



THAIRE LIFE ASSURANCE PUBLIC COMPANY LIMITED

Analyst Meeting 1Q2021

11 May 2021

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Section 4 Outlook & Strategic Plan

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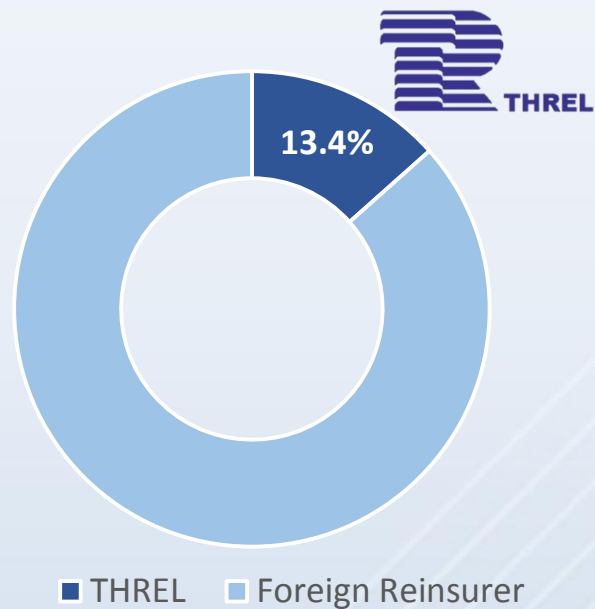
About THREL & Business Overview



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 2020F



Global Competitors



THREL Business Profile Update



A.M.Best Rating

A-

CAR

464%

As at 31Mar21
(Unaudited)

AGM Score

100 full score



“excellent” level

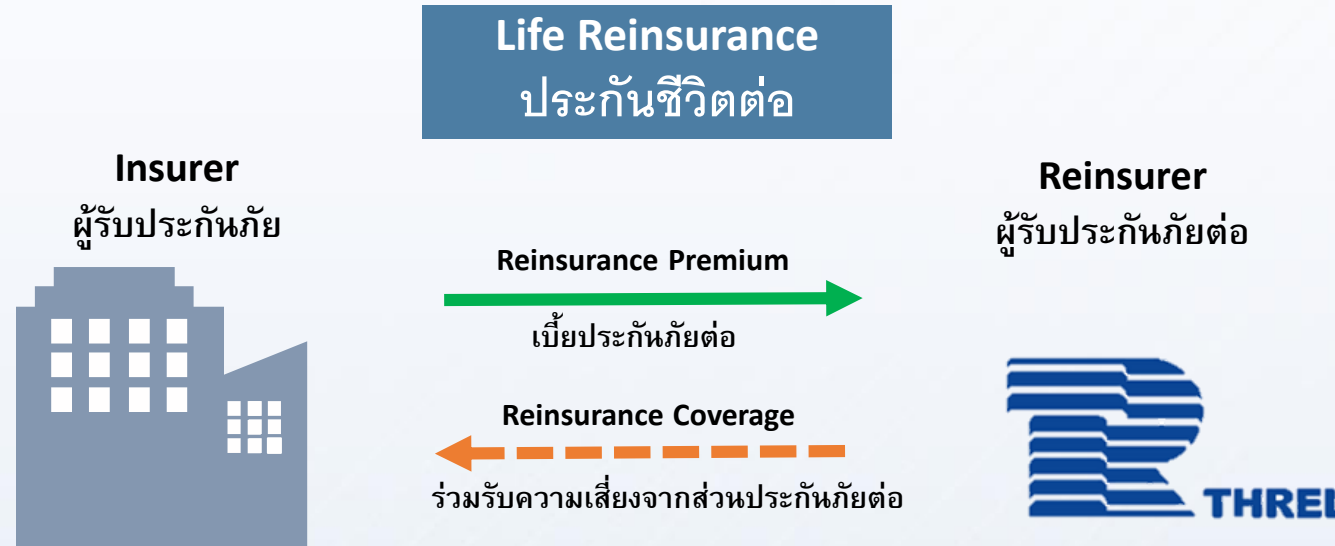
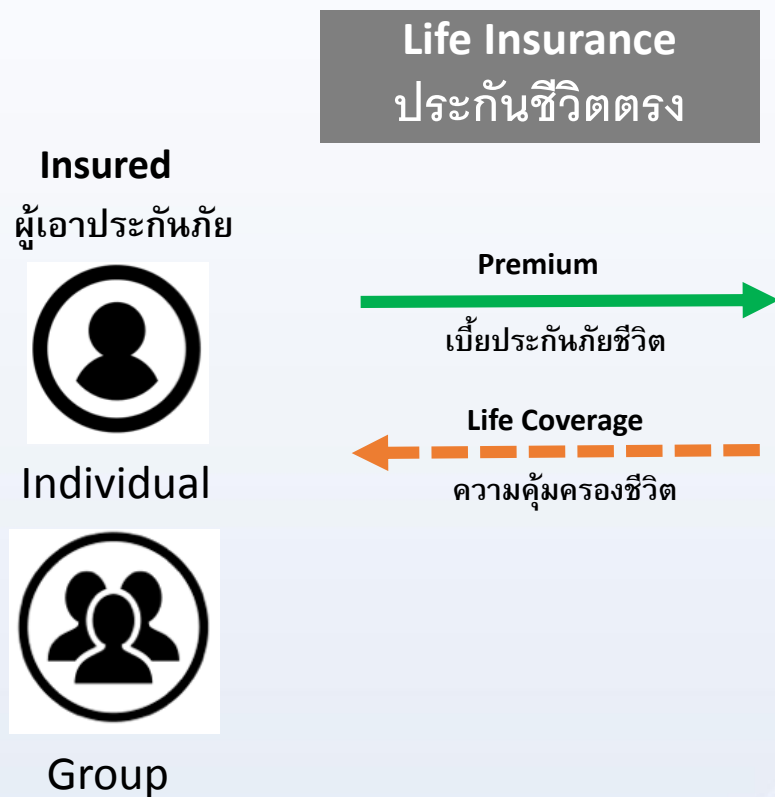
CG Score



“excellent” level

CAR as at 31 Dec 2020 = 429%

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

BUSINESS MODEL

Conventional

Non-Conventional

OUR SERVICE



REINSURANCE
SOLUTION



PRODUCT
DEVELOPMENT



TECHNICAL
TRAINING



MEDICAL UNDERWRITING
AND CLAIM MANAGEMENT

THREL Business Model

CONVENTIONAL

Conventional reinsurance is reinsurance provided for life insurance companies which make all arrangements by themselves, ranging from policy format to marketing and sales of products.

- + Market existence
- + Market penetration
- Price competition
- Uncontrollable underwriting quality

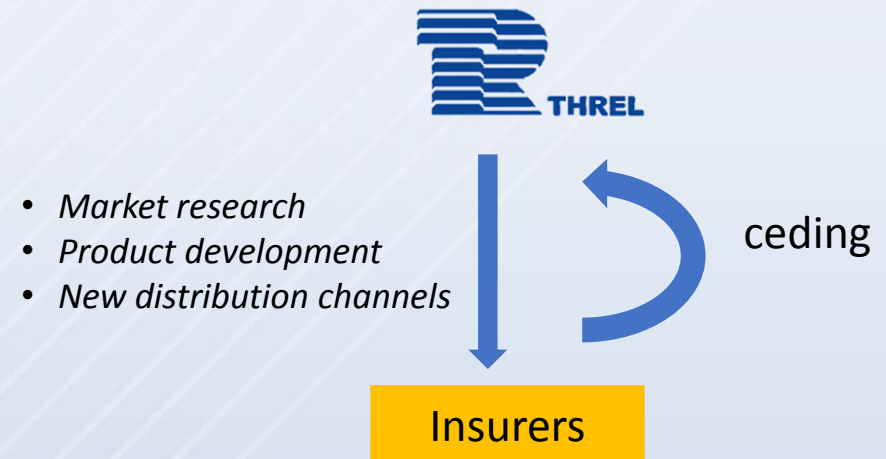
Strategy : Selective underwriting with adequacy protection

NON-CONVENTIONAL

THREL serves as an active reinsurer by participating in all activities with life insurance companies, ranging from new product launch and development to meet market demand. The both companies work together to determine appropriate product and pricing as well as sharing ratios.

- + Capability to control underwriting quality
- + Make full benefit from local market knowledge
- Require more time and effort to penetrate and create new market

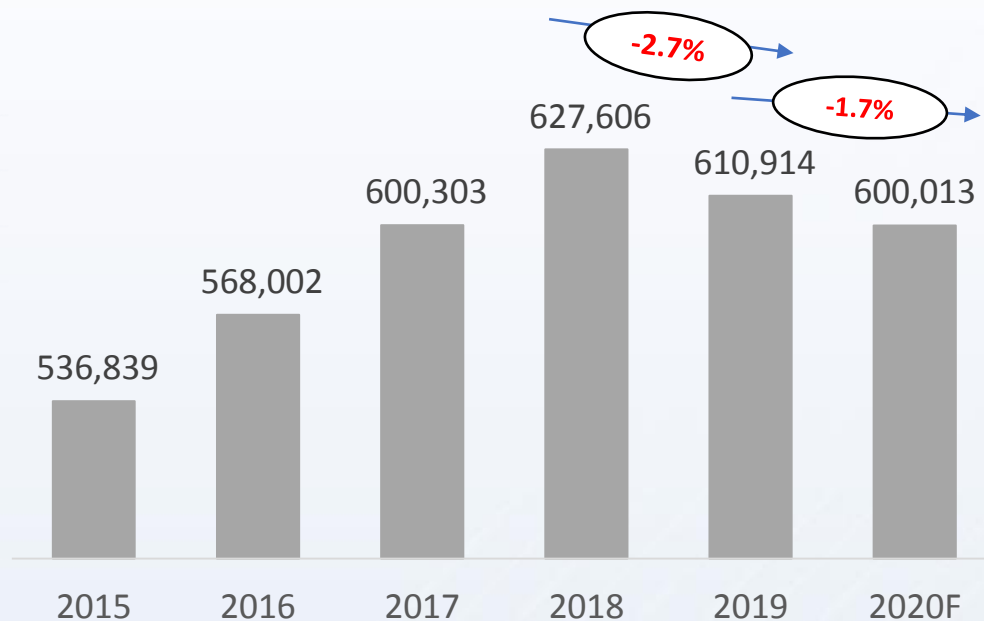
Strategy : Innovative with pricing model



Thailand Life Insurance Market

Thailand Insurance Market Vs THREL

Million Baht

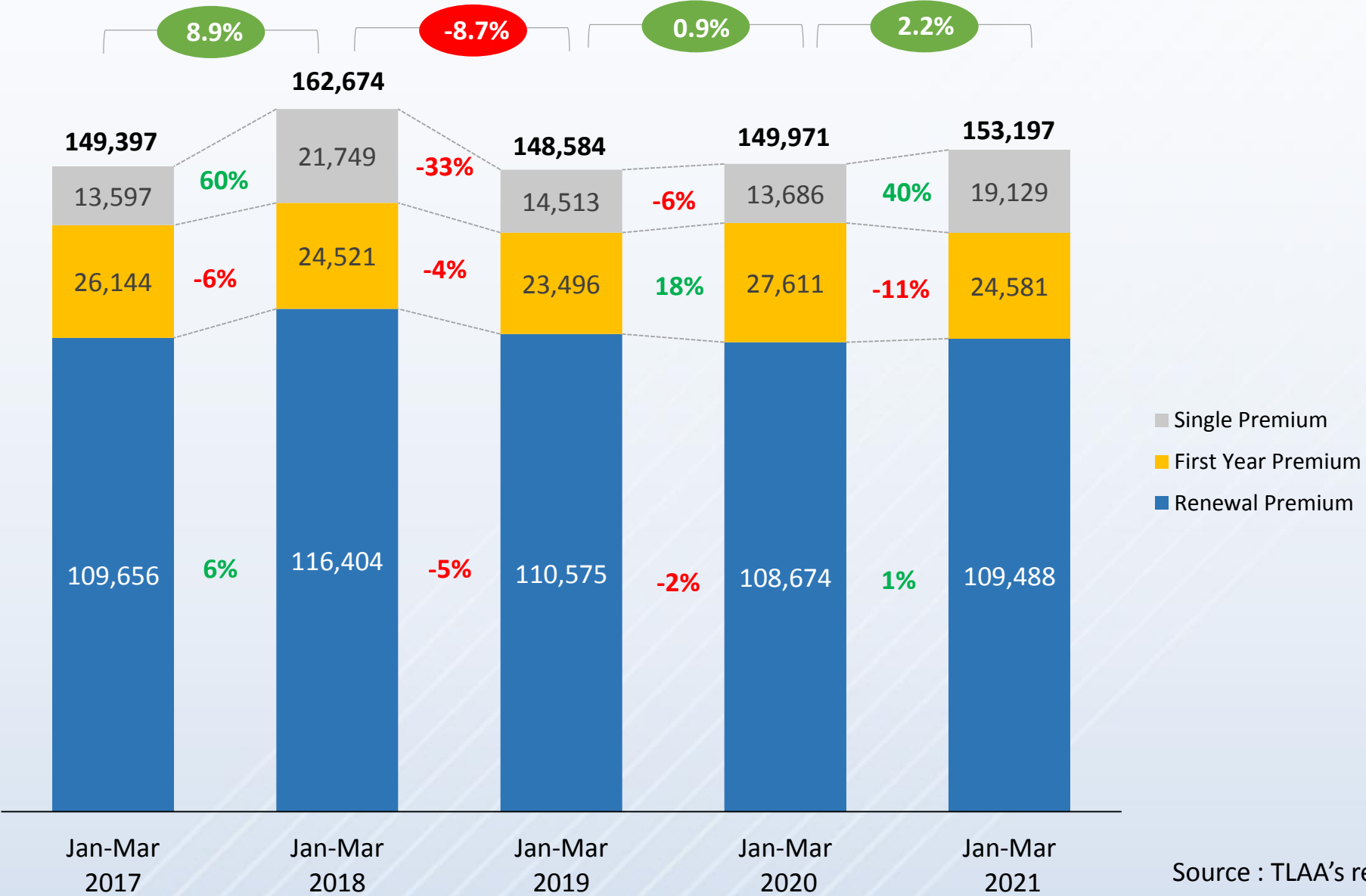


Key factor

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

Thailand Life insurance Market in Q1

Million Baht



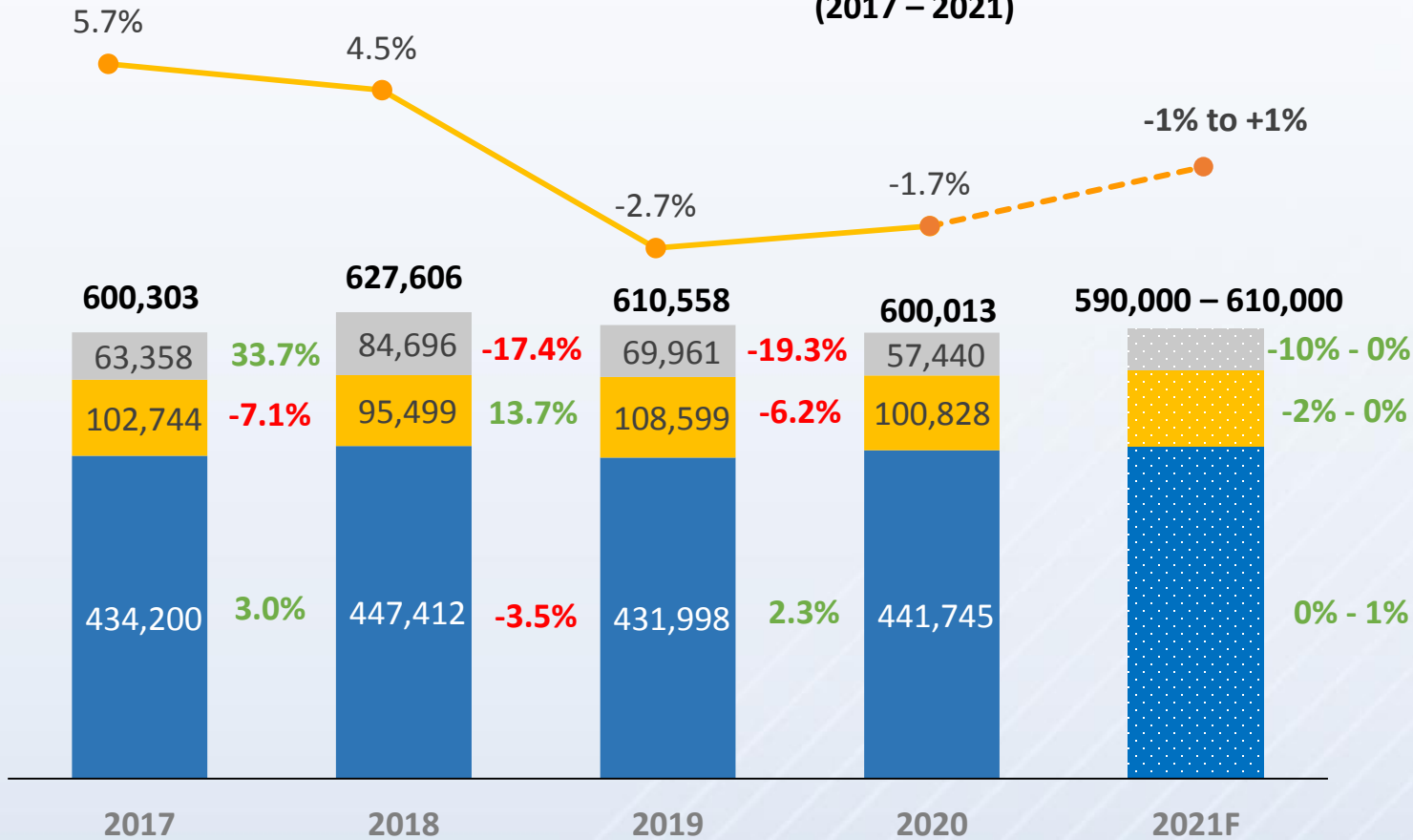
Source : TLAA's report

Life Insurance Market Trends in 2021F

Million Baht

Premium growth(%)

CAGR -0.02%
(2017 – 2021)



Trend in 2021

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

■ Single Premium
■ First Year Premium
■ Renewal Premium

Source: Year 2017– 2019 : TLAA’s Annual Report
 Year 2020 : OIC’s Statistic data by quarterly
 Year 2021F : TLAA’s Forecast



1Q2021 Financial Performance

Financial Performance 1Q2021 and 1Q2020

Million Baht

	1Q21	1Q20	YoY	
Gross Written Premiums	480	520	(41)	-8%
Net Earned Premium	524	527	(3)	-1%
Change in Long-term policy reserve	(11)	17	(28)	-161%
Unexpired risk reserves	0	(10)	10	100%
Net Claims	351	325	27	8%
Net Commission	136	137	(1)	-1%
Earning on UWD - bef expenses	48	58	(10)	-17%
Total Expenses	33	33	1	2%
Earning on UWD - after expenses	14	25	(11)	-43%
Net investment income and other	18	9	9	104%
Profit before tax	33	34	(1)	-4%
Income Tax Expenses	5	5	(1)	-17%
Net Profit	28	29	(0)	-2%
EPS (Bt)	0.05	0.05		
Loss Ratio	65.7%	62.5%		
Commission Ratio	25.4%	26.3%		
Expenses Ratio	7.0%	6.4%		
Combined Ratio	98.1%	95.2%		

1Q/2021

Premium: dropped 8%

- Negative premium growth from
 - Long-term business at 24 MB mainly from credit life due to economic slowdown and bank delay lending.
 - Short-term business at 17 MB mainly from Group life due to contract cancellation.

Life policy reserve: End of special GPV reserve

- GPV reserve decrease 28MB due to the special reserve from recapture was done by the first half of 2020.

Claim: +27 MB or 8%

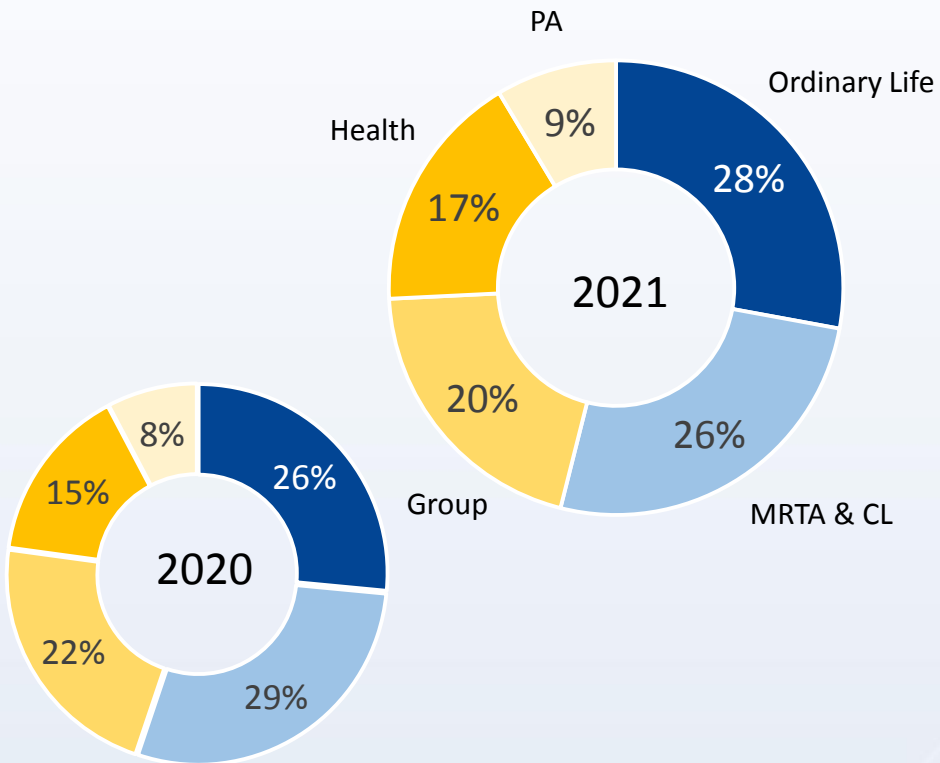
- Health claim increased related to the premium growth

Investment

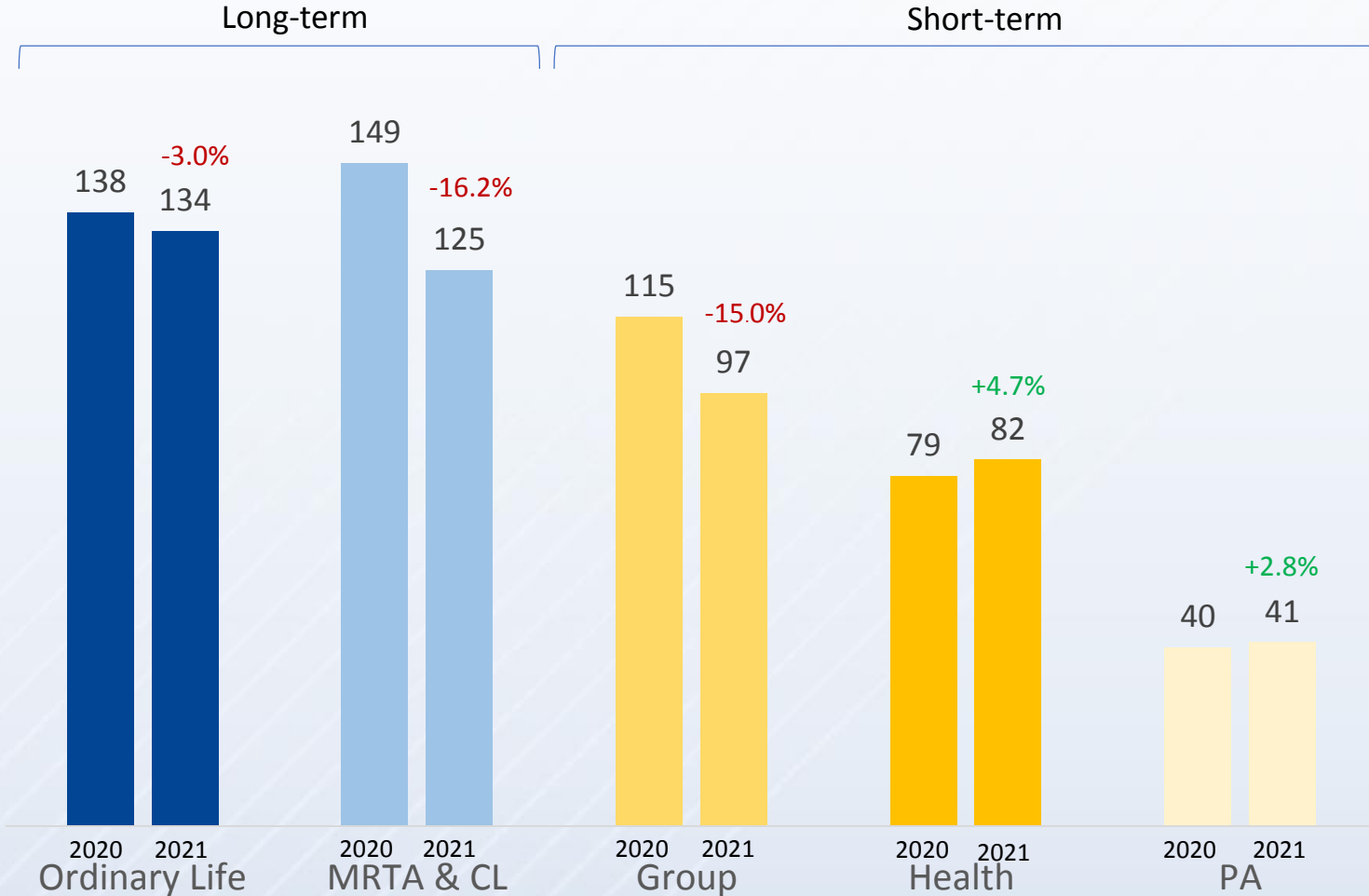
- increase mainly due to the recovery of the market situation.

THREL Product Mix 1Q2021 Vs 1Q2020

Million Baht



Remark
 Group (Life, Health, PA)
 Health (Individual health & CI)

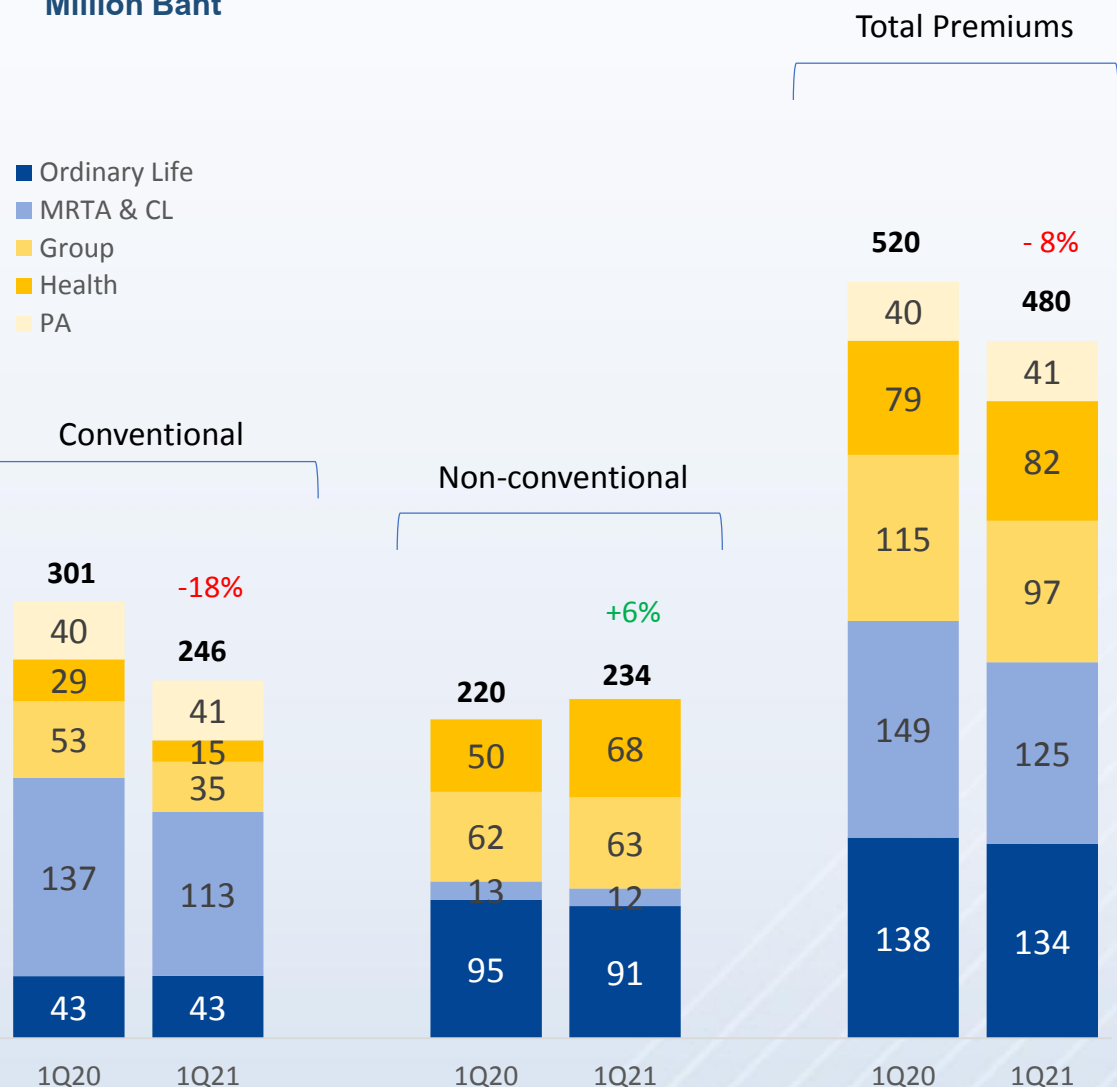


- Ordinary life and Credit Life insurance decreased due to market conditions and lower interest rates, especially in the conventional business.
- Group decrease from contract cancellation.
- Health (Individual) increase from market trend.

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

Million Baht

- Ordinary Life
- MRTA & CL
- Group
- Health
- PA



	1Q20			1Q21			% Change		
	Con	Non	Total	Con	Non	Total	Con	Non	Total
Premium	301	220	520	246	234	480	-18%	6%	-8%
%Contribution	58%	42%	100%	51%	49%	100%			
Earned Premiums	301	227	527	254	270	524	-16%	19%	-1%
URR	(5)	(4)	(10)	0	0	0	100%	100%	100%
Life Policy Reserve	1	16	17	(2)	(8)	(11)	-300%	-150%	-165%
Net Claim	172	152	325	178	173	351	3%	14%	8%
Net Commission	83	53	137	68	68	136	-18%	28%	-1%
Profit fr UWD	49	9	58	11	37	48	-78%	311%	-17%
Loss Ratio	56.6%	70.9%	62.5%	69.4%	62.3%	65.7%			
Comission Ratio	27.4%	24.9%	26.4%	26.4%	24.4%	25.4%			
Expenses Ratio	6.4%	6.3%	6.4%	7.1%	7.0%	7.0%			
Combined Ratio	90.4%	102.1%	95.2%	102.9%	93.7%	98.1%			

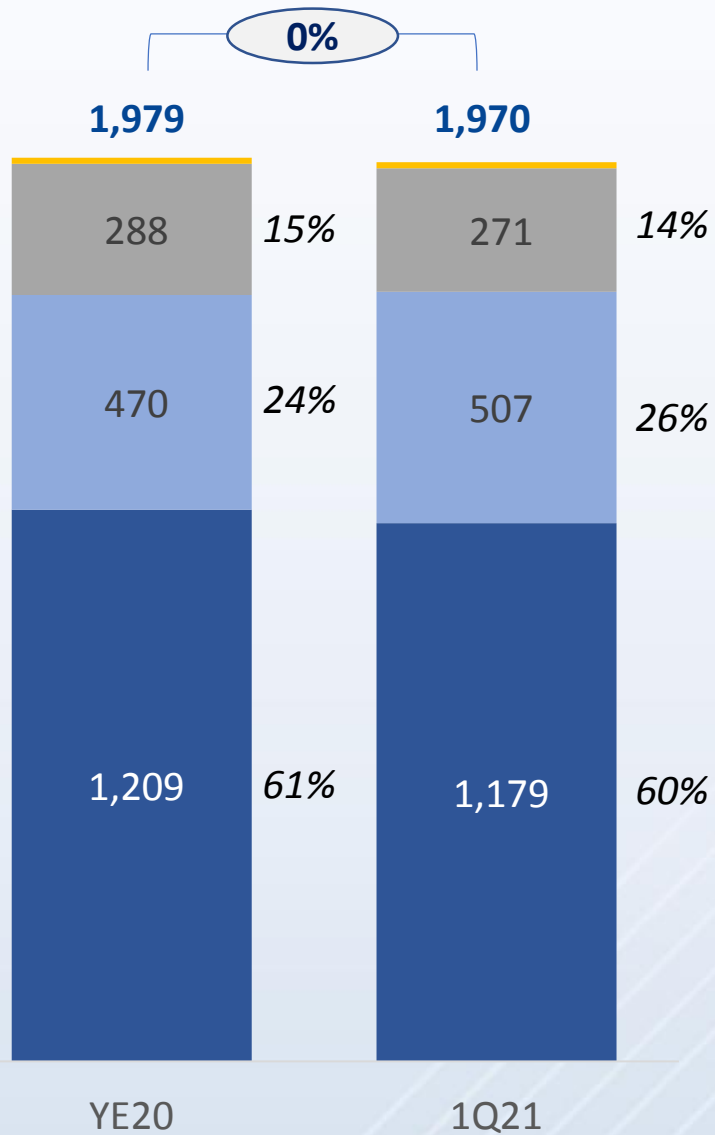
Non-conventional business higher at 6% which contributed to total company port at 49%

- Premium growth from both PA business and health product
- Loss ratio of non-conventional improved from 70.9% to 62.3%
- U/W profit improved from 9 MB to 37 MB or +311%

Conventional business was impacted from COVID-19 situation

- COVID-19 impact the new lending activity which directly impacted to credit life product
- Premium dropped from group and health due to contract cancellation

Investment Assets

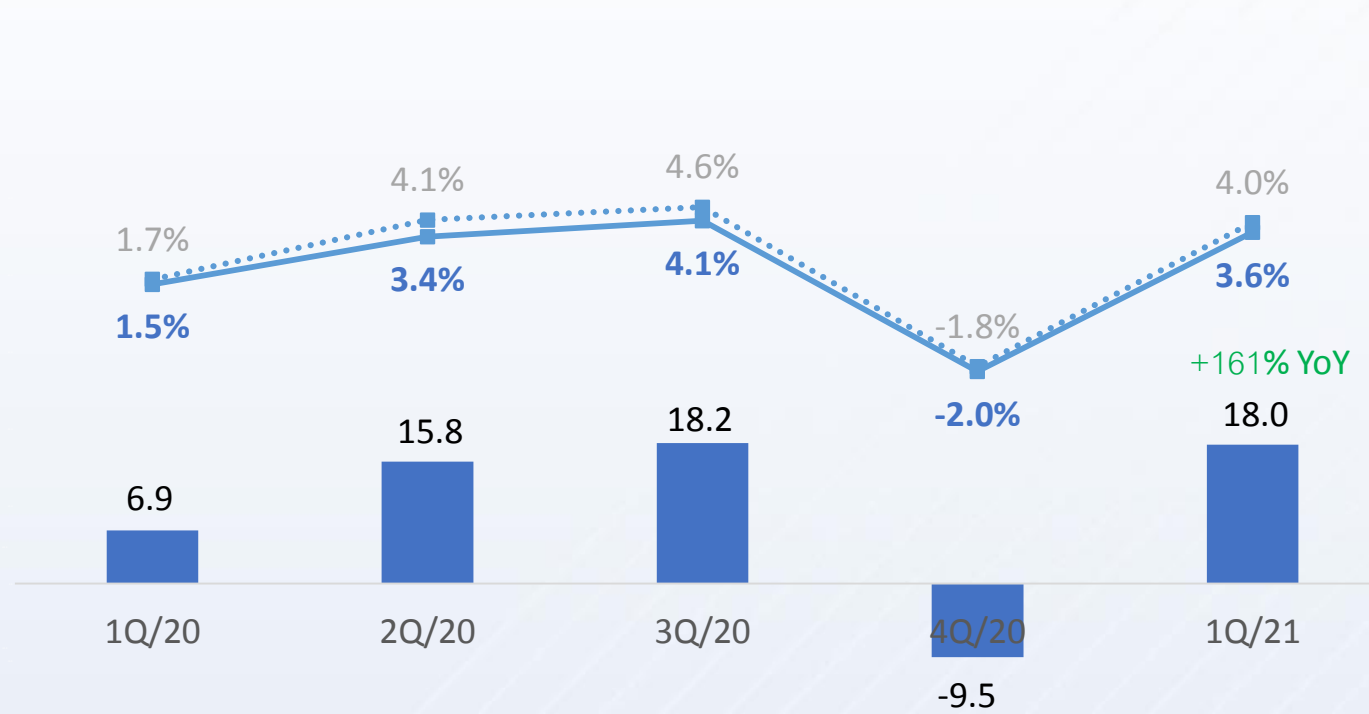
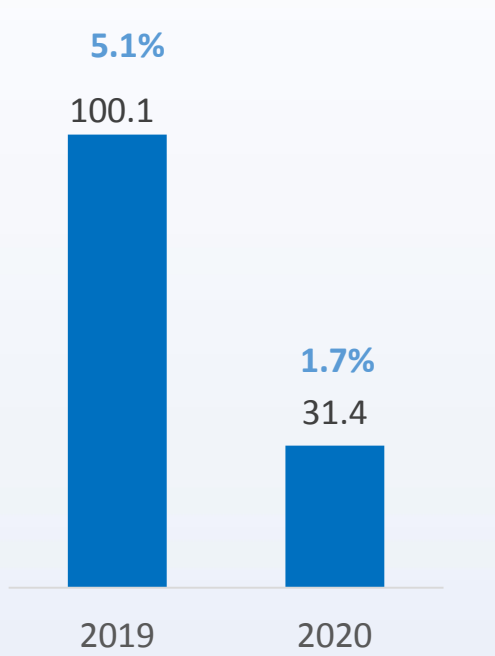


- The majority of investment assets around 60% are Cash in Bank and Fixed Income.
- Common stocks are classified as Available For Sale (AFS).
- THREL manage investment by optimizing investment return vs risk charge under OIC regulation and focusing on both total ROI% and regulated ROI%.

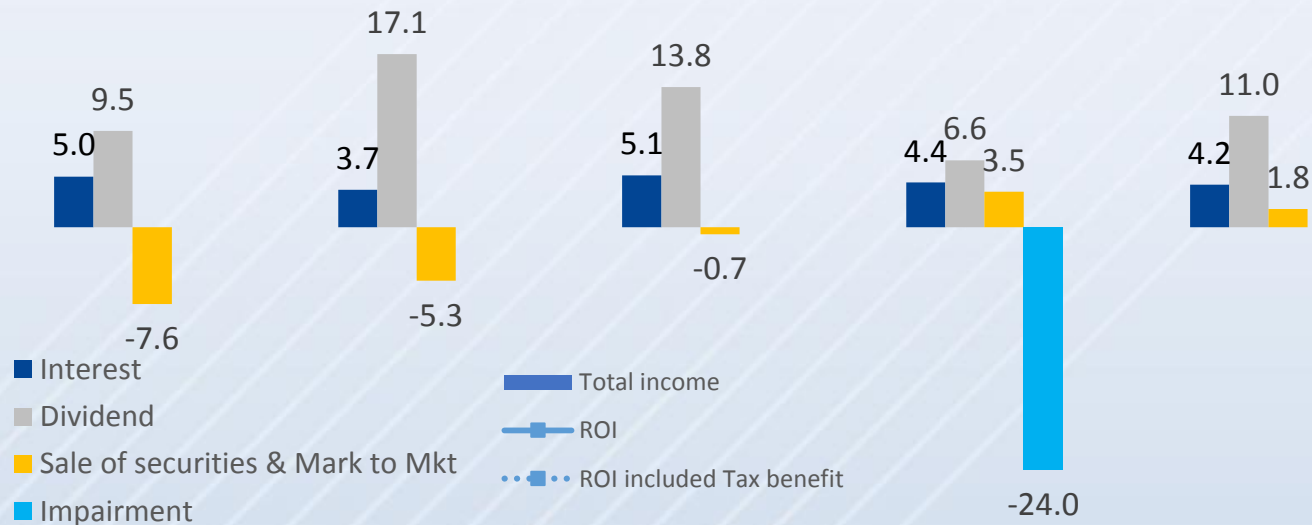
(by OIC : ROI% = interest income + dividend income on total investment.

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

Investment Income

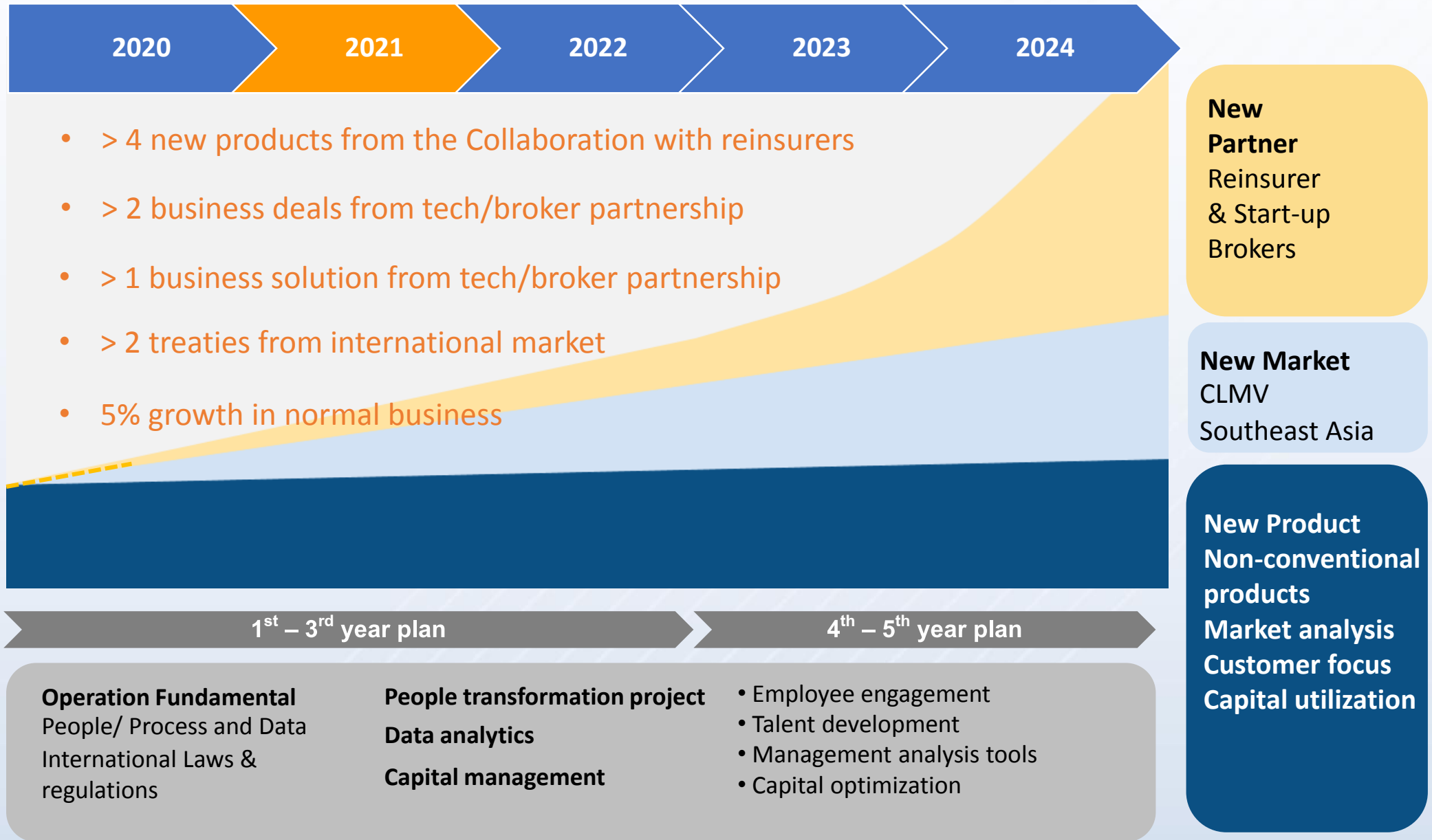


1Q/21 investment income increased by +161% YoY mainly caused by increase in gain on sales of securities and MTM, while interest and dividend closely to previous year.



Outlook and Strategic Plan

Outlook 2021 and Strategic Plan



Collaboration agreement with Pacific Life Re (PLRE)



TOP 5 In US life insurance	\$2 B Earned Premium in 2019	Strong Credit Rating with STABLE outlook	
150 Years Established	781,000 Inforced policy	AA-	S&P
		AA-	Fitch
		A1	Moody's
		A+	AM best



1 Product development



2 Data Analytics



3 Insurance technology

Kick start of ESG

Implementing

3Q19

4Q19

3Q-4Q20

2Q21

Get Started on Sustainability

ตลาดหลักทรัพย์เข้าพบบริษัท เพื่อเข้าใจกระบวนการประเมินประเด็นด้านความยั่งยืนที่สำคัญ (Materiality) และการดำเนินธุรกิจอย่างยั่งยืน



Materiality Assessment

รวบรวมและจัดทำประเด็นด้านความยั่งยืนที่สำคัญของบริษัท เพื่อการพัฒนาในอนาคตและวางแผนการปรับปรุงกระบวนการประเมินประเด็นด้านความยั่งยืน



Management Process & THSI Advisory

จัดทำแนวทางการบริหารจัดการ สำหรับแต่ละประเด็นด้านความยั่งยืนที่สำคัญ โดยผ่าน SET review และพบผู้บริหาร เพื่อให้คำแนะนำในแนวทางการบริหารจัดการสำหรับแต่ละประเด็นด้านความยั่งยืนที่สำคัญ



THSI Assessment

SET ประกาศรายชื่อบริษัทที่ผ่านเกณฑ์คัดกรองเบื้องต้นและบริษัทฯ เตรียมเข้าร่วมโครงการและตอบแบบประเมินสำหรับปี 2564



- ▶▶ Low insurance penetration ratio in Thailand
Thai people spent around 3-4 % of their revenue on insurance premium while other countries that are more educated in life insurance spent around 10%.
- ▶▶ Higher claim rate from Thai consumer behaviour
- ▶▶ Thai people focusing on investment more than protection in life insurance

THANK YOU