

**THREL: Management Discussion and Analysis for 2Q/2022 ending Jun 30, 2022**

8 August 2022

Subject: Management Discussion and Analysis for 2Q/2022 ended Jun 30, 2022

To President  
The Stock Exchange of Thailand

Thaire Life Assurance Public Company Limited would like to explain the operating performances for 2Q/2022 in which the equity method presented that had been reviewed by auditor as follows:

(Unit Million baht)

Description	2Q/2022	2Q/2021	YoY	1H/2022	1H/2021	YoY
Reinsurance premium written	813	970	-16%	1,483	1,450	2%
Earned Premium	700	713	-2%	1,393	1,237	13%
Long-term Reserve Inc/(Dec) from prior period	2	15	-89%	(15)	5	-398%
Net Benefits and Claims Expense	461	500	-8%	928	851	9%
Net Commission Expense	175	143	22%	303	279	9%
Underwriting & Operating Expenses	38	38	0%	80	71	13%
Reinsurance expense	675	696	-3%	1,297	1,206	8%
Earnings on Underwriting	25	16	56%	96	31	212%
Net Investment Income and Other Income	22	26	-17%	38	44	-15%
Profit before Income Tax expenses	47	42	11%	133	75	78%
Income Tax Expenses	7	5	30%	23	10	135%
Net Profit	40	37	8%	110	65	69%
<b>COMBINED RATIO</b>	95.6%	96.2%		93.0%	96.7%	

**Operating performances for 2Q/ 2022**

The Company's financial statements in which the equity method presented a net profit for 2Q/2022 at Baht 40 million, increased by Baht 3 million or 8% from the previous year mainly due to:

1. **Earning on Underwriting** amounted to Baht 25 million, increased by Baht 9 million or 56% from the previous year consists of :
  - A. The Company has reinsurance premiums written amounted to Baht 813 million, decreased by Baht 157 million or 16% from the previous year with earned premiums amounted to Baht 700 million, decreased by Baht 13 million or 2% from the previous year, mainly from the reduction in the proportion of some health insurance product.
  - B. Reinsurance expenses amounted to Baht 675 million, decreased by Baht 21 million or 3% from the previous year mainly from:
    - Long-term insurance policy reserves decreased by the previous year Baht 13 million due to an increase in policy interest compared to the same period of the previous year.

- Total claim expense decreased by Baht 39 million, mainly from the previous year that there was a major loss from credit life insurance product amounted to Baht 40 million.

As a result, the combined ratio of 2Q/2022 was 95.6%, decreased by 0.6 percentage point from the previous year.

## 2. Investment Income and Other Income

In 2Q/2022, the Company has net investment income of Baht 22 million decreased by Baht 4 million or 17% from the previous year. This was a result of decrease of gain from sales of securities due to the slowdown in both domestic and international stock markets compared to the previous year.

### Operating performances for 1H/2022

The Company's financial statements in which the equity method presented a net profit for the first half year 2022 at Baht 110 million, increased by Baht 45 million or 69% from the previous year mainly due to:

1. **Earning on Underwriting** amounted to Baht 96 million, increased by Baht 65 million or 212% from the previous year due to the following factors:
  - A. The Company has reinsurance premiums written amounted to Baht 1,483 million, increased by Baht 33 million from the previous year or 2%, closely to the previous year. Earned premiums amounted to Baht 1,393 million, increased by Baht 156 million or 13% from the previous year, due to the 1Q/2022, reinsurance premiums written were recorded higher than 1Q/2021 resulting in the proportion of earned premiums is higher than the reinsurance premiums written.
  - B. Reinsurance expenses amounted to Baht 1,297 million, increased by Baht 91 million or 8% from the previous year mainly from:
    - Long-term insurance policy reserves decreased by the previous year Baht 20 million due to an increase in policy interest compared to the same period of the previous year.
    - Total claim expense increased by Baht 77 million and commission expense increased by Baht 24 million, which is related to the growth of premiums.

Regarding the underwriting management and reinsurance policy as planned, the Company has been able to control claims expenses and the combined ratio has been improving 3.7 percentage point from previous year to 93.0%.

## 2. Investment Income and Other Income

In 1H/2022, the Company had net investment income of Baht 38 million decreased by Baht 6 million or 15% from the previous year. This was a result of decrease of dividend income from equity funds and decreased of gain from sales of securities due to the slowdown in both domestic and international stock markets compared to the previous year.



THREL

THAIRE LIFE ASSURANCE PUBLIC COMPANY LIMITED

Please be informed accordingly.

Yours sincerely

*-Signed-*

(Sutti Rajitrangson)

President