

**THREL: Management Discussion and Analysis for 1Q/2026 (Ended 31 March 2026)**

14 May 2026

Subject: Management Discussion and Analysis for 1Q/2026 (Ended 31 March 2026)

To President  
The Stock Exchange of Thailand

Thaire Life assurance Public Company Limited presents the operating results for 1Q/2026, the equity method financial statements reviewed by the auditor, as follows:

**Operating Result for 1Q/2026**

(Unit : Million Baht)

Item	1Q/2026	1Q/2025	YoY
Reinsurance Premium	876	922	-5%
Insurance revenue	563	719	-22%
Insurance service expenses	(634)	(777)	18%
Net income (expenses) from reinsurance contracts held	(20)	(40)	48%
<b>Insurance service result</b>	<b>(91)</b>	<b>(97)</b>	<b>6%</b>
Net investment income	17	15	19%
Net insurance finance expenses	(15)	(17)	10%
Operating expenses	(23)	(28)	15%
<b>Profit (Loss) before income tax</b>	<b>(113)</b>	<b>(127)</b>	<b>11%</b>
<b>Net Profit (loss) for the period</b>	<b>(89)</b>	<b>(101)</b>	<b>12%</b>
Combined Ratio	116.2%	113.5%	

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

For 1Q/2026, the Company's operating performance, as reflected in the financial statements prepared under the equity method, was in line with expectations. Overall performance continued to trend positively, reflecting the results of the business plan implemented since 2025. Net operating performance improved by THB 12 million, or 12%, compared to the same period of the prior year. Nevertheless, the Company recorded a net loss in 1Q/2026 due to the requirement under TFRS 17 to recognize the full Risk Adjustment (RA) for new insurance contracts (New Business) in the first quarter of each year, which affects performance at the beginning of each financial year. As a result, the Company reported a net loss of THB 89 million, improving from a net loss of THB 101 million recorded in the same period of the previous year. Further details are as follows:



The Company recorded reinsurance premiums of THB 876 million, a decrease of THB 46 million, or 5% from the previous year. This decline was primarily attributable to a reduction in group health insurance business and the termination of certain loss-making group health contracts.

Insurance service result represents insurance revenue less insurance service expenses, plus or minus net income (expenses) from reinsurance contracts held. In the first quarter of 2026, the Company's insurance revenue decreased to THB 563 million from THB 719 million, representing a decline of THB 156 million, or 22%. This was partly due to management actions to discontinue group insurance contracts with underperforming results. Meanwhile, insurance service expenses decreased significantly from THB 777 million to THB 634 million, a reduction of THB 143 million, or 18%, reflecting the positive impact of underwriting restructuring, improved risk diversification, and more effective claims management. As a result, the Company's Net Combined Ratio stood at 116.2%.

Net investment income for the first quarter of 2026 improved compared to the same period of the previous year, increasing to THB 17.3 million from THB 14.5 million, representing an increase of THB 2.8 million, or approximately 19%. The improvement was mainly supported by higher dividend income from equity and unit trust investments, which increased to THB 7.4 million from THB 4.5 million, representing an increase of approximately THB 2.9 million, or 64%.

#### **Financial Position and Economic Value of the Company**

As of 31 March 2026, the Company reported total liabilities of THB 1,953 million, representing an increase of THB 82 million from the previous year. The increase was primarily attributable to insurance contract liabilities of THB 1,902 million, which increased by THB 234 million from the previous year.

(Unit : Million Baht)

<b>Statement of Financial Position</b>	<b>31 Mar 2026</b>	<b>31 Dec 2025</b>
<b>Total Assests</b>	<b>2,404</b>	<b>2,372</b>
<b>Total Liabilities</b>	<b>1,953</b>	<b>1,871</b>
Insurance contract liabilities		
Present value of future cash flows (BEL)	591	603
Risk adjustment for non-financial risk (RA)	296	291
Contractual service margin (CSM)	1,015	773
Reinsurance contract liabilities	21	169
Others	31	33
<b>Equity</b>	<b>450</b>	<b>501</b>
Ordinary issued and paid-up share	620	620
Book Value per Share	0.73	0.81
<b>Comprehensive Equity *</b>	<b>1,465</b>	<b>1,274</b>
Comprehensive Equity per Share	2.36	2.06

\* Comprehensive Equity is defined as Equity, including the Contractual Service Margin (CSM)



The Company reported insurance contract liabilities (reinsurance contracts issued) of THB 1,902 million, increasing from THB 1,668 million as at the end of 2025. The liability structure changed significantly during the period, with the Contractual Service Margin (CSM) increasing to THB 1,015 million, representing 53% of total liabilities, compared to THB 773 million, or 46%, previously. This reflects an increase in future profit to be recognized over the coverage period.

Meanwhile, the present value of future cash flows decreased slightly to THB 591 million from THB 603 million, while the Risk Adjustment remained relatively stable at THB 296 million. Overall, the increase in insurance contract liabilities during the period was primarily driven by the growth in CSM, reflecting the Company's enhanced ability to generate future profitability from insurance contracts.

The Company's equity amounted to THB 450 million, representing a Book Value per Share of THB 0.73. However, when including the CSM balance, total Comprehensive Equity amounted to THB 1,465 million, reflecting the future economic value to be gradually recognized as insurance services are provided under the contracts. As a result, the Company's Comprehensive Equity per share amounted to THB 2.36.

For 2Q/2026 and through the end of 2026, the Company expects performance to continue improving in line with the business improvement plan outlined above. This is further supported by the gradual recognition of income from the previously recorded Risk Adjustment reserves, enabling the Company's overall operating performance in 2026 to return to a positive position in line with the Company's target.

Please be informed accordingly.

Yours sincerely

*-Signed-*

(Mr. Vipon Vorasowharid)

Managing Director