

17 May 2022

Managing Director

The Stock Exchange of Thailand

93 Ratchadaphisek Road, Dindaeng

Bangkok 10400, Thailand

Dear Sir,

Subject: Financial Statement and MD&A Quarter 1 Ending 31 March 2022

Thaivivat Insurance Public Company Limited (the “Company”) has provided a copy of Audited approved 1<sup>st</sup> Quarter Financial Statement ended March 31, 2022 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 March 31, 2022 decreased by more than 20% over the same period in 2021 due to the following reason:

Unit: Million THB	For the Quarter		Change	
	2022	2021	MB.	%
Gross premium written	1,651.1	1,359.8	291.3	21.4%
Less Premium ceded to reinsurers	(74.8)	(68.9)	(5.9)	8.6%
Net premium written	1,576.3	1,290.9	285.4	22.1%
Less Unearned premium reserves increase from prior period	(111.4)	34.1	(145.5)	(426.2%)
Earned premium	1,464.9	1,325.0	139.9	10.6%
Fee and commission income	30.1	24.9	5.2	20.8%
<b>Total underwriting income</b>	<b>1,495.0</b>	<b>1,349.9</b>	<b>145.1</b>	<b>10.7%</b>
Claim and loss adjustment expenses	804.0	829.0	(25.0)	(3.0%)
Less Claim recovered from reinsurers	(23.6)	(44.6)	21.0	(47.0%)
Commission and brokerage expenses	271.9	230.6	41.3	17.9%
Other underwriting expenses	81.9	75.7	6.2	8.2%
<b>Total underwriting expenses</b>	<b>1,134.2</b>	<b>1,090.7</b>	<b>43.4</b>	<b>4.0%</b>
<b>Profit from underwriting before operating expenses</b>	<b>360.8</b>	<b>259.2</b>	<b>101.6</b>	<b>39.2%</b>
Operating expenses	(178.8)	(157.4)	(21.4)	13.6%
<b>Profit from underwriting</b>	<b>182.0</b>	<b>101.8</b>	<b>80.2</b>	<b>78.8%</b>
Gain (loss) on investment income	(39.7)	88.3	(128.0)	(145.0%)
Financial cost	(0.02)	(0.02)	0.00	(12.2%)
Other income	(0.5)	2.7	(3.2)	(118.0%)
<b>Profit before income tax</b>	<b>141.8</b>	<b>192.8</b>	<b>(51.0)</b>	<b>(26.4%)</b>
Income tax expense	(28.8)	(38.8)	10.0	(25.8%)
<b>Profit for the year</b>	<b>113.0</b>	<b>154.0</b>	<b>(41.0)</b>	<b>(26.6%)</b>

## Performance

In 1<sup>st</sup> Quarter of 2022, the Company's underwriting income was Baht 1,495.0 million, increasing Baht 145.1 million or 10.7 percent from the previous year. While the Company's underwriting and operating expenses increased by Baht 64.8 million or 5.2 percent, they increased at a slower rate than revenue growth. Simultaneously, the Company had a loss on investment of Baht 39.7 million or a decrease of Baht 128.0 million from the previous year, due to a massive sharp decline in market situations during the 1<sup>st</sup> Quarter. As a result, the Company's net profit decreased by Baht 41.0 million from the previous year to Baht 113.0 million.

## Underwriting income and expenses

The Company's underwriting income was Baht 1,495.0 million increased Baht 145.1 million or 10.7 percent, owing primarily to the expansion of motor insurance by Baht 137.9 million or 11.5 percent, which resulted from 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.

Underwriting and operating expenses was Baht 1,313.0 million, increased Baht 64.8 million or 10.7 percent, from prior year, which increased at a slower rate than revenue growth. In a normal situation, the majority of claims are from motor insurance; however, when the pandemic COVID-19 in 2022 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 55.1 percent, down from 62.4 percent the previous year. Furthermore, the Company's 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 ended March 31, 2022 shown in the Financial Statements and recorded as market price 5,649.3 million baht, an increase of 508.6 million baht from the prior year.

The loss on investment income for the year was Baht 39.7 million, a decrease of Baht 128.0 million from the previous year. This was primarily due to the Company's loss on fair value adjustment of 69.4 million baht in 2022, compared to the previous year's gain of 37.2 million baht, as a result of the decline in Thai and international stock markets caused by economic conditions and the uncertainty of the war, as well as rising oil prices and global inflation problems.

Best regards,

Jiraphant Asvatanakul

President & CEO

