

Bangkok Life Assurance Public Company Limited  
Review report and interim financial statements  
For the three-month periods ended  
31 March 2012 and 2011

## **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 31 March 2012, and the statements of income, comprehensive income, changes in equity, and cash flows for the three-month periods ended 31 March 2012 and 2011, 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 Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my reviews.

### **Scope of review**

I conducted my reviews in accordance with 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 auditing standards 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 reviews, 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 Accounting Standard 34 Interim Financial Reporting.

## **Statements of financial position as at 31 December 2011 for comparative purposes**

I have previously audited the financial statements of Bangkok Life Assurance Public Company Limited for the year ended 31 December 2011 in accordance with auditing standards, and expressed an unqualified opinion on those statements under my report dated 22 February 2012. The statements of financial position as at 31 December 2011, as presented herein for comparative purposes, formed an integral part of those financial statements. I have not performed any other audit procedures subsequent to the date of the above report.

Nonglak Pumnoi  
Certified Public Accountant (Thailand) No. 4172

Ernst & Young Office Limited

Bangkok: 11 May 2012

**Bangkok Life Assurance Public Company Limited****Statements of financial position****As at 31 March 2012 and 31 December 2011**

		(Unit: Baht)	
	Note	31 March 2012	31 December 2011
		(Unaudited but reviewed)	(Audited)
<b>Assets</b>			
Cash and cash equivalent	3, 18	563,488,357	2,736,720,476
Accrued investment income		1,595,426,087	1,375,597,931
Premium receivables, net	4	2,452,224,015	2,312,647,445
Reinsurance assets	5, 18	422,802,856	332,055,036
Investment assets			
Investments in securities	18		
Trading investments	6	741,022,339	299,019,595
Available-for-sale investments	6	14,631,381,480	13,358,947,452
Held-to-maturity investments	6, 19, 20	98,693,289,654	89,394,339,476
Other investments	6	46,662,230	29,587,830
Loans, net	7, 18	2,152,379,724	2,113,082,452
Property and equipment, net	8	327,829,701	306,415,271
Intangible assets, net		18,863,486	21,390,815
Other assets	9, 18	237,355,240	179,608,126
<b>Total assets</b>		<u>121,882,725,169</u>	<u>112,459,411,905</u>

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

**Bangkok Life Assurance Public Company Limited**  
**Statements of financial position (Continued)**  
**As at 31 March 2012 and 31 December 2011**

	Note	31 March 2012	(Unit: Baht) 31 December 2011
		(Unaudited but reviewed)	(Audited)
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Income tax payable		1,098,461,163	738,563,265
Amount due to reinsurers	10, 18	484,277,344	266,778,378
Insurance contract liabilities			
Life policy reserve	11	94,141,514,854	88,386,403,850
Unpaid policy benefits	12	83,436,374	82,588,130
Loss reserves and outstanding claims	13, 18	302,033,355	333,830,276
Premium reserve	14	1,055,947,963	1,085,196,967
Other insurance liabilities		6,964,215,071	6,852,174,216
Employee benefit obligations		163,672,147	233,793,703
Loans	6	1,000,000,000	-
Other liabilities	15, 18	1,459,165,033	1,048,861,404
<b>Total liabilities</b>		<b>106,752,723,304</b>	<b>99,028,190,189</b>

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

**Bangkok Life Assurance Public Company Limited**  
**Statements of financial position (Continued)**  
**As at 31 March 2012 and 31 December 2011**

	(Unit: Baht)	
	31 March 2012	31 December 2011
	(Unaudited but reviewed)	(Audited)
<b>Equity</b>		
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	7,445,338,358	6,531,692,293
Other components of equity	3,262,842,239	2,477,708,155
<b>Total equity</b>	<b>15,130,001,865</b>	<b>13,431,221,716</b>
<b>Total liabilities and equity</b>	<b>121,882,725,169</b>	<b>112,459,411,905</b>
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The accompanying notes are an integral part of the financial statements.

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Directors

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(Unaudited but reviewed)

**Bangkok Life Assurance Public Company Limited****Statements of income****For the three-month periods ended 31 March 2012 and 2011**

	Note	2012	2011
(Unit: Baht)			
<b>Income</b>			
Net earned premium	16, 18	8,802,999,946	7,861,177,269
Net investment income	18	1,335,277,659	1,064,539,318
<b>Total income</b>		<b>10,138,277,605</b>	<b>8,925,716,587</b>
<b>Expenses</b>			
Underwriting			
Life policy reserve increase from previous period	16	5,755,111,004	4,743,251,471
Benefit payments to life policies and benefit adjustment expenses	16	1,660,912,410	1,454,808,742
Claims and losses adjustment expenses	16, 18	352,168,222	363,718,967
Commissions and brokerages expenses	16, 18	761,898,997	736,485,589
Sales promotion expenses	16	162,463,700	84,974,217
Other underwriting expenses	16, 18	5,684,241	4,550,801
Operating expenses	17, 18	319,154,194	292,888,084
<b>Total underwriting expenses</b>		<b>9,017,392,768</b>	<b>7,680,677,871</b>
<b>Profit from underwriting</b>		<b>1,120,884,837</b>	<b>1,245,038,716</b>
Profit from investments	6	197,640,835	35,162,406
Fair value gains on trading investments		8,643,385	1,618,759
Other income		2,614,474	2,904,935
Gains (losses) on exchange		(21,215,602)	2,362,776
<b>Profit from operations</b>		<b>1,308,567,929</b>	<b>1,287,087,592</b>
Contribution to the Office of Insurance Commission		15,629,450	13,990,733
Contribution to Life Insurance Fund		8,992,973	8,019,563
<b>Profit before corporate income tax</b>		<b>1,283,945,506</b>	<b>1,265,077,296</b>
Corporate income tax		370,299,441	277,845,149
<b>Profit for the period</b>		<b>913,646,065</b>	<b>987,232,147</b>
<b>Earnings per share</b>	22		
Basic earnings per share			
Profit for the period		0.761	0.823
Diluted earnings per share			
Profit for the period		0.756	0.818

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

(Unaudited but reviewed)

**Bangkok Life Assurance Public Company Limited**

**Statements of comprehensive income**

**For the three-month periods ended 31 March 2012 and 2011**

	(Unit: Baht)	
	2012	2011
<b>Profit for the period</b>	<u>913,646,065</u>	<u>987,232,147</u>
<b>Other comprehensive income</b>		
Gain on change in value of available-for-sale investments	<u>785,134,084</u>	<u>18,032,073</u>
Other comprehensive income for the period	<u>785,134,084</u>	<u>18,032,073</u>
<b>Total comprehensive income for the period</b>	<u><u>1,698,780,149</u></u>	<u><u>1,005,264,220</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 three-month periods ended 31 March 2012 and 2011**

	(Unit: Baht)	
	2012	2011
<b>Cash flows from operating activities</b>		
Direct premium written	8,795,542,422	7,115,728,330
Interest income	893,758,882	820,691,705
Dividend income	221,690,620	50,154,398
Other investment income	199,336,531	51,265,124
Other income	2,649,954	2,884,490
Benefit payments to life policies during the period	(1,956,865,454)	(1,710,053,681)
Dividends to policyholders	(16,879,900)	(8,919,000)
Commissions and brokerages	(705,896,754)	(844,802,057)
Other underwriting expenses	(55,571,018)	(80,637,434)
Operating expenses	(183,967,419)	(268,018,711)
Other expenses	(24,622,423)	(31,415,915)
Corporate income tax	(10,401,543)	(11,573,677)
<b>Net cash from operating activities</b>	<b>7,158,773,898</b>	<b>5,085,303,572</b>
<b>Cash flows from investing activities</b>		
Cash flows from		
Investments in securities	26,184,315,430	25,140,966,162
Loans	107,678,193	126,249,999
Deposits at financial institutions	250,000,000	-
Property and equipment	36,550	29,473
Net cash from investing activities	26,542,030,173	25,267,245,634
Cash flows used in		
Investments in securities	(36,682,371,885)	(30,985,047,564)
Loans	(146,951,380)	(154,420,418)
Deposits at financial institutions	(5,000,000)	-
Property and equipment	(39,712,925)	(14,420,767)
Net cash used in investing activities	(36,874,036,190)	(31,153,888,749)
<b>Net cash used in investing activities</b>	<b>(10,332,006,017)</b>	<b>(5,886,643,115)</b>
<b>Cash flows from financing activity</b>		
Loans	1,000,000,000	-
<b>Net cash flows from financing activity</b>	<b>1,000,000,000</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,173,232,119)</b>	<b>(801,339,543)</b>
Cash and cash equivalents at beginning of period	2,736,720,476	3,579,532,959
<b>Cash and cash equivalents at end of period (Note 3)</b>	<b>563,488,357</b>	<b>2,778,193,416</b>
<b>Supplemental cash flows information</b>		
Non-cash item		
Gains on changes in values of available-for-sale investments	785,134,084	18,032,073

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

(Unaudited but reviewed)

## Bangkok Life Assurance Public Company Limited

## Statements of changes in equity

For the three-month periods ended 31 March 2012 and 2011

(Unit: Baht)

	Issued and fully paid-up share capital	Share premium	Retained earnings			Other components of equity		Total
			Appropriated		Unappropriated	Other comprehensive income Surplus on changes in value of available- for-sale investments	Total other components of shareholders' equity	
			Legal reserve	General reserve				
<b>Balance as at 1 January 2011</b>	1,200,000,000	2,699,821,268	122,000,000	400,000,000	4,045,990,431	2,340,704,225	2,340,704,225	10,808,515,924
Total comprehensive income for the period	-	-	-	-	987,232,147	18,032,073	18,032,073	1,005,264,220
<b>Balance as at 31 March 2011</b>	1,200,000,000	2,699,821,268	122,000,000	400,000,000	5,033,222,578	2,358,736,298	2,358,736,298	11,813,780,144
<b>Balance as at 1 January 2012</b>	1,200,000,000	2,699,821,268	122,000,000	400,000,000	6,531,692,293	2,477,708,155	2,477,708,155	13,431,221,716
Total comprehensive income for the period	-	-	-	-	913,646,065	785,134,084	785,134,084	1,698,780,149
<b>Balance as at 31 March 2012</b>	1,200,000,000	2,699,821,268	122,000,000	400,000,000	7,445,338,358	3,262,842,239	3,262,842,239	15,130,001,865
	-	-	-	-	-	-	-	-
	-	-	-	-	0	-	-	0

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

**Bangkok Life Assurance Public Company Limited**

**Notes to interim financial statements**

**For the three-month periods ended 31 March 2012 and 2011**

**1. General information**

**1.1 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 business. The registered office of the Company is at 23/115-121, Royal City Avenue, Rama 9 Road, Bangkok, Huaykwang, Bangkok.

**1.2 Basis of preparation**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2009) “Interim Financial Reporting” and the Declaration of the Insurance Commission dated 27 May 2010, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income, comprehensive income, and changes in equity and cash flows in the same format as that used for the annual financial statements.

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

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

**1.3 Significant accounting policies**

The interim financial statements have been prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2011.

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

During the current period, the Federation of Accounting Professions issued the financial reporting standard TFRS 8: Operating Segments, which is effective for fiscal years beginning on or after 1 January 2013.

The Company's management believes that this financial reporting standard will not have any significant impact on the financial statements when it is initially applied.

**3. Cash and cash equivalents**

	(Unit: Baht)	
	31 March 2012	31 December 2011
Cash on hand	2,260,084	5,741,220
Deposits at banks with no fixed maturity date	411,228,273	710,979,256
Deposits at banks with fixed maturity date	1,630,000,000	1,875,000,000
Total cash and financial institutions	2,043,488,357	2,591,720,476
Short-term investment which amounts maturing within 3 months	150,000,000	2,020,000,000
Less: Deposits at banks which amounts maturing in over 3 months	(1,630,000,000)	(1,875,000,000)
Cash and cash equivalents	<u>563,488,357</u>	<u>2,736,720,476</u>

As at 31 March 2012, interest rates of saving account, fixed account and promissory notes are 0.63% - 6.10% per annum (31 December 2011: 0.75% - 6.10% per annum).

(Unaudited but reviewed)

#### 4. Premium receivables

The balances as at 31 March 2012 and 31 December 2011 of premium receivables are classified by aging from the maturity date under the stipulated credit terms as follows:

(Unit: Baht)

	31 March 2012		
	Due from insured	Due from agents and brokers	Total
Not yet due	2,206,397,547	193,066,872	2,399,464,419
Not over 30 days	6,117,174	38,613,203	44,730,377
Over 30 days to 60 days	8,130	4,584,472	4,592,602
Over 60 days to 90 days	-	516,468	516,468
Over 90 days to 1 year	1,192,959	1,325,331	2,518,290
Over 1 year	10,315	391,544	401,859
Total premium receivables	<u>2,213,726,125</u>	<u>238,497,890</u>	<u>2,452,224,015</u>

(Unit: Baht)

	31 December 2011		
	Due from insured	Due from agents and brokers	Total
Not yet due	2,243,833,205	28,594,810	2,272,428,015
Not over 30 days	1,633,290	13,826,807	15,460,097
Over 30 days to 60 days	2,678,410	3,149,146	5,827,556
Over 60 days to 90 days	1,223,199	2,970,963	4,194,162
Over 90 days to 1 year	799,176	13,565,635	14,364,811
Over 1 year	10,315	362,489	372,804
Total premium receivables	<u>2,250,177,595</u>	<u>62,469,850</u>	<u>2,312,647,445</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.

#### 5. Reinsurance assets

(Unit: Baht)

	31 March 2012	31 December 2011
Insurance reserve refundable from reinsurers	32,327,847	44,362,258
Amounts due from reinsurers	390,475,009	287,692,778
Reinsurance assets, net	<u>422,802,856</u>	<u>332,055,036</u>

(Unaudited but reviewed)

The balances as at 31 March 2012 and 31 December 2011 of amounts due from reinsurers are classified by aging as follows:

	(Unit: Baht)	
	31 March 2012	31 December 2011
Not yet due	390,475,009	287,692,778
Total amounts due from reinsurers	<u>390,475,009</u>	<u>287,692,778</u>

## 6. Investments in securities

	(Unit: Baht)			
	31 March 2012		31 December 2011	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<b>Trading investments</b>				
Government and state enterprise securities	578,098,366	559,985,755	-	-
Equity securities	167,662,279	181,036,584	312,236,412	299,019,595
Total	745,760,645	741,022,339	312,236,412	299,019,595
Less: Unrealised losses	(4,738,306)	-	(13,216,817)	-
<b>Total trading investments</b>	<u>741,022,339</u>	<u>741,022,339</u>	<u>299,019,595</u>	<u>299,019,595</u>
<b>Available-for-sale investments</b>				
Government and state enterprise securities	3,035,934,047	3,154,603,695	3,344,214,777	3,352,146,912
Private enterprises debt securities	50,000,115	51,060,431	50,000,157	51,417,081
Equity securities	5,843,487,694	8,787,914,382	5,247,888,506	7,574,918,105
Unit trusts	1,907,554,064	2,072,147,338	1,814,664,836	1,973,107,798
Foreign unit trusts	546,650,000	565,655,634	423,350,000	407,357,556
Total	11,383,625,920	14,631,381,480	10,880,118,276	13,358,947,452
Add: Unrealised gains	3,247,755,560	-	2,478,829,176	-
<b>Total available-for-sale investments</b>	<u>14,631,381,480</u>	<u>14,631,381,480</u>	<u>13,358,947,452</u>	<u>13,358,947,452</u>
<b>Held-to-maturity investments</b>				
Government and state enterprise securities	70,355,197,102		64,863,202,582	
Private enterprises debt securities	21,599,930,716		17,860,621,815	
Foreign debt securities	5,108,161,836		4,795,515,079	
Deposits at banks which amounts maturing in over 3 months	1,630,000,000		1,875,000,000	
<b>Total held-to-maturity investments</b>	<u>98,693,289,654</u>		<u>89,394,339,476</u>	
<b>Other investments</b>				
Equity securities	29,587,830		29,587,830	
Foreign equity securities	17,074,400		-	
<b>Total other investments</b>	<u>46,662,230</u>		<u>29,587,830</u>	

## (Unaudited but reviewed)

Investments in debt securities as at 31 March 2012 and 31 December 2011 will be matured redemption as follows:

(Unit: Baht)

	31 March 2012			
	Period to maturity			
	Within 1 year	1 – 5 years	Over 5 years	Total
<b>Trading investments</b>				
Government and state enterprise securities	-	-	578,098,366	578,098,366
Less: Unrealised losses	-	-	(18,112,611)	(18,112,611)
<b>Total trading investments</b>	-	-	559,985,755	559,985,755
<b>Available-for-sale investments</b>				
Government and state enterprise securities	-	1,261,916,240	1,692,287,028	2,954,203,268
Private enterprises debt securities	50,000,115	-	-	50,000,115
Total	50,000,115	1,261,916,240	1,692,287,028	3,004,203,383
Add (less): Unrealised gains (losses)	1,060,316	(18,959,785)	14,271,492	(3,627,977)
<b>Total available-for-sale debt investments</b>	51,060,431	1,242,956,455	1,706,558,520	3,000,575,406
<b>Held-to-maturity investments</b>				
Government and state enterprise securities	832,393,421	9,522,653,653	60,000,150,028	70,355,197,102
Private enterprises debt securities	4,270,000,000	3,816,000,000	13,513,930,716	21,599,930,716
Foreign debt securities	-	3,282,168,921	1,825,992,915	5,108,161,836
Deposits at banks which amounts maturing in over 3 months	1,330,000,000	300,000,000	-	1,630,000,000
<b>Total held-to-maturity debt investments</b>	6,432,393,421	16,920,822,574	75,340,073,659	98,693,289,654

(Unit: Baht)

	31 December 2011			
	Period to maturity			
	Within 1 year	1 – 5 years	Over 5 years	Total
<b>Available-for-sale investments</b>				
Government and state enterprise securities	-	1,263,769,233	1,694,531,377	2,958,300,610
Private enterprises debt securities	50,000,157	-	-	50,000,157
Total	50,000,157	1,263,769,233	1,694,531,377	3,008,300,767
Add: Unrealised gains	1,416,923	1,910,708	65,809,465	69,137,096
<b>Total available-for-sale debt investments</b>	51,417,080	1,265,679,941	1,760,340,842	3,077,437,863
<b>Held-to-maturity debt investments</b>				
Government and state enterprise securities	1,428,831,067	7,386,680,543	56,047,690,972	64,863,202,582
Private enterprises debt securities	4,770,000,000	3,756,000,000	9,334,621,815	17,860,621,815
Foreign debt securities	-	2,969,473,362	1,826,041,717	4,795,515,079
Deposits at banks which amounts maturing in over 3 months	1,575,000,000	300,000,000	-	1,875,000,000
<b>Total held-to-maturity debt investments</b>	7,773,831,067	14,412,153,905	67,208,354,504	89,394,339,476

As at 31 March 2012, the Company has pledged government and state enterprise bonds 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.

As at 31 March 2012, the Company has sales of securities under agreements to repurchase securities (repo) amounting to Baht 1,000 million pledged by government bonds amounting to Baht 964 million (fair value of Baht 1,002 million).

Detail of investment in promissory notes and bills of exchange which contain embedded derivatives as follows:

- (a) As at 31 March 2012, the Company has investments of Baht 1,500 million (31 December 2011: Baht 1,800 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 8 - 11 years, and contain conditions related to early redemption rights or put options obliging the Company to purchase additional notes released by issuers.
- (b) As at 31 March 2012, the Company has investments of Baht 1,390 million (31 December 2011: Baht 1,330 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 4 years, and contain conditions whereby settlement of principal and interest is to be received on the maturity date per the agreement.
- (c) As at 31 March 2012, the Company has investments of Baht 3,600 million (31 December 2011: 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 8 - 10 years, and contain conditions whereby settlement of interest is to be received based on the rate of return of government bond (CMT Index) or the interest rate of fixed deposit (6mTHBFIX).
- (d) As at 31 March 2012, the Company has investments of Baht 1,400 million (31 December 2011: Baht 900 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 8 - 10 years, and contain conditions whereby settlement of principal is based on the credit event.



(Unaudited but reviewed)

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

The Company recorded gains (losses) from investments in securities for the three-month periods ended 31 March 2012 and 2011 by included the following.

	(Unit: Baht)	
	2012	2011
Gains on sales of trading securities	9,643,078	14,602,764
Gains on sales of available-for-sale securities	175,122,757	20,609,642
Unrealised gains (losses) on foreign exchange contracts	12,875,000	(50,000)
<b>Total</b>	<b>197,640,835</b>	<b>35,162,406</b>

## 7. Loans and accrued interest

As at 31 March 2012 and 31 December 2011, the balances of loans and accrued interest are aged by principal and accrued interest as follows:

		31 March 2012							
Outstanding period	Policy loans		Mortgage loans		Other loans		Total		
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Total
Current	1,986,154,145	148,596,492	144,072,636	36,488	19,912,548	-	2,150,139,329	148,632,980	2,298,772,309
Overdue:									
Less than 6 months	-	-	944,426	4,176	5,333	-	949,759	4,176	953,935
Over 12 months	-	-	1,247,593	79,478	109,451	3,353	1,357,044	82,831	1,439,875
<b>Total</b>	<b>1,986,154,145</b>	<b>148,596,492</b>	<b>146,264,655</b>	<b>120,142</b>	<b>20,027,332</b>	<b>3,353</b>	<b>2,152,446,132</b>	<b>148,719,987</b>	<b>2,301,166,119</b>
Less: Allowance for doubtful accounts	-	-	(66,408)	(79,478)	-	-	(66,408)	(79,478)	(145,886)
<b>Loans and accrued interest - net</b>	<b>1,986,154,145</b>	<b>148,596,492</b>	<b>146,198,247</b>	<b>40,664</b>	<b>20,027,332</b>	<b>3,353</b>	<b>2,152,379,724</b>	<b>148,640,509</b>	<b>2,301,020,233</b>

		31 December 2011							
Outstanding period	Policy loans		Mortgage loans		Other loans		Total		
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Total
Current	1,939,305,479	136,778,194	155,587,371	38,546	16,145,621	-	2,111,038,471	136,816,740	2,247,855,211
Overdue:									
Less than 6 months	-	-	724,652	4,308	-	-	724,652	4,308	728,960
6 - 12 months	-	-	-	-	14,592	-	14,592	-	14,592
Over 12 months	-	-	1,258,520	79,478	112,625	3,353	1,371,145	82,831	1,453,976
<b>Total</b>	<b>1,939,305,479</b>	<b>136,778,194</b>	<b>157,570,543</b>	<b>122,332</b>	<b>16,272,838</b>	<b>3,353</b>	<b>2,113,148,860</b>	<b>136,903,879</b>	<b>2,250,052,739</b>
Less: Allowance for doubtful accounts	-	-	(66,408)	(79,478)	-	-	(66,408)	(79,478)	(145,886)
<b>Loans and accrued interest - net</b>	<b>1,939,305,479</b>	<b>136,778,194</b>	<b>157,504,135</b>	<b>42,854</b>	<b>16,272,838</b>	<b>3,353</b>	<b>2,113,082,452</b>	<b>136,824,401</b>	<b>2,249,906,853</b>

(Unaudited but reviewed)

Loans provided to employees are in accordance with employee's benefits plan under a credit line of Baht 100,000 or less for personal guarantee loans. In case of secured loans, the credit line is not to exceed 50 times the employee's salary. The interest rates for the loans charge at the rates of 6% and 5% per annum, respectively. As at 31 March 2012, loans to employees and agents totaled Baht 68 million (31 December 2011: Baht 67 million).

## 8. Property 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 31 December 2011	72,476,800	97,153,930	21,673,665	103,749,348	6,261,501	5,100,027	-	306,415,271
Additions - at cost	24,764,090	1,310,294	-	7,154,671	43,870	-	6,440,000	39,712,925
Disposals - net book value	-	-	-	(40,930)	-	-	-	(40,930)
Depreciation charges for the period	-	(4,962,143)	(457,912)	(11,910,053)	(904,957)	(22,500)	-	(18,257,565)
Net book value as								
at 31 March 2012	<u>97,240,890</u>	<u>93,502,081</u>	<u>21,215,753</u>	<u>98,953,036</u>	<u>5,400,414</u>	<u>5,077,527</u>	<u>6,440,000</u>	<u>327,829,701</u>

## 9. Other assets

(Unit: Baht)

	31 March 2012	31 December 2011
Prepaid rental expenses	102,279,308	105,235,731
Receivable from sales of investments	24,869,243	5,651,811
Prepaid expenses	74,975,040	32,565,528
Deposits	23,978,283	24,770,787
Others	11,253,366	11,384,269
Total	<u>237,355,240</u>	<u>179,608,126</u>

## 10. Due to reinsurers

(Unit: Baht)

	31 March 2012	31 December 2011
Outward premium payable	484,277,344	266,778,378
Total due to reinsurers	<u>484,277,344</u>	<u>266,778,378</u>

(Unaudited but reviewed)

**11. Life policy reserve**

	(Unit: Baht)	
	31 March 2012	31 December 2011
Beginning balance	88,386,403,850	68,189,797,590
Life policy reserve for premium received during the period and reserve for enforced policy benefit and other claims	7,310,277,405	25,096,628,836
Benefit paid for death, maturity, surrender and other claims	(1,555,166,401)	(4,900,022,576)
Ending balance	<u>94,141,514,854</u>	<u>88,386,403,850</u>

**12. Unpaid policy benefits**

	(Unit: Baht)	
	31 March 2012	31 December 2011
Death benefit	80,724,268	81,726,023
Maturity payment	2,712,106	862,107
Total	<u>83,436,374</u>	<u>82,588,130</u>

**13. Loss reserves and outstanding claims**

	(Unit: Baht)	
	31 March 2012	31 December 2011
Beginning balance	333,830,276	320,619,427
Claims and loss adjustment expenses for the period	466,870,933	1,799,686,133
Claims and loss adjustment expenses paid during the period	(498,667,854)	(1,786,475,284)
Ending balance	<u>302,033,355</u>	<u>333,830,276</u>

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

	(Unit: Baht)	
	31 March 2012	31 December 2011
Beginning balance	1,085,196,967	1,013,363,551
Premium written for the period	742,797,150	2,712,992,417
Premium earned for the current period	(772,046,154)	(2,641,159,001)
Ending balance	<u>1,055,947,963</u>	<u>1,085,196,967</u>

**14.2 Unexpired risk reserve**

	(Unit: Baht)	
	31 March 2012	31 December 2011
Beginning balance	759,637,877	780,289,934
Decrease during the period	(20,474,303)	(20,652,057)
Ending balance	<u>739,163,574</u>	<u>759,637,877</u>

**15. Other liabilities**

	(Unit: Baht)	
	31 March 2012	31 December 2011
Accrued commission expenses	476,502,596	420,500,352
Accrued expenses	237,250,015	138,228,344
Withholding tax payable	29,363,816	21,413,594
Premium received for policies not yet approved	264,431,652	72,012,505
Amounts received awaiting transfer	242,355,521	95,778,232
Unpaid benefits to life policies exempted premium	96,393,638	95,767,729
Forward contracts payables	49,645,300	56,231,300
Payable from purchases of investments	1,036,915	72,303,102
Others	62,185,580	76,626,246
Total	<u>1,459,165,033</u>	<u>1,048,861,404</u>

**16. Underwriting information reported by insurance categories**

Underwriting information classified by insurance categories for the three-month period ended 31 March 2012 is as follows:

(Unit: Baht)

	Traditional products - no participating		Total
	dividend	Personal accident	
<b>Underwriting income</b>			
Premium written	8,981,690,690	11,282,501	8,992,973,191
Less: Premium ceded	(219,222,249)	-	(219,222,249)
Net premium written	8,762,468,441	11,282,501	8,773,750,942
Add: Unearned premium reserve	29,079,301	169,703	29,249,004
<b>Total underwriting income</b>	<b>8,791,547,742</b>	<b>11,452,204</b>	<b>8,802,999,946</b>
<b>Underwriting expenses</b>			
Life policy reserve increase from prior period	5,755,111,004	-	5,755,111,004
Benefit payments to life policies and benefit adjustment expenses	1,660,912,410	-	1,660,912,410
Claims and losses adjustment expenses	350,742,739	1,425,483	352,168,222
Commissions and brokerage expenses	761,657,530	241,467	761,898,997
Sales promotion expenses	162,252,344	211,356	162,463,700
Other underwriting expenses	5,676,846	7,395	5,684,241
<b>Total underwriting expenses</b>	<b>8,696,352,873</b>	<b>1,885,701</b>	<b>8,698,238,574</b>

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

(Unit: Baht)

	Traditional products - no participating		Total
	dividend	Personal accident	
<b>Underwriting income</b>			
Premium written	8,007,855,908	11,706,760	8,019,562,668
Less: Premium ceded	(137,828,922)	(443,184)	(138,272,106)
Net premium written	7,870,026,986	11,263,576	7,881,290,562
Add (less): Unearned premium reserve	(20,672,982)	559,689	(20,113,293)
<b>Total underwriting income</b>	<b>7,849,354,004</b>	<b>11,823,265</b>	<b>7,861,177,269</b>
<b>Underwriting expenses</b>			
Life policy reserve increase from prior period	4,743,251,471	-	4,743,251,471
Benefit payments to life policies and benefit adjustment expenses	1,454,808,742	-	1,454,808,742
Losses and losses adjustment expenses	363,219,973	498,994	363,718,967
Commissions and brokerage expenses	736,323,489	162,100	736,485,589
Sales promotion expenses	84,846,415	127,802	84,974,217
Other underwriting expenses	4,543,957	6,844	4,550,801
<b>Total underwriting expenses</b>	<b>7,386,994,047</b>	<b>795,740</b>	<b>7,387,789,787</b>

(Unaudited but reviewed)

## 17. Operating expenses

(Unit: Baht)

For the three-month  
periods ended 31 March

	2012	2011
Personal expenses which is not expenses for underwriting and claims	166,654,863	152,798,208
Premises and equipment expenses which is not expenses for underwriting	37,461,337	36,934,244
Taxes and duties	24,264,927	26,862,351
Other operating expenses	90,773,067	76,293,281
Total operating expenses	<u>319,154,194</u>	<u>292,888,084</u>

## 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

## (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 three-month periods ended 31 March 2012 and 2011, 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)

	2012	2011	Pricing policy
Premium written	1,626,483	342,005	Normal commercial terms for underwriting
Premium cede	57,738,960	7,765,808	Normal Commercial terms for reinsurance depending on type of insurance and reinsurance contract
Claim recoverable from reinsure	22,625,960	4,098,321	At a mutually agreed percentage of reinsurance premium
Commission and brokerage	359,221,852	374,416,391	At a mutually agreed percentage of premium written
Claim payment and diagnose charge	14,090,284	17,636,822	Normal commercial terms for underwriting
Interest income - deposits at banks, promissory notes and debentures	21,152,009	13,254,751	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	1,226,759	1,455,305	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	29,107,247	33,424,337	The declared amount
Bank charges	20,130,161	15,813,264	Same rates as those charged by financial institutions and related companies to general customers

(Unaudited but reviewed)

(Unit: Baht)

	2012	2011	Pricing policy
Insurance premium	225,230	303,278	Normal commercial terms for underwriting
Building space rental and services	15,387,739	14,808,842	Head office building: Rental fee of approximately Baht 90 per square meter per month and service fee of Baht 29 per square meter per month for long-term agreement and approximately Baht 44, Baht 138 per square meter per month and service fees approximately Baht 91, Baht 307 per square meter per month. Branch office buildings: Rental fees of approximately Baht 100, Baht 150, Baht 188 and Baht 315 per square meter per month and service fees of approximately Baht 342 and Baht 200 per square meter per month.

For the three-month periods ended 31 March 2012 and 2011, the premium generated from the Bancassurance distribution channel represented approximately 64.35% and 62.26% of total net premium written, respectively.



(Unaudited but reviewed)

As at 31 March 2012 and 31 December 2011, the balance of the accounts between the Company and those related companies are as follows:

		(Unit: Thousand Baht)	
		31 March	31 December
	Note	2012	2011
<b>Transactions with related companies</b>			
Investments in marketable equity securities - cost		1,358,198	1,266,585
Add: Unrealised gain		929,353	576,627
Investments in marketable equity securities - fair value	6	2,287,551	1,843,212
Investments in unit trusts - cost		1,297,994	1,247,518
Add: Unrealised gain		104,870	102,972
Investments in unit trusts - fair value	6	1,402,864	1,350,490
Investments in non-marketable equity securities	6	11,167	11,167
Investments in debentures	6	3,555,000	3,555,000
Investments in foreign debentures	6	1,045,993	1,046,041
Deposit at financial institution	3	405,853	689,495
Mortgage loans	7	79,447	83,620
Prepaid rental expense (Including in other assets)	9	102,279	105,236
Reinsurance assets	5	34,002	16,903
Amounts due to reinsurers	10	68,626	10,887
Outstanding claims	13	12,346	16,113
Accrued commission (Including in other liabilities)	15	238,109	160,787
Accrued rental and service expense (Including in other liabilities)	15	440	412

#### **Directors and key management personnel's remuneration**

During the three-month periods ended 31 March 2012 and 2011, the Company had salaries, bonuses, meeting allowances and post-employment benefit of its directors and key management personnel as expenses totaling Baht 9 million and Baht 9 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 31 March 2012 and 31 December 2011, the following assets have been pledged with the Registrar in accordance with the Life Assurance Act.

(Unit: Baht)

	31 March 2012		31 December 2011	
	Cost/		Cost/	
	Amortised cost	Fair value	Amortised cost	Fair value
State enterprise bonds	20,000,000	20,925,249	20,000,000	21,361,905

**20. Assets reserve with registrar**

As at 31 March 2012 and 31 December 2011, the following assets have been pledged as life assurance policy reserve with the Registrar in accordance with the Life Assurance Act.

(Unit: Baht)

	31 March 2012		31 December 2011	
	Cost/		Cost/	
	Amortised cost	Fair value	Amortised cost	Fair value
Government bonds	8,875,870,649	9,305,382,555	8,877,714,310	9,667,637,947
State enterprise bonds	8,339,680,118	8,914,282,308	8,340,931,088	9,194,442,506
Total	17,215,550,767	18,219,664,863	17,218,645,398	18,862,080,453

**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:

Approved by	Warrants No.1
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.

Approved by	Warrants No. 2
The Board of Directors of the Company, on 22 February 2012	7.15 million units

The stipulated grant date for Warrant No.2 is 1 April 2012. The warrants mature 5 years from the issue date or upon termination of employment, they have an exercise ratio of 1 warrant to 1 new ordinary share, and their exercise price is equal to the public offering price of Baht 35 per share.

## 22. Basic 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 period.

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 the three-month periods ended 31 March 2012 and 2011 as follows:

	Profit (Thousand Baht)		Weighted average number of shares (Thousand shares)		Earnings per share (Baht)	
	2012	2011	2012	2011	2012	2011
<b>Basic earnings per share</b>						
Profit for the period	913,646	987,232	1,200,000	1,200,000	<u>0.761</u>	<u>0.823</u>
<b>Effect of dilutive potential ordinary share</b>						
Dilutive effect of warrants	-	-	9,127	7,395		
<b>Diluted earnings per share</b>						
Profit of ordinary shareholder assuming the conversion of warrants to ordinary shares	<u>913,646</u>	<u>987,232</u>	<u>1,209,127</u>	<u>1,207,395</u>	<u>0.756</u>	<u>0.818</u>

**23. Commitments**

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

As at 31 March 2012, future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

(Unit: Million Baht)

	Pay within			Total
	1 year	1 - 5 years	Over	
			5 years	
Operating lease agreements	30.28	35.63	3.52	69.43
Services agreements	42.49	59.58	16.57	118.64
<b>Total</b>	<b>72.77</b>	<b>95.21</b>	<b>20.09</b>	<b>188.07</b>

As at 31 December 2011, future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

(Unit: Million Baht)

	Pay within			Total
	1 year	1 - 5 years	Over	
			5 years	
Operating lease agreements	28.91	34.07	3.76	66.74
Services agreements	42.13	66.49	17.68	126.30
<b>Total</b>	<b>71.04</b>	<b>100.56</b>	<b>21.44</b>	<b>193.04</b>

**23.2** As at 31 March 2012, the Company may need to deposit additional amounts in the future under the promissory notes and bills of exchange agreements as describe in Note 6 (a) and Note 6 (b), as summarised below.

(Unit: Million Baht)

<b>Within</b>	
1 year	1,440
2 - 5 year	770

**24. Litigation**

As at 31 March 2012, the Company has been sued for damaged totaling approximately Baht 37 million (31 December 2011: Baht 38 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.

**25. Events after the reporting period**

On 27 April 2012, the Annual General Meeting of shareholders approved the payment of dividend of Baht 0.34 per share to the Company's shareholders, a total of Baht 408 million with the approval from the Office of Insurance Commission on 23 April 2012.

**26. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Board of Directors on 11 May 2012.