

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO THE BOARD OF DIRECTORS
BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED**

We have reviewed the consolidated statement of financial position of Bangkok Life Assurance Public Company Limited and its subsidiaries and the separate statement of financial position of Bangkok Life Assurance Public Company Limited as at September 30, 2020, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2020, the related consolidated and separate statements of changes in shareholders' equity, and cash flows for the nine-month period ended September 30, 2020, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with Thai Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".

Emphasis of Matter

We draw attention to Notes 2.7 and 3.4 to the interim financial statements that the Group has adopted the accounting guidelines for financial instruments and disclosures on insurance business which becomes effective for fiscal years beginning on or after January 1, 2020. The Group elected to recognize the cumulative effect of initially applying such accounting guidelines as the adjustments to the beginning balances of retained earnings and other components of equity of the reporting period. Our conclusion is not qualified in respect of this matter.

BANGKOK
November 12, 2020

Chavala Tienpasertkij
Certified Public Accountant (Thailand)
Registration No. 4301
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2020

(Unit: Thousand Baht)

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS (Unaudited but reviewed) September 30, 2020	(Audited) December 31, 2019	FINANCIAL STATEMENTS (Unaudited but reviewed) September 30, 2020	(Audited) December 31, 2019
ASSETS					
Cash and cash equivalents	4	9,122,012	13,441,883	9,040,663	13,367,366
Premium receivables	5	2,337,940	1,800,658	2,337,940	1,800,658
Accrued investment income		2,525,090	1,684,133	2,524,667	1,684,133
Reinsurance assets	6, 17	742,341	549,701	742,341	549,701
Amount due from reinsurances	7	947,222	1,044,316	947,222	1,044,316
Derivative assets	8	542,700	998,121	542,700	998,121
Investment assets					
Investments in securities	9	310,537,581	300,136,746	310,537,581	300,136,746
Investments in subsidiaries	10	-	-	56,409	56,409
Loans and accrued interest receivables	12	11,894,381	11,221,668	11,894,381	11,221,668
Investment property	13	15,888	16,686	15,888	16,686
Property, plant and equipment	14	1,914,259	1,425,696	1,914,217	1,425,472
Goodwill		4,955	4,955	-	-
Intangible assets		28,143	3,932	28,128	3,932
Deferred tax assets	15	1,500,242	920,739	1,500,242	920,739
Other assets	16	731,851	430,840	700,735	395,501
TOTAL ASSETS		<u>342,844,605</u>	<u>333,680,074</u>	<u>342,783,114</u>	<u>333,621,448</u>

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT SEPTEMBER 30, 2020

(Unit: Thousand Baht)

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
		(Unaudited but reviewed) September 30, 2020	(Audited) December 31, 2019	(Unaudited but reviewed) September 30, 2020	(Audited) December 31, 2019
LIABILITIES AND EQUITY					
Liabilities					
Insurance contract liabilities	17	297,306,544	286,641,828	297,306,543	286,641,817
Amount due to reinsurances	18	1,104,180	1,128,743	1,104,180	1,128,743
Derivative liabilities	8	377,168	118,273	377,168	118,273
Income tax payable		-	90,826	-	90,826
Employee benefit obligations	19	235,894	213,860	234,921	211,877
Other liabilities	20	1,451,523	1,226,094	1,443,780	1,215,357
Total liabilities		<u>300,475,309</u>	<u>289,419,624</u>	<u>300,466,592</u>	<u>289,406,893</u>
Equity					
Share capital					
Authorized share capital					
1,708,000,000 ordinary shares of					
Baht 1 each					
		<u>1,708,000</u>	<u>1,708,000</u>	<u>1,708,000</u>	<u>1,708,000</u>
Issued and paid-up share capital					
1,707,566,000 ordinary shares of					
Baht 1 each, fully paid-up					
		1,707,566	1,707,566	1,707,566	1,707,566
Premium on share capital		3,360,993	3,360,993	3,360,993	3,360,993
Retained earnings					
Appropriated					
Legal reserve					
		170,800	170,800	170,800	170,800
General reserve					
		400,000	400,000	400,000	400,000
Unappropriated					
		30,955,264	31,055,142	30,938,880	31,039,624
Other component of equity					
Revaluation surplus on investment at fair value through					
other comprehensive income - net of income taxes					
		5,611,589	7,535,572	5,611,589	7,535,572
Revaluation surplus on derivatives					
investments - net of income taxes					
		126,694	-	126,694	-
Exchange rate differences on translation of					
financial statements in foreign currency					
		(1,588)	(4,781)	-	-
Equity attributable to equity holders of the Company		<u>42,331,318</u>	<u>44,225,292</u>	<u>42,316,522</u>	<u>44,214,555</u>
Non-controlling interests of the subsidiaries		37,978	35,158	-	-
Total equity		<u>42,369,296</u>	<u>44,260,450</u>	<u>42,316,522</u>	<u>44,214,555</u>
TOTAL LIABILITIES AND EQUITY		<u>342,844,605</u>	<u>333,680,074</u>	<u>342,783,114</u>	<u>333,621,448</u>

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
“UNAUDITED BUT REVIEWED”

(Unit: Thousand Baht)

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Continuing operations					
Revenues					
Gross written premium	21, 26	9,803,494	9,878,123	9,803,494	9,878,173
<u>Less</u> Premium ceded to reinsurers	21, 26	(246,281)	(296,797)	(246,281)	(296,797)
Net premium written		9,557,213	9,581,326	9,557,213	9,581,376
<u>Add (less)</u> Unearned premium reserves (increased) decreased form prior period	21	186,262	(43,006)	186,262	(43,006)
Net earned premium		9,743,475	9,538,320	9,743,475	9,538,370
Fee and commission income	21	95,140	67,155	95,140	67,155
Net investment income	26	3,094,577	3,279,950	3,094,577	3,279,950
Gain (loss) on investment	9	(235,545)	937,458	(235,545)	937,458
Fair value gain	23	97,619	55,724	97,619	55,724
Other income	26	29,226	41,883	24,858	36,016
Total revenues		<u>12,824,492</u>	<u>13,920,490</u>	<u>12,820,124</u>	<u>13,914,673</u>
Expenses					
Life policy reserves increased from prior period	21	2,089,618	4,741,749	2,089,618	4,741,749
Benefit payments under life policies and claims	21, 26	8,786,046	6,162,134	8,786,046	6,162,134
<u>Less</u> Benefit payments under life policies and claims refundable from reinsurance	21, 26	(173,385)	(205,435)	(173,385)	(205,435)
Commissions and brokerages expenses	21, 26	860,189	806,760	858,019	804,026
Other underwriting expenses	21	212,763	141,808	212,763	141,808
Operating expenses	22, 26	404,820	430,368	403,850	428,603
Expected credit loss	25	(8,686)	-	(8,686)	-
Total expenses		<u>12,171,365</u>	<u>12,077,384</u>	<u>12,168,225</u>	<u>12,072,885</u>
Profit before income tax expense		<u>653,127</u>	<u>1,843,106</u>	<u>651,899</u>	<u>1,841,788</u>
Income tax expenses	15	(69,720)	(413,030)	(69,720)	(413,030)
Profit for the periods from continuing operations		<u>583,407</u>	<u>1,430,076</u>	<u>582,179</u>	<u>1,428,758</u>
Discontinued operation					
Loss for the periods from discontinued operation - net of tax income	11	(37)	(187)	-	-
Profit for the periods		<u>583,370</u>	<u>1,429,889</u>	<u>582,179</u>	<u>1,428,758</u>
Profit for the periods attributable to					
Equity holders of the Company					
From continuing operations		583,394	1,430,064	<u>582,179</u>	<u>1,428,758</u>
From discontinued operation		(20)	(98)		
		<u>583,374</u>	<u>1,429,966</u>		
Non-controlling interests of the subsidiaries					
From continuing operations		13	12		
From discontinued operation		(17)	(89)		
		<u>(4)</u>	<u>(77)</u>		
		<u>583,370</u>	<u>1,429,889</u>		

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
“UNAUDITED BUT REVIEWED”

(Unit: Thousand Baht)

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
		2020	2019	2020	2019
Profit for the periods		583,370	1,429,889	582,179	1,428,758
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Losses on remeasuring investment at fair value through other comprehensive income		(3,075,704)	(18,963)	(3,075,704)	(18,963)
Reversal of (gains) losses realised on the disposal of investment at fair value through other comprehensive income		67,370	(320,536)	67,370	(320,536)
Losses on remeasuring cash flow hedge derivatives fair value		(53,132)	-	(53,132)	-
Foreign exchange differences on translation of financial statements in foreign currency		2,241	(58)	-	-
Income taxes relating to other comprehensive income	15	612,331	60,701	612,331	60,701
Total other comprehensive income (loss) that will be reclassified to profit or loss in subsequent periods - net of income taxes		(2,446,894)	(278,856)	(2,449,135)	(278,798)
Other comprehensive income (loss) for the periods - net of income taxes		(2,446,894)	(278,856)	(2,449,135)	(278,798)
Total comprehensive income (loss) for the periods		(1,863,524)	1,151,033	(1,866,956)	1,149,960
Total comprehensive income (loss) for the periods attributable to					
Equity holders of the Company		(1,864,596)	1,151,138	(1,866,956)	1,149,960
Non-controlling interests of the subsidiaries		1,072	(105)		
		(1,863,524)	1,151,033		
Earnings (losses) per share	29				
Basic earnings (losses) per share					
From continuing operations		0.342	0.837		
From discontinued operation	11	(0.001)	(0.001)		
Basic earnings per share for the period		0.341	0.836	0.341	0.837

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
“UNAUDITED BUT REVIEWED”

(Unit: Thousand Baht)

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Continuing operations					
Revenues					
Gross written premium	21, 26	26,698,929	27,481,608	26,698,929	27,481,714
<u>Less</u> Premium ceded to reinsurers	21, 26	(1,077,967)	(1,065,892)	(1,077,967)	(1,065,892)
Net premium written		25,620,962	26,415,716	25,620,962	26,415,822
<u>Add (less)</u> Unearned premium reserves (increased) decreased form prior period	21	9,686	(76,234)	9,686	(76,234)
Net earned premium		25,630,648	26,339,482	25,630,648	26,339,588
Fee and commission income	21	364,678	294,987	364,678	294,987
Net investment income	26	9,351,273	9,597,561	9,351,273	9,597,561
Gain on investment	9	1,112,608	927,274	1,112,608	927,274
Fair value gain	23	382,121	310,394	382,121	310,394
Other income	26	88,734	148,793	76,309	132,708
Total revenues		<u>36,930,062</u>	<u>37,618,491</u>	<u>36,917,637</u>	<u>37,602,512</u>
Expenses					
Life policy reserves increased from prior year	21	10,630,132	828,904	10,630,132	828,904
Benefit payments under life policies and claims	21, 26	21,424,114	28,964,673	21,424,114	28,964,673
<u>Less</u> Benefit payments under life policies and claims refundable from reinsurance	21, 26	(609,929)	(696,480)	(609,929)	(696,480)
Commissions and brokerages expenses	21, 26	2,126,633	2,345,186	2,119,693	2,337,536
Other underwriting expenses	21	425,652	430,898	425,652	430,890
Operating expenses	22, 26	1,154,518	1,228,817	1,150,060	1,223,880
Expected credit loss	25	211,438	-	211,438	-
Total expenses		<u>35,362,558</u>	<u>33,101,998</u>	<u>35,351,160</u>	<u>33,089,403</u>
Profit before income tax expense		<u>1,567,504</u>	<u>4,516,493</u>	<u>1,566,477</u>	<u>4,513,109</u>
Income tax expenses	15	(122,713)	(783,361)	(122,713)	(783,361)
Profit for the periods from continuing operations		<u>1,444,791</u>	<u>3,733,132</u>	<u>1,443,764</u>	<u>3,729,748</u>
Discontinued operation					
Loss for the periods from discontinued operation - net of tax income	11	(288)	(2,088)	-	-
Profit for the periods		<u>1,444,503</u>	<u>3,731,044</u>	<u>1,443,764</u>	<u>3,729,748</u>
Profit for the periods attributable to					
Equity holders of the Company					
From continuing operations		1,444,780	3,733,099	<u>1,443,764</u>	<u>3,729,748</u>
From discontinued operation		(150)	(1,086)		
		<u>1,444,630</u>	<u>3,732,013</u>		
Non-controlling interests of the subsidiaries					
From continuing operations		11	33		
From discontinued operation		(138)	(1,002)		
		<u>(127)</u>	<u>(969)</u>		
		<u>1,444,503</u>	<u>3,731,044</u>		

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
“UNAUDITED BUT REVIEWED”

(Unit: Thousand Baht)

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
		2020	2019	2020	2019
Profit for the periods		<u>1,444,503</u>	<u>3,731,044</u>	<u>1,443,764</u>	<u>3,729,748</u>
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Gains (losses) on remeasuring investment at fair value through other comprehensive income		(3,262,536)	5,592,349	(3,262,536)	5,592,349
Reversal of gains realised on the disposal of investment at fair value through other comprehensive income		(604,057)	(312,323)	(604,057)	(312,323)
Losses on remeasuring cash flow hedge derivatives fair value		(582,183)	-	(582,183)	-
Foreign exchange differences on translation of financial statements in foreign currency		6,140	227	-	-
Income taxes relating to other comprehensive income	15	890,885	(1,056,005)	890,885	(1,056,005)
Total other comprehensive income (loss) that will be reclassified to profit or loss in subsequent periods - net of income taxes		<u>(3,551,751)</u>	<u>4,224,248</u>	<u>(3,557,891)</u>	<u>4,224,021</u>
Other comprehensive income (loss) for the periods - net of income taxes		<u>(3,551,751)</u>	<u>4,224,248</u>	<u>(3,557,891)</u>	<u>4,224,021</u>
Total comprehensive income (loss) for the periods		<u>(2,107,248)</u>	<u>7,955,292</u>	<u>(2,114,127)</u>	<u>7,953,769</u>
Total comprehensive income (loss) for the periods attributable to					
Equity holders of the Company		(2,110,068)	7,956,153	<u>(2,114,127)</u>	<u>7,953,769</u>
Non-controlling interests of the subsidiaries		2,820	(861)		
		<u>(2,107,248)</u>	<u>7,955,292</u>		
Earnings (losses) per share	29				
Basic earnings (losses) per share					
From continuing operations		0.846	2.186		
From discontinued operation	11	(0.001)	(0.001)		
Basic earnings per share for the period		<u>0.845</u>	<u>2.185</u>	<u>0.846</u>	<u>2.184</u>

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

“UNAUDITED BUT REVIEWED”

(Unit: Thousand Baht)

Consolidated financial statement											
Equity attributable to equity holders of the Company											
	Note	Retained earnings					Other component of equity		Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total
		Issued and paid-up share capital	Premium on share capital	Appropriated		Unappropriated	Surplus on remeasuring available-for-sale investments - net of income taxes	Exchange rate differences on translation of financial statements in foreign currency			
				Legal reserve	General reserve						
Balance as at January 1, 2019		1,707,566	3,360,993	170,800	400,000	27,908,092	4,961,857	(4,700)	38,504,608	3,548	38,508,156
Dividend paid	30	-	-	-	-	(1,227,130)	-	-	(1,227,130)	-	(1,227,130)
Change in non-controlling interests		-	-	-	-	-	-	-	-	34,836	34,836
Profit (loss) for the period		-	-	-	-	3,732,013	-	-	3,732,013	(969)	3,731,044
Other comprehensive income											
Gain on remeasuring of available-for-sale investments - net of income taxes		-	-	-	-	-	4,224,021	-	4,224,021	-	4,224,021
Exchange rate differences on translation of financial statements in foreign currency		-	-	-	-	-	-	119	119	108	227
Total comprehensive income (loss) for the period		-	-	-	-	3,732,013	4,224,021	119	7,956,153	(861)	7,955,292
Balance as at September 30, 2019		<u>1,707,566</u>	<u>3,360,993</u>	<u>170,800</u>	<u>400,000</u>	<u>30,412,975</u>	<u>9,185,878</u>	<u>(4,581)</u>	<u>45,233,631</u>	<u>37,523</u>	<u>45,271,154</u>

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
“UNAUDITED BUT REVIEWED”

(Unit: Thousand Baht)

Consolidated financial statement													
Equity attributable to equity holders of the Company													
	Notes	Other component of equity									Total		
		Issued and paid-up share capital	Premium on share capital	Retained earnings			Surplus on derivatives investments - net of income taxes	Surplus on		Exchange rate differences on translation of financial statements in foreign currency		Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of the subsidiaries
				Legal reserve	General reserve	Unappropriated		remeasuring investment at fair value through other comprehensive income - net of income taxes	income - net of income taxes				
Balance as at January 1, 2020 - as previously presented		1,707,566	3,360,993	170,800	400,000	31,055,142	-	7,535,572	(4,781)	44,225,292	35,158	44,260,450	
Adjustment from accounting guidelines for financial instruments and disclosures on insurance business adoption													
Change in accounting value from reclassification	3.4	-	-	-	-	(966,927)	-	966,927	-	-	-	-	
Change in accounting value from revaluation	3.4	-	-	-	-	(31,008)	592,440	201,235	-	762,667	-	762,667	
Balance as at January 1, 2020 - adjusted		1,707,566	3,360,993	170,800	400,000	30,057,207	592,440	8,703,734	(4,781)	44,987,959	35,158	45,023,117	
dividend paid	30	-	-	-	-	(546,573)	-	-	-	(546,573)	-	(546,573)	
Profit (loss) for the period		-	-	-	-	1,444,630	-	-	-	1,444,630	(127)	1,444,503	
Other comprehensive income (loss) for the period													
Loss on remeasuring of investment at fair value through other comprehensive income - net of income taxes		-	-	-	-	-	-	(3,092,145)	-	(3,092,145)	-	(3,092,145)	
Loss on remeasuring cash flow hedge derivatives fair value - net of income taxes		-	-	-	-	-	(465,746)	-	-	(465,746)	-	(465,746)	
Exchange rate differences on translation of financial statements in foreign currency		-	-	-	-	-	-	-	3,193	3,193	2,947	6,140	
Total comprehensive income (loss) for the period		-	-	-	-	1,444,630	(465,746)	(3,092,145)	3,193	(2,110,068)	2,820	(2,107,248)	
Balance as at September 30, 2020		1,707,566	3,360,993	170,800	400,000	30,955,264	126,694	5,611,589	(1,588)	42,331,318	37,978	42,369,296	

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

“UNAUDITED BUT REVIEWED”

(Unit : Thousand Baht)

		Separate financial statements					Other component	
		Issued and paid-up share capital	Premium on share capital	Retained earnings		Unappropriated	of equity	Total
				Appropriated			Surplus on remeasuring available-for-sale investments - net of income taxes	
Note				Legal reserve	General reserve			
	Balance as at January 1, 2019	1,707,566	3,360,993	170,800	400,000	27,894,514	4,961,857	38,495,730
	Dividend paid	30	-	-	-	(1,227,130)	-	(1,227,130)
	Profit for the period		-	-	-	3,729,748	-	3,729,748
	Other comprehensive income							
	Profit on remeasuring available-for-sale investments							
	- net of income taxes						4,224,021	4,224,021
	Total comprehensive income for the period					3,729,748	4,224,021	7,953,769
	Balance as at September 30, 2019	<u>1,707,566</u>	<u>3,360,993</u>	<u>170,800</u>	<u>400,000</u>	<u>30,397,132</u>	<u>9,185,878</u>	<u>45,222,369</u>

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
“UNAUDITED BUT REVIEWED”

(Unit: Thousand Baht)

		Separate financial statements								
		Retained earnings				Other component of equity				
		Issued and paid-up share capital	Premium on share capital	Appropriated		Unappropriated	Surplus on derivatives investments - net of income taxes	Surplus on remeasuring investment at fair value through other comprehensive income - net of income taxes		Total
Notes	Legal reserve			General reserve	- net of income taxes			- net of income taxes		
	Balance as at January 1, 2020 - as previously presented	1,707,566	3,360,993	170,800	400,000	31,039,624	-	7,535,572	44,214,555	
	Adjustment from accounting guidelines for financial instruments and disclosures on insurance business adoption									
3.4	Change in accounting value from reclassification	-	-	-	-	(966,927)	-	966,927	-	
3.4	Change in accounting value from revaluation	-	-	-	-	(31,008)	592,440	201,235	762,667	
	Balance as at January 1, 2020 - adjusted	1,707,566	3,360,993	170,800	400,000	30,041,689	592,440	8,703,734	44,977,222	
30	dividend paid	-	-	-	-	(546,573)	-	-	-546,573	
	Profit for the period	-	-	-	-	1,443,764	-	-	1,443,764	
	Other comprehensive income (loss) for the period									
	Loss on remeasuring investment at fair value through other comprehensive income - net of income taxes	-	-	-	-	-	-	(3,092,145)	(3,092,145)	
	Loss on remeasuring derivatives investments - net of income taxes	-	-	-	-	-	(465,746)	-	(465,746)	
	Total comprehensive income (loss) for the period	-	-	-	-	1,443,764	(465,746)	(3,092,145)	(2,114,127)	
	Balance as at September 30, 2020	1,707,566	3,360,993	170,800	400,000	30,938,880	126,694	5,611,589	42,316,522	

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2020
“UNAUDITED BUT REVIEWED”

(Unit: Thousand Baht)

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Cash flows provided by (used in) operating activities					
Gross premium		26,092,953	26,656,160	26,092,953	26,656,266
Cash payments from reinsurance		(815,719)	(480,952)	(815,719)	(480,952)
Interest income		6,785,924	7,221,491	6,785,370	7,221,481
Dividend income		1,622,712	1,570,722	1,622,712	1,570,722
Other investment income		1,095,804	1,433,620	1,095,804	1,433,619
Other income		94,945	134,344	76,278	112,516
Benefit and claim on direct insurance		(20,818,402)	(28,424,410)	(20,818,402)	(28,424,410)
Commissions and brokerages					
on direct insurance		(2,028,278)	(2,405,406)	(2,020,871)	(2,397,832)
Other underwriting expenses		(482,459)	(440,066)	(482,459)	(440,058)
Operating expenses		(1,145,936)	(1,013,496)	(1,135,044)	(1,004,529)
Corporate income taxes		(214,048)	(195,051)	(214,032)	(195,051)
Investments in securities		-	(2,635,058)	-	(2,631,131)
Loans		-	(532,930)	-	(532,930)
Other investments		-	151,780	-	151,780
Cash received - financial assets		26,167,092	-	26,167,092	-
Cash payments - financial assets		(39,573,012)	-	(39,573,012)	-
Net cash provided by (used in) operating activities		<u>(3,218,424)</u>	<u>1,040,748</u>	<u>(3,219,330)</u>	<u>1,039,491</u>
Cash flows used in investing activities					
Net cash flows for purchases and disposals					
of property, plant and equipment		(560,874)	(103,153)	(560,800)	(103,169)
Cash received from return of investment in a subsidiary		-	-	-	38,101
Net cash used in investing activities		<u>(560,874)</u>	<u>(103,153)</u>	<u>(560,800)</u>	<u>(65,068)</u>
Cash flows used in financing activity					
Dividend paid		(546,573)	(1,227,131)	(546,573)	(1,227,131)
Net cash used in financing activity		<u>(546,573)</u>	<u>(1,227,131)</u>	<u>(546,573)</u>	<u>(1,227,131)</u>
Non-controlling interests of the subsidiaries		-	33,971	-	-
Exchange differences on translation of					
financial statements in foreign currency		6,000	1,132	-	-
Net decrease in cash and cash equivalents		<u>(4,319,871)</u>	<u>(254,433)</u>	<u>(4,326,703)</u>	<u>(252,708)</u>
Cash and cash equivalents at beginning of periods		13,441,883	9,825,592	13,367,366	9,745,784
Cash and cash equivalents at end of periods	4	<u><u>9,122,012</u></u>	<u><u>9,571,159</u></u>	<u><u>9,040,663</u></u>	<u><u>9,493,076</u></u>

See the condensed notes to the interim financial statements

**BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2020
“UNAUDITED”**

1. GENERAL INFORMATION AND THE COMPANY’S OPERATIONS

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 provision of life insurance services. The registered office of the Company is located at No. 23/115-121, Soi Sun Wichai, Rama 9 Road, Bangkapi Sub-district, Huaykwang District, Bangkok.

2. BASIS FOR PREPARATION AND PRESENTATION OF CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS

- 2.1 These interim consolidated and separate financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements. However, the Company has presented line items in the consolidated and separate statements of financial position, the consolidated and separate statements of profit or loss and other comprehensive income, statements of changes in owners’ equity and statements of cash flows in the same format as that used in its preparation of the annual financial statements and in accordance with the format of financial statements specified in the Notification of the Office of Insurance Commission (“OIC”) regarding criteria, procedures, terms and conditions for preparation and submission of financial statements and operating performance reports of life insurance companies date March 4, 2016, which has been effective since January 1, 2016 and No.2 B.E. 2562 (2019) dated April 4, 2019, which has been effective since January 1, 2019.
- 2.2 The consolidated and separate statements of financial position as at December 31, 2019, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which had been previously audited.
- 2.3 The unaudited results of operations presented in the three-month and nine-month periods ended September 30, 2020 are not necessarily an indication nor anticipation of the operating results for the full year.
- 2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month and nine-month periods ended September 30, 2020 should be read in conjunction with the audited financial statements for the year ended December 31, 2019.

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

The preparation of consolidated and separate interim financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

- 2.5 Material intercompany transactions between the Company and its subsidiaries have been eliminated from this interim consolidated financial statements. The interim consolidated financial statements for the three-month and nine-month periods ended September 30, 2020 have included the subsidiaries' interim financial statements for the three-month and nine-month periods ended September 30, 2020 which were reviewed.

The consolidated interim financial statements include the interim financial statements of Bangkok Life Assurance Public Company Limited and the following subsidiaries:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			As at	
			September 30, 2020	December 31, 2019
			%	%
BLA Insurance Broker Company Limited	Insurance broker	Thailand	99	99
Bangkok Life Assurance (Cambodia) Public Limited Company ⁽¹⁾	Life Insurance	Cambodia	52	52

- ⁽¹⁾ On June 15, 2018, the Extraordinary Meeting of Shareholder of Bangkok Life Assurance (Cambodia) Public Company Limited which is a subsidiary of the Company has passed a resolution to cease its operation and proceed with the voluntary liquidation (see Note 11).

On May 13, 2020, the Board of Directors passed a resolution to approve sale of investment in a subsidiary, Bangkok Life Assurance (Cambodia) Public Limited Company. The sale of such investment was approved by The Ministry of Economy and Finance and The Ministry of Commerce of Cambodia. Currently, the sale of such investment is in the process of granting from The General Department of Taxation of Cambodia.

The Company is deemed to have control over an investee or a subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

Subsidiaries' interim financial statements are fully consolidated in the consolidated interim financial statements, being the date on the Company obtains control, and continued to be consolidated until the date when such control ceases.

The interim financial statements of the subsidiaries are prepared using the same significant accounting policies, except the adoption of new accounting policies as described in Note 3.

Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statements of financial position.

2.6 Separate interim financial statements

The separate interim financial statements, which present investments in subsidiaries under the cost method, have been prepared solely for the benefit of the public.

2.7 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements.

During the period, the Group has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards.

The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements, except:

Thai Financial Reporting Standard No. 4 "Insurance Contracts" ("TFRS 4")

The Federation of Accounting Professions issued Thai Financial Reporting Standard No. 4 "Insurance Contracts", which has been announced in the Royal Gazette on September 24, 2019 and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards. This revised financial reporting standard determines the option for insurance industry to temporary exempt from applying Thai Financial Reporting Standard No. 9 "Financial Instruments" and Thai Financial Reporting Standard No. 7 "Financial Instruments: Disclosures" if an entity meets the criteria required by such revised Thai Financial Reporting Standard. An entity can elect to apply the accounting guidelines for financial instruments and disclosures on insurance business for the financial statements for the period beginning on or after January 1, 2020 until the period beginning on or after January 1, 2024 or before Thai Financial Reporting Standard No. 17 "Insurance Contracts" becomes effective. If an entity elects to adopt this exemption, the entity is required to disclose how the entity meets criteria for such temporary exemption.

The Company's management has assessed eligibility to apply such temporary exemption and concluded that the Company is eligible to apply such temporary exemption. Because the Company has not previously applied TFRS 9 and has activities that are predominantly connected with insurance. The amount of its insurance liabilities is significant compared with its total amount of liabilities and the percentage of its liabilities connected with insurance relative to its total amount of liabilities is greater than 90 percent.

Therefore, the Company's management elects to apply the accounting guidelines for financial instruments and disclosures on insurance business. As a result, the Company's management has not yet apply Thai Financial Reporting Standard No. 9 "Financial Instruments" and Thai Financial Reporting Standard No. 7 "Financial Instruments: Disclosures" for the period beginning on January 1, 2020.

The accounting guidelines for financial instruments and disclosures on insurance business

The Federation of Accounting Professions issued the accounting guidelines for financial instruments and disclosures on insurance business, which has been announced in the Royal Gazette on March 26, 2020 and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards.

The accounting guidelines make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments.

2.8 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standard Interpretation, which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2021 onwards. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revisions to references to the Conceptual Framework in TFRSs, except for the revisions of definitions and accounting requirements as follows:

Definition of Business

The revised Thai Financial Reporting Standard No. 3 “Business Combinations” clearly clarifies the definition of business and introduce an optional concentration test. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. This revised financial reporting standard requires prospective method for such amendment. Earlier application is permitted.

Definition of Materiality

The revised definition of materiality resulted in the amendment of Thai Accounting Standards No. 1 “Presentation of Financial Statements” and Thai Accounting Standards No. 8 “Accounting Policies, Changes in Accounting Estimates and Errors”, including other financial reporting standards which refer to materiality. This amendment is intended to make the definition of material to comply with the Conceptual Framework which requires prospective method for such amendment. Earlier application is permitted.

The Interest Rate Reform

Due to the interest rate reform, there are the amendments of specific hedge accounting requirements in Thai Financial Reporting Standard No. 9 “Financial Instruments” and Thai Financial Reporting Standard No. 7 “Financial Instruments: Disclosures”.

The Company’s management will adopt such TFRSs in the preparation of the Company’s financial statements when it becomes effective. The Company’s management has assessed the impact of these TFRSs and considered that the adoption of these financial reporting standards does not have any significant impact on the financial statements of the Company in the period of initial application.

3. ACCOUNTING POLICIES

The interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2019, except the adoption of new and revised Thai Financial Reporting Standards as described in Note 2.7 related to the accounting guidelines for financial instruments and disclosures on insurance business. Accounting policies which significantly changed are as follows:

3.1 Classification and measurement

The Group has been classified financial assets and liabilities based on the accounting guidelines for financial instruments and disclosures on insurance business as following:

General investment has been classified as Investment at fair value through other comprehensive income (FVTOCI). Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will be classified to profit or loss on disposal of the equity investments. Dividends on these investments in equity instruments are recognized in profit or loss. The Group has designated all investments in equity instruments that are not held for trading as FVTOCI on initial application of the accounting guidelines.

Loans and accrued interest receivables have been measured at amortized cost.

Derivative financial instruments have been classified and measured as fair value through profit or loss except for cash flow hedges that apply hedge accounting. The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualified as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

3.2 Expected credit loss

The expected credit loss model requires The Group to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

3.3 Hedge accounting

The Group designates certain derivatives as following

For fair value hedges, the fair value change on qualifying hedging instruments is recognized in profit or loss as well as changes in fair value for the relevant risk of hedging instruments.

For cash flow hedges, the effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

3.4 Reclassification of financial assets and liabilities due to first time adoption of the accounting guidelines for financial instruments and disclosures on insurance business (see Note 2.7).

The Group elected to recognize a cumulative effect of initially applying such accounting guidelines as an adjustment to the beginning balance of retained earnings and component of equity of the reporting period.

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Unappropriated Retained Earnings	Surplus on derivatives investments - net of income taxes	Surplus on remeasuring investment at fair value through other comprehensive income - net of income taxes
As at January 1, 2020 - as previously presented	31,055,142	-	7,535,572
Derivatives investments - net of income taxes	91,952	592,440	-
Impairment of investment assets - net of income taxes	(122,960)	-	-
Impairment of investment assets	-	-	31,362
Reclassification from general investment to investment at fair value through other comprehensive income - net of income taxes	-	-	169,873
Exchange loss from debt securities which was previously classified as equity securities - net of income taxes	(966,927)	-	966,927
As at January 1, 2020 - adjusted	30,057,207	592,440	8,703,734

	(Unit: Thousand Baht)		
	Separate financial statements		
	Unappropriated Retained Earnings	Surplus on derivatives investments - net of income taxes	Surplus on remeasuring investment at fair value through other comprehensive income - net of income taxes
As at January 1, 2020 - as previously presented	31,039,624	-	7,535,572
Derivatives investments - net of income taxes	91,952	592,440	-
Impairment of investment assets - net of income taxes	(122,960)	-	-
Impairment of investment assets	-	-	31,362
Reclassification from general investment to investment at fair value through other comprehensive income - net of income taxes	-	-	169,873
Exchange loss from debt securities which was previously classified as equity securities - net of income taxes	(966,927)	-	966,927
As at January 1, 2020 - adjusted	<u>30,041,689</u>	<u>592,440</u>	<u>8,703,734</u>

4. CASH AND CASH EQUIVALENT

As at September 30, 2020 and December 31, 2019, the Company and its subsidiaries have cash and cash equivalent as follows:

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate financial statements	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Cash on hand	5,772	7,169	5,771	7,168
Deposits at banks with no fixed maturity date	1,656,082	2,152,644	1,574,734	2,078,128
Short-term investments in promissory notes	7,460,158	11,282,070	7,460,158	11,282,070
Cash and cash equivalents	<u>9,122,012</u>	<u>13,441,883</u>	<u>9,040,663</u>	<u>13,367,366</u>

As at September 30, 2020, interest rates on saving accounts and promissory notes are in the range of 0.13% - 0.63% per annum (December 31, 2019: 0.38% - 1.38% per annum).

5. PREMIUM RECEIVABLES

As at September 30, 2020 and December 31, 2019, the outstanding balances of premium receivables, classified by overdue period, counted from the due dates, are as follows:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	Due from direct insurance	
	September 30, 2020	December 31, 2019
Not yet due	2,220,094	1,740,698
Not over 30 days	74,088	24,275
Over 30 days to 60 days	20,998	33,611
Over 60 days to 90 days	12,247	830
Over 90 days	10,513	1,244
Premium receivables	<u>2,337,940</u>	<u>1,800,658</u>

For premium receivables due from agents and brokers, the Company has determined criteria in collections from those debtors. For overdue premium receivables, the Company has taken legal process with agents and brokers on a case by case basis.

For individual policies which have cash value and premium receivables over the grace period, the premium receivables will be settled by granting an automatic premium loan where the policy has a cash surrender value.

6. REINSURANCE ASSETS

As at September 30, 2020 and December 31, 2019, reinsurance assets consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	September 30, 2020	December 31, 2019
Reserves recoverable from reinsurances		
Claim reserves	115,211	76,315
Unearned premium reserves	627,130	473,386
Reinsurance assets	<u>742,341</u>	<u>549,701</u>

7. AMOUNT DUE FROM REINSURANCE

As at September 30, 2020 and December 31, 2019, amount due from reinsurance consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	September 30, 2020	December 31, 2019
Amount due from reinsurers	947,222	1,044,316
Amount due from reinsurance	947,222	1,044,316

8. DERIVATIVE ASSETS AND LIABILITIES

As at September 30, 2020 and December 31, 2019, derivatives classified by objective are as follows:

Derivatives - not apply hedge accounting

Contract type and objective	Number of contracts	Notional amount (Thousand Units)	September 30, 2020		For the nine-month period ended September 30, 2020
			Assets (Thousand Baht)	Liabilities (Thousand Baht)	Fair value gains (losses) on derivatives (Thousand Baht)
Hedge of net investment in foreign currencies	54	455,764	10,661	127,401	(3,913)
Cash flow hedge	1	150,000	1,528	-	1,528
			12,189	127,401	(2,385)

Derivatives - apply hedge accounting

Contract type and objective	Number of contracts	Notional amount (Thousand Units)	September 30, 2020		For the nine-month period ended September 30, 2020
			Assets (Thousand Baht)	Liabilities (Thousand Baht)	Fair value gains on derivatives (Thousand Baht)
Cash flow hedge	103	525,170	530,511	249,767	158,368
			530,511	249,767	

(Unit : Thousand Baht)		
Consolidated and separate financial statements		
December 31, 2019		
Fair value		
	Assets	Liabilities
Derivatives for hedging risks		
Cash flow hedge	1,598,446	8,827
Hedge of net investment in foreign currencies	145,718	-
Total derivatives	<u>1,744,164</u>	<u>8,827</u>

As at September 30, 2020 and December 31, 2019, derivative assets and liabilities consisted of the following:

Consolidated and separate financial statements			
September 30, 2020			
Fair value amount			
Contract type	Notional amount	Assets	Liabilities
(Thousand Units)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Cross currency swap contracts			
US dollar	515,170	507,116	249,767
Euro	10,000	23,395	-
Forward contracts			
Baht	150,000	1,528	-
Forward exchange contracts			
Yen	295,775	-	6,212
US dollar	70,000	10,661	27,198
Singapore dollar	65,279	-	58,427
Euro	24,710	-	35,564
Total derivatives	<u>1,130,934</u>	<u>542,700</u>	<u>377,168</u>

Consolidated and separate financial statements			
December 31, 2019			
Fair value amount			
Contract type	Notional amount	Assets	Liabilities
(Thousand Units)	(Thousand Baht)	(Thousand Baht)	(Thousand Baht)
Cross currency swap contracts			
US dollar	516,800	886,013	78,799
Euro	10,000	41,854	-
Forward exchange contracts			
Yen	1,327,910	5,649	-
US dollar	71,020	8,053	3,747
Singapore dollar	112,852	560	35,727
Euro	33,010	55,992	-
Total derivatives	<u>2,071,592</u>	<u>998,121</u>	<u>118,273</u>

9. INVESTMENTS IN SECURITIES

9.1 Investments in securities

As at September 30, 2020 and December 31, 2019, investment in securities consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	As at September 30, 2020	
	Cost	Fair value
Investment at fair value through profit or loss		
Equity securities	33,349	12,804
Total	33,349	12,804
<u>Less</u> Unrealised losses	(20,545)	-
Total investment at fair value through profit or loss	12,804	12,804
Investment at fair value through other comprehensive income		
Government and state enterprise securities	36,409,117	42,094,463
Private enterprises debt securities	32,299,740	33,929,677
Equity securities	32,166,304	30,916,790
Foreign debt securities	9,969,309	10,402,027
Foreign equity securities	176,080	55,167
Total	111,020,550	117,398,124
<u>Add</u> Unrealised gains	6,377,574	-
Total investment at fair value through other comprehensive income	117,398,124	117,398,124
		Amortised cost
Investment at amortised cost		
Government and state enterprise securities		123,846,491
Private enterprises debt securities		63,914,521
Foreign debt securities		5,645,627
Total		193,406,639
<u>Less</u> Allowance for expected credit loss		(279,986)
Total investment at amortised cost		193,126,653
Investments in securities		310,537,581

During the first quarter of 2020, the Company reclassified investment at amortised cost to investment at fair value through other comprehensive income in order to support the fluctuation of interest rate. The amortised cost as at reclassification date was in the amount of Baht 36,606 million and the fair value at reclassification date was in the amount of Baht 45,759 million.

		(Unit : Thousand Baht)	
		Consolidated and separate financial statements	
		As at December 31, 2019	
		Cost	Fair value
Held-for-trading investments			
Equity securities		33,349	20,856
Total		33,349	20,856
<u>Less</u> Unrealised losses		(12,493)	-
Total held-for-trading investments		20,856	20,856
Available-for-sale investments			
Government and state enterprise securities		1,962,740	2,168,147
Private enterprises debt securities		25,787,235	28,299,445
Equity securities		32,294,227	38,304,837
Foreign debt securities		1,400,266	1,211,495
Foreign equity securities		9,285,118	10,120,465
Total		70,729,586	80,104,389
<u>Add</u> Unrealised gains		9,374,803	-
Total available-for-sale investments		80,104,389	80,104,389
		Amortised cost	
Held-to-maturity investments			
Government and state enterprise securities			140,407,255
Private enterprises debt securities			73,022,083
Foreign debt securities			6,550,825
Total held-to-maturity investments			219,980,163
General investments			
Equity securities			31,338
Total general investments			31,338
Investments in securities			300,136,746

9.2 Allowance for expected credit loss

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	September 30, 2020	
	Allowance for expected credit loss through other comprehensive income	
	Fair value	
Investment at fair value through other comprehensive income		
Debt securities with not significantly increased in credit risk (Stage 1)	76,373,240	(34,912)
Debt securities with significantly increased in credit risk (Stage 2)	100,181	(2,090)
Total	<u>76,473,421</u>	<u>(37,002)</u>

	(Unit : Thousand Baht)		
	Consolidated and separate financial statements		
	September 30, 2020		
	Allowance for expected credit loss		
	Gross Amount	Net Amount	
Investment at amortised cost			
Debt securities with not significantly increased in credit risk (Stage 1)	193,006,639	(78,506)	192,928,133
Debt securities credit-impaired (Stage 3)	400,000	(201,480)	198,520
Total	<u>193,406,639</u>	<u>(279,986)</u>	<u>193,126,653</u>

9.3 Investments in structured notes

Investments in structured notes, which are classified as investments at fair value through other comprehensive income and investment at amortised cost, consisted of the following:

- (a) As at December 31, 2019, the Company has investments of Baht 600 million, respectively, in promissory notes and bills of exchange, which were issued by local banks and branches of foreign commercial banks, having remaining lives of 1 - 9 years, and containing conditions whereby the issuer has call option or has rights to call for additional deposits and bearing interest rate referring to the yield rate on government bond (CMT Index) (as at September 30, 2020: Nil).
- (b) As at December 31, 2019, the Company has investments of Baht 600 million, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining lives of 1 year, and bearing interest rate referring to the yield rate on government bond (CMT Index) (as at September 30, 2020: Nil).
- (c) As at September 30, 2020 and December 31, 2019, the Company has investments of Baht 1,888 million and Baht 3,614 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining lives of 1 - 6 years and 1 - 9 years, respectively, and the notes and bills contain conditions whereby the redemption of the notes and bills is based on the credit event of the reference assets.

- (d) As at December 31, 2019, the Company has investments of Baht 983 million, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining maturity lives of 14 years. The bank has placed government bonds equivalent to 70% - 80% of the face values of the issued promissory notes and bills of exchange as collateral and such notes and bills contain conditions whereby the redemption of the notes and bills is based on the credit event of the reference assets (as at September 30, 2020: Nil).
- (e) As at December 31, 2019, the Company has investments of Baht 466 million, in bills of exchange, which were issued by branches of foreign commercial banks, having remaining maturity lives of 12 years. The bills contain conditions whereby the banks have the right to early redemption and the redemption of the bills is based on the credit event of the reference assets (as at September 30, 2020: Nil).
- (f) As at September 30, 2020 and December 31, 2019, the Company has investments of Baht 1,500 million and Baht 1,464 million, respectively, in bills of exchange, which were issued by branches of foreign commercial banks, having remaining maturity lives of 5 - 7 years and 6 - 7 years, respectively. The bills contain conditions whereby the redemption of the bills is based on the credit event of the reference assets.

9.4 Investments subject to restriction

As at September 30, 2020 and December 31, 2019, the Company has placed government and state enterprise bonds with cost or amortised cost of Baht 61,610 million and Baht 64,127 million, respectively, with the Registrar as securities and reserves as described in Notes 27 and 28.

9.5 Gains (losses) on investments

Gains (losses) on investments for the three-month and nine-month periods ended September 30, 2020 and 2019 consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended September 30,		ended September 30,	
	2020	2019	2020	2019
Gains on sales of investment at fair value through profit and loss	-	4,574	-	4,480
Gains (losses) on sales of investment at fair value through other comprehensive income	(235,545)	771,105	1,112,608	761,009
Gains on sales of investment at amortised cost	-	161,779	-	161,785
Total gains (losses) on investments	(235,545)	937,458	1,112,608	927,274

10. INVESTMENTS IN SUBSIDIARIES

As at September 30, 2020 and December 31, 2019, detail of investments in subsidiaries, as presented in the separate interim financial statements, is as follows:

Company's name	Type of business	Country of incorporation	Issued and paid-up capital		Shareholding percentage		(Unit : Thousand Baht) Cost	
			September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
					%	%		
BLA Insurance Broker Company Limited	Insurance broker	Thailand	24,000	24,000	99	99	23,760	23,760
Bangkok Life Assurance (Cambodia) Public Limited Company ⁽³⁾	Life insurance	Cambodia	153,598	153,598	52 ⁽²⁾	52 ⁽²⁾	85,329	85,329
<u>Less</u> Allowance for doubtful accounts ⁽¹⁾			-	-			(52,680)	(52,680)
Total investments in subsidiaries			<u>177,598</u>	<u>177,598</u>			<u>56,409</u>	<u>56,409</u>

⁽¹⁾ On June 15, 2018, the Extraordinary Meeting of Shareholder of Bangkok Life Assurance (Cambodia) Public Limited Company which is a subsidiary of the Company has passed a resolution to cease its operation and proceed with the voluntary liquidation (see Note 11).

⁽²⁾ As stated in "Memorandum and Article of Company"

⁽³⁾ On May 13, 2020, the Board of Directors passed a resolution to approve sale of investment in a subsidiary, Bangkok Life Assurance (Cambodia) Public Limited Company. The sale of such investment was approved by The Ministry of Economy and Finance and The Ministry of Commerce of Cambodia. Currently, the sale of such investment is in the process of granting from The General Department of Taxation of Cambodia.

11. DISCONTINUED OPERATION

On June 15, 2018, the Extraordinary Meeting of Shareholder of Bangkok Life Assurance (Cambodia) Public Limited Company which is a subsidiary of the Company has passed a resolution to cease its operation and proceed with the voluntary liquidation. The Company classified net loss from Bangkok Life Assurance (Cambodia) Public Limited Company as net loss from discontinued operation.

The consolidated statement of financial position as at September 30, 2020 and December 31, 2019 include assets from discontinued operation in total amount of Baht 89 million and Baht 84 million, respectively, in which most of balances are cash and cash equivalents and deposit.

The consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2020 and 2019 for discontinued operations are as follows:

	(Unit : Thousand Baht) Consolidated financial statements	
	2020	2019
For the three-month periods ended September 30, Discontinued operation		
Revenue	-	-
Expenses	(36)	(187)
Losses before income tax expense	(36)	(187)
Income tax expense	(1)	-
Losses for the period from discontinued operation, net of income tax	(37)	(187)
Losses per share*		
Basic (losses) per share (Baht)	(0.001)	(0.001)

* Losses per share from discontinued operation for equity holders of the Company

	(Unit : Thousand Baht)	
	Consolidated financial statements	
For the nine-month periods ended September 30, Discontinued operation	2020	2019
Revenue	977	27
Expenses	(1,247)	(2,115)
Losses before income tax expense	(270)	(2,088)
Income tax expense	(18)	-
Losses for the period from discontinued operation, net of income tax	(288)	(2,088)
Losses per share*		
Basic loss per share (Baht)	(0.001)	(0.001)

* Losses per share from discontinued operation for equity holders of the Company

12. LOANS AND ACCRUED INTEREST INCOME

As at September 30, 2020 and December 31, 2019, the balances of loans and accrued interest income, classified by overdue periods, are as follows:

Overdue periods	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	September 30, 2020			
	Loans and accrued interest income			
	Policy loans	Mortgage loans	Other loans	Total
Not yet due	9,764,560	2,052,182	72	11,816,814
Overdue:				
Less than 3 months	-	34,164	-	34,164
3 - 6 months	-	2,198	-	2,198
6 - 12 months	-	11,520	-	11,520
Over 12 months	-	95,857	55	95,912
Total	9,764,560	2,195,921	127	11,960,608
<u>Less</u> Allowance for expected credit loss	-	(66,227)	-	(66,227)
Loans and accrued interest receivables - net	9,764,560	2,129,694	127	11,894,381

Overdue periods	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	December 31, 2019			
	Loans and accrued interest income			
	Policy loans	Mortgage loans	Other loans	Total
Not yet due	9,471,230	1,641,493	153	11,112,876
Overdue:				
Less than 3 months	-	37,766	-	37,766
3 - 6 months	-	43,617	-	43,617
6 - 12 months	-	9,396	-	9,396
Over 12 months	-	36,035	55	36,090
Total	9,471,230	1,768,307	208	11,239,745
<u>Less</u> Allowance for doubtful accounts	-	(18,077)	-	(18,077)
Loans and accrued interest receivables - net	9,471,230	1,750,230	208	11,221,668

(Unit : Thousand Baht)

Stages	Consolidated and separate financial statements		
	September 30, 2020		
	Loans and accrued interest income		
	Mortgage loans	Other loans	Total
Loans with not significantly increased in credit risk (Stage 1)	2,086,346	72	2,086,418
Loans with significantly increased in credit risk (Stage 2)	13,718	-	13,718
Loans with credit impaired (Stage 3)	95,857	55	95,912
Total	2,195,921	127	2,196,048
<u>Less</u> Allowance for expected credit loss	(66,227)	-	(66,227)
Total	2,129,694	127	2,129,821

Policy loans represent loans granted to the policyholders in an amount not exceeding the cash value of the policy. The loans carry interest rate at 3.00% - 8.00% per annum, as approved by the Office of Insurance Commission.

Loans to employees under the employee welfare scheme are set for credit limit of Baht 0.10 million for personal guarantee loans. The interest rate is charged at the rates of 6.00% per annum. As at September 30, 2020 and December 31, 2019, loans to employees amounted to Baht 0.13 million and Baht 0.21 million, respectively.

Loans to employees under the mortgage loans are not to exceed 50 times the employee's monthly salary to each employee for secured loans. The loans carry interest of 5.00% - 6.00% per annum. As at September 30, 2020 and December 31, 2019, loans to employees under the mortgage loans amounted to Baht 13 million and Baht 18 million, respectively.

13. INVESTMENT PROPERTY

As at September 30, 2020 and December 31, 2019, the Company has movement in the investment property as follows:

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	For the nine-month period ended September 30, 2020	For the year ended December 31, 2019
Net carrying value - beginning of the period/year	16,686	17,752
Depreciation for period/year	(798)	(1,066)
Net carrying value - end of the period/year	15,888	16,686

14. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the nine-month period ended September 30, 2020 are as follows:

(Unit : Thousand Baht)

Consolidated financial statements							
For the nine-month period ended September 30, 2020							
	Land	Buildings and buildings improvements	Condominium	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	Total
Net carrying value as at							
January 1, 2020	791,346	335,746	7,019	101,345	21,420	168,820	1,425,696
Additions - at cost	-	1,032	-	49,240	2,249	508,360	560,881
Disposals/Write-off - net carrying value	-	-	-	(4)	-	-	(4)
Exchange rate differences on translation of financial statements in foreign currency	-	-	-	12	-	-	12
Transfer in (out)	-	396	-	114	-	(510)	-
Depreciation charges for the period	-	(23,373)	(1,373)	(42,635)	(4,732)	-	(72,113)
Impairment	-	-	-	(213)	-	-	(213)
Net carrying value as at September 30, 2020	<u>791,346</u>	<u>313,801</u>	<u>5,646</u>	<u>107,859</u>	<u>18,937</u>	<u>676,670</u>	<u>1,914,259</u>

(Unit : Thousand Baht)

Separate financial statements							
For the nine-month period ended September 30, 2020							
	Land	Buildings and buildings improvements	Condominium	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	Total
Net carrying value as at							
January 1, 2020	791,346	335,749	7,017	101,121	21,419	168,820	1,425,472
Additions - at cost	-	1,032	-	49,195	2,249	508,360	560,836
Disposals/Write-off - net carrying value	-	-	-	(4)	-	-	(4)
Transfer in (out)	-	396	-	114	-	(510)	-
Depreciation charges for the period	-	(23,373)	(1,373)	(42,609)	(4,732)	-	(72,087)
Net carrying value as at September 30, 2020	<u>791,346</u>	<u>313,804</u>	<u>5,644</u>	<u>107,817</u>	<u>18,936</u>	<u>676,670</u>	<u>1,914,217</u>

15. DEFERRED TAX ASSETS/LIABILITIES AND INCOME TAX EXPENSE

15.1 Deferred tax assets/liabilities

Deferred tax assets and liabilities consisted of tax effects as shown below.

(Unit : Thousand Baht)

	Consolidated and separate financial statements						
	September 30, 2020	January 1, 2020	December 31, 2019	Change in deferred tax assets/liabilities reported in profit or loss for the three-month periods ended September 30,		Change in deferred tax assets/liabilities reported in the statements of comprehensive income for the three-month periods ended September 30,	
				2020	2019	2020	2019
Deferred tax assets							
Reserves for long-term insurance contracts	2,248,264	2,421,923	2,421,923	(72,320)	(56,628)	-	-
Claim reserves	10,463	16,577	16,577	46	1,408	-	-
Provisions for long-term employee benefits	45,628	41,019	41,019	1,042	(5,636)	-	-
Allowance for expected credit loss	76,643	34,356	-	5,627	-	-	-
Others	38,621	10,536	14,151	11,140	(12,636)	-	-
Total deferred tax assets	<u>2,419,619</u>	<u>2,524,411</u>	<u>2,493,670</u>	<u>(54,465)</u>	<u>(73,492)</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities							
Available-for-sale investments	-	-	1,572,931	-	43,698	-	(60,701)
Investment at fair value through other comprehensive income	888,181	1,615,400	-	16,189	-	(601,703)	-
Cash flow hedge	31,196	171,098	-	(934)	-	(10,628)	-
Total deferred tax liabilities	<u>919,377</u>	<u>1,786,498</u>	<u>1,572,931</u>	<u>15,255</u>	<u>43,698</u>	<u>(612,331)</u>	<u>(60,701)</u>
Deferred tax assets/ liabilities - net	<u>1,500,242</u>	<u>737,913</u>	<u>920,739</u>	<u>(69,720)</u>	<u>(117,190)</u>	<u>612,331</u>	<u>60,701</u>

(Unit : Thousand Baht)

	Consolidated and separate financial statements						
	September 30, 2020	January 1, 2020	December 31, 2019	Change in deferred tax assets/liabilities reported in profit or loss for the nine-month periods ended September 30,		Change in deferred tax assets/liabilities reported in the statements of comprehensive income for the nine-month periods ended September 30,	
				2020	2019	2020	2019
Deferred tax assets							
Reserves for long-term insurance contracts	2,248,264	2,421,923	2,421,923	(173,659)	(275,304)	-	-
Claim reserves	10,463	16,577	16,577	(6,114)	(883)	-	-
Provisions for long-term employee benefits	45,628	41,019	41,019	4,609	4,263	-	-
Allowance for expected credit loss	76,643	34,356	-	42,287	-	-	-
Others	38,621	10,536	14,151	28,085	(1,874)	-	-
Total deferred tax assets	2,419,619	2,524,411	2,493,670	(104,792)	(273,798)	-	-
Deferred tax liabilities							
Available-for-sale investments	-	-	1,572,931	-	206,445	-	1,056,005
Investment at fair value through other comprehensive income	888,181	1,615,400	-	47,228	-	(774,447)	-
Cash flow hedge	31,196	171,098	-	(23,464)	-	(116,438)	-
Total deferred tax liabilities	919,377	1,786,498	1,572,931	23,764	206,445	(890,885)	1,056,005
Deferred tax assets/ liabilities - net	1,500,242	737,913	920,739	(128,556)	(480,243)	890,885	(1,056,005)

15.2 Income tax expenses

Income tax expenses for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows:

	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2020	2019	2020	2019
Current income tax:				
Interim corporate income tax charge	-	206,628	-	206,628
Adjustment in respect of income tax of previous year	-	89,212	(5,843)	96,490
Deferred tax:				
Relating to origination and reversal of temporary differences	69,720	117,190	128,556	480,243
Income tax income reported in profits or losses	69,720	413,030	122,713	783,361

Reconciliation between accounting profits and income tax expense for the three-month and nine-month periods ended September 30, 2020 and 2019 are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2020	2019	2020	2019
Accounting profit before income tax expenses	653,127	1,843,106	1,567,504	4,516,493
Applicable corporate income tax rates		20%	20%	20%
Income tax expenses at the applicable tax rates	130,380	368,357	313,295	902,621
Adjustment in respect of income tax of previous year	-	89,212	(5,843)	96,490
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	(60,660)	(44,539)	(184,739)	(215,750)
Income tax expenses recognised in profits or losses	69,720	413,030	122,713	783,361

(Unit : Thousand Baht)

	Separate financial statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2020	2019	2020	2019
Accounting profit before income tax expenses	651,899	1,841,788	1,566,477	4,513,109
Applicable corporate income tax rates	20%	20%	20%	20%
Income tax expenses at the applicable tax rates	130,380	368,357	313,295	902,621
Adjustment in respect of income tax of previous year	-	89,212	(5,843)	96,490
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	(60,660)	(44,539)	(184,739)	(215,750)
Income tax expenses recognised in profits or losses	69,720	413,030	122,713	783,361

16. OTHER ASSETS

As at September 30, 2020 and December 31, 2019, other assets consisted of the follows:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Derivative collateral	34,500	-	34,500	-
Prepaid income tax	229,964	100,917	229,964	100,917
Prepaid rental expenses	1,955	10,824	1,955	10,824
Deposits	79,370	98,054	57,306	77,194
Receivable from sales of investments	98,054	81,250	98,054	81,250
Prepaid expenses	18,887	14,716	18,886	14,716
Others	269,121	125,079	260,070	110,600
Total other assets	731,851	430,840	700,735	395,501

17. INSURANCE CONTRACT LIABILITIES

As at September 30, 2020 and December 31, 2019, insurance contract liabilities consisted of the follows:

(Unit : Thousand Baht)

	Consolidated financial statements					
	September 30, 2020			December 31, 2019		
	Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net
Reserves for long-term insurance contracts	288,118,658	-	288,118,658	277,488,536	-	277,488,536
Claim reserves						
Reserves for reported claims	155,237	(115,211)	40,026	151,578	(76,314)	75,264
Reserves for claims incurred but not yet reported	52,317	-	52,317	82,884	-	82,884
Premium reserves						
Unearned premium reserves	1,595,691	(627,130)	968,561	1,451,634	(473,387)	978,247
Unpaid policy benefits	239,721	-	239,721	191,174	-	191,174
Other insurance liabilities	7,144,920	-	7,144,920	7,276,022	-	7,276,022
Total insurance contract liabilities	<u>297,306,544</u>	<u>(742,341)</u>	<u>296,564,203</u>	<u>286,641,828</u>	<u>(549,701)</u>	<u>286,092,127</u>

(Unit : Thousand Baht)

	Separate financial statements					
	September 30, 2020			December 31, 2019		
	Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net
Reserves for long-term insurance contracts	288,118,657	-	288,118,657	277,488,525	-	277,488,525
Claims reserves						
Reserves for reported claims	155,237	(115,211)	40,026	151,578	(76,314)	75,264
Reserves for claims incurred but not yet reported	52,317	-	52,317	82,884	-	82,884
Premium reserves						
Unearned premium reserves	1,595,691	(627,130)	968,561	1,451,634	(473,387)	978,247
Unpaid policy benefits	239,721	-	239,721	191,174	-	191,174
Other insurance liabilities	7,144,920	-	7,144,920	7,276,022	-	7,276,022
Total insurance contract liabilities	<u>297,306,543</u>	<u>(742,341)</u>	<u>296,564,202</u>	<u>286,641,817</u>	<u>(549,701)</u>	<u>286,092,116</u>

From January 1, 2020, the Company revised assumption for reserves for long-term insurance contracts for Provision Adverse Deviation (PAD) from 4% to 5% of Net premium valuation (NPV) reserve in order to support the fluctuation of interest rate longevity. The Company recorded the cumulative effect from the change in PAD reserves for long-term insurance contracts as at December 31, 2019 which changed from 4% to 5% in the amount of Baht 2,668 million in the statements of profit or loss and other comprehensive income for the nine-month period ended September 30, 2020.

17.1 Reserves for long-term insurance contracts

As at September 30, 2020 and December 31, 2019, reserves for long-term insurance contracts consisted of the follows:

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the nine-month period ended September 30, 2020	For the year ended December 31, 2019	For the nine-month period ended September 30, 2020	For the year ended December 31, 2019
Balances - beginning of the period/year	277,488,536	273,908,194	277,488,525	273,908,102
Reserve increased for new businesses and inforce policies	24,854,044	29,754,084	24,854,054	29,754,165
Reserve decreased for benefits payment lapses and surrender, etc.	(14,223,922)	(26,173,742)	(14,223,922)	(26,173,742)
Balances - end of the period/year	<u>288,118,658</u>	<u>277,488,536</u>	<u>288,118,657</u>	<u>277,488,525</u>

17.2 Claim reserves

As at September 30, 2020 and December 31, 2019, claim reserves consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	For the nine-month period ended September 30, 2020	For the year ended December 31, 2019
Balances - beginning of the period/year	234,462	265,652
Claims incurred in the current period/year	1,600,274	2,244,800
Claims paid during the period/year	(1,627,182)	(2,275,990)
Balances - end of the period/year	<u>207,554</u>	<u>234,462</u>

17.3 Unearned premium reserves

As at September 30, 2020 and December 31, 2019, unearned premium reserves consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	For the nine-month period ended September 30, 2020	For the year ended December 31, 2019
Balances - beginning of the period/year	1,451,634	1,322,760
Premium written for the period/year	3,171,218	3,834,755
Premium earned for the period/year	(3,027,161)	(3,705,881)
Balances - end of the period/year	<u>1,595,691</u>	<u>1,451,634</u>

17.4 Unpaid policy benefits

As at September 30, 2020 and December 31, 2019, unpaid policy benefits consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	September 30, 2020	December 31, 2019
Death benefit	76,419	64,284
Maturity payment	135,727	103,384
Benefit payment	25,813	21,735
Surrender	1,762	1,771
Total unpaid policy benefits	<u>239,721</u>	<u>191,174</u>

17.5 Other insurance liabilities

As at September 30, 2020 and December 31, 2019, other insurance liabilities consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	September 30, 2020	December 31, 2019
Deposits from insurance contracts	6,741,169	6,903,089
Premiums received in advance	326,153	293,294
Payable to policyholders on exempted premiums	77,598	79,639
Total other insurance liabilities	<u>7,144,920</u>	<u>7,276,022</u>

18. AMOUNT DUE TO REINSURANCE

As at September 30, 2020 and December 31, 2019, amount due to reinsurance consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	September 30, 2020	December 31, 2019
Amount due to reinsurers	1,104,180	1,128,743
Total amount due to reinsurance	<u>1,104,180</u>	<u>1,128,743</u>

19. EMPLOYEE BENEFIT OBLIGATIONS

As at September 30, 2020 and December 31, 2019, employee benefit obligations consisted of the following:

	Consolidated		(Unit : Thousand Baht)	
	financial statements		Separate	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Post-employment benefit obligations	207,829	185,863	206,911	183,925
Other long-term employee benefit obligations	28,065	27,997	28,010	27,952
Total employee benefit obligations	<u>235,894</u>	<u>213,860</u>	<u>234,921</u>	<u>211,877</u>

20. OTHER LIABILITIES

As at September 30, 2020 and December 31, 2019, other liabilities consisted of the following:

	Consolidated		(Unit : Thousand Baht)	
	financial statements		Separate	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Accrued commission expenses	613,856	515,501	612,411	514,031
Accrued expenses	253,982	284,318	252,411	283,912
Premium received for policies not yet approved	35,198	46,867	35	46,867
Amounts received awaiting transfer	132,129	68,047	132,411	68,047
Specific Business Tax payable	131,145	148,716	131,411	148,716
Payable from purchases of investments	81,620	32,721	81,411	32,721
Withholding tax payable	15,109	38,557	15,411	38,472
Short-term employee benefit payables	139,106	25,231	138,411	25,231
Collateral under derivatives agreements	-	35,500	-	35,500
Others	49,378	30,636	44,411	21,860
Total other liabilities	<u>1,451,523</u>	<u>1,226,094</u>	<u>1,443,788</u>	<u>1,215,357</u>

21. OPERATING SEGMENT

The Company presented operating segment information in the same manner as that reported to the Office of Insurance Commission (“OIC”) on the report of underwriting information reported by insurance categories since the management considered that the Company is operating its core business in a single segment (i.e. life insurance business) and in a single geographic area (i.e. Thailand). Hence, all items as presented in this segment information are consistent to the Company’s internal reports that are regularly reviewed by the chief operating decision maker in order to make decision about allocation of resources to the segment and evaluate its performance. The chief operating decision maker has been identified as the Chief Executive Officer.

Underwriting information classified by insurance categories for the three-month and nine-month periods ended September 30, 2020 and 2019 is as follows:

(Unit : Thousand Baht)

Consolidated financial statements						
For the three-month period ended September 30, 2020						
	Traditional products - no participating dividend	Traditional products - participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income						
Gross written premium	7,448,294	2,233,239	110,637	11,324	-	9,803,494
<u>Less</u> Premium ceded to reinsurers	(246,281)	-	-	-	-	(246,281)
Net premium written	7,202,013	2,233,239	110,637	11,324	-	9,557,213
<u>Add (less)</u> Unearned premium reserve (increased) decreased from prior period	186,487	-	-	(225)	-	186,262
Net earned premium	7,388,500	2,233,239	110,637	11,099	-	9,743,475
Fee and commission income	95,140	-	-	-	-	95,140
Total underwriting income	7,483,640	2,233,239	110,637	11,099	-	9,838,615
Underwriting expenses						
Life policy reserves increased from prior period	21,554	1,939,367	128,697	-	-	2,089,618
Benefit payments under life policies and claims net refundable from reinsurance	8,595,175	-	14,682	2,804	-	8,612,661
Commissions and brokerage expenses	730,229	122,581	4,895	313	2,171	860,189
Other underwriting expenses	183,433	27,614	1,559	157	-	212,763
Total underwriting expenses	9,530,391	2,089,562	149,833	3,274	2,171	11,775,231

(Unit : Thousand Baht)

Consolidated financial statements						
For the three-month period ended September 30, 2019						
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total	
Underwriting income						
Gross written premium	9,736,008	130,598	11,517	-	9,878,123	
<u>Less</u> Premium ceded to reinsurers	(296,797)	-	-	-	(296,797)	
Net premium written	9,439,211	130,598	11,517	-	9,581,326	
<u>Less</u> Unearned premium reserve increased from prior period	(42,479)	-	(527)	-	(43,006)	
Net earned premium	9,396,732	130,598	10,990	-	9,538,320	
Fee and commission income	67,155	-	-	-	67,155	
Total underwriting income	9,463,887	130,598	10,990	-	9,605,475	
Underwriting expenses						
Life policy reserves increased from prior period	4,605,170	136,579	-	-	4,741,749	
Benefit payments under life policies and claims net refundable from reinsurance	5,942,618	14,388	(307)	-	5,956,699	
Commissions and brokerage expenses	788,886	14,842	298	2,734	806,760	
Other underwriting expenses	140,230	1,451	127	-	141,808	
Total underwriting expenses	11,476,904	167,260	118	2,734	11,647,016	

(Unit : Thousand Baht)

Consolidated financial statements						
For the nine-month period ended September 30, 2020						
	Traditional products - no participating dividend	Traditional products - participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income						
Gross written premium	24,080,589	2,248,004	336,522	33,814	-	26,698,929
<u>Less</u> Premium ceded to reinsurers	(1,077,967)	-	-	-	-	(1,077,967)
Net premium written	23,002,622	2,248,004	336,522	33,814	-	25,620,962
<u>Add (less)</u> Unearned premium reserve (increased) decreased from prior period	9,771	-	-	(85)	-	9,686
Net earned premium	23,012,393	2,248,004	336,522	33,729	-	25,630,648
Fee and commission income	364,678	-	-	-	-	364,678
Total underwriting income	23,377,071	2,248,004	336,522	33,729	-	25,995,326
Underwriting expenses						
Life policy reserves increased from prior period	8,331,597	1,951,147	347,388	-	-	10,630,132
Benefit payments under life policies and claims net refundable from reinsurance	20,752,900	-	53,470	7,815	-	20,814,185
Commissions and brokerage expenses	1,979,071	124,054	15,840	728	6,940	2,126,633
Other underwriting expenses	393,292	27,784	4,159	417	-	425,652
Total underwriting expenses	31,456,860	2,102,985	420,857	8,960	6,940	33,996,602

(Unit : Thousand Baht)

Consolidated financial statements					
For the nine-month period ended September 30, 2019					
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Gross premium written	26,950,710	496,914	33,984	-	27,481,608
<u>Less</u> Premium ceded to reinsurers	(1,065,892)	-	-	-	(1,065,892)
Net premium written	25,884,818	496,914	33,984	-	26,415,716
<u>Less</u> Unearned premium reserve increased from prior period	(74,443)	-	(1,791)	-	(76,234)
Net earned premium	25,810,375	496,914	32,193	-	26,339,482
Fee and commission income	294,987	-	-	-	294,987
Total underwriting income	26,105,362	496,914	32,193	-	26,634,469
Underwriting expenses					
Life policy reserves increased from prior period	462,073	366,831	-	-	828,904
Benefit payments under life policies and claims net refundable from reinsurance	28,214,299	50,189	3,705	-	28,268,193
Commissions and brokerage expenses	2,299,914	36,662	960	7,650	2,345,186
Other underwriting expenses	424,248	6,237	405	8	430,898
Total underwriting expenses	31,400,534	459,919	5,070	7,658	31,873,181

22. OPERATING EXPENSES

For the three-month and nine-month periods ended September 30, 2020 and 2019, operating expenses consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended September 30,		periods ended September 30,	
	2020	2019	2020	2019
Personnel expenses	224,742	219,519	670,502	654,647
Property, plant and equipment expenses	45,339	42,588	134,045	125,492
Taxes and duties	945	594	2,200	3,971
Other operating expenses	133,794	167,667	347,771	444,707
Total operating expenses	<u>404,820</u>	<u>430,368</u>	<u>1,154,518</u>	<u>1,228,817</u>

	(Unit : Thousand Baht)			
	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended September 30,		periods ended September 30,	
	2020	2019	2020	2019
Personnel expenses	223,821	217,834	666,326	650,000
Property, plant and equipment expenses	45,228	42,483	133,720	125,177
Taxes and duties	945	594	2,200	3,971
Other operating expenses	133,856	167,692	347,814	444,732
Total operating expenses	<u>403,850</u>	<u>428,603</u>	<u>1,150,060</u>	<u>1,223,880</u>

23. FAIR VALUE GAIN

For the three-month and nine-month periods ended September 30, 2020 and 2019, fair value gain consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	For the three-month		For the nine-month	
	periods ended September 30,		periods ended September 30,	
	2020	2019	2020	2019
Unrealised losses on remeasuring investment at fair value through profit or loss	(1,452)	(7,584)	(8,052)	(7,854)
Unrealised gains (losses) on foreign exchange forward contracts	(177,507)	103,440	(457,267)	384,354
Gains (losses) on foreign exchange rate	276,578	(40,132)	847,440	(66,106)
Total fair value gains	<u>97,619</u>	<u>55,724</u>	<u>382,121</u>	<u>310,394</u>

24. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company and its subsidiaries use the market approach to measure their assets that are required to be measured at fair value by relevant financial reporting standards, except that the cost approach or the income approach is used when there is no active market or when a quoted market price is not available.

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiaries endeavor to use relevant observable inputs as much as possible.

TFRS 13 “Fair Value Measurement” establishes a fair value hierarchy categorising such inputs into three levels as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets
- Level 2 - Use of other observable inputs for such assets whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

As at September 30, 2020 and December 31, 2019, the Company and its subsidiaries had the following assets that were measured at fair value using different fair value hierarchy as follows:

	(Unit: Thousand Baht)			
	Consolidated and separate financial statements			
	As at September 30, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative assets				
Cross currency swap contracts	-	530,511	-	530,511
Forward exchange contracts	-	10,661	-	10,661
Forward contracts	-	1,528	-	1,528
Investment at fair value through profit or loss				
Equity instruments	12,804	-	-	12,804
Investment at fair value through other comprehensive income				
Equity instruments	31,852,755	-	193,238	32,045,993
Debt instruments	3,546,757	78,417,271	3,388,103	85,352,131
Financial liabilities measured at fair value				
Derivative liabilities				
Cross currency swap contracts	-	249,767	-	249,767
Forward exchange contracts	-	127,401	-	127,401

	(Unit : Thousand Baht)			
	Consolidated and separated financial statements			
	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held-for-trading investments				
Equity instruments	20,856	-	-	20,856
Available-for-sale investments				
Equity instruments	44,026,206	6,061,380	-	50,087,586
Debt instruments	-	30,016,803	-	30,016,803

Valuation techniques and inputs to Level 2 valuations

- a) The fair value of investments in debt instruments at fair value through other comprehensive income has been determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.
- b) The fair value of investments in unit trusts at fair value through other comprehensive income has been determined by using the net asset value per unit as announced by the fund managers.
- c) The fair value of derivative assets and derivative liabilities at fair value through profit or loss and other comprehensive income has been determined by using exchange rates and discounted cash flow method based on interest rate as a discount rate.

Valuation techniques and inputs to Level 3 valuations

- a) The fair value of investments in equity instruments at fair value through other comprehensive income has been determined by using price to book value ratio from compare industry prices.
- b) The fair value of investments in debt instruments at fair value through other comprehensive income are determined by using discounted cash flow method based on the reference interest rate as a discount rate.

During the current period, there was no transfer within the fair value hierarchy.

As at September 30, 2020 and December 31, 2019, the Company and its subsidiaries had the following assets which fair value were disclosed as follows:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	September 30, 2020	December 31, 2019
Investment at amortised cost		
Debt instruments	222,367,082	260,293,865
Derivative assets		
Cross currency swap contracts	-	1,598,446
Forward exchange contracts	-	145,718
Loans and accrued interest receivables		
Policy loans	11,594,409	11,014,242
Mortgage loans	2,119,325	1,750,064
Derivative liabilities		
Cross currency swap contracts	-	8,827

Fair value of the following assets resemble carrying value

- Cash and cash equivalents
- Premium receivables

25. EXPECTED CREDIT LOSS

(Unit : Thousand Baht)

	Consolidated and separate financial statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2020	2019	2020	2019
Expected Credit Loss				
Investments in securities	(13,896)	-	190,464	-
Loans and accrued interest receivables	5,210	-	20,974	-
Total	(8,686)	-	211,438	-

26. 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 summarised below.

Name of related parties	Type of business	Relationship with the Company
Bangkok Bank Pcl.	Banking	Related by way of common shareholders
Bangkok Insurance Pcl.	Insurance	Shareholding and related by way of common directors
Sorachai Vivatn Co., Ltd.	Property development	Related by way of common shareholders
Thaire Life Assurance Pcl.	Life assurance	Related by way of common directors
Bumrungrad Hospital Pcl.	Health care services	Related by way of common shareholders
Rajburi Sugar Co., Ltd.	Industry	Related by way of common directors
Narai Ruamphiphat Co., Ltd.	Property development	Shareholding 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 shareholders
Tris Corporation Ltd.	Services	Related by way of common directors
Union Textile Industries Pcl.	Industry	Related by way of common shareholders
Indorama Ventures Public Company Limited	Petrochemical	Related by way of common directors
Asia warehouse Co., Ltd.	Rental of assets	Shareholding by the major shareholder of the Company
Ek-Chai Distribution System Co., Ltd.	Commercial	Related by way of common directors
BBL Asset Management Co., Ltd.	Asset management	Shareholding and related by way of common directors
Bualuang Securities Pcl.	Securities	Subsidiary of the major shareholder of the Company
BLA Insurance Broker Co., Ltd	Insurance broker	Subsidiary
Bangkok Mitsubishi UFJ Lease Co., Ltd.	Services	Related by way of common shareholders
I-Direct Insurance Broker Co., Ltd.	Life insurance broker	Related by way of common shareholders
Bangkok Life Assurance (Cambodia) Public Limited Company	Life assurance	Subsidiary
Charoong Thai Wire&Cable Pcl.	Industry	Related by way of common directors
Furukawa Metal (Thailand) Pcl.	Industry	Related by way of common directors
Thai Reinsurance Public Co., Ltd.	Insurance	Related by way of common directors

During the three-month and nine-month periods ended September 30, 2020 and 2019, the Company and its subsidiaries had significant business transactions with 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 : Thousand Baht)

	Consolidated financial statements				Pricing policy
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,		
	2020	2019	2020	2019	
Related parties					
Premium written	2,112	264	4,568	7,656	Normal commercial terms for underwriting
Premium ceded to reinsurers	101,151	106,687	450,117	420,685	Normal commercial terms for reinsurance
Fee and commission income	41,874	2,268	146,770	118,734	Normal commercial terms for reinsurance
Interest income - deposits at banks, promissory notes and debentures	104,693	104,693	310,670	310,676	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	2,169	1,297	6,054	3,625	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	106,818	138,811	334,765	349,074	The declared amount
Rental and service income	2,720	3,430	8,761	9,851	Normal commercial rate on contracts
Brokerage income from securities trading	16,597	19,778	48,139	55,360	Normal commercial terms for securities brokerage
Gain on forward and swap foreign exchange contracts	156,599	302,631	278,031	495,491	Normal commercial terms on contracts
Commission and brokerage	412,469	304,792	849,610	1,025,344	Normal commercial terms for percentage of premium written
Claim refundable from reinsurance	80,050	84,214	278,596	264,416	Normal commercial terms for underwriting
Claim payment and diagnose charge	4,406	4,591	15,257	13,362	Normal commercial terms for underwriting
Bank charges	51,437	47,331	130,328	125,852	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	823	513	2,771	1,535	Normal commercial terms for underwriting
Building space rental and services	17,041	18,432	51,008	54,992	Head office building: Rental fee of approximately Baht 90 per square meter per month and service fee of Baht 29 per square meter per month for long-term agreement and approximately Baht 44 and Baht 138 per square meter per month and service fees approximately Baht 91 and 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
Other services	1,868	2,705	4,337	6,816	Normal commercial terms for services

	Separate financial statements				(Unit : Thousand Baht)
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,		Pricing policy
	2020	2019	2020	2019	
Subsidiaries					
Written premium	-	50	-	106	Normal commercial terms for underwriting
Rental and service income	122	145	395	433	Rate on agreements as those charged by rental and service fees per square meter per month
Related parties					
Written premium	2,112	264	4,568	7,656	Normal commercial terms for underwriting
Premium ceded to reinsurers	101,151	106,687	450,117	420,685	Normal commercial terms for reinsurance
Fee and commission income	41,874	29,268	146,770	118,734	Normal commercial terms for reinsurance
Interest income - deposits at banks, promissory notes and debentures	104,693	104,693	310,666	310,666	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	2,169	1,297	6,054	3,625	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	106,818	138,811	334,765	349,074	The declared amount
Brokerage income from securities trading	16,597	19,778	48,139	55,360	Normal commercial terms for securities brokerage
Gain on forward and swap foreign exchange contracts	156,599	302,631	278,031	495,491	Normal commercial terms on contracts
Commission and brokerage	412,469	304,792	849,610	1,025,344	Normal commercial terms for percentage of premium written
Claim refundable from reinsurance	80,050	84,214	278,596	264,416	Normal commercial terms for underwriting
Claim payment and diagnose charge	4,406	4,591	15,257	13,362	Normal commercial terms for underwriting
Bank charges	51,418	47,077	130,272	125,791	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	824	513	2,764	1,528	Normal commercial terms for underwriting
Building space rental and services	17,041	18,432	51,008	54,992	Head office building: Rental fee of approximately Baht 90 per square meter per month and service fee of Baht 29 per square meter per month for long-term agreement and approximately Baht 44 and Baht 138 per square meter per month and service fees approximately Baht 91 and 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
Other services	111	135	318	478	Normal commercial terms for services

For the three-month and nine-month periods ended September 30, 2020, the premium generated from the Bancassurance distribution channel represented approximately 60.97% and 58.01% of total net premium written, respectively (for the three-month and nine-month periods ended September 30, 2019 : approximately 58.89% and 58.98% of total net premium written, respectively).

As at September 30, 2020 and December 31, 2019, the balance of the accounts between the Company and those related companies are as follows:

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Subsidiaries				
Other liabilities				
Deposits	-	-	66	66
Total other liabilities	-	-	66	66
Related parties				
Deposit at financial institution (included in cash and cash equivalents)	982,168	1,454,931	968,375	1,443,806
Investments assets				
Investment at fair value through other comprehensive income - cost				
Domestic equity securities	4,092,115	-	4,092,115	-
Domestic units trust	3,621,792	-	3,621,792	-
Foreign equity securities	11,167	-	11,167	-
Private enterprise debt securities	455,000	-	455,000	-
Total - cost	8,180,074	-	8,180,074	-
<u>Add</u> Unrealised gains	226,172	-	226,172	-
Total Investment at fair value through other comprehensive income	8,406,246	-	8,406,246	-
Investment at amortised cost				
Private enterprise debt securities	2,490,000	-	2,490,000	-
Foreign debt securities	5,859,752	-	5,859,752	-
Total	8,349,752	-	8,349,752	-
<u>Less</u> Allowance for expected credit loss	(4,095)	-	(4,095)	-
Total Investment at amortised cost	8,345,657	-	8,345,657	-
Loans	173,980	-	173,980	-
Total investments assets	16,925,883	-	16,925,883	-
Investments assets				
Available-for-sale investments - cost				
Domestic equity securities	-	3,075,507	-	3,075,507
Domestic units trust	-	3,473,723	-	3,473,723
Total available-for-sale investment- cost	-	6,549,230	-	6,549,230
<u>Add</u> Unrealised gains	-	1,931,899	-	1,931,899
Total available-for-sale investments - fair value	-	8,481,129	-	8,481,129
Held-to-maturity investments - cost/amortised cost				
Private enterprise debt securities	-	2,945,000	-	2,945,000
Foreign debt securities	-	5,869,412	-	5,869,412
Total held-to-maturity investment - cost/amortised cost	-	8,814,412	-	8,814,412
General investments - foreign equity securities	-	11,167	-	11,167
Loans	-	72,996	-	72,996
Total investments assets	-	17,379,704	-	17,379,704

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	September 30, 2020	December 31, 2019	September 30, 2020	December 31, 2019
Related parties (continued)				
Amount due from reinsurance	318,654	305,912	318,654	305,912
Forward and swap foreign exchange contract receivable	5,802,619	7,399,499	5,802,619	7,399,499
Other assets				
Deposits	9,490	9,631	9,490	9,631
Accrued income	3,312	6,659	-	-
Prepaid rental expenses	1,955	10,824	1,955	10,824
Prepaid expense	1,109	47	1,109	47
Total other assets	<u>15,866</u>	<u>27,161</u>	<u>12,554</u>	<u>20,502</u>
Amount due to reinsurance	332,858	326,522	332,858	326,522
Outstanding claims	2,168	1,386	2,168	1,386
Forward and swap foreign exchange contract payable	5,799,226	7,341,284	5,799,226	7,341,284
Other liabilities				
Accrued commission	260,352	157,807	260,352	157,807
Accrued premium	5,785	8,740	-	-
Accrued rental and service expense	34	8	34	8
Total other liabilities	<u>266,171</u>	<u>166,555</u>	<u>260,386</u>	<u>157,815</u>

Directors and key management's benefits

During the three-month and nine-month periods ended September 30, 2020 and 2019, employee benefit expenses to directors and key management are as follows:

	(Unit : Million Baht)			
	Consolidated financial statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2020	2019	2020	2019
Short-term employee benefits	18.41	17.00	54.43	53.90
Long-term employee benefits	0.74	0.40	2.21	1.20
Total directors and key management's benefits	<u>19.15</u>	<u>17.40</u>	<u>56.64</u>	<u>55.10</u>

	(Unit : Million Baht)			
	Separate financial statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2020	2019	2020	2019
Short-term employee benefits	18.41	17.00	54.43	53.90
Long-term employee benefits	0.74	0.40	2.21	1.10
Total directors and key management's benefits	<u>19.15</u>	<u>17.40</u>	<u>56.64</u>	<u>55.00</u>

27. ASSETS PLACED WITH THE REGISTRAR

As at September 30, 2020 and December 31, 2019, the following securities have been placed securities with the Registrar in accordance with the Life Insurance Act.

(Unit : Thousand Baht)

	Consolidated and separate financial statements			
	September 30, 2020		December 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
Government bonds	22,992	29,560	23,051	30,319

28. ASSETS RESERVED WITH THE REGISTRAR

As at September 30, 2020 and December 31, 2019, the following securities have been placed as reserves with the Registrar in accordance with the Life Insurance Act.

(Unit : Thousand Baht)

	Consolidated and separate financial statements			
	September 30, 2020		December 31, 2019	
	Carrying value	Fair value	Carrying value	Fair value
Government bonds	57,737,541	74,483,247	59,503,696	79,720,334
State enterprise bonds	3,849,324	4,298,919	4,599,986	5,097,301
Total	61,586,865	78,782,166	64,103,682	84,817,635

29. EARNINGS PER SHARE

Basic earnings per share for the three-month periods ended September 30, 2020 and 2019 were as follows:

	Consolidated financial statement					
	For the three-month periods ended September 30,					
	Continuing operations		Discontinued operation		Total	
	2020	2019	2020	2019	2020	2019
Net profits (losses) (Thousand Baht)	583,394	1,430,064	(20)	(98)	583,374	1,429,966
Number of share capital (Thousand shares)	1,707,566	1,707,566	1,707,566	1,707,566	1,707,566	1,707,566
Basic earnings (losses) per share (Baht per share)	0.342	0.837	(0.001)	(0.001)	0.341	0.836

	Separate financial statement	
	For the three-month periods ended September 30,	
	2020	2019
Net profits (Thousand Baht)	582,179	1,428,758
Number of share capital (Thousand shares)	1,707,566	1,707,566
Basic earnings per share (Baht per share)	0.341	0.837

* Earnings per share for equity holders of the Company.

Basic earnings per share for the nine-month periods ended September 30, 2020 and 2019 were as follows:

	Consolidated financial statement					
	For the nine-month periods ended September 30,					
	Continuing operations		Discontinued operation		Total	
	2020	2019	2020	2019	2020	2019
Net profits (losses) (Thousand Baht)	1,444,780	3,733,099	(150)	(1,086)	1,444,630	3,732,013
Number of share capital (Thousand shares)	1,707,566	1,707,566	1,707,566	1,707,566	1,707,566	1,707,566
Basic earnings (losses) per share (Baht per share)	0.846	2.186	(0.001)	(0.001)	0.845	2.185

	Separate financial statement	
	For the nine-month periods ended September 30,	
	2020	2019
Net profits (Thousand Baht)	1,443,764	3,729,748
Number of share capital (Thousand shares)	1,707,566	1,707,566
Basic earnings per share (Baht per share)	0.846	2.184

* Earnings per share for equity holders of the Company.

30. DIVIDENDS PAID

Dividends declared during the nine-month periods ended September 30, 2020 and 2019, consisted of the following:

	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
Annual dividend for 2019	Annual General Meeting of the Shareholders on July 10, 2020 and the OIC on July 2, 2020	547	0.32
Total dividend paid for the period 2020		547	0.32
Annual dividend for 2018	Annual General Meeting of the Shareholders on April 26, 2019 and the OIC on April 18, 2019	682	0.40
Interim dividend from operations For six-month period ended June 30, 2019	Meeting of Board of Directors on August 13, 2019 and the OIC on September 10, 2019	545	0.32
Total dividend paid for the period 2019		1,227	0.72

31. COMMITMENTS

- 31.1 As at September 30, 2020 and December 31, 2019, the Company has construction building agreement with local companies totaling of Baht 897.64 million and Baht 458.20 million, respectively. The Company has commitments to be paid according to the agreements amounting to Baht 268.75 million and Baht 336.32 million, respectively.
- 31.2 The Company and its subsidiaries have entered into several lease agreements in respect of the lease of office building space, motor vehicles and equipment. The terms of the agreements are generally between 1 and 5 years for leases of building space and are generally between 1 and 5 years for leases of motor vehicles and equipment. Such agreements are non-cancellable.

As at September 30, 2020 and December 31, 2019, the Company and its subsidiaries have future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

	(Unit : Million Baht)		
	Consolidated and separate financial statements		
	As at September 30, 2020		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements - Related parties	5.68	2.29	7.97
Operating lease agreements - Other parties	20.06	14.36	34.42
Service agreements	12.57	7.31	19.88
Total	38.31	23.96	62.27

	(Unit : Million Baht)		
	Consolidated financial statements		
	As at December 31, 2019		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements - Related parties	10.63	1.24	11.87
Operating lease agreements - Other parties	15.59	11.10	26.69
Service agreements	7.65	-	7.65
Total	33.87	12.34	46.21

	(Unit : Million Baht)		
	Separate financial statements		
	As at December 31, 2019		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements - Related parties	10.63	1.24	11.87
Operating lease agreements - Other parties	15.53	11.10	26.63
Service agreements	7.65	-	7.65
Total	33.81	12.34	46.15

The Company and its subsidiaries recognised rental expense derived from the operating leases for the three-month and nine-month periods ended September 30, 2020 amounting to Baht 9.95 million and Baht 29.93 million, respectively. (for the three-month and nine-month periods ended September 30, 2019 amounting to Baht 9.99 million and Baht 31.40 million, respectively)

31.3 As at September 30, 2020 and December 31, 2019, the Company may need to deposit additional amounts in the future under the investment conditions as described in Note 9.3 (a), as summarised below.

<u>Payable within</u>	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	September 30, 2020	December 31, 2019
1 year	-	900,000

31.4 As at September 30, 2020 and December 31, 2019, the Company had bank guarantee issued by banks Baht 2.0 million and Baht 2.0 million, respectively.

32. LITIGATION

As at September 30, 2020 and December 31, 2019, the Company has been sued in litigation cases of compensation of claims totaling approximately Baht 6 million and Baht 8 million, respectively, for being the insurer and the cases have yet been finalised. The Company has not yet provided for any provision for loss on such cases since there is still uncertainty with respect to the outcome of the cases.

33. RECLASSIFICATIONS

Certain reclassifications have been made in the financial statements for the year ended December 31, 2019, to conform to the classification used in current period's financial statements. Such reclassifications have no effect to previously reported net profit, total comprehensive income and shareholders' equity. The reclassifications are as follow:

Items	Previous presentation	Current presentation	(Unit : Thousand Baht)	
			Consolidated Financial Statements	Separate Financial Statements
Accrued interest receivables from loans	Accrued investment income	Loans and accrued interest receivables	995,614	995,614

34. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These interim financial statements were authorised for issue by the Board of Directors on November 12, 2020.