

24 February 2022

Managing Director

The Stock Exchange of Thailand

93 Ratchadaphisek Road, Dindaeng

Bangkok 10400, Thailand

Dear Sir,

Subject: 2021 Financial Statement and TVI clarifies Net Profit

Thaivivat Insurance Public Company Limited (the “Company”) has provided a copy of Audited approved 2021 Financial Statement ended December 31, 2021 together with the Statements of Comprehensive Income, Statements of Cash Flows and Statements of Changes in Equity.

The Company clarified that the operating results for the year ended December 31, 2021 increased by more than 20% over the same period in 2020 due to the following reason:

Unit: Million THB	For the Year		Change	
	2021	2020	MB.	%
Gross premium written	6,332.9	5,985.8	347.1	5.8%
Less Premium ceded to reinsurers	(615.9)	(649.0)	33.1	(5.1%)
Net premium written	5,717.0	5,336.9	380.1	7.1%
Less Unearned premium reserves increase from prior period	(299.8)	(796.6)	496.8	(62.4%)
Earned premium	5,417.2	4,540.3	876.9	19.3%
Fee and commission income	127.5	140.4	(12.8)	(9.2%)
<b>Total underwriting income</b>	<b>5,544.7</b>	<b>4,680.7</b>	<b>864.0</b>	<b>18.5%</b>
Claim and loss adjustment expenses	3,248.9	3,191.8	57.0	1.8%
Less Claim recovered from reinsurers	(197.2)	(489.3)	292.1	(59.7%)
Commission and brokerage expenses	1,004.2	942.2	62.0	6.6%
Other underwriting expenses	321.0	351.9	(30.8)	(8.8%)
<b>Total underwriting expenses</b>	<b>4,376.9</b>	<b>3,996.6</b>	<b>380.3</b>	<b>9.5%</b>
<b>Profit from underwriting before operating expenses</b>	<b>1,167.8</b>	<b>684.1</b>	<b>483.7</b>	<b>70.7%</b>
Operating expenses	(786.7)	(597.8)	(188.9)	31.6%
<b>Profit from underwriting</b>	<b>381.1</b>	<b>86.3</b>	<b>294.8</b>	<b>341.6%</b>
Investment income	196.3	4.9	191.4	3,871.7%
Financial cost	(0.1)	(0.1)	0.0	(12.9%)
Other income	12.4	4.9	7.5	154.7%
<b>Profit before income tax</b>	<b>589.8</b>	<b>96.0</b>	<b>493.8</b>	<b>514.2%</b>
Income tax expense	(117.8)	(18.4)	(99.4)	541.8%
<b>Profit for the year</b>	<b>472.0</b>	<b>77.7</b>	<b>394.3</b>	<b>507.7%</b>

## Performance

In 2021, the Company's underwriting income was 5,544.7 million baht, increasing 864.0 million baht or 18.5 percent from the prior year. At the same time, investment income was 196.3 million baht, increased 191.4 million baht as market conditions improved. While the company's underwriting expenses and operating expenses totaled 5,163.6 million baht, increasing 569.2 million baht or 12.4 percent, underwriting expenses and operating expenses increased at a slower rate than income. As a result, the company's net profit increased by 394.3 million baht from the prior year to 472.0 million baht.

## Underwriting income and expenses

The company's underwriting income of 5,544.7 million baht increased 864.0 million baht or 18.5 percent compared to the year 2020, mainly due to the company's continuous product development by using new innovations in product design to facilitate and meet the insured needs, as well as the company's continuous sales promotion activities.

Operating expenses and underwriting expenses 5,163.6 million baht, an increase of Baht 569.2 million, or 12.4 percent, from prior year. In a normal situation, the most of claims are from motor insurance, however when the pandemic COVID-19 in 2021 continues to be serious, economic activities slows down, along with government policies that reduce people's movement to refrain from traveling and Work from Home (WFH), resulting in decreased in motor insurance claims so that the loss ratio was 56.3 percent, down from 59.5 percent the previous year. Furthermore, the company emphasizes the use of Big Data and innovation to improve operational effectiveness and a more effective risk screening system.

## Investment income

However apart from underwriting income, the company had a main investment income with investment ratio as the Office of Insurance Commission (OIC) announcement, with the investment amount as of year ended 2021 shown in the Financial Statements and recorded as market price 5,140.7 million baht, an increase of 573.7 million baht from the prior year.

The group company's investment income in 2021 was 196.3 million baht, an increase of 191.4 million baht from the prior year, due to a 17.3 million baht increase in dividend and interest income. In addition, the gain on sale of investments increased by Baht 122.8 million as the stock market improved following the global economic recovery in 2021, allowing the Company to profit from investment assets. Furthermore, profit from fair value adjustments increased by 51.2 million baht.

Best regards,

Jiraphant Asvatanakul  
President & CEO

