



กรุงเทพประกันชีวิต

# 1Q20 Results Presentation

Investors and Analyst update

14 May 2020

# Disclaimer

The information contained in our presentation is intended solely for your personal reference only. In addition, such information contains projections and forward-looking statements that reflect our current views with respect to future events and financial performance.

These views are based on assumptions subject to various risks and uncertainties. No assurance is given that future events will occur, that projections will be achieved, or that the assumptions are correct. Actual results may differ materially from those projected.



Tax Planning



Protection



Savings



Pension



Accident



Total Permanent Disability



Health & Critical Illness

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# Synopsis of performance in 1Q20

- **1Q20 profit:** -82% YoY mainly due to an increase in PAD from 4% to 5%.
- **Overview of the performance by distribution channels:**
  - **Agent:** FYP +6% YoY from focus on 'quality' over 'quantity' of agent and good technology support during Covid-19 time. Rider attachment improved further from 17% to 23%.
  - **Bancassurance:** FYP -39% YoY due to 5 products being discontinued as well as being adversely affected by Covid-19. On the positive, MRTA penetration improved.
  - **Other:** FYP +double digit driven by Group, Direct marketing and Online.
- **Investment** Achieved ROI of 5.59% despite challenging environment
- **CAR:** ratio declined from 314% in the previous quarter to 266%

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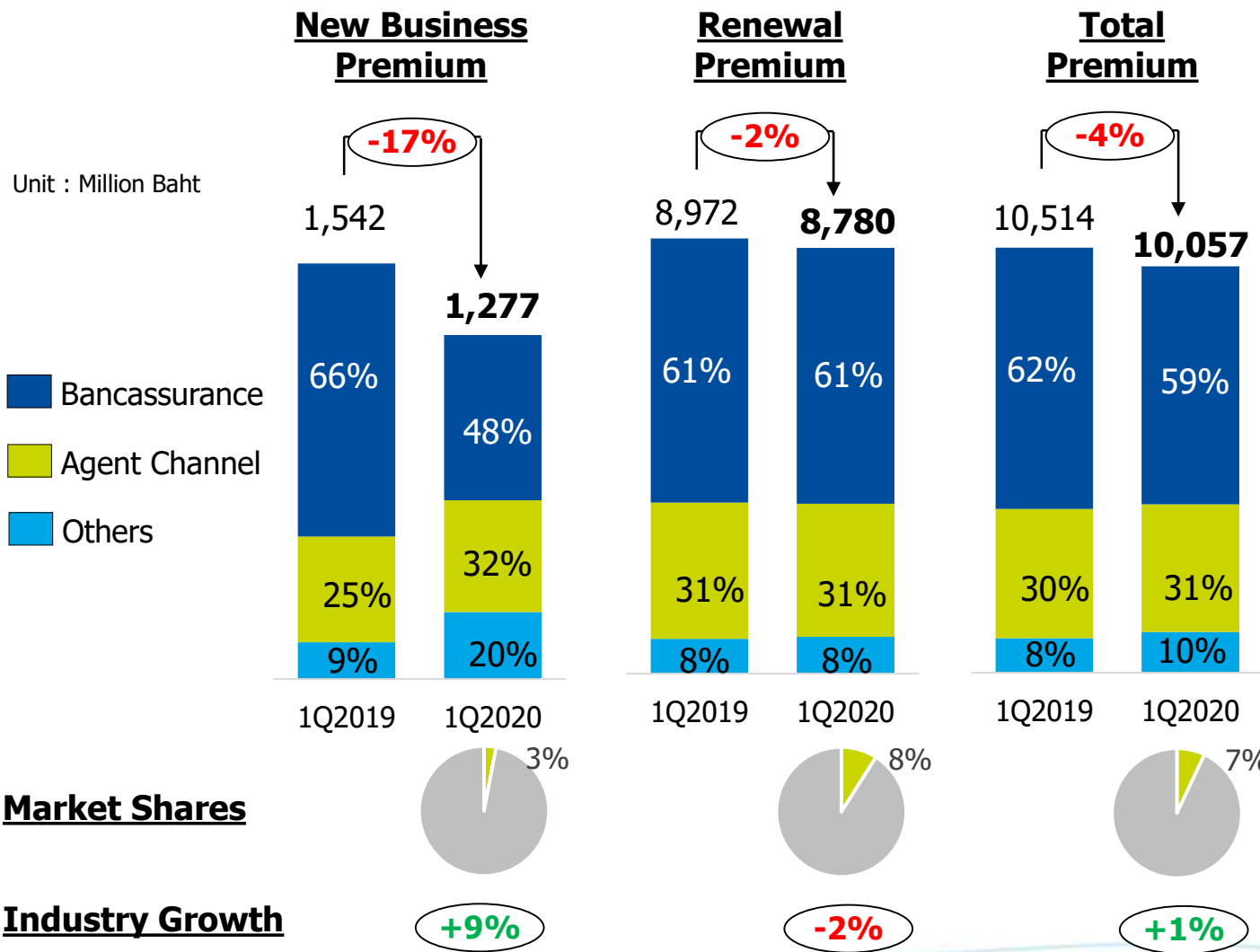
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# 1Q20: FYP -17% from Banca, while Agency and Other are +ve. RYP -2% as expected



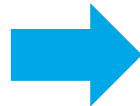
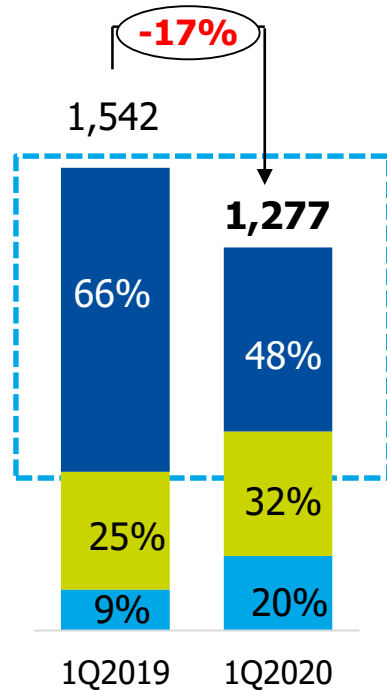
<u>Financial Highlight</u>	
ROI	5.59%
Inv. Yield	4.09%
NPAT	230 MB
EPS	Bt 0.14
EQUITY	40,188 MB
EQUITY per Share	Bt 23.54
CAR	266%



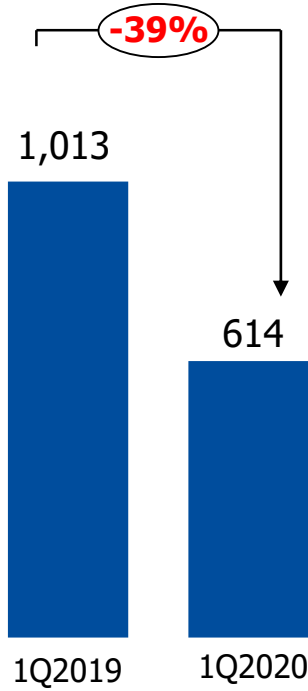
# 1Q20 FYP from Bancassurance -39% due to Covid-19, especially in March

## New Business Premium

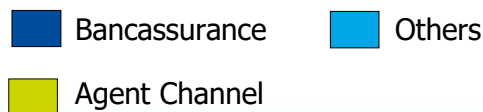
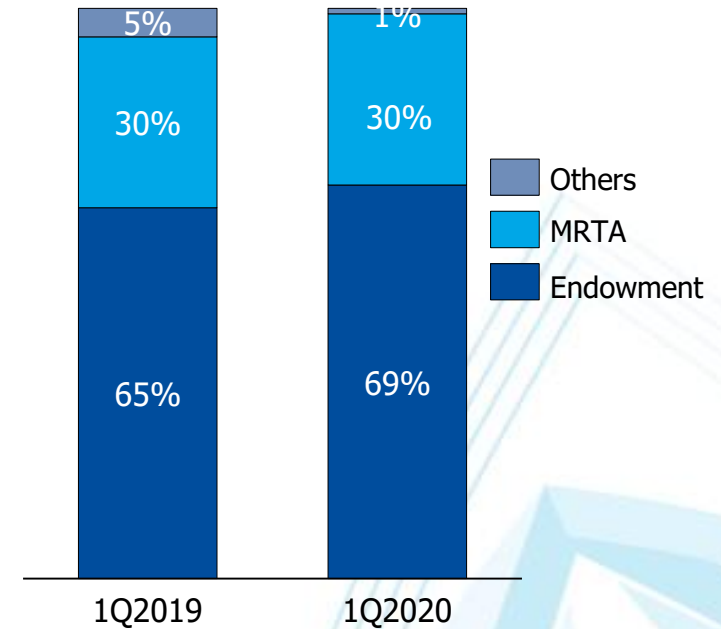
Unit : Million Baht



## New Business Premium Bancassurance

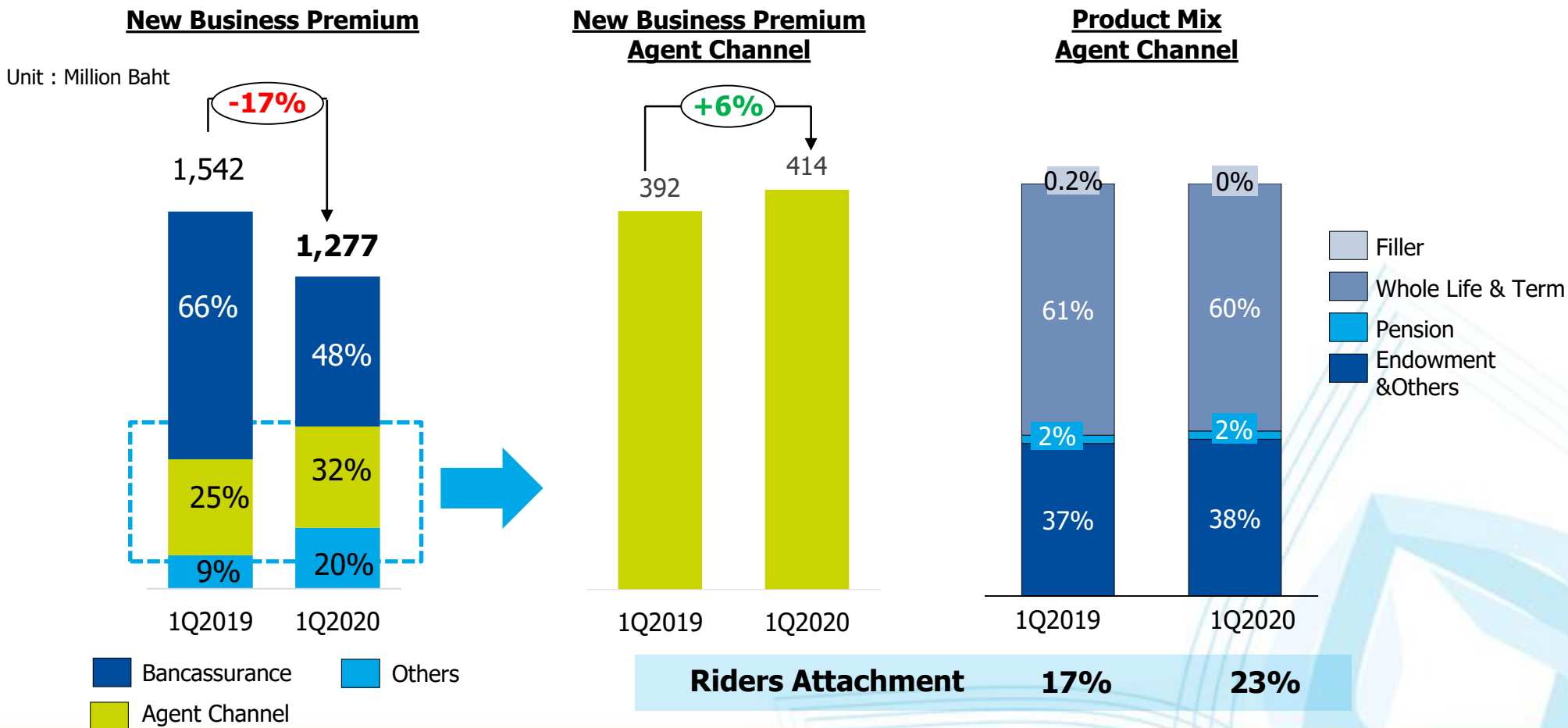


## Product Mix Bancassurance





# 1Q20 FYP from Agency +6% with good product mix while riders attachment ratio continue to increase



# 1Q20 FYP from Other: saw a strong double digit growth driven by group, direct marketing and online

1Q20 FYP from **Group channel** growth >50%    1Q20 FYP from **Direct Marketing** growth >20% YoY



1Q20 FYP from **Online** growth >20% YoY

วางแผนลดหย่อนภาษีด้วยประกันออนไลน์  
สมัครง่าย ๆ ด้วยตัวเอง ตลอด 24 ชม.

สะดวกสบาย ชำระเบี้ยพร้อมรับ กรมธรรม์ทาง ออนไลน์ได้ทันที	รวดเร็ว รับความคุ้มครอง และออกกรมธรรม์ ภายใน 1-2 วันทำการ	มั่นใจ ปลอดภัย ทุกธุรกรรม ด้วยมาตรฐาน ISO 27001	สบายใจกับบริการ หลังการขายด้วย บริการ Call Center 24 ชม.

1Q20 FYP from **Partnership** was below expectation due to slower ramp and Covid-19



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# Investment asset allocation saw a tilt towards safe asset while contribution from risky assets declined

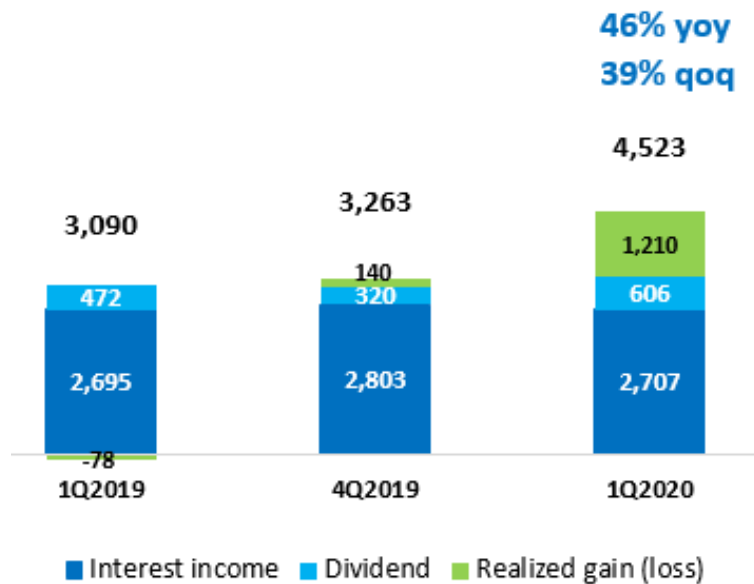
Asset Class	4Q19	1Q20	Remark
Short-term Investment	4.1%	4.3%	
Bond	42.9%	46.4%	For fixed income, increased focus on government bond while lowering contribution from corporate debentures
Debenture & Notes	34.4%	33.5%	
<b>Total Fixed Income</b>	<b>81.3%</b>	<b>84.1%</b>	
Equity	8.8%	7.0%	Proportion of EQ and REIT declined from price movement
REIT	6.7%	5.3%	
Loan	3.2%	3.6%	
- Policy loan	2.6%	2.7%	
- Secured loan	0.6%	0.9%	
<b>Total Investment Assets (MB)</b>	<b>323,821</b>	<b>325,362</b>	

Foreign currencies account for 8.3% of investment assets as of March 2020 (Fixed income 5.8%, Equity 1.6%, REIT 0.9%)

# Investment income +46% YoY

Investment yield increased from realized gain

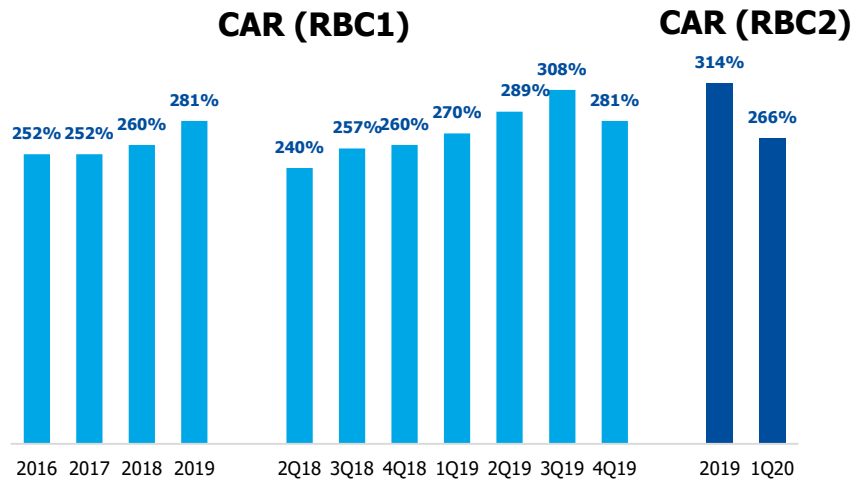
## Sources of Investment Income (MB)



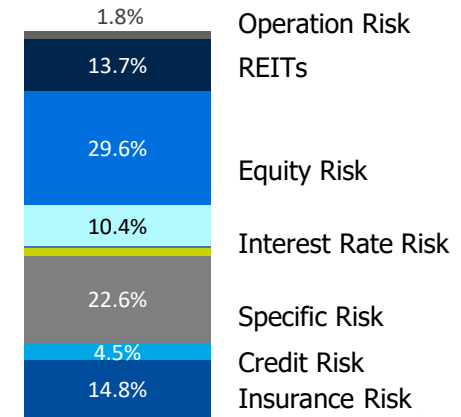
- **Investment income** in 1Q20 +46% YoY, + 39% QoQ driven by realized gain. As a result, ROI went up from 3.93% to 5.59%.
- Excluding realized gain, **investment yield** also went up from 4.03% in 1Q19 to 4.09% in 1Q20.



# CAR declined from 314% in the previous quarter to 266%



## Total Capital Required (TCR)



RBC 2

LI Company	CAR (RBC1)
SCBL	434%
AIA	483%
MTL	402%
TLI	409%
AZAY	340%
FWD	281%
KTAL	252%

Note: Data as of 3Q19 (RBC1)

Source: Life Insurance Company website

## RBC 2

- Operation risk is added to RBC 2
- Asset side
  - Increase risk charge for Equity
  - Better risk charge for Thai REIT but slightly increase for foreign REIT
  - Credit risk charge is separated into Specific risk and Credit risk (overall charge close to RBC 1)
- Liability side
  - Lower Insurance risk charge and better than RBC 1
  - considered low interest rate

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# Statement of financial positions

	31 Mar 20		31 Dec 19		Inc / Dec	
	MB	%	MB	%	MB	%
<b>Assets</b>						
Cash and cash equivalents	9,887	3%	13,442	4%	(3,555)	-26%
Investment assets	315,475	94%	311,375	93%	4,100	1%
Other assets	11,689	3%	8,863	3%	2,826	32%
<b>Total assets</b>	<b>337,050</b>	<b>100%</b>	<b>333,680</b>	<b>100%</b>	<b>3,370</b>	<b>1%</b>
<b>Liabilities and owners' equity</b>						
<b>Liabilities</b>						
Insurance contract liabilities	293,310	87%	286,642	86%	6,668	2%
Other liabilities	3,552	1%	2,778	1%	774	28%
<b>Total liabilities</b>	<b>296,862</b>	<b>88%</b>	<b>289,420</b>	<b>87%</b>	<b>7,443</b>	<b>3%</b>
<b>Owners' equity</b>	<b>40,188</b>	<b>12%</b>	<b>44,260</b>	<b>13%</b>	<b>(4,072)</b>	<b>-9%</b>
<b>Total liabilities and owners' equity</b>	<b>337,050</b>	<b>100%</b>	<b>333,680</b>	<b>100%</b>	<b>3,370</b>	<b>1%</b>
<b>Owners' equity</b>						
Share capital	1,708	1%	1,708	1%	-	0%
Premium on share capital	3,361	1%	3,361	1%	-	0%
Share-based payments & Warrant	-	0%	-	0%	-	0%
Retained earnings	30,859	9%	31,626	9%	(767)	-2%
Revaluation AFS & Exchange	4,221	1%	7,531	2%	(3,309)	-44%
Non-controlling interests of the subsidiaries	39	0%	35	0%	4	12%
<b>Total owners' equity</b>	<b>40,188</b>	<b>12%</b>	<b>44,260</b>	<b>13%</b>	<b>(4,072)</b>	<b>-9%</b>

## ASSETS

Total assets slightly increase in 2020 due to increasing of investment asset and decreasing of benefit payment.

## Liabilities

Ins liabilities extra increase from increasing PAD rate from 4% to 5%

## Owners' equity

Decrease from profit and fair value of AFS investment.

# 1Q20 Financial Summary

Million Baht	1Q'20	% of TNP	1Q'19	% of TNP	%YoY
First year premium	1,277	14%	1,542	16%	-17%
Renewal premium	8,780	95%	8,973	91%	-2%
REIN&UPR	(847)	-9%	(703)	-7%	-20%
<b>Total Net Premium (TNP)</b>	<b>9,210</b>	<b>100%</b>	<b>9,812</b>	<b>100%</b>	<b>-6%</b>
Investment income	5,019	54%	3,123	32%	61%
Other income	160	2%	170	2%	-6%
<b>Total Income</b>	<b>14,389</b>	<b>156%</b>	<b>13,104</b>	<b>134%</b>	<b>10%</b>
Life policy reserve	6,205	67%	(6,514)	-66%	195%
Benefit payments	6,734	73%	16,670	170%	-60%
Commission and Brokerage	718	8%	857	9%	-16%
Other underwriting expense	118	1%	209	2%	-44%
<b>Total Underwriting Expense</b>	<b>13,775</b>	<b>150%</b>	<b>11,223</b>	<b>114%</b>	<b>23%</b>
Operating Expense	363	4%	371	4%	-2%
Expected Credit Loss	30	0%	-	0%	0%
<b>Total Expense</b>	<b>14,169</b>	<b>154%</b>	<b>11,594</b>	<b>118%</b>	<b>22%</b>
<b>Earning before tax</b>	<b>221</b>	<b>2%</b>	<b>1,510</b>	<b>15%</b>	<b>-85%</b>
Income Tax	10	0%	(223)	-2%	105%
Loss for the periods from discontinued	(0.5)	0%	(2)	0%	72%
<b>Net income</b>	<b>230</b>	<b>3%</b>	<b>1,285</b>	<b>13%</b>	<b>-82%</b>
<b>EPS</b>	<b>0.13</b>		<b>0.75</b>		

## Q1'20

First year premium decrease from prior year about 17% mainly from Bancassurance and investment income increase 61% from realized gain from debt securities

## Q1'20

UW expense increase 23% from increasing of life policy reserve and one-time effect from increasing PAD from 4% to 5% at 2,668 MB.

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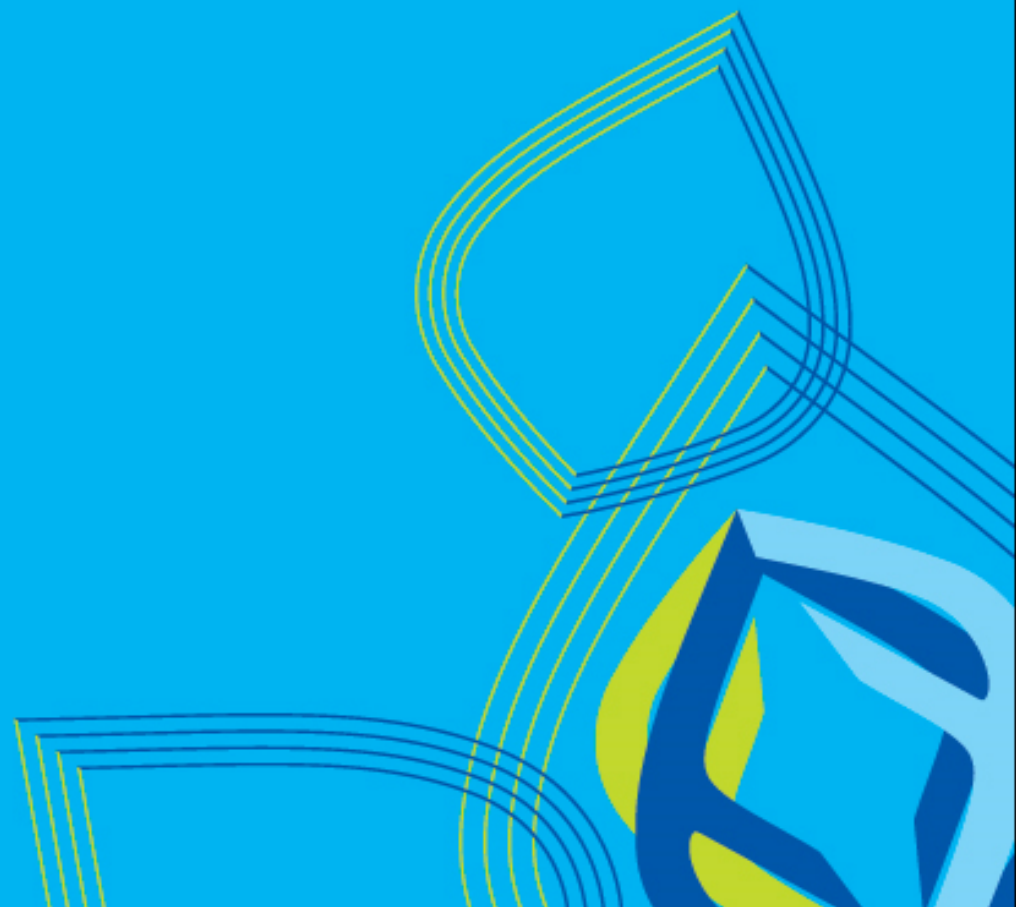
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# OUTLOOK BY CEO



# CEO Activity: Most Trusted Brand Award



กรุงเทพประกันชีวิต คว่ำรางวัลบริษัทที่ได้รับความไว้วางใจสูงสุดแห่งปี  
“Most Trusted Brand Award” จากงาน Thailand Top Company  
Awards 2020 จัดโดยนิตยสาร Business+  
ร่วมกับมหาวิทยาลัยหอการค้าไทย



# CEO Activity: Covid-19 Donation



ร่วมบริจาคสมทบทุนจัดหาเครื่องมือแพทย์รักษาโควิด-19 ให้กับ  
มูลนิธิรามาริบัติ / มูลนิธิโรงพยาบาลราชวิถี  
สถาบันบำราศนราดูร / ศิริราชมูลนิธิ

# 475,600 บาท

กรุงเทพประกันชีวิต มอบเงินบริจาคร่วม  
สู้ 'โควิด-19' จำนวน 475,600 บาท  
เพื่อจัดซื้ออุปกรณ์ทางการแพทย์





**กรุงเทพมหานคร**  
ชีวิตที่มีความสุขมากกว่า