



# Analyst Meeting Presentation 4Q22 & 2022 Financial Results

23 Feb 2023

# Agenda

---

**1 4Q22 and 2022 performance summary** (K.Chaiyapol Inthuprabha – SVP, Corporate Strategy & Planning)

**2 Key Highlights**

**2.1 Premiums and Business & Operation** (K.Chaiyapol Inthuprabha – SVP, Corporate Strategy & Planning)

**2.2 Investments** (K. Nattachai Rangpholsamrit, AVP - Equity Investment Department)

**2.3 P&L and Key accounting change** (K. Jaruwan Limkhunthammo – EVP, Accounting and Finance)

**2.4 EV & VNB** (K. Jakkrapong Sangkeaw– SVP, Actuary Division)

**3 Outlook** (K. Chone Sophonpanich, President and Chief Executive Officer )

**4 Q&A**

# Agenda

---

**1** **4Q22 and 2022 performance summary** (K.Chaiyapol Inthuprabha – SVP, Corporate Strategy & Planning)

**2** **Key Highlights**

2.1 Premiums and Business & Operation

2.2 Investments

2.3 P&L and Key accounting change

2.4 EV & VNB

**3** **Outlook**

**4** **Q&A**

# 4Q22 Performance summary

---

**2,174 MB**

First year premium

+35%YoY, +4%QoQ

**6,667 MB**

Renewal Year Premium

+4%YoY, -20%QoQ

**8,841 MB**

Total Premium

+11%YoY, -15%QoQ

**3.72%**

ROI

-6bps YoY, -27bps QoQ

Due to lower realized gain

**279 MB**

Net Profit

+2%YoY, -70%QoQ

**377%**

CAR

3Q22: 363%

## 2022 Performance summary

---

**6,925 MB**

First year premium

+11%YoY

**28,906 MB**

Renewal Year Premium

-2%YoY

**35,831 MB**

Total Premium

+0.3%YoY

**3.99%**

ROI

(2021: 3.97%)

From higher interest &  
dividends

**3,212 MB**

Net Profit

+0.5%YoY

**377%**

CAR

2021: 301%

From rising bond yield

**68,901 MB**

EV

+1% YoY

**3,006 MB**

VNB

+34% YoY

From product management  
& ROI

# Agenda

---

1 4Q22 and 2022 performance summary

2 Key Highlights

**2.1 Premiums and Business & Operation** (K.Chaiyapol Inthuprabha – SVP, Corporate Strategy & Planning)

2.2 Investments

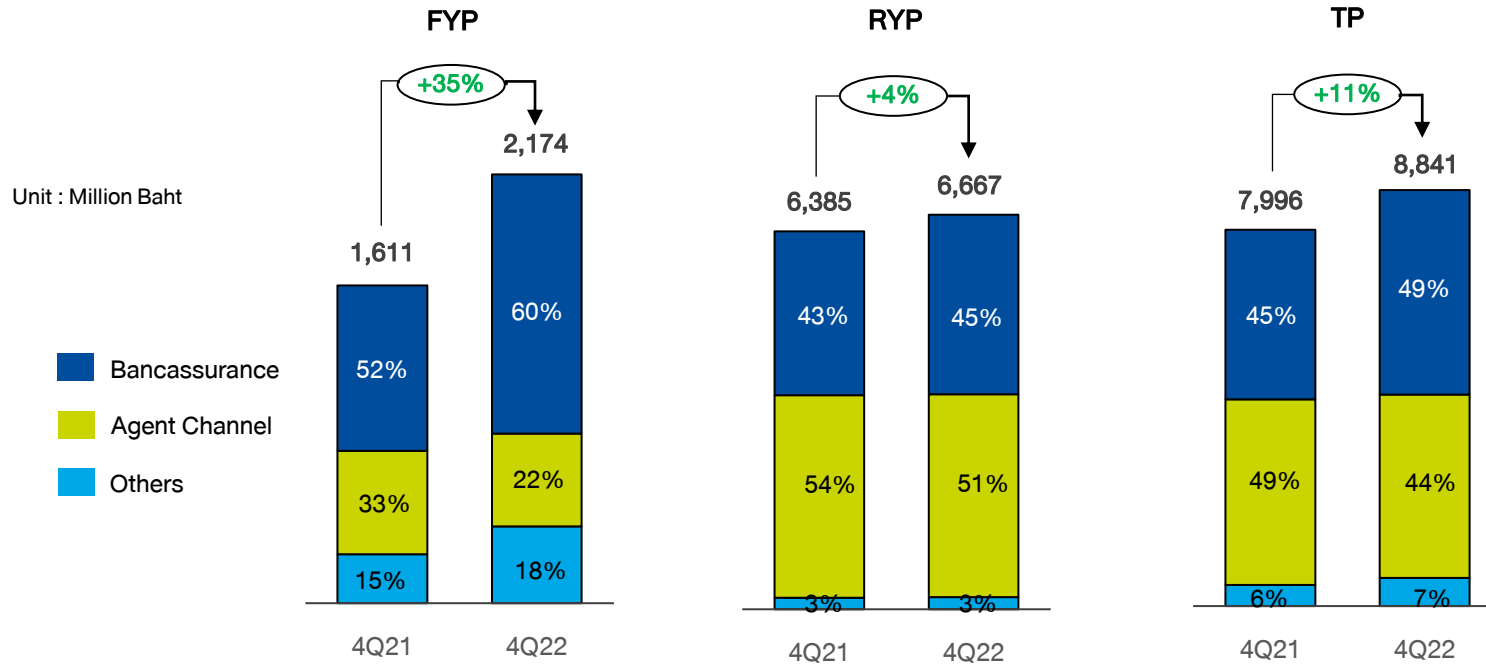
2.3 P&L and Key accounting change

2.4 EV & VNB

3 Outlook

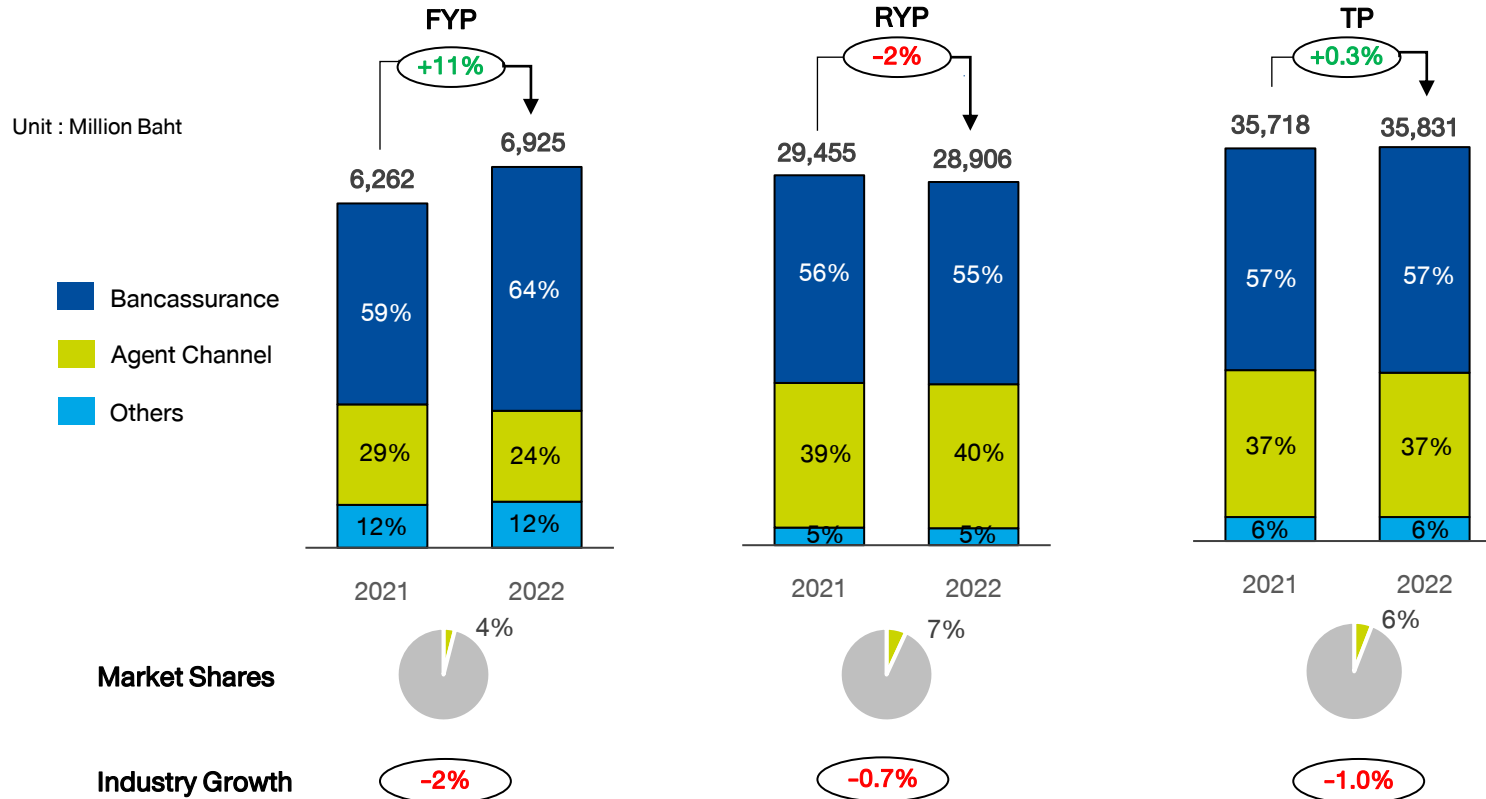
4 Q&A

# 4Q22: FYP +35%YoY due mainly to FYP growth from Banca channel, RYP +4%YoY, resulting in TP +11%YoY



# 2022: FYP +11%YoY, which higher than industry growth.

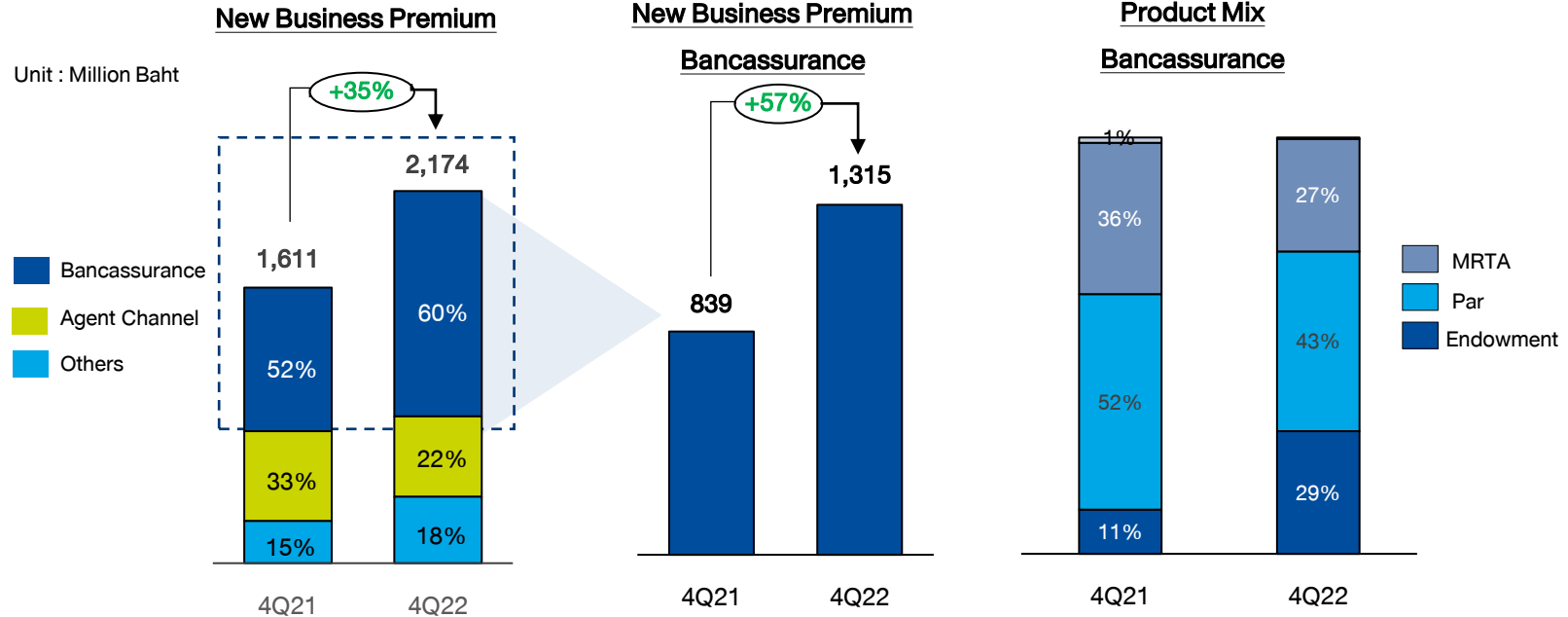
## RYP is still in line with expectation





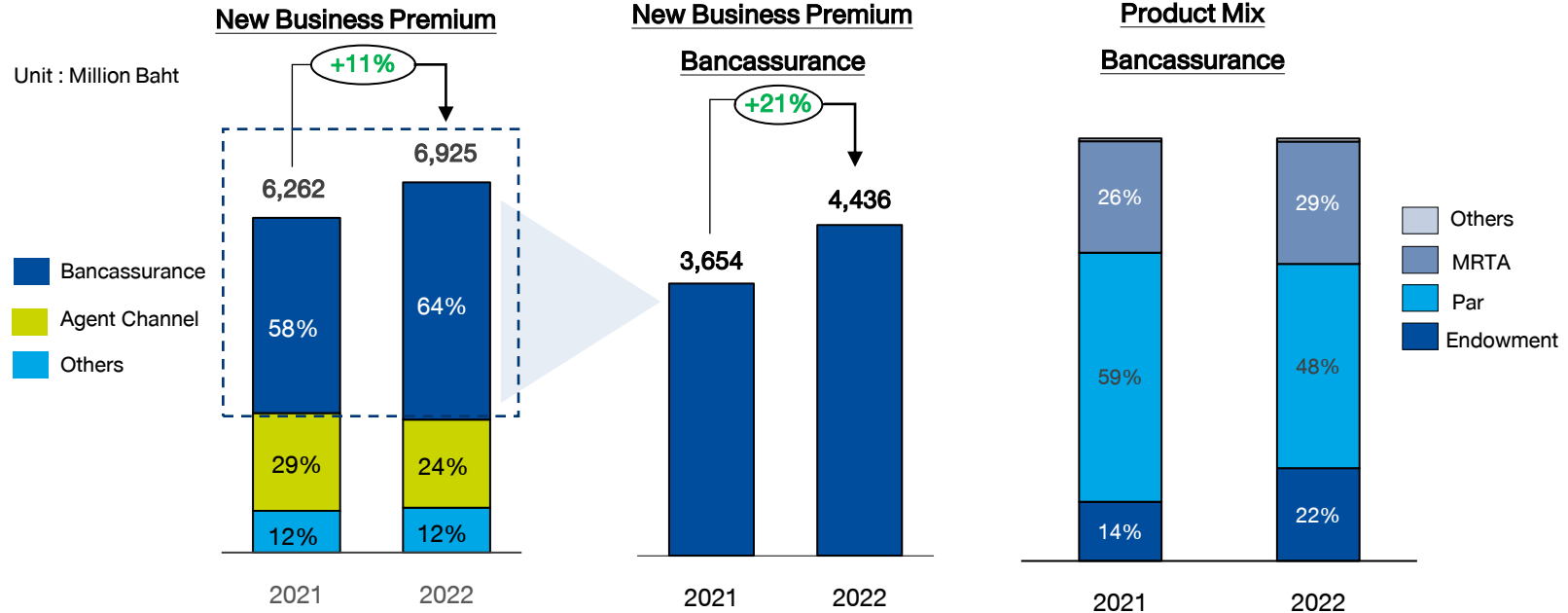
# Banca: 4Q22 FYP +57%YoY

## Growth in all categories



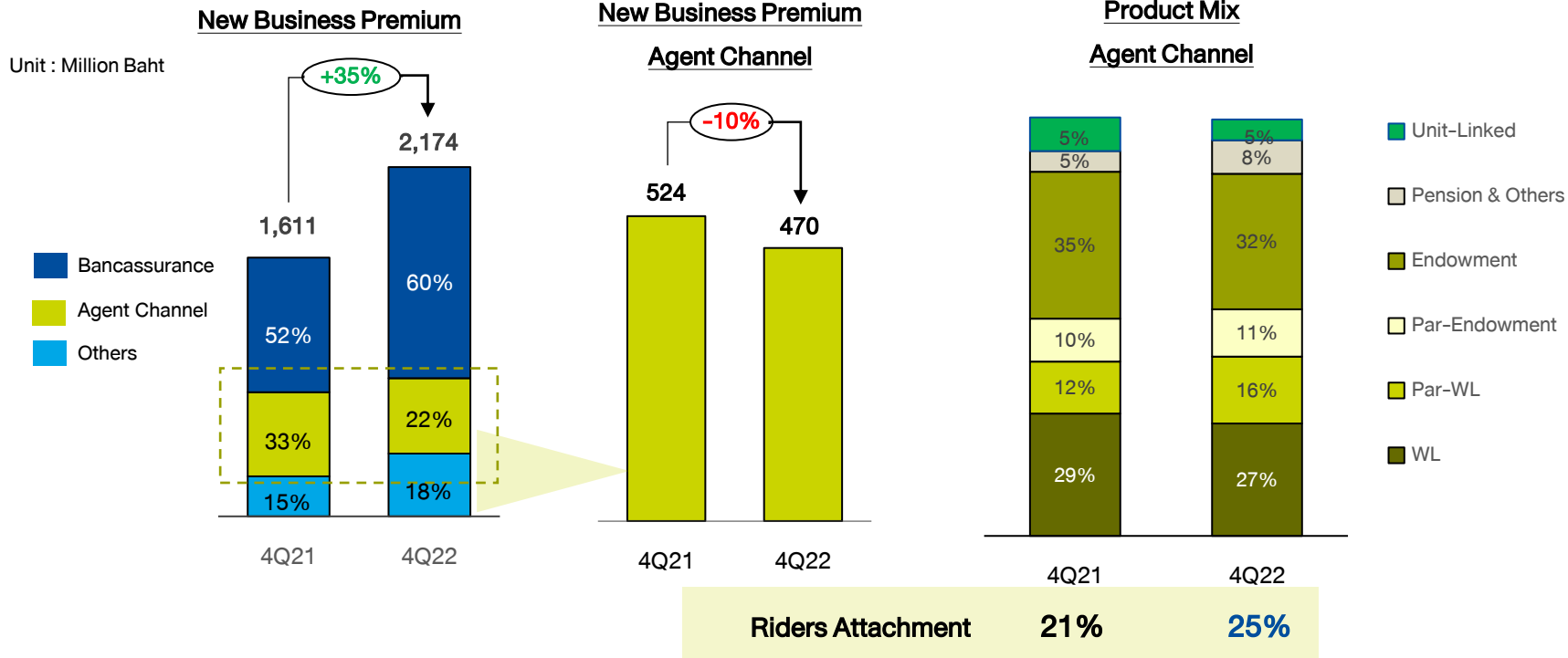
# 2022 Banca: FYP +21%YoY

## Growth in all categories



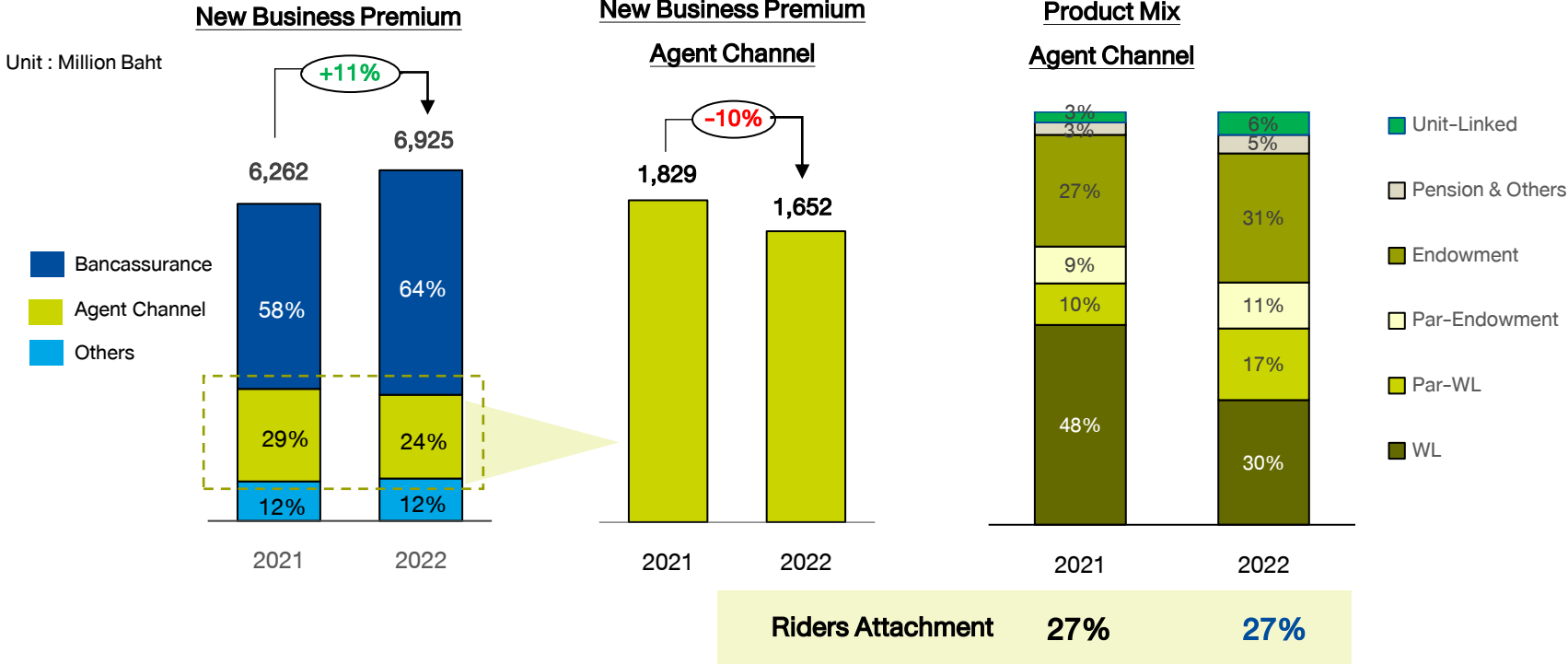
# Agent : 4Q22 FYP -10%YoY

## Protection product is the main focus



# 2022 Agent: FYP -10% YoY

## Par product + Unit-Linked accounted for one-third of product mix



# 2022 – Alternative channel

## Online: +48% FYP growth

(Achieved excellent results amidst industry negative growth)



## Partnership : FYP+18%YoY

(Expanding products on-shelf with partners)



## Direct Marketing: FYP -7%YoY



## Group : FYP -1% YoY

(Due to price competition)



# Agenda

---

1 4Q22 and 2022 performance summary

2 Key Highlights

2.1 Premiums and Business & Operation

**2.2 Investments** (K. Nattachai Rangpholsamrit, AVP - Equity Investment Department)

2.3 P&L and Key accounting change

2.4 EV & VNB

3 Outlook

4 Q&A

# 4Q22 saw no significant change QoQ

## YoY saw increase in ST investment from lower EQ allocation

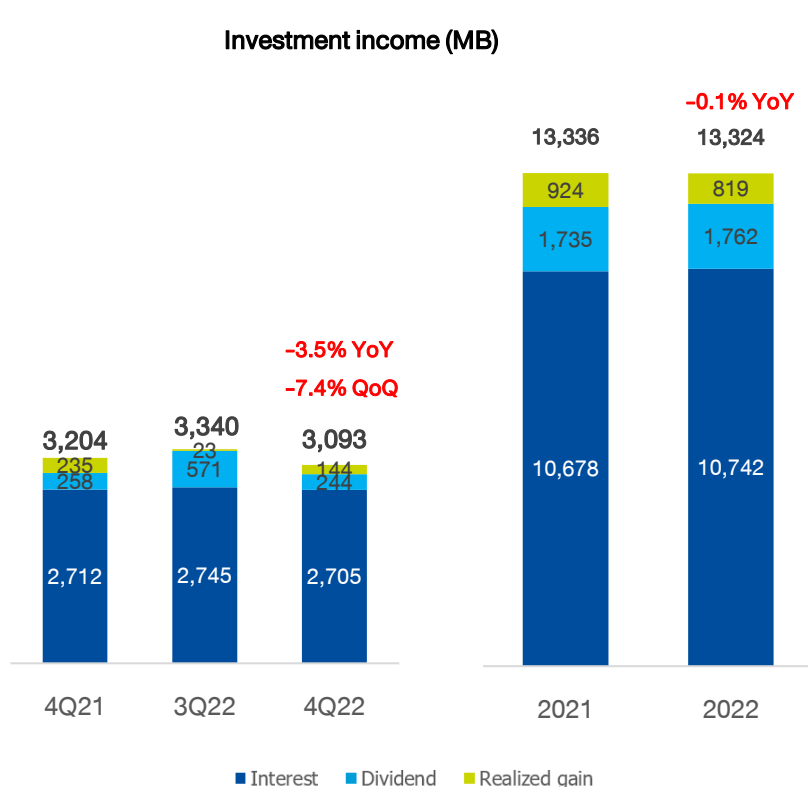
Asset Class	4Q21	3Q22	4Q22	Remark for movement
ST Investment	2.3%	3.5%	3.8%	Reserved for benefit payment
Bonds	48.0%	48.0%	48.2%	
Debenture & Notes	32.0%	32.1%	31.7%	
<b>Total Fixed Income</b>	<b>82.3%</b>	<b>83.6%</b>	<b>83.7%</b>	
Equity	9.2%	8.7%	8.5%	} Lower allocation due to 1) Price movement 2) relocation to fixed income
REIT	5.0%	4.2%	4.3%	
Loan	3.5%	3.5%	3.5%	
- Policy loan	2.8%	2.9%	2.9%	
- Secured loan	0.7%	0.6%	0.6%	
<b>Total Investment Assets (MB)</b>	<b>338,714</b>	<b>333,085</b>	<b>333,164</b>	

Foreign currencies account for 6.0% (flat QoQ) of investment assets as of Dec 2022

Fixed income 3.4% (flat QoQ) Equity 2.0% (+0.1% QoQ) REIT 0.6% (-0.1% QoQ)

# 4Q22: investment income -3.5% YoY from lower realized gain

2022: -0.1% YoY, lower realized gain was offset by higher interest and dividend income



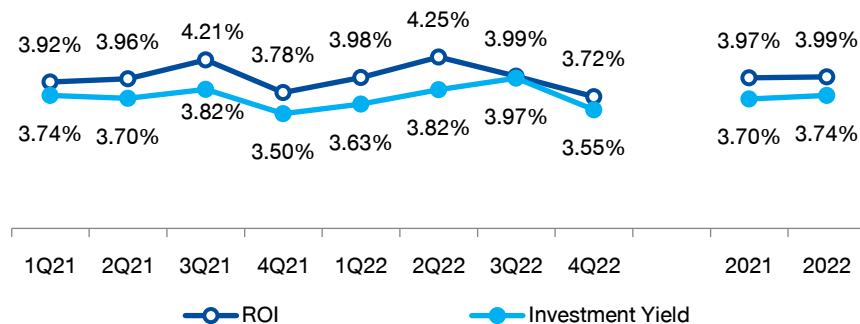
## INVESTMENT INCOME:

- 4Q22 -3.5% YoY from realized gain
- FY2022 almost flat YoY as lower realized gain was offset by higher interest and dividend

- INVESTMENT YIELD in 2022 improved by 4 bps YoY to 3.74%

## Key investment performance

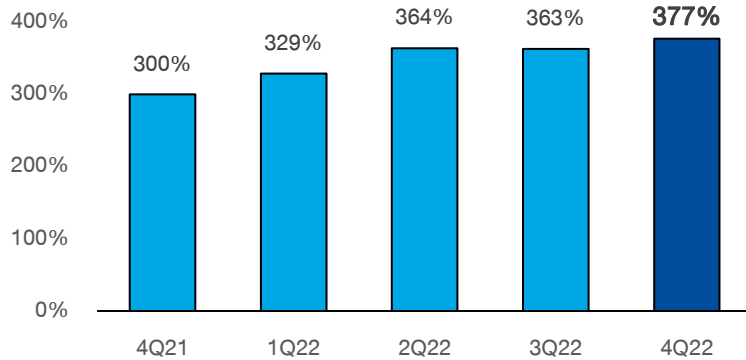
- Interest income increase due to higher reinvestment rate and ST yield
- Dividend income rose YoY from better earnings of listed companies.
- Realized gain dropped 11% YoY due to muted Equity market.





# CAR increased to 377% in 4Q22 (+77% YTD, +14% QoQ)

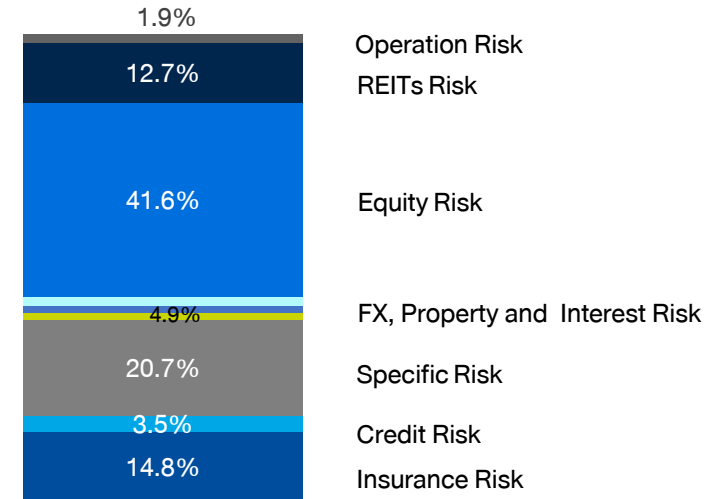
The increase YTD is due to rising yield curve



Company	CAR
TLI	358%
AIA	339%
AZAY	336%
FWD	333%
MTL	320%
KTAL	262%

## Total Capital Required (TCR)

Risk charged by type to TCR



# Agenda

---

1 4Q22 and 2022 performance summary

2 Key Highlights

2.1 Premiums and Business & Operation

2.2 Investments

**2.3 P&L and Key accounting change** (K. Jaruwan Limkhunthammo – EVP, Accounting and Finance)

2.4 EV & VNB

3 Outlook

4 Q&A

# Statement of financial positions

	31 Dec 22		31 Dec 21		Inc / Dec	
	MB	%	MB	%	MB	%
<b>Assets</b>						
Cash and cash equivalents	12,681	4%	7,637	2%	5,044	66%
Investment assets	320,488	94%	331,083	95%	(10,595)	-3%
Other assets	9,441	3%	8,423	2%	1,018	12%
<b>Total assets</b>	<b>342,611</b>	<b>100%</b>	<b>347,143</b>	<b>100%</b>	<b>(4,532)</b>	<b>-1%</b>
<b>Liabilities and owners' equity</b>						
<b>Liabilities</b>						
Insurance contract liabilities	294,757	86%	295,480	85%	(723)	0%
Other liabilities	3,071	1%	3,697	1%	(626)	-17%
<b>Total liabilities</b>	<b>297,828</b>	<b>87%</b>	<b>299,177</b>	<b>86%</b>	<b>(1,349)</b>	<b>0%</b>
<b>Owners' equity</b>	<b>44,783</b>	<b>13%</b>	<b>47,966</b>	<b>14%</b>	<b>(3,183)</b>	<b>-7%</b>
<b>Total liabilities and owners' equity</b>	<b>342,611</b>	<b>100%</b>	<b>347,143</b>	<b>100%</b>	<b>(4,532)</b>	<b>-1%</b>
<b>Owners' equity</b>						
Share capital	1,708	0%	1,708	0%	-	0%
Premium on share capital	3,361	1%	3,361	1%	-	0%
Retained earnings	36,241	11%	34,522	10%	1,719	5%
Other component of equity	3,474	1%	8,375	2%	(4,902)	-59%
Non-controlling interests of the subsidiaries	0.28	0%	0.26	0%	0.02	7%
<b>Total owners' equity</b>	<b>44,783</b>	<b>13%</b>	<b>47,966</b>	<b>14%</b>	<b>(3,183)</b>	<b>-7%</b>

## **ASSETS decrease 4,532 MB**

Total assets decrease from 2021 mainly due to decreasing the market value of investment classified as FVOCI.

## **Liabilities decrease 1,349 MB**

Insurance contract liabilities decrease by 723 MB

## **Owners' equity decrease 3,183 MB**

- RE + 1,719 MB from profit for 2022 +3,212 MB and dividend payment -1,497 MB.
- Other component of equity -4,902 MB mainly from decreasing on FV from investment at FVOCI.

# 4Q2022 Financial Summary

Million Baht				Common Size						
	4Q22	4Q21	%YoY	2022	2021	%YoY	4Q22	4Q21	2022	2021
First year premium	2,174	1,611	35%	6,925	6,262	11%	25%	21%	20%	18%
Renewal premium	6,667	6,385	4%	28,906	29,455	-2%	77%	85%	84%	87%
REIN&UPR	(214)	(449)	52%	(1,252)	(1,725)	27%	-2%	-6%	-4%	-5%
<b>Total Net Premium (TNP)</b>	<b>8,627</b>	<b>7,546</b>	<b>14%</b>	<b>34,579</b>	<b>33,992</b>	<b>2%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Investment income	2,719	3,062	-11%	12,959	13,385	-3%	32%	41%	37%	39%
Other income	225	254	-11%	647	791	-18%	3%	3%	2%	2%
<b>Total Income</b>	<b>11,572</b>	<b>10,862</b>	<b>7%</b>	<b>48,185</b>	<b>48,169</b>	<b>0%</b>	<b>134%</b>	<b>144%</b>	<b>139%</b>	<b>142%</b>
Life policy reserve	(3,018)	(2,495)	-21%	1,124	5,364	-79%	-35%	-33%	3%	16%
Benefit payments	12,712	11,326	12%	38,168	33,653	13%	147%	150%	110%	99%
Commission and Brokerage	708	707	0%	2,596	2,718	-4%	8%	9%	8%	8%
Other underwriting expense	176	141	24%	741	551	34%	2%	2%	2%	2%
<b>Total Underwriting Expense</b>	<b>10,578</b>	<b>9,679</b>	<b>9%</b>	<b>42,629</b>	<b>42,286</b>	<b>1%</b>	<b>123%</b>	<b>128%</b>	<b>123%</b>	<b>124%</b>
Operating Expense	481	469	3%	1,650	1,647	0%	6%	6%	5%	5%
Expected Credit Loss	183	385	-52%	127	472	-73%	2%	5%	0%	1%
<b>Total Expense</b>	<b>11,242</b>	<b>10,533</b>	<b>7%</b>	<b>44,406</b>	<b>44,405</b>	<b>0%</b>	<b>130%</b>	<b>140%</b>	<b>128%</b>	<b>131%</b>
<b>Earning before tax</b>	<b>330</b>	<b>329</b>	<b>0%</b>	<b>3,779</b>	<b>3,764</b>	<b>0%</b>	<b>4%</b>	<b>4%</b>	<b>11%</b>	<b>11%</b>
Income Tax	(50)	(54)	7%	(568)	(568)	0%	-1%	-1%	-2%	-2%
<b>Net income</b>	<b>279</b>	<b>274</b>	<b>2%</b>	<b>3,212</b>	<b>3,196</b>	<b>0%</b>	<b>3%</b>	<b>4%</b>	<b>9%</b>	<b>9%</b>
<b>EPS</b>	<b>0.16</b>	<b>0.16</b>		<b>1.88</b>	<b>1.87</b>					

## 4Q22

**TNP +14%** mainly from FYP +35%.

**Investment income -11%** mainly from decreasing gain on FX and realized gain.

**Underwriting exp +9%** in line with premium.

**ECL -52%** from decreasing impairment.

**Net profit +2%** mainly from FYP.

## 2022

**TNP +2%** from FYP +11%.

**Investment income -3%** mainly from decreasing gain on FX and realized gain.

**Underwriting exp +1%** in line with premium.

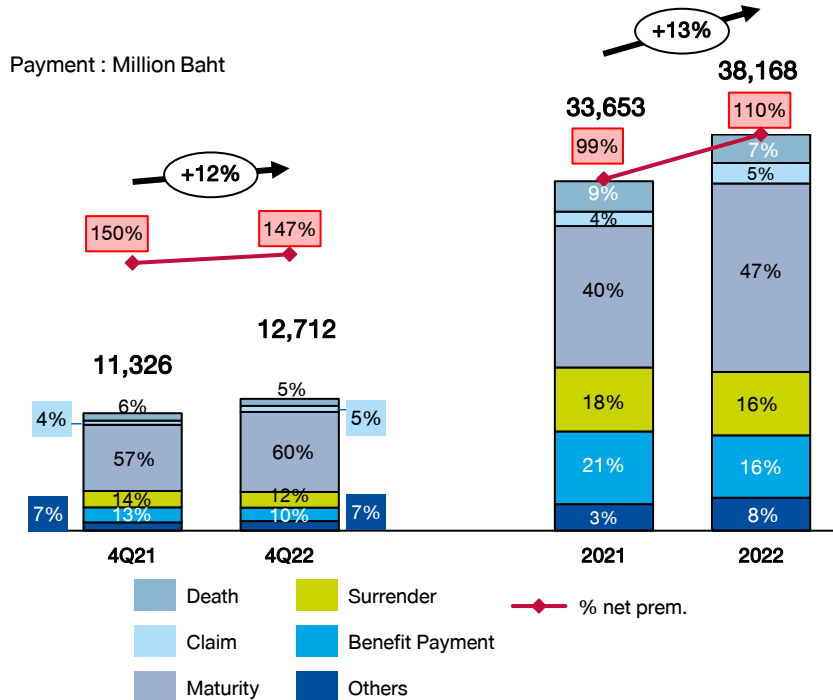
However, Reserve & Benefit ratio is a bit higher than expected.

We always focus on OPEX management.

**Net profit** is not significant change.

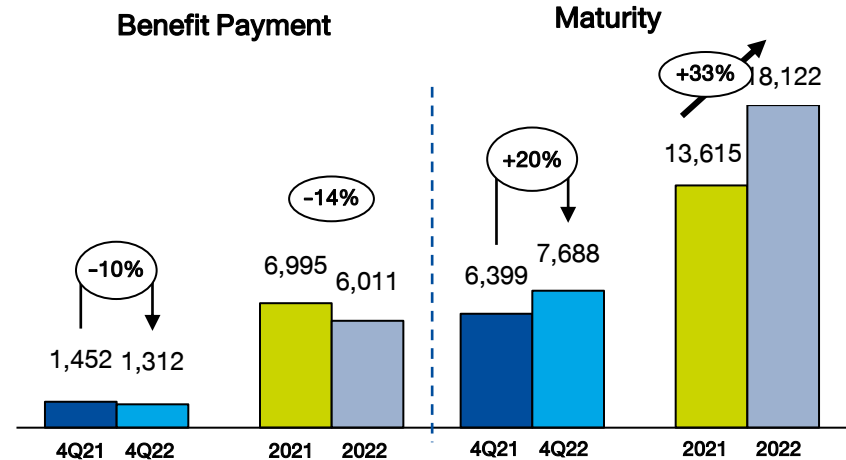
# Policy benefit payment

## Policy benefit payment



## Major line item

Payment : Million Baht



# Agenda

---

1 4Q22 and 2022 performance summary

2 Key Highlights

2.1 Premiums and Business & Operation

2.2 Investments

2.3 P&L and Key accounting change

**2.4 EV & VNB** (K. Jakkrapong Sangkeaw– SVP, Actuary Division)

3 Outlook

4 Q&A

# EV Valuation Methodology & Assumptions

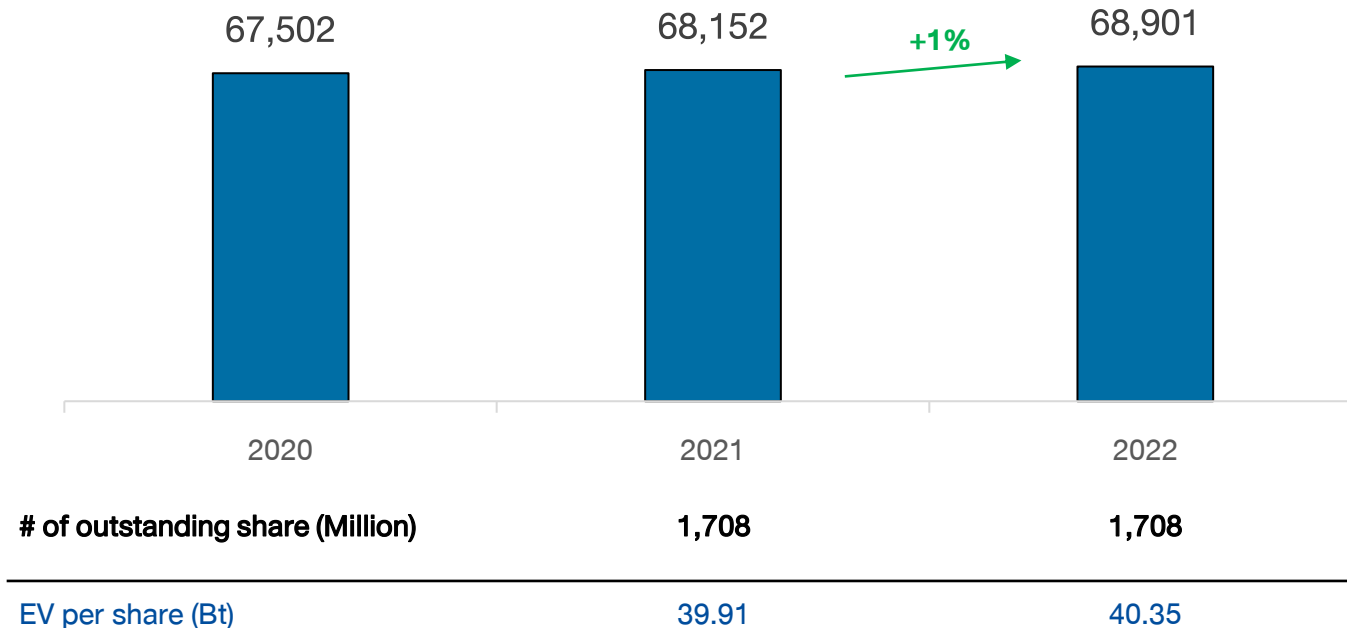
Methodology	Assumptions
<ul style="list-style-type: none"><li>▪ BLA has adopted a traditional discounted cash flow methodology to determine the components of Embedded Value (EV)</li><li>▪ This is a common methodology currently used by life insurance companies in Asia</li></ul> <p><b>Component of EV</b></p> <div data-bbox="253 649 879 951"><p><b>ANW</b> (Adjusted Net Worth) Excess of market value of assets over statutory liabilities</p><p>+</p><p><b>VIF</b> (Value of In-force Business) Discounted value of distributable earnings from In-Force business</p></div>	<p><b>Economic Assumption</b></p> <ul style="list-style-type: none"><li>▪ Risk Discount Rate 8.3% (2021: 8.3%)</li><li>▪ Investment Return 3.75% (2021: 3.25%)</li><li>▪ Capital Adequacy Ratio 140% (2021 : 140%)</li><li>▪ Tax Rate 20% (2021 : 20%)</li><li>▪ Tax on Investment Return 19% (2021 : 19%)</li></ul> <p><b>Non-Economic Assumption</b></p> <ul style="list-style-type: none"><li>▪ Lapse, mortality, morbidity and expense assumption are prudent best estimate of BLA's future experience based on recent experience studies and business environment in Thailand.</li></ul>

# EV increases by 1% or 749 MB after dividend payment

(EV increases 2,247 MB before dividend payment)

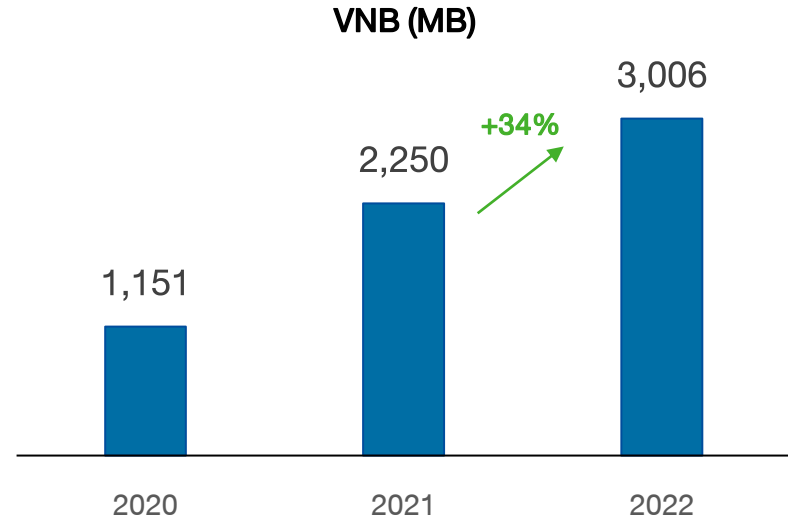
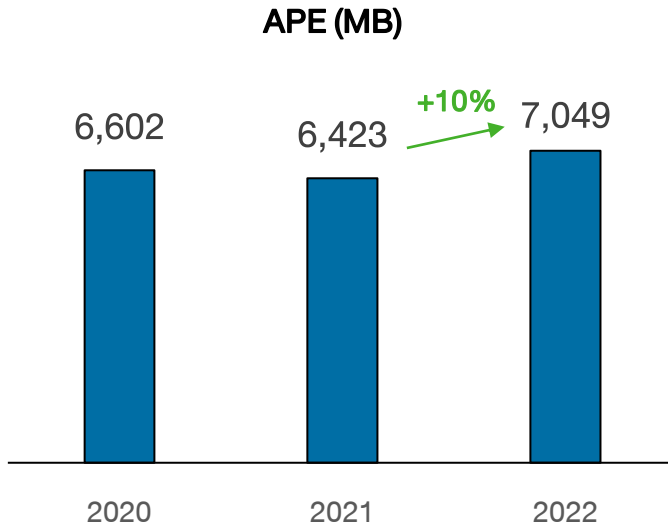
---

- EV increases by 1% or 749 MB from 2021, due to Value of New Business.





# VNB and Annualized First Year Premium increase



**VNB  
Margin**

17.4%

35.6%

42.6%

- APE increases in 2022.

- VNB significantly increases by 34% in 2021 due to the product management and an increase in ROI.

# Agenda

---

1 4Q22 and 2022 performance summary

2 Key Highlights

2.1 Premiums and Business & Operation

2.2 Investments

2.3 P&L and Key accounting change

2.4 EV & VNB

3 **Outlook** (K. Chone Sophonpanich, President and Chief Executive Officer )

4 Q&A

# Highlights in 2022 and 2023 key focus areas

## Highlights in 2022

1

VNB reached 3,000 MB

2

Achieved double digit FYP growth amidst industry stagnant growth

3

THSI for 2 consecutive years

## Key focus areas in 2023

1

Expand number of new quality agents

2

Grow younger-gen customer bases via online channel

3

Health products and services

# Q&A