

# 3Q19 Results Presentation

Investors and Analyst update

November 13, 2019

# Disclaimer

The information contained in our presentation is intended solely for your personal reference only. In addition, such information contains projections and forward-looking statements that reflect our current views with respect to future events and financial performance.

These views are based on assumptions subject to various risks and uncertainties. No assurance is given that future events will occur, that projections will be achieved, or that the assumptions are correct. Actual results may differ materially from those projected.



Tax Planning



Protection



Savings



Pension



Accident



Total Permanent Disability



Health & Critical Illness

# Agenda

1

**3Q19 and 9M19 performance summary**

2

**Key Highlights**

**2.1 Premiums and Business & Operation**

**2.2 Investments**

**2.3 P&L**

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**Outlook by CEO**

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**Q&A**

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**3Q19 and 9M19 performance summary**

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# Synopsis of performance in 3Q19

- **Net profit:** 3Q19 +44% YoY, bringing 9M19 to -6% YoY or +8% core profit
- **Good momentum across distribution channels**
  - **Bancassurance:** bottoming out & new partnership
  - **Agent:** many changes bear fruit with FYP +48% YoY. This came with healthy product mix and increased number of agents
  - **Other:** good growth in online and direct marketing. New partnership start to kick in
- **Investment income** improved QoQ with market opportunity allowing for sizable realized gain
- **CAR** ratio improved to 308%

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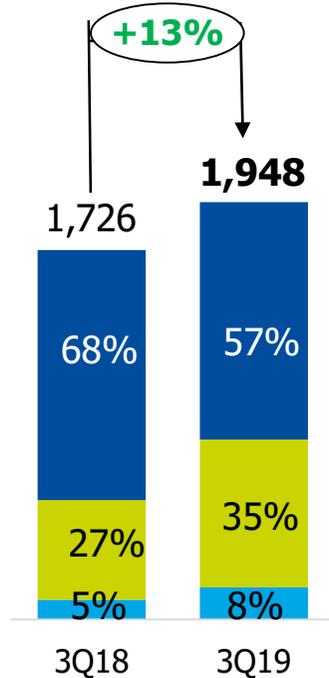
Q&A

# 3Q19: FYP +13% in line with industry

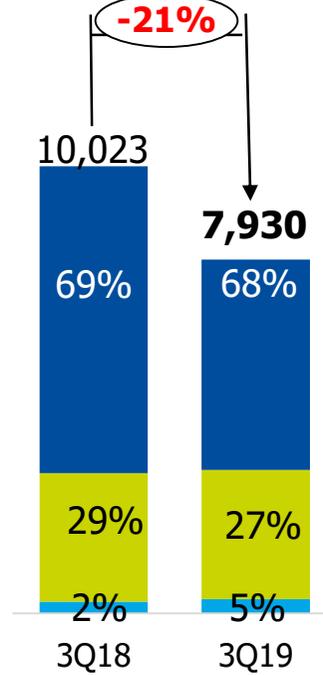
RYP -21% due to fully-paid Banc. product sold in 2017, but in line with expectation

## New Business Premium

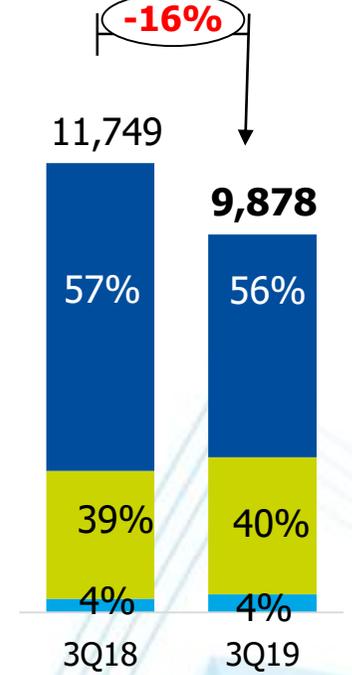
Unit : Million Baht



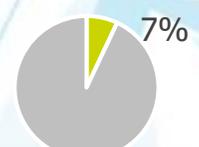
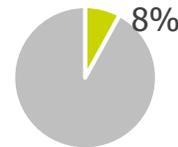
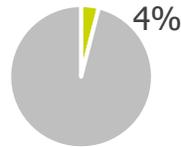
## Renewal Premium



## Total Premium



## Market Shares



## Industry Growth

+14%

-3%

+1%

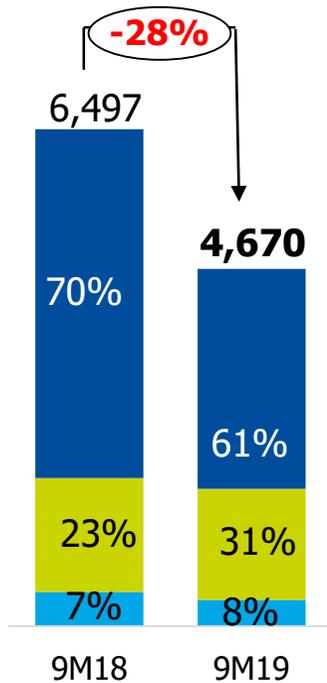
# 9M19: FYP -28%

FYP from agency channel increases from 23% to 31% in channel mix

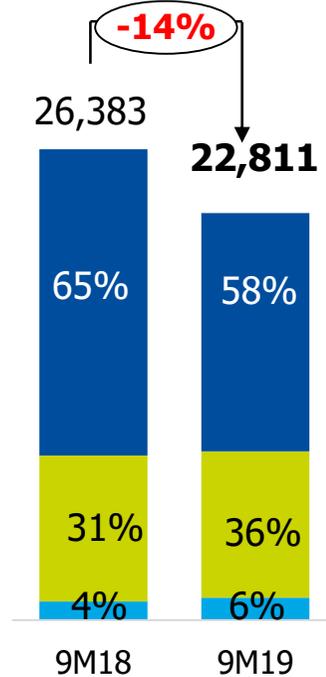
## New Business Premium

Unit : Million Baht

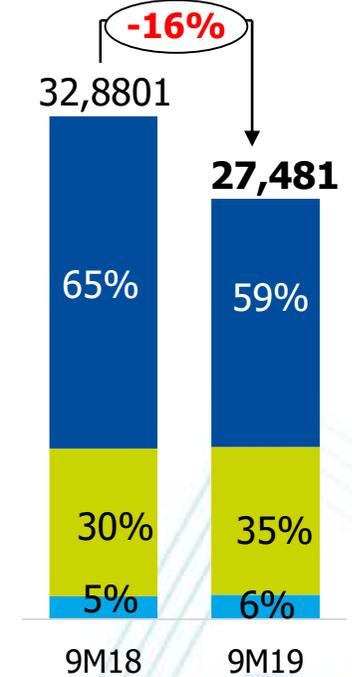
- Bancassurance
- Agent Channel
- Others



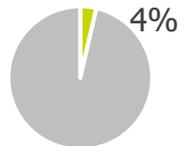
## Renewal Premium



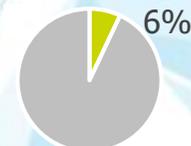
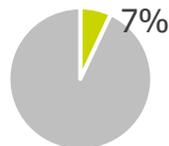
## Total Premium



### Market Shares



### Industry Growth

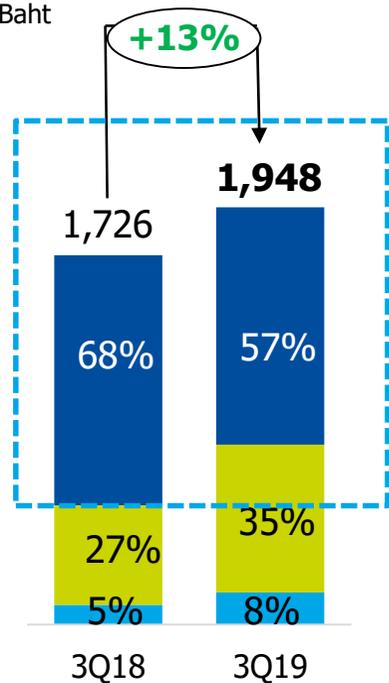


# Banca: 3Q19 FYP -5%

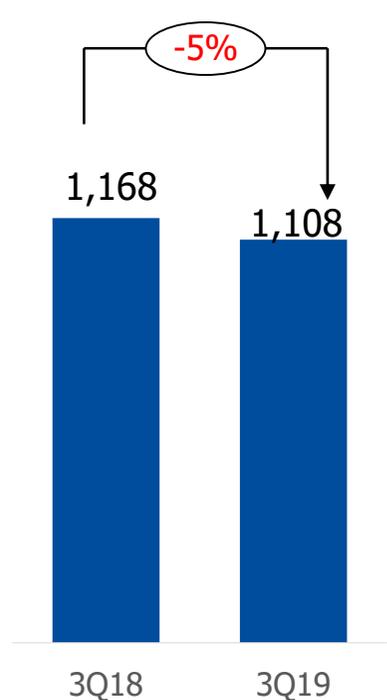
TISCO accounts for 23% of bancassurance channel this quarter

## New Business Premium

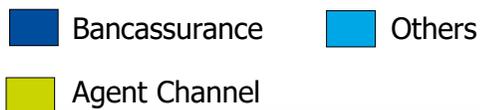
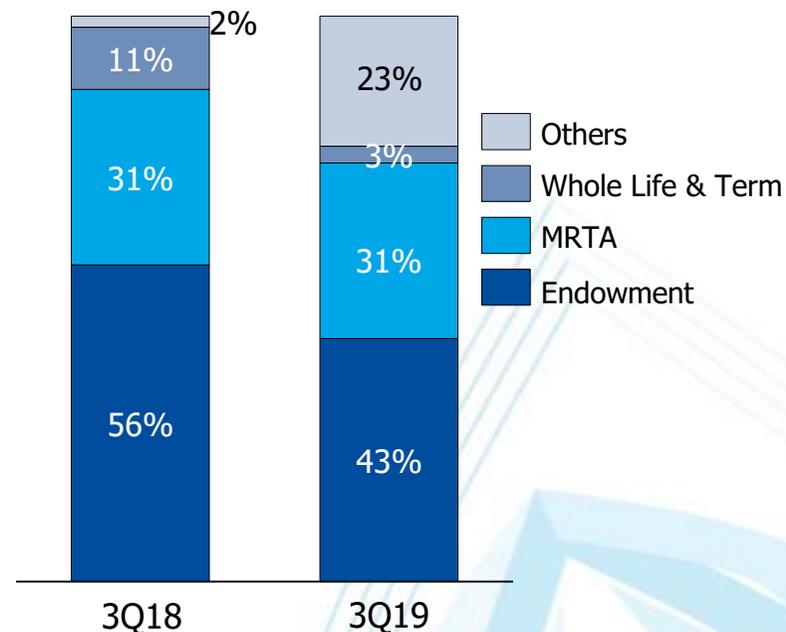
Unit : Million Baht



## New Business Premium Bancassurance



## Product Mix Bancassurance

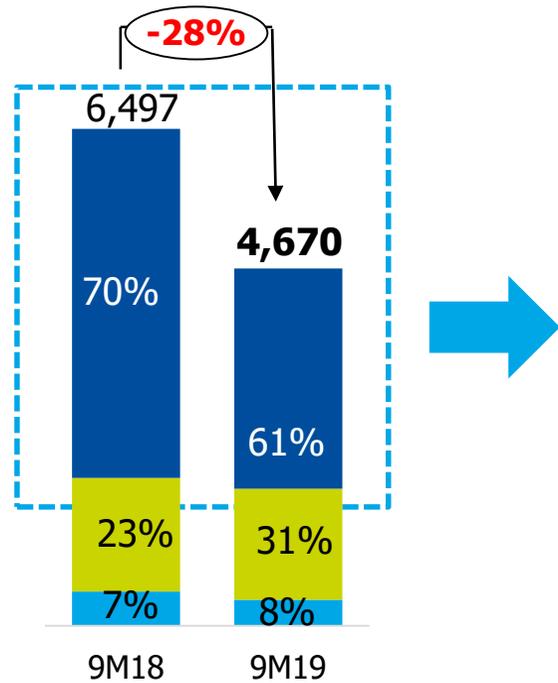


# Banca: 9M19 FYP -37%

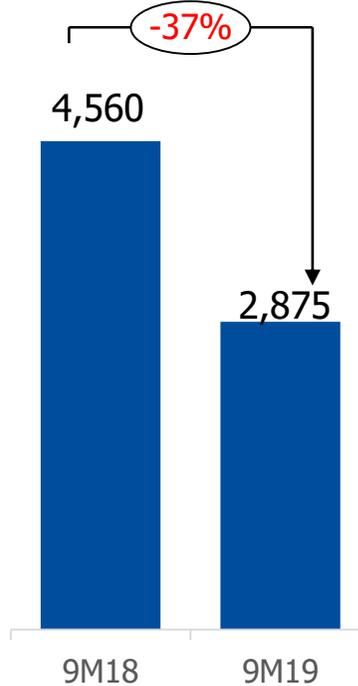
But we're seeing good sign going forward

## New Business Premium

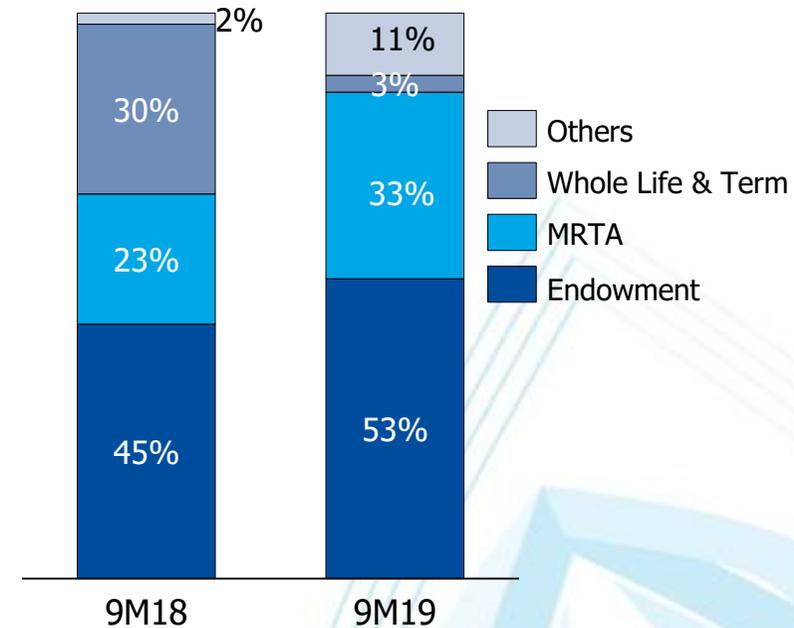
Unit : Million Baht



## New Business Premium Bancassurance



## Product Mix Bancassurance



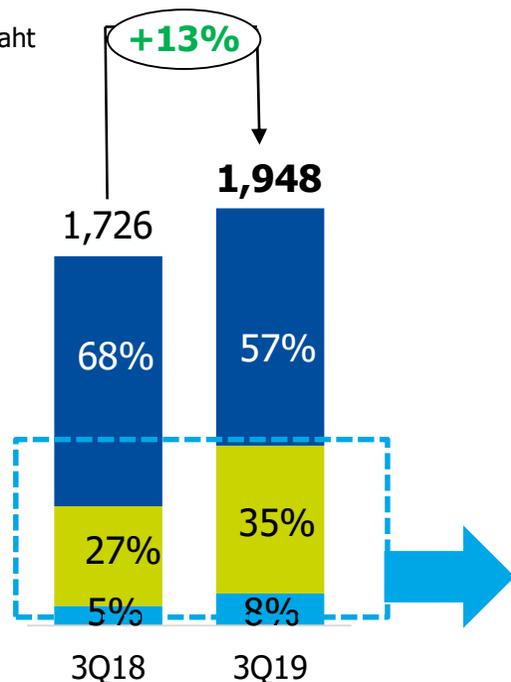
- Bancassurance
- Agent Channel
- Others

# Agent: 3Q19 FYP +48%

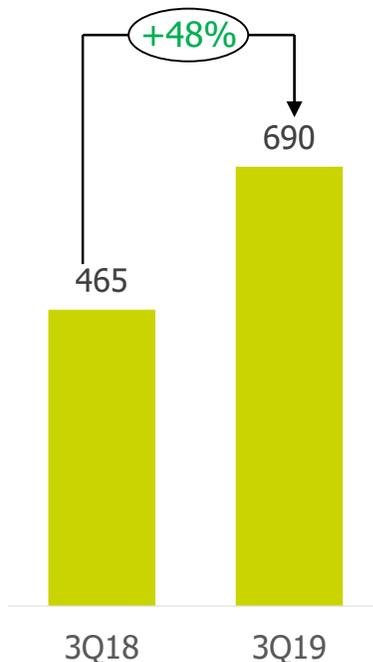
Many changes that took place resulted in +30% in WL & +91% in endowment

## New Business Premium

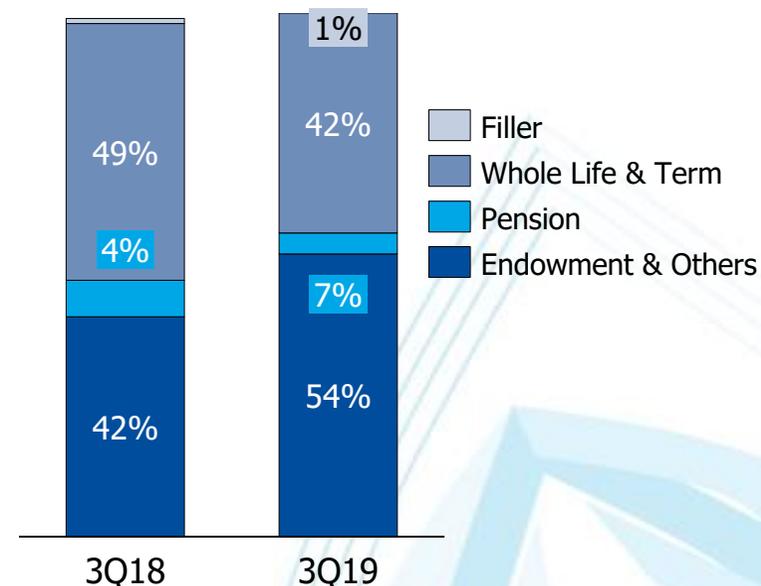
Unit : Million Baht



## New Business Premium Agent Channel



## Product Mix Agent Channel



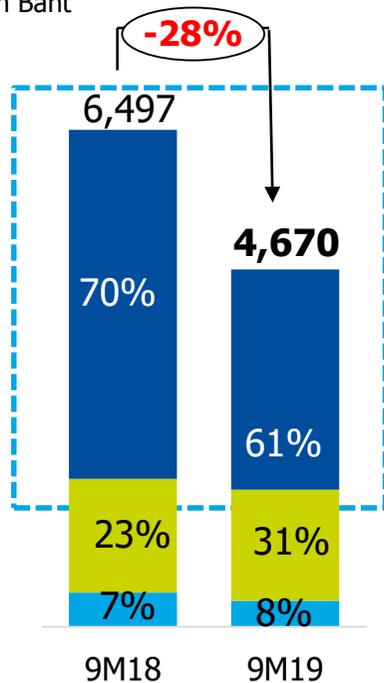
■ Bancassurance ■ Others  
■ Agent Channel

# Agent: 9M19 FYP -2%

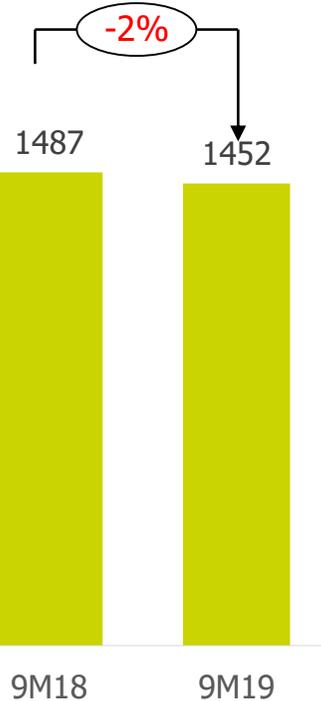
Some highlights are: filler down from 9% to 1%, Rider attachment up from 13% to 17%

## New Business Premium

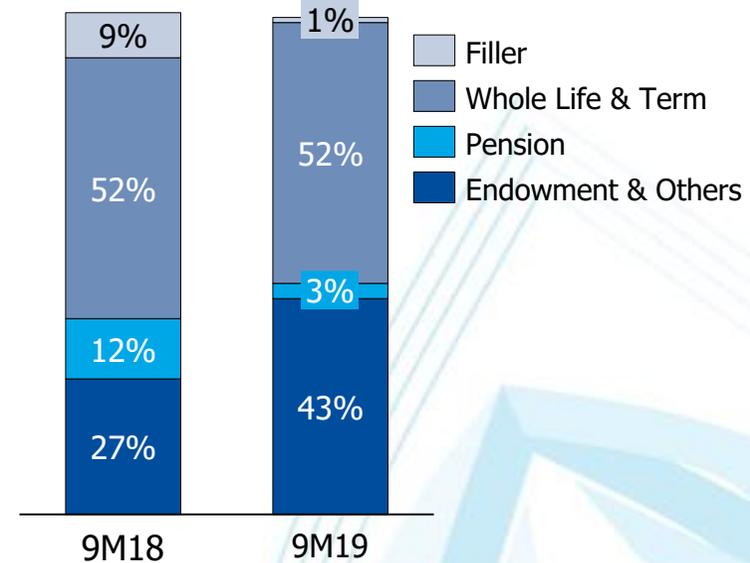
Unit : Million Baht



## New Business Premium Agent Channel



## Product Mix Agent Channel



■ Bancassurance ■ Others  
■ Agent Channel

**Riders Attachment**      **13%**      **17%**

# “Other channels” seeing positive momentum

วางแผนลดหย่อนภาษีด้วยประกันออนไลน์  
สมัครง่าย ๆ ด้วยตัวเอง ตลอด 24 ชม.



**สะดวกสบาย**  
ชำระเบี้ยพร้อมรับ  
กรมธรรม์ทาง  
ออนไลน์ได้ทันที



**รวดเร็ว**  
รับความคุ้มครอง  
และออกกรมธรรม์  
ภายใน 1-2 วันทำการ



**มั่นใจ ปลอดภัย**  
ทุกธุรกรรม  
ด้วยมาตรฐาน  
ISO 27001



**สบายใจกับบริการ**  
หลังการขายด้วย  
บริการ Call Center  
24 ชม.



**Online:** 9M19 FYP +268% YoY

**Direct marketing:** 9M19 FYP +9% YoY



## New partnership

- Started selling through 2 new partners
- Expect to start selling with 2 additional partners shortly
- Several other partnerships in advance negotiation

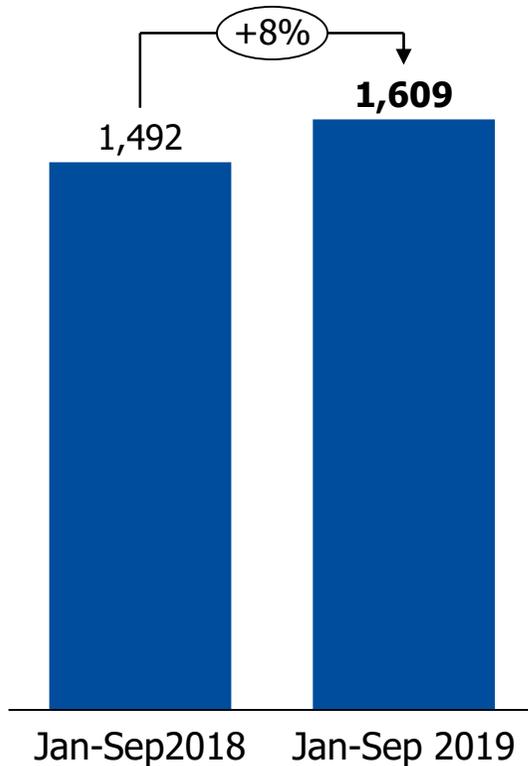
# AGENT CHANNEL



# Agent Development

New licensed agent has increased 8% from previous year.

## New Licensed Agent



## Outstanding Agent & FA

Number of Agent & FA	Person
Total Outstanding Agent	16,743
Total Financial Advisor (FA)	1,387

# Core Strategies and Plans

- Eight areas from interested agents are in the process of checking the qualifications to open their agency offices.
- Prepare for the opening of the agency office next year.

**1. Agency Office Expansion**

**Encourage agency office opening**

To drive sales volume and generate VNB.

**2. SMART Agent Program**

**Full time guarantee program for new agents**

To drive new agents and improve agent capability.

- Opened 5 batches at HO (1<sup>st</sup> and 3<sup>rd</sup> batch), Pitsanulok, Chiang Mai and Phetchabun.
- The 6<sup>th</sup> batch, Chonburi is on selection process.
- The 7<sup>th</sup> batch, the last batch of this year will be operated at HO.

- Ongoing activities of all agency groups for the last quarterly plan to drive sales volume.

**3. Agency group restructuring & Broker distribution**

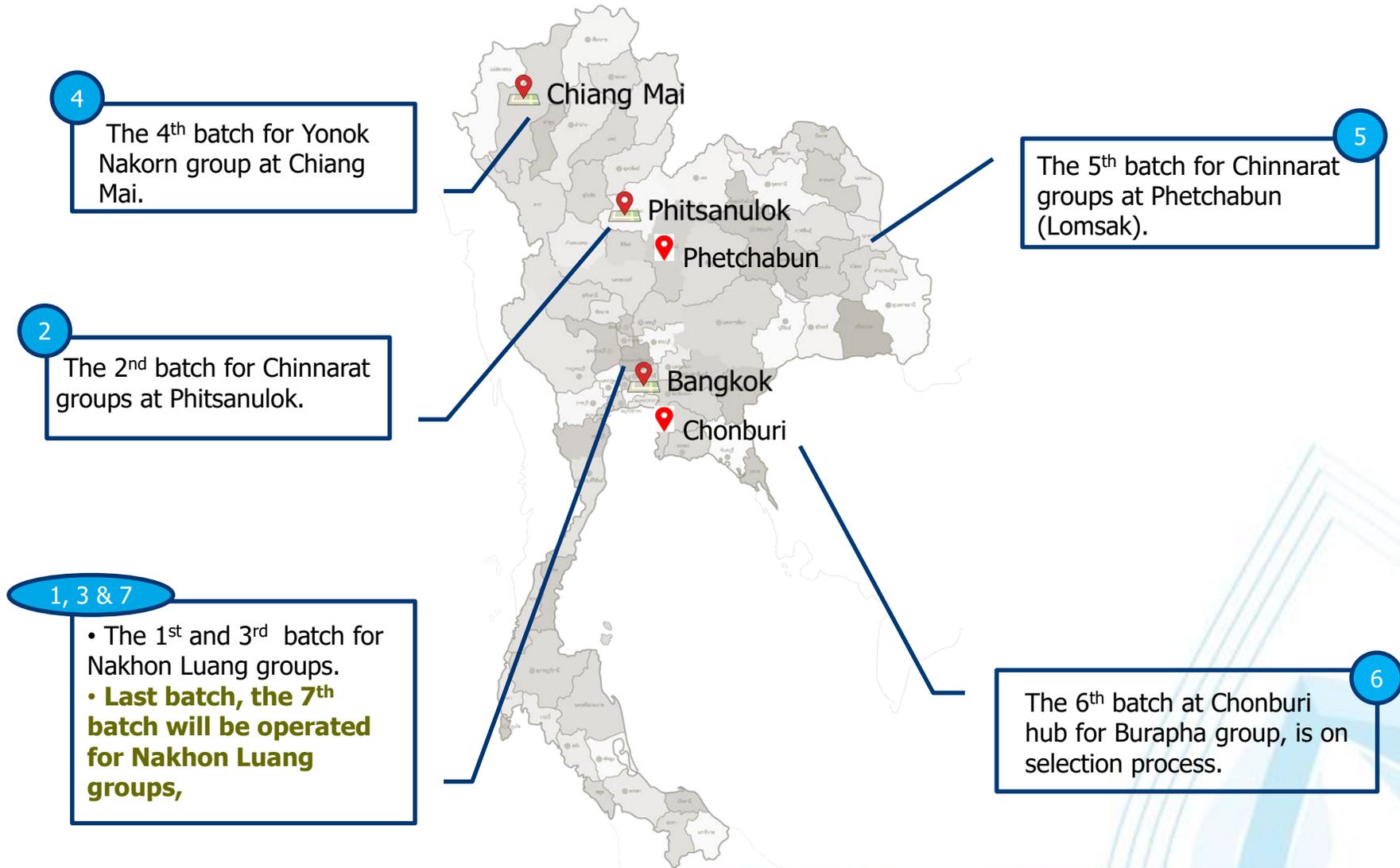
- **Push strategy to drive sales by appropriate agency groups.**
- **Broker expansion, new distributors to drive sale volume.**

**4. BLA Station**

**New dimension of worldwide learning and information warehouse for agents.**

- Grand opening for BLA Hot News in September, the news station in BLA sales promotion station for 1) motivate and report sales production of agency groups 2) encourage competition campaigns 3) communication of new products and special news from BLA.
- Updated market conduct from OIC and new exam testing to improve passing rate of new agents at BLA PATANA station.

# Smart Agent Program : Progression



# Agency Group Restructuring : Progression

Last quarterly plan to drive sales volume of agency groups.

## Nakarat 1 group



## Nakhon Luang 4 group



# BLA Station : BLA Hot News

Videos Share

BLA HOTNEWS ตอนที่ 1

**โค้งสุดท้าย**  
**NIPPON LIFE Chairman Trophy**  
มอบถ้วยชนะเลิศจาก Mr. Yoshinabu Tsutsui Chairman of Nippon Life Insurance Company

ผลงาน ระดับต้น	ผลงาน ระดับผู้ชนะเลิศ
FYP สูงสุด 50 ล้านบาท	FYP สูงสุด 50 ล้านบาท
จำนวนสาย 50 สาย	จำนวนสาย 50 สาย

ร่วม 200 คนได้ประโยชน์  
เพื่อชีวิตที่ดีขึ้นของคนไทย  
คุณหญิง พุฒิกานต์  
ระดับต้นต้นกล้า (ผู้ชนะเลิศการแข่งขัน)

พิเศษ!!  
พ่วง 20 ล้านบาท  
กับเงินรางวัล

ในสาขาตอนต้น  
สิงหาคม 2562 นี้

BLA HOTNEWS ตอนที่ 1

วิดีโอ

ผลผลิตประจำทัพ ประจำเดือน ตุลาคม 2562 (ณ วันที่ 14 ตุลาคม 2562) LIVE

รายชื่อทัพ	เป้า FYP (ล้านบาท)
ทัพนครหลวง 1	15 ล้านบาท
ทัพนครหลวง 2	11 ล้านบาท
ทัพนครหลวง 3	25 ล้านบาท
ทัพนครหลวง 4	10 ล้านบาท
ทัพนครหลวง 5	16 ล้านบาท
ทัพสุวรรณภูมิ	2.5 ล้านบาท
ทัพบุรพา	15 ล้านบาท
ทัพโยนบก	7 ล้านบาท

BLA HOTNEWS ตอนที่ 3

BLA HOTNEWS LIVE

BLA HOTNEWS ตอนที่ 2

BLA HOTNEWS ตอนที่ 2

BLA SALES PROMOTION

วิดีโอ

รายชื่อผู้ได้รับรางวัล เพชรน้ำเอก 4 ครั้ง เพื่อลุ้นการเป็น Hall of Fame LIVE

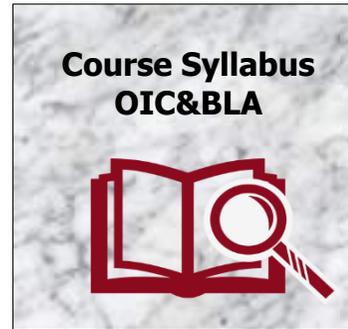
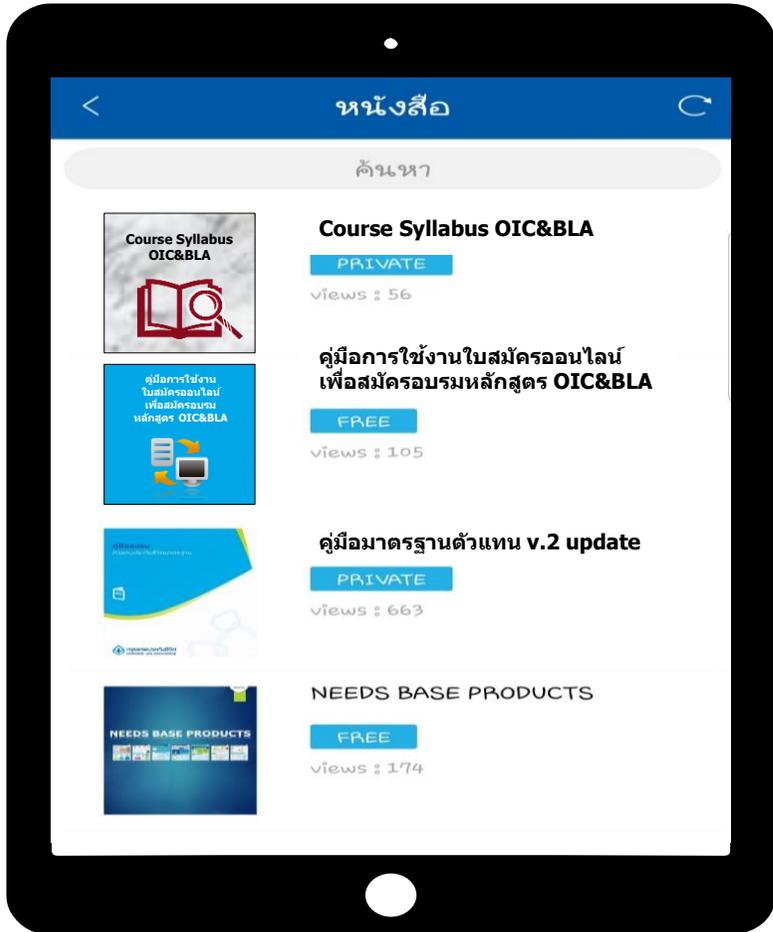
ชื่อ - นามสกุล	สาขา
คุณเพ็ญสินี อุกฤษ	สำนักงานใหญ่
คุณปรีณันท์ วัชรเรืองชัย	สาขาปทุมธานี
คุณจิตกา สีน่วม	สาขาปทุมธานี
คุณสุณี ศรีนพรัตนกุล	สาขาชลบุรี
คุณพัฒนนิภา อัครพันธ์วงศ์	สาขาสีลม
คุณสุรวาลย์ ชินทอง	สาขานครราชสีมา

BLA HOTNEWS ตอนที่ 3

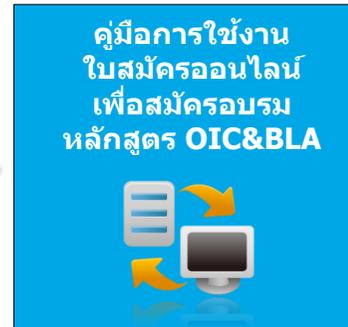
BLA SALES PROMOTION

- ## Objectives
- 1) Motivate and report sales production of agency groups.
  - 2) Encourage competition campaigns.
  - 3) Communication of new products and special news from BLA.

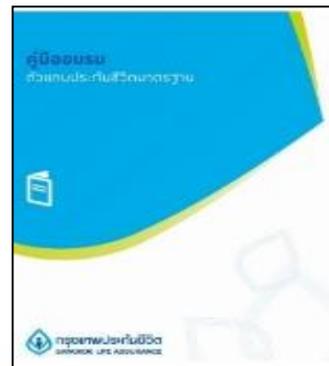
# BLA Station : Market Conduct update



Course Syllabus  
OIC&BLA

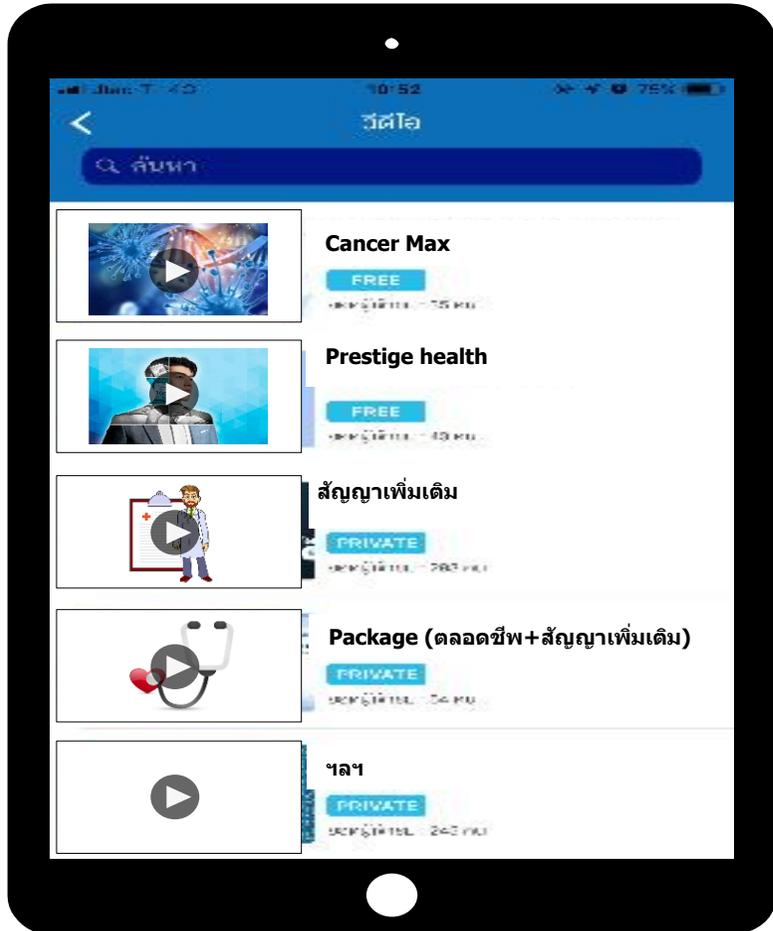


คู่มือการใช้งานใบสมัครออนไลน์  
เพื่อสมัครอบรมหลักสูตร  
OIC&BLA



คู่มือมาตรฐานตัวแทน v.2 update

# BLA Station : Exam testing and guideline update



ความรู้ข้อมูลสินค้าใหม่

Cancer Max



Package  
(ตลอดชีพ+สัญญาเพิ่มเติม)



สัญญาเพิ่มเติม



อัปเดต  
แนวข้อสอบตัวแทน

# BANCASSURANCE CHANNEL



# Become a part of TISCO Health Protection Advisory



Press conference  
17<sup>th</sup> Sep

BLA presented  
“My Care Prestige  
Health”



# New Product Launch



## Launch in OCT

- Medical Expenses up to 100 M THB worldwide
- Coverage up to 99-year old (insurable age 11-80 years old).
- Medical fee for OPD including Targeted Therapy and alternative medicine
- BLA EveryCare Health service 24/7

\*Free Cancer SA 50K THB

*\* More details can be found from Brochure*

รับประกันภัยโดย กรุงเทพประกันชีวิต  
ชีวิตที่มีความสุขมากกว่า

THB-THB  
TARGETED THERAPY  
CANCER

TISCO

TISCO My Care  
**Prestige Health**  
เสนอแผนความคุ้มครอง บีแอลเอ พรีเมียม เฮลท์

เหนือระดับ...กับความคุ้มครองสุขภาพ  
ที่ครอบคลุมมากกว่า ทุกที่ทั่วโลก

ทิสโก้ โภทาสสร้างได้ | T. 0 2633 6000 | [www.tisco.co.th](http://www.tisco.co.th) | TISCO

# Activities with BBL



Learn more about cycling and local community at the 'Road to Bangkok Bank CycleFest' amidst the lush greenery of Bang Kachao

## Cycling Activity on 30<sup>th</sup> Sep



# Activities with BBL



## Money Expo



Training, Rewarding,  
Off-site activities



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# Investment asset allocation saw minor changes

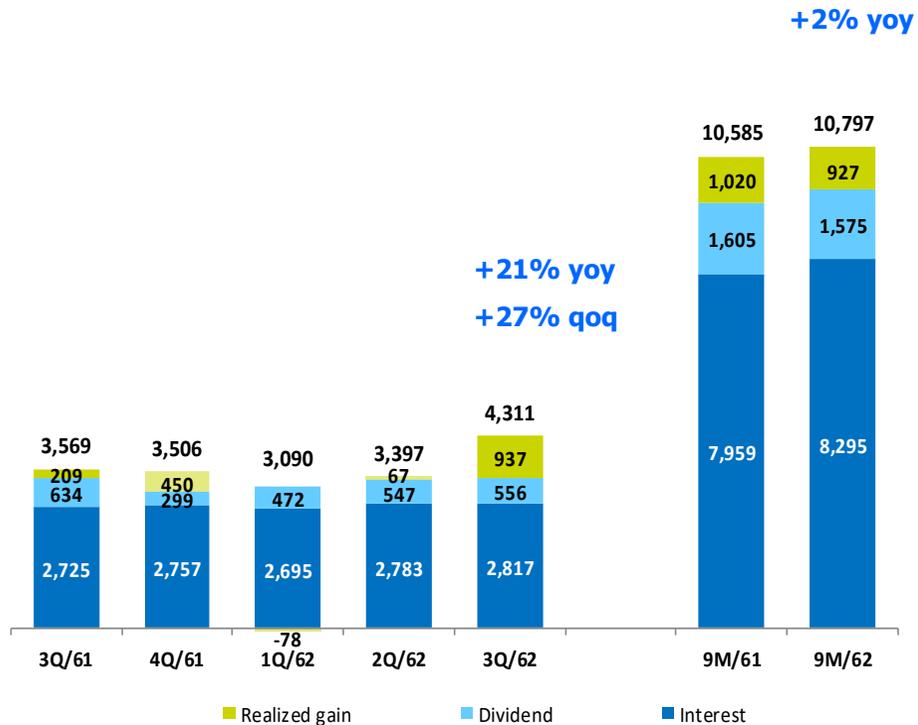
Asset Class	3Q19	2Q19	QoQ	2018	YTD
Short-term Investment	3.4%	2.1%	1.3%	5.3%	-1.9%
Bond	43.6%	44.6%	-1.0%	44.0%	-0.4%
Debenture & Notes	33.0%	33.3%	-0.3%	32.4%	0.6%
<b>Total Fixed Income</b>	<b>80.0%</b>	<b>80.0%</b>	0.0%	<b>81.7%</b>	-1.7%
Equity	8.8%	9.5%	-0.7%	8.6%	0.2%
REIT	7.5%	6.9%	0.6%	6.0%	1.5%
Loan	3.7%	3.6%	0.1%	3.7%	0.0%
- Policy loan	2.6%	2.6%	0.0%	2.5%	0.1%
- Secured loan	1.1%	1.0%	0.1%	1.2%	-0.1%
<b>Total Investment Assets (MB)</b>	<b>320,891</b>	<b>316,417</b>	4,474	<b>313,065</b>	7,826

Foreign currencies account for 9.4% of investment assets as of 3Q19  
(Fixed income 6.1%, Equity 2.0%, REIT 1.4%)

# Investment income +2% YoY

Investment yield stable QoQ while there is an uptick in ROI.

## Sources of Investment Income (MB)

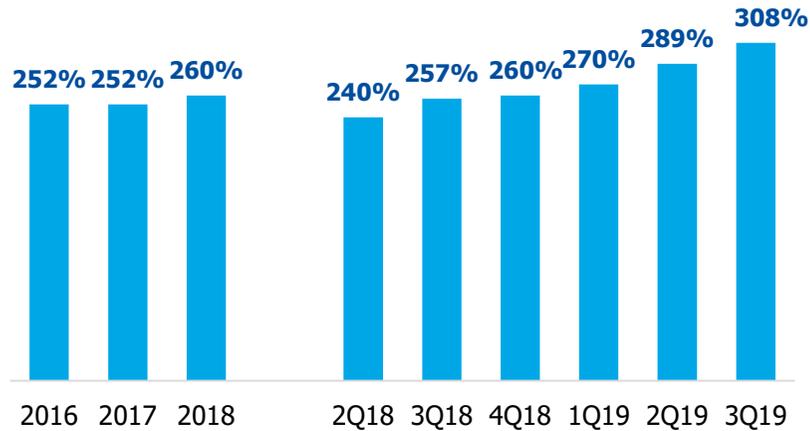


- Investment yield for 3Q19 came to 4.24% vs. 4.17% for 9M19
- 9M19 accounting ROI came to 4.56%, a slight decline from 4.63% in 9M19 due to lower dividend income and realized gain.
- AFS unrealized gain increased by Bt 5.2 bn YTD



# CAR: improved from 260% in 4Q18 and 289% in the previous quarter to 308%

**CAR (RBC)**

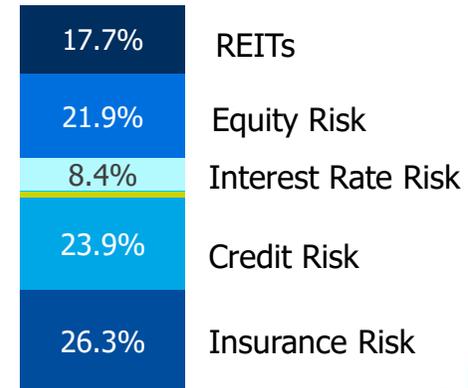


LI Company	CAR
SCBL	544%
AIA	442%
MTL	340%
TLI	390%
AZAY	290%
FWD	231%
KTAL	224%

Note: Data as of 2Q19

Source: LI Company website

**Total Capital Required (TCR)**



- TCR well diversified across major 5 risk types
- Expect RBC2 at 95% implementation from 1Q20 with neutral impact to CAR

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# 3Q19 & 9M19 Performance Summary

Million Baht	3Q19	% TNP	3Q18	% TNP	YoY	9M19	% TNP	9M18	% TNP	YoY
First year premium	1,948	20%	1,726	15%	13%	4,670	18%	6,496	20%	-28%
Renewal premium	7,930	83%	10,023	87%	-21%	22,811	87%	26,383	83%	-14%
REIN&UPR	(340)	-4%	(254)	-2%	34%	(1,142)	-4%	(1,084)	-3%	5%
<b>Total Net Premium (TNP)</b>	<b>9,538</b>	<b>100%</b>	<b>11,495</b>	<b>100%</b>	<b>-17%</b>	<b>26,339</b>	<b>100%</b>	<b>31,795</b>	<b>100%</b>	<b>-17%</b>
Investment income	4,273	45%	3,570	31%	20%	10,835	41%	10,407	33%	4%
Other income	109	1%	134	1%	-19%	444	2%	436	1%	2%
<b>Total Income</b>	<b>13,920</b>	<b>146%</b>	<b>15,199</b>	<b>132%</b>	<b>-8%</b>	<b>37,618</b>	<b>143%</b>	<b>42,638</b>	<b>134%</b>	<b>-12%</b>
Life policy reserve	4,742	50%	6,942	60%	-32%	829	3%	14,641	46%	-94%
Benefit payments	5,957	62%	5,601	49%	6%	28,268	107%	18,540	58%	52%
Commission and Brokerage	807	8%	836	7%	-4%	2,345	9%	2,710	9%	-13%
Other underwriting expense	142	1%	163	1%	-13%	431	2%	747	2%	-42%
<b>Total Underwriting Expense</b>	<b>11,647</b>	<b>122%</b>	<b>13,542</b>	<b>118%</b>	<b>-14%</b>	<b>31,873</b>	<b>121%</b>	<b>36,638</b>	<b>115%</b>	<b>-13%</b>
Operating Expense	430	5%	548	5%	-22%	1,229	5%	1,377	4%	-11%
<b>Total Expense</b>	<b>12,077</b>	<b>127%</b>	<b>14,090</b>	<b>123%</b>	<b>-14%</b>	<b>33,102</b>	<b>126%</b>	<b>38,015</b>	<b>120%</b>	<b>-13%</b>
<b>Earning before tax</b>	<b>1,843</b>	<b>19%</b>	<b>1,110</b>	<b>10%</b>	<b>66%</b>	<b>4,516</b>	<b>17%</b>	<b>4,623</b>	<b>15%</b>	<b>-2%</b>
Income Tax	(413)	-4%	(112)	-1%	270%	(783)	-3%	(632)	-2%	24%
<b>Net income</b>	<b>1,430</b>	<b>15%</b>	<b>994</b>	<b>9%</b>	<b>44%</b>	<b>3,731</b>	<b>14%</b>	<b>3,974</b>	<b>12%</b>	<b>-6%</b>
<b>EPS</b>	<b>0.84</b>		<b>0.58</b>			<b>2.19</b>		<b>2.33</b>		
LAT reserve	-		-			-		(660)		
<b>NI excl. LAT</b>	<b>1,430</b>	<b>15%</b>	<b>994</b>	<b>9%</b>	<b>44%</b>	<b>3,731</b>	<b>14%</b>	<b>3,446</b>	<b>11%</b>	<b>8%</b>

**Q319**

- FYP +13% YoY
- Inv. income + 20% YoY

**9M19**

Benefit payments increase 52% from the policies which matured in 1Q19

**9M19**

9M19 NI - 6%  
Exc. LAT +8%

# Agenda

1

3Q19 and 9M19 performance summary

2

Key Highlights

2.1 Premiums and Business & Operation

2.2 Investments

2.3 P&L

3

Outlook by CEO

4

Q&A

# 1 Distribution – branch opening, branch visit and FA seminar



## 2 Branding – SMART hospital awards, Thailand top corporate branding, and CSR projects



# Outlook

- We believe that sales from Bancassurance channel has bottom out. We're seeing positive outlook going forward
- Positive trend in agency channel FYP and recruitment after new structure is in place
- Promising outlook in business with new partnerships.

# Agenda

1

3Q19 and 9M19 performance summary

2

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2.1 Premiums and Business & Operation

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Q&A



# กรุงเทพประกันชีวิต

ชีวิตที่มีความสุขมากกว่า

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# APPENDIX



# Statement of financial positions

	30 Sep 19		31 Dec 18		Inc / Dec	
	MB	%	MB	%	MB	%
<b>Assets</b>						
Cash and cash equivalents	9,571	3%	9,826	3%	(254)	-3%
Investment assets	311,828	94%	304,221	94%	7,606	3%
Other assets	11,189	3%	10,531	3%	658	6%
<b>Total assets</b>	<b>332,588</b>	<b>100%</b>	<b>324,578</b>	<b>100%</b>	<b>8,010</b>	<b>2%</b>
<b>Liabilities and owners' equity</b>						
<b>Liabilities</b>						
Insurance contract liabilities	284,248	85%	283,281	87%	967	0%
Other liabilities	3,068	1%	2,789	1%	279	10%
<b>Total liabilities</b>	<b>287,316</b>	<b>86%</b>	<b>286,070</b>	<b>88%</b>	<b>1,247</b>	<b>0%</b>
<b>Owners' equity</b>	<b>45,271</b>	<b>14%</b>	<b>38,508</b>	<b>12%</b>	<b>6,763</b>	<b>18%</b>
<b>Total liabilities and owners' equity</b>	<b>332,588</b>	<b>100%</b>	<b>324,578</b>	<b>100%</b>	<b>8,010</b>	<b>2%</b>
<b>Owners' equity</b>						
Share capital	1,708	1%	1,708	1%	-	0%
Premium on share capital	3,361	1%	3,361	1%	-	0%
Share-based payments & Warrant	-	0%	-	0%	-	0%
Retained earnings	30,984	9%	28,479	9%	2,505	9%
Revaluation AFS & Exchange	9,181	3%	4,957	2%	4,224	85%
Non-controlling interests of the subsidiaries	37	0%	3	0%	34	958%
<b>Total owners' equity</b>	<b>45,271</b>	<b>14%</b>	<b>38,508</b>	<b>12%</b>	<b>6,763</b>	<b>18%</b>

## **ASSETS**

Short-term cash decrease from payment of maturity benefit.

Increasing of investing asset partly from FV of equity instruments.

## **Liabilities**

Ins liabilities increase from payment of maturity benefit.