

Analyst Meeting

“3Q2017 Results Update”

Nov 9, 2017

Analyst Meeting – *3Q2017 results*

Topics:

1. Results overview

K. Narin, SVP – Marketing Department

K. Sanor, SEVP – Investment Division

K. Jaruwat, SVP – Finance & Acct Division

2. Q & A

President

MARKETING

K. NARIN EKWONGVIRIYA

SVP – MARKETING DEPARTMENT



New Business and Total Premium Jan-Sep 2017

Overall, FYP was 9,239M Baht with +31% growth. Growth came from Bancassurance Channel +39%, Agent Channel +3% and Others Channel +17% growth.

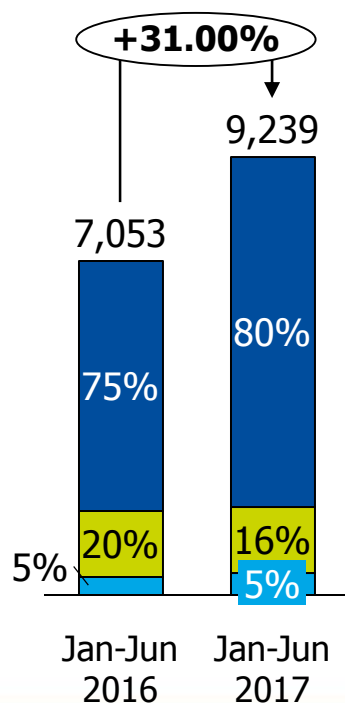
Both Bancassurance and Agent channels are continue to focus on long term protection and healthcare products.

RYP was 24,090M Baht with +4% growth and +10.33% growth in TP.

■ Bancassurance ■ Agent Channel ■ Others

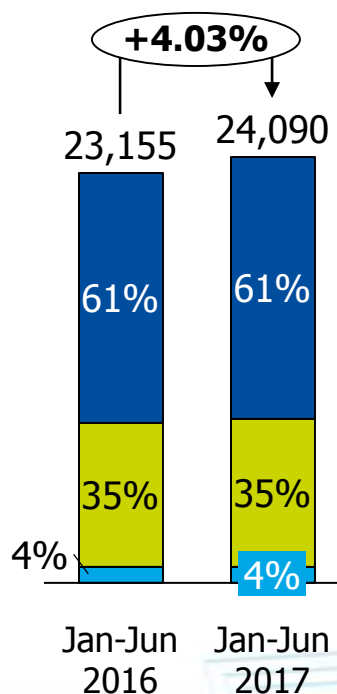
New Business Premium

Unit : Million Baht



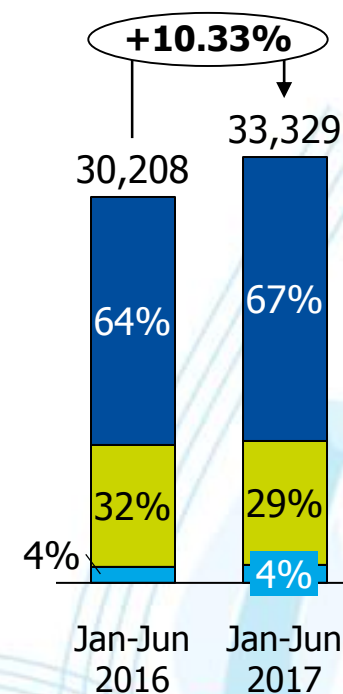
Renewal Premium

Unit : Million Baht



Total Premium

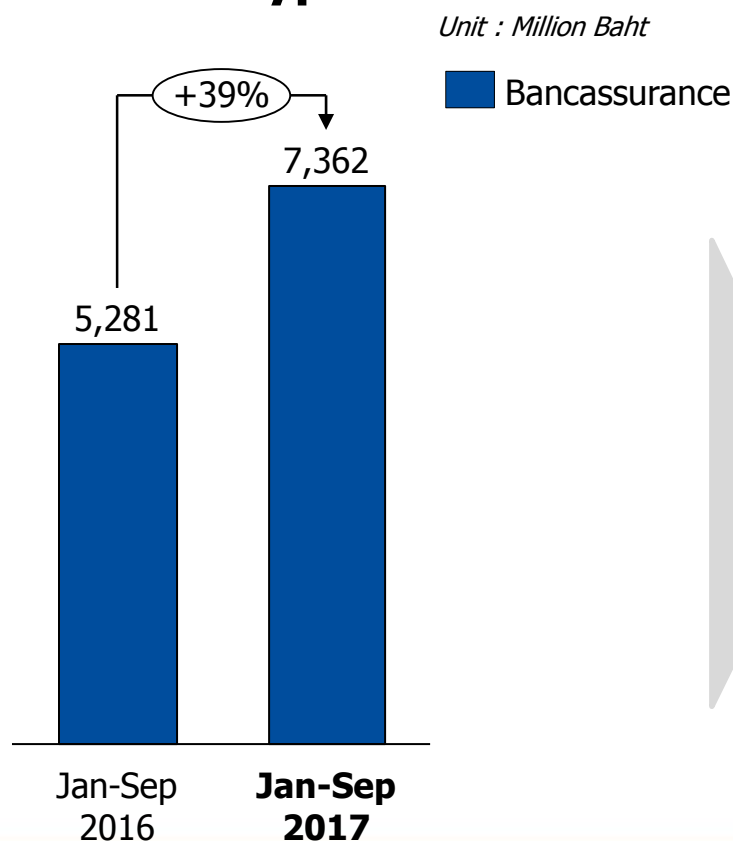
Unit : Million Baht



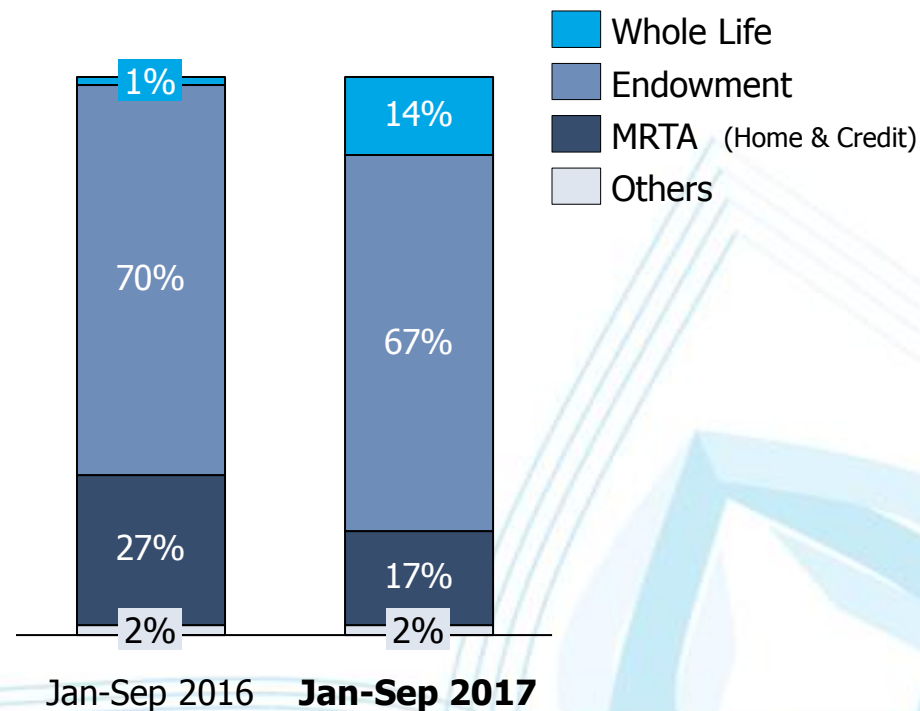
Product Mixed : Bancassurance Channel

Overall FYP from Bancassurance increased +39% from last year, under product categories' balanced growth strategy in 2017. With +1,250% in Whole life products and +35% growth in total Endowment products. MRTA had -14% premium from last year, due to economic situation.

New Business Premium All Types



Proportion (%)

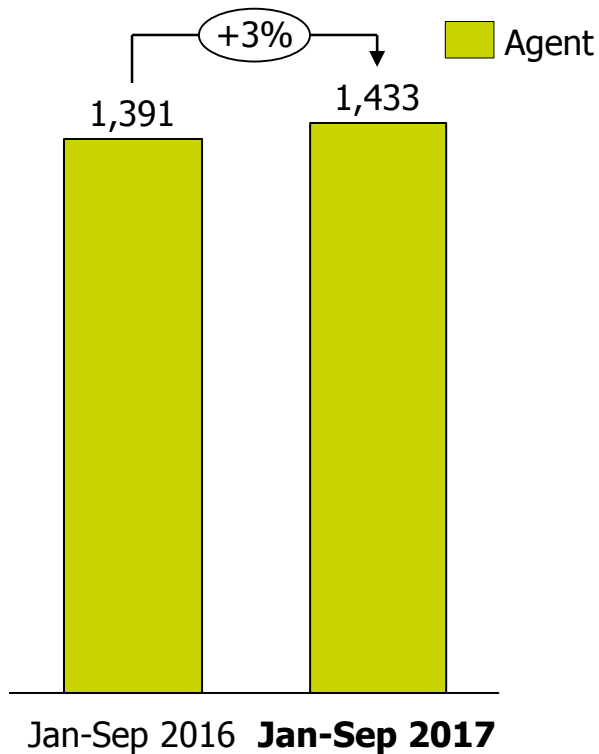


Product Mixed : Agent Channel

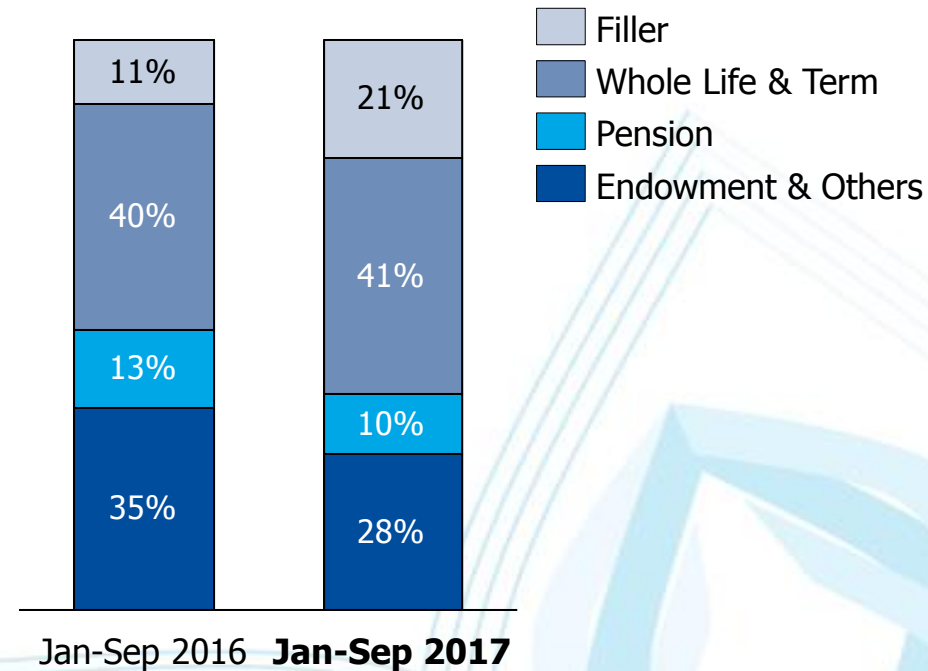
Agent channel grew +3% in overall. Slightly grew up in whole life and term products. Increased FYP with filler products to maintain market share.

New Business Premium All Types

Unit : Million Baht



Proportion (%)

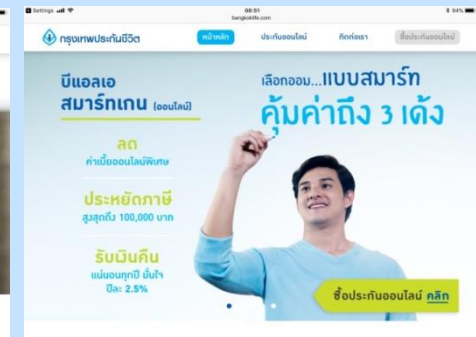


Online Channel Development :

- Introduce products with tax benefit under online channel and advertisement supports.

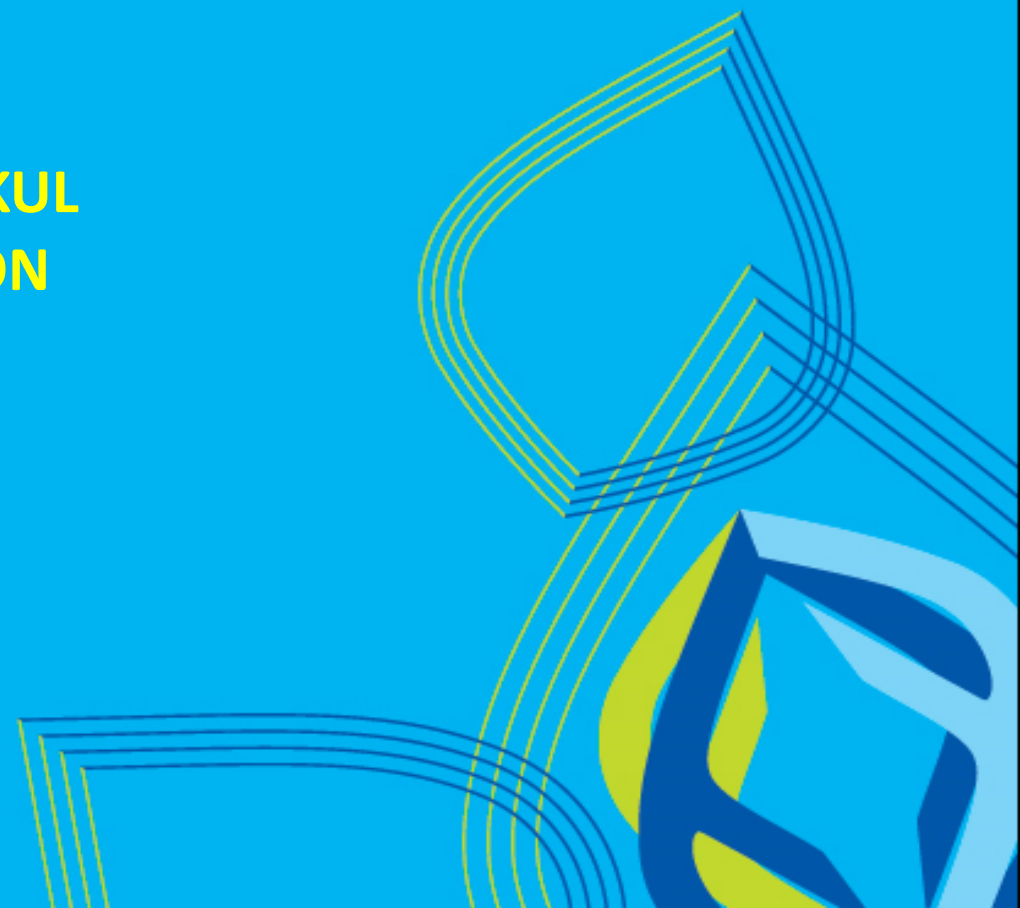


Products with Tax Benefit



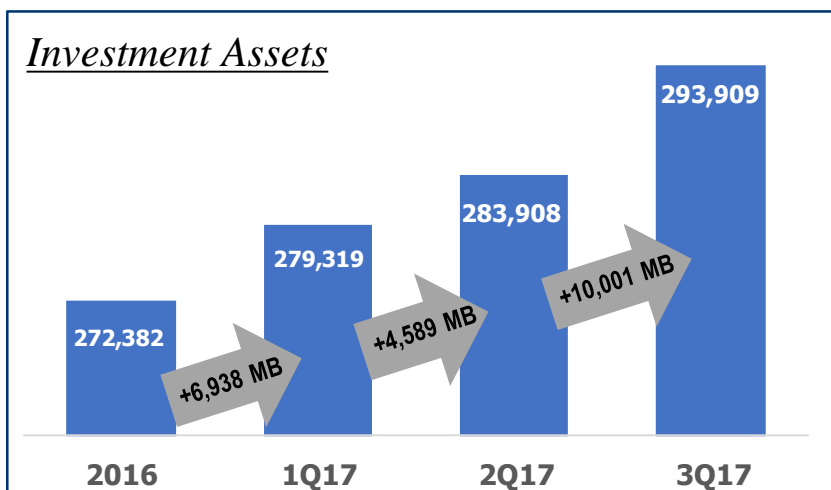
INVESTMENT

K. SANOR THAMPIPATTANAKUL
SEVP – INVESTMENT DIVISION



Investment Assets = 293,909 MB at Sept 2017

+10,001 MB during 3Q17 and +21,527 MB YTD



- Investment assets increases 21,527 MB YTD and + 10,001 MB in 3Q17
- Short term fund declines QoQ but remains high relative to experience
- Allocation to Equity increased to 7.75% comparing to 6.85% QoQ

	SHORT TERM	BOND	DEBTS & NOTES	EQUITY	REIT	OTHERS
2016	7.26%	45.19%	33.02%	5.97%	5.61%	2.95%
1Q2017	9.94%	44.38%	30.82%	6.57%	5.41%	2.88%
2Q2017	8.00%	54.51%	31.32%	6.85%	5.32%	3.00%
3Q2017	7.91%	44.55%	31.00%	7.75%	5.50%	3.29%

Profile of Fixed Income Investments

(as of September 30, 2017)

Modified Duration

- Asset = 8.36
(include short term = 7.78)
- Liabilities = 8.60

Fixed Income Securities by Credit Rating

Debenture	% on total debenture
Local currency rating	
AAA	7.66%
AA ⁻ to AA ⁺	13.64%
A ⁻ to A ⁺	40.77%
BBB ⁺	9.74%
International rating	
A ⁻ to A ⁺	8.63%
BBB to BBB ⁺	19.56%

Investment Assets by Currency

Currency	% on Total Investment Asset
Thai Baht Investment	90.26%
Foreign Investment	9.78%
Fixed income	7.65%
Equity	1.70%
Others	0.43%

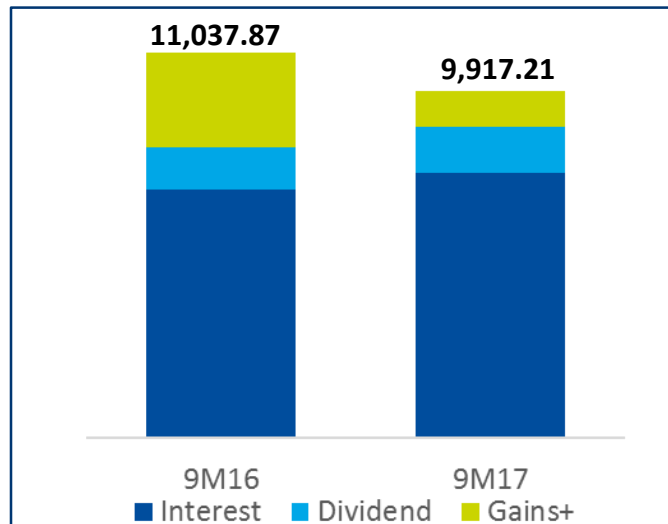
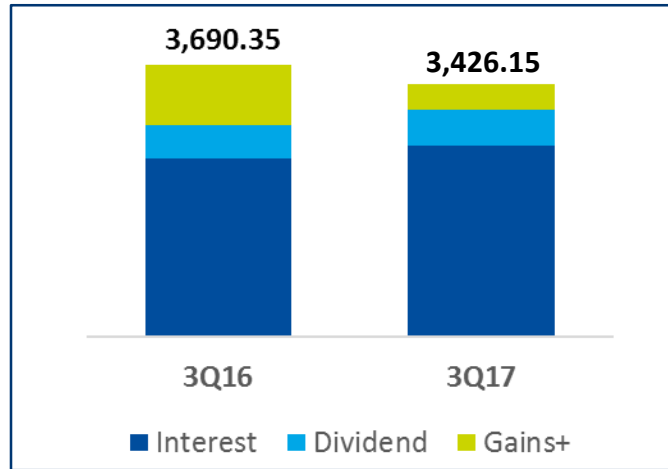
Fixed Income Securities by Maturity

Fixed income	% on Fixed income assets
Less than 1 year	6.72%
1-5 years	19.10%
6-10 years	31.96%
11-15 years	15.20%
Over 15 years	27.02%

Lower realized gains push investment income lower in 2017

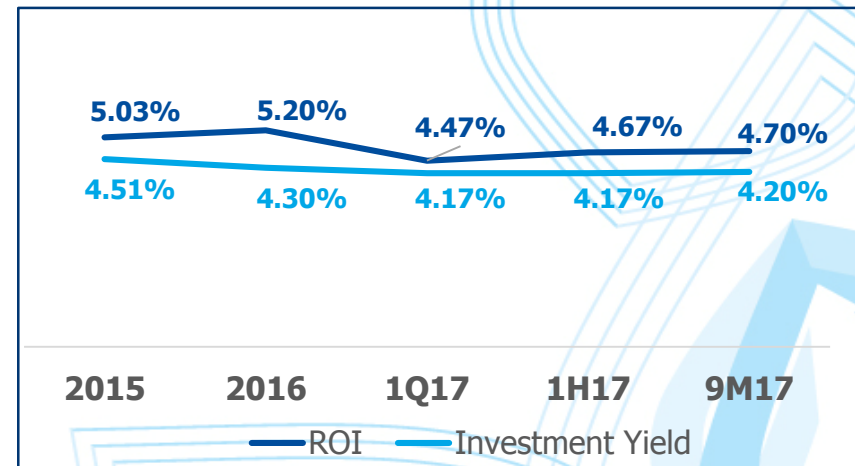
ROI 4.7% in 9M17 vs 5.8% in 9M16

Sources of Investment Income (MB)

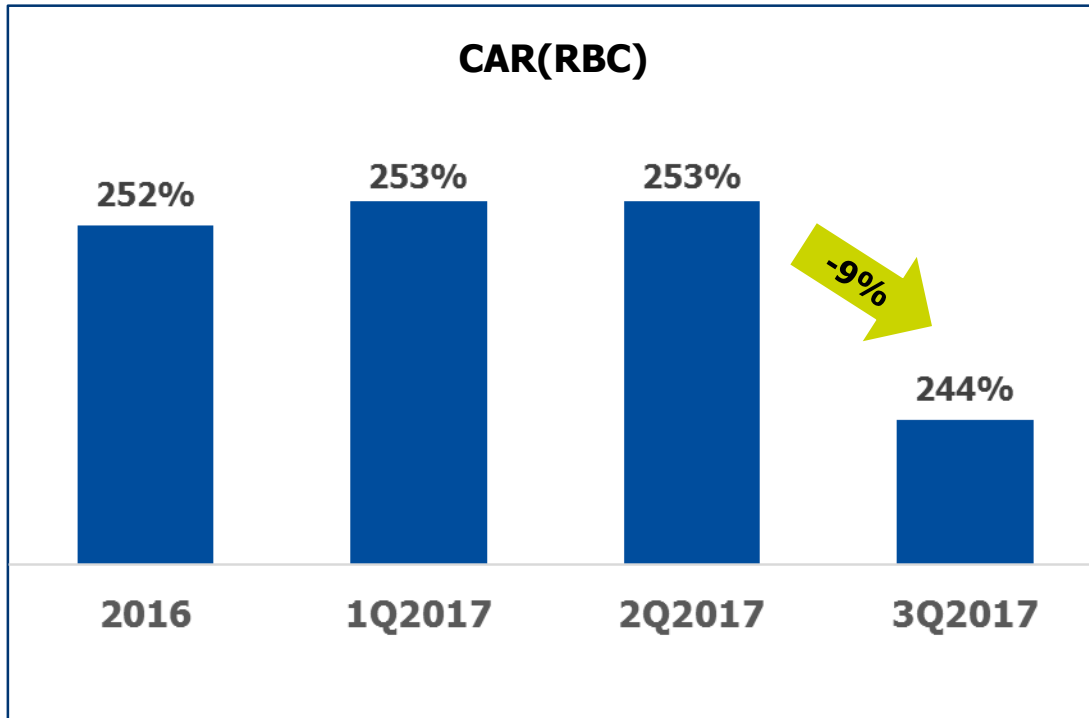


Investment Yield (excl.gain+) = 4.2%

- Realized gains decline to 353 MB and 1,044 MB in 3Q17 and 9M17 vs 810 MB and 2,684 MB during 3Q16 and 9M16 respectively.
- Interest income continue to increase 7.26% in 3Q17 and 6.55% in 9M17 due to larger asset base while dividend income increase 5.07% and 7.49% respectively.
- Accounting ROI for 9M17 = 4.7% while Investment Yield 9M17 (excl. gains+) = 4.2%



Capital Adequacy Ratio (CAR)



- CAR(RBC) 3Q17 was 244% decreased from 2Q17 about 9%
- In 3Q17 increased exposure in risky asset (equity & property fund)
- The effect of shareholder's dividend payment made CAR decreased 3.5%

FINANCIAL RESULTS

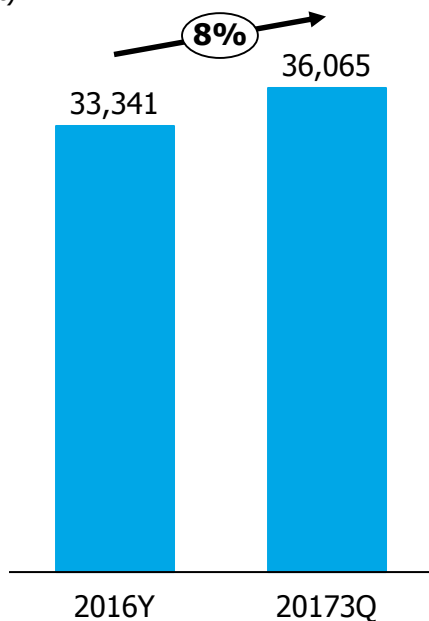
K. JARUWAN LIMKHUNTHAMMO

SVP – FINANCE & ACCOUNTING DIVISION

20173Q, positive ROE of 7.3% due to NPAT 1,897 mn in 20173Q

ROE

Equity(mn baht)



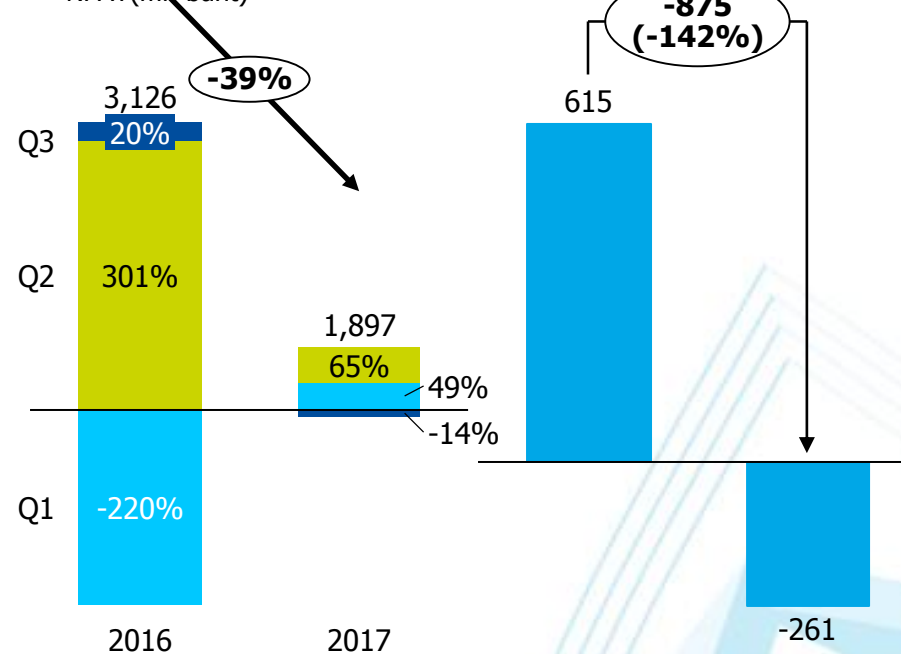
ROE

17.0%

7.3%

NPAT

NPAT(mn baht)



%Total income

7.8%

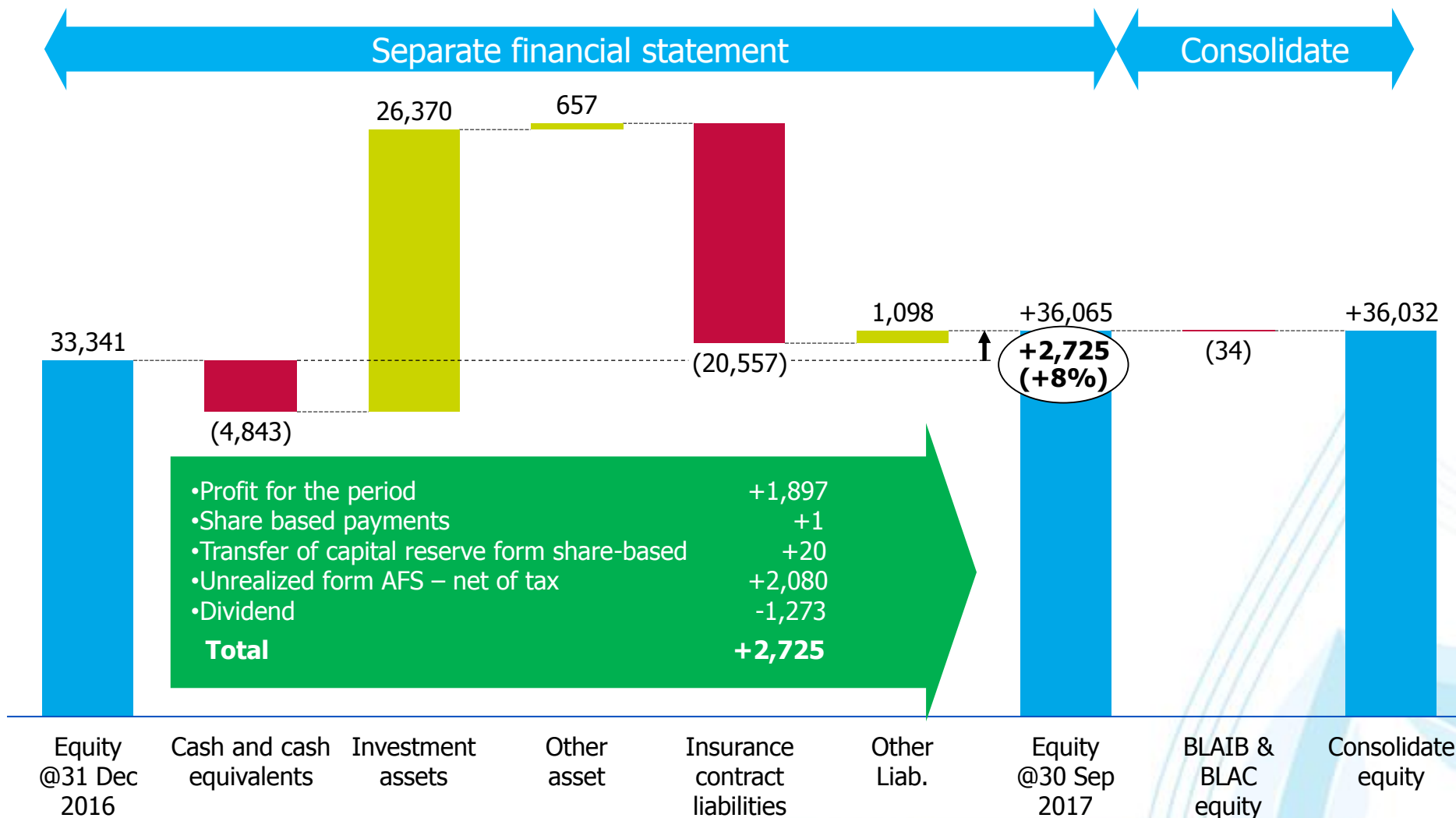
4.5%

4.9%

-1.7%

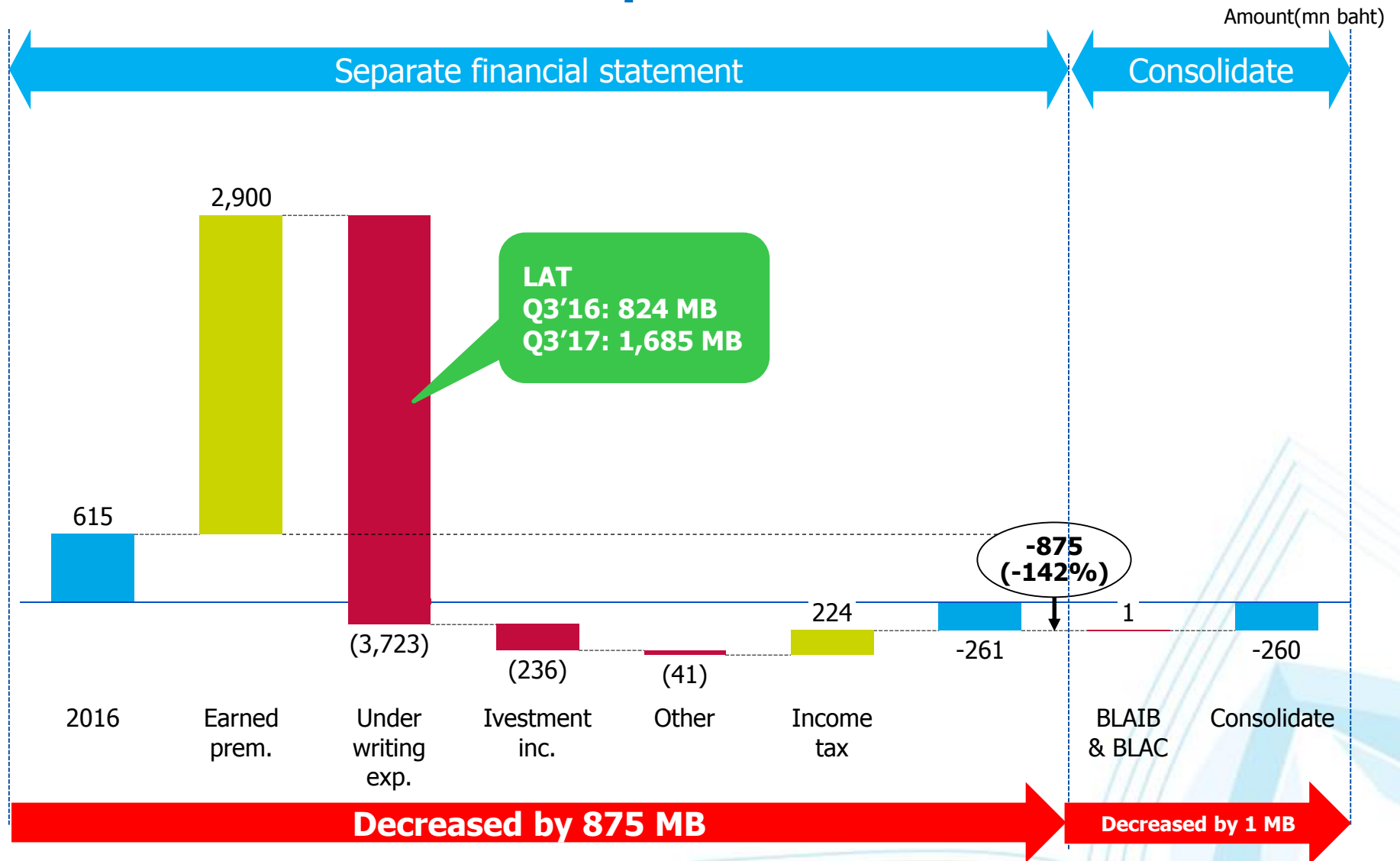
Note:-
Source: BLA financial statement

Equity movement from 31 December 2016 To 30 September 2017

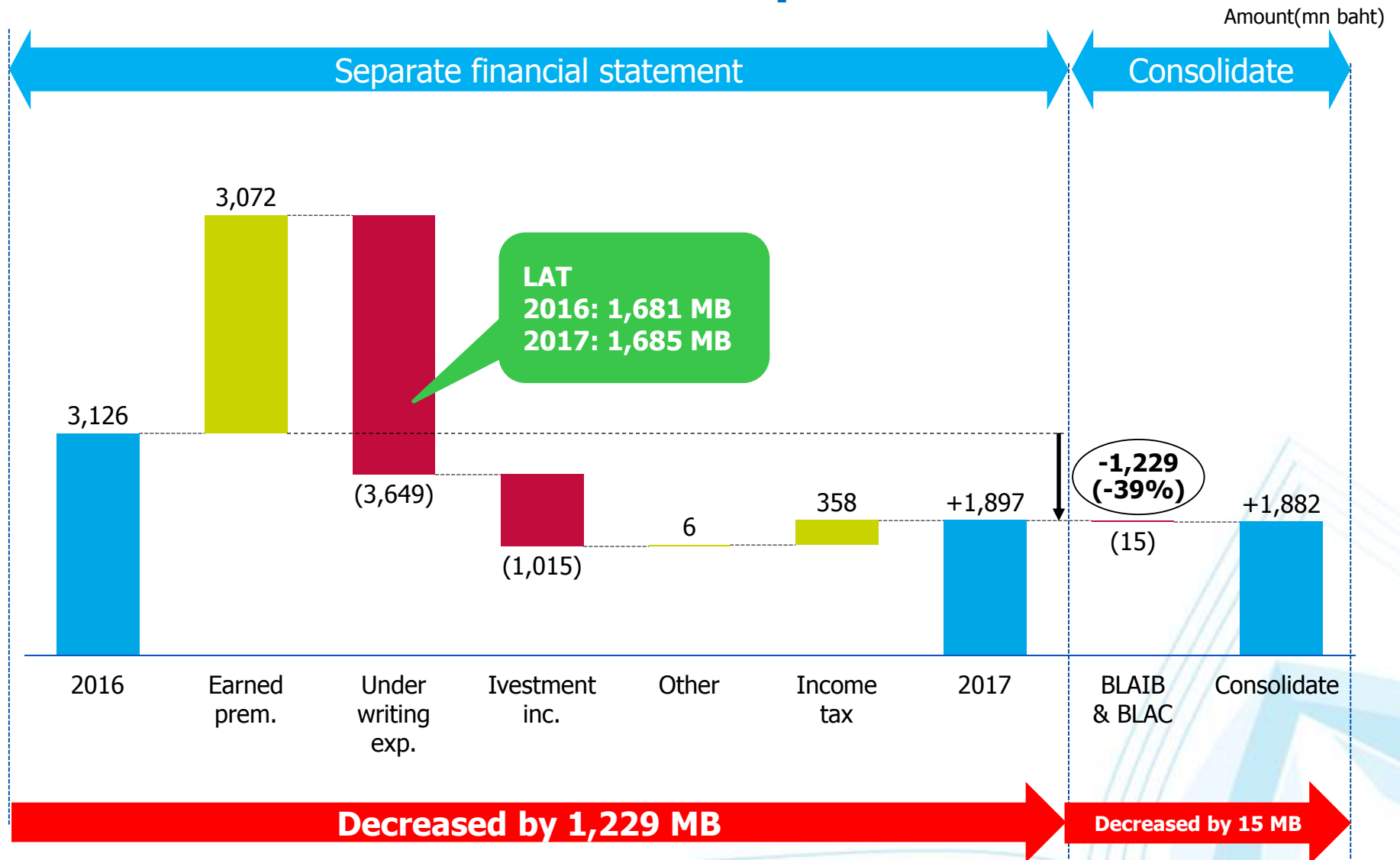


Note:-
Source: BLA financial statement

NPAT Movement in third quarter 2017



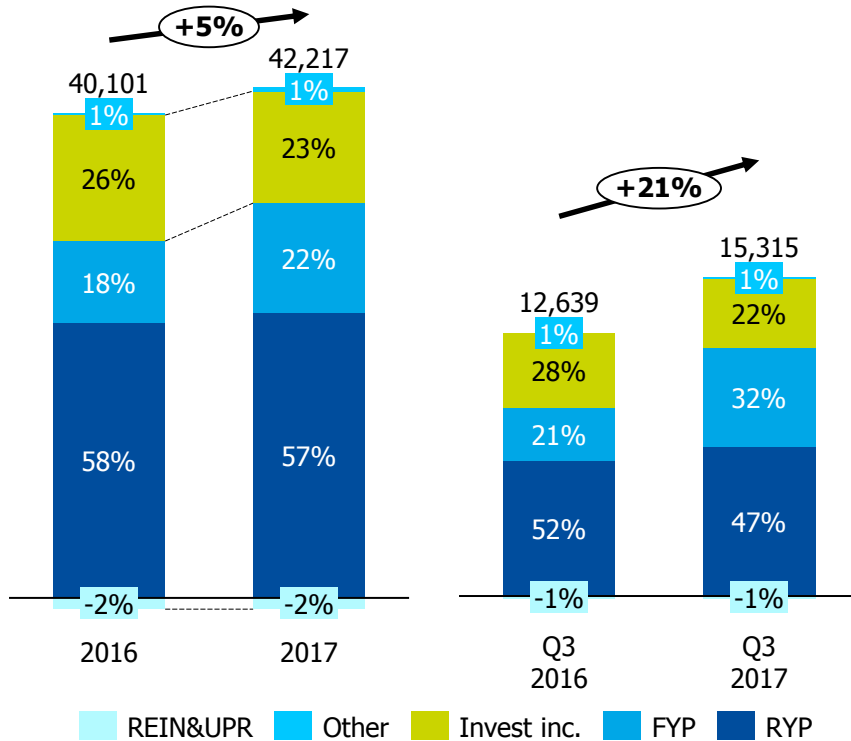
NPAT Movement in nine-month period 2017



BLA had higher expense in 20173Q because increased in life policy reserve

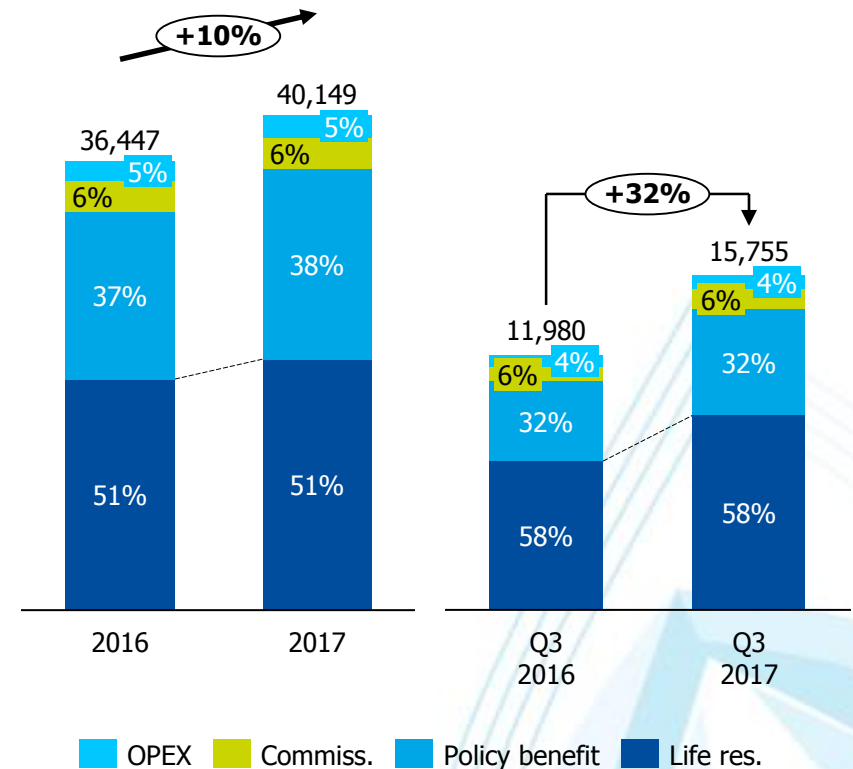
Total income

Income(mn baht)



Total expense

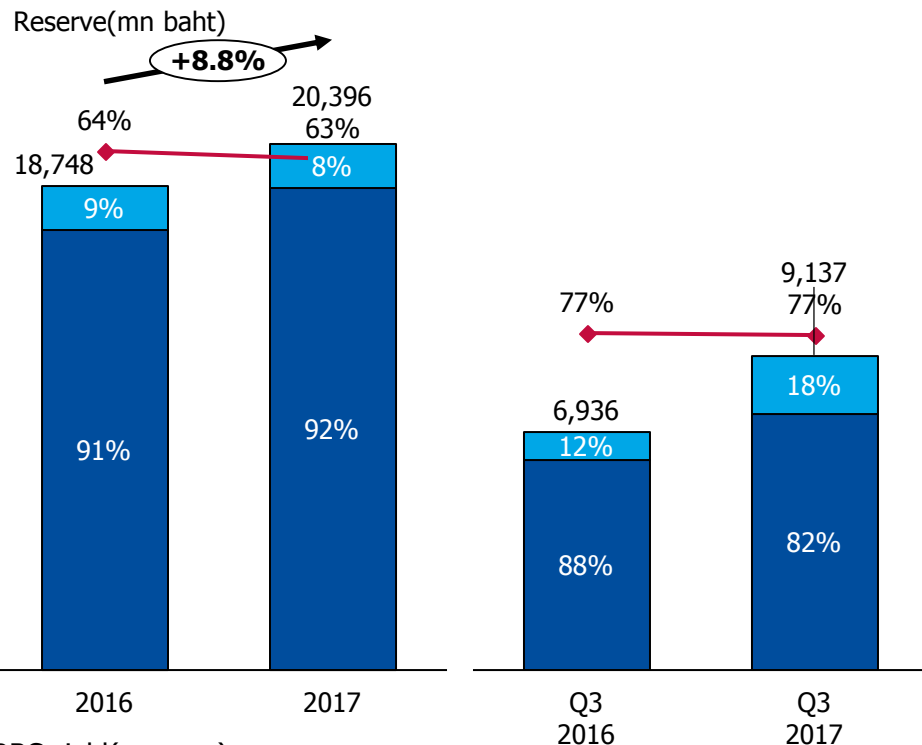
Expense(mn baht)



Note:-
Source: BLA financial statement

Life pol. reserve ratio in 20173Q was 77%

Life policy reserve

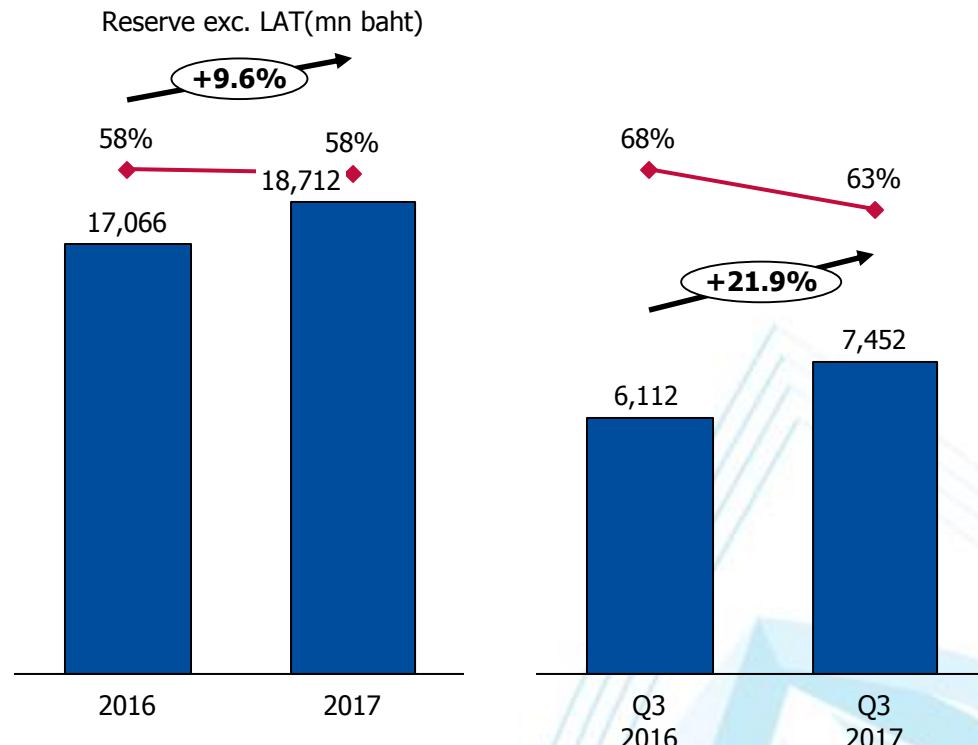


RBC yield(average)

3.19%

3.18%

Life policy reserve exclude LAT



■ LAT ■ Reserve —◆ %net prem.

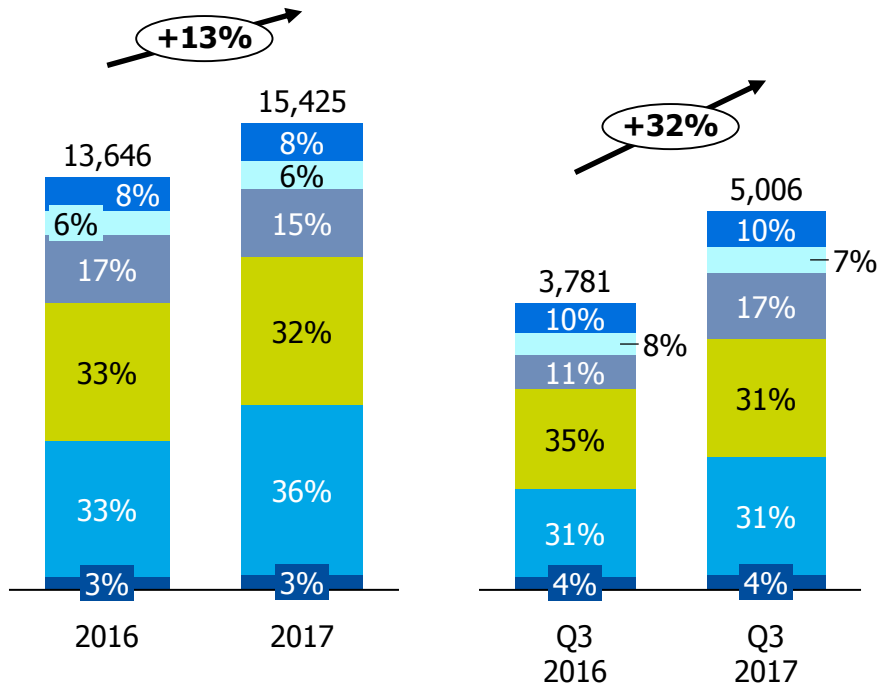
Note:-

Source: BLA financial statement

Q3, Policy benefit payment increased by 32% mainly from benefit payments

Policy benefit payment

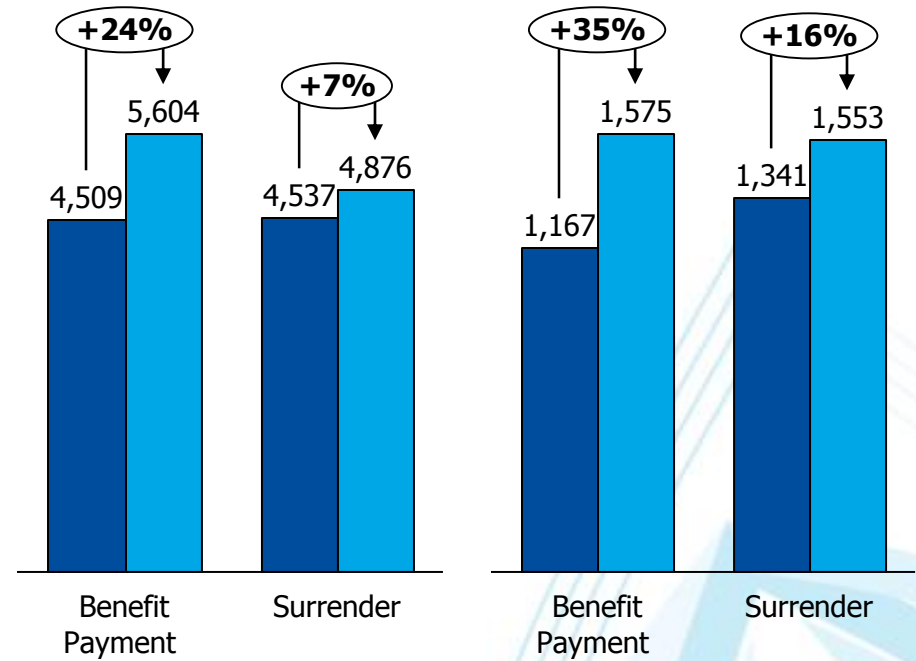
payment(mn baht)



■ Death ■ Maturity ■ Benefit Payment
■ Claim ■ Surrender ■ Others

Major line item

payment(mn baht)



■ 2016 ■ 2017

■ 2016 Q3 ■ 2017 Q3

Source: BLA financial statement

Q & A

ขอบคุณ
THANK YOU





กรุงเทพมหานครประกันชีวิต
ชีวิตที่มีความสุขมากกว่า