

## THRE: Management Discussion and Analysis for the Q4/2021 and the year 2021

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President

The Stock Exchange of Thailand

### **Operating results for Q4/2021 and the year 2021**

The impact of the COVID-19 evidently lessened in Q4/2021, from a net loss Q3/2021 of THB 331 million reduced to a net loss of THB 143 million in Q4/2021. Combined ratio from Q3/2021 at 144.9% has also improved to 117.5%. Loss in Q4/2021 came from additional reserves for the impact of omicron infection that is expected to spread in early 2022 until the expiration of the lump-sum payout policy in the mid Q2/2022.

In term of credit exposure to COVID-19 severely impact insurers such as the revoked license insurers in Q4/2021 and the in-process of returning license insurers in early 2022, the Company doesn't have any material credit exposure to date except to a minimal of THB 1 million of a subsidiary which already fully provisioned in the consolidated financial statements.

Unit: THB Million

	Consolidated (3months)					(12 months)		
	Q4/2021	Q3/2021	QoQ %	Q4/2020	YoY %	Y 2021	Y 2020	YoY %
Gross Written Premium	1,044	1,052	-1%	991	5%	4,407	4,329	2%
Net Written Premium	978	987	-1%	978	0%	4,033	3,944	2%
Reinsurance Results	(178)	(452)	61%	26	-785%	(601)	54	-1213%
Net Investment Income	11	21	-48%	24	-54%	103	132	-22%
Net Services Income	5	12	-58%	18	-72%	53	63	-16%
Profit (loss) before Tax	(158)	(418)	62%	72	-319%	(436)	255	-271%
Income Tax	15	87	-83%	(11)	236%	80	(33)	342%
<b>Net Profit (Loss)</b>	<b>(143)</b>	<b>(331)</b>	<b>57%</b>	<b>61</b>	<b>-334%</b>	<b>(356)</b>	<b>222</b>	<b>-260%</b>

	31 Dec 2021	30 Sep 2021	Δ%
Total Assets	7,113	7,775	-9%
Total Liabilities	3,868	4,428	-13%
<b>Shareholders' Equity</b>	<b>3,245</b>	<b>3,347</b>	<b>-3%</b>

### **Q4/2021 Operating Results:**

#### **1. Reinsurance Results**

Gross written premium growing 5% continually comparing to last year Q4/2020 and stable comparing to Q3/2021 due to growing in motor and property insurance as expected.

Reinsurance results posted a loss of THB 178 million due to additional reserves for the impact of omicron infection that is expected to spread in early 2022 until the expiration of the lump-sum payout policy in the mid Q2/2022.

Without COVID-19 impact mostly from the lump-sum payout policies, reinsurance results would turnaround to be a profit of THB 58 million which would be growing from last year Q4/2020 at the profit of THB 26 million or growing 123%. The upside operative performance came from improved motor and property insurance results.

## **2. Net Investment Income**

Net investment income of THB 11 million decreased 48% from Q3/2021 and down 54% from Q4/2020 due mainly to the COVID-19 impact which produced lower dividend and interest income.

## **3. Net Services Income**

Net service income THB 5 million down 58% from Q3/2021 and down 72% from last year Q4/2020 due mostly to group restructuring expenses and the COVID-19 impact together with the provision for doubtful debt of THB 1 million from the on-process returning license insurers.

### **Operating Results For The Year 2021:**

#### **1. Reinsurance Results**

Gross written premium of THB 4,407 million and net written premium of THB 4,033 million increased 2% due to continually growth in motor and property insurance.

Reinsurance results presented a loss of THB 601 million. Without COVID-19 impact mostly from the lump-sum payout policies, reinsurance results would turn into a profit of THB 279 million which would be higher than last year profit of THB 54 million or growing 417% due mainly to the COVID-19 health protection measures such as lockdown and traveling restriction caused a reduction in motor claims and property insurance results also improved gradually.

#### **2. Net Investment Income**

Net investment income of THB 103 million, a decrease of 22 % due to the COVID-19 impact which caused lower dividend and interest income.

#### **3. Net Services Income**

Net service income of THB 53 million down 16% due mainly to group restructuring expenses and the COVID-19 impact together with the provision for doubtful debt of THB 1 million from the on-process returning license insurers.

Please be informed accordingly.

Yours sincerely,

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