

Bangkok Life Assurance Public Company Limited
Report and financial statements
31 December 2015

Independent Auditor's Report

To the Shareholders of Bangkok Life Assurance Public Company Limited

I have audited the accompanying consolidated financial statements of Bangkok Life Assurance Public Company Limited and its subsidiary, which comprise the consolidated statement of financial position as at 31 December 2015, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have also audited the separate financial statements of Bangkok Life Assurance Public Company Limited for the same year.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bangkok Life Assurance Public Company Limited and its subsidiary and of Bangkok Life Assurance Public Company Limited as at 31 December 2015, and their financial performance and cash flows for the year then ended, in accordance with Thai Financial Reporting Standards.

Other Matter

The consolidated financial statements of Bangkok Life Assurance Public Company Limited and its subsidiary and the separate financial statements of Bangkok Life Assurance Public Company Limited for the year ended 31 December 2014, presented herein as comparative information, were audited by another auditor, who expressed an unqualified opinion on those statements, under his report dated 25 February 2015.

Nonglak Pumnoi
Certified Public Accountant (Thailand) No. 4172

EY Office Limited
Bangkok: 26 February 2016

Bangkok Life Assurance Public Company Limited

Statements of financial position

As at 31 December 2015 and 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
Assets					
Cash and cash equivalents	7, 35	7,101,757,706	5,707,563,957	7,087,583,921	5,703,471,620
Accrued investment income - net	12	2,627,977,881	2,344,008,443	2,627,977,881	2,344,008,443
Premium receivables	8	1,717,113,202	1,725,232,732	1,717,113,202	1,725,232,732
Reinsurance assets	9, 35	899,176,498	763,784,679	899,176,498	763,784,679
Investment assets					
Investments in securities	35				
Trading investments	10	116,219,570	17,070,295	116,219,570	17,070,295
Available-for-sale investments	10	25,988,922,416	22,012,881,057	25,988,922,416	22,012,881,057
Held-to-maturity investments	10, 36, 37	201,411,262,441	176,161,022,628	201,411,262,441	176,161,022,628
General investments	10	46,662,230	46,662,230	46,662,230	46,662,230
Investment in a subsidiary	11	-	-	23,760,000	3,960,000
Loans - net	12	6,138,902,395	4,735,056,801	6,138,902,395	4,735,056,801
Investment property	15	20,947,065	-	20,947,065	-
Premises and equipment - net	13	547,209,820	389,242,663	546,985,967	389,200,127
Goodwill		4,955,491	4,955,491	-	-
Intangible assets - net	14	24,113,267	12,819,227	24,036,068	12,819,227
Deferred tax assets	16.1	2,382,918,693	1,482,422,298	2,382,918,693	1,482,422,298
Other assets	17	547,472,090	186,867,026	544,798,355	190,501,644
Total assets		249,575,610,765	215,589,589,527	249,577,266,702	215,588,093,781

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

Bangkok Life Assurance Public Company Limited**Statements of financial position (Continued)**

As at 31 December 2015 and 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
Liabilities and owners' equity					
Liabilities					
Income tax payable		542,471,250	499,591,781	542,471,250	499,591,781
Amounts due to reinsurers	18, 35	459,315,372	379,721,980	459,315,372	379,721,980
Insurance contract liabilities					
Life policy reserves	19	207,308,207,963	177,434,670,858	207,308,207,963	177,434,670,858
Unpaid policy benefits	20	150,089,280	117,066,846	150,089,280	117,066,846
Loss reserves and outstanding claims	21, 35	320,355,948	315,052,056	320,355,948	315,052,056
Premium reserves	22	1,074,853,819	1,056,888,385	1,074,853,819	1,056,888,385
Other insurance liabilities		7,904,478,483	7,642,205,834	7,904,478,483	7,642,205,834
Employee benefit payables	23	356,617,387	329,414,333	354,506,825	327,718,356
Other liabilities	24, 35	4,468,852,104	2,238,701,928	4,464,668,306	2,235,949,029
Total liabilities		222,585,241,606	190,013,314,001	222,578,947,246	190,008,865,125

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

Bangkok Life Assurance Public Company Limited
Statements of financial position (Continued)
As at 31 December 2015 and 2014

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 December 2015	31 December 2014	31 December 2015	31 December 2014
Owners' equity					
Share capital					
Registered					
1,708,000,000 ordinary shares of Baht 1 each		1,708,000,000	1,708,000,000	1,708,000,000	1,708,000,000
Issued and paid-up					
1,703,810,780 ordinary shares of Baht 1 each					
(31 December 2014: 1,697,850,000 ordinary shares					
of Baht 1 each	25	1,703,810,780	1,697,850,000	1,703,810,780	1,697,850,000
Premium on share capital	25	3,219,925,822	2,987,540,018	3,219,925,822	2,987,540,018
Capital reserve on share-based payments	25, 26	38,833,826	103,822,366	38,833,826	103,822,366
Subscriptions received in advance from exercise of					
warrants	26	10,626,000	-	10,626,000	-
Retained earnings					
Appropriated					
Statutory reserve		170,800,000	170,800,000	170,800,000	170,800,000
General reserve		400,000,000	400,000,000	400,000,000	400,000,000
Unappropriated		17,460,248,487	14,677,674,816	17,468,357,189	14,680,638,015
Other component of owners' equity					
Revaluation surplus on available-for-sale investments					
- net of income taxes	10.9	3,985,965,839	5,538,578,257	3,985,965,839	5,538,578,257
Equity attributable to equity holders of the Company		26,990,210,754	25,576,265,457	26,998,319,456	25,579,228,656
Non-controlling interests of the subsidiary		158,405	10,069	-	-
Total owners' equity		26,990,369,159	25,576,275,526	26,998,319,456	25,579,228,656
Total liabilities and owners' equity		249,575,610,765	215,589,589,527	249,577,266,702	215,588,093,781
		-	-	-	-

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

Directors

Bangkok Life Assurance Public Company Limited
Statements of income
For the years ended 31 December 2015 and 2014

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements		
	2015	2014 (Restated)	2015	2014 (Restated)	
Revenue					
Net premium written	29, 35	44,174,985,061	51,172,063,955	44,174,985,061	51,172,063,955
Net investment income		10,171,049,557	8,811,629,513	10,171,049,557	8,811,629,513
Total income		<u>54,346,034,618</u>	<u>59,983,693,468</u>	<u>54,346,034,618</u>	<u>59,983,693,468</u>
Expenses					
Underwriting					
Life policy reserves increased from prior years	29	29,873,537,105	40,818,249,854	29,873,537,105	40,818,249,854
Benefit payments under life policies and benefit adjustment expenses	29	14,149,709,046	11,096,607,972	14,149,709,046	11,096,607,972
Claims and losses adjustment expenses	29, 35	1,240,476,750	1,287,791,017	1,240,476,750	1,287,791,017
Commissions and brokerages expenses	29, 35	2,855,005,381	2,806,976,538	2,849,846,750	2,805,343,254
Sales promotional expenses	29	435,928,363	310,571,097	435,720,787	310,527,799
Other underwriting expenses	29, 35	32,597,406	28,641,899	32,597,406	28,641,899
Operating expenses	31	2,053,508,816	1,895,631,960	2,047,587,527	1,892,605,730
Total underwriting expenses		<u>50,640,762,867</u>	<u>58,244,470,337</u>	<u>50,629,475,371</u>	<u>58,239,767,525</u>
Profits from underwriting		<u>3,705,271,751</u>	<u>1,739,223,131</u>	<u>3,716,559,247</u>	<u>1,743,925,943</u>
Gains on investments	10.8	1,163,125,512	1,514,736,332	1,163,125,512	1,514,736,332
Gains (losses) on revaluation	30	79,885,874	(71,684,020)	79,885,874	(71,684,020)
Other income		64,242,148	48,052,445	58,121,048	46,342,763
Profits from operations		<u>5,012,525,285</u>	<u>3,230,327,888</u>	<u>5,017,691,681</u>	<u>3,233,321,018</u>
Contribution to the Office of Insurance Commission		80,885,393	85,256,740	80,885,393	85,256,740
Contribution to the Life Insurance Fund	42	44,840,215	51,810,128	44,840,215	51,810,128
Profits before income tax expense		<u>4,886,799,677</u>	<u>3,093,261,020</u>	<u>4,891,966,073</u>	<u>3,096,254,150</u>
Income tax expense	16.2	778,648,237	443,469,914	778,648,237	443,469,914
Profits for the years		<u>4,108,151,440</u>	<u>2,649,791,106</u>	<u>4,113,317,836</u>	<u>2,652,784,236</u>
Profits for the years attributable to:					
Equity holders of the Company		4,108,203,104	2,649,821,037	4,113,317,836	2,652,784,236
Non-controlling interests of the subsidiary		(51,664)	(29,931)		
		<u>4,108,151,440</u>	<u>2,649,791,106</u>		
Earnings per share					
34					
Basic earnings per share					
Profits attributable to equity holders of the Company		2.41	1.56	2.42	1.57
Diluted earnings per share					
Profits attributable to equity holders of the Company		2.41	1.56	2.41	1.56

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

Bangkok Life Assurance Public Company Limited
Statements of comprehensive income
For the years ended 31 December 2015 and 2014

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements	
	2015	2014 (Restated)	2015	2014 (Restated)
Profits for the years	4,108,151,440	2,649,791,106	4,113,317,836	2,652,784,236
Other comprehensive income (loss)				
Other comprehensive income to reclassified to profit or loss in subsequent years:				
Gains (losses) on valuation of available-for-sale investments	(1,940,765,522)	1,434,150,869	(1,940,765,522)	1,434,150,869
Add (less): Income taxes	16.2 388,153,104	(286,830,174)	388,153,104	(286,830,174)
Other comprehensive income (loss) to reclassified to profit or loss in subsequent years - net of income tax	(1,552,612,418)	1,147,320,695	(1,552,612,418)	1,147,320,695
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Actuarial gain (loss)	(1,185,657)	14,914,959	(1,154,886)	14,914,959
Add (less): Income taxes	16.2 230,977	(2,982,992)	230,977	(2,982,992)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods - net of income tax	(954,680)	11,931,967	(923,909)	11,931,967
Other comprehensive income (loss) for the years - net of income taxes	(1,553,567,098)	1,159,252,662	(1,553,536,327)	1,159,252,662
Total comprehensive income for the years	<u>2,554,584,342</u>	<u>3,809,043,768</u>	<u>2,559,781,509</u>	<u>3,812,036,898</u>
Total comprehensive income for the periods attributable to:				
Equity holders of the Company	2,554,636,006	3,809,073,699	<u>2,559,781,509</u>	<u>3,812,036,898</u>
Non-controlling interests of the subsidiary	(51,664)	(29,931)		
	<u>2,554,584,342</u>	<u>3,809,043,768</u>		

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

Bangkok Life Assurance Public Company Limited
Statements of cash flows
For the years ended 31 December 2015 and 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from operating activities				
Net premium written	43,900,198,357	50,651,531,427	43,900,198,357	50,651,531,427
Interest income	8,772,717,817	7,367,636,058	8,772,717,817	7,367,636,058
Dividend income	1,114,362,302	962,510,779	1,114,362,302	962,510,779
Other investment income	2,986,791,664	2,275,022,192	2,986,791,664	2,275,022,192
Other income	55,369,354	42,803,671	55,369,354	42,803,671
Benefit payments under life policies during the years	(15,023,217,913)	(11,951,485,531)	(15,023,217,913)	(11,951,485,531)
Commissions and brokerages	(2,842,199,218)	(2,816,684,021)	(2,842,199,218)	(2,816,684,021)
Other underwriting expenses	(391,682,722)	(408,774,526)	(391,682,722)	(408,774,526)
Operating expenses	(2,251,936,345)	(1,595,383,679)	(2,262,017,793)	(1,595,383,679)
Other expenses	(106,460,923)	(132,023,166)	(106,460,923)	(139,775,503)
Corporate income taxes	(1,247,881,082)	(2,005,116,745)	(1,247,881,082)	(2,005,116,745)
Net cash provided by operating activities	34,966,061,291	42,390,036,459	34,955,979,843	42,382,284,122
Cash flows from investing activities				
Cash flows from				
Investments in securities	13,419,235,508	8,074,184,637	13,419,235,508	8,074,184,637
Loans	1,654,919,162	1,049,312,471	1,654,919,162	1,049,312,471
Deposits at financial institutions	6,131,050,900	4,244,000,000	6,131,050,900	4,244,000,000
Premises and equipment	5,867,390	6,159,857	5,867,390	6,159,857
Cash from investing activities	21,211,072,960	13,373,656,965	21,211,072,960	13,373,656,965
Cash flows used in				
Investments in securities	(36,334,651,769)	(42,822,278,778)	(36,334,651,769)	(42,822,278,778)
Loans	(2,688,230,661)	(1,896,037,957)	(2,688,230,661)	(1,896,037,957)
Deposits at financial institutions	(14,347,606,616)	(5,055,050,900)	(14,347,606,616)	(5,055,050,900)
Premises and equipment	(247,422,204)	(126,074,317)	(247,422,204)	(126,074,317)
Net cash outflow on acquisition of subsidiary	-	(3,660,000)	-	-
Cash used in investing activities	(53,617,911,250)	(49,903,101,952)	(53,617,911,250)	(49,899,441,952)
Net cash used in investing activities	(32,406,838,290)	(36,529,444,987)	(32,406,838,290)	(36,525,784,987)

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

Bangkok Life Assurance Public Company Limited
Statements of cash flows (Continued)
For the years ended 31 December 2015 and 2014

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from financing activities				
Proceeds from share capital increase as a result of warrant exercise	159,645,500	131,118,750	159,645,500	131,118,750
Subscriptions received from employee provident fund	-	362	-	362
Subscriptions received from exercise of warrants	-	12,735,225	-	12,735,225
Payment from securities bought under repurchase agreements	-	(950,000,000)	-	(950,000,000)
Dividend paid	(1,324,674,752)	(678,072,805)	(1,324,674,752)	(678,072,805)
Net cash used in financing activities	(1,165,029,252)	(1,484,218,468)	(1,165,029,252)	(1,484,218,468)
Net increase in cash and cash equivalents	1,394,193,749	4,376,373,004	1,384,112,301	4,372,280,667
Cash and cash equivalents at beginning of years	5,707,563,957	1,331,190,953	5,703,471,620	1,331,190,953
Cash and cash equivalents at ending of years	7,101,757,706	5,707,563,957	7,087,583,921	5,703,471,620
	-	-	-	-
Supplemental cash flows information				
Non-cash items				
Increase (decrease) in available-for-sale investments as a result of valuation	(1,940,765,522)	1,434,150,869	(1,940,765,522)	1,434,150,869
Increase in capital reserve on share-based payments	24,338,544	37,753,587	24,338,544	37,753,587
Receivables on sales of investments	51,555,539	1,250,000	51,555,539	1,250,000
Payables on purchases of investments	-	3,171,954	-	3,171,954

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

Bangkok Life Assurance Public Company Limited
Statements of changes in owners' equity
For the years ended 31 December 2015 and 2014

(Unit: Baht)

Consolidated financial statement											
Equity attributable to equity holders of the Company											
Note	Issued and paid-up share capital	Premium on share capital	Capital reserve for share-based payment transactions	Subscriptions received in advance from exercise of warrants	Retained earnings			Other component of owners' equity	Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of the subsidiary	Total
					Appropriated		Unappropriated	Revaluation surplus on available-for-sale investments - net of income taxes			
					Statutory reserve	General reserve					
Balance as at 1 January 2014	1,211,714,350	2,846,250,643	66,068,779	1,246,050	122,000,000	400,000,000	13,225,119,255	4,391,257,562	22,263,656,639	-	22,263,656,639
Share-based payments	26	-	-	37,753,587	-	-	-	-	37,753,587	-	37,753,587
Increase in share capital as a result of warrant exercise		1,035,650	12,945,625	-	(1,246,050)	-	-	-	12,735,225	-	12,735,225
Transfer to legal reserve		-	-	-	48,800,000	-	(48,800,000)	-	-	-	-
Subscriptions received in advance from exercises of warrants	26	482,324,638	-	-	-	-	(482,324,638)	-	-	-	-
Issue of ordinary shares by private placement		2,775,000	128,343,750	-	-	-	-	-	131,118,750	-	131,118,750
Issue of ordinary shares to employee provident fund		362	-	-	-	-	-	-	362	-	362
Dividend paid	27	-	-	-	-	-	(678,072,805)	-	(678,072,805)	-	(678,072,805)
Acquisition of non-controlling interests without a change in control		-	-	-	-	-	-	-	-	40,000	40,000
Profits (losses) for the year		-	-	-	-	-	2,649,821,037	-	2,649,821,037	(29,931)	2,649,791,106
Other comprehensive income for the years											
Gains on valuation of available-for-sale investments - net of income taxes		-	-	-	-	-	-	1,147,320,695	1,147,320,695	-	1,147,320,695
Actuarial gain - net of income taxes		-	-	-	-	-	11,931,967	-	11,931,967	-	11,931,967
Total comprehensive income for the year		-	-	-	-	-	2,661,753,004	1,147,320,695	3,809,073,699	(29,931)	3,809,043,768
Balance as at 31 December 2014	1,697,850,000	2,987,540,018	103,822,366	-	170,800,000	400,000,000	14,677,674,816	5,538,578,257	25,576,265,457	10,069	25,576,275,526

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

Bangkok Life Assurance Public Company Limited
Statements of changes in owners' equity (Continued)
For the years ended 31 December 2015 and 2014

(Unit: Baht)

Consolidated financial statement												
Equity attributable to equity holders of the Company												
Note	Equity attributable to equity holders of the Company							Other component of owners' equity		Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of the subsidiary	Total
	Issued and paid-up share capital	Premium on share capital	Capital reserve for share-based payment transactions	Subscriptions received in advance from exercise of warrants	Retained earnings			Revaluation surplus on available-for-sale investments - net of income taxes				
					Statutory reserve	General reserve	Unappropriated					
Balance as at 1 January 2015	1,697,850,000	2,987,540,018	103,822,366	-	170,800,000	400,000,000	14,677,674,816	5,538,578,257	25,576,265,457	10,069	25,576,275,526	
Share-based payments	25, 26	-	-	24,338,544	-	-	-	-	24,338,544	-	24,338,544	
Increase in share capital as a result of warrant exercise	25	5,960,780	143,058,720	-	-	-	-	-	149,019,500	-	149,019,500	
Transfer capital reserve for share-based payment transactions to premium on share capital as a result of warrant No.2 exercise	25	-	89,327,084	(89,327,084)	-	-	-	-	-	-	-	
Subscriptions received in advance from exercises of warrants	26	-	-	-	10,626,000	-	-	-	10,626,000	-	10,626,000	
Dividend paid	27	-	-	-	-	-	(1,324,674,753)	-	(1,324,674,753)	-	(1,324,674,753)	
Acquisition of non-controlling interests without a change in control		-	-	-	-	-	-	-	-	200,000	200,000	
Profits (losses) for the year		-	-	-	-	-	4,108,203,104	-	4,108,203,104	(51,664)	4,108,151,440	
Other comprehensive income for the year		-	-	-	-	-	-	-	-	-	-	
Losses on valuation of available-for-sale investments - net of income taxes		-	-	-	-	-	-	(1,552,612,418)	(1,552,612,418)	-	(1,552,612,418)	
Actuarial loss - net of income taxes		-	-	-	-	-	(954,680)	-	(954,680)	-	(954,680)	
Total comprehensive income (loss) for the year		-	-	-	-	-	4,107,248,424	(1,552,612,418)	2,554,636,006	(51,664)	2,554,584,342	
Balance as at 31 December 2015	1,703,810,780	3,219,925,822	38,833,826	10,626,000	170,800,000	400,000,000	17,460,248,487	3,985,965,839	26,990,210,754	158,405	26,990,369,159	

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

Bangkok Life Assurance Public Company Limited
Statements of changes in owners' equity (Continued)
For the years ended 31 December 2015 and 2014

(Unit: Baht)

Separate financial statements

	Note	Separate financial statements						Other component of owners' equity		Total
		Issued and paid-up share capital	Premium on share capital	Capital reserve for share-based payment transactions	Subscriptions received in advance from exercise of warrants	Retained earnings			Revaluation surplus on available-for-sale investments - net of income taxes	
						Statutory reserve	General reserve	Unappropriated		
Balance as at 1 January 2014		1,211,714,350	2,846,250,643	66,068,779	1,246,050	122,000,000	400,000,000	13,225,119,255	4,391,257,562	22,263,656,639
Share-based payments	26	-	-	37,753,587	-	-	-	-	-	37,753,587
Increase in share capital as a result of warrant exercise		1,035,650	12,945,625	-	(1,246,050)	-	-	-	-	12,735,225
Transfer to legal reserve		-	-	-	-	48,800,000	-	(48,800,000)	-	-
Subscriptions received in advance from exercises of warrant	26	482,324,638	-	-	-	-	-	(482,324,638)	-	-
Issue of ordinary shares by private placement		2,775,000	128,343,750	-	-	-	-	-	-	131,118,750
Issue of ordinary shares to employee provident fund		362	-	-	-	-	-	-	-	362
Dividend paid	27	-	-	-	-	-	-	(678,072,805)	-	(678,072,805)
Profits for the year		-	-	-	-	-	-	2,652,784,236	-	2,652,784,236
Other comprehensive income for the year										
Gains on valuation of available-for-sale investments - net of income taxes		-	-	-	-	-	-	-	1,147,320,695	1,147,320,695
Actuarial gain - net of income taxes		-	-	-	-	-	-	11,931,967	-	11,931,967
Total comprehensive income for the year		-	-	-	-	-	-	2,664,716,203	1,147,320,695	3,812,036,898
Balance as at 31 December 2014		<u>1,697,850,000</u>	<u>2,987,540,018</u>	<u>103,822,366</u>	<u>-</u>	<u>170,800,000</u>	<u>400,000,000</u>	<u>14,680,638,015</u>	<u>5,538,578,257</u>	<u>25,579,228,656</u>

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

Bangkok Life Assurance Public Company Limited
Statements of changes in owners' equity (Continued)
For the years ended 31 December 2015 and 2014

(Unit: Baht)

	Separate financial statements								Other component of owners' equity Revaluation surplus on available- for-sale investments - net of income taxes	Total
	Note	Issued and paid-up share capital	Premium on share capital	Capital reserve for share-based payment transactions	Subscriptions received in advance from exercise of warrants	Retained earnings				
						Appropriated		Unappropriated		
						Statutory reserve	General reserve			
Balance as at 1 January 2015		1,697,850,000	2,987,540,018	103,822,366	-	170,800,000	400,000,000	14,680,638,015	5,538,578,257	25,579,228,656
Share-based payments	25, 26	-	-	24,338,544	-	-	-	-	-	24,338,544
Increase in share capital as a result of warrant exercise	25	5,960,780	143,058,720	-	-	-	-	-	-	149,019,500
Transfer capital reserve for share-based payment transactions to premium on share capital as a result of warrant No.2 exercise	25	-	89,327,084	(89,327,084)	-	-	-	-	-	-
Subscriptions received in advance from exercises of warrants	26	-	-	-	10,626,000	-	-	-	-	10,626,000
Dividend paid	27	-	-	-	-	-	-	(1,324,674,753)	-	(1,324,674,753)
Profits for the year		-	-	-	-	-	-	4,113,317,836	-	4,113,317,836
Other comprehensive income for the year										
Losses on valuation of available-for-sale investments - net of income taxes		-	-	-	-	-	-	-	(1,552,612,418)	(1,552,612,418)
Actuarial gain - net of income taxes		-	-	-	-	-	-	(923,909)	-	(923,909)
Total comprehensive income (loss) for the year		-	-	-	-	-	-	4,112,393,927	(1,552,612,418)	2,559,781,509
Balance as at 31 December 2015		<u>1,703,810,780</u>	<u>3,219,925,822</u>	<u>38,833,826</u>	<u>10,626,000</u>	<u>170,800,000</u>	<u>400,000,000</u>	<u>17,468,357,189</u>	<u>3,985,965,839</u>	<u>26,998,319,456</u>
		-	-	-	-	-	-	-	-	-

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

Bangkok Life Assurance Public Company Limited
Notes to financial statements
For the years ended 31 December 2015 and 2014

1. Corporate information

Bangkok Life Assurance Public Company Limited (“the Company”) is a publicly limited company incorporated and domiciled in Thailand. Its major shareholder is Nippon Life Insurance Company, which was incorporated in Japan. The Company is principally engaged in the provision of life insurance business. The registered office of the Company is at No. 23/115-121, Royal City Avenue, Rama 9 Road, Bangkapi Sub-district, Huaykwang District, Bangkok.

2. Basis of preparation of financial statements

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547, and in accordance with Thai accounting practices related to life insurance and the accounting and reporting guidelines prescribed by the Office of Insurance Commission (“OIC”). The presentation of the financial statements has been made in compliance with the Declaration of the Insurance Commission dated 27 May 2010.

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

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in Note 4 to the financial statements regarding a summary of significant accounting policies.

2.2 Basis of consolidation

(a) The consolidated financial statements include the financial statements of Bangkok Life Assurance Public Company Limited and the following subsidiary:

Company's name	Nature of business	Country of incorporation	Percentage of shareholding as at	
			31 December	
			2015	2014
			%	%
BLA Insurance Broker Company Limited	Insurance broker	Thailand	99	99

- (b) 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.
- (c) Subsidiary is fully consolidated, being the date on the Company obtains control, and continued to be consolidated until the date when such control ceases.
- (d) The financial statements of the subsidiary are prepared using the same significant accounting policies as the Company.
- (e) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
- (f) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statements of financial position.

2.3 The separate financial statements

The separate financial statements present investment in a subsidiary under the cost method.

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current year

The Company has adopted the revised (revised 2014) and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after 1 January 2015. 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. However, some of these standards involve changes to key principles, which are summarised below:

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognises actuarial gains and losses immediately in other comprehensive income while the former standard allowed the entity to recognise such gains and losses immediately in either profit or loss or other comprehensive income, or to recognise them gradually in profit or loss.

The Company and its subsidiary have changed the recognition of actuarial gains and losses in the current year from an immediate recognition in profit or loss to an immediate recognition in other comprehensive income and adjusted the current year's transactions and restated the prior year's financial statements, presented as comparative information, as if the Company had always applied this accounting policy. The cumulative effect of changes in accounting policies is presented in Note 4 to the financial statements.

TFRS 10 Consolidated Financial Statements

TFRS 10 prescribes requirements for the preparation of consolidated financial statements and replaces the content of TAS 27 Consolidated and Separate Financial Statements dealing with consolidated financial statements. This standard changes the principles used in considering whether control exists. Under this standard, an investor is deemed to have control over an investee 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, even if it holds less than half of the shares or voting rights. This important change requires the management to exercise a lot of judgment when reviewing whether the Company and its subsidiary have control over investees and determining which entities have to be included in preparation of the consolidated financial statements.

This standard does not have any impact on financial statements of the Company and its subsidiary.

TFRS 12 Disclosure of Interests in Other Entities

This standard stipulates disclosures relating to an entity's interests in subsidiaries, joint arrangements and associates, including structured entities. This standard therefore has no financial impact on the financial statements of the Company and its subsidiary.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurement. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair value. The effects of the adoption of this standard are to be recognised prospectively.

This standard does not have any significant impact on the financial statements of the Company and its subsidiary.

(b) Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of the revised (revised 2015) and new financial reporting standards and accounting treatment guidance which is effective for fiscal years beginning on or after 1 January 2016. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards. The Company's management believes that the revised and new financial reporting standards will not have any significant impact on the financial statements when it is initially applied, except the following standard.

TFRS 4 Insurance Contracts

The objective of TFRS 4 is to specify the financial reporting for insurance contracts issued by any entity until the second phase of its project on insurance contracts is completed. In particular, this TFRS requires disclosure that identifies and explains the amounts in an insurer's financial statements arising from insurance contracts and prohibits provisions for possible claims under contracts that are not in existence at the end of the reporting period. In addition, it requires a test for the adequacy of recognised insurance liabilities and an impairment test for reinsurance assets. This TFRS temporarily exempts an insurer from some requirements of other TFRSs, including the requirement to consider the framework in selecting accounting policies for insurance contracts.

The Company's management is still evaluating the first-year impact of TFRS 4 to the financial statements for the year in which TFRS 4 will be adopted.

4. Cumulative effect of changes in accounting policies due to the adoption of new financial reporting standard

As described in Note 3 to the financial statements, during the current year, the Company and its subsidiary have changed some of their accounting policies, as a result of the adoption of new and revised financial reporting standards.

The amounts of adjustments affecting the statements of income and the statements of comprehensive income are summarised below.

	(Unit: Thousand Baht)
	<u>For the year ended 31 December 2014</u>
	<u>Consolidated and separate financial statements</u>
Statements of income	
Profit or loss:	
Decrease in actuarial gains	14,915
Decrease in profit for the year	11,932
Statements of comprehensive income	
Other comprehensive income:	
Increase in actuarial gains	14,915
Increase in other comprehensive income	11,932
Earnings per share (Baht):	
Decrease in basic earnings per share	0.007
Decrease in diluted earnings per share	0.007

5. Summary significant accounting policies

5.1 Revenue recognition

(a) Premium income

For the first year policies, premium written after net of premium ceded and refund, is recognised as revenue on the effective date of the insurance policies. For renewal policies, it is recognised as revenue when due and only on the policy that is still in force at the end of reporting period.

(b) Interest and dividend income on investments

Interest income is recognised as revenue on an accrual basis based on the effective interest rate. Dividends are recognised as revenue when the right to receive the dividend is established.

- (c) Interest income on loans

Interest income is recognised as revenue over the term of the loans based on the amount of principal outstanding, except for interest income portion that has been past due over six months, it is recognised on a cash basis.

- (d) Gains (losses) on investments

Gains (losses) on investments are recognised as revenues or expenses when incurred.

5.2 Expenses recognition

- (a) Ceded premium

Ceded premium is recognised as expense when the insurance risk is transferred to another reinsurer.

- (b) Commissions and brokerages

Commission and brokerage fees are expended when incurred.

- (c) Claims and losses adjustment expenses

Claims and losses adjustment expenses consist of claims and losses adjustment expenses of insurance, and include the amounts of the claims, related expenses, and loss adjustments of the current and prior period incurred during the year, and less claims refundable from reinsurers.

Claims and losses adjustment expenses of insurance are recognised upon the receipt of the claims advice from the insured, based on the claims notified by the insured and estimates made by the Company's management. The maximum value of claims estimated is not to exceed the sum-insured under the relevant policy.

- (d) Benefit payments under life policies

Benefit payments under life policies are recorded when notices of claims have been received or when benefits are due as conditions in policies.

- (e) Other underwriting and operating expenses

Other underwriting and operating expenses are recognised in profit or loss as expenses on an accrual basis.

5.3 Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

5.4 Premium receivables and allowance for doubtful accounts

Premium receivables are stated at the net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of premium receivables. The allowance is generally based on collection experiences and a review of current status of the premium receivables as at the end of reporting period.

For individual policies whose cash value is greater than the amount of premium receivable and that is overdue longer than the grace period granted by the Company, the premium receivables will be settled by granting automatic premium loans.

5.5 Reinsurance assets and due to reinsurers

(a) Reinsurance assets

Reinsurance assets are stated at the outstanding balance of amounts due from reinsurers and insurance reserves refundable from reinsurers.

Amounts due from reinsurers consist of accrued commission and brokerage income, claims and various other items receivable from reinsurers, excluding reinsurance premium receivables, less allowance for doubtful accounts. The Company records allowance for doubtful accounts for the estimated losses that may be incurred due to inability to make collection, taking into account collection experience and the status of receivables from reinsurers as at the end of the reporting period.

Insurance reserves refundable from reinsurers are estimated, based on the related reinsurance contracts, on premium reserve, loss reserve and outstanding claims in accordance with the regulations regarding insurance reserves calculations.

(b) Due to reinsurers

Due to reinsurers are stated at the outstanding balance payable to reinsurers, which consist of reinsurance premiums and other items payable to reinsurers, excluding claims.

The Company presents net of reinsurance to the same entity (reinsurance assets or amounts due to reinsurers) when the following criteria for offsetting are met.

- (1) The Company has a legal right to offset amounts presented in the statements of financial position, and
- (2) The Company intends to receive or pay the net amount recognised in the statements of financial position, or to realise the asset at the same time as it pays the liability.

5.6 Investments in securities

The Company measures investments in securities according to classification of investments as follows:

- (a) Trading investments are stated at fair value. Changes in the fair value of these investments are recorded in profit or loss.
- (b) Available-for-sale investments are stated at fair value. Changes in the fair value of these investments are recorded in other comprehensive income, and will be transferred to be recognised in profit or loss when investments are sold.
- (c) Investments in held-to-maturity debt securities are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income. The investments in debt securities are classified as held-to-maturity debt securities when the Company has the positive intention and ability to hold them to maturity.
- (e) Investments in non-marketable equity securities are classified as general investments, and are stated at cost net of allowance for loss on impairment (if any).
- (d) Investment in a subsidiary is accounted for in the separate financial statements using the cost method.

The fair value of marketable security is based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of debt instrument is determined based on the yield rate quoted by the Thai Bond Market Association. The fair value of unit trust is determined from its net asset value.

Purchases and sales of investments are recorded on the trading dates.

On disposal of an investment, the difference between net disposal proceeds and the cost of the investment is recognised as revenue or expense in profit or loss. The weighted average method is used for computation of the cost of investments.

5.7 Loans and allowance for doubtful accounts

Loans are stated at net realisable value. The Company set up an allowance for doubtful accounts based on the estimated loss that may be incurred in collection of receivables, on the basis of collection experiences, analysis of debt aging and the appraisal value of the collateral of each debt.

5.8 Premises and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment are calculated by reference to their costs on a straight-line basis over the following estimated useful lives, or the period of the lease.

Buildings	- 20	years
Condominium units	- 20	years
Building improvements	- 5	years
Leasehold improvements	-	Period of lease
Furniture and fixtures and office equipment	- 3 years and 5 years	
Motor vehicles	- 5	years

Depreciation is included in profit or loss.

No depreciation is provided for land and construction in progress.

An item of property, buildings and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

5.9 Goodwill

Goodwill is initially recorded at cost, which equals to the excess of cost of business combination over the fair value of the net assets acquired. If the fair value of the net assets acquired exceeds the cost of business combination, the excess is immediately recognised as gain in profit or loss.

Goodwill is carried at cost less any accumulated for impairment losses. Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired.

An impairment loss is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

5.10 Intangible assets and amortisation

Intangible assets are carried at cost less any accumulated amortisation and accumulated impairment loss (if any).

Intangible assets with finite lives are amortised on a systematic basis over their economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation amount is charged as expenses to profit or loss.

The useful lives of intangible assets with finite useful lives which are computer software are expected to generate economic benefit within 3 years, 5 years and 10 years.

5.11 Investment property

Investment property is initially recorded at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at cost less accumulated depreciation and allowance for loss on impairment (if any).

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of 20 years. Depreciation of the investment property is charged as expense to profit or loss.

On disposal of investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period when the asset is derecognised.

5.12 Impairment of assets

At the end of each reporting period, the Company and its subsidiary perform impairment reviews in respect of property, buildings and equipment and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

5.13 Life policy reserves

Life policy reserves represent the accumulated total liabilities for policies in force as at the end of the reporting period. Such reserves are set aside for estimated future claims and benefits payment under all life insurance policies in force. The Company calculates reserve under long-term policies with reference to net level premium reserve ("NPV"), which is an actuarial method, plus Provision for Adverse Deviation (PAD), which is 4% of NPV. The main assumptions used relating to mortality rate, morbidity rate, longevity and discount rates.

At the end of the reporting period, the Company performs a liability adequacy assessment by comparing the carrying amount of the life policy reserve against the present value of estimated future cash flows using current assumptions. Any adjustment is recognised in profit or loss.

5.14 Unpaid policy benefits

Unpaid policy benefits are recorded when notices of the claims are received or when conditions in the policy are met.

5.15 Loss reserves and outstanding claims

Outstanding claims are recorded for the estimated cost of all claims notified but not settled at end of the reporting period, using the information available at the time. In addition, a loss reserve is also made for the cost of claims incurred but not reported (IBNR) as at end of the reporting period, which is based on actuarial estimates. The maximum value of claims estimated is not, however, to exceed the sum-insured under the relevant policy.

The Company also sets up additional reserves on claim for loss that already incurred but not yet reported (IBNR) to the Company using the actuarial methods as prescribed by the OIC's Notification regarding determination of types of capital, together with the guidelines, procedures and conditions for calculating capital of life insurance companies.

5.16 Premium reserves

Premium reserves consist of unearned premium reserves and unexpired risks reserves.

(a) Unearned premium reserves

At the end of the reporting period, the Company records unearned premium reserves for short-term riders and group insurance, based on the amount calculated on net premium written for the year, using the monthly average basis (the one-twenty fourth basis).

(b) Unexpired risk reserves

Unexpired risk reserves are the amounts set aside for claims, which may occur in the future, of the in-force policies. Unexpired risk reserves are determined using an actuarial method. The reserves are determined using the best estimates of the claims, which are expected to occur during the remaining coverage period, with reference to its historical claim data.

As at the end of reporting period, the Company compares the amounts of unexpired risk reserves with unearned premium reserves, and if unexpired risk reserves are higher than unearned premium reserves, the difference is recognised as unexpired risk reserves in the financial statements.

5.17 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses and contributions to the social security fund are recognised as expenses when incurred.

Post-employment benefits and other long-term employee benefits

Defined contribution plans

The Company and its subsidiary and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company and its subsidiary. The fund's assets are held in a separate trust fund and the contributions of the Company and its subsidiary are recognised as expenses when incurred.

Defined benefit plans and other long-term employee benefits

The Company and its subsidiary have obligations in respect of the severance payments they must make to employees upon retirement under labor law and other employee benefit plans. The Company and its subsidiary treat these severance payment obligations as a defined benefit plan. In addition, the Company and its subsidiary provide also other long-term employee benefit plans, namely long service awards.

The obligations under the defined benefit plan and other long-term employee benefit plans are determined based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

Actuarial gains and losses arising from other long-term benefits are recognised immediately in profit or loss

Share-based payment transactions

The scheme to issue warrants to employee of the Company will be recognised since the grant date based on the fair value of the issued securities as at the grant date. The Company will recognise them as expenses in profit or loss over the vesting period with a corresponding increase in "Capital reserve on share-based payments" in owners' equity. The Company will transfer "Capital reserve on share-based payments" to be recognised as "Share premium" proportionately based on the number of warrants exercised when there is an exercise of warrant.

5.18 Provisions

Provisions are recognised when the Company and its subsidiary have a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

5.19 Long-term leases

Leases of property, buildings or equipment, which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The asset acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, plant or equipment which do not transfer substantially all the risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

5.20 Foreign currencies

The consolidated and separate financial statements are presented in Baht, which is also the functional currency of the Company and its subsidiary. Items of each entity included in the consolidated financial statements are measured using the functional currency of that entity.

Transactions in foreign currencies are translated into Baht at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rate ruling at the end of reporting period.

Gains and losses on exchange are included in determining income.

5.21 Income tax

Income tax expenses

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

Current income taxes

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

Deferred income taxes

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

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

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

The Company and its subsidiary record deferred income taxes directly to owners' equity if the taxes relate to items that are recorded directly to owners' equity.

5.22 Derivatives

Forward exchange contracts

Receivables and payables arising from forward exchange contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are included in profit or loss. Premium or discounts on forward exchange contracts are amortised on a straight-line basis over the contract periods.

Cross currency swap contracts

Payables and receivables arising from cross currency swap contracts are translated into Baht at the rates of exchange ruling at the end of reporting period. Unrecognised gains and losses from the translation are recognised in profit or loss.

5.23 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company and its subsidiary apply a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company and its subsidiary measure fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

- Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company and its subsidiary determine whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5.24 Related party transactions

Related parties comprise enterprises and individuals that control, or are controlled by, the Company and its subsidiary, whether directly or indirectly, or which are under common control with the Company and its subsidiary.

They also include individuals which directly or indirectly own a voting interest in the Company and its subsidiary that gives them significant influence over the Company and its subsidiary, key management personnel, directors and officers with authority in the planning and direction of the operations of the Company and its subsidiary.

6. Significant accounting judgments and estimates

The preparation of financial statements in conformity with financial reporting standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates. Significant judgments and estimates are as follows:

6.1 Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risk and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

6.2 Allowance for doubtful accounts on receivables/loans/premium receivables

In determining an allowance for doubtful accounts on receivables, loans and premium receivables the management judgment and estimates based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

6.3 Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk (the Company and counterparty, both) liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

6.4 Impairment of investments in equity securities

The Company and its subsidiary treat available-for-sale investments and general investments as impaired when impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

6.5 Premises and equipment/Depreciation

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual values of the buildings and equipment and to reviews estimated useful lives and residual values when there are any changes.

In addition, the management is required to review property, buildings and equipment for impairment on a periodical basis and record impairment losses when it is determined that their recoverable amount is lower than the carrying amount. This requires judgements regarding forecast of future revenues and expenses relating to the assets subject to the review.

6.6 Goodwill and intangible assets

The initial recognition and measurement of goodwill and intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset and to choose a suitable discount rate in order to calculate the present value of those cash flows.

6.7 Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences and unused tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

6.8 Life policy reserves

Life policy reserves are calculated using the actuarial method, based on the current assumptions or on assumptions established at inception of the contract which reflect the best estimate at the time increased with a margin for risk and adverse deviation. The main assumptions used relate to mortality, morbidity, longevity, and discount rates. Estimating the reserve requires the management to exercise judgment, with reference to the best estimates available at the time.

6.9 Loss reserves and outstanding claims

At each reporting period, the Company has to estimate loss reserves and outstanding claims taking into account two parts. These are the claims incurred and reported at the reporting date, and the claims incurred but not yet reported (IBNR) at the reporting date. The key assumptions underlying these actuarial techniques relate to historical experiences, including the development of claims estimates, paid and incurred losses, average costs per claim and claim numbers, etc. Nevertheless, such estimates are forecasts of future outcomes, and therefore actual results could differ.

6.10 Unexpired risk reserves

Unexpired risk reserves are calculated using an actuarial method, based on a best estimate of the claims expected to be paid over the remaining term of the insurance. Estimating the reserve requires the management to exercise judgment, with reference to historical data and the best estimates available at the time.

6.11 Post-employment benefits under defined benefit plans and other long-term employee benefits

The obligations under the defined benefit plan and other long-term employee benefit plan are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

6.12 Litigation

The Company and its subsidiary have contingent liabilities as a result of litigation. The management of the Company and its subsidiary has used judgment to assess of the results of the litigation and believes that losses incurred will not exceed the recorded amounts as at the end of reporting period.

6.13 Cost of share-based payment transactions

Estimating the cost of share-based payment transactions requires the determination of the fair value of the options granted under the transactions which involves appropriate assumptions, including but not limited to the expected life of the share options, share price volatility, dividend yield, etc.

7. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
Cash on hand	6,007	4,224	6,006	4,223
Deposits at banks with no fixed maturity date	953,358	874,391	939,185	870,300
Deposits at banks with fixed maturity date	16,480,000	6,950,000	16,480,000	6,950,000
Total cash and deposits at financial institutions	17,439,365	7,828,615	17,425,191	7,824,523
Add: Investments in securities with original maturity period of less than 3 months	5,942,393	3,138,949	5,942,393	3,138,949
Less: Deposits at banks and financial institutions with an original maturity period of longer than 3 months	(16,280,000)	(5,260,000)	(16,280,000)	(5,260,000)
Cash and cash equivalents	7,101,758	5,707,564	7,087,584	5,703,472

As at 31 December 2015, interest rates on saving accounts, fixed deposits and notes are in the range of 0.38% - 1.75% per annum (31 December 2014: 0.38% - 3.00% per annum).

8. Premium receivables

As at 31 December 2015 and 2014, the outstanding balances of premium receivables, classified by overdue period, counted from the due dates under the stipulated credit terms, are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	31 December 2015		
	Due from insured	Due from agents and brokers	Total
Not yet due	1,620,699	54,984	1,675,683
Overdue			
Not over 30 days	4,676	4,456	9,132
Over 30 days to 60 days	22	18,334	18,356
Over 60 days to 90 days	28	6,055	6,083
Over 90 days to 1 year	163	6,630	6,793
Over 1 year	640	426	1,066
Total premium receivables	1,626,228	90,885	1,717,113

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	31 December 2014		
	Due from agents		Total
Due from insured	and brokers		
Not yet due	1,643,589	36,847	1,680,436
Overdue			
Not over 30 days	3,018	23,354	26,372
Over 30 days to 60 days	271	14,121	14,392
Over 60 days to 90 days	23	1,271	1,294
Over 90 days to 1 year	428	1,521	1,949
Over 1 year	331	459	790
Total premium receivables	1,647,660	77,573	1,725,233

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

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

9. Reinsurance assets

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	31 December 2015	31 December 2014
Insurance reserve refundable from reinsurers	372,054	318,471
Amounts due from reinsurers	527,122	445,314
Reinsurance assets	899,176	763,785

As at 31 December 2015 and 2014, the outstanding balances of amounts due from reinsurers, classified by overdue period, are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	31 December 2015	31 December 2014
Not yet due	527,122	445,314
Total amounts due from reinsurers	<u>527,122</u>	<u>445,314</u>

10. Investments in securities

10.1 Trading investments

(Unit: Thousand Baht)

	Consolidated and separate financial statements				
	31 December 2015				
	Cost	Unrealised gains	Unrealised losses	Fair value	Percentage of total assets
Private sector securities					
Equity securities	82,755	14,478	-	97,233	0.04
Unit trusts	17,016	1,971	-	18,987	0.01
Total	<u>99,771</u>	<u>16,449</u>	<u>-</u>	<u>116,220</u>	<u>0.05</u>
Total trading investments	<u>99,771</u>	<u>16,449</u>	<u>-</u>	<u>116,220</u>	<u>0.05</u>

(Unit: Thousand Baht)

	Consolidated and separate financial statements				
	31 December 2014				
	Cost	Unrealised gains	Unrealised losses	Fair value	Percentage of total assets
Private sector securities					
Unit trusts	17,045	25	-	17,070	0.01
Total	<u>17,045</u>	<u>25</u>	<u>-</u>	<u>17,070</u>	<u>0.01</u>
Total trading investments	<u>17,045</u>	<u>25</u>	<u>-</u>	<u>17,070</u>	<u>0.01</u>

10.2 Available-for-sale investments

(Unit: Thousand Baht)

Consolidated and separate financial statements					
31 December 2015					
	Unrealised	Unrealised		Percentage of	
Cost	gains	losses	Fair value	total assets	
Government and state enterprise securities					
Equity securities	455,440	271,032	(16,208)	710,264	0.28
Thai government bonds	478,370	37,896	-	516,266	0.21
Total	933,810	308,928	(16,208)	1,226,530	0.49
Private debt securities					
Equity securities	7,702,019	4,655,504	(744,998)	11,612,525	4.65
Unit trusts	10,215,576	518,529	(74,788)	10,659,317	4.27
Total	17,917,595	5,174,033	(819,786)	22,271,842	8.92
Foreign securities					
Equity securities	127,812	-	(21,882)	105,930	0.04
Unit trusts	1,783,848	621,340	(20,568)	2,384,620	0.96
Total	1,911,660	621,340	(42,450)	2,490,550	1.00
Total available-for-sale investments	20,763,065	6,104,301	(878,444)	25,988,922	10.41

(Unit: Thousand Baht)

Consolidated and separate financial statements					
31 December 2014					
	Unrealised	Unrealised		Percentage	
Cost	gains	losses	Fair value	of total	
				assets	
Government and state enterprise securities					
Equity securities	394,263	241,306	-	635,569	0.29
Thai government bonds	691,616	50,567	-	742,183	0.34
Total	1,085,879	291,873	-	1,377,752	0.63
Private debt securities					
Equity securities	6,858,733	6,229,110	(187,828)	12,900,015	5.98
Unit trusts	5,734,721	183,479	(77,769)	5,840,431	2.71
Total	12,593,454	6,412,589	(265,597)	18,740,446	8.69
Foreign securities					
Unit trusts	1,320,628	574,055	-	1,894,683	0.88
Total	1,320,628	574,055	-	1,894,683	0.88
Total available-for-sale investments	14,999,961	7,278,517	(265,597)	22,012,881	10.21

10.3 Held-to-maturity investments

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	31 December 2015		31 December 2014	
	Cost/ Amortised cost	Percentage of total assets	Cost/ Amortised cost	Percentage of total assets
Government and state enterprise securities				
Thai government bonds	99,348,277	39.80	91,572,879	42.48
State enterprise bonds	15,166,357	6.08	17,055,842	7.91
Debentures	7,038,652	2.82	5,839,817	2.71
Promissory notes	2,500,000	1.00	2,500,000	1.16
Total	124,053,286	49.70	116,968,538	54.26
Private enterprise debt securities				
Promissory notes/bills of exchange	10,167,122	4.07	9,891,752	4.59
Debentures	43,859,088	17.57	38,706,797	17.95
Total	54,026,210	21.64	48,598,549	22.54
Foreign debt securities				
Bonds	3,522,923	1.41	2,553,909	1.18
Debentures	2,812,253	1.13	2,125,546	0.99
Bill of exchanges	716,590	0.29	654,481	0.30
Total	7,051,766	2.83	5,333,936	2.47
Deposits at financial institutions with maturity period of longer than 3 months				
Deposit at banks	5,380,000	2.16	4,960,000	2.30
Certificates of deposit	10,900,000	4.37	300,000	0.14
Total	16,280,000	6.53	5,260,000	2.44
Total held-to-maturity investments	201,411,262	80.70	176,161,023	81.71

10.4 General investments

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	31 December 2015		31 December 2014	
	Cost	Percentage of total asset	Cost	Percentage of total asset
Investments in non-marketable securities				
Domestic	29,588	0.01	29,588	0.01
Overseas	17,074	0.01	17,074	0.01
Total general investments	46,662	0.02	46,662	0.02

10.5 Remaining periods to maturity of debt securities

(Unit: Thousand Baht)

Consolidated and separate financial statements				
31 December 2015				
	Period to maturity			Total
	Within 1 year	1 - 5 years	Over 5 years	
Available-for-sale investment				
Government and state enterprise securities				
Thai government bonds	-	323,399	154,971	478,370
Add: Unrealised gains	-	24,233	13,663	37,896
Total available-for-sale investments	-	347,632	168,634	516,266
Held-to-maturity investment				
Government and state enterprise securities				
Thai government bonds	59,768	4,544,797	94,743,712	99,348,277
State enterprise bonds	59,944	3,086,440	12,019,973	15,166,357
Debentures	-	1,962,239	5,076,413	7,038,652
Promissory notes	-	-	2,500,000	2,500,000
Total	119,712	9,593,476	114,340,098	124,053,286
Private enterprises securities				
Promissory notes/bills of exchange	2,290,000	1,300,000	6,577,122	10,167,122
Debentures	1,296,479	5,000,183	37,562,426	43,859,088
Total	3,586,479	6,300,183	44,139,548	54,026,210
Foreign investments				
Bonds	358,187	1,088,139	2,076,597	3,522,923
Debentures	210,000	652,662	1,949,591	2,812,253
Bill of exchanges	-	-	716,590	716,590
Total	568,187	1,740,801	4,742,778	7,051,766
Deposit at financial institutions with maturity period of longer than 3 months				
Deposit at banks	3,980,000	1,400,000	-	5,380,000
Certificates of deposit	4,600,000	6,300,000	-	10,900,000
Total	8,580,000	7,700,000	-	16,280,000
Total held-to-maturity investments	12,854,378	25,334,460	163,222,424	201,411,262

(Unit: Thousand Baht)

Consolidated and separate financial statements				
31 December 2014				
	Period to maturity			Total
	Within 1 year	1 - 5 years	Over 5 years	
Available-for-sale investment				
Government and state enterprise securities				
Thai government bonds	-	536,046	155,570	691,616
Add: Unrealised gains	-	38,481	12,086	50,567
Total available-for-sale investments	-	574,527	167,656	742,183
Held-to-maturity investment				
Government and state enterprise securities				
Thai government bonds	-	5,899,995	85,672,884	91,572,879
State enterprise bonds	1,841,552	2,444,346	12,769,944	17,055,842
Debentures	519,835	1,333,410	3,986,572	5,839,817
Promissory notes	-	-	2,500,000	2,500,000
Total	2,361,387	9,677,751	104,929,400	116,968,538
Private enterprises securities				
Promissory notes/bills of exchange	78,662	2,050,000	7,763,090	9,891,752
Debentures	915,769	3,036,217	34,754,811	38,706,797
Total	994,431	5,086,217	42,517,901	48,598,549
Foreign investments				
Bonds	163,771	983,993	1,406,145	2,553,909
Debentures	-	651,332	1,474,214	2,125,546
Bill of exchanges	-	-	654,481	654,481
Total	163,771	1,635,325	3,534,840	5,333,936
Deposit at financial institutions with maturity period of longer than 3 months				
Deposit at banks	3,560,000	1,400,000	-	4,960,000
Certificates of deposit	300,000	-	-	300,000
Total	3,860,000	1,400,000	-	5,260,000
Total held-to-maturity investments	7,379,589	17,799,293	150,982,141	176,161,023

10.6 Investments in structured notes

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

- (a) As at 31 December 2015 and 2014, the Company has investments of Baht 600 million and Baht 600 million, respectively, in promissory notes and bills of exchange, which were issued by local banks and branches of foreign commercial banks, have remaining maturity periods of 4 - 13 years and 5 - 14 years, respectively, and contain conditions whereby the issuer has call option or has rights to call for additional deposits.
- (b) As at 31 December 2015 and 2014, the Company has investments of Baht 2,290 million and Baht 2,050 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, have remaining maturity period of 1 years and 2 years, respectively, and contain conditions whereby the issuer has a call option and additional amounts can be deposited on a monthly basis and settlement of principal and interest is to be received on the maturity date per the agreement.
- (c) As at 31 December 2015 and 2014, the Company has investments of Baht 3,600 million and Baht 3,600 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, have remaining maturity periods of 4 - 7 years and 5 - 8 years, respectively, and bear interest that is reference to the yield rate on government bond (CMT Index).
- (d) As at 31 December 2015 and 2014, the Company has investments of Baht 2,879 million and Baht 2,805 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, have remaining maturity periods of 4 - 13 years and 6 - 14 years, respectively, and contain conditions whereby redemption of the notes and bills is based on the credit event of the reference assets.
- (e) As at 31 December 2015 and 2014, the Company has investments of Baht 798 million and Baht 758 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, have remaining lives of 18 years and 19 years, respectively, The bank has placed government bonds equivalent to 70% - 80% of the face values of the issued promissory notes and bills of exchange as collateral and such issues contain conditions whereby the redemption of the notes and bills is based on the credit event of the reference assets.

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

10.7 Investments subject to restriction

As at 31 December 2015 and 2014, the Company has placed government and state enterprise bonds of Baht 48,190 million and Baht 41,461 million, respectively with the Registrar as securities and reserves as described in Notes 36 and 37 to the financial statements.

10.8 Gains on investments

Gains on investments for the years ended 31 December 2015 and 2014 consisted of:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2015	2014
Gains on sales of investments		
Trading investments	4,131	5,607
Available-for-sale investments	999,946	1,500,034
Held-to-maturity investments	159,049	9,095
Total	<u>1,163,126</u>	<u>1,514,736</u>

10.9 Revaluation surplus on available-for-sale investments

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	For the years ended 31 December	
	2015	2014
Revaluation surplus on available-for-sale investments - beginning of the years	6,923,223	5,489,072
Gains (losses) on revaluation of available-for-sale investments	(1,047,192)	2,290,467
Gains on sales of available-for-sale investments during the years transferred to be recognised in profit or loss	<u>(893,574)</u>	<u>(856,316)</u>
Revaluation surplus on available-for-sale investments - end of the years	4,982,457	6,923,223
Less: Income taxes	<u>(996,491)</u>	<u>(1,384,645)</u>
Revaluation surplus on available-for-sale investments - net of taxes	<u>3,985,966</u>	<u>5,538,578</u>

11. Investment in a subsidiary

As at 31 December 2015 and 2014, detail of investment in a subsidiary, as presented in the separate financial statements, is as follows:

(Unit: Thousand Baht)

Company's name	Issued and paid-up capital		Shareholding percentage		Cost	
	31 December	31 December	31 December	31 December	31 December	31 December
	2015	2014	2015	2014	2015	2014
			%	%		
BLA Insurance Broker Company Limited	24,000	4,000	99	99	23,760	3,960

12. Loans and accrued interest

As at 31 December 2015 and 2014, the balances of loans and accrued interest receivables, classified by overdue periods, are as follows:

(Unit: Thousand Baht)

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

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

(Unit: Thousand Baht)

Overdue periods	Consolidated and separate financial statements								
	31 December 2014								
	Policy loans		Mortgage loans		Other loans		Total		Total
Principal	Accrued Interest ⁽¹⁾	Principal	Accrued Interest ⁽¹⁾	Principal	Accrued Interest ⁽¹⁾	Principal	Accrued Interest ⁽¹⁾		
Not yet due	4,250,986	299,022	444,824	820	15,605	-	4,711,415	299,842	5,011,257
Overdue:									
Less than 6 months	-	-	22,295	97	-	-	22,295	97	22,392
6 - 12 months	-	-	211	-	-	-	211	-	211
Over 12 months	-	-	1,149	79	53	2	1,202	81	1,283
Total	4,250,986	299,022	468,479	996	15,658	2	4,735,123	300,020	5,035,143
Less: Allowance for doubtful accounts	-	-	(66)	(80)	-	-	(66)	(80)	(146)
Loans and accrued interest receivables - net	4,250,986	299,022	468,413	916	15,658	2	4,735,057	299,940	5,034,997

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

Policy loans represent loans granted to the policyholders in an amount not exceeding the cash value of the policy. The loans carry interest at not more than 4.50% - 8.00% per annum, as approved by the Office of Insurance Commission.

Loans to employees under the employee welfare scheme are set for credit limit of Baht 0.1 million for personal guarantee loans. The interest rates charged are at the rates of 6.00% per annum. As at 31 December 2015 and 2014, loans to employees amounted to Baht 16 million and Baht 16 million, respectively.

Loans to employees under the mortgage loans are not to exceed 50 times the employee's monthly salary to each employee for secured loans. The loans carry interest of 5.00% - 6.00% per annum. As at 31 December 2015 and 2014, loans to employees under the mortgage loans amounted to Baht 54 million and Baht 53 million, respectively.

13. Premises and equipment

(Unit: Thousand Baht)

	Consolidated financial statements							Total
	Land	Buildings and buildings improvements	Condominium	Office furniture, fixture and equipment	Motor vehicles	Properties foreclosed	Construction In progress	
Cost:								
1 January 2014	118,612	344,259	36,633	476,362	31,067	6,685	11,519	1,025,137
Additions	48,199	6,611	-	27,584	4,666	-	39,049	126,109
Disposals	-	-	-	(9,309)	(9,758)	(2,285)	-	(21,352)
Transfer in (out)	-	8,022	-	-	-	-	(8,022)	-
31 December 2014	166,811	358,892	36,633	494,637	25,975	4,400	42,546	1,129,894
Additions	83,416	44,327	-	63,500	2,434	-	32,683	226,360
Disposals	-	-	-	(19,227)	(1,293)	(4,400)	-	(24,920)
Transfer in (out)	-	34,637	-	7,423	-	-	(42,060)	-
31 December 2015	250,227	437,856	36,633	546,333	27,116	-	33,169	1,331,334
Accumulated depreciation:								
1 January 2014	-	260,060	18,623	398,714	19,287	1,765	-	698,449
Depreciation on disposals	-	-	-	(9,261)	(9,758)	-	-	(19,019)
Depreciation for the year	-	15,337	1,831	40,551	3,432	70	-	61,221
31 December 2014	-	275,397	20,454	430,004	12,961	1,835	-	740,651
Depreciation on disposals	-	-	-	(19,135)	(869)	(1,835)	-	(21,839)
Depreciation for the year	-	23,682	1,832	36,222	3,576	-	-	65,312
31 December 2015	-	299,079	22,286	447,091	15,668	-	-	784,124
Net book value:								
31 December 2014	166,811	83,495	16,179	64,633	13,014	2,565	42,546	389,243
31 December 2015	250,227	138,777	14,347	99,242	11,448	-	33,169	547,210
Depreciation for the year								
2014								61,221
2015								65,312

(Unit: Thousand Baht)

Separate financial statements

	Land	Buildings and buildings improvements	Condominium	Office furniture, fixture and equipment	Motor vehicles	Properties foreclosed	Construction In progress	Total
Cost:								
1 January 2014	118,612	344,259	36,633	476,264	31,067	6,685	11,519	1,025,039
Additions	48,199	6,611	-	27,584	4,666	-	39,049	126,109
Disposals	-	-	-	(9,309)	(9,758)	(2,285)	-	(21,352)
Transfer in (out)	-	8,022	-	-	-	-	(8,022)	-
31 December 2014	166,811	358,892	36,633	494,539	25,975	4,400	42,546	1,129,796
Additions	83,416	44,173	-	63,412	2,434	-	32,683	226,118
Disposals	-	-	-	(19,227)	(1,293)	(4,400)	-	(24,920)
Transfer in (out)	-	34,637	-	7,423	-	-	(42,060)	-
31 December 2015	250,227	437,702	36,633	546,147	27,116	-	33,169	1,330,994
Accumulated depreciation:								
1 January 2014	-	260,060	18,623	398,690	19,287	1,765	-	698,425
Depreciation on disposals	-	-	-	(9,261)	(9,758)	-	-	(19,019)
Depreciation for the year	-	15,337	1,831	40,520	3,432	70	-	61,190
31 December 2014	-	275,397	20,454	429,949	12,961	1,835	-	740,596
Depreciation on disposals	-	-	-	(19,135)	(869)	(1,835)	-	(21,839)
Depreciation for the year	-	23,659	1,832	36,184	3,576	-	-	65,251
31 December 2015	-	299,056	22,286	446,998	15,668	-	-	784,008
Net book value:								
31 December 2014	166,811	83,495	16,179	64,590	13,014	2,565	42,546	389,200
31 December 2015	250,227	138,646	14,347	99,149	11,448	-	33,169	546,986
Depreciation for the year								
2014								61,190
2015								65,251

As at 31 December 2015 and 2014, certain items of buildings and equipment of the Company have been fully depreciated but are still in use. The cost before deducting accumulated depreciation of those assets amounted to Baht 501 million and Baht 475 million, respectively.

14. Intangible assets

(Unit: Thousand Baht)

	Consolidated financial statements		
		Computer	
	Computer software	Software under development	Total
Cost:			
1 January 2014	78,455	278	78,733
Increase	3,350	1,418	4,768
Transfer out	-	(1,119)	(1,119)
31 December 2014	81,805	577	82,382
Increase	20,624	959	21,583
Transfer out	-	(1,100)	(1,100)
31 December 2015	102,429	436	102,865
Accumulated amortisation:			
1 January 2014	59,286	-	59,286
Amortisation for the year	10,277	-	10,277
31 December 2014	69,563	-	69,563
Amortisation for the year	9,189	-	9,189
31 December 2015	78,752	-	78,752
Net book value			
31 December 2014	12,242	577	12,819
31 December 2015	23,677	436	24,113
Amortisation for the year			
2014			10,277
2015			9,189

(Unit: Thousand Baht)

	Separate financial statements		
	Computer software	Computer Software under development	Total
Cost:			
1 January 2014	78,455	278	78,733
Increase	3,350	1,418	4,768
Transfer out	-	(1,119)	(1,119)
31 December 2014	81,805	577	82,382
Increase	20,543	959	21,502
Transfer out	-	(1,100)	(1,100)
31 December 2015	102,348	436	102,784
Accumulated amortisation:			
1 January 2014	59,286	-	59,286
Amortisation for the year	10,277	-	10,277
31 December 2014	69,563	-	69,563
Amortisation for the year	9,185	-	9,185
31 December 2015	78,748	-	78,748
Net book value			
31 December 2014	12,242	577	12,819
31 December 2015	23,600	436	24,036
Amortisation for the year			
2014			10,277
2015			9,185

As at 31 December 2015 and 2014, certain computer software items were fully amortised but are still in use. The original costs, before deducting accumulated amortisation, of those assets amounted to approximately Baht 56 million and Baht 50 million, respectively (The Company only: Baht 56 million and Baht 50 million, respectively).

15. Investment property

The net book value of investment property as at 31 December 2015 is presented below.

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
	Office building for rent
31 December 2015	
Cost	21,303
Less: Accumulated depreciation	(356)
Net book value	<u>20,947</u>

A reconciliation of the net book value of investment property for the year ended 31 December 2015 is presented below.

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
	For the year ended 31 December 2015
Net book value at beginning of year	-
Acquisition of assets	21,303
Depreciation charged	(356)
Net book value at end of year	<u>20,947</u>

The fair value of the investment property as at 31 December 2015 stated below:

	(Unit: Thousand Baht)
	Consolidated and separate financial statements
	31 December 2015
Office building for rent	<u>17,497</u>

The fair value of the above investment property has been determined based on valuation performed by an independent valuer. The fair value of the office building held for rent has been determined using the cost approach. The approach was estimated current replacement cost less accumulated depreciation and add with fair value of land.

16. Deferred tax assets/liabilities and income tax expenses

16.1 Deferred tax assets/liabilities

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

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	31 December		Change in deferred tax assets/liabilities for the years ended 31 December	
	2015	2014	2015	2014
Deferred tax assets				
Life policy reserves	3,333,531	2,814,190	519,341 ⁽¹⁾	1,795,185 ⁽¹⁾
Loss reserves and outstanding claims	13,335	19,309	(5,974) ⁽¹⁾	3,824 ⁽¹⁾
Provisions for long-term employee benefits	35,710	33,548	2,162 ⁽³⁾	2,006 ⁽³⁾
Others	353	255	98 ⁽¹⁾	-
Total deferred tax assets	3,382,929	2,867,302	515,627	1,801,015
Deferred tax liabilities				
Trading investments	3,519	235	3,284 ⁽¹⁾	(1) ⁽¹⁾
Available-for-sale investments	996,491	1,384,645	(388,154) ⁽²⁾	(286,831) ⁽²⁾
Total deferred tax liabilities	1,000,010	1,384,880	(384,870)	(286,832)
Deferred tax assets - net	2,382,919	1,482,422		

⁽¹⁾ Reported in profit or loss

⁽²⁾ Reported in other comprehensive income (loss)

⁽³⁾ Reported in profit or loss and other comprehensive income (loss) of Baht 1,931 thousand and Baht 231 thousand, respectively. (2014: Reported in profit or loss and other comprehensive income (loss) of Baht 4,989 thousand and Baht (2,983) thousand, respectively.)

16.2 Income tax expenses

Income tax expenses for the years ended 31 December 2015 and 2014 are made up as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2015	2014
		(Restated)
Current income taxes:		
Corporate income tax charge	1,286,285	2,245,926
Adjustment in respect of income tax of previous year	4,475	1,541
Deferred income taxes:		
Relating to origination and reversal of temporary differences	(512,112)	(1,803,997)
Income tax expenses recognised in profit or loss	778,648	443,470

Reconciliations between accounting profits and income tax expense are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2015	2014	2015	2014
		(Restated)		(Restated)
Accounting profits before income tax expenses	4,886,728	3,093,261	4,891,966	3,096,254
Applicable corporate income tax rates	15%, 20%	15%, 20%	20%	20%
Income taxes at the applicable corporate income tax rates	977,346	618,652	978,393	619,251
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	(203,173)	(176,723)	(204,220)	(177,322)
Adjustment in respect of income tax of previous year	4,475	1,541	4,475	1,541
Income tax expenses recognised in profit or loss	778,648	443,470	778,648	443,470

The amounts of income taxes relating to each component of other comprehensive income (loss) for the years ended 31 December 2015 and 2014 are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2015	2014
		(Restated)
Income taxes relating to:		
(Gains) losses on revaluation of available-for-sale investments	566,868	(108,567)
Gains (losses) on sales of available-for-sale investment transferred to be recognised in profit or loss	(178,715)	(178,263)
Actuarial (gain) loss	231	(2,983)
Income taxes (revenues) expenses as reported in statements of comprehensive income	388,384	(289,813)

17. Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Deposits from derivative	336,000	-	336,000	-
Prepaid rental expenses	58,030	69,824	58,030	69,824
Deposits	48,138	62,705	48,072	62,705
Forward and swap exchange contracts receivables	231	24,963	231	24,963
Receivable from sales of investments	69,705	10,344	69,705	10,344
Prepaid expenses	12,567	9,768	12,567	9,768
Others	22,801	9,263	20,193	12,898
Total other assets	547,472	186,867	544,798	190,502

18. Due to reinsurers

As at 31 December 2015 and 2014, the Company has amounts due to reinsurers classified by type of liabilities as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	31 December 2015	31 December 2014
Outward premium payable	495,315	379,722
Total due to reinsurers	495,315	379,722

19. Life policy reserves

The Company has movements in life policy reserves as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2015	2014
Balances - beginning of the years	177,434,671	136,616,421
Life policy reserves for premium received during the period and reserves for enforced policy benefits and other claims	43,689,750	51,630,019
Benefit paid for death, maturity, surrender, benefits and other claims	(13,816,213)	(10,811,769)
Balances - end of the years	207,308,208	177,434,671

20. Unpaid policy benefits

As at 31 December 2015 and 2014, the Company has unpaid policy benefits as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	31 December 2015	31 December 2014
Death benefit	103,180	100,173
Maturity payment	43,085	13,665
Surrender	3,824	3,229
Total unpaid policy benefits	<u>150,089</u>	<u>117,067</u>

21. Loss reserves and outstanding claims

The Company has movements in loss reserves and outstanding claims as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2015	2014
Balances - beginning of the years	315,052	299,680
Claims and losses adjustment expenses for the years	1,734,751	1,770,506
Claims and losses adjustment expenses paid during the years	<u>(1,729,447)</u>	<u>(1,755,134)</u>
Balances - end of the years	<u>320,356</u>	<u>315,052</u>

22. Premium reserve

22.1 Unearned premium reserves

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2015	2014
Beginning - beginning of the years	1,056,888	1,021,135
Premium written for the years	2,954,373	2,897,001
Premium earned during the years	<u>(2,936,407)</u>	<u>(2,861,248)</u>
Balances - end of the years	<u>1,074,854</u>	<u>1,056,888</u>

22.2 Unexpired risk reserves

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2015	2014
Balances - beginning of the years	711,715	640,707
Estimated claims for the years	1,970,603	2,064,991
Risk expired during the years	(1,999,392)	(1,993,983)
Balances - end of the years	682,926	711,715

As at 31 December 2015 and 2014, no additional reserve for unexpired risk had been established by the Company as the unexpired risk reserve was lower than the unearned premium reserve.

23. Employee benefit payables

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Short-term employee benefits payables	176,971	160,794	175,957	159,984
Provisions for long-term employee benefits	179,646	168,620	178,550	167,734
Total employee benefit payables	356,617	329,414	354,507	327,718

Provision for long-term employee benefits, which represents compensation payable to employees after they retire, and other long-term benefits for the years ended 31 December 2015 and 2014 were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2015	2014	2015	2014
Provision for long-term employee benefits at beginning of years	168,620	157,711	167,734	157,711
Included in profit or loss:				
Current service cost	19,356	26,886	19,138	26,733
Interest cost	6,323	6,587	6,290	6,557
Included in other comprehensive income:				
Actuarial (gain) loss arising from				
Demographic assumptions changes	(8,390)	(18,511)	(8,340)	(18,511)
Financial assumptions changes	6,651	2,775	6,602	2,775
Experience adjustments	(2,717)	(40)	(2,749)	(40)
Benefits paid during the years	(10,125)	(7,491)	(10,125)	(7,491)
Increase in shareholding percentage in the subsidiary	-	703	-	-
Provision for long-term employee benefits at end of years	179,718	168,620	178,550	167,734

The Company and its subsidiary expect to pay Baht 3.5 million of long-term employee benefits during the next year (Separate financial statements: Baht 3.5 million) (2014: Baht 10.0 million, separate financial statements: Baht 10.0 million).

As at 31 December 2015, the weighted average duration of the liabilities for long-term employee benefit is 23 years (Separate financial statements: 23 years) (2014: 24 years, separate financial statements: 24 years).

Significant actuarial assumptions are summarised below:

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
	(% per annum)	(% per annum)	(% per annum)	(% per annum)
Discount rate for defined benefit plans	3.75%	4.25%	3.75%	4.25%
Discount rate for other long-term employee benefits	3.75%	3.75%	3.75%	3.75%
Inflation rate for gold price	3.00%	3.00%	3.00%	3.00%
Salary increase rate	6.00%	6.00%	6.00%	6.00%
Turnover rate (depending on age of employee)	3.20%, 9.30%	2.80%, 7.75%	3.20%, 9.30%	2.80%, 7.75%
Gold per weight of 1 Baht (Baht)	19,000	19,000	19,000	19,000

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2015 are summarised below:

Assumptions increase (decrease) (% per annum)	(Unit: Thousand Baht)		
	Consolidated financial statements	Separate financial statements	
	Amount increase (decrease)	Amount increase (decrease)	
Discount rate	0.25%	(4,889)	(4,861)
	(0.25%)	5,089	5,058
Inflation rate of gold price	0.25%	482	481
	(0.25%)	(471)	(470)
Salary increase rate	0.25%	4,407	4,380
	(0.25%)	(4,256)	(4,229)
Turnover rate	10.00%	(7,011)	(6,971)
	(10.00%)	6,705	6,668
Gold per weight of 1 Baht	10.00%	3,063	3,052
	(10.00%)	(2,784)	(2,774)

24. Other liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Forward and swap exchange contracts payables	2,912,292	1,024,799	2,912,292	1,024,799
Accrued commission expenses	468,619	460,839	468,199	460,551
Accrued expenses	387,177	316,853	386,076	316,020
Premium received for policies not yet approved	301,943	101,961	301,943	101,961
Amounts received awaiting transfer	64,634	80,763	64,634	80,763
Specific Business Tax payable	135,416	117,728	135,416	117,728
Payable to policyholders on exempted premiums	93,047	93,757	93,047	93,757
Payable from purchases of investments	51,123	6,183	51,123	6,183
Withholding tax payable	30,248	23,263	30,248	23,263
Others	24,353	12,556	21,690	10,924
Total other liabilities	4,468,852	2,238,702	4,464,668	2,235,949

25. Issued and paid-up share capital/Share premium

Reconciliations for the years ended 31 December 2015 are as follows:

	Consolidated and separate financial statements			
	Issued and paid-up share capital		Share premium	Capital reserve on share-based payments
	Number of shares (Thousand shares)	Thousand Baht	Thousand Baht	Thousand Baht
Balances - beginning of the year	1,697,850	1,697,850	2,987,540	103,822
Expenses in respect of share-based payments (Note 26)	5,961	5,961	143,059	24,339
Transfer capital reserve for share-based payment transactions to premium on share capital as a result of warrant No. 2 exercise	-	-	89,327	(89,327)
Balances - end of the year	1,703,811	1,703,811	3,219,926	38,834

26. Share-based payments - warrants

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

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

(Unit: Thousand units)

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

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

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

The issue of Warrant No. 2 was approved by the Annual General Meeting of shareholders held after 1 January 2011, during which Thai Financial Reporting Standard No. 2 "Share-Based Payment" (TFRS 2) became effective. The Company therefore calculated the average fair value of the warrants at the grant date, which is Baht 20.45 per unit, in order to record expenses in respect of share-based payments in accordance with such accounting standard.

The following information is used to determine fair value of the warrants.

Expected dividend yield	- 1.5%
Expected stock price volatility	- 39.9% (estimated with reference to historical price information of the Company)
Risk-free interest rate	- 3.51% - 3.64%
Expected life of warrants	- Not more than 5 years from the date of issuance or upon termination of an employee
Model used	- Black Schole - continuous model

Employee expenses in respect of share-based payments (Warrant No. 2) recognised for the years ended 31 December 2015 amounting to Baht 24.3 million (31 December 2014: Baht 37.8 million).

Movements of warrants during the year ended 31 December 2015 are summarised below.

	(Unit: Thousand units)
	For the year ended 31 December 2015
	Warrant No. 2
Number of unexercised warrants as at 1 January 2015	7,150
Exercised right terminated by employee's resignation and death	(170)
Exercised during the period	(4,561)
Number of unexercised warrants as at 31 December 2015	<u>2,419</u>

During the year ended 31 December 2014, the Warrant No. 1 holders exercised 0.9 million warrants at an exercise price of Baht 13.50 each, totally Baht 12.7 million.

During the years ended 31 December 2015, the Warrant No. 2 holders exercised rights 4.6 million units of warrants at an exercise price of Baht 25.00 each, or for a total of Baht 160 million. The Company recorded such amount received from the exercise of warrants under the caption of “Subscriptions received in advance from exercise of warrants”, in the owners’ equity. The details are summarised as below.

(Unit: Thousand Baht)

For the year ended 31 December 2015								
Exercise	Units of warrants (Thousand units)	Exercise price per share (Baht)	Proceeds from exercise	Issued and paid up share capital	Share Premium	Subscriptions received in advance from exercises of warrants	Share capital registration date	Listing date
Warrant No. 2								
The first exercise	3,008	25.00	105,266	4,211	101,055	-	10 April 2015	22 April 2015
The second exercise	589	25.00	20,616	825	19,794	-	13 July 2015	17 July 2015
The third exercise	661	25.00	23,135	925	22,210	-	15 October 2015	20 October 2015
The fourth exercise	303	25.00	10,626	-	-	10,626	26 January 2016	2 February 2016
Total	4,561		159,643	5,961	143,059	10,626		

27. Dividends paid

Dividends declared during the years ended 31 December 2015 and 2014 consisted of the following:

	Approved by	Type	Total dividend (Million Baht)	Dividend per share (Baht)
Final dividend for 2014	Annual General Meeting of the Shareholders on 29 April 2015 and the OIC on 24 April 2015	Cash	781	0.46
Interim dividend from operations for six-month period ended 30 June 2015	Meeting of Board of Directors on 11 August 2015 and the OIC on 3 September 2015	Cash	544	0.32
Total dividend for the period 2015			1,325	0.78
Final dividend for 2013	Annual General Meeting of the Shareholders on 30 April 2014 and the OIC on 8 April 2014	Cash	618	0.51
Interim dividend from operations for six-month period ended 30 June 2014	Meeting of Board of Directors on 8 August 2014 Meeting of The Extra Ordinary Shareholder on 25 September 2014 and the OIC on 12 September 2014	Cash Stock dividend (at the rate of 5 existing shares to 2 new shares)	60 482	0.05 0.40
Total dividend for the period 2014			1,160	0.96

28. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside to a statutory reserve at least 5 percent of its net profit after deducting accumulated deficit brought forward (if any), until the reserve reaches 10 percent of the registered capital. The statutory reserve is not available for dividend distribution. At present, the statutory reserve has fully been set aside.

29. Operating segment

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

The Company is operated in Thailand only. As a result, all of the revenues and assets as reflected in these financial statements pertain to the aforementioned geographical reportable. In 2015 and 2014, the Company has no major customer with revenue of 10 percent or more of an entity’s revenues.

Underwriting information classified by insurance categories for the years ended 31 December 2015 and 2014 is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				
	For the year ended 31 December 2015				
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Premium written	44,019,795	783,605	36,815	-	44,840,215
Less: Premium ceded	(677,574)	-	-	-	(677,574)
Net premium written	43,342,221	783,605	36,815	-	44,162,641
Add: Unearned premium reserve	11,393	-	951	-	12,344
Total underwriting income	43,353,614	783,605	37,766	-	44,174,985
Underwriting expenses					
Life policy reserves increased from prior year	29,114,795	758,742	-	-	29,873,537
Benefit payments under life policies and benefit adjustment expenses	14,137,467	12,242	-	-	14,149,709
Losses and losses adjustment expenses	1,238,091	-	2,386	-	1,240,477
Commissions and brokerage expenses	2,795,356	53,549	942	5,158	2,855,005
Sales promotional expenses	427,622	7,727	372	207	435,928
Other underwriting expenses	31,991	578	28	-	32,597
Total underwriting expenses	47,745,322	832,838	3,728	5,365	48,587,253

(Unit: Thousand Baht)

Consolidated financial statements					
For the year ended 31 December 2014					
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Premium written	51,503,050	268,146	38,932	-	51,810,128
Less: Premium ceded	(619,925)	-	-	-	(619,925)
Net premium written	50,883,125	268,146	38,932	-	51,190,203
Add (less): Unearned premium reserve	(19,172)	-	1,033	-	(18,139)
Total underwriting income	50,863,953	268,146	39,965	-	51,172,064
Underwriting expenses					
Life policy reserves increased from prior year	40,559,784	258,466	-	-	40,818,250
Benefit payments under life policies and benefit adjustment expenses	11,091,886	4,722	-	-	11,096,608
Losses and losses adjustment expenses	1,281,404	-	6,387	-	1,287,791
Commissions and brokerage expenses	2,782,905	21,331	1,107	1,633	2,806,976
Sales promotional expenses	308,658	1,627	243	43	310,571
Other underwriting expenses	28,470	150	22	-	28,642
Total underwriting expenses	56,053,107	286,296	7,759	1,676	56,348,838

(Unit: Thousand Baht)

Separate financial statements				
For the year ended 31 December 2015				
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Total
Underwriting income				
Premium written	44,019,795	783,605	36,815	44,840,215
Less: Premium ceded	(677,574)	-	-	(677,574)
Net premium written	43,342,221	783,605	36,815	44,162,641
Add: Unearned premium reserve	11,393	-	951	12,344
Total underwriting income	43,353,614	783,605	37,766	44,174,985
Underwriting expenses				
Life policy reserves increased from prior year	29,114,795	758,742	-	29,873,537
Benefit payments under life policies and benefit adjustment expenses	14,137,467	12,242	-	14,149,709
Losses and losses adjustment expenses	1,238,091	-	2,386	1,240,477
Commissions and brokerage expenses	2,795,356	53,549	942	2,849,847
Sales promotional expenses	427,622	7,727	372	435,721
Other underwriting expenses	31,991	578	28	32,597
Total underwriting expenses	47,745,322	832,838	3,728	48,581,888

(Unit: Thousand Baht)

	Separate financial statements			
	For the year ended 31 December 2014			
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Total
Underwriting income				
Premium written	51,503,050	268,146	38,932	51,810,128
Less: Premium ceded	(619,925)	-	-	(619,925)
Net premium written	50,883,125	268,146	38,932	51,190,203
Add (less): Unearned premium reserve	(19,172)	-	1,033	(18,139)
Total underwriting income	50,863,953	268,146	39,965	51,172,064
Underwriting expenses				
Life policy reserves increased from prior year	40,559,784	258,466	-	40,818,250
Benefit payments under life policies and benefit adjustment expenses	11,091,886	4,722	-	11,096,608
Losses and losses adjustment expenses	1,281,404	-	6,387	1,287,791
Commissions and brokerage expenses	2,782,905	21,331	1,107	2,805,343
Sales promotional expenses	308,658	1,627	243	310,528
Other underwriting expenses	28,470	150	22	28,642
Total underwriting expenses	56,053,107	286,296	7,759	56,347,162

30. Fair value gains (losses)

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the years ended 31 December	
	2015	2014
Unrealised gains from trading investments	16,903	25
Unrealised gains (losses) on foreign exchange contracts	(72,468)	7,167
Gains (losses) on exchange	135,451	(78,876)
Total fair value gains (losses)	79,886	(71,684)

31. Operating expenses

	(Unit: Thousand Baht)				
	Consolidated financial statements		Separate financial statements		
	For the years ended 31 December		For the years ended 31 December		
	2015	2014	2015	2014	
			(Restated)		
Personnel expenses, which are not expenses for underwriting and claims	931,870	889,611	926,692	886,992	
Premises and equipment expenses, which are not expenses for underwriting	162,424	154,534	161,966	154,454	
Taxes and duties	263,690	222,340	263,690	222,340	
Other operating expenses	695,525	629,147	695,240	628,820	
Total operating expenses	2,053,509	1,895,632	2,047,588	1,892,606	

32. Employee expenses

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the years ended 31 December		For the years ended 31 December	
	2015	2014	2015	2014
Salary and wages	858,731	785,343	854,044	783,709
Social security fund	14,124	13,299	14,076	13,284
Contribution to defined employee benefit	36,838	33,336	36,614	33,252
Other benefits	69,327	84,544	69,108	83,658
Total employee expenses	979,020	916,522	973,842	913,903

33. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 5 percent to 10 percent of basic salary. The fund, which is managed by a license fund manager, will be paid to employees upon termination in accordance with the fund rules. During the years 2015 and 2014, the Company and its subsidiary contributed Baht 37 million and Baht 33 million, respectively (The Company only: Baht 37 million and Baht 33 million, respectively) to the fund.

34. Earnings per share

Basic earnings per share is calculated by dividing profits for the years (as presented in statements of income) by the weighted average number of ordinary shares in issue during the years.

Diluted earnings per share is calculated by dividing profits for the years (as presented in statements of income) by the weighted average number of ordinary shares in issue during the years plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

Basic and diluted earnings per share for the years ended 31 December 2015 and 2014 are as follows:

	Consolidated financial statements					
	Profits for the years		Weighted average		Earnings	
	(Thousand Baht)		number of shares		per share	
	2015	2014	2015	2014	2015	2014
		(Restated)				(Restated)
Basic earnings per share						
Profits for the years	4,108,203	2,649,821	1,701,676	1,212,857		
Effect of stock dividend	-	-	-	482,325		
Profits attributable to ordinary shareholders						
of the Company	4,108,203	2,649,821	1,701,676	1,695,182	<u>2.41</u>	<u>1.56</u>
Effect of dilutive potential ordinary shares						
Warrant No. 1	-	-	-	296		
Warrant No. 2	-	-	4,745	2,972		
Diluted earnings per share						
Profits of ordinary shareholder assuming the conversion of warrants to ordinary shares	<u>4,108,203</u>	<u>2,649,821</u>	<u>1,706,421</u>	<u>1,698,450</u>	<u>2.41</u>	<u>1.56</u>

	Separate financial statements					
	Profits for the years		Weighted average		Earnings	
	(Thousand Baht)		number of shares		per share	
	2015	2014	2015	2014	2015	2014
		(Restated)			(Restated)	
Basic earnings per share						
Profits for the year	4,113,318	2,652,784	1,701,676	1,212,857		
Effect of stock dividends	-	-	-	482,325		
Profits attributable to ordinary shareholders of the Company	4,113,318	2,652,784	1,701,676	1,695,182	2.42	1.57
Effect of dilutive potential ordinary shares						
Warrant No. 1	-	-	-	296		
Warrant No. 2	-	-	4,745	2,972		
Diluted earnings per share						
Profits of ordinary shareholder assuming the conversion of warrants to ordinary shares	4,113,318	2,652,784	1,706,421	1,212,857	2.41	1.57

(1) No calculation of dilutive potential ordinary shares on Warrant No. 2 since the sum of the exercise price and fair value of employee services provided to the Company in the future per unit is higher than the average market price.

35. Related party transactions

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

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

Name of related parties	Type of business	Relationship with the Company
Bangkok Bank Pcl.	Banking	Shareholding and related by way of common directors
Bangkok Insurance Pcl.	Insurance	Shareholding and related by way of common directors
Thai Reinsurance Pcl.	Insurance	Related by way of common directors
Sorachai Vivatn Co., Ltd.	Property development	Related by way of common directors
Bumrungrad Hospital Pcl.	Health care services	Related by way of common directors and shareholders
The Phyathai 1 Hospital Co., Ltd. ⁽¹⁾	Health care services	Related by way of common directors
The Phyathai 2 Hospital Co., Ltd. ⁽¹⁾	Health care services	Related by way of common directors
Rajburi Sugar Co., Ltd.	Industry	Related by way of common directors
Narai Ruamphiphat Co., Ltd.	Property development	Holding by an individual related to the major shareholder of the Company
Bangkok Business Building (1987) Co., Ltd.	Rental of assets	Related by way of common directors and shareholders
Tris Corporation Ltd.	Services	Related by way of common directors and shareholders
Union Textile Industries Pcl.	Industry	Related by way of common shareholders
Charoen Pokphand Foods Pcl.	Agriculture	Related by way of common directors
TICON Industrial Connection Pcl.	Property development	Holding by an individual related to the major shareholder of the Company
Indorama Polymers Pcl.	Petrochemical	Related by way of common directors
Asia warehouse Co., Ltd.	Rental of assets	Holding by the major shareholder of the Company
Ek-Chai Distribution System Co., Ltd.	Commercial	Related by way of common directors
BBL Asset Management Co., Ltd.	Asset management	Related by way of common directors and shareholders
Bualuang Securities Pcl.	Securities	Subsidiary of the major shareholder of the Company
Asia Insurance Company Limited	Insurance	Related by way of common directors
BLA Insurance Broker Co., Ltd	Insurance broker	Subsidiary
Bangpain Golf Co., Ltd	Services	Related by way of common directors
Bangkok Mitsubishi UFJ Lease Co., Ltd.	Services	Related by way of common directors
Samitivij Pcl.	Health care service	Related by way of common directors
TM Design Co., Ltd.	Services	Holding by an individual related to the major shareholder of the Company

⁽¹⁾ It had been considered a related party until 7 May 2014 because the Company and its subsidiary have no common directors with the Phyathai 1 Hospital Co., Ltd. and Phyathai 2 Hospital Co., Ltd. since then.

During the years ended 31 December 2015 and 2014, the Company and its subsidiary had significant business transactions with its related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course business between the Company and those parties are as follows:

	Consolidated financial statements		Pricing policy
	For the years ended 31 December		
	2015	2014	
Related parties			
Premium written	6,670	6,771	Normal commercial terms for underwriting
Claim recovery from reinsurance	-	17	At a mutually agreed percentage of reinsurance premium
Interest income - deposits at banks, promissory notes and debentures	643,487	555,016	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	8,482	9,798	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	304,952	244,824	The declared amount
Rental and service income	6,267	4,083	Rate on agreements those charged by rental and service fees per square meter per month
Brokerage income from securities trading	30,902	19,887	Normal commercial terms for securities brokerage
Gain (loss) on forward and swap foreign exchange contracts	364,224	117,138	Normal commercial terms on contracts
Premium ceded	-	83	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contract
Commission and brokerage	1,200,940	1,204,078	At a mutually agreed percentage of premium written
Claim payment and diagnose charge	46,453	105,147	Normal commercial terms for underwriting
Bank charges	103,769	90,349	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	2,774	1,894	Normal commercial terms for underwriting
Building space rental and services	71,122	67,458	Head office building: Rental fee of approximately Baht 90 per square meter per month and service fee of Baht 29 per square meter per month for long-term agreement and approximately Baht 44, Baht 138 per square meter per month and service fees approximately Baht 91, Baht 307 per square meter per month. Branch office buildings: Rental fees of approximately Baht 100, Baht 150, Baht 188 and Baht 315 per square meter per month and service fees of approximately Baht 342 and Baht 200 per square meter per month.
Other services	710	558	Normal commercial terms for services

(Unit: Thousand Baht)

	Separate financial statements		Pricing policy
	For the years ended 31 December		
	2015	2014	
Transactions with related companies			
Subsidiary			
Rental and service income	459	164	Rate on agreements as those charged by rental and service fees per square meter per month
Related parties			
Premium written	6,670	6,771	Normal commercial terms for underwriting
Claim recoverable from reinsurer	-	17	At a mutually agreed percentage of reinsurance premium
Interest income - deposits at banks, promissory notes and debentures	643,476	555,016	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	8,482	9,798	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	304,952	244,824	The declared amount
Rental and service income	-	227	Rate on agreements as those charged by rental and service fees per square meter per month
Brokerage income from securities trading	30,902	19,887	Normal commercial terms for securities brokerage
Gain on forward and swap foreign exchange contracts	364,224	117,138	Normal commercial terms on contracts
Premium ceded	-	83	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contract
Commission and brokerage	1,200,940	1,204,078	At a mutually agreed percentage of premium written
Claim payment and diagnose charge	46,453	105,147	Normal commercial terms for underwriting
Bank charges	103,696	90,303	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	2,774	1,894	Normal commercial terms for underwriting
Building space rental and services	71,122	67,458	Head office building: Rental fee of approximately Baht 90 per square meter per month and service fee of Baht 29 per square meter per month for long-term agreement and approximately Baht 44, Baht 138 per square meter per month and service fees approximately Baht 91, Baht 307 per square meter per month. Branch office buildings: Rental fees of approximately Baht 100, Baht 150, Baht 188 and Baht 315 per square meter per month and service fees of approximately Baht 342 and Baht 200 per square meter per month.
Other services	710	558	Normal commercial terms for services

For the years ended 31 December 2015 and 2014, the premium generated from the Bancassurance distribution channel represented approximately 65.33% and 70.85% of total net premium written, respectively.

As at 31 December 2015 and 2014, the balance of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	31 December 2015	31 December 2014	31 December 2015	31 December 2014
Deposit at financial institution				
(included in cash and cash equivalents)	4,127,677	4,187,212	4,113,889	4,183,121
Reinsurance assets	-	107	-	107
Investments in securities				
Trading investments - cost				
Domestic investment units	17,016	-	17,016	-
Total trading investment - cost	17,016	-	17,016	-
Add: Unrealised gains	1,971	-	1,971	-
Total trading investments - fair value	18,987	-	18,987	-
Available-for-sale investments - cost				
Domestic equity securities	2,102,720	1,592,841	2,102,720	1,592,841
Domestic investment unit	3,159,930	1,944,408	3,159,930	1,944,408
Total available-for-sale investment - cost	5,262,650	3,537,249	5,262,650	3,537,249
Add: Unrealised gains	2,216,690	1,777,529	2,216,690	1,777,529
Total available-for-sale investments - fair value	7,479,340	5,314,778	7,479,340	5,314,778
Held-to-maturity investments - cost/amortised cost				
Private enterprise debt securities	4,105,000	4,105,000	4,105,000	4,105,000
Foreign debt securities	5,898,909	5,841,640	5,898,909	5,841,640
Total held-to-maturity investment - cost/amortised cost	10,003,909	9,946,640	10,003,909	9,946,640
General investments - foreign equity securities	11,167	11,167	11,167	11,167
Total investments in securities	17,513,403	15,272,585	17,513,403	15,272,585
Loans	119,162	140,077	119,162	140,077
Forward and swap foreign exchange contract receivable	3,329,930	4,120,176	3,329,930	4,120,176
Other assets				
Prepaid rental expense	-	465	-	465
Prepaid expense	58,471	70,924	58,471	70,505
Total other assets	58,471	71,389	58,471	70,970

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 December	31 December	31 December	31 December
	2015	2014	2015	2014
Outstanding claims	6,837	9,280	6,837	9,280
Forward and swap foreign exchange contract payable	3,732,423	4,253,699	3,732,423	4,253,699
Other liabilities				
Accrued commission	191,756	135,181	191,756	135,181
Accrued rental and service expense	4,725	2,640	234	224
Total other liabilities	196,481	137,821	191,990	135,405

Directors and management's benefits

During the years ended 31 December 2015 and 2014, the Company and its subsidiary had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the years ended		For the years ended	
	31 December		31 December	
	2015	2014	2015	2014
Short-term employee benefits	44,668	41,690	44,668	41,690
Long-term employee benefits	2,369	2,830	2,011	2,830
Share-based payment transactions (Note 26)	6,046	12,408	6,046	12,408
Total directors and management's benefits	53,083	56,928	52,725	56,928

The details of the warrants which allocated to the Company's employees are presented in Note 26 to the financial statements.

36. Assets placed with the Registrar

As at 31 December 2015 and 2014, the following assets have been placed as securities with the Registrar in accordance with the Life Insurance Act.

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	31 December 2015		31 December 2014	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
State enterprise bonds	20,000	23,928	20,000	20,626

37. Assets reserved with the Registrar

As at 31 December 2015 and 2014, the following assets have been placed as reserves with the Registrar in accordance with the Life Insurance Act.

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	31 December 2015		31 December 2014	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Government bonds	41,970,820	46,960,565	35,241,617	38,323,342
State enterprise bonds	6,199,413	7,053,062	6,199,138	7,035,686
Total	48,170,233	54,013,627	41,440,755	45,359,028

38. Commitments

38.1 The Company and its subsidiary have entered into several lease agreements in respect of the lease of office building space, motor vehicles and equipment. The terms of the agreements are generally between 3 and 25 years for leases of building space and are generally between 1 and 5 years for leases of motor vehicles and equipment. Such agreements are non-cancellable.

As at 31 December 2015 and 2014, future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2015			
	Pay within			
	1 year	1 - 5 years	Over 5 years	Total
Operating lease agreements	88.8	72.0	-	160.8
Service agreements	13.5	-	-	13.5
Total	102.3	72.0	-	174.3

(Unit: Million Baht)

	Consolidated financial statements			
	31 December 2014			
	Pay within			
	1 year	1 - 5 years	Over 5 years	Total
Operating lease agreements	74.0	110.0	5.3	189.3
Service agreements	0.4	-	-	0.4
Total	74.4	110.0	5.3	189.7

(Unit: Million Baht)

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

(Unit: Million Baht)

	Separate financial statements			
	31 December 2014			
	Pay within			
	1 year	1 - 5 years	Over 5 years	Total
Operating lease agreements	74.0	110.0	5.3	189.3
Service agreements	0.4	-	-	0.4
Total	74.4	110.0	5.3	189.7

38.2 As at 31 December 2015 and 2014, the Company may need to deposit additional amounts in the future under the investment conditions as described in Note 10.6 (a) and Note 10.6 (b) to the financial statements, as summarised below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
Payable within	31 December 2015	31 December 2014
1 year	1,010,000	1,140,000
2 - 5 years	900,000	1,010,000

39. Litigation

As at 31 December 2015 and 2014, the Company has been sued in litigation cases of compensation of claims totaling approximately Baht 48 million and Baht 47 million, respectively, for being the insurer and the cases have yet been finalised. The Company has yet provided for any provision for loss on such cases since there are still uncertainty with respect to the outcome of the cases.

40. Fair value hierarchy

As at 31 December 2015, the Company and its subsidiary had the assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated and separated financial statements			
	Level 1	Level 2	Level 3	Total
Assets measured at fair value				
Trading investments				
Equity instruments	97,233	18,987	-	116,220
Available-for-sale investments				
Equity instruments	12,428,719	13,043,937	-	25,472,656
Debt instruments	-	516,266	-	516,266
Assets for which fair value are disclosed				
Held-to-maturity investments				
Debt instruments	-	220,444,294	-	220,444,294
Derivatives				
Cross currency swap contracts	-	19,850	-	19,850
Forward exchange contracts	-	676	-	676
Loans				
Policy loans	-	-	6,467,176	6,467,176
Investment property	-	-	17,497	17,497
Liabilities for which fair value are disclosed				
Derivatives				
Cross currency swap contracts	-	2,358,711	-	2,358,711
Forward exchange contracts	-	3,375	-	3,375

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

41. Financial instruments

41.1 Financial risk management

The Company's and its subsidiary's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, premiums receivable, reinsurance assets/liabilities, loans, and investments. The financial risks associated with these financial instruments and how they are managed is described below.

Credit risk

Concentrations of the credit risk with respect to loans and premium receivables are expected to be low due to the large number of customers and borrowers and their dispersion across different industries and geographic regions in Thailand. The maximum exposure to credit risk is the carrying value of such assets as presented in statement of financial position.

There is insignificant risk from policy loans since the sum that the Company has lent to insured parties is less than cash value of their policies with the Company. The maximum value of the risk arising from secured loans is the amount of the loan less the value which the Company is able to derive from the assets placed as collateral.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its deposits at financial institutions, investments in securities and loans.

As at 31 December 2015 and 2014, financial assets classified by type of interest rate are summarised in the table below.

(Unit: Thousand Baht)

	Consolidated financial statements		
	31 December 2015		
	No interest	Floating interest rate	Fixed interest rate
Cash equivalents	349,841	426,479	6,325,438
Investments in securities			
Government and state enterprise securities	-	-	124,569,552
Private enterprise debt securities	-	3,600,000	50,426,210
Foreign debt securities	-	-	7,051,766
Deposit at financial institutions with maturity period of longer than 3 months	-	-	16,280,000
Loans			
Policy loans	-	-	5,480,866
Mortgage loans	-	54,396	587,405
Other loans	-	-	16,235
Total	349,841	4,080,875	210,737,472

(Unit: Thousand Baht)

	Consolidated financial statements		
	31 December 2014		
	No interest	Floating interest rate	Fixed interest rate
Cash equivalent	311,837	566,778	4,828,949
Investments in securities			
Government and state enterprise securities	-	-	117,710,720
Private enterprise debt securities	-	3,600,000	44,998,549
Foreign debt securities	-	-	5,333,937
Deposit at financial institutions which amounts maturing in over 3 months	-	-	5,260,000
Loans			
Policy loans	-	-	4,250,986
Mortgage loans	-	54,239	414,174
Other loans	101	-	15,557
Total	311,938	4,221,017	182,812,872

(Unit: Thousand Baht)

Separate financial statements			
31 December 2015			
	Floating interest		
	No interest	rate	Fixed interest rate
Cash equivalents	347,866	414,280	6,325,438
Investments in securities			
Government and state enterprise securities	-	-	124,569,552
Private enterprise debt securities	-	3,600,000	50,426,210
Foreign debt securities	-	-	7,051,766
Deposit at financial institutions with maturity period of longer than 3 months	-	-	16,280,000
Loans			
Policy loans	-	-	5,480,866
Mortgage loans	-	54,396	587,405
Other loans	-	-	16,235
Total	<u>347,866</u>	<u>4,068,676</u>	<u>210,737,472</u>

(Unit: Thousand Baht)

Separate financial statements			
31 December 2014			
	Floating interest		
	No interest	rate	Fixed interest rate
Cash equivalent	307,745	566,778	4,828,949
Investments in securities			
Government and state enterprise securities	-	-	117,710,720
Private enterprise debt securities	-	3,600,000	44,998,549
Foreign debt securities	-	-	5,333,937
Deposit at financial institutions which amounts maturing in over 3 months	-	-	5,260,000
Loans			
Policy loans	-	-	4,250,986
Mortgage loans	-	54,239	414,174
Other loans	101	-	15,557
Total	<u>307,846</u>	<u>4,221,017</u>	<u>182,812,872</u>

As at 31 December 2015 and 2014, the financial assets that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements				
	31 December 2015				
	Within 1 year	1 - 5 years	Over 5 years	Total	Average interest rate (% p.a.)
Investments in securities					
Government and state enterprise securities	119,712	9,941,107	114,508,733	124,569,552	4.31
Private enterprises debt securities	3,586,479	5,700,183	41,139,548	50,426,210	5.10
Foreign debt securities	568,187	1,740,801	4,742,778	7,051,766	5.20
Deposit at financial institutions which amounts maturing in over 3 months	8,580,000	7,700,000	-	16,280,000	2.96
Loans					
Mortgage loans	92,339	191,741	303,325	587,405	6.84
Other loans	16,105	77	53	16,235	6.00
Total	12,962,822	25,273,909	160,694,437	198,931,168	

(Unit: Thousand Baht)

	Consolidated and separate financial statements				
	31 December 2014				
	Within 1 year	1 - 5 years	Over 5 years	Total	Average interest rate (% p.a.)
Investments in securities					
Government and state enterprise securities	2,361,386	10,252,277	105,097,057	117,710,720	4.36
Private enterprises debt securities	994,431	5,086,217	38,917,900	44,998,548	5.19
Foreign debt securities	163,770	1,635,325	3,534,842	5,333,937	4.70
Deposit at financial institutions which amounts maturing in over 3 months	3,860,000	1,400,000	-	5,260,000	3.36
Loans					
Mortgage loans	-	122,277	291,897	414,174	4.50 - 8.00
Other loans	1,410	14,093	54	15,557	6.00
Total	7,380,997	18,510,189	147,841,750	173,732,936	

Liquidity risk

Liquidity risk is the risk that the Company and its subsidiary will be unable to liquidate financial assets and/or procure sufficient funds to discharge obligations in a timely manner, resulting in a financial loss. The Company and its subsidiary manage liquidity risk by maintaining a level of cash and cash equivalents appropriate to their operations to reduce the effects of fluctuations in cash flows.

Foreign currency risk

The Company's significant exposure to foreign currency risk is in respect of its investments in bonds and unit trusts which are denominated in foreign currencies. The Company utilises forward exchange and cross currency swap contracts to manage the risk.

As at 31 December 2015 and 2014, the balances of financial assets denominated in foreign currencies are summarised below.

Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2015	2014	2015	2014	2015	2014
	(Million units)		(Million units)		(Baht per 1 foreign currency unit)	
US dollar	664.9	648.9	622.5	641.6	36.25	33.11
Yen	350.0	-	999.9	652.1	0.30	0.28
Euro	4.5	-	1.6	-	39.80	-
LAK	29,509.3	-	-	-	0.0044	-

Foreign exchange contracts outstanding at 31 December 2015 and 2014 are summarised below.

Foreign currency	Long position as at 31 December		Contractual exchange rates		Maturity date	
	2015	2014	2015	2014	2015	2014
	(Million units)		(Baht per 1 foreign currency unit)			
US dollar	622.5	641.6	29.25 - 36.30	29.25 - 34.38	October 2016 - July 2025	January 2015 - December 2024
Yen	999.9	652.1	0.2989 - 0.3029	0.2817	December 2016	December 2015
Euro	1.6	-	38.06	-	March 2016	-

41.2 Fair value of financial instruments

The estimated fair value of significant financial instruments, in comparison with the related amounts carried in the statement of financial position, is as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2015		As at 31 December 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at fair value				
Cash and cash equivalents	7,101,758	7,101,758	5,707,564	5,707,564
Investments in securities				
Trading investments	116,220	116,220	17,070	17,070
Available-for-sale investments	25,988,922	25,988,922	22,012,881	22,012,881
Assets for which fair value are disclosed				
Investments in securities				
Held-to-maturity investments	201,411,262	220,444,294	176,161,023	189,681,128
Derivative				
Cross currency swap contracts	231	19,850	24,963	51,995
Forward exchange contracts	-	676	-	4,665
Loans				
Policy loans	5,480,866	6,467,176	4,250,986	4,936,563
Liabilities for which fair value are disclosed				
Derivative				
Cross currency swap contracts	2,901,914	2,358,711	1,007,018	475,481
Forward exchange contracts	10,378	3,375	17,781	7,159

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2015		As at 31 December 2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Cash and cash equivalents	7,087,584	7,087,584	5,703,472	5,703,472
Investments in securities				
Trading investments	116,220	116,220	17,070	17,070
Available-for-sale investments	25,988,922	25,988,922	22,012,881	22,012,881
Assets for which fair value are disclosed				
Investments in securities				
Held-to-maturity investments	201,411,262	220,444,294	176,161,023	189,681,128
Derivative				
Cross currency swap contracts	231	19,850	24,963	51,995
Forward exchange contracts	-	676	-	4,665
Loans				
Policy loans	5,480,866	6,467,176	4,250,986	4,936,563
Liabilities for which fair value are disclosed				
Derivative				
Cross currency swap contracts	2,901,914	2,358,711	1,007,018	475,481
Forward exchange contracts	10,378	3,375	17,781	7,159

The methods and assumptions used by the Company in estimating the fair value of financial instruments are as follows:

- a) For financial assets and liabilities which have short-term maturity, including cash and cash equivalents, their carrying amounts in the statement of financial position approximate their fair value.
- b) For debts securities, their fair value is generally derived from quoted market prices or determined by using the yield curve as announced by the Thai Bond Market Association or by other relevant bodies.
- c) For equity securities, their fair value is generally derived from quoted market prices.
- d) For policy loans, their fair value is estimated by discounting expected future cash flow by the interest-free bonds.

- e) For mortgage loans, their fair value is estimated by discounting expected future cash flow by the current market interest rate of the loans with similar terms and conditions. Thus, book value presented in financial statements is closely to fair value.
- f) For derivatives, their fair values have been determined by using fair values obtained from its counterparties, who are banks.

42. Contribution to Life Guarantee Fund

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the year ended 31 December	
	2015	2014
Life guarantee fund at the beginning of the years	211,616	159,806
Contribution during the years	44,840	51,810
Life guarantee fund at the end of the years	256,456	211,616

43. Capital management

The primary objective of the Company's capital management are to ensure that it has an appropriate financial structure, to preserves the Company's ability to continue its business as a going concern and to maintain capital reserve in accordance with Declarations of the OIC.

44. Event after the reporting period

At the Company's Board of Directors' meeting held on 26 February 2016, the Board of Directors passed a resolution to approve a dividend payment of Baht 0.32 per share. However, the payment of dividend must be approved by the resolution of the Annual General Meeting of shareholders of the Company and the Office of Insurance Commission.

45. Approval of financial statements

These financial statements were authorised for issue by the Board of Directors of the Company on 26 February 2016.