

Bangkok Life Assurance Public Company Limited
Review report and interim financial statements
30 June 2013

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 statement of financial position of Bangkok Life Assurance Public Company Limited as at 30 June 2013, the statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2013, and statements of changes in owners' equity, and cash flows for the six-month period ended 30 June 2013, as well as the condensed notes to the financial statements. 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.

Emphasis of Matter

I draw attention to Note 3.1 to the interim financial statements regarding the change in accounting policy as the result of adoption of Thai Accounting Standard 12 Income Taxes. My conclusion is not qualified in respect of this matter.

Other Matter

The statement of financial position of Bangkok Life Assurance Public Company Limited as at 31 December 2012 (before restatement) was audited by another auditor in the same firm as mine, who expressed an unqualified opinion on those financial statements under her report dated 22 February 2013. The statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2012 and the statements of changes in owners' equity and cash flows for the six-month period ended 30 June 2012 of Bangkok Life Assurance Public Company Limited (before restatement) were also reviewed by the aforementioned auditor who concluded, under her report dated 8 August 2012, that nothing had come to her attention that caused her to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard 34 : Interim Financial Reporting.

Rachada Yongsawadvanich
Certified Public Accountant (Thailand) No. 4951

Ernst & Young Office Limited

Bangkok: 9 August 2013

Bangkok Life Assurance Public Company Limited**Statements of financial position****As at 30 June 2013, 31 December 2012 and 1 January 2012**

		(Unit: Baht)		
	Note	30 June 2013	31 December 2012	1 January 2012
		(Unaudited but reviewed)	(Audited and restated)	
Assets				
Cash and cash equivalents	5, 26	400,966,624	865,845,947	2,736,720,476
Accrued investment income - net	9	1,627,019,393	1,500,076,847	1,375,597,931
Premium receivables	6	3,132,458,954	1,612,729,639	2,312,647,445
Reinsurance assets	7, 26	618,397,225	510,012,812	332,055,036
Investment assets				
Investments in securities	26			
Trading investments - net	8	2,647,254,268	477,236,368	299,019,595
Available-for-sale investments	8	20,298,862,788	18,395,331,360	13,358,947,452
Held-to-maturity investments	8, 27, 28	130,440,380,972	116,059,781,262	89,394,339,476
General investments	8	46,962,230	46,962,230	29,587,830
Loans - net	9, 26	3,014,284,012	2,649,100,421	2,113,082,452
Premises and equipment - net	10	299,004,772	304,954,930	306,415,271
Intangible assets - net		15,647,773	17,202,032	21,390,815
Deferred tax assets	11.1	1,210,421,622	780,101,850	340,234,468
Other assets	12	189,434,111	347,978,903	179,608,126
Total assets		<u>163,941,094,744</u>	<u>143,567,314,601</u>	<u>112,799,646,373</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 June 2013, 31 December 2012 and 1 January 2012**

		(Unit: Baht)		
	Note	30 June 2013	31 December 2012	1 January 2012
		(Unaudited but reviewed)	(Audited and restated)	
Liabilities and owners' equity				
Liabilities				
Income tax payable		897,244,894	581,526,761	738,563,265
Amounts due to reinsurers	13, 26	646,679,992	400,098,875	266,778,378
Insurance contract liabilities				
Life policy reserves	14	127,020,296,374	111,259,206,400	88,386,403,850
Unpaid policy benefits	15	95,797,617	88,460,596	82,588,130
Loss reserves and outstanding claims	16, 26	282,183,872	340,909,580	333,830,276
Premium reserves	17	1,105,033,104	1,078,120,949	1,085,196,967
Other insurance liabilities		7,555,273,802	7,279,716,866	6,852,174,216
Employee benefit payables	18	252,865,543	266,958,660	233,793,703
Deferred tax liabilities	11.1	1,405,772,984	1,288,404,931	494,917,951
Other liabilities	19, 26	2,761,526,394	1,519,141,914	1,048,861,404
Total liabilities		142,022,674,576	124,102,545,532	99,523,108,140

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 2013, 31 December 2012 and 1 January 2012

		(Unit: Baht)		
	Note	30 June 2013	31 December 2012	1 January 2012
		(Unaudited but reviewed)	(Audited and restated)	
Owners' equity				
Share capital				
Registered				
1,220,000,000 ordinary shares of Baht 1 each		1,220,000,000	1,220,000,000	1,220,000,000
Issued and fully paid-up				
1,210,801,300 ordinary shares of Baht 1 each (31 December 2012: 1,204,771,855 ordinary shares of Baht 1 each and 1 January 2012:				
1,200,000,000 ordinary shares of Baht 1 each)	20	1,210,801,300	1,204,771,855	1,200,000,000
Share premium	20	2,834,837,518	2,759,469,456	2,699,821,268
Capital reserve on share-based payments	20	47,191,985	28,315,191	-
Subscriptions received in advance from				
exercises of warrants	20	10,787,175	35,477,257	-
Retained earnings				
Appropriated				
Statutory reserve		122,000,000	122,000,000	122,000,000
General reserve		400,000,000	400,000,000	400,000,000
Unappropriated		11,702,446,537	9,761,362,477	6,872,550,441
Other component of owners' equity				
Revaluation surplus on available-for-sale investments				
- net of relevant income taxes	8.6	5,590,355,653	5,153,372,833	1,982,166,524
Total owners' equity		21,918,420,168	19,464,769,069	13,276,538,233
Total liabilities and owners' equity		163,941,094,744	143,567,314,601	112,799,646,373

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 2013 and 2012**

(Unit: Baht)

	Note	2013	2012 (Restated)
Revenues			
Net premium written	23,26	9,095,303,193	9,972,910,606
Net investment income		1,703,498,722	1,349,903,939
Total revenues		10,798,801,915	11,322,814,545
Expenses			
Underwriting			
Life policy reserves increased from prior period	23	5,858,040,992	7,060,873,459
Benefit payments under life policies and benefit adjustment expenses	23	1,904,518,404	1,568,985,889
Claims and losses adjustment expenses	23,26	288,269,376	340,116,831
Commissions and brokerages expenses	23,26	627,109,255	748,733,903
Sales promotional expenses	23	69,071,268	21,366,756
Other underwriting expenses	23,26	7,274,514	6,568,448
Operating expenses	24	431,098,750	361,561,084
Total underwriting expenses		9,185,382,559	10,108,206,370
Profits from underwriting		1,613,419,356	1,214,608,175
Gains on investments	8.5	172,571,698	123,313,417
Fair value gains (losses)	25	6,734,541	(6,891,356)
Other income		8,293,998	4,187,137
Profits from operations		1,801,019,593	1,335,217,373
Contribution to the Office of Insurance Commission		15,008,296	16,695,026
Contribution to the Life Insurance Fund		9,215,386	10,090,938
Profits before income tax expenses		1,776,795,911	1,308,431,409
Income tax expenses	11.2	324,002,097	305,405,955
Profits for the periods		1,452,793,814	1,003,025,454
Earnings per share			
29			
Basic earnings per share			
Profits for the periods		1.200	0.836
Diluted earnings per share			
Profits for the periods		1.196	0.830

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 June 2013 and 2012

	Note	2013	2012 (Restated)
Profits for the periods		1,452,793,814	1,003,025,454
Other comprehensive income (loss)			
Gains (losses) on revaluation of available-for-sale investments		(1,067,895,310)	599,887,713
Gains on sales of available-for-sale investments transferred to be recognised in profits from operation during the periods		(107,563,724)	(68,311,873)
Total other comprehensive income (loss) for the periods		(1,175,459,034)	531,575,840
Less: Relevant income taxes	11.2	235,091,807	(106,315,168)
Other comprehensive income (loss) for the periods - net of relevant income taxes		(940,367,227)	425,260,672
Total comprehensive income for the periods		512,426,587	1,428,286,126

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 six-month periods ended 30 June 2013 and 2012**

(Unit: Baht)

	Note	2013	2012 (Restated)
Revenues			
Net premium written	23,26	22,073,501,025	18,775,910,552
Net investment income		3,378,597,807	2,685,181,598
Total revenues		25,452,098,832	21,461,092,150
Expenses			
Underwriting			
Life policy reserves increased from prior period	23	15,761,089,974	12,815,984,463
Benefit payments under life policies and benefit adjustment expenses	23	3,943,284,326	3,229,898,299
Claims and losses adjustment expenses	23,26	617,800,963	692,285,053
Commissions and brokerages expenses	23,26	1,505,385,286	1,510,632,900
Sales promotional expenses	23	180,925,387	183,830,456
Other underwriting expenses	23,26	14,158,145	12,252,689
Operating expenses	24	856,758,127	680,715,278
Total underwriting expenses		22,879,402,208	19,125,599,138
Profits from underwriting		2,572,696,624	2,335,493,012
Gains on investments	8.5	400,056,670	308,079,252
Fair value losses	25	(42,244,694)	(6,588,573)
Other income		15,183,604	6,801,611
Profits from operations		2,945,692,204	2,643,785,302
Contribution to the Office of Insurance Commission		41,582,797	32,324,476
Contribution to the Life Insurance Fund		22,439,728	19,083,911
Profits before income tax expenses		2,881,669,679	2,592,376,915
Income tax expenses	11.2	506,932,365	577,388,116
Profits for the periods		2,374,737,314	2,014,988,799
Earnings per share			
29			
Basic earnings per share			
Profits for the periods		1.964	1.679
Diluted earnings per share			
Profits for the periods		1.956	1.666

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 six-month periods ended 30 June 2013 and 2012

		(Unit: Baht)	
	Note	2013	2012
			(Restated)
Profits for the periods		<u>2,374,737,314</u>	<u>2,014,988,799</u>
Other comprehensive income			
Gains on revaluation of available-for-sale investments		884,143,111	1,850,917,655
Gains on sales of available-for-sale investments transferred to be recognised in profits from operation during the periods		<u>(337,914,586)</u>	<u>(534,207,731)</u>
Total other comprehensive income for the periods		<u>546,228,525</u>	<u>1,316,709,924</u>
Less: Relevant income taxes	11.2	<u>(109,245,705)</u>	<u>(263,341,985)</u>
Other comprehensive income for the periods - net of relevant income taxes		<u>436,982,820</u>	<u>1,053,367,939</u>
Total comprehensive income for the periods		<u><u>2,811,720,134</u></u>	<u><u>3,068,356,738</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 2013 and 2012

(Unit: Baht)

	2013	2012
Cash flows from operating activities		
Net premium written	20,803,432,894	19,068,737,540
Interest income	2,861,416,388	2,262,883,069
Dividend income	390,238,874	453,546,432
Other investment income	444,970,530	333,085,080
Other income	15,234,846	6,857,406
Benefit payments under life policies during the periods	(4,357,695,318)	(3,693,094,950)
Commissions and brokerages	(1,528,654,447)	(1,408,589,771)
Other underwriting expenses	(187,531,829)	(159,098,730)
Operating expenses	(890,458,767)	(1,050,792,241)
Other expenses	(56,452,732)	(45,843,462)
Corporate income taxes	(613,411,657)	(762,962,823)
Net cash provided by operating activities	16,881,088,782	15,004,727,550
Cash flows from investing activities		
Cash flows from		
Investments in securities	25,521,380,308	50,541,283,361
Loans	289,404,206	239,723,229
Deposits at financial institutions	10,185,000,000	760,000,000
Equipment	19,859	67,651
Cash from investing activities	35,995,804,373	51,541,074,241
Cash flows used in		
Investments in securities	(43,277,232,343)	(66,428,994,394)
Loans	(474,092,494)	(461,582,729)
Deposits at financial institutions	(10,165,000,000)	(410,000,000)
Premises and equipment	(28,501,812)	(55,816,299)
Cash used in investing activities	(53,944,826,649)	(67,356,393,422)
Net cash used in investing activities	(17,949,022,276)	(15,815,319,181)

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 2013 and 2012

(Unit: Baht)

	2013	2012
Cash flows from financing activities		
Proceeds from share capital increase as a result of warrant exercises	45,920,250	-
Subscriptions received in advance from exercise of warrants	10,787,175	-
Proceeds on loans	980,000,000	-
Dividends paid	(433,653,254)	(405,422,738)
Net cash provided by (used in) financing activities	603,054,171	(405,422,738)
Net decrease in cash and cash equivalents	(464,879,323)	(1,216,014,369)
Cash and cash equivalents at beginning of the periods	865,845,947	2,736,720,476
Cash and cash equivalents at end of the periods	400,966,624	1,520,706,107

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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 periods ended 30 June 2013 and 2012

(Unit: Baht)

	Note	Issued and fully paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Subscriptions received in advance from exercise of warrants	Retained earnings			Other component of owners' equity - Revaluation surplus on of available-for-sale investments - net of relevant income taxes	Total
						Appropriated		Unappropriated		
						Statutory reserve	General reserve			
Balance as at 31 December 2011										
- as previously reported		1,200,000,000	2,699,821,268	-	-	122,000,000	400,000,000	6,531,692,293	2,477,708,155	13,431,221,716
Adjustments of cumulative effect of the change in accounting policy regarding income taxes	3.1	-	-	-	-	-	-	340,858,148	(495,541,631)	(154,683,483)
Balance as at 1 January 2012		1,200,000,000	2,699,821,268	-	-	122,000,000	400,000,000	6,872,550,441	1,982,166,524	13,276,538,233
Share-based payments	20, 21	-	-	9,438,397	-	-	-	-	-	9,438,397
Dividend paid	22	-	-	-	-	-	-	(405,422,738)	-	(405,422,738)
Total comprehensive income for the period - as restated		-	-	-	-	-	-	2,014,988,799	1,053,367,939	3,068,356,738
Balance as at 30 June 2012- as restated		<u>1,200,000,000</u>	<u>2,699,821,268</u>	<u>9,438,397</u>	<u>-</u>	<u>122,000,000</u>	<u>400,000,000</u>	<u>8,482,116,502</u>	<u>3,035,534,463</u>	<u>15,948,910,630</u>
Balance as at 31 December 2012										
- as previously reported		1,204,771,855	2,759,469,456	28,315,191	35,477,257	122,000,000	400,000,000	8,981,322,350	6,441,716,041	19,973,072,150
Adjustments of cumulative effect of the change in accounting policy regarding income taxes	3.1	-	-	-	-	-	-	780,040,127	(1,288,343,208)	(508,303,081)
Balance as at 1 January 2013		1,204,771,855	2,759,469,456	28,315,191	35,477,257	122,000,000	400,000,000	9,761,362,477	5,153,372,833	19,464,769,069
Share-based payments	20, 21	-	-	18,876,794	-	-	-	-	-	18,876,794
Share capital increase as a result of warrant exercises	20	6,029,445	75,368,062	-	(35,477,257)	-	-	-	-	45,920,250
Subscriptions received in advance from exercises of warrants	21	-	-	-	10,787,175	-	-	-	-	10,787,175
Dividend paid	22	-	-	-	-	-	-	(433,653,254)	-	(433,653,254)
Total comprehensive income for the period		-	-	-	-	-	-	2,374,737,314	436,982,820	2,811,720,134
Balance as at 30 June 2013		<u>1,210,801,300</u>	<u>2,834,837,518</u>	<u>47,191,985</u>	<u>10,787,175</u>	<u>122,000,000</u>	<u>400,000,000</u>	<u>11,702,446,537</u>	<u>5,590,355,653</u>	<u>21,918,420,168</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 2013 and 2012

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, Bangkok Sub-district, Huaykwang District, Bangkok.

2. Basis of preparation of interim financial statement

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2009) : 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 such financial statements in Thai language.

(Unaudited but reviewed)

The amounts of adjustments to the statements of financial position, income and comprehensive income from the first-time adoption of such accounting standard are summarised below.

	(Unit: Million Baht)		
	30 June 2013	31 December 2012	1 January 2012
Statements of financial position			
Increase in deferred tax assets	1,210	780	340
Increase in deferred tax liabilities	1,406	1,288	495
Increase in unappropriated retained earnings	1,202	780	340
Decrease in other component of owners' equity	1,398	1,288	495

	(Unit: Million Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
Statements of income				
Decrease in income tax expenses	51	195	422	294
Increase in profits for the periods	51	195	422	294
Increase in basic earnings per share (Baht per share)	0.043	0.163	0.349	0.244
Increase in diluted earnings per share (Baht per share)	0.042	0.162	0.348	0.242
Statements of comprehensive income				
(Increase) decrease in income taxes relevant to gains on revaluation of available-for-sale investments	235	(106)	(109)	(263)

4. Significant accounting policies

These interim financial statements are prepared using the same accounting policies and methods of computation as that were used for the financial statements for the year ended 31 December 2012, except for the first-time adoption of TAS 12 : Income Taxes.

Accounting policy on income taxes can be summarised as below.

Income taxes

Income tax expenses represent the sum of income taxes currently payable and deferred income taxes.

Current income taxes

Current income taxes are provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred income taxes

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting periods.

The Company recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses brought forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses brought forward can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to owners' equity if the taxes relate to items that are recorded directly to owners' equity.

(Unaudited but reviewed)

5. Cash and cash equivalents

	(Unit: Baht)	
	30 June 2013	31 December 2012
Cash on hand	3,269,780	6,438,416
Deposits at banks with no fixed maturity date	397,696,844	859,407,531
Deposits at banks with fixed maturity date	730,000,000	750,000,000
Total cash and deposits at financial institutions	1,130,966,624	1,615,845,947
Less: Deposits at banks and financial institutions with an original maturity period of longer than 3 months	(730,000,000)	(750,000,000)
Cash and cash equivalents	400,966,624	865,845,947

As at 30 June 2013, interest rates on saving accounts, fixed deposits and promissory notes are in the range of 0.625% - 6.10% per annum (31 December 2012: 0.063% - 6.10% per annum).

6. Premium receivables

As at 30 June 2013 and 31 December 2012, the outstanding balances of premium receivables, classified by overdue period, counted from the due dates under the stipulated credit terms, are as follows:

	(Unit: Baht)		
	30 June 2013		
	Due from the insured	Due from agents and brokers	Total
Not yet due	2,914,809,936	81,668,446	2,996,478,382
Overdue			
Not over 30 days	92,521,722	10,697,683	103,219,405
Over 30 days to 60 days	-	10,465,357	10,465,357
Over 60 days to 90 days	70,377	19,776,298	19,846,675
Over 90 days to 1 year	24,064	1,717,417	1,741,481
Over 1 year	312,340	395,314	707,654
Total premium receivables	3,007,738,439	124,720,515	3,132,458,954

(Unaudited but reviewed)

(Unit: Baht)

	31 December 2012		
	Due from insured	Due from agents and brokers	Total
Not yet due	1,561,794,383	27,009,885	1,588,804,268
Overdue			
Not over 30 days	192,880	7,344,220	7,537,100
Over 30 days to 60 days	970,342	5,327,853	6,298,195
Over 60 days to 90 days	1,208,521	3,986,228	5,194,749
Over 90 days to 1 year	1,655,794	2,828,770	4,484,564
Over 1 year	10,315	400,448	410,763
Total premium receivables	<u>1,565,832,235</u>	<u>46,897,404</u>	<u>1,612,729,639</u>

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.

7. Reinsurance assets

(Unit: Baht)

	30 June 2013	31 December 2012
Insurance reserve refundable from reinsurers	45,050,581	66,994,992
Amounts due from reinsurers	<u>573,346,644</u>	<u>443,017,820</u>
Reinsurance assets	<u>618,397,225</u>	<u>510,012,812</u>

As at 30 June 2013 and 31 December 2012, the outstanding balances of amounts due from reinsurers, classified by overdue period, are as follows:

(Unit: Baht)

	30 June 2013	31 December 2012
Not yet due	<u>573,346,644</u>	<u>443,017,820</u>
Total amounts due from reinsurers	<u>573,346,644</u>	<u>443,017,820</u>

(Unaudited but reviewed)

8. Investments in securities**8.1 Classified by investment types**

(Unite: Baht)

	30 June 2013		31 December 2012	
	Cost/		Cost/	
	Amortised cost	Fair value	Amortised cost	Fair value
Trading investments				
Government and state enterprise securities	445,113,916	439,622,443	476,046,230	477,236,368
Domestic equity securities	2,204,941,005	2,207,631,825	-	-
Add (less): Unrealised gains (losses)	(2,800,653)	-	1,190,138	-
Trading investments - net	<u>2,647,254,268</u>	<u>2,647,254,268</u>	<u>477,236,368</u>	<u>477,236,368</u>
Available-for-sale investments				
Government and state enterprise securities	2,002,429,724	2,037,195,814	3,098,389,385	3,169,558,338
Domestic equity securities	7,699,439,050	14,150,607,966	6,636,430,938	12,670,085,840
Domestic investment units	2,405,091,687	2,605,763,117	1,327,416,487	1,520,087,613
Foreign investment units	1,213,438,000	1,505,295,891	921,608,000	1,035,599,569
Total	13,320,398,461	20,298,862,788	11,983,844,810	18,395,331,360
Add: Unrealised gains	6,978,464,327	-	6,411,486,550	-
Total available-for-sale investments	<u>20,298,862,788</u>	<u>20,298,862,788</u>	<u>18,395,331,360</u>	<u>18,395,331,360</u>
Held-to-maturity investments				
Government and state enterprise securities	99,815,448,824		90,327,084,144	
Private enterprises debt securities	19,973,659,573		18,812,126,696	
Foreign debt securities	9,921,272,575		6,170,570,422	
Deposits at financial institutions with an original maturity of longer than 3 months	730,000,000		750,000,000	
Total held-to-maturity investments	<u>130,440,380,972</u>		<u>116,059,781,262</u>	
General investments				
Domestic equity securities	29,887,830		29,887,830	
Foreign equity securities	17,074,400		17,074,400	
Total general investments	<u>46,962,230</u>		<u>46,962,230</u>	

8.2 Classified by remaining periods to maturity

Investments in debt securities as at 30 June 2013 and 31 December 2012, classified by remaining periods to maturity, are as follows:

	30 June 2013			(Unit: Baht)
	Periods to maturity			
	Within 1 year	1 - 5 years	Over 5 years	Total
Trading investments				
Government and state enterprise securities	-	-	445,113,916	445,113,916
Less: Unrealised losses	-	-	(5,491,473)	(5,491,473)
Trading investments - net	-	-	439,622,443	439,622,443
Available-for-sale investments				
Government and state enterprise securities	-	699,494,997	1,302,934,727	2,002,429,724
Add: Unrealised gains	-	7,720,115	27,045,975	34,766,090
Total available-for-sale investments	-	707,215,112	1,329,980,702	2,037,195,814
Held-to-maturity investments				
Government and state enterprise securities	1,262,692,950	8,148,478,557	90,404,277,317	99,815,448,824
Private enterprises debt securities	625,000,000	4,104,000,000	15,244,659,573	19,973,659,573
Foreign debt securities	545,948,460	3,581,319,943	5,794,004,172	9,921,272,575
Deposits at financial institutions with an original maturity of longer than 3 months	430,000,000	300,000,000	-	730,000,000
Total held-to-maturity investments	2,863,641,410	16,133,798,500	111,442,941,062	130,440,380,972
				(Unit: Baht)
	31 December 2012			
	Periods to maturity			
	Within 1 year	1 - 5 years	Over 5 years	Total
Trading investments				
Government and state enterprise securities	-	-	476,046,230	476,046,230
Add: Unrealised gains	-	-	1,190,138	1,190,138
Total trading investments	-	-	477,236,368	477,236,368
Available-for-sale investments				
Government and state enterprise securities	-	1,718,370,905	1,380,018,480	3,098,389,385
Add: Unrealised gains	-	23,446,166	47,722,787	71,168,953
Total available-for-sale investments	-	1,741,817,071	1,427,741,267	3,169,558,338
Held-to-maturity investments				
Government and state enterprise securities	1,945,276,725	8,024,048,763	80,357,758,656	90,327,084,144
Private enterprises debt securities	560,000,000	4,128,000,000	14,124,126,696	18,812,126,696
Foreign debt securities	380,704,403	3,751,860,952	2,038,005,067	6,170,570,422
Deposits at financial institutions with an original maturity of longer than 3 months	50,000,000	700,000,000	-	750,000,000
Total held-to-maturity investments	2,935,981,128	16,603,909,715	96,519,890,419	116,059,781,262

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 2013 and 31 December 2012, the Company has investments of Baht 900 million and Baht 1,400 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 6 - 15 years, and contain conditions whereby the issuer has call option or has rights to call for additional deposits.
- (b) As at 30 June 2013 and 31 December 2012, the Company has investments of Baht 1,690 million and Baht 1,570 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, have remaining lives of 3 years, 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 2013 and 31 December 2012, 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 6 - 9 years, and bear interest that is reference to the yield rate on government bond (CMT Index).
- (d) As at 30 June 2013 and 31 December 2012, the Company has investments of Baht 2,016 million and Baht 1,702 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, have remaining lives of 7 - 15 years, and contain conditions whereby redemption of the notes and bills is based on the credit event of the reference assets.
- (e) As at 30 June 2013, the Company has investments of Baht 501 million, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, have remaining lives of 20 years, The bank has placed government bonds equivalent to 75% 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.

The above promissory notes and bills of exchange contain embedded derivatives that are not closely related to the host contracts, except for investments in (b) above.

(Unaudited but reviewed)

8.4 Investments subject to restriction

As at 30 June 2013 and 31 December 2012, the Company has placed government and state enterprise bonds of Baht 26,052 million and Baht 20,836 million, respectively with the Registrar as securities and reserves as described in Notes 27 and 28 to the financial statements.

8.5 Gains on investments

Gains on investments for the three-month and six-month periods ended 30 June 2013 and 2012 consisted of:

(Unit: Baht)

	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2013	2012	2013	2012
Gains on sales of investments				
Trading investments	58,109,309	117,920,304	59,191,760	127,563,382
Available-for-sale investments	114,462,389	5,393,113	340,864,910	180,515,870
Total	<u>172,571,698</u>	<u>123,313,417</u>	<u>400,056,670</u>	<u>308,079,252</u>

8.6 Revaluation surplus on available-for-sale investments

(Unit: Baht)

	For the six-month	For the
	period ended	year ended
	30 June 2013	31 December 2012
Revaluation surplus on available-for-sale investments - beginning of the period/year	6,441,716,041	2,477,708,155
Gains on revaluation during the period/year	884,143,111	4,537,681,934
Gains on sales of available-for-sale investments transferred to be recognised in profits from operation during the period/year	<u>(337,914,586)</u>	<u>(573,674,048)</u>
Revaluation surplus on available-for-sale investments - end of the period/year	6,987,944,566	6,441,716,041
Less: Relevant income taxes	<u>(1,397,588,913)</u>	<u>(1,288,343,208)</u>
Revaluation surplus on available-for-sale investments - net of relevant income taxes	<u>5,590,355,653</u>	<u>5,153,372,833</u>

9. Loans and accrued interest receivables

As at 30 June 2013 and 31 December 2012, the balances of loans and accrued interest receivables, classified by overdue periods, are as follows:

(Unit: Baht)

Overdue periods	30 June 2013								
	Policy loans		Mortgage loans		Other loans		Total		
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Total
Current	2,755,760,226	201,173,187	241,332,413	46,929	15,574,338	-	3,012,666,977	201,220,116	3,213,887,093
Overdue:									
Less than 6 months	-	-	-	-	-	-	-	-	-
6 - 12 months	-	-	352,293	777	-	-	352,293	777	353,070
Over 12 months	-	-	1,205,038	79,478	126,112	1,583	1,331,150	81,061	1,412,211
Total	2,755,760,226	201,173,187	242,889,744	127,184	15,700,450	1,583	3,014,350,420	201,301,954	3,215,652,374
Less: Allowance for doubtful accounts	-	-	(66,408)	(79,478)	-	-	(66,408)	(79,478)	(145,886)
Loans and accrued interest receivables - net	2,755,760,226	201,173,187	242,823,336	47,706	15,700,450	1,583	3,014,284,012	201,222,476 ⁽¹⁾	3,215,506,488

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

(Unit: Baht)

Overdue periods	31 December 2012								
	Policy loans		Mortgage loans		Other loans		Total		
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Total
Current	2,379,924,493	177,370,233	250,004,809	27,795	17,274,290	-	2,647,203,592	177,398,028	2,824,601,620
Overdue:									
Less than 6 months	-	-	639,699	3,143	-	-	639,699	3,143	642,842
6 - 12 months	-	-	-	-	16,188	-	16,188	-	16,188
Over 12 months	-	-	1,222,637	79,478	84,713	1,583	1,307,350	81,061	1,388,411
Total	2,379,924,493	177,370,233	251,867,145	110,416	17,375,191	1,583	2,649,166,829	177,482,232	2,826,649,061
Less: Allowance for doubtful accounts	-	-	(66,408)	(79,478)	-	-	(66,408)	(79,478)	(145,886)
Loans and accrued interest receivables - net	2,379,924,493	177,370,233	251,800,737	30,938	17,375,191	1,583	2,649,100,421	177,402,754 ⁽¹⁾	2,826,503,175

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

Loans to employees under the employee welfare scheme are set for a credit limit of Baht 100,000 to each employee for personal guarantee loans and of not to exceed 50 times the employee's salary to each employee for secured loans. The interest rates charged are at the rates of 6 percent and 5 percent per annum, respectively. As at 30 June 2013 and 31 December 2012, loans to employees and agents totalled Baht 65 million and Baht 69 million, respectively.

10. Premises and equipment

(Unit: Baht)

	Land	Buildings and buildings improvements	Condominium	Office furniture, fixture and equipment	Motor vehicles	Properties foreclosed	Construction in progress	Total
Net book value as								
at 1 January 2013	97,240,890	83,121,824	19,842,017	88,877,888	4,422,284	5,010,027	6,440,000	304,954,930
Additions during the period								
- at cost	-	7,039,256	-	18,669,931	2,592,000	-	200,625	28,501,812
Disposals during the period								
- net book value	-	-	-	(20,266)	-	-	-	(20,266)
Depreciation charges for the period	-	(7,339,327)	(915,824)	(24,277,930)	(1,853,623)	(45,000)	-	(34,431,704)
Net book value as								
at 30 June 2013	<u>97,240,890</u>	<u>82,821,753</u>	<u>18,926,193</u>	<u>83,249,623</u>	<u>5,160,661</u>	<u>4,965,027</u>	<u>6,640,625</u>	<u>299,004,772</u>

11. Deferred tax assets/liabilities and income tax expenses

11.1 Deferred tax assets/liabilities

Deferred tax assets and deferred tax liabilities consisted of tax effects on temporary differences as shown below.

(Unit: Baht)

	Changes in deferred tax assets/liabilities reported in the statements of income and comprehensive income						
	30 June 2013	31 December 2012	1 January 2012	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
				2013	2012	2013	2012
		(Restated)			(Restated)		(Restated)
Deferred tax assets							
Life policy reserves	1,158,743,304	732,914,999	304,326,534	55,489,720	188,497,364	425,828,305	288,483,284
Loss reserves and outstanding claims	17,800,854	16,106,215	11,657,911	606,686	1,979,466	1,694,639	5,175,210
Provisions for long-term employee benefits	33,292,356	31,051,459	24,224,229	1,120,448	981,865	2,240,897	1,963,731
Others	585,108	29,177	25,794	474,386	-	555,931	3,382
Total deferred tax assets	<u>1,210,421,622</u>	<u>780,101,850</u>	<u>340,234,468</u>	<u>57,691,240⁽¹⁾</u>	<u>191,458,695⁽¹⁾</u>	<u>430,319,772⁽¹⁾</u>	<u>295,625,607⁽¹⁾</u>
Deferred tax liabilities							
Investments							
Trading investments	8,184,070	61,723	(623,680)	6,173,685 ⁽¹⁾	(3,725,148) ⁽¹⁾	8,122,347 ⁽¹⁾	2,124,484 ⁽¹⁾
Available-for-sale investments	1,397,588,914	1,288,343,208	495,541,631	(235,091,806) ⁽²⁾	106,315,168 ⁽²⁾	109,245,706 ⁽²⁾	263,341,985 ⁽²⁾
Total deferred tax liabilities	<u>1,405,772,984</u>	<u>1,288,404,931</u>	<u>494,917,951</u>	<u>(228,918,121)</u>	<u>102,590,020</u>	<u>117,368,053</u>	<u>265,466,469</u>

⁽¹⁾ Recognised in statements of income

⁽²⁾ Recognised in statements of comprehensive income

11.2 Income tax expenses

Income tax expenses for the three-month and six-month periods ended 30 June 2013 and 2012 are made up as follows:

	(Unit: Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
		(Restated)		(Restated)
Current income taxes:				
Corporate income tax charge	375,519,654	500,589,798	929,129,790	870,889,239
Deferred income taxes:				
Relating to origination and reversal of temporary differences	(51,517,557)	(195,183,843)	(422,197,425)	(293,501,123)
Income tax expenses recognised in profits from operation	<u>324,002,097</u>	<u>305,405,955</u>	<u>506,932,365</u>	<u>577,388,116</u>

Reconciliations between income tax expenses and the product of accounting profits for the three-month and six-month periods ended 30 June 2013 and 2012 and the applicable corporate income tax rates are as follows:

	(Unit: Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
		(Restated)		(Restated)
Accounting profits before income tax expenses	<u>1,776,795,911</u>	<u>1,308,431,409</u>	<u>2,881,669,679</u>	<u>2,592,376,915</u>
Applicable corporate income tax rates	20%	23%	20%	23%
Income taxes at the applicable corporate income tax rates	355,359,182	300,939,224	576,333,936	596,246,690
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	(31,357,085)	(24,810,845)	(69,401,571)	(62,883,742)
Effects of changes in the applicable corporate income tax rates	-	29,277,576	-	44,025,168
Income tax expenses recognised in profits from operation	<u>324,002,097</u>	<u>305,405,955</u>	<u>506,932,365</u>	<u>577,388,116</u>

(Unaudited but reviewed)

The amounts of income taxes relating to each component of other comprehensive income (loss) for the three-month and six-month periods ended 30 June 2013 and 2012 are as follows:

	(Unit: Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
		(Restated)		(Restated)
Income taxes relating to:				
Gains (loss) on revaluation of available-for-sale investments	(213,579,062)	119,977,543	176,828,622	370,183,531
Gains on sales of available-for- sale investment transferred to be recognised in profit or loss from operation	(21,512,745)	(13,662,375)	(67,582,917)	(106,841,546)
Income taxes expenses as reported in other comprehensive income (loss)	<u>(235,091,807)</u>	<u>106,315,168</u>	<u>109,245,705</u>	<u>263,341,985</u>

12. Other assets

	(Unit: Baht)	
	30 June 2013	31 December 2012
Prepaid rental expenses	87,513,349	93,410,039
Receivable from sales of investments	5,197,785	193,287,500
Prepaid expenses	70,538,911	24,459,693
Deposits	17,660,517	19,160,406
Others	8,523,549	17,661,265
Total	<u>189,434,111</u>	<u>347,978,903</u>

13. Due to reinsurers

	(Unit: Baht)	
	30 June 2013	31 December 2012
Outward premium payables	646,679,992	400,098,875
Total due to reinsurers	<u>646,679,992</u>	<u>400,098,875</u>

(Unaudited but reviewed)

14. Life policy reserves

	(Unit: Baht)	
	For the six-month period ended 30 June 2013	For the year ended 31 December 2012
Balances - beginning of the period/year	111,259,206,400	88,386,403,850
Life policy reserves for premiums received during the period/year and increase reserves for enforced policies benefit and other claims	19,428,522,399	28,891,861,757
Benefit paid for death, maturity, surrender and other claims	(3,667,432,425)	(6,019,059,207)
Balances - end of the period/year	<u>127,020,296,374</u>	<u>111,259,206,400</u>

15. Unpaid policy benefits

	(Unit: Baht)	
	<u>30 June 2013</u>	<u>31 December 2012</u>
Death benefits	87,662,156	87,751,151
Maturity payments	8,135,461	709,445
Total	<u>95,797,617</u>	<u>88,460,596</u>

16. Loss reserves and outstanding claims

	(Unit: Baht)	
	For the six-month period ended 30 June 2013	For the year ended 31 December 2012
Balances - beginning of the period/year	340,909,580	333,830,276
Claims and losses adjustment expenses for the period/year	917,006,924	2,033,661,404
Claims and losses adjustment expenses paid during the period/year	(975,732,632)	(2,026,582,100)
Balances - end of the period/year	<u>282,183,872</u>	<u>340,909,580</u>

(Unaudited but reviewed)

17. Premium reserves

17.1 Unearned premium reserves

	(Unit: Baht)	
	For the six-month period ended 30 June 2013	For the year ended 31 December 2012
Balances - beginning of the period/year	1,078,120,949	1,085,196,967
Premium written for the period/year	1,530,194,765	2,695,302,374
Premium earned for the period/year	(1,503,282,610)	(2,702,378,392)
Balances - end of the period/year	<u>1,105,033,104</u>	<u>1,078,120,949</u>

17.2 Unexpired risk reserves

	(Unit: Baht)	
	For the six-month period ended 30 June 2013	For the year ended 31 December 2012
Balances - beginning of the period/year	743,903,455	759,637,877
Increase (decrease) during the period/year	<u>18,569,387</u>	<u>(15,734,422)</u>
Balances - end of the period/year	<u>762,472,842</u>	<u>743,903,455</u>

18. Employee benefit payables

	(Unit: Baht)	
	<u>30 June 2013</u>	<u>31 December 2012</u>
Short-term employee benefits payables	86,403,764	111,701,364
Provisions for long-term employee benefits	<u>166,461,779</u>	<u>155,257,296</u>
Total employee benefit payables	<u>252,865,543</u>	<u>266,958,660</u>

(Unaudited but reviewed)

19. Other liabilities

	(Unit: Baht)	
	30 June 2013	31 December 2012
Accrued commission expenses	451,722,510	474,991,671
Accrued expenses	280,416,038	279,245,304
Withholding tax payable	27,393,804	57,780,393
Premiums received for policies not yet approved	202,518,925	102,988,520
Amounts received awaiting transfer	287,730,630	127,189,555
Payable to policyholders on exempted premiums	94,473,707	95,833,722
Forward exchange contracts payables	143,526,191	54,357,000
Payable on purchases of investments	1,182,527,806	243,882,562
Others	91,216,783	82,873,187
Total	2,761,526,394	1,519,141,914

20. Issued and paid-up share capital/share premium/capital reserve on share-based payments/subscriptions received in advance from exercises of warrants

Reconciliations for the six-month period ended 30 June 2013 are as follows:

	Issued and fully paid-up share capital		Share premium	Capital reserve on share-based payments	Subscriptions received in advance from exercises of warrants
	Number of shares	Baht	Baht	Baht	Baht
Balances - beginning of the period	1,204,771,855	1,204,771,855	2,759,469,456	28,315,191	35,477,257
Issuance of ordinary shares as a result of exercise of Warrant No. 1	6,029,445	6,029,445	75,368,062	-	(35,477,257)
Proceeds from exercises of warrants (Note 21)	-	-	-	-	10,787,175
Expenses in respect of share-based payments - Warrant No. 2 (Note 21)	-	-	-	18,876,794	-
Balances - end of the period	1,210,801,300	1,210,801,300	2,834,837,518	47,191,985	10,787,175

21. 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. Warrant No. 2 was already allocated to employee and the grant date is stipulated to be 1 April 2012.

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

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

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 per share for Warrant No.2. The first exercise date is 3 years from the grant date.

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.

(Unaudited but reviewed)

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 three-month and six-month periods ended 30 June 2013 amounting to Baht 9 million and 19 million.

Movements of units of warrants during the six-month period ended 30 June 2013 are summarised below.

(Units)

	Number of warrants		
	Warrants No.1	Warrants No.2	Total
Number of unexercised warrants at beginning of the period	5,350,200	7,150,000	12,500,200
Exercised during the period	<u>(4,200,550)</u>	<u>-</u>	<u>(4,200,550)</u>
Number of unexercised warrants at end of the period	<u>1,149,650</u>	<u>7,150,000</u>	<u>8,299,650</u>

During the six-month period ended 30 June 2013, the Warrant No. 1 holders exercised 4,200,550 units of warrants at an exercise price of Baht 13.50 each. Details are summarised below.

	Units of warrants	Exercise price per share	Proceeds from exercises	Issued and paid up shares	Share Premium	Subscriptions received in advance from exercises of warrants	Share capital registration date	Listing date
		Baht	Baht	Baht	Baht	Baht		
The third exercise	3,401,500	13.50	45,920,250	3,401,500	42,518,750	-	25 April 2013	26 April 2013
The fourth exercise	<u>799,050</u>	13.50	<u>10,787,175</u>	<u>-</u>	<u>-</u>	<u>10,787,175</u>	16 July 2013	17 July 2013
Total	<u>4,200,550</u>		<u>56,707,425</u>	<u>3,401,500</u>	<u>42,518,750</u>	<u>10,787,175</u>		

22. Dividends paid

Dividends declared during the six-month periods ended 30 June 2013 and 2012 consisted of the following:

	Approved by	Total dividend	Dividend per share
		(Million Baht)	(Baht)
Annual dividend for 2012	Annual General Meeting of the Shareholders on 26 April 2013 and the OIC on 26 April 2013	433.65	0.36
Total dividend paid during the period 2013		<u>433.65</u>	<u>0.36</u>
Annual dividend for 2011	Annual General Meeting of the Shareholders on 27 April 2012 and the OIC on 23 April 2012	405.42	0.34
Total dividend for the period 2012		<u>405.42</u>	<u>0.34</u>

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 2013 and 2012 is as follows:

	(Unit: Baht)			
	For the three-month period ended 30 June 2013			
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Total
Underwriting income				
Premium written	9,171,586,991	33,219,642	10,579,320	9,215,385,953
Less: Premium ceded	(109,208,548)	-	-	(109,208,548)
Net premium written	9,062,378,443	33,219,642	10,579,320	9,106,177,405
Add (less): Unearned premium reserve	(11,000,089)	-	125,877	(10,874,212)
Total underwriting income	9,051,378,354	33,219,642	10,705,197	9,095,303,193
Underwriting expenses				
Life policy reserves increased from prior period	5,825,017,875	33,023,117	-	5,858,040,992
Benefit payments under life policies and benefit adjustment expenses	1,904,373,969	144,435	-	1,904,518,404
Losses and losses adjustment expenses	284,242,915	(9,084)	4,035,545	288,269,376
Commissions and brokerage expenses	623,478,657	3,412,983	217,615	627,109,255
Sales promotional expenses	68,724,044	264,059	83,165	69,071,268
Other underwriting expenses	7,242,972	23,471	8,071	7,274,514
Total underwriting expenses	8,713,080,432	36,858,981	4,344,396	8,754,283,809

	(Unit: Baht)			
	For the three-month period ended 30 June 2012			
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Total
Underwriting income				
Premium written	10,070,364,172	9,679,561	10,894,012	10,090,937,745
Add (less): Premium ceded	(107,868,729)	-	37,021	(107,831,708)
Net premium written	9,962,495,443	9,679,561	10,931,033	9,983,106,037
Add (less): Unearned premium reserve	(10,591,555)	-	396,124	(10,195,431)
Total underwriting income	9,951,903,888	9,679,561	11,327,157	9,972,910,606
Underwriting expenses				
Life policy reserves increased from prior period	7,053,323,401	7,550,058	-	7,060,873,459
Benefit payments under life policies and benefit adjustment expenses	1,568,985,889	-	-	1,568,985,889
Losses and losses adjustment expenses	338,686,832	4,917	1,425,082	340,116,831
Commissions and brokerage expenses	744,680,655	3,815,610	237,638	748,733,903
Sales promotional expenses	21,355,085	-	11,671	21,366,756
Other underwriting expenses	6,554,471	6,507	7,470	6,568,448
Total underwriting expenses	9,733,586,333	11,377,092	1,681,861	9,746,645,286

(Unaudited but reviewed)

Underwriting information classified by insurance categories for the six-month periods ended 30 June 2013 and 2012 is as follows:

(Unit: Baht)

	For the six-month period ended 30 June 2013			
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Total
Underwriting income				
Premium written	22,365,878,422	52,707,262	21,142,342	22,439,728,026
Less: Premium ceded	(339,314,846)	-	-	(339,314,846)
Net premium written	22,026,563,576	52,707,262	21,142,342	22,100,413,180
Add (less): Unearned premium reserve	(27,325,824)	-	413,669	(26,912,155)
Total underwriting income	21,999,237,752	52,707,262	21,556,011	22,073,501,025
Underwriting expenses				
Life policy reserves increased from prior period	15,707,815,161	53,274,813	-	15,761,089,974
Benefit payments under life policies and benefit adjustment expenses	3,943,013,012	271,314	-	3,943,284,326
Losses and losses adjustment expenses	613,140,782	-	4,660,181	617,800,963
Commissions and brokerage expenses	1,497,819,407	7,060,301	505,578	1,505,385,286
Sales promotional expenses	180,316,688	432,015	176,684	180,925,387
Other underwriting expenses	14,110,512	33,807	13,826	14,158,145
Total underwriting expenses	21,956,215,562	61,072,250	5,356,269	22,022,644,081

(Unit: Baht)

	For the six-month period ended 30 June 2012			
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Total
Underwriting income				
Premium written	19,024,226,931	37,507,492	22,176,513	19,083,910,936
Add (less): Premium ceded	(327,090,978)	-	37,021	(327,053,957)
Net premium written	18,697,135,953	37,507,492	22,213,534	18,756,856,979
Add: Unearned premium reserve	18,487,746	-	565,827	19,053,573
Total underwriting income	18,715,623,699	37,507,492	22,779,361	18,775,910,552
Underwriting expenses				
Life policy reserves increased from prior period	12,786,447,001	29,537,462	-	12,815,984,463
Benefit payments under life policies and benefit adjustment expenses	3,229,744,795	153,504	-	3,229,898,299
Losses and losses adjustment expenses	689,412,456	22,032	2,850,565	692,285,053
Commissions and brokerage expenses	1,503,291,346	6,862,449	479,105	1,510,632,900
Sales promotional expenses	183,240,202	367,227	223,027	183,830,456
Other underwriting expenses	12,213,348	24,476	14,865	12,252,689
Total underwriting expenses	18,404,349,148	36,967,150	3,567,562	18,444,883,860

(Unaudited but reviewed)

24. Operating expenses

(Unit: Baht)

	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2013	2012	2013	2012
Personal expenses, which are not expenses for underwriting and claims	196,889,164	176,335,653	414,509,858	342,990,516
Premises and equipment expenses, which are not expenses for underwriting	37,983,343	38,339,636	75,361,741	75,800,973
Taxes and duties	46,101,370	37,935,028	89,053,751	62,199,955
Other operating expenses	150,124,873	108,950,767	277,832,777	199,723,834
Total operating expenses	<u>431,098,750</u>	<u>361,561,084</u>	<u>856,758,127</u>	<u>680,715,278</u>

25. Fair value gains (losses)

(Unit: Baht)

	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2013	2012	2013	2012
Unrealised gains (losses) from trading securities	7,400,198	(26,446,940)	(4,126,818)	(17,803,555)
Unrealised gains (losses) on foreign exchange contracts	(59,306,161)	(2,845,737)	(12,303,211)	10,029,263
Gains (losses) on exchange	<u>58,640,504</u>	<u>22,401,321</u>	<u>(25,814,665)</u>	<u>1,185,719</u>
Total fair value gains (losses)	<u>6,734,541</u>	<u>(6,891,356)</u>	<u>(42,244,694)</u>	<u>(6,588,573)</u>

26. Related party transactions

In considering each possible related party relationship, consideration is directed to the substance of the relationship over 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 Pcl.	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
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
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
BLA Insurance Broker Co., Ltd	Insurance	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 Lease Co., Ltd.	Services	Related by way of common directors
TMD Design, LLC	Services	Holding by an individual related to the major shareholder of the Company

(Unaudited but reviewed)

During the three-month and six-month periods ended 30 June 2013 and 2012, 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		For the six-month periods		Pricing policy
	ended 30 June		ended 30 June		
	2013	2012	2013	2012	
Premium written	2,406,814	2,131,438	4,189,564	3,757,921	Normal commercial terms for underwriting
Premium ceded	23,930,374	21,596,456	84,024,596	79,335,416	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contract
Claim recovery from reinsurance	30,910,840	16,774,752	60,766,970	39,400,712	At a mutually agreed percentage of premium ceded
Commission and brokerage	296,826,901	381,285,965	754,225,275	740,507,817	At a mutually agreed percentage of premium written
Claim payments and diagnosis charges	12,584,127	17,649,627	25,527,025	31,739,911	Normal commercial terms for underwriting
Interest income - deposits at banks, promissory notes and debentures	64,998,137	94,705,220	153,254,961	115,857,229	Same rates as they offered to general customers
Interest income - mortgage loans	2,804,986	1,386,187	5,646,021	2,612,946	Same rates as the Company charged to general mortgage borrowers
Dividend income	56,310,661	26,398,210	86,895,566	55,505,457	As declared
Brokerage income from securities trading	1,641,025	72,150	7,913,569	72,150	Normal commercial terms for securities brokerage
Bank charges	19,978,471	23,323,842	41,546,527	43,454,003	Same rates as they charge to general customers
Insurance premiums	1,070,477	354,557	1,392,433	579,787	Normal commercial terms for underwriting
Building space rental and service fees	16,053,951	15,614,316	31,872,795	31,002,055	Head office building: Rental fees of approximately Baht 90 per square meter per month and service fees of Baht 29 per square meter per month for long-term agreement and approximately Baht 44 and Baht 138 per square meter per month and service fees of approximately Baht 91 and Baht 307 per square meter per month. Branch office buildings: Rental fees of approximately Baht 100, Baht 150, Baht 188 and Baht 315 per square meter per month and service fees of approximately Baht 342 and Baht 200 per square meter per month.
Other service fees	163,301	-	277,809	-	Same conditions and prices charged to general members

(Unaudited but reviewed)

For the six-month periods ended 30 June 2013 and 2012, the premium generated from the Bancassurance distribution channel represented approximately 71.06% and 68.07% of total net premium written, respectively.

As at 30 June 2013 and 31 December 2012, the balance of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)	
	30 June 2013	31 December 2012
Deposit at financial institution		
(included in cash and cash equivalents)	394,485	852,168
Reinsurance assets	92,675	91,931
Investments in securities		
Available-for-sale investments – cost		
Domestic equity securities	1,352,544	1,450,475
Domestic investment unit	780,348	780,348
Total	2,132,892	2,230,823
Add: Unrealised gains	1,568,954	1,411,213
Total available-for-sale investments - fair value	3,701,846	3,642,036
Held-to-maturity investments - cost/amortised cost		
Private enterprise debt securities	3,705,000	3,705,000
Foreign debt securities	2,770,021	1,638,005
Total held-to-maturity investment - cost/amortised cost	6,475,021	5,343,005
General investments - foreign equity securities	11,467	11,467
Total investments in securities	10,188,334	8,996,508
Loans	169,061	183,115
Other assets		
Prepaid rental expense	87,513	93,410
Prepaid expense	1,042	1,162
Total other assets	88,555	94,572
Amounts due to reinsurers	92,535	51,534
Outstanding claims	5,319	11,826
Other liabilities		
Accrued commission	242,015	173,634
Accrued rental and service expense	629	691
Total other liabilities	242,644	174,325

Directors and key management's benefits

During the three-month and six-month periods ended 30 June 2013 and 2012, the Company had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2013	2012	2013	2012
Short-term employee benefits	7.75	7.12	15.50	13.90
Long-term employee benefits	0.41	0.44	0.82	0.88
Share-based payment transactions (Note 21)	2.20	2.20	4.40	2.20
Total	10.36	9.76	20.72	16.98

The details of the warrants which allocated to the Company's employees are presented in Note 21 to the interim financial statements.

27. Assets placed with the Registrar

As at 30 June 2013 and 31 December 2012, the following assets have been placed as securities with the Registrar in accordance with the Life Insurance Act.

(Unit: Baht)

	30 June 2013		31 December 2012	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
State enterprise bonds	20,000,000	20,989,666	20,000,000	21,156,977

28. Assets reserved with the Registrar

As at 30 June 2013 and 31 December 2012, the following assets have been placed as reserves with the Registrar in accordance with the Life Insurance Act.

(Unit: Baht)

	30 June 2013		31 December 2012	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Government bonds	18,599,050,148	18,558,471,991	12,480,608,158	13,414,367,520
State enterprise bonds	7,433,222,787	7,958,005,694	8,335,857,706	9,047,014,595
Total	26,032,272,935	26,516,477,685	20,816,465,864	22,461,382,115

29. Earnings per share

Basic earnings per share is calculated by dividing profits for the periods (excluding other comprehensive income/loss) by the weighted average number of ordinary shares in issue during the periods.

Diluted earnings per share is calculated by dividing profits for the periods (excluding other comprehensive income) by the sum of the weighted average number of ordinary shares in issue during the periods and 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 2013 and 2012 are as follows:

	Profits for the periods (Thousand Baht)		Weighted average number of shares (Thousand shares)		Earnings per share (Baht)	
	2013	2012	2013	2012	2013	2012
		(Restated)				(Restated)
Basic earnings per share						
Profits for the periods	1,452,793	1,003,026	1,210,828	1,200,000	<u>1.200</u>	<u>0.836</u>
Effect of dilutive potential ordinary shares						
Warrant No. 1	-	-	1,537	9,131		
Warrant No. 2	-	-	1,875	- ⁽¹⁾		
Diluted earnings per share						
Profits of ordinary shareholder assuming the conversion of warrants to ordinary sharess	<u>1,452,793</u>	<u>1,003,026</u>	<u>1,214,240</u>	<u>1,209,131</u>	<u>1.196</u>	<u>0.830</u>

⁽¹⁾ No calculation of dilutive potential ordinary shares on Warrant No. 2 since the exercise price and fair value of employee services to be supplied to the Company in the future per each was higher than the average market price for the period

(Unaudited but reviewed)

Basic and diluted earnings per share for the six-month periods ended 30 June 2013 and 2012 are as follows:

	Profits for the periods (Thousand Baht)		Weighted average number of shares (Thousand shares)		Earnings per share (Baht)	
	2013	2012 (Restated)	2013	2012	2013	2012 (Restated)
Basic earnings per share						
Profits for the periods	2,374,737	2,014,989	1,209,180	1,200,000	<u>1.964</u>	<u>1.679</u>
Effect of dilutive potential ordinary shares						
Warrant No. 1	-	-	12,871	9,135		
Warrant No. 2	-	-	1,946	- ⁽¹⁾		
Diluted earnings per share						
Profits of ordinary shareholder assuming the conversion of warrants to	<u>2,374,737</u>	<u>2,014,989</u>	<u>1,223,997</u>	<u>1,209,135</u>	<u>1.956</u>	<u>1.666</u>

(1) No calculation of dilutive potential ordinary shares on Warrant No. 2 since the exercise price and fair value of employee services to be supplied to the Company in the future per each was higher than the average market price for the period

30. Commitments and contingent liabilities

30.1 Commitments under agreements

- (a) 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 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 2013 and 31 December 2012, future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

(Unit: Million Baht)

	30 June 2013			
	Payable within			Total
	1 year	1 - 5 years	Over 5 years	
Operating lease agreements	32	21	2	55
Service agreements	41	34	11	86
Total	<u>73</u>	<u>55</u>	<u>13</u>	<u>141</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	31 December 2012			
	Pay within			Total
	1 year	1 - 5 years	Over 5 years	
Operating lease agreements	35	30	3	68
Service agreements	44	44	13	101
Total	79	74	16	169

- (b) As at 30 June 2013 and 31 December 2012, 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.

Payable within	(Unit: Million Baht)	
	30 June 2013	31 December 2012
1 year	1,140	1,240
2 - 5 years	1,070	590
Over 5 years	300	-

30.2 Litigation

As at 30 June 2013 and 31 December 2012, the Company has been sued in litigation cases of compensation of claims totaling approximately Baht 39 million and Baht 42 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.

31. Events after the reporting period

On 9 August 2013, the Meeting of the Board of Directors of the Company passed a resolution to approve the payment of an interim dividend of Baht 0.4 per share to shareholders, from retained earnings, or a total of Baht 485 million.

32. Approval of interim financial statements

These interim financial statements were authorised for issue by the Board of Directors on 9 August 2013.