



กรุงเทพประกันชีวิต
BANGKOK LIFE ASSURANCE

Analyst Meeting

“2016 Results Update”

February 24, 2017

Analyst Meeting – *2016 results*

Topics:

1. Results overview

K. Sanor, SEVP – Investment Division

K. Narin, VP – Marketing Division

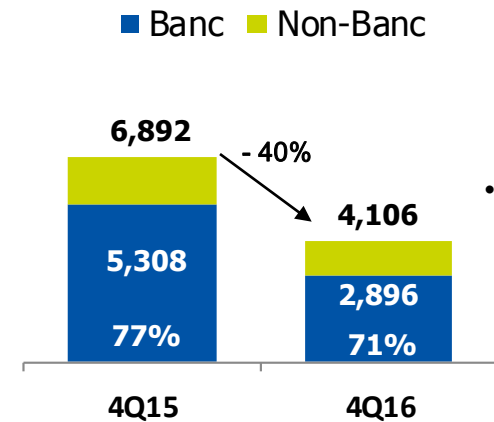
K. Jaruwat, SVP – Finance & Acct Division

2. Q & A

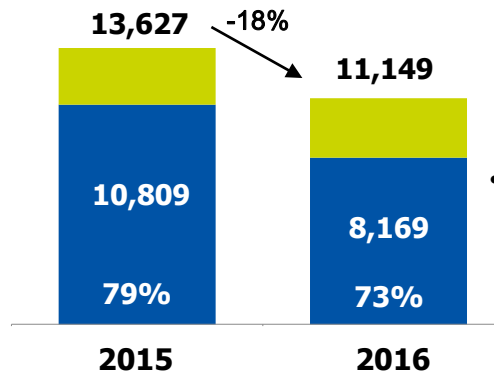
New Business: -40% in 4Q16 while -18% in 2016

According to the product strategy to reduce short-term endowment products. While long-term endowment and wholelife show better performances.

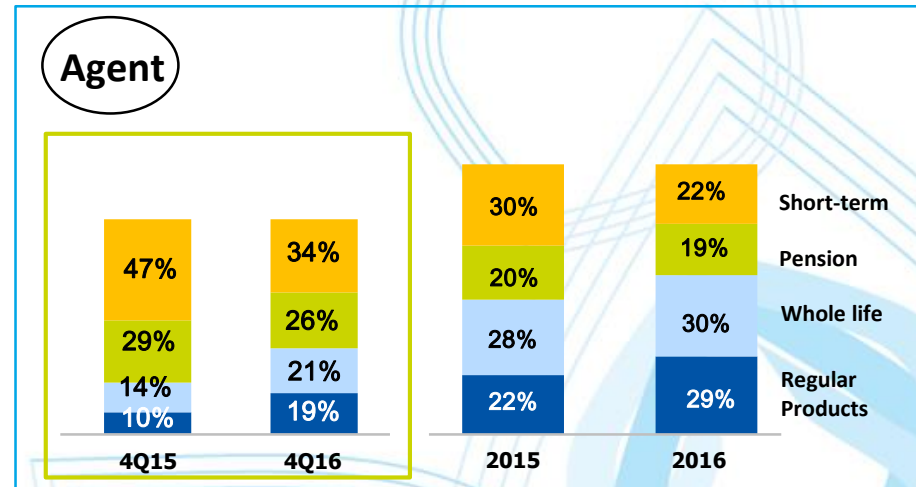
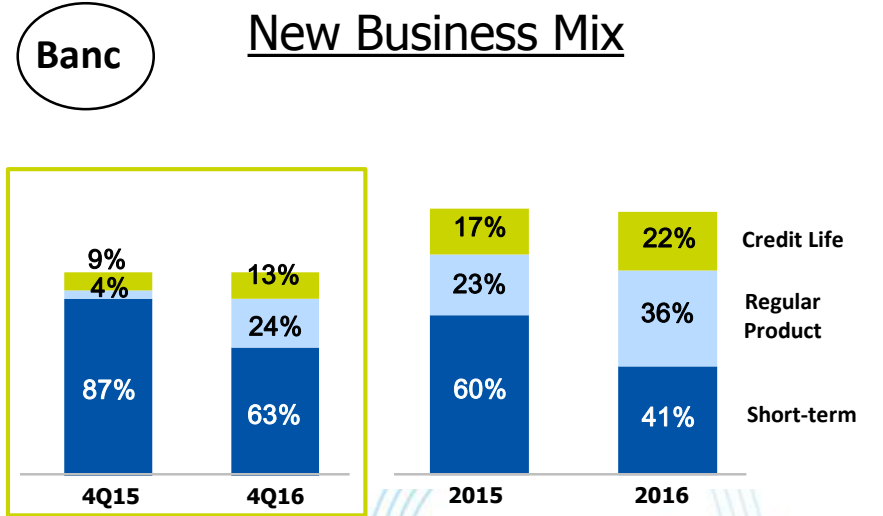
(Unit: Million Baht)



- **FYP Banc -45%**
 - Endowment -53%
 - exclude short term +261%
 - Credit Life -16%
- **FYP Non-Banc -24%**
 - Agent -25%
 - Endowment -30%
 - Wholelife +10%
 - Pension -33%
 - Group Employee +19%
 - Direct Marketing +79%



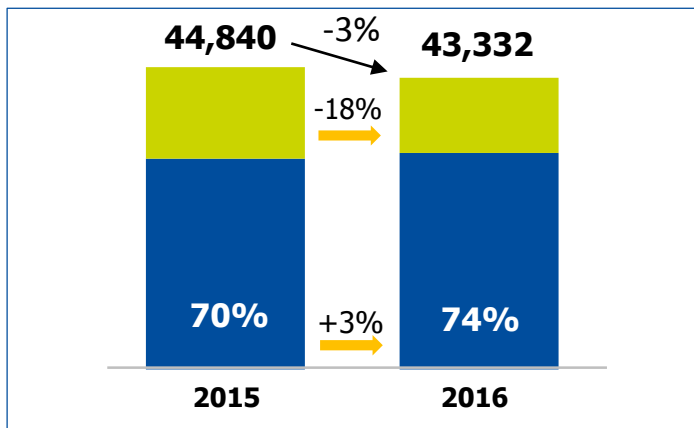
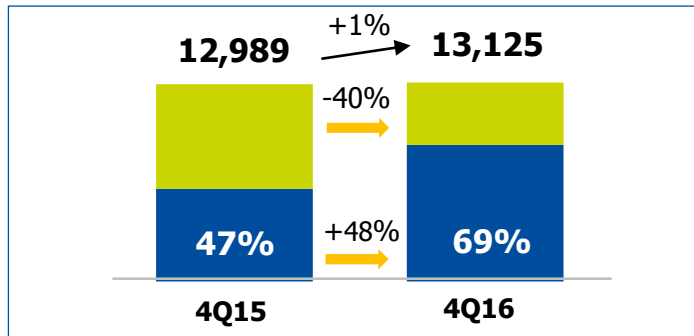
- **FYP Banc -24%**
 - Endowment -32%
 - exclude short-term +9%
 - Credit Life -2%
- **FYP Non-Banc +6%**
 - Agent +2%
 - Wholelife +8%
 - Pension -1%
 - Group Employee +40%
 - Direct Marketing +20%



Total Premium

Total Premium – by premium type

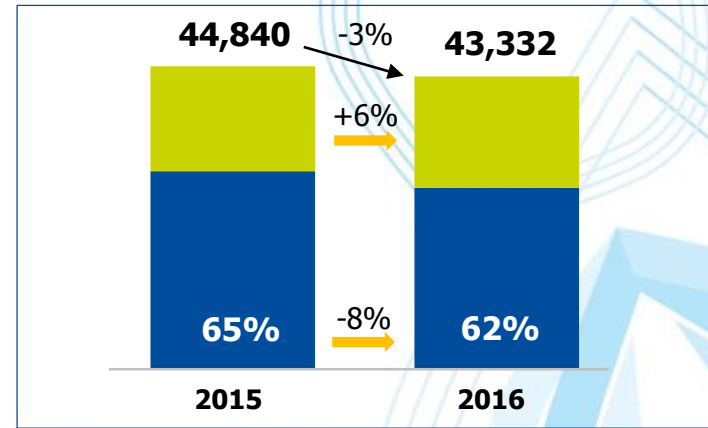
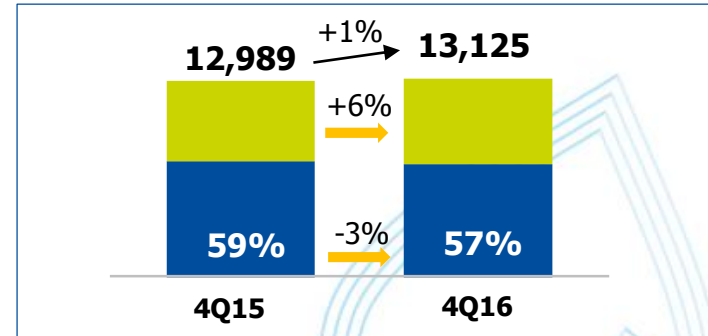
- 4Q16 FYP decreased -40%, while RYP increases +48% made TP slightly increased +1%.
- 2016 TP decreased -3% due to lower sale of short-term endowment products.



■ FYP ■ RYP

Total Premium – by distribution channel

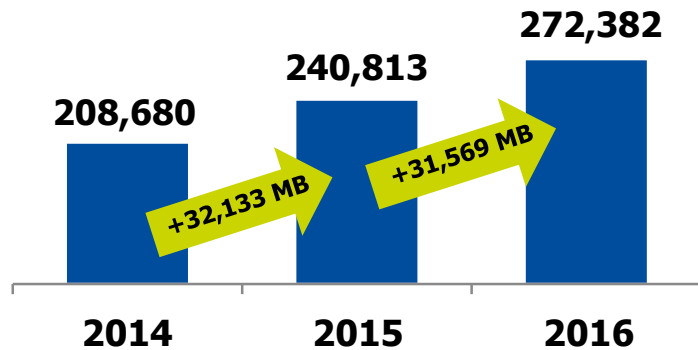
- Lower sale of short term endowment products especially via banc channel causing share from overall banc channel to decline to 62%



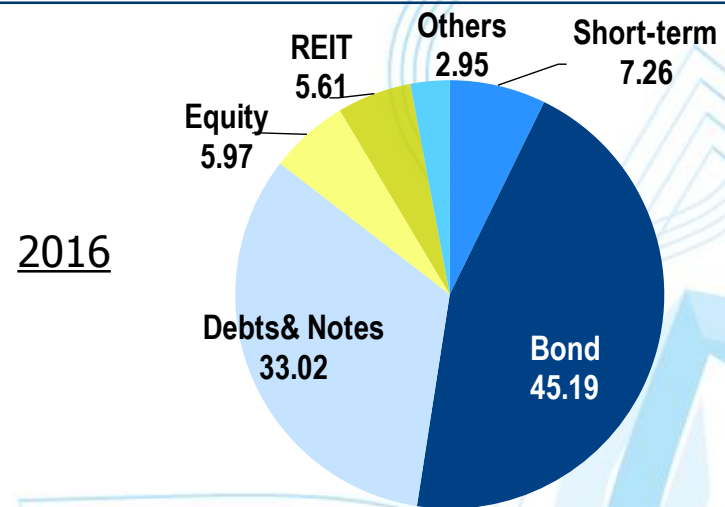
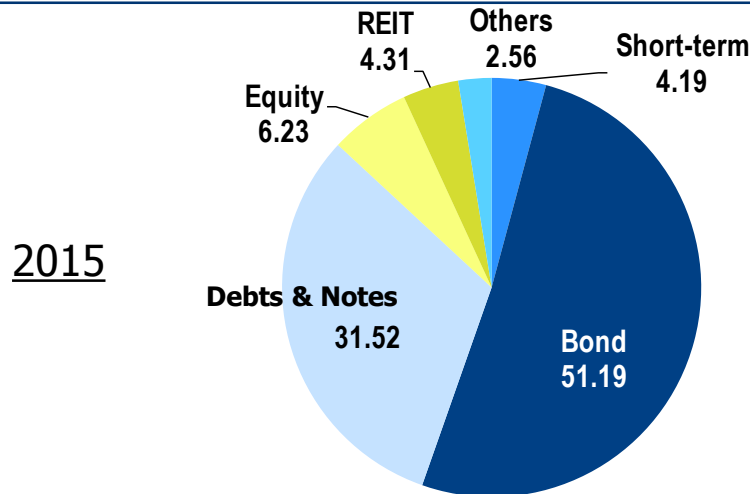
■ Non-Banc ■ Banc

Investment Assets increase + 31,569 MB from 2015

Investment Assets



- New cash declines slightly from 2015 mainly due to lower sale of short-term products.
- Allocation to Gov Bond lower to 45.19%, comparing to 51.19% at the end of 2015.
- Short term papers increase to 7.26% as bond yield reached historical low during 2016 while investments in REITs and Corporate debts increase slightly.



Profile of Investment in Corporate Debenture

(as of at Dec 31, 2016)

Duration of Assets = 7.67
Duration of Liabilities = 8.87

Debenture (Avg. Life 5.89 years)	% on total debenture
Local currency rating	
AAA	8.40%
AA- to AA+	9.64%
A- to A+	39.17%
BBB+	9.29%
International rating	
A- to A+	10.13%
BBB to BBB+	23.25%

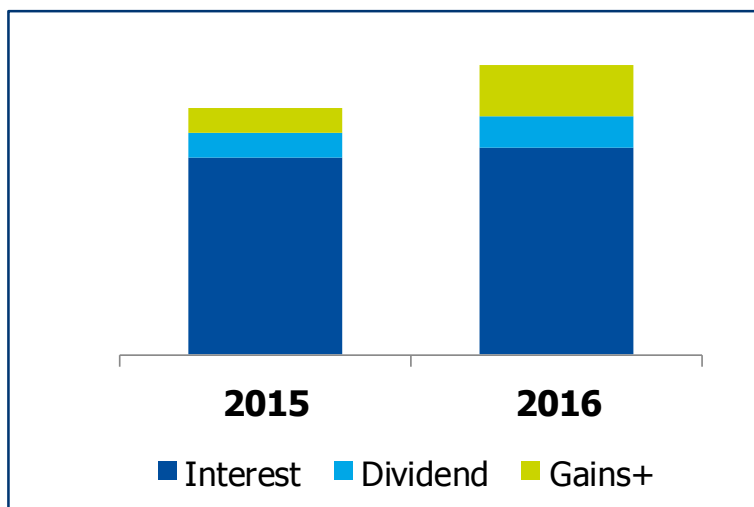
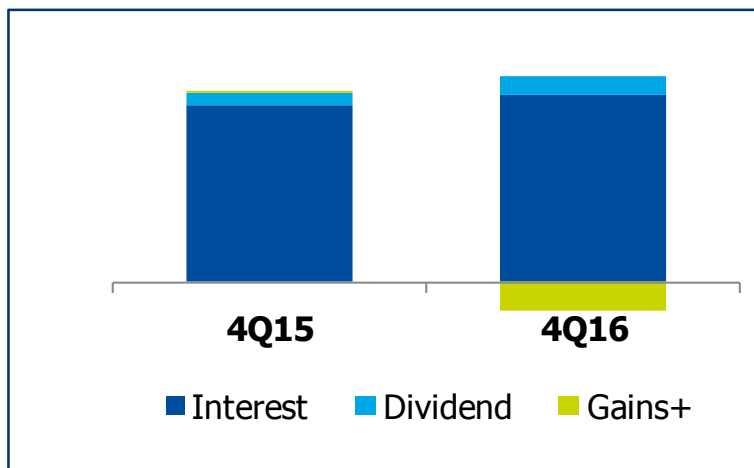
Investment Asset by Currency	% on Total Investment Asset
Baht Investment	89.24%
US\$ Investment	10.76%
Fixed income	8.76%
Equity	1.69%
Others	0.31%

Fixed income	% on Fixed income assets
<1 yr	11.70%
1-5 yrs	22.55%
6-10 yrs	28.73%
11-15 yrs	12.80%
> 16 yrs	24.21%

Investment Income +17% YoY while ROI = 5.20%

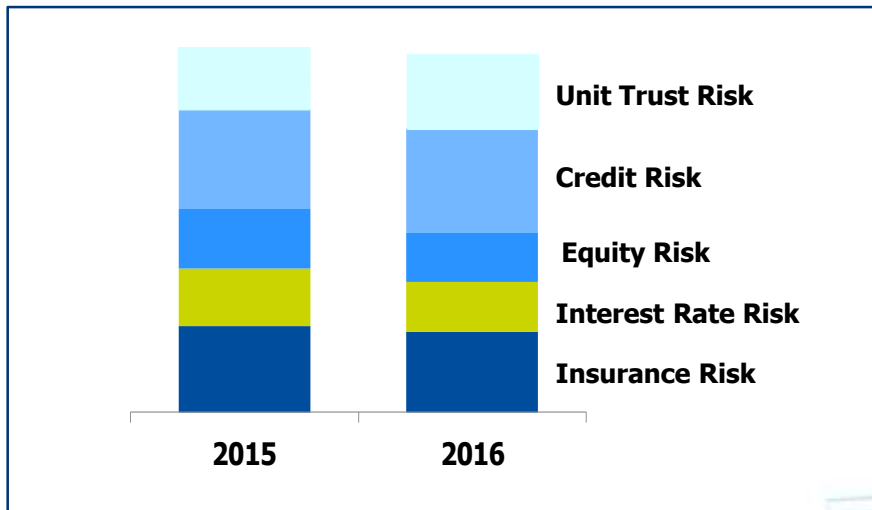
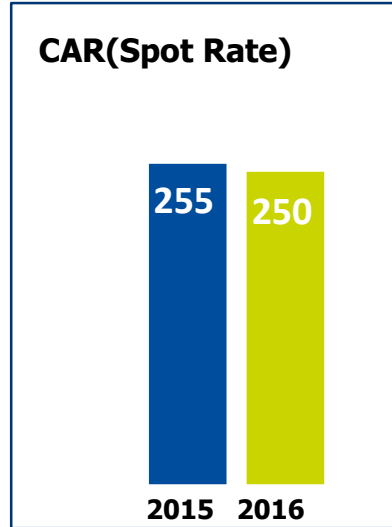
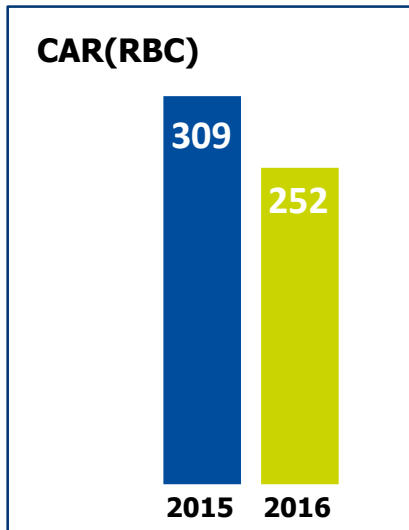
Investment Yield (excl. gain+) = 4.3%

Sources of Investment Income



- Realized losses about 360 MB during 4Q16 but FY 16 still has gains over 2,320 MB vs 1,163 MB in 2015
- Dividend income continue to grow with increasing exposure of REITs
- Accounting ROI = 5.20% in 2016
Investment Yield(excl. gains+) = 4.3%

Capital Adequacy Ratio (CAR) reduces to 252% mainly impacted by change in interest rates



- CAR lower from 309% to 252% at the end of 2016 due largely to the impact of interest rates movement and increasing exposure in risky assets.
- 8Q average yields decline while spot yields increase slightly YoY which hurt TCA while increasing exposure on risky assets, esp. corporate debentures and REIT, requires higher TCR.
- Applying spot yields to calculate fair value of both assets and liabilities, CAR (spot rate) declines slightly from 255% to 250% in 2016.

FINANCIAL RESULTS

K. JARUWAN LIMKHUNTHAMMO

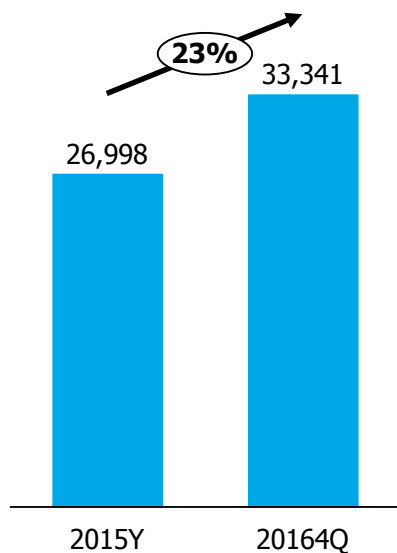
SVP – FINANCE & ACCOUNTING DIVISION



20164Q, positive ROE of 17.0% due to NPAT 5,122 mn in 2016

ROE

Equity(mn baht)



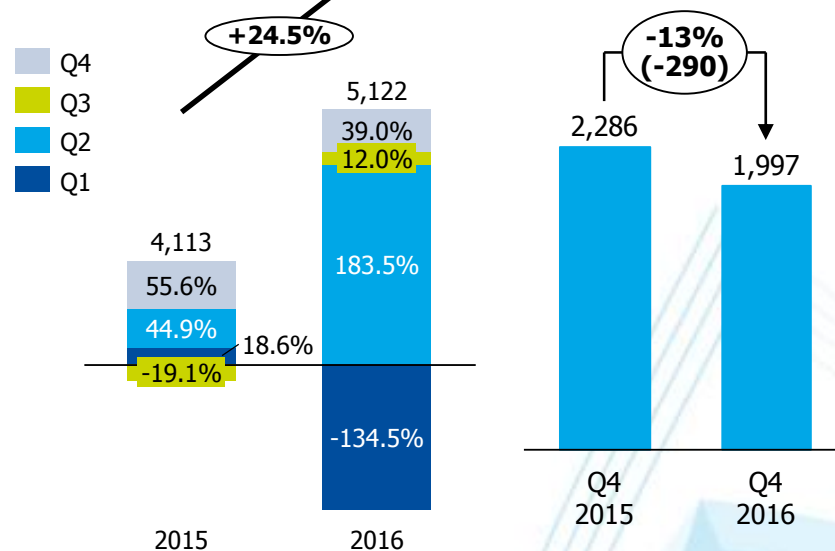
ROE

15.7%

17.0%

NPAT

NPAT(mn baht)



%Total income

7.4%

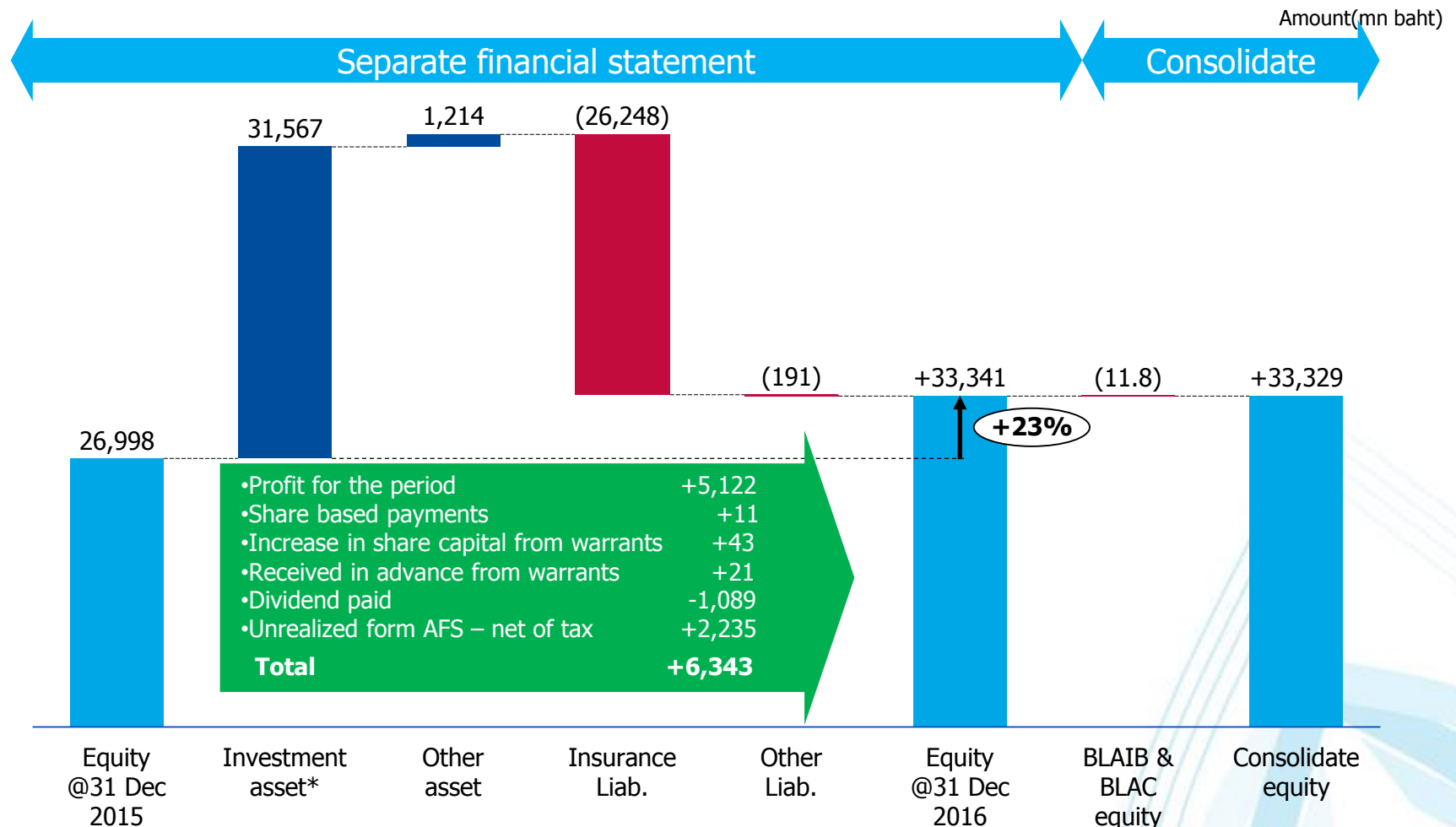
9.2%

14.9%

13.0%

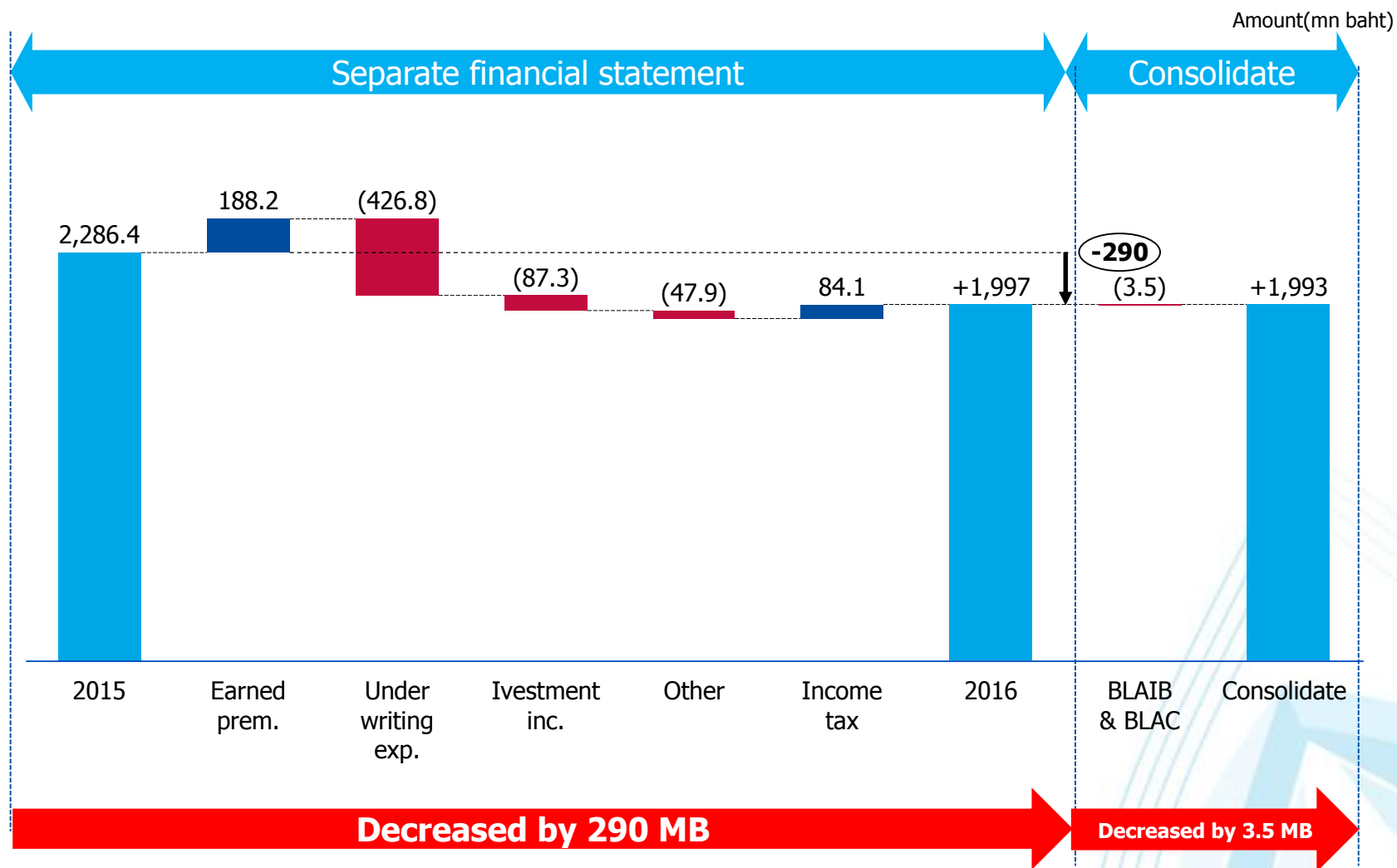
Note:-
Source: BLA financial statement

Equity movement from 31 December 2015 to 31 December 2016



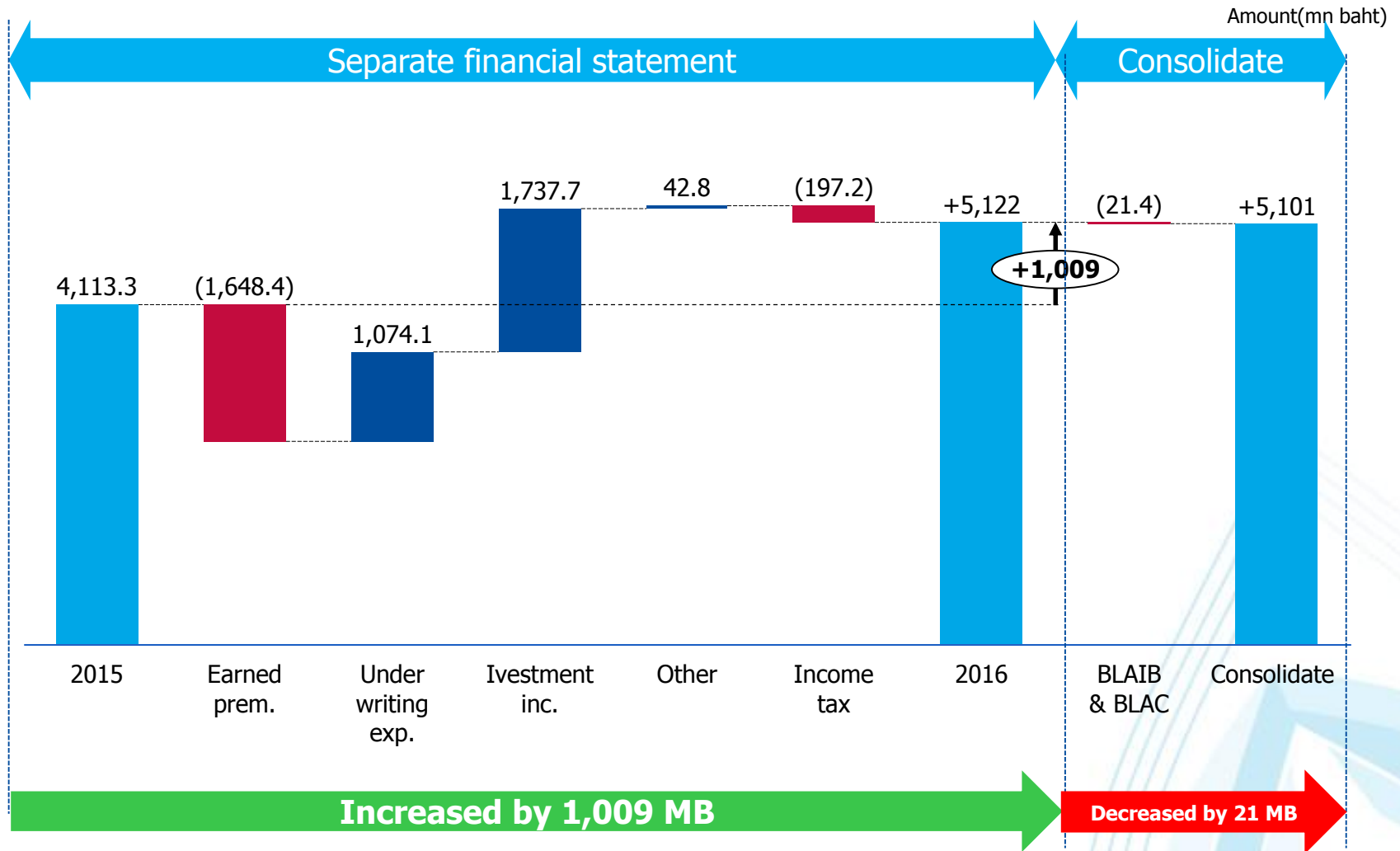
Note:- * Including cash and cash equivalents, Loans and Investment property
 Source: BLA financial statement

NPAT Movement in fourth quarter 2016



Note:-
Source: BLA financial statement

NPAT Movement in the year 2016

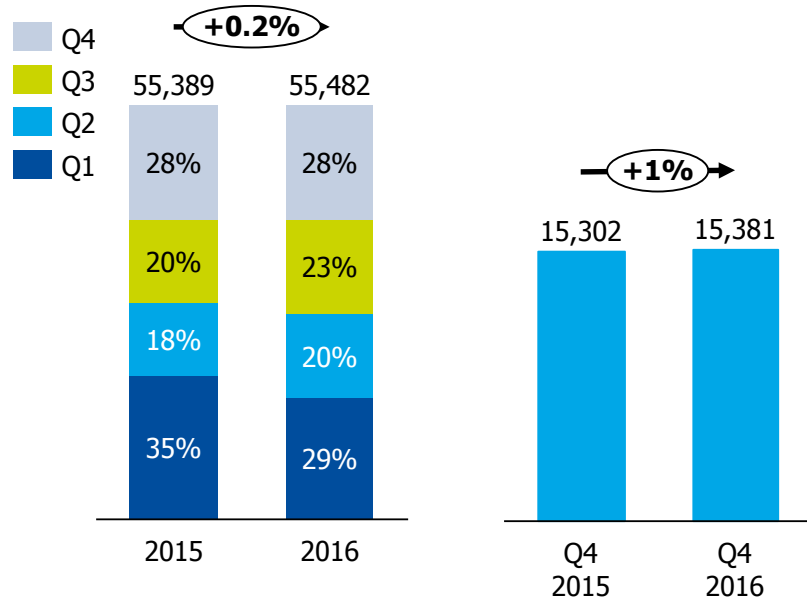


Note:-
Source: BLA financial statement

Income increased by 1% and expense slightly increased in Q4

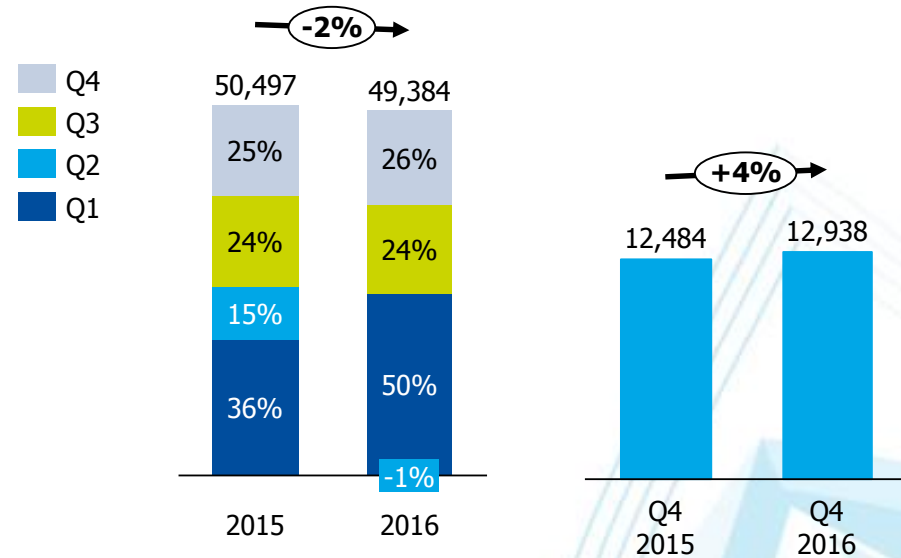
Total income

Income(mn baht)



Total expense

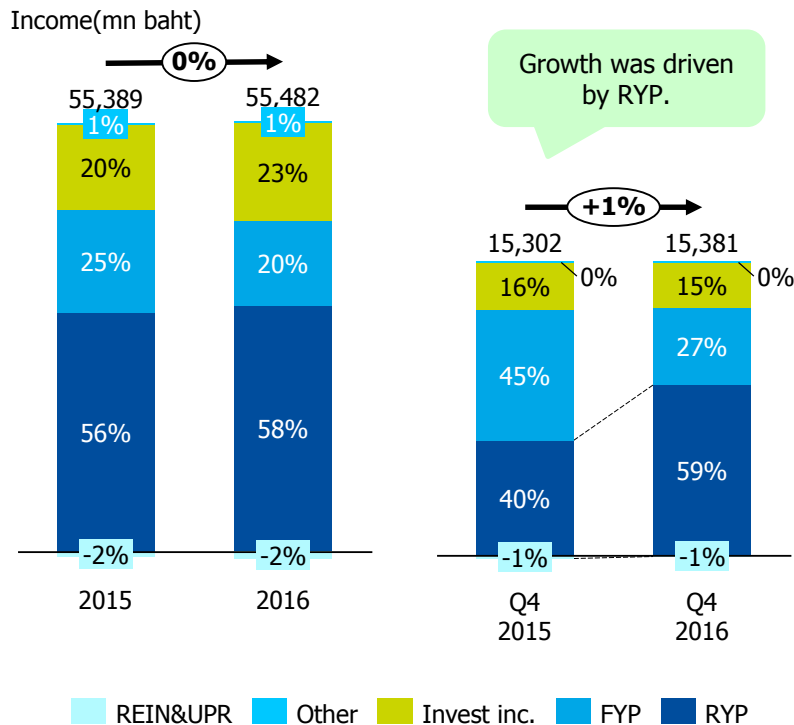
Expense(mn baht)



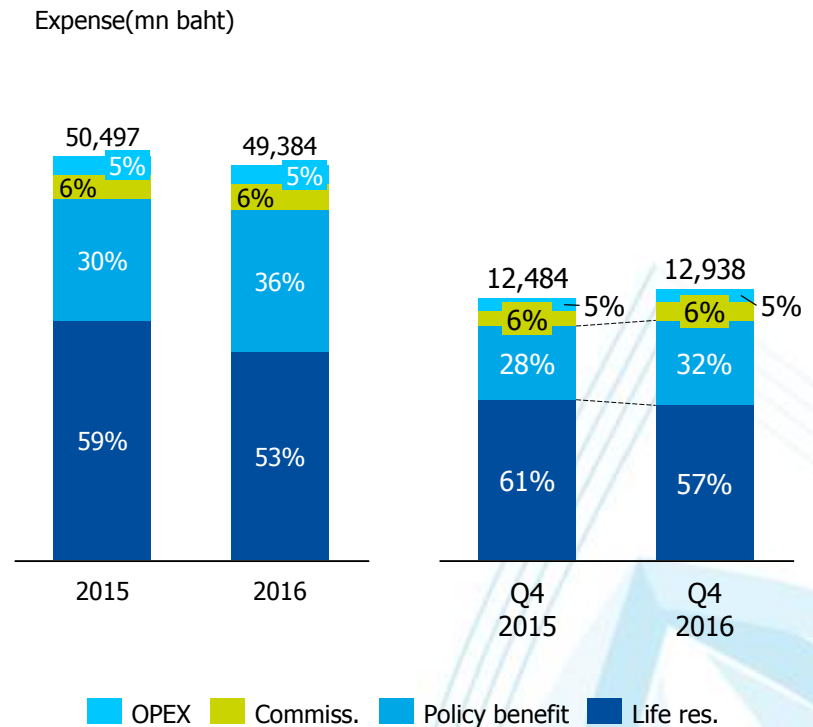
Note:-
Source: BLA financial statement

BLA had higher expense in Q4 because increased in policy benefit

Total income



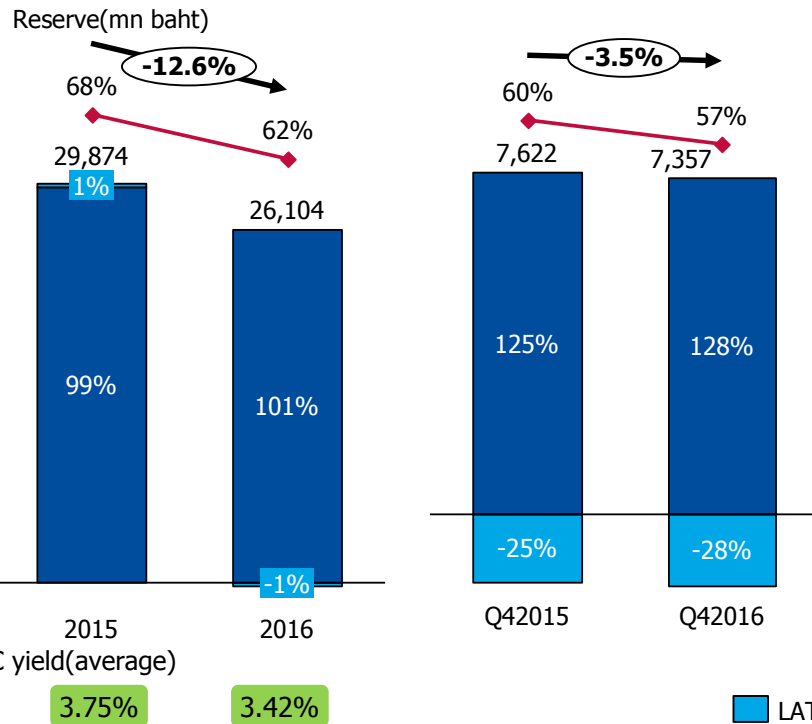
Total expense



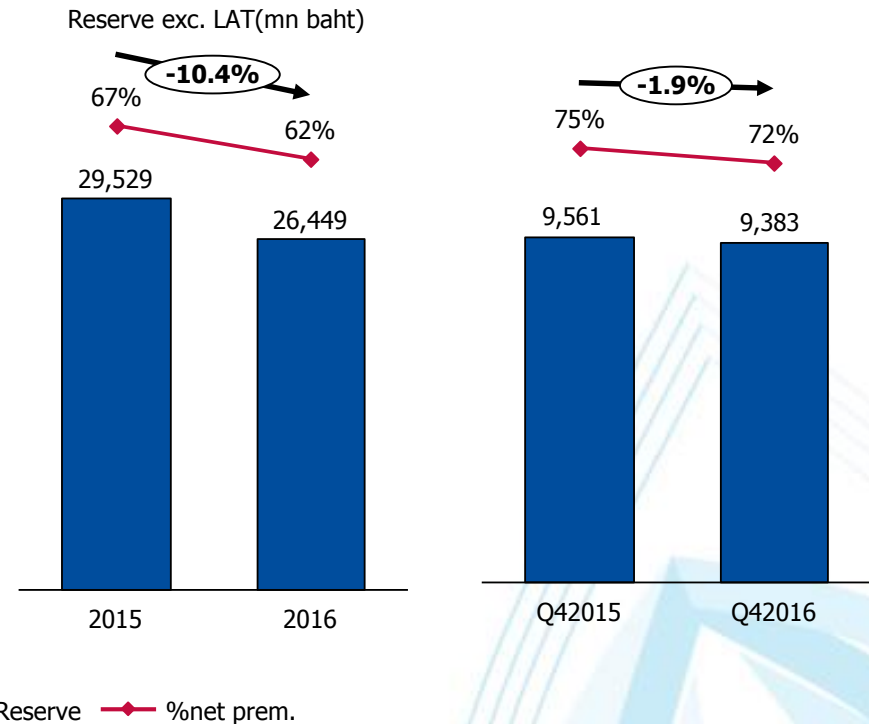
Note:-
Source: BLA financial statement

Life pol. reserve ratio in Q42016 was 57% decrease from Q42015

Life policy reserve



Life policy reserve exclude LAT

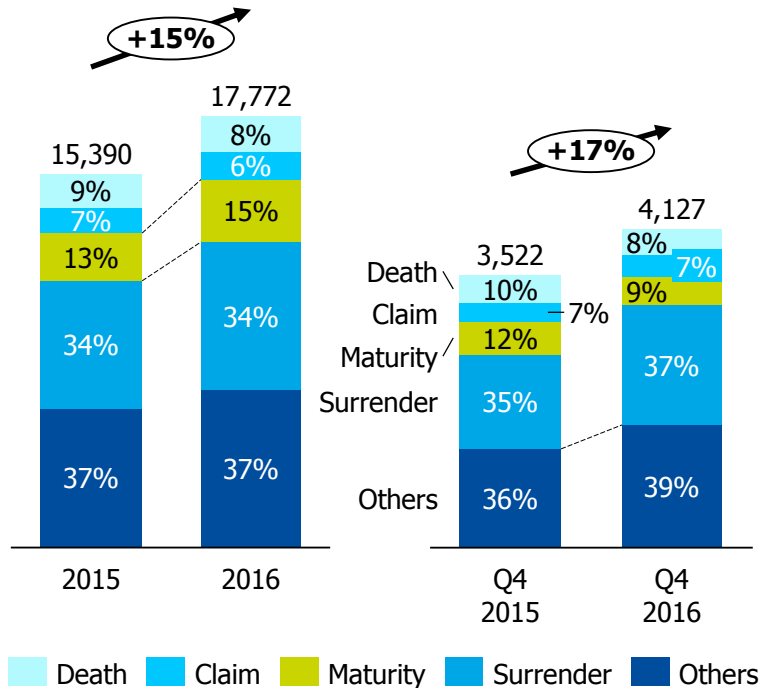


Note:-
Source: BLA financial statement

Q4, Policy benefit payment increased by 17% mainly from benefit payments

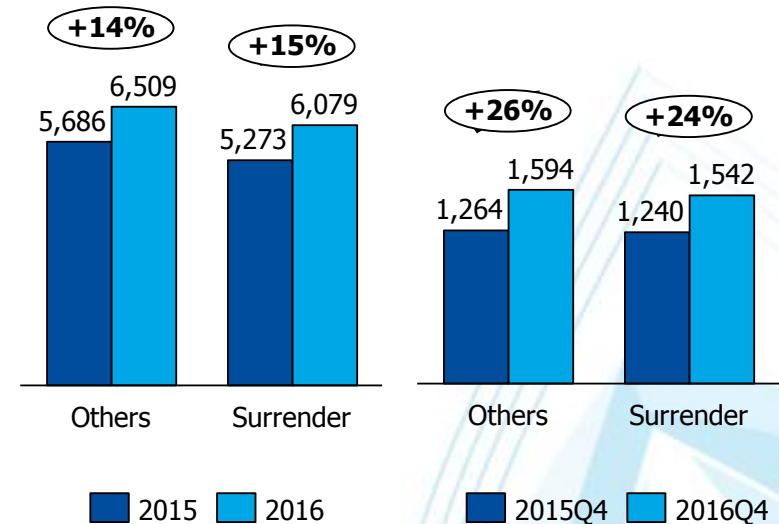
Policy benefit payment

payment(mn baht)



Major line item

payment(mn baht)



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

Q & A