

THRE: Management Discussion and Analysis for the Q3/2023

November 14, 2023

President,

The Stock Exchange of Thailand

Financial highlights

The Company reported a net profit of THB 132 million for the nine-month 2023 with an increase of 159% from the previous year which included a net profit of THB 56 million from Q3/2023 (up 355% from last year Q3/2022) and continue profitability from Q2/2023 with a reported profit of THB 65 million. Reinsurance results continuously improved as expected and net written premium increased 20% from the previous year from the Company's strategy post COVID-19 and the global reinsurance market under the Hard Market (stronger reinsurance premium rates) resulting in the Company's capability to expand both domestic and international markets, expected to benefit the Company's future performance continuously.

	Consolidated (3months)					Unit: THB Million		
	Q3/2023	Q2/2023	QoQ %	Q3/2022	YoY %	(9 months)		
						9M2023	9M2022	YoY %
Gross Written Premium	1,274	1,276	0%	984	29%	3,701	3,216	15%
Net Written Premium	1,210	1,211	0%	916	32%	3,515	2,932	20%
Reinsurance Results	39	41	-5%	(58)	167%	73	(355)	121%
Net Investment Income	14	26	-46%	9	56%	40	38	5%
Net Services Income	17	9	89%	18	-6%	43	44	-2%
Profit (loss) before Tax	71	78	-9%	(29)	345%	163	(265)	162%
Income Tax	(15)	(13)	-15%	7	-314%	(31)	40	-178%
Net Profit (Loss)	56	65	-14%	(22)	355%	132	(225)	159%
Equity holders of the Company	50	61	-18%	(22)	327%	118	(225)	152%

	30 Sep 2023	30 Jun 2023	Δ%
Total Assets	7,813	7,497	4%
Total Liabilities	4,065	3,797	7%
Shareholders' Equity	3,748	3,700	1%
Equity holders of the Company	3,497	3,450	1%

Q3/2023 Operating Results:

1. Reinsurance Results

Net written premium grew 32% from Q3/2022 and steady with Q2/2023 due to continue growing in both personal line and commercial line.

Reinsurance results posted a profit of THB 39 million with a combined ratio of 96.9% closed to Q2/2023 at 96.6%. The results also improved significantly by 167% compared to last year Q3/2022.

2. Net Investment Income

Net investment income of THB 14 million increased significantly by 56% compared to the same period last year. With the high volatility of the stock market whilst interest rate increases persistently, the Company has adjusted its investment portfolio by raising deposits and bonds stake at the present more than 70%. Thus, losses from fair value adjustments gradually decrease. Compared to Q2/2023, it decreased by 46% due to seasonal dividend received in the previous quarter.

Nevertheless, the Company closely monitors capital market movements and would be ready to return to investing when appropriate.

3. Net Services Income

Net services income THB 17 million close to last year Q3/2022 and up 89% from Q2/2023 because in the previous quarter there was a one-time expense related to the management restructuring to prepare for the services that tend to increase continuously.

Operating Results for the nine-month 2023:

1. Reinsurance Results

Net written premium increased 20% from last year due to continue growing in both personal line and commercial line from the Company's strategy post-COVID-19 and the global reinsurance market under the Hard Market resulting in the Company's capability to expand both domestic and international markets, expected to benefit the Company's future performance continuously.

Reinsurance results earned a profit of THB 73 million with a combined ratio of 97.2% significantly improved from the prior year which posted a loss of THB 355 million due to COVID-19 impact in the last year.

2. Net Investment Income

Net investment income of THB 40 million increased 5% from last year where net investment income was reported at THB 38 million.

3. Net Services Income

The subsidiaries' service income growing after COVID-19 expiry and new revenue stream from AI (Artificial Intelligent) technology in car insurance claims services that continue to grow as planned, though with a one-time expense related to the management restructuring to prepare for the services that tend to increase continuously, net service income was reported at THB 43 million, similar to the previous year.

Please be informed accordingly.

Yours sincerely,

(Mr. Oran Vongsuraphichet)
Chief Executive Officer