



Opportunity Day

13 March 2022

Thai Reinsurance Group

To be the most valuable Personal Line Insurance Partner in Thailand and SEA

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Agenda



- A Financial Performance
- B Subsidiaries & IPO updated
- C Outlook 2023

A. Financial Performance



Overall Performance

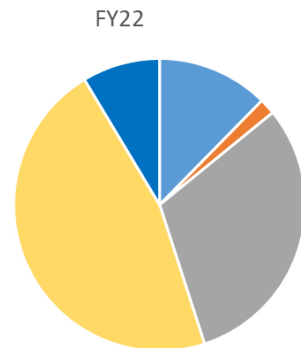
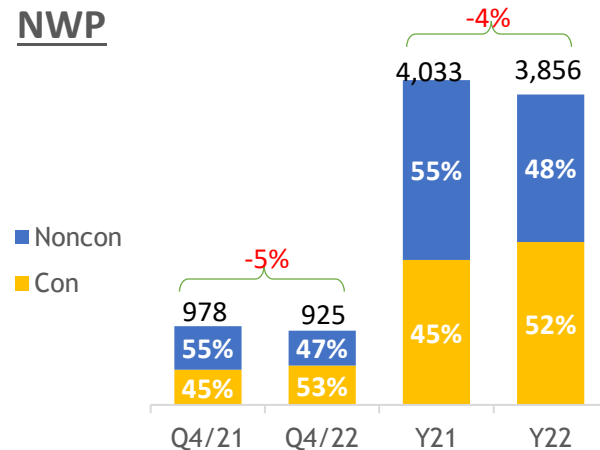


Unit : Million baht		Q4/21	Q3/22	Q4/22	QoQ	YoY	FY21	FY22	YoY
Non-Insurance	Insurance								
	Gross written premium	1,044	984	984	0%	-6%	4,407	4,200	-5%
	Net written premium	978	916	925	1%	-5%	4,033	3,856	-4%
	Net earned premium	1,035	957	946	-1%	-9%	4,051	3,889	-4%
	U/W profit (loss)	(178)	(58)	25	143%	114%	(601)	(330)	45%
	Net investment income	11	9	6	-33%	-45%	103	44	-57%
	Net service income	5	18	8	-56%	60%	53	53	0%
Net profit loss		(143)	(22)	32	245%	122%	(356)	(194)	46%
Combined ratio		117.5%	104.4%	97.8%	-6.6pp.	-19.7pp.	115.1%	108.3%	-6.8pp.

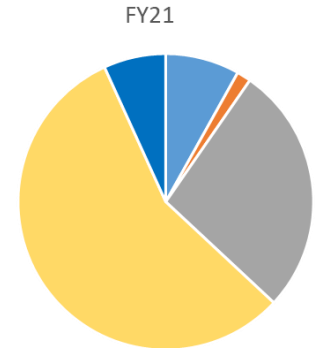
Underwriting results (Con VS Non-con)

Unit : Million baht	Q4/21	Q3/22	Q4/22	QoQ	YoY	FY21	FY22	YoY
Conventional								
Gross written premium	506	515	549	7%	9%	2,172	2,365	9%
Net written premium	440	447	490	10%	11%	1,801	2,024	12%
Net earned premium	457	484	495	2%	8%	1,774	1,940	9%
Combined ratio	106.2%	95.9%	97.3%	1.4pp.	-8.9pp.	96.5%	98.8%	2.3pp.
Non-Conventional								
Gross written premium	539	470	435	-7%	-19%	2,235	1,835	-18%
Net written premium	538	469	435	-7%	-19%	2,232	1,832	-18%
Net earned premium	578	472	451	-4%	-22%	2,277	1,949	-14%
Combined ratio	126.5%	113.1%	98.5%	-14.6pp.	-28.0pp.	129.7%	117.8%	-11.9pp.

NWP



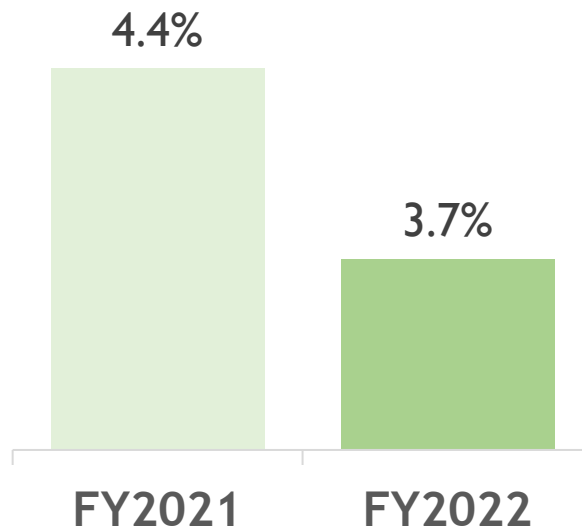
12%	Property	8%
2%	Marine & cargo	2%
31%	Motor	27%
46%	PA&H	56%
9%	Other	7%



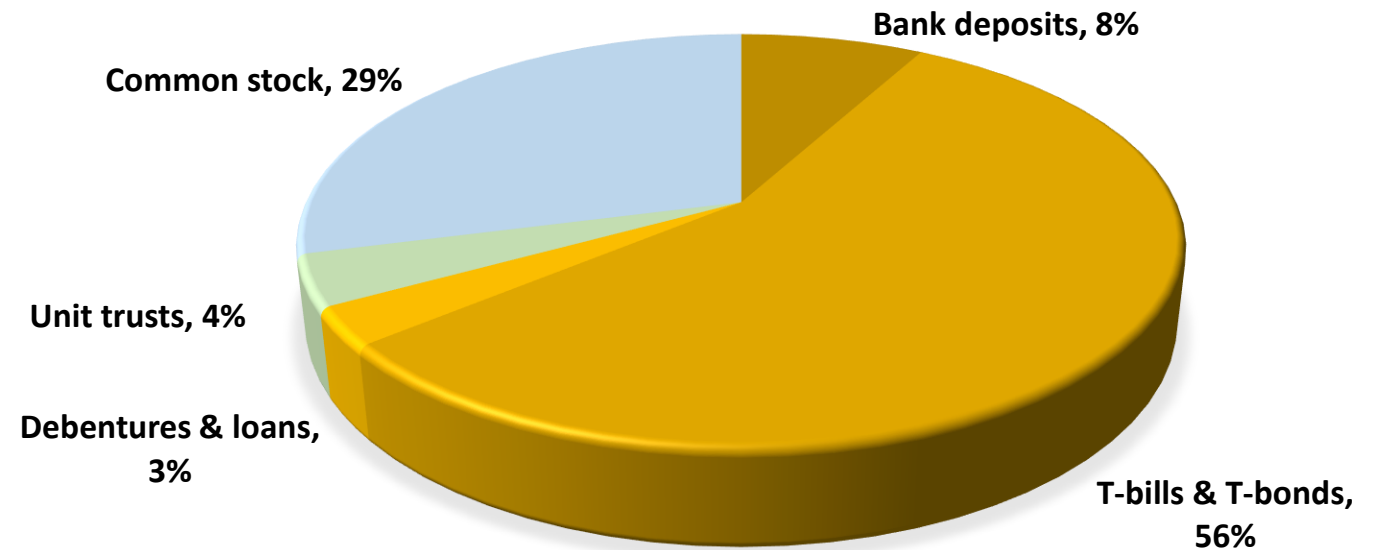
Investment performance



Investment yield

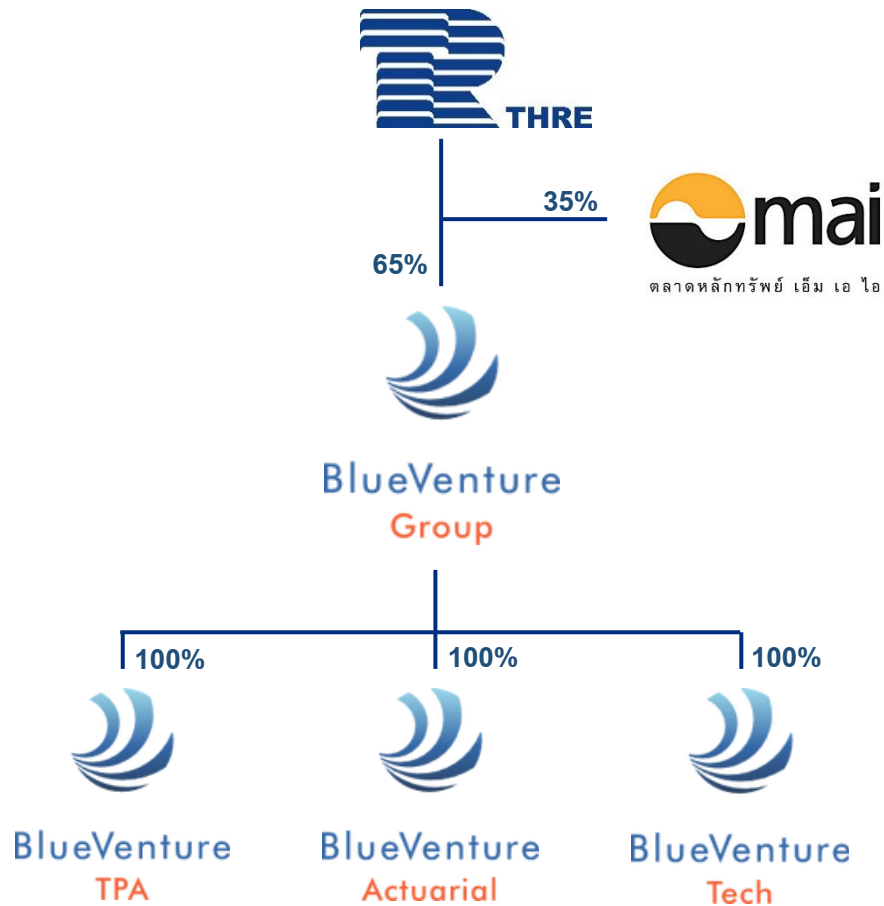


Investment assets
THB 3,651.3m



B. Subsidiaries & IPO updated

BVG – IPO updated



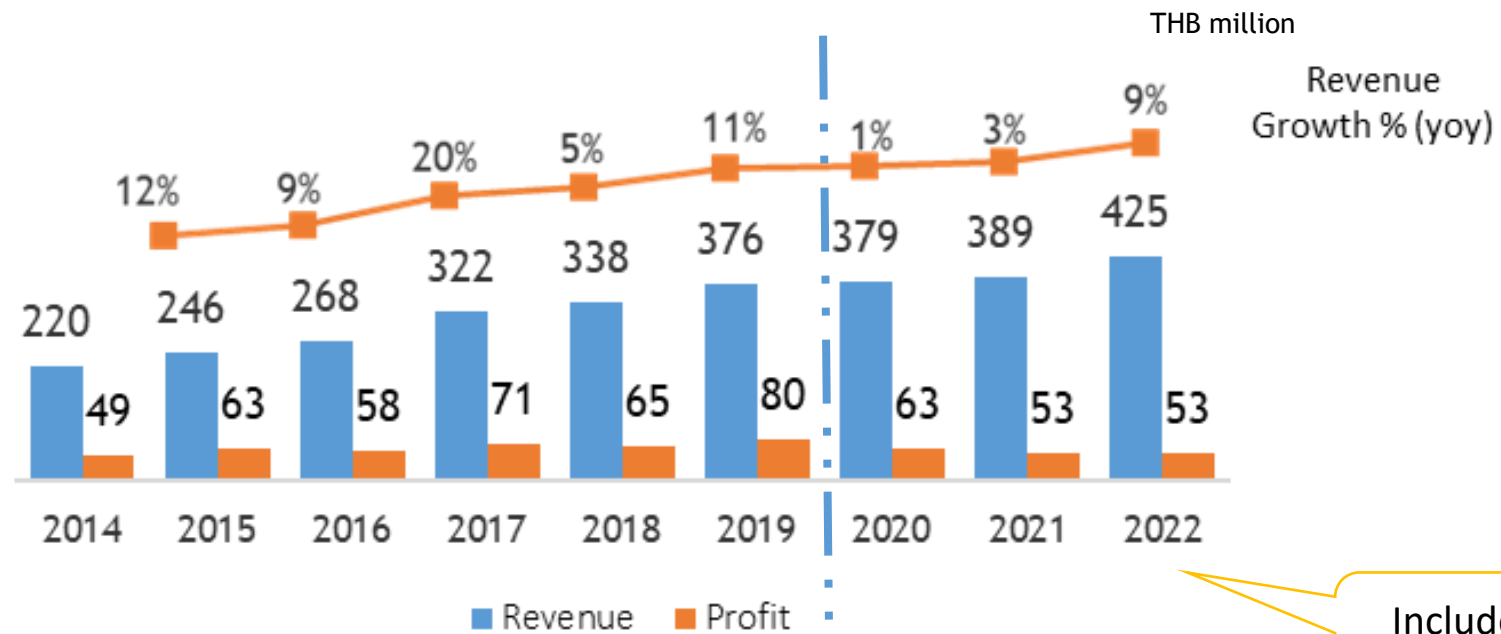
- First day trade 17 Feb 2023
- Shareholding 65% after IPO



Subsidiaries' Operations



Development of service income



<- Covid-19 ->

Included IPO
Exp. in Y21&22

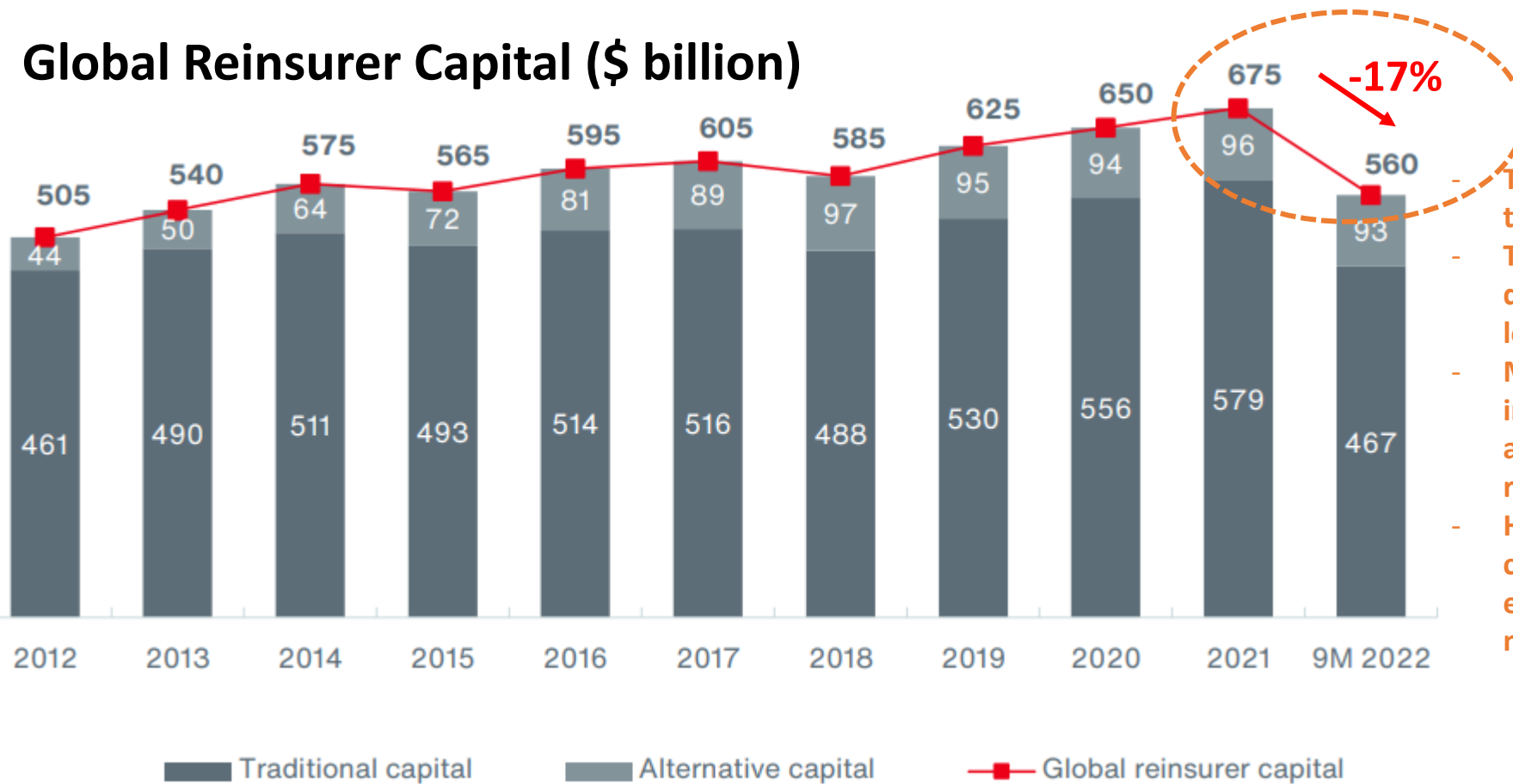
Our key focus areas



C. Outlook 2023

Global Reinsurer Capital declined by 17% in 9M2022

Global Reinsurer Capital (\$ billion)



- Traditional capital fell by more than 19% (579bn to 467bn).
- The reduction was principally driven by substantial unrealized losses on investment portfolios.
- Mark-to-market losses are being immediately recognized on the asset side. This drives volatility in reported equity.
- Hurricane Ian, the most notable cat event in 2022, occurred at the end of September. Its impact was not realized in this chart.

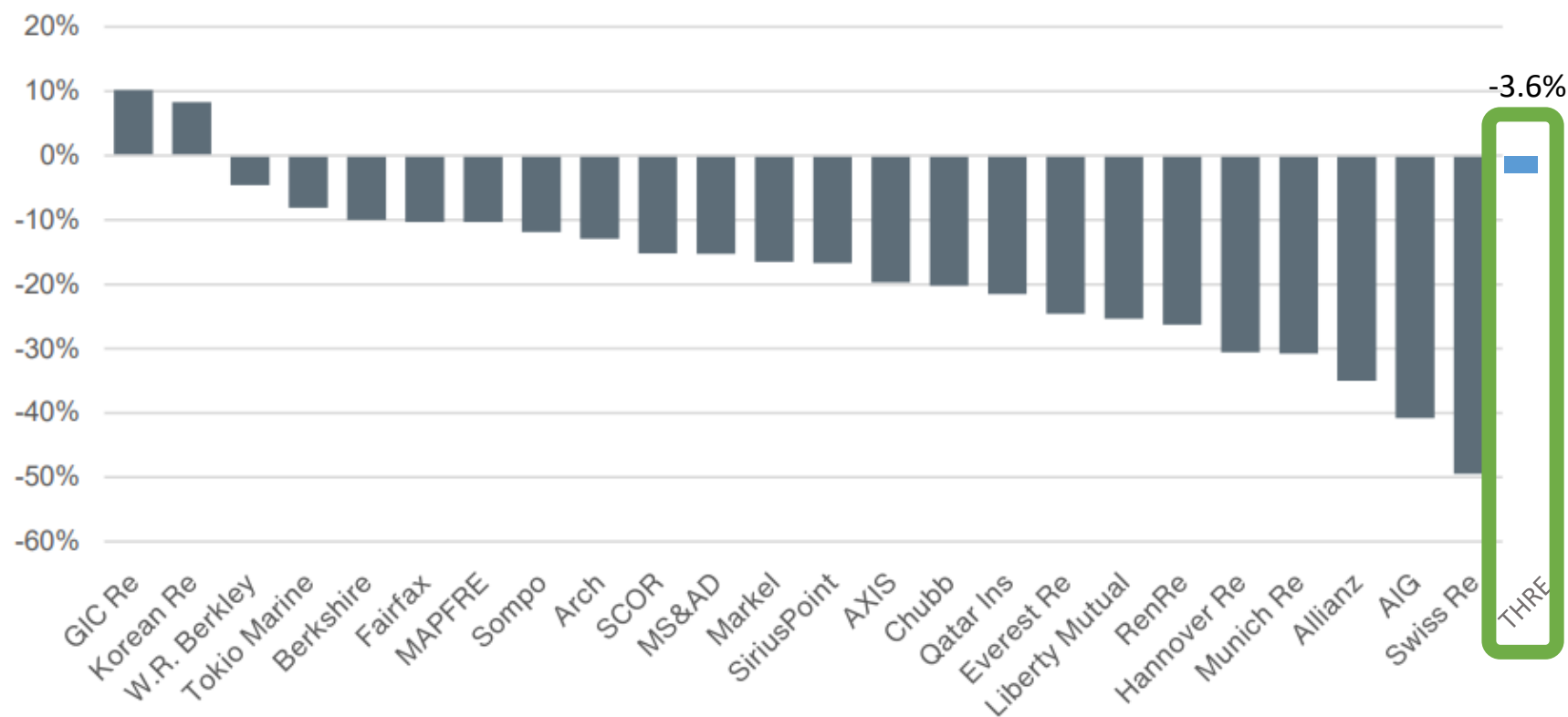
Source: Aon (Jan 2023). Reinsurance Market Dynamics. Available at: <https://www.aon.com/getmedia/008f688f-73d3-4387-b24f-7c2d23fd8bf2/reinsurance-market-dynamics-january-2023.pdf> (Accessed: March 11, 2023).



Most reinsurers' equity declined significantly caused by high inflation and high interest rate



9M 2022 Changes in Total Equity (Original Reporting Currencies)



Fed increased rates to fight high inflation, the market prices of existing bonds immediately declined. Stock prices dropped sharply because of investment transferring to financial market. Reinsurers had to book substantial unrealized losses on investment portfolios. Most reinsurers' reported equity declined significantly between -5% to -50%.

Source: Aon (Jan 2023). Reinsurance Market Dynamics. Available at: <https://www.aon.com/getmedia/008f688f-73d3-4387-b24f-7c2d23fd8bf2/reinsurance-market-dynamics-january-2023.pdf> (Accessed: March 11, 2023).



Factors Driving Reinsurance Hard Market in 2023

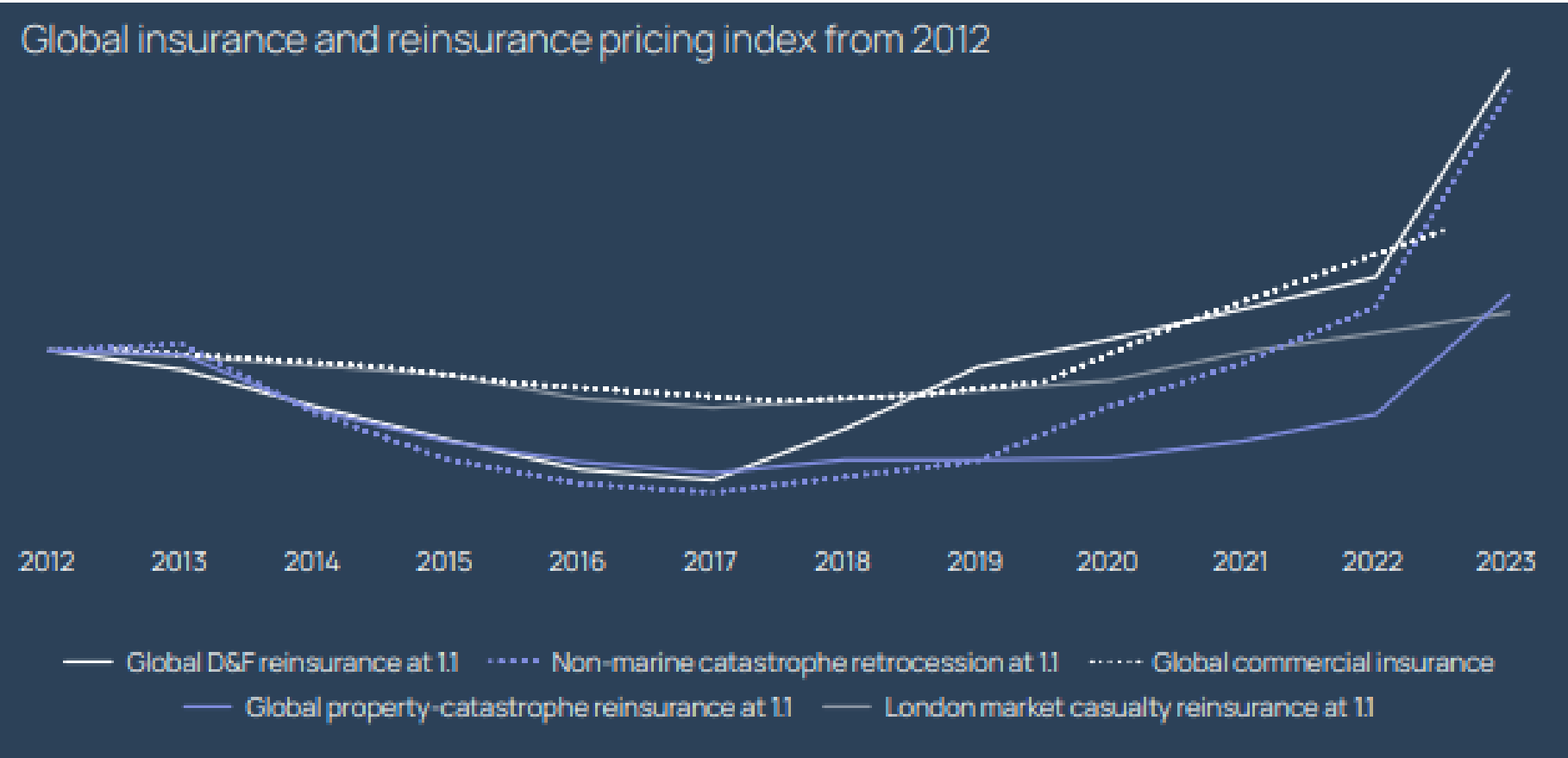


- ❑ Forty-year record inflation
- ❑ Unrealized investment losses driven by a precipitous rise in interest rates
- ❑ Climate change driving evolving investor sentiment
- ❑ A war in Europe
- ❑ Catastrophes in 2022 (Above-10 catastrophe year average) : Hurricane Ian and other extreme weather, including winter storms in Europe, flooding in Australia and South Africa, and hailstorms in France and the US, have pushed natural catastrophe insured losses to an estimated \$115 billion

Source: Aon (Jan 2023). Reinsurance Market Dynamics. Available at: <https://www.aon.com/getmedia/008f688f-73d3-4387-b24f-7c2d23fd8bf2/reinsurance-market-dynamics-january-2023.pdf> (Accessed: March 11, 2023).

Swiss Re Institute. (Dec 2022). Hurricane Ian drives natural catastrophe year-to-date insured losses to USD 115 billion.

1.1.2023 reinsurance renewals rates hike and will be likely to remain hardening for 5-6 years comparing the current market to “a rerun of the early 2000s”, when significant hardening followed the World Trade Centre attacks, and was later exacerbated by large catastrophes such as Hurricanes Katrina, Rita and Wilma.¹



1.1.2023 reinsurance renewals

+20 to +60%

Overall property reinsurance market
estimated by Fitch

+37%

Global property-catastrophe

Biggest year-on-year increase at 1.1 since 1992 (estimated by Howden)

+50%

Retrocession

Cumulative increase of 165% since 2017

+45%

Global direct and facultative

Cumulative increase of 160% since 2017

Source: ¹ expected by Greg Roberts, Chief Underwriting Officer of Conduit Re. Reinsurance News (Feb 2023). Strong conditions to persist for at least medium-term: Conduit Re CUO
Howden (Jan 2023). The Great Realignment.
Fitch Wire (Jan 2023). Reinsurers’ Underwriting Margins to Expand by 4pp in 2023.



Expanding to ASEAN market



AEC Market :

- ☐ Back to normal plan, visit clients more frequent after COVID
- ☐ Positive impact from global reinsurance capacity shortage
- ☐ Limited capacity in the market
- ☐ Expected to occupy 6-8% of THRE's portfolio
- ☐ Big opportunities in takaful business

Service :

- ☐ Exploring new opportunity in Malaysia and Indonesia



Growing service business from AI project



AI Review :

- ❑ 7 Carriers Signed in 2022
- ❑ Revenue has been generated 15m. in year 2022 and growing more than 100% in year 2023

Phase 1 : AI review

Start in 2022

Next step : AI Estimate

Start in 2023

Next step : AI Inspection

Start in 2024



Outlook 2023



- No more COVID-19 impact going forwards since all expiry in Q2/2022.
- Hard Market, more favorable terms and conditions to us
- Post-pandemic boom in health insurance
- Positive investment yields from interest rate rising trend
- Significantly growth in ASEAN market
- Growing service business from AI project
- Volatility impact for the capital market both Thailand and foreign

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Q&A



THANK YOU

*Customer focus is
at heart of our organization*

Appendix



Consolidated



Unit : Million baht	Q4/21	Q3/22	Q4/22	QoQ	YoY	FY21	FY22	YoY
Insurance income								
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Net premium written	978	916	925	1%	-5%	4,033	3,856	-4%
Net earned premium	1,035	957	946	-1%	-9%	4,051	3,889	-4%
Net claims	728	537	442	-18%	-39%	2,701	2,318	-14%
Net commission expenses	406	377	402	7%	-1%	1,634	1,570	-4%
Other underwriting expenses	33	36	29	-19%	-12%	132	129	-2%
Operating expenses	46	64	48	-25%	4%	186	201	8%
U/W profit (loss)	(178)	(58)	25	143%	114%	(601)	(330)	45%
Non-insurance income								
Net investment income	11	9	6	-33%	-45%	103	44	-57%
Net service income	5	18	8	-56%	60%	53	53	0%
Other income (expense)	4	2	0	-100%	-100%	8	8	0%
Total non-insurance income	20	29	14	-52%	-30%	164	104	-37%
Interest expenses	0.1	0.1	0.1	0.0%	0.0%	0.4	0.3	-25%
EBT	(158)	(29)	39	234%	125%	(437)	(226)	48%
Income tax expense (income)	15	8	(8)	-200%	-153%	80	32	-60%
After tax profit	(143)	(22)	32	245%	122%	(356)	(194)	46%
Combined ratio	117.5%	104.4%	97.8%	-6.6pp.	-19.7pp.	115.1%	108.3%	-6.8pp.



Contact us



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