

Bangkok Life Assurance Pcl.



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3Q10 Performance Update



Performance Highlights – 3Q2010



“Sluggish new business growth but healthy profit”

- ▶ **Assets +4,424 MB from 2Q10 and +13,583 from 2009**, 96.34% is investment assets which generate ROI during Jan-Sep'10 of 5.35%

>> *Equity +1,009 MB from 2Q10 and +2,139 MB from 2009 despite 420 MB dividend paid, thanks to increase in unrealized gains from LT investments*

- ▶ **New business -12.27%** YoY but Total Premium+14.91% YoY, bancassurance remains dominance sharing 77% of total FYP (56% in total)
 - Bancassurance -20.2% YoY (Credit Life +49.42%, 35.7% of total bancassurance in 3Q10)
 - Agency -8.9%
- ▶ **Reserve/Net Premium 62.04%** from 58.32% and 64.30% in 2Q10 and 3Q09 while benefits payment rose to 30.42% of net premium, due to higher policy due and claims, leading to Underwriting losses of 160 MB
- ▶ **ROI decline to 5.35% but expense ratio also declining leaving ROI-OPEX spread at 3.83% same as 2Q10 and slightly better than 3Q09's of 3.68%**

Net Profit 454 MB @0.38 +111.8% YoY (9M10 = 1,497 MB @1.25 +49.18%)

1

Assets Allocation & ROI



Balance Sheet

Unit : MB

	3Q10	%	2Q10	%	%QoQ	2009	%	%YTD
Total Assets	81,923	100.00	77,498	100.00	5.71	68,339	100.00	19.88
Investment	78,927	96.34	74,470	96.09	5.98	65,763	96.23	20.02
Net premises + equipment	332	0.40	337	0.43	(1.41)	334	0.49	(0.72)
premium receivable	1,509	1.84	1,588	2.05	(5.00)	1,135	1.66	32.90
Accrued Investment	894	1.09	880	1.14	1.60	859	1.26	4.13
Others	262	0.32	224	0.29	n.a.	248	0.36	5.31
Total Liabilities	72,552	100.00	69,137	100.00	4.94	48,463	100.00	49.71
Reserve	64,517	88.93	61,037	88.28	5.70	53,558	110.51	20.46
Unpaid Benefits	5,311	7.32	5,040	7.29	5.38	4,680	9.66	13.48
Advanced Premium	1,334	1.84	1,393	2.01	(4.26)	1,417	2.92	(5.90)
Others	1,390	1.92	1,667	2.41	(16.61)	1,452	3.00	(4.27)
Equity	9,370	12.92	8,316	12.03	12.68	7,232	14.92	29.58

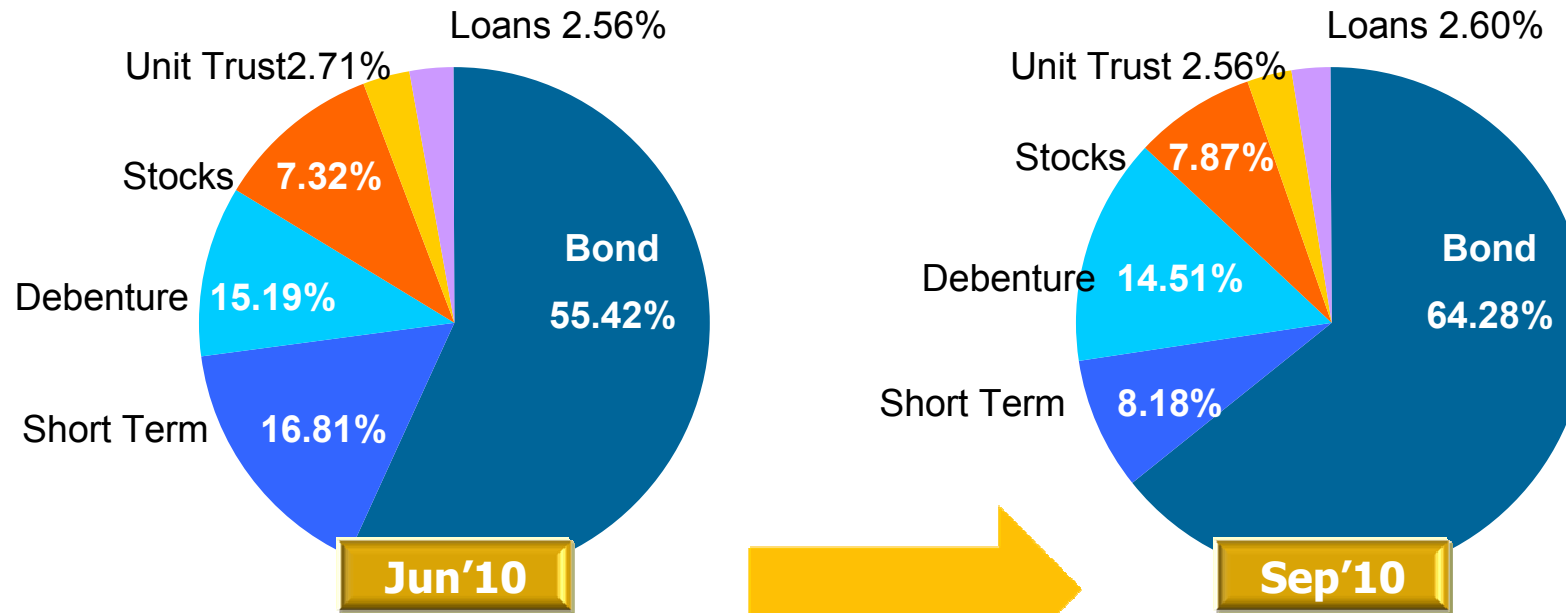
Shareholders Equity

Unit : MB

	Sep-10	Jun-10	2009
Total Equity	9,370	8,361	7,232
Paid-up Capital	1,200	1,200	1,200
Share Premium	2,700	2,700	2,700
Unrealized gain (loss)	2,094	1,299	1,033
Retain earnings	3,377	3,162	2,298

Life Policy Resere	64,517	61,037	53,558
Equity : Reserve	14.52%	13.70%	13.50%
Solvency Ratio (RBC)		190%	225%

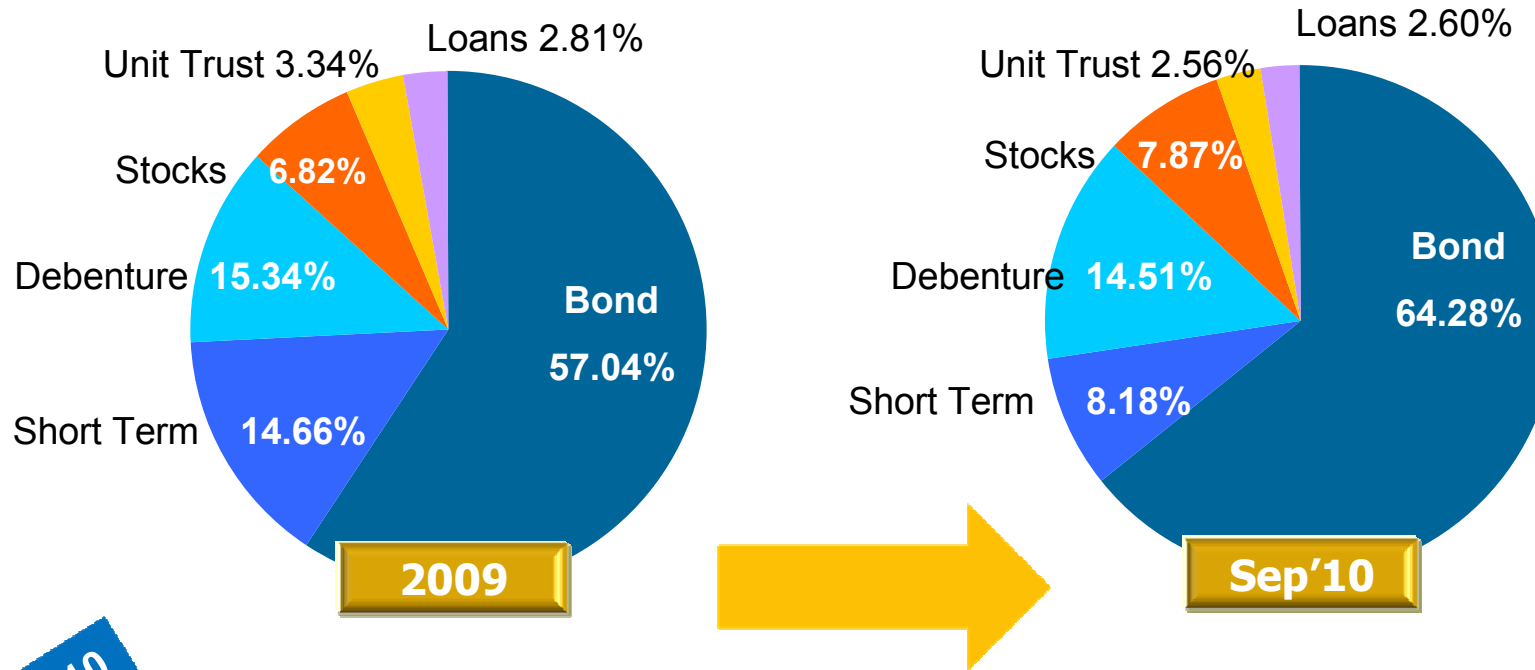
Investments – Allocation



30 Sep 10

	G-Bond	SOE	Foreign BBB ⁺ to A ⁺	
Bond (Avg. Life 12.2 yrs)	71.91%	25.40%	2.70%	
	AAA	AA ⁻ to AA ⁺	A ⁻ to A ⁺	Foreign A ⁺ to AA ⁻
Debenture (avg. 7.4 yrs)	47.8%	12.9%	28.3%	11.0%

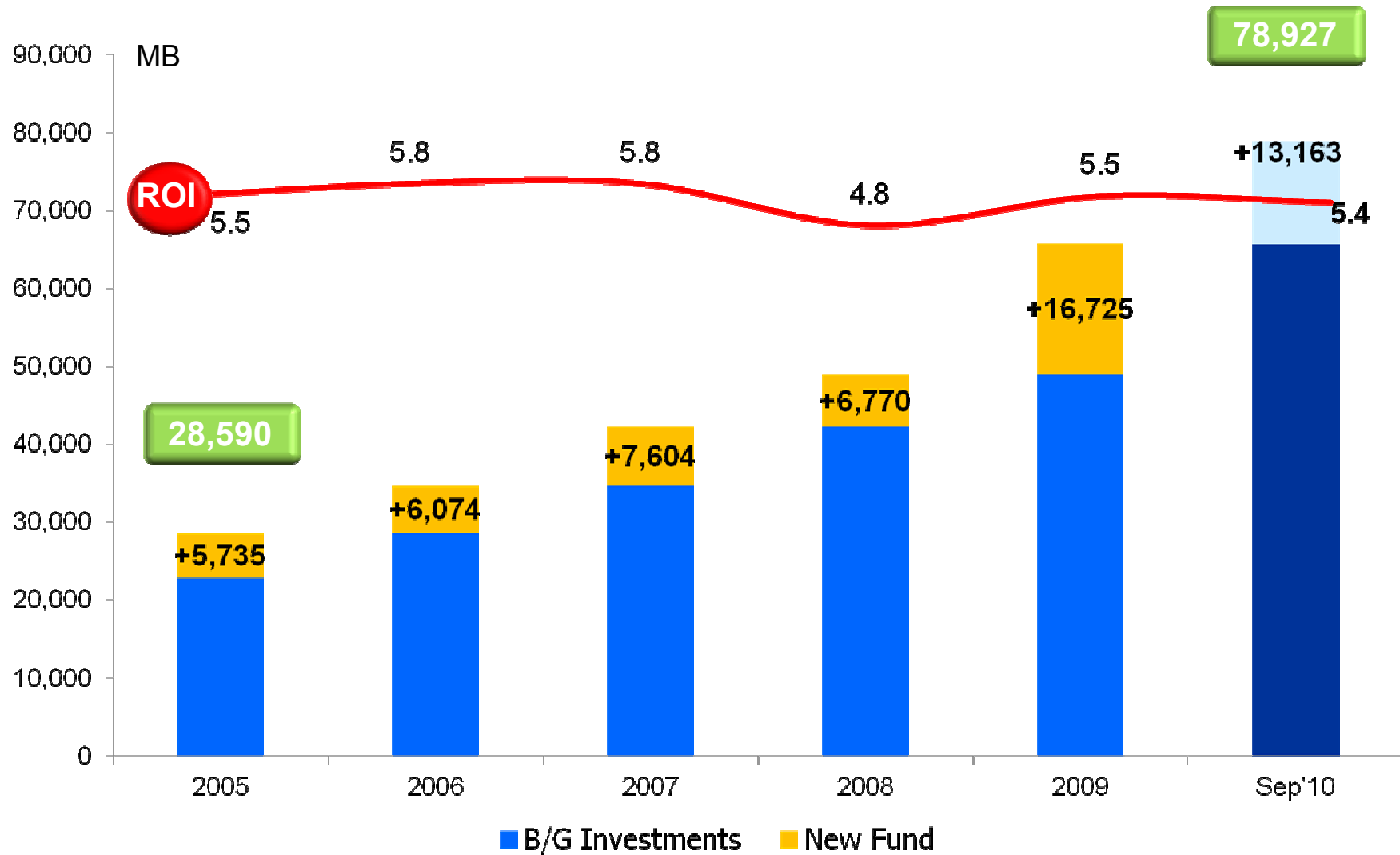
Investments – Allocation



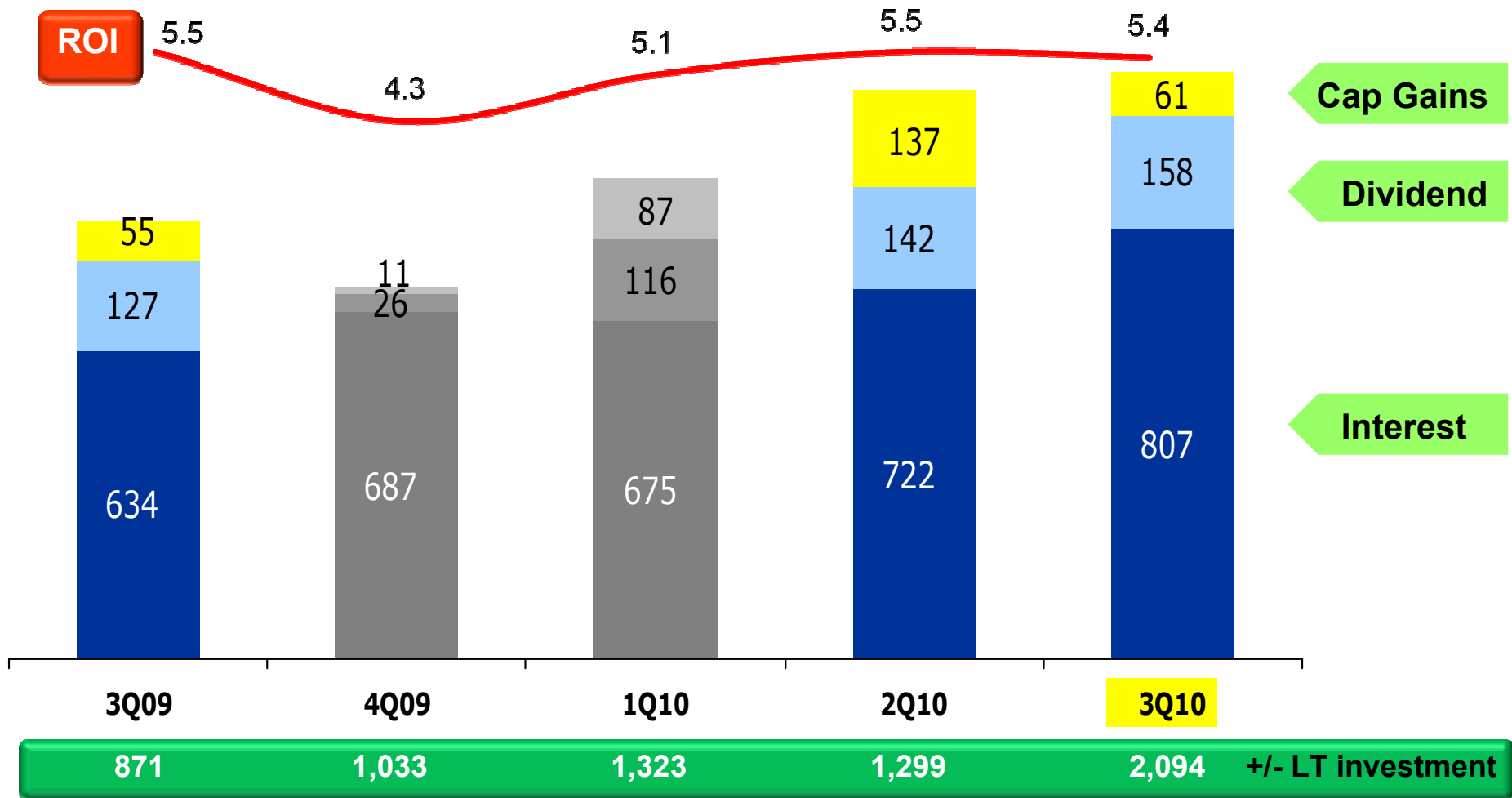
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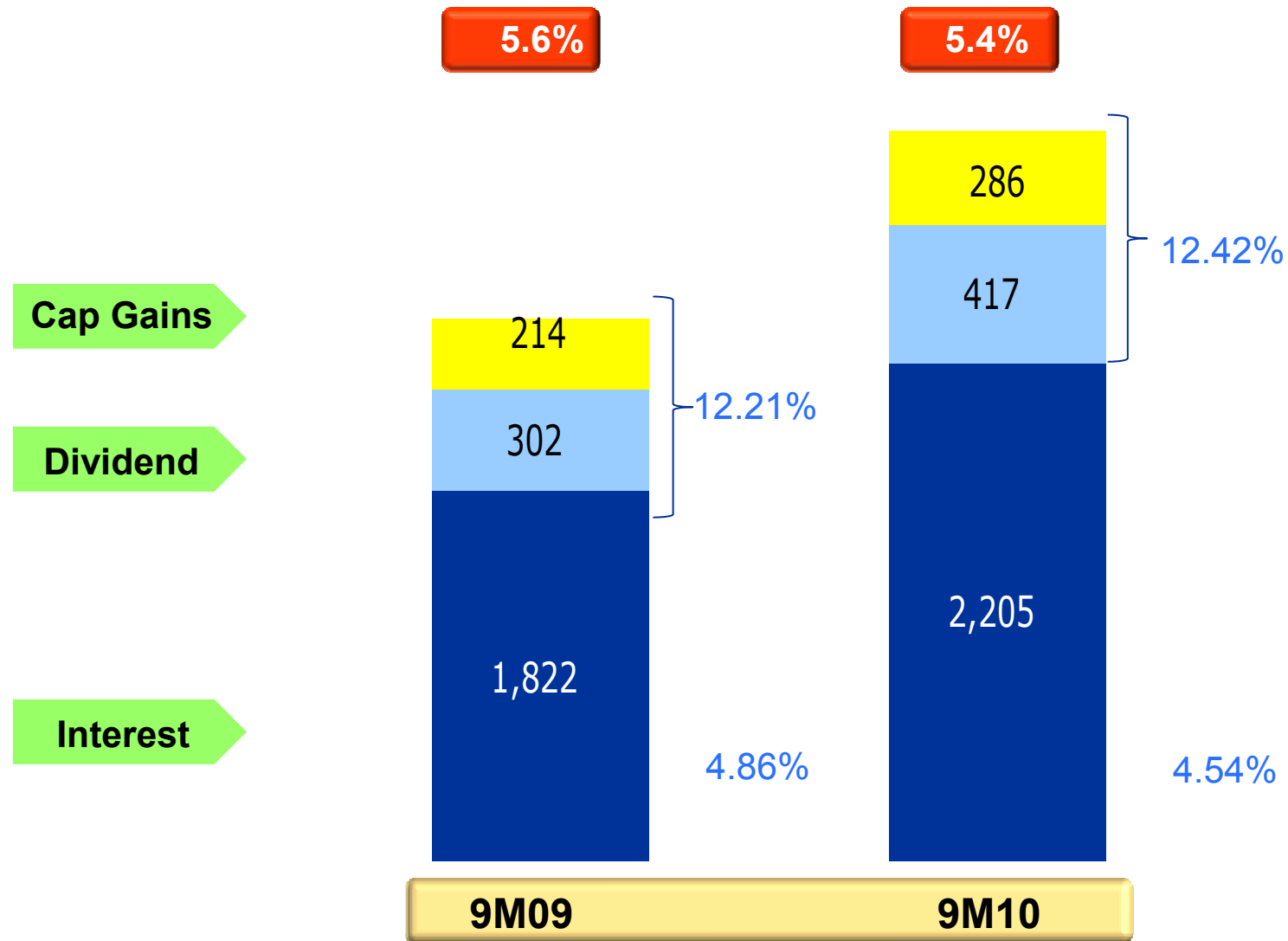
Investments



Investment – Income Breakdown



Investment – Income Breakdown



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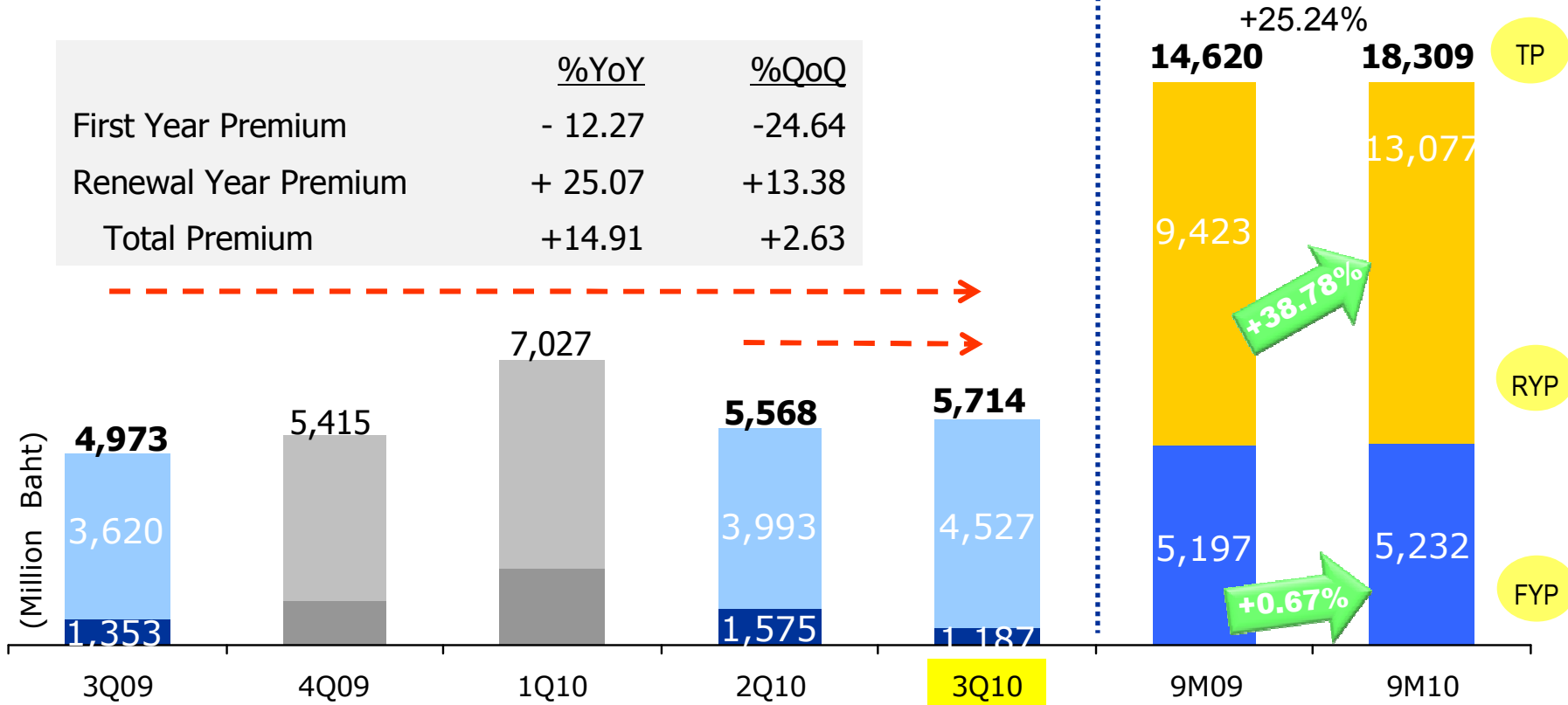
Premium Production



Premium Growth - All Type



	<u>%YoY</u>	<u>%QoQ</u>
First Year Premium	- 12.27	-24.64
Renewal Year Premium	+ 25.07	+13.38
Total Premium	+14.91	+2.63



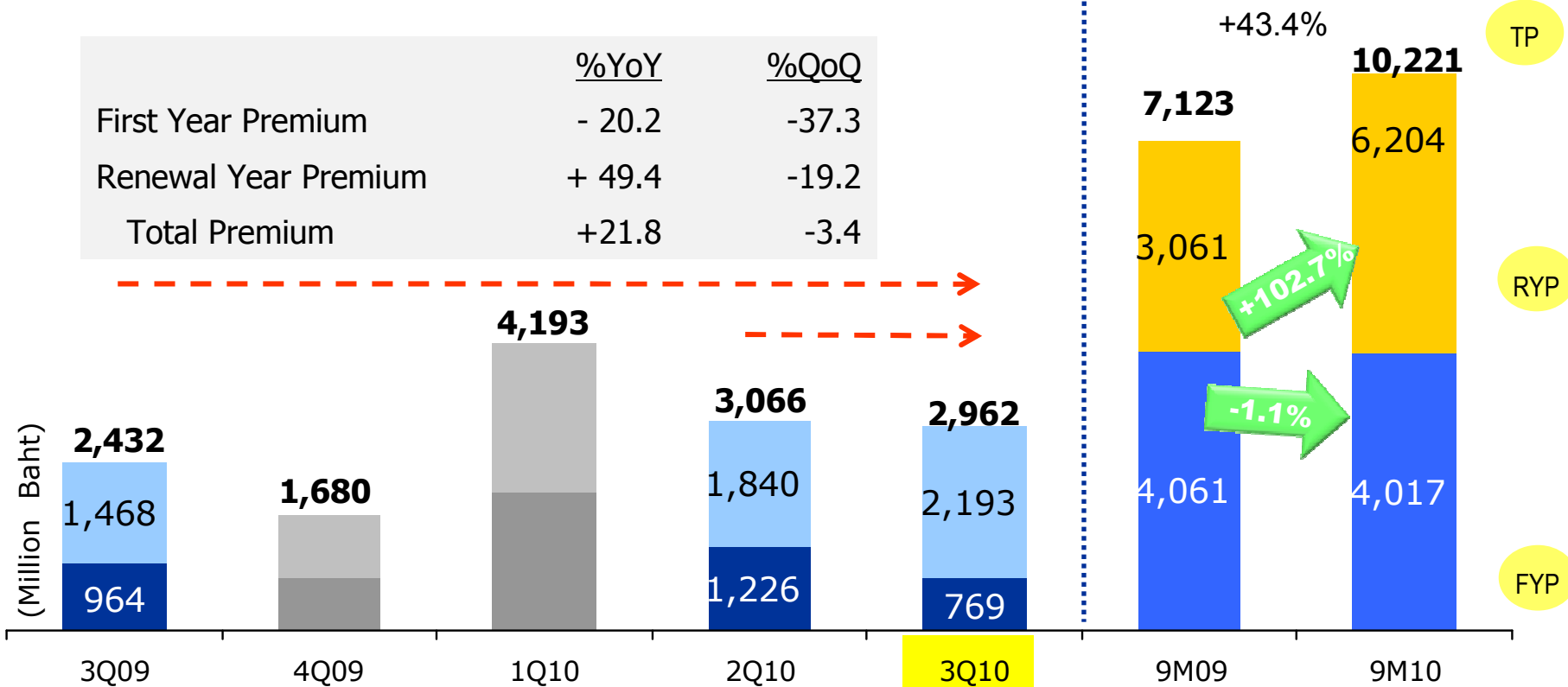
Industry	3Q10		9M10
	<u>%YoY</u>	<u>%QoQ</u>	<u>%YoY</u>
First Year Premium	-3.9	+15.2	+3.0
Renewal Year Premium	+18.5	+6.5	+ 18.4
Total Premium	+10.3	+9.1	+ 13.2

Source: Thai Life Association

Premium Growth - Bancassurance



	<u>%YoY</u>	<u>%QoQ</u>
First Year Premium	- 20.2	-37.3
Renewal Year Premium	+ 49.4	-19.2
Total Premium	+21.8	-3.4



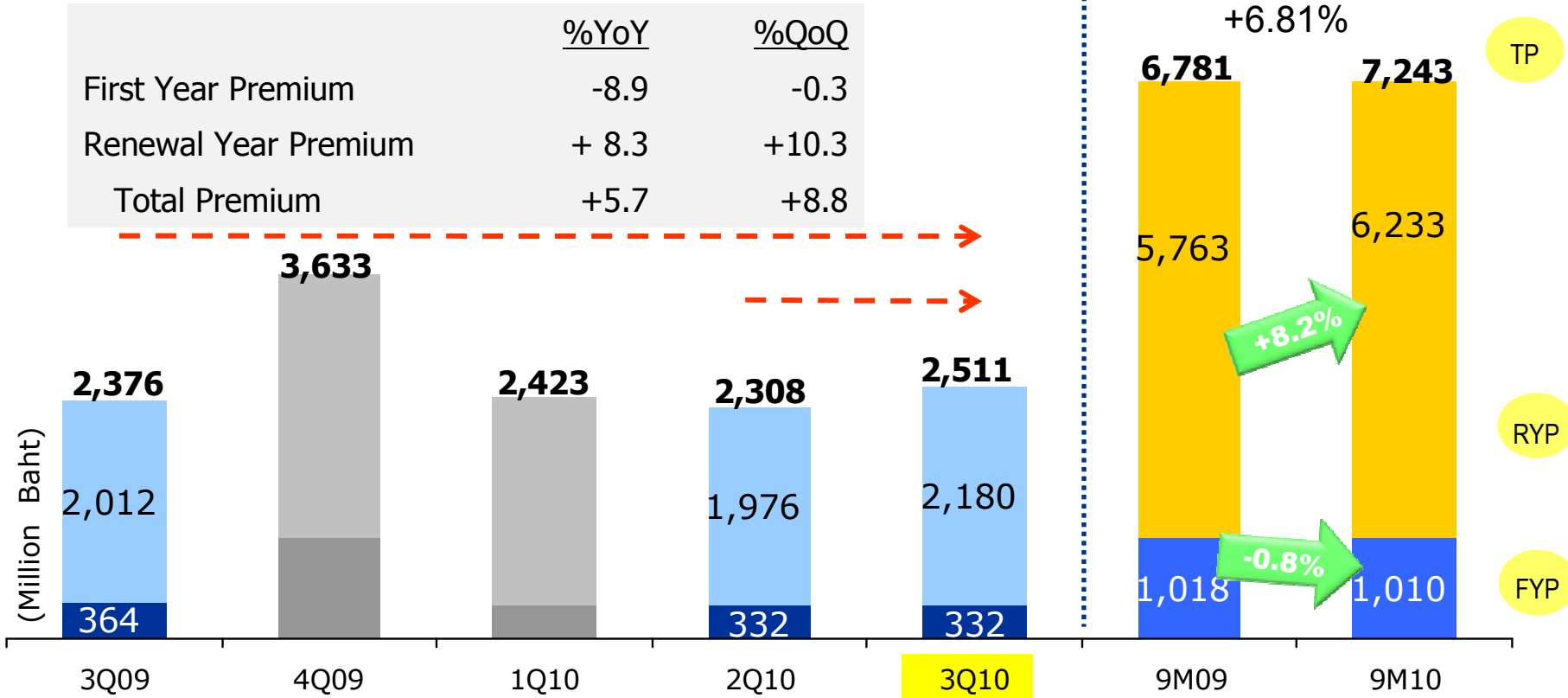
Industry	3Q10		9M10
	<u>%YoY</u>	<u>%QoQ</u>	<u>%YoY</u>
First Year Premium	-5.5	+14.8	+11.3
Renewal Year Premium	+62.8	+5.8	+72.7
Total Premium	+17.0	+10.5	+ 33.4

Source: Thai Life Association

Premium Growth - Agency



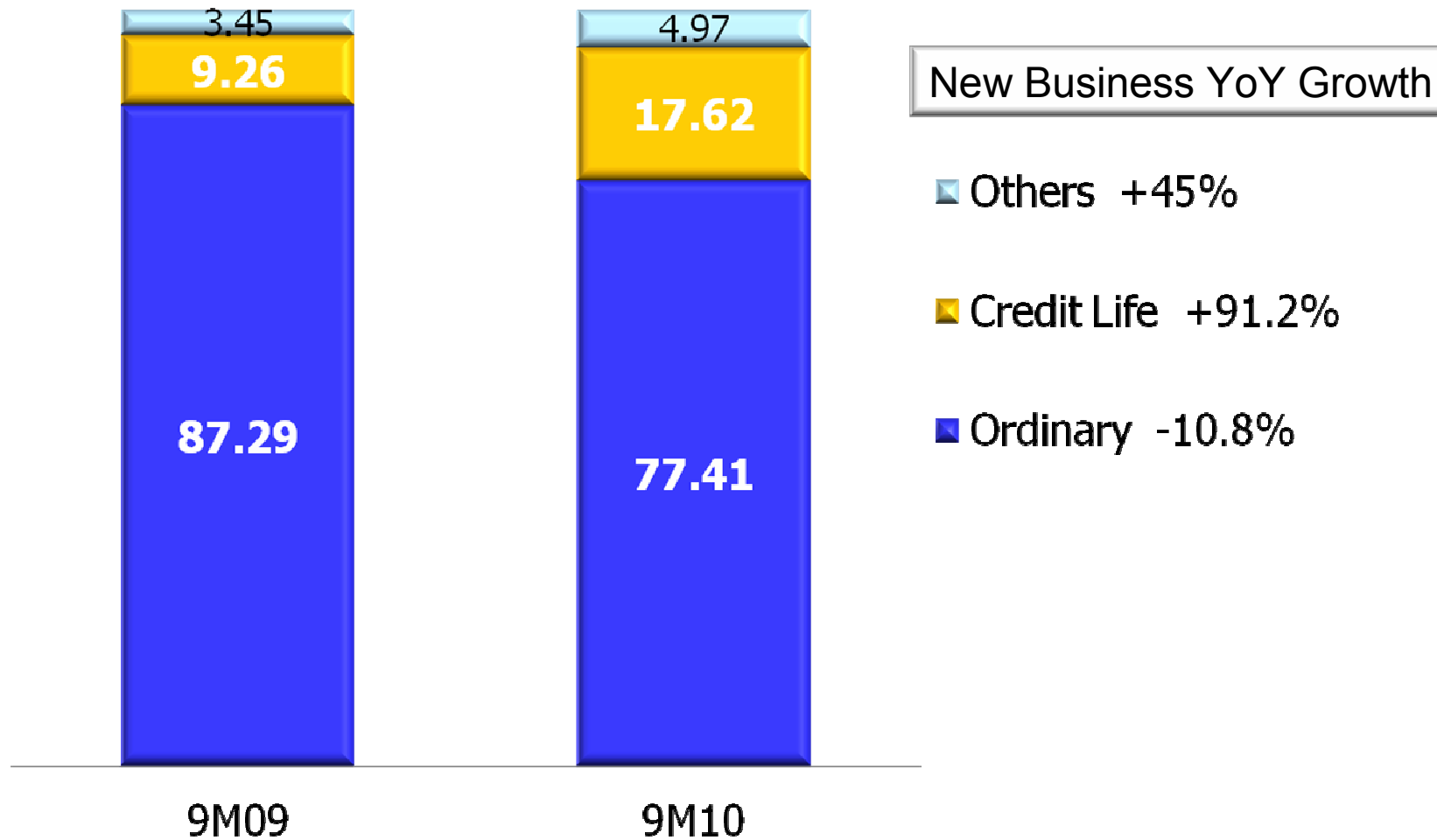
	<u>%YoY</u>	<u>%QoQ</u>
First Year Premium	-8.9	-0.3
Renewal Year Premium	+ 8.3	+10.3
Total Premium	+5.7	+8.8



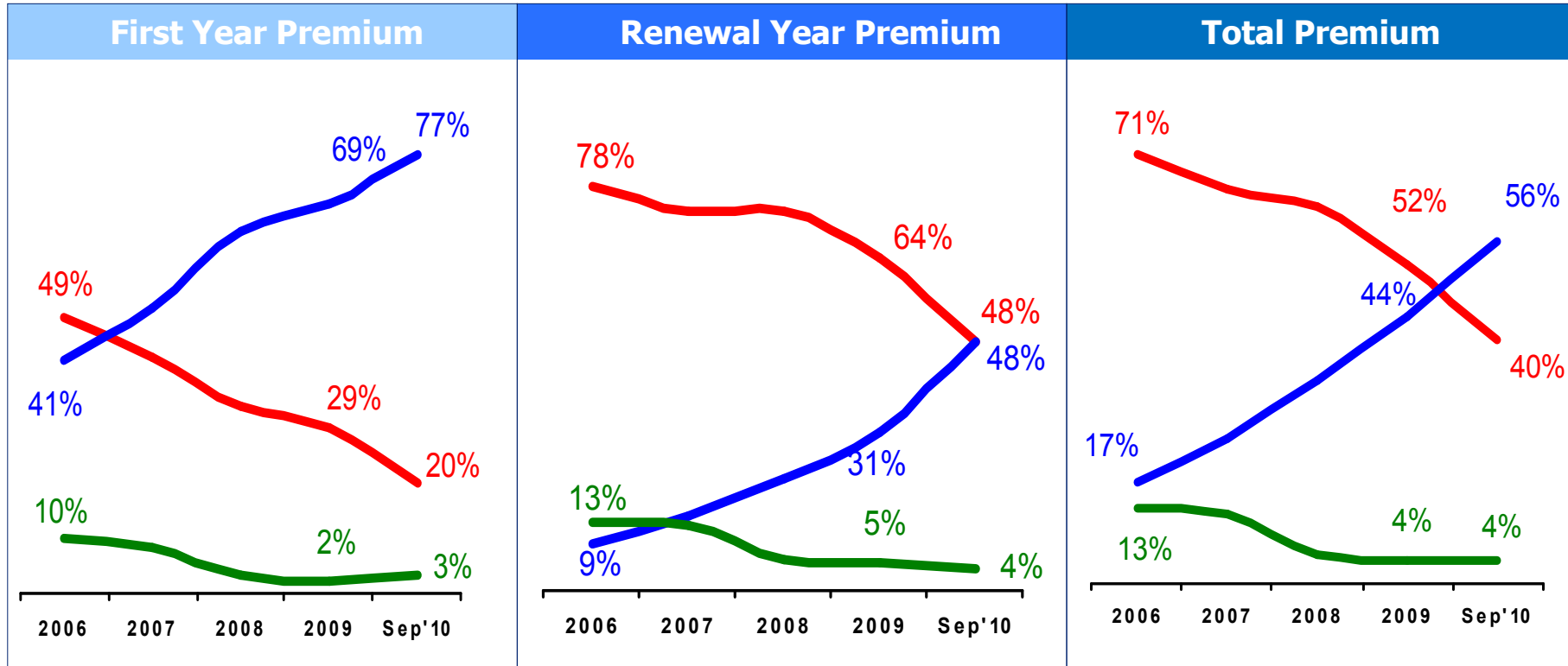
Industry	3Q10		9M10
	<u>%YoY</u>	<u>%QoQ</u>	<u>%YoY</u>
First Year Premium	+2.0	+14.9	-2.7
Renewal Year Premium	+10.3	+7.2	+8.9
Total Premium	+8.5	+8.7	+6.4

Source: Thai Life Association

New Business – by Product Type



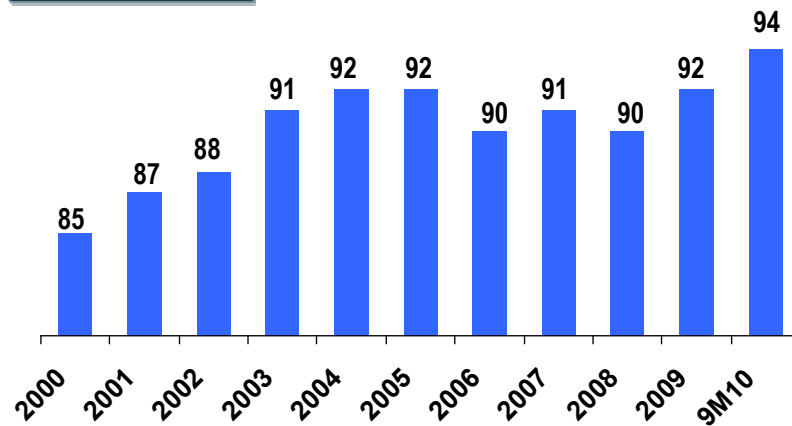
Channel Distribution



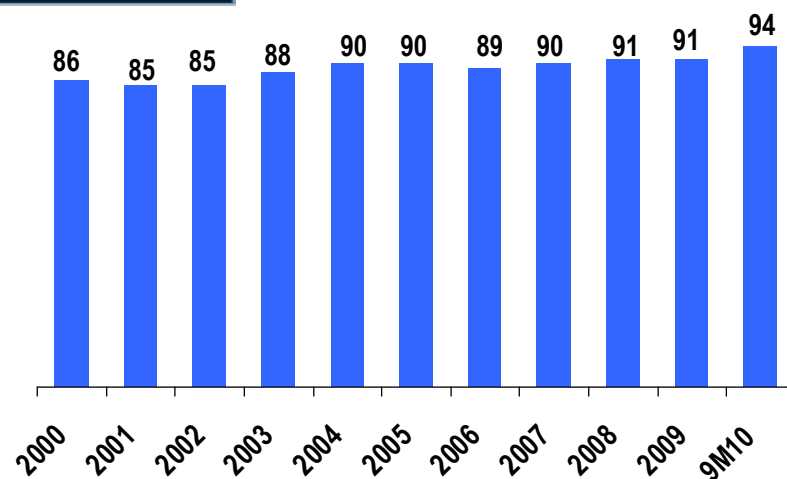
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Premium Collection

Ordinary



All Type



Ordinary(%)	Sep'10	2009	2008	2007
MTL	93	89	90	89
AIA	92	91	91	91
AACP	91	84	52	74
OLIC	90	90	82	85
KTAL	89	83	94	91
TLI	89	87	88	89
SCNYL	88	88	88	88
Industry	91	89	85	88

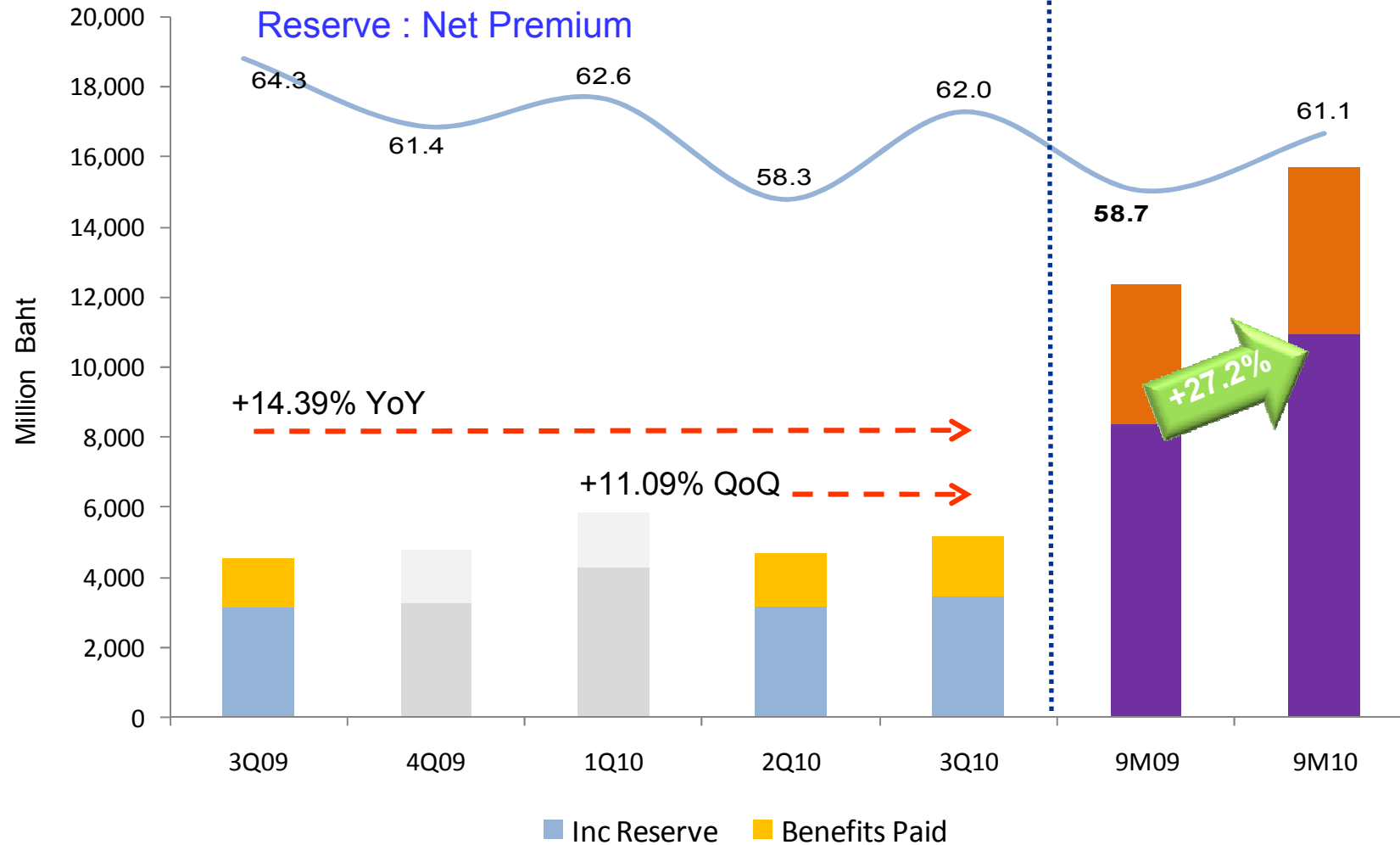
All Type(%)	Sep'10	2009	2008	2007
MTL	93	88	90	89
KTAL	89	86	91	92
TLI	89	87	88	87
AIA	88	87	88	87
AACP	88	81	50	70
SCNYL	88	88	87	87
OLIC	83	82	84	84
Industry	89	87	83	85

3

Expenses

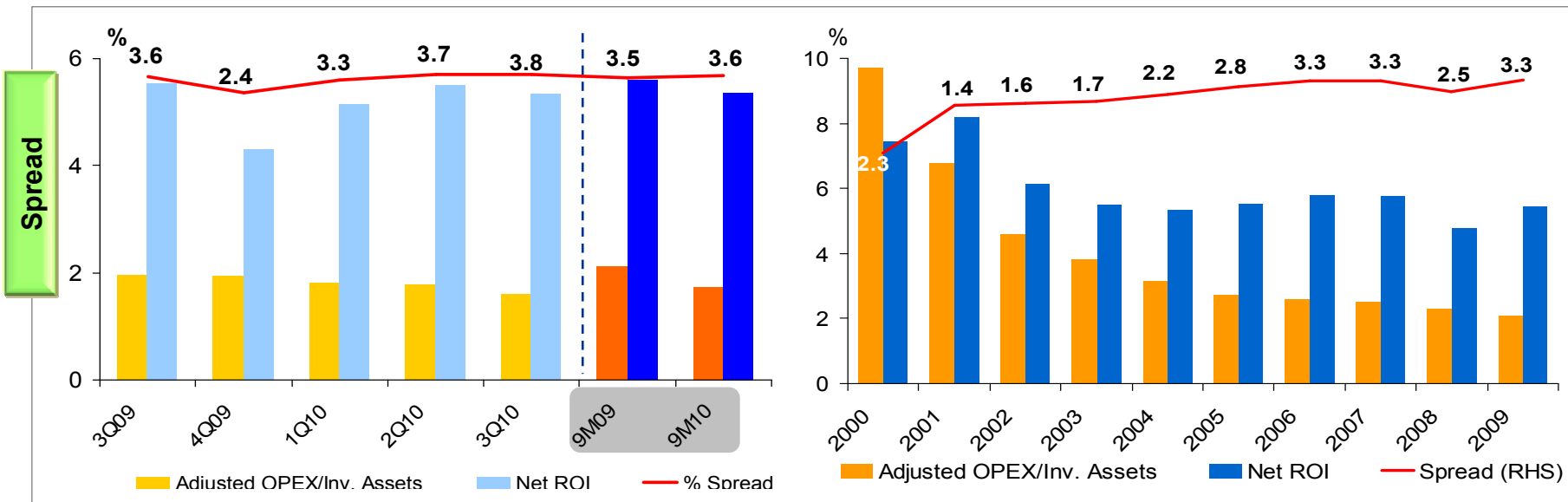
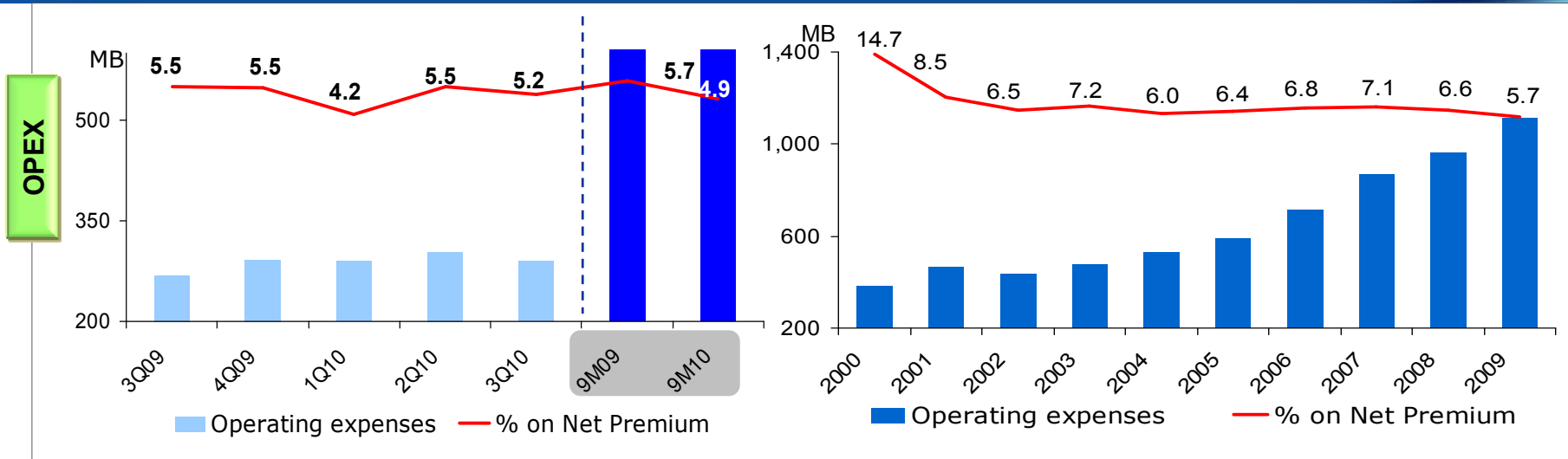


Expenses – Reserve & Benefits Paid

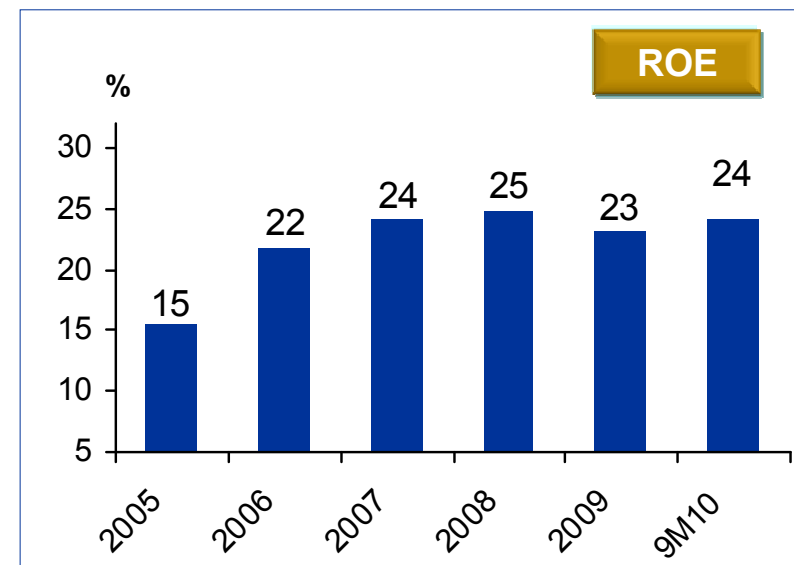
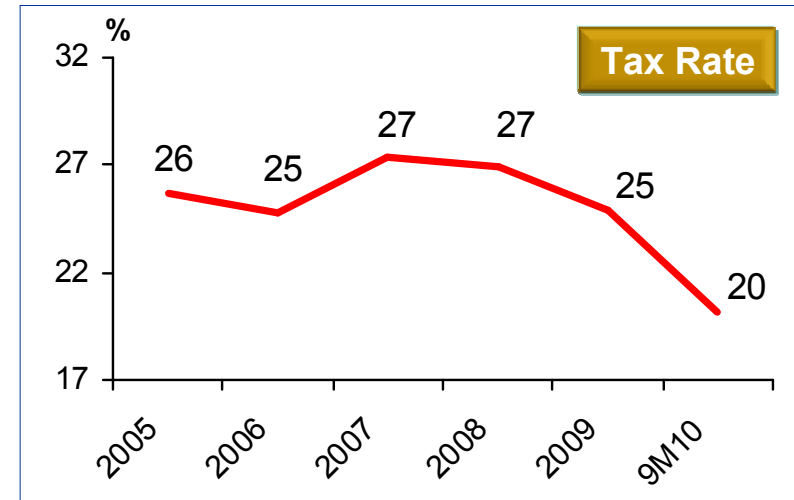
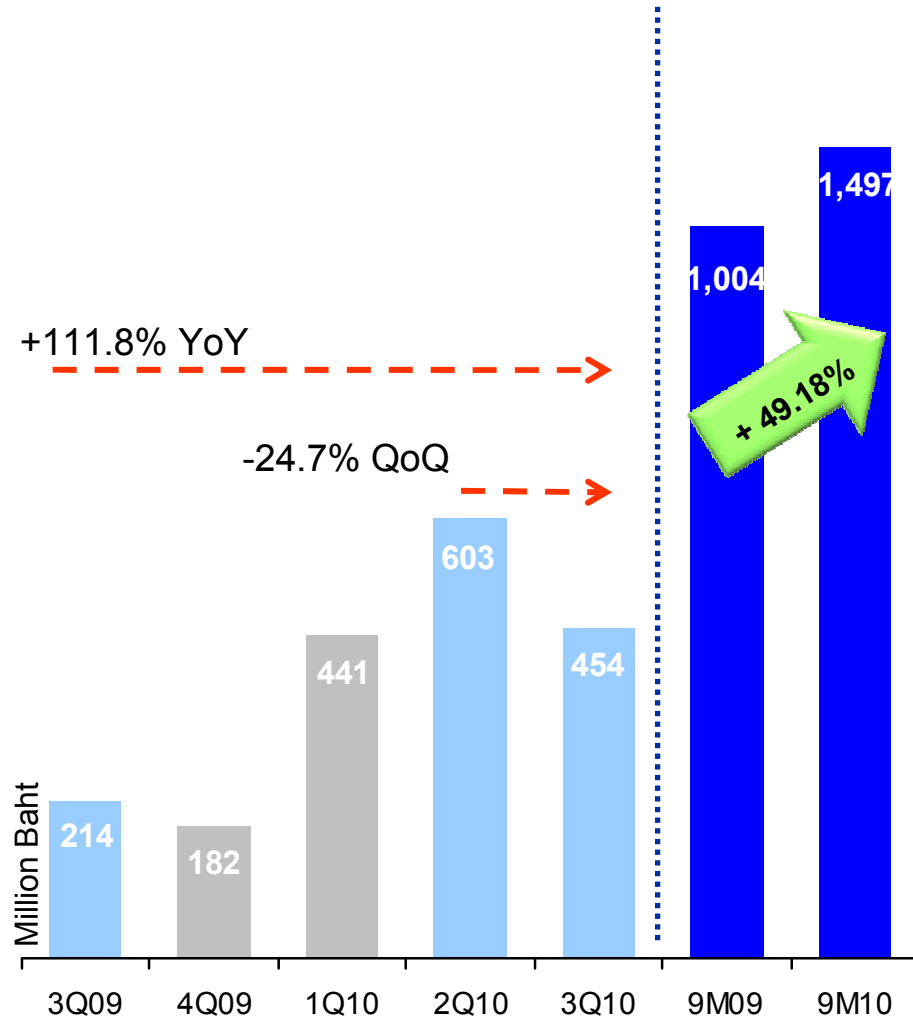


Benefit payment rose 21.73% YoY or 30.42% of net premium due to higher maturity benefit and claims

Expenses – OPEX/Investment vs ROI



Net Income



Operating Highlights



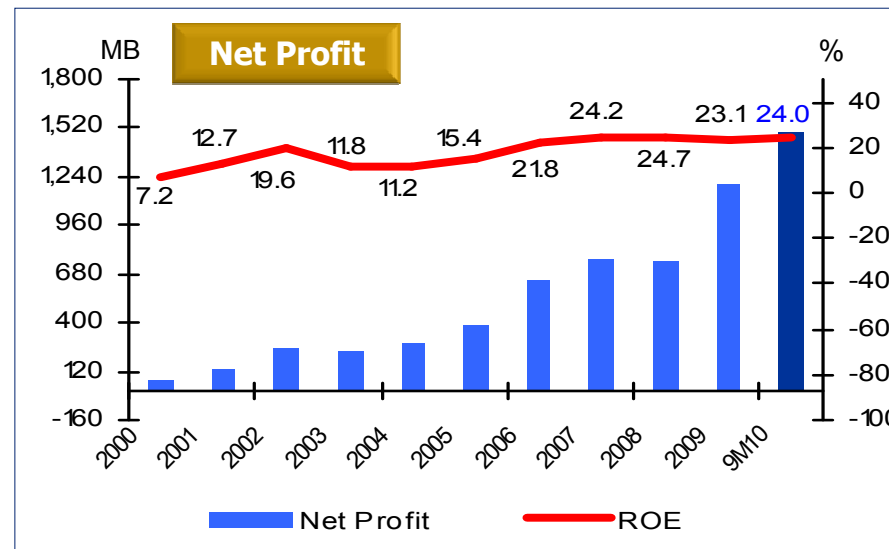
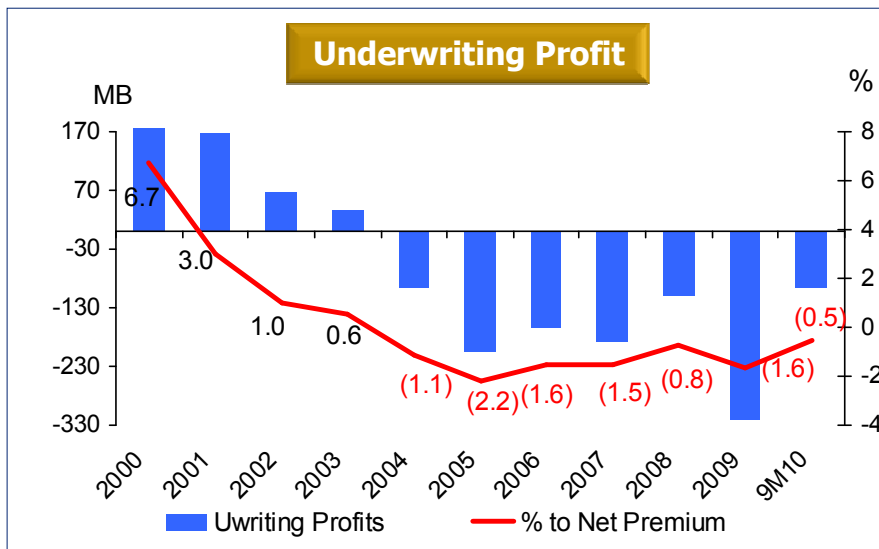
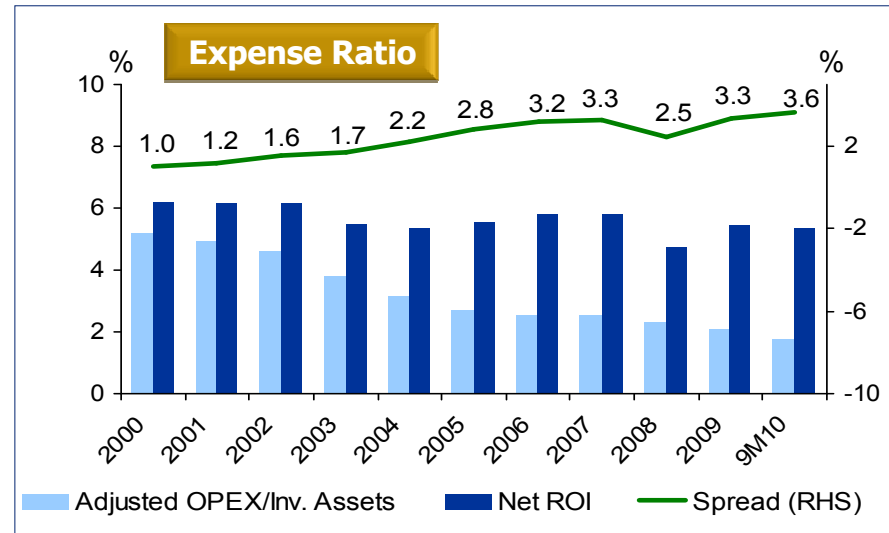
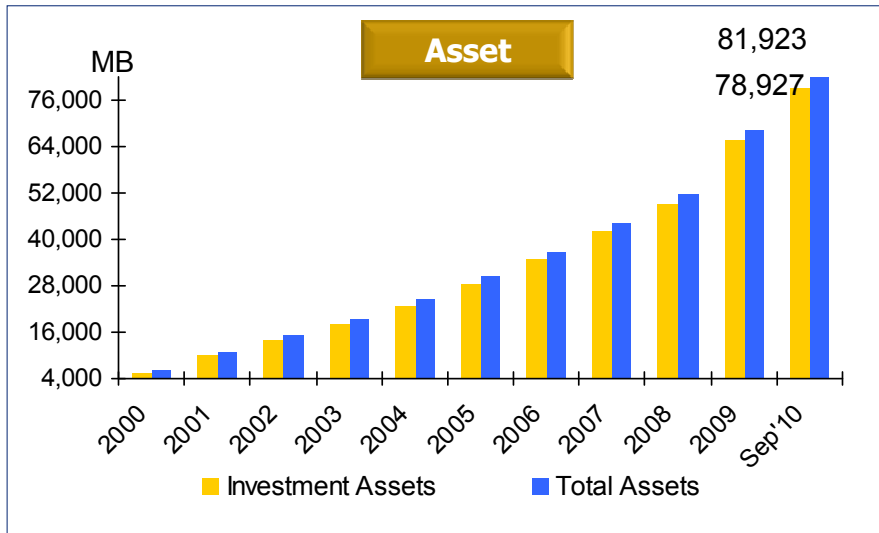
	3Q10	3Q09	%YoY	9M10	9M09	%YoY
Net Premium	5,609	4,973	12.80	17,931	14,295	25.44
Inc. Policy Reserve	3,480	3,133	11.10	10,959	8,388	30.66
<i>% of net premium</i>	<i>62.04%</i>	<i>63.00%</i>		<i>61.12%</i>	<i>58.68%</i>	
Benefits Payment	1,707	1,402	21.73	4,755	3,966	19.89
<i>% of net premium</i>	<i>30.42%</i>	<i>28.19%</i>		<i>26.52%</i>	<i>27.74%</i>	
Commissions & Brokerages	529	553	-4.41	2,046	1,827	12.03
<i>% of net premium</i>	<i>9.43%</i>	<i>11.13%</i>		<i>11.41%</i>	<i>12.78%</i>	
Sales Promotion Expenses	50	79	-36.56	256	267	-4.25
Total Underwriting Exp.	5,769	5,170	11.59	18,028	14,456	24.71
Underwriting Income	-160	-198	19.02	-97	-161	40.02

Operating Highlights – *continued*



	3Q10	3Q09	%YoY	9M10	9M09	%YoY
Dividends	158	127	24.56	417	302	37.76
Interest & Discount Received	807	634	27.25	2,205	1,822	21.04
Gains(Losses) on Securities	61	55	10.66	286	214	33.58
Total Investment Inc	1,032	823	25.43	2,922	2,356	24.01
Advanced Premium Exp.	17	20	-12.28	53	59	-9.26
Net Inv. Income & Other Inc.	1,015	803	26.36	2,869	2,297	24.86
<i>ROI</i>	<i>5.4%</i>	<i>5.5%</i>		<i>5.4%</i>	<i>5.6%</i>	
Total Income on Und. & In'	855	505	69.41	2,772	2,136	29.76
Operating Expenses	274	255	7.70	831	769	8.04
<i>% of Net Premium</i>	<i>5.01%</i>	<i>5.23%</i>		<i>6.75%</i>	<i>8.16%</i>	
Operating Profit	580	250	132.31	1,941	1,367	41.99
Earnings before tax	556	236	135.33	1,876	1,315	42.62
Income Tax	102	22	362.65	379	312	21.33
<i>% income tax rate</i>	<i>18.42%</i>	<i>9.37%</i>		<i>20.20%</i>	<i>23.74%</i>	
Net Income	454	214	111.83	1,497	1,003	49.25
EPS	0.38	0.21		1.25	0.84	

Operating Highlights – *continued*



4

Regulations Updated



Insurance Master Plan... 2010-2014



	2009	2014
Premium / GDP	4.07%	6%
No. Policy / Population	26.75%	40%
Premium / Population	4,600	7,500 (Life 4,200 Non Life 3,300)
Premium Growth		15-18% p.a. during 2010-2014
Capital Adequacy		All companies have CAR >120%

RBC will be enforced on 1 SEP 2011 with minimum CAR required of 125% and raised to 140% in 2013. Over the longer term, 2014 – 2016, it will then be raised to 150%.

Additional baht 200,000 Tax Incentive



Key conditions for the additional tax incentive.....

- ▶ Apply only to Pension Policy which meet certain set of terms and conditions
- ▶ Maximum of baht 200,000 but not over 15% of annual income
- ▶ Together with RMF / GPF / Provident Fund must not over baht 500,000

BLA is in product designed process and expects to be able to launch “Pension Policy” by November, 2010

5

Market Ranking



Ranking – Ordinary Premium 9M10

First Year Premium

Company	Mil. Baht	Mkt. Share (%)	% YoY
AIA	7,743	20.87	6.15
MTL	5,087	13.71	17.19
SCNYL	4,802	12.94	(0.80)
TLI	4,382	11.81	10.62
BLA	3,924	10.58	(10.39)
KTAL	3,629	9.78	19.33
AACP	2,530	6.82	4.79
ING	1,497	4.04	(8.79)
PLT	802	2.16	85.65
OLIC	768	2.07	64.22
Industry	37,104	100.00	6.22

Total Premium

Company	Mil. Baht	Mkt. Share (%)	% YoY
AIA	58,062	33.59	5.05
TLI	23,168	13.40	(4.54)
MTL	17,582	10.17	34.45
SCNYL	16,539	9.57	26.29
BLA	16,479	9.53	23.40
AACP	10,762	6.23	16.82
KTAL	10,216	5.91	38.27
ING	6,166	3.57	18.47
OLIC	2,301	1.33	25.29
SCI Life	2,106	1.22	20.49
Industry	172,829	100.00	13.15

Source : The Thai Life Assurance Association (Excludes single premium)

Ranking – All Type Premium 9M10



First Year Premium

Company	Mil. Baht	Mkt. Share (%)	% YoY
AIA	10,465	23.85	5.70
MTL	5,389	12.28	17.83
SCNYL	4,940	11.26	0.17
TLI	4,688	10.68	10.51
KTAL	4,185	9.54	31.36
BLA	4,180	9.53	(8.24)
AACP	3,086	7.03	4.58
OLIC	1,957	4.46	20.36
ING	1,534	3.50	(9.66)
PLT	855	1.95	51.64
Industry	43,879	100.00	6.24

Total Premium

Company	Mil. Baht	Mkt. Share (%)	% YoY
AIA	64,695	30.49	5.87
TLI	25,787	12.15	(1.66)
MTL	22,189	10.46	39.58
SCNYL	18,740	8.83	27.63
BLA	18,202	8.58	25.35
AACP	12,658	5.97	14.64
KTAL	12,711	5.99	43.13
OLIC	8,288	3.91	6.86
ING	6,369	3.00	16.89
SELIC	5,279	2.49	249.19
Industry	212,193	100.00	13.15

Source : The Thai Life Assurance Association (Excluded single premium)

Ranking – Bancassurance 9M10

First Year Premium

Company	Mil. Baht	Mkt. Share (%)	% YoY
SCNYL	4,163	24.27	(1.26)
MTL	3,768	21.97	19.52
BLA	3,047	11.77	(13.36)
KTAL	2,235	13.04	23.69
ING	825	4.81	16.36
AACP	736	4.29	28.00
AIA	655	3.82	1.24
PLT	578	3.37	189.00
SCI Life	482	2.81	(13.77)
TLA	363	2.12	5.22
Industry	17,149	100.00	6.58

Total Premium

Company	Mil. Baht	Mkt. Share (%)	% YoY
SCNYL	14,230	29.42	24.66
MTL	9,421	19.38	55.98
BLA	9,250	19.03	40.71
KTAL	5,379	11.07	55.37
AACP	1,799	3.70	48.43
ING	1,636	3.36	54.92
AIA	1,534	3.16	58.14
TCLife	947	1.95	(2.87)
PLT	901	1.85	137.73
TLA	541	1.11	197.25
Industry	48,611	100.00	41.69

Source : The Thai Life Assurance Association (Excluded single premium)

Thank You