



Thailand Corporate Day 2020

17 January 2020

01 | TQM Top Brokerage in Thailand

02 | TQM 2020 Strategy in Digital Age

03 | The Future of Thailand Insurance Market

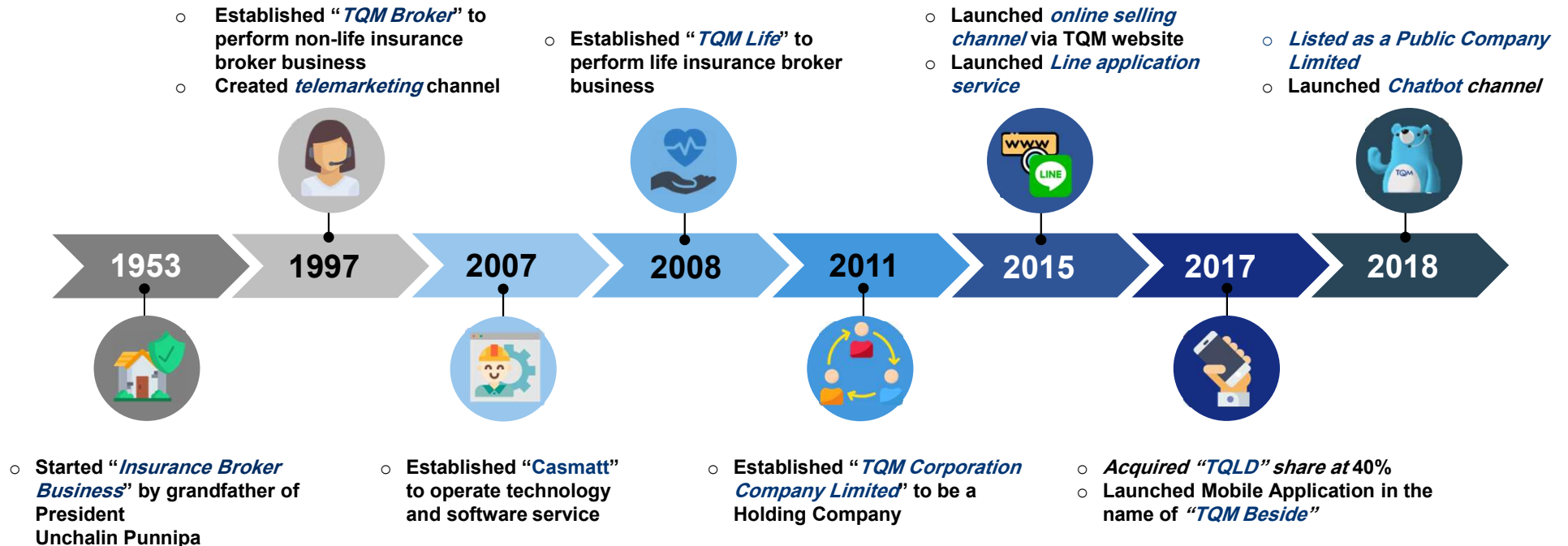
04 | TQM 2019Q3 Operating Results

01

TQM is the number 1st
Broker in Thailand








Over 6 Decades of Delivering the Best of Service to Customers





CORPORATION PUBLIC COMPANY LIMITED

TQM Corporation Public Company Limited

100%	100%	100%	100%	40%
 <p>TQM Insurance Broker</p> <p>Non-life Insurance Brokerage business selling over 130 non-life insurance products including</p> <ul style="list-style-type: none"> • Motor insurance • Non-motor insurance 	 <p>TJN</p> <p>Insurance Brokerage business specialized in selling car insurance through car dealers and Front-end for Agent eco-platform assa</p>	 <p>TQM Life Insurance Broker</p> <p>Life Insurance Brokerage business selling over 20 life insurance products including</p> <ul style="list-style-type: none"> • Individual Life insurance • Group Life insurance 	 <p>Casmatt</p> <p>IT and Software Service business providing specialist advice regarding</p> <ul style="list-style-type: none"> • Business process management • Digital market research • Development and installation of operating and data center system 	 <p>TQLD</p> <p>Digital Insurance Advisory business though website www.noon.in.th where customers will be suggested the most suitable insurance customized to their needs</p>

Shareholder Structure

Type	Percentage
Punnipa Family	60.3
Insurance Company	12.0
International Fund	9.6
Thai Fund	5.7
High Net Worth	3.9
Thai NVDR	3.4
Minority	5.1

as of 30 December 2019

2019 Capital Gain Stock

TQM No.1



No.	Stock	Gain % (30 Dec 19)
1.	TQM*	189.5
2.	CBG	173.2
3.	AMANAH	146.9
4.	JMART	117.5
5.	GULF	103.7

*Listed 20 December 2018 at the IPO of 23.0 THB

Source : Stock Exchange of Thailand (SET)

Five competitive advantages of TQM Business Model

- 1 Best positioned to serve end-users, insurers and regulators
- 2 The most comprehensive portfolio from non-life to life including exclusive products
- 3 Best-in-class Product Recommendation Engine and new product development to serve Thai consumers' uniqueness
- 4 60+ years experienced experts including legal consultants, and aftersales consulting services
- 5 Best Coverage in both physical branches and online channels

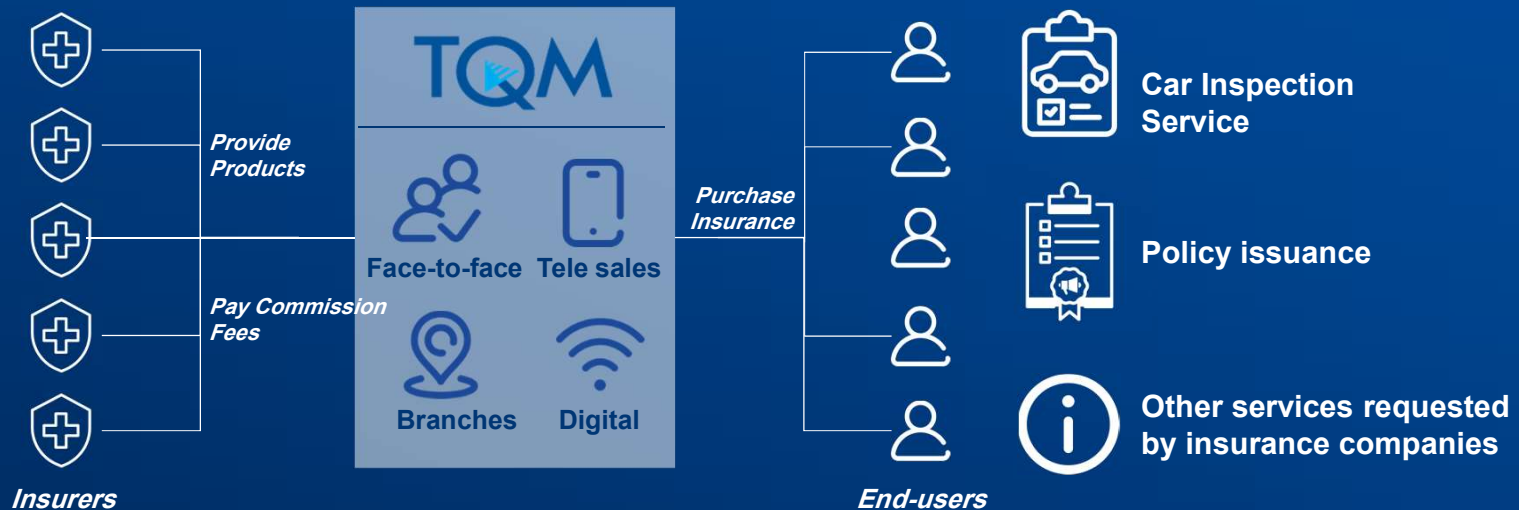
TQM Business Model in the 2 main businesses

1 | Insurance Broker

TQM provides unbiased platform/channels for end-users; guaranteeing best rates, conditions, claims and after-sale services

2 | Service Provider

TQM provides back-end services for insurer partners in exchange of service fee

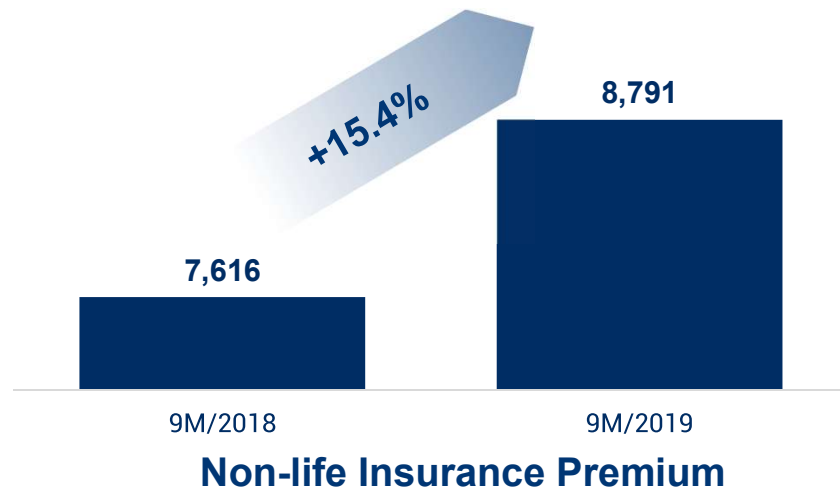


2019 Target is 74% Achieved in 2019 (9M), TQM Continuing Growth Opportunities



Note: Maximum rates regulated by OIC are as followed; life insurance 40%, non-life insurance 18%

Our outperformed in both non-life and life insurance market

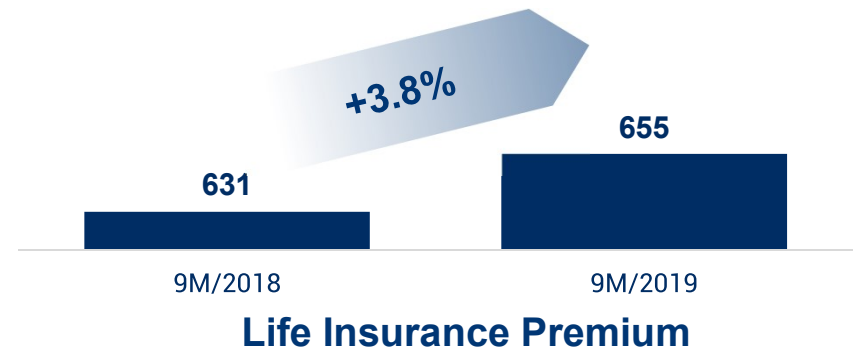


Market Growth at +4.7% driven by Motor, Accident and Health

Unit: THB mn
Source: OIC



Broker Channel has gained market share from 58% to 59%



Market detracts -3.7% driven by renewal premium - 4.9%

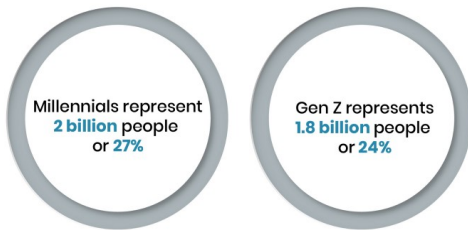


Broker Channel has gained market share from 3% to 5%

Perfect Storms Drive Our Business

CHANGES and TRENDS

Demographic Change

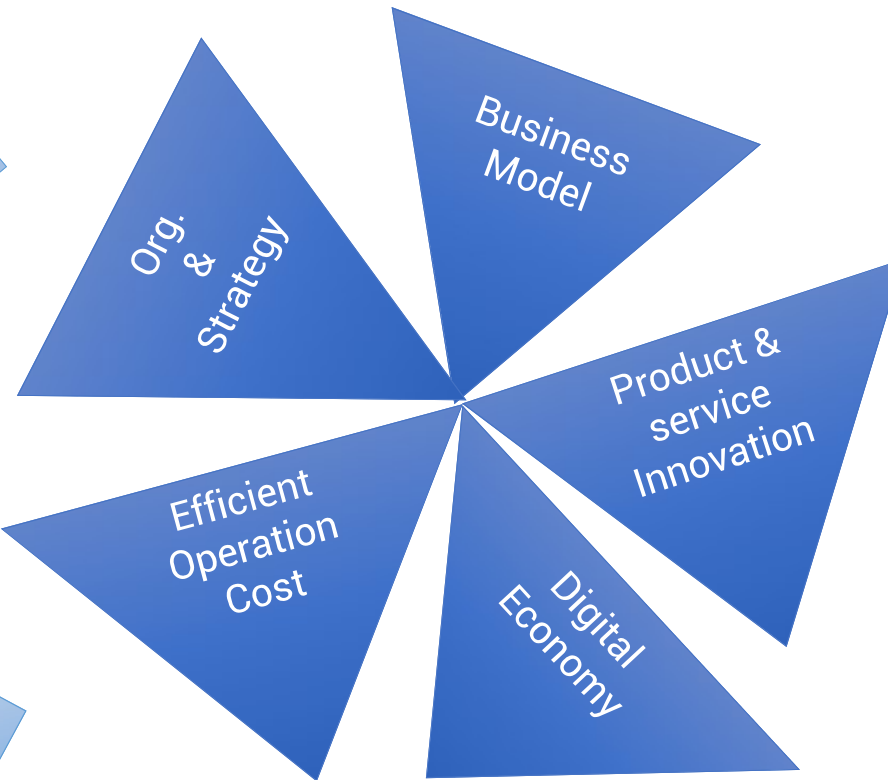


10 Technology Hype Cycle

Top 10 Strategic Technology Trends for 2020

People-Centric	Smart Spaces
Hyperautomation	Empowered Edge
Multitasking	Distributed Cloud
Democratization	Autonomous Things
Human Augmentation	Practical Blockchain
Transparency and Traceability	AI Security

Unlocking Barriers



Sources: Simon, 2019; Gartner, 2019; photos from Vovworld.vn/th, 2015, startupThailand.org, 2018

02

TQM 2020 Strategy In Digital Age



Digital
Transformation
Framework



Target
Operating
Model- TOM



Market and
Digital Channels
and
Opportunities



Our Primes;
Excellence in
Non-life & Life
Broker Awarded



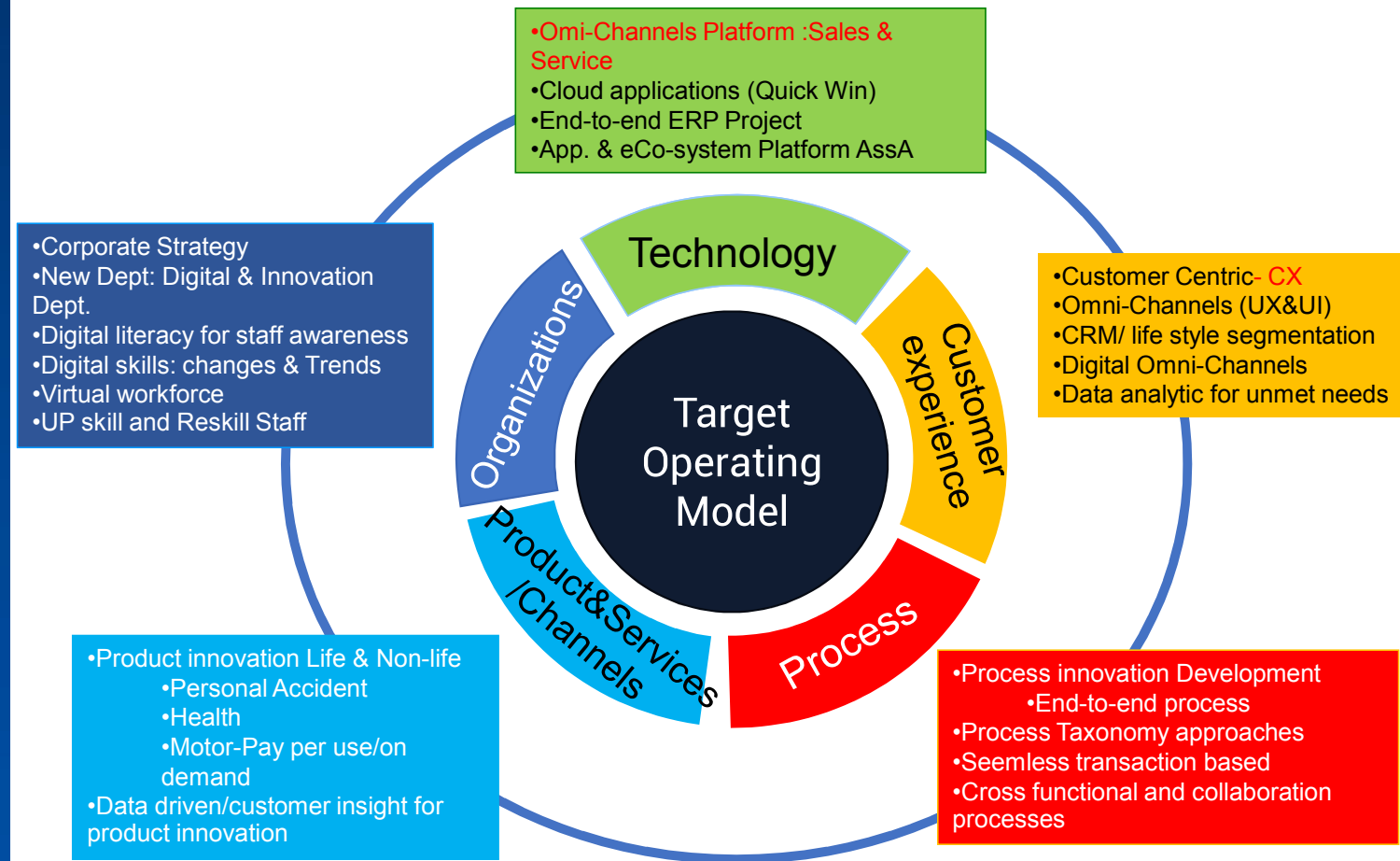
TQM Determination In Digital Era

Number 1 Digital Broker in Region

The screenshot displays the TQM website interface. At the top, there's a navigation bar with the TQM logo, a search bar, and social media links. Below this, a blue banner lists services: สินค้าประกันภัย, ประกัน, บริการลูกค้า, อู่ซ่อมรถ, แฟรนไชส์, ข่าวสารและบทความ, ติดต่อเรา, and นักลงทุนสัมพันธ์. The main content area features four circular icons with text: 0% (ดอกเบี้ย), มีรถใช้ระหว่างซ่อม (ฟรี 1 ครั้ง), บริการ 24 ชั่วโมง (เช็คเบี้ยเปรียบเทียบกับราคา), and กิจกรรมและส่วนลดตลอดปี (แค่เปรียบเทียบประกันออนไลน์). A dark blue button says 'เช็คเบี้ยประกัน ฟรี!'. A green button shows a LINE ID: @tqmbroker. A chatbot icon is in the bottom right. The footer contains the text 'โปรโมชั่น' and a long line of small text about insurance services.



Digital Transformation In Actions



Source: Adopted and developed by Gowanit, 2019

TQM 4-Strategy



Customer Management Through Big Data

- Big data project- to understand the consumer insights.
- Product Segmentation-to design the products align with segmentation



Existing Customer Base Cross-selling

- Life insurance platform
- Non-life insurance platform
- Financial Broker



Technological Driven Operation

- LINE Chatbot, AI, Chat center
- Technology improvement to increase sales and minimize cost
- Digital Channels enhancement e.g. website, FB

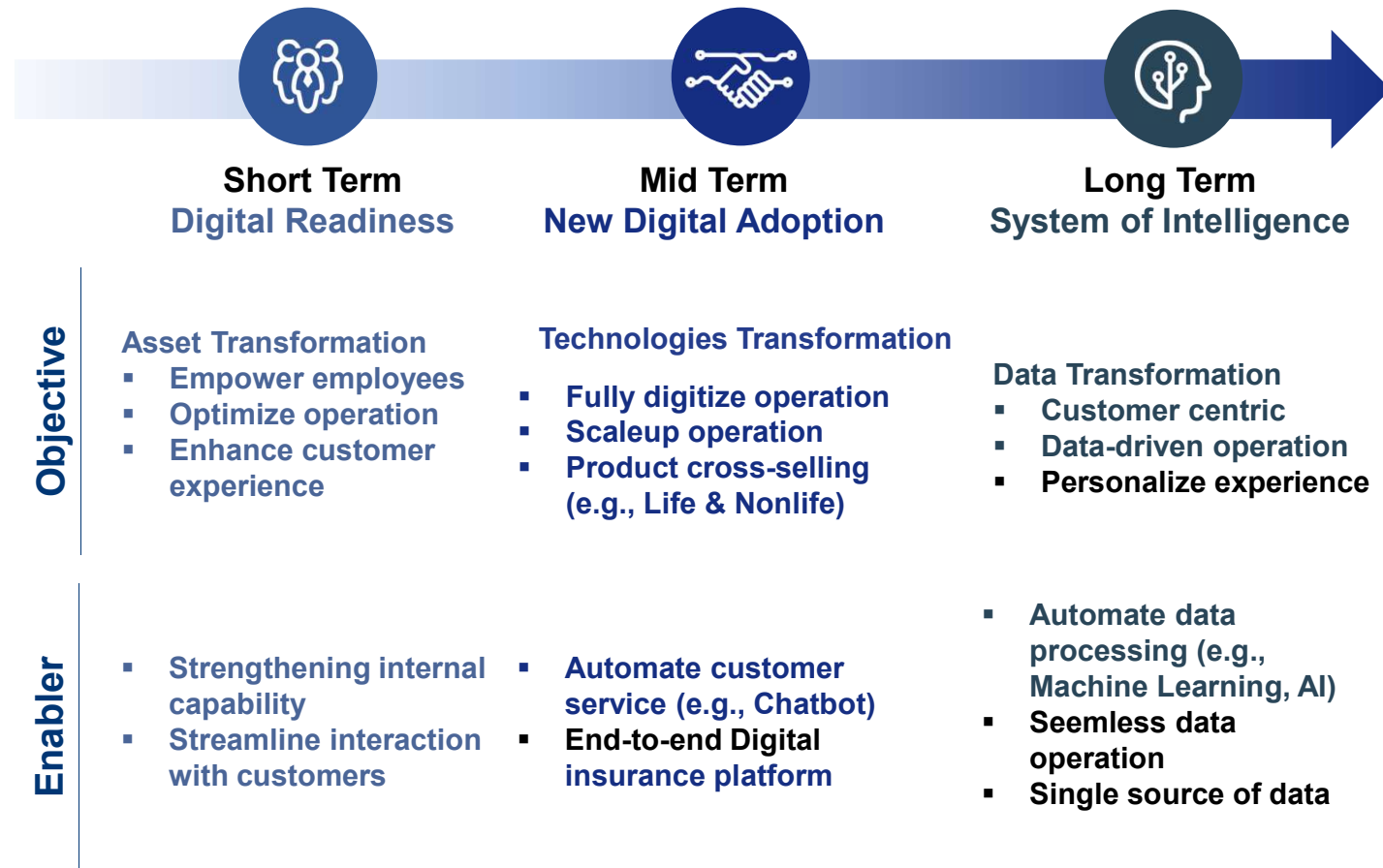


Partnership Enhancement

- Affiliate/ strategic partners
- Inorganic growth

Business Model:
Sell sharing model

Customer Centric Management Through Big Data



Product Segmentation



**Existing
Customer Base
Cross-selling
both Life and
Non-Life**

Life Insurance Platform

TQM life insurance platform that allows customer to compare life insurance products online



Project objective
To boost life insurance sales

Lunched
December 2019

Technological Driven Operation

Chatbot Channels

Investment in Chatbot to be online sales channel

- 24 hour real time chatbot
- Allow customer to obtain information and compare insurance packages and premiums
- Customers can purchase insurance real-time online



Big Data

Leverage existing data to identify and deliver suitable products to customers

- Over 20 million customer data can be used to identify customer segments and their needs
- Existing data will allow TQM to add products that meet the customers demand and increasing potential sales



AI

Chatbot and Big Data will iterate and develop into Artificial intelligence (AI)

- AI will enhance customers experience, to complete purchasing journey with minimal call center interaction with call-center
- AI will assist the customers to find the most suitable insurance package



InsurTech

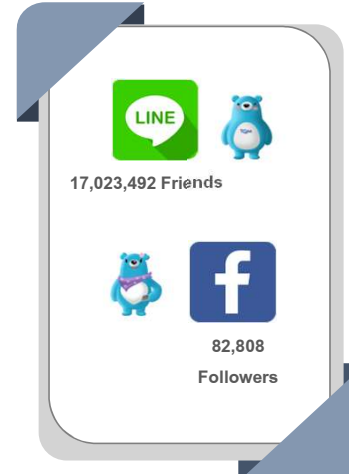
InsurTech is the future of insurance brokerage

- InsurTech will provide the technology and tools to simplify the process between broker and insurance companies including:
 - i. Facilitate customer in the purchasing of insurance by planning, analyzing and customizing insurance
 - ii. Facilitating für customer needs and maximizing the efficiency of the selling process
 - iii. Facilitating for efficiency claim process



Development Plan

Technological Driven Operation



Decrease operational expense



Increase sales volume



Increase customer experience



Technological system to serve customers in all 95 branches

Partnership Enhancement

Insurance Companies

- Ensuring high variety of products to customers
- Enabling higher potential for TQM to reach targeted sales
- Imposing opportunities for TQM to co-create innovative insurance products
- Extended Salaryman phase 2 of co-creating insurance product with Bangkok Insurance targeting labours in industrial and agricultural sector



Service Partners for Customer Relationship

- Enhancing customer experience with TQM service
- Retaining existing customers by creating customer loyalty (renewing policies with TQM)
- Simplify claim service at TQM contact point



Affiliate Channels Opportunities:

- Explore the market opportunities with partners and affiliates
- Co-Create Insurance Shop as Sell Sharing Model with Big C and Southeast Insurance
- Cross- selling fire insurance mapping with Baania homebuyer customer base.
- Co-Create Opportunities with the Communities e.g. Airline, Retails Networks, and Enterprises.



Partnership Enhancement





Excellence in Non-life & Life Broker
Awarded

TQM Prime of Honour to achieve awards: Excellent Non-Life and Life Insurance Broker

TQM Business Model is divided into 2 main businesses



- TQM was granted two awards being both excellent Non-life and Life insurance broker in 2018 by the Office of Insurance Commission (OIC event)
- Best of non-life insurance broker (2014-2017)
- Best of life insurance broker (2014-2016)
- Best of insurance broker for 4 years (2014-2017)
- Bronze Winner from "Frank Talk Advertisement" by London International Awards



The innovative products and services to serve consumers' unmet needs



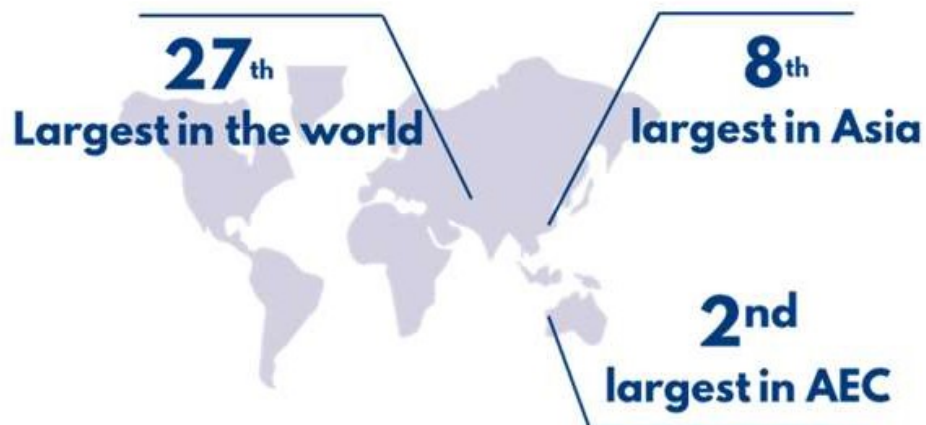
03

The Future of Thailand Insurance Market

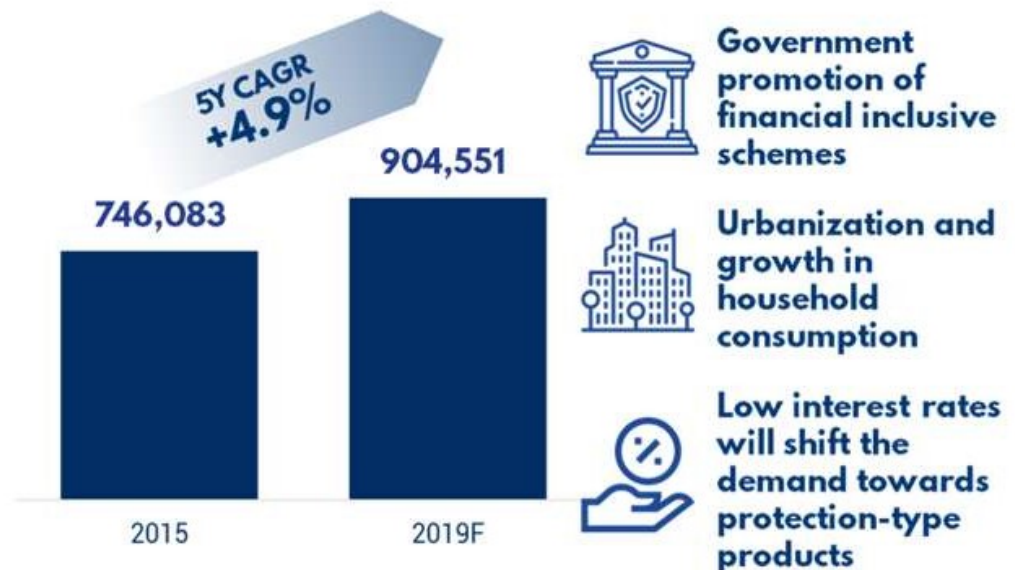


Thailand, one of largest insurance market in Asia, is expected to accelerate its growth

Thailand is 2nd Largest Market in AEC



Insurance Premium growth is driven by macroeconomics

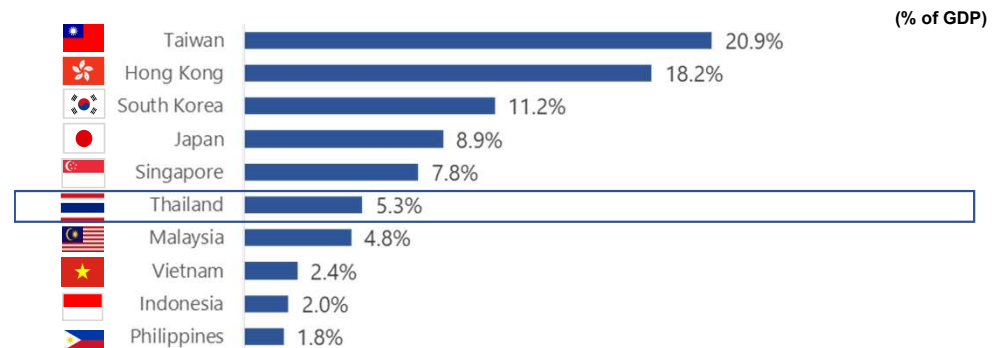


Unit: THB mn

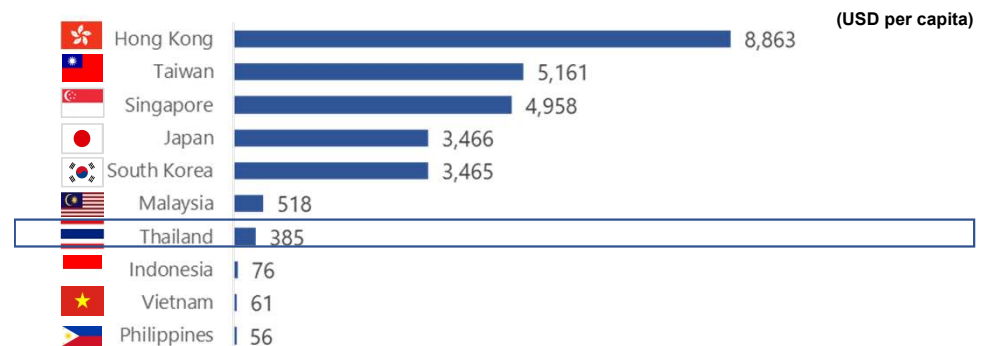
Source: Swiss Re's market statistics, Office of Insurance Commission compiled by IPRB

Thailand Insurance penetration ratio is still low in Asian matured markets

Total insurance premium to GDP (2018)



Total insurance premium per capita (2018)



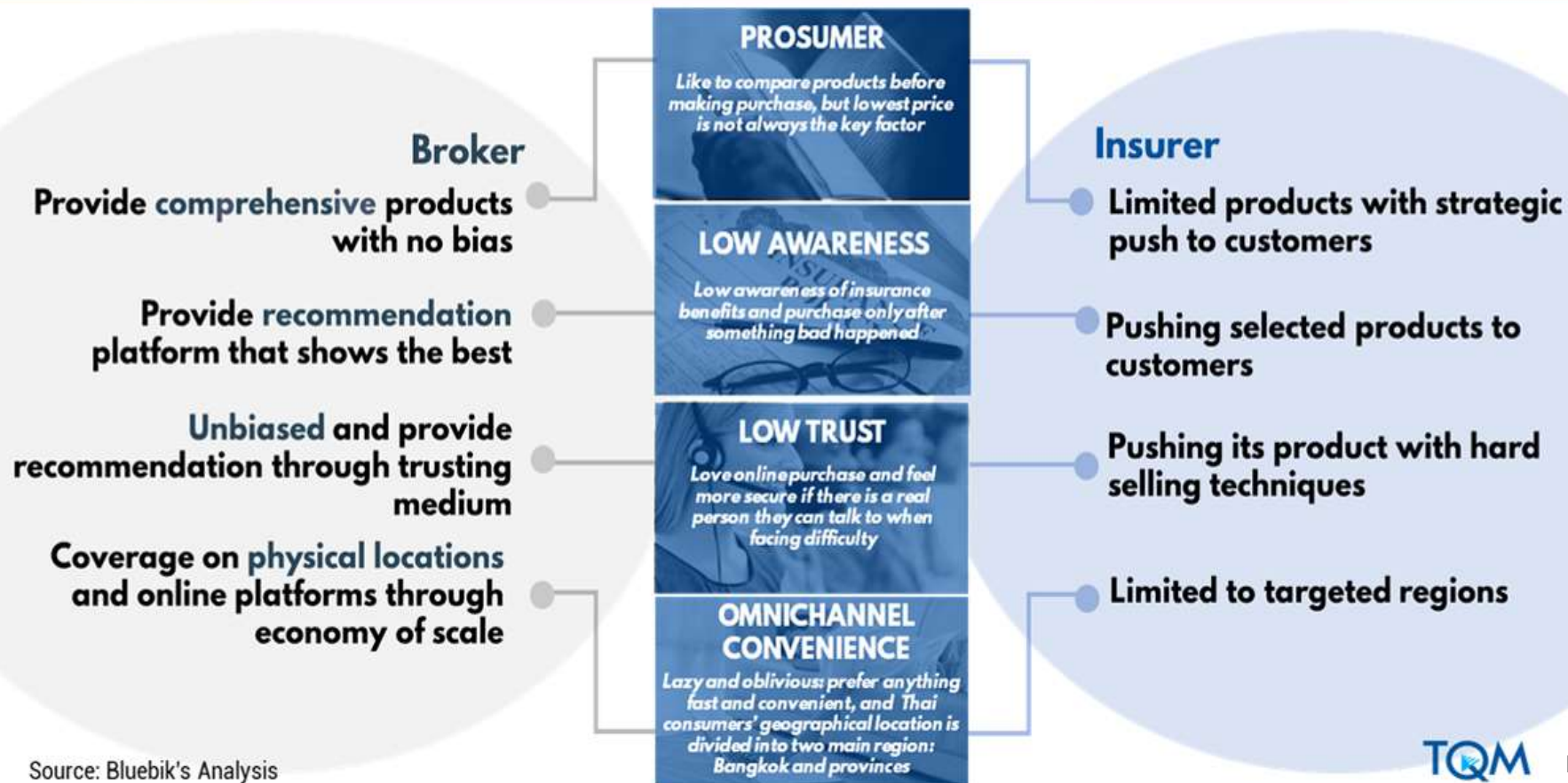
Note: Total insurance premium includes non-life and life insurance premium revenues

Source : https://www.swissre.com/dam/jcr:b8010432-3697-4a97-ad8b-6cb6c0aee33/sigma3_2019_en.pdf (Swiss Reinsurance)



Brokerage, a Key connecting to Unlock Low Penetration

Brokerage is a middleman platform that could meet all of consumer needs





There are enormous growth opportunities in Thailand

Thai consumers have unique needs and attitudes for insurance products resulting in a low penetration

Source: Bluebik's Analysis

PROSUMER

Like to compare products before making purchase, but lowest price is not always the key factor

91% of Thai people use search engines to compare products before making purchase

Source: "ThinkToko" Google

LOW AWARENESS

Low awareness of insurance benefits and purchase only after something bad happened

In Thailand, only 5% of households (there are 26 million households) have home insurance as they think that their houses will never be on fire

Source: Department of Provincial Administration, Buakung Securities

LOW TRUST

Love online purchase and feel more secure if there is a real person they can talk to when facing difficulty

53% of consumers prefer to engage with business face-to-face or over-the-phone, especially for more complicated enquiries.

Source: Businessadvice

OMNICHANNEL CONVENIENCE

Lazy and oblivious: prefer anything fast and convenient, and Thai consumers' geographical location is divided into two main regions: Bangkok and provinces

74% of people are likely to switch brands if they find the purchasing process too difficult.

Source: Salesforce

04

TQM 2019 Q3 Operating Result



Outperformed
Revenue
Growth of 15%



Strong
Operating
Performance
with the
corporate
strategic projects



TJN Acquisition,
Expands to
Motor Dealers
and penetrate to
agent channel



Excellence in
Non-life & Life
Broker Awarded

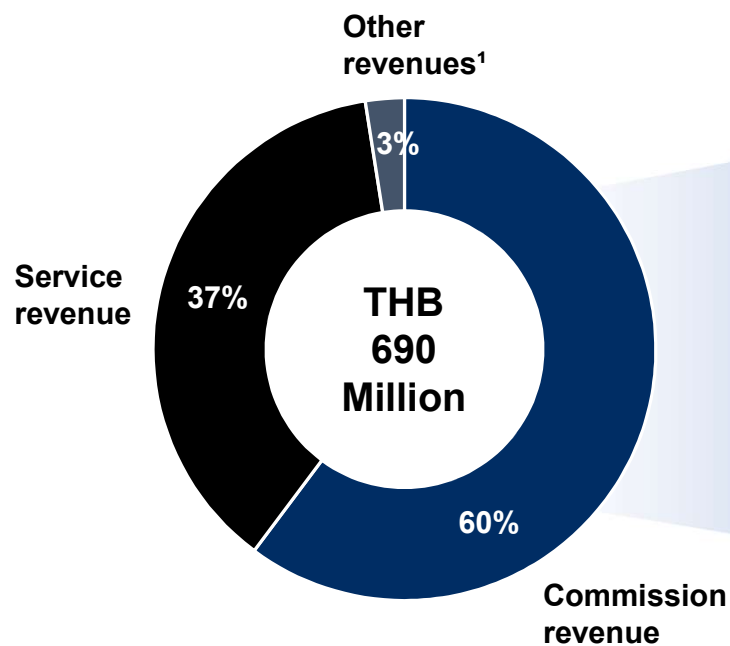
Unit: THB mn



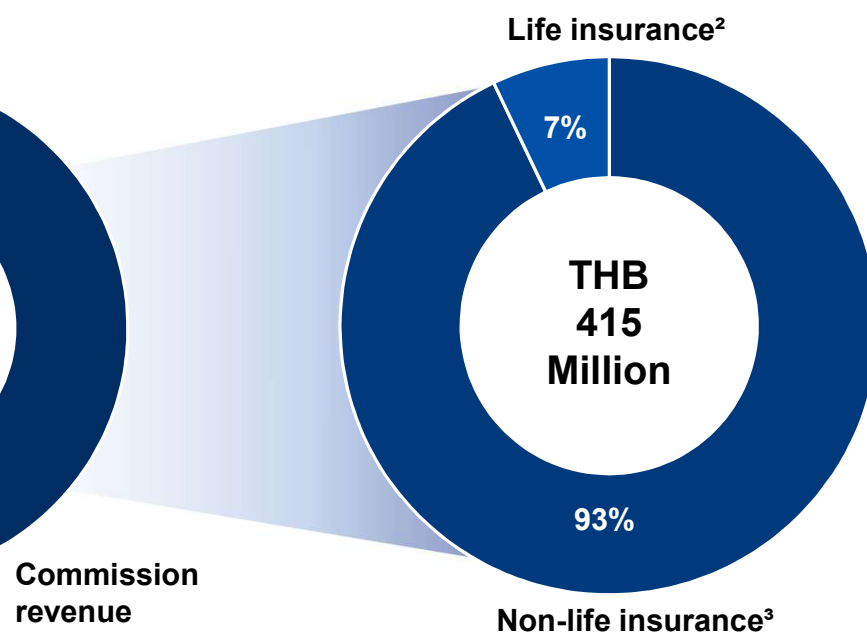
Outperformed Revenue Growth of
15%

Q3/2019 Revenue Breakdown

Revenue



Commission Revenue by Type



Unit: THB mn

Note:

1. Other revenue includes interest income and others

2. The maximum commission rate of life insurance determined by regulation is 40%

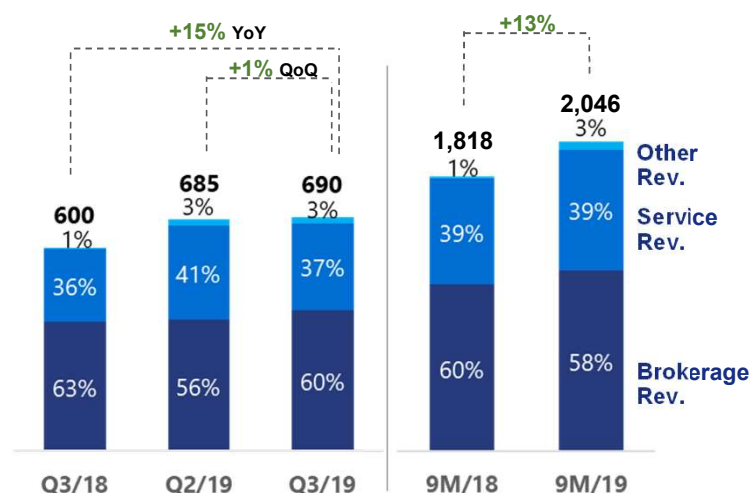
3. The maximum commission rate of non-life insurance determined by regulation is 18%



Outperformed Revenue Growth of 15%

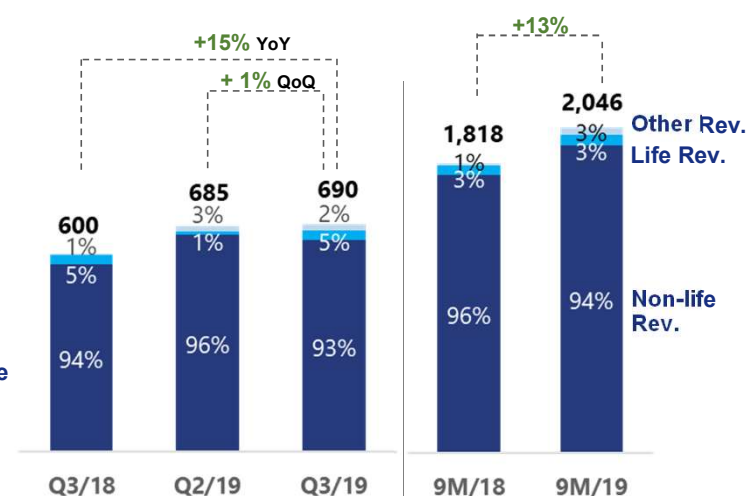
Q3/2019 Revenue has grown 15% YoY

Revenue by Income Type



- Q2/19 VS Q3/19 (QoQ) and Q3/19 VS Q3/18 (YoY): Operating revenue increased by THB 5 million or 1% QoQ and increased by THB 90 million or 15% YoY because of the increase in commission revenue from both life and non-life insurance.
- 9M/18 VS 9M/19: Operating revenue increased by THB 228 million or 13% due to the increase in insurance premium mainly from non-life insurance, the increase in number of salesperson as well as greater consumer confidence.

Commission Revenue by Type



- Q2/19 VS Q3/19 (QoQ): Operating revenue increased by THB 5 million or 1% QoQ because of the increase in insurance premium from life insurance
- Q3/19 VS Q3/18 (YoY): Operating revenue increased by THB 90 million or 15% YoY because of the increase in insurance premium mainly from non-life insurance.
- 9M/18 VS 9M/19: Operating revenue increased by THB 228 million or 13% due to the increase in insurance premium mainly from non-life insurance and the increase in salesperson as well as greater consumer confidence.

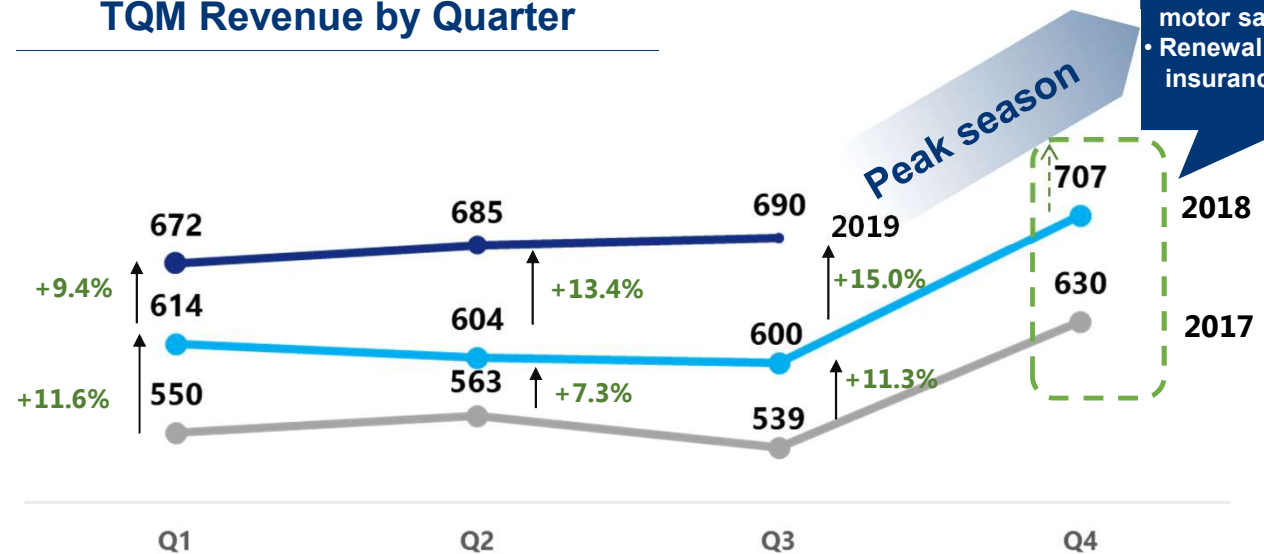
Unit: THB mn



Outperformed Revenue Growth of
15%

Revenues is
expected to
robust in Q4

TQM Revenue by Quarter



- Motor show accelerated motor sales in Q4
- Renewal period of group insurance

TQM Net Profit by Quarter



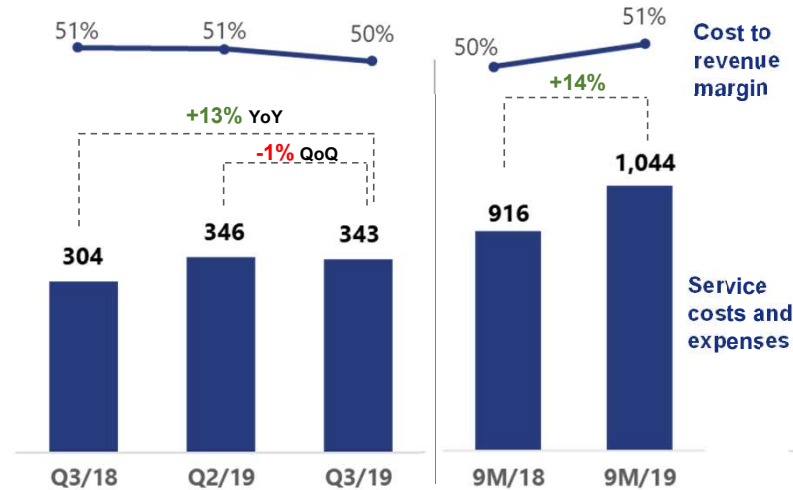
Unit: THB mn



Strong Operating Performance

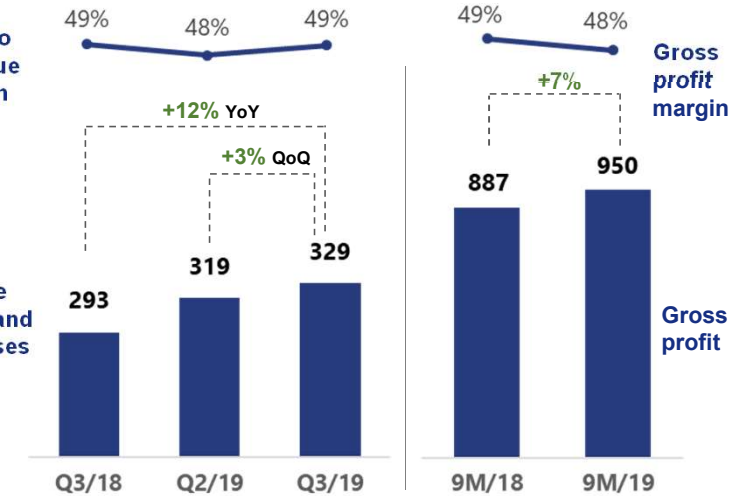
Q3/2019
Gross profit
has grown
12% YoY

Service Costs



- Q2/19 VS Q3/19 (QoQ) : Service cost insignificantly changed QoQ.
- Q3/19 VS Q3/18 (YoY) and 9M/18 VS 9M/19: Service cost increased by THB 39 million or 13% YoY and THB 128 million or 14% 9M in line with an increase in operating revenue as well as the increase in 200-300 salespersons during Q1/19

Gross Profit and Gross Profit Margin



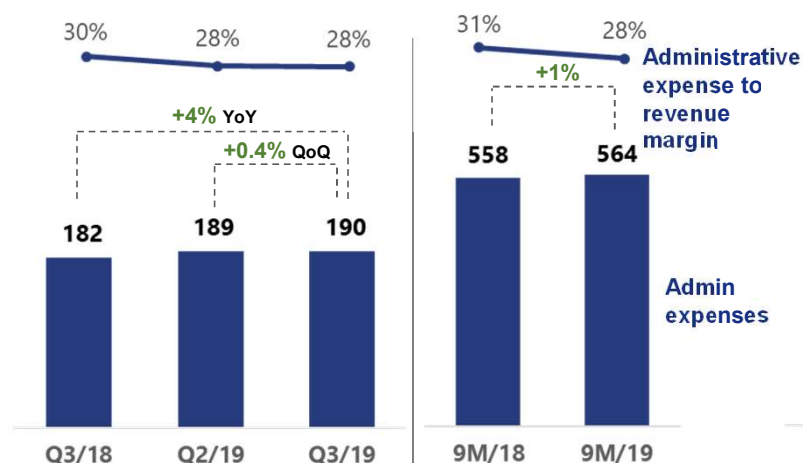
- Q2/19 VS Q3/19 (QoQ) and Q3/19 VS Q3/18 (YoY): Gross profit increased by THB 10 million or 3% QoQ and increased by THB 36 million or 12% YoY due to the expansion in sales channels and the increase in salespersons to generate more revenue.
- 9M/18 VS 9M/19: Gross profit increased by THB 63 million or 7% due to the expansion in sales channels and the increase in salespersons to support the greater number of insurance policies.

Unit: THB mn



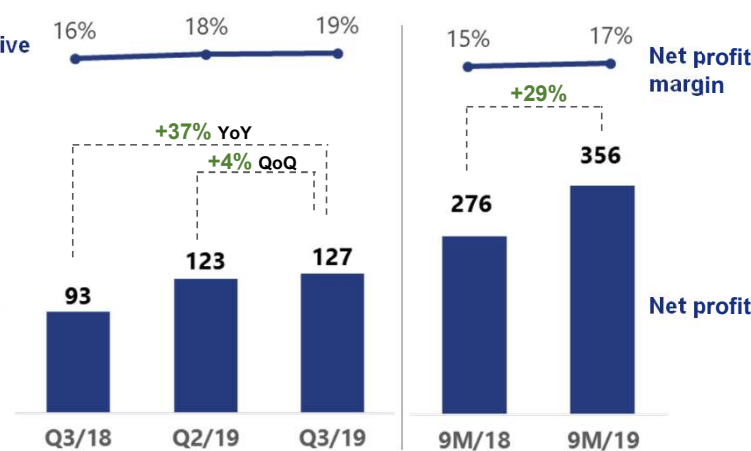
Q3/2019
Net profit
has grown
37% YoY

Administrative Expenses



- Q2/19 VS Q3/19 (QoQ) Administrative expenses insignificantly changed QoQ.
- Q3/19 VS Q3/18 (YoY) and 9M/18 VS 9M/19 (9M): Administrative expenses increased by THB 8 million or 4% YoY and increased by THB 6 million or 1% 9M mainly due to employee benefits that have changed to 400 days according to the new financial standard.

Net profit and Net profit Margin



- Q2/19 VS Q3/19 (QoQ) and Net profit increased by THB 4 million or 4% QoQ as a result of the increase in operating revenue and the better control on expenses which led to higher net profit.
- Q3/19 VS Q3/18 (YoY) and 9M/18 VS 9M/19: Net profit increased by THB 34 million or 37% YoY and increased by THB 80 million or 29% 9M due to the increase in operating revenue, the increase in other revenues and the better control on expenses which led to higher net profit.

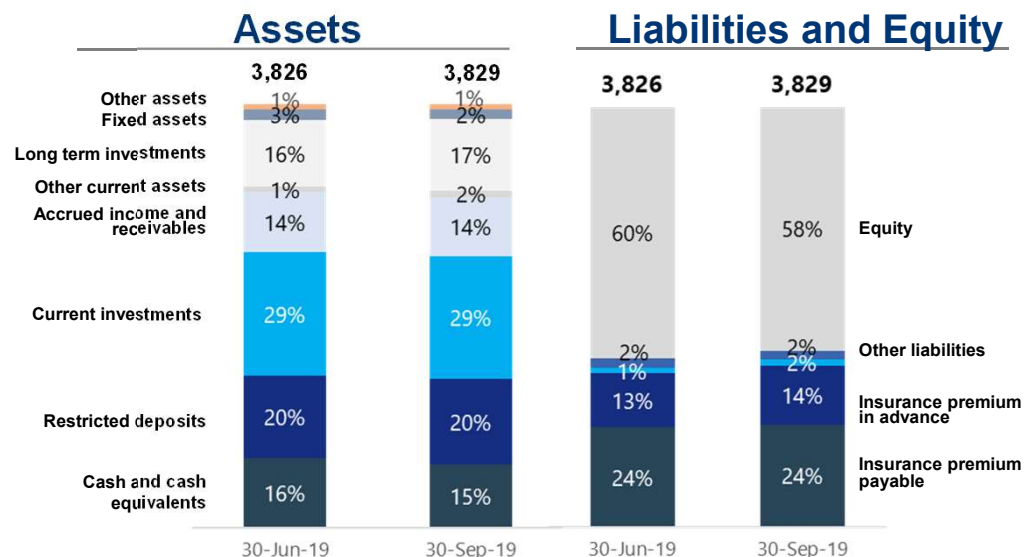
Unit: THB mn



Strong Operating Performance

Financial Positions Remain Solid

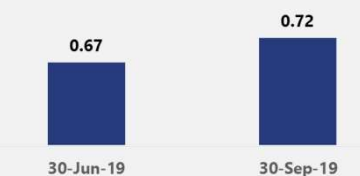
Financial Positions



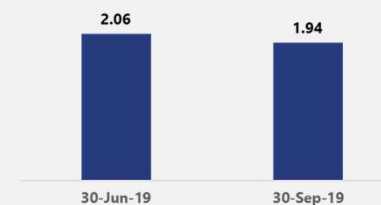
- Total assets as of 30 Sep 2019 were THB 3,829 million, slightly increased by THB 3 million or 0.1% from 30 June 2019 mainly from the increase in long-term investments.
- Based on analysis on D/E ratio, TQM is considered financially healthy, as TQM did not have any interest-bearing debt although D/E ratio as at 30 Sep 2019 slightly increased from 30 June 2019 mainly due to the increase in insurance premium in advance and insurance premium payable.
- Current ratio slightly decreased from 30 June 2019 mainly from the increase in insurance premium in advance and insurance premium payable.

Unit: THB mn

Financial Ratios



Total D/E Ratio (Times)

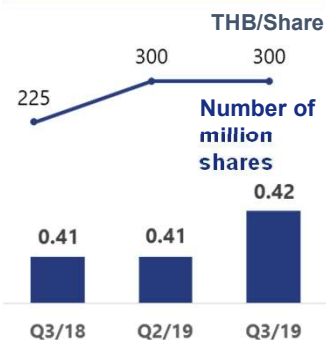


Current Ratio (Times)



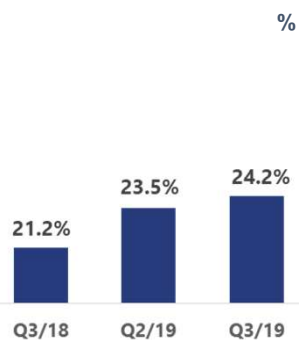
Key Financial Ratio Highlights

Earnings per share



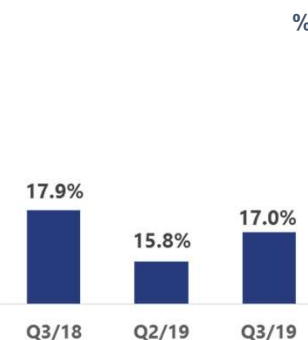
- Q2/19 VS Q3/19 (QoQ): EPS in Q3/19 increased by THB 0.01 per share from Q2/19, because of the increase in net profit from better operating performance.
- Q3/19 VS Q3/18 (YoY): EPS in Q3/19 increased by THB 0.01 per share from Q3/18, because of the increase in net profit from better operating performance while average shares increased as a result of the IPO in Dec 2018.

EBITDA Ratio



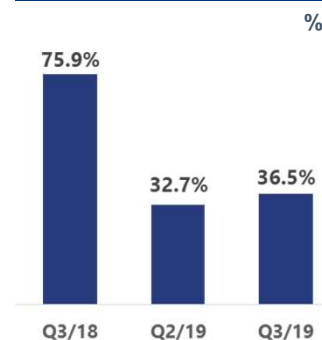
- Q2/19 VS Q3/19 (QoQ): EBITDA margin in Q3/19 increased by 0.7% from Q2/19, because of the increased GPM
- Q3/19 VS Q3/18 (YoY): EBITDA margin in Q3/19 increased by 3.0% from Q3/18, because of better control of administrative expenses

ROA



- Q2/19 VS Q3/19 (QoQ): ROA in Q3/19 increased by 1.2% from Q2/19, because of the increase in net profit.
- Q3/19 VS Q3/18 (YoY): ROA in Q3/19 decreased by 0.9% from Q3/18.

ROE



- Q2/19 VS Q3/19 (QoQ): ROE in Q3/19 increased by 3.8% from Q2/19
- Q3/19 VS Q3/18 (YoY): ROE in Q2/19 decreased by 39.4% from Q2/18, because of the increase in shareholder's equity from Initial Public Offerings (IPO).

Note: The net profit used to calculate ROA and ROE is actual 4-quarter net profit. The assets and equities are the weighted average asset and equities between the beginning and ending of the period.



TJN Acquisition, expanded into Car Dealership

TQM has acquired 100% of TJN to expand the new channels

Key Deal Information

- Transaction Date: 10 July 2019
- TJN Information
 - Founded in 2016
 - A leading insurance broker specializes in selling luxury car insurance through car dealers
 - Premium/Year (2018): ~30 MB
 - Number of car dealers: 5



TQM 2019's Journey

18 Dec
SET Announcing
Price-weighted 1 Jan 2020



26 Nov
MSCI Small Cap
Price-weighted



TJN
INSURANCE
BROKER

10 Jul
Acquiring
TJN Broker

FTSE
Russell

21 Jun
FTSE Micro Cap
Price-weighted



CORPORATION PUBLIC COMPANY LIMITED

Q & A

Contact

Sumrit Rongkawilit



+662 119 8888 ext. 5234



sumrit.ron@tqm.co.th

Rio Khundeeklai



+662 119 8888 ext. 5009



rio.khu@tqm.co.th