

Thai Re Group

FY2020 Results and Outlooks

FY2020 Key takeaways

- NWP grew up 13%yoy above our guideline
- Underwriting business turned to profitable with the combined ratio of 98.9% (exclude 9 projects, combine of 96.1%)
- ROI at 5.2% above our guideline
- Average ROE 6.1% above our guideline
- Strong balance sheet with CAR ~ 424%
- Fitch affirms THRE at 'A-' (Strong);The Outlook is Stable

Snapshots



System wide (THBm)	Q4/19	Q3/20	Q4/20	QoQ	YoY	12M19	12M20	YoY
Gross written premium	947	1,027	991	-4%	5%	4,455	4,329	-3%
Net written premium	857	932	978	5%	14%	3,498	3,944	13%
Net earned premium	899	968	1,009	4%	12%	3,609	3,750	4%
U/W profit (loss)	-79	49	26	-47%	133%	-225	54	124%
Net investment income	26	22	17	-23%	-35%	164	116	-29%
Gain (loss) on investment	58	0	0	0%	-100%	112	2	-98%
Unrealized gain (loss) from trading securities	9	6	7	17%	-22%	26	13	-50%
Net service income	16	13	18	38%	13%	80	63	-21%
Net profit loss	16	74	61	-18%	281%	125	222	78%

Profitabilities

Loss ratio	60.5%	46.0%	46.8%	0.8pp.	-13.7pp.	54.8%	49.0%	-5.8pp.
Acquisition cost ratio	48.5%	49.3%	51.2%	1.9pp.	2.7pp.	51.8%	50.0%	-1.8pp.
Combined ratio	109.0%	95.3%	98.0%	2.7pp.	-11.0pp.	106.5%	98.9%	-7.6pp.

Excl 9 projects (THBm)

Gross written premium	918	982	981	-0%	7%	3,714	4,186	13%
Net written premium	853	925	923	-0%	8%	3,386	3,869	14%
Net earned premium	864	960	1,003	4%	16%	3,421	3,703	8%

Profitabilities

Loss ratio	59.8%	47.1%	43.9%	-3.2pp.	-15.9pp.	53.4%	48.2%	-5.2pp.
Commission ratio	35.8%	39.4%	39.7%	0.3pp.	3.9pp.	37.1%	39.2%	2.1pp.
Combined ratio	103.3%	94.8%	93.1%	-1.7pp.	-10.2pp.	98.7%	96.1%	-2.6pp.

Underwriting results

System-wide (excl. 9 projects)

Items (THBm)	Q4/19	Q3/20	Q4/20	QoQ	YoY	12M19	12M20	YoY
GPW	918	982	981	-0%	7%	3,714	4,186	13%
NPW	853	925	923	-0%	8%	3,386	3,869	14%
NEP	864	960	1,003	4%	16%	3,421	3,703	8%
Combined ratio	103.3%	94.8%	93.1%	-1.7pp.	-10.2pp.	98.7%	96.1%	-2.6pp.

Underwriting results

Conventional

Items (THBm)	Q4/19	Q3/20	Q4/20	QoQ	YoY	12M19	12M20	YoY
GPW	467	415	491	18%	5%	1,853	1,928	4%
NPW	404	359	434	21%	7%	1,540	1,615	5%
NEP	406	396	418	6%	3%	1,614	1,562	-3%
Combined ratio	110.7%	99.4%	96.3%	-3.1pp.	+14.4pp.	100.7%	99.1%	-1.6pp.

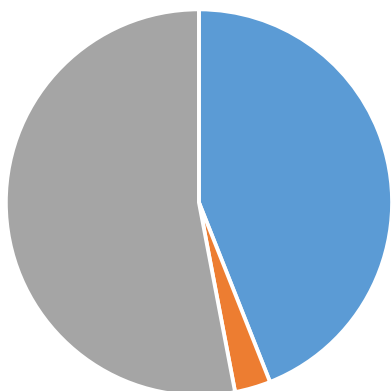
Underwriting results

Non-conventional (excl. 9 projects)

Items (THBm)	Q4/19	Q3/20	Q4/20	QoQ	YoY	12M19	12M20	YoY
GPW	451	567	490	-14%	9%	1,861	2,258	21%
NPW	449	566	489	-14%	9%	1,847	2,254	22%
NEP	458	564	585	4%	28%	1,807	2,140	18%
Combined ratio	96.8%	91.5%	90.8%	-0.7pp.	-6.0pp.	96.8%	94.0%	-2.8pp.

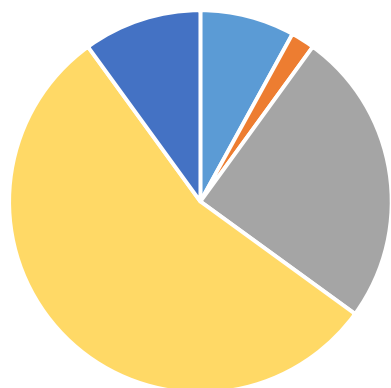
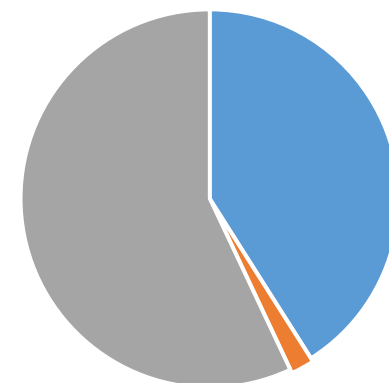
Business breakdown by NPW

12M19

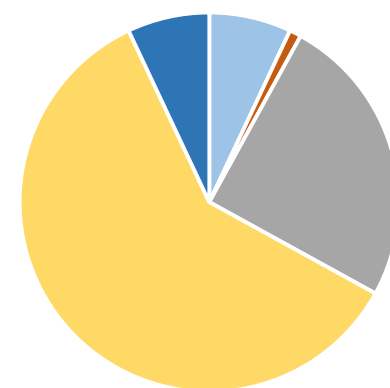


44%	■ Conventional	41%
3%	■ 9-projects	2%
53%	■ Non-conventional	57%

12M20

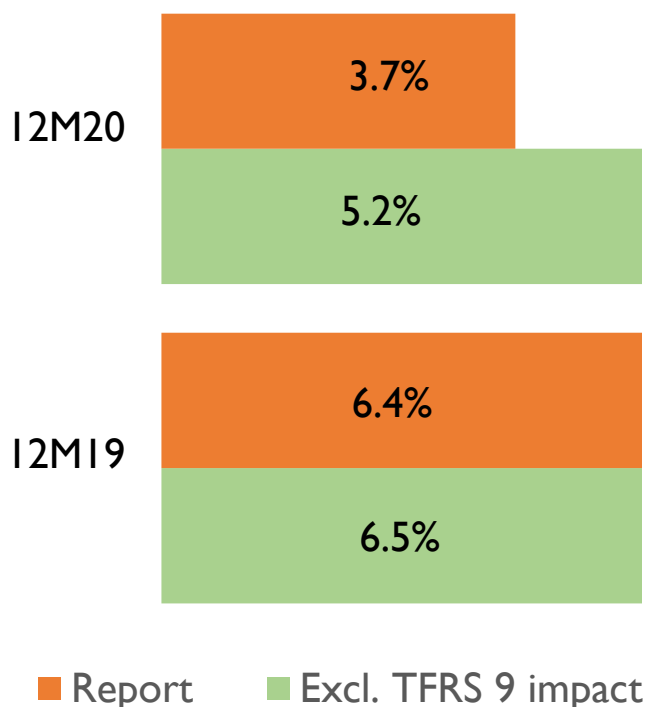


8%	■ Property	7%
2%	■ Marine & cargo	1%
25%	■ Motor	25%
55%	■ PA&H	60%
10%	■ Others	7%

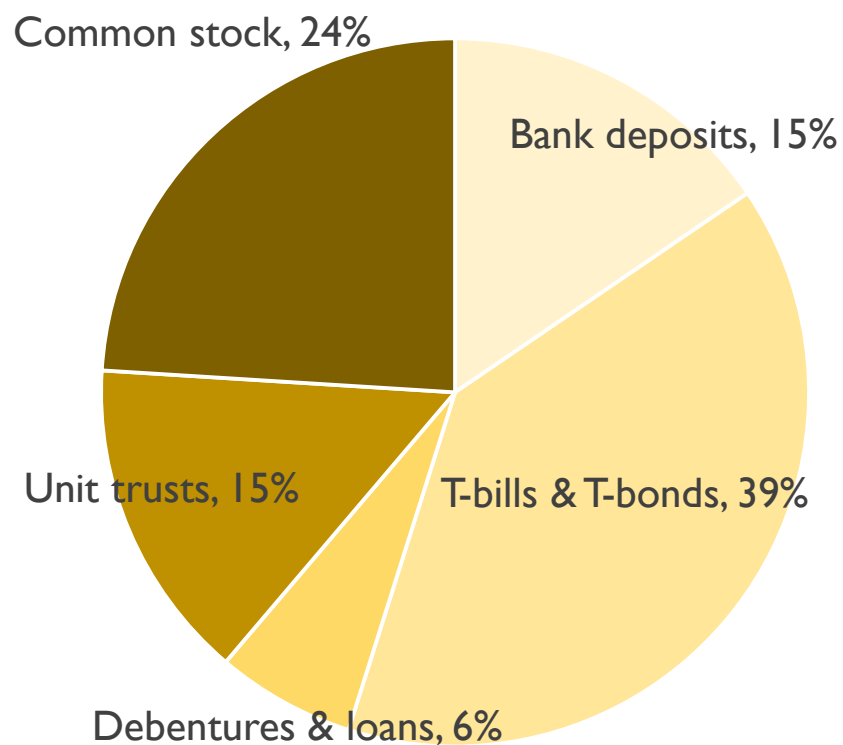


Investment performance

ROI



Investment assets
THB 4,196m



2021 Investment Theme

- Lower retrocession expense
- Hard Market, more favorable terms and conditions to us
- Post-pandemic; boom in health insurance
- Diversify investment portfolio to foreign market
- Expanding to ASEAN market
- Service income from AI project
- Launch blockchain-based projects

Q&A

Appendix

<u>Quarterly income (Conso)</u>	Q4/19	Q3/20	Q4/20	QoQ	YoY	12M19	12M20	YoY
Gross premium written	947	1,027	991	-4%	5%	4,455	4,329	-3%
Net premium written	857	932	978	5%	14%	3,498	3,944	13%
Net earned premium	899	968	1,009	4%	12%	3,609	3,750	4%
Net claims	544	446	472	6%	-13%	1,977	1,836	-7%
Net commission expenses	357	389	407	5%	14%	1,525	1,516	-1%
Other underwriting expenses	26	27	59	119%	127%	144	155	8%
Underwriting profit (loss)	-27	106	72	-32%	367%	-38	243	739%
Operating expenses	52	58	46	-21%	-12%	187	189	1%
Non-insurance income								
Net investment income	26	22	17	-23%	-35%	164	116	-29%
Gain (loss) on investment	58	0	0	0%	-100%	112	2	-98%
Fair value gain (loss)	9	6	7	17%	-22%	26	13	-50%
Share of profit (loss) from associate	0	0	0	0%	0%	0	0	0%
Net service income	16	13	18	38%	13%	80	63	-21%
Other income (expense)	6	1	5	400%	-17%	8	6	-25%
Total non-insurance income	115	42	47	12%	-59%	390	200	-49%
Interest expenses	0.1	0.1	0.1	0%	0%	0.2	0.4	100%
EBT	36	89	72	-19%	100%	164	255	55%
Income tax expense (income)	20	15	11	-27%	-45%	39	33	-15%
After tax profit	16	74	61	-18%	61%	125	222	78%
Non-controlling interests	-0.1	0	0	0%	100%	-0.3	0	100%
Profit of the parent	16	74	61	-18%	281%	125	222	78%
Profitability								
Net loss ratio	Q4/19	Q3/20	Q4/20	QoQ	YoY	12M19	12M20	YoY
	60.5%	46.0%	46.8%	0.8pp.	-13.7pp.	54.8%	49.0%	-5.8pp.
Acquisition costs ratio	42.5%	43.0%	46.1%	3.1pp.	3.6pp.	46.3%	44.6%	-1.7pp.
Operating expenses ratio (reinsurance)	6.0%	6.3%	5.1%	-1.2pp.	-0.9pp.	5.4%	5.4%	-0pp.
Combined ratio	109.0%	95.3%	98.0%	2.7pp.	-11.0pp.	106.5%	98.9%	-7.6pp.

Contact us



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