

Ref. No. 151/2561

10 August 2018

SUBJECT : Management Discussion and Analysis ending 30 June 2018

ATTN : President of the Stock Exchange of Thailand

The Company realized profit for the second quarter ending 30 June 2018, amounting to Baht 16.68 million, an decrease of Baht 47.93 million or 74.18% over the same quarter last year, due to the following significant factors :

1. Profit from underwriting decreased by Baht 22.94 million to Baht 4.24 million due to significant fact that earned premium and commission and brokerage income from reinsurers totally dropped by Baht 24.77 million. Apart from that, operating expenses rose by Baht 5.42 million because of the increase of the amount of employee benefit obligations in according with the accounting standard. The ratio of net claim expense over earned premium moreover increased from 58.46% in the same period last year to 60.18% this year because of the fact that the average amount of claim expenses over accident related to voluntary motor insurance increased from Baht 21,432 in the same period last year to Baht 21,781 this year.

The Company has a policy that the loss ratio should be at a suitable level, we therefore have stopped selling insurance policies with excessive risk. Moreover we intend to increase the volume of insurance policies with acceptable risk.

2. Net investment revenues, gains on investments and fair value losses totally decreased by Baht 31.32 million to Baht 11.38 million. Whereas the Company won saving lottery issued by Bank for Agriculture and Agriculture Co-operatives, receiving reward of approximately Baht 20 million last year, the value of the Company's investment assets this year was effected by the fluctuation of the price of stocks listed on the Stock Exchange of Thailand.

Yours sincerely,

(Mr. Somboon Fusriboon)  
Managing Director