

3Q18 Results Presentation

Investor and Analyst update

Nov 9, 2018

Agenda

- 1 **Marketing Performance**
- 2 **Investment Results**
- 3 **Financial Summary**
- 4 **CEO Message**
- 5 **Q&A**

MARKETING PERFORMANCE

K. NARIN EKWONGVIRIYA

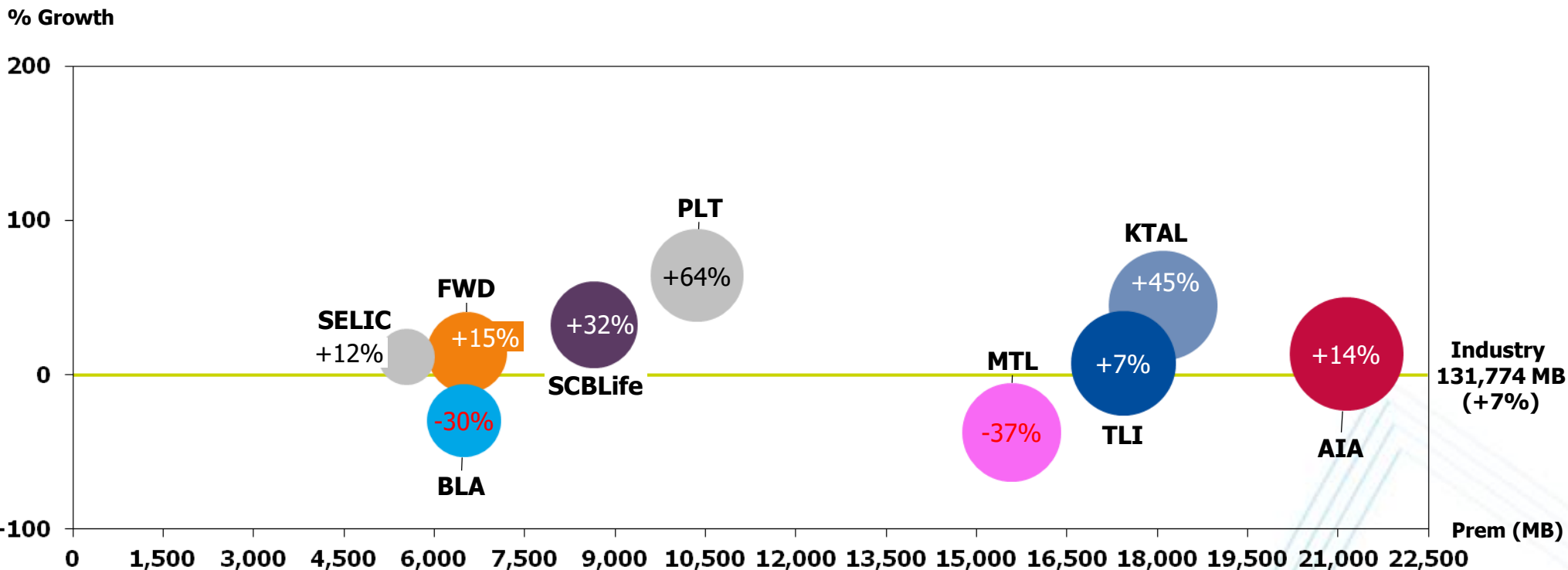
SVP – ORDINARY BUSINESS

DEVELOPMENT DEPARTMENT



Life Insurance in Jan-Sep 2018

Total industry FYP all types grew 7%. Growth was driven by Unit Link and S-T endowment products. BLA grew -30% due to reduction in short term endowment of Bancassurance.



Source : www.tlaa.org

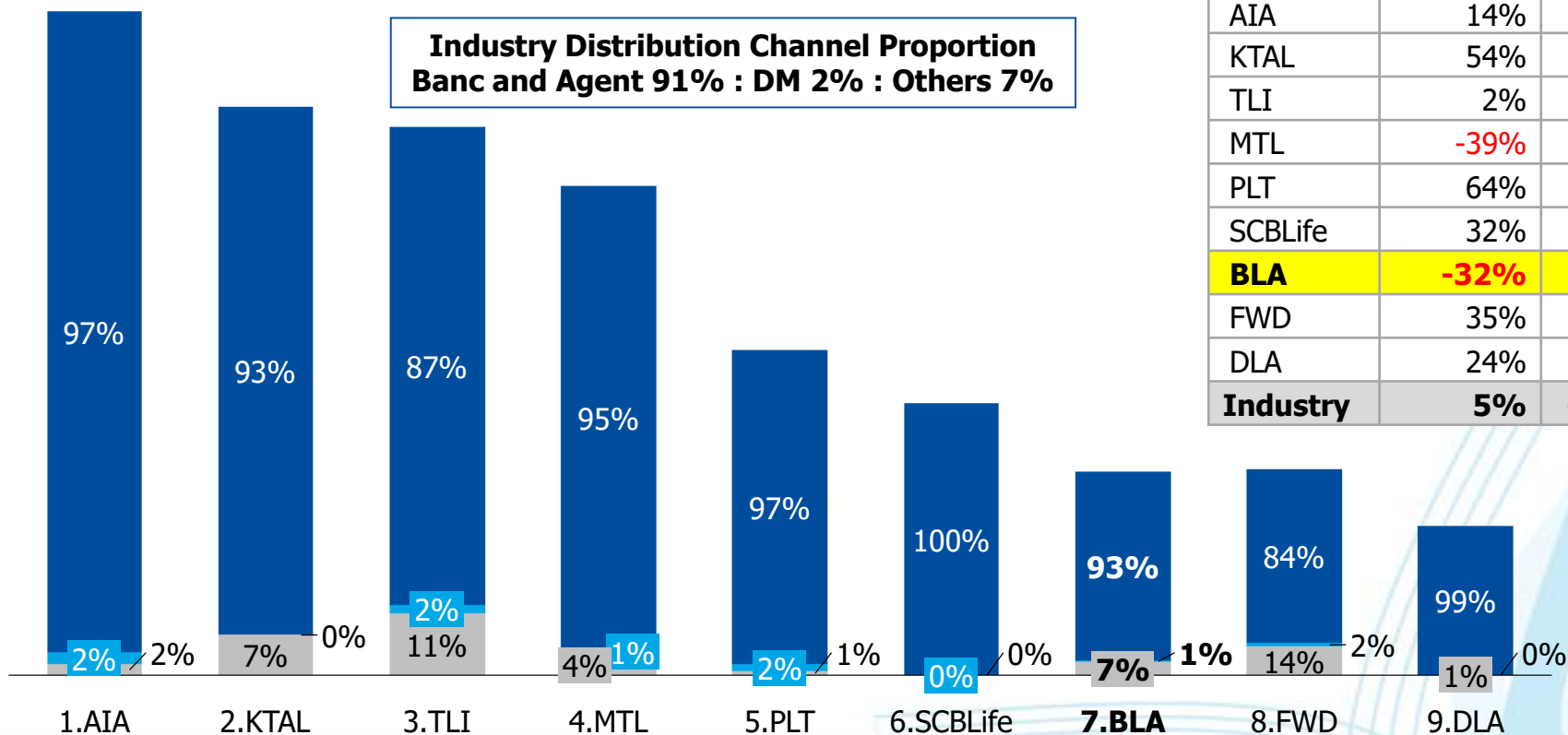
Jan-Sep 2018	AIA	KTAL	TLI	MTL	PLT	SCBLife	FWD	BLA	SELIC	Others
FYP&SP All Types	21,139.15	18,094.58	17,437.96	15,584.36	10,362.71	8,655.20	6,544.82	6,496.52	5,540.86	21,918.09
Market Share (%)	16.04%	13.73%	13.23%	11.83%	7.86%	6.57%	4.97%	4.93%	4.20%	16.63%

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 Sep 2018

■ Banc and Agent ■ DM ■ Other



% Growth

company	Banc and Agent	DM	Other
AIA	14%	-11%	-3%
KTAL	54%	Na	-17%
TLI	2%	17%	71%
MTL	-39%	-19%	78%
PLT	64%	9%	526%
SCBLife	32%	Na	-15%
BLA	-32%	19%	11%
FWD	35%	-87%	17%
DLA	24%	Na	228%
Industry	5%	-23%	57%

Marketing Strategies on Q3/2018

Agent channel:

- Launched "BLA Smart Saving 105" new endowment for tax deduction and savings.



Agent Channel :

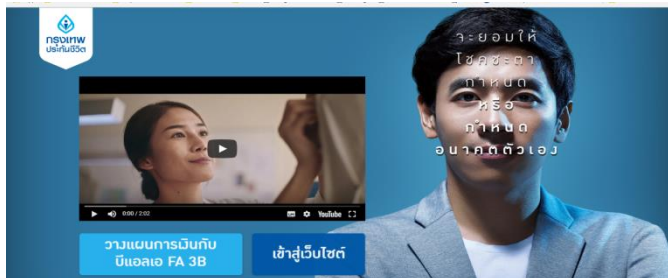
- Road to FA activities drove new FA growth to 25% and total FA growth to 8%.
- Launched "BLA FA 3B Campaign" to build awareness and recruiting new FA.
- Developed professional financial advisor center in Chonburi province for PFA recruiting and financial planning activities.



- FA club activities and Beyond Life Club membership seminar to strengthen FA.



- "Beyond Life Club" Seminar for customers nationwide.
- The 19th National Life Insurance Day on July 21-22, 2018 at Central Plaza Westgate and Money Expo activity on August 10-13, 2018 at Korat.
- Thailand Top Corporate Brand 2018 of insurance business from Yr 2015-2018.
- Press conference for opening of new CEO concept "Move toward a sustainable future with BLA".



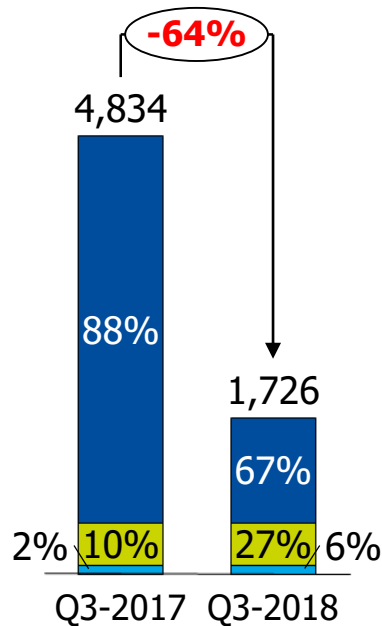
New Business and Total Premium Q3-2018

Overall FYP decreased 64%. Bancassurance channel decreased 73%, due to reduction in short term endowment products Gain 1st 248 and Gain 1st 5/1. Agent channel decreased 1% and others channel increased 10%.

■ Bancassurance ■ Agent Channel ■ Others

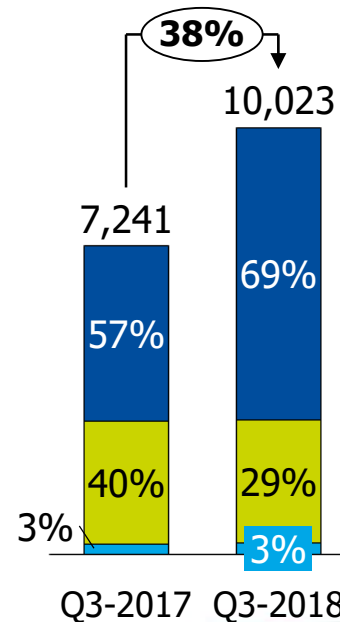
New Business Premium

Unit : Million Baht



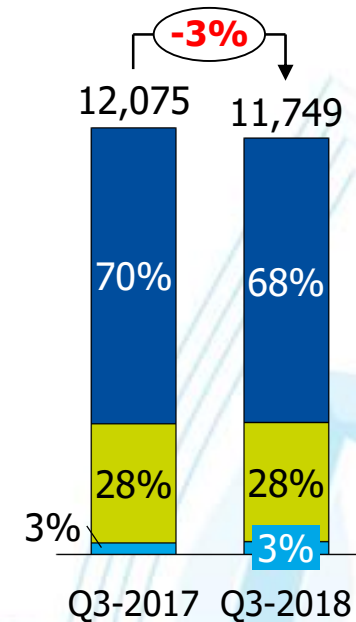
Renewal Premium

Unit : Million Baht



Total Premium

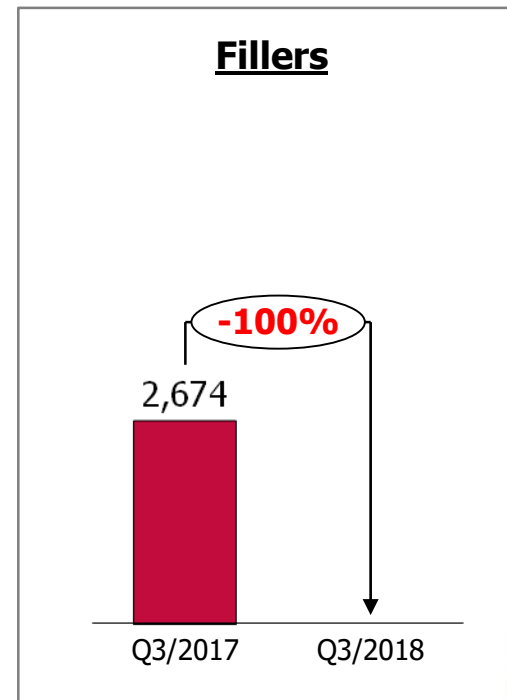
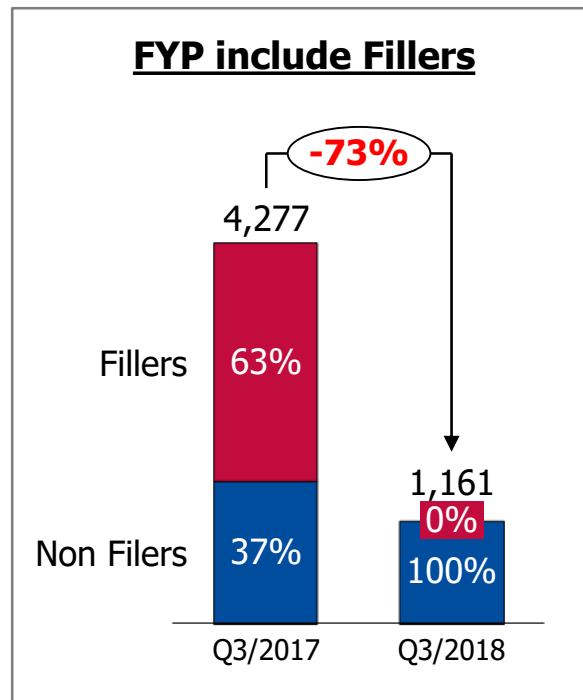
Unit : Million Baht



FYP Q3 2018 : Bancassurance

Overall FYP decreased 73%, due to no production of filler products.

Unit : Million Baht



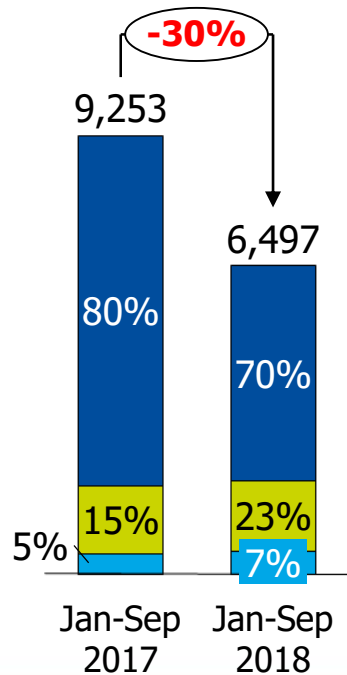
New Business and Total Premium Jan-Sep 2018

Overall FYP decreased 30%. Bancassurance channel decreased 39%, due to reduction in short term endowment products and continued focus on protection and long term endowment products. Agent channel increased 3% and others channel increased 11%.

■ Bancassurance ■ Agent Channel ■ Others

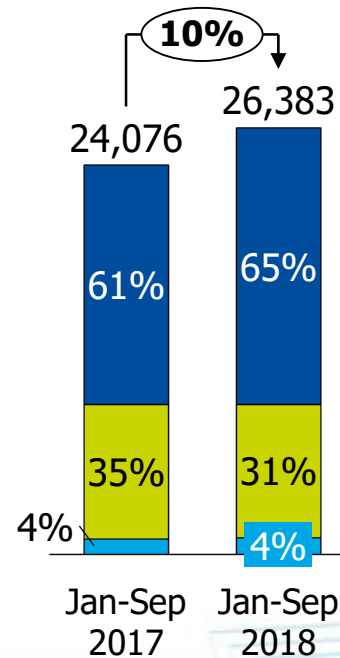
New Business Premium

Unit : Million Baht



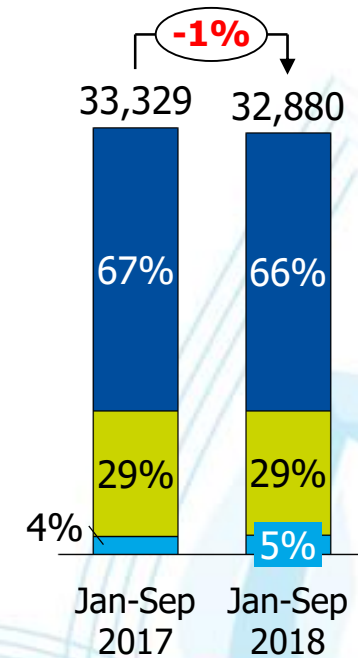
Renewal Premium

Unit : Million Baht



Total Premium

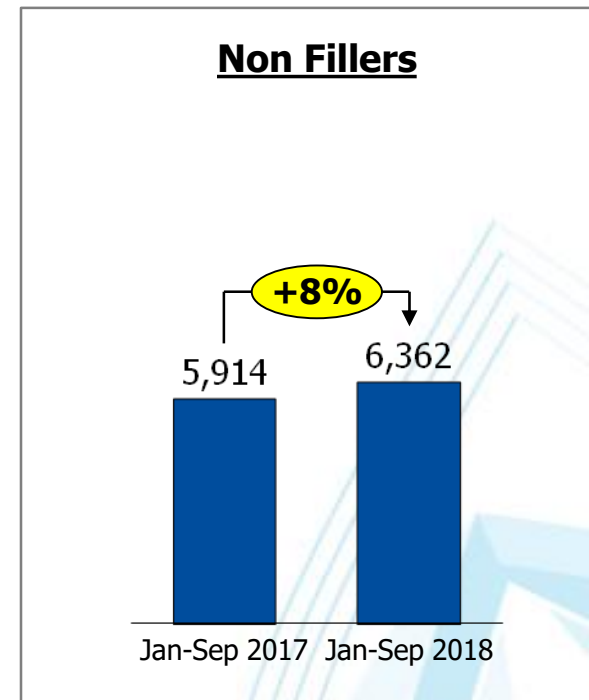
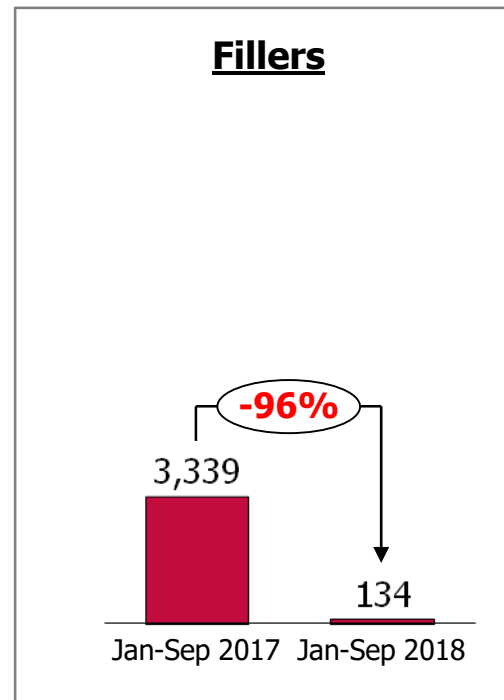
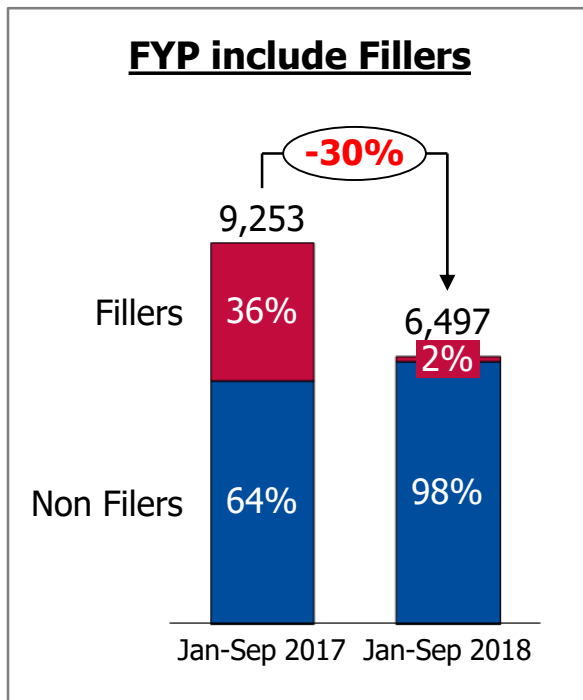
Unit : Million Baht



FYP January-September 2018 : All Channels

Overall FYP decreased 30%, due to reduction of filler products of major channels, especially Bank channel. Non filler products were growing at 8%.

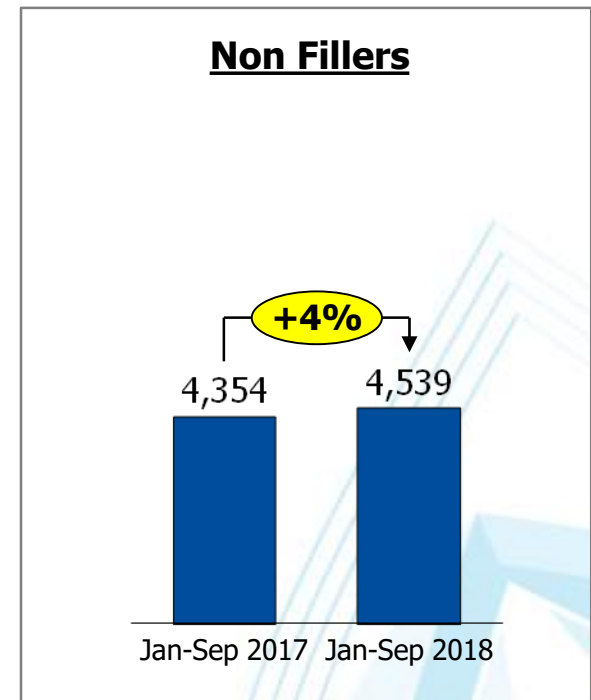
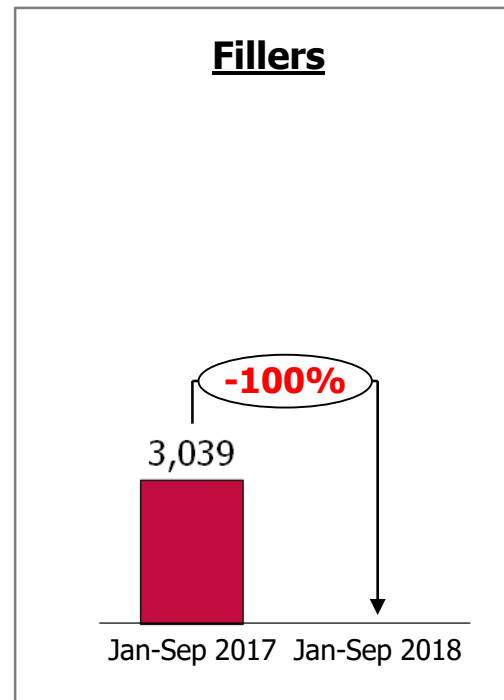
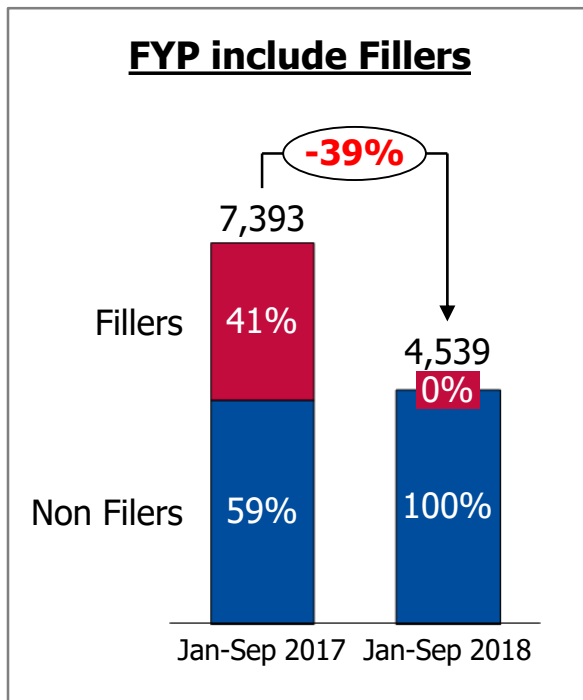
Unit : Million Baht



FYP January-September 2018 : Bancassurance

Overall FYP decreased 39%, due to no production of filler products. Non filler products are growing at 4%.

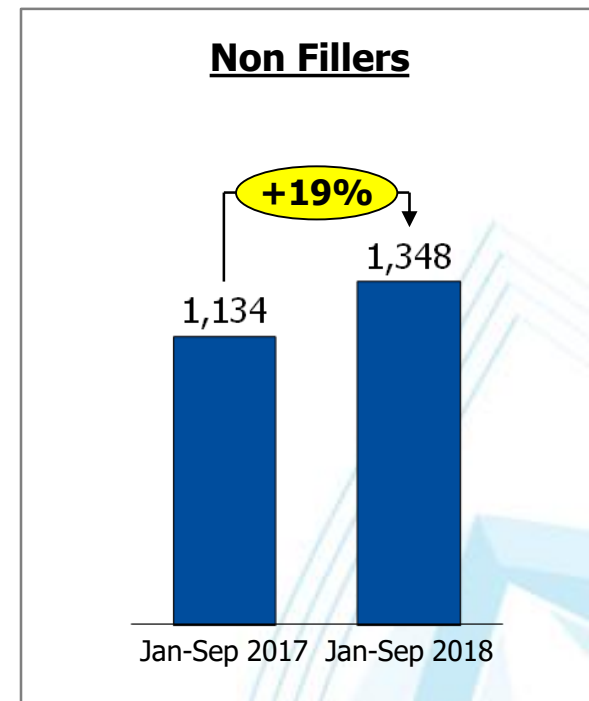
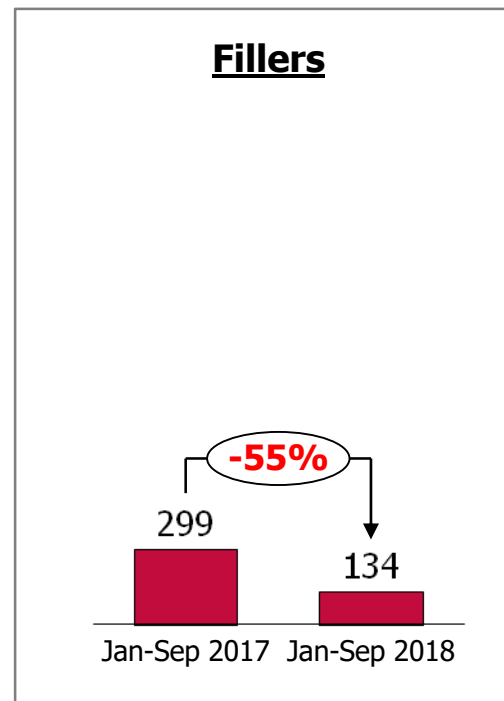
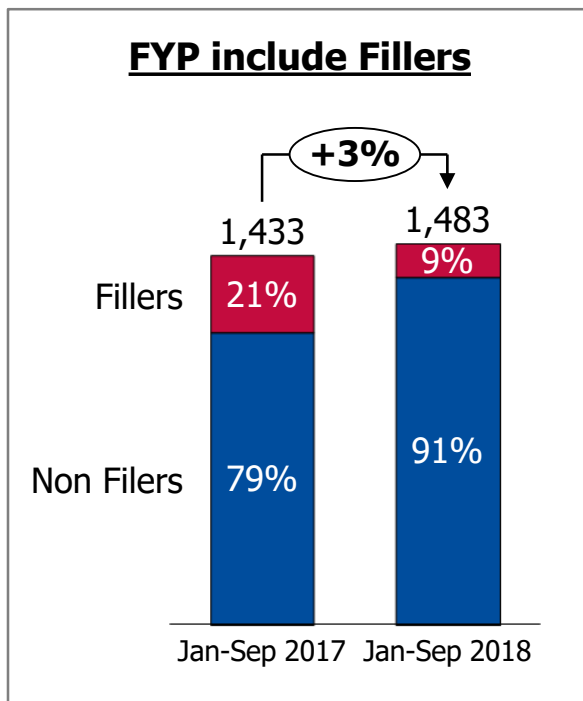
Unit : Million Baht



FYP January-September 2018 : Agent Channel

Overall FYP increased 3%, due to reduction of filler products. Non filler products are growing at 19%.

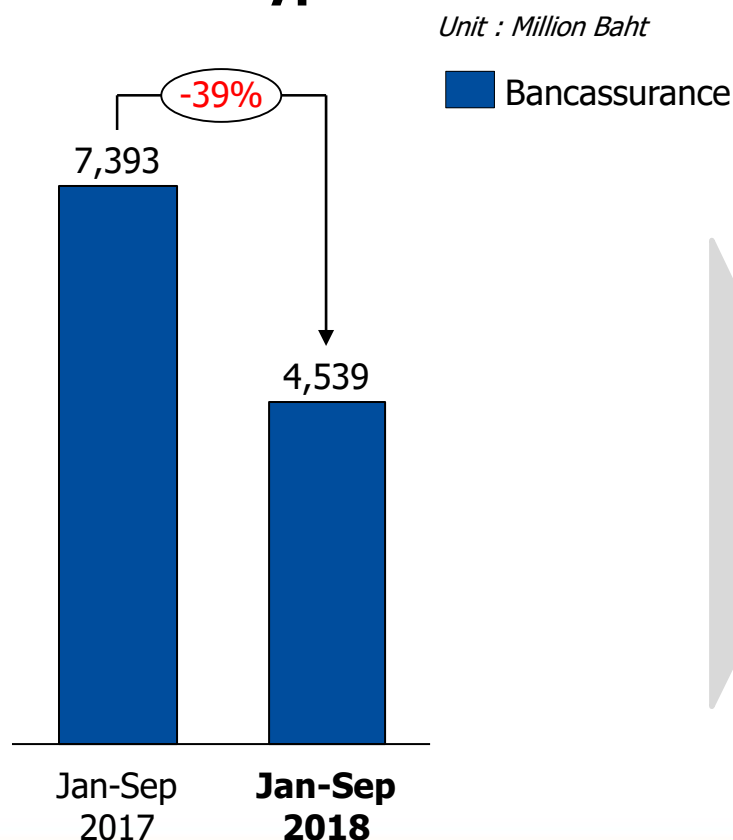
Unit : Million Baht



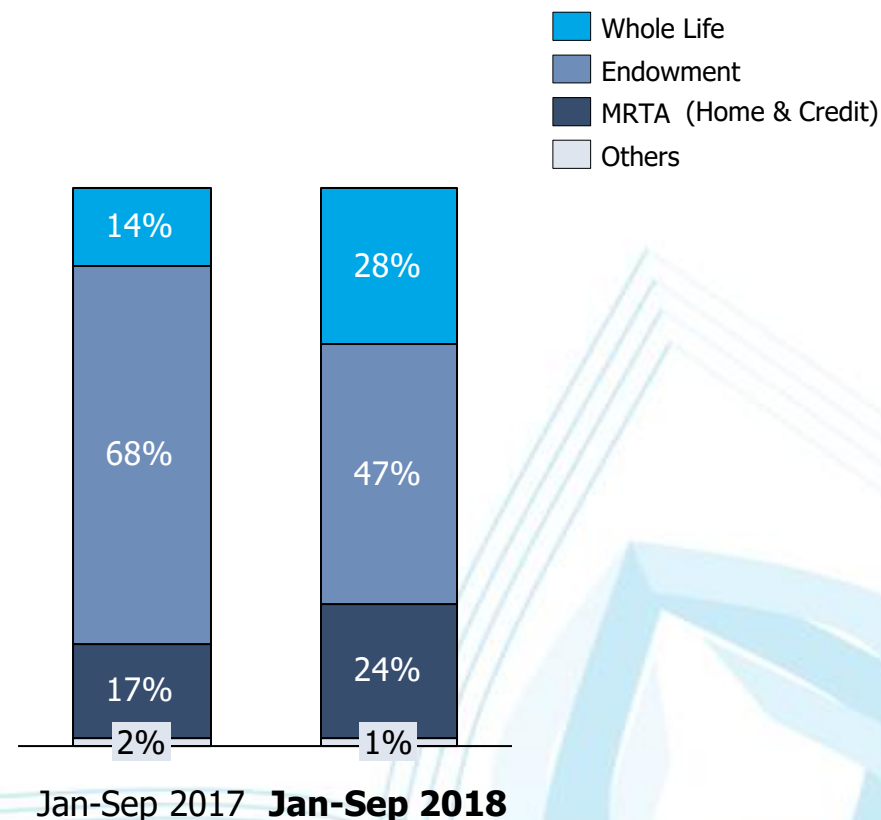
Product Mixed : Bancassurance Channel

Overall FYP from Bancassurance decreased 39% from last year, due to reduction in short term endowment products. However, profitable products were also growing well by whole life products with 23% growth and new endowment products, Gain 1st 760 and Gain 1st Start up encouraged long term endowment growth to 9%.

New Business Premium All Types



Proportion (%)

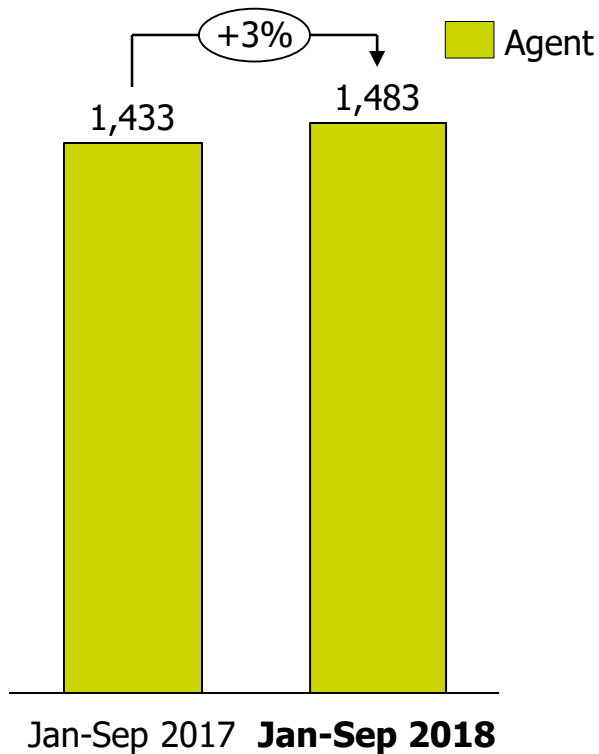


Product Mixed : Agent Channel

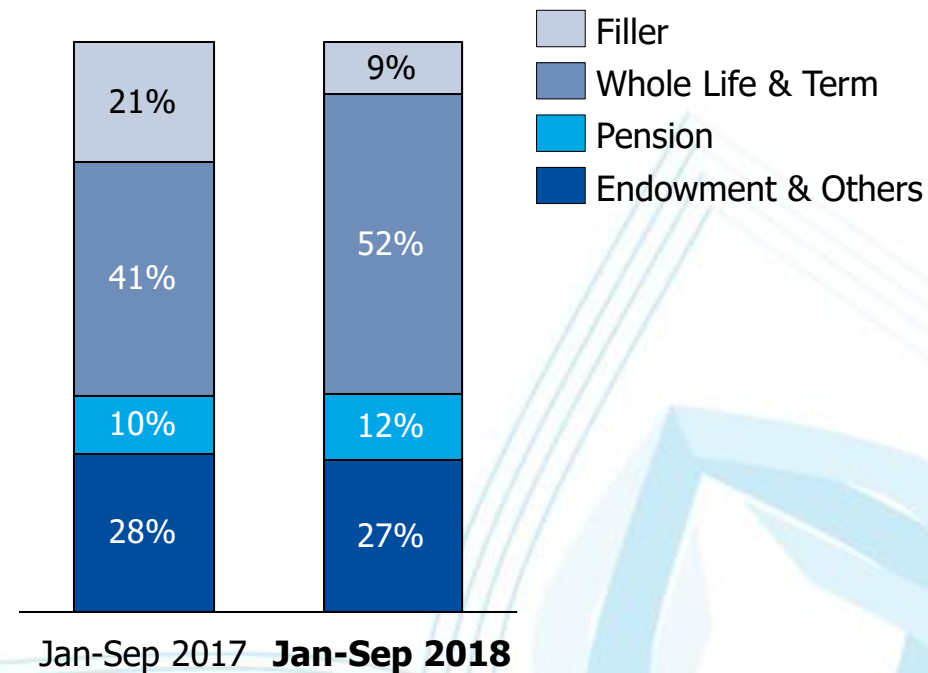
Agent channel premium increased 3% in overall, whole life and term products grew up 30% .

New Business Premium All Types

Unit : Million Baht



Proportion (%)



Marketing Strategies on Q4/2018

Agent channel:

- Add sale conditions and commission of Huang Rak Premier, Huang Rak Smart and Khruengthep 200, reducing the minimum sum insured when sold with riders.

- New pension product.

Direct Marketing channel:

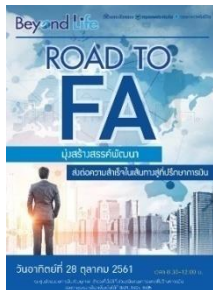
- New health products.

Online channel :

- New health and endowment products.

Agent Channel :

- Road to FA activities and FA club to drive FA growth.



- Improve FA knowledge via FA Club to strengthen FA.



- "Beyond Life Club" Seminar focused on financial plan and Tax saving.
- Launch line official Bangkok Life Assurance to increase customer services via BLA Happy Life application and Line on mobile.
- Money Expo on Nov 9-11 at Chiang Mai, Set in the city on Nov 15-18, Money Expo Year End on Nov 29-Dec and Thailand Smart Money on Dec 14-16, 2018 at BKK.
- Happy activities for customers via Happy Life Club.



INVESTMENT

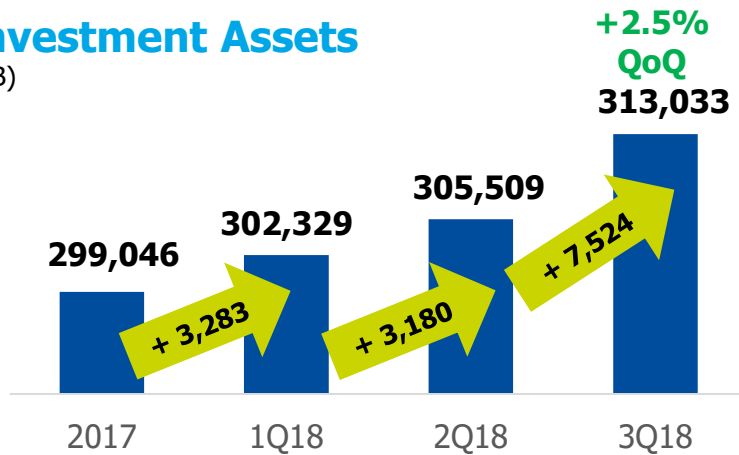
K. SANOR THAMPIPATTANAKUL
SEVP AND CHIEF FINANCIAL OFFICER



Investment Assets increased to 313,033 MB

Investment Assets

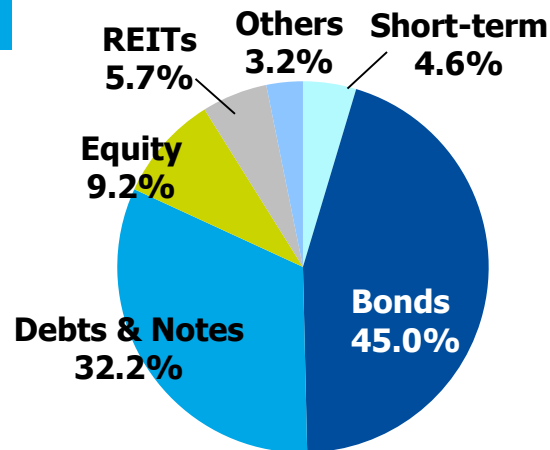
(MB)



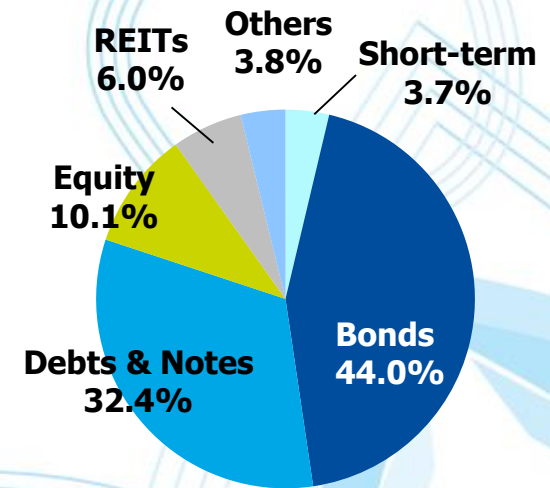
- Investment assets increased by 7,524 MB from 2Q18 (+2.5%QoQ), which was new cash around 4.6 bn
- Investment assets YTD increased by 13,987 MB (YTD new cash 13.8 bn)
- Overall asset allocation remains similar to end of 2017 with slightly decreased in short term fund.

Asset Allocation

2017

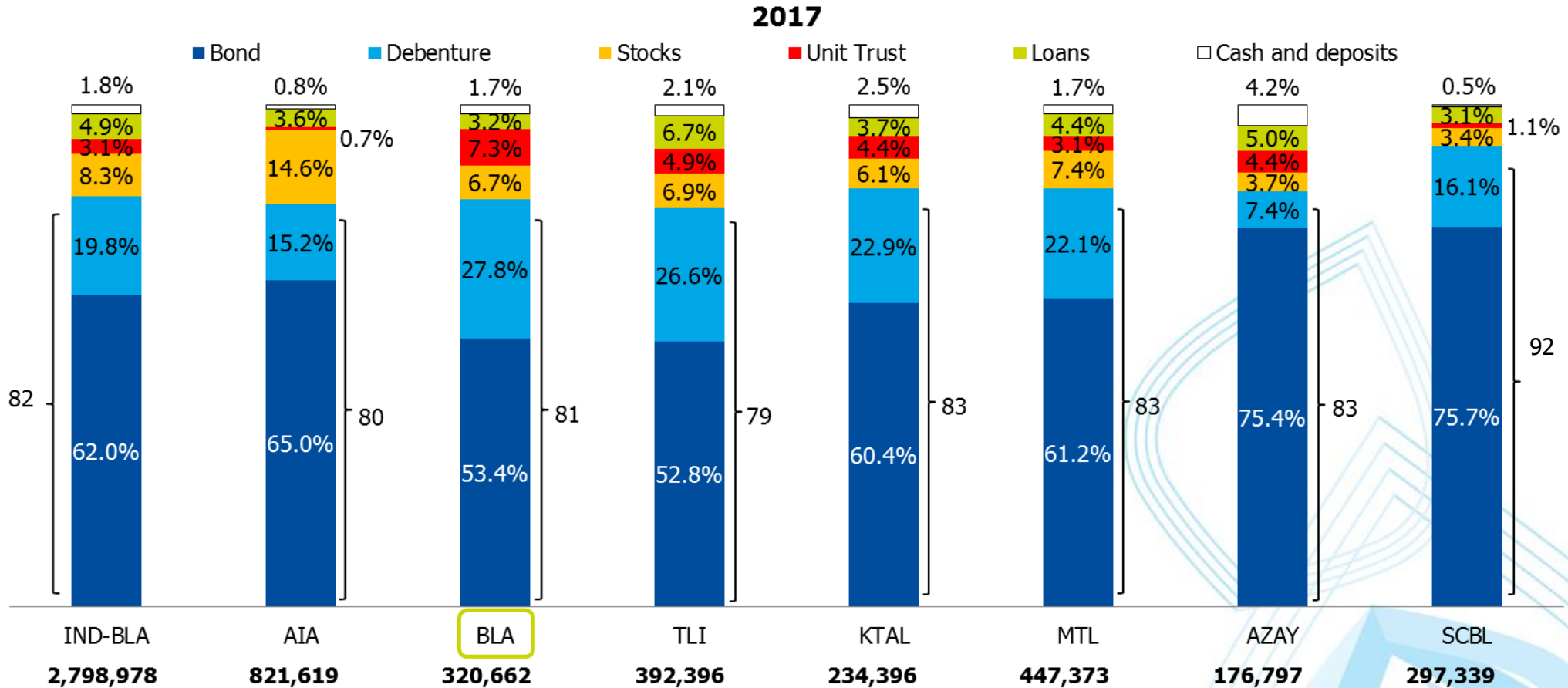


3Q18



Industry Asset allocation - 2017

BLA takes higher credit and equity exposure than peers



Source : TLAA, classify by OIC

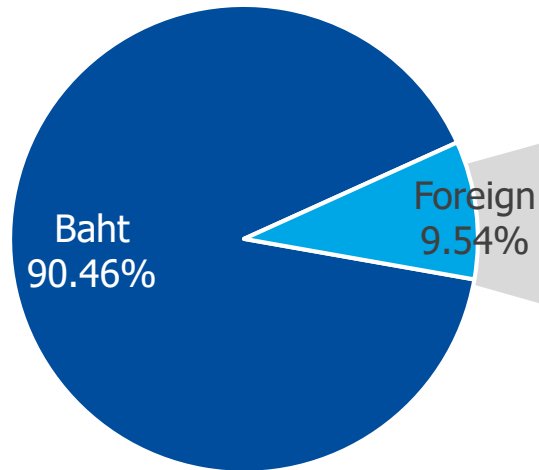
ALM almost evenly matched but larger liabilities base implies about 1.6 years longer duration

Duration of Fixed Income
Duration of Liabilities

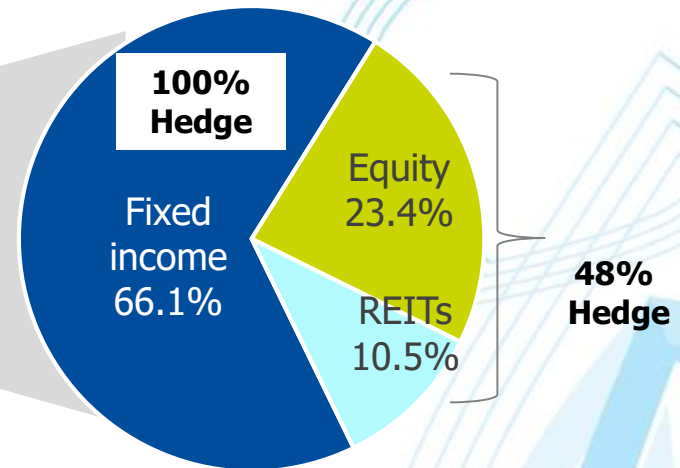
8.40 years

8.96 years

Investment asset by currency



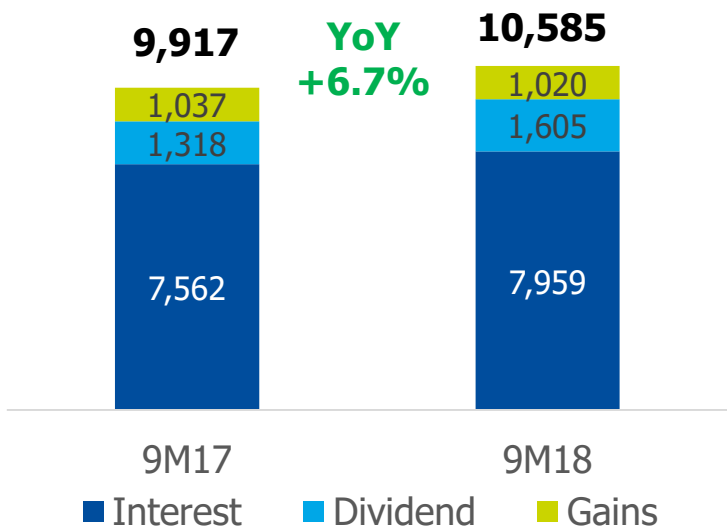
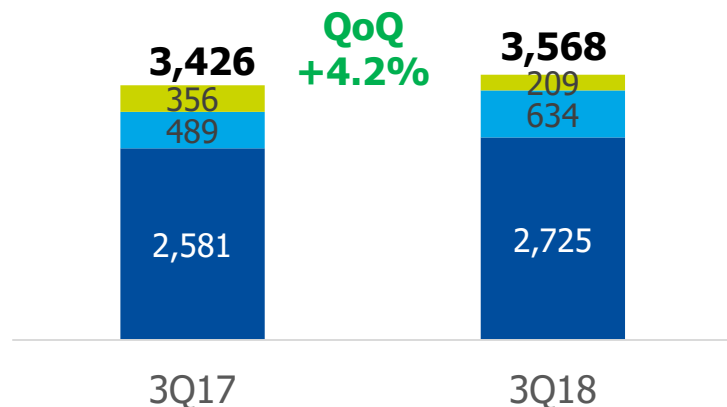
Foreign Investment



(As of September 30, 2018)

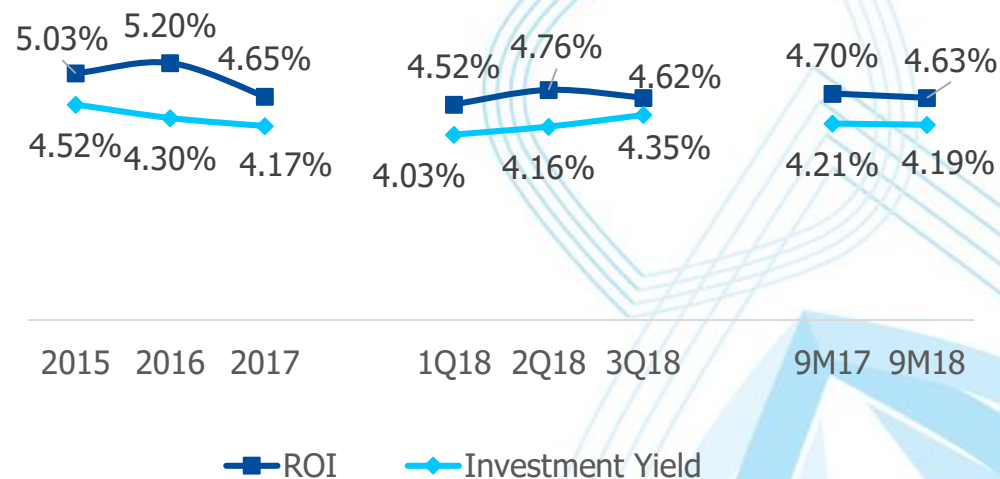
Investment income slightly increased with ROI 4.63%

Sources of Investment Income (MB)

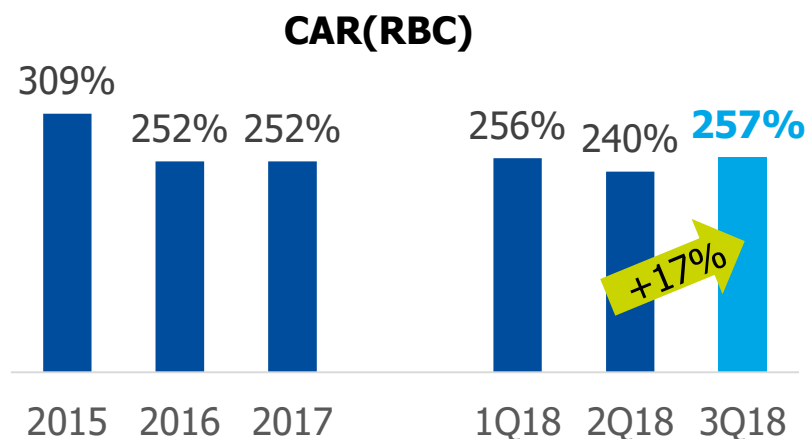


- 9M18 Accounting ROI was 4.63%, decreased 7 bps from prior year due to flat realized gain and higher asset base.
- Investment yield stabilized at around 4.2% in 9M18

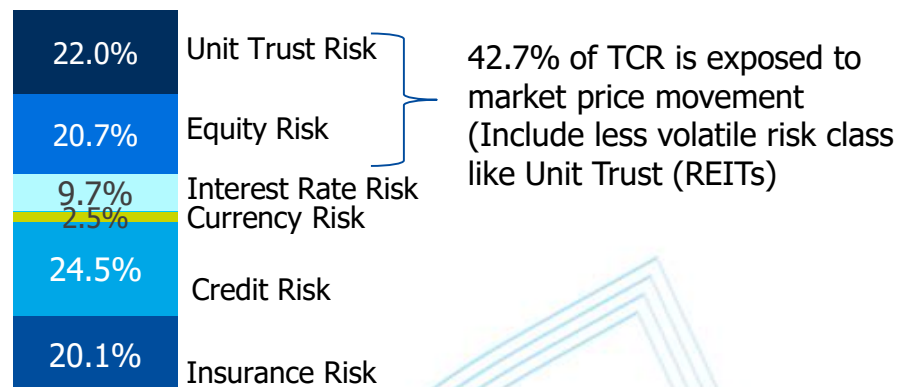
ROI & Investment Yield



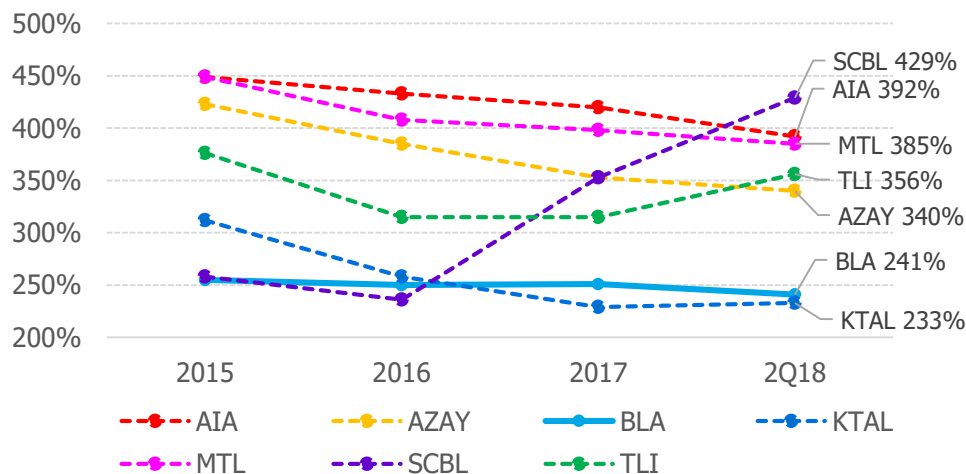
Capital Adequacy Ratio (CAR) remains steady at around 257%, relatively low vs peers but with sufficient cushion



TCR → Well diversify across 6 types risk



CAR Comparison



Source : Companies website

Equity price Sensitivity Test on CAR Sep 2018

- CAR will decrease by 11% if equity price decrease by 10% and vice versa

Resilient CAR position from RBC 2 implementing

- RBC 2 expect to implement in 3Q19 at 95% confidence level
- @95% confidence level, less impact on our CAR position

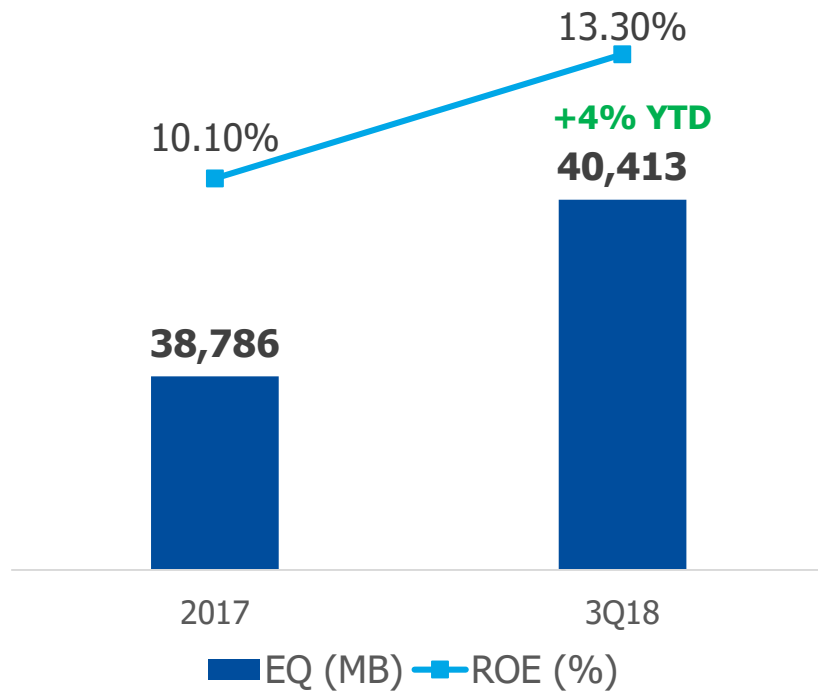
FINANCIAL SUMMARY

K. JARUWAN LIMKHUNTHAMMO
SVP - FINANCE & ACCOUNTING DIVISION

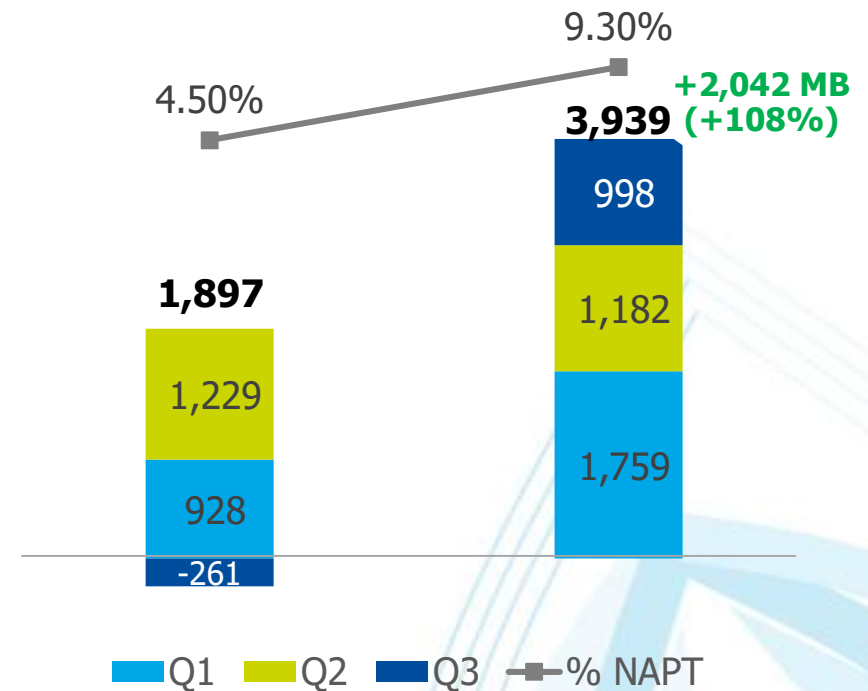


ROE as of 3Q18 increased to 13.3% due to higher NPAT at 3,939 MB in 9M18

Equity and ROE

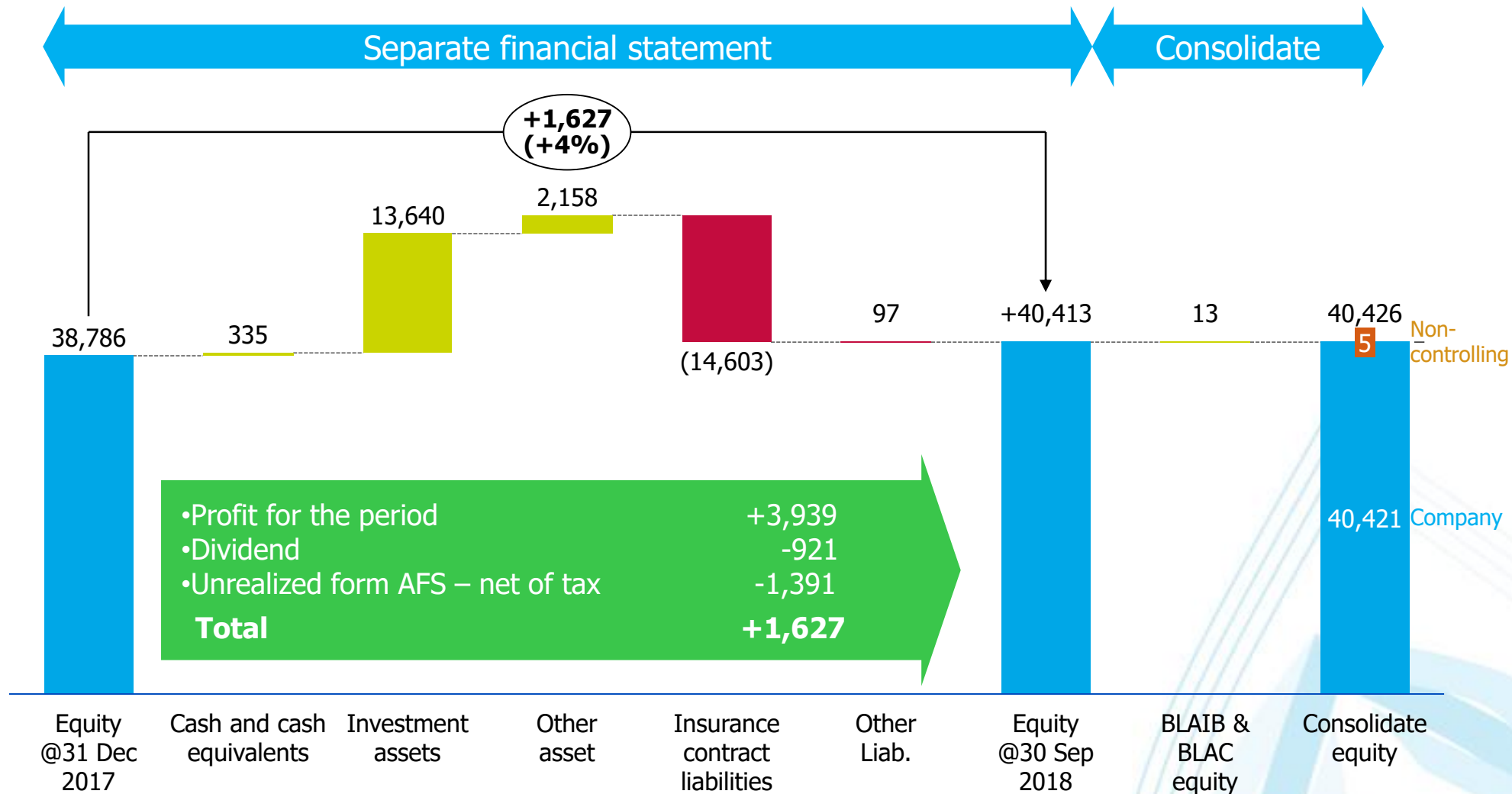


NPAT



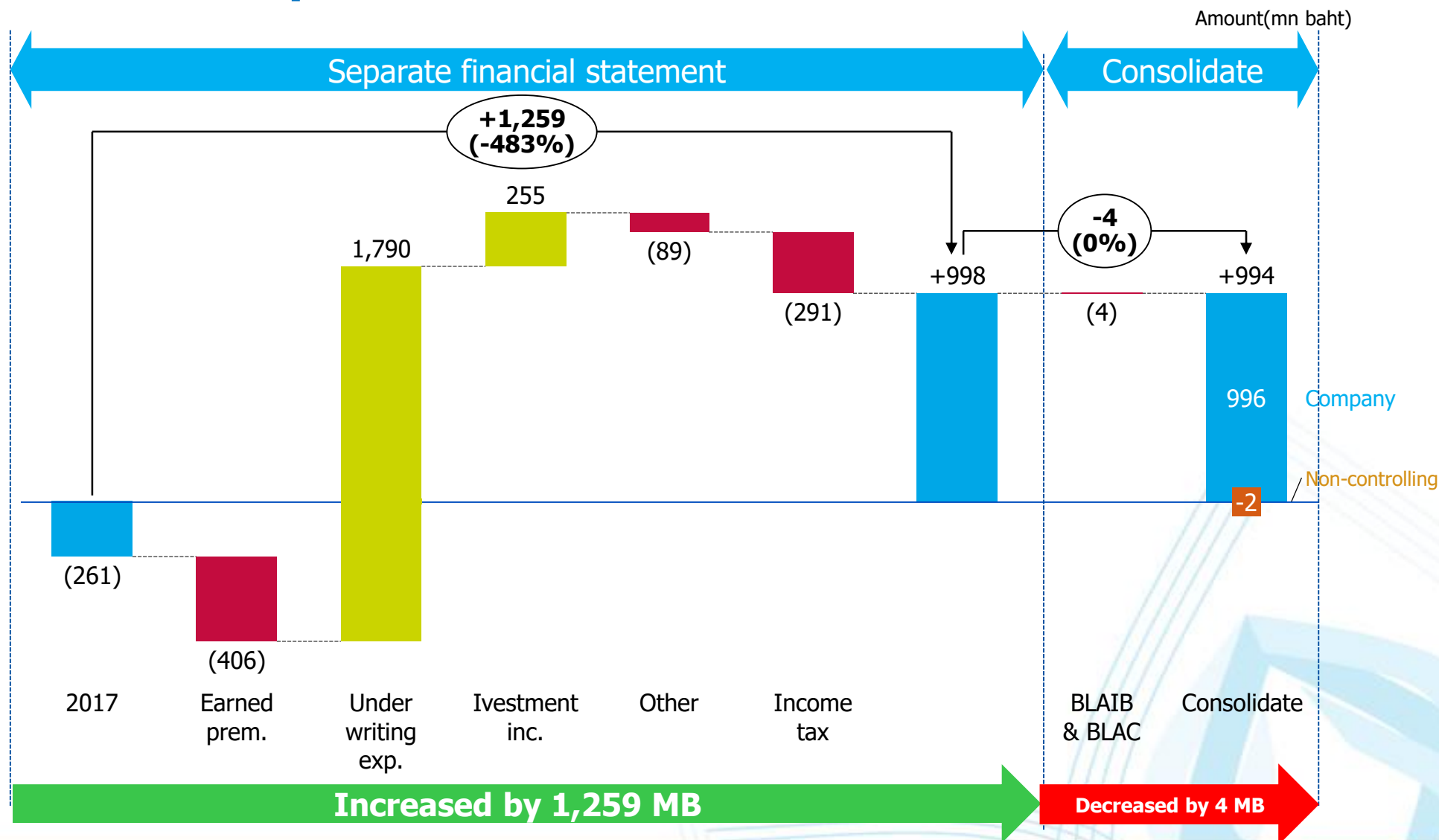
Note:-
Source: BLA financial statement

Equity movement from 31 Dec 2017 to 30 Sep 2018

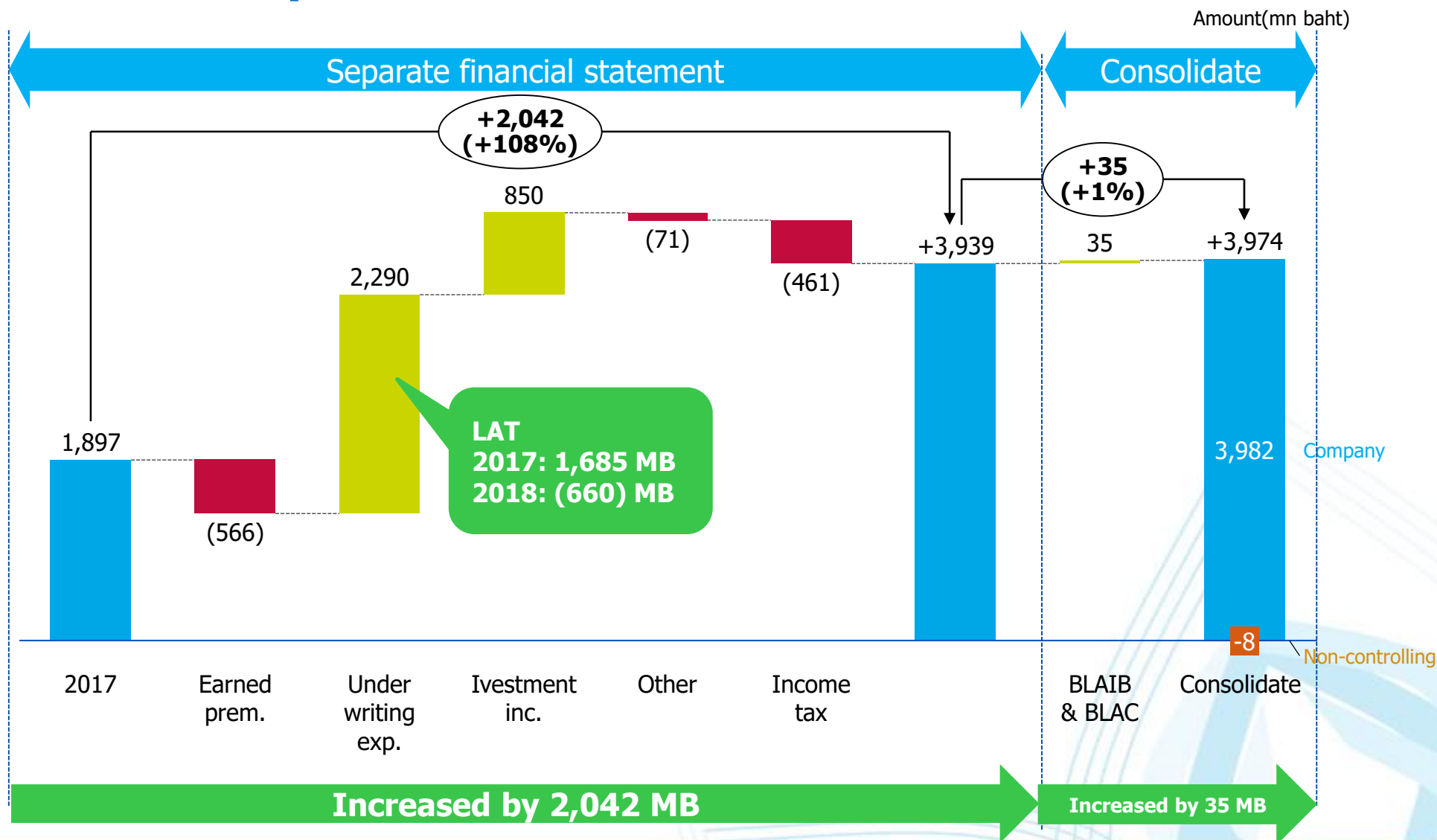


Note:-
Source: BLA financial statement

Profit for the three-month periods ended 30 September 2018



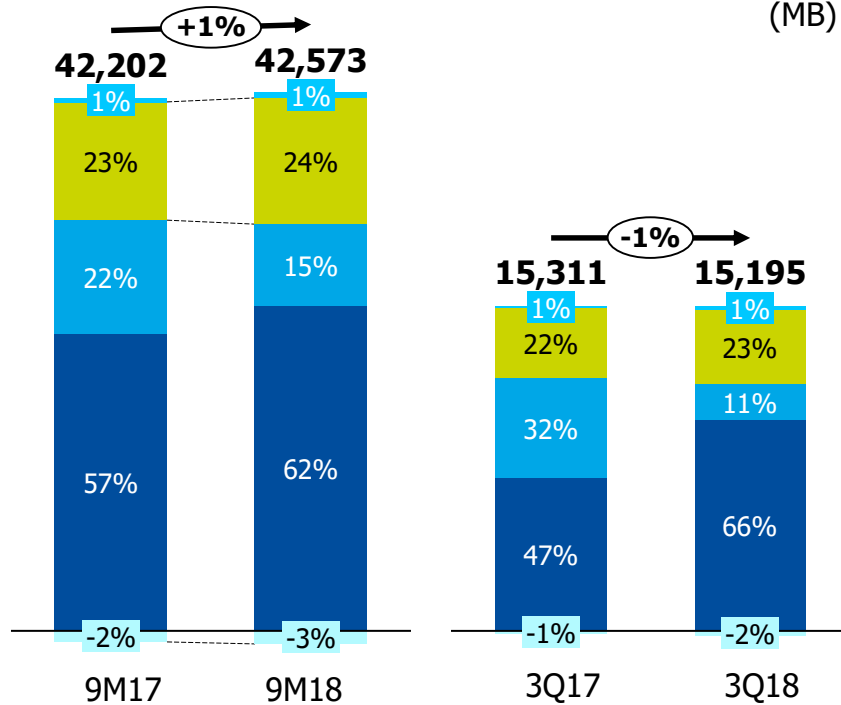
Profit for the nine-month periods ended 30 September 2018



Underwriting exp. in 3Q18 decreased by 11% and for 9 month-ended decreased by 5% mainly from reserve

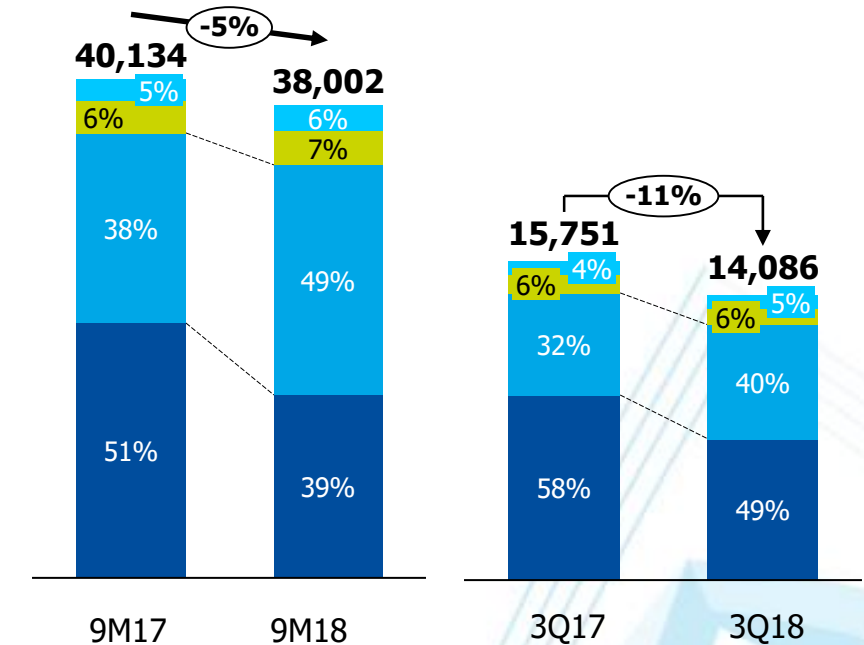
Total income

(MB)



Total expense

(MB)



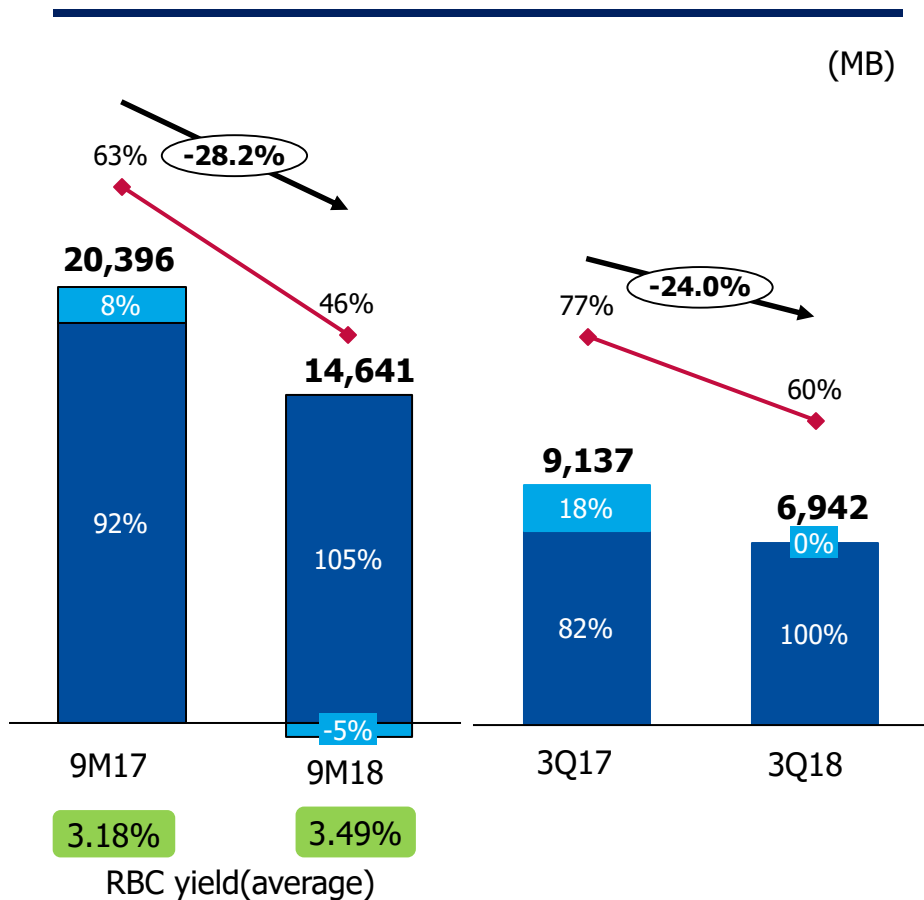
REIN&UPR Other Invest inc. FYP RYP

OPEX Commiss. Policy benefit Life res.

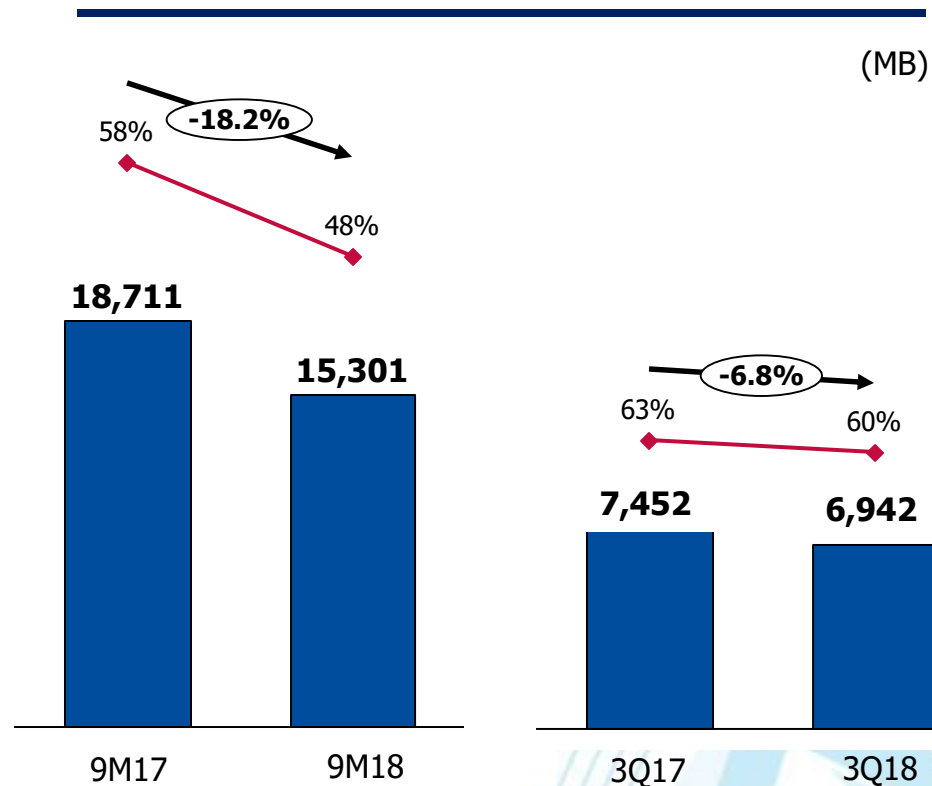
Note:-
Source: BLA financial statement

Life pol. reserve ratio decrease by 24%YoY

Life policy reserve



Life policy reserve exclude LAT

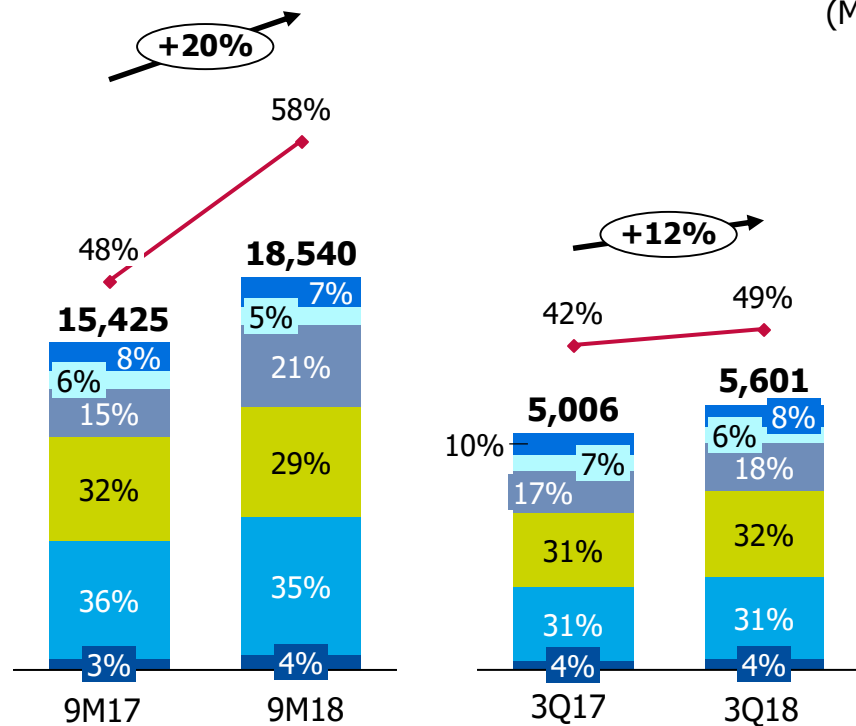


Note:-
Source: BLA financial statement

Policy benefit payment increased by 12%YoY mainly from surrender

Policy benefit payment

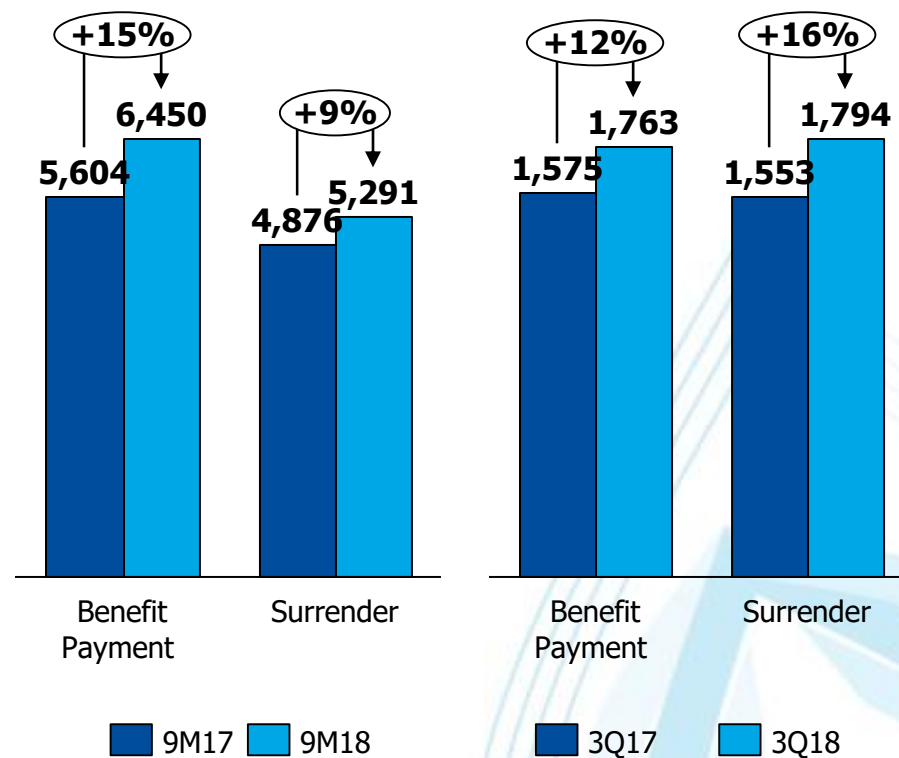
(MB)



■ Death ■ Surrender ↗ % net prem.
■ Claim ■ Benefit Payment
■ Maturity ■ Others

Major line items

(MB)



Source: BLA financial statement

CEO MESSAGE

M.L. JIRASETH SUKHASVASTI



ก้าวสู่นาคตที่ยั่งยืน ...



Be a Leader

- **Vision** และ **Mission** ของ BLA
- เป้าหมาย/ ยุทธศาสตร์หลักที่จะขับเคลื่อนองค์กรสู่ความสำเร็จ

Be a Professional

- พัฒนาช่องทางการขายที่มีประสิทธิภาพมากขึ้น
- ความร่วมมือกับพันธมิตรทางการเงินให้มีความแข็งแกร่ง
- การพัฒนาศักยภาพตัวแทนและที่ปรึกษาการเงิน บีแอลเอ FA 3B

Be Customer Centric

- การปรับกลยุทธ์ผลิตภัณฑ์ เจาะกลุ่มลูกค้าให้ตรงใจเหมาะแก่การวางแผนตามเป้าหมายการเงินของแต่ละบุคคล
- ความคุ้มครองที่ครอบคลุมทั้งสัญญาหลักและสัญญาเพิ่มเติม

Be Innovative

- ก้าวสู่ ดิจิทัล ด้วย แอปพลิเคชันและบริการในช่องทางออนไลน์ กลุ่มลูกค้า และตัวแทน ให้ได้รับความสะดวกสบายมากยิ่งขึ้น
- ช่องทางการสื่อสารกับลูกค้าใหม่ คือ **Line** และ **Mobile Application** → BLA Happy Life

Q & A



กรุงเทพมหานครประกันชีวิต
ชีวิตที่มีความสุขมากกว่า