



**BANGKOK
LIFE**

กรุงเทพประกันชีวิต



Management Discussion and Analysis

2024



Executive Summary

Consolidated Baht, million

OPERATING RESULTS	Quarter 4/24	Quarter 4/23	Change YoY%	Quarter 3/24	Change QoQ%	2024	2023	Change YoY%
Revenues								
Net premiums written ⁽¹⁾	8,329	7,850	6.1	9,990	-16.6	33,642	33,331	0.9
First Year Premium	2,014	1,574	28.0	1,550	29.9	7,037	6,885	2.2
Bancassurance	1,260	881	43.0	990	27.3	4,817	4,539	6.1
Agent Channel	546	557	-2.0	355	53.8	1,671	1,616	3.4
Other Channel	208	136	52.9	205	1.5	549	730	-24.8
Renewal Premium	6,423	6,304	1.9	8,765	-26.7	27,800	27,270	1.9
Total Investment Income ⁽²⁾	2,991	3,174	-5.7	2,869	4.3	11,855	11,799	0.5
Fee and commission income	76	34	125.9	102	-25.3	348	352	-1.3
Gain & Loss on revaluation and other income	332	(110)	-400.8	(187)	(278)	166	(48)	-446.6
Total Revenues	11,728	10,948	7.1	12,774	-8.2	46,011	45,434	1.3
Expenses								
Underwriting expenses	9,946	9,723	2.3	11,604	-14.3	39,578	40,310	-1.8
Operating expenses	565	458	23.3	477	18.5	1,897	1,710	11.0
Expected Credit Loss	39	333	na	(15)	na	214	422	na
Total Expenses	10,550	10,514	0.3	12,066	-12.6	41,689	42,442	-1.8
Earning before tax	1,178	434	171.4	708	66.3	4,322	2,992	44.5
Net profit	954	358	166.3	614	55.3	3,623	2,548	42.2
Earnings per share (EPS)	0.56	0.21	172.9	0.36	55.6	2.12	1.49	42.3
Return on investment (ROI)	4.03%	4.14%	-0.1%	3.92%	0.1%	4.01%	3.77%	0.2%
Capital Adequacy Ratio (CAR)	441%	405%	36%	433%	8.0%	441%	405%	36%

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

⁽²⁾ Total investment income = Net investment income + Gain on investment

- In the fourth quarter of 2024, Bangkok Life Assurance PCL reported a net profit of 954 million Baht, an increase of 166% from the fourth quarter of 2023, representing an earnings per share of 0.56 Baht. In 2024, the net profit was 3,623 million Baht, an increase of 42% YoY, representing an earnings per share of 2.12 Baht.
- In the fourth quarter of 2024, the company recorded a total revenue of 11,728 million Baht, an increase of 7% YoY due to the first-year premium (FYP) increased by 28% YoY and the renewal year premium (RYP) increased by 2% YoY. In 2024, a total revenue is 46,011 million Baht, an increase of 1% YoY as the FYP increased by 2% YoY and the RYP increased by 2% YoY. The increase in renewal premiums is as expected.
- The FYP by distribution channel in 2024 was as follows: bancassurance, agent, and other channels were accounted for 68%, 24% and 8%, respectively.
- The total investment income in the fourth quarter of 2024 was 2,991 million Baht, a decrease of 6% YoY. The main reason was declining in realized gain. The return on investment (ROI) in 4Q24 was 4.03% and ROI in 2024 was 4.01%.
- Total expense in the fourth quarter of 2024 amounted to 10,550 million Baht, a slight increase compared to the same period last year. Total expenses in 2024 amounted to 41,689 million Baht, a decrease of 2% YoY. The reason came from a decrease in underwriting expenses.
- The Capital Adequacy Ratio (CAR) in the fourth quarter of 2024 was at 441%, an increase from 405% at the end of 2023, which higher than regulatory minimum requirement of 140%.
- The Embedded Value (EV) as of 31 December 2024 was 74,241 million Baht, equal to 43.48 Baht per share, an increase of 9.4% from 2023.
- The Value of New Business (VNB) at the end of 2024 was 1,889 million Baht, a decrease of 31.5% from 2023.

Performance Overview

Total Premium

In the fourth quarter of 2024, the company’s total premium amounted to 8,437 million Baht, an increase of 7% YoY.

In 2024, the Company’s total premium amounted to 34,837 million Baht, an increase of 2% YoY. Contribution of the total premium by distribution channel was bancassurance 56%, agent 38% and others channel 6%.

First Year Premium

In the fourth quarter of 2024, the company’s FYP was 2,014 million Baht, an increase of 28% YoY. The results were from the bancassurance channel, which FYP increased by 43% YoY, as a result of the increase in FYP due to TISCO bank launch of a new product. Others channels’ FYP increased by 53% YoY from group business, while the agent channel saw FYP decreased by 2% YoY. The contribution by distribution channel was 63%, 27%, and 10% respectively for bancassurance, agent, and others channel.

In 2024, the Company’s FYP was 7,037 million Baht, an increase of 2% YoY, as a result of the increase in FYP from bancassurance channel by 6% YoY and agent channel increased by 3% YoY. However, others channels’ FYP decreased by 25% YoY. The contribution by distribution channel was 68%, 24% and 8% respectively for bancassurance, agent and others channel.

Renewal Year Premium

In the fourth quarter of 2024, the Company had a renewal year premium of 6,423 million Baht, an increase of 2% from the same period last year.

In 2024, the Company’s RYP was 27,800 million Bath, an increase of 2% YoY as expected.

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

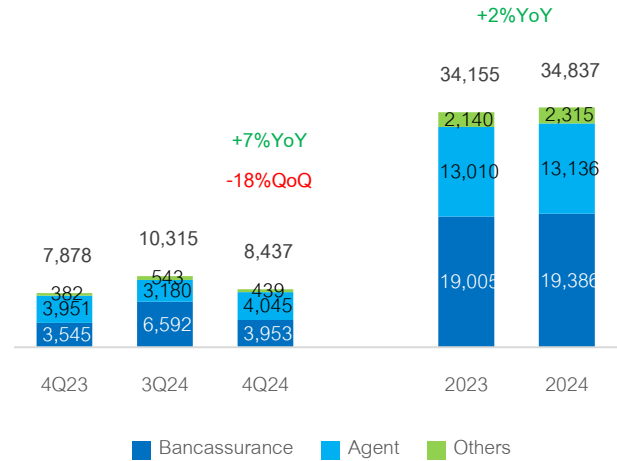


Figure 2: First Year Premium by channels (Baht: million)

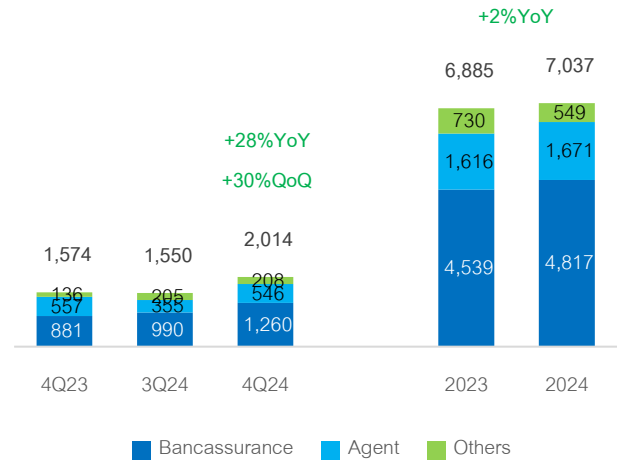
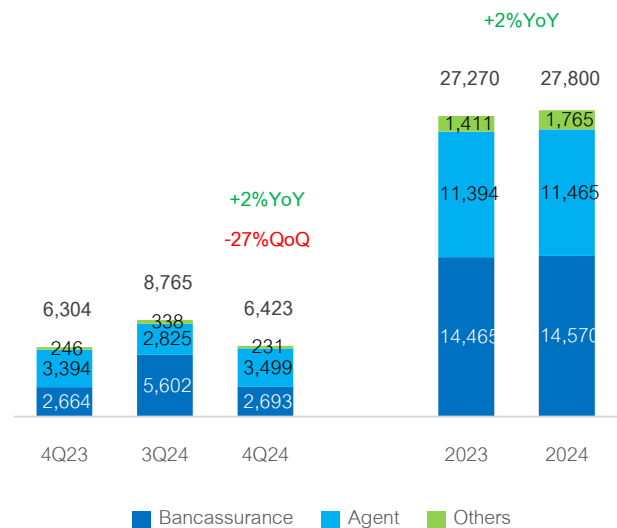


Figure 3: Renewal Premium by channels (Baht: million)



Investment Asset and Investment Return

In the end of 2024, the Company’s total investment asset was 305,575 million Baht, a decrease of 4% from the end of 2023. The reason came from matured policies. The Company’s investment proportion in fixed income was 83%, equity at 10% and REIT at 4%.

In the fourth quarter of 2024, the Company’s investment income⁽³⁾ was 3,055 million Baht, a decrease of 6% from the same period last year resulted from a decreased in interest and realized gain. Excluding realized gain, interest and dividend income decreased 4% YoY.

In 2024, the Company’s investment income was 12,144 million Baht representing an increase of 0.2% YoY. Excluding realized gain, interest and dividend income decreased 5% YoY. The reason was the decline in investment assets.

In the fourth quarter of 2024, the return on investment (ROI) equaled 4.03%, decreasing from 4.14% in the same period last year, and increasing from 3.92% in the previous quarter. Investment yield (including interest and dividend income) was at 3.56%, decreasing 3 bps YoY and decreasing 28 bps QoQ.

In 2024, the return on investment (ROI) and Investment yield equaled to 4.01% and 3.77% respectively.

Table 1: Investment Assets as of 2024

Investment assets	2023	2024	change
Short-term investment	5.1%	3.4%	-1.6%
Bond	50.0%	52.6%	2.5%
Debenture & Note	29.7%	27.3%	-2.4%
Total Fixed income	84.7%	83.3%	-1.4%
Equity	8.1%	9.6%	1.5%
REIT	3.5%	3.5%	0.0%
Policy Loans	3.1%	3.2%	0.1%
Secured Loans	0.6%	0.4%	-0.2%
Total Investment assets (MB)	316,736	305,575	-3.5%

Figure 4: Investment Income (Baht Million)

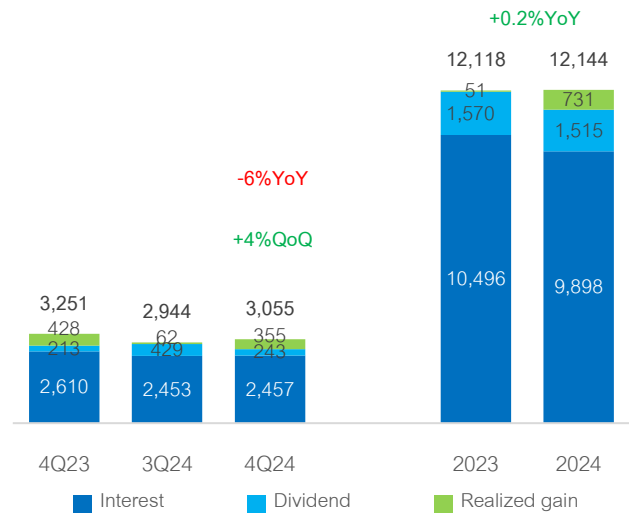
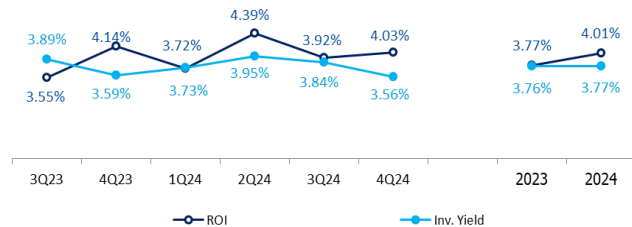


Figure 5: Return on Investment

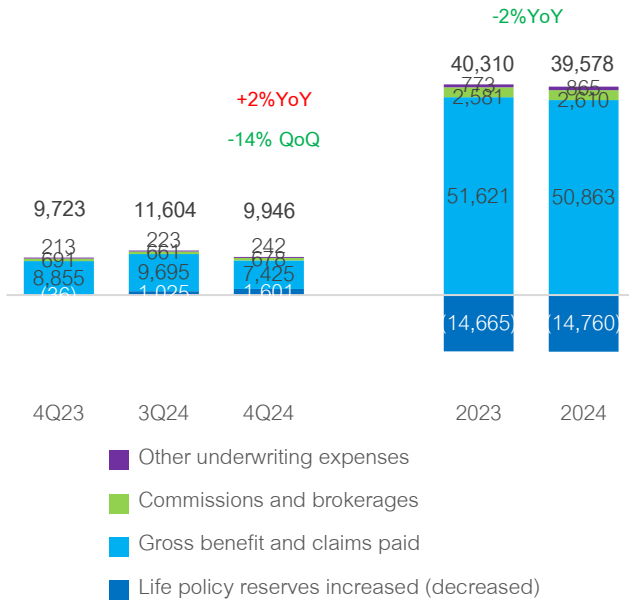


(3) Interest income + Dividend + Profit (Loss) from Investment

Underwriting Expenses

In the fourth quarter of 2024, the company's underwriting expenses totaled 9,946 million Baht representing an increase of 2% YoY. The reason came from an increase in life policy reserves. In 2024, the underwriting expenses was 39,578 million Baht showing a decline of 2% YoY. The reason came from a decrease in life policy reserves due to matured policy.

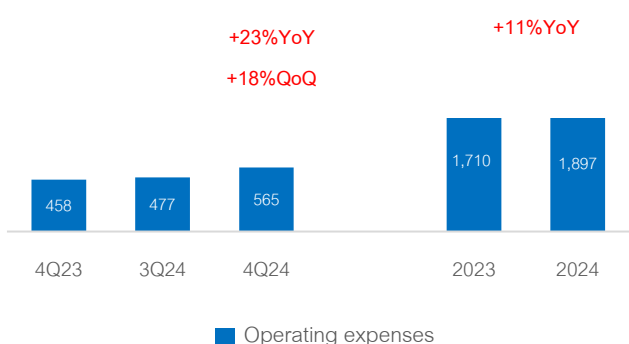
Figure 6: Underwriting Expenses (Baht, million)



Operating Expenses

In the fourth quarter of 2024, the Company had an operating expense of 565 million Baht, an increase of 23% from the same period last year. The reasons came from advertising expenses and employee expenses. In 2024, operating expense increased by 11% YoY. The company continues to focus on expense management.

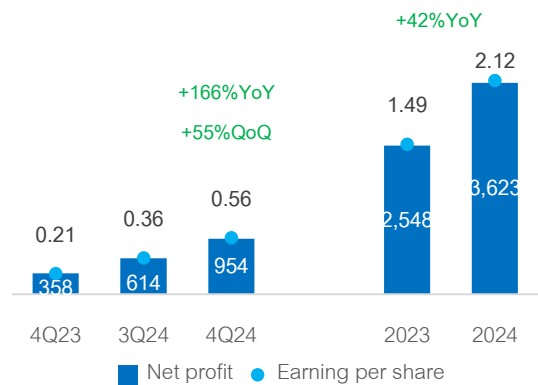
Figure 7: Operating Expense (Baht, million)



Net Profit

In the fourth quarter of 2024, the Company had a net profit of 954 million Baht, an increase of 166% from the same period last year and an increase of 55% from the previous quarter, representing an earnings per share of Baht 0.56. In 2024, the company reported a net profit amounting to 3,623 million Baht, an increase of 42% YoY, representing an earnings per share of Baht 2.12.

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



Capital Adequacy and Risk-Based Capital (RBC)

In the fourth quarter of 2024, the Company’s Capital Adequacy Ratio (“CAR”) was 441%, an increase from 433% at the third quarter of 2024 and increasing from the fourth quarter of 2023 at 405%.

Embedded Value and Value of New Business

The Embedded Value (EV) as of 31 December 2024 was 74,241 million Baht, equal to 43.48 Baht per share, an increase of 9.4% from 2023. The reason came from the recognition of operating profit during the year and an increase in the value of future profits (Value of In-force).

The Value of New Business (VNB) at the end of 2024 was 1,889 million Baht, a decrease of 31.5% from 2023 due to the adjustment in assumptions concerning increasing medical claim trends and declining investment returns.

Summary of Financial Position as of 31 December 2024

Consolidated Baht, million

	31-Dec-24	%	31-Dec-23	%	Change	%
Assets						
Cash and cash equivalents	10,523	3.3%	16,084	4.9%	(5,561)	-34.6%
Premiums due and uncollected	1,591	0.5%	1,599	0.5%	(8)	-0.5%
Accrued investment incomes	1,151	0.4%	1,471	0.5%	(320)	-21.8%
Investments ⁽⁴⁾	295,171	94%	300,772	92%	(5,601)	-1.9%
Premises and equipment	1,924	0.6%	2,003	0.6%	(79)	-3.9%
Other assets	4,215	1%	4,002	1.2%	213	5.3%
Total Assets	314,575	100%	325,931	100%	(11,356)	-3.5%
Liabilities and equity						
Life policy reserves	259,470	82.5%	274,230	84.1%	(14,760)	-5.4%
Other insurance contract liabilities	4,473	1.4%	4,667	1.4%	(194)	-4.2%
Other liabilities	2,559	0.8%	2,599	0.8%	(40)	-1.6%
Total liabilities	266,502	85%	281,496	86%	(14,994)	-5.3%
Retained earnings	5,069	1.6%	5,069	1.6%	-	0.0%
Unrealized gain on investment	40,775	13%	37,825	12%	2,950	7.8%
Non-controlling interests of the subsidiaries	2,229	0.7%	1,541	0.5%	688	44.6%
Total equity	48,073	15%	44,435	14%	3,638	8.2%
Total liabilities and equity	314,575	100%	325,931	100%	(11,356)	-3.5%
Book value/Share	28.15		26.02			

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

Assets

Total assets as of 31 December 2024 was 314,575 million Baht, decreased from 31 December 2023 by 4% or 11,356 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 97% of total assets and 118% of life policy reserves.

Liabilities and Equity

Total liabilities as of 31 December 2024 decreased by 5% from 31 December 2023. The decrease mostly came from life policy reserves.

The total equity as of 31 December 2024 was 48,073 million Baht, an increase of 3,638 million Baht or 8% from 31 December 2023. This was resulted from net profit of 3,623 million Baht, dividend paid 680 million Baht and unrealized gain from financial instruments of 688 million Baht. Book value per share (BV/share) was at 28.15 Baht per share.

Financial Ratios

Financial ratio	Quarter		Year	
	4Q24	4Q23	2024	2023
NI / Total income	8.1%	3.3%	7.9%	5.6%
NI / Net premium	11.6%	4.7%	10.7%	7.7%
Life policy reserve / Net premium	19.6%	-0.5%	-43.7%	-44.1%
Underwriting expenses / Net premium	121.5%	126.6%	117.1%	121.1%
Operating expenses / Net premium	6.9%	6.0%	5.6%	5.1%
Investment assets / Total asset	97.2%	97.2%	97.2%	97.2%
Investment assets / Life policy reserve	117.8%	115.5%	117.8%	115.5%
Return on investment (ROI)	4.0%	4.1%	4.0%	3.8%
NI / Average equity	7.9%	3.3%	7.8%	5.7%
NI / Average assets	1.2%	0.4%	1.1%	0.8%
CAR ratio	441%	405%	441%	405%

Industry Overview

In 2024, life insurance industry reported a new business premium amounting to 184,331 million Baht, an increase of 3% YoY. This was impacted from an increase in FYP excluding single premium by 7% YoY. The increase mainly came from Whole life, Pension, Unit-linked, Health rider and Critical illness rider products, while single premium (SP) decreased by 3% 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 3% and 3%, respectively.

For new business premiums by distribution channels, Agent channel increased by 7% YoY, this mainly came from Whole life, Unit-linked, Health rider and Critical illness rider products. Agent channel FYP was accounted for 37% of the industry’s total FYP.

Bancassurance channel FYP increased by 0.3% YoY, which accounted for 49% of total FYP. The increase came from Whole life, Endowment and Unit-linked. However, MRTA products remain on a declining growth trend.

Others channel FYP increased by 5% YoY, accounted for 14% of total FYP due to the growths in online channel, group and MTRA products in others channel.

Figure 9: Life Insurance Industry Premiums

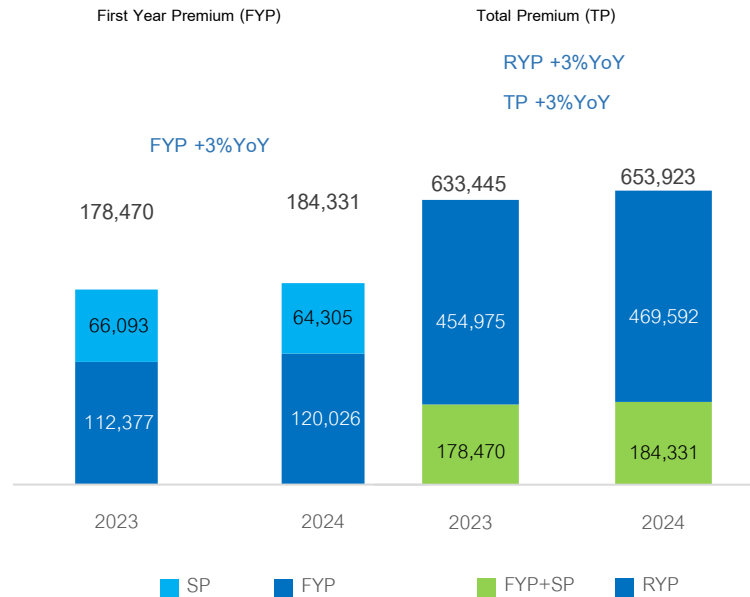


Figure 10: Industry New Business Premiums by products

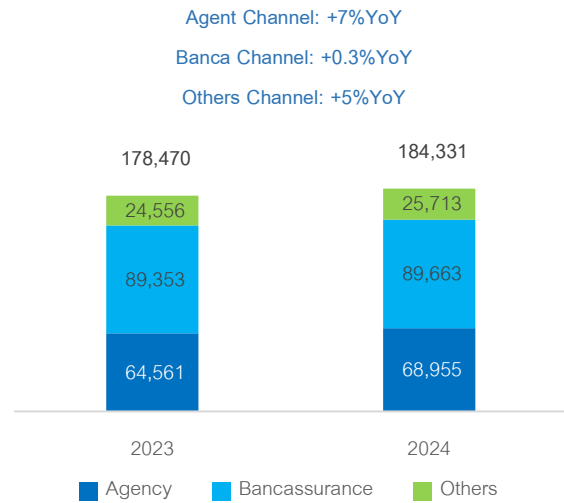


Figure 11: Industry New Business Premium by Channels

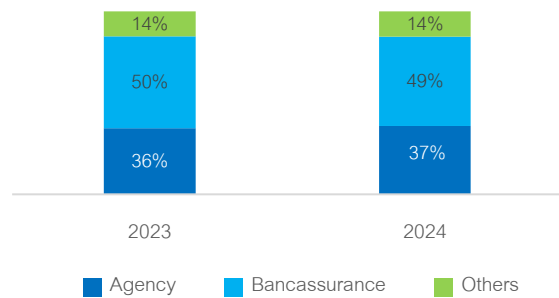


Table 2: Life Insurance Premiums market share (%)

As of 31 December 2024

(Baht: million)

Ranking by FYP	Company	First year premium	Market share by first year premium (%)
1	AIA	32,709	17.7%
2	MTL	26,958	14.6%
3	FWD	25,088	13.6%
4	TLI	24,628	13.4%
5	PLT	13,865	7.5%
6	KTAL	12,740	6.9%
7	AZAY	8,316	4.5%
8	GT	7,383	4.0%
9	BLA	7,135	3.9%
10	DLA	6,570	3.6%

Ranking by TP	Company	Total premium	Market share by total premium (%)
1	AIA	166,679	25.5%
2	FWD	92,394	14.1%
3	TLI	87,882	13.4%
4	MTL	71,817	11.0%
5	KTAL	46,336	7.1%
6	AZAY	39,264	6.0%
7	PLT	37,774	5.8%
8	BLA	35,028	5.4%
9	OLIC	14,123	2.2%
10	GT	12,137	1.9%

Source: The Thai Life Assurance Association

Sustainability Operations

Bangkok Life Assurance Public Company Limited operates with a commitment to stable and sustainable growth, positioning itself as a leader in life insurance with a strong focus on care and responsibility. The company adheres to sustainable development principles, considering environmental, social, and governance (ESG) impacts to create long-term value for shareholders, customers, employees, and all stakeholders. It believes that balancing business growth with social value creation will lead to a secure future. In 2024, the company's ESG performance is as follows:

Economy Dimension

Our company has a policy of designing and developing products that cater to the diverse needs of customers in terms of lifestyle, family status, and financial standing, ensuring that suitable insurance coverage is available for all. To provide equal opportunities for all customers to access our products and services, we have developed customer-centric products and offers them through various distribution channels to facilitate easy and convenient access. We conduct in-depth analysis of customer behavior and needs to design and develop products that promptly meet the needs of all customer segments and enhance customer satisfaction.

In 2024, the company has developed a life insurance product, "Happy Saving 999", which provides lifetime coverage, covering both life and accident, with annual cash return throughout the contract. as well as "BLA Fast Return 10/2", a savings insurance product that allows policyholders to receive a lump sum payout as early as the third year, along with tax benefits—suitable for those seeking liquidity and tax advantages. In addition, the company also continues to develop health-focused products to help customers manage medical expenses for both children and general customers.

Environment Dimension

The company recognizes and is committed to the efficient use of resources and energy, reducing waste, and mitigating the impacts of climate change by reducing greenhouse gas emissions from our operations. To ensure comprehensive and sustainable management that complies with laws and international standards, we prioritize energy conservation and environmental protection, including cultivating environmental awareness through various media and activities in various forms to make employees aware of and responsible for the environment.

In addition, the company has been on a continuous campaign to reduce paper usage by promoting electronic insurance policies (E-Policy), electronic receipts (E-Receipt) and receiving other documents related to life insurance policies (e-Documents).

In 2024, the company's performance can reduce 15% of electricity usage compared to base year 2021 and reduce 40% of paper usage compared to base year 2021, with a reduction of greenhouse gas emissions (Scope 1+2+3) by 10 percent compared to base year 2021.

Social Dimension

The company is dedicated to improving the quality of life in Thai society by promoting financial planning and life insurance knowledge. It reached over 3.1 million views through various educational media. Including strengthening the foundation for people to have income through the creation of life insurance agents, with 2,526 agents earning an annual income of at least THB 120,000. The company also prioritizes policyholder care throughout the coverage period. It launched the "Finding You" project, which helps track and deliver outstanding policy benefits to policyholders and beneficiaries who may have missed payments due to address changes or other reasons. In 2024, it successfully

distributed unclaimed policy benefits to 387 recipients, amounting to THB 26,754,130.

The company has focused and prioritize developing our employees' potential and integrating our vision and mission into all HR strategies. We invest in building diverse competencies relevant to the future, preparing them for competition and unforeseen challenges. The overall business scene is changing swiftly. In 2024, the company continuously promoted employees to have knowledge of digital innovation and sustainability management. There are 865 employees who have completed 15 hours of digital innovation training, accounting for 84% of all employees, and more than 70% of all employees who have completed ESG learning via SET e-Learning.

Including helping and alleviate the suffering of flood victims through "Bangkok Life Assurance Cares for Flood Victims" project by executives, employees, agents and financial advisors, and nearby community members joined together to donate money, essential items such as clothing, drinking water, and other necessities through the Glass Window Foundation.

The company and its partners organized the 14th annual Bhappy event to improve the quality of life for residents of the Thap Kwang Homeless Shelter in Saraburi province. The aim is to provide opportunities for both physical and mental rehabilitation, enabling them to return to their families and communities. In addition, we encourage our employees to donate blood regularly every 3 months. In 2024, Bangkok Life Assurance received a certificate of honor from the Thai Red Cross Society in recognition of its ongoing commitment to supporting blood donation activities every year.

Governance Dimension

The Company is determined to conduct business according to compliance guidelines and regulations on both domestic and foreign business conduction, and has

prepared the Company Code of Conduct, which is reviewed regularly. Including, we have ethics training for employees to raise awareness and remind them of the importance of strictly following the company's code of ethics. In addition, it emphasizes the importance of treating all stakeholders fairly and transparently in accordance with human rights principles in order to be a strong organization and grow sustainably.

Our company prioritizes information and cyber security to build trust with customers, agents, partners, business partners, shareholders, and stakeholders. We implement robust measures to protect our systems and critical information. These measures aim to minimize the impact and likelihood of cyberattacks, ensure swift system and data recovery, and effectively address security challenges across all dimensions.

The company received the Thailand Institute of Directors rating "5 stars" or "Excellent" in the 2024 Corporate Governance Report (CGR) for the second consecutive year and was one of the top quartile companies by market capitalization of more than 10,000 million baht. It has successfully met the selection criteria required for inclusion in the SET ESG rating 2024 for the fourth consecutive year and received an "AA" rating in the SET ESG rating from the Stock Exchange of Thailand. These achievements reflect Bangkok Life Assurance's commitment to sustainable business practices and continuous improvements aligned with sustainable development principles, ensuring positive societal impacts.