



Annual Registration Statement  
**Annual Report 2020**



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# Part 1

## Business Operation and Business Overview





# 1. Group Business Structure and Business Overview

## Business Overview

Allianz Ayudhya Capital Public Company Limited, formerly known as Sri Ayudhya Capital Public Company Limited, is listed on the Stock Exchange of Thailand under the symbol “AYUD”.

The Company is an Investment Holding Company with its core business in the insurance sector. Allianz Ayudhya General Insurance Public Company Limited is a subsidiary engaging in non-life insurance business. The Company holds 99.99% of its shares. The Company also invests in Allianz Ayudhya Assurance Public Company Limited, an associate company that operates in the life insurance sector. The Company holds 31.97% of its shares.

The Company and its subsidiary are subsequently referred as ‘the Group’.

On April 30, 2019, the Company changed its name to Allianz Ayudhya Capital Public Company Limited, under cooperation with the partner, Allianz SE and is managed under the name Allianz Ayudhya.

## Vision, mission, values, strategy

### Vision

To become one of Thailand’s leading investment holding companies with a primary focus in the insurance sector, leveraging our experience, expertise, and network to achieve sustainable growth.

### Mission

- Provide service excellence
- Deliver continuous growth in profits
- Ensure sustainable growth
- Develop professional employees
- Commit to innovation and development

### Values

- Responsibility
- Respect
- Integrity
- Transparency
- Fairness
- Trust

## Strategy

Build value for our group of companies by delivering attractive returns to shareholders through:

- Approaching the market with a long-term view on investment, returns, and dividend growth.
- Acquiring holdings in companies with strong brands and/or companies with valuable assets that match with the Company's criteria on investment/risk assessments.

## Significant changes and developments

On September 24, 2018, the Company and its strategic partner, Allianz SE, and CPRN (Thailand) Limited (CPRNT) entered into the Share Subscription and Purchase Agreement, and Sri Ayudhya General Insurance Public Company Limited (SAGI), the Company's subsidiary and Allianz General Insurance Public Company Limited (AZTH) entered into the Entire Business Transfer Agreement. As a result, on November 13, 2018, the Company called the Extraordinary Meeting of Shareholders No. 2/2018 to approve the following matters:

- 1) Sri Ayudhya General Insurance Public Company Limited to purchase the entire business transfer from Allianz General Insurance Public Company Limited (AZTH) at the total value of Baht 748,800,000 and changed its name to Allianz Ayudhya General Insurance Public Company Limited (AAGI) upon the completion of the entire business transfer from Allianz Insurance Public Company Limited (AZTH);
- 2) The Company to purchase 34,810,000 additional ordinary shares (11.80% of total issued shares) at a Baht 10 par value per share in Allianz Ayudhya Assurance Public Company Limited (AZAY) from Allianz SE and CPRNT at 114.00745763 Baht per share as part of their business collaboration in Thailand's insurance sector. The total acquired assets for 1) and 2) was Baht 4,717,399,600. The Company's shareholding in AZAY to increase from 59,500,280 shares (20.17% of issued shares) to 94,310,280 shares (31.97% of issued shares);
- 3) To increase the Company's registered capital from Baht 375,000,000 to Baht 463,473,361 by issuing 88,473,361 new ordinary shares (with a Baht 1.00 par value) and to amend the Company's Memorandum of Association; and
- 4) The allocation of 88,473,361 newly issued ordinary shares (with a 1.00 Baht par value) to Allianz SE and CPRNT at an offering price of 53.32 Baht per share, totaling Baht 4,717,399,600. The newly issued shares to be allocated to Allianz SE and CPRNT as 74,429,850 shares and 14,043,511 shares, respectively. Allianz SE and CPRNT to pay for these shares with 34,810,000 existing ordinary shares of Allianz Ayudhya Assurance Public Company Limited in lieu of cash payment.

On April 26, 2019, the Annual General Meeting of Shareholders No. 70 approved changing the Company's name from Sri Ayudhya Capital Public Company Limited to Allianz Ayudhya Capital Public Company Limited, as well as changing the company seal and amending the Company's Memorandum of Association and Articles of Association to be consistent with the change of its name and company seal on April 30, 2019, as follows:

- 1) The Company's subsidiary, Sri Ayudhya General Insurance Public Company Limited, purchased and entered into an OIC-approved entire business transfer from Allianz General Insurance Public Company Limited (AZTH), according to Book No. 4312/298, dated 29 January 2019, and registered amendments to its Memorandum of Association and Articles of Association to be consistent with and complete the process of the changing of its name to Allianz Ayudhya Assurance Public Company Limited;
- 2) The Company purchased and received a share transfer in Allianz Ayudhya Assurance Public Company Limited from Allianz SE and CPRNT, totaling 34,810,000 shares. As such, the Company increased its AZAY shareholding from 59,500,280 shares (20.17% of issued shares) to 94,310,280 shares (31.97% of issued shares); and
- 3) The Company offered 88,473,361 newly issued ordinary shares with a 1.00 Baht par value to Allianz SE and CPRNT for Baht 53.32 per share and received a capital increase from Allianz SE and CPRNT totaling Baht 4,717,399,608.52, according to the share offering amount and the capital increase registered with the Department of Business Development, Ministry of Commerce.

As of 30 April 2019, the Company's registered capital was Baht 463,473,361 divided into 463,473,361 shares at a 1.00 Baht par value, and paid-up capital was Baht 384,964,961. The registered, unsold ordinary shares, which are under the Company's warrant No. 5 (AYUD-W1), total 78,508,400 shares.

After completing the ordinary share offering on April 30, 2019, Allianz SE and CPRNT's shareholding in the Company was 150,077,870 shares and 37,429,491 shares, respectively (totaling 187,507,361 shares), or 38.99% and 9.73% of voting rights, respectively (totaling 48.72%).

- 4) The Company registered amendments to its Memorandum of Association and Articles of Association to be consistent with the change of the Company's name to Allianz Ayudhya Assurance Public Company Limited and company seal on April 30, 2019.

### Appointment of President & Chief Executive Officer

As Mr. Bryan James Smith, President and CEO, retired effective February 25, 2021, the Board of Directors passed a resolution at Meeting No. 1/2021, February 25, 2021, approving the appointment of Mr. Thomas Charles Wilson as President and CEO, effective February 25, 2021.

### Issuance of Class 2 subordinated debentures by Allianz Ayudhya General Insurance Public Company Limited (the Subsidiary Company)

The Board of Directors Meeting No. 4/2020 on June 5, 2020 resolved to approve subordinated debt securities investment to be counted as a Class 2 capital fund of Allianz Ayudhya General Insurance Public Company Limited, with 10-year duration with early redemption and other rights and duties. Class 2 rights include the ability to write-off bad debts (in whole or in part), in accordance with the OIC restrictions when financial assistance is offered during sales to investors, not numbering more than 10.

The issue of subordinate debentures require the approval from shareholders and the OIC.

### Amendment to the Company's Memorandum of Association Objectives Clause 3

A resolution of the Board of Directors Meeting No. 4/2020 on June 5, 2020 approved amending Clause 3 of the Company's Memorandum of Association Objectives to cover all transactions including amending Clause 1 and adding Clause 17. The Memorandum of Association was then amended with the Department of Business Development on August 17, 2020.

### A Subsidiary Company's operations

Allianz Ayudhya General Insurance Public Company Limited (the Subsidiary) (formerly known as Sri Ayudhya General Insurance Public Company Limited) was established in Thailand on September 21, 1982, to operate as an insurance business and received a license to conduct all types of non-life insurance businesses on September 24, 1982.

The Subsidiary's Extraordinary Meeting of Shareholders No. 1/2019 was held on March 11, 2019, and the Annual General Meeting of Shareholders for the year 2019 (No. 9) was held on April 26, 2019. The meetings resolved the following:

- 1) Approved the entire business transfer from Allianz General Insurance Public Company Limited (after entire business transfer completion on April 30, 2019, Allianz General Insurance Public Company Limited returned its non-life insurance license to the OIC and requested for dissolution and liquidation from the Ministry of Commerce and the OIC, respectively);

- 2) Decreased the Company's registered capital from Baht 2,400 million to Baht 1,800 million by canceling 60 million unsubscribed shares at the par value of Baht 10 per share;
- 3) Increased registered capital from Baht 1,800 million to Baht 2,548.80 million by issuing 74,880,000 new ordinary shares with a 1.00 Baht par value to existing shareholders to pay for the entire business transfer from Allianz General Insurance Public Company Limited. The Subsidiary received a capital increase of 74.88 million shares totaling Baht 748.80 million, and the Subsidiary completed this paid-up capital registration increase with the Department of Business Development on April 30, 2019; and
- 4) Approved changing the Company's name from Sri Ayudhya General Insurance Public Company Limited to Allianz Ayudhya General Insurance Public Company Limited, effective as of April 30, 2019, and amending its Memorandum of Association and Articles of Association to be consistent with the change of the company's name and seal.

Currently, Allianz Ayudhya General Insurance Public Company Limited (AAGI) is situated at 898 Ploenchit Tower, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

#### **An Associate Company's operations**

Allianz Ayudhya Assurance Public Company Limited (AZAY) (formerly known as Ayudhya Allianz C.P. Life Public Company Limited) has its core business in life insurance.

On April 30, 2019, the Company acquired an additional 34,810,000 ordinary shares, or 11.80%. As a result, the total investment in AZAY shareholding became 94,310,280 shares, or 31.97%, and it became classified as an Associate Company.

Allianz Ayudhya Assurance Public Company Limited (AZAY) is situated at 898 Ploenchit Tower, Ploenchit Road, Lumpini, Pathumwan, Bangkok.



## Nature of business

### Revenue structure by product line

The main revenue of the Group as per the consolidated financial statements can be divided into two parts: underwriting income and the investment income. Details of revenues for the year ended 31 December 2020, 2019, and 2018 are as follows:

(Units in Baht)

	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
1. Underwriting Income	4,463,122,268	79.8	4,012,832,198	86.9	2,259,259,344	77.6
2. Investment Income	1,065,930,492	19.1	574,063,572	12.4	648,629,316	22.3
3. Other Income	62,052,147	1.1	32,398,955	0.7	2,862,420	0.1
<b>Total</b>	<b>5,591,104,907</b>	<b>100.0</b>	<b>4,619,294,725</b>	<b>100.0</b>	<b>2,910,751,080</b>	<b>100.0</b>

(Units in Baht)

Underwriting Income	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Fire	583,374,939	13.1	521,841,617	13.0	489,495,535	21.7
Marine and Transportation	130,553,637	2.9	171,645,419	4.3	163,293,301	7.2
Miscellaneous	951,006,064	21.3	983,714,596	24.5	658,636,872	29.1
Motor	2,798,187,628	62.7	2,335,630,566	58.2	947,833,636	42.0
<b>Total</b>	<b>4,463,122,268</b>	<b>100.0</b>	<b>4,012,832,198</b>	<b>100.0</b>	<b>2,259,259,344</b>	<b>100.0</b>

\* Underwriting income comprised of net earned premiums and commission and brokerages.

(Units in Baht)

Net Earned Premium	2020		2019		2018	
	Amount	%	Amount	%	Amount	%
Fire	573,590,419	13.8	472,852,619	13.9	431,338,858	24.4
Marine and Transportation	68,254,933	1.6	113,113,530	3.3	102,555,367	5.8
Miscellaneous	705,369,244	16.9	716,592,138	21.0	506,904,298	28.6
Motor	2,823,081,192	67.7	2,105,098,100	61.8	728,374,865	41.2
<b>Total</b>	<b>4,170,295,788</b>	<b>100.0</b>	<b>3,407,656,387</b>	<b>100.0</b>	<b>1,769,173,388</b>	<b>100.0</b>

The Company's 2020 revenue structure changed from 2019 as the proportion of underwriting income decreased from 86.9% to 79.8% due to a reduction in marine and transportation business, as a result from COVID-19's significant impact on the reduction of transportation.

Nevertheless, the Company's investment income proportion increased from 12.4% to 19.1% from 2019 to 2020, mainly due to an increase in profits on investment in an associate company by 89.72% resulting from the increase of shareholding in the associate from 20.17% prior year to 31.97% and a significant increase in net profit of the associate company.

## Product information

### Product characteristics

The Group and associate company offers a wide range of products to cover the diverse needs of customers through every facet of their lives, including non-life and life products as follows:

#### Non-life insurance products

The non-life products compose of 4 product lines as follows.

##### 1) Motor

This includes coverage for loss or damage caused to the automobile or its parts, injuries, or death as well as the liability relating to injuries or death, or damage or loss caused to third parties. Coverage options are available from compulsory, protection of the victims of automobile accidents, or voluntary. The company also offers different protection plans (Type 1, Type 2, Type 3, etc.) to fully meet the customer's needs.

##### 2) Fire

The nationwide coverage includes structure, buildings, properties, commercial buildings, industrial plants including assets, inventory, machines and equipment, and raw materials. The area of coverage is nationwide with protection available for damage caused by fire, lightning, explosion, and windstorm, leasehold insurance, and business interruption insurance.

##### 3) Marine and transportation

The insurance ranges coverage on goods transported by ship at sea and/or by river both internationally and within Thailand with coverage provided for goods transported over land by truck or train, as well as by air and parcel post. Coverage for marine hull is also available. In addition to providing coverage for loss or damage that may occur during transportation, protection is available for damage against marine hull, engine, and equipment.

#### 4) Miscellaneous

This category covers insurance that provides coverage on property, liability, engineering, and personal protection such as personal accident, group accident, travel both domestic and international, cancer, micro insurance, burglary, money, machinery and erection, construction, workman compensation, electronics and computers, public liability, all risks, credit card, plate glass, and contractors' plant and machinery.

In addition, the subsidiary handles reinsurance and accepts reinsurance from local and international companies in order to generate additional revenue and to increase its capability to manage its portfolio of risk efficiently. Two types of reinsurance include:

1. **Facultative reinsurance** is reinsurance for a single risk or defined set of risks, which the reinsurer can select what to accept or reject coverage.
2. **Treaty reinsurance** is when an agreement is made between the company and the reinsurer, of which there are two different types, Proportional Treaties and Non-Proportional Treaties.

#### Services

- 1) **Roadside Assistance** provides emergency assistance 24 hours a day, free of charge, for voluntary motor insurance. Services include towing services in case of breakdowns or floods, covering the cost of changing tires, batteries, or fluids for the vehicle, as well as assistance in case of accidents.
- 2) **Travel assistance** provides 24-hour emergency medical and travel assistance for customers who can report, request, and receive special assistance when traveling abroad.
- 3) **Home assistances** provides 24-hour emergency assistance for house insurance customers for help with air condition or electrical appliance as well as with car or house keys, etc.
- 4) **Reinsurance** from other companies – the company provides reinsurance management services for other insurance companies in the country, such as with Inward Facultative services, etc.

Aside from the primary business activity, additional investments are made to increase income, for example loans, government bonds, stocks, short-term investments, savings, and investments in various businesses. For all of these investment activities, the Company adheres to the principle of investing in companies with financial stability and high yields with a long-term view. Additionally, the investments of the subsidiary are subject to the terms and conditions of the Notification of the Insurance Commission regarding Investment in Other Businesses of Non-life Insurance Companies, B.E. 2556 (2013), and under the supervision of the Office of Insurance Commission.

### Life insurance products

In order to provide life insurance products for comprehensive offerings across all group companies, thereby allowing for different insurance plans to meet as many needs as possible. Each type of policy will feature benefits and coverage that will be truly meaningful – life insurance, accident insurance, insurance coverage for children, insurance for savings and tax breaks, insurance for life after retirement, and group coverage that is flexible depending on organization size and business sector, as well as insurance plans to suit gender, age, and other need.

### Market and Competition

#### Marketing essential products and services

#### Marketing policy

The Group and its associate company continues to focus on its True Customer Centricity strategy in developing products and services in order to meet prioritize customer needs. Every year, there will be a customer satisfaction survey in an effort to introduce the Company to customers' friends and colleagues, as well as to achieve comparisons with other life insurance companies, or a Top Down Net Promoter Score. In 2020, the market research company Ipsos revealed that the life insurance business had a number one rating and was a brand Loyalty Leader. This means this is a brand that customers are most loyal to in the market, with a score of 35.9, while the market average was 20.9. The Company has received above average rankings in the market for the past seven years, indicating that our customers are satisfied with our services. The non-life insurance business, the score was 29.1, 'At the Market Level', while the market average score was 27.4. The Group and its associate company use the result of the satisfaction surveys to continue improving and developing its service quality.

In 2021, the Group and its associate company will continue to focus on public relations centered on customers through various channels, including facilitating customer relations through representative offices and customer service centers nationwide. The Company's customer service centers will expand services to 24 hours a day, seven days a week, for life insurance products at 1373 and non-life at 1292. This way, the associate company builds consumer and customer confidence in us as a leader in life and health insurance, by providing genuine expertise and understanding of insurance, from the complexities of benefits to different terms and conditions that consumers may have considered when purchasing, causing misunderstanding, or receiving unclear information. These situations are what can lead to bad

opinions about buying insurance. The associate company is dedicated to finding a way to introduce and present insurance in a way that is easily understood, straightforward, and clear.

In addition, the associate company promotes the idea of healthy living from all aspects, and provides comprehensive health care coverage and services for a holistic treatment during illness. Besides typical healthcare, there are rehabilitation services offered at no additional cost. Through the Healthy Living app, an online community of more than 150,000 health enthusiasts share knowledge on eating well, staying healthy, living well.

The Group and its associate company also continues to emphasize and develop digital marketing, to meet the demands for fast, convenient services. Life insurance customers can access the My Allianz application to complete various transactions such as paying premiums, making a claim, or checking the claim's status or access Live Chat to ask about life insurance anytime. In addition, 2020 was the year of the COVID-19 outbreak, which became an important factor helping to encourage customers to use online services even more. Therefore, the associate company will focus on developing communication service to be more appropriate, easier, and convenient.

Furthermore, the Group and its associate company organized various marketing activities to enhance customer experience and satisfaction, rewarding those who are loyal to the Allianz Ayudhya brand. These include healthy activities such as runs, seminars with health experts, family amusement park outings. Moreover, the Company has prioritized handling customer complaints, implementing a complaint collection system at every service point through which the status of complaints can be checked quickly with a person being assigned responsibility for registering the details. All complaints must be resolved by a relevant person within a set time period. To ensure every grievance is handled, they all receive a response. And for 2021 – 2028, the Allianz Group has entered into a global insurance partnership to sponsor the Olympic and Paralympic Games, the only global insurance brand to receive this honor. Therefore, the Group and its associate company will be communicating through different channels about this partnership to different sectors to increase brand awareness and foster pride among customers, representatives, and employees. The Olympic and Paralympic logos will become part of the Company's public relations presence throughout the eight years.

## The competition

From the Thai General Insurance Associations' statistics for 2020, the Subsidiary has the following market share

Type Insurance	Direct Premiums of Insurance		Market Share (%)	Rank of Market Share
	Subsidiary Company (Unit: Thousand Baht)	Total Insurance Industry 55 Companies (Unit: Thousand)		
Fire	646,516	35,044,717	1.8%	8
Marine and Transportation	287,602	5,285,121	5.4%	7
Miscellaneous	1,486,488	19,724,942	7.5%	11
Health and Accident	303,876	47,929,575	0.6%	27
Motor	2,781,396	146,392,371	1.9%	16
<b>Total</b>	<b>5,505,878</b>	<b>254,376,726</b>	<b>2.2%</b>	<b>13</b>

As of December 31, 2020, there were a total of 57 insurance companies in the country. The Subsidiary Company has a competitive advantage as an insurance company with stable financials. Its CAR as of December 31, 2020 is 356.49%. It has been in business a long time and has received support in its insurance business from Bank of Ayudhya Public Company Limited and its group companies, as well as many other financial institutions. The Subsidiary Company and the Bank have long supported each other in business. At the same time, the Company has continuously improved the performance and service of its professional team to increase its market share in fire, miscellaneous, and marine and transport insurance, as well as motor insurance. During this past period, it is noticeable how customers are increasingly paying attention to the quality of service and the financial stability of an insurance company. Therefore, the Company has prioritized customer service even more.

As, the COVID-19 outbreak dominated 2020 and the pandemic negatively impacted the overall economy in Thailand, the insurance industry found consumers more aware and interested in purchasing health insurance.

## Targeted Customer

Customer groups can be divided into two main types: Individual customers and corporate customers.

### Individual

The Company focuses on groups of customers who understand the importance of having insurance. They are experienced with insurance products having purchased insurance such as property, motor, personal accident, and travel insurance for themselves and families. Bank loan customers are required to have insurance in accordance with their loan agreements in order to prevent possible loss.

### Corporate insurance

The Company responds to their needs by assessing the risks involved and proposing appropriate insurance products to mitigate risks. Targeted types of business include hotels, factories, finance companies, and retail stores. The majority of these businesses acquires insurance to cover third party liabilities, business interruptions, machinery used in construction, and machinery loss/damage. The Company focuses efforts on mid-sized and SME businesses.

In the past three years, the Group has not relied on any major client whose business exceed 30% of total income.

### Targeted customers

Targeted customers for Allianz Ayudhya covers all everyone residing in Thailand as the company has addressed customers into different segmentation and develop wide array of solutions covering both life and non-life to serve the needs and behaviors of each group. However, the focused age group is around 35-55 years old and can be defined as following segment;

- Mass segmentation with moderate income around 15,000 baht per month. This group tends to match with the product with low premium which normally sell through direct marketing channel
- Middle segmentation with income over 30,000baht per month. This group of customers have higher purchasing power and look for a higher coverage plan. The matched solutions normally sold via Bancassurance or agency/broker channel.
- Affluent segmentation with income over 60,000 baht. This group of customers have the most purchasing power so that they are suitable for products with high coverage such as the protection plan sold in agency channel

### Sales and distribution channels

The Subsidiary Company's distribution channels mainly comprise the following three:

1. Brokers and agents
2. Financial institutions and affiliate companies
3. Direct sales

#### Distribution breakdowns in the past three years:

	2020	2019	2018
1. Brokers and agents	45.21%	33.72%	36.57%
2. Financial institutions and affiliate companies	48.48%	60.52%	56.14%
3. Direct sales	6.31%	5.76%	7.29%

Note: The company does not distribute outside the company

### Status and competitiveness

In 2020, direct premiums of the insurance industry amounted to Baht 254,377 million, an increase of 3.9% from 2019, comprised direct premiums for fire insurance at Baht 35,045 million, an increase of 2.3% from 2019, marine and transportation insurance at Baht 5,285 million, a decrease of 3.6% from 2019, miscellaneous insurance at Baht 19,725 million, an increase of 2.4% from 2019 accident and health at Baht 47,930 million, an increase of 15.9% from 2019, and motor insurance at Baht 146,392 million, an increase of 1.4% from 2019. (data from the Thai General Insurance Association as of February 2021)

(Unit: Thousand Baht)

Type for Insurance	Direct Premiums of the Insurance		
	Year 2020	Year 2019	% Increase
Fire	35,044,717	34,268,918	2.3%
Marine and Transportation	5,285,121	5,479,669	-3.6%
Miscellaneous	19,724,942	19,268,061	2.4%
Accident and Health	47,929,575	41,341,811	15.9%
Motor	146,392,371	144,393,552	1.4%
<b>Total</b>	<b>254,376,726</b>	<b>244,752,011</b>	<b>3.9%</b>



### Industry outlook and future of competition

The Thai General Insurance Association forecasts that the non-life insurance business will expand in 2021 by 0.5% compared to 2020 with total direct premiums of Baht 250,000 – 262,500 million. In 2021, health insurance should see growth opportunities from greater awareness about health risk management. Travel insurance will likely grow from 2020's low levels.

### Competitive strategy

The Company has implemented a long-term strategy until 2025 which focuses on five key factors:

1. Penetrating and leveraging digital channels with a focus on driving business growth.
2. Aiming to become the leading health insurance company of the future.
3. Cultivating sales through agents/broker, partnering with the Bank and financial institutions
4. Leveraging the combined power of the life and non-life insurance businesses under the Allianz Ayudhya brand to grow stronger and be able to offer a full range of life and non-life insurance products and services.
5. True Customer Centricity, to drive the organization's culture.

### Provision of products and services

#### Source of funds

The source of funds for the Subsidiary comes from underwriting income. The Company will use the income to invest in order to receive more return. In addition, there are funds received from shareholders, which the Company shall manage to operate in order to increase returns as well.

#### Loans

The Subsidiary has policies in granting credits and manage the risk from loans as follows:

Loans and risk management of the subsidiary must comply the Notification of Office of Insurance Commission (OIC) regarding investment in other businesses of the insurance company, which has specified category proportions and loan conditions.

#### The ability to maintain loss ratio

The Subsidiary has set a loss ratio on overall insurance classes of approximately 50%.

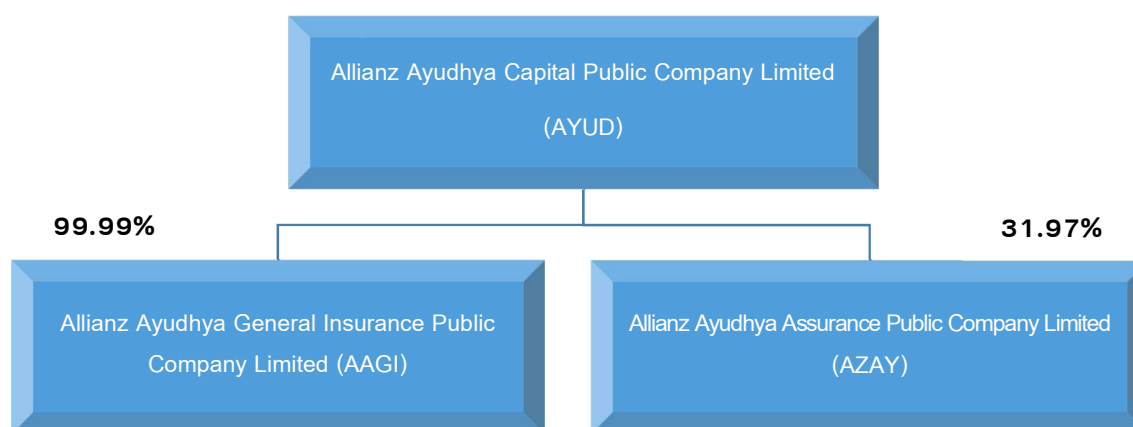
### Liquidity

Liquidity Management Policy: The Company and its Subsidiary manage cash flow on a daily basis by maintaining cash and short-term bank deposits at a sufficient amount for daily compensation and operating expenses in an efficient manner.

### Business operation assets

Refer to attachment 4.

### Shareholding structure of the Groups



Note:

Allianz Ayudhya General Insurance Public Company Limited (AAGI) is a subsidiary of the Company.

Allianz Ayudhya Assurance Public Company Limited is an associate of the Company.

Company's name	Allianz Ayudhya Capital Public Company Limited
Company registration number	0107537001391
Type of business	Investment holding company with main business operations in insurance through Allianz Ayudhya Insurance Public Company Limited, a subsidiary that engages in non-life insurance business, and through investment in Allianz Ayudhya Assurance Public Company Limited, which is an associated company that operates a life insurance business.
Head Office	898 Ploenchit Tower, 7 <sup>th</sup> Floor, Ploenchit Road, Lumpini Sub-district, Pathumwan District, Bangkok 10330 Telephone: 02-305-7374 Fax: - Website: www.ayud.co.th

Registered capital	Baht 463,473,361, divided into shares at a par value of Baht 1.00 per share
Paid-up capital	Baht 389,266,931
Shareholding proportion	- Allianz Ayudhya General Insurance Public Company Limited: 99.99% - Allianz Ayudhya Assurance Public Company Limited: 31.97%
Subsidiary Company	Allianz Ayudhya General Insurance Public Company Limited
Company registration number	0107554000259
Type of business	Non-life insurance
Head Office	898 Ploenchit Tower, 7 <sup>th</sup> Floor, Ploenchit Road, Lumpini Sub-district, Pathumwan District, Bangkok 10330 Telephone: 02-657-2555, 1292 (Customer Service) Fax: 02-657-2500 Website: <a href="http://gi.azay.co.th/">http://gi.azay.co.th/</a>
Registered capital	2,548,800,000 บาท
Paid-up capital	2,548,800,000 บาท
Associate company	Allianz Ayudhya Assurance Public Company Limited
Company registration number	0107537001315
Type of business	Life insurance
Head Office	898 Ploenchit Tower, 7 <sup>th</sup> Floor, Ploenchit Road, Lumpini Sub-district, Pathumwan District, Bangkok 10330 Telephone: 02-305-7000, 1373 (Customer Service) Fax: 02-305-7999 Website: <a href="http://www.azay.co.th">www.azay.co.th</a>
Registered capital	Baht 4,000,000,000
Paid-up capital	Baht 2,950,000,000

### Relationship with majority shareholder business groups

The Company's business is one part of the Allianz Group, one of major shareholder of Allianz Ayudhya, that operates a financial services business in Germany. Allianz Group and the Company are under professional management. From the Allianz Group, partners Allianz SE and CPRN (Thailand) Company Limited (CPRNT) appointed directors to join the Company with the objective to the jointly define operational policies.

## Shareholders

List of major shareholders: The following are the top 10 shareholders as of the closing date of the shareholder register book, August 28, 2020:

Name	Share	%
1. DEUTCHE BANK AG, FRANKFURT A/C CLIENTS ACCOUNT-DCS	151,550,770	38.93
2. CPRN (Thailand) Limited	37,429,491	9.62
3. BBTV Equity Co., Ltd.	32,862,050	8.44
4. Bangkok Broadcasting & Television Co., Ltd.	28,802,500	7.40
5. Great Luck Equity	17,249,475	4.43
6. Mr. Krit Ratanarak	14,867,700	3.82
7. Bank of Ayudhya Plc.	12,124,600	3.11
8. Thong Thai (1956) Co., Ltd.	9,610,000	2.47
9. CITIBANK NOMINEES SINGAPORE PTE LTD-UBS SWITZERLAND AG	8,158,800	2.10
10. Great Fortune Equity Co., Ltd.	7,045,250	1.81

DEUTCHE BANK AG, FRANKFURT A/C CLIENTS ACCOUNT-DCS is a custodian for ALLIANZ SE.

The Company operates its business by holding shares in other companies (Holding Company), with its main business subsidiary as Allianz Ayudhya Assurance Public Company Limited (formerly Sri Ayudhya General Insurance Public Company Limited).

The subsidiary's majority shareholders are:

Name	Amount shares	% of amount shares
Allianz Ayudhya Capital Public Company Limited	254,879,979	99.99

### Shareholders' agreement

- none -

## Issuance of other securities

### Warrants

The Company allocated and issued warrants to purchase ordinary shares, which is specified warrant's holder and transferable type. Terms of warrants are 2 years from initial issuance date. Exercise ratio is 1 warrant entitled to purchase 1 newly issued ordinary share at the determined exercise price (subject to change in case of the adjustment to the terms and conditions) and shall be able to exercise the warrants as identified period. The details of warrants are described as follows

Warrant series	Term	Exercise date	Exercise period	Number of allocated and issued warrants (Unit)	Exercise ratio per 1 warrant	Exercise price (Baht per share)
"AYUD-W1"	2 Years	27 April 2018	On June 15 and December 15 every year throughout the term of warrants. The first exercise date is 15 June 2018 and the last exercise date is 8 May 2020.	124,999,807	1:1.03 (2019: 1:1)	37.85 (2019: 39.00)

Movements in warrants for the years ended 31 December 2020 and 2019 are as follows:

	2020		2019	
	Number of warrants (Unit)	Weighted average exercise price (Baht per share)	Number of warrants (Unit)	Weighted average exercise price (Baht per share)
Balance as at 1 January	78,508,207	39.00	78,582,882	39.00
Issued warrants	-	-	-	-
Forfeited warrants	(74,331,534)	-	-	-
Exercised warrants	(4,176,673)	37.85	(74,675)	39.00
Balance as at 31 December	-	-	78,508,207	39.00

On 6 March 2020, the Company adjusted the exercise price and exercise ratio of the warrants to purchase ordinary shares of the Company "AYUD-W1" under the condition as set forth in Clause 4.1 (5), the Company will adjust the exercise price and exercise ratio when makes a cash dividend payment at a rate higher than 80 percent of the net profit after income tax under the consolidated financial statements. The Company paid 2019 interim dividend at the rate of Baht 0.75 per share, equivalent to 152.23% of the consolidated profit. Exercise price was adjusted from Baht 39.00 per share to Baht 37.85 per share and exercise ratio was adjusted from 1 unit of warrant to 1 ordinary shares to 1 unit of warrant to purchase 1.03 ordinary shares which are effective on 9 March 2020.

The warrants were expired on 8 May 2020 and 4,176,673 units of warrants were exercised with the exercise price of Baht 37.85 per unit, Baht 162.84 million in total. This led to increasing 4,301,970 of Company's shares

## Dividend policy

### Company dividend payment policy

The Company has a policy to pay dividend to its shareholders at a rate of not less than 60% of net profit after tax annually, dependent upon performance and shareholders' resolution that will be considered from the Company's consolidated financial statements.

	2020	2019	2018
Rate of Net profit per share (Baht/Share)	1.63	0.53	2.75
Rate of Dividend per share (Baht/Share)	1.52	1.50	0.75
Rate of Dividend payout per net profit (%)	93.75%	304.49%	29.38%

### Subsidiary dividend payment policy

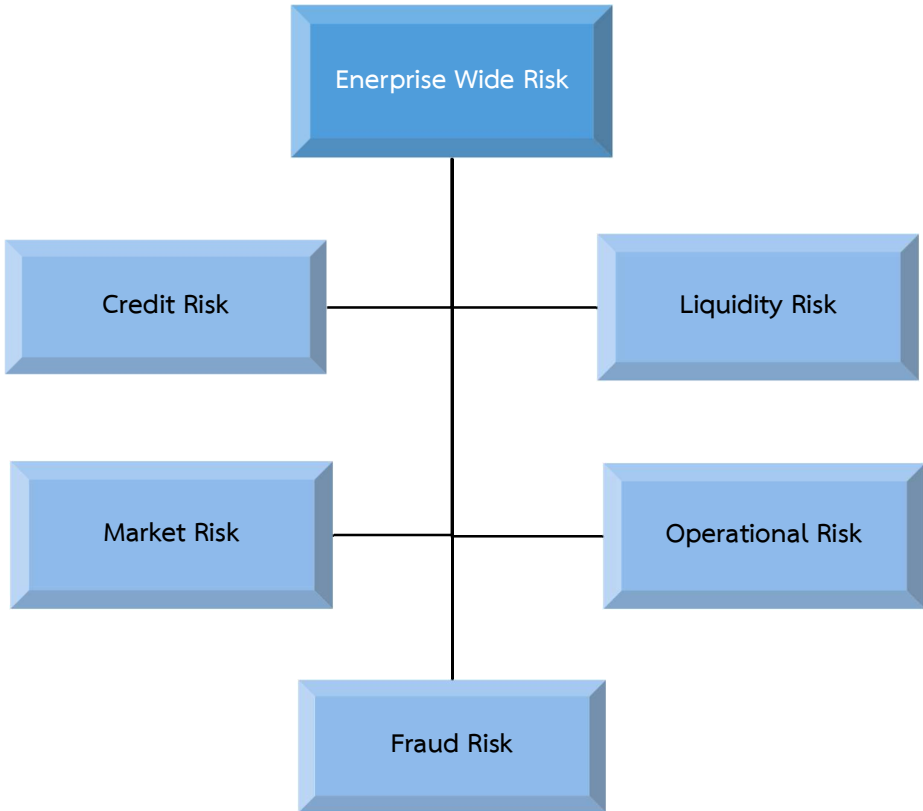
Dividend payments of the subsidiary must be approved by a resolution of the shareholders at a shareholders' meeting of the subsidiary and must comply with relevant rules and regulations. In each case, the subsidiary must allocate to a reserve fund from the annual net profit for the year, not less than 5% of the annual net profit deducted by the total accumulated loss brought forward (if any) until the reserve fund reaches an amount of not less than 10% of the authorized capital.

## 2. Risk Management

### Risk management policy and plan

The Group faces risks when doing business, including internal and external risks. For that, the Group’s risk management system is continuously developed to improve the monitoring of existing risks as well as review to capture emerging risks. Under the supervision of government authorities, the Board of Director approves policies and procedures so that all departments can operate effectively under acceptable risks.

The Risk Management Committee supervises and controls overall risk management along with other relevant committees at the policy and operating level. This organizational structure creates checks and balances and formulates written risk management policies and guidelines for employees to acknowledge and comply with.



This risk management system is continuously developed and updated, prioritizing caution while considering the interests of shareholders, customers, employees, and society as a whole. This is detailed in “Principle 6: Implement an appropriate risk management and internal control system.”

Risk management is the cornerstone for any business operation. The main goal should not just be to avoid business risk, but to implement appropriate and effective risk management. Therefore, risk management is an essential part of the Group’s management and control system, ensuring that the Group can comprehensively and correctly identify, analyze, measure, manage, and report key risks in a timely manner. With this foundation, the Group can succeed in value-based management, allocating capital funds according to risk levels and measuring the performance for maximum efficiencies by appropriately considering risk as well as returns on a regular basis. The Group’s risk management policies and procedures are as follows.

### Identifying risk

All risks associated with the Group, including minor risks, and their origins will be identified, categorized, and classified in a risk register system. The Group regularly reviews these risk incidents at least once a year or when there is a significant change.

Focusing mainly on certain risks can create an imbalance in risk management. Changes expected to affect future events may impact current risk management and in turn affect the Group’s security. This may be part of a new risk group but the not identified with current concentrations. The risk register is part of the identification process to mitigate this.

### Analyzing and assessing risk

After identifying risk, the Group will analyze and assess risks using the appropriate qualitative and quantitative methods, such as sensitivity analysis, stress testing, etc.

Measurements are in line with global risk standards, ensuring consistency and suitability within the Allianz Group. Methods may be set by the Allianz Group Risk Management Department or the AZAP Regional Chief Risk Officer.

### Responding to and controlling risk

Risk management establishes suitable strategies to manage risk exposure to acceptable levels and to address identified risks. Avoiding, preventing, and reducing risk by analyzing and handling risk according to specified objectives and abilities allows for proper management and maintaining of capital funds. The Group’s process for risk response are as follows.



- 1) **Risk avoidance** is to stop or choose not to engage in risky activities.
- 2) **Risk Reduction** is to reduce opportunity for or the impact of risk in an activity to an acceptable level.
- 3) **Risk transfer** is to transfer risk to other responsibility via various mechanisms.
- 4) **Risk acceptance** is to allow risks without reducing its potential impact or occurrence or damage liability. This is usually for minor risks where the cost of risk management is greater than the potential benefits.

### Monitoring risk

We define measurable risks as having acceptable risk levels that can be controlled and monitored to lessen impact on customers or investments. This includes non-quantifiable risks that have risk levels that can be reasonably determined and managed. In principle, limits are set to track quantitative risks, while qualitative risks have appropriately defined limits that can be monitored and managed. Risk monitoring ensures controlled risk strategies that are applied correctly and effectively. This is essential to the Group's overall risk management.

### Reporting risk

Effective risk reporting that covers all risk exposures, internal and external, for the Group ensures an efficient and comprehensive risk management process. Reports prepared and presented regularly or when deemed appropriate are key to decisions regarding risk. The Board of Directors and management team relies on access to this information so that the relevant decision-maker is well-informed regarding current risk situations and can address them appropriately and in a timely manner. The risk management department in the subsidiary and associate company must reports that the OIC can examine at any time; therefore, risk reporting must comply with the following regulatory requirements as well:

- 1) Reports must summarize risk status and compliance to risk management measures from the Risk Management Committee for the Board of Directors to consider at least once a quarter.
- 2) Audit reports at year-end for the Audit Committee or the Board of Directors to consider at least once a year.
- 3) Reports on risk management results at least once a year for the Board of Directors to review the effectiveness of the risk management policy and framework. This should include an assessment of the Group's risk levels and financial stability.
- 4) Reports on significant events that may materially affect the Group's financial stability (if any).

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## **Risk factors for business operations and risk management**

As an investment holding company, the Group primarily invests in other businesses. Its revenue is mainly from its subsidiary and associate company, which operate in the life and general insurance industry. Naturally, risk factors in this industry will impact the operating performance of the Group's subsidiaries. Other risk factors deserving close monitoring include issues with distribution of purchasing power, problems from household debt, and reductions in domestic interest rates. These may impact risk in various ways, including insurance risk, credit risk, liquidity risk, and operational risk, as well as the risk in maintaining a capital adequacy ratio in accordance with the law. The Group and its subsidiaries have established a risk management committee to ensure risk factors are identified, assessed, responded to, and monitored to an acceptable level. Nonetheless, the Group may encounter significant risks which could directly impact its operational and financial situations, as follows.

### **Risks with the insurance sector**

#### **Insurance risk and risk management**

Insurance risk arises from setting insurance premiums that do not correspond with actual damages, insuring high-risk policies or policies with highly concentrated risk due to overly insuring a group, inadequate or ineffective policies, higher-than-expected actual damages, and the inefficient management of compensation funds. As a result, each insurance policy and its management strategy are reviewed on an annual basis. A thorough process for considering customers, along with policy conditions that reflect actual risk, has been set. Finally, the Group has also created a process to manage and monitor the latest data, so any adjustments to premiums and policy conditions are guided by up-to-date information. This is so that they are continually in line with any developments.

The Group has also recognized there is a concentration risk in insurance and in reinsurance and mitigates this by spreading risk across several groups of customers. Risk is also transferred to reinsurers, with a focus on reinsurers that have strong financial standing. In addition, the Group also has retained excess of loss reinsurance, which is a crucial tool in protecting against and controlling risk, thus preventing volatility and adverse impacts on the Group's financial standing. Furthermore, the Group has established a compensation management policy that includes supervising the status of all claims with an emphasis on expedient payment resolution balanced with prudent indemnity reviews to ensure fair treatment. In overseeing claims management, the Group must ensure it is properly and sufficiently provisioned to handle every case.

## Credit risk in the insurance industry

### Reinsurance risk

Reinsurance risk is the risk of the Group not receiving contractually obligated payments from its reinsurers. It may be caused by reinsurers' unstable financial situations, resulting in the Group itself being responsible for compensation. In addition, there is also the risk that reinsurers could have reduced reinsurance capacity due to a downgrade in their credit ratings, they may choose not to continue to reinsure the Group, or they may choose to continue to reinsure the Group with a lower limit.

### Risk management

To manage this risk, the Group has a set of policies with regards to its reinsurers, which takes into consideration the reinsurers' financial standing, financial stability, and credit rating. The Group has also created a process for collecting compensation, as well as for dividing and spreading risk across several reinsurers to lower concentration risk to an acceptable level. Finally, the Group also gives importance to legal agencies in order to protect against risk.

### Premium collection risk

Premium collection risk is the risk from policyholders being unable to pay their premiums. It is also the risk from agents or brokers that collect the premiums not transferring the premiums to the Group by set deadlines. As a result, the Group's Subsidiary is unable to collect overdue premiums, and this may cause the Group to incur bad debts or write-offs.

### Risk management

Its Subsidiary manages this risk by putting in place a process to closely follow-up with policyholders, agents, and brokers on any overdue premiums. The process requires agents and brokers to secure collateral against credit lines that the Group has extended to them.

### Investment risk

#### Credit risk

Credit risk is risk associated with business partners or assets being unable to perform according to their contractual obligations, as well as partners having their credit ratings downgraded.

### Risk management

**Loans:** The Group takes into consideration the business partner's (or loanee's) financial standing and ability to repay, using sound credit analysis principles. It also ensures its limits (and loan-to-value ratio) are within legal limits. Finally, it monitors the flow of payments every month to ensure the regularity of debt payments.

**Bonds:** The Group selects government and state enterprise bonds guaranteed by the Ministry of Finance. The Group also selects investment-grade bonds from private institutions, while considering the issuers' business and industry. It also reviews issuers' financial standing and credit rating, as well as their ability to consistently pay periodic interest payments and repay the face value of the bonds.

### Concentration risk

Concentration risk is risk associated with domestic and offshore investment assets and from granting too many loans to a single borrower. If assets or borrowers are negatively impacted, the Group may also incur a damage.

### Risk management

The Group manages this risk as follows: First, it diversifies by investing in different types of bonds and equity instruments, as well as granting loans to myriad debtors across several regions. These are granted consistent with risk-related regulations set by relevant oversight organizations. Second, the Group diversifies its investments across several industries. When investing in foreign currencies of an associate company, it also takes steps to hedge all foreign exchange risks.

### Liquidity risk

Liquidity risk is the risk resulting from any situation where the Group cannot repay its debts or meet its obligations due to being unable to convert its assets to cash in the required time (illiquidity) and may cause the Group to acquire cash at a higher cost.

### Risk management

To manage this risk, the Group has allocated some of its investment funds to bank accounts, treasury notes, and short-term bonds from the Bank of Thailand, which are highly liquid, as reserves designated for operational costs. The deposits are made at regular intervals in line with cash needs. This is done consistent with cash flow management for expected inflows and outflows. The Group also allocates a portion of its

investment to in-demand stocks that are highly liquid and easily convertible to cash, at close to fair value. Furthermore, the Group is also able to use an overdraft facility and short-term loans from a commercial bank, which are used as cash reserves that can be withdrawn immediately should the Group incur unexpectedly high costs.

### Market risk

Market risk is the risk associated with fluctuations within investment markets, namely the market prices of equity instruments, interest rates, and currency exchange rates, which may affect the value of its investments, equity instruments, bonds, and investment units.

### Risk management

- The Group selects equity instruments from issuers with strong financial standing, good profitability, and potential for sustainable growth. The Group also has a policy of choosing long-term equity instruments to reduce impact from the fluctuation of their market prices.
- The Group closely monitors the Bank of Thailand's interest policy, movements of the United States' Federal Reserve interest rates, and rates of return in the bond market in order to set a duration for investments in line with changes in interest rates. In addition, the Group also has set a policy to hold bonds until they are mature to reduce risk from changes in bond prices. Finally, it also makes monthly deposits of similar sums to reduce reinvestment risk.

### Other risks

#### Asset and liability management risk

Asset and liability management risk is risk resulting from a mismatch between duration and amount of the Group's investment assets with the duration and amount of the Group's contractually obligated liabilities. These include loss reserves, premiums that are not yet classified as revenue, and premiums received in advance.

### Risk management

The Group manages this risk by setting the duration and amount of investment consistent with the Group's liabilities in both avenues.

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### Strategic risk

Strategic risk is risk resulting from setting and implementing strategic and operational plans that are unsuitable or inconsistent with internal and external factors, as well as risks related to overdependence on major business partners. These may affect the Group's execution of its vision, as well as its financial standing, capital fund, and business performance. Internal risk factors include risks associated with organizational structure, operational processes, and adequacy of information and technology, to start with. External risk factors include economic conditions, competition, and political factors, and more.

Strategic risk includes the amount of premiums not meeting expected targets, fierce competition from domestic and foreign insurers, income ratio missing expected targets, and over-dependence on premiums from a particular channel.

### Risk management

The Group manages this risk by setting strategies consistent with its vision as well as operational strategies from the unit level up to the organization level. It also reports on the implementation of its strategies to determine the success of the strategies. The Group has also instituted warning indicators should implementation show signs of going off course. This allows the strategy to be adapted in line with external factors and changing situations, such as any changes in economic conditions, competition, and any relevant regulations. The Group has internal work systems for organizing itself, its personnel, and its budget, as well as its information technology (IT) systems and operational monitoring and control systems. Altogether, they support the implementation of strategy that will allow the Group to reach its targets. The Group published its strategic plans to employees so all involved are moving in one direction as a whole.

### Operational risk

Operational risk is associated with the detrimental effects from lack of or inadequate corporate or operational governance. These are related to internal operational processes, personnel, work systems, IT systems, data safety, or external events.

### Risk management

To reduce operational risk, the Group's Board of Directors is tasked with supervising and managing the Group. The Board ensures the way the Group operates is consistent with its own policies, regulations, rules, and objectives, as well as any resolutions passed by shareholder meeting and relevant laws. The Group also has a framework for managing risk, which includes operational risk and for giving significance to internal

systems of controls. This includes financial controls, operations, and operational governance, which has an internal audit team to check adherence to internal systems of control.

#### Risk to investors

This is a risk to investors in the Group's securities whereby they do not receive the returns as expected such as through dividends, profits, etc.

#### Risk management

The Group operates under a risk management policy covering all business units with the Board of Directors approval. This ensures an expected level of performance at an acceptable risk level as well as affirm the policies of the Allianz Group are implemented for operational efficiency.

#### Fraud risk

To ensure that all Company personnel conduct their business honestly and responsibly, the Group focuses discouraging corruption, emphasizing how corruptions can lead to not just financial loss, but can also negatively impact the Group's reputation as well as cause other impacts such as loss of business licenses, etc.

#### Risk management

The Group has established an anti-corruption policy to be practiced and adhered to, fostering an organizational culture of caution and corruption avoidance within the Group. Creating this organizational culture combating corruption requires top management to encourage personnel at all levels to work together to defend the Group's reputation and assets. This includes employee training to raise risk management awareness and understanding, fostering a risk culture whereby everyone knows how risk impacts business operations, potentially preventing the Group from reaching its goals.

Along with its anti-corruption policy and practice, the Group was certified as a member of the Private Sector Collective Action Coalition Against Corruption on May 21, 2019



### 3. Sustainable business development

#### Sustainable business policy and goals

The Company recognizes the importance of conducting business with good corporate governance while ensuring sustainability and being responsible for the social and environmental development. Respecting human rights through good corporate governance drives Allianz's global sustainability efforts focused on corporate social responsibility, including in investment (CSR in Investments), business operations (CSR in Insurance), and management (CSR in Operations). As part of Thai society, the Company has implemented a sustainable development business policy that includes social and environmental responsibility, with an emphasis on building awareness of all sectors' responsibility to the environment and society.

We encourage our executives, employees at all levels, customers, agents, and consumers all to participate for a significant response, which is important for the following:

#### **Environmental**

As an insurance and investment business, the Company understands the importance of hedging risks dealing with environmental changes. Hence, the Company emphasizes promoting environmentally friendly business practices. Reduce greenhouse gas (GHG) emissions is a key objective for us.

#### **Societal**

We aim to promote full participation, promoting volunteer activities such as helping disadvantaged children learn and develop for a better future. Also, the Company supports organizations, foundations, and businesses that help children, the environment, and at-risk people such as those affected by natural disasters or by epidemics.

#### **ESG-related business promotion**

Here we focus on transparency and accountability in business operations, paying detailed attention to risk exposure and corporate governance as well as responsible sales and data protection.



## Managing stakeholder impact on value chain

In 2020, the management of each business unit of the Company met to determine the importance and impact of each group of stakeholders on the growth and sustainability of the business operation. Below shows a summary of our priorities and approaches to effectively respond to each group in achieving the Company's business objectives. The Company is committed to be responsible for these stakeholders in economic, societal, and environmental terms under the guiding principles of good corporate governance practices.

Stakeholder	Issues/Expectation	Method/Channel of Communication	Actions/Responses
Shareholders	<ul style="list-style-type: none"> <li>● Satisfactory ROI</li> <li>● Equitable treatment of shareholders</li> <li>● Sufficient and transparent information disclosure</li> <li>● Channels to express opinion</li> <li>● Good corporate governance practices</li> <li>● Operate under the laws</li> </ul>	<ul style="list-style-type: none"> <li>● Annual shareholders' meeting</li> <li>● Annual report</li> <li>● Provide opportunity to express opinion via the Company's website, emails</li> <li>● Provide answers to investment questions via Company's communication channels</li> </ul>	<ul style="list-style-type: none"> <li>● Showed business performance results and aim for consistent growth</li> <li>● Conducted AGM according to standards set by SET and SEC</li> <li>● Allowed shareholders to comment on issues through various channels</li> <li>● Ensured that good corporate governance practices were followed</li> <li>● Operated strictly under relevant laws and regulations</li> <li>● Certified by Thailand's Private Sector Collective Action Coalition (CAC)</li> </ul>
Customers	<ul style="list-style-type: none"> <li>● Provide complete investment information</li> <li>● Deliver good and fast service</li> <li>● Employees act with honesty</li> <li>● Protect customer's data privacy</li> </ul>	<ul style="list-style-type: none"> <li>● Provide information via documents, leaflets, and website</li> <li>● Provide prompt service and complaint channels that allow a timely response to the customer</li> </ul>	<ul style="list-style-type: none"> <li>● Able to provide clear, accurate information with transparency</li> <li>● Reviewed regularly operations and services to ensure the current system continues to respond well to customers' needs</li> <li>● Developed IT capabilities to respond to customers' needs</li> <li>● Code of Ethics and Conduct of protected customer confidentiality were followed</li> </ul>

Stakeholder	Issues/Expectation	Method/Channel of Communication	Actions/Responses
Employees	<ul style="list-style-type: none"> <li>● Have clear business objectives</li> <li>● Position, role and responsibilities</li> <li>● Competitive compensation, benefits, and welfare according to labor laws</li> <li>● Opportunity to grow</li> <li>● Opportunity to develop knowledge for business performance</li> <li>● Be treated fairly and equally in the company, no matter origin, race, language, sex, age, disability, physical health, religious beliefs, or individual socio-economic status</li> <li>● Access to company information and updates</li> </ul>	<ul style="list-style-type: none"> <li>● Use HR intranet to provide communication updates and exchange opinions</li> <li>● Foster good relationship via activities, online and offline</li> <li>● Provide training</li> <li>● Use KPIs to measure and assess</li> </ul>	<ul style="list-style-type: none"> <li>● Hold employee conferences every two months to provide company update and an open platform to express ideas and opinions</li> <li>● Organized events and HR and CSR activities for employees to participate throughout the year</li> <li>● Managed annual Allianz Engagement Survey (AES)</li> <li>● Conducted compensation surveys with companies in the same industry</li> <li>● Organized training regularly to increase employee competencies</li> <li>● Provided performance evaluation according to KPIs</li> <li>● Treated employees fairly</li> </ul>
Partners	<ul style="list-style-type: none"> <li>● Have clear business objectives</li> <li>● Clear systems and procedures in operation</li> <li>● Effective collaboration, fast to respond</li> <li>● Fair and equal treatment</li> <li>● Protect data privacy</li> <li>● Provide communication channel to express opinions</li> <li>● Have anti-corruption policy</li> </ul>	<ul style="list-style-type: none"> <li>● Use IT to support communication for effective business operations</li> <li>● Define a channel for complaints if treated unfairly</li> </ul>	<ul style="list-style-type: none"> <li>● Fostered good relationship to build confidence and trust</li> <li>● Protected confidential information and kept records in accordance with laws, rules, and regulations as applied to the business needs</li> <li>● Protected confidential information</li> <li>● Informed about Code of Ethics and Conduct including on anti-corruption</li> </ul>

Stakeholder	Issues/Expectation	Method/Channel of Communication	Actions/Responses
Competitors	<ul style="list-style-type: none"> <li>Conduct the business with honesty and comply with relevant laws</li> </ul>	<ul style="list-style-type: none"> <li>Provide correct information on the Company's website</li> </ul>	<ul style="list-style-type: none"> <li>Upheld the policy on competition, and conducted business fairly</li> <li>Followed the guidelines on good corporate governance in business operations</li> </ul>
Creditors	<ul style="list-style-type: none"> <li>Maintain and comply with the conditions of procurement</li> </ul>	<ul style="list-style-type: none"> <li>Establish and communicate criteria and procedures of procurement policy clearly</li> </ul>	<ul style="list-style-type: none"> <li>Disclosed purchasing and procurement policies</li> <li>Strictly followed the commitment made to creditors</li> <li>Fostered good relationship with creditors to build confidence and trust</li> </ul>
Society, community, and environment	<ul style="list-style-type: none"> <li>Commit to the CSR policy in giving back to the society and the community</li> <li>Create a chance to engage every stakeholder to support CSR and the environment</li> </ul>	<ul style="list-style-type: none"> <li>Organize CSR at least 4 activities and give employees chance to participate</li> <li>Publish various projects through the intranet for employees to be informed and participate in activities</li> <li>Promote CSR activities via calendars for the Company and the public</li> </ul>	<ul style="list-style-type: none"> <li>Adhered to support policies, participate in giving back to the society, the community, society and helping to develop the environment regularly</li> <li>Cultivated awareness among employees for society, community, and environmental responsibility</li> <li>Encouraged knowledge about giving back to society through training and actual practice from various activities</li> <li>Created innovations for the sustainability of the Company</li> </ul>
Government Sector	<ul style="list-style-type: none"> <li>Conduct business according to laws and regulations</li> <li>Establish good corporate governance practices</li> <li>Communicate to employees to comply on these laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Communicate rules and regulations with regards to business operations to employees via available communications channels</li> <li>Provide training and test employees on their knowledge about laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Strictly followed laws and regulations</li> <li>Published policies, rules, regulations, and Code of Ethics for employee's acknowledgement and compliance</li> <li>Systematically monitored operations to ensure full compliance rules and regulations</li> </ul>

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## Sustainable environment

Through the Company's sustainable environment policy, we focus on activities with environmental impacts to reduce greenhouse gas in our business operations. In 2020, the Company reduced GHG emissions by more than 40 thousand kgCO<sub>2</sub>e with the following activities:

**Energy:** The Company implemented a campaign to raise awareness amongst employees about saving electricity by developing simple habits from turning off computer screens when not in use to keeping the lights off in meeting rooms, thereby reducing energy use overall.

**Business Travel:** The Company reduced unnecessary business travel by technology to replace traveling overseas to conferences and seminars. In 2020, the Company was able to reduce overseas travel by 100% through its commitment to reducing greenhouse gases as well as due to the impact of the COVID-19 pandemic.

**Paper Consumption:** The Company understands the importance of reducing paper use and has implemented changes to encourage going as paperless as possible. Examples include automated expense and procurement approval systems, as well as a campaign promoting two-sided printing and recycling paper. In 2020, the Company recycled 19,574 kg of paper.

**Water.** The Company campaigned for employees, including cleaners and custodial staff, to conserve water. In 2020, the Company's water usage decreased significantly by encouraging habits such as turning off water while washing dishes. Also, the Company invested in water-saving fixtures and equipment.

**Waste Management.** In 2020, the Company committed itself to waste management activities. The Allianz Ayudhya Goes for Green campaign focused on environmental conservation awareness among employees, particularly on separating waste, to encourage good habits at work that they would continue at home. These activities resulted in significant impacts, with 95% of employees recognizing environmental issues and the importance of corporate social responsibility. They also participated in the following activities:

- Over 200 people participated in activities like training on trash separation, switching to plastic from home, separating food waste from utensils and containers, and cleaning plastic food containers.
- Maintained a recycling rate of 51%, in the following manners:
  - Food waste composted to fertilizer: 747 kg.
  - Recycled plastic, aluminum, paper: more than 20K kg.
  - General waste: more than 20K kg.
  - Single-use plastic converted to renewable energy: 371 kg.
- Organizing 4,675 shirts for new employees to be produced from surplus fabric sourced from factories (upcycling).

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## Sustainable society

We recognize the importance of CSR and consider and as a part of being Thai society aim to set a good example through the development of programs and activities that benefit the overall society, including a “Sharing Knowledge with the Children of Thailand” , aimed at providing opportunities for underprivileged children. The Company emphasizes engagement and responsibility resulting from collaborative efforts from all parties to ensure the activities we create are meaningful to all involved parties. This extended to helping during major catastrophic events. Throughout 2020, the Company brought over 5,000 people together from all areas for the following activities:

- 1) Allianz World Run Thailand built the participation among employees, agents and Allianz Ayudhya family for the SOS Foundation under Royal Thai Patronage.
- 2) The Company organized the following social assistance and support activities in response to the COVID-19 pandemic:
  - Together with Allianz China, PPE and medical-grade masks to help combat COVID-19 were imported and sent to 25 hospitals across the country.
  - The Company collaborated with the Foundation for Child Development to provide new and used tablets to 11 schools in remote areas so that children could study online during the COVID-19 outbreak.
- 3) Donations to communities in need
  - Organized three blood drives with the Thai Red Cross Society.
  - Organized Allianz Ayudhya Charity Market. The event raised 700,000 baht for Scholars of Sustenance.
- 4) The Company organized events to help four schools in the south of Thailand affected by floods, donating school supplies and kitchen equipment as well as replacing school equipment damaged by the floods.
- 5) Adapting a program to the “new normal” - Running for 14<sup>th</sup> consecutive years, Allianz Ayudhya has been offering opportunities for 5<sup>th</sup> grade primary school students from Bangkok to learn about the city’s heritage and Thai culture outside the classroom through a one-day excursion around Rattanakosin Island. Leveraging from this, the Young Guide program has been initiated to recruit the students to be trained as a tour guide. In 2020, the COVID-19 outbreak did not stop this educational opportunity for the children. The Company created a teaching space by promoting skills in vlog video production, providing information and entertainment through the Company’s online channels.



## 4. Management Discussion and Analysis

### Financial position and Operating performance

The Company has a core investment in the Insurance industry both non-life and life.

According to the Insurance Premium Rating Bureau, overall direct premiums of 2020 of the Non-life Insurance industry grew by 3.9% from last year. Due to the COVID-19 pandemic, Travel and Marine decreased, Motor and Property remained stable while Health and PA business saw strong growth. Excluding the impact of COVID-19 insurance, the year on year market growth reduces to only 2.2%. In term of distribution channels, Broker and Agency remained the most profitable channel followed by Bancassurance, while the Online channel, small share in the direct premium, had a significant growth.

According to the Thai Life Assurance Association, the Life Insurance industry in 2020 contracted by 1.8% in Gross Written Premium (GWP) terms compared with the same period last year. The COVID-19 pandemic has impacted the overall economy and the purchase power of the general population. At the same time, an accelerated demand for Health Insurance products was observed.

After the outbreak of COVID-19 in early 2020, the operating results for the year ended December 31, 2020 effected the Group as follows:

The Group could continue business as usual. Only the Phuket branch had been temporarily closed from March to April 2020 according to the lockdown policy of the province. The Group had activated its Business Continuity Plan with introduction of digital sales tools and implemented work from home 80%-90% of staff were working from home to ensure continuity of operation. Furthermore, an internal COVID-19 taskforce was established and included key members of the management to immediately handle matters related to COVID-19.

For the Company, the operating result of the consolidated financial statement for the year ended December 31, 2020 was a net profit of Baht 631.11 million (Baht 1.63 per share) compared with the same period prior year of Baht 189.63 million (Baht 0.53 per share), an increase by Baht 441.48 million or 232.82%. The significant changes are summarized as follows:

- The gross premiums written of the year marginally decreased by 1.40% from the same period prior year in line with the market trend while net written premium and net earned premium increased by 18.63% and 22.38% respectively, due largely to the reduction of business ceded to reinsure.

- 
- Fee and commission income reduced by 51.61% due largely to discontinued reinsurance for the motor line of business in 2020.
  - Net investment income increased by 8.15% in spite of a loss on investment in securities of Baht 116.38 million which was resulting largely from sales of investment assets in the first quarter due to the portfolio restructuring and COVID-19 impact on capital markets.
  - The share of profit on investment in an associate increased by 89.72% due to the increase of shareholding in the associate from 20.17% prior year to 31.97% and a significant increase in net profit of the associate company.
  - From the above, the Company total revenues increased by 21.04% from the same period prior year.
  - In term of expenses, net claim paid increased by 27.64% in line with the increase in net earned premium. The commission and brokerage increased according to the business expansion while other underwriting expenses and operating expenses reduced by 5.84% and 7.40%, respectively.
  - To apply the same security impairment rule as per Allianz Group requirements for IFRS, the Company recognized impairment losses amounting to Baht 150.5 million in this year.
  - As a result of the aforementioned, the Company's performance for the year ended 31 December 2020 was a net profit of Baht 631.11 million, 232.82% higher than prior year
  - In spite of COVID-19 pandemic, from the consolidated financial statement the Company's return on equity ratio increase from 1.40% in 2019 to 3.53% in 2020. This demonstrated the ability of business adaptation. The net profit margin on gross income and the return on investment increased from prior year as well.
  - As of December 31, 2020 the Company has goodwill of Baht 508.8 million due to the entire business transfer from Allianz General insurance company limited on April 30, 2019. The Company tested impairment of the goodwill and considered that there was no impairment for the goodwill. (See note to financial statement no. 16) This shows the quality of assets from the entire business transfer.
  - In term of liquidity, the liquidity ratio of 1.62% increased from prior year. Number of days of uncollected premium of subsidiary company increased from 34 days in 2019 to 42 days, due to the extended premium grace period case to support customers who were impact by COVID-19.

In addition, the subsidiary and associate's capital adequacy ratio of 356.49% and 345.79%, respectively, which much higher than the minimum requirement of 120%.

- The major capital expenditures in 2020 were leasehold, fitting and office equipment of the Group approximately Baht 32.23 million and software computer amounting to Baht 20.06 million. This is to support the new way of work and benefit to employees and customer in the long run.
- To manage factors that may affect the operations in the future, the Group strictly adheres to the risk management policy as mentioned in Risk Management section and regularly review of the policy.



## Statement of Financial Position

(Unit: Thousand Baht)

Assets	Consolidated financial statements as at December 31		
	2020	2019	2018
Cash and cash equivalents, net	2,801,346	4,497,250	1,341,340
Premium receivable, net	555,606	771,000	271,750
Accrued investment income	25,141	12,412	4,498
Reinsurance assets	2,060,737	2,741,204	1,070,310
Amounts due from reinsurers	439,285	496,239	114,461
Investments			
Investments in securities, net	7,384,276	7,352,462	6,896,385
Loans and interest receivable	-	14	29
Investment in an associate	11,252,204	10,715,018	2,977,371
Property, plant and equipment, net	53,896	49,292	39,752
Goodwill	508,877	508,877	-
Right-of-use asset, net	208,804	-	-
Intangible assets, net	77,032	85,075	51,029
Deferred tax asset, net	419,272	328,450	228,963
Deferred commission expenses	78,959	72,514	66,858
Other assets	142,127	186,673	82,846
<b>Total assets</b>	<b>26,007,562</b>	<b>27,816,480</b>	<b>13,145,592</b>

## Statement of Financial Position (Cont'd)

(Unit: Thousand Baht)

Liabilities and equity	Consolidated financial statements as at December 31		
	2020	2019	2018
Insurance contract liabilities	5,157,764	5,797,941	2,444,776
Amounts due to reinsurers	1,249,805	1,944,672	678,332
Payable from purchase of securities	-	992,853	1,977
Income tax payable	-	-	53,595
Employee benefit obligations	151,266	135,518	89,972
Premium written received in advance	343,710	421,446	370,220
Commission and brokerage payables	99,257	107,767	54,202
Accrued expenses	460,023	389,470	75,251
Lease liabilities	207,876	-	-
Other liabilities	276,796	281,476	109,314
<b>Total liabilities</b>	<b>7,946,497</b>	<b>10,071,143</b>	<b>3,877,639</b>
<b>Equity</b>			
Share capital			
Authorised share capital			
463,473,361 ordinary shares of 1 Baht each	463,473	463,473	463,473
Issued and paid-up share capital			
389,266,931 ordinary shares of 1 Baht each	389,267		
384,964,961 ordinary shares of 1 Baht each		384,965	
296,416,925 ordinary shares of 1 Baht each			296,417
Premium on share capital	10,066,331	9,907,791	5,276,027
Retained earnings			
Appropriated			
Legal reserve	50,000	50,000	50,000
Unappropriated	3,126,145	3,076,794	3,179,207
Other components of equity			
Surplus (discount) on investments measured through	43,455	(113,644)	(207,772)
Share of other comprehensive income in an associate	4,385,867	4,439,431	674,074
<b>Total equity</b>	<b>18,061,065</b>	<b>17,745,337</b>	<b>9,267,953</b>
<b>Total liabilities and equity</b>	<b>26,007,562</b>	<b>27,816,480</b>	<b>13,145,592</b>

## Statement of Comprehensive Income

(Unit: Thousand Baht)

Revenues	Consolidated financial statements for the year ended December 31		
	2020	2019	2018
Gross premiums written	5,676,918	5,757,300	3,396,370
<u>Less</u> premiums ceded	(1,564,003)	(2,290,390)	(1,435,936)
Net premiums written	4,112,915	3,466,910	1,960,434
<u>Add (Less)</u> unearned premium reserve decreased	57,381	(59,254)	191,260
Net premiums earned	4,170,296	3,407,656	1,769,174
Fees and commission income	292,826	605,176	490,086
Net investment income	128,608	118,917	108,265
Gain (loss) on investment in securities	(116,378)	(98,099)	62,175
Gain (loss) on fair value	4,105	-	(29,494)
Share of profit on investment in an associate	1,049,595	553,245	507,683
Other income	62,053	32,399	2,862
Total revenues	5,591,105	4,619,294	2,910,751
<b>Expenses</b>			
Gross claim paid	3,456,194	2,695,109	1,439,765
<u>(Less)</u> Claim recovered from reinsurers	(981,646)	(756,371)	709,126
Commission and brokerage expenses	854,028	754,742	468,114
Other underwriting expenses	766,695	814,213	554,875
Operating expenses	839,182	906,280	359,763
Finance cost	4,652		
Impairment loss on equity instruments	150,503		
Expected credit loss (Reversal)	208		
Total expenses	5,089,816	4,413,973	2,113,391
Profit before income tax	501,289	205,321	797,360
Income tax expense (income)	(129,825)	15,694	47,112
<b>Net profit</b>	<b>631,114</b>	<b>189,627</b>	<b>750,248</b>

## Statement of Comprehensive Income (Cont'd)

(Unit: Thousand Baht)

	Consolidated financial statements for the year ended December 31		
	2020	2019	2018
Other comprehensive income (loss)			
Items that will not be subsequently reclassified to profit or loss			
Actuarial gain (loss) on defined employee benefits plans	-	6,069	-
Share of other comprehensive loss in an associate	(40,730)	(10,268)	(1,761)
Income tax related to items that will not be subsequently reclassified to profit or loss	8,146	840	352
	(32,584)	(3,359)	(1,409)
Items that will be subsequently reclassified to profit or loss			
Gain on revaluation of investment measured at	131,873	117,659	(210,938)
Share of other comprehensive income (loss) in an	(460,245)	4,706,696	(752,136)
Income tax relating to items that will be reclassified subsequently	65,675	(964,871)	198,397
	(262,697)	3,859,484	(764,677)
Other comprehensive income (loss) for the year, net of	(295,281)	3,856,125	(766,086)
<b>Total comprehensive income (loss) for the year</b>	<b>335,833</b>	<b>4,045,752</b>	<b>(15,837)</b>
<b>Basic earnings per share (Baht)</b>	<b>1.63</b>	<b>0.53</b>	<b>2.75</b>
<b>Weighted average number of ordinary shares</b>	<b>387,563</b>	<b>356,058</b>	<b>272,930</b>
<b>Diluted earnings per share (Baht)</b>	<b>1.63</b>	<b>0.53*</b>	<b>2.37</b>
<b>Weighted average number of ordinary shares</b>	<b>387,563</b>	<b>360,582*</b>	<b>315,990</b>

\* Restated

## Statement of Changes in Equity for the year ended 31 December 2018, 2019 and 2020

(Unit: Thousand Baht)

	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity		Total equity
			Legal reserve	Unappropriated	Change in fair value of investment measured at fair value through other comprehensive income	Share of other comprehensive income (loss)	
Balance as at 1 January 2018	250,000	3,512,184	50,000	2,650,798	(39,021)	1,270,000	7,693,961
Increase capital	46,417	1,763,844	-	-	-	-	1,810,261
Dividend paid	-	-	-	748,839	(168,750)	(595,926)	(15,837)
Interim dividends	-	-	-	(220,429)	-	-	(220,429)
<b>Balance as at 31 December 2018</b>	<b>296,417</b>	<b>5,276,028</b>	<b>50,000</b>	<b>3,179,208</b>	<b>(207,771)</b>	<b>674,074</b>	<b>9,267,956</b>
Balance as at 1 January 2019	296,417	5,276,028	50,000	3,179,208	(207,771)	674,074	9,267,956
Increase capital	88,548	4,631,763	-	-	-	-	4,720,311
Net profit	-	-	-	189,627	-	-	189,627
Other comprehensive income (loss)	-	-	-	(3,358)	94,127	3,765,357	3,856,126
Interim dividends	-	-	-	(288,683)	-	-	(288,683)
<b>Balance as at 31 December 2019</b>	<b>384,965</b>	<b>9,907,791</b>	<b>50,000</b>	<b>3,076,794</b>	<b>(113,644)</b>	<b>4,439,431</b>	<b>17,745,337</b>
Balance as at 1 January 2020	384,965	9,907,791	50,000	3,076,794	(113,644)	4,439,431	17,745,337
Adjustment from adoption of new financial reporting standards	-	-	-	(1,089)	51,601	347,216	397,728
Increase capital	4,302	158,540	-	-	-	-	162,842
Net profit	-	-	-	631,114	-	-	631,114
Other comprehensive income (loss)	-	-	-	-	105,498	(400,780)	(295,282)
Dividend paid	-	-	-	(580,674)	-	-	(580,674)
<b>Balance as at 31 December 2020</b>	<b>389,267</b>	<b>10,066,331</b>	<b>50,000</b>	<b>3,126,145</b>	<b>43,455</b>	<b>4,385,867</b>	<b>18,061,065</b>

## Statement of Cash Flows

(Unit: Thousand Baht)

	Consolidated financial statements for the year ended 31 December		
	2020	2019	2018
<b>Cash flows from operating activities</b>			
Direct premium received	5,540,022	5,547,714	3,351,780
Cash received (paid) to reinsurance	(622,169)	224,595	(364,282)
Interest income	101,166	38,165	28,628
Dividend income	450,474	581,469	348,582
Other income	65,313	32,099	1,895
Loss incurred from direct insurance	(3,410,586)	(3,067,333)	(1,328,445)
Commission and brokerage paid from direct insurance	(838,300)	(740,428)	(458,908)
Other underwriting expenses	(766,695)	(778,130)	(531,444)
Operating expenses	(642,526)	(799,284)	(246,400)
Income tax expense	(7,362)	(72,215)	(16,673)
Cash received from investments in securities	(1,409,716)	1,546,839	(2,410,935)
Cash paid for Deposits at bank with maturity over 3 months and deposits used as collateral	336,226	(12,319)	(3,518)
Loans	14	15	(14)
Cash paid from subscriptions payable	-	-	(15,242)
<b>Net cash flow provided by (used in) operating activities</b>	<b>(1,204,139)</b>	<b>2,501,187</b>	<b>(1,645)</b>

## Statement of Cash Flows (Cont'd)

	Consolidated financial statements for the year ended 31 December		
	2020	2019	2018
<b>Cash flows from investing activities</b>			
Cash flows provided			
Cash provided by investing activities	703	4,053	1,445
	703	4,053	1,445
Paid for purchase entire business transfer	-	(848,800)	-
Property, plant and equipment	(24,641)	(8,287)	(6,254)
Intangible assets	(20,063)	(2,670)	(618)
	(44,704)	(859,757)	(6,872)
<b>Net cash flow provided by (used in) investing activities</b>	<b>(44,001)</b>	<b>(855,704)</b>	<b>(5,427)</b>
Cash flows from financing activities			
Increase capital	162,842	751,712	1,810,260
Cash paid for principal elements of lease payments	(24,563)	-	-
Cash paid for interest elements of lease payments	(4,777)	-	-
Dividend paid	(580,673)	(288,683)	(220,429)
<b>Net cash flow provided by (used in) financing activities</b>	<b>(447,171)</b>	<b>463,029</b>	<b>1,589,831</b>
Net increase (decrease) in cash and cash equivalents	(1,695,311)	2,108,512	(60,553)
Cash and cash equivalents as at 1 January	4,497,250	1,341,340	1,401,893
Cash received from the entire business transfer	-	1,047,398	-
Less Allowance for expected credit loss	(593)	-	-
<b>Cash and cash equivalents, net as at 31 December</b>	<b>2,801,346</b>	<b>4,497,250</b>	<b>1,341,340</b>

## Financial ratio reflecting the financial position and performance of the company

Analysis of financial ratios		Consolidated financial statements		
		2020	2019	2018
Liquidity ratio				
Current ratio	(TIMES)	1.62	1.47	2.36
Premium due and uncollected turnover	(DAYS)	42	34	28
Profitability ratio				
Retention rate	(%)	72.45	60.22	57.72
Loss incurred per earned premium	(%)	59.34	56.89	41.30
Underwriting profit per net premium written	(%)	8.94	14.57	25.79
Underwriting expense per earned premium	(%)	58.99	72.64	78.16
Return on investment	(%)	4.97	3.87	5.60
Net premium written per equity	(TIMES)	0.23	0.26	0.23
Net profit per total income	(%)	11.29	4.11	25.78
Return on equity	(%)	3.53	1.40	8.85
Efficiency ratio				
Return on asset	(%)	2.35	0.93	6.20
Assets turnover	(TIMES)	0.21	0.23	0.24
Financial ratio				
Debt to equity ratio	(TIMES)	0.44	0.57	0.42
Policy liability to capital fund	(TIMES)	0.29	0.32	0.26
Nonlife insurance risk reserve per equity	(TIMES)	0.17	0.19	0.18
Nonlife insurance risk reserve per total asset	(%)	11.95	12.00	12.78
Payout ratio	(%)	93.75*	304.49	29.38
Data per share				
Per value	BAHT	1.00	1.00	1.00
Book value	BAHT	46.40	46.10	31.27
Net profit	BAHT	1.63	0.53	2.75
Dividend	BAHT	1.52*	1.50	0.75

\* Dividend per share from the operating result of 2020 is subject to the approval of the shareholders' meeting





## 5. General and other important information

### General information

<b>Company's name</b>	Allianz Ayudhya Capital Public Company Limited
<b>Security symbol</b>	AYUD
<b>Stock market</b>	The Stock Exchange of Thailand
<b>Industry sector</b>	Finance / Insurance
<b>Type of business</b>	Investment holding company investing in insurance business
<b>Company registration number</b>	0107537001391
<b>Registered Capital</b>	Baht 463,473,361, divided into 463,473,361 shares at a par value of Baht 1 per share
<b>Issued and paid-up share capital</b>	Baht 389,266,931, divided into 389,266,931 shares at a par value of Baht 1 per share
<b>Head office</b>	898 Ploenchit Tower, 7 <sup>th</sup> Floor Ploenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok 10330 Telephone: 02-305-7374 Website: <a href="http://www.ayud.co.th">www.ayud.co.th</a>
<b>Corporate secretary</b>	Telephone: 02-305-7374 Email: <a href="mailto:cs@azay.co.th">cs@azay.co.th</a>
<b>Other references</b>	
<b>Registrar</b>	<b>Thailand Securities Depository Company Limited (TSD)</b> The Stock Exchange of Thailand Building, 93, 14 <sup>th</sup> Floor, Ratchadaphisek Road, Dindaeng Subdistrict, Din Daeng District, Bangkok 10400 Telephone: 02-009-9000 Fax: 02-009-9991 Website: <a href="http://www.set.or.th/tsd">www.set.or.th/tsd</a>

<p><b>Auditor</b></p>	<p><b>Ms. Anothai Leekitwattana</b>  Certified Public Accountant (Thailand) No. 3442 and/or  <b>Mr. Paiboon Tunkoon</b>  Certified Public Accountant (Thailand) No. 4298 and/or  <b>Ms. Sakuna Yamsakul</b>  Certified Public Accountant (Thailand) No. 4906  <b>PricewaterhouseCoopers ABAS Ltd</b>  79 / 74-80 Bangkok City Tower, 15<sup>th</sup> Floor, South Sathorn Road,  Thungmahamek Sub-district, Sathon District, Bangkok 10120  Telephone: 02-034-0000  Fax: 02-034-0100  Website: <a href="http://www.pwc.com">www.pwc.com</a></p>
<p><b>Financial Institutions</b></p>	<ul style="list-style-type: none"> <li>- <b>Bank of Ayudhya Public Company Limited</b>  <b>Head office</b>  1222 Rama III Road, Bang Phong Phang Subdistrict, Yan Nawa  District, Bangkok 10120  Telephone: 02-296-2000  <b>Ploenchit branch</b>  550 Ploenchit Road, Lumpini Subdistrict, Pathum Wan District,  Bangkok 10330  Telephone: 02-208-2000</li> <li>- <b>Government Housing Bank</b>  <b>Head office</b>  63 Rama IX Road, Huai Khwang District, Bangkok 10310  Telephone: 02-645-9000</li> <li>- <b>The Hong Kong and Shanghai Banking Corporation Limited</b>  968 HSBC Building, Rama IV Road, Silom Subdistrict, Bang Rak  District, Bangkok 10500  Telephone: 02-614-5590</li> </ul>

	<p>- <b>Standard Chartered Bank (Thai) Public Company Limited</b></p> <p>100 North Sathorn Road, Silom Subdistrict, Bang Rak District, Bangkok 10500</p> <p>Telephone: 02-724-5380</p>
<b>Subsidiary Company</b>	<p><b>Allianz Ayudhya General Insurance Public Company Limited</b></p> <p>898 Ploenchit Tower, Plenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok 10330</p> <p>Telephone: 02-657-2555, 1292 (Call Center)</p> <p>Fax: 02-657-2500</p> <p>Website: <a href="http://www.gi.azay.co.th">www.gi.azay.co.th</a></p>
<b>Associated Company</b>	<p><b>Allianz Ayudhya Assurance Public Company Limited</b></p> <p>898 Ploenchit Tower, Plenchit Road, Lumpini Subdistrict, Pathumwan District, Bangkok 10330</p> <p>Telephone: 02-305-7000, 1373 (Call Center)</p> <p>Fax: 02-305-7999</p> <p>Website: <a href="http://www.azay.co.th">www.azay.co.th</a></p>

### Other important information

-no-

### Legal dispute

As of December 31, 2020, based on the audited consolidated financial statement, the Company has no litigation with material risks which will have a significant negative impact on the operating performance and financial position of the Company more than 5% of shareholder equity.

## Part 2

### Management and Corporate Governance





## 6. Corporate Governance Policy

### Overview of the corporate governance policy and the practice

#### Corporate Governance Policy

The Board of Directors highly values of corporate governance, particularly, the procedural fairness, responsibility, and honesty of the business operation. This is to ensure that the operations of the Company shall be carried out effectively and with stability, growing sustainably, and increasing economic value. The Company strives toward the business prosperity and regards all relevant stakeholders. The policies of operational management base on the principles of economic sufficiency, rationale, integrity, ethics, transparency, and fairness to all the relevant stakeholders with respect to human rights under the good corporate governance as specified by the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC).

The Company, by the approval of the Board of Directors, has set out the good corporate governance policy which is communicated and to all-level employees.

In 2020, the Company's CG scoring was assessed by Thai Institute of Directors Association (IOD) and has been categorized in the 4-star group. The Company received the score in the sections shareholders' rights, equitable treatment of shareholders, and disclosure and transparency as "Excellent" and the section of the role of stakeholders, and responsibilities of the Board of Directors as "Very Good" and "Good". In addition, in 2020, the AGM Organizing Quality Assessment (AGM Checklist), conducted by incooperation of the Securities and Exchange Commission (SEC), Thai Investors Association (TIA), and Thai Listed Companies Association assessed the quality of the Company of AGM at the score of 98 or "Excellent".

In 2017, the Securities and Exchange Commission (SEC) issued the Corporate Governance Code for Listed Companies 2017 or "CG Code". During 2017 – 2020, the Board of Directors, by the Corporate Governance Committee, adopted the CG Code into the consideration of the Corporate Governance Committee meeting no. 1/2563 on 31<sup>st</sup> January 2020 and resolved in implementation of the CG Code in the Company.

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For the non-life insurance business of the subsidiary company, and the life insurance business of the associate company, the CG Code shall subsequently be implemented in a form which is suitable for the business model of each company.

## Business Ethics

### Roles of the Stakeholders

The Company is determined to conduct its business with accountability to all stakeholders by considering mutual business growth and benefit which shall lead to sustainable business development. To ensure the rights of all stakeholders, the Company specifies in the Company's Code of Conduct that the rights of stakeholders will be protected, they will be treated equally and fairly. Sharing business benefit with the society makes the Company become a valued organization of the society.

The Company has established and disclosed its policies, including of the treatments of each group of stakeholders with consideration to their rights under the law or agreements. The Company will not commit any act to violate the rights of those stakeholders.

#### Shareholders

Company focuses on growing its business by building long-term economic values for appropriate and fair returns. The Dividend payment policy are mainly based on the operational performance and the economic circumstance.

#### Customers

Company delivers services to the customers with honesty, fairness with attention and responsibility. The Company provides various communication channel to its customers, including the general inquiry, investment, or complaint via the phone number 02-305-7374 or email: [cs@azay.co.th](mailto:cs@azay.co.th)

#### Employees

Company regards the employees as the essential resources of the Company to achieve the business target. Human resource policy and the Code of Conduct are established to be the guidance for the fair staff treatment, including the remuneration, appointment, relocation, and

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development of the all-level employees' potential and competency by enhancing of capability, and leadership. The employees are encouraged to participate in determination of the direction of operations in order to achieve a unify working attitude. Working culture and working environment is well maintenance so that to ensure a safe working to life, heath and properties of the staffs at all time. Welfare benefits includes annual health check-up, provident fund, retirement pension under the labor protection law, life insurance, health and accident insurance. The remuneration of each employee is considered appropriately and fairly by considering each employee's performance, and business achievement of the Company. In addition, to ensure that each employee is in compliance to good corporate governance, the Company specifies the expected practices in the Code of Conduct where the monitoring scheme and penalties shall be implemented to those who are non-compliance.

**Partners**

Company values impartiality and integrity in the operation of the business as well as fair and mutual benefits with the partners and avoiding the circumstance which may lead to conflict of interest. The trade agreement will be strictly conformed. Moreover, the Company has stipulated the policy of gift and entertainment.

**Competitors**

Company adheres to the fair competition and refrain from any unfair and dishonest practice which aiming to destroy the competitors. The competitors are considered as impetus to drive for developing and improving the products and service.

**Creditors**

Company recognizes the importance, its liabilities to all creditors, and will strictly comply to the conditions having to the creditors, as well as maintain the good relationship with the creditors to build trust and confidence and will not violate the creditors' rights. Moreover, the Company shall consider

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and manage its liquidity to be ready for the repayment of the debt to the creditor within the due date.

**Society, Community,  
and Environment**

Company sets out a clear social policy on the fair treatment and social responsibility by developing CSR Framework to be the guideline for the implementation by all departments of the Company. In addition, the organization of the training to build their awareness in the environmental and natural resources preservation by focusing the social responsibility on the CSR in-process and CSR after-process along with the operation of the business. The Company values and participates in provision supports to improve the quality of living of people and the community and upholds as the important policy to drive together with the Company's business.

**Government**

Company operates its business in compliance with the law. The Company will cooperate with the relevant governmental organization in provision of the relevant information as requested.

**Intellectual Property**

Company complies with the intellectual property law and have the policy in non-violation of the intellectual property as follows;

- All employees are responsible for protecting the Company's intellectual property and preventing such information from leaking to the external. The use of Company's intellectual property for personal or other persons' benefit is prohibited unless being consent otherwise in advance.
- All employees must respect and honor the intellectual property of other persons and must refrain from the use of the protected work, whether whole or part, without receiving prior consent from the owner.



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### Good governance practices in other aspects

Other than the main policy, the Company has specified the other policies so that the operation of the Company is in accordance with the good governance practices, namely

- **Conflict of interest policy**

This policy as established as a guideline for employees to strictly adhere which requiring them to disclose the activities or relationship which may lead to conflict of interest.

- **Intellectual property policy**

A guide the Company uses to advise the employees to protect and respect the intellectual property of others.

- **Sanctioned countries and specially designated nationals (SDN) policy**

This policy is to prohibit the transaction with the sanctioned countries and specially designated nationals specified by United Nations and/or the US government in order to protect the reputation and creditability of the Company toward the investors and governmental officers in Thailand and internationally.

- **Internal control policy**

This policy is to monitor and oversee the operation processes of the executives and the employees to create the reasonable assurance to the achievement of the operation objectives by the financial reporting, compliance with applicable laws and regulations, as well as the anti-corruption measures.

- **Operational overseeing policy**

This policy is the standard and guideline to administrate the operation of the Company to be compliance with the regulations of the Company and the government, as well as managing the operational risk.

- **Environment, Health and Safety Policy**

This policy covers the environment, health and safety aspects in conducting business which is used as guideline to establish the measures for protection of the environment, health, and safety to be strictly adhered by the Company.

- **Related-Party Transactions Policy**

This policy is used as guideline and standard for the monitoring of the related-party transaction of the Company and the subsidiary company as in accordance with the regulations of the Company and the official. The Company aware of its obligations to conform with the regulation of the related-party transaction or connected-party transaction as specified by Stock Exchange of Thailand (SET), Capital Market Supervisory Board (CMSB), and The Securities and Exchange Commission (SEC).

### Anti-corruption

The Company was firstly certified as the member of Collective Action Coalition (CAC) on 22<sup>nd</sup> January 2016. In 2018, both Audit Committees of the Company and its subsidiary reviewed the self-evaluation form regarding anti-corruption measures for submission to the IOD for a renewed certified CAC membership. The CAC Council, by the resolution of quarterly meeting no. 1/2562, approved the Company and its subsidiary as certified CAC members on 21<sup>st</sup> May 2019 which such certification shall be valid for another three years as from the date of the approval. The Company well acknowledges and continues to be a good role model and adhere to all aspects of anti-corruption.

The Company, its subsidiary and its associate company (“Allianz Thailand”) perform an annual risk assessment that includes fraud and corruption in operational risks. The assessment includes addressing corruption risk in the insurance industry, measuring risk levels, identifying the internal controls to mitigate corruption risk, and regularly monitoring and reassessing risk in order to prevent and respond to corruption risk efficiently.

The Company provides various data communication channels on the anti-corruption, and the prevention and suppression of money laundering via the internet system and training on the anti-corruption as follows;

- Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) compliance preparation and readiness;
- Policy and guideline on anti-corruption and money laundering prevention and suppression (AML/CFT) for the new employees; and

In 2020, the Company arranged for the training on anti-corruption to all employees via online media which was distributed to the subsidiary company and branch offices. A test was taken to assess the level of awareness. In addition, orientation for new employees was organized to educate them of the Company's policy. The Company also hosted activities on promoting the culture of integrity within the organization to emphasize such desired behavior.

### Significant changes and developments of the policy, practices, and corporate governance system in the previous year

#### Corporate Governance Policy and Business Ethics

The Board of Directors values the importance of the corporate governance, and therefore, established the Corporate Governance Committee (CG Committee) for controlling, monitoring, and assessment of the operations of the Company. Since 2019, the Company has reviewed the corporate governance policy to be in line with the good corporate governance code ("CG Code")

In 2020, the Company adhered to the following principles of the CG Code:-

CG Code	
<b>Principle 1</b>	Establish Clear Leadership Role and Responsibilities of the Board
<b>Principle 2</b>	Define Objectives that Promote Sustainable Value Creation
<b>Principle 3</b>	Strengthen Board Effectiveness
<b>Principle 4</b>	Ensure Effective CEO and People Management
<b>Principle 5</b>	Nurture Innovation and Responsible Business
<b>Principle 6</b>	Strengthen Effective Risk Management and Internal Control
<b>Principle 7</b>	Ensure Disclosure and Financial Integrity
<b>Principle 8</b>	Ensure Engagement and Communication with Shareholders

The Company has published the CG Code on the Company's website to be accessible for the shareholders and investors so that they can assure that the Company commits to operate the business under the CG Code and the Company's operation is transparent and accountable. The Company has distributed written

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handbooks to the employees and motivated the staff to raise awareness of the importance and build their understanding in order that they will perform their roles by adhering to moral principles. This is also to ensure that all employees are fully equipped with knowledge and understanding on rules, regulations, and business ethics, and will perform their duties appropriately. The Company arranged that all employees attend to the test on the rules of the business operation through intranet system of the Company which the feedback will be used for determining the level of understanding of the employees. The Company will then improve the way of communication so that the employees will fully understand and aware of their own roles in supporting the good corporate governance of the Company.

Besides requiring all existing employees to attend training and take test as part of the Key Performance Indicator (KPI), the new employees must also take a similar test as part of the orientation of the rules and regulation of the Company. The result of the tests is a factor in considering annual performance of each employee.

For the assessment of the Company's performance under the CG Code of 2020, it appears that the Company can achieve most of the specified principles except in a particular that not all the directors attended the shareholders' meetings. However, the Chairman of the Board, CEO, Chairman of the Audit Committee, Chairman of the Nomination and Remuneration Committee, and Chairman of the Corporate Governance Committee attended every shareholders' meeting. The absent directors were the foreign directors which the Company considered that it would not be cost effective if all directors were required to travel to attend only the shareholders' meeting.

## Annual Evaluation of the Performance of the Board of Directors

### 1. Board of Directors' self-assessment

- 1.1 The Board of Directors conducts performance self-evaluation once a year, for both overall evaluation of the Board of Directors and individual self-assessment of each director.

The topics used for conducting performance evaluation for the Board of Directors as determined by the Stock Exchange of Thailand (SET)

- Structure and qualification of the Board of Directors
- Roles, duties, and responsibilities of the Board of Directors
- Board of Directors Meetings
- Duties of Directors
- Relationship with the Management Team
- Self-Development of the Board and Development of Executives

## 1.2 Methodology for the evaluation

1. Conduct performance evaluation of the Board of Director at least once a year, for both overall evaluation of the Board of Directors and individual assessment of each director.
2. Company secretary summarizes and report the result of the evaluation of the Board of Directors to the Nomination and Remuneration Committee for consideration of the result and determination of method to improve the efficiency of the operation.
3. Nomination and Remuneration Committee reports the result and suggestions the Board of Directors.

## 1.3 Annual Performance of the Board of Directors

Year of Evaluation	Date of Evaluation	Performance of the Board of Directors	Performance of the Individual Director
2020	12 November 2020	Good – Very Good	Good – Very Good

The Annual Evaluation of the Performance of the Board of Directors for the year 2020 was conducted on 12 November 2020, for both overall performance of the Board of Directors and the individual director. The result of the evaluation was in good to very good level (for both Board of Directors and the individual director evaluation). In this evaluation, the Company determined the criteria, process, and method of the evaluation. Also, the Company used the result of the previous evaluation for the improvement and follow-up.

## 2. Subcommittee' self-assessment

2.1 The Board of Directors arranges for the evaluation of every subcommittees, namely Audit Committee, Nomination and Remuneration Committee, and Corporate Governance Committee, to conduct the annual self-assessment for both overall evaluation of the subcommittee and individual self-assessment of each directors. Criteria and process of the evaluation are in accordance with the evaluation of the Board of Directors.

2.2 Methodology for the evaluation of the subcommittee and the CEO

1. Conduct performance evaluation of the Board of Director, at least once a year, for both overall evaluation of the Board of Directors and individual assessment of each director, including the CEO.
2. Company secretary summarizes and report the result of the evaluation of the Board of Directors to the Nomination and Remuneration Committee for consideration of the result and determination of method to improve the efficiency of the operation.
3. Nomination and Remuneration Committee reports the result and suggestions the Board of Directors.

## 2.3 Annual Performance of the Subcommittees and the CEO

Subcommittee (Audit Committee, and Nomination and Remuneration Committee)				CEO
Year of Evaluation	Date of Evaluation	Performance of the Board of Directors	Performance of the Individual Director	Performance
2020	12 November 2020	Good – Very Good	Good – Very Good	Excellent

**Development of the directors and the executives**

The Board of Directors realizes the importance of roles, duties, and responsibilities to the Company and therefore strives to develop employee skills and competencies to be consistent with the leadership vision of the directors and management executives. The directors are encouraged to participate in seminars and training programs in the course which are beneficial to the performance of their duties. Specifically, the Company strongly adheres to the management under good governance principles and encourages the directors and executives to join various programs held by the Thai Institute of Directors Association (IOD), such as Director Certification Program and other courses with relevance to the work of the directors or the operation of the business of the Company. Additionally, if there is an appointment of a new director, the Company will provide relevant documents to introduce him (her) to the Company, nature of business and goals so that the director gains the understanding of the role and responsibilities required to perform his (her) duties.

The Company encourages at least one director attends every year the training or seminar.

## List of the directors attending to the training/seminar of the program held by Thai Institute of Directors Association

No.	Name/Position	RCP	DAP	DCP	Fellowship	RCC	AACP	ACP	CGR	SFE	FGP	DCP Re	RMP	CGI	ITG	ACEP	BPE	DCPU	RNG	RCL	CDD	BMD	BMT	ELP	FSD
1	Dr. Jamlong Atikul Chairman of the Board of Directors / Independent Director	x	x	x																					
2	Ms. Nopporn Tirawattanagool Director		x	x		x		x			x					x				x					
3	Mr. Rowan D'Arcy* Director			x																	x				
4	Mrs. Anusha Thavarajah Director																								
5	Mr. Jon-Paul Jones Director																								
6	Mr. Bryan James Smith Vice Chairman of the Board of Director			x	x																				
7	Mr. Thomas Charles Wilson																								



No.	Name/Position	RCP	DAP	DCP	Fellowship	RCC	AACP	ACP	CGR	SFE	FGP	DCP Re	RMP	CGI	ITG	ACEP	BPE	DCPU	RNG	RCL	CDD	BMD	BMT	ELP	FSD
	Director/ President and CEO																								
8	Mr. Laksna Thongthai Director			x	x																	x			
9	Mrs. Clausia Salem Director																								
8	Mrs. Wanna Thamsirisup Director	x	x	x			x	x			x		x	x	x							x			
11	Mr. Pasu Lorharjun Independent Director			x																					x
12	Mr. Narong Julajata Audit Committee / Independent Director	x	x	x																					
13	Mr. Suwat Laicharoensup Chairman of Audit Committee / Independent Director			x																					
14	Mr. Vichit Kornvityakoon Audit Committee / Independent Director			x			x									x	x		x	x		x	x	x	

No.	Name/Position	RCP	DAP	DCP	Fellowship	RCC	AACP	ACP	CGR	SFE	FGP	DCP Re	RMP	CGI	ITG	ACEP	BPE	DCPU	RNG	RCL	CDD	BMD	BMT	ELP	FSD
15	Mr. Lars Heibutzki Director																								
16	Mr. Jan-Christian Rosemeyer Director			x																					
17	Mr. Robert Paul Gray Director			x																					
18	Mrs. Orathai Rongthongaram* Director / Executive Director		x																						
19	Ms. Jarunee Chaisupakitsin Director/ Executive Director																								

## Abbreviation

Role of the Chairman	(RCP)
Director Accreditation Program	(DAP)
Director Certificate Program	(DCP)
Fellowship	(Followship)
Role of the Compensation Committee	(RCC)
Advanced Audit Committee Program	(AACP)
Audit Committee Program	(ACP)
Successful Formulation & Execution of Strategy	(SFE)
Financial Institutions Governance Program	(FGP)
Refresher Course DCP	(DCP Re)
Risk Management Committee Program	(RMP)
Corporate Governance for Capital Market Intermediaries	(CGI)
Driving Company Success with IT Governance	(ITG)
Company Secretary Program	(CSP)
Anti-Corruption for Executive Program	(ACEP)
Corporate Governance for Capital Market Intermediaries	(CGI)
Role of the Nomination & Governance	(RNG)
Risk Management Program for Corporate Leaders	(RCL)
Chartered Thai Institute of Director	(CDD)
Boards that Make a Difference	(BMD)
Board Matters & Trends	(BMT)
Ethical Leadership Program	(ELP)
Financial Statements for Directors	(FSD)

Training of the directors, executives, and the company secretary to enhance the efficiency of the performance. Under the current circumstance of the COVID-19 pandemic, the format of the trainings are adjusted into online or virtual. Details of the training programs as follows;

Month/Year	Program	Institute	Format of the Training
<b>Executive Director</b>			
August 2020	Accounting and Financial Preparation (CFO's Orientation Course)	Thailand Securities Institute	Online
<b>Audit Committee</b>			
October 2020	Advanced Audit Committee Program (AACP) No. 38/2020	Thai Institute of Directors Association	Physical Attendance
<b>Company Secretary</b>			
November 2020	AML/CFT Certificate	Allianz Thailand Group	Online
	Data Privacy Certificate		Online
December 2020	Enterprise Risk Management Certificate	Allianz Thailand Group	Online
	Information Security Certificate		Online
	Allianz Prevention of Corruption and fraud		Online

**Remark:** For the physical attendance of the training, the number of participants of the training is limited and it is organized in compliance with social distancing policy.



## 7. Corporate Governance Structure



### Principle 1 Establish Clear Leadership Role and Responsibilities of the Board

## Corporate Governance Structure

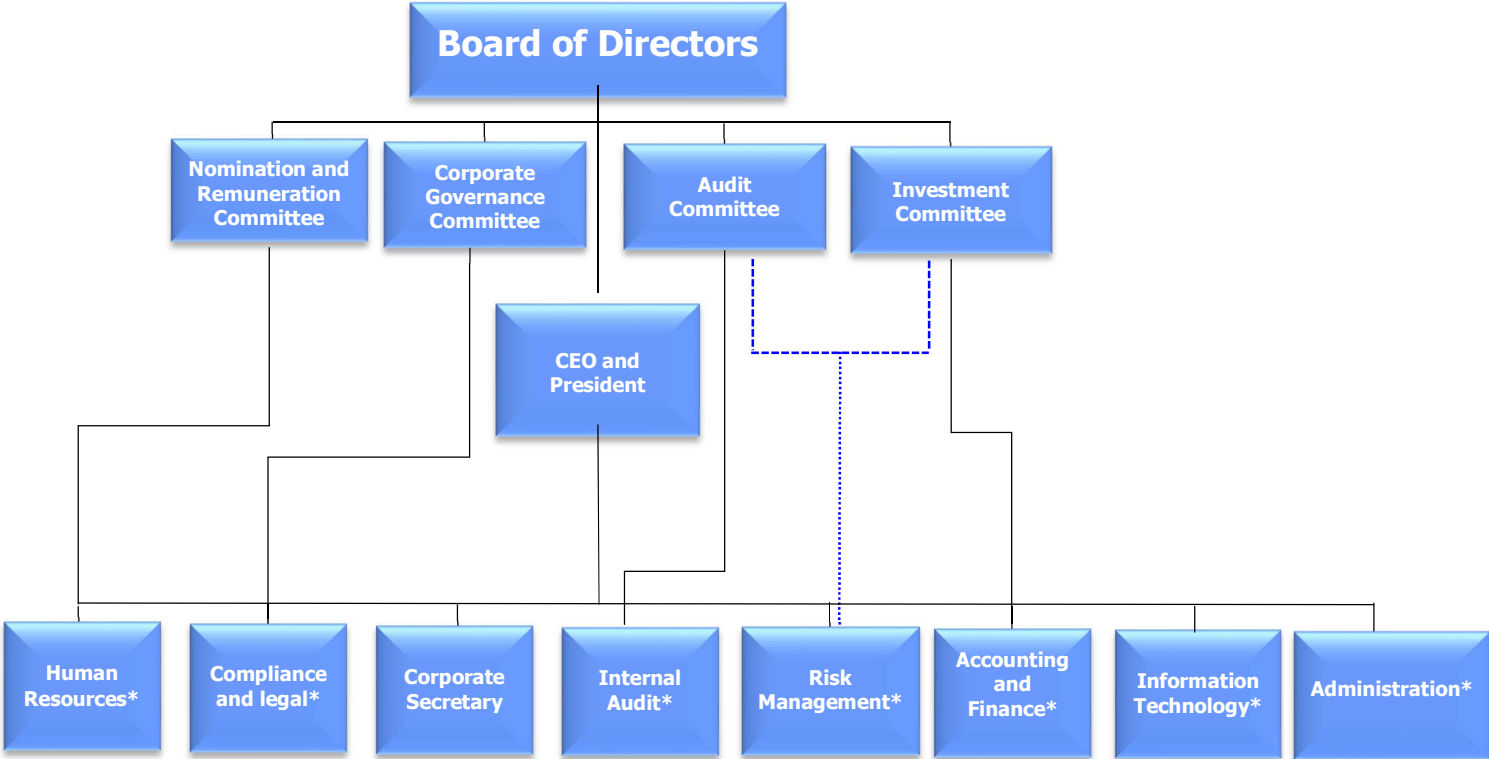
### Board of Directors

As the Company leader who shall achieve sustainable value creation, the Board of Directors should comprise knowledgeable, competent, and experienced members. The Board of Directors shall perform their duties of determining a policy, vision, strategy, goal, mission, business plan, operating measure, and monitor operating result and budget. The Board of Directors shall also supervise the CEO to effectively administrate under the determined policy, laws, Company regulations, Shareholders meeting resolution, Board meeting resolution with responsibility, honesty, caution, and follow the Code of Conduct. Among other things, the Board of Directors shall be responsible for driving the organization's adaptability towards business pattern changes, increasing economic value to the business and providing utmost security to the shareholders.

### Subcommittee

The Board of Directors appoint 4 Subcommittee as follow;

- (1) Audit Committee
- (2) Nomination and Remuneration Committee
- (3) Investment Committee
- (4) Corporate Governance Committee



\*Shared Central Function for Subsidiary and Associate Company. The Company receives their services through a service agreement.

The Company's Board of Directors and CEO is composed of qualified directors in accordance with section 68 of Public Limited Companies Act B.E. 2535 (1992) and Notification of the Office of Securities and Exchange Commission in relevant to management structure.

Specific subcommittees do not entirely comprise of independent directory. Such directors include CEOs and controlling persons of subsidiaries and affiliates, serving as non-executive directors and executive directors.

All directors are qualified as suitable for the Company strategy and are in line with the Company's structure and composition of the Board of Directors as specified by the Board of Directors to have extensive knowledge, experience, and board diversity. All directors devote their time to serve as directors with responsibility, honesty, integrity, morality, and caution. Independent directors are able to freely express their opinion regarding the Company's operation.

The Board of Directors' scope of duty and responsibility follows the Board of Directors charter and all subcommittees charter. Such charters are to be revised at least once a year or when the scope of duty and responsibility is changed. The Board of Directors clearly divides its duty and responsibility between setting corporate governance policy and daily operation by assigning the CEO and the Management to be the primary operator.

The Chairman of the Board does not participate in regular daily operations but provides support and advice through the CEO regarding the Management's business operation. The CEO is responsible for managing the Company under the power authorized by the Board of Directors and the law, e.g., investment, significant transaction, transaction with connected persons, acquisition/disposal of assets, and dividend payment.

The Company aims for the directors and executives to perform their duty within the highest ethical framework and maintain or perform their duty with honesty, integrity, and caution for the Company's best interest and related parties. The directors and executives must be a good example for employees, carry out their tasks properly, conform to law and regulations, and code of business ethics. The Subsidiary and Associate Company directs all employees to take a test on rules and operation through Company's intranet system. It uses the results to assess the employees' level of understanding to improve communication to the employees, including encouraging the employees to become aware of compliance culture, which is one indicator of the employees' performance.

## New Director Orientation

The Board of Directors requires an orientation for all new directors to create business and internal policies understanding, to support the director to assume the position as quickly as possible, by having the company secretary as a coordinator. The orientation covers the following topics;

- Standard of Business Conduct
- Directors' Duties and Obligations
- Appointment and Resignations of Directors
- Governance Structure
- Board Proceedings
- Remuneration and Benefits
- Supply of Information to the Board
- Training and Induction Program
- Annual Board Assessment
- Conflict of Interest and Related Party Transaction
- Other Key Policies of the Allianz Group

In 2020, the Company had nominated two directors:

1. Mrs. Anucha Tawaracha was appointed as a director on August 1, 2020 and resigned on February 25, 2021.
2. Mr. Pasu Loharchun, Independent Director and Chairman of the Nomination and Remuneration Committee
  - Appointed as a director on July 31, 2020
  - Appointed as Chairman of the Nomination and Remuneration Committee on August 14, 2020

Having two directors mentioned above, the Company provided new director orientation according to the Company's Board Manual and rules relevant to law, regulation, and important policies such as corporate governance policy, code of ethics concerning anti-corruption.

## Role of Stakeholders

The Company is determined to conduct its business with responsibility towards stakeholders by considering mutual business growth and mutual benefit, which lead to sustainable business. As stated in the law and the Company's Code of Conduct, the rights of stakeholders are certainly recognized so that the stakeholders are protected and equitably treated. The benefits of business to society are one part that makes the Company a valuable organization of society.

(Details are stated in part 1 section 3 Managing stakeholder impact and part 2 section 6 Corporate Governance Policy.)



### ◆ Principle 2 Define Objectives that Promote Sustainable Value Creation

The Board of Directors sets the Company's goal to become a leading investment company that mainly invests in the insurance business, life insurance, and non-life insurance, including investing in other businesses to increase the investment value and support the sustainable growth of a good society. The Company encourages social responsibility, good corporate governance, anti-corruption, and transparency in its business operation. The Company also aims to strengthen the knowledge for people and general investors regarding investment and wealth through various insurance savings, helping the country's economic growth sustainably. The Company commits to provide service with quality, ethics, transparency in terms of customers and focuses on product development.

### ◆ Principle 3 Strengthen Board Effectiveness

#### Structure of the Company's Board of Directors

The Board of Directors functions responsibly based on the Company's objectives and Articles of Association by monitoring business performance to ensure effectiveness and alignment with its objectives in the best interests of the Company and its shareholders. The Company sets the management structure with a clear division of responsibility between the Board of Directors and Management with details as follows:

1. The Chairman of the Board is not the same person as the President & CEO. The division of authority and power is clearly set according to good corporate governance practices and Company management structure.

As of December 31, 2020, the Company has 15 members on its Board of Directors, including two executive directors, eight non-executive directors, and five independent directors, or 33.33% of the Board of Directors. The Company is confident that the executive directors, non-executive directors, and independent directors will independently perform and approve policies in the best interests of the Company. Moreover, the Company encourages each director to be trained and pass courses held by Thai Institution of Directors (IOD).

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2. The Company appoints the Nomination and Remuneration Committee responsible for recruiting qualified directors following the law and related regulations, The Company's Article of Association, and good corporate governance practices. Qualifications of directors include experience and competence in diversified fields that may benefit the Company, vision, ethics and transparency, good work record, and ability to express opinions independently. The Board considers candidates without gender discrimination as defined in the Board Diversity policy. The role and responsibilities of appointed committee members and subcommittee members are clearly defined, with the President & CEO as the head of the executive team responsible to the Board of Directors for business operations and performance under the Charter of the Board of Directors.
  3. Terms of Directors: The term of office of the Board of Directors is specified in the Company Article of Associations and adheres to the Public Company Limited Act B.E. 2535 (1992). The Director is appointed by the shareholders' meeting resolution or the Board of Director's meeting resolution which will serve a 3-year term each. Except for the Director who is appointed in place of a former Director who vacates the office before the end of the term, may hold the office for the rest of such term. When the term expires, a Board member may be re-elected by a shareholder's meeting resolution or a Board of Directors' meeting resolution. The Company does not restrict directorship based on age as it believes that expertise and experience in business override age factors.
  4. Definition and Qualifications of Independent Directors: 'Independent Directors' are the directors who do not have any business or any related work which may affect their independent decision-making. The Company determines the Independent Director's qualifications to be more stringent than the requirements of the SEC and the SET as follows:
    - 4.1 Holding shares not exceeding 0.5% of the total number of voting rights of the Company, its parent company, subsidiary, affiliate, including shares held by related persons of the independent director.
    - 4.2 Neither being nor having been an executive director, employee, staff, or advisor who receives a salary, or a controlling person of the Company, its parent company, subsidiary, affiliate, same-level subsidiary, unless the foregoing status has ended not less than two years prior to the date of Company filing with the SEC and the SET; however, the prohibition excludes independent directors who worked with government agencies that are major shareholders or controlling persons of the Company.
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- 4.3 Not being a person related by blood or registration under the law, such as father, mother, spouse, sibling, or child, including spouse of the children to executives, major shareholders, controlling persons, or persons to be nominated as executive or controlling persons of the Company or its subsidiary.
- 4.4 Not having a business relationship with the Company, its parent company, subsidiary, affiliate, major shareholder, or controlling person of the Company, in a manner which may interfere with his/her independent judgment, and neither being nor having been a principal shareholder unless the foregoing relationship has ended not less than two years prior to the date of the Company filing with the SEC and the SET. The term ‘business relationship’ aforementioned includes any normal business transaction, rental or lease of immovable property, transaction relating to assets or services or grant or receipt of financial assistance through receiving or extending loans, guarantee, providing assets as collateral, including any other similar actions, which result in the Company or a counterparty being subject to indebtedness payable to the other party in the amount of three percent or more of the net tangible assets of the Company or 20 million baht or more, whichever is lower. The amount of such indebtedness will be calculated according to the calculation method for valuing connected transactions under the Notification of the Capital Market Supervisory Board concerning rules on connected transactions, mutatis mutandis. The combination of such indebtedness will include indebtedness taking place during the course of one year prior to the date on which the business relationship with the person commences.
- 4.5 Neither being nor having been an auditor of the Company, its parent company, subsidiary, affiliate, major shareholder, or controlling person of the Company, and not being a principal shareholder or controlling person or partner of an audit firm which audits the Company, its parent company, subsidiary, affiliate, major shareholders, or controlling person of the Company unless the foregoing relationship has ended not less than two years from the date of the Company filing with the SEC and the SET.
- 4.6 Neither being nor having been any professional advisor including legal advisor or financial advisor who receives an annual service fee exceeding two million baht from the Company, its parent company, subsidiary, affiliate, major shareholders, or controlling person of the Company, and neither being nor having been a principal shareholders, controlling person, or partner of the professional advisor unless the foregoing relationship has ended not less than two years from the date of the Company filing with the SEC and the SET.
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- 4.7 Not being a director who has been appointed as a representative of the Company's director, a major shareholder, or shareholders who are related to the major shareholder.
- 4.8 Not operating any business which has the same nature as and is in significant competition with the business of the Company or its subsidiary; not being a principal competition in any partnership; not being an executive director, employee, staff, or advisor who receives salary; or not holding shares exceeding 0.5% of the total number of voting rights of any other company operating a business which has the same nature as and is in significant competition with the business of the Company or its subsidiary.
- 4.9 Not having any characteristics which make him/her incapable of expressing independent opinions with regard to the Company's business affairs.
5. The companies in which directors hold positions are disclosed in the Annual Registration Statement the Annual Report (Form 56-1 One Report). At present, the Company is assured that there are no negative effects arising from directors holding other positions in other listed companies and that all directors have sufficient time allocated for the Company's matters with all attending meeting regularly to the Company's matters with all attending meetings regularly to the Company's benefit. The Company sets a limit on directors holding no more than five positions in other listed companies.
6. Aggregation and Delegation of Authority: The Chairman of the Board is an independent director and not the same person as the President & CEO, with no relation to anyone on the executive team.
7. Company Secretary: According to section 89/15 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008), the Board of Directors Meeting No. 5/2020 on 12<sup>th</sup> November 2020 passed a resolution to appoint Ms. Kavida Wassanaruangdej, Assistant of Director of the Company Secretary Office, to be the Company Secretary and the Board of Directors Secretary. She received related training courses from Thai Institute of Directors (IOD) and from other organizations such as Company Secretary Program (CSP) Class 103/2019, Fundamental Practice for Corporate Secretary (FCS) Class 1/2015, Board Reporting Program (BRP) Class 28/2019.

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**Qualifications are listed as follows:**

1. Understands the role and responsibilities of Company Secretary, including the role of the Board of Directors, and knowledge of related laws and regulations, and continually develops knowledge to be effective in the role;
2. Has knowledge and understanding of the Company's business and operations including that of subsidiaries;
3. Will not exploit the Company's business opportunity for personal gain and must be able to keep confidential information;
4. Is ethical and considers all stakeholders and must not do anything to damage the Company's reputation and imagery;
5. Performs duties following related laws and regulations, with responsibility and honesty, and supports the Company's work to achieve objectives regarding corporate governance and Code of Conduct.

**Scope and responsibilities:**

1. Arrange annual shareholders meetings and Board of Directors meetings in compliance with the Company's rules and regulations;
2. Serve the Board of Directors in providing corporate legal advice, taking care of the governing activities, and monitoring compliance with resolutions and advise on rules, regulations, and guidelines that should be acknowledged and complied with by the Board of Directors;
3. Prepare meeting minutes for both Board of Directors' meetings and shareholders' meetings and follow up on the implementation in accordance with the Board of Directors' meetings and shareholders' meetings resolution;
  - 3.1 Prepare and maintain Director Registration, Annual Reports, invitations to shareholders' meeting, invitation to Board of Directors' meeting, and meeting minutes;
  - 3.2 Keep safe stakeholders' transaction reports by directors and Management, and provide copies to the Chairman and the Audit Committee Chairman within seven days from the date of the report;
  - 3.3 Manage the disclosure of information and information published by relevant business functions in the Company;
  - 3.4 Communicate with shareholders regarding shareholders' rights and the Company's information;
  - 3.5 Oversee the Board of Directors' activities;
  - 3.6 Any other work as regulated by the SEC and SET.

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## Roles, Duties, and Responsibilities of the Board of Directors

1. The Board of Directors sets the vision, mission, strategies, goals, and annual operating plan and budget for the utmost efficiency of operations and to achieve Company targets. The Board monitors the performance of executives to assure compliance with operating plans. The Board monitors risk management and applies good corporate governance principles to add value to its business and shareholders.
2. Corporate Governance: The Board of Directors appreciates the importance of corporate governance and best practices of listed company directors and continually undertakes measures to enhance the efficiency, effectiveness, and transparency of the organization's operating systems. The Company seeks to generate the trust and confidence of shareholders, investors, and the public, which in turn will promote the advancement and stability of the business and consequently confer benefits upon shareholders, interested persons, and the society as a whole, as well as enhance the prospects of the Company's employees. Hence, the Company has issued revised Code of Conduct handbooks, which has been approved by the Board of Directors, to all directors, executives, and employees. Details of the handbook are disclosed fully on the Company's website.

The Board of Directors has established the following corporate governance policy:

- 1) Procedures should be implemented to ensure that the Company has a clear scope of the mandates, functions, and responsibilities for each committee and executive;
- 2) Procedures should be implemented to assure confidence that financial statements accurately reflect the Company's performance and appraisals and that prescriptions and measures are imposed to prevent and maintain risks at appropriate levels;
- 3) Procedures should be implemented to assure confidence that the Company's various processes are efficient and effective, subject to checks and balances that ensure transparency and accountability;
- 4) Procedures should be implemented to eliminate conflicts of interest, with the Company's interests the initial consideration. For this reason, a transparent operating system must be utilized;
- 5) Procedures should be implemented to disclose accurate data under related laws and regulations;
- 6) The ownership status of the shareholder is appreciated and respected along with the rights of every interested person. Treatment of such persons is fair and equitable;
- 7) Business is undertaken with the awareness of accountability to shareholders, interested persons, and society as a whole;

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- 8) Business is undertaken with an appreciation of environmental responsibility;
  - 9) Related party transactions must be conducted in compliance with good corporate governance practices, as well as with the relevant laws, regulations, and other applied restrictions. These transactions are reviewed and approved by the Board of Directors or through a shareholders' meeting.
3. The Company issues the Code of Conduct handbook for the Board of Directors, executives, and employees to adhere to as a guideline for work. The Company also has written ethics principles for employees to create confidence for all stakeholders. The Code of Conduct can be found on the Company's website.
  4. To manage conflicts of interest for the maximum benefit of the Company and shareholders, the Company shall disclose any connected transactions with necessity of the transaction under the SET regulations.
  5. The Board of Directors places great importance on the internal controls by having an internal audit department to monitor all internal controls, including the computer system. Internal audit report must be sent directly to the Audit Committee. Both the Board of Directors and the Audit Committee concur that the Company has a proper and adequate internal controls system.
  6. The Board of Directors recognizes the importance of managing risk factors in the organization and designates the Board of Management to establish the Risk Management Committee. The Risk Management Committee must address these factors by overseeing business activities, including processes to reduce and minimize potential damages to an acceptable level, and seek appropriate risk management measures to make sure that the Company can operate perpetually. Scopes of risks management cover the following:
    - 6.1 Strategic risks;
    - 6.2 Financial risks, classified into market fluctuation risks, corruption risks, and credit control risks;
    - 6.3 Operational risks: Management assesses risk and regularly reviews any significant risk mitigation to ensure that the Company can prevent and handle incidents in a timely manner. The Risk Management Committee continually raises the issue of risk awareness and provides reports to Management and employees;
    - 6.4 The Company has a Business Continuity Plan and conducts annual virtual tests with staff members to minimize any disruption to its operations;
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- 6.5 The Risk Management Committee consists of executives of each department and division. The scope of its functions has been prescribed with a view to jointly implement a more systematic and efficient risk management system.

### Board Meetings

Board of Directors meetings are scheduled not less than once every quarter. The agenda and minutes of the previous meeting, together with supporting documents, are submitted to the Board seven days in advance to enable directors to undertake adequate considerations and study the information prior to attending the meeting. The exception is when there is an emergency related to protecting the Company's interests, in which case less than seven days' notice may be given. The duration of each meeting is approximately two hours. During the meeting, directors can express opinions openly and freely, and the Company Chairman will consolidate the opinions and conclusions reached. Directors having a conflict of interest must leave the meeting during the consideration of the matter in question, which must subsequently contain half of the Board of Directors. All meetings are attended by the Board Secretary, who records and takes minutes, which will be approved by the meeting and verified by the Company Chairman and Board Secretary.

In 2020, the Company held 6 Board of Directors' meetings scheduled in advance and notified all directors. In the same year, more than 90% of the entire Board of Directors attended the meeting, and more than 75% of Directors participated in the meeting throughout the year for both Board of Director's meeting and various Subcommittees' meetings. The Company has a policy on the minimum of a quorum at the time voting, which must be no less than half of the total number of Directors.

The Audit Committee, President & CEO, and Head of Internal Audit Office shall schedule regular joint meetings with the Company's external auditor quarterly to consider the operating results and financial statements of the Company.

In a Board of Directors meeting, if there is query, or additional information is required from relevant persons, the President & CEO will invite the appropriate senior executive management to provide explanations as applicable. Moreover, the Board of Directors may delegate to the President & CEO the task of scheduling meetings of the Executive Management Committee at least once a month. Additional meetings may, however, be called in case of emergency.



The Board of Directors has also delegated to the President the task of scheduling meetings of the Corporate Investment Committee quarterly. Additional meetings may be called in cases of urgency. Minutes of Board meetings and minutes of the subcommittee meetings are recorded by the Board's secretary in writing. The minutes are filed at the Company's head office for the convenience of reference.

### Subcommittee

The Board of Directors appoints four Subcommittees, consisting of Audit Committee, Nomination and Remuneration Committee, Investment Committee, and Corporate Governance Committee. Some Subcommittees are not entirely independent committees, including executive directors.

### Audit Committee

The Company established the Audit Committee on October 12, 1999, comprising at least three committee members. At present, the Audit Committee comprises three independent directors with a three-year term and may be re-appointed.

As of December 31, 2020, the Audit Committee consists of 3 members as follows:

No.	Name Surname	Designation	Term	Participation/ Number of Meetings
1	Mr. Suwat Laicharoensup*	Chairman	1 year	3/3 (including one electronic meeting)
	Mr. Sorasit Soontornkes**	Chairman	-	1/1 (including one electronic meeting)
2	Mr. Vichit Kornvityakoon	Director	6 months	4/4 (including one electronic meeting)
3	Mr. Narong Chulajata	Director	1 year and 6 months	4/4 (including one electronic meeting)

\*was appointed as the Chairman of Audit Committee as of 14<sup>th</sup> August 2020

\*\*resigned from the member of Audit Committee as of 31<sup>st</sup> July 2020

In this regard, Ms. Wannaporn Ngamsukhonratana was appointed Secretary of the Audit Committee. Mr. Vichit Kornvityakoon and Mr. Narong Chulajata, have extensive knowledge and experience to review the reliability of the financial reports.

## Audit Committee Charter

### Purpose

The Board of Directors appoints the Audit Committee (AC) to act and express independent opinions, to provide support to the Board in the following topics:

- To review financial information proposed to the shareholders and stakeholders;
- To review the internal controls system determined by Management and the Board;
- To supervise internal audits and communicate with auditors of the Company;
- To consider connected party transactions or transactions in which a conflict of interest may exist;
- To supervise and review the process and the implementation concerning anti-corruption measures.

In performing its duty, the Audit Committee is responsible to the Board of Directors.

### Authority

The Audit Committee would have the following authorities:

1. Consider, select, and propose for appointment capable persons having independence to perform the duty as the external auditors of the Company to the Board of Directors, together with annual audit fee, in order to obtain approval from an annual general meeting;
2. Review the scope of works and other consultations given by the external auditors or external audit firms and determine the remuneration of external auditors by proposing to the Board of Directors;
3. Consider and resolve any disagreements between Management and the external auditors regarding financial reporting;
4. Audit Committee is authorized to audit and investigate employees involved and related internal audit control matters within the scopes of its authority and duty. The Audit Committee has the authority to employ specialists to help audit and investigate as it considers suitable at the Company's expense.

5. Investigate or audit, if reported by the external auditors of the Company where they have found suspicious behaviour that directors, managers, or persons in charge of the operations of the business of the Company who may have committed an offense;
6. The roles and duties as a member of the Audit Committee must be additional to those of the Company's Board of Directors;
7. The Audit Committee must not perform any roles or duties other than those specified in the Audit Committee Charter unless there are regulations or laws or assignments from the Company's Board of Directors to allow so, with the agreement of the Audit Committee.

### Composition

The Audit Committee must comprise at least three independent directors that qualified in accordance with the SEC and SET regulations.

The Board of Directors appoints Audit Committee with a three-year term and may be re-appointed.

### Meetings

The Audit Committee should organize at least four meetings per annum to consider the financial statements that are issued quarterly. The Audit Committee may invite management or persons involved to attend meetings and provide relevant information. The Audit Committee members can attend each meeting in person or via electronic meeting.

Meeting agendas will be prepared and provided in advance to the participants, along with attached information. Minutes will be prepared. The Chairman of the Audit Committee will also be the chairman of the meetings. If the Chairman of the Audit Committee is absent, other members attending the meeting can select one member to be a substitute chairman of the meeting.

The resolution of the Audit Committee can be made by the majority vote. If the result of the vote is even, the chairman of the meeting shall have a casting vote.

Any member with any interest in the related topic cannot vote on that topic.

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## Responsibilities

The Audit Committee will carry out the following responsibilities:

### 1. Financial Reports

- 1.1 Review the Company's financial reports to ensure the completeness, correctness, reliability, and disclosure according to generally accepted accounting principles;
- 1.2 Review with Management and auditors after the completion of the quarterly and annual audits to consider the following factors:
  - 1.2.1 Financial statements for the quarter and the year and notes to the financial statements;
  - 1.2.2 Audit reports;
  - 1.2.3 Observations and additional suggestions regarding the auditors' auditing plans;
  - 1.2.4 Troubles and significant disagreements (if any) with Management during the auditors' work;
  - 1.2.5 The accuracy and completeness of financial information.
  - 1.2.6 Management and preparation of information in Management's financial statements, including the relevant scope of internal auditors and the auditor in reviewing the accuracy of the financial statements.

### 2. Internal Controls

- 2.1 Review and evaluate the Company's internal control system, internal audit system, and risk management systems that are appropriate, effective, and concise per the framework recognized as an international standard;
- 2.2 Determine the power, duties, and responsibilities of the Internal Audit Department and consider the independence of the Internal Audit Department;
- 2.3 Review and consider together with the auditors and the head of the Internal Audit Department to confirm the adequacy of:
  - 2.3.1 Internal controls system, including information technology security and control;
  - 2.3.2 Significant deficiencies which the auditors, the Internal Audit Department, and Management have common opinion on;
  - 2.3.3 Enquire about the level of key risks as well as the method of risk mitigation from Management, Head of the Internal Audit Department, and the auditors;

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### 3. Internal Audit

- 3.1 Review and approve the annual audit plan;
- 3.2 Review and consider together with Management and Head of the Internal Audit Department on the following matters:
  - 3.2.1 Significant deficiencies discovered during the year and Management's response;
  - 3.2.2 Issues occurring during the audit, including the scope of work or the access to the information necessary for auditing;
  - 3.2.3 The scope of the audit which is different from the approved audit plan;
  - 3.2.4 Budget and headcount of the Internal Audit Department;
  - 3.2.5 The Internal Audit Department's performance standard which should be in accordance with the standards of the Institute of Internal Auditors of Thailand;
  - 3.2.6 Consent in the appointment, deposition, transfer, or dismissal, and evaluation of the annual performance of Head of the Internal Audit Department;
  - 3.2.7 Attend a meeting with Head of the Internal Audit Department without Management at least once a year.

### 4. External Audit

- 4.1 Review and consider the audit scopes and approach proposed by the external auditors, including coordination of audit efforts with the internal audit;
- 4.2 Review the performance of the external auditors and to consider, select, and propose for appointment or change of the external auditors;
- 4.3 Review the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the Company;
- 4.4 Attend a meeting with the external auditors without Management at least once a year.

### 5. Compliance with Laws and Regulations

- 5.1 Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of Management's performance and follow-up;
- 5.2 Review the adherence to the recommendations and regulations by regulatory agencies, and internal and external auditors' observations;
- 5.3 Review the process for communicating the Code of Conduct to Company personnel and for monitoring compliance;

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- 5.4 Provide the Audit Committee with regular updates from Management and legal consultants regarding compliance matters;
  - 5.5 Review whether the Company complied with the laws regarding securities and the stock exchange, SET regulations, and laws concerning the Company's business;
  - 5.6 Consider connected party transactions or transactions in which conflicts of interest may exist to ensure compliance with the law and SET regulations to ensure that such transactions are reasonable and have maximum benefits for the Company.

## 6. Reporting Responsibilities

- 6.1 Prepare the Audit Committee Meeting minutes to be proposed to the Board of Directors;
- 6.2 Prepare the Audit Committee report showing the responsibilities and performance of the Audit Committee to be proposed to the Board of Directors and as part of the Company's Annual Report. The Audit Committee report must at least consist of the information stipulated in SET announcements;
- 6.3 Provide suggestions to Management for supervision to ensure work efficiency and effectiveness. If the Audit Committee detects or suspects any of following transactions or actions, which may have significant impact against the Company's financial status and operational result, the Audit Committee would report to the Board of Directors for improvement:
  - 6.3.1 Transactions with conflicts of interest;
  - 6.3.2 Fraud or irregularities or significant deficiencies of the internal controls system or any actions that significantly impacts against the Company's financial status and operational result;
  - 6.3.3 Violations against the laws of securities and exchange, SET requirements, or laws relating to the Company's business.
- 6.4 If the Board of Directors or Management does not correct within the period determined by the Audit Committee, either the Audit Committee or any member of the Audit Committee must report to the SEC or the SET as soon as possible.

## 7. Other Responsibilities

- 7.1. Review measures, internal controls, and risk assessment relating to the anti-corruption policy by receiving reports from top management or internal audits or reports from external parties regarding the Company's anti-corruption measures;
- 7.2. Coordinate in significant matters with the Board of Directors, the auditors, and the Internal Audit Department and confirms the independence of the Internal Auditor and the external auditors;

- 7.3. Regularly review and amend the Audit Committee Charter to be up-to-date and suit the organization's environment and propose it to the Board of Directors for approval;
- 7.4. Review whether the Company's good corporate governance policy is suitable and in line with the good corporate governance practices specified by Supervisory units;
- 7.5. The Chairman of the Audit Committee acknowledges the interests of the directors and Management or the related persons according to the Company Secretary report;
- 7.6. Regularly assess the Audit Committee performance, or each member of the Audit Committee performance.

### Nomination & Remuneration Committee

The Company established the Nomination & Remuneration Committee on 19<sup>th</sup> January 2007. The committee comprises three members, one independent director and two non-executive directors, each with a three-year term.

No.	Name	Designation	Participation/ Number of Meetings
1	Mr. Pasu Lohalchun*	Chairman	1/1
	Mr. Suwat Laicharoensap**	Chairman	3/3 (including one electronic meeting)
2	Ms. Nopporn Tirawattanagool	Director	4/4 (including one electronic meeting)
3	Mr. Lars Heibutzki	Director	4/4 (including two electronic meetings)

\* was appointed as the Chairman of Nomination and Remuneration Committee as of 14<sup>th</sup> August 2020

\*\* was resigned from the Chairman of Nomination and Remuneration Committee and appointed as the Chairman of Audit Committee as of 14<sup>th</sup> August 2020

Ms. Juntana Chinwonno was appointed as Secretary of the Nomination and Remuneration Committee as of 13<sup>th</sup> June 2019.

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## Nomination and Remuneration Committee Charter

### Objectives

The Board of Directors recognizes the importance of good corporate governance practices and sets the directives for the Nomination & Remuneration Committee to propose policies for recruitment and compensation for the Board of Directors, to be carried out with transparency, fairness, and in accordance with regulations and related laws in order to build confidence and credibility among stakeholders.

### Composition

The Committee must be comprised of at least three non-executive directors, one of whom must be an independent director.

### Qualifications

Committee members must possess knowledge, qualifications, and understanding of the role and responsibilities of Nomination & Remuneration Committee members.

### Term

1. The term of the Committee members will be for a period of three years, and members may be re-appointed upon term completion.
2. Members of the Committee may relinquish their position due to:
  - a. Completion of the term;
  - b. Resignation;
  - c. Death; or
  - d. Board of Directors' resolution
3. In the event of a vacancy due to other reasons, the Board of Directors shall appoint a person with full qualifications to replace the parting member. The tenure of the appointment shall be the remaining term and remuneration of the parting member.

### Scope of Responsibilities

1. Identify and nominate candidates for all committees and subcommittees with a direct reporting line to the Board of Directors for the approval.
2. Consider and propose overall nomination and remuneration policies and other benefits for directors and members of subcommittees to the Board of Directors to consider for approval.



3. Consider and review the structure of the Company to ensure appropriateness and efficiency.
4. Consider and select the methodology for a director's self-assessment process that is in line with SEC regulations and make a recommendation to the Board of Directors.
5. Prepare the annual nomination and remuneration report to be disclosed in the Company's annual report and signed by the Chairman of Nomination & Remuneration Committee.
6. Perform other duties as assigned by the Board of Directors.

### Responsibilities

The Nomination and Remuneration Committee is directly responsible to the Board of Directors in accordance with their assigned duties and responsibilities.

### Meetings

1. Meetings will be held quarterly and may invite Management or senior executives or related persons to join or submit documents as deemed appropriate.
2. A quorum of the Committee shall be no less than two out of three members, and, in case of necessity, the meeting may also be held via teleconference or other communication methods as deemed appropriate.
3. In casting votes, each member's vote is equal to one vote, and the Committee is ruled by majority. If the votes are even, the Chairman has the casting vote.
4. Members with conflicts of interest in any agenda cannot vote on such agenda, except for the agenda regarding remuneration for the entire Board of Directors.
5. Secretary of the Committee will be designated from Human Resources.

### Reporting

The Nomination and Remuneration Committee's resolution must be proposed to the Board of Directors for acknowledgement, agreement, and approval - or ratified in case of emergency to protect the interests of the Company.

### Performance Assessment

The Nomination and Remuneration Committee shall assess the performance of the Nomination and Remuneration Committee and report the results of the annual assessment to the Board of Directors.

## Investment Committee

The Board of Directors approved the scope of duties of the Investment Committee, including objectives, compositions, and responsibilities as well as composition and term of Investment Committee members. As of December 31, 2020, the Investment Committee comprised the following members:

No.	Name	Designation	Participation/ Number of Meetings
1	Mr. Bryan James Smith	Chairman	4/4 (including 0 electronic meeting)
2	Mrs. Ritu Arora	Director	1/4 (including 1 electronic meeting)
3	Mr. Surajak Kotikula	Director	4/4 (including 0 electronic meeting)
4	Mr. Jan-Christian Rosemeyer	Director	4/4 (including 2 electronic meeting)
5	Ms. Jarunee Chaisuphakitsin*	Director	2/3 (including 2 electronic meeting)
6	Ms. Orathai Rongthongaram**	Director	1/3 (including 0 electronic meeting)
7	Representative from Allianz Asia Pacific (AZAP Risk Representative)	Guest	4/4 (including 2 electronic meeting)

\* The CFO was appointed as a Director of the Investment Committee Member by position, effective from 1<sup>st</sup> May 2020 in place of the former Director.

\*\* CFO resigned from the Director of the Investment Committee, effective from 30<sup>th</sup> April 2020.

## Scope of Authority of the Investment Committee

### 1. Composition and qualifications

The Board of Directors appoints the President & CEO as the Chairman of the Investment Committee. The Directors of the Investment Committee shall be:

- President & CEO
- Allianz Country Chief Investment Officer
- Allianz Country Chief Financial Officer

- Allianz Regional Chief Investment Officer of Allianz Investment Management
- Allianz Regional Chief Risk Officer (guest)

The secretary of the President & CEO or a person appointed by the Chairman of the Investment Committee may be assigned as secretary of the Committee.

## 2. Terms of Investment Committee Members

There is no fixed term for members.

## 3. Meetings and Vote Casting

- 3.1 The Investment Committee will form a quorum when all Members have been invited and at least three of them, including the Chairperson or a member named by the Chairperson, participates in the meeting. Participation is also possible by video conference or telephone. Absent members who do not participate may vote in written form, by telephone, by fax, or via electronic means. Absent members must be informed as soon as practicable of the resolutions adopted.
- 3.2 Resolutions will be taken by a simple majority of votes cast. In case of a tie, the Chairperson has a casting vote.
- 3.3 The Chairperson, in due course, has the right to veto a resolution of the Investment Committee (veto right). If the Chairperson exercises this veto right, the resolution is deemed not to be adopted.
- 3.4 Guests invited for special agenda items (Ad-Hoc Guests) have no voting rights. Ad-Hoc Guests may at any time be excluded from Investment Committee meetings.
- 3.5 Any member of the Boards of Management of the Companies, whether a member of the Investment Committee or not, who objects to a resolution taken by the Investment Committee concerning the Company on which he is a member of the Board, may call for a resolution on the issue.
- 3.6 There shall be at least two meetings a year.

## 4 Responsibilities

The Committee has the following goals and responsibilities with respect to the Company's investment transactions, management, policies, and guidelines:

### 4.1 Investment Management Process and Related Corporate Rules

The Investment Committee provides recommendations related to the Company's investment, especially an appropriate investment implementation and related rules approval.

## 4.2 Specifications for Asset Allocation

The Investment Committee formulates the framework for the Company's investments through the Company's asset allocation management process and operation guidelines as follow:

4.2.1 To review and approve Strategic Asset Allocation if there are material changes to the Company's Strategic Asset Allocation with due consideration of the development of capital markets, the asset/liability structure, risk appetite, and allocated risk capital of the Company as well as local regulatory requirements and the Company's interests;

4.2.2 To set rules for adjusting the Strategic Asset Allocation and the strategic duration in the case of substantial changes of capital markets conditions, the Company's capital and solvency position or regulatory changes; and

4.2.3 To review the investment performance in comparison with the Strategic Asset Allocation and other relevant KPIs.

## 4.3 Specifications for Capital Structure and Liquidity Positions

The Investment Committee reviews the Company's capital structure and liquidity position in order to meet the risk of investment assets, for example, capital funding, budget for strategic capital, allocation regulatory solvency, and internal economic capital ratios.

## 4.4 Derivative Strategies

The Investment Committee decides on the setup of or signification changes to a Derivative Strategy, including ensures its alignment with regulations and Allianz Group requirements.

## 4.5 Investment-related Contracts

## 4.6 Specifications for Asset Management Mandates

The appointment of asset managers and significant amendments to the asset manager mandates require approval by the Investment Committee. Significant amendments are changes to the risk profile, substantial changes of the investment universe, leeway of investment and changes to fee arrangements.

## 4.7 Approval of Merger and Acquisition Transactions

A decision by the Board of Management, unless required by laws or regulations, is not required for M&A transactions to be approved by the Investment Committee. The review of an M&A transaction is in the responsibility of the Chairperson together with the CFO, if the transaction has been approved by the Board of Directors according to Company's Article of Association.

#### 4.8 Approval of Individual Investment Transactions

The Investment Committee approves transactions with amounts exceeding the investment manual and guideline and Allianz Country Chief Investment Officer's limits.

#### 4.9 Approval and Updating of Rules

### Corporate Governance Committee

The Company established a Corporate Governance Committee (formerly named Compliance Committee) on February 28, 2012 with the objectives to assist and support the Board of Directors in controlling and monitoring the operations of the Company and its subsidiary to comply with the Company's regulations, the governing laws, and the Company's corporate governance policies. The Corporate Governance Committee oversees if the Company has performed its duties and responsibilities effectively in corporate governance, anti-corruption, social responsibility, and sustainability.

### Composition

The Corporate Governance Committee must consist of at least three members. The Chairman of the Committee must be an independent director and must be appointed by the Chairman of the Board.

At the Board of Directors Meeting No. 4/2020 on 5<sup>th</sup> June 2020, the Board of Directors has approved the revision of the Corporate Governance Committee Charter on the composition of the Corporate Governance Committee, changing from at least 5 members to at least 3 members.

As of December 31, 2020, the Corporate Governance Committee comprised four members. The participation of the Committee is as follow:

No.	Name	Designation	Participation/ Number of Meetings
1	Mr. Vichit Kornvityakoon	Chairman	4/4
2	Ms. Jarunee Chaisuphakitsin*	Director	2/3
	Ms. Orathai Rongthongaram**	Director	1/1
3	Mrs. Wanna Thamsirisup	Director	4/4 (including 1 electronic meeting)
	Ms. Jiratcha Ruplek**	Director	2/2
4	Ms. Narissara Udomvongsa	Director and Secretary	4/4

\* appointed as a Member of Corporate Governance Committee, effective on 30 Apr 2020

\*\* resigned effective on 30<sup>th</sup> April 2020 and 29<sup>th</sup> February 2020

## Term

Members of the Corporate Governance Committee will have a term of three years and additional members may be added. In case of a vacancy for reasons other than term completion, the Board of Directors will appoint a new member who will hold the office only for the remaining period. Members of the Committee may be reappointed upon completion of their term to ensure continuity in their functions

Members of the Committee may relinquish their position due to:

- a. Completion of the term;
- b. Resignation from the Committee or Board of Directors;
- c. Death; or
- d. Board resolution

In the event of a vacancy due to other reasons, the Board of Directors shall appoint a person with full qualifications to replace the parting member. The tenure of the appointment shall be the remaining term and remuneration of the parting member. The remuneration shall be proportionate. The Secretary of Corporate Governance Committee shall be appointed from an officer of the Legal Department or the Compliance Department.

## Meetings

The Committee will meet at least once every quarter. Any member may call the meeting of the Committee. Members of the Committee must be notified at least three days in advance. At least half of the Committee members constitutes a quorum. The Committee may invite any Management or relevant persons to join the meeting as it is deemed appropriated. Voting shall be majority of the attending member and the Chairman will have a casting vote in case of a tie vote. Chairman or Secretary of the Committee shall report all resolutions or suggestion of activities to the Board of Directors.

## Scope of Responsibilities

The Committee's responsibilities include the following:

- Good Corporate Governance Practices
  1. Set good corporate governance principles, key compliance conditions, and processes for effective implementation as appropriate for the Company.
  2. Recommend on good corporate governance to the Board of Directors.
  3. Review the announcement of good corporate governance to be reported to the Board of Directors

4. Recommend a Code of Best Practices for the Board of Directors or propose Charter for the Board of Directors and all the appointed committees.
  5. Review and report the good corporate governance to the Board of Directors and recommend for improvement as appropriate.
  6. Review and propose public announcements regarding the Company's corporate governance.
  7. Oversee the Company's corporate social responsibilities.
  8. Oversee effective corporate governance, from principles to practice.
  9. Regularly review the Corporate Governance Committee Charter.
- **Operational Supervision**
    1. Supervise normal business to be compliance with the regulations and law.
    2. Oversee adherence to laws and regulations as applied to stakeholders such as shareholders and employees.

#### Internal control and audit systems

The Board of Directors pays attention to an efficient internal control system. There is a written operating guideline for the Company, including subsidiaries and affiliates. The front office operations and the back office operations are clearly separated. The Company realizes that a sound internal control system will enable the Company to achieve its business goals efficiently. Therefore, an annual assessment of the sufficiency of the internal control system is carried out.

The Company encourages the Company's internal departments to have a good and effective internal control culture and environment. The Company structure is determined to have a line of command, the scope of authority, and duties of Executives and employees. Also, the Company has established a written policy, procedures, and operating manuals and provided regular reviews to be up-to-date. In the year 2020, the Company has issued and reviewed several important announcements such as the anti-money laundering, terrorism policy, the proliferation of weapons of mass destruction financing policy, the information system management policy, the anti-corruption policy, and Allianz antitrust regulations. The Company also develops new competencies and skills for employees to support the business's expansion and make the Executives' and employees' performance efficient and transparent.

The Board of Directors has assigned the Risk Management Department and the Risk Management Committee to be responsible for policies and duties related to the Company's risk management and propose to the Board for approval. The performance report and important issues shall be frequently reported to the Board of Directors. Important policies are reviewed on a regular basis such as risk assessment policy and liquidity capital adequacy, stress testing policy, the policy concerning determination of ratio levels to supervise the

expansion of business, and the impact evaluation. The Company has managed development for the Company's information systems and continually allocates a high amount of budget for the Board of Directors, Executives, external stakeholders such as shareholders or regulating agencies to acknowledge correct, complete, reliable, and timely information. The Company also recognizes the importance of information technology security to support the increasing number of customer services.

The Company has established an internal audit department, which is under the Audit Committee's supervision, to review the assessment of the internal control system and risk management. The Company has accelerated the improvement of operational processes taking into account the actual cause and future risk prevention. Also, there is monitoring to ensure compliance with the rules, laws, and regulations to ensure that the Company's internal control system is adequate, appropriate, quality, and efficient, and the information is accurate, complete, reliable, and timely. The internal audit department must audit, follow-up, supervise a financial report control system, including operating guidelines and reporting to relevant government agencies guideline. Until today, the Company has performed its business per accounting standards and financial reporting standards of the Federation of Accounting Professions under the Royal Patronage and the SET and the SEC regulations and other relevant government agencies. The Company also determines to operate its business with transparency, following good corporate governance principles, and maintaining a suitable internal control system for present economic status.

#### ◆ Principle 4 Ensure Effective CEO and People Management

##### [Criteria and process for the appointment of Directors and Senior Executives](#)

Suppose Directors and Senior Executives of the Company are vacant. In that case, the Company has transparent criteria and procedures for nominating Directors and Senior Executives, namely the Nomination and Remuneration Committee will nominate Directors and Senior Executives with the requirements based on qualifications, knowledge, abilities, work experience, and dedication to work. There shall be no gender restrictions for the nomination, taking into account any prohibited characteristics by-laws, relevant rules, and corporate governance principles, creating diversity in the Board structure. If the Company has a strategy to conduct a new business other than the existing business, the nomination should aim to recruit a person who has qualifications and experience to match the new business and propose to the Board of Directors and/or the shareholders' meeting for approval.



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**◆ Principle 5 Nurture Innovation and Responsible Business**

The Company regulates and manages information technology at the corporate and regional levels through the IT Steering Committee Thailand with the Information Technology Department as the IT risk manager, which is a part of Operation Risk. The Company shall monitor and report to the Allianz Group Risk Management Committee, including the report of subsidiaries and affiliates. The Company also has an Internal Audit Department and group auditors who conduct an IT technical audit and report the results to the Audit Committee, the Board of Directors, and the IT Steering Committee, respectively. The improvement progress shall be reported to the said Committee quarterly or monthly, as the case may be.

**◆ Principle 6 Strengthen Effective Risk Management and Internal Control****Enterprise Wide Risk**

The Company has established Risk Appetite criteria in various areas to be used as a guideline in formulating strategies, business planning, including the Company's annual operating plan, approved by the Risk Management Committee and the Board of Directors. The assessment criteria cover key risks in all dimensions and areas that the Company may confront, both internally and externally. The Company determines the Key Risk Indicator (KRI) to align with the above Risk Appetite. Reports must be regularly reported to the relevant Executives to be used to manage and prevent risks that may occur to the Company in the future. Details are described in the topic of risk management.

**◆ Principle 7 Ensure Disclosure and Financial Integrity**

The Company gives importance to the public disclosure of financial information and other information through various channels, taking into account accuracy, sufficiency, timeliness, and equality in providing information to all related parties. The Company has done as follows:

### 1. Long-term goal

The Company has a 3-year plan which shall be reviewed annually. To reach the goal, the Company has developed an appropriate plan to support opportunities and challenges in the future. Including fulfill the necessary needs of being a socially responsible organization in all aspects of its operation.

### 2. The efficiency of financial report disclosure process and the disclosure of important information in accordance with the requirements of a listed company.

The Board is responsible for ensuring that the financial reporting system and the disclosure of important information is correct, adequate, timely, complying with the rules and regulations, and relevant standards and guidelines as follow:

- Provide sufficient personnel involved in the preparation and disclosure of information with appropriate knowledge, skills and experience. This includes CFO, accountants, internal auditors, Company Secretary, and investor relations;
- Approval any disclosure of the Company's information such as financial reports, by considering the following factors:
  - Evaluation of the sufficiency of the internal control system;
  - Opinion of the auditor on the Financial Report and observations of the auditor regarding the internal control system. Opinion of the Audit Committee
  - Information disclosure according to laws and regulations, such as financial statements, annual registration statement (Form 56-1), annual report (Form 56- 2), Management Discussion and Analysis, provided quarterly with the financial statements, disclosed through the channels of the Stock Exchange, the Company's website, both in Thai and English. The information shall be up-to-date.
  - Monitor the sufficiency of financial liquidity and financial competency.

### 3. Quality of financial reports

The Board of Directors has prepared a Responsibilities of the Board of Directors for Financial Report, with the auditor's report in the annual report, signed by the Chairman of the Board and the President & CEO. The Company has disclosed the information on the Company's website. Also, the Company has prepared Management Discussion and Analysis for financial statements quarterly. The objective is to provide investors with information and better understand the changes in the Company's financial position and operating results.

The Board of Directors has assigned the relevant departments to oversee the Company's sustainability report's preparation, which is part of the annual report. There is also an Internal Communications Departments (Customer Management) of the Group provides information and news on various activities of the Company to communicate with shareholders, investors, and the general public. By disclosing correct and complete information through multiple channels, such as publications from the Company, Company websites, newspapers, online media, conferences, news releases, the Company presents both Thai and English up-to-date information to the public. The Company makes the information available through the Company's website and social media such as Facebook regularly; hence, it promotes information technology to disseminate information.

## ◆ Principles 8 Ensure Engagement and Communication with Shareholders

### 1. Shareholders' Rights

The Company recognizes the rights of the shareholders in all aspects and determines to protect the benefit and ownership rights of the shareholders by setting the guideline to of preserving the rights and equality of all shareholders as prescribed by the Articles of Association. This includes not depriving shareholders the right to review information disclosed as regulated, the right to attend shareholders meetings with sufficient information, and refrain from the change or urgently addition of significant information in the agenda of the meeting without advance notice to the shareholders, and the right to question the Board during meetings.

The fundamental rights of the shareholders are also protected, namely, the right to trade and transfer shares, to have the benefits in the profits/dividends, to receive adequate news and information on the business, to attend shareholders' meetings and express opinions and cast votes on such matters as electing and removing directors, determining directors' remuneration, and approving the appointment of auditors and transactions that affect the Company, and to other fundamental rights such as asking questions or expressing opinion during shareholders meetings. These rights are detailed as follows:

- 1.1 The right to disclosure of information** The Company provided the disclosure of information, performance, including related party transactions, and significant information for shareholders to make decision, as well as publishing the resolutions of the Board of the Directors meeting on dividend payments and information of the general shareholders meetings approximately 2 months in advance of the date of the Annual General Meeting. The information is published in both Thai

and English through the system of the Stock Exchange of Thailand (SET) and the Company's website www.ayud.co.th under the section "Investor Relation". The notice of the general shareholders meeting and the supporting documents are published in both Thai and English on the Company's website 30 days in advance of the date of the Annual General Meeting, before the shareholders receive actual meeting documents so that they will have adequate time for reviewing the material.

**1.2 The right to attend shareholders' meeting** Company holds the annual general meeting shareholders once a year within 120 days of the closing date of the Company's fiscal year, which is 31<sup>st</sup> December of every year, in compliance with the Company's Articles of Association, the applicable law, regulation of the AGM Checklist, and good governance practices. The date, time and venue are scheduled for the convenience of all shareholders. The meeting time is set on a business day between 08.00 -16.00 hours. and the venue of the meeting is in Bangkok with convenient transportation. The Company uses a barcode system to smoothen registration process; the duty stamps are provided in the case of proxy for the convenience of the shareholders.

**a) Agenda item for appointing/nominating directors:**

This includes preliminary information of proposed candidates such as title, name, age, type of director, education, experience with any potential conflicts of interest disclosed, criteria for selection of the director (in case appointment a new director) and number of years in director position and the performance (in case of re-election an existing director), pass the screening by the Nomination and Remuneration Committee, and the sufficient and clear recommendation given to shareholders making a decision.

**b) Agenda item for considering directors' remuneration:**

This includes the amount and type of remuneration as defined by directors' roles or responsibilities. The policy, criteria, and methodology in calculating compensation and other directorial benefits which are reviewed by the Nomination and Remuneration Committee with a clear recommendation given to shareholders making a decision.

**c) Agenda item to appoint auditor and determine auditing fees:**

This includes the auditors' names, auditing firms, auditors' impartiality, number of years of being the Company's auditors (for reappointment) or rationale for changing auditors (for appointing new auditors), and auditing fee justification - all of which must be reviewed by the Audit Committee with a clear recommendation given to shareholders making a decision.

**d) Agenda item for paying dividend:**

This includes the dividend policy, the payment amount compared to the policy, rationale for not paying dividend as per policy, and a clear recommendation given to shareholders making a decision.

**e) Other agenda items for consideration (if any):**

For example - capital increase or decrease, amendment of the Company's articles of association which must include details of the agendas such as objectives, rationale, necessity, impact on the Company or shareholders, and a clear recommendation given to shareholders making a decision.

**f) Voting by proxy:**

The Board of Directors allows and supports shareholders to use proxy for casting votes in the form that the shareholders can determine the direction of the votes and expression of opinions. At least one independent director whom shareholders can appoint as their proxy must be listed in the notices for shareholders' meetings.

The rights of shareholders were exercised with full support from the Board of Directors as evidenced by the Annual General Meeting of Shareholders No. 71 held on Friday, 31<sup>st</sup> July 2020 at 14.00 hours at the Grand Ballroom, Grand Hyatt Erawan Bangkok, No. 494, Ratchadamri Road, Lumpini, Pathumwan, Bangkok 10330, with the following proceedings:

1. Issue the notice of the Annual General Meeting of Shareholders and material of the meeting in Thai and English. For the delivery of the notice of the meeting,
  - The Company entrusted the Securities Depository (Thailand) Company Limited, the Company's Share Registrar, to send notice of the meeting together with the annual report in the format of CD-ROM, supporting documents to the shareholders. The notice specified the date, time and venue of the meeting, agendas of the meeting, details of the agendas which specifying objectives and facts, rationale, adequate and clear recommendation of the Board of Directors, process of voting and the right of the vote. The notice and documents were published on the Company's website no less than 30 days in advance of the date of the meeting so that the shareholders will have adequate time for reviewing the material.
  - The Company provided proxy forms attached to the notice of the meeting, in the format as determined by Ministry of Commerce, which the shareholders may specify their opinion in the voting. The proxy form was sent to the shareholders no later than 7 days in advance and copy of the form also submitted to the Ministry of Commerce, the regulator supervising of the companies. The shareholders can also download the proxy form via [www.ayud.co.th](http://www.ayud.co.th).

Shareholders who were unable to attend the meeting in person were able to grant proxies to others or independent directors specified by the Company to attend the meeting on their behalf and cast votes on resolutions.

- Furthermore, the notices were announced in a daily newspaper for three consecutive days, at least three days before the meeting date. As a result, shareholders attended the meeting regularly. The registration of attendance was carried out smoothly at least two hours before the meeting. An appropriate reception was also provided.
2. Minority shareholders were provided with the opportunity to propose agenda items, nominate candidates with appropriate qualifications for the Board of Directors, and submit their inquiries to the Company prior to the meeting. At the Shareholders Meeting No. 71, the Company provided for additions to the agenda by calling for nominations for the Board of Directors and inquiries during 1 December 2019 – 31 January 2020 in prior to the delivery of the notice of meeting to shareholders. The criteria of the exercise of the right were clearly specified as announced via [www.ayud.co.th](http://www.ayud.co.th) and the SET system.
  3. The Company provided for shareholders who attended the meeting, after its commencement, to be entitled to cast votes on agenda items under consideration and not yet decided and to be counted as part of the quorum on the agenda item under consideration unless shareholders had a difference of opinion.
  4. At the shareholders meeting, prior to proceeding to the agenda, the Chairman announced the following:
    - 4.1 The number and proportions of shareholders present at the meeting and the number of proxies granted.
    - 4.2 Introduced Board members, senior management, and auditors who attended to the meeting to the shareholders.
    - 4.3 Provided an explanation on voting and vote-counting procedures. The method of voting for each agenda item shall be open voting.
    - 4.4 The Chairman allocated adequate time for the meeting and allowed shareholders equal opportunity to propose and inquire fully. All questions were answered clearly and directly to the point throughout the meeting. The meeting minutes were correctly recorded with resolutions and votes of all stakeholders summarized with transparency and fairness.
    - 4.5 For the agenda item on electing the Directors, the qualifications of the candidates to replace Board members whose tenure were up were summarized and recorded. Board members were elected individually, with all voting recorded: agree/disagree/abstain votes, and invalid ballots.
    - 4.6 The Company's shareholding structure and ten major shareholders as at the latest closing date of the Company's Share Registration Book were publicly disclosed. This information is also available

on the Company's website. The Company operates with the aim of creating sustainable growth and providing appropriate rate of returns for shareholders.

4.7 All members of the Board and relevant Management placed utmost importance on attending the annual general meeting and fully attended to provide information to shareholders and answered all shareholder inquiries.

4.8 In 2020, the Company organized the Annual General Meeting No. 71 on July 31, 2020, which was postponed from April 28, 2020 due to the pandemic of COVID-19.

- The Company sent the notice of the meeting and all supporting documents 14 days in advance to provide shareholders with adequate information on all agenda items requiring a vote. Altogether, 11 directors attended the meeting, including the Chairman of the Board, Chairman of the Subcommittees, CEO, subcommittee members, and the auditors. The barcode system, showing the registration number of each shareholder, was used to register attendance and votes. The shareholder's attending records were entered into the Company's database and may be audited at a later date. The entire meeting was also videotaped and published as clip file via [www.ayud.co.th](http://www.ayud.co.th).

## 2. Equitable Treatment of Shareholders

**2.1 Company issued the notice of the shareholders' meeting, materials,** and the proxy form in Thai and English: Shareholders can participate in the deliberations and cast their votes in accordance with the agenda. The right to vote at the meeting is in accordance with the number of shares held, with one share equaling to one vote.

The Company will not add any agenda items to the shareholders meeting without prior notice. The meeting will be conducted to consider the meeting agendas pursuant to the notice so that shareholders can consider items before making decision. In cases where a shareholder cannot attend a meeting, the Company will provide him/her with a proxy form, in the format as determined by the Ministry of Commerce, attached to the notice of the meeting so that shareholder can authorize another person or the Chairman of the Audit Committee or an independent director to attend the meeting on his/her behalf.

**2.2 Protecting minority shareholder rights:** The Company provides the opportunity for every shareholder to propose meeting agenda items, to nominate person who has the appropriate qualifications as the director, and to submit their inquiries in advance. Prior to sending out the notice for the annual general shareholders meeting, the Company give opportunity for shareholders to propose meeting agenda or nominate the director to the Company in prior. The

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Company set clear procedures on how these rights are to be exercised, including the time period for exercising these rights, qualifications of shareholders with rights to propose agenda items/nominate director candidates, supporting documents and details, criteria of the Company to consider adopting the proposal as the agenda items or nomination, channels to propose, and channels to provide results of the consideration with rationales from the Board of Directors- all to appear on the Company website: [www.ayud.co.th](http://www.ayud.co.th)

Vote is conducted openly where ballot papers are provided for every agenda item. Shareholders can vote as they see fit. Ballots are collected in cases of disapprovals or abstentions in any agenda item. The results are then aggregated and processed with the total number of votes in attendance at the meeting before the announcement of the final votes at the resolution of the meeting. The Company uses the information technology to summarize the results of the voting in each agenda and displays them on a screen for all shareholders to acknowledge simultaneously at the meeting. In addition, for transparency, the ballots are kept at the head office in Bangkok and are open to inspection after the conclusion of the meeting. Meeting minutes are recorded accurately and comprehensively and signed by the presiding Chairman. The minutes are sent to the SET within 14 days of the annual general meeting and published on the Company's website in both Thai and English to provide a channel for shareholders to acknowledge and examine information without having to wait for the next meeting. The documentation is submitted to the Ministry of Commerce within the deadline prescribed by law.

The Company discloses information on shareholding structure and shares held by the Board in the Annual Report. Company's Articles of Association states the shareholder's right to vote at a meeting on the election of directors in accordance with the number of shares held, with one share equaling one vote. A resolution of the shareholders' meeting must be passed by majority vote. If the number of votes is even, the Chairman of the meeting retains the casting vote.

**2.3 Preventing the misuse of insider information:** The Company has a policy for its directors and executives regarding disclosing shareholding of the directors and executives. The directors and executives must sign as acknowledgement to the relevant of announcement of the Securities and Exchange Commission (SEC), under the SEC notifications and Section 59 of the Securities & Exchange Act B.E. 2535 (1992), that which requires the Company's directors, including their spouses and minor children, executives and those who are in relation with the directors and/or the executives to report any change in their securities holding within three business days from the date of such change and to send copies of these reports to the Company Secretary to submit to the Board of Directors. The report of the securities held by those persons are also required to



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be disclosed in the annual report of the Company. The Board is also aware of the penalties for violations of these regulations.

In addition, the Company prohibits directors, executives, staff, related persons (including minor children), and related parties from accessing the Company's information and using inside information or non-public information that may impact a change in securities value from trading one month before publicly disclosing of the financial statement. This includes that the directors or the executives (as defined by the SEC) to notify the Board of Directors or any designated persons by the Board of the trading of the securities of the Company. In the event of buying, selling, and/or transfer (to-and-from) of the Company's securities, persons involved must report the transaction(s) to the SEC within three business days from the date of such change and send copies of these reports to the Company Secretary to report in the Board of Directors meeting. New Company directors must declare securities which issued by the Company held by him/her to the SEC within the above specific period as well.

Moreover, the Company monitors the use of the insider information as specified in writing in its Code of Conduct which has been declared of such policies and practices to everyone in the organization to be adhered, as well as conducting regularly monitoring of compliance.

### **Anti-corruption**

The Company was firstly certified as the member of Collective Action Coalition (CAC) on January 22, 2016. In 2018, both Audit Committees of the Company and its subsidiary reviewed the self-evaluation form regarding anti-corruption measures for submission to the Thai Institute of Directors (IOD) for a renewed certified CAC membership. The CAC Council, by the resolution of quarterly meeting no. 1/2562, approved the Company and its subsidiary as certified CAC members on May 21, 2019 which such certification shall be valid for another three years as from the date of the approval.

The Company, its subsidiary and its association company perform annual risk assessment that includes fraud and corruption in operational risks. The assessment includes addressing corruption risk in the insurance industry, measuring risk levels, identifying the internal controls to mitigate corruption risk, and regularly monitoring and reassessing risk in order to prevent and respond to corruption risk efficiently. The group of companies have reviewed the anti-corruption policy which are already approved by the Board of Directors. The anti-corruption policy has specified the objectives, scope, responsibilities, practice and guideline, and including the report of the violation, in order to prevent the corruption and manage the material risk of corruption effectively.

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The Company provides various data communication channels on the anti-corruption, and the prevention and suppression of money laundering via the internet system and training on the anti-corruption as follows;

- Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) compliance preparation and readiness;
- Policy and guideline on anti-corruption and money laundering prevention and suppression (AML/CFT) for the new employees;
- Law on Anti-Money Laundering and Combating the Financing of Terrorism

Moreover, the Company published the handbook on the anti-corruption which is a part of the Code of Conduct and distributed to the employees of the Company and subsidiary company to be guideline for performing of their duties ethically. Anti-corruption policy covers the responsibilities, practices, example, study cases, and penalty of any violation. Subcommittees are assigned to oversee, review, and monitor the activates in the Company and subsidiary to ensure the adherence to related policy and laws.

The following additional anti-corruptions measures are included in the Code of Conduct and Ethical Handbook:

- Fraud Prevention is included so that all-level employees aware of the importance of the proper conduct to ensure the Company's stabilities and acceptance from all stakeholders. The anti-corruption policy is also a part of good corporate governance practices of the Company.
- Whistle Blower Policy which requires the directors and employees of the Company to be responsible for reporting any activities or suspicious activities known to them that involve in corruptions or non-compliance to the law, regulation, ethics, and articles of association of the Company which may impact the Company's reputation.

Moreover, the Company established other policies which relevant to the anti-corruption policy such as corporate governance policy, fair employment policy, working with government policy, sponsorship and donation and social contributions policy, policy on compliance to the competition law, prevention of insider trading and security trading consultation policy, conflict of interest policy, privacy policy, supplier relationship policy, intellectual property policy, sanctioned countries and specially designated nationals policy, environment policy, health and safety policy, and potential fraud reporting policy. Those policy are published and distributed to the employees as well as published on the website of the Company and the Subsidiary.

In 2020, the Company arranged for the training on anti-corruption to the employees via online media which was distributed to the subsidiary company and branch office. In addition, orientation for new employees was organized to educate them of the Company's policy in order to lead them to proper conduct accordingly.

### 3. Disclosure and transparency

The Board of Directors is responsible for financial statements and financial information appeared in the on the annual report which have been prepared in conformity with generally accepted Thai accounting standard and practice. The selection of the accounting policy which is suitable for the business and have be regularly implemented. Furthermore, significant financial information disclosures have been revealed in a section of Notes to the Financial Statements. The Board of Directors appoints an Audit Committee comprising of independent directors to be responsible for the quality of financial statements and internal control system.

The Company prioritizes importance to internal control, including the financial control, operation, corporate governance. The Company established the Internal Audit Department which is responsible for monitoring and auditing that the operation to be in accordance with the specified standards. Please refers to the details in the Internal Control Section.

The Board of Directors values the importance of the disclosure of the correct, complete, and transparent information, which includes financial and general information, particularly, the disclosure which is required by the relevant regulators such as the Securities and Exchange Commission and Stock Exchange of Thailand in order to increase the creditability of Company among the investors. Such disclosure is necessary for the decision making of the investors and relevant stakeholders.

### 4. Report on Changes in Securities Holdings of the Company's Directors and Executives

The Report on Changes in Securities Holdings of the Company's Directors and Executives as defined by the SEC, including the numbers of securities held by related persons under Sections 59 and 258 of the Securities Exchange Commission Act, includes both direct and indirect holdings. Details of securities holdings as of December 31, 2020, compared with 2019 are as follows:

	Full Name	Position	Number of Ordinary Shares		Increase/ (Decrease)
			December 31, 2020*	December 31, 2019**	
1	Dr. Jamlong Atikul	Chairman of the Board of Directors / Independent Director			
	Spouse and minor child				
2	Mr. Veeraphan Teepsuwan	(In position from Feb 28, 2002 -May 14, 2019)			
	Spouse and minor child				
3	Mr. Sorasit Soontornkes	Chairman of Audit Committee / Independent Director			
	Spouse and minor child				
4	Mr. Pasu Lorharjun	Independent Director (Appointed on 31 Jul 2020)/ Chairman of the Nomination and Remuneration Committee (Appointed on 14 Aug 2020)			
	Spouse and minor child				
5	Mr. Narong Chulajata	Audit Committee Member/ Independent Director	-	-	-
	Spouse and minor child		-	-	-
6	Mr. Suwat Laicharoensup	Chairman of Audit Committee / Independent Director	-	-	-
	Spouse and minor child		-	-	-
7	Mr. Vichit Kornvityakoon	Audit Committee Member/ Independent Director/ Chairman of Corporate Governance Committee	-	-	-
	Spouse and minor child		-	-	-
8	Mr. Suwat Suksongkroh	Director (In position from 21 Mar. 1994 - 13 Jun. 2019)	-	-	-
	Spouse and minor child				
9	Mr. Rowan D'Arcy	Director	-	-	-
	Spouse and minor child		-	-	-
10	Mrs. Anusha Thavarajah	Director (Appointed 31 Jul 2020)			
	Spouse and minor child				
11	Mr. Laksna Thongthai	Director	6,241,050 1.621%	6,241,050 1.621%	
	Spouse and minor child		-	-	-

	Full Name	Position	Number of Ordinary Shares		Increase/ (Decrease)
			December 31, 2020*	December 31, 2019**	
12	Mr. Chusak Salee	(In position from 1 Nov. 1997 - 26 Apr. 2019)	-	-	-
	Spouse and minor child		-	-	-
13	Ms. Nopporn Tirawattanagool	Director/ Member of Nomination and remuneration Committee	-	-	-
	Spouse and minor child		-	-	-
14	Mrs. Wanna Thamsirisup	Director/ Corporate Governance Committee Member	-	-	-
	Spouse and minor child		-	-	-
15	Mr. Bryan James Smith	Director/ President and CEO	-	-	-
	Spouse and minor child		-	-	-
16	Mr. Vloj Srethapramotaya	(In position from 27 Feb. 1998 -7 Apr. 2019)	-	-	-
	Spouse and minor child		-	-	-
17	Mrs. Claudia Salem	Director	-	-	-
	Spouse and minor child		-	-	-
18	Mr. Robert Paul Gray	Director	-	-	-
	Spouse and minor child		-	-	-
19	Mr. Lars Heibutzki	Director	-	-	-
	Spouse and minor child		-	-	-
20	Mr. Jan-Christian Rosemeyer	Director	-	-	-
	Spouse and minor child		-	-	-
21	Mr. Kitti Pintavirooj	(In Position from 30 Apr. 2019 - 13 Nov. 2019)	-	-	-
	Spouse and minor child		-	-	-
22	Mr. Solmaz Altin	(In Position from 26 Apr. 2019 -13 Nov. 2019)	-	-	-
	Spouse and minor child		-	-	-

	Full Name	Position	Number of Ordinary Shares		Increase/ (Decrease)
			December 31, 2020*	December 31, 2019**	
23	Ms. Orathai Rongthongaram	Director/ Corporate Governance Committee Member (Served as an Executive Vice President – Head of Accounting Department from 15 Apr. 2008 – 31 Jul. 2020) (In position from October 2013 – 30 Apr. 2020)	n/a	15,000 0.004%	-
	Spouse and minor child		-	-	-
24	Ms. Jiratcha Rublek	Senior President, Legal Department (In position from 15 Aug 2008 – 12 Nov 2019)	-	-	-
	Spouse and minor child		-	-	-
25	Ms. Jarunee Chaisapakitsin	Director (In position from 31 Jul 2020/ Chief Accounting Officer (In position from 1 May 2020)	-	-	-
	Spouse and minor child		-	-	-

\* As of December 31, 2019, total ordinary shares of 384,964,961 shares

\*\* As of December 31, 2020, total ordinary shares of 389,266,931 shares

## 5. Responsibilities of the Board of Directors

### Annual Board Assessment

Board of Directors has performance assessment for the Board of Directors as a whole. The assessment is divided into 4 main topics according to the guidelines of the SET, namely (1) the structure and qualifications of the Directors (2) the roles, duties and responsibilities of the Directors (3) the Board meeting (4) other matters (Directors' performance, relationship with the management, self-development of Directors, and self-development of Executives). The Audit Committee also has an assessment of the performance of the individual directors. The assessment is divided into 3 main topics according to the guidelines of the SET, namely (1) the structure and qualifications of the Committee (2) the Board of Directors meeting (3) duties, roles and responsibilities of the Committee. The assessment, both as a whole and as individual, are as follows:

1. Conduct performance assessment of the Board of Directors as a whole at least once a year;
2. The Company Secretary summarizes and proposes the performance assessment of the Board of Directors to the Nomination and Remuneration Committee to consider the assessment results;
3. The Nomination and Remuneration Committee proposes results and guidelines for improvement of operational efficiency to the Board of Directors.

### Executives according to the definition of the SEC

The first four executives succeeding the manager and every person holding the position equivalent to the fourth rank are as follow

1. Mr. Bryan James Smith            President & CEO  
(resigned as of 25<sup>th</sup> February 2021)
2. Mr. Thomas Charles Wilson      President & CEO  
(appointed as of 25<sup>th</sup> February 2021)
3. Ms. Jarunee Chaisupakitsin      CFO  
(appointed as of 1<sup>st</sup> May 2020)

### Company Secretary

Ms. Kavida Wassanaruangdej

Assistant Director of the Company Secretary Office / Board of Directors Secretary

The Board of Directors Meeting No. 6/2020 has a resolution to appoint Ms. Kavida Wassanaruangdej to be the Company Secretary according to section 89/15 of the Securities and Exchange Act (No. 4) B.E. 2551 (2008) as of 12<sup>th</sup> November 2020.



## 8. Key Performance of Corporate Governance Report

### Summary of the Directors' Performance

- 1) In 2020, the Directors took consideration and approved matters related to the Company's operations e.g. defining vision, mission, strategy, financial goal, risk, plan and budget. In addition, the Directors supervised managing division to operate in accordance with the set policy and plans efficiently and effectively to proliferate the sustainable economic value to the Company, shareholders and the interests of all parties involved.
- 2) The Directors communicated the strategy, goal and performance of the Company to the Directors, executives and employees throughout the organization in the executive committee meetings in order to clarify about the management to executives and circulate to various divisions under their supervision as well as the use of internal communication systems e.g. MyHR Portal, E-mail, etc.
- 3) The Directors formulated the written corporate governance policy. In assessing the policy implementation, it found that the Companies well complied with the Principles of Good Corporate Governance.
- 4) The Directors publicized the written manuals of the Code of Ethics and Code of Conduct for the Company to facilitate all directors, executives and employees to understand the ethical standards used by the Company in business operations as well as following-up the compliance to Codes regularly.
- 5) The Directors established the clear guideline on conflicts of interest, and oversaw the implementation of the specified policies and disclose information correctly.
- 6) The Directors established the risk management policy administered by the Risk Management Division to control various risks and report to the Risk Management Director monthly and to the Board of Directors quarterly, as well as review and assess the risks of the Company at least once annually.
- 7) The Directors regulated the internal control and audit systems by assigning the Internal Audit Division and the Compliance Division to supervise, audit and report the audit results to the Audit Committee members prior to further submission to the Board of Directors.
- 8) The Directors appointed Subcommittees with all necessary details i.e. name of the Subcommittee, role and responsibility e.g. the number of meeting, report, performance evaluation of the Subcommittee,



and disclosure of remuneration. The detail is given in the topic "Corporate Governance Structure and Key Information of the Directors, Subcommittee".

### Approval Authorization

- 1) The Company specified the approval authorization for transactions of the Company according to the credit limit by dividing into levels in order to prevent any person having the full authority to the transaction that may cause risks to the Company. In addition, the said authorization is approved and reviewed by the Directors regularly.
- 2) The Directors determined the vision and mission of the Company for executives and employees to share work objective and direction. In 2020, the Directors reviewed and approved the vision, mission, strategy, goal and business direction of the Company including key policies to be appropriate and consistent with business operations in accordance with the Principles of Good Governance, etc.
- 3) The Directors monitored the execution of the Company's strategy by having the following-up meeting quarterly among the Directors in respect of financial goals and various plans in order to be in accordance with the set strategies.

### Nomination, Development and Performance Evaluation of the Directors

The Company has transparent criteria and processes for the selection of directors and executive level. The Nomination and Remuneration Committee is responsible for nomination of directors and executive based on qualifications, knowledge, competency, working experience, non-gender restrictions, and full dedication of responsibility, having no prohibited characteristics by law, relevant rules and the Principles of Fit and Proper.

### Independent Director

Specification of the Independent Director - "Independent Director" means director who does not have any business or work involved, which may affect his/her independent decision. The Company set the qualifications of "Independent Director" more stringent than the requirements given by the Securities and Exchange Commission, Thailand (SEC); the Capital Market Supervisory Director (CMSB). The specification of the Independent Directors are mentioned on section 7 Corporate Governance Structure.

In 2020, Annual General Meeting of Shareholders held on July 31, 2020, passed resolutions to appoint Mr. Pasu Lorharjun, an independent director. Have prudently considered by the Nomination and Remuneration Committee, he is qualified according to the criteria and recruiting process established by the Company and in accordance with the Public Limited Company Act and the announcement of the Capital Market Supervisory Board (CMSB).

## Meeting Attendance and Remuneration of the Directors

### Board of Directors

As of December 31, 2020, the Board of Directors consisting of 15 directors, held a total of six meetings and one general meeting of shareholders as follows:

No.	Name	Status	Designation	Meeting in 2020 (Attending/ Rights in attending)	
				Company Director	Shareholder
1.	Dr. Jamlong Atikul	Independent Director	Chairman of the Board of Directors	6/6	1/1
2.	Mr. Pasu Lorharjun <sup>1</sup>	Independent Director	Director	2/2	-/-
	Mr. Sorasit Soontornkes <sup>2</sup>	Independent Director	Director	4/4	1/1
3.	Mr. Suwat Laicharoensup	Independent Director	Director	6/6	1/1
4.	Mr. Vichit Kornvityakoon	Independent Director	Director	6/6	1/1
	Mr. Rowan D'Arcy <sup>3</sup>	Authorized signatory Director, Non-executive Director	Director	3/3	-/-
5.	Mrs. Anusha Thavarajah <sup>4</sup>	Non-executive Director	Director	2/2	-/-
6.	Miss Nopporn Tirawattanagool	Non-executive Director	Director	6/6	1/1
7.	Mr. Laksna Thongthai	Non-executive Director	Director	6/6	1/1
8.	Mr. Bryan James Smith	Authorized signatory Director, Non-executive Director	Director	6/6	1/1
	Miss Orathai Rongthongaram <sup>5</sup>	Authorized signatory Director, Non-executive Director	Director	3/3	-/-
9.	Ms. Jarunee Chaisupakitsin <sup>6</sup>	Authorized signatory Director, Non-executive Director	Director	2/2	-/-

No.	Name	Status	Designation	Meeting in 2020 (Attending/ Rights in attending)	
				Company Director	Shareholder
10.	Mr. Narong Chulajata	Independent Director	Director	6/6	-/-
11.	Mr. Lars Heibutzki	Authorized signatory Director, Non-executive Director	Director	6/6	1/1
12.	Mrs. Claudia Salem	Non-executive Director	Director	5/6	-/-
13.	Mr. Robert Paul Gray	Non-executive Director	Director	6/6	1/1
14.	Mr. Jan-Christian Rosemeyer	Authorized signatory Director, Non-executive Director	Director	6/6	1/1
15.	Mrs. Wanna Thamsirisup	Non-executive Director	Director	6/6	1/1

Remarks:

<sup>1</sup> Mr. Sorasit Soontornkes, independent director, resigned from the position of the director with effective on July 31, 2020.

<sup>2</sup> Mr. Pasu Lorharjun was appointed as an independent director in place of Mr. Sorasit Soontornkes in accordance with the resolution of the 71st Annual General Meeting of Shareholders 2020 on July 31, 2020.

<sup>3</sup> Mr. Rowan D’Arcy resigned from the position of the director with effective on July 31, 2020

<sup>4</sup> Mrs. Anusha Thavarajah was appointed as a director in place of Mr. Rowan D’Arcy in accordance with the resolution of the 71st Annual General Meeting of Shareholders 2020 on July 31, 2020.

<sup>5</sup> Miss Orathai Rongthongaram resigned from the position of the director with effective on July 31, 2020.

<sup>6</sup> Ms. Jarunee Chaisupakitsin was appointed as a director in place of Miss Orathai Rongthongaram, in accordance with the resolution of the 71<sup>st</sup> Annual General Meeting of Shareholders for 2020 on July 31, 2020

### Subcommittee

As of December 31, 2020, the Company has four Subcommittee; namely, the Audit Committee, Nomination and Remuneration Committee, Investment Committee, and the Corporate Governance Committee. In 2020, the Subcommittee organized the meetings as below:

Name	Designation	Meeting in 2020			
		Audit Committee member1	Nomination and Remuneration Committee2	Corporate Governance Committee	Investment Committee
1. Mr. Suwat Laicharoensup <sup>3</sup>	Chairman of the Audit Committee	3/3	3/3	-/-	-/-
Mr. Sorasit Soontornkes <sup>3</sup>	Chairman of the Audit Committee	1/1	-/-	-/-	-/-
2. Mr. Vichit Kornvityakoon <sup>4</sup>	Audit Committee Member, Chairman of the Corporate Governance Committee	4/4	-/-	4/4	-/-
3. Mr. Narong Chulajata <sup>4</sup>	Audit Committee member	4/4	-/-	-/-	-/-
4. Mr. Pasu Lorharjun <sup>5</sup>	Chairman of the Nomination and Remuneration Committee	-/-	1/1	-/-	-/-
5. Miss Nopporn Tirawattanagool	Nomination and Remuneration Committee Member	-/-	4/4	-/-	-/-
6. Mr. Lars Heibutzki	Nomination and Remuneration Committee Member	-/-	4/4	-/-	-/-
7. Mrs. Wanna Thamsirisup	Corporate Governance Committee Member	-/-	-/-	4/4	-/-
8. Ms. Jarunee Chaisupakitsin	Corporate Governance Committee Member	-/-	-/-	2/2	2/3
9. Ms. Narissara Udomvongsa	Corporate Governance Committee Member	-/-	-/-	4/4	-/-
10. Mr. Bryan James Smith	Chairman of the Investment Committee	-/-	-/-	-/-	4/4
11. Mrs. Ritu Arora	Investment Committee Member	-/-	-/-	-/-	1/4

Name	Designation	Meeting in 2020			
		Audit Committee member1	Nomination and Remuneration Committee2	Corporate Governance Committee	Investment Committee
12. Mr. Jan-Christian Rosemeyer	Investment Committee Member	-/-	-/-	-/-	4/4
13. Mr. Surajak Kotikula	Investment Committee Member	-/-	-/-	-/-	4/4

**Remarks:**

<sup>1</sup> Audit Committee consists of all independent directors, which Mrs. Wanna Thamsirisup was appointed as a Secretary of the Audit Committee

<sup>2</sup> Nomination Committee means the Nomination and Remuneration Committee

<sup>3</sup> Mr. Suwat Laicharoensup was appointed as the Chairman of the Audit Committee according to the resolution of the Board of Directors Meeting No. 5/2020 on August 14, 2020, in place of Mr. Sorasit Soontornkes, who resigned with effective on July 31, 2020.

<sup>4</sup> Mr. Vichit Kornvityakoon and Mr. Narong Chulajata are knowledgeable and experienced in audit with accuracy and reliability.

<sup>5</sup> Mr. Pasu Lorharjun was appointed as the Chairman of the Nomination and Remuneration Committee according to the resolution of the Board of Directors Meeting No. 5/2020 on August 14, 2020 in replace of Mr. Suwat Laicharoensup, who was appointed as the Chairman of the Audit Committee member in place of Mr. Sorasit Soontornkes, who resigned with effective on July 31, 2020.

## Remuneration for Director and Executives

### Monetary Remuneration

The Nomination and Remuneration Committee is responsible for determining the remuneration for Company Directors and Subcommittee in accordance with the roles, responsibilities, and with reference to the same size of business and industry. Remuneration for the Company's directors and subcommittees must be approved by the Board of Directors' Meeting and the Annual General Meeting of Shareholders.

### Directors' remuneration

The 71<sup>st</sup> Annual General Meeting of Shareholders of the Company in 2020 on July 31, 2020, the meeting approved the directors' remuneration in 2020 in the form of monetary remuneration as follows:

In 2020, the directors received remuneration in total the sum of Baht 9,999,183 compared to Baht 13,013,159 in 2019, which included annual remuneration and bonuses as follows:

Table of comparison of the remuneration of the Board of Directors and management Subsidiary and Associates in 2020 and 2019

No.	Name	2020			2019		
		Remuneration	Bonus	Total (Baht)	Remuneration	Bonus	Total (Baht)
1.	Mr. Veraphan Teepsuwan	-	-	-	178,667	413,000	591,667
2.	Dr. Jamlong Atikul	560,000	912,000	1,472,000	264,000	578,200	842,200
3.	Mr. Sorasit Soontornkes	442,500	220,050	662,550	684,000	1,205,049	1,889,049
4.	Mr. Pasu Lorharjun	319,667	180,750	500,417	-	-	-
5.	Mr. Suwat Laicharoensup	862,917	433,800	1,296,717	684,000	1,148,564	1,832,564
6.	Mr. Vichit Kornvityakoon	770,000	433,800	1,203,800	684,000	1,148,564	1,832,564
7.	Mr. Narong Chulajata	650,000	433,800	1,083,800	273,000	451,500	724,500
8.	Miss Nopporn Tirawattanagool	650,000	433,800	1,083,800	420,000	602,000	1,022,000
9.	Mr. Viroj Srethapramotaya	-	-	-	242,500	355,009	597,509
10.	Mr. Chusak Salee	-	-	-	180,000	306,780	486,780
11.	Mr. Laksna Thongthai	500,000	433,800	933,800	360,000	573,800	933,800
12.	Mr. Suwat Suksongkroh	-	-	-	232,000	419,009	651,009
13.	Mr. Rowan D'Arcy	245,000	220,050	465,050	240,000	430,350	670,350
14.	Mrs. Wanna Thamsirisup	650,000	433,800	1,083,800	198,000	351,167	549,167

No.	Name	2020			2019		
		Remuneration	Bonus	Total (Baht)	Remuneration	Bonus	Total (Baht)
15.	Mr. Bryan James Smith	-	-	-	175,000	-	175,000
16.	Mr. Lars Heibutzki	-	-	-	35,000	-	35,000
17.	Mr. Solmaz Altin	-	-	-	-	-	-
18.	Mrs. Claudia Salem	-	-	-	-	-	-
19.	Mr. Jan-Christian Rosemeyer	-	-	-	-	-	-
20.	Mr. Robert Paul Gray	-	-	-	-	-	-
21.	Mrs. Anucha Tawaracha	-	-	-	-	-	-
22.	Ms. Jarunee Chaisupakitsin	-	-	-	-	-	-
23.	Mr. Kitti Pintavirooj	-	-	-	-	-	-
24.	Mr. Surachai Prukbamroong	-	-	-	-	-	-
25.	Mr. Metha Suvanarn	-	-	-	-	-	-
26.	Mr. Anon Opaspimoltum	-	-	-	-	-	-
27.	Miss Orathai Rongthongaram	105,000	108,450	213,450	120,000	-	120,000
28.	Mr. Tivakorn Kanjannakit	-	-	-	60,000	-	60,000
<b>Total</b>		<b>5,755,083</b>	<b>4,244,100</b>	<b>9,999,183</b>	<b>5,030,167</b>	<b>7,982,992</b>	<b>13,013,159</b>

Regarding the policy on remuneration for directors and other subcommittee, the Company compares with industry, experience, roles and responsibilities, including the expected benefits from each director, and the remuneration that each director receives as a director of a subsidiary. In addition, director remuneration must be approved by the shareholders' meeting.

As of April 30, 2019, the executive director of the Company and / or its subsidiaries or under management of the Allianz Fit and Proper policy will not receive remuneration to avoid conflicts of interest.

The Board of Directors agreed to the proposal given by the Nomination and Remuneration Committee that the Annual General Meeting of Shareholders consider and approve the directors' remuneration in accordance with the policy, appropriateness, conduct of directors and employees of the Allianz under the Fit and Proper Policy in the amount not exceeding Baht 10,000,000 with effective on August 1, 2020 as follows:



## Director Remuneration Structure in 2020

Director	Monetary Remuneration (Baht)	
	Monthly remuneration (Baht/month)	Meeting allowance (Baht/person/ time)
<b>Company Director</b>		
- Board of directors	40,000	20,000
- Executive Director	-	-
- Non-executive Director	30,000	20,000
- Independent director	35,000	20,000

Remuneration comprises salary, meeting allowance, and bonuses, which all are allocated within the framework of the limit not exceeding Baht 10,000,000, payable to directors who are not involved in management only (excluding the remuneration that the Executive Directors received in the form of regular salary) as approved by the 2020 Annual General Meeting of Shareholders. In addition, the shareholders must approve the directors' remuneration.

Director	Monetary Remuneration (Baht)	
	Monthly remuneration (Baht/month)	Meeting allowance (Baht/person/ time)
<b>Audit Committee member</b>		
- Board of the Audit Committee member	22,500	20,000
- Audit Committee member	12,500	20,000
<b>Nomination and Remuneration Committee</b>		
- Board of the Nomination Director	22,500	20,000
- Nomination Director	12,500	20,000
<b>Corporate Governance Committee</b>		
- Board of the Corporate Governance Committee	22,500	20,000
- Corporate Governance Committee	12,500	20,000

Remarks:

1) Salary

- Board of Directors 40,000 Baht/ month
- Director 35,000 Baht/ month

2) Meeting allowance (Pay according to actual attendance including attending electronic meetings)

- Director 20,000 Baht/ person / time

3) Other than 1) salary for Subcommittee, Audit Committee Member, Nomination and Remuneration Committee, and Corporate Governance Committee

- Board of the Subcommittee 22,500 Baht/ month
- Subcommittee 12,500 Baht/ month

4) Bonus (allocated to directors according to the period of the term served in the position)

- Board of Directors 912,000 Baht/ month
- Director 433,000 Baht/ month

5) No other benefits

## Details of remuneration of the Directors and Subcommittees in 2020

Name	Designation	Remuneration of Directors/Directors <sup>1</sup>			
		Company Director	Audit Committee member	Nomination and Remuneration Committee <sup>2</sup>	Corporate Governance Committee
1. Dr. Jamlong Atikul	Independent director and Chairman of the Board of directors	560,000	-	-	-
2. Mr. Pasu Lorharjun	Independent director and Board of the Nomination Director	207,167	-	112,500	-
Mr. Sorasit Soontornkes	Independent director and Board of the Audit Committee member	285,000	157,500	-	-
3. Mr. Suwat Laicharoensup	Independent director and Board of the Audit Committee member	505,417	200,000	157,500	-
4. Mr. Vichit Kornvityakoon	Independent director and Board of the Corporate Governance Committee	500,000	-	-	270,000
Mr. Rowan D'Arcy <sup>3</sup>	Non-executive Director	245,000	-	-	-
5. Mrs. Anusha Thavarajah <sup>4</sup>	Non-executive Director	-	-	-	-
6. Miss Nopporn Tirawattanagool	Non-executive Director and Nomination Director	500,000	-	150,000	-
7. Mr. Laksna Thongthai	Non-executive Director	500,000	-	-	-
8. Mr. Bryan James Smith	Executive Director	-	-	-	-
Miss Orathai Rongthongaram <sup>5</sup>	Executive Director	105,000	-	-	-
9. Ms. Jarunee Chaisupakitsin <sup>6</sup>	Executive Director	-	-	-	-
10. Mr. Narong Chulajata	Independent director and Audit Committee member	500,000	150,000	-	-
11. Mr. Lars Heibutzki	Non-executive Director	-	-	-	-
12. Mrs. Claudia Salem	Non-executive Director	-	-	-	-
13. Mr. Robert Paul Gray	Non-executive Director	-	-	-	-
14. Mr. Jan-Christian Rosemeyer	Non-executive Director	-	-	-	-
15. Mrs. Wanna Thamsirisup	Non-executive Director	500,000	-	-	150,000

Remarks:

<sup>1</sup> Subcommittee who receive remuneration are the Audit Committee, Nomination and Remuneration Committee, and Corporate Governance Committee. It only shows the remuneration excluding directors' bonus.

<sup>2</sup> Nomination Committee means the Nomination and Remuneration Committee

### Remuneration for Executives

Monetary remuneration for Company executives in 2020 according to the definition of the Securities and Exchange Commission (SEC), Thailand amounting to Baht 6.41 million, consisting of salary, bonus and other benefits for Company executives. As for its subsidiary, the remuneration comprises salary, bonus and other benefits for the executives amounting to Baht 155.48 million.

### Other remuneration for executives and employees

#### Provident fund

The Company and its Subsidiary provide a Provident Fund for employees by making the following contributions:

Years of Service	Contribution % of Salary
Less than 5 years	5
5 years and over	7

In 2020, the Company and its Subsidiary had contributed Baht 18.48 million into the Provident Fund for management executives and employees.

No share options or warrants were given to the management, executives or employees.

### Personnel

The total number of employees of the Company and its Subsidiary as of December 31, 2020, was 503. The total remuneration to all employees in the form of salaries, bonuses, employer's Social Security contributions, Provident Fund, and retirement compensation was Baht 573.20 million

### Human Resources policy

The Company believes employees are the most important asset and are at the heart of driving growth and success. The Human Resources management policy covers not only the Company but extends to cover the management of the Subsidiary as well.

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## Human Resources Management and Development

The Company and its subsidiary restructured employees' scope of work to be more aligned with continuous changes in business development and technology. This had a positive impact on customer service and business partners and increased the Company's competitiveness. In addition, employee skills were assessed to ensure that they have the knowledge required to perform their work. Remuneration is based on individual and team performance to ensure the best possible efficiency. In 2020, employees of the Company and its Subsidiary participated in internal and external training courses. The total of expenses for workforce development was Baht 4.9 million.

## Establishing employee engagement with the Company

The Company emphasizes building continuous engagement with employees. The Employee Engagement Survey is conducted annually by an external party hired by the Company for transparency. Results of the Employee Engagement Survey are shared to management and employees openly. Employee focus group sessions are conducted to identify opportunities for improving employee engagement. The Company believes that engaged employees will perform more effectively, which results in better relationships with colleagues, the Company, and society as a whole, which in turn helps the Company to be successful.

The Company communicates openly and sincerely with its employees. Regular communications are sent via internal communications, announcing Company and employee movements as well as providing knowledge, announcing voluntary employee activities, and providing everyone a channel to express opinions and interact with the Company at any time. In addition, the Company organizes meetings for all employees at least twice a year to clarify the Company's policies and guidelines. The meetings also give employees an opportunity to ask questions and express their opinion and propose new ideas directly to the Company.

## Activities organized in 2020

The Company has a wide range of activities for employees to create good relations and strengthen the bond between employees' e.g. organizing a Staff Party to thank employees for their work in the past; Staff Meeting to clarify the Company's operating results and business management policy; or Team Building, which provided opportunity to each department or section to join activities. In 2020, the schedule was briefed as follows:

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### February

- One Allianz Ayudhya Staff Party was the unification under "Allianz Ayudhya" came together to celebrate the success of the past year, and took the opportunity to thank the employees for their dedication.

### March

- One Allianz Ayudhya Staff Meeting On-line was held due to the COVID-19 situation, the Company organized the online announcement for management policy and operating result under "Allianz Ayudhya".

### April-December

- One Allianz Ayudhya Meeting with CEOs On-line was held due to the COVID-19 situation, the Company organized on-line communication to be a platform for executives to meet employees, shared the operating results of the Company, present management guidelines during a crisis. In addition, it also gave employees the opportunity to raise questions and considered as staff relation during COVID-19.

### May-July

- Human Resources Division of the Company and its subsidiary conducted a survey of the health index by external management companies. The survey aimed to understand each Company's strengths and weaknesses. In order to ensure transparency in conducting surveys and to set the goal of One Allianz Ayudhya, the Leadership training was shown to share and brainstorm employees in the Company and its subsidiary for enhancing the future corporate culture.

### September-November

- Annual health check-ups were provided for staff;
- Allianz Engagement Survey was launched to allow employees to voice their opinions on Company

### December

- Executives met employees for giving the appreciation souvenirs for their dedication and bless on the New Year occasion.

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## Overseeing of Subsidiary and Associated Company

Previously the management division operated the nomination and exercising the right to vote to appoint a person to be a director in subsidiary and affiliated companies. Since 2019, the Company has established a procedure for nominating and exercising such voting rights that have to be approved by the Board of Directors. Any person who is appointed as a director in subsidiary or affiliated companies has the duty to act in the best interest of that subsidiary or affiliated companies (not to the Company) and the Company has assigned such person to be approved by the Board of Directors in prior to exercising the vote. For exercising the right to vote on important matters, it is required to attain the approval of the Board of Directors. However, if the Company itself operates it, representing of directors in the said subsidiary or affiliated Company is in accordance with the Company's shareholding proportion.

In addition, in the case of a subsidiary the Company stipulates rules that the appointed person has to oversee that the subsidiary has rules on connected transactions, acquisition or disposition of assets, or any other important transactions of the said Company to be complete and correct; and use the above disclosures and transactions in the same manner as the Company's guidelines, including the need to supervise the storage and accounting records of subsidiary for the Company to be able to audit; and compiled to prepare the consolidated financial statements on time as well.

The Company considered sending four directors and four executives to be the director in one subsidiary i.e. Allianz Ayudhya General Insurance Public Company Limited - directors and executives were approved by the Board of Directors' meeting. However, if such directors and executives are no longer to be as a director in a subsidiary, in this case Allianz Ayudhya General Insurance Public Company Limited, the Board of Directors shall consider sending someone to take care of the benefits from time to time. In this regard, the Company has established a policy for important transactions such as connected transactions, acquisition and disposition of assets, disclosure of information by stating such matters in the business ethics of the subsidiary, Allianz Ayudhya General Insurance Public Company Limited.

However, the Company has no agreement between the Company and other shareholders in the management of subsidiary and associated companies.

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## Monitoring to ensure compliance with good corporate governance policies and practices

The Company recognized the importance of management and good corporate governance by establishing related policies and practices in good corporate governance policy and business ethics, while promoting real practice to build confidence in the Company's business ethics to all stakeholders.

In 2020, the Company followed up to ensure all practices to be compliance with good corporate governance covering; 1) Non-discrimination Employee treatment 2) Anti-unfair competition 3) Environmental responsibility, health and safety in the organization 4) Information security 5) Prevention of conflicts of interest. The follow-up results showed that the Company completely followed the guidelines of each agenda.

### Prevention of conflicts of interest

The Company has established a policy that the Board of Directors, executives and employees must perform their duties for the best interests of the Company. In the event that any person has an interest or is involved in the consideration, such person must notify the compliance unit that supervises the matter and not take part in the consideration of the transaction.

In 2020, no case of conflicts of interest was found.

### Misuse of insider information

The Company monitored the use of inside information in accordance with the law and the Principles of Good Governance. It set out in writing e.g. Business Code of Conduct for Directors, Executives and Employees and the Roles and Responsibilities; Handbook of Directors, Executives and Employees, which shall be given to Directors, Executives and Employees upon first commencement of employment. In summary, the key policies are as follows:

1. The Company assigned directors, executives and employees to sign in order to acknowledge the relevant announcements of the Securities and Exchange Commission, Thailand stipulating that directors and executives have the duty to report changes in Holding of securities to the Securities and Exchange Commission, Thailand in accordance with Section 59 of the Securities and Exchange Act B.E. 2535 (1992) within 3 working days from the date of the change in holding of securities; and notify the Company secretary for acknowledgment in order to record the change and summarize the number of securities of individual directors and executives in order to present to the Board of Directors at the next meeting. Besides, the penalties for violation or non-compliance were also notified.



2. The Company has a regulation not to disclose the financial statements or other information that affects the Company's securities to third parties; and not trade securities during the one month before the financial statements or other information that may affect the price of the Company's or corporate's securities shall be made available to the public. The directors and senior management (according to the definition of the Securities and Exchange Commission, Thailand) notified to the assigned director at least one day in advance before trading. Failure to comply with such requirements is a violation of the Company's discipline no matter director, executive or employee who knows the inside information and violates discipline, they shall be punished ranging from the warning, wage reduction, work suspension without pay, and employment termination.

In 2020, no case was found that any directors traded in securities during the period that the Company set to refrain from trading. In addition, the Company introduced electronic system to increase the efficiency of reporting to directors, executives and employees.

### Anti-corruption

Details refer to item 6. Good Corporate Governance Policy Subtopic Anti-Corruption

### Whistleblowing

In 2020, no complaint was found in the event of fraud or violations of policies and practices of good corporate governance.

### Report on the performance of duties of the Audit Committee

The number of meetings and attendance of each individual Audit Committee member, details referred to item 7. Management structure Sub-topic Audit Committee

Results of the Audit Committee member's Performance

Reference details of information disclosure shown in the attachment. 6. Report of the Audit Committee.

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## Summary of the performance of the Subcommittee in the past year

In 2020, the number of meeting attendance and the meeting agenda of the Nomination and Remuneration Committee, Corporate Governance Committee, and the Investment Committee, referred to the Agenda item 7. Management Structure Sub-topic Nomination and Remuneration Committee, Corporate Governance Committee, and the Investment Committee respectively.

The performance of duties of the said subcommittees is summarized as follows;

### Report of the Nomination and Remuneration Committee

In 2020, the Nomination and Remuneration Committee held four meetings to consider key matters and reported the results of the meetings, comments and recommendations to the Board of Directors for continued consideration. This summary shown below:

1. Oversaw recruiting and selection of persons to be appointed as independent directors and the Company's directors included subcommittees to replace those who retired, which considered from persons with suitable qualifications and requirements in accordance to the Securities and Exchange Commission, Thailand; the Stock Exchange of Thailand; and does not have any prohibited characteristics under the law, taking into account qualifications, experience and knowledge that shall benefit the Company to propose to the Board of Directors meeting and the general meeting of shareholders (In the case of nominating Company directors) for further approval for further voting the said person.
2. Monitored directors' remuneration and various subcommittees in detail, whereby the director, who has been assigned additional roles, responsibilities and supported the various directors, shall receive additional remuneration as deemed appropriate.
3. In order to enhancing motivation and retaining talented employees with good performance, the Nomination and Remuneration Committee considered the criteria for setting the annual salary increase rate of 2021 and the bonus for 2020 together with the Human Resources Department and the management team. The rate of salary increases and the bonus of the Company is considered as deemed appropriate.


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### Report of the Corporate Governance Committee

In 2020, the Corporate Governance Committee held four meetings to monitor the implementation of corporate governance and report the meeting results to the Board of Directors for consideration, which can be summarized as follows;

- Reviewed and revised the corporate governance policy, Business ethics, and the Charter of the Subcommittee to comply with the regulations of the to the Securities and Exchange Commission, Thailand; the Stock Exchange of Thailand and the corporate governance evaluation criteria under the survey of the Corporate Governance Report (CGR)
- Oversaw the self-evaluation criteria of the Board of Directors for both the Director, the individual, the subcommittee, the Chief Executive Officer annually in order to use the evaluation results to improve operational efficiency
- Encouraged small shareholders to propose agenda and shareholder questions about the Company prior to the Annual General Meeting of Shareholders for further considered by the Board of Committee
- Prepared and disclosed securities holding reports and reports on changes in securities holding of the Company's directors and executives in comply with Section 59 of the Securities and Exchange Act
- Reviewed the good corporate governance report disclosed in Form 56-1 One Report / Annual Report to be in line with the requirements of the Securities and Exchange Commission, Thailand and the Stock Exchange of Thailand

The Corporate Governance Committee promoted the continued implementation of the good corporate governance principles. As a result, the Company received the following corporate governance evaluation results.

Corporate Governance Report (CGR)	
	<p><u>In 2020</u></p> <p>The Company's CGR score is in the <b>"very good" (4 stars)</b> criteria from the Survey of the Thai Institute of Directors Association (IOD)</p>
AGM Checklist	
	<p><u>In 2020</u></p> <p>The Company's AGM Checklist score is <b>"Excellent" (4 stars)</b> from the Thai Investors Association</p>

In addition, the Company joined the Thai Private Sector Collective Action Against Corruption (CAC).

CAC				
Company	Status	Member since	Certified Date	Expiry Date
Allianz Ayudhya Capital Public Company Limited	Certified	2 Sep 2014	21 May 2019	20 May 2022
Allianz Ayudhya General Insurance Public Company Limited	Certified	26 Jul 2013	21 May 2019	20 May 2022
Allianz Ayudhya Assurance Pcl.	Certified	21 Nov 2012	12 Feb 2018	12 Feb 2021

Source: <https://www.thai-cac.com/who-we-are/our-members/>

### Report of the Investment Committee

In 2020, the Investment Committee had four meetings considering matters and reported the results of the meeting along with comments and suggestions to the Board of Directors for continued consideration. Main agendas are summarized as follows;

1. Determined the investment management policies and procedures; and revised regulations related to investment transactions.
2. Reviewed the investment guidelines and defined the investment framework of the Company by the investment management through the asset allocation process as follows:

- 
- 2.1 Reviewed and approved strategic asset allocation
  - 2.2 Set criteria for adjusting asset allocation and the weighting average life of strategic assets in the event of significant changes in investment conditions, investment liquidity, and regulatory changes related to investments.
  - 2.3 Reviewed investment performance against the results of strategic asset allocation and other relevant key performance indicators.
  3. Determined the capital structure and liquidity position of the Company so that the Company could maintain liquid assets in accordance with the law and covered investment risks e.g. fund raising.
  4. Formulated the investment strategies for derivative warrants and contracts related to investments.
  5. Considered assigning asset management, appointed asset managers to oversee the performance of clients' financial assets, and managed asset holdings in accordance with the investment procedure
  6. Reviewed the merger and acquisition (M&A) of the Company, which must be approved by the Board of the Director, unless there are other requirements stipulated in the relevant laws and regulations.
  7. Approved the transactions that are greater than the credit limit set forth in the Investment Management Manual or beyond the approval of the Chief authority of the Allianz Investment Office in Thailand.



## 9. Internal Control and Related Party Transactions

### Internal Control

Allianz Ayudhya Capital Public Company Limited and its subsidiary company have put in place an internal control system in compliance with a guiding framework that covers internal control, risk assessment, operation control, IT & communications, and monitoring system.

The Board of Directors of the Company and its subsidiary company recognize the importance of internal control and have put in place a sufficient and appropriate internal control system with emphasis on financial control, accounting procedures and data collection and recording, operation supervision and other processes relating to anti-corruption measures. This aims to build reasonable confidence that the Company's operations are effective and efficient, financial reports are reliable and timely and can be utilized in supporting business-related decision making, operations in all areas are in full compliance with relevant legislations and the Company's regulations and policies, accounting of funds are rightly authorized and conforming to the line of authority, and internal work division is properly administered. The Board of Directors is the highest responsible mechanism for the Company's internal control system. The assessment of the Company's internal control system is conducted once annually. The result is published in the annual report for stakeholders' acknowledgement.

The Board of Directors Meeting with three independent directors of the Audit Committee attending, has altogether assessed the efficiency of the Company's internal control system for the year 2020 through consideration of the composition of the internal control, utilizing the questionnaires on the internal control system adequacy assessment, inquiries to the Company's executive directors and the Audit Committee's report. From careful deliberation, the Board of Directors viewed that the Company's internal control system is sufficient and appropriate and can contribute to effective and efficient operation results, reliable and timely financial reports that can support business-related decision making, and that all operations are in full and strict conformity with relevant legislations and the Company's regulations and policies. In addition, the Company also sees to the establishment of the internal control and monitoring system on the subsidiary company's operations. The details of the system are summarized as follows:

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## 1. Internal Control and Organizational Environment

The Company adheres to the principles of integrity and ethics and has designed an internal control system aligning with these values. Under the Board of Director's oversight, an appropriate organizational structure on the chains of command and responsibilities is devised to respond to the goals on motivation, skill enhancement and retaining of skilled personnel. Employees play an important part in internal control system in order to achieve the Company's purpose. Suitable environment for internal control is provided as follows:

- The business operates on the principles of integrity, ethics, and good corporate governance and in accordance with relevant legislations and regulations. Clear and measurable business objectives are set.
- The annual budget upon thorough and careful deliberation has Management is approved by the Board of Directors. Moreover, all stakeholders are duly considered in policy making and action plan drafting in compliance with the principles of good governance.
- The organizational structure shows clearly defined responsibilities for each division within the Company.
- The rules and manuals of each division's operation are published and disseminated via the Company's intranet for all employees' acknowledgement.
- The Company's regulations are guided by its Code of Conduct with clear directives prohibiting employees from actions that may cause conflicts of interest, with penalties specified in event of violation. Additionally, a monitoring system is established to monitor compliance as well as adequacy of internal controls for each division within the Company.

## 2. Risk Assessment

The Company's objectives are adequately and clearly set in order to identify and assess the risks related to the objectives. The establishment of a comprehensive process of the identification and assessment of all risks which may obstruct the achievement of each objective is also seen to. Moreover, the Company has assessed the risk of potential fraud during the risk evaluation process, identifying possible impact on the Company's objectives, so that the changes that may affect the internal control system are properly identified and assessed. The following significant risk management measures are as follows:

- The Company has established a Risk Management Committee, whose core responsibility is the management of possible risks. The policies and procedures on risk management cover a great many area as to reduce the possibility of risk to the fullest extent, including strategic risks, operational risks, security investment risks, market risks, liquidity risks, financial and report risks, legal and

regulations-related risks, and fraud and corruption risks. Additional details can be found in the section on Risk Factors. Moreover, in order to mitigate the risks to the greatest extent possible, the Board of Directors evaluates and reviews the adequateness of the risk management system and the effectiveness of the procedure at least once annually.

- Financial reports are accurate and adequate, with appropriate and efficient internal control and internal audit in place and in conformity to the securities and stock exchange laws, the regulations of the Stock Exchange of Thailand and other relevant laws. Related party transactions are also conducted in line with the laws and regulations of the Stock Exchange of Thailand.
- The Company places high importance to the early warning signs. To prevent any misconduct, Fraud Prevention Guidance and Whistle Blower Policy, both in line with relevant laws and regulations, were disseminated via the Company's intranet. All employees are expected to comply with both policies.

### 3. Compliance Control

The Company employs a number of compliance control measures to mitigate the risks of unsuccessful realization of the Company's objectives. IT is used to support the implementation of such measures. Control measures are actualized from the Company policies – its expectation and operational procedures being translated into operational performance indicators. The Company's compliance control measures are as follows:

- A clear scope of authority, function, monetary authorization and limits for each management level in writing.
- A clear separation between approval and authorization duty, accounting transactions and IT recording duty, and assets management for proper checks and balances.
- An adherence to the notices and regulations of the Stock Exchange of Thailand and the Securities and Exchange Commission on transactions involving major shareholders, the Board of Directors, senior executives, and other related parties to ensure due authorization of such transactions.
- A setup of monitoring measures to guarantee lawful operation of the Company's activities, as well as preventive and corrective measures and penalties for violations.
- Establishment of a policy, measures and procedures on anti-corruption, as well as a compliance review and relevant training.



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#### 4. Information Technology and Communications

The Company reports are issued on a timely basis with quality analytical information to support smooth proceedings of the internal controls. Internal communications on the objectives and accountability of an internal control are conveyed to guarantee the continuation of relevant plans. Communications with external agencies may occur regarding the issues which might affect the internal control. The information on related procedures are as follows:

- Sufficient and reliable information, including invitation letter to meetings and meeting documents, is provided to the Board of Directors before the meeting to review and support decision making. Meeting reports are sufficiently detailed to allow shareholders to review the Board's performance.
- Complete and proper records of accounting and financial transactions are kept in a well-organized manner. Standard certified accounting procedures suitable for the nature of the Company's business are practiced.
- Quarterly and annual financial statements are reviewed and audited by the Company's auditor. The Company's information system is also subject to a similar process.
- Financial and information data relevant to different operations are provided to support the Management in decision making processes. IT capability is utilized in data processing to provide accurate, appropriate and up-to-date information accessible to relevant personnel and authorities.
- A reserved IT data center is set up as part of the system emergency preparation in case that the IT system at the head office is not functioning.
- An internal and external communications system is provided so that the employees are able to access the data necessary to fulfil their designated roles.

#### 5. Monitoring System

The internal control system is monitored and evaluated to ensure proper, complete and ongoing implementation. Oversights are communicated promptly to persons in charge, including senior executives and the Board of Directors as appropriate on a case-by-case basis. The following steps are being taken by the Company.

- Comparison of operation performance and targets by Management is to be reviewed by the Board of Directors. In case that the operation performance is lower than the targets, Management will identify the causes and promptly devise the corrective measures. In case of fraud, corruption, violation of laws or other irregular activities, including any suspicion of such, which could have significant impact on the

Company's goodwill, reputation and financial standing, Management must notify the Board of Directors immediately.

- An Audit Committee is established to oversee the financial report procedures, internal control system and compliance to related laws and regulations, as well as relevant procedures regarding anti-corruption measures and compliance reviews. The Committee is also responsible for selecting external auditors and determining their remuneration.
- A Corporate Governance Committee is established to assist and support the Board of Directors in overseeing the performance of the Company and its subsidiary and ensuring that all business operations are in line with its policies and rules, laws and regulations, Government policies, and good corporate governance. The objective of this mechanism is to ensure that the Company has fulfilled its responsibilities in an efficient manner in coherence with the principles of good corporate governance, social responsibilities, security and sustainability to the Company.

## Related Party Transactions

The Company disclosed related party transactions between the Company and related companies that express the relationships by shareholding, common directors or shareholders. Details of the transactions are shown in Item 37 in the note of the Financial Statements for the fiscal year ended December 31, 2020. Members of the Audit Committee of the Company view that related party transactions between the Company and its related companies were conducted in the Company's normal course of business.

The additional information on significant business transactions and balance concerning related companies as follow:

Related Company	Nature of Relationship	2020 (Million Baht)	2019 (Million Baht)	2018 (Million Baht)	Transactions
Allianz SE (DEUTSCHE BANK AG)	Shareholding (38.93%)	24.97	-	-	Net investment in securities: investment in long-term benefit plans for executive personnel in the form of restricted stock units, managed by Allianz SE
		8.76	13.12	-	Accrued management fee: management fee is agreed by both parties which are determined based on estimated time spent and cost incurred
		5.26	0.79	-	Management fee: management fee is agreed by both parties which are determined based on estimated time spent and cost incurred
		226.22	112.56	31.58	Paid dividends: According to shareholder's resolution

Other significant transactions with related companies in the consolidated financial statement as of December 31, 2020 are show in Item 37 in the note of the Financial Statements as follows:

- The subsidiary company applies the same pricing policies and terms in the calculation of written premium and reinsurance premium as other customers and insurance companies.
- The subsidiary company pays commission and brokerage expenses and other underwriting expenses in accordance with the conditions and rates stipulated in the banking enterprise and insurance contracts between the subsidiary companies and related banks. The commission rates conform to the regulations of the Office of Insurance Commission, which are the same rates the subsidiary applied with other non-life insurance brokerage businesses.
- The Group receives the same interest rates as applied to other insurance companies by the banks.
- The Company and related companies have entered into the management service contract with the subsidiary, providing the latter the services in management, investment and accounting management, salary and information. The service fee rate is mutually agreed to be based on the estimated time and cost used in rendering such services to the subsidiary.
- The Group paid the brokerage fees, fund management fees and custodian fees at the same rate and conditions which the related companies apply to other companies.
- The subsidiary company has entered into a 3-year rental contract on office space, building equipment and services with related company. The same rental rate and conditions of the conglomerate's contract are applied to other companies which the related company has contracted with.

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## Opinion of the Audit Committee

February 23, 2021

Title: Opinion on transactions between the Company and related companies

To: The Shareholders of Allianz Ayudhya Capital Public Company Limited

We, as Members of the Audit Committee of Allianz Ayudhya Capital Public Company Limited (the Company), have the opinion that related party transactions between the Company and related companies, for the fiscal year ended December 31, 2020, were conducted in the Company's normal course of business with transparency and fairness to all parties.

Please be informed accordingly.

Respectfully yours,

*Suwat Laicharoensup*

(Suwat Laicharoensup)

*Vichit Kornvityakoon*

(Vichit Kornvityakoon)

*Narong Chulajata*

(Narong Chulajata)

The Audit Committee

Allianz Ayudhya Capital Public Company Limited

# Part 3

## Financial Highlight



## Independent Auditor's Report

To the shareholders of Allianz Ayudhya Capital Public Company Limited

### My opinion

In my opinion, the consolidated financial statements and the separate financial statements present fairly, in all material respects, the consolidated financial position of Allianz Ayudhya Capital Public Company Limited (the Company) and its subsidiaries (the Group) and the separate financial position of the Company as at 31 December 2020, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

### What I have audited

The consolidated financial statements and the separate financial statements comprise:

- the consolidated and separate statements of financial position as at 31 December 2020;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the consolidated and separate financial statements, which include significant accounting policies and other explanatory information.

### Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of my report. I am independent of the Group and the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that are relevant to my audit of the consolidated and separate financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. 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 consolidated and separate financial statements of the current period. These matters were addressed in the context of my audit of the consolidated and separate financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

Key audit matter	How my audit addressed the key audit matter
<p><b>Valuation of claim reserves</b></p> <p><i>Refer to Note 5, critical accounting estimates, assumptions and judgements in consolidated financial statements in relation to claim reserves and Note 21, claim reserves in consolidated financial statements</i></p> <p>Claim reserves of Baht 2,437 million composed of reported claim reserves not yet settled, claim payable, and claims incurred but not reported (IBNR), as well as claims handling reserve and payable</p> <p>I focused on the valuation of claim reserves because of the size of the liability and inherent uncertainty when assessing the claims that had been incurred as of the end of the year. Estimation process therefore involved complexity and the significant judgements that management needed to make to estimate the related balance.</p> <p>Management hired the external actuarial specialist to calculate the claim reserves for the Group. The key assumptions that underpinned the reserve calculations included the expected ultimate loss ratio and the loss development factor by types of insurances. The valuation of claim reserves depended on complete and accurate data about the number of claims, claim amounts and the pattern of historical claims since these were often used to form expectations about future claims.</p>	<p>My key audit procedures in relation to the claim reserves included:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the process to estimate claim reserves and setting processes in accordance with actuarial methodology.</li> <li>• Assessed the design and tested operating effectiveness of key controls around the claims handling and claim reserves setting processes.</li> <li>• Evaluated the competence, capabilities and objectivity of the actuary, who was management's expert.</li> <li>• Evaluated whether the Group's actuarial methodologies were consistent with those used in the industry and prior year. Obtained an understanding of the assumptions involved when determining the valuation of claim reserves. I evaluated the reasonableness of management's significant assumptions by comparing weighted average ultimate loss ratios in the past with the expected loss ratio used by the Group's actuary and investigated any significant differences.</li> <li>• Tested the completeness of data used in the actuarial reserving calculations by reconciling with data in accounting system.</li> <li>• Engaged auditor's actuarial specialists to carry out independent modelling to assess if the Group's best estimate of gross and net claims reserves fell into estimated reasonable ranges for selected types of insurance. Auditor's actuarial specialists' estimates of outstanding claims reserves were based on a statistical data of the claims process.</li> </ul> <p>Based on all of the above procedures, I considered the management's assumptions used for valuation of claim reserves were reasonable based on available evidences.</p>

Key audit matter	How my audit addressed the key audit matter
<p><b>Assessment of goodwill impairment</b></p> <p><i>Refer to Note 5, critical accounting estimates, assumptions and judgements in consolidated financial statements in relation to goodwill and Note 16, goodwill in consolidated financial statements</i></p> <p>As at 31 December 2020, the Group had goodwill of Baht 508.88 million as at 31 December 2020, which related to cash generating units in insurance business. The Group is required to, at least annually, test goodwill for impairment.</p> <p>I focused on this area due to the fact that goodwill balance was around 2% of total consolidated assets and the forecasts of cash flows each year involved significant management's judgement, which was based on various assumptions that were affected by expected future market and economic conditions.</p> <p>For the year ended 31 December 2020, the management performed an impairment assessment over the goodwill balance by:</p> <ol style="list-style-type: none"> <li>1. Calculating the value in use for each Cash Generating Unit ("CGU") using a discounted cash flow model. The model used cash flows (revenues and expenses) for each CGU for 5 years, with constant terminal growth rate applied to the 5<sup>th</sup> year. These cash flows were then discounted to net present value using the weighted average cost of capital (WACC). The key assumptions were disclosed in Note 16.</li> <li>2. Comparing the resulting value in use of each CGU to their respective book values.</li> </ol>	<p>My key audit procedures in relation to the assessment of goodwill impairment included:</p> <ul style="list-style-type: none"> <li>• Understood and evaluated the composition of cash flow forecasts and calculation process, including test the mathematical accuracy of the management's underlying calculations.</li> <li>• Compared cash flow forecasts with the budget and approved business plan and other evidences supporting the plan.</li> <li>• Assessed management's key assumptions used in the forecasts by comparing them to historical results and economic and industry outlook by comparing with the observable data in the industry. The assumptions also included the business growth rate and expense forecasts.</li> <li>• Reviewed parameters used to determine the discount rate applied.</li> <li>• Assessed management on the adequacy of their sensitivity calculations over all their CGUs. The valuation of goodwill was sensitive to changes in key assumptions such as revenue growth and discount rate, in case they were not achieved, could reasonably be expected to give rise to impairment charge in the future.</li> <li>• Evaluated the adequacy of the disclosures made in notes of the financial statements, including those regarding the key assumptions and sensitivity of those assumptions.</li> </ul> <p>Based on all of the above procedures, I considered management's key assumptions used in assessing the goodwill impairment were reasonable based on available evidences.</p>



### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated and separate financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the consolidated and separate financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the consolidated and separate financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to the audit committee.

### **Responsibilities of the directors for the consolidated and separate financial statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with TFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Group's and the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the consolidated and separate financial statements**

My objectives are to obtain reasonable assurance about whether the consolidated and separate 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 TSAs 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 consolidated and separate financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the consolidated and separate 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 and the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' 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 and the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the consolidated and separate 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 and the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate 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 the audit committee 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 the audit committee 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 the audit committee, I determine those matters that were of most significance in the audit of the consolidated and separate 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.

PricewaterhouseCoopers ABAS Ltd.



**Anothai Leekitwattana**  
Certified Public Accountant (Thailand) No. 3442  
Bangkok  
25 February 2021

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Assets</b>					
Cash and cash equivalents, net	8	2,801,346	4,497,250	1,265,386	179,669
Premium receivable, net	9	555,606	771,000	-	-
Accrued investment income		25,141	12,412	10,695	4,627
Reinsurance assets	10	2,060,737	2,741,204	-	-
Amounts due from reinsurers	11	439,285	496,239	-	-
Financial assets measured at fair value through profit or loss	12	-	-	881,715	-
Financial assets measured at fair value through other comprehensive income	12	-	-	2,126,089	-
Financial assets measured at amortised cost	12	-	-	143,041	-
<b>Investments</b>					
Investments in securities, net	12, 13	7,384,276	7,352,462	-	4,318,476
Loans and interest receivable		-	14	-	-
Investment in an associate	14	11,252,204	10,715,018	5,455,863	5,455,863
Investment in a subsidiary	14	-	-	2,572,379	2,572,379
Property, plant and equipment, net	15	53,896	49,292	1,673	1,698
Goodwill	16	508,877	508,877	-	-
Right-of-use asset, net	17	208,804	-	-	-
Intangible assets, net	18	77,032	85,075	6,531	1,968
Deferred tax asset, net	19	419,272	328,450	64,141	26,644
Deferred commission expenses		78,959	72,514	-	-
Other assets	20	142,127	186,673	9,193	7,651
<b>Total assets</b>		<b>26,007,562</b>	<b>27,816,480</b>	<b>12,536,706</b>	<b>12,568,975</b>

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Liabilities and equity</b>					
<b>Liabilities</b>					
Insurance contract liabilities	21	5,157,764	5,797,941	-	-
Amounts due to reinsurers	22	1,249,805	1,944,672	-	-
Payable from purchase of securities		-	992,853	-	-
Employee benefit obligations	23	151,266	135,518	-	7,669
Premium written received in advance		343,710	421,446	-	-
Commission and brokerage payables		99,257	107,767	-	-
Accrued expenses		460,023	389,470	12,977	15,089
Lease liabilities	24	207,876	-	-	-
Other liabilities	25	276,796	281,476	244	2,227
<b>Total liabilities</b>		<b>7,946,497</b>	<b>10,071,143</b>	<b>13,221</b>	<b>24,985</b>
<b>Equity</b>					
Share capital					
Authorised share capital					
463,473,361 ordinary shares of 1 Baht each	26	463,473	463,473	463,473	463,473
Issued and paid-up share capital					
389,266,931 ordinary shares of 1 Baht each (2019: 384,964,961 ordinary shares of 1 Baht each)	26	389,267	384,965	389,267	384,965
Premium on share capital		10,066,331	9,907,791	10,066,331	9,907,791
Retained earnings					
Appropriated					
Legal reserve	28	50,000	50,000	50,000	50,000
Unappropriated		3,126,145	3,076,794	2,046,076	2,320,224
Other components of equity					
Surplus (discount) on investments measured at fair value through other comprehensive income		43,455	(113,644)	(28,189)	(118,990)
Share of other comprehensive income in an associate		4,385,867	4,439,431	-	-
<b>Total equity</b>		<b>18,061,065</b>	<b>17,745,337</b>	<b>12,523,485</b>	<b>12,543,990</b>
<b>Total liabilities and equity</b>		<b>26,007,562</b>	<b>27,816,480</b>	<b>12,536,706</b>	<b>12,568,975</b>

	Consolidated financial statements		Separate financial statements		
	2020	2019	2020	2019	
	Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Revenues</b>					
Gross premiums written		5,676,918	5,757,300	-	-
<u>Less</u> premiums ceded		(1,564,003)	(2,290,390)	-	-
Net premiums written		4,112,915	3,466,910	-	-
<u>Add (Less)</u> unearned premium reserve decreased (increased) from previous year		57,381	(59,254)		
Net premiums earned		4,170,296	3,407,656	-	-
Fees and commission income		292,826	605,176	-	-
Net investment income		128,608	118,917	513,172	577,641
Gain (loss) on investment in securities	32	(116,378)	(98,099)	(121,458)	(69,563)
Gain (loss) on fair value		4,105	-	35,977	-
Share of profit on investment in an associate	14	1,049,595	553,245	-	-
Other income		62,053	32,399	241	9,475
Total revenues		5,591,105	4,619,294	427,932	517,553
<b>Expenses</b>					
Gross claim paid		3,456,194	2,695,109	-	-
<u>(Less)</u> Claim recovered from reinsurers		(981,646)	(756,371)	-	-
Net claim paid		2,474,548	1,938,738	-	-
Commission and brokerage expenses		854,028	754,742	-	-
Other underwriting expenses		766,695	814,213	-	-
Operating expenses	33	839,182	906,280	31,645	60,770
Finance cost		4,652	-	-	-
Impairment loss on equity instruments		150,503	-	-	-
Expected credit loss (Reversal)	35	208	-	331	-
Total expenses		5,089,816	4,413,973	31,976	60,770
<b>Profit before income tax</b>		501,289	205,321	395,956	456,783
Income tax expense (income)	36	(129,825)	15,694	(29,263)	(409)
<b>Net profit</b>		631,114	189,627	425,219	457,192

	Notes	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
		Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Other comprehensive income (loss)</b>					
<b>Items that will not be subsequently reclassified to profit or loss</b>					
Actuarial gain (loss) on defined employee benefits plans	23	-	6,069	-	(969)
Loss on revaluation of equity instruments measured at fair value through other comprehensive income		-	-	(59,971)	-
Share of other comprehensive loss in an associate	14	(40,730)	(10,268)	-	-
Income tax related to items that will not be subsequently reclassified to profit or loss		8,146	840	11,994	194
Total items that will not be subsequently reclassified to profit or loss		(32,584)	(3,359)	(47,977)	(775)
<b>Items that will be subsequently reclassified to profit or loss</b>					
Gain on revaluation of investment measured at fair value through other comprehensive income		131,873	117,659	-	90,534
Gain on revaluation of debt instruments measured at fair value through other comprehensive income		-	-	18,849	-
Share of other comprehensive income (loss) in an associate	14	(460,245)	4,706,696	-	-
Income tax relating to items that will be reclassified subsequently		65,675	(964,871)	(3,770)	(18,107)
Total items that will be subsequently reclassified to profit or loss		(262,697)	3,859,484	15,079	72,427
<b>Other comprehensive income (loss) for the year, net of income tax</b>		(295,281)	3,856,125	(32,898)	71,652
<b>Total comprehensive income (loss) for the year</b>		<b>335,833</b>	<b>4,045,752</b>	<b>392,321</b>	<b>528,844</b>
<b>Earnings per share</b>					
<b>Basic earnings per share (Baht)</b>	31	1.63	0.53	1.10	1.28
Weighted average number of ordinary shares (Shares)		387,563	356,058	387,563	356,058
<b>Diluted earnings per share (Baht)</b>	31	1.63	0.53	1.10	1.27
Weighted average number of ordinary shares (Shares)		387,563	360,582	387,563	360,582

	Consolidated financial statements						Total equity Thousand Baht
	Retained earnings			Other components of equity			
	Issued and paid-up share capital Thousand Baht	Premium on share capital Thousand Baht	Legal reserve Thousand Baht	Unappropriated Thousand Baht	Change in fair value of investments measured at fair value through other comprehensive income Thousand Baht	Share of other comprehensive income (loss) of an associate Thousand Baht	
<b>Balance as at 1 January 2019</b>	296,417	5,276,028	50,000	3,179,208	(207,771)	674,074	9,267,956
Increase capital	88,548	4,631,763	-	-	-	-	4,720,311
Net profit	-	-	-	189,627	-	-	189,627
Other comprehensive income (loss)	-	-	-	(3,358)	94,127	3,765,357	3,856,126
Interim dividends	-	-	-	(288,683)	-	-	(288,683)
<b>Balance as at 31 December 2019</b>	<u>384,965</u>	<u>9,907,791</u>	<u>50,000</u>	<u>3,076,794</u>	<u>(113,644)</u>	<u>4,439,431</u>	<u>17,745,337</u>
<b>Balance as at 1 January 2020</b>	384,965	9,907,791	50,000	3,076,794	(113,644)	4,439,431	17,745,337
Adjustment from adoption of new financial reporting standards (Note 4)	-	-	-	(1,089)	51,601	347,216	397,728
<b>Balance after adjustment</b>	<u>384,965</u>	<u>9,907,791</u>	<u>50,000</u>	<u>3,075,705</u>	<u>(62,043)</u>	<u>4,786,647</u>	<u>18,143,065</u>
Capital increase (Note 26)	4,302	158,540	-	-	-	-	162,842
Dividend paid (Note 30)	-	-	-	(580,674)	-	-	(580,674)
Net profit	-	-	-	631,114	-	-	631,114
Other comprehensive income (loss)							
Gain on revaluation of instruments measured at fair value through other comprehensive income	-	-	-	-	105,498	-	105,498
Share of other comprehensive loss in an associate	-	-	-	-	-	(400,780)	(400,780)
<b>Balance as at 31 December 2020</b>	<u>389,267</u>	<u>10,066,331</u>	<u>50,000</u>	<u>3,126,145</u>	<u>43,455</u>	<u>4,385,867</u>	<u>18,061,065</u>

	Separate financial statements					Total equity Thousand Baht
	Retained earnings				Other components of equity	
	Issued and paid-up share capital Thousand Baht	Premium on share capital Thousand Baht	Legal reserve Thousand Baht	Unappropriated Thousand Baht	Financial asset measured at fair value through other comprehensive income Thousand Baht	
<b>Balance as at 1 January 2019</b>	296,417	5,276,027	50,000	2,152,489	(191,417)	7,583,516
Increase capital	88,548	4,631,764	-	-	-	4,720,312
Net profit	-	-	-	457,192	-	457,192
Other comprehensive income (loss)	-	-	-	(775)	72,427	71,652
Interim dividends	-	-	-	(288,682)	-	(288,682)
<b>Balance as at 31 December 2019</b>	<b>384,965</b>	<b>9,907,791</b>	<b>50,000</b>	<b>2,320,224</b>	<b>(118,990)</b>	<b>12,543,990</b>
<b>Balance as at 1 January 2020</b>	384,965	9,907,791	50,000	2,320,224	(118,990)	12,543,990
Adjustment from adoption of new financial reporting standards (Note 4)	-	-	-	(123,741)	123,699	(42)
<b>Balance after adjustment</b>	<b>384,965</b>	<b>9,907,791</b>	<b>50,000</b>	<b>2,196,483</b>	<b>4,709</b>	<b>12,543,948</b>
Capital increase (Note 26)	4,302	158,540	-	-	-	162,842
Dividend paid (Note 30)	-	-	-	(580,674)	-	(580,674)
Net profit	-	-	-	425,219	-	425,219
Other comprehensive income (loss)						
Financial assets measured at fair value through other comprehensive income	-	-	-	-	(32,898)	(32,898)
Realised gain from sale of investments measured at fair value through other comprehensive income transferred to profit or loss	-	-	-	5,048	-	5,048
<b>Balance as at 31 December 2020</b>	<b>389,267</b>	<b>10,066,331</b>	<b>50,000</b>	<b>2,046,076</b>	<b>(28,189)</b>	<b>12,523,485</b>



	Consolidated financial statements		Separate financial statements	
	2020	2019	2020	2019
Notes	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
<b>Cash flows from operating activities</b>				
Direct premium received	5,540,022	5,547,714	-	-
Cash received (paid) to reinsurance	(622,169)	224,595	-	-
Interest income	101,166	38,165	57,572	4,995
Dividend income	450,474	581,469	450,458	570,744
Other income	65,313	32,099	6	10,209
Loss incurred from direct insurance	(3,410,586)	(3,067,333)	-	-
Commission and brokerage paid from direct insurance	(838,300)	(740,428)	-	-
Other underwriting expenses	(766,695)	(778,130)	-	-
Operating expenses	(642,526)	(799,284)	(36,547)	(66,035)
Income tax expense	(7,362)	(72,215)	-	(1,651)
Cash received from investments in securities	16,022,440	1,546,839	11,448,829	12,609
Cash paid for investments in securities	(17,432,156)	-	(10,492,474)	(748,800)
Cash received from Deposits at bank with maturity over 3 months and deposits used as collateral	(236,301)	(12,319)	-	(170,189)
Cash paid for Deposits at bank with maturity over 3 months and deposits used as collateral	572,527	-	83,877	-
Loans	14	15	-	-
<b>Net cash flow provided by (used in) operating activities</b>	<b>(1,204,139)</b>	<b>2,501,187</b>	<b>1,511,721</b>	<b>(388,118)</b>
<b>Cash flows from investing activities</b>				
<u>Cash flows provided</u>				
Cash provided by investing activities	703	4,053	8	3,419
<u>Cash flows used</u>				
Paid for purchase entire business transfer	-	(848,800)	-	-
Property, plant and equipment	(24,641)	(8,287)	-	(17)
Intangible assets	(20,063)	(2,670)	(6,703)	-
<b>Net cash flow provided by (used in) investing activities</b>	<b>(44,001)</b>	<b>(855,704)</b>	<b>(6,695)</b>	<b>3,402</b>
<b>Cash flows from financing activities</b>				
Increase capital	162,842	751,712	162,842	751,712
Cash paid for principal elements of lease payments	(24,563)	-	(1,324)	-
Cash paid for interest elements of lease payments	(4,777)	-	(125)	-
Dividend paid	30 (580,673)	(288,683)	(580,673)	(288,683)
<b>Net cash flow provided by (used in) financing activities</b>	<b>(447,171)</b>	<b>463,029</b>	<b>(419,280)</b>	<b>463,029</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,695,311)</b>	<b>2,108,512</b>	<b>1,085,746</b>	<b>78,313</b>
Cash and cash equivalents as at 1 January	4,497,250	1,341,340	179,669	101,356
Cash received from the entire business transfer	-	1,047,398	-	-
Cash and cash equivalents as at 31 December	2,801,939	4,497,250	1,265,415	179,669
<u>Less</u> Allowance for expected credit loss	(593)	-	(29)	-
<b>Cash and cash equivalents, net as at 31 December</b>	<b>8 2,801,346</b>	<b>4,497,250</b>	<b>1,265,386</b>	<b>179,669</b>
<b>Non-cash transactions</b>				
Payable from purchase of securities	-	992,853	-	-
Payable from purchasing property, plant and equipment	-	1,968	-	1,968

## **1 General information**

Allianz Ayudhya Capital Public Company Limited (formerly “Sri Ayudhya Capital Public Company Limited”) (the “Company”) is a public limited company which listed on The Stock Exchange of Thailand. The Company is incorporated and domiciled in Thailand. The address of the Company’s registered office is as follows: Ploenchit Tower, 7<sup>th</sup> floor, 898 Ploenchit Road, Lumpini, Pathumwan, Bangkok.

The principal business operations of the Company are an investment holding company.

The Company has a subsidiary company, Allianz Ayudhya General Insurance Public Company Limited (formerly “Sri Ayudhya General Insurance Public Company Limited”), which operates non-life insurance business, holding by 99.99%.

The Company and its subsidiary are subsequently referred as “the Group”.

The consolidated and separate financial statements are presented in Thai Baht and rounded to the nearest thousand, unless otherwise stated.

The consolidated and separate financial statements were authorised for issue by the board of directors on 25 February 2021.

## **2 Significant events during the current period**

After the outbreak of Coronavirus Disease 2019 (“COVID-19 outbreak”) in early 2020, it has resulted in the effects on the operating results for the year ended 31 December 2020 as follows:

The Group can continue the business as usual. There was only Phuket branch which had been temporarily closed from March to April 2020 according to the lockdown policy of the province, The Group has activated its Business Continuity Plan with introduction of digital sales tools and implemented work from home. 80%-90% of staff have been working from home to ensure continuity of operation. Furthermore, an internal COVID taskforce established and included key members of the management to immediately handle matters related to COVID-19.

### 3 Accounting policies

The principal accounting policies applied in the preparation of financial statements are set out below:

#### 3.1 Basis of preparation of financial statements

The consolidated and separate financial statements have been prepared in accordance with Thai Financial Reporting Standards (“TFRS”) and the financial reporting requirements of the Securities and Exchange Commission under the Securities and Exchange Act. In addition, the financial statements presentation is based on the formats of non-life insurance financial statements attached in an Office of Insurance Commission’s Notification “Principle, methodology, condition and timing for preparation, submission and reporting of financial statements and operation performance for non-life insurance company (No.2) B.E. 2562” dated on 4 April 2019 (‘OIC Notification’).

These consolidated financial statements include the financial statements of Allianz Ayudhya Capital Public Company Limited and Allianz Ayudhya General Insurance Public Company Limited which 99.99% owned by the Company. Significant transactions for the year ended 31 December 2020 and balances between the Company and the subsidiary have been eliminated.

For consolidated financial statements preparation, the accounting period and significant accounting policies used for the financial statements of the subsidiary is the same as those of the Company.

The consolidated and separate financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 5.

An English version of the consolidated and separate financial statements have been prepared from the statutory financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language statutory financial statements shall prevail.

### 3 Accounting policies (Cont'd)

#### 3.2 New financial reporting standards, amended financial reporting standards, and related interpretations that are relevant and have significant impacts to the Group

##### 3.2.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and have significant impacts to the Group

###### a) Financial instruments

The new financial standards related to financial instruments are as follows:

TAS 32	Financial instruments: Presentation
TFRS 7	Financial instruments: Disclosures
TFRS 9	Financial instruments
TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments
The Accounting Guidance	Financial instruments and disclosures for insurance companies' accounting guidance

The new financial reporting standards related to financial instruments and the Accounting Guidance introduce new classification and measurement requirements for financial instruments as well as provide derecognition guidance on financial assets and financial liabilities. The new guidance also provides an option for the Group to apply hedge accounting to reduce accounting mismatch between hedged item and hedging instrument. In addition, the new rule provides detailed guidance on financial instruments issued by the Group whether it is a liability or an equity. Among other things, they require extensive disclosure on financial instruments and related risks. The classification affects the financial assets' measurement. The new guidance requires assessment of impairment of financial assets as well as contract assets and recognition of expected credit loss from initial recognition.

TFRS 9 Financial instruments determined that the new classification requirements of financial assets require the Group to assess both i) business model for holding the financial assets; and ii) cash flow characteristics of the asset whether the contractual cash flows represent solely payments of principal and interest (SPPI).

### 3 Accounting policies (Cont'd)

#### 3.2 New financial reporting standards, amended financial reporting standards, and related interpretations that are relevant and have significant impacts to the Group (Cont'd)

##### 3.2.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and have significant impacts to the Group (Cont'd)

###### a) Financial instruments (Cont'd)

For assessment of impact if the Company applied TFRS 9 – Financial Instruments, financial assets of the Group are separated into (i) financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI) in accordance with TFRS 9 and are not held for trading or managed on fair value basis and (ii) all financial assets other than those specified in (i).

The following table shows the fair value and change in fair value of these two groups of financial assets:

	<b>Consolidated financial statements</b>	
	<b>2020</b>	
	<b>Fair value</b>	<b>Change in</b>
	<b>Thousand Baht</b>	<b>Fair value</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>Financial assets</b>		
Financial assets only give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates except for financial assets for trading as defined by TFRS9 (when announced) or financial assets managed by the Company and performance evaluated on a fair value basis	8,901,000	(17,688)
Cash flows that are not solely payments of principal and interest on the principal amount outstanding on specified dates	240	200
Financial assets defined as held-for-sell	-	-
Financial assets which the performance is evaluated based on fair value.	24,792	6,082
Other financial assets	1,359,315	(1,143)

As of 31 December 2020, other financial assets qualifying as SPPI includes debt securities, other receivables, accrued investment income and cash and cash equivalents whereas the remaining includes equity securities.

Certain financial assets included within the financial statements, including amount due from reinsurance and premium receivables amounting to Baht 994.89 million are not included above.

On 1 January 2020, the Group has adopted the financial reporting standards related to financial instruments in its financial statements. The impact from the first-time adoption has been disclosed in Note 4.

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### 3 Accounting policies (Cont'd)

#### 3.2 New financial reporting standards, amended financial reporting standards, and related interpretations that are relevant and have significant impacts to the Group (Cont'd)

##### 3.2.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and have significant impacts to the Group (Cont'd)

###### b) TFRS 16, Leases

Where the Group is a lessee, TFRS 16, *Leases* will result in almost all leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. A right-of-use asset and a lease liability will be recognised, with exception on short-term and low-value leases.

On 1 January 2020, the Group has adopted the new lease standard in its financial statements. The impact from the first-time adoption has been disclosed in Note 4.

- c) **Amendment to TAS 12**, Income tax clarified that the income tax consequences of dividends of financial instruments classified as equity should be recognised according to where the past transactions or events that generated distributable profits were recognised.
- d) **Amendment to TAS 19**, Employee benefits (plan amendment, curtailment or settlement) - clarified accounting for defined benefit plan amendments, curtailments and settlements that the updated assumptions on the date of change are applied to determine current service cost and net interest for the remainder of the reporting period after the plan amendment, curtailment or settlement.
- e) **Amendment to TAS 23**, Borrowing costs clarified that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.
- f) **Amendment to TAS 28**, Investments in associates and joint ventures (long-term interests in associates and joint ventures) clarified the accounting for long-term interests in an associate or joint venture, which is in substance form part of the net investment in the associate or joint venture, but to which equity accounting is not applied. The Group must account for such interests under TFRS 9, Financial instruments before applying the loss allocation and impairment requirements in TAS 28, Investments in associates and joint ventures.
- g) **Amendment to TFRS 3**, Business combinations clarified that obtaining control of a business that is a joint operation is a business combination achieved in stages. The previously held interest is therefore re-measured.
- h) **Amendment to TFRS 11**, Joint arrangements clarified that the party obtaining joint control of a business that is a joint operation should not remeasure its previously held interest in the joint operation.

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### 3 Accounting policies (Cont'd)

#### 3.2 New financial reporting standards, amended financial reporting standards, and related interpretations that are relevant and have significant impacts to the Group (Cont'd)

##### 3.2.1 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2020 and have significant impacts to the Group (Cont'd)

- i) **TFRIC 23**, Uncertainty over income tax treatments explained how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment. In particular, it discusses:
- that the Group should assume a tax authority will examine the uncertain tax treatments and have full knowledge of all related information, i.e. that detection risk should be ignored.
  - that the Group should reflect the effect of the uncertainty in its income tax accounting when it is not probable that the tax authorities will accept the treatment.
  - that the judgements and estimates made must be reassessed whenever circumstances have changed or there is new information that affects the judgements.

##### 3.2.2 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2021 and have significant impacts to the Group

Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Group.

- a) Revised Conceptual Framework for Financial Reporting added the following key principals and guidance:
- Measurement basis, including factors in considering difference measurement basis
  - Presentation and disclosure, including classification of income and expenses in other comprehensive income
  - Definition of a reporting entity, which maybe a legal entity, or a portion of an entity
  - Derecognition of assets and liabilities

The amendment also includes the revision to the definition of an asset and liability in the financial statements, assets and liabilities recognition basis and clarification to the prominence of stewardship of Group's economic resources, prudence and uncertainty of the measurement in the objective of financial reporting.

- b) Amendment to TFRS 3, Business combinations amended the definition of a business which requires an acquisition to include an input and a substantive process that together significantly contribute to the ability to create outputs. The definition of the term 'outputs' is amended to focus on goods and services provided to customers and to exclude returns in the form of lower costs and other economic benefits.
- c) Amendment to TFRS 9, Financial instruments and TFRS 7, Financial instruments: disclosures amended to provide relief from applying specific hedge accounting requirements to the uncertainty arising from interest rate benchmark reform such as IBOR. The amendment also requires disclosure of hedging relationships directly affected by the uncertainty.

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### 3 Accounting policies (Cont'd)

#### 3.2 New financial reporting standards, amended financial reporting standards, and related interpretations that are relevant and have significant impacts to the Group (Cont'd)

##### 3.2.2 New and amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2021 and have significant impacts to the Group (Cont'd)

- d) Amendment to TAS 1, Presentation of financial statements and TAS 8, Accounting policies, changes in accounting estimates and errors amended to definition of materiality. The amendment allows for a consistent definition of materiality throughout the Thai Financial Reporting Standards and the Conceptual Framework for Financial Reporting. It also clarified when information is material and incorporates some of the guidance in TAS 1 about immaterial information.
- e) Amendment to TFRS 16, Leases amended to provide a practical expedient where lessees are exempted from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the COVID-19 pandemic are lease modifications. It applies to rent concessions that reduce lease payments due from 1 June 2020 to 30 June 2021. The amendment is effective for the annual accounting period beginning on or after 1 June 2020 where early application is permitted.

The Group has chosen not to early apply the exemption for the current reporting period.

The Group's management is currently assessing the impacts from these standards.

##### 3.2.3 Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 and have significant impacts to the Group

- a) Certain amended financial reporting standards have been issued that are not mandatory for current reporting period and have not been early adopted by the Group.

**Amendment to TFRS 16, Leases** amended to include a practical expedient for leases that are modified as a direct consequence of IBOR reform (e.g. replacement of THBFIX as a benchmark interest rate due to the cancellation of LIBOR) for lessee to remeasure the lease liability by discounting the revised lease payments using a discount rate that reflects the change in the interest rate. An early application of the amendment is permitted.

The Group has chosen not to early apply the exemption for the current reporting period.



### 3 Accounting policies (Cont'd)

#### 3.3 Principles of consolidation accounting

##### a) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group until the date that control ceases. In the separate financial statements, investments in subsidiaries are accounted for using cost method.

##### b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting. In the separate financial statements, investments in associates are accounted for using cost method.

##### c) Equity method

The investment is initially recognised at cost which is consideration paid and directly attributable costs. The Group's subsequently recognises shares of its associates' profits or losses and other comprehensive income in the profit or loss and other comprehensive income, respectively. The subsequent cumulative movements are adjusted against the carrying amount of the investment.

When the Group's share of losses in associates equals or exceeds its interest in the associates, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associates.

##### d) Intercompany transactions on consolidation

Intra-group transactions, balances and unrealised gains on transactions are eliminated. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated in the same manner unless the transaction provides evidence of an impairment of the asset transferred.

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### 3 Accounting policies (Cont'd)

#### 3.4 Insurance contract classification

The Group has classified its contracts written as either insurance contracts or investment contracts, depending on the level of insurance risk.

An insurance contract is a contract under which the Group (the insurer) accepts 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. Once a contract is classified as an insurance contract, it remains classified as an insurance contract until all rights and obligations are extinguished or expired.

However, the contract that has financial risk to the Group but has no insurance risk is not classified as insurance contract.

Short term insurance contracts are insurance contract which the term of contract is less than 1 year.

Long term insurance contracts are insurance contract which the term of contract is more than 1 year or less than 1 year or equal to 1 year which have automatic approve of renewal which the Group cannot terminate and cannot increase or decrease of premium including of change in other benefit throughout the contract term.

#### 3.5 Foreign currency transactions

##### a) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Group's functional and presentation currency.

##### b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or revaluation where items are re-measured at the statement of financial position date to Thai Baht.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

**3 Accounting policies (Cont'd)****3.6 Cash and cash equivalents**

Cash and cash equivalents include cash on hand and all types of deposits with banks including investment in securities-notes with original maturity within 3 months or less and not subject to withdrawal restrictions.

**3.7 Premium due and uncollected and allowance for doubtful debt**

Premium receivable are carried at its net realisable value. The Group sets up an allowance for doubtful accounts based on the estimated loss that may be incurred in collection of the premium due, on the basis of collection experience and a review of current status of the premium due as at the Statement of Financial Position date. Bad debts are written off during the year in which they are identified.

**3.8 Reinsurance assets**

Reinsurance assets are stated at insurance reserve refundable from reinsurers.

Insurance reserve refundable from reinsurers is estimated based on the related reinsurance contract of premium reserve and loss reserve and outstanding claims.

**3.9 Due to and due from reinsurers**

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

Amounts due from reinsurers consist of accrued commission and brokerage income, claims and various other items receivable from reinsurers less allowance for doubtful accounts. The Group records allowance for doubtful accounts for the estimated losses 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 the year.

- (b) Amounts due to reinsurers are stated at the outstanding balance payable from reinsurance and amounts withheld on reinsurance.

Amounts due to reinsurers consist of reinsurance premiums and other items payable to reinsurers, excluding claims.

### 3 Accounting policies (Cont'd)

#### 3.10 Financial asset

##### a) Classification

###### Separate financial statements for the year ended 31 December 2020

From 1 January 2020, the Company classifies its debt instrument financial assets in the following measurement categories depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

For investments in equity instruments, the Company has an irrevocable election at the time of initial recognition to account for the equity investment at fair value through profit or loss (FVPL) or at fair value through other comprehensive income (FVOCI) except those that are held for trading, they are measured at FVPL.

###### Consolidated financial statements for the year ended 31 December 2020

From 1 January 2020, the Group classifies its financial assets depending on the purpose of investment as follows:

- Investments measured at fair value through profit or loss
- Investments measured at fair value through other comprehensive income
- Investments measured at amortised cost
- Investments designated at fair value through profit or loss

On the adoption of the financial reporting standards related to financial instruments (TAS 32 and the Accounting Guidance), there are certain investments in financial instruments with puttable features having a contractual obligation for the issuer to repurchase or redeem those instruments for cash or another financial asset on exercise of a put or financial instruments that impose on the issuer an obligation to deliver to another party a pro rata share of the net assets of the issuer only on a liquidation. These instruments have been reclassified from investment in equity securities to investment in debt securities.

##### b) Recognition and derecognition

Regular way purchases, acquisitions and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

### 3 Accounting policies (Cont'd)

#### 3.10 Financial asset (Cont'd)

##### c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

#### Separate financial statements for the year ended 31 December 2020

##### *Debt instruments*

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the financial assets. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in net investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- **FVOCI:** Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in other income. Impairment expenses are presented separately in the statement of comprehensive income.
- **FVPL:** Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

##### *Equity instruments*

The Company measures all equity investments at fair value. Where the Company has elected to present fair value gains and losses on equity instruments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as dividend income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of comprehensive income.

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

### 3 Accounting policies (Cont'd)

#### 3.10 Financial asset (Cont'd)

##### c) Measurement (Cont'd)

###### Consolidated financial statements for the year ended 31 December 2020

###### *Debt instruments*

There are three measurement categories to classify the investments in securities:

- **Amortised cost:** Investments in securities that are held to maturity are measured at amortised cost. Interest income from these investments in securities is included in net investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- **FVOCI:** Investments in securities that are held i) for maturity; and ii) for selling are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the Investments in securities are derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income is included in net investment income. Impairment expenses are presented separately in the statement of comprehensive income.
- **FVPL:** Investments in securities that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss that is subsequently measured at FVPL is recognised in profit or loss and presented net within gains/(losses) from fair value in the period in which it arises.

###### *Equity instruments*

The Group measures all equity investments at fair value. Where the Group has elected to present fair value gains and losses on equity instruments in OCI, there is subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as net investment income when the right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in the statement of comprehensive income.

Impairment losses (and reversal of impairment losses) on equity investments are reported together with changes in fair value.

###### Consolidated and separate financial statements for the year ended 31 December 2020

The Group presents its investments in Property Fund unit trusts / Real Estate Investment Trust units / Infrastructure Fund units / Infrastructure Trust units (the trust) established and registered in Thailand as equity investments and measures them at FVOCI following the TFAC's clarification, "Interpretation of investments in Property Fund unit trusts, Real Estate Investment Trust units, Infrastructure Fund units, and Infrastructure Trust units established and registered in Thailand" dated 25 June 2020. The trust is required to distribute benefits of not less than 90% of its adjusted net profit.

### 3 Accounting policies (Cont'd)

#### 3.10 Financial asset (Cont'd)

##### d) Impairment

###### Consolidated and separate financial statements for the year ended 31 December 2020

From 1 January 2020, the Group assesses expected credit loss on a forward looking basis for its debt securities carried at fair value through other comprehensive income and at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Group always accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. In which, the three-stage expected credit loss impairment will be as the following stages:

- Stage 1 - from initial recognition of a financial assets to the date on which the credit risk of the asset has not increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months.
- Stage 2 - following a significant increase in credit risk relative to the initial recognition of the financial assets, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset.
- Stage 3 - When a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognised.

The expected credit loss will be recognised in profit or loss as a separate item.

###### Consolidated financial statements for the year ended 31 December 2020

In addition, the Group assesses the impairment of equity instruments and unit trusts measured at FVOCI by considering supporting factors that the Group might not recover the cost of investment in equity. The Group also consider for a significant or prolonged decline in the fair value of an investment in equity instruments below its cost or net book value of the entity that the Group held the investment. The Group will immediately recognise impairment for equity instruments and unit trust which carried at fair value through other comprehensive income in profit or loss if there is existence of objective evidence that lead the instruments to be devalued.

###### Consolidated and separate financial statements for the year ended 31 December 2019

###### *Investments in debt and equity securities*

Investments other than investments in subsidiaries, associates and joint ventures are initially recognised at fair value of consideration paid plus direct transaction cost.

###### *Available-for-sale investments*

Available-for-sale investments are subsequently measured at fair value. The unrealised gains and losses of available for sale investments are recognised in other comprehensive income and are subsequently reclassified to profit or loss when the investment is disposed.

###### *Held-to-maturity investments*

Held-to-maturity investments are carried at amortised cost using the effective interest method less impairment.

### 3 Accounting policies (Cont'd)

#### 3.10 Financial asset (Cont'd)

##### d) Impairment (Cont'd)

Consolidated and separate financial statements for the year ended 31 December 2019 (Cont'd)

##### *General investments*

General investments are carried at cost less impairment

##### *Disposal of investments*

On a disposal of an investment, the difference between the net disposal proceeds and the carrying amount (including cumulative changes in fair value recognised in equity) is recognised to the profit or loss. When the Group disposes an investment partially, the carrying amount of the disposed part is determined by the weighted average method.

#### 3.11 Loans

Loans are stated at their principal amount less allowance for doubtful accounts, if any. The Group estimates the allowance for doubtful accounts based on an analysis of payment histories, future expectation of each customer payments and the valuation of the assets pledged.

#### 3.12 Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment, if any.

The cost of property, plant and equipment comprises its purchase price, import duties and non-refundable purchase taxes (after deducting trade discounts and rebates) and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. These can include the initial estimate of costs of dismantling and removing the items, and restoring the site on which it is located, the obligation for which a Group incurs either when the item is acquired or as a consequence of having used the item during a particular the year.

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Land is not depreciated. Depreciation is calculated based on the depreciable amount of plant and equipment, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of assets or each component of an item of assets. The estimated useful lives are as follows: estimated useful lives, as follows:

Building	5 years
Leasehold improvement	5 - 10 years
Office equipment, furniture and fixtures	5 years
Vehicles	5 years
Computer equipment	5 years



### 3 Accounting policies (Cont'd)

#### 3.12 Property, plant and equipment (Cont'd)

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

The asset's carrying amount is written-down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other gains and losses in the statements of comprehensive income.

#### 3.13 Business combinations and goodwill

The Group recognises the business combinations by using the acquisition method. The Group (acquirer) measures the cost of the acquisition by using the fair value at the acquisition date of consideration transferred.

The Group recognises the acquisition-related cost as expenses in the periods of which the costs are incurred and the services are received. The measurement of goodwill at initial recognition is measured at the fair value of the acquisition less the net recognised amount (fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date.

Subsequent to the initial recognition, goodwill is measured at cost less allowance for impairment. The Group assesses an impairment of goodwill annually, without consideration of indication that such goodwill may be impaired.

#### 3.14 Intangible assets

Intangible assets with definite useful life are stated at cost less accumulated amortisation and impairment losses (if any).

Amortisation is charged to the statement of profit or loss and other comprehensive income on a straight-line basis from the date that intangible assets are available for use over the estimated useful lives of the assets. The estimated useful lives are as follows:

Computer software	5 - 10 years
Bancassurance agreement	10 years

Intangible assets with definite useful lives are tested for impairment when there is an indicator that the asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually or when there is an indicator that the asset may be impaired.

#### 3.15 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

Where the reasons for previously recognised impairments no longer exist, the impairment losses on the assets concerned other than goodwill is reversed

### 3 Accounting policies (Cont'd)

#### 3.16 Leases

For the year ended 31 December 2020

##### **Leases - where the Group is the lessee**

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office equipment.

### 3 Accounting policies (Cont'd)

#### 3.16 Leases (Cont'd)

For the year ended 31 December 2019

##### Leases - where the Group is the lessee

Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

At the inception of finance lease, the lower of the fair value of the leased property and the present value of the minimum lease payments is capitalised. Each lease payment is allocated between the liability and finance charges to achieve a constant rate on the liabilities balance outstanding. The corresponding rental obligations is presented net of finance charges. Finance cost is charged to profit or loss over the lease period.

#### 3.17 Insurance liabilities

##### 3.17.1 Unearned premium reserve

Unearned premium reserve is set aside in compliance with the basis as specified in the Notification of the Office of Insurance Commission as follows:

Fire, Marine (Hull), Motor and Miscellaneous	- Monthly average basis (the one - twenty fourth basis)
Transportation (Cargo), travelling accident with coverage periods of not over six-months	- 100% of premiums as from the effective date of the inforce policies over the insurance coverage period

##### 3.17.2 Loss reserve and outstanding claims

Loss reserve and outstanding claims have been provided upon receipt of claim advices from the insured and recorded at the amount appraised by an independent appraiser or by the Group's appraiser. In addition, the Group records a provision for losses incurred but not yet reported (IBNR) which assessed by certified actuary.

##### 3.17.3 Unexpired risk reserve

Unexpired risks reserves are the best estimate of the claims that are expected be incurred during the remaining period of coverage of in-force policies, based on analysis of historical claims data by an actuary.

Unexpired risk reserves are only recognised in the financial statements to the extent that they exceed unearned premium reserves.

##### 3.17.4 Liability adequacy test

The liability of the Group under insurance contracts is tested for adequacy by comparing the best estimate of future contractual cash flows with the carrying amount of gross insurance contract provisions for unearned premiums and insurance claims. Provisions for insurance, claims are assessed based on the Group's experience and historical data which use actuarial methods. Where an expected shortfall is identified, additional provisions are made for unearned premiums or insurance claims and are recognised in profit or loss.

### 3 Accounting policies (Cont'd)

#### 3.18 Employee benefits

##### a) Provident fund

The Group has a provident fund which is contributory by the employee and the Group matching the individuals' contributions. The provident fund has been registered in accordance with the Provident Fund Act B.E. 2530 (1987). The Group's contribution to the Fund is recorded as expense for the year.

##### b) Employee benefit obligations

The Group provides for employee benefit obligations, payable to employees under the Thai Labor Protection Act. The liability in respect of employee benefits is the present value of the defined benefit obligation which is calculated by an actuary using the projected unit credit method. The present value of the defined benefits obligation is determined by discounting estimated future cash flows using yields on the government bonds which have terms to maturity approximating the terms of related liability. The estimated future cash flows shall reflect employee salaries, turnover rate, length of service and other factor. Actuarial gains or losses will be recognized in the statement of profit or loss and other comprehensive income in the period to which they are related. The costs associated with providing these benefits are charged to the statement of profit or loss and other comprehensive income so as to spread the cost over the employment period during which the entitlement to benefits is earned.

Past service cost related to the plan amendment is recognized as an expense in the statement of profit or loss and other comprehensive income when the plan amendment is effective.

#### 3.19 Share-based compensation

Allianz SE which is one of the parent companies of the Group, launched share-based compensation plans for the Group's employee, under which the Group receives services from the employees, as consideration for the shares of Allianz SE. The condition of the plans is set by Allianz SE.

The fair value of the employee services received in exchange for the grant of shares or share options is recognized as an expense over the vesting period. The obligation from share-based payment is presented under "Employee benefits obligation" on the statement of financial position.

#### 3.20 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

#### 3.21 Share capital

Ordinary shares and premium on ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options (net of tax) are shown as a deduction in equity.

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### 3 Accounting policies (Cont'd)

#### 3.22 Recognition of revenues and expenses

##### 3.22.1 Premium written

For insurance policies with coverage period for one year, premium income is recognised on the date the insurance policy is effective after deducting premium ceded and premium cancelled and refunded. For long-term insurance policies which coverage periods is longer than one year, related revenues and expenses are recorded as unearned and prepaid items which recognised as income and expenses over the coverage annual.

##### 3.22.2 Reinsurance premium

Reinsurance premium income is recognised when the Group receives the reinsurance application or statement of accounts from the ceding company. Reinsurance profit commissions are recognised when the subsidiary receives the statement of accounts from the reinsurers.

##### 3.22.3 Commission and brokerage income

Commission and brokerage income are recognised as income on an accrual basis.

##### 3.22.4 Interest and dividend income

Interest income is recognised as income on an accrual basis. Dividend income are recognised as income on the declaration date.

##### 3.22.5 Claim and loss adjustment expenses

Claim and loss adjustment expenses consist of claim and loss adjustment expenses of direct insurance and reinsurance of both reported claims and not reported claims, and are stated at the amounts of the claims, related expenses, and claim adjustments of the current and prior period incurred during the year, less residual value and other recoveries (if any), and claim recovery from reinsurers.

Claim and loss adjustment expenses of direct insurance are recognised upon the receipt of the claims advice from the insured, based on the claims notified by the insured and estimates made by the Group's management. The maximum value of claims 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 Group.

##### 3.22.6 Claim recovery from reinsurers

Claim recovery from reinsurers is recognised when claim and loss adjustment expenses are recorded. They are estimated as proportion and condition relevant to reinsurance contracts. The Group presents the claim recoverable amount as a deduction from gross claims.

##### 3.22.7 Commissions and brokerages and other expenses

Commissions and brokerages and other expenses are recognised as expenses on an accrual basis.

### 3 Accounting policies (Cont'd)

#### 3.23 Related parties

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Company, including holding companies, subsidiaries and fellow subsidiaries are related parties of the Company. Associates and individuals owning, directly or indirectly, an interest in the voting power of the Company that gives them significant influence over the enterprise, key management personnel, including directors and officers of the Company and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

#### 3.24 Income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

##### *Current tax*

The current income tax is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### *Deferred income tax*

Deferred income tax is recognised on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. However, deferred income tax is not recognised for temporary differences arise from:

- initial recognition of an asset or liability in a transaction other than a business combination that affects neither accounting nor taxable profit or loss is not recognised
- investments in subsidiaries, associates and joint arrangements where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is measured using tax rates of the period in which temporary difference is expected to be reversed, based on tax rates and laws that have been enacted or substantially enacted by the end of the reporting period.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 3 Accounting policies (Cont'd)

#### 3.25 Earnings per share

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

Diluted earnings per share is calculated by dividing profit for the year attributable to equity holders of the Group (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that such conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

### 4 Impacts from initial application of the new and revised financial reporting standards

On 1 January 2020, the Group met criteria of temporary exemption from TFRS 9, Financial Instruments and TFRS 7, Financial Instruments: Disclosures under TFRS 4 (revised 2018), Insurance Contracts. The Group is eligible to apply the 'financial instruments and disclosures for insurance companies' accounting guidelines' ('The Accounting Guidance) in consolidated financial statements as the Group has not previously applied TFRS 9, Financial Instrument and the Group's activities are predominantly connected with insurance business. Insurance liabilities under TFRS 4 (revised 2018) Insurance Contracts as at 1 January 2018 is greater than 90% of total liabilities. Impact from the adoption of this financial reporting standard is explained in this note.

On 30 April 2019, the Group purchased and accepted the entire business transfer of Allianz General Insurance Public Company Limited. The Group reassesses the criteria of temporary exemption from TFRS 9, Financial Instruments and TFRS 7, Financial Instruments: Disclosures under TFRS 4 (revised 2018), Insurance Contracts. The Group still meets the criteria of temporary exemption from financial reporting standards related to financial instruments. Insurance liabilities under TFRS 4 (revised 2018) Insurance Contracts as at 31 December 2019 were greater than 80% but not less than 90% of total liabilities and the Group does not have any other predominant non-insurance activities.

However, the Company does not meet criteria of temporary exemption from TFRS 9, Financial Instruments and TFRS 7, Financial Instruments: Disclosures, so the Company has adopted financial reporting standards relating to financial instruments (TFRS 7 and TFRS 9) in the separate financial statements and has different reporting level from the Group's consolidated financial statements.

The Group has adopted financial reporting standards relating to financial instruments (TAS 32) and leases standard (TFRS 16) in consolidated and separate financial statements.

The Group has adopted new financial reporting standards retrospectively from 1 January 2020 but has not restated comparatives for the 2019 reporting period, as permitted in the standards. The reclassifications and adjustments arising from the new requirements were therefore recognised in the opening statement of financial position on 1 January 2020.

**4 Impacts from initial application of the new and revised financial reporting standards (Cont'd)**

The adjustments made to the amounts recognised in each line item in the statement of financial position upon adoption of the financial reporting standards relate to financial instruments (TAS 32 and The Accounting Guidance) and leases standard (TFRS 16) in consolidated financial statements are as follows.

Consolidated financial statements				
Notes	As at 31 December 2019 Previously reported Thousand Baht	TAS 32 and The Accounting Guidance Adjustments and reclassifications Thousand Baht	TFRS 16 Adjustments and reclassifications Thousand Baht	As at 1 January 2020 Restated Thousand Baht
<b>Assets</b>				
	A	4,497,250	(932)	4,496,318
Cash and cash equivalents				
Available-for-sale investments	B	6,616,034	(6,616,034)	-
Held-to-maturity investments	B	716,362	(716,362)	-
General investments	B	20,066	(20,066)	-
Investments measured at fair value through other comprehensive income	B	-	6,700,210	6,700,210
Investments measured at amortised cost	A, B	-	716,324	716,324
Deferred income tax	A, B	328,450	(12,628)	315,822
Investment in an associate	A, B	10,715,018	347,216	11,062,234
Property, Plant and Equipment	C	49,292	-	48,490
Right-of-use assets	C	-	148,330	148,330
Other assets	C	186,673	-	182,658
<b>Total assets</b>		<b>23,129,145</b>	<b>397,728</b>	<b>23,670,386</b>
<b>Liabilities and equity</b>				
<b>Liabilities</b>				
Lease liabilities	C	-	143,513	143,513
<b>Total liabilities</b>		<b>-</b>	<b>143,513</b>	<b>143,513</b>
<b>Equity</b>				
Retained earnings	A	3,076,794	(1,089)	3,075,705
Unrealised gain (loss) on changes in value of investments measured at fair value through other comprehensive income	A, B	(113,644)	51,601	(62,043)
Share of other comprehensive income (loss) on investment in an associate	A, B	4,439,431	347,216	4,786,647
<b>Total Equity</b>		<b>7,402,581</b>	<b>397,728</b>	<b>7,800,309</b>
<b>Total liabilities and equity</b>		<b>7,402,581</b>	<b>397,728</b>	<b>7,943,822</b>

**Note:**

- A) Adjustments on impairment of financial assets (Note 4.1)  
 B) Impacts from changes in classification and measurement of financial assets (Note 4.1)  
 C) Recognition of right-of-use assets and lease liabilities under TFRS 16 (Note 4.2)



#### 4 Impacts from initial application of the new and revised financial reporting standards (Cont'd)

The adjustments made to the amounts recognised in each line item in the statement of financial position upon adoption of the financial reporting standards relate to financial instruments (TAS 32 and TFRS 9) and leases standard (TFRS 16) in separate financial statements are as follows.

	Notes	Separate financial statements			As at 1 January 2020 Restated Thousand Baht
		As at 31 December 2019 Previously reported Thousand Baht	TAS 32 and TFRS 9 Adjustments and reclassifications Thousand Baht	TFRS 16 Adjustments and reclassifications Thousand Baht	
<b>Assets</b>					
Cash and cash equivalents	A	179,669	(40)	-	179,629
Available-for-sale investments	B	4,073,550	(4,073,550)	-	-
Held-to-maturity investments	B	226,928	(226,928)	-	-
General investments	B	17,998	(17,998)	-	-
Investments measured at fair value through profit and loss	B	-	2,979,485	-	2,979,485
Investments measured at fair value through other comprehensive income	B	-	1,112,063	-	1,112,063
Investments measured at amortised cost	A, B	-	226,916	-	226,916
Deferred income tax	A, B	26,644	10	-	26,654
Right-of-use assets	C	-	-	17,508	17,508
<b>Total assets</b>		<b>4,524,789</b>	<b>(42)</b>	<b>17,508</b>	<b>4,542,255</b>
<b>Liabilities and equity</b>					
<b>Liabilities</b>					
Lease liabilities	C	-	-	17,508	17,508
<b>Total liabilities</b>		<b>-</b>	<b>-</b>	<b>17,508</b>	<b>17,508</b>
<b>Equity</b>					
Retained earnings - unappropriated	A	2,320,224	(123,741)	-	2,196,483
Unrealised gain (loss) on changes in value of investments measured at fair value through other comprehensive income	A, B	(118,990)	123,699	-	4,709
<b>Total Equity</b>		<b>2,201,234</b>	<b>(42)</b>	<b>-</b>	<b>2,201,192</b>
<b>Total liabilities and equity</b>		<b>2,201,234</b>	<b>(42)</b>	<b>17,508</b>	<b>2,218,700</b>

**Note:**

- A) Adjustments on impairment of financial assets (Note 4.1)
- B) Impacts from changes in classification and measurement of financial assets (Note 4.1)
- C) Recognition of right-of-use assets and lease liabilities under TFRS 16 (Note 4.2)

**4 Impacts from initial application of the new and revised financial reporting standards (Cont'd)****4.1 Financial instruments**Accounting Guidance (Consolidated financial statements)

The total impact on the Group's retained earnings as of 1 January 2020 are as follows:

	<b>Consolidated financial statements</b>
	<b>Thousand Baht</b>
Unappropriated retained earnings as of 31 December 2019 (as previously reported)	3,076,794
Adjustment in relation to expected credit losses	(1,362)
Increase in deferred tax assets / deferred tax liabilities related to the above adjustments	<u>273</u>
Unappropriated retained earnings as of 1 January 2020 after reflecting TAS 32 and the Accounting Guidance adoption	<u>3,075,705</u>

The impact of these changes on the Group's equity as of 1 January 2020 are as follows:

	<b>Consolidated financial statements</b>		
	<b>Unrealised gains (losses) on changes in fair value of investments Thousand Baht</b>	<b>Share of other comprehensive income (loss) of an associate Thousand Baht</b>	<b>Effect on retained earnings Thousand Baht</b>
<b>Balance as of 31 December 2019 (Previously reported)</b>	(113,644)	4,439,431	3,076,794
Reclassification of equity investments from available-for-sale to FVOCI	-	-	-
Reclassification of debt investments from available-for-sale to FVOCI	-	-	-
Reclassification general investments to FVOCI	51,287	338,986	-
Adjustment in relation to expected credit losses	314	8,230	(1,089)
<b>Opening balance as of 1 January 2020 - TAS 32 and the Accounting Guidance adoption</b>	<u>(62,043)</u>	<u>4,786,647</u>	<u>3,075,705</u>

#### 4 Impacts from initial application of the new and revised financial reporting standards (Cont'd)

##### 4.1 Financial instruments (Cont'd)

###### Accounting Guidance (Consolidate financial statements) (Cont'd)

On 1 January 2020, the management has assessed and reclassified its financial instruments as follows:

	Consolidated financial statements					
	Cash and cash equivalents Thousand Baht	Available-for-sale securities Thousand Baht	General investments Thousand Baht	Held-to-maturity securities Thousand Baht	Investments measured at FVOCI Thousand Baht	Investments measured at Amortised cost (AMC) Thousand Baht
<b>Financial assets</b>						
<b>Balance as at 31 December 2019 (Previously reported)</b>	4,497,250	6,616,034	20,066	716,362	-	-
Reclassify equity investments from available-for-sale to FVOCI	-	(521,361)	-	-	521,361	-
Reclassify debt investments from available-for-sale to FVOCI	-	(6,094,673)	-	-	6,094,673	-
Reclassify general investments to FVOCI	-	-	(20,066)	-	84,176	-
Reclassify investments from held-to-maturity to amortised cost	-	-	-	(716,362)	-	716,362
Recognition of an allowance for expected credit losses	(932)	-	-	-	-	(38)
<b>Opening balance 1 January 2020 - TAS 32 and the Accounting Guidance adoption</b>	<b>4,496,318</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,700,210</b>	<b>716,324</b>

## 4 Impacts from initial application of the new and revised financial reporting standards (Cont'd)

### 4.1 Financial instruments (Cont'd)

#### Accounting Guidance (Consolidated financial statements) (Cont'd)

The adoption of the new financial reporting standards on financial instruments mainly affects the Group's accounting treatment as follows:

i) Impairment of financial assets

The new requirements on the impairment losses of debt instruments classified as available-for-sale investments will lead to expected credit losses having to be considered and recognised at the initial recognition and subsequent period. The Group accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. As of 1 January 2020, the Group recognised impairment losses for deposits with bank and financial institution of Baht 932,307 and investment in securities of Baht 429,730. The transition adjustment will be recognised as an adjustment to the opening balance of retained earnings.

ii) Reclassification from available-for-sale investments to investments measured at fair value through other comprehensive income (FVOCI)

As of 1 January 2020, the Group elected to present in OCI changes in the fair value of all its equity investments and debt instruments previously classified as available-for-sale based on investment objectives. As a result, the Group's assets with a fair value of Baht 6,616 million were reclassified from available-for-sale investments to investments measured at FVOCI and fair value loss, net of tax, of Baht 114 million were reclassified from Unrealised gains (losses) on changes in fair value of investments to the Remeasurements of investments measured at fair value through other comprehensive income.

iii) Reclassification from general investments to investments measured at fair value through other comprehensive income (FVOCI)

Currently, the Group has equity instruments measured at cost of Baht 20.06 million. These instruments will be reclassified and remeasured to fair value through other comprehensive income with a corresponding adjustment to other components of equity of Baht 51.29 million as of 1 January 2020.

iv) Reclassification from held-to-maturity investments to investments measured at amortised cost

Debenture and government bonds that would have previously been classified as held-to-maturity are now classified at amortised cost. The Group intends to hold the assets to maturity. There was no difference between the previous carrying amount and the revised carrying amount of the investments. However, the Group recognised an increase of Baht 0.03 million, net of tax, in the loss allowance for these assets in opening retaining earnings.

#### 4 Impacts from initial application of the new and revised financial reporting standards (Cont'd)

##### 4.1 Financial instruments (Cont'd)

Financial reporting standards relate to financial instruments (TAS 32 and TFRS 9) (Separate financial statements)

The total impact on the Company's unappropriated retained earnings as of 1 January 2020 are as follows:

	<b>Separate financial statements</b>
	<b>Thousand Baht</b>
Unappropriated retained earnings as of 31 December 2019 (as previously reported)	2,320,224
Increase in provision for debt investments at amortised cost	(53)
Increase in provision for debt investments at fair value through other comprehensive income (FVOCI)	(105)
Fair value adjustments on investments at fair value through profit or loss (FVPL)	(154,518)
Increase in deferred tax assets / deferred tax liabilities related to the above adjustments	30,935
Unappropriated retained earnings as of 1 January 2020 after reflecting TFRS9 adoption	2,196,483

The impact of these changes on the Company's equity as of 1 January 2020 are as follows:

	<b>Separate financial statement</b>	
	<b>Remeasurement of investments measured at fair value through other comprehensive income (FVOCI) Thousand Baht</b>	<b>Effect on retained earnings Thousand Baht</b>
<b>Balance as of 31 December 2019 (Previously reported)</b>	(118,990)	2,320,224
Reclassify investments from available-for-sale to FVPL	123,614	(123,614)
Adjustment in relation to expected credit losses	85	(127)
<b>Opening balance as of 1 January 2020 - TFRS9 adoption</b>	4,709	2,196,483

#### 4 Impacts from initial application of the new and revised financial reporting standards (Cont'd)

##### 4.1 Financial instruments (Cont'd)

Financial reporting standards relate to financial instruments (TAS 32 and TFRS 9) (Separate financial statements) (Cont'd)

On 1 January 2020, the management has assessed and reclassified its financial instruments as follows:

	Separated financial statements						
	Cash and cash equivalents	Available-for-sale securities	General investments	Held-to-maturity securities	FVPL	FVOCI	Amortised cost (AMC)
<b>Financial assets</b>							
<b>Balance as at 31 December 2019 (Previously reported)</b>	179,669	4,073,550	17,998	226,928	-	-	-
Impairment adjustments on financial assets	(40)	-	-	-	-	-	(12)
Reclassify equity investments from available-for-sale to FVOCI	-	(6,833)	-	-	-	6,833	-
Reclassify debt investments from available-for-sale to FVOCI	-	(1,087,232)	-	-	-	1,087,232	-
Reclassify general investments to FVOCI	-	-	(17,998)	-	-	17,998	-
Reclassify investments from available-for-sale to FVPL	-	(2,979,485)	-	-	2,979,485	-	-
Reclassify investments from held-to-maturity to amortised cost	-	-	-	(226,928)	-	-	226,928
<b>Opening balance 1 January 2020 - TFRS9 adoption</b>	<b>179,629</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,979,485</b>	<b>1,112,063</b>	<b>226,916</b>

## 4 Impacts from initial application of the new and revised financial reporting standards (Cont'd)

### 4.1 Financial instruments (Cont'd)

#### Financial reporting standards relate to financial instruments (TAS 32 and TFRS 9) (Separate financial statements) (Cont'd)

The adoption of the new financial reporting standards on financial instruments mainly affects the Company's accounting treatment as follows:

- a. Reclassification from available-for-sale debt instruments to financial assets measured at fair value through profit or loss (FVPL)

As of 1 January 2020, certain investments were reclassified from available-for-sale to financial assets at FVPL amounting to Baht 2,979 million. They did not meet the TFRS 9 criteria for classification at amortised cost, because their cash flows did not represent solely payments of principal and interest.

Related fair value loss, net of tax, of Baht 123 million were transferred from the AFS reserve to retained earnings on 1 January 2020.

- b. Reclassification from held-to-maturity investments to financial assets measured at amortised cost

Debentures and zero-coupon bonds that were previously classified as held-to maturity are now classified at amortised cost. The Company intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest (SPPI) on the principal amount outstanding. The allowance for impairment of investment will be recognised to the opening balance of retained earnings.

- c. Reclassification from available-for-sale debt instruments to financial assets measured at fair value through other comprehensive income (FVOCI)

As of 1 January, listed and unlisted bonds were reclassified from available-for-sale to FVOCI, as the Company's business model is achieved both by collecting contractual cash flows and selling of these assets. The contractual cash flows of these investments are solely principal and interest (SPPI). As a result, the Company's listed and unlisted bonds with a fair value of Baht 1 million were reclassified from available-for-sale financial assets to financial assets at FVOCI and fair value gains of Baht 3 million were reclassified from the AFS reserve to the FVOCI reserve.

- d. Reclassification from general investments to financial assets measured at fair value through other comprehensive income (FVOCI)

As of 1 January 2020, the Company had equity instruments measured at cost less allowance for impairment of Baht 18 million which were reclassified and remeasured to fair value through other comprehensive income.

## 4 Impacts from initial application of the new and revised financial reporting standards (Cont'd)

### 4.1 Financial instruments (Cont'd)

#### Financial reporting standards relate to financial instruments (TAS 32 and TFRS 9) (Separate financial statements) (Cont'd)

- e. Reclassification from available-for-sale equity investments to financial assets measured at fair value through other comprehensive income (FVOCI)

As of 1 January 2020, the Company elected to present in OCI changes in the fair value of all its equity investments previously classified as available-for-sale, because these investments are held as long-term strategic investments. As a result, the Company's assets with a fair value of Baht 6.8 million were reclassified from available-for-sale financial assets to financial assets at FVOCI and fair value loss, net of tax, of Baht 0.4 million were reclassified from AFS reserve to the FVOCI reserve on 1 January 2020.

- f. Impairment of financial assets

The Company has following financial assets that are subject to the expected credit loss model:

- cash and cash equivalents
- debt instruments carried at amortised cost; and
- debt instruments carried at FVOCI

The new requirements on the impairment losses of debt instruments will lead to expected credit losses having to be considered and recognised at the initial recognition and subsequent period. The Company accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. As of 1 January 2020, the Company recognised impairment losses for deposits with bank and financial institution of Baht 40,430 and investment in securities of Baht 117,549. The transition adjustment will be recognised as an adjustment to the opening balance of retained earnings.

### 4.2 Leases

On adoption of TFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of TAS 17 Leases for leases with lease terms more than 12 months. These liabilities on the date of TFRS 16 adoption were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate as of 1 January 2020. The weighted average the Group's incremental borrowing rate applied to the lease liabilities was 2.93%.

	<b>Consolidated financial statements Thousand Baht</b>	<b>Separate financial statements Thousand Baht</b>
Operating lease commitments disclosed as at 31 December 2019	26,183	966
Less: discounted using the lessee's incremental borrowing rate of at the date of initial application	(9,052)	(846)
Less: short-term leases recognised on a straight-line basis as expense	(195)	-
Add: adjustments as a result of a different treatment of extension and termination options	126,577	17,388
<b>Lease liability recognised as at 1 January 2020</b>	<b>143,513</b>	<b>17,508</b>



#### 4 Impacts from initial application of the new and revised financial reporting standards (Cont'd)

##### 4.2 Leases (Cont'd)

The associated right-of-use assets for building and vehicle leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2019. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

The recognised right-of-use assets relate to the following types of assets:

	Consolidated financial statements		Separate financial statements	
	31 December 2020 Thousand Baht	1 January 2020 Thousand Baht	31 December 2020 Thousand Baht	1 January 2020 Thousand Baht
Buildings	207,289	144,997	-	17,508
Vehicles	1,515	3,333	-	-
<b>Total right-of-use assets</b>	<b>208,804</b>	<b>148,330</b>	<b>-</b>	<b>17,508</b>

##### Practical expedients applied

In applying TFRS 16 for the first time with the existing leases the Group had before 1 January 2020, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments before application of TFRS 16 on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2020 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease, and
- elect not to reassess whether a contract is or contains a lease as defined under TFRS 16 at the date of initial application but relied on its assessment made applying TAS 17 and TFRIC 4, Determining whether an Arrangement contains a Lease.

## 5 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### 5.1 Loss reserves

The Group determines the loss reserves and outstanding claims in accordance with survey information, and also reviews the outstanding claims at the end of each reporting date which are sufficient to cover any liabilities arising out of insurance contracts to the extent that can be reasonably foreseen.

There are 3 major methods to estimate the ultimate loss which are Chain Ladder, Bornhuetter-Ferguson and Expected Loss Ratio. The most appropriate method for each product category was selected based on actuarial judgement for both gross and net of reinsurance basis.

However, given the uncertainty in establishing a provision for insurance claims, it is likely that the final outcome could prove to be significantly different from the original liability established.

### 5.2 Fair value of certain financial assets

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Details of key assumptions used are included in note 7.

### 5.3 Goodwill impairment

The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. The calculations use cash flow projections based on financial budget approved by management covering a five-year period.

Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated in note 16. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.

### 5.4 Deferred tax asset

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. The Group considers future taxable income and ongoing prudent and feasible tax planning strategies in assessing whether to recognise deferred tax assets. The Group's assumptions regarding the future profitability and the anticipated timing of utilisation of deductible temporary differences and significant changes in these assumptions from year to year may have a material impact on the Group's reported financial position and results of operations.

## 5 Critical accounting estimates and judgements (Cont'd)

### 5.5 Lease liabilities

#### Determination of lease terms

Critical judgement in determining the lease term, the Group considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Most extension options on offices and vehicles leases have not been included in the lease liability, because the Group considers i) the underlying asset condition and/or ii) insignificant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance affecting this assessment occur, and that it is within the control of the Group.

#### Determination of discount rate applied to leases

The Group determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

### 5.6 Impairment of premium receivable and amount due from reinsurers

The Group sets an allowance for doubtful accounts and amount due from reinsurers to reflect impairment of premium due, uncollected receivables and claim recoveries from reinsurer. The allowance for doubtful accounts and amount due from reinsurers are based on collection experience and a review of current status of the premium due as at the date of statement of financial position.

### 5.7 Reinsurance assets estimation

Reinsurance assets are determined from estimation using the same methods as the estimation of claims incurred but not yet reported by insured (Note 5.1) and the unearned premium reserve calculation. The reinsurance assets are assessed at the period end date to ensure that the amount shown in financial statement reflects the expected amount to be received in the future by taking into account the credit rating of reinsurance company and the contractual terms of reinsurance contracts.

### 5.8 Unexpired risk reserve

Unexpired risk reserve is calculated using an actuarial method, based on a best estimate of the claims expected to incur over the remaining term of the insurance. Estimating the reserve requires the management to exercise judgment, with reference to historical data and the best estimates available at the time.

## 5 Critical accounting estimates and judgements (Cont'd)

### 5.9 Liability adequacy test

At the end of each reporting period, the Group assesses the adequacy of Insurance contract liabilities recognised in the financial position by comparing to the present value of the estimated future cash flows from insurance contracts. If the assessment shows that the carrying amount of Insurance contract liabilities less related deferred acquisition cost is inadequate when compared to the estimated future cash flows. The liabilities is increased by the deficiency and it is charged to profit or loss.

### 5.10 Employee benefits obligations

Employee benefits obligations are determined by independent actuary. The amount recognised in the statement of financial position is determined on an estimation basis utilising various assumptions including the rate of salary inflation and employee turnover. Any change in these assumptions will impact the estimation for employee benefits. On an annual basis the Group determines the appropriate assumptions, which represents the provision expected to be required to settle the employee benefits.

## 6 Insurance and financial risk management

### 6.1 Insurance risk

#### a) Insurance risk management policy

The Group's managements take a responsibility to make a strategic decisions and pre-planned with clear steps to be taken so that the process of translating strategy into implementation is appropriate actionable, timely reaction to change and situatoin.

Insurance risk means the fluctuation of the frequency, extent of damage, and number of events that is out of the standard assumption used in establishing rate of insurance, calculations for insurance contract liabilities, and underwriting considerations. The Group examines thoroughly the level of risks that is acceptable to take by referring to the insurance underwriting manual and insurance rates included the consideration to ensure that there is no concentrated risk by way of geography or by type of risks. If the risks exceed the defined level, the Group extends the risks to reinsurers by proportional reinsurance agreed terms.

Risk management is integral to the whole business of the Group. The Group has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved.

The key elements of the Group's insurance risk management framework are as below.

#### Product Design and Development and Price Structure

In developing any new non-life insurance product, considerations are given to the range of coverage as well as applying actuarial science methods to calculate insurance rates. This is to ensure that products are competitive and sufficient in covering for claims. Monitoring procedures and evaluations for each product are regularly conducted in order to make appropriate improvements in coverage and/or pricing.

## 6 Insurance and financial risk management (Cont'd)

### 6.1 Insurance risk (Cont'd)

#### a) Insurance risk management policy (Cont'd)

##### Underwriting strategy

The underwriting strategy is set out in an annual business plan that establishes the classes of business to be written, the business to be written and the industry sectors to be written. This strategy is cascaded by the business units to individual underwriters through detailed underwriting authorities that set out the limits that any one underwriter can write by line size, class of business risk, scope and industry in order to ensure appropriate risk selection within the portfolio.

##### Reinsurance strategy

The Group has a combination of proportionate and non-proportionate reinsurance treaties. In term of significant exposure loss, reinsurer is responsible for claim as specified in the agreement to limit the net exposure loss to the Group.

The Group sets the minimum security criteria for acceptable reinsurance and monitoring the purchase of reinsurance by the business units against those criteria. The Group's management monitors developments in the reinsurance programme and its ongoing adequacy.

#### b) Concentration insurance risk

Concentrations of risk may where a particular event or a series of events could impact heavily upon the Group's insurance contract liabilities.

The Group sets out the total aggregate exposure that it is prepared to accept in relation to general insurance risk concentrations. It monitors these exposures both at the time of underwriting a risk and on a monthly basis by reviewing reports which show the key aggregations to which the Group is exposed. A number of additional stress and scenario tests are run during the year to identify risk concentrations.

The following table shows the Group's exposure to concentration of insurance contract liabilities per category of business.

	<b>Fire Thousand Baht</b>	<b>Marine Thousand Baht</b>	<b>Motor Thousand Baht</b>	<b>Miscellaneous Thousand Baht</b>	<b>Total Thousand Baht</b>
<b>31 December 2020</b>					
Gross	88,568	107,442	776,061	1,464,710	2,436,781
Net of reinsurance	56,077	19,001	711,778	235,834	1,022,690
<b>31 December 2019</b>					
Gross	23,060	110,290	802,777	1,524,576	2,460,703
Net of reinsurance	15,316	15,765	682,322	211,616	925,019

## 6 Insurance and financial risk management (Cont'd)

### 6.2 Financial risk

The Group exposes to a variety of financial risk: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

Financial risk management is carried out by the Group's Risk Management Committee. The Group's policy includes areas such as foreign exchange risk, interest rate risk, price risk, credit risk and liquidity risk. The framework parameters are approved by the Board of Directors and used as the key communication and control tools by Risk Management Committee.

#### 6.2.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Market risk consists of three types of risks: foreign exchange risk, interest rate risk and price risk.

##### a) Foreign exchange risk

The Group operates internationally and is exposed to foreign currency risk arising from insurance premium and reinsurance with foreign insurance companies that are denominated in foreign currencies. The Group has no forward exchange contract to reduce the exposure. However, the management believes that the Group has no significant effect.

The Group's exposure to foreign currency risk as of 31 December 2020 and 2019, expressed in Thousand Baht are as follows:

	Consolidated financial statements			
	2020		2019	
	US Dollar Thousand Baht	EUR Thousand Baht	US Dollar Thousand Baht	EUR Thousand Baht
Cash and cash equivalents	9,079	72	9,109	66

The Company has no exposure to foreign currency risk as of 31 December 2020 and 2019.

##### *Foreign exchange risk sensitivity analysis*

The Group calculated the impact on the sensitivity of exchange rates. However, the management considered that the Group has no significant effect.

## 6 Insurance and financial risk management (Cont'd)

### 6.2 Financial risk (Cont'd)

#### 6.2.1 Market risk (Cont'd)

##### b) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the value of financial instruments and cash flows will fluctuate due to changes in market interest rates. The Group's investments include both short-term and long-term investments with the return of both floating rate and fixed rate. The Group manage the risk by considering the risk of investments together with the return on such investments.

As at 31 December 2020 and 2019, significant financial assets and financial liabilities classified by type of interest rate and maturity date were as follows:

Consolidated financial statements									
2020									
Variable interest rate			Fixed interest rate			Non-interest bearing	Total	Interest rate	
Within 1 year	1 - 5 years	Over 5 years	Within 1 year	1 - 5 years	Over 5 years				
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht		
<b>Financial assets</b>									
Cash and cash equivalents	2,339,936	-	-	445,761	-	-	16,241	2,801,938	0.22 - 2.25
<b>Investment in securities</b>									
Government and state enterprise securities	1,170,586	1,747,579	5,704	-	-	-	-	2,923,869	0.61 - 6.40
Private debt securities	484,774	1,822,909	327,595	-	-	-	240	2,635,518	1.17 - 5.50
Foreign debt securities	60,680	-	-	-	-	-	24,791	85,471	0.88
Deposits at bank with maturity over 3 months	380,136	-	-	-	-	-	-	380,136	0.55 - 0.79
	4,436,112	3,570,488	333,299	445,761	-	-	41,272	8,826,932	
<b>Financial liabilities</b>									
Lease liabilities	29,642	96,418	81,816	-	-	-	-	207,876	2.93
	29,642	96,418	81,816	-	-	-	-	207,876	
Consolidated financial statements									
2019									
Variable interest rate			Fixed interest rate			Non-interest bearing	Total	Interest rate	
Within 1 year	1 - 5 years	Over 5 years	Within 1 year	1 - 5 years	Over 5 years				
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht		
<b>Financial assets</b>									
Cash and cash equivalents	3,970,115	-	-	499,588	-	-	-	4,469,702	1.29
<b>Investment in securities</b>									
Government and state enterprise securities	1,430,428	999,433	5,596	-	-	-	-	2,435,457	1.53
Private debt securities	462,667	902,198	17,870	-	-	-	-	1,382,735	1.99
Foreign debt securities	-	60,670	-	-	-	-	-	60,670	3.00
Deposits at bank with maturity over 3 months	453,567	718	-	12,928	-	-	-	467,213	1.48
	6,316,776	1,963,019	23,466	512,516	-	-	-	8,815,777	

## 6 Insurance and financial risk management (Cont'd)

### 6.2 Financial risk (Cont'd)

#### 6.2.1 Market risk (Cont'd)

##### b) Cash flow and fair value interest rate risk

As at 31 December 2020 and 2019, significant financial assets and financial liabilities classified by type of interest rate and maturity date were as follows: (Cont'd)

	Separate financial statements								
	2020								
	Variable interest rate			Fixed interest rate			Non-interest bearing	Total	Interest rate
Within 1 year	1 - 5 years	Over 5 years	Within 1 year	1 - 5 years	Over 5 years	Thousand Baht			
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
<b>Financial assets</b>									
Cash and cash equivalents	1,242,914	-	-	18,875	-	-	3,626	1,265,415	0.22
Investment in securities									
Government and state enterprise securities	460,780	-	5,704	-	-	-	-	466,484	2.16
Private debt securities	164,412	734,227	327,595	-	-	-	240	1,226,474	3.11
Deposits at bank with maturity over 3 months	143,050	-	-	-	-	-	-	143,050	0.55
	<u>2,011,396</u>	<u>734,227</u>	<u>333,299</u>	<u>18,875</u>	<u>-</u>	<u>-</u>	<u>3,866</u>	<u>3,101,423</u>	
	Separate financial statements								
	2019								
	Variable interest rate			Fixed interest rate			Non-interest bearing	Total	Interest rate
	Within 1 year	1 - 5 years	Over 5 years	Within 1 year	1 - 5 years	Over 5 years			
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
<b>Financial assets</b>									
Cash and cash equivalents	162,937	-	-	14,369	-	-	-	177,306	1.13
Investment in securities									
Government and state enterprise securities	19,923	462,650	5,596	-	-	-	-	488,169	1.51
Private debt securities	223,015	358,177	17,870	-	-	-	-	599,062	1.70
Deposits at bank with maturity over 3 months	214,000	-	-	12,928	-	-	-	226,928	1.60
	<u>619,875</u>	<u>820,827</u>	<u>23,466</u>	<u>27,297</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,491,465</u>	



## 6 Insurance and financial risk management (Cont'd)

### 6.2 Financial risk (Cont'd)

#### 6.2.1 Market risk (Cont'd)

##### b) Cash flow and fair value interest rate risk

###### *Interest rate sensitivity*

Profit or loss is sensitive to higher or lower interest income from cash and cash equivalents, and interest expenses as a result of changes in interest rates.

The table below shows the interest sensitivity for the financial assets and financial liabilities held as at reporting date.

	<b>Consolidated financial statements 2020</b>	
	<b>Interest rate - increase 1%* Thousand Baht</b>	<b>Interest rate - decrease 1%* Thousand Baht</b>
Impact to net profit	4,525	(690)
Impact to other components of equity	(112,257)	112,257
	<b>Separate financial statements 2020</b>	
	<b>Interest rate - increase 1%* Thousand Baht</b>	<b>Interest rate - decrease 1%* Thousand Baht</b>
Impact to net profit	254	21
Impact to other components of equity	(39,276)	39,276

\* Holding all other variables constant

##### c) Equity price risk

The Group's exposure to equity securities price risk arises from equity instruments held by the Group which are classified either as at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVPL).

The Group manages the capital risk by establishing guideline of investment policy and written investment plan. The guideline sets the framework and investment direction for the year by specifying the limitation in all types and levels of investments based on targeted rate of returns and liquidity by setting both internal investment limits and compliance to the Office of Insurance Commission.

###### *Sensitivity*

The Group calculated the impact on the sensitivity of equity price. However, the management considered that the Group has no significant effect.

## 6 Insurance and financial risk management (Cont'd)

### 6.2 Financial risk (Cont'd)

#### 6.2.2 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation including the change in one party's credit rating.

Credit risk arises from cash and cash equivalents, contractual cash flows of investment in debt instruments carried at amortised cost and at fair value through other comprehensive income (FVOCI).

##### a) Risk management

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

##### b) Impairment of financial assets

The Group has 3 types of financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents
- Other receivables
- Investment in debt instruments measured at amortised cost and FVOCI

Forward-looking economic information is also included in determining the next 12 months or over the remaining lifetime.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

##### Debt instruments

The Group considers that all debt investments measured at amortised cost and FVOCI have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Management consider 'low credit risk' for bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations.

## 6 Insurance and financial risk management (Cont'd)

### 6.2 Financial risk (Cont'd)

#### 6.2.2 Credit risk (Cont'd)

##### b) Impairment of financial assets (Cont'd)

###### Debt instruments (Cont'd)

Other financial assets measured at amortised cost include debenture assets, zero coupon bonds and listed corporate bonds (previously held-to-maturity).

The reconciliations of loss allowances for other financial assets measured at amortised cost for the year ended 31 December 2020 are as follows:

	<b>Consolidated financial statements</b>	
	<b>Fixed deposit Thousand Baht</b>	<b>Total Thousand Baht</b>
<b>As at 31 December 2019 - calculated under TAS 101</b>	-	-
Amount restated through opening retained earnings	38	38
Opening loss allowance as at 1 January 2020 - calculated under TAS 32 and accounting guidance	38	38
Reverse expected credit loss	(4)	(4)
<b>As at 31 December 2020</b>	<b>34</b>	<b>34</b>
	<b>Separate financial statements</b>	
	<b>Fixed deposit Thousand Baht</b>	<b>Total Thousand Baht</b>
<b>As at 31 December 2019 - calculated under TAS 101</b>	-	-
Amount restated through opening retained earnings	12	12
Opening loss allowance as at 1 January 2020 - calculated under TFRS 9 and accounting guidance	12	12
Reverse expected credit loss	(3)	(3)
<b>As at 31 December 2020</b>	<b>9</b>	<b>9</b>

## 6 Insurance and financial risk management (Cont'd)

### 6.2 Financial risk (Cont'd)

#### 6.2.2 Credit risk (Cont'd)

##### b) Impairment of financial assets (Cont'd)

###### Debt instruments (Cont'd)

The allowance of expected credit loss for debt instruments measured at amortised cost by stage of risk are as follows:

	Consolidated financial statements			
	2020			
	Loss allowance measured at amount equal to 12 months expected credit losses Thousand Baht	Loss allowance measured at amount equal to lifetime expected credit losses Thousand Baht	Loss allowance measured at amount equal to lifetime expected credit losses (credit-impaired financial assets) Thousand Baht	Total Thousand Baht
<b>Investment in debt instruments measured at amortised cost</b>				
Beginning balance	38	-	-	38
Changes occurred from measurement	(4)	-	-	(4)
Ending balance	34	-	-	34
	Separate financial statements			
	2020			
	Loss allowance measured at amount equal to 12 months expected credit losses Thousand Baht	Loss allowance measured at amount equal to lifetime expected credit losses Thousand Baht	Loss allowance measured at amount equal to lifetime expected credit losses (credit-impaired financial assets) Thousand Baht	Total Thousand Baht
<b>Debt instruments measured at amortised cost</b>				
Beginning balance	12	-	-	12
Changes occurred from measurement	(3)	-	-	(3)
Ending balance	9	-	-	9

## 6 Insurance and financial risk management (Cont'd)

### 6.2 Financial risk (Cont'd)

#### 6.2.2 Credit risk (Cont'd)

##### b) Impairment of financial assets (Cont'd)

###### Debt instruments (Cont'd)

###### Debt instruments measured at fair value through other comprehensive income

Debt instruments measured at fair value through other comprehensive income (FVOCI) include listed and unlisted debt securities. The loss allowance is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI.

The reconciliation of loss allowances for debt investments measured at FVOCI as at 31 December 2020 are as follows:

	<b>Consolidated financial statements Thousand Baht</b>	<b>Separate financial statements Thousand Baht</b>
<b>As at 31 December 2019</b>	-	-
Amount restated through opening retained earnings	390	105
Opening loss allowance as at 1 January 2020	390	105
Increase in loss allowance recognised in profit or loss during the year	552	345
<b>As at 31 December 2020</b>	<b>942</b>	<b>450</b>

The allowance of expected credit loss for debt instruments measured at FVOCI by stage of risk are as follows:

	<b>Consolidated financial statements</b>			<b>Total Thousand Baht</b>
	<b>2020</b>			
	<b>Loss allowance measured at amount equal to 12 months expected credit losses Thousand Baht</b>	<b>Loss allowance measured at amount equal to lifetime expected credit losses Thousand Baht</b>	<b>Loss allowance measured at amount equal to lifetime expected credit losses (credit-impaired financial assets) Thousand Baht</b>	
<b>Investment in debt instruments measured at FVOCI</b>				
<b>As at 31 December 2019</b>	390	-	-	390
New financial assets purchased or originated	605	-	-	605
Derecognised financial assets	(33)	-	-	(33)
Write-off	(20)	-	-	(20)
<b>As at 31 December 2020</b>	<b>942</b>	<b>-</b>	<b>-</b>	<b>942</b>

## 6 Insurance and financial risk management (Cont'd)

### 6.2 Financial risk (Cont'd)

#### 6.2.2 Credit risk (Cont'd)

##### b) Impairment of financial assets (Cont'd)

###### Debt instruments (Cont'd)

###### Debt instruments measured at fair value through other comprehensive income (Cont'd)

The allowance of expected credit loss for debt instruments measured at FVOCI by stage of risk are as follows: (Cont'd)

	Separate financial statements			Total Thousand Baht
	2020			
	Loss allowance measured at amount equal to 12 months expected credit losses Thousand Baht	Loss allowance measured at amount equal to lifetime expected credit losses Thousand Baht	Loss allowance measured at amount equal to lifetime expected credit losses (credit-impaired financial assets) Thousand Baht	
<b>Investment in debt instruments measured at FVOCI</b>				
<b>As at 31 December 2019</b>	105	-	-	105
New financial assets purchased or originated	397	-	-	397
Derecognised financial assets	(33)	-	-	(33)
Write-off	(19)	-	-	(19)
<b>As at 31 December 2020</b>	<b>450</b>	<b>-</b>	<b>-</b>	<b>450</b>

###### Financial asset measured at fair value through profit or loss

The Group is also exposed to credit risk in relation to debt investments that are measured at fair value through profit or loss. The maximum exposure at the end of the reporting period is the carrying amount of these investments.

###### The maximum exposure to credit risk of the financial asset

The exposure to credit risk of the Group equals their carrying amount in the statement of financial position as at reporting date.

## 6 Insurance and financial risk management (Cont'd)

### 6.2 Financial risk (Cont'd)

#### 6.2.3 Liquidity risk

Liquidity risk, is the risk that the Group will encounter difficulty to settle the obligation related to financial liabilities which must be settled in cash or other financial assets

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. At the end of the reporting period the Group held deposits at call of Baht 449 million (2019: Baht 502 million) that are expected to readily generate cash inflows for managing liquidity risk. Due to the dynamic nature of the underlying businesses, the Group Treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors i) rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below); and ii) cash and cash equivalents on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary, monitoring balance sheet liquidity ratios and maintaining financing plans.

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Consolidated financial statements					
Maturity of financial liabilities	At present Thousand Baht	Within 1 year Thousand Baht	1-5 year Thousand Baht	Over 5 years Thousand Baht	BV of assets/ liabilities Thousand Baht
<b>As at 31 December 2020</b>					
Lease liabilities	3,735	25,906	96,419	81,816	207,876
Other payables	85,677	-	-	-	85,677
<b>Total financial liabilities that is not derivatives</b>	<b>89,412</b>	<b>25,906</b>	<b>96,419</b>	<b>81,816</b>	<b>293,553</b>
Separate financial statements					
Maturity of financial liabilities	At present Thousand Baht	Within 1 year Thousand Baht	1-5 year Thousand Baht	Over 5 years Thousand Baht	BV of assets/ liabilities Thousand Baht
<b>As at 31 December 2020</b>					
Other payables	84	-	-	-	84
<b>Total financial liabilities that is not derivatives</b>	<b>84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>84</b>

## 6 Insurance and financial risk management (Cont'd)

### 6.3 Capital management

The objectives when managing capital are to:

- safeguard their ability to continue as a going concern, to provide returns for shareholders and benefits for other stakeholders, and
- maintain an optimal capital structure to reduce the cost of capital

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt and comply with the requirements of the Office of Insurance Commission.

## 7 Fair value

### 7.1 Fair value estimation

The following table shows fair values of financial assets and liabilities by category, excluding those with the carrying amount approximates fair value.

	Consolidated financial statements				
	Fair value through profit or loss (FVPL) Thousand Baht	Fair value through other comprehensive income (FVOCI) Thousand Baht	Amortised cost Thousand Baht	Total carrying amount Thousand Baht	Fair value Thousand Baht
<b>As at 31 December 2020</b>					
<b>Assets</b>					
<i>Financial assets measured at fair value (FV)</i>					
Debt securities	24,792	5,620,067	-	5,644,859	5,644,859
Equity securities	-	1,359,315	-	1,359,315	1,359,315
<i>Financial assets not measured at fair value</i>					
Cash and cash equivalents	-	-	2,801,938	2,801,938	2,801,938
Deposits at financial institutions with original maturities more than 3 months	-	-	380,136	380,136	380,136
Accrued investment income	-	-	25,141	25,141	25,141
Others	-	-	73,958	73,958	73,958
<b>Total assets</b>	<b>24,792</b>	<b>6,979,382</b>	<b>3,281,173</b>	<b>10,285,347</b>	<b>10,285,347</b>
<b>Liabilities</b>					
<i>Financial liabilities not measured at fair value</i>					
Lease liabilities	-	-	207,876	207,876	207,876
Others	-	-	85,677	85,677	85,677
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>293,553</b>	<b>293,553</b>	<b>293,553</b>



## 7 Fair value (Cont'd)

### 7.1 Fair value estimation (Cont'd)

The following table shows fair values of financial assets and liabilities by category, excluding those with the carrying amount approximates fair value. (Cont'd)

	Separate financial statements				Fair value Thousand Baht
	Fair value through profit or loss (FVPL) Thousand Baht	Fair value through other comprehensive income (FVOCI) Thousand Baht	Amortised cost Thousand Baht	Total carrying amount Thousand Baht	
<b>As at 31 December 2020</b>					
<b>Assets</b>					
<i>Financial assets measured at fair value (FV)</i>					
Debt securities	240	1,692,718	-	1,692,958	1,692,958
Equity securities	881,475	433,371	-	1,394,846	1,314,846
<i>Financial assets not measured at fair value</i>					
Cash and cash equivalents	-	-	1,265,415	1,265,415	1,265,415
Deposits at financial institutions with original maturities more than 3 months	-	-	143,050	143,050	143,050
Accrued investment income	-	-	10,695	10,695	10,695
Others	-	-	7,376	7,376	7,376
<b>Total assets</b>	<b>881,715</b>	<b>2,126,089</b>	<b>1,426,536</b>	<b>4,434,340</b>	<b>4,434,340</b>
<b>Liabilities</b>					
<i>Financial liabilities not measured at fair value</i>					
Others	-	-	84	84	84
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>84</b>	<b>84</b>	<b>84</b>

The financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities, and the Group is able to access that market on valuation date.
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data.

The Group shows the fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

**7 Fair value (Cont'd)****7.1 Fair value estimation (Cont'd)**

The following table presents the Group's financial assets and liabilities that are measured and recognised at fair value on the financial statements as at 31 December 2020 and 2019.

	<b>Consolidated financial statements</b>			
	<b>Level 1 Thousand Baht</b>	<b>Level 2 Thousand Baht</b>	<b>Level 3 Thousand Baht</b>	<b>Total Thousand Baht</b>
<b>As at 31 December 2020</b>				
<b>Financial assets</b>				
Investments in securities				
Investments measured at fair value through other comprehensive income				
Debt securities	-	5,620,067	-	5,620,067
Equity securities	828,296	480,187	50,832	1,359,315
Investments designated at fair value through profit or loss				
Debt securities	24,792	-	-	24,792
<b>Total financial assets</b>	<b>853,088</b>	<b>6,100,254</b>	<b>50,832</b>	<b>7,004,174</b>
<b>As at 31 December 2019</b>				
<b>Financial assets</b>				
Investment in securities				
Available-for-sale investments				
Debt securities	-	3,629,716	-	3,629,716
Equity securities	521,361	2,464,957	-	2,986,318
<b>Total financial assets</b>	<b>521,361</b>	<b>6,094,673</b>	<b>-</b>	<b>6,616,034</b>
	<b>Separate financial statements</b>			
	<b>Level 1 Thousand Baht</b>	<b>Level 2 Thousand Baht</b>	<b>Level 3 Thousand Baht</b>	<b>Total Thousand Baht</b>
<b>As at 31 December 2020</b>				
<b>Financial assets</b>				
Investments measured at fair value through other comprehensive income				
Debt securities	-	1,692,718	-	1,692,718
Equity securities	427,008	-	6,363	433,371
Investments designated at fair value through profit or loss				
Debt securities	-	240	-	240
Equity securities	401,288	480,187	-	881,475
<b>Total financial assets</b>	<b>828,296</b>	<b>2,173,145</b>	<b>6,363</b>	<b>3,007,804</b>
<b>As at 31 December 2019</b>				
<b>Financial assets</b>				
Investment in securities				
Available-for-sale investments				
Debt securities	-	1,087,232	-	1,087,232
Equity securities	521,361	2,464,957	-	2,986,318
<b>Total financial assets</b>	<b>521,361</b>	<b>3,552,189</b>	<b>-</b>	<b>4,073,550</b>

## 7 Fair value (Cont'd)

### 7.2 Valuation techniques used to measure fair value of financial assets and liabilities

Book value of financial assets and liabilities as follows; cash and cash equivalent, accrued investment income, premium receivables, amounts due from reinsurers, other receivables, amounts due to reinsurers and other payables are approximately similar to fair value.

#### Valuation techniques used to measure fair value level 1

The fair value of financial instruments in level one is based on the latest bid price of common stock on the last working day of the reporting period as quoted on the Stock Exchange of Thailand.

#### Valuation techniques used to measure fair value level 2

Fair value of debt securities in level two are determined using the latest bid prices of the last working day of the reporting period as quoted by the Thai Bond Market Associate.

Fair value of debt securities in level two are determined using the unit trust's net asset value of the last working day of the reporting period.

#### Valuation techniques used to measure fair value level 3

Management has put a process of performing the valuations of financial assets required for financial reporting purposes, including Level 3 fair values. Appropriate valuation techniques and unobservable inputs are selectively used based on the characteristic of financial assets. The valuation of Level 3 fair value is reviewed and approved by management for financial reporting purposes.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. In Level 3 fair values, discounted cash flows were used as the valuation techniques. The valuation model considers the present value of the expected future cash flow without risk-adjusted which the discount rate has been adjusted to include total return to compensate the risk that market needs.

Changes in level 3 financial instruments for the year ended 31 December 2020 is as follows.

	<b>Consolidated financial statements</b>
	<b>2020</b>
	<b>Thousand Baht</b>
	<hr/>
Beginning balance	103,525
Gain on remeasuring investments measured at fair value through other comprehensive income	<hr/> (52,693) <hr/>
Closing balance	<hr/> <u>50,832</u> <hr/>

**7 Fair value (Cont'd)****7.2 Valuation techniques used to measure fair value of financial assets and liabilities (Cont'd)**

	<b>Separate financial statements</b>
	<b>2020</b>
	<b>Thousand Baht</b>
Beginning balance	17,998
Gain on remeasuring investments measured at fair value through other comprehensive income	(11,635)
Closing balance	<u>6,363</u>

Transfer between fair value levels

During the year ended 31 December 2020 and 2019, there is no significant change in economic condition or business that effect to fair value of the Group's financial assets and there is no change in financial asset classification.

There was no transfer between levels during the year and there was no change in valuation techniques during the year.

**8 Cash and cash equivalents**

Cash and cash equivalents as at 31 December 2020 and 2019 consisted of the following:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Cash on hand	3,733	316	-	10
Cheque on hand	8,882	24,412	-	-
Deposits at bank - at call	449,387	502,407	22,501	16,722
Short-term investments	2,339,936	3,970,115	1,242,914	162,937
<b>Total</b>	<b>2,801,938</b>	<b>4,497,250</b>	<b>1,265,415</b>	<b>179,669</b>
<u>Less</u> Allowance for expected credit loss	(592)	-	(29)	-
<b>Total</b>	<b><u>2,801,346</u></b>	<b><u>4,497,250</u></b>	<b><u>1,265,386</u></b>	<b><u>179,669</u></b>

**9 Premium receivable - net**

As at 31 December 2020 and 2019, the balances of premiums receivable - net were aged as follows:

	<b>Consolidated financial statements</b>	
	<b>2020</b>	<b>2019</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Within credit terms	393,625	614,032
Overdue:		
Less than 30 days	63,494	20,480
31 - 60 days	34,837	43,305
61 - 90 days	24,286	31,132
Over 90 days	70,189	95,153
Total	586,431	804,102
<u>Less</u> Allowance for doubtful accounts	(30,825)	(33,102)
Premiums due and uncollected, net	<u>555,606</u>	<u>771,000</u>

For premium receivables due from agents and brokers, the Group has stipulated the collection guideline in accordance with the law of the premium collection. For overdue premium receivables, the Group has the process with such agents and brokers in accordance with the Group's policy and procedure.

**10 Reinsurance assets**

Reinsurance assets as at 31 December 2020 and 2019 consisted of the following:

	<b>Consolidated financial statements</b>	
	<b>2020</b>	<b>2019</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>Insurance reserve refundable from reinsurers</b>		
Loss reserves	1,414,091	1,535,684
Unearned premium reserve		
- Unearned reinsurance premium reserve	646,646	1,205,520
Total reinsurance assets	<u>2,060,737</u>	<u>2,741,204</u>

**11 Amount due from reinsurers**

Amount due from reinsurers as at 31 December 2020 and 2019 consisted of the following:

	<b>Consolidated financial statements</b>	
	<b>2020 Thousand Baht</b>	<b>2019 Thousand Baht</b>
Amount deposit on reinsurance	-	841
Due from reinsurers	439,285	495,398
<b>Total reinsurance assets</b>	<b>439,285</b>	<b>496,239</b>

Aging analyses for due from reinsurers as at 31 December 2020 and 2019 were as follows:

	<b>Consolidated financial statements</b>	
	<b>2020 Thousand Baht</b>	<b>2019 Thousand Baht</b>
Within credit terms	113,533	436,308
Not over 12 months	281,958	46,474
Over 1 year to 2 years	25,128	6,754
Over 2 years	18,666	5,862
<b>Total due from reinsurers</b>	<b>439,285</b>	<b>495,398</b>

**12 Financial assets**

Financial asset - Debt and equity securities as at 31 December 2020 and 2019 were as follows;

	<b>Separate financial statements</b>
	<b>2020 Fair value Thousand Baht</b>
<b>Financial asset measured at fair value through profit and loss</b>	
Private debt securities	240
Local equity securities	881,475
<b>Total Financial asset measured at fair value through profit and loss</b>	<b>881,715</b>
<b>Financial asset measured at fair value through other comprehensive income</b>	
Government and state enterprise debt securities	466,484
Private debt securities	1,226,234
Local equity securities	433,371
<b>Total Financial asset measured at fair value through other comprehensive income</b>	<b>2,126,089</b>
<b>Financial asset measured at amortised cost</b>	
Deposits at financial institutions with original maturities more than 3 months	143,050
<u>Less</u> Expected credit loss	(9)
<b>Total Financial asset measured at amortised cost</b>	<b>143,041</b>

**12 Financial assets (Cont'd)**

Financial asset - Debt and equity securities as at 31 December 2020 and 2019 were as follows; (Cont'd)

	<b>Separate financial statements</b>
	<b>2019</b>
	<b>Amortised Cost/Fair value</b>
	<b>Thousand Baht</b>
<b>Available-for-sale investment</b>	
Government and state enterprise debt securities	488,169
Private debt securities	599,063
Local equity securities	2,986,318
Total Available-for-sales investment	4,073,550
<b>Held-to-maturity investment</b>	
Deposits at financial institutions with original maturities more than 3 months	184,000
Deposits at banks used as collateral	42,928
Total Held-to-maturity investment	226,928
<b>General investment</b>	
Equity securities	19,505
<u>Less</u> Allowance for impairment	(1,507)
Total General investment	17,998
Total investment	4,318,476

**12.1 Financial assets at fair value through profit or loss**

- i) Classification of financial assets at fair value through profit or loss (2019: fair value under TAS 105)

The Company classifies the following financial assets at fair value through profit or loss (FVPL):

- debt investments that do not qualify for measurement at either amortised cost or FVOCI
- equity investments that are held for trading, and
- equity investments for which the entity has irrevocably not elected at initial recognition to recognise fair value gains and losses through OCI.

**12 Financial assets (Cont'd)**

Financial asset - Debt and equity securities as at 31 December 2020 and 2019 were as follows; (Cont'd)

**12.1 Financial assets at fair value through profit or loss (Cont'd)****ii) Amounts recognised in profit or loss**

The following gains/(losses) were recognised in profit or loss during the year as follows:

	<b>Separate financial statements</b>
	<b>2020</b>
	<b>Thousand Baht</b>
Fair value gains (losses) on debt instruments at FVPL recognised in other gains/(losses)	200
Fair value gains (losses) on equity instruments at FVPL recognised in other gains/(losses)	35,777

**Significant acquisitions and disposals during the year**

During the year 2020, the Company did not acquire or dispose any listed securities measured at FVPL.

**12.2 Financial assets at fair value through other comprehensive income****i) Classification of financial assets at fair value through other comprehensive income (2019: fair value under TAS 105)**

Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- equity securities which are not held for trading, and which the Company has irrevocably elected at initial recognition to recognise in this category.
- debt securities where the contractual cash flows are solely principal and interest and the objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets.



**12 Financial assets (Cont'd)**

Financial asset - Debt and equity securities as at 31 December 2020 and 2019 were as follows; (Cont'd)

**12.2 Financial assets at fair value through other comprehensive income (Cont'd)****ii) Amounts recognised in profit or loss and other comprehensive income**

The following gains/(losses) were recognised in profit or loss and other comprehensive income during the year as follows:

	<b>Separate financial statements</b>
	<b>2020</b>
	<b>Thousand Baht</b>
Gains/(losses) recognised in other comprehensive income	(41,122)
Gains/(losses) reclassified from other comprehensive income to profit or loss on the sale of available-for-sale financial assets (reclassified AFS reserve in OCI to other gains/(losses))	1,246
Interest income from debt investments at FVOCI recognised in profit or loss	26,566
Dividends from equity investments at FVOCI recognised in profit or loss in other income	10,972

**Significant acquisitions and disposals during the year**

During the year 2020, the Company acquired and disposed listed securities measured at FVOCI in the amount of Baht 219 million and Baht 21 million, respectively.

**iii) Loss allowance**

	<b>Separate financial statements</b>	
	<b>2020</b>	
	<b>Fair value</b>	<b>Expected credit loss</b>
	<b>Thousand Baht</b>	<b>recognised in other comprehensive income</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Investments in debt securities which credit risk has not significantly increased (Stage 1)	1,692,718	(450)
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
<b>Total</b>	<b>1,692,718</b>	<b>(450)</b>

**12 Financial assets (Cont'd)**

## 12.3) Other financial assets at amortised cost

## i) Classification of financial assets at amortised cost (2019: amortised cost under TAS105)

The Company classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payments of principal and interest

## ii) Loss allowance

	Separate financial statements		
	2020		
	Gross carrying value	Expected credit loss	Carrying value
	Thousand Baht	Thousand Baht	Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	143,050	(9)	143,041
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-	-
<b>Total</b>	<b>143,050</b>	<b>(9)</b>	<b>143,041</b>

**13 Investments in securities, net**

The details of investments in securities as at 31 December 2020 and 2019 are as follows:

	<b>Consolidated financial statements</b>	
	<b>2020</b>	
	<b>Cost/ Amortised cost Thousand Baht</b>	<b>Fair value Thousand Baht</b>
<b>Investments measured at fair value through other comprehensive income</b>		
Government and state enterprise debt securities	2,905,193	2,923,869
Private debt securities	2,597,010	2,635,518
Foreign debt securities	59,965	60,680
Equity securities	1,514,371	1,359,315
Total	7,076,539	6,979,382
<u>Less</u> Unrealised loss	(97,157)	-
<b>Total Investments measured at fair value through other comprehensive income</b>	<b>6,979,382</b>	<b>6,979,382</b>
<b>Investments measured at amortised cost</b>		
Deposits at financial institutions with original maturities more than 3 months	343,300	
Deposits at banks used as collateral	34,486	
Premium saving certificates used as collateral	2,350	
Total	380,136	
<u>Less</u> Allowance for expected credit loss	(34)	
<b>Total Investments measured at amortised cost</b>	<b>380,102</b>	
<b>Financial asset designated at fair value through profit or loss</b>		
Foreign debt securities	18,710	24,792
<u>Add</u> Unrealised gain	6,082	-
<b>Total financial asset designated at fair value through profit or loss</b>	<b>24,792</b>	<b>24,792</b>
<b>Total investments in securities</b>	<b>7,384,276</b>	

**13 Investments in securities, net (Cont'd)**

The details of investments in securities as at 31 December 2020 and 2019 are as follows: (Cont'd)

	<b>Consolidated financial statements</b>	
	<b>2019</b>	
	<b>Cost/ Amortised cost Thousand Baht</b>	<b>Fair value Thousand Baht</b>
<b>Available-for-sale investment</b>		
Government and state enterprise debt securities	2,181,429	2,186,309
Private debt securities	1,377,598	1,382,736
Foreign debt securities	59,934	60,671
Equity securities	3,139,196	2,986,318
Total	6,758,157	6,616,034
<u>Less</u> Unrealised loss	(142,123)	-
<b>Total Available-for-sale investment</b>	<b>6,616,034</b>	<b>6,616,034</b>
<b>Held-to-maturity investment</b>		
Government and state enterprise debt securities	249,149	
Deposits at financial institutions with original maturities more than 3 months	192,712	
Deposits at banks used as collateral	260,551	
Premium saving certificates used as collateral	13,950	
<b>Total Held-to-maturity investment</b>	<b>716,362</b>	
<b>General investments</b>		
Equity securities	21,573	
<u>Less</u> Allowance for impairment	(1,507)	
<b>Total General investments</b>	<b>20,066</b>	
<b>Total investments in securities</b>	<b>7,352,462</b>	

**13 Investments in securities, net (Cont'd)**

## 13.1 Investment measured at fair value through other comprehensive income

## i) Expected credit loss

	<b>Consolidated financial statements</b>	
	<b>2020</b>	
	<b>Fair value</b>	<b>Expected credit loss</b>
	<b>Thousand Baht</b>	<b>recognised in other comprehensive income</b>
		<b>Thousand Baht</b>
Investments in debt securities which credit risk has not significantly increased (Stage 1)	5,620,067	(942)
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
<b>Total</b>	<b>5,620,067</b>	<b>(942)</b>

## ii) Amounts recognised in profit or loss and other comprehensive income

The following gains/(losses) were recognised in profit or loss and other comprehensive income during the year as follows:

	<b>Consolidated financial statements</b>
	<b>2020</b>
	<b>Thousand Baht</b>
Gains/(losses) recognised in other comprehensive income	6,685
Gains/(losses) reclassified from the sale of available-for-sale financial assets (reclassified AFS reserve in OCI to other gains/(losses))	(125,188)
Interest income from equity investments at FVOCI recognised in profit or loss	78,043
Dividends from equity investments at FVOCI recognised in profit or loss	44,742
Expected credit losses for debt investments at FVOCI recognised in profit or loss	(552)

*Significant acquisitions and disposals during the year*

During the year 2020, the Group acquired and disposed listed securities measured at FVOCI in the amount of Baht 219 million and Baht 21 million, respectively.

**13 Investments in securities, net (Cont'd)**

## 13.1 Investment measured at fair value through other comprehensive income

## iii) The maturity of investment measured at fair value through other comprehensive income

The details of investment measured at fair value through other comprehensive income are aged as follows:

	Consolidated financial statements			
	2020			
	Maturing within			Total Thousand Baht
1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht		
<b>Investments measured at fair value through other comprehensive income</b>				
Government and state enterprise securities*	1,162,383	1,737,347	5,463	2,905,193
Private enterprise securities	481,870	1,796,354	318,748	2,596,972
Foreign securities	59,965	-	-	59,965
Total	1,704,218	3,533,701	324,211	5,562,130
Add (Less) Unrealised gains (losses)	11,821	36,789	9,087	57,697
Total investments measured at fair value through other comprehensive income	1,716,039	3,570,490	333,298	5,619,827
	Consolidated financial statements			
	2019			
	Maturing within			Total Thousand Baht
	1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	
<b>Available-for-sale investments</b>				
Government and state enterprise securities*	1,180,284	995,630	5,515	2,181,429
Private enterprise securities	462,434	897,564	17,600	1,377,598
Foreign securities	-	59,934	-	59,934
Total	1,642,718	1,953,128	23,115	3,618,961
Add (Less) Unrealised gains (losses)	1,229	9,174	352	10,755
Total available-for-sale investments	1,643,947	1,962,302	23,467	3,629,716

\* As at 31 December 2020, the Group had investment in government securities deposited with the Office of Insurance Commission in order to comply with the Life Insurance Act with a book value amounting to Baht 14 million (2019: Baht 14 million) (Note 39).

**13 Investments in securities, net (Cont'd)**

## 13.2 Investment measured at amortised cost

## i) Expected credit loss

	Consolidated financial statements		
	2020		
	Gross carrying value	Expected credit loss	Carrying value
	Thousand Baht	Thousand Baht	Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	380,136	(34)	380,102
Investments in debt securities which credit risk has significantly increased (Stage 2)	-	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-	-
<b>Total</b>	<b>380,136</b>	<b>(34)</b>	<b>380,102</b>

## ii) The maturity of investment measured at amortised cost

The details of investment measured at amortised cost are aged as follows:

	Consolidated financial statements							
	2020				2019			
	Maturing within			Total Thousand Baht	Maturing within			Total Thousand Baht
1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	1 year Thousand Baht		1 - 5 years Thousand Baht	Over 5 years Thousand Baht		
<b>Investments measured at amortised cost</b>								
Government and state enterprise securities	-	-	-	-	249,149	-	-	249,149
Deposits at banks used as collateral	20,000	14,486	-	34,486	260,551	-	-	260,551
Premium saving certificates used as collateral	2,350	-	-	2,350	13,950	-	-	13,950
Deposits at financial institutions with original maturities more than 3 months	343,300	-	-	343,300	192,712	-	-	192,712
<b>Total</b>	<b>365,650</b>	<b>14,486</b>	<b>-</b>	<b>380,136</b>	<b>716,362</b>	<b>-</b>	<b>-</b>	<b>716,362</b>
Add Expected credit loss	(31)	(3)	-	(34)	-	-	-	-
<b>Total investments measured at amortised cost</b>	<b>365,619</b>	<b>14,483</b>	<b>-</b>	<b>380,102</b>	<b>716,362</b>	<b>-</b>	<b>-</b>	<b>716,362</b>

**13 Investments in securities, net (Cont'd)**

## 13.2 Investment measured at amortised cost (Cont'd)

## ii) The maturity of investment measured at amortised cost

For the year ended 31 December 2020 and 2019, the Group and the Company has investment income as below

- Interest income amounting to Baht 92.83 million and Baht 27.72 million, respectively (2019: Baht 88.36 million and Baht 8.26 million, respectively)
- Dividend income amounting to Baht 44.75 million and Baht 484.21 million, respectively (2019: Baht 48.53 million and Baht 579.14 million, respectively)
- Consideration from selling investments amounting to Baht 3,178.37 million and Baht 2,597.49 million, respectively

As at 31 December 2020, certain investments in securities (certain government and state enterprise securities and certain deposits at bank) of the Group are pledged and used for assets reserved with the Registrar amounting to Baht 630 million (2019: Baht 582 million) (Note 39).

As at 31 December 2020, premium saving certificates of the Group were used as collateral for insured drivers are the alleged offenders amounting to Baht 1.25 million (2019: Baht 3.15 million) (Note 40).

As at 31 December 2020, certain bank deposits of the Group and the Company were pledged as collateral for bank overdrafts and borrowing facilities (Domestic Bill) amounting to Baht 50 million and Baht 30 million, respectively (2019: 50 million and Baht 30 million, respectively) (Note 40).



**14 Investments in a subsidiary and an associate**

## 14.1 Investments in an associate

As at 31 December 2020 and 2019, the Company has investment in an associated company as follows:

Company name	Nature of business	Place of incorporation and operation	Consolidated financial statements and separate financial statements					
			Percentage of shareholding		Cost		Carrying value under Equity method	
			2020 Percentage	2019 Percentage	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
<b>Associated company</b> Allianz Ayudhya Assurance Public Company Limited.	Life Insurance	Thailand	31.97	31.97	5,455,863	5,455,863	11,252,204	10,715,018

The movement in investments in an associate for the year ended 31 December 2020 and 2019 were as follows;

	Consolidated financial statements		Separate financial statements	
	Equity method		Cost method	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Book value at the beginning year	11,062,234	2,977,371	5,455,863	1,487,264
Increase in investment	-	3,968,599	-	3,968,599
Share of profit	1,049,595	553,245	-	-
Share of other comprehensive income (loss)	(400,780)	3,757,144	-	-
Dividend income	(439,486)	(541,341)	-	-
Adjustment	(19,359)	-	-	-
Decrease in investment	-	-	-	-
Book value at the ending year	11,252,204	10,715,018	5,455,863	5,455,863

**14 Investments in a subsidiary and an associate (Cont'd)**

## 14.1 Investments in an associate (Cont'd)

*Summarised financial information for associates*

The table below is summarised of financial information for associates that are material to the Group. The financial information is included in associates own financial statements which has been adjusted with the adjustments necessary for the equity method including, adjusting fair value and differences in accounting policy.

	<b>2020</b>	<b>2019</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<i>Summarised of performance</i>		
Revenue	38,139,608	38,982,127
Post-tax profit	3,283,105	2,044,457
Other comprehensive income	(1,253,661)	12,410,011
Total comprehensive income	2,029,444	14,454,468
Dividend received from associates	439,486	541,341
<i>Summarised of statement of financial position</i>		
Assets	223,637,783	217,956,313
Liabilities	194,663,936	190,673,408
Net assets	28,973,847	27,282,905
Group's share in associates (%)	31.97	31.97
Group's share in associates (Thousand Baht)	11,252,204	10,715,018
Goodwill	-	-
Associates carrying amount	5,455,863	5,455,863

**14 Investments in a subsidiary and an associate (Cont'd)**

## 14.2 Investments in a subsidiary

As at 31 December 2020, the Group has subsidiaries included in consolidated financial statement are listed below. The subsidiaries have only ordinary shares in which the Group directly holds those shares. The proportion of ownership interests held by the Group is equal to voting rights in subsidiaries held by the Group.

	Separate financial statements					
	Paid-up capital		Shareholding percentage		Cost	
	2020 Thousand Baht	2019 Thousand Baht	2020 Percentage	2019 Percentage	2020 Thousand Baht	2019 Thousand Baht
<b>Subsidiary</b>						
Allianz Ayudhya General Insurance Public Company Limited.	2,548,800	2,548,800	99.99	99.99	2,572,379	2,572,379

**15 Property, Plant and Equipment, net**

Property, plant and equipment, net as at 31 December 2020 and 2019 consisted of the following.

	Consolidated financial statements										Property, plant and equipment, net as at 1 January 2020 Thousand Baht	Property, plant and equipment, net as at 31 December 2020 Thousand Baht
	Cost					Accumulated depreciation						
	As at 1 January 2020 Thousand Baht	Increase Thousand Baht	Disposal / Write off Thousand Baht	Transfer in/(Out) Thousand Baht	As at 31 December 2020 Thousand Baht	As at 1 January 2020 Thousand Baht	Depreciation Thousand Baht	Disposal / Write off Thousand Baht	As at 31 December 2020 Thousand Baht			
Land	1,610	-	-	-	1,610	-	-	-	-	1,610	1,610	
Building	773	-	-	-	773	(773)	-	(773)	-	-	-	
Leasehold improvement	63,784	12,269	(19,792)	-	56,261	(47,506)	(7,421)	16,553	(38,374)	16,278	17,887	
Furniture, fixtures and office equipment	111,514	6,678	(11,701)	399	106,890	(88,158)	(8,833)	8,564	(88,427)	23,356	18,463	
Vehicles	26,488	-	-	-	26,488	(19,781)	(4,195)	-	(23,976)	6,707	2,512	
Leasehold improvement under installation	539	13,284	-	(399)	13,424	-	-	-	-	539	13,424	
<b>Total</b>	<b>204,708</b>	<b>32,231</b>	<b>(31,493)</b>	<b>-</b>	<b>205,446</b>	<b>(156,218)</b>	<b>(20,449)</b>	<b>25,117</b>	<b>(151,550)</b>	<b>48,490</b>	<b>53,896</b>	

	Consolidated financial statements										Property, plant and equipment, net as at 1 January 2019 Thousand Baht	Property, plant and equipment, net as at 31 December 2019 Thousand Baht
	Cost					Accumulated depreciation						
	As at 1 January 2019 Thousand Baht	Increase Thousand Baht	Disposal / Write off Thousand Baht	Transfer from AZTH Thousand Baht	As at 31 December 2019 Thousand Baht	As at 1 January 2019 Thousand Baht	Depreciation Thousand Baht	Disposal / Write off Thousand Baht	Transfer from AZTH Thousand Baht	As at 31 December 2019 Thousand Baht		
Land	1,610	-	-	-	1,610	-	-	-	-	1,610	1,610	
Building	773	-	-	-	773	(773)	-	-	(773)	-	-	
Leasehold improvement	56,013	3,079	(7,119)	15,423	67,396	(41,672)	(9,501)	6,500	(5,626)	(50,299)	14,341	17,097
Furniture, fixtures and office equipment	66,114	4,207	(16,165)	57,358	111,514	(58,365)	(8,022)	15,898	(37,684)	(88,173)	7,749	23,341
Vehicles	37,038	-	(10,550)	-	26,488	(20,986)	(6,185)	7,389	-	(19,782)	16,052	6,706
Leasehold improvement under installation	-	538	-	-	538	-	-	-	-	-	-	538
<b>Total</b>	<b>161,548</b>	<b>7,824</b>	<b>(33,834)</b>	<b>72,781</b>	<b>208,319</b>	<b>(121,796)</b>	<b>(23,708)</b>	<b>29,787</b>	<b>(43,310)</b>	<b>(159,027)</b>	<b>39,752</b>	<b>49,292</b>

**15 Property, Plant and Equipment, net (Cont'd)**

Property, plant and equipment, net as at 31 December 2020 and 2019 consisted of the following (Cont'd)

	Separate financial statements								Property, plant and equipment, net as at 1 January 2020 Thousand Baht	Property, plant and equipment, net as at 31 December 2020 Thousand Baht
	Cost			Accumulated depreciation						
	As at 1 January 2020 Thousand Baht	Increase Thousand Baht	Disposal / Write off Thousand Baht	As at 31 December 2020 Thousand Baht	As at 1 January 2020 Thousand Baht	Depreciation Thousand Baht	Disposal / Write off Thousand Baht	As at 31 December 2020 Thousand Baht		
Land	1,610	-	-	1,610	-	-	-	-	1,610	1,610
Building	773	-	-	773	(773)	-	-	(773)	-	-
Leasehold improvement	344	-	(182)	162	(344)	-	182	(162)	-	-
Furniture, fixtures and office equipment	1,058	-	(246)	812	(970)	(25)	246	(749)	88	63
<b>Total</b>	<b>3,785</b>	<b>-</b>	<b>(428)</b>	<b>3,357</b>	<b>(2,087)</b>	<b>(25)</b>	<b>428</b>	<b>(1,684)</b>	<b>1,698</b>	<b>1,673</b>

	Separate financial statements								Property, plant and equipment, net as at 1 January 2019 Thousand Baht	Property, plant and equipment, net as at 31 December 2019 Thousand Baht
	Cost			Accumulated depreciation						
	As at 1 January 2019 Thousand Baht	Increase Thousand Baht	Disposal / Write off Thousand Baht	As at 31 December 2019 Thousand Baht	As at 1 January 2019 Thousand Baht	Depreciation Thousand Baht	Disposal / Write off Thousand Baht	As at 31 December 2019 Thousand Baht		
Land	1,610	-	-	1,610	-	-	-	-	1,610	1,610
Building	773	-	-	773	(773)	-	-	(773)	-	-
Leasehold improvement	4,456	-	(4,112)	344	(4,454)	(1)	4,111	(344)	2	-
Furniture, fixtures and office equipment	2,990	32	(1,964)	1,058	(2,876)	(34)	1,940	(970)	114	88
Vehicles	8,168	-	(8,168)	-	(3,943)	(1,064)	5,007	-	4,225	-
<b>Total</b>	<b>17,997</b>	<b>32</b>	<b>(14,244)</b>	<b>3,785</b>	<b>(12,046)</b>	<b>(1,099)</b>	<b>11,058</b>	<b>(2,087)</b>	<b>5,951</b>	<b>1,698</b>

## 16 Goodwill and business acquisition

As at 31 December 2020, the Group has goodwill amounting to Baht 508.88 million which occurred from the purchased and accepted of the entire business of Allianz Insurance Public company limited on 30 April 2019 as detailed in note 16.2.

### 16.1 Impairment assessment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 5.3. The recoverable amounts of cash generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

As at 31 December 2020, the Group tested impairment of the goodwill and considered that there is no impairment for the goodwill.

Management determined growth rate from budget based on past performance and its expectations of market development.

The recoverable amount goodwill is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates which does not exceed the long-term average market growth rate for the business in which the Group operates.

The key assumptions used for value-in-use calculations are as follows:

Net earned premium growth rate from 2021 - 2025: 6% - 12%

Pre-tax discount rate applied to the cash flow projections: 9%

Management determined budgeted gross margin based on past performance and its expectations of market development. The weighted average growth rates used are consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant segments.

The key assumption that will affect the value in use is discount rate. The management has considered the sensitivity of the change in the discount rate. If the pre-tax discount had been 1% per annum higher than management's estimate, the value in use is still higher than the carrying value and no impairment recognised.

### 16.2 Business acquisition

On April 30, 2019, the Group completed purchase and acceptance of the entire business of AZTH, as per entire business transfer agreement dated September 24, 2018 for a cash consideration of Baht 848.80 million.

During the year 2019, the Group engaged an independent appraiser to appraise the fair value of identifiable assets acquired and liabilities assumed and allocation of fair value at the acquisition date. The Group has applied Thai Financial Reporting Standard No. 3 (revised 2018) "Business Combinations" to recognize the business acquisition transaction. The Group has considered the fair value of assets acquired and liabilities assumed from the business acquisition and recorded the difference amount between the purchase price and the value of consideration received in the account "Goodwill" in the amount of Baht 508.88 million by considering the information from the purchase price allocation report of an independent appraiser and other relevant factors obtained within one year from the acquisition date. The following summarizes the major classes of consideration transferred and the recognized fair value of assets acquired and liabilities assumed at the business acquisition date:

**16 Goodwill and business acquisition (Cont'd)****16.2 Business acquisition (Cont'd)**

	<b>As at 30 April 2019 Thousand Baht</b>
<b>Assets</b>	
Cash and cash equivalents	1,047,398
Premium receivable - net	425,651
Accrued investment income	6,752
Reinsurance assets	2,194,326
Amounts due from reinsurers	258,971
Investments in securities	1,006,389
Leasehold improvement and equipment	29,471
Intangible assets	106,158
Deferred tax assets	139,927
Other assets	111,512
<b>Total Assets</b>	<b>5,326,555</b>
<b>Liabilities</b>	
Insurance liabilities	3,669,779
Amounts due to reinsurers	849,617
Employee benefit obligations	19,934
Accrued expenses	273,871
Other liabilities	173,431
<b>Total liabilities</b>	<b>4,986,632</b>
<b>Identifiable assets and liabilities - net</b>	<b>339,923</b>
Cash paid for purchase entire business transfer	(848,800)
<b>Goodwill</b>	<b>508,877</b>

## 17 Right-of-use asset, net

Consolidated financial statements										
31 December 2020										
Cost				Accumulated amortisation				Right-of-use asset, net	Right-of-use asset, net	
As at 1 January 2020	Increase	Change in contract	As at 31 December 2020	As at 1 January 2020	Amortisation	Change in contract	As at 31 December 2020	as at 1 January 2020	as at 31 December 2020	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Leasehold improvement	147,806	33,734	57,685	239,225	(2,809)	(31,812)	2,685	(31,936)	144,997	207,289
Vehicles	3,333	-	-	3,333	-	(1,818)	-	(1,818)	3,333	1,515
Total	151,139	33,734	57,685	242,558	(2,809)	(33,630)	2,685	(33,754)	148,330	208,804
Separate financial statements										
31 December 2020										
Cost				Accumulated amortisation				Right-of-use asset, net	Right-of-use asset, net	
As at 1 January 2020	Increase	Change in contract	As at 31 December 2020	As at 1 January 2020	Amortisation	Change in contract	As at 31 December 2020	as at 1 January 2020	as at 31 December 2020	
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Leasehold improvement	17,508	-	(17,508)	-	-	(1,382)	1,382	-	17,508	-
Total	17,508	-	(17,508)	-	-	(1,382)	1,382	-	17,508	-

For the year ended 31 December 2020, the lease payments of the Group and the Company resulting from lease and service contracts which are not capitalised comprised of short-term contracts amounting to Baht 0.15 million and Baht 0 million, respectively.



**18 Intangible assts, net**

Intangible assets, net as at 31 December 2020 and 2019 consisted of the following:

	Consolidated financial statements										Intangible assets, net as at 1 January 2020 Thousand Baht	Intangible assets, net as at 31 December 2020 Thousand Baht
	Cost					Accumulated amortisation						
	As at 1 January 2020 Thousand Baht	Increase Thousand Baht	Write off Thousand Baht	Transfer in / (transfer out) Thousand Baht	As at 31 December 2020 Thousand Baht	As at 1 January 2020 Thousand Baht	Amortisation Thousand Baht	Write off Thousand Baht	As at 31 December 2020 Thousand Baht			
<b>Purchase/subsequently acquire</b>												
Computer software	233,110	9,609	-	22,062	264,781	(189,023)	(17,706)	-	(206,729)	44,087	58,050	
Computer software in progress	32,556	10,456	(1,970)	(22,062)	18,980	-	-	-	-	32,556	18,980	
Bancassurance agreement	100,000	-	-	-	100,000	(91,568)	(8,432)	-	(100,000)	8,432	-	
<b>Total</b>	<b>365,666</b>	<b>20,065</b>	<b>(1,970)</b>	<b>-</b>	<b>383,761</b>	<b>(280,591)</b>	<b>(26,138)</b>	<b>-</b>	<b>(306,729)</b>	<b>85,075</b>	<b>77,032</b>	

	Consolidated financial statements										Intangible assets, net as at 1 January 2019 Thousand Baht	Intangible assets, net as at 31 December 2019 Thousand Baht	
	Cost					Accumulated amortisation							
	As at 1 January 2019 Thousand Baht	Increase Thousand Baht	Disposal / Write off Thousand Baht	Transfer in / (transfer out) Thousand Baht	Transfer from AZTH Thousand Baht	As at 31 December 2019 Thousand Baht	As at 1 January 2019 Thousand Baht	Amortisation Thousand Baht	Disposal / Write off Thousand Baht	Transfer from AZTH Thousand Baht			As at 31 December 2019 Thousand Baht
<b>Purchase/subsequently acquire</b>													
Computer software	90,096	2,671	-	-	140,343	233,110	(64,871)	(12,919)	-	(111,233)	(189,023)	25,225	44,087
Computer software in progress	7,381	1,968	(53,840)	-	77,048	32,557	-	-	-	-	-	7,381	32,557
Bancassurance agreement	100,000	-	-	-	-	100,000	(81,577)	(9,992)	-	-	(91,569)	18,423	8,431
<b>Total</b>	<b>197,477</b>	<b>4,639</b>	<b>(53,840)</b>	<b>-</b>	<b>217,391</b>	<b>365,667</b>	<b>(146,448)</b>	<b>(22,911)</b>	<b>-</b>	<b>(111,233)</b>	<b>(280,592)</b>	<b>51,029</b>	<b>85,075</b>

**18 Intangible assts, net (Cont'd)**

Intangible assets, net as at 31 December 2020 and 2019 consisted of the following: (Cont'd)

	Separate financial statements								Intangible assets, net as at 1 January 2020 Thousand Baht	Intangible assets, net as at 31 December 2020 Thousand Baht
	Cost			Accumulated amortisation			As at 31 December 2020 Thousand Baht	As at 31 December 2019 Thousand Baht		
	As at 1 January 2020 Thousand Baht	Increase Thousand Baht	Transfer in / (transfer out) Thousand Baht	As at 31 December 2020 Thousand Baht	As at 1 January 2020 Thousand Baht	Amortisation Thousand Baht				
<b>Purchase/subsequently acquire</b>										
Computer software	41	6,702	-	6,743	(41)	(171)	(212)	-	6,531	
Computer software in progress	1,968	-	(1,968)	-	-	-	-	1,968	-	
<b>Total</b>	<b>2,009</b>	<b>6,702</b>	<b>(1,968)</b>	<b>6,743</b>	<b>(41)</b>	<b>(171)</b>	<b>(212)</b>	<b>1,968</b>	<b>6,531</b>	

	Separate financial statements								Intangible assets, net as at 1 January 2019 Thousand Baht	Intangible assets, net as at 31 December 2019 Thousand Baht
	Cost			Accumulated amortisation			As at 31 December 2019 Thousand Baht	As at 31 December 2019 Thousand Baht		
	As at 1 January 2019 Thousand Baht	Increase Thousand Baht	Transfer in / (transfer out) Thousand Baht	As at 31 December 2019 Thousand Baht	As at 1 January 2019 Thousand Baht	Amortisation Thousand Baht				
<b>Purchase/subsequently acquire</b>										
Computer software	41	-	-	41	(41)	-	(41)	-	-	
Computer software in progress	-	1,968	-	1,968	-	-	-	-	1,968	
<b>Total</b>	<b>41</b>	<b>1,968</b>	<b>-</b>	<b>2,009</b>	<b>(41)</b>	<b>-</b>	<b>(41)</b>	<b>-</b>	<b>1,968</b>	

**19 Deferred tax assets, net**

Deferred tax assets, net as at 31 December 2020 and 2019 were as follows:

	Consolidated financial statements		Separate Financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Deferred tax assets, net	419,272	328,450	64,141	26,644

The analysis of deferred tax assets and deferred tax liabilities is as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
<b>Deferred tax assets:</b>				
Deferred tax asset to be recovered within 12 months	208,254	53,524	39,136	31,583
Deferred tax asset to be recovered more than 12 months	236,180	282,609	37,926	-
	444,434	336,133	77,062	31,583
<b>Deferred tax liabilities:</b>				
Deferred tax liabilities to be settled within 12 months	(25,162)	(6,275)	(12,921)	(4,939)
Deferred tax liabilities to be settled more than 12 months	-	(1,408)	-	-
	(25,162)	(7,683)	(12,921)	(4,939)
<b>Deferred tax asset (net)</b>	419,272	328,450	64,141	26,644

**19 Deferred tax assets, net (Cont'd)**

Movements of deferred tax assets for the year ended 31 December 2020 and 2019 consisted of tax effects from the following items:

	Consolidated financial statements			
	As at 1 January 2020 Thousand Baht	Transactions recognised in profit or loss Thousand Baht	Transaction recognised in other comprehensive income or loss Thousand Baht	As at 31 December 2020 Thousand Baht
<b>Deferred tax assets</b>				
Allowance for doubtful accounts				
- Premium due and uncollected	6,620	(455)	-	6,165
Allowance for doubtful accounts				
- Other receivable	567	341	-	908
Unearned premium reserve	100,061	(50,019)	-	50,042
Unrealised loss on the change in fair value of investment measured at fair value through other comprehensive income	34,950	(4,006)	7,884	38,828
Expected credit loss	495	30,142	(30,211)	426
Claim reserve, net	137,009	4,770	-	141,779
Claim incurred but not reported	25,905	9,683	-	35,588
Employee benefit obligations	19,760	(663)	-	19,097
Accrued expense	11,841	12,464	-	24,305
Loss carry forward	-	125,362	-	125,362
Others	2,913	(979)	-	1,934
	<u>340,121</u>	<u>126,640</u>	<u>(22,327)</u>	<u>444,434</u>
<b>Deferred tax liabilities</b>				
Unrealised gain on transfer investment	(4,939)	-	-	(4,939)
Unrealised gain on the change in fair value of investment designated at fair value through profit or loss	-	(821)	-	(821)
Unrealised gain on the change in fair value of investments measured at fair value through other comprehensive income	(19,360)	4,006	(4,048)	(19,402)
	<u>(24,299)</u>	<u>3,185</u>	<u>(4,048)</u>	<u>(25,162)</u>
<b>Deferred tax assets, net</b>	<u>315,822</u>	<u>129,825</u>	<u>(26,375)</u>	<u>419,272</u>

	Consolidated financial statements				
	As at 1 January 2019 Thousand Baht	Transactions recognised in profit or loss Thousand Baht	Transaction recognized in other comprehensive income or loss Thousand Baht	Transfer from Allianz Insurance PCL Thousand Baht	As at 31 December 2019 Thousand Baht
<b>Deferred tax assets</b>					
Allowance for doubtful accounts					
- Premium due and uncollected	1,130	3,265	-	2,225	6,620
Allowance for doubtful accounts					
- Other receivable	567	-	-	-	567
Unearned premium reserve	102,450	(58,436)	-	56,047	100,061
Claim reserve, net	47,163	35,921	-	53,925	137,009
Claim incurred but not reported	15,737	4,048	-	6,120	25,905
Employee benefit obligations	13,730	7,244	(1,214)	-	19,760
Reinsurance payable	880	(880)	-	-	-
Accrued expense	-	(6,788)	-	18,629	11,841
Unrealised loss on the change in fair value of available-for-sale investments	51,943	-	(23,532)	-	28,411
Allowance for impairment of general investment	302	-	-	-	302
Others	-	(69)	-	2,982	2,913
	<u>233,902</u>	<u>(15,695)</u>	<u>(24,746)</u>	<u>139,928</u>	<u>333,389</u>
<b>Deferred tax liabilities</b>					
Unrealised gain on transfer of investments	(4,939)	-	-	-	(4,939)
	<u>(4,939)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,939)</u>
<b>Deferred tax assets, net</b>	<u>228,963</u>	<u>(15,695)</u>	<u>(24,746)</u>	<u>139,928</u>	<u>328,450</u>

**19 Deferred tax assets, net (Cont'd)**

Movements of deferred tax assets for the year ended 31 December 2020 and 2019 consisted of tax effects from the following items: (Cont'd)

	Separate financial statements			
	As at 1 January 2020 Thousand Baht	Transactions recognised in profit or loss Thousand Baht	Transaction recognised in other comprehensive income or loss Thousand Baht	As at 31 December 2020 Thousand Baht
<b>Deferred tax assets</b>				
Unrealised loss on the change in fair value of investments measured at fair value through profit and loss	34,950	(11,201)	-	23,749
Unrealised loss on the change in fair value of investments measured at fair value through other comprehensive income	-	-	15,079	15,079
Employee benefit obligations	1,534	(1,534)	-	-
Expected credit loss	311	66	(69)	308
Taxable profit (tax loss)	-	37,926	-	37,926
	<u>36,795</u>	<u>25,257</u>	<u>15,010</u>	<u>77,062</u>
<b>Deferred tax liabilities</b>				
Unrealised gain on transfer of investments	(4,939)	-	-	(4,939)
Unrealised gain on the change in fair value of investments measured at fair value through profit and loss	(4,046)	4,006	-	(40)
Unrealised gain on the change in fair value of investments measured at fair value through other comprehensive income	(1,156)	-	(6,786)	(7,942)
	<u>(10,141)</u>	<u>4,006</u>	<u>(6,786)</u>	<u>(12,921)</u>
<b>Deferred tax assets, net</b>	<u>26,654</u>	<u>29,263</u>	<u>8,224</u>	<u>64,141</u>
<b>Separate financial statements</b>				
	As at 1 January 2019 Thousand Baht	Transactions recognised in profit or loss Thousand Baht	Transaction recognised in other comprehensive income or loss Thousand Baht	As at 31 December 2019 Thousand Baht
<b>Deferred tax assets</b>				
Unrealised loss on the change in fair value of available-for-sale investments	47,854	-	(18,107)	29,747
Employee benefit obligations	931	409	194	1,534
Allowance for impairment of general investment	302	-	-	302
	<u>49,087</u>	<u>409</u>	<u>(17,913)</u>	<u>31,583</u>
<b>Deferred tax liabilities</b>				
Unrealised gain on transfer of investments	(4,939)	-	-	(4,939)
	<u>(4,939)</u>	<u>-</u>	<u>-</u>	<u>(4,939)</u>
<b>Deferred tax assets, net</b>	<u>44,148</u>	<u>409</u>	<u>(17,913)</u>	<u>26,644</u>

Deferred income tax assets are recognised for tax loss and carried forwards only to the extent that realisation of the related tax benefit through the future taxable profits is probable. As at 31 December 2020, the Group does not recognise deferred tax asset of Baht 4 million from tax losses of Baht 18 million, to carry forward against future taxable income; will expire in 2025. (2019: The Group did not recognise deferred tax asset of Baht 28 million from tax losses of Baht 142 million, to carry forward against future taxable income; will expire in 2024.)

**20 Other assets**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Other receivables	25,720	29,590	-	-
<u>Less</u> Allowance for doubtful accounts	(4,542)	(2,834)	-	-
	<u>21,178</u>	<u>26,756</u>	<u>-</u>	<u>-</u>
Revenue Department receivable	27,814	32,611	6,625	3,155
Withholding tax receivable	18,620	3,021	1,522	1,522
Prepaid expenses	11,123	9,607	110	541
Due from rice field insurance scheme	1,819	47,483	-	-
Accrued loss recovery	38,687	48,801	-	-
Deposits	8,313	10,021	52	1,432
Undue input value added tax	8,643	7,246	-	-
Others	5,930	1,127	884	1,001
<b>Total</b>	<u><b>142,127</b></u>	<u><b>186,673</b></u>	<u><b>9,193</b></u>	<u><b>7,651</b></u>

**21 Insurance contract liabilities**

Insurance contract liabilities as at 31 December 2020 and 2019 consisted of the following:

	<b>Consolidated financial statements</b>		
	<b>2020</b>		
	<b>Insurance contract liabilities</b>	<b>Insurance liabilities recovered from reinsurers</b>	<b>Net</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Claim reserves			
Loss incurred and reported	2,174,147	(1,329,395)	844,752
Loss incurred but not reported	262,634	(84,696)	177,938
	<u>2,436,781</u>	<u>(1,414,091)</u>	<u>1,022,690</u>
Premium reserve			
Unearned premium reserve	2,720,983	(646,646)	2,074,337
<b>Total</b>	<u><b>5,157,764</b></u>	<u><b>(2,060,737)</b></u>	<u><b>3,097,027</b></u>

**21 Insurance contract liabilities (Cont'd)**

Insurance contract liabilities as at 31 December 2020 and 2019 consisted of the following: (Cont'd)

	<b>Consolidated financial statements</b>		
	<b>2019</b>		
	<b>Insurance contract liabilities</b>	<b>Insurance liabilities recovered from reinsurers</b>	<b>Net</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Claim reserves			
Loss incurred and reported	2,273,231	(1,477,736)	795,495
Loss incurred but not reported	187,472	(57,948)	129,524
	<u>2,460,703</u>	<u>(1,535,684)</u>	<u>925,019</u>
Premium reserve			
Unearned premium reserve	3,337,238	(1,205,520)	2,131,718
Total	<u>5,797,941</u>	<u>(2,741,204)</u>	<u>3,056,737</u>

**21.1 Insurance reserve for short-term insurance contract****21.1.1 Claim reserves**

	<b>Consolidated financial statements</b>		
	<b>2020</b>		
	<b>Gross</b>	<b>Reinsurance</b>	<b>Net</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Balance as at beginning period	2,460,703	(1,535,684)	925,019
Claim and loss adjustment expenses incurred during the period	2,989,731	(833,666)	2,156,065
Change in claim reserves and assumptions used in loss reserve calculation	429,437	(156,141)	273,296
Loss paid during the period	(3,443,090)	1,111,400	(2,331,690)
Balance as at ending period	<u>2,436,781</u>	<u>(1,414,091)</u>	<u>1,022,690</u>
	<b>Consolidated financial statements</b>		
	<b>2019</b>		
	<b>Gross</b>	<b>Reinsurance</b>	<b>Net</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Balance as at beginning year	765,387	(449,047)	316,340
Claim and loss adjustment expenses incurred during the year	3,141,503	(1,153,340)	1,988,163
Change in claim reserves and assumptions used in loss reserve calculation	(621,816)	550,123	(71,693)
Loss paid during the year	(2,909,908)	1,141,002	(1,768,906)
Loss reserves and outstanding claim transferred from Allianz General Insurance Public Company Limited	2,085,537	(1,624,422)	461,115
Balance as at ending year	<u>2,460,703</u>	<u>(1,535,684)</u>	<u>925,019</u>

**21 Insurance contract liabilities (Cont'd)****21.1 Insurance reserve for short-term insurance contract (Cont'd)****21.1.1 Claim reserves (Cont'd)**

Maturity analysis of claim reserves expected to be paid is as follows:

	<b>Consolidated financial statements</b>	
	<b>2020</b>	<b>2019</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
Claim reserves expected to be paid within 1 year	2,093,003	1,690,356
Claim reserves expected to be paid between 1-2 years	270,300	346,032
Claim reserves expected to be paid between 2-5 years	73,478	262,068
Claim reserves expected to be paid over 5 years	-	177,705
Total Claim reserves expected to be paid	<u>2,436,781</u>	<u>2,476,161</u>

Sensitivity analysis of claim reserves is as follows:

		<b>Consolidated financial statements</b>			
		<b>2020</b>			
	<b>Increase/ (decrease) in assumptions</b>	<b>Increase / (decrease) in reinsurance assets Thousand Baht</b>	<b>Increase / (decrease) in insurance contract liabilities Thousand Baht</b>	<b>Increase / (decrease) in profit Thousand Baht</b>	<b>Increase / (decrease) in owners' equity Thousand Baht</b>
Loss ratio of the recent accident year	Increase 2%	25,895	116,416	(90,520)	(72,416)
	Decrease 2%	(28,468)	(108,278)	79,810	63,848
Claim reserve for big claims	Increase 2%	48,995	149,095	(100,100)	(80,080)
	Decrease 2%	(49,783)	(144,072)	94,290	75,432
ULAE ratio	Increase 20%	-	13,318	(13,318)	(10,655)
	Decrease 20%	-	(13,318)	13,318	10,655

		<b>Consolidated financial statements</b>			
		<b>2019</b>			
	<b>Increase/ (decrease) in assumptions</b>	<b>Increase / (decrease) in reinsurance assets Thousand Baht</b>	<b>Increase / (decrease) in insurance contract liabilities Thousand Baht</b>	<b>Increase / (decrease) in profit Thousand Baht</b>	<b>Increase / (decrease) in owners' equity Thousand Baht</b>
Loss ratio of the recent accident year	Increase 2%	65,926	158,666	(92,740)	(74,192)
	Decrease 2%	(65,140)	(151,052)	85,912	68,729
Claim reserve for big claims	Increase 2%	119,170	176,147	(56,977)	(45,582)
	Decrease 2%	(64,187)	(171,839)	107,653	86,122
ULAE ratio	Increase 20%	-	5,918	(5,918)	(4,735)
	Decrease 20%	-	(5,918)	5,918	4,735



**21 Insurance contract liabilities (Cont'd)****21.1 Insurance reserve for short-term insurance contract (Cont'd)****21.1.2 Unearned premium reserve**

	<b>Consolidated financial statements</b>		
	<b>As at 31 December 2020</b>		
	<b>Gross Thousand Baht</b>	<b>Reinsurance Thousand Baht</b>	<b>Net Thousand Baht</b>
Balance as at beginning period	3,337,238	(1,205,520)	2,131,718
Premium written for the period	5,676,918	(1,564,003)	4,112,915
Earned premium for the period	<u>(6,293,173)</u>	<u>2,122,877</u>	<u>(4,170,296)</u>
Balance as at ending period	<u>2,720,983</u>	<u>(646,646)</u>	<u>2,074,337</u>

	<b>Consolidated financial statements</b>		
	<b>As at 31 December 2019</b>		
	<b>Gross Thousand Baht</b>	<b>Reinsurance Thousand Baht</b>	<b>Net Thousand Baht</b>
Balance as at beginning year	1,679,389	(621,263)	1,058,126
Premium written for the year	5,757,300	(2,290,390)	3,466,910
Earned premium for the year	(5,683,693)	2,276,037	(3,407,656)
Premium reserves transferred from Allianz General Insurance Public Company Limited	<u>1,584,242</u>	<u>(569,904)</u>	<u>1,014,338</u>
Balance as at ending year	<u>3,337,238</u>	<u>(1,205,520)</u>	<u>2,131,718</u>

**21.1.3 Unexpired risk reserve**

As at 31 December 2020 and 2019, no additional reserve for unexpired risk reserve has been established as the gross unexpired risk reserve estimated by the Group amounting to Baht 1,355.52 million and Baht 1,868.91 million, respectively and net unexpired risk reserve estimated by the Group amounting to Baht 1,292.36 million and Baht 1,387.45 million, respectively, is lower than the unearned premium reserve.

**21 Insurance contract liabilities (Cont'd)****21.2 Claim Development Table****21.2.1 Claim development table before reinsurance**

Accident Year / Reporting Year	Consolidated financial statements					
	As at 31 December 2020					
	2016 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	Total Thousand Baht
Gross estimate of cumulative claim costs						
- At the end of the accident year	2,812,467	2,899,143	4,024,019	3,807,602	3,220,781	
- One year later	2,774,379	2,758,139	3,632,050	3,861,531		
- Two years later	2,733,172	2,764,663	3,535,761			
- Three years later	2,725,206	2,795,797				
- Four years later	2,727,287					
Absolute estimated claim	2,727,287	2,795,797	3,535,761	3,861,531	3,220,781	16,141,157
Cumulative claim paid	(2,678,826)	(2,699,520)	(3,258,890)	(3,383,670)	(1,934,151)	(13,955,057)
Total claim reserve	48,461	96,277	276,871	477,861	1,286,630	2,186,100
Claim liability before year 2016						250,681
Total claim liability						2,436,781

Accident Year / Reporting Year	Consolidated financial statements					
	As at 31 December 2019					
	2015 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	Total Thousand Baht
Gross estimate of cumulative claim costs						
- At the end of the accident year	2,841,657	2,812,467	2,899,143	4,024,019	3,807,602	
- One year later	3,001,652	2,774,379	2,758,139	3,632,050		
- Two years later	2,908,908	2,733,172	2,764,663			
- Three years later	2,912,881	2,725,206				
- Four years later	2,851,960					
Absolute estimated claim	2,851,961	2,725,206	2,764,663	3,632,050	3,807,602	15,781,482
Cumulative claim paid	(2,831,822)	(2,674,889)	(2,676,762)	(3,126,117)	(2,197,770)	(13,507,360)
Total claim reserve	20,139	50,317	87,901	505,933	1,609,832	2,274,122
Claim liability before year 2015						186,581
Total claim liability						2,460,703

**21 Insurance contract liabilities (Cont'd)****21.2 Claim Development Table****21.2.2 Claim development table after reinsurance**

Accident Year / Reporting Year	Consolidated financial statements					
	As at 31 December 2020					
	2016 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	Total Thousand Baht
Net estimate of cumulative claim costs						
- At the end of the accident year	1,654,967	1,698,005	2,027,944	2,341,472	2,312,948	
- One year later	1,606,464	1,649,769	1,956,231	2,302,602		
- Two years later	1,589,685	1,653,168	1,924,386			
- Three years later	1,589,927	1,655,087				
- Four years later	1,594,143					
Absolute estimated claim	1,594,143	1,655,087	1,924,386	2,302,602	2,312,948	9,789,166
Cumulative claim paid	(1,588,971)	(1,645,764)	(1,892,005)	(2,238,482)	(1,486,727)	(8,851,949)
Total claim reserve	5,172	9,323	32,381	64,120	826,221	937,217
Claim liability before year 2016						85,473
Total claim liability						1,022,690

Accident Year / Reporting Year	Consolidated financial statements					
	As at 31 December 2019					
	2015 Thousand Baht	2016 Thousand Baht	2017 Thousand Baht	2018 Thousand Baht	2019 Thousand Baht	Total Thousand Baht
Net estimate of cumulative claim costs						
- At the end of the accident year	1,537,625	1,654,967	1,698,005	2,027,944	2,341,472	
- One year later	1,610,661	1,606,464	1,649,769	1,956,230		
- Two years later	1,524,981	1,589,685	1,653,168			
- Three years later	1,525,177	1,589,927				
- Four years later	1,511,101					
Absolute estimated claim	1,511,101	1,589,927	1,653,168	1,956,230	2,341,472	9,051,898
Cumulative claim paid	(1,502,339)	(1,588,171)	(1,641,277)	(1,860,032)	(1,561,975)	(8,153,794)
Total claim reserve	8,762	1,756	11,891	96,198	779,497	898,104
Claim liability before year 2015						26,915
Total claim liability						925,019

**22 Amount due to reinsurers**

Amount due to reinsurers as at 31 December 2020 and 2019 consisted of the following:

	Consolidated financial statements	
	2020	2019
	Thousand Baht	Thousand Baht
Amounts withheld on reinsurance	748,482	1,152,998
Reinsurance payables	501,323	791,674
Total amount due to reinsurers	1,249,805	1,944,672

## 23 Employee benefit obligations

The Group operates post-employment benefit plans under the Labor Protection Act, which are considered as unfunded defined benefits plans.

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Short-term employee benefits				
Long-term employee benefits	19,065	-	-	-
Retirement benefits	132,201	135,518	-	7,669
Employee benefit obligations	151,266	135,518	-	7,669

### 23.1 Defined benefit obligation

Movements in the present value of the employee benefit obligations as at 31 December 2020 and 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
At 1 January	135,518	89,972	7,669	4,655
Current service cost	20,548	46,350	140	1,959
Past service cost	-	-	-	-
Interest expense/(income)	3,128	2,473	48	131
	159,194	138,795	7,857	6,745
Remeasurements:				
(Gain)/loss from change in demographic assumptions	-	(12,195)	-	818
(Gain)/loss from change in financial assumptions	-	1,739	-	91
Experience (gain)/loss	-	4,387	-	59
	-	(6,069)	-	968
Benefit paid during the years	(24,423)	(17,142)	(5,287)	-
	-	-	-	(44)
Transfer benefit to subsidiary company	-	19,934	-	-
Transferred benefits from AZTH	(2,570)	-	(2,570)	-
At 31 December	132,201	135,518	-	7,669

**23 Employee benefit obligations (Cont'd)****23.1 Defined benefit obligation (Cont'd)**

The Group calculated employee benefit obligations by an actuary using the projected unit credit cost method. The assumptions consisted of the following:

	Consolidated financial statements		Separate financial statements
	2020 Thousand Baht	2019 Thousand Baht	2019 Thousand Baht
Financial assumptions			
Discount rate (%)	2.04	2.04 - 2.16	2.04
Salary growth rate (%)	5	5	5
Demographic assumptions			
Turnover rate (%) subject to range of age of employees	10, 15, 25	3, 10, 13, 15, 25	3, 10, 13
Retirement age	60	60	60

Significant Actuarial Assumptions - Impact on increase (decrease) in Defined Benefit Obligation

	Consolidated financial statements		Separate financial statements
	2020 Thousand Baht	2019 Thousand Baht	2019 Thousand Baht
Financial assumptions			
Discount rate - 1 % increase	(13,000)	(12,350)	(418)
Discount rate - 1 % decrease	14,773	14,030	453
Expected rate of salary - 1% increase	15,345	13,028	364
Expected rate of salary - 1% decrease	(13,791)	(11,714)	(343)
Demographic assumptions			
Turnover rate - 1% increase	(13,746)	(13,056)	(432)
Turnover rate - 1% decrease	3,424	3,236	5
Life expectancy - 1 year increase	776	730	19
Life expectancy - 1 year decrease	(771)	(726)	(19)

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method has been applied as when calculating the retirement benefits recognised in the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior year.

**23 Employee benefit obligations (Cont'd)****23.1 Defined benefit obligation (Cont'd)**

Maturity analysis of the benefit payments of the post-employment benefits obligation as at 31 December 2020 and 2019 were as follows:

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
Weighted average duration of the defined benefit obligation (Years)				
Maturity analysis of undiscounted benefits expected to be paid (Thousand Baht)	12.04	11.10	-	11.58
Benefits expected to be paid within 1 year	2,672	3,238	-	774
Benefits expected to be paid between 1 - 5 years	32,260	31,423	-	5,017
Benefits expected to be paid more than 5 years	105,139	100,857	-	1,879
Total	140,071	135,518	-	7,670

**23.2 Long term employee benefits - Share-based compensation**

The Group has share-based compensation in accordance with Allianz Group policy using the share price of Allianz SE, a listed company in Frankfurt am Main in XETRA trading.

During the year 2020, there was a share-based compensation plan to employee. The details are as below:

**Employee Stock Purchase Plan (ESPP)**

The Allianz Group offers Allianz SE shares in 42 countries to entitled employees at favourable conditions. The offer provides to the eligible employees one matching share (or fractions) for three purchased shares. The shares have three years restriction period which will be held and administered in a central omnibus account during the period.

During the year ended 31 December 2020, the number of shares sold to employees under these plans was 97 million shares (2019: 41 million shares).

**Restricted stock unit (RSU)**

The Allianz Equity Incentive (AEI) is a long-term equity-based plan granting Restricted Stock Units (RSU) provided to executives. The AEI are granted once a year and have a four-year vesting period from the time of their grant. The plan participant is required to formally accept the grant during a defined period. Failure to do so will result in forfeiture of the grant. Any value can be realized if the plan participant remains employed within the Allianz Group or under certain conditions.

**23 Employee benefit obligations (Cont'd)****23.2 Long term employee benefits - Share-based compensation (Cont'd)**

Performance criteria are set by the Board of Directors and will measure the performance of the Group.

	RSU		ESPP	
	2020 Number of shares	2019 Number of shares	2020 Number of shares	2019 Number of shares
As at 1 January	-	-	41	-
Granted/Transferred in	4,460	-	97	41
Exercised	(818)	-	-	-
Forfeited/Transferred out	-	-	-	-
As at 31 December	3,642	-	138	41

The total recognised compensation in other employee benefits for the year ended 31 December 2020 amounting to Baht 7.74 million (2019: Baht 0.29 million) and the total compensation liabilities under "Employee benefits" amounting to Baht 19.07 million (2019: Baht 0) The Company uses projected cash flow technique to calculate the fair value of this share-based payment plan. The key assumptions for valuations are expected share price and employee turn-over rate.

Employee Stock benefit Plan

The Allianz Group offers Allianz SE shares in 42 countries to entitled employees at favourable conditions. The offer provides to the eligible employees for one share. The shares have 3 years restriction period which will be held and administered in a central omnibus account during the period. During the year ended 31 December 2020, the number of shares provided to employees under these plans was 199 shares. The total recognised compensation in other employee benefits for the year ended 31 December 2020 amounting to Baht 1.22 million.

**24 Lease liabilities**

The maturity analysis of lease liabilities is aged as follows;

Maturity	Consolidated financial statements	Separate financial statements
	2020 Thousand Baht	2020 Thousand Baht
Within 1 year	29,642	-
Between 1 - 2 years	28,636	-
Between 2 - 3 years	26,383	-
Between 3 - 4 years	21,192	-
Between 4 - 5 years	20,208	-
Over 5 years	81,815	-
Total	207,876	-
Including - Principal	233,902	-
- Interest	(26,026)	-

For the year ended 31 December 2020, the Group have Interest expenses on lease liabilities amounted to Baht 4.65 million are recorded as "finance cost" in the statement of comprehensive income.

**25 Other liabilities**

Other liabilities as at 31 December 2020 and 2019 consisted of the following:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Other payables -				
promotion expense	65,925	69,343	-	-
Premium received in advance	139,824	95,127	-	-
Withholding tax payable	19,610	11,103	85	259
Undue output VAT	4,001	23,791	-	-
Contribution to non-life guarantee fund	19,668	15,810	-	-
Others	27,768	66,302	159	1,968
<b>Total</b>	<b>276,796</b>	<b>281,476</b>	<b>244</b>	<b>2,227</b>

**26 Share Capital**

	Number of shares Million shares	Issued ordinary shares Million Baht	Premium on share Million Baht	Total Million Baht
At 1 January 2019	296	296	5,276	5,572
Issue of shares	89	89	4,631	4,720
At 31 December 2019	385	385	9,907	10,292
Issue of shares	4	4	159	163
At 31 December 2020	389	389	10,066	10,455

On 18 May 2020, the Company's issued and fully paid share capital has been increased from Baht 384.96 million (384.96 million ordinary shares with a par value of Baht 1 each) to Baht 389.27 million (389.27 million ordinary shares with a par value of Baht 1 each) as a result of the exercises of the warrants (AYUD-W1) to ordinary shares amounting to Baht 4,301,970 (4,301,970 ordinary shares with a par value of Baht 1 each), resulting in an increase in total share premium to Baht 158.54 million. The Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on 18 May 2020.

On 30 April 2019, the Company received capital increase from Allianz SE and CPRN (Thailand) Co., Ltd. of Baht 4,717.40 million (88.47 million shares at Baht 53.32 per share, at a par value of Baht 1). The fully paid share capital has been increased from Baht 296.42 million (296.42 million ordinary shares with a par value of Baht 1 each) to Baht 384.89 million (384.89 million ordinary shares with a par value of Baht 1 each), resulting in an increase in total share premium to Baht 4,628.93 million. The Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on 30 April 2019.

On 17 June 2019, the Company's issued and fully paid share capital has been increased from Baht 384.89 million (384.89 million ordinary shares with a par value of Baht 1 each) to Baht 384.91 million (384.91 million ordinary shares with a par value of Baht 1 each) as a result of the exercises of the warrants (AYUD-W1) to ordinary shares amounting to Baht 19,775 (19,775 ordinary shares with a par value of Baht 1 each), resulting in an increase in total share premium to Baht 0.75 million. The Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on 24 June 2019.



## 26 Share Capital (Cont'd)

On 16 December 2019, the Company's issued and fully paid share capital has been increased from Baht 384.91 million (384.91 million ordinary shares with a par value of Baht 1 each) to Baht 384.96 million (384.96 million ordinary shares with a par value of Baht 1 each) as a result of the exercises of the warrants (AYUD-W1) to ordinary shares amounting to Baht 54,900 (54,900 ordinary shares with a par value of Baht 1 each), resulting in an increase in total share premium to Baht 2.09 million. The Company registered the corresponding increase in its paid-up capital with the Ministry of Commerce on 18 December 2019.

## 27 Warrants

The Company allocated and issued warrants to purchase ordinary shares, which is specified warrant's holder and transferable type. Terms of warrants are 2 years from initial issuance date. Exercise ratio is 1 warrant entitled to purchase 1 newly issued ordinary share at the determined exercise price (subject to change in case of the adjustment to the terms and conditions) and shall be able to exercise the warrants as identified period. The details of warrants are described as follows:

Warrant series	Term	Exercise date	Exercise period	Number of allocated and issued warrants (Unit)	Exercise ratio per 1 warrant	Exercise price (Baht per share)
"AYUD-W1"	2 Years	27 April 2018	On June 15 and December 15 every year throughout the term of warrants. The first exercise date is 15 June 2018 and the last exercise date is 8 May 2020.	124,999,807	1:1.03 (2019: 1:1)	37.85 (2019: 39.00)

Movements in warrants for the years ended 31 December 2020 and 2019 are as follows:

	2020		2019	
	Number of warrants (Unit)	Weighted average exercise price (Baht per share)	Number of warrants (Unit)	Weighted average exercise price (Baht per share)
Balance as at 1 January	78,508,207	39.00	78,582,882	39.00
Issued warrants	-	-	-	-
Forfeited warrants	(74,331,534)	-	-	-
Exercised warrants	(4,176,673)	37.85	(74,675)	39.00
Balance as at 31 December	-	-	78,508,207	39.00

On 6 March 2020, the Company adjusted the exercise price and exercise ratio of the warrants to purchase ordinary shares of the Company "AYUD-W1" under the condition as set forth in Clause 4.1 (5), the Company will adjust the exercise price and exercise ratio when makes a cash dividend payment at a rate higher than 80 percent of the net profit after income tax under the consolidated financial statements. The Company paid 2019 interim dividend at the rate of Baht 0.75 per share, equivalent to 152.23% of the consolidated profit. Exercise price was adjusted from Baht 39.00 per share to Baht 37.85 per share and exercise ratio was adjusted from 1 unit of warrant to 1 ordinary shares to 1 unit of warrant to purchase 1.03 ordinary shares which are effective on 9 March 2020.

The warrants were expired on 8 May 2020 and 4,176,673 units of warrants were exercised with the exercise price of Baht 37.85 per unit, Baht 162.84 million in total. This led to increasing 4,301,970 of Company's shares (Note 26).

**28 Legal reserve**

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
At 1 January	50,000	50,000	50,000	50,000
Appropriation during the year	-	-	-	-
At 31 December	50,000	50,000	50,000	50,000

Pursuant to the Public Limited Companies Act B.E. 2535, the Group must allocate to a reserve fund from the annual net profit of the year, not less than 5% of the annual net profit deducted by the total accumulated loss brought forward (if any) until the reserve fund reaches an amount of not less than 10% of the authorised capital. Such reserve fund is not available for distribution as dividend.

As at 31 December 2020 and 2019, the Company already had legal reserve of not less than 10% of the authorised capital.

**29 Financial information by segment**

The business segment results are prepared based on the preparation of management report of the Group. The operating results by business segment provided to Chief Operating Decision Maker to make decisions about allocating resources to and assessing the performance of operating segments is measured in accordance with Financial Reporting Standards.

The Group has been operating in two principal business segments: (1) Non-life insurance business and (2) Investment business, which are only organised and managed in a single geographic area, namely in Thailand. Therefore, no geographical segment information is presented.

For the year ended 31 December 2020 and 2019, there is no revenue from a single external customer contributed 10% or more to the Group's total revenue.

The financial statements of the Group for the year ended 31 December 2020 and 2019 were presented by business segment as follows:

	Consolidated financial statements							
	Non-life insurance business		Investment business		Elimination of inter-segment		Total	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Revenue from external	4,522,192	4,066,914	427,691	508,077	(470,426)	(541,341)	4,479,457	4,033,650
Share of profit on investment in an associate	-	-	1,049,595	553,245	-	-	1,049,595	553,245
Other income	65,307	34,126	241	9,475	(3,495)	(11,202)	62,053	32,399
Total revenue	4,587,499	4,101,040	1,477,527	1,070,797	(473,921)	(552,543)	5,591,105	4,619,294
Insurance business expenses	4,095,271	3,507,692	-	-	-	-	4,095,271	3,507,692
Directors and key management personnel's remuneration	155,479	114,879	6,406	13,008	-	-	161,885	127,887
Other expenses	660,083	782,753	25,570	47,762	147,007	(52,121)	833,660	778,394
Income tax expense	(63,266)	16,103	(29,263)	(409)	(37,246)	-	(129,825)	15,694
Net income (loss)	(260,068)	(320,387)	1,474,814	1,010,436	(583,632)	(500,422)	631,114	189,627

### 30 Dividend

At the Board of Directors' meeting on 8 April 2020, the payment of interim dividend was approved from the retained earnings at Baht 0.75 per share, totaling Baht 288.72 million. The dividend payment was made on 7 May 2020.

At the Board of Directors' meeting on 14 August 2020, the payment of interim dividend was approved from the retained earnings at Baht 0.75 per share, totaling Baht 291.95 million. The dividend payment was made on 11 September 2020.

At the Board of Directors' meeting on 13 August 2019, the payment of interim dividend was approved from the operating result from 1 January 2019 to 30 June 2019 at Baht 0.75 per share, totaling Baht 288.68 million. The dividend payment was made on 6 September 2019.

### 31 Earnings per share

Earnings per share for the year ended 31 December 2020 and 2019 calculated from net profit for the year of the Company's shareholders and the number of issued share capital. The calculation was as follows:

	Consolidated financial statements					
	Profit (loss)		Weighted average number of ordinary shares		Earnings (loss) per share	
	2020	2019	2020	(Restated) 2019	2020	(Restated) 2019
	Thousand Baht	Thousand Baht	Shares	Shares	Baht	Baht
<b>Basic earning per share</b>						
Profit attributable to shareholders of the Company	631,114	189,627	387,563	356,058	1.63	0.53
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (AYUD-W1)	-	-	-	4,524		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	631,114	189,627	387,563	360,582	1.63	0.53
	Separate financial statements					
	Profit (loss)		Weighted average number of ordinary shares		Earnings (loss) per share	
	2020	2019	2020	(Restated) 2019	2020	(Restated) 2019
	Thousand Baht	Thousand Baht	Shares	Shares	Baht	Baht
<b>Basic earnings per share</b>						
Profit attributable to shareholders of the Company	425,219	457,192	387,563	356,058	1.10	1.28
<b>Effect of dilutive potential ordinary shares</b>						
Warrants (AYUD-W1)	-	-	-	4,524		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholders assuming the conversion of dilutive potential ordinary shares	425,219	457,192	387,563	360,582	1.10	1.27

The Group corrected the prior period error of the calculation of dilutive potential ordinary shares for the year ended 31 December 2019. The correction of the effect of dilutive potential ordinary shares which was previously reported for the year ended 31 December 2019 at 434,566,207 shares in consolidated financial statements and separate financial statements to be 360,581,561 shares. Earnings (loss) per share in consolidated financial statements for the year ended 31 December 2019 was previously reported at Baht 0.44 per share to be Baht 0.52 share per share. Earnings per share in separate financial statements for the year ended 31 December 2019 was previously reported at Baht 1.05 per share to be Baht 1.27 per share.

**32 Gain (Loss) on investment**

Gain (Loss) on investment for the year ended 31 December 2020 and 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Gain (Loss) on sale of investments measured at fair value through other comprehensive income (FVOCI)				
Debt instruments	(116,378)	(19)	1,246	(2)
Equity instruments	-	(92,762)	-	(66,817)
Gain (Loss) on sale of investments measured at fair value through profit or loss (FVPL)				
Debt instruments	-	-	(122,704)	-
Equity instruments	-	(5,318)	-	(2,744)
Total gain (loss) on investment	<u>(116,378)</u>	<u>(98,099)</u>	<u>(121,458)</u>	<u>(69,563)</u>

**33 Operating expenses**

The operating expenses for the year ended 31 December 2020 and 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Employee benefit expenses, excluded underwriting and loss adjustment expenses	280,935	390,779	10,218	16,532
Premises and equipment expense, excluded underwriting expenses	133,693	151,781	2,485	8,579
Taxes and duties	2,093	1,308	1,087	25
Bad debt and allowance for doubtful accounts	(567)	23,257	-	-
Directors' remuneration	13,810	14,485	8,845	10,044
Management fee	160,733	46,757	-	-
Marketing and promotion expenses	5,838	13,150	6	-
Professional fee	112,113	207,409	5,179	18,500
Other operating expense	130,534	57,354	3,825	7,090
Total operating expenses	<u>839,182</u>	<u>906,280</u>	<u>31,645</u>	<u>60,770</u>

**34 Employee expenses**

The employee expenses for the year ended 31 December 2020 and 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Salary and wages	466,831	352,095	3,273	12,144
Social fund expenses	3,788	4,804	10	39
Employee benefit expenses	42,822	59,504	1,052	2,090
Provident fund	18,477	13,682	157	402
Other benefits	41,278	125,324	5,726	1,857
<b>Total employee expenses</b>	<b>573,196</b>	<b>555,409</b>	<b>10,218</b>	<b>16,532</b>

**35 Expected credit loss**

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht		2020 Thousand Baht	
Cash and cash equivalent		(340)		(11)
Investments in debt securities measured at fair value through other comprehensive income		552		345
Investments in debt securities measured at amortised cost		(4)		(3)
<b>Total expected credit loss</b>		<b>208</b>		<b>331</b>

**36 Income tax expense**

Income tax expense for the year comprises the following:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
<b>Current tax:</b>				
Current tax on profits for the year	-	-	-	-
Adjustments in respect of prior year	-	-	-	-
<b>Total current tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred income tax:</b>				
Decrease (increase) in deferred tax assets (Note 19)	(129,825)	15,694	(29,263)	(409)
<b>Total deferred income tax</b>	<b>(129,825)</b>	<b>15,694</b>	<b>(29,263)</b>	<b>(409)</b>
<b>Income tax expense (income)</b>	<b>(129,825)</b>	<b>15,694</b>	<b>(29,263)</b>	<b>(409)</b>

**36 Income tax expense (Cont'd)**

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the basic tax rate as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Profit before tax	501,289	205,321	395,956	456,783
Tax rate	20%	20%	20%	20%
Tax expenses calculated at a tax rate	100,258	41,065	79,191	91,357
Tax effect of:				
Revenue that are granted income tax exemption	(217,944)	(101,542)	(94,912)	(11,896)
Expenses not deductible for tax purpose	2,655	-	-	-
Reversal of unutilised dererred tax assets in the future	-	47,660	-	-
Tax losses for which no deferred income tax asset was recorded	3,658	28,511	3,658	20,130
Tax losses from prior period for which no deferred income tax asset was recorded	(18,452)	-	(17,200)	-
Tax charge	<u>(129,825)</u>	<u>15,694</u>	<u>(29,263)</u>	<u>(409)</u>

The effective tax rate for 2020 is (25.90)% (2019: 7.64%).

Effect from income tax relating to components of other comprehensive income

	Consolidated financial statements					
	2020			2019		
	Before tax Thousand Baht	Benefit (expense) of tax Thousand Baht	Net of tax Thousand Baht	Before tax Thousand Baht	Benefit (expense) of tax Thousand Baht	Net of tax Thousand Baht
<b>Item that will not be reclassified subsequently to profit or loss</b>						
Actuarial gain on deficit employee benefit plans	-	-	-	6,069	(1,214)	4,855
Share of other comprehensive income (loss) from associate	(40,730)	8,146	(32,584)	(10,268)	2,054	(8,214)
<b>Item that will be reclassified subsequently to profit or loss</b>						
Change in fair value of available-for-sale securities	131,873	(26,374)	105,499	117,659	(23,532)	94,127
Share of other comprehensive income (loss) from associate	<u>(460,245)</u>	<u>92,049</u>	<u>(368,196)</u>	<u>4,706,696</u>	<u>(941,339)</u>	<u>3,765,357</u>
Total	<u>(369,102)</u>	<u>73,821</u>	<u>(295,281)</u>	<u>4,820,156</u>	<u>(964,031)</u>	<u>3,856,125</u>

**36 Income tax expense (Cont'd)**

	Separate financial statements					
	2020			2019		
	Before tax Thousand Baht	Benefit (expense) of tax Thousand Baht	Net of tax Thousand Baht	Before tax Thousand Baht	Benefit (expense) of tax Thousand Baht	Net of tax Thousand Baht
<b>Item that will not be reclassified subsequently to profit or loss</b>						
Actuarial gain (loss) on defined employee benefit plans	-	-	-	(969)	194	(775)
Loss on revaluation of equity instruments measured at fair value through other comprehensive income	(59,971)	11,994	(47,977)	-	-	-
<b>Item that will be reclassified subsequently to profit or loss</b>						
Gain (loss) on revaluation of available-for-sale investments	-	-	-	90,534	(18,107)	72,427
Gain on revaluation of debt instruments measured at fair value through other comprehensive income	18,849	(3,770)	15,079	-	-	-
Total	(41,122)	8,224	(32,898)	89,565	(17,913)	71,652

**37 Related parties**

The consolidated and separate financial statements include certain transactions with the subsidiary and related parties. The relationship may be by shareholding or the companies may have the same group of shareholders or directors. The consolidated and separate financial statements reflect the effects of these transactions on the basis determined by the Company, the subsidiary and the related parties which are as follows:

The relationships between the Company and its related parties are summarized below:

Related parties	Relationship	Type of Business
Allianz SE	Ultimate parent company	Insurance
Allianz SE Singapore Branch	Related company of ultimate parent company	Insurance
Allianz Technology SE	Related company of ultimate parent company	Information technology
Allianz Global Corporate&Speciality SE	Related company of ultimate parent company	Insurance
Allianz Global Corporate&Speciality AG	Related company of ultimate parent company	Insurance
Allianz Australia Limited	Related company of ultimate parent company	Insurance
Euler Hermes Deutschland	Related company of ultimate parent company	Insurance
Euler Hermes Singapore Branch	Related company of ultimate parent company	Insurance
Allianz Fire and Marine Insurance Japan Ltd.	Related company of ultimate parent company	Insurance
Allianz General Insurance Malaysia Berhad	Related company of ultimate parent company	Insurance
Allianz Global Risks US Insurance Company	Related company of ultimate parent company	Insurance
AWP P&C S.A.	Related company of ultimate parent company	Service
Allianz Suisse Versicherungs-Gesellschaft AG	Related company of ultimate parent company	Insurance

Related parties	Relationship	Type of Business
<b>37 Related parties</b> (Cont'd)	parent company	

The relationships between the Company and its related parties are summarized below: (Cont'd)

Related parties	Relationship	Type of Business
Allianz China General Insurance Company Ltd.	Related company of ultimate parent company	Insurance
Allianz Benelux S.A	Related company of ultimate parent company	Insurance
AWP Services (Thailand) Co., Ltd.	Related company of ultimate parent company	Service
Allianz Technology (Thailand) Co., Ltd.	Related company of ultimate parent company	Information technology
Allianz General Insurance Plc.	Related company of ultimate parent company	Insurance
Allianz Investment Management Singapore Pte. Ltd.	Related company of ultimate parent company	Service
Allianz Global Investors Singapore Ltd.	Related company of ultimate parent company	Service
Allianz Ayudhya General Insurance Plc.	Subsidiary	Insurance
Allianz Ayudhya Assurance Plc.	Associate	Life Insurance
CPRN (Thailand) Co., Ltd.	Related company of shareholders	Holding
Bangkok Broadcasting & Television Co., Ltd.	Related company of shareholders	Television
BBTV Equity Co., Ltd.	Related company of shareholders	Office Space Rental
Great Luck Equity Co., Ltd.	Related company of shareholders	Advertising
Bank of Ayudhya Plc.	Related company of shareholders	Banking
Krungsri Asset Management Co., Ltd.	Related company of shareholders	Fund management
Krungsri Securities Plc.	Related company of shareholders	Securities
Ayudhya Development Leasing Co., Ltd.	Related company of shareholders	Hire-purchase and leasing
Ayudhya Capital Auto Lease Plc.	Related company of shareholders	Hire-purchase and auto leasing
Siam City Cement Plc.	Related company of shareholders	Construction Materials
Eastern Star Real Estate Plc.	Related company of shareholders	Property
Super Asset Co., Ltd.	Related company of shareholders	Investments
CKS Holding Co., Ltd.	Related company of shareholders	Investments
Grand Canal Land Plc.	Related company of shareholders	Advertising
Krungsri Ayudhya AMC Ltd.	Related company of shareholders	Asset Management
Siam Realty and Service Co., Ltd.	Related company of shareholders	Services
Krungsri Factoring Co., Ltd.	Related company of shareholders	Factoring
Krungsriayudhya Card Co., Ltd.	Related company of shareholders	Services
Khao Kheow Country Club Co., Ltd.	Related company of shareholders	Golf club



**37 Related parties (Cont'd)**

37.1 Significant balances with related parties as at 31 December 2020 and 2019 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
<b>Assets</b>				
<b>Related company of ultimate parent</b>				
Premium receivable	-	21	-	-
Amounts due from reinsurers	207,203	283,190	-	-
Investment in Securities	24,792	-	-	-
Other assets	7,773	24,969	-	-
<b>Related company of shareholders</b>				
Deposits at financial institutions	288,441	324,316	37,980	34,320
Premium receivable	5,907	2,817	-	-
Investment	-	2,390,752	-	2,390,752
Other assets	3,920	7,144	66	1,478
<b>Liabilities</b>				
<b>Related company of ultimate parent</b>				
Amounts withheld on reinsurance	464,795	453,860	-	-
Due to reinsurers	227,042	403,537	-	-
Other liabilities	48,652	67,372	-	-
<b>Related company of shareholders</b>				
Commission and brokerage payable	12,927	13,284	-	-
Accrued other underwriting expenses	37,218	29,171	-	-
Lease Liabilities	168,225	-	-	-
Other liabilities	6,859	5,957	-	-
<b>Subsidiaries</b>				
Other liabilities	-	-	2,175	1,700

**37 Related parties (Cont'd)**

37.2 Significant transactions for year ended 31 December 2020 and 2019 with related parties were as follows:

	<b>Consolidated financial statements</b>	
	<b>2020</b>	<b>2019</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>Revenues</b>		
<b>Related company of ultimate parent company</b>		
Claim recovered from reinsurers	279,842	71,764
Fee and commission income	101,664	97,464
Written Premium	193	387
Other income	38,837	25,749
<b>Related company of shareholders</b>		
Written Premium	100,375	94,615
Investment income	276	8,424
Other income	-	1,208
<b>Expenses</b>		
<b>Related company of ultimate parent company</b>		
Premiums ceded to reinsurers	509,262	544,094
Commission and brokerage expenses	7,750	8,164
Other expenses	225,670	187,320
<b>Related company of shareholders</b>		
Commission and brokerage expenses	178,968	195,209
Underwriting expenses	157,449	128,159
Other expenses	25,705	27,147
<b>Associate</b>		
Other expenses	3,264	1,026

**37 Related parties (Cont'd)**

37.2 Significant transactions for year ended 31 December 2020 and 2019 with related parties were as follows: (Cont'd)

	<b>Separate financial statements</b>	
	<b>2020</b>	<b>2019</b>
	<b>Thousand Baht</b>	<b>Thousand Baht</b>
<b>Revenues</b>		
<b>Related company of shareholders</b>		
Net investment income	276	8,424
<b>Associate</b>		
Net investment income	439,465	541,341
<b>Subsidiary</b>		
Other income	-	9,153
<b>Expenses</b>		
<b>Related company of ultimate parent company</b>		
Other expenses	976	311
<b>Related company of shareholders</b>		
Other expenses	3,307	7,536
<b>Associate</b>		
Other expense	3,264	1,026
<b>Subsidiary</b>		
Other expense	3,496	2,050

The Group used the same pricing policy and conditions for the above premiums as it did for other customers and other insurance companies.

The Group paid commissions and brokerages and other underwriting expenses as specified in the Bancassurance Agreement made between the Company and such related bank. The commission rates were in compliance with the Office of Insurance Commission criteria and the same basis of the commission rate that the Group has offered to other insurance broker companies.

Interest was charged at the same interest rates as the bank has offered to other insurance companies.

The Company and related companies enter into a management service agreement with the subsidiary for providing about services of personnel, internal audit and information technology. Service rates are agreed by both parties which are determined based on estimated time spent and cost incurred for the subsidiary.

Commission, management fee and custodian fee were paid at the same rates and conditions as the related parties charged other customers.

**37 Related parties (Cont'd)**

37.2 Significant transactions for year ended 31 December 2020 and 2019 with related parties were as follows: (Cont'd)

The Group has office rental, equipment rental and service agreements with related companies for a term of 3 years. Rental rates and conditions are the same as the related parties offer to other companies.

The Company enters into a management service agreement with the subsidiary for receiving managerial, investment and administrative services of accounting, payroll and information technology. Service rates are agreed by both parties which are determined based on estimated time spent and cost incurred for the Company.

**Directors and key management personnel's remuneration**

During the year ended 31 December 2020 and 2019, the Group had salaries, bonuses, directors allowances and other benefits of its directors and key management personnel recognised as expenses as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Directors and key management personnel's remuneration				
Short-term benefits	153,231	123,319	3,844	12,251
Post-employment benefits	4,089	4,093	232	488
Directors' remuneration	4,565	475	2,330	269
	<u>161,885</u>	<u>127,887</u>	<u>6,406</u>	<u>13,008</u>

Directors' remunerations for the years of 2020 were approved by the ordinary shareholders' meeting of the Company and the Group held on 31 July 2020 and 10 July 2020, respectively. (2019: 26 April 2019).

**38 Provident fund**

The Group have established a contributory registered provident fund, in accordance with the Provident Fund Act B.E. 2530. Under the plan, employees must pay their contributions, with the Group matching the individuals' contributions as follow:

Year of services	Percentage
Less than 5 years	5
5 years and above	7

A registered provident fund manager has been appointed to manage the fund in compliance with the requirements of the Ministerial Regulations issued under the Provident Fund Act B.E. 2542.

For the years ended 31 December 2020, the Group's and Company's contributions recorded as expenses were Baht 18.48 million and Baht 0.16 million, respectively (2019: Baht 13.68 million and Baht 0.40 million, respectively).

### 39 Securities and assets pledged with the Registrar

As at 31 December 2020 and 2019, certain investments in securities of the Group were pledged and used for assets reserved with the Registrar (Note 13) in accordance with the Insurance Act and the Notification of the Office of Insurance Commission regarding "Rates, Rules and Procedures for pledge of unearned premium reserve of Non-Life Insurance Company B.E. 2558", respectively as follows:

39.1 The investments in debt securities which the Group placed for policy reserve with the Registrar in accordance with the announcement of the Office of Insurance Commission regarding "Rates, Rules and Procedures for pledge of unearned premium reserve of Non-Life Insurance Company B.E. 2558" were as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Government and state enterprise securities	601,960	553,829	1,140	1,119

39.2 The investments in debt securities which the Group pledged with the Registrar in accordance with the Insurance Act (No.2) B.E. 2551 were as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Deposits at banks	14,000	14,000	-	-
Government and state enterprise securities	14,000	14,000	-	-

### 40 Restricted assets

As at 31 December 2020 and 2019, the Group has premium saving certificates amount of Baht 1.25 million and Baht 3.15 million, respectively, were used as collateral in case where the insured drivers are the alleged offenders.

As at 31 December 2020 and 2019, the Group has credit facilities which was secured by deposit at bank of the Group in the same amount of credit limit as follows:

	Consolidated financial statements		Separate financial statements	
	2020 Thousand Baht	2019 Thousand Baht	2020 Thousand Baht	2019 Thousand Baht
Overdraft facilities	40,000	40,000	20,000	20,000
Borrowing facilities	10,000	10,000	10,000	10,000



**42 Commitment (Cont'd)**

Type	Separate financial statements		
	2020		
	Remaining periods		Total rental payments for the remaining periods
	Within 1 year Thousand Baht	Over 1 year to 5 years Thousand Baht	
Service - related company	-	-	-
	-	-	-
Type	Separate financial statements		
	2019		
	Remaining periods		Total rental payments for the remaining periods
	Within 1 year Thousand Baht	Over 1 year to 5 years Thousand Baht	
Building - related company	290	-	290
Service - related company	290	-	290
Equipment - related company	386	-	386
	966	-	966

**43 Contingent liabilities**

As at 31 December 2020 and 2019, lawsuits have been brought against the Group, as insurer, from which the Group estimates losses totalling Baht 160.69 million and Baht 47.96 million, respectively. The Group's management believes that such estimation is adequate to losses and does not expect the outcome of the litigation to result in losses that differ from the recorded liability by amounts that would be material to the Group's operating results.

**44 Event after the statement of financial position date**

On 25 February 2021, the Board of Directors proposed a dividend payment of Baht 0.77 per share, totaling to the amount of Baht 299.74 million, from net profit for the year ended 31 December 2020. A dividend payment will be further proposed to the shareholders to approve at the Annual General Meeting of shareholders.

# Part 4

## Information Authentication





### Certification of Information

The Company has reviewed the information on this 56-1 One Report with care and hereby certifies that the information is accurate, complete, not false or misleading, and does not lack material information that should be notified. In addition, the Company certifies that:

(1) The financial statements and financial information summarized in this annual registration statement/annual report show material information accurately and completely regarding the financial condition, the operating results and the cash flows of the Company and the subsidiaries;

(2) The Company has provided an efficient disclosure system to ensure that the material information of the Company and the subsidiaries is disclosed accurately and completely, and has supervised compliance with such disclosure system;

(3) The Company has provided an efficient internal control system, supervised compliance with the system, and already submitted the latest information on the internal control assessment to the auditor and the Audit Committee, which covers deficiencies, significant changes on the internal control system, and wrongful acts that may affect the preparation of financial reporting of the Company and the subsidiaries.

In this regard, as proof that all the documents are identical to those certified by the Company, the Company has authorized Ms. Jarunee Chaisupakitsin to sign on every page of the documents, and the absence of the authorized signature of Ms. Jarunee Chaisupakitsin on any document shall be deemed that such unsigned document has not been certified by the Company.

Name	Position	Signature
1. Thomas Charles Wilson	President and CEO	
2. Jan-Christian Rosemeyer	Country Chief Financial Officer	

Name	Position	Signature
Authorized person: Jarunee Chaisupakitsin	Chief Financial Officer	

# Attachment



## Attachment 1 Information of the Board of Directors, Executives, Group Chief Financial Officer, Chief Accountant and Company Secretary as of December 31, 2020

- Information of the Board of Directors

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
<b>1. Dr. Jamlong Atikul</b>  <b>Chairman of the Board</b> <b>(Independent Director)</b>  <b>Date of Appointment</b> June 13, 2019  - Appointed as Chairman of the Board of Director with effective date on June 13, 2019	72	Ph.D. in City and Regional Planning, Cornell University, USA	Personal -None-	None	<b>Listed Companies</b>	
		Master of Commerce in Economics, University of Auckland, New Zealand	Spouse / Minor child -None -		2019-Present	Chairman of the Board of Director and Independent Director Allianz Ayudhya Capital Pcl. (Investment holding)
		Bachelor of Commerce and Administration in Economics, Victoria University of Wellington, New Zealand			2019-Present	Chairman of Nomination and Remuneration Committee Bank of Ayudhya Pcl.
					2018 –Present	Independent Director and Member of Audit Committee Bank of Ayudhya Pcl.
				2018-2019	Member of Nomination and Remuneration Committee Bank of Ayudhya Pcl.	

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		Role of the Chairman Program (RCP) Class 26/2011, Thai Institute of Directors  ESG and Sustainable Banking Development, including response to the Covid-19 situation year 2020  Cyber Resilience year 2019  IT Security Trend Update year 2018			2013 - Present           2007-2011	Chairman of the Board (Authorized Signatory) Reginoal Container Lines Pcl. (Logistics and Transportation)  Director, Member of Nomination and Remuneration Reginoal Container Lines Pcl. (Logistics and Transportation)
					<b>Non-Listed Companies</b>	
					2014-2017	Member of Monetary Policy Committee, Bank of Thailand
					2007-2014	Director, Krungthai AXA Life Insurance Co., Ltd
					2007-2014	Chairman of Executive Committee, Krungthai AXA Life Insurance Co., Ltd.

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		<p>Director Certification Program (DCP) Class 77/2006, Thai Institute of Directors</p> <p>Director Accrediation Program (DAP) Class 55/2006, Thai Institute of Directors</p>			2012-2014	Chairman of Risk Management Committee, Krungthai AXA Life Insurance Co., Ltd.

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
<b>2. Mr. Sorasit Soontornkes</b> <b>Chairman of Audit Committee</b> <b>(Independent Director)</b>  <b>Date of Appointment</b> April 20, 2018  - Appointed as Chairman of Audit Committee with effective date on May 14, 2018  - Resigned with effective on July 31, 2020	67	Master of Accounting, Chulalongkorn University	Personal -None-	None	<b>Listed Companies</b>	
		Master of Business Economics, Thammasat University	Spouse / Minor child -None -		2018 - 2020	Independent Director and Chairman of Audit Committee Allianz Ayudhya Capital Pcl.
		Bachelor of Accounting, Chulalongkorn University Senior Executive Program, SASIN, Chulalongkorn University			2018 – Present	Chairman of the Board of Directors and Independent Director, AIRA Factoring Pcl.
		Executive Development Program (Wharton School) University of Pennsylvania, USA			2017 – Present	Advisor to Board of Director and Chairman of the Risk Oversight Committee, Nok Airline Pcl.
					<b>Non-Listed Companies</b>	
					2018 – Present	Independent Director and Chairman of the Audit Committee, J.D. Food Products Co., Ltd

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		Capital Market Academy Program Class 8			2018 – Present	Member of Audit Committee, Eastern Economic Corridor Office of Thailand
		Advanced Army Academics Program (Regular Class 46), Royal Thai Army War College			2018 – Present	Member of Audit Committee Member of Audit Committee, Eastern Economic Corridor Office of Thailand
		Director Certification Program (DCP) Class 91/2007, Thai Institute of Directors			2017 - Present	Director, Internal Audit Office, Chulalongkorn University
		AACP Advanced Audit Committee Program (AACP) Class 33/2019, Thai Institute of Directors				

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
<b>3. Mr. Pasu Loharjun</b> <b>(Independent Director)</b>  <b>Date of Appointment</b> July 31, 2020  - Appointed as Chairman of Nomination and Remuneration with effective on August 14, 2020	61	Ph.D. in Industrial Engineering and Operations research, Virginia Polytechnic Institute and State University, USA  Master of Industrial Engineering, Polytechnic Institute of New York, USA (NYU Poly)  Bachelor in Electrical Engineering, Chulalongkorn University  Capital Market Academy Program Class 22	Personal -None-  Spouse / Minor child -None -	None	<b>Listed Companies</b>	
					2020- Present	Independent Director and Chairman of Nomination and Remuneration Allianz Ayudhya Capital Pcl.
					2018-Present	Independent Director, Chairman of Corporate Governance and Social Responsibility Committee and Member of Nomination and Remuneration Committee, Electricity Generating Pcl.
					2017-2018	Chairman, General Environmental Conservation PCL
				<b>Non-Listed Companies</b>		
				2019-Present	Chairman, Thailand Institute of Scientific and Technological Research (TISTR)	
				2019-Present	Member, Council of State	



Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		CG Code Update Program, PricewaterhouseCoopers ABAS Ltd.			2019-Present	Director, Thai-German Institute
		COSO ERM Program (Knowledge Sharing among Directors and Management, by Prof. Dr. Anya Khanthavit, independent director)			2019-Present	Director, Foundation for Industrial Development
		Director Certification Program (DCP) Class 213/2015, Thai Institute of Directors			2017 -2019	Permanent Secretary Ministry of Industry
		Financial Statements for Directors Class FSD/2009, Thai Institute of Directors			2017 -2019	Chairman, Thai Sugar and Cane Co., Ltd.
					2016	Director General Department of Industrial Promotion

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
<b>4. Mr. Narong Chulajata</b> <b>(Independent Director</b> <b>and Member of Audit</b> <b>Committee)</b>  <b>Date of Appointment</b> April 26, 2019	83	Master of Public Administration, The Maxwell School of Citizenship and Public Affairs, Syracuse University, New York, USA  Master of Public Administration, Institute of Public Administration, Thammasat University  Bachelor's Degree in Political Science, Chulalongkorn University	Personal -None-  Spouse / Minor child -None -	None	<b>Listed Companies</b>	
					2019 – Present	Independent Director and Member of Audit Committee Allianz Ayudhya Capital Pcl.
					2013 – 2017	Vice Chairman, SUSCO Pcl.
					2003 – Present	Chairman of the Board, Safari World Pcl.
		<b>Non-Listed Companies</b>				
		2011 – Present	Director, Siri Charoen Wattana Co., Ltd.			
		2008 – Present	Director, SUSCO Retail Co., Ltd.			
		2007-Present	Independent Director and Chairman of Audit Committee, Allianz Ayudhya Assurance Public Company Limited			
		2012-Present	Director, SUSCO Dealer Co., Ltd.			

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		<p>Director Certification Program (DCP) Class 71/2006, Thai Institute of Directors</p> <p>Director Accreditation Program (DAP) Class 11/2004, Thai Institute of Directors</p> <p>Role of the Chairman Program (RCP) Class 6/2000 Thai Institute of Directors</p>				

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
<b>5. Mr.Suwat Laicharoensup</b> <b>Chairman of Audit Committee</b> <b>(Independent Director)</b>  <b>Date of Appointment</b> April 20, 2018  - Appointed as Chairman of Audit Committee with effective on August 14, 2020  - Appointed as Chairman of Nomination and Remuneration with effective on May 14, 2019	71	Bachelor's degree in Statistics, Chulalongkorn University  Project Management Financial Control / Advanced Project Management / Business Continuity  Management/Effective Skill for I/S Professionals / Capacity Planning for Management  Certified Information Security Manager (CISM)	Personal -None-  Spouse / Minor child -None -	None	<b>Listed Companies</b>	
					2020-Present	Independent Director, Chairman of Audit Committee Allianz Ayudhya Capital Pcl.
					2019-2020	Independent Director, Chairman of Nomination and Remuneration Committee Allianz Ayudhya Capital Pcl.
					2018-2019	Independent Director, Member of Audit Committee Allianz Ayudhya General Insurance Pcl.
				<b>Non-Listed Companies</b>		
				2017- Present	Advisor and Member of the Board, ISACA Bangkok Chapter	
				2017 - Present	Chairman, itSMF Thailand Association (ITIL for IT Service management)	

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		Certificate in IT Infrastructure Library (ITIL)  Director Certification Program (DCP) Class 280/2019  AACP Advanced Audit Committee Program (AACP) Class 38/2020			2017-Present           2013 - Present           2018 - Present	President, Subcommittee for People Driven of Information Technology and Communications and Digital Content, The Board of National Qualifications Framework, Office of the Education Council, Ministry of Education  Sub-committee member of Digital Committee, Thailand Professional Qualification Institute (Public Organization)  Advisor of Committee Counsel of Computer Engineering, Engineering Institute of Thailand

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
<b>6. Mr. Vichit Kornvityakoon</b> <b>(Independent Director)</b>  <b>Date of Appointment</b> January 28, 2013  - Appointed as Chairman of Corporate Governance as of January 28, 2013	70	Master of Business Administration, Thammasat University  Bachelor of Accountant, Chulalongkorn University  Bachelor of Law, Thammasat University  Director Certification Program (DCP) Class 172/2013  Thai Institute of Directors	Personal  -None-  Spouse / Minor child  -None -	None	<b>Listed Companies</b>	
					2013 - Present	Independent Director, Member of Audit Committee and Chairman of Corporate Governance Allianz Ayudhya Capital Pcl.
					<b>Non-Listed Companies</b>	
					2019 - Present	Independent Director and Member of Audit Committee Allianz Ayudhya General Insurance Pcl.
					2013 - 2019	Chairman of Compliance Committee Allianz Ayudhya General Insurance Pcl.
					2013 - 2017	Member of IT and Systems Development Supervisory Sub-committee, Deposit Protection Agency

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		Advanced Audit Committee Program (AACP) Class 14/2014 Thai Institute of Directors  Anti-Corruption for Executive Program (ACEP) Class 14/2015, Thai Institute of Directors  Role of the Nomination & Governance (RNG) Class 7/2015, Thai Institute of Directors  Risk Management Program for Corporate Leaders (RCL) Class 2/2015, Thai Institute of Directors			2014-2015  2012 –Present  2016 -Present	Executive Director, Small and Medium Enterprise Development Bank of Thailand  Member of Executive Credit Committee, Sukhumvit Asset Management Co., Ltd.  Member of Professional Ethics Committee, Federation of Accounting Professional under the Royal Patronage of his Majesty the King

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		Boards that Make a Difference (BMD) Class 1/2016, Thai Institute of Directors  Board Matter & Trends (BMT) Class 2/2017, Thai Institute of Directors				



Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
7. Miss Nopporn Tirawattanagool  Date of Appointment April 22, 2013  - Appointed as Member of Nomination and Remuneration Committee as of May 14, 2013	66	Master of Accounting, Faculty of Commerce and Accountancy, Thammasat University  Bachelor of Business Administration (in Accounting), Thammasat University  Training on International Financial Reporting Standard 9 (IFRS 9), PwC Thailand, Year 2016  CG Forum 2/2016 “Honest, Cautious, Protective for the Director”, Year 2016	Personal  -None-  Spouse / Minor child  -None -	None	<b>Listed Companies</b>	
					2013 - Present	Director and Member of Nomination and Remuneration Committee Allianz Ayudhya Capital Pcl.
					2016 - Present	Director, Grand Canal Land Pcl.
					2015 - 2016	Director (Authorized Signatory), Grand Canal Land Pcl.
					2015 - Present	Risk and Compliance Committee Member, Bank of Ayudhya Pcl.
					2014 - Present	Director (Authorized Signatory), Bank of Ayudhya Pcl.
					2014 – Present	Director, Srivichaijevivat Public
					2014 – Present	Member of Nomination and Compensation Committee / Member of Governance, Risk and Compliance Committee,
						Siam City Cement Pcl.
					2012- Present	Director, Siam City Cement Pcl.

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		Seminar on “CyberSecurity Awareness Training for Senior Executive”, Year 2016			2010 – Present	Nomination and Remuneration Committee Member, Bank of Ayudhya Pcl.
		Strategic IT Governance (for non-IT), Year 2017			2010 – 2014	Director, Bank of Ayudhya Pcl.
		Seminar on “Future Customer Experience in Financial and Banking Services”, Year 2018			<b>Non-Listed Companies</b>	
		IT Security Trend Update, Year 2018			2019 – Present	Director and Secretary Krungsri Foundation
		IT Governance & Cyber Resilience, Year 2019			2017 – Present	Director (Authorized Signatory) BBTV Asset Management Co., Ltd.
					2015 – Present	Director (Authorized Signatory) CKS Holding Co., Ltd.
					2015 – Present	Director (Authorized Signatory) Super Assets Co., Ltd.
					2015 – Present	Director (Authorized signatory) C.K.R Co., Ltd
					2015 – Present	Director (Authorized Signatory) The Bangkok Lighters Co., Ltd. Director (Authorized Signatory)

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		Bangkok Sustainable Banking Forum 2019 “An Industry Wake-up Call”, Year 2019			2015 – Present	The Thai Tapioca Flour Produce Co., Ltd.
		Agile Leadership for Board of Directors, Year 2019			2015 – Present	Director (Authorized Signatory) Cyber Venture Co., Ltd
		Director Accreditation Program (DAP), Year 2003, Thai Institute of Directors			2015 – Present	Director (Authorized Signatory) Khao Kheow Country Club Co., Ltd.
		Role of the Compensation Committee (RCC), Year 2009, Thai Institute of Directors			2015 – Present	Director (Authorized Signatory) Siam Purimongkol Co., Ltd.
					2014 – Present	Director (Authorized Signatory) Grand Fortune Co., Ltd.
					2014 – Present	Director Bangkok Broadcasting & TV Co., Ltd.
					2014 – Present	Director (Authorized Signatory) BBTV Satelvision Co., Ltd.
					2014 – Present	Director (Authorized Signatory) GL Asset Co., Ltd.
					2014 – Present	Director (Authorized Signatory) Mahakij Holdings Co., Ltd.

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		Audit Committee Program (ACP), Year 2010, Thai Institute of Directors			2014 – Present	Director (Authorized Signatory) BBTV Productions Co., Ltd.
		Director Certification Program (DCP), Year 2011, Thai Institute of Directors			2014 – Present	Director (Authorized Signatory) BBTV Alliance Ltd.
		Financial Institutions Governance Program (FGP), Year 2012, Thai Institute of Directors			2014 – Present	Director (Authorized Signatory) BBTV Bond Street Building Ltd.
		Anti-Corruption for Executive Program (ACEP), Year 2013, Thai Institute of Directors			2012 – Present	Director (Authorized Signatory) ITBC Business Consultant Group Co., Ltd.
					2011 – Present	Director (Authorized Signatory) Exclusive Senior Care International Co., Ltd.
					2010 – Present	Director (Authorized Signatory) BBTV International Holdings Co., Ltd.
					2010 – Present	Director (Authorized Signatory) Sunrise Equity Co., Ltd.
					2010 - Present	Director (Authorized Signatory) BBTV Equity Co., Ltd.

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		<p>Risk Management Program for Corporate Leaders (RCL), Year 2015, Thai Institute of Directors</p> <p>National Director Conference 2017 “Steering Governance in a Changing World” Year 2017</p> <p>IOD National Director Conference 2018 “Rising Above Disruptions: A Call for Action” Year, 2018</p>				

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
<b>8. Mr. Laksna Thongthai</b>  <b>Date of Appointment</b> March 21, 1994	66	Ph.D. in Industrial and Systems Engineering, University of Southern California, Los Angeles, USA  Master of Science in Systems Engineering, UCLA, Los Angeles, USA  Bachelor of Science in Industrial Engineering, Chulalongkorn University  Reinsurance and Insurance Management Training Courses from France, Germany, and England	Personal 1.60 % (6,241,050 shares)  Spouse / Minor child -None -	None	<b>Listed Companies</b>	
					2019 – Present	Director Allianz Ayudhya Capital Pcl.
					1994 – 2019	Director (Authorized Signatory) Allianz Ayudhya Capital Pcl.
					1994 – 2014	Director (Authorized Signatory) and Assistant Managing Director Allianz Ayudhya Capital Pcl.
		<b>Non-Listed Companies</b>				
		2011 - Present	Director (Authorized Signatory), Triple Prime Team Holdings Co., Ltd.			
		2001 - Present	Director Nirvana Co., Ltd.			
		1990 - Present	Director Thongthai Water Pipe & Chemical Co., Ltd.			

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		Boards that Make a difference (BMD) Class 1/2016, Thai Institute of Directors  Diploma Examination Assigned from Graduate Member to become Fellow Member, Thai Institute of Directors Association, Year 2000				

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
<b>9. Mrs. Wanna Thamsirisup</b>  <b>Date of Appointment</b> June 13, 2019  - Resigned with effective on February 25, 2021	64	Graduate Diploma in Auditing, Thammasat University	Personal  -None-	None	<b>Listed Companies</b>	
					2019 - 2021	Director and Member of Corporate Governance Committee Allianz Ayudhya Capital Pcl.
		B.A. in Accounting, Thammasat University	Spouse / Minor child  -None -		2017 - Present	Director and Chairman of the Audit Committee, Krungsri Securities Pcl.
		Certificated Public Accountant, Federation of Accounting Professions			2017 - Present  2015 - 2016	Advisor, Bank of Ayudhya Pcl. Chief Information and Operation Officer, Bank of Ayudhya Pcl.
		Mini MBA by Thai Finance Association, Thammasat University			2007 - 2016  2008 - 2015	First Executive Vice President, Bank of Ayudhya Pcl. Head of Operations, Bank of Ayudhya Pcl.
		Director Accreditation Program (DAP), Thai Institute of Directors				
				<b>Non-Listed Companies</b>		
				2018 - Present	Member of Audit Committee, National ITMX Co., Ltd.	



Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		Director Certification Program (DCP), Thai Institute of Directors			2017 - Present	Director and Chairman of Audit Committee Krungsri Asset Management Co., Ltd.
		Role of the Chairman Program (RCP), Thai Institute of Directors			2017 - Present	Independent Director and Member of the Audit Committee, Allianz Ayudhya Assurance Pcl.
		Financial Institutions Governance Program (FGP), Thai Institute of Directors			2017 - 2019	Director (Authorized Signatory), PPN S Associate Co., Ltd.
		Risk Management Committee Program (RMP), Thai Institute of Directors			2015 - 2016	Director National ITMX Co., Ltd.
					2009 - 2015	Director Siam Reality and Services Securities Co., Ltd.
					2009 - 2015	Director Ayudhya Capital Services Co., Ltd.

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		<p>Corporate Governance for Capital Market Intermediaries (CGI), Thai Institute of Directors</p> <p>Driving Company Success with IT Governance (ITG), Thai Institute of Directors</p> <p>Audit Committee Program (ACP), Thai Institute of Directors</p> <p>Advance Audit Committee Program (AAP), Thai Institute of Directors</p>				

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		Board that Make a Difference (BMD), Thai Institute of Directors				

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
<p><b>10. Mr. Bryan James Smith</b></p> <p><b>Date of Appointment</b> November 4, 2014</p> <p>- Appointed as President and CEO (Authorized Signatory) with effective on April 9, 2019 and resigned with effective on February 25, 2021</p> <p>- Appointed as Vice Chairman of the Board of Director with effective on February 25, 2021</p>	62	<p>Master of Business Administration, Australian Graduate School of Management, The University of New South Wales, Sydney, Australia</p> <p>Bachelor of Commerce / Bachelor of Laws, The University of New South Wales Sydney, Australia</p> <p>Director Certification Program (DCP) Class 207/2015, Thai Institute of Directors</p>	<p>Personal -None-</p> <p>Spouse / Minor child -None -</p>	None	<b>Listed Companies</b>	
					2021 - Present	Vice Chairman Allianz Ayudhya Capital Pcl.
					2014 - 2021	Director (Authorized Signatory) Allianz Ayudhya Capital Pcl.
					2019 - 2021	President and Chief Executive Officer Allianz Ayudhya Capital Pcl.
					2014 - 2019	Member of Nomination and Remuneration Committee Allianz Ayudhya Capital Pcl.
					<b>Non-Listed Companies</b>	
					2019 - 2020	Country Manager, Allianz Ayudhya
					2014 - 2019	Director, Member of Nomination and Remuneration Committee, Allianz Ayudhya Capital General Insurance Pcl.

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		Director Diploma Examination Program - Fellow Member Year 2015, Thai Institute of Directors			2011 - 2021	Director (Authorized Signatory) President and Chief Executive Officer Allianz Ayudhya Assurance Pcl.
					2009 - 2011	Chief Officer-Direct Marketing, Bancassurance & Group, Ayudhya Assurance Pcl.
<b>11. Mr. Rowan D'Arcy</b>  <b>Date of Appointment</b> April 26, 2019  - Resigned with effective from July 31, 2020	65	University of Witwatersrand, Johannesburg, South Africa  Ashridge Business School, United Kingdom	Personal -None-  Spouse / Minor child -None -	None	<b>Listed Companies</b>	
					2019- 2020	Director (Authorized Signatory) Allianz Ayudhya Capital Pcl.
					2008 - 2017	President and Chief Executive Officer Sri Ayudhya Capital Pcl.
					<b>Non-Listed Companies</b>	
					2017 - 2020	Chairman of the Board of Directors Allianz Ayudhya Assurance Pcl.
					2010 - 2017	President and Chief Executive Officer Sri Ayudhya General Insurance Pcl.

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
<b>12. Mrs. Anusha Thavarajah</b>  <b>Date of Appointment</b> August 1, 2020  - Resigned with effective of February 25, 2021	53	Bachelor of Science (First Class Honors) in Mathematics & Statistics, University of Birmingham, United Kingdom  Fellow of the Malaysian Insurance Institute 2018  Fellow of the Institute of Actuaries, United Kingdom	Personal -None-  Spouse / Minor child -None -	None	<b>Listed Companies</b>	
					2020 - 2021	Director Allianz Ayudhya Capital Pcl.
					2008 - 2017	Director and CEO Sri Ayudhya Capital Pcl. (Present: Allianz Ayudhya Capital Pcl. Director and CEO)
					<b>Non-Listed Companies</b>	
					2020 - Present	Chairwoman of the Board of Directors Allianz Ayudhya Assurance Pcl.
					2020 - Present	Chairperson, Allianz Taiwan Life Assurance Co., Ltd.
					2020 - Present	Director (Vice Chairperson) Allianz China Life Insurance Co., Ltd

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		Executive Coaching Program, ACSTH (accredited by the International Coaching Federation  AIA Board of Directors Programme – October 2019  Financial Institutions Directors Education Programme – October 2016  Capital Market Director Programme – October 2015			2020 - Present  2019 - Present  2019 - Present  2015 - 2019  2018 - 2019  2014 - 2015	Executive Director Allianz Life Insurance Malaysia Berhad Chief Executive Officer Life & Health for Allianz Asia Pacific Board Member of the Financial Services Professional Board (FSPB), Malaysia Director and Chief Executive Officer AIA Berhad, Malaysia President of the Life Insurance Association of Malaysia Regional Business Development Director, AIA Group

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
13. Mr. Jon-Paul Jones  Date of Appointment February 25, 2021	50	University of Warwick, England, UK B.Sc. (Hons.) Computer Science	Personal	None	<b>Listed Company</b>	
			-None-		2021 - Present	Director Allianz Ayudhya Capital Pcl.
			Spouse / Minor child		<b>Non-Listed Companies</b>	
			-None -		2020 - Present	Regional Chief Operating Officer, Asia Pacific, Allianz
					2020 - Present	- Global CIO, AIG Operations - Global Head of Infrastructure Modernization & International Infrastructure Delivery
					2020 - Present	- President Director, AIG Indonesia Insurance - CEO, AIG Philippines Insurance - Chief Operating Officer, Indonesia - Chief Agency Officer, APAC



Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
						<ul style="list-style-type: none"> <li>- CEO, AIG Shared Service Corporation (Philippines &amp; Malaysia)</li> <li>- CIO Asia, CEO AIG Technology Centre-Regional VP, Business Solutions, SE Asia</li> <li>- Customer Relationship Management, SE Asia</li> </ul>

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
14. Mr. Thomas Charles Wilson (Authorized Signatory)  Date of Appointment February 25, 2021	60	PhD in Economic Stanford University, Stamford, California Emphasis in Microeconomic  Bachelor of Science in Business Administration, University of California, Berkeley, California Emphasis in Finance, Real Estate and Accounting Graduated with honor	Personal -None-  Spouse / Minor child -None -	None	<b>Listed Company</b>	
					2021 - Present	President and Chief Executive Officer Allianz Ayudhya Capital Pcl.
					<b>Non-Listed Companies</b>	
					2020	Deputy CEO & Head of Distribution, Allianz Ayudhya Assurance Pcl, Thailand
					2008 - 2021	Chief Risk Officer, Allianz SE, Munich, Germany Committee, Allianz Alternative Risk Transfer
					2008 - 2009	Chief Risk Officer, Dresdner Bank, Frankfurt, Germany
					2005 - 2008	Chief Risk Officer ING Insurance, ING Group, Amsterdam, The Netherlands

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
					2002-2005	Managing Director, Global Head Finance & Risk Practice Oliver Wyman & Company, New York

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
15. Mrs. Claudia Salem (Non-Executive Director)  Date of Appointment April 26, 2019	45	Finance and Entrepreneurship, New York University, Stern School of Business, USA  Computer and Communication Engineering, American University of Beirut, Lebanon	Personal  -None-  Spouse / Minor child  -None -	None	<b>Listed Company</b>	
					2019 - Present	Director Allianz Ayudhya Capital Pcl.
					<b>Non-Listed Companies</b>	
					2019 - Present	Chairwoman of the Board of Director Allianz Ayudhya General Insurance Pcl.
					2019 - Present	Chief Executive Officer Property and Casualty, Allianz Asia Pacific
					2019 - Present	Regional Chief Executive Officer P&C Allianz SE Singapore Branch
2017 - 2019	Chief Executive Officer AIG, Singapore					
2017 - 2019	Global Head of Shared Services AIG, Singapore					

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
					2015 - 2016	Chief Executive Officer, Head of Shared Services Asia AIG Malaysia, Kuala Lumpur
					2012 - 2014	Senior Vice President, AIG USA, New York
					2003 - 2011	Vice President, AIG USA, New York

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
16. Mr. Lars Heibutzki (Authorized Signatory)  Date of Appointment April 26, 2019	46	Ph.D. in Economics and Statistical Science with Distinction, Friedrich Alexander University, Nuremberg, Germany  Master of Business Administration, Major in Finance, Investment and Banking, University of Wisconsin-Madison, USA  Business and Economics Degree with Distinction, University of Leipzig, Germany  Studienstiftung des Deutschen Volkes, German National Merit Foundation (1994 - 1999)	Personal  -None-  Spouse / Minor child  -None -	None	<b>Listed Company</b>	
					2019 - Present	Director Allianz Ayudhya Capital Pcl.
					<b>Non-Listed Companies</b>	
					2019 - Present	Director and Chief Executive Officer Allianz Ayudhya General Pcl.
					2018 - 2019	Chief Business Officer P&C and Member of Allianz Asia Board, Allianz SE Singapore Branch
					2015 - 2018	Chief Distribution Officer and Member of Allianz Asia Board, Allianz SE Singapore Branch
					2012 - 2015	Head of Organization Management and Member of Executive Committee, Allianz Italy

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
<b>17. Mr. Jan-Christian Rosemeyer (Authorized Signatory)</b>  <b>Date of Appointment</b> November 13, 2019	44	Wirtschaftsmathematik, specialization in Mathematical Finance & Actuarial Science  Degree: Dipl.-Math. oec., with distinction  Scholarship by Studienstiftung des deutschen Volkes  One-year program in Japanese language and culture, Waseda University, Tokyo	Personal	None	<b>Listed Company</b>	
			-None-		2019 - Present	Director Allianz Ayudhya Capital Pcl.
			Spouse / Minor child		<b>Non-Listed Companies</b>	
			-None -		2019 - Present	Country Chief Financial Officer Allianz Ayudhya General Insurance Pcl.
					2018 - 2019	Chief Financial Officer Allianz Ayudhya General Insurance Pcl.
					2016 - Present	Chief Financial Officer Allianz Ayudhya Assurance Pcl.
					Present	Director JCR Intertrade Co., Ltd.
	Present	Director BSMC (Thailand) Limited				
	Present	Director CPRN (Thailand) Limited				

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		2015 Practising Certificate by SAS for Appointed Actuaries & Certifying Actuaries			Present	Director SOFE One Limited
		Associate of the Singapore Actuarial Society since 2013 (ASAS)			Present	Director SOFE Two Limited
		Fellow of the German Actuarial Society since 2006 (Aktuar DAV)			Present	Managing Director HaHo Unregistered Ordinary Partnership
		Director Certification Program (DCP) Class 241/2016			Present	Chairman, Japanese-German Young Leaders Forum Alumni e.V. Advisor, ShoutOutz Pte. Ltd.
					2012 – 2016	Chief Financial Officer, Allianz SE Reinsurance Branch Asia Pacific, Singapore
					2010 – 2012	Chief Financial Officer, Allianz Taiwan Life Insurance Ltd, Taipei



Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
18. Mr. Robert Paul Gray (Authorized Signatory)  Date of Appointment November 13, 2019	59	Fellow of Chartered Insurance Institute, United Kingdom	Personal -None-	None	<b>Listed Company</b>	
					2019 - Present	Director Alliaz Ayudhya Capital Pcl.
		<b>Non-Listed Companies</b>				
		Chartered Insurer, United Kingdom  Director Certification Program (DCP) Class 214/2015 Thai Institute of Director	Spouse / Minor child -None -		2019 - Present	Country Chief Health Officer, Allianz Ayudhya Assurance Pcl.
					2012 - 2015	Regional Chief Operating Officer Allianz SE, Singapore Branch
					2009 – 2019	Chief Operation Officer, Allianz Ayudhya Assurance Pcl.

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
<b>19. Miss Orathai Rongthongaram (Authorized Signatory)</b>  <b>Date of Appointment</b> April 20, 2018  -Appointed as Executive Vice President-Head of Accounting as of October 2013  -Appointed as Executive Vice President-Head of Accounting as of October 2013  - Resigned with effective on July 31, 2020	55	MBA, Chulalongkorn University  Bachelor of Accounting, Chulalongkorn University  Diploma in Auditing, Chulalongkorn University  Certified Public Accountant Thailand  Director Accreditation Program (DAP) Class 162/2019, Thai Institute of Directors	Personal 0.004% (15,000 Shares)  Spouse / Minor child -None -	None	<b>Listed Companies</b>	
					2018 - 2020	Director (Authorized Signatory) and Member of Corporate Governance Committee
					2013 - 2020	Allianz Ayudhya Capital Pcl. EVP, Accounting Department, Allianz Ayudhya Capital Pcl.
					1998 - 2013	Manager, Accounting Department, Sri Ayudhya Capital Pcl.
					<b>Non-Listed Company: None</b>	

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		<p>TLCA CFO Professional Development Program (TLCA CFO CPD) No.5/2019, “The CFO’s role in stakeholder communication” (English Session), Thai Listed Companies Association</p> <p>TLCA CFO Professional Development Program (TLCA CFO CPD) No. 1/2020 “Update on IFRS9 and other new standards”, Thai Listed Companies Association</p>				

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
<p>20. Miss Jarunee Chaisupakitsin (Authorized Signatory)</p> <p><b>Date of Appointment</b> August 1, 2020</p> <p>-Appointed as Chief Financial Officer /Chief Accounting with effective from May 1, 2020</p>	59	<p>Master of Business Administration, Thammasat University</p> <p>Graduate Diploma in Translation, Thammasat University</p> <p>Graduate Diploma, English for Careers, Thammasat University</p> <p>Bachelor of Accounting, Thammasat University</p> <p>Bachelor of Economics, Sukhothai Thammathirat Open University</p>	<p>Personal -None-</p> <p>Spouse / Minor child -None -</p>	None	<b>Listed Company</b>	
					2020-Present	Director and Member of Corporate Governance Committee / Chief Financial Officer Allianz Ayudhya Capital Pcl.
					<b>Non-Listed Company</b>	
					2020 – Present	Director, Country Chief Accounting Officer & Head of P&C Accounting Allianz Ayudhya Assurance Pcl.
					2003 – 2020	Senior Vice President, Accounting Allianz Ayudhya Assurance Pcl.
					1996 – 2003	Vice President, Accounting Allianz Ayudhya Assurance Pcl.

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		Accounting and Financial Preparation (CFO's Orientation Course) 2019				

\*Calculated from Company's shareholding which excluded share repurchase.

● Informaton of Executives

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
<b>1. Mr. Bryan James Smith</b>  <b>Date of Appointment</b> November 4, 2014  - Appointed as President and CEO (Authorized Signatory) with effective on April 9, 2019 and resigned with effective on February 25, 2021  - Appointed as Vice Chairman of the Board of Director with effective on February 25, 2021	62	Master of Business Administration, Australian Graduate School of Management, The University of New South Wales, Sydney, Australia  Bachelor of Commerce / Bachelor of Laws, The University of New South Wales Sydney, Australia	Personal -None-  Spouse / Minor child -None -	None	<b>Listed Company</b>	
					2021-Present	Vice Chairman Allianz Ayudhya Capital Pcl.
					2014-2021	Director (Authorized Signatory) Allianz Ayudhya Capital Pcl.
					2019-2021	President and Chief Executive Officer Allianz Ayudhya Capital Pcl.
					2014-2019	Member of Nomination and Remuneration Committee Allianz Ayudhya Capital Pcl.
					<b>Non-Lited Companies</b>	
		Director Certification Program (DCP) Class 207/2015, Thai Institute of Directors			2019-2021	Country Manager, Allianz Ayudhya Capital Pcl.

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		Director Diploma Examination Program - Fellow Member Year 2015, Thai Institute of Directors			2014-2019	Director, Member of Nomination and Remuneration Committee, Allianz Ayudhya Capital General Insurance Pcl. Director (Authorized Signatory)
					2011-2021	President and Chief Executive Officer Allianz Ayudhya Assurance Pcl.
					2009-2011	Chief Officer-Direct Marketing, Bancassurance & Group, Allianz Ayudhya Assurance Pcl.
2. Mr. Thomas Charles Wilson (Authorized Signatory)  Date of Appointment February 25, 2021	60	PhD in Economic Stanford University, Stamford, California  Emphasis in Microeconomic	Personal  -None-  Spouse / Minor child  -None -	None	<b>Listed Company</b>	
					2021 – Present	President and Chief Executive Officer Allianz Ayudhya Capital Pcl.
					<b>Non-Listed Companies</b>	
					2020	Deputy CEO & Head of Distribution, Allianz Ayudhya Assurance Pcl, Thailand

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		Bachelor of Science in Business Administration, University of California, Berkeley, California Emphasis in Finance, Real Estate and Accounting Graduated with honor			2008-2021	Chief Risk Officer, Allianz SE, Munich, Germany Committee, Allianz Alternative Risk Transfer
					2008-2009	Chief Risk Officer, Dresdner Bank, Frankfurt, Germany
					2005-2008	Chief Risk Officer ING Insurance, ING Group, Amsterdam, The Netherlands
					2002-2005	Managing Director, Global Head Finance & Risk Practice Oliver Wyman & Company, New York



Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
<b>3. Miss Jarunee Chaisupakitsin (Authorized Signatory)</b>  <b>Date of Appointment August 1, 2020</b>  -Appointed as Chief Financial Officer /Chief Accounting with effective from May 1, 2020	59	Master of Business Administration, Thammasat University  Graduate Diploma in Translation, Thammasat University  Graduate Diploma, English for Careers, Thammasat University  Bachelor of Accounting, Thammasat University  Bachelor of Economics, Sukhothai Thammathirat Open University	Personal -None-  Spouse / Minor child -None -	None	<b>Listed Company</b>	
					2020 - Present	Director and Member of Corporate Governance Committee / Chief Financial Officer Allianz Ayudhya Capital Pcl.
					<b>Non-Lited Company</b>	
					2020 – Present	Director, Country Chief Accounting Officer & Head of P&C Accounting Allianz Ayudhya Assurance Pcl.
					2003 – 2020	Senior Vice President, Accounting Allianz Ayudhya Assurance Pcl.
					1996 – 2003	Vice President, Accounting Allianz Ayudhya Assurance Pcl.

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		Accounting and Financial Preparation (CFO's Orientation Course) 2019				

\*Calculated from Company's shareholding which excluded share repurchase.

Remark : Determination of Definitions of "executive" means director, manager, or the first four executives succeeding the manager and every person holding the position equivalent to the fourth rank including person holding executive position in Accounting or Finance Department whose rank is not lower than departmental manager.

1. Mr. Bryan James Smith  
President and Chief Executive Officer  
(Appointed on April 9, 2019 and resigned with effective from February 25, 2021)
2. Mr. Thomas Charles Wilson  
President and Chief Executive Officer  
(Appointed on February 25, 2021)
3. Miss Jarunee Chaisupakitsin  
Chief Financial Officer /Chief Accountant  
(Appointed on May 1, 2020)

- Information of Company Secretary

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
1. Miss Kavida Wassanaruangdej  Date of Appointment November 12, 2020	42	Master of Business Administration (General Management) Khon Kaen University  Company Secretary Program (CSP 103/2019) Thai Institute of Directors  Board Reporting Program (BRP 28/2019) Thai Institute of Directors	Personal  -None-  Spouse / Minor child  -None -	None	<b>Listed Companies</b>	
					2020 - Present	Assistant Vice President Corporate Secretary Allianz Ayudhya Capital Pcl.
					2019 - 2020	Assistant Vice President Corporate Secretary, Head of Corporate Secretarial Services Maybank Kim Eng Securities (Thailand) Pcl.
					2015 - 2019	Company Secretary, Investor Relations and Head of Compliance Winner Group Enterprise Pcl.
					2014 - 2015	Manager, Executive Office Finansia Syrus Securities Pcl.

Name-Surname Position	Age (Years)	Education	Shareholding in the Company *(as of December 31, 2020) and Changing of shareholding during the year	Relationship among Family with Other Directors, Management, Major Shareholders and Subsidiaries	Working Experience (During the recent 5 years)	
					Duration	Position and Company
		Compliance Management and Relevant rules and regulations Class 1/2019, National Institute of Development Administration			<b>Non-Lited Companies</b>	
		Fundamental Practice for Corporate Secretary (FCS) 1/2015, Thai Listed Company Association			2020 - Present	Corporate Secretary Allianz Ayudhya Assurance Pcl.
					2020 - Present	Corporate Secretary Allianz Ayudhya General Insurance Pcl.

\*Calculated from Company's shareholding which excluded share repurchase.

### Scope of Duties and Responsibilities of the Company Secretary

The company secretary shall perform his or her duties in accordance with section 89/15 and section 89/16 of Securities and Exchange Act (No.5) B.E. 2559, which come into force on December 12, 2016. The company secretary shall perform his or her duties with responsibilities, care, honesty and in compliance with laws, Article of Association and Objective of the Company, resolution of the Board of Director, and resolution of the shareholders' meeting. In performing this duty, the Company Secretary has the following duties and responsibilities:

1.1 Prepare and maintain the following documents:

1.1.1 Director's Registry;

1.1.2 Notices for the Board of Directors', Minutes of the Board of Directors' Meetings and Annual Report of the Board of Directors; and

1.1.3 Notices for the Shareholders' Meeting and Minutes of the Shareholders' Meetings.

1.2 Maintain the Report on Stake Holding of Directors and Management.

1.3 Carry out other tasks as assigned by the Board of Directors

Additionally, the company secretary has duties assigned by the Company (or the board) as follows:

- Provide preliminary advice and recommendations pertaining to legal, regulatory, and governance issues and practices related to the Board and Board Committees
- Organize the meetings of Shareholders, the Board of Directors
- Liaise with regulatory agencies such as the Stock Exchange of Thailand and be responsible for the disclosure and report information to the public and regulatory agencies with accuracy, complete and in accordance with laws
- Arrange new director orientation
- Perform other duties as assigned by the Company.

Scope of Duties and Responsibilities of Company Secretary is also contained in Part 2, No. 7 Structure of Corporate Governance.

● **Information of Directors, Executives and Company Secretary of Subsidiary Company**

Allianz Ayudhya Capital Public Company Limited is an investment holding company with primary business in Allianz Ayudhya General Insurance Public Company Limited, a subsidiary company operating in non-life insurance business.

Allianz Ayudhya General Insurance Public Company Limited: Subsidiary Company				
Name-Surname Age / Position (Date of Appointment)	Education and Training Record	Working Experience (During the recent 5 years)		
		Duration	Position	Organization/Company
<p><b>1. Mrs. Claudia Salem</b> Age 45 years Chairwoman of the Board of Directors (Date of Appointment : April 30, 2019)</p> <p>Shareholding in the Subsidiary Company<sup>1/</sup> -None- Relationship among Family with Other Directors and Management -None-</p>		Education, Training Record and Working Experience is contained in the Attachment 1 Director herein		
<p><b>2. Mr. Sorasit Soontornkes</b> Age 68 years Independent Director and Chairman of Audit Committee (Date of Appointment : April 2, 2018) (Resignation with effective on July 31, 2020)</p> <p>Shareholding in the Subsidiary Company<sup>1/</sup> -None- Relationship among Family with Other Directors and Management -None-</p>		Education, Training Record and Working Experience is contained in the Attachment 1 Director herein		

Allianz Ayudhya General Insurance Public Company Limited: Subsidiary Company				
Name-Surnamae Age / Position (Date of Appointment)	Education and Training Record	Working Experience (During the recent 5 years)		
		Duration	Position	Organization/Company
<p><b>3. Mr. Suwat Laicharoensup</b> Age 71 years Independent Director and Chairman of Audit Committee (Date of Appointment : April 2, 2018)</p> <p>Shareholding in the Subsidiary Company<sup>1/</sup> -None- Relationship among Family with Other Directors and Management -None-</p>	Education, Training Record and Working Experience is contained in the Attachment 1 Director herein			
<p><b>4. Mr. Vichit Kornvityakoon</b> Age 70 years Independent Director, Member of Audit Committee, Chairman of Compliance Committee (Date of Appointment : January 2013)</p> <p>Shareholding in the Subsidiary Company<sup>1/</sup> -None- Relationship among Family with Other Directors and Management -None-</p>	Education, Training Record and Working Experience is contained in the Attachment 1 Director herein			

Allianz Ayudhya General Insurance Public Company Limited: Subsidiary Company				
Name-Surnamae Age / Position (Date of Appointment)	Education and Training Record	Working Experience (During the recent 5 years)		
		Duration	Position	Organization/Company
<p>5. Mr. Lars Heibutzki</p> <p>Age 46 years</p> <p>Director and Chief Executive Officer (Authorized Signatory)</p> <p>(Date of Appointment : March 2019)</p> <p>Shareholding in the Subsidiary Company<sup>1/</sup> -None-</p> <p>Relationship among Family with Other Directors and Management -None-</p>	Education, Training Record and Working Experience is contained in the Attachment 1 Director herein			





Allianz Ayudhya General Insurance Public Company Limited: Subsidiary Company				
Name-Surnamae Age / Position (Date of Appointment)	Education	Working Experience (During the recent 5 years)		
		Duration	Position	Organization/Company
	Advance Certificate Course, Management of Public Economic for Executives, King Prajadhipok's Institute  Director Certificated Program (DCP), Thai Institute of Directors	2012 - 2019     2012 - Present	Audit Committee Executive Vice President, Legal & Compliance Secretary-General	Solartron Pcl. Allianz Ayudhya Assurance Pcl.  The Thai Life Assurance Association
<p><b>8. Mr. Apichat Natasilpa</b> Age 64 years Independent Director (Date of Appointment : July 10, 2020)</p> <p>Shareholding in the Subsidiary Company<sup>1/</sup> -None- Relationship among Family with Other Directors and Management -None-</p>	<ul style="list-style-type: none"> <li>- MBA, University of Southern California</li> <li>- Directors Accreditation Program (DAP), Year 2004</li> </ul>	<p><u>Other Listed Company</u> 2011 - 2014</p> <p><u>Other Organization</u> 2013 - Present</p>	<p>Director and Remuneration and Compensation Committee</p> <p>Independent Director, Audit Committee, and Remuneration and Compensation Committee</p>	<p>Home Product Center Pcl.</p> <p>Wind Energy Holding Co., Ltd.</p>

Allianz Ayudhya General Insurance Public Company Limited: Subsidiary Company				
Name-Surnamae Age / Position (Date of Appointment)	Education	Working Experience (During the recent 5 years)		
		Duration	Position	Organization/Company
<b>9. Miss Jarunee Chaisupakitsin</b> Age 59 years Director (Date of Appointment: April 30, 2019)  <b>Shareholding in the Subsidiary Company<sup>1/</sup> -None-</b>  <b>Relationship among Family with Other Directors and Management -None-</b>	Master of Business Administration, Thammasat University	<u>Other Listed Companies</u> -None-		
	Graduate Diploma in Translation, Thammasat University	<u>Other Organization</u> 2020 – Present	Director and Member of Corporate Governance Committee / Chief Financial Officer	Allianz Ayudhya Capital Pcl.
	Graduate Diploma, English for Careers, Thammasat University		Director, Country Chief Accounting Officer & Head of P&C	Allianz Ayudhya Assurance Pcl.
	Bachelor of Accounting, Thammasat University	2003 – 2020	Accounting Senior Vice President,	Allianz Ayudhya Assurance Pcl.
	Bachelor of Economics, Sukhothai Thammathirat Open University	1996 – 2003	Vice President, Accounting	Allianz Ayudhya Assurance Pcl.
	Accounting and Financial Preparation (CFO's Orientation Course) 2019			

Allianz Ayudhya General Insurance Public Company Limited: Subsidiary Company				
Name-Surnamae Age / Position (Date of Appointment)	Education	Working Experience (During the recent 5 years)		
		Duration	Position	Organization/Company
<p>10. Miss Kavida Wassanaruangdej</p> <p>Age 42 years</p> <p>Corporate Secretary</p> <p>(Date of Appointment: 15 September 2020)</p> <p>Shareholding in the Subsidiary Company<sup>1/</sup></p> <p>-None-</p> <p>Relationship among Family with Other Directors and Management -None-</p>	Education, Training Record and Working Experience is contained in the Attachment 1 Company Secretary herein			

**Remark:** <sup>1/</sup>Determined based on the no. of shares from spouse and minor child

1. Information of Executives and Controlling persons

Name of Directors	Company	Subsidiary Company	Associated Company	Relevant Companies																		
	AYUD	AAGI	AZAY	1	2	3	4	5	6	7	8-10	11-12	13	14-16	17	18	19	20	21-24	25-26	27-50	
1. Dr.Jamlong Atikul (Appointed as of June 13, 2019)	A,N			F,K, N		A,M																
2. Mr.Sorasit Soontornkes (Resigned with effective from July 31, 2020)	C,N	C,N														A,N	S	C,N				
3. Mr.Narong Chulajata (Appointed as of April 26, 2019)	C,N	C,N	C,G					B,G						G	A							
4. Mr. Suwat Laicharoensup (Appointed as of April 20, 2018)	F,K,N	F,N																				
5. Mr. Vichit Kornvityakoon (Appointed as of January 28, 2013)	F,N,O	F,N																				

Name of Directors	Company	Subsidiary Company	Associated Company	Relevant Companies																		
	AYUD	AAGI	AZAY	1	2	3	4	5	6	7	8-10	11-12	13	14-16	17	18	19	20	21-24	25-26	27-50	
6. Mr. Bryan James Smith (Appointed as of November 4, 2014)	E,H,M		E,H,M																			
7. Miss Nopporn Tirawattanagool (Appointed as of April 22, 2013)	G,L			G,L, M,Q	G,L, P		G		G,M												G	G,M
8. Mr.Laksna Thongthai (Appointed as of March 21, 1994)	G										G											
9. Mrs. Wanna Thammasisup (Appointed as of June 13, 2019 and resigned with effective February 25, 2021)	G,P		F,N							G,M		C,G	F									

Name of Directors	Company	Subsidiary Company	Associated Company	Relevant Companies																		
	AYUD	AAGI	AZAY	1	2	3	4	5	6	7	8-10	11-12	13	14-16	17	18	19	20	21-24	25-26	27-50	
<b>10. Mr. Rowan D'Archy</b> (Appointed as of April 26, 2019 and resigned with effective July 31, 2020)	G,M		A																			
<b>11. Mrs. Claudia Salem</b> (Appointed as of April 26, 2019)	G	A																				
<b>12. Mr. Lars Heibutzki</b> (Appointed as of April 26, 2019)	G.M	E,G,M																				
<b>13. Mr. Jan-Christian Rosemeyer</b> (Appointed as of November 13 2019)	G.M		T																	G		

Name of Directors	Company	Subsidiary Company	Associated Company	Relevant Companies																		
	AYUD	AAGI	AZAY	1	2	3	4	5	6	7	8-10	11-12	13	14-16	17	18	19	20	21-24	25-26	27-50	
<b>14. Mrs. Anusha Thavarajah</b> (Appointed as of August 1, 2020 and resigned with effective from February 25, 2021)	G		A																			
<b>15. Mr. Apichat Natasilpa</b> (Appointed as of July 10, 2020)		N																				
<b>16. Mr. Pasu Loharjun</b> (Appointed as of July 31, 2020)	N,K,G																					
<b>17. Mr. Robert Paul Gray</b> (Appointed as of November 13, 2019)	G.M		T																			
<b>18. Miss Orathai Rongthongaram</b> (Resigned with effective from July 31, 2020)	G,M,T																					



Name of Directors	Company	Subsidiary Company	Associated Company	Relevant Companies																		
	AYUD	AAGI	AZAY	1	2	3	4	5	6	7	8-10	11-12	13	14-16	17	18	19	20	21-24	25-26	27-50	
<b>19.Mr. Tivakorn Kanjanakit</b> (Appointed as of April 2, 2018)		G,M																				
<b>20. Mr. Kitti Pintavirooj</b> (Appointed as of April 30, 2019)		G	T																			
<b>21. Miss Jarunee Chaisupakitsin</b> (Appointed as of April 30, 2019)	G,M																					
<b>22. Mr. Thomas Charles Wilson</b> (Appointed as of February 25, 2021)	E,H,M		E,H,M																			
<b>23.Mr. Jon-Paul Jones</b> (Appointed as of February 25, 2021)	G																					

<p>A = Chairman of the Board of Directors  B = Vice Chairman of the Board of Directors  C = Chairman of Audit Committee  E = Chief Executive Officer  F = Member of Audit Committee  G = Director  H = President  I = Managing Director  J = Executive Director  K = Chairman of Nomination and Remuneration Committee  L = Member of Nomination and Remuneration Committee  M = Authorized Director  N = Independent Director  O = Chairman of Corporate Governance Committee  P = Member of Corporate Governance Committee  Q = Member of Governance, Risk and Compliance Committee  R = Member of Risk Management Committee  S = Chairman of Risk Management Committee  T = Country Chief Officer</p>	<p><b><u>Company</u></b>  AYUD Allianz Ayudhya Capital Public Company Limited  (previously known as Sri Ayudhya Capital Public Company Limited)</p> <p><b><u>Subsidiary Company</u></b>  AAGI Allianz Ayudhya General Insurance Public Company Limited  (previously known as Sri Ayudhya General Insurance Public Company Limited )</p> <p><b><u>Associated Company</u></b>  AZAY Allianz Ayudhya Assurance Public Company Limited</p>	<p><b><u>Relevant Companies</u></b></p> <ol style="list-style-type: none"> <li>1. Bank of Ayudhya Public Company Limited</li> <li>2. Siam City Cement Public Company Limited</li> <li>3. RCL Public Company Limited</li> <li>4. Bangkok Broadcasting &amp; TV Company Limited</li> <li>5. Susco Public Company Limited</li> <li>6. BBTV Equity Company Limited</li> <li>7. PPN S Associate Co., Ltd.</li> <li>8. Thongthai Water Pipe &amp; Chemical Co., Ltd.</li> <li>9. Nirvana Co., Ltd.</li> <li>10. TRIPLE PRIME TEAM HOLDINGS COMPANY LIMITED</li> <li>11. Krungsri Asset Management Company Limited</li> <li>12. Krungsri Securities Public Company Limited</li> <li>13. National ITMX Co., Ltd.</li> <li>14. SUSCO Dealer Company Limited</li> <li>15. SUSCO Retail Company Limited</li> <li>16. Siri Charoen Wattana Co., Ltd.</li> <li>17. Safari World Public Company Limited</li> <li>18. AIRA Factoring Public Company Limited</li> <li>19. Nok Airline Public Company Limited</li> <li>20. J.D. Food Products Company Limited</li> <li>21. JCR Intertrade Company Limited</li> <li>22. BSMC (Thailand) Limited</li> <li>23. CPRN (Thailand) Limited</li> <li>24. SOFE One Limited and SOFE Two Limited</li> <li>25. Grand Canal Land Public Company Limited</li> <li>26. BBTV Asset Management Company Limited</li> <li>27. CKS Holding Company Limited</li> </ol>
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		<p><b>Relevant Companies (Con'd)</b></p> <ol style="list-style-type: none"> <li>28. Super Assets Company Limited</li> <li>29. C.K.R Company Limited</li> <li>30. The Bangkok Lighters Company Limited</li> <li>31. The Thai Tapioca Flour Produce Company Limited</li> <li>32. Cyber Venture Company Limited</li> <li>33. Khao Kheow Country Club Company Limited</li> <li>34. Siam Purimongkol Company Limited</li> <li>35. Grand Fortune Company Limited</li> <li>36. BBTV Satelvision Company Limited</li> <li>37. GL Asset Company Limited</li> <li>38. Mahakij Holdings Company Limited</li> <li>39. BBTV Productions Company Limited</li> <li>40. BBTV Alliance Ltd.</li> <li>41. BBTV Bond Street Building Ltd.</li> <li>42. ITBC Business Consultant Group Company Limited</li> <li>43. BBTV International Holdings Company Limited</li> <li>44. Exclusive Senior Care International Company Limited</li> <li>45. Sunrise Equity Company Limited</li> <li>46. Home Product Center Public Company Limited</li> <li>47. Wind Energy Holding Company Limited</li> <li>48. Electricity Generating Public Company Limited</li> <li>49. General Environmental Conservation Public Company Limited</li> </ol>
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## Attachment 2: Information of Directors from Subsidiary

Company's subsidiary is Allianz Ayudhya General Insurance Public Company Limited, previously known as Sri Ayudhya General Insurance Public Company Limited.

Name of Directors	Company's subsidiary Allianz Ayudhya General Insurance Public Company Limited
1. Mrs.Claudia Salem	A
2. Mr. Lars Heibutzki	C,F,G
3. Mr. Apichart Natasilpa <sup>1</sup>	E
Mr. Sorasit Soontornkes <sup>2</sup>	B,E
4. Mr. Suwat Laicharoensup <sup>3</sup>	B,E
5. Mr. Vichit Kornvityakoon	D,E
6. Mr. Kittti Pintavirooj	F
7. Ms. Jarunee Chaisupakitsin	G
8. Mr. Tivakorn Kanjanakit	F,G

### Remark

A	=	Chairwoman of the Board of Directors
B	=	Chairman of Audit Committee
C	=	President and Chief Executive Officer
D	=	Member of Audit Committee
E	=	Independent Director
F	=	Director
G	=	Authorized Director

<sup>1</sup> The resolution of 2020 Annual General Meeting of Shareholder of Allianz Ayudhya General Insurance Public Company Limited on July 10, 2020 approved the appointment of Independent Director in replacement of resigned Independent Director who didn't wish to serve as Company's Independent Director and Company's directorship.

<sup>2</sup> The Director didn't wish to serve the Company's directorship effective July 31, 2020.

<sup>3</sup> The Director was appointed as Chairman of Audit Committee with effect from the resolution of the Board of Directors Meeting of Allianz Ayudhya General Insurance Public Company Limited No. 4/2020, held on August 10, 2020.

## Attachment 3: Information of Head of Internal Audit and Head of Compliance

### Head of Internal Audit

Ms. Wannaporn Ngamsukhonratana, Senior Vice President and Country Head of Internal Audit, was assigned as Head of Internal Audit.

#### **Education**

- Bachelor of Business Administration (Accounting), Assumption University
- Master of Business Administration (General Management), Indiana State University
- Certified Professional Accountant (Thailand)

#### **Working Experience during the recent 5 years**

- Senior Vice President and Country Head of Internal Audit, Allianz Ayudhya Assurance Pcl.
- Vice President, Internal Audit Standard Chartered Bank (Thai) Pcl.

### Head of Compliance

Ms. Saovaporn Sattabusya, Senior Vice President, was assigned as Head of Compliance.

#### **Education**

- Master Degree in International and comparative law, The George Washington University Law School, USA
- Master Degree in Business and General law, University of Wisconsin-Madison Law School, USA
- Bachelor of Laws, Chulalongkorn University

#### **Working Experience and training record**

<b>Duration</b>	<b>Position</b>	<b>Organization</b>
2008-2009	Legal Consultant	Siam City Law Office GP Co., Ltd.
2009-2013	Manager	Legal Department /AIA (Thailand) Co., Ltd.
2013 -Present	Senior Vice President	Compliance Department/ Allianz Ayudhya General Insurance Pcl.

**Training record**

- Association of Certified Anti-Money Laundering Specialists (CAMS), Certified Anti-Money Laundering Specialist

**Compliance responsibilities**

1. Provide support and set out policy, guideline, regulation to comply with law and compliance standards. Identify, search and assess compliance risk that will reflect on business operations
2. Provide advisory to executives and employees in relation to law, regulation, guideline, relevant business standards and notify the executives without delay whenever change of law, rules and regulation and relevant business standards
3. Evaluate the suitability of Company's work in process and monitor the performance result whenever it finds errors or breaches of law, rules, regulations, code of conduct and relevant business operations.
4. Enhance knowledge to employees in relation to be a focal point providing compliance advisory, law, rules, regulations and employee code of conduct
5. Coordinate with other functions to comply with rules and regulations from local regulators i.e. Office of Insurance Commission and Anti-Money Laundering Office, including seeking external support from professional advisor within the scope of compliance practice as deem necessary.

## Attachment 4: Operating Assets

### 4.1 Assets used in business and details of assets evaluation

Assets value (or equipment) used in business, stated in financial account dated 31 December 2020 total 53.89 million baht with no attached obligation as follow.

Detail of Operating Assets	Book Value Net (Thousand Baht)
1. Land	1,610
2. Leasehold improvement	17,887
3. Furniture, fixtures and office equipment	18,463
4. Vehicles	2,512
5. Leasehold improvement under installation	13,424
<b>Total</b>	<b>53,896</b>

The Company owns a land plot and building on 1669/55-56 Soi Waidee, Chan Rd, Thung Wat Don, Yannawa, Bangkok. The facility is used to store company's documents.

The Company owns a 153 sq wah land plot at Samrongnua, Muaeng district, Samutprakan to provide benefits to employees.

### 4.2 Lease contract

Allianz Ayudhya General Insurance plc. its subsidiary and has leased contract for head office and 18 offices throughout Thailand as follow.

Head Office / Branch	Short rental location	Number of years rental
1. Head Office	898 Ploenchit Tower, 7 <sup>th</sup> Floor, Ploenchit Road, Lumpini Sub-district, Pathumwan District, Bangkok 10330	3
2. Hat Yai	332 Chotvitayakul 5 Road, Hat Yai, Hat Yai Songkhla 90110	3
3. Phuket	9/187-188 Sakdidet Road, Talard Nua, Muang, Phuket 83000	3
4. Rayong	9/7 Bangna-Trad Road, Cherng-Nern, Muang, Rayong 21000	3
5. Khon Kaen	769-769/1 Moo 2, Mitraparp Road, Sira, Muang Khon Kaen, Khon Kaen 40000	3
6. Chiang Mai	158/9 Chiangmai-Lampang Road, Paton, Muang, Chiangmai 50300	3
7. Nakhonratchasima	901/4-5 Mitraparp Road, Nai Muang, Muang, Nakhonratchasima 30000	3
8. Nakhonsawan	21/77 Moo 11, Nakhonsawan-Phitsanulok Road, Watsai, Muang, Nakhonsawan 60000	3
9. Phitsanulok	459/1079-80 Moo 7, Mitraparp Road, Samorkae, Muang, Phitsanulok 65000	3
10. Ubonratchathani	97/6 Moo 3, Ubonratchathani Road, Khamyai, Muang, Ubonratchathani 34000	3
11. Suratthani	141/122-123 Moo 5, Kanchanawithi Road, Bangkung, Muang Suratthani, Suratthani 84000	3
12. Nakhonpathom	94 Ratchamakka Road, Sanamchan, Muang, Nakhonpathom 73000	3
13. Chonburi	208/12 Moo 3, Prayasajja Road, Samet, Muang, Chonburi 20000	3



Head Office / Branch	Short rental location	Number of years rental
14. Pattaya	3/146-147 Moo 6, Chaloem Phra Kiat Road, Na Klua, Banglamung, Chonburi 20150	3
15. Udonthani	844/7-8 Taharn Road (Dong Wat), Markhaeng, Muang, Udonthani 41000	3
16. Sub Branch Saraburi	96/18 Sudbantad Road, Pakpreew, Muang, Saraburi 18000	3
17. Sub Branch Chiangrai	250/8 Moo 16, Ratchayotha Road, Robvieng, Muang, Chiangrai 57000	3
18. Sub Branch Surin	102 Moo 2, Surin Bypass Road, Nok Muang, Muang, Surin 32000	3
19. Sub Branch Hua Hin	15/118 Soi Mooban Borfai, Phet Kasem Road, Hua Hin, Hua Hin, Prachuap Khiri Khan 77110	3

If any lease expires, the company's policy is to extend the lease regularly, not exceeding 3 years.

#### 4.3. Intangible assets

The company has intangible assets of computer software worth 77.03 million baht as stated in account dated December 31, 2020.

#### 4.4. Investment policy in subsidiary/partner companies

The company's policy is to invest in subsidiary/partner companies that effectively facilitate the company's total businesses. At present, the company has invested in a subsidiary, Allianz Ayudhya General Insurance Plc and an associate, Allianz Ayudhya Assurance Plc.

**Company's assets**

The company has invested in a variety of assets including SET's common stocks, Thai IPOs, Thai debt instruments, non-SET assets, investment units, bank deposits and loans.

**Investment objectives**

The company's investment objectives are to increase company's revenue by investing in low-risk, secure assets with appropriate and steady returns.

The company has appointed an investment committee to prescribe ratio of each investment asset. In 2020, the company and its subsidiary have invested in government bonds, common stocks and investment units with returns of interests and dividends.

**Subsidiary company's investment assets**

The subsidiary company, non-life business can invest, according to Non-life Insurance Act 1992, and must comply with Office of Insurance Commission's regulations on Non-life Insurance Company's Other Business Investments 2013.

### Attachment 5: Corporate Governance Policy and Code of Conduct full versions

The Company refers the full versions of Corporate Governance Policy and Code of Conduct, underlying Section 6. Corporate Governance Policy, Section 7. Corporate Governance Structure and Important information of Board of Directors, Sub-Committees, Management, Employees and others and Section 8. Corporate Governance Report, including Company's website>>Investor Relations>>Corporate Governance Policy at <https://www.ayud.co.th/investor-relations-information>.

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## Attachment 6: Report of the Audit Committee

The Audit Committee has duties and responsibilities as assigned by the Board of Directors as specified in the Audit Committee Charter and in accordance with criteria from regulators. The Audit Committee comprises three independent directors as follows:

- |                             |   |
|-----------------------------|---|
| 1. Mr. Suwat Laicharoensup  | Chairman of the Audit Committee<br>(appointed as the Chairman of the Audit Committee with effective from August 14, 2020) |
| 2. Mr. Vichit Kornvityakoon | Member of Audit Committee   |
| 3. Mr. Narong Chulajata     | Member of Audit Committee   |

Ms. Wannaporn Ngamsukhonratana is the Secretary of the Audit Committee.

### Financial Reports

The quarterly and annual consolidated and separate financial statements of the Company were reviewed with the Management, accounting executives, and the Company's external auditors to ensure that the financial statements were completed under generally accepted accounting principles and that the information disclosure was adequate, accurate, and complete. The reviews covered the accounting policy as well as significant changes.

### Internal Control and Compliance with the laws

The Company's internal control system was reviewed to ensure its efficiency and compliance with the governing laws and regulations, including those of the Securities and Exchange Commission and The Stock Exchange of Thailand, as relevant to the Company's business based on audit reports by the Company's external auditors and the internal audit of its subsidiary that provides internal audit services to the Company. Meetings were held to exchange views and comments with auditors, internal auditors, and the Management in making amendments from significant findings to ensure sound internal controls and compliance with laws, rules, and relevant regulations.

The results of the review on the internal controls over the information technology systems performed by the external auditors were considered; the Company's risk management, the good corporate governance

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practices, and the report on internal controls and risk management disclosed in the annual report were also reviewed.

The Audit Committee attended one meeting with the external auditors without the Company's Management on matters to be acknowledged by the Audit Committee with regard to their performance and independence in conducting the reviews and audits as well as in complying with Section 89/25 of the Securities and Exchange Act (No. 4) BE 2551 (2008). Additionally, to acknowledge and advise on the findings of the financial statement reviews and audits. During the reviews, the external auditors reported to the Audit Committee that no fraud, law violations, or significant issues which might adversely impact the internal controls were found.

#### **Transactions with possible conflict of interest**

Connected party transactions and transactions that might be considered as conflicts of interest were reviewed to ensure that they were conducted in compliance with all relevant laws and regulations and that adequate disclosures were made. The Audit Committee provided opinions on transactions between the Company and related parties to ensure that these transactions were made under the normal course of business and were transparent as well as fair to all concerned parties.

#### **Supervising the internal auditing process**

The audit plan and manpower to ensure adequacy of resources in conducting audits were considered.

In addition, the Audit Committee considered and ratified improvements and developments of the roles of the internal audit with appropriate responsibilities pertinent to the business environment and evolving risks in information technology that corresponded with the anti-corruption policy, as well as having independence in carrying out its duties.

#### **Audit Committee Charter**

The Audit Committee performed its duties and responsibilities as stipulated in the Audit Committee Charter independently, cautiously, and transparently, in order to promote good corporate governance practices, effectively without limitation, in receiving information and proper cooperation from the Management.

#### **Supervising the processes in regarding to anti-corruption measures**

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Overseeing the process relating to anti-corruption policy and measures; reviewing the compliance procedures on anti-corruption measures and internal controls as well as assessed the risks involved related to the anti-corruption policy through reports from senior management, internal audit reports, and those from external parties on the anti-corruption policy and measures.

Reports regarding documents prepared for the risk assessment of corruption risks and internal controls were reviewed before submitting to Thailand's Private Sector Collective Action Coalition Against Corruption Council (CAC).

### **Risk Management**

The Audit Committee focused on risk management by evaluating the Company's risk management process. The Subsidiary's a Risk Management Committee, which comprised executives from each department of the Company, its subsidiary, and its associated company, supports the Board of Directors in risk supervision related to the Company's business operations, to ensure that it operates within the risk appetite and consistent with the vision, mission, strategy, and business goals so that the Company's objectives are achieved efficiently, effectively and sustainably. In addition, the Company had risk management practices and guidelines for strategic risk, insurance risk, market risk, liquidity risk, operational risk, reputation risk and credit risk. Therefore, it could be assumed that the Company had implemented concrete measures to mitigate various risks.

### **Audit Selection**

The Audit Committee considered and proposed to the Board of Directors on the selection of auditors and determined their annual audit fees for the Annual General Meeting approval. In addition, the Audit Committee was to consider and approve the rendering of outsourced audit service firm from the auditor of the subsidiary company and the auditor of the associated company.

There was no provision of other non-audit service from the auditor firm and with the group of company during the year as the approval set forth by the Audit Committee.

Mr. Suwat Laicharoensup  
(Mr. Suwat Laicharoensup)  
Chairman of the Audit Committee  
February 23, 2021