



**BANGKOK  
LIFE**

กรุงเทพประกันชีวิต

## “Management Discussion and Analysis for 1<sup>st</sup> quarter 2025”



## Change from new accounting standard TFRS 17 & TFRS 9

First time adoption of Thai Financial Reporting Standard No.9 “Financial instruments” and Thai Financial Reporting Standard No.17 “Insurance Contracts”, the company restated shareholder's equity previously reported as at 1 January 2024. However, the impact does not affect the stability of shareholders' equity or capital funds. New measurement model and initial recognition of insurance contracts leads to increasing in insurance contract liabilities. The insurance contract liabilities are calculated from expected future cashflow, risk adjustment and separated contractual service margin (CSM) which reflect future profit to be recognized in statement of profit or loss. For investment assets, the company mark to market to reflect fair value. Most of the investment assets are measured fair value through other comprehensive income to match with insurance contract liabilities' accounting policy.

Presentation of statement of profit or loss also significantly changed. Incomes does not present premium received from each period. Premium received will be presented as part of insurance contract liabilities and release to insurance revenue by coverage unit. Finance cost from discounting insurance contract liabilities are separately presented as insurance finance expenses.

Statement of profit or loss separately present 2 parts. insurance service result which calculated from insurance revenue minus insurance service expenses and investment income with insurance finance expenses. Separating source of profit shows that the profit is from insurance profit or investment income that higher than finance cost from discounting insurance contract liabilities.

## Significant accounting policies changes

## Thai Financial Reporting Standard No.17 “Insurance Contracts”

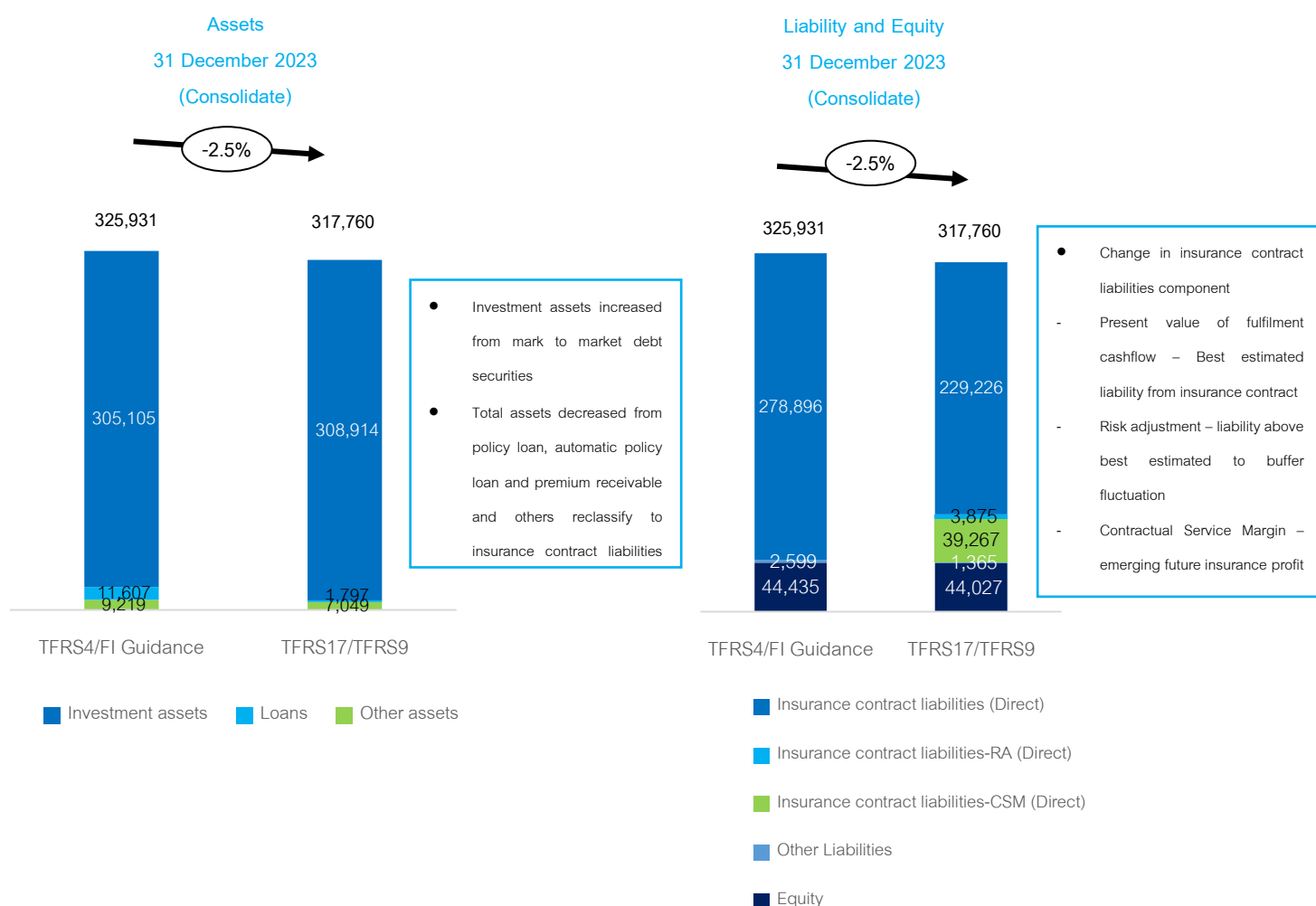
Topic	Policy choices
Discount rate determination	Bottom (Risk-free rate + illiquidity premium)
Measurement model and initial recognition	GMM 95% / VFA 1% / PAA 4%
Coverage Unit and Profit amortization	Contract measured under GMM – Insurance component Contract measured under VFA – Weighted between investment and insurance component
Risk adjustment and Time value of options and guarantee	Direct – PAD75 Reinsurance – PAD75 +NPR*
Fair Value Approach Calculation	Calculate Fair Value portfolio by Traditional EV method (TEV) using CoC
Mark-to-market of liability using reporting date yield curve	Recognize insurance finance expenses from changing market value through other comprehensive income

## Thai Financial Reporting Standard No.9 "Financial instruments"

Type	Investment	SPPI Test	Measurement model	Impact
Debt Securities (Hold to collect and sell)	Bond, Debentures, promissory note, Bill of Exchange	Pass	FVOCI (with recycling) and transfer gain/loss on sell to profit and loss	Increasing asset value
	Structured Note	Fail	FVPL	Profit and loss volatility from mark to market
	Thai Unit trust Except Thai REIT/InFra fund/Prop fund	Fail	FVPL	
	Foreign Unit trust except ETF with no dividend policy	Fail	FVPL	
Equity Securities (Trading)	Stock, Warrants	N/A	FVPL	Profit and loss volatility from mark to market
Equity Securities (not for trading)	Stock, Warrants	N/A	FVOCI (no recycling) and transfer gain/loss on sell to retained earning	No gain/loss from selling equity securities in Profit and loss No Impairment Needed
	Thai REIT/InFra fund/Prop fund	N/A		
	Foreign ETF with no dividend policy	N/A		

## Transition impact as at 1 January 2024

Apply TFRS9 & TFRS17, Investment assets and Insurance contract liabilities mark to market to reflect change in economic. Change in statement of financial position at transition as follow;

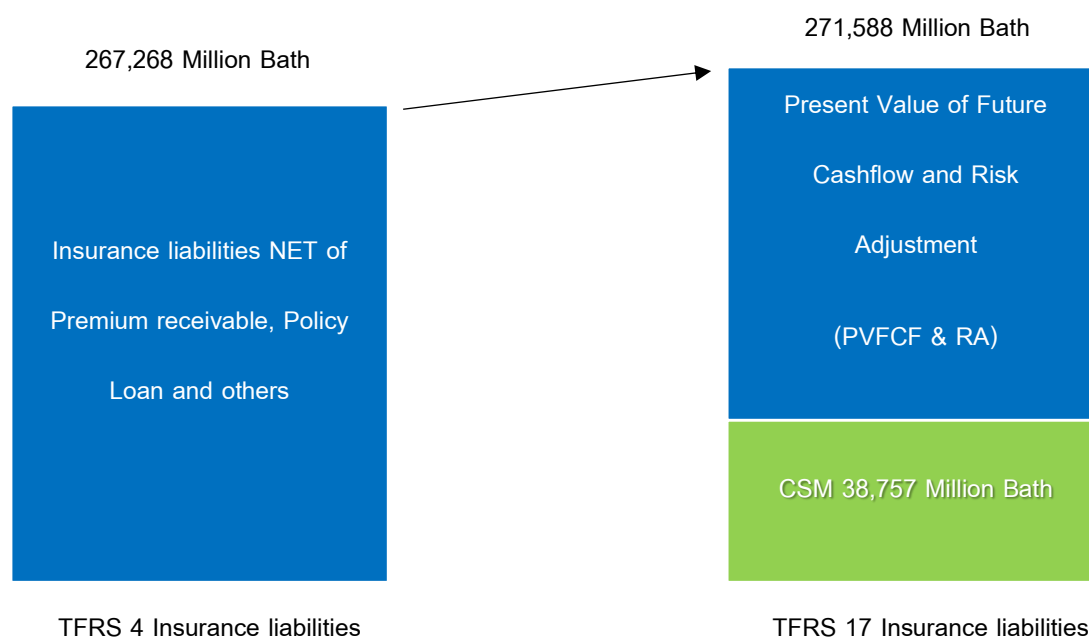


At transition, shareholder's equity was affected from TFRS9 from changing in investment assets measurement model from mostly using amortised cost method to fair value through other comprehensive income method to match with insurance contract liabilities measurement model at transition. Although, insurance contract liabilities increased, the increasing in insurance contract liabilities will release to future insurance revenue by coverage units which does not affect the stability of the company's' financial position. Change in shareholder's equity as follow;

Consolidate financial statement Unit: Million Baht

	31 December 2023 (Previously Reported)	Effect from TFRS 9	Effect from TFRS 17	31 December 2023 (Restated)
Share Capital	1,708	-	-	1,708
Premium on share capital	3,361	-	-	3,361
Retained earnings	37,826	934	(3,365)	35,394
Other components of shareholders' equity 'AOCI'	1,541	2,113	(90)	3,564
<b>Total shareholders' equity</b>	<b>44,436</b>	<b>3,047</b>	<b>(3,456)</b>	<b>44,027</b>

Change in insurance contract liabilities affect shareholders' equity as follow;





## Executive Summary

Consolidate financial statement Unit: Million Baht

	1Q2025	1Q2024	% Change
Net profit	1,189	1,122	6%
Insurance service result	908	880	3%
Net financial result	259	561	-54%
New business CSM	1,243	1,134	10%
First year premium <sup>(1)</sup>	2,110	1,629	30%
Total premium <sup>(2)</sup>	9,310	8,610	8%
NB CSM Margin <sup>(3)</sup>	68%	71%	n/a
Capital Adequacy Ratio (CAR)	480%	441%	n/a

<sup>(1)(2)</sup> Premium form The Thai Life Assurance Association (TLAA)<sup>(3)</sup> Using First year Annual Premium Equivalent (APE)

- In the first quarter of 2025, Bangkok Life Assurance PCL reported a net profit of 1,189 million Baht, an increase of 67 million Bath or 6% from the first quarter of 2024. Insurance service result 908 million Baht, an increase of 28 million Baht or 3% from the first quarter of 2024. Insurance service result at 80% of net profit before tax.
- In the first quarter of 2025, the company reported new business contractual service margin (CSM) 1,243 million Baht, an increase of 10% from the first quarter of 2024. First year premium increase 481 million Baht from both agent and bancassurance channel. New business CSM margin at 68% slightly decrease from decreasing in interest rate.
- Investment result in the first quarter of 2025 was 259 million Bath, a decrease of 302 million Baht or 54% from market condition and interest income from debt securities.
- The Capital Adequacy Ratio (CAR) in the first quarter of 2025 was at 480%, an increase from 441% at the end of 2024, which higher than regulatory that the minimum for requirement is 140%.

## Statement of profit or loss

Consolidate financial statement Unit: Million Baht

Operating Results	Quater 1/25	%	Quater 1/24	%	Change QoQ QoQ%	
Insurance revenue						
Expected incurred claims and other insurance service expenses	1,441	128%	2,195	162%	(754)	-34%
Change in risk adjustment	(18)	-2%	(31)	-2%	13	-42%
CSM release	906	80%	992	73%	(86)	-9%
Recovery of insurance acquisition cash flows	261	23%	213	16%	48	22%
Insurance revenue-Contracts measured under the PAA	589	52%	475	35%	114	24%
<b>Insurance revenue</b>	<b>3,179</b>	<b>282%</b>	<b>3,844</b>	<b>283%</b>	<b>(665)</b>	<b>-17%</b>
Insurance service expenses	-	0%	-	0%	-	0%
Incurred claims and other insurance service expenses	(1,927)	-171%	(2,747)	-202%	820	-30%
Losses and reversal of losses on onerous contracts	(47)	-4%	(22)	-2%	(25)	114%
Amortisation of insurance acquisition cash flows	(261)	-23%	(213)	-16%	(48)	22%
<b>Insurance service expenses</b>	<b>(2,235)</b>	<b>-198%</b>	<b>(2,982)</b>	<b>-220%</b>	<b>747</b>	<b>-25%</b>
Net expenses from reinsurance contracts	(36)	-3%	18	1%	(54)	-301%
<b>Insurance service result</b>	<b>908</b>	<b>80%</b>	<b>880</b>	<b>65%</b>	<b>28</b>	<b>3%</b>
Net investment income	2,481	220%	2,860	211%	(378)	-13%
Net finance expenses from insurance contracts	(2,222)	-197%	(2,299)	-169%	77	-3%
<b>Net financial result</b>	<b>259</b>	<b>23%</b>	<b>561</b>	<b>41%</b>	<b>(302)</b>	<b>-54%</b>
Other income and expenses	(38)	-3%	(83)	-6%	45	-54%
<b>Profits before income tax expenses</b>	<b>1,129</b>	<b>100%</b>	<b>1,358</b>	<b>100%</b>	<b>(229)</b>	<b>-17%</b>
Income tax expenses	(60)	-5%	236	17%	(296)	-125%
<b>Net profit for the years</b>	<b>1,189</b>	<b>105%</b>	<b>1,122</b>	<b>83%</b>	<b>67</b>	<b>6%</b>

- In the first quarter of 2025, the company net profit increased by 67 million Baht, an increase of 6% from the first quarter of 2024. Profit income tax before tax expenses decreased by 229 million Baht from decreasing in investment income 378 million Baht, a decrease of 13%. While insurance service result increased 28 million Baht, an increase of 3%.
- Insurance service result in the first quarter of 2025 increased 28 million Baht from decreasing in loss ratio and premium adjustment to align with risk.
- For the investment performance in the first quarter of 2025, the company reported a decrease in net investment income of 378 million baht, or 13%, due to the fair value measurement of investments through profit or loss. This was driven by market conditions during the first quarter and a decline in interest income.



## Statement of financial position

Consolidate financial statement Unit: Million Baht

	31 Mar 25	%	31 Dec 24	%	Change	%
Cash and cash equivalents	6,785	2%	10,522	3%	(3,737)	-35.5%
Accrued investment income	2,368	1%	1,151	0%	1,217	105.7%
Investment assets <sup>(4)</sup>	298,966	95%	298,058	94%	908	0.3%
Insurance contract assets	31	0%	89	0%	(58)	-65.2%
Property, plant and equipment	1,922	1%	1,924	1%	(2)	-0.1%
Other assets	4,101	1%	3,661	1%	440	12.0%
<b>TOTAL ASSETS</b>	<b>314,173</b>	<b>100%</b>	<b>315,405</b>	<b>100%</b>	<b>(1,232)</b>	<b>-0.4%</b>
Insurance liabilities	265,017	84%	265,909	84%	(892)	-0.3%
Other liabilities	1,403	0%	1,433	0%	(30)	-2.1%
<b>TOTAL LIABILITIES</b>	<b>266,420</b>	<b>0%</b>	<b>267,342</b>	<b>85%</b>	<b>(922)</b>	<b>-0.3%</b>
Share capital and premium on share	5,069	2%	5,069	2%	-	0.0%
Retained earnings	39,032	12%	39,099	12%	(67)	-0.2%
Other component of shareholders' equity	3,652	1%	3,896	1%	(244)	-6.3%
<b>TOTAL EQUITIES</b>	<b>47,753</b>	<b>15%</b>	<b>48,064</b>	<b>22%</b>	<b>(311)</b>	<b>-0.6%</b>
<b>BV Per share</b>	<b>27.97</b>		<b>28.15</b>			

<sup>(4)</sup> Investment assets = Debt instruments + Equity instruments + Loans and accrued interest receivables

## Assets

Total assets as of 31 March 2025 was 314,173 million Baht, decreased from 31 December 2024 by 0.4% or 1,233 million Baht from cash and cash equivalents from matured policies. The majority of the company's assets were investment asset and cash equivalents, which were accounted for 97% of total assets and 115% of life policy reserves.

## Liabilities and Equity

Total liabilities as of 31 March 2025 decreased by 0.3% from 31 December 2024. The decrease mostly came from matured policies.

The total equity as of 31 March 2025 was 47,753 million Baht, a decrease of 311 million Baht or 0.6% from 31 December 2024. Book value per share (BV/share) was at 28.15 Baht per share. This was resulted from increasing insurance finance expenses 3,833 million Baht from decreasing market interest rate while unrealized gain from financial instruments increases 3,555 million Baht.

## Performance Overview

### Total Premium

In the first quarter of 2025, the company's total premium amounted to 9,309 million Baht, an increase of 9% YoY. Contribution of the total premium by distribution channel were bancassurance 51%, agent 37% and others channel 12%.

### First Year Premium

In the first quarter of 2025, the company's FYP was 2,110 million Baht, an increase of 32% from the same period last year. The results were from the bancassurance channel, which FYP increase by 12%, the agent channel saw FYP increased by 24% YoY resulted from effective campaigns and activities to motivate agent performance, and other channel's FYP increased by 458%. The contribution by distribution channel was 60%, 23%, and 17%, respectively, for bancassurance, agent, and others channel.

### Renewal Year Premium

In the first quarter of 2025, the company had a renewal year premium of 7,200 million Baht, an increase of 3% from the same period last year as expected. The results were from others channel that decreased by 11% YoY but agent channel increased by 13% YoY. The contribution by distribution channel was 49%, 40%, and 11%, respectively, for bancassurance, agent, and others channel.

Figure 1: Total Premium by channels (Baht: million)

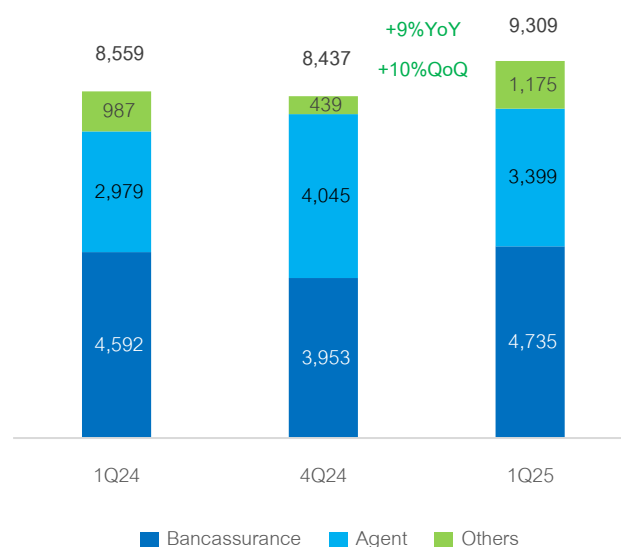


Figure 2: First Year Premium by channels (Baht: million)

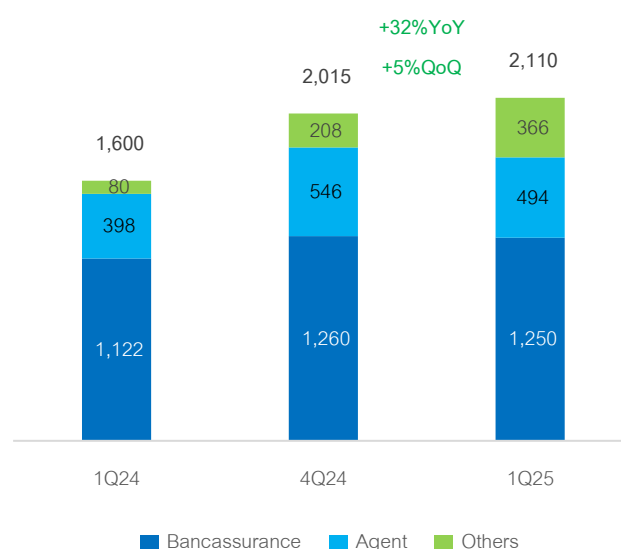
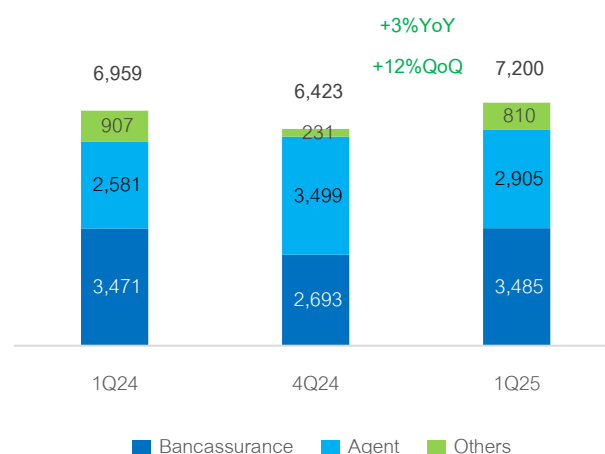


Figure 3: Renewal Premium by channels (Baht: million)



Remark: 2025 Premiums are from The Thai Life Assurance Association (TLAA)

## Investment Asset and Investment Return

In the first quarter of 2025, the Company's total investment asset was 305,754 million Baht, a decrease of 1% from the end of 2024. This was mainly due to matured policies. The Company's investment allocation comprised 88% in fixed income, 8% in equities, and 3% in REITs. The reduction in investment assets was primarily due to the maturity of corporate bonds and a decrease in collateralized loans.

In the first quarter of 2025, the Company's investment income was 2,481 million Baht, a decrease of 13% from the same period last year. This decline was mainly driven by lower interest income and fair value losses. The drop in interest income resulted from the reduced size of investment assets.

In the first quarter of 2025, the return on investment (ROI) was 3.44%, down from 3.85% in the same period last year. The investment yield stood at 3.51%, a decrease from 3.67% YoY.

Table 1: Investment Assets as of 1Q2025

Investment Asset	4Q24	1Q25	Change
Short-term investment	3.4%	2.2%	-1.2%
Bond	55.8%	58.0%	2.2%
Debenture & Note	27.5%	27.7%	0.3%
<b>Total Fixed income</b>	<b>86.7%</b>	<b>87.9%</b>	<b>1.3%</b>
Equity	9.5%	8.4%	-1.2%
REIT	3.4%	3.4%	0.0%
Secured Loans	0.4%	0.3%	0.0%
<b>Total Investment assets (MB)</b>	<b>308,583</b>	<b>305,754</b>	<b>-0.9%</b>

Table 2: Investment Income (Million Baht)

	1Q24	1Q25	%Change
Interest	2,359	2,195	
Dividend	357	334	
Gain (loss) on revaluation and expenses	144	-47	
<b>Investment Income</b>	<b>2,860</b>	<b>2,481</b>	<b>-13.2%</b>

Table 3: Return on Investment

	1Q67	1Q68
<i>ROI</i>	<b>3.85%</b>	<b>3.44%</b>
<i>Investment yield</i>	<b>3.67%</b>	<b>3.51%</b>

## Financial Ratios

Financial ratio	Quarter	
	1Q25	1Q24
Insurance profit / Insurance revenue	28.6%	22.9%
NB CSM Margin	68.3%	71.4%
Balance CSM / Share	2.4%	2.4%
CSM to Insurance contract Liabilities	15.5%	15.5%
ROE	9.9%	9.6%
ROI	3.4%	3.9%
CAR	480%	435%

## Industry Overview

In the first three-month of 2025, life insurance industry reported a new business premium amounting to 50,904 million Baht, an increase of 11% YoY. This was impacted from an increase in FYP excluding single premium by 19% YoY. The increase mainly came from Endowment, Unit-linked, Health rider and Critical illness rider products, while single premium (SP) decreased by 4% YoY. The main reason came from MRTA products.

Meanwhile, renewal year premium and total premium could be compared to the same period last year as an increase by 4% and 6%, respectively.

For new business premiums by distribution channels, Agent channel increased by 20% YoY, this mainly came from Unit-linked, Health rider and Critical illness rider products. Agent channel FYP was accounted for 38% of the industry's total FYP.

Bancassurance channel FYP increased by 7% YoY, which accounted for 47% of total FYP. The increase came from Endowment, Unit-linked and Health rider products. However, MRTA products remain on a declining growth trend.

Others channel FYP increased by 4% YoY, accounted for 15% of total FYP due to the growths in online channel, Tele-Marketing channel, Group and MTRA products in others channel.

Figure 4: Life Insurance Industry Premiums

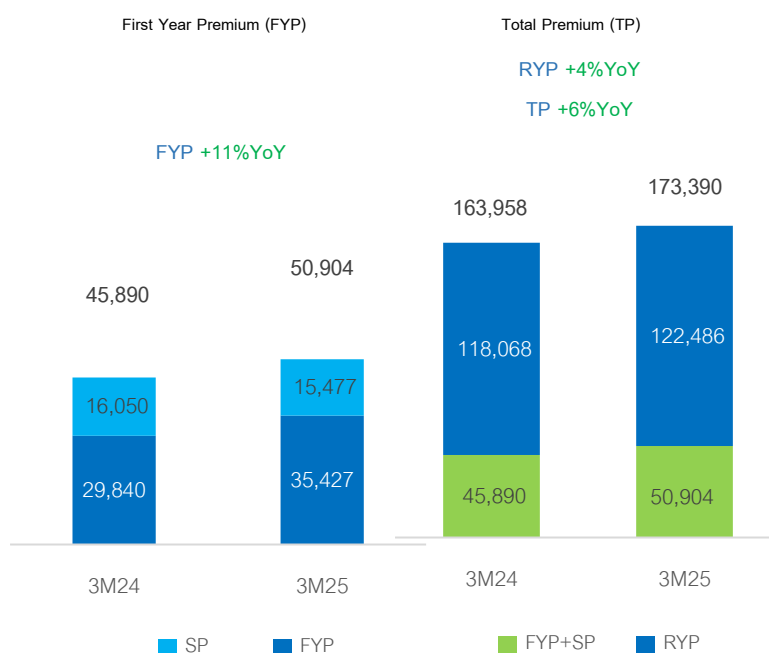


Figure 5: Industry New Business Premiums by products

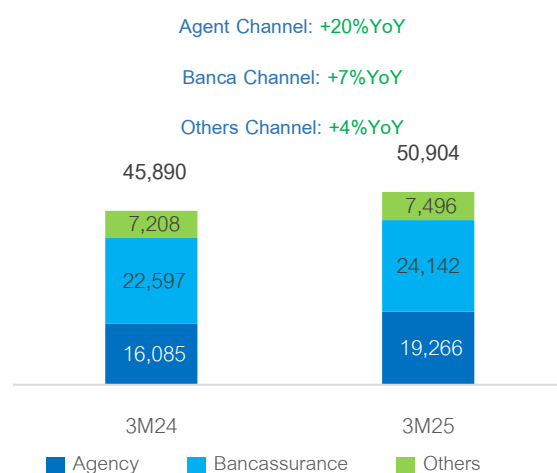


Figure 6: Industry New Business Premium by Channels

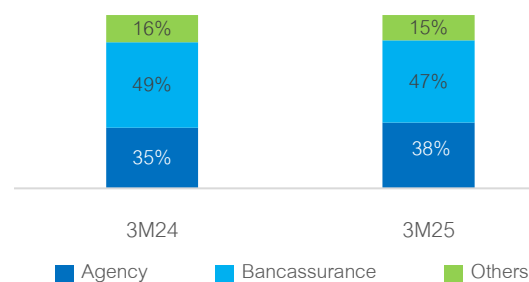


Table 4: Life Insurance Premiums market share (%)

As of 31 March 2025

(Baht: million)

Ranking by FYP	Company	First year premium	Market share by first year premium (%)
1	AIA	10,490	20.6%
2	TLI	7,610	14.9%
3	MTL	6,874	13.5%
4	FWD	6,405	12.6%
5	KTAL	3,857	7.6%
6	PLT	3,097	6.1%
7	AZAY	2,631	5.2%
8	BLA	2,110	4.1%
9	GT	1,993	3.9%
10	SELIC	1,642	3.2%

Ranking by TP	Company	Total premium	Market share by total premium (%)
1	AIA	44,107	25.4%
2	FWD	28,093	16.2%
3	TLI	21,024	12.1%
4	MTL	18,589	10.7%
5	KTAL	12,891	7.4%
6	AZAY	10,960	6.3%
7	PLT	9,574	5.5%
8	BLA	9,310	5.4%
9	GT	3,774	2.2%
10	OLIC	3,038	1.8%

Source: The Thai Life Assurance Association