

**THREL: Management Discussion and Analysis for 3Q/2024 ending Sep 30, 2024**

12 November 2024

Subject: Management Discussion and Analysis for 3Q/2024 ended Sep 30, 2024

To President  
The Stock Exchange of Thailand

Thaire Life Assurance Public Company Limited would like to explain the operating performances for 3Q/2024 in which the equity method presented that had been reviewed by auditor as follows:

(Unit Million baht)

Description	3Q/2024	2Q/2024	QoQ	3Q/2023	YoY	9M/2024	9M/2023	YoY
Reinsurance premium written	1,693	1,082	56%	981	73%	3,564	2,647	35%
Earned Premium	1,524	894	71%	871	75%	3,296	2,370	39%
Reinsurance expense	1,489	868	72%	828	80%	3,330	2,303	45%
Earnings (Loss) on Underwriting	35	26	37%	43	-18%	(34)	67	-150%
Net Investment Income and Other Income	15	24	-37%	21	-29%	56	60	-8%
Operating Expenses	33	35	-7%	28	16%	99	87	14%
Profit (Loss) before Income Tax expenses	18	15	20%	36	-51%	(78)	40	-292%
Net Profit (Loss)	14	13	8%	30	-52%	(59)	48	-224%
<b>COMBINED RATIO</b>	<b>99.5%</b>	100.5%		98.0%		<b>103.8%</b>	100.4%	

**Operating performances for 3Q/2024**

The Company's financial statements in which the equity method presented a net profit for 3Q/2024 at Baht 14 million, decreased by Baht 16 million or 52% from the previous year mainly due to:

- Earning on Underwriting** amounted to Baht 35 million, decreased by Baht 8 million or 18% from the previous year comprises:
  - The Company has reinsurance premium written amounting to Baht 1,693 million, increased by Baht 712 million or 73% from the previous year with the earned premiums amounted to Baht 1,524 million, increased by Baht 653 million or 75% which is related to the growth of the individual health insurance and increased due to the adjustment in group health insurance premium rates.
  - Reinsurance expenses amounted to Baht 1,489 million, increased by Baht 661 million or 80% from the previous year, mainly from claim expense increased by Baht 508 million related to the growth of the premium

The company's combined ratio for Q3/2024 is 99.5%, increased by 1.5 percentage points from the previous year but decreased by 1.0 percentage points from the previous quarter.



## 2. Investment Income and Other Income

In 3Q/2024, the company had a net investment income of Baht 15 million, decrease by Baht 6 million or 29% from the previous year. This decline was due to a decrease in dividend income of Baht 4 million, while interest income remained comparable to that of the previous year.

### Operating performances for 9M/2024

The Company's financial statements in which the equity method presented a net loss for 9M/2024 at Baht 59 million, decreased by Baht 107 million from the previous year mainly due to:

1. **Loss on Underwriting:** The company has incurred a loss of Baht 34 million from reinsurance activities, which includes
  - A. The Company has reinsurance premiums written amounting to Baht 3,564 million, increased by Baht 917 million from the previous year or 35% with earned premiums amounted to Baht 3,296 million, increased by Baht 926 million or 39% from the previous year, driven by the growth in the group health insurance market and the expansion of individual health insurance policies.
  - B. Reinsurance expenses amounted to Baht 3,330 million, increased by Baht 1,027 million or 45% from the previous year mainly from:
    - Total claim expenses increased by Baht 898 million which is related to the growth of premiums and following the industry's situation where medical cost inflation has risen higher than the adjusted insurance premium rates.
    - Commission expenses increased by Baht 121 million from the previous year mainly due to the increase in line with the growth of premiums.

As a result, the combined ratio of 9M/2024 was 103.8%, increased by 3.4 percentage point from the previous year.

In 2024, the company conducted a review and adjusted the pricing for some health insurance contracts, especially those for contract renewals. Additionally, we have terminated the contract that affects the operating results, aiming to bring the loss ratio and combined ratio back to target levels in the future.

## 2. Investment Income and Other Income

In 9M/2024, the Company had a net investment income of Baht 56 million, decreased by Baht 4 million or 8% from the previous year. This decline was due to a reduction in dividend income following portfolio adjustments aimed at risk reduction.

Please be informed accordingly.

Yours sincerely

-Signed-

(Mr. Vipon Vorasowharid)

Managing Director