

Analyst Meeting Presentation 3Q22 & 9M22 Financial Results

14 Nov 2022

Agenda

- 1 3Q22 & 9M22 performance summary
- 2 Key Highlights
 - 2.1 Premiums and Business & Operation
 - 2.2 Investments
 - 2.3 P&L and Key accounting change
- 3 Q&A

Agenda

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3Q22 & 9M22 performance summary (K.Chaiyapol Inthuprabha – SVP, Corporate Strategy & Planning)

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Key Highlights

2.1 Premiums and Business & Operation

2.2 Investments

2.3 P&L and Key accounting change

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Q&A

3Q22 Performance summary

2,086 MB

First year premium

+51%YoY, +66%QoQ

8,351 MB

Renewal Year Premium

+0.1%YoY, +34%QoQ

10,437 MB

Total Premium

+7%YoY, +40%QoQ

4.00%

ROI

-21 bpsYoY, - 25bps QoQ

Due to lower realized gain

942 MB

Net Profit

-20%YoY, -21%QoQ

From lower investment income

363%

CAR

2Q22: 364%

9M22 Performance summary

4,751 MB

First year premium

+2%YoY

22,239 MB

Renewal Year Premium

-4%YoY

26,989 MB

Total Premium

-3%YoY

4.07%

ROI

(9M21: 4.03%)

Form higher interest & dividends

2,932 MB

Net Profit

+0.4%YoY

363%

CAR

4Q22: 301%

From rising bond yield

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Key Highlights

2.1 Premiums and Business & Operation

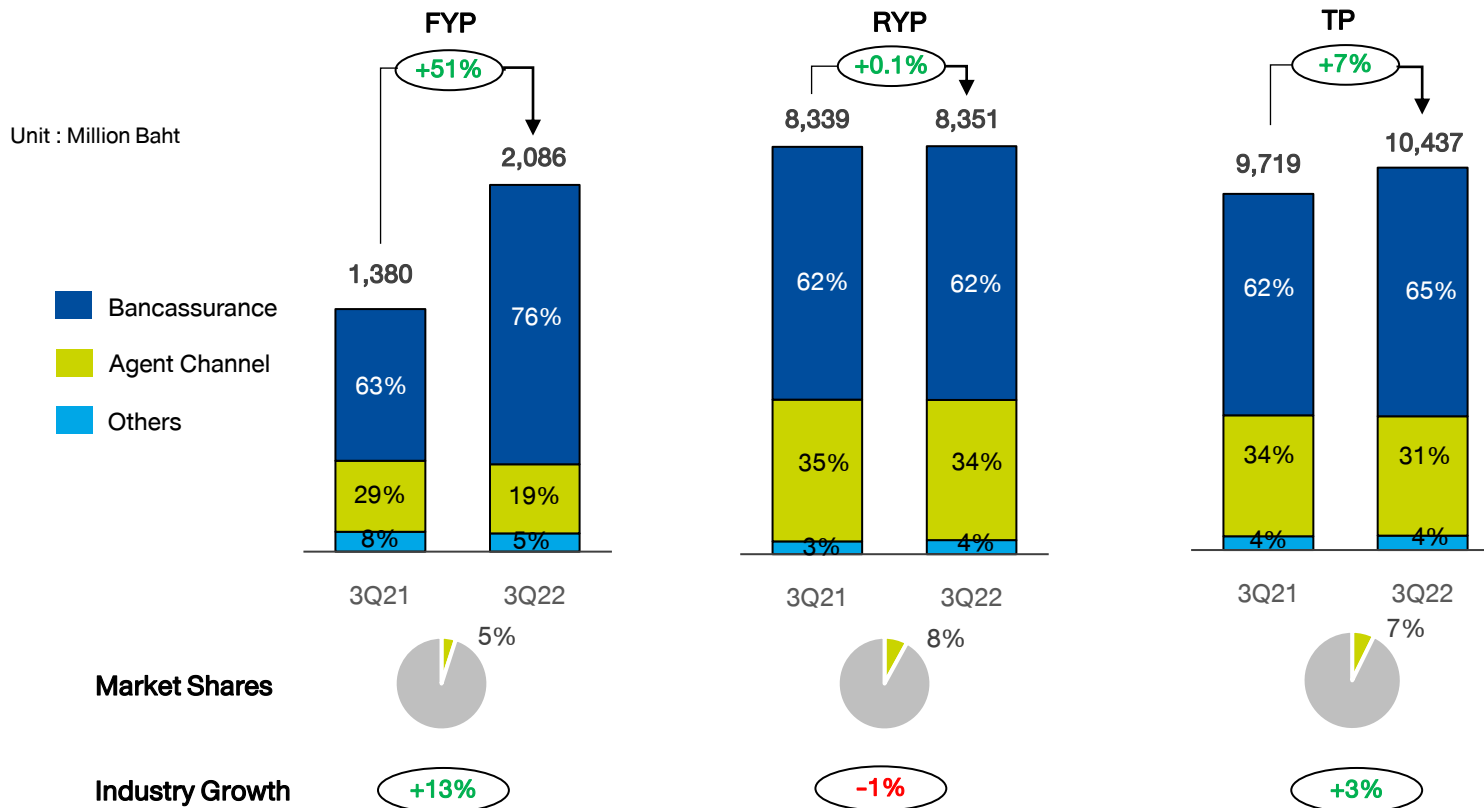
2.2 Investments

2.3 P&L and Key accounting change

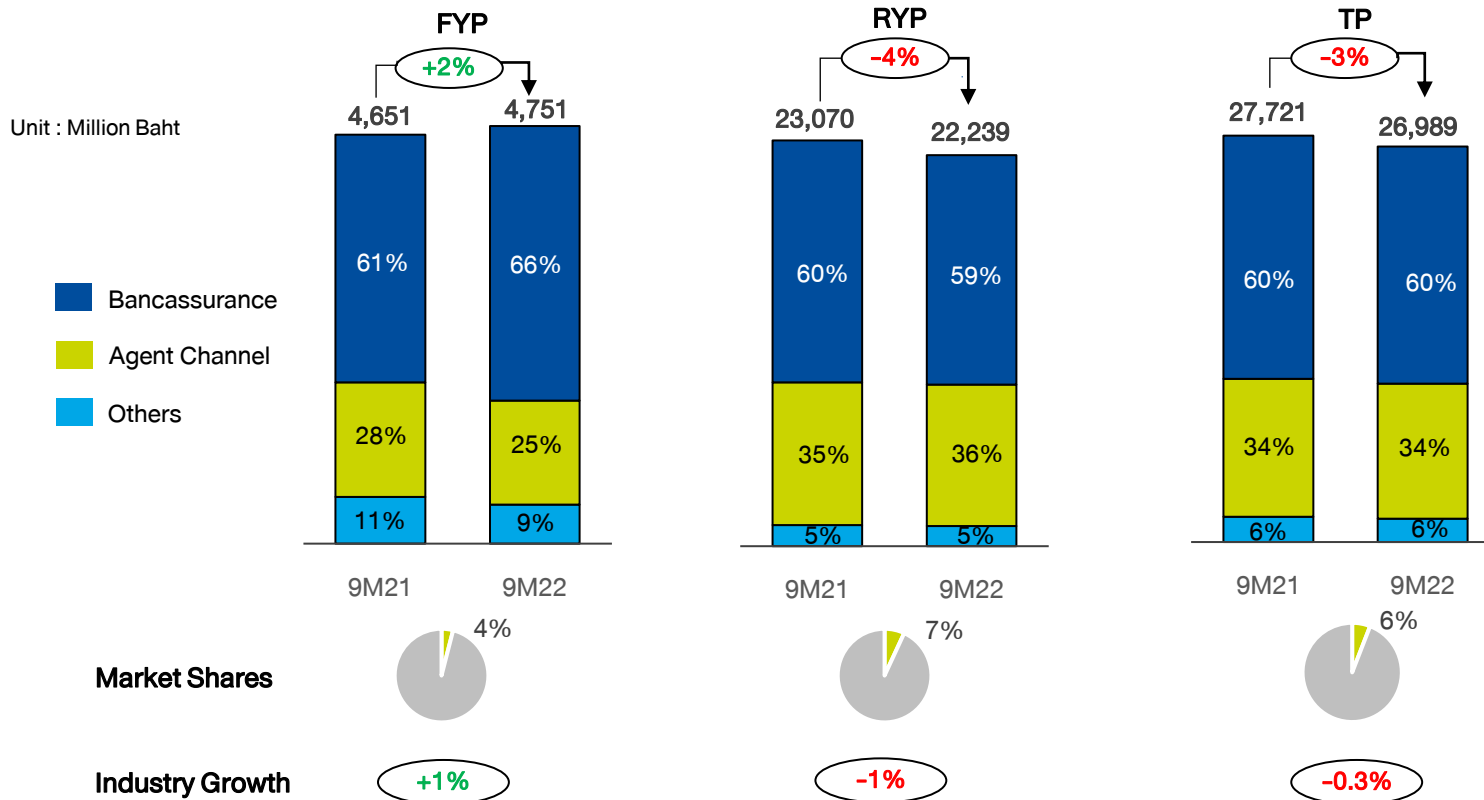
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Q&A

3Q22: FYP +51% YoY thanks to FYP from Banca channel, RYP is stable, resulting in TP +7% YoY

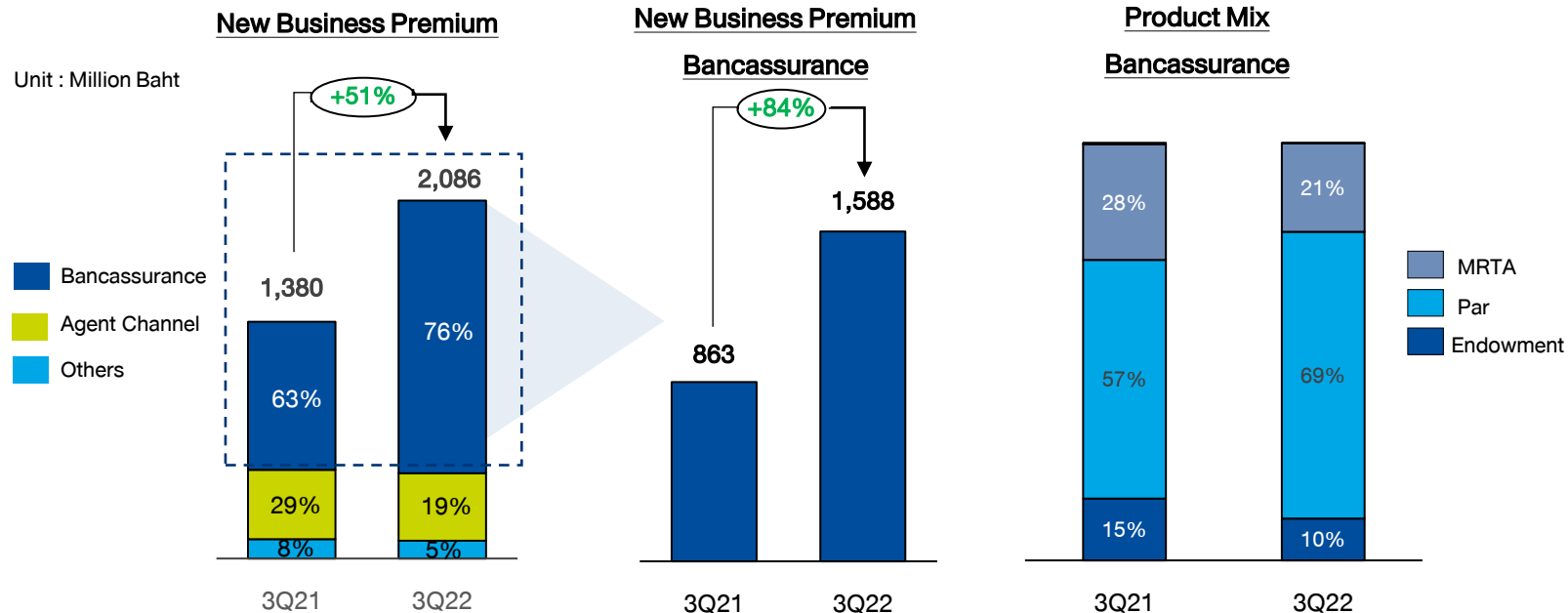


9M22: FYP +2%YoY, which exceeds industry due to Banca +11%YoY. RYP is still in line with expectation

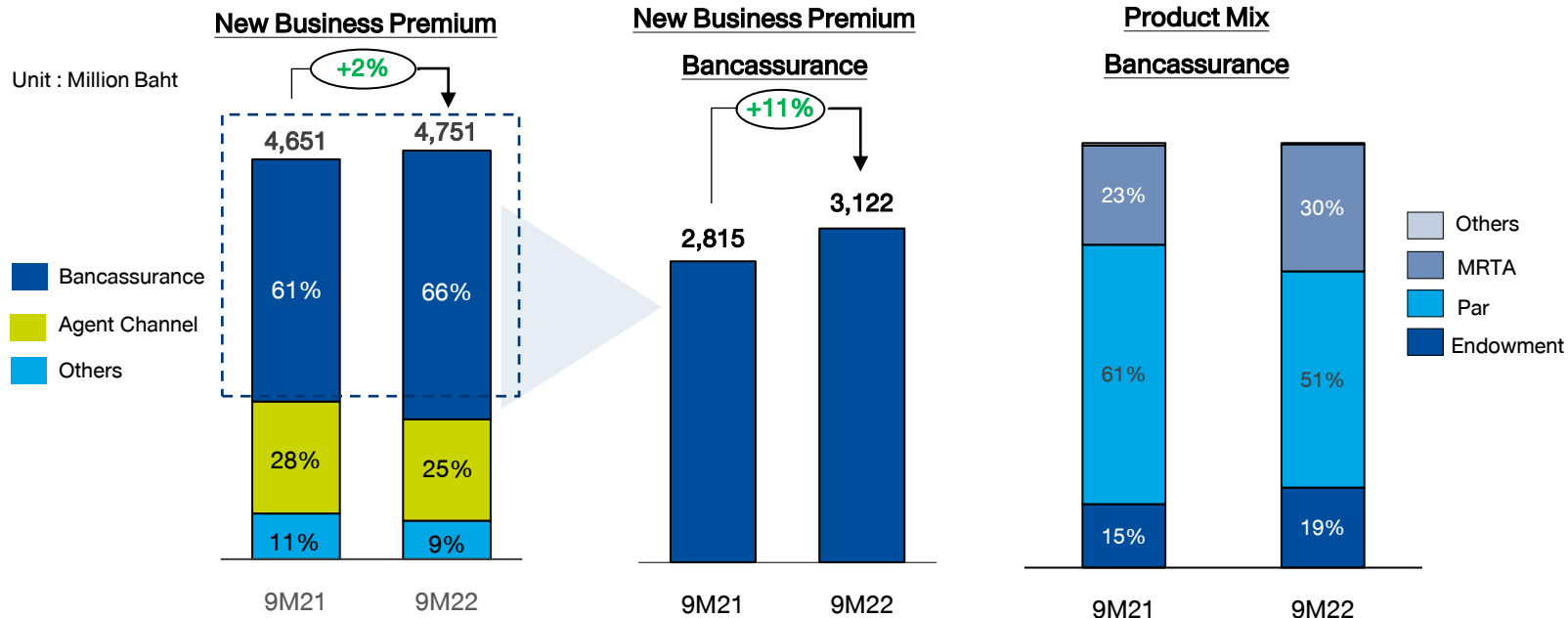


Banca: 3Q22 FYP +84%YoY

Grew from rising sales proportion of par product

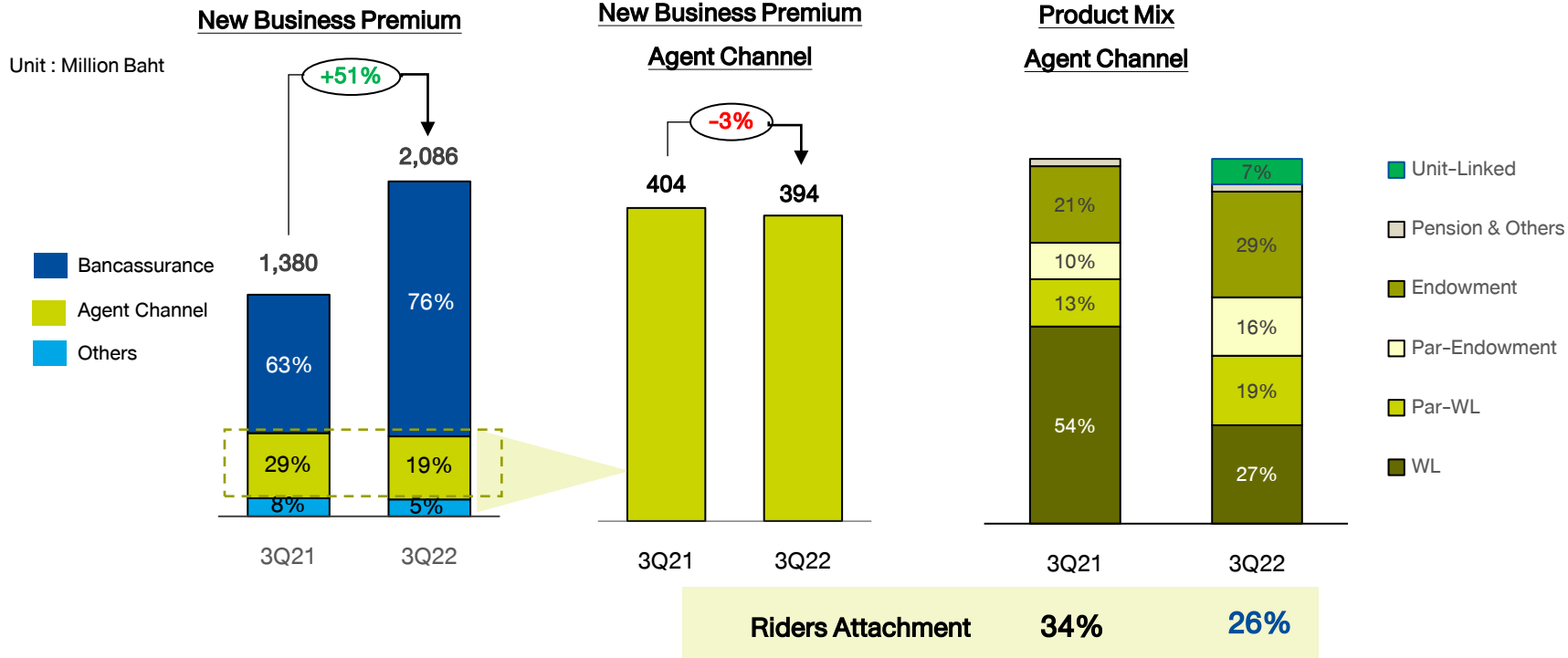


9M22 Banca: FYP +11%YoY, FYP increases in all product categories



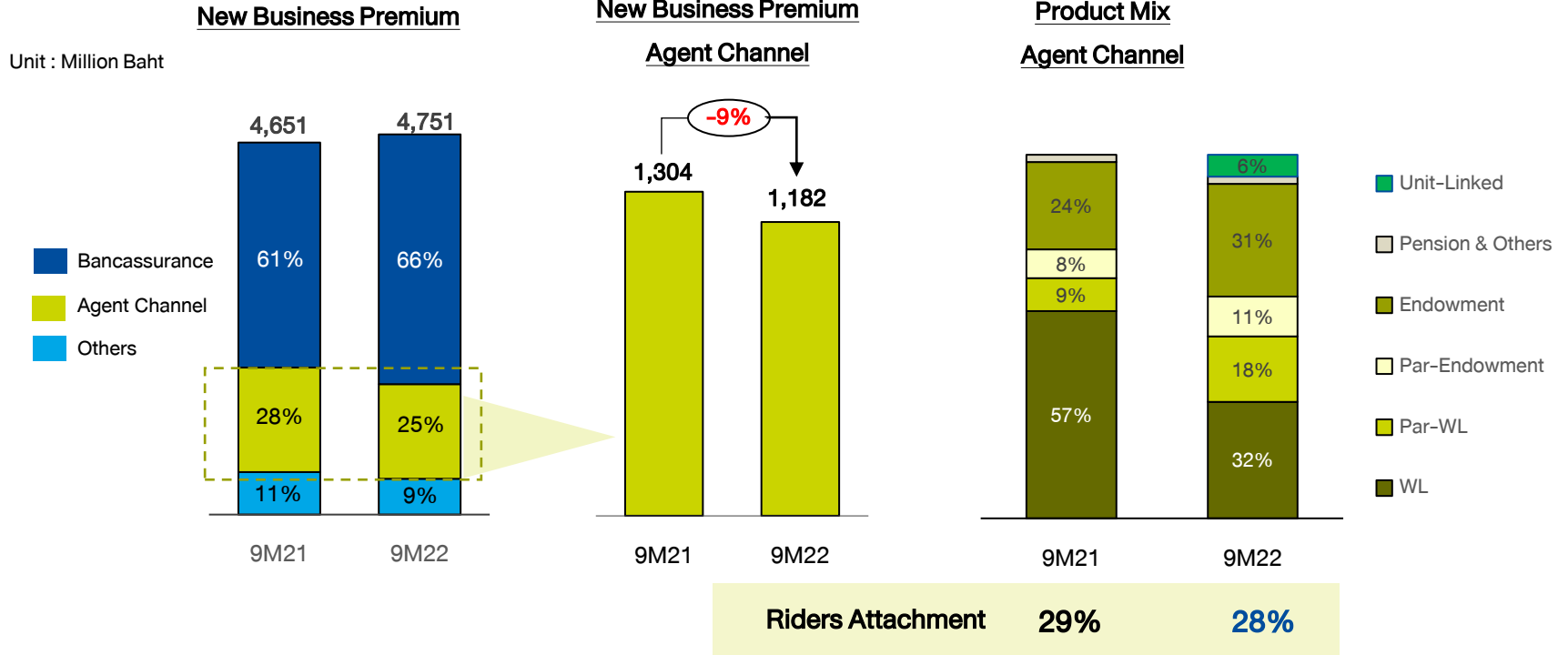
Agent : 3Q22 FYP -3%YoY

Unit linked and par product accounted for 42% of product mix



9M22 Agent: FYP -9%YoY

Rider attachment is relatively stable at 28%



9M22 Other channel

Online: Double sales growth



The first health product on BLA Website

New monthly-premium endowment product on BLA Website and Shopee (Sep).

Direct Marketing: FYP -6%YoY



Group : Focus on quality sales not price competition



Partnership : Steady growth of FYP Built various initiatives with partners



Special campaign for BLA retirement product with TISCO



New product launched for AIS and JMART

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2Q22 & 1H22 performance summary

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2.2 Investments (K. Nattachai Rangpholsamrit, AVP - Equity Investment Department)

2.3 P&L and Key accounting change

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Q&A

3Q22 allocation sees higher bonds to lock-in higher yield

ST investment increased in preparation for benefit payment & investment opportunity (mainly fixed income)

Asset Class	4Q21	2Q22	3Q22	Remark for QoQ movement
ST Investment	2.3%	3.0%	3.5%	Higher ST investment for benefit payment & investment opportunity
Bonds	48.0%	47.3%	48.0%	
Debenture & Notes	32.0%	32.9%	32.1%	Lower from foreign fixed income due.
Total Fixed Income	82.3%	83.2%	83.6%	
Equity	9.2%	8.7%	8.7%	
REIT	5.0%	4.6%	4.2%	Lower from reduced allocation and price movement
Loan	3.5%	3.5%	3.5%	
- Policy loan	2.8%	2.8%	2.9%	
- Secured loan	0.7%	0.7%	0.6%	
Total Investment Assets (MB)	338,714	333,861	333,085	

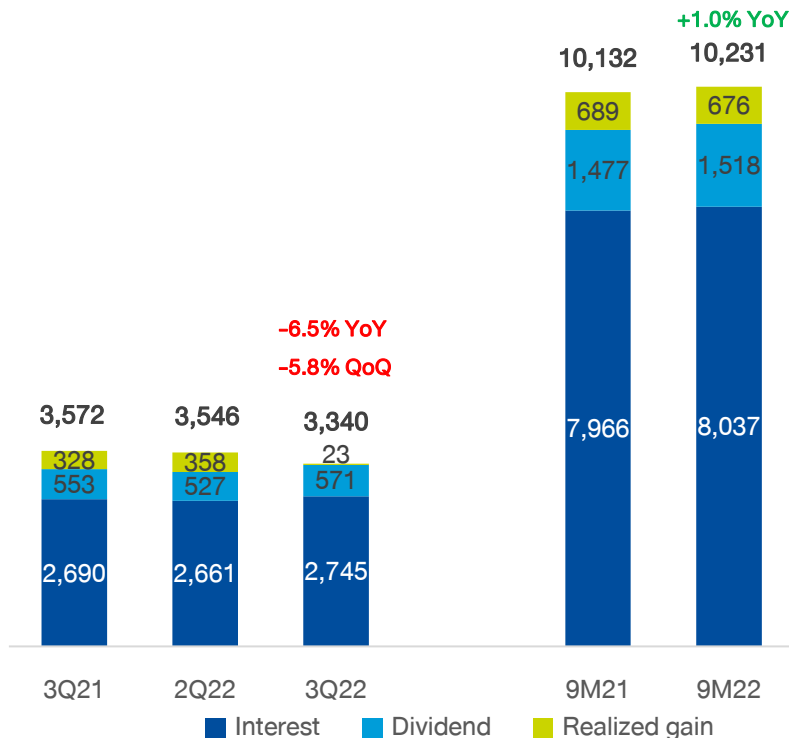
Foreign currencies account for 6.0% (-2.3% QoQ) of investment assets as of Sep 2022

Fixed income 3.4% (-1.8% QoQ) Equity 1.9% (-0.3% QoQ) REIT 0.7% (-0.2% QoQ)

3Q22 investment income -6.5% YoY from muted realized gain

Investment yield improved from rising yield curve and listed companies' earnings.

Investment income (mb)

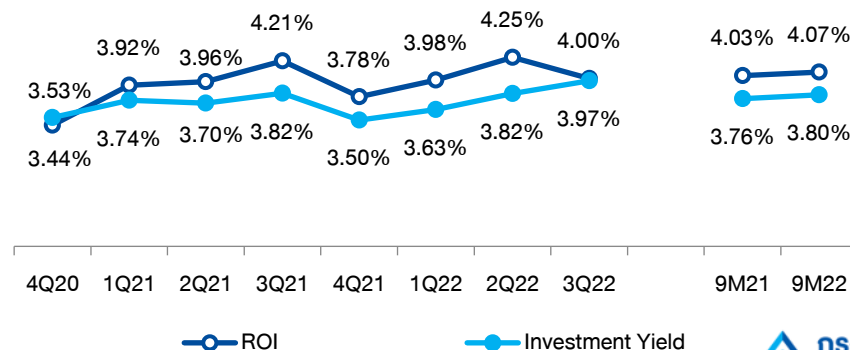


INVESTMENT INCOME: 3Q22 -6.5% YoY: drop mainly from realized gain

- **Interest income** +2.1% YoY. **Dividend** +3.2% YoY
- **Realized gain** dropped QoQ. For 9M22, realized gain was similar to the previous year (-1.9% YoY) due to higher realized gain in 1H22 YoY.

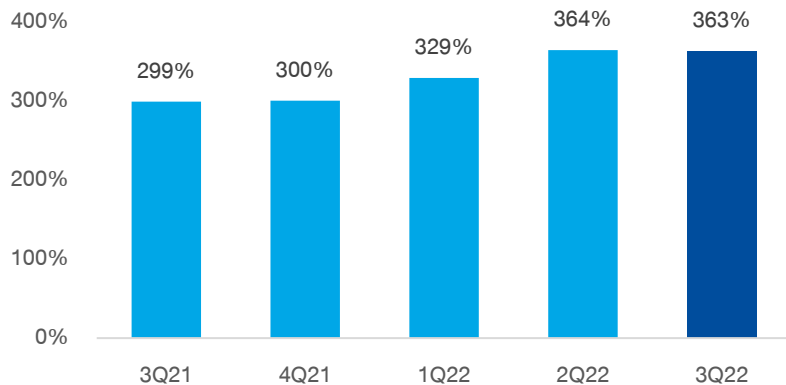
INVESTMENT YIELD (exc. Realised G/L) +15 bps QoQ, 9M22 +4 bps YoY to 3.80%

- Investment yield improved from both interest income and dividend.
- Interest income increase due to increase allocation to fixed income and benefit from higher reinvestment rate.
- Dividend income rose QoQ from seasonality while YoY rose from better earnings of listed companies.



CAR increased to 363% in 3Q22 (+63% YTD, -1% QoQ)

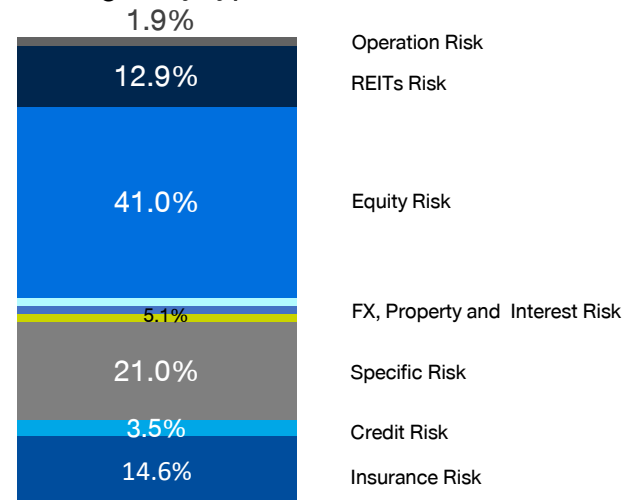
The increase YTD is due to rising yield curve



Company	CAR
FWD	357%
AIA	335%
TLI	319%
AZAY	312%
MTL	296%
KTAL	245%

Total Capital Required (TCR)

Risk charged by type to TCR



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3 Q&A

Statement of financial positions

	30 Sep 22		31 Dec 21		Inc / Dec	
	MB	%	MB	%	MB	%
Assets						
Cash and cash equivalents	10,209	3%	7,637	2%	2,572	34%
Investment assets	322,883	94%	331,083	95%	(8,200)	-2%
Other assets	11,425	3%	8,423	2%	3,001	36%
Total assets	344,517	100%	347,143	100%	(2,626)	-1%
Liabilities and owners' equity						
Liabilities						
Insurance contract liabilities	298,440	87%	295,480	85%	2,960	1%
Other liabilities	4,564	1%	3,697	1%	868	23%
Total liabilities	303,005	88%	299,177	86%	3,828	1%
Owners' equity	41,512	12%	47,966	14%	(6,454)	-13%
Total liabilities and owners' equity	344,517	100%	347,143	100%	(2,626)	-1%
Owners' equity						
Share capital	1,708	0%	1,708	0%	-	0%
Premium on share capital	3,361	1%	3,361	1%	-	0%
Retained earnings	35,957	10%	34,522	10%	1,435	4%
Other component of equity	486	0%	8,375	2%	(7,889)	-94%
Non-controlling interests of the subsidiaries	0.29	0%	0.26	0%	0.03	10%
Total owners' equity	41,512	12%	47,966	14%	(6,454)	-13%

Assets decrease by 2,626 MB

Total assets decline from 2021 mainly due to lower market value of investment classified as FVOCI.

Liabilities increase by 3,828 MB

Ins liabilities increase by 2,960 MB due to insurance obligations from premium received.

Owners' equity decrease 6,454 MB

- RE +1,435 MB from profit for 2022 +2,932 MB net out against dividend payment -1,497 MB.
- Other component of equity -7,889 MB mainly from lower FV from investment at FVOCI.

3Q22 Financial Summary

Common Size

Million Baht	3Q'22	3Q'21	%YoY	9M'22	9M'21	%YoY	3Q22	3Q21	9M22	9M21
First year premium	2,086	1,380	51%	4,751	4,651	2%	20%	14%	18%	18%
Renewal premium	8,351	8,339	0%	22,239	23,070	-4%	81%	88%	86%	87%
REIN&UPR	(185)	(196)	6%	(1,038)	(1,275)	19%	-2%	-2%	-4%	-5%
Total Net Premium (TNP)	10,252	9,523	8%	25,952	26,446	-2%	100%	100%	100%	100%
Investment income	3,359	3,767	-11%	10,240	10,323	-1%	33%	40%	39%	39%
Other income	115	121	-4%	422	538	-22%	1%	1%	2%	2%
Total Income	13,726	13,411	2%	36,613	37,307	-2%	134%	141%	141%	141%
Life policy reserve	2,327	1,543	51%	4,142	7,860	-47%	23%	16%	16%	30%
Benefit payments	8,963	9,197	-3%	25,456	22,327	14%	87%	97%	98%	84%
Commission and Brokerage	649	686	-5%	1,889	2,010	-6%	6%	7%	7%	8%
Other underwriting expense	260	131	98%	565	410	38%	3%	1%	2%	2%
Total Underwriting Expense	12,199	11,557	6%	32,051	32,606	-2%	119%	121%	124%	123%
Operating Expense	427	425	1%	1,169	1,179	-1%	4%	4%	5%	4%
Expected Credit Loss	5	44	-89%	(56)	86	-165%	0%	0%	0%	0%
Total Expense	12,631	12,025	5%	33,164	33,871	-2%	123%	126%	128%	128%
Earning before tax	1,095	1,386	-21%	3,450	3,435	0%	11%	15%	13%	13%
Income Tax	(153)	(205)	26%	(517)	(513)	-1%	-1%	-2%	-2%	-2%
Net income	942	1,181	-20%	2,932	2,922	0%	9%	12%	11%	11%
EPS (Bt/share)	0.55	0.69		1.72	1.71					

3Q22

TNP +8% mainly from FYP +51%.

Investment income -11% mainly from gain on investment.

Underwriting exp +6% in line with premium.

ECL -89% from revised down of PD from ThaiBMA

Net profit -20% due to decreasing of investment income

9M22

TNP -2% from RYP -4%.

Investment income -1% mainly from decreasing gain on FX.

Underwriting exp -2% in line with premium. However, Reserve&Benefit ratio is a bit higher than expected.

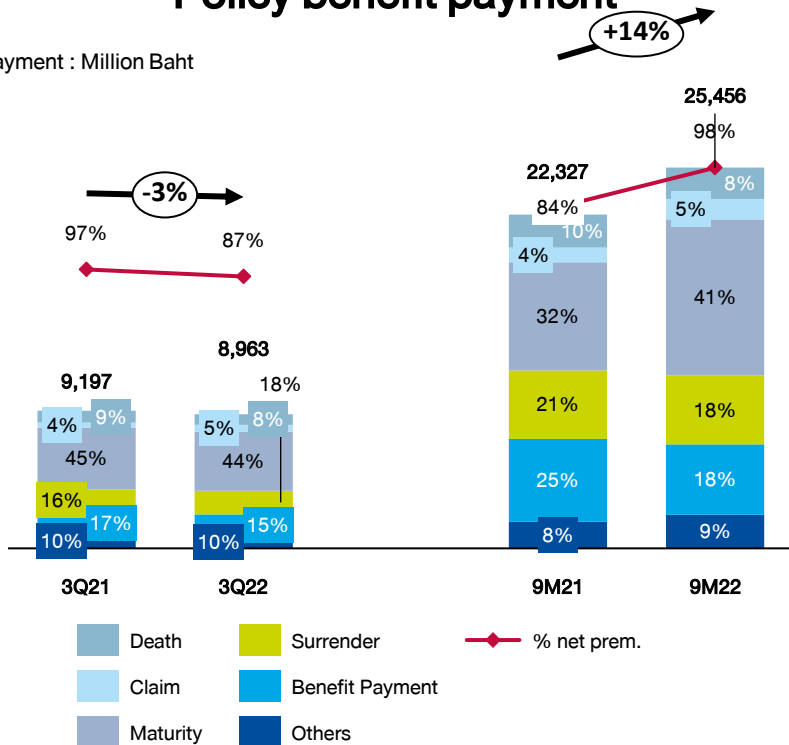
We always focus on Opex management.

Net profit is flat YoY.

Policy benefit payment

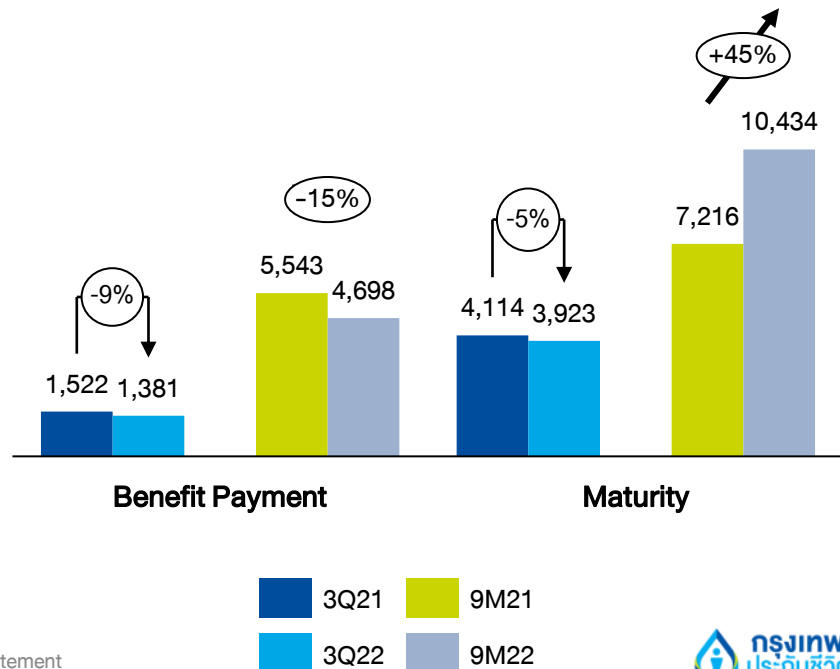
Policy benefit payment

Payment : Million Baht



Major line item

Payment : Million Baht



Q&A