



กรุงเทพประกันชีวิต

Analyst Meeting

“2Q2018 Results Update”

Aug 10, 2018

Analyst Meeting – 2Q2018 results

Topics:

1. Results overview

- **Distribution Channel** by K. Narin, SVP – Ordinary business development department
- **Investment** by K. Annop, SVP – Research and Investment Risk Management Department
- **Financial** by K. Jaruwan, SVP – Finance & Acct Division

2. Q & A

DISTRIBUTION CHANNELS

K. NARIN EKWONGVIRIYA

SVP – ORDINARY BUSINESS

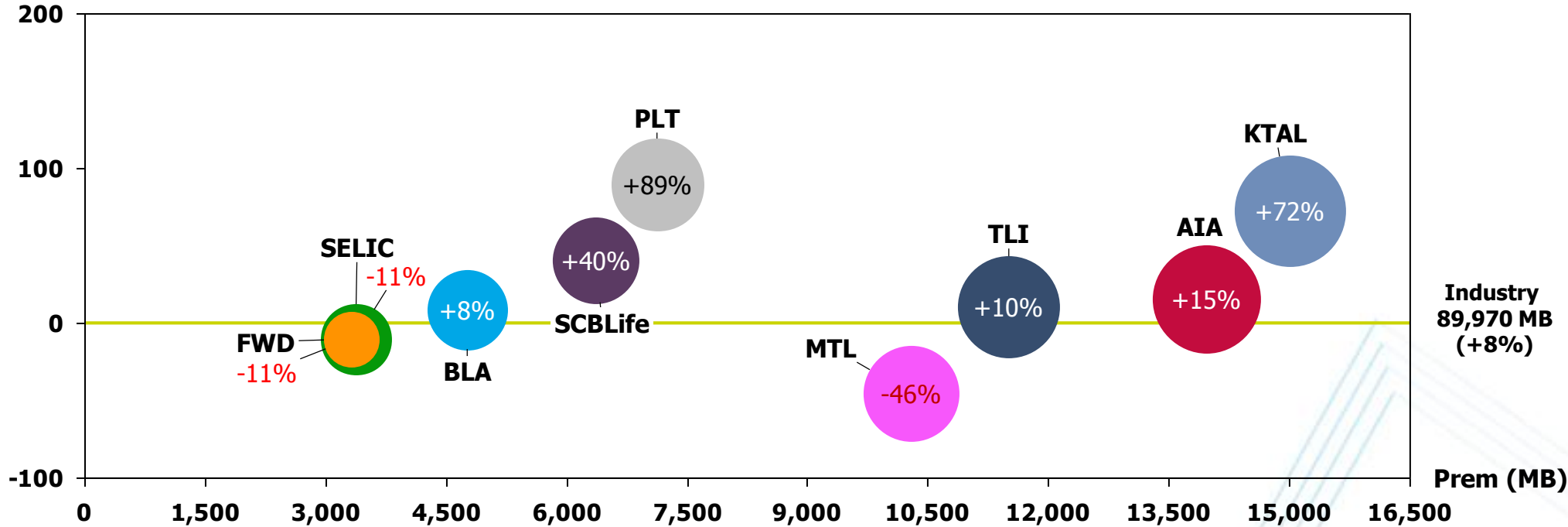
DEVELOPMENT DEPARTMENT



Life Insurance in Jan-Jun 2018

Total industry FYP all types grew +8%. Growth was driven by Unit Link and S-T endowment products. BLA had +33% growth rate from ordinary exclude SP products while industry had -10% growth.

% Growth



Jan-Jun 2018	KTAL	AIA	TLI	MTL	PLT	SCBLife	BLA	SELIC	FWD	Others
FYP&SP All Types	15,012.09	13,985.11	11,517.42	10,294.64	7,145.37	6,381.40	4,770.76	3,387.43	3,326.21	14,149.60
Market Share (%)	16.69%	15.54%	12.80%	11.44%	7.94%	7.09%	5.30%	3.77%	3.70%	15.73%

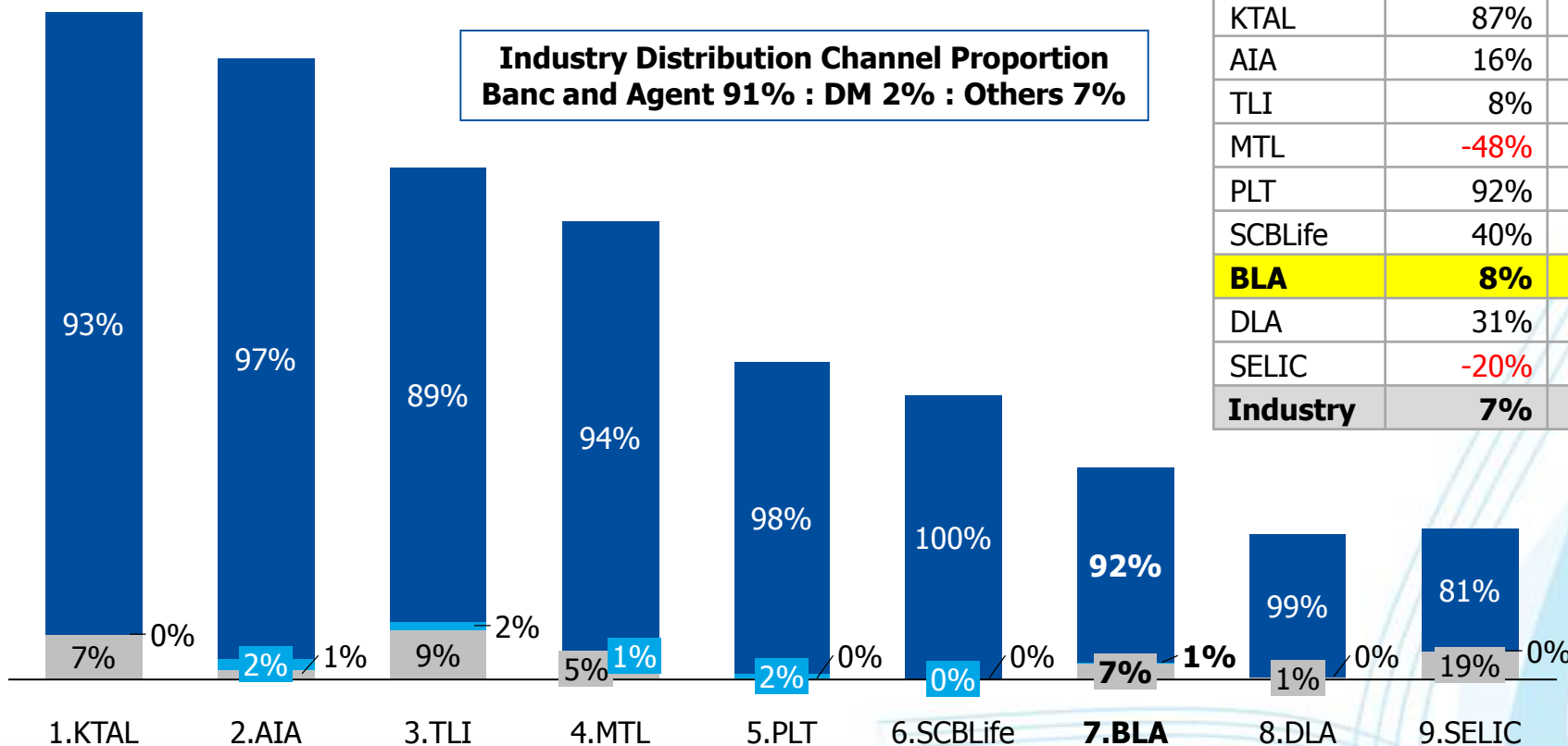
Source : www.tlaa.org

Top 9 Companies Performance : By Channel

Almost top 9 companies grew from Unit Link and S-T endowment products of Bancassurance and Agent channels.

Distribution Channel Proportion and % Growth of FYP & SP As of Jun 2018

■ Banc and Agent ■ DM ■ Other



% Growth

company	Banc and Agent	DM	Other
KTAL	87%	Na	-16%
AIA	16%	-12%	-30%
TLI	8%	37%	37%
MTL	-48%	-16%	88%
PLT	92%	2%	-21%
SCBLife	40%	Na	-19%
BLA	8%	18%	11%
DLA	31%	Na	514%
SELIC	-20%	Na	74%
Industry	7%	-24%	46%

Marketing Strategies on 2Q2018

All Channels:

- Re pricing and update all products due to new mortality tables and regulations.

Agent channel:

- Launched new Huangrak Premier (Huangrak 90/20), high death coverage minimum at 500,000 baht.
- Added 2 packages of "Aunjai Rokrai" with 750,000 baht and 1,000,000 baht to serve market needs.

Direct Marketing:

- Drove "PA Refund" campaign.

Online Channel:

- Developed underwriting, prospect information, data collecting and sales service systems for complex products.

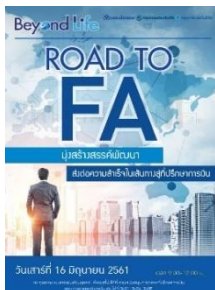
Agent Channel :

- Road to FA activities and Day of opportunity seminar drove FA growth to 9%.
- Increased professional financial advisors in Bangkok and Chonburi provinces.

- Ruam Pon FA 2018 activity and Beyond Life Club membership seminar to strengthen FA.



- "Beyond Life Club" Seminar focused on saving and retirement plans.
- Money Expo activity at BKK, 10-13 May, 2018
- Media campaign for new products and brand awareness.
- Continued extra privilege "Annual Health Check" for high end customers and Happy Life Club activities "Happy Talk" for all customers.



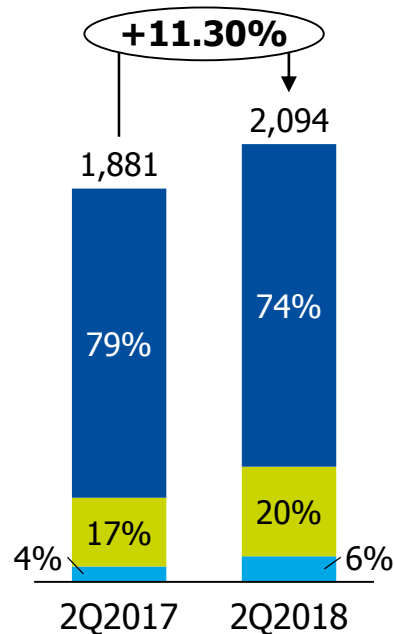
New Business and Total Premium 2Q2018

Overall FYP increased +11%. Bancassurance channel increased 4%, the performance of bancassurance were resulted from the continued focus on protection and long term endowment products. Agent channel increased 30% and others channel increased 64%.

■ Bancassurance ■ Agent Channel ■ Others

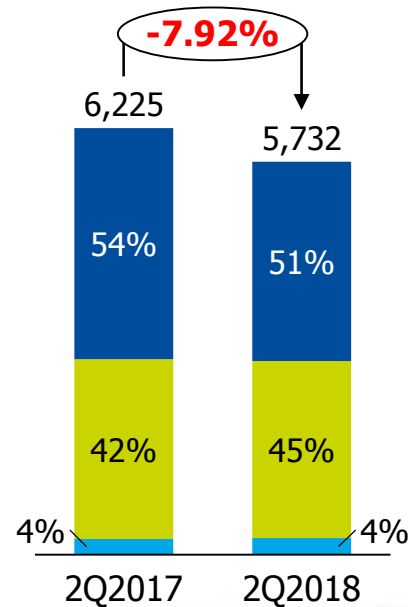
New Business Premium

Unit : Million Baht



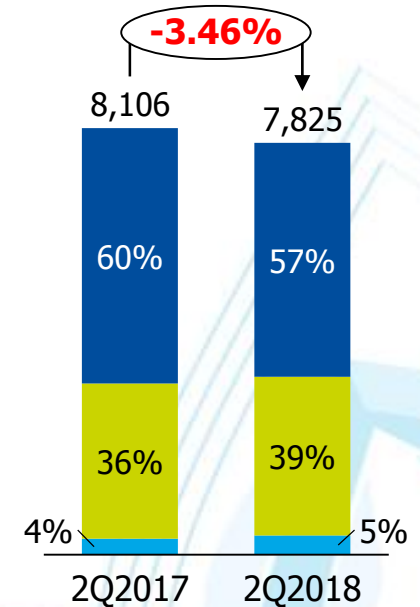
Renewal Premium

Unit : Million Baht



Total Premium

Unit : Million Baht



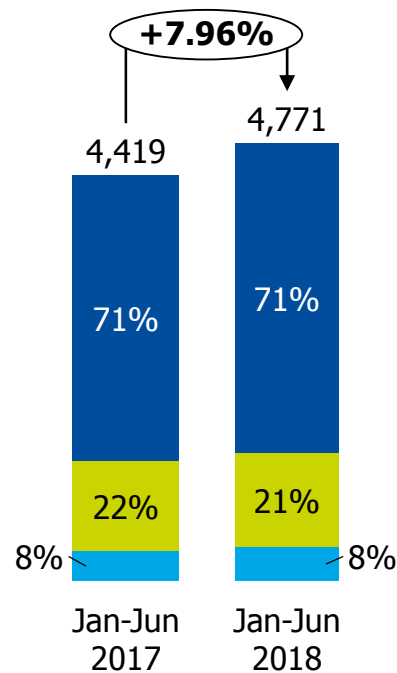
New Business and Total Premium Jan-Jun 2018

Overall FYP increased +8%. Bancassurance channel increased 8%, the performance of bancassurance were resulted from the continued focus on protection and long term endowment products. Agent channel increased 5% and others channel increased 11%.

■ Bancassurance ■ Agent Channel ■ Others

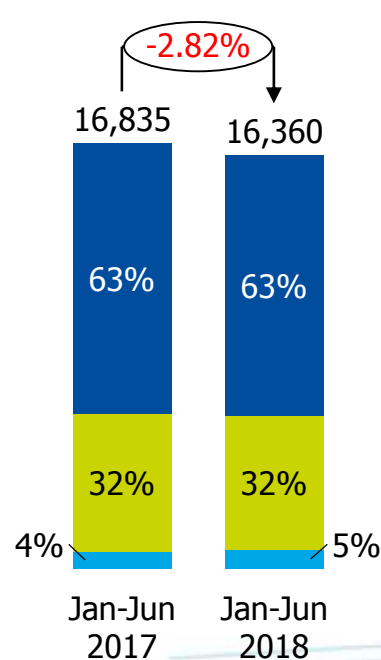
New Business Premium

Unit : Million Baht



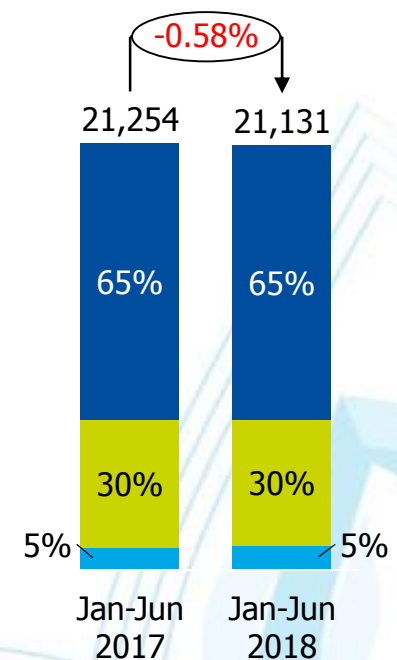
Renewal Premium

Unit : Million Baht



Total Premium

Unit : Million Baht



Marketing Strategies on 3Q2018

Agent channel:

- New endowment and pension products.
- Bancassurance , Direct Marketing & Online Channels:**
- New MRTA and health products in Q3.

Online Channel:

- Online to develop underwriting, prospect information, data collecting and sales service systems for complex products.

Agent Channel :

- Road to FA activities and FA club to drive FA growth.
- To expand professional financial advisors in major cities.

- Improve FA knowledge via Beyond Life Club membership seminar to strengthen FA.



- “Beyond Life Club” Seminar focused on financial plan and Tax saving.
- Encourage personal financial planning through The National Life Insurance Day at Central Plaza Westgate 21-22 July, 2018 and Money Expo activity at Korat 17-19 August, 2018.
- Happy activities for customers via Happy Life Club.



Q & A

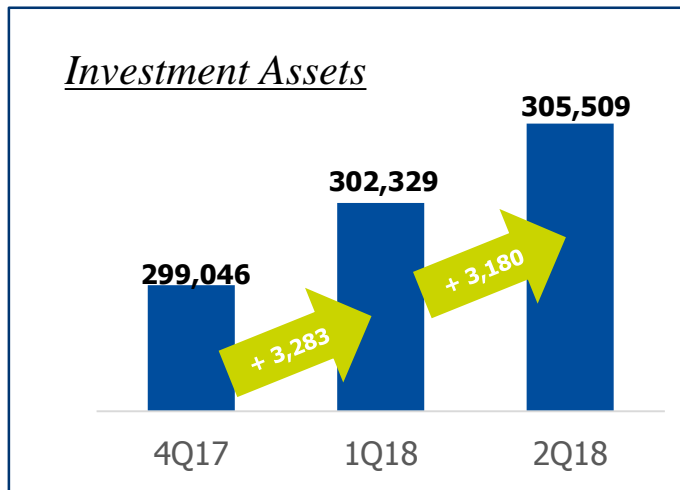
INVESTMENT

K. ANNOP UDOMPANICH

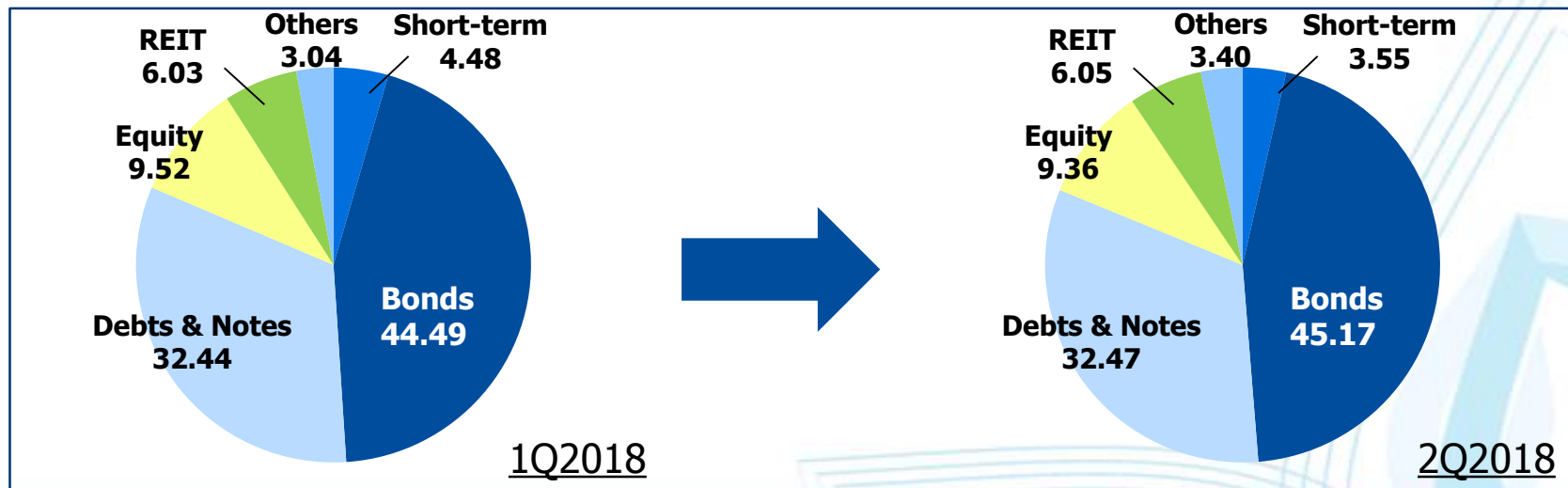
SVP - RESEARCH AND INVESTMENT

RISK MANAGEMENT DEPARTMENT

Investment Assets increase to 305,509 MB



- Investment assets +3,180 MB 2Q18
- Short term fund slightly declines to 3.55%, closer to normal level
- No significant change in portfolio allocation



Profile of Fixed Income Investments

(as of June 30, 2018)

Duration of Fixed Income = 8.44
Duration of Liabilities = 8.61

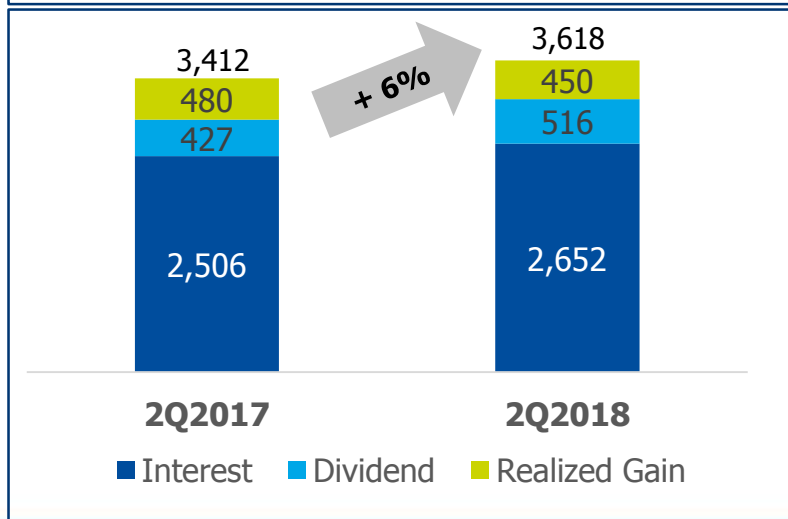
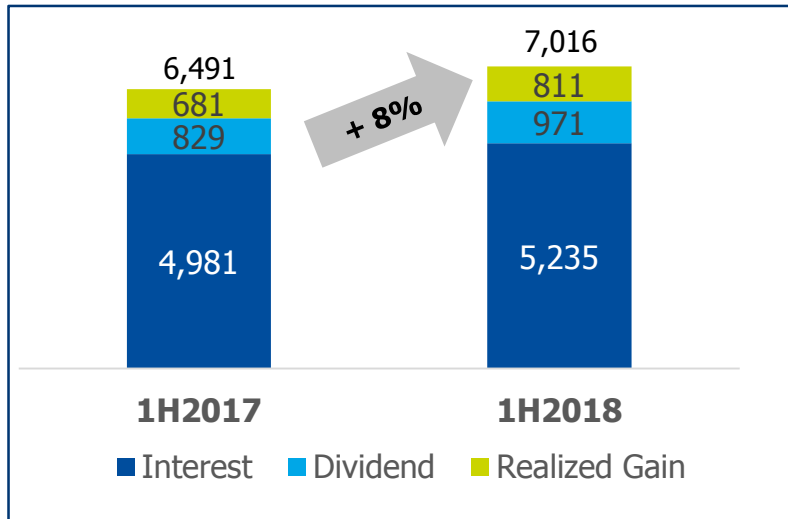
Debenture (Avg. Life 5.85 years)	% on total debenture
Local currency rating	
AAA	6.18%
AA ⁻ to AA ⁺	19.58%
A ⁻ to A ⁺	42.16%
BBB ⁺	8.90%
International rating	
A ⁻ to A ⁺	7.44%
BBB to BBB ⁺	15.74%

Investment Asset by Currency	% on Total Investment Asset
Baht Investment	90.18%
US\$ Investment	9.82%
Fixed income	6.64%
Equity	2.23%
Others	0.95%

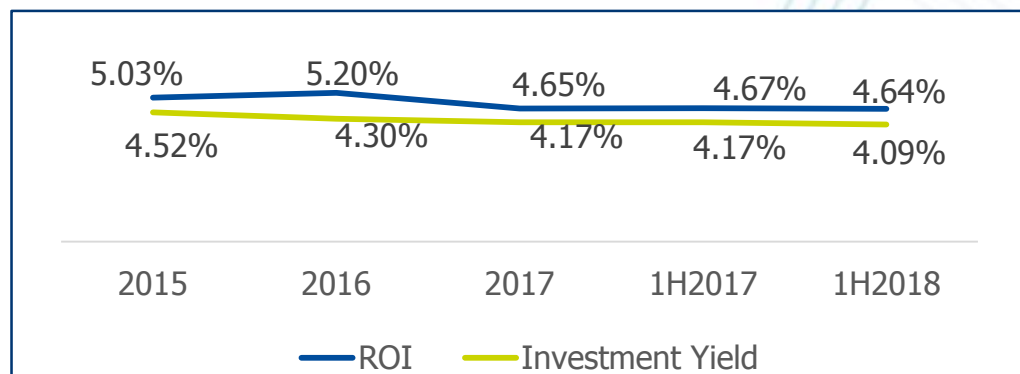
Fixed income	% on Fixed income assets
<1 yr	4.95%
1-5 yrs	30.71%
6-10 yrs	25.08%
11-15 yrs	16.06%
> 16 yrs	23.20%

Investment income slightly increased with ROI 4.64%

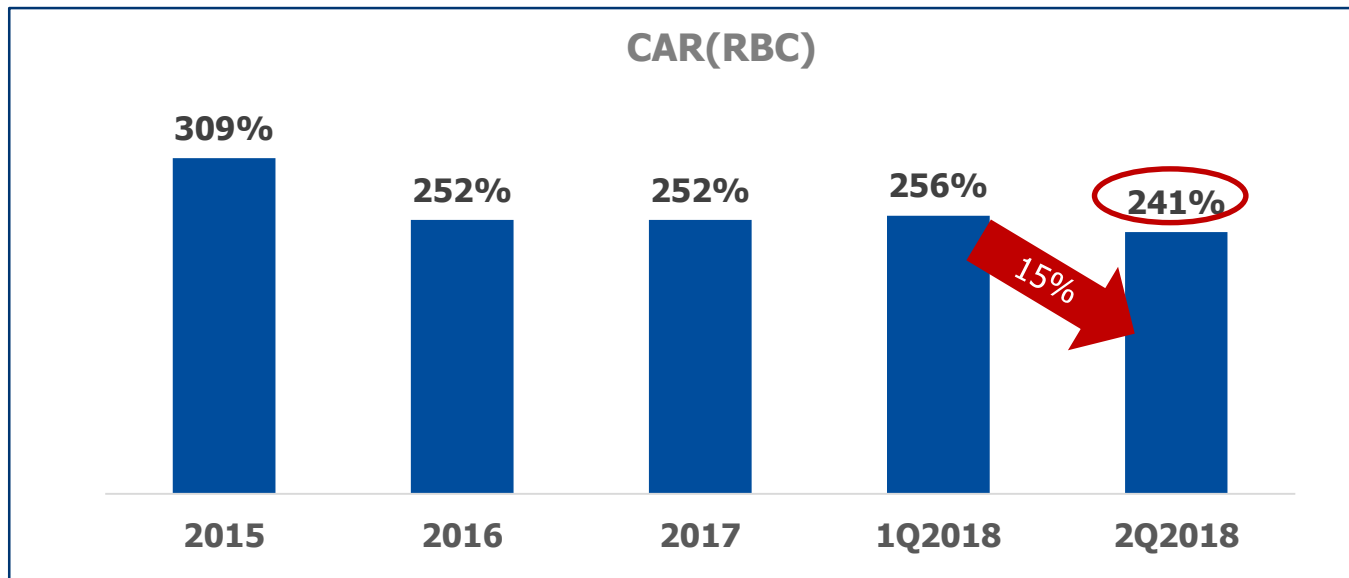
Sources of Investment Income (MB)



- Accounting ROI is 4.64%, same level as prior year
- Investment yield slightly decreases to 4.09%



Capital Adequacy Ratio (CAR) is 241%



- CAR 2Q2018 decreases to 241%
- Price depreciation in risky assets reduces CAR.
- Future regulatory change (e.g. RBC 2) remains a concern to our future capital position

Q & A

FINANCIAL

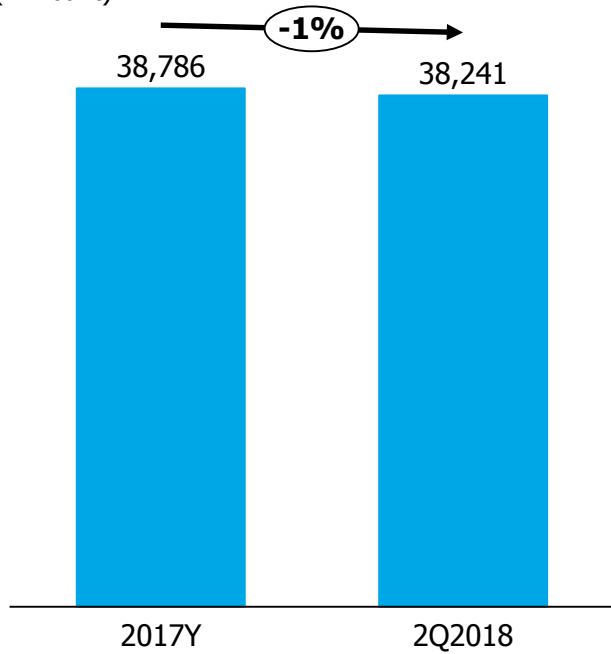
K. JARUWAN LIMKHUNTHAMMO

SVP - FINANCE & ACCOUNTING DIVISION

2Q2018, positive ROE of 15.3% due to NPAT 2,941 mn in 6 months

ROE

Equity(mn baht)



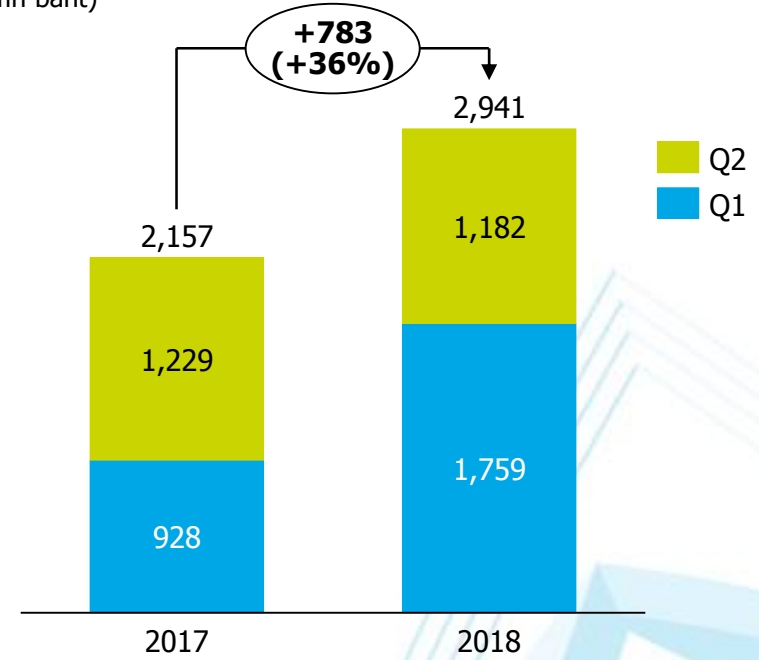
ROE

10.1%

15.3%

NPAT

NPAT(mn baht)



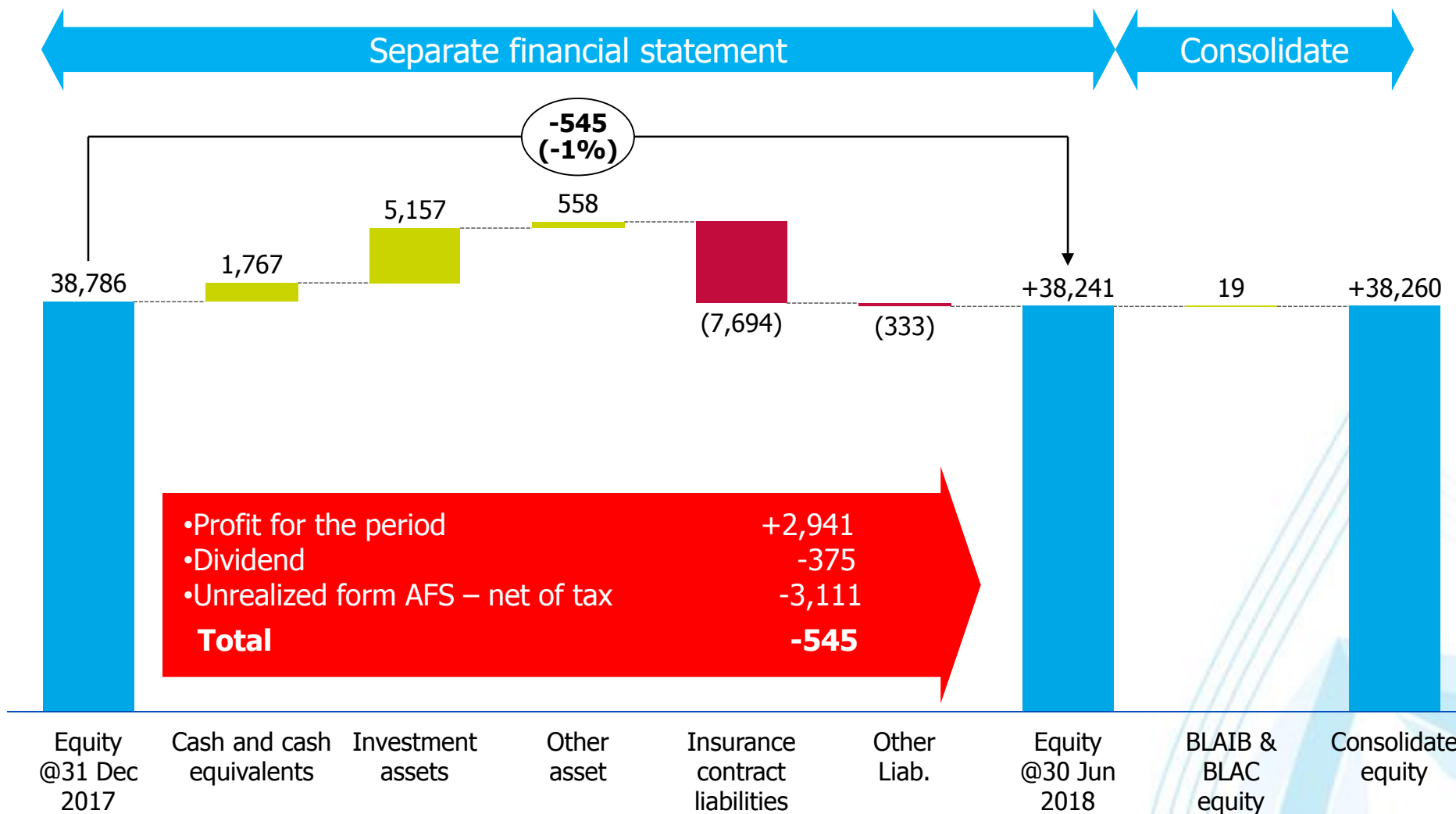
%Total income

8.0%

10.7%

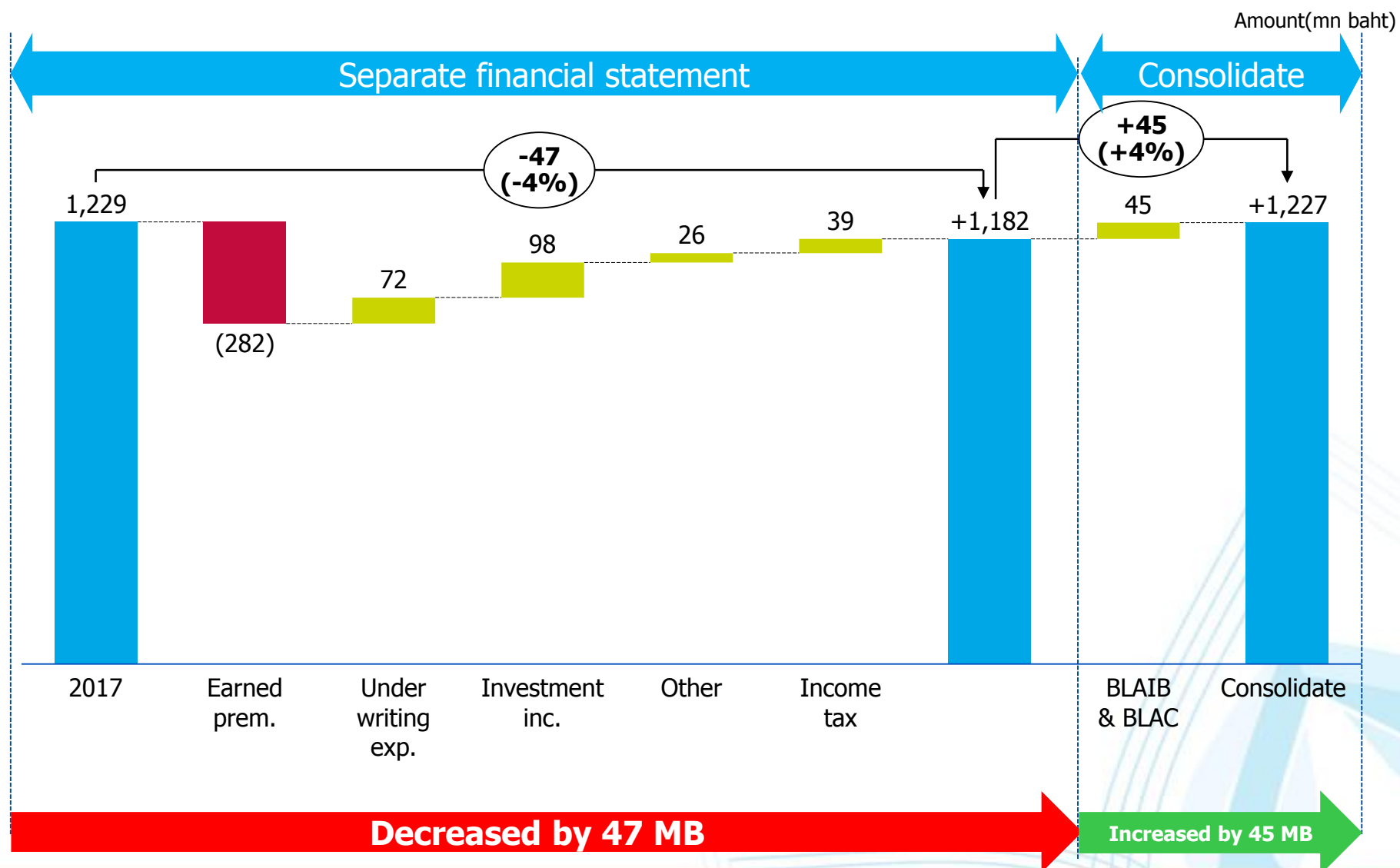
Note:-
Source: BLA financial statement

Equity movement from 31 December 2017 To 30 June 2018

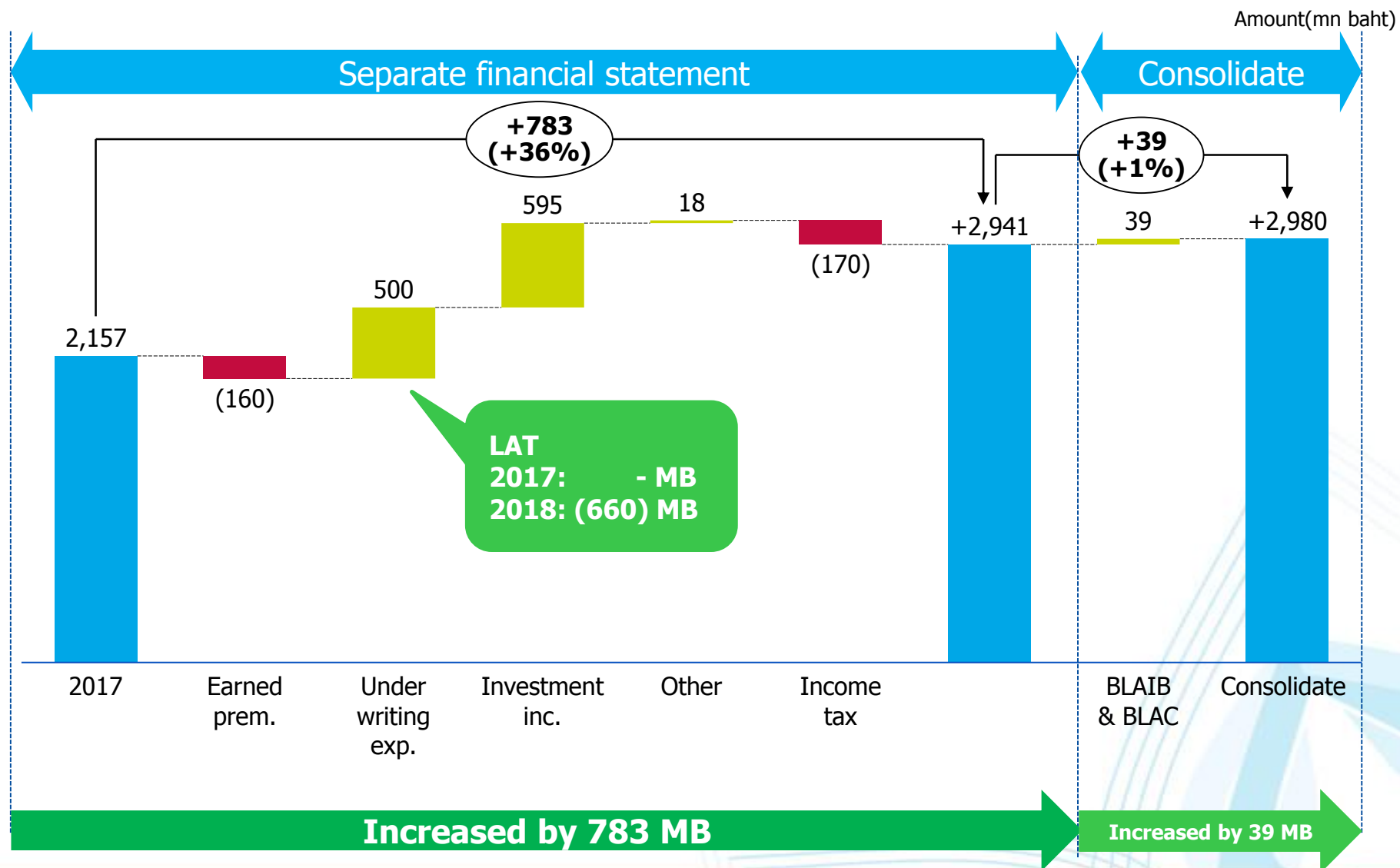


Note:-
Source: BLA financial statement

Profit for the three-month periods ended 30 June 2018

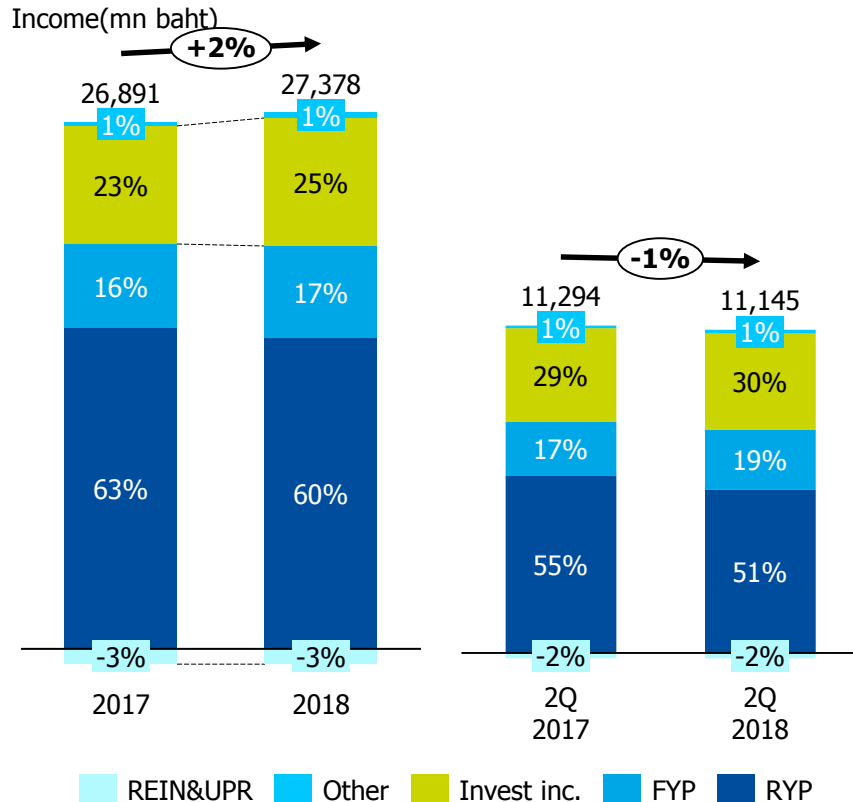


Profit for the six-month periods ended 30 June 2018

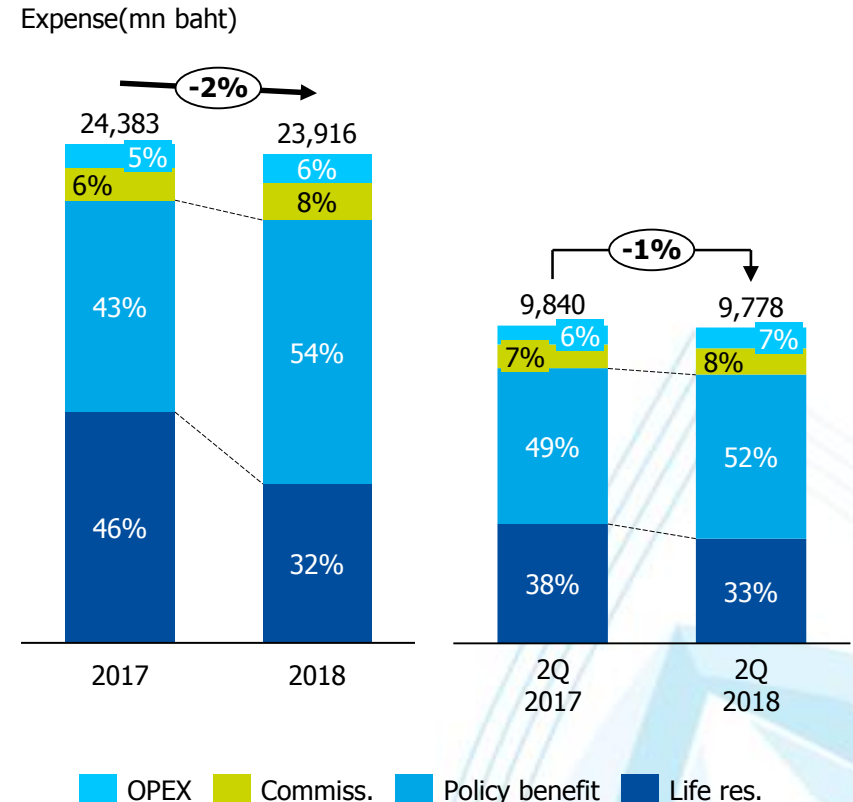


Underwriting exp for 2Q2018 decrease by for 1% and for 6 month-ended decrease by 2% mainly from reserve

Total income



Total expense

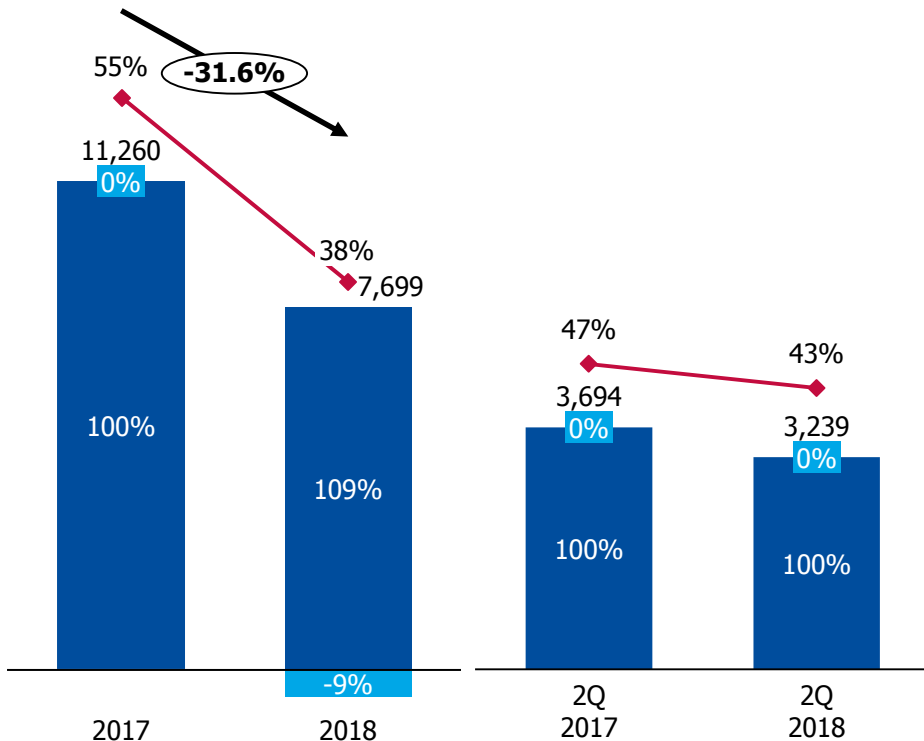


Note:-
Source: BLA financial statement

Life pol. reserve ratio in 2Q2018 was 43% decrease from 2Q2017

Life policy reserve

Reserve(mn baht)



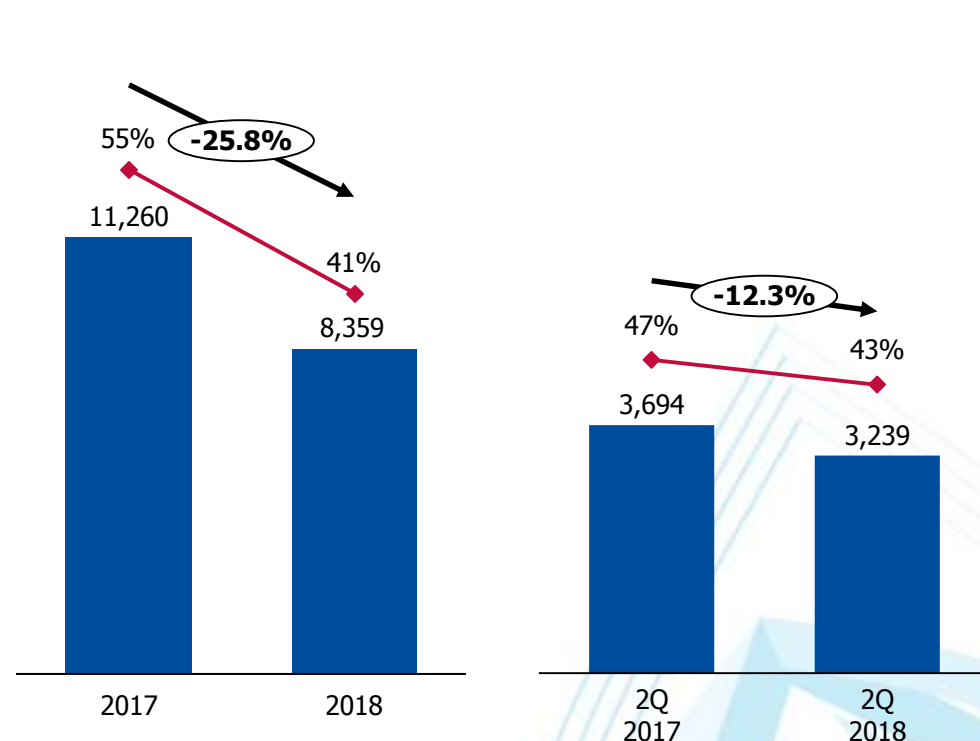
RBC yield(average)

3.32%

3.43%

Life policy reserve exclude LAT

Reserve exc. LAT(mn baht)

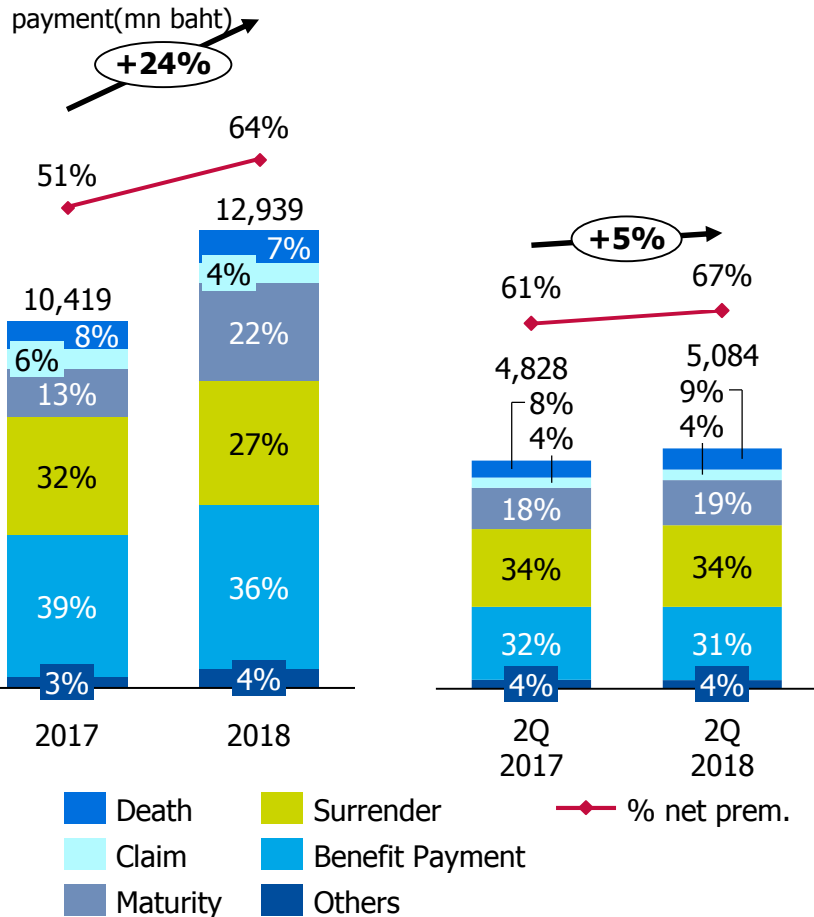


■ LAT ■ Reserve ◆ %net prem.

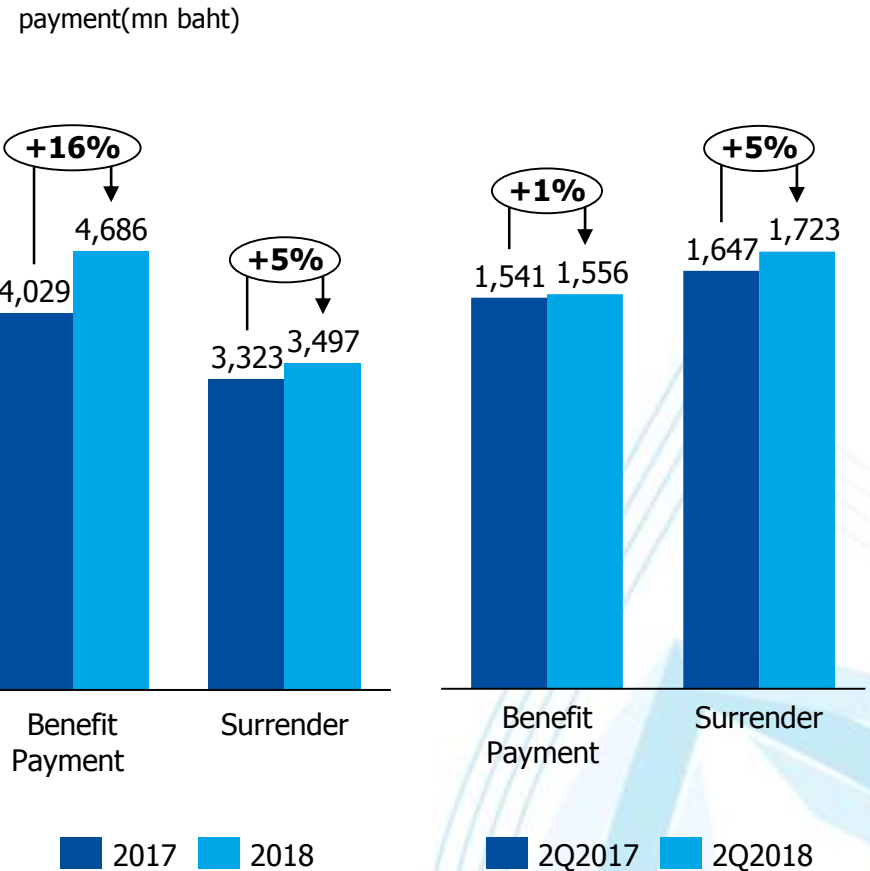
Note:-
Source: BLA financial statement

2Q2018, Policy benefit payment increased by 5% mainly from surrender

Policy benefit payment



Major line item



Source: BLA financial statement

Q & A

ขอบคุณ
THANK YOU



กรุงเทพมหานครประกันชีวิต
ชีวิตที่มีความสุขมากกว่า