
Letter to Shareholders

Dear Shareholders:

In 2025, the non-life insurance industry witnessed a dramatically challenging market, marked by two severe natural disasters: the earthquakes in March (the Thai General Insurance Association has estimated that, as of July 2025, total claims from such disaster could reach THB 50 billion) and the devastating floods hitting Southern Thailand during November-December (based on the OIC's data as of December 15, 2025, the damages from the flooding are expected at THB 23 billion – THB 27 billion). The intensity of both catastrophic incidents caused substantial losses to the non-life insurance business over the past year. As well, these disasters drastically impacted Thai Re's reinsurance underwriting performance. However, we could still maintain our financial stability, while delivering a net profit of THB 19 million.

Industry-wise, the total direct written premium grew by a mere 2.3 percent to THB 290 billion, mirroring the country's overall economic slowdown. For Thai Re, we recorded gross written premium of THB 5,280 million, close to the previous year, resulting from the absence of crop and agriculture insurance program together with the Company's plan to slow growth in health insurance segment affected by the medical inflation. Meanwhile, reinsurance premium from the unaffected health businesses still could achieve the growth target of 6.0 percent, along with an impressive growth rate of 10.5 percent of the commercial line, which includes fire and property insurance.

In terms of capital strength, our capital adequacy ratio (CAR) as of Q4/2025 stood at 330 percent, substantially exceeding the OIC's minimum requirement of 140 percent. We could also maintain the International Insurer Financial Strength (IFS) rating at "A-" or "Strong" with a stable outlook, as assigned by Fitch Rating, which is a testament to our solid financial position.

In 2026, the Company will continue striving for growth in the personal line as planned, focusing particularly on the health businesses unaffected by the medical inflation. As for the property insurance, we will center on reinsurance underwriting with a low exposure to natural disaster risk and an acceptable limit of risk concentration and loss ratio. At the same time, we have ceded reinsurance to ensure risk is contained at an acceptable level for international business, in which we envision an increased growth opportunity driven by a high increase rate of non-life insurance business in the ASEAN region.

Also, we remain focused on income generation through joint market development with our partners by developing and introducing new products via different marketing channels and developing various insurance products that have a thriving market.

Under our environmental, social and governance (ESG) promotion policy, we still encouraged and supported a variety of ESG-related operations and activities in 2025 such as enhancing the knowledge and understanding about ESG among our executives and employees through the ESG DNA program, purchasing products or refining business processes that create the least environmental impact, studying ESG-related insurance products, etc.

Moving Forward

In 2026, Thai non-life insurance industry is anticipated to expand by 2.0 - 3.5 percent, with other ASEAN members likely to grow at a faster pace than Thailand, thus prompting the Company to aim at both domestic and overseas growth. On the side of overseas markets, we aspire to generate premium from our international business in a proportion of 5.0 percent of the total written premium, especially from Vietnam, Indonesia, and the Philippines, with an emphasis on personal insurance. We expect an increase of around 8.2 percent in our gross and net written premiums and will remain focused on the personal line, particularly the health businesses unaffected by the medical inflation. Moreover, we will exercise greater caution in underwriting and contract renewal and will align pricing and contract terms with the market condition.

We also expect a hike in premiums for natural disaster insurance, hence a good growth prospect for our premium from this business. However, recognizing the previous consequences of the frequent and severe natural disasters, we need to thoroughly review our reinsurance structure and devise guidelines on the more suitable and more efficient risk management. The earlier catastrophic events serve as a significant lesson, leading to the necessity for a continuous assessment of the Company's risk exposure with the primary goal of minimizing the potential volatility arising from the unpredictable natural disasters, maintaining a strong shareholders' equity, and ensuring sustainable growth in the Company's business operation.

With respect to the accounting standard TFRS17 that took effect as from January 1, 2025, we started presenting our financial reports in accordance with such new standard in the financial statements for Q1/2025 and onward. Since non-life insurance typically covers a short period of time, the impact is insignificant. In addition, the presentation of the statement of income has been changed to enable users to follow up more clearly on the performance between underwriting and investment business.

We continue to promote our ESG policy by drawing up additional plans such as ESG-related product development and green investment and review our sustainability policy on a yearly basis.

Finally, I would like to thank the shareholders and all groups of stakeholders for your continued support. I am truly confident that Thai Re is a stable, sustainably growing organization that can respond to all groups of stakeholders and create value to society on a sustainable basis throughout the years ahead.

Yours sincerely,

A handwritten signature in black ink, consisting of stylized, overlapping loops and lines, representing the name Oran Vongsuraphichet.

(Mr. Oran Vongsuraphichet)

Chief Executive Office