

Thai Re Group

Q2/2020 Results & 2H20 Outlooks

Key messages in Q2/20

- NPW grew both QoQ and YoY
- Retrocession expense dropped significantly
- Underwriting turns to profit
- Investment yield above our guideline
- Strong position with CAR ~ 317%
- “A-” (Strong); The outlook is stable by Fitch

Snapshots



System wide (THBm)	Q2/19	Q1/20	Q2/20	QoQ	YoY	6M19	6M20	YoY
Gross written premium	1,283	1,073	1,237	15%	-4%	2,567	2,311	-10%
Net written premium	967	984	1,050	7%	9%	1,846	2,034	10%
Net earned premium	947	815	957	17%	1%	1,815	1,772	-2%
U/W profit (loss)	-93	-47	27	157%	129%	-125	-21	+83%
Net investment income	63	22	55	150%	-13%	95	78	-18%
Gain (loss) on investment	27	2	0	-100%	-100%	34	2	-94%
Mark-to-market gain (loss) from trading securities	-2	-12	13	208%	750%	19	1	-95%
Net service income	21	19	14	-26%	-33%	41	33	-20%
Net profit loss	23	-8	95	1,288%	313%	63	87	38%

Profitabilities

Loss ratio	56.2%	53.5%	50.4%	-3.1pp.	-5.8pp.	53.2%	51.8%	-1.4pp.
Acquisition cost ratio	53.9%	52.6%	47.1%	-5.5pp.	-6.8pp.	54.0%	49.6%	-4.4pp.
Combined ratio	110.0%	106.1%	97.5%	-8.6pp.	-12.5pp.	107.2%	101.4%	-5.8pp.

Excl 9 projects (THBm)

Gross written premium	1,073	1,039	1,184	14%	10%	1,966	2,223	13%
Net written premium	935	979	1,042	6%	11%	1,756	2,021	15%
Net earned premium	895	794	945	19%	6%	1,712	1,739	2%

Profitabilities

Loss ratio	54.0%	52.3%	50.4%	-1.9pp.	-3.6pp.	51.5%	51.3%	-0.2pp.
Commission ratio	38.2%	40.5%	37.5%	-3.0pp.	-0.7pp.	38.3%	38.9%	+0.6pp.
Combined ratio	101.4%	101.8%	96.0%	-5.8pp.	-5.4pp.	98.6%	98.6%	+0.0pp.

Underwriting results

System-wide (excl. 9 projects)

Items (THBm)	Q2/19	Q1/20	Q2/20	QoQ	YoY	6M19	6M20	YoY
GPW	1,073	1,039	1,184	14%	10%	1,966	2,223	13%
NPW	935	979	1,042	6%	11%	1,756	2,021	15%
NEP	895	794	945	19%	6%	1,712	1,739	2%
Combined ratio	101.4%	101.8%	96.0%	-5.8pp.	-5.4pp.	98.6%	98.6%	0.0pp.

Underwriting results

Conventional

Items (THBm)	Q2/19	Q1/20	Q2/20	QoQ	YoY	6M19	6M20	YoY
GPW	549	419	603	44%	10%	996	1,022	3%
NPW	415	360	462	28%	11%	794	822	4%
NEP	412	351	397	13%	-4%	816	748	-8%
Combined ratio	104.7%	103.4%	97.8%	-5.6pp.	-6.9pp.	98.4%	100.4%	+2.0pp.

Underwriting results

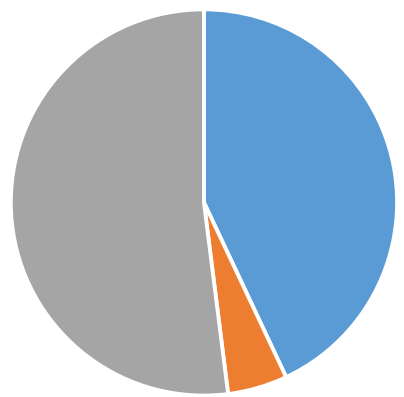
Non-conventional (excl. 9 projects)

Items (THBm)	Q2/19	Q1/20	Q2/20	QoQ	YoY	6M19	6M20	YoY
GPW	524	620	581	-6%	11%	971	1,201	24%
NPW	520	619	580	-6%	12%	962	1,199	25%
NEP	484	444	548	23%	13%	896	991	11%
Combined ratio	98.6%	100.6%	96.3%	-4.3pp.	-2.3pp.	98.8%	98.2%	-0.6pp.

Business breakdown by NPW

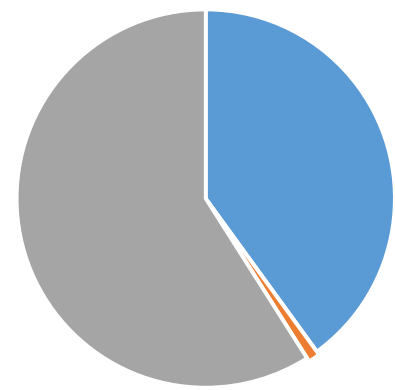


6M19

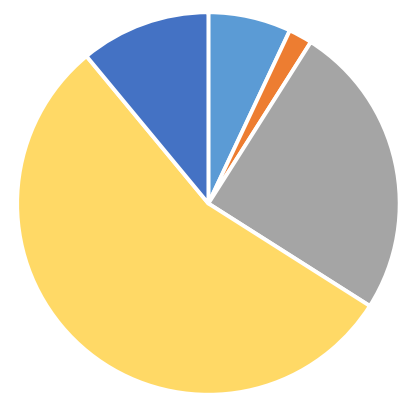


43%	■ Conventional
5%	■ 9-projects
52%	■ Non-conventional

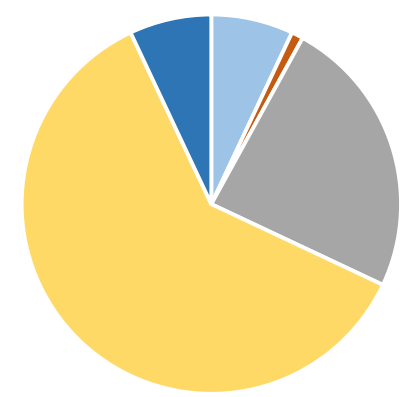
6M20



40%	■ Conventional
1%	■ 9-projects
59%	■ Non-conventional



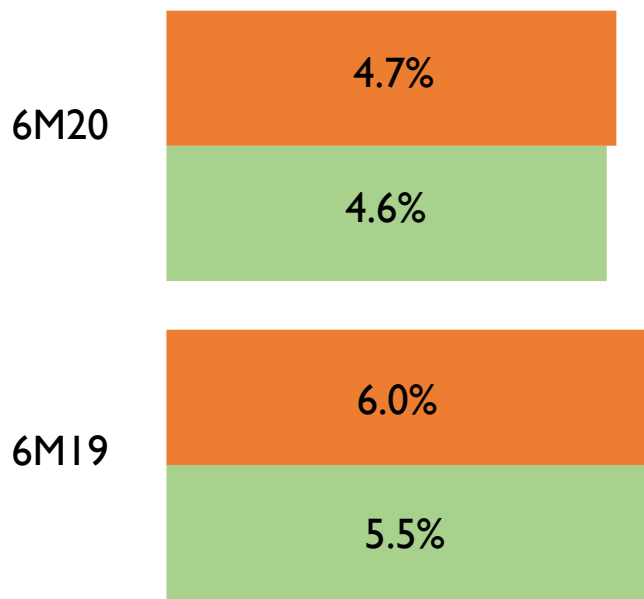
7%	■ Property	7%
2%	■ Marine & cargo	1%
25%	■ Motor	24%
55%	■ PA&H	61%
11%	■ Others	7%



Investment performance

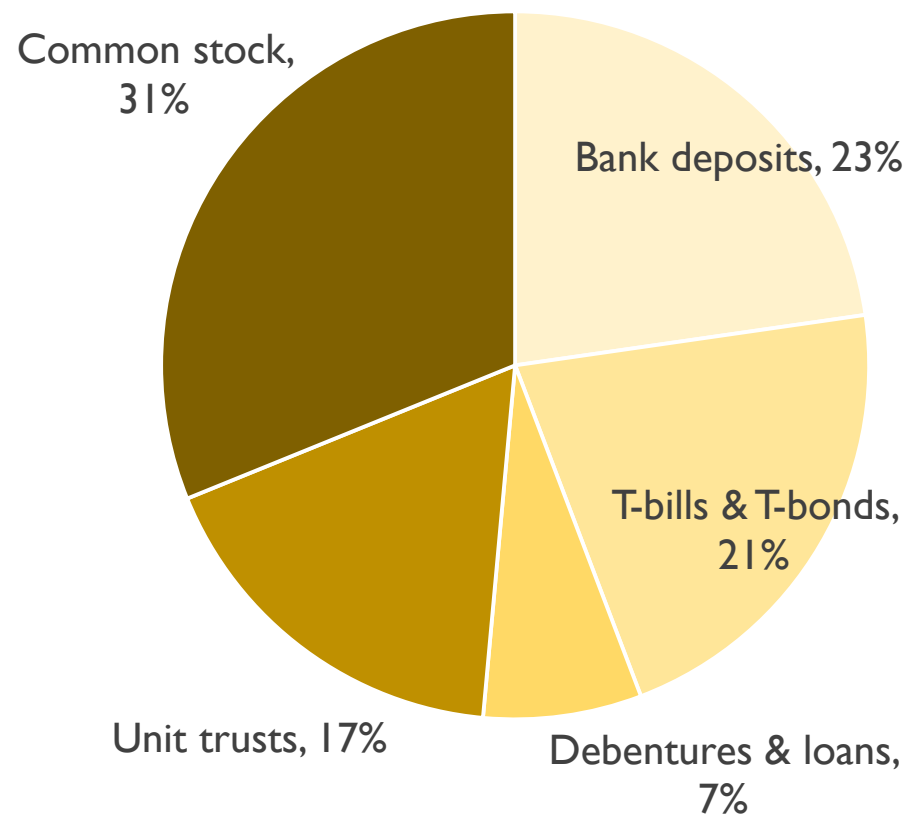


ROI



Report Excl. extra-items

Investment assets THB 3,768m



Outlooks for FY2020



- Projects in pipeline: 28 local & 2 foreign
- Expected NPW grow ~ 10%YoY
- Lower retrocession expenses
- Expected investment yield above 4.5%
- New projects on service-side

Q&A

Appendix

Financial statement

Quarterly income statement	Q2/19	Q1/20	Q2/20	QoQ	YoY	6M19	6M20	YoY
Gross premium written	1,283	1,073	1,237	15%	-4%	2,567	2,311	-10%
Net premium written	967	984	1,050	7%	9%	1,846	2,034	10%
Net earned premium	947	815	957	17%	1%	1,815	1,772	-2%
Net claims	532	436	482	11%	-9%	965	918	-5%
Net commission expenses	412	350	370	6%	-10%	796	720	-10%
Other underwriting expenses	48	35	33	-6%	-31%	87	69	-21%
Underwriting profit (loss)	-45	-6	72	1300%	260%	-34	66	294%
Operating expenses	47	41	45	10%	-4%	91	86	-5%
Non-insurance income								
Net investment income	63	22	55	150%	-13%	95	78	-18%
Gain (loss) on investment	27	2	0	-100%	-100%	34	2	-94%
Fair value gain (loss)	-2	12	13	8%	+750%	19	1	-95%
Share of profit (loss) from associate	0	0	0	0%	0%	0	0	0%
Net service income	21	19	14	-26%	-33%	41	33	-20%
Other income (expense)	1	0	0	0%	-100%	-0	0	0%
Total non-insurance income	109	31	82	165%	-25%	189	114	-40%
Interest expenses	0	0.1	0.1	0%	100%	0.1	0.2	100%
EBT	18	-16	108	775%	500%	64	93	45%
Income tax expense (income)	-5	-8	13	-263%	-360%	-1	-6	500%
After tax profit	23	-8	95	1288%	313%	63	87	38%
Non-controlling interests	-0.2	0	0	0%	100%	-0.2	0	100%
Profit of the parent	23	-8	95	1288%	313%	63	87	38%
Profitability								
Net loss ratio	56.2%	53.5%	50.4%	-3.1pp.	-5.8pp.	53.2%	51.8%	-1.4pp.
Acquisition costs ratio	48.6%	47.2%	42.2%	-5.0pp.	-6.4pp.	48.7%	44.5%	-4.2pp.
Operating expenses ratio (reinsurance)	5.3%	5.4%	5.0%	-0.4pp.	-0.3pp.	5.3%	5.1%	-0.2pp.
Combined ratio	110.0%	106.1%	97.5%	-8.6pp.	-12.5pp.	107.2%	101.4%	-5.8pp.

Contact us



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