

Thai Reinsurance Public Company Limited and its subsidiaries
Independent Auditor's Report and financial statements
31 December 2023

Independent Auditor's Report

To the shareholders of Thai Reinsurance Public Company Limited

Opinion

I have audited the accompanying consolidated financial statements of Thai Reinsurance Public Company Limited and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2023, and the related consolidated statements of income, comprehensive income, changes in owners' equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and have also audited the separate financial statements of Thai Reinsurance Public Company Limited for the same period.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Thai Reinsurance Public Company Limited and its subsidiaries and of Thai Reinsurance Public Company Limited as at 31 December 2023, their financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Group in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, were of most significance in my audit of the financial statements of the current period. These matters were addressed in the context of my audit of the financial statements as a whole, and in forming my opinion thereon, and I do not provide a separate opinion on these matters.

I have fulfilled the responsibilities described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report, including in relation to these matters. Accordingly, my audit included the performance of procedures designed to respond to my assessment of the risks of material misstatement of the financial statements. The results of my audit procedures, including the procedures performed to address the matters below, provide the basis for my audit opinion on the accompanying financial statements as a whole.

Key audit matters and how audit procedures respond to each matter were described below.

Reinsurance premiums written

Revenues from the Group's core business are reinsurance premiums written whereby in 2023, the Company had reinsurance premium written of Baht 4,902.6 million. In doing the reinsurance business, the Company has entered into both facultative reinsurance and treaty reinsurance contracts with customers that are general insurance companies whereby the contracts contain various conditions relating to type of insurance, ceding ratios and coverage periods, among others. In addition, recognition of earned reinsurance premiums under the reinsurance contracts is required to meet the criteria and definition of insurance contracts under Thai Financial Reporting Standards, which involve the judgement exercised by the Company's management in considering and reviewing classification of insurance contracts. Therefore, I focused on examining that reinsurance premiums were actually earned and correctly recognised.

The audit procedures I performed were to assess and test, on a sampling basis, the Company's internal controls relevant to the recognition of reinsurance premium earned from reinsurance contracts, to assess the methodology and key assumptions used in the tests of insurance contract classification, to test accuracy and completeness of data used by the Company for the tests of insurance contract classification and to reconcile the amounts of reinsurance premium with those shown on the statements of accounts received from the reinsured. In addition, I performed analytical procedures of gross premium written, disaggregated by type of reinsurance and tested, on a sampling basis, significant adjustments made by journal vouchers.

Loss reserves

As described in Note 20 to the financial statements, as at 31 December 2023 the Company had loss reserves (included as a part of insurance contract liabilities) of Baht 1,323.2 million. Loss reserves are estimates of losses from both claims incurred and reported and claims incurred but not reported. In such estimation, major assumptions used were determined with reference to historical and forecast data. These assumptions require management to exercise substantial judgment and are highly uncertain. Such estimates are also dependent on the accuracy of the data related to the number, amounts and pattern of claims incurred, and the accuracy of the forecasted information. I therefore focused on the adequacy of the Company's loss reserves.

I performed audit procedures by assessing and testing, on a sampling basis, the Company's internal controls relevant to recording of claims, assessing the appropriateness of methodology and assumptions used in estimating loss reserves, testing, on a sampling basis, the data used in estimation against the Company's incurred claims data, and reviewing documents and loss reports of major claims from insurance companies against accounting records of such losses. Furthermore, I involved the experts to perform an independent actuarial review of certain model points used in calculation of loss reserves.

Other Information

Management is responsible for the other information. The other information comprise the information included in annual report of the Group, but does not include the financial statements and my auditor's report thereon. The annual report of the Group is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the annual report of the Group, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance for correction of the misstatement.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

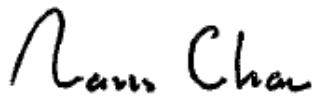
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. I am responsible for the direction, supervision and performance of the group audit. I remain solely responsible for my audit opinion.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, I determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

I am responsible for the audit resulting in this independent auditor's report.



Narissara Chaisuwan

Certified Public Accountant (Thailand) No. 4812

EY Office Limited

Bangkok: 27 February 2024

Thai Reinsurance Public Company Limited and its subsidiaries

Statements of financial position

As at 31 December 2023 and 2022

(Unit: Baht)

| | Consolidated | | Separate | |
|--|----------------------|----------------------|----------------------|----------------------|
| | financial statements | | financial statements | |
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| Assets | | | | |
| Cash and cash equivalents | 324,256,369 | 289,287,353 | 203,125,835 | 168,830,289 |
| Accrued investment income | 888,204 | 930,314 | 679,678 | 874,435 |
| Reinsurance assets | 115,028,197 | 171,896,031 | 115,028,197 | 171,896,031 |
| Receivables from reinsurance contracts | 1,643,949,684 | 1,578,719,368 | 1,643,949,684 | 1,578,719,368 |
| Debt financial assets | 3,305,349,892 | 2,420,789,945 | 2,890,321,565 | 2,347,027,836 |
| Equity financial assets | 728,296,557 | 804,801,085 | 728,296,557 | 804,801,085 |
| Loans and interest receivables | 9,130,835 | 12,908,280 | 9,130,835 | 12,908,280 |
| Investments in subsidiaries | - | - | 258,131,165 | 317,699,900 |
| Investments in joint ventures | 8,299,123 | - | - | - |
| Assets held for sale | 108,270,149 | - | 112,365,399 | - |
| Premises and equipment | 222,389,743 | 217,178,013 | 115,518,787 | 121,858,457 |
| Right-of-use assets | 10,129,461 | 3,340,781 | 8,798,223 | 986,369 |
| Intangible assets | 177,208,296 | 142,244,593 | 53,599,847 | 51,899,066 |
| Deferred tax assets | 300,309,241 | 351,683,955 | 288,033,690 | 342,503,025 |
| Other assets | | | | |
| Deferred commissions and brokerages expenses | 589,368,288 | 490,028,258 | 589,368,288 | 490,028,258 |
| Corporate income tax awaiting refund | 37,315,149 | 46,021,974 | 35,522,961 | 43,938,375 |
| Others | 232,790,745 | 169,718,263 | 122,520,006 | 94,882,784 |
| Total assets | 7,812,979,933 | 6,699,548,213 | 7,174,390,717 | 6,548,853,558 |

Thai Reinsurance Public Company Limited and its subsidiaries

Statements of financial position (continued)

As at 31 December 2023 and 2022

(Unit: Baht)

| | Consolidated | | Separate | |
|--|----------------------|----------------------|----------------------|----------------------|
| | financial statements | | financial statements | |
| | 31 December 2023 | 31 December 2022 | 31 December 2023 | 31 December 2022 |
| Liabilities and owners' equity | | | | |
| Liabilities | | | | |
| Insurance contract liabilities | 2,846,965,350 | 2,537,978,326 | 2,846,965,350 | 2,537,978,326 |
| Due to reinsurers | 500,380,407 | 563,201,720 | 500,380,407 | 563,201,720 |
| Derivative liabilities | 545,395 | 1,156,616 | - | - |
| Income tax payables | 5,491,768 | 2,470,041 | - | - |
| Employee benefit obligations | 73,922,790 | 78,621,739 | 39,118,587 | 41,990,942 |
| Lease liabilities | 10,423,444 | 3,701,745 | 8,985,350 | 1,190,386 |
| Other liabilities | | | | |
| Premium received in advance | 353,136,477 | 265,966,640 | 353,136,477 | 265,966,640 |
| Deferred commissions and brokerages income | 18,401,760 | 23,569,321 | 18,401,760 | 23,569,321 |
| Others | 202,360,307 | 109,315,083 | 82,516,246 | 45,445,144 |
| Total liabilities | 4,011,627,698 | 3,585,981,231 | 3,849,504,177 | 3,479,342,479 |
| Owners' equity | | | | |
| Share capital | | | | |
| Registered, issued and paid-up | | | | |
| 4,214,993,832 ordinary shares of Baht 0.88 each | 3,709,194,572 | 3,709,194,572 | 3,709,194,572 | 3,709,194,572 |
| Retained earnings | | | | |
| Appropriated | | | | |
| Statutory reserve | 73,100,000 | 69,700,000 | 48,500,000 | 48,500,000 |
| Unappropriated (deficit) | (210,252,267) | (411,652,798) | (194,676,335) | (528,332,026) |
| Other components of owners' equity | (29,316,983) | (253,674,792) | (238,131,697) | (159,851,467) |
| Equity attribute to owners of the Company | 3,542,725,322 | 3,113,566,982 | 3,324,886,540 | 3,069,511,079 |
| Non-controlling interests of the subsidiaries | 258,626,913 | - | - | - |
| Total owners' equity | 3,801,352,235 | 3,113,566,982 | 3,324,886,540 | 3,069,511,079 |
| Total liabilities and owners' equity | 7,812,979,933 | 6,699,548,213 | 7,174,390,717 | 6,548,853,558 |
| | - | - | - | - |

Thai Reinsurance Public Company Limited and its subsidiaries

Statements of income

For the years ended 31 December 2023 and 2022

(Unit: Baht)

| | Consolidated | | Separate | |
|--|----------------------|----------------------|----------------------|----------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2023 | 2022 | 2023 | 2022 |
| Revenues | | | | |
| Gross reinsurance premium written | 4,902,637,355 | 4,199,919,033 | 4,902,637,355 | 4,199,919,033 |
| Less: Premium ceded to reinsurers | (248,282,320) | (343,501,679) | (248,282,320) | (343,501,679) |
| Net reinsurance premium written | 4,654,355,035 | 3,856,417,354 | 4,654,355,035 | 3,856,417,354 |
| Add (less): Unearned premium reserves (increased) decreased from prior year | (304,828,061) | 32,484,426 | (304,828,061) | 32,484,426 |
| Earned reinsurance premium | 4,349,526,974 | 3,888,901,780 | 4,349,526,974 | 3,888,901,780 |
| Commissions and brokerage income | 67,006,848 | 86,031,368 | 67,006,848 | 86,031,368 |
| Net investment revenues | 83,551,165 | 66,601,097 | 96,873,570 | 138,668,904 |
| Net gains from financial instruments | - | 12,908,384 | 191,964,278 | 12,775,921 |
| Fair value losses on financial instruments | (14,673,531) | (29,504,927) | (15,445,077) | (28,299,671) |
| Share of loss from investments in joint ventures | (87,580) | - | - | - |
| Service income | 500,148,476 | 424,718,716 | - | - |
| Other income | 35,206,871 | 8,689,474 | 34,988,603 | 6,183,804 |
| Total revenues | 5,020,679,223 | 4,458,345,892 | 4,724,915,196 | 4,104,262,106 |
| Expenses | | | | |
| Unexpired risk reserves decreased from prior year | - | (127,017,800) | - | (127,017,800) |
| Gross claims | 2,133,756,394 | 2,884,813,962 | 2,133,771,422 | 2,884,813,962 |
| Less: claim recovery from reinsurers | (68,574,810) | (439,492,666) | (68,574,810) | (439,492,666) |
| Commissions and brokerage expenses | 1,828,247,769 | 1,656,438,555 | 1,828,247,769 | 1,656,438,555 |
| Other underwriting expenses | 141,776,674 | 129,292,398 | 141,862,388 | 129,292,398 |
| Operating expenses | 257,827,601 | 200,644,328 | 270,002,356 | 214,721,043 |
| Investment expenses | 4,840,673 | 6,352,631 | 4,840,673 | 6,352,631 |
| Service expenses | 434,106,000 | 372,113,979 | - | - |
| Finance costs | 960,280 | 289,622 | 853,549 | 122,743 |
| Expected credit losses (reversal) | (89,724) | (720,249) | (22,803) | (98,537) |
| Other expenses | 2,085,335 | 1,581,820 | 2,640,850 | 1,300,392 |
| Total expenses | 4,734,936,192 | 4,684,296,580 | 4,313,621,394 | 4,326,432,721 |
| Profit (loss) before income taxes | 285,743,031 | (225,950,688) | 411,293,802 | (222,170,615) |
| Income tax benefits (expenses) | (54,354,362) | 32,275,661 | (74,756,075) | 46,288,752 |
| Net profit (loss) | 231,388,669 | (193,675,027) | 336,537,727 | (175,881,863) |
| Net profit (loss) attributable to: | | | | |
| Shareholders of the Company | 209,578,293 | (193,675,027) | 336,537,727 | (175,881,863) |
| Non-controlling interests of the subsidiaries | 21,810,376 | - | - | - |
| | <u>231,388,669</u> | <u>(193,675,027)</u> | <u>336,537,727</u> | <u>(175,881,863)</u> |
| Basic earnings per share | | | | |
| Earnings (loss) per share attributable to shareholders of the Company | 0.05 | (0.05) | 0.08 | (0.04) |

Thai Reinsurance Public Company Limited and its subsidiaries

Statements of comprehensive income

For the years ended 31 December 2023 and 2022

(Unit: Baht)

| | Consolidated | | Separate | |
|--|----------------------|----------------------|----------------------|----------------------|
| | financial statements | financial statements | financial statements | financial statements |
| | 2023 | 2022 | 2023 | 2022 |
| Net profit (loss) | 231,388,669 | (193,675,027) | 336,537,727 | (175,881,863) |
| Other comprehensive income (loss) | | | | |
| <i>Items to be recognised in statements of income for subsequent periods</i> | | | | |
| Exchange differences on translation of financial statements in foreign currency | (261,797) | - | - | - |
| Add: Income taxes | - | - | - | - |
| Exchange differences on translation of financial statements in foreign currency - net of income tax | (261,797) | - | - | - |
| Losses on investments in debt securities measured at fair value through other comprehensive income | (1,118,908) | (1,663,959) | (1,075,774) | (1,664,106) |
| Add: Income taxes | 223,782 | 332,792 | 215,155 | 332,821 |
| Losses on investments in debt securities measured at fair value through other comprehensive income - net of income taxes | (895,126) | (1,331,167) | (860,619) | (1,331,285) |
| Total items to be recognised in statements of income for subsequent periods | (1,156,923) | (1,331,167) | (860,619) | (1,331,285) |
| <i>Items not to be recognised in statements of income for subsequent periods</i> | | | | |
| Gains (losses) on investments in equity securities measured at fair value through other comprehensive income | (96,774,514) | 78,465,650 | (96,774,514) | 78,465,650 |
| Add (less): Income taxes | 19,354,903 | (15,693,130) | 19,354,903 | (15,693,130) |
| Gains (losses) on investments in equity securities measured at fair value through other comprehensive income - net of income taxes | (77,419,611) | 62,772,520 | (77,419,611) | 62,772,520 |
| Actuarial gains (losses) | (7,250,793) | 1,051,906 | (3,583,412) | (267,052) |
| Add (less): Income taxes | 1,450,158 | (210,381) | 716,682 | 53,411 |
| Actuarial gains (losses) - net of income taxes | (5,800,635) | 841,525 | (2,866,730) | (213,641) |
| Total items not to be recognised in statements of income for subsequent periods | (83,220,246) | 63,614,045 | (80,286,341) | 62,558,879 |
| Other comprehensive income (loss) for the years | (84,377,169) | 62,282,878 | (81,146,960) | 61,227,594 |
| Total comprehensive income (loss) for the years | 147,011,500 | (131,392,149) | 255,390,767 | (114,654,269) |
| Total comprehensive income (loss) for the years attributable to: | | | | |
| Shareholders of the Company | 126,327,094 | (131,392,149) | 255,390,767 | (114,654,269) |
| Non-controlling interest of the subsidiaries | 20,684,406 | - | | |
| | 147,011,500 | (131,392,149) | | |