

Bangkok Life Assurance Public Company Limited

Annual Financial Position and Performance Disclosure Report (Annual Por Phor Chor. 1) For The Year 2025

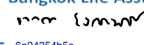
Part 1 Certification of the Accuracy of Information Disclosure

The Company has reviewed the disclosed information with care and certifies that the disclosed information is complete and accurate, not being a false or misleading statement, or lacking material significant information. The Company, hereby, certifies the accuracy of all the information disclosed in this report.

Bangkok Life Assurance

86f5cf6ab2

(Mr. Chone Sophonpanich)
Chief Executive Officer and President

Bangkok Life Assurance

6a24354b5c

(Ms. Chollada Sophonpanich)
Authorized Director

Disclosed on 28 May 2026

For the year 2025

Part 2 Disclosure Details

1. Company History, Policy, Objective and Business Strategy Including Key Business Operation, Key Product and Key Services. Claim Processes and Customer Service Contact

1.1 Company History

Bangkok Life Assurance Public Company Limited was established by Major General Kuang Aphaiwongse (former Prime Minister), Phraya Sriwisarnwacha, Mr. Chin Sophonpanich and many other honorable wealthy individuals. Originally, the Company was named 'KrungSiam Life Assurance Company Limited' and started operating on June 1, 1951. In the early stages, Company business operations mainly focused on managing aid welfare. In 1977, Mr. Chin Sophonpanich, the Company Chief Adviser at the time, suggested that it was the right time for the Company to earnestly conduct life insurance business. He assigned Mr. Vai Vathanakul, an experienced, qualified, and world recognized executive along with Mr. K. V. Claridge F.I.A., Swiss Re Insurance Company's actuarial science specialist, to restructure and reorganise the Company. On January 1, 1979, the Company's name was changed from KrungSiam Life Assurance Company Limited to 'Bangkok Life Assurance Company Limited' and has been listed on the Stock Exchange of Thailand since September 25, 2009.

1.2 Policy, Objective and Business Strategy

1.2.1 Purpose, Vision and Mission

Purpose

"To encourage people to obtain life insurance that suits their life goals for the sustainability of their families and Thai society."

Vision

"To be the Most Caring Life Insurance Company."

Mission

Caring about Customers

To deliver exceptional customer experience while empowering them to build security and wealth through our sincere personnel and modern technology and by delivering products, services and benefits tailored from a genuine understanding to meet customers' diverse needs.

Caring about Agents and Financial Advisors

To enhance the potential of our agents and financial advisors, empowering them to thrive without limitations and be ready for rapidly changing market conditions, while pursuing secure growth, happiness and pride in their work, through teamwork promotion, intensive training and modern digital tools.

Caring about Partners

To drive collective growth and success by understanding every partner's goals and directions, designing coordinated processes, and fostering continuous mutual improvements.

Caring about Employees

To promote employees' happiness, career advancement and job security by continuously enhancing their skills in diverse aspects and providing a work environment that respects diversity, honors equity, fosters teamwork, encourages inclusion, and ensures that everyone feels they belong.

Caring about Shareholders

To generate appropriate returns for shareholders with a focus on long-term secure and sustainable growth by building Bangkok Life Assurance into a leading life insurance brand known for its commitment to caring, all while adhering to principles of good corporate governance.

Caring about Society

To contribute to the improvement of the overall quality of life in Thai society by promoting financial planning literacy, raising awareness of life insurance benefits, and encouraging good health among the public.

Caring about Environment

To guide the organization toward carbon neutrality with an emphasis on the development of processes for managing energy consumption, water usage and waste.

1.2.2 Marketing and Competition

Please see details in 56-1 One Report 2025, page 60 - 64, that is published on the Company's website as follows:

[\[EN\] BLA One Report 2025](#)

1.2.3 Outlook for Life Insurance Business Trends in 2026

Please see details in 56-1 One Report 2025, page 64 - 65, that is published on the Company's website as the follows:

[\[EN\] BLA One Report 2025](#)

1.2.4 Company's Strategy

The company's business strategy focuses on recruiting and developing high-quality life insurance agents and expanding sales channels through new business partners to reach more customers in every segment. The strategy also emphasizes on customer-centric product development, ensuring that customers have comprehensive access to life and health insurance products. Additionally, the company aims to develop high-quality employee who can adapt to changing environments. We also build a strong brand and positive organizational image to establish a stable foundation for future growth. Last but not least, the strategy highlights the adoption of technology to facilitate and support operations under a management system that incorporates holistic risk management and adheres to good corporate governance standards.

1.3 Nature of Business Operation

Bangkok Life Assurance PCL has been running life insurance business and providing comprehensive financial planning services to customers. Life insurance is a means by which to mitigate loss among a certain group of people from unexpected incidents (death, loss of organs, disability, and loss of income). The benefits under policy conditions will be paid by the Company to victims or beneficiaries in order to mitigate his/her financial burden.

The Company has been improving its products to best cater for customer needs, which vary by their life stages and to provide them with the utmost benefits. Basically, life insurance provides two different types of main benefit to policyholders, which are life protection as a guarantee benefit upon death and saving benefit to enrich the policyholder's lives. Life insurance benefit will be paid to beneficiaries on policyholder's death and survival benefit will be paid to policyholder during the coverage period of the insurance contract.

The Company reinvests those premiums received in accordance with the investment policy framework. The investment ratio is allocated in line with the liability under the insurance contract and the Company's risk policy and with a return on investment in accordance with the policy conditions guaranteed by the Company.

1.4 Product Characteristics, Core Services, and Premium Portion Categorized by Type of Products

Types of Life Insurance

The Company currently offers life insurance plans to meet the needs of customers that can be categorized into 3 types of products as follows:

1) Ordinary Life Insurance

Ordinary Life Insurance offers a life protection or saving for an individual policyholder. The company promises to pay the benefits according to the contract details as long as the contract remains in force. The product types are further classified and summarized as follows:

(1) **Whole Life Insurance** promises a lump-sum payout to the beneficiary/policyholder in the event of death or attaining certain age (normally 90 or 99 years old) of the insured. This product type offers a protection against unexpected death of the insured.

(2) **Pension** promises a series of payments payable monthly or yearly once the policyholder attains his/her retirement age (normally 55 or 60 years old) specified in the contract until the age of 85. This product type offers a protection against longevity risk: the risk of having no income after the retirement age.

(3) **Term Life Insurance** promises a lump-sum payout in the event of the insured's death which occurs within a specific period to a beneficiary. This product type has a very low premium rate compared to the benefit promised and is suitable for those who look for a death protection for a limited time.

(4) **Endowment Insurance** promises a lump-sum payout or a series of payments when the insured dies within a specific term or survives at the end of the contract term. This product type has a variety of premium terms e.g., BLA Happy Saving 14/7 (14 years protection term/ 7 years premium term). Generally, this product type is used for saving purposes.

(5) **Unit-linked** offers both life coverage and returns from the investments in mutual funds. The returns are, thus, non-guaranteed by the company. This product type is suitable for policyholder who would like flexibility in the benefit amount, premium payments and mutual fund investments. However, investing in mutual funds and unit trust involves risks. The policyholder should be adequately aware of the nature of the investment and prepared for the event that loss is made.

(6) **Rider Contract** is attached to the main contract to provide additional coverages such as in the events of accidents, total permanent disability, health benefit, daily hospitalization compensation or critical illness.

2) **Group Life Insurance**

Group Insurance Contract covers a group of people. Generally, the contract is arranged for the employees of a particular employer as a form of corporate welfare benefits. The underwriting policy will take into account the risk factor (such as age, gender, occupation, job characteristics and sum assured) of the whole group. Group insurance premium rates in general would be lower than those of Ordinary Insurance. The contract is renewable annually; therefore, the premium rate, benefits covered and the conditions may vary subject to changes in market conditions and risk factors.

3) **Mortgage Insurance**

Mortgage Insurance is a term life insurance that will pay, in general cases, a decreasing lump sum in the event of death and/or total permanent disability of the policyholder within a specified period. The decreasing sum assured is consistent with the nature of decreasing mortgage balance of the policyholder. The benefits from the policy may be used to close the debt balance in case of the policyholder's unexpected death.

Proportion of premium received by types of insurance for the year 2025 (Unit : Million Baht)

Items	Main																	Riders			Total	
	Ordinary						Industry	Group						Pension	Unit-linked	Universal life	PA	Microinsurance	Accident	Health		Others
	Whole life	Endowment	Term	Mortgage	Others	Total		Whole life	Endowment	Term	Mortgage	Others	Total									
Direct premium received	4,670.45	21,820.70	41.69	0.00	204.54	26,737.38	0.00	0.00	0.00	625.99	1,157.41	17.71	1,801.11	698.53	295.49	0.00	25.28	0.37	386.16	4,385.27	429.34	34,758.93
Proportion of premium (%)	13.44	62.78	0.12	0.00	0.59	76.93	0.00	0.00	0.00	1.80	3.33	0.05	5.18	2.01	0.85	0.00	0.07	0.00	1.11	12.62	1.23	100.00

1.5 Claim Processes and Customer Service Contact

1.5.1 Claim Processes Including Steps, Period of Time and Documents Needed

Please find details on the Company's website as follow:

<https://www.bangkoklife.com/en/PersonalCustomers/Amercement>

1.5.2 Customer service contact

Contact customer service at Bangkok Life Assurance Public Company Limited 1415 Krungthep - Nonthaburi Road, Wongsawang, Bangsue, Bangkok 10800 Call Center 0-2777-8888, Fax 0-2777-8899, or Email: Csc@bangkoklife.com

2. Good Corporate Governance Framework and Internal Control Process, Include Details on the Implementation of the Framework and Process

2.1 Good Corporate Governance Framework and Internal Control Process

Please see "Corporate Governance Policy" in 56-1 One Report 2025, page 107 - 113, that is published on the Company's website as follows:

[\[EN\] BLA One Report 2025](#)

2.2 Organization Chart of Company

Please see "Organizational Chart" in 56-1 One Report 2025, page 16 - 17, that is published on the Company's website as follows:

[\[EN\] BLA One Report 2025](#)

2.3 Management Structure of Company

2.3.1 Board of Directors

The Company's Board of Directors consisted of 13 directors, including 2 executive officers and 11 non-administrative officers, 5 of whom are independent directors and 10 of whom reside in the Kingdom of Thailand, more than 75% as required by law. Please see "Board of Directors" in 56-1 One Report 2025, page 18 - 40, that is published on the Company's website as follows:

[\[EN\] BLA One Report 2025](#)

Roles and Responsibilities of the Board of Directors

Please see Corporate Governance Handbook that is published on the Company's website, Practice 1.3 Board of Directors must supervise all directors and executives to ensure they perform their duty responsibly, carefully, and with loyalty, and govern the operation to comply with laws, rules, and Stockholder Meeting resolution, page 7, as follows:

[CG Code EN \[Final\].pdf](#)

2.3.2 The Management

Please see "The Company's Management" in 56-1 One Report 2025, page 122, that is published on the Company's website as follows:

[\[EN\] BLA One Report 2025](#)

Please see 56-1 One Report 2025 that is published on the Company's website, page 115 and Evaluation Committee and Corporate Governance Handbook Practice 1.4 Board of directors understand their scope of duties and responsibilities and clearly set scope of assigning duties and responsibilities to Managing Director and the Management, and also monitor the Managing Director and the Management to ensure they follow the duties and responsibilities assigned, page 8 - 9, as follows:

[56-1 One Report 2025](#)

[\[EN\] BLA One Report 2025](#)

[Corporate Governance Handbook](#)
[CG Code EN \[Final\].pdf](#)

2.4 Sub-Committees

For effective governance and so as to ensure that it is thoroughly informed on important matters, the Board of Directors appoints Directors with the relevant expertise to 9 sub-committees, which are:

- 2.4.1 Audit Committee
- 2.4.2 Risk Management Committee
- 2.4.3 Nomination and Remuneration Committee
- 2.4.4 Investment Committee
- 2.4.5 Corporate Governance and Sustainability Committee
- 2.4.6 Performance Evaluation and Assessment Committee
- 2.4.7 IT Steering Committee

Please see details in 56-1 One Report 2025, page 117 – 121, that is published on the Company's website as follows:

[\[EN\] BLA One Report 2025](#)

2.4.8 Complaint Consideration Committee

Complaint Consideration Committee consists of:

Miss Onranat Nachapong	Chairman of the Complaint Consideration Committee and Executive Vice President, Marketing Strategy and Customer Management Division
Mrs. Oranuch Samranrit	Vice Chairman of the Complaint Consideration Committee and Executive Vice President, Life Operation Division
Mrs. Somusa Chidchanognarth	Member of the Complaint Consideration Committee and Senior Vice President, Underwriting & Claims Department
Mrs. Datsanee Thongboonkerd	Member of the Complaint Consideration Committee and Senior Vice President, Policy Administration Department
Miss Suchada Rermyindee	Member of the Complaint Consideration Committee and Senior Vice President, Compliance Office
Mr. Sommoot Look-in	Member of the Complaint Consideration Committee and Senior Vice President, Legal Office
Mrs. Pornprapakam Sirayananta	Member of the Complaint Consideration Committee and Vice President, Customer Service Department
Miss Narumon Nasup	Secretary of the Complaint Consideration Committee and Senior Manager, Voice of Customer Management Section

Complaint Consideration Committee is responsible for management of complaints and claims in cases where they are complex, high-profile or impactful to the company's image and reputation. Complaints are processed in accordance with the complaint management procedures to present such cases to authorised persons. The Committee is responsible for reporting performance of complaint management to

President and Chief Executive Officer and Audit Committee at least once annually. The Committee may issue and update its charter as necessary and present for approval from President and Chief Executive Officer.

2.4.9 Insurance Product Committee

Insurance Product Committee consists of:

Miss Varawan Vechasut	Chairman of the Insurance Product Committee and Director
Mr. Chone Sophonpanich	Vice Chairman of the Insurance Product Committee and President and Chief Executive Officer
Miss Chollada Sophonpanich	Member of the Insurance Product Committee and Executive Vice President, Investment Division
Mrs. Oranuch Samranrit	Member of the Insurance Product Committee and Executive Vice President, Life Operation Division
Mr. Phakin Tiyasaengthong	Member of the Insurance Product Committee and Senior Vice President, Actuarial Division and Acting Senior Vice President, Risk Management Division
Ms. Sirinart Wongjaroensathit	Member of the Insurance Product Committee and Executive Vice President, Information Technology Division
Miss Suchada Rermyindee	Member of the Insurance Product Committee and Senior Vice President, Compliance Office
Mr. Sommoot Look-in	Member of the Insurance Product Committee and Senior Vice President, Legal Office

Mr. Songpon Preedawut, Head of Product Development and Management Division, acts as the secretary of the Insurance Product Committee.

Insurance Product Committee is responsible for issuing and presenting new insurance products which align with insurance, actuarial, legal, moral, reasonable and fair principles to the Board of Directors and the Registrar for approval. The Committee considers required standards related to risk management of insurance products, premium pricing, and other matters required by laws. The aforementioned insurance products follow established frameworks and policies. In cases where the insurance products deviated from said frameworks and policies, the Committee shall present to the Board of Directors for approval and recommendations on relevant adjustment of the products.

In cases where the Company would issue new products which covered emerging risks, the Committee is responsible for training specialists or experienced personnels related to such emerging risks to consider and comprehensively analyse the Company's insurance circumstances, recommended improvement or solutions which arose from partaking in such insurance to the Committee for consideration, performed stress test for insurance products which covered emerging risks on a reasonable and worst-case scenario basis and prepared risk mitigation protocols.

Insurance Product Committee is responsible for reporting information of insurance products to the Board of Directors and Risk Management Committee at least once annually. In cases where significant matters which may impact insurance products

that have already been approved by the Registrar, the Committee shall report to the Board of Directors for consideration.

The Insurance Product Committee's meetings to discuss any authoritative operation must include no less than half of the Insurance Product Committee members to be considered having a quorum. Each member of the Committee possesses 1 vote. In cases where the majority vote cannot be reached, the Chairman of the Insurance Product Committee shall be the tie-breaker. The Committee's meetings shall be held at least once monthly.

Insurance Product Committee shall appoint and/or delegate teams and/or any person filtering of tasks and information to be presented to the Committee or any task beneficial to the Committee's operation.

2.5 Nomination and Appointment of Directors, Independent Directors and Executives

2.5.1 Selection of Directors and Tenure

Please see "Director recruitment and independent director" in the 56-1 One Report 2025, page 129, which is published on the Company's website as follows:

[\[EN\] BLA One Report 2025](#)

2.5.2 Nomination of Independent Directors

For the appointment of independent directors, the Nomination and Remuneration Committee will propose candidates who are independent directors according to the Company's definition, in compliance with good corporate governance principles of the Stock Exchange of Thailand and the requirements of the Capital Market Supervisory Board. The committee consists of at least one third of the total number of directors, but no less than 3 persons. The nominated candidates are proposed to the Board of Directors and are proposed to the shareholders' meeting for appointment.

Qualifications of Independent Directors

- (1) Must hold no more than 1% of total voting shares of the Company, its subsidiaries, affiliates, major shareholders, or persons with controlling power. This includes shares held by their related persons.
- (2) Neither being nor used to be an executive director, employee, staff member, advisor who receives a salary, or is a controlling person of the Company, its parent company, subsidiaries, affiliates, same-level subsidiary companies, major shareholders or controlling persons, unless the foregoing status has ended for at least 2 years.
- (3) Not being a person related by blood or legal registration as a father, mother, spouse, sibling, and child, including spouse of child of other executives, major shareholders, controlling persons, or persons to be nominated as executives or controlling persons of the Company or its subsidiary companies.
- (4) Neither having nor used to have a business relationship with the Company, its parent company, subsidiaries, affiliates, major shareholders or controlling persons, in the manner which may interfere with his/her independent decision, and neither being nor used to be a significant shareholder or controlling person of any person having a business relationship with the Company, its parent company,

subsidiaries, affiliates, major shareholders or controlling persons, unless the foregoing relationship has ended for at least 2 years.

- (5) Neither being nor used to be an auditor of the Company, its parent company, subsidiaries, affiliates, major shareholders or controlling persons, and not being a significant shareholder, controlling person, or partner of an audit firm which employs auditors of the Company, its parent company, subsidiary companies, affiliates, major shareholders or controlling persons, unless the foregoing relationship has ended for at least 2 years.
- (6) Neither being nor used to be a provider of any professional services including those as a legal advisor or a financial advisor who receives service fees exceeding 2 million baht per year from the Company, its parent company, subsidiaries, affiliates, major shareholders or controlling persons, and not being a significant shareholder, controlling person or partner of the provider of professional services, unless the foregoing relationship has ended for at least 2 years.
- (7) Not being a director appointed as representative of directors of the Company, major shareholders or shareholders who are related to major shareholders.
- (8) Not conducting any business in the same nature and in competition with the business of the Company or subsidiary companies or not being a significant partner in a partnership or being an executive director, employee, staff, advisor who receives a salary or holds shares exceeding 1 percent of the total number of shares with voting rights of other companies which conduct business in the same nature and in competition with the business of the Company or its subsidiary companies.
- (9) Not having any other characteristics which prevent them from expressing independent opinions with regard to the Company's business operations.
- (10) Not found guilty by court ruling in connection with violation of the securities and exchange law, the financial institution law, the life insurance law, the non-life insurance law, the anti-money laundering law, or any other financial business laws regardless of whether such laws are local or foreign, and not found guilty in connection with unfair acts concerning securities trading that fall under embezzlement, fraud, or corruption.

2.5.3 Selection of Executive Officers

Please see "Recruitment of senior management" in the 56-1 One Report 2025, page 129, and Corporate Governance Handbook, page 19 which is published on the Company's website as follows:

[56-1 One Report 2025](#)
[\[EN\] BLA One Report 2025](#)

[Corporate Governance Handbook](#)
[CG Code EN \[Final\].pdf](#)

2.6 Remuneration Policy

Please see "Remuneration of Directors and Executives" in the 56-1 One Report 2025, page 135, which is published on the Company's website as follows:

[\[EN\] BLA One Report 2025](#)

3. Enterprise Risk Management (ERM) and Asset Liability Management (ALM)

3.1 Enterprise Risk Management: ERM

The Enterprise Risk Management process consists of 6 steps, as illustrated in the diagram below:



Diagram 1: Enterprise Risk Management Process

3.1.1. Analyzing Business Context and Setting Organizational Goals

Once the Company analyzes the business context and develops strategies to support its mission, vision, and core values, setting organizational goals that align with this context is crucial to guide the organization in the right direction and achieve its targets. The Company considers both internal and external environments to concretely formulate goals and operational plans.

3.1.2. Risk Identification

The Company establishes a risk identification process utilizing both bottom-up and top-down approaches, covering internal and external factors. This includes risks arising from strategic plans, products, operational processes, and changes in regulations or the business environment.

3.1.3. Risk Assessment and Prioritization

The Company assesses risks both qualitatively and quantitatively by considering the likelihood of occurrence, the impact, and the residual risk level in order to prioritize them for proper management.

3.1.4. Risk Response and Planning

The Company determines appropriate risk response strategies, which include risk avoidance, reduction (mitigation), transfer, or acceptance, taking into account the optimal balance of costs and benefits.

3.1.5. Risk Monitoring and Evaluation

The Company continuously monitors and reviews risk statuses, and adjusts risk management measures to ensure they remain suitable for changing situations.

3.1.6. Reporting and Communication

The Company mandates regular reporting to relevant working groups and committees, in alignment with the organization's risk profile and context.

This entire process operates as a Feedback Loop that is reviewed annually, focusing on minimizing deviations and maintaining balance. For example, if a risk level is found to exceed the threshold, the system provides feedback to enhance control measures, bringing the risk back down to an acceptable level. Meanwhile, there may be amplifying or accelerating effects; in risk terms, this means that a single failure could trigger a cascade of other escalating risks if the cycle is not broken.

Summary of the Company's Overall Risk Management Policy

The Company mandates a systematic, enterprise-wide risk management approach in accordance with regulatory frameworks and international standards, covering all core activities and risks across all areas. This involves identifying risk factors and their root causes; assessing, analyzing, and prioritizing risks; as well as managing, monitoring, and evaluating risk management performance. The primary objective is to ensure that the Company successfully achieves its goals and objectives while operating within an acceptable risk level (Risk Appetite). The Enterprise Risk Management framework is structured around 5 core components as follows:

1) Governance and Culture: The Board of Directors and senior management must establish a strong foundation for risk culture. There must be clear requirements for risk oversight by the Board or relevant sub-committees. Furthermore, the Company must recruit personnel with the necessary knowledge and competence in risk management, and design an organizational structure that accommodates business complexity while facilitating effective risk reporting and management.

2) Strategy & Objective Setting: Analyze both internal and external business environments and define the organization's risk appetite to align with value creation. Evaluate strategic alternatives and establish business objectives that are consistent with both the chosen strategy and the accepted risk level.

3) Performance: Establish procedures for risk identification, severity assessment, prioritization, and risk response. This component requires viewing risks holistically as an enterprise-wide portfolio, rather than looking at them solely from an isolated departmental or business-unit perspective.

4) Review & Revision: Continuously monitor, evaluate, and improve the effectiveness of risk management practices. This includes assessing significant changes and reviewing or comparing actual outcomes against the initially assessed or forecasted risks.

5) Information, Communication, & Reporting: Utilize data and technology systems to effectively communicate and report risk management results to the Board of Directors and relevant stakeholders.

3.2 Asset and Liability Management Risk: ALM Risk

Asset and Liability Management (ALM) is a core activity for life insurance companies in managing significant financial risks. In addition to considering the rate of return, the company must also account for the volatility of asset and liability prices, as well as liquidity risks that may arise from cash flow mismatches. The policy related to this activity is:

Asset and Liability Management Policy

The Asset and Liability Management Policy is established to prevent liquidity problems and control risks stemming from interest rate volatility — which impact the company's financial statements and capital funds — keeping them within an acceptable level. This includes managing investment returns and financial costs to align with the company's business objectives. The main requirements are as follows:

1. Relevant departments share joint responsibility for managing assets and liabilities, and for maintaining the duration gap between assets and liabilities at an appropriate level, taking into account risk factors in conjunction with business planning.
2. Ensure regular reporting of the duration gap to the Management, the Risk Management Committee, and the Board of Directors.
3. Facilitate information sharing and reporting between the department responsible for asset management and the department responsible for the liability side, to be utilized for risk management and business planning.
4. Provide estimations of the return on investment to be used for the development of life insurance products and the calculation of Embedded Value.

4. Significant and Predictable Insurance Risks that May Have an Impact on the Company's Finance, Reinsurance Risk Management, the Coherence of Capital Fund, Risks and Concentration of Risk

Risks may occur from underwriting risk processes. Major causes are insureds' risk factors and/or risk factors from external environments which are related to life insurance underwriting processes that may impact the Company's financial status, and cause losses to exceed the Company's estimated loss prediction which is product development assumptions and capital assessment. The Company has criteria and assessment guidelines of underwriting and life insureds' risks prioritization by considering both medical and non-medical risk factors. This is in order to be in line with the Company's risk appetite. The Company also takes into consideration, fairness to the insureds, agents, partnerships, profitability, and competing capacity by setting out clear operation guidelines in writing.

Underwriting is conducted in accordance with announcements, orders, sales rules, operation manuals, which are in line with or not prohibited by regulations and laws; under determined risk management plan, and subject to continuous assessment. The Company also reinsures by considering levels of sum insured as well as its retention limit, and sets the authority of high-level executives in approving underwriting by level, position, knowledge and experience of underwriters.

Insurance risk is a key risk factor in the Company's business operation and directly affects its financial status because in taking risk from customers, the Company assumes contractual obligations when the risk takes place. The Company then has planned for risk mitigation and stabilizing financial losses from unexpected high-value claims by transferring risks to reinsurers, who have financial strength with long-standing experience and are well accepted in both domestic and international markets through reinsurance agreements on both automatic and facultative basis and by considering its own retention limit, risk premium rates and treaty conditions in accordance with the Company's experience in each type of products in order to manage costs. Outward reinsurance also helps increase the Company's underwriting capacity and supports its expansion into new markets which are risky and extraordinarily complex by relying on reinsurer's experience in providing academic services and specialized technical consultation according to market needs and trends. In this connection, the Company has also been managing the credit risk of reinsurance partners and concentration risk in order to ensure that the risk transfer is properly managed and that the company can perform contractual obligations when obligations become due. Additionally, the performance of reinsurance arrangement has been regularly monitored and reinsurance strategies are also reviewed annually in response to changes in the market and the company's risk profile.

Overall, the Company has been exposed to insurance risk, which is lower than other risks as the Company's underwriting guideline and processes are consistent with the risk exposure, and the Company has mitigated insurance risk through strong reinsurers. Moreover, the movement of insurance risk has slightly changed so there is no significant impact on the Company's capital fund.

Unit: Million Baht

Item	Book value	
	2025	2024
Net reinsurance contract assets ^{/1}	325.19	581.43
- Reinsurance contract assets	362.40	608.84
- Reinsurance contract liabilities	37.21	27.41

Note 1. Net reinsurance contract assets^{/1} are calculated from reinsurance contract assets – reinsurance contract liabilities
 2. Book value refers to assets and liabilities assessed under financial reporting standards with the main objective of informing investors of the economic value of insurance contract liabilities which conforms with Thailand's accounting standards. Such value has been affirmed by certified public accountants.

5. Values, Methodologies, and Assumptions for Evaluating Insurance Liabilities

5.1 Book value

Please see note 3 to the financial statements "Material accounting policies", sub-topic 3.1 "Insurance contracts", note 4 to the financial statements "Significant accounting judgments and estimates", sub-topic 4.3 – 4.9 and note 45 to the financial statements "Sensitivity analysis to market risk variables" in the 56-1 One Report 2025, page 204 – 226, 238 – 241, and 340 which is published on the Company's website as follows:

[\[EN\] BLA One Report 2025](#)

Unit: Million Baht

Item	Book value	
	2025	2024
Net insurance contract liabilities ¹	257,698.50	265,819.89
- Insurance contract assets	28.98	26.36
- Insurance contract liabilities	257,727.48	265,846.25

Note 1. Net insurance contract liabilities¹ are calculated from insurance contract liabilities – insurance contract assets
 2. Book value refers to assets and liabilities assessed under financial reporting standards with the main objective of informing investors of the economic value of insurance contract liabilities which conforms with Thailand's accounting standards. Such value has been affirmed by certified public accountants.

5.2 Appraisal value

Reserves for Long-term Insurance Contracts

Under appraisal value basis, reserves for long-term insurance contracts are calculated by using gross premium valuation method (this reserve is also used for calculating risk-based capital). Gross premium valuation (GPV) is an actuarial approach for estimating reserves, using the current assumptions, which are the best estimate at that time and provision of adverse deviations (PAD) of that assumption, according to the OIC's regulations.

Reserves for Short-term Insurance Contracts

Reserves for short-term insurance contracts consist of loss reserves and outstanding claims including premium reserves.

Loss Reserves and Outstanding Claims

Under appraisal value basis, loss reserves and outstanding claims are the estimation of unpaid claims on reported dates, including incurred but not reported claims. This reflects the best estimation of reserves on reported dates based on historical data and company experience with provision of adverse deviations (PAD) according to the OIC's regulations.

Premium reserves

Under appraisal value basis, premium reserves are the higher value between unearned premium reserves (UPR) and unexpired risk reserve (URR). UPR is the amount of premium applicable to the portion of the remaining period, while URR is the best estimate of claims in the remaining period with provision of adverse deviations (PAD) according to the OIC's regulation. Premium reserves are calculated before commission and brokerage.

The Company's technical reserve and due to insured are shown in table below:

Unit: Million Baht

Item	Appraisal value	
	2025	2024
Technical reserves (gross of reinsurance)		
(1) Long-term technical reserves	261,524.11	260,802.60
(2) Short-term technical reserves		
(2.1) Claim reserves ¹	571.95	587.74
(2.2) Premium reserves ²	1,525.63	1,430.02
Due to insured	2,505.35	2,202.22

- Note**
1. Claim Reserves¹: Claim reserves consist of reserves for reported claims that remain unpaid and claims for which payments are still ongoing, as well as claims that have been incurred but not yet reported (IBNR). These reserves also include both allocated loss adjustment expenses (ALAE) and unallocated loss adjustment expenses (ULAE).
 2. Premium Reserves²: Premium reserves represent the higher of the unexpired risk reserve for policies that remain in force before reinsurance, and the unearned premium reserve before reinsurance.
 3. Appraisal value refers to the value of insurance contract liabilities assessed in accordance with the notification of the Office of the Insurance Commission regarding the valuation of assets and liabilities of life insurance companies. The primary purpose of this valuation is to supervise the financial stability of insurance companies and to ensure that insurers are able to fully meet their obligations under insurance contracts to policyholders. The valuation must be performed by a licensed actuary appointed by the Registrar, in accordance with generally accepted actuarial principles. The assumptions used in the valuation must be consistent with the company's actual experience. Where the company does not have sufficient data, industry experience may be used and adjusted to reflect the specific characteristics of the company's insurance portfolio. In addition, the insurance reserves must include a Provision of Adverse Deviation (PAD) as prescribed by the Office of the Insurance Commission.
 4. The value of insurance contract liabilities may differ significantly between book value and appraisal value due to different objectives and methodologies applied in respective valuation approaches. Users of this information should carefully consider and understand the purposes and valuation methodologies of both approaches before making any decision based on such information.

6. Company's Investment

Investment Policy

The Company has obligations and responsibilities for its long-term commitments to the policyholders. Therefore, the investment policy is emphasized on risk management aiming to prevent the Company's investment assets from depreciation, along with earning investment return at an acceptable level.

Objective

The Company has long-term commitments to the policyholders. In order to achieve the objective, we emphasize on Asset-Liability management by matching maturity of investment assets to liabilities arising from future obligations. Consequently, liquidity risk and interest rate risk are minimized.

Investment Process

The Company's investment process consists of 4 parts:

1. Investment Diversification: In order to minimize investment risk, the Company diversifies its investment into various asset classes appropriately, focusing its investment in long-term debt securities to match financial obligations and ensuring that each of these asset classes and allocations complies with the rule regulated by OIC.

2. Risk Management: As the Company strongly emphasizes the protection of investment asset principal, the Company focuses on investing in government bond and state-owned enterprise bond, both guaranteed and non-guaranteed by the Ministry of Finance. The rest of the portfolio, which is relatively small, is invested in more risky assets, such as equity, unit trust, and corporate debenture, in order to enhance investment return at an acceptable risk level.

3. Selection Process: Rigorous and careful selection process will be carried out prior to investment in each financial asset. For government bond analysis, both domestic and global economic factors are taken into account to determine interest rate movement and level of bond yield. For more risky assets, such as equity and corporate debenture, both top-down and bottom-up analyses are conducted to ensure that the underlying securities are fundamentally suitable.

4. Evaluation Process: Investment performance is tracked periodically for the purpose of adjusting portfolio allocation according to changing in market environment, and assuring that the investment is on plan.

Asset Valuation Methods Used for Preparation of Financial Statements

The Company uses different methods of asset valuation as follows:

Asset Class	Valuation methods
1. Bonds, debentures, promissory notes and bills of exchange issued by the government, central bank, state-owned enterprise, state organization or local governments in Thailand, both guaranteed and not guaranteed, <u>issued in Thai Baht</u>	Clean Price provided by ThaiBMA
2. Bonds, debentures, promissory notes and bills of exchange issued by the government, central bank, state-owned enterprise, state organization or local governments in Thailand, both guaranteed and not guaranteed, <u>issued in foreign currency</u>	Clean Price provided by ThaiBMA and Bloomberg
3. Bonds, debentures, promissory notes and bills of exchange issued by financial institutions, securities company or insurance company	Asset price provided by bank and clean price provided by ThaiBMA (Bank valuation method based on discounted cash flow using IRS curve, which reflects Bank's cost of fund, or government yield curve)
4. Bonds, debentures, promissory notes and bills of exchange issued by corporate	Clean price provided by ThaiBMA and Bloomberg
5. Equity listed on the Stock Exchange of Thailand, MAI, and other listed companies which are listed on OIC provided index.	Bid price
6. Investment in associated companies and subsidiaries/other equity investments	Price to book value ratio and Dividend discount model
7. Unit trust	Use Bid price for unit trust listed on Exchange market Use Net asset value (NAV) for unit trust not listed on Exchange market
8. Warrants to purchase ordinary shares/ debentures/unit trusts / other	Bid price
9. Mortgage loan	Amortized cost using effective interest rate (EIR) less allowance for impairment
10. Policy loan	Discounted cash flow
11. Person guaranteed loan	Amortized cost using effective interest rate (EIR) less allowance for impairment
12. Cash/Deposit at financial institute/Negotiable Certificate of Deposit (NCD)	Book value

Investment Assets

Unit: Million Baht

Asset classes	As of 31 December			
	2025		2024	
	Book value	Appraisal value	Book value	Appraisal value
Deposits at financial institutions	2,949.87	2,949.87	2,326.34	2,326.34
Debt securities	264,547.20	264,547.20	252,232.14	265,128.77
Equity securities	12,689.62	12,690.81	17,299.67	17,298.53
Policy loans		12,173.37		11,305.64
Loans	497.23	496.91	1,113.11	1,113.05
Derivatives	2,250.43	2,250.43	999.97	999.97
- Derivative assets	2,294.03	2,294.03	1,048.12	1,048.12
- Derivative liabilities	43.60	43.60	48.15	48.15
Other investments	27,938.00	27,938.00	22,715.13	22,715.13
Investment properties	122.75	122.75	121.66	121.66
Total investment assets	310,995.10	323,212.63	297,904.29	322,105.36

Note

1. Book value refers to assets and liabilities assessed under financial reporting standards with the main objective of informing investors of the economic value of insurance contract liabilities which conforms with Thailand's accounting standards. Such value has been affirmed by certified public accountants.
2. Appraisal value refers to assets and liabilities assessed under the Announcement of the Office Insurance Commission (OIC) on assets and liabilities appraisal for the purpose of overseeing the financial security of insurance companies and to ensure that the company is able to deliver its commitment to the policyholders.
3. Policy loans are not disclosed in investment assets (book value). Investment assets (appraisal value) refer to the definition in the notification from OIC.
4. Loans (book value) refer to "Loans and accrued interest receivables" under financial reporting standards.
5. Loans (appraisal value) refer to the "loans" defined in the notification from OIC

7. Company performance, financial review and ratios

7.1 Company performance

Please see management discussion and analysis 2025 which is published on the Company's website as follows:

[Management Discussion and Analysis 2025](#)

The Company's financial information summary is as follows:

Unit: Million Baht

Items	Book value	
	2025	2024
Insurance revenue ¹	13,234.87	12,954.75
Insurance service result ²	4,437.50	3,550.72
Net investment income ³	3,895.07	2,372.00
Other operating result ⁴	293.00	348.01
Net profit (loss) ⁵	6,967.65	4,631.38

Note

1. Insurance revenue¹ is calculated from insurance revenue from contracts measured under general measurement model and variable fee approach (GMM & VFA) + insurance revenue from contracts measured under the premium allocation approach (PAA)
2. Insurance service result² is calculated from insurance revenue – insurance service expenses – Net expenses from reinsurance contracts held
3. Net investment income³ is calculated from investment income + gain (loss) on financial instrument through profit or loss + gain (loss) on reclassification of investment – expected credit loss – impairment loss on financial instruments + gain (loss) on revaluation + gain (loss) on hedge accounting – net insurance finance expenses (income)
4. Other operating result⁴ is calculated from other finance cost + other operating expenses – gain (loss) from associates or joint ventures (under equity method) – other income – gain (loss) from sales of real estates obtained from debt settlement – gain (loss) on exchange rate
5. Net profit (loss)⁵ is calculated from insurance service result + net investment income – other operating result – corporate income taxes

7.2 Relevant ratios

Unit: %

Ratio	2025	2024
Return on equity ratio	12.63	9.64
Net combined ratio	66.47	72.59
Liquidity ratio	15,281.29	12,706.42
Asset back ratio	120.24	119.82
Return on investment ratio	3.23	3.38

Note

1. Book value refers to insurance contract liabilities in accordance with financial reporting standards.
2. Appraisal value refers to assets and liabilities assessed under the Announcement of the Office Insurance Commission (OIC) on assets and liabilities appraisal for the purpose of overseeing the financial security of insurance companies and to ensure that the company is able to deliver its commitment to the policyholders.
3. Ratios are based on Early Warning System (EWS) which the OIC established

8. Capital Adequacy

Capital Management Policy and Objective

To ensure that capital levels remain within the Company's risk appetite, the Company has established policies for assessment and stress testing under the Own Risk and Solvency Assessment (ORSA) framework. A capital management plan is implemented in conjunction with a risk assessment and monitoring system, featuring an Early Warning System (EWS) for key activities and significant risk factors.

Capital management processes

To consistently monitor and review risks that may impact operational targets, the Company has established measures based on the assumption that capital must not fall below the minimum requirements set by the Office of Insurance Commission (OIC). Key risk factors—including interest rates, capital markets, and various economic scenarios—are evaluated using the Value at Risk (VaR) methodology.

To address varying scenarios, the Company performs sensitivity tests and stress tests on these risk factors. This ensures that the Company can respond to risks through its capital management plan, capital sourcing, and other measures in an appropriate and timely manner. Furthermore, the Company has defined the roles and responsibilities of relevant departments and developed unit-level risk management plans aligned with the Company's risk appetite. Progress and results are reported to executive management, the Risk Management Committee, and the Board of Directors, and are communicated to all employees for acknowledgement.

Unit: Million Baht

Items	As of 31 December	
	2025	2024
Total assets	330,756.24	328,544.97
Total liabilities	269,785.45	267,602.30
(1) Insurance contracts liabilities ^{/1}	266,127.05	265,022.58
(2) Other liabilities ^{/2}	3,658.40	2,579.72
Shareholder's equity	60,970.79	60,942.67
Common Equity Tier 1 (CET1) to Total Capital Required (%)	377.07	440.79
Total Capital Tier 1 to Total Capital Required (%)	377.07	440.79
Capital Adequacy Ratio (CAR) (%)	377.39	441.11
Total Capital Available (TCA)	51,592.72	60,920.05
Total Capital Required (TCR)	13,670.91	13,810.61

Note

1. Insurance contract liabilities^{/1} are calculated from technical reserve (gross of reinsurance) + due to insured.
2. Other liabilities^{/2} are calculated from loans + reinsurance contract liabilities + deferred tax liabilities + corporate income tax payable + employee benefit obligations + other liabilities + derivatives + head office account
3. According to the Notification of the Office of Commission regarding "Type of Capital Fund including Rules, Procedures and Conditions for Calculating the Life Insurance Capital Fund", the Registrar may impose necessary measures to supervise a company with a capital adequacy ratio lower than Supervisory CAR according to the Notification.
4. The data above are calculated by using appraisal value according to the Notification of the Insurance Commission regarding "Asset and Liability Valuation of Life Insurance Company" and the Notification of the Office of Commission regarding "Type of Capital Fund including Rules, Procedures and Conditions for Calculating the Life Insurance Capital Fund".

9. Financial Statements and Notes to Financial Statements Audited by Certified Public Accountant

Please see financial statements on the Company's website as follows:

<https://www.bangkoklife.com/en/Investor/FinanceInfo/17>