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

Interim Financial Statements

Three-month period ended March 31, 2020



บริษัท ดีลอยท์ ทูเช่ โทมัทสึ ไซบยส
สอบบัญชี จำกัด
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**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 (the “Group”) and the separate statement of financial position of Bangkok Life Assurance Public Company Limited as at March 31, 2020, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in equity, and cash flows for the three-month period then ended, 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”.

Emphasis of Matter

We draw attention to Note 2.7 to the interim financial statements that the Group has adopted the accounting guidelines for financial instruments and disclosures on insurance business which becomes effective for fiscal years beginning on or after January 1, 2020. The Group elected to recognize the cumulative effect of initially applying such accounting guidelines as an adjustment to the beginning balance of retained earnings and other components of equity of the reporting period. Our conclusion is not qualified in respect of this matter.



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

BANGKOK
May 13, 2020

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2020

(Unit: Thousand Baht)

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
		March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
ASSETS					
Cash and cash equivalents	4	9,887,007	13,441,883	9,808,852	13,367,366
Premium receivables	5	2,928,846	1,800,658	2,928,846	1,800,658
Accrued investment income		2,730,219	1,684,133	2,728,868	1,684,133
Reinsurance assets	6,17	854,294	549,701	854,294	549,701
Amount due from reinsurances	7	699,234	1,044,316	699,234	1,044,316
Derivative assets	8	337,983	998,121	337,983	998,121
Investment assets					
Investments in securities	9,27,28	303,377,439	300,136,746	303,377,439	300,136,746
Investments in subsidiaries	10	-	-	56,409	56,409
Loans and accrued interest receivables	12	12,080,954	11,221,668	12,080,954	11,221,668
Investment property	13	16,420	16,686	16,420	16,686
Property, plant and equipment	14	1,563,169	1,425,696	1,563,153	1,425,472
Goodwill		4,955	4,955	-	-
Intangible assets		14,481	3,932	14,481	3,932
Deferred tax assets	15	2,017,792	920,739	2,017,792	920,739
Other assets	16	537,643	430,840	502,167	395,501
TOTAL ASSETS		<u>337,050,436</u>	<u>333,680,074</u>	<u>336,986,892</u>	<u>333,621,448</u>

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT MARCH 31, 2020

(Unit: Thousand Baht)

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
		March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
LIABILITIES AND EQUITY					
Liabilities					
Insurance contract liabilities	17	293,310,324	286,641,828	293,310,311	286,641,817
Amount due to reinsurances	18	1,012,589	1,128,743	1,012,589	1,128,743
Derivative liabilities	8	717,858	118,273	717,858	118,273
Income tax payable		90,826	90,826	90,826	90,826
Employee benefit obligations	19	221,741	213,860	220,795	211,877
Other liabilities	20	1,509,109	1,226,094	1,501,456	1,215,357
Total liabilities		<u>296,862,447</u>	<u>289,419,624</u>	<u>296,853,835</u>	<u>289,406,893</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					
		1,707,566	1,707,566	1,707,566	1,707,566
Premium on share capital		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					
		30,287,715	31,055,142	30,272,331	31,039,624
Other component of equity					
Revaluation surplus on investment at fair value through					
other comprehensive income - net of income taxes					
		4,094,079	7,535,572	4,094,079	7,535,572
Revaluation surplus on derivatives					
investments - net of income taxes					
		127,288	-	127,288	-
Exchange rate differences on translation of					
financial statements in foreign currency					
		103	(4,781)	-	-
Equity attributable to equity holders of the Company		<u>40,148,544</u>	<u>44,225,292</u>	<u>40,133,057</u>	<u>44,214,555</u>
Non-controlling interests of the subsidiaries		39,445	35,158	-	-
Total equity		<u>40,187,989</u>	<u>44,260,450</u>	<u>40,133,057</u>	<u>44,214,555</u>
TOTAL LIABILITIES AND EQUITY		<u>337,050,436</u>	<u>333,680,074</u>	<u>336,986,892</u>	<u>333,621,448</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 MARCH 31, 2020
 “UNAUDITED BUT REVIEWED”

(Unit: Thousand Baht)

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Continuing operations					
Revenues					
Gross written premium	21, 26	10,056,922	10,514,704	10,056,922	10,514,760
<u>Less</u> Premium ceded to reinsurers	21, 26	(587,514)	(467,777)	(587,514)	(467,777)
Net premium written		9,469,408	10,046,927	9,469,408	10,046,983
<u>Less</u> Unearned premium reserves increased form prior period	21	(259,463)	(235,416)	(259,463)	(235,416)
Net earned premium		9,209,945	9,811,511	9,209,945	9,811,567
Fee and commission income	21	180,342	118,051	180,342	118,051
Net investment income	26	3,163,049	3,075,872	3,163,049	3,075,872
Gain (loss) on investment	9	1,209,749	(78,165)	1,209,749	(78,165)
Fair value gain	23	646,180	125,047	646,180	125,047
Loss on hedge accounting		(53,848)	-	(53,848)	-
Other income	26	33,815	51,723	29,479	47,116
Total revenues		<u>14,389,232</u>	<u>13,104,039</u>	<u>14,384,896</u>	<u>13,099,488</u>
Expenses					
Life policy reserves increased (decreased) from prior year	21	6,205,248	(6,513,907)	6,205,248	(6,513,907)
Benefit payments under life policies and claims	21, 26	6,970,819	16,983,442	6,970,819	16,983,442
<u>Less</u> Benefit payments under life policies and claims refundable from reinsurance	21, 26	(237,206)	(313,289)	(237,206)	(313,289)
Commissions and brokerages expenses	21, 26	718,456	857,477	716,136	855,187
Other underwriting expenses	21	117,931	209,370	117,932	209,363
Operating expenses	22, 26	363,164	370,866	361,257	369,312
Expected credit loss	25	30,135	-	30,135	-
Total expenses		<u>14,168,547</u>	<u>11,593,959</u>	<u>14,164,321</u>	<u>11,590,108</u>
Profit before income tax expense		<u>220,685</u>	<u>1,510,080</u>	<u>220,575</u>	<u>1,509,380</u>
Income tax income (expenses)	15	10,067	(223,446)	10,067	(223,446)
Profit for the periods from continuing operations		<u>230,752</u>	<u>1,286,634</u>	<u>230,642</u>	<u>1,285,934</u>
Discontinued operation					
Loss for the periods from discontinued operation - net of tax income	11	(464)	(1,673)	-	-
Profit for the periods		<u>230,288</u>	<u>1,284,961</u>	<u>230,642</u>	<u>1,285,934</u>
Profit for the periods attributable to					
Equity holders of the Company					
From continuing operations		230,749	1,286,627	230,642	1,285,934
From discontinued operation		(241)	(870)		
		<u>230,508</u>	<u>1,285,757</u>		
Non-controlling interests of the subsidiaries					
From continuing operations		3	7		
From discontinued operation		(223)	(803)		
		<u>(220)</u>	<u>(796)</u>		
		<u>230,288</u>	<u>1,284,961</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 MARCH 31, 2020
“UNAUDITED BUT REVIEWED”

(Unit: Thousand Baht)

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2020	2019	2020	2019
Profit for the periods		230,288	1,284,961	230,642	1,285,934
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Gains (losses) on remeasuring investment at fair value through other comprehensive income		(5,128,633)	3,075,665	(5,128,633)	3,075,665
Reversal of (gains) losses realised on the disposal of investment at fair value through other comprehensive income		(634,546)	29,465	(634,546)	29,465
Losses on remeasuring cash flow hedge derivatives fair value		(581,440)	-	(581,440)	-
Foreign exchange differences on translation of financial statements in foreign currency		9,391	(3,687)	-	-
Income taxes relating to other comprehensive income	15	1,269,812	(621,026)	1,269,812	(621,026)
Total other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods - net of income taxes		(5,065,416)	2,480,417	(5,074,807)	2,484,104
Other comprehensive income (loss) for the periods - net of income taxes		(5,065,416)	2,480,417	(5,074,807)	2,484,104
Total comprehensive income (loss) for the periods		(4,835,128)	3,765,378	(4,844,165)	3,770,038
Total comprehensive income (loss) for the periods attributable to					
Equity holders of the Company		(4,839,415)	3,767,944	(4,844,165)	3,770,038
Non-controlling interests of the subsidiaries		4,287	(2,566)		
		(4,835,128)	3,765,378		
Earnings (losses) per share	29				
Basic earnings (losses) per share					
From continuing operations		0.135	0.753		
From discontinued operation	11	(0.001)	(0.001)		
Basic earnings per share for the period		0.134	0.752	0.135	0.753

See the condensed notes to the interim financial statements

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

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020

“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	Retained earnings		Premium on share capital	Legal reserve	General reserve	Surplus on remeasuring investment at fair value through other comprehensive income - 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
Appropriated		Unappropriated	through other comprehensive income				- net of income taxes				
Balance as at January 1, 2019	1,707,566	170,800	400,000	27,908,092	4,961,837	(4,700)	38,508,156	3,548	38,508,156		38,508,156
Profit (loss) for the period	-	-	-	1,285,757	-	-	1,285,757	-	1,285,757	(796)	1,284,961
Other comprehensive income for the period	-	-	-	-	2,484,104	-	2,484,104	-	2,484,104	-	2,484,104
Gain on remeasuring of investment at fair value through other comprehensive income - net of income taxes	-	-	-	-	-	-	-	-	-	-	-
Exchange rate differences on translation of financial statements in foreign currency	-	-	-	-	-	(1,917)	-	(1,917)	-	(1,770)	(3,687)
Total comprehensive income (loss) for the period	-	-	-	1,285,757	2,484,104	(1,917)	3,767,944	(2,566)	3,767,944	(2,566)	3,765,378
Balance as at March 31, 2019	1,707,566	170,800	400,000	29,193,849	7,445,961	(6,617)	42,272,552	982	42,272,552	982	42,273,534

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 THREE-MONTH PERIOD ENDED MARCH 31, 2020

“UNAUDITED BUT REVIEWED”

(Unit: Thousand Baht)

	Consolidated financial statement											
	Equity attributable to equity holders of the Company						Other component of equity					Total
	Issued and paid-up share capital	Premium on share capital	Appropriated		Surplus on derivatives investments - net of income taxes	Surplus on remeasuring investment at fair value through other comprehensive income - 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		
Note	share capital	share capital	Legal reserve	General reserve	Unappropriated	income - net of income taxes	income - net of income taxes	in foreign currency	the Company	the subsidiaries	Total	
Balance as at January 1, 2020 - as previously presented	1,707,566	3,360,993	170,800	400,000	31,055,142	7,535,572	(4,781)	44,225,292	35,158	44,260,450		
Adjustment from accounting guidelines for financial instruments and disclosures on insurance business adoption												
Change in accounting value from reclassification	3.4				(966,927)	966,927						
Change in accounting value from revaluation	3.4				(31,008)	201,235						
Balance as at January 1, 2020- adjusted	1,707,566	3,360,993	170,800	400,000	30,057,207	8,703,734	(4,781)	44,987,959	35,158	45,023,117		
Profit (loss) for the period					230,508			230,508	(220)	230,288		
Other comprehensive income (loss) for the period												
Loss on remeasuring of investment at fair value through other comprehensive income - net of income taxes						(4,609,655)		(4,609,655)		(4,609,655)		
Loss on remeasuring cash flow hedge derivatives fair value - net of income taxes												
Exchange rate differences on translation of financial statements in foreign currency					(465,152)			(465,152)		(465,152)		
Total comprehensive income (loss) for the period					230,508	(465,152)	4,884	(4,839,415)	4,287	(4,835,128)		
Balance as at March 31, 2020	1,707,566	3,360,993	170,800	400,000	30,287,715	127,288	103	40,148,544	39,445	40,187,989		

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 THREE-MONTH PERIOD ENDED MARCH 31, 2020

“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		
			Appropriated					Surplus on remeasuring investment at fair value through other comprehensive income - net of income taxes
			Legal reserve	General reserve				
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	
Profit for the period	-	-	-	-	1,285,934	-	1,285,934	
Other comprehensive income for the period	-	-	-	-	-	2,484,104	2,484,104	
Gain on remeasuring of investment at fair value through other comprehensive income - net of income taxes	-	-	-	-	-	2,484,104	2,484,104	
Total comprehensive income for the period	-	-	-	-	-	2,484,104	2,484,104	
Balance as at March 31, 2019	1,707,566	3,360,993	170,800	400,000	29,180,448	7,445,961	42,265,768	

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 THREE-MONTH PERIOD ENDED MARCH 31, 2020

“UNAUDITED BUT REVIEWED”

(Unit: Thousand Baht)

Separate financial statements

	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings			Other component of equity			Total
				Appropriated		Unappropriated	Surplus on derivatives investments - net of income taxes	Surplus on		
				Legal reserve	General reserve			remeasuring investment at fair value through other comprehensive income - net of income taxes		
Balance as at January 1, 2020 - as previously presented		1,707,566	3,360,993	170,800	400,000	31,039,624	-	7,535,572	44,214,555	
Adjustment from accounting guidelines for financial instruments and disclosures on insurance business adoption		-	-	-	-	-	-	-	-	
Change in accounting value from reclassification	3.4	-	-	-	-	(966,927)	-	966,927	-	
Change in accounting value from revaluation	3.4	-	-	-	-	(31,008)	592,440	201,235	762,667	
Balance as at January 1, 2020- adjusted		1,707,566	3,360,993	170,800	400,000	30,041,689	592,440	8,703,734	44,977,222	
Profit for the period		-	-	-	-	230,642	-	-	230,642	
Other comprehensive income (loss) for the period		-	-	-	-	-	-	-	-	
Loss on remeasuring investment at fair value through other comprehensive income - net of income taxes		-	-	-	-	-	-	(4,609,655)	(4,609,655)	
Loss on remeasuring derivatives investments - net of income taxes		-	-	-	-	-	(465,152)	-	(465,152)	
Total comprehensive income (loss) for the period		-	-	-	-	230,642	(465,152)	(4,609,655)	(4,844,165)	
Balance as at March 31, 2020		1,707,566	3,360,993	170,800	400,000	30,272,331	127,288	4,094,079	40,133,057	

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2020
“UNAUDITED BUT REVIEWED”

(Unit: Thousand Baht)

	Note	CONSOLIDATED		SEPARATE	
		2020	2019	2020	2019
Cash flows used in operating activities					
Gross premium		8,981,851	9,196,350	8,981,851	9,196,406
Cash payments from reinsurance		(548,125)	-	(548,125)	-
Interest income		1,710,283	1,892,151	1,711,635	1,892,140
Dividend income		434,575	283,659	434,575	283,659
Other income on investment		1,284,836	414,852	1,284,836	414,852
Other income		36,171	56,685	29,476	47,114
Benefit and claim on direct insurance		(6,455,040)	(16,800,676)	(6,455,040)	(16,800,676)
Commissions and brokerages					
on direct insurance		(759,908)	(919,223)	(757,249)	(916,623)
Other underwriting expenses		(181,656)	(142,927)	(181,656)	(142,919)
Operating expenses		(486,649)	(271,242)	(478,463)	(270,044)
Corporate income taxes		(58,717)	(23,549)	(58,703)	(23,549)
Investments in securities		-	111,419	-	111,419
Loans		-	337,817	-	337,817
Other investments		-	2,788,926	-	2,788,926
Cash received - financial assets		14,458,525	-	14,458,525	-
Cash payments - financial assets		(21,819,934)	-	(21,819,934)	-
Net cash used in operating activities		<u>(3,403,788)</u>	<u>(3,075,758)</u>	<u>(3,398,272)</u>	<u>(3,081,478)</u>
Cash flows used in investing activities					
Net cash flows for purchases and disposals					
of premises and equipment		(160,242)	(8,023)	(160,242)	(8,023)
Net cash used in investing activities		<u>(160,242)</u>	<u>(8,023)</u>	<u>(160,242)</u>	<u>(8,023)</u>
Exchange differences on translation of					
financial statements in foreign currency		9,154	(4,448)	-	-
Net decreased					
in cash and cash equivalents		<u>(3,554,876)</u>	<u>(3,088,229)</u>	<u>(3,558,514)</u>	<u>(3,089,501)</u>
Cash and cash equivalents at beginning of periods		13,441,883	9,825,592	13,367,366	9,745,784
Cash and cash equivalents at end of periods	4	<u>9,887,007</u>	<u>6,737,363</u>	<u>9,808,852</u>	<u>6,656,283</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 PERIOD ENDED MARCH 31, 2020
“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, Bangkok Sub-district, Huaykwang District, Bangkok.

2. BASIS FOR PREPARATION AND PRESENTATION OF CONSOLIDATED AND SEPARATE INTERIM FINANCIAL STATEMENTS

- 2.1 These interim consolidated and separate financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company presents the condensed notes to 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 date March 4, 2016, which has been effective since January 1, 2016 and No.2 B.E. 2562 (2019) dated April 4, 2019, which has been effective since January 1, 2019.
- 2.2 The consolidated and separate statements of financial position as at December 31, 2019, 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.
- 2.3 The unaudited results of operations presented in the three-month period ended March 31, 2020 are not necessarily an indication nor anticipation of the operating results for the full year
- 2.4 Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month period ended March 31, 2020 should be read in conjunction with the audited financial statements for the year ended December 31, 2019.

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.

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 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.

- 2.5 Material intercompany transactions between the Company and its subsidiaries have been eliminated from this interim consolidated financial statements. The interim consolidated financial statements for the three-month period ended March 31, 2020 have included the subsidiaries' interim financial statements for the three-month period ended March 31, 2020 which were reviewed.

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	
			March 31, 2020	December 31, 2019
			%	%
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.

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.

2.6 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.

2.7 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period 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, 2020. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements, except:

Thai Financial Reporting Standard No. 4 "Insurance Contracts"

The Federation of Accounting Professions issued Thai Financial Reporting Standard No. 4 "Insurance Contracts", which has been announced in the Royal Gazette on September 24, 2019 and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards. This revised financial reporting standard determines the option for insurance industry to temporary exempt from applying Thai Financial Reporting Standard No. 9 "Financial Instruments" and Thai Financial Reporting Standard No. 7 "Financial Instruments: Disclosures" if an entity meets the criteria required by such revised Thai Financial Reporting Standard. An entity can elect to apply the accounting guidelines for financial instruments and disclosures on insurance business for the financial statements for the period beginning on or after January 1, 2020 until the period beginning on or after January 1, 2024 or before Thai Financial Reporting Standard No. 17 "Insurance Contracts" becomes effective. If an entity elects to adopt this exemption, the entity is required to disclose how the entity meets criteria for such temporary exemption and provide comparison information of the entity that applies temporary exemption with those that apply Thai Financial Reporting Standard No. 9 and Thai Financial Reporting Standard No. 7.

The Company's management has assessed eligibility to apply such temporary exemption and concluded that the Company is eligible to apply such temporary exemption. Because the Company has not previously applied TFRS 9 and has activities that are predominantly connected with insurance. The amount of its insurance liabilities is significant compared with its total amount of liabilities and the percentage of its liabilities connected with insurance relative to its total amount of liabilities is greater than 90 per cent.

Therefore, the Company's management elects to apply the accounting guidelines for financial instruments and disclosures on insurance business. As a result, the Company's management has not yet apply Thai Financial Reporting Standard No. 9 "Financial Instruments" and Thai Financial Reporting Standard No. 7 "Financial Instruments: Disclosures" for the period beginning on January 1, 2020.

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.

The accounting guidelines 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 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.

Thai Financial Reporting Standards No. 16 "Leases"

Thai Financial Reporting Standards No. 16 "Leases" provides a comprehensive model for the identification if lease arrangements and their treatment in the financial statements of both lessees and lessors. This TFRS superseded 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 on 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.

3. ACCOUNTING POLICIES

The 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, 2019, except the adoption of new and revised Thai Financial Reporting Standards as described in Note 2.7 related to the accounting guidelines for financial instruments and disclosures on insurance business. Accounting policies which significantly changed are as follows:

3.1 Classification and measurement

The Group company has been classified financial assets and liabilities based on the accounting guidelines for financial instruments and disclosures on insurance business as following

General investment has been classified as Investment at fair value through other comprehensive income (FVTOCI). Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will be classified to profit or loss on disposal of the equity investments. Dividends on these investments in equity instruments are recognized in profit or loss. The Group company has designated all investments in equity instruments that are not held for trading as FVTOCI on initial application of the accounting guidelines.

Loans and accrued interest receivables have been measured at amortised cost.

Derivative financial instruments have been classified and measured as fair value through profit or loss except for cash flow hedges. The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualified as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

3.2 Expected credit loss

The expected credit loss model requires The Group Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets.

3.3 Hedge accounting

The Group Company designates certain derivatives as following

For fair value hedges, the fair value change on qualifying hedging instruments is recognized in profit or loss as well as changes in fair value for the relevant risk of hedging instruments.

For cash flow hedges, the effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

3.4 Reclassification of financial assets and liabilities due to first time adoption of the accounting guidelines for financial instruments and disclosures on insurance business

The Group elected to recognize a cumulative effect of initially applying such accounting guidelines as an adjustment to the beginning balance of retained earnings and component of equity of the reporting period.

	(Unit: Thousand Baht)		
	Consolidated financial statements		
	Unappropriated Retained Earnings	Surplus on derivatives investments - net of income taxes	Other comprehensive income - net of income taxes
As at January 1, 2020 - as previously presented	31,055,142	-	7,535,572
Derivatives investments - net of income taxes	91,952	592,440	-
Impairment of investment assets - net of income taxes	(122,960)	-	-
Impairment of investment assets	-	-	31,362
Reclassification from general investment to investment at fair value through other comprehensive income - net of income taxes	-	-	169,873
Exchange loss from debt securities which was previously classified as equity securities - net of income taxes	(966,927)	-	966,927
As at January 1, 2020 - adjusted	30,057,207	592,440	8,703,734

	(Unit: Thousand Baht)		
	Separate financial statements		
	Unappropriated Retained Earnings	Surplus on derivatives investments - net of income taxes	Other comprehensive income - net of income taxes
As at January 1, 2020 - as previously presented	31,039,624	-	7,535,572
Derivatives investments - net of income taxes	91,952	592,440	-
Impairment of investment assets - net of income taxes	(122,960)	-	-
Impairment of investment assets	-	-	31,362
Reclassification from general investment to investment at fair value through other comprehensive income - net of income taxes	-	-	169,873
Exchange loss from debt securities which was previously classified as equity securities - net of income taxes	(966,927)	-	966,927
As at January 1, 2020- adjusted	30,041,689	592,440	8,703,734

4. CASH AND CASH EQUIVALENT

As at March 31, 2020 and December 31, 2019, the Company and subsidiaries have cash and cash equivalent as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Cash on hand	6,022	7,169	6,022	7,168
Deposits at banks with no fixed maturity date	3,162,744	2,152,644	3,084,589	2,078,128
Short-term investments in promissory notes	6,718,241	11,282,070	6,718,241	11,282,070
Cash and cash equivalents	<u>9,887,007</u>	<u>13,441,883</u>	<u>9,808,852</u>	<u>13,367,366</u>

As at March 31, 2020, interest rates on saving accounts and promissory notes are in the range of 0.25% - 1.00% per annum (December 31, 2019 : 0.38% - 1.38% per annum).

5. PREMIUM RECEIVABLES

As at March 31, 2020 and December 31, 2019, 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	
	March 31, 2020	December 31, 2019
Not yet due	2,642,623	1,740,698
Not over 30 days	254,186	24,275
Over 30 days to 60 days	13,698	33,611
Over 60 days to 90 days	18,545	830
Over 90 days	(206)	1,244
Total premium receivables	<u>2,928,846</u>	<u>1,800,658</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 March 31, 2020 and December 31, 2019, reinsurance assets consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	March 31, 2020	December 31, 2019
Reserves recoverable from reinsurances		
Claim reserves	134,655	76,315
Unearned premium reserves	719,639	473,386
Total reinsurance assets	<u>854,294</u>	<u>549,701</u>

7. AMOUNT DUE FROM REINSURANCE

As at March 31, 2020 and December 31, 2019, amount due from reinsurance consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	March 31, 2020	December 31, 2019
Amount due from reinsurers	699,234	1,044,316
Total amount due from reinsurance	<u>699,234</u>	<u>1,044,316</u>

8. DERIVATIVE ASSETS AND LIABILITIES

As at March 31, 2020 and December 31, 2019, derivatives classified by objective are as follows:

Derivatives - not apply hedge accounting

Contract type and objective	Number of contracts	Notional amount (Thousand Unit)	March 31, 2020		For the three-month period ended March 31, 2020 Fair value gains (losses) on derivatives (Thousand Baht)
			Assets (Thousand Baht)	Liabilities (Thousand Baht)	
Hedge of net investment in foreign currencies	59	378,864	<u>5,078</u>	<u>150,356</u>	61,091
			<u>5,078</u>	<u>150,356</u>	

Derivatives - apply hedge accounting

Contract type and objective	Number of contracts	Notional amount (Thousand Unit)	March 31, 2020		For the three-month period ended March 31, 2020 Fair value gains (losses) on derivatives (Thousand Baht)
			Fair value		
			Assets (Thousand Baht)	Liabilities (Thousand Baht)	
Cash flow hedge	104	545,170	332,905	567,502	159,110
			332,905	567,502	

		(Unit : Thousand Baht)	
		Consolidated and separate financial statements	
		December 31, 2019	
		Fair value	
		Assets	Liabilities
Derivatives for hedging risks			
Cash flow hedge		1,598,446	8,827
Hedge of net investment in foreign currencies		145,718	-
Total derivatives		1,744,164	8,827

As at March 31, 2020 and December 31, 2019, derivative assets and liabilities consisted of the following:

Consolidated and separate financial statements			
March 31, 2020			
Contract type	Notional amount (Thousand Unit)	Fair value amount	
		Assets (Thousand Baht)	Liabilities (Thousand Baht)
Cross currency swap contracts			
US dollar	535,170	274,949	567,502
Euro	10,000	57,956	-
Forward exchange contracts			
Yen	235,775	-	4,513
US dollar	52,000	-	112,033
Singapore dollar	62,279	150	21,315
Euro	28,810	4,928	12,495
Total derivative	924,034	337,983	717,858

Consolidated and separate financial statements			
December 31, 2019			
Contract type	Notional amount (Thousand Unit)	Contract value	
		Assets (Thousand Baht)	Liabilities (Thousand Baht)
Cross currency swap contracts			
US dollar	516,800	886,013	78,799
Euro	10,000	41,854	-
Forward exchange contracts			
Yen	1,327,910	5,649	-
US dollar	71,020	8,053	3,747
Singapore dollar	112,852	560	35,727
Euro	33,010	55,992	-
Total derivatives	2,071,592	998,121	118,273

9. INVESTMENTS IN SECURITIES

9.1 Investments in securities

As at March 31, 2020 and December 31, 2019, investment in securities consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	As at March 31, 2020	
	Cost	Fair value
Investment at fair value through profit or loss		
Equity securities	33,349	10,824
Total	33,349	10,824
<u>Less</u> Unrealised losses	(22,525)	-
Total Investment at fair value through profit or loss	10,824	10,824
Investment at fair value through other comprehensive income		
Government and state enterprise securities	34,448,373	40,166,996
Private enterprises debt securities	44,647,586	47,784,336
Equity securities	18,991,445	16,079,319
Foreign debt securities	9,532,240	8,431,169
Foreign equity securities	176,080	64,621
Total	107,795,724	112,526,441
<u>Add</u> Unrealised gains	4,730,717	-
Total Investment at fair value through other comprehensive income	112,526,441	112,526,441
		Amortised cost
Investment at amortised cost		
Government and state enterprise securities		116,806,620
Private enterprises debt securities		67,421,329
Foreign debt securities		6,719,177
Total		190,947,126
<u>Less</u> allowance for expected credit loss		(106,952)
Total Investment at amortised cost		190,840,174
Investments in securities		303,377,439

During the first quarter of 2020, the Company reclassified investment at amortised cost to investment at fair value through other comprehensive income in order to support the fluctuation of interest rate. The amortised cost as at reclassification date was in the amount of Baht 36,606 million and the fair value at reclassification date was in the amount of Baht 45,759 million.

(Unit : Thousand Baht)

Consolidated and separate financial statements	
As at December 31, 2019	
Cost	Fair value
Held-for-trading investments	
Equity securities	20,856
Total	20,856
<u>Less</u> Unrealised losses	-
Total held-for-trading investments	20,856
Available-for-sale investments	
Government and state enterprise securities	2,168,147
Private enterprises debt securities	28,299,445
Equity securities	38,304,837
Foreign debt securities	1,211,495
Foreign equity securities	10,120,465
Total	80,104,389
<u>Add</u> Unrealised gains	-
Total available-for-sale investments	80,104,389
Amortised cost	
Held-to-maturity investments	
Government and state enterprise securities	140,407,255
Private enterprises debt securities	73,022,083
Foreign debt securities	6,550,825
Deposits at financial institutions with an original maturity of longer than 3 months	-
Total held-to-maturity investments	219,980,163
General investments	
Equity securities	31,338
Total general investments	31,338
Investments in securities	300,136,746

9.2 Allowance for expected credit loss

(Unit : Thousand Baht)

Consolidated and separate financial statements	
March 31, 2020	
Fair value	Allowance for expected credit loss through other comprehensive income
Investment at fair value through other comprehensive income	
Debt securities with not significantly increased in credit risk (Stage 1)	35,801
Total	35,801

	(Unit : Thousand Baht)		
	<u>Consolidated and separate financial statements</u>		
	<u>March 31, 2020</u>		
	<u>Gross Amount</u>	<u>Allowance for expected credit loss</u>	<u>Net Amount</u>
Investment at amortised cost			
Debt securities with not significantly increased in credit risk (Stage 1)	190,947,126	(106,952)	190,840,174
Total	<u>190,947,126</u>	<u>(106,952)</u>	<u>190,840,174</u>

9.3 Investments in structured notes

Investments in structured notes, which are classified as investments at fair value through other comprehensive income and investment at amortised cost, consisted of the following:

- (a) As at March 31, 2020 and December 31, 2019, 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 1 - 9 years, respectively, and containing conditions whereby the issuer has call option or has rights to call for additional deposits and bearing interest rate referring to the yield rate on government bond (CMT Index).
- (b) As at December 31, 2019, the Company has investments of Baht 600 million, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining lives of 1 years, and bearing interest rate referring to the yield rate on government bond (CMT Index). (as at March 31, 2020 : Nil).
- (c) As at March 31, 2020 and December 31, 2019, the Company has investments of Baht 1,910 million and Baht 3,614 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining lives of 1 - 6 years and 1 - 9 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 December 31, 2019, the Company has investments of Baht 983 million, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining maturity lives of 14 years. 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. (as at March 31, 2020 : Nil).

- (e) As at December 31, 2019, the Company has investments of Baht 466 million, respectively, in bills of exchange, which were issued by branches of foreign commercial banks, having remaining maturity lives of 12 years. 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. (as at March 31, 2020 : Nil).
- (f) As at March 31, 2020 and December 31, 2019, the Company has investments of Baht 1,535 million and Baht 1,464 million, respectively, in bills of exchange, which were issued by branches of foreign commercial banks, having remaining maturity lives of 6 - 7 years and 6 - 7 years, respectively. The bills contain conditions whereby the redemption of the bills is based on the credit event of the reference assets.

9.4 Investments subject to restriction

As at March 31, 2020 and December 31, 2019, the Company has placed government and state enterprise bonds with cost or amortised cost of Baht 65,612 million and Baht 64,127 million, respectively, with the Registrar as securities and reserves as described in Notes 27 and 28.

9.5 Gains (losses) on investments

Gains (losses) on investments for the three-month periods ended March 31, 2020 and 2019 consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	For the three-month periods ended March 31,	
	2020	2019
Losses on sales of investment at fair value through profit and loss	-	(94)
Gains (losses) on sales of investment at fair value through other comprehensive income	1,209,749	(78,076)
Gains on sales of investment at amortised cost	-	5
Total gains (losses) on investments	1,209,749	(78,165)

10. INVESTMENTS IN SUBSIDIARIES

As at March 31, 2020 and December 31, 2019, detail of investments in subsidiaries, as presented in the separate interim financial statements, is as follows:

(Unit : Thousand Baht)

Company's name	Type of business	Country of incorporation	Issued and paid-up capital		Shareholding percentage		Cost	
			March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
					%	%		
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	85,329
Less Allowance for doubtful accounts ⁽¹⁾			-	-			(52,680)	(52,680)
Total investments in subsidiaries			177,598	177,598			56,409	56,409

⁽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 March 31, 2020 and December 31, 2019 include assets from discontinued operation in total amount of Baht 93 million and Baht 84 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 periods ended March 31, 2020 and 2019 for discontinued operations are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements	
	2020	2019
For the three-month periods ended March 31, Discontinued operation		
Revenue	(1)	10
Expenses	(449)	(1,683)
Loss before income tax expense	(450)	(1,673)
Income tax expense	(14)	-
Loss for the period from discontinued operation, net of income tax	(464)	(1,673)
Losses per share*		
Basic losses earning per share (Baht)	(0.001)	(0.001)

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

12. LOANS AND ACCRUED INTEREST INCOME

As at March 31, 2020 and December 31, 2019, the balances of loans and accrued interest income, classified by overdue periods, are as follows:

(Unit : Thousand Baht)

Consolidated and separate financial statements				
March 31, 2020				
Loans and accrued interest income				
Overdue periods	Policy loans	Mortgage loans	Other loans	Total
Not yet due	9,639,904	2,384,636	121	12,024,661
Overdue:				
Less than 3 months	-	8,986	-	8,986
3 - 6 months	-	7,487	-	7,487
6 - 12 months	-	60,242	-	60,242
Over 12 months	-	38,682	55	38,737
Total	9,639,904	2,500,033	176	12,140,113
<u>Less</u> Allowance for expected credit loss	-	(59,159)	-	(59,159)
Loans and accrued interest receivables - net	9,639,904	2,440,874	176	12,080,954

(Unit : Thousand Baht)

Consolidated and separate financial statements				
December 31, 2019				
Loans and accrued interest income				
Overdue periods	Policy loans	Mortgage loans	Other loans	Total
Not yet due	9,471,230	1,641,493	153	11,112,876
Overdue:				
Less than 3 months	-	37,766	-	37,766
3 - 6 months	-	43,617	-	43,617
6 - 12 months	-	9,396	-	9,396
Over 12 months	-	36,035	55	36,090
Total	9,471,230	1,768,307	208	11,239,745
<u>Less</u> Allowance for doubtful accounts	-	(18,077)	-	(18,077)
Loans and accrued interest receivables - net	9,471,230	1,750,230	208	11,221,668

(Unit : Thousand Baht)

Stages	Consolidated and separate financial statements		
	March 31, 2020		
	Loans and accrued interest income		
	Mortgage loans	Other loans	Total
Loans with not significantly increased in credit risk (Stage 1)	2,393,622	121	2,393,743
Loans with significantly increased in credit risk (Stage 2)	67,729	-	67,729
Loans with credit impaired (Stage 3)	38,682	55	38,737
Total	2,500,033	176	2,500,209
<u>Less</u> Allowance for expected credit loss	(59,159)	-	(59,159)
Total	2,440,874	176	2,441,050

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 0.1 million for personal guarantee loans. The interest rate is charged at the rates of 6.00% per annum. As at March 31, 2020 and December 31, 2019, loans to employees amounted to Baht 0.18 million and Baht 0.21 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 March 31, 2020 and December 31, 2019, loans to employees under the mortgage loans amounted to Baht 17 million and Baht 18 million, respectively.

13. INVESTMENT PROPERTY

As at March 31, 2020 and December 31, 2019, the Company has movement in the investment property as follows:

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	For the three-month period ended March 31, 2020	For the year ended December 31, 2019
Net carrying value - beginning of the period/year	16,686	17,752
Depreciation for period/year	(266)	(1,066)
Net carrying value - end of the period/year	16,420	16,686

14. PROPERTY, PLANT AND EQUIPMENT

Movements of property, plant and equipment for the three-month period ended March 31, 2020 are as follows:

(Unit : Thousand Baht)

Consolidated financial statements							
For the three-month period ended March 31, 2020							
	Land	Buildings and buildings improvements	Condominium	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	Total
Net carrying value as at							
January 1, 2020	791,346	335,746	7,019	101,345	21,420	168,820	1,425,696
Additions - at cost	-	651	-	45,422	-	114,174	160,247
Disposals/Write-off - net carrying value	-	-	-	(2)	-	-	(2)
Exchange rate differences on translation of financial statements in foreign currency	-	-	-	19	-	-	19
Transfer in (out)	-	396	-	-	-	(396)	-
Depreciation charges for the period	-	(7,783)	(458)	(12,787)	(1,542)	-	(22,570)
Impairment	-	-	-	(221)	-	-	(221)
Net carrying value as at							
March 31, 2020	791,346	329,010	6,561	133,776	19,878	282,598	1,563,169

(Unit : Thousand Baht)

Separate financial statements							
For the three-month period ended March 31, 2020							
	Land	Buildings and buildings improvements	Condominium	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	Total
Net carrying value as at							
January 1, 2020	791,346	335,749	7,017	101,121	21,419	168,820	1,425,472
Additions - at cost	-	651	-	45,422	-	114,174	160,247
Disposals/Write-off - net carrying value	-	-	-	(2)	-	-	(2)
Transfer in (out)	-	396	-	-	-	(396)	-
Depreciation charges for the period	-	(7,783)	(458)	(12,781)	(1,542)	-	(22,564)
Net carrying value as at							
March 31, 2020	791,346	329,013	6,559	133,760	19,877	282,598	1,563,153

15. DEFERRED TAX ASSETS/LIABILITIES AND INCOME TAX EXPENSE

15.1 Deferred tax assets/liabilities

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

(Unit : Thousand Baht)

	Consolidated and separate financial statements						
	March 31, 2020	January 1, 2020	December 31, 2019	Change in deferred tax assets/liabilities reported profit or loss in the for the three-month periods ended March 31,		Change in deferred tax assets/liabilities reported in the statements of comprehensive income for the three-month periods ended March 31,	
				2020	2019	2020	2019
Deferred tax assets							
Reserves for long-term insurance contracts	2,365,900	2,421,923	2,421,923	(56,023)	(165,475)	-	-
Claim reserves	16,662	16,577	16,577	85	(980)	-	-
Provisions for long-term employee benefits	42,803	41,019	41,019	1,784	1,561	-	-
Allowance for expected credit loss	40,382	34,356	-	6,026	-	-	-
Others	72,515	10,536	14,151	61,979	16,549	-	-
Total deferred tax assets	<u>2,538,262</u>	<u>2,524,411</u>	<u>2,493,670</u>	<u>13,851</u>	<u>(148,345)</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities							
Available-for-sale investments	-	-	1,572,931	-	75,101	-	621,026
Investment at fair value through other comprehensive income	476,430	1,615,400	-	14,554	-	(1,153,524)	-
Cash flow hedge	44,040	171,098	-	(10,770)	-	(116,288)	-
Total deferred tax liabilities	<u>520,470</u>	<u>1,786,498</u>	<u>1,572,931</u>	<u>3,784</u>	<u>75,101</u>	<u>(1,269,812)</u>	<u>621,026</u>
Deferred tax assets/ liabilities - net	<u>2,017,792</u>	<u>737,913</u>	<u>920,739</u>	<u>10,067</u>	<u>(223,446)</u>	<u>1,269,812</u>	<u>(621,026)</u>

15.2 Income tax (income) expenses

Income tax (income) expenses for the three-month periods ended March 31, 2020 and 2019 are made up as follows:

(Unit : Thousand Baht)

	Consolidated and separate financial statements	
	For the three-month periods ended March 31,	
	2020	2019
Deferred tax:		
Deferred tax relating to origination and reversal of temporary differences	(10,067)	223,446
Income tax (income) expense reported in profits or losses	<u>(10,067)</u>	<u>223,446</u>

Reconciliation between accounting profits and income tax (income) expense for the three-month periods ended March 31, 2020 and 2019 are as follows:

	(Unit : Thousand Baht) Consolidated financial statements For the three-month periods ended March 31,	
	2020	2019
Accounting profit before income tax expenses	220,685	1,510,080
Applicable corporate income tax rates	20%	20%
Income tax expense at the applicable tax rates	44,115	301,876
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	(54,182)	(78,430)
Income tax (income) expense recognised in profits or losses	(10,067)	223,446

	(Unit : Thousand Baht) Separate financial statements For the three-month periods ended March 31,	
	2020	2019
Accounting profit before income tax expenses	220,575	1,509,380
Applicable corporate income tax rates	20%	20%
Income tax expense at the applicable tax rates	44,115	301,876
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	(54,182)	(78,430)
Income tax (income) expense recognised in profits or losses	(10,067)	223,446

16. OTHER ASSETS

As at March 31, 2020 and December 31, 2019, other assets consisted of the follows:

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Derivative collateral	69,500	-	69,500	-
Prepaid income tax	159,620	100,917	159,620	100,917
Prepaid rental expenses	7,868	10,824	7,868	10,824
Deposits	103,897	98,054	81,021	77,194
Receivable from sales of investments	6,163	81,250	6,163	81,250
Prepaid expenses	14,436	14,716	14,435	14,716
Others	176,159	125,079	163,560	110,600
Total other assets	537,643	430,840	502,167	395,501

17. INSURANCE CONTRACT LIABILITIES

As at March 31, 2020 and December 31, 2019, insurance contract liabilities consisted of the follows:

(Unit : Thousand Baht)

	Consolidated financial statements					
	March 31, 2020			December 31, 2019		
	Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net
Reserves for long-term insurance contracts	283,693,786	-	283,693,786	277,488,536	-	277,488,536
Claim reserves						
Reserves for reported claims	141,012	(134,655)	6,357	151,578	(76,315)	75,263
Reserves for claims incurred but not yet reported	83,309	-	83,309	82,884	-	82,884
Premium reserves						
Unearned premium reserves	1,957,350	(719,639)	1,237,711	1,451,634	(473,386)	978,248
Unpaid policy benefits	227,580	-	227,580	191,174	-	191,174
Other insurance liabilities	7,207,287	-	7,207,287	7,276,022	-	7,276,022
Total insurance contract liabilities	<u>293,310,324</u>	<u>(854,294)</u>	<u>292,456,030</u>	<u>286,641,828</u>	<u>(549,701)</u>	<u>286,092,127</u>

(Unit : Thousand Baht)

	Separate financial statements					
	March 31, 2020			December 31, 2019		
	Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net
Reserves for long-term insurance contracts	283,693,773	-	283,693,773	277,488,525	-	277,488,525
Claims reserves						
Reserves for reported claims	141,012	(134,655)	6,357	151,578	(76,315)	75,263
Reserves for claims incurred but not yet reported	83,309	-	83,309	82,884	-	82,884
Premium reserves						
Unearned premium reserves	1,957,350	(719,639)	1,237,711	1,451,634	(473,386)	978,248
Unpaid policy benefits	227,580	-	227,580	191,174	-	191,174
Other insurance liabilities	7,207,287	-	7,207,287	7,276,022	-	7,276,022
Total insurance contract liabilities	<u>293,310,311</u>	<u>(854,294)</u>	<u>292,456,017</u>	<u>286,641,817</u>	<u>(549,701)</u>	<u>286,092,116</u>

Beginning January 1, 2020, the Company revised assumption for reserves for long-term insurance contracts for Provision Adverse Deviation (PAD), which is 4% to 5% of Net level premium reserve (NPV) in order to flexible to support the fluctuation of interest rate longevity. The Company recorded the cumulative effect as at December 31, 2019 change in PAD reserves for long-term insurance contracts from changing 4% to 5% of NPV amount of Baht 2,668 million to current statements of profit or loss. The additional reserve from change in PAD reserves for the three-month period ended March 31, 2020 amount of Baht 34 million. Therefore, the Company has recorded the total impact recognized in the statements of profit or loss for the three-month period ended March 31, 2020 from the change in the estimation amount of Baht 2,702 million.

17.1 Reserves for long-term insurance contracts

As at March 31, 2020 and December 31, 2019, reserves for long-term insurance contracts consisted of the follows:

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	For the three-month period ended March 31, 2020	For the year ended December 31, 2019	For the three-month period ended March 31, 2020	For the year ended December 31, 2019
Balances - beginning of the period/year	277,488,536	273,908,194	277,488,525	273,908,102
Reserve increased for new businesses and inforce policies	10,327,962	29,754,084	10,327,960	29,754,165
Reserve decreased for benefits payment lapses and surrender, etc.	(4,122,712)	(26,173,742)	(4,122,712)	(26,173,742)
Balances - end of the period/year	<u>283,693,786</u>	<u>277,488,536</u>	<u>283,693,773</u>	<u>277,488,525</u>

17.2 Claim reserves

As at March 31, 2020 and December 31, 2019, claim reserves consisted of the following:

	(Unit : Thousand Baht) Consolidated and separate financial statements	
	For the three-month period ended March 31, 2020	For the year ended December 31, 2019
Balances - beginning of the period/year	234,462	265,652
Claims incurred in the current period/year	594,353	2,244,800
Claims paid during the period/year	(604,494)	(2,275,990)
Balances - end of the period/year	<u>224,321</u>	<u>234,462</u>

17.3 Unearned premium reserves

As at March 31, 2020 and December 31, 2019, unearned premium reserves consisted of the following:

	(Unit : Thousand Baht) Consolidated and separate financial statements	
	For the three-month period ended March 31, 2020	For the year ended December 31, 2019
Balances - beginning of the period/year	1,451,634	1,322,760
Premium written for the period/year	1,488,295	3,834,755
Premium earned for the period/year	(982,579)	(3,705,881)
Balances - end of the period/year	<u>1,957,350</u>	<u>1,451,634</u>

17.4 Unpaid policy benefits

As at March 31, 2020 and December 31, 2019, unpaid policy benefits consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	March 31, 2020	December 31, 2019
Death benefit	104,761	64,284
Maturity payment	100,519	103,384
Benefit payment	20,533	21,735
Surrender	1,767	1,771
Total unpaid policy benefits	227,580	191,174

17.5 Other insurance liabilities

As at March 31, 2020 and December 31, 2019, other insurance liabilities consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	March 31, 2020	December 31, 2019
Deposits from insurance contracts	6,843,857	6,903,089
Premiums received in advance	285,693	293,294
Payable to policyholders on exempted premiums	77,737	79,639
Total other insurance liabilities	7,207,287	7,276,022

18. AMOUNT DUE TO REINSURANCE

As at March 31, 2020 and December 31, 2019, amount due to reinsurance consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	March 31, 2020	December 31, 2019
Amount due to reinsurers	1,012,589	1,128,743
Total amount due to reinsurance	1,012,589	1,128,743

19. EMPLOYEE BENEFIT OBLIGATIONS

As at March 31, 2020 and December 31, 2019, employee benefit obligations consisted of the following:

	Consolidated		(Unit : Thousand Baht)	
	financial statements		Separate	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Post-employment benefits obligations	192,484	185,863	191,587	183,925
Other long-term employee benefits obligation	29,257	27,997	29,208	27,952
Total employee benefit obligations	<u>221,741</u>	<u>213,860</u>	<u>220,795</u>	<u>211,877</u>

20. OTHER LIABILITIES

As at March 31, 2020 and December 31, 2019, other liabilities consisted of the following:

	Consolidated		(Unit : Thousand Baht)	
	financial statements		Separate	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Accrued commission expenses	474,049	515,501	472,919	514,031
Accrued expenses	233,186	284,318	232,542	283,912
Premium received for policies not yet approved	28,617	46,867	28,617	46,867
Amounts received awaiting transfer	103,480	68,047	103,480	68,047
Specific Business Tax payable	195,555	148,716	195,555	148,716
Payable from purchases of investments	374,991	32,721	374,991	32,721
Withholding tax payable	13,173	38,557	13,130	38,472
Short-term employee benefit payables	50,378	25,231	50,101	25,231
Collateral under derivatives agreements	-	35,500	-	35,500
Others	35,680	30,636	30,121	21,860
Total other liabilities	<u>1,509,109</u>	<u>1,226,094</u>	<u>1,501,456</u>	<u>1,215,357</u>

21. OPERATING SEGMENT

The Company presented operating segment information in the same manner as that reported to the Office of Insurance Commission (“OIC”) on the report of underwriting information reported by insurance categories since the management considered that the Company is operating its core business in a single segment (i.e. life insurance business) and in a single geographic area (i.e. Thailand). Hence, all items as presented in this segment information are consistent to the Company’s internal reports that are regularly reviewed by the chief operating decision maker in order to make decision about allocation of resources to the segment and evaluate its performance. The chief operating decision maker has been identified as the Chief Executive Officer.

Underwriting information classified by insurance categories for the three-month periods ended March 31, 2020 and 2019 is as follows:

(Unit : Thousand Baht)

	Consolidated financial statements				
	For the three-month period ended March 31, 2020				
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Premium written	9,983,544	62,240	11,138	-	10,056,922
<u>Less</u> Premium ceded	(587,514)	-	-	-	(587,514)
Net premium written	9,396,030	62,240	11,138	-	9,469,408
<u>Add (Less)</u> Unearned premium reserve (increased) decreased from prior period	(259,678)	-	215	-	(259,463)
Net earned premium	9,136,352	62,240	11,353	-	9,209,945
Fee and commission income	180,342	-	-	-	180,342
Total underwriting income	9,316,694	62,240	11,353	-	9,390,287
Underwriting expenses					
Life policy reserves increased from prior period	6,113,904	91,344	-	-	6,205,248
Benefit payments under life policies and claims net refundable from reinsurance	6,707,927	21,600	4,086	-	6,733,613
Commissions and brokerage expenses	710,678	5,353	105	2,320	718,456
Other underwriting expenses	117,157	655	119	-	117,931
Total underwriting expenses	13,649,666	118,952	4,310	2,320	13,775,248

(Unit : Thousand Baht)

	Consolidated financial statements				
	For the three-month period ended March 31, 2019				
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Premium written	10,271,439	232,519	10,746	-	10,514,704
<u>Less</u> Premium ceded	(467,777)	-	-	-	(467,777)
Net premium written	9,803,662	232,519	10,746	-	10,046,927
<u>Less</u> Unearned premium reserve increased from prior period	(235,083)	-	(333)	-	(235,416)
Net earned premium	9,568,579	232,519	10,413	-	9,811,511
Fee and commission income	118,051	-	-	-	118,051
Total underwriting income	9,686,630	232,519	10,413	-	9,929,562
Underwriting expenses					
Life policy reserves increased (decreased) from prior period	(6,621,675)	107,768	-	-	(6,513,907)
Benefit payments under life policies and claims net refundable from reinsurance	16,651,904	16,075	2,174	-	16,670,153
Commissions and brokerage expenses	843,810	11,091	286	2,290	857,477
Other underwriting expenses	205,181	4,002	179	8	209,370
Total underwriting expenses	11,079,220	138,936	2,639	2,298	11,223,093

22. OPERATING EXPENSES

For the three-month periods ended March 31, 2020 and 2019, operating expenses consisted of the following:

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	For the three-month periods ended March 31,		For the three-month periods ended March 31,	
	2020	2019	2020	2019
Personnel expenses	203,009	216,295	201,230	214,804
Property, plant and equipment expenses	43,322	44,225	43,217	44,120
Taxes and duties	882	759	882	759
Other operating expenses	115,951	109,587	115,928	109,629
Total operating expenses	363,164	370,866	361,257	369,312

23. FAIR VALUE GAIN

For the three-month periods ended March 31, 2020 and 2019, fair value gain consisted of the following:

	(Unit : Thousand Baht) Consolidated and separate financial statements	
	For the three-month periods ended March 31,	
	2020	2019
Unrealised gain (loss) on remeasuring investment at fair value through profit or loss	(10,032)	542
Unrealised gain (loss) on foreign exchange forward contracts	(340,671)	128,550
Gain (loss) on foreign exchange rate	996,883	(4,045)
Total fair value gain	646,180	125,047

24. 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 March 31, 2020 and December 31, 2019, 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 March 31, 2020			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivative assets				
Cross currency swap contracts	-	332,905	-	332,905
Forward exchange contracts	-	5,078	-	5,078
Investment at fair value through profit or loss				
Equity instruments	10,824	-	-	10,824
Investment at fair value through other comprehensive income				
Equity instruments	17,055,544	-	243,679	17,299,223
Debt instruments	16,828,907	74,953,435	3,444,876	95,227,218
Financial liabilities measured at fair value				
Derivative liabilities				
Cross currency swap contracts	-	567,502	-	567,502
Forward exchange contracts	-	150,356	-	150,356

	(Unit : Thousand Baht)			
	Consolidated and separated financial statements			
	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Held-for-trading investments				
Equity instruments	20,856	-	-	20,856
Available-for-sale investments				
Equity instruments	44,026,206	6,061,380	-	50,087,586
Debt instruments	-	30,016,803	-	30,016,803

Valuation techniques and inputs to Level 2 valuations

- a) The fair value of investments in debt instruments at fair value through other comprehensive income 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 at fair value through other comprehensive income has been determined by using the net asset value per unit as announced by the fund managers.
- c) The fair value of derivative assets and derivative liabilities at fair value through profit or loss and other comprehensive income has been determined by using exchange rates and discounted cash flow method based on interest rate as a discount rate.

Valuation techniques and inputs to Level 3 valuations

- a) The fair value of investments in equity securities at fair value through other comprehensive income has been determined by using price to book value ratio from compare industry prices.
- b) The fair value of investments in debt securities at fair value through other comprehensive income are determined by using discounted cash flow method based on the reference interest rate as a discount rate.

During the current period, there was no transfer within the fair value hierarchy.

As at March 31, 2020 and December 31, 2019, the Company and subsidiaries had the following assets which fair value were disclosed as follows:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	March 31, 2020	December 31, 2019
Investment at amortised cost		
Debt securities	220,139,017	260,293,865
Derivative assets		
Cross currency swap contracts	-	1,598,446
Forward exchange contracts	-	145,718
Loans and accrued interest receivables		
Policy loans	11,340,336	11,014,242
Mortgage loans	2,436,437	1,750,064
Derivative liabilities		
Cross currency swap contracts	-	8,827

Fair value of the following assets resemble book value

- Cash and cash equivalents
- Premium receivables

25. EXPECTED CREDIT LOSS

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	For the three-month periods ended	
	March 31, 2020	March 31, 2019
Expected Credit Loss		
Investments in securities	16,228	-
Loans and accrued interest receivables	13,907	-
Total	30,135	-

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.

Name of related parties	Type of business	Relationship with the Company
Bangkok Bank Pcl.	Banking	Related by way of common shareholders
Bangkok Insurance Pcl.	Insurance	Shareholding and related by way of common directors
Sorachai Vivatn 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
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.	Asset management	Shareholding and related by way of 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
I-Direct Insurance Broker Co., Ltd.	Life Insurance broker	Related by way of common shareholders
Bangkok Life Assurance (Cambodia) Public Limited Company	Life assurance	Subsidiary

During the three-month periods ended March 31, 2020 and 2019, 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:

	Consolidated financial statements		(Unit : Thousand Baht)
	For the three-month periods ended March 31,		Pricing policy
	2020	2019	
Related parties			
Premium written	99	2,928	Normal commercial terms for underwriting
Premium ceded to reinsurers	243,346	139,836	Normal commercial terms for reinsurance
Fee and commission income	67,768	43,539	Normal commercial terms for reinsurance
Interest income - deposits at banks, promissory notes and debentures	102,417	102,417	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	1,525	738	Same rates as the Company charged to general borrowers which had mortgage assets as collateral
Dividend income	87,866	125,857	The declared amount
Rental and service income	3,121	3,273	Rates as agreed in the agreement
Brokerage income from securities trading	16,941	17,502	Normal commercial terms for securities brokerage
Gain (loss) on forward and swap foreign exchange contracts	279,628	96,232	Normal commercial terms on contracts
Commission and brokerage	267,067	410,510	At a mutually agreed percentage of premium written
Claim refundable from reinsurance	110,389	110,561	Normal commercial terms for underwriting
Claim payment and diagnose charge	5,961	11,180	Normal commercial terms for underwriting
Bank charges	41,833	40,401	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	1,321	502	Normal commercial terms for underwriting

(Unit : Thousand Baht)

	Consolidated financial statements		Pricing policy
	For the three-month periods ended March 31,		
	2020	2019	
Related parties (continued)			
Building space rental and services	17,142	18,227	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	1,541	1,759	Rate as agreed in the agreement which is price offered to general member

(Unit : Thousand Baht)

	Separate financial statements		Pricing policy
	For the three-month periods ended March 31,		
	2020	2019	
Subsidiaries			
Written premium	-	56	Normal commercial terms for underwriting
Rental and service income	140	145	Rate on agreements as those charged by rental and service fees per square meter per month
Related parties			
Written premium	99	2,928	Normal commercial terms for underwriting
Premium ceded to reinsurers	243,346	139,836	Normal commercial terms for reinsurance
Fee and commission income	67,768	43,539	Normal commercial terms for reinsurance
Interest income - deposits at banks, promissory notes and debentures	102,417	102,417	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	1,525	738	Same rates as the Company charged to general borrowers which had mortgage assets as collateral

(Unit : Thousand Baht)

	Separate financial statements		Pricing policy
	For the three-month periods ended March 31,		
	2020	2019	
Related parties (Continued)			
Dividend income	87,866	125,857	The declared amount
Brokerage income from securities trading	16,941	17,502	Normal commercial terms for securities brokerage
Gain (loss) on forward and swap foreign exchange contracts	279,628	96,232	Normal commercial terms on contracts
Commission and brokerage	267,067	410,510	At a mutually agreed percentage of premium written
Claim refundable from reinsurance	110,389	110,561	Normal commercial terms for underwriting
Claim payment and diagnose charge	5,961	11,180	Normal commercial terms for underwriting
Bank charges	41,812	40,382	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	1,321	509	Normal commercial terms for underwriting
Building space rental and services	17,142	18,227	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, and 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	194	283	Rate as agreed in the agreement which is price offered to general member

For the three-month periods ended March 31, 2020 and 2019, the premium generated from the Bancassurance distribution channel represented approximately 59% and 61% of total net premium written, respectively.

As at March 31, 2020 and December 31, 2019, the balance of the accounts between the Company and those related companies are as follows:

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Subsidiaries				
Other liabilities				
Deposits	-	-	66	66
Accrued expenses	-	-	75	-
Total other liabilities	-	-	141	66
Related parties				
Deposit at financial institution (included in cash and cash equivalents)	2,405,842	1,454,931	2,396,848	1,443,806
Investments assets				
Investment at fair value through other comprehensive income- cost				
Domestic equity securities	4,340,071	-	4,340,071	-
Domestic units trust	3,630,503	-	3,630,503	-
Foreign equity securities	11,167	-	11,167	-
Private enterprise debt securities	455,000	-	455,000	-
Total - cost	8,436,741	-	8,436,741	-
<u>Add (Less)</u> Unrealised gains (losses)	(144,115)	-	(144,115)	-
Total Investment at fair value through other comprehensive income	8,292,626	-	8,292,626	-
Investment at amortised cost				
Private enterprise debt securities	2,490,000	-	2,490,000	-
Foreign debt securities	5,863,371	-	5,863,371	-
Total	8,353,371	-	8,353,371	-
<u>Less</u> allowance for expected credit loss	(4,509)	-	(4,509)	-
Total Investment at amortised cost	8,348,862	-	8,348,862	-
Loans	177,621	-	177,621	-
Total investments assets	16,819,109	-	16,819,109	-
Investments assets				
Available-for-sale investments - cost				
Domestic equity securities	-	3,075,507	-	3,075,507
Domestic units trust	-	3,473,723	-	3,473,723
Total available-for-sale investment- cost	-	6,549,230	-	6,549,230
<u>Add</u> Unrealised gains	-	1,931,899	-	1,931,899
Total available-for-sale investments - fair value	-	8,481,129	-	8,481,129
Held-to-maturity investments - cost/amortised cost				
Private enterprise debt securities	-	2,945,000	-	2,945,000
Foreign debt securities	-	5,869,412	-	5,869,412
Total held-to-maturity investment - cost/amortised cost	-	8,814,412	-	8,814,412
General investments - foreign equity securities	-	11,167	-	11,167
Loans	-	72,996	-	72,996
Total investments assets	-	17,379,704	-	17,379,704

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	March 31, 2020	December 31, 2019	March 31, 2020	December 31, 2019
Related parties (continued)				
Amount due from reinsurance	230,264	305,912	230,264	305,912
Forward and swap foreign exchange contract receivable	5,370,483	7,399,499	5,370,483	7,399,499
Other assets				
Deposits	9,490	9,631	9,490	9,631
Accrued income	6,927	6,659	-	-
Prepaid rental expenses	7,868	10,824	7,868	10,824
Prepaid expense	1,030	47	1,030	47
Total other assets	<u>25,315</u>	<u>27,161</u>	<u>18,388</u>	<u>20,502</u>
Amount due to reinsurance	264,366	326,522	264,366	326,522
Outstanding claims	2,211	1,386	2,211	1,386
Forward and swap foreign exchange contract payable	5,438,184	7,341,284	5,438,184	7,341,284
Other liabilities				
Accrued commission	193,216	157,807	193,216	157,807
Accrued premium	5,755	8,740	-	-
Accrued rental and service expense	40	8	40	8
Total other liabilities	<u>199,011</u>	<u>166,555</u>	<u>193,256</u>	<u>157,815</u>

Directors and key management's benefits

During the three-month periods ended March 31, 2020 and 2019, employee benefit expenses to directors and key management are as follows:

	(Unit: Million Baht)			
	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended March 31,		For the three-month periods ended March 31,	
	2020	2019	2020	2019
Short-term employee benefits	15.21	19.01	15.21	19.01
Long-term employee benefits	0.74	0.39	0.74	0.38
Total directors and key management's benefits	<u>15.95</u>	<u>19.40</u>	<u>15.95</u>	<u>19.39</u>

27. ASSETS PLACED WITH THE REGISTRAR

As at March 31, 2020 and December 31, 2019, 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

	March 31, 2020		December 31, 2019	
	Book value	Fair value	Book value	Fair value
State enterprise bonds	23,032	28,555	23,051	30,319

28. ASSETS RESERVED WITH THE REGISTRAR

As at March 31, 2020 and December 31, 2019, 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

	March 31, 2020		December 31, 2019	
	Book value	Fair value	Book value	Fair value
Government bonds	61,739,398	77,080,981	59,503,696	79,720,334
State enterprise bonds	3,849,344	4,329,358	4,599,986	5,097,301
Total	65,588,742	81,410,339	64,103,682	84,817,635

29. EARNINGS PER SHARE

Basic earnings per share for the three-month periods ended March 31, 2020 and 2019 were as follows:

Consolidated financial statement

For the three-month periods ended March 31,

	Continuing operations		Discontinued operation		Total	
	2020	2019	2020	2019	2020	2019
Net profits (losses) (Thousand Baht)	230,749	1,286,627	(241)	(870)	230,508	1,285,757
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 per share)	0.135	0.753	(0.001)	(0.001)	0.134	0.752

Separate financial statement

For the three-month period ended March 31,

	2020	2019
Net profits (Thousand Baht)	230,642	1,285,934
Number of share capital (Thousand shares)	1,707,566	1,707,566
Basic earnings per share (Baht per share)	0.135	0.753

* Earnings per share for equity holders of the Company.

30. COMMITMENTS

- 30.1 As at March 31, 2020 and December 31, 2019, the Company has construction building agreement with local companies totaling of Baht 463.30 million and Baht 458.20 million, respectively. The Company has commitments to be paid according to the agreements amounting to Baht 227.40 million and Baht 336.32 million, respectively.
- 30.2 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 March 31, 2020 and December 31, 2019, the Company and subsidiaries have future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

	(Unit : Million Baht)		
	Consolidated financial statements		
	March 31, 2020		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements			
- Related parties	10.36	3.20	13.56
Operating lease agreements			
- Other parties	14.21	8.17	22.38
Service agreements	25.02	10.24	35.26
Total	49.59	21.61	71.20

	(Unit : Million Baht)		
	Consolidated financial statements		
	December 31, 2019		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements			
- Related parties	10.63	1.24	11.87
Operating lease agreements			
- Other parties	15.59	11.10	26.69
Service agreements	7.65	-	7.65
Total	33.87	12.34	46.21

(Unit : Million Baht)

	Separate financial statements		
	March 31, 2020		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements - - Related parties	10.36	3.20	13.56
Operating lease agreements - Other parties	14.19	8.17	22.36
Service agreements	25.02	10.24	35.26
Total	49.57	21.61	71.18

(Unit : Million Baht)

	Separate financial statements		
	December 31, 2019		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements - Related parties	10.63	1.24	11.87
Operating lease agreements - Other parties	15.53	11.10	26.63
Service agreements	7.65	-	7.65
Total	33.81	12.34	46.15

The Company and subsidiaries recognized rental expense derived from the operating leases for the three-month periods ended March 31, 2020 and 2019 amounting to Baht 8.35 million and Baht 11.00 million, respectively.

- 30.3 As at March 31, 2020 and December 31, 2019, the Company may need to deposit additional amounts in the future under the investment conditions as described in Note 9.3 (a), as summarised below.

(Unit : Thousand Baht)

Payable within	Consolidated and separate financial statements	
	March 31, 2020	December 31, 2019
1 year	900,000	900,000

- 30.4 As at March 31, 2020 and December 31, 2019, the Company had bank guarantee issued by banks Baht 2.0 million and Baht 2.0 million, respectively.

31. LITIGATION

As at March 31, 2020 and December 31, 2019, the Company has been sued in litigation cases of compensation of claims totaling approximately Baht 7 million and Baht 8 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.

32. RECLASSIFICATION

A reclassification has been made in the financial statements for the year ended December 31, 2019, to conform to the classification used in current period's financial statements. Such reclassifications have no effect to previously reported net profit, total comprehensive income and shareholders' equity. The reclassifications are as follows:

Items	Previous presentation	Current presentation	Consolidated Financial Statements (Thousand Baht)	Separate Financial Statements (Thousand Baht)
Accrued interest receivables from loans	Accrued investment income	Loans and accrued interest receivables	995,614	995,614

33. EVENTS AFTER THE REPORTING PERIOD

On April 14, 2020, the Board of Directors approved the payment of interim dividend for the second half of the year 2019 of Baht 0.33 per share to the Company's shareholders. Approval by the Office of Insurance Commission is required before the dividend can be paid.

On May 13, 2020, the Board of Directors passed a resolution to approve of sale of investment in a subsidiary, Bangkok Life Assurance (Cambodia) Public Limited Company. However, the sale of such investment must be approved by the Ministry of Economy and Finance of Cambodia.

34. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These consolidation and separate interim financial statements were authorised for issue by the Board of Directors on May 13, 2020.