

Bangkok Life Assurance Public Company Limited
Review report and interim financial statements
For the three-month periods ended
31 March 2009 and 2008

Review report of Independent Auditor

To the Shareholders of Bangkok Life Assurance Public Company Limited

I have reviewed the accompanying balance sheet of Bangkok Life Assurance Public Company Limited as at 31 March 2009 and the related statements of income, changes in shareholders' equity, and cash flows for the three-month periods ended 31 March 2009 and 2008. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

I conducted my reviews in accordance with the auditing standard applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. I have not performed an audit and, accordingly, I do not express an audit opinion.

Based on my reviews, nothing has come to my attention that causes me to believe that the accompanying financial statements are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

I have previously audited the financial statements of Bangkok Life Assurance Public Company Limited in which the equity method is applied for the year ended 31 December 2008, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements under my report dated 23 February 2009. The balance sheets as at 31 December 2008, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. I have not performed any other audit procedures subsequent to the date of that report.

Nonglak Pumnoi
Certified Public Accountant (Thailand) No. 4172

Ernst & Young Office Limited
Bangkok: 11 May 2009

Bangkok Life Assurance Public Company Limited

Balance sheets

As at 31 March 2009 and 31 December 2008

		(Unit: Baht)	
	<u>Note</u>	<u>31 March 2009</u>	<u>31 December 2008</u>
		(Unaudited but reviewed)	(Audited)
Assets			
Investments in securities			
Bonds	13, 14	30,442,807,633	28,448,591,758
Treasury bills	8	1,469,751,449	-
Notes	8	3,292,976,001	4,058,365,544
Stocks		3,403,931,368	3,594,042,822
Debentures		7,339,142,105	7,422,861,158
Unit trusts		1,185,999,510	1,334,414,028
Other securities		681,256	-
Total investments in securities	5, 7	<u>47,135,289,322</u>	<u>44,858,275,310</u>
Loans			
Policy loans		1,099,764,756	1,050,863,163
Mortgage loans		716,787,195	738,241,179
Other loans		11,329,129	12,008,114
Total loans		<u>1,827,881,080</u>	<u>1,801,112,456</u>
Less: Allowance for doubtful accounts		<u>(2,672,673)</u>	<u>(2,672,673)</u>
Loans - net	6, 7	1,825,208,407	1,798,439,783
Cash and deposits at financial institutions	7, 8	3,657,256,218	2,381,639,639
Property, building and equipment - net	9	320,611,346	324,608,143
Due from reinsurers		6,554,408	27,915,881
Premium due and uncollected	10	1,235,264,524	1,120,875,601
Accrued investment income - net		612,979,750	743,422,881
Other assets			
Intangible assets - net		19,937,536	21,109,095
Others	7, 11	207,423,141	205,243,186
Total assets		<u><u>55,020,524,652</u></u>	<u><u>51,481,529,519</u></u>

The accompanying notes are an integral part of the financial statements.

Bangkok Life Assurance Public Company Limited

Balance sheets (continued)

As at 31 March 2009 and 31 December 2008

		(Unit: Baht)	
	<u>Note</u>	<u>31 March 2009</u>	<u>31 December 2008</u>
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Life policy reserve		44,325,252,676	41,891,693,741
Unpaid policy benefits	7	4,106,368,170	3,984,060,369
Due to reinsurers	7	69,029,171	76,654,300
Advance premium receipts		1,528,393,720	1,550,812,113
Other liabilities			
Corporate income tax payable		321,446,969	112,445,135
Others	7, 12	1,414,077,227	847,094,648
Total liabilities		<u>51,764,567,933</u>	<u>48,462,760,306</u>
Shareholders' equity			
Share capital	15		
Registered share capital			
1,220,000,000 ordinary shares of Baht 1 each		<u>1,220,000,000</u>	<u>1,220,000,000</u>
Issued and paid-up share capital			
1,000,000,000 ordinary shares of Baht 1 each		1,000,000,000	1,000,000,000
Premium on share capital		275,000,000	275,000,000
Unrealised gains (losses)			
Surplus (deficit) on changes in values of investments		(2,845,629)	316,295,625
Retained earnings			
Appropriated			
Statutory reserve		104,901,654	77,085,216
General reserve		400,000,000	400,000,000
Unappropriated		1,478,900,694	950,388,372
Total shareholders' equity		<u>3,255,956,719</u>	<u>3,018,769,213</u>
Total liabilities and shareholders' equity		<u>55,020,524,652</u>	<u>51,481,529,519</u>
Off-balance sheet items - commitments			
Commitments	17	158,165,609	159,463,460

The accompanying notes are an integral part of the financial statements.

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Directors

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(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited**Income statements****For the three-month periods ended 31 March 2009 and 2008**

		(Unit: Baht)	
	Note	<u>2009</u>	<u>2008</u>
Revenues			
Net premiums written	7	4,722,272,110	2,945,211,277
Net investments income	7	635,358,091	569,782,970
Gains on investments in securities	5	125,485,105	23,702,445
Other income			
Gains on sales of assets		26,470	22,195
Others		6,532,070	3,085,603
Total revenues		<u>5,489,673,846</u>	<u>3,541,804,490</u>
Expenses			
Underwriting expenses			
Life policy reserve increase from the previous period		2,433,558,935	1,483,912,113
Benefit payments to life policies during the period	7	1,200,670,832	1,083,198,059
Dividends to policyholders		240,000	90,000
Commissions and brokerages	7	670,750,286	433,209,336
Sales promotion expenses		124,816,926	44,399,884
Other underwriting expenses	7	2,427,813	2,447,673
Total underwriting expenses		<u>4,432,464,792</u>	<u>3,047,257,065</u>
Operating expenses			
Personnel expenses		136,285,752	117,964,455
Premises and equipment expenses	7	29,380,570	25,371,873
Taxes and duties		22,536,069	15,716,779
Directors' remuneration		1,560,000	1,170,000
Operating expenses - branches		15,769,032	12,966,372
Contribution to the Office of Insurance Commission		10,205,104	5,581,793
Contribution to the life assurance fund		13,076,995	-
Other operating expenses	7	57,227,863	39,454,122
Total operating expenses		<u>286,041,385</u>	<u>218,225,394</u>
Losses (gains) on exchange		<u>(1,907,038)</u>	<u>3,130,850</u>
Total expenses		<u>4,716,599,139</u>	<u>3,268,613,309</u>
Income before income tax		773,074,707	273,191,181
Corporate income tax		216,745,947	68,204,391
Net income for the period		<u>556,328,760</u>	<u>204,986,790</u>
Basic earnings per share			
Net income		<u>0.56</u>	<u>0.20</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited

Statements of cash flows

For the three-month periods ended 31 March 2009 and 2008

	(Unit: Baht)	
	<u>2009</u>	<u>2008</u>
Cash flows from (used in) operating activities		
Net premiums written	4,948,788,619	2,888,903,787
Net investments income	883,588,757	681,087,908
Other income	6,531,906	3,085,603
Benefit payments to life policies during the period	(1,099,692,922)	(888,964,244)
Dividends to policyholders	(240,000)	(90,000)
Commissions and brokerages	(669,363,030)	(521,737,516)
Other underwriting expenses	(67,854,883)	(82,496,466)
Operating expenses	(166,836,888)	(103,546,297)
Corporate income tax	(7,744,114)	(7,121,561)
Net cash from operating activities	<u>3,827,177,445</u>	<u>1,969,121,214</u>
Cash flows from (used in) investing activities		
Cash flows from		
Investments in securities	9,236,193,691	3,850,985,429
Loans	42,339,796	57,329,421
Deposits at financial institutions	1,880,773,305	178,162,500
Property, building and equipment	651,668	151,304
Net cash from investing activities	<u>11,159,958,460</u>	<u>4,086,628,654</u>
Cash flows used in		
Investments in securities	(11,068,370,299)	(5,781,148,562)
Loans	(48,432,337)	(74,944,278)
Deposits at financial institutions	(2,755,926,980)	(248,162,500)
Property, building and equipment	(9,581,479)	(15,377,458)
Net cash used in investing activities	<u>(13,882,311,095)</u>	<u>(6,119,632,798)</u>
Net cash used in investing activities	<u>(2,722,352,635)</u>	<u>(2,033,004,144)</u>
Net increase (decrease) in cash and cash equivalents	1,104,824,810	(63,882,930)
Cash and cash equivalents at beginning of period	661,639,639	285,039,978
Cash and cash equivalents at end of period (Note 8)	<u>1,766,464,449</u>	<u>221,157,048</u>

Supplemental cash flows information

Non-cash item

Surplus (deficit) on changes in values of investments	-2,845,629	316,295,625
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The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited

Statements of changes in shareholders' equity

For the three-month periods ended 31 March 2009 and 2008

(Unit: Baht)

	Note	Issued and paid-up share capital	Premium on share capital	Surplus (deficit) on changes in values of investments	Retained earnings			Total
					Appropriated			
					Statutory reserve	General reserve	Unappropriated	
Balance as at 1 January 2008		1,000,000,000	275,000,000	1,128,945,591	39,498,923	400,000,000	236,248,792	3,079,693,306
Income and expenses recognised directly in equity								
Investments in available-for-sale securities								
Gains recognized in shareholders' equity		-	-	34,082,684	-	-	-	34,082,684
Transferred to income statement on disposal		-	-	(3,439,308)	-	-	-	(3,439,308)
Net income recognised directly in equity		-	-	30,643,376	-	-	-	30,643,376
Net income for the period		-	-	-	-	-	204,986,790	204,986,790
Total income for the period		-	-	30,643,376	-	-	204,986,790	235,630,166
Unappropriated retained earnings transferred to statutory reserve	16	-	-	-	10,249,339	-	(10,249,339)	-
Balance as at 31 March 2008		1,000,000,000	275,000,000	1,159,588,967	49,748,262	400,000,000	430,986,243	3,315,323,472
Balance as at 1 January 2009		1,000,000,000	275,000,000	316,295,625	77,085,216	400,000,000	950,388,372	3,018,769,213
Expenses recognised directly in equity								
Investments in available-for-sale securities								
Losses recognized in shareholders' equity		-	-	(301,701,353)	-	-	-	(301,701,353)
Transferred to income statement on disposal		-	-	(17,439,901)	-	-	-	(17,439,901)
Net expenses recognised directly in equity		-	-	(319,141,254)	-	-	-	(319,141,254)
Net income for the period		-	-	-	-	-	556,328,760	556,328,760
Total income and expenses for the period		-	-	(319,141,254)	-	-	556,328,760	237,187,506
Unappropriated retained earnings transferred to statutory reserve	16	-	-	-	27,816,438	-	(27,816,438)	-
Balance as at 31 March 2009		1,000,000,000	275,000,000	(2,845,629)	104,901,654	400,000,000	1,478,900,694	3,255,956,719
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

Bangkok Life Assurance Public Company Limited

Notes to interim financial statements

For the three-month periods ended 31 March 2009 and 2008

1. General information

Bangkok Life Assurance Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Nippon Life Insurance Company, which was incorporated in Japan. The Company is principally engaged in the provision of life insurance business. Its registered office is located at 23/115-121, Royal City Avenue, Rama 9 Road, Bangkok, Huaykwang, Bangkok. As at 31 March 2009, the Company has 70 branches (31 December 2008: 69 branches).

2. Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standards Pronouncement No. 41 (revised 2007) “Interim financial statements”, with the Company choosing to present condensed interim financial statements. However the Company has presented the balance sheets, and the statements of income, changes in shareholders’ equity and cash flows in the same format as that used for the annual financial statements.

These interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language financial statements.

3. Accounting Standards which are effective for the current year

The Federation of Accounting Professions has also issued Notification No. 86/2551 regarding Accounting Standards. The notification mandates the use of the following new accounting standards.

TAS 36 (revised 2007)

Impairment of Assets

TAS 54 (revised 2007)

Non-current Assets Held for Sale and Discontinued Operations

These accounting standards will become effective for the financial statements for fiscal years beginning on or after 1 January 2009. The management has assessed the effect of these accounting standards and believes that they do not have any significant impact on the financial statements for the current period.

4. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2008.

5. Investments in securities

(Unit: Baht)

	31 March 2009		31 December 2008	
	Cost / <u>Amortised cost</u>	<u>Fair value</u>	Cost / <u>Amortised cost</u>	<u>Fair value</u>
Trading securities				
Equity securities				
Common stocks	156,729,780	93,814,222	341,300,843	237,464,823
Warrants	-	681,256	-	-
Deficit on changes in values of investments	(62,234,302)	-	(103,836,020)	-
Total trading securities	<u>94,495,478</u>	<u>94,495,478</u>	<u>237,464,823</u>	<u>237,464,823</u>
Available-for-sale securities				
Equity securities				
Common stock	3,204,448,977	3,298,072,446	3,222,798,688	3,344,533,299
Unit trusts	1,366,975,043	1,185,999,510	1,381,265,544	1,334,414,028
Unrealised gains on exchange	11,915,101	-	10,192,513	-
Surplus (deficit) on changes in values of investments	(99,267,165)	-	64,690,582	-
	<u>4,484,071,956</u>	<u>4,484,071,956</u>	<u>4,678,947,327</u>	<u>4,678,947,327</u>
Debt securities				
Bonds - net	1,246,475,844	1,334,923,258	1,522,771,491	1,766,837,878
Debentures - net	100,000,963	107,975,085	100,001,053	107,539,709
Surplus on changes in values of investments	96,421,536	-	251,605,043	-
	<u>1,442,898,343</u>	<u>1,442,898,343</u>	<u>1,874,377,587</u>	<u>1,874,377,587</u>
Total available-for-sale securities	<u>5,926,970,299</u>	<u>5,926,970,299</u>	<u>6,553,324,914</u>	<u>6,553,324,914</u>

(Unaudited but reviewed)

(Unit: Baht)

	31 March 2009		31 December 2008	
	Cost / <u>Amortised cost</u>	<u>Fair value</u>	Cost / <u>Amortised cost</u>	<u>Fair value</u>
Held-to-maturity debt securities				
Bonds - net	29,107,884,375		26,681,753,880	
Treasury bills - net	1,469,751,449		-	
Notes	3,325,138,414		4,094,865,544	
Less: Allowance for impairment	(32,162,413)		(36,500,000)	
Notes - net	3,292,976,001		4,058,365,544	
Debentures	7,238,667,020		7,325,921,449	
Less: Allowance for impairment	(7,500,000)		(10,600,000)	
Debentures - net	7,231,167,020		7,315,321,449	
Total held-to-maturity debt securities	41,101,778,845		38,055,440,873	
Other investments				
Ordinary shares	12,044,700		12,044,700	
Total other investments	12,044,700		12,044,700	
Total investments in securities	47,135,289,322		44,858,275,310	

Investments in debt securities as at 31 March 2009 and 31 December 2008 will be due as follows:

(Unit: Baht)

	31 March 2009			
	Due within			
	<u>1 year</u>	<u>2 - 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Available-for-sale securities				
Government bonds	-	-	1,334,923,258	1,334,923,258
Debentures	-	107,975,085	-	107,975,085
	-	107,975,085	1,334,923,258	1,442,898,343
Held-to-maturity debt securities				
Government and state enterprise				
bonds - net	1,610,669,826	5,653,045,704	21,844,168,845	29,107,884,375
Treasury bills - net	1,469,751,449	-	-	1,469,751,449
Notes - net	1,432,338,022	490,637,979	1,370,000,000	3,292,976,001
Debentures - net	275,001,320	1,437,442,853	5,518,722,847	7,231,167,020
	4,787,760,617	7,581,126,536	28,732,891,692	41,101,778,845
Total	4,787,760,617	7,689,101,621	30,067,814,950	42,544,677,188

(Unaudited but reviewed)

(Unit: Baht)

	31 December 2008			
	Due within			
	<u>1 year</u>	<u>2 - 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Available-for-sale securities				
Bonds	-	-	1,766,837,878	1,766,837,878
Debentures	-	107,539,709	-	107,539,709
	<u>-</u>	<u>107,539,709</u>	<u>1,766,837,878</u>	<u>1,874,377,587</u>
Held-to-maturity debt securities				
Bonds - net	562,591,215	5,103,504,339	21,015,658,326	26,681,753,880
Notes - net	1,343,365,544	395,000,000	2,320,000,000	4,058,365,544
Debentures - net	340,274,179	1,456,463,445	5,518,583,825	7,315,321,449
	<u>2,246,230,938</u>	<u>6,954,967,784</u>	<u>28,854,242,151</u>	<u>38,055,440,873</u>
Total	<u>2,246,230,938</u>	<u>7,062,507,493</u>	<u>30,621,080,029</u>	<u>39,929,818,460</u>

The Company has pledged government and state enterprise bonds of Baht 8,477.3 million (31 December 2008: Baht 8,480.3 million) as life assurance policy reserve and assets pledged with the Life Assurance Registrar in accordance with the Life Assurance Act as mentioned in Notes 13 and 14.

- (a) As at 31 March 2009, the Company has investments of Baht 700 million (31 December 2008: Baht 1,000 million) in promissory notes and bills of exchange, which have been classified as held-to-maturity investments and are presented at amortised cost. Such notes were issued by local banks and branches of foreign commercial banks, have remaining lives of 7-13 years, and contain conditions related to early redemption rights or put options obliging the Company to purchase additional notes released by issuers.
- (b) As at 31 March 2009, the Company has investments of Baht 670 million (31 December 2008: Baht 920 million) in promissory notes and bills of exchange, which have been classified as held-to-maturity investments and are presented at amortised cost. Such notes were issued by branches of foreign commercial banks, have remaining lives of 7 years, and contain conditions whereby settlement of principal and interest is to be received on the maturity date per the agreement.

(Unaudited but reviewed)

The promissory notes and bills of exchange contain embedded derivatives that are not closely related to the host contract instruments, except for one structured note as described in (b).

The Company recorded gains (losses) from investments in securities during the three-month periods ended 31 March 2009 and 2008 by included the following.

(Unit: Baht)

	31 March 2009	31 March 2008
Unrealised gains from trading securities	7,971,714	8,640,216
Gains from sales of trading securities	12,411,014	2,515,678
Gains from sales of available-for-sale securities	(4,028,766)	5,204,147
Gains from sales of held-to-maturity securities	105,613,556	7,342,405
Unrealised losses on foreign exchange contracts	(3,920,000)	-
Reversal of impairment loss	7,437,587	-
Total	<u>125,485,105</u>	<u>23,702,446</u>

6. Loans and accrued interest

As at 31 March 2009 and 31 December 2008, the balances of loans and accrued interest are aged by principal and accrued interest as follows:

(Unit: Baht)

Outstanding period	31 March 2009								
	Policy loans		Mortgage loans		Other loans		Total		Total
	Principal	Accrued interest	Principal	Accrued interest	Principal	interest	Principal	interest	
Current	1,099,764,756	78,296,997	708,746,406	3,021,295	11,257,384	-	1,819,768,546	81,318,292	1,901,086,838
Overdue:									
Less than 6 months	-	-	2,749,210	19,182	-	-	2,749,210	19,182	2,768,392
Over 12 months	-	-	5,291,579	343,593	71,745	5,073	5,363,324	348,666	5,711,990
Total	<u>1,099,764,756</u>	<u>78,296,997</u>	<u>716,787,196</u>	<u>3,384,070</u>	<u>11,329,129</u>	<u>5,073</u>	<u>1,827,881,080</u>	<u>81,686,140</u>	<u>1,909,567,220</u>
Less: Allowance for doubtful accounts	-	-	(2,672,673)	(343,593)	-	-	(2,672,673)	(343,593)	(3,016,266)
Loans and accrued interest - net	<u>1,099,764,756</u>	<u>78,296,997</u>	<u>714,114,522</u>	<u>3,040,477</u>	<u>11,329,129</u>	<u>5,073</u>	<u>1,825,208,407</u>	<u>81,342,547</u>	<u>1,906,550,954</u>

(Unaudited but reviewed)

(Unit: Baht)

31 December 2008									
Outstanding period	Policy loans		Mortgage loans		Other loans		Total		
	Accrued		Accrued		Accrued		Accrued		Total
	Principal	interest	Principal	interest	Principal	interest	Principal	interest	
Current	1,050,863,163	71,851,367	729,927,010	3,181,924	11,900,421	-	1,792,690,594	75,033,291	1,867,723,885
Overdue:									
Less than 6 months	-	-	2,371,831	14,101	-	-	2,371,831	14,101	2,385,932
Over 12 months	-	-	5,942,338	370,810	107,693	6,491	6,050,031	377,301	6,427,332
Total	1,050,863,163	71,851,367	738,241,179	3,566,835	12,008,114	6,491	1,801,112,456	75,424,693	1,876,537,149
Less: Allowance for doubtful accounts	-	-	(2,672,673)	(343,593)	-	-	(2,672,673)	(343,593)	(3,016,266)
Loans and accrued interest - net	1,050,863,163	71,851,367	735,568,506	3,223,242	12,008,114	6,491	1,798,439,783	75,081,100	1,873,520,883

Loans provided to employees are in accordance with employee's benefits plan under a credit line of Baht 100,000 or less for personal guarantee loans. In case of secured loans, the credit line is not to exceed 50 times the employee's salary. The interest rates for the loans charge at the rates of 6% and 5% per annum, respectively. As at 31 March 2009, loans to employees and agents totaled Baht 42.44 million (31 December 2008: Baht 41.61 million).

7. Related party transactions

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The relationship between the Company and its related parties are summarized below:

Name of related parties	Type of business	Relationship with the Company
Bangkok Bank Pcl.	Banking	Shareholding and related by way of common directors
Bangkok Insurance Pcl.	Insurance	Shareholding and related by way of common directors
Thai Reinsurance Pcl.	Insurance	Related by way of common directors
Thaire Life Assurance Co., Ltd.	Life assurance	Subsidiary of Thai Reinsurance Pcl.
Sorachai Vivatn Co., Ltd.	Property development	Related by way of common directors
Bumrungrad Hospital Pcl.	Health care services	Related by way of common directors and shareholders
The Phyathai 1 Hospital Co., Ltd.	Health care services	Related by way of common directors
The Phyathai 2 Hospital Co., Ltd.	Health care services	Related by way of common directors
The Phyathai 3 Hospital Co., Ltd.	Health care services	Related by way of common directors
Rajburi Sugar Co., Ltd.	Industry	Related by way of common directors
Narai Ruamphiphat Co., Ltd.	Property development	Holding by an individual related to the major shareholder of the Company
Bangkok Business Building (1987) Co., Ltd.	Rental of assets	Related by way of common directors and shareholders

(Unaudited but reviewed)

Name of related parties	Type of business	Relationship with the Company
Royal Cliff Beach Hotel Co., Ltd.	Tourism & Leisure	Holding by an individual related to a director of the Company
Thai Rating and Information Services Co., Ltd.	Services	Shareholding and related by way of common directors
Union Textile Industries Pcl.	Industry	Related by way of common shareholders
Bangkok Mitsubishi UFJ Lease Co., Ltd.	Leasing	Related by way of common directors
Charoen Pokphand Foods Pcl.	Agriculture	Related by way of common directors
TICON Industrial Connection Pcl.	Property development	Holding by an individual related to the major shareholder of the Company
BBL Asset Management Co., Ltd.	Asset management	Related by way of common directors and shareholders
Khun Panit Panyabordekul	Agent	Related by way of the Company's management

During the three-month periods ended 31 March 2009 and 2008, the Company had significant business transactions with its related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course business between the Company and those parties are as follows:

(Unit: Baht)

	For the three-month periods ended 31 March		Pricing policy
	2009	2008	
Premium written	2,116,604	2,006,271	Normal commercial terms for underwriting
Premium cede	675,797	1,039,754	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contract
Commission and brokerage	282,628,483	68,599,418	At a mutually agreed percentage of premium written
Claim payment and diagnose charge	17,350,435	14,587,614	Normal commercial terms for underwriting
Interest income - deposits at banks, promissory notes and debentures	10,203,908	4,488,911	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	2,609,057	3,283,321	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	6,169,360	16,818,642	The declared amount
Bank charges	12,875,803	10,455,088	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	502,931	247,014	Normal commercial terms for underwriting

(Unaudited but reviewed)

(Unit: Baht)

	For the three-month periods ended 31 March		Pricing policy
	2009	2008	
Building space rental and services	14,069,044	13,427,036	Head office building: Rental fee of approximately Baht 90 per square meter per month and service fee of Baht 20 per square meter per month for long term agreement and approximately Baht 44, Baht 138 per square meter per month and service fees approximately Baht 91, Baht 307 per square meter per month. Branch office buildings: Rental fees of approximately Baht 100, Baht 150, Baht 188 and Baht 315 per square meter per month and service fees of approximately Baht 342 and Baht 200 per square meter per month.

For the three-month periods ended 31 March 2009 and 2008, the premium generated from the Bancassurance distribution channel represented approximately 46.08% and 19.33% of total net premium written.

The Company had the following significant balances of assets and liabilities with its related parties:

	(Unit: Baht)			
	31 March 2009		31 December 2008	
	Cost	Fair value	Cost	Fair value
Investments in listed stocks				
Bangkok Bank Pcl.	291,209,784	275,650,000	291,209,784	255,300,000
Bangkok Insurance Pcl.	49,866,522	84,860,600	49,866,522	84,406,800
Thai Reinsurance Pcl.	41,677,975	73,694,234	41,677,975	86,449,005
Bumrungrad Hospital Pcl.	10,000,000	35,800,000	10,000,000	42,000,000
Union Textile Industries Pcl.	166,700	166,700	166,700	166,700
TICON Industrial Connection Pcl.	98,759,043	36,919,680	98,759,043	37,908,600
	<u>491,680,024</u>	<u>507,091,214</u>	<u>491,680,024</u>	<u>506,231,105</u>
Investments in non-listed stocks				
Thai Rating and Information Services Co., Ltd.	1,000,000		1,000,000	
BBL Asset Management Co., Ltd.	10,000,000		10,000,000	
	<u>11,000,000</u>		<u>11,000,000</u>	

(Unaudited but reviewed)

(Unit: Baht)

	31 March 2009		31 December 2008	
	Cost	Fair value	Cost	Fair value
Investments in securities - warrants				
TICON Industrial Connection Pcl.	-	681,256	-	-
Investments in securities - unit trust				
TICON Property Fund	573,716,382	449,248,000	573,716,382	561,560,000
Investments in securities - debenture				
Charoen Pokphand Foods Pcl.	150,000,000		150,000,000	
Investments in securities - note				
Bangkok Bank Pcl.	600,000,000		500,000,000	

(Unit: Baht)

	31 March 2009	31 December 2008
Deposits at financial institution		
Bangkok Bank Pcl.	928,210,792	330,625,505
Mortgage loans		
Sorachai Vivatn Co., Ltd.	143,474,220	156,220,800
Prepaid office rental (including in other assets)		
Narai Ruamphiphat Co., Ltd.	137,667,528	140,615,873
Claim payables (including in unpaid policy benefits)		
Bumrungrad Hospital Pcl.	3,182,048	3,145,197
The Phyathai 1 Hospital Co., Ltd.	1,920,456	2,295,568
The Phyathai 2 Hospital Co., Ltd.	4,055,896	3,865,028
The Phyathai 3 Hospital Co., Ltd.	2,280,836	2,239,078
	11,439,236	11,544,871
Due to reinsurer		
Thaire Life Assurance Co., Ltd.	1,653,604	2,029,317
Accrued commission and brokerage expenses (including in other liabilities)		
Bangkok Bank Pcl.	129,512,433	90,618,388
Accrued office rental and services charge (including in other liabilities)		
Bangkok Insurance Pcl.	74,902	36,491
Sorachai Vivatn Co., Ltd.	235	705
Rajburi Sugar Co., Ltd.	61,750	66,764
Narai Ruamphiphat Co., Ltd.	23,053	66,494
Bangkok Business Building (1987) Co., Ltd.	103,555	62,337
Bumrungrad Hospital Pcl.	127,410	346,143
The Phayathai 1 Hospital Co., Ltd.	460,512	89,100
The Phayathai 2 Hospital Co., Ltd.	-	81,200
The Phayathai 3 Hospital Co., Ltd.	-	266,340
	851,417	1,015,574

Directors and management's remuneration

During the three-month period ended 31 March 2009, the Company paid salaries, bonuses, meeting allowances, contributions to the provident fund and others to its directors and management totaling Baht 4.16 million (2008: Baht 3.79 million).

In addition, in 2007 the Company has allocated 20 warrants to its employees without charge. The detail of the warrants are presented in Note 15 to the financial statements.

8. Cash and cash equivalents

Cash and cash equivalents as reflected in the statements of cash flows consist of the followings:

	(Unit: Baht)	
	31 March 2009	31 March 2008
Cash	3,037,957	4,149,832
Deposits at banks with no fixed maturity date	344,218,261	207,007,216
Deposits at banks with fixed maturity date and negotiable certificates of deposits	3,310,000,000	555,000,000
Total cash and deposits at financial institutions	3,657,256,218	766,157,048
Treasury bills and notes	4,762,727,450	4,058,365,544
Less: Deposits at financial institutions treasury bills and notes with maturity of more than 3 months	(6,653,519,219)	(4,603,365,544)
Cash and cash equivalents	<u>1,766,464,449</u>	<u>221,157,048</u>

9. Premises and equipment

Movements of premises and equipment account during the three-month period ended 31 March 2009 are summarised below.

	(Unit: Baht)
Net book value as at 1 January 2009	324,608,143
Acquisitions during period - at cost	9,581,479
Disposals during period - net book value at disposal date	(24,281)
Depreciation for period	(13,553,995)
Net book value as at 31 March 2009	<u>320,611,346</u>

10. Premium due and uncollected

The balances of premium due and uncollected are classified in relation to the grace period granted on the condition of the policy, as follows:

(Unit: Baht)

	31 March 2009	31 December 2008
Grace period not exceeded	1,217,768,506	1,107,533,488
Grace period exceeded	17,496,018	13,342,113
Total premium due and uncollected	<u>1,235,264,524</u>	<u>1,120,875,601</u>

11. Other assets

(Unit: Baht)

	31 March 2009	31 December 2008
Prepaid rental expenses	137,667,528	140,615,873
Account receivable from sales of investments	12,645,349	7,234,646
Prepaid expenses	19,054,954	20,340,516
Deposits	18,010,223	19,032,376
Others	20,045,087	18,019,775
Total	<u>207,423,141</u>	<u>205,243,186</u>

12. Other liabilities

(Unit: Baht)

	31 March 2009	31 December 2008
Accrued commission expenses	404,898,627	403,511,371
Accrued expenses	231,369,685	132,441,605
Withholding tax payable	9,536,280	25,322,248
Premium received for policies not yet approved	341,197,709	53,248,871
Amounts received awaiting transfer	272,125,136	78,764,294
Unpaid benefits to life policies exempted premium	82,421,160	80,818,346
Forward contracts payables	28,243,300	26,575,250
Others	44,285,330	46,412,663
Total	<u>1,414,077,227</u>	<u>847,094,648</u>

13. Assets pledged with registrar

As at 31 March 2009 and 31 December 2008, the following assets have been pledged with the Registrar of the Office of Insurance Commission in accordance with the Life Assurance Act.

	(Unit: Baht)	
	31 March 2009	31 December 2008
State enterprise bonds	20,000,000	20,000,000

14. Assets reserve with registrar

As at 31 March 2009 and 31 December 2008, the following assets have been pledged as life assurance policy reserve with the Registrar of the Office of Insurance Commission in accordance with the Life Assurance Act.

	(Unit: Baht)	
	31 March 2009	31 December 2008
Government bonds	3,603,815,978	3,605,788,757
State enterprise bonds	4,853,474,077	4,854,511,383
Total	8,457,290,055	8,460,300,140

15. Warrants

15.1 On 23 November 2007, the Extraordinary General Meeting No. 2 of the Company's shareholders passed a resolution approving the issuance of 20 million registered and non-transferrable warrants to subscribe to the Company's ordinary shares, to be allotted to employees. These warrants expire 5 years from the issue date or on the termination date of employment, if earlier. The exercise ratio is 1 warrant to 1 new ordinary share and the exercise price is the public offering price or the approximate trading price on the Stock Exchange of Thailand (SET) if the allocation to employees takes place after the Company is listed on the SET. Employees can exercise their rights for the first time 3 years after the subscription date.

15.2 On 29 May 2008, the Executive Board of Directors of the Company passed the resolution approving the offer of 11.5 million warrants to management-level employees. There are 8.5 million warrants that remain unallocated.

15.3 On 14 August 2008, the Board of Directors of the Company passed the resolution approving the revision of the detail of warrant which allotted to employees from “the exercise price is the public offering price or the approximate trading price on the SET” to “the exercise price is the public offering price”.

16. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5% of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution.

During the year 2009, the Company transferred net income amounting to Baht 27.82 million (2008: Baht 10.25 million) to the statutory reserve.

17. Commitments

The Company has entered into several lease agreements in respect of the lease of office building space, motor vehicles and equipments. The terms of the agreements are generally between 3 and 24 years for lease of building space and are generally between 1 and 5 years for lease of motor vehicles and equipments. Operating lease agreements can not be cancelled.

As at 31 March 2009, the Company has outstanding commitments as follows:

(Unit: Million Baht)

	Pay within			<u>Total</u>
	<u>1 year</u>	<u>2 - 5 years</u>	<u>Over 5 years</u>	
Operating lease agreements	24.54	28.88	6.42	59.84
Services agreements	30.58	46.39	21.36	98.33
Total	<u>55.12</u>	<u>75.27</u>	<u>27.78</u>	<u>158.17</u>

As at 31 December 2008, the Company has outstanding commitments as follows:

(Unit: Million Baht)

	Pay within			
	<u>1 year</u>	<u>2 - 5 years</u>	<u>5 years</u>	<u>Total</u>
Operating lease agreements	23.81	29.45	6.65	59.91
Services agreements	28.98	48.63	21.94	99.55
Total	<u>52.79</u>	<u>78.08</u>	<u>28.59</u>	<u>159.46</u>

18. Contingent liabilities

As at 31 March 2009, the Company has been sued for damaged totaling approximately Baht 22.09 million (31 December 2008: 21.86 million) as insurer. The outcomes of these causes have not yet been finalized.

19. Financial information by segment

The Company's operations involve a single industry segment in life insurance and are carried on in the single geographic area in Thailand. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

20. Financial instruments

20.1 Financial risk management

The Company's financial instruments principally comprise cash and deposits at financial institutions, investments in securities, loans, premium due and uncollected, accrued investment income, unpaid policy benefit, amounts due to reinsurers. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

Concentrations of the credit risk with respect to loans and premiums due and uncollected are insignificant due to the large number of customers comprising the customer base and their dispersion across different industries and geographic regions in Thailand. The maximum exposure to credit risk is the book value of assets as presented in balance sheet.

(Unaudited but reviewed)

There is insignificant risk from policy loans since the sum that the Company has lent to insured parties is less than cash value of their policies with the Company. The maximum value of the risk arising from secured loans is the amount of the loan less the value which the Company is able to derive from the assets placed as collateral.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its deposits at financial institutions, investments in securities and loans. However, since most of the Company's financial assets bear fixed interest rates which are close to the market rate, the Company does not use derivatives to manage its interest rate risk.

Significant financial assets as at 31 March 2009 classified by type of interest rates are summarized in the table below.

(Unit: Baht)

	Balance as at 31 March 2009		
	No interest	Floating interest rate	Fixed interest rate
Deposits at financial institutions	150,638,826	196,617,392	3,310,000,000
Investments in securities - net			
Bonds	-	-	30,442,807,633
Treasury bills	-	-	1,469,751,449
Notes	-	-	3,292,976,001
Debentures	-	202,575,470	7,136,566,635
Loans - net	-	34,466,497	1,790,741,910
Total	<u>150,638,826</u>	<u>433,659,359</u>	<u>47,442,843,628</u>

Financial assets that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Baht)

	Within			Total	Average interest rate (% p.a.)
	1 year	2 - 5 years	Over 5 years		
Deposits at financial institutions	3,010,000,000	-	300,000,000	3,310,000,000	3.04
Investments in securities - net					
Bonds	1,610,669,826	5,653,045,704	23,179,092,103	30,442,807,633	5.22
Treasury bills	1,469,751,449	-	-	1,469,751,449	1.41
Notes	1,432,338,022	490,637,979	1,370,000,000	3,292,976,001	4.07
Debentures	263,185,434	1,354,658,354	5,518,722,847	7,136,566,635	5.85
Loans - net	<u>746,394</u>	<u>15,332,603</u>	<u>1,774,662,913</u>	<u>1,790,741,910</u>	6.88 - 8.00
Total	<u>7,786,691,125</u>	<u>7,513,674,640</u>	<u>32,142,477,863</u>	<u>47,442,843,628</u>	

Foreign currency risk

The Company's significant exposure to foreign currency risk is in respect of its investments in bonds and unit trusts which are denominated in foreign currencies and reinsurance with foreign reinsurers. The Company utilises forward exchange contracts to manage the risk.

As at 31 March 2009, the balances of financial assets denominated in foreign currencies are summarised below.

<u>Foreign currency</u>	<u>Financial assets</u>	<u>Average exchange rate as at 31 March 2009 (Baht per 1 foreign currency unit)</u>
	(Million)	
US dollar	67.50	35.39

Foreign exchange contracts outstanding at 31 March 2009 are summarized below.

<u>Foreign currency</u>	<u>Bought amount</u>	<u>Contractual exchange rate bought (Baht per 1 foreign currency unit)</u>
	(Million)	
US dollar	67.50	33.27 - 41.00

20.2 Fair value

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction. The fair value is determined by depending on the nature of the instrument.

The fair value is determined by reference to the market price of the financial instrument or by using an appropriate valuation technique, depending on the nature of the instrument.

The following methods and assumptions were used by the Company in estimating the fair values of financial instruments:

Investments in securities

The fair values of listed securities are based on their quoted market prices.

The fair values of other securities cannot be properly calculated, and therefore no disclosure is made.

The fair values of deposits at financial institutions, bonds, debentures and notes with maturity periods of less than 90 days are based on their carrying values. For those with maturity periods longer than 90 days, fair values are estimated using a discounted cash flow analysis based on the current interest rate and the remaining period to maturity.

The fair value of debt securities in the form of embedded derivatives are based on the calculations made by the issuers.

Policy loans

The fair value of policy loan is based on the amount presented in the balance sheet.

As at 31 March 2009, the aggregate carrying values of the Company's financial instruments which are significantly different from their aggregate fair values can be defined as follows:

	<u>Carrying value</u>	<u>Fair value</u>
(Unit: Baht)		
Held-to-maturity debt securities		
Bonds - net	29,107,884,375	32,028,194,892
Treasury bills	1,469,751,449	1,470,559,899
Debenture - net	7,231,167,020	7,352,705,461
Investments in notes in Note 5 (a) (exclusion of put option)	700,000,000	712,120,550
Investments in notes in Note 5 (b)	670,000,000	1,010,367,193
Promissory notes	3,292,976,001	the proper value cannot be calculated

The Company has recorded the above bonds, debentures and notes at their book values because the Company intends to hold the investments to maturity.

Investments in notes as Note 5 (a)

As at 31 March 2009, the Company may need to deposit additional amounts in the future under the promissory notes and bills of exchange agreements, as summarised below.

Within	Unit: Million Baht
Within 1 year	200
1 - 3 years	200
4 - 6 years	100
Total	500

21. Post balance sheet event

On 17 April 2009, the Annual General Meeting of shareholders approved the payment of dividend of Baht 0.20 per share to the Company's shareholders, a total of Baht 200 million. Currently, the Company is requesting approval for dividend payment from the Office of Insurance Commission.

22. Approval of interim financial statements

These interim financial statements were authorised for issue by the Audit Committee of the Company on 11 May 2009.