

# Annual Report

THAIVIVAT INSURANCE PCL.

---

# 2020



**THAIVIVAT**  
INSURANCE

# Content

Financial Highlights	▶▶ 3
Message from the Chairman	▶▶ 5
<i>Report of the Board of Directors' Responsibilities for Financial Reports</i>	▶▶ 7
Audit Committee Report	▶▶ 8
<i>Report of the Nomination and Remuneration Committee</i>	▶▶ 10
Investment Committee Report	▶▶ 11
Report of the Good Corporate Governance Committee	▶▶ 12
Organization Chart	▶▶ 13
The Board of Directors	▶▶ 14
The Audit Committee	▶▶ 19
The Nomination and Remuneration Committee	▶▶ 22
The Investment Committee	▶▶ 24
The Corporate Governance Committee	▶▶ 27
The Executive	▶▶ 29
Business Characteristics	▶▶ 31
Independent Auditor's Report	▶▶ 32
Statements of Financial Position	▶▶ 36
Statements of Comprehensive Income	▶▶ 37
Statements of Cash Flows	▶▶ 39
Statements of Changes in Equity	▶▶ 40
Notes to Financial Statements	▶▶ 42
Service Center	▶▶ 134



# Financial Highlights

Financial Status at Year End (Baht Million)	2018	2019	2020	CHANGE PERCENT 2020/2019	2018	2019	2020	CHANGE PERCENT 2020/2019
	Total assets	5,642.08	6,533.37	7,842.74	20.04	5,649.44	6,530.72	7,845.30
Premium reserve	1,963.04	2,333.90	3,048.58	30.62	1,964.52	2,336.17	3,050.59	30.58
Cash and cash equivalents	227.32	224.22	329.95	47.15	229.77	225.30	332.68	47.66
Investment assets	3,290.86	3,812.56	4,588.59	20.35	3,269.46	3,786.34	4,567.06	20.62
Total liabilities	4,394.33	5,213.32	6,491.80	24.52	4,396.79	5,217.15	6,499.54	24.58
Total equity	1,247.75	1,320.05	1,350.94	2.34	1,252.65	1,313.57	1,345.76	2.45

## Operating Results for The Year (Baht Million)

Net earned premium	2,975.31	3,464.00	4,536.67	30.97	2,977.82	3,466.59	4,540.30	30.97
Total income	3,217.33	3,733.69	4,677.04	25.27	3,219.83	3,736.28	4,680.68	25.28
Claims and loss adjustment expenses	1,687.29	2,070.38	2,700.02	30.41	1,690.06	2,073.43	2,702.54	30.34
Operating expenses	474.16	536.83	594.25	10.70	480.98	542.19	597.77	10.25
Profit (loss) from underwriting	113.02	(8.58)	89.51	-1143.24	105.44	(15.12)	86.31	-670.83
Investment and other income	28.00	149.00	10.00	-93.29	31.00	151.00	13.00	-91.39
Profit from operations	140.64	140.07	96.79	-30.90	135.96	136.14	96.02	-29.47
Profit before corporate income tax	140.64	140.07	96.79	-30.90	31.78	136.14	96.02	-29.47
Profit for the period	115.37	116.09	78.44	-32.43	110.69	112.16	77.67	-30.75

## Per Share (Baht)

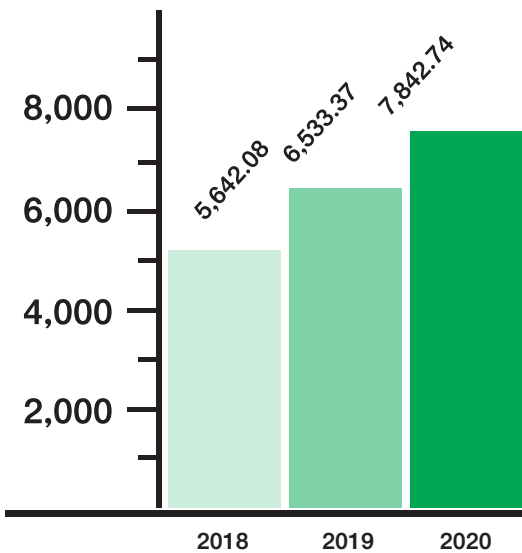
Par value per share	1.00	1.00	1.00	0.00	1.00	1.00	1.00	0.00
Book value per share	4.12	4.36	4.46	2.34	3.90	4.34	4.44	2.45
Earning per share	0.38	0.38	0.26	-32.43	0.37	0.37	0.26	-30.75
Dividend per share	0.20	0.20	0.20	0.00	0.07	0.20	0.20	0.00
Payout Ratio (%)	52.53	52.20	77.26	48.00	66.03	54.03	78.02	44.40
Share price at year end	3.76	4.20	4.00	-4.76	3.76	4.20	4.00	-4.76
Price per earning ratio (Time)	9.87	10.96	15.45	40.95	10.29	11.35	15.60	37.53

## Financial Ratios (%)

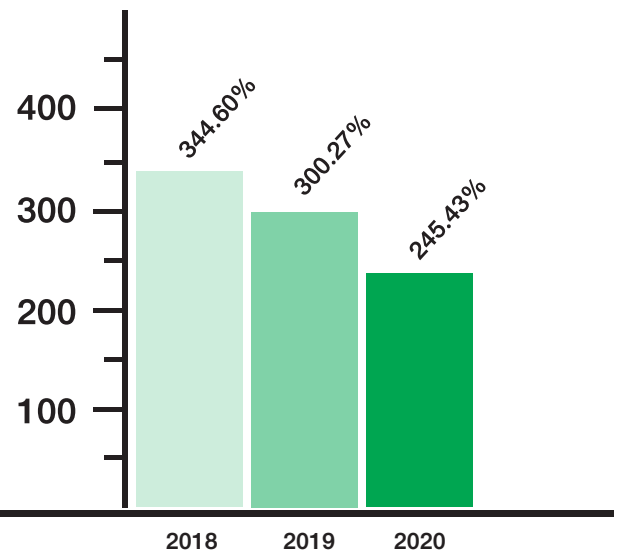
Return on Assets	2.13%	1.91%	1.09%		2.04%	1.84%	1.08%
Return on Equities	9.54%	9.04%	5.87%		9.09%	8.74%	5.84%



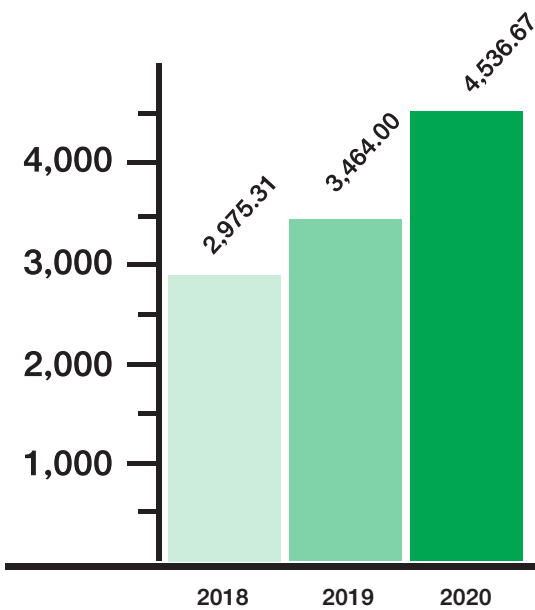
Total assets (Baht Million)



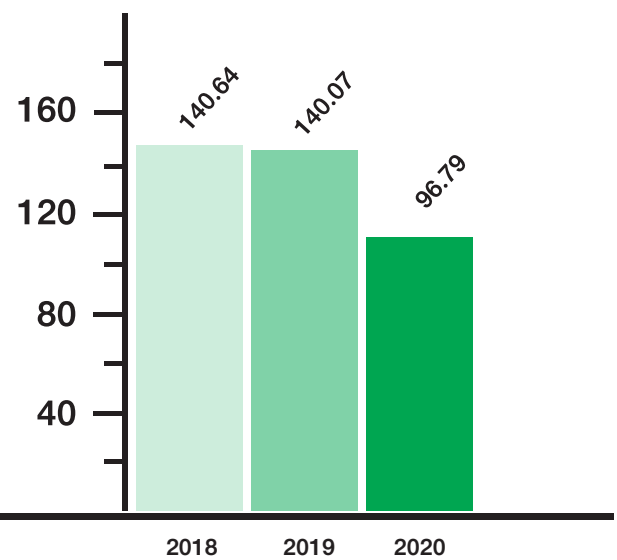
Capital Adequacy Ratio (CAR) (%) (Q3)



Net earned premium (Baht Million)



Profit before corporate income tax (Baht Million)



# Message from the Chairman

Office of the National Economic and Social Development Council (NESDC) projects a 6.0-percent decrease in 2020 for the Thai economy compared with the preceding year, and expects its tendency to expand within the range of 3.5 - 4.5-percent in 2021. The main supporting factors come from private consumption expenditure stimulation, government investment and fiscal stimulus, private investment promotion, and export expansion, resulting from the recovery of the world economy. Also, tourism industry is projected to recover in the fourth quarter for 2021 due to the COVID-19 vaccine distribution.

Throughout the past year 2020, Thaivivat Insurance Public Company Limited has operated with discreet risk management, leading to satisfying operating results with higher growth of written premiums than the total non-life insurance market. The company has earned gross written premiums worth nearly 6,000 million Baht.

In 2020, the company welcomed great customer testimonials with the product, the top-up "On-Off motor insurance". After its launch in 2016, the company's continuous development brought about the automatic TBeacon-assisted On-Off motor insurance service in 2017. The TBeacon equipment was then upgraded to USB TBeacon in 2018. Later in 2019, our commitment to continuously developing On-Off insurance innovation enhanced our existing service with TVI Connect which applies the narrow band-internet of things technology. The company has partnered with the leaders of global innovation namely AIS and AWS in developing both equipment and real-time data network so that the customer's insurance coverage will be on and off automatically when starting and shutting down the car engine.

Thaivivat has continuously developed to fulfil customer requirements especially during the COVID-19 pandemic which has resulted in people becoming more cautious with their spending. This brought us in April 2020 to launch the top-up On-Off motor insurance service in order to remove its limitations by offering control over the insurance expenses to help save up to 70% and the top-up coverage personalized via the mobile application.

In addition to product development, 2020 has seen our enhanced services to meet our customer demands. This includes providing parking spaces for customers at six Central Department Stores, on-demand mobile car wash, together with other existing mobile services such as hotline service for direct accident report and contact with the company without dialing a number, and automatic GPS-aided detection of accident location, and location search for the nearest contracted hospital and garage.

With hope to become an insurance company which fosters innovation in developing all types of non-life insurance products, Thaivivat introduced the Active Health insurance plan in 2018. The novel plan implemented a change in the health insurance market not only with its comprehensive coverage, also with the health insurance product encouraging the insured to exercise and become health-conscious via Thaivivat Health mobile application through which the insured could receive monthly premium discounts as a result of their workout routine. The company has experienced positive customer testimonials on the Active Health insurance plan.

In 2020, the company added the Silver plan into the Active Health insurance plan as an alternative for those seeking medical payments coverage and health consciousness. The Silver Active Health insurance plan allows the insured to pay by monthly installments for the lower premiums, and expands into an E-Commerce purchase method to best suit the personalized lifestyles of consumers. The privilege offers include quality food and motivation for exercise. The insured can enjoy diverse exercises from the activities provided such as workout programs at well-known fitness centers. This also comes with discount privileges on healthy food in order to promote wellness in all aspects of our determination to develop the service provision as convenient and modern in the Industry 4.0 era.

Apart from product development, the company also enhanced the accessibility and the quality of service provision of insurance services such as easy purchasing via E-Commerce. Enhanced access to consumers in diverse means includes digital media, radio and television broadcast, magazines, newspapers, LED sign boards, billboards, and still Mr. Teeradetch Metawarayut (Alek), our real customer as the product endorser to voice the company's great efficiency in providing insurance services. This has proven our continuous achievement and development in providing the insurance services to satisfy consumer needs and the most comprehensive information access. Additionally, the company website at [thaivivat.co.th](http://thaivivat.co.th) is in compliance with security standards for online purchase and payment certified by Department of Business Development; the insured can pay for their premiums via various payment methods: credit card, counter service, and mobile payment.



The company does realize the social responsibility particularly during this COVID-19 pandemic situation. We are socially aware of the situation and attentive to social services. During the initial outbreak in March 2020, we donated ten COVID-19 Modular Swab Units imported from Korea, worth over 2,600,000 Baht, to network hospitals throughout Thailand and contributed 1,000,000 Baht to Thammasat University research team on making ThamMask water-repellent face masks to be distributed to medical personnel in remote areas in support of medical screening and treatment procedures.

The company has placed a priority on employee welfare and development as we believe that human resources are valuable assets in the organization and society. Thaivivat has complied with the government measures on the prevention and control of COVID-19 by maintaining building and personal hygiene in the workplace as in spraying disinfectants, expansion of screening points, announcements on good personal hygiene for COVID-19, social distancing, safe office layout, working from home and so on. The company has continuously provided training to the employees so as to enhance knowledge and skills via both online and offline modes as well as consolidating the customer-centric culture and upholding professional ethics. Moreover, the company encourages employee involvement and equal opportunities to all personnel to share their ideas and views for organizational development, emphasis on teamwork, and transfer of knowledge, expertise, and experience from experts to novices for service familiarization and satisfactory service provision to customers.

Lastly, I would like to express my gratitude to all our shareholders, customers, partners, and stakeholders for the continuing trust and support, and my appreciation to executives and employees for the dedication and commitment to work to the very best of their ability in order to make Thaivivat Insurance stay top of mind with our customers. This shall bring us fame and progress later on.



Mr. Chalaw Fuengarom  
Chairman



# Report of the Board of Directors' Responsibilities for Financial Reports

Thaivivat Insurance Public Company Limited's Board of Directors has given importance to the duties and responsibilities in accordance with the good corporate governance policy, supervise the financial statements and financial information in annual reports to have accurate, complete and sufficient information. The financial statements comply with general accepted accounting standards in Thailand and the relevant criteria stipulated by the Office of Insurance Commission that select the appropriate accounting policies, practice regularly and use discretion carefully including disclose an important information sufficiently in the notes to the financial statements and has been audited and certified by an auditor.

The Board of Directors has established a risk management system, internal control system, internal audit and appropriate supervision efficiently to ensure that the company has accurate, complete and timely accounting records as well as risk prevention from operations. In this regard, the Board has appointed an Audit Committee consisting of independent, non-executive directors to supervise this matter.

The Board of Directors has an opinion that the overall internal control system of company is satisfactory and provide reasonable confidence in the reliability of the company financial statements as of 31 December 2020, which the auditor audited as generally accepted auditing standards and expressed his opinion that the financial statements accurately show the financial status and business operations in accordance with generally accepted accounting principles.



Mr. Chalaw Fuengarom  
Chairman

# Audit Committee Report

## Audit Committee Report 2020

To shareholders

The Audit Committee of Thaivivat Insurance Public Company Limited consists of 4 independent directors who are experts and have experience in economics, business administration, accounting, auditing as regulated by the Securities and Exchange Commission, Thailand. Mr. Phisit Setthawong is the chairman of the Audit Committee, Mrs. Pilai Plumpongsam, Mrs. Pranee Phasipol and Mrs. Supaporn Burapakusolsri are the audit committees with 3 years term and Ms. Yupin Trongpitakkul acting as the secretary of the Audit Committee.

In 2020, the Audit Committee Performed duties independently as the Board of Directors assignment with 5 meetings that all committees attended all meeting to carry out their scopes, duties, responsibilities and supervision. The company provided the Audit Committee meetings with auditor, management representative and internal auditor to consider and discuss the issues including giving advice on matters that are beneficial to the company management in accordance with the principles of good corporate governance. The Audit Committee reported the meeting results every time that are summarized as follows :

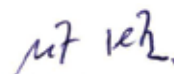
- 1) Reviewing the company's quarterly and fiscal year 2020 by auditor and management inquiry about the accuracy, completeness, and reliability of financial report, financial statement preparation in accordance with the Financial Reporting Standards and adequacy of information disclosure. The Audit Committee agrees that the company financial report correctly and appropriately in accordance with the Financial Reporting Standards and the auditors propose unqualified report. In addition, the Audit Committee held one meeting with the auditor specifically without the management and internal auditor. The auditor reported it had freedom to perform and got good cooperation from all departments.
- 2) Reviewing the company efficiency and effective assessment of internal control system according to the internal control principles of COSO which are certified by the related management including the anti-corruption of risk assessment and agree that the company has an appropriate, sufficient internal control system and good corporate governance management. In addition, in 2019 the company has been recertified CAC (Collective Action Coalition) of the Thai Private Sector for the Anti-Corruption.
- 3) Consideration the internal audit independence in approval for appointment, transfer, lay off, performance evaluation as well as considering the operational guidelines and annual internal audit plan with emphasis on checking the operation effectiveness, internal control systems assessment and risk management for the company business operations.
- 4) Reviewing risk management according to the company risk management framework. The Audit Committee agrees that the company has complied with the risk management plan and follows up adequately together with regularly reviews risk management in accordance with current situation which is the rules of regulator.
- 5) Reviewing the company has operated legally in accordance with the securities and exchange law, the Stock Exchange of Thailand's regulations, Non-life Insurance Act, related laws and the Office of Insurance Commission registrar announcement including the company regulations operation and agrees that the company has continuously good practice according to laws, regulations and requirements continually related.
- 6) Reviewing and giving opinion for company the related parties transactions or conflict of interest transactions including material transactions deemed as acquisition or disposal of assets according to the Stock Exchange of Thailand. The Audit Committee agrees that the transactions are reasonable and the most benefit to company.
- 7) Reviewing practice and policies changes related to good corporate governance principles annually such as the anti-money laundering rule, the anti-money laundering policies and risk management including audit committee charter review to be suitable for the current situation.
- 8) Consideration and appointment to the auditor for 2021, The Audit Committee agrees that the auditor from EY Office Company Limited are independent and have good qualification. Perform their job very well and efficiently. Therefore proposing to the Board of Directors for approval the annual general meeting, appointing EY Office Company Limited to be the auditor with the audit fees 2.95 Million Baht in 2021.





From the duties performance of Audit Committee, considering audit reports of internal audit and various management departments, the Audit Committee agrees that the company's internal control system has adequate efficiency and effectiveness and ensure that the company financial reports prepared accurately according to the Financial Reporting Standards, compliance with the law and regulations of relevant departments without finding any significant defects.

On behalf of the Audit Committee



(Mr. Phisit Setthawong)  
Chairman of the Audit Committee



# Report of the Nomination and Remuneration Committee

To : Shareholders of Thaivivat Insurance Public Company Limited

The Nomination and Remuneration Committee perform duties as assigned by the Board of Directors under the duties and responsibilities as specified in the Nomination and Remuneration Committee Charter to select and propose a person to be a director and senior executive of the company including proposing remuneration and other benefits policies for the Board of Directors and various sub-committees. The Nomination and Remuneration Committee consists of 3 members, 2 of which are independent directors and 1 executive directors.

In 2019, the Nomination and Remuneration Committee held 1 meeting to consider important issues and meeting report together with comments and recommendations to the Board of Directors for consideration as follows :

1. To consider the selection the company directors in place of the directors whose term expired which considered from the person with suitable qualifications, complete the requirements of the Securities and Exchange Commission and the Stock Exchange of Thailand and no prohibited characteristics according to the law. By considering qualifications, experience, and knowledge that will benefit the company for presentation to the meeting of the Board of Directors and Shareholder meeting for further consideration and approval.
2. To consider the remuneration of directors and various sub-committees in detail, directors are assigned additional duties and responsibilities in the sub-committee will receive additional remuneration as workload and responsibility appropriately.

The Nomination and Remuneration Committee perform duties as assigned with prudence, transparency, fairness and independence in accordance with good corporate governance principles by considering the best interests of company and all stakeholders.



Mr. Phisit Sethawong  
Chairman of the Nomination and Remuneration Committee

# Investment Committee Report

To : Shareholders of Thaivivat Insurance Public Company Limited

The Investment Committee has performed duties as assigned by the Board of Directors under the duties and responsibilities stipulated in the consideration and approval of matters relating to the company investment. The Investment Committee consists of 3 members, 2 of which are independent directors and 1 executive director.

In 2019, the Investment Committee held 2 meetings to consider important matters and the meeting report together with comments and recommendations to the Board of Directors for consideration as follows :

1. To consider the investment policy framework for approval from the Board of Directors
2. To consider and approve the company's investment plans according to the investment policy framework and the overall risk management policy.
3. To supervise the company investment in accordance with the investment policy framework, risk management policy including investment procedure regulations and legal requirements.
4. To supervise on corporate governance, transparency and conflict of interest prevention related to the company's investment transactions.
5. To supervise the work system, personnel, and information used for the company investment to be sufficient in operation.
6. To manage investments according to the investment policy framework approved by the Board of Directors.

The Investment Committee has performed duties as assigned with prudence, transparency, fairness and independence with regard to the best interests of company and all stakeholders.



Mr. Chalaw Fuengarom  
Investment Committee Chairman

# Report of the Good Corporate Governance Committee

To : Shareholders of Thaivivat Insurance Public Company Limited

The good corporate governance committee has performed its duties as assigned by the board of directors under the duties and responsibilities stipulated in promotion, support and follow up the directors, executives and employees at all levels to practise policy related to good corporate governance of the company. The Good Corporate Governance Committee consists of 3 directors, two of which are independent directors and one executive director.

In 2020, the Good Corporate Governance Committee held two meetings to consider important matters and report the meeting results together with comments and suggestions to the Board of Directors for consideration as follows:

1. To adjust the good corporate governance policy to suit the company within the framework of laws, rules and regulations of regulators such as the Stock Exchange of Thailand, Securities and Exchange Commission, Office of the Insurance Commission (OIC), relevant agencies as well as guidelines for good corporate governance according to international standards for submission to the Board of Directors approval.
2. To review the practice as good corporate governance in order to comply with the company's good corporate governance policy and international standard practice guidelines as well as laws, rules, regulations and company business. To prepare an annual good corporate governance assessment report for the Board of Directors as well as to propose opinions and suggestions for improvement as appropriate
3. To supervise and recommend to directors, management and employees in performing duties and responsibilities as the good corporate governance policy in order to have practical and continuous results.
4. To support and encourage stakeholders to join in compliance with the company's good corporate governance policy.
5. To review the anti-corruption practice in order to comply with the policy and practice of anti-corruption, according to international standard practice as well as laws, rules, regulations and company business.
6. To give advice to the directors and executives in performing duties and responsibilities as the anti-corruption policy and practice in order to have practical and continuous results.

The good corporate governance committee has performed their duties as assigned with prudence and independence regarding to the best interests of company and all stakeholders.

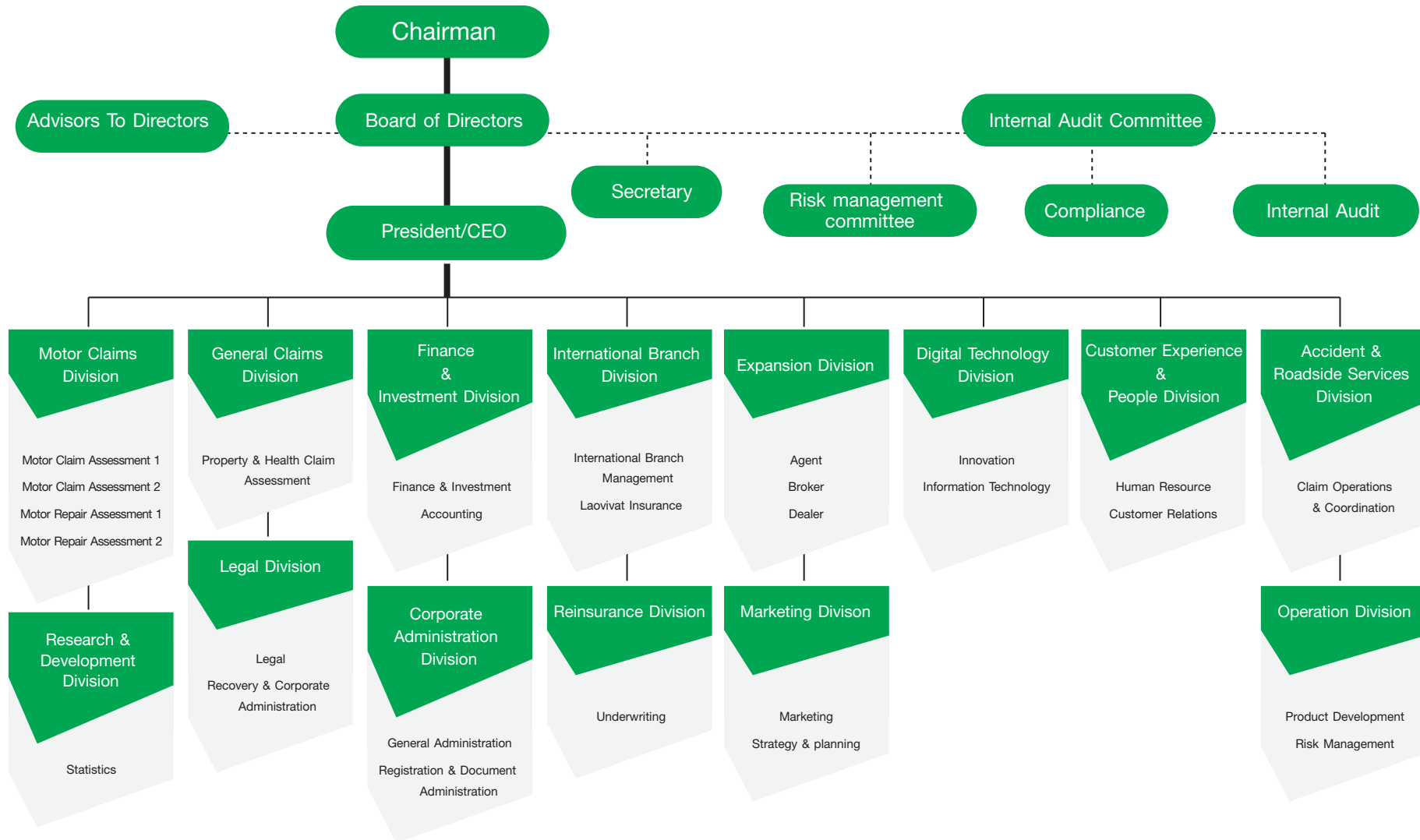


Mrs. Pranee Phasipol

Chairman of the Good Corporate Governance Committee



# Organization Chart



# The Board of Directors

## **Mr. Chalaw Fuangaromya**

**Independent Director, Chairman and Chairman of The Investment Committee**

### **Education**

- B.A. Political Science, Phillips University, USA
- M.A. Political Science, Southern Illinois University, USA
- M.A. Social Science Birmingham University, UK
- The National Defence College (Class 27)
- Director Certification Program (DCP), Thai Institute of Directors (IOD)

### **Work Experience**

- Director-General, Department of Commercial Registration
- Director-General, Department of International Trade Promotion
- Director-General, Department of Business Economics
- Director, Office of Insurance Commission
- Deputy Permanent Secretary, Ministry of Commerce
- Independent Director and Chairman of the Audit Committee, Standard Chartered Bank (Thai) PCL.
- Chairman, Professional Waste Technology (1999) PCL.
- Director of Monitoring and Evaluation, Office of National Broadcasting and Telecommunications Commission
- Director of the Thai Tapioca Development Institute
- Audit Committee, Thai Re Life Assurance PCL.
- Chairman of the Audit Committee, Thaivivat Insurance PCL.

### **Other Current Position(s)**

-

## **Mrs. Pilai Piamphongsarn**

**Independent Director, The Audit Committee, The Nomination and Remuneration Committee**

### **Education**

- B.A. Commerce and Accountancy, Chulalongkorn University
- Certified Public Accountant (CPA) Thailand
- Certified Internal Auditor (CIA) with honour from The Institute of Internal Auditor, Florida USA.
- Director Certification Program (DCP), Thai Institute of Directors (IOD)

### **Work Experience**

- Assistant Governor of Finance and Accounting, Electricity Generating Authority of Thailand
- Director in charge of associated companies under The Electricity Generating PCL.
- Independent Director and the Chairman of Audit Committee, Metro Star Property PCL.
- Advisor, Metro Machinery Co., Ltd.
- Independent Director and the Chairman of Audit Committee, Crown Seal PCL.
- Chairman, Audit and Management Consultant Co., Ltd.

### **Other Current Position(s)**

- Chairman, Audit and Management Consultant Co., Ltd.



**Mr. Phisit Setthawong**

**Independent Director, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee**

**Education**

- B.A. Commerce and Accountancy (with honour), Chulalongkorn University
- M.A. and Ph.D. Economics, Michigan State University, U.S.A.
- Director Accreditation Program (DAP), Thai Institute of Directors (IOD)

**Work Experience**

- Deputy Permanent Secretary, Ministry of Commerce
- Director-General, Department of Internal Trade
- Consultant to Director, the Agricultural Futures Exchange of Thailand
- Audit Committee, Thaivivat Insurance PCL.
- Consultant, Innovation Center Co., Ltd.

**Other Current Position(s)**

-

**Mrs. Pranee Phasipol**

**Independent Director, The Audit Committee, The Investment Committee, Chairman of Corporate Governance Committee**

**Education**

- B.A. Major : Accounting (Second Class Honors), Thammasat University
- M.A. Accounting, Thammasat University
- Diploma, National Defence College, The Joint State - Private Sector Course, Class 2003-2004
- Diploma in Public Law, Batch 9, Thammasat University and The Office of the Council of State
- Top Executive Program in Commerce and Trade, Batch 2, Commerce Academy , UTCC
- Certificate of Civil Service Executive Development Program, Course 1, Batch 30, Office of the Civil Service Commission
- Certificate of Change Management, Ripa International, UK
- Certificate of Distance Learning Course for Insurance Supervisors (Module 2), World Bank
- Certified Public Accountant
- Director Certification Program 10/2001, Thai Institute of Directors
- IOD Chartered Director Class Update 3/2015,
- Audit Committee and Continuing Development Program 20/2010
- Advance Audit Committee Programs
- HRP : Risk Management Plan class 11/2016 (IOD)
- RNG : Role of the Nomination and Governance Committee class 8/2012 (IOD)

**Work Experience**

- Independent Director, Audit Committee, Compensation Committee and Governance and Nomination Committee, Dusit Thani PCL., Tourism & Leisure
- Independent Director, Chairman of The audit committee and Chairman of the Nomination and Compensation Committee, SCI Electric PCL. , Energy
- Member of Foreign Business Commission, Ministry of Commerce
- The audit committee The Support Arts and Crafts International Center of Thailand
- Member of Life Insurance Fund Commission, Life Insurance Fund
- Chairman of Ethics /Committee and Member of CPA Examination Committee, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King
- Qualified Person in Finance and Account, Office of the Civil Service Commission
- Advisory Board, Federation of Accounting Professions under the Royal Patronage of His Majesty the King

**Other Current Position(s)**

- Independent Director, The audit committee, Dusit Thani PCL.
- Independent Director, Chairman of The audit committee and Chairman of the Nomination and Compensation Committee, SCI Electric Manufacturer Co., Ltd.
- Qualified Person in Finance and Account, Office of the Civil Service Commission
- Subcommittee, Federation of Accounting Professions under the Royal Patronage of His Majesty the King



**Mrs. Supaporn Burapakusolsri**

**Independent Director, The Audit Committee and The Corporate Governance Committee**

**Education**

- BA. Accounting (Honors), Thammasat University
- MA. Accounting, Thammasat University
- Certified Public Accountant (CPA), Thailand Registration No. 2800
- Public Economy Management for Senior Executive, Class 7, King Prajadhipok's Institute
- Director Certification Program (DCP) DCP172/2013, IOD
- Director Accreditation Program (DAP) DAP87/2011, IOD
- Role of the Compensation Committee Program (RCC) 13/2011, IOD
- Royal Thai Air Force Air War College (RTAF.AWC.) Class 35, Royal Thai Air Force
- Chief Financial Officer Certification Program Class 4, Federation of Accounting Professions
- Thailand Insurance Leadership Program Class 2 - OIC Advance Insurance Institute
- Strategic Airport Development Program, Germany
- Airport Management Commercial Program, Singapore
- Advance Audit Committee (AACP23/2016), IOD

**Work Experience**

- Director Suvarnabhumi Airport Hotel Company Limited
- Senior Executive Vice President, Planning and Finance Chief Financial Officer (CFO) Airport of Thailand Public Company Limited
- Independent Director, Chairman of the Audit Committee ,Chewathai Company Limited
- Independent Director, Chairman of the Audit Committee, Chairman of Risk Management Committee, Member of Nomination and Remuneration Committee, Member of Corporate Governance Committee, Chewathai Public Company Limited

**Other Current Position(s)**

- Independent Director, Chairman of the Audit Committee, Chairman of Risk Management Committee, Member of Nomination and Remuneration Committee, Member of the Corporate Governance Committee, Chewathai Public Company Limited





## Mr. Jiraphant Asvatanakul

### Director, President & CEO and The Investment Committee

#### Education

- B.A. Economics, Thammasart University, Thailand
- M.P.A. University of Texas at Austin, USA
- Thailand Insurance Leadership Program (Class 1) OIC Advanced Insurance Institute
- The National Defence College (Class 56)
- Top Executive Program in Commerce and Trade, Batch 8, Commerce Academy, UTCC
- Top Executives Program Class 22, Capital Market Academy
- Strategy and Innovation for Business in Asia (SIBA) Class 2, College of Management Mahidol University
- Diploma, National Defence College, The Joint State - Private Sector Course Class 26
- Super Leadership Course of Insurance Technology Class 1 - OIC Advance Insurance Institute
- Director Accreditation Program (DAP), Thai Institute of Directors (IOD)

#### Work Experience

- Member of Voluntary Motor Insurance Tariff Committee, Department of Insurance, Ministry of Commerce
- Director, Aberdeen Asset Management Public Co., Ltd.
- Chief of Thailand Delegate In East Asian Insurance Congress
- Chairman of Asean Insurance Council
- Secretary, Thai General Insurance Association
- President, Thai General Insurance Association
- Director, Policy Protection Fund
- Director The Re Life Assurance PCL.
- Director, Member of the nomination and Remuneration Committee,
- Thai Reinsurance PCL.
- Vice Chairman ,Chairman of The Investment Committee, Road Accident Victims Protection Co., Ltd.
- Director T.I.I. Co., Ltd. (Thailand - Insurance Institute)
- Director Thai Insurer Datanet. Co., Ltd.
- Director Thai General Insurance Association
- President The Federation of Thai Insurance Organizations
- Board Treasurer, Thai Chamber of Commerce
- Secretary General, Thai Chamber of Commerce
- Independent Director, Member of the audit committee, Member of of the nomination and Remuneration Committee, Vichitbhan Palmoil PCL.

#### Other Current Position(s)

- Director, Member of the Nomination and Remuneration Committee, Thai Reinsurance PCL.
- Independent Director, Member of the audit committee, Member of of the nomination and Remuneration Committee, Vichitbhan Palmoil PCL.
- Vice Chairman ,Chairman of The Investment Committee, Road Accident Victims Protection Co., Ltd.
- Director and Advisory Director of Account, Finance and Investment Committee, Thai General Insurance Association
- Director, The Federation of Thai Insurance Organizations
- Vice Chairman, The Thai Chamber of Commerce
- Advisory - Board of Trade of Thailand
- Director , General Insurance Fund
- Chairman –Thai - Iran Business Council
- Director and Treasurer - Thai - Chinese Business Council



**Mr. Thawan Viranont**

**Director, and The Corporate Governance Committee**

**Education**

- B.A. Law, Thammasart University
- Director Accreditation Program (DAP), Thai Institute of Directors (IOD)

**Work Experience**

- Director Legal Department, Thaivivat Insurance PCL.
- Executive Vice President, Thaivivat Insurance PCL.
- Senior Executive Vice President, Thaivivat Insurance PCL.
- Advisor of CEO, Thaivivat Insurance PCL.
- The Nomination and Remuneration Committee, Thaivivat Insurance PCL.

**Other Current Position(s)**

-

**Mrs. Sutepee Asvatanakul**

**Director, Managing Director, CFO and The Nomination and Remuneration Committee**

**Education**

- B.A. Statistic, Thammasat University
- M.B.A. Tarleton State University, USA
- Thailand Insurance Leadership Program (Class 2) OIC Advanced Insurance Institute
- Senior Executive in Business Development, Industry and Investment Class 6, Institute of Business and Industrial Development
- Advance Master of Management Program, AMM Class 5 National Institute of Development Administration
- Director Certification Program (DCP), Thai Institute of Directors

**Work Experience**

- Director Financial Department, Thaivivat Insurance PCL.
- Director and Executive Vice President, Thaivivat Insurance PCL.
- Senior Executive Vice President, Thaivivat Insurance PCL.

**Other Current Position(s)**

-

**Mrs. Sunee Theravithayangkura**

**Director and Company Secretary**

**Education**

- B.A. Law, Thammasart University
- Director Accreditation Program (DAP), Thai Institute of Directors (IOD)

**Work Experience**

- Manager of Recovery Department, Thaivivat Insurance PCL.
- Recovery & Corporate Administration Director, Thaivivat Insurance PCL.
- Company Secretary, Thaivivat Insurance PCL.

**Other Current Position(s)**

-



# The Audit Committee

**Mr. Phisit Setthawong**

**Chairman of the Audit Committee**

**Education**

- B.A. Commerce and Accountancy (with honour), Chulalongkorn University
- M.A. and Ph.D. Economics, Michigan State University, U.S.A.
- Director Accreditation Program (DAP), Thai Institute of Directors (IOD)

**Work Experience**

- Deputy Permanent Secretary, Ministry of Commerce
- Director-General, Department of Internal Trade
- Consultant to Director, the Agricultural Futures Exchange of Thailand
- Audit Committee, Thaivivat Insurance PCL.
- Consultant, Innovation Center Co., Ltd.

**Other Current Position(s)**

-

**Mrs. Pilai Piamphongsarn**

**The Audit Committee**

**Education**

- B.A. Commerce and Accountancy, Chulalongkorn University
- Certified Public Accountant (CPA) Thailand
- Certified Internal Auditor (CIA) with honour from The Institute of Internal Auditor, Florida USA.
- Director Certification Program (DCP), Thai Institute of Directors (IOD)

**Work Experience**

- Assistant Governor of Finance and Accounting, Electricity Generating Authority of Thailand
- Director in charge of associated companies under The Electricity Generating PCL.
- Independent Director and the Chairman of Audit Committee, Metro Star Property PCL.
- Advisor, Metro Machinery Co., Ltd.
- Independent Director and the Chairman of Audit Committee, Crown Seal PCL.
- Chairman, Audit and Management Consultant Co., Ltd.

**Other Current Position(s)**

- Chairman, Audit and Management Consultant Co., Ltd.



**Mrs. Pranee Phasipol**

**The Audit Committee**

**Education**

- B.A. Major : Accounting (Second Class Honors), Thammasat University
- M.A. Accounting, Thammasat University
- Diploma, National Defence College, The Joint State - Private Sector Course, Class 2003-2004
- Diploma in Public Law, Batch 9, Thammasat University and The Office of the Council of State
- Top Executive Program in Commerce and Trade, Batch 2, Commerce Academy, UTCC
- Certificate of Civil Service Executive Development Program, Course 1, Batch 30, Office of the Civil Service Commission
- Certificate of Chang Management, Ripa International, UK
- Certificate of Distance Learning Course for Insurance Supervisors (Module 2), World Bank
- Certified Public Accountant
- Director Certification Program 10/2001, Thai Institute of Directors
- Advance Audit Committee Programs
- HRP : Risk Management Plan class 11/2016 (IOD)
- RNG : Role of the Nomination and Governance Committee class 8/2012 (IOD)

**Work Experience**

- Independent Director, Audit Committee, Compensation Committee and Governance and Nomination Committee, Dusit Thani PCL., Tourism & Leisure
- Independent Director, Chairman of The audit committee and Chairman of the Nomination and Compensation Committee, SCI Electric PCL. , Energy
- Member of Foreign Business Commission, Ministry of Commerce
- The audit committee The Support Arts and Crafts International Center of Thailand
- Member of Life Insurance Fund Commission, Life Insurance Fund
- Chairman of Ethics /Committee and Member of CPA Examination Committee, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King
- Qualified Person in Finance and Account, Office of the Civil Service Commission
- Advisory Board, Federation of Accounting Professions under the Royal Patronage of His Majesty the King

**Other Current Position(s)**

- Independent Director, The audit committee, Dusit Thani PCL.
- Independent Director, Chairman of The audit committee and Chairman of the Nomination and Compensation Committee, SCI Electric Manufacturer Co., Ltd.
- Qualified Person in Finance and Account, Office of the Civil Service Commission
- Subcommittee, Federation of Accounting Professions under the Royal Patronage of His Majesty the King



**Mrs. Supaporn Burapakusolsri**

**The Audit Committee**

**Education**

- B.A. Major : Accounting (Second Class Honors), Thammasat University
- M.A. Accounting, Thammasat University
- Diploma, National Defence College, The Joint State - Private Sector Course, Class 2003-2004
- Diploma in Public Law, Batch 9, Thammasat University and The Office of the Council of State
- Top Executive Program in Commerce and Trade, Batch 2, Commerce Academy, UTCC
- Certificate of Civil Service Executive Development Program, Course 1, Batch 30, Office of the Civil Service Commission
- Certificate of Chang Management, Ripa International, UK
- Certificate of Distance Learning Course for Insurance Supervisors (Module 2), World Bank
- Certified Public Accountant
- Director Certification Program 10/2001, Thai Institute of Directors
- Advance Audit Committee Programs
- HRP : Risk Management Plan class 11/2016 (IOD)
- RNG : Role of the Nomination and Governance Committee class 8/2012 (IOD)

**Work Experience**

- Director Suvarnabhumi Airport Hotel Company Limited
- Senior Executive Vice President, Planning and Finance Chief Financial Officer (CFO) Airport of Thailand Public Company Limited
- Independent Director, Chairman of the Audit Committee ,Chewathai Company Limited
- Independent Director, Chairman of the Audit Committee,Chairman of Risk Management Committee, Member of Nomination and Remuneration Committee, Member of Corporate Governance Committee, Chewathai Public Company Limited

**Other Current Position(s)**

- Independent Director, Chairman of the Audit Committee,Chairman of Risk Management Committee, Member of Nomination and Remuneration Committee, Member of the Corporate Governance Committee, Chewathai Public Company Limited



# The Nomination and Remuneration Committee

**Mr. Phisit Setthawong**

**Chairman of the Nomination and Remuneration Committee**

**Education**

- B.A. Commerce and Accountancy (with honour), Chulalongkorn University
- M.A. and Ph.D. Economics, Michigan State University, U.S.A.
- Director Accreditation Program (DAP), Thai Institute of Directors (IOD)

**Work Experience**

- Deputy Permanent Secretary, Ministry of Commerce
- Director-General, Department of Internal Trade
- Consultant to Director, the Agricultural Futures Exchange of Thailand
- Audit Committee, Thaivivat Insurance PCL.
- Consultant, Innovation Center Co., Ltd.

**Other Current Position(s)**

-

**Mrs. Pilai Piamphongsarn**

**The Nomination and Remuneration Committee**

**Education**

- B.A. Commerce and Accountancy, Chulalongkorn University
- Certified Public Accountant (CPA) Thailand
- Certified Internal Auditor (CIA) with honour from The Institute of Internal Auditor, Florida USA.
- Director Certification Program (DCP), Thai Institute of Directors (IOD)

**Work Experience**

- Assistant Governor of Finance and Accounting, Electricity Generating Authority of Thailand
- Director in charge of associated companies under The Electricity Generating PCL.
- Independent Director and the Chairman of Audit Committee, Metro Star Property PCL.
- Advisor, Metro Machinery Co., Ltd.
- Independent Director and the Chairman of Audit Committee, Crown Seal PCL.
- Chairman, Audit and Management Consultant Co., Ltd.

**Other Current Position(s)**

- Chairman, Audit and Management Consultant Co., Ltd.

**Mrs. Sutepee Asvatanakul**

**The Nomination and Remuneration Committee**

**Education**

- B.A. Statistic, Thammasat University
- M.B.A. Tarleton State University, USA
- Thailand Insurance Leadership Program (Class 2) OIC Advanced Insurance Institute
- Senior Executive in Business Development, Industry and Investment Class 6, Institute of Business and Industrial Development
- Advance Master of Management Program, AMM Class 5 National Institute of Development Administration
- Director Certification Program (DCP), Thai Institute of Directors

**Work Experience**

- Director Financial Department, Thaivivat Insurance PCL.
- Director and Executive Vice President, Thaivivat Insurance PCL.
- Senior Executive Vice President, Thaivivat Insurance PCL.

**Other Current Position(s)**

-



Mrs. Sutepee Asvatanakul

**The Nomination and Remuneration Committee**

**Education**

- B.A. Statistic, Thammasat University
- M.B.A. Tarleton State University, USA
- Thailand Insurance Leadership Program (Class 2) OIC Advanced Insurance Institute
- Senior Executive in Business Development, Industry and Investment Class 6, Institute of Business and Industrial Development
- Advance Master of Management Program, AMM Class 5 National Institute of Development Administration
- Director Certification Program (DCP), Thai Institute of Directors

**Work Experience**

- Director Financial Department, Thaivivat Insurance PCL.
- Director and Executive Vice President, Thaivivat Insurance PCL.
- Senior Executive Vice President, Thaivivat Insurance PCL.

**Other Current Position(s)**

-



# The Investment Committee

**Mr. Chalaw Fuangaromya**

**Chairman of the Investment Committee**

**Education**

- B.A. Political Science, Phillips University, USA
- M.A. Political Science, Southern Illinois University, USA
- M.A. Social Science Birmingham University, UK
- The National Defence College (Class 27)
- Director Certification Program (DCP), Thai Institute of Directors (IOD)

**Work Experience**

- Director-General, Department of Commercial Registration
- Director-General, Department of International Trade Promotion
- Director-General, Department of Business Economics
- Director, Office of Insurance Commission
- Deputy Permanent Secretary, Ministry of Commerce
- Independent Director and Chairman of the Audit Committee, Standard Chartered Bank (Thai) PCL.
- Chairman, Professional Waste Technology (1999) PCL.
- Director of Monitoring and Evaluation, Office of National Broadcasting and Telecommunications Commission
- Director of the Thai Tapioca Development Institute
- Audit Committee, Thai Re Life Assurance PCL.
- Chairman of the Audit Committee, Thaivivat Insurance PCL.

**Other Current Position(s)**

-





**Mrs. Pranee Phasipol**

**The Investment Committee**

**Education**

- B.A. Major : Accounting (Second Class Honors), Thammasat University
- M.A. Accounting, Thammasat University
- Diploma, National Defence College, The Joint State - Private Sector Course, Class 2003-2004
- Diploma in Public Law, Batch 9, Thammasat University and The Office of the Council of State
- Top Executive Program in Commerce and Trade, Batch 2, Commerce Academy, UTCC
- Certificate of Civil Service Executive Development Program, Course 1, Batch 30, Office of the Civil Service Commission
- Certificate of Chang Management, Ripa International, UK
- Certificate of Distance Learning Course for Insurance Supervisors (Module 2), World Bank
- Certified Public Accountant
- Director Certification Program 10/2001, Thai Institute of Directors
- Advance Audit Committee Programs
- HRP : Risk Management Plan class 11/2016 (IOD)
- RNG : Role of the Nomination and Governance Committee class 8/2012 (IOD)

**Work Experience**

- Independent Director, Audit Committee, Compensation Committee and Governance and Nomination Committee, Dusit Thani PCL., Tourism & Leisure
- Independent Director, Chairman of The audit committee and Chairman of the Nomination and Compensation Committee, SCI Electric PCL. , Energy
- Member of Foreign Business Commission, Ministry of Commerce
- The audit committee The Support Arts and Crafts International Center of Thailand
- Member of Life Insurance Fund Commission, Life Insurance Fund
- Chairman of Ethics /Committee and Member of CPA Examination Committee, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King
- Qualified Person in Finance and Account, Office of the Civil Service Commission
- Advisory Board, Federation of Accounting Professions under the Royal Patronage of His Majesty the King

**Other Current Position(s)**

- Independent Director, The audit committee, Dusit Thani PCL.
- Independent Director, Chairman of The audit committee and Chairman of the Nomination and Compensation Committee, SCI Electric Manufacturer Co., Ltd.
- Qualified Person in Finance and Account, Office of the Civil Service Commission
- Subcommittee, Federation of Accounting Professions under the Royal Patronage of His Majesty the King



## Mr. Jiraphant Asvatanakul

### The Investment Committee

#### Education

- B.A. Economics, Thammasart University, Thailand
- M.P.A. University of Texas at Austin, USA
- Thailand Insurance Leadership Program (Class 1) OIC Advanced Insurance Institute
- The National Defence College (Class 56)
- Top Executive Program in Commerce and Trade, Batch 8, Commerce Academy, UTCC
- Top Executives Program Class 22, Capital Market Academy
- Strategy and Innovation for Business in Asia (SIBA) Class 2, College of Management Mahidol University
- Diploma, National Defence College, The Joint State - Private Sector Course Class 26
- Super Leadership Course of Insurance Technology Class 1 - OIC Advance Insurance Institute
- Director Accreditation Program (DAP), Thai Institute of Directors (IOD)

#### Work Experience

- Member of Voluntary Motor Insurance Tariff Committee, Department of Insurance, Ministry of Commerce
- Director, Aberdeen Asset Management Public Co., Ltd.
- Chief of Thailand Delegate In East Asian Insurance Congress
- Chairman of Asean Insurance Council
- Secretary, Thai General Insurance Association
- President, Thai General Insurance Association
- Director, Policy Protection Fund
- Director The Re Life Assurance PCL.
- Director, Member of the nomination and Remuneration Committee,
- Thai Reinsurance PCL.
- Vice Chairman ,Chairman of The Investment Committee, Road Accident Victims Protection Co., Ltd.
- Director T.I.I. Co., Ltd. (Thailand - Insurance Institute)
- Director Thai Insurer Datanet. Co., Ltd.
- Director Thai General Insurance Association
- President The Federation of Thai Insurance Organizations
- Board Treasurer, Thai Chamber of Commerce
- Secretary General, Thai Chamber of Commerce
- Independent Director, Member of the audit committee, Member of of the nomination and Remuneration Committee, Vichitbhan Palmoil PCL.

#### Other Current Position(s)

- Director, Member of the Nomination and Remuneration Committee, Thai Reinsurance PCL.
- Independent Director, Member of the audit committee, Member of of the nomination and Remuneration Committee, Vichitbhan Palmoil PCL.
- Vice Chairman ,Chairman of The Investment Committee, Road Accident Victims Protection Co., Ltd.
- Director and Advisory Director of Account, Finance and Investment Committee, Thai General Insurance Association
- Director, The Federation of Thai Insurance Organizations
- Vice Chairman, The Thai Chamber of Commerce
- Advisory - Board of Trade of Thailand
- Director , General Insurance Fund
- Chairman –Thai - Iran Business Council
- Director and Treasurer - Thai - Chinese Business Council



# The Corporate Governance Committee

**Mrs. Pranee Phasipol**

**Chairman of the Corporate Governance Committee**

## **Education**

- B.A. Major : Accounting (Second Class Honors), Thammasat University
- M.A. Accounting, Thammasat University
- Diploma, National Defence College, The Joint State - Private Sector Course, Class 2003-2004
- Diploma in Public Law, Batch 9, Thammasat University and The Office of the Council of State
- Top Executive Program in Commerce and Trade, Batch 2, Commerce Academy, UTCC
- Certificate of Civil Service Executive Development Program, Course 1, Batch 30, Office of the Civil Service Commission
- Certificate of Chang Management, Ripa International, UK
- Certificate of Distance Learning Course for Insurance Supervisors (Module 2), World Bank
- Certified Public Accountant
- Director Certification Program 10/2001, Thai Institute of Directors
- Advance Audit Committee Programs
- HRP : Risk Management Plan class 11/2016 (IOD)
- RNG : Role of the Nomination and Governance Committee class 8/2012 (IOD)

## **Work Experience**

- Independent Director, Audit Committee, Compensation Committee and Governance and Nomination Committee, Dusit Thani PCL., Tourism & Leisure
- Independent Director, Chairman of The audit committee and Chairman of the Nomination and Compensation Committee, SCI Electric PCL. , Energy
- Member of Foreign Business Commission, Ministry of Commerce
- The audit committee The Support Arts and Crafts International Center of Thailand
- Member of Life Insurance Fund Commission, Life Insurance Fund
- Chairman of Ethics /Committee and Member of CPA Examination Committee, Federation of Accounting Professions Under the Royal Patronage of His Majesty the King
- Qualified Person in Finance and Account, Office of the Civil Service Commission
- Advisory Board, Federation of Accounting Professions under the Royal Patronage of His Majesty the King

## **Other Current Position(s)**

- Independent Director, The audit committee, Dusit Thani PCL.
- Independent Director, Chairman of The audit committee and Chairman of the Nomination and Compensation Committee, SCI Electric Manufacturer Co., Ltd.
- Qualified Person in Finance and Account, Office of the Civil Service Commission
- Subcommittee, Federation of Accounting Professions under the Royal Patronage of His Majesty the King



**Mrs. Supaporn Burapakusolsri**

**The Corporate Governance Committee**

**Education**

- BA. Accounting (Honors), Thammasat University
- MA. Accounting, Thammasat University
- Certified Public Accountant (CPA), Thailand Registration No. 2800
- Public Economy Management for Senior Executive, Class 7, King Prajadhipok's Institute
- Director Certification Program (DCP) DCP172/2013, IOD
- Director Accreditation Program (DAP) DAP87/2011, IOD
- Role of the Compensation Committee Program (RCC) 13/2011, IOD
- Royal Thai Air Force Air War College (RTAF.AWC.) Class 35, Royal Thai Air Force
- Chief Financial Officer Certification Program Class 4, Federation of Accounting Professions
- Thailand Insurance Leadership Program Class 2 - OIC Advance Insurance Institute
- Strategic Airport Development Program, Germany
- Airport Management Commercial Program, Singapore
- Advance Audit Committee (AACP23/2016), IOD

**Work Experience**

- Director Suvarnabhumi Airport Hotel Company Limited
- Senior Executive Vice President, Planning and Finance Chief Financial Officer (CFO) Airport of Thailand Public Company Limited
- Independent Director, Chairman of the Audit Committee ,Chewathai Company Limited
- Independent Director, Chairman of the Audit Committee, Chairman of Risk Management Committee, Member of Nomination and Remuneration Committee, Member of Corporate Governance Committee, Chewathai Public Company Limited

**Other Current Position(s)**

- Independent Director, Chairman of the Audit Committee, Chairman of Risk Management Committee, Member of Nomination and Remuneration Committee, Member of the Corporate Governance Committee, Chewathai Public Company Limited

**Mr. Thawan Viranont**

**The Corporate Governance Committee**

**Education**

- B.A. Law, Thammasart University
- Director Accreditation Program (DAP), Thai Institute of Directors (IOD)

**Work Experience**

- Director Legal Department, Thaivivat Insurance PCL.
- Executive Vice President, Thaivivat Insurance PCL.
- Senior Executive Vice President, Thaivivat Insurance PCL.
- Advisor of CEO, Thaivivat Insurance PCL.
- The Nomination and Remuneration Committee, Thaivivat Insurance PCL.

**Other Current Position(s)**

-



# The Executive

**Mr. Jiraphant Asvatanakul**

**CEO & President**

**Date Attended**

July 1984

**Education**

- B.A. Economics, Thammasart University, Thailand
- M.P.A. University of Texas at Austin, USA

**Mrs. Sutepee Asvatanakul**

**Managing Director, CFO**

**Date Attended**

July 1986

**Education**

- B.A. Statistic, Thammasat University
- M.B.A. Tarlenton State University, USA

**Mr. Praphid Dhiraprayudti**

**Senior Executive Vice President**

**Date Attended**

June 1981

**Education**

- B.A. Economics, Ramkhamhang University

**Mr. Suraphong Theravithayangkura**

**Senior Executive Vice President**

**Date Attended**

August 1986

**Education**

- B.B.A. Business Administration, Hanover College, USA
- M.B.A. Southwest Texas State University, USA

**Ms. Janejira Asvatanakul**

**Senior Executive Vice President**

**Date Attended**

December 2013

**Education**

- B.S. Nutritional Science, Pepperdine University, USA
- M.S. Nutrition and Dietetics, Case Western Reserve University, USA



**Mr. Thepphan Asvatanakul**  
**Senior Executive Vice President**  
**Date Attended**  
June 2016

**Education**

- B.S. Industrial Engineering, Economics (2nd major), Northwestern University, USA
- M.B.A. Wharton, University of Pennsylvania, USA

**Mr. Pimol Chantaveerakul**  
**Vice President, Claims Operations and Coordination**  
**Date Attended**  
October 1997

**Education**

- B.S. Engineer, King Mongkut's University of Technology Thonburi

**Mr. Somkrit Surachewakit**  
**Vice President, Agent & Broker**  
**Date Attended**  
May 1990

**Education**

- B.B.A. Marketing, Bansomdejchopraya Rajabhat University

**Mr. Chalernpol Saiprasert**  
**Senior Vice President**  
**Date Attended**  
November 2017

**Education**

- B.Eng. Electrical Engineering University of Dundee
- M.Sc Electrical Engineering Imperial college University of London
- Ph.D Electrical Engineering Imperial college University of London



# Business Characteristics

## **Thaivivat Insurance Public Co., Ltd.**

THAIVIVAT INSURANCE PUBLIC COMPANY LIMITED, established in 1951, with non-life insurance as its core business. The head office is located in Bangkok and 29 regional offices service customers throughout the Kingdom. The company's customer base consists of both individuals and corporate clients. The Company offers a complete range of insurance products and services which can be categorized as follows:

### **Fire Insurance**

The Company offers a wide range of fire policies, covering damages to insured property caused by fire, lighting or explosion, where the explosion is brought about by gas or boilers not used for industrial purposes.

### **Motor Insurance**

Offering both compulsory and voluntary insurance, this product category became the Company's main business line.

### **Marine Cargo Insurance**

The Company offers all clauses of the international standard insurance policy which provides coverage for damage to the insured goods during the transportation from one location to another, by sea, air and over land.

### **Miscellaneous Insurance**

Besides the above listed main categories, the Company offers a variety of other non-life insurance products. Grouped together under miscellaneous insurance, each of these product lines has been carefully developed to ensure the same dedicated level of service expected from the Company. They include :

- Personal Accident Insurance
- Travel Insurance
- Health Insurance
- Burglary Insurance
- Liability Insurance

### **Reinsurance**

In addition to offering the complete range of insurance products to consumers directly, the company also provides reinsurance to other insurance companies



# Independent Auditor's Report

Independent Auditor's Report  
To the Shareholders of Thavivat Insurance Public Company Limited

## Opinion

I have audited the accompanying consolidated financial statements of Thavivat Insurance Public Company Limited and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Thavivat Insurance Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thavivat Insurance Public Company Limited and its subsidiary and of Thavivat Insurance Public Company Limited as at 31 December 2020, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

## Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions 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 premiums recognition

In 2020, the Group had revenue from insurance premiums amounting to Baht 5,986 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 the recognition of insurance premiums with respect to the amount and appropriate timing.





I have gained an understanding, 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 to gain an understanding and selecting representative samples to test the operation of the designed controls with respect to the amount and timing of revenue recognition in financial statements. In addition, I selected representative samples of insurance policies and related supporting documents to assess whether revenue recognition was consistent with conditions specified in the insurance policies and whether it was in compliance with the Group's policy. 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 Group. Moreover, I performed analytical procedures to compare insurance premiums recognised throughout the period and examined 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 highly significant to the financial statements. As at 31 December 2020, the Company and its subsidiary had claim reserves and outstanding claims amounted to Baht 1,973 million (representing 30 percent of total liabilities). Claim reserves and outstanding claims included 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 the claim reserves and outstanding claims refundable from reinsurers which were also calculated by the Company's management using actuarial techniques. As at 31 December 2020, the Company and its subsidiary had claim reserves and outstanding claims refundable from reinsurers amounting to Baht 184 million.

I gained an understanding, 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. I selected, on a sampling basis, data used by the actuary in calculating claim reserves, performed random test on 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 in the accounts, assessed the assumptions and methods used in the calculation, tested the data used by the actuary, and compared the assumptions to those used in the prior year. Moreover, I reviewed the estimates of claim reserves and outstanding claims refundable from reinsurers.

#### **Other Information**

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group 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 Group, 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 Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.



I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Somjai Khunapasut  
Certified Public Accountant (Thailand) No. 4499

EY Office Limited  
Bangkok: 25 February 2021



# Statements of Financial Position

As at 31 December 2020

(Unit: Baht)

	Note	Consolidated Financial Statements		Separate Financial Statements	
		2020	2019	2020	2019
<b>Assets</b>					
Cash and cash equivalents	8	332,677,458	225,295,248	329,948,597	224,224,888
Premium receivables	9	754,286,829	610,378,090	754,057,612	610,196,971
Accrued investment income		14,108,255	12,103,543	12,141,460	5,409,833
Reinsurance assets	10	427,847,412	527,108,655	427,847,412	527,108,655
Receivables from reinsurance contracts	11	178,405,004	149,908,416	179,804,575	151,801,003
Financial assets - debt instruments	12	3,865,601,145	-	3,819,936,601	-
Financial assets - equity instruments	13	695,222,022	-	695,222,022	-
Investments in securities	14	-	3,778,639,103	-	3,737,657,770
Loans and interest receivables	16	6,231,917	7,698,362	6,231,917	7,698,362
Investment in subsidiary	17	-	-	67,200,000	67,200,000
Property, buildings and equipment	18	332,452,239	327,892,411	331,043,296	325,866,086
Right-of-use assets	19	3,340,598	-	-	-
Goodwill		16,800,000	16,320,000	-	-
Intangible assets - computer software	20	15,966,544	10,024,009	15,966,544	10,014,112
Deferred tax assets	21	179,924,636	116,754,455	179,924,636	116,754,455
Other assets	22	1,022,435,376	748,596,970	1,023,417,464	749,438,168
<b>Total assets</b>		<b>7,845,299,435</b>	<b>6,530,719,262</b>	<b>7,842,742,136</b>	<b>6,533,370,303</b>
<b>Liabilities and equity</b>					
<b>Liabilities</b>					
Insurance contract liabilities	23	5,023,161,995	3,828,683,263	5,019,917,126	3,825,739,637
Amount due to reinsurers	24	459,782,660	470,390,892	459,782,660	470,390,892
Income tax payable		32,539,311	12,727,431	32,539,311	12,727,431
Employee benefit obligations	25	116,778,057	122,473,024	116,778,057	122,473,024
Other liabilities	26	867,278,655	782,871,589	862,782,793	781,991,597
<b>Total liabilities</b>		<b>6,499,540,678</b>	<b>5,217,146,199</b>	<b>6,491,799,947</b>	<b>5,213,322,581</b>
<b>Equity</b>					
Share capital					
Registered					
303,000,000 ordinary shares of Baht 1 each		303,000,000	303,000,000	303,000,000	303,000,000
Issued and paid-up					
303,000,000 ordinary shares of Baht 1 each		303,000,000	303,000,000	303,000,000	303,000,000
Premium on share capital		163,800,007	163,800,007	163,800,007	163,800,007
Retained earnings					
Appropriated - statutory reserve	27	30,300,000	30,300,000	30,300,000	30,300,000
Unappropriated		690,278,577	666,821,079	698,357,966	674,335,746
Other components of equity					
Surplus on changes in value of investments	15	155,484,216	148,611,969	155,484,216	148,611,969
Exchange differences on translation of financial statements in foreign currency		(10,669,013)	(12,281,594)	-	-
Equity attributable to shareholders of the Company		1,332,193,787	1,300,251,461	1,350,942,189	1,320,047,722
Non-controlling interests of the subsidiary		13,564,970	13,321,602	-	-
<b>Total equity</b>		<b>1,345,758,757</b>	<b>1,313,573,063</b>	<b>1,350,942,189</b>	<b>1,320,047,722</b>
<b>Total liabilities and equity</b>		<b>7,845,299,435</b>	<b>6,530,719,262</b>	<b>7,842,742,136</b>	<b>6,533,370,303</b>
		-	-	-	-

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

# Statements of Comprehensive Income

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated Financial Statements		Separate Financial Statements	
		2020	2019	2020	2019
<b>Profit or loss:</b>					
<b>Income</b>					
Gross premium written		5,985,825,664	4,809,543,733	5,982,238,201	4,806,271,867
Less: Premium ceded to reinsurers		(648,956,292)	(984,809,807)	(648,956,292)	(984,809,807)
Net premium written		5,336,869,372	3,824,733,926	5,333,281,909	3,821,462,060
Less: Unearned premium reserves increase from prior year		(796,568,660)	(358,140,199)	(796,614,904)	(357,458,942)
Net earned premium		4,540,300,712	3,466,593,727	4,536,667,005	3,464,003,118
Fee and commission income		140,375,724	269,682,980	140,375,724	269,682,980
Net investment income	28	71,459,090	82,227,469	68,628,108	79,606,485
Gain (loss) on financial instruments	29	(19,089,551)	37,082,739	(19,089,551)	37,082,739
Gain (loss) on fair value adjustments of financial instruments	30	(47,426,363)	17,415,831	(47,426,363)	17,415,831
Other income		8,024,211	14,536,176	8,280,378	14,550,576
<b>Total income</b>		<b>4,693,643,823</b>	<b>3,887,538,922</b>	<b>4,687,435,301</b>	<b>3,882,341,729</b>
<b>Expenses</b>					
Claims and loss adjustment expenses		3,191,825,864	2,824,319,461	3,189,298,685	2,821,264,555
Less: Claim recovered from reinsurers		(489,282,193)	(750,886,817)	(489,282,193)	(750,886,817)
Commission and brokerage expenses		942,171,843	771,669,316	941,725,965	771,198,910
Other underwriting expenses	31	351,881,336	364,102,676	351,538,801	363,868,396
Operating expenses		597,767,468	542,194,271	594,250,242	536,825,491
Financial cost	33	109,456	-	-	-
Expected credit loss		3,149,598	-	3,113,252	-
<b>Total expenses</b>		<b>4,597,623,372</b>	<b>3,751,398,907</b>	<b>4,590,644,752</b>	<b>3,742,270,535</b>
<b>Profit before income tax</b>		<b>96,020,451</b>	<b>136,140,015</b>	<b>96,790,549</b>	<b>140,071,194</b>
Income tax expenses	21	(18,350,934)	(23,982,705)	(18,350,934)	(23,982,705)
<b>Profit for the year</b>		<b>77,669,517</b>	<b>112,157,310</b>	<b>78,439,615</b>	<b>116,088,489</b>

# Statements of Comprehensive Income (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Note	Consolidated Financial Statements		Separate Financial Statements	
		2020	2019	2020	2019
<b>Other comprehensive income:</b>					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Exchange differences on translation of financial statements in foreign currency (loss)		2,097,974	(7,440,362)	-	-
Gain on changes in value of available-for-sale investments		-	29,974,056	-	29,974,056
Gain on change in value of debt instruments measured at fair value through other comprehensive income		10,264,521	-	10,264,521	-
Income tax effect		(2,052,904)	(5,994,811)	(2,052,904)	(5,994,811)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		10,309,591	16,538,883	8,211,617	23,979,245
Other comprehensive income not to be reclassified to profit or loss in subsequent periods					
Loss on change in value of equity instruments designed at fair value through other comprehensive income		(167,618,707)	-	(167,618,707)	-
Actuarial gain (loss)		3,297,492	(8,967,720)	3,297,492	(8,967,720)
Income tax effect		32,864,243	1,793,544	32,864,243	1,793,544
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods (loss)		(131,456,972)	(7,174,176)	(131,456,972)	(7,174,176)
<b>Other comprehensive income for the year - net of income tax (loss)</b>		<b>(121,147,381)</b>	<b>9,364,707</b>	<b>(123,245,355)</b>	<b>16,805,069</b>
<b>Total comprehensive income for the year (loss)</b>		<b>(43,477,864)</b>	<b>121,522,017</b>	<b>(44,805,740)</b>	<b>132,893,558</b>
<b>Profit for the year attributable to:</b>					
Equity holders of the Company		77,900,547	113,336,664	78,439,615	116,088,489
Non-controlling interests of the subsidiary (loss)		(231,030)	(1,179,354)		
		77,669,517	112,157,310		
<b>Total comprehensive income for the year attributable to:</b>					
Equity holders of the Company (loss)		(43,732,227)	124,357,480	(44,805,740)	132,893,558
Non-controlling interests of the subsidiary (loss)		254,363	(2,835,463)		
		(43,477,864)	121,522,017		
<b>Earnings per share</b>					
<b>35</b>					
Basic earnings per share					
Profit attributable to equity holders of the Company		0.26	0.37	0.26	0.38

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

# Statements of Cash Flows

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated Financial Statements		Separate Financial Statements	
	2020	2019	2020	2019
<b>Cash flows from (used in) operating activities</b>				
Direct premium written	5,608,660,040	4,750,562,325	5,603,273,806	4,744,554,273
Cash paid for reinsurance	(37,460,113)	(40,944,483)	(35,951,160)	(40,249,910)
Interest income	40,145,068	30,984,911	32,392,601	30,822,155
Dividend income	29,550,891	50,794,962	29,550,891	50,794,962
Other investment income	1,423,690	2,238,390	1,423,690	2,238,390
Other income	6,516,941	11,979,600	6,518,984	11,988,850
Claim incurred on direct insurance	(2,640,984,536)	(2,541,349,378)	(2,638,448,740)	(2,538,691,228)
Loss adjustment expenses on direct insurance	(53,577,955)	(52,330,351)	(53,543,575)	(52,292,555)
Commission and brokerage on direct insurance	(938,882,013)	(765,821,463)	(938,038,427)	(764,884,073)
Other underwriting expenses	(348,737,531)	(361,998,100)	(348,394,996)	(361,763,820)
Operating expenses	(577,613,283)	(458,547,823)	(575,462,508)	(456,177,108)
Income tax	(64,205,499)	(55,929,580)	(64,205,499)	(55,929,580)
Investments in securities	-	(618,505,688)	-	(618,505,688)
Loans	-	(530,272)	-	(530,272)
Deposits at financial institutions	-	142,945,572	-	142,945,572
Cash flow from financial assets	6,114,023,028	-	6,114,023,028	-
Cash used in financial assets	(6,930,693,878)	-	(6,927,193,878)	-
<b>Net cash from operating activities</b>	<b>208,164,850</b>	<b>93,548,622</b>	<b>205,944,217</b>	<b>94,319,968</b>
<b>Cash flows from (used in) investing activities</b>				
Cash paid for purchases of property, buildings and equipment	(32,351,212)	(35,425,513)	(32,348,985)	(35,056,622)
Cash paid for purchase of intangible assets.	(7,894,623)	(1,967,763)	(7,894,623)	(1,967,763)
Cash receipt from disposals of equipment	889,762	230,541	889,762	209,264
<b>Net cash used in investing activities</b>	<b>(39,356,073)</b>	<b>(37,162,735)</b>	<b>(39,353,846)</b>	<b>(36,815,121)</b>
<b>Cash flows from (used in) financial activities</b>				
Repayment of lease liabilities	(541,740)	-	-	-
Dividend paid	(60,599,980)	(60,600,000)	(60,599,980)	(60,600,000)
<b>Net cash used in financial activities</b>	<b>(61,141,720)</b>	<b>(60,600,000)</b>	<b>(60,599,980)</b>	<b>(60,600,000)</b>
<b>Translation adjustments</b>	<b>31,481</b>	<b>(257,567)</b>	<b>-</b>	<b>-</b>
<b>Unrealised exchange rate change</b>	<b>(90,058)</b>	<b>-</b>	<b>(90,058)</b>	<b>-</b>
<b>Allowance for expected credit loss</b>	<b>(226,270)</b>	<b>-</b>	<b>(176,624)</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>107,382,210</b>	<b>(4,471,680)</b>	<b>105,723,709</b>	<b>(3,095,153)</b>
Cash and cash equivalents at beginning of year	225,295,248	229,766,928	224,224,888	227,320,041
<b>Cash and cash equivalents at end of year</b>	<b>332,677,458</b>	<b>225,295,248</b>	<b>329,948,597</b>	<b>224,224,888</b>

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

# Statements of Changes in Equity

For the year ended 31 December 2020

(Unit: Baht)

	Consolidated financial statements											
	Equity attributable to equity holders of the Company				Other components of equity							
	Retained earnings				Surplus on changes in fair value of investments			Exchange differences on translation of financial statements in foreign currency	Total equity attributable to shareholders of the Company	Equity attributable to non-controlling interests of the subsidiary	Total equity	
	Issued and paid-up share capital	Premium on share capital	Appropriated - statutory reserve	Unappropriated	Debt instruments measured at fair value through other comprehensive income	Equity instruments designed at fair value through other comprehensive income	Available-for-sale investments					Total
<b>Balance as at 1 January 2019</b>	303,000,000	163,800,007	30,300,000	621,258,591	-	-	124,632,724	124,632,724	(6,497,341)	1,236,493,981	16,157,065	1,252,651,046
Profit (loss) for the year	-	-	-	113,336,664	-	-	-	-	-	113,336,664	(1,179,354)	112,157,310
Other comprehensive income for the year (loss)	-	-	-	(7,174,176)	-	-	23,979,245	23,979,245	(5,784,253)	11,020,816	(1,656,109)	9,364,707
Total comprehensive income for the year (loss)	-	-	-	106,162,488	-	-	23,979,245	23,979,245	(5,784,253)	124,357,480	(2,835,463)	121,522,017
Dividend paid during the year (Note 36)	-	-	-	(60,600,000)	-	-	-	-	-	(60,600,000)	-	(60,600,000)
<b>Balance as at 31 December 2019</b>	<u>303,000,000</u>	<u>163,800,007</u>	<u>30,300,000</u>	<u>666,821,079</u>	<u>-</u>	<u>-</u>	<u>148,611,969</u>	<u>148,611,969</u>	<u>(12,281,594)</u>	<u>1,300,251,461</u>	<u>13,321,602</u>	<u>1,313,573,063</u>
<b>Balance as at 1 January 2020</b>	303,000,000	163,800,007	30,300,000	666,821,079	-	-	148,611,969	148,611,969	(12,281,594)	1,300,251,461	13,321,602	1,313,573,063
Cumulative effect of changes in accounting policy (note 4)	-	-	-	449,159	9,191,207	275,246,136	(148,611,969)	135,825,374	-	136,274,533	(10,995)	136,263,538
<b>Balance as at 1 January 2020 - as restated</b>	303,000,000	163,800,007	30,300,000	667,270,238	9,191,207	275,246,136	-	284,437,343	(12,281,594)	1,436,525,994	13,310,607	1,449,836,601
Profit (loss) for the year	-	-	-	77,900,547	-	-	-	-	-	77,900,547	(231,030)	77,669,517
Other comprehensive income for the year (loss)	-	-	-	2,637,994	8,211,617	(134,094,966)	-	(125,883,349)	1,612,581	(121,632,774)	485,393	(121,147,381)
Total comprehensive income for the year (loss)	-	-	-	80,538,541	8,211,617	(134,094,966)	-	(125,883,349)	1,612,581	(43,732,227)	254,363	(43,477,864)
Transfer to retained earning (Note 13)	-	-	-	3,069,778	-	(3,069,778)	-	(3,069,778)	-	-	-	-
Dividend paid during the year (Note 36)	-	-	-	(60,599,980)	-	-	-	-	-	(60,599,980)	-	(60,599,980)
<b>Balance as at 31 December 2020</b>	<u>303,000,000</u>	<u>163,800,007</u>	<u>30,300,000</u>	<u>690,278,577</u>	<u>17,402,824</u>	<u>138,081,392</u>	<u>-</u>	<u>155,484,216</u>	<u>(10,669,013)</u>	<u>1,332,193,787</u>	<u>13,564,970</u>	<u>1,345,758,757</u>

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



# Statements of Changes in Equity (continued)

For the year ended 31 December 2020

(Unit: Baht)

	Separate financial statements								
	Retained earnings				Other components of equity - surplus on changes in value of investments				
					Debt instruments measured at fair value through other comprehensive income	Equity instruments designed at fair value through other comprehensive income	Available-for-sale investments	Total	Total equity
Issued and paid-up share capital	Premium on share capital	Appropriated - statutory reserve	Unappropriated						
<b>Balance as at 1 January 2019</b>	303,000,000	163,800,007	30,300,000	626,021,433	-	-	124,632,724	124,632,724	1,247,754,164
Profit for the year	-	-	-	116,088,489	-	-	-	-	116,088,489
Other comprehensive income for the year	-	-	-	(7,174,176)	-	-	23,979,245	23,979,245	16,805,069
Total comprehensive income for the year	-	-	-	108,914,313	-	-	23,979,245	23,979,245	132,893,558
Dividend paid during the year (Note 36)	-	-	-	(60,600,000)	-	-	-	-	(60,600,000)
<b>Balance as at 31 December 2019</b>	<b>303,000,000</b>	<b>163,800,007</b>	<b>30,300,000</b>	<b>674,335,746</b>	<b>-</b>	<b>-</b>	<b>148,611,969</b>	<b>148,611,969</b>	<b>1,320,047,722</b>
<b>Balance as at 1 January 2020</b>	<b>303,000,000</b>	<b>163,800,007</b>	<b>30,300,000</b>	<b>674,335,746</b>	<b>-</b>	<b>-</b>	<b>148,611,969</b>	<b>148,611,969</b>	<b>1,320,047,722</b>
Cumulative effect of changes in accounting policy (note 4)	-	-	-	474,813	9,191,207	275,246,136	(148,611,969)	135,825,374	136,300,187
<b>Balance as at 1 January 2020 - as restated</b>	<b>303,000,000</b>	<b>163,800,007</b>	<b>30,300,000</b>	<b>674,810,559</b>	<b>9,191,207</b>	<b>275,246,136</b>	<b>-</b>	<b>284,437,343</b>	<b>1,456,347,909</b>
Profit for the year	-	-	-	78,439,615	-	-	-	-	78,439,615
Other comprehensive income for the year (loss)	-	-	-	2,637,994	8,211,617	(134,094,966)	-	(125,883,349)	(123,245,355)
Total comprehensive income for the year (loss)	-	-	-	81,077,609	8,211,617	(134,094,966)	-	(125,883,349)	(44,805,740)
Transfer to retained earning (Note 13)	-	-	-	3,069,778	-	(3,069,778)	-	(3,069,778)	-
Dividend paid during the year (Note 36)	-	-	-	(60,599,980)	-	-	-	-	(60,599,980)
<b>Balance as at 31 December 2020</b>	<b>303,000,000</b>	<b>163,800,007</b>	<b>30,300,000</b>	<b>698,357,966</b>	<b>17,402,824</b>	<b>138,081,392</b>	<b>-</b>	<b>155,484,216</b>	<b>1,350,942,189</b>

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

# Notes to financial statements

For the year ended 31 December 2020

## 1. General information

### 1.1 Company information

Thaivivat Insurance Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in non-life insurance. The registered office of the Company is at 71 Thaivivat Insurance Building, Dindaeng Road, Samsen Nai, Phayathai, Bangkok.

### 1.2 Coronavirus disease 2019 Pandemic

The COVID-19 outbreak is continuing to evolve and affect to various business sectors whether directly or indirectly, resulting in an economic slowdown and significant volatility of money and capital market. This situation may causes uncertainty and may impact the Company’s financial position and operating results in the future. The Group’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

### 2.1 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 the 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 the Thai language financial statements.



## 2.2 Basis for consolidation financial statements

- (a) The consolidated financial statements include the financial statements of Thaivivat Insurance Public Company Limited (“the Company”) and the following subsidiary (“the Group”):

Company’s name	Nature of business	Country of incorporation	Percentage of shareholding	
			2020	2019
			Percent	Percent
Laovivat Insurance Co., Ltd.	Non-life insurance	Lao PDR	70.0	70.0

- (b) The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.
- (c) The financial statements of the subsidiary is prepared using the same significant accounting policies as the Company.
- (d) The assets and liabilities in the financial statements of overseas subsidiary company are translated to Baht using the exchange rate prevailing on the end of reporting period, and revenues and expenses translated using monthly average exchange rates. The resulting differences are shown under the caption of “Exchange differences on translation of financial statements in foreign currency” in the statements of changes in equity.
- (e) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
- (f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

## 2.3 Basis for preparation of separate financial statements

The separate financial statements present investments in subsidiary 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 and its subsidiary have adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal year beginning on or after 1 January 2020. 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, except for the new standards involve changes to key principles, which are summarised below:

##### Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7                                      Financial Instruments: Disclosures

TFRS 9                                      Financial Instruments

Accounting standard:

TAS 32                                      Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16                                    Hedges of a Net Investment in a Foreign Operation

TFRIC 19                                    Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model, calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

## **Accounting Guidance related to financial instruments and disclosures applicable to insurance business**

Accounting Guidance related to financial instruments and disclosures applicable to insurance business was issued to comply with TFRS 4 (revised 2019) Insurance contracts, which allows insurers who meet certain criteria stipulated in this TFRS to delay adoption of TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures, and to adopt the Accounting Guidance related to financial instruments and disclosures applicable to insurance business instead the adoption of TFRS 9 and TFRS 7 for the financial reporting period beginning before 1 January 2023 or before the effective date of TFRS 17 Insurance Contracts.

The Company's management has decided that, even though the Company meets the criteria stipulated in TFRS 4 enabling it to use Financial reporting standards related to financial instruments, it would be more appropriate to adopt and decided to adopt the Financial reporting standards related to financial instruments. There will be impact to the Company's financial statements from the adoption of this standard as follows:

### Classification and measurement of financial assets

#### Financial assets - debt instruments

The Company classifies financial assets - debt instruments as financial assets that are subsequently measured at either amortised cost or fair value in accordance with the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, based the facts and circumstances as of the date these financial reporting standards were initially adopted. Classifications are as follows:

- Financial assets are measured at amortised cost, when both of the following conditions are met: the financial asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets are measured at fair value through other comprehensive income, when both of the following conditions are met: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Financial assets are measured at fair value through profit or loss, when the financial asset is held within a business model whose objective is not to hold assets in order to collect contractual cash flows, or the contractual terms of the financial assets represent contractual cash flows that are not solely payments of principal and interest on the principal amount outstanding.

#### Financial assets - equity instruments

All investments in equity instruments are measured at fair value in the statement of financial position. The Company classifies equity instruments as financial assets measured at fair value through other comprehensive income, except for items that are classified as financial assets measured at fair value through profit or loss in accordance with the Company's investment policy.

The Company's management reviewed and assessed existing financial assets as at 1 January 2020, based on the facts and circumstances that existed at that date, and concluded that the following significant changes were required to classification and measurement of the Company's financial assets.

- Terminated the former classification of investments in debt securities as trading, available-for-sale, and held-to-maturity, and investments in equity securities as trading, available-for-sale and general investments.
- Classified all investments in held-to-maturity debt securities as financial assets measured at amortised cost.
- Classified and measured investments in available-for-sale debt securities that were measured at fair value through other comprehensive income as financial assets measured at fair value through profit or loss and financial assets measured at other comprehensive income. The reclassification are also required to reclassify surplus (deficit) on changes in fair value of available-for-sale securities that reclassified to be investments measured at fair value through profit or loss to recognise in retained earnings.
- Classified and measured investments in equity instruments of non-listed companies as financial assets measured at fair value through other comprehensive income.
- Classified and measured investments in available-for-sale equity securities of listed companies that were measured at fair value through other comprehensive income as financial assets measured at fair value through other comprehensive income, as before.
- Classified and measured of investments in trading debt securities and listed equity securities that were measured at fair value through profit or loss as financial assets measured at fair value through profit or loss, as before.

- Classified loans and claim receivables from litigants as financial assets measured at amortised cost.

#### Classification and measurement of financial liabilities

The adoption of these standards does not have any significant impact on classification and measurement of the Company's financial liabilities. The Company still classify financial liabilities to be amortise cost.

#### Impairment of financial assets

The adoption of TFRS 9 requires the Company to move from incurred loss provisioning, under previous accounting policy, to expected loss provisioning by recognising an allowance for expected credit loss on its financial assets and it is no longer necessary for a credit - impact event to have occurred. The Company considers to adopt the general approach and simplified approach to determine expected credit loss on financial assets.

#### Transition

The Company initially adopted these standards whereby the adjustment of the cumulative effect was made against retained earnings or other components of equity as at 1 January 2020, and the comparative information was not restated. Therefore, the presentation of items of the year 2019 is not comparable with the financial statements of the year 2020.

The cumulative effect of the changes in accounting policy is described in Note 4 to financial statements.

#### **TFRS 16 Leases**

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases adopting the same principles as those of TAS 17.

The Company initially adopted these financial reporting standards whereby the adjustment of the cumulative effect is recognised as an adjustment to the retained earnings as at 1 January 2020 (if any), and the comparative information was not restated.

The cumulative effect of the changes is described in Note 4 to financial statements.

## **Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy**

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, such as Covid-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the Bank of Thailand (“BOT”) No. BOT.RPD.(23)C. 276/2563 “Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy” and the circular of the BOT No. BOT.RPD.(01)C. 380/2563 “Measures to provide additional assistance to debtors during the Covid-19 situation” or any other measures announced by the BOT. Such entities include credit card business, business providing loans secured against vehicle registrations, personal loan business under the supervision of the BOT and certain entities not under the supervision of the BOT, such as leasing, hire-purchase, motorcycle hire-purchase and factoring business. Entities providing assistance to debtors in accordance with the BOT’s measures and electing to apply this Accounting Guidance have to apply all temporary relief measures in this Guidance.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for entities providing assistance to debtors impacted by such situations that affect the Thai economy during the period from 1 January 2020 to 31 December 2021 or until the BOT makes changes, with which the entity is to comply.

The Company did not adopt this accounting guidance since it was not applicable to the Company’s business.

## **Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic**

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.



During the period from the first quarter to the third quarter of 2020, the Company elected to apply the temporary relief measures on accounting alternatives relating to measurement of the fair value of investments in non-listed equity instruments as of the period end date by using the fair value as at 1 January 2020.

In the fourth quarter of 2020, the Company assessed the impact and decided to discontinue the applying of the temporary relief measures, and then measured the fair value of investments in non-listed equity instruments as at year-end at fair value.

### **3.2 Financial reporting standards that will become effective for fiscal year beginning on or after 1 January 2021**

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal year 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 management of the Company has evaluated that these standards do not have any significant impact on the Company's financial statements in the year when they are adopted.

### **4. Cumulative effects of changes in accounting policies due to the adoption of new financial reporting standards**

As described in Note 3.1 to financial statements, during the current year, the Group has adopted the financial reporting standards related to financial instruments and TFRS 16. The cumulative effect of initially applying these standards is recognised as an adjustment to retained earnings and other components of equity as at 1 January 2020. Therefore, the comparative information was not restated.

The impacts on the beginning balance of retained earnings and other components of equity of 2020 from changes in accounting policies due to the adoption of such accounting standards are presented as follows:

(Unit: Baht)

Consolidated financial statements					
31 December 2019	The impacts of			1 January 2020	
	Financial reporting standards related to financial instruments		TFRS 16		
	Classification	Measurement			
<b>Statements of financial position</b>					
<b>Assets</b>					
Cash and cash equivalents	225,295,248	-	(157,933)	-	225,137,315
Financial assets					
- debt instruments	-	3,142,058,487	(520,630)	-	3,141,537,857
Financial assets					
- equity instruments	-	636,580,616	171,017,148	-	807,597,764
Investments in securities	3,778,639,103	(3,778,639,103)	-	-	-
Right-of-use assets	-	-	-	3,744,406	3,744,406
Deferred tax assets	116,754,455	-	(34,075,047)	-	82,679,408
<b>Liabilities</b>					
Other liabilities - Lease liabilities	-	-	-	3,744,406	3,744,406
<b>Equity</b>					
Retained earnings - unappropriated	666,821,079	1,942,137	(1,492,978)	-	667,270,238
Other components of equity -					
Surplus on changes in value of investments	148,611,969	(1,942,137)	137,767,511	-	284,437,343
Non-controlling interests of the subsidiary	13,321,602	-	(10,995)	-	13,310,607

(Unit: Baht)

Separate financial statements					
31 December 2019	The impacts of			1 January 2020	
	Financial reporting standards related to financial instruments		TFRS 16		
	Classification	Measurement			
<b>Statements of financial position</b>					
<b>Assets</b>					
Cash and cash equivalents	224,224,888	-	(157,515)	-	224,067,373
Financial assets					
- debt instruments	-	3,101,077,154	(484,399)	-	3,100,592,755
Financial assets					
- equity instruments	-	636,580,616	171,017,148	-	807,597,764
Investments in securities	3,737,657,770	(3,737,657,770)	-	-	-
Deferred tax assets	116,754,455	-	(34,075,047)	-	82,679,408
<b>Equity</b>					
Retained earnings - unappropriated	674,335,746	1,942,137	(1,467,324)	-	674,810,559
Other components of equity -					
Surplus on changes in value of investments	148,611,969	(1,942,137)	137,767,511	-	284,437,343



## 4.1 Financial instruments

Details of the impact on retained earnings, other components of equity and non-controlling interests of the subsidiary as at 1 January 2020 due to the adoption of financial reporting standards related to financial instruments are presented as follows:

	(Unit: Baht)	
	Consolidated	Separate
	financial statements	financial statements
<u>Retained earnings - Unappropriated</u>		
Reclassification of available-for-sale securities as financial assets measured at fair value through profit or loss	2,427,671	2,427,671
Recognition of an allowance for expected credit loss on financial assets	(1,859,809)	(1,834,155)
Income tax effect	(118,703)	(118,703)
<b>Total</b>	<b>449,159</b>	<b>474,813</b>
<u>Other components of equity</u>		
Fair value measurement of investments in equity instruments of non-listed companies	171,017,148	171,017,148
Reclassification of available-for-sale securities as financial assets measured at fair value through profit or loss	(2,427,671)	(2,427,671)
Recognition of an allowance for expected credit loss on financial assets	1,192,241	1,192,241
Income tax effect	(33,956,344)	(33,956,344)
<b>Total</b>	<b>135,825,374</b>	<b>135,825,374</b>
<u>Non-controlling interests of the subsidiary</u>		
Recognition of an allowance for expected credit loss on financial assets	(10,995)	-

The Classification and measurement of financial assets in accordance with financial reporting standards related to financial instruments as at 1 January 2020, and with the classification and measurement under the former basis, are as follows:

(Unit: Baht)

		Consolidated financial statements				
Classification and measurement under the former basis as at 31 December 2019		Classification and measurement in accordance with financial reporting standards related to financial instruments as at 1 January 2020				
		Financial instruments measured at FVTPL	Debt instruments measured at FVOCI	Equity instruments designated at FVOCI	Financial instruments measured at amortised cost	Total
<b>Financial assets</b>						
<b>Cost</b>						
Cash and cash equivalents	225,295,248	-	-	-	225,137,315	225,137,315
Accrued investment income	12,103,543	-	-	-	12,103,543	12,103,543
Held-to-maturity investments						
Government and state enterprise securities						
	331,216,667	-	-	-	330,747,576	330,747,576
Deposits at financial institutions which amounts maturing in over 3 months						
	54,123,916	-	-	-	54,072,378	54,072,378
Other investments						
Equity securities	3,720,650	-	-	174,737,798	-	174,737,798
Loans and interest receivables	7,698,362	-	-	-	7,698,362	7,698,362
Claim receivables from litigants - net						
	371,939,948	-	-	-	371,939,948	371,939,948
<b>Fair value</b>						
Trading investments						
Government and state enterprise securities						
	30,712,702	30,712,702	-	-	-	30,712,702
Equity securities	310,979,223	310,979,223	-	-	-	310,979,223
Unit trusts	8,352,810	8,352,810	-	-	-	8,352,810
Available-for-sale investments						
Government and state enterprise securities						
	81,777,229	-	81,777,229	-	-	81,777,229
Private debt securities	408,533,599	-	408,533,599	-	-	408,533,599
Equity securities	96,707,987	-	-	96,707,987	-	96,707,987
Unit trusts	2,452,514,320	2,235,694,374	-	216,819,946	-	2,452,514,320

(Unit: Baht)

		Separate financial statements				
Classification and measurement under the former basis as at 31 December 2019		Classification and measurement in accordance with financial reporting standards related to financial instruments as at 1 January 2020				
		Financial instrument measured at FVTPL	Debt instruments measured at FVOCI	Equity instruments designated at FVOCI	Financial instruments measured at amortised cost	Total
<b>Financial assets</b>						
<b>Cost</b>						
Cash and cash equivalents	224,224,888	-	-	-	224,067,373	224,067,373
Accrued investment income	5,409,833	-	-	-	5,409,833	5,409,833
Held-to-maturity investments						
Government and state enterprise securities						
	331,216,667	-	-	-	330,747,576	330,747,576
Deposits at financial institutions which amounts maturing in over 3 months						
	13,142,583	-	-	-	13,127,275	13,127,275
Other investments						
Equity securities	3,720,650	-	-	174,737,798	-	174,737,798
Loans and interest receivables	7,698,362	-	-	-	7,698,362	7,698,362
Claim receivables from litigants - net						
	371,939,948	-	-	-	371,939,948	371,939,948
<b>Fair value</b>						
Trading investments						
Government and state enterprise securities						
	30,712,702	30,712,702	-	-	-	30,712,702
Equity securities	310,979,223	310,979,223	-	-	-	310,979,223
Unit trusts	8,352,810	8,352,810	-	-	-	8,352,810
Available-for-sale investments						
Government and state enterprise securities						
	81,777,229	-	81,777,229	-	-	81,777,229
Private debt securities	408,533,599	-	408,533,599	-	-	408,533,599
Equity securities	96,707,987	-	-	96,707,987	-	96,707,987
Unit trusts	2,452,514,320	2,235,694,374	-	216,819,946	-	2,452,514,320



As at 1 January 2020, the Company and its subsidiary have designated all financial liabilities as financial liabilities measured at amortised cost.

The following table shows a reconciliation of the closing allowance for impairment as at 31 December 2019, recognised in accordance with TAS 101 Doubtful Accounts and Bad Debts and TAS 105 Accounting for Investments in Debt and Equity Securities, to the opening allowance for expected credit loss as at 1 January 2020, determined in accordance with TFRS 9. Such changes are due to remeasurement of allowance for expected credit loss under requirement of this financial reporting standard.

(Unit: Baht)

	Consolidated financial statements		
	Allowance for impairment as at 31 December 2019	Measurement	Allowance for expected credit loss as at 1 January 2020
	<b>Amortised cost</b>		
Cash and cash equivalents	-	157,933	157,933
Financial assets - debt instruments	841,000	520,630	1,361,630
Loans and interest receivables	753,812	-	753,812
Claim receivables from litigants - net	49,237,711	-	49,237,711
<b>Fair value through other comprehensive income</b>			
Financial assets - debt instruments	93,940	1,192,241	1,286,181
<b>Total</b>	<b>49,244,463</b>	<b>1,870,804</b>	<b>52,797,267</b>

(Unit: Baht)

	Separate financial statements		
	Allowance for impairment as at 31 December 2019	Measurement	Allowance for expected credit loss as at 1 January 2020
	<b>Amortised cost</b>		
Cash and cash equivalents	-	157,515	157,515
Financial assets - debt instruments	841,000	484,399	1,325,399
Loans and interest receivables	753,812	-	753,812
Claim receivables from litigants - net	49,237,711	-	49,237,711
<b>Fair value through other comprehensive income</b>			
Financial assets - debt instruments	93,940	1,192,241	1,286,181
<b>Total</b>	<b>49,244,463</b>	<b>1,834,155</b>	<b>52,760,618</b>

## 4.2 Leases

Upon initial application of TFRS 16 the Company recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 January 2020

(Unit: Baht)

	Consolidated financial statements	Separate financial statements
Operating lease commitments as at 31 December 2019	2,498,844	1,202,844
Add: Option to extend lease term	2,909,280	-
Less: Contracts reassessed as service agreements	(1,202,844)	(1,202,844)
Less: Deferred interest expenses	(460,874)	-
Increase in lease liabilities due to initially TFRS 16 adoption	<u>3,744,406</u>	<u>-</u>
Weighted average incremental borrowing rate (% per annum)	3.00	-

The adjustments of right-of-use assets due to initially TFRS 16 adoption as at 1 January 2020 are summarised below:

(Unit: Baht)

	Consolidated financial statements	Separate financial statements
Buildings	<u>3,744,406</u>	<u>-</u>
Total right-of-use assets	<u><u>3,744,406</u></u>	<u><u>-</u></u>

## 5. Significant accounting policies

### 5.1 Revenue recognition

#### (a) Premium income

Premium income consists of direct premium and reinsurance premium less premium of canceled policies and premiums refunded to policyholders.

Direct premium income is recognised on the date the insurance policy comes into effect. For long-term insurance policies with coverage periods of longer than 1 year, related premium are recorded as unearned items, and recognised as income over the coverage period each year.

Reinsurance premium income is recognised as income when the reinsurer places the reinsurance application or the statement of accounts with the Company.

(b) Commission and brokerage fees income

Commission and brokerage fees from ceded premium are recognised when the insurance risk is transferred to another insurer.

Commission and brokerage fees from ceded premium with coverage periods longer than 1 year are recorded as unearned items and amortised to income in annual amounts over the coverage period.

(c) Net investment income

*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 assets, unless the financial assets subsequently become credit-impaired when it is applied to the net carrying amount of the financial assets (net of the expected credit loss allowance).

*Dividends*

Dividends are recognised as revenue when the right to receive the dividends is established.

(d) Gain (loss) on financial instruments

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

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

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

## 5.2 Expenses recognition

(a) Ceded premium

Ceded premium is recognised as expenses when the insurance risk is transferred to another reinsurance company under relevant direct policies.

For long-term reinsurance policies with coverage periods longer than 1 year, ceded premium is recorded as prepaid expenses and recognised as expenses over the coverage period each year.



(b) Claim and loss adjustment expenses

Claim and loss adjustment expense consist of claim and loss adjustment expenses of direct insurance and reinsurance of both reported claim and not reported claim, and include the amounts of claim, related expenses, and loss 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 is recognised upon the receipt of the claim advice from the insured, based on the claim notified by the insured and estimates made by the 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 are expended when incurred.

Commission and brokerage paid for policies with coverage periods of longer than 1 year are recorded as prepaid items and recognised as expenses over the coverage period each year.

(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 expenses from financial liabilities measured at amortised cost is calculated using the effective interest method and recognised on an accrual basis.

### **5.3 Product classification**

The Company and its subsidiary classified the insurance contracts and outward 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 occur with the benefits payable if the insured event did not occur. If the criteria are not met, the Company and its subsidiary classify 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 and its subsidiary classify contracts based on assessment of the insurance risk at an 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, unless all rights and obligations are extinguished or expire. If any contract is previously classified as an investment contract at an inception date, it can, however, be reclassified as insurance contracts after inception if 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 critical illness, personal accident, health that have coverage periods of more than 1 year but the Company can terminate, increase or decrease insurance premiums or change any benefits of the insurance contracts throughout the coverage period.

### **5.4 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.

### **5.5 Premium receivables and allowance for doubtful accounts**

Premium receivable from direct insurance is stated at its net realisable value. The Company and its subsidiary set up an allowance for doubtful account based on estimated loss that may incur in collection of the premium receivable, on the basis of collection experience, analysis of debtor aging and a review of current status of the premium receivable as at the end of reporting period.

Increase (decrease) in allowance for doubtful accounts is recorded as expenses during the year.

## **5.6 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 and its subsidiary set up an allowance for doubtful accounts of reinsurance assets when had indicator for impairment, based on losses 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.

## **5.7 Reinsurance receivables and amount due to reinsurers**

- (a) Reinsurance receivables are stated at the outstanding balance of amount due from reinsurers and amount deposit on reinsurance.

Amount 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 and its subsidiary set up an allowance for doubtful accounts for estimated 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 consist of outstanding balance of amount due to reinsurers and amount withheld on reinsurance.

Amount due to reinsurers consist of reinsurance premiums, and other items payable to reinsurers, excluding loss reserve from reinsurance.

The Company and its subsidiary present 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 and its subsidiary have a legal right to offset amounts presented in the statements of financial position, and
- (2) The Company and its subsidiary intend 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.

## 5.8 Financial instruments

### *Investment in debt and equity instruments*

#### Accounting policies adopted since 1 January 2020

The Company has classified financial assets as financial assets - debt instruments and equity instruments as follows:

#### Financial assets - debt instruments

The Company and its subsidiary have classified investments in debt instruments as financial assets to be subsequently measured at amortised cost or fair value, based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, on the basis of the facts and circumstances in existence when the financial reporting standard is first adopted or on the date of acquisition, with classifications as follows:

(a) Financial assets measured at fair value through profit or loss (FVTPL)

If the Company hold financial assets in debt instruments following business model, which the objective is not achieved collecting contractual cash flows or the contractual terms of the financial assets represent contractual cash flows that are not solely payments of principal and interest on the principal amount outstanding. These financial assets are classified as financial assets measured at fair value through profit or loss. These financial assets are initially recognised at fair value.

After initial recognition, unrealised gain or loss on change in fair value are recognised in profit or loss.

(b) Financial assets measured at fair value through other comprehensive income (FVOCI)

Investments in debt instruments are classified as financial assets measured at fair value through other comprehensive income if they meet both of the following conditions: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value.

After initial recognition, gain or loss on changes in fair value are presented as a separate item in other comprehensive income. The expected credit loss and interest income, which is calculated using the effective interest rate method, are recognised in profit or loss.

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

(c) Financial assets measured at amortised cost

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

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

Financial assets - equity instruments

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

(a) Financial assets measured at fair value through profit or loss

Investment in equity instruments that are held for trading are classified as financial assets measured at fair value through profit or loss, and the classification is irrevocable. Such classification is determined on an instrument-by-instrument basis.

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

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

(b) Financial assets measured at fair value through other comprehensive income

Investments in equity instruments that are not held for trading but held for strategic purposes or investments in securities with low market volatility are classified as financial assets measured at fair value through other comprehensive income, and the classification is irrevocable. Such classification is determined on an instrument-by-instrument basis. The Company also classifies investments in real estate investment trusts and infrastructure trusts, infrastructure funds and property funds as investments in equity instrument designated at fair value through other comprehensive income.

After initial recognition, gain or loss arising from changes in the fair value of investments in equity instruments are separately presented in other comprehensive income.

At the end of the reporting period, investments in equity instruments designated at fair value through other comprehensive income are presented in the statement of financial position at fair value.

Investments in equity instruments are designated to be measured at fair value through other comprehensive income without requiring impairment assessment.

#### Fair value

The fair value of marketable securities is calculated based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of non-marketable securities is calculated using discounted future cash flow techniques, and adjusted book value method. The fair value of government bonds, state enterprise securities and private debt securities is calculated using the formula determined by the Thai Bond Market Association while the fair value of non-listed unit trusts is determined based on their net asset value.

#### Investment income and disposal of investments

Gain or loss arising from disposal of investments are recognised in profit or loss on the transaction date, presented in other comprehensive income, except for gain or loss from disposal of investments in equity instruments designated to be measured at fair value through other comprehensive income, which are recognised in retained earnings. The weighted average method is used for computation of the cost of investments.

Dividends on these investments are recognised in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment.

#### Changes in classification of investments in debt instruments

When there are changes in the Group's business model for management of financial assets, the Group has to reclassify investments in debt instruments and adjust the value of these investments to their fair value on the reclassification date. Differences between the book value and fair value of investments in debt instruments on the reclassification date are recorded in profit or loss or other comprehensive income, depending on the classification of the investments.

#### Accounting policies adopted prior 1 January 2020

The Company classified investments in debt instruments and equity instruments as trading available-for-sale, held-to-maturity and investments in equity instruments of non-listed companies classified to general investments as follows:

Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.

Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in comprehensive income and will be recorded in profit or loss when the securities are sold.

Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.

Investments in non-marketable equity securities, which the Company and its subsidiary classify as other investments, are stated at cost net of allowance for impairment (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year of the Stock Exchange of Thailand. The fair value of debt instrument 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 weighted average method is used for computation of the cost of investments.

In the event the Company and its subsidiary reclassify investments from one type to another, such investment will be readjusted to its 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 profit or loss or recorded as other components of equity, depending on the type of investments that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised as part of profit or loss in the statement of comprehensive income.

### ***Loans and allowance for doubtful accounts***

#### ***Accounting policies adopted since 1 January 2020***

Loans are stated at amortise cost. The Company recognises allowance for expected credit loss using the general approach for lifetime.

Increase (decrease) in allowance for expected credit loss is recorded as expenses during the year.

#### ***Accounting policies adopted before 1 January 2020***

Loans are stated at net realisable value. Allowance for doubtful accounts is provided for the estimated loss that may be incurred in collection of loans based on an evaluation of the current status of the debtors, taking into consideration the recovery risk and the value of collateral.

### ***Allowance for expected credit loss of financial assets***

From 1 January 2020, the Company recognises expected credit loss on its financial assets that are debt instruments, such as cash and cash equivalent, financial assets that debt instruments measured at amortised cost, financial assets that are debt instruments measured at fair value through comprehensive income and loans by applying the general approach in accordance with TFRS9. The Company recognises an allowance for expected credit loss at the amount equivalent to the lifetime expected credit loss when there has been a significant increase in credit risk since the initial recognition date 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 date, the Company recognised allowance for expected credit loss at the amount equivalent 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.

Expected credit loss (ECLs) are 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.

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 is recognised as expenses during the year in profit or loss in statement of comprehensive income.

### ***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.



### ***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 neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### ***Offsetting of financial instruments***

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

## **5.9 Investments in subsidiary**

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

## **5.10 Property, buildings and equipment and 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 the straight-line basis over the following estimated useful lives:

Buildings	-	20 years
Furniture and equipment	-	2 - 5 years
Motor vehicles	-	5 years

Depreciation is included in determining income.

No depreciation is provided on land and work in process.

An item of property, 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 profit or loss when the asset is derecognised.

### **5.11 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 lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible assets may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss. No amortisation is provided on computer software under development.

The intangible assets with finite useful lives which are computer software are 2 and 10 years.

### **5.12 Goodwill**

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired.

Goodwill is carried at cost less any accumulated impairment loss (if any). Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the subsidiary's cash generating units (or group of cash-generating units) that are expected to benefit from the synergies of the combination. The Company estimates the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognised in profit or loss. Impairment loss relating to goodwill cannot be reversed in future periods.

### **5.13 Impairment of non-financial assets**

At the end of each reporting period, the Company and its subsidiary perform impairment review in respect of the property, buildings and equipment and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised 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.

An impairment loss is recognised in profit or loss as part of the statement of comprehensive income.

In the assessment of asset impairment if there is any indication that previously recognised impairment loss may no longer exist or may have decreased, the Company and its subsidiary estimate the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased in carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

#### 5.14 Insurance contract liabilities

Insurance contract liabilities consist of claim reserve and outstanding claims and premium reserves.

##### (a) Claim reserves 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 management. The maximum value of claims estimate is however, not to exceed the sum-insured under the relevant policy.

Claim reserves are calculated by using an actuarial method based on a best estimate of claims which are expected to be paid in respect of losses that occurred before or as at the end of the reporting date, covering both reported and not reported loss, and including loss adjustment expense, after deducting salvage values and other recoverable value. The different between the calculated claim reserves and the claim already recognised are recorded as incurred but not yet reported claims (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

## (2) Unexpired risk reserve

Unexpired risk reserve is the reserve for the claims that may be incurred in respect of in-force policies. Unexpired risk reserve is set aside using an actuarial method, at the best estimate of the claims that are expected to be incurred during the remaining period of coverage, based on historical claims data.

As at the end of reporting period, the Company and its subsidiary compare 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.

The increase or decrease in premium reserve from prior year is to be recognised in profit or loss.

### 5.15 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.

## 5.16 Provisions

Provisions are recognised when the Company and its subsidiary have 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.

## 5.17 Leases

At inception of contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

### Accounting policies adopted since 1 January 2020

The Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. At the commencement date of the lease (i.e. the date the underlying asset is available for use), the 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 approximately 7 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 less any lease incentives receivable and payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate.

The Group discounted the present value of the lease payments by the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

#### ***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.

#### ***Accounting policies adopted before 1 January 2020***

Leases of assets which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in statements of income on a straight-line basis over the lease term.

### **5.18 Foreign currencies**

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

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

Gain and loss on exchange are included in the statement of income.

### **5.19 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 its carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiary recognise 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 each reporting period, the Company and its subsidiary review and reduce 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 and its subsidiary record deferred tax directly to equity if the tax relates to items that are recorded directly to equity.

## **5.20 Related party transactions**

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

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

## **5.21 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 and its subsidiary apply a quoted market price in an active market to measure their assets and liabilities. In case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiary measure 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 and its subsidiary determine 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.

## **6. 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:

### **6.1 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.

### **6.2 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 development of a model, the debtors status analysis, and the probability of debt collection. This estimation has various relevant factors; therefore, the actual results may differ from estimates.

### **6.3 Allowance for impairment of non-financial assets**

In determining allowance for impairment of a non-financial asset, the management is required to exercise judgements regarding determination of the recoverable amount of the asset, both of its fair value less costs of disposal and its value in use. The recoverable amount is based on available data or observable market prices or a discounted cash flow model. The cash flows are derived from the expected future cash-inflows. Changes in assumption relevant to the factors using to calculation may affect to the assessment of impairment.





#### **6.4 Allowance for doubtful accounts on receivables**

In determining an allowance for doubtful accounts on receivables, the management needs to make judgement and estimates based upon, among other things, past collection history, aging of outstanding debts and the prevailing economic condition.

#### **6.5 Property, buildings and equipment/Depreciation**

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual value of the buildings and equipment, and to review estimate useful lives and residual value when there are any changes.

In addition, the management is required to review property, 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 judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

#### **6.6 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 profits.

#### **6.7 Loss reserves and outstanding claims**

At the end of each reporting period, the Company and its subsidiary have 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 historical experience, including the development of claims estimates, paid and incurred loss, average costs per claim and claim numbers, etc. Nevertheless, the estimation requires the management's judgements reflecting the best estimate available at that time, such estimates are forecasts of future outcomes, and actual results could differ.

#### **6.8 Unexpired risk reserve**

Unexpired risk reserve is calculated using an actuarial method, based on a best estimate of the claims expected to be paid 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 that time.

## 6.9 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.

## 6.10 Litigation

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

## 6.11 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.

## 7. Classification of financial assets and financial liabilities

As at 31 December 2020, carrying amount of financial assets and financial liabilities are classified as follow:

(Unit: Baht)

	Consolidated financial statements				
	Financial instruments measured at FVTPL	Debt instruments measured at FVOCI	Equity instruments designated at FVOCI	Financial instruments measured at amortised cost	Total
<b>Financial assets</b>					
Cash and cash equivalents	-	-	-	332,677,458	332,677,458
Accrued investment income	-	-	-	14,108,255	14,108,255
Financial assets - debt instruments	1,467,639,493	1,210,687,624	-	1,187,274,028	3,865,601,145
Financial assets - equity instruments	382,383,982	-	312,838,040	-	695,222,022
Loan and interest receivables	-	-	-	6,231,917	6,231,917
Claim receivables from litigants	-	-	-	484,905,778	484,905,778
Cash equivalents which subject to restrictions	-	-	-	9,352,233	9,352,233
<b>Financial liabilities</b>					
Other liabilities - Lease liabilities	-	-	-	3,661,317	3,661,317

(Unit: Baht)

	Separate financial statements				Total
	Financial instruments measured at	Debt instruments measured at	Equity instruments designated at	Financial instruments measured at	
	FVTPL	FVOCI	FVOCI	amortised cost	
<b>Financial assets</b>					
Cash and cash equivalents	-	-	-	329,948,597	329,948,597
Accrued investment income	-	-	-	12,141,460	12,141,460
Financial assets - debt instruments	1,467,639,493	1,210,687,624	-	1,141,609,484	3,819,936,601
Financial assets - equity instruments	382,383,982	-	312,838,040	-	695,222,022
Loan and interest receivables	-	-	-	6,231,917	6,231,917
Claim receivables from litigants	-	-	-	484,796,581	484,796,581
Cash equivalents which subject to restrictions	-	-	-	9,352,233	9,352,233

## 8. Cash and cash equivalents

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Cash on hand	3,394,815	4,382,228	3,289,904	4,204,884
Deposits at banks with no fixed maturity date	326,923,102	218,128,284	324,249,506	217,235,268
Deposits at banks and certificate of deposit with fixed maturity date	2,585,811	2,784,736	2,585,811	2,784,736
Total cash and cash equivalents	332,903,728	225,295,248	330,125,221	224,224,888
Less: Allowance for expected credit loss	(226,270)	-	(176,624)	-
Cash and cash equivalents	<u>332,677,458</u>	<u>225,295,248</u>	<u>329,948,597</u>	<u>224,224,888</u>

As at 31 December 2020, saving deposits and fixed deposits carried interest between 0.00% and 1.00% per annum (Separate financial statements: 0.00% and 0.75% per annum) (2019: between 0.25% and 1.25% per annum for the consolidated financial statements and between 0.25% and 1.10% per annum for the separate financial statements).



## 9. Premium receivables

The balances as at 31 December 2020 and 2019 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)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Not yet due	588,226,677	512,579,872	588,223,740	512,484,788
Not over 30 days	105,028,040	60,443,090	104,804,249	60,359,220
Over 30 days to 60 days	30,196,850	15,046,872	30,194,361	15,045,230
Over 60 days to 90 days	15,867,224	10,286,366	15,867,224	10,285,843
Over 90 days	15,775,473	14,887,323	15,775,473	14,887,323
Total premium receivables	755,094,264	613,243,523	754,865,047	613,062,404
Less: Allowance for doubtful accounts	(807,435)	(2,865,433)	(807,435)	(2,865,433)
Total premium receivables, net	754,286,829	610,378,090	754,057,612	610,196,971

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 takes legal actions with such agents and brokers on a case by case basis.

## 10. Reinsurance assets

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Insurance reserves refundable from reinsurers				
Claim reserves and outstanding claims	184,033,343	201,362,443	184,033,343	201,362,443
Unearned premium reserves	243,814,069	325,746,212	243,814,069	325,746,212
Reinsurance assets	427,847,412	527,108,655	427,847,412	527,108,655

## 11. Receivables from reinsurance contracts

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Amounts deposited on reinsurance	-	-	12,337	95,269
Amounts due from reinsurers	178,405,004	149,908,416	179,792,238	151,705,734
Receivables from reinsurance contracts	<u>178,405,004</u>	<u>149,908,416</u>	<u>179,804,575</u>	<u>151,801,003</u>

As at 31 December 2020 and 2019, the balances of amounts due from reinsurers are classified by aging as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Not yet due	28,669,193	31,966,025	29,307,400	32,714,866
Not over 1 year	149,518,298	117,724,878	150,267,325	118,773,355
Over 1 year to 2 years	217,513	217,513	217,513	217,513
Total amounts due from reinsurers	<u>178,405,004</u>	<u>149,908,416</u>	<u>179,792,238</u>	<u>151,705,734</u>



## 12. Financial assets - debt instruments

### 12.1 Classified by type of financial assets

(Unit: Baht)

	2020			
	Consolidated financial statements		Separate financial statements	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<b>Debt instruments measured at FVTPL</b>				
Government and state enterprise securities	20,333,131	20,540,780	20,333,131	20,540,780
Private debt securities	100,000,000	100,275,512	100,000,000	100,275,512
Unit trusts	1,393,031,327	1,346,823,201	1,393,031,327	1,346,823,201
Total	1,513,364,458	1,467,639,493	1,513,364,458	1,467,639,493
Less: Unrealised loss	(45,724,965)		(45,724,965)	
Total	1,467,639,493		1,467,639,493	
<b>Debt instruments measured at FVOCI</b>				
Government and state enterprise securities	80,009,421	81,769,216	80,009,421	81,769,216
Private debt securities	1,110,176,819	1,128,918,408	1,110,176,819	1,128,918,408
Total	1,190,186,240	1,210,687,624	1,190,186,240	1,210,687,624
Add: Unrealised gain	21,753,530		21,753,530	
Less: Allowance for expected credit loss	(1,252,146)		(1,252,146)	
Total	1,210,687,624		1,210,687,624	
<b>Debt instruments measured at amortised cost</b>				
Government and state enterprise securities	441,923,117		441,923,117	
Private debt securities	841,000		841,000	
Foreign debt instruments	30,000,000		30,000,000	
Deposits at financial institutions which amounts maturing in over 3 months	718,934,741		673,248,074	
Total	1,191,698,858		1,146,012,191	
Less: Allowance for expected credit loss	(4,424,830)		(4,402,707)	
Total	1,187,274,028		1,141,609,484	
Total financial assets - debt instruments - net	3,865,601,145		3,819,936,601	



As at 31 December 2020 and 2019, the Company and its subsidiary placed some investments for guarantee electricity consumption, bank overdraft, bail bond in cases where insured drivers have been charged with criminal offense and as a security with the Registrar as described in Note 38 to financial statements.

## 12.2 Classified by stage of credit risk

(Unit: Baht)

	2020			
	Consolidated financial statements		Separate financial statements	
	Fair value	Allowance for expected credit loss recognised in profit or loss	Fair value	Allowance for expected credit loss recognised in profit or loss
<b>Debt instruments measured at FVOCI</b>				
Stage 1 - Debt securities without a significant increase in credit risk	1,210,593,684	1,158,206	1,210,593,684	1,158,206
Stage 3 - Debt securities with credit impaired	93,940	93,940	93,940	93,940
<b>Total</b>	<b>1,210,687,624</b>	<b>1,252,146</b>	<b>1,210,687,624</b>	<b>1,252,146</b>

(Unit: Baht)

	Consolidated financial statements		
	2020		
	Carrying value - gross	Allowance for expected credit loss recognised in profit or loss	Carrying value
<b>Debt instruments measured at amortised cost</b>			
Stage 1 - Debt securities without a significant increase in credit risk	1,160,857,858	446,180	1,160,411,678
Stage 2 - Debt securities with a significant increase in credit risk	30,000,000	3,137,650	26,862,350
Stage 3 - Debt securities with credit impaired	841,000	841,000	-
<b>Total</b>	<b>1,191,698,858</b>	<b>4,424,830</b>	<b>1,187,274,028</b>

(Unit: Baht)

	Separate financial statements		
	2020		
	Carrying value - gross	Allowance for expected credit loss recognised in profit or loss	Carrying value
<b>Debt instruments measured at amortised cost</b>			
Stage 1 - Debt securities without a significant increase in credit risk	1,115,171,191	424,057	1,114,747,134
Stage 2 - Debt securities with a significant increase in credit risk	30,000,000	3,137,650	26,862,350
Stage 3 - Debt securities with credit impaired	841,000	841,000	-
<b>Total</b>	<b>1,146,012,191</b>	<b>4,402,707</b>	<b>1,141,609,484</b>

### 13. Financial assets - equity instruments

#### 13.1 Classified by type of financial assets

(Unit: Baht)

	2020			
	Consolidated financial statements		Separate financial statements	
	Cost	Fair value	Cost	Fair value
<b>Equity instruments measured at FVTPL</b>				
Domestic listed equity instruments	299,669,977	284,164,427	299,669,977	284,164,427
Foreign listed equity instruments	21,250,675	23,544,346	21,250,675	23,544,346
Unit trusts	69,775,380	74,675,209	69,775,380	74,675,209
<b>Total</b>	<b>390,696,032</b>	<b>382,383,982</b>	<b>390,696,032</b>	<b>382,383,982</b>
Less: Unrealised loss	(8,312,050)		(8,312,050)	
<b>Total</b>	<b>382,383,982</b>		<b>382,383,982</b>	
<b>Equity instruments designated at FVOCI</b>				
Domestic listed equity instruments	41,962,397	86,781,507	41,962,397	86,781,507
Non-listed equity instruments	3,720,650	90,611,795	3,720,650	90,611,795
Unit trusts	94,553,253	135,444,738	94,553,253	135,444,738
<b>Total</b>	<b>140,236,300</b>	<b>312,838,040</b>	<b>140,236,300</b>	<b>312,838,040</b>
Add: Unrealised gain	172,601,740		172,601,740	
<b>Total</b>	<b>312,838,040</b>		<b>312,838,040</b>	
<b>Total financial assets - equity instruments - net</b>	<b>695,222,022</b>		<b>695,222,022</b>	





## 13.2 Equity instruments designed at FVOCI

(Unit: Baht)

	Consolidated and Separate financial statements	
	For the year ended 31 December 2020	
	Fair value	Dividend
<b>Equity instruments designated at FVOCI</b>		
Domestic listed equity instruments	86,781,507	3,055,110
Non-listed equity instruments	90,611,795	20,250
Unit trusts	135,444,738	5,682,534
<b>Total</b>	<b>312,838,040</b>	<b>8,757,894</b>

## 13.3 Derecognised and profit transferred under equity

During the year ended 31 December 2020, the Company disposed off its investments in equity instruments designated at fair value through other comprehensive income from the accounts. The Company therefore transferred the previous recognised changes in the fair value of these investments in other comprehensive income, to be recognised in retained earnings as follows:

(Unit: Baht)

	Consolidated and Separate financial statements			
	For the year ended 31 December 2020			
	Fair value at the disposal date	Dividend received	Retained profit (loss) from disposal	Reason for disposal
Investments in equity securities disposed off				
Domestic listed equity instruments	6,650,340	-	3,837,223	Disposal
<b>Total</b>	<b>6,650,340</b>	<b>-</b>	<b>3,837,223</b>	

## 14. Investments in securities

As at 31 December 2019, carrying amount of investments in securities are classified as follows:

(Unit: Baht)

	31 December 2019			
	Consolidated financial statements		Separate financial statements	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<b>Trading investments</b>				
Government and state enterprise securities	30,669,090	30,712,702	30,669,090	30,712,702
Equity securities	319,856,323	310,979,223	319,856,323	310,979,223
Unit trusts	8,557,645	8,352,810	8,557,645	8,352,810
Total	359,083,058	350,044,735	359,083,058	350,044,735
Less: Unrealised loss	(9,038,323)		(9,038,323)	
<b>Trading investments, net</b>	<b>350,044,735</b>		<b>350,044,735</b>	
<b>Available-for-sale investments</b>				
Government and state enterprise securities	80,014,061	81,777,229	80,014,061	81,777,229
Private debt securities	400,093,940	408,533,599	400,093,940	408,533,599
Equity securities	50,505,830	96,707,987	50,505,830	96,707,987
Unit trusts	2,331,143,716	2,452,514,320	2,331,143,716	2,452,514,320
Total	2,861,757,547	3,039,533,135	2,861,757,547	3,039,533,135
Add: Unrealised gain	185,764,961		185,764,961	
Less: Allowance for impairment	(7,989,373)		(7,989,373)	
<b>Available-for-sale investments, net</b>	<b>3,039,533,135</b>		<b>3,039,533,135</b>	
<b>Held-to-maturity investments</b>				
Government and state enterprise securities	331,216,667		331,216,667	
Private debt securities	841,000		841,000	
Deposits at financial institutions which amounts maturing in over 3 months	54,123,916		13,142,583	
Total	386,181,583		345,200,250	
Less: Allowance for impairment	(841,000)		(841,000)	
<b>Held-to-maturity investments, net</b>	<b>385,340,583</b>		<b>344,359,250</b>	
<b>Other investments</b>				
Equity securities	3,720,650		3,720,650	
<b>Other investments, net</b>	<b>3,720,650</b>		<b>3,720,650</b>	
<b>Total investments in securities</b>	<b>3,778,639,103</b>		<b>3,737,657,770</b>	

## 15. Other components of equity - surplus on changes in value of investments

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December			
	2020	2019	2020	2019
<b>Debt instruments measured at FVOCI</b>				
Balance - beginning of the year	-	-	-	-
Cumulative effect of the changes in accounting policies	11,489,009	-	11,489,009	-
Balance - beginning of the year - as restate	11,489,009	-	11,489,009	-
Changes during the year		-		-
Gain on revaluation during the year	10,264,521	-	10,264,521	-
Balance - end of the year	21,753,530	-	21,753,530	-
Less: Income tax effect	(4,350,706)	-	(4,350,706)	-
Balance - end of the year, net of income tax	17,402,824	-	17,402,824	-
<b>Equity instruments designated at FVOCI</b>				
Balance - beginning of the year	-	-	-	-
Cumulative effect of the changes in accounting policies	344,057,670	-	344,057,670	-
Balance - beginning of the year as restate	344,057,670	-	344,057,670	-
Changes during the year		-		-
Loss on revaluation during the year	(167,618,707)	-	(167,618,707)	-
Gain on sales recognised in retained earnings during the year	(3,837,223)	-	(3,837,223)	-
Balance - end of the year	172,601,740	-	172,601,740	-
Less: Income tax effect	(34,520,348)	-	(34,520,348)	-
Balance - end of the year, net of income tax	138,081,392	-	138,081,392	-
<b>Available-for-sale investments</b>				
Balance - beginning of the year	185,764,961	155,790,905	185,764,961	155,790,905
Cumulative effect of the change in accounting policies	(185,764,961)	-	(185,764,961)	-
Balance - beginning of the year - as restate	-	155,790,905	-	155,790,905
Changes during the year				
Gain on revaluation during the year	-	56,793,001	-	56,793,001
Loss transferred to be recognised in profit or loss	-	728,138	-	728,138
Gain on sales recognised in profit or loss during the year	-	(27,547,083)	-	(27,547,083)
Balance - end of the year	-	185,764,961	-	185,764,961
Less: Income tax effect	-	(37,152,992)	-	(37,152,992)
Balance - end of the year, net of income tax	-	148,611,969	-	148,611,969
<b>Total</b>	<b>155,484,216</b>	<b>148,611,969</b>	<b>155,484,216</b>	<b>148,611,969</b>



## 16. Loans and interest receivables

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

(Unit: Baht)

Staging	Consolidated and Separate financial statements		
	2020		
	Mortgage loans	Other loans	Total
Stage 1 - Loans without a significant increase in credit risk	5,177,377	1,054,540	6,231,917
Stage 3 - Loans with credit impaired	753,812	-	753,812
Total loans and interest receivables	5,931,189	1,054,540	6,985,729
Less: Allowance for expected credit loss	(753,812)	-	(753,812)
Loans and interest receivables - net	5,177,377	1,054,540	6,231,917

As at 31 December 2019, loans and interest receivables are aged by principal and interest receivables as follows:

(Unit: Baht)

Outstanding period	Consolidated and Separate financial statements						
	31 December 2019						
	Mortgage loans		Other loans		Total		Total
Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest		
Not yet due	6,489,815	-	1,208,547	-	7,698,362	-	7,698,362
Overdue							
Over 12 months	600,873	152,939	-	-	600,873	152,939	753,812
Total	7,090,688	152,939	1,208,547	-	8,299,235	152,939	8,452,174
Less: Allowance for doubtful accounts	(600,873)	(152,939)	-	-	(600,873)	(152,939)	(753,812)
Loans, net	6,489,815	-	1,208,547	-	7,698,362	-	7,698,362

The assets used as collateral for mortgage loans are mainly land and construction thereon. The mortgage value of these assets according to mortgage agreements have been used in assessing the loan loss allowance.

The Company has set the criteria for loans granted to employees, which include term of repayment and applicable interest rate. The Company charges interest on such loan at the rate of 5.5% per annum, 8.5% per annum on the first consecutive loan and an additional 2.0% per annum on further consecutive loans. The Company has determined the credit limit of each project as follows:

Project	Collateral	Credit line
General loan	Personal guarantees	- Not exceeding 4 times monthly salary, with a limit of Baht 50,000
Housing loan	Land and/or construction thereon	- Not exceeding 40 times monthly salary, with a limit of Baht 2 million, and not exceeding 70% of the appraisal value of the land - Not exceeding 40 times monthly salary, with a limit of Baht 2 million, and not exceeding 85% of the appraisal value of the land and construction thereon
Housing maintenance loan	Personal guarantees and/or securities	- Not exceeding 40 times monthly salary, with a limit of Baht 2 million, and not exceeding 85% of the appraisal value of the housing

## 17. Investments in subsidiary

17.1 Detail of investments in subsidiary as presented in separate financial statements is as follow:

Company's name	Paid up capital		Shareholding percentage		Cost	
	2020	2019	2020	2019	2020	2019
	Baht	Baht	%	%	Baht	Baht
Laovivat Insurance Co., Ltd. (engaged in non-life insurance business)	67,200,000	67,200,000	70.0	70.0	67,200,000	67,200,000

17.2 Details of investments in subsidiary that have material non-controlling interests

Company's name	Proportion of equity interest held by non-controlling interests		Accumulated balance of non-controlling interests		Profit or loss allocated to non-controlling interests during the year	
	2020	2019	2020	2019	2020	2019
	(%)	(%)				
Laovivat Insurance Co., Ltd.	30.0	30.0	13,564,970	13,321,602	(231,030)	(1,179,354)

(Unit: Baht)

**17.3 Summarised financial information about subsidiary that based on amounts before inter-company elimination**

(a) Summarised information about financial position

	(Unit: Baht)	
	As at 31 December	
	2020	2019
Assets	56,977,977	52,371,466
Liabilities	11,761,411	7,966,126
Net assets	<u>45,216,566</u>	<u>44,405,340</u>

(b) Summarised information about comprehensive income

	(Unit: Baht)	
	For the years ended 31 December	
	2020	2019
Revenue	<u>6,838,236</u>	<u>5,689,572</u>
Loss for the year	(770,098)	(3,931,179)
Other comprehensive income	-	-
Total comprehensive income (loss)	<u>(770,098)</u>	<u>(3,931,179)</u>

(c) Summarised information about cash flows

	(Unit: Baht)	
	For the years ended 31 December	
	2020	2019
Cash flow from (used in) operating activities	2,202,469	(771,346)
Cash flow used in investing activities	(2,227)	(347,614)
Cash flow used in financing activities	(541,740)	-
Net increase (decrease) in cash and cash equivalents	<u>1,658,502</u>	<u>(1,118,960)</u>

## 18. Property, buildings and equipment

(Unit: Baht)

	Consolidated financial statements						Total
	Land	Buildings	Furniture and fixtures	Office equipment	Motor vehicles	Work in process	
<b>Cost</b>							
As at 1 January 2019	211,950,180	215,000,298	45,368,237	89,668,893	81,768,231	5,834,108	649,589,947
Additions	-	267,531	1,893,312	7,369,713	9,899,262	17,038,432	36,468,250
Transfer in/(out)	-	17,221,728	3,194,600	1,346,254	328,923	(22,091,505)	-
Disposals	-	-	(144,780)	(889,127)	-	-	(1,033,907)
Exchange differences on translation of financial statements in foreign currency	-	-	(510,025)	(234,603)	(117,273)	-	(861,901)
As at 31 December 2019	211,950,180	232,489,557	49,801,344	97,261,130	91,879,143	781,035	684,162,389
Additions	-	-	1,855,160	10,828,989	8,901,692	10,003,005	31,588,846
Transfer in/(out)	-	5,786,991	233,826	2,795,322	214,766	(9,030,905)	-
Disposals	-	-	-	(3,341,062)	(7,815,351)	-	(11,156,413)
Exchange differences on translation of financial statements in foreign currency	-	-	129,146	59,352	29,318	7,639	225,455
As at 31 December 2020	211,950,180	238,276,548	52,019,476	107,603,731	93,209,568	1,760,774	704,820,277
<b>Accumulated depreciation</b>							
As at 1 January 2019	-	158,531,765	33,105,573	71,677,553	69,051,813	-	332,366,704
Depreciation for the year	-	4,436,080	5,867,317	8,728,738	6,288,754	-	25,320,889
Accumulated depreciation on disposals	-	-	(144,779)	(867,825)	-	-	(1,012,604)
Exchange differences on translation of financial statements in foreign currency	-	-	(320,328)	(57,332)	(27,351)	-	(405,011)
As at 31 December 2019	-	162,967,845	38,507,783	79,481,134	75,313,216	-	356,269,978
Depreciation for the year	-	4,878,646	4,250,172	10,620,052	7,339,081	-	27,087,951
Accumulated depreciation on disposals	-	-	-	(3,340,470)	(7,815,278)	-	(11,155,748)
Adjustments	-	-	(67,716)	67,716	-	-	-
Exchange differences on translation of financial statements in foreign currency	-	-	127,377	25,779	12,701	-	165,857
As at 31 December 2020	-	167,846,491	42,817,616	86,854,211	74,849,720	-	372,368,038
<b>Net book value</b>							
As at 31 December 2019	211,950,180	69,521,712	11,293,561	17,779,996	16,565,927	781,035	327,892,411
As at 31 December 2020	211,950,180	70,430,057	9,201,860	20,749,520	18,359,848	1,760,774	332,452,239
<b>Depreciation for the year</b>							
2019							25,320,889
2020							27,087,951



(Unit: Baht)

	Separate financial statements						Total
	Land	Buildings	Furniture and fixtures	Office equipment	Motor vehicles	Work in process	
<b>Cost</b>							
As at 1 January 2019	211,950,180	215,000,298	40,523,002	87,440,165	80,654,140	5,834,108	641,401,893
Additions	-	267,531	1,837,558	7,316,286	9,899,262	16,778,722	36,099,359
Transfer in/(out)	-	17,221,728	3,194,600	1,346,254	328,923	(22,091,505)	-
Disposals	-	-	(144,780)	(859,553)	-	-	(1,004,333)
As at 31 December 2019	211,950,180	232,489,557	45,410,380	95,243,152	90,882,325	521,325	676,496,919
Additions	-	-	1,855,160	10,826,762	8,901,692	10,003,005	31,586,619
Transfer in/(out)	-	5,786,991	-	2,761,800	214,766	(8,763,557)	-
Disposals	-	-	-	(3,341,062)	(7,815,351)	-	(11,156,413)
As at 31 December 2020	211,950,180	238,276,548	47,265,540	105,490,652	92,183,432	1,760,773	696,927,125
<b>Accumulated depreciation</b>							
As at 1 January 2019	-	158,531,765	30,062,454	71,132,900	68,791,977	-	328,519,096
Depreciation for the year	-	4,436,080	4,191,599	8,398,975	6,089,390	-	23,116,044
Accumulated depreciation on disposals	-	-	(144,779)	(859,528)	-	-	(1,004,307)
As at 31 December 2019	-	162,967,845	34,109,274	78,672,347	74,881,367	-	350,630,833
Depreciation for the year	-	4,878,646	4,203,782	10,193,023	7,133,293	-	26,408,744
Accumulated depreciation on disposals	-	-	-	(3,340,470)	(7,815,278)	-	(11,155,748)
As at 31 December 2020	-	167,846,491	38,313,056	85,524,900	74,199,382	-	365,883,829
<b>Net book value</b>							
As at 31 December 2019	211,950,180	69,521,712	11,301,106	16,570,805	16,000,958	521,325	325,866,086
As at 31 December 2020	211,950,180	70,430,057	8,952,484	19,965,752	17,984,050	1,760,773	331,043,296
<b>Depreciation for the year</b>							
2019							23,116,044
2020							26,408,744

As at 31 December 2020, certain equipment items of the Company and its subsidiary have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 294.9 million (Separate financial statements: Baht 290.4 million) (2019: Baht 285.9 million and Baht 281.7 million, respectively).





## 19. Right-of-use assets

The subsidiary has entered into lease agreements for rental of buildings for use in its operation. The terms of the buildings agreements are generally between 2 - 7 years.

Movement of right-of-use assets during the year ended 31 December 2020 is summarised below.

	(Unit: Baht)
	Consolidated financial statements
	<u>Lease buildings</u>
Net book value as at 1 January 2020 from initial adoption of financial reporting standard	3,744,406
Amortisation for the year	(513,938)
Exchange differences on translation of financial statements in foreign currency	110,130
Net book value as at 31 December 2020	<u><u>3,340,598</u></u>

The following amounts were recognised in statements of comprehensive income for the year ended 31 December 2020.

	(Unit: Baht)
	Consolidated financial statements
	<u></u>
Amortisation of right-of-use assets	513,938
Financial cost on lease liabilities	109,456
Total expenses	<u><u>623,394</u></u>

## 20. Intangible assets - computer software

(Unit: Baht)

	Consolidated financial statements			Separate financial statements		
	Computer software		Total	Computer software		Total
	Computer software	under development		Computer software	under development	
<b>Cost</b>						
As at 1 January 2019	52,612,909	751,050	53,363,959	52,232,307	751,050	52,983,357
Additions	271,458	1,696,305	1,967,763	271,458	1,696,305	1,967,763
Transfer in/(out)	240,000	(240,000)	-	240,000	(240,000)	-
Exchange differences on translation of financial statements in foreign currency	(40,063)	-	(40,063)	-	-	-
As at 31 December 2019	53,084,304	2,207,355	55,291,659	52,743,765	2,207,355	54,951,120
Additions	132,400	7,762,223	7,894,623	132,400	7,762,223	7,894,623
Transfer in/(out)	4,317,200	(4,317,200)	-	4,317,200	(4,317,200)	-
Exchange differences on translation of financial statements in foreign currency	10,016	-	10,016	-	-	-
As at 31 December 2020	57,543,920	5,652,378	63,196,298	57,193,365	5,652,378	62,845,743
<b>Accumulated amortisation</b>						
As at 1 January 2019	43,164,264	-	43,164,264	42,895,421	-	42,895,421
Amortisation for the year	2,131,685	-	2,131,685	2,041,587	-	2,041,587
Exchange differences on translation of financial statements in foreign currency	(28,299)	-	(28,299)	-	-	-
As at 31 December 2019	45,267,650	-	45,267,650	44,937,008	-	44,937,008
Amortisation for the year	1,952,379	-	1,952,379	1,942,191	-	1,942,191
Exchange differences on translation of financial statements in foreign currency	9,725	-	9,725	-	-	-
As at 31 December 2020	47,229,754	-	47,229,754	46,879,199	-	46,879,199
<b>Net book value</b>						
As at 31 December 2019	7,816,654	2,207,355	10,024,009	7,806,757	2,207,355	10,014,112
As at 31 December 2020	10,314,166	5,652,378	15,966,544	10,314,166	5,652,378	15,966,544
<b>Amortisation for the year</b>						
2019			2,131,685			2,041,587
2020			1,952,379			1,942,191
Remaining useful life as at 31 December 2020	1 - 10 years	-		1 - 10 years	-	

As at 31 December 2020, certain computer software items of the Company and its subsidiary have been fully amortisation but are still in use. The gross carrying amount (before deducting accumulated depreciation) of those assets amounted to approximately Baht 37.8 million (Separate financial statements: Baht 37.5 million) (2019: Baht 34.2 million and Baht 33.9 million, respectively).

## 21. Deferred tax assets/Income tax expenses

### 21.1 Deferred tax assets

As at 31 December 2020 and 2019, the components of deferred tax assets and deferred tax liabilities are as follows:

	(Unit: Baht)			
	Consolidated and separate		Changes in deferred tax assets/ liabilities that are recognised in profit	
	financial statements		or loss for the years ended	
	2020	2019	2020	2019
<b>Deferred tax assets</b>				
Allowance for expected credit loss	19,659,944	-	19,659,944	-
Allowance for doubtful accounts	1,291,448	11,550,590	(10,259,142)	4,083,749
Allowance for impairment of investments	1,562,618	1,562,618	-	145,628
Unearned premium reserves	134,290,367	95,912,975	38,377,392	26,494,519
Provision for claim incurred but not yet reported and outstanding claim	27,701,400	18,578,994	9,122,406	(2,444,944)
Loss on changes in value of investments				
Trading securities	-	1,807,665	(1,807,665)	(3,483,166)
Investments measured at FVTPL	10,807,403	-	10,807,403	-
Unrealised loss on foreign exchange	128,899	-	128,899	-
Post employee benefit obligations	23,355,611	24,494,605	(1,138,994)	6,251,464
<b>Total</b>	<b>218,795,690</b>	<b>153,907,447</b>		
<b>Deferred tax liabilities</b>				
Gain on changes in value of investments				
Available-for-sale securities	-	37,152,992	(37,152,992)	5,994,811
Investments measured at FVOCI	38,871,054	-	38,871,054	-
<b>Total</b>	<b>38,871,054</b>	<b>37,152,992</b>		
Deferred tax assets, net	<u>179,924,636</u>	<u>116,754,455</u>		
<b>Total changes</b>			<b>63,170,181</b>	<b>25,052,439</b>
<b>Recognition of changes:</b>				
- In profit or loss			65,666,444	29,253,706
- In other comprehensive income			30,881,339	(4,201,267)
- In retained earnings			767,445	-
- Cumulative effect of the changes in accounting policies			(34,075,047)	-
<b>Total changes</b>			<b>63,170,181</b>	<b>25,052,439</b>

As at 31 December 2020, the subsidiary has temporary differences and unused tax losses totaling Baht 5.7 million (2019: Baht 8.7 million), on which deferred tax assets have not been recognised as the subsidiary believes that there is an uncertainty to allow utilisation of temporary differences and unused tax losses.

## 21.2 Income tax expenses

The income tax expenses for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December			
	2020	2019	2020	2019
<b>Current income tax:</b>				
Corporate income tax charge				
in accordance with Revenue Code	85,129,575	53,436,411	85,129,575	53,436,411
Adjustments in respect of income tax				
of previous year	(344,752)	(200,000)	(344,752)	(200,000)
<b>Deferred tax:</b>				
Relating to origination and reversal of				
temporary differences	(65,666,444)	(29,253,706)	(65,666,444)	(29,253,706)
Relating to disposals of equity instruments				
designated at fair value through other				
comprehensive income during the year	(767,445)	-	(767,445)	-
<b>Income tax expenses reported in the</b>				
<b>    statements of comprehensive income</b>	<u>18,350,934</u>	<u>23,982,705</u>	<u>18,350,934</u>	<u>23,982,705</u>

The amounts of income tax relating to each component of other comprehensive income for the years ended 31 December 2020 and 2019 are as follows:

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December			
	2020	2019	2020	2019
Deferred tax relating to:				
Gain on changes in value of available-for-				
sale investments	-	(5,994,811)	-	(5,994,811)
Gain on changes in value of debt				
instruments measured at fair value				
through other comprehensive income	(2,052,904)	-	(2,052,904)	-
Loss on changes in value of equity				
instruments designed at fair value				
through other comprehensive income	33,253,741	-	33,253,741	-
Actuarial gain (loss)	(659,498)	1,793,544	(659,498)	1,793,544
Total	<u>30,811,339</u>	<u>(4,201,267)</u>	<u>30,811,339</u>	<u>(4,201,267)</u>

Reconciliation between income tax expenses and the product of accounting profit and the applicable tax rate for the years ended 31 December 2020 and 2019 are as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December			
	2020	2019	2020	2019
Accounting profit before income tax expenses	96,020,451	136,140,015	96,790,549	140,071,194
Applicable corporate income tax rate	20%, 24%	20%, 24%	20%	20%
Income tax at the applicable tax rate	19,173,286	27,070,756	19,358,110	28,014,239
Adjustments in respect of income tax				
of previous year	(344,752)	(200,000)	(344,752)	(200,000)
Effects of:				
Temporary differences and tax loss which				
are not recorded as deferred tax assets	12,678	767,551	-	-
Tax-exempted revenues	(4,082,252)	(6,804,048)	(4,082,252)	(6,804,048)
Additional expense deductions allowed	(1,336,841)	(635,926)	(1,336,841)	(635,926)
Non-deductible expenses	4,928,815	3,784,372	4,756,669	3,608,440
Income tax expenses reported in the				
statements of comprehensive income	18,350,934	23,982,705	18,350,934	23,982,705

## 22. Other assets

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Claim receivables from litigants, net	484,905,778	371,939,948	484,796,581	371,939,948
Advance payment of ceded premium	102,130,559	115,057,610	102,130,559	115,057,610
Deposits on rice field insurance scheme	332,541,326	157,333,653	332,541,326	157,333,653
Prepaid commission expenses	50,770,908	48,893,000	50,770,908	48,893,000
Receivable from sale of investments	3,280,196	12,279,242	3,280,196	12,279,242
Cash equivalents which subject to				
restrictions	9,352,233	9,100,237	9,352,233	9,100,237
Others	39,454,376	33,993,280	40,545,661	34,834,478
Total other assets	1,022,435,376	748,596,970	1,023,417,464	749,438,168

As at 31 December 2020, the Company has pledged deposit at financial institutions which amount maturing within 3 months totaling Baht 9.4 million (2019: Baht 9.1million) as security against bank overdraft facilities, and as bail bond in cases where insured drivers have been charged with criminal offence.

### 23. Insurance contract liabilities

(Unit: Baht)

	Consolidated financial Statements		
	2020		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	1,776,241,573	59,945,954	1,716,295,619
- Provision for claim incurred but not reported	196,329,408	124,087,389	72,242,019
Premium reserves			
- Unearned premium reserves	3,050,591,014	243,814,069	2,806,776,945
<b>Total</b>	<b>5,023,161,995</b>	<b>427,847,412</b>	<b>4,595,314,583</b>

(Unit: Baht)

	Consolidated financial Statements		
	2019		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	1,398,433,364	159,966,748	1,238,466,616
- Provision for claim incurred but not reported	94,081,586	41,395,695	52,685,891
Premium reserves			
- Unearned premium reserves	2,336,168,313	325,746,212	2,010,422,101
<b>Total</b>	<b>3,828,683,263</b>	<b>527,108,655</b>	<b>3,301,574,608</b>

(Unit: Baht)

	Separate financial Statements		
	2020		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	1,775,681,184	59,945,954	1,715,735,230
- Provision for claim incurred but not reported	195,657,272	124,087,389	71,569,883
Premium reserves			
- Unearned premium reserves	3,048,578,670	243,814,069	2,804,764,601
<b>Total</b>	<b>5,019,917,126</b>	<b>427,847,412</b>	<b>4,592,069,714</b>

(Unit: Baht)

	Separate financial Statements		
	2019		
	Insurance contract liabilities	Liabilities on reinsurance	Net
Claim reserves and outstanding claims			
- Provision for reported claims	1,398,030,321	159,966,748	1,238,063,573
- Provision for claim incurred but not reported	93,813,407	41,395,695	52,417,712
Premium reserves			
- Unearned premium reserves	2,333,895,909	325,746,212	2,008,149,697
<b>Total</b>	<b>3,825,739,637</b>	<b>527,108,655</b>	<b>3,298,630,982</b>

During the years 2020 and 2019, 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.



## 23.1 Claim reserves and outstanding claims

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	For the years ended 31 December			
	2020	2019	2020	2019
Balance - beginning of the year	1,492,514,950	1,171,196,190	1,491,843,728	1,170,883,279
Claim incurred and loss adjustment expenses for the year	3,441,626,051	3,054,273,124	3,440,377,716	3,052,123,284
Changes in claim reserves and outstanding claims of prior year	(89,161,567)	(95,138,780)	(89,279,958)	(95,134,066)
Changes in claim reserves and assumptions	102,298,862	36,023,258	101,843,865	36,171,156
Claim and loss adjustment expenses paid during the year	(2,974,743,186)	(2,673,772,640)	(2,973,446,895)	(2,672,199,925)
Exchange differences on translation of financial statements in foreign currency	35,871	(66,202)	-	-
Balance - end of the year	<u>1,972,570,981</u>	<u>1,492,514,950</u>	<u>1,971,338,456</u>	<u>1,491,843,728</u>

As at 31 December 2020, the Company and its subsidiary have claim reserves and outstanding claims under reinsurance contracts of Baht 0.5 million (Separate financial statement: Baht 0.7 million) (2019: Baht 0.1 million and Baht 0.4 million, respectively).

## 23.2 Unearned premium reserves

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
	2020	2019	2020	2019
Balance - beginning of the year	2,336,168,313	1,964,524,257	2,333,895,909	1,963,044,364
Premium written for the year	5,985,825,664	4,809,543,733	5,982,238,201	4,806,271,867
Premium earned for the current year	(5,271,488,122)	(4,437,673,942)	(5,267,555,440)	(4,435,420,322)
Exchange differences on translation of financial statements in foreign currency	85,159	(225,735)	-	-
Balance - end of the year	<u>3,050,591,014</u>	<u>2,336,168,313</u>	<u>3,048,578,670</u>	<u>2,333,895,909</u>



## 23.3 Claims development table

### (a) Gross claims table

(Unit: Million Baht)

Consolidated financial Statements											
31 December 2020											
Reporting year / Accident year	Prior until 2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Claim provision:											
- as at accident year	1,341	1,309	1,662	1,773	1,684	1,820	1,969	2,257	2,862	3,288	
- Next one year	1,420	1,172	1,484	1,653	1,644	1,775	1,784	2,223	2,585		
- Next two years	992	1,150	1,556	1,599	1,630	1,759	1,677	2,079			
- Next three years	980	1,154	1,531	1,589	1,631	1,761	1,676				
- Next four years	984	1,173	1,529	1,585	1,627	1,763					
- Next five years	1,017	1,174	1,525	1,584	1,626						
- Next six years	1,021	1,170	1,508	1,584							
- Next seven years	1,021	1,170	1,508								
- Next eight years	1,021	1,170									
- Next nine years	1,021										
Ultimate claim reserves	1,021	1,170	1,508	1,584	1,626	1,763	1,676	2,079	2,585	3,288	18,300
Cumulative payment to date	1,021	1,170	1,508	1,584	1,626	1,762	1,671	2,066	2,479	1,887	16,774
Net	-	-	-	-	-	1	5	13	106	1,401	1,526
Adjusted claim incurred but not reported											393
Unallocated loss adjustment expenses											54
Total claim reserves and outstanding claims before reinsurance											1,973



## Separate financial Statements

31 December 2020

Reporting year / Accident year	Prior										Total
	until 2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Claim provision:											
- as at accident year	1,341	1,309	1,662	1,773	1,684	1,820	1,969	2,255	2,859	3,285	
- Next one year	1,420	1,172	1,484	1,653	1,644	1,775	1,784	2,221	2,582		
- Next two years	992	1,150	1,556	1,599	1,630	1,759	1,677	2,077			
- Next three years	980	1,154	1,531	1,589	1,631	1,761	1,676				
- Next four years	984	1,173	1,529	1,585	1,627	1,763					
- Next five years	1,017	1,174	1,525	1,584	1,626						
- Next six years	1,021	1,170	1,508	1,584							
- Next seven years	1,021	1,170	1,508								
- Next eight years	1,021	1,170									
- Next nine years	1,021										
Ultimate claim reserves	1,021	1,170	1,508	1,584	1,626	1,763	1,676	2,077	2,582	3,285	18,292
Cumulative payment to date	1,021	1,170	1,508	1,584	1,626	1,762	1,671	2,064	2,476	1,886	16,768
Net	-	-	-	-	-	1	5	13	106	1,399	1,524
Adjusted claim incurred but not reported											393
Unallocated loss adjustment expenses											54
Total claim reserves and outstanding claims before reinsurance											1,971



## (b) Net claims table

(Unit: Million Baht)

Consolidated financial Statements												
31 December 2020												
Reporting year / Accident year	Prior until	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Claim provision:												
- as at accident year		1,017	1,080	1,317	1,403	1,346	1,494	1,511	1,739	2,089	2,682	
- Next one year		1,036	993	1,173	1,321	1,314	1,465	1,416	1,699	1,914		
- Next two years		937	967	1,239	1,287	1,316	1,456	1,325	1,567			
- Next three years		925	972	1,213	1,279	1,317	1,459	1,325				
- Next four years		930	991	1,212	1,276	1,313	1,459					
- Next five years		963	992	1,208	1,275	1,312						
- Next six years		967	989	1,192	1,275							
- Next seven years		967	989	1,192								
- Next eight years		967	989									
- Next nine years		967										
Ultimate claim reserves		967	989	1,192	1,275	1,312	1,459	1,325	1,567	1,914	2,682	14,682
Cumulative payment to date		967	989	1,192	1,275	1,312	1,459	1,321	1,555	1,824	1,464	13,358
Net		-	-	-	-	-	-	4	12	90	1,218	1,324
Adjusted claim incurred but not reported												411
Unallocated loss adjustment expenses												54
Total claim reserves and outstanding claims before reinsurance												1,789



(Unit: Million Baht)

## Separate financial Statements

31 December 2020

Reporting year / Accident year	Prior until										Total
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Claim provision:											
- as at accident year	1,017	1,080	1,317	1,403	1,346	1,494	1,511	1,737	2,086	2,679	
- Next one year	1,036	993	1,173	1,321	1,314	1,465	1,416	1,697	1,912		
- Next two years	937	967	1,239	1,287	1,316	1,456	1,325	1,565			
- Next three years	925	972	1,213	1,279	1,317	1,459	1,325				
- Next four years	930	991	1,212	1,276	1,313	1,459					
- Next five years	963	992	1,208	1,275	1,312						
- Next six years	967	989	1,192	1,275							
- Next seven years	967	989	1,192								
- Next eight years	967	989									
- Next nine years	967										
Ultimate claim reserves	967	989	1,192	1,275	1,312	1,459	1,325	1,565	1,912	2,679	14,675
Cumulative payment to date	967	989	1,192	1,275	1,312	1,459	1,321	1,553	1,822	1,463	13,353
Net	-	-	-	-	-	-	4	12	90	1,216	1,322
Adjusted claim incurred but not reported											411
Unallocated loss adjustment expenses											54
Total claim reserves and outstanding claims before reinsurance											1,787



## 23.4 Methodology and assumptions

The methodology and assumptions adopted by the Company and its subsidiary for the gross and net valuations of insurance liabilities (claim reserves and outstanding claims) as at 31 December 2020 are presented as follows:

### (1) Estimation method for best estimate of claims liabilities

#### Direct and Inward Facultative Business

There are three main actuarial methods applied in determining the best estimate of claims liabilities as follows.

- (i) Chain Ladder method (CL) based on both claims paid and claims incurred
- (ii) Bornhuetter-Ferguson method (BF) based on both claims paid and claims incurred
- (iii) Expected Loss Ratio method (ELR) based on both claims paid and claims incurred

The Company mostly relies on the Chain Ladder method on claims incurred to derive the best estimate of claims liabilities. The BF and ELR methods are also used where appropriate. The subsidiary mostly relies on the ELR method.

#### Inward Treaty Business

The Group employed a simple approach in estimating the IBNR reserves for inward treaty. This approach assumes that the IBNR requirements for the inward treaty business would be similar in proportion (as a percentage of outstanding case reserves) to the direct and inward facultative business.

### (2) Estimation of relevant expenses

There are 4 types of expenses relevant to determining insurance contract liabilities, as follows:

#### 2.1 Allocated Loss Adjustment Expenses - ALAE

Since the ALAE are not included in claims paid triangles, a separate ALAE valuation is made, using the proportion of loss adjustment expenses to claims paid to determine an ALAE rate in triangles and ultimate claims projection.

## 2.2 Unallocated Loss Adjustment Expenses - ULAE

In determining the allowance for future ULAE (which is equivalent to Claims Handling Expenses), the Group derived assumptions from an estimate made using the Kittel method, with ULAE ratio computed separately for motor and non-motor classes.

The Group noted that for the purposes of this valuation, the gross outstanding liabilities exclude outstanding liabilities arising from the severe floods. For premium liabilities, the ULAE ratio was applied to the gross URR to obtain the Claims Handling Expenses for premium liabilities.

## 2.3 Maintenance Expenses

A percentage of historical maintenance expenses to historical gross earned premiums each year was applied onto the gross UPR to obtain the maintenance expense reserves for the premium liabilities at the end of the year.

## 2.4 Reinsurance Cost

Allowance for future costs of reinsurance is estimated based on the ratio of excess of loss reinsurance XOL premiums divided by net written premiums then applied to the net UPR.

## 24. Amount due to reinsurers

(Unit: Baht)

	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	2020	2019	2020	2019
Outward premium payable	373,062,408	376,267,346	373,062,408	376,267,346
Amounts withheld on reinsurances	86,720,252	94,123,546	86,720,252	94,123,546
Total amounts due to reinsurers	<u>459,782,660</u>	<u>470,390,892</u>	<u>459,782,660</u>	<u>470,390,892</u>

## 25. Employee benefit obligations

Provision for long-term employee benefits, which represents compensation payable to employee after they retire, for the years ended 31 December 2020 and 2019 was as follows:

(Unit: Baht)

	Consolidated and Separate financial statements	
	2020	2019
<b>Provision for employee benefits at beginning of year</b>	122,473,024	91,215,706
Included in profit or loss		
Current service cost	8,870,171	7,846,096
Interest cost	2,092,355	3,600,453
Past service cost	-	28,799,383
Included in other comprehensive income		
Actuarial loss (gain) arising from		
Demographic assumptions changes	-	(3,677,363)
Financial assumptions changes	1,336,110	15,471,845
Experience adjustments	(4,633,602)	(2,826,762)
Benefits paid during the year	(13,360,001)	(17,956,334)
<b>Provision for employee benefits at end of year</b>	<b>116,778,057</b>	<b>122,473,024</b>

As at 31 December 2020, the weighted average duration of the liabilities for long-term employee benefit is 16 years and the Company expects to pay Baht 15.8 million of long-term employee benefits during the next year (2019: 14.7 years and Baht 14.0 million respectively).

Principal actuarial assumptions at the valuation date were as follows:

	Consolidated and Separate financial statements	
	2020	2019
	% per annum	% per annum
Discount rate	1.6	1.7
Salary increase rate	5.0	5.0
Staff turnover rate (depending on age)	0.0 - 12.0	0.0 - 12.0

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2020 and 2019 are summarised below.

(Unit: Million Baht)

	Consolidated and Separate financial statements			
	2020		2019	
	Rate increase 0.5% per annum	Rate decrease 0.5% per annum	Rate increase 0.5% per annum	Rate decrease 0.5% per annum
Discount rate	Liabilities decrease 6.7	Liabilities increase 6.4	Liabilities decrease 5.5	Liabilities increase 7.0
Salary increase rate	Liabilities increase 6.4	Liabilities decrease 6.7	Liabilities increase 7.0	Liabilities decrease 5.6
Staff turnover rate	Liabilities decrease 2.0	Liabilities increase 1.3	Liabilities decrease 1.0	Liabilities increase 2.0

## 26. Other liabilities

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Premium received in advance	325,857,716	260,430,319	325,857,716	260,430,319
Accrued commissions	115,363,825	111,445,409	115,221,111	111,283,301
Accrued operating expenses	109,680,273	118,365,307	108,991,684	117,726,011
Payables on purchase of investments	2,950,051	7,146,029	2,950,051	7,146,029
Commission received in advance	50,191,499	56,174,675	50,191,499	56,174,675
Other payable	109,603,894	84,038,288	109,685,260	84,054,338
Lease liabilities	3,661,317	-	-	-
Others	149,970,080	145,271,562	149,885,472	145,176,924
Total other liabilities	867,278,655	782,871,589	862,782,793	781,991,597

## 27. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.



## 28. Net investment income

During the years ended 31 December 2020 and 2019, the Company had net investment income as below.

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Interest income from financial assets	41,923,980	31,466,377	39,092,998	28,845,393
Dividend from financial assets	29,535,110	50,761,092	29,535,110	50,761,092
Total investment income	<u>71,459,090</u>	<u>82,227,469</u>	<u>68,628,108</u>	<u>79,606,485</u>

## 29. Gain (loss) on financial instruments

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Gain (loss) from disposals				
Debt instruments measured at FVTPL	14,827,274	-	14,827,274	-
Equity instruments measured at FVTPL	(33,916,825)	-	(33,916,825)	-
Trading investments	-	9,535,656	-	9,535,656
Available-for-sale investments	-	27,547,083	-	27,547,083
Total gain (loss) on financial instruments	<u>(19,089,551)</u>	<u>37,082,739</u>	<u>(19,089,551)</u>	<u>37,082,739</u>

## 30. Gain (loss) on fair value adjustments of financial instruments

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Gain (loss) from fair value adjustments				
Debt instruments measured at FVTPL	(48,196,248)	-	(48,196,248)	-
Equity instruments measured at FVTPL	769,885	-	769,885	-
Trading investments	-	17,415,831	-	17,415,831
Total gain (loss) on fair value adjustments of financial instruments	<u>(47,426,363)</u>	<u>17,415,831</u>	<u>(47,426,363)</u>	<u>17,415,831</u>

### 31. Operating expenses

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Personal expenses which are not expenses for underwriting and claims	106,637,781	92,341,217	106,233,156	91,813,529
Property and equipment expenses which are not expenses for underwriting	91,558,029	87,159,101	89,908,500	83,922,492
Taxes and duties	2,712,994	1,195,547	2,647,555	856,068
Bad debts and doubtful accounts (reverse)	(2,057,998)	3,451,045	(2,057,998)	3,451,045
Support services expenses	312,507,318	251,678,273	312,504,874	251,671,012
Advertising and promotion expenses	41,681,138	65,420,308	41,500,798	65,332,397
Other operating expenses	44,728,206	40,948,780	43,513,357	39,778,948
<b>Total operating expenses</b>	<b>597,767,468</b>	<b>542,194,271</b>	<b>594,250,242</b>	<b>536,825,491</b>

### 32. Expenses by nature

Significant expenses classified by nature are as follows:

(Unit: Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Net claims and loss adjustment expenses	2,558,145,032	1,915,613,494	2,556,465,258	1,913,384,520
Commissions and brokerage expenses	942,171,843	771,669,316	941,725,965	771,198,910
Personnel expenses	367,274,605	382,208,324	365,680,039	380,620,424
Other underwriting expenses	227,888,152	225,064,719	227,888,152	225,064,719
Support services expenses	312,507,318	251,678,273	312,504,874	251,671,012
Premises and equipment expenses	91,558,029	87,159,101	89,908,500	83,922,492
Advertise and promotion expenses	41,681,138	65,420,308	41,500,798	65,332,397
Other operating expenses	44,728,207	40,948,780	43,513,357	39,778,948
Financial cost	109,456	-	-	-
Expected credit loss	3,149,598	-	3,113,252	-
Others	8,409,994	11,636,592	8,344,557	11,297,113
<b>Total expenses</b>	<b>4,597,623,372</b>	<b>3,751,398,907</b>	<b>4,590,644,752</b>	<b>3,742,270,535</b>



### 33. Expected credit loss

(Unit: Baht)

	Consolidated financial statements	Separate financial statements
	2020	
Cash and cash equivalents	68,325	19,110
Accrued investment income	48,392	46,088
Debt instruments measured at FVOCI	(34,035)	(34,035)
Debt instruments measured at amortised cost	3,062,135	3,077,308
Cash equivalents which subject to restrictions	4,781	4,781
Total expected credit loss	<u>3,149,598</u>	<u>3,113,252</u>

### 34. Provident fund

The Company and its employees jointly established a provident fund under the Provident Fund Act B.E. 2530. The fund is contributed to by the employees on a monthly basis at rate of 5%, 10% and 15% of the employees' basic salaries, and by the Company on a monthly basis at rate of 7.5% of the employees' basic salaries. The fund is managed by a fund manager which has been approved by the Ministry of Finance. The contributions for the year 2020 amounting to approximately Baht 12.5 million (2019: Baht 12.9 million) were recognised as expenses.

### 35. Earnings per share

Basic earnings per share is calculated by dividing profit for the year attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

### 36. Dividend paid

Dividend declared during the year 2020 and 2019 consists of the following:

	Approved by	Total dividends	Dividend per share
		(Million Baht)	(Baht)
Final dividends for 2019	Annual General Meeting of the shareholders on 24 April 2020	60.60	0.20
Final dividends for 2018	Annual General Meeting of the shareholders on 29 April 2019	60.60	0.20

### 37. Related party transactions

During the years, the Company had significant business transactions (related by way of common directors and shareholding) 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: Thousand Baht)

	Consolidated financial statements		Separate financial statements		Pricing policies
	For the years ended 31 December				
	2020	2019	2020	2019	
<b><u>Transactions with subsidiary</u></b>					
<b>Laovivat Insurance Co., Ltd.</b>					
(eliminated from the consolidated financial statements)					
Reinsurance premium written	-	-	1,842	2,798	Reinsurance rates depending on type of insurance and reinsurance contracts
Commission expenses	-	-	374	487	As stated in the agreement
Claim expenses	-	-	432	348	As actually incurred, in proportions per agreement
Other income	-	-	15	5	As stated in the agreement
<b><u>Transactions with related parties</u></b>					
<b>Thai Reinsurance Plc.</b>					
Premium ceded	140,132	183,773	140,132	183,773	Reinsurance rates depending on type of insurance and reinsurance contracts
Commission income	11,654	14,585	11,654	14,585	As stated in the agreement
Claims refunded	106,762	257,211	106,762	257,211	As actually incurred, in proportions per agreement
Reinsurance premium written	1	12	1	12	Reinsurance rates depending on type of insurance and reinsurance contracts
Commission expenses	-	13	-	13	As stated in the agreement
Claim expenses	224	748	224	748	As actually incurred, in proportions per agreement
<b>Road Accident Victims Protection Co., Ltd.</b>					
Contribution expenses	16,270	11,865	16,270	11,865	12.25% of premium written received from insurers under the Public Protection of Traffic Injury Act B.E. 2535
Other income	5,562	3,985	5,562	3,985	As stated in the agreement
<b>T.I.I. Co., Ltd.</b>					
Dividend income	20	20	20	20	As declared
<b>J&amp;A Jewelry Co., Ltd.</b>					
Premium written	81	81	81	81	Underwriting rates depending on type of insurance

As at 31 December 2020 and 2019, the Company had the following significant balances of assets and liabilities with its related parties:

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
<b><u>Transactions with subsidiary</u></b>				
<b>Laovivat Insurance Co., Ltd.</b>				
Receivables from reinsurance contracts	-	-	1,399,571	1,892,587
Insurance contract liabilities	-	-	1,255,642	1,178,843
Other assets	-	-	1,317,822	1,065,926
Other liabilities	-	-	47,646	5,152
<b><u>Transactions with related parties</u></b>				
<b>Thai Reinsurance Plc.</b>				
Receivables from reinsurance contracts	42,047,864	25,073,516	42,047,864	25,073,516
Investments in equity securities	4,660,293	2,385,189	4,660,293	2,385,189
Amounts due to reinsurers	109,266,999	77,299,172	109,266,999	77,299,172
<b>Road Accident Victims Protection Co., Ltd.</b>				
Investments in equity securities	89,811,333	3,518,150	89,811,333	3,518,150
Other assets	5,511,240	2,103,585	5,511,240	2,103,585
Other liabilities	4,244,110	3,089,782	4,244,110	3,089,782
<b>T.I.I. Co., Ltd.</b>				
Investments in equity securities	800,462	202,500	800,462	202,500
<b>Vichitbhan Palmoil Plc.</b>				
Investments in equity securities	51,000	61,000	51,000	61,000

## Directors and management's remuneration

During the years ended 31 December 2020 and 2019, the Company had employee benefit expenses to their directors and management as below.

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December			
	2020	2019	2020	2019
Short-term employee benefits	92,558,869	83,737,700	92,558,869	83,737,700
Post-employment benefits	6,813,715	17,792,461	6,813,715	17,792,461
Total	99,372,584	101,530,161	99,372,584	101,530,161



## 38. Assets subject to restrictions

### 38.1 Assets pledged and assets reserved with the Registrar

As at 31 December 2020 and 2019, the following assets have been pledged and reserved with the Registrar in accordance with the Non-life Insurance Act.

(Unit: Million Baht)

	Consolidated financial statements			
	2020		2019	
	Amortised cost	Fair value	Amortised cost	Fair value
<b>Asset pledged</b>				
Fixed deposit	18.7	18.7	18.1	18.1
Government bonds	15.0	15.5	15.1	15.7
<b>Total</b>	<b>33.7</b>	<b>34.2</b>	<b>33.2</b>	<b>33.8</b>
<b>Assets reserved</b>				
Government bonds	385.9	392.4	245.1	250.0
Certificate of deposit	200.0	200.0	-	-
State enterprise debt securities	80.0	81.8	80.0	81.8
Private debt securities	60.0	63.2	40.0	43.0
<b>Total</b>	<b>725.9</b>	<b>737.4</b>	<b>365.1</b>	<b>374.8</b>
<b>Total</b>	<b>759.6</b>	<b>771.6</b>	<b>398.3</b>	<b>408.6</b>

(Unit: Million Baht)

	Separate financial statements			
	2020		2019	
	Amortised cost	Fair value	Amortised cost	Fair value
<b>Asset pledged</b>				
Government bonds	15.0	15.5	15.1	15.7
<b>Total</b>	<b>15.0</b>	<b>15.5</b>	<b>15.1</b>	<b>15.7</b>
<b>Assets reserved</b>				
Government bonds	385.9	392.4	245.1	250.0
Certificate of deposit	200.0	200.0	-	-
State enterprise debt securities	80.0	81.8	80.0	81.8
Private debt securities	60.0	63.2	40.0	43.0
<b>Total</b>	<b>725.9</b>	<b>737.4</b>	<b>365.1</b>	<b>374.8</b>
<b>Total</b>	<b>740.9</b>	<b>752.9</b>	<b>380.2</b>	<b>390.5</b>

## 38.2 Assets pledged as other collateral

As at 31 December 2020 and 2019, the Company had pledged the following assets as collateral.

	(Unit: Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	2020	2019	2020	2019
Government debt securities which pledged for guarantee electricity use	1,016,591	1,022,018	1,016,591	1,022,018
Deposit at bank which pledged for				
Letter of bank guarantee	1,929,715	1,869,168	1,929,715	1,869,168
Bail bond in cases where insured drivers have been charged with criminal offense	1,118,189	218,235	1,118,189	218,235
Bank overdraft	10,288,943	10,253,416	10,288,943	10,253,416
Others	5,386,857	5,372,953	5,386,857	5,372,953
<b>Total</b>	<b>19,740,295</b>	<b>18,735,790</b>	<b>19,740,295</b>	<b>18,735,790</b>

## 39. Contribution to the General Insurance Fund

	(Unit: Baht)	
	Consolidated and	
	Separate financial statements	
	For the years ended 31 December	
	2020	2019
Accumulated contribution at the beginning of the year	79,467,881	67,459,396
Contribution during the year	14,937,359	12,008,485
Accumulated contribution at the end of the year	94,405,240	79,467,881

## 40. Commitments and contingent liabilities

### 40.1 Capital commitments

As at 31 December 2020, the Company has capital commitments of approximately Baht 16.7 million, relating to the construction of buildings and equipment and computer software under development (2019: Baht 2.2 million).

### 40.2 Operating lease commitments

As at 31 December 2020, the Company has future minimum lease payments required under these short-term lease contracts (within 1 year) amounting to Baht 0.3 million.

### **40.3 Bank guarantees**

As at 31 December 2020, there were outstanding bank guarantees of Baht 1.9 million issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business (2019: Baht 1.9 million).

### **40.4 Litigation**

As at 31 December 2020, the Company has been sued as insurer for damages totaling approximately Baht 162.0 million (amount claimed). The cases have yet to be finalised. However, the Company has set aside reserves for contingent losses in the financial statements amounting to approximately Baht 57.6 million, with the recoverable portion from reinsurers amounting to Baht 1.8 million. The Company's management believes that such reserve is adequate (2019: Baht 100.2 million, Baht 45.3 million and Baht 1.4 million, respectively).

## **41. Segment information**

The Company is principally engaged in the provision of all types of non-life insurance products and for the purpose of operation management, the Company has divided into business units that correspond to the types of insurance product offered i.e. Fire, Marine and transportation, Motor and Miscellaneous. The operating segment information presented below is consistent with the internal reports that the Company's Chief Operating Decision Maker (who is granted authority by the Board of Directors) regularly receives and reviews for use in making decisions about the allocation of resources to the segment and assess its performance. The Chairman of the Executive Board has been identified as Chief Operating Decision Maker, with decisions passing through the Board of Directors.

Segment performance is measured based on operating profit or loss on a basis consistent with that used to measure operating profit or loss and total assets in the financial statements.

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

The subsidiary company is also principally engaged in non-life insurance, the Company considers the operation performance on a combined basis.



Segment revenue and profit information of the Company and its subsidiary for the years ended 31 December 2020 and 2019 are as follows:

(Unit: Baht)

Consolidate financial statements								
For the year end 31 December 2020								
Total of the Company								
	Fire	Marine and transportation	Motor	Miscellaneous	Total	Total of subsidiary	Elimination	Total
<b>Underwriting income</b>								
Premium written	152,723,009	10,067,489	4,842,038,644	977,409,059	5,982,238,201	5,429,005	(1,841,542)	5,985,825,664
Less: Premium ceded	(89,338,869)	(681,194)	(17,655,338)	(541,280,891)	(648,956,292)	(1,841,542)	1,841,542	(648,956,292)
Net premium written	63,384,140	9,386,295	4,824,383,306	436,128,168	5,333,281,909	3,587,463	-	5,336,869,372
Add (Less): Unearned premium reserves								
(increase) decrease from prior year	(8,013,923)	519,053	(739,718,036)	(49,401,998)	(796,614,904)	46,244	-	(796,568,660)
Earned premium	55,370,217	9,905,348	4,084,665,270	386,726,170	4,536,667,005	3,633,707	-	4,540,300,712
Fee and commission income	46,812,993	8,073	23,739,854	69,814,804	140,375,724	373,547	(373,547)	140,375,724
<b>Total underwriting income</b>	<b>102,183,210</b>	<b>9,913,421</b>	<b>4,108,405,124</b>	<b>456,540,974</b>	<b>4,677,042,729</b>	<b>4,007,254</b>	<b>(373,547)</b>	<b>4,680,676,436</b>
<b>Underwriting expenses</b>								
Claims and loss adjustment expenses	10,157,393	1,134,229	2,489,686,727	199,038,143	2,700,016,492	2,527,179	-	2,702,543,671
Commission and brokerage expenses	33,328,713	1,297,092	816,287,904	90,812,256	941,725,965	819,425	(373,547)	942,171,843
Other underwriting expenses	4,234,741	417,662	237,287,115	109,599,283	351,538,801	342,535	-	351,881,336
<b>Total underwriting expenses before operating expenses</b>	<b>47,720,847</b>	<b>2,848,983</b>	<b>3,543,261,746</b>	<b>399,449,682</b>	<b>3,993,281,258</b>	<b>3,689,139</b>	<b>(373,547)</b>	<b>3,996,596,850</b>
<b>Profit from underwriting before operating expenses</b>	<b>54,462,363</b>	<b>7,064,438</b>	<b>565,143,378</b>	<b>57,091,292</b>	<b>683,761,471</b>	<b>318,115</b>	<b>-</b>	<b>684,079,586</b>
Operating expenses					(594,250,242)	(3,532,284)	15,058	(597,767,468)
<b>Profit (loss) from underwriting</b>					<b>89,511,229</b>	<b>(3,214,169)</b>	<b>15,058</b>	<b>86,312,118</b>
Investment income					68,628,108	2,830,982	-	71,459,090
Loss on financial instruments					(19,089,551)	-	-	(19,089,551)
Loss on fair value adjustments of financial instruments					(47,426,363)	-	-	(47,426,363)
Other income (expenses)					8,280,378	(241,109)	(15,058)	8,024,211
Financial Cost					-	(109,456)	-	(109,456)
Expected credit loss					(3,113,252)	(36,346)	-	(3,149,598)
<b>Profit (loss) before income tax expenses</b>					<b>96,790,549</b>	<b>(770,098)</b>	<b>-</b>	<b>96,020,451</b>
Income tax expenses					(18,350,934)	-	-	(18,350,934)
<b>Profit (loss) for the year</b>					<b>78,439,615</b>	<b>(770,098)</b>	<b>-</b>	<b>77,669,517</b>



## Consolidate financial statements

For the year end 31 December 2019

	Total of the Company				Total	Total of subsidiary	Elimination	Total
	Fire	Marine and transportation	Motor	Miscellaneous				
<b>Underwriting income</b>								
Premium written	152,394,897	12,576,541	3,745,897,367	895,403,062	4,806,271,867	6,070,253	(2,798,387)	4,809,543,733
Less: Premium ceded	(105,788,593)	(2,774,728)	(324,659,155)	(551,587,331)	(984,809,807)	(2,798,387)	2,798,387	(984,809,807)
Net premium written	46,606,304	9,801,813	3,421,238,212	343,815,731	3,821,462,060	3,271,866	-	3,824,733,926
Add (Less): Unearned premium reserves (increase) decrease from prior year	89,347	(387,097)	(309,827,969)	(47,333,223)	(357,458,942)	(681,257)	-	(358,140,199)
Earned premium	46,695,651	9,414,716	3,111,410,243	296,482,508	3,464,003,118	2,590,609	-	3,466,593,727
Fee and commission income	54,080,528	533,652	119,929,767	95,139,033	269,682,980	487,227	(487,227)	269,682,980
<b>Total underwriting income</b>	<b>100,776,179</b>	<b>9,948,368</b>	<b>3,231,340,010</b>	<b>391,621,541</b>	<b>3,733,686,098</b>	<b>3,077,836</b>	<b>(487,227)</b>	<b>3,736,276,707</b>
<b>Underwriting expenses</b>								
Claims and loss adjustment expenses	3,413,378	(477,347)	1,869,986,780	197,454,927	2,070,377,738	3,054,906	-	2,073,432,644
Commission and brokerage expenses	32,973,661	1,700,889	635,921,672	100,602,688	771,198,910	957,633	(487,227)	771,669,316
Other underwriting expenses	5,201,541	557,614	267,782,147	90,327,094	363,868,396	234,280	-	364,102,676
<b>Total underwriting expenses before operating expenses</b>	<b>41,588,580</b>	<b>1,781,156</b>	<b>2,773,690,599</b>	<b>388,384,709</b>	<b>3,205,445,044</b>	<b>4,246,819</b>	<b>(487,227)</b>	<b>3,209,204,636</b>
<b>Profit (loss) from underwriting before operating expenses</b>	<b>59,187,599</b>	<b>8,167,212</b>	<b>457,649,411</b>	<b>3,236,832</b>	<b>528,241,054</b>	<b>(1,168,983)</b>	<b>-</b>	<b>527,072,071</b>
Operating expenses					(536,825,491)	(5,373,932)	5,152	(542,194,271)
<b>Loss from underwriting</b>					<b>(8,584,437)</b>	<b>(6,542,915)</b>	<b>5,152</b>	<b>(15,122,200)</b>
Investment income					79,606,485	2,620,984	-	82,227,469
Gain on financial instruments					37,082,739	-	-	37,082,739
Gain on fair value adjustments of financial instruments					17,415,831	-	-	17,415,831
Other income (expenses)					14,550,576	(9,248)	(5,152)	14,536,176
<b>Profit (loss) before income tax expenses</b>					<b>140,071,194</b>	<b>(3,931,179)</b>	<b>-</b>	<b>136,140,015</b>
Income tax expenses					(23,982,705)	-	-	(23,982,705)
<b>Profit (loss) for the year</b>					<b>116,088,489</b>	<b>(3,931,179)</b>	<b>-</b>	<b>112,157,310</b>



Segment assets and liabilities as at 31 December 2020 and 2019 are as follows:

(Unit: Baht)

Consolidated financial statements									
Total of the Company									
	Fire	Marine and transportation	Motor	Miscellaneous	Unallocated	Total	Total of subsidiary	Elimination	Total
<b>Assets</b>									
As at 31 December 2020	159,318,896	1,183,668	1,117,796,350	544,462,840	6,019,980,382	7,842,742,136	56,977,977	(54,420,678)	7,845,299,435
As at 31 December 2019	177,404,881	2,143,956	1,047,405,038	449,558,133	4,856,858,295	6,533,370,303	52,371,466	(55,022,507)	6,530,719,262
<b>Liabilities</b>									
As at 31 December 2020	261,641,998	2,988,125	4,503,181,703	1,184,324,283	539,663,838	6,491,799,947	11,761,411	(4,020,680)	6,499,540,678
As at 31 December 2019	288,908,790	4,239,407	3,573,348,265	821,885,855	524,940,264	5,213,322,581	7,966,126	(4,142,508)	5,217,146,199

## Geographic information

The Company is operated its business in Thailand. The subsidiary is operated in Lao People's Democratic Republic. The Company presents its subsidiary's information separately, as a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable.

## Major customer

For the years ended 31 December 2020 and 2019, the Company has premium written from three major brokers in amounting of Baht 2,372.1 million and Baht 1,851.3 million, respectively.

## 42. Non-life insurance company's risks and risk management policy

### 42.1 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 Company risk management policy is to selectively accept loss risk business with good insurance loss records, and not to retain limit per risk in excess of the OIC regulation.

In cases where its risk capacity is limited, the Company has arranged the transfer of risk to reinsurance companies which have stable financial positions, and capacity and expertise in both treaty reinsurance and facultative reinsurance, in order to reassure customers.

In addition, the Company has the following policies.

- The guidelines for sums insured, coverage and terms of insurance that are appropriate to the level of risk.
- The provision of reinsurance support as needed, in case of the Company cannot accept the full sum insured due to the requirements of the OIC, allowed to retain risk not excess of 10 percent of the Company's capital fund.
- Selects highly rated reinsurers with a credit rating of at least A-, according to the creditor ratings of S&P and A.M. Best.
- Assigned responsible persons for each stage, from reviewing the accuracy of the underwriting to authorization, and to approve underwriting based on the sum insured.

As at 31 December 2020 and 2019, concentration of insurance contract liabilities segregated by insurance type are shown below.

(Unit: Million Baht)

	2020			2019		
	Gross premium reserves	Outward premium reserves	Net	Gross premium reserves	Outward premium reserves	Net
<b>The Company</b>						
Fire	80.0	45.9	34.1	78.6	52.5	26.1
Marine and transportation	1.8	-	1.8	2.6	0.3	2.3
Motor	2,564.6	4.4	2,560.2	1,987.6	167.1	1,820.5
Personal accident	28.2	10.3	17.9	17.5	4.8	12.7
Miscellaneous	374.0	183.2	190.8	247.6	101.0	146.6
Total of the Company	3,048.6	243.8	2,804.8	2,333.9	325.7	2,008.2
<b>Total of subsidiary</b>	2.0	-	2.0	2.3	-	2.3
Total	3,050.6	243.8	2,806.8	2,336.2	325.7	2,010.5

(Unit: Million Baht)

	2020			2019		
	Gross loss reserves	Outward loss reserves	Net	Gross loss reserves	Outward loss reserves	Net
<b>The Company</b>						
Fire	3.6	2.0	1.6	8.7	5.7	3.0
Marine and transportation	1.1	0.1	1.0	0.4	0.1	0.3
Motor	1,735.7	27.9	1,707.8	1,304.3	55.0	1,249.3
Personal accident	4.8	1.9	2.9	5.2	2.3	2.9
Miscellaneous	226.1	152.1	74.0	173.2	138.3	34.9
Total of the Company	1,971.3	184.0	1,787.3	1,491.8	201.4	1,290.4
<b>Total of subsidiary</b>	1.3	-	1.3	0.7	-	0.7
Total	1,972.6	184.0	1,788.6	1,492.5	201.4	1,291.1

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.

As at 31 December 2020 and 2019, the impact on the best estimate of insurance liabilities of the changes in key variables assumptions is shown in the following table.

(Unit: Million Baht)

	Consolidated financial statements				
	2020				
Assumption change	Increase (decrease) in provision for gross claim liabilities	Increase (decrease) in provision for net claim liabilities	Increase (decrease) in profit before tax	Increase (decrease) in equity	
Ultimate loss ratio in latest accident year	+5%	181	146	(146)	(117)
Ultimate loss ratio in latest accident year	-5%	(181)	(146)	146	117
ALAE ratio	+10%	2	2	(2)	(2)
ALAE ratio	-10%	(2)	(2)	2	2
ULAE ratio	+10%	6	6	(6)	(5)
ULAE ratio	-10%	(6)	(6)	6	5

(Unit: Million Baht)

	Consolidated financial statements				
	2019				
Assumption change	Increase (decrease) in provision for gross claim liabilities	Increase (decrease) in provision for net claim liabilities	Increase (decrease) in profit before tax	Increase (decrease) in equity	
Ultimate loss ratio in latest accident year	+5%	159	114	(114)	(91)
Ultimate loss ratio in latest accident year	-5%	(159)	(114)	114	91
ALAE ratio	+10%	2	2	(2)	(2)
ALAE ratio	-10%	(2)	(2)	2	2
ULAE ratio	+10%	5	5	(5)	(4)
ULAE ratio	-10%	(5)	(5)	5	4

(Unit: Million Baht)

Separate financial statements					
2020					
Assumption change	Increase (decrease) in provision for gross claim liabilities	Increase (decrease) in provision for net claim liabilities	Increase (decrease) in profit before tax	Increase (decrease) in equity	
	Ultimate loss ratio in latest accident year	+5%	181	146	(146)
Ultimate loss ratio in latest accident year	-5%	(181)	(146)	146	117
ALAE ratio	+10%	2	2	(2)	(2)
ALAE ratio	-10%	(2)	(2)	2	2
ULAE ratio	+10%	6	6	(6)	(5)
ULAE ratio	-10%	(6)	(6)	6	5

(Unit: Million Baht)

Separate financial statements					
2019					
Assumption change	Increase (decrease) in provision for gross claim liabilities	Increase (decrease) in provision for net claim liabilities	Increase (decrease) in profit before tax	Increase (decrease) in equity	
	Ultimate loss ratio in latest accident year	+5%	159	114	(114)
Ultimate loss ratio in latest accident year	-5%	(159)	(114)	114	91
ALAE ratio	+10%	2	2	(2)	(2)
ALAE ratio	-10%	(2)	(2)	2	2
ULAE ratio	+10%	5	5	(5)	(4)
ULAE ratio	-10%	(5)	(5)	5	4



## 42.2 Risk management policy

### 42.2.1 Credit risk

Credit risk is the risk of default by counter party that inability to comply with the terms of a financial instruments such as premium receivables, reinsurers or debtors, loans and interest receivables and debt financial instruments. If a customer is unable to fulfill an agreement, it affects the Group's revenue and operations. The Group manage the risk by maintains the proportion of outstanding premiums at an appropriate level, in accordance with the guidelines of the OIC and establishing a process to closely follow up on outstanding premiums from policyholders, agents and brokers, uses credit rating at least "A-" as the basis for selecting reinsurers and makes loans to staff in accordance with the Office of Insurance Commissions rules. The Group also has an audit system and constantly monitors counterparties in order to mitigate credit risk.

Moreover, for financial assets - debt instrument, the Company has evaluated expected credit loss which is not necessary for a credit impair event to have occurred, by applying general approach. The Company had classified financial assets into 3 stages with difference credit loss assessment method as below

Staging	Credit loss assessment
Stage 1 - Debt securities without a significant increase in credit risk	12 Month expected credit loss
Stage 2 - Debt securities with a significant increase in credit risk	Lifetime expected credit loss
Stage 3 - Debt securities with credit impaired	Lifetime expected credit loss

The Company assess financial assets whether there has been a significant increase in credit risk or credit-impaired from both quantitative and qualitative factors. Such factor include credit rating which was changed from initial investment, default status and financial ratio analysis in determining if there are changes in related factors that significantly impact the financial asset's issuer's cashflows.

The table below shows the credit quality of financial assets exposed to credit risk. The amounts presented for financial assets are gross carrying amount (before deducting allowance for expected credit loss).

(Unit: Baht)

	Separate financial statements				Total
	2020				
	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with has significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets applied simplified approach to calculate expected credit loss (Lifetime ECL - simplified approach)	
<b>Cash and cash equivalents</b>					
Investment grade	330,125,221	-	-	-	330,125,221
Allowance for expected credit loss	176,624	-	-	-	176,624
<b>Accrued investment income</b>					
Investment grade	11,977,945	-	-	-	11,977,945
Non-investment grade	-	209,603	-	-	209,603
Total	11,977,945	209,603	-	-	12,187,548
Allowance for expected credit loss	22,856	23,232	-	-	46,088
<b>Debt instruments measured at FVOCI</b>					
Investment grade	1,210,593,684	-	-	-	1,210,593,684
Default grade	-	-	93,940	-	93,940
Total	1,210,593,684	-	93,940	-	1,210,687,624
Allowance for expected credit loss	1,158,206	-	93,940	-	1,252,146
<b>Debt instruments measured at amortised cost</b>					
Investment grade	1,115,171,191	-	-	-	1,115,171,191
Non-investment grade	-	30,000,000	-	-	30,000,000
Default grade	-	-	841,000	-	841,000
Total	1,115,171,191	30,000,000	841,000	-	1,146,012,191
Allowance for expected credit loss	424,157	3,137,550	841,000	-	4,402,707



(Unit: Baht)

## Separate financial statements

	2020				
	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with has significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Financial assets applied simplified approach to calculate expected credit loss (Lifetime ECL - simplified approach)	Total
<b>Loans and interest receivables</b>					
Not yet due	6,231,917	-	-	-	6,231,917
Overdue	-	-	753,812	-	753,812
<b>Total</b>	<b>6,231,917</b>	<b>-</b>	<b>753,812</b>	<b>-</b>	<b>6,985,729</b>
Allowance for expected credit loss	-	-	753,812	-	753,812
<b>Claim receivables from litigants</b>					
Overdue	-	-	-	578,138,895	578,138,895
Allowance for expected credit loss <sup>(1)</sup>	-	-	-	93,342,314	93,342,314
<b>Cash equivalents which subject to restrictions</b>					
Investment grade	9,357,014	-	-	-	9,357,014
Allowance for expected credit loss	4,781	-	-	-	4,781

<sup>(1)</sup> Presented in net amount of claims and loss adjustment expenses.



The table below shows the movement in the allowance for expected credit loss for the year ended 31 December 2020.

(Unit: Baht)

	Separate financial statements				Total
	2020				
	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with has significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets applied simplified approach to calculate expected credit loss (Lifetime ECL - simplified approach)	
<b>Cash and cash equivalents</b>					
Beginning balance - cumulative effect from initially adoption of new accounting standards	157,515	-	-	-	157,515
Change due to remeasurement of allowance	19,109	-	-	-	19,109
Ending balance	<u>176,624</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>176,624</u>
<b>Accrued investment income</b>					
Beginning balance - cumulative effect from initially adoption of new accounting standards	-	-	-	-	-
Change due to remeasurement of allowance	31,307	34,691	-	-	65,998
Change for transfer among stages	(8,451)	8,451	-	-	-
Amounts written off/mature	-	(19,910)	-	-	(19,910)
Ending balance	<u>22,856</u>	<u>23,232</u>	<u>-</u>	<u>-</u>	<u>46,088</u>
<b>Debt instruments measured at FVOCI</b>					
Beginning balance - cumulative effect from initially adoption of new accounting standards	1,192,241	-	93,940	-	1,286,181
Newly purchased or acquired financial assets	843,359	-	-	-	843,359
Change due to remeasurement of allowance	(276,105)	-	-	-	(276,105)
Amounts written off/mature	(507,349)	-	-	-	(507,349)
Ending balance	<u>1,158,206</u>	<u>-</u>	<u>93,940</u>	<u>-</u>	<u>1,252,146</u>

(Unit: Baht)

## Separate financial statements

	2020				
	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with has significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit- impaired (Lifetime ECL - credit impaired)	Financial assets applied simplified approach to calculate expected credit loss (Lifetime ECL - simplified approach)	Total
<b>Debt instruments measured at amortised cost</b>					
Beginning balance - cumulative effect from initially adoption of new accounting standards	484,399	-	841,000	-	1,325,399
Change due to remeasurement of allowance	309,502	3,292,244	-	-	3,601,746
Change for transfer among stages	(369,844)	369,844	-	-	-
Amounts written off/mature	-	(524,438)	-	-	(524,438)
Ending balance	<u>424,057</u>	<u>3,137,650</u>	<u>841,000</u>	<u>-</u>	<u>4,402,707</u>
<b>Loans and interest receivables</b>					
Beginning balance - cumulative effect from initially adoption of new accounting standards	-	-	753,812	-	753,812
Change due to remeasurement of allowance	-	-	-	-	-
Ending balance	<u>-</u>	<u>-</u>	<u>753,812</u>	<u>-</u>	<u>753,812</u>
<b>Claim receivables from litigants</b>					
Beginning balance - cumulative effect from initially adoption of new accounting standards	-	-	-	49,237,711	49,237,711
Newly purchased or acquired financial assets	-	-	-	73,644,764	73,644,764
Change due to remeasurement of allowance	-	-	-	21,158,164	21,158,164
Amounts written off	-	-	-	(50,698,325)	(50,698,325)
Ending balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,342,314</u>	<u>93,342,314</u>



(Unit: Baht)

## Separate financial statements

2020					
	Financial assets with no significant increase in credit risk (12-mth ECL)	Financial assets with has significant increase in credit risk (Lifetime ECL - not credit impaired)	Financial assets that are credit-impaired (Lifetime ECL - credit impaired)	Financial assets applied simplified approach to calculate expected credit loss (Lifetime ECL - simplified approach)	Total
<b>Cash equivalents which subject to restrictions</b>					
Beginning balance - cumulative effect from initially adoption of new accounting standards	-	-	-	-	-
Change due to remeasurement of allowance	4,781	-	-	-	4,781
Ending balance	4,781	-	-	-	4,781

Credit quality of financial assets of subsidiary are mostly classified to be financial assets with no significant increase in credit risk (12-mth ECL) such as debt instruments measured at amortised cost.

As at 31 December 2020, the maximum exposure to credit risk of financial assets (excluding insurance assets) is the gross carrying amounts after allowance for expected credit loss, before both the effect of mitigation through use of master netting and collateral arrangements. The details are as follows:

	(Unit: Baht)	
	Consolidated financial statements	Separate financial statements
	2020	
Cash and cash equivalents	332,677,458	329,948,597
Accrued investment income	14,108,255	12,141,460
Debt instruments measured at FVOCI	1,210,687,624	1,210,687,624
Debt instruments measured at amortised cost	1,187,274,028	1,141,609,484
Claim receivables from litigants	484,905,778	484,796,581
Cash equivalents which subject to restrictions	9,352,233	9,352,233
	3,239,005,376	3,188,535,979



### 42.2.2 Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates and securities prices may have an effect on the Company and its subsidiary's financial position. As the Company and the subsidiary have no foreign currency assets and liabilities, market risk therefore consists of only interest rate risk and equity position risk.

#### a. Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rate.

The Company and its subsidiary manage interest rate risk through an emphasis on stable long term investments offering long-term returns exceeding inflation, and analysis of the type of investment to match cash flows.

As at 31 December 2020 and 2019, significant assets and liabilities classified by type of interest rate are summarised in the table below, 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.



(Unit: Million Baht)

## Separate financial statements

	2020						
	Fixed interest rates			Floating interest rate	Non-interest bearing	Total	Interest rate (% per annum)
	Remaining periods to repricing dates or maturity dates						
	Within 1 year	1 - 5 years	Over 5 years				
<b><u>Financial assets</u></b>							
Cash and cash equivalents	2.6	-	-	324.0	3.3	329.9	0.00 - 0.75
Accrued investment income	-	-	-	-	12.1	12.1	-
Financial assets - debt instruments	1,213.1	969.9	189.8	-	1,447.1	3,819.9	0.75 - 5.46
Financial assets - equity instruments	-	-	-	-	695.2	695.2	-
Loans and interest receivables	0.2	1.9	4.1	-	-	6.2	5.50 - 14.50
Claim receivables from litigants - net	-	-	-	-	484.8	484.8	-
<b><u>Insurance contract assets</u></b>							
Premium receivables	-	-	-	-	754.1	754.1	-
Reinsurance assets - claim reserves	-	-	-	-	184.0	184.0	-
Receivables from reinsurance contracts	-	-	-	-	179.8	179.8	-
<b><u>Insurance contract liabilities</u></b>							
Insurance contract liabilities - claim reserves and outstanding claims	-	-	-	-	1,971.3	1,971.3	-
Amounts due to reinsurers	-	-	-	-	459.8	459.8	-



(Unit: Million Baht)

Separate financial statements									
2019									
Fixed interest rates									
Remaining periods to repricing dates or maturity dates									
Within 1 year		Over 1 - 5 years		Over 5 years		Floating interest rate	Non-interest bearing	Total	Interest rate
								(% per annum)	
<b>Financial assets</b>									
Cash and cash equivalents	2.8	-	-	-	217.2	4.2	224.2	0.25 - 1.10	
Accrued investment income	-	-	-	-	-	5.4	5.4	-	
Investments in securities	308.9	494.2	62.2	-	-	2,872.3	3,737.6	0.75 - 5.35	
Loans and interest receivables	0.1	2.5	5.1	-	-	-	7.7	5.50 - 14.5	
Claim receivables from litigants	-	-	-	-	-	371.9	371.9	-	
<b>Insurance contract assets</b>									
Premium receivables	-	-	-	-	-	610.2	610.2	-	
Reinsurance assets - claim reserves	-	-	-	-	-	201.4	201.4	-	
Receivables from reinsurance contracts	-	-	-	-	-	151.8	151.8	-	
<b>Insurance contract liabilities</b>									
Insurance contract liabilities - claim reserves and outstanding claims	-	-	-	-	-	1,491.8	1,491.8	-	
Amounts due to reinsurers	-	-	-	-	-	470.4	470.4	-	



Sensitivity analysis on interest rates shows the impact of reasonable possible changes in interest rates to the Company's profit or equity, on with all other variables held constant.

The following table demonstrates the sensitivity of a reasonable possible change in market interest rates which will effect to the fair value of debt instruments as at 31 December 2020.

	Separate financial statements		
	Increase /(decrease)	Effect on profit or loss	Effect on other comprehensive income
	(%)	(Million Baht)	(Million Baht)
Debt instruments	0.25	(0.4)	(7.3)
	(0.25)	0.4	7.4

Financial assets and liabilities and insurance contract assets and liabilities of subsidiary are classified to be non-interest bearing, except for debt instrument measured at amortised cost which have fixed interest rate and its periods to maturity are within 1 year amounting Baht 6.9 million and within 1 - 5 year amounting to Baht 38.8 million.

**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 financial assets.

As at 31 December 2020 and 2019, the Company has risk from its investments in securities of which the price will change with reference to market conditions.

The Company manages equity risk arising from fluctuations in market prices through a diversification of asset allocations in order to disperse risk, with investments weighted in accordance with the guidelines of the OIC, with an emphasis on conservative, safe investments. The Company has a framework that divides investments based on asset class and the Company elects to invest in securities of blue chip companies with stable revenues and earnings, not high fluctuate, high liquidity and that pay high dividends, which helps to generate higher returns.



### 42.2.3 Liquidity risk

Liquidity risk is the risk that the Company and its subsidiary will be unable to liquidate its financial assets and/or procure sufficient funds to discharge its obligations in a timely manner, resulting in the occurrence of a financial loss.

The Company and its subsidiary manage its liquidity risk through monitoring of whether the level of the Fund Solvency Ratio comply with the requirements by the regulator on a monthly basis, and monitoring of the daily liquidity position by the Responsible Division. Moreover, the Company executes prudent financial decisions in the following areas:

- Financial evaluation for agent and broker selection process
- Cash Before Cover when selling motor insurance
- Establishment of a monitoring system for late premium payments by agents and brokers

Counting from the financial position date, the periods to maturity of financial assets and liabilities held as at 31 December 2020 and 2019 are as follows:

(Unit: Million Baht)

	Separate financial statements				
	2020				
	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
<b><u>Financial assets</u></b>					
Cash and cash equivalents	2.6	-	-	327.3	329.9
Accrued investment income	12.1	-	-	-	12.1
Financial assets - debt instruments	1,213.1	969.9	189.8	1,447.1	3,819.9
Financial assets - equity instruments	-	-	-	695.2	695.2
Loans and interest receivables	0.2	1.9	4.1	-	6.2
Claim receivables from litigants	484.8	-	-	-	484.8
<b><u>Insurance contract assets</u></b>					
Premium receivables	754.1	-	-	-	754.1
Reinsurance assets - claim reserves	149.0	35.0	-	-	184.0
Receivables from reinsurance contracts	179.8	-	-	-	179.8
<b><u>Insurance contract liabilities</u></b>					
Insurance contract liabilities - claim reserves and outstanding claims	1,302.2	669.1	-	-	1,971.3
Amounts due to reinsurers	459.8	-	-	-	459.8

(Unit: Million Baht)

	Separate financial statements				
	2019				
	Within 1 year	1 - 5 years	Over 5 years	Unspecified	Total
<b>Financial assets</b>					
Cash and cash equivalents	2.8	-	-	221.4	224.2
Accrued investment income	5.4	-	-	-	5.4
Investments in securities	308.9	494.2	62.2	2,872.3	3,737.6
Loans and interest receivables	0.1	2.5	5.1	-	7.7
Claim receivables from litigants	371.9	-	-	-	371.9
<b>Insurance contract assets</b>					
Premium receivables	610.2	-	-	-	610.2
Reinsurance assets - claim reserves	157.9	43.5	-	-	201.4
Receivables from reinsurance contracts	151.8	-	-	-	151.8
<b>Insurance contract liabilities</b>					
Insurance contract liabilities - claim reserves and outstanding claims	993.5	498.3	-	-	1,491.8
Amounts due to reinsurers	470.4	-	-	-	470.4

Financial assets and liabilities and insurance contract assets and liabilities of subsidiary are classified to be non-interest bearing, except for debt instrument measured at amortised cost which its periods to maturity are within 1 year amounting Baht 6.9 million and within 1 – 5 year amounting to Baht 38.8 million.

### 42.3 Fair value measurement for financial instruments

As at 31 December 2020 and 2019, the Company and its subsidiary had the following financial assets and liabilities that were measured at fair value, and had financial assets and liabilities that were measured at cost but has to disclose fair value, using different levels of inputs as follows:



(Unit: Million Baht)

	Separate financial statements				
	2020				
	Book value	Fair value			Total
Level 1		Level 2	Level 3		
<b><u>Financial assets measured at fair value</u></b>					
<b>Investments measured at FVTPL</b>					
Financial assets - debt instruments	1,467.6	-	1,467.6	-	1,467.6
Financial assets - equity instruments	382.4	382.4	-	-	382.4
<b>Investments measured at FVOCI</b>					
Financial assets - debt instruments	1,210.7	-	1,210.7	-	1,210.7
Financial assets - equity instruments	312.8	222.2	-	90.6	312.8
<b><u>Financial assets which fair value are disclosed</u></b>					
Cash and cash equivalents	329.9	330.1	-	-	330.1
Accrued investment income	12.1	-	12.1	-	12.1
Investment measured at amortised cost	1,141.6	673.2	478.8	-	1,152.0
Loans and interest receivable	6.2	-	-	6.2	6.2
Claim receivables from litigants	484.8	-	-	484.8	484.8

(Unit: Million Baht)

	Separate financial statements				
	2019				
	Book value	Fair value			Total
Level 1		Level 2	Level 3		
<b><u>Financial assets measured at fair value</u></b>					
<b>Trading investments</b>					
Government and state enterprise securities	30.7	30.7	-	-	30.7
Equity securities	311.0	311.0	-	-	311.0
Unit trusts	8.4	8.4	-	-	8.4
<b>Available-for-sale investments</b>					
Government and state enterprise securities	81.8	-	81.8	-	81.8
Private debt securities	408.5	-	408.5	-	408.5
Equity securities	96.7	96.7	-	-	96.7
Unit trusts	2,452.5	216.8	2,235.7	-	2,452.5
<b><u>Financial assets which fair value are disclosed</u></b>					
Cash and cash equivalents	224.2	224.2	-	-	224.2
Accrued investment income	5.4	-	5.4	-	5.4
Held to maturity investments	344.3	13.1	337.0	-	350.1
Other investments	3.7	-	-	263.8	263.8
Loans and interest receivables	7.7	-	-	7.7	7.7
Claim receivables from litigants	371.9	-	-	371.9	371.9



The subsidiary has no financial asset measured at fair value but also have financial assets measured at amortised cost which fair value approximate to its book value from maturing in short-term.

The fair value hierarchy of financial assets as at 31 December 2020 and 2019 presents according to Note 5.21 to the financial statements.

The methods used for fair value measurement depends upon the characteristics of the financial instruments. The Company and its subsidiary establish the fair value of its financial instruments by adopting the following methods:

- (a) Financial assets maturing in the short-term, which consist of cash and cash equivalents, deposit at financial institutions, accrued investment income and claim receivables from litigants, their fair value is estimated based on the book value presented in the statements of financial position.
- (b) For debts securities, their fair value is generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association.
- (c) For equity securities, their fair value is generally derived from quoted market prices. For investments in non-marketable equity securities, fair value is determined using discounted cash flows technique or adjusted book value.
- (d) The fair value of fixed rate loans is determined by discounting the expected future cash flows by using the current market interest rate.

During the current year, there were no transfers within the fair value hierarchy.

Reconciliation of recurring fair value measurements of financial assets, categorised within Level 3 of the fair value hierarchy, are as follows:

	(Unit: Million Baht)
	Consolidated and Separate financial statements
	Equity instrument
Balance as of 1 January 2020	3.7
Change due to adoption of new accounting standards	171.0
Balance as of 1 January 2020 - as restated	174.7
Net loss recognised into other comprehensive income	(84.1)
Balance as of 31 December 2020	90.6

#### **43. Capital management**

The primary objectives of the Company's capital management are to maintain its ability to continue its business as a going concern, to provide a return to its shareholders and other related parties, maintain a balanced financial structure, and to maintain risk-based capital in accordance with Declaration of the OIC.

#### **44. Events after the reporting period**

On 25 February 2021, a meeting of the Board of Directors of the Company passed a resolution to propose to the Annual General Meeting of Shareholders for approval dividends in respect of the operating results for the year 2020 at Baht 0.20 per share, or a total of Baht 60.6 million. Payment is scheduled to be made on 25 May 2021.

#### **45. Approval of financial statements**

These financial statements were authorised for issue by the Company's Board of Directors on 25 February 2021.



# Service Center

## **Thaivivat Insurance Public Co., Ltd.**

**71 Din Daeng Road, Samsen Nai, Phaya Thai, Bangkok 10400**

**Tel. : 1231 Fax : 02-6950808**

### **Kanchanaburi**

65/35 Moo 9, Bypass Rd., Tambon Pak Prak, Amphur Muang,  
Kanchanaburi 71000

Tel. : 034-515004-5 Fax : 034-515006

### **Kamphaeng Phet**

781/7 Ratcha Damnoen 1 Rd., Tambon Nai Mueang, Amphur  
Muang, Kamphaeng Phet 62000

Tel. : 055-717824 Fax : 055-717825

### **Khon Kaen**

92/106 Moo 14, Mittrapap Rd., Tambon Naimuang, Amphur  
Muang, Khonkaen 40000

Tel. : 043-347070 Fax : 043-347071

### **Chanthaburi**

90/7 Moo 11, Sukhumvit Rd., Tambon Plubpla, Amphur Muang,  
Chanthaburi 22000

Tel. : 039-418009 Fax : 039-418010

### **Chon Buri**

136/88-89 Moo 9, Sukhumvit Rd., Tambon Ban Suan, Muang  
Chonburi, Chonburi 20000

Tel. : 038-286946 Fax : 038-286802

### **Chiang Rai**

478/9 Moo 5, Pahonyothin Rd., Tambon Rimkok, Amphur Muang,  
Chiangrai 57100

Tel. : 053-166561 Fax : 053-166562

### **Tak**

154/10 Moo 6, Tambon Maingam, Amphur Mueang Tak, Tak  
63000

Tel. : 055-540445 Fax : 055-540446

### **Nakhon Ratchasima**

1528 Moo 4, Mittrapap Rd., Amphur Muang, Nakhon Ratchasima  
30000

Tel. : 044-244345 Fax : 044-251402

### **Nakhon Si Thammarat**

43/8 Moo 11 Phatthanakan Khu Khwang Road, T. In the city of  
Mueang District, Nakhon Si Thammarat Province Nakhon Si  
Thammarat 80000

Tel. : 075-466360-1 Fax : 075-466362

### **Nakhon Sawan**

132/13 Moo 10, Pahonyothin Rd., Tambon Nongkrod, Amphur  
Muang, Nakhon Sawan 60000

Tel. : 056-245225 Fax : 056-245226

### **Pattani**

44 Naklua Road, Anoru Sub-district, Mueang Pattani District  
Pattani Province 94000

Tel. : 073-330703 Fax : 073-330704

### **Prachuap Khiri Khan (Hua Hin)**

57/1 Soi Petchkasem Rd., Tambon Hua Hin, Amphur Hua Hin,  
Prachuap Khiri Khan 77110

Tel. : 032-547232-3 Fax : 032-522520

### **Pattaya**

392/91 Sukhumvit Rd., Tambon Naklua, Amphur Banglamung,  
Chonburi 20150

Tel. : 038-716947-8 Fax : 038-716949

### **Phitsanulok**

206/3 Siharajdachochai Rd., Tambon Nai Mueang, Amphur Muang,  
Phitsanulok 65000

Tel. : 055-282802 Fax : 055-282803



**Phuket**

31/20 Moo 1, Thepkasattree Rd., Tambon Kohkaew, Amphur Muang, Phuket 83200

Tel. : 076-540852-3 Fax : 076-540854

**Maha Sarakham**

290-290/1 Moo 11, Thi Na Non Rd., Tambon Koeng, Amphur Mueang Maha Sarakham, Maha Sarakham 44000

Tel. : 043-706901 Fax : 043-706902

**Mae Sot**

81/14 Asia Rd., Tambon Mae Sot, Amphur Mae Sot, Tak 63110

Tel. : 055-531553 Fax : 055-531554

**Rayong**

70/16-17 Sai 36 Rd., Moo 3, Tambon Choeng Noen, Amphoe Mueang Rayong, Rayong 21000

Tel. : 038-015757 Fax : 038-015758

**Ratchaburi**

73/5 Petchkasem Rd., Tambon Na Mueang, Amphur Muang, Rachaburi 70000

Tel. : 032-332251-2, 032-332254 Fax : 032-332253

**Lumphoon**

152/1 Moo 11, Lampang-Chiangmai Rd., Tambon Umong, Amphur Muang, Lamphun 51150

Tel. : 053-982522-3 Fax : 053-982523

**Songkhla**

84/47 Lop Buri Ramesre Rd., Tambon Khlong Hae, Amphur Hat Yai, Songkhla 90110

Tel. : 074-580620-1 Fax : 074-580622

**Saraburi**

175/30-33 Moo 8, Pahonyothin Rd., Tambon Huaysai, Amphur Nongkhae, Saraburi 18140

Tel. : 036-379234 Fax : 036-379485

**Saraburi 2**

67/10 Mittraphap Rd., Tambon Pak Phraio, Amphur Muang, Saraburi, Saraburi 18000

Tel. : 036-230935 Fax : 036-230401

**Suvannabhumi Airport**

4 Flr. AO - 4 Room No.5 Free Zone, Suvannabhumi Airport 999 Tambon Racha Thewa, Amphur Bang Phli, Samut Prakan 10540

Tel. : 021-348036-8 Fax : 021-348039

**Surat Thani**

118/38 Moo 1, Surat Thani - Kongbin 7 Rd., Tambon Wat Pradu, Amphur Muang, Surat Thani 84000

Tel. : 077-380988, 077-380989 Fax : 077-380990

**Surin**

100 Moo 2, Liang Muang Rd., Tambon Nokmuang, Amphur Muang, Surin 32000

Tel. : 044-531835 Fax : 044-531835

**Udon Thani**

200/223 Moo 5, Tambon Sam Phrao, Amphur Muang Udon Thani, Udon Thani 41000

Tel. : 042-211700-1 Fax : 042-211702

**Ubon Ratchathani**

902 Moo 10, Liang Mueang Rd., Tambon Chae Ra Mae, Amphur Muang, Ubon Ratchathani 34000

Tel. : 045-285095, 045-285198 Fax : 045-285129

**Donmueang**

Terminal 2, 3rd Floor, 222 Vibhavadi Rangsit Rd., Don Muang, Bangkok 10210

Tel. : - Fax : -



*Caring is Giving*