

Thai Re

Q3/19 results

Q3/19 Key Messages



- Normalised profit increased by 2%yoy
- Healthier insurance portfolio (NPW dropped slightly)
- Improved underwriting profit
- Service income grew with double digits

9M19 Key Messages



- Net premium written grew in line, driven by non-conv.
- One-time impacted end
- Service income grew of 5%yoy

Snapshots



System wide (THBm)	Q3/18	Q2/19	Q3/19	QoQ	YoY	9M18	9M19	YoY
Gross written premium	1,032	1,283	942	-27%	-9%	3,360	3,509	4%
Net written premium	825	967	794	-18%	-4%	2,502	2,640	6%
Net earned premium	885	947	895	-5%	1%	2,504	2,710	8%
U/W profit (loss)	-16	-93	-21	77%	-31%	-296	-146	51%
Net investment income	58	63	43	-32%	-26%	170	138	-19%
Gain (loss) on investment	6	27	20	-26%	233%	63	54	-14%
Mark-to-market gain (loss) from trading securities	89	-2	-3	-50%	-103%	-251	17	107%
Net service income	20	21	23	10%	15%	61	64	5%
Net profit loss	134	23	46	100%	-66%	-476	109	123%

Profitabilities

Loss ratio	52.6%	56.2%	52.3%	-3.9pp	-0.3pp	52.0%	52.9%	+0.9pp
Acquisition cost ratio	49.3%	53.6%	50.1%	-3.5pp	+0.8pp	59.8%	52.5%	-7.3pp
Combined ratio	101.9%	109.8%	102.4%	-7.4pp	+0.5pp	111.8%	105.4%	-6.4pp

Excl 9 projects (THBm)

Gross written premium	826	1,073	829	-23%	0%	2,512	2,796	11%
Net written premium	794	935	778	-17%	-2%	2,375	2,534	7%
Net earned premium	826	895	845	-6%	2%	2,323	2,557	10%

Profitabilities

Loss ratio	48.7%	54.0%	50.6%	-3.4pp	+1.9pp	49.2%	51.2%	+2.0pp
Commission ratio	36.9%	38.2%	36.1%	-2.1pp	-0.8pp	36.3%	37.6%	+1.3pp
Combined ratio	93.5%	101.4%	94.1%	-7.3pp	+0.6pp	94.0%	97.1%	+3.1pp

Underwriting results

System-wide (excl. 9 projects)

Items (THBm)	Q3/18	Q3/19	YoY	9M18	9M19	YoY
GPW	826	830	+0%	2,512	2,796	+11%
NPW	794	778	-2%	2,375	2,534	+7%
NEP	826	845	+2%	2,323	2,557	+10%
Combined ratio	93.5%	94.1%	+0.6pp.	94.0%	97.1%	+3.1pp.

Underwriting results

Conventional

Items (THBm)	Q3/18	Q3/19	YoY	9M18	9M19	YoY
GPW	415	390	-6%	1,450	1,386	-4%
NPW	390	341	-13%	1,331	1,136	-15%
NEP	448	392	-13%	1,243	1,208	-3%
Combined ratio	94.5%	95.8%	+1.3pp.	94.6%	97.7%	+3.1pp.

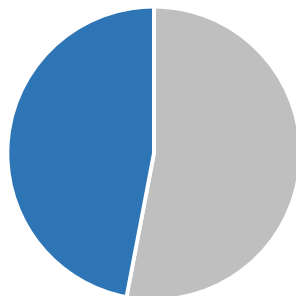
Underwriting results

Non-conventional (excl. 9 projects)

Items (THBm)	Q3/18	Q3/19	YoY	9M18	9M19	YoY
GPW	411	440	+7%	1,061	1,410	+33%
NPW	405	436	+8%	1,044	1,398	+34%
NEP	378	453	+20%	1,080	1,349	+25%
Combined ratio	92.2%	92.6%	+0.4pp.	93.3%	96.5%	+3.1pp.

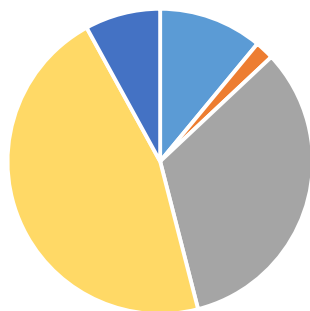
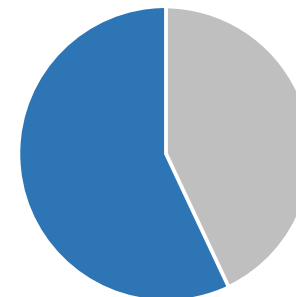
Business breakdown by NPW

9M18

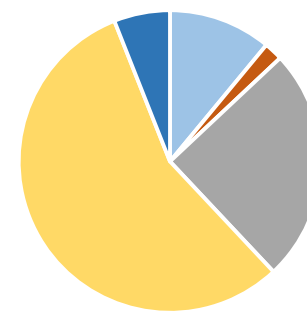


53%	■ Conventional	43%
47%	■ Non-conventional	57%

9M19

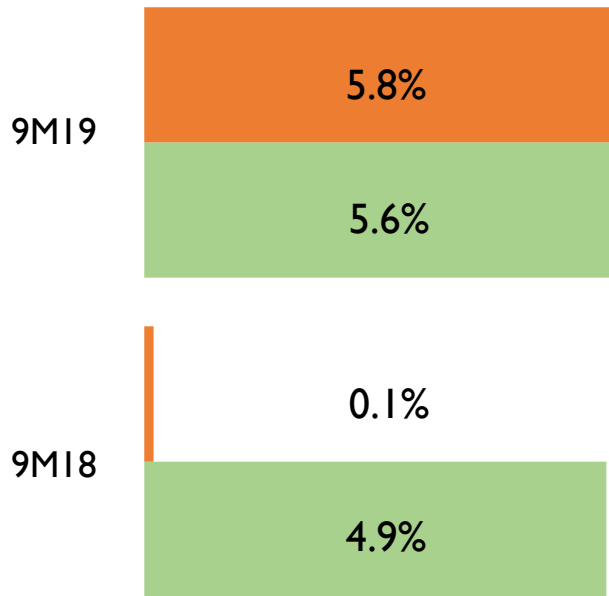


11%	■ Property	11%
2%	■ Marine & cargo	2%
33%	■ Motor	25%
46%	■ PA&H	56%
8%	■ Others	6%



Investment performance

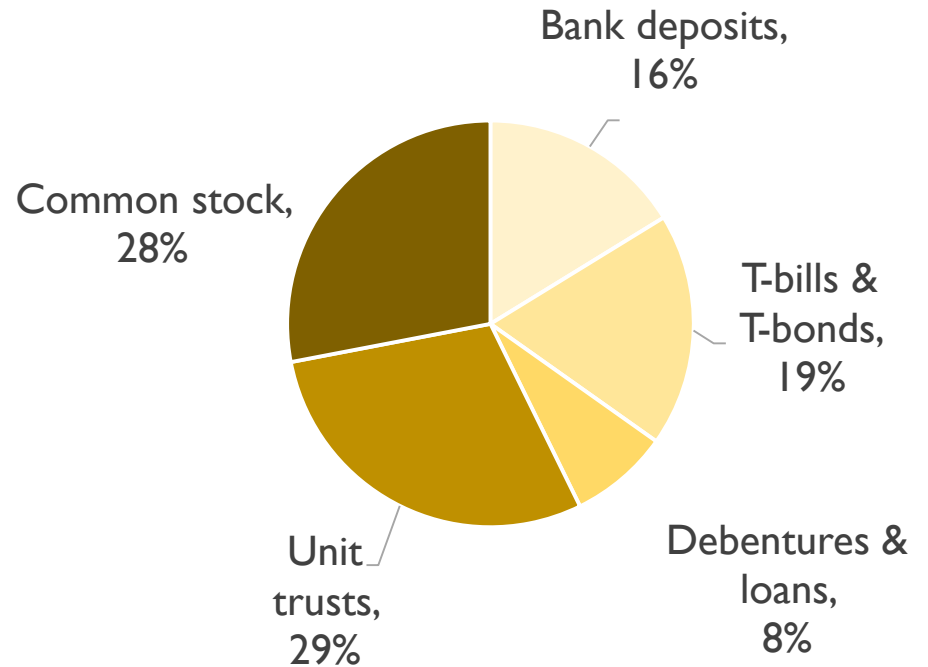
ROI



Report

Excl trading securities & status changed

Investment assets value THB 4,793m



Outlooks Q4/19



Turning around to target ROE 3-4%

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 reach ROE ~ 8-10% in next 3 years

Key Changes and Initiatives 2020

Strategies

Action plan

New 3 years strategic plan
(year 2020-2022)

Continue focus on Personal Line and non conventional.
Source for new technology, new concept to disrupt the industry.

Expand to more countries in ASEAN

Target markets: Indonesia, Philippines.
Expand the services companies overseas.

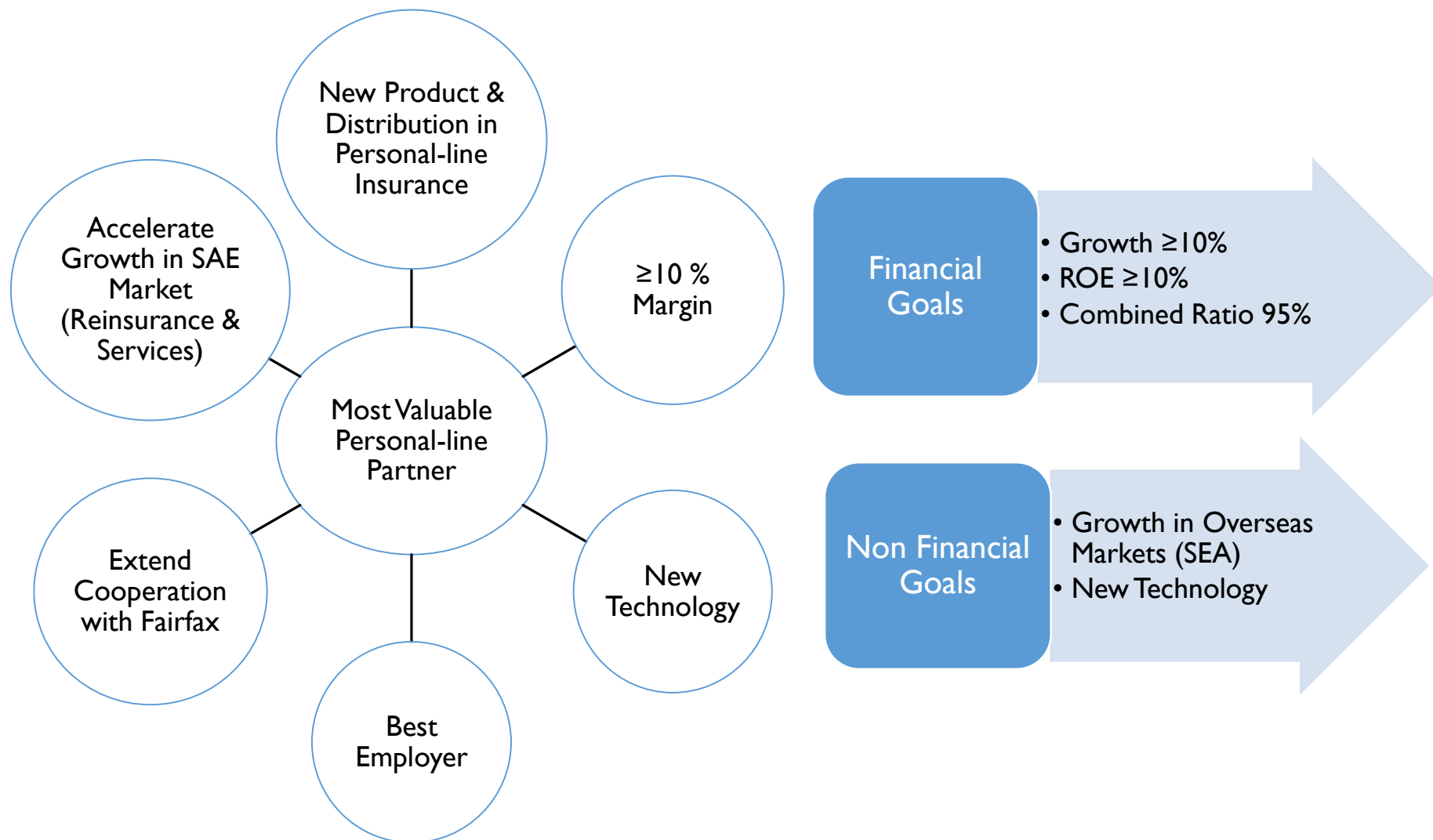
Enlarge the service business scope to InsurTech and to improve efficiency

Collaborate with FinTech/InsurTech for product design.
Apply/connect the new technology such as AI, Robotic to improve efficient and services.
Utilized the data from both insurance data and services' data.

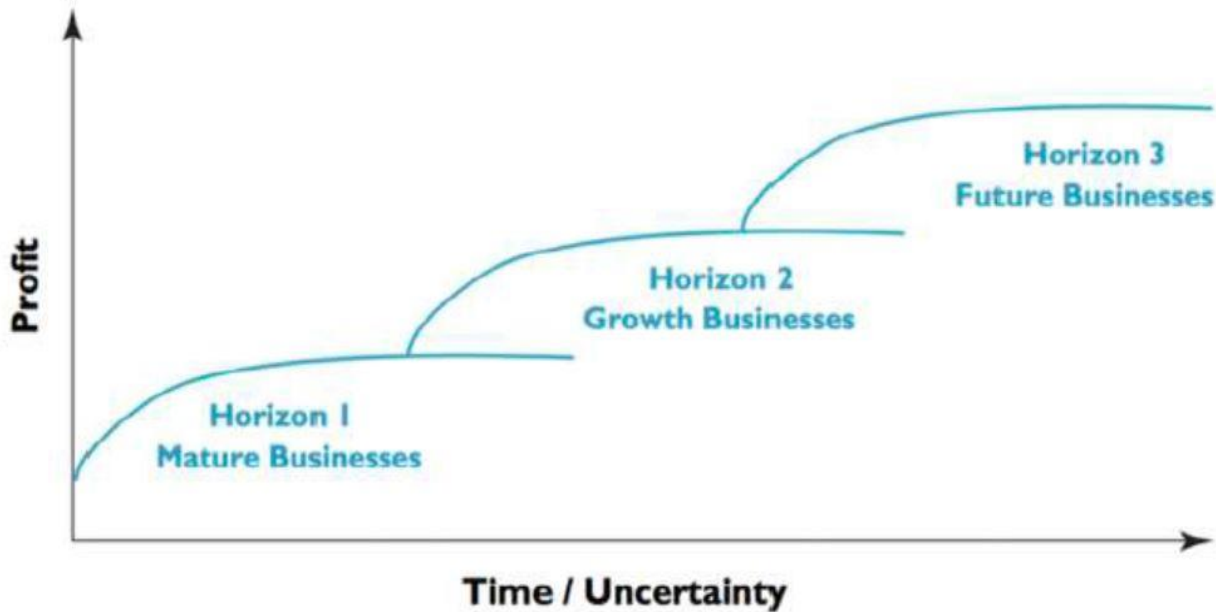
Increase our employee engagement

Continue the Talent Group's development programs.
Improve internal communication.
Promote more of the Thai Re's Group.

3 years strategic plan (year 2020-2022)



Emerging Business Opportunities Model



	Time / Uncertainty		
Business	Commercial Line Group health Motor	Retail channel Personal health Motor high value Service-based income	Cyber Group health XoL ASEAN market THRE Actuarial THRE Innovation
Key success factors	Good risk, Reasonable terms & rate, Adequate protection	Creative idea Speed Competitive pricing Innovation Service quality	Adaptation Business model innovation Ability to select partner

Q&A

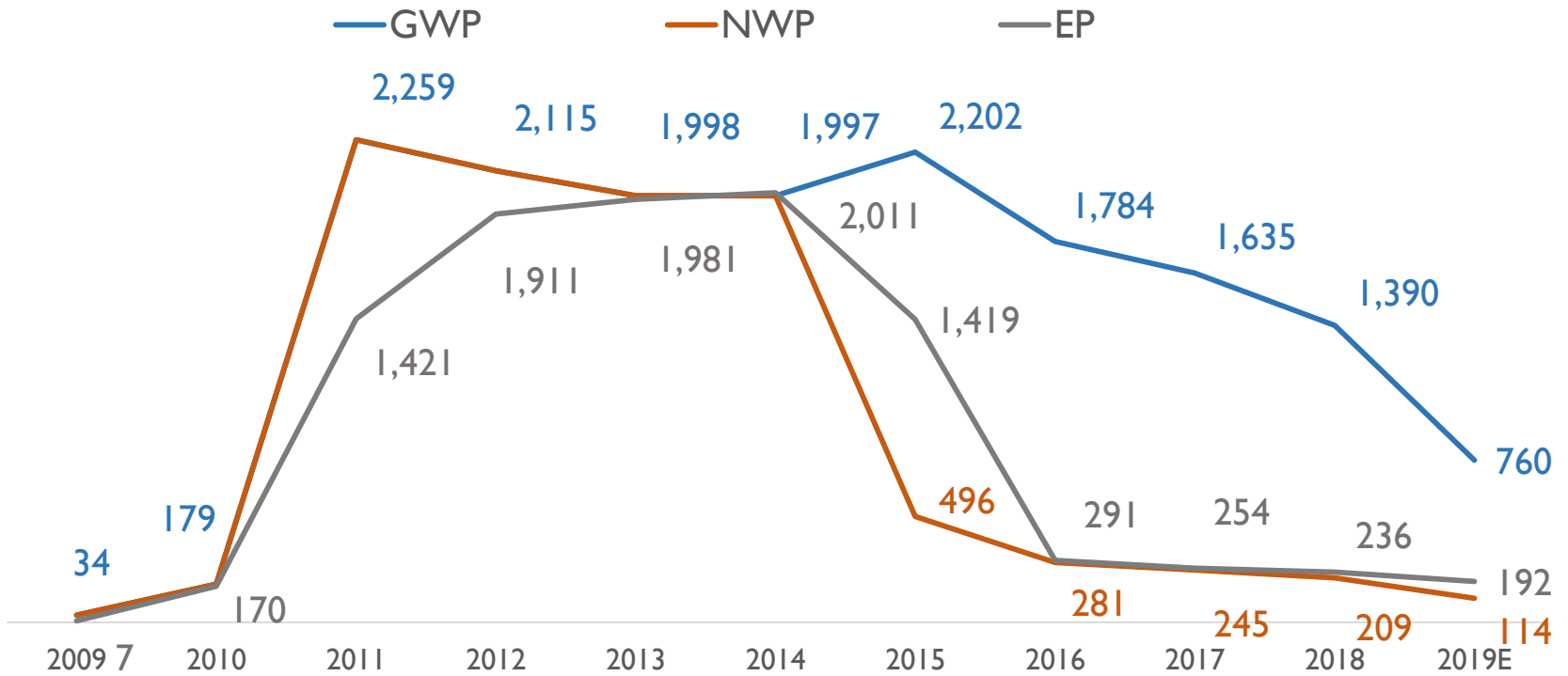
Appendix

Financial Highlight



Quarterly income statement	Q3/18	Q2/19	Q3/19	QoQ	YoY	9M18	9M19	YoY
Gross premium written	1,032	1,283	942	-27%	-9%	3,360	3,509	4%
Net premium written	825	967	794	-18%	-4%	2,502	2,640	6%
Net earned premium	885	947	895	-5%	1%	2,504	2,710	8%
Net claims	466	532	468	-12%	0%	1,302	1,433	10%
Net commission expenses	384	412	373	-9%	-3%	1,243	1,168	-6%
Other underwriting expenses	30	48	31	-35%	3%	101	119	18%
Underwriting profit (loss)	6	-45	23	-151%	283%	-142	-10	93%
Operating expenses	22	47	45	-4%	105%	154	136	-12%
Non-insurance income								
Net investment income	58	63	43	-32%	-26%	170	138	-19%
Gain (loss) on investment	6	27	20	-26%	233%	63	54	-14%
Fair value gain (loss)	89	-2	-3	-50%	-103%	-251	17	107%
Share of profit (loss) from associates	-1	0	0	0%	-100%	-5	0	100%
Net service income	20	21	23	10%	15%	61	64	5%
Other income (expense)	1	1	2	100%	100%	2	1	-50%
Total non-insurance income	173	111	85	-23%	-51%	40	274	585%
Interest expenses	0.1	0.0	0.0	0%	-100%	0.4	0.1	-75%
EBT	157	18	64	256%	-59%	-257	128	150%
Income tax expense (income)	22	-5	18	-460%	18%	219	19	91%
After tax profit	134	23	46	100%	-66%	-476	109	123%
Non-controlling interests	0.0	-0.2	-0.1	50%	-100%	0.0	-0.3	-100%
Profit of the parent	134	23	46	100%	-66%	-476	109	123%
Profitability								
Net loss ratio	52.6%	56.2%	52.3%	-3.9pp	-0.3pp	52.0%	52.9%	+0.9pp
Acquisition costs ratio	46.8%	48.6%	45.1%	-3.5pp	-1.7pp	53.7%	47.5%	-6.2pp
Operating expenses ratio (reinsurance)	2.5%	5.0%	5.0%	0.0pp	+2.5pp	6.2%	5.0%	-1.2pp
Combined ratio	101.9%	109.8%	102.4%	-7.4pp	+0.5pp	111.8%	105.4%	-6.4pp

9 Projects Premium Development



Unit: THBm	2H15	2016	2017	2018	2019E	Total
RI commission expenses	126	243	224	207	168	968

Contact us



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