

Thai Re

Q2/19 results



GWP +17%yoy, driven by Non-conventional business

Accrued interest expense of terrorist claims of THB 13m

Major loss from 3 fire claims approx. THB 33m

Q2/19 Key Messages

Investment income turned to positive, compared to marked THB 202m losses from trading securities in Q2/18

Provision for employee benefits THB 10m

GWP +10%yoy, driven by Non-conventional business

ROI climb to 6%, turn from -4.7% last year and better than our guideline

Accrued interest expense of terrorist claims of THB 13m

IH19 Key Messages

There were no impact from one-time items as last year

Major loss from 3 fire claims approx. THB 33m

Provision for employee benefits THB 10m

Snapshots



System wide (THBm)	Q2/18	Q1/19	Q2/19	QoQ	YoY	6M18	6M19	YoY
Gross written premium	1,097	1,283	1,283	0%	17%	2,328	2,567	10%
Net written premium	933	880	967	10%	4%	1,677	1,846	10%
Net earned premium	865	868	947	9%	9%	1,618	1,815	12%
U/W profit (loss)	-28	-32	-93	-191%	-232%	-280	-125	55%
Net investment income	80	32	63	97%	-21%	111	95	-14%
Gain (loss) on investment	0	6	27	350%	100%	56	34	-39%
Mark-to-market from investment	-252	21	-2	-110%	99%	-340	19	106%
Net service income	20	20	21	5%	5%	41	41	0%
Net profit loss	-132	40	23	-43%	117%	-610	63	110%

Profitabilities

Loss ratio	55.9%	50.0%	56.2%	+6.2pp	+0.3pp	51.7%	53.2%	+1.5pp
Combined ratio	103.5%	104.0%	110.0%	+6.0pp	+3.5pp	117.5%	107.2%	-7.7pp

Excl 9 projects (THBm)

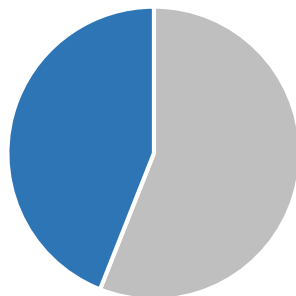
Gross written premium	867	893	1,073	+20%	+24%	1,686	1,966	+17%
Net written premium	899	821	935	+14%	+4%	1,580	1,756	+11%
Net earned premium	805	817	895	+10%	+11%	1,497	1,712	+14%

Profitabilities

Loss ratio	54.4%	48.6%	54.0%	+5.4pp	-0.4pp	49.5%	51.5%	+2.0pp
Combined ratio	95.4%	95.5%	101.4%	+5.9pp	+6.0pp	94.3%	98.6%	+4.3pp

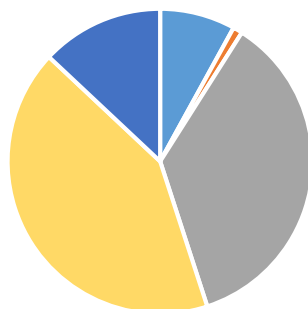
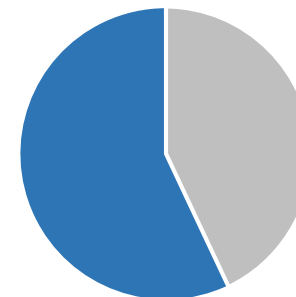
Business breakdown

6M18

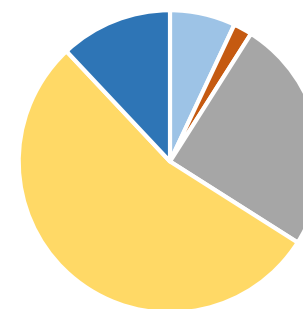


56%	■ Conventional	43%
44%	■ Non-conventional	57%

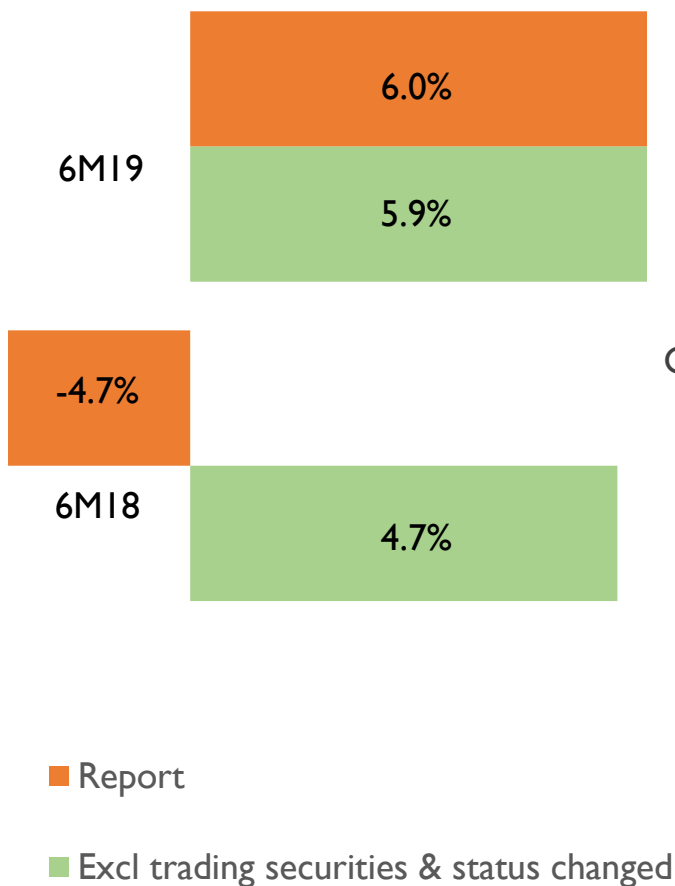
6M19



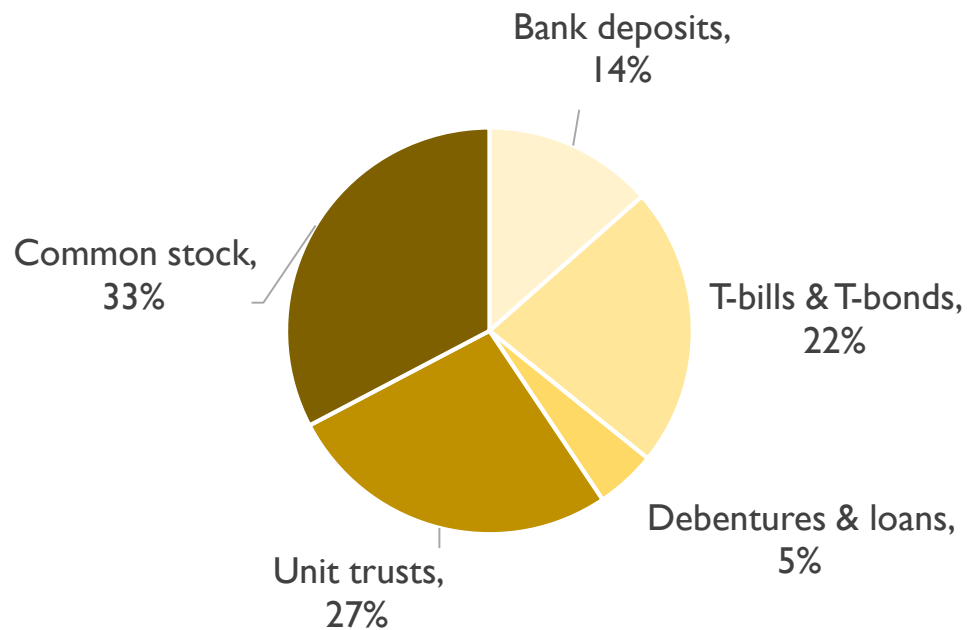
8%	■ Property	7%
1%	■ Marine & cargo	2%
36%	■ Motor	25%
42%	■ PA&H	54%
13%	■ Others	12%



ROI



Investment Assets approx. THB 5,185m



FY2019-2020 Investment Theme

- One-time impacted end
- Expected lower retrocession expense
- Local premium growth unlocking
- Foreign unit on track
- Leveraging technology and expanding our service scope to accelerate the growth of 15-20% in next 3 years
- Target average ROE ~ 8% in next 3 years

Q&A

Appendix

Consolidate



	Q2/18	Q1/19	Q2/19	QoQ	YoY	6M18	6M19	YoY
Quarterly income statement								
Gross premium written	1,097	1,283	1,283	0%	17%	2,328	2,567	10%
Net premium written	933	880	967	10%	4%	1,677	1,846	10%
Net earned premium	865	868	947	9%	9%	1,618	1,815	12%
Net claims	484	434	532	23%	10%	836	965	15%
Net commission expenses	356	384	412	7%	16%	859	796	-7%
Other underwriting expenses	36	39	48	23%	33%	71	87	23%
Underwriting profit (loss)	-10	12	-45	-475%	-350%	-148	-34	77%
Operating expenses	18	44	47	7%	161%	132	91	-31%
Non-insurance income								
Net investment income	80	32	63	97%	-21%	111	95	-14%
Gain (loss) on investment	0	6	27	350%	100%	56	34	-39%
Fair value gain (loss)	-252	21	-2	-110%	99%	-340	19	106%
Share of profit (loss) from investment in associate	-2	-0.3	0	-100%	-100%	-4	0	91%
Net service income	20	20	21	5%	5%	41	41	0%
Other income (expense)	1.5	-1	1	200%	0%	1	0	-100%
Total non-insurance income	-152	77	111	44%	-27%	-133	188	241%
Interest expenses	0.1	0.1	0	-37%	-71%	0.3	0.1	-66%
EBT	-180	45	18	-60%	110%	-413	64	115%
Income tax expense (income)	-49	5	-5	-200%	90%	197	0	-100%
After tax profit	-132	40	23	-43%	117%	-610	63	110%
Non-controlling interests	0	0	0	N/A	N/A	0	0	N/A
Profit of the parent	-132	40	23	-43%	118%	-610	63	110%
Profitability	Q2/18	Q1/19	Q2/19	QoQ	YoY	6M18	6M19	YoY
Net loss ratio	55.9%	50.0%	56.2%	+6.2pp	+0.3pp	51.7%	53.2%	+1.5pp
Acquisition costs ratio	45.3%	48.7%	48.6%	-0.1pp	+3.3pp	57.5%	48.6%	-8.9pp
Operating expenses ratio (reinsurance)	5.1%	5.4%	5.3%	-0.1pp	+0.2pp	5.6%	5.3%	-0.3pp
Combined ratio	103.5%	104.1%	110.1%	+6.0pp	+6.6pp	114.8%	107.1%	-7.7pp

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