
***BANGKOK LIFE ASSURANCE PUBLIC
COMPANY LIMITED AND SUBSIDIARIES***

Interim Financial Statements

***Three-month and nine-month period ended
September 30, 2019***

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

**TO THE BOARD OF DIRECTORS
BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED**

We have reviewed the consolidated statement of financial position of Bangkok Life Assurance Public Company Limited and its subsidiaries and the separate statement of financial position of Bangkok Life Assurance Public Company Limited as at September 30, 2019, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2019, changes in shareholders' equity, and cash flows for the nine-month period ended September 30, 2019, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our 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 us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".



Chavala Tienpasertkij
Certified Public Accountant (Thailand)
Registration No. 4301

BANGKOK
November 12, 2019

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

(Unit : Thousand Baht)

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
		September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
ASSETS					
Cash and cash equivalents	4	9,571,159	9,825,592	9,493,076	9,745,784
Premium receivables	5	2,662,191	1,910,397	2,662,191	1,910,397
Accrued investment income		3,486,572	2,690,939	3,486,572	2,690,939
Reinsurance assets	6, 17	656,402	539,180	656,402	539,180
Amount due from reinsurances	7	978,103	703,965	978,103	703,965
Derivative assets	8	1,009,456	274,887	1,009,456	274,887
Investment assets					
Investments in securities					
Held-for-trading investments	9	23,562	33,497	23,562	33,497
Available-for-sale investments	9	80,774,962	75,171,941	80,774,962	75,171,941
Held-to-maturity investments	9, 27, 28	218,892,305	217,424,076	218,892,305	217,424,076
General investments	9	31,338	30,302	31,338	30,302
Investments in subsidiaries	10	-	-	56,409	98,437
Loans	12	12,105,055	11,561,541	12,105,055	11,561,541
Investment property	13	16,953	17,752	16,953	17,752
Property, plant and equipment	14	1,391,940	1,333,668	1,391,698	1,331,795
Goodwill		4,955	4,955	-	-
Intangible assets		2,400	3,745	2,400	3,615
Deferred tax assets	15	617,779	2,154,027	617,779	2,154,027
Other assets	16	362,374	897,385	327,851	861,097
TOTAL ASSETS		332,587,506	324,577,849	332,526,112	324,553,232

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT SEPTEMBER 30, 2019

(Unit : Thousand Baht)

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		(Unaudited but reviewed) September 30, 2019	(Audited) December 31, 2018	(Unaudited but reviewed) September 30, 2019	(Audited) December 31, 2018
LIABILITIES AND EQUITY					
Liabilities					
Insurance contract liabilities	17	284,248,343	283,281,023	284,248,331	283,280,931
Amount due to reinsurances	18	948,593	585,436	948,593	585,436
Derivative liabilities	8	175,626	644,294	175,626	644,294
Income tax payable		115,604	7,537	115,604	7,537
Employee benefit obligations	19	200,223	178,637	198,424	177,112
Other liabilities	20	1,627,963	1,372,766	1,617,165	1,362,192
Total liabilities		<u>287,316,352</u>	<u>286,069,693</u>	<u>287,303,743</u>	<u>286,057,502</u>
Equity					
Share capital					
Authorized share capital					
1,708,000,000 ordinary shares of					
Baht 1 each					
		<u>1,708,000</u>	<u>1,708,000</u>	<u>1,708,000</u>	<u>1,708,000</u>
Issued and paid-up share capital					
1,707,566,000 ordinary shares of					
Baht 1 each, fully paid-up					
	21	1,707,566	1,707,566	1,707,566	1,707,566
Premium on share capital	21	3,360,993	3,360,993	3,360,993	3,360,993
Retained earnings					
Appropriated					
Legal reserve					
		170,800	170,800	170,800	170,800
General reserve					
		400,000	400,000	400,000	400,000
Unappropriated					
		30,412,975	27,908,092	30,397,132	27,894,514
Other component of equity					
Revaluation surplus on available-for-sale					
investments - net of income taxes					
		9,185,878	4,961,857	9,185,878	4,961,857
Exchange rate differences on translation of					
financial statements in foreign currency					
		(4,581)	(4,700)	-	-
Equity attributable to equity holders of the Company		<u>45,233,631</u>	<u>38,504,608</u>	<u>45,222,369</u>	<u>38,495,730</u>
Non-controlling interests of the subsidiaries		<u>37,523</u>	<u>3,548</u>	-	-
Total equity		<u>45,271,154</u>	<u>38,508,156</u>	<u>45,222,369</u>	<u>38,495,730</u>
TOTAL LIABILITIES AND EQUITY		<u>332,587,506</u>	<u>324,577,849</u>	<u>332,526,112</u>	<u>324,553,232</u>

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019
“UNAUDITED BUT REVIEWED”

(Unit : Thousand Baht)

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
		2019	2018	2019	2018
Continuing Operations					
Revenues					
Gross written premium	22, 26	9,878,123	11,748,900	9,878,173	11,748,900
<u>Less</u> Premium ceded to reinsurers	22, 26	(296,797)	(243,025)	(296,797)	(243,025)
Net premium written		9,581,326	11,505,875	9,581,376	11,505,875
<u>Less</u> Unearned premium reserves increased from prior period	22	(43,006)	(10,894)	(43,006)	(10,894)
Net earned premium		9,538,320	11,494,981	9,538,370	11,494,981
Fee and commission income	22	67,155	101,118	67,155	101,118
Net investment income	26	3,279,950	3,271,423	3,279,950	3,271,423
Gain on investment	9	937,458	207,923	937,458	207,923
Fair value gain	24	55,724	90,774	55,724	90,774
Other income	26	41,883	33,120	36,016	29,241
Total revenues		<u>13,920,490</u>	<u>15,199,339</u>	<u>13,914,673</u>	<u>15,195,460</u>
Expenses					
Life policy reserves increased from prior period	22	4,741,749	6,941,950	4,741,749	6,941,950
Gross benefit and claims paid	22, 26	6,162,134	5,833,207	6,162,134	5,833,207
<u>Less</u> Benefit and claims paid recovered from reinsurers	22, 26	(205,435)	(232,455)	(205,435)	(232,455)
Commissions and brokerages	22, 26	806,760	836,040	804,026	833,895
Other underwriting expenses	22	141,808	162,826	141,808	162,814
Operating expenses	23, 26	430,368	548,252	428,603	546,564
Total expenses		<u>12,077,384</u>	<u>14,089,820</u>	<u>12,072,885</u>	<u>14,085,975</u>
Profit before income tax expense		<u>1,843,106</u>	<u>1,109,519</u>	<u>1,841,788</u>	<u>1,109,485</u>
Income tax expenses	15	(413,030)	(111,642)	(413,030)	(111,642)
Profit for the periods from continuing operations		<u>1,430,076</u>	<u>997,877</u>	<u>1,428,758</u>	<u>997,843</u>
Discontinued operation					
Loss for the periods from discontinued operation - net of tax income	11	(187)	(3,611)	-	-
Profit for the periods		<u>1,429,889</u>	<u>994,266</u>	<u>1,428,758</u>	<u>997,843</u>
Profit (loss) for the periods attributable to					
Equity holders of the Company					
From continuing operations		1,430,064	997,877	1,428,758	997,843
From discontinued operation		(98)	(1,878)		
		<u>1,429,966</u>	<u>995,999</u>		
Non-controlling interests of the subsidiaries					
From continuing operations		12	-		
From discontinued operation		(89)	(1,733)		
		<u>(77)</u>	<u>(1,733)</u>		
		<u>1,429,889</u>	<u>994,266</u>		

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2019
“UNAUDITED BUT REVIEWED”

(Unit : Thousand Baht)

	Notes	CONSOLIDATED		SEPARATE	
		2019	2018	2019	2018
Profit for the periods		<u>1,429,889</u>	<u>994,266</u>	<u>1,428,758</u>	<u>997,843</u>
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Gains (losses) on remeasuring available-for-sale investments		(18,963)	2,405,089	(18,963)	2,405,089
Reversal of gains from sale of available-for-sale investments on remeasuring available-for-sale investments		(320,536)	(255,436)	(320,536)	(255,436)
Exchange rate differences on translation of financial statements in foreign currency		(58)	(2,519)	-	-
Income taxes relating to other comprehensive income	15	<u>60,701</u>	<u>(429,931)</u>	<u>60,701</u>	<u>(429,931)</u>
Total other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income taxes		<u>(278,856)</u>	<u>1,717,203</u>	<u>(278,798)</u>	<u>1,719,722</u>
Other comprehensive income (loss) for the periods - net of income taxes		<u>(278,856)</u>	<u>1,717,203</u>	<u>(278,798)</u>	<u>1,719,722</u>
Total comprehensive income for the periods		<u>1,151,033</u>	<u>2,711,469</u>	<u>1,149,960</u>	<u>2,717,565</u>
Total comprehensive income for the periods attributable to					
Equity holders of the Company		<u>1,151,138</u>	<u>2,714,411</u>	<u>1,149,960</u>	<u>2,717,565</u>
Non-controlling interests of the subsidiaries		<u>(105)</u>	<u>(2,942)</u>		
		<u>1,151,033</u>	<u>2,711,469</u>		
					(Unit : Baht)
Earnings (losses) per share	29				
Basic earnings (losses) per share					
From continuing operations		0.837	0.584		
From discontinued operation	11	<u>(0.001)</u>	<u>(0.001)</u>		
Profit for the periods		<u>0.836</u>	<u>0.583</u>	<u>0.837</u>	<u>0.584</u>

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019
“UNAUDITED BUT REVIEWED”

(Unit : Thousand Baht)

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
		2019	2018	2019	2018
Continuing Operations					
Revenues					
Gross written premium	22, 26	27,481,608	32,879,670	27,481,714	32,879,769
<u>Less</u> Premium ceded to reinsurers	22, 26	(1,065,892)	(1,093,249)	(1,065,892)	(1,093,249)
Net premium written		26,415,716	31,786,421	26,415,822	31,786,520
<u>Add (Less)</u> Unearned premium reserves					
(increased) decreased from prior year	22	(76,234)	8,796	(76,234)	8,796
Net earned premium		26,339,482	31,795,217	26,339,588	31,795,316
Fee and commission income	22	294,987	335,480	294,987	335,480
Net investment income	26	9,597,561	9,288,513	9,597,561	9,235,833
Gains on investment	9	927,274	1,040,806	927,274	1,040,806
Fair value gain	24	310,394	77,242	310,394	77,242
Other income	26	148,793	100,708	132,708	88,461
Total revenues		37,618,491	42,637,966	37,602,512	42,573,138
Expenses					
Life policy reserves increased from prior year	22	828,904	14,640,926	828,904	14,640,926
Gross benefit and claims paid	22, 26	28,964,673	19,209,435	28,964,673	19,209,435
<u>Less</u> Benefit and claims paid recovered from reinsurers	22, 26	(696,480)	(669,265)	(696,480)	(669,265)
Commissions and brokerages	22, 26	2,345,186	2,709,917	2,337,536	2,702,959
Other underwriting expenses	22	430,898	746,873	430,890	746,855
Operating expenses	23, 26	1,228,817	1,376,982	1,223,880	1,371,451
Total expenses		33,101,998	38,014,868	33,089,403	38,002,361
Profit before income tax expense		4,516,493	4,623,098	4,513,109	4,570,777
Income tax expenses	15	(783,361)	(632,134)	(783,361)	(632,134)
Profit for the periods from continuing operations		3,733,132	3,990,964	3,729,748	3,938,643
Discontinued operation					
Loss for the periods from discontinued operation - net of tax income	11	(2,088)	(16,892)	-	-
Profit for the periods		3,731,044	3,974,072	3,729,748	3,938,643
Profit for the periods attributable to					
Equity holders of the Company					
From continuing operations		3,733,099	3,990,968	3,729,748	3,938,643
From discontinued operation		(1,086)	(8,784)		
		<u>3,732,013</u>	<u>3,982,184</u>		
Non-controlling interests of the subsidiaries					
From continuing operations		33	(4)		
From discontinued operation		(1,002)	(8,108)		
		<u>(969)</u>	<u>(8,112)</u>		
		<u>3,731,044</u>	<u>3,974,072</u>		

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019
“UNAUDITED BUT REVIEWED”

(Unit : Thousand Baht)

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS	FINANCIAL STATEMENTS
		2019	2018	2019	2018
Profit for the periods		<u>3,731,044</u>	<u>3,974,072</u>	<u>3,729,748</u>	<u>3,938,643</u>
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Gains (losses) on remeasuring available-for-sale investments		5,592,349	(449,037)	5,592,349	(449,037)
Reversal of gain from sale of available-for-sale investments on remeasuring available-for-sale investments		(312,323)	(1,289,860)	(312,323)	(1,289,860)
Exchange rate differences on translation of financial statements in foreign currency		227	(1,044)	-	-
Income taxes relating to other comprehensive income	15	(1,056,005)	347,779	(1,056,005)	347,779
Total other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income taxes		<u>4,224,248</u>	<u>(1,392,162)</u>	<u>4,224,021</u>	<u>(1,391,118)</u>
Other comprehensive income (loss) for the periods - net of income taxes		<u>4,224,248</u>	<u>(1,392,162)</u>	<u>4,224,021</u>	<u>(1,391,118)</u>
Total comprehensive income for the periods		<u>7,955,292</u>	<u>2,581,910</u>	<u>7,953,769</u>	<u>2,547,525</u>
Total comprehensive income for the periods attributable to					
Equity holders of the Company		7,956,153	2,590,523	<u>7,953,769</u>	<u>2,547,525</u>
Non-controlling interests of the subsidiaries		(861)	(8,613)		
		<u>7,955,292</u>	<u>2,581,910</u>		
					(Unit : Baht)
Earnings (loses) per share	29				
Basic earnings (losses) per share					
From continuing operations		2.186	2.337		
From discontinued operation	11	(0.001)	(0.005)		
Profit for the periods		<u>2.185</u>	<u>2.332</u>	<u>2.184</u>	<u>2.307</u>

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

“UNAUDITED BUT REVIEWED”

(Unit : Thousand Baht)

	Consolidated financial statement									
	Equity attributable to equity holders of the Company					Other component of equity				
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Unappropriated	Surplus on re-measuring available-for-sale investments - net of income taxes	Exchange rate differences on translation of financial statements in foreign currency	Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total
Appropriated			General reserve	Legal reserve						
Balance as at January 1, 2018	1,707,566	3,360,993	170,800	400,000	23,841,906	9,274,641	(4,441)	38,751,465	13,294	38,764,759
Dividend paid	-	-	-	-	(920,553)	-	-	(920,553)	-	(920,553)
Profit (loss) for the period	-	-	-	-	3,982,184	-	-	3,982,184	(8,112)	3,974,072
Other comprehensive income	-	-	-	-	-	(1,391,118)	-	(1,391,118)	-	(1,391,118)
Loss on re-measuring of available-for-sale investments - net of income taxes	-	-	-	-	-	-	(543)	(543)	(501)	(1,044)
Exchange rate differences on translation of financial statements in foreign currency	-	-	-	-	-	-	(543)	(543)	(8,613)	(9,156)
Total comprehensive income (loss) for the period	-	-	-	-	3,982,184	(1,391,118)	(543)	2,590,523	(8,613)	2,581,910
Balance as at September 30, 2018	1,707,566	3,360,993	170,800	400,000	26,903,537	7,883,523	(4,984)	40,421,435	4,681	40,426,116

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See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

“UNAUDITED BUT REVIEWED”

(Unit : Thousand Baht)

	Consolidated financial statement									
	Equity attributable to equity holders of the Company					Other component of equity				
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Unappropriated General reserve	Surplus on remeasuring available-for-sale investments - net of income taxes	Exchange rate differences on translation of financial statements in foreign currency	Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total
Legal reserve			General reserve							
Balance as at January 1, 2019	1,707,566	3,360,993	170,800	400,000	27,908,092	4,961,857	(4,700)	38,504,608	3,548	38,508,156
Dividend paid	-	-	-	-	(1,227,130)	-	-	(1,227,130)	-	(1,227,130)
Change in non-controlling interests	-	-	-	-	-	-	-	-	34,836	34,836
Profit (loss) for the period	-	-	-	-	3,732,013	-	-	3,732,013	(969)	3,731,044
Other comprehensive income	-	-	-	-	-	4,224,021	-	4,224,021	-	4,224,021
Gain on remeasuring of available-for-sale investments - net of income taxes	-	-	-	-	-	4,224,021	-	4,224,021	-	4,224,021
Exchange rate differences on translation of financial statements in foreign currency	-	-	-	-	-	-	119	119	108	227
Total comprehensive income (loss) for the period	-	-	-	-	3,732,013	4,224,021	119	7,956,153	(861)	7,955,292
Balance as at September 30, 2019	1,707,566	3,360,993	170,800	400,000	30,412,975	9,185,878	(4,581)	45,233,631	37,523	45,271,154

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

“UNAUDITED BUT REVIEWED”

(Unit : Thousand Baht)

	Separate financial statements						Total
	Issued and paid-up share capital	Premium on share capital	Retained earnings		Unappropriated	Other component of equity	
			Legal reserve	Appropriated			
Note							
Balance as at January 1, 2018	1,707,566	3,360,993	170,800	400,000	23,872,300	9,274,641	38,786,300
Dividend paid	-	-	-	-	(920,553)	-	(920,553)
Profit for the period	-	-	-	-	3,938,643	-	3,938,643
Other comprehensive income	-	-	-	-	-	(1,391,118)	(1,391,118)
Loss on re-measuring available-for-sale investments - net of income taxes	-	-	-	-	-	(1,391,118)	(1,391,118)
Total comprehensive income (loss) for the period	-	-	-	-	3,938,643	(1,391,118)	2,547,525
Balance as at September 30, 2018	1,707,566	3,360,993	170,800	400,000	26,890,390	7,883,523	40,413,272

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019
“UNAUDITED BUT REVIEWED”

(Unit : Thousand Baht)

	Separate financial statements						Total	
	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Unappropriated		Other component of equity Surplus on reinsuring available-for-sale investments - net of income taxes
				Legal reserve	Appropriated			
Balance as at January 1, 2019		1,707,566	3,360,993	170,800	400,000	27,894,514	4,961,857	38,495,730
Dividend paid	30	-	-	-	-	(1,227,130)	-	(1,227,130)
Profit for the period		-	-	-	-	3,729,748	-	3,729,748
Other comprehensive income		-	-	-	-	-	4,224,021	4,224,021
Gain on reinsurance available-for-sale investments - net of income taxes		-	-	-	-	-	4,224,021	4,224,021
Total comprehensive income for the period		-	-	-	-	3,729,748	9,185,878	7,953,769
Balance as at September 30, 2019		1,707,566	3,360,993	170,800	400,000	30,397,132	9,185,878	45,222,369

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2019

"UNAUDITED BUT REVIEWED"

(Unit : Thousand Baht)

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
Cash flows provided by operating activities					
Gross premium		26,656,160	31,123,317	26,656,266	31,123,381
Cash payments from reinsurance		(480,952)	(968,010)	(480,952)	(968,010)
Interest income		7,221,491	6,699,955	7,221,481	6,647,244
Dividend income		1,570,722	1,695,082	1,570,722	1,695,082
Other income on investment		1,433,620	1,040,806	1,433,619	1,110,560
Other income		134,344	100,425	112,516	88,173
Benefit and claim on direct insurance		(28,424,410)	(18,618,062)	(28,424,410)	(18,618,062)
Commissions and brokerages on direct insurance		(2,405,406)	(2,656,976)	(2,397,832)	(2,655,717)
Other underwriting expenses		(440,066)	(417,048)	(440,058)	(417,048)
Operating expenses		(1,013,496)	(1,496,909)	(1,004,529)	(1,480,054)
Corporate income taxes		(195,051)	(278,360)	(195,051)	(278,360)
Investments in securities		(2,635,058)	(12,947,141)	(2,631,131)	(12,964,215)
Loans		(532,930)	(2,076,191)	(532,930)	(2,076,191)
Other investments		151,780	141,022	151,780	141,022
Net cash provided by operating activities		<u>1,040,748</u>	<u>1,341,910</u>	<u>1,039,491</u>	<u>1,347,805</u>
Cash flows used in investing activities					
Net cash flows for purchases and disposals of property plant and equipment		(103,153)	(92,060)	(103,169)	(92,051)
Cash received from return of investment in subsidiary		-	-	38,101	-
Net cash used in investing activities		<u>(103,153)</u>	<u>(92,060)</u>	<u>(65,068)</u>	<u>(92,051)</u>
Cash flows used in financing activities					
Dividend paid		(1,227,131)	(920,553)	(1,227,131)	(920,553)
Net cash used in financing activities		<u>(1,227,131)</u>	<u>(920,553)</u>	<u>(1,227,131)</u>	<u>(920,553)</u>
Non-controlling interests of the subsidiaries		33,971	-	-	-
Exchange rate differences on translation of financial statements in foreign currency		1,132	(9,121)	-	-
Net increased (decreased) in cash and cash equivalents		<u>(254,433)</u>	<u>320,176</u>	<u>(252,708)</u>	<u>335,201</u>
Cash and cash equivalents at beginning of periods		9,825,592	3,975,792	9,745,784	3,877,092
Cash and cash equivalents at end of periods	4	<u>9,571,159</u>	<u>4,295,968</u>	<u>9,493,076</u>	<u>4,212,293</u>

See the condensed notes to the interim financial statements

**BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND NINE-MONTH PERIODS ENDED SEPTEMBER 30, 2019
“UNAUDITED”**

1. GENERAL INFORMATION AND THE COMPANY’S OPERATIONS

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 FOR PREPARATION AND PRESENTATION OF CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS

2.1 Basis of preparation and presentation of consolidated and separate interim financial statements

These consolidated and separate interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (Revised 2018) “Interim Financial Reporting” in accordance with the Company choosing to present condensed interim financial statements. However, the Company has presented line items in the consolidated and separate statements of financial position, the consolidated and separate statements of profit or loss and other comprehensive income, statements of changes in owners’ equity and statements of 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 March 4, 2016, which has been effective since January 1, 2016.

These consolidated and separate interim financial statements are intended to provide additional information 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 consolidated and separate interim financial statements should be read in conjunction with the latest annual financial statements.

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

The consolidated and separate statements of financial position as at December 31, 2018, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which had been previously audited.

The unaudited results of operations presented in the three-month and nine-month periods ended September 30, 2019 are not necessarily an indication nor anticipation of the operating results for the full year.

The preparation of consolidated and separate interim financial statements in conformity with TFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

2.2 Basis for preparation of the consolidated interim financial statements

These consolidated interim financial statements have been prepared on the same basis as that applied for the consolidated financial statements for the year ended December 31, 2018, with no changes in the structure of shareholding in subsidiaries during the period.

The consolidated interim financial statements include the interim financial statements of Bangkok Life Assurance Public Company Limited and the following subsidiaries:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			As at	
			September 30, 2019	December 31, 2018
			%	%
BLA Insurance Broker Company Limited	Insurance broker	Thailand	99	99
Bangkok Life Assurance (Cambodia) Public Limited Company ⁽¹⁾	Life Insurance	Cambodia	52	52

⁽¹⁾ On June 15, 2018, the Extraordinary Meeting of Shareholder of Bangkok Life Assurance (Cambodia) Public Company Limited which is a subsidiary of the Company has passed a resolution to cease its operation and proceed with the voluntary liquidation (see Note 11).

The Company is deemed to have control over an investee or subsidiary if it has rights, or is exposed, to variable returns from its involvement with the investee, and it has the ability to direct the activities that affect the amount of its returns.

Subsidiaries' interim financial statements are fully consolidated in the consolidated interim financial statements, being the date on the Company obtains control, and continued to be consolidated until the date when such control ceases.

The interim financial statements of the subsidiaries are prepared using the same significant accounting policies as the Company.

Material balances and transactions between the Company and its subsidiaries have been eliminated from the consolidated interim financial statements.

Non-controlling interests represent the portion of profit or loss and net assets of the subsidiaries that are not held by the Company and are presented separately in the consolidated profit or loss in the consolidated statement of profit or loss and other comprehensive income and within equity in the consolidated statements of financial position.

2.3 Separate interim financial statements

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

2.4 Significant accounting policies

The consolidated and separate interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2018.

2.5 Thai Financial Reporting Standards affecting the presentation and/or disclosure in the current year financial statements

During the period, the Company has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2019. 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 interim financial statements.

Thai Financial Reporting Standard No. 4 (Revised 2018) "Insurance Contracts"

This revised financial reporting standard determines the option for insurance industry to temporarily exempt from applying Thai Financial Reporting Standard No. 9 "Financial Instruments". An entity can elect to exempt from Thai Financial Reporting Standard No. 9 until annual periods beginning before January 1, 2023 or before Thai Financial Reporting Standard No. 17 "Insurance Contracts" is effective.

3. THAI FINANCIAL REPORTING STANDARDS ANNOUNCED IN THE ROYAL GAZETTE BUT NOT YET EFFECTIVE

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follows:

Group of Financial Instruments Standards

Thai Accounting Standards (“TAS”)

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards (“TFRS”)

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company’s business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These Standards will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”)

This TFRS provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors.

This TFRS will supersede the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No. 17 “Leases”, Thai Accounting Standard Interpretation No. 15 “Operating Lease - Incentives”, Thai Accounting Standard Interpretation No. 27 “Evaluating the Substance of Transactions involving the Legal Form of a Lease” and Thai Financial Reporting Standard Interpretation No. 4 “Determining whether an Arrangement contains a Lease”.

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term-leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

Thai Financial Reporting Standards (Revised 2019)

46 numbers of Thai Accounting Standards, Thai Financial Reporting Standards, Thai Accounting Standards Interpretation and Thai Financial Reporting Standards Interpretation (Revised 2019) have been announced in the Royal Gazette on September 24, 2019 without material change in key concept, which will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards.

The Company's management will adopt such TFRSs in the preparation of the Group's financial statements when it becomes effective, except for Thai Financial Reporting Standard No. 9 "Financial Instruments" that the Company's management elected to adopt such TFRS in the preparation of the Group's financial statements when Thai Financial Reporting Standard No. 17 "Insurance contracts" becomes effective. The Company's management is in the process to assess the impact of these TFRSs on the financial statements of the Company in the period of initial application.

The accounting guidelines for financial instruments and disclosures on insurance business

The Federation of Accounting Professions issued the accounting guidelines for financial instruments and disclosures on insurance business, which has been announced in the Royal Gazette on March 11, 2019 and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, which allowed the adoption on this accounting guideline prior to the effective date for the financial statements beginning on or after January 1, 2019 onwards only. If an entity adopts this accounting guideline prior to the effective date, the entity is required to disclose such adoption. However, the Company's management does not adopt such accounting guideline for financial instruments and disclosures on insurance business prior to the effective date.

4. CASH AND CASH EQUIVALENT

As at September 30, 2019 and December 31, 2018, the Company and subsidiaries have cash and cash equivalent as follows:

	Consolidated		(Unit : Thousand Baht)	
	financial statements		Separate financial statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Cash on hand	10,476	11,044	10,475	11,043
Deposits at banks with no fixed maturity date	2,497,533	2,599,619	2,419,451	2,519,812
Short-term investments in promissory notes	7,063,150	7,214,929	7,063,150	7,214,929
Cash and cash equivalents	<u>9,571,159</u>	<u>9,825,592</u>	<u>9,493,076</u>	<u>9,745,784</u>

As at September 30, 2019, interest rates on deposits at bank and promissory notes are in the range of 0.38% - 1.50% per annum (December 31, 2018: 0.38% - 1.63% per annum).

5. PREMIUM RECEIVABLES

As at September 30, 2019 and December 31, 2018, the outstanding balances of premium receivables, classified by overdue period, counted from the due dates, are as follows:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	Due from direct insurance	
	September 30, 2019	December 31, 2018
Not yet due	2,584,338	1,864,857
Not over 30 days	59,551	22,305
Over 30 days to 60 days	3,474	18,701
Over 60 days to 90 days	1,418	2,347
Over 90 days	13,410	2,187
Total premium receivables	<u>2,662,191</u>	<u>1,910,397</u>

For premium receivables due from agents and brokers, the Company has determined criteria in collections from those debtors. 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.

6. REINSURANCE ASSETS

As at September 30, 2019 and December 31, 2018, reinsurance assets consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	September 30, 2019	December 31, 2018
Reserves recoverable from reinsurances		
Claim reserves	127,040	153,422
Unearned premium reserves	529,362	385,758
Total reinsurance assets	<u>656,402</u>	<u>539,180</u>

7. AMOUNT DUE FROM REINSURANCE

As at September 30, 2019 and December 31, 2018, amount due from reinsurance consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	September 30, 2019	December 31, 2018
Amount due from reinsurers	978,103	703,965
Total amount due from reinsurance	978,103	703,965

8. DERIVATIVE ASSETS AND LIABILITIES

As at September 30, 2019 and December 31, 2018, derivatives classified by objective are as follows:

	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	September 30, 2019		December 31, 2018	
	Fair value		Fair value	
	Assets	Liabilities	Assets	Liabilities
Derivatives for hedging risks				
Cash flow hedge	1,449,912	27,333	551,362	143,304
Hedge of net investment in foreign currencies	215,668	-	125,015	713
Total derivatives	1,665,580	27,333	676,377	144,017

As at September 30, 2019 and December 31, 2018, derivative assets and liabilities consisted of the following:

Contract type	Consolidated and separate financial statements		
	September 30, 2019		
	Notional amount (Thousand Unit)	Contract amount	
Assets (Thousand Baht)		Liabilities (Thousand Baht)	
Cross currency swap contracts			
US dollar	593,800	830,750	140,000
Euro	10,000	44,795	-
Forward exchange contracts			
Yen	1,277,910	10,022	-
US dollar	52,200	11,108	11,018
Singapore dollar	109,031	47,080	8,075
Euro	38,010	65,701	16,533
Total derivatives	2,080,951	1,009,456	175,626

Contract type	Consolidated and separate financial statements		
	December 31, 2018		
	Notional amount (Thousand Unit)	Contract amount	
Assets (Thousand Baht)		Liabilities (Thousand Baht)	
Cross currency swap contracts			
US dollar	593,800	223,363	630,372
Euro	10,000	7,816	-
Forward exchange contracts			
Yen	1,340,910	1,140	2,980
US dollar	92,200	6,948	1,362
Singapore dollar	83,256	4,682	9,580
Euro	29,110	30,938	-
Total derivatives	2,149,276	274,887	644,294

9. INVESTMENTS IN SECURITIES

9.1 Held-for-trading investments

As at September 30, 2019 and December 31, 2018, held-for-trading investments consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	September 30, 2019		December 31, 2018	
	Cost	Fair value	Cost	Fair value
Held-for-trading investments				
Equity securities	61,327	23,562	63,593	33,497
Total	61,327	23,562	63,593	33,497
<u>Less</u> Unrealised losses	(37,765)	-	(30,096)	-
Total held-for-trading investments	23,562	23,562	33,497	33,497

9.2 Available-for-sale investments

As at September 30, 2019 and December 31, 2018, available-for-sales investments consisted of following:

	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	September 30, 2019		December 31, 2018	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Available-for-sale investments				
Government and state enterprise securities	2,023,248	2,246,307	2,000,869	2,298,545
Private enterprises debt securities	25,288,273	27,752,030	25,591,351	27,181,186
Equity securities	31,333,934	39,861,953	31,143,932	35,841,798
Foreign debt securities	1,401,037	1,231,052	1,403,323	1,251,495
Foreign equity securities	9,273,325	9,683,620	8,777,100	8,598,917
Total	69,319,817	80,774,962	68,916,575	75,171,941
<u>Add</u> Unrealised gains	11,455,145	-	6,255,366	-
Total available-for-sale investments	80,774,962	80,774,962	75,171,941	75,171,941

9.3 Held-to-maturity investments

As at September 30, 2019 and December 31, 2018, held-to-maturity investments consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	September 30, 2019	December 31, 2018
	Cost/ Amortised cost	Cost/ Amortised cost
Held-to-maturity investments		
Government and state enterprise securities	138,140,476	139,536,444
Private enterprises debt securities	72,621,402	67,767,742
Foreign debt securities	6,730,427	6,719,890
Deposits at financial institutions with an original maturity longer than 3 months	1,400,000	3,400,000
Total held-to-maturity investments	218,892,305	217,424,076

9.4 General investments

As at September 30, 2019 and December 31, 2018, general investments consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	September 30, 2019	December 31, 2018
	Cost	Cost
General investments		
Equity securities	31,338	30,302
Total general investments	31,338	30,302

9.5 Investments in structured notes

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

- (a) As at September 30, 2019 and December 31, 2018, 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, having remaining lives of 1-9 years and 2 - 10 years, respectively, and containing conditions whereby the issuer has call option or has rights to call for additional deposits (see Note 31.3) and bearing interest rate referring to the yield rate on government bond (CMT Index).

- (b) As at September 30, 2019 and December 31, 2018, the Company has investments of Baht 600 million and Baht 2,600 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining lives of 1 years and 2 - 4 years, respectively, and bearing interest rate referring to the yield rate on government bond (CMT Index).
- (c) As at September 30, 2019 and December 31, 2018, the Company has investments of Baht 3,591 million and Baht 3,524 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining lives of 2 - 9 years and 2 - 10 years, respectively, and the notes and bills contain conditions whereby the redemption of the notes and bills is based on the credit event of the reference assets.
- (d) As at September 30, 2019 and December 31, 2018, the Company has investments of Baht 970 million and Baht 933 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining maturity lives of 14 years and 15 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 notes and bills contain conditions whereby the redemption of the notes and bills is based on the credit event of the reference assets.
- (e) As at September 30, 2019 and December 31, 2018, the Company has investments of Baht 461 million and Baht 448 million, respectively, in bills of exchange, which were issued by branches of foreign commercial banks, having remaining maturity lives of 12 years and 13 years, respectively. The bills contain conditions whereby the banks have the right to early redemption and the redemption of the bills is based on the credit event of the reference assets.
- (f) As at September 30, 2019 and December 31, 2018, the Company has investments of Baht 1,486 million and Baht 1,577 million, respectively, in bills of exchange, which were issued in foreign currency by branches of foreign commercial banks, having remaining maturity lives of 6 - 8 years and 7 - 8 years, respectively. The bills contain conditions whereby the redemption of the bills is based on the credit event of the reference assets.

9.6 Investments subject to restriction

As at September 30, 2019 and December 31, 2018, the Company has placed government and state enterprise bonds with cost or amortised cost of Baht 64,152 million and Baht 63,357 million, respectively, with the Registrar as securities and reserves as described in Notes 27 and 28.

9.7 Gains on investments

Gains on investments for the three-month and nine-month periods ended September 30, 2019 and 2018 consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2019	2018	2019	2018
Gains on sales of trading investments	4,574	-	4,480	3,090
Gains on sales of available- for-sale investments	771,105	207,923	761,009	1,037,716
Gains on sales of held-to-maturity investments	161,779	-	161,785	-
Total gains on investments	937,458	207,923	927,274	1,040,806

10. INVESTMENTS IN SUBSIDIARIES

As at September 30, 2019 and December 31, 2018, detail of investments in subsidiaries, as presented in the separate financial statements, is as follows:

Company's name	Type of business	Country of incorporation	(Unit : Thousand Baht)					
			Issued and paid-up capital		Shareholding percentage		Cost	
			September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
					%	%		
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	153,598	153,598	52 ⁽²⁾	52 ⁽²⁾	85,329	127,357
Less Allowance for impairment ⁽¹⁾							(52,680)	(52,680)
Total investments in subsidiaries							56,409	98,437

⁽¹⁾ On June 15, 2018, the Extraordinary Meeting of Shareholder of Bangkok Life Assurance (Cambodia) Public Limited Company which is a subsidiary of the Company has passed a resolution to cease its operation and proceed with the voluntary liquidation (see Note 11).

⁽²⁾ As stated in "Memorandum and Article of Company"

11. DISCONTINUED OPERATION

On June 15, 2018, the Extraordinary Meeting of Shareholder of Bangkok Life Assurance (Cambodia) Public Limited Company which is a subsidiary of the Company has passed a resolution to cease its operation and proceed with the voluntary liquidation. The Company classified net loss from Bangkok Life Assurance (Cambodia) Public Limited Company as net loss from discontinued operation.

The consolidated statement of financial position as at September 30, 2019 and December 31, 2018 include assets from discontinued operation in total amount of Baht 87 million and Baht 97 million, respectively, in which most of balances are cash and cash equivalents and deposit.

The consolidated statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2019 and 2018 for discontinued operations are as follows:

	(Unit : Thousand Baht)	
	Consolidated	
	financial statements	
	2019	2018
For the three-month periods ended September 30,		
Discontinued operation		
Revenue	-	18
Expenses	(187)	(3,629)
Loss before income tax expense	(187)	(3,611)
Income tax expense	-	-
Loss for the period from discontinued operation, net of income tax	(187)	(3,611)
Losses per share*		
Basic losses per share (Baht)	(0.001)	(0.001)

* Losses per share from discontinued operation for equity holders of the Company

	(Unit : Thousand Baht)	
	Consolidated	
	financial statements	
	2019	2018
For the nine-month periods ended September 30,		
Discontinued operation		
Revenue	27	72
Expenses	(2,115)	(16,964)
Loss before income tax expense	(2,088)	(16,892)
Income tax expense	-	-
Loss for the period from discontinued operation, net of income tax	(2,088)	(16,892)
Losses per share*		
Basic losses per share (Baht)	(0.001)	(0.005)

* Losses per share from discontinued operation for equity holders of the Company

12. LOANS AND ACCRUED INTEREST INCOME

As at September 30, 2019 and December 31, 2018, the balances of loans and accrued interest income, classified by overdue periods, are as follows:

(Unit: Thousand Baht)

Consolidated and separate financial statements									
September 30, 2019									
Loans									
Overdue periods	Policy loans		Mortgage loans		Other loans		Total		
	Principal	Accrued interest ⁽¹⁾	Principal	Accrued interest ⁽¹⁾	Principal	Accrued interest ⁽¹⁾	Principal	Accrued interest ⁽¹⁾	Total
Not yet due	8,311,314	957,790	3,694,377	1,108	277	-	12,005,968	958,898	12,964,866
Overdue:									
Less than 3 months	-	-	67,507	798	-	-	67,507	798	68,305
3 - 6 months	-	-	3,434	71	-	-	3,434	71	3,505
6 - 12 months	-	-	14,815	752	-	-	14,815	752	15,567
Over 12 months	-	-	28,145	1,582	54	2	28,199	1,584	29,783
Total	8,311,314	957,790	3,808,278	4,311	331	2	12,119,923	962,103	13,082,026
Less Allowance for doubtful accounts	-	-	(14,868)	(2,348)	-	-	(14,868)	(2,348)	(17,216)
Loans and accrued interest receivables	8,311,314	957,790	3,793,410	1,963	331	2	12,105,055	959,755	13,064,810

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

(Unit : Thousand Baht)

Consolidated and separate financial statements									
December 31, 2018									
Loans									
Overdue periods	Policy loans		Mortgage loans		Other loans		Total		
	Principal	Accrued interest ⁽¹⁾	Principal	Accrued interest ⁽¹⁾	Principal	Accrued interest ⁽¹⁾	Principal	Accrued interest ⁽¹⁾	Total
Not yet due	7,798,115	856,740	3,666,960	4,938	1,425	1	11,466,500	861,679	12,328,179
Overdue:									
Less than 3 months	-	-	56,496	342	-	-	56,496	342	56,838
3 - 6 months	-	-	21,850	224	-	-	21,850	224	22,074
6 - 12 months	-	-	5,792	296	-	-	5,792	296	6,088
Over 12 months	-	-	19,290	713	53	2	19,343	715	20,058
Total	7,798,115	856,740	3,770,388	6,513	1,478	3	11,569,981	863,256	12,433,237
Less Allowance for doubtful accounts	-	-	(8,440)	(1,071)	-	-	(8,440)	(1,071)	(9,511)
Loans and accrued interest receivables	7,798,115	856,740	3,761,948	5,442	1,478	3	11,561,541	862,185	12,423,726

⁽¹⁾ This amount included as a part of "Accrued investment income" in the 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 rate at 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 0.10 million for personal guarantee loans. The interest rate is charged at the rates of 6.00% per annum. As at September 30, 2019 and December 31, 2018, loans to employees amounted to Baht 0.33 million and Baht 1.48 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 September 30, 2019 and December 31, 2018, loans to employees under the mortgage loans amounted to Baht 21 million and Baht 27 million, respectively.

13. INVESTMENT PROPERTY

As at September 30, 2019 and December 31, 2018, the Company has movement in the investment property as follows:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	For the nine-month period ended September 30, 2019	For the year ended December 31, 2018
Net carrying value - beginning of the period/year	17,752	18,817
Depreciation for period/year	(799)	(1,065)
Net carrying value - end of the period/year	<u>16,953</u>	<u>17,752</u>

14. PROPERTY, PLANT AND EQUIPMENT

Movement of property, plant and equipment for the nine-month period ended September 30, 2019 are as follows:

	(Unit : Thousand Baht)						
	Consolidated financial statements						
	For the nine-month period ended September 30, 2019						
	Land	Buildings and buildings improvements	Condominium	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	Total
Net carrying value as at							
January 1, 2019	794,246	366,569	8,852	121,029	20,976	21,996	1,333,668
Additions - at cost	-	479	-	9,433	6,749	109,621	126,282
Disposals/Write-off - net carrying value	(2,900)	(1,287)	-	(82)	-	-	(4,269)
Transfer in (out)	-	200	-	-	-	(200)	-
Exchange rate differences on Translation of foreign currency in financial statements	-	(30)	-	(17)	-	-	(47)
Depreciation charges for the period	-	(22,659)	(1,374)	(34,906)	(4,755)	-	(63,694)
Net carrying value as at September 30, 2019	<u>791,346</u>	<u>343,272</u>	<u>7,478</u>	<u>95,457</u>	<u>22,970</u>	<u>131,417</u>	<u>1,391,940</u>

(Unit : Thousand Baht)

Separate financial statements							
For the nine-month period ended September 30, 2019							
	Land	Buildings and buildings improvements	Condominium	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	Total
Net carrying value as at							
January 1, 2019	794,246	365,254	8,850	120,474	20,975	21,996	1,331,795
Additions - at cost	-	479	-	9,433	6,749	109,621	126,282
Disposals - net carrying value	(2,900)	-	-	(22)	-	-	(2,922)
Transfer in (out)	-	200	-	-	-	(200)	-
Depreciation charges for the period	-	(22,659)	(1,374)	(34,669)	(4,755)	-	(63,457)
Net carrying value as at							
September 30, 2019	791,346	343,274	7,476	95,216	22,969	131,417	1,391,698

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.

Consolidated and separate financial statements						
	September 30, 2019	December 31, 2018	Change in deferred tax assets/liabilities reported in the statement of profit or loss for the three-month periods ended September 30,		Change in deferred tax assets/liabilities reported in the statements of other comprehensive income for the three-month periods ended September 30,	
	2019	2018	2019	2018	2019	2018
Deferred tax assets						
Reserves for long-term insurance contracts	2,482,166	2,757,470	(56,628)	(62,070)	-	-
Claim reserves	17,750	18,633	1,408	2,252	-	-
Provisions for long-term employee benefits	32,487	28,224	(5,636)	(10,418)	-	-
Others	13,979	15,853	(12,636)	662	-	-
Total deferred tax assets	2,546,382	2,820,180	(73,492)	(69,574)	-	-
Deferred tax liabilities						
Available-for-sale investments	1,928,603	666,153	43,698	74,376	(60,701)	429,931
Others	-	-	-	-	-	-
Total deferred tax liabilities	1,928,603	666,153	43,698	74,376	(60,701)	429,931
Deferred tax assets/liabilities - net	617,779	2,154,027	(117,190)	(143,950)	60,701	(429,931)

(Unit : Thousand Baht)

	Consolidated and separate financial statements					
			Change in deferred tax assets/liabilities reported in the statement of profit or loss for the nine-month periods ended September 30,		Change in deferred tax assets/liabilities reported in the statements of other comprehensive income for the nine-month periods ended September 30,	
	September 30,	December 31,				
	2019	2018	2019	2018	2019	2018
Deferred tax assets						
Reserves for long-term insurance contracts	2,482,166	2,757,470	(275,304)	(224,763)	-	-
Claim reserves	17,750	18,633	(883)	(1,740)	-	-
Provisions for long-term employee benefits	32,487	28,224	4,263	(8,612)	-	-
Others	13,979	15,853	(1,874)	16,174	-	-
Total deferred tax assets	2,546,382	2,820,180	(273,798)	(218,941)	-	-
Deferred tax liabilities						
Available-for-sale investments	1,928,603	666,153	206,445	135,141	1,056,005	(347,779)
Others	-	-	-	(309)	-	-
Total deferred tax liabilities	1,928,603	666,153	206,445	134,832	1,056,005	(347,779)
Deferred tax assets/liabilities - net	617,779	2,154,027	(480,243)	(353,773)	(1,056,005)	347,779

15.2 Income tax expenses

Income tax expenses for the three-month and nine-month periods ended September 30, 2019 and 2018 are made up as follows:

(Unit : Thousand Baht)

	Consolidated and separate financial statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2019	2018	2019	2018
Current income tax:				
Interim corporate income tax charge	206,628	(32,308)	206,628	276,903
Adjustment in respect of income tax of previous year	89,212	-	96,492	1,458
Deferred tax:				
Relating to origination and reversal of temporary differences	117,190	143,950	480,241	353,773
Income tax income reported in profits or losses	413,030	111,642	783,361	632,134

Reconciliation between accounting profits and income tax expense for the three-month and nine-month periods ended September 30, 2019 and 2018 are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2019	2018	2019	2018
Accounting profit before income tax expenses	1,843,106	1,109,519	4,516,493	4,623,098
Applicable corporate income tax rates	20%	20%	20%	20%
Income tax expenses at the applicable tax rates	368,357	221,896	902,621	914,155
Adjustment in respect of income tax of previous year	89,212	-	96,492	1,458
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	(44,539)	(110,254)	(215,752)	(283,479)
Income tax expenses recognised in profits or losses	413,030	111,642	783,361	632,134

(Unit : Thousand Baht)

	Separate financial statements			
	For the three-month periods		For the nine-month	
	ended September 30,		periods ended September 30,	
	2019	2018	2019	2018
Accounting profit before income tax expenses	1,841,788	1,109,485	4,513,109	4,570,777
Applicable corporate income tax rates	20%	20%	20%	20%
Income tax expenses at the applicable tax rates	368,357	221,896	902,621	914,155
Adjustment in respect of income tax of previous year	89,212	-	96,492	1,458
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	(44,539)	(110,254)	(215,752)	(283,479)
Income tax expenses recognised in profits or losses	413,030	111,642	783,361	632,134

16. OTHER ASSETS

As at September 30, 2019 and December 31, 2018, other assets consisted of the following:

(Unit : Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Derivative collateral	-	49,500	-	49,500
Prepaid income tax	100,917	100,917	100,917	100,917
Prepaid rental expenses	13,772	22,617	13,772	22,617
Deposits	99,504	51,099	77,608	27,822
Receivable from sales of investments	31,800	555,220	31,800	555,220
Less Allowance for doubtful accounts				
- receivable from sales of investments	-	(17,074)	-	(17,074)
Prepaid expenses	13,884	18,585	13,816	18,503
Others	102,497	116,521	89,938	103,592
Total other assets	362,374	897,385	327,851	861,097

17. INSURANCE CONTRACT LIABILITIES

As at September 30, 2019 and December 31, 2018, insurance contract liabilities consisted of the following:

(Unit : Thousand Baht)

	Consolidated financial statements					
	September 30, 2019			December 31, 2018		
	Insurance contract liabilities	Reinsurance of liabilities (see Note 6)	Net	Insurance contract liabilities	Reinsurance of liabilities (see Note 6)	Net
Reserves for long-term insurance contracts	274,737,018	-	274,737,018	273,908,194	-	273,908,194
Claim reserves						
Reserves for reported claims	166,603	(127,040)	39,563	172,489	(153,422)	19,067
Reserves for claims incurred but not yet reported	88,751	-	88,751	93,163	-	93,163
Premium reserves						
Unearned premium reserves	1,542,598	(529,362)	1,013,236	1,322,760	(385,758)	937,002
Unpaid policy benefits	172,061	-	172,061	231,318	-	231,318
Other insurance liabilities	7,541,312	-	7,541,312	7,553,099	-	7,553,099
Total insurance contract liabilities	284,248,343	(656,402)	283,591,941	283,281,023	(539,180)	282,741,843

(Unit : Thousand Baht)

	Separate financial statements					
	September 30, 2019			December 31, 2018		
	Insurance contract liabilities	Reinsurance of liabilities (see Note 6)	Net	Insurance contract liabilities	Reinsurance of liabilities (see Note 6)	Net
Reserves for long-term insurance contracts	274,737,006	-	274,737,006	273,908,102	-	273,908,102
Claims reserves						
Reserves for reported claims	166,603	(127,040)	39,563	172,489	(153,422)	19,067
Reserves for claims incurred but not yet reported	88,751	-	88,751	93,163	-	93,163
Premium reserves						
Unearned premium reserves	1,542,598	(529,362)	1,013,236	1,322,760	(385,758)	937,002
Unpaid policy benefits	172,061	-	172,061	231,318	-	231,318
Other insurance liabilities	7,541,312	-	7,541,312	7,553,099	-	7,553,099
Total insurance contract liabilities	<u>284,248,331</u>	<u>(656,402)</u>	<u>283,591,929</u>	<u>283,280,931</u>	<u>(539,180)</u>	<u>282,741,751</u>

17.1 Reserves for long-term insurance contracts

As at September 30, 2019 and December 31, 2018, reserves for long-term insurance contracts consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the nine-month period ended September 30, 2019	For the year ended December 31, 2018	For the nine-month period ended September 30, 2019	For the year ended December 31, 2018
Balances - beginning of the period/year	273,908,194	256,595,053	273,908,102	256,595,048
Reserve increased for new businesses and inforce policies	22,830,318	34,307,093	22,830,398	34,307,006
Reserve decreased for benefits payment lapses and surrender, etc.	(22,001,494)	(16,334,300)	(22,001,494)	(16,334,300)
Reserve decreased for testing the adequacy of liabilities	-	(659,652)	-	(659,652)
Balances - end of the period/year	<u>274,737,018</u>	<u>273,908,194</u>	<u>274,737,006</u>	<u>273,908,102</u>

17.2 Claim reserves

As at September 30, 2019 and December 31, 2018, claim reserves consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	For the nine-month period ended September 30, 2019	For the year ended December 31, 2018
Balances - beginning of the period/year	265,652	367,962
Claims incurred in the current period/year	1,680,882	2,061,319
Claims paid during the period/year	(1,691,180)	(2,163,629)
Balances - end of the period/year	<u>255,354</u>	<u>265,652</u>

17.3 Unearned premium reserves

As at September 30, 2019 and December 31, 2018, unearned premium reserves consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	For the nine-month period ended September 30, 2019	For the year ended December 31, 2018
Balances - beginning of the period/year	1,322,760	1,180,093
Premium written for the period/year	2,954,905	3,592,546
Premium earned for the period/year	(2,735,067)	(3,449,879)
Balances - end of the period/year	1,542,598	1,322,760

17.4 Unpaid policy benefits

As at September 30, 2019 and December 31, 2018, unpaid policy benefits consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	September 30, 2019	December 31, 2018
Death benefit	95,786	136,552
Maturity payment	59,777	70,633
Benefit payment	14,661	22,171
Surrender	1,837	1,962
Total unpaid policy benefits	172,061	231,318

17.5 Other insurance liabilities

As at September 30, 2019 and December 31, 2018, other insurance liabilities consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	September 30, 2019	December 31, 2018
Deposits from insurance contracts	7,141,265	7,053,376
Premiums received in advance	317,290	421,000
Payable to policyholders on exempted premiums	82,757	78,723
Total other insurance liabilities	7,541,312	7,553,099

18. AMOUNT DUE TO REINSURANCE

As at September 30, 2019 and December 31, 2018, amount due to reinsurance consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated and separate	
	financial statements	
	September 30, 2019	December 31, 2018
Amount due to reinsurers	948,593	585,436
Total amount due to reinsurance	948,593	585,436

19. EMPLOYEE BENEFIT OBLIGATIONS

As at September 30, 2019 and December 31, 2018, employee benefit obligations consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Post-employment benefits obligations	175,456	155,259	173,733	153,803
Other long-term employee benefits obligation	24,767	23,378	24,691	23,309
Total employee benefit obligations	200,223	178,637	198,424	177,112

20. OTHER LIABILITIES

As at September 30, 2019 and December 31, 2018, other liabilities consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Accrued commission expenses	580,602	640,822	579,364	639,660
Accrued expenses	206,944	234,006	206,827	233,148
Premium received for policies not yet approved	11,509	93,021	11,509	93,021
Amounts received awaiting transfer	192,463	74,345	192,463	74,345
Specific Business Tax payable	130,568	140,295	130,568	140,295
Payable from purchases of investments	232,593	40,702	232,593	40,702
Withholding tax payable	64,670	63,673	64,591	63,559
Short-term employee benefit payables	144,896	61,753	144,126	61,753
Collateral under derivatives agreements	35,500	-	35,500	-
Others	28,218	24,149	19,624	15,709
Total other liabilities	1,627,963	1,372,766	1,617,165	1,362,192

21. ISSUED AND PAID-UP SHARE CAPITAL AND PREMIUM ON SHARE CAPITAL

As at September 30, 2019 and December 31, 2018, issued and paid-up share capital and premium on share capital consisted of the following:

	Consolidated and separate financial statements		
	September 30, 2019		
	Issued and paid-up share capital		Premium on share capital
	Number of shares (Thousand shares)	Thousand Baht	Thousand Baht
Balances - beginning of the period	1,707,566	1,707,566	3,360,993
Balances - end of the period	1,707,566	1,707,566	3,360,993

	Consolidated and separate financial statements		
	December 31, 2018		
	Issued and paid-up share capital		Premium on share capital
	Number of shares (Thousand shares)	Thousand Baht	Thousand Baht
Balances - beginning of the period	1,707,566	1,707,566	3,360,993
Balances - end of the period	1,707,566	1,707,566	3,360,993

22. OPERATING SEGMENT

The Group and 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 Group and the Company are operating their core business in a single segment life insurance business and in a single geographic area 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 Group and 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 their performance. The chief operating decision maker has been identified as the Chief Executive Officer.

Underwriting information classified by insurance categories for the three-month and nine-month periods ended September 30, 2019 and 2018 are as follows:

(Unit : Thousand Baht)

Consolidated financial statements					
For the three-month period ended September 30, 2019					
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Gross written premium	9,736,008	130,598	11,517	-	9,878,123
<u>Less</u> Premium ceded	(296,797)	-	-	-	(296,797)
Net premium written	9,439,211	130,598	11,517	-	9,581,326
<u>Less</u> Unearned premium reserve increased from prior period	(42,479)	-	(527)	-	(43,006)
Net earned premium	9,396,732	130,598	10,990	-	9,538,320
Fee and commission income	67,155	-	-	-	67,155
Total underwriting income	9,463,887	130,598	10,990	-	9,605,475
Underwriting expenses					
Life policy reserves increased from prior period	4,605,170	136,579	-	-	4,741,749
Benefit payments under life policies and claims net refundable from reinsurance	5,942,618	14,388	(307)	-	5,956,699
Commissions and brokerage expenses	788,886	14,842	298	2,734	806,760
Other underwriting expenses	140,230	1,451	127	-	141,808
Total underwriting expenses	11,476,904	167,260	118	2,734	11,647,016

(Unit : Thousand Baht)

Consolidated financial statements					
For the three-month period ended September 30, 2018					
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Premium written	11,618,327	119,738	10,835	-	11,748,900
<u>Less</u> Premium ceded	(243,025)	-	-	-	(243,025)
Net premium written	11,375,302	119,738	10,835	-	11,505,875
<u>Less</u> Unearned premium reserve increased from prior period	(10,281)	-	(613)	-	(10,894)
Net earned premium	11,365,021	119,738	10,222	-	11,494,981
Fee and commission income	101,118	-	-	-	101,118
Total underwriting income	11,466,139	119,738	10,222	-	11,596,099
Underwriting expenses					
Life policy reserves increased from prior period	6,864,468	77,482	-	-	6,941,950
Benefit payments under life policies and claims net refundable from reinsurance	5,554,758	39,652	6,342	-	5,600,752
Commissions and brokerage expenses	813,239	20,527	130	2,144	836,040
Other underwriting expenses	162,600	109	104	13	162,826
Total underwriting expenses	13,395,065	137,770	6,576	2,157	13,541,568

(Unit : Thousand Baht)

Consolidated financial statements					
For the nine-month period ended September 30, 2019					
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Premium written	26,950,710	496,914	33,984	-	27,481,608
<u>Less</u> Premium ceded	(1,065,892)	-	-	-	(1,065,892)
Net premium written	25,884,818	496,914	33,984	-	26,415,716
<u>Less</u> Unearned premium reserve increased from prior period	(74,443)	-	(1,791)	-	(76,234)
Net earned premium	25,810,375	496,914	32,193	-	26,339,482
Fee and commission income	294,987	-	-	-	294,987
Total underwriting income	26,105,362	496,914	32,193	-	26,634,469
Underwriting expenses					
Life policy reserves increased from prior period	462,073	366,831	-	-	828,904
Benefit payments under life policies and claims net refundable from reinsurance	28,214,299	50,189	3,705	-	28,268,193
Commissions and brokerage expenses	2,299,914	36,662	960	7,650	2,345,186
Other underwriting expenses	424,248	6,237	405	8	430,898
Total underwriting expenses	31,400,534	459,919	5,070	7,658	31,873,181

(Unit : Thousand Baht)

Consolidated financial statements					
For the nine-month period ended September 30, 2018					
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Premium written	32,220,749	627,879	31,042	-	32,879,670
<u>Less</u> Premium ceded	(1,093,249)	-	-	-	(1,093,249)
Net premium written	31,127,500	627,879	31,042	-	31,786,421
<u>Add (less)</u> Unearned premium reserve (increased) decreased from prior period	9,316	-	(520)	-	8,796
Net earned premium	31,136,816	627,879	30,522	-	31,795,217
Fee and commission income	335,480	-	-	-	335,480
Total underwriting income	31,472,296	627,879	30,522	-	32,130,697
Underwriting expenses					
Life policy reserves increased from prior period	14,202,276	438,650	-	-	14,640,926
Benefit payments under life policies and claims net refundable from reinsurance	18,468,138	63,191	8,841	-	18,540,170
Commissions and brokerage expenses	2,634,656	67,778	526	6,957	2,709,917
Other underwriting expenses	734,727	11,565	562	19	746,873
Total underwriting expenses	36,039,797	581,184	9,929	6,976	36,637,886

23. OPERATING EXPENSES

For the three-month and nine-month periods ended September 30, 2019 and 2018, operating expenses consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month		For the nine-month	
	periods ended September 30,		periods ended September 30,	
	2019	2018	2019	2018
Personnel expenses	219,519	375,147	654,647	869,325
Property, plant and equipment expenses	42,588	45,704	125,492	133,756
Taxes and duties	594	699	3,971	4,764
Other operating expenses	167,667	126,702	444,707	369,137
Total operating expenses	<u>430,368</u>	<u>548,252</u>	<u>1,228,817</u>	<u>1,376,982</u>

(Unit : Thousand Baht)

	Separate financial statements			
	For the three-month		For the nine-month	
	periods ended September 30,		periods ended September 30,	
	2019	2018	2019	2018
Personnel expenses	217,834	373,722	650,000	864,684
Property, plant and equipment expenses	42,483	45,591	125,177	133,414
Taxes and duties	594	698	3,971	4,764
Other operating expenses	167,692	126,553	444,732	368,589
Total operating expenses	<u>428,603</u>	<u>546,564</u>	<u>1,223,880</u>	<u>1,371,451</u>

24. FAIR VALUE GAINS

For the three-month and nine-month periods ended September 30, 2019 and 2018, fair value gains (losses) consisted of the following:

(Unit : Thousand Baht)

	Consolidated and separate financial statements			
	For the three-month periods		For the nine-month periods	
	ended September 30,		ended September 30,	
	2019	2018	2019	2018
Unrealised gains (losses) on remeasuring held-for-trading securities	(7,584)	1,550	(7,854)	(20,523)
Unrealised gains on foreign exchange forward contracts	103,440	101,502	384,354	50,926
Gains (losses) on foreign exchange rate	(40,132)	(12,278)	(66,106)	46,839
Total fair value gains	<u>55,724</u>	<u>90,774</u>	<u>310,394</u>	<u>77,242</u>

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company and 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 the 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:

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 September 30, 2019 and December 31, 2018, the Company and subsidiaries had the following assets that were measured at fair value using different fair value hierarchy as follows:

	(Unit : Thousand Baht)		
	Consolidated and separate financial statements		
	As at September 30, 2019		
	Level 1	Level 2	Total
Financial assets measured at fair value			
Held-for-trading investments			
Equity instruments	23,562	-	23,562
Available-for-sale investments			
Equity instruments	45,561,998	5,723,892	51,285,890
Debt instruments	-	29,489,072	29,489,072

	(Unit : Thousand Baht)		
	Consolidated and separate financial statements		
	As at December 31, 2018		
	Level 1	Level 2	Total
Financial assets measured at fair value			
Held-for-trading investments			
Equity instruments	33,497	-	33,497
Available-for-sale investments			
Equity instruments	39,533,401	6,083,698	45,617,099
Debt instruments	-	29,554,842	29,554,842

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.

26. 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.

<u>Name of related parties</u>	<u>Type of business</u>	<u>Relationship with the Company</u>
Bangkok Bank Pcl.	Banking	Related by way of common shareholders
Bangkok Insurance Pcl.	Insurance	Shareholding and related by way of common directors
Sorachai Vivat Co., Ltd.	Property development	Related by way of common shareholders
Thaire Life Assurance Pcl.	Life assurance	Related by way of common directors
Bumrungrad Hospital Pcl.	Health care services	Related by way of common shareholders
Rajburi Sugar Co., Ltd.	Industry	Related by way of common directors
Narai Ruamphiphat Co., Ltd.	Property development	Shareholding 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 shareholders
Tris Corporation Ltd.	Services	Related by way of common directors
Union Textile Industries Pcl.	Industry	Related by way of common shareholders
TICON Industrial Connection Pcl.	Property development	Shareholding by an individual related to the major shareholder of the Company
Indorama Ventures Public Company Limited	Petrochemical	Related by way of common directors
Asia warehouse Co., Ltd.	Rental of assets	Shareholding 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. ⁽¹⁾	Asset management	Related by way of common shareholders and common directors
Bualuang Securities Pcl.	Securities	Subsidiary of the major shareholder of the Company
BLA Insurance Broker Co., Ltd.	Insurance broker	Subsidiary
Bangkok Mitsubishi UFJ Lease Co., Ltd.	Services	Related by way of common shareholders
Samitivij Pcl. ⁽²⁾	Health care service	Related by way of common directors
I-Direct Insurance Broker Co., Ltd.	Life insurance broker	Related by way of common shareholders
Bangkok Life Assurance (Cambodia) Public Limited Company	Life insurance	Subsidiary
National Digital ID Co., Ltd.	Services	Related by way of common directors

⁽¹⁾ The Company and its subsidiaries have common directors with BBL Asset Management Co., Ltd. and had been considered a related party until May 5, 2018 because the Company and its subsidiaries have no common directors with BBL Asset Management Co., Ltd. since then. However, since November 2, 2018, the Company and its subsidiaries have common directors once again with BBL Asset Management Co., Ltd.

⁽²⁾ It had been considered a related party unit May 1, 2018 because the Company and its subsidiaries have no common directors with Samitivij Pcl. since then.

During the three-month and nine-month periods ended September 30, 2019 and 2018, the Company and subsidiaries had significant business transactions with 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 September 30,		For the nine-month periods ended September 30,		
	2019	2018	2019	2018	
Related parties					
Premium written	264	203	7,656	4,528	Normal commercial terms for underwriting
Premium ceded to reinsurers	77,419	61,925	301,951	265,104	Normal commercial terms for reinsurance
Interest income - deposits at banks, promissory notes and debentures	104,693	110,916	310,676	320,677	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	1,297	948	3,625	3,110	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	138,811	62,553	349,074	228,183	The declared amount
Rental and service income	3,430	2,741	9,851	8,441	Normal commercial rate on contracts
Brokerage income from securities trading	19,778	-	55,360	26,766	Normal commercial terms for securities brokerage
Gain on forward and swap foreign exchange contracts	302,631	86,351	495,491	79,082	Normal commercial terms on contracts
Commission and brokerage	304,792	416,098	1,025,344	1,385,488	Normal commercial terms for percentage of premium written
Claim refundable from reinsurance	84,214	80,029	264,416	226,880	Normal commercial terms for underwriting
Claim payment and diagnose charge	4,591	4,196	13,362	15,127	Normal commercial terms for underwriting
Bank charges	47,331	37,575	125,852	113,575	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	513	458	1,535	2,064	Normal commercial terms for underwriting
Building space rental and services	18,432	18,171	54,992	53,844	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 and Baht 138 per square meter per month and service fees approximately Baht 91 and Baht 307 per square meter per month. Branch office buildings: Rental fees of approximately Baht 100, Baht 150, Baht 188 and Baht 315 per square meter per month and service fees of approximately Baht 342 and Baht 200 per square meter per month
Other services	2,705	1,521	6,816	7,276	Normal commercial terms for services

(Unit : Thousand Baht)

	Separate financial statements				Pricing policy
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,		
	2019	2018	2019	2018	
Subsidiaries					
Written premium	50	-	106	-	Normal commercial terms for underwriting
Rental and service income	145	142	433	428	Rate on agreements as those charged by rental and service fees per square meter per month
Related parties					
Written premium	264	203	7,656	4,528	Normal commercial terms for underwriting
Premium ceded to reinsurers	77,419	61,925	301,951	265,104	Normal commercial terms for reinsurance
Interest income - deposits at banks, promissory notes and debentures	104,693	110,906	310,666	320,667	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	1,297	948	3,625	3,110	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	138,811	62,553	349,074	228,183	The declared amount
Brokerage income from securities trading	19,778	-	55,360	26,766	Normal commercial terms for securities brokerage
Gain on forward and swap foreign exchange contracts	302,631	86,351	495,491	79,082	Normal commercial terms on contracts
Commission and brokerage	304,792	416,098	1,025,344	1,385,488	At a mutually agreed percentage of premium written
Claim refundable from reinsurance	84,214	80,029	264,416	226,880	Normal commercial terms for underwriting
Claim payment and diagnose charge	4,591	4,196	13,362	15,127	Normal commercial terms for underwriting
Bank charges	47,077	37,520	125,791	113,501	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	513	463	1,528	2,063	Normal commercial terms for underwriting
Building space rental and services	18,432	18,171	54,992	53,844	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 and Baht 138 per square meter per month and service fees approximately Baht 91 and Baht 307 per square meter per month. Branch office buildings: Rental fees of approximately Baht 100, Baht 150, Baht 188 and Baht 315 per square meter per month and service fees of approximately Baht 342 and Baht 200 per square meter per month.
Other services	135	245	478	3,363	Normal commercial terms for services

For the three-month and nine-month periods ended September 30, 2019, the premium generated from the Bancassurance distribution channel represented approximately 58.89% and 58.98% of total net premium written, respectively. (September 30, 2018, approximately 68.37% and 65.96% of total net premium written, respectively)

As at September 30, 2019 and December 31, 2018, the balance of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Subsidiaries				
Other liabilities				
Deposits	-	-	66	66
Accrued expenses	-	-	725	-
Total other liabilities	-	-	791	66
Related parties				
Deposit at financial institution (included in cash and cash equivalents)	1,270,903	578,555	1,258,136	570,847
Investments assets				
Available-for-sale investments - cost				
Domestic equity securities	2,730,329	2,185,247	2,730,329	2,185,247
Domestic units trust	3,468,027	3,462,177	3,468,027	3,462,177
Total available-for-sale investment - cost	6,198,356	5,647,424	6,198,356	5,647,424
Add Unrealised gains	3,273,494	2,007,586	3,273,494	2,007,586
Total available-for-sale investments - fair value	9,471,850	7,655,010	9,471,850	7,655,010
Held-to-maturity investments - cost/amortised cost				
Private enterprise debt securities	2,945,000	2,945,000	2,945,000	2,945,000
Foreign debt securities	5,871,406	5,729,391	5,871,406	5,729,391
Total held-to-maturity investment - cost/amortised cost	8,816,406	8,674,391	8,816,406	8,674,391
General investments - foreign equity securities	11,167	11,167	11,167	11,167
Loans	79,189	47,614	79,189	47,614
Total investments assets	18,378,612	16,388,182	18,378,612	16,388,182

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	September 30, 2019	December 31, 2018	September 30, 2019	December 31, 2018
Related parties (continued)				
Amount due from reinsurance	308,809	222,375	308,809	222,375
Forward and swap foreign exchange contract receivable	7,417,757	8,139,953	7,417,757	8,139,953
Other assets				
Accrued income	5,246	5,867	-	-
Prepaid rental expenses	13,772	22,617	13,772	22,617
Prepaid expense	509	15	509	15
Total other assets	<u>19,527</u>	<u>28,499</u>	<u>14,281</u>	<u>22,632</u>
Amount due to reinsurance	281,521	145,082	281,521	145,082
Outstanding claims	648	1,626	648	1,626
Forward and swap foreign exchange contract payable	7,251,095	8,155,733	7,251,095	8,155,733
Other liabilities				
Accrued commission	227,698	268,975	227,698	268,975
Accrued Premium	9,323	8,439	-	-
Accrued rental and service expense	50	60	50	60
Total other liabilities	<u>237,071</u>	<u>277,474</u>	<u>227,748</u>	<u>269,035</u>

Directors and key management's benefits

During the three-month and nine-month periods ended September 30, 2019 and 2018, employee benefit expenses to directors and key management are as follows:

	(Unit : Million Baht)			
	Consolidated financial statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2019	2018	2019	2018
Short-term employee benefits	17.0	19.4	53.9	41.9
Long-term employee benefits	0.4	0.8	1.2	2.3
Total directors and management's benefits	<u>17.4</u>	<u>20.2</u>	<u>55.1</u>	<u>44.2</u>

	(Unit : Million Baht)			
	Separate financial statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2019	2018	2019	2018
Short-term employee benefits	17.0	19.4	53.9	41.9
Long-term employee benefits	0.4	0.7	1.1	2.0
Total directors and management's benefits	<u>17.4</u>	<u>20.1</u>	<u>55.0</u>	<u>43.9</u>

27. ASSETS PLACED WITH THE REGISTRAR

As at September 30, 2019 and December 31, 2018, the following securities have been placed securities with the Registrar in accordance with the Life Insurance Act.

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	September 30, 2019		December 31, 2018	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
State enterprise bonds	23,070	31,320	23,127	24,881

28. ASSETS RESERVED WITH THE REGISTRAR

As at September 30, 2019 and December 31, 2018, the following securities have been placed as reserves with the Registrar in accordance with the Life Insurance Act.

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	September 30, 2019		December 31, 2018	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Government bonds	59,529,209	81,641,884	58,433,626	65,717,481
State enterprise bonds	4,599,984	5,112,479	4,899,967	5,359,018
Total	64,129,193	86,754,363	63,333,593	71,076,499

29. EARNINGS PER SHARE

Basic earnings per share for the three-month periods ended September 30, 2019 and 2018 were as follows:

	Consolidated financial statement					
	For the three-month periods ended September 30,					
	Continuing operations		Discontinued operation		Total	
	2019	2018	2019	2018	2019	2018
Net profits (losses) (Thousand Baht)	1,430,064	997,877	(98)	(1,878)	1,429,966	995,999
Number of share capital (Thousand shares)	1,707,566	1,707,566	1,707,566	1,707,566	1,707,566	1,707,566
Basic earnings (losses) per share (Baht)	0.837	0.584	(0.001)	(0.001)	0.836	0.583

	Separate financial statement	
	For the three-month periods ended September 30,	
	2019	2018
Net profits (Thousand Baht)	1,428,758	997,843
Number of share capital (Thousand shares)	1,707,566	1,707,566
Basic earnings per share (Baht)	0.837	0.584

Basic earnings per share for the nine-month periods ended September 30, 2019 and 2018 were as follows:

	Consolidated financial statement					
	For the nine-month periods ended September 30,					
	Continuing operations		Discontinued operation		Total	
	2019	2018	2019	2018	2019	2018
Net profits (losses) (Thousand Baht)	3,733,099	3,990,968	(1,086)	(8,784)	3,732,013	3,982,184
Number of share capital (Thousand shares)	1,707,566	1,707,566	1,707,566	1,707,566	1,707,566	1,707,566
Basic earnings (losses) per share (Baht)	2.186	2.337	(0.001)	(0.005)	2.185	2.332

	Separate financial statement	
	For the nine-month periods ended September 30,	
	2019	2018
Net profits (Thousand Baht)	3,729,748	3,938,643
Number of share capital (Thousand shares)	1,707,566	1,707,566
Basic earnings per share (Baht)	2.184	2.307

30. DIVIDENDS PAID

Dividends declared during the nine-month periods ended September 30, 2019 and 2018, consisted of the following:

	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
Annual dividend for 2018	Annual General Meeting of the Shareholders on April 26, 2019 and the OIC on April 18, 2019	682	0.40
Interim dividend from operations For six-month period ended June 30, 2019	Meeting of Board of Directors on August 13, 2019 and the OIC on September 10, 2019	545	0.32
Total dividend for the period 2019		1,227	0.72
Annual dividend for 2017	Annual General Meeting of the Shareholders on April 27, 2018 and the OIC on April 18, 2018	375	0.22
Interim dividend from operations For six-month period ended June 30, 2018	Meeting of Board of Directors on August 9, 2018 and the OIC on September 5, 2018	546	0.32
Total dividend for the period 2018		921	0.54

31. COMMITMENTS

31.1 As at September 30, 2019 and December 31, 2018, the Company has construction building agreement with local companies totaling of Baht 458.20 million and Baht 55.47 million, respectively. The Company has commitments to be paid according to the agreements amounting to Baht 372.71 million and Baht 34.40 million, respectively.

31.2 The Company and 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 1 and 5 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 September 30, 2019 and December 31, 2018, future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

(Unit: Million Baht)

	Consolidated financial statements		
	September 30, 2019		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements			
- Related parties	12.86	2.85	15.71
Operating lease agreements			
- Other parties	15.20	10.46	25.66
Service agreements	15.41	1.16	16.57
Total	43.47	14.47	57.94

(Unit: Million Baht)

	Consolidated financial statements		
	December 31, 2018		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements			
- Related parties	26.92	9.69	36.61
Operating lease agreements			
- Other parties	17.67	15.02	32.69
Service agreements	0.23	0.02	0.25
Total	44.82	24.73	69.55

(Unit: Million Baht)

	Separate financial statements		
	September 30, 2019		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements			
- Related parties	12.86	2.85	15.71
Operating lease agreements			
- Other parties	15.10	10.46	25.56
Service agreements	15.41	1.16	16.57
Total	43.37	14.47	57.84

(Unit: Million Baht)

	Separate financial statements		
	December 31, 2018		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements			
- Related parties	26.92	9.69	36.61
Operating lease agreements			
- Other parties	17.52	14.96	32.48
Service agreements	0.21	-	0.21
Total	44.65	24.65	69.30

The Company and subsidiaries recognized rental expense derived from the operating leases for the three-month and nine-month periods ended September 30, 2019 amounting to Baht 9.99 million and Baht 31.40 million, respectively. (September 30, 2018 amounting to Baht 14.27 million and Baht 38.11 million, respectively)

- 31.3 As at September 30, 2019 and December 31, 2018, the Company may need to deposit additional amounts in the future under the investment conditions as described in Note 9.5 (a), as summarised below.

(Unit: Thousand Baht)

Payable within	Consolidated and separate financial statements	
	September 30, 2019	December 31, 2018
1 year	900,000	1,200,000

- 31.4 As at September 30, 2019 and December 31, 2018, the Company had bank guarantee issued by banks Baht 2.2 million and Baht 2.2 million, respectively.

32. LITIGATION

As at September 30, 2019 and December 31, 2018, the Company has been sued in litigation cases of compensation of claims totaling approximately Baht 8 million and Baht 12 million, respectively, for being the insurer and the cases have yet been finalised. The Company has not yet provided for any provision for loss on such cases since there is still uncertainty with respect to the outcome of the cases.

33. RECLASSIFICATION

The statements of financial position as at December 31, 2018 has been reclassified to conform to the classification used in the current year's financial statements but there is no effect to previously reported net profit or shareholders' equity. The reclassifications are as follows:

Items	Previous presentation	Current presentation	Consolidated Financial Statements (Thousand Baht)	Separate Financial Statements (Thousand Baht)
Statement of financial position as at December 31, 2018				
Unpaid policy benefits	Other liabilities	Insurance contract liabilities	43,256	43,256

The consolidated and separate statements of cash flows for the nine-month period ended September 30, 2018 have been reclassified to conform to the above reclassifications.

34. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These consolidation and separate interim financial statements were authorised for issue by the Board of Directors on November 12, 2019.