



THREL: Management Discussion and Analysis for 2Q/2025 (Ended 30 June 2025)

13 August 2025

Subject: Management Discussion and Analysis for 2Q/2025 (Ended 30 June 2025)

To President
The Stock Exchange of Thailand

Thaire Life assurance Public Company Limited presents the operating results for 2Q/2025, the equity method financial statements reviewed by the auditor, as follows:

Operating Performances for 2Q/2025

Following the Company’s strategic plan to enhance business quality by adjusting reinsurance terms, along with the initial reserve in 1Q/2025 the positive impact of these initiatives began to be reflected in the operating results for 2Q/2025. The performance was in line with expectations, with the Company reporting a net profit of THB 9 million based on the equity method presented, representing an increase of THB 73 million or 115% from the same period last year. The key factors of this improvement include the following:

The Company reported insurance revenue of THB 538 million, an increase of THB 24 million or 5% compared to the same period last year. Underwriting profit amounted to THB 35 million, representing an increase of THB 102 million or 152% compared to the same period last year. The combined ratio stood at 93.5%, improving by 19.4 percentage points from the previous year.

The Company recorded net investment income of THB 19 million for 2Q/2025, a decrease of THB 5 million or 20% compared to the same period last year. The decline was mainly due to a reduction of THB 7.8 million in dividend income, as a result of a strategic reallocation of investments that increased the proportion of fixed-income securities to reduce investment volatility. The Company also recognized gains totaling THB 2.8 million from fund divestments and fair value adjustments.

(Unit : Million Baht)

Item	2Q/2568	1Q/2568	QoQ	2Q/2567	YoY	1H/2568	1H/2567	YoY
Insurance revenue	538	680	-21%	514	5%	1,258	1,184	6%
Insurance service expenses	(502)	(737)	32%	(578)	13%	(1,279)	(1,338)	4%
Net expenses from reinsurance contracts held	(1)	(40)	97%	(3)	62%	(41)	(7)	-454%
Insurance service result	35	(97)	136%	(67)	152%	(62)	(161)	61%
Net investment income	19	15	30%	24	-20%	33	39	-15%
Net insurance finance expenses	(17)	(17)	0%	(13)	-29%	(33)	(27)	-24%
Operating expenses	(26)	(28)	7%	(26)	2%	(53)	(52)	-1%
Profit (Loss) before income tax	11	(127)	109%	(82)	114%	(115)	(201)	43%
Net Profit (loss) for the period	9	(101)	109%	(64)	115%	(91)	(159)	42%
Combined Ratio	93.5%	114.3%		112.9%		105.0%	113.6%	

* The **Combined Ratio** is calculated as: (Insurance service expenses + Net expenses from reinsurance contracts held) / Insurance revenue



Operating performances for 1H/2024

For the first half of 2025, the Company reported a net loss of THB 91 million based on the equity method presented, representing a reduced loss of THB 68 million or 42% compared to the same period last year.

Total insurance revenue amounted to THB 1,258 million, an increase of THB 74 million or 6% compared to the same period last year. The combined ratio improved to 105.0%, down 8.6 percentage points from the previous year, in line with the Company's expectations.

The Company recorded net investment income of THB 33 million for the first half of 2025, representing a decrease of THB 6 million or 15% compared to the same period last year. The decline was mainly attributable to a reduction of THB 8.7 million in dividend income, resulting from a strategic reallocation of the investments that increased the proportion of fixed-income securities to reduce investment volatility. The Company also recognized gains totaling THB 2.8 million from fund divestments and fair value adjustments.

Please be informed accordingly.

Yours sincerely

-Signed-

(Mr. Vipon Vorasowharid)

Managing Director



Appendix 1: Definitions of Key Accounting Items under TFRS 17:

Overview of Financial Reporting Standard Change – TFRS 17

In accordance with Thai Financial Reporting Standard No. 17 (TFRS 17) on Insurance Contracts, which became effective in 2025 and replaces the previous standard (TFRS 4), insurance companies are now required to report financial information that more accurately reflects the value of insurance-related assets and liabilities over the coverage period. The standard enhances transparency by capturing obligations, risks, and contractual commitments as of the financial reporting date.

Key Differences Between TFRS 4 and TFRS 17:

Item	TFRS#4	TFRS#17
Revenue recognition	Recognized as earned premiums (based on written premium in the period).	Recognized based on the services rendered in the period; calculated as changes in liabilities for remaining coverage (LRC). (Details as per Appendix 1)
Expense recognition	Recognize the Claims incurred and IBNR reserves.	Claims are recognized as incurred during the period along with loss component (onerous contracts) and risk adjustment. The risk adjustment is set aside to cover potential claims exceeding estimates; if actual claims align with estimates, the reserved amount is recognized as revenue in the service period. (Details as per Appendix 1)
Finance expenses from insurance contracts	Not applicable	Recognize interest expense from present value adjustments of insurance contract liabilities.

• Insurance Revenue

The company recognizes insurance revenue based on the fulfillment of performance obligations. Insurance revenue for each reporting period consists of the total changes in liabilities for remaining coverage (LRC) related to the services the company expects to provide. These include:

- **Amortization of the Contractual Service Margin (CSM):**
Recognizing the release of profit from insurance services provided during the period.
- **Release of Best Estimate Liability (BEL) / Expected Claims:**
Recognizing the expected cost of claims and related insurance expenses during the period.
- **Release of Risk Adjustment (RA):**
Recognizing changes in the risk adjustment for the period.



• Insurance Service Expenses

Insurance service expenses arising from insurance contracts are generally recognized in profit or loss as incurred, excluding investment components and other excluded items. These include:

- **Actual Claims and Other Insurance Service Expenses:**
Claims paid and related service costs.
- **Loss Components on Onerous Contracts at Inception:**
Loss components recognized at the inception of contracts that are expected to generate losses over their coverage period.
- **End-of-Period Revisit of Assumptions:**
Adjustments due to revised actuary assumptions at the end of the reporting period regarding insurance liabilities.

Reconciliation of Insurance Contract Liabilities Balance Components

As of 30 June 2025, the Company recorded a net insurance contract balance of THB 1,765 million, representing a decrease of THB 245 million compared to the balance as of 1 January 2025. This balance comprises the following key components:

(Unit : Million Baht)

Insurance contracts issued	Present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Opening insurance contract liabilities	1,215	304	636	2,154
Opening insurance contract assets	-159	10	5	-144
Opening net balance	1,055	314	641	2,010
Changes that relate to current service	174	-89	-208	-123
Changes that relate to future service	-189	120	330	261
Changes that relate to past service	-113	-4	0	-117
Insurance service result - (a)	-127	27	122	22
Finance expenses from insurance contracts issued	40	11	15	66
Premiums received	1,517	0	0	1,517
Claims and other directly attributable expenses paid	-1,826	0	0	-1,826
Insurance acquisition cash flows	-24	0	0	-24
Total cash flows - (b)	-333	0	0	-333
Closing net balance	635	352	778	1,765
Closing insurance contract liabilities	749	342	766	1,857
Closing insurance contract assets	-114	10	12	-92
Closing net balance	635	352	778	1,765

(Details are provided in Note 14.1.2 to the financial statements, page 50)



- a) An increase of THB 22 million from insurance service results, attributable to a THB 261 million increase from changes related to future service, offset by a THB 240 million decrease from changes related to current and past services. This resulted in:
- The recognition of a Contractual Service Margin (CSM) of THB 122 million, a new component introduced under TFRS 17, which represents the expected future profit from insurance contracts over their coverage period. This margin will be gradually recognized as revenue over time.
 - The recognition of a Risk Adjustment (RA) of THB 27 million, also introduced under TFRS 17, which reflects the compensation the Company requires for bearing the uncertainty about the amount and timing of future cash flows arising from non-financial risk. This provision acts as a buffer against claims volatility. If actual claims align with estimates, the RA will be released to profit in future periods.
- b) A decrease of THB 333 million due to cash outflows, primarily resulting from claim payments.