



กรุงเทพประกันชีวิต
BANGKOK LIFE ASSURANCE

Analyst Meeting

“1Q2016 Results Update”

13 May 2016

Analyst Meeting – 1Q2016 results

Topics:

1. Results overview

K. Sanor, SEVP – Investment Division

K. Jaruan, SVP – Finance & Acct Division

2. Messages from CEO

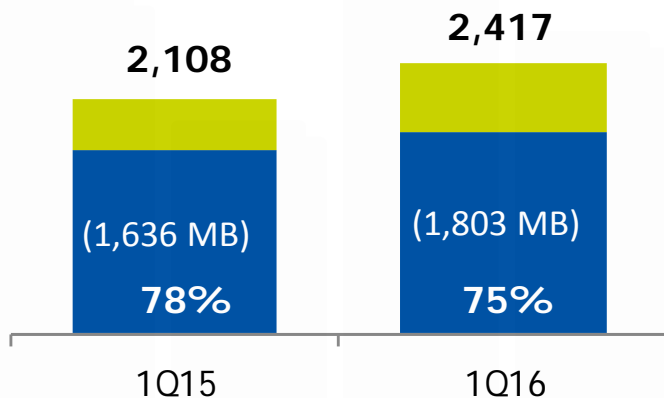
K. Chone, President

3. Q & A

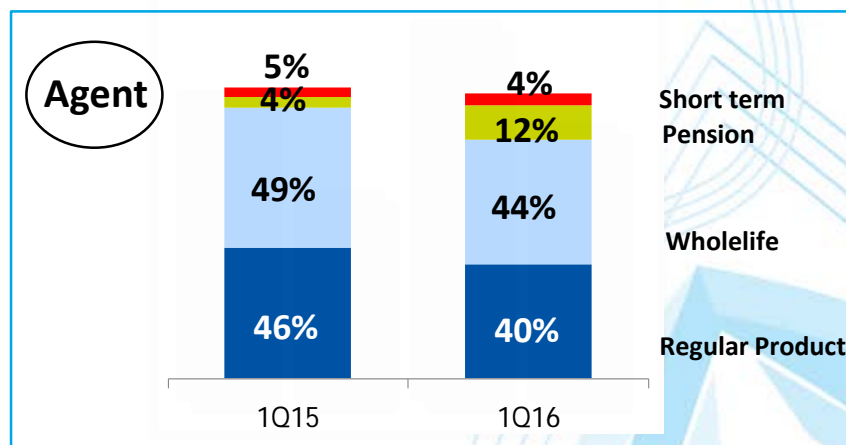
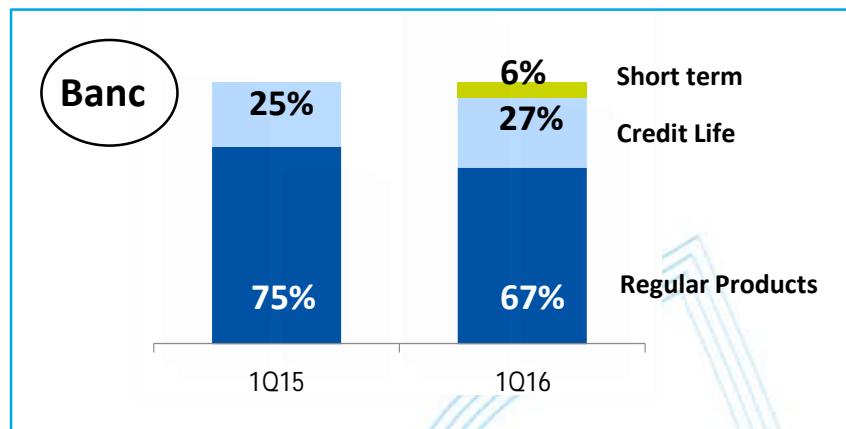
New Business grows 15% in 1Q16 with 74% contributed from Bancassurance

- FYP from Banc + 10% YoY, Credit Life +20%
- FYP from non-Banc +30% Agent + 16% and Group Employee +77%

■ Banc ■ Non-Banc

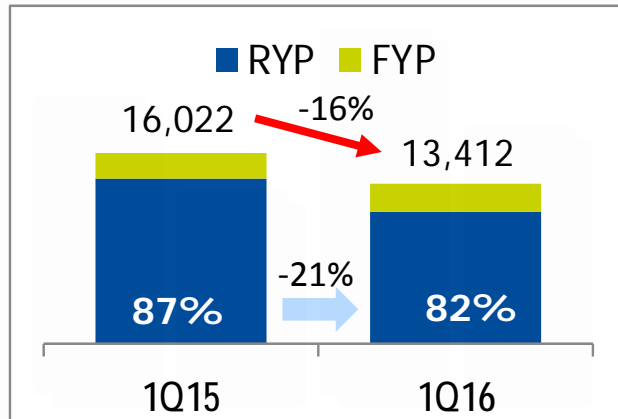


New Business Mix



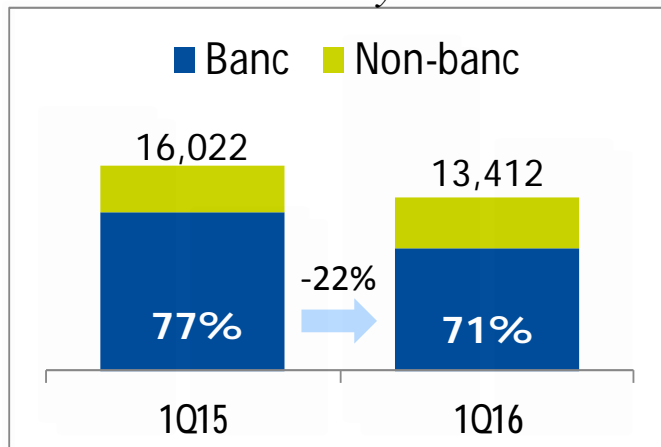
Total Premium - 16% in 1Q16 as RYP -21% due to a product reached the end of payment term

Total Premium – *by premium type*

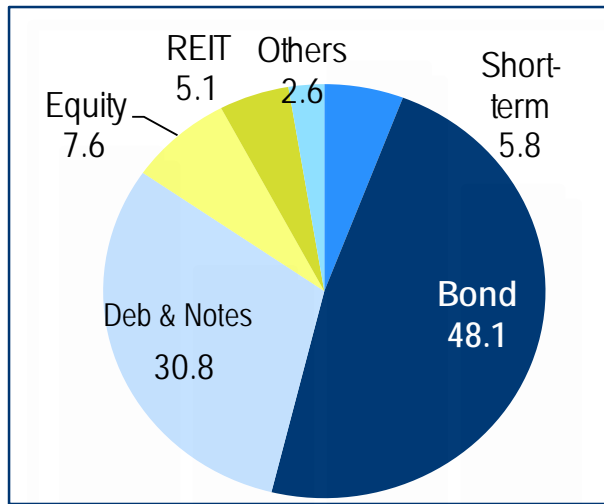


- 21% dropped in RYP pushed total premium down by 16%
- RYP from Banc decline 22% while those from Agency drop 3.3%

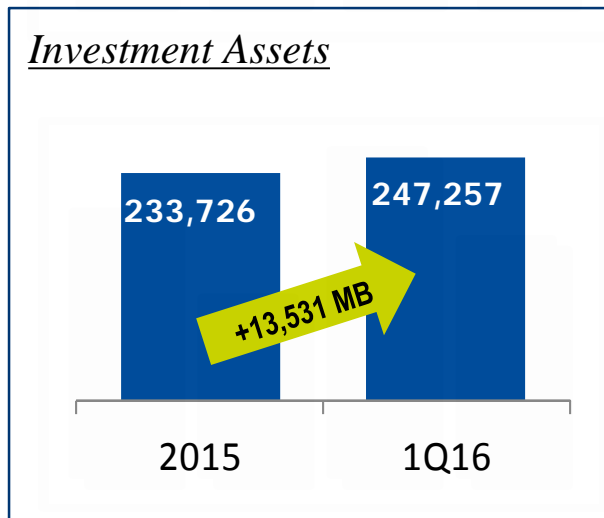
Total Premium – *by distribution*



Investment Assets + 13,531 MB from 2015, Fixed Income decline to 79% from 83% at end of 2015



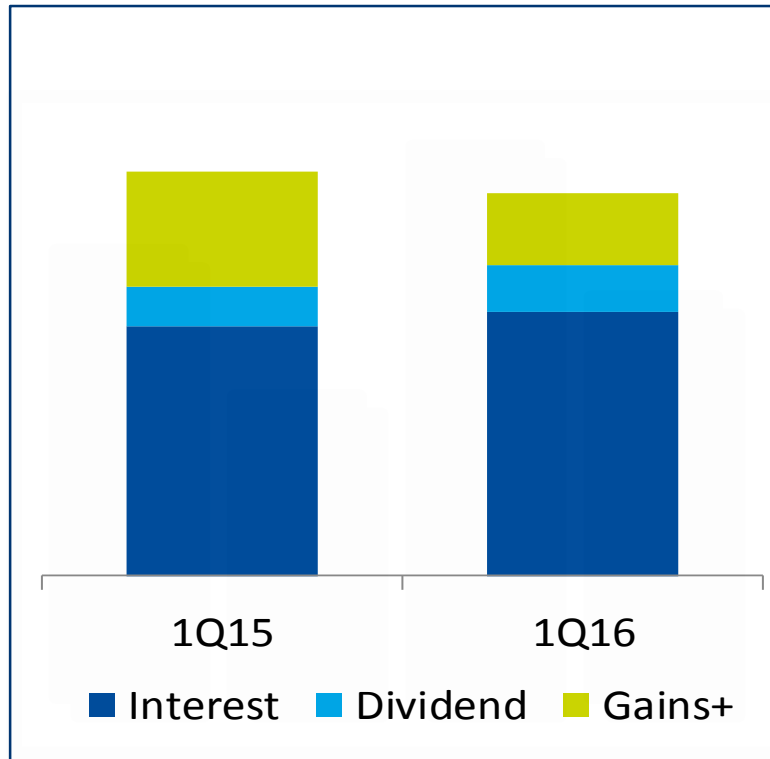
- Allocation to Gov Bond had been lower from 51% to 48% as yield come down to an abnormally low level . Most new fund were allocated to 2-3 years corporate papers and bank notes.
- REIT continues to grow with 5.1% allocation vs 4.3% at end of 2015. Equity also rose but part of it was short term investment for tender offer arbitrage purpose.
- Asset Duration = 8.54 years vs Liability Duration of 9.81 years



Investment Income decreased 7% with ROI 5.35%

Investment Yield (interest + dividend) = 4.4%

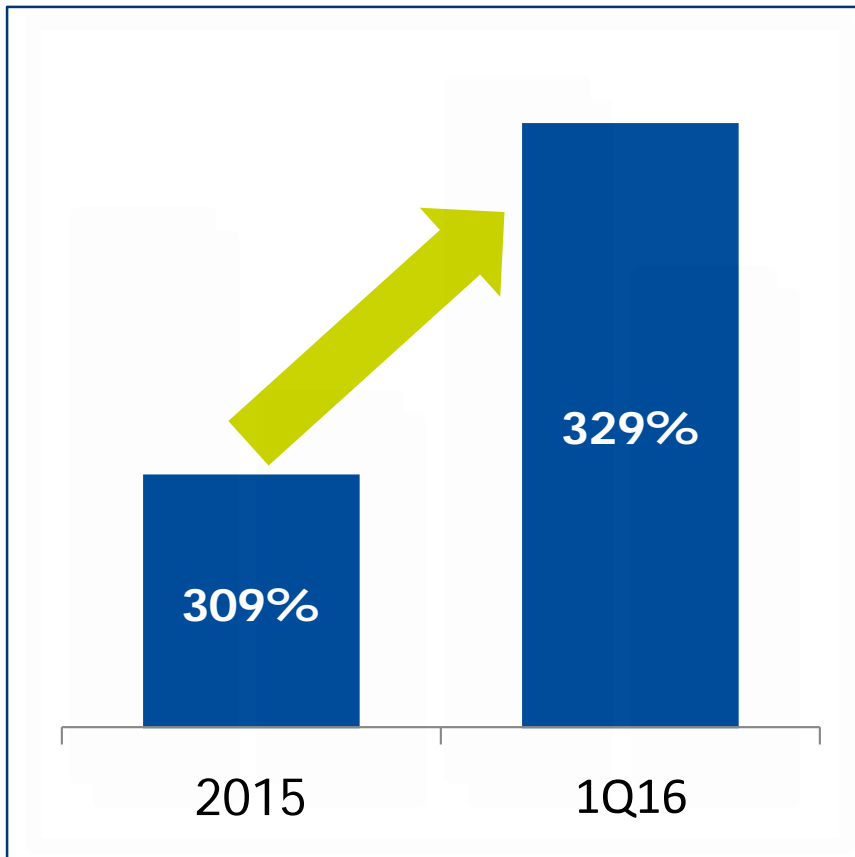
Sources of Investment Income



- Realized gains declined to 625 MB in 1Q16 vs 1,000 MB in 1Q15
- Thanks to higher investment in REIT, dividend income rose 18.85% while interest income increased 5.57%
- Accounting ROI = 5.35% while Investment Yield (excl. gains+) = 4.4%

CAR rose 20% as benefit from lower bond yield more than offset impacts from higher risky assets

Capital Adequacy Ratio (CAR)



- CAR rose to 329% as spot yield decline > 8Q average
- Future regulatory changes as well as potential changes in asset allocation to cope with lower rate environment remains concerns.

FINANCIAL RESULTS

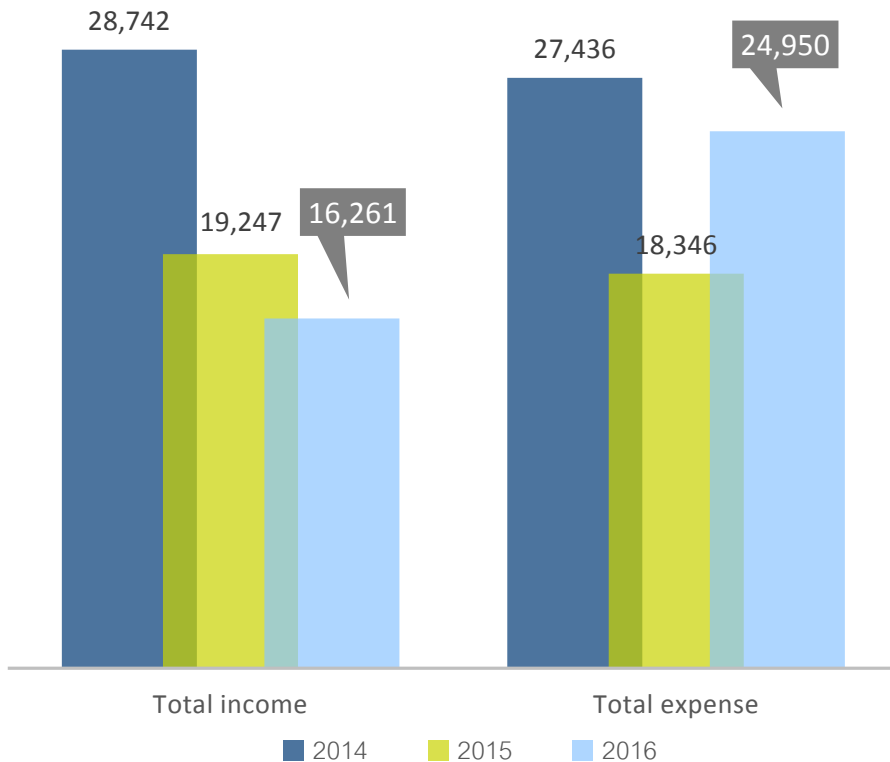
K. JARUWAN LIMKHUNTHAMMO

SVP – FINANCE & ACCOUNTING DIVISION



Financial Result

Revenues & Expenses



Total revenue included earn premium, net investment income, gain/loss on investment and other income.

Net Profit



Major Income & Expense component

Income

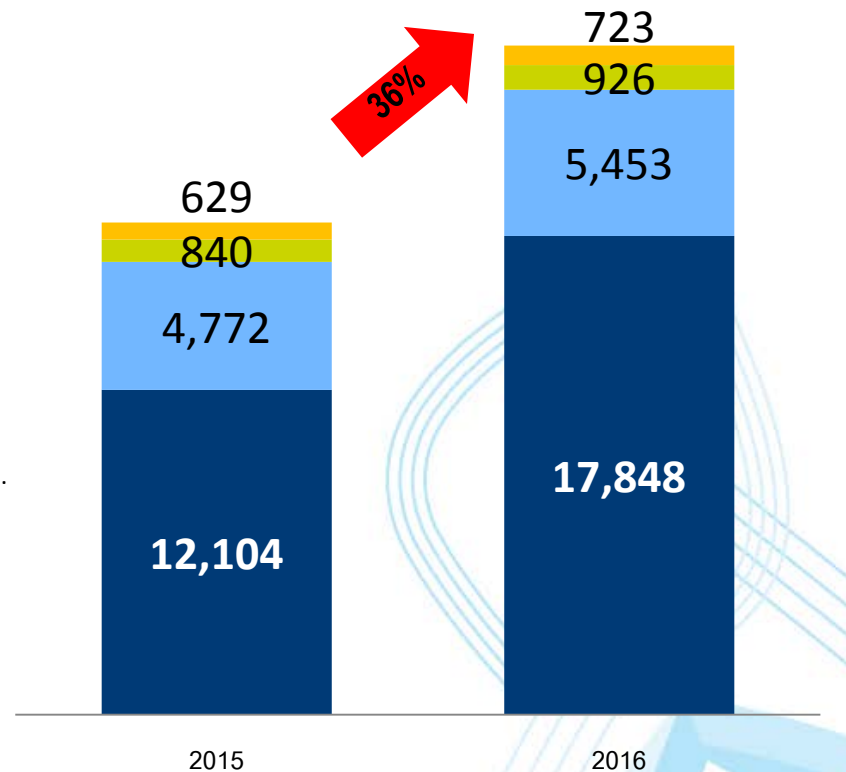
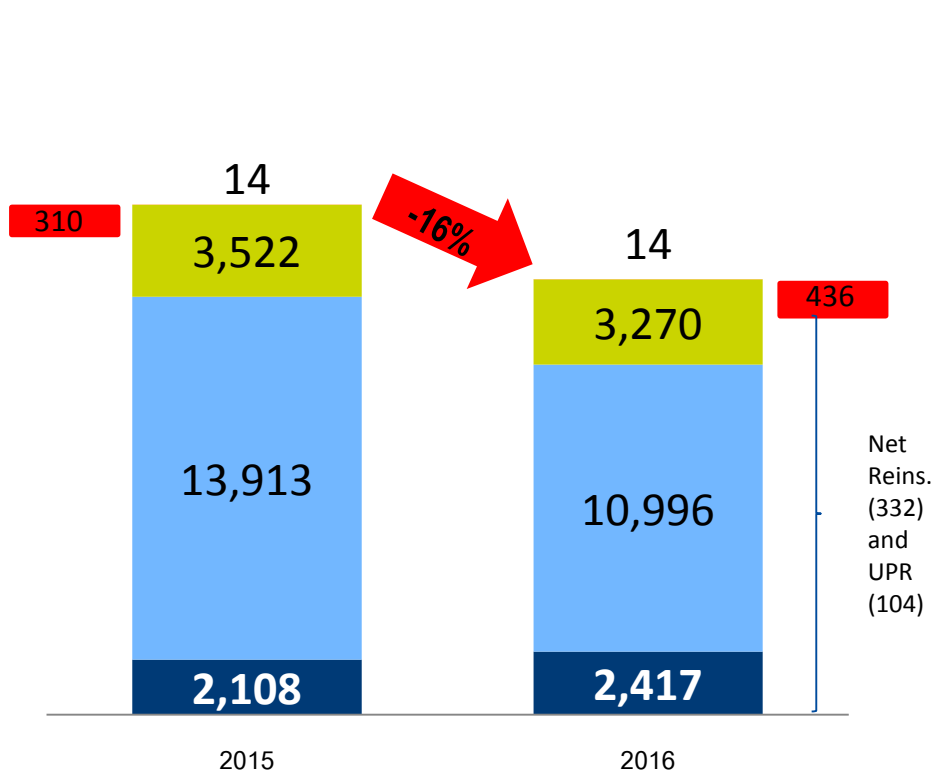
Expense

19,247

16,261

18,345

24,950



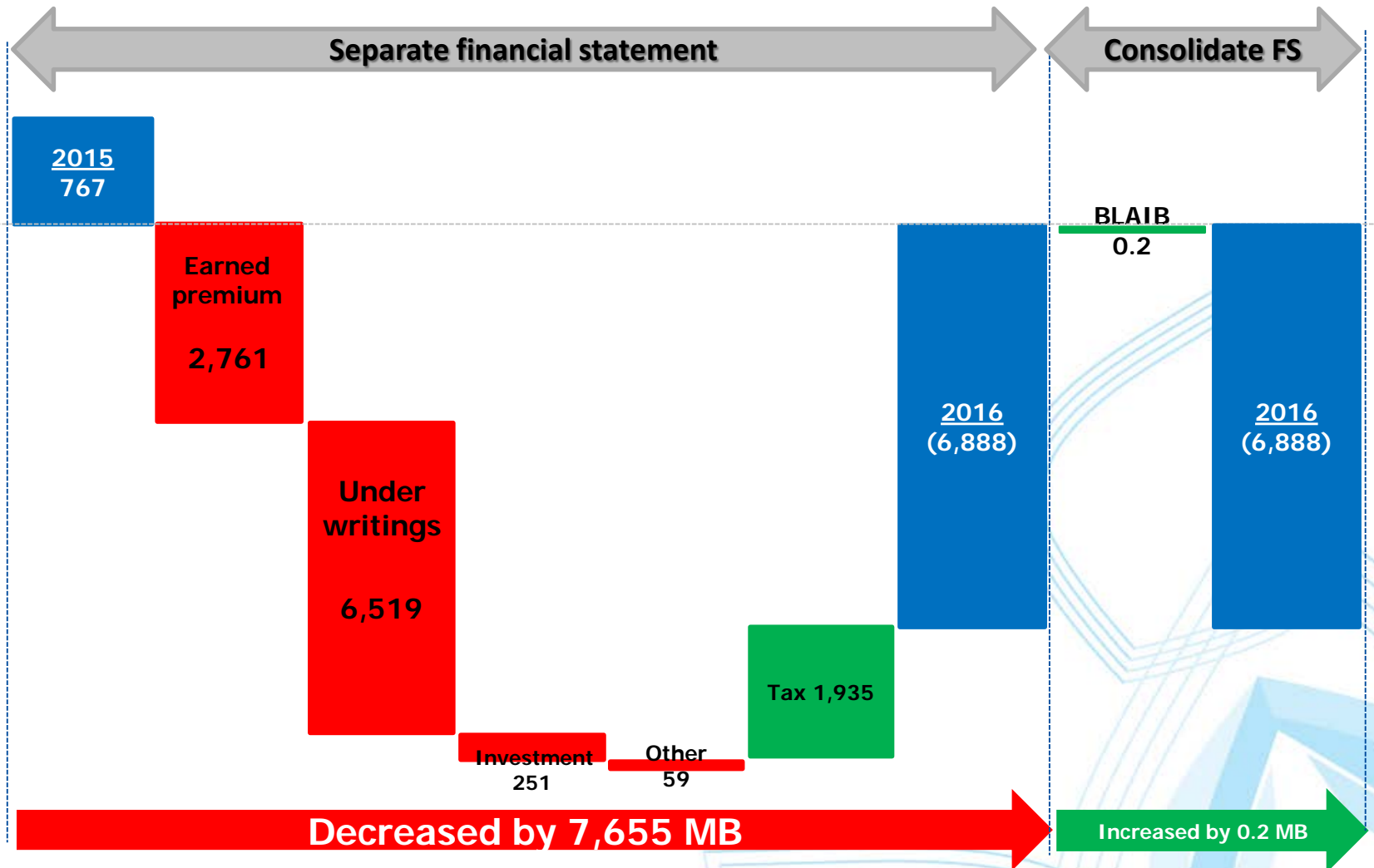
FYP RYP Invest inc. Other UPR&RE

Life res. Policy benefit Com&Sale pro. Opex

Reinsurance cost and Unearned premium reserve were not included in this slide.

Profit for the Three-month periods ended 31 March 2016

Unit: Million Baht



Change in Liabilities Adequacy Test

Short/Long Term

Total company

Previously, Short term do LAT by compare UPR: FS with the higher of UPR or URR

Previously, Compare by product term

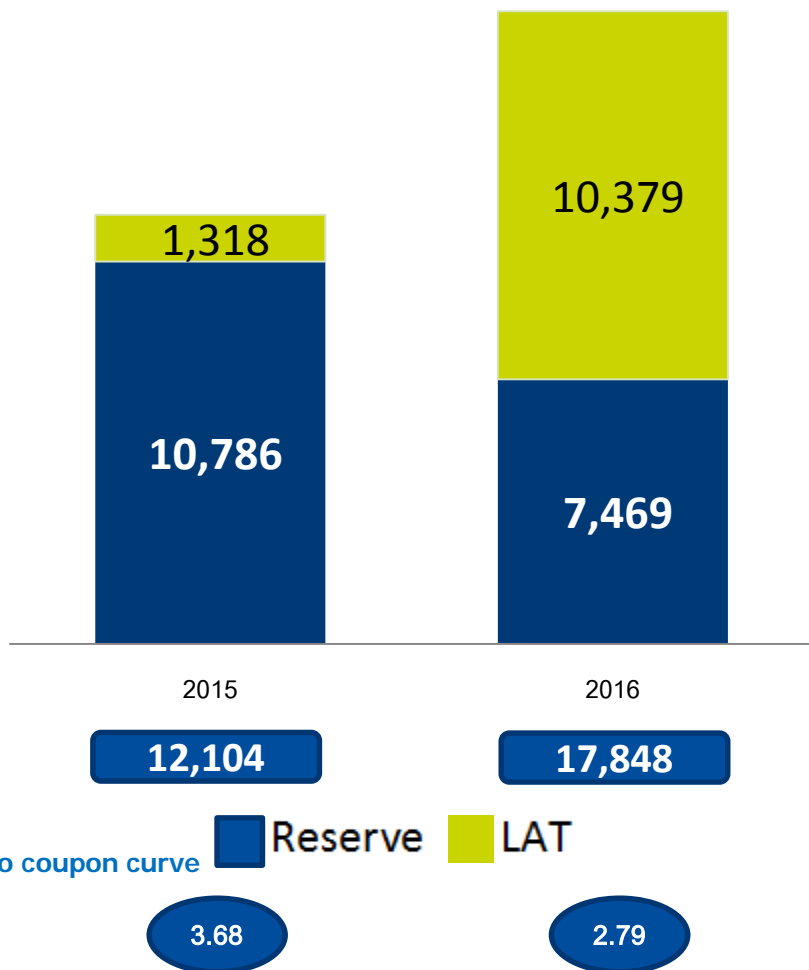


Currently, Short term that practically we do not reject the renewal year premium and not increase the renewal premium, do LAT by compare UPR: FS with the GPV calculation.

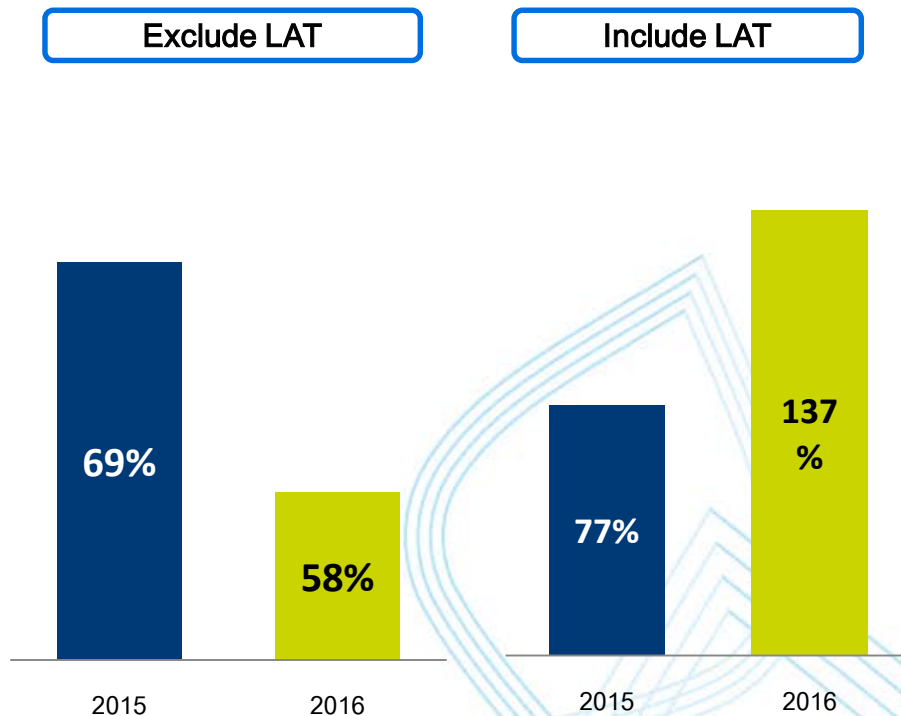
Currently, Do as total company.

Life policy reserves

Reserve



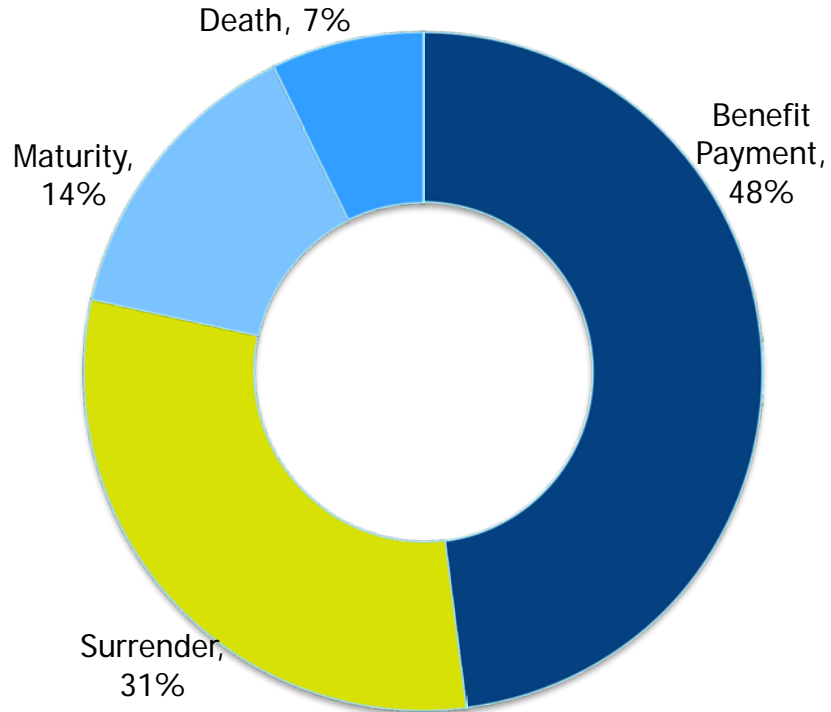
Reserve to premium ratio



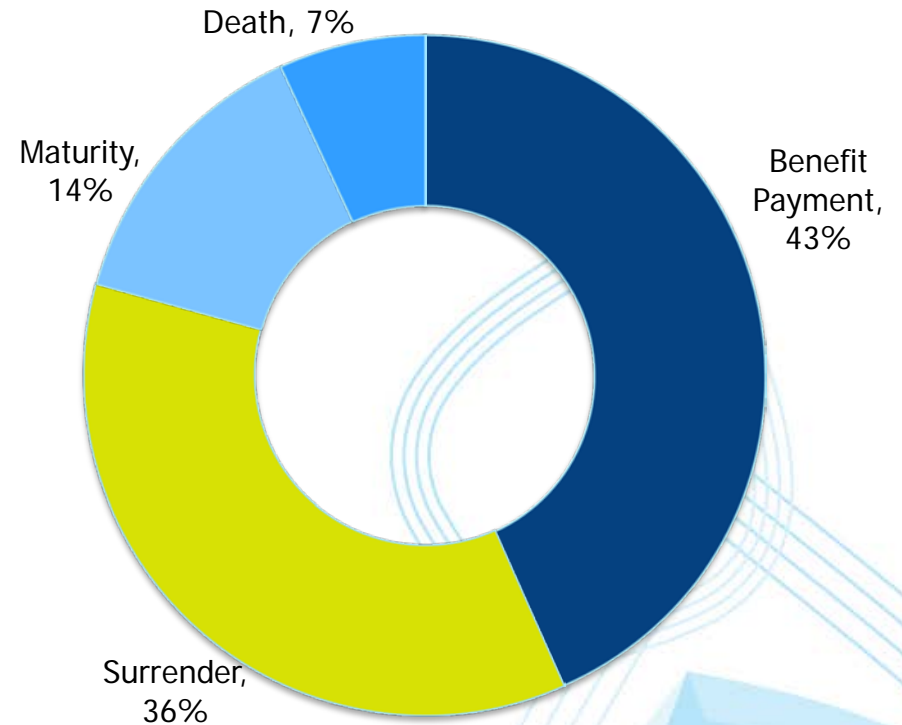
Fair value – HTM increased by 12,171 MB and 2,669 MB for Q1'59 and Q1'58, respectively.

Benefit payments

2015



2016



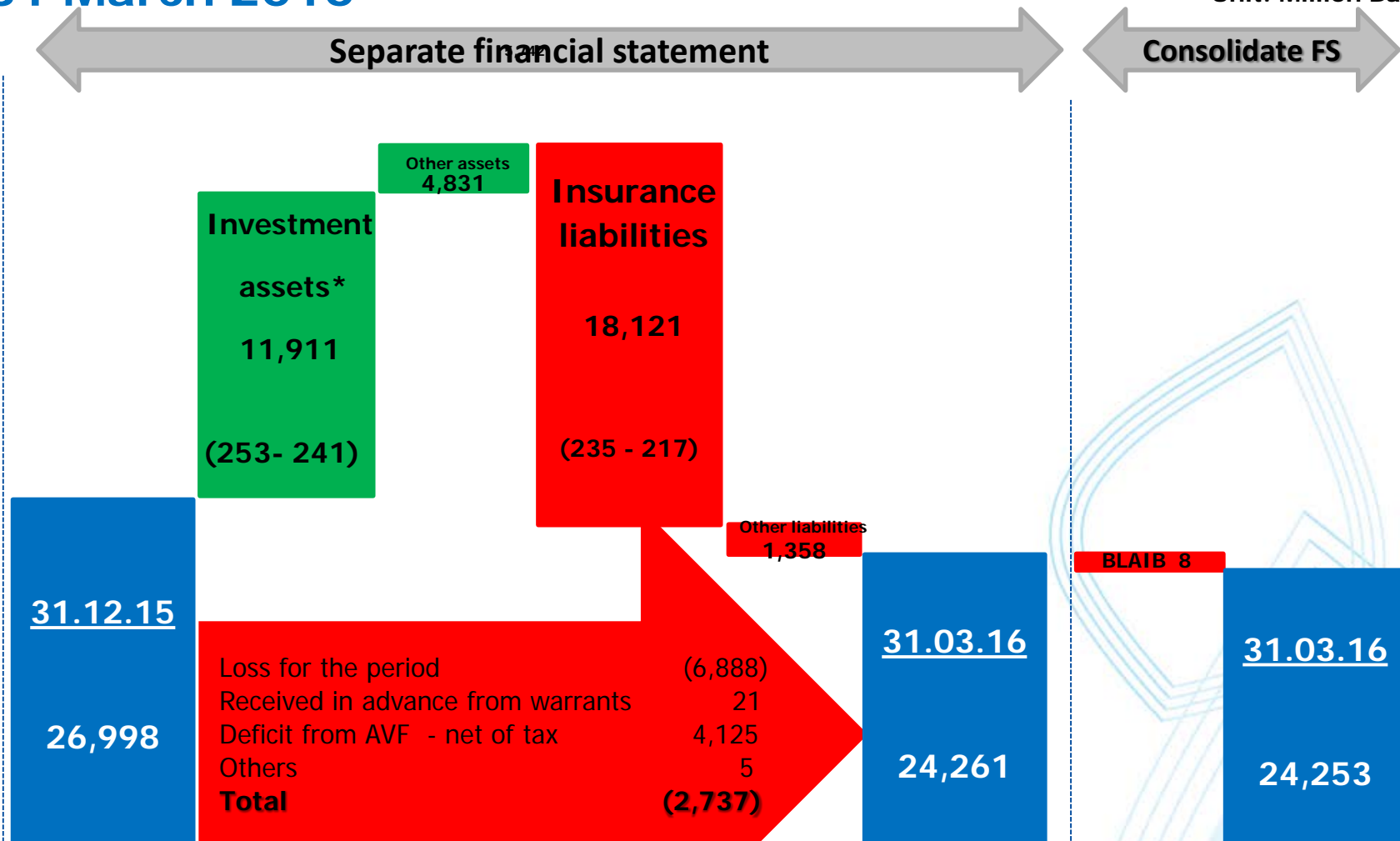
2015
4,772 MB

Increased 14%

2016
5,453 MB

Equity movement from 31 December 2015 to 31 March 2016

Unit: Million Baht



* Including cash and cash equivalents



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Market Ranking

January - February 2016



Ordinary Premium 2M2016: Rank 6th in FYP and Rank 4th in TP with 7.05% and 10.98% market share accordingly

First Year Premium			
Company	MB	Share (%)	% YoY
MTL	5,517	32.29	61.29
AIA	2,135	12.50	73.13
KTAL	1,940	11.36	90.89
TLI	1,853	10.85	76.77
SCBLife	1,507	8.82	54.24
BLA	1,204	7.05	84.10
AZAY	694	4.06	105.17
FWD	908	5.32	210.95
PLT	512	3.00	69.24
OLIC	136	0.80	8.55
Industry	17,084	100.00	74.81

Total Premium			
Company	MB	Share (%)	% YoY
AIA	17,642	19.66	112.16
MTL	16,662	18.57	110.12
TLI	11,332	12.63	151.55
BLA	9,852	10.98	46.43
SCBLife	8,155	9.09	87.63
KTAL	8,086	9.01	91.13
AZAY	5,023	5.60	136.87
FWD	3,012	3.36	209.07
PLT	2,865	3.19	115.20
OLIC	2,149	2.39	95.18
Industry	89,742	100.00	105.65

Source: The Thai Life Assurance Association (Incl. Single Premium)

All Type Premium 2M2016: Rank 6th in FYP and Rank 4th in TP with 7.24% and 10.98% market share accordingly

First Year Premium			
Company	MB	Share (%)	% YoY
MTL	4,519	24.38	5.58
AIA	2,948	15.91	0.82
KTAL	2,345	12.65	9.00
TLI	1,817	9.81	(4.10)
SCBLife	1,511	8.15	(17.34)
BLA	1,342	7.24	7.51
AZAY	1,159	6.25	43.75
FWD	1,032	5.57	88.97
PLT	610	3.29	(1.79)
OLIC	291	1.57	(29.49)
Industry	18,534	100.00	5.98

Total Premium			
Company	MB	Share (%)	% YoY
AIA	17,642	19.66	0.57
MTL	16,662	18.57	17.14
TLI	11,332	12.63	25.78
BLA	9,852	10.98	(20.75)
SCBLife	8,155	9.09	(2.54)
KTAL	8,086	9.01	3.78
AZAY	5,023	5.60	13.84
FWD	3,012	3.36	41.00
PLT	2,865	3.19	14.73
OLIC	2,149	2.39	2.28
Industry	89,742	100.00	5.37

Source: The Thai Life Assurance Association (Incl. Single Premium)

Rank 7th in Credit Life (SP) with 5.63% market share

2015				
Company	MB	Share (%)	%YoY	%FYP
AIA	765	15.47	6.98	35.80
TLI	649	13.13	189.76	35.00
SCBLife	579	11.71	(28.74)	38.40
DLA	559	11.32	57.57	N/A
PLT	508	10.27	23.36	99.10
MTL	424	8.59	(24.09)	7.70
BLA	322	6.52	21.36	26.70
KTAL	304	6.15	(57.42)	15.70
SELIC	238	4.82	21.33	N/A
FWD	203	4.11	71.45	22.40
Industry	4,941	100.00	5.69	28.90

2015				
Company	MB	Share (%)	%YoY	%FYP
SCBLife	5,229	15.46	6.55	29.87
MTL	4,239	12.53	1.64	11.17
KTAL	3,793	11.21	(16.22)	20.59
AIA	3,717	10.99	(12.34)	14.20
DLA	3,428	10.13	33.46	90.00
PLT	3,367	9.95	7.93	40.93
BLA	1,906	5.63	(4.52)	13.99
SELIC	1,833	5.42	5.08	60.26
TLI	1,776	5.25	0.40	10.08
TCLife	1,473	4.35	26.52	54.36
Industry	33,830	100.00	5.50	19.73

Source: The Thai Life Assurance Association