



“Management Discussion and Analysis for 1st quarter 2022”



Executive Summary

Consolidated Baht, million

OPERATING RESULTS	Quarter 1/22	Quarter 1/21	Change YoY%	Quarter 4/21	Change QoQ%
Revenues					
Net premiums written ⁽¹⁾	8,406	9,153	-8.2	7,546	11.4
First Year Premium	1,405	1,341	4.7	1,611	-12.8
Bancassurance	763	717	6.4	839	-9.0
Agent Channel	392	389	0.8	524	-25.2
Other Channel	250	236	6.2	248	0.8
Renewal Premium	7,666	8,648	-11.4	6,385	20.1
Total Investment Income ⁽²⁾	2,970	3,006	-1.2	3,153	-5.8
Fee and commission income	178	281	-36.5	229	-21.9
Gain & Loss on revaluation and other income	299	286	4.6	(65)	na
Total Revenues	11,853	12,726	-6.9	10,862	9.1
Expenses					
Underwriting expenses	10,555	11,186	-5.6	9,679	9.0
Operating expenses	353	363	-2.7	469	-24.6
Expected Credit Loss	(1)	(2)	53.2	385	na
Total Expenses	10,907	11,547	-5.5	10,533	3.6
Earning before tax	946	1,179	-19.8	329	187.8
Net profit	801	990	-19.1	274	191.9
Earnings per share (EPS)	0.47	0.58	-19.1	0.16	191.2
Return on investment (ROI)	3.98%	3.92%	0.1%	3.78%	0.2%
Capital Adequacy Ratio (CAR)	329%	284%	45%	301%	28%

⁽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

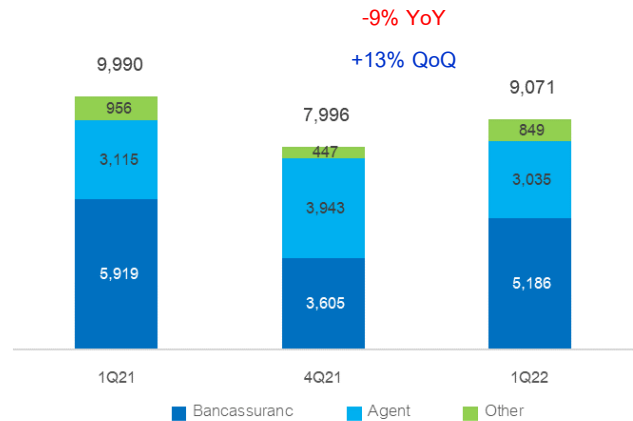
- In the first quarter of 2022, Bangkok Life Assurance PCL. reported a net profit of 801 Million Baht, representing an earning per share of 0.47 Baht, decreasing of 19% from the same period last year. The main reason was due to a decrease in renewal premium resulted from paid up policies.
- In the first quarter of 2022, the Company recorded a total First Year Premium (FYP) of 1,405 Million Baht, an increase of 5% YoY, which all channels saw positive FYP growth.
- The FYP by distribution channel in 1Q22 is as followed: bancassurance, agent and other channels accounted for 54%, 28% and 18%, respectively.
- The total investment income in the first quarter of 2022 was 2,970 Million Baht, a decline of 1% from the same period last year as a result of lower interest and dividend received. The return on investment (ROI) was 3.98%.
- Total expense in the first quarter of 2022 amounted to 10,907 Million Baht, a decline of 6% from the same period last year. The key reasons were the decrease in both underwriting expenses and operating expenses.
- The Capital Adequacy Ratio (CAR) at the first quarter of 2022 year was at 329%, increased from 301% at the end of year 2021.

Performance Overview

Total Premium

In the first quarter of 2022, the Company's total premium amounted to 9,071 Million Baht, a decline of 9% from the same period last year despite an increase of 13% last quarter. Regarding the total premium by distribution channel: bancassurance, agent and other channels accounted for 57%, 34% and 9%, respectively.

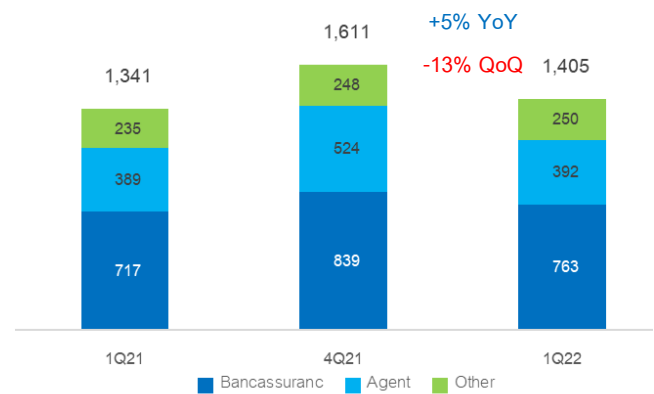
Figure 1: Total Premium by channels (Baht: Million)



First Year Premium

In the first quarter of 2022, the Company's FYP was 1,405 Million Baht, an increase of 5% from the same period last year. Bancassurance channel saw FYP increasing 6% YoY due to an increase of FYP from MRTA products. Agency channel saw FYP increase by 1%. For other channel, FYP increased by 6% due mainly to an increase in FYP from online channel. Regarding FYP by distribution channel: bancassurance, agent and other channels accounted for 54%, 24% and 18%, respectively

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

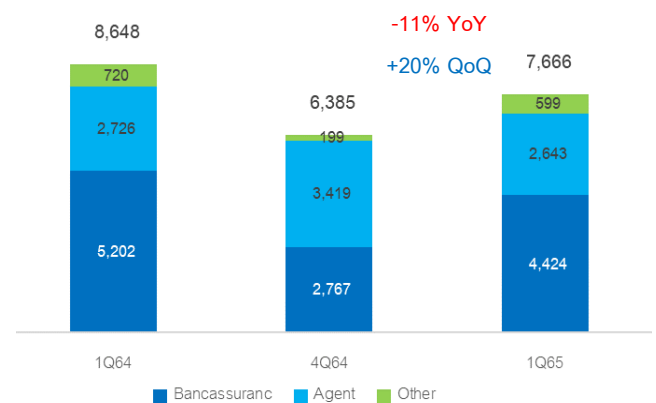


Renewal Year Premium

In the first quarter of 2022, the Company had a renewal year premium of 7,666 Million Baht, a decline of 11% from the same period last year due to paid-up policies mainly in bancassurance channel as the company expected.

Regarding the renewal premium by distribution channel: bancassurance, agent and other channels accounted for 58%, 34% and 8%, respectively

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



Investment Asset and Investment Return

In the first quarter of 2022, the Company’s total investment asset was 335,457 Million Baht, The Company’s investment proportion in fixed income was at 83%, equity at 9%, REIT at 5% and others at 3%.

In the first quarter of 2022, the Company’s investment income ⁽³⁾ was 3,345 Million Baht, an increase of 3% from the same period last year as a result of higher realized gain. Excluding realized gain, interest and dividend income dropped 1% YoY.

In the first quarter of 2022, the return on investment (ROI) equals to 3.98%, increasing from 3.92% in the previous year due to higher realized gain, and increasing from 3.78% in the previous quarter due to dividend seasonality.

Investment yield (including interest and dividend income) was at 3.63%, declining 11 bps YoY due to lower interest and dividend received.

Table 1: Investment Assets as of 31 March 2022

Investment assets	2021	1Q65	change
Short-term investment	2.3%	1.9%	-0.4%
Bond	49.0%	49.1%	0.1%
Debenture & Note	31.2%	31.5%	0.3%
Total Fixed income	82.5%	82.5%	0.0%
Equity	9.2%	9.3%	0.1%
REIT	5.0%	4.9%	-0.1%
Policy Loans	2.5%	2.5%	0.0%
Secured Loans	0.8%	0.7%	-0.1%
Total Investment assets (MB)	338,714	335,457	-1.0%

Figure 4: Investment Income (Baht, Million)

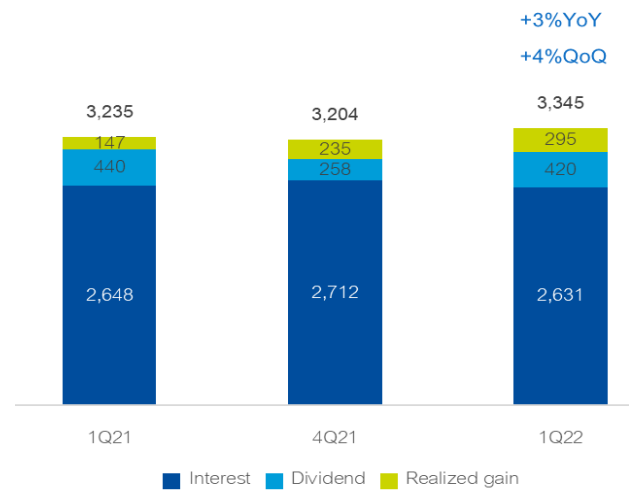
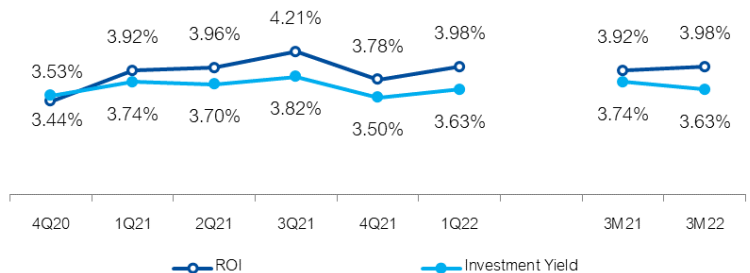


Figure 5: Return on Investment



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

Underwriting Expenses and Operating Expenses

In the first quarter of 2022, the Company underwriting expenses totaled 10,555 Million Baht, a decrease of 6% YoY. The decline was from a decreasing of life policy reserve by 68% YoY, this was resulted from an increase in maturity policies.

In the first quarter of 2022, the Company had an operating expense of 353 Million Baht, a decrease of 3% from the same period last year. The company continues to focus on expense management.

Figure 6: Underwriting Expenses (Baht, Million)

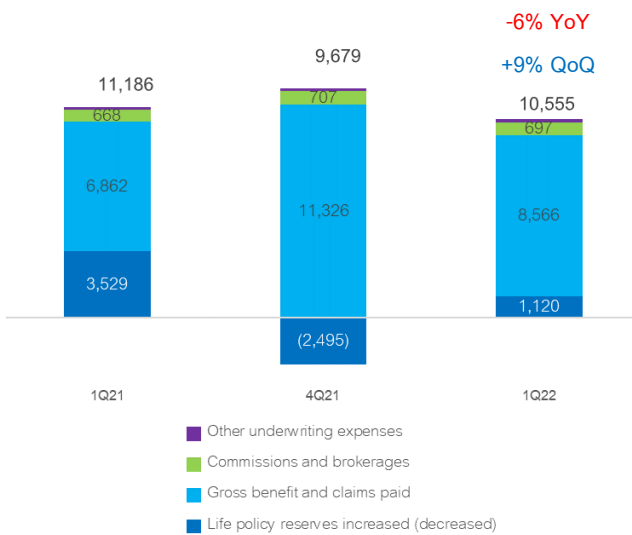
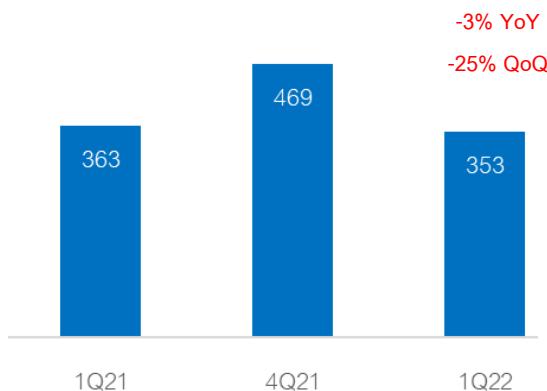


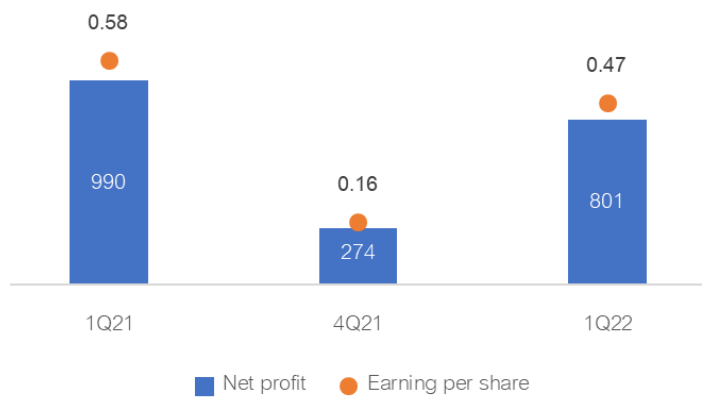
Figure 7: Operating Expense (Baht, Million)



Net Profit

In the first quarter of 2022, the Company had a net profit of 801 Million Baht or 0.47 Baht per share, a decrease of 19% from the same period last year mainly from the decrease in renewal premium.

Figure 8: Net Profit (Baht, Million) and Earning per share (Baht)



Capital Adequacy and Risk-Based Capital (RBC)

In the first quarter of 2022, the Company's Capital Adequacy Ratio ("CAR") was at 329%, an increase from 301% at the end of 2021 due to an increase in government bond yield, which resulted in an increase in CAR.

Summary of Financial Position as of 31 March 2022

Consolidated Baht, million						
	31 Mar 22	%	31 Dec 21	%	Change	%
Assets						
Cash and cash equivalents	5,156	1%	7,637	2%	(2,481)	-32%
Premiums due and uncollected	2,411	0.7%	1,648	0.5%	764	46%
Accrued investment incomes	2,734	0.8%	1,599	0.5%	1,134	71%
Investments ⁽⁴⁾	330,308	95%	331,083	95%	(775)	0%
Premises and equipment	2,264	0.7%	2,283	0.7%	(20)	-1%
Other assets	3,768	1.1%	2,893	1%	875	30%
Total Assets	346,640	100%	347,143	100%	(502)	0%
Liabilities and equity						
Life policy reserves	288,892	83%	287,772	83%	1,120	0%
Other insurance contract liabilities	7,478	2%	7,708	2%	(231)	-3%
Other liabilities	3,552	1%	3,697	1.1%	(145)	-4%
Total liabilities	299,921	87%	299,177	86%	745	0%
Retained earnings	35,323	10%	34,522	10%	801	2%
Unrealized gain on investment	6,108	2%	8,276	2%	(2,168)	-26%
Non-controlling interests of the subsidiaries	0.3	0.0%	0.3	0.0%	0	2%
Total equity	46,719	13%	47,966	14%	(1,247)	-3%
Total liabilities and equity	346,640	100%	347,143	100%	(502)	0%
Book value/Share	27.36		28.09			

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

Assets

Total assets as of 31 March 2022 decreased from 31 December 2021 by 0.1% or 502 Million Baht. The majority of the company's assets was investment asset, which accounted for 95% of total assets and accounted for 114% of life reserve policy.

Liabilities and Equity

Total liabilities as of 31 March 2022 increased 0.2% from 31 December 2021. The increase mostly came from the increase in life policy reserves.

The total equity as of 31 March 2022 was 46,719 Million Baht, a decrease of 1,247 Million Baht or 3% from 31 December 2021. The decrease came from net profit of 801 Million Baht which not sufficient to offset unrealized loss from financial instruments of 2,048 Million Baht. Book value per share (BV/share) was at 27.36 Baht per share.

Financial Ratios

Financial ratio	Quarter		QoQ
	1Q22	1Q21	4Q21
NI / Total income	6.8%	7.8%	2.5%
NI / Net premium	9.2%	10.5%	3.7%
Life policy reserve / Net premium	12.8%	37.5%	-33.5%
Underwriting expenses / Net premium	120.9%	87.9%	130.0%
Operating expenses / Net premium	4.0%	3.9%	6.3%
Investment assets / Total asset	95.3%	94.2%	95.3%
Investment assets / Life policy reserve	114.3%	113.6%	115.1%
Return on investment (ROI)	4.0%	3.9%	3.8%
NI / Average equity	6.8%	8.5%	2.3%
NI / Average assets	0.9%	1.2%	0.3%
CAR ratio	329%	284%	301%

Industry Overview

In the first quarter of 2022, life insurance industry reported a new business premium amounting to Baht 40,948 Million Baht, a decrease of 6%. However, if considering only the ordinary FYP without single premium, it increased by 7%. Renewal year premium was flattened which caused the total premium declined by 2% compare to the same period last year.

For new business premiums by distribution channels in the first quarter of 2022, Agent channel increased by 14% YoY, which accounted for 35% of total FYP. The proportion increased from the same period last year.

Bancassurance channel FYP decreased by 17% YoY, which accounted for 52% of total FYP. This proportion decreased from the same period last year. Other channel and direct marketing FYP declined by 1% compared to the same period last year.

Figure 9: Life Insurance Industry Premiums

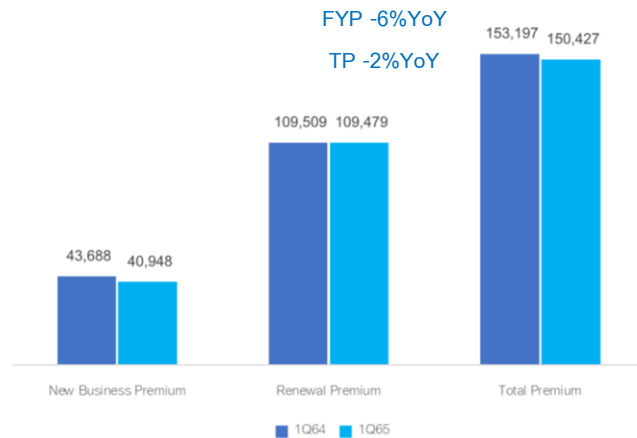


Figure 10: Industry New Business Premiums by products

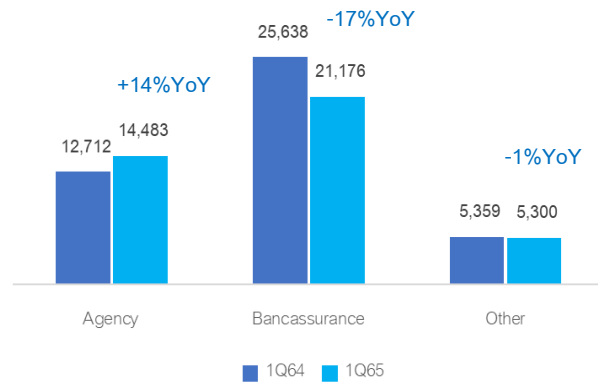


Figure 11: Industry New Business Premium by Channels

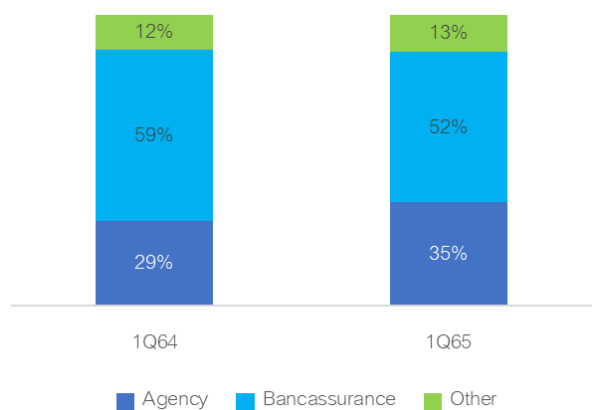


Table 2: Life Insurance Premiums market share (%)

As of 31 March 2022

Rank	Company	New Business Premium	Renewal Premium	Total Premium	Market Share (New Business)
1	AIA	8,835	28,293	37,129	22%
2	FWD	6,815	18,293	25,107	17%
3	TLI	4,304	15,163	19,467	11%
4	MTL	5,832	11,084	16,916	14%
5	KTAL	3,430	8,819	12,249	8%
6	BLA	1,414	7,528	8,941	3%
7	AZAY	1,502	6,554	8,056	4%
8	PLT	2,491	4,319	6,811	6%
9	OLIC	614	2,953	3,567	1%
10	GT	1,919	1,330	3,249	5%

Source: The Thai Life Assurance Association