BUY (From: SELL)

Change in Recommendation

TP: Bt 57.50 (From: Bt 53.00)

Upside : 27.8%

21 JANUARY 2015

Bangkok Life Assurance (BLA TB)

Worst looks to be over

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After the 33% drop in its share price from its 2014 peak, we now see BLA's valuation as attractive. Amid growing headwinds in the insurance industry, we believe BLA's earnings bottomed out in 3Q14 and we forecast a strong earnings turnaround in 2015 and EPS CAGR of 21.0% over 2015-18. Upgrade to BUY with a new Bt57.5 TP.

Attractive entry point in our view

BLA's share price has fallen by 33% from its peak of Bt67 in July last year. At 2015F P/BV of 2.2x and P/BV to ROE of 0.13x versus its historical averages of 2.3x and 0.35x, we see BLA's valuation as becoming attractive as the share price implies almost no scarcity premium. We believe the very poor performance in 2014 has already been discounted. Meanwhile, despite growing headwinds in the insurance industry, we believe BLA offers a clear earnings turnaround story with a three-year EPS CAGR of 21.0% during 2015-18F, backed by lower extra reserves and the higher quality of insurance policies sold. With 27.8% potential upside to our new Bt57.5 TP, we upgrade BLA from Sell to BUY.

We believe earnings bottomed out in 3Q14

Even though we slash our earnings by 64.1% in 2014F to reflect very high extra reserves in 3Q14, we believe BLA's earnings already bottomed out in 3Q14 and forecast an earnings turnaround at Bt505m in 4Q14. In 2015-17, we revise up our earnings forecasts by 10-29% and, from an earnings contraction of 83.1% in 2014F, we project earnings in 2015 to grow 414.7% and 42.2% afterwards backed by: 1) a drop in extra reserves by 55% as downside of bond yield appears limited after a drop in yield by 1.1% from 2013, 2) premium sales growth of 13.5% in 2015F as insurance penetration remains low at only 3.8-3.9% of GDP, and 3) higher underwriting margin, thanks to BLA's greater ability to control costs and better pricing of policies.

Policy mix should gradually improve

Despite slower premium growth, we expect the mix of BLA's policies sold to gradually change toward increasing its exposure to high-margin protection policies. 1) Even though BLA still needs to sell savings-based policies, we don't expect the amount to be as large as it was last year. 2) The productivity of its agent channel is improving particularly given a new generation of sales agents who now make up 17.5% of total active agents. 3) BLA is focusing more on protection-based products, retirement-related products and a rider relating to healthcare this year. 4) We believe BLA still has plenty of room to cross-sell its credit life policy via Bangkok Bank's (BBL TB) mortgage loan portfolio.

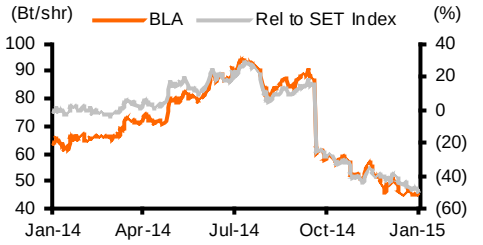
Expecting less deposit demand from BBL

As BBL is BLA's major distributor, the bank's policies play a vital role for BLA. Given that BBL's LDR has come down to below 90% which is a level the bank is comfortable with, together with its moderate loan growth target of 3-5%, we don't expect BBL to aggressively want to hunt for deposits. In addition, with the bank's strong determination to boost cross-selling fees, we expect it to put more effort into selling BLA's products.

COMPANY VALUATION

Y/E Dec (Bt m)	2013A	2014F	2015F	2016F
Insurance premium	38,795	50,013	42,134	47,844
Profit from operation	5,419	1,045	6,820	9,655
Net profit	4,381	890	5,335	7,586
Consensus NP	—	2,564	4,969	5,375
Diff frm cons (%)	—	*(65.3)*	*7.4*	*41.2*
Norm profit	4,381	890	5,335	7,586
Prev. Norm profit	—	2,481	4,827	5,886
Chg frm prev (%)	—	*(64.1)*	*10.5*	*28.9*
Norm EPS (Bt)	3.6	0.6	3.1	4.5
Norm EPS growth (%)	16.8	(83.1)	414.7	42.2
Norm PE (x)	12.4	73.7	14.3	10.1
P/BV (x)	2.4	2.6	2.3	1.9
Div. yield (%)	1.7	0.3	1.4	2.0
ROE (%)	21.0	3.4	16.9	20.6
ROA (%)	2.8	0.5	2.4	2.9

PRICE PERFORMANCE



COMPANY INFORMATION

Price: (Bt) *as of* 20-Jan-15	45.00
Market cap (US$ m)	2,334.7
Listed shares (m shares)	1,697.9
Free float (%)	40.8
Avg. daily turnover (US$ m)	3.2
12M price H/L (Bt)	67.14/43.75
Sector	Insurance
Major shareholder	Sophonpanich Family 34%

Sources: Bloomberg, Company data, Thanachart estimates

Thanachart Securities

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Attractive entry point in our view

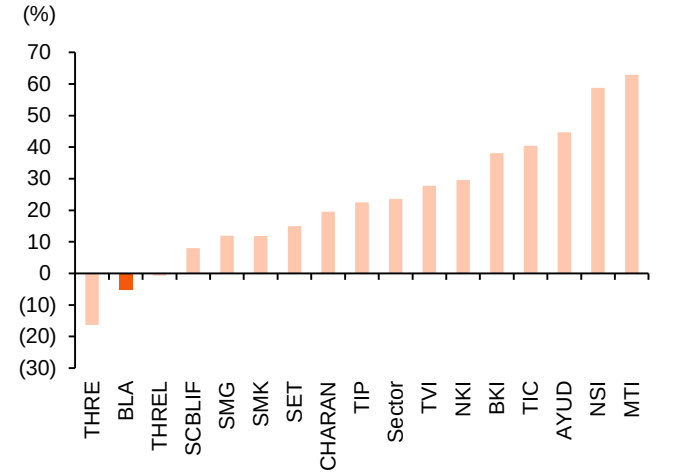
We expect BLA's underperformance to come to an end

With the recognition of hefty extra reserves since 2Q14, Bangkok Life Assurance's (BLA) share price has underperformed the market materially. The counter had the second worst performance in the insurance sector in 2014. It generated a negative 5% return versus the Stock Exchange of Thailand's (SET) and the sector's returns of 15% and 24% respectively.

The sharp pull-back in its share price has left BLA trading on 2015F P/BV of 2.2x and a P/BV to ROE of 0.13x. This offers attractive entry point in our view as it is below its five-year historical P/BV average of 2.3x and its three-year average P/BV to ROE of 0.35x. Meanwhile, BLA's premium to peers has come down as its current price implies P/EV of 1.24x and P/VNB of 103.7x versus 1.84x and 154.4x at its peak in July 2014.

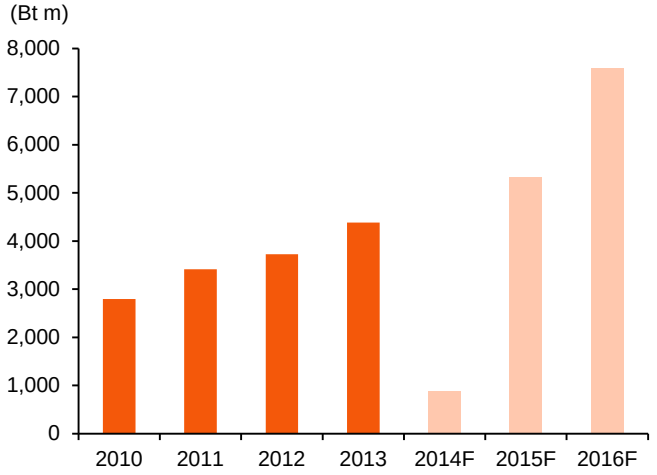
We believe BLA's very poor performance in 2014 has already been factored in by the market. Meanwhile, despite growing headwinds in the insurance industry, BLA offers a clear earnings turnaround story where we forecast a three-year EPS CAGR of 21.0% during 2015-18, backed by lower extra reserves and a higher quality of insurance policies sold. We believe that BLA's underperformance should come to an end. With 27.8% upside to our new 12-month DDM-based TP of Bt57.5, we upgrade BLA from Sell to BUY.

Ex 1: BLA's Share Price vs SET And Insurance Sector



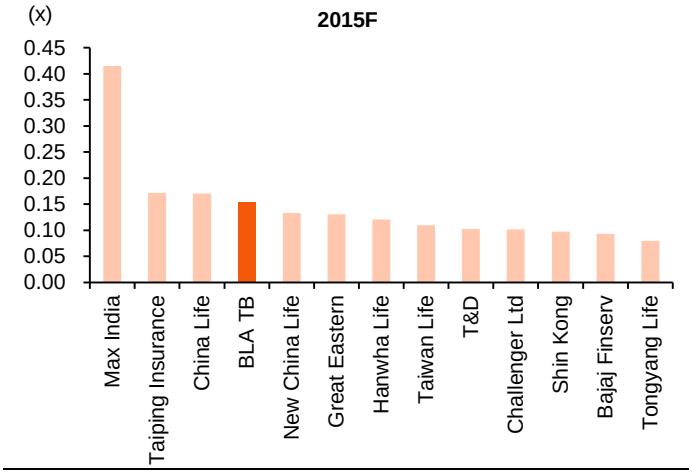
Source: Bloomberg

Ex 2: Earnings Momentum



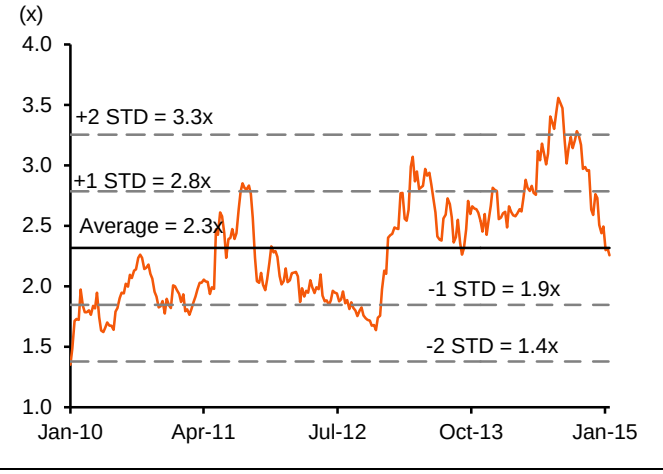
Sources: Company data, Thanachart estimates

Ex 3: International Peers



Sources: Bloomberg, Thanachart estimate for BLA

Ex 4: P/BV STD



Sources: Company data, Thanachart estimates

We believe earnings bottomed out in 3Q14

We see 2015F being a challenging year for BLA's underlying business …

Even though we slash our earnings forecast by 64.1% in 2014 to reflect very high extra reserves in 3Q14, we believe BLA's earnings already bottomed out in 3Q14. We forecast 4Q14 earnings at Bt505.4m, turning from a loss of Bt880.6m in 3Q14. We see the strong earnings turnaround in 4Q14 being backed by:

… but we believe its earnings bottomed out in 3Q14 …

1) An extra gain from a change of some actuarial assumptions as policies that BLA launched earlier saw lower claims and generated higher investment returns than the company had assumed. This should partially offset the extra reserve caused by a further drop in the bond yield.
2) Fundamentally, we project net premiums to drop by 24.7% y-y and 13.2% q-q because of an absence of big-bang sales of savings policies. In 11M14, BLA's market share of total premiums was 10.8% versus 14.4% in 1H14.

Going forward, we see growing headwinds in the insurance industry. The 10-year government bond yield has dropped to 2.83% for the first time since 2008. The current low interest rate environment and intensifying competition will likely make it tough for insurance companies to seek investment options that can generate higher returns than the guaranteed returns on their insurance policies. We don't see BLA as an exception, and revise up our earnings forecasts by 10-29% in 2015-17. And from an earnings contraction of 83.1% in 2014, we project BLA's earnings to grow 414.7% in 2015 and 42.2% afterwards, backed by:

… and expect them to turn around strongly

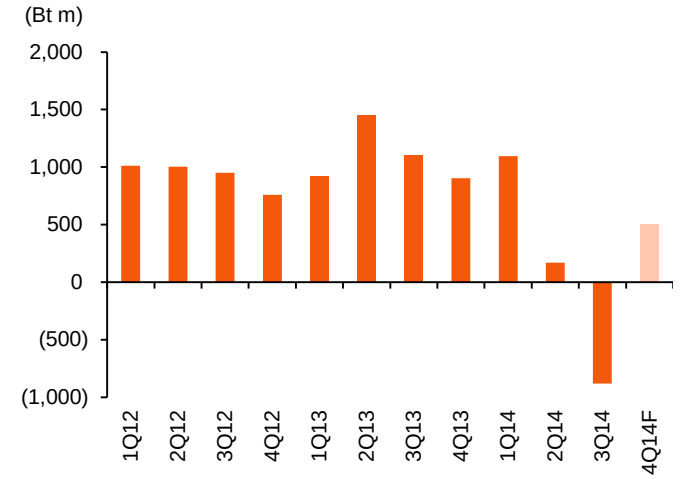
1) A drop in extra reserves by 55.1% as downside to bond yield appears limited after the hard landing of the yield, coming down by 1.1% from 2013 for the 10-yr government bond.
2) Premium sales growth of 13.5% in 2015F as insurance penetration remains low at only 3.8-3.9% of GDP.
3) Higher underwriting margin, thanks to BLA's greater ability to control costs and improve the pricing of policies. We believe that the reserve to premium ratio should be nearly the same as in 2011 given that we expect the policy mix in 2015 and 2011 to be pretty much similar.

Risk of yield falling further looks limited …

…. and we believe possible bad news in the future is already in the price

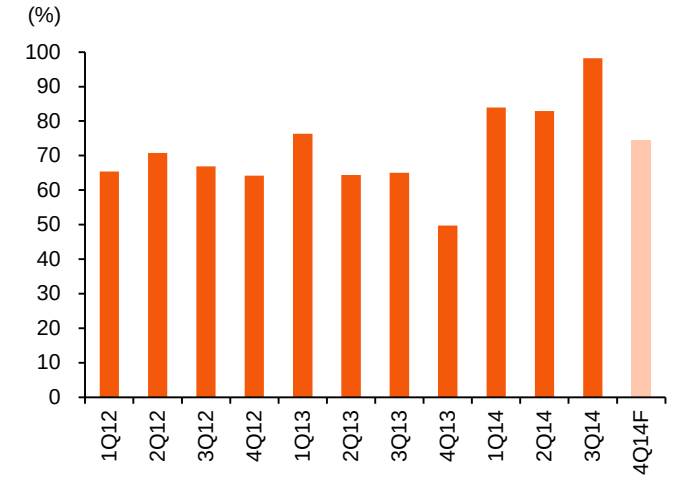
The risk to our investment thesis is that the Bank of Thailand (BOT) might consider cutting its policy rate if the economy doesn't improve as per its expectations. We believe a rate cut is now more likely given the recent low inflation data. However, the maximum downside here, in our opinion, is no greater than 25 basis points. Therefore, we don't expect the bond yield to come down materially from now. So after BLA was hit by heavy reserves since 2Q14, this may not be news to the market. That is, we don't see a policy rate cut, if it happens, exerting a significant negative impact on BLA's share price.

Ex 5: Quarterly Earnings



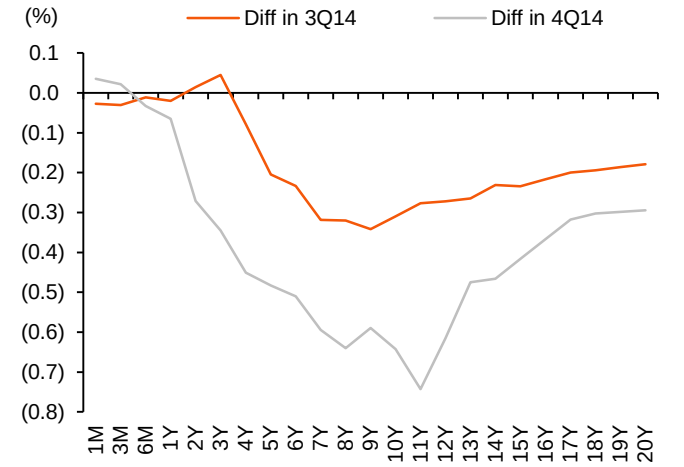
Sources: Company data, Thanachart estimates

Ex 6: Reserve To Premium Ratio



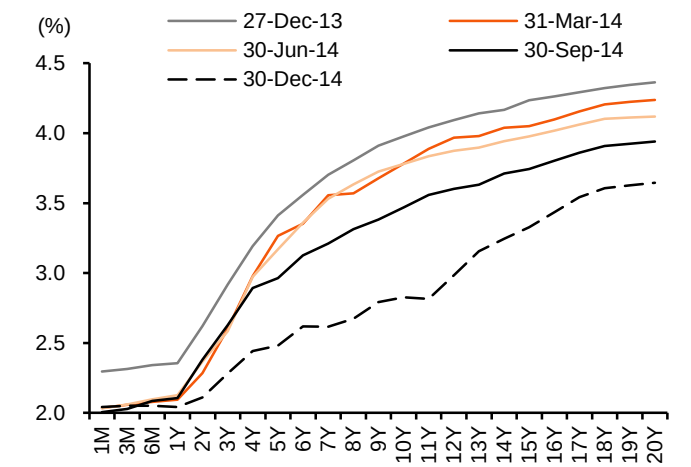
Sources: Company data, Thanachart estimates

Ex 7: Bond Yield Movement



Source: Thai BMA

Ex 8: Bond Yield



Source: Thai BMA

On the back of our earnings upgrades and our expectation of a better policy mix, we raise our 12-month DDM-based TP for BLA by 8.5% to Bt57.5/share.

Ex 9: 12-month DDM-based Valuation

(Bt m)		2014F	2015F	2016F	2017F	2018F	2019F	2020F	2021F	2022F	2023F	2024F	Terminal Value (2034F)
Dividend of common shares		222	1,067	1,517	1,673	1,889	2,098	3,519	3,917	5,446	6,693	8,201	34,709
Dividend of preferred shares		0	0	0	0	0	0	0	0	0	0	0	0
Dividend payment		222	1,067	1,517	1,673	1,889	2,098	3,519	3,917	5,446	6,693	8,201	451,220
PV of dividends			1,064	1,210	1,191	1,201	1,190	1,782	1,771	2,199	2,413	2,639	46,719
Risk-free rate (%)	4.5%												
Market risk premium (%)	7.5%												
Beta	1												
Cost of equity (%)	12.0%												
Terminal growth (%)	4.0%												
Equity value (Bt bn)	97,540												
No.of shares	1,698												
Equity value/ share	**57.5**												

Sources: Company data, Thanachart estimates

Policy mix should gradually improve

Policy mix should improve gradually from 2015F onward

After overly successful sales of a savings-based single premium product in 1Q14, we expect its 2014 policy mix of single premiums to be at 74.5% of total first-year premiums sold, higher than the normal level of 18-28%. Meanwhile, the proportion of savings policies to protection policies was 85.2% versus 79.8% in 2013. This implies a lower growth rate of value of new business (VNB) compared with previous years as single premiums, especially those with short maturities, have very low margins. The main rationale for selling low-margin products in 2014 was because BLA wanted to manage its asset and liability duration to improve its CAR ratio. However, since BLA sold more policies than it had expected, it suffered from hefty extra reserves and a poor performance for the whole year in 2014.

With the lesson learned, we don't expect BLA to aggressively launch single premium policies and we see its policy mix improving gradually from 2015 for the following reasons:

1) Savings-based product volume should not be as high as last year

1) Even though BLA still plans to continue selling savings-based policies in 2015 in order to maintain its public presence and sustain market share to be in the top five, we don't expect the volume of this type of policy to be as high as last year.

2) Sales agents are more skillful in selling high-margin products

2) Its sales agent distribution channel has been improving gradually, particularly with a new generation of agents where BLA aims to groom them to become financial planners. This group of employees is full-time and more skillful in our view, being able to sell more higher-margin products. Currently, this high-potential staff group amounts to roughly 700 out of 4,000 active sale agents, or 17.5%. BLA expects freshly recruited sales agents to come to 200 per year. We feel very positive regarding this move as it should help BLA to compete effectively, raising its exposure to high-margin protection policies over the long term.

3) Sales focus is protection-based products with a healthcare rider

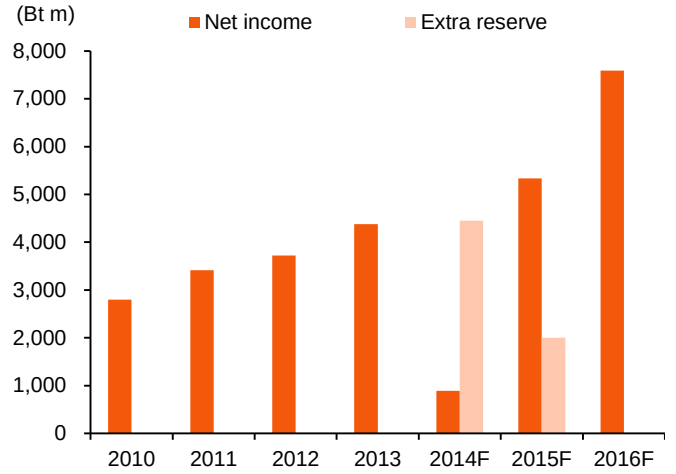
3) BLA aims to sell more protection-based products with a rider relating to healthcare. Examples of these policies are the BLA unit pension and BLA Health First.

4) Lots of room to boost its credit life portfolio versus leading peers in our view

4) With its current low credit life portfolio, BLA believes that it has more room to cross-sell its products to Bangkok Bank's (BBL TB, Bt185.00, BUY) mortgage loan clients. BLA's 9M14 credit life portfolio stood at Bt1,518m which was lower than SCB Life Assurance (Not rated) and Muang Thai Life Assurance (Not rated), an affiliate of KASIKORNBANK (KBANK TB, Bt222.00, BUY), at Bt3,520m and Bt2,900m.

Coming off the high base of the big-bang sale of single savings-based premium products, we expect BLA's premium growth to drop moderately in 2015. As a result, we forecast its market share in 2015 to decline. However, we would regard such a drop in premium growth and its market share this time as being good news rather than a sign of weakness since its exposure to yield fluctuations would lessen.

Ex 10: Special Reserve And Net Income

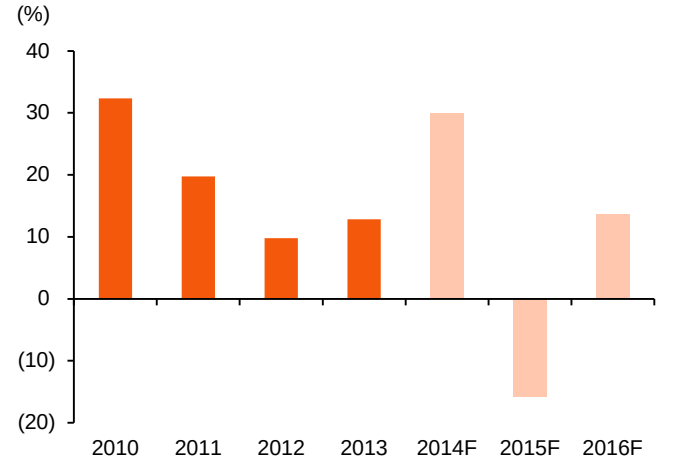


Sources: Company data, Thanachart estimates

Ex 11: Product Advertising

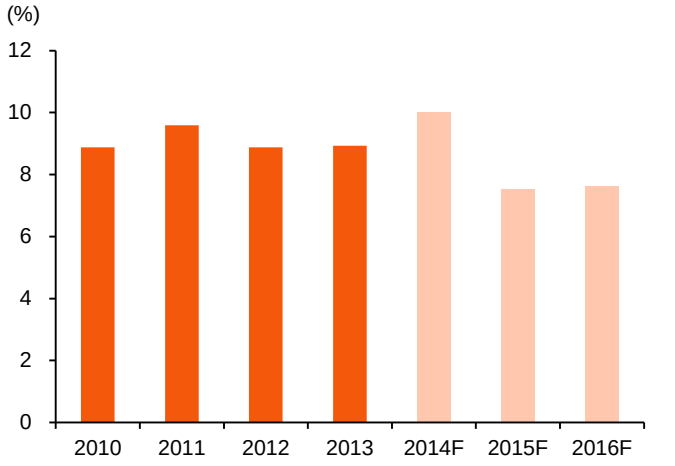
Source: Company data

Ex 12: Premium Growth



Sources: Company data, Thanachart estimates

Ex 13: Market Share



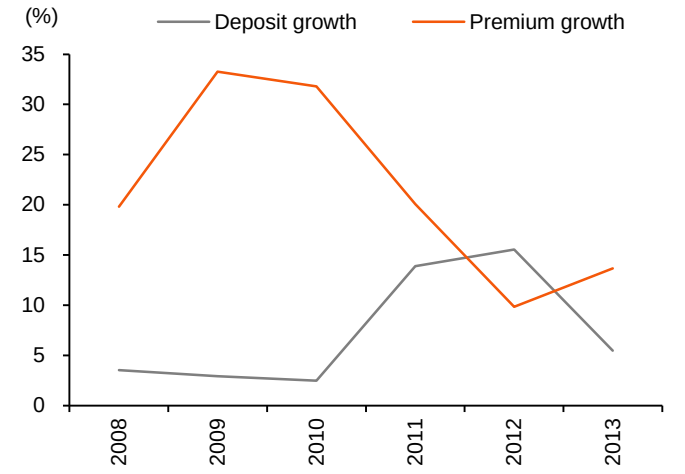
Sources: Company data, Thanachart estimates

Expecting less deposit demand from BBL

Headwind from BBL's deposit competition should be subdued

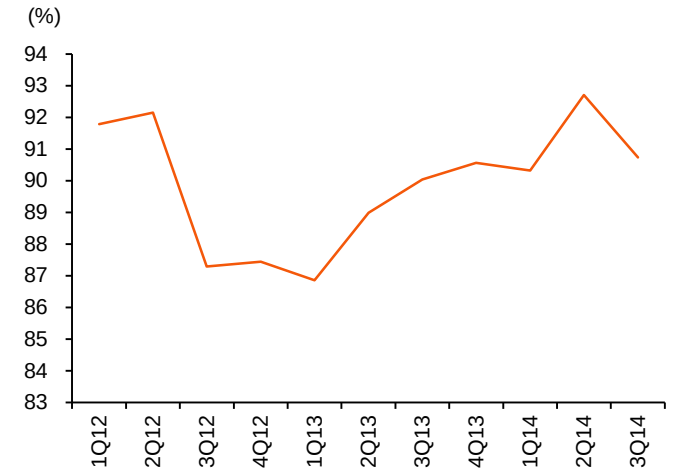
The relationship between BBL's loan growth and BLA's premium growth has shown a strong negative correlation. In our BLA initiation of coverage report, "No longer a good proxy," dated 10 September 2014, we previously expected BLA's premium growth to come under pressure this year as we thought BBL might want to increase its deposit base to accommodate its loan growth projection. However, the headwind from BBL's deposit competition should ease now since BBL's LDR ratio has come down to below 90%, a level that the bank is comfortable with. Together with its unexciting loan growth target of 3-5%, we don't expect BBL to want to grow deposits aggressively.

Ex 14: BBL's Deposit Growth vs BLA's Premium Growth



Sources: BBL; Company data

Ex 15: BBL's LDR



Source: BBL

Valuation Comparison

Ex 16: Valuation Comparison With Regional Peers

			EPS growth		— PE —		— P/BV —		– ROE –		— Div. Yield —	
Name	**BBG Code**	**Country**	**14F**	**15F**	**14F**	**15F**	**14F**	**15F**	**14F**	**15F**	**14F**	**15F**
			(%)	**(%)**	**(x)**	**(x)**	**(x)**	**(x)**	**(%)**	**(%)**	**(%)**	**(%)**
China Life Insurance	601628 CH	China	34.5	19.5	29.1	24.3	3.6	3.2	13.5	13.4	1.1	1.3
China Pacific Insurance	601601 CH	China	28.0	20.1	23.1	19.2	2.4	2.2	11.8	12.9	1.5	1.9
Ping An Insurance Group	601318 CH	China	26.8	14.3	15.6	13.7	2.5	2.1	17.6	16.8	1.1	1.1
China Life Insurance	2628 HK	Hong Kong	41.8	16.3	24.7	21.3	3.3	3.0	14.2	14.3	1.2	1.4
Ping An Insurance Group	2318 HK	Hong Kong	32.0	8.5	17.8	16.4	2.9	2.5	17.6	15.8	0.8	1.0
LPI Capital	LPI MK	Malaysia	9.7	11.0	17.9	16.2	2.4	2.3	13.5	14.2	4.4	4.8
Dongbu Insurance	005830 KS	South Korea	(15.5)	13.4	8.4	7.4	1.0	0.9	14.0	13.5	2.6	3.1
Hyundai Marine & Fire	001450 KS	South Korea	(32.8)	19.5	9.0	7.5	1.0	0.9	11.1	12.4	2.6	3.5
LIG Insurance	002550 KS	South Korea	(12.6)	36.5	9.0	6.6	0.9	0.8	10.2	12.4	2.7	3.9
Meritz Fire & Marine	000060 KS	South Korea	(9.1)	22.3	10.0	8.2	1.0	1.0	10.9	12.2	2.6	3.4
Samsung Fire & Marine	000810 KS	South Korea	10.9	14.6	14.1	12.3	1.3	1.2	10.2	10.7	1.8	2.2
Cathay Financial Holding	2882 TT	Taiwan	(6.9)	(19.2)	12.3	15.2	1.4	1.4	13.1	9.5	3.0	2.6
China Life Insurance	2823 TT	Taiwan	21.6	3.1	13.7	13.3	1.4	1.3	10.4	10.2	1.7	1.8
Shin Kong Financial	2888 TT	Taiwan	20.9	5.0	10.7	10.2	0.8	0.8	7.7	8.0	0.6	0.8
Bangkok Insurance	BKI TB	Thailand	4.0	7.7	21.1	19.6	1.2	1.2	8.2	8.5	3.3	3.3
Bangkok Life Assurance	BLA TB*	Thailand	(83.1)	414.7	73.7	14.3	2.6	2.3	3.4	16.9	0.3	1.4
Thai Reinsurance	THRE TB	Thailand	na	na	na	13.4	3.2	2.6	na	17.9	na	1.0
Thaire Life Assurance	THREL TB*	Thailand	(7.7)	33.6	23.8	17.8	6.8	5.9	30.4	35.6	2.5	3.4
Average			**4.4**	**38.0**	**19.4**	**14.1**	**1.9**	**1.7**	**11.7**	**12.9**	**1.9**	**2.3**

Source: Bloomberg

Note: * Thanachart estimates , using Thanachart normalized EPS

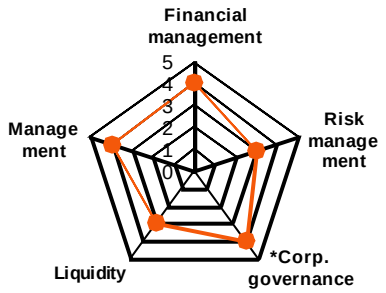
Based on 20 Jan 2015 closing prices

COMPANY DESCRIPTION

Bangkok Life Assurance's (BLA) core business is life insurance. At present, the firm operates two principal types of life insurance business, namely ordinary life insurance and group life insurance. Its major and strategic shareholders are Bangkok Bank Pcl and Nippon Life Insurance Company, which is incorporated in Japan.

Source: Thanachart

COMPANY RATING



Rating Scale	
Very Strong	5
Strong	4
Good	3
Fair	2
Weak	1
None	0

Source: Thanachart; *CG Awards

THANACHART'S SWOT ANALYSIS

S — Strength

- Nippon Life Insurance Company as a strategic shareholder.
- Ability to sell its insurance policies via BBL's branches.

W — Weakness

- Fewer sales agents almost every year.
- Inability to sell high-margin products.
- Lowest CAR ratio among the big players.
- Over-reliance on the banking channel.

O — Opportunity

- Fast-growing industry with more room to grow.
- Future M&As as the sector may consolidate.

T — Threat

- The upcoming RBC Phase II that could have a negative effect on BLA.
- Changes in regulations which might pressure BLA to set aside more reserves.
- Swings in market interest rates.

CONSENSUS COMPARISON

	Consensus	Thanachart	Diff
Target price (Bt)	53.15	57.50	8%
Net profit 15F (Bt m)	4,969	5,335	7%
Net profit 16F (Bt m)	5,375	7,586	41%
Consensus REC	**BUY: 3**	**HOLD: 6**	**SELL: 7**

HOW ARE WE DIFFERENT FROM THE STREET?

- Our earnings are higher than the Bloomberg consensus which we attribute to our expectation for BLA to book low extra reserves in 2015 and none in 2016. On top of that, we expect its reserve to premium ratio to improve.
- As a result, our TP is above the Street's.

Sources: Bloomberg consensus, Thanachart estimates

RISKS TO OUR INVESTMENT CASE

- Swings in market interest rates that might force BLA to set aside more extra reserves.
- Changes in policy mix which might not be in line with our expectation. As a result, reserve to premium might be higher than we currently forecast.

Source: Thanachart

Premium growth should be negative in 2015F after the high base in 2014

We expect Investments to continue to grow moderately

INCOME STATEMENT

FY ending Dec (Bt m)	2012A	2013A	2014F	2015F	2016F
Insurance premium	34,128	38,795	50,013	42,134	47,844
Less Life policy reserve	22,873	25,357	42,305	30,651	32,534
Net insurance premium	**11,255**	**13,438**	**7,708**	**11,483**	**15,310**
% of life policy reserve	30.7%	28.4%	28.0%	20.1%	19.8%
Underwriting expenses	11,094	13,939	14,311	13,357	15,932
Profit from insurance	**161**	**(501)**	**(6,603)**	**(1,874)**	**(622)**
Revenue on investment	6,165	7,601	9,389	10,797	12,676
Others	20	39	50	42	48
Non-underwriting Income	**6,185**	**7,640**	**9,439**	**10,839**	**12,724**
% of total income	97.5%	107.0%	332.9%	120.9%	105.1%
Total Income	6,346	7,139	2,835	8,965	12,102
Operating Expenses	1,488	1,720	1,791	2,145	2,447
Profit from operation	4,858	5,419	1,045	6,820	9,655
Obligation expenses	**94**	**108**	**130**	**152**	**172**
Pre-tax Profit	4,764	5,311	915	6,668	9,483
Income Tax	**1,041**	**930**	**25**	**1,334**	**1,897**
After Tax Profit	3,723	4,381	890	5,335	7,586
Equity Income	0	0	0	0	0
Minority Interest	0	0	0	0	0
Extraordinary Items	0	0	0	0	0
NET PROFIT	**3,723**	**4,381**	**890**	**5,335**	**7,586**
Normalized Profit	**3,723**	**4,381**	**890**	**5,335**	**7,586**
EPS (Bt)	3.1	3.6	0.6	3.1	4.5
Normalized EPS (Bt)	3.1	3.6	0.6	3.1	4.5

BALANCE SHEET

FY ending Dec (Bt m)	2012A	2013A	2014F	2015F	2016F
ASSETS:					
Liquid Items	**4,489**	**5,823**	**7,496**	**8,054**	**9,032**
cash & cash equivalents	866	1,331	2,000	2,000	2,000
accrued investment income	1,500	1,863	2,272	2,612	3,072
Securities under resale agreement	1,613	1,840	2,206	2,584	2,985
Investments	134,979	161,126	196,246	226,122	260,046
Net loans	**2,649**	**3,526**	**4,415**	**5,087**	**5,850**
Gross and accrued interest	2,649	3,526	4,415	5,087	5,850
Provisions for doubtful	0	0	0	0	0
Fixed assets - net	305	327	406	442	475
Other assets	1,145	1,433	569	1,800	2,429
Total assets	**143,567**	**172,234**	**209,133**	**241,504**	**277,831**
LIABILITIES:					
Liquid Items	**1,182**	**1,657**	**1,585**	**1,905**	**2,179**
Securities sold under repurchase	200	950	998	1,047	1,100
Income tax payable	582	257	7	369	524
Amount due to reinsurer	400	450	580	489	555
Life policy reserve	111,259	136,616	178,922	209,573	242,107
Other liabilities	2,875	2,897	3,129	3,285	3,449
Total liabilities	**124,103**	**149,971**	**179,641**	**207,744**	**238,002**
Minority interest	0	0	0	0	0
Shareholders' equity	**19,465**	**22,264**	**29,492**	**33,760**	**39,829**
Preferred capital	0	0	0	0	0
Paid-in capital	1,205	1,212	1,698	1,698	1,698
Share premium	2,759	2,846	8,921	8,921	8,921
Surplus/ Others	5,217	4,459	4,459	4,459	4,459
Retained earnings	10,283	13,747	14,414	18,682	24,751
Liabilities & equity	**143,567**	**172,234**	**209,133**	**241,504**	**277,831**

Sources: Company data, Thanachart estimates

Valuation is becoming more attractive in our view

VALUATION

FY ending Dec	2012A	2013A	2014F	2015F	2016F
Normalized PE (x)	14.5	12.4	73.7	14.3	10.1
Normalized PE - at target price (x)	18.6	15.9	94.2	18.3	12.9
PE (x)	14.5	12.4	73.7	14.3	10.1
PE - at target price (x)	18.6	15.9	94.2	18.3	12.9
P/PPP (x)	11.1	10.1	62.8	11.2	7.9
P/PPP - at target price (x)	14.2	12.8	80.2	14.3	10.1
P/BV (x)	2.8	2.4	2.6	2.3	1.9
P/BV - at target price (x)	3.6	3.1	3.3	2.9	2.5
Dividend yield (%)	1.5	1.7	0.3	1.4	2.0
Market cap / net loans (x)	28.8	21.7	17.3	15.0	13.1
Market cap / deposit (x)	382.0	80.4	76.6	72.9	69.5
(Bt)					
Normalized EPS	3.1	3.6	0.6	3.1	4.5
EPS	3.1	3.6	0.6	3.1	4.5
DPS	0.7	0.8	0.1	0.6	0.9
PPP/Share	4.0	4.5	0.7	4.0	5.7
BV/share	16.1	18.4	17.4	19.9	23.5

We forecast ROE to improve after a weak year in 2014

FINANCIAL RATIOS

FY ending Dec	2012A	2013A	2014F	2015F	2016F
Growth Rate					
Net premium written (%)	9.9	13.7	28.9	(15.8)	13.6
Life policy reserves (%)	13.3	10.9	66.8	(27.5)	6.1
Underwriting expenses (%)	14.0	25.6	2.7	(6.7)	19.3
Insurance profits (%)	(85.9)	na	na	na	na
Net profit (%)	9.0	17.6	(79.7)	499.7	42.2
Normalized profit growth (%)	9.4	17.6	(79.7)	499.7	42.2
EPS (%)	8.9	16.8	(83.1)	414.7	42.2
Normalized EPS (%)	9.3	16.8	(83.1)	414.7	42.2
Dividend payout ratio (%)	22.5	20.9	25.0	20.0	20.0
Total FYP (%)	(5.0)	9.5	(0.6)	5.1	0.0
Total premium (%)	(27.7)	(34.7)	73.8	3.7	67.5
Total investment assets (%)	30.8	19.6	21.9	15.2	15.0
Total assets (%)	27.3	20.0	21.4	15.5	15.0
Total equity (%)	46.6	14.4	32.5	14.5	18.0
Operating Ratios (%)					
Profit on underwriting to net earned prem.	0.5	(1.3)	(13.2)	(4.4)	(1.3)
Underwriting exp. to net earned premium	99.5	101.3	113.2	104.4	101.3
Investment yield (ROI)	5.1	5.0	5.1	5.0	5.1
Net profit margin	9.2	9.4	1.5	10.1	12.5
ROE	22.7	21.0	3.4	16.9	20.6
Loss ratio	23.4	28.0	22.5	23.0	24.0
Expense ratio	1.1	1.0	0.7	1.2	1.3
Commission ratio	8.1	7.0	5.4	7.5	8.0
ROA	2.9	2.8	0.5	2.4	2.9
ROE	22.7	21.0	3.4	16.9	20.6
D/E (x)	6.4	6.7	6.1	6.2	6.0
Policy reserve to capital fund (x)	5.7	6.1	6.1	6.2	6.1
Insurance contract liab. to invest. asset (x)	0.9	0.9	0.9	0.9	0.9
Total CAR	268.0	247.0	296.3	304.4	323.6

Sources: Company data, Thanachart estimates

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