# Management Discussion and Analysis for the 2nd 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


### *CEO Leadership Excellence*

Received the **"THAILAND TOP CEO OF THE YEAR 2026"** award in the Life Insurance category, presented by BUSINESS+ Magazine in collaboration with the Thammasat Business School, Thammasat University, recognizing outstanding leadership, strategic vision, and excellence in management that drive sustainable organizational growth.

### *LifeVerse Product Innovation*

Launched **"Thai Life Insurance LifeVerse"**, an innovative life insurance product under the **"One Account for a Lifetime"** concept, reinforcing the Company's purpose as a **Life Solutions Provider**. The product enables customers to adjust their life coverage, financial planning, and riders throughout different life stages under a single policy, while offering greater flexibility in retirement planning together with comprehensive health and wellness services.



### *International Sadvertising Recognition*

Reinforced the Company's leadership in **Sadvertising** as the **"Unfading Love"** commercial received 5 awards from prestigious international creative competitions:

- 2 awards at the ANDY Awards 2026
- 2 awards at the New York Festivals Advertising Awards 2026 (NYF)
- 1 award at Spikes Asia 2026

### *Digital Transformation*

Committed to continuously developing innovations, the Company introduced new features and services on the Thai Life Insurance application, as follows:

**1. "Family Account" Feature – Enhancing LifeVerse Policy Management for the Entire Family in One Place**

Introduced the "LifeVerse Family Account" feature, allowing customers to create a LifeVerse Family Account to manage the LifeVerse policies of family members through a single point. Key functions include creating a family, adding members, viewing members' coverage, arranging and transferring administrator rights, and accessing exclusive LifeVerse Family privileges, providing a more convenient and comprehensive family policy management experience.

**2. AI Doctor – Preliminary Symptom Assessment Service**

Introduced AI Doctor, an AI-powered preliminary symptom assessment service developed by Samitivej Hospital to support customers' health and well-being. The service helps customers better understand potential health risks, provides self-care recommendations, and facilitates convenient access to healthcare services.


## 1. RESULTS OF OPERATION AND FINANCIAL POSITION

### 1.1 OVERVIEW

**Net Profit (Core)[1]**
**6,367m**
+6.92%[2]

Insurance Profit
**5,000m**
-1.36%[2]

Investment Profit (Core)[1]
**1,367m**
+54.29%[2]

**Shareholder Value**

Allocated Comprehensive Equity[4]
**191,595m**
+1.22%[3]

Embedded Value (EV)
**186,393m**
-8.08%[3]

**New Business CSM**
**5,211m**
-25.66%[2]

**CAR[5]**
**459.10%**
-96.76pps[3]

**Summary of the Company's Performance for 1H2026**

- The Company registered a net profit (core) of Baht 6,367 million for 1H2026, representing a year-on-year increase of 6.92%, primarily driven by higher investment profit (core), mainly attributable to higher dividend income. Meanwhile, insurance profit remained consistent with last year.
- New Business Contractual Service Margin (New Business CSM) amounted to Baht 5,211 million, declining 25.66% year-on-year. The decrease was mainly due to the high comparative base in the same period of last year, resulted from a surge in medical rider's sales prior to the implementation of copayment conditions in March 2025.
- Allocated Comprehensive Equity as of 30 June 2026 was Baht 191,595 million, an increase of Baht 2,315 million or 1.22% from 31 December 2025, primarily driven by the high-value new business.
- Embedded Value (EV) as of 30 June 2026 was Baht 186,393 million, a decrease of 8.08% from 31 December 2025, primarily driven by the material increase in market interest rates, which resulted in a negative economic variance, together with a reduction in capital mainly from dividend payments to shareholders.
- Our capital remains robust with a Capital Adequacy Ratio (CAR) of 459.10% as of 30 June 2026, significantly higher than the regulatory capital requirement of 140%.

[1] 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.
[2] The changes in net profit (core), insurance profit, investment profit (core), and new business CSM were compared to the same period of last year.
[3] The changes in allocated comprehensive equity, embedded value and CAR were compared to the position at the end of last year.
[4] Allocated comprehensive equity is defined as shareholders' equity, excluding other components of equity, plus contractual service margin (CSM) net of reinsurance and tax.
[5] 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).
[6] The summation and % changes related to financial statements are based on rounded number in million Baht.

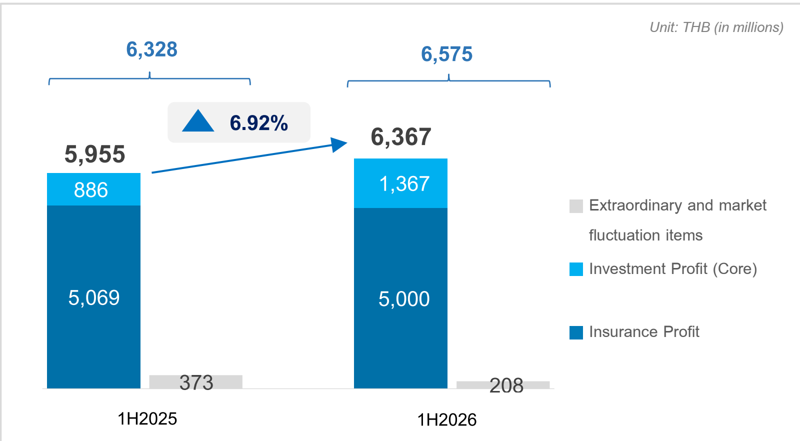
## 1.2 RESULTS OF OPERATIONS

*Unit: THB (in millions)*

| Operating Results (Net of Tax*) | Q2/2026 | Q2/2025 | % Change | 1H2026 | 1H2025 | % Change |
|---|---|---|---|---|---|---|
| Contractual service margin (CSM) released[1] | 2,248 | 2,418 | -7.03% | 4,520 | 4,834 | -6.50% |
| Risk adjustment (RA) released for the risk expired[2] | 396 | 383 | 3.39% | 830 | 763 | 8.78% |
| Operating variance[3] | 5 | 114 | -95.61% | 202 | (56) | 460.71% |
| Insurance contracts not measured under the PAA | 2,649 | 2,915 | -9.13% | 5,552 | 5,541 | 0.20% |
| Insurance contracts measured under the PAA[4] | 64 | 26 | 146.15% | 121 | (22) | 650.00% |
| Net expenses from reinsurance contracts held | (20) | (1) | -1900.00% | (45) | 117 | -138.46% |
| **Insurance service result** | **2,693** | **2,940** | **-8.40%** | **5,628** | **5,636** | **-0.14%** |
| Other expenses[5] | (318) | (299) | -6.35% | (628) | (567) | -10.76% |
| **Insurance profit** | **2,375** | **2,641** | **-10.07%** | **5,000** | **5,069** | **-1.36%** |
| Investment income[6] | 4,059 | 3,762 | 7.89% | 7,950 | 7,282 | 9.17% |
| Net insurance finance expense (Interest cost of insurance contract liability)[7] | (3,316) | (3,200) | -3.63% | (6,583) | (6,396) | -2.92% |
| **Investment profit (Core)[8]** | **743** | **562** | **32.21%** | **1,367** | **886** | **54.29%** |
| Extraordinary and market fluctuation items[9] | 190 | 442 | -57.01% | 208 | 373 | -44.24% |
| **Investment profit** | **933** | **1,004** | **-7.07%** | **1,575** | **1,259** | **25.10%** |
| **Net profit** | **3,308** | **3,645** | **-9.25%** | **6,575** | **6,328** | **3.90%** |
| **Net profit (Core)[8]** | **3,118** | **3,203** | **-2.65%** | **6,367** | **5,955** | **6.92%** |

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

### Source of Net Profit




For 1H2026, the Company registered a net profit (core), excluding extraordinary and market fluctuation items, of Baht 6,367 million, an increase of 6.92% compared to the same period of last year.

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1 CSM released is profit earned from providing insurance services.

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

3 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.

4 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.

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

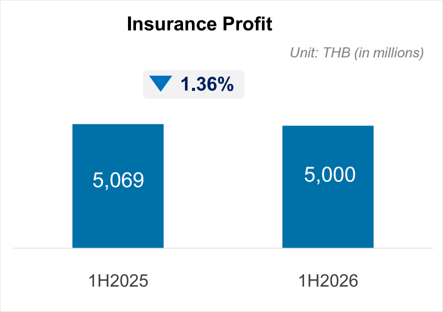
6 Investment income consists of interest income, dividend income and share of profit of associate.

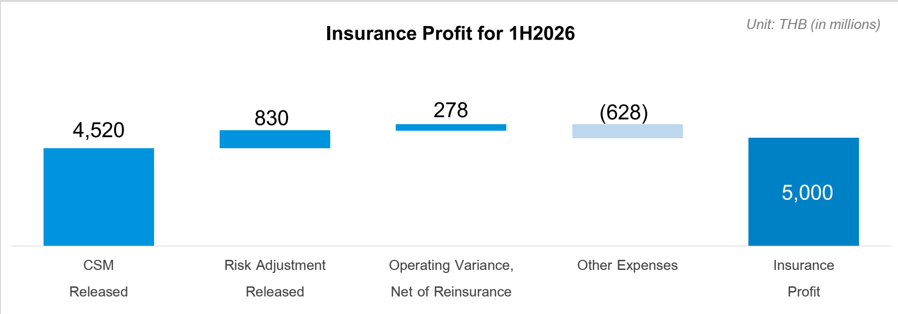
7 Net insurance finance expense is interest accretion on insurance contract liabilities or interest cost of insurance contract liabilities. It is based on the interest rates locked in at insurance policies inception, as Thai Life has selected an accounting policy choice (OCI option) to disaggregate and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

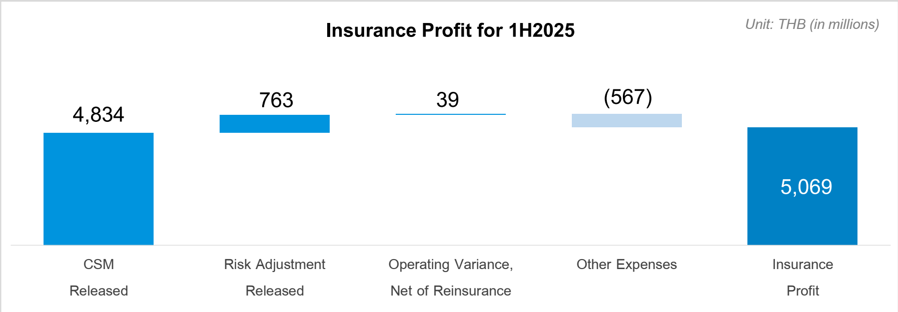
8 The net profit (core) and investment profit (core) exclude extraordinary and market fluctuation items.

9 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



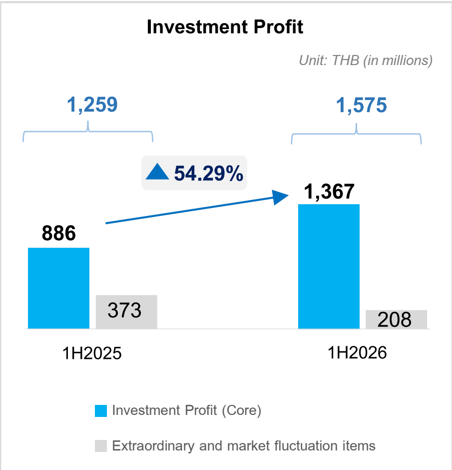



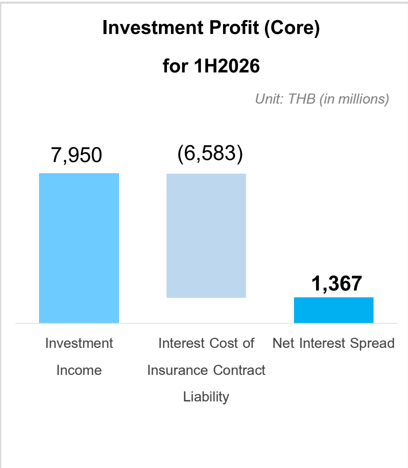

Insurance profit for 1H2026 amounted to Baht 5,000 million, remaining consistent with last year. The Company's insurance profit was primarily supported by a large and stable in-force portfolio, providing consistent earnings.

Insurance profit for 1H2026 consists of:

- Release of Contractual Service Margin (CSM) amounted to Baht 4,520 million, a year-on-year decrease of Baht 314 million, despite having a higher CSM balance from business growth. This reflects the change 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[1] between expected and actual claims and expenses improved by Baht 239 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 1,367 million for 1H2026, representing an increase of 54.29% compared to the same period of last year. The increase was primarily due to higher dividend returns from domestic equity investments, partially offset by higher interest cost of insurance contract liabilities, aligning with the growth of insurance business.

[1] 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, and net of reinsurance expenses.

## 1.3 ANALYSIS OF FINANCIAL POSITION

*Unit: THB (in millions)*

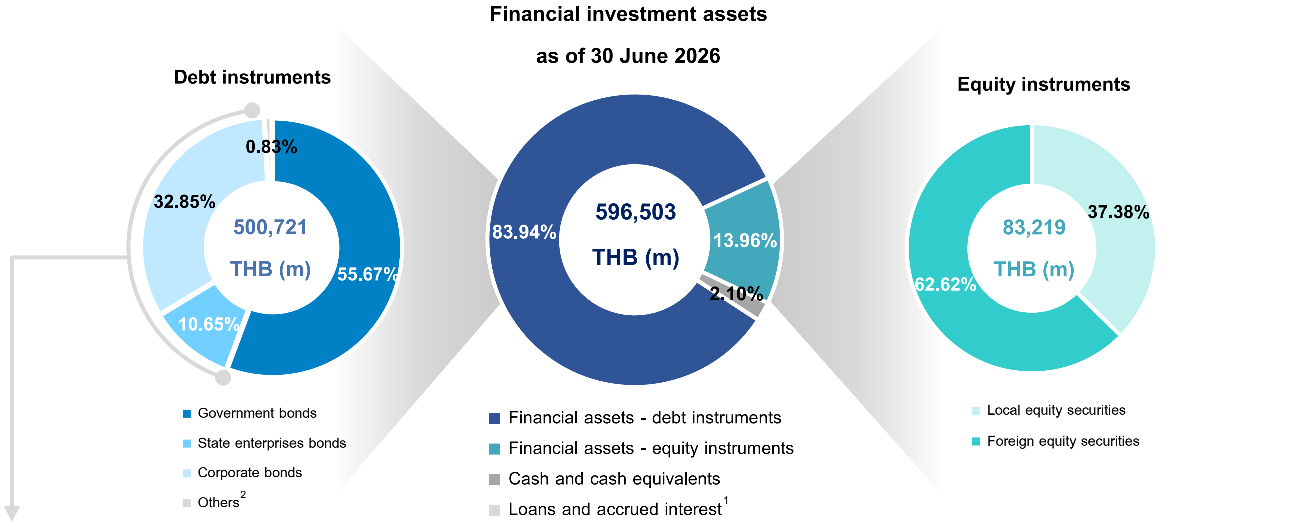
| Financial Position | 30 June 2026 | % of Total Assets | 31 December 2025 | % of Total Assets | Change | % Change |
|---|---|---|---|---|---|---|
| ***Assets*** | | | | | | |
| Cash and cash equivalents | 12,543 | 2.05% | 7,867 | 1.21% | 4,676 | 59.44% |
| Investment assets | | | | | | |
| *Financial assets - debt instruments* | *500,721* | *82.01%* | *552,125* | *85.00%* | *(51,404)* | *-9.31%* |
| *Financial assets - equity instruments* | *83,219* | *13.63%* | *72,462* | *11.16%* | *10,757* | *14.85%* |
| *Loans and accrued interest* | *20* | *0.00%* | *20* | *0.00%* | *-* | *0.00%* |
| Total investment assets | 583,960 | 95.64% | 624,607 | 96.16% | (40,647) | -6.51% |
| **Total financial investment assets** | **596,503** | **97.69%** | **632,474** | **97.37%** | **(35,971)** | **-5.69%** |
| Insurance and reinsurance contract assets | | | | | | |
| *Insurance contract assets* | *11* | *0.00%* | *2* | *0.00%* | *9* | *450.00%* |
| *Reinsurance contract assets* | *-* | *0.00%* | *2* | *0.00%* | *(2)* | *-100.00%* |
| **Total insurance and reinsurance contract assets** | **11** | **0.00%** | **4** | **0.00%** | **7** | **175.00%** |
| Assets other than the abovementioned[1] | 14,073 | 2.31% | 17,090 | 2.63% | (3,017) | -17.65% |
| **Total assets** | **610,587** | **100.00%** | **649,568** | **100.00%** | **(38,981)** | **-6.00%** |
| ***Liabilities and Equity*** | | | | | | |
| ***Liabilities*** | | | | | | |
| Insurance and reinsurance contract liabilities | | | | | | |
| *Insurance contract liabilities* | *456,445* | *74.75%* | *472,338* | *72.72%* | *(15,893)* | *-3.36%* |
| *Reinsurance contract liabilities* | *592* | *0.10%* | *674* | *0.10%* | *(82)* | *-12.17%* |
| **Total insurance and reinsurance contract liabilities** | **457,037** | **74.85%** | **473,012** | **72.82%** | **(15,975)** | **-3.38%** |
| Liabilities other than the abovementioned[2] | 15,480 | 2.54% | 22,042 | 3.39% | (6,562) | -29.77% |
| **Total liabilities** | **472,517** | **77.39%** | **495,054** | **76.21%** | **(22,537)** | **-4.55%** |
| ***Equity*** | | | | | | |
| Share capital | 31,232 | 5.12% | 31,232 | 4.81% | - | 0.00% |
| Retained earnings | 86,658 | 14.19% | 85,093 | 13.10% | 1,565 | 1.84% |
| Other components of equity | 20,180 | 3.30% | 38,189 | 5.88% | (18,009) | -47.16% |
| **Total equity** | **138,070** | **22.61%** | **154,514** | **23.79%** | **(16,444)** | **-10.64%** |
| **Total liabilities and equity** | **610,587** | **100.00%** | **649,568** | **100.00%** | **(38,981)** | **-6.00%** |

[1] Assets other than the abovementioned consist of accrued investment income, 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.

[2] 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

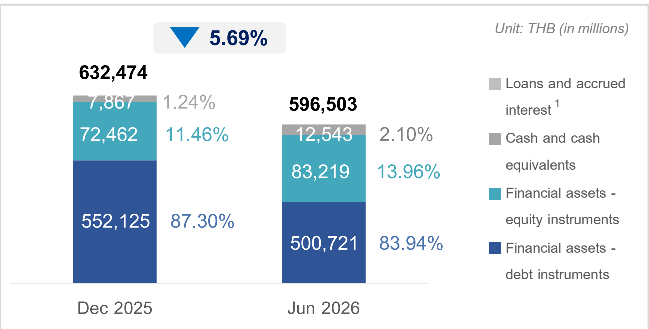
### *Financial Investment Assets*




**Credit quality**


*Note:*

- The above graphic sets out information about the credit quality of debt instruments (state enterprises and corporate) as of 30 June 2026
- Short-term credit rating of F1+(tha) 0.03% and BB+ credit rating of 0.81% 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. Moreover, the portfolio has a low credit risk as our policy is to focus on assets with credit rating of 'investment grade'.

Financial investment assets decreased by 5.69%, primarily due to a decline in unrealized gains on debt instruments, as a result of higher market interest rates. Meanwhile, the fair value of equity instruments increased in line with favorable conditions in both domestic and international capital markets. The investment portfolio as of 30 June 2026 comprises mainly fixed income assets, accounting for 83.94%, which generated promising stable returns.

### *Liquidity and Capital Resources*

As of 30 June 2026, the Company's cash and cash equivalents was amounted to Baht 12,543 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.

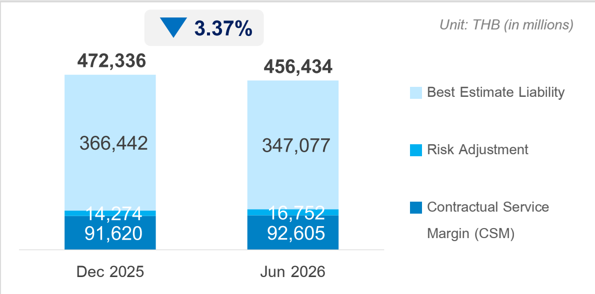
Apart from cash and cash equivalents, the Company's investments partially comprise highly liquid and marketable securities such as deposits and short-term government bonds with maturities of less than one year. These could be liquidated when in need of cash. As of 30 June 2026, the carrying value of the above-mentioned securities was amounted to Baht 5,188 million.

[1] Loans and accrued interest as of 31 December 2025 and 30 June 2026 are Baht 20 million and Baht 20 million, respectively, representing less than 0.01% of financial investment assets, which are not visible in the above graphic as they are insignificant.

[2] Others comprise of unit trusts 0.75% and term deposits 0.08% which are classified as debt instruments under accounting standards.

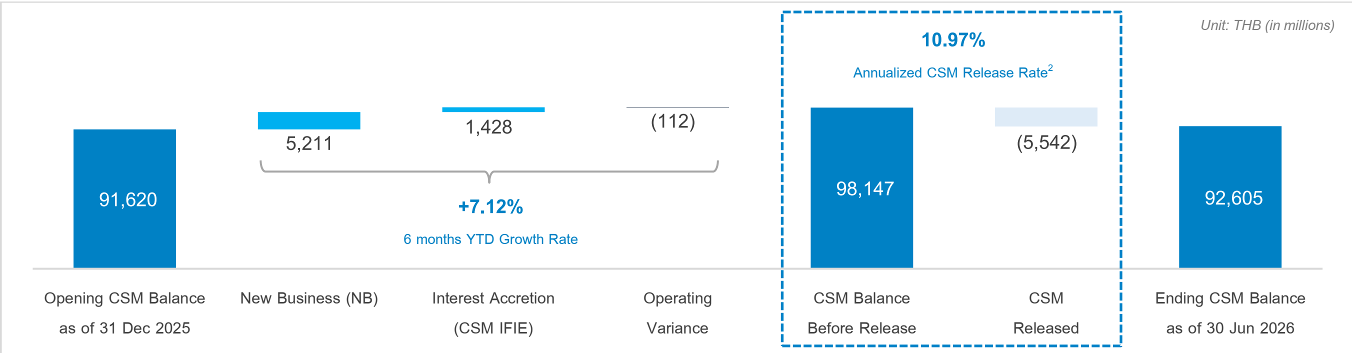
### 1.3.2 Liabilities

***Net Insurance Contract Liabilities***




Net insurance contract liabilities[1] decreased by 3.37%, primarily driven by the increase in market interest rates, which resulted in a reduction in the Best Estimate Liability. This reduction was partly offset by the growth in the Contractual Service Margin (CSM), which represents the present value of future unearned insurance profit.

***CSM Balance Movement***

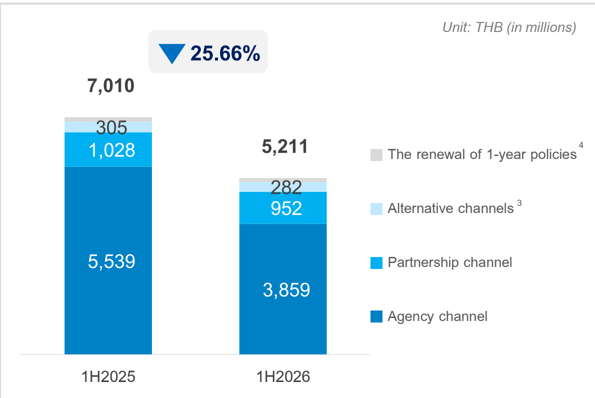



Contractual Service Margin (CSM) balance as of 30 June 2026 was Baht 92,605 million, increased by Baht 985 million or 1.08% compared to the position as of 31 December 2025. Prior to the calculation of CSM released, the balance increased by Baht 6,527 million, or 7.12%, in the period of 6 months, which was primarily driven by

- New business CSM of Baht 5,211 million, and
- Interest accretion (CSM IFIE) of Baht 1,428 million.

The release of CSM recognized into insurance profit was Baht 5,542 million for 1H2026, representing an annualized CSM release rate[2] of 10.97%.

***New Business CSM***




The new business CSM represents the expected future insurance profit generated from the new policies written during the reporting period. For 1H2026, the new business CSM decreased by Baht 1,799 million, or 25.66%, compared to the same period of last year, mainly due to the high comparative base in last year, resulted from a surge in medical rider's sales prior to the implementation of copayment conditions in March 2025. However, the Company remains focused on meeting customers' evolving needs through comprehensive product offerings while maintaining disciplined underwriting and high-quality new business.

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[1] Net insurance contract liabilities are defined as insurance contract liabilities, net of insurance contract assets.

[2] 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.

[3] Alternative channels are telemarketing and digital platforms, excluding Group Employee Benefit of which insurance contracts are measured under the Premium Allocation Approach (PAA).

[4] The renewal of 1-year policies for 1H2025 and 1H2026 are Baht 138 million and Baht 118 million, respectively, which are not visible in the above graphic as they are insignificant.

[5] Summation may not add up to total amount due to rounding.

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

*Unit: THB (in millions)*

| | 1H2026 | | | | 1H2025 | | | |
|---|---|---|---|---|---|---|---|---|
| **By product line** | **APE (Non-PAA)** | **%APE (Non-PAA)** | **NB CSM** | **NB CSM Margin[2]** | **APE (Non-PAA)** | **%APE (Non-PAA)** | **NB CSM** | **NB CSM Margin** |
| Ordinary life (Whole Life and Others) | 887 | 18.10% | 999 | 112.56% | 1,685 | 27.36% | 1,580 | 93.81% |
| Ordinary life (Traditional Endowment) | 1,163 | 23.74% | 984 | 84.54% | 1,358 | 22.05% | 834 | 61.45% |
| Ordinary life (New Participating Endowment) | 1,540 | 31.43% | 691 | 44.84% | 1,216 | 19.75% | 516 | 42.45% |
| Investment-linked | 174 | 3.55% | 160 | 92.13% | 125 | 2.03% | 110 | 87.83% |
| Riders | 697 | 14.23% | 1,897 | 271.97% | 1,402 | 22.77% | 3,466 | 247.25% |
| Others[3] | 439 | 8.95% | 363 | 82.80% | 371 | 6.03% | 365 | 98.33% |
| **Total of new policies** | **4,901** | **100.00%** | **5,093** | **103.93%** | **6,157** | **100.00%** | **6,872** | **111.62%** |
| The renewal of 1-year policies | | | 118 | | | | 138 | |
| **Total** | | | **5,211** | | | | **7,010** | |

*Unit: THB (in millions)*

| | 1H2026 | | | | 1H2025 | | | |
|---|---|---|---|---|---|---|---|---|
| **By channel** | **APE (Non-PAA)** | **%APE (Non-PAA)** | **NB CSM** | **NB CSM Margin** | **APE (Non-PAA)** | **%APE (Non-PAA)** | **NB CSM** | **NB CSM Margin** |
| Agency | 3,355 | 68.46% | 3,859 | 115.01% | 4,221 | 68.56% | 5,539 | 131.22% |
| Partnership | 1,265 | 25.82% | 952 | 75.26% | 1,639 | 26.63% | 1,028 | 62.70% |
| Alternative channels[4] | 280 | 5.72% | 282 | 100.57% | 296 | 4.81% | 305 | 103.02% |
| **Total of new policies** | **4,901** | **100.00%** | **5,093** | **103.93%** | **6,157** | **100.00%** | **6,872** | **111.62%** |
| The renewal of 1-year policies | | | 118 | | | | 138 | |
| **Total** | | | **5,211** | | | | **7,010** | |

- **Agency channel:** New Business CSM declined by 30.34% compared to the same period of last year. This was primarily due to the high comparative base in last year, resulted from a surge in medical rider's sales prior to the implementation of copayment conditions.
- **Partnership channel:** New Business CSM declined slightly by 7.36%, despite the softer APE. The new business CSM margin improved by 12.56 pps to 75.26%, supported by a proactive shift in product mix toward new participating and credit life products that carry relatively higher CSM margins and align with customers' demands. 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 declined by 7.49% compared to the same period of last year, which was mainly due to the lower production in Direct Telemarketing channel.

[1] 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).

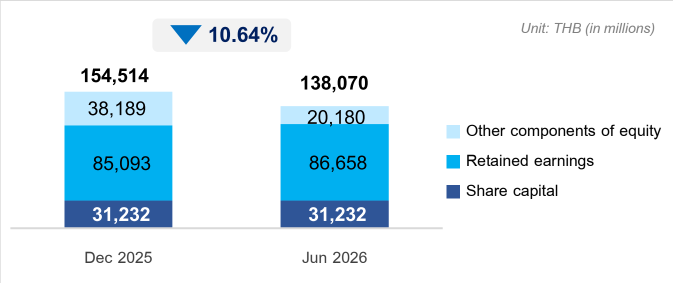
[2] New business CSM margin is calculated as new business CSM divided by annualized premium equivalent (APE) for insurance contracts not measured under the Premium Allocation Approach (Non-PAA).

[3] Others consist of Industrial Life Insurance, Group Insurance (excluding Group Employee Benefit), Credit Life Insurance and Personal Accident Insurance (PA).

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

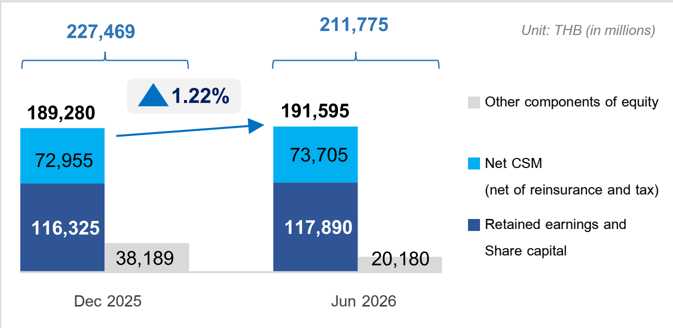
[5] Summation may not add up to total amount due to rounding.

### 1.3.3 Shareholders' Equity




Shareholders' equity decreased by 10.64% compared to the position at the end of last year, primarily from the decrease in other components of equity, driven by lower unrealized gains on debt instruments, in line with the current market interest rate movements.

***Comprehensive Equity***




Comprehensive equity decreased by 6.90% compared to the position at the end of last year. Allocated comprehensive equity, excluding other components of equity, amounted to Baht 191,595 million, representing an increase of 1.22%, primarily driven by the high-value new business, positive investment profit, and realized gain from FVOCI equities, partially offset by dividend payments to shareholder.

## 1.4 FINANCIAL RATIOS AND ACTUARIAL ANALYSIS

### 1.4.1 Financial Ratios

| *Financial Ratios* | *As Reported* | | *For Adjusted Financial Ratios*[1] | |
|---|---|---|---|---|
| | **1H2026** | **1H2025** | **1H2026** | **1H2025** |
| ***Profitability ratios*** | | | | |
| Net profit margin[2] | 23.35% | 23.03% | 27.67% | 18.70% |
| | **Jun 2026** | **Dec 2025** | **Jun 2026** | **Dec 2025** |
| Return on investments (ROI)[3] | 3.25% | 3.20% | 4.36% | 3.53% |
| Return on shareholders' equity (ROE)[4] | 8.55% | 8.49% | 13.86% | 10.67% |
| ***Efficiency ratios*** | | | | |
| Return on assets (ROA)[5] | 1.93% | 1.91% | 2.73% | 2.10% |
| ***Other financial ratios*** | | | | |
| Debt to equity ratio[6] | 3.42x | 3.20x | | |

| | **Dec 2025** | **Dec 2024** |
|---|---|---|
| Dividend payout ratio[7] | 57.87% | 49.06% |

The Company's profitability and return ratios, including net profit margin, ROI, ROE, and ROA, are all 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 lower unrealized gains on debt instruments, in line with the current market interest rate movements.

[1] 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.
[2] 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.
[3] 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.
[4] 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.
[5] 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.
[6] Debt to equity ratio is calculated as total liabilities divided by total shareholders' equity at the end of the period.
[7] 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 Actuarial Analysis

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

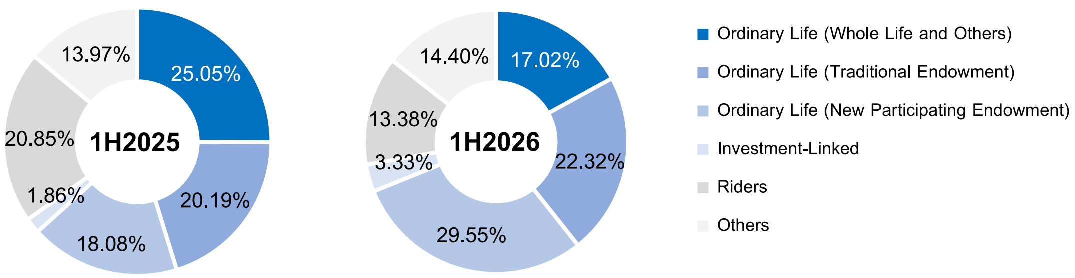
*Unit: THB (in millions)*

| | 1H2026 | 1H2025 |
|---|---|---|
| Annualized premium equivalent (APE)[1] | 5,213 | 6,725 |
| Value of new business (VONB)[2] | 2,811 | 4,258 |
| VONB margin[3] | 53.92% | 63.32% |

*Unit: THB (in millions)*

| | 1H2026 | | | | 1H2025 | | | |
|---|---|---|---|---|---|---|---|---|
| **By product line** | **APE** | **%APE** | **VONB** | **VONB Margin** | **APE** | **%APE** | **VONB** | **VONB Margin** |
| Ordinary life (Whole Life and Others) | 887 | 17.02% | 514 | 57.98% | 1,685 | 25.05% | 984 | 58.42% |
| Ordinary life (Traditional Endowment) | 1,163 | 22.32% | 456 | 39.17% | 1,358 | 20.19% | 548 | 40.35% |
| Ordinary life (New Participating Endowment) | 1,540 | 29.55% | 395 | 25.67% | 1,216 | 18.08% | 285 | 23.41% |
| Investment-linked | 174 | 3.33% | 63 | 36.31% | 125 | 1.86% | 42 | 33.52% |
| Riders | 697 | 13.38% | 1,026 | 147.09% | 1,402 | 20.85% | 2,004 | 142.91% |
| Others[4] | 751 | 14.40% | 356 | 47.48% | 940 | 13.97% | 396 | 42.14% |
| **Total[5]** | **5,213** | **100.00%** | **2,811** | **53.92%** | **6,725** | **100.00%** | **4,258** | **63.32%** |

**APE Mix by Product Line**




*Unit: THB (in millions)*

| | 1H2026 | | | | 1H2025 | | | |
|---|---|---|---|---|---|---|---|---|
| **By channel** | **APE** | **%APE** | **VONB** | **VONB Margin** | **APE** | **%APE** | **VONB** | **VONB Margin** |
| Agency | 3,355 | 64.36% | 1,939 | 57.80% | 4,221 | 62.77% | 3,323 | 78.72% |
| Partnership | 1,265 | 24.27% | 699 | 55.23% | 1,639 | 24.38% | 697 | 42.53% |
| Alternative channels[6] | 592 | 11.36% | 173 | 29.17% | 864 | 12.85% | 238 | 27.55% |
| **Total[5]** | **5,213** | **100.00%** | **2,811** | **53.92%** | **6,725** | **100.00%** | **4,258** | **63.32%** |

The decrease in VONB was mainly driven by the same factors affecting New Business CSM, together with the unfavourable interest rate movements, particularly during the first quarter of 2026.

[1] 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 believes 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.

[2] 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 provides a proper indication of the value generated from the new business, and hence the Company's ability to create value for shareholders.

[3] VONB margin is calculated as VONB divided by APE.

[4] Others consist of Industrial Life Insurance, Group Insurance, Credit Life Insurance and Personal Accident Insurance (PA).

[5] Summation may not add up to total amount due to rounding.

[6] Alternative channels are telemarketing, group employee benefits and digital platforms.

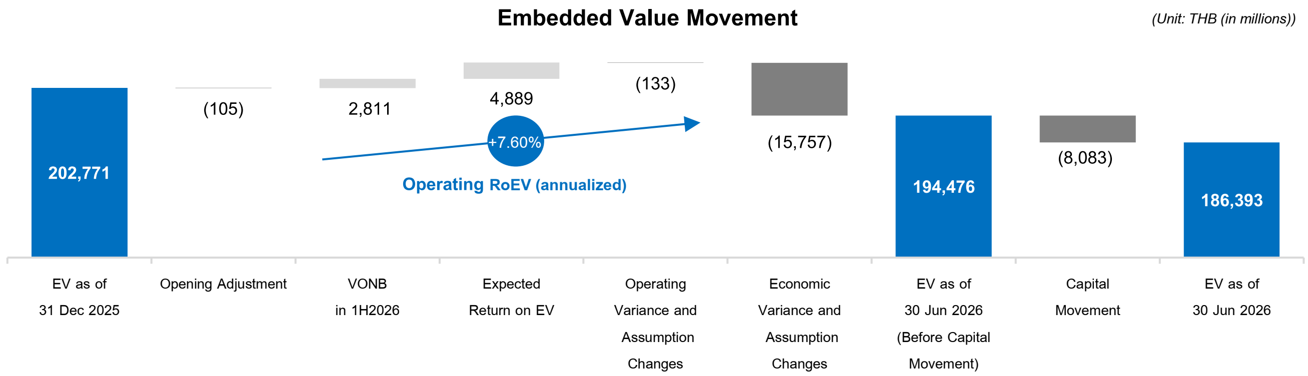
***Embedded value (EV)***

*Unit: THB (in millions)*

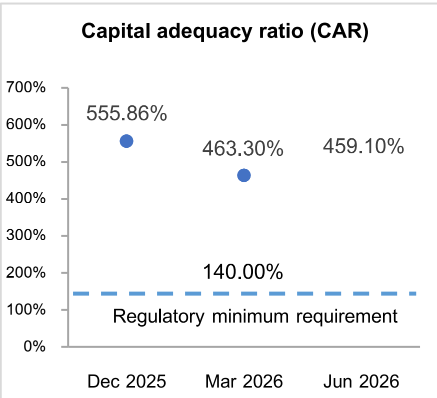
| | 30 Jun 2026 | 31 Dec 2025 |
|---|---|---|
| Embedded value (EV) | 186,393 | 202,771 |
| EV operating profit | 7,567 | 16,026 |
| Operating return on EV[1] | 3.73% | 8.87% |

Embedded Value (EV) as of 30 June 2026 was Baht 186,393 million, a decrease of 8.08% from the position as of 31 December 2025. The key contributors to this change were as follows:

- An EV operating profit contributed Baht 7,567 million, equivalent to an annualized operating return on EV (Operating RoEV) of 7.60%, which mainly comprises:
  - VONB for the six months period ended 30 June 2026 of Baht 2,811 million,
  - Expected return on EV of Baht 4,889 million.
- Economic variance and assumption changes contributed to a negative impact of Baht 15,757 million primarily due to the material increase in market interest rates in 1H2026, causing a decrease in market value of fixed-income assets more than the corresponding decrease in liabilities as a result of the smoothing mechanism applied to the insurance contract liabilities under RBC regulations[2].
- A reduction in capital of Baht 8,083 million was mainly from dividend payments to shareholders in May 2026.




### 1.4.3 Capital Ratios




As of 30 June 2026, the Company's capital adequacy ratio (CAR) was 459.10%, remaining at a level consistent with the previous quarter, while decreasing by 96.76 pps from 555.86% as of 31 December 2025. The decline in the first quarter of 2026 was mainly driven by the significant increase in market interest rates, which led to a larger reduction in the market value of assets than liabilities as a result of the smoothing mechanism applied to the insurance contract liabilities under RBC regulations [2]. Nevertheless, the Company's CAR remained strong and significantly higher than the regulatory minimum requirement of 140%.

[1] Operating return on EV is calculated as EV operating profit divided by opening EV.

[2] 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.

## 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 in Q2/2026 was affected by heightened geopolitical tensions in the Middle East, driving higher energy prices, which increased import costs, added inflationary pressures, and weighed on the trade balance. Exports, however, continued to expand, led by technology goods—particularly electronics and AI—which also drove capital goods imports to support production.

Given these developments, and the less-than-expected impact from geopolitical conflicts, the Bank of Thailand and several agencies upgraded their growth forecasts. However, growth remained uneven across sectors. The Thai baht depreciated toward quarter-end, reflecting the strengthening U.S. dollar and ongoing geopolitical uncertainty.

#### Fluctuations in Equity Markets

Global equities rebounded sharply in Q2/2026 as sentiment improved. Easing U.S.-Iran tensions—and a memorandum of understanding to reopen the Strait of Hormuz—calmed energy-supply fears, pushing oil prices lower and easing inflation concerns. The rally was also led by AI and semiconductor names, as US hyperscalers raised 2026 capex guidance and investors had more confidence the AI cycle was largely insulated from geopolitical risk. Emerging markets stood out, led by Asia's semiconductor boom.

Thai equities extended their recovery in Q2/2026, underpinned by the return of foreign inflows drawn by attractive valuations, improving economic prospects, political stability, and lower oil prices set to ease business costs. Although the market had some volatility in June 2026 alongside the global tech-led pullback, it recovered toward quarter-end.

#### Interest Rate Volatility

In Q2/2026, Thai government bond yields were highly volatile. Early in the quarter, yields rose on inflation concerns driven by higher energy prices and geopolitical tensions, with the 10-year yield peaking at 2.41% in May. As these pressures eased toward quarter-end, coupled with the Monetary Policy Committee's decision to maintain the policy rate, investor demand for bonds recovered, leading to lower yields.

The 10-year government bond yield declined to 2.06% from 2.21% at last quarter-end, with a trading range of 2.00% – 2.41%.

#### 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 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 those changes.

#### Competition

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

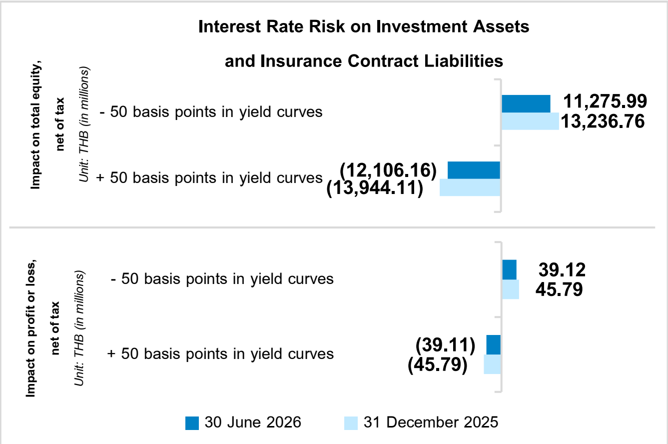
Though technology disruption may impact the industry, new entrants are limited by high capital requirements and stringent regulatory barriers. Moreover, closer ties between banks and insurers may shift some partners toward affiliated products. At the same time, the Company also compete indirectly against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

However, the Company maintains one of the strongest agency networks, contributing 14.02% and 12.42% of total agency annualized premium equivalent in the industry for the first 6 months of 2025 and 2026, respectively, according to data from the Thai Life Assurance Association.

## 2.2 QUANTITATIVE AND QUALITATIVE DISCLOSURE OF MARKET RISKS

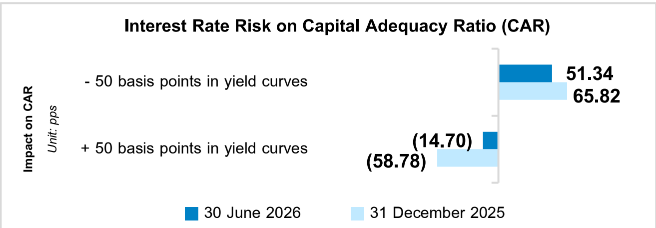
### Interest Rate Risk

- **Exposure to Interest Rate Fluctuation on 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 unchanged.

- **Exposure to Capital Adequacy Ratio (CAR)**



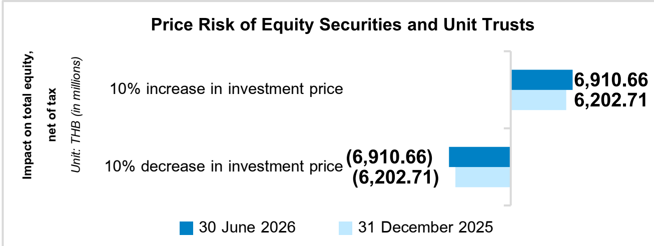

Note: The interest rate shocks are applied on the yield curve as of each valuation date.

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 interest rate fluctuations on debt securities.

As of 30 June 2026, the Company's asset duration closely matches with the liability duration.

### Price Risk

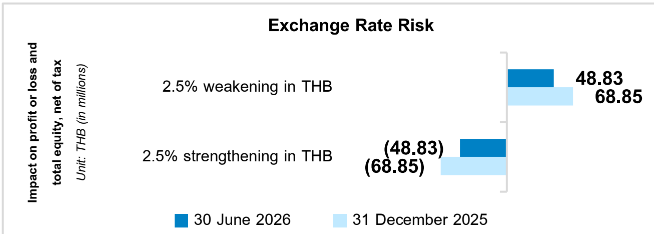



Note: The impact as shown above excludes investment assets held to cover unit-linked liabilities.

Price risk arises from changes in equities and commodities prices that may adversely affect the Company's 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 unchanged 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**

- ✓ **Developed Thai Life Insurance LifeVerse**, an innovative new insurance product with enhanced flexibility, allowing customers to adjust and expand their coverage to suit every stage of life. The product integrates life, health, and financial protection into a single lifetime policy.
- ✓ **Launched a new "e-Document" feature on the Thai Life Insurance application**, enabling customers to access important documents conveniently, quickly, and securely, while supporting paper reduction in line with environmentally responsible operations.
- ✓ **Enhanced agent capabilities through the "Agent Role Play" feature on the TL SMART digital platform**, helping agents improve readiness by practicing sales conversations, after-sales service, and recruitment dialogues.
- ✓ **Received the Asia Responsible Enterprise Awards (AREA) 2026**, organized by Enterprise Asia, Singapore, in the Responsible Digital Practice category for the Core Insurance Process Transformation Leading to "Sustainable Tomorrow" Project and received the GOLD Emblem of Sustainability.
- ✓ **Listed in the ESG100 Index for 2026 for the fourth consecutive year by the Thaipat Institute**, in recognition of listed companies with outstanding performance in Environmental, Social, and Governance (ESG).

### Social Dimension

**Life Inclusion**

- ✓ **Continued to promote financial and life insurance knowledge through Creating Shared Value (CSV) initiatives**, including the "Thai Life Insurance: Enhancing Opportunity, Creating Careers" project (4$^{th}$ Year); the "Thai Life Insurance: Sports Showcase" project (8$^{th}$ Year); and the "Thai Life Insurance: Read for Life" project (5$^{th}$ Year).
- ✓ **Organized "TLI Heart to Heart Run 2026"**, a Virtual Run event encouraging participants to accumulate running distances to raise funds for children with congenital heart disease.
- ✓ **Organized the "Healthy Together" activity to celebrate the 40$^{th}$ anniversary of the "Phob Moh Siriraj" TV program** in May 2026, featuring a variety of activities promoting physical and mental well-being and inspiring people to continuously take care of their health.
- ✓ **Launched the AI Doctor feature on the Thai Life Insurance Application**, an AI-powered preliminary symptom assessment assistant developed by Samitivej Hospital that helps users understand their health risks and provides self-care recommendations.
- ✓ **Organized blood donation activities under the "Love for Life: Blood for All" campaign (38$^{th}$ Year)**, with cumulative blood donations reaching 2,023,150 cc from 5,035 donors as of Q2/2026.

### Environmental Dimension

**Infinite World**

- ✓ **Maintained ISO 14064-1:2018 certification** from Bureau Veritas Certification for greenhouse gas (GHG) measurement and reporting.
- ✓ **Purchased Utility Green Tariff (UGT) electricity for the first time** to support greenhouse gas emission reduction and progress toward achieving Net Zero by 2050, in alignment with Thailand's national greenhouse gas reduction targets.
- ✓ **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 national greenhouse gas reduction targets.
- ✓ **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 Q2/2026, the initiative achieved a total greenhouse gas reduction of 155 Kg$CO_2$e, with a cumulative reduction of 7,419 Kg$CO_2$e since joining the project, equivalent to planting 823 big trees.
- ✓ **Encouraged customers to participate in reducing greenhouse gas emissions by adopting e-Services** including "e-Receipt" and "e-Document" features on the Thai Life Insurance application, helping to reduce waste generation and lower greenhouse gas emissions associated with paper usage and production.

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