



กรุงเทพประกันชีวิต
BANGKOK LIFE ASSURANCE

Analyst Meeting

“3Q2016 Results Update”

November 10, 2016

Analyst Meeting – *3Q2016 results*

Topics:

1. Results overview

K. Sanor, SEVP – Investment Division

K. Narin, VP – Marketing Division

K. Jaruan, SVP – Finance & Acct Division

2. Messages from the President

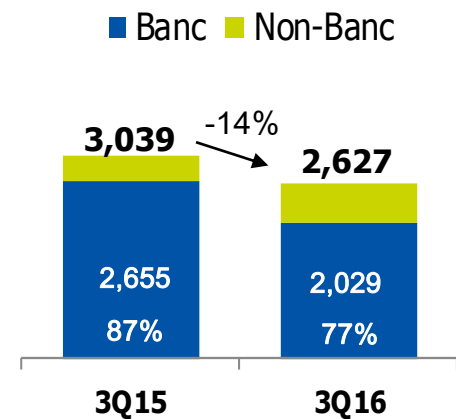
K. Komkai, Acting President

3. Q & A

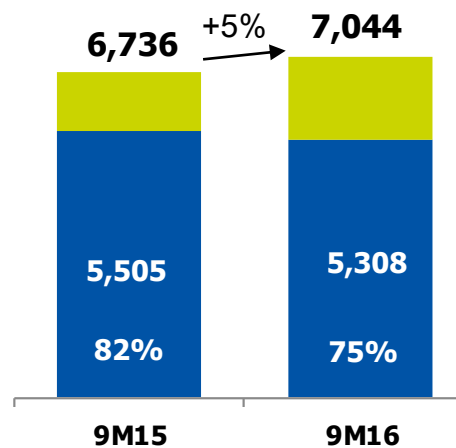
New Business: -14% in 3Q16 while + 5% in 9M16

Even though short-term endowment dropped in Bancassurance, Bancassurance still contributed 75% in 9M16

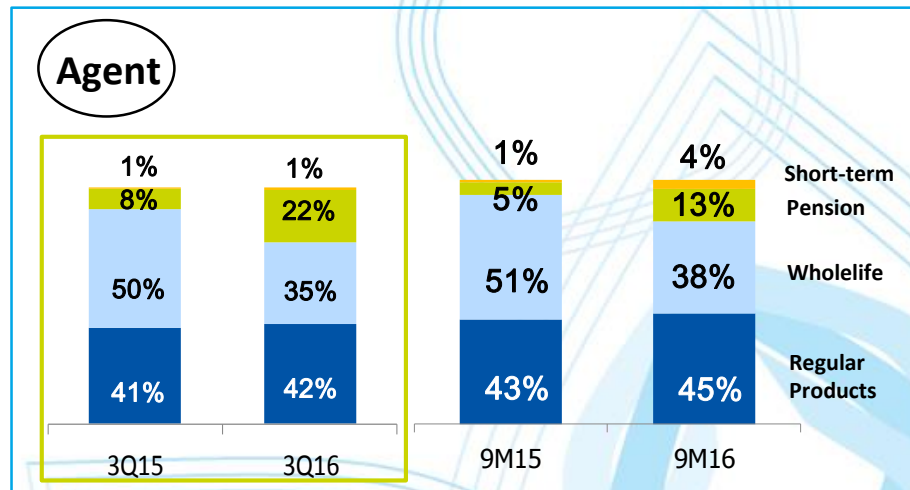
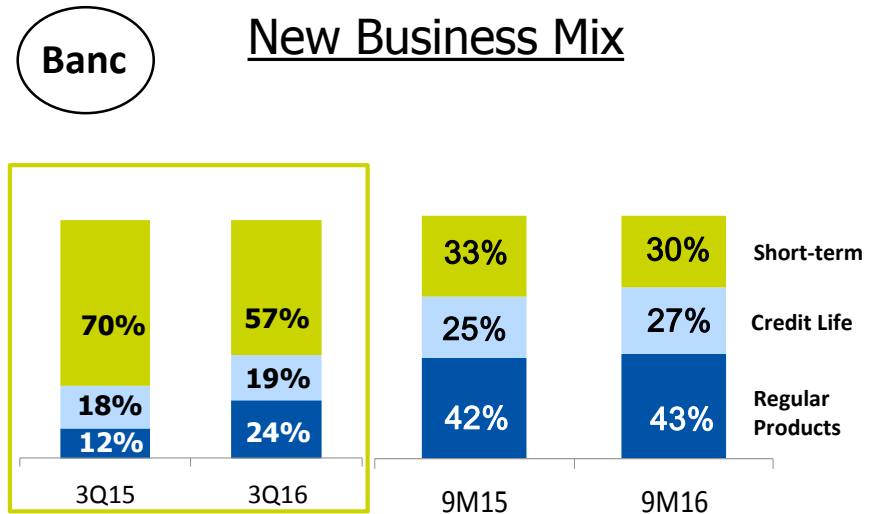
(Unit: Million Baht)



- **FYP Banc -24%**
Endowment -25%
Credit Life -17%
- **FYP Non-Banc +56%**
Agent +70%
➢ Endowment +90%
➢ Pension +286%
Group Employee -12%



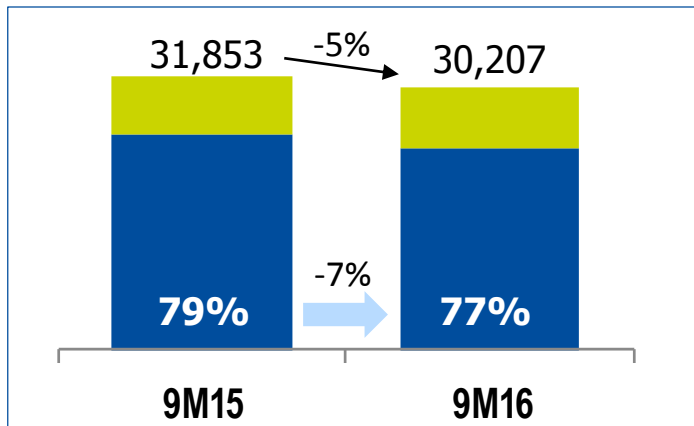
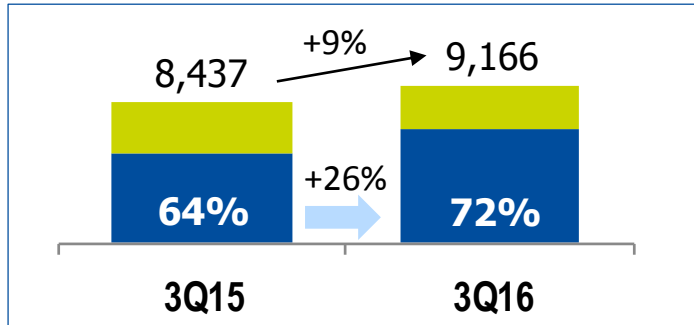
- **FYP Banc -4%**
Endowment -7%
Credit Life +2%
- **FYP Non-Banc +41%**
Agent +46%
Group Employee +27%



Total Premium

Total Premium – by premium type

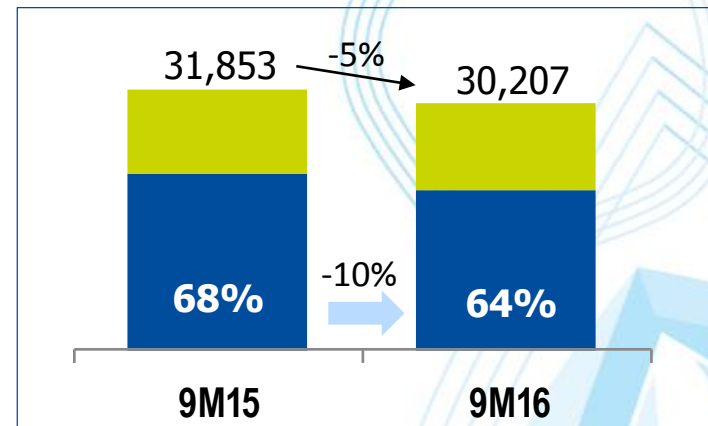
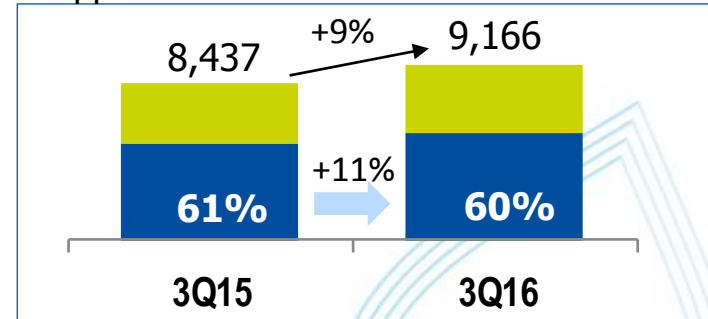
- 3Q16 RYP increased +26%, made 3Q16 TP increased +9%. While 9M16 RYP still dropped -7% as some products reached the end of their payments in 1Q16–2Q16.



■ RYP ■ FYP

Total Premium – by distribution channel

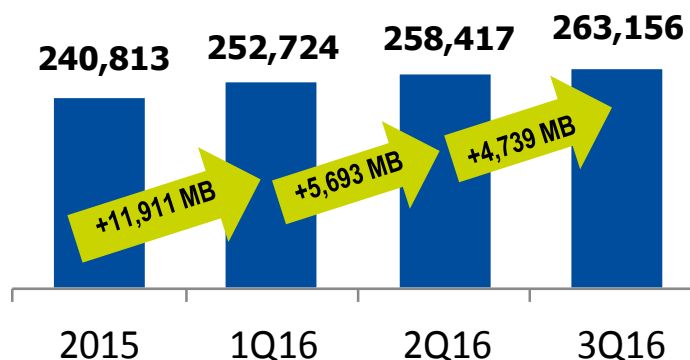
- 3Q16 TP increased +9% due to Banc TP +11% (mainly from RYP Endowment) and non-Banc TP +14% (because of FYP on Agent channel). However 9M16 TP declined -5% as Banc TP dropped -10% while Non-banc TP +6%.



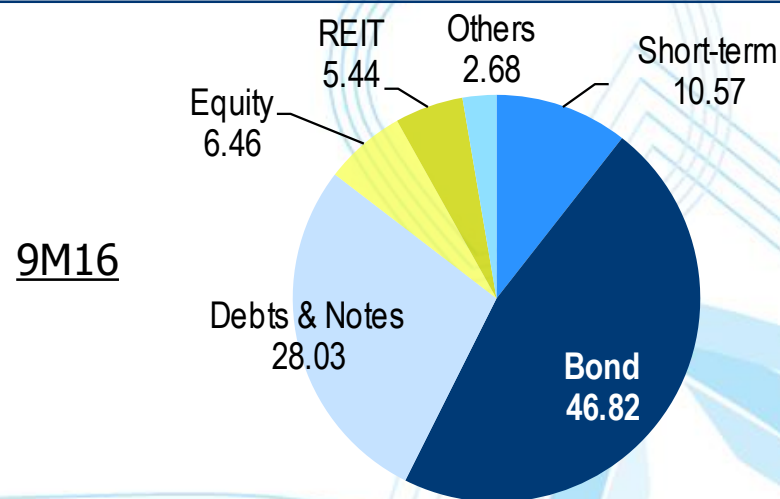
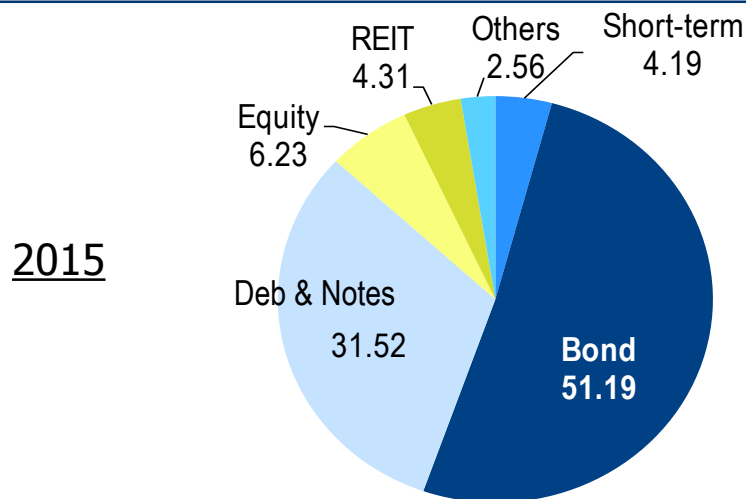
■ Banc ■ Non-Banc

Investment Assets + 22,343 MB from 2015

Investment Assets



- Stocks exposure slightly increased to 6.46% while REIT continues to grow with 5.44% allocation comparing to 4.31% at end of 2015
- Allocation to Gov Bond lower to 46.82%, comparing to 51.19% at the end of 2015.
- Short term papers increases significantly to 10.57%.



Assets classification

(as at Sep 30, 2016)

Duration of Assets = 8.22
Duration of Liabilities = 9.61

Debenture (Avg. Life 6.83 years)	% on total debenture
Local currency rating	
AAA	10.08%
AA ⁻ to AA ⁺	10.62%
A ⁻ to A ⁺	40.12%
BBB ⁺	6.07%
International rating	
A ⁻ to A ⁺	4.38%
BBB to BBB ⁺	28.57%
Below BBB ⁻	0.15%

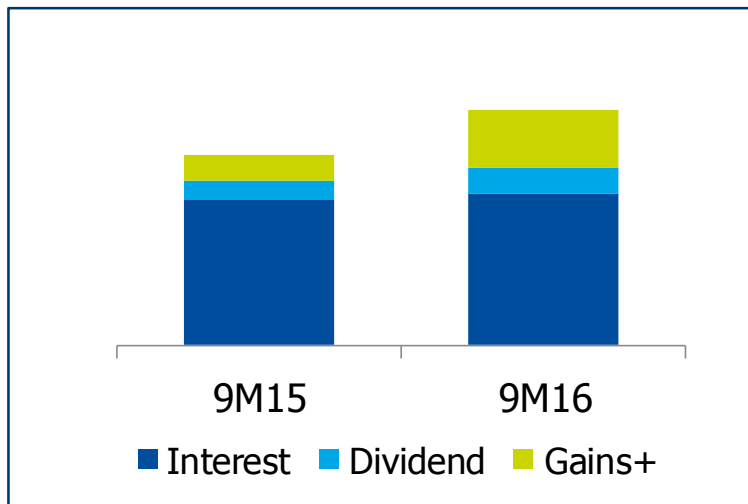
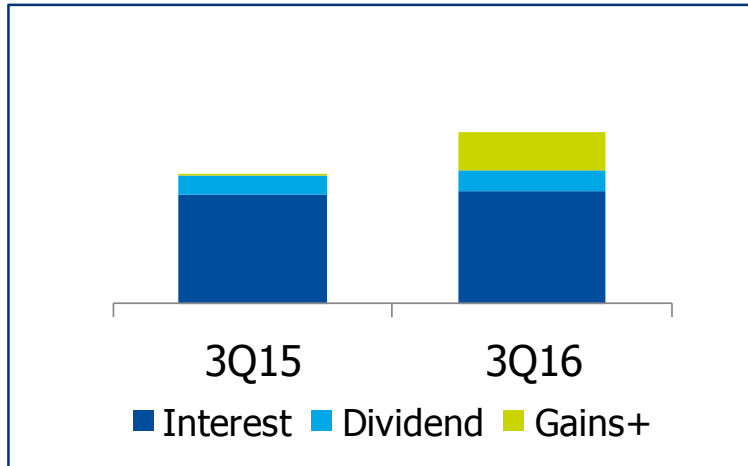
Investment Asset by Currency	% on Total Investment Asset
Baht Investment	89.28%
US\$ Investment	10.72%
Fixed income	9.11%
Equity	1.43%
Others	0.18%

Fixed income	% on Fixed income assets
<1 yr	0.73%
1-5 yrs	18.99%
6-10 yrs	34.07%
11-15 yrs	15.11%
> 16 yrs	31.09%

Investment Income +24% YoY during 9M16 - ROI 5.81%

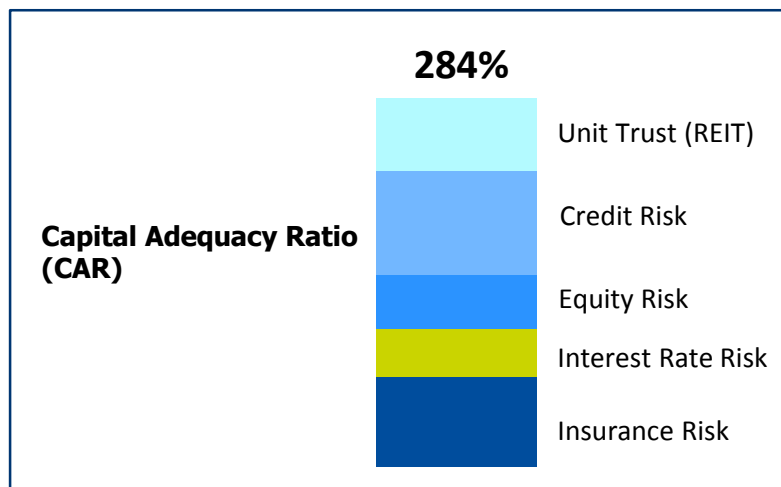
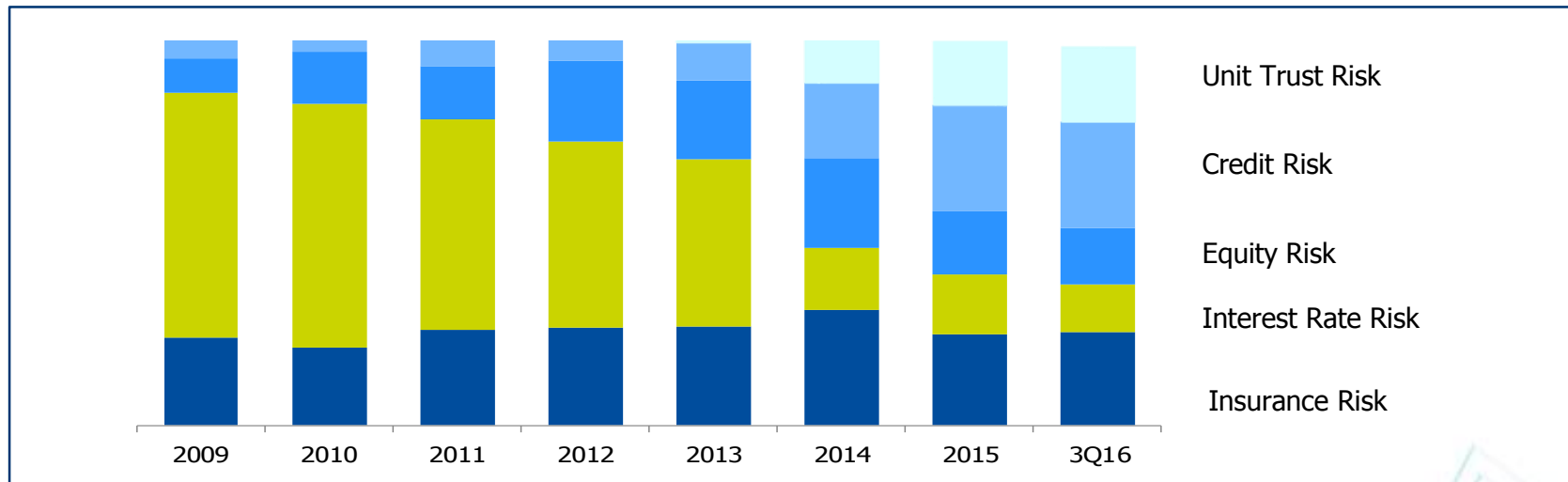
Investment Yield (excl. gain+) = 4.4%

Sources of Investment Income



- Gains+ increased to 758 MB in 3Q16 from 90 MB in 3Q15 and increased to 2,520 MB in 9M16 from 1,214 MB in 9M15
- Dividend income also increased to 466 MB in 3Q16 from 391 MB in 3Q15 and to 1,227 MB in 9M16 vs 936 MB in 9M15
- Accounting ROI = 5.8% during 9M16 while Investment Yield(excl. gains+) = 4.4%.

CAR = 284% at the end of September 2016 against 140% regulatory level



- Well diversify across 5 risk types
- Interest Rate Risk has been declining from 67% in 2009 to 13% in 2016
- CAR is trending downward as benefits from 8Q average yield applied to market value of liabilities fade out
- Future regulatory changes as well as potential changes in asset allocation to cope with lower rate environment remains concerns

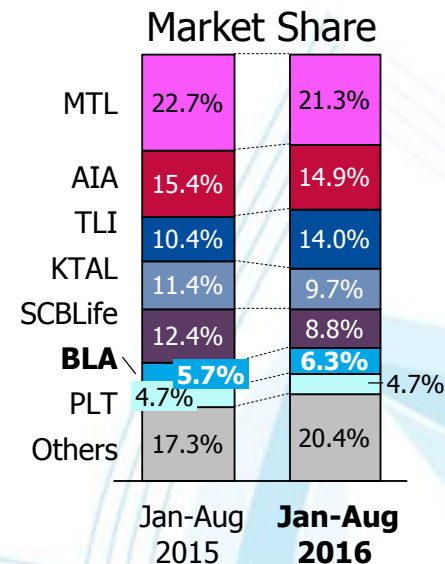
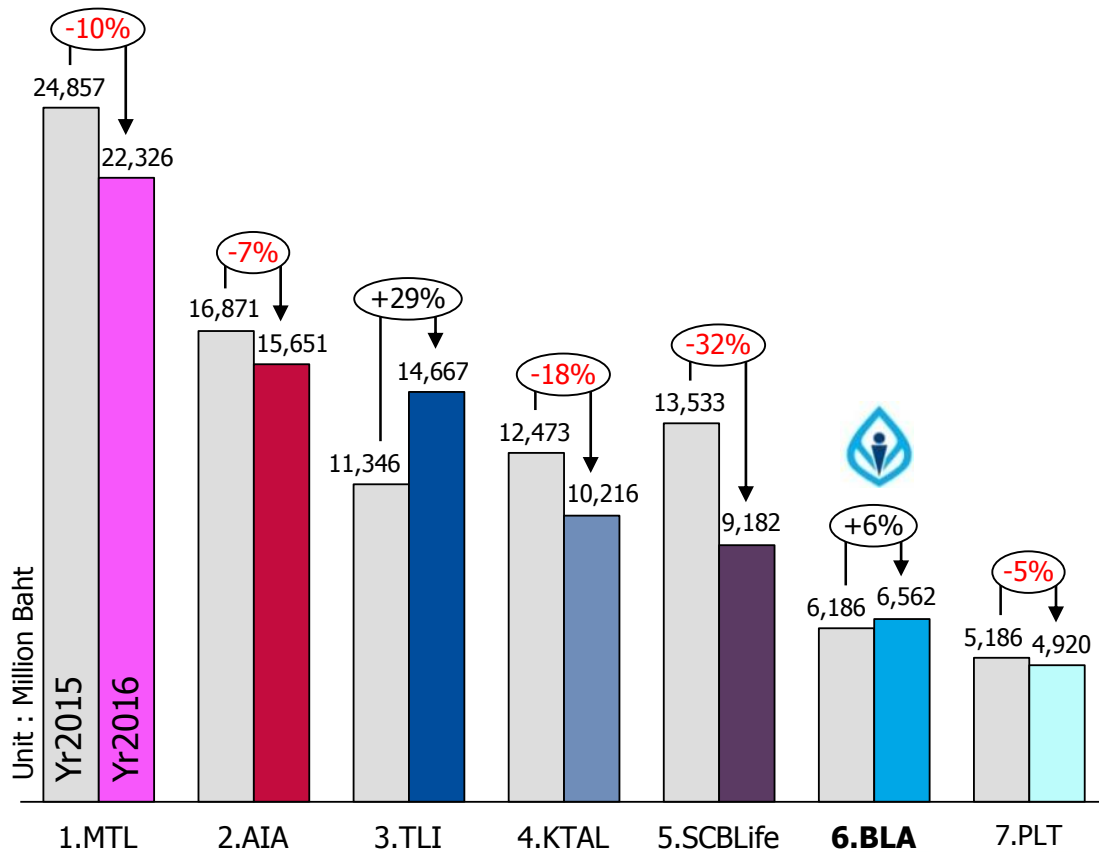
MARKETING

K. NARIN EKWONGVIRIYA
VP –MARKETING DIVISION



FYP & SP ALL TYPES : JANUARY–AUGUST 2016

- FYP & SP ALL TYPES 104,886 million baht, decreased 4% from the previous year.
- BLA had FYP & SP ALL TYPES 6,562 million baht, increased 6% from the previous year, ranked no. 6 in the industry with 6.3% market share
- TLI Q2 had expanded its saving products by introducing 3 new products which were Thanatavee 7 (3/2), Thanatavee 7 (5/3), Thanatavee 7 (7/4) until June 30, 2559 with target of 500 million baht.



MARKETING PERFORMANCE on Q3



- BLA Super care
- Re Pricing
 1. Dung Jai 260
 2. Krungthep 115
- Whole Life 1st Heritage (Bancassurance)

- Development on online channel to support new endowment product and tax reduction product



- Number of Financial Advisor has improved 30%
- The development of Smart Agent Application

- Finance Advisor Seminar



- Customer Appreciation Event by Smart 3B

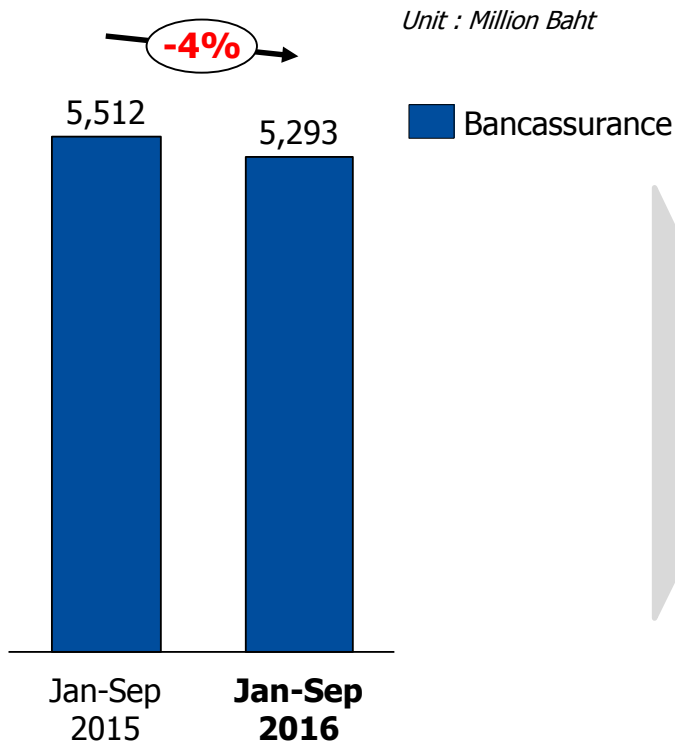


- 2017 Income Tax Seminar

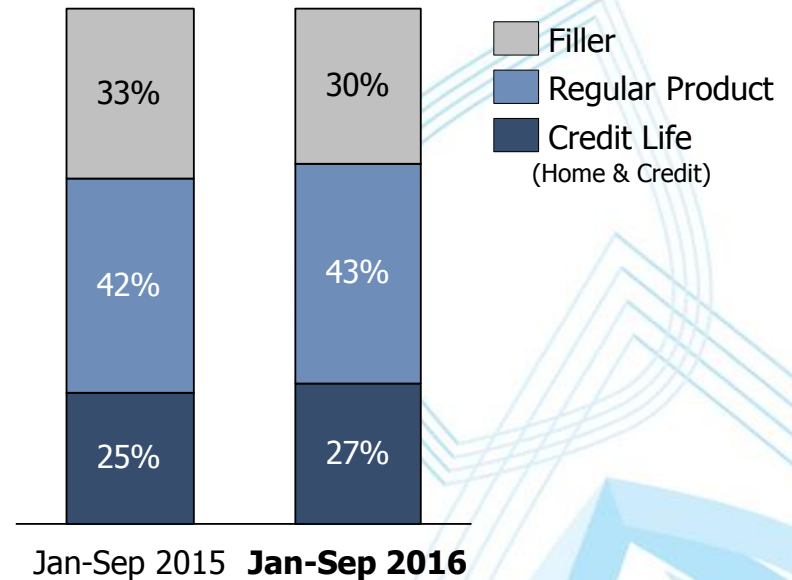


PRODUCT MIXED 2016 : BANCASSURANCE CHANNEL

New Business Premium All Types



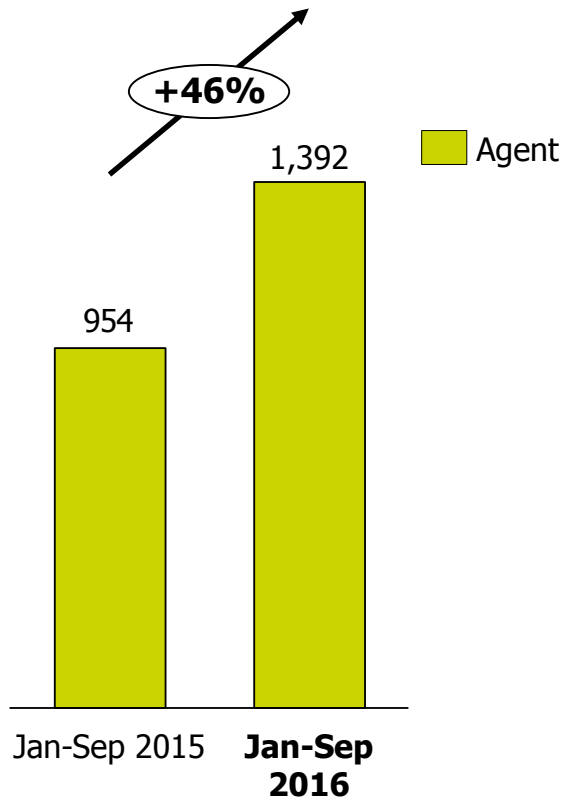
Proportion (%)



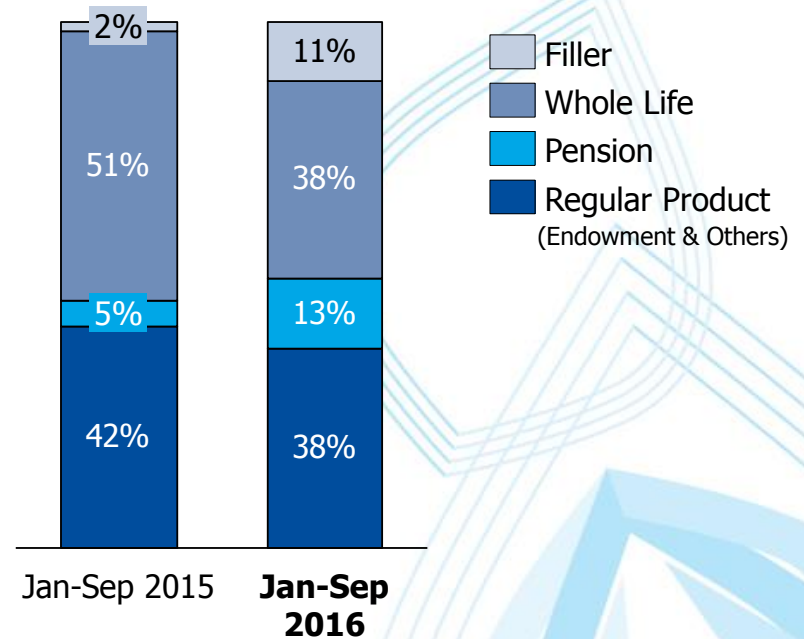
PRODUCT MIXED 2016 : AGENT CHANNEL

New Business Premium All Types

Unit : Million Baht

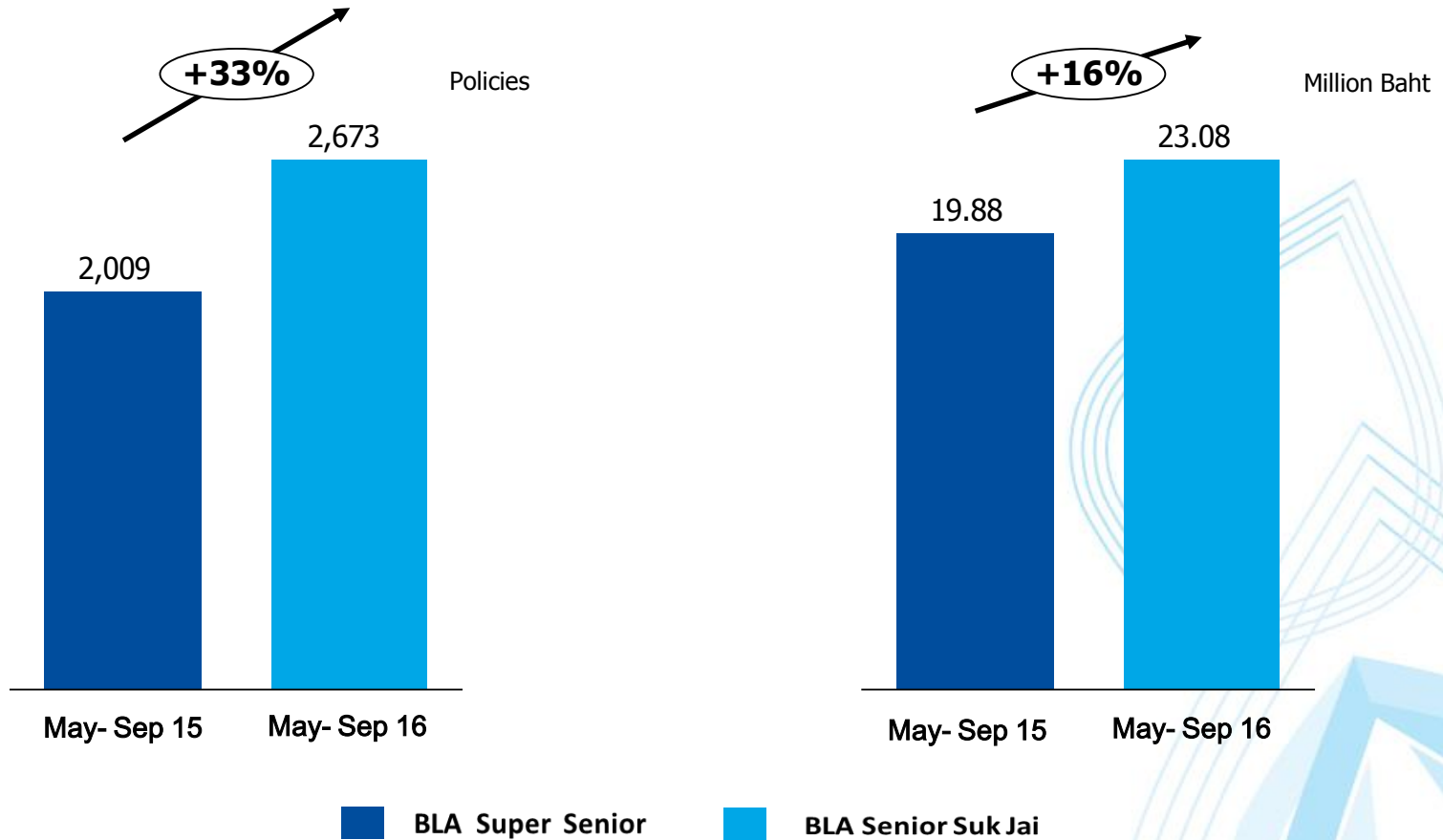


Proportion (%)



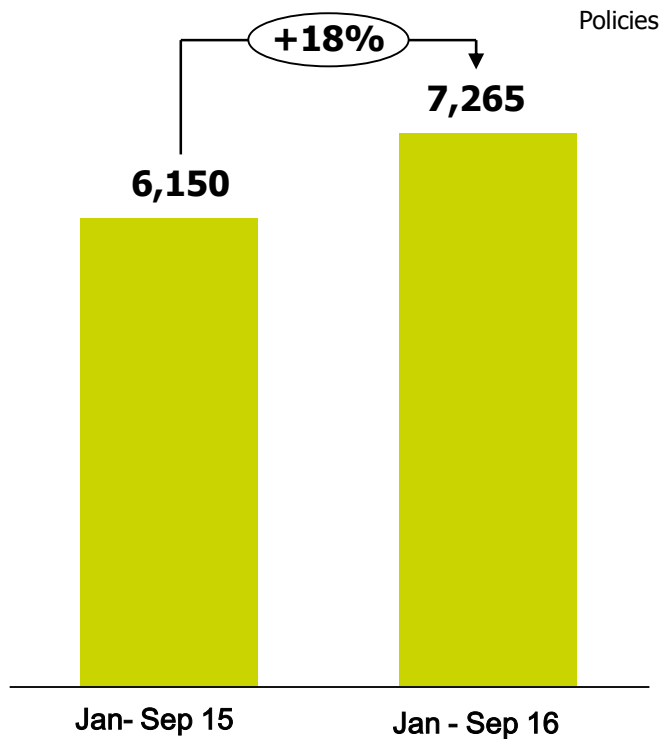
NEW PRODUCT : BLA Senior Suk Jai

BLA Senior Suk Jai Vs BLA Super Senior

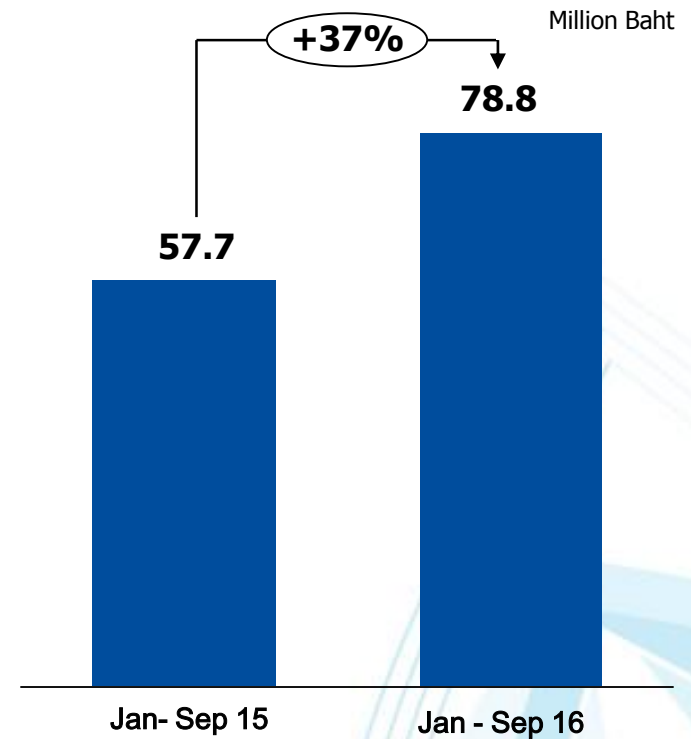


HEALTH RIDERS PRODUCTION

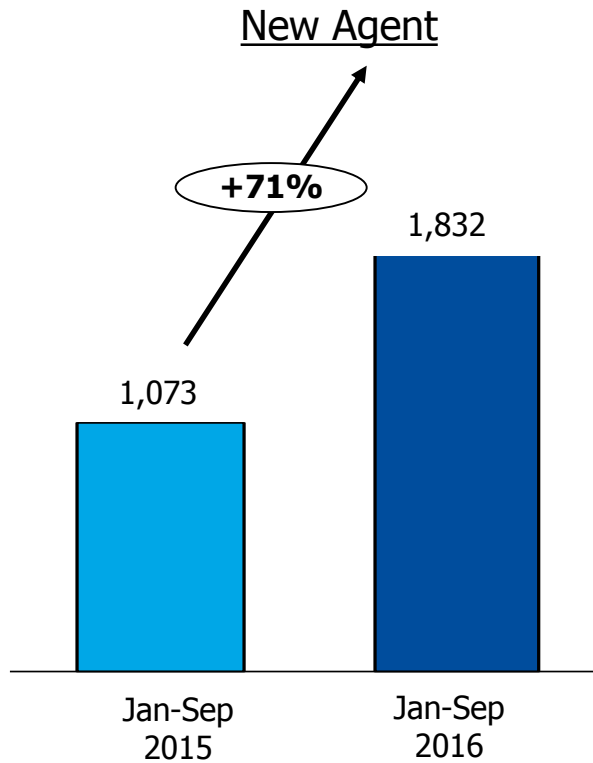
No. of policies increased 18 %



FYP increased 37%

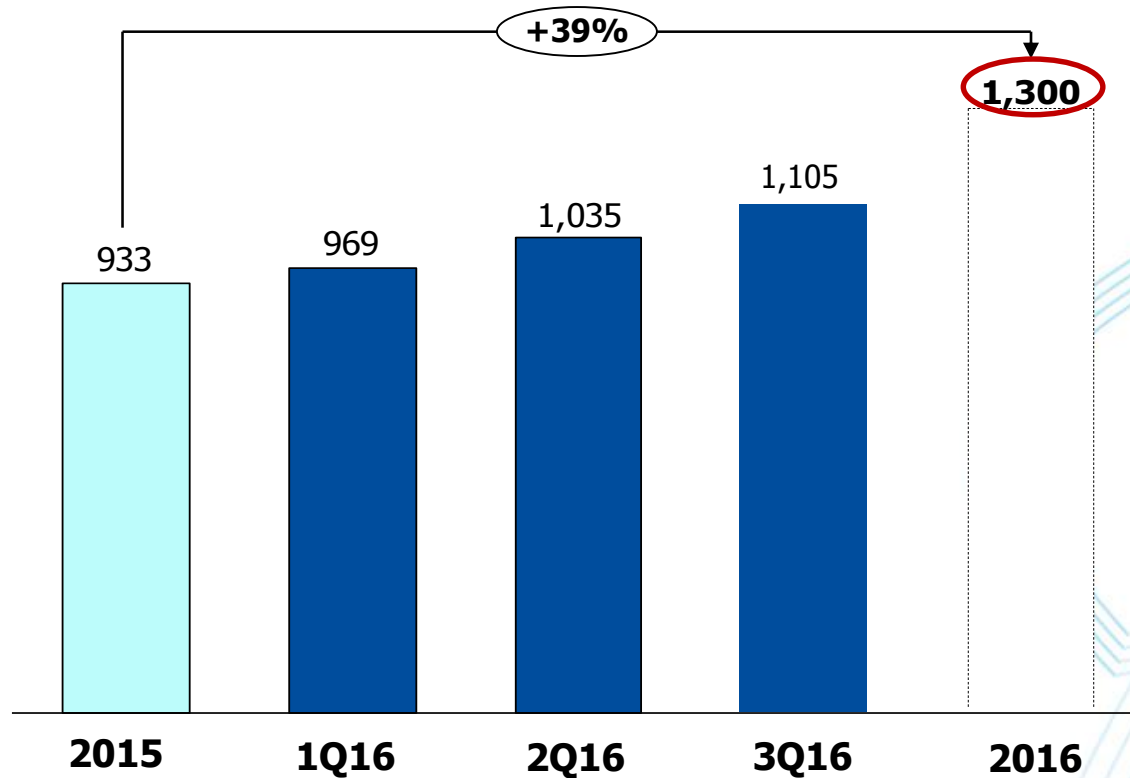


Agent Channel: To increase number of agent



PROFESSIONAL FINANCIAL ADVISOR

Target of FA : 1,300 FA in 2016



MARKETING STRATEGIES on Q4

- To encourage in buying life policies for Tax reduction advantages
- To develop Health Insurance on dread diseases (Direct Channel)

- To increase more FA (Target 1,300 FA)
- To develop Smart Agent Application



- To launch new products on online channel
- To expand market by introduce Health Insurance on Dread diseases for corporates

- Beyond Life Seminar



FINANCIAL RESULTS

K. JARUWAN LIMKHUNTHAMMO

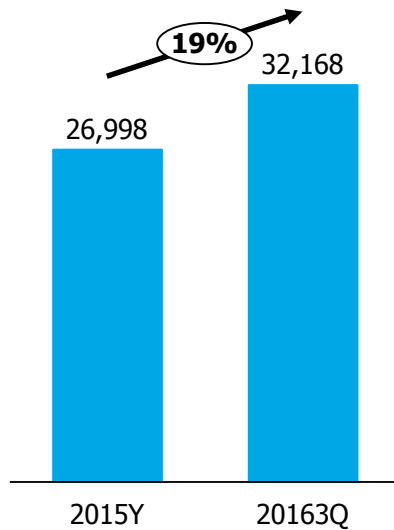
SVP – FINANCE & ACCOUNTING DIVISION



3Q16, positive ROE of 14.1% due to NPAT 3,126 mn in 2016

ROE

Equity(mn baht)



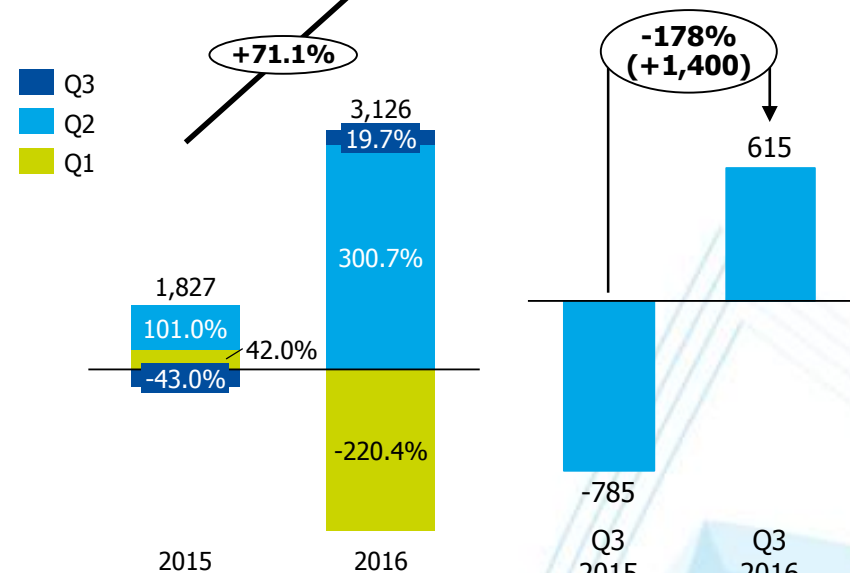
ROE

15.7%

14.1%

NPAT

NPAT(mn baht)



%Total income

4.6%

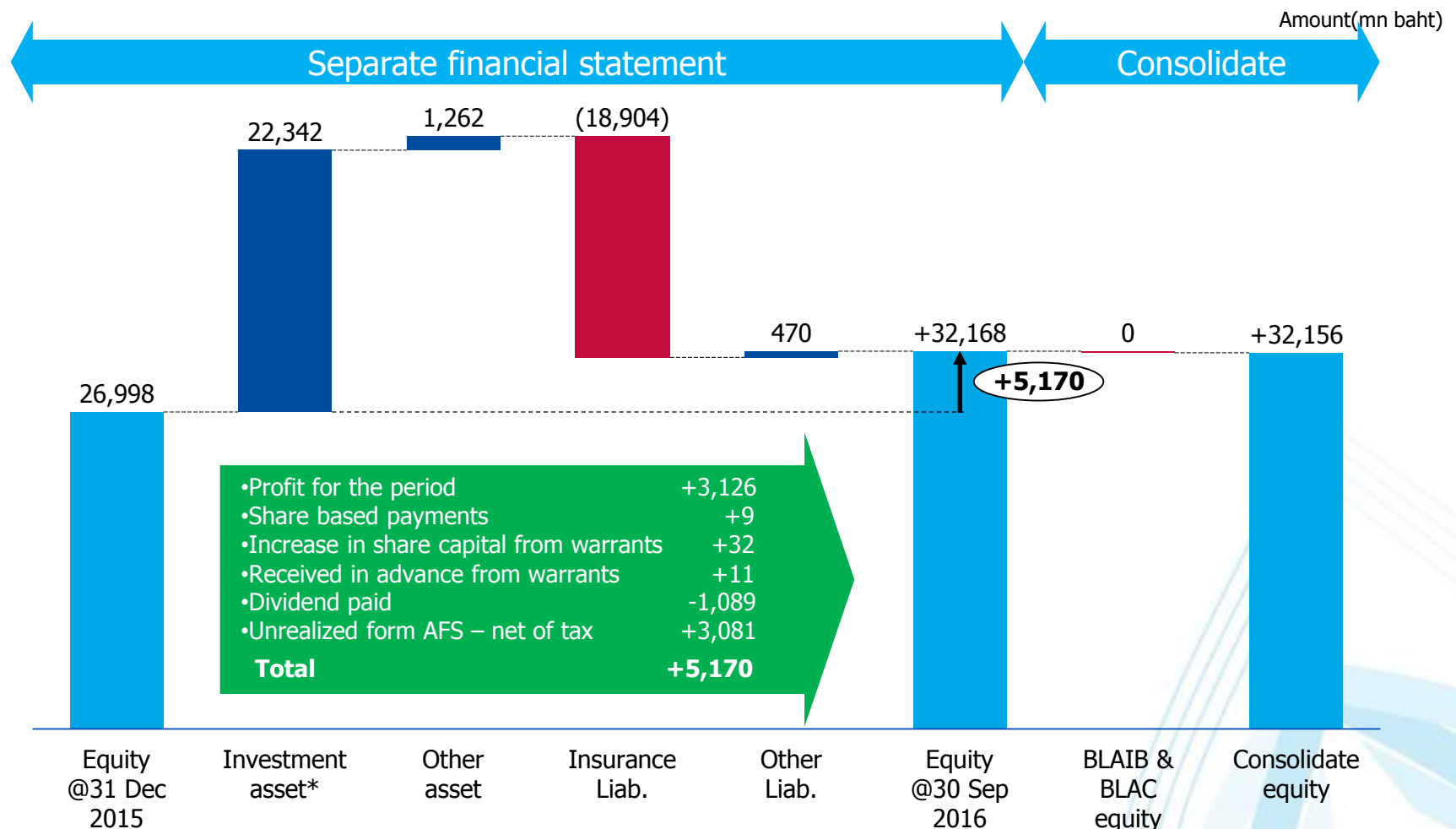
7.8%

-7.1%

4.9%

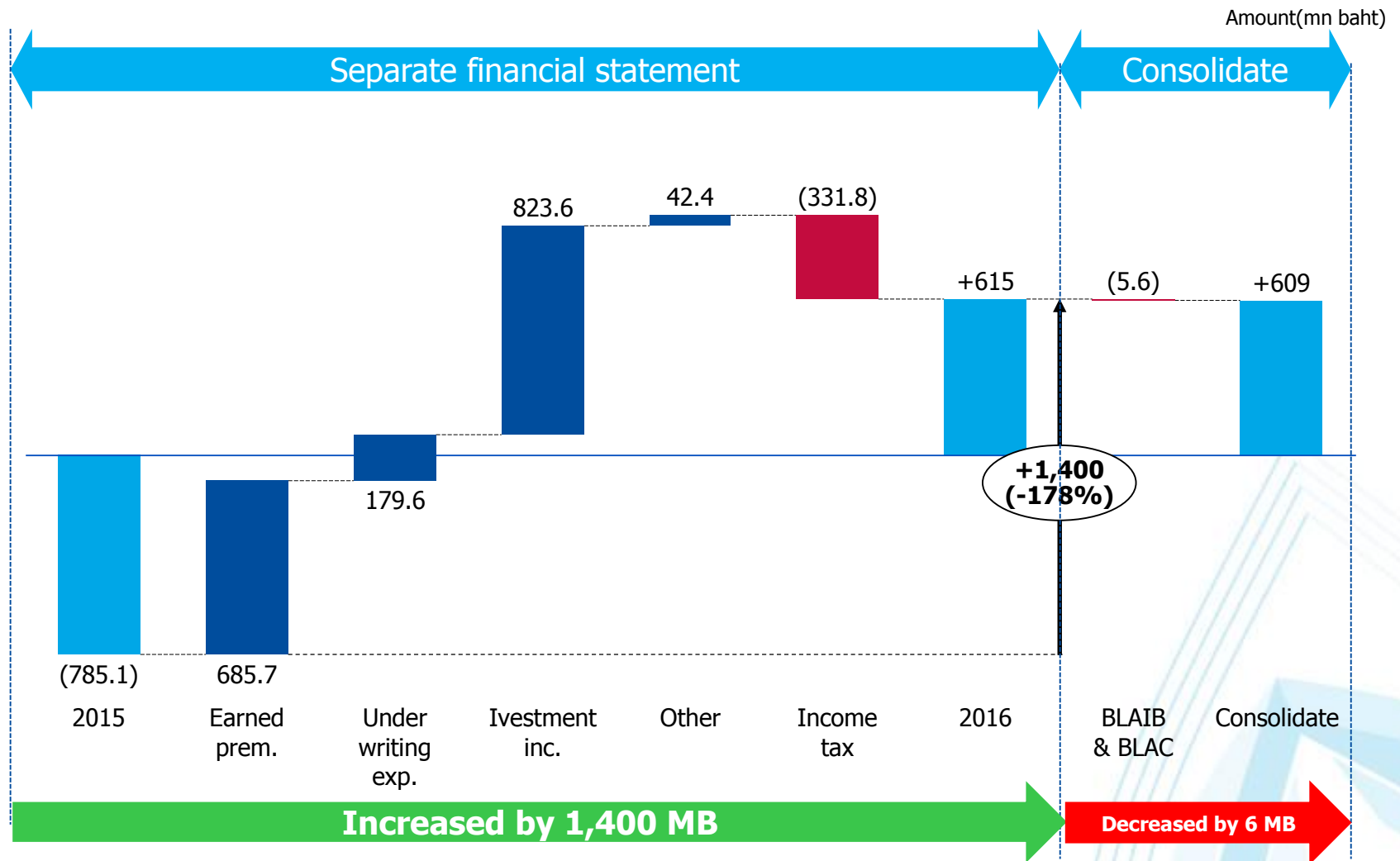
Note:-
Source: BLA financial statement

Equity movement from 31 December 2015 to 30 September 2016



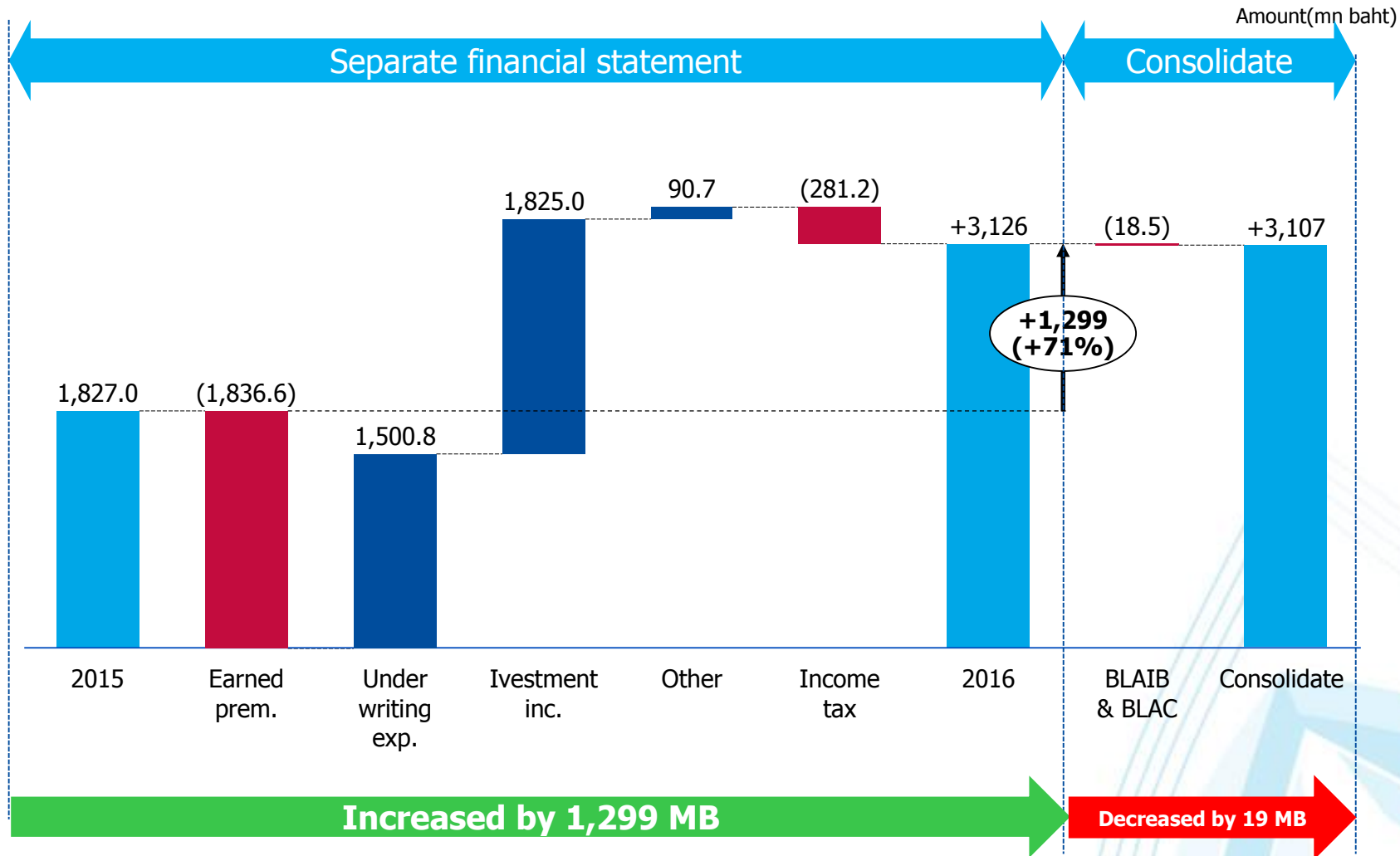
Note:- * Including cash and cash equivalents
Source: BLA financial statement

NPAT Movement in third quarter 2016



Note:-
Source: BLA financial statement

NPAT Movement in the nine-month 2016

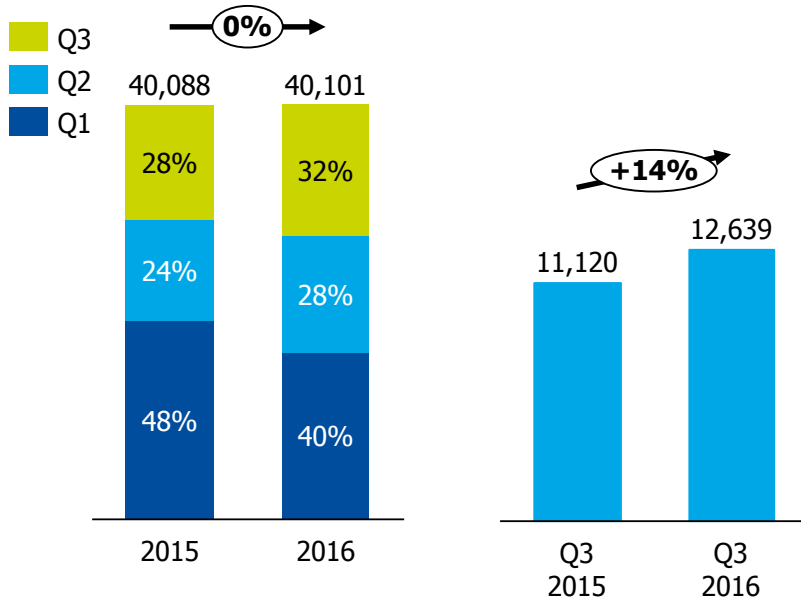


Note:-
Source: BLA financial statement

Income increased by 14% and expense slightly decreased in Q3

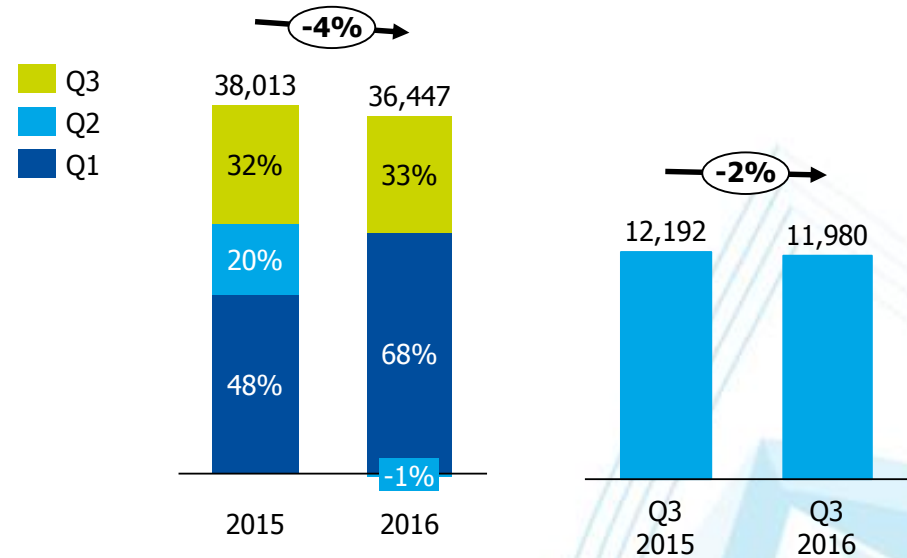
Total income

Income(mn baht)



Total expense

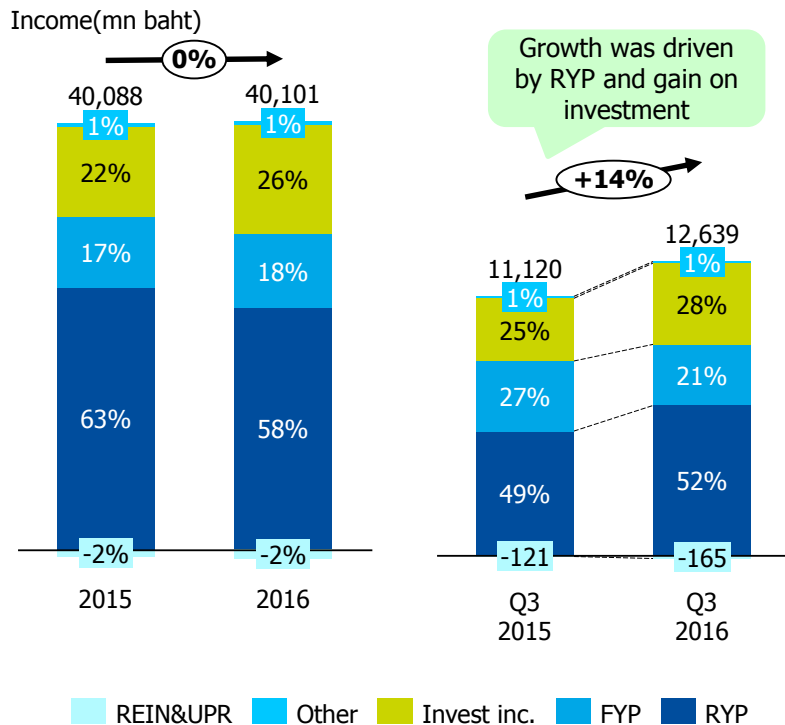
Expense(mn baht)



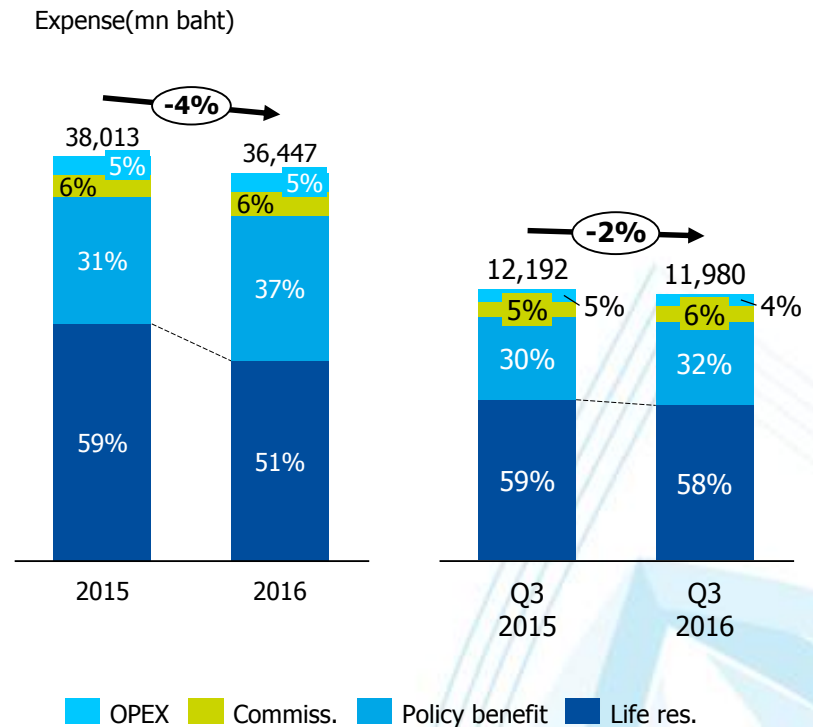
Note:-
Source: BLA financial statement

BLA had lower expense in Q3 because life policy reserve decreased

Total income



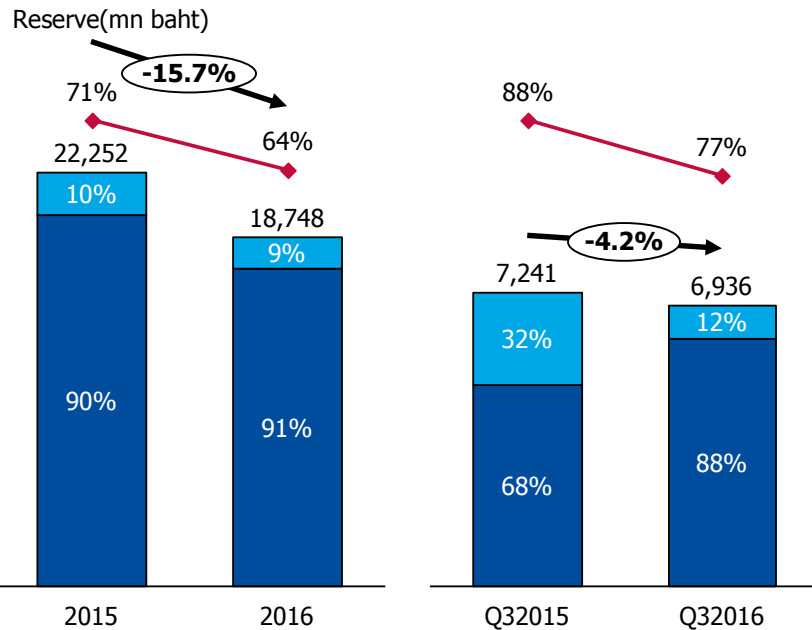
Total expense



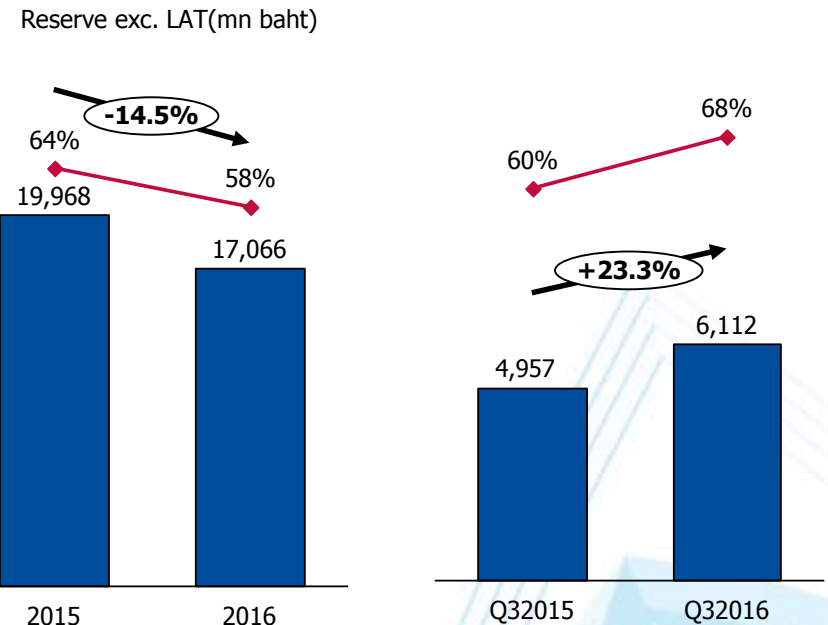
Note:-
Source: BLA financial statement

Life pol. reserve ratio in Q32016 was 77% decrease from Q32015

Life policy reserve



Life policy reserve exclude LAT



RBC yield(average)

3.91%

3.19%

LAT

Reserve

%net prem.

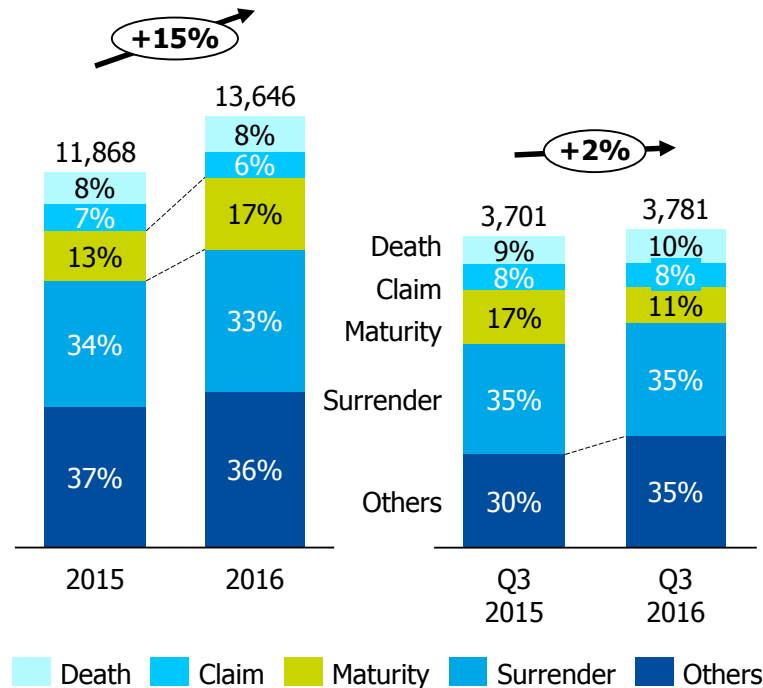
Note:-

Source: BLA financial statement/ zero coupon curve - <http://www.thaibma.or.th>

Q3, Policy benefit payment increased by 2% mainly from benefit payments

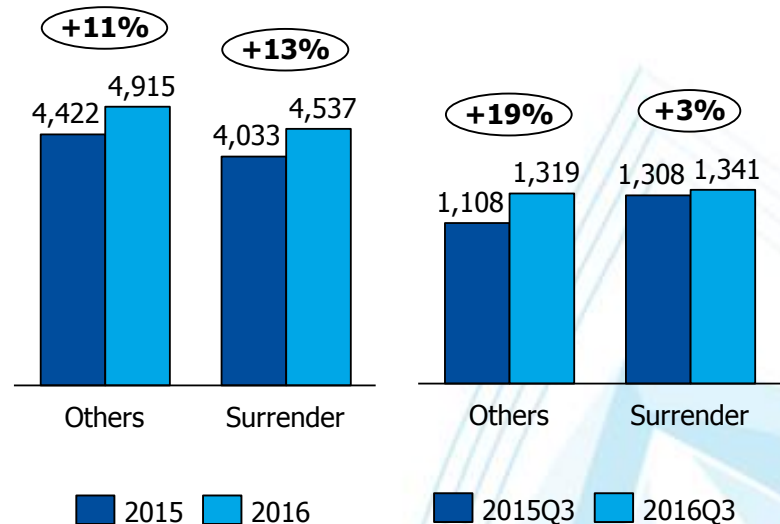
Policy benefit payment

payment(mn baht)



Major line item

payment(mn baht)



Note: Others = Benefit payment + others
Source: BLA financial statement

MESSAGE FROM CEO

K. KOMKAI THUSARANON
ACTING PRESIDENT



Q & A



กรุงเทพประกันชีวิต
BANGKOK LIFE ASSURANCE

Market Ranking

January - August 2016

Ordinary Premium 8M2016: Rank 6th in FYP and TP with 6.73% and 8.07% market share accordingly

First Year Premium			
Company	MB	Share (%)	% YoY
MTL	19,424	26.88	(9.52)
TLI	11,258	15.58	15.43
AIA	8,841	12.23	(10.90)
KTAL	7,922	10.96	(6.99)
SCBLife	6,103	8.45	(37.71)
BLA	4,863	6.73	4.63
FWD	3,355	4.64	30.22
AZAY	2,983	4.13	5.18
PLT	2,272	3.14	(19.39)
OLIC	788	1.09	(23.99)
Industry	72,261	100.00	(5.98)

Total Premium			
Company	MB	Share (%)	% YoY
AIA	65,674	20.75	0.79
MTL	59,779	18.89	11.29
TLI	45,037	14.23	14.05
SCBLife	34,439	10.88	3.95
KTAL	33,903	10.71	8.34
BLA	25,525	8.07	(5.88)
AZAY	16,421	5.19	6.60
FWD	10,675	3.37	19.44
PLT	9,095	2.87	9.21
OLIC	3,921	1.24	(11.20)
Industry	316,433	100.00	6.42

Source: The Thai Life Assurance Association (Incl. Single Premium)

All Type Premium 8M2016: Rank 6th in FYP and TP with 6.26% and 7.65% market share accordingly

First Year Premium			
Company	MB	Share (%)	% YoY
MTL	22,326	21.29	(10.18)
AIA	15,651	14.92	(7.23)
TLI	14,667	13.98	29.28
KTAL	10,216	9.74	(18.09)
SCBLife	9,182	8.75	(32.15)
BLA	6,562	6.26	6.09
PLT	4,920	4.69	(5.13)
FWD	4,511	4.30	33.70
AZAY	4,503	4.29	17.25
GT	1,560	1.49	37.01
Industry	104,886	100.00	(4.15)

Total Premium			
Company	MB	Share (%)	% YoY
AIA	74,697	20.43	0.36
MTL	64,239	17.57	9.72
TLI	50,821	13.90	18.05
SCBLife	37,852	10.35	0.43
KTAL	36,697	10.04	2.66
BLA	27,963	7.65	(4.78)
AZAY	19,586	5.36	8.95
PLT	12,127	3.32	11.50
FWD	12,044	3.29	22.78
TSLI	8,386	2.29	(7.85)
Industry	365,682	100.00	5.56

Source: The Thai Life Assurance Association (Incl. Single Premium)

Rank 7th in Credit Life (SP) with 6.05% market share

8M16				
Company	MB	Share (%)	%YoY	%FYP
SCBLife	3,011	13.73	(18.40)	7.51
DLA	2,845	12.98	50.38	119
TLI	2,772	12.65	157.46	473.22
AIA	2,537	11.57	3.45	10.89
PLT	2,377	10.84	15.19	186.25
MTL	2,328	10.62	(19.59)	25.45
BLA	1,325	6.05	4.49	88.12
SELIC	1,140	5.20	3.48	49.12
KTAL	1,037	4.73	(65.20)	9.31
FWD	894	4.08	38.67	30.31
Industry	21,922	100.00	(0.64)	5.55

2015				
Company	MB	Share (%)	%YoY	%FYP
SCBLife	5,229	15.46	6.55	29.87
MTL	4,239	12.53	1.64	11.17
KTAL	3,793	11.21	(16.22)	20.59
AIA	3,717	10.99	(12.34)	14.20
DLA	3,428	10.13	33.46	90.00
PLT	3,367	9.95	7.93	40.93
BLA	1,906	5.63	(4.52)	13.99
SELIC	1,833	5.42	5.08	60.26
TLI	1,776	5.25	0.40	10.08
TCLife	1,473	4.35	26.52	54.36
Industry	33,830	100.00	5.50	19.73

Source: The Thai Life Assurance Association

Sum Assures/Policy of BLA ranked 4th

8M16

Company	No. of policy (Unit)	Sum Assured(MB)	Sum Assured/Policy(Baht)
MTL	220,163	176,771	802,910
SCBLife	115,033	39,843	346,361
KTAL	280,243	89,421	319,084
BLA	111,717	34,118	305,397
AIA	407,027	120,609	296,317
PLT	52,469	13,733	261,736
AZAY	71,424	15,172	212,422
TLI	347,528	73,187	210,593
FWD	113,676	21,438	188,589
OLIC	37,361	6,851	182,057
Industry	1,857,309	615,454	331,369

2015

Company	No. of policy (Unit)	Sum Assured(MB)	Sum Assured/Policy(Baht)
MTL	354,461	275,129	776,190
BLA	181,790	57,143	314,335
KTAL	463,533	143,159	308,843
AIA	719,731	207,247	287,951
SCBLife	148,091	39,319	265,506
PLT	73,112	19,339	264,512
AZAY	106,545	27,920	262,049
FWD	150,622	34,073	226,215
TLI	518,225	102,111	197,040
OLIC	85,657	14,882	173,739
Industry	2,963,767	959,719.00	323,817

Source: The Thai Life Assurance Association