

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

## **Review Report of Independent Auditor**

To the Shareholders of Bangkok Life Assurance Public Company Limited

I have reviewed the accompanying balance sheet of Bangkok Life Assurance Public Company Limited as at 30 September 2009 and the related statements of income for the three-month and nine-month periods ended 30 September 2009 and 2008, the statements of changes in shareholders' equity and cash flows for the nine-month periods ended 30 September 2009 and 2008. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

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

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

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

Nonglak Pumnoi

Certified Public Accountant (Thailand) No. 4172

Ernst & Young Office Limited

Bangkok: 10 November 2009

**Bangkok Life Assurance Public Company Limited****Balance sheets**

As at 30 September 2009 and 31 December 2008

		(Unit: Baht)	
	<u>Note</u>	<u>30 September 2009</u> (Unaudited but reviewed)	<u>31 December 2008</u> (Audited)
<b>Assets</b>			
Investments in securities			
Bonds	13, 14	35,129,772,544	28,448,591,758
Treasury bills	8	635,154,349	-
Notes	8	7,747,592,239	4,058,365,544
Stocks		4,052,904,479	3,594,042,822
Debentures		7,881,972,163	7,422,861,158
Unit trusts		2,292,446,748	1,334,414,028
Other securities		11,147,158	-
Total investments in securities	5, 7	<u>57,750,989,680</u>	<u>44,858,275,310</u>
Loans			
Policy loans		1,174,486,793	1,050,863,163
Mortgage loans		691,712,456	738,241,179
Other loans		12,533,231	12,008,114
Total loans		1,878,732,480	1,801,112,456
Less: Allowance for doubtful accounts		(2,672,673)	(2,672,673)
Loans - net	6, 7	1,876,059,807	1,798,439,783
Cash and deposits at financial institutions	7, 8	2,575,929,289	2,381,639,639
Property, building and equipment - net	9	325,942,622	324,608,143
Due from reinsurers		27,670,975	27,915,881
Premium due and uncollected	10	1,240,185,221	1,120,875,601
Accrued investment income - net		647,071,488	743,422,881
Other assets			
Intangible assets - net		18,151,168	21,109,095
Others	7, 11	220,815,950	205,243,186
<b>Total assets</b>		<u><u>64,682,816,200</u></u>	<u><u>51,481,529,519</u></u>

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

**Bangkok Life Assurance Public Company Limited**

**Balance sheets (continued)**

**As at 30 September 2009 and 31 December 2008**

(Unit: Baht)

	<u>Note</u>	<u>30 September 2009</u> (Unaudited but reviewed)	<u>31 December 2008</u> (Audited)
<b>Liabilities and shareholders' equity</b>			
Life policy reserve		50,279,558,365	41,891,693,741
Unpaid policy benefits	7	4,500,490,595	3,984,060,369
Due to reinsurers	7	48,480,429	76,654,300
Advance premium receipts		1,464,833,934	1,550,812,113
Other liabilities			
Corporate income tax payable		148,447,404	112,445,135
Others	7, 12	1,173,853,078	847,094,648
<b>Total liabilities</b>		<u>57,615,663,805</u>	<u>48,462,760,306</u>
<b>Shareholders' equity</b>			
Share capital	15, 17		
Registered share capital			
1,220,000,000 ordinary shares of Baht 1 each		<u>1,220,000,000</u>	<u>1,220,000,000</u>
Issued and paid-up share capital			
1,200,000,000 ordinary shares of Baht 1 each			
(31 December 2008: 1,000,000,000 ordinary shares of Baht 1 each)		1,200,000,000	1,000,000,000
Premium on share capital	7	2,699,821,268	275,000,000
Unrealised gains			
Surplus on changes in values of investments		871,242,876	316,295,625
Retained earnings			
Appropriated			
Statutory reserve	18	122,000,000	77,085,216
General reserve		400,000,000	400,000,000
Unappropriated		1,774,088,251	950,388,372
<b>Total shareholders' equity</b>		<u>7,067,152,395</u>	<u>3,018,769,213</u>
<b>Total liabilities and shareholders' equity</b>		<u>64,682,816,200</u>	<u>51,481,529,519</u>
<b>Off-balance sheet items - commitments</b>			
Commitments	19	149,239,089	159,463,460

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

Directors

(Unaudited but reviewed)

**Bangkok Life Assurance Public Company Limited****Income statements****For the three-month periods ended 30 September 2009 and 2008**

		(Unit: Baht)	
	<u>Note</u>	<u>2009</u>	<u>2008</u>
<b>Revenues</b>			
Net premiums written	7	4,871,730,640	4,129,199,932
Net investments income	7	741,513,442	648,420,136
Gains (losses) on investments in securities	5	57,800,475	(60,175,932)
Other income			
Gains on sales of assets		2,688,045	4,102,001
Others		3,446,806	10,842,226
<b>Total revenues</b>		<u>5,677,179,408</u>	<u>4,732,388,363</u>
<b>Expenses</b>			
Underwriting expenses			
Life policy reserve increase from the previous period		3,132,595,644	2,391,130,788
Benefit payments to life policies during the period	7	1,398,783,778	1,288,038,808
Dividends to policyholders		3,090,000	150,000
Commissions and brokerages	7	553,358,115	470,772,831
Sales promotion expenses		79,492,302	68,862,852
Other underwriting expenses	7	2,956,290	2,894,206
Total underwriting expenses		<u>5,170,276,129</u>	<u>4,221,849,485</u>
Operating expenses			
Personnel expenses		134,509,409	127,706,230
Premises and equipment expenses	7	30,354,983	27,511,487
Taxes and duties		19,219,241	17,124,025
Directors' remuneration		1,080,000	1,070,000
Operating expenses - branches		14,419,482	13,614,631
Contribution to the Office of Insurance Commission		9,081,274	7,379,513
Contribution to the life assurance fund		4,940,741	-
Other operating expenses	7	55,092,854	56,920,085
Total operating expenses		<u>268,697,984</u>	<u>251,325,971</u>
Losses (gains) on exchange		1,840,527	(229,500)
<b>Total expenses</b>		<u>5,440,814,640</u>	<u>4,472,945,956</u>
Income before income tax		236,364,768	259,442,407
Corporate income tax		22,140,865	83,825,212
<b>Net income for the period</b>		<u>214,223,903</u>	<u>175,617,195</u>
<b>Basic earnings per share</b>			
Net income		0.21	0.18
Weighted average number of ordinary shares (shares)		<u>1,034,782,609</u>	<u>1,000,000,000</u>

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

(Unaudited but reviewed)

**Bangkok Life Assurance Public Company Limited****Income statements (continued)****For the nine-month periods ended 30 September 2009 and 2008**

		(Unit: Baht)	
	<u>Note</u>	<u>2009</u>	<u>2008</u>
<b>Revenues</b>			
Net premiums written	7	14,294,757,872	10,698,918,892
Net investments income	7	2,065,098,940	1,816,967,260
Gains (losses) on investments in securities	5	224,080,354	(47,388,202)
Other income			
Gains on sales of assets		4,303,930	3,906,520
Others		14,059,715	16,913,527
<b>Total revenues</b>		<u>16,602,300,811</u>	<u>12,489,317,997</u>
<b>Expenses</b>			
Underwriting expenses			
Life policy reserve increase from the previous period		8,387,864,624	5,695,084,858
Benefit payments to life policies during the period	7	3,961,975,014	3,481,990,903
Dividends to policyholders		3,810,000	315,000
Commissions and brokerages	7	1,826,668,058	1,441,246,856
Sales promotion expenses		267,173,607	197,148,807
Other underwriting expenses	7	8,538,534	8,431,297
Total underwriting expenses		<u>14,456,029,837</u>	<u>10,824,217,721</u>
Operating expenses			
Personnel expenses		409,834,995	368,642,875
Premises and equipment expenses	7	89,219,342	80,670,313
Taxes and duties		59,877,693	49,150,002
Directors' remuneration		9,350,000	8,910,000
Operating expenses - branches		44,325,607	40,024,094
Contribution to the Office of Insurance Commission		28,618,266	20,382,063
Contribution to the life assurance fund		22,786,764	-
Other operating expenses	7	156,672,947	147,407,014
Total operating expenses		<u>820,685,614</u>	<u>715,186,361</u>
Losses on exchange		9,639,682	4,595,600
<b>Total expenses</b>		<u>15,286,355,133</u>	<u>11,543,999,682</u>
Income before income tax		1,315,945,678	945,318,315
Corporate income tax		312,331,015	268,844,386
<b>Net income for the period</b>		<u>1,003,614,663</u>	<u>676,473,929</u>
<b>Basic earnings per share</b>			
Net income		0.99	0.68
Weighted average number of ordinary shares (shares)		<u>1,011,721,612</u>	<u>1,000,000,000</u>

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

(Unaudited but reviewed)

**Bangkok Life Assurance Public Company Limited****Statements of cash flows****For the nine-month periods ended 30 September 2009 and 2008**

	(Unit: Baht)	
	<u>2009</u>	<u>2008</u>
<b>Cash flows from (used in) operating activities</b>		
Net premiums written	13,942,860,599	10,281,559,412
Net investments income	2,278,576,788	1,984,719,099
Other income	14,059,715	16,881,284
Benefit payments to life policies during the period	-3,445,299,881	(2,950,347,695)
Dividends to policyholders	-3,810,000	(315,000)
Commissions and brokerages	-1,838,320,819	(1,515,841,312)
Other underwriting expenses	-234,869,644	(217,876,474)
Operating expenses	-489,224,280	(500,591,023)
Corporate income tax	-276,328,746	(314,926,038)
<b>Net cash from operating activities</b>	<u>9,947,643,732</u>	<u>6,783,262,253</u>
<b>Cash flows from (used in) investing activities</b>		
Cash flows from		
Investments in securities	36,036,811,429	27,774,932,513
Loans	285,047,158	234,454,695
Deposits at financial institutions	1,900,000,000	595,186,555
Property, building and equipment	4,695,190	4,644,504
Net cash from investing activities	<u>38,226,553,777</u>	<u>28,609,218,267</u>
Cash flows used in		
Investments in securities	-42,107,711,636	(33,676,038,862)
Loans	-297,010,657	(281,275,312)
Deposits at financial institutions	-605,000,000	(420,186,555)
Property, building and equipment	-42,898,225	(67,099,515)
Net cash used in investing activities	<u>-43,052,620,518</u>	<u>(34,444,600,244)</u>
<b>Net cash used in investing activities</b>	<u>-4,826,066,741</u>	<u>(5,835,381,977)</u>
<b>Cash flows from (used in) financing activities</b>		
Share capital issued	2,624,821,268	-
Dividend paid	(135,000,000)	(1,000,000,000)
<b>Net cash from (used in) financing activities</b>	<u>2,489,821,268</u>	<u>(1,000,000,000)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	7,611,398,259	(52,119,724)
Cash and cash equivalents at beginning of period	661,639,639	285,039,978
<b>Cash and cash equivalents at end of period (Note 8)</b>	<u><u>8,273,037,898</u></u>	<u><u>232,920,254</u></u>
<b>Supplemental cash flows information</b>		
Non-cash item		
Surplus on changes in values of investments	871,242,876	180,351,345

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

(Unaudited but reviewed)

## Bangkok Life Assurance Public Company Limited

## Statements of changes in shareholders' equity

For the nine-month periods ended 30 September 2009 and 2008

(Unit: Baht)

	Note	Issued and paid-up share capital	Premium on share capital	Surplus (deficit) on changes in values of investments	Retained earnings			Total
					Appropriated			
					Statutory reserve	General reserve	Unappropriated	
<b>Balance as at 1 January 2008</b>		1,000,000,000	275,000,000	1,128,945,591	39,498,923	400,000,000	236,248,792	3,079,693,306
<b>Income and expenses recognised directly in equity</b>								
Investments in available-for-sale securities								
Losses recognized in shareholders' equity		-	-	(920,678,709)	-	-	-	(920,678,709)
Transferred to income statement on disposal		-	-	(27,915,537)	-	-	-	(27,915,537)
<b>Net expenses recognised directly in equity</b>		-	-	(948,594,246)	-	-	-	(948,594,246)
Net income for the period		-	-	-	-	-	676,473,929	676,473,929
<b>Total income and expenses for the period</b>		-	-	(948,594,246)	-	-	676,473,929	(272,120,317)
Unappropriated retained earnings transferred to statutory reserve	18	-	-	-	33,823,696	-	(33,823,696)	-
<b>Balance as at 30 September 2008</b>		<u>1,000,000,000</u>	<u>275,000,000</u>	<u>180,351,345</u>	<u>73,322,619</u>	<u>400,000,000</u>	<u>878,899,025</u>	<u>2,807,572,989</u>
<b>Balance as at 1 January 2009</b>		1,000,000,000	275,000,000	316,295,625	77,085,216	400,000,000	950,388,372	3,018,769,213
<b>Income recognised directly in equity</b>								
Investments in available-for-sale securities								
Gains recognized in shareholders' equity		-	-	610,206,209	-	-	-	610,206,209
Transferred to income statement on disposal		-	-	(55,258,958)	-	-	-	(55,258,958)
<b>Net income recognised directly in equity</b>		-	-	554,947,251	-	-	-	554,947,251
Net income for the period		-	-	-	-	-	1,003,614,663	1,003,614,663
<b>Total income for the period</b>		-	-	554,947,251	-	-	1,003,614,663	1,558,561,914
Shares capital issued	15	200,000,000	2,424,821,268	-	-	-	-	2,624,821,268
Dividend paid	16	-	-	-	-	-	(135,000,000)	(135,000,000)
Unappropriated retained earnings transferred to statutory reserve	18	-	-	-	44,914,784	-	(44,914,784)	-
<b>Balance as at 30 September 2009</b>		<u>1,200,000,000</u>	<u>2,699,821,268</u>	<u>871,242,876</u>	<u>122,000,000</u>	<u>400,000,000</u>	<u>1,774,088,251</u>	<u>7,067,152,395</u>
		-	-	-	-	-	-	-
		-	-	-	-	-	-	-

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



**Bangkok Life Assurance Public Company Limited**

**Notes to interim financial statements**

**For the three-month and nine-month periods ended 30 September 2009 and 2008**

**1. General information**

Bangkok Life Assurance Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Nippon Life Insurance Company, which was incorporated in Japan. The Company is principally engaged in the provision of life insurance business. Its registered office is located at 23/115-121, Royal City Avenue, Rama 9 Road, Bangkok, Huaykwang, Bangkok. As at 30 September 2009, the Company has 71 branches (31 December 2008: 69 branches).

**2. Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2007) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented the balance sheets, and the statements of income, changes in shareholders’ equity, and cash flows in the same format as that used for the annual financial statements.

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

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

**3. Accounting Standards which are effective for the current year**

In June 2009, the Federation of Accounting Professions has issued Notification No. 12/2552, regarding the renumbering of Thai Accounting Standards to match the corresponding International Accounting Standards. Therefore the numbers of Thai Accounting Standards as used in these financial statements are corresponded to those per this notification.

The Federation of Accounting Professions has issued Notifications No. 86/2551 and 16/2552, mandating the use of new accounting standards, financial reporting standard and accounting treatment guidance as follows:

**a) Accounting standards, financial reporting standard and accounting treatment guidance which are effective for the current year**

Framework for Preparation and Presentation of Financial Statements (revised 2007)

TAS 36 (revised 2007)

Impairment of Assets

TFRS 5 (revised 2007)

Non-current Assets Held for Sale  
and Discontinued Operations

Accounting Treatment Guidance for Leasehold right

Accounting Treatment Guidance for Business Combination under Common Control

These accounting standards, financial reporting standard and accounting treatment guidance became effective for the financial statements for fiscal years beginning on or after 1 January 2009. The management has assessed the effect of these standards and believes that TFRS 5 (revised 2007) and Accounting Treatment Guidance for Business Combination under Common Control are not relevant to the business of the Company, while Framework for Preparation and Presentation of Financial Statements (revised 2007), TAS 36 (revised 2007) and Accounting Treatment Guidance for leasehold right will not have any significant impact on the financial statements for the current period.

**b) Accounting standards which are not effective for the current year**

		<u>Effective date</u>
TAS 20	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2012
TAS 24 (revised 2007)	Related Party Disclosures	1 January 2011
TAS 40	Investment Property	1 January 2011

However, TAS 24 (revised 2007) and TAS 40 allows early adoption by the entity before the effective date.

The management of the Company has assessed the effect of these standard and believes that TAS 20 is not relevant to the business of the Company, while management is still evaluating the effects of TAS 24 (revised 2007) and TAS 40 and has not been able to reach a conclusion as to their effect to the financial statements for the year in which they are initially applied.

#### 4. Significant accounting policies

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

#### 5. Investments in securities

(Unit: Baht)

	30 September 2009		31 December 2008	
	Cost / <u>Amortised cost</u>	<u>Fair value</u>	Cost / <u>Amortised cost</u>	<u>Fair value</u>
<b>Trading securities</b>				
Equity securities				
Ordinary shares	4,010,700	5,100,000	341,300,843	237,464,823
Warrants	-	11,147,158	-	-
Surplus (deficit) on changes in values of investments	12,236,458	-	(103,836,020)	-
<b>Total trading securities</b>	<u>16,247,158</u>	<u>16,247,158</u>	<u>237,464,823</u>	<u>237,464,823</u>
<b>Available-for-sale securities</b>				
Equity securities				
Ordinary shares	3,192,890,221	4,018,216,649	3,222,798,688	3,344,533,299
Unit trusts	2,285,697,228	2,292,446,748	1,381,265,544	1,334,414,028
Unrealised gains on exchange	(721,662)	-	10,192,513	-
Surplus on changes in values of investments	832,797,610	-	64,690,582	-
	<u>6,310,663,397</u>	<u>6,310,663,397</u>	<u>4,678,947,327</u>	<u>4,678,947,327</u>
Debt securities				
Bonds - net	1,242,415,474	1,275,130,218	1,522,771,491	1,766,837,878
Debentures - net	100,000,780	105,731,301	100,001,053	107,539,709
Surplus on changes in values of investments	38,445,265	-	251,605,043	-
	<u>1,380,861,519</u>	<u>1,380,861,519</u>	<u>1,874,377,587</u>	<u>1,874,377,587</u>
<b>Total available-for-sale securities</b>	<u>7,691,524,916</u>	<u>7,691,524,916</u>	<u>6,553,324,914</u>	<u>6,553,324,914</u>

## (Unaudited but reviewed)

(Unit: Baht)

	30 September 2009		31 December 2008	
	Cost /		Cost /	
	<u>Amortised cost</u>	<u>Fair value</u>	<u>Amortised cost</u>	<u>Fair value</u>
<b>Held-to-maturity debt securities</b>				
Bonds - net	33,854,642,326		26,681,753,880	
Treasury bills - net	635,154,349		-	
Notes	7,747,592,239		4,094,865,544	
Less: Allowance for impairment	-		(36,500,000)	
Notes - net	7,747,592,239		4,058,365,544	
Debentures	7,783,740,862		7,325,921,449	
Less: Allowance for impairment	(7,500,000)		(10,600,000)	
Debentures - net	7,776,240,862		7,315,321,449	
<b>Total held-to-maturity debt securities</b>	<b>50,013,629,776</b>		<b>38,055,440,873</b>	
<b>Other investments</b>				
Ordinary shares	29,587,830		12,044,700	
<b>Total other investments</b>	<b>29,587,830</b>		<b>12,044,700</b>	
<b>Total investments in securities</b>	<b>57,750,989,680</b>		<b>44,858,275,310</b>	

Investments in debt securities as at 30 September 2009 and 31 December 2008 will be due as follows:

(Unit: Baht)

	30 September 2009			
	Due within			
	<u>1 year</u>	<u>1 - 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
<b>Available-for-sale securities</b>				
Bonds	-	-	1,275,130,218	1,275,130,218
Debentures	-	105,731,301	-	105,731,301
	-	105,731,301	1,275,130,218	1,380,861,519
<b>Held-to-maturity debt securities</b>				
Bonds - net	3,324,443,275	6,769,815,359	23,760,383,692	33,854,642,326
Treasury bill - net	635,154,349	-	-	635,154,349
Notes - net	5,862,592,239	395,000,000	1,490,000,000	7,747,592,239
Debentures - net	336,073,980	1,911,161,359	5,529,005,523	7,776,240,862
	10,158,263,843	9,075,976,718	30,779,389,215	50,013,629,776
Total	10,158,263,843	9,181,708,019	32,054,519,433	51,394,491,295

(Unaudited but reviewed)

(Unit: Baht)

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

The Company has pledged government and state enterprise bonds of Baht 10,490.95 million (31 December 2008: Baht 8,480.3 million) as life assurance policy reserve and assets pledged with the Registrar of the Office of Insurance Commission in accordance with the Life Assurance Act as mentioned in Notes 13 and 14.

- (a) As at 30 September 2009, the Company has investments of Baht 700 million (31 December 2008: Baht 1,000 million) in promissory notes and bills of exchange, which have been classified as held-to-maturity investments and are presented at amortised cost. Such notes were issued by local banks and branches of foreign commercial banks, have remaining lives of 7-13 years, and contain conditions related to early redemption rights or put options obliging the Company to purchase additional notes released by issuers.
- (b) As at 30 September 2009, the Company has investments of Baht 790 million (31 December 2008: Baht 920 million) in promissory notes and bills of exchange, which have been classified as held-to-maturity investments and are presented at amortised cost. Such notes were issued by branches of foreign commercial banks, have remaining lives of 7 years, and contain conditions whereby settlement of principal and interest is to be received on the maturity date per the agreement.

(Unaudited but reviewed)

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

The Company recorded gains (losses) from investments in securities during the three-month and nine-month periods ended 30 September 2009 and 2008 by included the following.

	(Unit: Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2009	2008	2009	2008
Unrealised gains (losses) from trading securities	(6,288,978)	(63,429,575)	11,367,158	(75,830,025)
Gains (losses) from sales of trading securities	23,894,823	4,017,826	57,102,991	7,733,185
Gains from sales of available-for-sale securities	20,301,500	(764,183)	14,691,272	5,269,435
Gains from sales of held-to-maturity securities	-	-	105,788,216	8,096,798
Gains from sales of other securities	-	-	-	7,342,405
Unrealised gains on foreign exchange contracts	2,350,000	-	10,150,000	-
Losses from debt restructuring	(14,619,283)	-	(14,619,283)	-
Reversal of impairment loss	32,162,413	-	39,600,000	-
<b>Total</b>	<b>57,800,475</b>	<b>(60,175,932)</b>	<b>224,080,354</b>	<b>(47,388,202)</b>

## 6. Loans and accrued interest

As at 30 September 2009 and 31 December 2008, the balances of loans and accrued interest are aged by principal and accrued interest as follows:

Outstanding period	30 September 2009								
	Policy loans		Mortgage loans		Other loans		Total		Total
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	
Current	1,174,486,793	87,625,131	684,144,910	2,827,431	12,407,992	-	1,871,039,695	90,452,562	1,961,492,257
Overdue:									
Less than 6 months	-	-	1,860,100	15,696	-	-	1,860,100	15,696	1,875,796
6 – 12 months	-	-	495,793	15,457	-	-	495,793	15,457	511,250
Over 12 months	-	-	5,211,653	343,593	125,239	5,073	5,336,892	348,666	5,685,558
<b>Total</b>	<b>1,174,486,793</b>	<b>87,625,131</b>	<b>691,712,456</b>	<b>3,202,177</b>	<b>12,533,231</b>	<b>5,073</b>	<b>1,878,732,480</b>	<b>90,832,381</b>	<b>1,969,564,861</b>
Less: Allowance for doubtful accounts	-	-	(2,672,673)	(343,593)	-	-	(2,672,673)	(343,593)	(3,016,266)
<b>Loans and accrued interest - net</b>	<b>1,174,486,793</b>	<b>87,625,131</b>	<b>689,039,783</b>	<b>2,858,584</b>	<b>12,533,231</b>	<b>5,073</b>	<b>1,876,059,807</b>	<b>90,488,788</b>	<b>1,966,548,595</b>

## (Unaudited but reviewed)

(Unit: Baht)

31 December 2008

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

Loans provided to employees are in accordance with employee's benefits plan under a credit line of Baht 100,000 or less for personal guarantee loans. In case of secured loans, the credit line is not to exceed 50 times the employee's salary. The interest rates for the loans charge at the rates of 6% and 5% per annum, respectively. As at 30 September 2009, loans to employees and agents totaled Baht 43.42 million (31 December 2008: Baht 41.61 million).

## 7. Related party transactions

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

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

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

## (Unaudited but reviewed)

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

During the three-month and nine-month periods ended 30 September 2009 and 2008, the Company had significant business transactions with its related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course business between the Company and those parties are as follows:

	(Unit: Baht)				Pricing policy
	For the three-month periods		For the nine-month periods		
	ended 30 September	ended 30 September	ended 30 September	ended 30 September	
	2009	2008	2009	2008	
Premium written	39,552	40,788	3,834,023	3,546,384	Normal commercial terms for underwriting
Premium ceded	747,757	(235,525)	1,383,058	1,820,378	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contract
Commission and brokerages	185,446,763	121,376,198	730,778,076	364,420,026	At a mutually agreed percentage of premium written
Claim payment and diagnose charge	17,195,315	3,488,557	49,863,975	42,424,069	Normal commercial terms for underwriting
Interest income – deposits at banks, promissory notes and debentures	8,350,430	2,940,746	29,148,331	11,889,818	Same rates as those offered by financial institutions and related companies to general customers
Interest income – mortgage loans	2,417,001	3,855,557	7,501,730	11,931,286	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	24,002,603	23,476,318	59,165,796	64,157,780	The declared amount
Bank charges	12,539,175	11,046,256	37,167,154	32,594,748	Same rates as those charged by financial institutions and related companies to general customers



## (Unaudited but reviewed)

(Unit: Baht)

	For the three-month periods		For the nine-month periods		Pricing policy
	ended 30 September		ended 30 September		
	2009	2008	2009	2008	
The expenses incurred in making the offering (including in premium on share capital)	37,268,100	-	37,268,100	-	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	267,780	231,618	1,048,130	725,592	Normal commercial terms for underwriting
Building space rental and services	28,384,531	27,301,185	56,835,404	54,677,045	Head office building: Rental fee of approximately Baht 90 per square meter per month and service fee of Baht 20 per square meter per month for long-term agreement and approximately Baht 44, Baht 138 per square meter per month and service fees approximately Baht 91, Baht 307 per square meter per month. Branch office buildings: Rental fees of approximately Baht 100, Baht 150, Baht 188 and Baht 315 per square meter per month and service fees of approximately Baht 342 and Baht 200 per square meter per month.

For the three-month and nine-month periods ended 30 September 2009, the premium generated from the Bancassurance distribution channel represented approximately 48.71% and 48.54% of total net premium written (2008: 42.62% and 35.24% respectively).

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

	(Unit: Baht)			
	30 September 2009		31 December 2008	
	Cost	Fair value	Cost	Fair value
<b>Investments in listed stocks</b>				
Bangkok Bank Pcl.	275,467,784	423,500,000	291,209,784	255,300,000
Bangkok Insurance Pcl.	49,866,522	107,550,600	49,866,522	84,406,800
Thai Reinsurance Pcl.	41,677,975	90,346,296	41,677,975	86,449,005
Bumrungrad Hospital Pcl.	21,189,853	71,050,000	10,000,000	42,000,000
TICON Industrial Connection Pcl.	98,759,042	56,368,440	98,759,043	37,908,600
	<u>486,961,176</u>	<u>748,815,336</u>	<u>491,513,324</u>	<u>506,064,405</u>

## (Unaudited but reviewed)

(Unit: Baht)

	30 September 2009		31 December 2008	
	Cost	Fair value	Cost	Fair value
<b>Investments in non-listed stocks</b>				
Thai Rating and Information Services Co., Ltd.	1,000,000		1,000,000	
Union Textile Industries Pcl.	166,700		166,700	
BBL Asset Management Co., Ltd.	10,000,000		10,000,000	
	<u>11,166,700</u>		<u>11,166,700</u>	
<b>Investments in securities - warrant</b>				
TICON Industrial Connection Pcl.	-	2,439,336	-	-
<b>Investments in securities - unit trusts</b>				
Bualuang Thanasanplus Fund	1,100,000,000	1,128,113,000	-	-
TICON Property Fund	483,223,480	461,039,060	573,716,382	561,560,000
	<u>1,583,223,480</u>	<u>1,589,152,060</u>	<u>573,716,382</u>	<u>561,560,000</u>
<b>Investments in securities - debenture</b>				
Charoen Pokphand Foods Pcl.	110,000,000		150,000,000	
<b>Investments in securities - note</b>				
Bangkok Bank Pcl.	500,000,000		500,000,000	

(Unit: Baht)

	30 September 2009	31 December 2008
<b>Deposits at financial institution</b>		
Bangkok Bank Pcl.	<u>551,503,106</u>	<u>330,625,505</u>
<b>Mortgage loan</b>		
Sorachai Vivatn Co., Ltd.	<u>133,666,893</u>	<u>156,220,800</u>
<b>Prepaid office rental (including in other assets)</b>		
Narai Ruamphiphat Co., Ltd.	<u>131,770,838</u>	<u>140,615,873</u>
<b>Claim payables (including in unpaid policy benefits)</b>		
Bumrungrad Hospital Pcl.	4,152,818	3,145,197
The Phyathai 1 Hospital Co., Ltd.	2,342,763	2,295,568
The Phyathai 2 Hospital Co., Ltd.	4,345,047	3,865,028
The Phyathai 3 Hospital Co., Ltd.	2,840,677	2,239,078
	<u>13,681,305</u>	<u>11,544,871</u>
<b>Due to reinsurer</b>		
Thaire Life Assurance Co., Ltd.	<u>1,812,939</u>	<u>2,029,317</u>
<b>Accrued commission and brokerage expenses (including in other liabilities)</b>		
Bangkok Bank Pcl.	<u>102,536,499</u>	<u>90,618,388</u>
<b>Accrued office rental and services charge (including in other liabilities)</b>		
Bangkok Insurance Pcl.	74,536	36,491
Sorachai Vivatn Co., Ltd.	406	705
Rajburi Sugar Co., Ltd.	65,002	66,764
Narai Ruamphiphat Co., Ltd.	134,181	66,494

(Unaudited but reviewed)

(Unit: Baht)

	30 September 2009	31 December 2008
Bangkok Business Building (1987) Co., Ltd.	81,651	62,337
Bumrungrad Hospital Pcl.	-	346,143
The Phayathai 1 Hospital Co., Ltd.	-	89,100
The Phayathai 2 Hospital Co., Ltd.	-	81,200
The Phayathai 3 Hospital Co., Ltd.	-	266,340
	<u>355,776</u>	<u>1,015,574</u>

### Directors and management's remuneration

During the nine-month period ended 30 September 2009, the Company paid salaries, bonuses, meeting allowances, contributions to the provident fund and others to its directors and management totaling Baht 15.99 million (2008: Baht 17.05 million).

In addition, the Company has allocated 20 warrants to its employees without charge. The details of the warrants are presented in Note 17 to the financial statements.

## 8. Cash and cash equivalents

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

(Unit: Baht)

	30 September 2009	31 December 2008	30 September 2008
Cash	2,784,336	2,485,737	3,454,859
Deposits at banks with no fixed maturity date	348,144,953	359,153,902	229,465,395
Deposits at banks with fixed maturity date and negotiable certificates of deposits	<u>2,225,000,000</u>	<u>2,020,000,000</u>	<u>300,000,000</u>
Total cash and deposits at financial institutions	2,575,929,289	2,381,639,639	532,920,254
Treasury bills and notes	8,382,746,588	4,058,365,544	4,225,000,000
Less: Deposits at financial institutions treasury bills and notes with maturity of more than 3 months	<u>(2,685,637,979)</u>	<u>(5,778,365,544)</u>	<u>(4,525,000,000)</u>
Cash and cash equivalents	<u>8,273,037,898</u>	<u>661,639,639</u>	<u>232,920,254</u>

**9. Premises and equipment**

Movements of premises and equipment account during the nine-month period ended 30 September 2009 are summarised below.

	(Unit: Baht)
Net book value as at 1 January 2009	324,608,143
Acquisitions during period - at cost	42,898,225
Disposals during period - net book value at disposal date	(391,259)
Depreciation for period	<u>(41,172,487)</u>
Net book value as at 30 September 2009	<u>325,942,622</u>

**10. Premium due and uncollected**

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

	(Unit: Baht)	
	<u>30 September 2009</u>	<u>31 December 2008</u>
Grace period not exceeded	1,204,452,913	1,107,533,488
Grace period exceeded	<u>35,732,308</u>	<u>13,342,113</u>
Total premium due and uncollected	<u>1,240,185,221</u>	<u>1,120,875,601</u>

**11. Other assets**

	(Unit: Baht)	
	<u>30 September 2009</u>	<u>31 December 2008</u>
Prepaid rental expenses	131,770,838	140,615,873
Account receivable from sales of investments	34,494,061	7,234,646
Prepaid expenses	27,877,747	20,340,516
Deposits	15,922,482	19,032,376
Others	<u>10,750,822</u>	<u>18,019,775</u>
Total	<u>220,815,950</u>	<u>205,243,186</u>

**12. Other liabilities**

(Unit: Baht)

	<u>30 September 2009</u>	<u>31 December 2008</u>
Accrued commission expenses	391,858,610	403,511,371
Accrued expenses	249,269,052	132,441,605
Withholding tax payable	15,747,829	25,322,248
Premium received for policies not yet approved	184,479,071	53,248,871
Amounts received awaiting transfer	186,497,808	78,764,294
Unpaid benefits to life policies exempted premium	86,905,604	80,818,346
Forward contracts payables	15,153,000	26,575,250
Others	43,942,104	46,412,663
Total	<u>1,173,853,078</u>	<u>847,094,648</u>

**13. Assets pledged with registrar**

As at 30 September 2009 and 31 December 2008, the following assets have been pledged with the Registrar of the Office of Insurance Commission in accordance with the Life Assurance Act.

(Unit: Baht)

	<u>30 September 2009</u>	<u>31 December 2008</u>
State enterprise bonds	<u>20,000,000</u>	<u>20,000,000</u>

**14. Assets reserve with registrar**

As at 30 September 2009 and 31 December 2008, the following assets have been pledged as life assurance policy reserve with the Registrar of the Office of Insurance Commission in accordance with the Life Assurance Act.

(Unit: Baht)

	<u>30 September 2009</u>	<u>31 December 2008</u>
Government bonds	4,519,623,761	3,605,788,757
State enterprise bonds	5,951,329,549	4,854,511,383
Total	<u>10,470,953,310</u>	<u>8,460,300,140</u>

## **15. Share capital**

On 14 September 2009, the Company issued an initial public offering of 200 million ordinary shares at the price of Baht 13.50 per share. Total proceed from the Company's newly share offering was Baht 2,700 million, with a share premium of Baht 2,424.82 million, net of related expenses incurred in making the offering. The Company registered the change in its paid-up share capital to be Baht 1,200 million with the Ministry of Commerce on 19 October 2009.

## **16. Accrued dividends**

On 17 April 2009, the Annual General Meeting of the shareholders approved the payment of dividend of Baht 0.20 per share to the Company's shareholders, a total of Baht 200 million. However, the Office of Insurance Commission approved a dividend payment of Baht 0.135 per share, or a total of Baht 135 million.

On 15 July 2009, the Company already made the dividend payment.

## **17. Warrants**

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

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

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

**17.4** On 11 August 2009, the Executive Board of Directors of the Company passed the resolution approving the addition offer of 1.35 million warrants to management-level employees. There are 12.85 million warrants were allocated and 7.15 million warrants that remain unallocated.

## **18. Statutory reserve**

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

During the year 2009, the Company transferred net income amounting to Baht 44.91 million (2008: Baht 33.82 million) to the statutory reserve.

## **19. Commitments**

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

As at 30 September 2009, the Company has outstanding commitments as follows:

(Unit: Million Baht)

	Pay within			
	<u>1 year</u>	<u>1 - 5 years</u>	<u>Over 5 years</u>	<u>Total</u>
Operating lease agreements	26.64	26.25	5.87	58.76
Services agreements	31.14	39.79	19.55	90.48
Total	<u>57.78</u>	<u>66.04</u>	<u>25.42</u>	<u>149.24</u>

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

(Unit: Million Baht)

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

## **20. Contingent liabilities**

As at 30 September 2009, the Company has been sued for damaged totaling approximately Baht 23.39 million (31 December 2008: Baht 21.86 million) as insurer. The outcomes of these causes have not yet been finalized.

## **21. Financial information by segment**

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

## **22. Financial instruments**

### **Credit risk**

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

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

### **Interest rate risk**

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



(Unaudited but reviewed)

Significant financial assets as at 30 September 2009 classified by type of interest rates are summarized in the table below.

(Unit: Baht)

	Balance as at 30 September 2009		
	No interest	Floating interest rate	Fixed interest rate
Deposits at financial institutions	110,210,414	237,934,539	2,225,000,000
Investments in securities - net			
Bonds	-	-	35,129,772,544
Treasury bills	-	-	635,154,349
Notes	-	-	7,747,592,239
Debentures	-	44,210,014	7,837,762,149
Loans - net	-	34,514,767	1,841,545,040
Total	110,210,414	316,659,320	55,416,826,321

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

(Unit: Baht)

	Within			Total	Average
	1 year	2 - 5 years	Over 5 years		interest rate
Deposits at financial institutions	1,925,000,000	-	300,000,000	2,225,000,000	3.22
Investments in securities - net					
Bonds	3,324,443,275	6,769,815,359	25,035,513,910	35,129,772,544	4.93
Treasury bills	635,154,349	-	-	635,154,349	1.10
Notes	5,862,592,239	395,000,000	1,490,000,000	7,747,592,239	2.41
Debentures	336,073,980	1,972,682,645	5,529,005,524	7,837,762,149	5.74
Loans - net	960,816	15,493,912	1,825,090,312	1,841,545,040	6.88-8.00
Total	12,084,224,659	9,152,991,916	34,179,609,746	55,416,826,321	

### Foreign currency risk

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

As at 30 September 2009, the balances of financial assets denominated in foreign currencies are summarised below.

Foreign currency	Financial assets	Average exchange rate as at 30 September 2009 (Baht per 1 foreign currency unit)
	(Million)	
US dollar	64.50	33.42

Foreign exchange contracts outstanding at 30 September 2009 are summarized below.

Foreign currency	Bought amount	Contractual exchange rate bought (Baht per 1 foreign currency unit)
	(Million)	
US dollar	64.50	33.27 - 41.00

### **Fair value**

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

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

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

### **Investments in securities**

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

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

The fair values of deposits at financial institutions, bonds, debentures and notes with maturity periods of less than 90 days are based on their carrying values. For those with maturity periods longer than 90 days, fair values are estimated using a

discounted cash flow analysis based on the current interest rate and the remaining period to maturity.

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

### Policy loans

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

As at 30 September 2009, the aggregate carrying values of the Company's financial instruments which are significantly different from their aggregate fair values can be defined as follows:

	<u>Carrying value</u>	<u>Fair value</u>
(Unit: Baht)		
<b>Held-to-maturity debt securities</b>		
Bonds – net	33,854,642,326	35,588,035,000
Treasury bills	635,154,349	635,167,310
Debenture – net	7,776,240,862	7,984,760,521
Investments in notes in Note 5 (a) (exclusion of put option)	700,000,000	694,113,746
Investments in notes in Note 5 (b)	790,000,000	1,050,657,925
Promissory notes	6,257,592,239	the proper value cannot be calculated

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

### Investments in notes as Note 5 (a)

As at 30 September 2009, the Company may need to deposit additional amounts in the future under the promissory notes and bills of exchange agreements, as summarised below.

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

(Unaudited but reviewed)

**23. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Audit Committee of the Company on 10 November 2009.