

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

Review Report of Independent Auditor

To the Shareholders of Bangkok Life Assurance Public Company Limited

I have reviewed the accompanying statement of financial position of Bangkok Life Assurance Public Company Limited as at 30 September 2011, the statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2011 and 2010, and the statements of changes in equity, and cash flows for the nine-month periods ended 30 September 2011 and 2010. These financial statements are the responsibility of the Company's management as to their correctness and the completeness of the presentation. My responsibility is to issue a report on these financial statements based on my reviews.

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

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

I have previously audited the financial statements of Bangkok Life Assurance Public Company Limited for the year ended 31 December 2010, in accordance with generally accepted auditing standards and expressed an unqualified opinion on those statements under my report dated 23 February 2011, The statement of financial position as at 31 December 2010, as presented herein for comparative purposes, formed an integral part of the financial statements which I audited and reported on. I have not performed any other audit procedures subsequent to the date of that report.

I draw attention that as described in Notes 1.3 to the financial statements, during the current period, the Company adopted the revised and new accounting standards issued by the Federation of Accounting Professions, and as described in Note 1.2 to the financial statements, the Company has presented the financial statements in compliance with the Notification of the Office of Insurance Commission. The Company applied them in its preparation and presentation of the interim financial statements.

Nonglak Pumnoi
Certified Public Accountant (Thailand) No. 4172

Ernst & Young Office Limited
Bangkok: 9 November 2011

Bangkok Life Assurance Public Company Limited
Statements of financial position
As at 30 September 2011 and 31 December 2010

		(Unit: Baht)	
	<u>Note</u>	<u>30 September 2011</u>	<u>31 December 2010</u>
		(Unaudited but reviewed)	(Audited)
Assets			
Cash and cash equivalent	3, 18	2,567,903,387	3,579,532,959
Accrued investment income		1,271,113,995	987,293,818
Premium receivables, net	4	1,716,149,971	1,310,540,738
Reinsurance assets	5	323,923,762	239,172,543
Investment assets			
Investments in securities	18		
Trading investments	6	83,343,790	391,114,010
Available-for-sale investments	6	12,769,800,416	12,916,792,267
Held-to-maturity investments	6, 19, 20	83,778,936,148	66,789,113,478
Other investments	6	29,587,830	29,587,830
Loans, net	7	1,915,845,609	2,158,045,731
Property and equipment , net	8	315,090,390	339,047,772
Intangible assets, net		13,550,275	18,788,531
Other assets	9, 18	186,159,856	183,846,058
Total assets		<u>104,971,405,429</u>	<u>88,942,875,735</u>

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

Bangkok Life Assurance Public Company Limited
Statements of financial position (Continued)
As at 30 September 2011 and 31 December 2010

		(Unit: Baht)	
	<u>Note</u>	<u>30 September 2011</u>	<u>31 December 2010</u>
		(Unaudited but reviewed)	(Audited)
Liabilities and equity			
Liabilities			
Income tax payable		288,013,685	501,204,734
Due to reinsurers	<i>10, 18</i>	280,013,660	237,341,227
Insurance contract liabilities			
Life policy reserve	<i>11</i>	81,728,752,427	68,189,797,590
Unpaid policy benefits	<i>12</i>	68,873,597	77,579,880
Loss reserves and outstanding claims	<i>13, 18</i>	404,332,467	320,619,427
Premium reserve	<i>14</i>	1,093,910,675	1,013,363,551
Other insurance liabilities		6,666,812,070	6,343,444,654
Employee benefit obligations		216,222,396	108,392,538
Other liabilities	<i>15, 18</i>	1,312,376,663	1,234,428,064
Total liabilities		<u>92,059,307,640</u>	<u>78,026,171,665</u>

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

Bangkok Life Assurance Public Company Limited
Statements of financial position (Continued)
As at 30 September 2011 and 31 December 2010

	(Unit: Baht)	
	<u>30 September 2011</u>	<u>31 December 2010</u>
	(Unaudited but reviewed)	(Audited)
Equity		
Share capital		
Registered		
1,220,000,000 ordinary shares of Baht 1 each	1,220,000,000	1,220,000,000
Issued and fully paid up		
1,200,000,000 ordinary shares of Baht 1 each	1,200,000,000	1,200,000,000
Premium on share capital	2,699,821,268	2,699,821,268
Retained earnings		
Appropriated		
Legal reserve	122,000,000	122,000,000
General reserve	400,000,000	400,000,000
Unappropriated	6,456,608,222	4,154,178,577
Other components of equity	2,033,668,299	2,340,704,225
Total equity	<u>12,912,097,789</u>	<u>10,916,704,070</u>
Total liabilities and equity	<u>104,971,405,429</u>	<u>88,942,875,735</u>
	-	-

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

.....

Directors

.....

(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited**Statements of income****For the three-month periods ended 30 September 2011 and 2010**

		(Unit: Baht)	
	<u>Note</u>	<u>2011</u>	<u>2010</u>
Income			
Net earned premium	16, 18	6,761,350,821	5,569,651,130
Net investment income	18	1,224,450,488	947,905,037
Total income		<u>7,985,801,309</u>	<u>6,517,556,167</u>
Expenses			
Underwriting			
Life policy reserve increase from previous period	16	4,063,494,778	3,440,447,602
Benefit payments to life policies and benefit adjustment expenses	16	1,286,976,425	1,221,885,521
Claims and losses adjustment expenses	16, 18	510,538,640	489,231,450
Commissions and brokerages expenses	16, 18	523,565,447	528,929,532
Sales promotion expenses	16	95,495,930	50,427,725
Other underwriting expenses	16, 18	5,270,771	5,081,589
Operating expenses	17, 18	298,580,881	267,952,905
Total underwriting expenses		<u>6,783,922,872</u>	<u>6,003,956,324</u>
Profit from underwriting		1,201,878,437	513,599,843
Profit from investments	6	172,187,303	47,806,616
Fair value gains on trading investments		966,636	13,554,438
Other income		3,819,942	5,512,383
Gains (losses) on exchange		2,043,596	(8,720,891)
Profit from operations		<u>1,380,895,914</u>	<u>571,752,389</u>
Contribution to the Office of Insurance Commission		12,490,664	9,843,868
Contribution to Life Guarantee Fund		6,872,130	5,685,455
Profit before corporate income tax		<u>1,361,533,120</u>	<u>556,223,066</u>
Corporate income tax		298,661,518	102,433,843
Profit for the period		<u><u>1,062,871,602</u></u>	<u><u>453,789,223</u></u>
Earnings per share			
22			
Basic earnings per share			
Profit for the period		<u>0.886</u>	<u>0.378</u>
Diluted earnings per share			
Profit for the period		<u>0.878</u>	<u>0.376</u>

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

(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited

Statements of comprehensive income

For the three-month periods ended 30 September 2011 and 2010

	(Unit: Baht)	
	<u>2011</u>	<u>2010</u>
Profit for the period	<u>1,062,871,602</u>	<u>453,789,223</u>
Other comprehensive income:		
Gains (losses) on changes in values of available-for-sale investments	<u>(348,596,128)</u>	<u>794,496,889</u>
Other comprehensive income for the period	<u>(348,596,128)</u>	<u>794,496,889</u>
Total comprehensive income for the period	<u><u>714,275,474</u></u>	<u><u>1,248,286,112</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 (continued)****For the nine-month periods ended 30 September 2011 and 2010**

		(Unit: Baht)	
	<u>Note</u>	<u>2011</u>	<u>2010</u>
Income			
Net earned premium	16, 18	22,581,354,479	17,847,790,132
Net investment income	18	3,403,056,269	2,567,979,162
Total income		<u>25,984,410,748</u>	<u>20,415,769,294</u>
Expenses			
Underwriting			
Life policy reserve increase from previous period	16	13,538,954,837	10,876,000,735
Benefit payments to life policies and benefit adjustment expenses	16	3,959,639,608	3,574,109,903
Claims and losses adjustment expenses	16, 18	1,258,501,655	1,194,149,531
Commissions and brokerages expenses	16, 18	1,940,794,172	2,046,478,686
Sales promotion expenses	16	325,959,540	255,815,005
Other underwriting expenses	16, 18	14,921,266	16,914,421
Operating expenses	17, 18	903,504,962	812,166,836
Total underwriting expenses		<u>21,942,276,040</u>	<u>18,775,635,117</u>
Profit from underwriting		4,042,134,708	1,640,134,177
Profit from investments	6	330,897,226	272,593,620
Fair value gains (losses) on trading investments		(15,451,227)	12,886,392
Other income		10,020,919	14,867,886
Gains (losses) on exchange		4,294,238	(12,258,156)
Profit from operations		<u>4,371,895,864</u>	<u>1,928,223,919</u>
Contribution to the Office of Insurance Commission		42,956,363	33,898,286
Contribution to Life Guarantee Fund		22,967,558	18,201,885
Profit before corporate income tax		<u>4,305,971,943</u>	<u>1,876,123,748</u>
Corporate income tax		963,957,855	378,936,764
Profit for the period		<u>3,342,014,088</u>	<u>1,497,186,984</u>
Earnings per share			
22			
Basic earnings per share			
Profit for the period		<u>2.785</u>	<u>1.248</u>
Diluted earnings per share			
Profit for the period		<u>2.765</u>	<u>1.242</u>

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

(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited

Statements of comprehensive income (continued)

For the nine-month periods ended 30 September 2011 and 2010

	(Unit: Baht)	
	<u>2011</u>	<u>2010</u>
Profit for the period	<u>3,342,014,088</u>	<u>1,497,186,984</u>
Other comprehensive income:		
Gains (losses) on changes in values of available-for-sale investments	<u>(307,035,926)</u>	<u>1,060,341,421</u>
Other comprehensive income for the period	<u>(307,035,926)</u>	<u>1,060,341,421</u>
Total comprehensive income for the period	<u><u>3,034,978,162</u></u>	<u><u>2,557,528,405</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 nine-month periods ended 30 September 2011 and 2010**

	(Unit: Baht)	
	<u>2011</u>	<u>2010</u>
Cash flows from operating activities		
Direct premium written	22,085,680,966	17,361,930,561
Interest income	2,634,482,509	2,126,258,307
Dividend income	484,753,584	406,281,429
Other investment income	378,754,616	336,625,661
Other income	10,476,628	11,169,629
Benefit payments to life policies during the period	(4,788,518,881)	(4,158,088,896)
Dividends to policyholders	(31,071,600)	(25,677,000)
Commissions and brokerages	(2,106,733,276)	(2,130,708,769)
Other underwriting expenses	(383,524,338)	(278,556,673)
Operating expenses	(573,233,665)	(585,160,036)
Other expenses	(77,977,043)	(51,044,227)
Corporate income tax	(1,177,148,904)	(508,308,370)
Net cash from operating activities	<u>16,455,940,596</u>	<u>12,504,721,616</u>
Cash flows from investing activities		
Cash flows from		
Investments in securities	111,095,996,159	130,565,080,091
Loans	810,500,936	306,653,476
Deposits at financial institutions	-	405,000,000
Property and equipment	103,226	4,079,630
Net cash from investing activities	<u>111,906,600,321</u>	<u>131,280,813,197</u>
Cash flows used in		
Investments in securities	(126,690,038,547)	(141,652,324,487)
Loans	(468,410,387)	(390,158,035)
Deposits at financial institutions	(1,250,000,000)	-
Property and equipment	(34,325,258)	(48,857,622)
Net cash used in investing activities	<u>(128,442,774,192)</u>	<u>(142,091,340,144)</u>
Net cash used in investing activities	<u>-16,536,173,871</u>	<u>-10,810,526,947</u>
Cash flows used in financing activities		
Dividends paid	(931,396,297)	(418,666,204)
Net cash used in financing activities	<u>-931,396,297</u>	<u>-418,666,204</u>
Net decrease in cash and cash equivalents	(1,011,629,572)	1,275,528,465
Cash and cash equivalents at beginning of period	3,579,532,959	3,668,064,852
Cash and cash equivalents at end of period (Note 3)	<u>2,567,903,387</u>	<u>4,943,593,317</u>
Supplemental cash flows information		
Non-cash item		
Surplus (deficit) on changes in values of available-for-sale investment	(307,035,926)	1,060,341,421

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

(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited

Statements of changes in equity

For the nine-month periods ended 30 September 2011 and 2010

(Unit: Baht)

	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Other comprehensive income		Total other components of equity	Total
				Appropriated		Surplus on changes in value of available- for-sale investments	Total other components of equity		
				Legal reserve	General reserve				
Balance as at 31 December 2009		1,200,000,000	2,699,821,268	122,000,000	400,000,000	1,776,360,403	1,033,412,251	1,033,412,251	7,231,593,922
Dividend paid	23	-	-	-	-	(418,666,204)	-	-	(418,666,204)
Total comprehensive income for the period		-	-	-	-	1,497,186,984	1,060,341,421	1,060,341,421	2,557,528,405
Balance as at 30 September 2010		<u>1,200,000,000</u>	<u>2,699,821,268</u>	<u>122,000,000</u>	<u>400,000,000</u>	<u>2,854,881,183</u>	<u>2,093,753,672</u>	<u>2,093,753,672</u>	<u>9,370,456,123</u>
Balance as at 31 December 2010		1,200,000,000	2,699,821,268	122,000,000	400,000,000	4,154,178,577	2,340,704,225	2,340,704,225	10,916,704,070
Cumulative effect of change in accounting policy									
for employee benefits		-	-	-	-	(108,188,146)	-	-	(108,188,146)
Dividend paid	23	-	-	-	-	(931,396,297)	-	-	(931,396,297)
Total comprehensive income for the period		-	-	-	-	3,342,014,088	(307,035,926)	(307,035,926)	3,034,978,162
Balance as at 30 September 2011		<u>1,200,000,000</u>	<u>2,699,821,268</u>	<u>122,000,000</u>	<u>400,000,000</u>	<u>6,456,608,222</u>	<u>2,033,668,299</u>	<u>2,033,668,299</u>	<u>12,912,097,789</u>
		-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-

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

Bangkok Life Assurance Public Company Limited

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2011 and 2010

1. General information

1.1 Corporate information

Bangkok Life Assurance Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the provision of life insurance business. Its major shareholder is Nippon Life Insurance Company, which was incorporated in Japan. Its registered office is located at 23/115-121, Royal City Avenue, Rama 9 Road, Bangkapi, Huaykwang, Bangkok. As at 30 September 2011, the Company has 74 branches (31 December 2010: 74 branches).

1.2 Basis for the preparation of interim financial statements

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

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

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

1.3 Application of new accounting standards during the period

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

Accounting standards:

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

Financial reporting standards:

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

Financial Reporting Interpretations Committee:

TFRIC 15 Agreements for the Construction of Real Estate

Standing Interpretations Committee:

SIC 31 Revenue-Barter Transactions Involving Advertising Services

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

TAS 19 Employee Benefits

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

The Company has changed this accounting policy in the current period and recognised the liability in the transition period through an adjustment to the beginning balance of retained earnings in the current period.

The amounts of adjustments affecting the statement of financial position as at 30 September 2011 are summarised below.

	(Unit: Million Baht)
Increase in reserve for long-term employee benefits	121.29
Decrease in unappropriated retained earnings	108.19

The amounts of adjustments affecting the statement of comprehensive income for the three-month and nine-month periods ended 30 September 2011 are summarised below.

	For the three-month period ended 30 September 2011	For the nine-month period ended 30 September 2011
Increase in personal expenses (Million Baht)	4.37	13.10
Decrease in basic earnings per share (Baht per share)	0.0036	0.011
Decrease in diluted earnings per share (Baht per share)	0.0036	0.011

1.4 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2010, except for the change in the following accounting policy due to the adoption of new accounting standard.

Employee benefits

Post-employment benefits (Defined contribution plans)

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

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

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

The obligation under the defined benefit plan and other long-term employee benefit plans is determined based on actuarial techniques, using the projected unit credit method. Such determination is made based on various assumptions, including discount rate, future salary increase rate, staff turnover rate, mortality rate, and inflation rates.

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

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

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

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

Standing Interpretations Committee:

SIC 10 Government Assistance - No Specific Relation to Operating Activities

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

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

3. Cash and cash equivalents

	(Unit: Baht)	
	30 September	
	2011	31 December 2010
Cash on hand	3,189,801	4,934,607
Deposits at banks with no fixed maturity date	384,713,586	554,598,352
Deposits at banks with fixed maturity date	1,550,000,000	300,000,000
Total	1,937,903,387	859,532,959
Short-term Investment which amounts maturing within 3 months	2,180,000,000	3,020,000,000
Less: Deposits at banks which amounts maturing in over 3 months	(1,550,000,000)	(300,000,000)
Cash and cash equivalents	<u>2,567,903,387</u>	<u>3,579,532,959</u>

At 30 September 2011, Interest rate of saving account, fixed account and promissory note are 0.63% - 6.10% per annum (31 December 2010: 0.25% - 6.10% per annum).

4. Premium receivables

The balances as at 30 September 2011 and 31 December 2010 of premium receivables are classified by aging from the maturity date under the stipulated credit terms as follows:

(Unit: Baht)

	30 September 2011		
	Due from agents		
	Due from insured	and brokers	Total
Not yet due	1,559,949,551	80,988,347	1,640,937,898
Not over 30 days	1,689,927	54,541,160	56,231,087
Over 30 days to 60 days	25,683	1,341,135	1,366,818
Over 60 days to 90 days	-	12,975,757	12,975,957
Over 90 days to 1 year	880,539	3,396,939	4,277,478
Over 1 year	30,151	330,582	360,733
Total premium receivables	<u>1,562,575,851</u>	<u>153,574,120</u>	<u>1,716,149,971</u>

(Unit: Baht)

	31 December 2010		
	Due from agents		
	Due from insured	and brokers	Total
Not yet due	1,227,106,501	-	1,227,106,501
Not over 30 days	6,037,540	24,053,591	30,091,131
Over 30 days to 60 days	418,283	7,754,414	8,172,697
Over 60 days to 90 days	885,201	18,523,585	19,408,786
Over 90 days to 1 year	3,656,206	21,949,049	25,605,255
Over 1 year	19,837	136,531	156,368
Total premium receivables	<u>1,238,123,568</u>	<u>72,417,170</u>	<u>1,310,540,738</u>

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

(Unaudited but reviewed)

5. Reinsurance assets

	(Unit: Baht)	
	30 September 2011	31 December 2010
Insurance reserve refundable from reinsurers	252,520,461	139,142,988
Amounts due from reinsurers	71,403,301	100,029,555
Reinsurance assets, net	<u>323,923,762</u>	<u>239,172,543</u>

The balances as at 30 September 2011 and 31 December 2010 of amounts due from reinsurers are classified by aging as follows:

	(Unit: Baht)	
	30 September 2011	31 December 2010
Not yet due	71,403,301	100,029,555
Total amounts due from reinsurers	<u>71,403,301</u>	<u>100,029,555</u>

6. Investments in securities

	(Unit: Baht)			
	30 September 2011		31 December 2010	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments				
Equity securities	98,752,724	83,343,790	388,975,003	391,114,010
Add: Unrealised gains (losses)	(15,408,934)	-	2,139,007	-
Total trading investments	<u>83,343,790</u>	<u>83,343,790</u>	<u>391,114,010</u>	<u>391,114,010</u>
Available-for-sale investments				
Government and state enterprise securities	2,962,340,019	2,959,218,506	2,974,326,525	2,999,568,272
Private enterprises debt securities	50,000,198	51,522,309	50,000,316	53,043,785
Equity securities	5,467,628,692	7,279,268,459	5,327,590,054	7,442,273,588
Unit trusts	1,839,975,312	2,088,734,046	2,071,935,329	2,271,430,639
Foreign unit trusts	423,350,000	391,057,096	170,000,000	150,475,983
Total	10,743,294,221	12,769,800,416	10,593,852,224	12,916,792,267
Add: Unrealised gains	2,026,506,195	-	2,322,940,043	-
Total available-for-sale investments	<u>12,769,800,416</u>	<u>12,769,800,416</u>	<u>12,916,792,267</u>	<u>12,916,792,267</u>

(Unaudited but reviewed)

(Unit: Baht)

	30 September 2011		31 December 2010	
	Cost/		Cost/	
	Amortised cost	Fair value	Amortised cost	Fair value
Held-to-maturity investments				
Government and state enterprise securities	65,244,226,488		54,671,423,121	
Private enterprises debt securities	14,009,638,964		8,215,330,659	
Foreign debt securities	4,527,570,696		3,909,859,698	
Total	83,781,436,148		66,796,613,478	
Less: Allowance for impairment	(2,500,000)		(7,500,000)	
Total held-to-maturity investments	83,778,936,148		66,789,113,478	
Other investments				
Equity securities	29,587,830		29,587,830	
Total other investments	29,587,830		29,587,830	

Investments in debt securities as at 30 September 2011 and 31 December 2010 will be matured redemption as follows:

(Unit: Baht)

	30 September 2011			
	Period to maturity			
	Within 1 year	1 - 5 years	Over 5 years	Total
Available-for-sale investments				
Government and state enterprise securities	-	711,779,032	2,250,560,987	2,962,340,019
Private enterprises debt securities	-	50,000,198	-	50,000,198
Total	-	761,779,230	2,250,560,987	3,012,340,217
Add: Unrealised gains (losses)	-	(7,419,226)	5,819,824	(1,599,402)
Total available-for-sale debt investments, net	-	754,360,004	2,256,380,811	3,010,740,815
Held-to-maturity investments				
Government and state enterprise securities	1,819,826,403	7,855,895,973	55,568,504,112	65,244,226,488
Private enterprises debt securities	4,474,348,418	3,155,000,000	6,380,290,546	14,009,638,964
Foreign debt securities	-	2,183,372,671	2,344,198,025	4,527,570,696
Total	6,294,174,821	13,194,268,644	64,292,992,683	83,781,436,148
Less: Allowance for impairment	(2,500,000)	-	-	(2,500,000)
Total held-to-maturity debt investments, net	6,291,674,821	13,194,268,644	64,292,992,683	83,778,936,148

(Unaudited but reviewed)

(Unit: Baht)

	31 December 2010			
	Period to maturity			
	Within			
	1 year	1 - 5 years	Over 5 years	Total
Available-for-sale investments				
Government and state enterprise securities	-	714,049,337	2,260,277,188	2,974,326,525
Private enterprises debt securities	-	50,000,316	-	50,000,316
Total	-	764,049,653	2,260,277,188	3,024,326,841
Add: Unrealised gains	-	849,941	27,435,275	28,285,216
Total available-for-sale debt investments, net	-	764,899,594	2,287,712,463	3,052,612,057
Held-to-maturity debt investments				
Government and state enterprise securities	2,678,476,712	8,889,411,503	43,103,534,906	54,671,423,121
Private enterprises debt securities	268,055,726	1,415,000,000	6,532,274,933	8,215,330,659
Foreign debt securities	-	1,811,583,667	2,098,276,031	3,909,859,698
Total	2,946,532,438	12,115,995,170	51,734,085,870	66,796,613,478
Less: Allowance for impairment	(7,500,000)	-	-	(7,500,000)
Total held-to-maturity debt investments, net	2,939,032,438	12,115,995,170	51,734,085,870	66,789,113,478

The Company has pledged government and state enterprise bonds of Baht 18,347.31 million (31 December 2010: Baht 13,146.02 million) as life assurance policy reserve and assets pledged with the Registrar in accordance with the Life Assurance Act as mentioned in Notes 19 and 20.

- (a) As at 30 September 2011, the Company has investments of Baht 1,700 million (31 December 2010: Baht 1,700 million) in promissory notes and bills of exchange, which have been classified as held-to-maturity investments and are presented at amortised cost. Such notes were issued by local banks and branches of foreign commercial banks, have remaining lives of 9 - 11 years, and contain conditions related to early redemption rights or put options obliging the Company to purchase additional notes released by issuers.
- (b) As at 30 September 2011, the Company has investments of Baht 1,270 million (31 December 2010: Baht 1,090 million) in promissory notes and bills of exchange, which have been classified as held-to-maturity investments and are presented at amortised cost. Such notes were issued by branches of foreign commercial banks, have remaining lives of 5 years, and contain conditions whereby settlement of principal and interest is to be received on the maturity date per the agreement.

- (c) As at 30 September 2011, the Company has investments of Baht 600 million (31 December 2010: Baht 600 million) in promissory notes and bills of exchange, which have been classified as held-to-maturity investments and are presented at amortised cost. Such notes were issued by branches of foreign commercial banks, have remaining lives of 9 years, and contain conditions whereby settlement of principal and interest is to be received based on the rate of return of government bond (CMT Index).
- (d) As at 30 September 2011, the Company has investments of Baht 900 million (31 December 2010: Baht 400 million) in promissory notes and bills of exchange, which have been classified as held-to-maturity investments and are presented at amortised cost. Such notes were issued by branches of foreign commercial banks, have remaining lives of 9 - 10 years, and contain conditions whereby settlement of principal is based on the credit event.

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

The Company recorded gains (losses) from investments in securities for the three-month and nine-month periods ended 30 September 2011 and 2010 by included the following.

	(Unit: Baht)			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2011	2010	2011	2010
Gains from sales of trading investments	32,035,877	33,240,479	56,045,565	196,051,791
Gains from sales of available-for-sale investments	141,596,900	466,137	280,647,135	57,691,829
Gains from sales of held-to-maturity investments	3,390,822	4,000,000	3,390,822	4,000,000
Losses from sales of other investments	(336,296)	-	(336,296)	-
Unrealised gains (losses) on foreign exchange contracts	(4,500,000)	10,100,000	(8,850,000)	14,850,000
Total	<u>172,187,303</u>	<u>47,806,616</u>	<u>330,897,226</u>	<u>272,593,620</u>

7. Loans and accrued interest

As at 30 September 2011 and 31 December 2010, the balances of loans and accrued interest are aged by principal and accrued interest as follows:

(Unit: Baht)									
30 September 2011									
Outstanding period	Policy loans		Mortgage loans		Other loans		Total		
	Principal	Accrued	Principal	Accrued	Principal	Accrued	Principal	Accrued	Total
		interest		interest		interest		interest	
Current	1,736,619,912	130,729,250	161,101,499	41,382	15,947,247	-	1,913,668,658	130,770,632	2,044,439,290
Overdue:									
Less than 6 months	-	-	835,582	-	10,454	-	846,036	-	846,036
6 - 12 months	-	-	-	-	20,947	-	20,947	-	20,947
Over 12 months	-	-	1,263,751	79,478	112,625	3,353	1,376,576	82,831	1,459,207
Total	1,736,619,912	130,729,250	163,200,832	120,860	16,091,273	3,353	1,915,912,017	130,853,463	2,046,765,480
Less: Allowance for doubtful accounts	-	-	(66,408)	(79,478)	-	-	(66,408)	(79,478)	(145,886)
Loans and accrued interest - net	1,736,619,912	130,729,250	163,134,424	41,382	16,091,273	3,353	1,915,845,609	130,773,985	2,046,619,594
(Unit: Baht)									
31 December 2010									
Outstanding period	Policy loans		Mortgage loans		Other loans		Total		
	Principal	Accrued	Principal	Accrued	Principal	Accrued	Principal	Accrued	Total
		interest		interest		interest		interest	
Current	1,517,437,651	108,983,658	623,913,961	2,691,501	14,090,179	-	2,155,441,791	111,675,159	2,267,116,950
Overdue:									
Less than 6 months	-	-	1,270,928	-	-	-	1,270,928	-	1,270,928
Over 12 months	-	-	1,286,677	79,478	112,743	3,353	1,399,420	82,831	1,482,251
Total	1,517,437,651	108,983,658	626,471,566	2,770,979	14,202,922	3,353	2,158,112,139	111,757,990	2,269,870,129
Less: Allowance for doubtful accounts	-	-	(66,408)	(79,478)	-	-	(66,408)	(79,478)	(145,886)
Loans and accrued interest - net	1,517,437,651	108,983,658	626,405,158	2,691,501	14,202,922	3,353	2,158,045,731	111,678,512	2,269,724,243

Loans provided to employees are in accordance with employee's benefits plan under a credit line of Baht 100,000 or less for personal guarantee loans. In case of secured loans, the credit line is not to exceed 50 times the employee's salary. The interest rates for the loans charge at the rates of 6% and 5% per annum, respectively. As at 30 September 2011, loans to employees and agents totaled Baht 69.26 million (31 December 2010: Baht 55.91 million).

8. Property and equipment

(Unit: Baht)								
	Land	Buildings	Condominium	Office furniture,	Motor vehicles	Properties	Construction in	Total
		and buildings		fixture and		foreclosed	progress	
Net book value as at 31 December 2010	72,476,800	114,549,911	23,505,313	113,937,180	8,528,541	5,225,027	825,000	339,047,772
Additions - at cost	-	3,265,728	-	29,700,530	-	-	1,359,000	34,325,258
Disposals - net book value	-	-	-	(192,526)	-	-	-	(192,526)
Transfer in (out)	-	829,000	-	1,355,000	-	-	(2,184,000)	-
Depreciation charges	-	(16,848,138)	(1,373,736)	(37,143,000)	(2,622,740)	(102,500)	-	(58,090,114)
Net book value as at 30 September 2011	72,476,800	101,796,501	22,131,577	107,657,184	5,905,801	5,122,527	-	315,090,390

(Unaudited but reviewed)

9. Other assets

	(Unit: Baht)	
	30 September 2011	31 December 2010
Prepaid rental expenses	108,184,076	117,029,111
Receivable from sales of investments	6,984,358	8,258,080
Prepaid expenses	39,930,027	24,960,298
Deposits	20,759,078	22,503,180
Others	10,302,317	11,095,389
Total	<u>186,159,856</u>	<u>183,846,058</u>

10. Due to reinsurers

	(Unit: Baht)	
	30 September 2011	31 December 2010
Outward premium payable	280,013,660	237,341,227
Total due to reinsurers	<u>280,013,660</u>	<u>237,341,227</u>

11. Life policy reserve

	(Unit: Baht)	
	30 September 2011	31 December 2010
Beginning balance	68,189,797,590	52,653,892,155
Life policy reserve for premium received during the period and reserve for enforced policy benefit and other claims	17,253,523,957	19,770,082,865
Benefit paid for death, maturity, surrender and other claims	<u>(3,714,569,120)</u>	<u>(4,234,177,430)</u>
Ending balance	<u>81,728,752,427</u>	<u>68,189,797,590</u>

12. Unpaid policy benefits

	(Unit: Baht)	
	30 September 2011	31 December 2010
Death benefit	68,111,490	76,645,330
Maturity payment	762,107	934,550
Total	<u>68,873,597</u>	<u>77,579,880</u>

(Unaudited but reviewed)

13. Loss reserves and outstanding claims

	(Unit: Baht)	
	30 September 2011	31 December 2010
Beginning balance	320,619,427	261,543,874
Claims and claims handling expenses for the period	1,379,931,635	1,734,049,035
Claims and claims handling expenses paid during the period	(1,296,218,595)	(1,674,973,482)
Ending balance	<u>404,332,467</u>	<u>320,619,427</u>

14. Premium reserve**14.1 Unearned premium reserve**

	(Unit: Baht)	
	30 September 2011	31 December 2010
Beginning balance	1,013,363,551	904,043,211
Premium written for the period	2,143,964,182	2,533,408,881
Premium earned for the current period	(2,063,417,058)	(2,424,088,541)
Ending balance	<u>1,093,910,675</u>	<u>1,013,363,551</u>

14.2 Unexpired risk reserve

	(Unit: Baht)	
	30 September 2011	31 December 2010
Beginning balance	780,289,934	723,234,569
Increase (decrease) during the period	(14,552,461)	57,055,365
Ending balance	<u>765,737,473</u>	<u>780,289,934</u>

15. Other liabilities

	(Unit: Baht)	
	30 September 2011	31 December 2010
Accrued commission expenses	438,812,660	604,751,763
Accrued expenses	170,468,102	223,127,921
Withholding tax payable	55,947,448	19,716,519
Premium received for policies not yet approved	206,378,671	76,962,715
Amounts received awaiting transfer	156,293,880	125,158,636
Unpaid benefits to life policies exempted premium	95,185,390	89,503,128
Forward contracts payables	48,299,700	39,487,950
Payable from purchases of investments	82,170,562	-
Others	58,820,250	55,719,432
Total	<u>1,312,376,663</u>	<u>1,234,428,064</u>

16. Underwriting information reported by insurance categories

Underwriting information classified by insurance categories for the three-month period ended 30 September 2011 is as follows:

(Unit: Baht)

	Traditional products - no participating dividend	Personal accident	Total
Underwriting income			
Premium written	6,860,844,052	11,285,710	6,872,129,762
Less: Premium ceded	(82,736,468)	(851,606)	(83,588,074)
Net premium written	6,778,104,584	10,434,104	6,788,541,688
Less: Unearned premium reserve	(27,817,248)	626,381	(27,190,867)
Total underwriting income	6,750,290,336	11,060,485	6,761,350,821
Underwriting expenses			
Life policy reserve increase from prior period	4,063,494,778	-	4,063,494,778
Benefit payments to life policies and benefit adjustment expenses	1,286,976,425	-	1,286,976,425
Losses and losses adjustment expenses	507,117,895	3,420,745	510,538,640
Commissions and brokerage expenses	522,847,058	718,389	523,565,447
Sales promotion expenses	95,339,436	156,494	95,495,930
Other underwriting expenses	5,262,255	8,516	5,270,771
Total underwriting expenses	6,481,037,847	4,304,144	6,485,341,991

Underwriting information classified by insurance categories for the three-month period ended 30 September 2010 is as follows:

(Unit: Baht)

	Traditional products - no participating dividend	Personal accident	Total
Underwriting income			
Premium written	5,672,603,595	12,851,663	5,685,455,258
Less: Premium ceded	(74,763,351)	(1,254,865)	(76,018,216)
Net premium written	5,597,840,244	11,596,798	5,609,437,042
Less: Unearned premium reserve	(40,353,988)	568,076	(39,785,912)
Total underwriting income	5,557,486,256	12,164,874	5,569,651,130
Underwriting expenses			
Life policy reserve increase from prior period	3,440,447,602	-	3,440,447,602
Benefit payments to life policies and benefit adjustment expenses	1,221,885,521	-	1,221,885,521
Losses and losses adjustment expenses	489,022,938	208,512	489,231,450
Commissions and brokerages expenses	528,717,632	211,900	528,929,532
Sales promotion expenses	50,316,974	110,751	50,427,725
Other underwriting expenses	5,070,486	11,103	5,081,589
Total underwriting expenses	5,735,461,153	542,266	5,736,003,419

(Unaudited but reviewed)

Underwriting information classified by insurance categories for the nine-month period ended 30 September 2011 is as follows:

(Unit: Baht)

	Traditional products - no participating dividend	Personal accident	Total
Underwriting income			
Premium written	22,932,681,429	34,876,792	22,967,558,221
Less: Premium ceded	(303,996,992)	(1,659,626)	(305,656,618)
Net premium written	22,628,684,437	33,217,166	22,661,901,603
Less: Unearned premium reserve	(82,189,128)	1,642,004	(80,547,124)
Total underwriting income	22,546,495,309	34,859,170	22,581,354,479
Underwriting expenses			
Life policy reserve increase from prior period	13,538,954,837	-	13,538,954,837
Benefit payments to life policies and benefit adjustment expenses	3,959,639,608	-	3,959,639,608
Losses and losses adjustment expenses	1,252,145,048	6,356,607	1,258,501,655
Commissions and brokerage expenses	1,939,756,083	1,038,089	1,940,794,172
Sales promotion expenses	325,456,351	503,189	325,959,540
Other underwriting expenses	14,898,232	23,034	14,921,266
Total underwriting expenses	21,030,850,159	7,920,919	21,038,771,078

Underwriting information classified by insurance categories for the nine-month period ended 30 September 2010 is as follows:

(Unit: Baht)

	Traditional products - no participating dividend	Personal accident	Total
Underwriting income			
Premium written	18,162,903,567	38,981,803	18,201,885,370
Less: Premium ceded	(268,708,889)	(2,147,898)	(270,856,787)
Net premium written	17,894,194,678	36,833,905	17,931,028,583
Less: Unearned premium reserve	(85,131,652)	1,893,201	(83,238,451)
Total underwriting income	17,809,063,026	38,727,106	17,847,790,132
Underwriting expenses			
Life policy reserve increase from prior period	10,876,000,735	-	10,876,000,735
Benefit payments to life policies and benefit adjustment expenses	3,574,109,903	-	3,574,109,903
Losses and losses adjustment expenses	1,190,874,284	3,275,247	1,194,149,531
Commissions and brokerages expenses	2,045,967,421	511,265	2,046,478,686
Sales promotion expenses	255,259,924	555,081	255,815,005
Other underwriting expenses	16,877,719	36,702	16,914,421
Total underwriting expenses	17,959,089,986	4,378,295	17,963,468,281

17. Operating expenses

(Unit: Baht)

	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2011	2010	2011	2010
Personal expenses which is not expenses for underwriting and claims	151,166,785	139,320,719	457,908,825	421,129,933
Premises and equipment expenses which is not expenses for underwriting	37,903,425	35,391,704	112,335,803	101,906,642
Taxes and duties	30,657,163	24,490,435	88,257,310	68,644,894
Other operating expenses	78,853,508	68,750,047	245,003,024	220,485,367
Total operating expenses	298,580,881	267,952,905	903,504,962	812,166,836

18. Related party transactions

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

The relationship between the Company and its related parties are summarised below.

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

(Unaudited but reviewed)

Name of related parties	Type of business	Relationship with the Company
Tris Corporation Ltd.	Services	Shareholding and related by way of common directors
Union Textile Industries Pcl.	Industry	Related by way of common shareholders
Charoen Pokphand Foods Pcl.	Agriculture	Related by way of common directors
TICON Industrial Connection Pcl.	Property development	Holding by an individual related to the major shareholder of the Company
Indorama Polymers Pcl.	Petrochemical	Related by way of common directors
Asia warehouse Co., Ltd.	Rental of assets	Holding by the major shareholder of the Company
Ex-chai Distribution System Co., Ltd.	Commercial	Related by way of common directors
BBL Asset Management Co., Ltd.	Asset management	Related by way of common directors and shareholders
Bualuang Securities Pcl.	Securities	Subsidiary of the major shareholder of the Company
Asia Insurance Company Limited	Insurance	Related by way of common directors

During the nine-month periods ended 30 September 2011 and 2010, the Company had significant business transactions with its related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course business between the Company and those parties are as follows:

(Unit: Baht)

	For the three-month periods ended 30 September		For the nine-month periods ended 30 September		Pricing policy
	2011	2010	2011	2010	
Premium written	1,899,147	786,085	3,867,276	3,966,651	Normal commercial terms for underwriting
Premium ceded	7,670,423	2,137,370	17,058,157	4,382,430	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contract
Commission and brokerages	206,898,265	187,424,158	931,910,025	980,096,930	At a mutually agreed percentage of premium written
Claim payment and diagnose charge	18,657,604	20,445,246	56,860,037	55,406,929	Normal commercial terms for underwriting
Claim recovery from reinsurance	8,480,584	1,463,474	16,945,141	3,024,518	At a mutually agreed percentage of reinsurance premium
Interest income - deposits at banks, promissory notes and debentures	15,724,829	1,749,281	43,763,279	5,595,599	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	1,367,541	1,961,719	4,235,104	6,277,418	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	42,605,978	48,765,954	116,429,260	96,737,880	The declared amount
Bank charges	17,172,453	14,445,934	51,369,574	41,460,917	Same rates as those charged by financial institutions to general customers

(Unaudited but reviewed)

(Unit: Baht)

	For the three-month periods		For the nine-month periods		Pricing policy
	ended 30 September		ended 30 September		
	2011	2010	2011	2010	
Insurance premium	205,079	234,328	718,331	827,869	Normal commercial terms for underwriting
Building space rental and services	15,550,866	28,896,870	46,018,166	57,780,642	Head office building: Rental fee of approximately Baht 90 per square meter per month and service fee of Baht 29 per square meter per month since 1 August 2010 (before 1 August 2010: fee of Baht 20 per square meter) for long-term agreement and approximately Baht 44, Baht 138 per square meter per month and service fees approximately Baht 91, Baht 307 per square meter per month. Branch office buildings: Rental fees of approximately Baht 100, Baht 150, Baht 188 and Baht 315 per square meter per month and service fees of approximately Baht 342 and Baht 200 per square meter per month.

For the three-month and nine-month periods ended 30 September 2011, the premium generated from the Bancassurance distribution channel represented approximately 58.05 % and 62.50% of total net premium written (2010: 51.76 % and 55.80% respectively).

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

(Unit: Baht)

	30 September 2011		31 December 2010	
	Cost	Fair value	Cost	Fair value
Investments in listed stocks				
Bangkok Bank Pcl.	491,103,116	697,950,000	384,338,080	624,750,000
Bangkok Insurance Pcl.	54,448,087	171,810,000	52,135,522	167,452,200
Thai Reinsurance Pcl.	37,667,275	111,154,484	37,667,275	105,304,248
Bumrungrad Hospital Pcl.	332,347,868	436,441,400	22,197,195	78,908,275
TICON Industrial Connection Pcl.	121,613,272	107,231,320	113,994,710	114,581,115
	<u>1,037,179,618</u>	<u>1,524,587,204</u>	<u>610,332,782</u>	<u>1,090,995,838</u>
Investments in non-listed stocks				
Tris Corporation Ltd.	1,000,000		1,000,000	
Union Textile Industries Pcl.	166,700		166,700	
BBL Asset Management Co., Ltd.	10,000,000		10,000,000	
	<u>11,166,700</u>		<u>11,166,700</u>	

(Unaudited but reviewed)

(Unit: Baht)

	30 September 2011		31 December 2010	
	Cost	Fair value	Cost	Fair value
Investments in securities - unit trusts				
Bualuang Thanasanplus Fund	637,518,080	723,487,393	842,860,038	927,596,110
TICON Property Fund	625,643,395	734,077,248	625,643,394	697,373,385
	<u>1,263,161,475</u>	<u>1,457,564,641</u>	<u>1,468,503,432</u>	<u>1,624,969,495</u>
Investments in securities - debenture				
Charoen Pokphand Foods Pcl.	<u>500,000,000</u>		<u>100,000,000</u>	
Investments in securities - foreign debenture				
Bangkok Bank Pcl.	<u>1,046,089,673</u>		<u>1,046,231,974</u>	

(Unit: Baht)

	30 September 2011	31 December 2010
Deposits at financial institution		
Bangkok Bank Pcl.	<u>344,325,503</u>	<u>519,816,930</u>
Mortgaged loan		
Sorachai Vivatn Co., Ltd.	<u>87,713,938</u>	<u>99,678,834</u>
Prepaid office rental (including in other assets)		
Narai Ruamphiphat Co., Ltd.	<u>108,184,076</u>	<u>117,029,112</u>
Due from reinsurers - net		
Thaire Life Assurance Co., Ltd.	15,225,398	2,834,793
Asia Insurance Co., Ltd.	14,305	-
	<u>15,239,703</u>	<u>2,834,793</u>
Claim payables (including in unpaid policy benefits)		
Bumrungrad Hospital Pcl.	5,199,845	4,350,683
The Phyathai 1 Hospital Co., Ltd.	1,606,972	2,044,893
The Phyathai 2 Hospital Co., Ltd.	6,216,207	4,349,956
The Phyathai 3 Hospital Co., Ltd.	6,007,286	3,128,216
	<u>19,030,310</u>	<u>13,873,748</u>
Due to reinsurer - net		
Thaire Life Assurance Co., Ltd.	10,862,251	4,100,213
Asia Insurance Co., Ltd.	48,908	-
	<u>10,911,159</u>	<u>4,100,213</u>

(Unaudited but reviewed)

(Unit: Baht)

	<u>30 September 2011</u>	<u>31 December 2010</u>
Accrued commission and brokerage expenses (including in other liabilities)		
Bangkok Bank Pcl.	244,044,022	282,449,788
Accrued office rental and services charge (including in other liabilities)		
Bangkok Insurance Pcl.	93,430	67,083
Sorachai Vivatn Co., Ltd.	171	9,210
Rajburi Sugar Co., Ltd.	58,221	63,788
Narai Ruamphiphat Co., Ltd.	221,571	77,139
Bangkok Business Building (1987) Co., Ltd.	87,028	66,780
	<u>460,421</u>	<u>284,000</u>

Directors and key management personnel's remuneration

During the nine-month periods ended 30 September 2011 and 2010, the Company had salaries, bonuses, meeting allowances and post-employment benefit of its directors and key management personnel as expenses totaling Baht 27.93 million and Baht 31.24 million, respectively.

In addition, the Company has allocated 20 warrants to its employees without charge. The details of the warrants are presented in Note 21.

19. Assets pledged with registrar

As at 30 September 2011 and 31 December 2010, the following assets have been pledged with the Registrar of the Office of Insurance Commission in accordance with the Life Assurance Act.

	(Unit: Baht)	
	<u>30 September 2011</u>	<u>31 December 2010</u>
State enterprise securities	21,094,856	21,436,731

20. Assets reserve with registrar

As at 30 September 2011 and 31 December 2010, the following assets have been pledged as life assurance policy reserve with the Registrar of the Office of Insurance Commission in accordance with the Life Assurance Act.

	(Unit: Baht)	
	<u>30 September 2011</u>	<u>31 December 2010</u>
Government securities	9,365,931,127	5,328,042,582
State enterprise securities	8,960,280,077	7,757,219,082
Total	<u>18,326,211,204</u>	<u>13,085,261,664</u>

21. Warrants

On 23 November 2007, Extraordinary General Meeting No. 2 of the Company's shareholders passed a resolution approving the issuance of 20 million registered and non-transferrable warrants to subscribe to the Company's ordinary shares, to be allotted to employees as follow:

<u>Approved by</u>	<u>Warrants</u>
The Executive Board of Directors of the Company, on 29 May 2008	11.50 million units
The Board of Directors of the Company, on 11 August 2009	1.35 million units
Unallocated warrants	7.15 million units

These warrants expire 5 years from the issue date or on the termination date of employment, if earlier. The exercise ratio is 1 warrant to 1 new ordinary share and the exercise price is the public offering price.

Subsequently, on 26 April 2011, the Annual General Meeting of shareholders of the Company passed a resolution approving the cancelation of the 7.15 million unallocated warrants and the issuance of 7.15 million registered and non-transferrable units of Warrant No.2 to employees and/or management. The Company is still considering the allocation of Warrant No.2 and there has yet to be any allocation in the current period.

22. Earnings per share

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

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

The following table sets forth the computation of basic and diluted earnings per share for three-month periods ended 30 September 2011 and 2010:

	Profit (Thousand Baht)		Weighted average number of shares (Thousand shares)		Earnings per share (Baht)	
	2011	2010	2011	2010	2011	2010
Basic earnings per share						
Profit	1,062,872	453,789	1,200,000	1,200,000	<u>0.886</u>	<u>0.378</u>
Dilutive effect of warrants	-	-	9,575	7,136		
Diluted earnings per share						
Profit of ordinary shareholder assuming the conversion of warrants to ordinary shares	<u>1,062,872</u>	<u>453,789</u>	<u>1,209,575</u>	<u>1,207,136</u>	<u>0.878</u>	<u>0.376</u>

The following table sets forth the computation of basic and diluted earnings per share for nine-month periods ended 30 September 2011 and 2010:

	Profit (Thousand Baht)		Weighted average number of shares (Thousand shares)		Earnings per share (Baht)	
	2011	2010	2011	2010	2011	2010
Basic earnings per share						
Profit	3,342,014	1,497,187	1,200,000	1,200,000	<u>2.785</u>	<u>1.248</u>
Dilutive effect of warrants	-	-	8,895	5,948		
Diluted earnings per share						
Profit of ordinary shareholder assuming the conversion of warrants to ordinary shares	<u>3,342,014</u>	<u>1,497,187</u>	<u>1,208,895</u>	<u>1,205,948</u>	<u>2.765</u>	<u>1.242</u>

23. Dividend paid

Dividend declared during the periods 2011 and 2010 consist of the following:

	Approved by	Total dividend	Dividend per share
		(Million Baht)	(Baht)
a) Final dividend for 2010	Annual General Meeting of the Shareholders on 26 April 2011 and the OIC 20 April 2011	480.0	0.40
b) Interim dividend from operations for six-month periods ended 30 June 2011	Meeting of Board of Directors on 10 August 2011 and the OIC on 6 September 2011	456.0	0.38
Total dividend for the period 2011		936.0	0.78
a) Final dividend for 2009	Annual General Meeting of the Shareholders on 27 April 2010 and the OIC 22 April 2010	180.0	0.15
b) Interim dividend from operations for six-month periods ended 30 June 2010	Meeting of Board of Directors on 10 August 2011 and the OIC on 8 September 2010	240.0	0.20
Total dividend for the period 2010		420.0	0.35

24. Financial information by segment

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

25. Commitments

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

(Unaudited but reviewed)

As at 30 September 2011, the Company has outstanding commitments as follows:

(Unit: Million Baht)

	Pay within			Total
	1 year	1 - 5 years	Over 5 years	
Operating lease agreements	30.64	37.68	3.99	72.31
Services agreements	38.15	66.02	18.89	123.06
Total	68.79	103.70	22.88	195.37

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

(Unit: Million Baht)

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

26. Contingent liabilities

As at 30 September 2011, the Company has been sued for damaged totaling approximately Baht 38.13 million (31 December 2010: Baht 33.78 million) as insurer. The outcomes of these causes have not yet been finalised. The Company did not set up for the above liabilities due to the uncertainty of the outcome.

27. Financial instruments

27.1 Financial risk management

Credit risk

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

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

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its deposits at financial institutions, investments in securities and loans.

As at 30 September 2011, financial assets classified by type of interest rate are summarised in the table below.

(Unit: Baht)			
Balance as at 30 September 2011			
	No interest	Floating interest rate	Fixed interest rate
Cash equivalent	156,002,481	231,900,907	2,180,000,000
Investments in securities - net			
Government and state enterprise securities	-	-	68,203,444,994
Private enterprises debt securities	-	-	14,058,661,273
Foreign debt securities	-	-	4,527,570,696
Loans - net	-	52,543,448	1,863,302,161
Total	156,002,481	284,444,355	90,832,979,124

As at 30 September 2011, the financial assets that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date as follows:

(Unit: Baht)					
	Within 1 year	1 - 5 years	Over 5 years	Total	Average interest rate (% p.a.)
Cash equivalent	2,180,000,000	-	-	2,180,000,000	3.47
Investments in securities - net					
Government and state enterprise securities	1,819,826,403	8,558,733,668	57,824,884,923	68,203,444,994	4.57
Private enterprises debt securities	4,471,848,418	3,206,522,309	6,380,290,546	14,058,661,273	5.13
Foreign debt securities	-	2,183,372,671	2,344,198,025	4,527,570,696	5.25
Loans - net	1,240,060	16,476,107	1,845,585,994	1,863,302,161	6.00 - 8.00
Total	8,472,914,881	13,965,104,755	68,394,959,488	90,832,979,124	

Foreign currency risk

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

As at 30 September 2011, the balances of financial assets denominated in foreign currencies are summarised below.

Foreign currency	Financial assets	Average exchange rate as at 30 September 2011
	(Million)	(Baht per 1 foreign currency unit)
US dollar	127.76	31.03

Foreign exchange contracts outstanding at 30 September 2011 are summarized below.

Foreign currency	Bought amount	Contractual exchange rate bought
	(Million)	(Baht per 1 foreign currency unit)
US dollar	127.76	29.80 - 41.00

27.2 Fair value

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

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

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

Investments in securities

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

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

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

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

Policy loans

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

As at 30 September 2011, the aggregate carrying values of the Company's financial instruments which are significantly different from their aggregate fair values can be defined as follows:

	Carrying value	Fair value
		(Unit: Baht)
Held-to-maturity debt securities		
Bonds - net	64,234,765,005	66,490,588,019
Debentures - net	9,779,171,143	10,362,579,528
Investments in notes in Note 6 (a) (exclusion of put option)	1,700,000,000	1,772,261,661
Investments in notes in Note 6 (b)	1,270,000,000	1,738,187,345
Investments in notes in Note 6 (c)	600,000,000	635,670,000
Investments in notes in Note 6 (d)	900,000,000	817,250,000

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

Investments in notes as Note 6 (a)

As at 30 September 2011, the Company may need to deposit additional amounts in the future under the promissory notes and bills of exchange agreements, as summarised below.

Within	Unit: Million Baht
Within 1 year	<u>1,400</u>
Total	<u><u>1,400</u></u>

28. Approval of interim financial statements

These interim financial statements were authorised for issue by the Board of Directors on 9 November 2011.