

# Bangkok Life Assurance Pcl.



[www.bia.co.th](http://www.bia.co.th)

## 2Q11 Performance Update



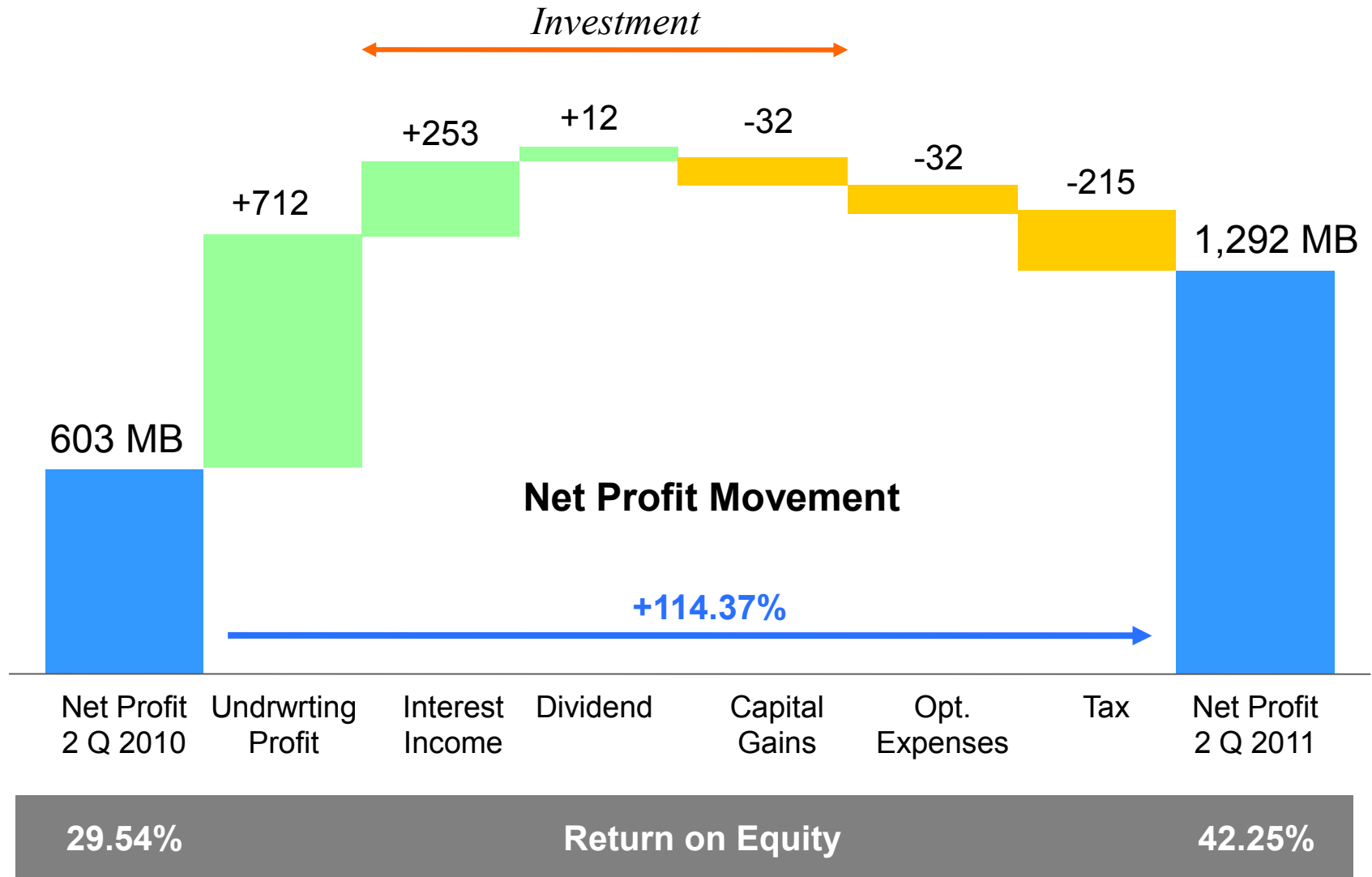
10 August 2011

# Performance Highlights - 2Q2011

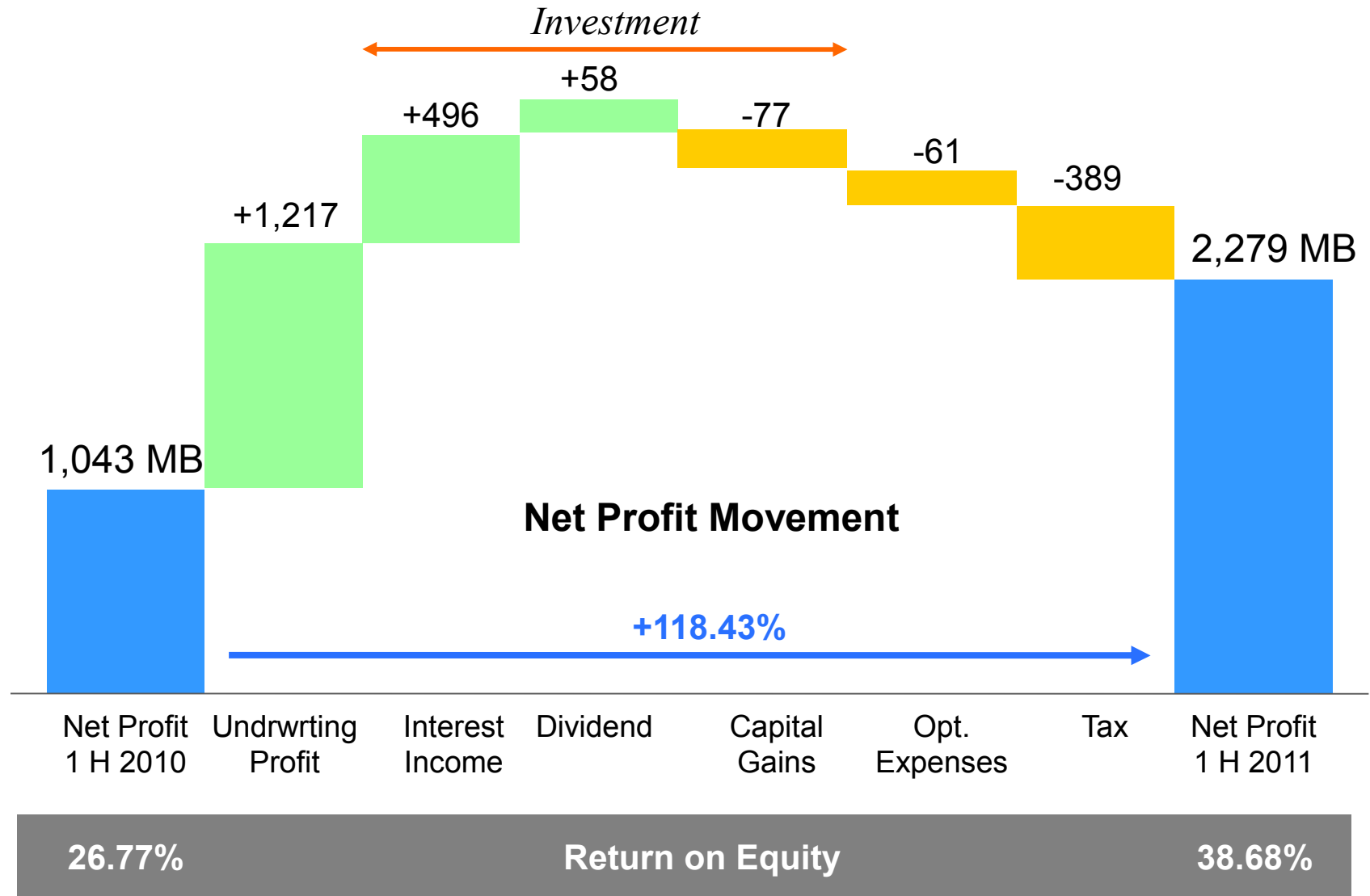


- Assets reaches 100,782 MB +11,839 MB from Dec 2010
  - >>> *96.31% Investment Assets / Duration 8.32*
  - >>> *ROI 5.28% (5.19% for 1H11 vs 5% budget)*
- FYP +111% YoY driven by Bancassurance while RYP +21% (1H11 +27% and 30%)  
Premium Collection remains hefty at 94%
  - >>> *Banc 90% of New Biz in 2Q11 and 84% for 1H11*
  - >>> *Agent production flat YoY: wholelife +23% and contribute 46% of total agent in 2Q11*
- Reserve ratio at 59.5% together with much lower Benefit Payment relative to premium (9.53% in 2Q11 vs 12.98% in 2Q10) lead to underwriting margin of 9.97% vs 1.51% last year
- OPEX increases only 11.3% YoY / Opex Ratio lower to 3.92% in 2Q11 and 3.82 for 1H11 comparing to 5.13% and 4.42% of the previous year
- Effective tax rate 23% vs 21% in 2Q10

# Performance Highlights - 2Q2011



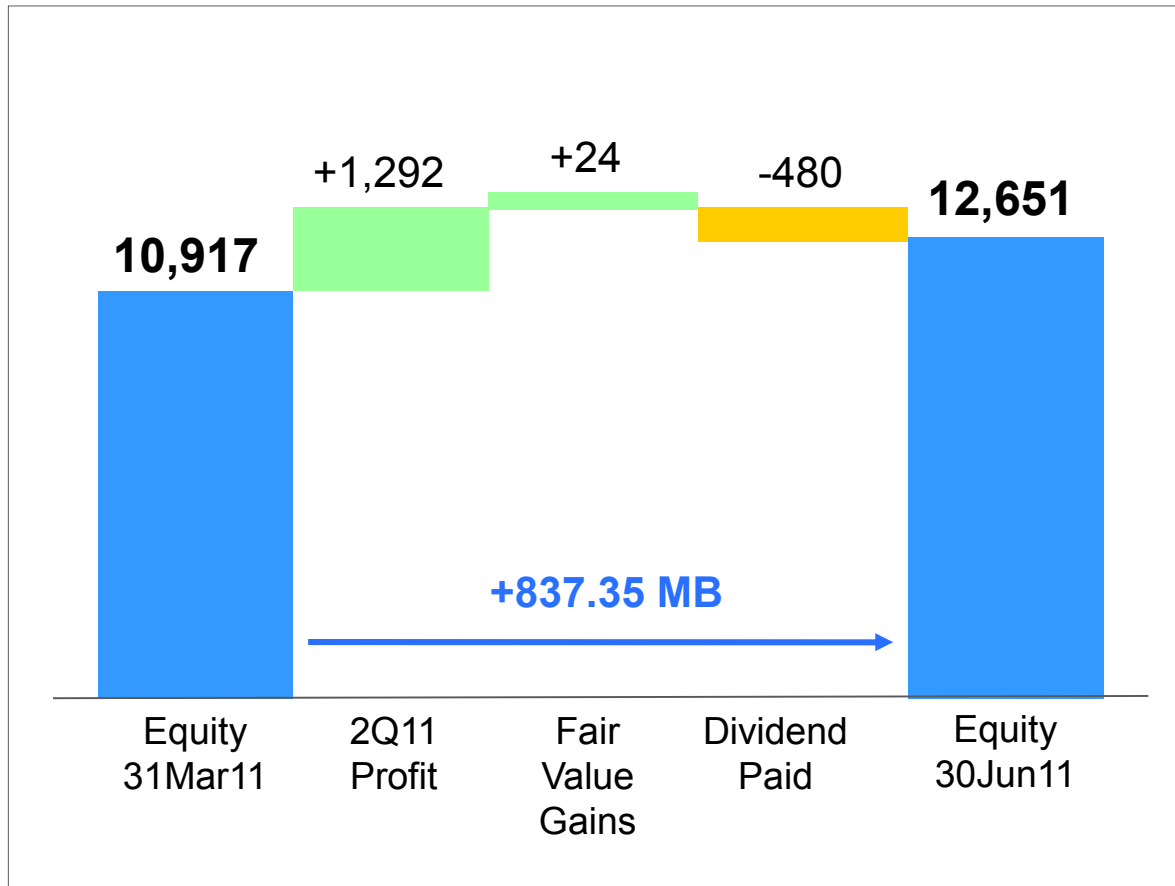
# Performance Highlights – 1H2011



# Performance Highlights - 2Q2011



### Shareholders' Equity Movement



# Balance Sheet



Unit : MB

	1H11	%	2010	%	Chg (MB)
<b>Total Assets</b>	<b>100,782</b>	<b>100.00</b>	<b>88,943</b>	<b>100.00</b>	<b>+11,839</b>
Investment	97,060	96.31	85,864	96.54	+11,196
Net premises + equipment	325	0.32	339	0.38	-14
premium receivable	1,797	1.78	1,311	1.47	+486
Accrued Investment	1,060	1.05	987	1.11	+73
Others	539	0.54	442	0.50	+97
<b>Total Liabilities</b>	<b>88,131</b>	<b>100.00</b>	<b>78,026</b>	<b>100.00</b>	<b>+10,104</b>
Reserve	78,732	89.34	69,203	88.69	+9,529
Unpaid Benefits	5,319	6.04	5,063	6.49	+257
Employee Benefits	180	0.20	108	0.14	+72
Advanced Premium	1,260	1.43	1,281	1.64	-21
Others	2,639	2.99	2,371	3.04	+268
<b>Equity</b>	<b>12,651</b>	<b>14.35</b>	<b>10,917</b>	<b>13.99</b>	<b>+1,734</b>

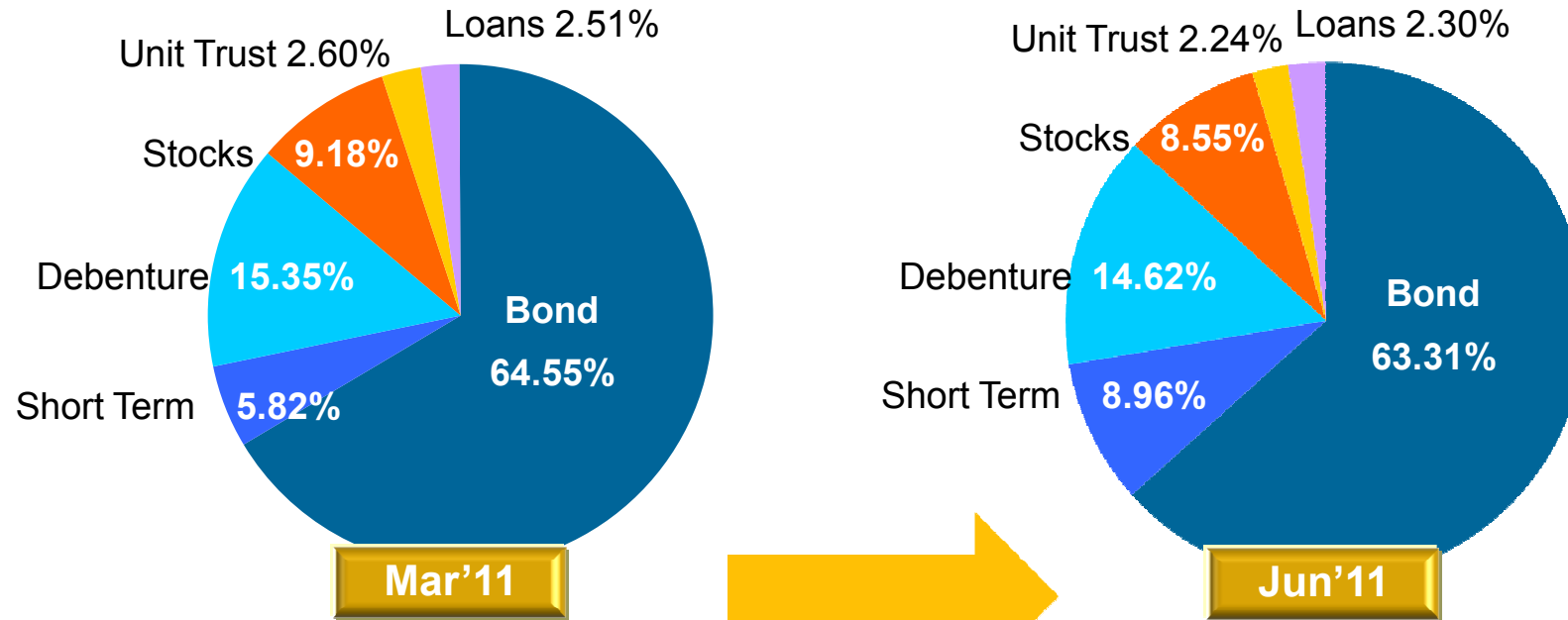
# Shareholders Equity



Unit : MB

	1H11	1Q11	Dec-10
<b>Total Equity</b>	<b>12,651</b>	<b>11,814</b>	<b>10,917</b>
Paid-up Capital	1,200	1,200	1,200
Share Premium	2,700	2,700	2,700
Unrealized gain (loss)	2,382	2,359	2,341
Retain earnings	6,369	5,555	4,676
<hr/>			
Life Policy Reserve	78,732	73,967	69,203
Equity : Reserve	16.07%	15.97%	15.78%
Solvency Ratio (RBC)		n.a.	206%

## Investments – Allocation



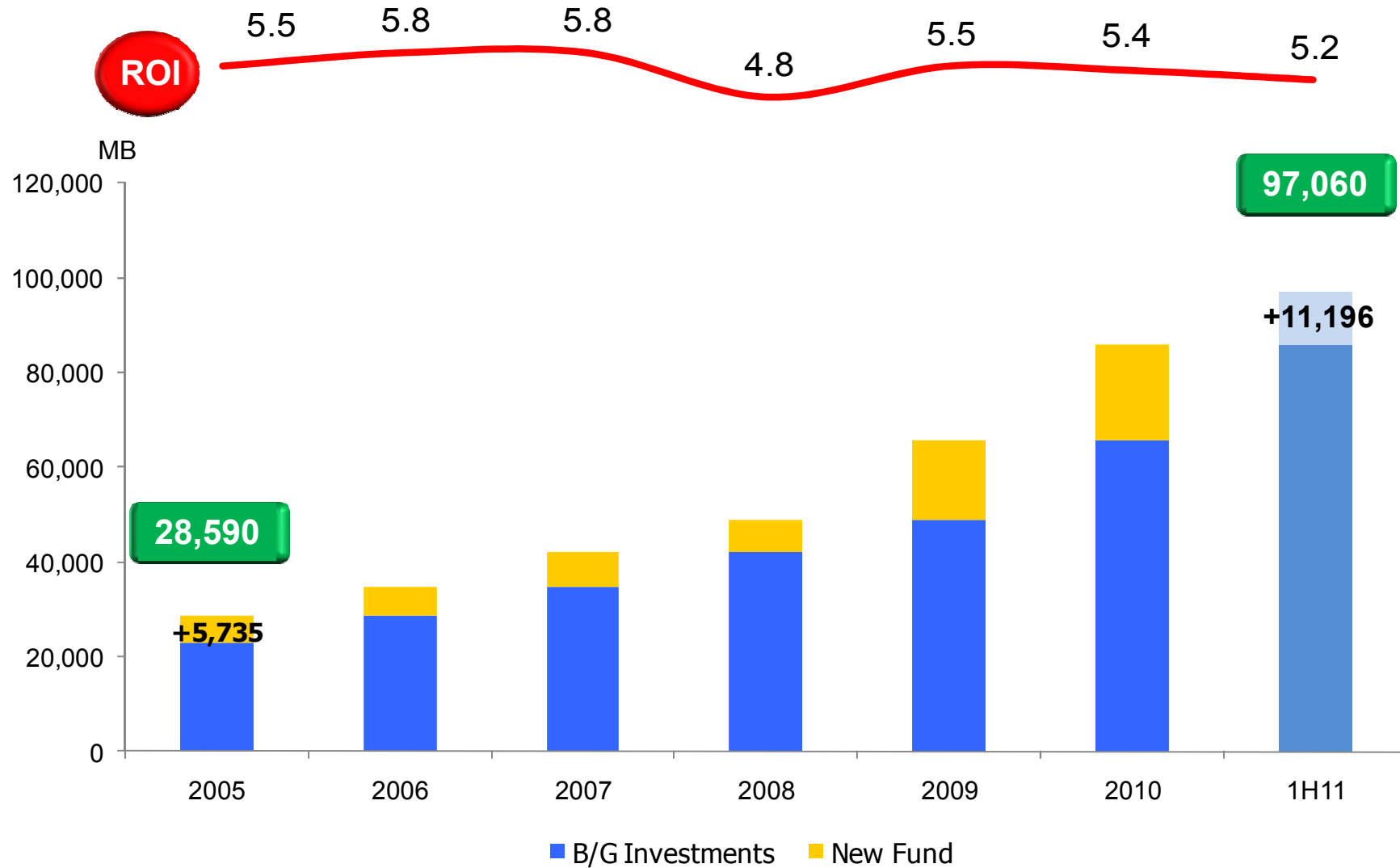
30 Jun 11

	G-Bond	SOE	Foreign BBB <sup>+</sup> to A <sup>+</sup>	
Bond (Avg. Life 13.1 yrs)	76.8%	21.0%	2.2%	
	AAA	AA <sup>-</sup> to AA <sup>+</sup>	A <sup>-</sup> to A <sup>+</sup>	Foreign A <sup>+</sup> to AA <sup>-</sup>
Debenture (avg. 7.3 yrs)	38.4%	8.9%	29.2%	23.5%

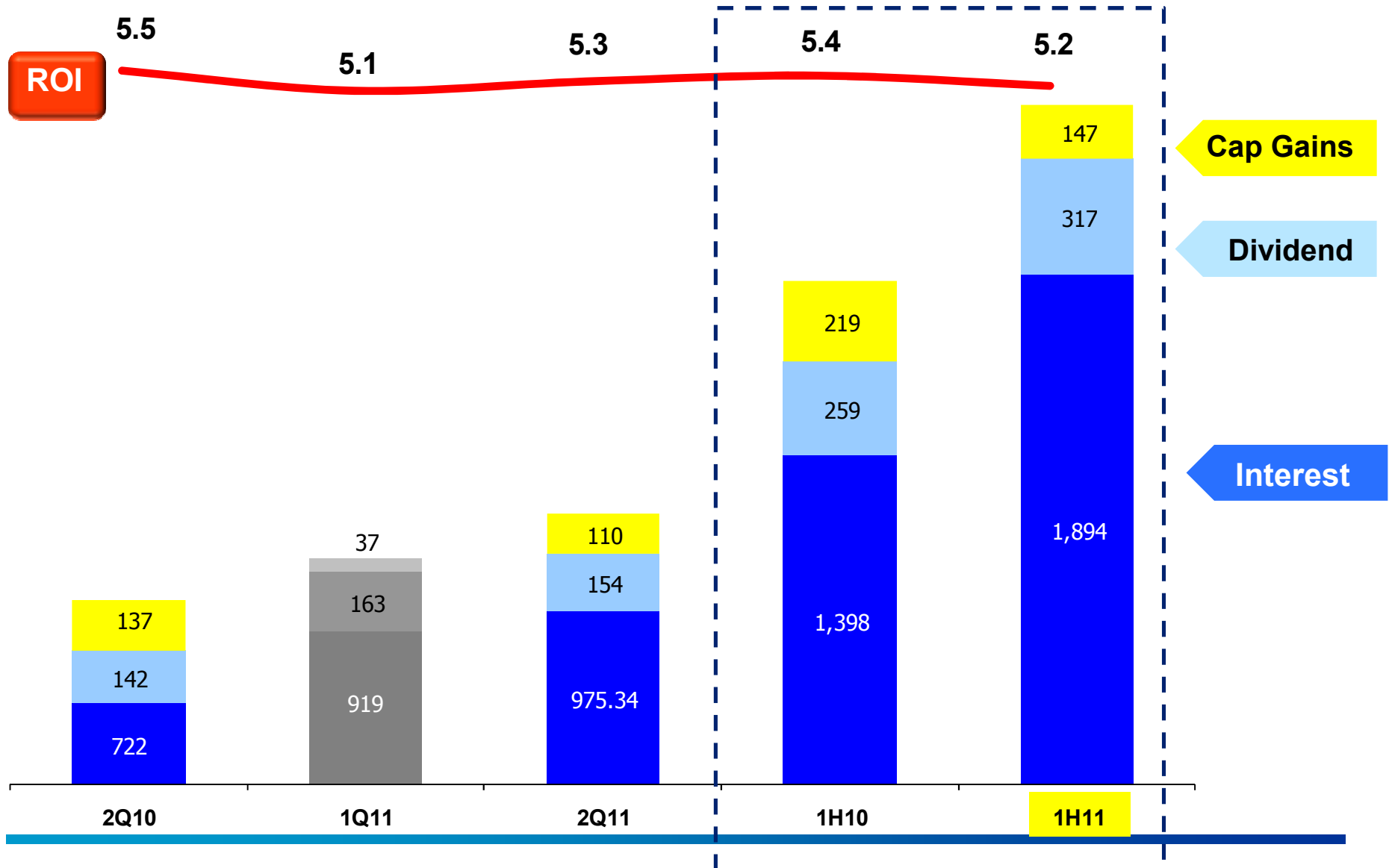
Duration 30 Jun 11 = 8.32 vs 8.37 at end of Mar



# Investments



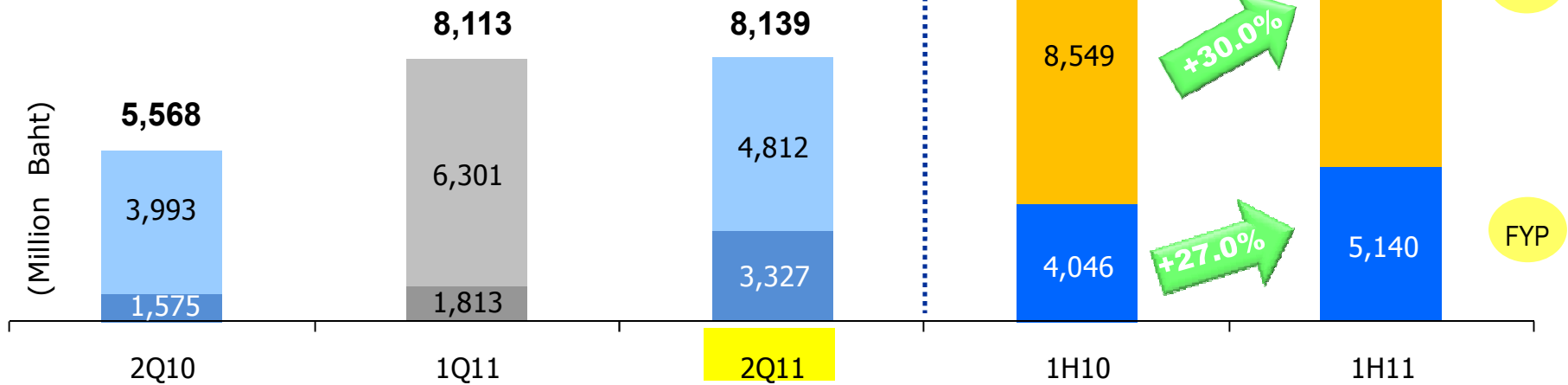
# Investment – Income Breakdown



# Premium Growth - All Type



	<u>%YoY</u>	<u>%QoQ</u>
First Year Premium	+111.2	+83.5
Renewal Year Premium	+21.5	-23.6
Total Premium	+46.2	+0.3



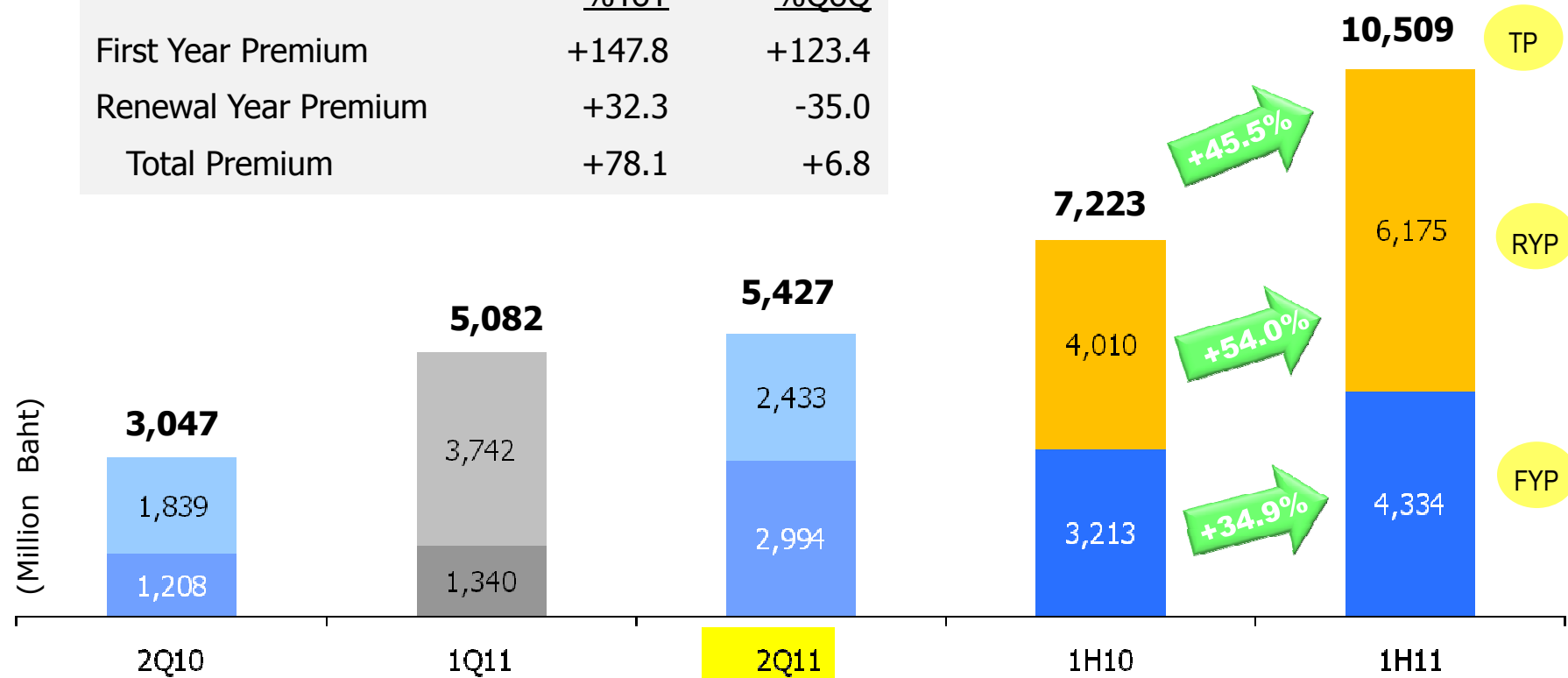
Industry	2Q11		1H11
	<u>%YoY</u>	<u>%QoQ</u>	<u>%YoY</u>
First Year Premium	21.7	16.7	10.1
Renewal Year Premium	12.0	-4.1	14.6
Total Premium	14.9	1.7	13.4

Source: Thai Life Association

# Premium Growth - Bancassurance



	<u>%YoY</u>	<u>%QoQ</u>
First Year Premium	+147.8	+123.4
Renewal Year Premium	+32.3	-35.0
Total Premium	+78.1	+6.8



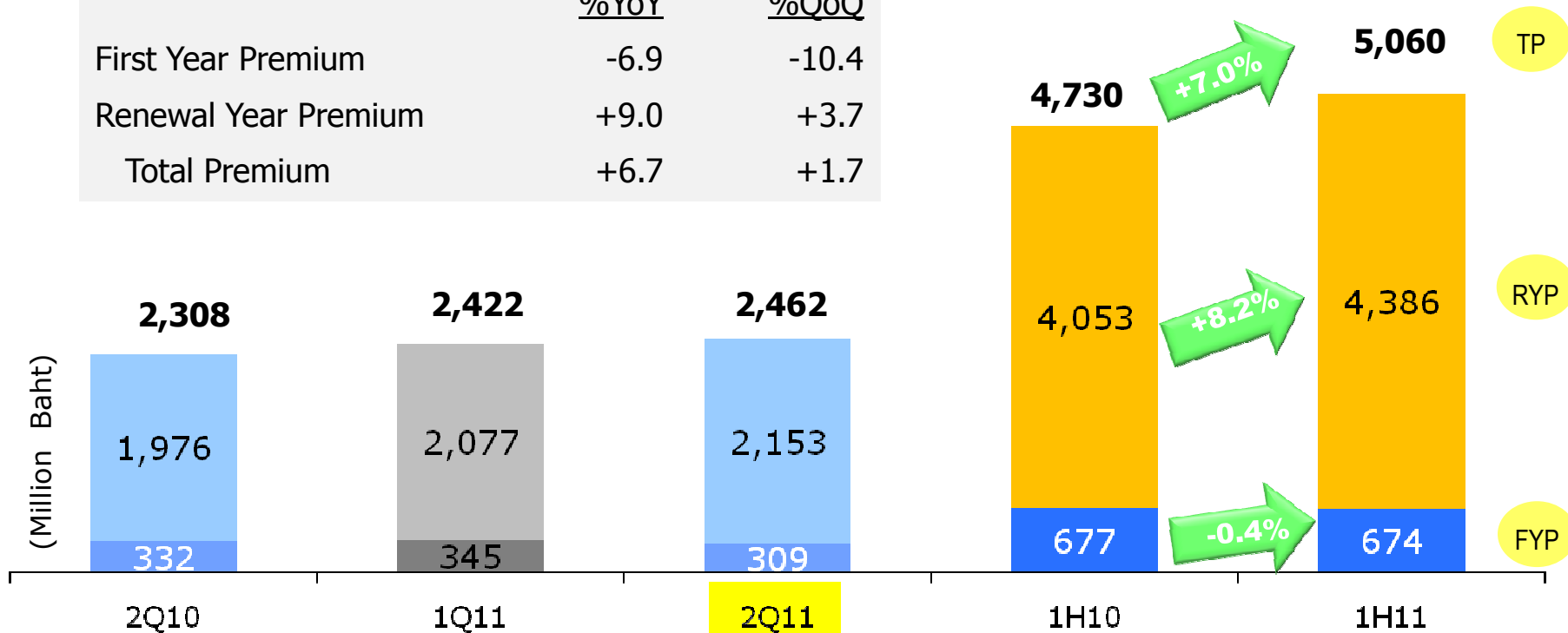
Industry	2Q11		1H11
	<u>%YoY</u>	<u>%QoQ</u>	<u>%YoY</u>
First Year Premium	36.2%	39.5%	4.8%
Renewal Year Premium	32.0%	-11.9%	41.9%
Total Premium	33.4%	1.02%	21.6%

Source: Thai Life Association

# Premium Growth - Agency



	<u>%YoY</u>	<u>%QoQ</u>
First Year Premium	-6.9	-10.4
Renewal Year Premium	+9.0	+3.7
Total Premium	+6.7	+1.7



Industry	2Q11		1H11
	<u>%YoY</u>	<u>%QoQ</u>	<u>%YoY</u>
First Year Premium	4.1%	-21.5%	17.4%
Renewal Year Premium	5.9%	0.1%	6.5%
Total Premium	5.6%	-4.5%	9.3%

Source: Thai Life Association

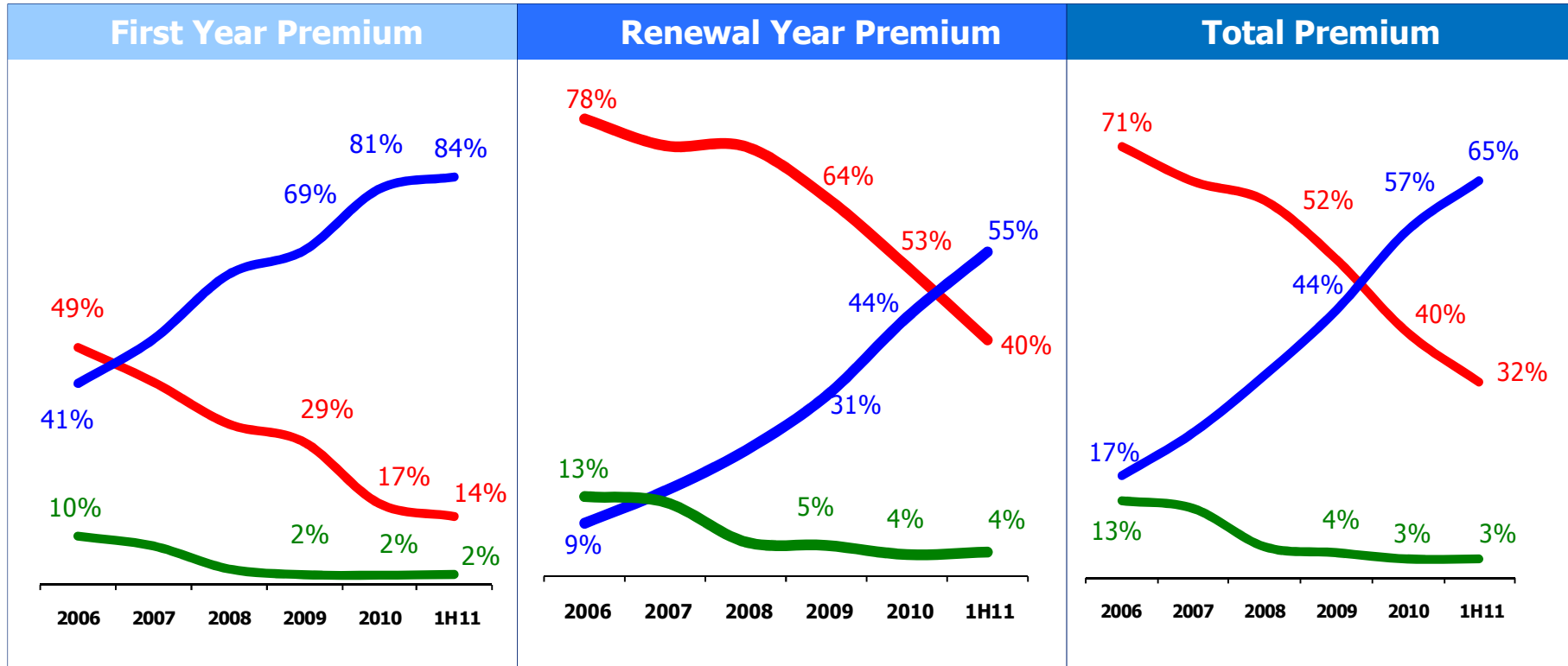
# New Business Classified By Plan

January – June 2011

Agent Channel	FYP (MB)			No. Of Policy			Proportion			
	2011	2010	%+/-	2011	2010	%+/-	FYP		No. of Policy	
							2011	2010	2011	2010
Whole Life	289	236	23%	45,177	33,688	34%	45%	37%	81%	52%
Endowment	321	395	-19%	10,126	30,909	-67%	50%	63%	18%	48%
Term	0.9	0.5	69%	43	49	-12%	0.1%	0.08%	0.08%	0.08%
Pension	26	-	N/A	222	-	N/A	4%	0%	0.4%	0%
<b>Total</b>	<b>637</b>	<b>632</b>	<b>0.9%</b>	<b>55,568</b>	<b>64,646</b>	<b>-14%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

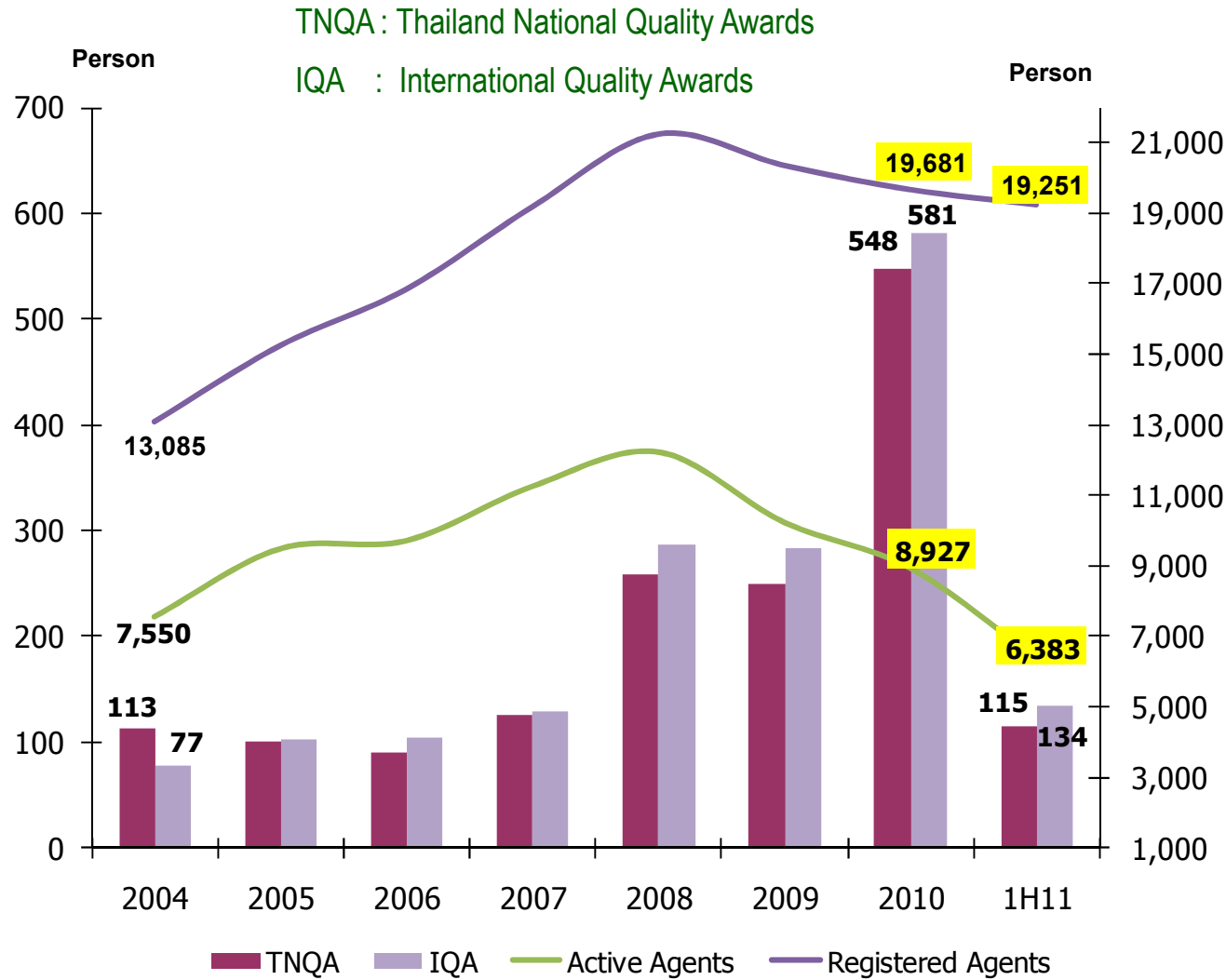
Ordinary & Salary Savings Excl SP

# Channel Distribution

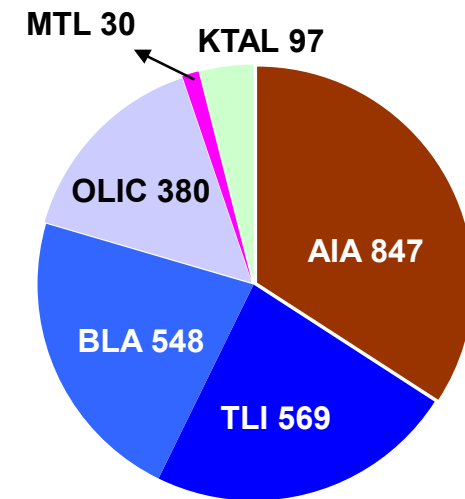


— Agent — Banc — Others

# Agency Force



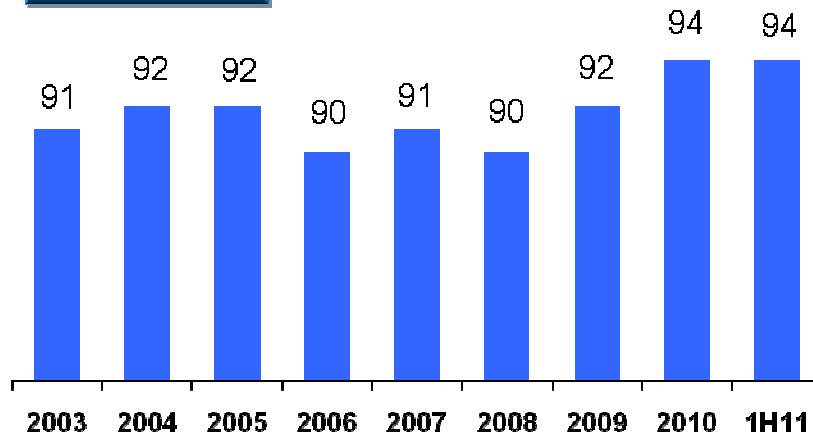
No. of TNQA of Industry 2010



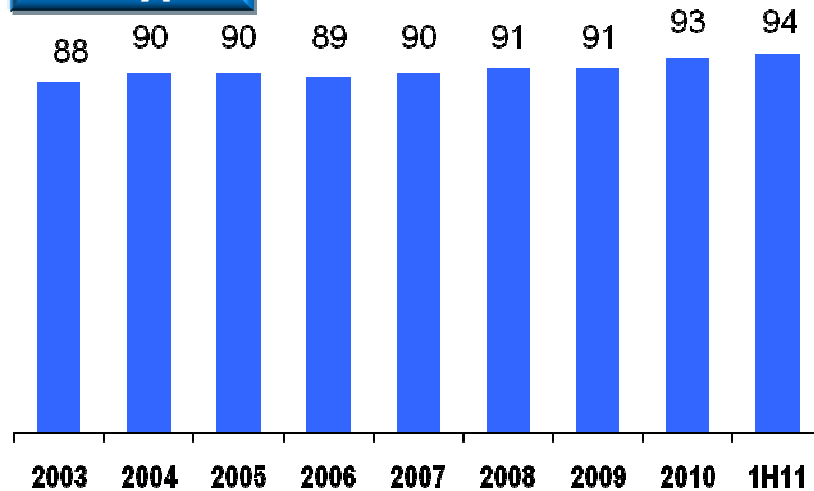


# Premium Collection

## Ordinary



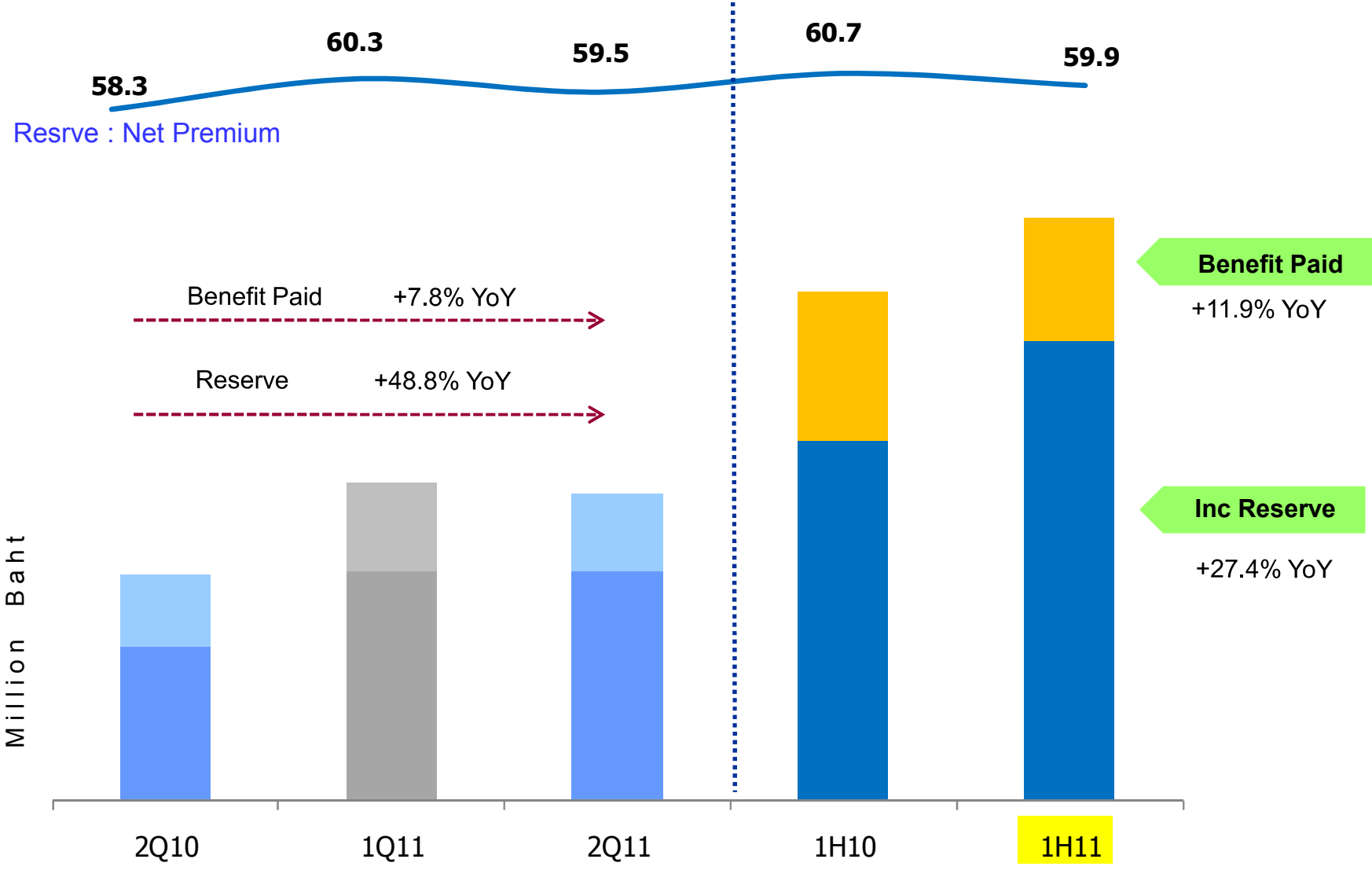
## All Type



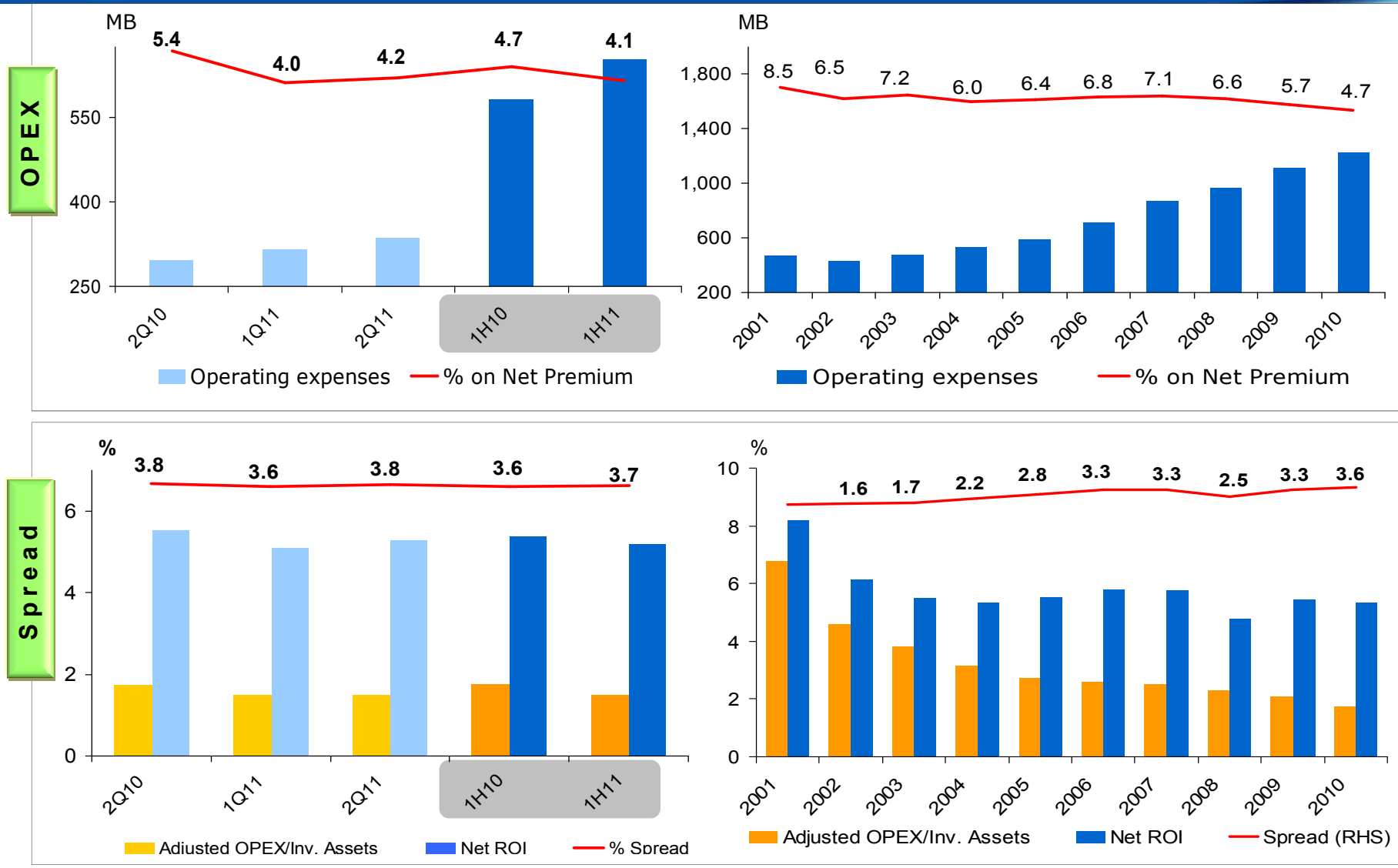
Ordinary(%)	1H11	2010	2009	2008
<b>OLIC</b>	<b>94</b>	88	90	82
<b>AACP</b>	<b>92</b>	91	84	52
<b>MTL</b>	<b>91</b>	91	89	90
<b>AIA</b>	<b>90</b>	92	91	91
<b>KTAL</b>	<b>89</b>	89	83	94
<b>TLI</b>	<b>88</b>	90	87	88
<b>SCBLife</b>	<b>84</b>	87	88	88
<b>Industry</b>	<b>90</b>	91	89	85

All Type(%)	1H11	2010	2009	2008
<b>MTL</b>	<b>91</b>	91	88	90
<b>AACP</b>	<b>89</b>	88	81	50
<b>TLI</b>	<b>88</b>	89	87	88
<b>AIA</b>	<b>87</b>	89	87	88
<b>KTAL</b>	<b>85</b>	88	86	91
<b>SCBLife</b>	<b>85</b>	87	88	87
<b>OLIC</b>	<b>85</b>	83	82	84
<b>Industry</b>	<b>88</b>	89	87	83

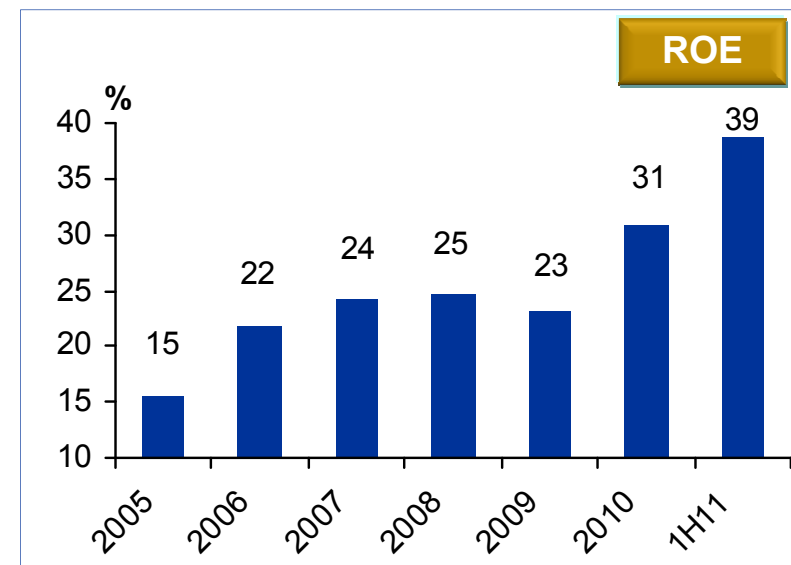
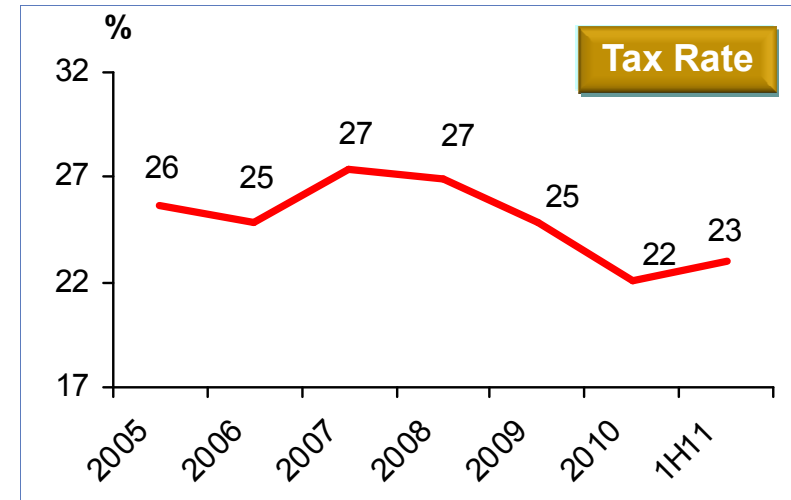
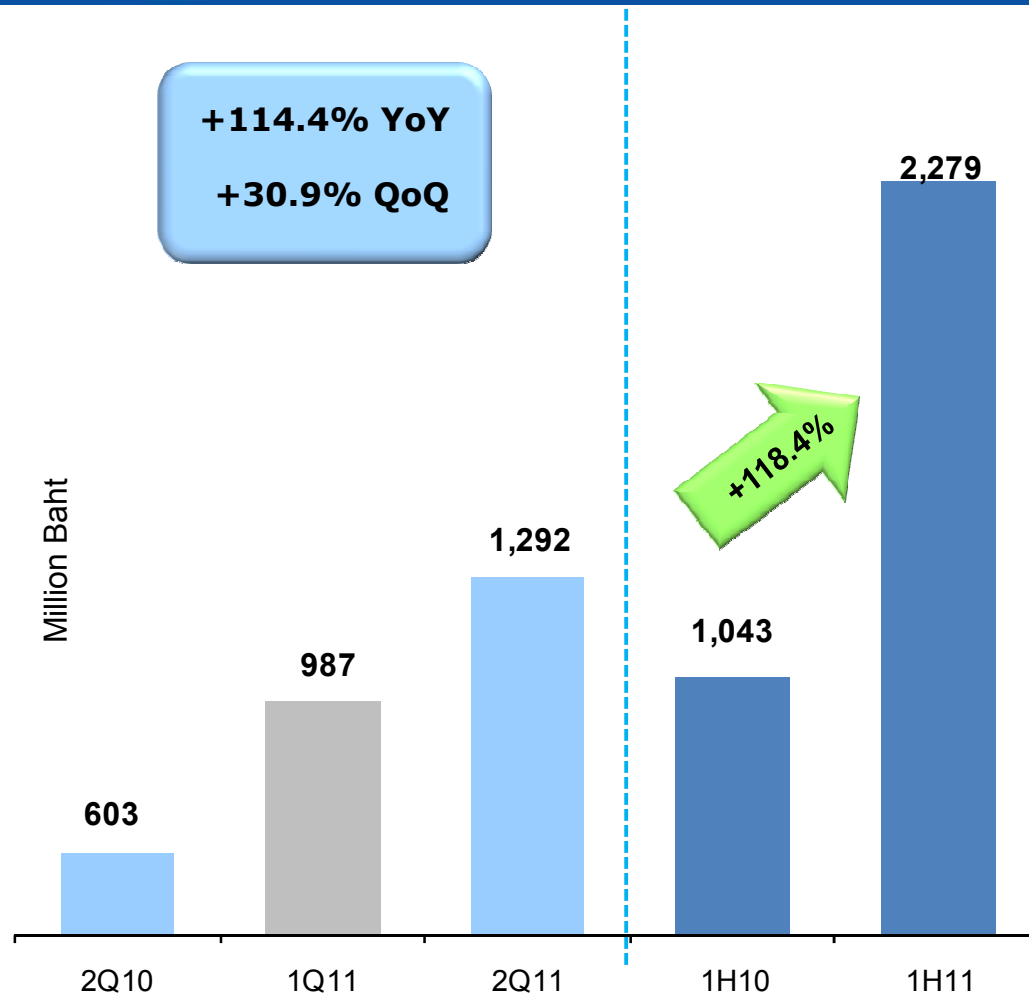
# Expenses – Reserve & Benefit Paid



# Expenses – OPEX/Investment vs ROI



# Net Income



# Underwriting Income Analysis



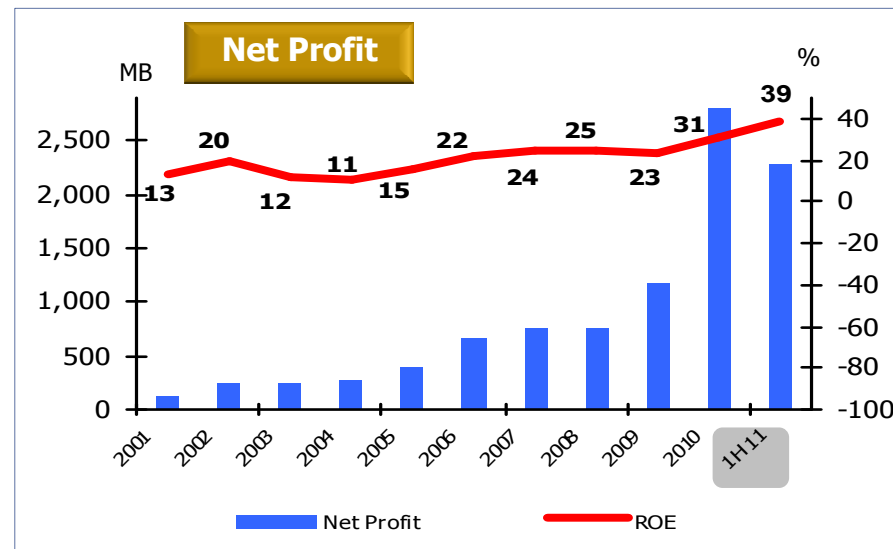
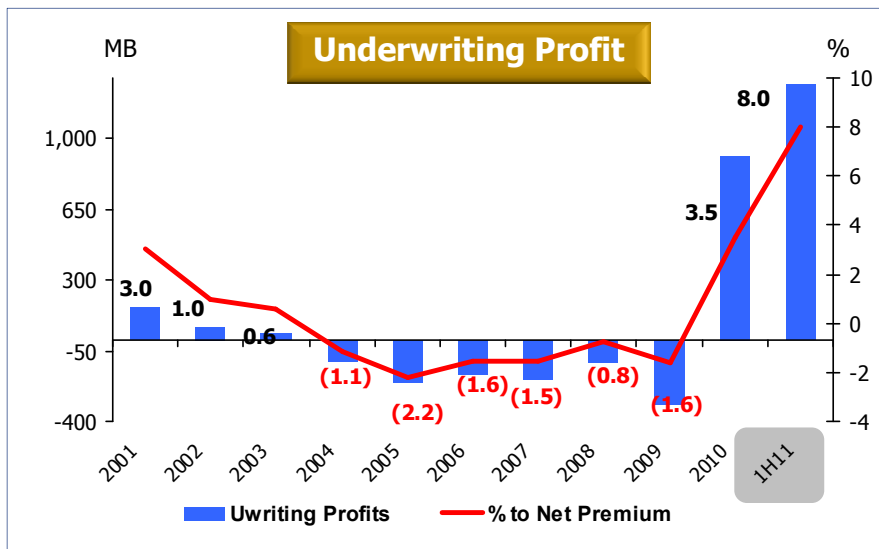
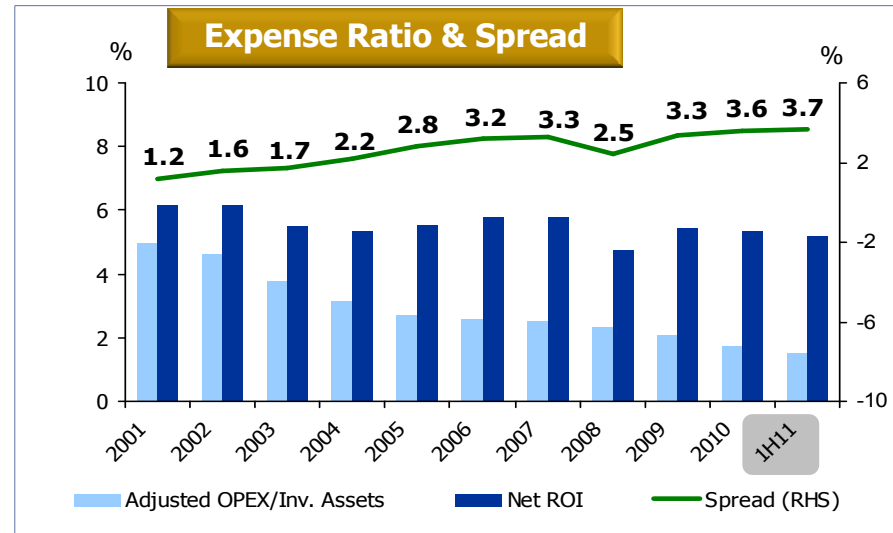
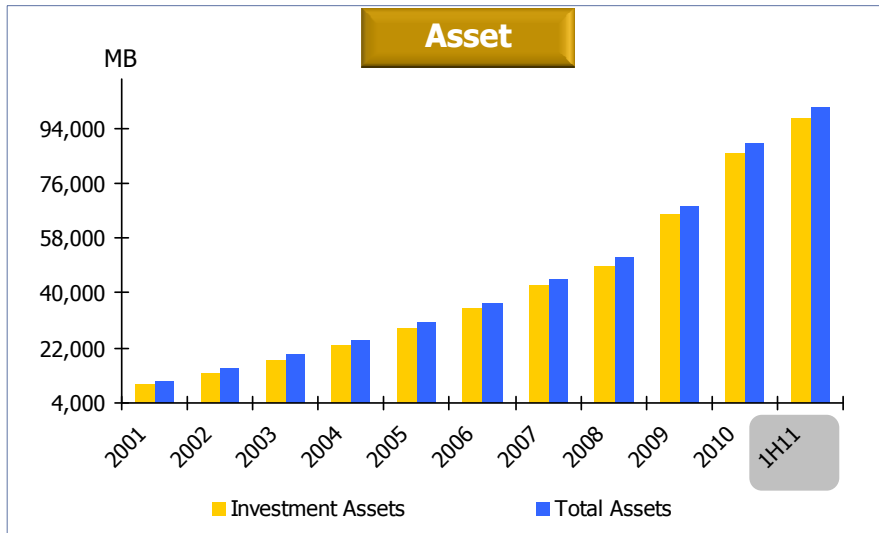
	2Q11	2Q10	%YoY	1H11	1H10	%YoY
<b>Net Premium</b>	<b>7,959</b>	<b>5,461</b>	<b>45.75</b>	<b>15,820</b>	<b>12,278</b>	<b>28.85</b>
Inc. Policy Reserve	4,732	3,179	48.84	9,475	7,436	27.43
<i>% of net premium</i>	<i>59.46%</i>	<i>58.23%</i>		<i>59.90%</i>	<i>60.56%</i>	
Benefits Payment	1,602	1,481	8.17	3,421	3,057	11.89
<i>% of net premium</i>	<i>20.13%</i>	<i>27.12%</i>		<i>21.62%</i>	<i>24.90%</i>	
Commissions & Brokerages	681	619	9.91	1,417	1,518	-6.61
<i>% of net premium</i>	<i>8.55%</i>	<i>11.34%</i>		<i>8.96%</i>	<i>12.36%</i>	
Sales Promotion Expenses	145	90	61.01	230	205	12.21
<b>Total Underwriting Exp.</b>	<b>7,166</b>	<b>5,378</b>	<b>33.23</b>	<b>14,553</b>	<b>12,227</b>	<b>19.02</b>
<b>Underwriting Income</b>	<b>793</b>	<b>82</b>	<b>865.40</b>	<b>1,267</b>	<b>51</b>	<b>2,399.64</b>
<i>% of net premium</i>	<i>9.97%</i>	<i>1.50%</i>		<i>8.01%</i>	<i>0.41%</i>	

# Operating Performance



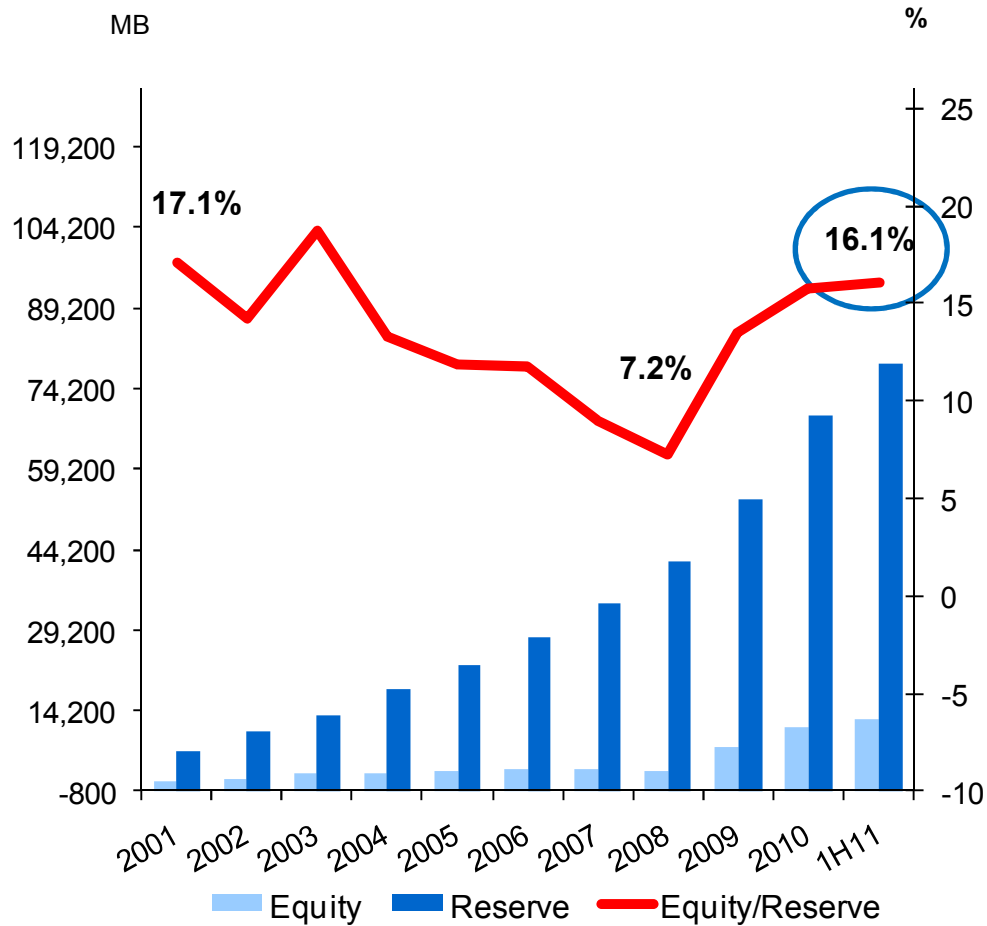
	2Q11	2Q10	%YoY	1H11	1H10	%YoY
Dividends	154	142	8.48	317	259	22.60
Interest & Discount Received	975	722	35.05	1,894	1,398	35.51
Gains(Losses) on Securities	106	137	-23.23	142	219	-35.14
Total Investment Inc	1,235	1,002	23.28	2,353	1,886	24.77
<i>ROI</i>	<i>5.3%</i>	<i>5.5%</i>		<i>5.2%</i>	<i>5.4%</i>	
Total Income on Und. & Inv.	2,016	1,069	88.57	3,594	1,901	89.06
Operating Expenses	312	280	11.30	605	544	11.16
<i>% of Net Premium</i>	<i>3.92%</i>	<i>5.13%</i>		<i>3.82%</i>	<i>4.43%</i>	
Operating Profit	1,704	791	115.49	2,991	1,357	120.48
Earnings before tax	1,679	775	116.68	2,945	1,320	123.06
Income Tax	387	172	124.99	665	277	140.61
<i>% income tax rate</i>	<i>23.07%</i>	<i>22.22%</i>		<i>22.59%</i>	<i>20.94%</i>	
Net Income	1,292	603	114.31	2,279	1,043	118.50
EPS	1.08	0.50		1.90	0.87	

# Operating Highlights – *continued*



# Capital Adequacy

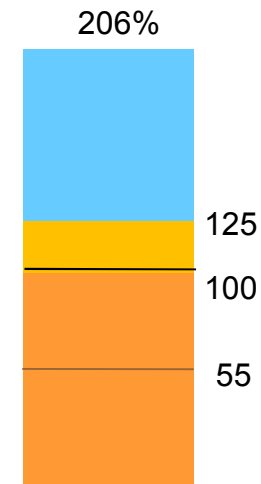
Current regulation requires 2% of Life Reserve.



RBC to be enforced in September 2011



Accounting Treatment of Life Policy Reserve



As of December 2010



## Market Ranking

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# Ranking – Ordinary Premium 1H11

## First Year Premium

Company	Mil. Baht	Mkt. Share (%)	% YoY
AIA	5,184	18.85	5.12
<b>BLA</b>	<b>4,051</b>	<b>14.73</b>	<b>28.66</b>
MTL	3,676	13.36	8.24
TLI	3,568	12.97	26.28
SCBLife	3,257	11.84	2.19
KTAL	2,555	9.29	7.70
AACP	1,808	6.57	34.61
ING	870	3.16	-10.59
OLIC	826	3.00	51.82
PLT	462	1.68	-9.11
Industry	27,509	100.00	12.72

## Total Premium

Company	Mil. Baht	Mkt. Share (%)	% YoY
AIA	38,802	30.66	4.42
TLI	16,243	12.84	12.50
<b>BLA</b>	<b>14,654</b>	<b>11.58</b>	<b>30.20</b>
MTL	14,296	11.30	22.38
SCBLife	12,350	9.76	14.37
KTAL	8,237	6.51	29.61
AACP	7,878	6.23	19.48
ING	4,192	3.31	12.22
OLIC	2,258	1.78	48.01
PLT	1,567	1.24	26.94
Industry	126,540	100.00	14.98

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

# Ranking – All Type Premium 1H11



## First Year Premium

Company	Mil. Baht	Mkt. Share (%)	% YoY
AIA	7,145	21.99	6.48
<b>BLA</b>	<b>4,215</b>	<b>12.97</b>	<b>27.62</b>
TLI	3,899	12.00	29.34
MTL	3,855	11.87	7.66
SCBLife	3,489	10.74	6.33
KTAL	2,801	8.62	-0.34
AACP	2,273	6.99	33.28
OLIC	1,448	4.46	5.11
ING	918	2.83	-8.02
PLT	472	1.45	-13.45
Industry	32,492	100.00	12.23

## Total Premium

Company	Mil. Baht	Mkt. Share (%)	% YoY
AIA	41,725	29.47	4.75
TLI	17,627	12.45	12.36
<b>BLA</b>	<b>15,320</b>	<b>10.82</b>	<b>29.38</b>
MTL	15,196	10.73	21.83
SCNYL	13,143	9.28	15.28
AACP	9,150	6.46	18.50
KTAL	8,805	6.22	24.01
OLIC	6,166	4.35	11.58
ING	4,274	3.02	12.30
PLT	1,702	1.20	18.86
Industry	141,606	100.00	14.01

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

# Ranking – Bancassurance 1Q11



## First Year Premium

Company	Mil. Baht	Mkt. Share (%)	% YoY
SCNYL	1,491	28.67	5.07
MTL	1,142	21.95	-19.97
<b>BLA</b>	<b>893</b>	<b>17.16</b>	<b>-48.44</b>
KTAL	689	13.25	-18.17
AACP	305	5.86	77.33
ING	274	5.26	16.10
PLT	166	3.18	5.06
TLI	133	2.56	6.40
ACE	51	0.99	-17.74
TLA	45	0.86	40.63
Industry	5,203	100.00	-20.93

## Total Premium

Company	Mil. Baht	Mkt. Share (%)	% YoY
SCNYL	5,660	24.44	16.65
<b>BLA</b>	<b>4,635</b>	<b>19.40</b>	<b>18.75</b>
MTL	4,346	21.66	29.96
KTAL	2,406	10.77	32.49
AACP	746	2.90	60.43
ING	585	2.40	61.60
PLT	447	2.21	53.08
SCI Life	435	1.70	-10.31
AIA	295	3.03	-20.49
TLA	122	5.07	71.83
Industry	20,691	100.00	23.37

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

# Ranking – Bancassurance 1H11



## First Year Premium

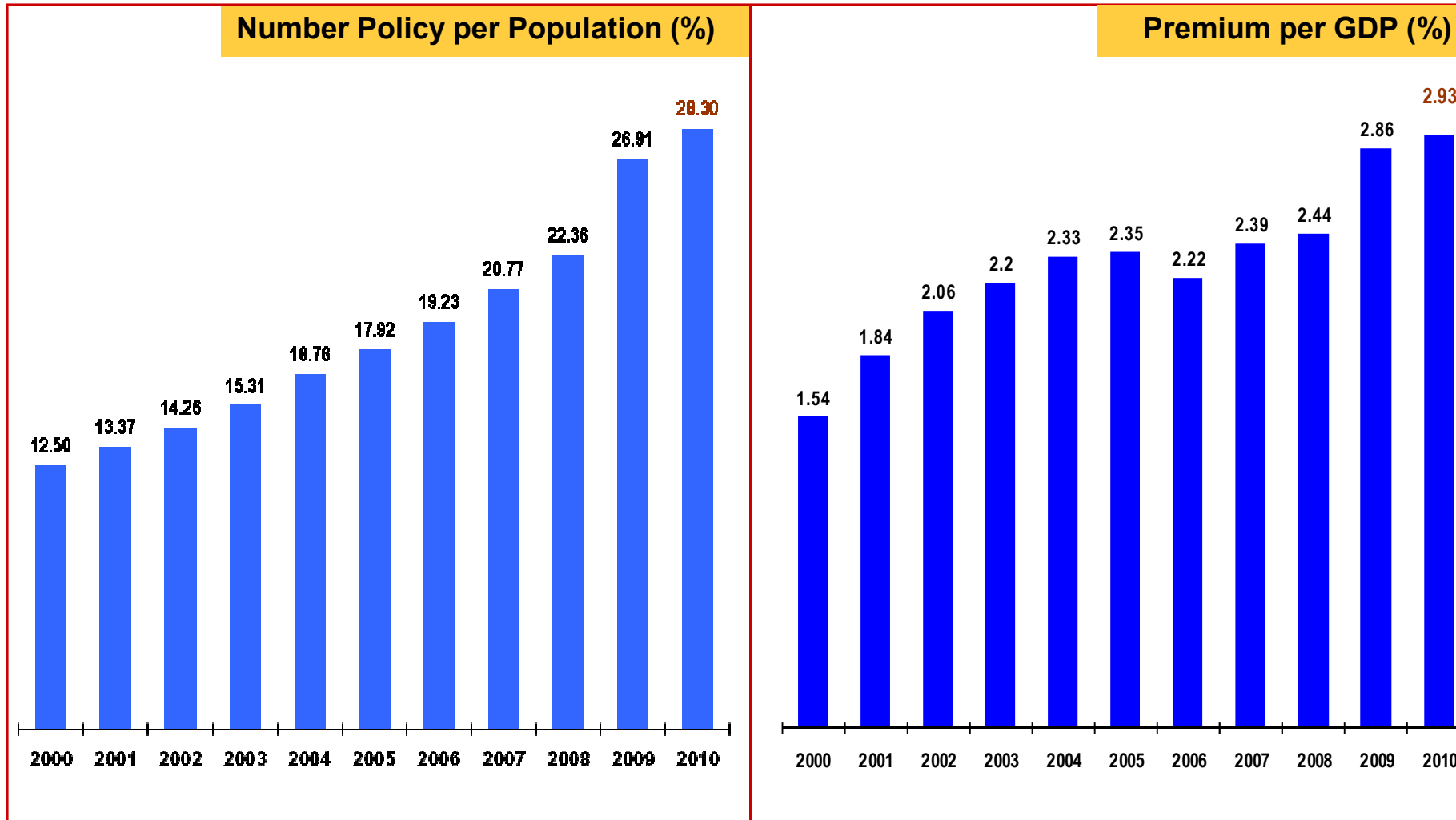
Company	Mil. Baht	Mkt. Share (%)	% YoY
<b>BLA</b>	<b>3,474</b>	<b>27.89</b>	<b>35.39</b>
SCBLife	2,728	21.89	(2.22)
MTL	2,637	21.17	2.09
KTAL	1,462	11.73	(1.95)
AACP	633	5.08	94.17
ING	564	4.53	11.02
TLI	336	2.70	150.75
PLT	296	2.37	(17.78)
TLA	192	1.55	93.94
AIA	20	0.16	(96.15)
Industry	12,459	100.00	4.54

## Total Premium

Company	Mil. Baht	Mkt. Share (%)	% YoY
SCBLife	10,776	25.91	13.40
<b>BLA</b>	<b>9,649</b>	<b>23.20</b>	<b>46.31</b>
MTL	8,966	21.56	34.71
KTAL	4,499	10.82	32.25
AACP	1,475	3.55	62.27
ING	1,301	3.13	55.44
PLT	808	1.94	37.88
TLI	680	1.63	82.31
AIA	741	1.78	(30.16)
TLA	426	1.02	82.05
Industry	41,593	100.00	28.19

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

# Market Penetration - *Thailand*

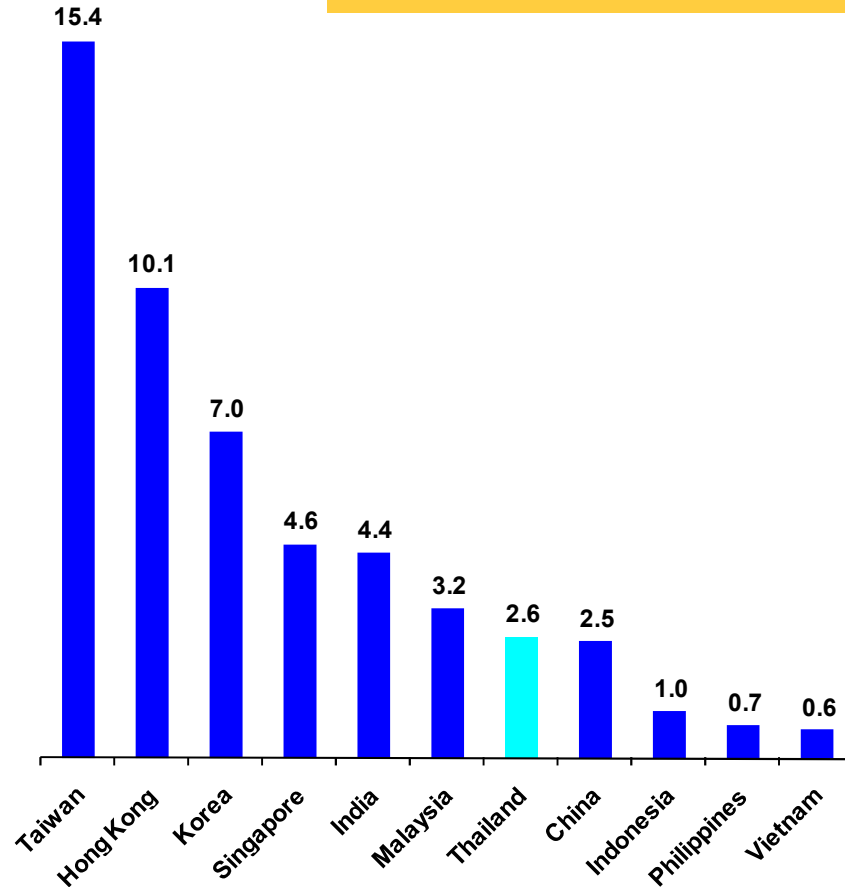


Source: Thai Life Assurance Association

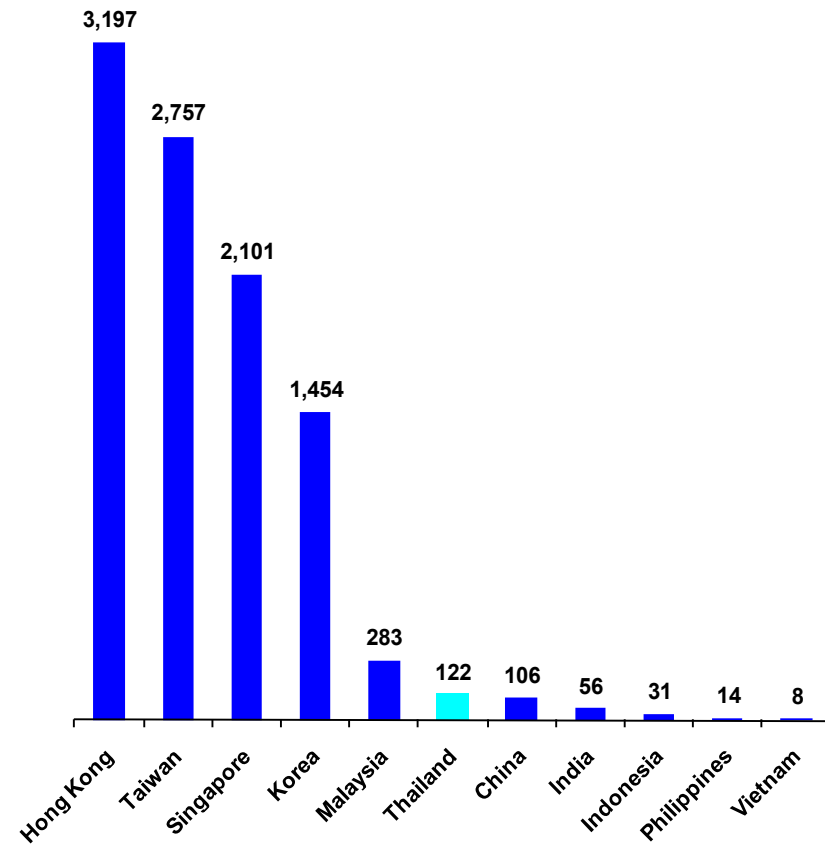
# Market Penetration – *Regional 2010*



Premium per GDP (%)



Premium per capita (US\$)



# BLA's 2011 Target



	Target 2011		1H11		% of Target
	MB	+/-	MB	+/-	
First Year Premium	8,323	-9%	4,991	+25%	60%
Renewal Year Premium	20,913	+21%	11,104	+30%	53%
Total Premium	29,242	+11%	16,095	+29%	55%



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# Thank You

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# *Appendix*

Banc

# Gain1<sup>st</sup> - 330

Life protection

4 yr paid

Cash benefit

Maturity Benefit



End yr 1-6 paid 5% annually  
(Totally 30% of sum assured)

End yr 7-12 paid 7% annually  
(Totally 42% of sum assured)

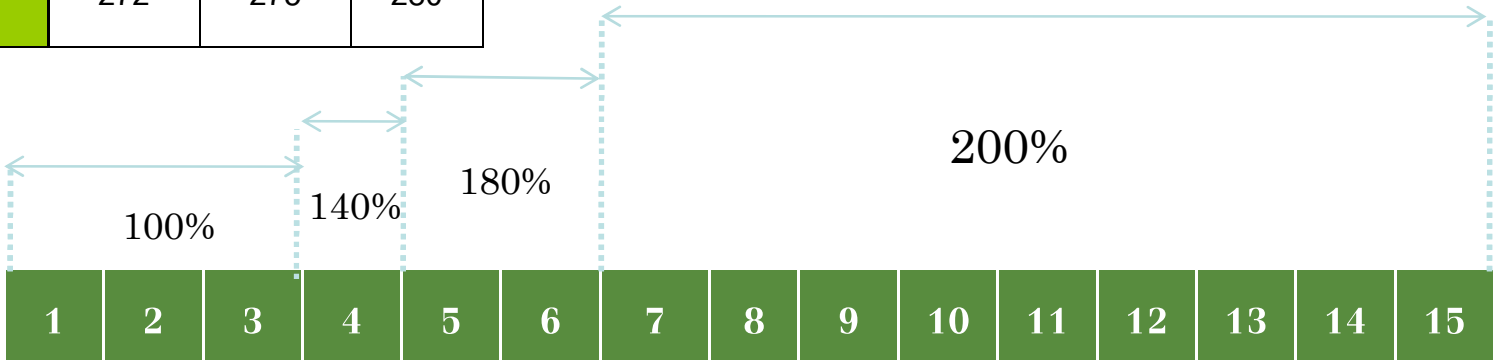
258%

**Total policy's benefit = 330% of sum assured**

# Gain 1<sup>st</sup> -245 (15/7)

Age (Yr)	0-50	51-55	56-60
Prm / Yr	272	275	280

Premium / Sum Assured 1,000 Baht



**Paid 7 years** ■ ■ ■ ■ ■ ■ ■

**Cash Benefit**

End yr 1-5 paid 3% annually  
(Totally 15% of sum assured)

End yr 6-10 paid 4% annually  
(Totally 20% of sum assured)

End yr 11-15 paid 5% annually  
(Totally 25% of sum assured)

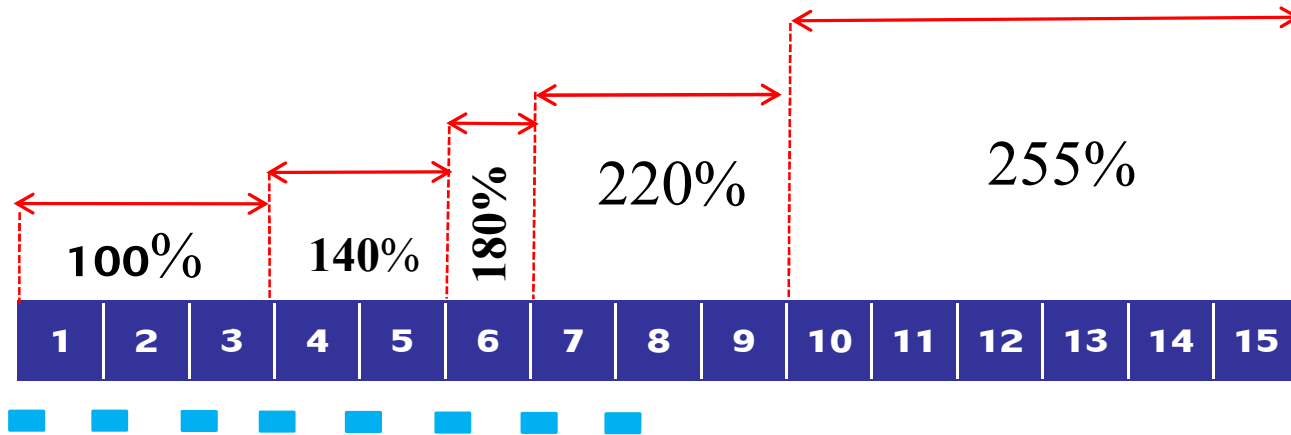
**Maturity Benefit**

**185%**

Total policy's benefit = **245%** of sum assured

# Gain1<sup>st</sup> - 255

Life Protection



8 yr paid

Maturity Paid

255%

Total policy's benefit = **255%** of sum assured

Agent

## Huangrak 20 (Whole Life)

**15 years paid and protect until 99 years old**

**Policy benefit** : when mature paid sum assured

**Dead benefit** : sum assured

Premium / Sum Assured 1,000 Baht

Age (Yr)	Male	Female
30	18.25	14.72

## Krungtep 115 (Saving)

**10 years paid and 15 years protection**

**Policy benefit** : 115% of total premium paid  
when policy mature

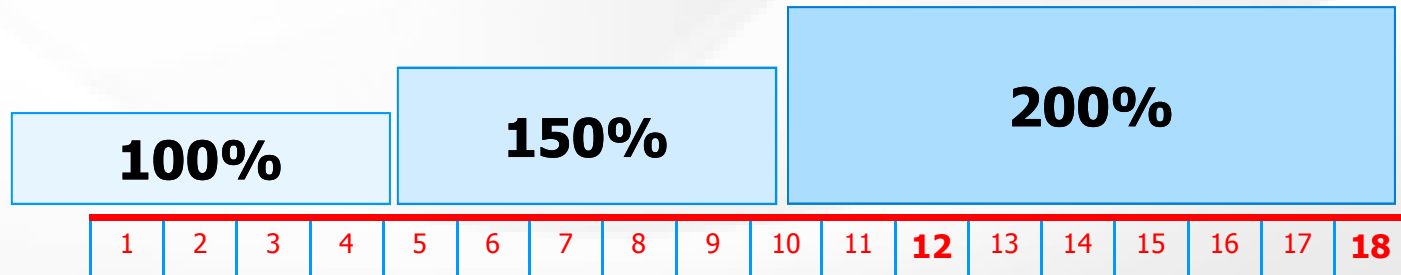
**Dead benefit** : sum assured + premium paid

Premium / Sum Assured 1,000 Baht

Age (Yr)	Male	Female
30	54.56	28.16

# DungJai 18/12

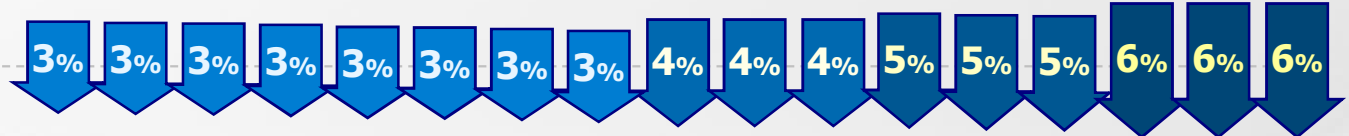
← Protection →



Paid 12 yr



Cash Benefit



Bonus



Maturity Benefit



**Total policy benefit = 217% of sum assured**