

10 November 2022

Managing Director

The Stock Exchange of Thailand

93 Ratchadaphisek Road, Dindaeng

Bangkok 10400, Thailand

Dear Sir,

Subject: Financial Statement and MD&A Quarter 3 Ending 30 September 2022

Thaivivat Insurance Public Company Limited (the “Company”) would like to clarify the operating results for the nine-month period ended September 30, 2022 compared to the same period of the previous year. The results of operations are summarized as follows:

Summary Performance

	Consolidated		Change		Separate		Change	
	30-Sep-22	30-Sep-21	Amount	%	30-Sep-22	30-Sep-21	Amount	%
Underwriting income	4,717.6	4,128.0	589.6	14.3%	4,714.8	4,125.6	589.2	14.3%
Underwriting expenses	3,775.5	3,188.8	586.7	18.4%	3,773.0	3,186.3	586.8	18.4%
Underwriting profit before operating expenses	942.1	939.2	2.9	0.3%	941.7	939.3	2.4	0.3%
Operating expenses	(600.0)	(552.7)	(47.4)	8.6%	(589.5)	(546.0)	(43.5)	8.0%
Profit from underwriting	342.0	386.5	(44.5)	(11.5%)	352.2	393.3	(41.1)	(10.4%)
Gain (loss) on investment income	(114.6)	142.9	(257.5)	(180.2%)	(116.2)	140.9	(257.1)	(182.5%)
Financial cost	(0.06)	(0.07)	0.01	(12.6%)	-	-	-	-
Other income	4.1	8.6	(4.5)	(52.3%)	4.8	8.4	(3.7)	(43.4%)
Profit before income tax	231.5	537.9	(306.5)	(57.0%)	240.8	542.6	(301.8)	(55.6%)
Income tax expenses	(45.1)	(105.0)	59.9	(57.0%)	(45.1)	(105.0)	59.9	(57.0%)
Profit for the year	186.4	432.9	(246.6)	(57.0%)	195.7	437.6	(241.9)	(55.3%)

The Company's underwriting income was Baht 4,717.6 million, increasing Baht 589.6 million or 14.3 percent from the previous year. So, the Company's underwriting and operating expenses was Baht 4,375.5 million, increased by Baht 634.1 million or 16.9 percent. As a result, the Company had a profit from underwriting of Baht 342.0 million, decreasing of Baht 44.5 million. Due to the economic downturn in 2022 and the uncertainty of the war situation, the company had a loss on investment of Baht 114.6 million in the ninth-month of 2022 compared to a profit of Baht 142.9 million the previous year. Global stock values thus fell in comparison to the prior year. From the above reasons, the Company had a net profit of Baht 186.4 million, a decrease of Baht 246.6 million or a 57.0 percent decrease from the previous year.

Underwriting income and expenses

	Consolidated		Change		Separate		Change	
	30-Sep-22	30-Sep-21	Amount	%	30-Sep-22	30-Sep-21	Amount	%
Gross premium written	5,280.8	4,453.0	827.9	18.6%	5,276.2	4,450.9	825.3	18.5%
Less Premium ceded to reinsurers	(550.9)	(510.3)	(40.7)	8.0%	(550.9)	(510.3)	(40.7)	8.0%
Net premium written	4,729.9	3,942.7	787.2	20.0%	4,725.3	3,940.6	784.7	19.9%
Less Unearned premium reserves increase from prior period	(133.1)	95.8	(229.0)	(238.9%)	(131.3)	95.6	(226.9)	(237.3%)
Earned premium	4,596.8	4,038.5	558.3	13.8%	4,594.0	4,036.2	557.8	13.8%
Fee and commission income	120.8	89.4	31.3	35.0%	120.8	89.4	31.3	35.0%
Total underwriting income	4,717.6	4,128.0	589.6	14.3%	4,714.8	4,125.6	589.2	14.3%
Claim and loss adjustment expenses	2,678.4	2,254.0	424.4	18.8%	2,676.1	2,251.9	424.1	18.8%
Commission and brokerage expenses	829.9	693.9	135.9	19.6%	829.4	693.7	135.8	19.6%
Other underwriting expenses	267.2	240.9	26.3	10.9%	267.5	240.7	26.8	11.2%
Total underwriting expenses	3,775.5	3,188.8	586.7	18.4%	3,773.0	3,186.3	586.8	18.4%
Operating expenses	(600.0)	(552.7)	(47.4)	8.6%	(589.5)	(546.0)	(43.5)	8.0%
Profit from underwriting	342.0	386.5	(44.5)	(11.5%)	352.2	393.3	(41.1)	(10.4%)

The Company's underwriting income was Baht 4,717.6 million, increased Baht 589.6 million or 14.3 percent, owing primarily to the expansion of motor insurance by Baht 541.5 million or 14.8 percent, which resulted from the Company's continuous product development by using new innovations in product design to facilitate and meet the insured needs under the slogan "Think for Every Life," which received a positive response from the market, as well as the Company's continuous sales promotion activities.

The Company's underwriting and operational costs came to Baht 4,375.5 million, up Baht 634.1 million or 16.9 percent from the previous year, which is a higher increase than the underwriting income growth rate. In the ninth-month the loss ratio was around 58.3 percent, increase 2.5 percent the previous year mainly due to the relaxation of COVID-19 prevention and control measures, resulting in an increase in the incidence rate of the insured. However, the Company's emphasizes the use of Big Data and innovation to improve operational effectiveness and a more effective risk screening system. From the above reasons, the company's insurance profit was Baht 342.0 million, decreasing 44.5 million baht from the same period of the previous year.

Investment income

	Consolidated		Change		Separate		Change	
	30-Sep-22	30-Sep-21	Amount	%	30-Sep-22	30-Sep-21	Amount	%
Net investment income	68.4	67.1	1.3	1.9%	66.8	65.1	1.7	2.6%
Gain (loss) on financial instruments	(119.2)	76.1	(195.3)	(256.7%)	(119.2)	76.1	(195.3)	(256.7%)
Gain (loss) on fair value valuation of financial instruments	(63.8)	(0.3)	(63.5)	(21,870%)	(63.8)	(0.3)	(63.5)	(21,870%)
Total gain (loss) on investment	(114.6)	142.9	(257.5)	(180.2%)	(116.2)	140.9	(257.1)	(182.5%)

The Company has income from investment which is considered as another main source of income other than income from insurance. The investment proportion is in accordance with the announcement of investment in other businesses of the Insurance Commission (OIC). In the statement of financial position as of September 30, 2022, which was recorded using market prices, the amount invested in financial instruments was Baht 6,003.3 million.

Due to the recession trend of the economy in 2022, rising inflation around the world and the uncertainty of the war situation. Global stock prices as a result fluctuated and dropped in comparison to the prior year. Consequently, the Company had a loss from investment in the ninth-month of Baht 114.6 million, while last year had a profit from investment of Baht 142.9 million, mainly from losses from trading investments of Baht 119.2 million and unrealized loss on investment occurred Baht 63.8 million, while interest and dividend income remained close to the previous year at Baht 68.4 million.

Best regards,

Jiraphant Asvatanakul
President & CEO

