

Bangkok Life Assurance Public Company Limited
and its subsidiary
Review report and interim financial statements
For the three-month and nine-month periods ended
30 September 2016

Independent Auditor's Report on Review of Interim Financial Information

To the shareholders of Bangkok Life Assurance Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Bangkok Life Assurance Public Company Limited as at 30 September 2016, the consolidated statements of income and comprehensive income for the three-month and nine-month periods ended 30 September 2016, and the consolidated statements of changes in owners' equity, and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements, and have also reviewed the separated financial information of Bangkok Life Assurance Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34: Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Emphasis of Matters

I draw attention to Notes 2 and 3 to the financial statements. During the current period, the Company reclassified transactions in accordance with the new format of financial statements as specified in the Notification of the Office of Insurance Commission dated 4 March 2016 which effective on 1 January 2016 onward. The Company adopted these revised and new financial reporting standards issued by the Federation of Accounting professions. My opinion is not qualified in respect of this matter.

Nonglak Pumnoi
Certified Public Accountant (Thailand) No. 4172

EY Office Limited

Bangkok: 9 November 2016

Bangkok Life Assurance Public Company Limited

Statements of financial position

As at 30 September 2016 31 December 2015 and 1 January 2015

(Unit: Thousand Baht)

	Note	Consolidated financial statements			Separate financial statements		
		30 September 2016	31 December 2015	1 January 2015	30 September 2016	31 December 2015	1 January 2015
		(Unaudited but reviewed)	(Audited) (Restated)		(Unaudited but reviewed)	(Audited) (Restated)	
Assets							
Cash and cash equivalents	5, 27	9,035,418	7,101,758	5,707,564	8,925,131	7,087,584	5,703,472
Premium receivables	6	1,861,694	1,717,113	1,725,233	1,861,694	1,717,113	1,725,233
Accrued investment income - net		2,571,355	2,627,978	2,344,008	2,571,355	2,627,978	2,344,008
Reinsurance assets	7, 17	457,464	372,054	318,471	457,464	372,054	318,471
Reinsurance receivables	8	694,539	527,122	445,314	694,539	527,122	445,314
Derivative assets	9	55,786	231	24,963	55,786	231	24,963
Investment assets	27						
Investments in securities							
Trading investments	10	996,093	116,220	17,070	996,093	116,220	17,070
Available-for-sale investments	10	65,410,041	25,988,922	22,012,881	65,410,041	25,988,922	22,012,881
Held-to-maturity investments	10, 28, 29	180,693,508	201,411,262	176,161,023	180,693,508	201,411,262	176,161,023
General investments	10	29,588	46,662	46,662	29,588	46,662	46,662
Investments in subsidiaries	11	-	-	-	132,530	23,760	3,960
Loans - net	12, 27	6,968,768	6,138,902	4,735,057	6,968,768	6,138,902	4,735,057
Investment property	13	20,148	20,947	-	20,148	20,947	-
Premises and equipment - net	14	1,120,542	547,210	389,243	1,116,370	546,986	389,200
Goodwill		4,955	4,955	4,955	-	-	-
Intangible assets		20,416	24,113	12,819	19,850	24,037	12,819
Deferred tax assets	15	2,778,157	2,382,919	1,482,422	2,778,157	2,382,919	1,482,422
Other assets	16	459,228	547,241	161,905	450,439	544,567	165,539
Total assets		273,177,700	249,575,609	215,589,590	273,181,461	249,577,266	215,588,094

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

Bangkok Life Assurance Public Company Limited

Statements of financial position (Continued)

As at 30 September 2016 31 December 2015 and 1 January 2015

(Unit: Thousand Baht)

	Note	Consolidated financial statements			Separate financial statements		
		30 September 2016	31 December 2015	1 January 2015	30 September 2016	31 December 2015	1 January 2015
		(Unaudited but reviewed)	(Audited) (Restated)		(Unaudited but reviewed)	(Audited) (Restated)	
Liabilities and owners' equity							
Liabilities							
Insurance contract liabilities	17	235,754,845	216,851,032	186,659,641	235,754,845	216,851,032	186,659,641
Reinsurance payables	18	719,191	459,315	379,722	719,191	459,315	379,722
Derivative liabilities	9	2,103,782	2,912,292	1,024,799	2,103,782	2,912,292	1,024,799
Income tax payable		157,299	542,471	499,592	157,299	542,471	499,592
Employee benefit obligations	19	208,325	179,646	168,620	206,061	178,550	167,734
Other liabilities	20	2,077,844	1,640,484	1,280,941	2,072,000	1,635,286	1,277,378
Total liabilities		241,021,286	222,585,240	190,013,315	241,013,178	222,578,946	190,008,866
Owners' equity							
Share capital							
Registered							
1,708,000,000 ordinary shares of Baht 1 each		1,708,000	1,708,000	1,708,000	1,708,000	1,708,000	1,708,000
Issued and fully paid-up							
1,705,498,760 ordinary shares of Baht 1 each (31 December 2015: 1,703,810,780 ordinary shares of Baht 1 each and 1 January 2015: 1,697,850,000 ordinary shares of Baht 1 each)	21	1,705,499	1,703,811	1,697,850	1,705,499	1,703,811	1,697,850
Premium on share capital	21	3,286,356	3,219,926	2,987,540	3,286,356	3,219,926	2,987,540
Capital reserve on share-based payments	21	21,948	38,834	103,822	21,948	38,834	103,822
Subscriptions received in advance from exercise of warrants	22	11,358	10,626	-	11,358	10,626	-
Retained earnings							
Appropriated							
Statutory reserve		170,800	170,800	170,800	170,800	170,800	170,800
General reserve		400,000	400,000	400,000	400,000	400,000	400,000
Unappropriated		19,487,260	17,460,248	14,677,675	19,505,305	17,468,357	14,680,638
Other component of owners' equity							
Revaluation surplus on available-for-sale investments - net of income taxes		7,067,017	3,985,966	5,538,578	7,067,017	3,985,966	5,538,578
Exchange differences on translation of financial statements in foreign currency		(1,298)	-	-	-	-	-
Equity attributable to equity holders of the Company		32,148,940	26,990,211	25,576,265	32,168,283	26,998,320	25,579,228
Non-controlling interests of the subsidiary		7,474	158	10	-	-	-
Total owners' equity		32,156,414	26,990,369	25,576,275	32,168,283	26,998,320	25,579,228
Total liabilities and owners' equity		273,177,700	249,575,609	215,589,590	273,181,461	249,577,266	215,588,094
		-	-	-	-	-	-

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

Directors

(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited

Statements of changes in owners' equity

For the nine-month period ended 30 September 2016 and 2015

(Unit: Thousand Baht)

Consolidated financial statement												
Equity attributable to equity holders of the Company												
	Note	Equity attributable to equity holders of the Company						Other component of owners' equity - revaluation surplus on available-for-sale investments - net of income taxes		Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of the subsidiary	Total
		Issued and paid-up share capital	Premium on share capital	Capital reserve for share-based payment transactions	Subscriptions received in advance from exercise of warrants	Retained earnings		Unappropriated	- net of income taxes			
						Statutory reserve	General reserve					
Balance as at 1 January 2015		1,697,850	2,987,540	103,822	-	170,800	400,000	14,677,675	5,538,578	25,576,265	10	25,576,275
Share-based payments	22	-	-	19,955	-	-	-	-	-	19,955	-	19,955
Increase in share capital as a result of warrant exercise	21	5,035	120,849	-	-	-	-	-	-	125,884	-	125,884
Transfer capital reserve for share-based payment transactions to premium on share capital as a result of warrant No.2 exercise	21	-	83,097	(83,097)	-	-	-	-	-	-	-	-
Subscriptions received in advance from exercises of warrants	22	-	-	-	23,135	-	-	-	-	23,135	-	23,135
Dividend paid	31	-	-	-	-	-	-	(1,324,675)	-	(1,324,675)	-	(1,324,675)
Profits (losses) for the period		-	-	-	-	-	-	1,823,379	-	1,823,379	(36)	1,823,343
Other comprehensive income												
Losses on valuation of available-for-sale investments - net of income taxes		-	-	-	-	-	-	-	(971,791)	(971,791)	-	(971,791)
Total comprehensive income (loss) for the period		-	-	-	-	-	-	1,823,379	(971,791)	851,588	(36)	851,552
Balance as at 30 September 2015		1,702,885	3,191,486	40,680	23,135	170,800	400,000	15,176,379	4,566,787	25,272,152	(26)	25,272,126

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

(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited

Statements of changes in owners' equity (Continued)

For the nine-month period ended 30 September 2016 and 2015

(Unit: Thousand Baht)

Consolidated financial statement													
Equity attributable to equity holders of the Company													
	Note	Equity attributable to equity holders of the Company							Other component of owners' equity		Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of the subsidiary	Total
		Issued and paid-up share capital	Premium on share capital	Capital reserve for share-based payment transactions	Subscriptions received in advance from exercise of warrants	Retained earnings			Revaluation surplus on available-for-sale investments - net of income taxes	Exchange differences on translation of financial statements in foreign currency			
						Statutory reserve	General reserve	Unappropriated					
Balance as at 1 January 2016		1,703,811	3,219,926	38,834	10,626	170,800	400,000	17,460,248	3,985,966	-	26,990,211	158	26,990,369
Share-based payments	21, 22	-	-	9,033	-	-	-	-	-	-	9,033	-	9,033
Increase in share capital as a result of warrant exercise	21	1,688	40,511	-	(10,626)	-	-	-	-	-	31,573	-	31,573
Transfer capital reserve for share-based payment transactions to premium on share capital as a result of warrant No.2 exercise	21	-	25,919	(25,919)	-	-	-	-	-	-	-	-	-
Subscriptions received in advance from exercises of warrants	22	-	-	-	11,358	-	-	-	-	-	11,358	-	11,358
Dividend paid	31	-	-	-	-	-	-	(1,088,765)	-	-	(1,088,765)	-	(1,088,765)
Acquisition of non-controlling interests without a change in control		-	-	-	-	-	-	-	-	-	-	17,072	17,072
Profits (loss) for the period		-	-	-	-	-	-	3,115,777	-	-	3,115,777	(8,559)	3,107,218
Other comprehensive income													
Gains on valuation of available-for-sale investments - net of income taxes		-	-	-	-	-	-	-	3,081,051	-	3,081,051	-	3,081,051
Exchange differences on translation of financial statements in foreign currency		-	-	-	-	-	-	-	-	(1,298)	(1,298)	(1,197)	(2,495)
Total comprehensive income for the period		-	-	-	-	-	-	3,115,777	3,081,051	(1,298)	6,195,530	(9,756)	6,185,774
Balance as at 30 September 2016		1,705,499	3,286,356	21,948	11,358	170,800	400,000	19,487,260	7,067,017	(1,298)	32,148,940	7,474	32,156,414

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

(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited

Statements of changes in owners' equity (Continued)

For the nine-month period ended 30 September 2016 and 2015

(Unit: Thousand Baht)

Separate financial statements

	Note	Retained earnings						Other component of owners' equity - revaluation surplus on		Total
		Issued and paid-up share capital	Premium on share capital	Capital reserve for share-based payment transactions	Subscriptions received in advance from exercise of warrants	Retained earnings			of available-for-sale investments - net of income taxes	
						Appropriated				
						Statutory reserve	General reserve	Unappropriated		
Balance as at 1 January 2015		1,697,850	2,987,540	103,822	-	170,800	400,000	14,680,638	5,538,578	25,579,228
Share-based payments	22	-	-	19,955	-	-	-	-	-	19,955
Increase in share capital as a result of warrant exercise	21	5,035	120,849	-	-	-	-	-	-	125,884
Transfer capital reserve for share-based payment transactions to premium on share capital as a result of warrant No.2 exercise	21	-	83,097	(83,097)	-	-	-	-	-	-
Subscriptions received in advance from exercises of warrants	22	-	-	-	23,135	-	-	-	-	23,135
Dividend paid	31	-	-	-	-	-	-	(1,324,675)	-	(1,324,675)
Profits for the period		-	-	-	-	-	-	1,826,964	-	1,826,964
Other comprehensive income										
Losses on valuation of available-for-sale investments - net of income taxes		-	-	-	-	-	-	-	(971,791)	(971,791)
Total comprehensive income (loss) for the period		-	-	-	-	-	-	1,826,964	(971,791)	855,173
Balance as at 30 September 2015		1,702,885	3,191,486	40,680	23,135	170,800	400,000	15,182,927	4,566,787	25,278,700

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

(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited

Statements of changes in owners' equity (Continued)

For the nine-month period ended 30 September 2016 and 2015

(Unit: Thousand Baht)

Separate financial statements

	Note	Retained earnings						Other component of owners' equity - revaluation surplus on		Total
		Issued and paid-up share capital	Premium on share capital	Capital reserve for share-based payment transactions	Subscriptions received in advance from exercise of warrants	Retained earnings			of available-for-sale investments - net of income taxes	
						Appropriated				
						Statutory reserve	General reserve	Unappropriated		
Balance as at 1 January 2016		1,703,811	3,219,926	38,834	10,626	170,800	400,000	17,468,357	3,985,966	26,998,320
Share-based payments	21, 22	-	-	9,033	-	-	-	-	-	9,033
Increase in share capital as a result of warrant exercise	21	1,688	40,511	-	(10,626)	-	-	-	-	31,573
Transfer capital reserve for share-based payment transactions to premium on share capital as a result of warrant No.2 exercise	21	-	25,919	(25,919)	-	-	-	-	-	-
Subscriptions received in advance from exercises of warrants	22	-	-	-	11,358	-	-	-	-	11,358
Dividend paid	31	-	-	-	-	-	-	(1,088,765)	-	(1,088,765)
Profits for the period		-	-	-	-	-	-	3,125,713	-	3,125,713
Other comprehensive income										
Gains on valuation of available-for-sale investments - net of income taxes		-	-	-	-	-	-	-	3,081,051	3,081,051
Total comprehensive income for the period		-	-	-	-	-	-	3,125,713	3,081,051	6,206,764
Balance as at 30 September 2016		<u>1,705,499</u>	<u>3,286,356</u>	<u>21,948</u>	<u>11,358</u>	<u>170,800</u>	<u>400,000</u>	<u>19,505,305</u>	<u>7,067,017</u>	<u>32,168,283</u>
		-	-	-	-	-	-	-	-	-

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

Bangkok Life Assurance Public Company Limited

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2016

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 provision of life insurance services. The registered office of the Company is at No. 23/115-121, Soi Sun Wichai, Rama 9 Road, Bangkapi Sub-district, Huaykwang District, Bangkok.

2. Basis of preparation of financial statements

2.1 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2015) “Interim Financial Reporting”, with the Company choosing to present condensed interim financial statements. However, the Company has presented line items in 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 and in accordance with the format of financial statements specified in the Notification of the Office of Insurance Commission (“OIC”) regarding criteria, procedures, terms and conditions for preparation and submission of financial statements and operating performance reports of life insurance companies dated 4 March 2016, which has been effective since 1 January 2016. The format of the above financial statements has been changed and as a result items in the statements of financial position, income, comprehensive income, and cash flows of the prior year, presented as comparative information, have needed to be reclassified to be consistent with the current period’s classifications. In addition the statement of financial position as at 1 January 2015 has been presented as comparative information.

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 financial statements in Thai language.

2.2 Basis for consolidation

These interim consolidated financial statements have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2015, with no changes in the structure of shareholding in subsidiaries occurring during the period, except for the establishment of Bangkok Life Assurance (Cambodia) Public Limited Company as described in Note 11 to the interim financial statements.

2.3 Separate financial statements

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

3. New financial reporting standards

During the period, the Company has adopted the revised and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions, which became effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements. Financial reporting standards with significant changes that are directly relevant to the Company are as follows:

TFRS 4 (revised 2015) Insurance Contracts

The objective of Thai Financial Reporting Standard No. 4 (TFRS 4) is to specify the financial reporting for insurance contracts issued by any entity (including reinsurance contracts) and the reinsurance contracts held by an entity, and to make limited improvements to accounting for insurance contracts until the second phase of the project on insurance contracts is completed. In particular, this standard requires disclosure that identifies and explains the amounts in an insurer's financial statements arising from insurance contracts and prohibits provisions for possible claims under contracts that are not in existence at the end of the reporting period. In addition, it requires insurers to test for the adequacy of recognised insurance liabilities and perform an impairment test for reinsurance assets, keep insurance liabilities in the statement of financial position until they are discharged or cancelled, or expire, and to present insurance liabilities without offsetting them against related reinsurance assets. This standard temporarily exempts insurers from some requirements of other standards, including the requirement to consider the framework in selecting accounting policies for insurance contracts.

In addition to stipulating the treatment of insurance contracts, this financial reporting standard also deals with the nature of insurance contracts. It states that an insurance contract is a contract under which the insurer accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder. Determination of whether a significant insurance risk has been accepted is based on comparison of the amount of benefit payable under the contract if an insured event occurs with the payment obligation if the insured event does not occur.

Initial adoption of this standard has had no significant impact on the Company's financial statements, since the Company's management has already considered and reviewed the classification of insurance contracts (including reinsurance contracts) and reinsurance contracts held by the Company and concluded that all of its insurance contracts meet the definition of insurance contracts under this standard. Furthermore, the stipulations on recording of claim reserves, liability adequacy testing for recognised insurance liabilities, impairment testing for reinsurance assets and recording insurance contract liabilities have no impact on the Company since it had already implemented these before this standard became effective. However, the financial reporting standard requires the disclosure of additional information for insurance contracts related to the assets, liabilities, revenue and expenses recognised in the financial statements and the nature and scope of the insurance risk arising from insurance contracts in the financial statements for the year. The Company will present this additional information in its annual financial statements.

4. Significant accounting policies

These interim financial statements are prepared using the same accounting policies and methods of computation as those were used for the financial statements for the year ended 31 December 2015, except for the adoption of IFRS 4 as described in Note 3 to the interim financial statements. The Company's significant accounting policy on long-term insurance policy reserves is summarised below.

IFRS 4 Insurance Contracts (phase 1) required that testing of the adequacy of liabilities be carried out at the end of the reporting period, but did not stipulate the discount rate to be used in the tests. The practice accepted for use in the industry in the past has been to use the risk-free interest rate under the risk-based capital framework as the discount rate for calculating the liabilities. The Company used this method in the first quarter of 2016. However, because interest rates have dropped significantly, The Office of Insurance Commission (“OIC”) established a working group to consider the discount rate issue, consisting of representatives from the OIC, the “big four” auditing firms (Big 4), the Federation of Accounting Professions, the Securities and Exchange Commission, the Bank of Thailand, the Fiscal Policy Office, the Department of Business Development and the Life Insurance Association of Thailand. Their study found that practical implementation of IFRS 4 varied from country to country because there was no clear guidance in IFRS 4 Insurance Contracts (phase 1), which is the current effective reporting standard. The working committee therefore set the criteria for the discount rate on the basis of IFRS 4 Insurance Contracts (phase 1), under the Bottom - up approach, of which the principles are as follows:

Discount rate under bottom-up approach = Risk-free rate + illiquidity premium

- 1) The risk-free rate is determined in accordance with the criteria for the calculation of liabilities under insurance contracts under the risk-based capital framework, whereby it is calculated based on the weighted average yield of risk-free government bonds over the preceding eight quarters, weighting the yield rate of the latest quarter at 51 percent, and the rates of the other seven quarters at 7 percent each.
- 2) The illiquidity premium is a rate added to the risk-free rate to reflect the nature of liabilities under insurance contracts that have low liquidity. It is calculated at 40 percent of the spread of corporate bonds with a credit rating of A.

The Company uses the above criteria as the discount rate for calculating the liability under the policy to test the adequacy of liabilities from the second quarter of 2016 onwards.

(Unaudited but reviewed)

5. Cash and cash equivalents

As at 30 September 2016 and 31 December 2015, the Company and its subsidiaries have cash and cash equivalent as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
Cash on hand	3,330	6,007	3,330	6,006
Deposits at banks with no fixed maturity date	998,049	953,358	887,762	939,185
Deposits at banks with fixed maturity date and certificate of deposits	-	200,000	-	200,000
Short-term investments	8,034,039	5,942,393	8,034,039	5,942,393
Cash and cash equivalents	<u>9,035,418</u>	<u>7,101,758</u>	<u>8,925,131</u>	<u>7,087,584</u>

As at 30 September 2016, interest rates on saving accounts, fixed deposits and promissory notes are in the range of 0.38% - 1.50% per annum (31 December 2015: 0.38% - 1.75% per annum).

6. Premium receivables

As at 30 September 2016 and 31 December 2015, the outstanding balances of premium receivables, classified by overdue period, counted from the due dates under the stipulated credit terms, are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	Due from direct insurance	
	30 September 2016	31 December 2015
Not yet due	1,788,849	1,675,683
Not over 30 days	62,513	9,132
Over 30 days to 60 days	5,992	18,356
Over 60 days to 90 days	254	6,083
Over 90 days	4,086	7,859
Total premium receivables	<u>1,861,694</u>	<u>1,717,113</u>

(Unaudited but reviewed)

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

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

7. Reinsurance assets

As at 30 September 2016 and 31 December 2015, reinsurance assets consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	30 September 2016	31 December 2015
		(Restated)
Reinsurance recoverable		
Loss reserves	112,259	99,422
Premium reserves		
Unearned premium reserves	345,205	272,632
Total reinsurance assets	457,464	372,054

8. Reinsurance receivables

As at 30 September 2016 and 31 December 2015, reinsurance receivables consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	30 September 2016	31 December 2015
		(Restated)
Amounts due from reinsurers	694,539	527,122
Total reinsurance receivables	694,539	527,122

9. Derivative

Contract type	Consolidated and separate financial statements		
	30 September 2016		
	Notional amount	Assets	Liabilities
	(Thousand units)	(Thousand Baht)	(Thousand Baht)
Cross currency swap contracts			
US dollar	728,490	52,050	2,060,460
Forward exchange contracts			
Yen	912,910	-	41,682
US dollar	5,910	1,092	496
Singapore dollar	12,170	2,289	487
Euro	6,790	355	657
Total derivative	1,666,270	55,786	2,103,782

Contract type	Consolidated and separate financial statements		
	31 December 2015		
	Notional amount	Assets	Liabilities
	(Thousand units)	(Thousand Baht)	(Thousand Baht)
Cross currency swap contracts			
US dollar	617,790	231	2,901,914
Forward exchange contracts			
Yen	999,910	-	4,483
US dollar	4,730	-	2,676
Euro	1,600	-	3,219
Total derivative	1,624,030	231	2,912,292

10. Investments in securities**10.1 Trading investments**

(Unite: Thousand Baht)

	Consolidated and separate financial statements			
	30 September 2016		31 December 2015	
	Cost	Fair value	Cost	Fair value
Trading investments				
Government and state enterprise securities	817,022	817,696	-	-
Equity securities	136,736	178,397	99,771	116,220
Total	953,758	996,093	99,771	116,220
Add: Unrealised gains	42,335	-	16,449	-
Total trading investments	996,093	996,093	116,220	116,220

10.2 Available-for-sale investments

(Unite: Thousand Baht)

	Consolidated and separate financial statements			
	30 September 2016		31 December 2015	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Available-for-sale investments				
Government and state enterprise securities	4,279,957	5,061,693	933,810	1,226,530
Private enterprises debt securities	25,189,713	27,036,523	-	-
Equity securities	21,153,879	27,070,259	17,917,595	22,271,842
Foreign debt securities	2,741,925	2,708,054	-	-
Foreign equity securities	3,152,636	3,533,512	1,911,660	2,490,550
Total	56,518,110	65,410,041	20,763,065	25,988,922
Add: Unrealised gains	8,891,931	-	5,225,857	-
Total available-for-sale investments	65,410,041	65,410,041	25,988,922	25,988,922

As at 30 September 2016 and 31 December 2015, the Company has investments in foreign securities as follows:

Foreign currency	Consolidated and separate financial statements			
	30 September 2016		31 December 2015	
	(Million units)	Equivalent to Baht (Million Baht)	(Million units)	Equivalent to Baht (Million Baht)
Yen	912.9	280	999.9	302
US dollar	734.4	23,589	622.5	19,664
Singapore dollar	12.2	314	-	-
Euro	6.8	268	1.6	61

The Company has entered into cross currency swap contracts and forward contracts in order to protect against fluctuations in currency risks in respect of these investments.

During the first quarter of 2016, the Company reclassified the held-to-maturity debt securities to available for sale securities. The amortised cost of the securities is Baht 21,452 million with fair value of Baht 24,885 million at the date of reclassification for the purpose of supporting the interest rate fluctuation.

(Unaudited but reviewed)

10.3 Held-to-maturity investments

(Unite: Thousand Baht)

	Consolidated and separate financial statements	
	30 September 2016	31 December 2015
	Cost/Amortised cost	Cost/Amortised cost
Held-to-maturity investments		
Government and state enterprise securities	123,019,419	124,053,286
Private enterprises debt securities	35,394,743	54,026,210
Foreign debt securities	7,379,346	7,051,766
Deposits at financial institutions with an original maturity of longer than 3 months	14,900,000	16,280,000
Total held-to-maturity investments	180,693,508	201,411,262

10.4 General investments

(Unite: Thousand Baht)

	Consolidated and separate financial statements	
	30 September 2016	31 December 2015
	Cost	Cost
General investments		
Equity securities	29,588	29,588
Foreign equity securities	-	17,074
Total general investments	29,588	46,662

10.5 Investments in structured notes

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

- (a) As at 30 September 2016 and 31 December 2015, the Company has investments of Baht 600 million and Baht 600 million, respectively, in promissory notes and bills of exchange, which were issued by local banks and branches of foreign commercial banks, have remaining lives of 3 - 12 years and 4 - 13 years, respectively, and contain conditions whereby the issuer has call option or has rights to call for additional deposits.

- (b) As at 30 September 2016 and 31 December 2015, the Company has investments of Baht 2,600 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 3 - 6 years and 4 - 7 years, respectively, and contain conditions whereby the issuer has a call option and additional amounts can be deposited on a monthly basis and settlement of principal and interest is to be received on the maturity date per the agreement.
- (c) As at 30 September 2016 and 31 December 2015, the Company has investments of Baht 3,337 million and Baht 2,879 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, have remaining lives of 4 - 12 years and 4 - 13 years, respectively, and bear interest that is reference to the yield rate on government bond (CMT Index).
- (d) As at 30 September 2016 and 31 December 2015, the Company has investments of Baht 830 million and Baht 798 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, have remaining maturity periods of 17 years and 18 years, respectively. The bank has placed government bonds equivalent to 70% - 80% of the face values of the issued promissory notes and bills of exchange as collateral and such issues contain conditions whereby the redemption of the notes and bills is based on the credit event of the reference assets.
- (e) As at 30 September 2016, the Company has investments of Baht 409 million in bills of exchange, which were issued by branches of foreign commercial banks, have remaining maturity periods of 15 years. The issues contain conditions whereby the redemption of the bills is based on the credit event of the reference assets.

10.6 Investments subject to restriction

As at 30 September 2016 and 31 December 2015, the Company has placed government and state enterprise bonds with cost or amortised cost of Baht 49,053 million and Baht 48,190 million, respectively, with the Registrar as securities and reserves as described in Notes 28 and 29 to the interim financial statements.

(Unaudited but reviewed)

10.7 Gains on investments

Gains on investments for the three-month and nine-month periods ended 30 September 2016 and 2015 consisted of:

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	For the three-month periods ended		For the nine-month periods ended	
	30 September		30 September	
	2016	2015	2016	2015
Gains on sales of trading investments	28,627	-	30,348	-
Gains on sales of available-for-sale investments	781,313	1,158	2,444,301	1,009,751
Gains on sales of held-to-maturity investments	-	52,471	208,895	139,315
Total gains on investments	809,940	53,629	2,683,544	1,149,066

11. Investments in subsidiaries

As at 30 September 2016 and 31 December 2015, detail of investments in subsidiaries, as presented in the separate financial statements, is as follows:

(Unit: Thousand Baht)

Company's name	Type of business	Country of incorporation	Issued and paid-up capital		Shareholding percentage		Cost	
			30	31	30	31	30	31
			September	December	September	December	September	December
			2016	2015	2016	2015	2016	2015
					%	%		
BLA Insurance Broker Company Limited	Insurance broker	Thailand	24,000	24,000	99	99	23,760	23,760
Bangkok Life Assurance (Cambodia) Public Limited Company	Life insurance	Cambodia	124,950	-	52 ⁽¹⁾	-	108,770	-
Total investments in subsidiaries			148,950	24,000			132,530	23,760

⁽¹⁾ As state in "Memorandum and Article of Company"

12. Loans and accrued interest receivables

As at 30 September 2016 and 31 December 2015, the balances of loans and accrued interest receivables, classified by overdue periods, are as follows:

(Unit: Thousand Baht)

Consolidated and separate financial statements									
30 September 2016									
Loans									
Overdue periods	Policy loans		Mortgage loans		Other loans		Total		Total
	Principal	Accrued Interest ⁽¹⁾	Principal	Accrued Interest ⁽¹⁾	Principal	Accrued Interest ⁽¹⁾	Principal	Accrued Interest ⁽¹⁾	
Not yet due	6,095,836	531,011	684,872	602	16,614	-	6,797,322	531,613	7,328,935
Overdue:									
Less than 3 months	-	-	148,251	914	-	-	148,251	914	149,165
3 - 6 months	-	-	16,286	143	-	-	16,286	143	16,429
6 - 12 months	-	-	2,633	12	-	-	2,633	12	2,645
Over 12 months	-	-	4,706	250	130	2	4,836	252	5,088
Total	6,095,836	531,011	856,748	1,921	16,744	2	6,969,328	532,934	7,502,262
Less: Allowance for doubtful accounts	-	-	(560)	(80)	-	-	(560)	(80)	(640)
Loans and accrued interest receivables - net	6,095,836	531,011	856,188	1,841	16,744	2	6,968,768	532,854	7,501,622

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

(Unit: Thousand Baht)

Consolidated and separate financial statements									
31 December 2015									
Loans									
Overdue periods	Policy loans		Mortgage loans		Other loans		Total		Total
	Principal	Accrued Interest ⁽¹⁾	Principal	Accrued Interest ⁽¹⁾	Principal	Accrued Interest ⁽¹⁾	Principal	Accrued Interest ⁽¹⁾	
Not yet due	5,480,866	424,031	618,924	945	16,044	-	6,115,834	424,976	6,540,810
Overdue:									
3 - 6 months	-	-	22,336	107	61	-	22,397	107	22,504
Over 12 months	-	-	1,101	79	130	2	1,231	81	1,312
Total	5,480,866	424,031	642,361	1,131	16,235	2	6,139,462	425,164	6,564,626
Less: Allowance for doubtful accounts	-	-	(560)	(79)	-	-	(560)	(79)	(639)
Loans and accrued interest receivables - net	5,480,866	424,031	641,801	1,052	16,235	2	6,138,902	425,085	6,563,987

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

Policy loans represent loans granted to the policyholders in an amount not exceeding the cash value of the policy. The loans carry interest at not more than 4.00% - 8.00% per annum, as approved by the Office of Insurance Commission.

Loans to employees under the employee welfare scheme are set for credit limit of Baht 0.1 million for personal guarantee loans. The interest rates charged are at the rates of 6.00% per annum. As at 30 September 2016 and 31 December 2015, loans to employees amounted to Baht 17 million and Baht 16 million, respectively.

Loans to employees under the mortgage loans are not to exceed 50 times the employee's monthly salary to each employee for secured loans. The loans carry interest of 5.00% - 6.00% per annum. As at 30 September 2016 and 31 December 2015, loans to employees under the mortgage loans amounted to Baht 53 million and Baht 54 million, respectively.

13. Investment property

As at 30 September 2016 and 31 December 2015, the Company has movement in the investment property as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the nine-month period ended 30 September 2016	For the year ended 31 December 2015
Net book value - beginning of the period/year	20,947	-
Acquisitions during period/year - at cost	-	21,303
Depreciation for period/year	(799)	(356)
Net book value - end of the period/year	20,148	20,947

14. Premises and equipment

Movement of premises and equipment for the nine-month period ended 30 September 2016 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements						
	For the nine-month period ended 30 September 2016						
	Land	Buildings and buildings improvements	Condominium	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	Total
Net book value as at							
1 January 2016	250,227	138,777	14,347	99,242	11,448	33,169	547,210
Additions - at cost	544,016	7,258	-	32,321	836	46,460	630,891
Disposals - net book value	-	-	-	(64)	-	-	(64)
Transfer in (out)	-	2,640	-	2,420	-	(5,060)	-
Depreciation charges for the period	-	(21,548)	(1,374)	(31,714)	(2,859)	-	(57,495)
Net book value as at							
30 September 2016	<u>794,243</u>	<u>127,127</u>	<u>12,973</u>	<u>102,205</u>	<u>9,425</u>	<u>74,569</u>	<u>1,120,542</u>

(Unit: Thousand Baht)

	Separate financial statements						
	For the nine-month period ended 30 September 2016						
	Land	Buildings and buildings improvements	Condominium	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	Total
Net book value as at							
1 January 2016	250,227	138,646	14,347	99,149	11,448	33,169	546,986
Additions - at cost	544,016	4,440	-	30,890	836	46,460	626,642
Disposals - net book value	-	-	-	(64)	-	-	(64)
Transfer in (out)	-	2,640	-	2,420	-	(5,060)	-
Depreciation charges for the period	-	(21,372)	(1,374)	(31,589)	(2,859)	-	(57,194)
Net book value as at							
30 September 2016	<u>794,243</u>	<u>124,354</u>	<u>12,973</u>	<u>100,806</u>	<u>9,425</u>	<u>74,569</u>	<u>1,116,370</u>

15. Deferred tax assets/liabilities and income tax expense**15.1 Deferred tax assets/liabilities**

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

(Unit: Thousand Baht)

	Consolidated and separate financial statements					
	30 September	31 December	Change in deferred tax assets/liabilities reported in the statements of comprehensive income for the three-month periods ended 30 September		Change in deferred tax assets/liabilities reported in the statements of comprehensive income for the nine-month periods ended 30 September	
			2016	2015	2016	2015
	Deferred tax assets					
Life policy reserves	3,458,683	3,333,531	262,498	426,188	125,152	597,037
Loss reserves and outstanding claims	16,735	13,335	4,994	(1,193)	3,400	(1,302)
Provisions for long-term employee benefits	41,212	35,710	2,254	1,607	5,502	4,257
Others	644	353	261	-	291	99
Total deferred tax assets	3,517,274	3,382,929	270,007	426,602	134,345	600,091
Deferred tax liabilities						
Available-for-sale investments	729,550	996,491	29,425	(204,936)	(266,941)	(242,949)
Others	9,567	3,519	1,740	38	6,048	278
Total deferred tax liabilities	739,117	1,000,010	31,165	(204,898)	(260,893)	(242,671)
Deferred tax assets/liabilities - net	2,778,157	2,382,919	238,842	631,500	395,238	842,762

15.2 Income tax expenses

Income tax expenses for the three-month and nine-month periods ended 30 September 2016 and 2015 are made up as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2016	2015	2016	2015
Current income tax:				
Interim corporate income tax charge	178,212	199,967	1,687,129	843,085
Adjustment in respect of income tax of previous year	-	-	7,335	4,475
Deferred tax:				
Relating to origination and reversal of temporary differences	(133,583)	(487,095)	(1,165,499)	(599,813)
Income tax expenses (revenues) reported in profits or losses	<u>44,629</u>	<u>(287,128)</u>	<u>528,965</u>	<u>247,747</u>

Reconciliation between accounting profits and income tax expense for the three-month and nine-month periods ended 30 September 2016 and 2015 are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2016	2015	2016	2015
Accounting profit (loss) before income tax expenses	<u>653,588</u>	<u>(1,073,523)</u>	<u>3,636,183</u>	<u>2,071,090</u>
Applicable corporate income tax rates	15%, 20%	20%	15%, 20%	20%
Income tax expenses at the applicable tax rates	130,717	(214,705)	727,236	414,218
Adjustment in respect of income tax of previous year	-	-	7,335	4,475
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	<u>(86,088)</u>	<u>(72,423)</u>	<u>(205,606)</u>	<u>(170,946)</u>
Income tax expenses (revenues) recognised in profits or losses	<u>44,629</u>	<u>(287,128)</u>	<u>528,965</u>	<u>247,747</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2016	2015	2016	2015
Accounting profit (loss) before income tax expenses	659,148	(1,072,205)	3,654,678	2,074,711
Applicable corporate income tax rates	20%	20%	20%	20%
Income tax expenses at the applicable tax rates	131,830	(214,441)	730,936	414,942
Adjustment in respect of income tax of previous year	-	-	7,335	4,475
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	(87,201)	(72,687)	(209,306)	(171,670)
Income tax expenses (revenues) recognised in profits or losses	44,629	(287,128)	528,965	247,747

16. Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
Deposit from derivative	263,500	336,000	263,500	336,000
Prepaid rental expenses	49,161	58,030	49,161	58,030
Deposits	20,268	48,138	20,202	48,072
Receivable from sales of investments	34,692	69,705	34,692	69,705
Prepaid expenses	20,011	12,567	20,011	12,567
Others	71,596	22,801	62,873	20,193
Total other assets	459,228	547,241	450,439	544,567

(Unaudited but reviewed)

17. Insurance contract liabilities

(Unit: Thousand Baht)

	Consolidated and separate financial statements					
	30 September 2016			31 December 2015		
	Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net
Reserves for long-term insurance contracts	226,055,739	-	226,055,739	207,308,208	-	207,308,208
Loss reserves						
Reserves for reported losses	165,649	(112,259)	53,390	253,681	(99,422)	154,259
Reserves for losses incurred but not yet reported	83,675	-	83,675	66,675	-	66,675
Premium reserves						
Unearned premium reserves	1,238,190	(345,205)	892,985	1,074,854	(272,632)	802,222
Unpaid policy benefits	137,445	-	137,445	154,767	-	154,767
Other insurance liabilities	8,074,147	-	8,074,147	7,992,847	-	7,992,847
Total insurance contract liabilities	<u>235,754,845</u>	<u>(457,464)</u>	<u>235,297,381</u>	<u>216,851,032</u>	<u>(372,054)</u>	<u>216,478,978</u>

17.1 Reserves for long-term insurance contracts

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the nine-month period ended	For the year ended
	30 September 2016	31 December 2015
Balances - beginning of the period/year	207,308,208	177,434,671
Reserved increased for new businesses and inforce policies	31,533,625	43,689,750
Reserves decreased for death, maturities, benefits, claims, lapses and surrender	(12,786,094)	(13,816,213)
Balances - end of the period/year	<u>226,055,739</u>	<u>207,308,208</u>

(Unaudited but reviewed)

17.2 Loss reserves

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the nine-month period ended	For the year ended
	30 September 2016	31 December 2015
Balances - beginning of the period/year	320,356	315,052
Claims incurred in the current period/year	1,430,033	1,734,751
Claims paid during the period/year	(1,501,065)	(1,729,447)
Balances - end of the period/year	<u>249,324</u>	<u>320,356</u>

17.3 Unearned premium reserves

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the nine-month period ended	For the year ended
	30 September 2016	31 December 2015
Balances - beginning of the period/year	1,074,854	1,056,888
Premium written for the period/year	2,461,902	2,954,373
Premium earned for the period/year	(2,298,566)	(2,936,407)
Balances - end of the period/year	<u>1,238,190</u>	<u>1,074,854</u>

17.4 Unpaid policy benefits

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	30 September 2016	31 December 2015
	Death benefit	99,445
Maturity payment	30,334	43,085
Benefit payment under policies	4,834	4,678
Surrender	2,832	3,824
Total unpaid policy benefits	<u>137,445</u>	<u>154,767</u>

(Unaudited but reviewed)

17.5 Other insurance liabilities

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	30 September 2016	31 December 2015
Deposit from insurance contracts	7,311,021	7,296,689
Premiums received in advance	669,730	603,111
Payable to policyholders on exempted premiums	93,396	93,047
Total other insurance liabilities	<u>8,074,147</u>	<u>7,992,847</u>

18. Reinsurance payables

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	30 September 2016	31 December 2015
Amount due to reinsurances	719,191	495,315
Total reinsurance payables	<u>719,191</u>	<u>495,315</u>

19. Employee benefit obligations

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
Provisions for long-term employee benefits	<u>208,325</u>	<u>179,646</u>	<u>206,061</u>	<u>178,550</u>
Total employee benefit obligations	<u>208,325</u>	<u>179,646</u>	<u>206,061</u>	<u>178,550</u>

(Unaudited but reviewed)

20. Other liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2016	2015	2016	2015
Accrued commission expenses	505,152	468,619	504,667	468,199
Accrued expenses	306,409	387,177	306,530	386,076
Premium received for policies not yet approved	206,763	301,943	206,763	301,943
Amounts received awaiting transfer	172,965	64,634	172,965	64,634
Specific Business Tax payable	98,069	135,416	98,069	135,416
Payable from purchases of investments	24,161	51,123	24,161	51,123
Withholding tax payable	29,527	30,248	29,527	30,248
Short-term employee benefit payables	151,613	176,971	151,613	175,957
Dividend payables	544,309	-	544,309	-
Others	38,876	24,353	33,396	21,690
Total other liabilities	2,077,844	1,640,484	2,072,000	1,635,286

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

Reconciliation for the nine-month period ended 30 September 2016 is as follows:

	Consolidated and separate financial statements			
	Issued and paid-up share capital		Share premium	Capital reserve on share-based payments
	Number of shares			
	(Thousand shares)	Thousand Baht	Thousand Baht	Thousand Baht
Balances - beginning of the period	1,703,811	1,703,811	3,219,926	38,834
Expenses in respect of share-based payments (Note 22)	1,688	1,688	40,511	9,033
Transfer capital reserve for share-based payment transactions to premium on share capital as a result of warrant No. 2 exercise	-	-	25,919	(25,919)
Balances - end of the period	1,705,499	1,705,499	3,286,356	21,948

22. Share-based payments - warrants

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

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

(Unit: Thousand units)

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

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

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

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 the three-month and nine-month periods ended 30 September 2016 amounting to Baht 2.0 million and Baht 9.0 million, respectively. (30 September 2015: Baht 5.0 million and Baht 20.0 million, respectively)

Movements of warrants during the nine-month period ended 30 September 2016 are summarised below.

	(Unit: Thousand units)
	For the nine-month period ended 30 September 2016
	<hr/> Warrant No. 2 <hr/>
Number of unexercised warrants as at 1 January 2016	2,419
Exercised during the period	(1,227)
Number of unexercised warrants as at 30 September 2016	<hr/> 1,192 <hr/>

During the year ended 31 December 2015, the Warrant No. 2 holders exercised 4.6 million warrants at an exercise price of Baht 25.00 each, totally Baht 160 million.

During the three-month and nine-month periods ended 30 September 2016, the Warrant No.2 holders exercised rights 0.3 million units and 1.2 million units, respectively of warrants at an exercise price of Baht 25.00 each, or for a total of Baht 11.4 Million and Baht 42.9 Million, respectively. The Company recorded such amount received from the exercise of warrants under the caption of "Subscriptions received in advance from exercise of warrants", in the owners' equity. The details are summarised as below.

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month period ended 30 September 2016

Exercise	Units of warrants (Thousand units)	Exercise price per share (Baht)	Proceeds from exercise	Issued and paid up share capital	Share Premium	Subscriptions received in advance from exercises of warrants	Share capital registration date	Listing date
Warrant No. 2								
The fifth exercise	603	25.00	21,091	844	20,247	-	27 April 2016	9 May 2016
The sixth exercise	300	25.00	10,483	420	10,063	-	27 July 2016	3 August 2016
The seventh exercise	324	25.00	-	-	-	11,358	19 October 2016	27 October 2016
Total	1,227		31,574	1,264	30,310	11,358		

23. Operating segment

The Company presented operating segment information in the same manner as that reported to the Office of 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 this 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 September 2016 and 2015 is as follows:

(Unit: Thousand Baht)

	Consolidated financial statement				
	For the three-month period ended 30 September 2016				
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Premium written	8,979,498	175,872	10,234	-	9,165,604
Less: Premium ceded	(106,613)	-	-	-	(106,613)
Net premium written	8,872,885	175,872	10,234	-	9,058,991
Add (less): Unearned premium reserve decreased (increased) from prior period	5,036	-	(998)	-	4,038
Total underwriting income	8,877,921	175,872	9,236	-	9,063,029
Underwriting expenses					
Life policy reserves increased from prior period	6,764,293	171,348	-	-	6,935,641
Benefit payments under life policies and benefit adjustment expenses	3,419,883	7,960	-	-	3,427,843
Losses and losses adjustment expenses	352,335	-	835	-	353,170
Commissions and brokerage expenses	694,887	31,665	224	1,470	728,246
Sales promotional expenses	73,760	1,690	79	122	75,651
Contribution to the Office of Insurance Commission	16,784	323	17	-	17,124
Contribution to the Life Insurance Fund	9,109	179	9	-	9,297
Other underwriting expenses	8,267	154	8	-	8,429
Total underwriting expenses	11,339,318	213,319	1,172	1,592	11,555,401

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statement					
For the three-month period ended 30 September 2015					
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Premium written	8,359,878	67,355	9,336	-	8,436,569
Less: Premium ceded	(115,220)	-	-	-	(115,220)
Net premium written	8,244,658	67,355	9,336	-	8,321,349
Add: Unearned premium reserve decreased from prior period	46,437	-	35	-	46,472
Total underwriting income	8,291,095	67,355	9,371	-	8,367,821
Underwriting expenses					
Life policy reserves increased from prior period	7,177,581	63,607	-	-	7,241,188
Benefit payments under life policies and benefit adjustment expenses	3,378,452	1,081	-	-	3,379,533
Losses and losses adjustment expenses	320,592	-	467	-	321,059
Commissions and brokerage expenses	662,001	6,400	163	1,233	669,797
Sales promotional expenses	88,867	708	98	146	89,819
Contribution to the Office of Insurance Commission	16,311	133	18	-	16,462
Contribution to the Life Insurance Fund	8,360	68	9	-	8,437
Other underwriting expenses	8,466	64	9	-	8,539
Total underwriting expenses	11,660,630	72,061	764	1,379	11,734,834

(Unaudited but reviewed)

Underwriting information classified by insurance categories for the nine-month periods ended 30 September 2016 and 2015 is as follows:

	Consolidated financial statement				
	For the nine-month period ended 30 September 2016				
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Premium written	29,802,114	377,380	28,345	-	30,207,839
Less: Premium ceded	(597,695)	-	-	-	(597,695)
Net premium written	29,204,419	377,380	28,345	-	29,610,144
Less: Unearned premium reserve increased from prior period	(89,884)	-	(880)	-	(90,764)
Total underwriting income	29,114,535	377,380	27,465	-	29,519,380
Underwriting expenses					
Life policy reserves increased from prior period	18,375,805	371,726	-	-	18,747,531
Benefit payments under life policies and benefit adjustment expenses	12,695,658	19,844	-	-	12,715,502
Losses and losses adjustment expenses	925,335	-	4,700	-	930,035
Commissions and brokerage expenses	2,281,334	63,890	664	4,563	2,350,451
Sales promotional expenses	324,319	4,185	305	605	329,414
Contribution to the Office of Insurance					
Commission	52,663	680	49	-	53,392
Contribution to the Life Insurance Fund	29,925	386	28	-	30,339
Other underwriting expenses	24,509	316	23	-	24,848
Total underwriting expenses	34,709,548	461,027	5,769	5,168	35,181,512

(Unaudited but reviewed)

Consolidated financial statement					
For the nine-month period ended 30 September 2015					
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Premium written	31,621,067	203,898	27,784	-	31,852,749
Less: Premium ceded	(495,105)	-	-	-	(495,105)
Net premium written	31,125,962	203,898	27,784	-	31,357,644
Add (less): Unearned premium reserve decreased (increased) from prior period	(27,488)	-	737	-	(26,751)
Total underwriting income	31,098,474	203,898	28,521	-	31,330,893
Underwriting expenses					
Life policy reserves increased from prior period	22,062,035	189,630	-	-	22,251,665
Benefit payments under life policies and benefit adjustment expenses	10,909,145	2,798	-	-	10,911,943
Losses and losses adjustment expenses	954,293	-	1,689	-	955,982
Commissions and brokerage expenses	2,115,552	18,898	689	3,810	2,138,949
Sales promotional expenses	308,905	2,025	283	151	311,364
Contribution to the Office of Insurance Commission	55,260	362	51	-	55,673
Contribution to the Life Insurance Fund	31,617	207	29	-	31,853
Other underwriting expenses	23,512	154	21	-	23,687
Total underwriting expenses	36,460,319	214,074	2,762	3,961	36,681,116

24. Operating expenses

(Unit: Thousand Baht)

Consolidated financial statements				
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2016	2015	2016	2015
Personnel expenses	239,636	242,821	696,838	698,649
Premises and equipment expenses	46,778	41,374	136,666	119,734
Taxes and duties	742	1,162	5,049	4,951
Other operating expenses	146,042	174,703	454,094	516,823
Total operating expenses	433,198	460,060	1,292,647	1,340,157

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2016	2015	2016	2015
Personnel expenses	237,840	240,267	692,073	694,848
Premises and equipment expenses	43,069	41,151	132,645	119,404
Taxes and duties	742	1,162	5,049	4,951
Other operating expenses	144,105	176,063	440,543	516,690
Total operating expenses	<u>425,756</u>	<u>458,643</u>	<u>1,270,310</u>	<u>1,335,893</u>

25. Gains (losses) on revaluation

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2016	2015	2016	2015
Unrealised gains (losses) from trading securities	8,183	(706)	30,970	(1,226)
Unrealised gains (losses) on foreign exchange contracts	8,084	(63,630)	(33,454)	(83,223)
Gains (losses) on exchange rate	(67,754)	101,507	(160,893)	149,701
Total gains (losses) on revaluation	<u>(51,487)</u>	<u>37,171</u>	<u>(163,377)</u>	<u>65,252</u>

26. Fair value of financial instruments

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

Fair value hierarchy

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

(Unaudited but reviewed)

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

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

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

As at 30 September 2016 and 31 December 2015, the Company and its subsidiaries had the following assets that were measured at fair value using different levels of inputs as follows:

	(Unit: Thousand Baht)		
	Consolidated and separate financial statements		
	As at 30 September 2016		
	Level 1	Level 2	Total
Financial assets measured at fair value			
Trading investments			
Equity instruments	178,397	-	178,397
Debt instruments	-	817,696	817,696
Available-for-sale investments			
Equity instruments	27,979,166	3,362,947	31,342,113
Debt instruments	-	34,067,928	34,067,928
			(Unit: Thousand Baht)
	Consolidated and separate financial statements		
	As at 31 December 2015		
	Level 1	Level 2	Total
Financial assets measured at fair value			
Trading investments			
Equity instruments	97,233	18,987	116,220
Available-for-sale investments			
Equity instruments	12,428,719	13,043,937	25,472,656
Debt instruments	-	516,266	516,266

Valuation techniques and inputs to Level 2 valuations

- a) The fair value of investments in debt instruments has been determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.
- b) The fair value of investments in equity securities which are unit trusts are determined using the net asset value per unit as announced by the fund managers.

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

27. Related party transactions

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

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

Name of related parties	Type of business	Relationship with the Company
Bangkok Bank Pcl.	Banking	Shareholding and related by way of common directors
Bangkok Insurance Pcl.	Insurance	Shareholding and related by way of common directors
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
Rajburi Sugar Co., Ltd.	Industry	Related by way of common directors
Narai Ruamphiphat Co., Ltd.	Property development	Holding by an individual related to the major shareholder of the Company
Bangkok Business Building (1987) Co., Ltd.	Rental of assets	Related by way of common directors and shareholders
Tris Corporation Ltd.	Services	Related by way of common directors and shareholders
Union Textile Industries Pcl.	Industry	Related by way of common shareholders
Charoen Pokphand Foods Pcl.	Agriculture	Related by way of common directors
TICON Industrial Connection Pcl.	Property development	Holding by an individual related to the major shareholder of the Company
Indorama Polymers Pcl.	Petrochemical	Related by way of common directors
Asia warehouse Co., Ltd.	Rental of assets	Holding by the major shareholder of the Company
Ek-Chai Distribution System Co., Ltd.	Commercial	Related by way of common directors
BBL Asset Management Co., Ltd.	Asset management	Related by way of common directors and shareholders
Bualuang Securities Pcl.	Securities	Subsidiary of the major shareholder of the Company
Asia Insurance Company Limited	Insurance	Related by way of common directors
BLA Insurance Broker Co., Ltd	Insurance broker	Subsidiary
Bangpain Golf Co., Ltd	Services	Related by way of common directors
Bangkok Mitsubishi UFJ Lease Co., Ltd.	Services	Related by way of common directors
Samitivij Pcl.	Health care service	Related by way of common directors
TM Design Co., Ltd.	Services	Holding by an individual related to the major shareholder of the Company
Bangkok Life Assurance (Cambodia) Public Limited Company	Life insurance	Subsidiary

(Unaudited but reviewed)

During the three-month and nine-month periods ended 30 September 2016 and 2015, the Company and its subsidiaries had significant business transactions with its related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course business between the Company and those parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				Pricing policy
	For the three-month periods ended		For the nine-month periods ended		
	30 September		30 September		
	2016	2015	2016	2015	
Related parties					
Premium written	153	408	4,731	5,070	Normal commercial terms for underwriting
Interest income - deposits at banks, promissory notes and debentures	122,853	158,490	394,375	491,732	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	1,742	2,097	5,457	6,471	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	133,455	112,044	361,005	256,843	The declared amount
Rental and service income	13,290	1,704	18,838	4,637	Rate on agreements those charged by rental and service fees per square meter per month
Brokerage income from securities trading	11,469	7,954	27,319	23,090	Normal commercial terms for securities brokerage
Gain (loss) on forward and swap foreign exchange contracts	38,921	(295,576)	166,393	(397,450)	Normal commercial terms on contracts
Commission and brokerage	288,019	296,600	1,038,987	968,779	At a mutually agreed percentage of premium written
Claim payment and diagnose charge	24,100	9,435	42,914	34,291	Normal commercial terms for underwriting
Bank charges	26,481	24,454	79,717	72,472	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	728	1,024	2,138	2,237	Normal commercial terms for underwriting

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements					
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September		Pricing policy
	2016	2015	2016	2015	
Building space rental and services	18,555	17,651	53,186	53,687	Head office building: Rental fee of approximately Baht 90 per square meter per month and service fee of Baht 29 per square meter per month for long-term agreement and approximately Baht 44, Baht 138 per square meter per month and service fees approximately Baht 91, Baht 307 per square meter per month. Branch office buildings: Rental fees of approximately Baht 100, Baht 150, Baht 188 and Baht 315 per square meter per month and service fees of approximately Baht 342 and Baht 200 per square meter per month.
Other services	973	178	2,283	434	Normal commercial terms for services

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements				Pricing policy
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September		
	2016	2015	2016	2015	
Transactions with related companies					
Subsidiaries					
Rental and service income	128	115	427	340	Rate on agreements as those charged by rental and service fees per square meter per month
Related parties					
Premium written	153	408	4,731	5,070	Normal commercial terms for underwriting
Interest income - deposits at banks, promissory notes and debentures	122,853	158,490	394,353	491,728	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	1,742	2,097	5,457	6,471	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	133,455	112,044	361,005	256,843	The declared amount
Brokerage income from securities trading	11,469	7,954	27,319	23,090	Normal commercial terms for securities brokerage
Gain (loss) on forward and swap foreign exchange contracts	38,921	(499,324)	166,393	(397,450)	Normal commercial terms on contracts
Commission and brokerage	288,019	296,660	1,038,987	968,779	At a mutually agreed percentage of premium written
Claim payment and diagnose charge	24,100	9,435	42,914	34,291	Normal commercial terms for underwriting
Bank charges	26,456	24,432	79,646	72,418	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	728	1,024	2,136	2,237	Normal commercial terms for underwriting

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements				Pricing policy
	For the three-month periods ended		For the nine-month periods ended		
	30 September		30 September		
	2016	2015	2016	2015	
Related parties					
(continued)					
Building space rental and services	18,555	17,651	53,186	53,687	Head office building: Rental fee of approximately Baht 90 per square meter per month and service fee of Baht 29 per square meter per month for long-term agreement and approximately Baht 44, Baht 138 per square meter per month and service fees approximately Baht 91, Baht 307 per square meter per month. Branch office buildings: Rental fees of approximately Baht 100, Baht 150, Baht 188 and Baht 315 per square meter per month and service fees of approximately Baht 342 and Baht 200 per square meter per month.
Other services	973	178	2,283	434	Normal commercial terms for services

For the three-month and nine-month periods ended 30 September 2016, the premium generated from the Bancassurance distribution channel represented approximately 61.33% and 64.22% of total net premium written, respectively. (30 September 2015: approximately 61.11% and 67.83% of total net premium written, respectively)

(Unaudited but reviewed)

As at 30 September 2016 and 31 December 2015, the balance of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
Subsidiaries				
Other assets				
Advance	-	-	21,045	-
Total other assets	-	-	21,045	-
Other liabilities				
Accrued expense	-	-	18	846
Others	-	-	66	66
Total other liabilities	-	-	84	912
Related parties				
Deposit at financial institution				
(included in cash and cash equivalents)	1,495,070	4,127,677	1,482,910	4,113,889
Investments in securities				
Trading investments - cost				
Domestic investment units	-	17,016	-	17,016
Total trading investment - cost	-	17,016	-	17,016
Add: Unrealised gains	-	1,971	-	1,971
Total trading investments - fair value	-	18,987	-	18,987
Available-for-sale investments - cost				
Domestic equity securities	2,042,862	2,102,720	2,042,862	2,102,720
Domestic investment unit	3,448,903	3,159,930	3,448,903	3,159,930
Total available-for-sale investment - cost	5,491,765	5,262,650	5,491,765	5,262,650
Add: Unrealised gains	1,938,303	2,216,690	1,938,303	2,216,690
Total available-for-sale investments - fair value	7,430,068	7,479,340	7,430,068	7,479,340
Held-to-maturity investments - cost/amortised cost				
Private enterprise debt securities	4,155,000	4,105,000	4,155,000	4,105,000
Foreign debt securities	6,330,432	5,898,909	6,330,432	5,898,909
Total held-to-maturity investment - cost/amortised cost	10,485,432	10,003,909	10,485,432	10,003,909
General investments - foreign equity securities	11,167	11,167	11,167	11,167
Total investments in securities	17,926,667	17,513,403	17,926,667	17,513,403

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2016	31 December 2015	30 September 2016	31 December 2015
Related parties (continued)				
Loans	102,569	119,162	102,569	119,162
Forward and swap foreign exchange contract receivable	4,223,540	3,329,930	4,223,540	3,329,930
Other assets				
Accrued income	2,424	-	-	-
Prepaid expense	49,421	58,471	49,421	58,471
Total other assets	51,845	58,471	49,421	58,471
Outstanding claims	8,178	6,837	8,178	6,837
Forward and swap foreign exchange contract payable	4,526,904	3,732,423	4,526,904	3,732,423
Other liabilities				
Accrued commission	215,670	191,756	215,670	191,756
Accrued rental and service expense	6,038	4,725	979	234
Total other liabilities	221,708	196,481	216,649	191,990

Directors and management's benefits

During the three-month and nine-month periods ended 30 September 2016 and 2015, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Million Baht)

	Consolidated financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2016	2015	2016	2015
Short-term employee benefits	8.8	8.8	27.4	26.6
Long-term employee benefits	0.5	0.6	1.5	1.7
Share-based payment transactions (Note 22)	0.6	1.7	2.6	6.6
Total directors and management's benefits	9.9	11.1	31.5	34.9

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended 30 September		ended 30 September	
	2016	2015	2016	2015
Short-term employee benefits	8.8	8.8	27.4	26.6
Long-term employee benefits	0.5	0.5	1.5	1.4
Share-based payment transactions (Note 22)	0.6	1.7	2.6	6.6
Total directors and management's benefits	9.9	11.0	31.5	34.6

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

28. Assets placed with the Registrar

As at 30 September 2016 and 31 December 2015, the following assets have been placed as securities with the Registrar in accordance with the Life Insurance Act.

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	30 September 2016		31 December 2015	
	Cost/		Cost/	
	Amortised cost	Fair value	Amortised cost	Fair value
State enterprise bonds	20,000	27,675	20,000	23,928

29. Assets reserved with the Registrar

As at 30 September 2016 and 31 December 2015, the following assets have been placed as reserves with the Registrar in accordance with the Life Insurance Act.

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	30 September 2016		31 December 2015	
	Cost/		Cost/	
	Amortised cost	Fair value	Amortised cost	Fair value
Government bonds	42,832,974	52,472,130	41,970,820	46,960,565
State enterprise bonds	6,199,631	7,086,363	6,199,413	7,053,062
Total	49,032,605	59,558,493	48,170,233	54,013,627

30. Earnings per share

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (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 attributable to equity holders of the Company (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.

Basic and diluted earnings per share for the three-month periods ended 30 September 2016 and 2015 are as follows:

Consolidated financial statements						
Gain (loss) for the period (Thousand Baht)		Weighted average number of shares (Thousand shares)		Earnings per share (Baht)		
		2016	2015	2016	2015	
				(Restated)		
Basic earnings per share						
Gains (losses) attributable to ordinary shareholders of the Company						
608,959	(786,395)	1,705,499	1,702,885	0.36	(0.46)	
Effect of dilutive potential ordinary shares						
Warrant No. 2						
-	-	797	4,132			
Diluted earnings per share						
Gains (losses) of ordinary shareholders assuming the conversion of warrants to ordinary shares						
608,959	(786,395)	1,706,296	1,707,017	0.36	(0.46)	

(Unaudited but reviewed)

Separate financial statements							
Gain (loss) for the period (Thousand Baht)		Weighted average number of shares (Thousand shares)		Earnings per share (Baht)			
		2016	2015	2016	2015	2016	2015
				(Restated)		(Restated)	
Basic earnings per share							
Gains (losses) attributable to ordinary shareholders of the Company							
614,519	(785,077)	1,705,499	1,702,885	0.36	(0.46)		
Effect of dilutive potential ordinary shares							
Warrant No. 2							
-	-	797	4,132				
Diluted earnings per share							
Gains (losses) of ordinary shareholders assuming the conversion of warrants to ordinary shares							
614,519	(785,077)	1,706,296	1,707,017	0.36	(0.46)		

Basic and diluted earnings per share for the nine-month periods ended 30 September 2016 and 2015 are as follows:

Consolidated financial statements							
Gains for the period (Thousand Baht)		Weighted average number of shares (Thousand shares)		Earnings per share (Baht)			
		2016	2015	2016	2015	2016	2015
				(Restated)		(Restated)	
Basic earnings per share							
Gains attributable to ordinary shareholders of the Company							
3,107,218	1,823,343	1,704,791	1,700,953	1.82	1.07		
Effect of dilutive potential ordinary shares							
Warrant No. 2							
-	-	766	4,342				
Diluted earnings per share							
Gains of ordinary shareholders assuming the conversion of warrants to ordinary shares							
3,107,218	1,823,343	1,705,557	1,705,295	1.82	1.07		

(Unaudited but reviewed)

Separate financial statements					
Gains for the period (Thousand Baht)		Weighted average number of shares (Thousand shares)		Earnings per share (Baht)	
2016	2015	2016	2015 (Restated)	2016	2015 (Restated)
Basic earnings per share					
Gains attributable to ordinary shareholders of the Company					
3,125,713	1,826,964	1,704,791	1,700,953	1.83	1.07
Effect of dilutive potential ordinary shares					
Warrant No. 2					
-	-	766	4,342		
Diluted earnings per share					
Gains of ordinary shareholders assuming the conversion of warrants to ordinary shares					
3,125,713	1,826,964	1,705,557	1,705,295	1.83	1.07

31. Dividends paid

Dividends declared during the nine-month periods ended 30 September 2016 and 2015 consisted of the following:

	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
Final dividend for 2015	Annual General Meeting of the Shareholders on 26 April 2015 and the OIC on 29 April 2015	544	0.32
Interim dividend from operations for six-month period ended 30 June 2016	Meeting of Board of Directors on 9 August 2015 and the OIC on 30 September 2015	545	0.32
Total dividend for the period 2016		1,089	0.64
Final dividend for 2014	Annual General Meeting of the Shareholders on 29 April 2015 and the OIC on 24 April 2015	781	0.46
Interim dividend from operations for six-month period ended 30 June 2015	Meeting of Board of Directors on 11 August 2015 and the OIC on 3 September 2015	544	0.32
Total dividend for the period 2015		1,325	0.78

32. Commitments

32.1 The Company and its subsidiaries have entered into several lease agreements in respect of the lease of office building space, motor vehicles and equipment. The terms of the agreements are generally between 3 and 25 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 September 2016 and 31 December 2015, future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

(Unit: Million Baht)

	Consolidated financial statement		
	30 September 2016		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements	63.0	53.7	116.7
Service agreements	3.5	-	3.5
Total	66.5	53.7	120.2

(Unit: Million Baht)

	Consolidated financial statement		
	31 December 2015		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements	88.2	72.0	160.2
Service agreements	13.5	-	13.5
Total	101.7	72.0	173.7

(Unit: Million Baht)

	Separate financial statement		
	30 September 2016		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements	62.9	53.1	116.0
Service agreements	3.4	-	3.4
Total	66.3	53.1	119.4

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statement		
	31 December 2015		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements	88.6	71.5	160.1
Service agreements	13.5	-	13.5
Total	102.1	71.5	173.6

32.2 As at 30 September 2016 and 31 December 2015, the Company may need to deposit additional amounts in the future under the investment conditions as described in Note 10.5 (a) and Note 10.5 (b) to the interim financial statements, as summarised below.

(Unit: Thousand Baht)

Payable within	Consolidated and separate financial statements	
	30 September 2016	31 December 2015
1 year	1,200,000	1,010,000
2 - 5 years	600,000	900,000

33. Litigation

As at 30 September 2016 and 31 December 2015, the Company has been sued in litigation cases of compensation of claims totaling approximately Baht 58 million and Baht 48 million, respectively, for being the insurer and the cases have yet been finalised. The Company has yet provided for any provision for loss on such cases since there are still uncertainty with respect to the outcome of the cases.

34. Reclassification

The Company reclassified following transactions in order to conform with current period's classifications, which are in accordance with the Notification of the Insurance Commission dated 4 March 2016 which effective on 1 January 2016 onward. The reclassification does not have any impact on previously reported profit or equity, which are summarised below.

(Unaudited but reviewed)

(Unit: Thousand Baht)

31 December 2015

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously	As reclassified	As previously
		reported		reported
Statements of financial position				
Assets:				
Reinsurance assets	372,054	899,176	372,054	899,176
Reinsurance receivables	527,122	-	527,122	-
Derivative assets	231	-	231	-
Other assets	547,241	547,472	544,567	544,798
Total	1,446,648	1,446,648	1,443,974	1,443,974
Liabilities:				
Insurance contract liabilities	216,851,032	-	216,851,032	-
Life policy reserves	-	207,308,208	-	207,308,208
Unpaid policy benefits	-	150,089	-	150,089
Loss reserves and outstanding claims	-	320,356	-	320,356
Premium reserves	-	1,074,854	-	1,074,854
Other insurance liabilities	-	7,904,478	-	7,904,478
Derivative liabilities	2,912,292	-	2,912,292	-
Employee benefit payables	-	356,617	-	354,507
Employee benefit obligations	179,646	-	178,550	-
Other liabilities	1,640,484	4,468,852	1,635,286	4,464,668
Total	221,583,454	221,583,454	221,577,160	221,577,160
Net	(220,136,806)	(220,136,806)	(220,133,186)	(220,133,186)

(Unaudited but reviewed)

(Unit: Thousand Baht)

1 January 2015

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Statements of financial position				
Assets:				
Reinsurance assets	318,471	763,785	318,471	763,785
Reinsurance receivables	445,314	-	445,314	-
Derivative assets	24,963	-	24,963	-
Other assets	161,905	186,867	165,539	190,502
Total	950,653	950,652	954,287	954,287
Liabilities:				
Insurance contract liabilities	186,659,641	-	186,659,641	-
Life policy reserves	-	177,434,671	-	177,434,671
Unpaid policy benefits	-	117,067	-	117,067
Loss reserves and outstanding claims	-	315,052	-	315,052
Premium reserves	-	1,056,888	-	1,056,888
Other insurance liabilities	-	7,642,206	-	7,642,206
Derivative liabilities	1,024,799	-	1,024,799	-
Employee benefit payables	-	329,414	-	327,718
Employee benefit obligations	168,620	-	167,734	-
Other liabilities	1,280,941	2,238,702	1,277,378	2,235,949
Total	189,134,001	189,134,000	189,129,552	189,129,551
Net	(188,183,348)	(188,183,348)	(188,175,265)	(188,175,264)

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the three-month period ended 30 September 2015

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Statements of comprehensive income				
Profit or loss:				
Revenue				
Premium written	8,436,569	-	8,436,569	-
Less: Premium ceded	(167,753)	-	(167,753)	-
Net premium written	8,268,816	-	8,268,816	-
Add: Unearned premium reserve decreased from prior period	46,472	-	46,472	-
Net earned premium	8,315,288	8,367,821	8,315,288	8,367,821
Net investment income	2,649,632	2,715,469	2,649,632	2,715,469
Fee and commission income	52,533	-	52,533	-
Total	11,017,453	11,083,290	11,017,453	11,083,290
Expenses				
Benefit payments under life policies and benefit adjustment expenses	-	3,379,533	-	3,379,533
Claim and losses adjustment expenses	-	321,059	-	321,059
Benefit payments under life policies and claims	3,840,977	-	3,840,977	-
Less: Benefit payments under life policies and claims refundable from reinsurance	(140,385)	-	(140,385)	-
Sales promotional expenses	-	89,819	-	89,673
Other underwriting expenses	123,257	8,539	123,111	8,539
Operating expenses	460,060	525,897	458,643	524,480
Contribution to the Office of Insurance Commission	-	16,462	-	16,462
Contribution to the Life Insurance Fund	-	8,437	-	8,437
Total	4,283,909	4,349,746	4,282,346	4,348,183
Net	6,733,544	6,733,544	6,735,107	6,735,107

(Unaudited but reviewed)

(Unit: Thousand Baht)

For the nine-month period ended 30 September 2015

	Consolidated financial statements		Separate financial statements	
	As reclassified	As previously reported	As reclassified	As previously reported
Statements of comprehensive income				
Profit or loss:				
Revenue				
Premium written	31,852,749	-	31,852,749	-
Less: Premium ceded	(699,276)	-	(699,276)	-
Net premium written	31,153,473	-	31,153,473	-
Less: Unearned premium reserve increased from prior period	(26,751)	-	(26,751)	-
Net earned premium	31,126,722	31,330,893	31,126,722	31,330,893
Net investment income	7,500,633	7,693,105	7,500,633	7,693,105
Fee and commission income	204,171	-	204,171	-
Total	38,831,526	39,023,998	38,831,526	39,023,998
Expenses				
Benefit payments under life policies and benefit adjustment expenses	-	10,911,943	-	10,911,943
Claim and losses adjustment expenses	-	955,982	-	955,982
Benefit payments under life policies and claims	12,273,549	-	12,273,549	-
Less: Benefit payments under life policies and claims refundable from reinsurance	(405,624)	-	(405,624)	-
Sales promotional expenses	-	311,364	-	311,213
Other underwriting expenses	422,577	23,687	422,426	23,687
Operating expenses	1,340,157	1,532,629	1,335,893	1,528,365
Contribution to the Office of Insurance Commission	-	55,673	-	55,673
Contribution to the Life Insurance Fund	-	31,853	-	31,853
Total	13,630,659	13,823,131	13,626,244	13,818,716
Net	25,200,867	25,200,867	25,205,282	25,205,282

36. Approval of interim financial statements

These interim financial statements were authorised for issue by the Board of Directors on 9 November 2016.