



THAIRE LIFE ASSURANCE PUBLIC COMPANY LIMITED

Analyst Meeting 2Q2021

August 11, 2021

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Agenda

Section 1 About THREL & Business Overview

Section 2 Thailand Life Insurance Market

Section 3 Financial Performance

Section 4 Outlook & Strategic Plan

Section 5 ESG project

About THREL & Business Overview

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

THREL Business Profile Update



A.M. Best Rating

A-

CAR

348%

As at 30 Jun 21
(Unaudited)

AGM Score

100 full score



“excellent” level

CG Score



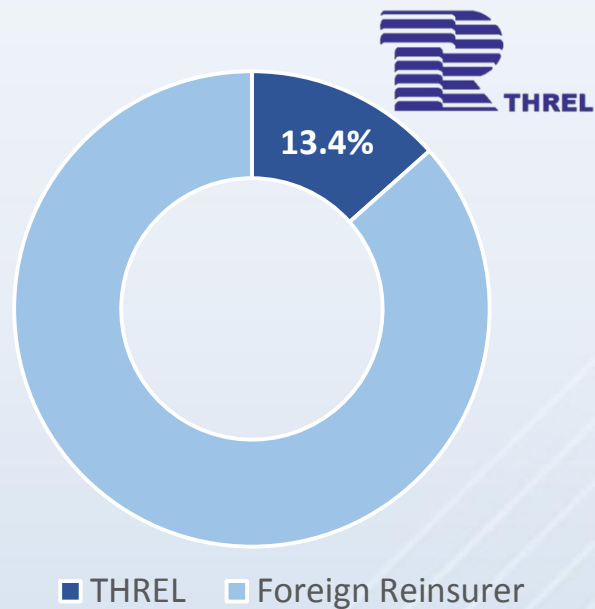
“excellent” level



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



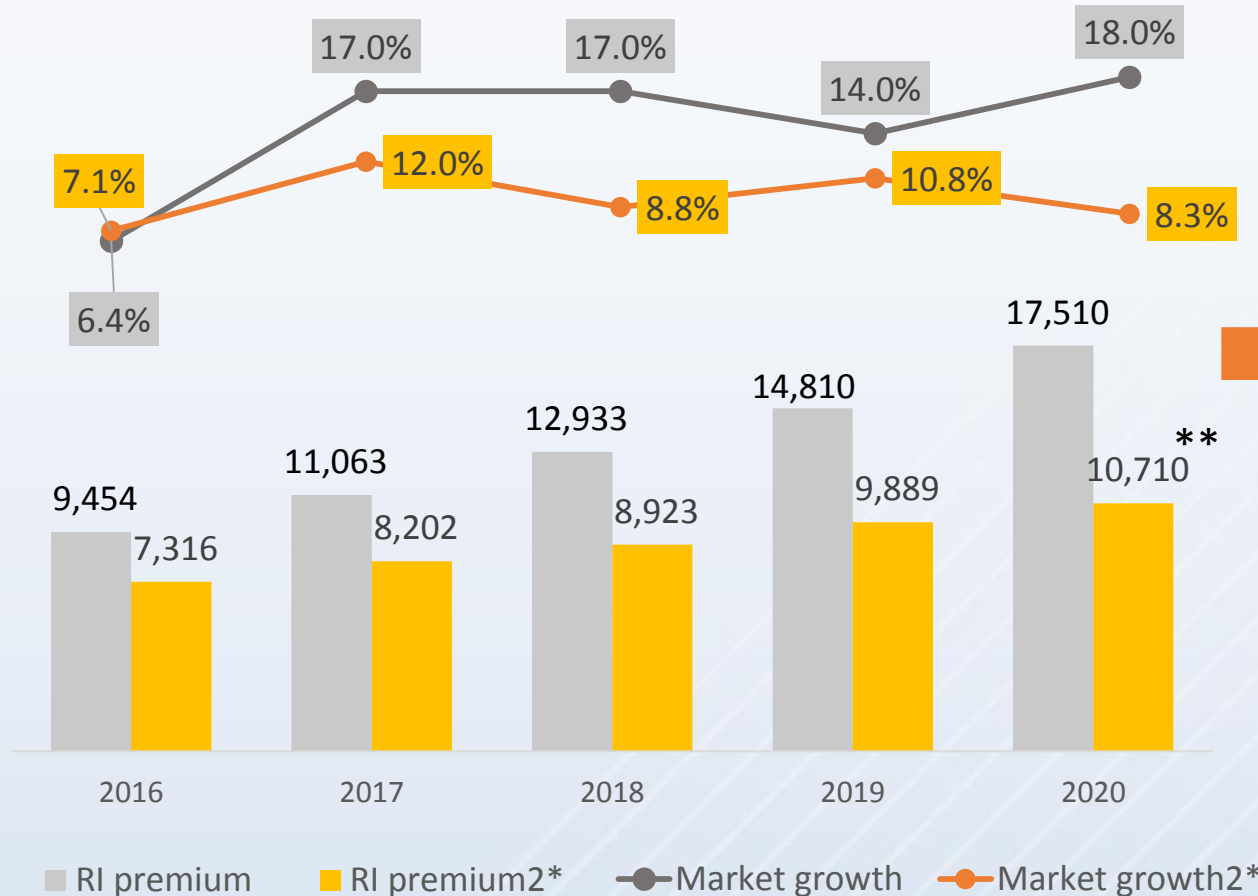
Global Competitors



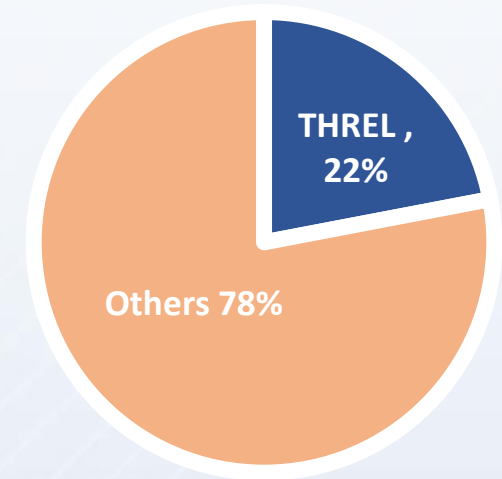
Reinsurance premium vs. THREL’s market share

(Unit : Mil Baht)

RI Premium Growth



2020 THREL’s market share



- RI premium market exclude 75%AIA and 90%GEN would be approximately 10,710 MB**
- Others players in Thailand RI market consist of 5 key players : SwissRe, RGA, MunichRe, HanoverRe, SCOR

Remark

* : Market Growth (2) = excl. ceding companies who ceded to their parent companies like AIA 75% and GEN 90%; market CAGR 2016 - 2020 shall be 10.0%. **Data as at 21/05/21**

** : THREL estimated by Q1-Q3 Actual + Q4 forecast



Characteristics of THREL

OUR PRODUCT



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

INSURERS

ceding



- *Market research*
- *Product development*
- *New distribution channels*



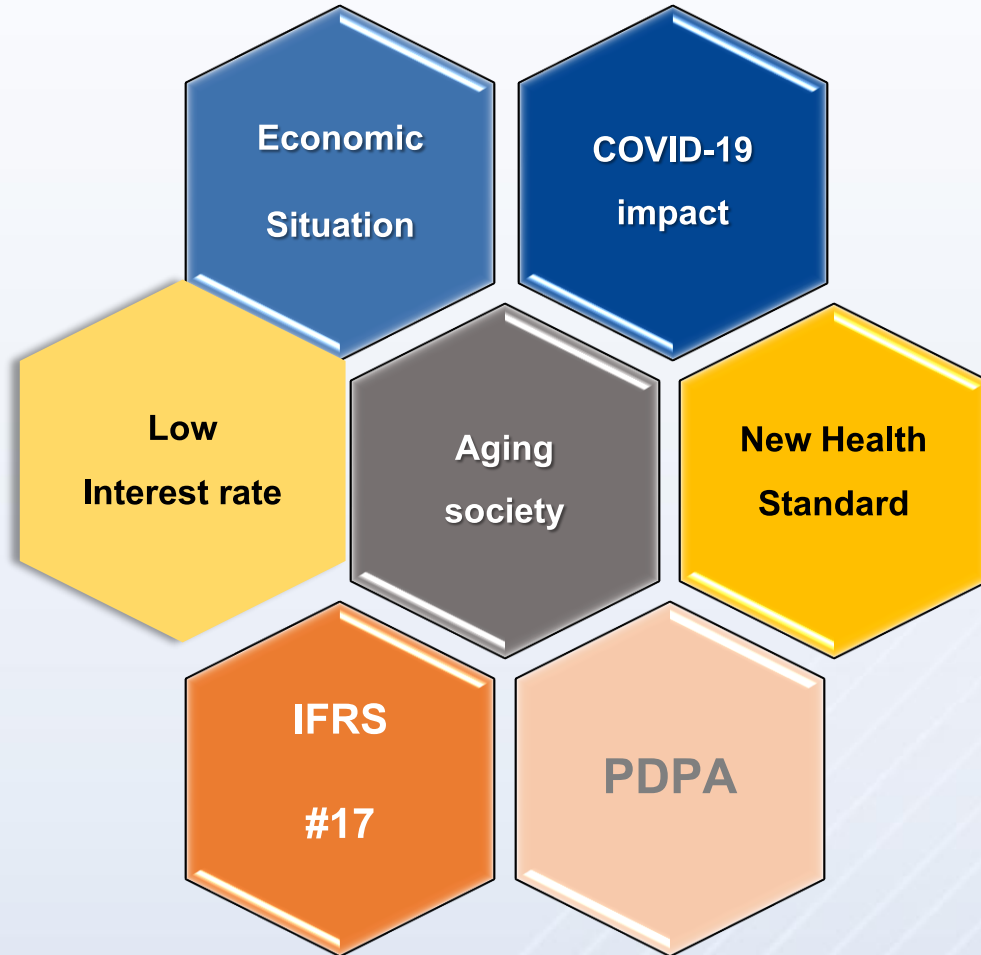
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INSURERS



Thailand Life Insurance Market

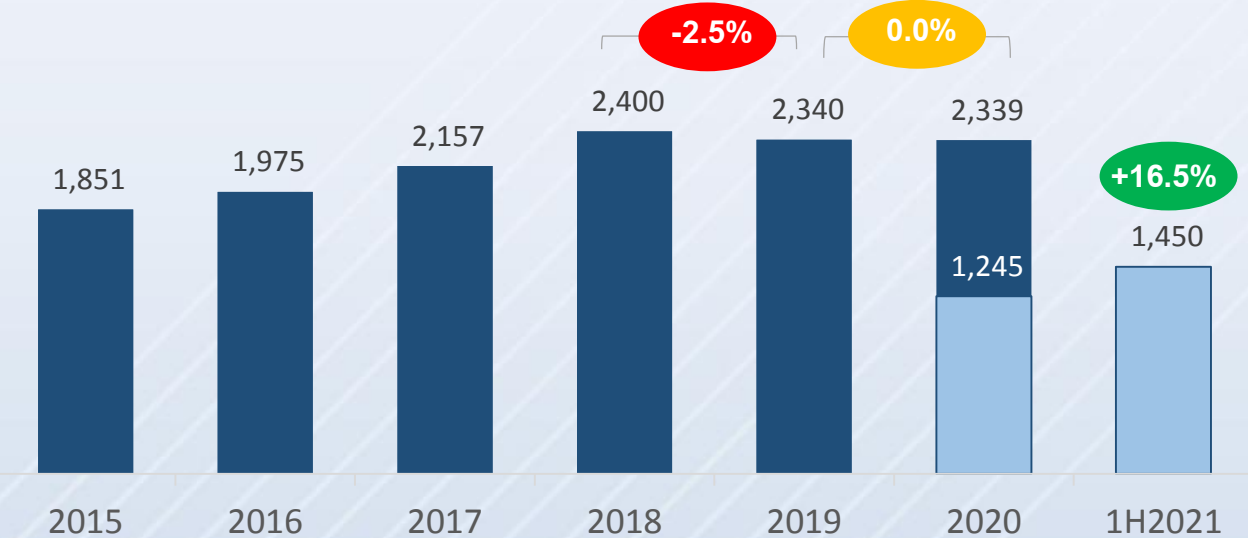
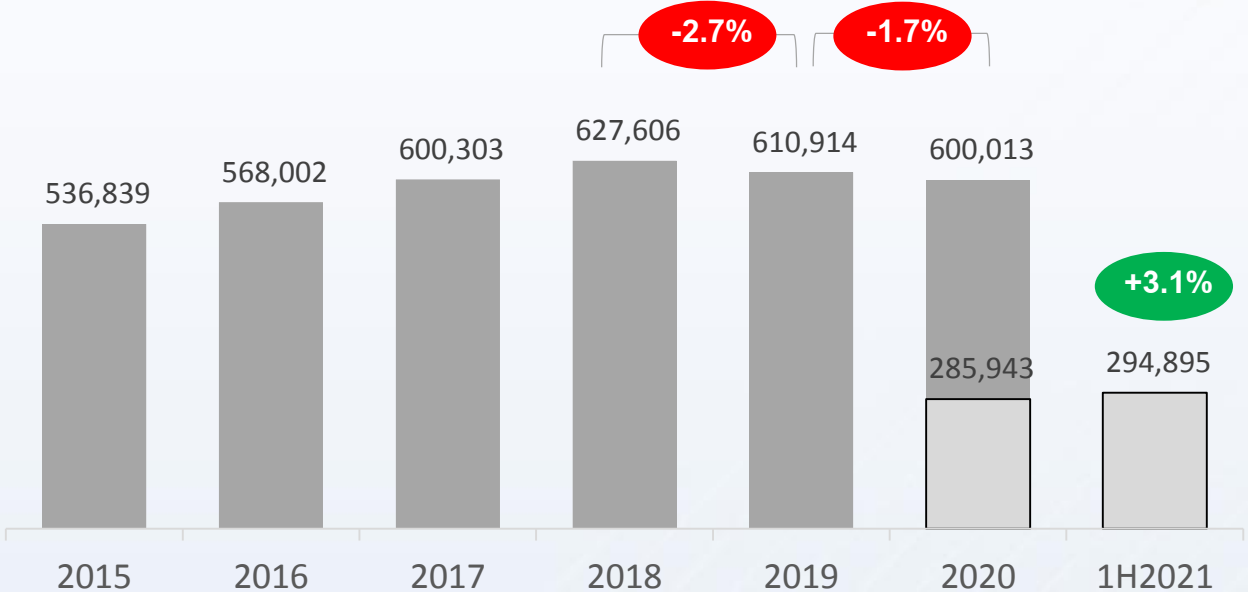
Thailand Life insurance market : 2021 Challenge & Opportunity



- New normal lifestyle
- Health awareness trend
- Digitalization lifestyle eg. E-application
- Personalized product trend
- Tax measure
- Vaccine COVID -19
- Relax lockdown & Government policy
- Relax UW rules

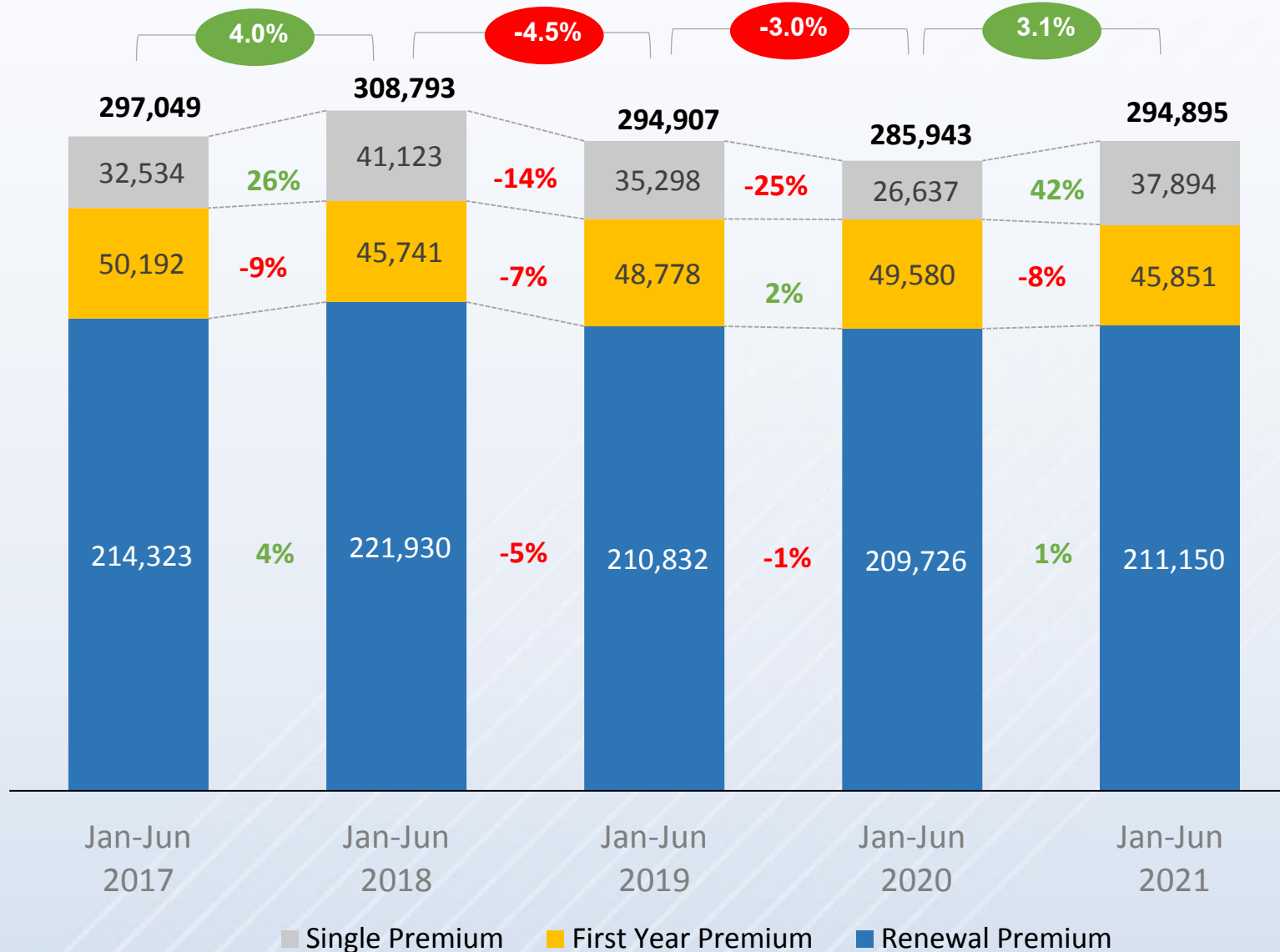
Thailand Insurance Market Vs THREL

Million Baht



Thailand Life insurance Market in 1H2017 – 1H2021

Million Baht



- The industry is still enjoying growth in single premiums, which have risen by 42%
- The single premium or unit-linked products sold through banca. are mostly investment-related, while the unit-linked products sold via agents normally focus on protection attached to health riders or customised to customer preferences.

1H2021 Financial Performance

Financial Performance 2Q and 1H

Million Baht

	2Q20	2Q21	YoY	1H20	1H21	YoY
Gross Written Premiums	725	970	34%	1,245	1,450	16%
Net Earned Premium	582	713	23%	1,118	1,237	11%
Change in Long-term policy reserve	9	15	64%	27	5	-82%
Net Claims	403	500	24%	728	851	17%
Net Commission	150	143	-4%	287	279	-3%
Earning on UWD - bef expenses	19	54	179%	77	102	32%
Total Expenses	31	38	21%	64	71	11%
Earning on UWD - after expenses	(12)	16	240%	13	31	130%
Net investment income and other	16	26	61%	25	44	76%
Profit before tax	4	42	854%	38	75	95%
Income Tax Expenses	(2)	5	369%	4	10	175%
Net Profit	6	37	483%	35	65	87%
EPS (Bt)	0.01	0.06		0.06	0.11	
Loss Ratio	70.4%	71.7%		66.6%	69.1%	
Commission Ratio	26.2%	20.6%		26.3%	22.7%	
Expenses Ratio	4.3%	3.9%		5.2%	4.9%	
Combined Ratio	100.9%	96.2%		98.1%	96.7%	

2Q/2021

Premium: growth 34% ,or +245 MB

- Premium growth from
 - Short-term business +272 MB mainly from Group due to new contracts.
 - Long-term business -27 MB mainly from credit life due to economic slowdown and bank delay lending.

Claim: +24%, or +97 MB

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

1H/2021

Premium: growth 16% ,or +205 MB

- Premium growth from
 - Short-term business +260 MB
 - Long-term business -55 MB

Claim: +17%, or +124MB

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

Life policy reserve: End of special GPV reserve

- GPV reserve decrease 22MB due to the special reserve from recapture was done by the first half of 2020

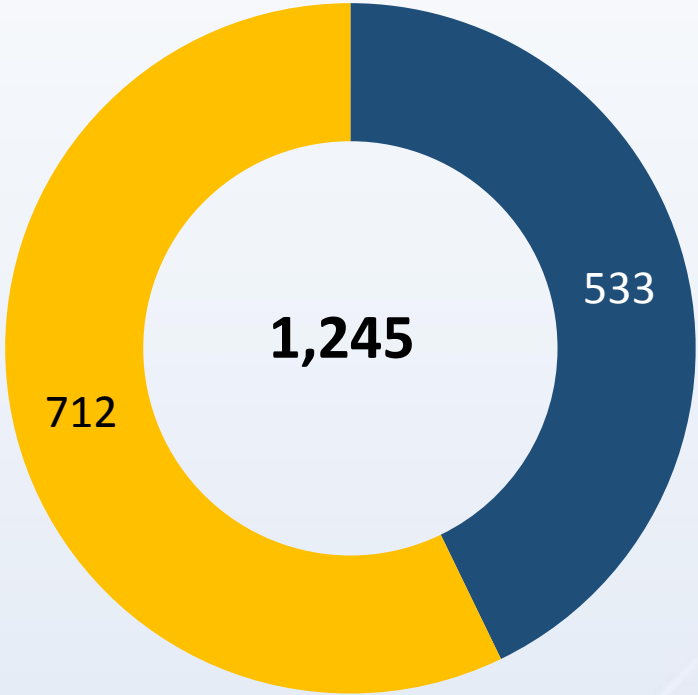
Investment

- increase mainly from gain from sale of foreign funds and common stocks

THREL Product Mix 1H2021 Vs 1H2020

Million Baht

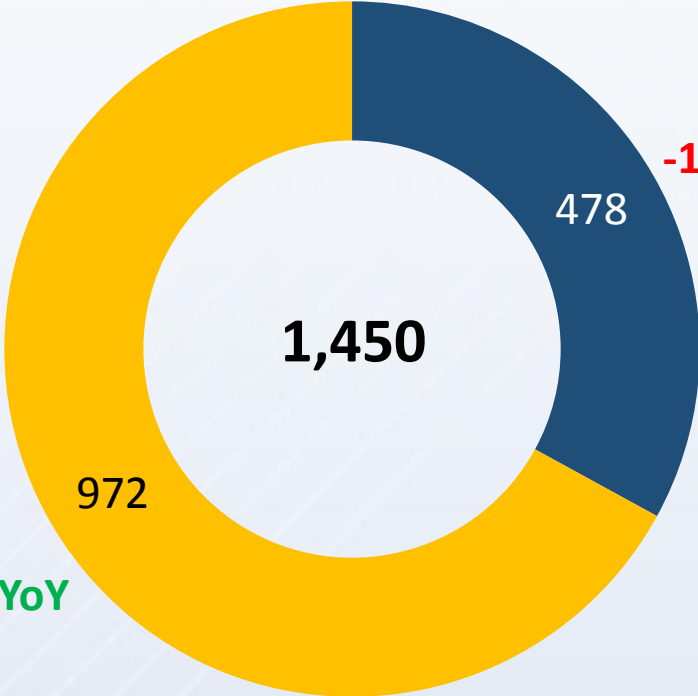
1H2020



43%
57%

■ Long-term
■ Short-term

1H2021



+37% YoY

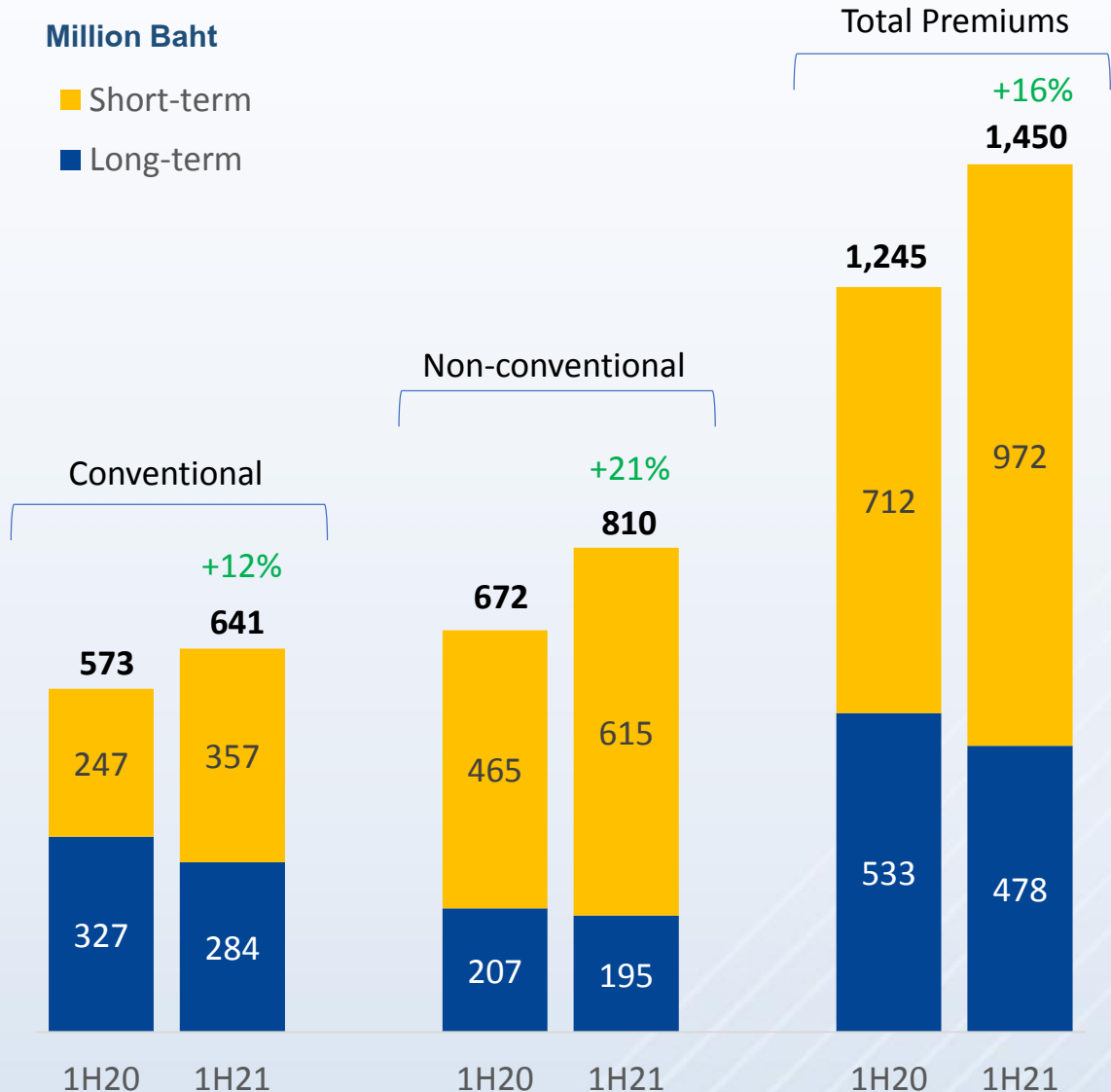
-10% YoY

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

Million Baht

■ Short-term

■ Long-term



	1H20			1H21			%		
	Con	Non	Total	Con	Non	Total	Con	Non	Total
Premium	573	672	1,245	641	810	1,450	12%	21%	16%
%Contribution	46%	54%	100%	44%	56%	100%			
Earned Premiums	582	537	1,118	557	680	1,237	-4%	27%	11%
Life Policy Reserve	0	27	27	0	5	5	0%	-81%	-81%
Net Claim	380	348	728	381	471	851	0%	35%	17%
Net Commission	174	113	287	142	137	279	-18%	21%	-3%
Profit fr UWD	28	49	77	34	67	102	21%	37%	32%
Loss Ratio	65.2%	68.2%	66.6%	68.3%	69.8%	69.1%			
Comission Ratio	29.9%	22.1%	26.3%	25.4%	20.3%	22.7%			
Expenses Ratio	5.2%	5.1%	5.2%	5.0%	4.9%	4.9%			
Combined Ratio	100.4%	95.5%	98.1%	98.7%	95.0%	96.7%			

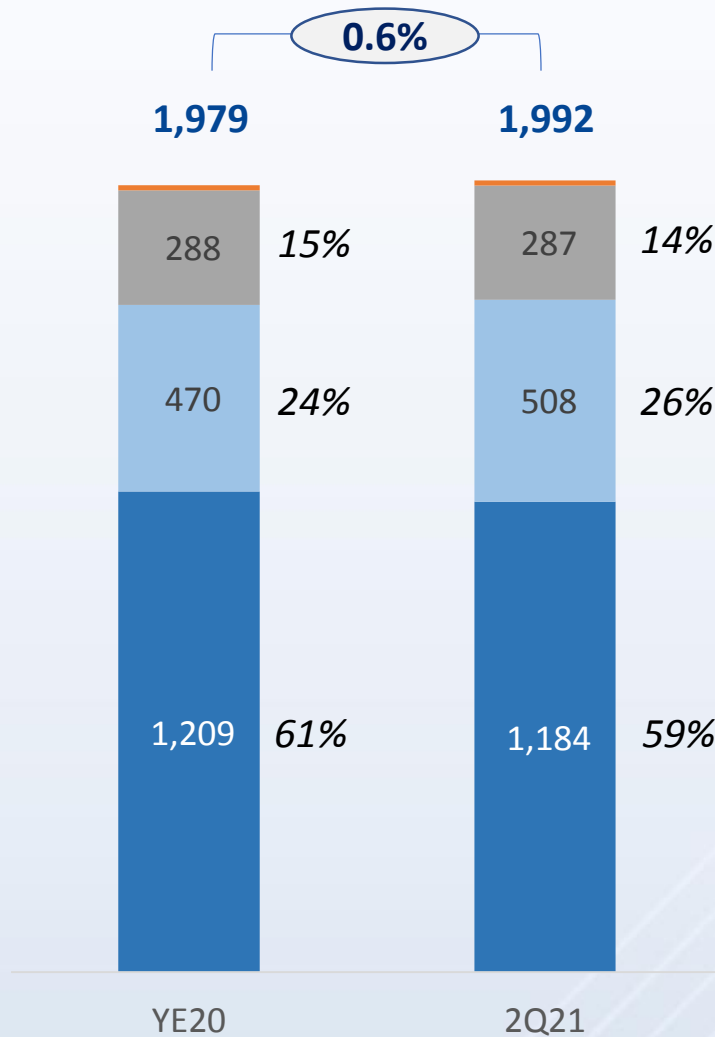
Non-conventional business higher 21% which contributed to total company port at 56%

- Premium growth from both Group and Health product
- Commission ratio of non-conventional improved from 22.1% to 20.3%
- U/W profit improved from 49 MB to 67 MB or +37%

Conventional business higher 12% which contributed to total company port at 44%

- COVID-19 impact the new lending activity which directly impacted to credit life product
- Premium growth from Group health (New contract)
- U/W profit improved from 28 MB to 34 MB or +21%

Investment Assets



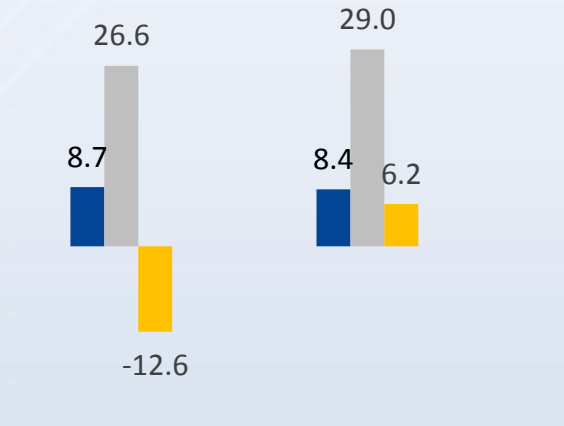
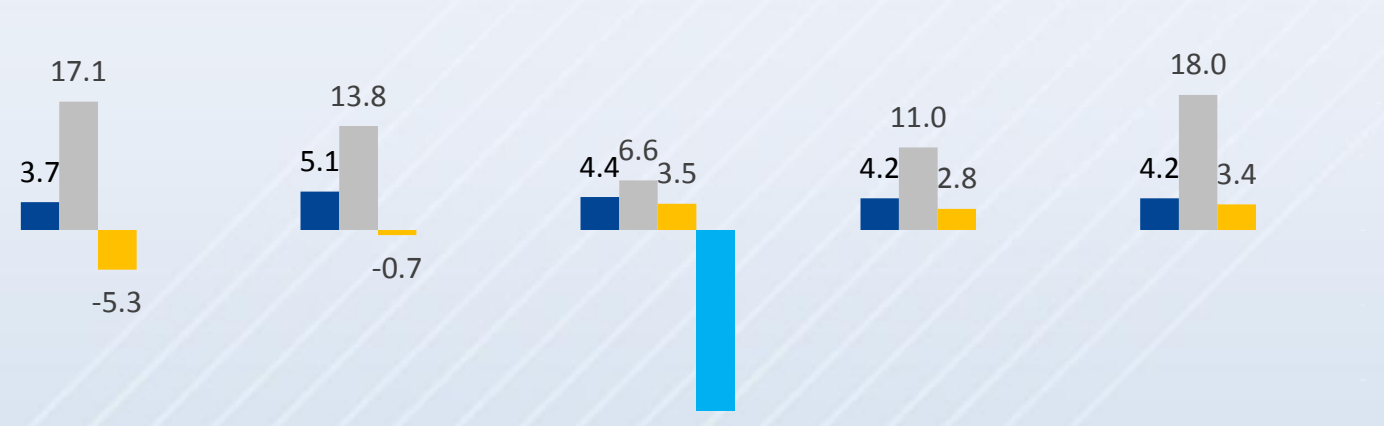
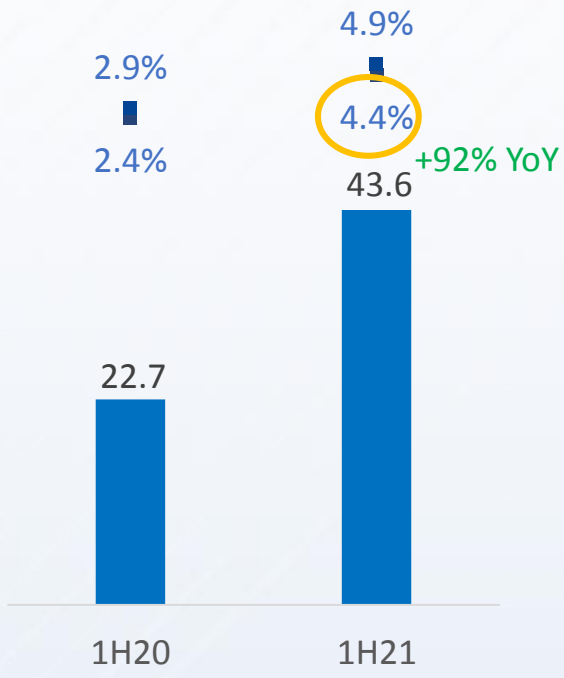
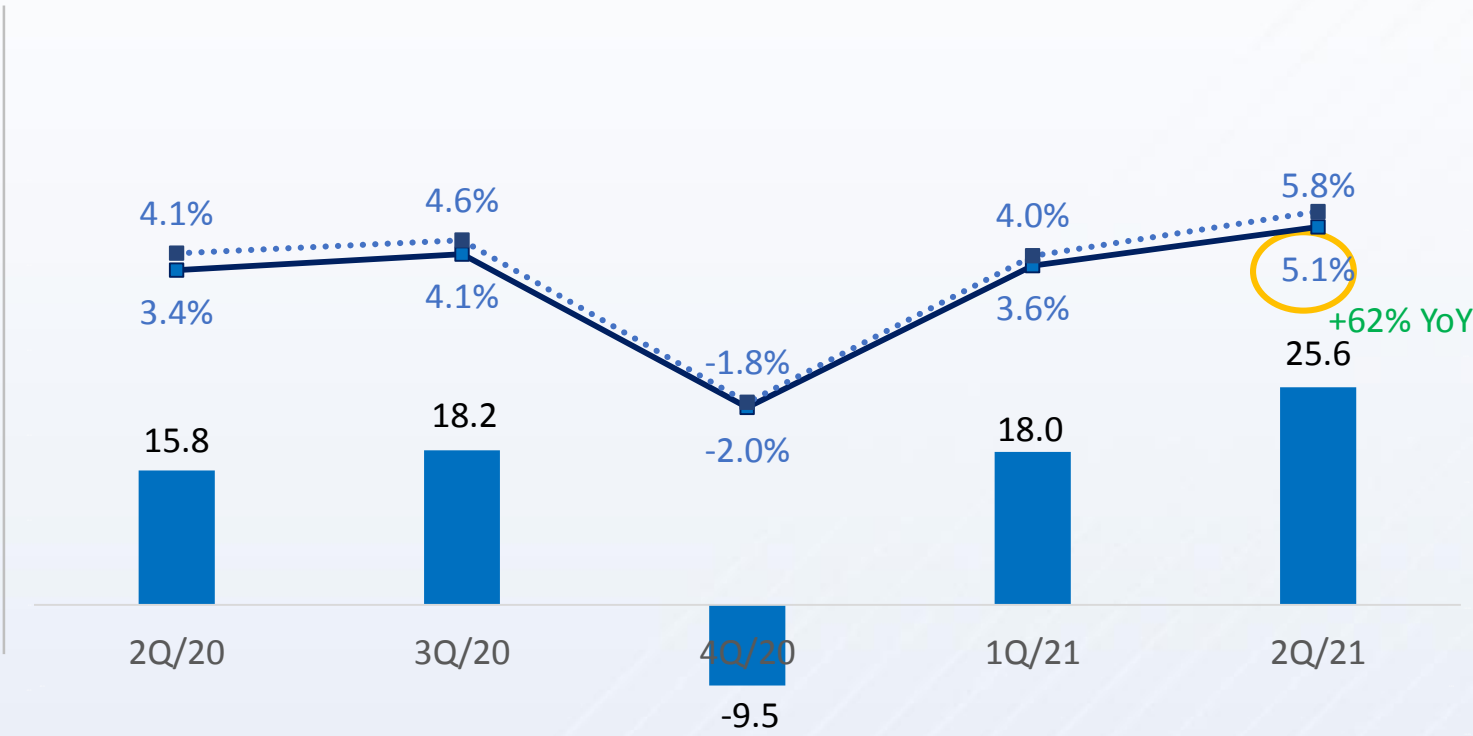
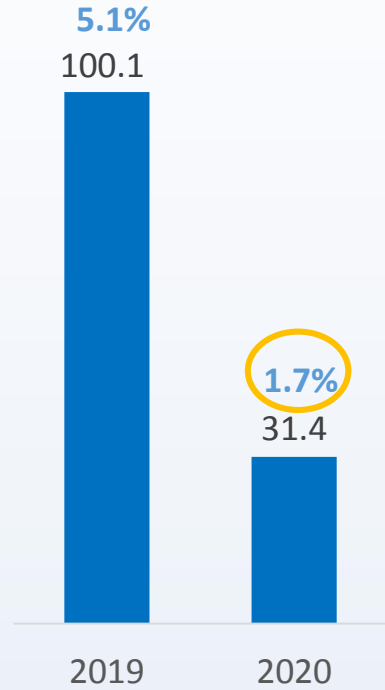
- The majority of investment assets around 60% are Cash in Bank and Fixed Income.
- The portion of common stocks increase to 26% from an increasing in market due to the better market situation.
- THREL manage investment by optimizing investment return vs risk charge under OIC regulation and focusing 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

Note : Common stocks are classified as Available For Sale (AFS)

Investment Income 2Q and 1H

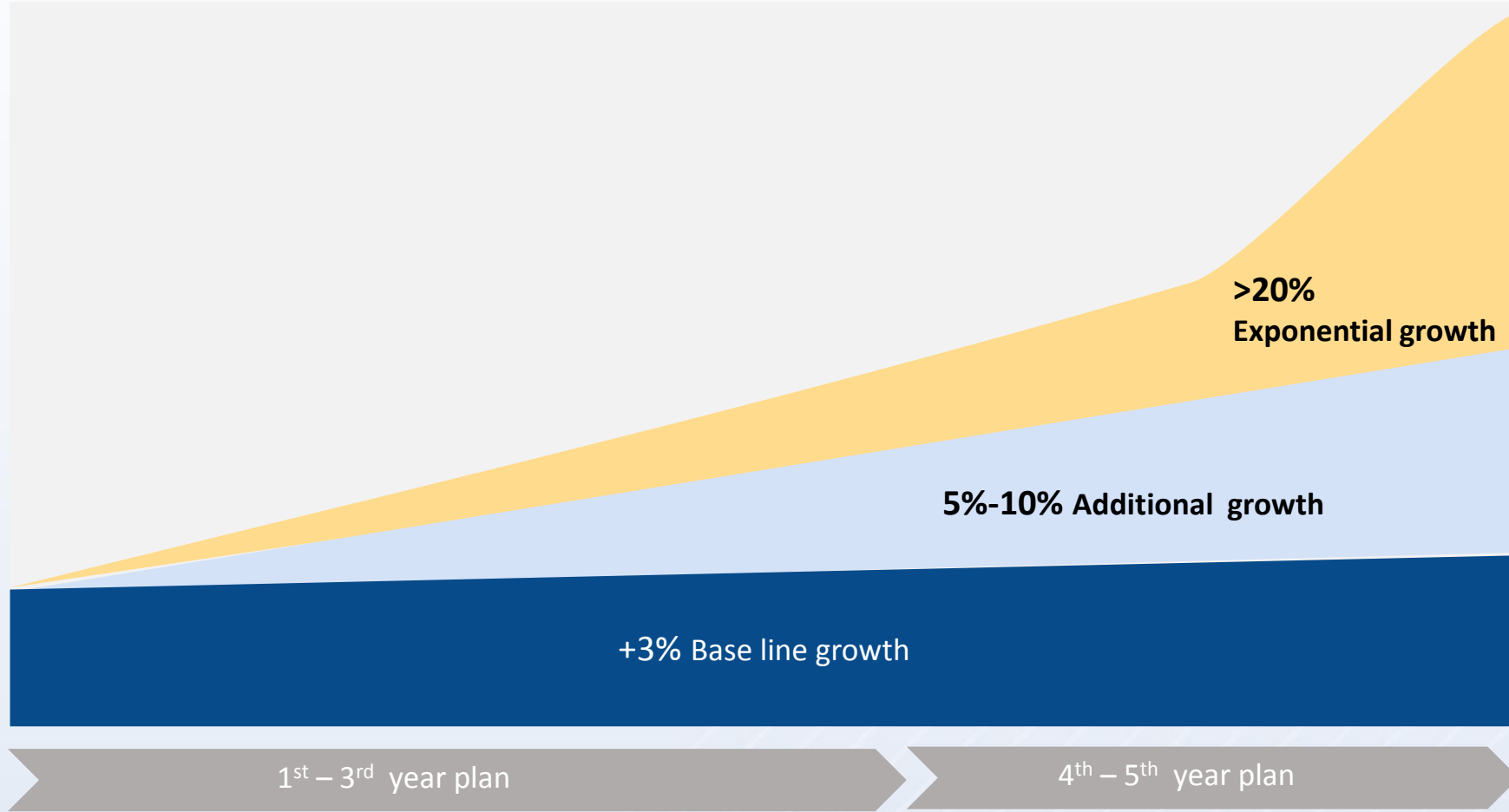


■ Total income
 ■ ROI
 ● ROI included Tax benefit
■ Interest
 ■ Dividend
 ■ Sale of securities & Mark to Mkt
 ■ Impairment



Outlook and Strategic Plan

Outlook 2021 and Strategic Plan



New Partner
Reinsurer & Start-up

New Market
CLMV Southeast Asia

New Product
Non-conventional products
Market analysis
Customer focus
Capital utilization

Operation Fundamental
People/ Process and Data

People transformation project
Data analysis
Capital management

- Employee engagement
- Talent development
- Management analysis tools
- Capital optimization

Outlook 2021 and Strategic

Additional growth: Entering new geographic markets



Laos

- 2017, Start expanding business to Laos PDR by investing in TKI Life Insurance.
- 2021, Expanding facultative reinsurance business.

Cambodia

2021, Expanded life re insurance business thru health products.

Indonesia

2021, Exploring business opportunities.

New Market : CLMV &SEA

Collaboration agreement with Pacific Life Re (PLRE)



PLRE PROFILE AND FINANCIAL HIGHLIGHT 2020

150+

Year Establish

TOP5

In US Life Insurance

898K

In-force Member

\$191B

Company Assets

\$11B

Operating Revenue

\$3B

Insurance & Annuity
benefit paid

Financial Strength Ratings

AA- S&P Global

A+ A.M.Best

A1 Moody's

AA- Fitch



Product development



Data Analytics



Insurance technology

Outlook 2021 and Strategic

Exponential growth: Establish Partnership to expand capabilities across the value chain



Product development

Develop health & CI products.



Marketing and Distribution

Provide digital sales platform for cedants to gain more new business.



Underwriting

Provide underwriting technology to increase cedant capabilities.



Consumer Engagement

Provide engagement service solution to support customer's cedant to healthier.



Claim

Use data insights to improve cedant profitability.

Establish Partnership to expand capabilities across the value chain

- Pacific Life RE
- 2 Inter. reinsurer
- 1 Start up

- 1 Broker
- 1 Digital platforms partners

- Pacific Life RE's underwriting technology

- THREI
- Tech partner project

- Pacific Life RE's expertise in data analytics

New Partner

Kick start of ESG

3Q/19

4Q/19

3Q-4Q/20

2Q/21

3Q-4Q/21

Get Started on Sustainability

ตลาดหลักทรัพย์เข้าพบบริษัทฯ เพื่อทำความเข้าใจกระบวนการประเมินประเด็นด้านความยั่งยืนที่สำคัญ (Materiality) และการดำเนินธุรกิจอย่างยั่งยืน



Materiality Assessment

รวบรวมและจัดทำประเด็นด้านความยั่งยืนที่สำคัญของบริษัท เพื่อการพัฒนาในอนาคตและวางแผนการปรับปรุงกระบวนการประเมินประเด็นด้านความยั่งยืน



Management Process & THSI Advisory

จัดทำแนวทางการบริหารจัดการสำหรับแต่ละประเด็นด้านความยั่งยืนที่สำคัญ โดยผ่าน SET review และพบผู้บริหาร เพื่อให้คำแนะนำในแนวทางการบริหารจัดการสำหรับแต่ละประเด็นด้านความยั่งยืนที่สำคัญ



THSI Assessment

- SET ประกาศรายชื่อบริษัทที่ผ่านเกณฑ์คัดกรองเบื้องต้น
- บริษัทฯ ผ่านเกณฑ์คัดกรองเบื้องต้น และได้ตอบแบบประเมินสำหรับปี 2564 เพื่อเข้าร่วมโครงการ



THSI Announcement

- บริษัทฯ อยู่ระหว่างการรอ SET ประกาศรายชื่อบริษัทที่
- ✓ ผ่านเกณฑ์แบบประเมิน
 - ✓ ผ่านเกณฑ์คุณสมบัติอยู่ในรายชื่อ THSI



THANK YOU