

**THREL: Management Discussion and Analysis for 3Q/2022 ending Sep 30, 2022**

8 November 2022

Subject: Management Discussion and Analysis for 3Q/2022 ended Sep 30, 2022

To President  
The Stock Exchange of Thailand

Thaire Life Assurance Public Company Limited would like to explain the operating performances for 3Q/2022 in which the equity method presented that had been reviewed by auditor as follows:

(Unit Million baht)

Description	3Q/2022	3Q/2021	YoY	9M/2022	9M/2021	YoY
Reinsurance premium written	784	842	-7%	2,267	2,292	-1%
Earned Premium	761	777	-2%	2,154	2,014	7%
Long-term Reserve Increase/(Decrease)	11	(4)	349%	(3)	0	-934%
Unexpired risk reserves increase	1	12	0%	1	12	0%
Net Benefits and Claims Expense	514	552	-7%	1,442	1,403	3%
Net Commission Expense	182	167	9%	486	446	9%
Underwriting & Operating Expenses	37	38	-3%	117	109	8%
Total Reinsurance expense	746	764	-2%	2,043	1,971	4%
<b>Earnings on Underwriting</b>	<b>15</b>	<b>13</b>	<b>16%</b>	<b>111</b>	<b>44</b>	<b>154%</b>
Net Investment Income and Other Income	21	11	88%	58	55	6%
Profit before Income Tax expenses	36	24	49%	169	99	71%
Income Tax Expenses	5	3	68%	28	13	121%
<b>Net Profit</b>	<b>30</b>	<b>21</b>	<b>46%</b>	<b>141</b>	<b>86</b>	<b>64%</b>
<b>COMBINED RATIO</b>	97.8%	97.9%		94.6%	97.2%	

**Operating performances for 3Q/2022**

The Company's financial statements in which the equity method presented a net profit for 3Q/2022 at Baht 30 million, increased by Baht 9 million or 46% from the previous year mainly due to:

1. **Earning on Underwriting** amounted to Baht 15 million, increased by Baht 2 million or 16% from the previous year consists of :
  - A. The Company has reinsurance premiums written amounted to Baht 784 million, decreased by Baht 58 million or 7% from the previous year with earned premiums amounted to Baht 761 million, decreased by Baht 16 million or 2% from the previous year, mainly from the reduction in the proportion of some group life insurance and group insurance product while there were Baht 27 million of foreign contract that recorded in this quarter.
  - B. Reinsurance expenses amounted to Baht 746 million, decreased by Baht 18 million or 2% from the previous year mainly from:

- Long-term insurance policy reserves increased by Baht 15 million from the previous year result of the provision of the foreign contract that were recorded in this quarter.
- Unexpired risk reserves decreased by Baht 11 million, mainly from group life insurance and health insurance to cover the COVID-19 situation in 2021, while there is no such item this year.
- Total claim expense decreased by Baht 38 million, mainly from the previous year that there was a major loss from credit life insurance product amounted to Baht 30 million.
- Commission expenses increased by Baht 15 million which related to the growth of premiums.

As a result, the combined ratio of 3Q/2022 was 97.8%, decreased by 0.1 percentage point from the previous year.

## 2. Investment Income and Other Income

In 3Q/2022, the Company has net investment income of Baht 21 million increased by Baht 10 million or 88% from the previous year. This was a result of the previous year there was an impairment of investment assets amount of Baht 15 million.

### Operating performances for 9M/2022

The Company's financial statements in which the equity method presented a net profit for 9M/2022 at Baht 141 million, increased by Baht 55 million or 64% from the previous year mainly due to:

1. **Earning on Underwriting** amounted to Baht 111 million, increased by Baht 67 million or 154% from the previous year due to the following factors:
  - A. The Company has reinsurance premiums written amounted to Baht 2,267 million, decreased by Baht 25 million from the previous year or 1%, closely to the previous year. Earned premiums amounted to Baht 2,154 million, increased by Baht 140 million or 7% from the previous year.
  - B. Reinsurance expenses amounted to Baht 2,043 million, increased by Baht 72 million or 4% from the previous year mainly from:
    - Unexpired risk reserves decreased by Baht 11 million, mainly from group life insurance and health insurance to cover the COVID-19 situation in 2021, while there is no such item this year.
    - Total claim expense increased by Baht 39 million and commission expense increased by Baht 40 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 decreased by 2.6 percentage point from previous year to 94.6%.



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THAIRE LIFE ASSURANCE PUBLIC COMPANY LIMITED

## 2. Investment Income and Other Income

In 9M/2022, the Company had net investment income of Baht 58 million increased by Baht 3 million or 6% from the previous year. This was a result of gain from sales of securities decreased by Baht 16 million, while the previous year there was an impairment of investment assets amount of Baht 15 million.

Please be informed accordingly.

Yours sincerely

*-Signed-*

(Sutti Rajitragson)

President