



7. Overview of Operating Performance

Summary of Operation Overview

In 2024, the global economic landscape was directly and indirectly impacted by trade wars, international conflicts, and climate change. These factors significantly influenced both domestic and global economies, particularly in terms of interest rates, inflation, and the Thai stock market. These economic variables are closely linked to savings, investments, and consumer spending, thereby directly affecting public demand and confidence in the life insurance industry.

Economic conditions, government policies, and household debt have had a direct impact on individuals' income and purchasing power. Additionally, banks have adopted a more cautious approach by slowing down loan approvals to manage and control the country's non-performing loan (NPL) ratio. As a result, the Thai life insurance industry experienced a modest growth rate of only 2%, a decline from the previous year. The premium volume of credit life insurance products distributed through bancassurance channels also decreased compared to the prior year.

Furthermore, Thailand's medical inflation rate continued to rise, leading to an increase in hospitalization costs. This trend poses a challenge for life insurance companies in managing and offering health insurance products effectively.

On a positive note, there has been a growing awareness of life and health insurance among both the elderly and the younger generation. Consumers are increasingly recognizing the importance of securing financial protection for medical expenses in the event of illness. Additionally, there is a heightened focus on personal health and financial planning, driving greater interest in life insurance as a component of comprehensive financial security.

The company continues to focus on managing the underwriting process and risk management with thorough caution both before and after underwriting. This is alongside maintaining financial stability, liquidity, and capital at robust levels to ensure strong financial stability. Additionally, the company conducts market research and develops products both domestically and internationally. The company has strengthened partnerships with business allies and continues to expand its operations into regional markets, aligning with its policy of fostering sustainable long-term growth.

Moreover, the company is currently developing its digital infrastructure to support business operations, adapting to changes in accounting practices as outlined by the Accounting Standards Board under Financial Reporting Standard No. 17 (Insurance Contracts), which will take effect in 2025. In this regard, the company has made investments in actuarial systems and underwriting systems, which will enhance service capabilities, reduce costs, and improve convenience for customers.

This year, the company received a 5-star rating for corporate governance, achieving the "Excellent CG Scoring" for the 8th consecutive year. It also ranked among the top quartile of companies for the second consecutive year in the 2024 Corporate Governance Survey for Listed Companies (CGR), organized by the Thai Institute of



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Directors (IOD) with support from the Stock Exchange of Thailand (SET) and the Securities and Exchange Commission (SEC). This reflects the company's continued commitment to effective corporate governance and its dedication to sustainable development practices in line with good governance principles across economic, social, and environmental (ESG) dimensions.

Operating Results and Factors for Key Changes

In 2024, the Company had reinsurance premiums written amounted to THB 4,559 million, increased by THB 1,104 million from the previous year or 32% with earned premiums amounted to THB 4,451 million, increased by THB 1,150 million or 35% from the previous year. The company incurred an underwriting loss of THB 182 million, with net investment income and other income amounting to THB 72 million, resulting in a net loss of THB 85 million. The factors contributing to this performance are as follows:

1. Individual health insurance and group insurance products increased by THB 856 million from the previous year, driven by the adjustment of premium rates for group health insurance and the growth of the health insurance market.
2. Credit life insurance products increased by THB 247 million, mainly due to the expansion of operations in Indonesia, while the Thai market continued to decline in line with economic conditions and the policy of slowing down loan approvals to manage and control the banking sector's non-performing loan ratio.
3. Total underwriting expenses amounted to THB 4,633 million, an increase of THB 1,328 million, or 40%, from the previous year. This increase was primarily due to higher claims and benefit payments for health and group insurance products in line with premium growth, as well as rising medical cost inflation in the health insurance sector, which outpaced the increase in premiums. However, the company has reviewed and adjusted health insurance premiums for certain contracts upon renewal and has terminated contracts that adversely impacted performance. These actions aim to bring the loss ratio and combined ratio back in line with future target levels.
4. Net investment income and other income for 2024 amounted to THB 72 million, which is close to the previous year. This result was due to a decrease in dividend income following the portfolio adjustment aimed at reducing investment risk.

As of the end of 2024, the company's total assets amounted to THB 3,047 million, an increase of 11.3% compared to the previous year. This growth was primarily driven by an increase in investment assets from reinvesting interest and dividend income. The total investment assets amounted to THB 2,232 million, representing 73.2% of total assets, with an increase of 4.7% from the previous year.

The company's liabilities totaled THB 1,806 million, an increase of 31.9% from the previous year. The primary reason for this increase was the higher reinsurance payables in line with the growth in premium income. The reinsurance payables amounted to THB 587 million, representing 32.5% of total liabilities.

Regarding shareholders' equity, at the end of 2024, the company's equity stood at THB 1,242 million, a decrease of 9.2% from the previous year, primarily due to the net loss recorded for the year 2024.



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As of December 31, 2024, the company's Capital Adequacy Ratio (CAR) was 334%, a decrease of 17 percentage points from 2023. However, the company's CAR remains well above the risk threshold set by the Office of Insurance Commission (OIC), which is 140%, reflecting sufficient liquidity to manage economic uncertainties.

Unit: Million

Items	Y 2024	Y 2023
Gross written premium	4,559.20	3,455.28
Earned premium	4,450.96	3,301.30
Net investment income	71.83	73.31
Long-term insurance policy reserves increased from prior year	(65.05)	(6.23)
Gross benefits and claims	3,630.49	2,386.39
Net Profit (loss)	(87.57)	60.30

Unit: Percent

Items	Y 2024	Y 2023
First year underwriting expenses: Net reinsurance premium	27.16%	28.8%
Renewal underwriting expenses: Net reinsurance premium	20.30%	24.3%
Return on equity ratio	(6.68%)	4.26%
Return on asset ratio		
- Total return on asset ratio	(3.02%)	2.14%
- Return on asset ratio excluding life insurance policies from Unit Linked and Universal Life	-	-
Unit: Return on Investment Ratio		
- Total return on investment ratio	3.28%	3.30%
- Return on investment ratio excluding investment from life insurance policies A Unit Linked and Universal Life	-	-
Ratio Investment asset per premium reserves (appraised value)	216.88%	182.13%