



# Analyst Meeting Presentation 4Q23 & 2023 Financial Results

28 Feb 2024

# Agenda

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1

## 4Q23 & 2023 performance summary

### Premiums and Business & Operation

(K.Chaiyapol Inthuprabha – SVP, Corporate Strategy & Planning)

2

## Key Highlights

**2.1 Investments** (K.Chollada Sophonpanich –EVP, Investment Division)

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

**2.3 EV & VNB** (K. Phakin Tiyasaengthong – VP, Actuary Division)

3

**Key focus areas in 2024** (K. Chone Sophonpanich, President and Chief Executive Officer )

4

Q&A

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- 1** **4Q23 & 2023 performance summary**  
**Premiums and Business & Operation** (K.Chaiyapol Inthuprabha – SVP, Corporate Strategy & Planning)
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# 4Q23 & 2023 Performance summary

## 4Q23

**4.14%**

ROI

+42 bps YoY, +59 bps QoQ

Due to increase in realized gain

**358 MB**

Net Profit

+28% YoY, -45% QoQ

From higher investment income

**405%**

CAR

3Q23: 378%

From asset allocation

## 2023

**3.77%**

ROI

(2022: 3.99%)

Due to lower realized gain

**2,548 MB**

Net Profit

-21% YoY

From lower realized gain

**405%**

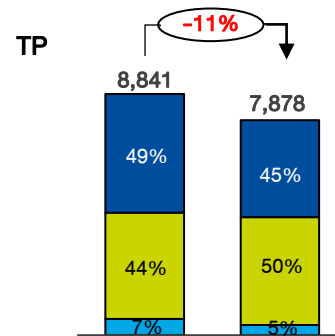
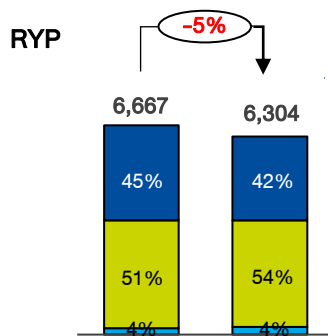
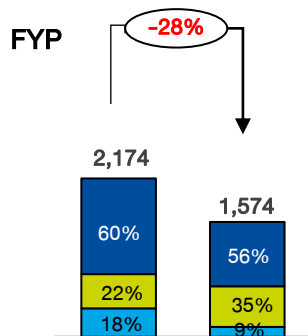
CAR

4Q22: 377%

From asset allocation

# 2023: FYP -1%YoY, RYP -6% as expected, TP -5%YoY

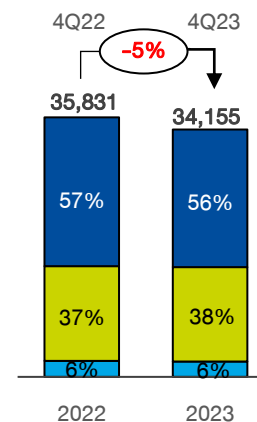
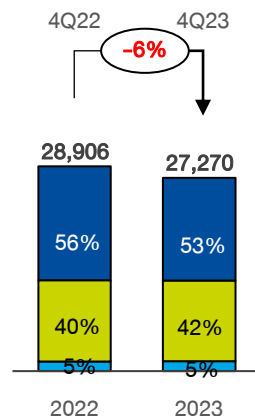
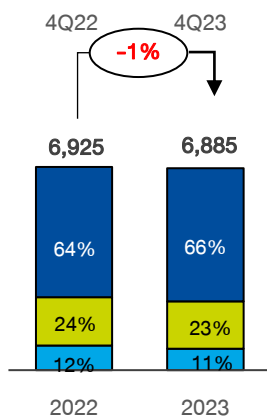
4Q23



Unit : Million Baht

- Bancassurance
- Agent Channel
- Others

2023



5 **BLA Market Shares**

**3.9%**

**Industry Growth**

+5.1%

**6.0%**

+3.1%

**5.4%**

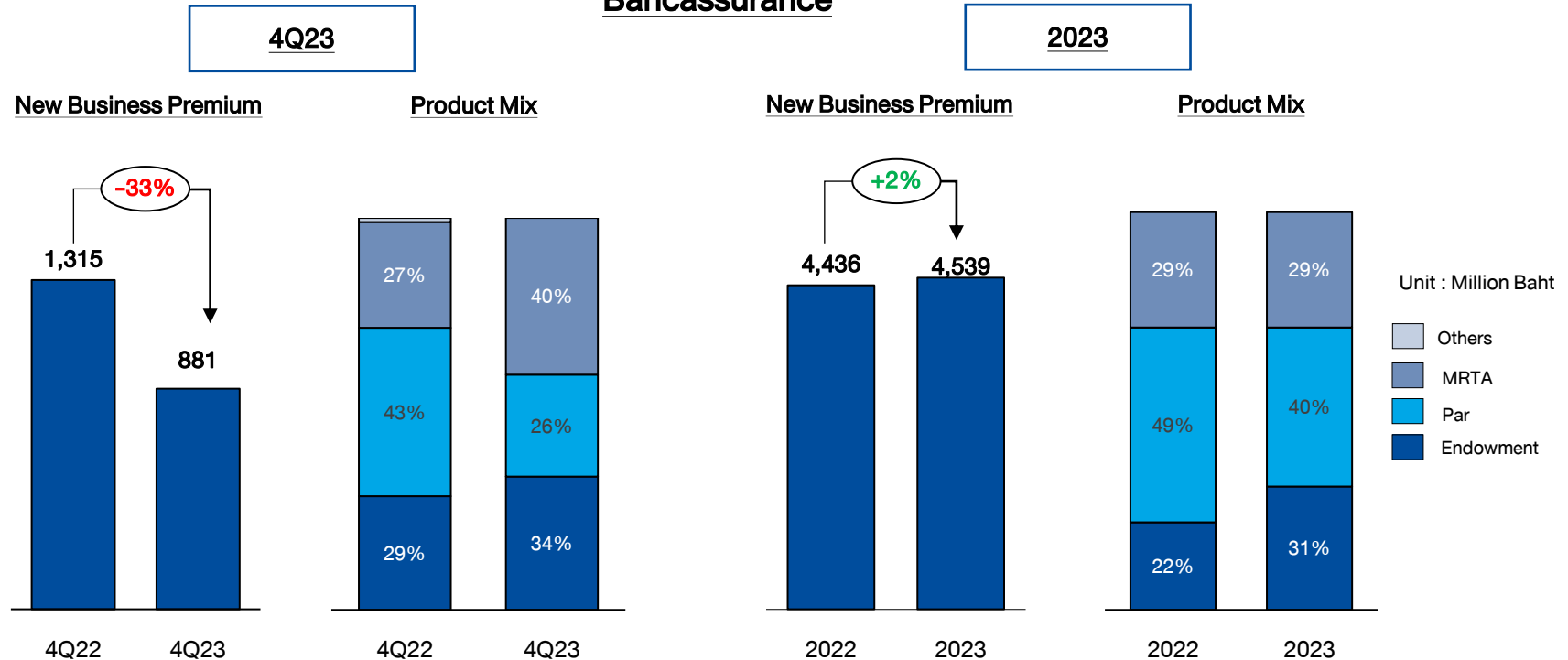
+3.6%

Source : TLAA



# Banca: 2023 FYP +2%YoY, grew from both endowment and MRTA products

## Bancassurance



# Agent : 2023 FYP -2% YoY, but FYP improve significantly in 4Q

## Agent Channel

4Q23

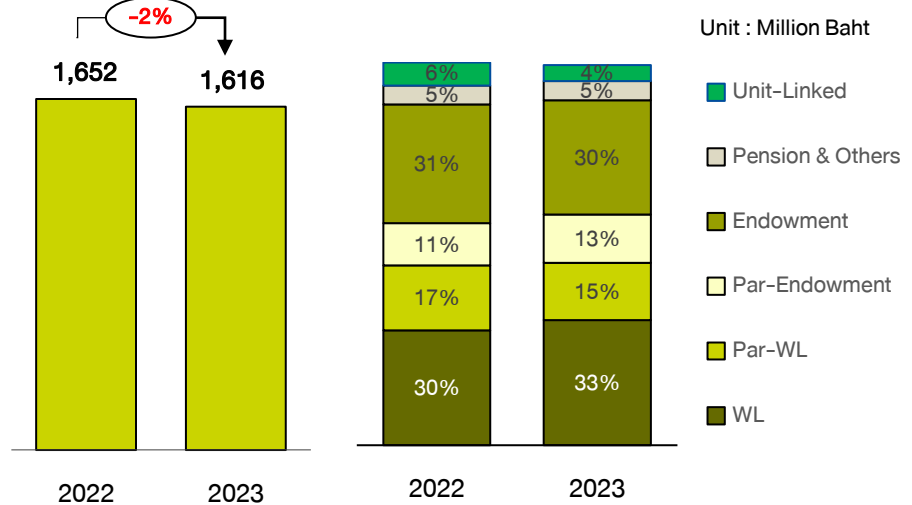
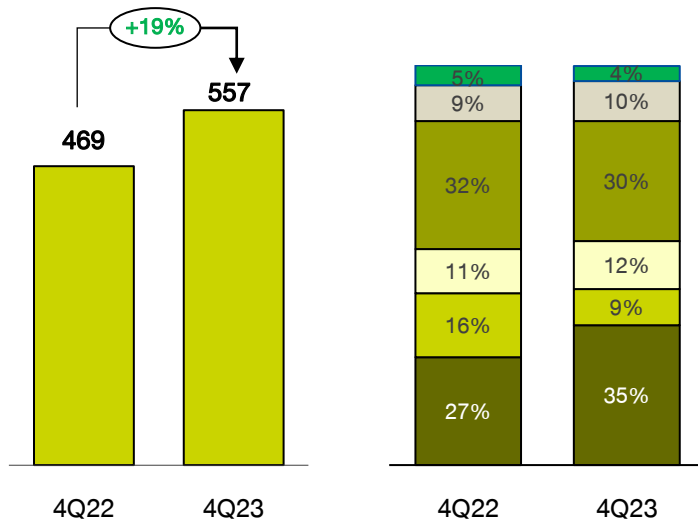
2023

New Business Premium

Product Mix

New Business Premium

Product Mix



Unit : Million Baht

- Unit-Linked
- Pension & Others
- Endowment
- Par-Endowment
- Par-WL
- WL

Riders Attachment

25%

24%

Riders Attachment

27%

27%

New agent

+28%YoY

# 2023 : FYP -13%YoY, strong growth in Partnership channel

## Group : FYP -11%YoY



## Partnership : FYP +81% YoY



## Online : FYP -24%YoY



## Direct marketing : FYP -16%YoY

คุ้มครองมะเร็งและโรคร้ายแรงรวม 50 โรค ด้วยวงเงินสูงถึง 3 ล้านบาท

เบี้ยคงที่ เริ่มต้นแค่วันละ 4 บาท สมัครง่าย โดยไม่ต้องตรวจสุขภาพ

ปรึกษาเรา

(ดูเงื่อนไขเพิ่มเติม)





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# 2023 increased allocation in bond while reduced risky assets

Increased bond during rising yield while EQ/REIT dropped from price and relocation, asset decreased from benefit payment

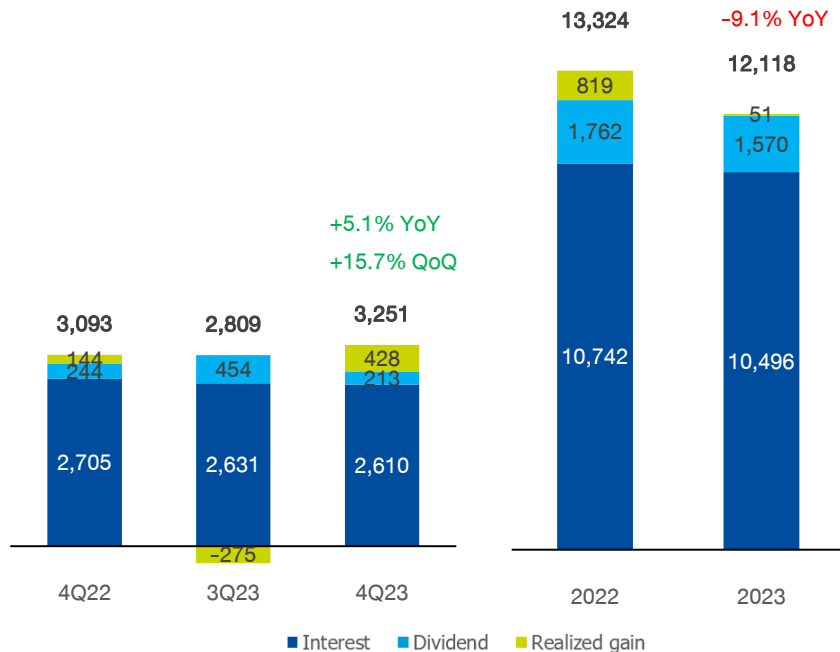
Asset Class	4Q22	3Q23	4Q23	Remark for movement
ST Investment	3.8%	2.1%	5.0%	Proceed from debenture due, reserve for benefit payment.
Bonds	48.2%	49.8%	50.0%	Increase allocation during period of rising bond yield.
Debenture & Notes	31.7%	31.8%	29.7%	
<b>Total Fixed Income</b>	<b>83.7%</b>	<b>83.7%</b>	<b>84.7%</b>	
Equity	8.7%	9.3%	8.1%	Allocation dropped QoQ and YoY from price and allocation
REIT	4.1%	3.3%	3.5%	QoQ increase from price rebound /YoY decrease from price and allocation
Loan	3.5%	3.7%	3.7%	
- Policy loan	2.9%	3.1%	3.1%	
- Secured loan	0.6%	0.6%	0.6%	
<b>Total Investment Assets (MB)</b>	<b>333,164</b>	<b>315,267</b>	<b>316,736</b>	Decrease from benefit payment

- Foreign currencies account for 4.7% (-1.2% QoQ) of investment assets as of Dec 2023
- Fixed income accounts for 2.2% (-1.0% QoQ) Equity 1.9% (-0.3% QoQ) REIT 0.7% (+0.1% QoQ)

## 2023 Investment income declined due to reduced investment assets and realized gains.

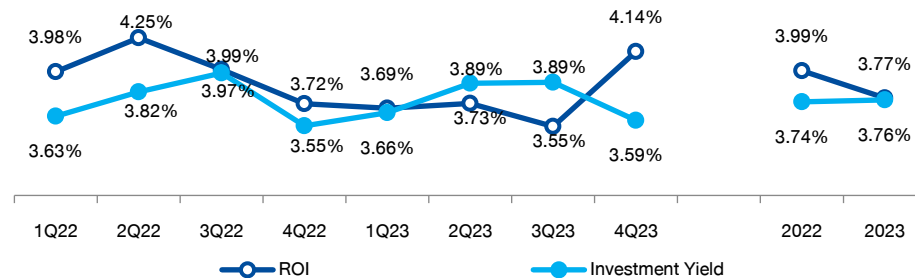
Despite this, Investment yield improved as a result of rising yield curve.

Investment income (MB)

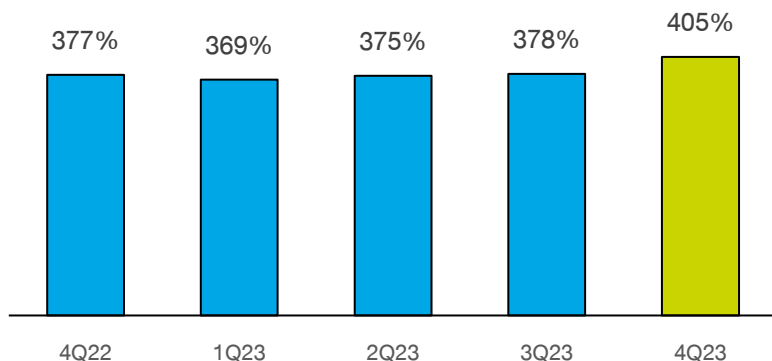


## Key investment performance

- 4Q23 Investment income came to 3.3 bn (+5.1% YoY, +15.7% QoQ) from realized gain.
- 2023 Investment income was Bt 12.1 bn (-9.1% YoY).
  - Lower interest income from lower investment assets.
  - Dividend income dropped from lower DPS & allocation
  - Muted realized gain from unfavorable market conditions.
- 2023 ROI 3.77% (-22 bps YoY) from lower realized gain while Investment yield +2 bps to 3.76% helped by higher yield of new investments.



# CAR increased to 405% in 4Q23 (+28% YoY, +27% QoQ)

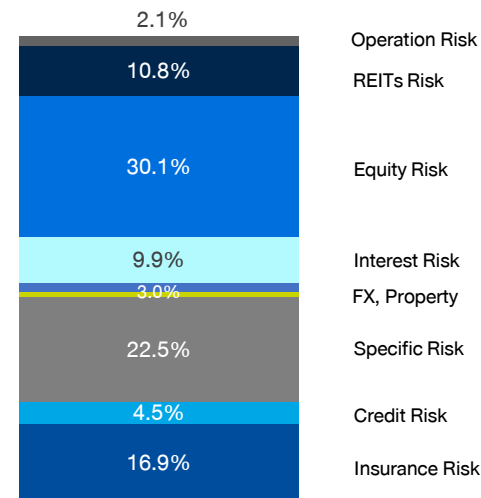


Company	CAR
TLI	373%
AIA	362%
MTL	344%
FWD	336%
AZAY	319%
KTAL	318%

Note: Data as of 3Q23 Source: Life Insurance Company website

## Total Capital Required (TCR)

### Risk charged by type to TCR



- Among the primary risk factors affecting CAR. Equity remains the most significant. Comparatively, interest rate risk (duration gap) has a lesser impact.

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# Statement of financial positions

Consolidated financial statements

	31 Dec 23		31 Dec 22		Inc / Dec	
	MB	%	MB	%	MB	%
<b>Assets</b>						
Cash and cash equivalents	16,084	5%	12,681	4%	3,403	27%
Investment assets	300,772	92%	320,488	94%	(19,717)	-6%
Other assets	9,075	3%	9,441	3%	(366)	-4%
<b>Total assets</b>	<b>325,931</b>	<b>100%</b>	<b>342,611</b>	<b>100%</b>	<b>(16,680)</b>	<b>-5%</b>
<b>Liabilities and owners' equity</b>						
<b>Liabilities</b>						
Insurance contract liabilities	278,896	86%	294,757	86%	(15,861)	-5%
Other liabilities	2,599	1%	3,071	1%	(472)	-15%
<b>Total liabilities</b>	<b>281,496</b>	<b>86%</b>	<b>297,828</b>	<b>87%</b>	<b>(16,332)</b>	<b>-5%</b>
<b>Owners' equity</b>	<b>44,435</b>	<b>14%</b>	<b>44,783</b>	<b>13%</b>	<b>(348)</b>	<b>-1%</b>
<b>Total liabilities and owners' equity</b>	<b>325,931</b>	<b>100%</b>	<b>342,611</b>	<b>100%</b>	<b>(16,680)</b>	<b>-5%</b>
<b>Owners' equity</b>						
Share capital	1,708	1%	1,708	0%	-	0%
Premium on share capital	3,361	1%	3,361	1%	-	0%
Retained earnings	37,825	12%	36,241	11%	1,584	4%
Other component of equity	1,541	0%	3,474	1%	(1,932)	-56%
Non-controlling interests of the subsidiaries	0.29	0%	0.28	0%	0.01	4%
<b>Total owners' equity</b>	<b>44,435</b>	<b>14%</b>	<b>44,783</b>	<b>13%</b>	<b>(348)</b>	<b>-1%</b>

## **ASSETS decrease 16,680 MB**

Total assets decrease from 2022 mainly due to decreasing investment assets from high maturity in 1H23.

## **Liabilities decrease 16,332 MB**

Ins liabilities decrease by 15,861 MB due to decreasing in life policy reserves from high maturity.

## **Owners' equity decrease 348 MB**

- RE + 1,584 MB from profit for 2023 + 2,548 MB and dividend payment - 954 MB.
- Other component of equity -1,932 MB mainly from decreasing on FV from investment at FVOCI.

# 4Q2023 Financial Summary

Common Size

Million Baht	4Q23	4Q22	%YoY	12M23	12M22	%YoY	4Q23	4Q22	12M23	12M22
First year premium	1,574	2,174	-28%	6,885	6,925	-1%	20%	25%	21%	20%
Renewal premium	6,304	6,667	-5%	27,270	28,906	-6%	80%	77%	82%	84%
REIN&UPR	(27)	(214)	87%	(824)	(1,252)	34%	0%	-2%	-2%	-4%
<b>Total Net Premium (TNP)</b>	<b>7,850</b>	<b>8,627</b>	<b>-9%</b>	<b>33,331</b>	<b>34,579</b>	<b>-4%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Investment income	3,035	2,719	12%	11,615	12,959	-10%	39%	32%	35%	37%
Other income	62	225	-72%	488	647	-25%	1%	3%	1%	2%
<b>Total Income</b>	<b>10,948</b>	<b>11,572</b>	<b>-5%</b>	<b>45,434</b>	<b>48,185</b>	<b>-6%</b>	<b>139%</b>	<b>134%</b>	<b>136%</b>	<b>139%</b>
Life policy reserve	(36)	(3,018)	99%	(14,665)	1,124	-1405%	0%	-35%	-44%	3%
Benefit payments	8,855	12,712	-30%	51,621	38,168	35%	113%	147%	155%	110%
Commission and Brokerage	691	708	-2%	2,581	2,596	-1%	9%	8%	8%	8%
Other underwriting expense	213	176	21%	773	741	4%	3%	2%	2%	2%
<b>Total Underwriting Expense</b>	<b>9,723</b>	<b>10,578</b>	<b>-8%</b>	<b>40,310</b>	<b>42,629</b>	<b>-5%</b>	<b>124%</b>	<b>123%</b>	<b>121%</b>	<b>123%</b>
Operating Expense	458	481	-5%	1,711	1,650	4%	6%	6%	5%	5%
Expected Credit Loss and Impairment loss	333	183	81%	422	127	232%	4%	2%	1%	0%
<b>Total Expense</b>	<b>10,514</b>	<b>11,242</b>	<b>-6%</b>	<b>42,442</b>	<b>44,406</b>	<b>-4%</b>	<b>134%</b>	<b>130%</b>	<b>127%</b>	<b>128%</b>
<b>Earning before tax</b>	<b>434</b>	<b>330</b>	<b>32%</b>	<b>2,992</b>	<b>3,779</b>	<b>-21%</b>	<b>6%</b>	<b>4%</b>	<b>9%</b>	<b>11%</b>
Income Tax	(76)	(50)	-51%	(443)	(568)	22%	-1%	-1%	-1%	-2%
<b>Net income</b>	<b>358</b>	<b>279</b>	<b>28%</b>	<b>2,548</b>	<b>3,212</b>	<b>-21%</b>	<b>5%</b>	<b>3%</b>	<b>8%</b>	<b>9%</b>
<b>EPS</b>	<b>0.21</b>	<b>0.16</b>		<b>1.49</b>	<b>1.88</b>					

## 4Q23

**TNP -9%** mainly from FYP **-28%**.

**Investment income +12%** mainly from increasing in gain from selling securities while ECL/Impairment **+81%**.

**Underwriting exp -8%** in line with premium.

**Net profit +28%** mainly from higher investment income, higher underwriting profit (TNP – Total underwriting exp) and decreasing in operating expenses.

## 12M23

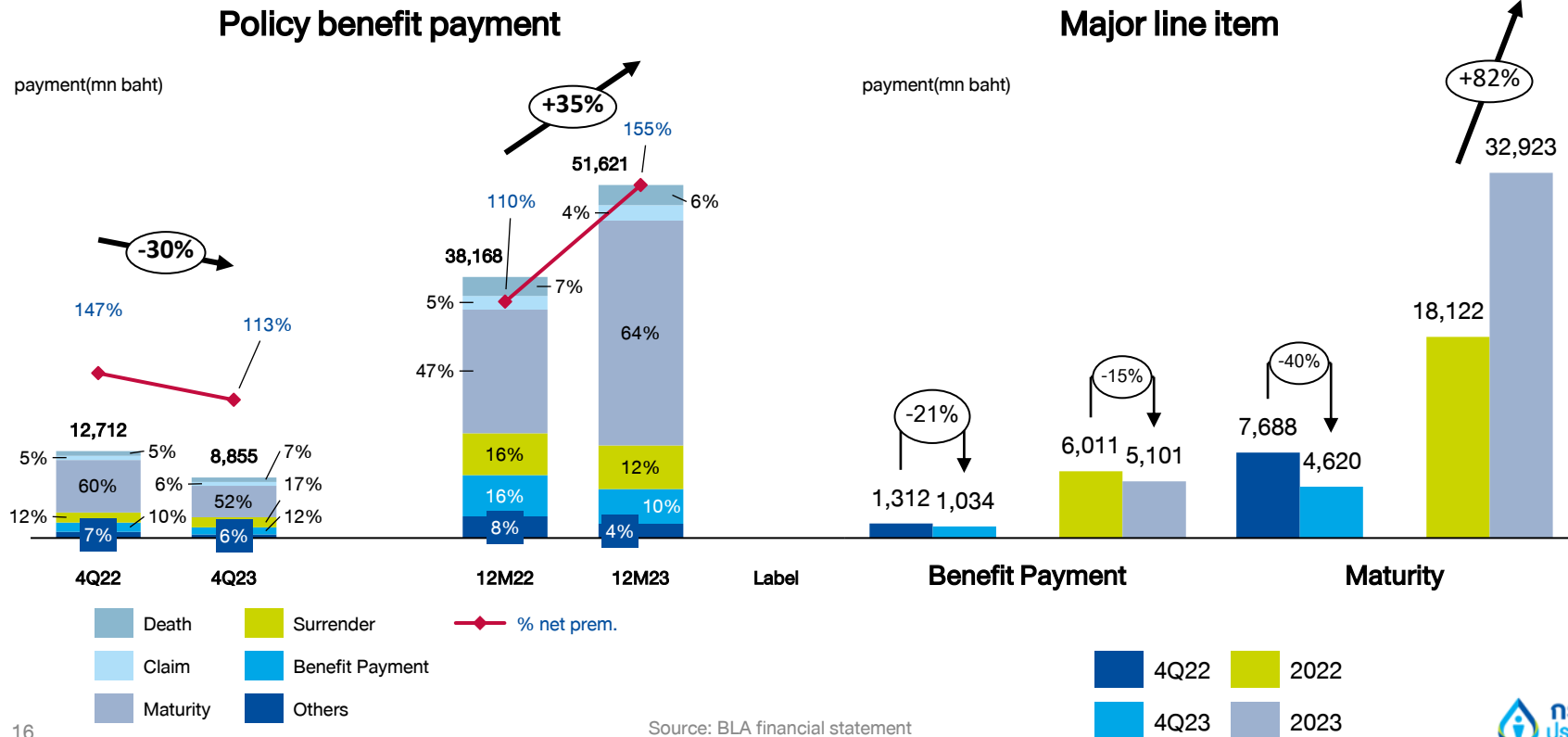
**TNP -4%** mainly from RYP **-6%**.

**Investment income -10%** mainly from decreasing in gain from selling securities and increasing in unrealised loss on exchange and ECL/Impairment **+232%**.

**Underwriting exp -5%** mainly from maturity payment increased during the year while reserve decreased bigger.

**Net profit -21%** mainly from lower investment income although higher underwriting profit (TNP – Total underwriting exp).

# Policy benefit payment





# Agenda

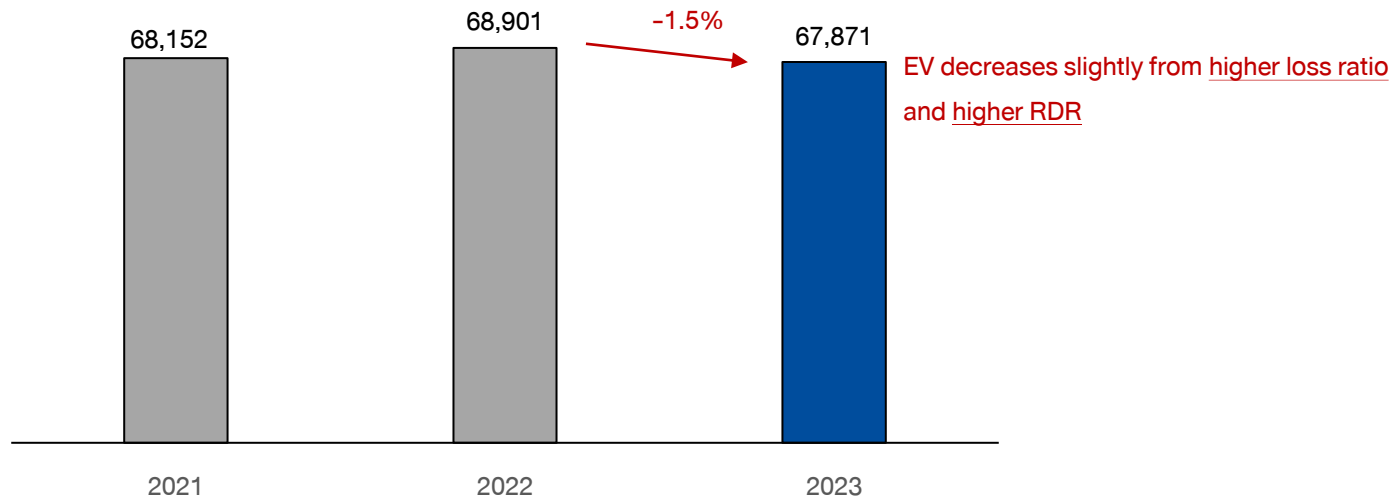
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# EV Valuation Methodology & Assumptions

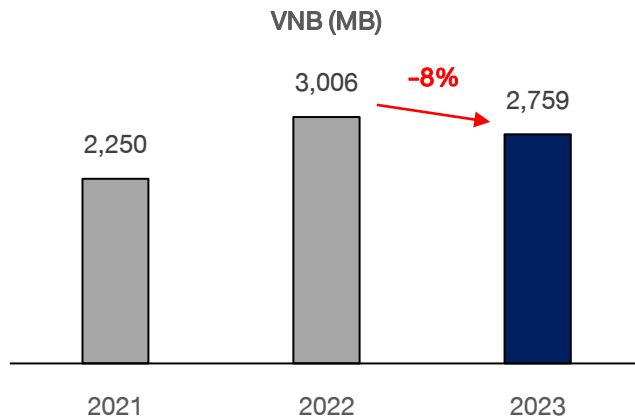
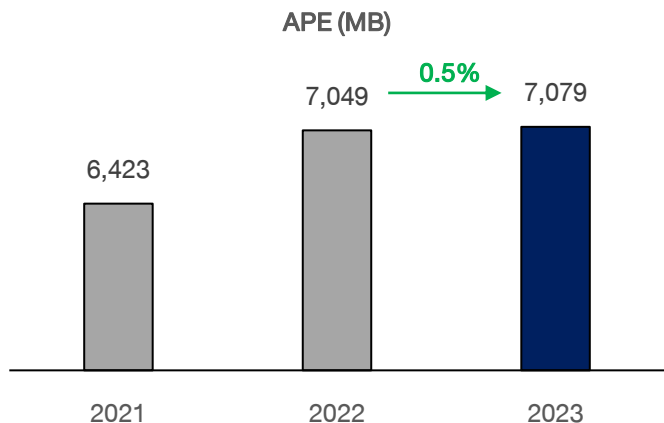
Methodology	Assumptions						
<ul style="list-style-type: none"><li>BLA has adopted a traditional discounted cash flow methodology to determine the components of Embedded Value (EV)</li><li>It is a common methodology used by life insurance companies in Asia at the current time</li></ul> <p><b>Component of EV</b></p> <table border="0"><tr><td data-bbox="295 628 639 707"><b>ANW</b> (Adjusted Net Worth)</td><td data-bbox="649 618 919 710">Excess of market value of assets over statutory liabilities</td></tr><tr><td colspan="2" style="text-align: center;"><b>+</b></td></tr><tr><td data-bbox="295 773 639 876"><b>VIF</b> (Value of In-force Business)</td><td data-bbox="649 779 919 874">Discounted value of distributable earnings from In-Force business</td></tr></table>	<b>ANW</b> (Adjusted Net Worth)	Excess of market value of assets over statutory liabilities	<b>+</b>		<b>VIF</b> (Value of In-force Business)	Discounted value of distributable earnings from In-Force business	<p><b>Economic Assumption</b></p> <ul style="list-style-type: none"><li><b>Risk Discount Rate 8.4% (2022: 8.3%)</b></li><li>Investment Return 3.75% (2022: 3.75%)</li><li>Capital Adequacy Ratio 140% (2022 : 140%)</li><li>Tax Rate 20% (2022 : 20%)</li><li>Tax on Investment Return 19% (2022 : 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><li><b>Morbidity (Loss) is the main driver of negative impact to EV this year</b></li></ul>
<b>ANW</b> (Adjusted Net Worth)	Excess of market value of assets over statutory liabilities						
<b>+</b>							
<b>VIF</b> (Value of In-force Business)	Discounted value of distributable earnings from In-Force business						

# EV2023 decreases 1,030 MB from 2022 resulted from higher health loss ratio and higher RDR



# of outstanding share	1,708	1,708	1,708	(Million)
EV per share	39.91	40.35	39.75	(Bt)

# VNB 2023 slightly decrease (-8%) while APE remain stable, so VNB margin slightly decrease by 3.6%



VNB Margin      35.6%      42.6%      39.0%

- APE growth compare to 2022 are 0.5% due to lack of short term high saving product boost

- VNB decreases slightly due to higher loss and yield decreases
- VNB Margin also dropped by 3.6%

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# 2024–2026 Aspiration: FYP 10,000 MB, VNB 4,000 MB

1

Agent channel growth  
x2 in 5 years



Strategic  
campaign



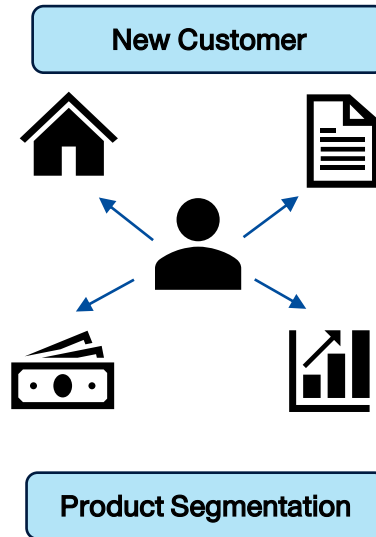
Modernization



Localization

2

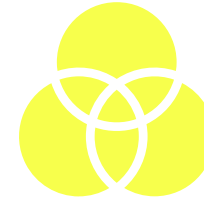
Access to untapped  
BBL customers



3

Focus on having healthy  
margin

Channel Mix



Loss/Claim Management



# Q&A