



**BANGKOK  
LIFE**

กรุงเทพประกันชีวิต



**“Management Discussion and Analysis  
for 3<sup>rd</sup> quarter 2024”**



## Executive Summary

Consolidated Baht, million

OPERATING RESULTS	Quarter 3/24	Quarter 3/23	Change YoY%	Quarter 2/24	Change QoQ%	9M24	9M23	Change YoY%
<b>Revenues</b>								
Net premiums written <sup>(1)</sup>	9,990	10,386	-3.8	7,439	34.3	25,313	25,480	-0.7
First Year Premium	1,550	1,790	-13.4	1,873	-17.2	5,023	5,311	-5.4
Bancassurance	990	1,324	-25.2	1,445	-31.5	3,557	3,659	-2.8
Agent Channel	355	350	1.4	372	-4.6	1,125	1,059	6.2
Other Channel	205	116	76.7	56	266.1	341	593	-42.5
Renewal Premium	8,765	8,632	1.5	5,653	55.1	21,377	20,966	2.0
Total Investment Income <sup>(2)</sup>	2,869	2,731	5.1	3,217	-10.8	8,864	8,625	2.8
Fee and commission income	102	93	9.7	83	22.1	271	319	-14.8
Gain & Loss on revaluation and other income	(187)	2	na	(121)	54	(165)	62	na
<b>Total Revenues</b>	<b>12,774</b>	<b>13,212</b>	<b>-3.3</b>	<b>10,618</b>	<b>20.3</b>	<b>34,283</b>	<b>34,486</b>	<b>-0.6</b>
<b>Expenses</b>								
Underwriting expenses	11,604	12,046	-3.7	9,046	28.3	29,632	30,586	-3.1
Operating expenses	477	430	11.0	448	6.5	1,332	1,252	6.4
Expected Credit Loss	(15)	13	na	195	na	175	90	na
<b>Total Expenses</b>	<b>12,066</b>	<b>12,489</b>	<b>-3.4</b>	<b>9,689</b>	<b>24.5</b>	<b>31,139</b>	<b>31,928</b>	<b>-2.5</b>
Earning before tax	708	723	-2.0	929	-23.8	3,144	2,557	22.9
<b>Net profit</b>	<b>614</b>	<b>645</b>	<b>-4.8</b>	<b>814</b>	<b>-24.5</b>	<b>2,669</b>	<b>2,190</b>	<b>21.9</b>
<b>Earnings per share (EPS)</b>	<b>0.36</b>	<b>0.38</b>	<b>-5.3</b>	<b>0.47</b>	<b>-23.4</b>	<b>1.56</b>	<b>1.28</b>	<b>21.9</b>
<b>Return on investment (ROI)</b>	<b>3.92%</b>	<b>3.55%</b>	<b>0.4%</b>	<b>4.39%</b>	<b>-0.5%</b>	<b>4.00%</b>	<b>3.65%</b>	<b>0.4%</b>
<b>Capital Adequacy Ratio (CAR)</b>	<b>433%</b>	<b>378%</b>	<b>55%</b>	<b>410%</b>	<b>23.0%</b>	<b>433%</b>	<b>378%</b>	<b>55%</b>

<sup>(1)</sup> Net premiums written = first year premiums + renewal year premiums - premiums ceded ± unearned premium reserves

<sup>(2)</sup> Total investment income = Net investment income + Gain on investment

- In the third quarter of 2024, Bangkok Life Assurance PCL reported a net profit of 614 million Baht, representing an earnings per share of 0.36 Baht. In the nine-month period of 2024, the net profit was 2,669 million Baht, an increase of 22% YoY representing an earnings per share of 1.56 Baht. This resulted from increase in investment income and decrease in expenses.
- In the third quarter of 2024, the company recorded a total revenue of 12,774 million Baht, a decrease of 3% YoY due to the first-year premium (FYP) decreased by 13% YoY while the renewal year premium (RYP) increased by 2% YoY as expected.
- In the nine-month period of 2024, a total revenue is 34,283 million Baht, a decrease of 1% YoY. The FYP was 5,023 million Baht, a decrease of 5% YoY. The RYP was 21,377 million Baht, increased by 2% compared to the same period last year.
- The FYP by distribution channel in the nine-month period of 2024 was as follows: bancassurance, agent, and other channels were accounted for 71%, 22% and 7%, respectively.
- The total investment income in the third quarter of 2024 was 2,869 million Baht, performing as an increase of 5% YoY. The reason was rising in realized gain. The return on investment (ROI) in 3Q24 was 3.92%.
- Total expense in the third quarter of 2024 amounted to 12,066 million Baht, a decrease of 3% YoY. The reason came from a decrease in underwriting expenses.
- The Capital Adequacy Ratio (CAR) in the third quarter of 2024 was at 433%, an increase from 410% at the second quarter of 2024, as a result of mark to market of assets and liabilities.

Performance Overview

Total Premium

In the third quarter of 2024, the company’s total premium amounted to 10,315 million Baht, a decrease of 1% YoY.

In the nine-month of 2024, the Company’s total premium amounted to 26,400 million Baht, an increase of 1% YoY.

Contribution of the total premium by distribution channel was bancassurance 64%, agent 31% and others channel 5%.

First Year Premium

In the third quarter of 2024, the company’s FYP was 1,550 million Baht, a decrease of 13% YoY. The results were from the bancassurance channel, which FYP decreased by 25% while the agent channel saw FYP increased by 2% YoY and others channel, FYP increased by 77% YoY, this mainly due to group products. The contribution by distribution channel was 64%, 23%, and 13% respectively for bancassurance, agent, and others channel.

In the nine-month of 2024, the Company’s FYP was 5,023 million Baht, a decrease of 5% YoY, as a result of decrease in FYP from others channel by 43% YoY and bancassurance channel decreased by 3% YoY. However, agent channel increased by 6%. The contribution by distribution channel was 71%, 22% and 7% respectively for bancassurance, agent and others channel.

Renewal Year Premium

In the third quarter of 2024, the Company had a renewal year premium of 8,765 million Baht, an increase of 2% from the same period last year.

In the nine-month of 2024, the Company’s RYP was 21,377 million Bath, an increase of 2% YoY as expected.

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

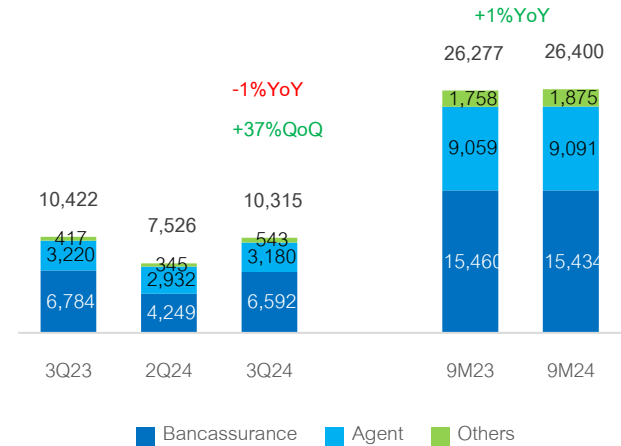


Figure 2: First Year Premium by channels (Baht: million)

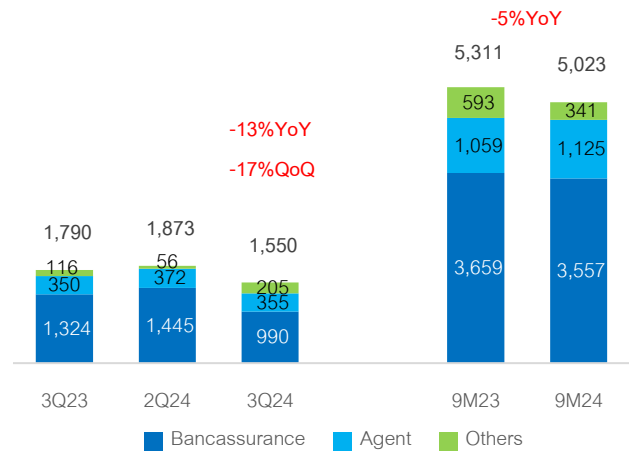
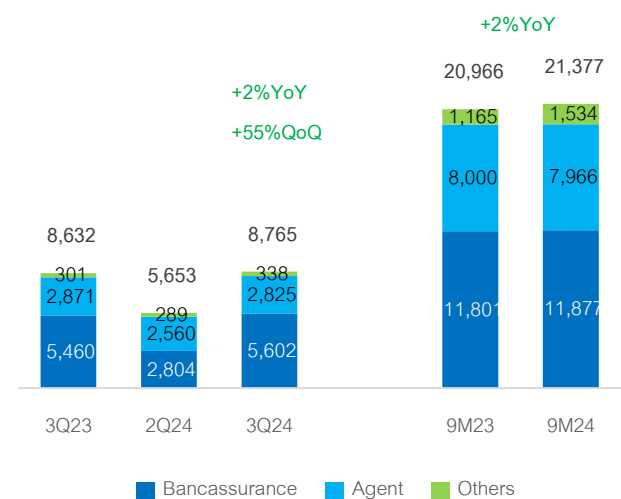


Figure 3: Renewal Premium by channels (Baht: million)



Investment Asset and Investment Return

In the third quarter of 2024, the Company’s total investment asset was 298,462 million Baht, a decrease of 0.3% from the second quarter of 2024. During the quarter, investment assets increased in line with the value of investments in equities and REIT. Additionally, a portion of prepaid investment funds was recorded under other assets, in accordance with accounting standards. As a result, net investment assets decreased ultimately. The Company’s investment proportion in fixed income was 83%, equity at 9% and REIT at 4%.

In the third quarter of 2024, the Company’s investment income<sup>(3)</sup> was 2,944 million Baht, an increase of 5% from the same period last year resulted from an increased in realized gain. Excluding realized gain, interest and dividend income decreased 7% YoY.

In the nine-month of 2024, the Company’s investment income was 9,089 million Baht representing an increase of 3% YoY. Excluding realized gain, interest and dividend income decreased 6% YoY. The reason was the decline in investment assets.

In the third quarter of 2024, the return on investment (ROI) equaled 3.92%, increasing from 3.55% in the same period last year, and decreasing from 4.39% in the previous quarter. Investment yield (including interest and dividend income) was at 3.84%, decreasing 5 bps YoY and decreasing 11 bps QoQ.

In the nine-month of 2024, the return on investment (ROI) and Investment yield equaled to 4.00% and 3.84% respectively.

Table 1: Investment Assets as of 3Q2024

Investment assets	2Q24	3Q24	change
Short-term investment	1.5%	1.0%	-0.5%
Bond	54.0%	54.1%	0.1%
Debenture & Note	28.9%	28.2%	-0.7%
<b>Total Fixed income</b>	<b>84.4%</b>	<b>83.3%</b>	<b>-1.1%</b>
Equity	8.7%	9.2%	0.5%
REIT	3.2%	3.8%	0.6%
Policy Loans	3.2%	3.3%	0.1%
Secured Loans	0.5%	0.4%	-0.1%
<b>Total Investment assets (MB)</b>	<b>299,410</b>	<b>298,462</b>	<b>-0.3%</b>

Figure 4: Investment Income (Baht Million)

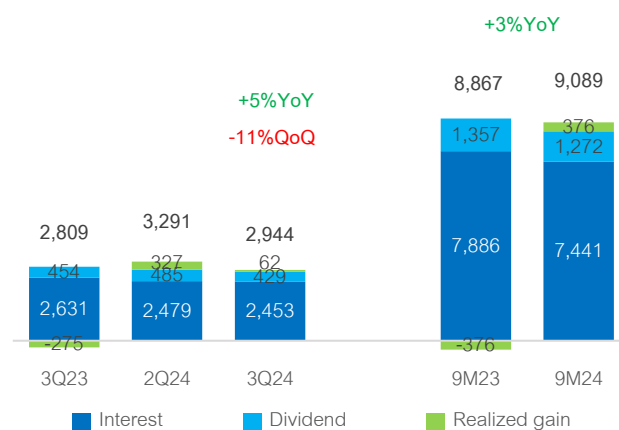
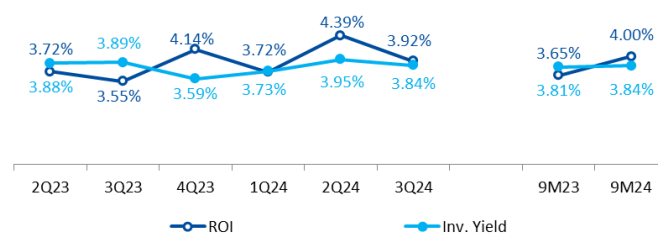


Figure 5: Return on Investment

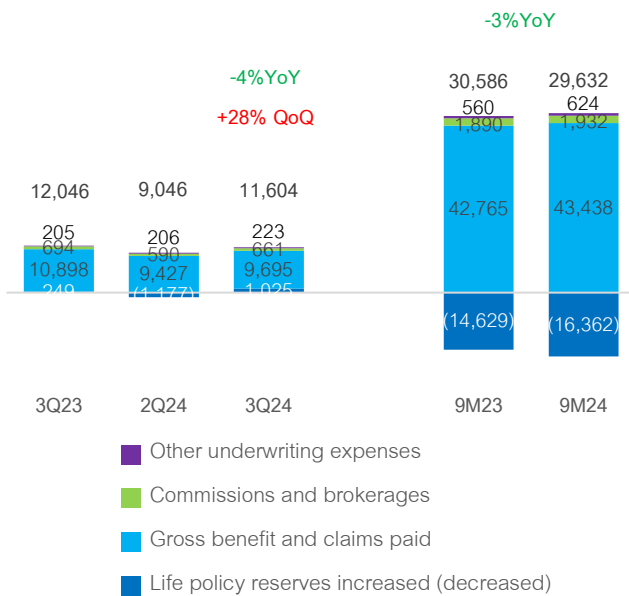


(3) Interest income + Dividend + Profit (Loss) from Investment

**Underwriting Expenses**

In the third quarter of 2024, the company's underwriting expenses totaled 11,604 million Baht representing a decrease of 4% YoY. The main reason came from a decrease in gross benefit and claims paid. In the nine-month of 2024, the underwriting expenses was 29,632 million Baht showing a decline of 3% YoY. The reason came from a decrease of life policy reserves.

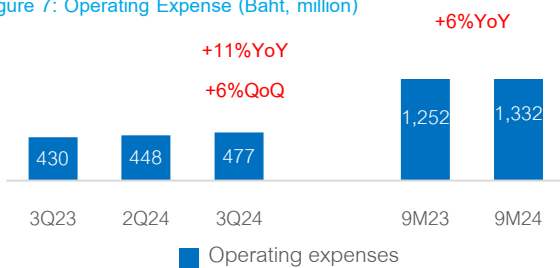
Figure 6: Underwriting Expenses (Baht, million)



**Operating Expenses**

In the third quarter of 2024, the Company had an operating expense of 477 million Baht, an increase of 11% from the same period last year. The reasons came from advertising expenses and employee expenses. In the nine-month of 2024, operating expense increased by 6% YoY. The company continues to focus on expense management.

Figure 7: Operating Expense (Baht, million)

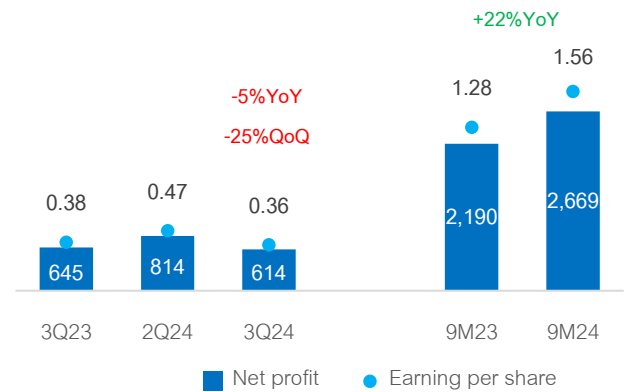


**Net Profit**

In the third quarter of 2024, the Company had a net profit of 614 million Baht, a decrease of 5% from the same period last year and a decrease of 25% from the previous quarter, representing an earnings per share of Baht 0.36.

In the nine-month of 2024, the company reported a net profit amounting to 2,669 million Baht, an increase of 22% YoY, representing an earnings per share of Baht 1.56.

Figure 8: Net Profit (Baht, million) and earning per share (Baht)



**Capital Adequacy and Risk-Based Capital (RBC)**

In the third quarter of 2024, the Company's Capital Adequacy Ratio ("CAR") was 433%, an increase from 410% at the second quarter of 2024, as a result of mark to market of assets and liabilities.

## Summary of Financial Position as of 30 September 2024

Condolidated Baht, million

	30-Sep-24	%	31-Dec-23	%	Change	%
<b>Assets</b>						
Cash and cash equivalents	3,001	1.0%	16,084	4.9%	(13,083)	-81.3%
Premiums due and uncollected	2,665	0.8%	1,599	0.5%	1,066	66.7%
Accrued investment incomes	2,282	0.7%	1,471	0.5%	811	55.2%
Investments <sup>(4)</sup>	295,582	94%	300,772	92%	(5,190)	-1.7%
Premises and equipment	1,946	0.6%	2,003	0.6%	(57)	-2.8%
Other assets	8,118	3%	4,002	1.2%	4,116	102.8%
<b>Total Assets</b>	<b>313,594</b>	<b>100%</b>	<b>325,931</b>	<b>100%</b>	<b>(12,337)</b>	<b>-3.8%</b>
<b>Liabilities and equity</b>						
Life policy reserves	257,869	82.2%	274,230	84.1%	(16,361)	-6.0%
Other insurance contract liabilities	4,904	1.6%	4,667	1.4%	237	5.1%
Other liabilities	2,589	0.8%	2,599	0.8%	(10)	-0.4%
<b>Total liabilities</b>	<b>265,362</b>	<b>85%</b>	<b>281,496</b>	<b>86%</b>	<b>(16,134)</b>	<b>-5.7%</b>
Retained earnings	5,069	1.6%	5,069	1.6%	-	0.0%
Unrealized gain on investment	39,829	13%	37,825	12%	2,004	5.3%
Non-controlling interests of the subsidiaries	3,334	1.1%	1,541	0.5%	1,793	116.3%
<b>Total equity</b>	<b>48,232</b>	<b>15%</b>	<b>44,435</b>	<b>14%</b>	<b>3,797</b>	<b>8.5%</b>
<b>Total liabilities and equity</b>	<b>313,594</b>	<b>100%</b>	<b>325,931</b>	<b>100%</b>	<b>(12,337)</b>	<b>-3.8%</b>
<b>Book value/Share</b>	<b>28.25</b>		<b>26.02</b>			

<sup>(4)</sup> Excluded short-term investment which was included in Cash and cash equivalents item

### Assets

Total assets as of 30 September 2024 was 313,594 million Baht, decreased from 31 December 2023 by 4% or 12,337 million Baht. The reason was the impact from a decrease in investment asset from matured policies. The majority of the company's assets were investment asset and cash equivalents, which were accounted for 95% of total assets and 116% of life policy reserves.

### Liabilities and Equity

Total liabilities as of 30 September 2024 decreased 6% from 31 December 2023. The decrease mostly came from life policy reserves.

The total equity as of 30 September 2024 was 48,232 million Baht, an increase of 3,797 million Baht or 9% from 31 December 2023. This was resulted from net profit of 2,669 million Baht, dividend paid 680 million Baht and unrealized gain from financial instruments of 1,793 million Baht. Book value per share (BV/share) was at 28.25 Baht per share.

## Financial Ratios

Financial ratio	Quarter		9 Month	9 Month
	3Q24	3Q23	2024	2023
NI / Total income	4.8%	4.9%	7.8%	6.4%
NI / Net premium	6.1%	6.3%	10.4%	8.6%
Life policy reserve / Net premium	10.2%	2.4%	-63.9%	-57.2%
Underwriting expenses / Net premium	115.5%	117.5%	115.7%	119.5%
Operating expenses / Net premium	4.7%	4.2%	5.2%	4.9%
Investment assets / Total asset	95.2%	96.6%	95.2%	96.6%
Investment assets / Life policy reserve	115.8%	115.0%	115.8%	115.0%
Return on investment (ROI)	3.9%	3.6%	4.0%	3.7%
NI / Average equity	5.3%	5.9%	7.7%	6.6%
NI / Average assets	0.8%	0.8%	1.1%	0.9%
CAR ratio	433%	378%	433%	378%



**Industry Overview**

In the nine-month of 2024, life insurance industry reported a new business premium amounting to 131,516 million Baht, a decrease of 0.4% YoY. This was impacted from a decrease in single premium (SP) by 10% YoY. The decrease mainly came from MRTA products, while FYP excluding single premium increased by 6% YoY from whole life, health rider and group products.

Meanwhile, renewal year premium and total premium could be compared to the same period last year as an increase by 3% and 2%, respectively.

For new business premiums by distribution channels, Agent channel decreased by 0.4% YoY, this mainly came from endowment products. Agent channel FYP was accounted for 35% of the industry’s total FYP.

Bancassurance channel FYP decreased by 2% YoY, which accounted for 50% of total FYP. The decrease came from endowment and MRTA products.

Others channel FYP increased by 6% YoY, accounted for 15% of total FYP due to the growths in group and MTRA products in others channel.

Figure 9: Life Insurance Industry Premiums

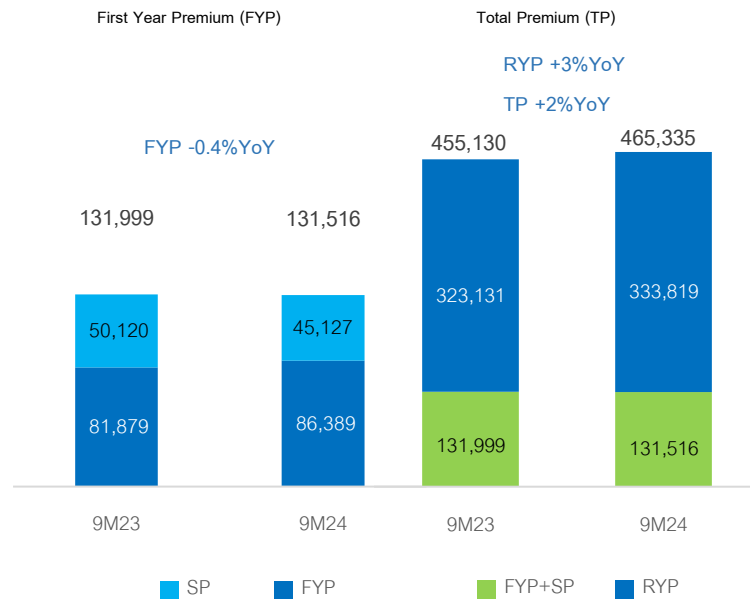


Figure 10: Industry New Business Premiums by products

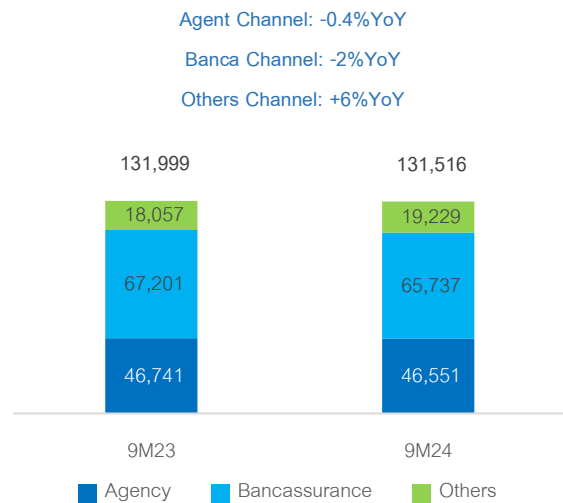


Figure 11: Industry New Business Premium by Channels

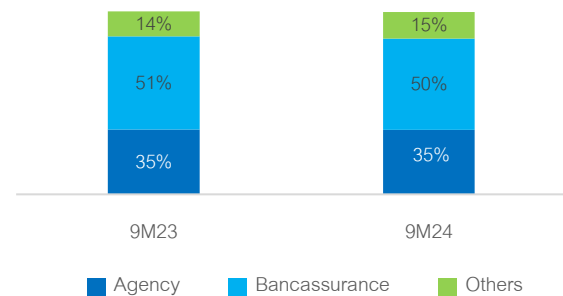




Table 2: Life Insurance Premiums market share (%)

As of 30 September 2024

(Baht: million)

Ranking by FYP	Company	First year premium	Market share by first year premium (%)
1	AIA	23,141	17.6%
2	FWD	20,254	15.4%
3	TLI	17,387	13.2%
4	MTL	17,334	13.2%
5	PLT	9,793	7.4%
6	KTAL	8,881	6.8%
7	AZAY	6,259	4.8%
8	GT	5,602	4.3%
9	BLA	5,098	3.9%
10	DLA	4,560	3.5%

Ranking by TP	Company	Total premium	Market share by total premium (%)
1	AIA	115,160	24.7%
2	FWD	72,644	15.6%
3	TLI	60,327	13.0%
4	MTL	50,490	10.9%
5	KTAL	32,141	6.9%
6	AZAY	28,111	6.0%
7	BLA	26,533	5.7%
8	PLT	26,276	5.6%
9	OLIC	10,168	2.2%
10	GT	9,324	2.0%

Source: The Thai Life Assurance Association