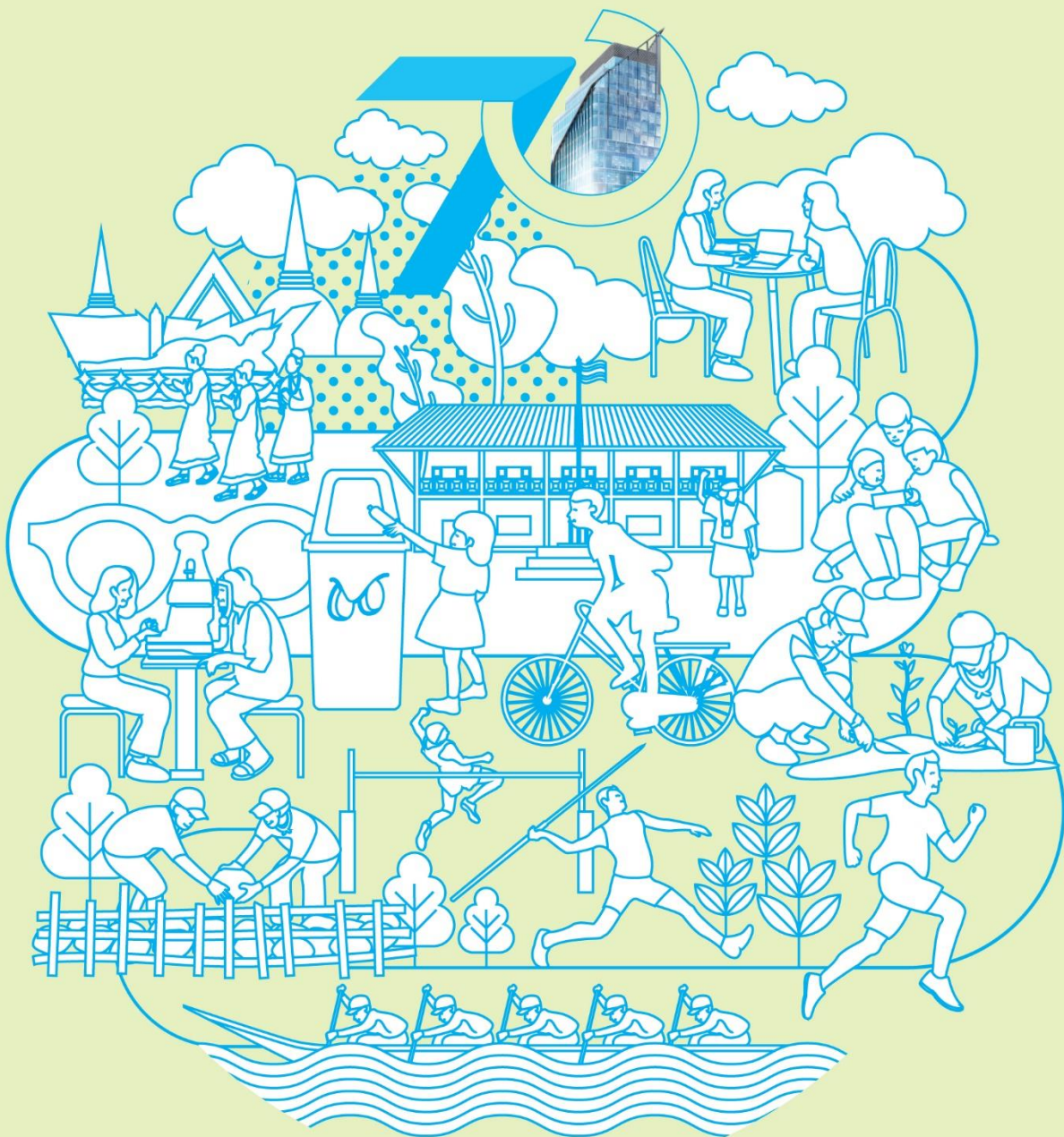




**BANGKOK
LIFE**

กรุงเทพประกันชีวิต

“Management Discussion and Analysis for 2nd quarter 2023”



Executive Summary

Consolidated Baht, million

OPERATING RESULTS	Quarter 2/23	Quarter 2/22	Change YoY%	Quarter 1/23	Change QoQ%	6M23	6M22	Change YoY%
Revenues								
Net premiums written ⁽¹⁾	7,051	7,294	-3.3	8,043	-12.3	15,094	15,700	-3.9
First Year Premium	1,324	1,260	5.1	2,198	-39.8	3,522	2,665	32.2
Bancassurance	893	771	15.8	1,441	-38.0	2,334	1,534	52.2
Agent Channel	357	397	-10.1	353	1.1	710	789	-10.0
Other Channel	74	93	-20.4	404	-81.7	478	343	39.4
Renewal Premium	5,736	6,222	-7.8	6,598	-13.1	12,334	13,888	-11.2
Total Investment Income ⁽²⁾	2,933	3,454	-15.1	2,961	-0.9	5,894	6,710	-12.2
Fee and commission income	87	72	20.8	138	-37.0	226	250	-9.6
Gain & Loss on revaluation and other income	95	214	-55.6	(34)	(379)	60	228	-73.7
Total Revenues	10,166	11,034	-7.9	11,108	-8.5	21,274	22,888	-7.1
Expenses								
Underwriting expenses	8,735	9,297	-6.0	9,805	-10.9	18,540	19,852	-6.6
Operating expenses	428	388	10.3	395	8.4	823	742	10.9
Expected Credit Loss	74	(60)	na	2	na	76	(61)	na
Total Expenses	9,237	9,625	-4.0	10,202	-9.5	19,439	20,533	-5.3
Earning before tax	929	1,409	-34.1	906	2.5	1,835	2,355	-22.1
Net profit	789	1,189	-33.6	756	4.4	1,545	1,990	-22.4
Earnings per share (EPS)	0.46	0.70	-34.0	0.44	4.4	0.90	1.17	-22.6
Return on investment (ROI)	3.72%	4.25%	-0.5%	3.69%	0.9	3.71%	4.11%	-0.4%
Capital Adequacy Ratio (CAR)	375%	364%	11%	369%	1.6	375%	364%	11%

⁽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 second quarter of 2023, Bangkok Life Assurance PCL. reported a net profit of 789 million Baht, decrease 34% from the second quarter of 2022 representing an earnings per share of 0.46 Baht. In the six-month period of 2023, the net profit was 1,545 million Baht, a decrease of 22% YoY representing an earnings per share of 0.90 Baht. The main reasons were due to a decrease in investment income and renewal premium as expected.
- In the second quarter of 2023, the Company recorded a total revenue of 10,166 million Baht, a decrease of 8% YoY. First year premium (FYP) was increased by 5% YoY. Renewal Premium (RYP) decreased by 8% YoY.
- In the six-month period of 2023, a total revenue is 21,274 million Baht, a decrease of 7% YoY. The FYP was 3,522 million Baht, an increase of 32% YoY. The RYP in the second quarter of 2023 was 12,334 million Baht, decreased by 11% compared to the same period last year.
- The FYP by distribution channel in the six-month period of 2023 were as followed: bancassurance, agent and other channels accounted for 66%, 20% and 14%, respectively.
- The total investment income in the second quarter of 2023 was 2,933 million Baht, a decrease of 15% from the same period last year. The reason was due to a decrease from realized gain. The return on investment (ROI) in 2Q23 was 3.72% and ROI of the six-month period of 2023 was 3.71%.
- Total expense in the second quarter of 2023 amounted to 9,237 million Baht, a decrease of 4% from the same period last year. Total expenses in the six-month period of 2023 amounted to 19,439 million Baht decreased by 5%. The key reason was from a decline in underwriting expenses.
- The Capital Adequacy Ratio (CAR) in the second quarter of 2023 was at 375%, an increase from 369% at the first quarter of 2023.

Performance Overview

Total Premium

In the second quarter of 2023, the Company's total premium amounted to 7,060 million Baht, a decrease of 6% YoY. The main reason was a decrease in renewal premium.

In the first-half of 2023, the Company's total premium amounted to 15,856 million Baht, a decrease of 4% YoY.

Contribution of the total premium by distribution channel were bancassurance 55%, agent 37% and other channels 8%.

First Year Premium

In the second quarter of 2023, the Company's FYP was 1,324 million Baht, an increase of 5% from the same period last year. This was resulted mainly from the Bancassurance channel which FYP increased by 16% YoY. Agency channel saw FYP decreased by 10%. For other channels, FYP decreased by 20%.

In the first-half of 2023, the Company's FYP was 3,522 million Baht, an increase of 32% YoY as a result of increase in FYP from bancassurance channels by 52%, Agent channels decreased by 10% and other channels increased by 39%. The contribution by distribution channel was 66%, 20% and 14% respectively for bancassurance, agent and other channels.

Renewal Year Premium

In the second quarter of 2023, the Company had a renewal year premium of 5,736 million Baht, a decrease of 8% from the same period last year. In the first-half of 2023, the Company's RYP was 12,334 million Bath, a decrease of 11% YoY as expected.

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

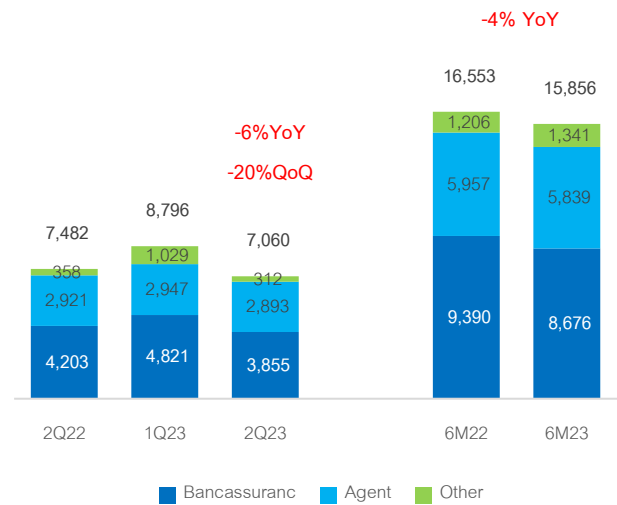


Figure 2: First Year Premium by channels (Baht: million)

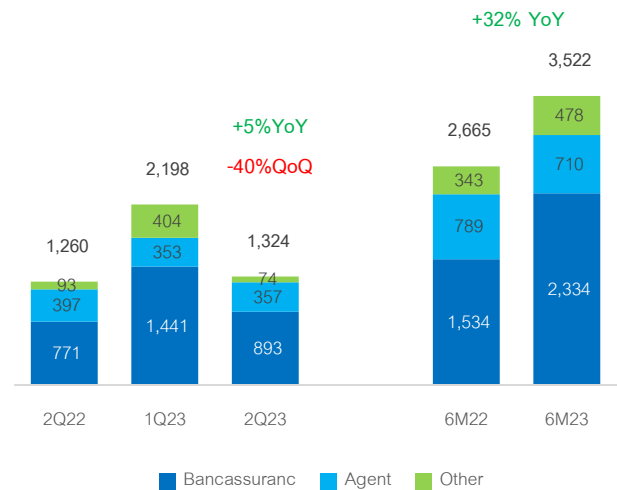
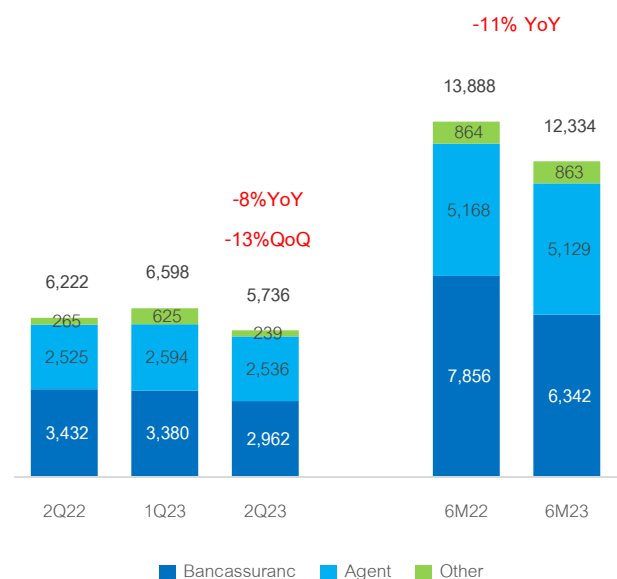


Figure 3: Renewal Premium by channels (Baht: million)



Investment Asset and Investment Return

In the second quarter of 2023, the Company's total investment asset was 320,661 million Baht, a decrease of 1.9% from the first quarter of 2023 due to policy maturity. The Company's investment proportion in fixed income was at 84%, equity at 9% and REIT at 4%.

In the second quarter of 2023, the Company's investment income ⁽³⁾ was 3,011 million Baht, a decrease of 15% from the same period last year due to the realized loss.

In the first-half of 2023, the Company's investment income was 6,057 million Baht, a decrease of 12% YoY. Excluding realized gain, interest and dividend income decreased 1% YoY.

In the second quarter of 2023, the return on investment (ROI) equals to 3.72%, decreasing from 4.25% in the previous year, and increasing from 3.69% in the previous quarter. Investment yield (including interest and dividend income) was at 3.88%, increasing 6 bps YoY, and 22 bps QoQ.

In the first-half of 2023, the return on investment (ROI) and Investment yield equaled to 3.71% and 3.77% respectively.

Table 1: Investment Assets as of 30 June 2023

Investment assets	1Q23	2Q23	change
Short-term investment	2.6%	1.7%	-0.9%
Bond	49.0%	49.9%	0.9%
Debenture & Note	32.0%	32.3%	0.3%
Total Fixed income	83.6%	83.9%	0.3%
Equity	8.7%	8.8%	0.1%
REIT	4.1%	3.7%	-0.4%
Policy Loans	3.0%	3.0%	0.0%
Secured Loans	0.6%	0.6%	0.0%
Total Investment assets (MB)	326,921	320,661	-1.9%

Figure 4: Investment Income (Baht Million)

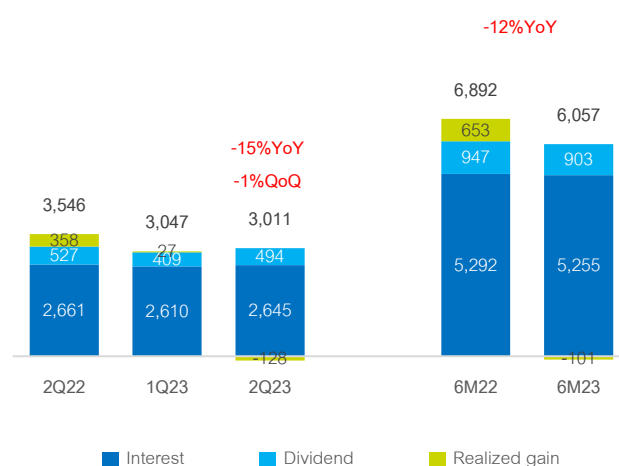
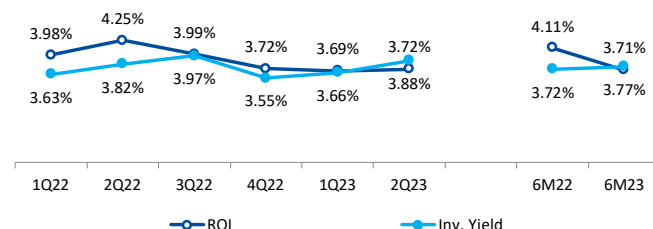


Figure 5: Return on Investment

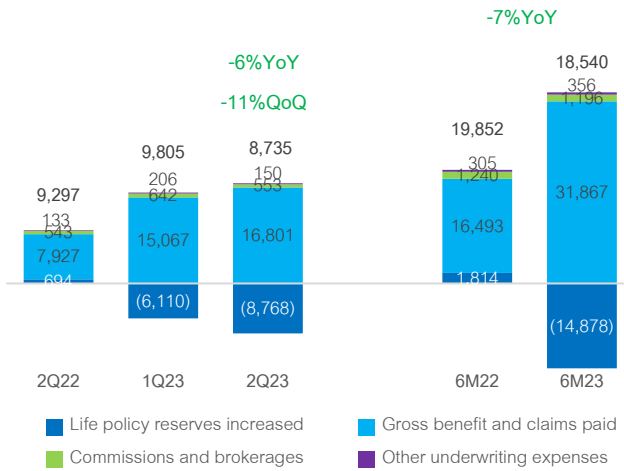


(3) Interest income + Dividend + Profit (Loss) from Investment

Underwriting Expenses

In the second quarter of 2023, the Company underwriting expenses totaled 8,735 million Baht, a decrease of 6% YoY. In the first-half of 2023, the underwriting expenses was 18,540 million Baht, a decline of 7% YoY. The major reason came from a decrease of life policy reserves.

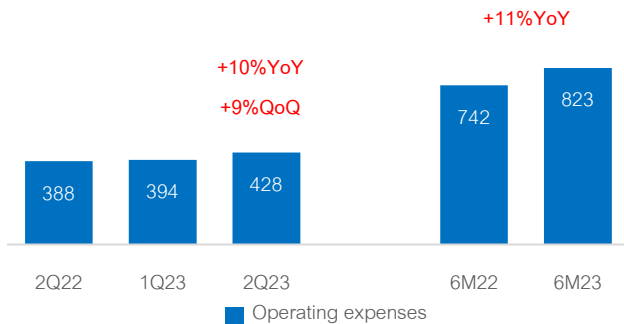
Figure 6: Underwriting Expenses (Baht, million)



Operating Expenses

In the second quarter of 2023, the Company had an operating expense of 428 million Baht, an increase of 10% from the same period last year. The main reasons were due to employee expenses and system development expenses. In the first-half of 2023, operating expense increased by 11% YoY. The company continues to focus on expense management.

Figure 7: Operating Expense (Baht, million)

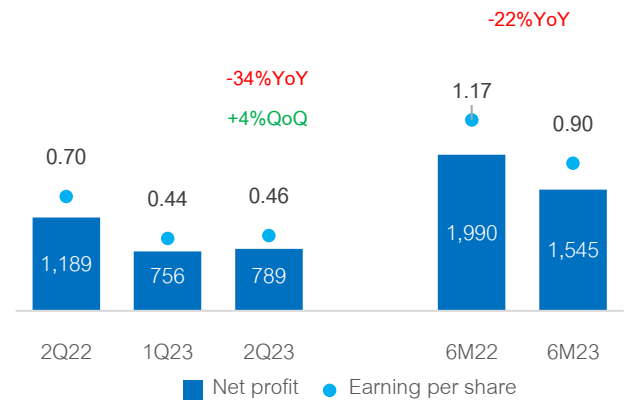


Net Profit

In the second quarter of 2023, the Company had a net profit of 789 million Baht a decrease of 34% from the same period last year and the increase of 4% from the previous quarter, representing an earnings per share of Baht 0.46.

In the first-half of 2023, the company reported a net profit amounting to 1,545 million Baht a decrease of 22% YoY, representing an earnings per share of Baht 0.90 per share.

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



Capital Adequacy and Risk-Based Capital (RBC)

In the second quarter of 2023, the Company’s Capital Adequacy Ratio (“CAR”) was at 375%, an increase from 369% at the first quarter of 2023. This improvement can be attributed to more effective management of assets and liabilities, along with a reduced of risk due to policy maturity during the first half of the year.

Summary of Financial Position as of 30 June 2023

Consolidated Baht, million						
	30-Jun-23	%	31-Dec-22	%	Change	%
Assets						
Cash and cash equivalents	3,651	1%	12,681	4%	(9,030)	-71.2%
Premiums due and uncollected	1,649	0.5%	1,567	0.5%	82	5.2%
Accrued investment incomes	1,486	0.5%	1,556	0.5%	(70)	-4.5%
Investments ⁽⁴⁾	315,192	96%	320,488	94%	(5,297)	-1.7%
Premises and equipment	2,161	0.7%	2,189	0.6%	(27)	-1.2%
Other assets	3,745	1.1%	4,130	1%	(385)	-9.3%
Total Assets	327,884	100%	342,611	100%	(14,727)	-4.3%
Liabilities and equity						
Life policy reserves	274,017	84%	288,895	84%	(14,878)	-5.2%
Other insurance contract liabilities	5,881	2%	5,861	2%	20	0.3%
Other liabilities	3,287	1%	3,071	0.9%	216	7.0%
Total liabilities	283,185	86%	297,828	87%	(14,643)	-4.9%
Retained earnings	5,069	2%	5,069	1%	-	0.0%
Unrealized gain on investment	37,309	11%	36,241	11%	1,068	2.9%
Non-controlling interests of the subsidiaries	2,321	1%	3,474	1%	(1,153)	-33.2%
Total equity	44,699	14%	44,783	13%	(85)	-0.2%
Total liabilities and equity	327,884	100%	342,611	100%	(14,727)	-4.3%
Book value/Share	26.18		26.23			

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

Assets

Total assets as of 30 June 2023 decreased from 31 December 2022 by 4% or 14,727 million Baht. The main reason was the payment of benefits under the policy contract. The majority of the company's assets was investment asset, which accounted for 97% of total assets and accounted for 116% of life policy reserves.

Liabilities and Equity

Total liabilities as of 30 June 2023 decreased 5% from 31 December 2022. The decrease mostly came from the decrease in life policy reserves.

The total equity as of 30 June 2023 was 44,699 million Baht, a decrease of 85 million Baht or 0.2% from 31 December 2022. The decrease came from net profit of 1,545 million Baht, dividend paid 477 million Baht and unrealized gain from financial instruments of 1,153 million Baht. Book value per share (BV/share) was at 26.18 Baht per share.

Financial Ratios

Financial ratio	Quarter		6 Month	6 Month
	2Q23	2Q22	2023	2022
NI / Total income	7.8%	10.8%	7.3%	8.7%
NI / Net premium	11.4%	16.2%	10.1%	12.4%
Life policy reserve / Net premium	-127.1%	9.5%	-97.0%	11.3%
Underwriting expenses / Net premium	126.6%	126.8%	120.8%	123.6%
Operating expenses / Net premium	6.2%	5.3%	5.4%	4.6%
Investment assets / Total asset	97.2%	94.4%	97.2%	94.4%
Investment assets / Life policy reserve	116.4%	112.5%	116.4%	112.5%
Return on investment (ROI)	3.7%	4.3%	3.7%	4.1%
NI / Average equity	7.0%	10.6%	6.9%	8.8%
NI / Average assets	0.9%	0.9%	0.9%	0.8%
CAR ratio	375%	364%	375%	364%

Industry Overview

In the first-half of 2023, life insurance industry reported a new business premium amounting to 86,802 million Baht, an increase of 9% YoY. FYP excluding single premium increased by 14% YoY mainly from endowment products. In the second quarter of 2023 life insurance industry recorded FYP amounting to 41,948 million Baht, an increase of 8% YoY.

Meanwhile, Renewal year premium and total premium compared to the same period last year increased by 2% and 4%, respectively.

For new business premiums by distribution channels in the first-half of 2023, Agent channel increased by 4% YoY, which accounted for 34% of total FYP.

Bancassurance channel FYP increased by 8% YoY, which accounted for 52% of total FYP. This proportion is equal to the same period last year.

Other channel FYP increased by 27% compared to the same period last year, accounted for 15% of total FYP.

Figure 9: Life Insurance Industry Premiums

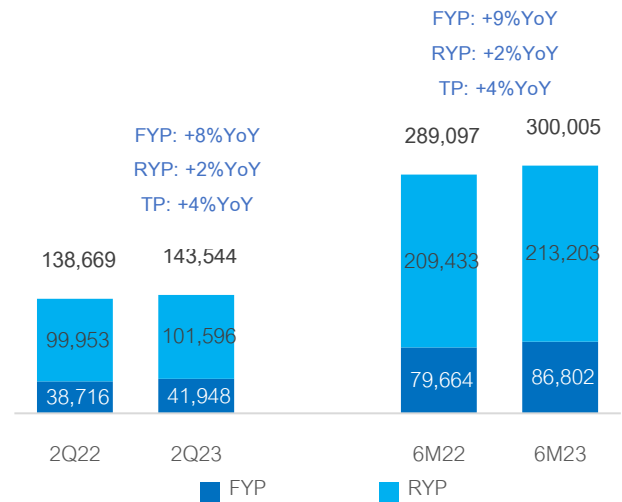


Figure 10: Industry New Business Premiums by products

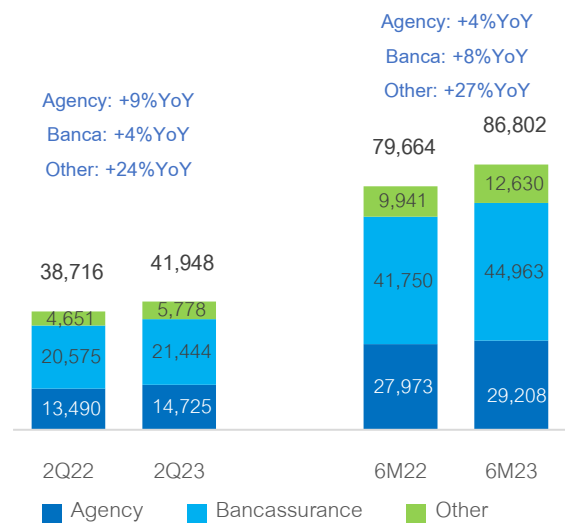


Figure 11: Industry New Business Premium by Channels

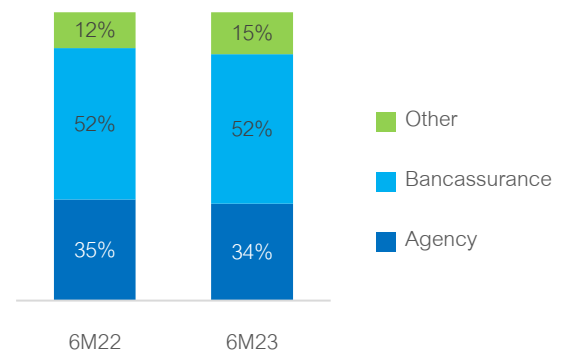


Table 2: Life Insurance Premiums market share (%)

As of 30 June 2023

(Baht: million)

Ranking by FYP	Company	First year premium	Market share by first year premium (%)
1	AIA	15,067	17.4%
2	FWD	14,937	17.2%
3	MTL	12,303	14.2%
4	TLI	8,926	10.3%
5	KTAL	5,993	6.9%
6	PLT	5,826	6.7%
7	DLA	3,726	4.3%
8	AZAY	3,678	4.2%
9	BLA	3,546	4.1%
10	GT	2,950	3.4%

Ranking by TP	Company	Total premium	Market share by total premium (%)
1	AIA	72,077	24.0%
2	FWD	47,863	16.0%
3	TLI	39,373	13.1%
4	MTL	35,765	11.9%
5	KTAL	21,293	7.1%
6	AZAY	17,336	5.8%
7	BLA	15,899	5.3%
8	PLT	15,331	5.1%
9	OLIC	6,897	2.3%
10	TMLTH	5,914	2.0%

Source: The Thai Life Assurance Association