THREL
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THREL: Management Discussion and Analysis for 2Q/2026 (Ended 30 June 2026)

14 August 2026

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To President

The Stock Exchange of Thailand

Thaire Life Assurance Public Company Limited presents the operating results for 2Q/2026, the equity method financial statements reviewed by the auditor, as follows:

(Unit : Million Baht)

Item	2Q/2026	1Q/2026	QoQ	2Q/2025	YoY		1H/2026	1H/2025	YoY
Reinsurance Premium	**1,112**	876	27%	1,051	6%		**1,988**	1,973	1%
Insurance revenue	**527**	563	-6%	538	-2%		**1,090**	1,258	-13%
Insurance service expenses	**(457)**	(634)	-28%	(502)	-9%		**(1,091)**	(1,279)	-15%
Net income (expenses) from reinsurance contracts he	**(11)**	(20)	-48%	(1)	803%		**(31)**	(41)	-24%
Insurance service result	**59**	(91)	164%	35	69%		**(33)**	(62)	48%
Net investment income	**21**	17	23%	19	12%		**39**	33	15%
Net insurance finance expenses	**(16)**	(15)	5%	(17)	-5%		**(31)**	(33)	-7%
Operating expenses	**(25)**	(23)	8%	(26)	-1%		**(49)**	(53)	-8%
Profit (Loss) before income tax	**39**	(113)	135%	11	239%		**(74)**	(115)	36%
Net Profit (loss) for the period	**32**	(89)	136%	9	239%		**(57)**	(91)	38%
Combined Ratio	**88.8%**	116.2%		93.5%			**103.0%**	105.0%	

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

Operating Result for 2Q/2026

For the second quarter of 2026, the Company's operating results, based on the equity method financial statements, were in line with management's expectations. Overall performance improved significantly, with the Company reporting a net profit of THB 32 million, an increase of THB 23 million, or 239%, compared with the same period of the previous year. The key factors are summarized below.

The Company recorded gross reinsurance premiums of THB 1,112 million, representing an increase of THB 61 million, or 6%, from the same period of the previous year. The increase was primarily driven by continued growth in the Individual Health business.

Insurance service result, which comprises insurance revenue less insurance service expenses, together with net income (expenses) from reinsurance contracts held, improved during the quarter. Insurance revenue amounted to THB 527 million, a decrease of THB 11 million, or 2%, from THB 538 million in the same period of the previous year. Meanwhile, insurance service expenses declined to THB 457 million from THB 502 million, representing a decrease of THB 45 million, or 9%. The reduction was mainly attributable to better-than-expected claims experience from the Group Health portfolio. As a result, the Company reported an insurance service result of THB 59 million, an increase of THB 24 million, or 69%, compared with the same period of the previous year. The Net Combined Ratio improved to 88.8%.

Net investment income for the second quarter of 2026 amounted to THB 21 million, an increase of THB 2 million, or 12%, from the corresponding period of the previous year. The increase was mainly attributable to higher fair value gains on investment funds.

Operating performances for 1H/2026

For the first half of 2026, the Company reported a net loss of THB 57 million based on the equity method financial statements, representing an improvement of THB 34 million, or 38%, compared with the same period of the previous year. The key factors are as follows.

Insurance revenue amounted to THB 1,090 million, a decrease of THB 168 million, or 13%, from the same period of the previous year. The decrease was primarily attributable to the Company's portfolio management strategy, under which Group Health contracts with lower-than-expected performance were discontinued. Meanwhile, insurance service expenses decreased to THB 1,091 million, a decrease of THB 188 million, or 15%, reflecting improved portfolio quality and more effective risk selection.

The Company reported an insurance service loss of THB 33 million for the first half of 2026, compared with an insurance service loss of THB 62 million in the corresponding period of the previous year, reflecting an improvement in operating performance. The loss was primarily attributable to the full recognition of the Risk Adjustment provision under TFRS 17 for newly written insurance contracts (New Business) during the first quarter of the year. As a result, the first half operating performance continued to be affected by this accounting requirement. Nevertheless, the Company’s Net Combined Ratio improved to 103.0%, decreasing by 2.0 percentage points from the same period last year, indicating an improving underwriting trend and performance in line with the Company’s operating plan.

Net investment income for the first half of 2026 amounted to THB 39 million, an increase of THB 6 million, or 15%, compared with the same period of the previous year. The increase was mainly attributable to THB 3 million of higher dividend income following an increase in the Company's allocation to equity securities and investment funds, together with an additional THB 3 million increase in fair value gains on investments.

Financial Position and Economic Value of the Company

As of 30 June 2026, the Company reported total liabilities of THB 1,983 million, representing an increase of THB 112 million from the previous year. The increase was primarily attributable to insurance contract liabilities of THB 1,928 million, which increased by THB 260 million from the previous year.

The Company reported insurance contract liabilities (reinsurance contracts issued) of THB 1,928 million, an increase of THB 260 million from the end of 2025. The liability structure changed significantly during the period, with the Contractual Service Margin (CSM) increasing to THB 979 million, representing 51% of total insurance contract liabilities, compared with THB 773 million, or 46%, at the end of 2025. This reflects an increase in future profits to be recognized over the coverage period.

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(Unit : Million Baht)

Statement of Financial Position		**30 Jun 2026**		**31 Dec 2025**
Total Assests		**2,482**		**2,372**
Total Liabilities		**1,983**		**1,871**
Insurance contract liabilities				
Present value of future cash flows (BEL)	694		603	
Risk adjustment for non-financial risk (RA)	255		291	
Contractual service margin (CSM)	979	1,928	773	1,668
Reinsurance contract liabilities		22		169
Others		33		33
Equity		**499**		**501**
Ordinary issued and paid-up share		620		620
Book Value per Share		0.81		0.81
Comprehensive Equity *		**1,479**		**1,274**
Comprehensive Equity per Share		2.38		2.06

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

Meanwhile, the present value of future cash flow increased to THB 694 million from THB 603 million, while the Risk Adjustment decreased to THB 255 million from THB 291 million. Overall, the increase in insurance contract liabilities during the period was primarily driven by the growth in the Contractual Service Margin (CSM), reflecting the Company's enhanced ability to generate future profits from insurance contracts.

The Company’s equity amounted to THB 499 million, representing a Book Value per Share of THB 0.81. However, when including the CSM balance, total Comprehensive Equity amounted to THB 1,479 million, reflecting the future economic value to be gradually recognized as insurance services are provided under the contracts. As a result, the Company’s Comprehensive Equity per share amounted to THB 2.38.

For 3Q/2026 and through the end of 2026, the Company expects performance to continue improving in line with the business improvement plan outlined above. This is further supported by the gradual recognition of income from the previously recorded Risk Adjustment reserves, enabling the Company’s overall operating performance in 2026 to return to a positive position in line with the Company’s target.

Please be informed accordingly.

Yours sincerely

-Signed-

(Mr. Vipon Vorasowharid)

Managing Director