



THAIRE LIFE ASSURANCE PUBLIC COMPANY LIMITED

3Q 2021 and 9M 2021

Analyst Meeting

16 November 2021

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Agenda

- 1 About THREL & Business Overview**
- 2 Thailand Life Insurance Market**
- 3 Financial Performance**
- 4 Outlook & Strategic Plan**

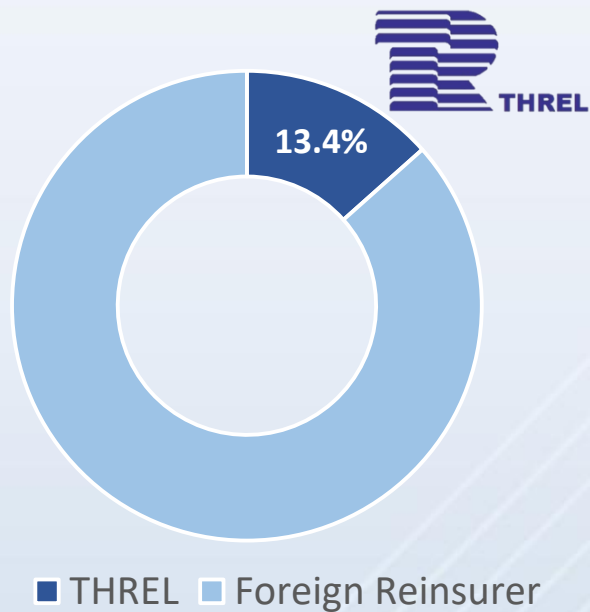
About THREL & Business Overview



THREL at a glance

- THREL is only local life reinsurance company in Thailand
- THREL established in 2000 and listed in the SET since October 9, 2013
- Though all 22 domestic life insurance companies are customer of THREL

Thailand Life Reinsurance Market Share in 2020



Global Competitors



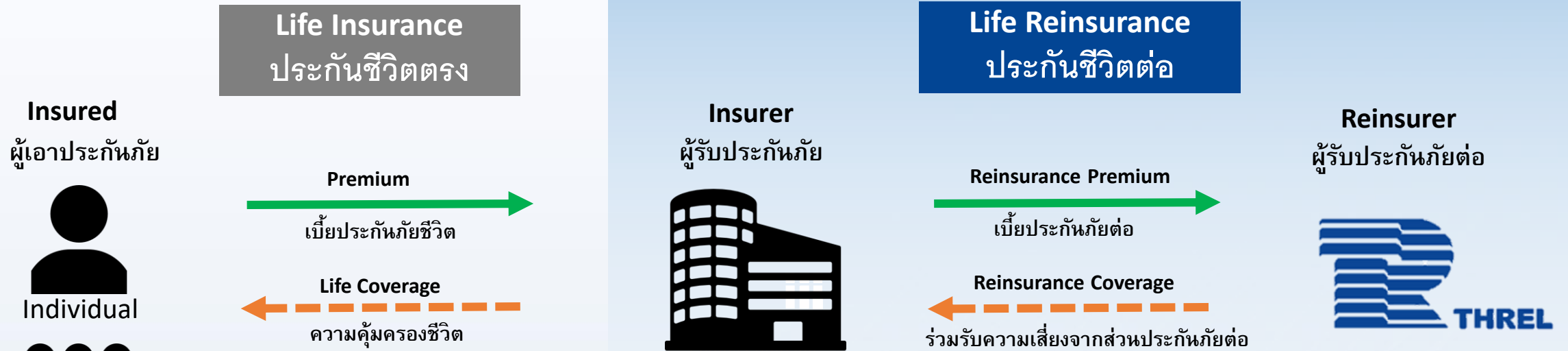
THREL Business Profile Update



THREL has been listed as Thailand Sustainability Investment 2021.



What THREL do?



- **We are only one Reinsurer with local service.**
THREL มีความเข้าใจตลาดและให้บริการได้รวดเร็ว
- **We maintain CAR >300% which equivalent to Credit rating AAA of OIC guideline.**
ลูกค้าจะมีต้นทุนที่ถูกกว่าหากใช้บริการกับ THREL
- **We gain market share 15-20% in Thai market.**
THREL เป็นบริษัทชั้นนำในตลาดประเทศไทย

Characteristics of THREL

OUR PRODUCTS



1. Ordinary Life



2. Group Insurance



3. Credit Life & Mortgage



4. Personal Accident



5. Health Rider

OUR SERVICES



REINSURANCE
SOLUTION



PRODUCT
DEVELOPMENT



TECHNICAL
TRAINING



MEDICAL
/UNDERWRITING

BUSINESS MODEL

Conventional

Insurers manage their own risk by ceding insurance

Non-Conventional

THREL being active reinsurer by provide product & marketing concept with insurers

INSURERS

ceding



- Market research
- Product development
- New distribution channels

ceding

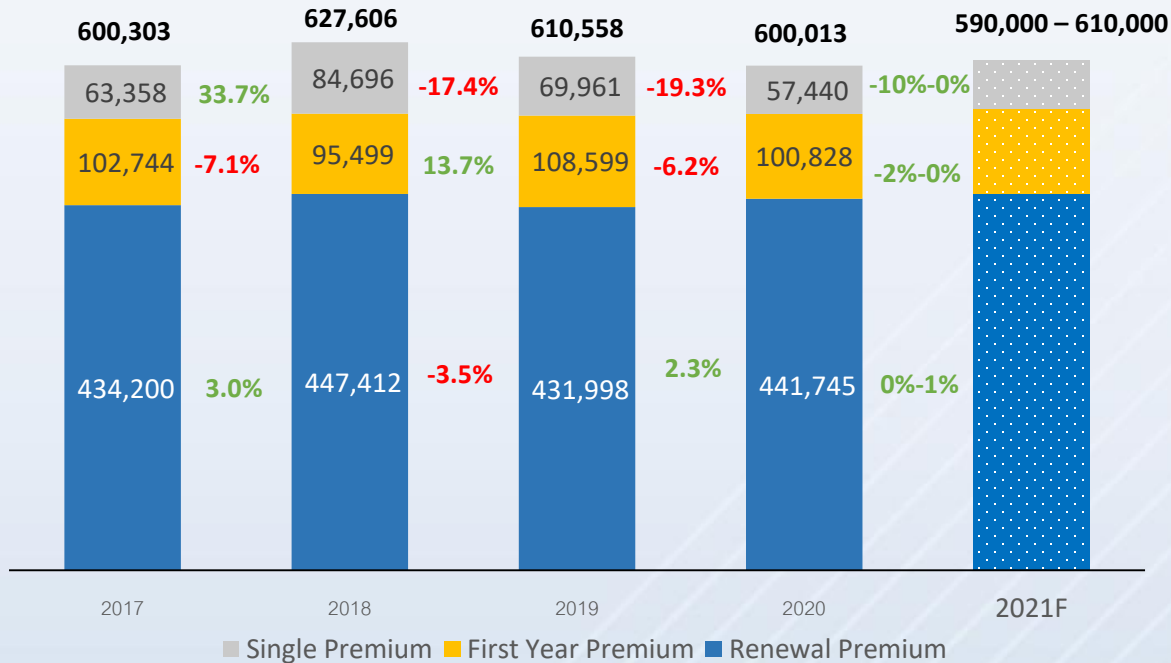
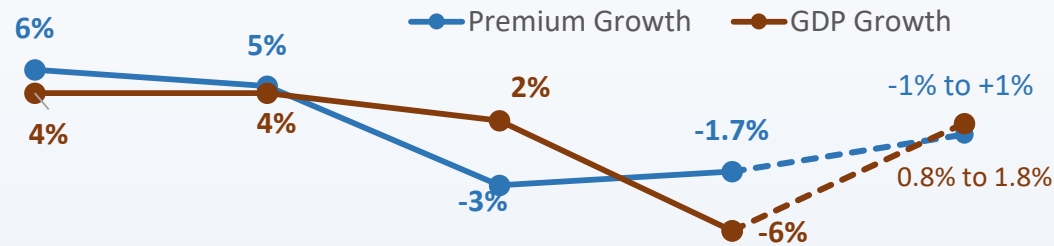
INSURERS

Thailand Life Insurance Market

Life Insurance Market Trends in 2021F

(Unit : Million Baht)

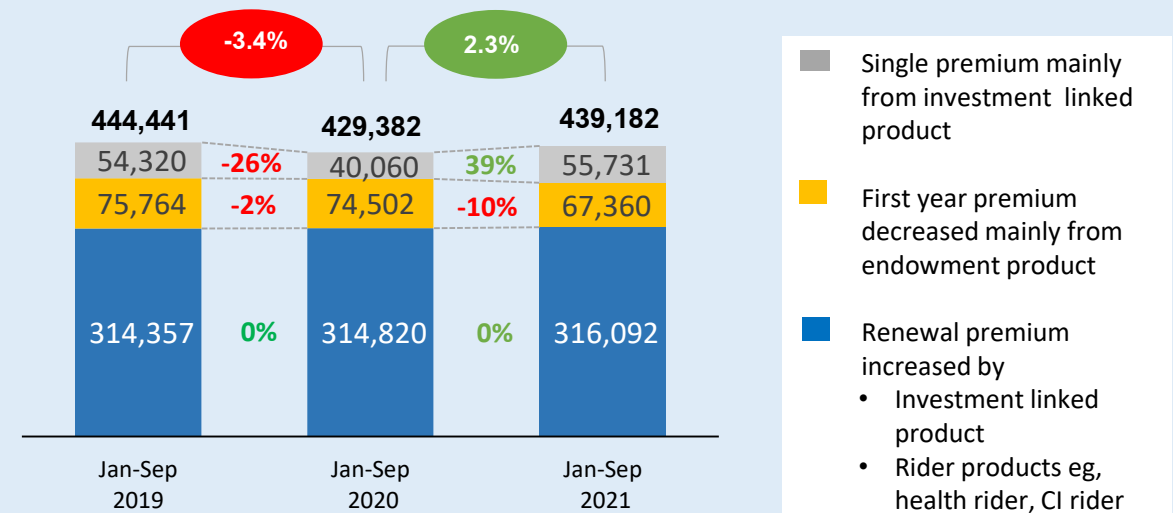
Premium growth VS GDP Growth(%) 2017 – 2021F



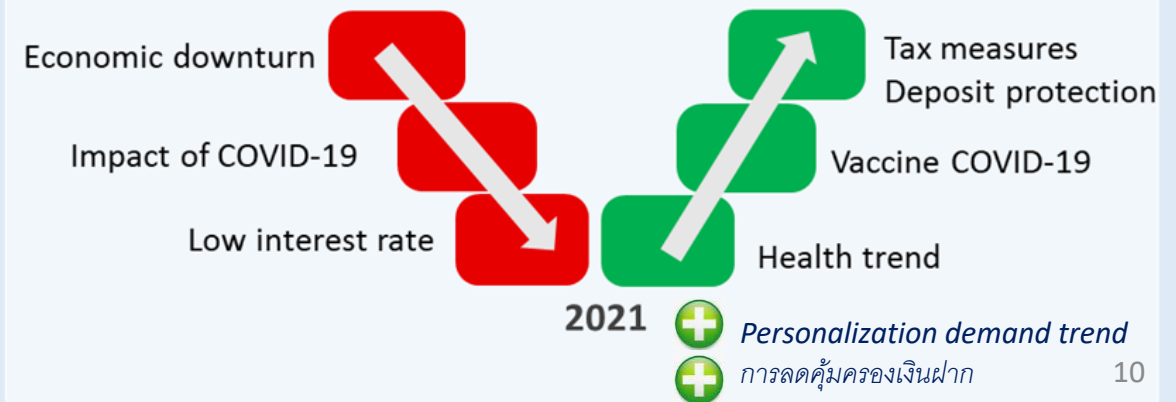
Trend in 2021

- Decrease in sum insured of primary life insurance due to the purchasing power of consumers.
- Focus more on Life protection product instead of endowment product.
- Health & CI is more popular.

Gross Premium Jan - Sep

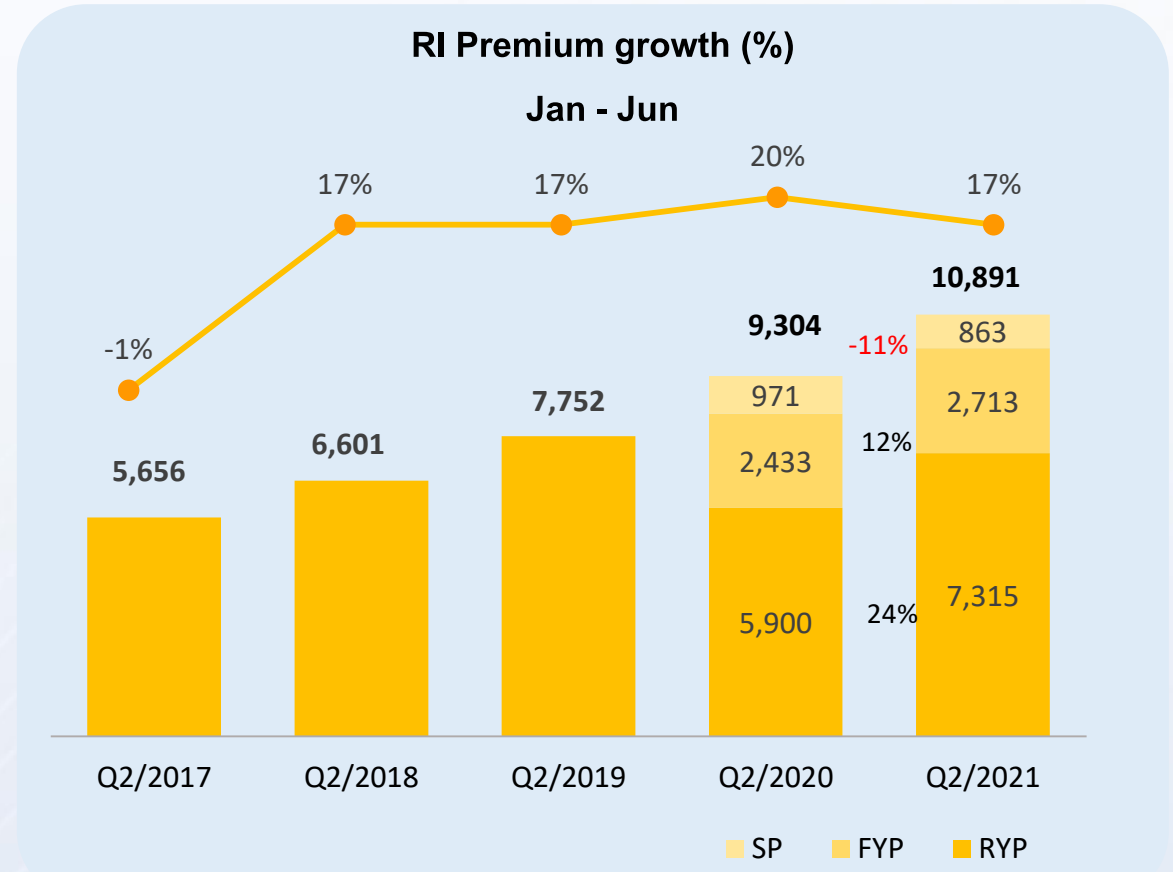
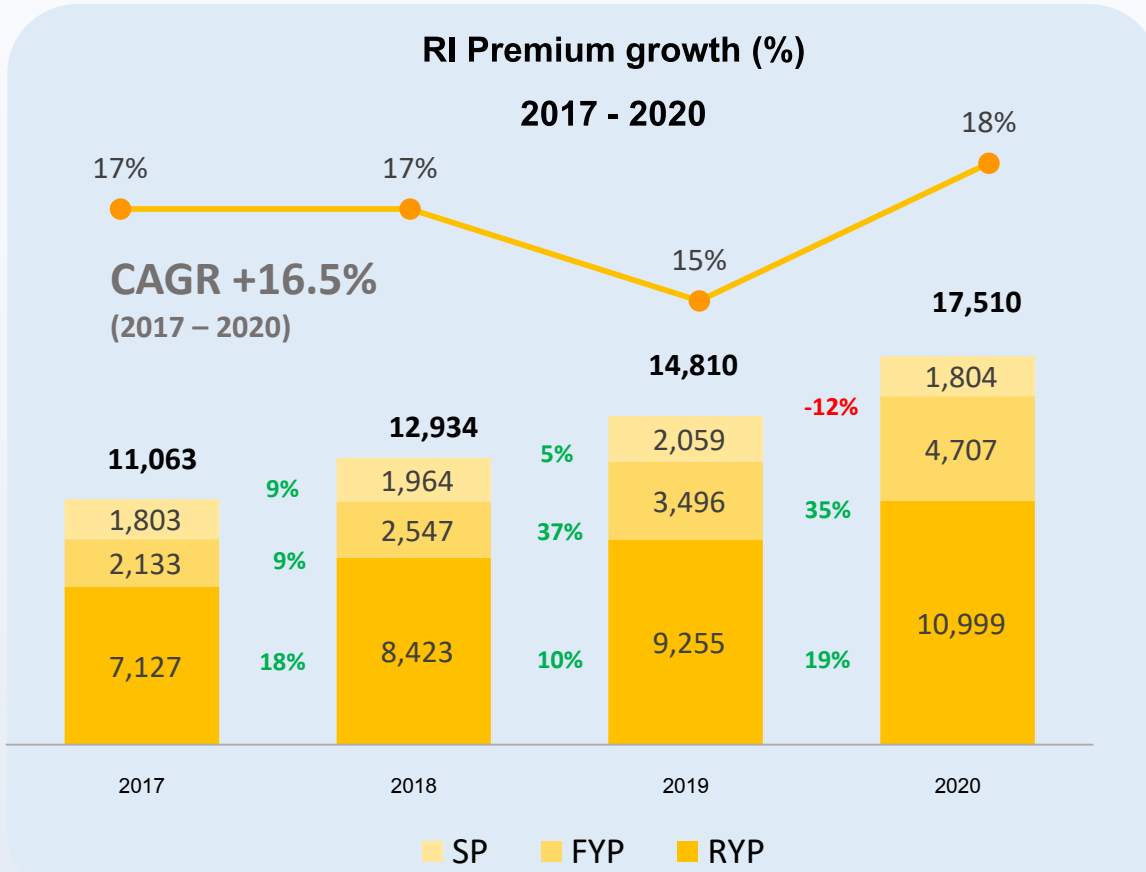


Key Challenge factor & Key Support factor



Reinsurance premium

(Unit : Mil Baht)

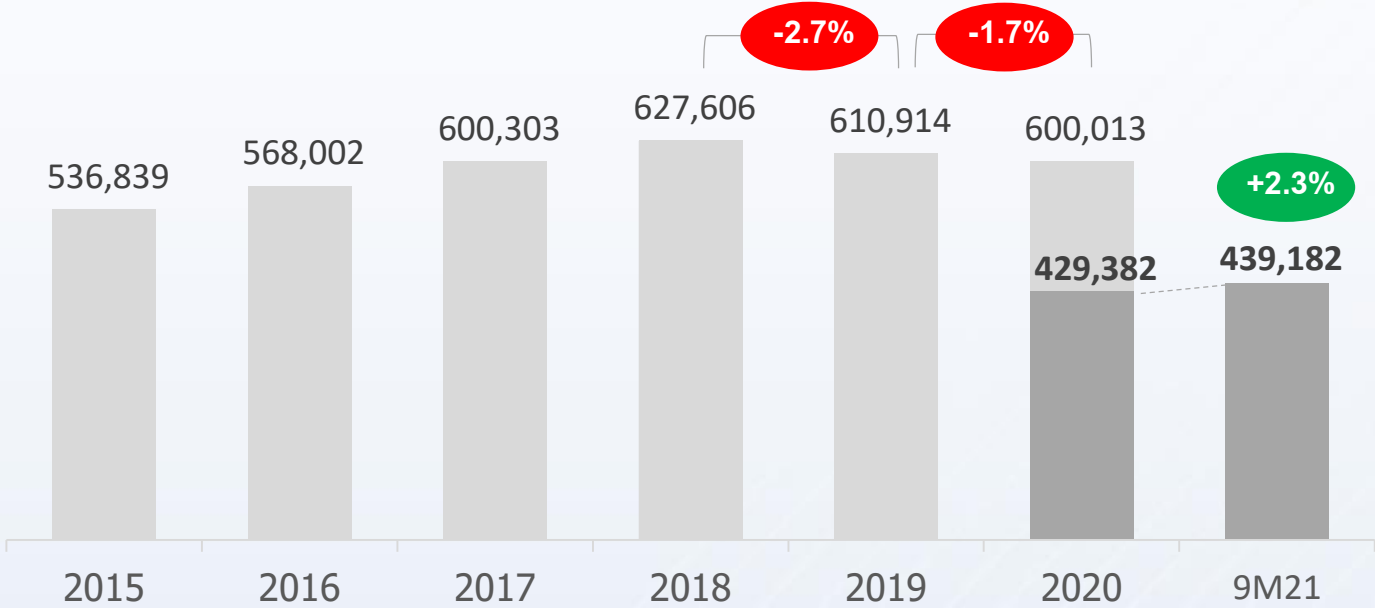


- RI premium shows the CAGR (2017-2020) is 16.5%.
- In 2020, *FYP's* RI premium have a risen by 35% from increasing of the ordinary life product is amount +1,084 MB, growth 94% from 2019. And *RYP's* RI premium have a risen by 19% from increasing of the ordinary life product and health & CI rider is amount +1,060 MB and +681 MB, respectively.

Thailand Insurance Market Vs THREL

Million Baht

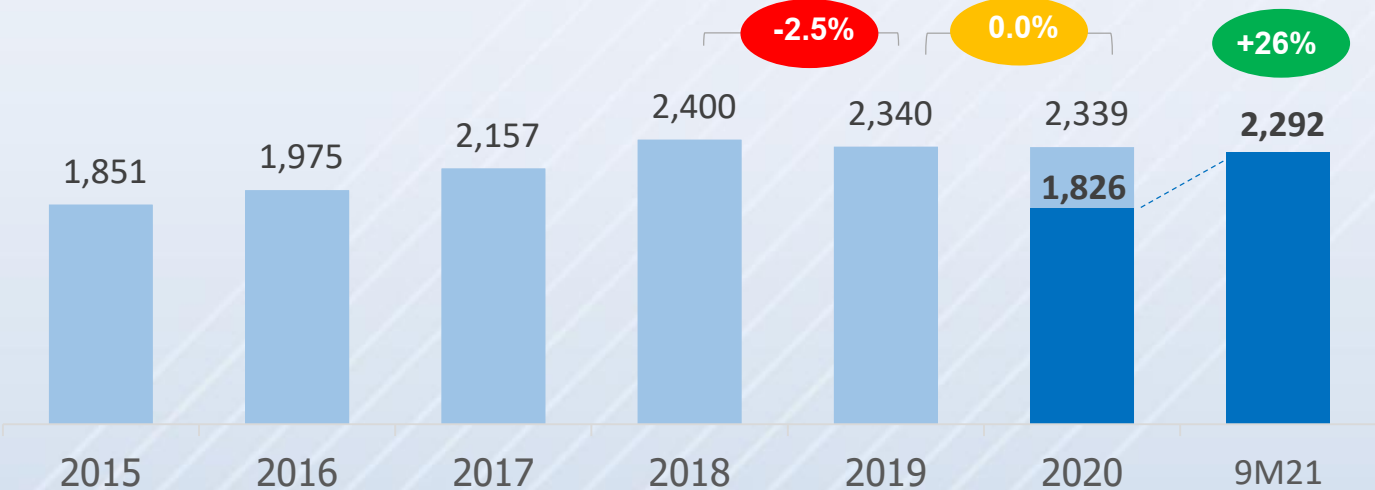
Market



Key factor

1. Covid-19
2. Low Interest Rate
3. Slowdown from Banking Sector
 - Lending e.g. SMEs
 - Loan to value Policy
 - NPL monitoring for TFRS#9
4. New Regulations
 - PDPA
 - IFRS#17

THREL



3Q 2021 and 9M 2021 Financial Performance

Financial Performance 3Q and 9M 2021

Unit: Million Baht

	3Q20	3Q21	YoY	9M20	9M21	YoY
Gross Written Premiums	581	842	45%	1,826	2,292	26%
Net Earned Premium	593	777	31%	1,702	2,014	18%
Change in Long-term policy reserve	7	(4)	-167%	33	0	-99%
Unexpired risk reserves	0	12	100%	(10)	12	226%
Net Claims	384	552	44%	1,111	1,403	26%
Net Commission	146	167	15%	433	446	3%
Earning on UWD - bef expenses	57	50	-11%	134	152	14%
Total Expenses	33	38	12%	97	109	12%
Earning on UWD - after expenses	24	13	-45%	37	44	18%
Net investment income and other	20	11	-46%	45	55	21%
Profit before tax	44	24	-45%	82	99	20%
Income Tax Expenses	6	3	-49%	10	13	32%
Net Profit	38	21	-45%	73	86	18%
EPS (Bt)	0.06	0.03		0.12	0.14	
Loss Ratio	65.4%	71.7%		66.2%	70.1%	
Commission Ratio	24.9%	21.7%		25.8%	22.3%	
Expenses Ratio	5.8%	4.5%		5.4%	4.8%	
Combined Ratio	96.1%	97.9%		97.4%	97.2%	

3Q/2021

Premium: growth 45% ,or +261 MB

- Premium growth from
 - Short-term business +271 MB mainly from Group due to new contracts.
 - Long-term business -11 MB mainly from credit life due to economic slowdown and bank delay lending.

Claim: +44%, or +168 MB

- Group claim increased related to the premium growth, especially from Group health.
- Claim reserve for COVID approximately 100 MB
- Credit life claim increased from major loss.

Investment -46%, or -9 MB

- Declined mainly due to impairment (15 MB).

9M/2021

Premium: growth 26% ,or +466 MB

- Premium growth from
 - Short-term business +525 MB
 - Long-term business -59 MB

Claim: +26%, or +292 MB

- Group claim increased related to the premium growth, especially from Group health and Group life.

Investment

- Overall increase mainly from Stock market recovery and gain from sale of securities.

Financial Performance 3Q and 9M – Excl.Claim Covid 100 MB

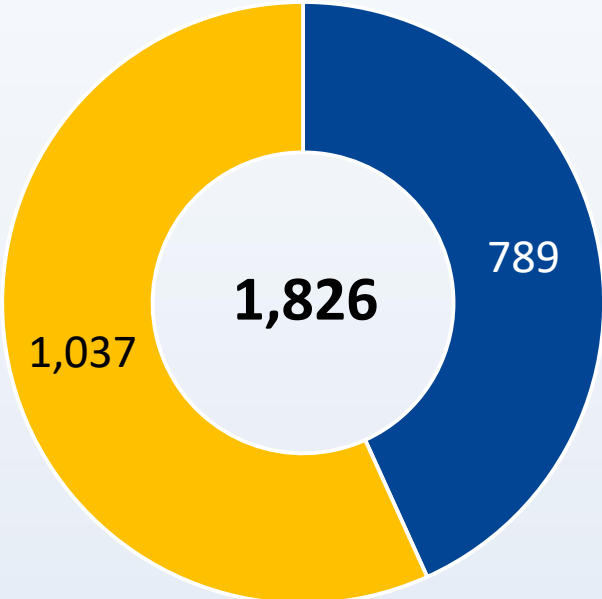
Unit: Million Baht

				---- Excl.Covid ----					---- Excl.Covid ----	
	3Q20	3Q21	YoY	3Q21	YoY	9M20	9M21	YoY	9M21	YoY
Gross Written Premiums	581	842	45%	842	45%	1,826	2,292	26%	2,292	26%
Net Earned Premium	593	777	31%	777	31%	1,702	2,014	18%	2,014	18%
Change in Long-term policy reserve	7	(4)	-167%	(4)	-167%	33	0	-99%	0	-99%
Unexpired risk reserves	0	12	100%	12	100%	(10)	12	226%	12	226%
Net Claims	384	552	44%	452	18%	1,111	1,403	26%	1,303	17%
Net Commission	146	167	15%	167	15%	433	446	3%	446	3%
Earning on UWD - bef expenses	57	50	-11%	150	164%	134	152	14%	252	88%
Total Expenses	33	38	12%	38	12%	97	109	12%	109	12%
Earning on UWD - after expenses	24	13	-45%	113	380%	37	44	18%	144	289%
Net investment income and other	20	11	-46%	11	-46%	45	55	21%	55	21%
Profit before tax	44	24	-45%	124	182%	82	99	20%	199	141%
Income Tax Expenses	6	3	-49%	3	-49%	10	13	32%	13	32%
Net Profit	38	21	-45%	121	220%	73	86	18%	186	156%
EPS (Bt)	0.06	0.03		0.20		0.12	0.14		0.31	
Loss Ratio	65.4%	71.7%	»»	58.7%		66.2%	70.1%	»»	65.1%	
Commission Ratio	24.9%	21.7%		21.7%		25.8%	22.3%		22.3%	
Expenses Ratio	5.8%	4.5%		4.5%		5.4%	4.8%		4.8%	
Combined Ratio	96.1%	97.9%	»»	84.9%		97.4%	97.2%	»»	92.2%	

THREL Product Mix 9M2021 Vs 9M2020

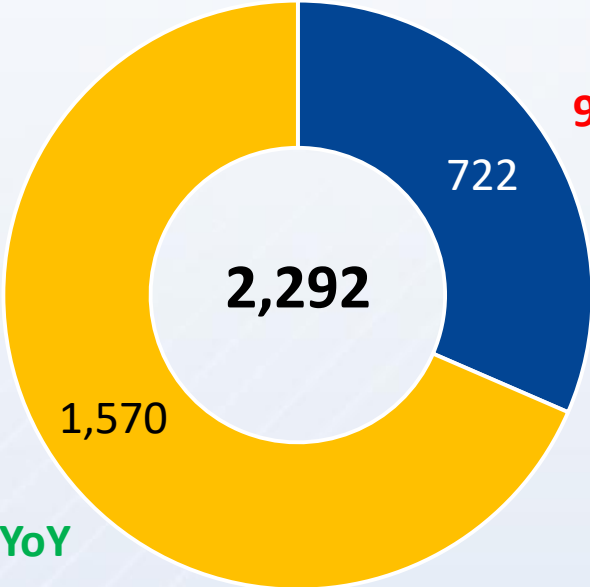
Million Baht

9M2020



43%	■ Long-term	32%
57%	■ Short-term	68%

9M2021



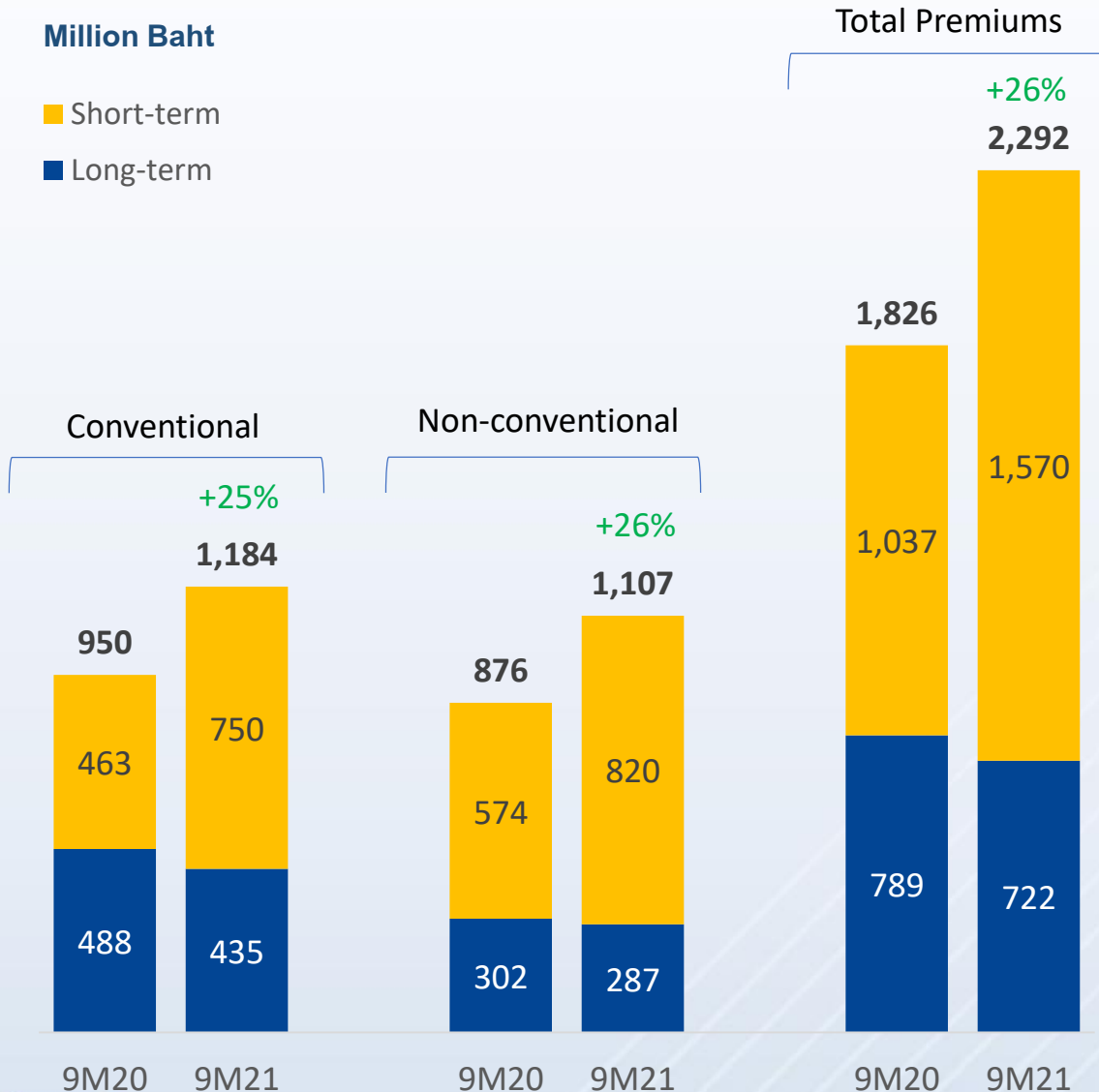
+51% YoY

9% YoY

Product Portfolio by Character of business (Con VS Non-con)

Million Baht

- Short-term
- Long-term



	9M20			9M21			%		
	Con	Non	Total	Con	Non	Total	Con	Non	Total
Premium	950	876	1,826	1,184	1,107	2,292	25%	26%	26%
%Contribution	52%	48%	100%	52%	48%	100%			
Earned Premiums	920	792	1,711	989	1,013	2,002	8%	28%	17%
Life Policy Reserve	0	33	33	0	0	0	0%	-100%	-100%
Net Claim	595	516	1,111	698	705	1,403	17%	37%	26%
Net Commission	268	165	433	235	211	446	-12%	28%	3%
Profit fr UWD	57	78	134	56	97	152	-2%	24%	13%
Loss Ratio	64.7%	68.1%	66.2%	70.6%	69.7%	70.1%			
Comission Ratio	29.2%	21.7%	25.8%	23.7%	20.9%	22.3%			
Expenses Ratio	5.4%	5.3%	5.4%	4.8%	4.7%	4.8%			
Combined Ratio	99.2%	95.1%	97.4%	99.1%	95.3%	97.2%			

Non-conventional business higher 26% which contributed to total company port at 48%

- Premium growth from both Group and Health product
- Commission ratio of non-conventional improved from 21.7% to 20.9%
- U/W profit improved from 78 MB to 97 MB or +24%

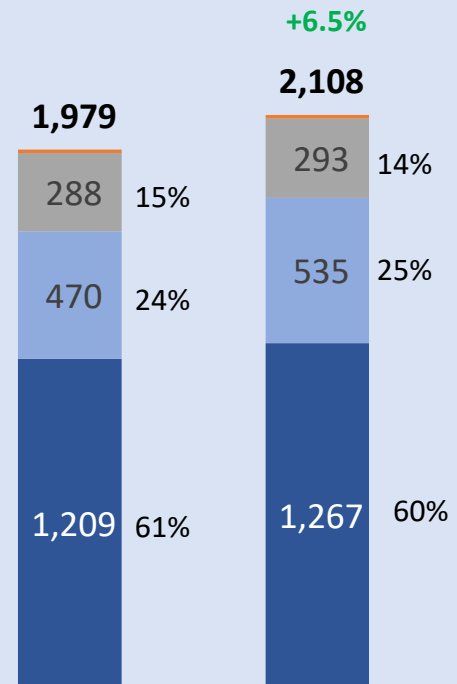
Conventional business higher 25% which contributed to total company port at 52%

- COVID-19 impact the new lending activity which directly impacted to credit life product
- Premium growth from Group health (New contract)
- U/W profit slightly decrease from 57 MB to 56 MB or -2%

Investment asset & income

Unit: Million Baht

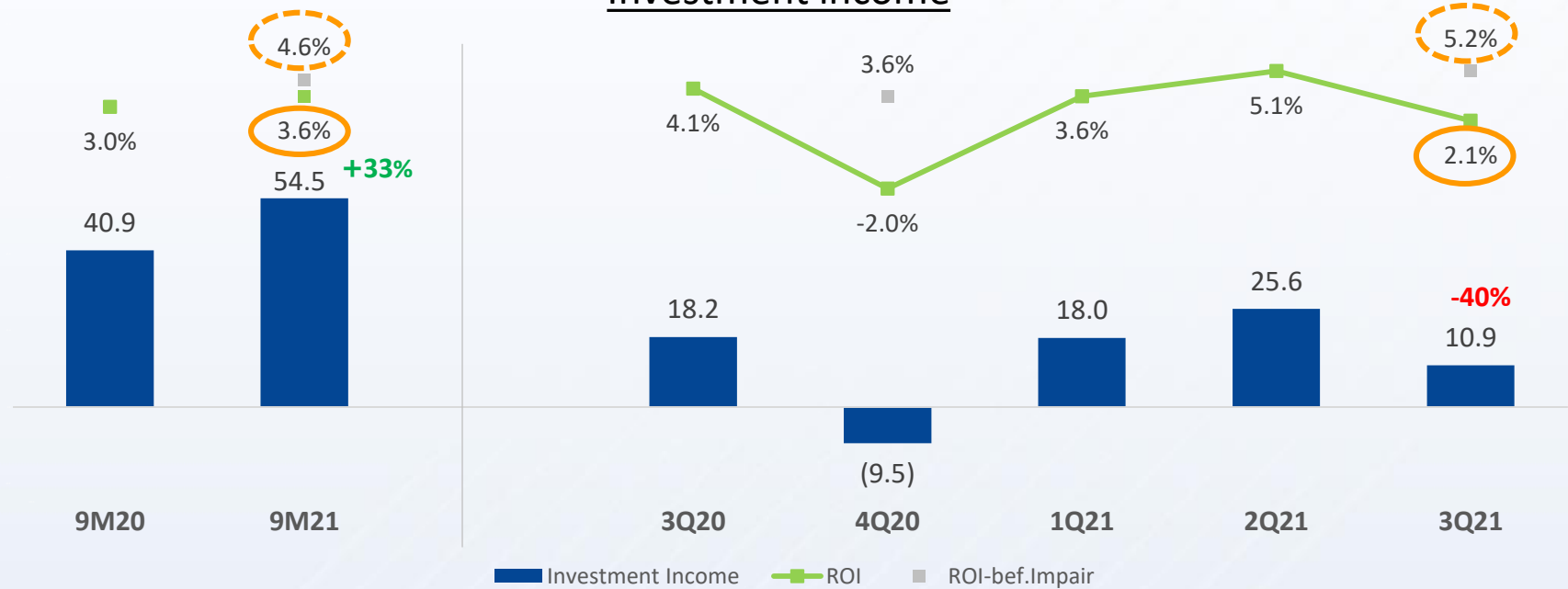
Investment asset



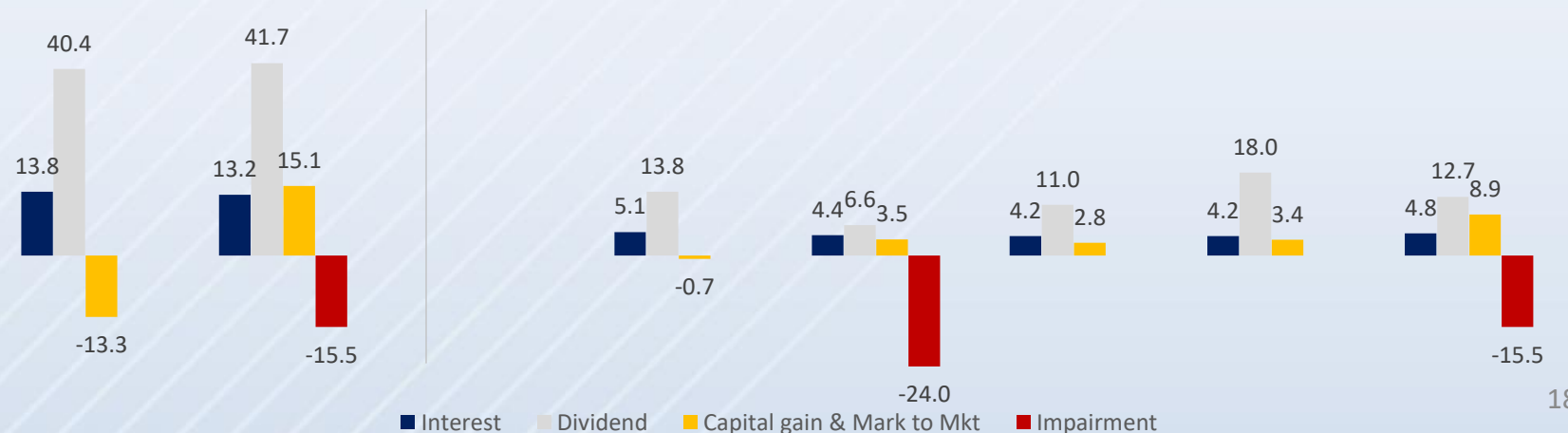
YE20 3Q21

- Investment in Associated Co., Ltd.
- Property Fund & Infra Fund & REITs
- Common Stock
- Bank & Fixed Income

Investment income



Breakdown by type of investment income

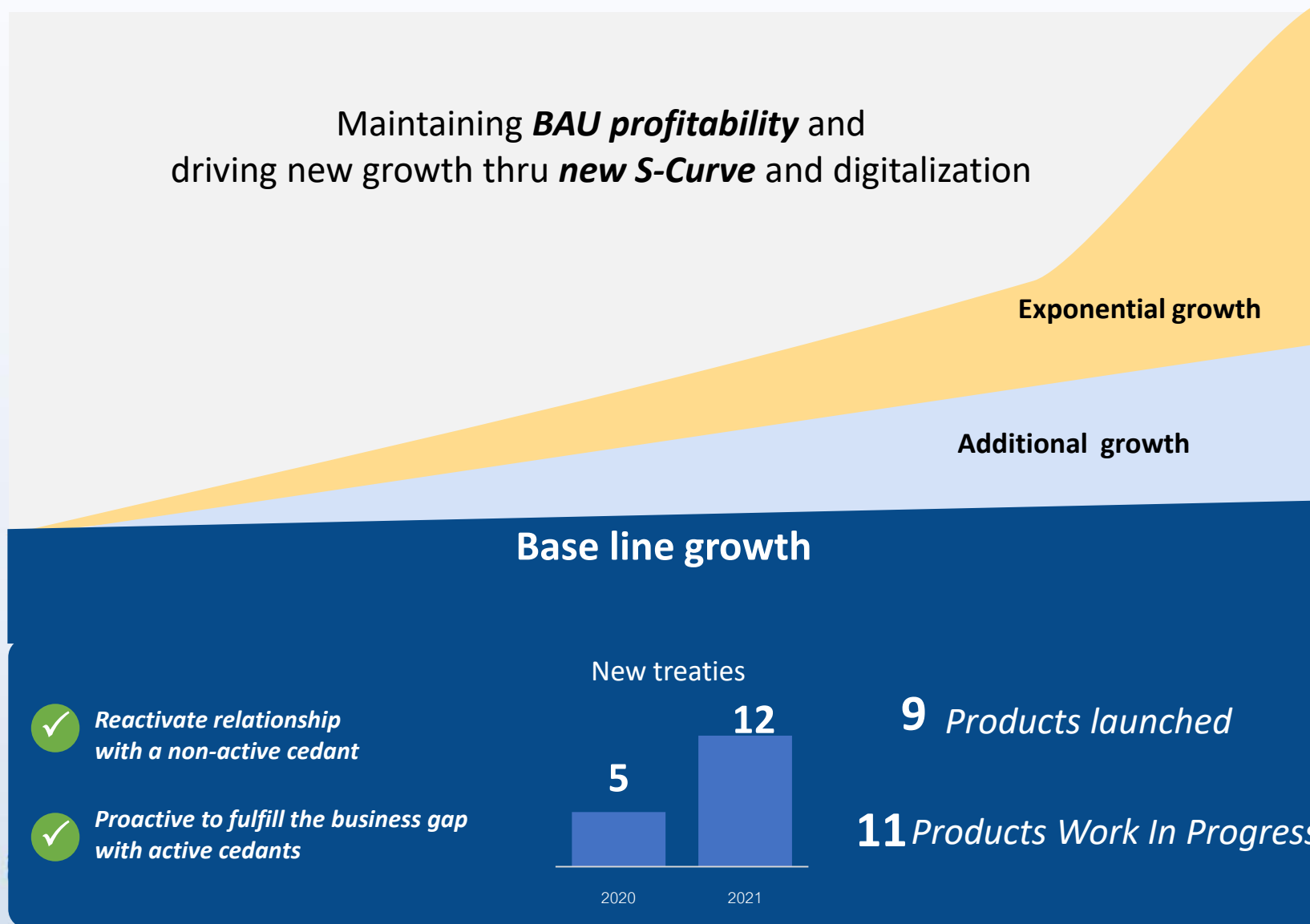


Outlook and Strategic Plan

S-Curve strategy update and outlook

This year we expect to achieve at **Gross premium >10%** growth from year 2020. We can increase new treaties, collaborate with new partners and expand to new market.

Maintaining **BAU profitability** and driving new growth thru **new S-Curve** and digitalization



✓ *Reactivate relationship with a non-active cedant*

✓ *Proactive to fulfill the business gap with active cedants*

New Partner

Digital broker

2 collaboration with product development sharing expected to launch in 2022.

Digital Partners

1 initiative project with Digital platform and 1 contract with ceding – Phase 1 operated.

PLRE's product

1 Critical Illness product on process with ceding company

New Market

CLMV Southeast Asia

Laos

1 New treaty in group life

Cambodia

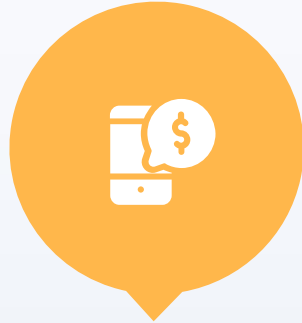
1HB product launch in Q4/2021
1HS product expected to launch in Q1/2022

Indonesia

1 collaboration with local reinsurer and
2 product proposed (CI128 and Diabetes)

Service and Customer target Solutions

This year alternative marketing team initiate the collaboration with several partners to obtain supplement service and customer target to be the value added service with our co-product development with client.



Customer Database & Communication Platform

Promote Product & Build Brand awareness to Partner's APP and community members



Sales & Acquisition

Professional Call Center services



Digital & Lead Generation

Get right potential prospects for our products with efficient cost thru Digital & Social Media channels



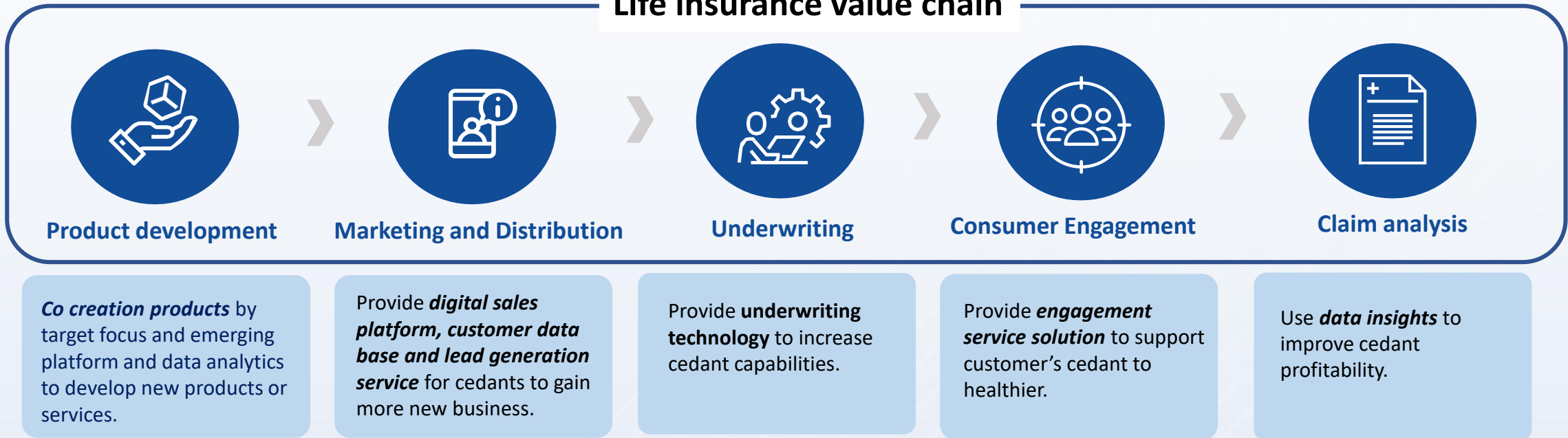
Product Development

Global Reinsurers, Pharmaceutical, Hospitals, TeleMed, TPA

Outlook and New S-curve strategy – New Partner

New Partner

Life insurance value chain



Establish Partnership to expand capabilities across the value chain (Upstream and Downstream)

- Pacific Life RE
- 2 Inter. reinsurer
- 4 Start up
- 1 Hospital
- 1 Phama company

- 1 Digital platforms partners
- 3 Broker

- Pacific Life RE's underwriting technology

- THREI
- Tech partner project

- Pacific Life RE's expertise in data analytics

THANK YOU!

Q & A?

