

**THREL: Management Discussion and Analysis for 3Q/2025 (Ended 30 September 2025)**

12 November 2025

Subject: Management Discussion and Analysis for 3Q/2025 (Ended 30 September 2025)

To President
The Stock Exchange of Thailand

Thaire Life assurance Public Company Limited presents the operating results for 3Q/2025, the equity method financial statements reviewed by the auditor, as follows:

Operating Performances for 3Q/2025

The Company's financial statements, presented under the equity method, reported a net profit of Baht 7 million for 3Q/2025, an increase of Baht 91 million or 108% from the previous year, mainly due to the following factors:

The Company recorded reinsurance premium written of Baht 1,134 million, a decrease of Baht 559 million or 33% from the previous year. Insurance revenue amounted to Baht 731 million, declining by Baht 102 million or 12% from the same period of the previous year (YoY). Meanwhile, the Company reported an underwriting profit of Baht 32 million, an increase of Baht 114 million or 139% YoY.

The decrease in both insurance revenue and insurance expenses resulted from a reduction in the proportion of group health insurance, which had previously generated losses. The termination of such unprofitable contracts significantly improved the Company's underwriting performance. Consequently, the combined ratio improved by 14.2 percentage points (ppt) from the prior year.

Compared to the previous quarter (QoQ), the Company's revenue and expenses increased at a similar rate, consistent with the seasonal pattern of claim payments. However, certain contracts recorded higher-than-expected claim expenses, resulting in an approximately 8% decrease in underwriting profit from the previous quarter. The combined ratio was 95.6%.

The Company reported net investment income of Baht 16 million for Q3/2025, which remained comparable to the previous year.

(Unit : Million Baht)

Item	3Q/2025	2Q/2025	QoQ	3Q/2024	YoY	9M/2025	9M/2024	YoY
Insurance revenue	731	538	36%	833	-12%	1,988	2,018	-1%
Insurance service expenses	(713)	(502)	-42%	(924)	23%	(1,992)	(2,262)	12%
Net income (expenses) from reinsurance contracts held	14	(1)	1275%	9	57%	(27)	1	-1898%
Insurance service result	32	35	-8%	(82)	139%	(30)	(243)	88%
Net investment income	16	19	-16%	16	1%	49	55	-10%
Net insurance finance expenses	(14)	(17)	13%	(15)	2%	(48)	(42)	-15%
Operating expenses	(25)	(26)	1%	(25)	-3%	(79)	(77)	-2%
Profit (Loss) before income tax	8	11	-29%	(105)	108%	(107)	(307)	65%
Net Profit (loss) for the period	7	9	-27%	(84)	108%	(84)	(243)	65%
Combined Ratio	95.6%	93.5%		109.8%		101.5%	112.1%	

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



Operating performances for 9M/2025

The Company's financial statements, presented under the equity method, reported a net loss of Baht 84 million for the 9M/2025, representing a reduction of Baht 159 million or 65% from the same period of the previous year, due to the following factors:

The Company recorded reinsurance premium written of Baht 3,107 million, a decrease of Baht 457 million or 13% from the previous year. Insurance revenue amounted to Baht 1,988 million, declining by Baht 30 million or 1% from the same period of the previous year. The Company reported an underwriting loss of Baht 30 million, a reduction of Baht 213 million or 88% from the same period of the previous year. The combined ratio improved to 101.5%, down by 10.6 percentage points (ppt) from the previous year, mainly due to the improved performance of group health insurance contracts, which had incurred losses in the prior year. This improvement was in line with the Company's expectations.

The Company recorded net investment income of THB 49 million for 9M/2025, representing a decrease of THB 6 million or 10% compared to the same period last year. The decline was mainly attributable to a reduction of THB 12.8 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 5.6 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 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 September 2025, the Company recorded a net insurance contract balance of THB 1,857 million, representing a decrease of THB 153 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	309	-152	-380	-223
Changes that relate to future service	-231	154	427	350
Changes that relate to past service	-119	-4	0	-123
Insurance service result - (a)	-41	-2	47	3
Finance expenses from insurance contracts issued - (b)	48	15	22	85
Premiums received	2,455	0	0	2,455
Claims and other directly attributable expenses paid	-2,660	0	0	-2,660
Insurance acquisition cash flows	-36	0	0	-36
Total cash flows - (c)	-241	0	0	-241
Closing net balance	820	327	710	1,857
Closing insurance contract liabilities	908	318	703	1,930
Closing insurance contract assets	-89	8	7	-73
Closing net balance	820	327	710	1,857

(Details are provided in Note 14.1.2 to the financial statements, page 49)



- a) An increase of THB 3 million from insurance service results, attributable to a THB 350 million increase from changes related to future service, offset by a THB 346 million decrease from changes related to current and past services. This resulted in:
- The present value of future cash flow decreased by Baht 41 million.
 - The Risk Adjustment (RA) decreased by Baht 2 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.
 - The Company recognized a gain of Baht 47 million from the release of the Contractual Service Margin (CSM), 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.
- b) Increased due to insurance contract financial expenses amounting to Baht 85 million.
- c) Decreased due to cash outflows of Baht 241 million, mainly from claim payments.