



กรุงเทพประกันชีวิต

3Q20 Results Presentation

Investors and Analyst update

12 Nov 2020

Agenda

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3Q20 performance summary

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Key Highlights

2.1 Premiums and Business & Operation

2.2 Investments

2.3 P&L and Key accounting change

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Synopsis of performance in 3Q20

- **3Q20 profit:** Net profit -59% YoY mainly due to a decline in realized gain on investment. Excluding this item, net profit would have increased YoY.
- **Overview of the performance: FYP +54%. By distribution channel:**
 - **Bancassurance:** FYP +135% YoY due to tactical product & gain 1st campaign
 - **Agent:** FYP -47% YoY due to high base from discontinued products. Product mix continues to be strong and ridership attachment continues to increase.
- **Investment:** ROI declined from 4.03% in the previous quarter and 5.40% in the previous year to 3.54% due to the timing of realized gain and lower fixed income yield.
- **CAR ratio:** decreased from 275% in the previous quarter to 263%

Synopsis of performance in 9M20

- **9M20 profit:** Net profit -61% YoY mainly due to increasing PAD reserve from 4% to 5%.
- **Overview of the performance: FYP +15%. By distribution channel:**
 - **Bancassurance:** FYP +31% YoY due to tactical product and gain 1st campaign
 - **Agent:** FYP -18% YoY due to high base from discontinued products.
 - **Other:** FYP +double digit driven by Group and Direct marketing.
- **Investment:** ROI declined from 4.56% in 9M19 to 4.37% in 9M20
- **CAR ratio:** decreased from 314% in 4Q19 to 263%

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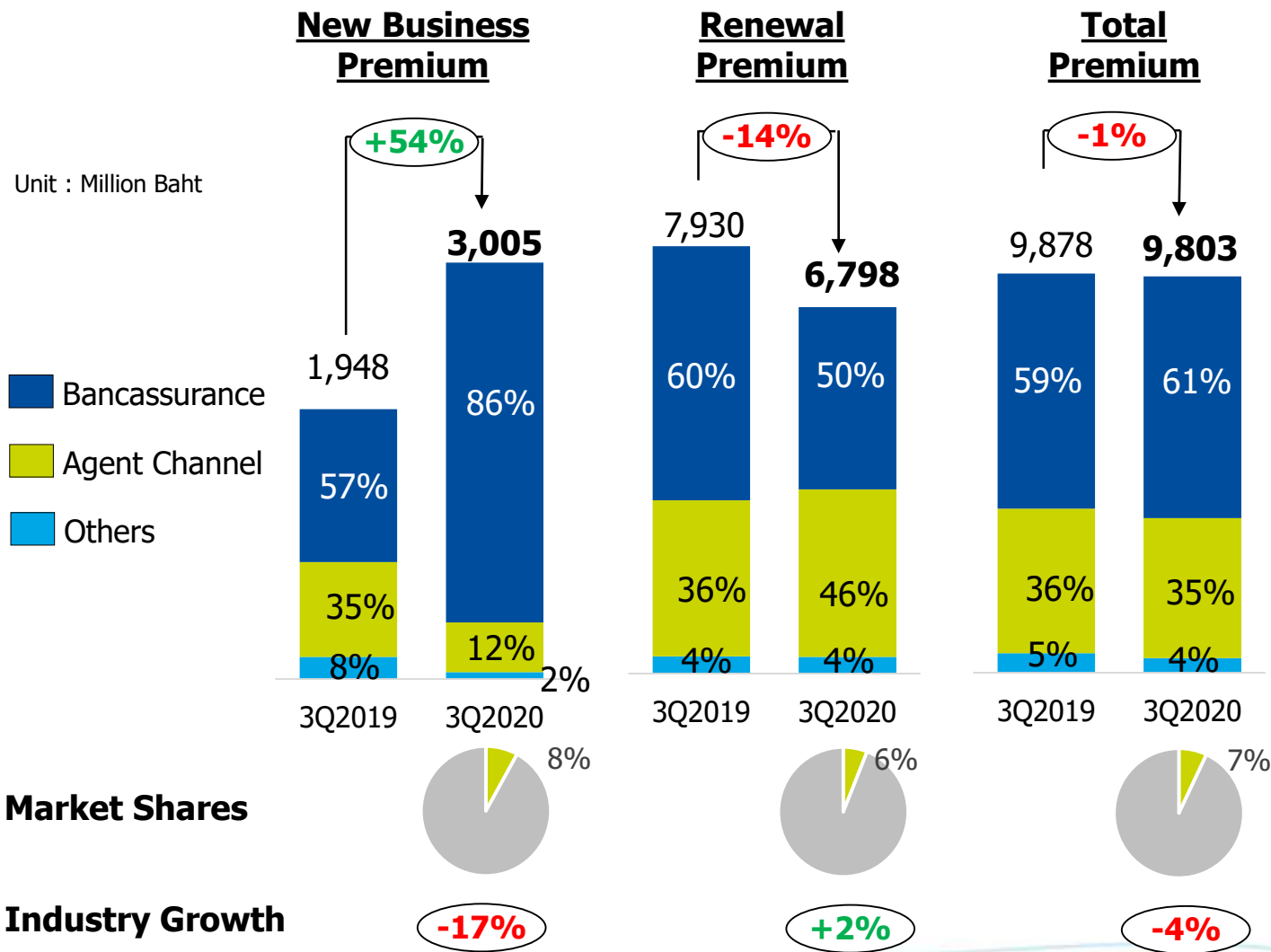
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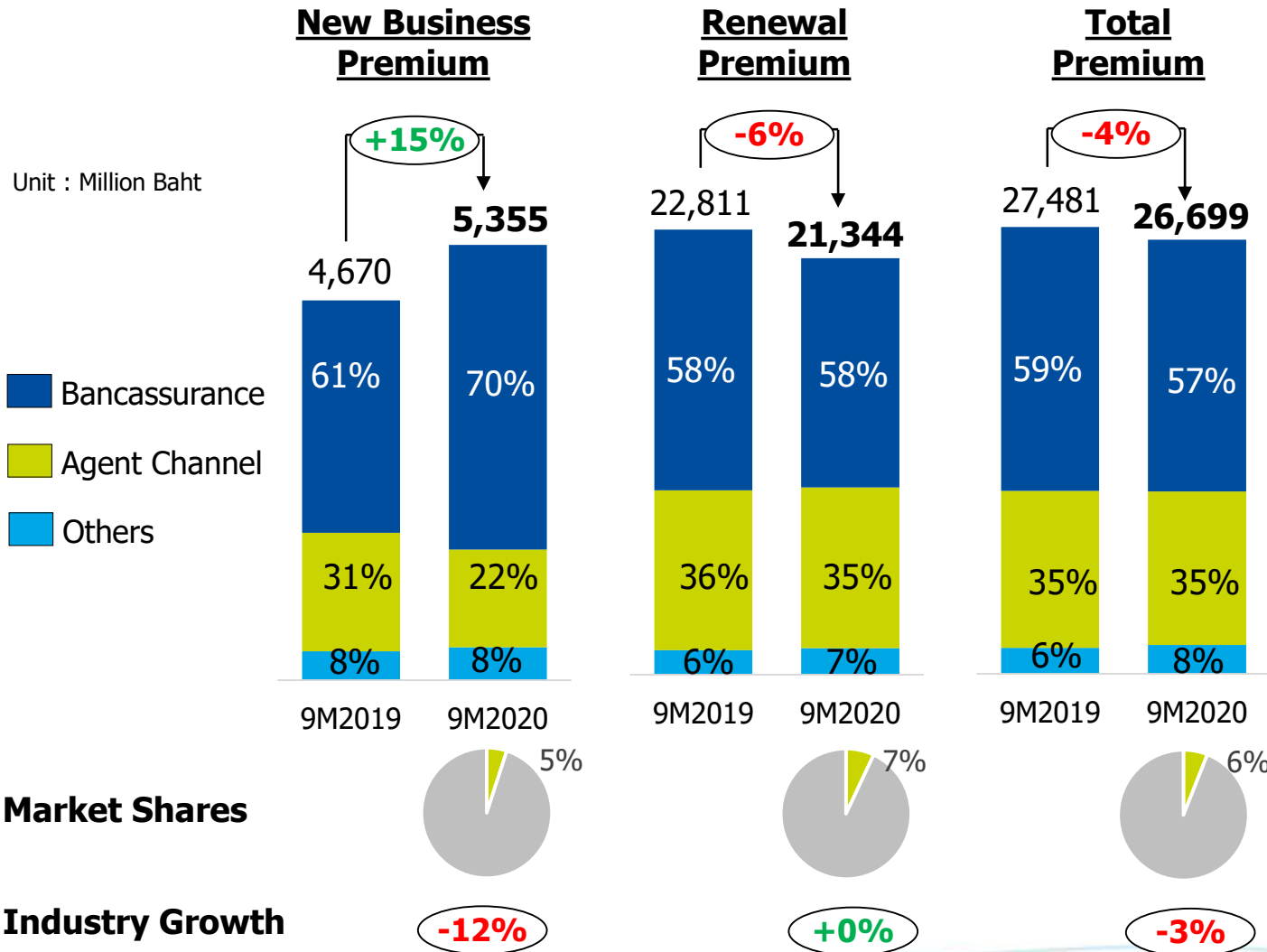
3Q20: FYP +54% to 8% market share driven by Banca RYP -14% from fully-paid policies as expected



Financial Highlight

ROI	3.54%
Inv. Yield	3.83%
NPAT	583 MB
EPS	Bt 0.34

9M20: FYP +15% from Banca, better than industry. RYP -6% from fully-paid policies as expected



Financial Highlight

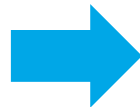
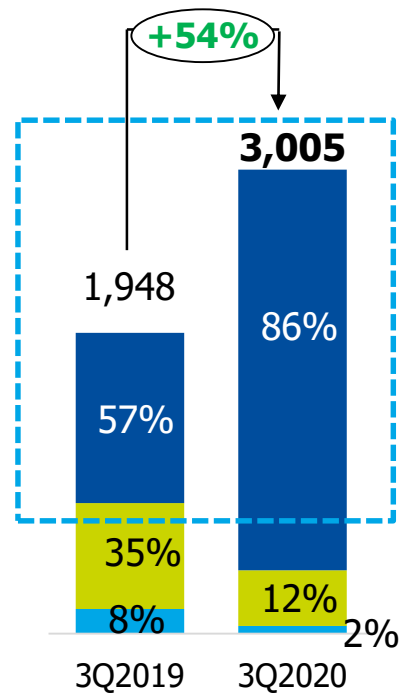
ROI	4.33%
Inv. Yield	3.83%
NPAT	1,445 MB
EPS	Bt 0.85
EQUITY	42,369 MB
EQUITY per Share	Bt 24.81
CAR	263%

3Q20 FYP from Bancassurance +135% due to tactical products and gain 1st campaign

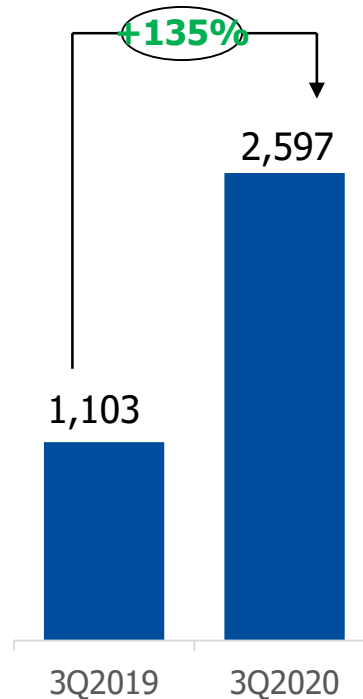
"Other" product mix declined from changing TISCO's on-shelf product

New Business Premium

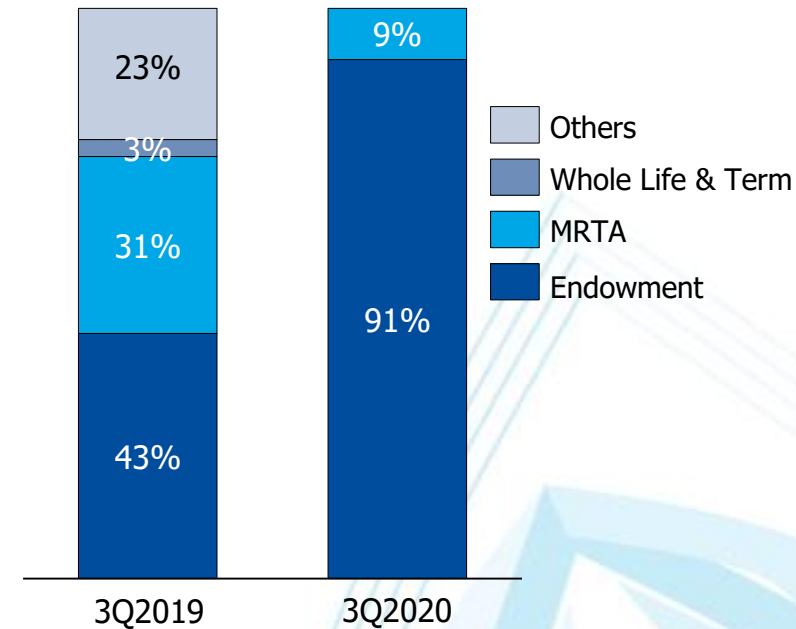
Unit : Million Baht



New Business Premium Bancassurance

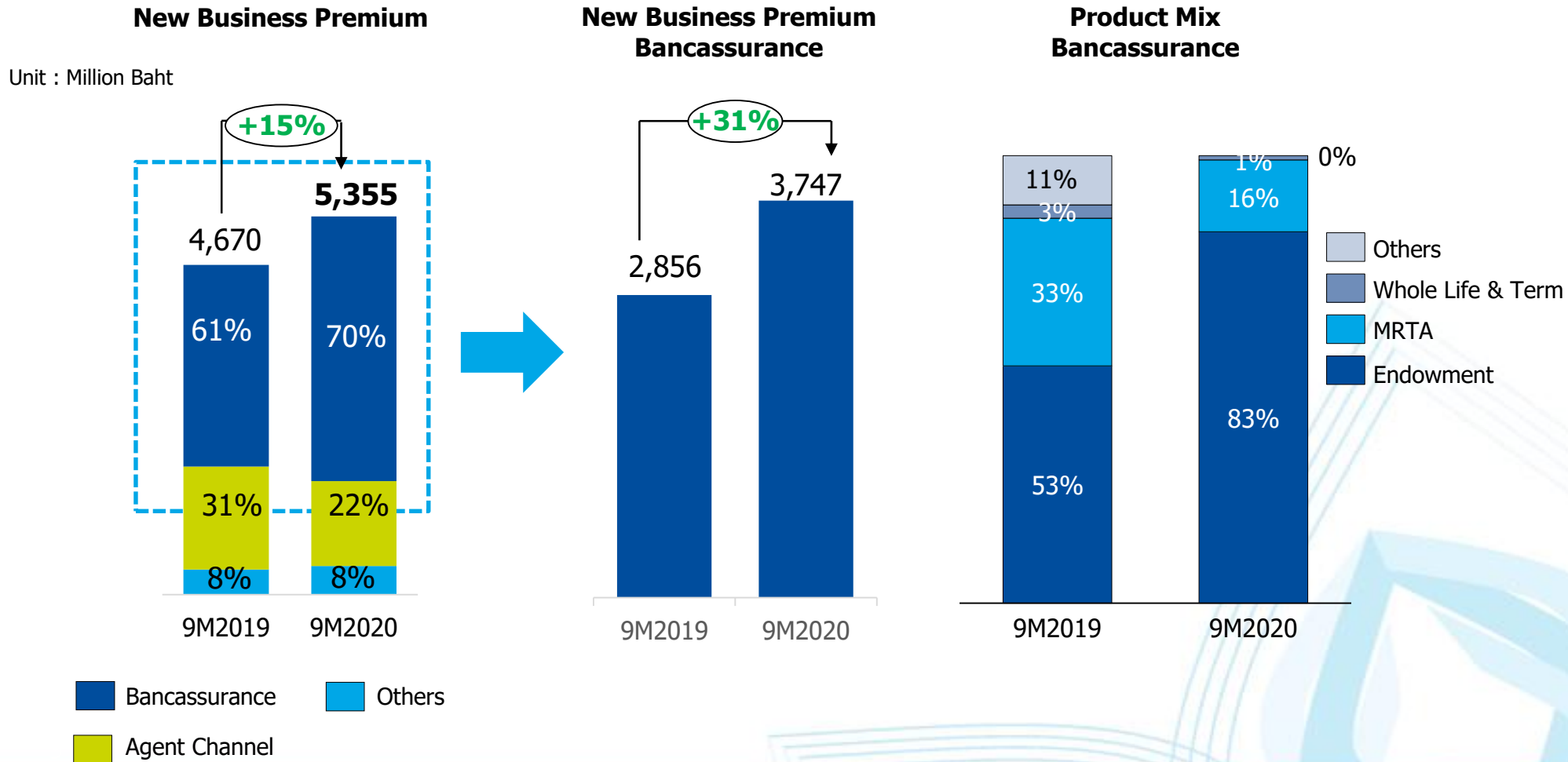


Product Mix Bancassurance



- Bancassurance
- Agent Channel
- Others

9M20 FYP from Bancassurance +31% due to tactical products and gain 1st campaign

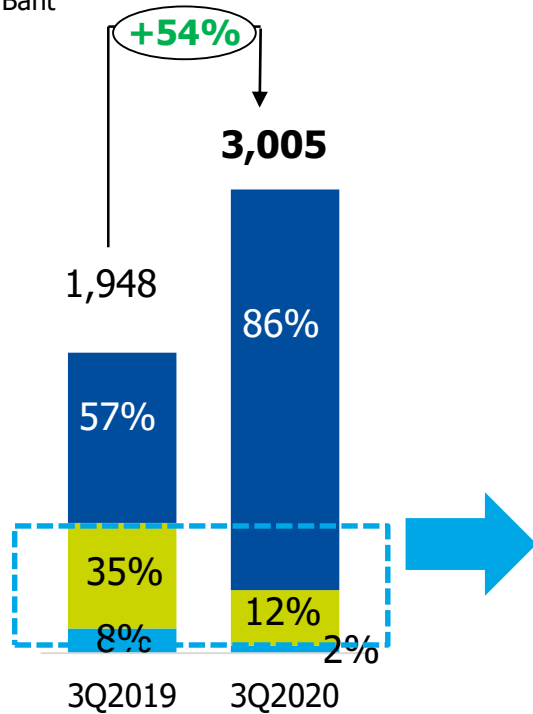


Agency 3Q20 FYP -47% due to high base from discount. products

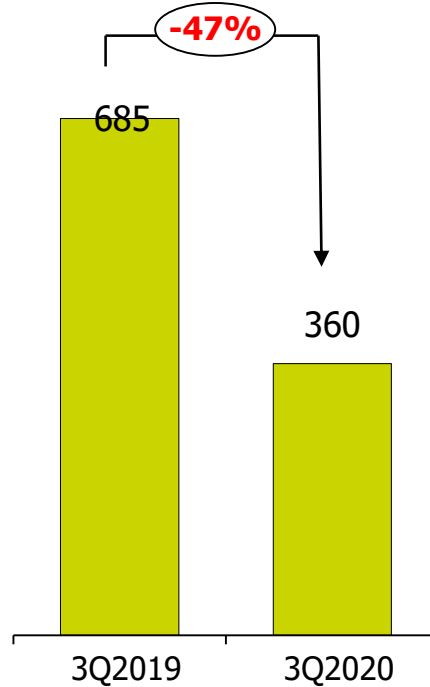
Good product mix with no filler

New Business Premium

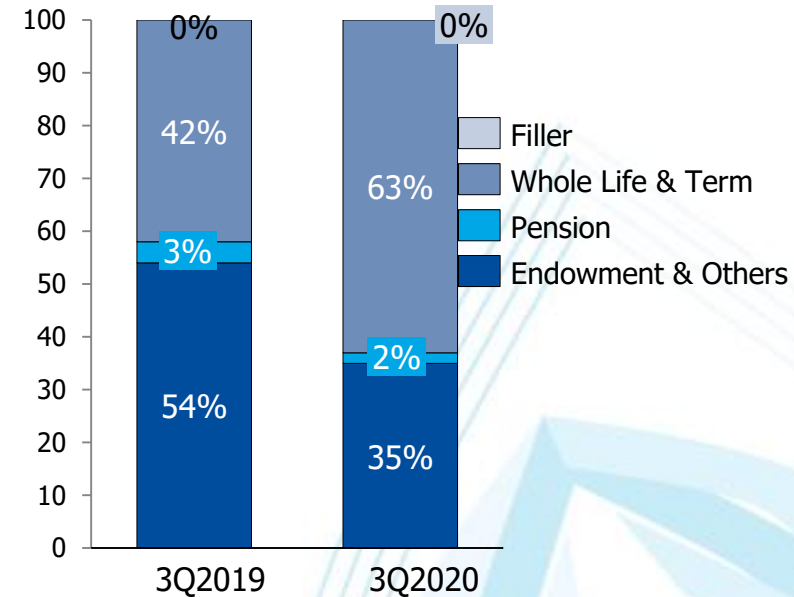
Unit : Million Baht



New Business Premium Agent Channel



Product Mix Agent Channel



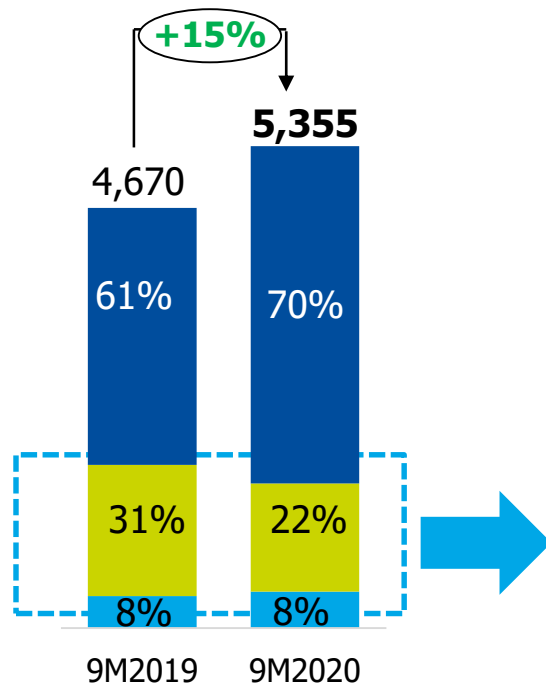
■ Bancassurance ■ Others
■ Agent Channel

Agency 9M20 FYP -18% high base from discontinued products

Good product mix & increasing riders attachment ratio

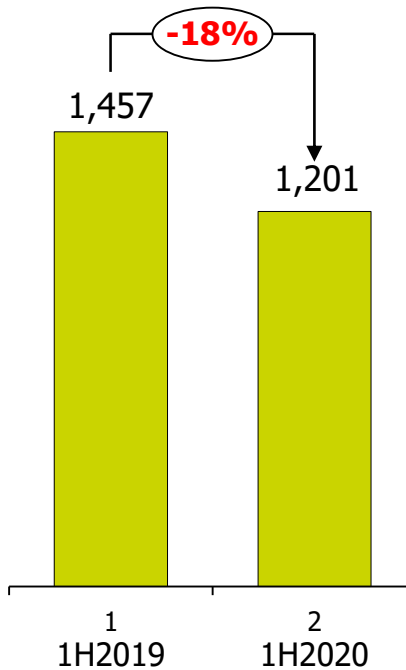
New Business Premium

Unit : Million Baht

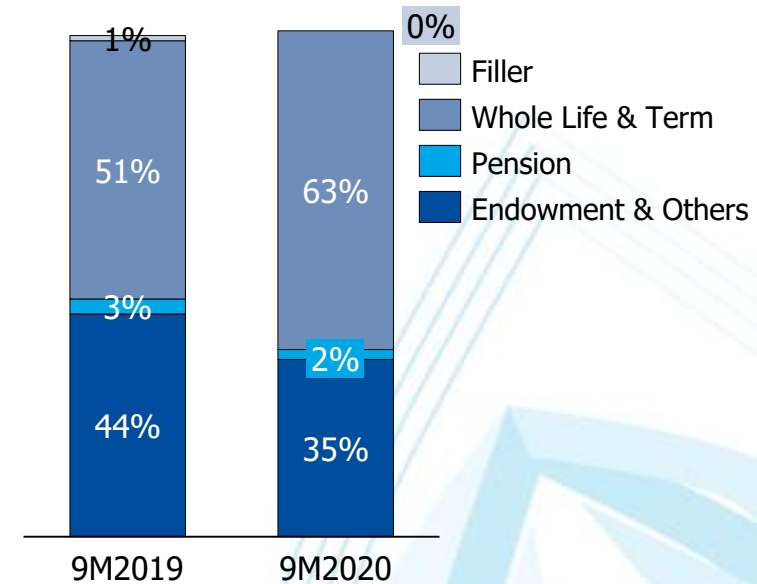


■ Bancassurance ■ Others
■ Agent Channel

New Business Premium Agent Channel



Product Mix Agent Channel



Riders Attachment **18%** **22%**

Other: 9M20 FYP saw a strong growth driven by group and direct marketing

9M20 FYP from **Group channel** growth >10% 9M20 FYP from **Direct Marketing** growth >10% YoY



9M20 FYP from **Online** slightly decreases

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.

9M20 FYP from **Partnership** was below expectation due to slower ramp up and Covid-19



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

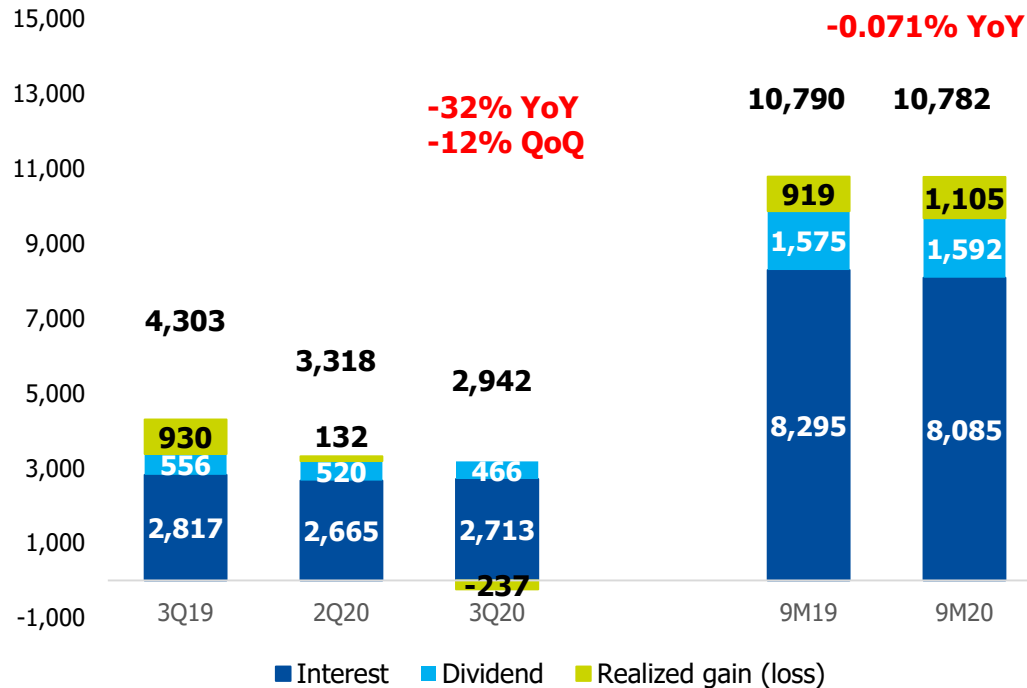
Asset Class	4Q19	3Q20	Remark
Short-term Investment	4.1%	4.8%	Increase temporarily to match benefits payment in 4Q20 but down from 6.4% in the previous quarter
Bond	42.9%	47.2%	For fixed income, increased focus on government bond while lowering contribution from corporate debentures.
Debenture & Notes	34.4%	31.9%	
Total Fixed Income	81.4%	83.9%	
Equity	8.7%	7.4%	Proportion of EQ & REIT declined from price movement, allocation down from 7.7% & 5.6% in the previous quarter
REIT	6.7%	5.3%	
Loan	3.2%	3.4%	
- Policy loan	2.6%	2.7%	
- Secured loan	0.6%	0.7%	
Total Investment Assets (MB)	323,787	333,529	An increase in investment assets from 4Q19 is driven by new money.

Foreign currencies account for 8.0% of investment assets as of Sep 2020 (Fixed income 5.2%, Equity 1.8%, REIT 1.0%)

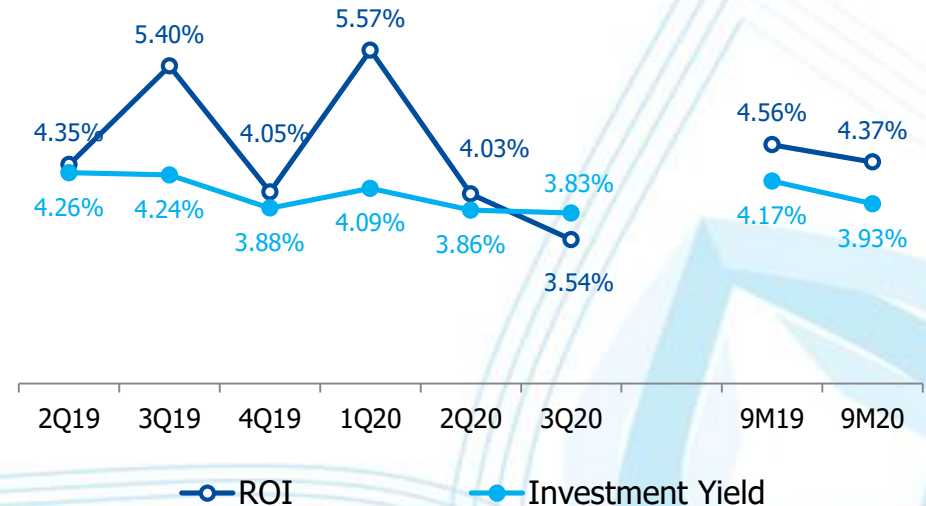
3Q20 investment income -32% YoY, mainly from realized gain.

Investment yield decline from lower fixed income yield & tilt to safer assets.

Investment Income (unit: MB)

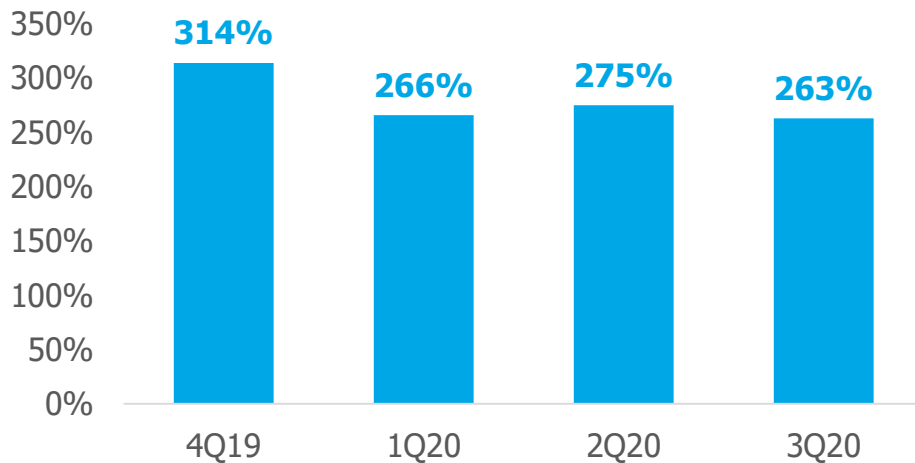


- **Investment income** in 3Q20 -32% YoY, -12% QoQ. The YoY drop is mainly from the timing of realized gain which peaked in 3Q19 while this quarter there was a realized loss. This is the key reason why ROI fell from 5.4% in 3Q19 and 4.0% in 2Q20 to 3.5%. The decline is a lot more mild on a 9M basis, declining from 4.56% to 4.37%.
- Excluding realized gain/loss, **investment yield** is around the same level (3.83%) as the previous quarter. 9M20 investment yield declined from 4.17% to 3.93% (-24 bps) due to lower fixed income yield.

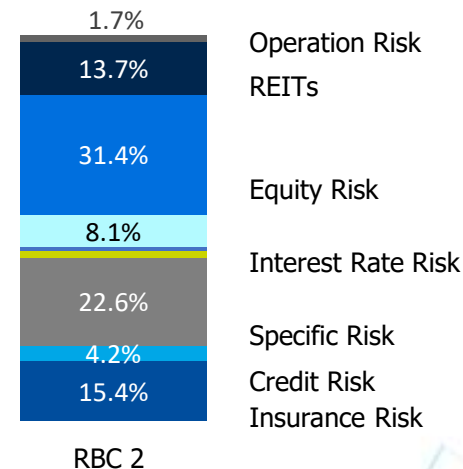


CAR decreased from 275% in the previous quarter to 263%

CAR (RBC)



Total Capital Required (TCR)



LI Company	CAR (RBC2)
TLI	357%
MTL	311%
AZAY	305%
AIA	291%
SCBL	284%
KTAL	262%

Note: Data as of 2Q20 (RBC2)

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

	30 Sep 20		31 Dec 19		Inc / Dec	
	MB	%	MB	%	MB	%
Assets						
Cash and cash equivalents	9,122	3%	13,442	4%	(4,320)	-32%
Investment assets	322,448	94%	311,375	93%	11,073	4%
Other assets	11,275	3%	8,863	3%	2,412	27%
Total assets	342,845	100%	333,680	100%	9,165	3%
Liabilities and owners' equity						
Liabilities						
Insurance contract liabilities	297,307	87%	286,642	86%	10,665	4%
Other liabilities	3,169	1%	2,778	1%	391	14%
Total liabilities	300,475	88%	289,420	87%	11,056	4%
Owners' equity	42,369	12%	44,260	13%	(1,891)	-4%
Total liabilities and owners' equity	342,845	100%	333,680	100%	9,165	3%
Owners' equity						
Share capital	1,708	0%	1,708	1%	-	0%
Premium on share capital	3,361	1%	3,361	1%	-	0%
Share-based payments & Warrant	-	0%	-	0%	-	0%
Retained earnings	31,526	9%	31,626	9%	(100)	0%
Other component of equity	5,737	2%	7,531	2%	(1,794)	-24%
Non-controlling interests of the subsidiaries	38	0%	35	0%	3	8%
Total owners' equity	42,369	12%	44,260	13%	(1,891)	-4%

ASSETS increase 9,165 MB

Total assets increase in 2020 due to increasing of investment asset.

Liabilities increase 11,056 MB

Ins liabilities extra increase from increasing PAD rate from 4% to 5% which reflect one-time.

Owners' equity decrease 1,891 MB

- RE decreased 100 MB mainly from adopting new FI at 998 MB and profit in nine-month period at 1,445 MB.
- Other component of equity decrease 1,794 MB from;
 - Adopting new FI accounting guidelines increase at 1,761 MB.
 - FV loss from AFS/CF hedge at 3,558 MB.

3Q20 Financial Summary

Million Baht	3Q/20	% TNP	3Q/19	% TNP	%YoY	9M/20	% TNP	9M/19	% TNP	%YoY
First year premium	3,005	31%	1,948	20%	54%	5,355	21%	4,670	18%	15%
Renewal premium	6,798	70%	7,930	83%	-14%	21,344	83%	22,811	87%	-6%
REIN&UPR	(60)	-1%	(340)	-4%	82%	(1,068)	-4%	(1,142)	-4%	6%
Total Net Premium (TNP)	9,743	100%	9,538	100%	2%	25,631	100%	26,340	100%	-3%
Investment income	2,957	30%	4,273	45%	-31%	10,846	42%	10,835	41%	0.1%
Other income	124	1%	109	1%	14%	453	2%	444	2%	2%
Total Income	12,824	132%	13,921	146%	-8%	36,930	144%	37,619	143%	-2%
Life policy reserve	2,090	21%	4,742	50%	-56%	10,630	41%	829	3%	1182%
Benefit payments	8,613	88%	5,957	62%	45%	20,814	81%	28,268	107%	-26%
Commission and Brokerage	860	9%	807	8%	7%	2,127	8%	2,345	9%	-9%
Other underwriting expense	213	2%	142	1%	50%	426	2%	431	2%	-1%
Total Underwriting Expense	11,775	121%	11,647	122%	1%	33,997	133%	31,873	121%	7%
Operating Expense	405	4%	430	5%	-6%	1,155	5%	1,229	5%	-6%
Expected credit loss	(9)	0%	-	0%	0%	211		-		0%
Total Expense	12,171	125%	12,077	127%	1%	35,363	138%	33,102	126%	7%
Earning before tax	653	7%	1,843	19%	-65%	1,568	6%	4,517	17%	-65%
Income Tax	(70)	-1%	(413)	-4%	83%	(123)	0%	(783)	-3%	84%
Loss for the periods from discontinued	(0.04)	0%	(0.19)	0%	80%	(0.3)	0%	(2)	0%	86%
Net income	583	6%	1,430	15%	-59%	1,445	6%	3,731	14%	-61%
EPS	0.34		0.84			0.85		2.19		

Q3'20

Net income decrease 59%. FYP increase 54% and investment income decrease 31%.

9M'20

Net income decrease 61%. FYP increase 15% and investment income increase 0.1%. UW expense increase 7% 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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OUTLOOK BY CEO



Focusing on 5 key aspects for sustainable growth

For sustainable growth
that benefits every stakeholder

What we need to do...

1 Channel

- Perform better than industry together with lower death & loss ratio compared to previous year

2 Product

- Focus on recapture campaign and high VNB products

3 Branding

- Increase brand awareness through CSR and awards
- Cross advertisement with BBL

4 Customer

- Customer-centric and flexible services to increase persistency and satisfaction rate

5 Digital

- Digital platforms for both customers and sellers Data analytics tool
- NDID

First insurer using NDID in online sale



Awards assuring our strength...

1



2



Asia Corporate
Excellence &
Sustainability
Awards 2020

กรุงเทพประกันชีวิต
— รับรางวัล —
*Top Community Care
Companies in Asia*

จากกิจกรรมเพื่อสังคม (CSR)
ภายใต้แนวคิด
“ชีวิตออกแบบได้”
Live as You Design

3



Introduction of our new home

ก้าวไปด้วยกัน

กับ  กรุงเทพมหานครประกันชีวิต

16 พฤศจิกายนนี้

บริษัท กรุงเทพมหานครประกันชีวิต จำกัด (มหาชน)
จะทำการย้ายที่ตั้งสำนักงานใหญ่ จากเดิม เป็น

เลขที่ 1415 ถนนกรุงเทพ-นนทบุรี
แขวงวงศ์สว่าง เขตบางซื่อ
กรุงเทพมหานคร 10800

รายละเอียดเพิ่มเติม
โทร. 02-777-8888 www.bangkoklife.com



กรุงเทพมหานคร
ชีวิตที่มีความสุขมากกว่า