

28 February 2023

Managing Director

The Stock Exchange of Thailand

93 Ratchadaphisek Road, Dindaeng

Bangkok 10400, Thailand

Dear Sir,

Subject: Financial Statement and MD&A for the year Ending 31 December 2022

Thaivivat Insurance Public Company Limited (the “Company”) would like to clarify the operating results for the year ended December 31, 2022 compared to the same period of the previous year. The results of operations are summarized as follows:

Summary Performance

	Consolidated		Change		Separate		Change	
	31-Dec-22	31-Dec-21	Amount	%	31-Dec-22	31-Dec-21	Amount	%
Underwriting income	6,430.0	5,544.7	885.3	16.0%	6,425.5	5,541.5	884.0	16.0%
Underwriting expenses	5,268.3	4,376.9	891.4	20.4%	5,265.4	4,373.5	891.9	20.4%
Underwriting profit before operating expenses	1,161.7	1,167.8	(6.1)	(0.5%)	1,160.1	1,168.0	(7.9)	(0.7%)
Operating expenses	(869.9)	(786.7)	(83.2)	10.6%	(855.9)	(771.9)	(84.1)	10.9%
Profit from underwriting	291.8	381.1	(89.3)	(23.4%)	304.1	396.1	(92.0)	(23.2%)
Gain (loss) on investment income	(58.4)	196.3	(254.7)	(129.8%)	(60.5)	193.6	(254.1)	(131.2%)
Financial cost	(0.08)	(0.10)	0.01	(12.6%)	-	-	-	-
Other income	26.2	12.5	13.7	110.2%	27.2	12.7	14.5	114.2%
Profit before income tax	259.5	589.8	(330.3)	(56.0%)	270.9	602.4	(331.5)	(55.0%)
Income tax expenses	(54.7)	(117.8)	63.1	(53.6%)	(54.7)	(117.8)	63.1	(53.6%)
Profit for the year	204.8	472.0	(267.2)	(56.6%)	216.2	484.6	(268.4)	(55.4%)

The Company's underwriting income was Baht 6,430.0 million, increasing Baht 885.3 million or 16.0 percent from the previous year. So, the Company's underwriting and operating expenses was Baht 6,138.2 million, increased by Baht 974.6 million or 18.9 percent. As a result, the Company had a profit from underwriting of Baht 291.8 million, decreasing of Baht 89.3 million. Due to the economic downturn in 2022 and the uncertainty of the war situation, the company had a loss on investment of Baht 58.4 million in the end of the year 2022 compared to a profit of Baht 196.3 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 204.8 million, a decrease of Baht 267.2 million or a 56.6 percent decrease from the previous year.

Underwriting income and expenses

	Consolidated		Change		Separate		Change	
	31-Dec-22	31-Dec-21	Amount	%	31-Dec-22	31-Dec-21	Amount	%
Gross premium written	7,313.6	6,332.9	980.7	15.5%	7,307.2	6,329.7	977.6	15.4%
Less Premium ceded to reinsurers	(635.4)	(615.9)	(19.5)	3.2%	(635.4)	(615.9)	(19.5)	3.2%
Net premium written	6,678.2	5,717.0	961.2	16.8%	6,671.9	5,713.8	958.1	16.8%
Less Unearned premium reserves increase from prior period	(421.7)	(299.8)	(121.9)	40.7%	(419.8)	(299.8)	(120.0)	40.0%
Earned premium	6,256.6	5,417.2	839.4	15.5%	6,252.0	5,414.0	838.1	15.5%
Fee and commission income	173.5	127.5	45.9	36.0%	173.5	127.5	45.9	36.0%
Total underwriting income	6,430.0	5,544.7	885.3	16.0%	6,425.5	5,541.5	884.0	16.0%
Claim and loss adjustment expenses	3,763.5	3,051.7	711.8	23.3%	3,760.6	3,048.9	711.6	23.3%
Commission and brokerage expenses	1,187.3	1,004.2	183.2	18.2%	1,186.9	1,003.8	183.0	18.2%
Other underwriting expenses	317.5	321.0	(3.6)	(1.1%)	318.0	320.7	(2.8)	(0.9%)
Total underwriting expenses	5,268.3	4,376.9	891.4	20.4%	5,265.4	4,373.5	891.9	20.4%
Operating expenses	(869.9)	(786.7)	(83.2)	10.6%	(855.9)	(771.9)	(84.1)	10.9%
Profit from underwriting	291.8	381.1	(89.3)	(23.4%)	304.1	396.1	(92.0)	(23.2%)

The Company's underwriting income was Baht 6,430.0 million, increased Baht 885.3 million or 16.0 percent, owing primarily to the expansion of motor insurance by Baht 795.1 million or 16.2 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. In addition, we launched the new product such as PA Active Shield, Cancer Care and Pet Insurance etc. as well as the Company's continuous sales promotion activities.

The Company's underwriting and operational costs came to Baht 6,138.2 million, up Baht 974.6 million or 18.9 percent from the previous year, which is a higher increase than the underwriting income growth rate. In the end of the year the loss ratio was around 60.2 percent, increase 3.8 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 291.8 million, decreasing 89.3 million baht from the previous year.

Investment income

	Consolidated		Change		Separate		Change	
	31-Dec-22	31-Dec-21	Amount	%	31-Dec-22	31-Dec-21	Amount	%
Net investment income	98.4	88.7	9.6	10.9%	96.4	86.0	10.3	12.0%
Gain (loss) on financial instruments	(95.4)	103.8	(199.2)	(191.9%)	(95.4)	103.8	(199.2)	(191.9%)
Gain (loss) on fair value valuation of financial instruments	(61.4)	3.8	(65.2)	1,717.7%	(61.4)	3.8	(65.2)	1,717.7%
Total gain (loss) on investment	(58.4)	196.3	(254.7)	(129.8%)	(60.5)	193.6	(254.1)	(131.2%)

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 December 31, 2022, which was recorded using market prices, the amount invested in financial instruments was Baht 6,295.4 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 end of the year of Baht 58.4 million, while last year had a profit from investment of Baht 196.3 million, mainly from losses from trading investments of Baht 95.4 million and unrealized loss on investment occurred Baht 61.4 million, while interest and dividend income remained close to the previous year at Baht 98.4 million.

Best regards,

Jiraphant Asvatanakul
President & CEO