

THRE: Management Discussion and Analysis for the Q2/2024

August 9, 2024

President,

The Stock Exchange of Thailand

Financial highlights

The Company reported the first half net profit of THB 146 million, 92% surged from last year while the Q2/2024 net profit grew 56% from Q1/2024 and increased by 37% from Q2/2023. The strong results came from both reinsurance and investment as expected. Reinsurance results expanding with the net premium written increased by 13% from Q1/2024, and 12% from Q2/2023 derived from the Company's strategy riding along the global reinsurance market under the Hard Market resulting in the Company's capability to expand both domestic and oversea markets, expected to benefit the Company's future performance continuously.

For the investment results, as a result of portfolio adjustment by raising deposits and bonds stake, interest income increased as expected and resulted in overall investment income for the first half increased by 141%.

Unit: THB Million

	Consolidated (3months)					(6 months)		
	Q2/2024	Q1/2024	QoQ %	Q2/2023	YoY %	1H2024	1H2023	YoY %
Gross Written Premium	1,404	1,276	10%	1,276	10%	2,681	2,426	11%
Net Written Premium	1,352	1,200	13%	1,211	12%	2,552	2,305	11%
Reinsurance Results	43	41	5%	41	5%	83	34	144%
Net Investment Income	47	18	161%	26	81%	65	27	141%
Net Services Income	8	11	-27%	9	-11%	20	27	-26%
Profit before Tax	105	72	46%	78	35%	177	92	92%
Income Tax	(16)	(15)	7%	(13)	23%	(31)	(16)	94%
Net Profit	89	57	56%	65	37%	146	76	92%
Equity holders of the Company	85	53	60%	61	39%	138	68	103%

	30 Jun 2024	31 Mar 2024	Δ%
Total Assets	8,284	8,199	1%
Total Liabilities	4,440	4,393	1%
Shareholders' Equity	3,844	3,806	1%
Equity holders of the Company	3,585	3,544	1%

Q2/2024 Operating Results:

1. Reinsurance Results

Net written premium increased 13% from Q1/2024 and increased 12% from the same quarter of previous year due to continue growing in both Personal line and Commercial line. Reinsurance results posted a profit of THB 43 million, an increase of 5% from both Q1/2024 and Q2/2023. The combined ratio stood steadily on target at 96.7% closed to both Q1/2024 and Q2/2023.

2. Net Investment Income

Net investment income of THB 47 million increased significantly by 81% compared to Q2/2023 due to the adjusted investment portfolio by raising deposits and bonds stake which resulted in higher interest income and increased 161% comparing to Q1/2024 due to seasonal impact of dividend from capital market.

3. Net Services Income

Net services income THB 8 million decreased 27% from Q1/2024 and down 11% from Q2/2023 due to discontinue services to debt-troubling clients to minimize credit risk and doubtful debts, whereas related cost of service will be trimmed down subsequently in the next quarters. In addition, there were one-time investment expenses for the new investment projects as described in the IPO, and the establishment expenses for the newly set up BlueVenture HCM Company Limited which expected to start generating revenue in the Q3 this year.

Operating Results for the first half year 2024:

1. Reinsurance Results

Net written premium increased 11% from last year due to continuing growth in both personal line and commercial line. Reinsurance results earned a profit of THB 83 million, 144% increment due to last year Q1/2023 there was a provision for doubtful debts from a COVID-19 effected insurance company in the amount of THB 26 million. The combined ratio was still maintained on target at 96.7%, improved from last year at 97.3%.

2. Net Investment Income

Net investment income of THB 65 million increased by 141% from last year due to the adjusted investment portfolio by raising deposits and bonds stake which resulted in higher interest income.

3. Net Services Income

Net services income THB 20 million decreased 26% due to discontinue services to debt-troubling clients to minimize credit risk and doubtful debts, whereas related cost of service will be trimmed down subsequently in the next quarters. In addition, there were one-time investment expenses for the new investment projects as described in the IPO, and the establishment expenses for the newly set up BlueVenture HCM Company Limited which expected to start generating revenue in the Q3 this year.

Please be informed accordingly.

Yours sincerely,

(Mr. Oran Vongsuraphichet)
Chief Executive Officer