

Bangkok Life Assurance Public Company Limited  
Review report and interim financial statements  
For the three-month and six-month periods ended  
30 June 2015

## **Independent Auditor's Report on Review of Interim Financial Information**

To the shareholders of Bangkok Life Assurance Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Bangkok Life Assurance Public Company Limited as at 30 June 2015, the consolidated statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2015, and the statements of changes in owners' equity, and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements, and have also reviewed the separated financial information of Bangkok Life Assurance Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34: Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of Review**

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

### **Conclusion**

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34: Interim Financial Reporting.

## **Other Matter**

The consolidated statement of financial position of Bangkok Life Assurance Public Company Limited and its subsidiary and the separate statement of financial position of Bangkok Life Assurance Public Company Limited as at 31 December 2014, presented herein as comparative information, were audited by another auditor, who expressed an unqualified opinion on those statements, under his report dated 25 February 2015. The statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2014, the statements of changes in owners' equity, and cash flows for the six-month period then ended of Bangkok Life Assurance Public Company Limited, presented as comparative information, were also reviewed by the aforementioned auditor who concluded, under his report dated 8 August 2014, that nothing had come to his attention that caused him to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard 34: Interim Financial Reporting.

Nonglak Pumnoi  
Certified Public Accountant (Thailand) No. 4172

EY Office Limited

Bangkok: 11 August 2015

**Bangkok Life Assurance Public Company Limited**

**Statements of financial position**

**As at 30 June 2015 and 31 December 2014**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2015	31 December 2014	30 June 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Assets</b>					
Cash and cash equivalents	5, 27	564,032,092	5,707,563,957	560,275,014	5,703,471,620
Accrued investment income - net	10	2,512,562,652	2,344,008,443	2,512,562,652	2,344,008,443
Premium receivables	6	2,179,575,676	1,725,232,732	2,179,575,676	1,725,232,732
Reinsurance assets	7, 27	1,002,235,707	763,784,679	1,002,235,707	763,784,679
Investment assets					
Investments in securities	27				
Trading investments - net	8	90,177,476	17,070,295	90,177,476	17,070,295
Available-for-sale investments	8	23,876,199,761	22,012,881,057	23,876,199,761	22,012,881,057
Held-to-maturity investments	8, 28, 29	200,429,385,996	176,161,022,628	200,429,385,996	176,161,022,628
General investments	8	46,662,230	46,662,230	46,662,230	46,662,230
Investment in a subsidiary	9	-	-	3,960,000	3,960,000
Loans - net	10, 27	5,429,660,299	4,735,056,801	5,429,660,299	4,735,056,801
Premises and equipment - net	11	464,568,643	389,242,663	464,540,407	389,200,127
Goodwill		4,955,491	4,955,491	-	-
Intangible assets - net		17,597,142	12,819,227	17,597,142	12,819,227
Deferred tax assets	12.1	1,693,683,688	1,482,422,298	1,693,683,688	1,482,422,298
Other assets	13	249,590,919	186,867,026	254,892,168	190,501,644
<b>Total assets</b>		<b>238,560,887,772</b>	<b>215,589,589,527</b>	<b>238,561,408,216</b>	<b>215,588,093,781</b>

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

**Bangkok Life Assurance Public Company Limited**

**Statements of financial position (Continued)**

**As at 30 June 2015 and 31 December 2014**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2015	31 December 2014	30 June 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and owners' equity</b>					
<b>Liabilities</b>					
Securities sold under repurchase agreements		4,620,000,000	-	4,620,000,000	-
Income tax payable		665,306,034	499,591,781	665,306,034	499,591,781
Amounts due to reinsurers	14, 27	628,183,500	379,721,980	628,183,500	379,721,980
Insurance contract liabilities					
Life policy reserves	15	192,445,148,873	177,434,670,858	192,445,148,873	177,434,670,858
Unpaid policy benefits	16	126,785,324	117,066,846	126,785,324	117,066,846
Loss reserves and outstanding claims	17, 27	351,548,008	315,052,056	351,548,008	315,052,056
Premium reserves	18	1,218,993,493	1,056,888,385	1,218,993,493	1,056,888,385
Other insurance liabilities		7,833,370,396	7,642,205,834	7,833,370,396	7,642,205,834
Employee benefit payables	19	292,454,909	329,414,333	290,850,751	327,718,356
Other liabilities	20, 27	2,984,763,070	2,238,701,928	2,981,630,877	2,235,949,029
<b>Total liabilities</b>		<b>211,166,553,607</b>	<b>190,013,314,001</b>	<b>211,161,817,256</b>	<b>190,008,865,125</b>

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

**Bangkok Life Assurance Public Company Limited**  
**Statements of financial position (Continued)**  
**As at 30 June 2015 and 31 December 2014**

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2015	31 December 2014	30 June 2015	31 December 2014
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Owners' equity</b>					
Share capital					
Registered					
1,708,000,000 ordinary shares of Baht 1 each		1,708,000,000	1,708,000,000	1,708,000,000	1,708,000,000
Issued and paid-up					
1,702,060,640 ordinary shares of Baht 1 each	21	1,702,060,640	1,697,850,000	1,702,060,640	1,697,850,000
(31 December 2014: 1,697,850,000 ordinary shares of Baht 1 each					
Premium on share capital	21	3,158,128,870	2,987,540,018	3,158,128,870	2,987,540,018
Capital reserve on share-based payments	21, 22	49,202,856	103,822,366	49,202,856	103,822,366
Subscriptions received in advance from exercise of warrants	22	21,259,181	-	21,259,181	-
Retained earnings					
Appropriated					
Statutory reserve		170,800,000	170,800,000	170,800,000	170,800,000
General reserve		400,000,000	400,000,000	400,000,000	400,000,000
Unappropriated		16,506,364,863	14,677,674,816	16,511,608,690	14,680,638,015
Other component of owners' equity					
Revaluation surplus on available-for-sale investments - net of income taxes					
		5,386,530,723	5,538,578,257	5,386,530,723	5,538,578,257
Equity attributable to equity holders of the Company		27,394,347,133	25,576,265,457	27,399,590,960	25,579,228,656
Non-controlling interests of the subsidiary		(12,968)	10,069	-	-
<b>Total owners' equity</b>		<b>27,394,334,165</b>	<b>25,576,275,526</b>	<b>27,399,590,960</b>	<b>25,579,228,656</b>
<b>Total liabilities and owners' equity</b>		<b>238,560,887,772</b>	<b>215,589,589,527</b>	<b>238,561,408,216</b>	<b>215,588,093,781</b>
		-	-	-	-

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 30 June 2015 and 2014**

(Unit: Baht)

	Note	Consolidated		
		financial statements 2015	Separate financial statements 2015                      2014	
<b>Revenue</b>				
Net premium written	23, 27	7,252,091,748	7,252,091,748	9,768,688,694
Net investment income		2,466,202,683	2,466,202,683	2,153,257,474
<b>Total income</b>		<b>9,718,294,431</b>	<b>9,718,294,431</b>	<b>11,921,946,168</b>
<b>Expenses</b>				
Underwriting				
Life policy reserves increased from prior period	23	2,906,077,012	2,906,077,012	8,098,975,705
Benefit payments under life policies and benefit adjustment expenses	23	3,091,958,794	3,091,958,794	2,539,666,899
Claims and losses adjustment expenses	23, 27	302,917,117	302,917,117	294,834,899
Commissions and brokerages expenses	23, 27	627,665,293	626,461,944	594,381,187
Sales promotional expenses	23	97,012,493	97,008,886	61,588,327
Other underwriting expenses	23, 27	7,808,112	7,808,112	6,889,196
Operating expenses	24	551,296,912	549,779,815	474,971,708
<b>Total underwriting expenses</b>		<b>7,584,735,733</b>	<b>7,582,011,680</b>	<b>12,071,307,921</b>
<b>Profits (losses) from underwriting</b>		<b>2,133,558,698</b>	<b>2,136,282,751</b>	<b>(149,361,753)</b>
Gains on investments	8.5	79,899,734	79,899,734	321,657,329
Gains on revaluation	25	33,227,564	33,227,564	8,014,997
Other income		18,033,654	16,342,736	8,671,934
<b>Profits from operations</b>		<b>2,264,719,650</b>	<b>2,265,752,785</b>	<b>188,982,507</b>
Contribution to the Office of Insurance Commission		12,670,201	12,670,201	15,812,220
Contribution to the Life Insurance Fund		7,394,573	7,394,573	9,899,430
<b>Profits before income tax expense</b>		<b>2,244,654,876</b>	<b>2,245,688,011</b>	<b>163,270,857</b>
Income tax (revenue) expense	12.2	400,186,583	400,186,583	(5,515,626)
<b>Profits for the periods</b>		<b>1,844,468,293</b>	<b>1,845,501,428</b>	<b>168,786,483</b>
<b>Profits for the periods attributable to:</b>				
Equity holders of the Company		1,844,478,624	1,845,501,428	168,786,483
Non-controlling interests of the subsidiary		(10,331)		
		<b>1,844,468,293</b>		
<b>Earnings per share</b>				
30				
Basic earnings per share				
Profits attributable to equity holders of the Company		1.08	1.08	0.10
Diluted earnings per share				
Profits attributable to equity holders of the Company		1.08	1.08	0.10

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 2015 and 2014**

(Unit: Baht)

	Consolidated		Separate financial statements	
	financial statements		2015	2014
	2015		2015	2014
<b>Profits for the periods</b>	<u>1,844,468,293</u>		<u>1,845,501,428</u>	<u>168,786,483</u>
<b>Other comprehensive income</b>				
Other comprehensive income to reclassified to profit or loss in subsequent periods				
Gains on valuation of available-for-sale investments	670,319,190		670,319,190	857,920,269
Less: Income taxes	<u>(134,063,839)</u>		<u>(134,063,839)</u>	<u>(171,545,188)</u>
Other comprehensive income to reclassified to profit or loss in subsequent periods - net of income tax	<u>536,255,351</u>		<u>536,255,351</u>	<u>686,375,081</u>
Other comprehensive income for the periods - net of income taxes	<u>536,255,351</u>		<u>536,255,351</u>	<u>686,375,081</u>
<b>Total comprehensive income for the periods</b>	<u><u>2,380,723,644</u></u>		<u><u>2,381,756,779</u></u>	<u><u>855,161,564</u></u>
<b>Total comprehensive income for the periods attributable to:</b>				
Equity holders of the Company	2,380,733,975		<u>2,381,756,779</u>	<u>855,161,564</u>
Non-controlling interests of the subsidiary	<u>(10,331)</u>			
	<u><u>2,380,723,644</u></u>			

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



(Unaudited but reviewed)

**Bangkok Life Assurance Public Company Limited**  
**Statements of income**  
**For the six-month periods ended 30 June 2015 and 2014**

(Unit: Baht)

	Note	Consolidated		
		financial statements 2015	Separate financial statements 2015      2014	
<b>Revenue</b>				
Net premium written	23, 27	22,963,071,665	22,963,071,665	36,480,493,941
Net investment income		4,977,636,072	4,977,636,072	4,167,206,429
<b>Total income</b>		<b>27,940,707,737</b>	<b>27,940,707,737</b>	<b>40,647,700,370</b>
<b>Expenses</b>				
Underwriting				
Life policy reserves increased from prior period	23	15,010,478,015	15,010,478,015	30,513,731,424
Benefit payments under life policies and benefit adjustment expenses	23	7,532,409,822	7,532,409,822	5,568,302,550
Claims and losses adjustment expenses	23, 27	634,922,899	634,922,899	644,137,630
Commissions and brokerages expenses	23, 27	1,469,152,272	1,466,574,764	1,619,705,024
Sales promotional expenses	23	221,544,931	221,540,024	176,217,277
Other underwriting expenses	23, 27	15,148,889	15,148,889	13,791,970
Operating expenses	24	1,006,731,374	1,003,884,866	899,279,581
<b>Total underwriting expenses</b>		<b>25,890,388,202</b>	<b>25,884,959,279</b>	<b>39,435,165,456</b>
<b>Profits from underwriting</b>		<b>2,050,319,535</b>	<b>2,055,748,458</b>	<b>1,212,534,914</b>
Gains on investments	8.5	1,095,437,161	1,095,437,161	367,760,229
Gains (losses) on revaluation	25	28,081,488	28,081,488	(30,237,349)
Other income		33,400,939	30,275,681	17,322,176
<b>Profits from operations</b>		<b>3,207,239,123</b>	<b>3,209,542,788</b>	<b>1,567,379,970</b>
Contribution to the Office of Insurance Commission		39,211,138	39,211,138	60,599,980
Contribution to the Life Insurance Fund		23,416,180	23,416,180	36,896,763
<b>Profits before income tax expense</b>		<b>3,144,611,805</b>	<b>3,146,915,470</b>	<b>1,469,883,227</b>
Income tax expense	12.2	534,874,372	534,874,372	205,056,063
<b>Profits for the periods</b>		<b>2,609,737,433</b>	<b>2,612,041,098</b>	<b>1,264,827,164</b>
<b>Profits for the periods attributable to:</b>				
Equity holders of the Company		2,609,760,470	2,612,041,098	1,264,827,164
Non-controlling interests of the subsidiary		(23,037)		
		<b>2,609,737,433</b>		
<b>Earnings per share</b>				
30				
Basic earnings per share				
Profits attributable to equity holders of the Company		1.53	1.54	0.75
Diluted earnings per share				
Profits attributable to equity holders of the Company		1.53	1.53	0.75

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 six-month periods ended 30 June 2015 and 2014**

(Unit: Baht)

	Consolidated	Separate financial statements	
	financial statements	2015	2014
	2015	2015	2014
<b>Profits for the periods</b>	<u>2,609,737,433</u>	<u>2,612,041,098</u>	<u>1,264,827,164</u>
<b>Other comprehensive income</b>			
Other comprehensive income to reclassified to profit or loss in subsequent periods			
Gains (losses) on valuation of available-for-sale investments	(190,059,417)	(190,059,417)	1,723,591,000
Add (less): Income taxes	<u>38,011,883</u>	<u>38,011,883</u>	<u>(344,679,334)</u>
Other comprehensive income to reclassified to profit or loss in subsequent periods - net of income tax	<u>(152,047,534)</u>	<u>(152,047,534)</u>	<u>1,378,911,666</u>
Other comprehensive income (loss) for the periods - net of income taxes	<u>(152,047,534)</u>	<u>(152,047,534)</u>	<u>1,378,911,666</u>
<b>Total comprehensive income for the periods</b>	<u><u>2,457,689,899</u></u>	<u><u>2,459,993,564</u></u>	<u><u>2,643,738,830</u></u>
<b>Total comprehensive income for the periods attributable to:</b>			
Equity holders of the Company	2,457,712,936	<u>2,459,993,564</u>	<u>2,643,738,830</u>
Non-controlling interests of the subsidiary	<u>(23,037)</u>		
	<u><u>2,457,689,899</u></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 six-month periods ended 30 June 2015 and 2014**

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	2015	2015	2014
<b>Cash flows from operating activities</b>			
Net premium written	22,770,214,320	22,770,214,320	35,153,857,431
Interest income	4,266,270,225	4,266,270,225	3,453,091,011
Dividend income	542,811,638	542,811,638	489,481,954
Other investment income	1,601,687,825	1,601,687,825	716,594,021
Other income	27,470,677	27,470,677	17,383,022
Benefit payments under life policies during the periods	(8,002,400,183)	(8,002,400,183)	(5,974,816,205)
Commissions and brokerages	(1,512,935,819)	(1,512,935,819)	(1,706,816,062)
Other underwriting expenses	(239,693,748)	(239,693,748)	(213,927,616)
Operating expenses	(1,085,224,531)	(1,085,224,531)	(859,936,421)
Other expenses	(54,247,642)	(53,912,383)	(74,867,840)
Corporate income taxes	(542,409,626)	(542,409,626)	(289,161,467)
<b>Net cash provided by operating activities</b>	<b>17,771,543,136</b>	<b>17,771,878,395</b>	<b>30,710,881,828</b>
<b>Cash flows from investing activities</b>			
Cash flows from			
Investments in securities	9,336,310,256	9,336,310,256	57,535,418,452
Loans	778,104,576	778,104,576	481,121,907
Deposits at financial institutions	5,005,426,312	5,005,426,312	510,000,000
Premises and equipment	5,837,390	5,837,390	4,850
Cash from investing activities	15,125,678,534	15,125,678,534	58,526,545,209
Cash flows used in			
Investments in securities	(18,663,012,560)	(18,663,012,560)	(85,314,275,361)
Loans	(1,239,581,112)	(1,239,581,112)	(745,431,749)
Deposits at financial institutions	(21,994,375,412)	(21,994,375,412)	(90,000,000)
Premises and equipment	(109,239,210)	(109,239,210)	(62,550,207)
Cash used in investing activities	(42,006,208,294)	(42,006,208,294)	(86,212,257,317)
<b>Net cash used in investing activities</b>	<b>(26,880,529,760)</b>	<b>(26,880,529,760)</b>	<b>(27,685,712,108)</b>

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

(Unaudited but reviewed)

**Bangkok Life Assurance Public Company Limited**  
**Statements of cash flows (Continued)**  
**For the six-month periods ended 30 June 2015 and 2014**

(Unit: Baht)

	Consolidated		
	financial statements	Separate financial statements	
	2015	2015	2014
<b>Cash flows from financing activities</b>			
Proceeds from share capital increase as a result of warrant exercise	105,266,000	105,266,000	6,862,725
Subscriptions received from exercise of warrants	21,259,181	21,259,181	4,495,500
Proceeds (payment) from securities sold (bought)			
under repurchase agreements	4,620,000,000	4,620,000,000	(950,000,000)
Dividend paid	(781,070,422)	(781,070,422)	(617,781,903)
<b>Net cash provided by (used in) financing activities</b>	<b>3,965,454,759</b>	<b>3,965,454,759</b>	<b>(1,556,423,678)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(5,143,531,865)</b>	<b>(5,143,196,606)</b>	<b>1,468,746,042</b>
Cash and cash equivalents at beginning of periods	5,707,563,957	5,703,471,620	1,331,190,953
<b>Cash and cash equivalents at ending of periods</b>	<b>564,032,092</b>	<b>560,275,014</b>	<b>2,799,936,995</b>
	-	-	
<b>Supplemental cash flows information</b>			
Non-cash items			
Increase (decrease) in available-for-sale investments			
as a result of valuation	(190,059,417)	(190,059,417)	1,723,591,000
Increase in capital reserve on share-based payments	14,913,982	14,913,982	18,876,793

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

(Unaudited but reviewed)

## Bangkok Life Assurance Public Company Limited

## Statements of changes in owners' equity

For the six-month period ended 30 June 2015 and 2014

(Unit: Baht)

Consolidated financial statement													
Equity attributable to equity holders of the Company													
	Note	Equity attributable to equity holders of the Company			Retained earnings			Other component of owners' equity - revaluation surplus on available-for-sale investments - net of income taxes		Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of the subsidiary	Total	
		Issued and paid-up share capital	Premium on share capital	Capital reserve for share-based payment transactions	Subscriptions received in advance from exercise of warrants	Appropriated		Unappropriated					
						Statutory reserve	General reserve						
<b>Balance as at 1 January 2015</b>		1,697,850,000	2,987,540,018	103,822,366	-	170,800,000	400,000,000	14,677,674,816	5,538,578,257	25,576,265,457	10,069	25,576,275,526	
Share-based payments	21, 22	-	-	14,913,982	-	-	-	-	-	14,913,982	-	14,913,982	
Increase in share capital as a result of warrant exercise	21	4,210,640	101,055,360	-	-	-	-	-	-	105,266,000	-	105,266,000	
Transfer capital reserve for share-based payment transactions to premium on share capital as a result of warrant No.2 exercise	21	-	69,533,492	(69,533,492)	-	-	-	-	-	-	-	-	
Subscriptions received in advance from exercises of warrants	22	-	-	-	21,259,181	-	-	-	-	21,259,181	-	21,259,181	
Dividend paid	31	-	-	-	-	-	-	(781,070,423)	-	(781,070,423)	-	(781,070,423)	
Profits for the period		-	-	-	-	-	-	2,609,760,470	-	2,609,760,470	(23,037)	2,609,737,433	
Other comprehensive income		-	-	-	-	-	-	-	-	-	-	-	
Losses on valuation of available-for-sale investments - net of income taxes		-	-	-	-	-	-	-	(152,047,534)	(152,047,534)	-	(152,047,534)	
Total comprehensive income for the period		-	-	-	-	-	-	2,609,760,470	(152,047,534)	2,457,712,936	(23,037)	2,457,689,899	
<b>Balance as at 30 June 2015</b>		<b>1,702,060,640</b>	<b>3,158,128,870</b>	<b>49,202,856</b>	<b>21,259,181</b>	<b>170,800,000</b>	<b>400,000,000</b>	<b>16,506,364,863</b>	<b>5,386,530,723</b>	<b>27,394,347,133</b>	<b>(12,968)</b>	<b>27,394,334,165</b>	

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

(Unaudited but reviewed)

**Bangkok Life Assurance Public Company Limited**  
**Statements of changes in owners' equity (Continued)**  
**For the six-month periods ended 30 June 2015 and 2014**

(Unit: Baht)

## Separate financial statements

	Note	Retained earnings						Other component of owners' equity - revaluation surplus on		Total
		Issued and paid-up share capital	Premium on share capital	Capital reserve for share-based payment transactions	Subscriptions received in advance from exercise of warrants	Appropriated			of available-for-sale investments - net of income taxes	
						Statutory reserve	General reserve	Unappropriated		
<b>Balance as at 1 January 2014</b>		1,211,714,350	2,846,250,643	66,068,779	1,246,050	122,000,000	400,000,000	13,225,119,255	4,391,257,562	22,263,656,639
Share-based payments	22	-	-	18,876,793	-	-	-	-	-	18,876,793
Increase in share capital as a result of warrant exercise		600,650	7,508,125	-	(1,246,050)	-	-	-	-	6,862,725
Subscriptions received in advance from exercises of warrants		-	-	-	4,495,500	-	-	-	-	4,495,500
Dividend paid	31	-	-	-	-	-	-	(617,781,903)	-	(617,781,903)
Profits for the period		-	-	-	-	-	-	1,264,827,164	-	1,264,827,164
Other comprehensive income										
Gains on valuation of available-for-sale investments - net of income taxes		-	-	-	-	-	-	-	1,378,911,666	1,378,911,666
Total comprehensive income for the period		-	-	-	-	-	-	1,264,827,164	1,378,911,666	2,643,738,830
<b>Balance as at 30 June 2014</b>		<u>1,212,315,000</u>	<u>2,853,758,768</u>	<u>84,945,572</u>	<u>4,495,500</u>	<u>122,000,000</u>	<u>400,000,000</u>	<u>13,872,164,516</u>	<u>5,770,169,228</u>	<u>24,319,848,584</u>

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

(Unaudited but reviewed)

**Bangkok Life Assurance Public Company Limited**

**Statements of changes in owners' equity (Continued)**  
**For the six-month periods ended 30 June 2015 and 2014**

(Unit: Baht)

	Separate financial statements							Other component of owners' equity - revaluation surplus on		
	Note	Issued and paid-up share capital	Premium on share capital	Capital reserve for share-based payment transactions	Subscriptions received in advance from exercise of warrants	Retained earnings			of available-for-sale investments - net of income taxes	Total
						Appropriated				
						Statutory reserve	General reserve	Unappropriated		
<b>Balance as at 1 January 2015</b>		1,697,850,000	2,987,540,018	103,822,366	-	170,800,000	400,000,000	14,680,638,015	5,538,578,257	25,579,228,656
Share-based payments	21, 22	-	-	14,913,982	-	-	-	-	-	14,913,982
Increase in share capital as a result of warrant exercise	21	4,210,640	101,055,360	-	-	-	-	-	-	105,266,000
Transfer capital reserve for share-based payment transactions to premium on share capital as a result of warrant No.2 exercise	21	-	69,533,492	(69,533,492)	-	-	-	-	-	-
Subscriptions received in advance from exercises of warrants	22	-	-	-	21,259,181	-	-	-	-	21,259,181
Dividend paid	31	-	-	-	-	-	-	(781,070,423)	-	(781,070,423)
Profits for the period		-	-	-	-	-	-	2,612,041,098	-	2,612,041,098
Other comprehensive income										
Losses on valuation of available-for-sale investments - net of income taxes		-	-	-	-	-	-	-	(152,047,534)	(152,047,534)
Total comprehensive income for the period		-	-	-	-	-	-	2,612,041,098	(152,047,534)	2,459,993,564
<b>Balance as at 30 June 2015</b>		<u>1,702,060,640</u>	<u>3,158,128,870</u>	<u>49,202,856</u>	<u>21,259,181</u>	<u>170,800,000</u>	<u>400,000,000</u>	<u>16,511,608,690</u>	<u>5,386,530,723</u>	<u>27,399,590,960</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 six-month periods ended 30 June 2015**

**1. Corporate 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 services. The registered office of the Company is at No. 23/115-121, Royal City Avenue, Rama 9 Road, Bangkapi Sub-district, Huaykwang District, Bangkok.

**2. Basis of preparation of financial statements**

**2.1 Basis of preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2014) “Interim Financial Reporting” and the requirements in the Declaration dated 27 May 2010 of the Office of the Insurance Commission, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income, comprehensive income, changes in owners’ equity and cash flows in the same format as that used in its preparation of 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 these financial statements in Thai language.



## **2.2 Basis for consolidation**

These interim consolidated financial statements include the financial statements of Bangkok Life Assurance Public Company Limited and BLA Insurance Broker Company Limited (“the subsidiary”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2014, with no structural changes in the subsidiary occurring during the period. In addition, the Company obtained control of the subsidiary since 7 July 2014.

## **2.3 Separate financial statements**

The separate financial statements, which present investment in a subsidiary under the cost method, have been prepared solely for the benefit of the public.

## **3. Revised and new financial reporting standards**

During the period, the Company has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company’s financial statements. However, some of these standards involve changes to key principles, which are summarised below.

### **TAS 19 (revised 2014) Employee Benefits**

This revised standard requires that the entity recognises actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

The Company and its subsidiary have changed the recognition of actuarial gains and losses in the current period from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income and adjusted the current period’s transactions and restated the prior period’s financial statements, presented as comparative information, as if the Company had always applied this accounting policy. However, there is no effect of changes in these accounting policies on the statement of financial position as at 31 December 2014 and statement of comprehensive income for the three-month and six-month periods ended 30 June 2014 because there are no actuarial gains or losses.

### **TFRS 10 Consolidated Financial Statements**

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 Consolidated and Separate Financial Statements dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgment when reviewing whether the Company and its subsidiary have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on the financial statements of the Company and its subsidiary.

### **TFRS 12 Disclosure of Interests in Other Entities**

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiary.

### **TFRS 13 Fair Value Measurement**

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the financial statements of the Company and its subsidiary.

#### 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 2014, except for the changes in accounting policies as a result of the adoption of new and revised standards, as discussed in Note 3 to the financial statements.

#### 5. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2015	2014	2015	2014
Cash on hand	4,606	4,224	4,605	4,223
Deposits at banks with no fixed maturity date	559,426	874,391	555,670	870,300
Deposits at banks with fixed maturity date	19,110,000	6,950,000	19,110,000	6,950,000
Total cash and deposits at financial institutions	19,674,032	7,828,615	19,670,275	7,824,523
Add: Investments in securities with original maturity period of less than 3 months	-	3,138,949	-	3,138,949
Less: Deposits at banks and financial institutions with an original maturity period of longer than 3 months	(19,110,000)	(5,260,000)	(19,110,000)	(5,260,000)
Cash and cash equivalents	564,032	5,707,564	560,275	5,703,472

As at 30 June 2015, interest rates on saving accounts, fixed deposits and promissory notes are in the range of 0.38% - 1.88% per annum (31 December 2014: 0.38% - 3.00% per annum).

**6. Premium receivables**

As at 30 June 2015 and 31 December 2014, the outstanding balances of premium receivables, classified by overdue period, counted from the due dates under the stipulated credit terms, are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	30 June 2015		
	Due from agents		Total
Due from insured	and brokers		
Not yet due	1,961,948	85,061	2,047,009
Overdue			
Not over 30 days	66,992	33,882	100,874
Over 30 days to 60 days	320	17,321	17,641
Over 60 days to 90 days	-	6,443	6,443
Over 90 days to 1 year	8	6,415	6,423
Over 1 year	702	484	1,186
Total premium receivables	<u>2,029,970</u>	<u>149,606</u>	<u>2,179,576</u>

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	31 December 2014		
	Due from agents		Total
Due from insured	and brokers		
Not yet due	1,643,589	36,847	1,680,436
Overdue			
Not over 30 days	3,018	23,354	26,372
Over 30 days to 60 days	271	14,121	14,392
Over 60 days to 90 days	23	1,271	1,294
Over 90 days to 1 year	428	1,521	1,949
Over 1 year	331	459	790
Total premium receivables	<u>1,647,660</u>	<u>77,573</u>	<u>1,725,233</u>

(Unaudited but reviewed)

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

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

## 7. Reinsurance assets

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	30 June 2015	31 December 2014
Insurance reserve refundable from reinsurers	416,142	318,471
Amounts due from reinsurers	586,094	445,314
Reinsurance assets	<u>1,002,236</u>	<u>763,785</u>

As at 30 June 2015 and 31 December 2014, the outstanding balances of amounts due from reinsurers, classified by overdue period, are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	30 June 2015	31 December 2014
Not yet due	586,094	445,314
Total amounts due from reinsurers	<u>586,094</u>	<u>445,314</u>

## 8. Investments in securities

### 8.1 Classified by investment types

(Unite: Thousand Baht)

	Consolidated and separate financial statements			
	30 June 2015		31 December 2014	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<b>Trading investments</b>				
Domestic investment units	90,677	90,177	17,045	17,070
Add (less): Unrealised gains (losses)	(500)	-	25	-
<b>Trading investments - net</b>	<u>90,177</u>	<u>90,177</u>	<u>17,070</u>	<u>17,070</u>
<b>Available-for-sale investments</b>				
Government and state enterprise securities	480,413	515,699	691,616	742,183
Domestic equity securities	7,059,130	12,821,203	7,252,996	13,535,584
Domestic investment units	8,143,900	8,549,931	5,734,721	5,840,431
Foreign investment units	1,320,628	1,989,367	1,320,628	1,894,683
Total	17,004,071	23,876,200	14,999,961	22,012,881
Add: Unrealised gains	6,872,129	-	7,012,920	-
<b>Total available-for-sale investments</b>	<u>23,876,200</u>	<u>23,876,200</u>	<u>22,012,881</u>	<u>22,012,881</u>
<b>Held-to-maturity investments</b>				
Government and state enterprise securities	123,300,277		116,571,965	
Private enterprises debt securities	34,858,415		32,560,063	
Foreign debt securities	23,160,694		21,768,995	
Deposits at financial institutions with an original maturity of longer than 3 months	19,110,000		5,260,000	
<b>Total held-to-maturity investments</b>	<u>200,429,386</u>		<u>176,161,023</u>	
<b>General investments</b>				
Domestic equity securities	29,588		29,588	
Foreign equity securities	17,074		17,074	
<b>Total general investments</b>	<u>46,662</u>		<u>46,662</u>	

## 8.2 Classified by remaining periods to maturity

Investments in debt securities as at 30 June 2015 and 31 December 2014, classified by remaining periods to maturity, are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	30 June 2015			
	Periods to maturity			
	Within 1 year	1 - 5 years	Over 5 years	Total
<b>Available-for-sale investment</b>				
Government and state enterprise securities	-	325,139	155,274	480,413
Add: Unrealised gains	-	25,635	9,651	35,286
<b>Total available-for-sale investments</b>	<b>-</b>	<b>350,774</b>	<b>164,925</b>	<b>515,699</b>
<b>Held-to-maturity investments</b>				
Government and state enterprise securities	1,530,052	8,943,238	112,826,987	123,300,277
Private enterprises debt securities	1,358,000	3,850,000	29,650,415	34,858,415
Foreign debt securities	210,000	3,858,137	19,092,557	23,160,694
Deposits at financial institutions with an original maturity of longer than 3 months	10,910,000	8,200,000	-	19,110,000
<b>Total held-to-maturity investments</b>	<b>14,008,052</b>	<b>24,851,375</b>	<b>161,569,959</b>	<b>200,429,386</b>

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	31 December 2014			
	Periods to maturity			
	Within 1 year	1 - 5 years	Over 5 years	Total
<b>Available-for-sale investment</b>				
Government and state enterprise securities	-	536,046	155,570	691,616
Add: Unrealised gains	-	38,481	12,086	50,567
<b>Total available-for-sale investments</b>	<b>-</b>	<b>574,527</b>	<b>167,656</b>	<b>742,183</b>
<b>Held-to-maturity investments</b>				
Government and state enterprise securities	2,361,386	9,677,751	104,532,828	116,571,965
Private enterprises debt securities	178,662	4,097,000	28,284,401	32,560,063
Foreign debt securities	979,540	2,624,542	18,164,913	21,768,995
Deposits at financial institutions with an original maturity of longer than 3 months	3,860,000	1,400,000	-	5,260,000
<b>Total held-to-maturity investments</b>	<b>7,379,588</b>	<b>17,799,293</b>	<b>150,982,142</b>	<b>176,161,023</b>

As at 30 June 2015, the Group has investments in foreign securities amounting to USD 628 million or equivalent to Baht 21,034 million and YEN 760 million or equivalent to Baht 213 million (31 December 2014: USD 640 million or equivalent to Baht 20,200 million and YEN 652 million or equivalent to Baht 184 million). The Group has entered into cross currency swap contracts and forward contracts in order to protect against fluctuations in currency risks in respect of these investments.

### 8.3 Investments in structured notes

Investments in structured notes, which are classified as held-to-maturity investments, consisted of the followings.

- (a) As at 30 June 2015 and 31 December 2014, the Company has investments of Baht 600 million and Baht 600 million, respectively, in promissory notes and bills of exchange, which were issued by local banks and branches of foreign commercial banks, have remaining lives of 4 - 13 years and 5 - 14 years, respectively, and contain conditions whereby the issuer has call option or has rights to call for additional deposits.
- (b) As at 30 June 2015 and 31 December 2014, the Company has investments of Baht 2,170 million and Baht 2,050 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, have remaining lives of 1 years and 2 years, respectively, and contain conditions whereby the issuer has a call option and additional amounts can be deposited on a monthly basis and settlement of principal and interest is to be received on the maturity date per the agreement.
- (c) As at 30 June 2015 and 31 December 2014, the Company has investments of Baht 3,600 million and Baht 3,600 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, have remaining lives of 4 - 7 years and 5 - 8 years, respectively, and bear interest that is reference to the yield rate on government bond (CMT Index).
- (d) As at 30 June 2015 and 31 December 2014, the Company has investments of Baht 2,842 million and Baht 2,805 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, have remaining lives of 5 - 13 years and 6 - 14 years, respectively, and contain conditions whereby settlement of principal is based on the credit event of the reference assets.
- (e) As at 30 June 2015 and 31 December 2014, the Company has investments of Baht 778 million and Baht 758 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, have remaining maturity periods of 18 years and 19 years, respectively. The bank has placed government bonds equivalent to 70% - 80% of the face values of the issued promissory notes and bills of exchange as collateral and such issues contain conditions whereby the redemption of the notes and bills is based on the credit event of the reference assets.



#### 8.4 Investments subject to restriction

As at 30 June 2015 and 31 December 2014, the Company has placed government and state enterprise bonds with cost or amortised cost of Baht 42,504 million and Baht 41,461 million, respectively with the Registrar as securities and reserves as described in Notes 28 and 29 to the financial statements.

#### 8.5 Gains on investments

Gains on investments for the three-month and six-month periods ended 30 June 2015 and 2014 consisted of:

	(Unit: Thousand Baht)			
	Consolidated and separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2015	2014	2015	2014
Gains on sales of trading investments	-	4,984	-	4,984
Gains on sales of available-for-sale investments	79,900	307,577	1,008,593	353,680
Gains on sales of held-to-maturity investments	-	9,096	86,844	9,096
Total gains on investments	<u>79,900</u>	<u>321,657</u>	<u>1,095,437</u>	<u>367,760</u>

#### 9. Investment in a subsidiary

As at 30 June 2015 and 31 December 2014, detail of investment in a subsidiary, as presented in the separate financial statements, is as follows:

Company's name	(Unit: Thousand Baht)					
	Issued and paid-up capital		Shareholding percentage		Cost	
	30 June	31 December	30 June	31 December	30 June	31 December
	2015	2014	2015	2014	2015	2014
			%	%		
BLA Insurance Broker Company Limited	4,000	4,000	99	99	3,960	3,960

## 10. Loans and accrued interest receivables

As at 30 June 2015 and 31 December 2014, the balances of loans and accrued interest receivables, classified by overdue periods, are as follows:

(Unit: Thousand Baht)

Consolidated and separate financial statements									
30 June 2015									
Overdue periods	Policy loans		Mortgage loans		Other loans		Total		Total
	Principal	Accrued Interest <sup>(1)</sup>	Principal	Accrued Interest <sup>(1)</sup>	Principal	Accrued Interest <sup>(1)</sup>	Principal	Accrued Interest <sup>(1)</sup>	
Not yet due	4,900,820	352,131	504,221	1,334	15,986	-	5,421,027	353,465	5,774,492
Overdue:									
Less than 6 months	-	-	8,011	83	-	-	8,011	83	8,094
Over 12 months	-	-	1,129	80	53	2	1,182	82	1,264
<b>Total</b>	<b>4,900,820</b>	<b>352,131</b>	<b>513,361</b>	<b>1,497</b>	<b>16,039</b>	<b>2</b>	<b>5,430,220</b>	<b>353,630</b>	<b>5,783,850</b>
Less: Allowance for doubtful accounts	-	-	(560)	(80)	-	-	(560)	(80)	(640)
Loans and accrued interest receivables - net	4,900,820	352,131	512,801	1,417	16,039	2	5,429,660	353,550	5,783,210

<sup>(1)</sup> This amount included as a part of "Accrued investment income - net" in statements of financial position.

(Unit: Thousand Baht)

Consolidated and separate financial statements									
31 December 2014									
Overdue periods	Policy loans		Mortgage loans		Other loans		Total		Total
	Principal	Accrued Interest <sup>(1)</sup>	Principal	Accrued Interest <sup>(1)</sup>	Principal	Accrued Interest <sup>(1)</sup>	Principal	Accrued Interest <sup>(1)</sup>	
Not yet due	4,250,986	299,022	444,824	820	15,605	-	4,711,415	299,842	5,011,257
Overdue:									
Less than 6 months	-	-	22,295	97	-	-	22,295	97	22,392
6 - 12 months	-	-	211	-	-	-	211	-	211
Over 12 months	-	-	1,149	79	53	2	1,202	81	1,283
<b>Total</b>	<b>4,250,986</b>	<b>299,022</b>	<b>468,479</b>	<b>996</b>	<b>15,658</b>	<b>2</b>	<b>4,735,123</b>	<b>300,020</b>	<b>5,035,143</b>
Less: Allowance for doubtful accounts	-	-	(66)	(80)	-	-	(66)	(80)	(146)
Loans and accrued interest receivables - net	4,250,986	299,022	468,413	916	15,658	2	4,735,057	299,940	5,034,997

<sup>(1)</sup> This amount included as a part of "Accrued investment income - net" in statements of financial position.

Policy loans represent loans granted to the policyholders in an amount not exceeding the cash value of the policy. The loans carry interest at not more than 4.50% - 8.00% per annum, as approved by the Office of Insurance Commission.

Loans to employees under the employee welfare scheme are set for credit limit of Baht 0.1 million for personal guarantee loans. The interest rates charged are at the rates of 6.00% per annum. As at 30 June 2015 and 31 December 2014, loans to employees amounted to Baht 16 million and Baht 16 million, respectively.

Loans to employees under the mortgage loans are not to exceed 50 times the employee's monthly salary to each employee for secured loans. The loans carry interest of 5.00% - 6.25% per annum. As at 30 June 2015 and 31 December 2014, loans to employees under the mortgage loans amounted to Baht 54 million and Baht 55 million, respectively.

(Unaudited but reviewed)

**11. Premises and equipment**

(Unit: Thousand Baht)

Consolidated financial statements							
	Buildings and buildings improvements	Condominium	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	Total	
	Land						
Net book value as at							
1 January 2015	169,411	83,460	16,179	64,633	13,014	42,546	389,243
Additions – at cost	54,814	12,571	-	19,131	1,349	21,374	109,239
Disposals – net book value	(2,600)	-	-	(9)	(423)	-	(3,032)
Transfer in (out)	-	24,690	-	350	-	(25,040)	-
Depreciation charges for the period	-	(10,477)	(916)	(17,711)	(1,777)	-	(30,881)
Net book value as at							
30 June 2015	<u>221,625</u>	<u>110,244</u>	<u>15,263</u>	<u>66,394</u>	<u>12,163</u>	<u>38,880</u>	<u>464,569</u>

(Unit: Thousand Baht)

Separate financial statements							
	Buildings and buildings improvements	Condominium	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	Total	
	Land						
Net book value as at							
1 January 2015	169,411	83,460	16,179	64,590	13,014	42,546	389,200
Additions – at cost	54,814	12,571	-	19,131	1,349	21,374	109,239
Disposals – net book value	(2,600)	-	-	(9)	(423)	-	(3,032)
Transfer in (out)	-	24,690	-	350	-	(25,040)	-
Depreciation charges for the period	-	(10,477)	(916)	(17,697)	(1,777)	-	(30,867)
Net book value as at							
30 June 2015	<u>221,625</u>	<u>110,244</u>	<u>15,263</u>	<u>66,365</u>	<u>12,163</u>	<u>38,880</u>	<u>464,540</u>

## 12. Deferred tax assets/liabilities and income tax expense

### 12.1 Deferred tax assets/liabilities

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

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
			Change in deferred tax assets/liabilities reported in the statements of comprehensive income for the six-month periods ended 30 June	
	30 June 2015	31 December 2014	2015	2014
<b>Deferred tax assets</b>				
Life policy reserves	2,985,039	2,814,190	170,849	1,506,918
Loss reserves and outstanding claims	19,200	19,309	(109)	1,512
Provisions for long-term employee benefits	36,198	33,548	2,650	1,207
Others	354	255	99	(230)
<b>Total deferred tax assets</b>	<u>3,040,791</u>	<u>2,867,302</u>	<u>173,489</u>	<u>1,509,407</u>
<b>Deferred tax liabilities</b>				
Trading investments	475	235	240	(234)
Available-for-sale investments	1,346,632	1,384,645	(38,013)	344,680
<b>Total deferred tax liabilities</b>	<u>1,347,107</u>	<u>1,384,880</u>	<u>(37,773)</u>	<u>344,446</u>
<b>Deferred tax assets/liabilities – net</b>	<u><u>1,693,684</u></u>	<u><u>1,482,422</u></u>	<u><u>211,262</u></u>	<u><u>1,164,961</u></u>

### 12.2 Income tax expenses

Income tax expenses for the three-month and six-month periods ended 30 June 2015 and 2014 are made up as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2015	2014	2015	2014
<b>Current income tax:</b>				
Interim corporate income tax charge	103,675	407,547	703,648	1,713,156
Adjustment in respect of income tax of previous year	4,475	1,541	4,475	1,541
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	292,036	(414,604)	(173,249)	(1,509,641)
Income tax expense reported in profits or losses	<u>400,186</u>	<u>(5,516)</u>	<u>534,874</u>	<u>205,056</u>

(Unaudited but reviewed)

Reconciliation between income tax expenses and the product of accounting profits and the applicable tax rates for the three-month and six-month periods ended 30 June 2015 and 2014 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month	For the six-month
	period ended 30 June	period ended 30 June
	2015	2014
Accounting profit before income tax expenses	2,244,655	3,144,612
Applicable corporate income tax rates	20%	20%
Income tax expenses at the applicable tax rates	448,931	628,922
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	(48,745)	(94,048)
Income tax expenses recognised in profits or losses	400,186	534,874

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the six-month	
	periods ended 30 June		periods ended 30 June	
	2015	2014	2015	2014
Accounting profit before income tax expenses	2,245,688	163,271	3,146,915	1,469,883
Applicable corporate income tax rates	20%	20%	20%	20%
Income tax expenses at the applicable tax rates	449,138	32,655	629,383	293,977
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	(48,952)	(38,171)	(94,509)	(88,921)
Income tax expenses (revenues) recognised in profits or losses	400,186	(5,516)	534,874	205,056

(Unaudited but reviewed)

**13. Other assets**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Prepaid rental expenses	63,926	69,824	63,926	69,824
Deposits	125,424	62,705	125,358	62,705
Forward and swap exchange contracts receivables	-	24,963	-	24,963
Receivable from sales of investments	21,128	10,344	21,128	10,344
Prepaid expenses	18,853	9,768	18,853	9,768
Others	20,260	9,263	25,627	12,898
<b>Total other assets</b>	<b>249,591</b>	<b>186,867</b>	<b>254,892</b>	<b>190,502</b>

**14. Due to reinsurers**

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	30 June 2015	31 December 2014
Outward premium payable	628,184	379,722
<b>Total due to reinsurers</b>	<b>628,184</b>	<b>379,722</b>

**15. Life policy reserves**

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the six-month period ended	For the year ended
	30 June 2015	31 December 2014
Balances - beginning of the period/year	177,434,671	136,616,421
Life policy reserves for premium received during the period and reserves for enforced policy benefits and other claims	22,339,058	51,630,019
Benefit paid for death, maturity, surrender, benefits and other claims	(7,328,580)	(10,811,769)
<b>Balances - end of the period/year</b>	<b>192,445,149</b>	<b>177,434,671</b>

(Unaudited but reviewed)

## 16. Unpaid policy benefits

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	30 June 2015	31 December 2014
Death benefit	106,833	100,173
Maturity payment	16,791	13,665
Surrender	3,161	3,229
Total unpaid policy benefits	<u>126,785</u>	<u>117,067</u>

## 17. Loss reserves and outstanding claims

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the six-month	For the year ended
	period ended 30 June 2015	31 December 2014
Balances - beginning of the period/year	315,052	299,680
Claims and losses adjustment expenses for the period/year	863,980	1,770,506
Claims and losses adjustment expenses paid during the period/year	<u>(827,484)</u>	<u>(1,755,134)</u>
Balances - end of the period/year	<u>351,548</u>	<u>315,052</u>

## 18. Premium reserves

### 18.1 Unearned premium reserves

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the six-month	For the year ended
	period ended 30 June 2015	31 December 2014
Beginning - beginning of the periods of the period/year	1,056,888	1,021,135
Premium written for the period/year	1,624,333	2,897,001
Premium earned for the current period/year	<u>(1,462,228)</u>	<u>(2,861,248)</u>
Balances - end of the period/year	<u>1,218,993</u>	<u>1,056,888</u>

**18.2 Unexpired risk reserves**

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the six-month	
	period ended 30 June 2015	For the year ended 31 December 2014
Balances - beginning of the period/year	711,715	669,325
Increase during the period/year	176,526	42,390
Balances - end of the period/year	888,241	711,715

As at 30 June 2015 and 31 December 2014, no additional reserve for unexpired risk had been established by the Company as the unexpired risk reserve was lower than the unearned premium reserve.

**19. Employee benefit payables**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Short-term employee benefits				
payables	110,454	160,794	109,861	159,984
Provisions for long-term				
employee benefits	182,001	168,620	180,990	167,734
Total employee benefit				
payables	292,455	329,414	290,851	327,718



(Unaudited but reviewed)

**20. Other liabilities**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Forward and swap exchange contracts payables	1,526,749	1,024,799	1,526,749	1,024,799
Accrued commission expenses	414,528	460,839	414,190	460,551
Accrued expenses	288,957	316,853	288,294	316,020
Premium received for policies not yet approved	272,489	101,961	272,489	101,961
Amounts received awaiting transfer	159,897	80,763	159,897	80,763
Specific Business Tax payable	126,313	117,728	126,313	117,728
Payable to policyholders on exempted premiums	97,814	93,757	97,814	93,757
Payable from purchases of investments	47,421	6,183	47,421	6,183
Withholding tax payable	33,725	23,263	33,725	23,263
Others	16,870	12,556	14,739	10,924
<b>Total other liabilities</b>	<b>2,984,763</b>	<b>2,238,702</b>	<b>2,981,631</b>	<b>2,235,949</b>

**21. Issued and paid-up share capital/share premium**

Reconciliation for the six-month period ended 30 June 2015 is as follows:

	Consolidated and separate financial statements			
	Issued and paid-up share capital		Share premium	Capital reserve on share-based payments
	Number of shares (Thousand shares)	Thousand Baht	Thousand Baht	Thousand Baht
Balances - beginning of the period	1,697,850	1,697,850	2,987,540	103,822
Expenses in respect of share-based payments - Warrant No. 2 (Note 22)	4,211	4,211	101,055	14,914
Transfer capital reserve for share-based payment transactions to premium on share capital as a result of warrant No. 2 exercise	-	-	69,533	(69,533)
<b>Balances - end of the period</b>	<b>1,702,061</b>	<b>1,702,061</b>	<b>3,158,128</b>	<b>49,203</b>

## 22. Share-based payments - warrants

On 23 November 2007, the Extraordinary General Meeting No. 2 of the Company's shareholders passed a resolution approving the issuance of 20 million units of registered and non-transferrable warrants (Warrant No. 1) to be allotted to employees. The Company already allocated 12.85 million units of Warrant No. 1 to employees, leaving 7.15 million units unallocated. On 26 April 2011, the Annual General Meeting of shareholders of the Company passed a resolution approving the cancellation of the unallocated 7.15 million units of Warrant No. 1 and the issuance of 7.15 million units of registered and non-transferrable warrants (Warrant No. 2) in place of the cancelled Warrant No. 1, which were already allocated to employee and the grant date is stipulated to be 1 April 2012.

The allocations of warrants to employees can be summarised as follows:

Approved by	(Unit: Thousand units)		
	Number of units of warrants		
	Warrant No. 1	Warrant No. 2	Total
The Executive Board of Directors of the Company, on 29 May 2008	11,500	-	11,500
The Executive Board of Directors of the Company, on 11 August 2009	1,350	-	1,350
The Executive Board of Directors of the Company, on 22 February 2012	-	7,150	7,150
Total	12,850	7,150	20,000

These warrants expire the earlier of 5 years from the issue date and the termination date of employment. The exercise ratio is 1 unit of warrant to 1 new ordinary share and the exercise price is equal to Baht 13.50 per share for Warrant No. 1 and Baht 35.00 per share for Warrant No. 2. The first exercise date is 3 years from the grant date.

The Company's Board of Director's meeting No.5/2014, held on 8 August 2014, passed a resolution to revise the exercise ratios of the warrants allotted to employees, as a result of the grant of a stock dividend. The exercise ratios were revised from 1 unit of warrant to 1 new ordinary share to 1 unit of warrant to 1.40 new ordinary shares and the exercise prices were adjusted from Baht 13.50 per share and Baht 35.00 per share to Baht 9.6429 per share and Baht 25.00 per share, for Warrant No. 1 and Warrant No. 2, respectively.

(Unaudited but reviewed)

The issue of Warrant No. 2 was approved by the Annual General Meeting of shareholders held after 1 January 2011, during which Thai Financial Reporting Standard No. 2 “Share-Based Payment” (TFRS 2) became effective. The Company therefore calculated the average fair value of the warrants at the grant date, which is Baht 20.45 per unit, in order to record expenses in respect of share-based payments in accordance with such accounting standard.

The following information is used to determine fair value of the warrants.

Expected dividend yield	- 1.5%
Expected stock price volatility	- 39.9% (estimated with reference to historical price information of the Company)
Risk-free interest rate	- 3.51% - 3.64%
Expected life of warrants	- Not more than 5 years from the date of issuance or upon termination of an employee
Model used	- Black Schole - continuous model

Employee expenses in respect of share-based payments (Warrant No. 2) recognised for the three-month and six-month periods ended 30 June 2015 amounting to Baht 5.5 million and Baht 14.9 million, respectively (30 June 2014: Baht 9.4 million and Baht 18.9 million, respectively).

Movements of warrants during the six-month period ended 30 June 2015 are summarised below.

	(Unit: Thousand units)
	For the six-month period ended
	30 June 2015
	<hr/>
	Warrant No. 2
	<hr/>
Number of unexercised warrants as at 1 January 2015	7,150
Exercised right terminated by employee’s resignation and death	(170)
Exercised during the period	(3,427)
	<hr/>
Number of unexercised warrants as at 30 June 2015	3,553
	<hr/>

During the year ended 31 December 2014, the Warrant No. 1 holders exercised 0.9 million warrants at an exercise price of Baht 13.50 each, totally Baht 12.7 million.

(Unaudited but reviewed)

During the three-month and six-month periods ended 30 June 2015, the Warrant No. 2 holders exercised rights 3.6 million units and 3.6 million units, respectively, of warrants at an exercise price of Baht 25.00 each, or for a total of Baht 125.9 million and Baht 125.9 million, respectively. The Company recorded such amount received from the exercise of warrants under the caption of “Subscriptions received in advance from exercise of warrants”, in the owners’ equity. The details are summarised as below.

(Unit: Thousand Baht)

For the six-month period ended 30 June 2015								
Exercise	Units of warrants (Thousand units)	Exercise price per share (Baht)	Proceeds from exercise	Issued and paid up share capital	Share Premium	Subscriptions	Share	Listing date
						received in advance from exercises of warrants	capital registration date	
Warrant No. 2								
The first exercise	3,008	25.00	105,266	4,211	101,055	-	10 April 2015	20 April 2015
The second exercise	589	25.00	20,615	-	-	21,259	13 July 2015	16 July 2015
Total	3,597		125,881	4,211	101,055	21,259		

### 23. Operating segment

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

(Unaudited but reviewed)

Underwriting information classified by insurance categories for the three-month periods ended 30 June 2015 and 2014 is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	For the three-month period ended 30 June 2015				
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
<b>Underwriting income</b>					
Premium written	7,320,691	64,726	9,156	-	7,394,573
Less: Premium ceded	(120,813)	-	-	-	(120,813)
Net premium written	7,199,878	64,726	9,156	-	7,273,760
Add (less): Unearned premium reserves	(22,008)	-	340	-	(21,668)
<b>Total underwriting income</b>	<b>7,177,870</b>	<b>64,726</b>	<b>9,496</b>	<b>-</b>	<b>7,252,092</b>
<b>Underwriting expenses</b>					
Life policy reserves increased from prior period	2,842,764	63,313	-	-	2,906,077
Benefit payments under life policies and benefit adjustment expenses	3,091,675	284	-	-	3,091,959
Losses and losses adjustment expenses	300,592	-	2,325	-	302,917
Commissions and brokerage expenses	621,385	4,847	230	1,203	627,665
Sales promotional expenses	96,152	748	109	3	97,012
Other underwriting expenses	7,743	56	9	-	7,808
<b>Total underwriting expenses</b>	<b>6,960,311</b>	<b>69,248</b>	<b>2,673</b>	<b>1,206</b>	<b>7,033,438</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements				
For the three-month period ended 30 June 2015				
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Total
<b>Underwriting income</b>				
Premium written	7,320,691	64,726	9,156	7,394,573
Less: Premium ceded	(120,813)	-	-	(120,813)
Net premium written	7,199,878	64,726	9,156	7,273,760
Add: (less) Unearned premium reserves	(22,008)	-	340	(21,668)
<b>Total underwriting income</b>	<b>7,177,870</b>	<b>64,726</b>	<b>9,496</b>	<b>7,252,092</b>
<b>Underwriting expenses</b>				
Life policy reserves increased from prior period	2,842,764	63,313	-	2,906,077
Benefit payments under life policies and benefit adjustment expenses	3,091,675	284	-	3,091,959
Losses and losses adjustment expenses	300,592	-	2,325	302,917
Commissions and brokerage expenses	621,385	4,847	230	626,462
Sales promotional expenses	96,152	748	109	97,009
Other underwriting expenses	7,743	56	9	7,808
<b>Total underwriting expenses</b>	<b>6,960,311</b>	<b>69,248</b>	<b>2,673</b>	<b>7,032,232</b>

(Unit: Thousand Baht)

Separate financial statements				
For the three-month period ended 30 June 2014				
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Total
<b>Underwriting income</b>				
Premium written	9,844,240	45,626	9,565	9,899,431
Less: Premium ceded	(138,835)	-	-	(138,835)
Net premium written	9,705,405	45,626	9,565	9,760,596
Add: Unearned premium reserves	7,613	-	480	8,093
<b>Total underwriting income</b>	<b>9,713,018</b>	<b>45,626</b>	<b>10,045</b>	<b>9,768,689</b>
<b>Underwriting expenses</b>				
Life policy reserves increased from prior period	8,058,005	40,971	-	8,098,976
Benefit payments under life policies and benefit adjustment expenses	2,539,269	398	-	2,539,667
Losses and losses adjustment expenses	293,262	-	1,573	294,835
Commissions and brokerage expenses	590,800	3,346	235	594,381
Sales promotional expenses	61,296	237	55	61,588
Other underwriting expenses	6,863	21	5	6,889
<b>Total underwriting expenses</b>	<b>11,549,495</b>	<b>44,973</b>	<b>1,868</b>	<b>11,596,336</b>

(Unaudited but reviewed)

Underwriting information classified by insurance categories for the six-month periods ended 30 June 2015 and 2014 is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	For the six-month period ended 30 June 2015				
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
<b>Underwriting income</b>					
Premium written	23,261,189	136,543	18,448	-	23,416,180
Less: Premium ceded	(379,885)	-	-	-	(379,885)
Net premium written	22,881,304	136,543	18,448	-	23,036,295
Add (less): Unearned premium reserves	(73,925)	-	702	-	(73,223)
<b>Total underwriting income</b>	<b>22,807,379</b>	<b>136,543</b>	<b>19,150</b>	<b>-</b>	<b>22,963,072</b>
<b>Underwriting expenses</b>					
Life policy reserves increased from prior period	14,884,454	126,024	-	-	15,010,478
Benefit payments under life policies and benefit adjustment expenses	7,530,693	1,717	-	-	7,532,410
Losses and losses adjustment expenses	631,817	-	3,106	-	634,923
Commissions and brokerage expenses	1,453,551	12,498	526	2,577	1,469,152
Sales promotional expenses	220,038	1,317	185	5	221,545
Other underwriting expenses	15,046	90	13	-	15,149
<b>Total underwriting expenses</b>	<b>24,735,599</b>	<b>141,646</b>	<b>3,830</b>	<b>2,582</b>	<b>24,883,657</b>

(Unit: Thousand Baht)

	Separate financial statements			
	For the six-month period ended 30 June 2015			
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Total
<b>Underwriting income</b>				
Premium written	23,261,189	136,543	18,448	23,416,180
Less: Premium ceded	(379,885)	-	-	(379,885)
Net premium written	22,881,304	136,543	18,448	23,036,295
Add: (less) Unearned premium reserves	(73,925)	-	702	(73,223)
<b>Total underwriting income</b>	<b>22,807,379</b>	<b>136,543</b>	<b>19,150</b>	<b>22,963,072</b>
<b>Underwriting expenses</b>				
Life policy reserves increased from prior period	14,884,454	126,024	-	15,010,478
Benefit payments under life policies and benefit adjustment expenses	7,530,693	1,717	-	7,532,410
Losses and losses adjustment expenses	631,817	-	3,106	634,923
Commissions and brokerage expenses	1,453,551	12,498	526	1,466,575
Sales promotional expenses	220,038	1,317	185	221,540
Other underwriting expenses	15,046	90	13	15,149
<b>Total underwriting expenses</b>	<b>24,735,599</b>	<b>141,646</b>	<b>3,830</b>	<b>24,881,075</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the six-month period ended 30 June 2014			
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Total
<b>Underwriting income</b>				
Premium written	36,800,652	76,522	19,590	36,896,764
Less: Premium ceded	(407,187)	-	-	(407,187)
Net premium written	36,393,465	76,522	19,590	36,489,577
Add (less): Unearned premium reserves	(9,688)	-	605	(9,083)
<b>Total underwriting income</b>	<b>36,383,777</b>	<b>76,522</b>	<b>20,195</b>	<b>36,480,494</b>
<b>Underwriting expenses</b>				
Life policy reserves increased from prior period	30,442,829	70,902	-	30,513,731
Benefit payments under life policies and benefit adjustment expenses	5,566,650	1,653	-	5,568,303
Losses and losses adjustment expenses	641,970	-	2,168	644,138
Commissions and brokerage expenses	1,612,547	6,541	617	1,619,705
Sales promotional expenses	175,750	369	98	176,217
Other underwriting expenses	13,755	29	8	13,792
<b>Total underwriting expenses</b>	<b>38,453,501</b>	<b>79,494</b>	<b>2,891</b>	<b>38,535,886</b>

**24. Operating expenses**

(Unit: Thousand Baht)

	Consolidated financial statements	
	For the three-month period ended 30 June	For the six-month period ended 30 June
	2015	2015
Personnel expenses which is not expenses for underwriting and claims	237,246	455,828
Premises and equipment expenses which is not expenses for underwriting	39,624	78,360
Taxes and duties	66,715	130,424
Other operating expenses	207,712	342,119
<b>Total operating expenses</b>	<b>551,297</b>	<b>1,006,731</b>



(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2015	2014	2015	2014
Personnel expenses which is not expenses for underwriting and claims	237,179	215,068	454,581	424,514
Premises and equipment expenses which is not expenses for underwriting	39,622	39,261	78,253	76,426
Taxes and duties	66,715	56,277	130,424	105,674
Other operating expenses	206,264	164,366	340,627	292,666
Total operating expenses	<u>549,780</u>	<u>474,972</u>	<u>1,003,885</u>	<u>899,280</u>

## 25. Gains (losses) on revaluation

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2015	2014	2015	2014
Unrealised losses from trading investments	(350)	(685)	(520)	-
Unrealised gains (losses) on foreign exchange contracts	(43,577)	9,358	(19,593)	28,496
Gains (losses) on exchange rate	77,154	(658)	48,194	(58,733)
Total gains (losses) on revaluation	<u>33,227</u>	<u>8,015</u>	<u>28,081</u>	<u>(30,237)</u>

## 26. Fair value of financial instruments

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

**Fair value hierarchy**

In applying the above-mentioned valuation techniques, the Company and its subsidiary endeavor to use relevant observable inputs as much as possible. TFRS 13 “Fair Value Measurement” establishes a fair value hierarchy categorising such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets

Level 2 - Use of other observable inputs for such assets whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

As at 30 June 2015, the Company and its subsidiary had the following assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)			
	Consolidated and separate financial statements			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Trading investments				
Equity instruments	90,177	-	-	90,177
Available-for-sale investments				
Equity instruments	12,821,203	10,539,298	-	23,360,501
Debt instruments	-	515,699	-	515,699

**Valuation techniques and inputs to Level 2 valuations**

- a) The fair value of investments in debt instruments has been determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.

During the current period, there were no transfers within the fair value hierarchy

## 27. 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
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. <sup>(1)</sup>	Health care services	Related by way of common directors
The Phyathai 2 Hospital Co., Ltd. <sup>(1)</sup>	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
Tris Corporation Ltd.	Services	Related by way of common directors and shareholders
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
Ek-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
Asia Insurance Company Limited	Insurance	Related by way of common directors
BLA Insurance Broker Co., Ltd	Insurance broker	Related by way of common directors are the management of the Company
Bangpain Golf Co., Ltd	Services	Related by way of common directors
Bangkok Mitsubishi UFJ Lease Co., Ltd.	Services	Related by way of common directors
Samitivij Pcl.	Health care service	Related by way of common directors
TM Design Co., Ltd.	Services	Holding by an individual related to the major shareholder of the Company

<sup>(1)</sup> It had been considered a related party until 7 May 2014 because the Company and its subsidiary have no common directors with the Phyathai 1 Hospital Co., Ltd. and Phyathai 2 Hospital Co., Ltd. since then.

(Unaudited but reviewed)

During the three-month and six-month periods ended 30 June 2015 and 2014, the Company and its subsidiary 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: Thousand Baht)

	Consolidated financial statements		Pricing policy
	For the three-month period ended 30 June	For the six-month period ended 30 June	
	2015	2015	
<b>Transactions with related companies</b>			
Premium written	2,708	4,662	Normal commercial terms for underwriting
Interest income - deposits at banks, promissory notes and debentures	166,764	333,242	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	2,159	4,374	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	65,037	144,799	The declared amount
Rental and service income	1,387	2,933	Rate on agreements those charged by rental and service fees per square meter per month
Brokerage income from securities trading	7,916	15,136	Normal commercial terms for securities brokerage
Gain (loss) on forward and swap foreign exchange contracts	47,298	(101,874)	Normal commercial terms on contracts
Commission and brokerage	257,621	672,179	At a mutually agreed percentage of premium written
Claim payment and diagnose charge	225	24,856	Normal commercial terms for underwriting
Bank charges	20,960	48,018	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	1,117	1,213	Normal commercial terms for underwriting
Building space rental and services	17,930	36,036	Head office building: Rental fee of approximately Baht 90 per square meter per month and service fee of Baht 29 per square meter per month for long-term agreement and approximately Baht 44, 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.
Other services	134	256	Normal commercial terms for services

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements				Pricing policy
	For the three-month periods ended 30 June		For the six-month periods ended 30 June		
	2015	2014	2015	2014	
<b>Transactions with related companies</b>					
Premium written	2,708	350	4,662	2,597	Normal commercial terms for underwriting
Claim recoverable from reinsurer	-	17	-	17	At a mutually agreed percentage of reinsurance premium
Interest income - deposits at banks, promissory notes and debentures	166,760	157,770	333,238	277,383	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	2,159	2,483	4,374	5,017	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	65,037	20,356	144,799	72,172	The declared amount
Rental and service income	-	97	-	194	Rate on agreements those charged by rental and service fees per square meter per month
Brokerage income from securities trading	72,953	4,480	15,136	8,307	Normal commercial terms for securities brokerage
Gain (loss) on forward and swap foreign exchange contracts	47,298	2,822	101,874	2,804	Normal commercial terms on contracts
Premium ceded	-	83	-	83	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contract
Commission and brokerage	257,621	228,907	672,179	848,383	At a mutually agreed percentage of premium written
Claim payment and diagnose charge	225	35,398	24,856	45,437	Normal commercial terms for underwriting
Bank charges	20,947	20,502	47,986	47,671	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	1,117	153	1,213	309	Normal commercial terms for underwriting
Building space rental and services	17,930	16,608	36,036	32,627	Head office building: Rental fee of approximately Baht 90 per square meter per month and service fee of Baht 29 per square meter per month for long-term agreement and approximately Baht 44, 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.
Other services	134	133	256	291	Normal commercial terms for services

For the three-month and six-month periods ended 30 June 2015, the premium generated from the Bancassurance distribution channel represented approximately 70.25% and 79.73% of total net premium written, respectively. (30 June 2014: approximately 79.73% and 71.06% of total net premium written, respectively)

(Unaudited but reviewed)

As at 30 June 2015 and 31 December 2014, the balance of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Deposit at financial institution				
(included in cash and cash equivalents)	6,111,827	4,187,212	6,104,620	4,183,121
Premium receivables	18	-	18	-
Reinsurance assets	-	107	-	107
Investments in securities				
Trading investments - cost				
Domestic investment units	17,030	-	17,030	-
Total trading investment - cost	17,030	-	17,030	-
Add: Unrealised gains	1,227	-	1,227	-
Total trading investments - fair value	18,257	-	18,257	-
Available-for-sale investments - cost				
Domestic equity securities	1,698,052	1,592,841	1,698,052	1,592,841
Domestic investment unit	2,477,185	1,944,408	2,477,185	1,944,408
Total available-for-sale investment - cost	4,175,237	3,537,249	4,175,237	3,537,249
Add: Unrealised gains	2,222,906	1,777,529	2,222,906	1,777,529
Total available-for-sale investments - fair value	6,398,143	5,314,778	6,398,143	5,314,778
Held-to-maturity investments - cost/amortised cost				
Private enterprise debt securities	4,105,000	4,105,000	4,105,000	4,105,000
Foreign debt securities	5,902,201	5,841,640	5,902,201	5,841,640
Total held-to-maturity investment - cost/amortised cost	10,007,201	9,946,640	10,007,201	9,946,640
General investments - foreign equity securities	11,167	11,167	11,167	11,167
Total investments in securities	16,434,768	15,272,585	16,434,768	15,272,585
Loans	129,753	140,077	129,753	140,077
Forward and swap foreign exchange contract receivable	3,832,256	4,120,176	3,832,256	4,120,176
Other assets				
Prepaid rental expense	324	465	324	465
Prepaid expense	65,789	70,924	64,488	70,505
Total other assets	66,113	71,389	64,812	70,970

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2015	31 December 2014	30 June 2015	31 December 2014
Outstanding claims	5,544	9,280	5,544	9,280
Forward and swap foreign exchange contract payable	4,052,763	4,253,699	4,052,763	4,253,699
Other liabilities				
Accrued commission	173,925	135,181	173,925	135,181
Accrued rental and service expense	6,774	2,640	1,012	224
Total other liabilities	180,699	137,821	174,937	135,405

### Directors and management's benefits

During the three-month and six-month periods ended 30 June 2015 and 2014, the Company and its subsidiary had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements	
	For the three-month period ended 30 June	For the three-month period ended 30 June
	2015	2015
Short-term employee benefits	9.0	17.8
Long-term employee benefits	0.6	1.1
Share-based payment transactions (Note 22)	2.5	4.9
Total directors and management's benefits	12.1	23.8

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods ended 30 June		For the three-month periods ended 30 June	
	2015	2014	2015	2014
Short-term employee benefits	9.0	8.2	17.8	16.4
Long-term employee benefits	0.5	(0.9)	0.9	(1.9)
Share-based payment transactions (Note 22)	2.5	3.1	4.9	6.2
Total directors and management's benefits	12.0	10.4	23.6	20.7

(Unaudited but reviewed)

The details of the warrants which allocated to the Company's employees are presented in Note 22 to the financial statements.

## 28. Assets placed with the Registrar

As at 30 June 2015 and 31 December 2014, the following assets have been placed as securities with the Registrar in accordance with the Life Insurance Act.

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	30 June 2015		31 December 2014	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
State enterprise bonds	20,000	20,439	20,000	20,626

## 29. Assets reserved with the Registrar

As at 30 June 2015 and 31 December 2014, the following assets have been placed as reserves with the Registrar in accordance with the Life Insurance Act.

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	30 June 2015		31 December 2014	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Government bonds	36,284,833	39,000,913	35,241,617	38,323,342
State enterprise bonds	6,199,274	6,984,458	6,199,138	7,035,686
Total	42,484,107	45,985,371	41,440,755	45,359,028

## 30. Earnings per share

Basic earnings per share is calculated by dividing profit for the periods attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period. The number of ordinary shares for the prior period is adjusted in proportion to the change in the distribution of the stock dividend in accordance with the resolutions of the Extraordinary Meeting of the Company's shareholders held on 25 September 2014. The number of ordinary shares of the prior period used for the calculation, as presented for comparative purposes, has been adjusted in proportion to the change in the number of shares, as if the shares comprising such stock dividends had been issued at the beginning of the earliest period reported.



(Unaudited but reviewed)

Diluted earnings per share is calculated by dividing profit for the periods attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the periods 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.

Basic and diluted earnings per share for the three-month periods ended 30 June 2015 and 2014 are as follows:

	Consolidated financial statements		
	Profits for the period (Thousand Baht)	Weighted average number of shares (Thousand shares)	Earnings per share (Baht)
	2015	2015	2015
<b>Basic earnings per share</b>			
Profits for the period	1,844,468	1,702,061	1.08
<b>Effect of dilutive potential ordinary shares</b>			
Warrant No. 2	-	4,193	
<b>Diluted earnings per share</b>			
Profits of ordinary shareholders assuming the conversion of warrants to ordinary shares	1,844,468	1,706,254	1.08

(Unaudited but reviewed)

	Separate financial statements					
	Profits for the periods (Thousand Baht)		Weighted average number of shares		Earnings per share	
			(Thousand shares)		(Baht)	
	2015	2014	2015	2014	2015	2014
			(Restated)		(Restated)	
<b>Basic earnings per share</b>						
Profits for the periods	1,845,501	168,786	1,702,061	1,212,319		
Effect of stock dividend	-	-	-	482,325		
<b>Effect of dilutive potential</b>						
<b>ordinary shares</b>	1,845,501	168,786	1,702,061	1,694,644	1.08	0.10
Warrant No. 1	-	-	-	360		
Warrant No. 2	-	-	4,193	2,961		
<b>Diluted earnings per share</b>						
Profits of ordinary shareholders assuming the conversion of warrants to ordinary shares	1,845,501	168,786	1,706,254	1,697,965	1.08	0.10

Basic and diluted earnings per share for the six-month periods ended 30 June 2015 and 2014 are as follows:

	Consolidated financial statements			
	Profits for the period (Thousand Baht)	Weighted average number of shares		Earnings per share (Baht)
		(Thousand shares)		
	2015	2015		2015
<b>Basic earnings per share</b>				
Profits for the period	2,609,737		1,699,967	1.53
<b>Effect of dilutive potential</b>				
<b>ordinary shares</b>				
Warrant No. 2	-		4,162	
<b>Diluted earnings per share</b>				
Profits of ordinary shareholders assuming the conversion of warrants to ordinary shares	2,609,737		1,704,129	1.53

(Unaudited but reviewed)

Separate financial statements					
Profits for the periods (Thousand Baht)		Weighted average number of shares (Thousand shares)		Earnings per share (Baht)	
		2015	2014	2015	2014
		(Restated)		(Restated)	
<b>Basic earnings per share</b>					
Profits for the periods	2,612,041	1,264,827	1,699,967	1,212,067	
Effect of stock dividend	-	-	-	482,325	
<b>Effect of dilutive potential</b>					
<b>ordinary shares</b>	2,612,041	1,264,827	1,699,967	1,694,392	1.54
Warrant No. 1	-	-	-	561	
Warrant No. 2	-	-	4,162	1,435	
<b>Diluted earnings per share</b>					
Profits of ordinary shareholders assuming the conversion of warrants to ordinary shares	2,612,041	1,264,827	1,704,129	1,696,388	0.75

### 31. Dividends paid

Dividends declared during the six-month periods ended 30 June 2015 and 2014 consisted of the following:

	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
Final dividend for 2014	Annual General Meeting of the Shareholders on 29 April 2015 and the OIC on 24 April 2015	781	0.46
<b>Total dividend for the period 2015</b>		<b>781</b>	<b>0.46</b>
Final dividend for 2013	Annual General Meeting of the Shareholders on 30 April 2014 and the OIC on 8 April 2014	618	0.51
<b>Total dividend for the period 2014</b>		<b>618</b>	<b>0.51</b>

## 32. Commitments

32.1 The Company and its subsidiary have entered into several lease agreements in respect of the lease of office building space, motor vehicles and equipment. The terms of the agreements are generally between 3 and 24 years for leases of building space and are generally between 1 and 5 years for leases of motor vehicles and equipment. Such agreements are non-cancellable.

As at 30 June 2015 and 31 December 2014, future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

(Unit: Million Baht)

	Consolidated and separate financial statements			
	30 June 2015			
	Pay within			
	1 year	1 - 5 years	Over 5 years	Total
Operating lease agreements	74.0	96.5	2.7	173.2
Service agreements	6.2	-	-	6.2
<b>Total</b>	<b>80.2</b>	<b>96.5</b>	<b>2.7</b>	<b>179.4</b>

(Unit: Million Baht)

	Consolidated and separate financial statements			
	31 December 2014			
	Pay within			
	1 year	1 - 5 years	Over 5 years	Total
Operating lease agreements	74.0	110.0	5.3	189.3
Service agreements	0.4	-	-	0.4
<b>Total</b>	<b>74.4</b>	<b>110.0</b>	<b>5.3</b>	<b>189.7</b>

32.2 As at 30 June 2015 and 31 December 2014, the Company may need to deposit additional amounts in the future under the investment conditions as described in Note 8.3 (a) and Note 8.3 (b) to the financial statements, as summarised below.

(Unit: Thousand Baht)

Payable within	Consolidated and separate financial statements	
	30 June 2015	31 December 2014
1 year	1,130,000	1,140,000
2 - 5 years	900,000	1,010,000

**33. Litigation**

As at 30 June 2015 and 31 December 2014, the Company has been sued in litigation cases of compensation of claims totaling approximately Baht 53 million and Baht 47 million, respectively, for being the insurer and the cases have yet been finalised. The Company has yet provided for any provision for loss on such cases since there are still uncertainty with respect to the outcome of the cases.

**34. Event after the reporting period**

At the Board of Director meeting of the Company held on 11 August 2015, the Board of Director approved the appropriation of dividend of Baht 0.32 per share, amounting to Baht 545 million.

However, the payment of dividend must be approved by the Office of Insurance Commission.

**34. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Board of Directors on 11 August 2015.