
Thai Re Group

Q4/19 Results & Year 2020 Outlooks

Snapshots



System wide (THBm)	Q4/18	Q3/19	Q4/19	QoQ	YoY	12M18	12M19	YoY
Gross written premium	1,489	942	947	1%	-36%	4,849	4,455	-8%
Net written premium	981	794	857	8%	-13%	3,483	3,498	0%
Net earned premium	856	895	899	0%	5%	3,359	3,609	7%
U/W profit (loss)	-165	-23	-81	-252%	50%	-467	-234	50%
Net investment income	27	43	26	-40%	-4%	197	164	-17%
Gain (loss) on investment	-192	20	58	190%	130%	-129	112	187%
Mark-to-market gain (loss) from trading securities	-107	-3	9	400%	108%	-358	26	107%
Net service income	4	23	16	-30%	300%	65	80	23%
Net profit loss	-536	46	16	-65%	103%	-1,012	125	112%

Profitabilities

Loss ratio	66.7%	52.3%	60.5%	+8.2pp.	-6.2pp.	54.8%	54.8%	-0pp.
Acquisition cost ratio	52.5%	50.3%	48.5%	-1.8pp.	-4.0pp.	58.5%	51.7%	-6.8pp.
Combined ratio	119.2%	102.6%	109.0%	+6.4pp.	-10.2pp.	113.3%	106.5%	-6.8pp.

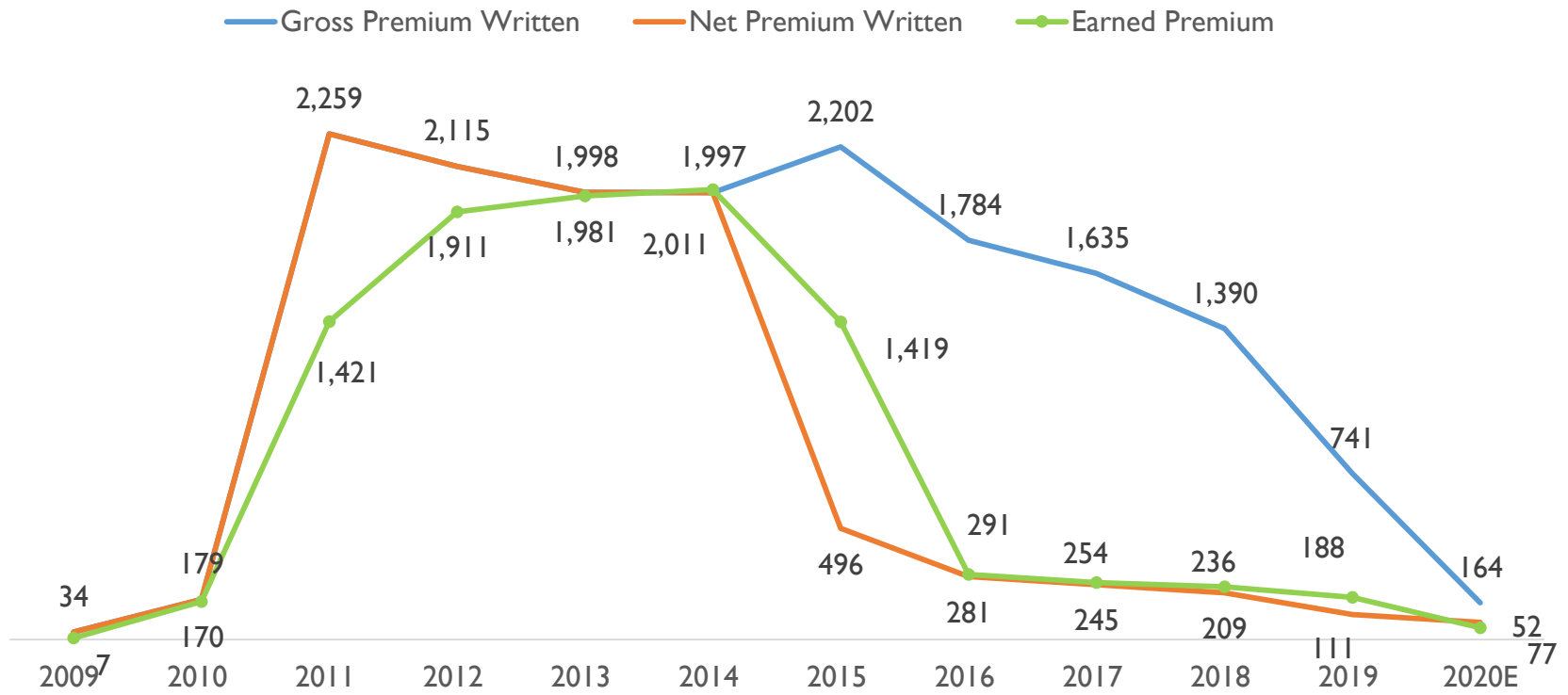
Excl 9 projects (THBm)

Gross written premium	947	830	918	11%	-3%	3,459	3,714	7%
Net written premium	899	778	853	10%	-5%	3,274	3,386	3%
Net earned premium	801	845	864	2%	8%	3,124	3,421	10%

Profitabilities

Loss ratio	58.6%	50.6%	59.8%	+9.2pp.	+1.2pp.	50.6%	53.4%	+2.8pp.
Commission ratio	36.3%	36.1%	35.8%	-0.3pp.	-11.7pp.	37.3%	37.1%	-0.2pp.
Combined ratio	102.7%	94.1%	103.3%	+9.2pp.	+0.6pp.	96.2%	98.7%	+2.5pp.

9 Projects premium development



Unit: THBm	2H15	2016	2017	2018	2019	2020E	Total
RI commission expenses	126	243	224	207	168	47	1,015

Underwriting results

System-wide (excl. 9 projects)

Items (THBm)	Q4/18	Q4/19	YoY	12M18	12M19	YoY
GPW	947	918	-3%	3,459	3,714	+7%
NPW	899	853	-5%	3,274	3,386	+3%
NEP	801	864	+8%	3,124	3,421	+10%
Combined ratio	102.7%	103.3%	+0.6pp.	96.2%	98.7%	+2.5pp.

Underwriting results

Conventional

Items (THBm)	Q4/18	Q4/19	YoY	12M18	12M19	YoY
GPW	512	467	-9%	1,963	1,853	-6%
NPW	470	404	-14%	1,801	1,540	-14%
NEP	407	406	-0%	1,651	1,614	-2%
Combined ratio	107.9%	111.2%	+3.3pp.	97.9%	101.1%	+3.2pp.

Underwriting results

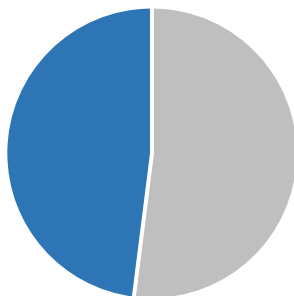
Non-conventional (excl. 9 projects)

Items (THBm)	Q4/18	Q4/19	YoY	12M18	12M19	YoY
GPW	435	451	+4%	1,497	1,861	+24%
NPW	429	449	+5%	1,473	1,847	+25%
NEP	394	458	+16%	1,473	1,807	+23%
Combined ratio	97.3%	96.3%	+1.0pp.	94.4%	96.5%	+2.1pp.

Business breakdown by NPW

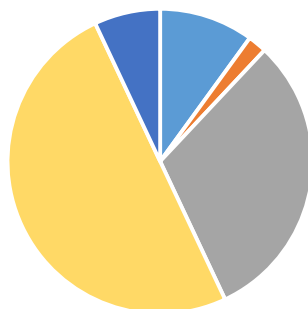
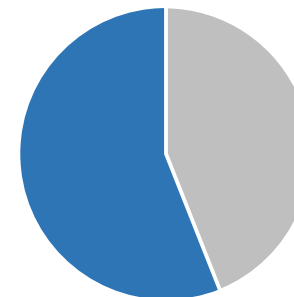


12M18

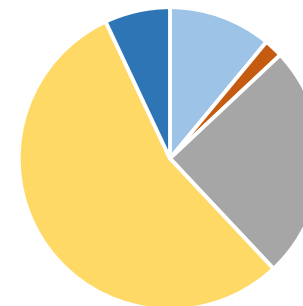


52%	■ Conventional	44%
48%	■ Non-conventional	56%

12M19



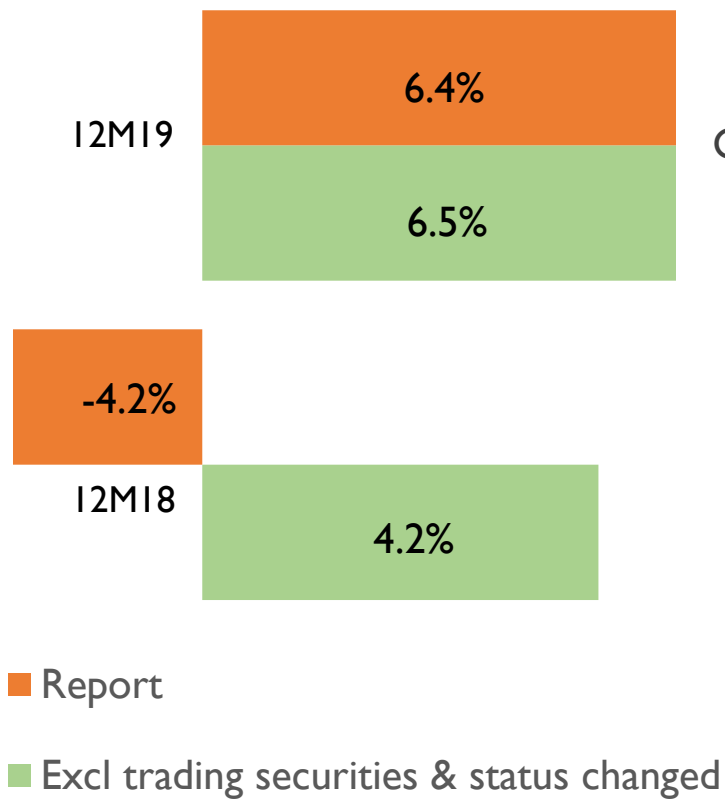
10%	■ Property	11%
2%	■ Marine & cargo	2%
31%	■ Motor	25%
50%	■ PA&H	55%
7%	■ Others	7%



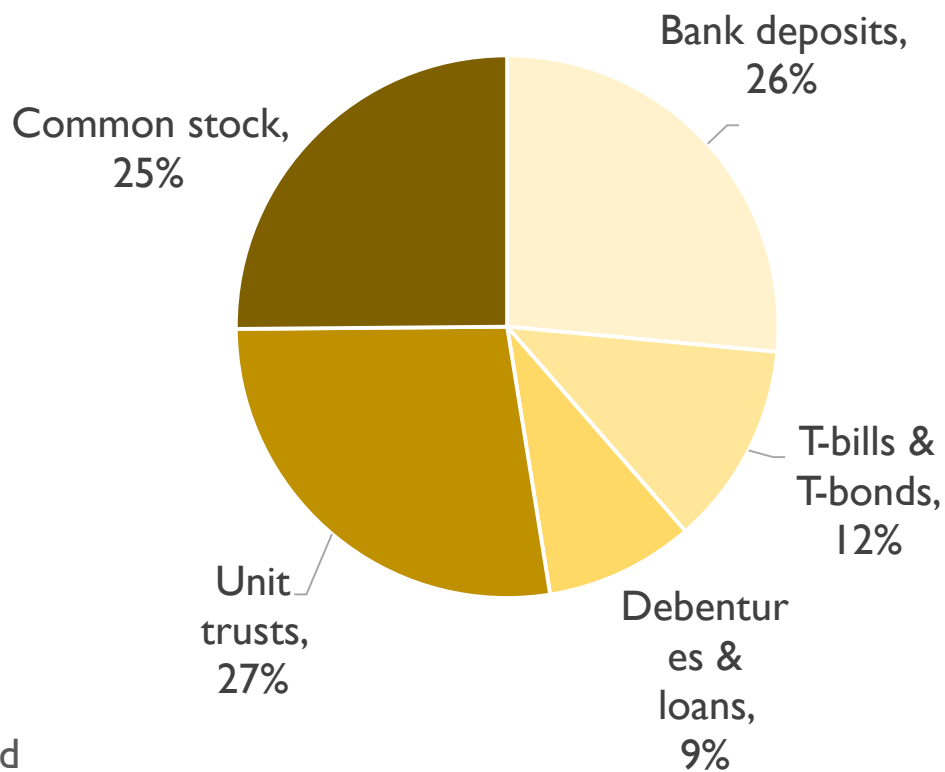
Investment performance



ROI



Investment assets THB 4,252m



Strategies and Actions during COVID-19 crisis

Our actions during this crisis



Prepare for the worst, together with working for new business opportunities in new environment.

Managing opportunities and risks



Risks	Opportunities
Higher losses from COVID-19	Lower losses from others types of insurance
Economic slow down (decrease in purchasing power, lower demand for insurance, fraud, etc.)	More demand on Health insurance (new products, new group of consumer, more room for price)
Investment risks	Higher investment yield
Business shut down	More demand on TPA Services
Slow down in overseas businesses	Less competitors

To minimize the risks



- BCP has been fully implemented
- More discipline in both UW and investments
- Expenses are being monitor closely and reviewing

To grab and adapt the opportunities



- Keep exploring for new products
- Keep close with our clients
- Adapt new technology
- Higher yield from investment instruments

FY2020 highlights



- Lower retrocession expense
- Opportunities for local business due to less competitions
- Leveraging technology and expanding our service scope to accelerate the growth of 15-20% in next 3 years
- “A-” (Strong);The outlook is stable by Fitch
- Under stress test our CAR above 270%

Q&A

Appendix

Financial Highlight



Quarterly income statement	Q4/18	Q3/19	Q4/19	QoQ	YoY	12M18	12M19	YoY
Gross written premium	1,489	942	947	1%	-36%	4,849	4,455	-8%
Net written premium	981	794	857	8%	-13%	3,483	3,498	0%
Net earned premium	856	895	899	0%	5%	3,359	3,609	7%
Net claims	570	468	544	16%	-5%	1,842	1,977	7%
Net commission expenses	364	373	357	-4%	-2%	1,638	1,525	-7%
Other underwriting expenses	38	31	26	-16%	-32%	140	144	3%
Underwriting profit (loss)	-117	23	-27	-217%	77%	-260	-38	85%
Operating expenses	47	47	54	15%	15%	187	197	5%
Non-insurance income								
Net investment income	27	43	26	-40%	-4%	197	164	-17%
Gain (loss) on investment	-192	20	58	190%	130%	-129	112	187%
Fair value gain (loss)	-107	-3	9	400%	108%	-358	26	107%
Share of profit (loss) from investment in associate	-1	0	0	-	100%	-6	0	100%
Net service income	4	23	16	-30%	300%	65	80	23%
Other income (expense)	1	2	6	200%	500%	4	8	100%
Total non-insurance income	-268	85	115	35%	-57%	-227	390	272%
Interest expenses	0.1	0.0	0.1	-	0%	0.5	0.2	-60%
EBT	-431	64	36	-44%	108%	-688	164	124%
Income tax expense (income)	105	18	20	11%	-81%	324	39	-88%
After tax profit	-536	46	16	-65%	103	-1,012	125	112%
Non-controlling interests	0.0	-0.1	-0.1	0%	-100%	0.0	-0.3	-100%
Profit of the parent	-536	46	16	-65%	103%	-1,012	125	112%
Profitability								
Net loss ratio	66.7%	52.3%	60.5%	+8.2pp.	-6.2pp.	54.8%	54.8%	-0.0pp.
Acquisition costs ratio	47.1%	45.1%	42.5%	-2.6pp.	-4.6pp.	52.9%	46.3%	-6.6pp.
Operating expenses ratio (reinsurance)	5.5%	5.2%	6.0%	+0.8pp.	+0.5pp.	5.6%	5.4%	-0.2pp.
Combined ratio	119.2%	102.6%	109.0%	+6.4pp.	-10.2pp.	113.3%	106.5%	-6.8pp.

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