



CORPORATION PUBLIC COMPANY LIMITED

**TQM CORPORATION PUBLIC COMPANY LIMITED**

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- Translation -

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Subject: Management Discussion and Analysis for FY2021

Attention: President

Stock Exchange of Thailand

TQM Corporation Public Company Limited and subsidiaries ("the Company") would like to clarify the operating results as at 31 December 2021, which was reviewed by the licensed auditors as follows:

**Business Overview**

In accordance with the statistics of the Office of Insurance Commission (OIC), the total non-life insurance premium from January to December 2021 was Baht 262,746 million, increasing by 4.01% YoY, with details as follows:

Nonlife Direct Premium : (All)		Year To Date		
		2020Q4	2021Q4	Change%
Million Baht	Nonlife Total	252,618	262,746	↑ +4.01%
	Fire	10,167	10,355	↑ +1.84%
	Hull	474	465	↓ -1.95%
	Cargo	4,816	5,853	↑ +21.54%
	Compulsory auto	18,661	18,634	↓ -0.14%
	Voluntary auto	127,356	128,773	↑ +1.11%
	IAR & Property	26,676	29,084	↑ +9.03%
	Liability	2,793	3,021	↑ +8.16%
	Accident	30,954	31,234	↑ +0.90%
	Health	15,632	18,738	↑ +19.87%
	Travel	860	1,130	↑ +31.39%
	Bail bond	159	157	↓ -1.60%
	Others	14,071	15,305	↑ +8.77%

Unit: million Baht

Source: OIC, Q4/2021 Summary of Non-life insurance business

Figure1 Non-life insurance premium details by policy types

Life insurance premium for first year premium, renewal year premium, and single premium was Baht 613,812 million, increasing by 2.33% YoY with details as follows:

Life premium by payment : (All)		Year To Date		
		2020Q4	2021Q4	Change%
Million Baht	Life Total	599,810	613,812	↑ +2.33%
	First year premium(FYP)	100,925	96,169	↓ -4.71%
	Renewal year premium(RYP)	441,541	443,040	↑ +0.34%
	Single Premium(SP)	57,344	74,603	↑ +30.10%

Unit: million Baht

Source: OIC, Q4/2021 Summary of Life insurance business

Figure 2 Life insurance premium details by policy types

In 2021, Thailand faced with COVID-19 crisis, which started to be critical in the second quarter and peak in the third quarter. It caused negative impact to Thai economy, especially insurance sector. Many insurers had to pay for the compensation of COVID-19 claims, especially one-time pay policies. The incidents financially affected many insurers and they had to closed down.

As an insurance brokers, the Company was not affected directly because it does not expose to risk of claim loss, so its financial status remains strong and saw good revenue and profit growth. The Company focused on customer service and also helped business partners. Therefore, our staff was willing to help customers in coordinating with insurers and facilitating them when affected by closure of some insurers.

In the past year, the Company realized importance of preparation and adaptation to sustain the business. We modified way of work and prepare for Work from Home to ensure staff's health safety. In terms of products, we launched some new products to meet customers' needs and to be suitable for the situation, such as health insurance covering COVID-19 treatment, usage-based insurance and etc. We also expanded to online channels to penetrate new generation customers. In terms of operations, we implemented cost control and efficient use of resources, resulting in an improved profitability.

As for business expansion, in August 2021, the Company invested in True Life Broker Co. Ltd. And True Extra Broker Co. Ltd. to increase revenue stream in non-life and life insurance broker business. We also expanded to related business to enhance our potential. Easy Lending Co. Ltd., invested in February 2021, is operating a personal loan for insurance business which is expected to generate more growth in the future.

### Major development in 2021

1. The Board of Directors' meeting No. 5/2564 considered to propose to the shareholders' meeting to change the Company's par value from Baht 1 to Baht 0.50 so that the shares can be accessible to wider group of investors and to increase market liquidity. It would not affect portion of shares held by existing shareholders, and paid-up capital would remain unchanged.

On 4 January 2022, the Company registered the change of par as approved by the EGM No. 1/2564, effective on 13 January 2022.

### Financial highlights of FY2021, compared to FY2020

Description	2021		2020		YoY change	
	MB	%	MB	%	MB	%
Service revenue	3,273.6	95.5	3,082.5	98.3	191.1	6.2
Other revenue	153.4	4.5	53.6	1.7	99.9	186.4
Service costs & expenses	1,544.6	45.1	1,517.4	48.4	27.2	1.8
Gross profit	1,729.0	52.8	1,565.0	50.8	164.0	10.5
Administrative expenses	781.0	22.8	747.4	23.8	33.6	4.5
Net profit	891.8	26.0	702.0	22.4	189.8	27.0
Earnings per share (Baht)	1.48		1.17		0.31	27.4

#### Revenue

- Service revenue of FY2021 was Baht 3,273.6 million, increasing by Baht 191.1 million, or 6.2% from the increase of sales and services of various insurance products and channels. Motor insurance, which is a core business remained strong.

#### Cost and expenses

- Service cost and expenses of FY2021 was Baht 1,544.6 million, increasing by 1.8%, in line with the growth of total revenue. However, the revenue growth was higher than the cost increase. Therefore, the percentage of service cost compared to total revenue decreased from 48.4% to 45.1%.
- Administrative expenses were Baht 781.0 million, increasing by 4.5%. The percentage of admin expenses compared to total revenue decreased from 23.8% to 22.8%.

#### Profit

- Gross profit of FY2021 was Baht 1,729.0 million, increasing by Baht 164.0 million or 10.5% because the growth of revenue was higher than the cost increase. Especially, online channel generated growth without a significant increase in service costs.
- Net profit of FY2021 was Baht 891.8 million, increasing by Baht 189.8 million, or 27.0% from revenue increase in all channels, and an efficient cost control.
- Earnings per Share for FY2021 was Baht 1.48 per share, increasing by 27.4% from Baht 1.17 last year.

Please be informed accordingly

Sincerely yours

- Signature -

(Miss Somporn Ampaisutthipong)

Chief Financial Officer