an approval from the Executive Committee. Once the approval from the Executive Committee is granted, such framework and policy shall be eventually approved by the Board of Directors. The framework and policy should be reviewed at least once a year (or when major changes are made). In addition, the Committee should also see that such framework and policy are implemented.
3. Consider and determine the reinsurance policy and seek an approval from the Executive Committee before seeking the final approval from the Board of Directors. This policy should be reviewed at least once a year (or when major changes are made), and it should be actually implemented.
4. Approve new product launches; review products; amend policy conditions; extend the insurance form and statements; review insurance premiums and sale channels; arrange promotional campaigns; and performance other related matters, which shall take into account the following issues:
  - 4.1 Determination of business justification; consider whether the product launches are worthwhile, appropriate and relevant to the organization's strategies;
  - 4.2 Consideration whether the operational processes cover end-to-end operations; development of the connection system for third parties of outsourced parties to support product launches/sale and services; ensure maximum readiness before product launches;
  - 4.3 Appropriate sale process, in compliance with the market conduct;
  - 4.4 Public relation plans; sale promotional plans; frameworks for paying returns to clients; and marketing expenses;
5. Supervise the launches of products to ensure that they are carried out in compliance with related laws and regulation; seek permissions from regulatory bodies (if any);
6. Follow up performance of each product, ensuring that the performance meets the objections as specified in the business justification plan; follow up the public relation plans, the sale promotional plans, the frameworks for paying returns to clients, the marketing expenses, the management of work deliverers, the management of services, and the management of other related works to ensure that all operations reach the approved objectives;
7. Arrange that the products on shelf are reviewed and updated in accordance with any changes in regulations;
8. Report important issues; and arrange the process of reports on information about products to the Board of Directors at least once quarterly.
9. Ensure that the sufficient size of the personnel, whose work functions relate to products, in accordance with the Company's business size; and ensure that they perform duties with high quality.

## **2.5 Recruitment and Appointment of the Directors, Independent Directors, and the Management**

Since our company has not set up a recruitment committee to select the directors, the independent directors and the management; thus, for such the selection the board of directors' acts as the elector and screening of the people with the qualification to be appointed as the directors, the independent directors, and the management. It is considered suitability based on merits, qualifications and no prohibited characteristics as refer to the requirements or relevant laws. They must have knowledge, business acumen, expertise that is useful to the business operations and capability to manage to be consistent with the visions, missions, strategies, and long-term goals of the company with approval from the board of directors or shareholders (as the case maybe).

## **2.6 Remuneration policy**

### **1) Remuneration for the board of directors and the subcommittees**

Consideration of the remuneration for the board of directors and committees in the subcommittees shall be implemented by the remuneration and wage management of Thanachart Capital PCL, which analyzed, compared, and reviewed based on the results from the survey of remuneration of the companies in the same type of industry. It also considers the suitability with the duty and responsibility assigned, including the results on the performance that is consistent with the policy and operation results of the company. However, it shall be in the sufficient level to attract, maintain and motivate the experts from the various technological fields under the process and procedure that is transparent. It shall comply with the principle of good governance, accountability by presenting the remuneration of the directors to the board meeting and the annual general meeting (AGM) for approval.

### **2) Remuneration of the management**

There is consideration for the remuneration of the management to be consistent with the results on the company's operations both in the short term and long term under the scope of duty and responsibility of each position. Moreover, the results on the individual performance by comparing with the indicators, e.g., financial indicator, customer indicator, working process development and risk management and personnel development indicators, etc. They come under the process and procedure that are transparent, abide by the principle of good governance and can be accountable, and in the sufficient level to attract, motivate and keep the quality personnel with the company.

### **3) Remuneration in money**

The management shall be paid remuneration in the form of salary, provident fund, and annual bonus.

### **4) Other remunerations**

The management has received benefits and other fringe benefits in accordance with the rules of the company, e.g., benefits on medical care, medical examination, loan of all kinds, including the provident fund, etc.

### 3. Enterprise Risk Management: ERM and Asset Liability Management: ALM

#### 3.1 Enterprise Risk Management: ERM

The Board of Directors has assigned the Risk Oversight Committee, Risk Management Committee and the Risk Management Department to consider and supervise the company to have risk-management system and an efficient assessment of financial stability to help the company to achieve the objectives according to the goals that have been set and in accordance with the rules prescribed by the OIC. Including the company must have risk management that may occur in fraudulent transactions by stipulating written risk management policies and risk management guidelines for directors, executives, and employees to adhere to as guidelines. As well as assessing changes in external factors that may affect business operations, internal control, and financial reports. And specifying the main risks, to provide a risk analysis/ assessment and risk indicators to be appropriate and in line with changing situations. Moreover, to supervise the company to have regular risk monitoring and a meeting of the Risk Management Committee and a monthly report of the results to the Board of Directors.

#### 3.2 Asset Liability Management: ALM

The company has managed the Asset Liability Management both value and duration. It considers from the multiple factors to support investment's decision e.g., Fundamental's price and risk, credit rating, interest rate tendency, liquidity, and duration, etc.

The quantitative information has the following details:

Item	2022		2021	
	Book value	Assessed value	Book value	Assessed value
Total Investment Assets	13,611	13,627	11,547	11,557
Total Liquid Assets	13,788	13,803	12,025	12,036
Total Liabilities	11,373	10,249	9,409	8,494
Insurance Contract Liabilities	7,551	6,437	6,152	5,247

- Remarks:** - Book value means the assets and liabilities assessed in accordance with Financial Reporting Standard.  
- Assessed value means the assets and liabilities assessed in accordance with the notification of the Office of Insurance Commission (OIC) on asset and liability assessment of the non-life insurance company for the main objective in the supervision on financial stability of loss insurance companies. It also to make sure that the company has the ability to pay the claims to the insured in accordance with the insurance contract completely.

**4. Risk from insurance that can be expected and has significant clue may have an impact on the financial status of the company, reinsurance management, financial connection of the fund and risk from insurance and cluster of insurance.**

Insurance risk arises from fluctuations of frequencies and severity of damage, which is deviated from the hypothesis used in setting the premium rates, calculation of reserves, and underwriting. However, the company has insurance risk management guideline that covers the said management process with the objective for the company to achieve the specified business target.

Due to the company has insured its individual customers as high as 90% of the total portfolio, so it carries a risk of clustering individual customers at the low level. There is a cluster in the area, which the company has designated the risk retention level in the size that is consistent with the risk, capital and liquidity of the company. Moreover, the company has preceded the stress testing based on the business plan as designated in each year. It is to set the risk level that is acceptable and reinsurance by approval from the board of directors.

The company has various reinsurance contracts, annually got approval from the board of directors, to help transfer losses and/ or catastrophe loss events. Reinsurers in all contracts have no less than A- financial strength ratings with the gross written premium at the world's high rankings.

The quantitative information has the following details:

Unit: Million Baht

<b>Item</b>	<b>Amount</b>
Insurance recoverable from reinsurers	1,099
Amounts due from reinsurers	34
Amounts deposit from reinsurers	-



## 5. Value, Method and Assumption in Assessment of Liabilities from the Insurance Contracts

Estimation of the claims has multiple elements with uncertainty to cause the actual results may be different from the expectation due to fluctuations. However, the estimation can be made by the actuarial method, which is acceptable and tried to set the assumption and reduce uncertainty as much as possible. It is considered the experience of claims to cover economics, factor on claim development and possible fluctuation allowance, but such the liability value assessment is certified by the licensed actuary from the Office of Insurance Commission (OIC).

The quantitative information has the following details:

Unit: Million Baht

Item	2022		2021	
	Book value	Assessed value	Book value	Assessed value
Insurance contract liabilities				
- Premium liabilities	5,440	4,515	4,305	3,577
- Claim liabilities	2,112	1,922	1,847	1,669

**Remark** - Book value means the liability value from the insurance contract assessed in accordance with the accounting standards with the main objective for the investors and the financial analysts to understand the economic value of the liabilities from the insurance contract that is acceptable in accordance with the accounting principle in Thailand, which such the value must be certified by a licensed auditor.

- Assessed value means the liability value from the insurance contracts assessed in accordance with the notification of the Office of Insurance Commission (OIC) on the assessment of the property and liability price of non-life insurance companies. The main objective is to supervise the financial stability of the non-life insurers and for confidence that the companies have the ability to pay the claims according to the insurance contract fully to the insured. It shall be assessed by a licensed actuary from the registrar in accordance with the mathematical principle acceptable. The hypothesis used in the assessment shall be consistent with the actual experience or in a situation that the company has insufficient information, it may be referred to the industrial experience and adjust for suitability with the particular characteristics of the insurance port of that company. Moreover, the backup insurance value as such shall include the provision of adverse deviation: PAD, to comply with what designated by the OIC.

**Note** In some duration of the financial report, the liability value from the insurance contracts may have a difference between the accounting price and the assessed price significantly. It is due to the objective the different method used in the assessment as mentioned above. However, the people who shall apply the information should study and understand the objectives, guidelines on evaluation of the liability price from both insurance contracts carefully before making a decision.

## 6. Company's Investment

The company has an investment policy by investing in debt securities (Government bond, Bank of Thailand bond and corporate debenture) which are listed on Thai BMA. For corporate debenture, the company has many factors for consideration. Those are strong performance with credit rating not below Investment grade and asset liability matching. Moreover, the company has not a policy to open foreign currency risk-

While the investment in the equity securities focuses on Listed stocks with good fundamental and strong financial performance. Besides, the company invests in property and infrastructure fund which has good fundamental and dividend payout.

The investment decision process shall be approved by the Investment Committee, which has to comply with the Office of Insurance Commission (OIC)'s regulation.

The company applies the guidelines on assessment of the value of the investment asset assessment in accordance with the standard on financial reporting designated in the Accounting Profession Act and shall comply with the notification of the OIC Re: Assessment of the assets and liabilities of the non-life insurance company 2011.

The quantitative information has the following details:

Unit: Million Baht

Type of Investment Asset	Value As of 31 December			
	2022		2021	
	Book value	Assessed value	Book value	Assessed value
Deposit and CD at Financial institution	925	925	4,061	4,064
Debt instrument (bond, debentures, P/N, bill of exchange, convertible bond and lottery)	11,492	11,508	6,689	6,689
Equity instrument, excluding the investment in the subsidiaries and affiliates	683	683	274	281
Unit Trust	466	466	473	473
Loan, Hire Purchase and Leasing	45	45	50	50
Warrant, debentures and unit trust	-	-	-	-
Derivative instrument	-	-	-	-
Other investments	-	-	-	-
<b>Total investment asset</b>	<b>13,611</b>	<b>13,632</b>	<b>11,547</b>	<b>11,557</b>

**Remark** - Book value means assets and liabilities assessed in accordance with Financial Reporting Standard.  
 - Assessed value means the assets and liabilities assessed in accordance with the notification of the OIC on asset and liability assessment of the loss insurer. It is for the main objective in supervising financial stability of the non-life insurer and confidence that the company has the capability in paying the claims in accordance with the insurance contract fully to the insured.

## **7. Operation Results of the Company, including the Results on Analysis and the Relevant Various Ratios**

### **Operation Results**

As for the year ended 31 December 2022 the Company's had the net profit of 696.85 million baht or the net profit per share at 1.41 baht, decrease when compared with the same duration with the same period of the previous with the net profit of 767.56 million baht or the net profit per share at 1.56 baht, which can be analyzed the operation results as follows:

#### **Income**

The Company's had the total revenue at 8,665.10 million baht, a increased by 519.44 million baht, or a increase by 6.38 % when compared with the same duration of the previous year. It was the revenue from insurance by 8,572.45 million baht, an increase of 603.62 million baht, or an increase of 7.57 %.

#### **Cost and expenses**

The company had the claims and loss adjustment expenses totally 4,177.42 million baht, a increase by 112.60 million baht or a increase by 2.77 % when compared with the same duration of the previous year. The loss ratio was at 51.59 %, decrease from the same period of 2021 at 52.28 %. The total commission expense at 1,748.42 million baht, increased by 342.03 million baht or 24.32 %. The total other underwriting expense at 965.18 million baht, increased by 196.15 million baht or 25.51 %. The total expense on the operation at 1,053.22 million baht, increased by 141.24 million baht or 15.49 %.

### **Financial Position**

#### **Assets**

As at 31 December 2022 the Company's had the total assets at 17,481.25 million baht, increased from the end of 2021 in the amount of 2,575.39 million baht or 17.28 % , mostly increased by the invested assets. As at 31 December 2022 the investment assets totally 13,788.44 million baht, increasing from the end of 2021 for 1,762.24 million baht or 14.65 %.

#### **Liabilities**

As at 31 December 2022 the company had the total liabilities at 11,373.11 million, increase from the end of 2021 in the amount of 1,954.40 million baht or increase by 20.88 %, mostly increased by the insurance contract liabilities. As at 31 December 2022 the insurance contract liabilities totally 7,551.44 million baht, increasing from the end of 2021 for 1,399.31 million baht or 22.75 %.

#### **Equity**

As at 31 December 2022 the company has the total net worth at 6,108.14 million baht, decreased from the end of 2021 at 610.99 million baht or 11.11 %.

The quantitative information has the following details

Unit: Million Baht

<b>Item</b>	<b>2022</b>	<b>2021</b>
Gross premium written	10,320	8,334
Net earned premium	8,097	7,775
Investment income and other income	253	152
Net profit (Loss)	697	768

Important Financial Ratio (Percentage)

<b>Ratio</b>	<b>2022</b>	<b>2021</b>
Loss Ratio	51%	52%
Expense Ratio	41%	37%
Combined Ratio	92%	89%
Liquidity Ratio	652%	650%
Return on Equity	12%	14%

## 8. Capital adequacy

The company has prepared the fund projection and the important ratios according to the business plan, including assessing the various factors that may take place in the future and stress testing to know of the impact from the factors in severe conditions with effects on the capital regularly. In a scenario of there is an adverse situation, the company has prepared a crisis management plan as guidelines on risk management of each category. It is to maintain the level of the capital of the company to be in the acceptable norm, which designated to be consistent with the annual business plan. It has a review on capital adequacy in the monthly risk status report, or when there is a change in the business operations with significance is to improve it to be consistent with the changed situation.

The quantitative information has the following details

Unit: Million Baht

Item	As at 31 December,	
	2022	2021
Total Assets	16,579	14,097
Total Liabilities		
- Insurance contract liabilities	6,437	5,247
- Other liabilities	3,812	3,247
Total Equity	6,330	5,603
Common Equity Tier 1 (CET 1) to Total Capital Required ratio (%)	577	1,292
Total Common Equity Tier 1 (Tier 1) to Total capital required ratio (%)	577	1,292
Capital Adequacy Ratio (%)	577	1,292
Total Capital Available (TCA)	6,307	5,599
Total Capital Required (TCR)	1,093	405

**Remark** - According to the notification of the Office of Insurance Commission (OIC) on designating the type and kind of the capital including criteria, procedures, and terms on calculating the capital of the non-life insurance company. It requires the registrar may set the necessary measure on the supervision of the company with the capital adequacy ratio is below the supervisory CAR which set in this notification.

- The above items are calculated by using value in accordance with the notification of the Office of Insurance Commission on the assessment of the assets and liabilities of a non-life insurance company and the notification of the Office of Insurance Commission on designating the type and kind of the capital including criteria, procedures, and terms on calculating the capital of the non-life insurance company

**9. Financial statement and notes to financial statements for the past calendar year that the auditor has audited and commented**

[https://www.thanachartinsurance.co.th/tmifrontend\\_en/investor\\_en.aspx](https://www.thanachartinsurance.co.th/tmifrontend_en/investor_en.aspx)

Please Note! This document is a translation only, The Original is in Thai version.