

(Translation)


Annual Information Disclosure Form 1

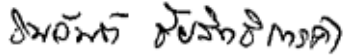
Information Disclosure Form (Appended to the Order of the Registrar No. 72/2020)

Re: Information Disclosure of Non-life Insurance Company 2020

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 17 May 2021.

Annual information for 2020

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 criteria Scotia Netherlands Holding BV joint capital in company to perform business administration to increase the competitiveness of the group.

Currently the company has provided non-life insurance service of all kinds. It has developed personnel to have quality with the policy trend to present insurance service in the new formats with emphasis on development and service to become customer centricity.

1.2 Policies, objectives, and strategies in the business operations

The company determined to become excellent in insurance business by changing the frame on product development and provided service with creativity. It has risk management with professionalism to increase potential in the competition considering the demand of the customers as the basis. It is to favor the optimization towards customers, employees, trade partners, society, and its shareholders.

Missions

- Development of product with creativity having diversity in response to the demand of the customers with exact desirability.
- Development of service quality and after sales service for benefit optimization of its customers.
- Providing service with integrity.

The company also gives priority to the retail business strategy by developing on selling products and services through the online system to be consistent with the demand and format on living of the consumers of the new generation who like to buy goods and do various transactions through the digital channel. The same as seeking for small targets with potential and have a niche market to avoid competition on the price.

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. having 20 branches and networks in the important provinces in all regions of Thailand.

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 both the personal and business sectors. It has different types of plans on insurance that gives different protection and 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 and 3 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, covering individuals, group and organizational customers.

4. Miscellaneous insurance is to protect the customers who want other protections other than the three types of insurance as mentioned above.

The major groups of the 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 vehicular and residential insurance. Such the groups of customers came from the loan customers of the bank and marketing through the various channels of the company.

As for the customer group with the insured amount from five million baht and up 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 miscellaneous insurance and fire insurance. 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	79	-	-	170	7,249	30	-	-	1,121	-	33	8,682
Proportion of Insurance Premium (Percentage)	0.91%	-	-	1.96%	83.49%	0.35%	-	-	12.91%	-	0.38%	100%

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=159

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/downloadcenter/corporate%20governance.pdf>

https://www.thanachartinsurance.co.th/download_center/csr1.pdf

https://www.thanachartinsurance.co.th/download_center/csr2.pdf

2.2 Organization chart

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 31,2020, 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 | Pradithavanij | Director (Independent Director) |
| 6. | Mr. Surapant | Meknavin | Director (Independent Director) |
| 7. | Mr. William | George Said | Director |
| 8. | Mrs. Thanawan | Chaisithikarnkha | Director |
| 9. | Mr. Samuel | Anthony Dotro | Director |
| 10. | 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	Managing Director
2. Miss Suwimol	Boonnak	Chief Sales Channel Officer
3. Mr. Suwat	Radomsuttikul	Chief Claims Officer
4. Mr. Kongsak	Hansawangsin	Chief Insurance Product Officer
5. Mr. Pornchai	Wongtirasin	Chief Financial Officer
6. Mr. Charan	Sutthiratana	Chief Operating Officer
7. Mr. Pannop	Suebkaew	Head of Information Technology
8. Mr. Theekapak	Sriyukwong	Chief Innovation Officer
9. Miss Watcharaporn	Thongkam	Chief Risk Officer
10. Mrs. Suwannee	Janpreecha	Head of Branch Service Network
11. Miss. Supawandee	Pattanapongviboon	Head of Customer Service Center
12. Mr. Wichai	Sathiarujikanon	Head of Audit
13. Mr. Sasiwit	Akkarapattanakoon	Head of Accounting & Reporting
14. Mr. Amata	Chitsopha	Head of Business Process Design
15. Miss Pakathip	Nongharnpitak	Head of Human Resource
16. Miss Kittipha	Chantanaprasert	Head of Insurance Compliance
17. 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 31,2020, 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 the conduct of business affairs, ensuring that they are 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 2020, 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.

Duties and responsibilities of the audit committee

3. To oversee the internal audit, personnel, and resources 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.
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 appoints the Risk Oversight Committee, aiming to raise the standards of the Company's business operations so that its conduct of business affairs is not only efficient, transparent and fair but also places stronger emphasis on risk management. In addition, the Company takes into consideration the interests of all groups of stakeholders for the purpose of the Company's long-term stability and sustainable growth. As at 31 December 2020, the members of the Risk Oversight Committee were as follows:

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

Duties and Responsibilities of the Risk Oversight Committee

1. To give opinions or participate in the assessment of the efficiency and effectiveness relating to Chief Risk Officer's performance.
2. Ensure that high-level executives and chief risk officer comply with the policy and risk management strategies, including acceptable risk levels.
3. To oversee and ensure that the strategies relating to management of capital and liquidity for accommodating the Company's various risks are in line with the acceptable risk levels which have been approved.

Duties and Responsibilities of the Risk Oversight Committee

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. The objective is 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 which need to be improved or corrected in line with the Company's risk management policy and strategies.
6. To give opinions or participate in the assessment of the efficiency and effectiveness relating to Chief Risk Officer's performance.

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 31,2020 had the following members:

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

Duties and Responsibilities of the IT Oversight Committee

1. To oversee IT strategic plans and operation as follows:
 - To approve or review IT strategies at least once a year to ensure that:
 - The IT goes in line with the Company's strategies and operation direction.
 - The IT infrastructure is flexible and can support potential changes in business and technologies in the future.
 - The Company assess the readiness or the IT maturity as well as the ability to handle issues about cyber security appropriately and effectively.

Duties and Responsibilities of the IT Oversight Committee

- To monitor the outcome of IT-oriented projects as well as other projects that may post some risks to the company's operation.
2. To arrange appropriate IT risk management policies, both under normal circumstances and crises, as the following details:
 - To approve or review the IT risk Management policies at least once a year.
 - To support the arrangement of management structure that can enhance the risk management efficiency with clearly separated responsibilities based on the three lines of defense.
 - To monitor the risk status and effectiveness in risk management, including significant issues, solutions, or any issues significant to IT risk management.
 3. To oversee the budgeting for IT-related investment and expenses in accordance with the strategies and control the budget under an appropriate level, supervise knowledge enhancement and create awareness of the IT risks for employees to perform other duties as specified by laws.

2.4.5 Risk Management Committee

The Board of Directors appoints the Risk Management Committee which is responsible for establishing the enterprise-wide risk management policy and proposing it to the Board of Directors for approval. The Committee is also responsible for ensuring that the management complies with the policy and regularly report to the Committee. In addition, the Committee will review the risk management system or assess the effectiveness of the risk management at least once a year. In this connection, the report and the assessment must be disclosed in the annual report. Emphasis is also placed on advance alerts and warnings as well as reports on various irregularities. As of 31 December 2020, the members of the Risk Management Committee were as follows:

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

Duties and Responsibilities of the Risk Management Committee

1. To establish Risk Management Framework and Policy of the company, including Enterprise Risk Management and Own Risk and Solvency Management Report to propose to the Executive Committee for scrutiny. Then, propose to the Board of Directors for approval.
2. To formulate the risk management strategies to be in line with the risk management policy. In this connection, the Risk Management Committee must be able to assess, monitor and oversee the Company's various risks, ensuring that they are at appropriate levels.

Duties and Responsibilities of the Risk Management Committee

3. To review the risk management policy adequacy, in terms of the effectiveness of the risk management system as well as the implementation of the established policy.
4. To determine measures for implementing the risk management in the areas of prevention of potential damage and problem solving.
5. To assess both internal and external factors which may have a significant impact on the Company's financial position, the information of which will be used for improving the Company's 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 the Risk Management Committee/various work units in various areas, ensuring that the implementation is 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 31,2020, Members of the Investment Portfolio Committee include the following:

- | | | | |
|----|--|-------------|-----------------------|
| 1. | Mr. Perapart | Meksingvee | Chairman |
| 2. | Mr. Piyaphong | Artmangkorn | Member |
| 3. | Mr. Pornchai | Wongtirasin | Member |
| 4. | Representative from the Insurance risk Management Department | | Secretary |
| 5. | Representative from the Office of Risk Management | | Associate participant |

Duties and responsibilities of the Investment portfolio committee

1. To establish an investment policy and ensure that the Company's investment follows the framework of the investment policy and in line with 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, among others.
2. To consider and approve the investment budget within the framework of the investment policy and/or the investment plan.

Duties and responsibilities of the Investment portfolio committee

3. To consider and review improvement or corrective guidelines for mitigating the risk relating to investment, which include market risk, credit risk, liquidity risk, operation risk, concentration risk and strategic risk, among others.
4. To consider and determine the provision coverage ratio or the allowance for impairment of investment.
5. To report on the Investment Portfolio Committee's performance to the chairman of the Executive Committee, the Executive Committee, and the Board of Directors for information.
6. 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.
7. To oversee and look after work systems relating to personnel and information for investment, ensuring that they are adequate for the operations.
8. To consider any other matters as assigned by the Chairman of the Executive Committee, the Executive Committee, or the Board of Directors.

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 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 directors, 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 directors and committees in the subcommittees shall be implemented by the remuneration and wage management of Thanachart Bank 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 company has established risk management framework (ERM: Enterprise Risk Management which is a risk management process to cover all risks, including risk identifications, risk assessment, risk management and risk monitoring and reporting. And also assign the authority according to the severity level of the risk indicator and will be reported to relevant parties in order to find ways to manage the risk to be in an acceptable risk level of the company. In addition, the company has established a risk culture for employees by creating values risk management awareness. Both in the form of E-Learning about risk management, Risk Control and Self-Assessment (RCSA), to ensure that all employees are aware of encountered risks and find solutions and measures to help reduce the risk. Furthermore, Risk Management Department has published all risk management policies through intranet for all employees to be informed.

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, the details are as follows:

Unit: Million Baht

Item	2020		2019	
	Book value	Assessed value	Book value	Assessed value
Total Investment Assets	12,446	12,448	11,317	11,354
Total Liquid Assets	12,549	12,552	12,339	12,376
Total Liabilities	9,624	8,637	9,883	8,931
Insurance Contract Liabilities	6,267	5,290	6,077	5,134

- 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

Item	Amount
Insurance recoverable from reinsurers	589
Amounts due from reinsurers	1
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	2020		2019	
	Book value	Assessed value	Book value	Assessed value
Insurance contract liabilities				
- Premium liabilities	4,452	3,700	4,295	3,565
-Claim liabilities	1,816	1,590	1,782	1,569

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 ThaiBMA. For corporate debenture, the company has many factors for consideration. Those are strong performance, having credit rating not below A- and matching asset liabilities management. Moreover, the company has hedge against for foreign currency.

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 also good fundamental and dividend payout.

The investment decision process shall be approved by the Investment Portfolio 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			
	2020		2019	
	Book value	Assessed value	Book value	Assessed value
Deposit and CD at Financial institution	4,108	4,110	2,650	2,650
Debt instrument (Bond, debentures, P/N, bill of exchange, convertible bond and lottery)	7,812	7,824	7,897	7,909
Equity instrument, excluding the investment in the subsidiaries and affiliates	104	92	276	301
Unit Trust	364	364	426	426
Loan, Hire Purchase and Leasing	58	58	68	68
Warrant, debentures and unit trust	-	-	-	-
Derivative instrument	-	-	-	-
Other investments	-	-	-	-
Total investment asset	12,446	12,448	11,317	11,354

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 2020 the Company's had the net profit of 744.97 million baht or the net profit per share at 1.51 baht, a decrease when compared with the same duration with the same period of the previous with the net profit of 1,499.01 million baht, or the net profit per share at 3.22 baht, which can be analyzed the operation results as follows:

Income

The Company's had the total revenue at 7,823.93 million baht, a decreased by 565.78 million baht, or a decrease by 6.74 percent when compared with the same duration of the previous year. It was the revenue from insurance by 7,271.01 million baht, an increase of 308.16 million baht, or an increase of 4.43 percent compared with the same period of the previous year. It was a result that the company still used the marketing strategy by putting emphasis on expanding the customer base of retail business and effective cost control. The company also has a profit from total insurance by 876.49 million baht, an increased by 36.57 million baht or 4.35 percent compared with the same period of the previous year.

Cost and expenses

The company had the claims and loss adjustment expenses totally 3,769.31 million baht, a decrease by 216.44 million baht or a decrease by 5.43 percent when compared with the same duration of the previous year. The loss ratio was at 51.84 percent, down from the same period of 2019 at 57.24 percent. The total expense on the operation at 849.02 million baht, increased by 63.97 million baht or 8.15 percent compared with the same period of the previous year.

Financial Position

Assets

At the year ended 31 December 2020 the Company's had the total assets at 15,353.68 million baht, increased from the end of 2019 in the amount of 148.49 million baht or 0.98 percent, mostly increased by the invested assets. On 31 December 2020 had the investment assets totally 12,445.85 million baht, increasing from the end of 2019 for 1,128.78 million baht or 9.97 percent.

Liabilities

At the year ended 31 December 2020 the company had the total liabilities at 9,623.77 million, decrease from the end of 2019 in the amount of 258.93 million baht or decrease by 2.62 percent.

Equity

At the year ended 31 December 2020 the company has the total net worth at 5,729.91 million baht, increased from the end of 2019 at 407.42 million baht or 7.65 percent.

The quantitative information, the details are as follows:

Unit: Million Baht

Item	2020	2019
Gross premium written	8,682	8,368
Net earned premium	7,271	6,963
Investment income and other income	123	1,029
Net profit (Loss)	745	1,449

Important Financial Ratio (Percentage)

Ratio	2020	2019
Loss Ratio	52%	57%
Expense Ratio	34%	31%
Combined Ratio	86%	88%
Liquidity Ratio	691%	693%
Return on Equity	14%	26%

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, the details are as follows:

Unit: Million Baht

Item	As of 31 December	
	2020	2019
Total Assets	14,541	14,456
Total Liabilities		
- Insurance contract liabilities	5,290	5,134
- Other liabilities	3,347	3,797
Equity	5,904	5,525
Common Equity Tier 1 to Total Capital Required ratio (%)	1,458	1,045
Total Common Equity Tier 1 to Total capital required ratio (%)	1,458	1,045
Capital Adequacy Ratio (%)	1,458	1,045
Total Capital Available (TCA)	5,903	5,524
Total Capital Required (TCR) by Law	405	529

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/tnifrontend/investor.aspx>

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