TQM

CORPORATION PUBLIC COMPANY LIMITED

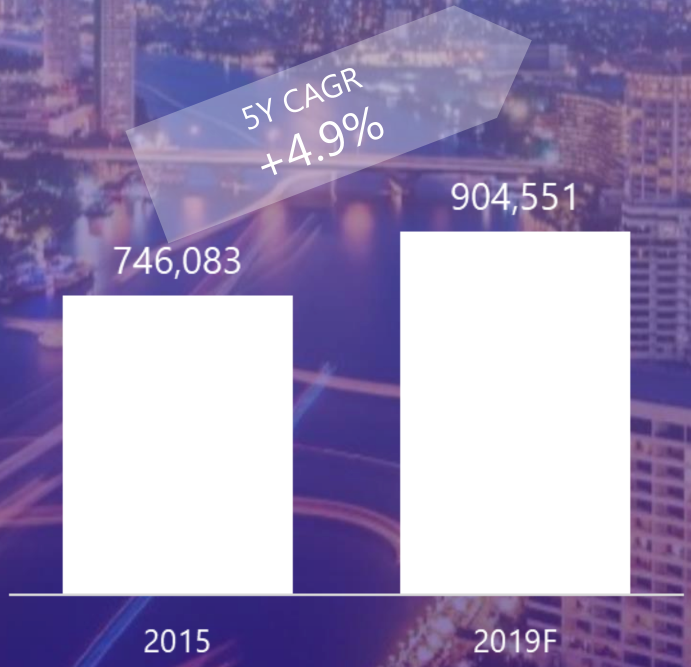
Opportunity Day YE2019

27 March 2020

A Snapshot of Insurance Market Y2019

Thailand is 2nd Largest Market in AEC

Insurance Premium growth is driven by macroeconomics



Government promotion of financial inclusive schemes

High growth in new cars purchased

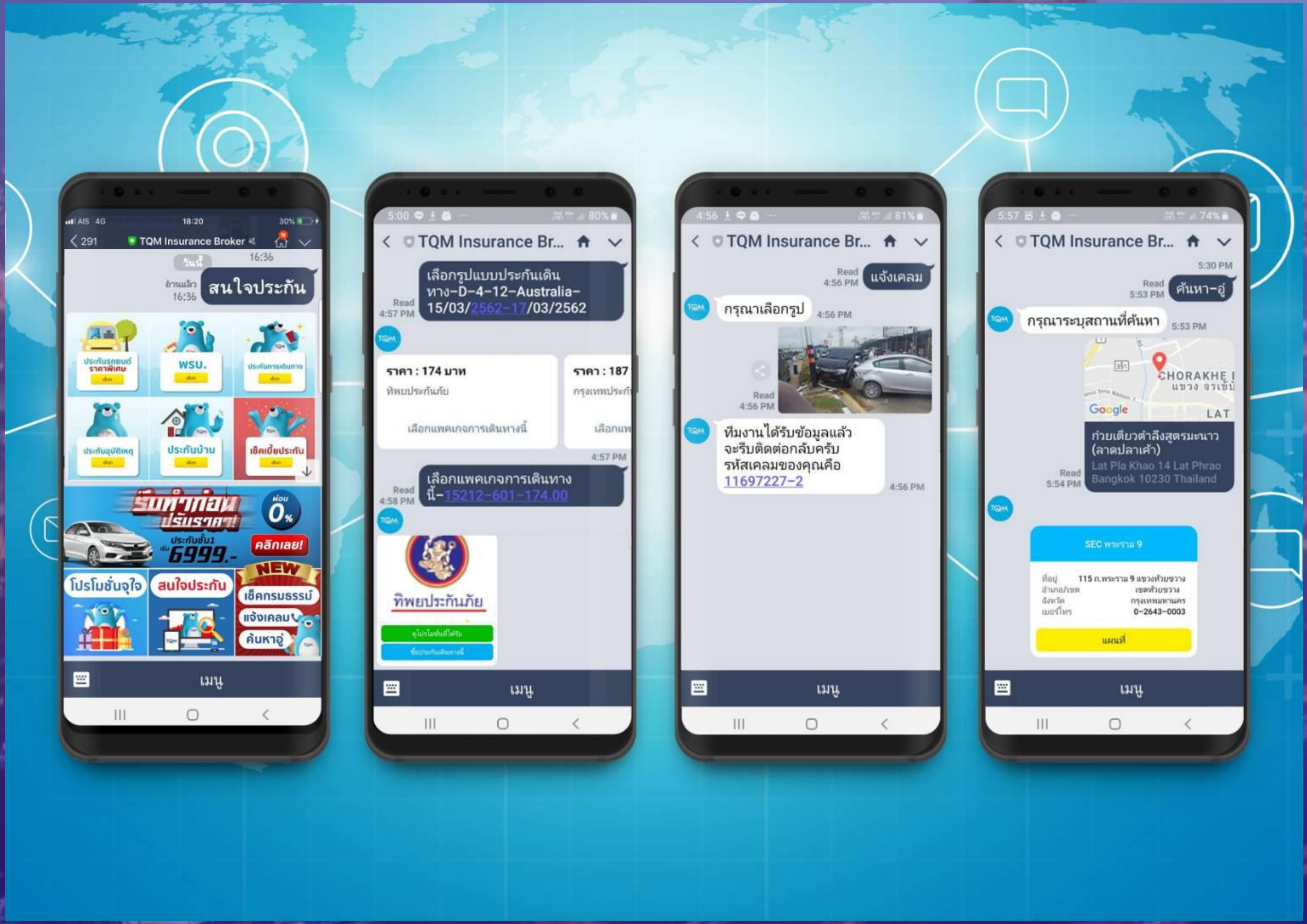
Higher awareness among Thai population

Source:https://www.oic.or.th/th/industry/statistic/data/43/2

TQM’s 2019 success

Launched
motor & non motor insurance
to attract customers with short-term demand

TQM's 2019 success



TQM is a market leader in *Insurance Social Platform*

- ✓ ***17.5 Million followers***
- ✓ ***The first and only company* in Insurance industry with LINE customer connect (Chat & Call)**
- ✓ ***More than 600,000 customer interaction via TQM's LINE BC***
- ✓ ***84% successful transactions via TQM Chatbot***

TQM's 2019 success

3 Partnership projects

- **TQM x KTC – Co-promotion**
- **TQM x 3BB – Co-promotion**
- **TQM x GSB – Infinity Credit Card**

TQM's 2020 success

First in the market to launch Coronavirus Insurance

20,000+ Policies sold

First in the market to launch insurance product as *Insurance Gift*

Launched monthly motor insurance

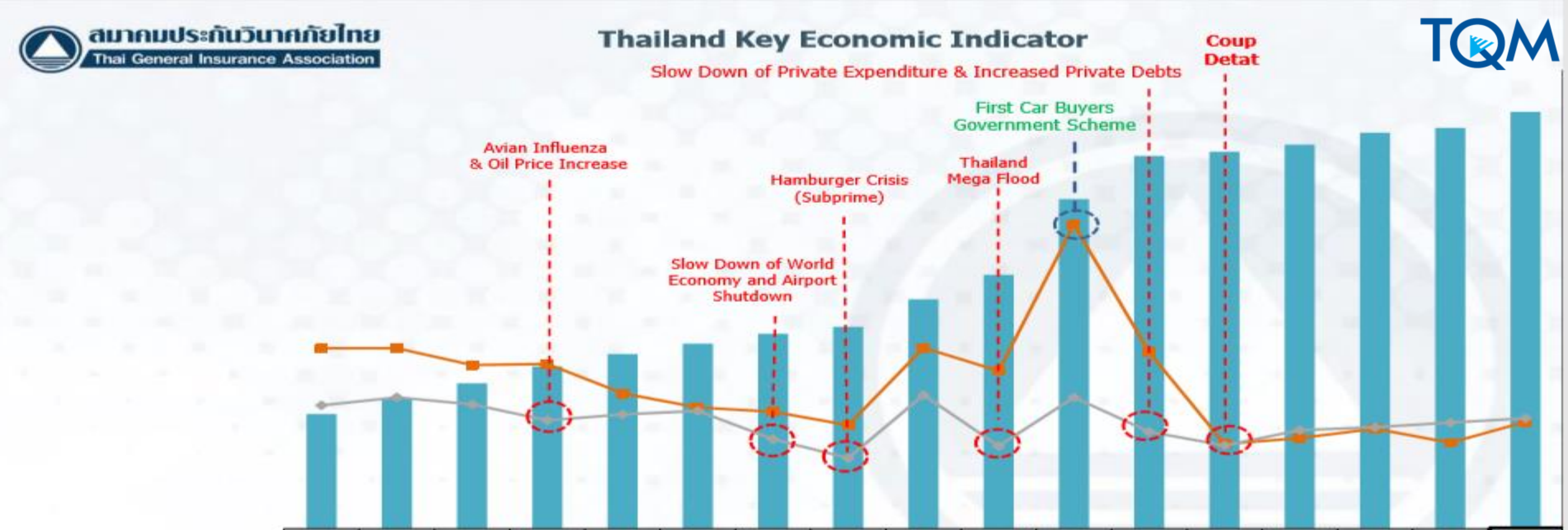
to attract customers with short-term demand

TQM's Ultimate Vision

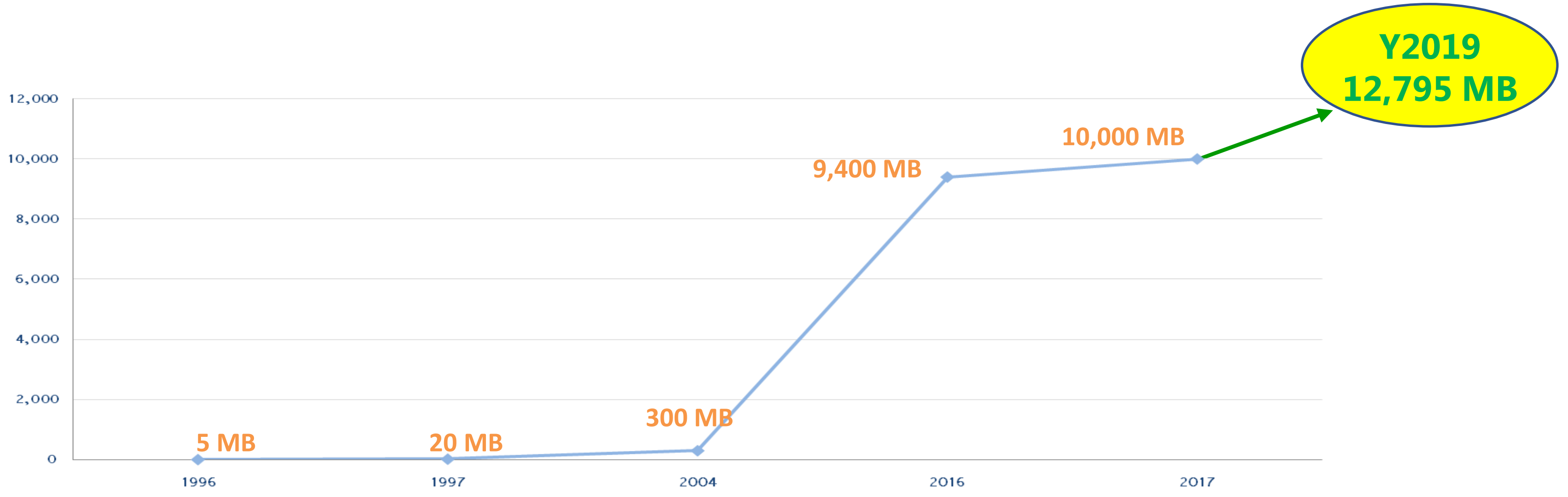
We aspire to help Thai people access to Insurance

2020 is going to be a tough year for everyone …

TQM is a broker business who ***does not suffer*** from crises



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018f
Direct premium (Million Baht)	62,627	71,160	79,289	88,454	95,287	100,888	106,239	110,028	125,075	138,387	179,596	203,120	205,368	209,244	215,728	218,434	227,171
Direct premium Growth rate (%)	13.6	13.6	11.4	11.6	7.7	5.9	5.3	3.6	13.7	10.6	29.8	13.1	1.1	1.9	3.1	1.3	4.0
GDP (%)	6.1	7.2	6.3	4.2	5.0	5.4	1.7	(0.7)	7.5	0.8	7.2	2.7	0.9	2.9	3.3	3.9	4.5



2019

A brokerage position

Insurer

Revenue
- Insurance premium

Cost
- **Incurred losses**
- Service expenses

Broker

Revenue
- Commission on insurance premium

Cost
- Service cost
- Marketing and administrative cost

2020 Vision

Digital is disrupting *Insurance industry*

The future is not the same.

2020 Vision

Number 1 ***Digital Insurance Broker*** **in Region**

Goal

50,000 MB
On Insurance Premium
Y2026

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TQM Strategy Y2020 - 2026

Y2020

Target:
50,000 MB on Insurance Premium Y2026

01 l Strengthen existing channels

02 l Grow sales through cross-selling

03 l Enhance insurance ecosystem through strategic partnership

04 l Grow inorganic through M&A

05 l Expand Regional

Digital Strategy
Number 1 Digital Insurance Broker in Regional

Digital Strategy

Number 1 Digital Insurance Broker in Regional

- Digital Customer
- Digital Channel
- Digital Experience
- Digital Ecosystem
- Digital Solution
- Digital Culture

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2020 Vision

Digital customer

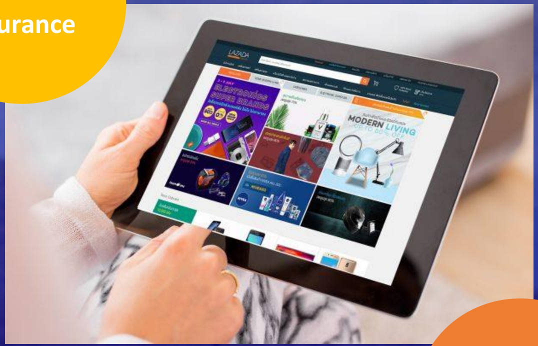
The best innovative insurance products for every lifestyle

2019's success

More success in 2020

Virus Corona Insurance

E-Commerce Insurance



Sport Insurance

2020 Vision

Digital channel

The best omnichannel experience for digital customers

2020 Vision

Digital experience

***The best analytics tool* to know the customers best through Big Data**

Product recommendation

Risk scoring

Product Add-on (Cross-selling)

TQM Digital Strategy

Digital ecosystem

***The best partnership* to reach customers better and enhance insurance ecosystem**

Insurance Companies

Customer Supporting Businesses

Selling Channel Affiliates

TQM Digital Strategy

Digital solution

The best technology to deliver the best product and service

- ***LINE Chatbot, AI, Chat center***
- ***Usage-based Motor Insurance***
- ***Home Insurance estimation***
- ***E-Claim process for health and motor insurance***

2020 Vision

Digital people

The best culture ready for the future

TQM Customer Support Channels

TQM CORPORATION PUBLIC COMPANY LIMITED

PHONE CALL 1737

ONLINE via GOOGLE FORM : https://qrgo.page.link/NU41V

TQM LINE OFFICIAL ACCOUNT

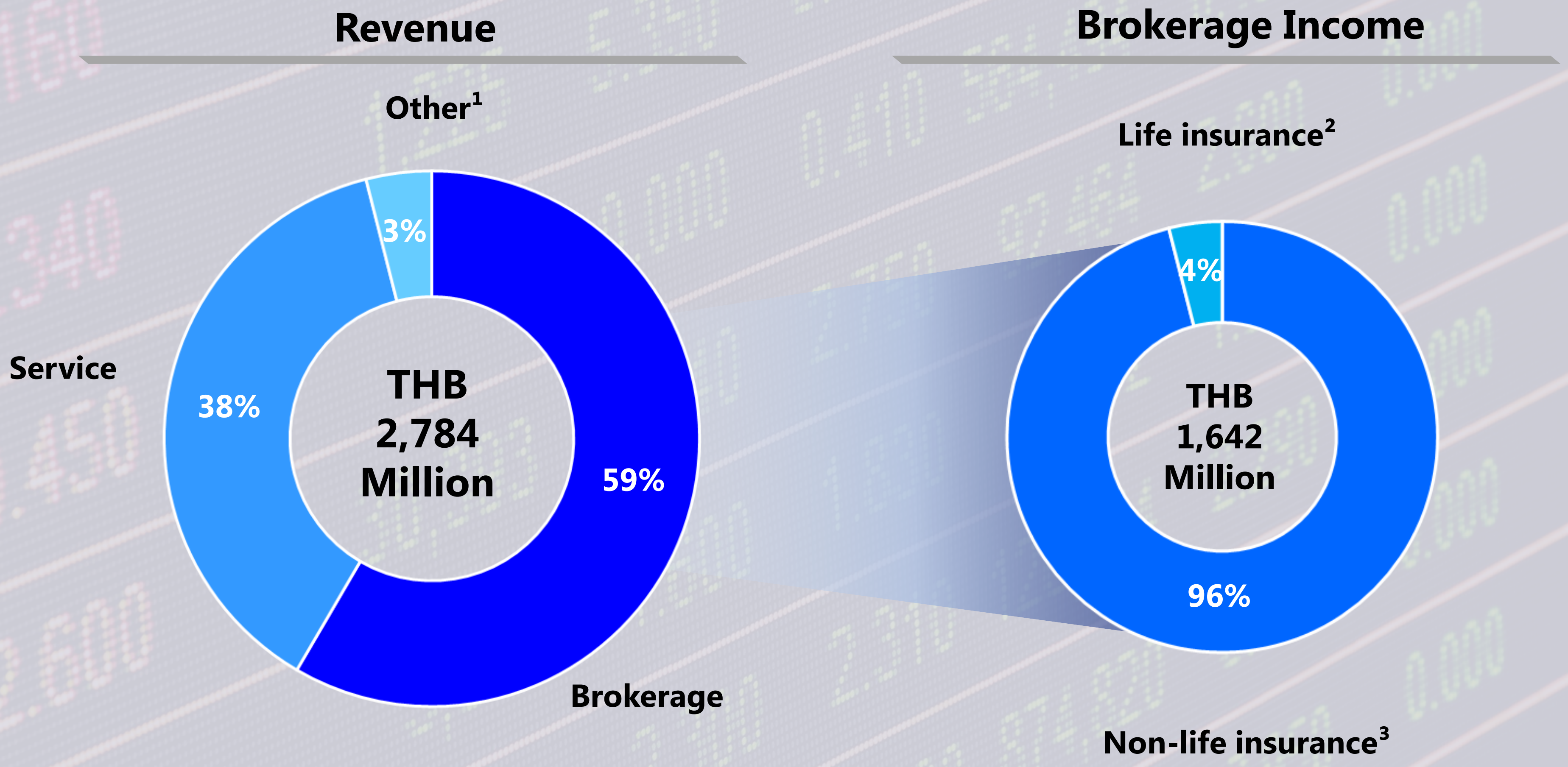
TQM FACEBOOK PAGE

TQM WEBSITE : https://www.tqm.co.th/

Key Financial Highlights Y2019

- Revenue **+258.8 MB (10.2%)**
- Net Profit **+103.0 MB (25.5%)**

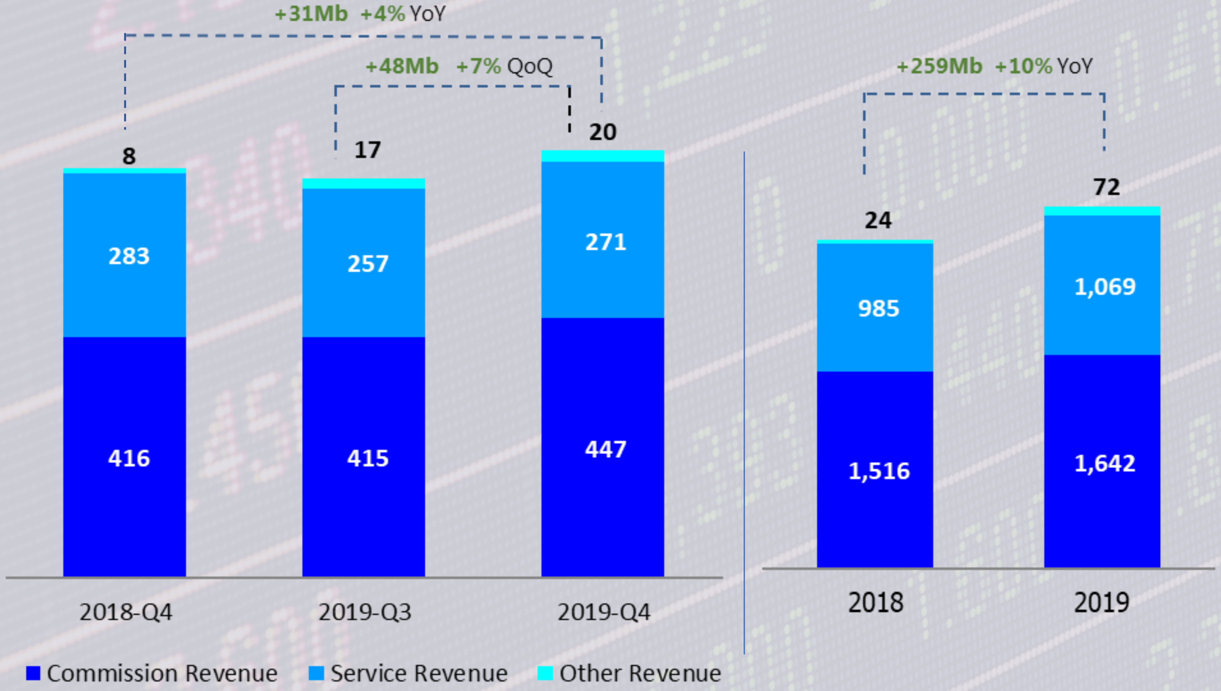
Operating Results: Y2019



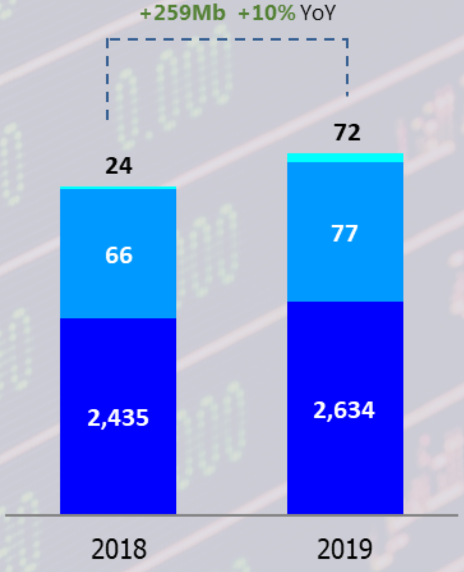
Note
(1) Other revenues include interest income and others
(2) The maximum commission rate of life insurance determined by regulation is 40%
(3) The maximum commission rate of non-life insurance determined by regulation is 18%

Operating Results: Y2019

Revenue by type



Revenue by segment



- **Q3/19 VS Q4/19 (QoQ) and Q4/18 VS Q4/19 (YoY):** Total incomes increased by 48 MB or 7% QoQ and by THB 31 MB or 4% YoY from the grown premiums of life & non-life
- **12M/18 VS 12M/19**: Total incomes increased by 259 MB or 10% from the grown premiums of non-life and life insurances and greater number of sales, channels and consumers' confidence.

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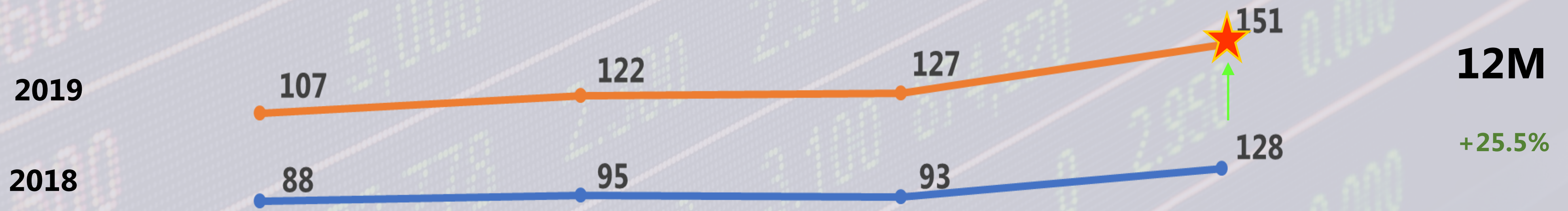
Trend

TQM | Quarterly Total Revenue

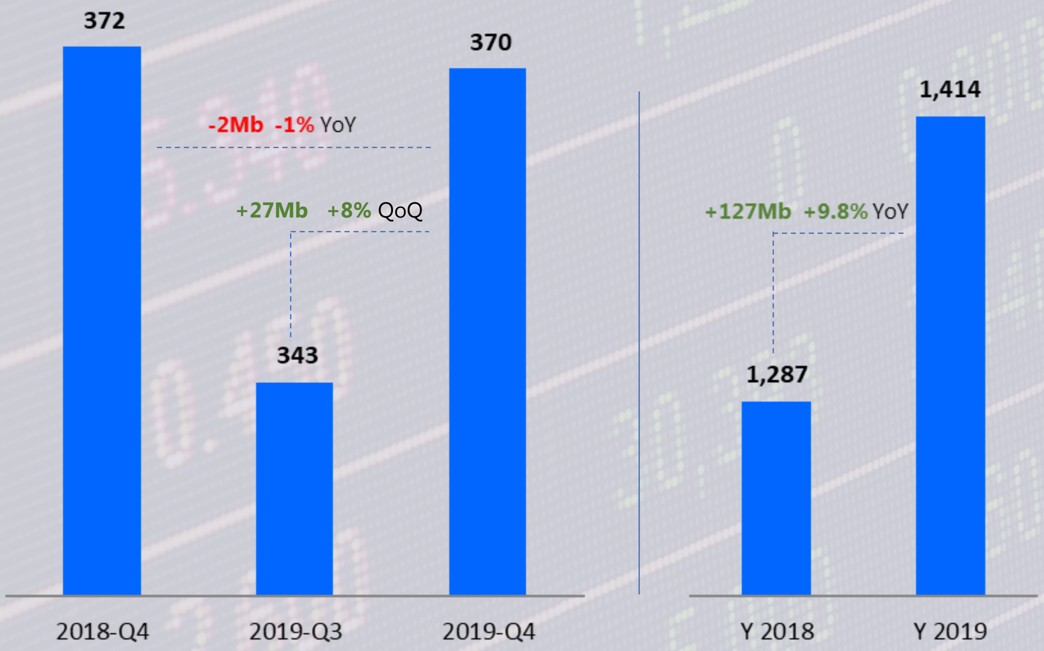
TQM | Quarterly Net Profit



(THB million)

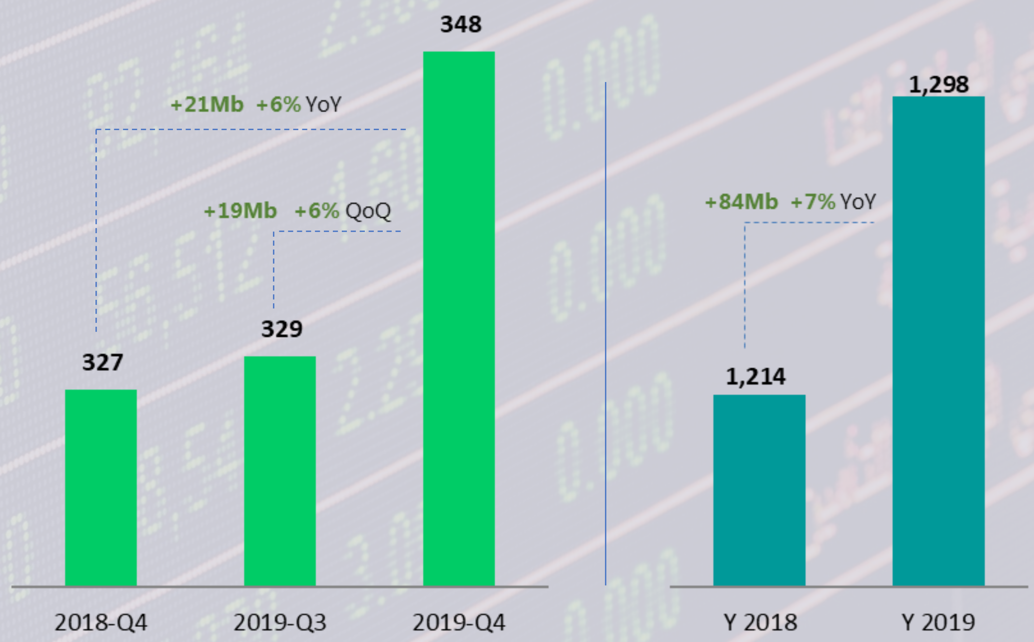
Operating Results: Y2019

Service Cost



- **Q3/19 VS Q4/19 (QoQ) and Q4/18 VS Q4/19 (YoY):** Service cost increased by 27 MB or 8% QoQ and decreased by 2 MB or 1% YoY due to the increase in salespersons and grown premiums of non-life and life.
- **12M/18 VS 12M/19**: Service cost increased by 127 MB or 9.8% in line with an increase in operating incomes as well as the increase in 200-300 salespersons during Q1/19.

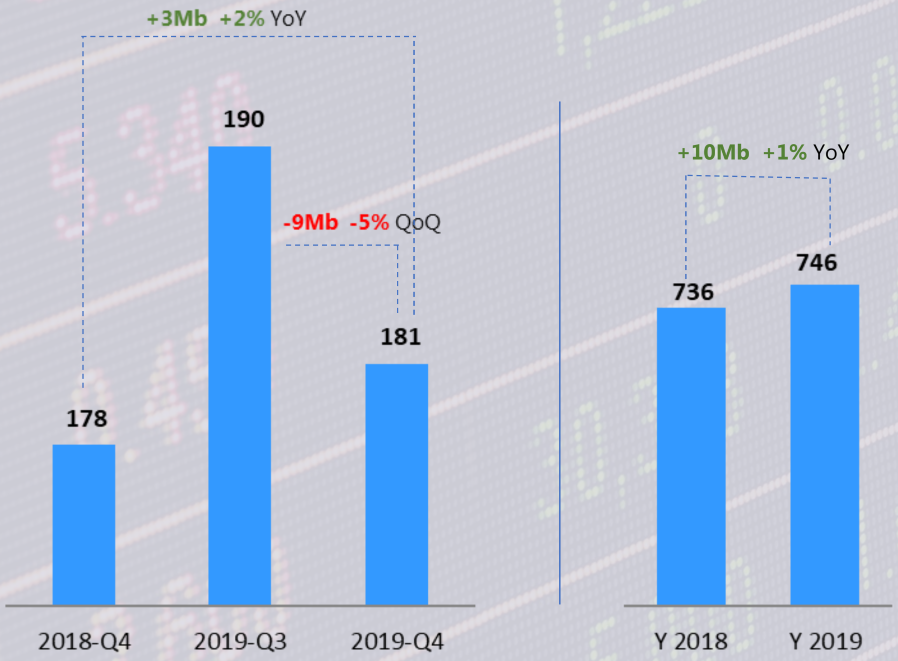
Gross Profit



- **Q3/19 VS Q4/19 (QoQ) and Q4/18 VS Q4/19 (YoY):** Gross profit increased by 19 MB or 6% QoQ and increased by 21 MB or 6% YoY due to the expansion in sales channels and the increase in salespersons and investment returns.
- **12M/18 VS 12M/19**: Gross profit increased by 84 MB or 7% due to the expansion in sales channels and the increase in salespersons, investment returns and greater number of insurance policies.

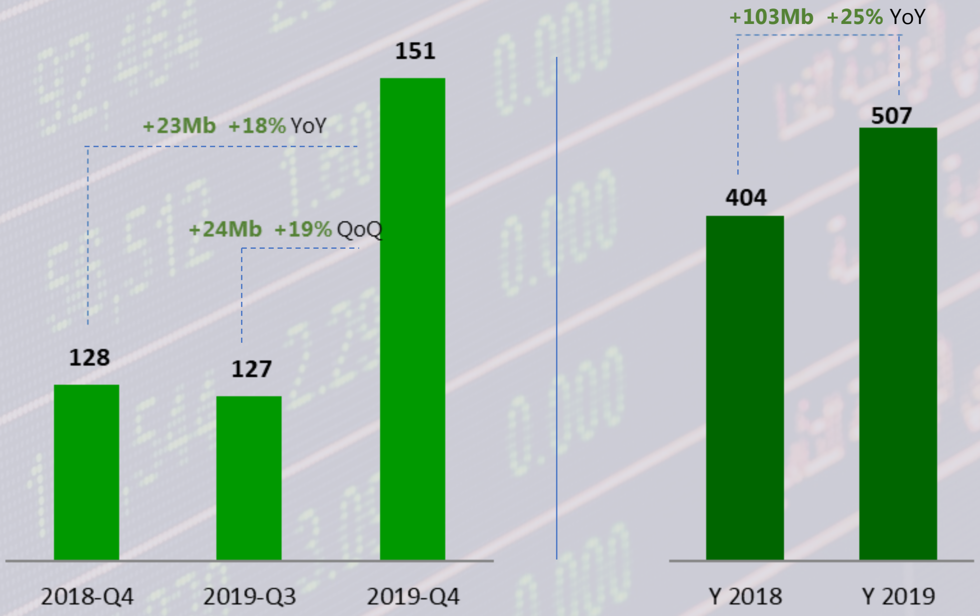
Operating Results: Y2019

Administrative Expenses



- **Q3/19 VS Q4/19 (QoQ) and Q4/18 VS Q4/19 (YoY):** Admin expenses decreased by 9 MB or 5% QoQ and increased by 3 MB or 2% YoY due to the increase in employee benefits to be reserved from 300 to 400 days. Regardless the employee benefits, the cost is effectively controlled, and going downwards.
- **12M/18 VS 12M/19**: Admin expenses increased by 10 MB or 1% due to increase in employee benefits to be reserved from 300 to 400 days. Regardless the employee benefits, the cost is effectively controlled, and going downwards.

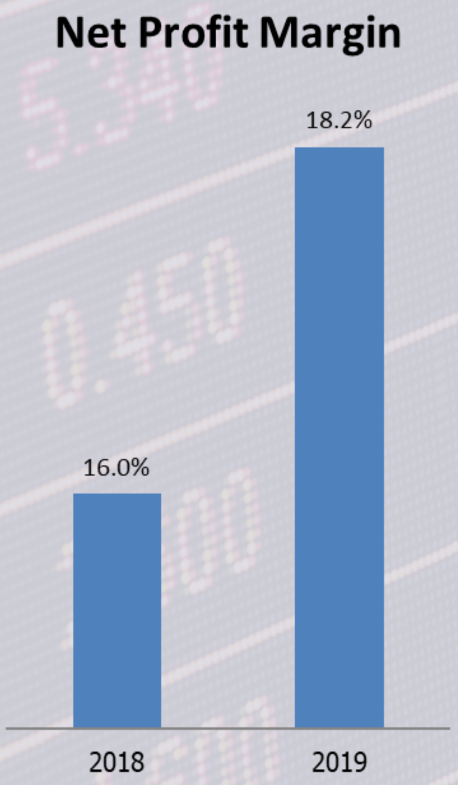
Net Profit

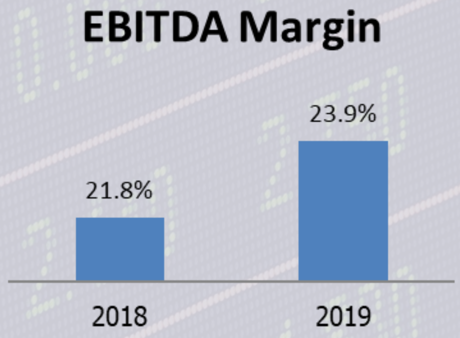


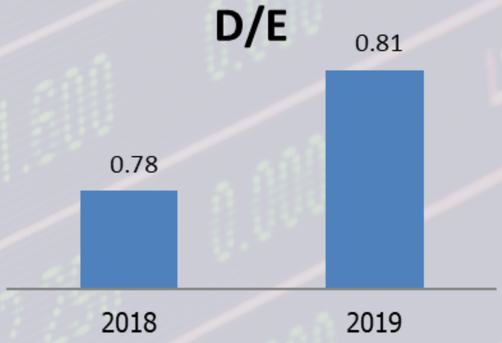
- **Q3/19 VS Q4/19 (QoQ) and Q4/18 VS Q4/19 (YoY):** Net profit increased by 24 MB or 19% QoQ and increased by 23 MB or 18% YoY due to the expansion in sales channels and the increase in salespersons and investment returns.
- **12M/18 VS 12M/19**: Net profit increased by 103 MB or 25% due to the expansion in sales channels and the increase in salespersons, investment returns and greater number of insurance policies.

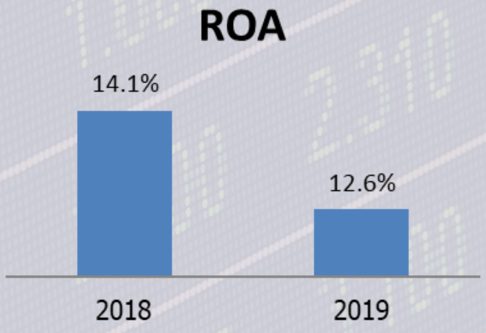
Operating Results: Y2019

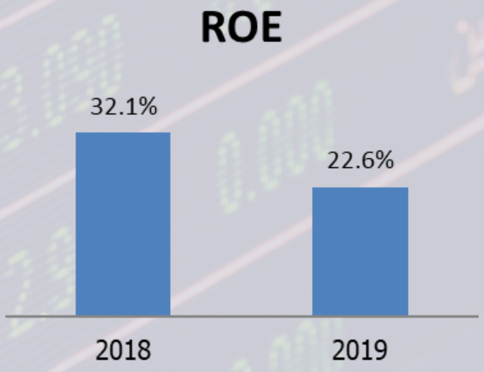
Key Financial Ratios











Q & A

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