



Opportunity Day
25 September 2023

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

C

Outlook 2HY2023

A. Financial Performance



Recap activities 2023



Renewal Activities

There are more than 480 contracts that have been fully renewed.
(Period: End of year and Jan-Jun)

- 31 new TTY contracts
- 40 share increase
- 7 contracts (non-renew due to poor performance)

Target Goal 2023

Financial Goals

- **NWP Growth 10% (Non Covid-19) : 1HY23 NWP +16%**
- **Expected combined for full year 2023 mid 90%**
- **CAR 300%+ : 1HY23 ≈338%**



Overall Performance

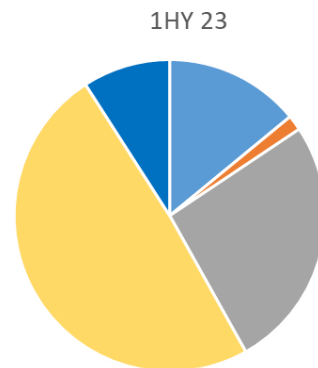
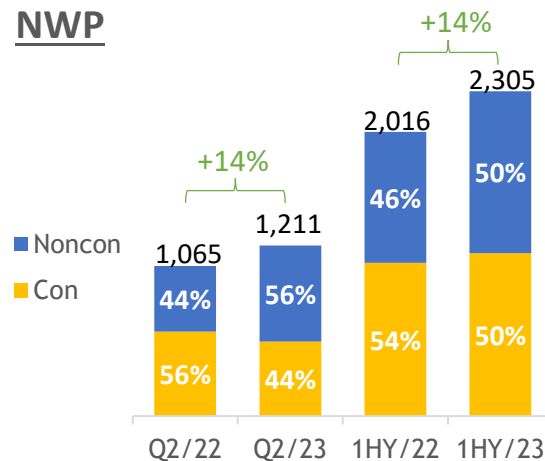


Unit : Million baht		Q2/22	Q1/23	Q2/23	QoQ	YoY	1HY/22	1HY/23	YoY
Insurance	Gross written premium	1,207	1,151	1,276	11%	6%	2,231	2,426	9%
	Net written premium	1,065	1,094	1,211	11%	14%	2,016	2,305	14%
	Net earned premium	1,031	939	1,101	17%	7%	1,986	2,040	3%
	U/W profit (loss)	(52)	(6)	41	783%	179%	(297)	34	111%
Non-Insurance	Net investment income	28	1	26	2,500%	-7%	29	27	-7%
	Net service income	15	18	9	-50%	-40%	26	27	4%
	Net profit (loss)	(20)	11	65	491%	425%	(204)	76	137%
	Net Profit (loss) (excl. Minority Interest)	(20)	7	61	771%	405%	(204)	68	133%
Combined ratio		105.3%	98.2%	96.6%	-1.6pp.	-8.7pp.	115.2%	97.3%	-17.9pp.

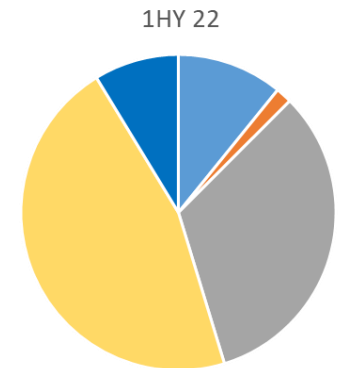
Underwriting results (Con VS Non-con)

Unit : Million baht	Q2/22	Q1/23	Q2/23	QoQ	YoY	1HY/22	1HY/23	YoY
Conventional								
Gross written premium	741	685	593	-13%	-20%	1,302	1,278	-2%
Net written premium	599	628	529	-16%	-12%	1,087	1,157	6%
Net earned premium	526	499	557	12%	6%	960	1,056	10%
Combined ratio	105.2%	99.5%	91.8%	-7.7pp.	-13.4pp.	101.2%	95.4%	-5.8pp.
Non-Conventional								
Gross written premium	466	466	682	46%	46%	930	1,149	24%
Net written premium	466	466	682	46%	46%	928	1,148	24%
Net earned premium	506	440	544	24%	8%	1,026	984	-4%
Combined ratio	105.5%	96.8%	101.5%	4.7pp.	-4pp.	128.4%	99.4%	-29pp.

NWP



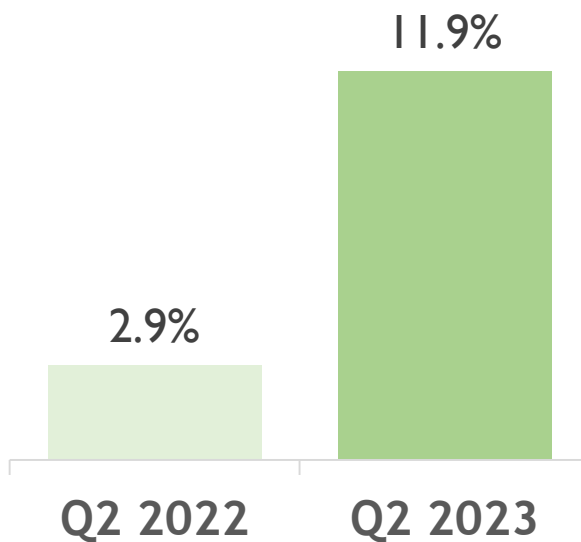
14%	Property	11%
2%	Marine & cargo	2%
26%	Motor	33%
49%	PA&H	46%
9%	Other	9%



Investment performance

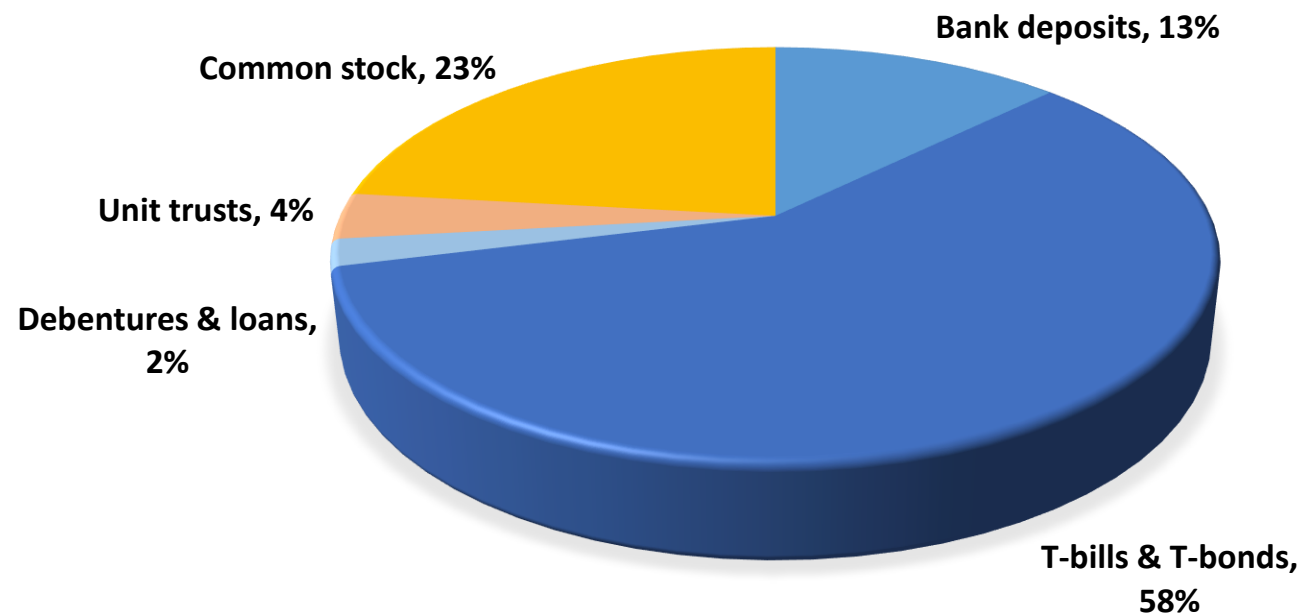


Investment yield



*Normal Investment 1HY23 2.8%

Investment assets THB 4,092.9m*



*Investment assets (BVG @ Fair value as Jun 23) = 6,014 m

B. Subsidiaries

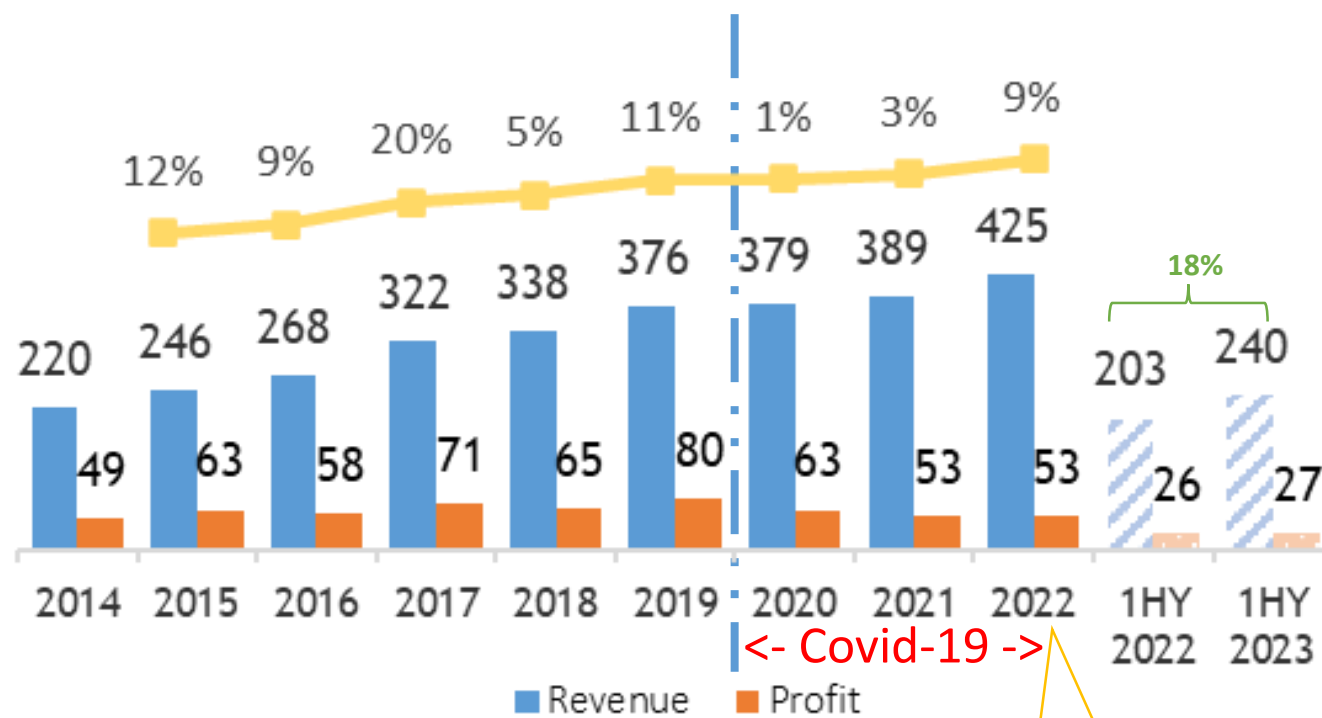


Subsidiaries' Operations



Development of service income

THB million



<- Covid-19 ->

Included IPO Exp.
in Y21&22

C. Outlook 2HY2023



Remain Factors Driving Reinsurance Hard Market in 2023-24



- ❑ Inflation: While U.S. inflation has trended stable, it has not abated as quickly as some had hoped, and so adjusted insured property catastrophe losses are on the rise.
- ❑ Russia-Ukraine conflict since 2022 still put pressure on the hardened rate
- ❑ High profile natural catastrophe activity continued in 1H2023

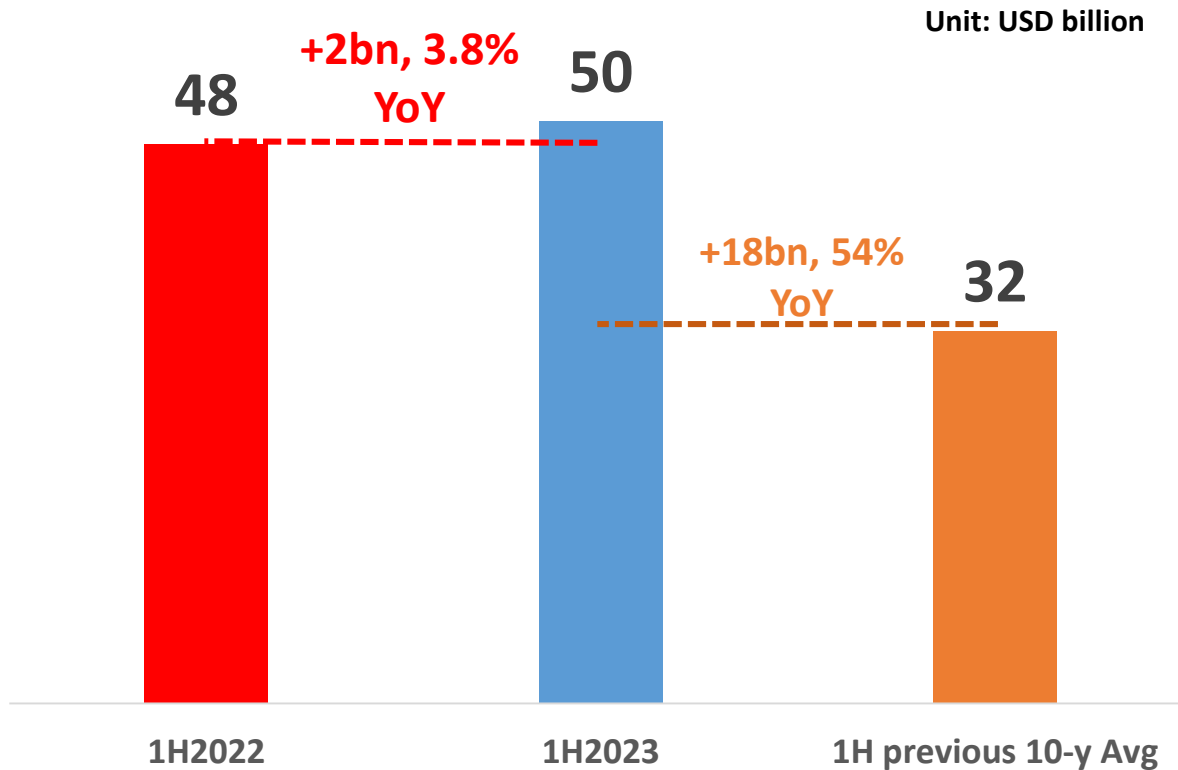
Source:

1. Aon (Aug 2023). Reinsurance Market Dynamics. Available at: <https://www.aon.com/getmedia/5bd28313-9c37-461c-b665-69a910bf0a6a/20230628-midyear-rmd.pdf> (Accessed: Sep 7, 2023).
2. Artemis (2023). Reinsurance hard market will probably sustain into 2025: Munich Re CEO. Available at: [Reinsurance hard market will probably sustain into 2025: Munich Re CEO - Artemis.bm](#)
3. Artemis (2023). Reinsurance pricing resolve is strong, no matter hurricane season impact: JPM. Available at: [Reinsurance pricing resolve is strong, no matter hurricane season impact: JPM - Artemis.bm](#)
4. The Insurer (2023). S&P improves global reinsurance sector outlook to stable. Available at: [S&P improves global reinsurance sector outlook to stable | The Insurer](#)



Insured Natural Catastrophe Losses in 1H2023

Insured Natural Catastrophe Losses



Major Natural Catastrophe:

- 1) **Severe convective storms (SCS):** USD 35 billion (Global) and USD 34 billion (US)
- 2) **Earthquake in Turkey and Syria:** USD 5.3 billion
- 3) **Severe weather events in New Zealand (Flood and Cyclone):** USD 2.3 billion

Source:

Swiss Re (2023). Severe thunderstorms account for up to 70% of all insured natural catastrophe losses in first half of 2023, Swiss Re Institute estimates.

Available at: https://mailing-ircockpit.egs.com/crm-mailing/a21e80ec-571e-1015-b4d5-273805d60f5f/94dac9b8-e92e-4075-89b3-80dfe292f44b/19268a67-b17b-4dfb-ba3d-a54e9ba70cea/Swiss+Re_H12023_natural_catastrophe_loss_estimates_EN.pdf



Reinsurance Trend 2024



- ❑ In the views of Moody's, S&P, JPM, Fitch and Munich Re: the reinsurance market will still harden in 2024.
- ❑ Reinsurers will maintain underwriting discipline in 2024.
- ❑ Moreover, Munich Re strongly believe that this situation will continue to harden until 2025.
- ❑ Therefore, the duration of hard market tends to be five to six years since the Covid-19 pandemic in 2020.
- ❑ Climate change and catastrophe losses will be supporting factors to the reinsurance rates and pricing in 2024

Source:

1. Aon (Aug 2023). Reinsurance Market Dynamics. Available at: <https://www.aon.com/getmedia/5bd28313-9c37-461c-b665-69a910bf0a6a/20230628-midyear-rmd.pdf> (Accessed: Sep 7, 2023).
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3. Artemis (2023). Reinsurance pricing resolve is strong, no matter hurricane season impact: JPM. Available at: [Reinsurance pricing resolve is strong, no matter hurricane season impact: JPM - Artemis.bm](#)
4. The Insurer (2023). S&P improves global reinsurance sector outlook to stable. Available at: [S&P improves global reinsurance sector outlook to stable | The Insurer](#)
5. Reinsurance News (2023). Fitch forecasts surge in reinsurance capital to lead to rate softening by 2025. Available at: <https://www.reinsurancene.ws/fitch-forecasts-surge-in-reinsurance-capital-to-lead-to-rate-softening-by-2025/> (Accessed: Sep 8, 2023).



THRE's Expanding to ASEAN market



AEC Market :

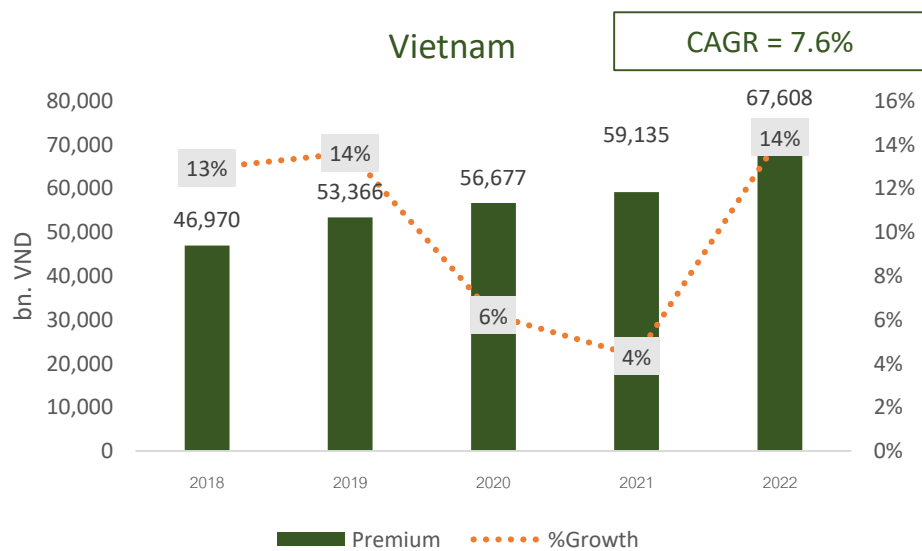
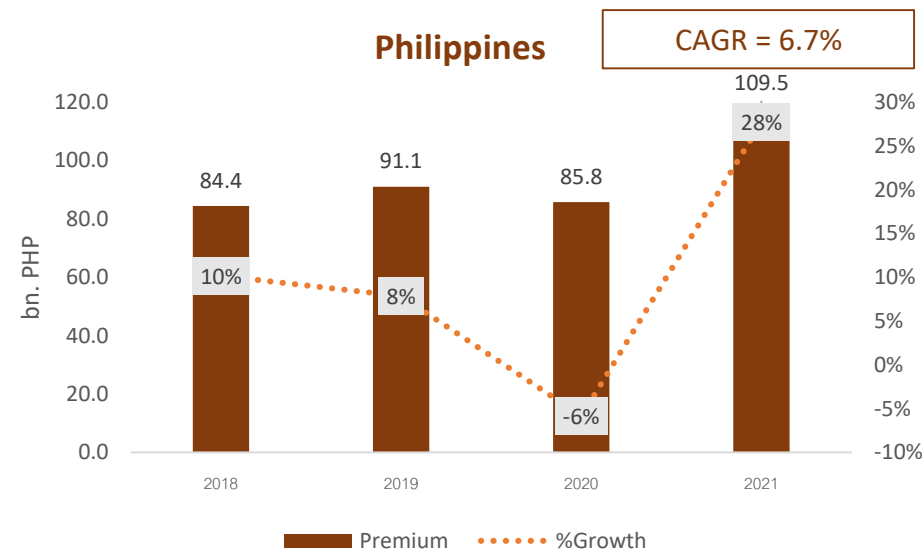
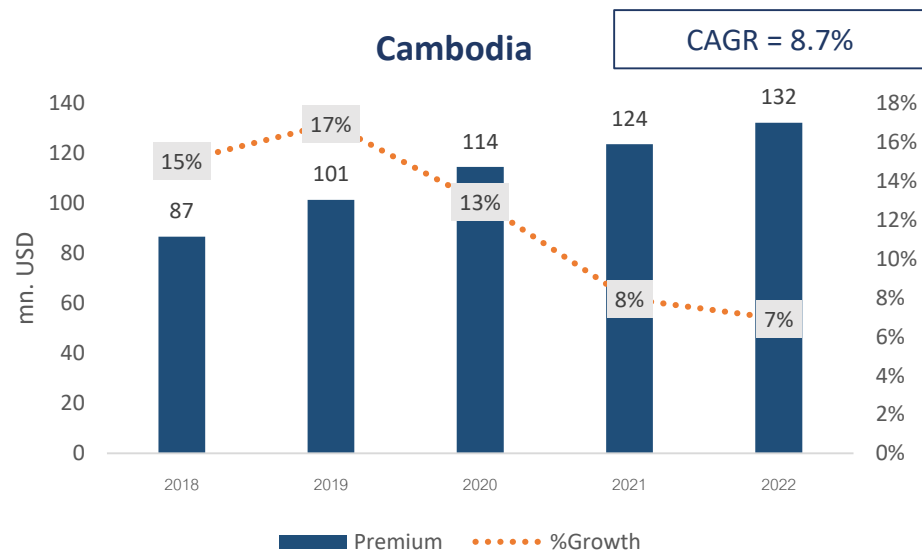
- ☐ Back to normal plan, visit clients more frequent after COVID
- ☐ Positive impact from global reinsurance capacity shortage
- ☐ Limited capacity in the market
- ☐ Expected to occupy 6-8% of THRE's portfolio
- ☐ Big opportunities in takaful business

Service :

- ☐ TPA in Cambodia and BVG in Vietnam
- ☐ Exploring new opportunity in Malaysia and Indonesia



Direct Premium in Selected ASEAN Countries





Premium per Company / Population



Country	Premium				No. of General Insurance Companies	Premium per Company (mn. USD)	No. of Population (mn.)	Premium per Population (USD)
	Currency	Premium	Currency	Premium				
Thailand (2022)	mn. THB	274,226	mn. USD	8,008	53	151.1	66.1	121
Indonesia (2022)	bn. IDR	90,121	mn. USD	5,976	72	83.0	275.5	21.7
Vietnam (2022)	bn. VND	67,608	mn. USD	2,854	32	89.2	98.2	29.1
Philippines (2021)	bn. PHP	109.5	mn. USD	1,993	54	36.9	111.0	17.9
Cambodia (2022)	mn. USD	132	mn. USD	132	18	7.3	16.8	7.9



Outlook 2HY2023



- ❑ Full year 15% minimum Growth
- ❑ Combined ratio mid 90%
- ❑ Conservative approach in Investment portfolio
- ❑ Investment yield 2.5%-3.0%

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Q&A



THANK YOU

*Customer focus is
at heart of our organization*