

Bangkok Life Assurance Public Company Limited
Review report and interim financial statements
For the three-month periods ended
31 March 2011 and 2010

Review Report of Independent Auditor

To the Shareholders of Bangkok Life Assurance Public Company Limited

I have reviewed the accompanying statement of financial position of Bangkok Life Assurance Public Company Limited as at 31 March 2011 and the statements of income, comprehensive income, changes in equity, and cash flows for the three-month periods ended 31 March 2011 and 2010. 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 2010, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements under my report dated 23 February 2011, The statement of financial position as at 31 December 2010, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. In addition, as described in Notes 1.4 and 2 to the financial statements, during the current period, the Company adopted the revised and new accounting standards issued by the Federation of Accounting Professions; as described in Note 1.2 to the financial statements, the Company has presented the financial statements in compliance with the Notification of the Office of Insurance Commission dated 27 May 2010, and the Company applied them in its preparation and presentation of the interim financial statements. The Company has restated the 2010 financial statements to reflect the changes in accounting policies resulting from the adoption of these new accounting standards and the presentation of financial statements. In my opinion, the adjustments made for the preparation of the restated statements are appropriate and have been properly applied. Other than the foregoing, I have not performed any other audit procedures subsequent to the date of that report.

Nonglak Pumnoi
Certified Public Accountant (Thailand) No. 4172

Ernst & Young Office Limited
Bangkok: 11 May 2011

Bangkok Life Assurance Public Company Limited**Statements of financial position****As at 31 March 2011 and 31 December 2010**

		(Unit: Baht)	
	<u>Note</u>	<u>31 March 2010</u>	<u>31 December 2009</u>
		(Unaudited but reviewed)	(Audited) (Restated)
Assets			
Cash and cash equivalent	4, 19	2,778,193,416	3,579,532,959
Accrued investment income		1,180,987,034	987,293,818
Premium receivables, net	5	2,119,834,327	1,310,540,738
Reinsurance assets	6	280,184,130	239,172,543
Investment assets			
Investments in securities	19		
Trading investments	7	202,637,300	391,114,010
Available-for-sale investments	7	13,418,253,189	12,916,792,267
Held-to-maturity investments	7, 20, 21	72,331,414,546	66,789,113,478
Other investments	7	37,585,326	29,587,830
Loans, net	8	2,196,817,876	2,158,045,731
Property and equipment, net	9		
Assets for use in operations		329,082,778	333,822,745
Properties foreclosed		5,167,527	5,225,027
Intangible assets, net		17,907,403	18,788,531
Other assets	10, 19	200,729,011	183,846,058
Total assets		<u>95,098,793,863</u>	<u>88,942,875,735</u>

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

Bangkok Life Assurance Public Company Limited
Statements of financial position (Continued)
As at 31 March 2011 and 31 December 2010

		(Unit: Baht)	
	<u>Note</u>	<u>31 March 2010</u>	<u>31 December 2009</u>
		(Unaudited but reviewed)	(Audited) (Restated)
Liabilities and equity			
Liabilities			
Income tax payable		767,476,206	501,204,734
Due to reinsurers	11, 19	338,572,717	237,341,227
Insurance contract liabilities			
Life policy reserve	12	72,933,049,062	68,189,797,590
Unpaid policy benefits	13	74,462,083	77,579,880
Loss reserves and outstanding claims	14, 19	301,580,510	320,619,427
Premium reserve	15	1,033,476,843	1,013,363,551
Other insurance liabilities		6,471,127,177	6,343,444,654
Employee benefit obligations		147,122,834	108,392,538
Other liabilities	16, 19	1,218,146,287	1,234,428,064
Total liabilities		<u>83,285,013,719</u>	<u>78,026,171,665</u>

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

Bangkok Life Assurance Public Company Limited
Statements of financial position (Continued)
As at 31 March 2011 and 31 December 2010

	(Unit: Baht)	
	<u>31 March 2010</u>	<u>31 December 2009</u>
	(Unaudited but reviewed)	(Audited) (Restated)
Equity		
Share capital		
Registered		
1,220,000,000 ordinary shares of Baht 1 each	1,220,000,000	1,220,000,000
Issued and fully paid up		
1,200,000,000 ordinary shares of Baht 1 each	1,200,000,000	1,200,000,000
Premium on share capital	2,699,821,268	2,699,821,268
Retained earnings		
Appropriated		
Legal reserve	122,000,000	122,000,000
General reserve	400,000,000	400,000,000
Unappropriated	5,033,222,578	4,154,178,577
Other components of equity	2,358,736,298	2,340,704,225
Total equity	<u>11,813,780,144</u>	<u>10,916,704,070</u>
Total liabilities and equity	<u>95,098,793,863</u>	<u>88,942,875,735</u>
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The accompanying notes are an integral part of the financial statements.

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Directors

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(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited

Statements of income

For the three-month periods ended 31 March 2011 and 2010

	<u>Note</u>	<u>2011</u>	<u>2010</u> (Restated)
(Unit: Baht)			
Income			
Net earned premium	17, 19	7,861,177,269	6,817,567,319
Net investment income	19	1,064,539,318	773,279,441
Total income		<u>8,925,716,587</u>	<u>7,590,846,760</u>
Expenses			
Underwriting			
Life policy reserve increase from previous period	17	4,743,251,471	4,256,097,880
Benefit payments to life policies and benefit adjustment expenses	17	1,454,808,742	1,232,743,309
Claims and losses adjustment expenses	17, 19	363,718,967	343,353,132
Commissions and brokerages expenses	17, 19	736,485,589	898,174,132
Sales promotion expenses	17	84,974,217	115,035,248
Other underwriting expenses	17, 19	4,550,801	3,687,250
Operating expenses	18, 19	292,888,084	263,864,572
Total underwriting expenses		<u>7,680,677,871</u>	<u>7,112,955,523</u>
Profit from underwriting		1,245,038,716	477,891,237
Profit from investments	7	35,162,406	34,707,732
Fair value gains on trading investments		1,618,759	52,264,851
Other income		2,904,935	6,569,370
Gains (losses) on exchange		2,362,776	(5,563,869)
Profit from operations		<u>1,287,087,592</u>	<u>565,869,321</u>
Contribution to the Office of Insurance Commission		13,990,733	13,848,816
Contribution to Life Guarantee Fund		8,019,563	6,983,043
Profit before corporate income tax		<u>1,265,077,296</u>	<u>545,037,462</u>
Corporate income tax		277,845,149	104,294,830
Profit for the period		<u>987,232,147</u>	<u>440,742,632</u>
Earnings per share			
23			
Basic earnings per share			
Profit for the period		<u>0.823</u>	<u>0.367</u>
Diluted earnings per share			
Profit for the period		<u>0.818</u>	<u>0.366</u>

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

(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited
Statements of comprehensive income
For the three-month periods ended 31 March 2011 and 2010

	<u>2011</u>	<u>2010</u> (Restated)
Profit for the period	987,232,147	440,742,632
Other comprehensive income:		
Gain on change in value of available-for-sale investments	18,032,073	290,073,835
Other comprehensive income for the period	18,032,073	290,073,835
Total comprehensive income for the period	<u>1,005,264,220</u>	<u>730,816,467</u>

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

(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited

Statements of cash flows

For the three-month periods ended 31 March 2011 and 2010

	<u>2011</u>	<u>2010</u> (Restated)
(Unit: Baht)		
Cash flows from operating activities		
Direct premium written	7,115,728,330	6,226,850,777
Interest income	820,691,705	842,084,953
Dividend income	50,154,398	26,733,388
Other investment income	51,265,124	51,663,456
Other income	2,884,490	2,954,794
Benefit payments to life policies during the period	(1,710,053,681)	(1,381,798,754)
Dividends to policyholders	(8,919,000)	(7,200,000)
Commissions and brokerages	(844,802,057)	(883,208,822)
Other underwriting expenses	(80,637,434)	(121,738,611)
Operating expenses	(268,018,711)	117,482,577
Other expenses	(31,415,915)	(19,775,915)
Corporate income tax	(11,573,677)	(8,164,906)
Net cash from operating activities	<u>5,085,303,572</u>	<u>4,845,882,937</u>
Cash flows from investing activities		
Cash flows from		
Investments in securities	25,140,966,162	38,235,616,138
Loans	126,249,999	100,605,276
Deposits at financial institutions	-	405,000,000
Property and equipment	29,473	3,986,700
Net cash from investing activities	<u>25,267,245,634</u>	<u>38,745,208,114</u>
Cash flows used in		
Investments in securities	(30,985,047,564)	(44,374,678,842)
Loans	(154,420,418)	(122,638,110)
Property and equipment	(14,420,767)	(18,457,920)
Net cash used in investing activities	<u>(31,153,888,749)</u>	<u>(44,515,774,872)</u>
Net cash used in investing activities	<u>(5,886,643,115)</u>	<u>(5,770,566,758)</u>
Net decrease in cash and cash equivalents	<u>(801,339,543)</u>	<u>(924,683,821)</u>
Cash and cash equivalents at beginning of period	3,579,532,959	3,668,064,852
Cash and cash equivalents at end of period (Note 4)	<u><u>2,778,193,416</u></u>	<u><u>2,743,381,031</u></u>
Supplemental cash flows information		
Non-cash item		
Surplus on changes in values of available-for-sale investments	18,032,073	290,073,835

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

(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited

Statements of changes in equity

For the three-month periods ended 31 March 2011 and 2010

(Unit: Baht)

	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other components of equity		Total	
				Appropriated		Surplus on changes in value of available- for-sale investments	Total other components of equity		
				Legal reserve	General reserve				Unappropriated
Balance as at 31 December 2009		1,200,000,000	2,699,821,268	122,000,000	400,000,000	1,776,360,403	1,033,412,251	1,033,412,251	7,231,593,922
Total comprehensive income for the period		-	-	-	-	440,742,632	290,073,835	290,073,835	730,816,467
Balance as at 31 March 2010		1,200,000,000	2,699,821,268	122,000,000	400,000,000	2,217,103,035	1,323,486,086	1,323,486,086	7,962,410,389
		-	-	-	-	0	-	-	0
Balance as at 31 December 2010		1,200,000,000	2,699,821,268	122,000,000	400,000,000	4,154,178,577	2,340,704,225	2,340,704,225	10,916,704,070
Cumulative effect of change in accounting policy for employee benefits	2	-	-	-	-	(108,188,146)	-	-	(108,188,146)
Total comprehensive income for the period		-	-	-	-	987,232,147	18,032,073	18,032,073	1,005,264,220
Balance as at 31 March 2011		1,200,000,000	2,699,821,268	122,000,000	400,000,000	5,033,222,578	2,358,736,298	2,358,736,298	11,813,780,144
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-

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

Bangkok Life Assurance Public Company Limited

Notes to interim financial statements

For the three-month periods ended 31 March 2011 and 2010

1. General information

1.1 Corporate information

Bangkok Life Assurance Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the provision of life insurance business. Its major shareholder is Nippon Life Insurance Company, which was incorporated in Japan. Its registered office is located at 23/115-121, Royal City Avenue, Rama 9 Road, Bangkok, Huaykwang, Bangkok. As at 31 March 2011, the Company has 74 branches (31 December 2010: 74 branches).

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2009) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. As from the Office of Insurance Commission issued the Notification dated 27 May 2010, the Company has presented the statements of financial position, statements of income, comprehensive income, changes in equity and cash flows for the current period and reclassified the 2010 financial statements in accordance with the Notification without the effect to the Company’s equity except for the impact from changes in accounting policies as discussed in Note 2.

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

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

1.3 Application of new accounting standards during the period

During the current period, the Company adopted a number of revised and new accounting standards, issued by the Federation of Accounting Professions, as listed below.

Accounting standards:

TAS 1 (revised 2009)	Presentation of Financial Statements
TAS 2 (revised 2009)	Inventories
TAS 7 (revised 2009)	Statement of Cash Flows
TAS 8 (revised 2009)	Accounting Policies, Changes in Accounting Estimates and Errors
TAS 10 (revised 2009)	Events after the Reporting Period
TAS 11 (revised 2009)	Construction Contracts
TAS 16 (revised 2009)	Property, Plant and Equipment
TAS 17 (revised 2009)	Leases
TAS 18 (revised 2009)	Revenue
TAS 19	Employee Benefits
TAS 23 (revised 2009)	Borrowing Costs
TAS 24 (revised 2009)	Related Party Disclosures
TAS 26	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2009)	Consolidated and Separate Financial Statements
TAS 28 (revised 2009)	Investments in Associates
TAS 29	Financial Reporting in Hyperinflationary Economies
TAS 31 (revised 2009)	Interests in Joint Ventures
TAS 33 (revised 2009)	Earnings per Share
TAS 34 (revised 2009)	Interim Financial Reporting
TAS 36 (revised 2009)	Impairment of Assets
TAS 37 (revised 2009)	Provisions, Contingent Liabilities and Contingent Assets
TAS 38 (revised 2009)	Intangible Assets
TAS 40 (revised 2009)	Investment Property

Financial reporting standards:

TFRS 2	Share-Based Payment
TFRS 3 (revised 2009)	Business Combinations
TFRS 5 (revised 2009)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 6	Exploration for and Evaluation of Mineral Resources

Financial Reporting Interpretations Committee:

TFRIC 15 Agreements for the Construction of Real Estate

Standing Interpretations Committee:

SIC 31 Revenue-Barter Transactions Involving Advertising Services

These accounting standards do not have any significant impact on the financial statements for the current period, except for the following accounting standard.

TAS 19 Employee Benefits

This accounting standard requires employee benefits to be recognised as expense in the period in which the service is performed by the employee. In particular, an entity has to evaluate and make a provision for post-employment benefits using actuarial techniques. The Company previously accounted for such employee benefits when they were incurred.

The Company has changed this accounting policy in the current year and recognised the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current period. The change will have the effect of decreasing the profit of the Company for the three-month period ended 31 March 2011 by Baht 4.44 million, or 0.004 Baht per share. The cumulative effect of this change in accounting policy has been presented in Note 2 to the financial statements.

1.4 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 2010, except for the changes in the following accounting policy due to the adoption of revised and new accounting standards.

Employee benefits

Post-employment benefits (Defined contribution plans)

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Post-employment benefits (Defined benefit plans) and other long-term employee benefits

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law and other employee benefit plans. The Company treats these severance payment obligations as a defined benefit plan. In addition, the Company provides other long-term employee benefit plan, namely long service awards.

Actuarial gains and losses arising from post-employment benefits and other long-term benefits are recognised immediately in profit or loss.

For the first-time adoption of TAS 19 Employee Benefits, the Company elected to recognise the transitional liability, through an adjustment to the beginning balance of retained earnings in the current period.

2. Cumulative effect of changes in accounting policies due to the adoption of new accounting standards

During the current period, the Company made the changes to its significant accounting policy described in Note 1.4 to the financial statements, as a result of the adoption of revised and new accounting standards. The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in equity.

The amounts of adjustments affecting the statement of financial position as at 31 March 2011 are summarised below.

	(Unit: Million Baht)
Increase in reserve for long-term employee benefits	112.63
Decrease in unappropriated retained earnings	108.19

The amounts of adjustments affecting the comprehensive income for the three-month period ended 31 March 2011 are summarised below.

	(Unit: Million Baht)
Increase in present expenses	4.44
Decrease in basic earnings per share (Baht per share)	0.004
Decrease in diluted earnings per share (Baht per share)	0.004

3. New accounting standards issued during the period not yet effective

(Unaudited but reviewed)

During the current period, the Federation of Accounting Professions issued the below listed new accounting standards that are effective for fiscal years beginning on or after 1 January 2013.

Standing Interpretations Committee:

SIC 10 Government Assistance - No Specific Relation to Operating Activities

SIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets

SIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

4. Cash and cash equivalents

	(Unit: Baht)	
	31 March 2011	31 December 2010
Cash on hand	3,444,671	4,934,607
Deposits at banks with no fixed maturity date	354,748,745	554,598,352
Deposits at banks with fixed maturity date	320,000,000	300,000,000
Total	678,193,416	859,532,959
Short-term Investment which amounts maturing within 3 months	2,400,000,000	3,020,000,000
Less: Deposits at banks which amounts maturing in over 3 months	(300,000,000)	(300,000,000)
Cash and cash equivalents	<u>2,778,193,416</u>	<u>3,579,532,959</u>

5. Premium receivables

The balances as at 31 March 2011 and 31 December 2010 of premium receivables are classified by aging from the maturity date under the stipulated credit terms as follows:

	(Unit: Baht)		
	31 March 2011		
	Due from agents		
	Due from insured	and brokers	Total
Not yet due			
Not over 30 days	1,343,722,416	102,693,679	1,446,416,095
Over 30 days to 60 days	508,529,357	68,309,290	576,838,647
Over 60 days to 90 days	11,303,073	72,072,975	83,376,048
Over 90 days to 1 year	102,336	12,596,174	12,698,510
Over 1 year	66,346	438,681	505,027
Total premium receivables	<u>1,863,723,528</u>	<u>256,110,799</u>	<u>2,119,834,327</u>

(Unit: Baht)

31 December 2010

(Unaudited but reviewed)

	Due from agents		Total
	Due from insured	and brokers	
Not yet due			
Not over 30 days	914,653,304	24,053,591	938,706,895
Over 30 days to 60 days	318,909,020	7,754,414	326,663,434
Over 60 days to 90 days	885,201	18,523,585	19,408,786
Over 90 days to 1 year	3,656,206	21,949,049	25,605,255
Over 1 year	19,837	136,531	156,368
Total premium receivables	<u>1,238,123,568</u>	<u>72,417,170</u>	<u>1,310,540,738</u>

For premium receivables due form agents and brokers, the Company has stipulated credit term. For overdue premium receivables, the Company has the legal process with such agents and brokers.

6. Reinsurance assets

	(Unit: Baht)	
	31 March 2011	31 December 2010
Amounts due from reinsurers	<u>280,184,130</u>	<u>239,172,543</u>
Reinsurance assets, net	<u>280,184,130</u>	<u>239,172,543</u>

The balances as at 31 March 2011 and 31 December 2010 of amounts due from reinsurers are classified by aging as follows:

	(Unit: Baht)	
	31 March 2011	31 December 2010
Not yet due	<u>25,318,506</u>	<u>34,186,315</u>
Not over 12 months	252,109,799	202,372,689
Over 1 year to 2 years	202,959	-
Over 2 years	<u>2,552,866</u>	<u>2,613,539</u>
Total amounts due from reinsurers	<u>280,184,130</u>	<u>239,172,543</u>

7. Investments in securities

(Unit: Baht)

	31 March 2011		31 December 2010	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments				
Equity securities	200,340,419	202,637,300	388,975,003	391,114,010
Add: Unrealised gains	2,296,881	-	2,139,007	-
Total trading investments	202,637,300	202,637,300	391,114,010	391,114,010
Available-for-sale investments				
Government and state enterprise securities	2,970,374,929	2,983,790,383	2,974,326,525	2,999,568,272
Private enterprises debt securities	50,000,277	52,611,807	50,000,316	53,043,785
Equity securities	5,669,961,612	7,803,746,980	5,327,590,054	7,442,273,588
Unit trusts	2,062,582,829	2,273,794,576	2,071,935,329	2,271,430,639
Foreign unit trusts	323,350,000	304,309,443	170,000,000	150,475,983
Total	11,076,269,647	13,418,253,189	10,593,852,224	12,916,792,267
Add: Unrealised gains	2,341,983,542	-	2,322,940,043	-
Total available-for-sale investments	13,418,253,189	13,418,253,189	12,916,792,267	12,916,792,267
Held-to-maturity investments				
Government and state enterprise securities	60,071,497,311		54,671,423,122	
Private enterprises debt securities	8,358,669,555		8,215,330,659	
Foreign debt securities	3,908,747,680		3,909,859,698	
Total	72,338,914,546		66,796,613,479	
Less: Allowance for impairment	(7,500,000)		(7,500,000)	
Total held-to-maturity investments	72,331,414,546		66,789,113,479	
Other investments				
Equity securities	37,585,326		29,587,830	
Total other investments	37,585,326		29,587,830	

(Unaudited but reviewed)

Investments in debt securities as at 31 March 2011 and 31 December 2010 will be matured redemption as follows:

(Unit: Baht)

	31 March 2011			
	Period to maturity			
	Within 1 year	1 - 5 years	Over 5 years	Total
Available-for-sale investments				
Government and state enterprise securities	-	713,300,885	2,257,074,044	2,970,374,929
Private enterprises debt securities	-	50,000,277	-	50,000,277
Total	-	763,301,162	2,257,074,044	3,020,375,206
Add (less): Unrealised gains (losses)	-	(2,411,561)	18,438,545	16,026,984
Total available-for-sale debt investments, net	-	760,889,601	2,275,512,589	3,036,402,190
Held-to-maturity investments				
Government and state enterprise securities	3,570,389,997	8,309,056,163	48,192,051,151	60,071,497,311
Private enterprises debt securities	252,048,815	1,515,000,000	6,591,620,740	8,358,669,555
Foreign debt securities	-	1,810,494,312	2,098,253,368	3,908,747,680
Total	3,822,438,812	11,634,550,475	56,881,925,259	72,338,914,546
Less: Allowance for impairment	(7,500,000)	-	-	(7,500,000)
Total held-to-maturity debt investments, net	3,814,938,812	11,634,550,475	56,881,925,259	72,331,414,546

(Unit: Baht)

	31 December 2010			
	Period to maturity			
	Within 1 year	1 - 5 years	Over 5 years	Total
Available-for-sale investments				
Government and state enterprise securities	-	714,049,337	2,260,277,188	2,974,326,525
Private enterprises debt securities	-	50,000,316	-	50,000,316
Total	-	764,049,653	2,260,277,188	3,024,326,841
Add (less): Unrealised gains (losses)	-	849,941	27,435,275	28,285,216
Total available-for-sale debt investments, net	-	764,899,594	2,287,712,463	3,052,612,057
Held-to-maturity debt investments				
Government and state enterprise securities	2,678,476,713	8,889,411,503	43,103,534,906	54,671,423,122
Private enterprises debt securities	268,055,726	1,415,000,000	6,532,274,933	8,215,330,659
Foreign debt securities	-	1,811,583,667	2,098,276,031	3,909,859,698
Total	2,946,532,439	12,115,995,170	51,734,085,870	66,796,613,479
Less: Allowance for impairment	(7,500,000)	-	-	(7,500,000)
Total held-to-maturity debt investments, net	2,939,032,438	12,115,995,170	51,734,085,870	66,789,113,479

The Company has pledged government and state enterprise bonds of Baht 13,141.87 million (31 December 2010: Baht 13,146.02 million) as life assurance policy reserve and assets pledged with the Registrar in accordance with the Life Assurance Act as mentioned in Notes 20 and 21.

- (a) As at 31 March 2011, the Company has investments of Baht 1,800 million (31 December 2010: Baht 1,700 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 9 - 11 years, and contain conditions related to early redemption rights or put options obliging the Company to purchase additional notes released by issuers.
- (b) As at 31 March 2011, the Company has investments of Baht 1,150 million (31 December 2010: Baht 1,090 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 6 years, and contain conditions whereby settlement of principal and interest is to be received on the maturity date per the agreement.
- (c) As at 31 March 2011, the Company has investments of Baht 600 million (31 December 2010: Baht 600 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 9 years, and contain conditions whereby settlement of principal and interest is to be received based on the rate of return of government bond (CMT Index).
- (d) As at 31 March 2011, the Company has investments of Baht 400 million (31 December 2010: Baht 400 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 10 years, and contain conditions whereby settlement of principal is based on the credit event.

(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 from investments in securities during the period ended 31 March 2011 and 2010 by included the following.

	(Unit: Baht)	
	2011	2010
Gains from sales of trading investments	14,602,764	32,455,977
Gains (losses) from sales of available-for-sale investments	20,609,642	(2,798,245)
Unrealised gains (losses) on foreign exchange contracts	(50,000)	5,050,000
Total	35,162,406	34,707,732

8. Loans and accrued interest

As at 31 March 2011 and 31 December 2010, the balances of loans and accrued interest are aged by principal and accrued interest as follows:

		31 March 2011								
Outstanding period	Policy loans		Mortgage loans		Other loans		Total			
	Accrued		Accrued		Accrued		Accrued		Total	
	Principal	interest	Principal	interest	Principal	interest	Principal	interest		
Current	1,563,094,234	115,719,235	617,949,356	2,603,534	13,283,033	-	2,194,326,623	118,322,769	2,312,649,392	
Overdue:										
Less than 6 months	-	-	1,166,190	6,933	-	-	1,166,190	6,933	1,173,123	
Over 12 months	-	-	1,278,846	79,478	112,625	3,353	1,391,471	82,831	1,474,302	
Total	1,563,094,234	115,719,235	620,394,392	2,689,945	13,395,658	3,353	2,196,884,284	118,412,533	2,315,296,817	
Less: Allowance for doubtful accounts	-	-	(66,408)	(79,478)	-	-	(66,408)	(79,478)	(145,886)	
Loans and accrued interest - net	1,563,094,234	115,719,235	620,327,984	2,610,467	13,395,658	3,353	2,196,817,876	118,333,055	2,315,150,931	

		31 December 2010								
Outstanding period	Policy loans		Mortgage loans		Other loans		Total			
	Accrued		Accrued		Accrued		Accrued		Total	
	Principal	interest	Principal	interest	Principal	interest	Principal	interest		
Current	1,517,437,651	108,983,658	623,913,961	2,691,501	14,090,179	-	2,155,441,791	111,675,159	2,267,116,950	
Overdue:										
Less than 6 months	-	-	1,270,928	-	-	-	1,270,928	-	1,270,928	
Over 12 months	-	-	1,286,677	79,478	112,743	3,353	1,399,420	82,831	1,482,251	
Total	1,517,437,651	108,983,658	626,471,566	2,770,979	14,202,922	3,353	2,158,112,139	111,757,990	2,269,870,129	
Less: Allowance for doubtful accounts	-	-	(66,408)	(79,478)	-	-	(66,408)	(79,478)	(145,886)	
Loans and accrued interest - net	1,517,437,651	108,983,658	626,405,158	2,691,501	14,202,922	3,353	2,158,045,731	111,678,512	2,269,724,243	

(Unaudited but reviewed)

Loans provided to employees are in accordance with employee's benefits plan under a credit line of Baht 100,000 or less for personal guarantee loans. In case of secured loans, the credit line is not to exceed 50 times the employee's salary. The interest rates for the loans charge at the rates of 6% and 5% per annum, respectively. As at 31 March 2011, loans to employees and agents totaled Baht 54.56 million (31 December 2010: Baht 55.91 million).

9. Property and equipment

9.1 Assets for use in operations

(Unit: Baht)

	Land	Buildings and buildings improvements	Condominium	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	Total
Net book value as at 31 December 2010	77,326,800	109,699,911	23,505,313	113,937,180	8,528,541	825,000	339,857,745
Additions- at cost	-	1,707,463	-	13,538,304	-	(825,000)	14,420,767
Disposals- net book value	-	-	-	(9,028)	-	-	(9,028)
Depreciation charges	-	(5,695,547)	(457,912)	(12,108,830)	(889,417)	-	(19,186,706)
Net book value as at 31 March 2011	77,326,800	105,711,827	23,047,401	115,357,626	7,639,124	-	329,082,778

9.2 Properties foreclosed

The Company has recorded properties foreclosed with net book value amounting to Baht 5.17 million. The depreciation for the current period of Baht 0.06 million was recorded in the income statement.

10. Other assets

(Unit: Baht)

	31 March 2011	31 December 2010
Prepaid rental expenses	114,080,766	117,029,111
Accounts receivable from sales of investments	20,088,951	8,258,080
Prepaid expenses	38,669,693	24,960,298
Deposits	17,727,360	22,503,180
Others	10,162,241	11,095,389
Total	200,729,011	183,846,058

(Unaudited but reviewed)

11. Due to reinsurers

	(Unit: Baht)	
	31 March 2011	31 December 2010
Outward premium payable	338,572,717	237,341,227
Total due to reinsurers	<u>338,572,717</u>	<u>237,341,227</u>

12. Life policy reserve

	(Unit: Baht)	
	31 March 2011	31 December 2010
Beginning balance	68,189,797,590	52,653,892,155
Life policy reserve for premium received during the period and reserve for enforced policy benefit and other claims	6,092,562,950	19,770,082,865
Benefit paid for death, maturity, surrender and other claims	(1,349,311,478)	(4,234,177,430)
Ending balance	<u>72,933,049,062</u>	<u>68,189,797,590</u>

13. Unpaid policy benefits

	(Unit: Baht)	
	31 March 2011	31 December 2010
Death benefit	73,441,962	76,645,330
Maturity payment	1,020,121	934,550
Total	<u>74,462,083</u>	<u>77,579,880</u>

14. Loss reserves and outstanding claims

	(Unit: Baht)	
	31 March 2011	31 December 2010
Beginning balance	320,619,427	261,543,874
Claims and claims handling expenses for the period	401,709,491	1,734,049,035
Claims and claims handling expenses paid during the period	(420,748,408)	(1,674,973,482)
Ending balance	<u>301,580,510</u>	<u>320,619,427</u>

15. Premium reserve**15.1 Unearned premium reserve**

	(Unit: Baht)	
	31 March 2011	31 December 2010
Beginning balance	1,013,363,551	904,043,211
Premium written for the period	815,920,360	2,533,408,881
Premium earned for the current period	(795,807,068)	(2,424,088,541)
Ending balance	<u>1,033,476,843</u>	<u>1,013,363,551</u>

15.2 Unexpired risk reserve

	(Unit: Baht)	
	31 March 2011	31 December 2010
Beginning balance	780,289,934	723,234,569
Increase (decrease) during the period	(56,856,144)	57,055,365
Ending balance	<u>723,433,790</u>	<u>780,289,934</u>

16. Other liabilities

	(Unit: Baht)	
	31 March 2011	31 December 2010
Accrued commission expenses	496,435,296	604,751,763
Accrued expenses	215,357,788	223,127,921
Withholding tax payable	28,622,075	19,716,519
Premium received for policies not yet approved	128,899,187	76,962,715
Amounts received awaiting transfer	168,047,317	125,158,636
Unpaid benefits to life policies exempted premium	90,892,307	89,503,128
Forward contracts payables	36,036,600	39,487,950
Others	53,855,717	55,719,432
Total	<u>1,218,146,287</u>	<u>1,234,428,064</u>

17. Underwriting information reported by insurance categories

Underwriting information classified by insurance categories for the three-month period ended 31 March 2011 is as follows.

(Unit: Baht)

	Traditional products - no participating dividend	Life policy with participating dividend	Personal accident	Total
Underwriting income				
Premium written	7,896,169,982	111,685,926	11,706,760	8,019,562,668
Less: Premium ceded	107,225,750	30,603,172	443,184	138,272,106
Net premium written	7,788,944,232	81,082,754	11,263,576	7,881,290,562
Less: Unearned premium reserve	19,578,750	1,094,232	(559,689)	20,113,294
Total underwriting income	7,769,365,482	79,988,522	11,823,265	7,861,177,269
Underwriting expenses				
Life policy reserve increase from prior period	4,737,789,945	5,461,526	-	4,743,251,471
Benefit payments to life policies and benefit adjustment expenses	1,454,808,742	-	-	1,454,808,742
Losses and losses adjustment expenses	349,123,816	14,096,157	498,994	363,718,967
Commissions and brokerage expenses	727,680,336	8,643,153	162,100	736,485,589
Sales promotion expenses	83,981,791	864,624	127,802	74,974,217
Other underwriting expenses	4,497,652	46,305	6,844	4,550,801
Total underwriting expenses	7,357,882,282	29,111,765	795,740	7,387,789,986

Underwriting information classified by insurance categories for the three-month period ended 31 March 2010 is as follows.

(Unit: Baht)

	Traditional products - no participating dividend	Life policy with participating dividend	Personal accident	Total
Underwriting income				
Premium written	6,879,574,315	90,363,046	13,105,984	6,983,043,345
Less: Premium ceded	100,341,798	33,270,886	513,582	134,126,266
Net premium written	6,779,232,517	57,092,160	12,592,402	6,848,917,079
Less: Unearned premium reserve	30,710,176	1,401,455	(761,871)	31,349,760
Total underwriting income	6,478,522,341	55,690,705	13,354,273	6,817,567,319
Underwriting expenses				
Life policy reserve increase from prior period	4,256,097,880	-	-	4,256,097,880
Benefit payments to life policies and benefit adjustment expenses	1,232,743,309	-	-	1,232,743,309
Losses and losses adjustment expenses	330,101,919	12,545,439	705,774	343,353,132
Commissions and brokerages expenses	889,252,663	8,778,269	143,200	898,174,132
Sales promotion expenses	113,870,228	939,689	225,331	115,035,248
Other underwriting expenses	3,649,907	30,120	7,223	3,687,250
Total underwriting expenses	6,825,715,906	22,293,517	1,081,528	6,849,090,951

18. Operating expenses

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2011	2010
Personal expenses which is not expenses for underwriting and claims	152,798,208	137,667,581
Premises and equipment expenses which is not expenses for underwriting	36,934,244	32,274,047
Taxes and duties	26,862,351	20,315,146
Other operating expenses	76,293,281	73,607,798
Total operating expenses	292,888,084	263,864,572

19. 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	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
Royal Cliff Beach Hotel Co., Ltd.	Tourism & Leisure	Holding by an individual related to a director of the Company
Tris Corporation Ltd.	Services	Shareholding and related by way of common directors

(Unaudited but reviewed)

<u>Name of related parties</u>	<u>Type of business</u>	<u>Relationship with the Company</u>
Union Textile Industries Pcl.	Industry	Related by way of common shareholders
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
Indorama Polymers Pcl.	Petrochemical	Related by way of common directors
Asia warehouse Co., Ltd.	Rental of assets	Holding by the major shareholder of the Company
Ex-chai Distribution System Co., Ltd.	Commercial	Related by way of common directors
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

During the three-month periods ended 31 March 2011 and 2010, 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)

	<u>2011</u>	<u>2010</u>	<u>Pricing policy</u>
Premium written	342,005	1,582,813	Normal commercial terms for underwriting
Premium cede	3,667,487	708,049	At a mutually agreed percentage of premium written
Commission and brokerage	374,416,391	512,498,829	Normal commercial terms for underwriting
Claim payment and diagnose charge	17,636,822	15,419,779	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contract
Interest income - deposits at banks, promissory notes and debentures	13,254,751	2,011,864	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	1,455,305	2,190,883	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	33,424,337	7,000,000	The declared amount
Bank charges	15,813,264	13,466,354	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	303,278	339,626	Normal commercial terms for underwriting

(Unaudited but reviewed)

(Unit: Baht)

	2011	2010	Pricing policy
Building space rental and services	14,808,842	14,317,407	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 since 1 August 2010 (before 1 August 2010: fee of Baht 20 per square meter) for long-term agreement and approximately Baht 44, Baht 138 per square meter per month and service fees approximately Baht 91, Baht 307 per square meter per month. Branch office buildings: Rental fees of approximately Baht 100, Baht 150, Baht 188 and Baht 315 per square meter per month and service fees of approximately Baht 342 and Baht 200 per square meter per month.

For the three-month periods ended 31 March 2011 and 2010, the premium generated from the Bancassurance distribution channel represented approximately 62.26% and 59.71% of total net premium written.

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

	(Unit: Baht)			
	31 March 2011		31 December 2010	
	Cost	Fair value	Cost	Fair value
Investments in listed stocks				
Bangkok Bank Pcl.	427,743,742	780,325,000	384,338,080	624,750,000
Bangkok Insurance Pcl.	52,135,522	166,771,500	52,135,522	167,452,200
Thai Reinsurance Pcl.	37,667,275	104,468,500	37,667,275	105,304,248
Bumrungrad Hospital Pcl.	334,539,179	437,345,075	22,197,195	78,908,275
TICON Industrial Connection Pcl.	113,993,501	117,126,120	113,994,710	114,581,115
	<u>966,079,219</u>	<u>1,606,036,195</u>	<u>610,332,782</u>	<u>1,090,995,838</u>
Investments in non-listed stocks				
Tris Corporation 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>	
Investments in securities - unit trusts				
Bualuang Thanasanplus Fund	842,860,038	927,606,057	842,860,038	927,596,110
TICON Property Fund	625,643,394	703,490,696	625,643,394	697,373,385
	<u>1,468,503,432</u>	<u>1,631,096,753</u>	<u>1,468,503,432</u>	<u>1,624,969,495</u>
Investments in securities - debenture				
Charoen Pokphand Foods Pcl.	100,000,000		100,000,000	
Investments in securities - foreign debenture				
Bangkok Bank Pcl.	1,046,185,061		1,046,231,974	

(Unaudited but reviewed)

(Unit: Baht)

	31 March 2011	31 December 2010
Deposits at financial institution		
Bangkok Bank Pcl.	340,819,462	519,816,930
Mortgaged loan		
Sorachai Vivatn Co., Ltd.	95,734,139	99,678,834
Prepaid office rental (including in other assets)		
Narai Ruamphiphat Co., Ltd.	114,080,766	117,029,112
Claim payables (including in unpaid policy benefits)		
Bumrungrad Hospital Pcl.	3,637,543	4,350,683
The Phyathai 1 Hospital Co., Ltd.	1,997,130	2,044,893
The Phyathai 2 Hospital Co., Ltd.	4,026,851	4,349,956
The Phyathai 3 Hospital Co., Ltd.	3,415,929	3,128,216
	13,077,452	13,873,748
Due to reinsurer - net		
Thaire Life Assurance Co., Ltd.	3,843,154	1,265,420
Accrued commission and brokerage expenses (including in other liabilities)		
Bangkok Bank Pcl.	260,341,387	282,449,788
Accrued office rental and services charge (including in other liabilities)		
Bangkok Insurance Pcl.	76,385	67,083
Sorachai Vivatn Co., Ltd.	11,413	9,210
Rajburi Sugar Co., Ltd.	52,416	63,788
Narai Ruamphiphat Co., Ltd.	82,907	77,139
Bangkok Business Building (1987) Co., Ltd.	88,185	66,780
	311,306	284,000

Directors and key management personnel's remuneration

During the three-month periods ended 31 March 2011 and 2010, the Company had salaries, bonuses, meeting allowances and post-employment benefit of its directors and management as expenses totaling Baht 8.64 million and Baht 8.96 million, respectively.

In addition, the Company has allocated 20 warrants to its employees without charge. The details of the warrants are presented in Note 22.

20. Assets pledged with registrar

As at 31 March 2011 and 31 December 2010, the following assets have been pledged with the Registrar of the Office of Insurance Commission in accordance with the Life Assurance Act.

	(Unit: Baht)	
	31 March 2011	31 December 2010
State enterprise securities	20,000,000	20,000,000

21. Assets reserve with registrar

As at 31 March 2011 and 31 December 2010, the following assets have been pledged as life assurance policy reserve with the Registrar of the Office of Insurance Commission in accordance with the Life Assurance Act.

	(Unit: Baht)	
	31 March 2011	31 December 2010
Government securities	4,777,331,424	4,780,291,574
State enterprise securities	8,344,542,025	8,345,723,786
Total	13,121,873,449	13,126,015,360

22. Warrants

On 23 November 2007, 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 as follow:

Approved by	Allocated warrants	Unallocated warrants
The Executive Board of Directors of the Company, on 29 May 2008	11.50 million units	8.50 million units
the Board of Directors of the Company, on 14 August 2009	1.35 million units	7.15 million units

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.

23. Earnings per share

Basic earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

The following table sets forth the computation of basic and diluted earnings per share:

	Net profit (Thousand Baht)		Weighted average number of shares (Thousand shares)		Earnings per share (Baht)	
	2011	2010	2011	2010	2011	2010
Basic earnings per share						
Net profit	987,232	440,743	1,200,000	1,200,000	<u>0.823</u>	<u>0.367</u>
Dilutive effect of warrants	-	-	7,395	5,412		
Diluted earnings per share						
Net profit of ordinary shareholder assuming the conversion of warrants to ordinary shares	<u>987,232</u>	<u>440,743</u>	<u>1,207,395</u>	<u>1,205,412</u>	<u>0.818</u>	<u>0.366</u>

24. 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.

25. Commitments

The Company has 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 3 and 24 years for lease of building space and are generally between 1 and 5 years for lease of motor vehicles and equipments. Operating lease agreements can not be cancelled.

As at 31 March 2011, the Company has outstanding commitments as follows:

(Unit: Million Baht)

	Pay within			
	Over			Total
	1 year	1 - 5 years	5 years	
Operating lease agreements	21.46	15.91	4.46	41.83
Services agreements	29.65	41.72	20.99	92.36
Total	51.11	57.63	25.45	134.19

As at 31 December 2010, the Company has outstanding commitments as follows:

(Unit: Million Baht)

	Pay within			
	Over			Total
	1 year	1 - 5 years	5 years	
Operating lease agreements	22.59	14.53	4.70	41.82
Services agreements	23.82	32.20	22.10	78.12
Total	46.41	46.73	26.80	119.94

26. Contingent liabilities

As at 31 March 2011, the Company has been sued for damaged totaling approximately Baht 33.98 million (31 December 2010: Baht 33.78 million) as insurer. The outcomes of these causes have not yet been finalised. The Company did not set up for the above liabilities due to the uncertainly of the outcome.

27. Financial instruments

27.1 Financial risk management

Credit risk

Concentrations of the credit risk with respect to loans and premium receivables 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.

As at 31 March 2011, financial assets classified by type of interest rate are summarised in the table below.

	(Unit: Baht)		
	Balance as at 31 March 2011		
	No interest	Floating interest rate	Fixed interest rate
Cash equivalent	142,509,529	212,239,216	2,420,000,000
Investments in securities - net			
Government and state enterprise securities	-	-	63,055,287,694
Private enterprises debt securities	-	-	8,403,781,362
Foreign debt securities	-	-	3,908,747,680
Loans - net	-	42,378,444	2,154,439,432
Total	142,509,529	254,617,660	79,942,756,168

As at 31 March 2011, the 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 as follows:

	Within			Total	(Unit: Baht)
	1 year	1 - 5 years	Over 5 years		Average interest rate
					(% p.a.)
Cash equivalent	2,420,000,000	-	-	2,420,000,000	2.07
Investments in securities - net					
Government and state enterprise securities	3,570,389,997	9,017,333,957	50,467,563,740	63,055,287,694	4.59
Private enterprises debt securities	244,548,815	1,567,611,807	6,591,620,740	8,403,781,362	5.62
Foreign debt securities	-	1,810,494,312	2,098,253,368	3,908,747,680	5.34
Loans - net	1,095,146	15,894,628	2,137,449,658	2,154,439,432	4.5-8
Total	6,236,033,958	12,411,334,704	61,294,887,506	79,942,256,168	

Foreign currency risk

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

As at 31 March 2011, the balances of financial assets denominated in foreign currencies are summarised below.

Foreign currency	Financial assets	Average exchange rate as at 31 March 2011
	(Million)	(Baht per 1 foreign currency unit)
US dollar	104.50	30.16

Foreign exchange contracts outstanding at 31 March 2011 are summarized below.

Foreign currency	Bought amount	Contractual exchange rate bought
	(Million)	(Baht per 1 foreign currency unit)
US dollar	104.50	29.80 - 41.00

27.2 Fair value

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

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

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

Investments in securities

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

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

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

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

Policy loans

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

As at 31 March 2011, the aggregate carrying values of the Company's financial instruments which are significantly different from their aggregate fair values can be defined as follows:

	Carrying value	Fair value
(Unit: Baht)		
Held-to-maturity debt securities		
Bonds - net	59,100,765,512	61,104,263,984
Debentures - net	8,585,649,034	8,969,778,674
Investments in notes in Note 7 (a) (exclusion of put option)	1,800,000,000	1,721,432,950
Investments in notes in Note 7 (b)	1,150,000,000	1,530,317,355
Investments in notes in Note 7 (c)	600,000,000	613,740,000
Investments in notes in Note 7 (d)	400,000,000	373,260,000

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 7 (a)

As at 31 March 2011, the Company may need to deposit additional amounts in the future under the promissory notes and bills of exchange agreements, as summarised below.

Within	Unit: Million Baht
Within 1 year	1,300
1 - 3 years	300
Total	<u>1,600</u>

28. Subsequent event

On 26 April 2011, the Annual General Meeting of shareholders approved the payment of dividend of Baht 0.40 per share to the Company's shareholders, a total of Baht 480 million with the approval of the Office of Insurance Commission on 20 April 2011.

In addition, the Company's shareholders passed a resolution approving the issuance of 7.15 million registered and non-transferrable warrants which No.2 to employees and/or managements.

29. Approval of interim financial statements

These financial statements were authorised for issue by the Board of Directors on 11 May 2011.