



Thai  
Life  
Insurance

# Management Discussion and Analysis for the 1st quarter, 2026

Thai Life Insurance Public Company Limited



## MANAGEMENT DISCUSSION AND ANALYSIS

**Thai Life Insurance Public Company Limited** (the Company) is the first life insurance in Thailand which owned and operated by Thai nationals. The Company has successfully developed the “*Thai Life Insurance*” brand to be well-regarded as one of the top insurance providers in Thailand. The Company’s vision is “**To be a Value-Driven Life Insurance Company of Sustainability**” with the business purpose “**To be the Life and Financial Solutions Provider** in every life stage, life event and lifestyle of customers to meet the diverse demands of each individual customer” and “**To provide healthier, better and wealthier lives** for customers during the later stages of their life.”

### KEY MILESTONES



#### *Top Innovative Company*

Received the **Top Innovative Company Award** for excellence and outstanding innovation at the Thailand Top Company Awards 2026.

#### *Most Innovative Customer Experience*

Received the **Most Innovative Customer Experience in Life Insurance – Thailand 2025** at the International Finance Awards 2025.



#### *Thailand’s Most Admired Company*

Received the **Thailand’s Most Admired Company Award 2025 - 2026** as the most trusted organization in the Management and Sustainable Development in the life insurance sector, for the second consecutive year.

#### *Digital Transformation*

Committed to continuously developing innovations to enhance the experience of customers and agents, as follows:

##### 1. Introduced the new “e-Document” feature to enhance customer convenience across all touchpoints

Enhanced the TLI application experience with the new “e-Document” feature, allowing customers to receive important documents via email in a convenient, fast, and secure manner. This feature eliminates concerns over document loss and allows immediate use as official references. It also supports paperless operations, aligning with the Company’s environmental-conscious business approach.

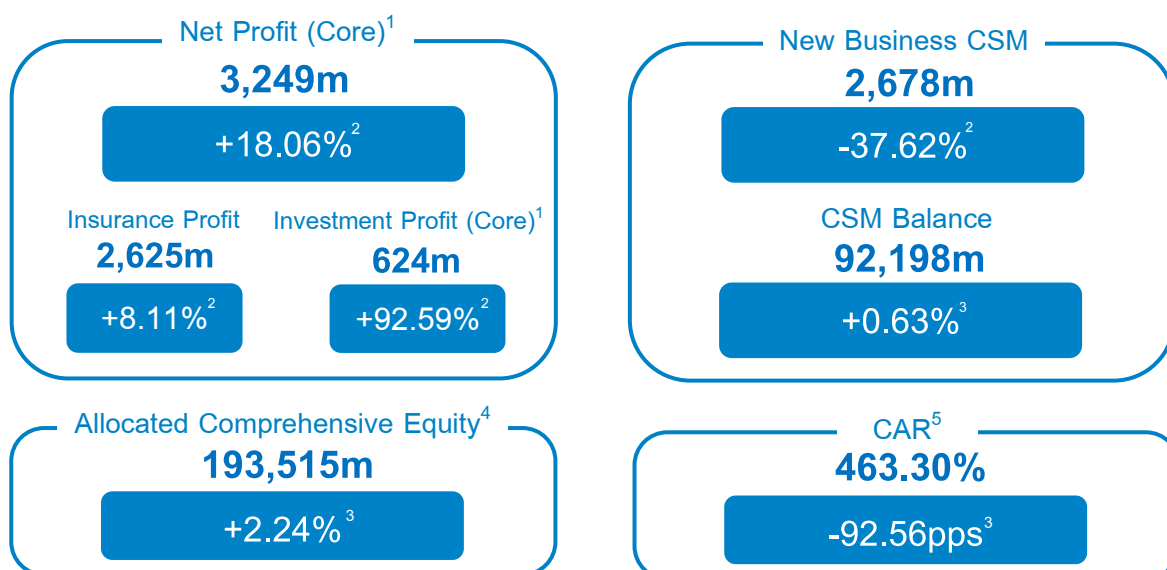
##### 2. Enhanced agent capabilities through the “Agent Role Play” feature

Launched the “Agent Role Play” feature on the TL SMART, a comprehensive digital platform for agents. This AI-powered training is designed to accelerate agents’ readiness. The feature allows agents to practice sales conversations, after-sale services, or recruitment pitch with AI. It provides detailed communication analysis, training result and personalized feedback through a digital training system.



## 1. RESULTS OF OPERATION AND FINANCIAL POSITION

### 1.1 OVERVIEW



#### Summary of the Company's Performance for Q1/2026

- The Company registered a net profit (core) of Baht 3,249 million for Q1/2026, representing a year-on-year increase of 18.06%. Insurance profit, the main driver of net profit, rose by 8.11%, primarily due to lower medical claims. Meanwhile, investment profit (core) rose by 92.59%, primarily due to higher dividend returns generated from domestic equity investments.
- New Business Contractual Service Margin (New Business CSM) amounted to Baht 2,678 million, declining 37.62% year-on-year. The decrease was mainly due to the high comparative base in the same period of last year, resulting from a surge in medical rider's sales prior to the implementation of copayment conditions in March 2025. However, Contractual Service Margin (CSM) balance as of 31 March 2026 stood at Baht 92,198 million, increased by Baht 578 million or 0.63% compared to the position as of 31 December 2025, mainly supported by the new business written during the period.
- Allocated Comprehensive equity as of 31 March 2026 was Baht 193,515 million, an increase of Baht 4,235 million or 2.24% from 31 December 2025, primarily driven by higher net profit and the growth in CSM balance.
- Our capital remains robust with a Capital Adequacy Ratio (CAR) of 463.30% as of 31 March 2026, significantly higher than the regulatory capital requirement of 140%.

<sup>1</sup> The net profit (core) and investment profit (core) exclude extraordinary and market fluctuation items. Extraordinary and market fluctuation items consist of gain (loss) on investments, gain (loss) on fair value change, and change in expected credit loss.

<sup>2</sup> The changes in net profit (core), insurance profit, investment profit (core), and new business CSM were compared to the same period of last year.

<sup>3</sup> The changes in CSM Balance, allocated comprehensive equity, and CAR were compared to the position at the end of last year.

<sup>4</sup> Allocated comprehensive equity is defined as shareholders' equity, excluding other components of equity, plus contractual service margin (CSM) net of reinsurance and tax.

<sup>5</sup> Capital Adequacy Ratio (CAR) is calculated in accordance with the Notification of the Office of Insurance Commission (OIC) on Types of Capital and Rules, Criteria, and Conditions for Calculation of Capital of Life Insurance Companies B.E. 2562 (as amended).

<sup>6</sup> The summation and % changes related to financial statements are based on rounded number in million Baht.

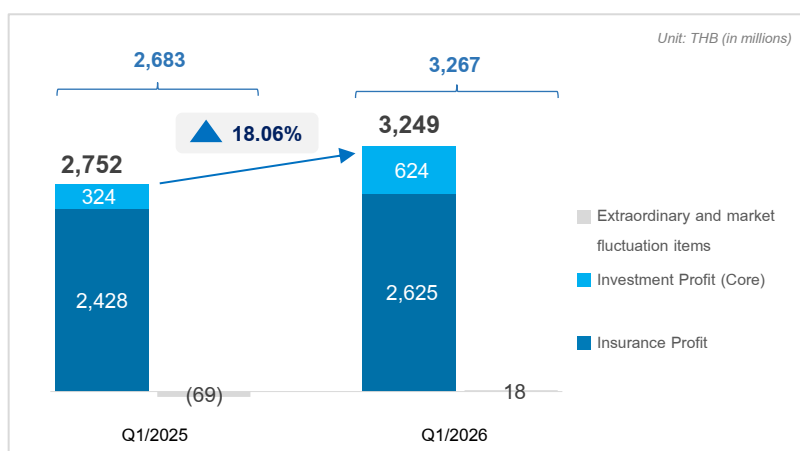
## 1.2 RESULTS OF OPERATIONS

Unit: THB (in millions)

| Operating Results (Net of Tax*)  | Q1/2026      | Q1/2025      | Change     | % Change       |
|--|--------------|--------------|------------|----------------|
| Contractual service margin (CSM) released <sup>1</sup>                                     | 2,272        | 2,416        | (144)      | -5.96%         |
| Risk adjustment (RA) released for the risk expired <sup>2</sup>                            | 434          | 380          | 54         | 14.21%         |
| Operating variance <sup>3</sup>  | 197          | (170)        | 367        | 215.88%        |
| Insurance contracts not measured under the PAA   | 2,903        | 2,626        | 277        | 10.55%         |
| Insurance contracts measured under the PAA <sup>4</sup>                                    | 57           | (48)         | 105        | 218.75%        |
| Net expenses from reinsurance contracts held   | (25)         | 118          | (143)      | -121.19%       |
| <b>Insurance service result</b>  | <b>2,935</b> | <b>2,696</b> | <b>239</b> | <b>8.86%</b>   |
| Other expenses <sup>5</sup>  | (310)        | (268)        | (42)       | -15.67%        |
| <b>Insurance profit</b>  | <b>2,625</b> | <b>2,428</b> | <b>197</b> | <b>8.11%</b>   |
| Investment income <sup>6</sup>   | 3,891        | 3,520        | 371        | 10.54%         |
| Net insurance finance expense (Interest cost of insurance contract liability) <sup>7</sup> | (3,267)      | (3,196)      | (71)       | -2.22%         |
| <b>Investment profit (Core)<sup>8</sup></b>  | <b>624</b>   | <b>324</b>   | <b>300</b> | <b>92.59%</b>  |
| Extraordinary and market fluctuation items <sup>9</sup>                                    | 18           | (69)         | 87         | 126.09%        |
| <b>Investment profit</b>   | <b>642</b>   | <b>255</b>   | <b>387</b> | <b>151.76%</b> |
| <b>Net profit</b>  | <b>3,267</b> | <b>2,683</b> | <b>584</b> | <b>21.77%</b>  |
| <b>Net profit (Core)<sup>8</sup></b>   | <b>3,249</b> | <b>2,752</b> | <b>497</b> | <b>18.06%</b>  |

\* Each line items are presented as the net amount of income tax expenses by using effective tax rate.

### Source of Net Profit



For Q1/2026, the Company registered a net profit (core), excluding extraordinary and market fluctuation items, of Baht 3,249 million, an increase of 18.06% compared to the same period of last year.

<sup>1</sup> CSM released is profit earned from providing insurance services.

<sup>2</sup> Risk adjustment released for the risk expired is the release of reserve for the non-financial risk (or uncertainty) as risk expired.

<sup>3</sup> Operating variance represents the difference between expected and actual amount of insurance contract cash flows, including insurance service premium and expenses for the current period, such as claim expenses.

<sup>4</sup> Premium Allocation Approach (PAA) is a simplified method, by allocating premium, to measure insurance contract liabilities for the short-term insurance contracts with coverage period less than 1 year, such as Group Insurance Business.

<sup>5</sup> Other expenses consist of other operating expenses which are not attributable to insurance contracts, net of other income.

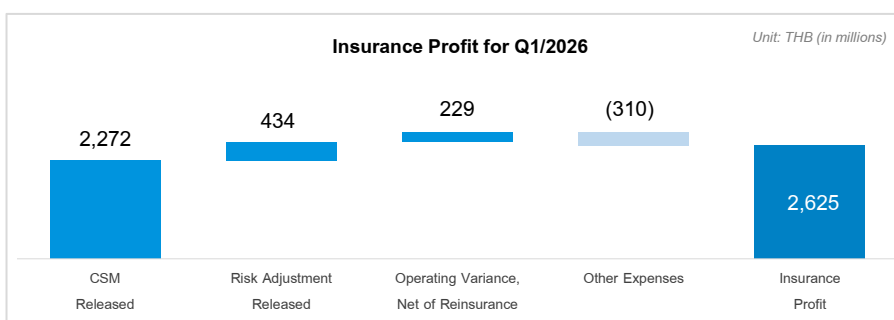
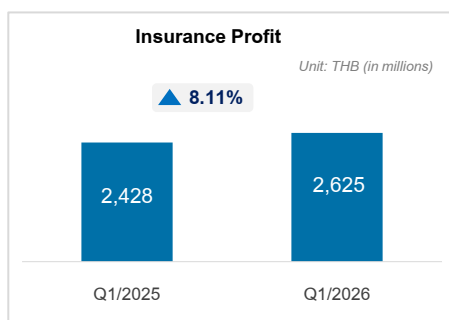
<sup>6</sup> Investment income consists of interest income, dividend income and share of profit of associate.

<sup>7</sup> Net insurance finance expense is interest accretion on insurance contract liabilities which is interest cost of insurance contract liabilities. It is based on the interest rates locked in at insurance policies inception, as Thai Life has selected an accounting policy choice (OCI option) to disaggregate and present the impact from revaluation using the current market interest rates separately in Other Comprehensive Income.

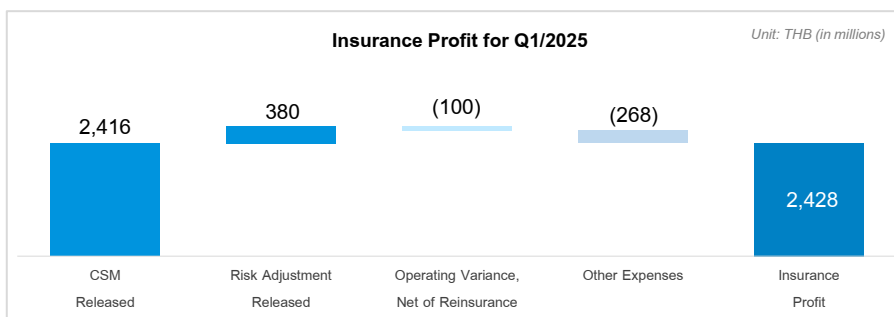
<sup>8</sup> The net profit (core) and investment profit (core) exclude extraordinary and market fluctuation items.

<sup>9</sup> Extraordinary and market fluctuation items consist of gain (loss) on investments, gain (loss) on fair value change, and change in expected credit loss.

### 1.2.1 Insurance Profit



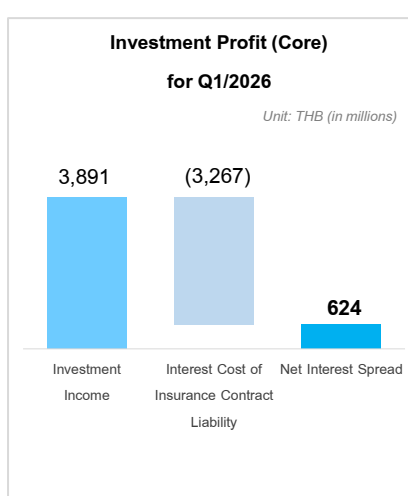
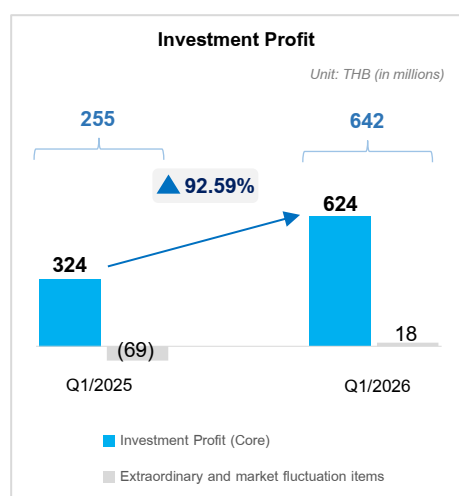
Insurance profit for Q1/2026 reached Baht 2,625 million, representing an increase of 8.11% compared to the same period of last year, mainly driven by lower medical claims. In addition, the Company's insurance profit was primarily supported by a large and stable in-force portfolio, providing consistent earnings.



Insurance profit for Q1/2026 consists of:

- Release of Contractual Service Margin (CSM) amounted to Baht 2,272 million, a year-on-year decrease of Baht 144 million, despite having a higher CSM balance from business growth. This reflects a reduction in the release rate following the update to best estimate assumptions at the end of last year, based on latest experience. The revised assumptions indicate longer expected policy duration, resulting in a more gradual recognition of CSM and supporting a sustainable emergence of profit over time. The CSM release remains being **the main source of insurance profit**.
- Operating variance<sup>1</sup> between expected and actual claims and expenses improved by Baht 329 million. This improvement reflects the Company's enhanced operational efficiency, particularly in the effective management of medical claims.

### 1.2.2 Investment Profit



Investment profit (core), excluding extraordinary and market fluctuation items, reached Baht 624 million for Q1/2026, representing an increase of 92.59% compared to the same period of last year. The increase was primarily due to higher dividend returns generated from domestic equity investments, partially offset by higher interest cost of insurance contract liabilities, aligning with the growth of insurance business.

<sup>1</sup> Operating variance represents the difference between expected and actual amount of insurance contract cash flows, comprising insurance service premium and expenses for the current period, and net of reinsurance expenses.

### 1.3 ANALYSIS OF FINANCIAL POSITION

Unit: THB (in millions)

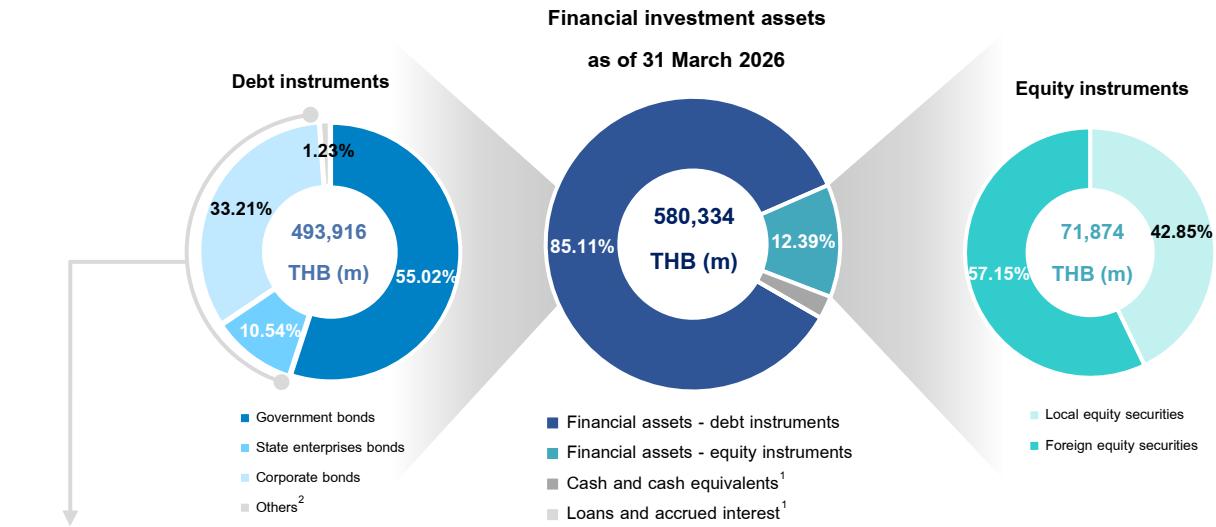
| Financial Position  | 31 March<br>2026 | % of Total<br>Assets | 31 December<br>2025 | % of Total<br>Assets | Change          | % Change       |
|---|------------------|----------------------|---------------------|----------------------|-----------------|----------------|
| <b>Assets</b>   |                  |                      |                     |                      |                 |                |
| Cash and cash equivalents                                   | 14,524           | 2.43%                | 7,867               | 1.21%                | 6,657           | 84.62%         |
| Investment assets   |                  |                      |                     |                      |                 |                |
| <i>Financial assets - debt instruments</i>                  | 493,916          | 82.79%               | 552,125             | 85.00%               | (58,209)        | -10.54%        |
| <i>Financial assets - equity instruments</i>                | 71,874           | 12.05%               | 72,462              | 11.16%               | (588)           | -0.81%         |
| <i>Loans and accrued interest</i>                           | 20               | 0.00%                | 20                  | 0.00%                | -               | 0.00%          |
| Total investment assets                                     | 565,810          | 94.84%               | 624,607             | 96.16%               | (58,797)        | -9.41%         |
| <b>Total financial investment assets</b>                    | <b>580,334</b>   | <b>97.27%</b>        | <b>632,474</b>      | <b>97.37%</b>        | <b>(52,140)</b> | <b>-8.24%</b>  |
| Assets other than the abovementioned <sup>1</sup>           | 16,297           | 2.73%                | 17,094              | 2.63%                | (797)           | -4.66%         |
| <b>Total assets</b>   | <b>596,631</b>   | <b>100.00%</b>       | <b>649,568</b>      | <b>100.00%</b>       | <b>(52,937)</b> | <b>-8.15%</b>  |
| <b>Liabilities and Equity</b>                               |                  |                      |                     |                      |                 |                |
| <b>Liabilities</b>  |                  |                      |                     |                      |                 |                |
| Insurance and reinsurance contract liabilities              |                  |                      |                     |                      |                 |                |
| <i>Insurance contract liabilities</i>                       | 455,895          | 76.41%               | 472,338             | 72.72%               | (16,443)        | -3.48%         |
| <i>Reinsurance contract liabilities</i>                     | 589              | 0.10%                | 674                 | 0.10%                | (85)            | -12.61%        |
| <b>Total insurance and reinsurance contract liabilities</b> | <b>456,484</b>   | <b>76.51%</b>        | <b>473,012</b>      | <b>72.82%</b>        | <b>(16,528)</b> | <b>-3.49%</b>  |
| Liabilities other than the abovementioned <sup>2</sup>      | 12,806           | 2.15%                | 22,042              | 3.39%                | (9,236)         | -41.90%        |
| <b>Total liabilities</b>                                    | <b>469,290</b>   | <b>78.66%</b>        | <b>495,054</b>      | <b>76.21%</b>        | <b>(25,764)</b> | <b>-5.20%</b>  |
| <b>Equity</b>   |                  |                      |                     |                      |                 |                |
| Share capital   | 31,232           | 5.23%                | 31,232              | 4.81%                | -               | 0.00%          |
| Retained earnings   | 88,888           | 14.90%               | 85,093              | 13.10%               | 3,795           | 4.46%          |
| Other components of equity                                  | 7,221            | 1.21%                | 38,189              | 5.88%                | (30,968)        | -81.09%        |
| <b>Total equity</b>   | <b>127,341</b>   | <b>21.34%</b>        | <b>154,514</b>      | <b>23.79%</b>        | <b>(27,173)</b> | <b>-17.59%</b> |
| <b>Total liabilities and equity</b>                         | <b>596,631</b>   | <b>100.00%</b>       | <b>649,568</b>      | <b>100.00%</b>       | <b>(52,937)</b> | <b>-8.15%</b>  |

<sup>1</sup> Assets other than the abovementioned consist of accrued investment income, insurance contract assets, reinsurance contract assets, derivative assets, net investments in associated companies, net land, premises and equipment, net intangible assets, net property foreclosed, net deferred tax assets and other assets.

<sup>2</sup> Liabilities other than the abovementioned consist of derivative liabilities, income tax payable, net deferred tax liabilities, employee benefit obligations and other liabilities.

### 1.3.1 Assets

#### Financial Investment Assets

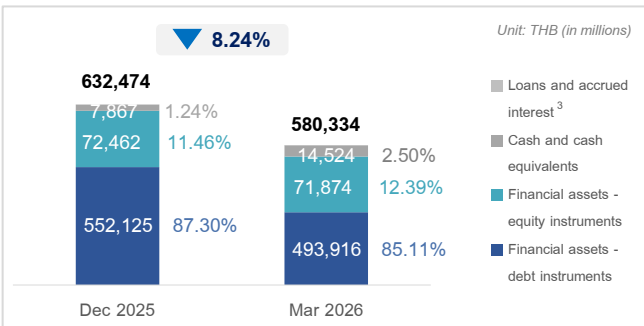


#### Credit quality

| BBB- to BBB+ | A- to A+ | AA- to AA+ | AAA    |
|--------------|----------|------------|--------|
| 9.19%        | 43.95%   | 21.90%     | 24.11% |

**Note:**

- The above graphic sets out information about the credit quality as at 31 March 2026 of debt instruments (state enterprises and corporate)
- Short-term credit rating of F1+(tha) 0.06% and BB+ credit rating of 0.79% are not visible in the above graphic as they are insignificant.



The Company's investment portfolio is well managed by allocating financial investment assets in a fairly prudent manner.

Financial investment assets decreased by 8.24%, primarily driven by a decrease in the fair value of debt instruments, reflecting the increase in market interest rates, as well as the disposal of equity instruments to mitigate overall portfolio risk amid heightened market volatility. The investment portfolio as of 31 March 2026 comprises mainly fixed income securities, accounting for 85.11%, which generated promising stable returns. Moreover, the portfolio has a low credit risk as our policy is to focus on assets with credit rating of 'investment grade'.

#### Liquidity and Capital Resources

As of 31 March 2026, the Company's cash and cash equivalents was amounted to Baht 14,524 million. The Company's primary cash inflows came from insurance premiums, cash received from investments in securities, and interests received from debt instruments which mostly generated steady incomes. The Company is closely monitoring the level of policy benefits payment in order to manage and minimize liquidity risk. In addition, the shareholder dividend payment, profit distributions and settlement are regulated by the OIC.

Apart from cash and cash equivalents, the Company's investments partially comprise highly liquid and marketable securities such as deposits and short-term government bonds with maturities of less than one year. These could be liquidated when in need of cash. As of 31 March 2026, the carrying value of the above-mentioned securities was amounted to Baht 6,493 million.

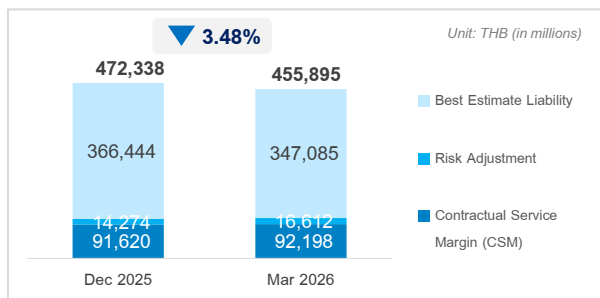
<sup>1</sup> Cash and cash equivalents 2.50% and Loans and accrued interest less than 0.01% of financial investment assets are not visible in the above graphic as they are insignificant.

<sup>2</sup> Others comprise of unit trusts 1.14% and term deposits 0.09% which are classified as debt instruments under accounting standards.

<sup>3</sup> Loans and accrued interest as of 31 December 2025 and 31 March 2026 are Baht 20 million and Baht 20 million, respectively, which are not visible in the above graphic as they are insignificant.

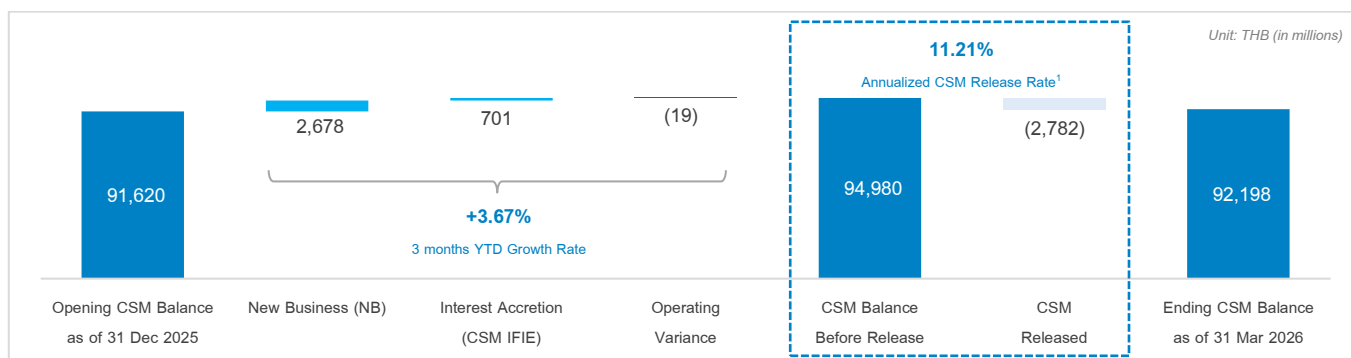
### 1.3.2 Liabilities

#### Insurance Contract Liabilities



Insurance contract liabilities decreased by 3.48%, primarily driven by the increase in market interest rates, which resulted in a reduction in the Best Estimate Liability. The Company’s focus on high-value products has resulted in a steady growth of Contractual Service Margin (CSM) which represents the current value of future unearned insurance profit.

#### CSM Balance Movement

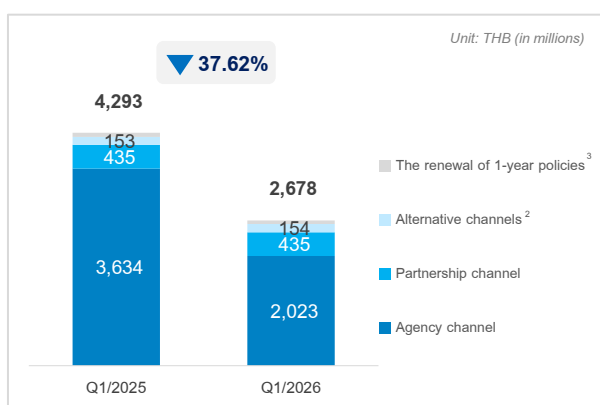


Contractual Service Margin (CSM) balance as of 31 March 2026 was Baht 92,198 million, increased by Baht 578 million or 0.63% compared to the position as of 31 December 2025. Prior to the calculation of CSM released, the balance increased by Baht 3,360 million, or 3.67%, in the period of 3 months, which was primarily driven by

- New business CSM of Baht 2,678 million, and
- Interest accretion (CSM IFIE) of Baht 701 million.

The release of CSM recognized into insurance profit was Baht 2,782 million for Q1/2026, representing an annualized CSM release rate<sup>1</sup> of 11.21%.

#### New Business CSM



The new business CSM represents the expected future insurance profit generated from the new policies written during the reporting period. For Q1/2026, the new business CSM decreased by Baht 1,615 million, or 37.62%, compared to the same period of last year, mainly due to the high comparative base in last year, resulting from a surge in medical rider’s sales prior to the implementation of copayment conditions in March 2025. However, the Company continues to focus on high-value protection products and multi-channel distribution strategy which remains a cornerstone of resilience and sustainable growth.

<sup>1</sup> The CSM release rate is calculated based on the CSM balance after reflecting new business CSM, interest accretion on CSM, and operating variances and changes in estimates that adjust the CSM.

<sup>2</sup> Alternative channels are telemarketing and digital platforms, excluding Group Employee Benefit of which insurance contracts are measured under the Premium Allocation Approach (PAA).

<sup>3</sup> The renewal of 1-year policies for Q1/2025 and Q1/2026 are Baht 71 million and Baht 65 million, respectively, which are not visible in the above graphic as they are insignificant.

<sup>4</sup> Summation may not add up to total amount due to rounding.

Details of the New Business CSM and the Annualized Premium Equivalent (APE)<sup>1</sup> for insurance contracts not measured under the Premium Allocation Approach (PAA) are as follows:

Unit: THB (in millions)

| By product line                             | Q1/2026          |                   |              |                               | Q1/2025          |                   |              |                  |
|---|------------------|-------------------|--------------|-------------------------------|------------------|-------------------|--------------|------------------|
|   | APE<br>(Non-PAA) | %APE<br>(Non-PAA) | NB CSM       | NB CSM<br>Margin <sup>2</sup> | APE<br>(Non-PAA) | %APE<br>(Non-PAA) | NB CSM       | NB CSM<br>Margin |
| Ordinary life (Whole Life and Others)       | 480              | 19.46%            | 516          | 107.38%                       | 886              | 27.42%            | 660          | 74.57%           |
| Ordinary life (Traditional Endowment)       | 671              | 27.17%            | 497          | 74.06%                        | 818              | 25.33%            | 533          | 65.11%           |
| Ordinary life (New Participating Endowment) | 651              | 26.35%            | 302          | 46.35%                        | 292              | 9.05%             | 140          | 47.75%           |
| Investment-linked                           | 66               | 2.66%             | 62           | 94.77%                        | 70               | 2.17%             | 64           | 91.16%           |
| Riders                                      | 384              | 15.54%            | 1,065        | 277.46%                       | 992              | 30.71%            | 2,662        | 268.42%          |
| Others <sup>3</sup>                         | 218              | 8.82%             | 171          | 78.65%                        | 172              | 5.31%             | 164          | 95.35%           |
| <b>Total of new policies</b>                | <b>2,469</b>     | <b>100.00%</b>    | <b>2,613</b> | <b>105.81%</b>                | <b>3,229</b>     | <b>100.00%</b>    | <b>4,222</b> | <b>130.75%</b>   |
| The renewal of 1-year policies              |                  |                   | 65           |                               |                  |                   | 71           |                  |
| <b>Total</b>                                |                  |                   | <b>2,678</b> |                               |                  |                   | <b>4,293</b> |                  |

Unit: THB (in millions)

| By channel                        | Q1/2026          |                   |              |                  | Q1/2025          |                   |              |                  |
|-----------------------------------|------------------|-------------------|--------------|------------------|------------------|-------------------|--------------|------------------|
|                                   | APE<br>(Non-PAA) | %APE<br>(Non-PAA) | NB CSM       | NB CSM<br>Margin | APE<br>(Non-PAA) | %APE<br>(Non-PAA) | NB CSM       | NB CSM<br>Margin |
| Agency                            | 1,756            | 71.12%            | 2,023        | 115.21%          | 2,399            | 74.30%            | 3,634        | 151.48%          |
| Partnership                       | 567              | 22.97%            | 435          | 76.76%           | 681              | 21.09%            | 435          | 63.87%           |
| Alternative channels <sup>4</sup> | 146              | 5.92%             | 154          | 105.59%          | 149              | 4.60%             | 153          | 102.73%          |
| <b>Total of new policies</b>      | <b>2,469</b>     | <b>100.00%</b>    | <b>2,613</b> | <b>105.81%</b>   | <b>3,229</b>     | <b>100.00%</b>    | <b>4,222</b> | <b>130.75%</b>   |
| The renewal of 1-year policies    |                  |                   | 65           |                  |                  |                   | 71           |                  |
| <b>Total</b>                      |                  |                   | <b>2,678</b> |                  |                  |                   | <b>4,293</b> |                  |

- **Agency channel:** New Business CSM declined by 44.33% compared to the same period of last year. This was primarily driven the high comparative base in last year, resulted from a surge in medical rider's sales prior to the implementation of copayment conditions. Nonetheless, the agency channel continues to be the Company's main distribution channel to serve customers across all segments, focusing on high-value protection products, which continue to be a key driver of the Company's overall growth.
- **Partnership channel:** New business CSM was largely consistent with last year, supported by a proactive shift in product mix toward new participating and credit life products that carry relatively higher CSM margins and align with customer demand in savings-oriented products. This was achieved through close collaboration with business partners to refine offerings, ensuring growth remains sustainably value-added to all stakeholders.
- **Alternative channels:** New Business CSM grew by 1.04% compared to same period last year. The growth was contributed by the Direct Telemarketing channel.

<sup>1</sup> Annualized premium equivalent (APE) is a common measure used by the life insurance industry to account for the sales of insurance products. It is calculated as 100% of annualized first year premiums plus 10% of single premiums for all new policies written during the reporting period. Premiums of renewal years and renewal policies are not included in the APE calculation. The figures exclude premiums from insurance contracts measured under the Premium Allocation Approach (PAA).

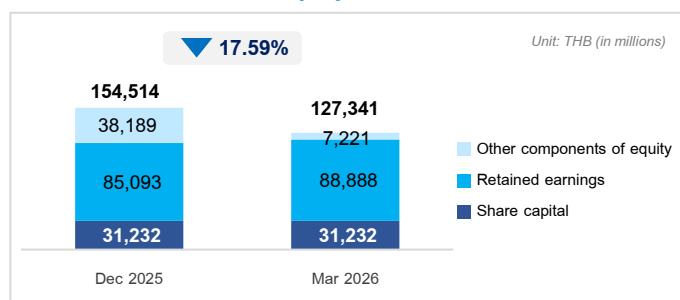
<sup>2</sup> New business CSM margin is calculated as new business CSM divided by annualized premium equivalent (APE) for insurance contracts not measured under the Premium Allocation Approach (Non-PAA).

<sup>3</sup> Others consist of Industrial Life Insurance, Group Insurance (excluding Group Employee Benefit), Credit Life Insurance and Personal Accident Insurance (PA).

<sup>4</sup> Alternative channels are telemarketing and digital platforms, excluding Group Employee Benefit of which insurance contracts are measured under the Premium Allocation Approach (PAA).

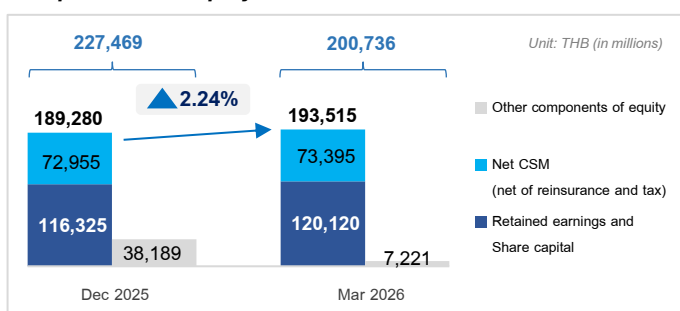
<sup>5</sup> Summation may not add up to total amount due to rounding.

### 1.3.3 Shareholders' Equity



Shareholders' equity decreased by 17.59% compared to the end of last year, primarily from the decrease in other components of equity, driven by more unrealized loss on investment in debt instruments, in line with the current market interest rate movements.

### Comprehensive Equity



Comprehensive equity decreased by 11.75% compared to the end of last year. Allocated comprehensive equity, excluding other components of equity, amounted to Baht 193,515 million, representing an increase of 2.24% compared to the end of last year, primarily driven by higher net profit and the growth in CSM balance.

## 1.4 FINANCIAL RATIOS AND ACTUARIAL ANALYSIS

### 1.4.1 Financial Ratios

| Financial Ratios                                  | As Reported     |                 | For Adjusted Financial Ratios <sup>1</sup> |                 |
|---|-----------------|-----------------|--|-----------------|
|   | Q1/2026         | Q1/2025         | Q1/2026                                    | Q1/2025         |
| <b>Profitability ratios</b>                       |                 |                 |  |                 |
| Net profit margin <sup>2</sup>                    | 23.49%          | 20.38%          | 26.05%                                     | 15.43%          |
|   | <b>Mar 2026</b> | <b>Dec 2025</b> | <b>Mar 2026</b>                            | <b>Dec 2025</b> |
| Return on investments (ROI) <sup>3</sup>          | 3.33%           | 3.20%           | 3.84%                                      | 3.53%           |
| Return on shareholders' equity (ROE) <sup>4</sup> | 9.59%           | 8.49%           | 12.06%                                     | 10.67%          |
| <b>Efficiency ratios</b>                          |                 |                 |  |                 |
| Return on assets (ROA) <sup>5</sup>               | 2.06%           | 1.91%           | 2.43%                                      | 2.10%           |
| <b>Other financial ratios</b>                     |                 |                 |  |                 |
| Debt to equity ratio <sup>6</sup>                 | 3.69x           | 3.20x           |  |                 |
|   | <b>Dec 2025</b> | <b>Dec 2024</b> |  |                 |
| Dividend payout ratio <sup>7</sup>                | 57.87%          | 49.06%          |  |                 |

The Company's profitability and return ratios, including net profit margin, ROI, ROE, and ROA, strengthened from last year, supported by robust net profit.

The change in debt to equity ratio was primarily due to a decline in shareholders' equity, driven by more unrealized loss on investment in debt instruments, in line with the current market interest rate movements.

<sup>1</sup> Adjusted financial ratios are calculated by adjusting earnings to include realized gain (loss) from the sale of equity instruments measured at FVOCI, which under TFRS 9 are recognized directly in retained earnings. Shareholders' equity, investment assets, and total assets used in the calculation exclude fair value reserves under other components of equity. These adjustments are made to better reflect the Company's core operating performance without the effects from market-driven value fluctuations.

<sup>2</sup> Net profit margin is calculated as net profit divided by total revenues for the period. Total revenues consist of insurance revenue, net investment income, share of profit of associate, and other income.

<sup>3</sup> Return on investments is calculated as sum of investment income and gain (loss) on investment in the latest 12 months divided by an average of financial investment assets at the beginning and the end of the period.

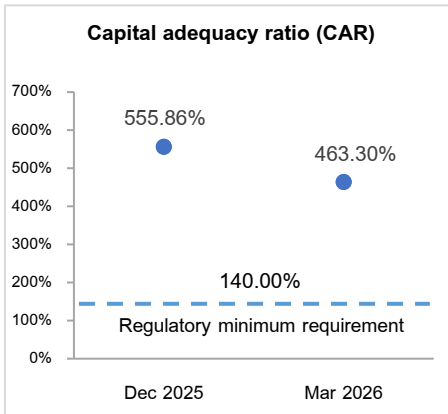
<sup>4</sup> Return on shareholders' equity is calculated as net profit in the latest 12 months divided by an average of total shareholders' equity at the beginning and the end of the period.

<sup>5</sup> Return on assets is calculated as net profit in the latest 12 months divided by an average of total assets at the beginning and the end of the period.

<sup>6</sup> Debt to equity ratio is calculated as total liabilities divided by total shareholders' equity at the end of the period.

<sup>7</sup> Dividend payout ratio is calculated as approved dividend payment divided by net profit on separate financial statements from the operating results of the period on which dividend payment consideration was based.

### 1.4.2 Capital Ratios



As of 31 March 2026, the Company's capital adequacy ratio (CAR) was 463.30%, decreased by 92.56 pps (percentage points) from 555.86% as of 31 December 2025. The decline was mainly driven by a significant increase in market interest rates, which led to a larger reduction in the market value of assets than liabilities. Despite the Company's asset duration being closely matched with its liabilities, the decrease in insurance contract liabilities was lower as it was moderated by the smoothing mechanism applied to the discount rate under OIC regulations<sup>1</sup>.

The Company's CAR remained strong and significantly higher than the regulatory minimum requirement of 140%.

### 1.4.3 Actuarial Analysis

#### Annualized Premium Equivalent (APE), Value of New Business (VONB) and Value of New Business Margin (VONB Margin)

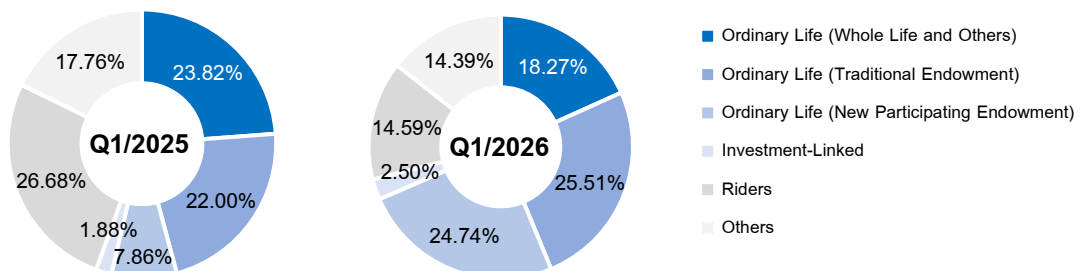
Unit: THB (in millions)

|  | Q1/2026 | Q1/2025 |
|--|---------|---------|
| Annualized premium equivalent (APE) <sup>2</sup> | 2,630   | 3,718   |
| Value of new business (VONB) <sup>3</sup>        | 1,402   | 2,561   |
| VONB margin <sup>4</sup>                         | 53.31%  | 68.89%  |

Unit: THB (in millions)

| By product line                             | Q1/2026      |                |              |               | Q1/2025      |                |              |               |
|---|--------------|----------------|--------------|---------------|--------------|----------------|--------------|---------------|
|   | APE          | %APE           | VONB         | VONB Margin   | APE          | %APE           | VONB         | VONB Margin   |
| Ordinary life (Whole Life and Others)       | 480          | 18.27%         | 248          | 51.65%        | 886          | 23.82%         | 565          | 63.82%        |
| Ordinary life (Traditional Endowment)       | 671          | 25.51%         | 246          | 36.62%        | 818          | 22.00%         | 284          | 34.68%        |
| Ordinary life (New Participating Endowment) | 651          | 24.74%         | 164          | 25.26%        | 292          | 7.86%          | 93           | 31.89%        |
| Investment-linked                           | 66           | 2.50%          | 22           | 33.48%        | 70           | 1.88%          | 23           | 33.31%        |
| Riders                                      | 384          | 14.59%         | 554          | 144.24%       | 992          | 26.68%         | 1,400        | 141.18%       |
| Others <sup>5</sup>                         | 378          | 14.39%         | 168          | 44.48%        | 660          | 17.76%         | 196          | 29.66%        |
| <b>Total<sup>6</sup></b>                    | <b>2,630</b> | <b>100.00%</b> | <b>1,402</b> | <b>53.31%</b> | <b>3,718</b> | <b>100.00%</b> | <b>2,561</b> | <b>68.89%</b> |

#### APE Mix by Product Line



<sup>1</sup> A smoothing mechanism is applied to the discount rate used in the valuation of insurance contract liabilities under the Risk-Based Capital (RBC) framework, whereby the rate is determined as the higher of the Thai government zero-coupon bond yield as of the valuation date and the weighted average of such yields over the past eight quarters.

<sup>2</sup> Annualized premium equivalent (APE) is a common measure used by the life insurance industry to account for the sales of insurance products. It is calculated as 100% of annualized first year premiums plus 10% of single premiums for all new policies written during the reporting period. Compared to first year premiums and single premiums, the Company believe APE provides a more accurate indication of the sustainability of the Company's new business as it normalizes single premiums into the equivalent of regular premiums. Premiums of renewal years and renewal policies are not included in the APE calculation.

<sup>3</sup> Value of new business (VONB) represents an estimated economic value generated from the new policies written during the reporting period. It is calculated as the present value, measured at point of sale, of future net-of-tax profits less the corresponding cost of capital. The Company believes VONB providing a proper indication of the value generated from the new business, and hence the Company's ability to create value for shareholders.

<sup>4</sup> VONB margin is calculated as VONB divided by APE.

<sup>5</sup> Others consist of Industrial Life Insurance, Group Insurance, Credit Life Insurance and Personal Accident Insurance (PA).

<sup>6</sup> Summation may not add up to total amount due to rounding.

Unit: THB (in millions)

| By channel                        | Q1/2026      |                |              |               | Q1/2025      |                |              |               |
|-----------------------------------|--------------|----------------|--------------|---------------|--------------|----------------|--------------|---------------|
|                                   | APE          | %APE           | VONB         | VONB Margin   | APE          | %APE           | VONB         | VONB Margin   |
| Agency                            | 1,756        | 66.78%         | 1,004        | 57.19%        | 2,399        | 64.53%         | 2,067        | 86.16%        |
| Partnership                       | 567          | 21.57%         | 309          | 54.51%        | 681          | 18.32%         | 359          | 52.64%        |
| Alternative channels <sup>1</sup> | 307          | 11.66%         | 89           | 28.90%        | 638          | 17.15%         | 136          | 21.30%        |
| <b>Total<sup>2</sup></b>          | <b>2,630</b> | <b>100.00%</b> | <b>1,402</b> | <b>53.31%</b> | <b>3,718</b> | <b>100.00%</b> | <b>2,561</b> | <b>68.89%</b> |

For Q1/2026, the Company's APE decreased by 29.27% to Baht 2,630 million, VONB decreased by 45.27% to Baht 1,402 million and VONB margin decreased by 15.58pps to 53.31% compared to the same period of last year. The decrease was mainly due to the high comparative base in last year, resulting from a surge in medical rider's sales prior to the implementation of copayment conditions in March 2025, as well as the unfavourable interest rate movements.

- **Agency channel:** VONB declined by 51.42% compared to the same period of last year. The decline was primarily driven by the high comparative base in last year, particularly from the aforementioned medical riders. In addition, unfavourable interest rate movements negatively impacted the VONB margin of whole life and savings products.
- **Partnership channel:** VONB declined by 13.78% compared to the same period of last year, mainly due to lower APE production following the cessation of products with higher guaranteed return along with unfavorable interest rate movements putting pressure on VONB margin. Nevertheless, through close collaboration with key partners, product offering shifted toward higher-margin products, particularly the new participating endowment products, which helped to improve the channel's overall VONB margin.

<sup>1</sup> Alternative channels are telemarketing, group employee benefits and digital platforms.

<sup>2</sup> Summation may not add up to total amount due to rounding.

## 2. FACTORS AND EVENTS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

### 2.1 SIGNIFICANT FACTORS AFFECTING OUR FINANCIAL CONDITION AND RESULTS OF OPERATIONS

#### Macroeconomic Conditions in Thailand

Thailand's economy showed signs of slowing in Q1/2026 compared with late 2025, with growth still driven mainly by exports and tourism. Private consumption softened as EV subsidies expired and farm incomes contracted, while private investment and public spending remained supportive amid clearer policy direction. Nevertheless, heightened U.S.–Iran tensions increased downside risks that may affect Thailand both directly and indirectly. The Bank of Thailand is assessing implications for the growth outlook.

#### Fluctuations in Equity Markets

Global equities reversed lower in Q1/2026 after rallying for several consecutive quarters. Markets started the year positively, supported by continued AI investment and broader participation beyond mega-cap tech. However, sentiment shifted rapidly in March as the US-Israel-Iran conflict escalated, pushing oil prices and US Treasury yields higher, reigniting inflation concerns and triggering a global risk-off move. The Fed and ECB held rates steady throughout the quarter, with the ECB signalling potential rate hikes amid upwardly revised inflation expectations. In Asia, Japan outperformed on yen weakness and expectations of fiscal stimulus following the ruling party's February election victory, while Chinese equities declined amid a prolonged property downturn.

In contrast to global markets, Thai equities outperformed in Q1/2026, extending a recovery that began in H2/2025 following greater political clarity and attractive valuations that drew foreign capital inflows. However, the market pulled back late in the quarter amid the global risk-off sentiment driven by the Middle East conflict.

#### Interest Rate Volatility

In Q1/2026, Thai government bond yields increased despite MPC cutting the policy rate by 0.25% in February, reflecting below-potential growth and inflation below target; yields declined briefly after the meeting. However, heightened Middle East geopolitical tensions led markets to revise expectations for major central banks toward rate hikes, and pushing global bond yields higher. Domestic supply concerns also added upward pressure on long-term yields.

The 10-year Thai government bond yield ended at 2.21%, up from 1.66% in the prior quarter, with a range of 1.69% – 2.33%.

#### Pricing, Persistency and Claims Experience

The Company's product pricing significantly influences its business performance and financial results. The Company's product pricing involves an analysis of historical data and assumptions to estimate future cash flows. These assumptions are subject to uncertainty and factors beyond the Company's control. Persistency and claims experience may differ from expectations, resulting in a material impact on operating results. Maintaining a high level of persistency and appropriate claims experience is important to the Company's operating results.

#### Seasonality

The Company's operating results and cash flows experience seasonal fluctuations; therefore, interim results may not reflect annual performance. This is primarily due to higher insurance sales in December from personal income tax benefits, and seasonal variations in medical claims influenced by weather conditions.

#### Regulatory Environment

The Company has a dedicated team that regularly studies the implications of evolving government legislation, regulations, and policies to adapt the Company's strategies and operations to ensure the Company complies with such changes.

#### Competition

The Company competes on factors such as product features, pricing, service quality, distribution strength, partnerships, brand, and financial stability.

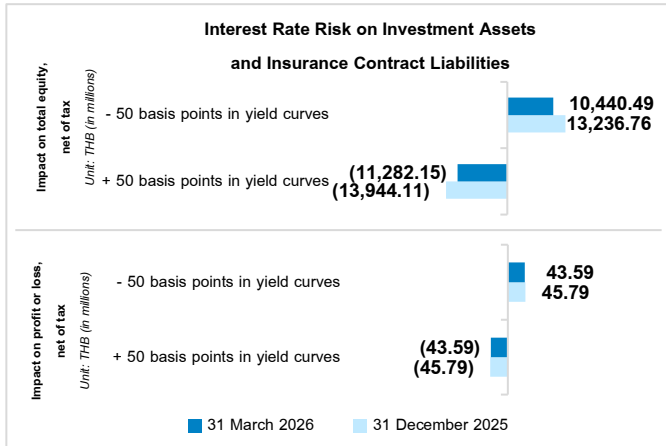
Though technology disruption may impact industry, new entrants are limited by high capital requirements and stringent regulatory barriers. Moreover, closer ties between banks and insurers may shift some partners toward affiliated products. At the same time, the Company also compete indirectly against alternative financial and investment products such as corporate bonds and real estate.

However, the Company maintains one of the strongest agency networks, contributing 12.97% and 12.24% of total industry agency annualized premium equivalent in the first 3 months of 2025 and 2026, respectively, according to data from the Thai Life Assurance Association.

## 2.2 QUANTITATIVE AND QUALITATIVE DISCLOSURE OF MARKET RISKS

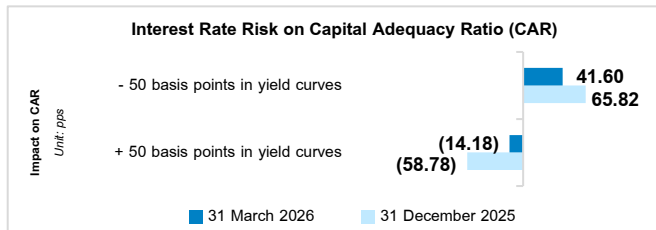
### Interest Rate Risk

#### Exposure to Interest Rate Fluctuation from Investment Assets and Insurance Contract Liabilities



Note: As of the dates indicated, changes of interest rates would impact the value of the Company's assets and liabilities as shown above. This sensitivity analysis assumes that all other variables remain constant.

#### Exposure to Capital Adequacy Ratio (CAR)



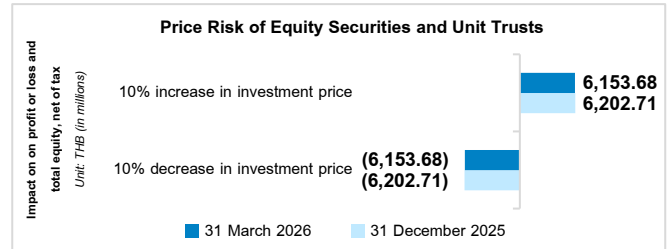
Note: The interest rate shocks are applied on the yield curve as of each valuation date.

Exposure to interest rate fluctuations arises when there is a tenure mismatch between rate-sensitive assets and liabilities items. The Company mitigate interest rate risk by managing the target duration gap between our assets and liabilities.

In addition, the Company uses derivative instruments, principally bond forwards, and cross currency swaps to manage exposure to fluctuations in interest rates on debt securities.

As of 31 March 2026, the Company's asset duration closely matches with the liability duration.

### Price Risk

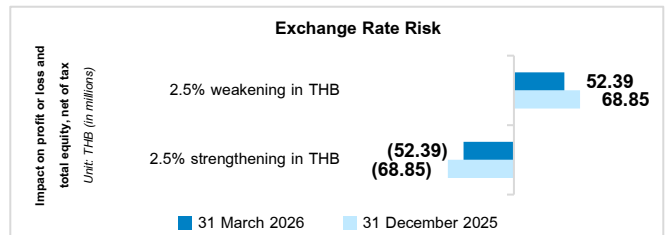


Note: The impact as shown above excludes investment assets held to cover unit-linked liabilities.

Price risk arises from changes in equities and commodities prices that may adversely affect the Company's income or capital funds. The Company invests in equity and unit trust portfolio to enhance longer term returns and diversify risks.

The Company mitigates price risk by determining the level of risk appetite and maintains the risk within such level.

### Exchange Rate Risk



Note: As of the dates indicated, movements in foreign currencies would affect the net exposure of financial investment assets denominated in foreign currencies and foreign currency hedged instruments as shown above. This sensitivity analysis assumes that all other variables remain constant and ignores any impact of sale and purchases of financial instruments.

Exchange rate risk arises when the Company enter into transactions denominated in foreign currencies such as investment in bonds or equity securities denominated in foreign currencies for the purposes of yield enhancement and risk diversification. These investments expose to gains and losses arising from foreign exchange rate movements. The Company closely monitors and manages the exposure to be within our risk appetite. The Company uses various derivative instruments such as cross currency swap and foreign exchange forward to hedge against the exchange rate risk. The Company's internal policy generally requires using derivatives to hedge against 80% to 100% of foreign exchange exposures.

## 2.3 ENVIRONMENTAL, SOCIETY AND GOVERNANCE (“ESG”)



### “TLI” Sustainability Strategy

- **Trusted Partner (Governance & Economic)**
- **Life Inclusion (Social)**
- **Infinite World (Environment)**



The Company targets a 3% reduction in greenhouse gas (GHG) emissions in 2026 and is committed to **achieving Net Zero by 2050**, aligned with Thailand’s national targets.

### Governance & Economic Dimension

Trusted Partner

- ✓ **Further enhanced an AI Chat feature via the LINE application to improve customer experience**, enabling customers to conveniently access product information and receive recommendations easily through digital channels.
- ✓ **Published the Sustainability Report 2025 and the Annual Report 2025** on the Company’s website to transparently and systematically disclose performance related to Environmental, Social, and Governance (ESG) aspects.

### Social Dimension

Life Inclusion

- ✓ **Developed physical and mental health assessment features on the TLI Application**, enabling customers to conduct basic self-health evaluations and provide appropriate healthcare recommendations to enhance convenient and inclusive access to health services.
- ✓ **Committed to providing financial and life insurance knowledge through Creating Shared Value (CSV) initiatives**, including the “**Thai Life Insurance: Enhancing Opportunity, Creating Careers**” project (4<sup>th</sup> Year), which supports skill development and learning for community members and people with disabilities; the “**Thai Life Insurance: Sports Showcase**” project (8<sup>th</sup> Year), which provides overseas education scholarships; and the “**Thai Life Insurance: Read for Life**” project (5<sup>th</sup> Year), which aims to distribute books and expand access to knowledge across communities.
- ✓ **Organized blood donation activities under the “Love for Life: Blood for All” campaign (38<sup>th</sup> Year)**, collecting a total of 1,618,400 cc of blood from 4,046 donors in Q1/2026.

### Environmental Dimension

Infinite World

- ✓ **Received Organization Carbon Footprint registration certification** from Thailand Greenhouse Gas Management Organization (Public Organization).
- ✓ **Committed to exploring innovations and technologies to achieve Net Zero greenhouse gas emissions**, including the additional installation of solar panels and other energy-related technologies, aligning with Thailand’s long-term national greenhouse gas reduction targets.
- ✓ **Encouraged employee participation in waste management** by installing general and recycling bins at the headquarter and organizing the “**SWAP SHOP MARKET**”. All recyclables were donated to Pankan Society by the Yuvabadhana Foundation and the Mirror Foundation to support communities, achieving 100% recycling and reducing greenhouse gas emissions by 155.25 KgCO<sub>2</sub>e, equivalent to planting 16 big trees.
- ✓ **Participated continuously in the Care the Whale project organized by the SET since 2020**, promoting waste reduction at the source and the adoption of circular economy practices. In Q1/2026, the initiative achieved a total greenhouse gas reduction of 36.36 KgCO<sub>2</sub>e, with a cumulative reduction of 7,332.14 KgCO<sub>2</sub>e since joining the project, equivalent to planting 816 big trees.
- ✓ **Encouraged customers to participate in reducing greenhouse gas emissions by adopting e-Services including “e-Receipt” and “e-Document” features on the TLI application**, helping to reduce waste generation and lower greenhouse gas emissions associated with paper usage and production.



Thai  
Life  

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Insurance

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