



## **THREL: Management Discussion and Analysis for year 2025 ended Dec 31, 2025**

26 February 2026

Subject: Management Discussion and Analysis for year 2025 ended Dec 31, 2025

To President  
The Stock Exchange of Thailand

Thaire Life Assurance Public Company Limited (“the Company”) would like to explain the operating performances for year 2025 in which the equity method presented in the audited financial statements as follows:

### **Overview of the Thailand’s Life Insurance Industry.**

In 2025, the life insurance industry continued to face another year of significant challenges, operating under a highly volatile environment. Key headwinds included a domestic economic slowdown, rising medical inflation, and a downward interest rate trend. Amid these complexities, Thai Re Life Assurance Public Company Limited remains steadfast in its vision of being a specialized life reinsurance partner. The Company is committed to developing innovative products and services that deliver sustainable value to customers, the economy, and society.

Regarding the industry outlook, total gross written premiums for Thailand’s life insurance industry in 2025 recorded THB 676,505 million, representing a growth rate of 3.45%. This growth was primarily driven by the country’s aging demographics and heightened public awareness of long-term financial planning and healthcare protection, leading to increased demand for health insurance products. Furthermore, life insurers continued to leverage agency, brokerage, and online distribution channels, while integrating artificial intelligence (AI) to enhance communication and service efficiency, enabling more effective expansion of the customer base.

Despite these opportunities, the sector continues to face pressure from economic uncertainty, which has impacted consumer purchasing power leading to delayed decisions or a shift toward lower-premium plans. Additionally, the mandatory implementation of TFRS 17 in 2025 has required companies to refine their revenue and profit reporting frameworks and adopt more cautious product design strategies. Simultaneously, the declining interest rate has reduced the appeal of high-yield products, resulting in slowing the growth of new business premiums.

### **Overview of the company’s operations.**

In terms of underwriting, the Company remained committed to implementing robust strategies to mitigate multifaceted impacts and adapt to industry shifts. Our approach focused on rebalancing high-risk product portfolios, refining reinsurance terms and conditions, and proactively seeking new opportunities across products, services, markets, and strategic partnerships. The Company continues to drive its marketing policy by prioritizing the co-creation of products and services with our life insurance partners. Our goal is to deliver solutions that precisely address market demands and consumer needs, particularly in response to shifting demographic structures and evolving medical treatment patterns. We emphasize an end-to-end product development process, encompassing targeted product design, comprehensive market testing, and the establishment of clear sales strategies and distribution procedures to ensure the effective achievement of our business objectives.



Reinsurance Premiums	2025	2024	Increase (Decrease)
Group Life & Group Health	1,987	2,313	(326)
Other Product	2,054	2,247	(192)
	<b>4,041</b>	<b>4,559</b>	<b>(518)</b>

In terms of investment management, the Company aims to allocate its investment portfolio in alignment with liabilities arising from insurance contracts, under an investment policy framework that emphasizes asset suitability and adequate returns. The Company adheres to a prudent investment approach, with a strong focus on the quality and stability of securities, to safeguard its financial position and long-term operating performance. Simultaneously, we actively rebalance our investment portfolio in response to shifting market conditions to ensure consistent returns, while remaining firmly committed to the principles of the Investment Governance Code (I Code), enhancing credibility and fostering long-term confidence among all stakeholders.

The Company places great importance on continuous risk and capital management. We maintain a disciplined approach to managing our reinsurance portfolio while ensuring capital levels are resilient to economic fluctuations and regulatory requirements. Our internal policy mandates a Capital Adequacy Ratio (CAR) of no less than 300%. This benchmark is equivalent to the standards applied by the Office of Insurance Commission (OIC) for international reinsurers with a "AAA" credit rating. Consequently, the Company maintains the lowest level of credit risk, further strengthening our competitive advantage in the reinsurance market.

As a result of operating under a policy of stable and sustainable growth, with due consideration given to economic, social, and environmental dimensions, alongside strong corporate governance principles, the Company was recognized this year as a "Sustainable Stock" with a SET ESG Rating of A by the Stock Exchange of Thailand for the fourth consecutive year. In addition, the Company received an Excellent Corporate Governance (CG) Rating of 5 Stars for the ninth consecutive year and was ranked among the Top Quartile Companies based on the Corporate Governance Report (CGR) survey conducted by the Thai Institute of Directors (IOD) for the third consecutive year.

Beyond governance and sustainability, the Company was honored with the Outstanding Investor Relations Award at the SET Awards 2025. This recognition reflects our unwavering commitment to transparent, comprehensive, and efficient communication with the investment community. Additionally, we received a certificate from the ESG DNA Program by the Stock Exchange of Thailand, underscoring our success in embedding sustainability into our corporate culture at all levels.



## Operating performances for 2025

The Company reported a net loss of THB 77 million for the year 2025, according to the financial statements in which the equity method is applied. This represents a significant improvement of THB 502 million, or 87%, from the previous year mainly due to:

(Unit : Million Baht)

Item	4Q/2025	3Q/2025	QoQ	4Q/2024	YoY	YE/2025	YE/2024	YoY
Reinsurance Premium	934	1,134	-18%	995	-6%	4,041	4,559	-11%
Insurance revenue	551	731	-25%	658	-16%	2,539	2,676	-5%
Insurance service expenses	(484)	(713)	32%	(1,103)	56%	(2,476)	(3,366)	26%
Net income (expenses) from reinsurance contracts held	(32)	14	-331%	49	-166%	(59)	50	-218%
<b>Insurance service result</b>	<b>35</b>	<b>32</b>	<b>8%</b>	<b>(396)</b>	<b>109%</b>	<b>5</b>	<b>(639)</b>	<b>101%</b>
Net investment income	14	16	-15%	17	-18%	63	72	-12%
Net insurance finance expenses	(15)	(14)	-5%	(17)	10%	(63)	(59)	-8%
Operating expenses	(23)	(25)	8%	(24)	1%	(102)	(101)	-1%
<b>Profit (Loss) before income tax</b>	<b>10</b>	<b>8</b>	<b>18%</b>	<b>(420)</b>	<b>102%</b>	<b>(98)</b>	<b>(727)</b>	<b>87%</b>
<b>Net Profit (loss) for the period</b>	<b>8</b>	<b>7</b>	<b>14%</b>	<b>(336)</b>	<b>102%</b>	<b>(77)</b>	<b>(579)</b>	<b>87%</b>
Combined Ratio	93.7%	95.6%		160.2%		99.8%	123.9%	

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

The Company recorded Total Gross Reinsurance Premiums of THB 4,041 million, a decrease of THB 518 million or 11% year-on-year, resulting from a strategic reduction in Group Health exposure and the termination of certain loss-making group health contracts.

The insurance service result represents insurance revenue less insurance service expenses, plus or minus the net income (expenses) from reinsurance contracts held. In 2025, the Company's insurance service result recorded a significant turnaround, improved by THB 644 million, shifting from an insurance service loss of THB 639 million in 2024 to an insurance service profit of THB 5 million in 2025. This recovery was driven by the remediation of legacy portfolios that had underperformed, coupled with the enhanced quality of new business through stringent underwriting conditions, disciplined pricing, and robust risk management.

Consequently, the Net Combined Ratio for 2025 stood at 99.8%, a substantial improvement of 24.1 percentage points (ppt) from 123.9% in 2024, aligning with the Company's projections.

For the investment portion, the Company recorded Net Investment Income of THB 63 million, a decrease of THB 9 million or 12% from the previous year, primarily due to a THB 15 million decline in dividend income resulting from a portfolio rebalancing toward fixed-income securities to mitigate volatility, while valuation gains on investments increased by approximately THB 5 million

## Financial Position and Economic Value of the Company

The Company reported total liabilities of THB 1,871 million, representing a decrease of THB 338 million from the previous year. This reduction was primarily attributable to insurance contract liabilities of THB 1,668 million, which declined by THB 486 million year-on-year.



(Unit : Million Baht)

Statement of Financial Position	31 Dec 2025	31 Dec 2024	1 Jan 2024
<b>Total Assests</b>	<b>2,372</b>	<b>2,795</b>	<b>2,482</b>
<b>Total Liabilities</b>	<b>1,871</b>	<b>2,209</b>	<b>1,263</b>
Insurance contract liabilities			
Present value of future cash flows (BEL)	603	1,215	538
Risk adjustment for non-financial risk (RA)	291	304	205
Contractual service margin (CSM)	773	636	482
Reinsurance contract liabilities	169	17	4
Others	33	37	34
<b>Equity</b>	<b>501</b>	<b>587</b>	<b>1,218</b>
Ordinary Share	620	620	620
Book Value per Share	0.81	0.95	1.97
<b>Equity plus Contractual service margin (CSM)</b>	<b>1,274</b>	<b>1,223</b>	<b>1,701</b>
Book Value per Share	2.06	1.97	2.74

During the period, the Best Estimate Liability (BEL) decreased compared to the prior year. The key driver was the high level of claims payments in the previous year, which resulted in a lower base for comparison. Consequently, the expected future obligations at the end of the current period were reduced compared to the prior period.

In contrast, the Contractual Service Margin (CSM) increased during the period, supported by (1) CSM arising from new reinsurance business written during the year, reflecting unearned profit from contracts that have commenced coverage, and (2) favorable impacts from revisions to estimates of future cash flows related to the future services of existing contracts. In accordance with the requirements of TFRS 17, such impacts are recognized through the CSM and will be systematically released as insurance revenue in future periods.

In addition, the Company recognized reinsurance contract liabilities of THB 169 million, arising from risk management activities related to group health insurance contracts.

The Company's equity amounted to THB 501 million, representing a book value per share of THB 0.81. However, when including the CSM balance of THB 1,274 million, which reflects the economic value of future profits to be recognized as services provided under existing contracts, the Company's economic equity increased accordingly. As a result, the economic book value per share amounted to THB 2.06.

Please be informed accordingly.

Yours sincerely

*-Signed-*

(Mr. Vipon Vorasowharid)  
Managing Director