

Executive Summary

Consolidated Baht, million

OPERATING RESULTS	Quarter	Quarter	Change	Quarter	Change	2022	2021	Change
	4/22	4/21	YoY%	3/22	QoQ%			
Revenues								
Net premiums written ⁽¹⁾	8,627	7,546	14.3	10,252	-15.8	34,579	33,992	1.7
First Year Premium	2,174	1,611	35.0	2,086	4.3	6,925	6,262	10.6
Bancassurance	1,315	839	56.8	1,588	-17.2	4,436	3,654	21.4
Agent Channel	470	524	-10.4	394	19.3	1,652	1,829	-9.7
Other Channel	390	248	57.2	104	273.8	837	779	7.4
Renewal Premium	6,667	6,385	4.4	8,351	-20.2	28,906	29,455	-1.9
Total Investment Income ⁽²⁾	2,997	3,153	-4.9	3,267	-8.3	12,974	13,006	-0.2
Fee and commission income	193	229	-15.6	87	120.6	531	671	-20.9
Gain & Loss on revaluation and other income	(245)	(65)	276.4	119	-305.4	101	499	-79.8
Total Revenues	11,572	10,862	6.5	13,726	-15.7	48,185	48,169	0.0
Expenses								
Underwriting expenses	10,578	9,679	9.3	12,199	-13.3	42,629	42,286	0.8
Operating expenses	481	469	2.6	427	12.6	1,650	1,647	0.1
Expected Credit Loss	183	385	na	5	na	127	472	na
Total Expenses	11,242	10,533	6.7	12,631	-11.0	44,406	44,405	0.0
Earning before tax	330	329	0.3	1,095	-69.9	3,779	3,764	0.4
Net profit	279	274	1.8	942	-70.4	3,212	3,196	0.5
Earnings per share (EPS)	0.16	0.16	0.1	0.55	-70.7	1.88	1.87	0.4
Return on investment (ROI)	3.72%	3.78%	-0.1%	4.00%	-0.3%	3.99%	3.97%	0.0%
Capital Adequacy Ratio (CAR)	377%	301%	76%	363%	14%	377%	301%	76%

⁽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 2022, Bangkok Life Assurance PCL. reported a net profit of 279 million baht, an increase of 2% from the fourth quarter of 2021. In 2022, the net profit was 3,212 million baht, an increase of 0.5% YoY, representing an earnings per share of 1.88 baht.
- In the fourth quarter of 2022, the company recorded a total revenue of 11,572 million baht, an increase of 7% from the same period last year. First year premium (FYP) was 2,174 million baht, an increase of 35% YoY. In 2022, a total revenue is 48,185 million baht, which was close to the year 2021. FYP was 6,925 million baht, an increase of 11% YoY due mainly to an increase in FYP from bancassurance.
- The FYP by distribution channel in 2022 was as follow: bancassurance, agent and other channels accounted for 64%, 24% and 12%, respectively.
- The RYP in the fourth quarter of 2022 increased by 4%YoY. However, in year 2022, RYP decreased by 2% YoY as expected.
- The total investment income in the fourth quarter of 2022 was 2,997 million baht, a decrease of 5% due to lower realized gain compare to the same period last year. The return on investment (ROI) in 4Q22 was 3.72% and ROI of 2022 was 3.99%
- Total expense in the fourth quarter of 2022 amounted to 11,242 million baht, an increase of 7% from the same period last year. Total expenses in 2022 amounted to 44,406 million baht, stable from the year 2021.
- The Capital Adequacy Ratio (CAR) in the fourth quarter of 2022 was at 377%, an increase from 301% at the end of last year.
- The Embedded Value (EV) as of 31 December 2022 was 68,901 million baht, equal to 40.35 baht per share, an increase of 1% from 2021, which is a result of assets and liabilities management.
- The Value of New Business (VNB) at the end of 2022 was 3,006 million baht, an increase of 34% from 2021 was driven by rising of interest rate, adjustment of product mix and expenses management.

Performance Overview

Total Premium

In the fourth quarter of 2022, the company's total premium amounted to 8,841 million baht, an increase of 11% YoY.

In 2022, the company's total premium amounted to 35,831 million baht, an increase of 0.3% YoY.

Contribution of the total premium by distribution channel were bancassurance 57%, agent 37% and other channels 6%.

First Year Premium

In the fourth quarter of 2022, the company's FYP was 2,174 million baht, an increase of 35% from the same period last year. This was resulted mainly from the bancassurance channel which FYP increased by 57%, agency channel saw FYP decreased by 10% while other channels' FYP increased by 57%, this was due to the increase of FYP in Group Business and online channel.

In 2022, the company's FYP was 6,925 million baht, an increase of 11% YoY as a result of a 21% increase in bancassurance channel, a decrease of 10% in agency channel and an increase of 7% from other channels. The contribution by distribution channel was 64%, 24% and 12% from bancassurance, agency and other channels, respectively.

Renewal Year Premium

In the fourth quarter of 2022, the company had a renewal year premium of 6,667 million baht, an increase of 4% from the same period last year. In 2022, the company's RYP was 28,906 million bath, a decrease of 2% YoY as expected.

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

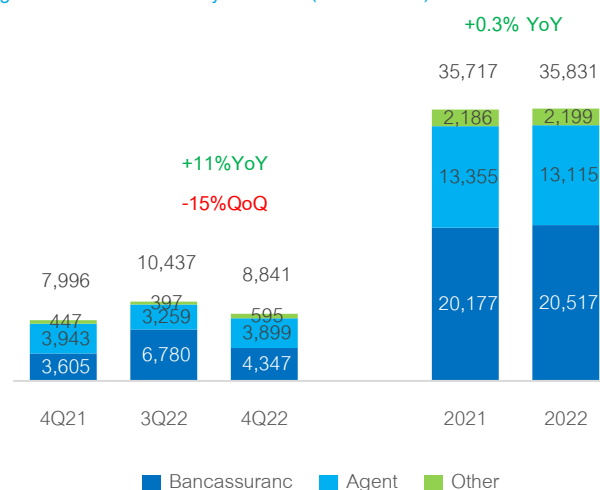
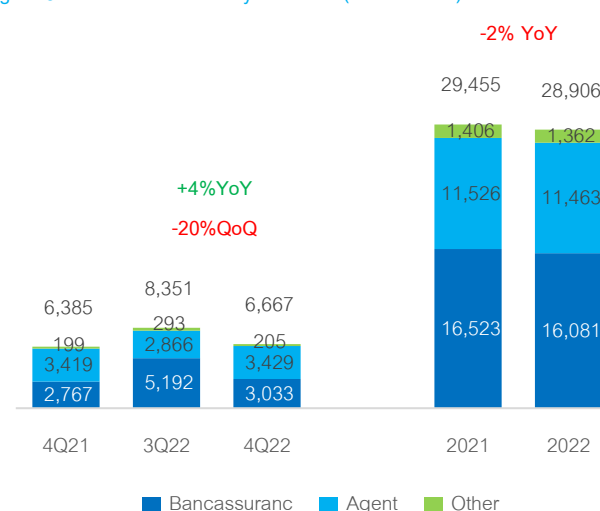


Figure 2: First Year Premium by channels (Baht: million)



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



Investment Asset and Investment Return

In the fourth quarter of 2022, the company’s total investment assets were 333,164 million baht, a decrease of 2% from the end of 2021. The company’s investment proportion in fixed income was at 84%, equity at 9% and REIT at 4%. The company decreased the investment in equity and increased the allocation in fixed income according the market environment.

In the fourth quarter of 2022, the company’s investment income ⁽³⁾ was 3,093 million baht, a decrease of 3% from the same period last year, resulted from a decrease of realized gain.

In 2022, the company’s investment income was 13,324 million baht, a decrease of 0.1% YoY. If excluding realized gain, interest and dividend income, it would increase by 1% YoY, resulted from an increase of interest rate and dividend paid by listed companies.

In the fourth quarter of 2022, the return on investment (ROI) was equal to 3.72%, decreasing from 3.78% in the previous year, and decreasing from 3.99% in the previous quarter. Investment yield (including interest and dividend income) was at 3.55%.

In 2022, the return on investment (ROI) and Investment yield equaled to 3.99% and 3.74% respectively.

Table 1: Investment Assets as of 31 Dec 2022

Investment assets	2021	2022	change
Short-term investment	2.3%	3.8%	1.5%
Bond	49.0%	48.2%	-0.8%
Debenture & Note	31.2%	31.7%	0.5%
Total Fixed income	82.5%	83.7%	1.2%
Equity	9.2%	8.5%	-0.7%
REIT	5.0%	4.3%	-0.7%
Policy Loans	2.5%	2.9%	0.4%
Secured Loans	0.8%	0.6%	-0.2%
Total Investment assets (MB)	338,714	333,164	-1.6%

Figure 4: Investment Income (Baht Million)

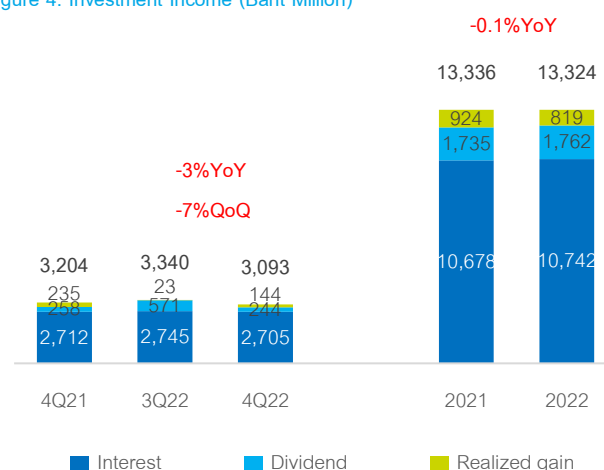
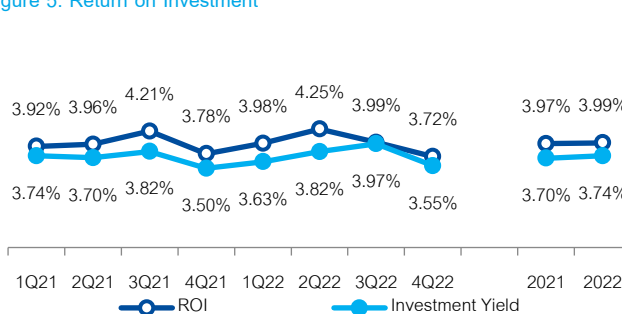


Figure 5: Return on Investment



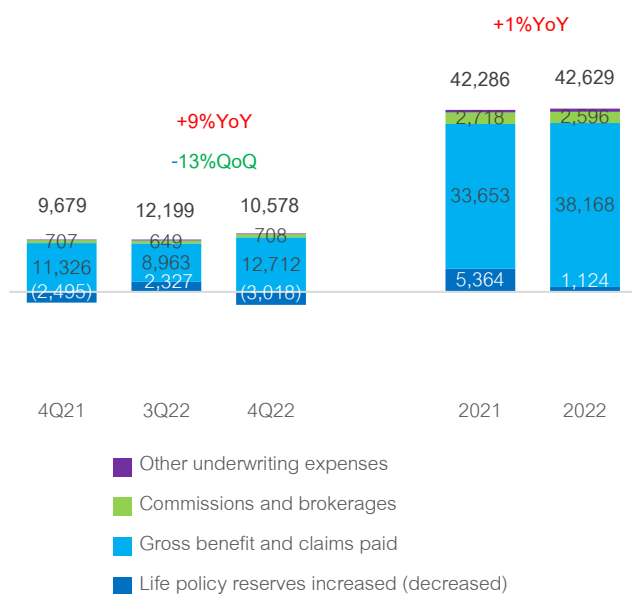
(3) Interest income + Dividend + Profit (Loss) from Investment

Underwriting Expenses

In the fourth quarter of 2022, the company underwriting expenses totaled 10,578 million Baht, an increase of 9% YoY.

In 2022, the underwriting expenses was 42,629 million baht, an increase of 1% YoY, in line with an increase of FYP.

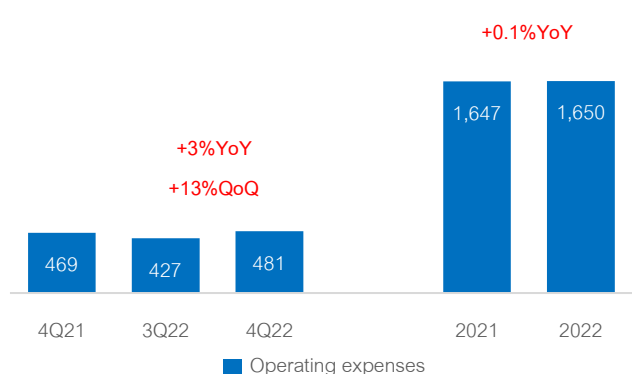
Figure 6: Underwriting Expenses (Baht, million)



Operating Expenses

In the fourth quarter of 2022, the company had an operating expense of 481 million baht, an increase of 3% from the same period last year. In 2022, an operating expense was approximately the same as in 2021 at 1,650 million baht. The company continues to focus on expense management.

Figure 7: Operating Expense (Baht, million)



Net Profit

In the fourth quarter of 2022, the company had a net profit of 279 million baht, an increase of 2% from the same period last year, representing an earnings per share of 0.16 baht per share.

In 2022, the company reported a net profit amounting to 3,212 million baht, an increase of 0.5% YoY, representing an earnings per share of 1.88 baht per share.

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



Capital Adequacy and Risk-Based Capital (RBC)

In the fourth quarter of 2022, the company's Capital Adequacy Ratio ("CAR") was at 377%, which increased from 363% in the third quarter of 2022 and increased from 301% at the end of 2021.

Embedded Value and Value of New Business

Embedded value as of 31 December 2022 was 68,901 million baht, equivalent to 40.35 baht per share or an increase of 1% from 2021, resulted from the management of assets and liabilities. Value of New Business amounted to 3,006 million baht, a 34% increase from the previous year, resulted from higher interest rate, an adjustment of product mix and expenses management.

Summary of Financial Position as of 31 Dec 2022

Condolidated Baht, million						
	31-Dec-22	%	31-Dec-21	%	Change	%
Assets						
Cash and cash equivalents	12,681	4%	7,637	2%	5,044	66.1%
Premiums due and uncollected	1,567	0.5%	1,648	0.5%	(80)	-4.9%
Accrued investment incomes	1,556	0.5%	1,599	0.5%	(44)	-2.7%
Investments ⁽⁴⁾	320,488	94%	331,083	95%	(10,595)	-3.2%
Premises and equipment	2,189	0.6%	2,263	0.7%	(75)	-3.3%
Other assets	4,130	1.2%	2,913	1%	1,217	41.8%
Total Assets	342,611	100%	347,143	100%	(4,532)	-1.3%
Liabilities and equity						
Life policy reserves	288,895	84%	287,772	83%	1,124	0.4%
Other insurance contract liabilities	5,861	2%	7,708	2%	(1,847)	-24.0%
Other liabilities	3,071	1%	3,697	1.1%	(626)	-16.9%
Total liabilities	297,828	87%	299,177	86%	(1,349)	-0.5%
Retained earnings	5,069	1%	5,069	1%	-	0.0%
Unrealized gain on investment	36,241	11%	34,522	10%	1,719	5.0%
Non-controlling interests of the subsidiaries	3,474	1%	8,375	2%	(4,902)	-58.5%
Total equity	44,783	13%	47,966	14%	(3,183)	-6.6%
Total liabilities and equity	342,611	100%	347,143	100%	(4,532)	-1.3%
Book value/Share	26.23		28.09			

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

Assets

Total assets as of 31 December 2022 was 342,611 million baht, a decrease from 31 December 2021 by 1% or 4,532 million baht which was impacted from a decrease in market value of investment asset. The majority of the company's assets was investment asset, which accounted for 97% of total assets and accounted for 115% of life policy reserves.

Liabilities and Equity

Total liabilities as of 31 December 2022 decreased 0.5% from 31 December 2021. The decrease mostly came from the decrease in life policy reserves and other liabilities.

The total equity as of 31 Dec 2022 was 44,783 million Baht, a decrease of 3,183 million baht or 7% from 31 December 2021. The decrease came from net profit of 3,212 million baht, dividend paid 1,497 million baht and unrealized loss from financial instruments of 4,902 million Baht. Book value per share (BV/share) was at 26.23 Baht per share.

Financial Ratios

Financial ratio	Quarter		Year	
	4Q22	4Q21	2022	2021
NI / Total income	2.4%	2.5%	6.7%	6.6%
NI / Net premium	3.3%	3.7%	9.3%	9.4%
Life policy reserve / Net premium	-35.9%	-33.5%	3.2%	15.7%
Underwriting expenses / Net premium	125.7%	130.0%	122.8%	124.1%
Operating expenses / Net premium	5.7%	6.3%	4.8%	4.8%
Investment assets / Total asset	97.2%	97.6%	97.2%	97.6%
Investment assets / Life policy reserve	115.3%	117.7%	115.3%	117.7%
Return on investment (ROI)	3.7%	3.8%	4.0%	4.0%
NI / Average equity	2.6%	2.3%	6.9%	6.8%
NI / Average assets	0.3%	0.3%	0.9%	0.9%
CAR ratio	377%	301%	377%	301%

Industry Overview

In the Eleven-month of 2022, life insurance industry reported a new business premium (FYP) amounting to 150,507 million baht, a decrease of 1.9% YoY. This was due to a 9% increase of first year premium (excluding single premium), since many players adjusted their product portfolio by repricing their products according to an increasing of interest rates.

However, FYP single premium decreased 16%, resulted from a significant decrease in Unit-Linked products.

Meanwhile, renewal year premium and total premium compared to the same period last year decreased by 0.7% and 1%, respectively. The drop in renewal premium was due to the large portion of Unit-Linked single premium sold last year.

For new business premiums by distribution channels in the Eleven-month of 2022, Agent channel increased by 4.8% YoY, which accounted for 34% of total FYP. This proportion increased from 32% in the same period last year.

FYP of Bancassurance channel decreased by 6.4% YoY, which accounted for 54% of total FYP. The decrease was resulted from a negative growth of Unit-linked products. Other channels’ FYP increased by 1.9% compared to the same period last year, accounted for 12% of total FYP. The increase caused by the positive growth of broker channel.

Figure 9: Life Insurance Industry Premiums

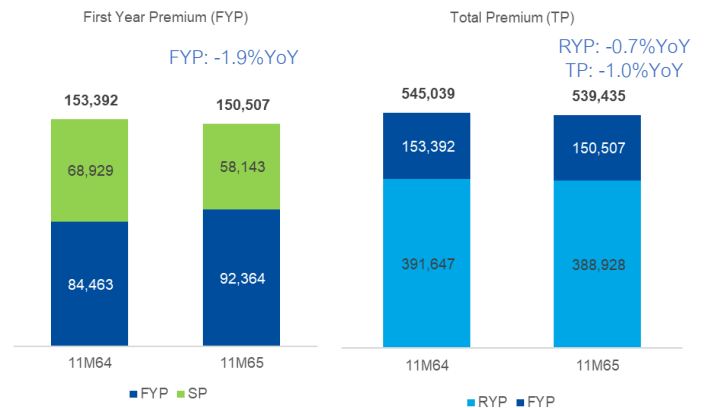


Figure 10: Industry New Business Premiums by Channels

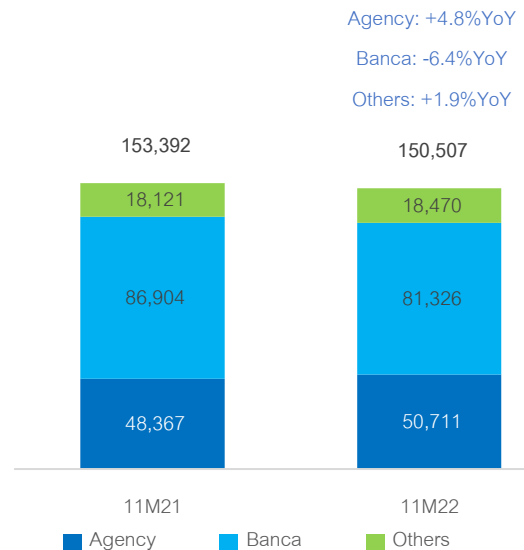


Figure 11: Industry New Business Premium by Channels

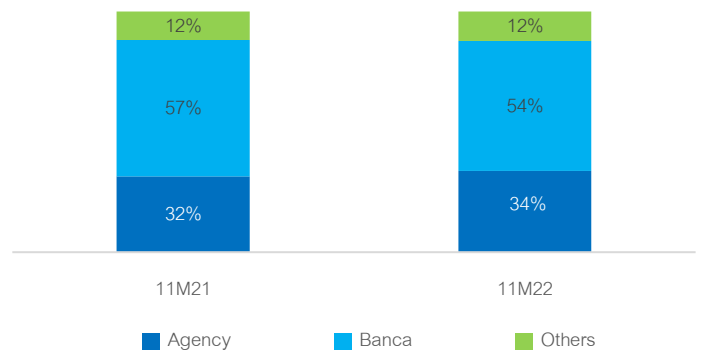


Table 2: Life Insurance Premiums market share (%)

Ranking by FYP

Number (FYP)	Company	First year premium	Renewal premium	Total premium	Market share by first	Market share by total
					year premium (%)	premium (%)
1	AIA	27,280	106,607	133,887	18.1%	24.8%
2	MTL	23,176	38,655	61,831	15.4%	11.5%
3	FWD	21,912	54,370	76,282	14.6%	14.1%
4	TLI	16,961	58,917	75,878	11.3%	14.1%
5	PLT	10,923	16,343	27,265	7.3%	5.1%
6	KTAL	10,719	29,378	40,098	7.1%	7.4%
7	AZAY	6,360	23,545	29,905	4.2%	5.5%
8	BLA	6,028	26,475	32,504	4.0%	6.0%
9	GT	5,827	3,776	9,603	3.9%	1.8%
10	OLIC	2,583	10,792	13,375	1.7%	2.5%

Source: The Thai Life Assurance Association | Data as of Nov 2022

Sustainable development

BLA has committed in creating business values through a balanced Environmental, Social and Governance (ESG) approach and contributing to the achievement of United Nations Sustainable Development Goals (SDGs). The activities in this report cover developments from 1 January to 31 December 2022.

E: Economy

The company is determined to offer products and services for comprehensive financial and health planning. In the first quarter of 2022, the company launched new health product "Value Health", economical health product which is affordable for all group of people and also "Value health Kids", health product for children. Currently, the company has products that encompass the needs of every group of people. The company also emphasized on an expansion of distribution channels to cover all customer segments. For digital channels (Online channel), the company developed products and continually improved the sales process to provide customers with the best buying experience from digital channels. As a result, sales in digital channels grew at 48 percent, which was higher than industry growth.

E: Environment

Bangkok Life is aware of the importance of environmental problems and has established the policy, target and practice guidelines for environmental management both in terms of energy, water resources, waste and climate change. In 2022, the company had the report of Carbon Footprint of Organization (CFO) to calculate the greenhouse gas emission from our head office according to international standards or equivalent. Thailand Greenhouse Gas Management Organization has performed a review of the carbon footprint for our organization and Bangkok Life

Assurance was registered on the TGO's Carbon Footprint for Organization List on November 29, 2022.

In addition, Bangkok Life Assurance recognizes conservation of natural resources and environment by organizing an activity "Fight Global Warming, Win a Chance to Dine with the CEO" within our company to raise awareness among our employees on environmental impacts and greenhouse gas condition through campaigns which promote efficient use of resources including electricity, water, paper as well as office supplies, waste separation which is also key to reducing greenhouse gas. In 2022 compared to 2021, the company has reduced electricity consumption by 8%, reduced water consumption by 2%, and paper usage was reduced by 15 percent.

S: Social

Bangkok Life Assurance focuses on improving the skills of our employees as well as to meet their needs in career advancement and all aspect of core competency, especially in digital innovation, in order to keep up with the technological advancements, disruptions as well as future challenges.

To sustainably improve the knowledge and skills of our employees, BLA started to provide external online learning platform for employees in this year apart from BLA Smart Learning platform, which is a self-developed internal online learning system that launched last year. Our employees can learn at anywhere and anytime and can elect the contents based on their interests.

BLA targets to increase the digital innovation skills for employees by encouraging 20% of employees to study at least 15 hours of digital courses by this year. In 2022, The

company had 32% of total employees who have received at least 15 hours of training in digital innovation.

Apart from this, BLA is focusing on promoting knowledge of financial planning through different media channels BLA's communication channels, in order to enhance and increase awareness of financial planning knowledge for people especially our social media where we publish articles on financial planning written by certified financial planners (CFP) and experts in various fields. The total visits of people gaining knowledge about financial planning via company media channels were more than 600,000 times.

G: Governance

BLA has continued to strengthen our corporate governance operation by reviewing corporate governance code and policy. To ensure the effectiveness and appropriateness of the policy for the organization, BLA regularly compares and reviews the principles of corporate governance with international standard as follows.

- Anti-Money Laundering and Counter Terrorism and Proliferation of Weapon of Mass Destruction Financing (AML/CFT-WMD) Policy
- Policies on Corporate Governance and Sustainability Management
 - Sustainability Management Policy
 - Environmental Management Policy (revised)
 - Human Right Policy (revised)
 - Compliance Policy
 - Conflict of interest Policy
 - Whistle Blowing Policy (revised)
- IT Security Policy
- IT Risk Management Policy

BLA also conducts continuous training of employees' duties in order to enhance awareness of good corporate governance and to ensure that all employees are strictly adhere to and comply with the Company's policies and code of conduct.