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

Interim Financial Statements

***Three-month and six-month period ended
June 30, 2018***



บริษัท ดีลอยท์ ทูเช่ โทมัทสु ไชยยศ
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**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

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

We have reviewed the consolidated statement of financial position of Bangkok Life Assurance Public Company Limited and its subsidiaries and the separate statement of financial position of Bangkok Life Assurance Public Company Limited as at June 30, 2018, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2018, changes in shareholders' equity, and cash flows for the six-month period ended June 30, 2018, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 11, on June 15, 2018, the Extraordinary Meeting of Shareholder of Bangkok Life Assurance (Cambodia) Public Limited Company which is a subsidiary of the Company has passed a resolution to cease its operation and proceed with the voluntary liquidation. The Company classified net loss from Bangkok Life Assurance (Cambodia) Public Limited Company as net loss from discontinued operation in the consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2018 and 2017.



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

BANGKOK
August 9, 2018

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2018

(Unit : Thousand Baht)

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
		June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
ASSETS					
Cash and cash equivalents	4, 27	5,733,270	3,975,792	5,643,904	3,877,092
Premium receivables	5	2,337,586	1,910,413	2,337,586	1,910,413
Accrued investment income		2,401,136	2,457,620	2,401,136	2,457,620
Reinsurance assets	6, 17	707,833	404,713	707,833	404,713
Amount due from reinsurances	7	732,856	928,466	732,856	928,466
Derivative assets	8	183,035	349,447	183,035	349,447
Investment assets					
Investments in securities					
Held-for-trading investments	9	59,784	87,957	59,784	87,957
Available-for-sale investments	9	77,318,138	77,121,935	77,318,138	77,121,935
Held-to-maturity investments	9, 28, 29	212,460,721	208,373,406	212,460,721	208,373,406
General investments	9	30,302	29,588	30,302	29,588
Investments in subsidiaries	10	-	-	98,437	151,117
Loans	12, 27	10,358,916	9,404,604	10,358,916	9,404,604
Investment property	13	18,284	18,817	18,284	18,817
Property, plant and equipment	14	1,329,543	1,314,554	1,327,169	1,311,776
Goodwill		4,955	4,955	-	-
Intangible assets		6,506	11,252	6,252	10,880
Deferred tax assets	15	2,079,507	1,511,620	2,079,507	1,511,620
Other assets	16	478,153	824,049	447,289	779,458
TOTAL ASSETS		316,240,525	308,729,188	316,211,149	308,728,909

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT JUNE 30, 2018

(Unit : Thousand Baht)

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		(Unaudited but reviewed) June 30, 2018	(Audited) December 31, 2017	(Unaudited but reviewed) June 30, 2018	(Audited) December 31, 2017
LIABILITIES AND EQUITY					
Liabilities					
Insurance contract liabilities	17	273,672,638	265,978,194	273,672,556	265,978,189
Amount due to reinsurances	18	969,288	1,003,195	969,288	1,003,195
Derivative liabilities	8	1,102,427	765,613	1,102,427	765,613
Income tax payable		218,999	-	218,999	-
Employee benefit obligations	19	238,036	228,827	236,125	227,097
Other liabilities	20	1,778,839	1,988,600	1,770,396	1,968,515
Total liabilities		<u>277,980,227</u>	<u>269,964,429</u>	<u>277,969,791</u>	<u>269,942,609</u>
Equity					
Share capital					
Authorized share capital					
1,708,000,000 ordinary shares of					
Baht 1 each					
		<u>1,708,000</u>	<u>1,708,000</u>	<u>1,708,000</u>	<u>1,708,000</u>
Issued and paid-up share capital					
1,707,566,000 ordinary shares of					
Baht 1 each, fully paid-up					
	21	1,707,566	1,707,566	1,707,566	1,707,566
Premium on share capital	21	3,360,993	3,360,993	3,360,993	3,360,993
Retained earnings					
Appropriated					
Legal reserve					
		170,800	170,800	170,800	170,800
General reserve					
		400,000	400,000	400,000	400,000
Unappropriated					
		26,453,189	23,841,906	26,438,198	23,872,300
Other component of equity					
Revaluation surplus on available-for-sale					
investments - net of income taxes					
		6,163,801	9,274,641	6,163,801	9,274,641
Exchange rate differences on translation of					
financial statements in foreign currency					
		(3,674)	(4,441)	-	-
Equity attributable to equity holders of the Company		<u>38,252,675</u>	<u>38,751,465</u>	<u>38,241,358</u>	<u>38,786,300</u>
Non-controlling interests of the subsidiaries		<u>7,623</u>	<u>13,294</u>	<u>-</u>	<u>-</u>
Total equity		<u>38,260,298</u>	<u>38,764,759</u>	<u>38,241,358</u>	<u>38,786,300</u>
TOTAL LIABILITIES AND EQUITY		<u>316,240,525</u>	<u>308,729,188</u>	<u>316,211,149</u>	<u>308,728,909</u>

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2018
“UNAUDITED BUT REVIEWED”

(Unit : Thousand Baht)

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017 (Revised)	2018	2017 (Revised)
Continuing Operations					
Revenues					
Gross written premium	23, 27	7,825,270	8,106,005	7,825,270	8,106,010
<u>Less</u> Premium ceded to reinsurers	23, 27	(286,332)	(186,646)	(286,332)	(186,646)
Net premium written		7,538,938	7,919,359	7,538,938	7,919,364
<u>Add</u> Unearned premium reserves decreased form prior period	23	99,297	1,123	99,297	1,123
Net earned premium		7,638,235	7,920,482	7,638,235	7,920,487
Fee and commission income	23	99,232	60,119	99,232	60,119
Net investment income	27	3,065,311	2,853,449	3,012,631	2,853,449
Gain on investment	9	458,278	486,745	458,278	486,745
Fair value loss	25	(92,355)	(59,263)	(92,355)	(59,263)
Other income	27	33,260	35,272	28,899	32,084
Total revenues		<u>11,201,961</u>	<u>11,296,804</u>	<u>11,144,920</u>	<u>11,293,621</u>
Expenses					
Life policy reserves increased from prior period	23	3,238,591	3,694,267	3,238,591	3,694,267
Gross benefit and claims paid	23, 27	5,300,191	5,019,392	5,300,190	5,019,393
<u>Less</u> Benefit and claims paid recovered from reinsurers	23, 27	(216,045)	(191,720)	(216,045)	(191,720)
Commissions and brokerages	23, 27	821,302	733,599	818,637	731,852
Other underwriting expenses	23, 35	205,721	165,220	205,721	165,136
Operating expenses	24, 27, 35	432,862	422,926	430,714	421,107
Total expenses		<u>9,782,622</u>	<u>9,843,684</u>	<u>9,777,808</u>	<u>9,840,035</u>
Profit before income tax expense		<u>1,419,339</u>	<u>1,453,120</u>	<u>1,367,112</u>	<u>1,453,586</u>
Income tax expenses	15	(185,246)	(224,649)	(185,246)	(224,649)
Profit for the periods from continuing operations		<u>1,234,093</u>	<u>1,228,471</u>	<u>1,181,866</u>	<u>1,228,937</u>
Discontinued operation					
Loss for the periods from discontinued operation - net of tax income	11	(7,385)	(8,674)	-	-
Profit for the periods		<u>1,226,708</u>	<u>1,219,797</u>	<u>1,181,866</u>	<u>1,228,937</u>
Profit for the periods attributable to					
Equity holders of the Company					
From continuing operations		1,234,098	1,228,476	1,181,866	1,228,937
From discontinued operation		(3,841)	(4,511)		
		<u>1,230,257</u>	<u>1,223,965</u>		
Non-controlling interests of the subsidiaries					
From continuing operations		(5)	(5)		
From discontinued operation		(3,544)	(4,163)		
		<u>(3,549)</u>	<u>(4,168)</u>		
		<u>1,226,708</u>	<u>1,219,797</u>		

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
 FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2018
 “UNAUDITED BUT REVIEWED”

(Unit : Thousand Baht)

	Notes	CONSOLIDATED		SEPARATE	
		2018	2017 (Revised)	2018	2017 (Revised)
Profit for the periods		1,226,708	1,219,797	1,181,866	1,228,937
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Gains (losses) on remeasuring available-for-sale investments	(2,088,959)	170,121	(2,088,959)	170,121	
Reversal of gain from sale of available-for-sale investments on remeasuring available-for-sale investments	(681,188)	(483,154)	(681,188)	(483,154)	
Exchange rate differences on translation of financial statements in foreign currency	6,365	3,579	-	-	
Income taxes relating to other comprehensive income	554,064	62,606	554,064	62,606	
Total other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income taxes		(2,209,718)	(246,848)	(2,216,083)	(250,427)
Other comprehensive income for the periods - net of income taxes		(2,209,718)	(246,848)	(2,216,083)	(250,427)
Total comprehensive income for the periods		(983,010)	972,949	(1,034,217)	978,510
Total comprehensive income for the periods attributable to					
Equity holders of the Company		(982,516)	975,398	(1,034,217)	978,510
Non-controlling interests of the subsidiaries		(494)	(2,449)		
		(983,010)	972,949		
					(Unit: Baht)
Earnings (losses) per share					
Basic earnings (losses) per share	30				
From continuing operations		0.72	0.73		
From discontinued operation	11	(0.01)	(0.01)		
Profit for the periods		0.71	0.72	0.69	0.72
Diluted earnings (losses) per share					
From continuing operations		0.72	0.73		
From discontinued operation		(0.01)	(0.01)		
Profit for the periods		0.71	0.72	0.69	0.72

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018
“UNAUDITED BUT REVIEWED”

(Unit : Thousand Baht)

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2018	2017 (Revised)	2018	2017 (Revised)
Continuing Operations					
Revenues					
Gross written premium	23, 27	21,130,770	21,253,717	21,130,869	21,253,771
<u>Less</u> Premium ceded to reinsurers	23, 27	(850,224)	(708,449)	(850,224)	(708,449)
Net premium written		20,280,546	20,545,268	20,280,645	20,545,322
<u>Add (Less)</u> Unearned premium reserves					
(increased) decreased form prior year	23	19,690	(84,638)	19,690	(84,638)
Net earned premium		20,300,236	20,460,630	20,300,335	20,460,684
Fee and commission income	23	234,362	186,782	234,362	186,782
Net investment income	27	6,017,090	5,649,378	5,964,410	5,649,378
Gain on investment	9	832,883	691,192	832,883	691,192
Fair value loss	25	(13,532)	(151,412)	(13,532)	(151,412)
Other income	27	67,588	60,978	59,220	54,722
Total revenues		27,438,627	26,897,548	27,377,678	26,891,346
Expenses					
Life policy reserves increased from prior year	23	7,698,976	11,259,581	7,698,976	11,259,581
Gross benefit and claims paid	23, 27	13,376,228	10,691,254	13,376,228	10,691,254
<u>Less</u> Benefit and claims paid recovered from reinsurers	23, 27	(436,810)	(272,699)	(436,810)	(272,699)
Commissions and brokerages	23, 27	1,873,877	1,568,122	1,869,064	1,564,421
Other underwriting expenses	23, 35	584,047	349,434	584,041	349,350
Operating expenses	24, 27, 35	828,730	794,919	824,887	791,105
Total expenses		23,925,048	24,390,611	23,916,386	24,383,012
Profit before income tax expense		3,513,579	2,506,937	3,461,292	2,508,334
Income tax expenses	15	(520,492)	(350,972)	(520,492)	(350,972)
Profit for the periods from continuing operations		2,993,087	2,155,965	2,940,800	2,157,362
Discontinued operation					
Loss for the periods from discontinued operation - net of tax income	11	(13,281)	(14,523)	-	-
Profit for the periods		2,979,806	2,141,442	2,940,800	2,157,362
Profit for the periods attributable to					
Equity holders of the Company					
From continuing operations		2,993,091	2,155,979	2,940,800	2,157,362
From discontinued operation		(6,906)	(7,552)		
		2,986,185	2,148,427		
Non-controlling interests of the subsidiaries					
From continuing operations		(4)	(14)		
From discontinued operation		(6,375)	(6,971)		
		(6,379)	(6,985)		
		2,979,806	2,141,442		

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018
“UNAUDITED BUT REVIEWED”

(Unit : Thousand Baht)

	Notes	CONSOLIDATED		SEPARATE	
		2018	2017 (Revised)	2018	2017 (Revised)
Profit for the periods		<u>2,979,806</u>	<u>2,141,442</u>	<u>2,940,800</u>	<u>2,157,362</u>
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Gains (losses) on remeasuring available-for-sale investments		(2,854,126)	992,988	(2,854,126)	992,988
Reversal of gain from sale of available-for-sale investments on remeasuring available-for-sale investments		(1,034,424)	(637,934)	(1,034,424)	(637,934)
Exchange rate differences on translation of financial statements in foreign currency		1,475	(504)	-	-
Income taxes relating to other comprehensive income		<u>777,710</u>	<u>(71,011)</u>	<u>777,710</u>	<u>(71,011)</u>
Total other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income taxes		<u>(3,109,365)</u>	<u>283,539</u>	<u>(3,110,840)</u>	<u>284,043</u>
Other comprehensive income for the periods - net of income taxes		<u>(3,109,365)</u>	<u>283,539</u>	<u>(3,110,840)</u>	<u>284,043</u>
Total comprehensive income for the periods		<u>(129,559)</u>	<u>2,424,981</u>	<u>(170,040)</u>	<u>2,441,405</u>
Total comprehensive income for the periods attributable to					
Equity holders of the Company		(123,888)	2,432,208	<u>(170,040)</u>	<u>2,441,405</u>
Non-controlling interests of the subsidiaries		<u>(5,671)</u>	<u>(7,227)</u>		
		<u>(129,559)</u>	<u>2,424,981</u>		
					(Unit: Baht)
Earnings (losses) per share					
Basic earnings (losses) per share	30				
From continuing operations		1.76	1.27		
From discontinued operation	11	(0.01)	(0.01)		
Profit for the periods		<u>1.75</u>	<u>1.26</u>	<u>1.72</u>	<u>1.26</u>
Diluted earnings (losses) per share					
From continuing operations		1.76	1.27		
From discontinued operation		(0.01)	(0.01)		
Profit for the periods		<u>1.75</u>	<u>1.26</u>	<u>1.72</u>	<u>1.26</u>

See the condensed notes to the interim financial statements

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

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

"UNAUDITED BUT REVIEWED"

(Unit : Thousand Baht)

		Consolidated financial statement									
		Equity attributable to equity holders of the Company						Other component of equity			
Notes	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		Surplus on remeasuring available-for-sale investments - net of income taxes	Exchange rate differences on translation of financial statements in foreign currency	Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total
					Appropriated	General reserve					
	1,705,953	3,309,857	11,323	20,300	170,800	400,000	21,482,015	299	33,320,935	8,140	33,329,075
22	-	-	1,103	-	-	-	-	-	1,103	-	1,103
22	1,613	38,710	-	(20,300)	-	-	-	-	20,023	-	20,023
22	-	12,426	(12,426)	-	-	-	-	-	-	-	-
31	-	-	-	-	-	-	(729,738)	-	(729,738)	-	(729,738)
	-	-	-	-	-	-	2,148,427	-	2,148,427	(6,983)	2,141,442
	-	-	-	-	-	-	284,043	-	284,043	-	284,043
	-	-	-	-	-	-	-	(261)	(261)	(243)	(504)
	1,707,566	3,360,993	-	-	170,800	400,000	22,900,704	(261)	2,432,209	(7,228)	2,424,981
							6,504,431	38	35,044,532	912	35,045,444

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

“UNAUDITED BUT REVIEWED”

(Unit: Thousand Baht)

		Consolidated financial statement										
		Equity attributable to equity holders of the Company					Other component of equity					
		Retained earnings			Surplus on remeasuring available-for-sale investments - net of income taxes		Exchange rate differences on translation of financial statements in foreign currency		Total equity attributable to equity holders of the Company		Equity attributable to non-controlling interests of the subsidiaries	Total
		Appropriated		Unappropriated	Legal reserve		General reserve	Premium on share capital		Issued and paid-up share capital	Notes	
		Legal reserve	General reserve	-	-	-	-	-	-	-	-	
Balance as at January 1, 2018		170,800	400,000	23,841,906	9,274,641	(4,441)	38,751,465	13,294	38,764,759			
Dividend paid	31	-	-	(374,902)	-	-	(374,902)	-	(374,902)	-		
Profit (loss) for the period		-	-	2,986,185	-	-	2,986,185	(6,379)	2,979,806			
Other comprehensive income		-	-	-	(3,110,840)	-	(3,110,840)	-	(3,110,840)			
Loss on remeasuring of available-for-sale investments - net of income taxes		-	-	-	-	-	-	-	-			
Exchange rate differences on translation of financial statements in foreign currency		-	-	-	-	767	767	708	767			
Total comprehensive income (loss) for the period		-	-	2,986,185	(3,110,840)	767	(123,888)	(5,671)	(129,539)			
Balance as at June 30, 2018		170,800	400,000	26,453,189	6,163,801	(3,674)	38,252,675	7,623	38,260,298			

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

“UNAUDITED BUT REVIEWED”

(Unit : Thousand Baht)

	Notes	Separate financial statements							Other component of 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		Unappropriated			Surplus on remeasuring available-for-sale investments - net of income taxes
						Appropriated	General reserve				
Balance as at January 1, 2017		1,705,953	3,309,857	11,323	20,300	170,800	400,000	21,502,219	6,220,388	33,340,840	
Share-based payments	22	-	-	1,103	-	-	-	-	-	1,103	
Increase in share capital as a result of warrant exercise	22	1,613	38,710	-	(20,300)	-	-	-	-	20,023	
Transfer of capital reserve for share-based payment transactions to premium on share capital as a result of warrant No. 2 exercise	22	-	12,426	(12,426)	-	-	-	-	-	-	
Dividend paid	31	-	-	-	-	-	-	(729,738)	-	(729,738)	
Profit for the period		-	-	-	-	-	-	2,157,362	-	2,157,362	
Other comprehensive income		-	-	-	-	-	-	-	284,043	284,043	
Gain on remeasuring available-for-sale investments - net of income taxes		-	-	-	-	-	-	-	284,043	284,043	
Total comprehensive income for the period		-	-	-	-	-	-	2,157,362	284,043	2,441,405	
Balance as at June 30, 2017		1,707,566	3,360,993	-	-	170,800	400,000	22,929,843	6,504,431	35,073,633	

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

“UNAUDITED BUT REVIEWED”

(Unit : Thousand Baht)

	Separate financial statements						Total	
	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Unappropriated		Other component of equity
				Legal reserve	General reserve			
Balance as at January 1, 2018		1,707,566	3,360,993	170,800	400,000	23,872,300	38,786,300	
Dividend paid	31	-	-	-	-	(374,902)	(374,902)	
Profit for the period		-	-	-	-	2,940,800	2,940,800	
Other comprehensive income		-	-	-	-	-	-	
Loss on remeasuring available-for-sale investments - net of income taxes		-	-	-	-	-	(3,110,840)	
Total comprehensive income (loss) for the period		-	-	-	-	2,940,800	(170,040)	
Balance as at June 30, 2018		<u>1,707,566</u>	<u>3,360,993</u>	<u>170,800</u>	<u>400,000</u>	<u>26,438,198</u>	<u>38,241,358</u>	

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2018

“UNAUDITED BUT REVIEWED”

(Unit : Thousand Baht)

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2018	2017	2018	2017
Cash flows provided by (used in) operating activities					
Gross premium		20,613,497	20,937,465	20,613,561	20,937,302
Cash payments from reinsurance		(663,783)	(138,566)	(663,783)	(138,566)
Interest income		5,001,087	4,745,917	4,948,386	4,745,890
Dividend income		1,076,068	813,507	1,076,068	813,507
Other income on investment		832,883	691,192	832,883	691,192
Other income		67,418	60,876	59,052	54,623
Benefit and claim on direct insurance		(12,987,206)	(10,580,100)	(12,987,206)	(10,580,100)
Commissions and brokerages on direct insurance		(1,974,930)	(1,753,502)	(1,969,278)	(1,749,176)
Other underwriting expenses		(273,755)	(292,697)	(273,755)	(292,697)
Operating expenses		(1,059,942)	(1,109,068)	(1,052,847)	(1,093,458)
Corporate income taxes		(91,669)	(459,666)	(91,669)	(459,666)
Investments in securities		(9,099,693)	(20,878,285)	(9,047,013)	(20,878,285)
Loans		(896,012)	(458,664)	(896,012)	(458,664)
Other investments		1,653,239	535,021	1,653,239	535,021
Net cash provided by (used in) operating activities		<u>2,197,202</u>	<u>(7,886,570)</u>	<u>2,201,626</u>	<u>(7,873,077)</u>
Cash flows provided by (used in) investing activities					
Net cash flows for purchases and disposals					
of property, plant and equipment		(59,921)	(141,535)	(59,912)	(141,521)
Net cash used in investing activities		<u>(59,921)</u>	<u>(141,535)</u>	<u>(59,912)</u>	<u>(141,521)</u>
Cash flows provided by (used in) financing activities					
Proceeds from share capital increase as a result					
of warrant exercise		-	1,103	-	1,103
Subscriptions received from exercise of warrants		-	20,023	-	20,023
Dividend paid		(374,902)	(359,027)	(374,902)	(359,027)
Net cash used in financing activities		<u>(374,902)</u>	<u>(337,901)</u>	<u>(374,902)</u>	<u>(337,901)</u>
Exchange rate differences on translation of					
financial statements in foreign currency		(4,901)	(472)	-	-
Net increased (decreased) in cash and cash equivalents		<u>1,757,478</u>	<u>(8,366,478)</u>	<u>1,766,812</u>	<u>(8,352,499)</u>
Cash and cash equivalents at beginning of periods		3,975,792	13,109,072	3,877,092	13,020,689
Cash and cash equivalents at end of periods	4	<u>5,733,270</u>	<u>4,742,594</u>	<u>5,643,904</u>	<u>4,668,190</u>

See the condensed notes to the interim financial statements

**BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2018
“UNAUDITED”**

1. GENERAL INFORMATION AND THE COMPANY’S OPERATIONS

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

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

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

These consolidated and separate interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (Revised 2017) “Interim Financial Reporting” and the additional disclosure in accordance with the Company choosing to present condensed interim financial statements. However, the Company has presented line items in the consolidated and separate statements of financial position, the consolidated and separate statements of profit or loss and other comprehensive income, statements of changes in owners’ equity and statements of cash flows in the same format as that used in its preparation of the annual financial statements and in accordance with the format of financial statements specified in the Notification of the Office of Insurance Commission (“OIC”) regarding criteria, procedures, terms and conditions for preparation and submission of financial statements and operating performance reports of life insurance companies dated March 4, 2017, which has been effective since January 1, 2017.

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

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

The consolidated and separate statements of financial position as at December 31, 2017, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which had been previously audited.

The unaudited results of operations presented in the three-month and six-month periods ended June 30, 2018 are not necessarily an indication nor anticipation of the operating results for the full year.

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

2.2 Basis for preparation of the consolidated interim financial statements

These consolidated interim financial statements have been prepared on the same basis as that applied for the consolidated financial statements for the year ended December 31, 2017, with no changes in the structure of shareholding in subsidiaries during the period.

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			As at	
			June 30, 2018	December 31, 2017
			%	%
BLA Insurance Broker Company Limited	Insurance broker	Thailand	99	99
Bangkok Life Assurance (Cambodia) Public Limited Company	Life Insurance	Cambodia	52	52

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

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

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

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

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

2.3 Separate interim financial statements

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

2.4 Significant accounting policies

The consolidated and separate interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2017 except for the accounting policy for discontinued operation which the Company classifies profit or loss, net of tax from discontinued operation in the separate line in the statements of profit or loss and other comprehensive income.

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

The Federation of Accounting Professions has issued the Notification regarding 56 Thai Financial Reporting Standards (“TFRSs”) that have been effective for the financial statements for the period beginning on or after January 1, 2018 onwards, which has been announced in the Royal Gazette on September 26, 2017. 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.

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

The Federation of Accounting Professions has issued the Notification regarding Thai Financial Reporting Standard No. 15 “Revenue from Contracts with Customers” which has been announced in the Royal Gazette on March 14, 2018 and will be effective for the financial statements for the period beginning on or after January 1, 2019 onwards.

The Group’s management will adopt such TFRS in the preparation of the Group’s financial statements when it becomes effective. The Group’s management is in the process to assess the impact of this TFRS on the financial statements of the Group in the period of initial application.

4. CASH AND CASH EQUIVALENTS

As at June 30, 2018 and December 31, 2017, the Company and subsidiaries have cash and cash equivalents as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Cash on hand	6,175	5,687	6,174	5,686
Deposits at banks with no fixed maturity date	1,865,198	1,701,448	1,775,833	1,602,748
Short-term investments in promissory notes	3,861,897	2,268,657	3,861,897	2,268,658
Cash and cash equivalents	<u>5,733,270</u>	<u>3,975,792</u>	<u>5,643,904</u>	<u>3,877,092</u>

As at June 30, 2018, interest rates on saving accounts and promissory notes are in the range of 0.38% - 1.25% per annum (December 31, 2017: 0.38% - 1.50% per annum).

5. PREMIUM RECEIVABLES

As at June 30, 2018 and December 31, 2017, the outstanding balances of premium receivables, classified by overdue period, counted from the due dates, are as follows:

	(Unit : Thousand Baht)	
	Consolidated and separate	
	financial statements	
	Due from direct insurance	
	June 30, 2018	December 31, 2017
Not yet due	2,175,991	1,893,022
Not over 30 days	79,352	10,471
Over 30 days to 60 days	36,151	3,122
Over 60 days to 90 days	23,893	1,577
Over 90 days	22,199	2,221
Total premium receivables	<u>2,337,586</u>	<u>1,910,413</u>

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

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

6. REINSURANCE ASSETS

As at June 30, 2018 and December 31, 2017, reinsurance assets consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	June 30, 2018	December 31, 2017
Reserves recoverable from reinsurances		
Claim reserves	143,087	127,385
Premium reserves		
Unearned premium reserves	564,746	277,328
Total reinsurance assets	<u>707,833</u>	<u>404,713</u>

7. AMOUNT DUE FROM REINSURANCE

As at June 30, 2018 and December 31, 2017, amount due from reinsurance consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	June 30, 2018	December 31, 2017
Amount due from reinsurers	732,856	928,466
Total amount due from reinsurance	<u>732,856</u>	<u>928,466</u>

8. DERIVATIVE ASSETS AND LIABILITIES

As at June 30, 2018 and December 31, 2017, derivatives classified by objective are as follows:

	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	June 30, 2018		December 31, 2017	
	Fair value		Fair value	
	Assets	Liabilities	Assets	Liabilities
Derivatives for hedging risks				
Cash flow hedge	453,460	200,534	701,820	132,206
Hedge of net investment in foreign currencies	26,425	63,625	36,670	937
Total derivatives	<u>479,885</u>	<u>264,159</u>	<u>738,490</u>	<u>133,143</u>

As at June 30, 2018 and December 31, 2017, derivative assets and liabilities consisted of the following:

Contract type	Consolidated and separate financial statements		
	June 30, 2018		
	Notional amount (Thousand Unit)	Fair value amount	
Assets (Thousand Baht)		Liabilities (Thousand Baht)	
Cross currency swap contracts			
US dollar	609,900	170,511	971,346
Euro	10,000	-	5,781
Forward exchange contracts			
Yen	1,240,910	254	10,755
US dollar	39,500	-	64,238
Singapore dollar	74,296	-	48,241
Euro	26,420	12,270	2,066
Total derivative	2,001,026	183,035	1,102,427

Contract type	Consolidated and separate financial statements		
	December 31, 2017		
	Notional amount (Thousand Unit)	Fair value amount	
Assets (Thousand Baht)		Liabilities (Thousand Baht)	
Cross currency swap contracts			
US dollar	670,190	341,168	738,011
Forward exchange contracts			
Yen	1,240,910	5,250	401
US dollar	36,353	1,587	9,031
Singapore dollar	38,711	38	11,980
Euro	23,820	1,404	6,190
Total derivative	2,009,984	349,447	765,613

9. INVESTMENTS IN SECURITIES

9.1 Held-for-trading investments

As at June 30, 2018 and December 31, 2017, held-for-trading investments consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	June 30, 2018		December 31, 2017	
	Cost	Fair value	Cost	Fair value
Held-for-trading investments				
Equity securities	89,391	59,784	93,945	87,957
Total	89,391	59,784	93,945	87,957
Less Unrealised losses	(29,607)	-	(5,988)	-
Total held-for- trading investments	59,784	59,784	87,957	87,957

9.2 Available-for-sale investments

As at June 30, 2018 and December 31, 2017, available-for-sales investments consisted of following:

	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	June 30, 2018		December 31, 2017	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Available-for-sale investments				
Government and state enterprise securities	2,159,356	2,566,036	4,535,380	5,474,506
Private enterprises debt securities	26,188,548	27,947,402	24,317,183	26,159,147
Equity securities	31,207,392	36,013,661	27,271,423	35,035,436
Foreign debt securities	1,404,803	1,271,163	2,736,998	2,533,144
Foreign equity securities	8,581,149	9,519,876	6,726,696	7,919,702
Total	69,541,248	77,318,138	65,587,680	77,121,935
Add Unrealised gains	7,776,890	-	11,534,255	-
Total available-for-sale investments	77,318,138	77,318,138	77,121,935	77,121,935

9.3 Held-to-maturity investments

As at June 30, 2018 and December 31, 2017, held-to-maturity investments consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	June 30, 2018	December 31, 2017
	Cost/ Amortised cost	Cost/ Amortised cost
Held-to-maturity investments		
Government and state enterprise securities	137,663,793	142,116,574
Private enterprises debt securities	63,812,428	56,171,062
Foreign debt securities	7,234,500	6,275,770
Deposits at financial institutions with an original maturity longer than 3 months	3,750,000	3,810,000
Total held-to-maturity investments	212,460,721	208,373,406

9.4 General investments

As at June 30, 2018 and December 31, 2017, general investments consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	June 30, 2018	December 31, 2017
	Cost	Cost
General investments		
Equity securities	30,302	29,588
Total general investments	30,302	29,588

9.5 Investments in structured notes

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

- (a) As at June 30, 2018 and December 31, 2017, the Company has investments of Baht 600 million and Baht 600 million, respectively, in promissory notes and bills of exchange, which were issued by local banks and branches of foreign commercial banks, having remaining lives of 2 - 10 years and 2 - 11 years, respectively, and containing conditions whereby the issuer has call option or has rights to call for additional deposits and bearing interest rate referring to the yield rate on government bond (CMT Index).
- (b) As at June 30, 2018 and December 31, 2017, the Company has investments of Baht 2,600 million and Baht 2,600 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining lives of 2 - 4 years and 2 - 5 years, respectively, and bearing interest rate referring to the yield rate on government bond (CMT Index).
- (c) As at June 30, 2018 and December 31, 2017, the Company has investments of Baht 3,480 million and Baht 3,438 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining lives of 2 - 10 years and 2 - 11 years, respectively, and the notes and bills contain conditions whereby the redemption of the notes and bills is based on the credit event of the reference assets.

- (d) As at June 30, 2018 and December 31, 2017, the Company has investments of Baht 909 million and Baht 886 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining maturity lives of 15 years and 16 years, respectively. The bank has placed government bonds equivalent to 70% - 80% of the face values of the issued promissory notes and bills of exchange as collateral and such notes and bills contain conditions whereby the redemption of the notes and bills is based on the credit event of the reference assets.
- (e) As at June 30, 2018 and December 31, 2017, the Company has investments of Baht 439 million and Baht 430 million, respectively, in bills of exchange, which were issued by branches of foreign commercial banks, having remaining maturity lives of 13 years and 14 years, respectively. The bills contain conditions whereby the banks have the right to early redemption and the redemption of the bills is based on the credit event of the reference assets.
- (f) As at June 30, 2018 and December 31, 2017, the Company has investments of Baht 1,613 million and Baht 1,589 million, respectively, in bills of exchange, which were issued by branches of foreign commercial banks, having remaining maturity lives of 7 - 8 years and 8 - 9 years, respectively. The bills contain conditions whereby the redemption of the bills is based on the credit event of the reference assets.

9.6 Investments subject to restriction

As at June 30, 2018 and December 31, 2017, the Company has placed government and state enterprise bonds with cost or amortized cost of Baht 60,428 million and Baht 58,124 million, respectively, with the Registrar as securities and reserves as described in Notes 28 and 29.

9.7 Gains on investments

Gains on investments for the three-month and six-month periods ended June 30, 2018 and 2017 consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2018	2017	2018	2017
Gains (losses) on sales of trading investments	(614)	-	3,090	2,097
Gains on sales of available-for-sale investments	458,892	535,860	829,793	696,909
Losses on sales of held-to-maturity investments	-	(49,115)	-	(7,814)
Total gains on investments	<u>458,278</u>	<u>486,745</u>	<u>832,883</u>	<u>691,192</u>

10. INVESTMENTS IN SUBSIDIARIES

As at June 30, 2018 and December 31, 2017, detail of investments in subsidiaries, as presented in the separate interim financial statements, is as follows:

Company's name	Type of business	Country of incorporation	(Unit : Thousand Baht)					
			Issued and paid-up capital		Shareholding percentage		Cost	
			June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
					%	%		
BLA Insurance Broker Company Limited	Insurance broker	Thailand	24,000	24,000	99	99	23,760	23,760
Bangkok Life Assurance (Cambodia) Public Limited Company	Life insurance	Cambodia	153,598	153,598	52 ⁽²⁾	52 ⁽²⁾	127,357	127,357
<u>Less</u> Allowance for doubtful accounts ⁽¹⁾			-	-			(52,680)	-
Total investments in subsidiaries			<u>177,598</u>	<u>177,598</u>			<u>98,437</u>	<u>151,117</u>

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

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

11. DISCONTINUED OPERATION

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

The consolidated statement of financial position as at June 30, 2018 includes assets from discontinued operation in total amount of Baht 107 million in which most of balances are cash and cash equivalents and deposit.

The consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2018 and 2017 for discontinued operations are as follows:

	(Unit : Thousand Baht) financial statements	
	2018	2017
For the three-month periods ended June 30,		
Discontinued operation		
Revenue	11	167
Expenses	(7,396)	(8,841)
Loss before income tax expense	(7,385)	(8,674)
Income tax expense	-	-
Loss for the period from discontinued operation, net of income tax	(7,385)	(8,674)
Losses per share*		
Basic losses per share (Baht)	(0.01)	(0.01)

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

For the six-month periods ended June 30, Discontinued operation	(Unit : Thousand Baht) Consolidated financial statements	
	2018	2017
Revenue	54	241
Expenses	(13,335)	(14,764)
Loss before income tax expense	(13,281)	(14,523)
Income tax expense	-	-
Loss for the period from discontinued operation, net of income tax	(13,281)	(14,523)
Losses per share*		
Basic losses per share (Baht)	(0.01)	(0.01)

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

12. LOANS AND ACCRUED INTEREST RECEIVABLES

As at June 30, 2018 and December 31, 2017, the balances of loans and accrued interest receivables, classified by overdue periods, are as follows:

Overdue periods	(Unit : Thousand Baht)								
	Consolidated and separate financial statements								
	June 30, 2018								
	Loans								
	Policy loans		Mortgage loans		Other loans		Total		
	Principal	Accrued interest ⁽¹⁾	Principal	Accrued interest ⁽¹⁾	Principal	Accrued interest ⁽¹⁾	Principal	Accrued interest ⁽¹⁾	Total
Not yet due	7,391,491	767,625	2,865,219	1,510	3,506	3	10,260,216	769,138	11,029,354
Overdue:									
Less than 3 months	-	-	82,202	395	-	-	82,202	395	82,597
3 - 6 months	-	-	2,487	70	-	-	2,487	70	2,557
6 - 12 months	-	-	5,963	305	-	-	5,963	305	6,268
Over 12 months	-	-	14,029	467	53	2	14,082	469	14,551
Total	7,391,491	767,625	2,969,900	2,747	3,559	5	10,364,950	770,377	11,135,327
Less Allowance for doubtful accounts	-	-	(6,034)	(757)	-	-	(6,034)	(757)	(6,791)
Loans and accrued interest receivables	7,391,491	767,625	2,963,866	1,990	3,559	5	10,358,916	769,620	11,128,536

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

(Unit : Thousand Baht)

Consolidated and separate financial statements									
December 31, 2017									
Loans									
Overdue periods	Policy loans		Mortgage loans		Other loans		Total		Total
	Principal	Accrued interest ⁽¹⁾	Principal	Accrued interest ⁽¹⁾	Principal	Accrued interest ⁽¹⁾	Principal	Accrued interest ⁽¹⁾	
Not yet due	7,104,797	710,107	2,249,943	1,720	6,911	8	9,361,651	711,835	10,073,486
Overdue:									
Less than 3 months	-	-	29,107	208	-	-	29,107	208	29,315
3 - 6 months	-	-	2,948	59	-	-	2,948	59	3,007
6 - 12 months	-	-	-	-	-	-	-	-	-
Over 12 months	-	-	15,477	545	53	2	15,530	547	16,077
Total	7,104,797	710,107	2,297,475	2,532	6,964	10	9,409,236	712,649	10,121,885
Less Allowance for doubtful accounts	-	-	(4,632)	(507)	-	-	(4,632)	(507)	(5,139)
Loans and accrued interest receivables	7,104,797	710,107	2,292,843	2,025	6,964	10	9,404,604	712,142	10,116,746

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

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

Loans to employees under the employee welfare scheme are set for credit limit of Baht 0.1 million for personal guarantee loans. The interest rate is charged at the rates of 6.00% per annum. As at June 30, 2018 and December 31, 2017, loans to employees amounted to Baht 4 million and Baht 7 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 June 30, 2018 and December 31, 2017, loans to employees under the mortgage loans amounted to Baht 37 million and Baht 44 million, respectively.

13. INVESTMENT PROPERTY

As at June 30, 2018 and December 31, 2017, the Company has movement of carrying value of the investment property as follows:

(Unit : Thousand Baht)		
Consolidated and separate financial statements		
	For the six-month period ended June 30, 2018	For the year ended December 31, 2017
Net carrying value - beginning of the period/year	18,817	19,882
Depreciation for period/year	(533)	(1,065)
Net carrying value - end of the period/year	18,284	18,817

14. PROPERTY, PLANT AND EQUIPMENT

Movement of property, plant and equipment for the six-month period ended June 30, 2018 are as follows:

(Unit : Thousand Baht)

Consolidated financial statements							
For the six-month period ended June 30, 2018							
	Land	Buildings and buildings improvements	Condominium	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	Total
Net carrying value as at							
January 1, 2018	794,246	353,279	10,683	142,054	4,484	9,808	1,314,554
Additions - at cost	-	14	-	11,272	3,060	45,801	60,147
Disposals - net carrying value	-	-	-	(57)	-	-	(57)
Exchange rate differences on translation of financial statements in foreign currency	-	45	-	24	-	-	69
Depreciation charges for the period	-	(16,228)	(916)	(26,246)	(1,780)	-	(45,170)
Net carrying value as at June 30, 2018	794,246	337,110	9,767	127,047	5,764	55,609	1,329,543

(Unit : Thousand Baht)

Separate financial statements							
For the six-month period ended June 30, 2018							
	Land	Buildings and buildings improvements	Condominium	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	Total
Net carrying value as at							
January 1, 2018	794,246	351,421	10,683	141,134	4,484	9,808	1,311,776
Additions - at cost	-	14	-	11,262	3,060	45,801	60,137
Disposals - net carrying value	-	-	-	(57)	-	-	(57)
Depreciation charges for the period	-	(15,946)	(916)	(26,045)	(1,780)	-	(44,687)
Net carrying value as at June 30, 2018	794,246	335,489	9,767	126,294	5,764	55,609	1,327,169

15. DEFERRED TAX ASSETS/LIABILITIES AND INCOME TAX EXPENSE

15.1 Deferred tax assets/liabilities

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

(Unit : Thousand Baht)

	Consolidated and separate financial statements					
			Change in deferred tax assets/liabilities reported profit or loss in the for the three-month periods ended June 30,		Change in deferred tax assets/liabilities reported in the statements of comprehensive income for the three-month periods ended June 30,	
	June 30, 2018	December 31, 2017	2018	2017	2018	2017
Deferred tax assets						
Reserves for long-term insurance contracts	2,889,097	3,051,790	(73,185)	(228,545)	-	-
Claim reserves	14,281	18,273	501	1,160	-	-
Provisions for long-term employee benefits	47,225	45,419	903	510	-	-
Others	17,066	1,554	14,126	4	-	-
Total deferred tax assets	2,967,669	3,117,036	(57,655)	(226,871)	-	-
Deferred tax liabilities						
Available-for-sale investments	885,935	1,602,880	(45,691)	101,650	(554,064)	(62,606)
Others	2,227	2,536	(309)	(507)	-	-
Total deferred tax liabilities	888,162	1,605,416	(46,000)	101,143	(554,064)	(62,606)
Deferred tax assets/liabilities - net	2,079,507	1,511,620	(11,655)	(328,014)	554,064	62,606

(Unit : Thousand Baht)

	Consolidated and separate financial statements					
			Change in deferred tax assets/liabilities reported profit or loss in the for the six-month periods ended June 30,		Change in deferred tax assets/liabilities reported in the statements of comprehensive income for the six-month periods ended June 30,	
	June 30, 2018	December 31, 2017	2018	2017	2018	2017
Deferred tax assets						
Reserves for long-term insurance contracts	2,889,097	3,051,790	(162,693)	(265,354)	-	-
Claim reserves	14,281	18,273	(3,992)	(51)	-	-
Provisions for long-term employee benefits	47,225	45,419	1,806	1,742	-	-
Others	17,066	1,554	15,512	4	-	-
Total deferred tax assets	2,967,669	3,117,036	(149,367)	(263,659)	-	-
Deferred tax liabilities						
Available-for-sale investments	885,935	1,602,880	60,765	130,632	(777,710)	71,011
Others	2,227	2,536	(309)	(1,530)	-	-
Total deferred tax liabilities	888,162	1,605,416	60,456	129,102	(777,710)	71,011
Deferred tax assets/liabilities - net	2,079,507	1,511,620	(209,823)	(392,761)	777,710	(71,011)

15.2 Income tax expenses

Income tax expenses for the three-month and six-month periods ended June 30, 2018 and 2017 are made up as follows:

	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2018	2017	2018	2017
Current income tax:				
Interim corporate income tax charge	172,133	(108,854)	309,211	(47,278)
Adjustment in respect of income tax of previous year	1,458	5,489	1,458	5,489
Deferred tax:				
Relating to origination and reversal of temporary differences	11,655	328,014	209,823	392,761
Income tax income reported in profits or losses	<u>185,246</u>	<u>224,649</u>	<u>520,492</u>	<u>350,972</u>

Reconciliation between accounting profits and income tax expense for the three-month and six-month periods ended June 30, 2018 and 2017 are as follows:

	(Unit : Thousand Baht)			
	Consolidated financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2018	2017	2018	2017
Accounting profit before income tax expenses	<u>1,419,339</u>	<u>1,453,120</u>	<u>3,513,579</u>	<u>2,506,937</u>
Applicable corporate income tax rates	15% 20%	15% 20%	15% 20%	15% 20%
Income tax expenses at the applicable tax rates	273,423	290,717	692,259	501,667
Adjustment in respect of income tax of previous year	1,458	5,489	1,458	5,489
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	<u>(89,635)</u>	<u>(71,557)</u>	<u>(173,225)</u>	<u>(156,184)</u>
Income tax expenses recognised in profits or losses	<u>185,246</u>	<u>224,649</u>	<u>520,492</u>	<u>350,972</u>

	(Unit : Thousand Baht)			
	Separate financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2018	2017	2018	2017
Accounting profit before income tax expenses	<u>1,367,112</u>	<u>1,453,586</u>	<u>3,461,292</u>	<u>2,508,334</u>
Applicable corporate income tax rates	20%	20%	20%	20%
Income tax expenses at the applicable tax rates	273,423	290,717	692,259	501,667
Adjustment in respect of income tax of previous year	1,458	5,489	1,458	5,489
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	<u>(89,635)</u>	<u>(71,557)</u>	<u>(173,225)</u>	<u>(156,184)</u>
Income tax expenses recognised in profits or losses	<u>185,246</u>	<u>224,649</u>	<u>520,492</u>	<u>350,972</u>

16. OTHER ASSETS

As at June 30, 2018 and December 31, 2017, other assets consisted of the follows:

	Consolidated		(Unit : Thousand Baht)	
	financial statements		Separate	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Derivative collateral	48,000	45,000	48,000	45,000
Prepaid income tax	100,917	135,785	100,917	135,785
Prepaid rental expenses	28,514	34,411	28,514	34,411
Deposits	48,206	45,130	24,435	21,776
Receivable from sales of Investments	148,798	473,018	148,798	473,018
<u>Less</u> Allowance for doubtful accounts - receivable from sales of investment	(17,074)	-	(17,074)	-
Prepaid expenses	22,217	11,621	22,087	11,443
Others	98,575	79,084	91,612	58,025
Total other assets	478,153	824,049	447,289	779,458

17. INSURANCE CONTRACT LIABILITIES

As at June 30, 2018 and December 31, 2017, insurance contract liabilities consisted of the follows:

	(Unit : Thousand Baht)					
	Consolidated financial statements					
	June 30, 2018			December 31, 2017		
	Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net
Reserves for long-term insurance contracts	264,294,106	-	264,294,106	256,595,053	-	256,595,053
Claim reserves						
Reserves for reported claims	223,045	(143,087)	79,958	276,597	(127,385)	149,212
Reserves for claims incurred but not yet reported	71,403	-	71,403	91,365	-	91,365
Premium reserves						
Unearned premium reserves	1,447,821	(564,746)	883,075	1,180,093	(277,328)	902,765
Unpaid policy benefits	189,816	-	189,816	168,390	-	168,390
Other insurance liabilities	7,446,447	-	7,446,447	7,666,696	-	7,666,696
Total insurance contract liabilities	273,672,638	(707,833)	272,964,805	265,978,194	(404,713)	265,573,481

(Unit : Thousand Baht)

	Separate financial statements					
	June 30, 2018			December 31, 2017		
	Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net
Reserves for long-term insurance contracts	264,294,024	-	264,294,024	256,595,048	-	256,595,048
Claims reserves						
Reserves for reported claims	223,045	(143,087)	79,958	276,597	(127,385)	149,212
Reserves for claims incurred but not yet reported	71,403	-	71,403	91,365	-	91,365
Premium reserves						
Unearned premium reserves	1,447,821	(564,746)	883,075	1,180,093	(277,328)	902,765
Unpaid policy benefits	189,816	-	189,816	168,390	-	168,390
Other insurance liabilities	7,446,447	-	7,446,447	7,666,696	-	7,666,696
Total insurance contract liabilities	<u>273,672,556</u>	<u>(707,833)</u>	<u>272,964,723</u>	<u>265,978,189</u>	<u>(404,713)</u>	<u>265,573,476</u>

17.1 Reserves for long-term insurance contracts

As at June 30, 2018 and December 31, 2017, reserves for long-term insurance contracts of the follows:

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Balances - beginning of the period/year	256,595,053	233,412,294	256,595,048	233,412,294
Reserved increased for new businesses and inforce policies	12,381,476	30,075,220	12,381,399	30,075,215
Reserve decreased for benefits payment lapses and surrender, etc.	(4,022,771)	(7,552,113)	(4,022,771)	(7,552,113)
Reserve increase (decreased) for testing the adequacy of liabilities	(659,652)	659,652	(659,652)	659,652
Balances - end of the period/year	<u>264,294,106</u>	<u>256,595,053</u>	<u>264,294,024</u>	<u>256,595,048</u>

17.2 Claim reserves

As at June 30, 2018 and December 31, 2017, claim reserves consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	2018	2017
Balances - beginning of the period/year	367,962	233,740
Claims incurred in the current period/year	986,909	2,080,116
Claims paid during the period/year	(1,060,423)	(1,945,894)
Balances - end of the period/year	<u>294,448</u>	<u>367,962</u>

17.3 Unearned premium reserves

As at June 30, 2018 and December 31, 2017, unearned premium reserves consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	June 30, 2018	December 31, 2017
Balances - beginning of the period/year	1,180,093	1,134,217
Premium written for the period/year	1,992,256	3,331,744
Premium earned for the period/year	(1,724,528)	(3,285,868)
Balances - end of the period/year	<u>1,447,821</u>	<u>1,180,093</u>

17.4 Unpaid policy benefits

As at June 30, 2018 and December 31, 2017, unpaid policy benefits consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	June 30, 2018	December 31, 2017
Death benefit	146,250	125,662
Maturity payment	41,669	40,444
Surrender	1,897	2,284
Total unpaid policy benefits	<u>189,816</u>	<u>168,390</u>

17.5 Other insurance liabilities

As at June 30, 2018 and December 31, 2017, other insurance liabilities consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	June 30, 2018	December 31, 2017
Deposits from insurance contracts	6,937,193	7,126,814
Premiums received in advance	430,090	462,377
Payable to policyholders on exempted premiums	79,164	77,505
Total other insurance liabilities	<u>7,446,447</u>	<u>7,666,696</u>

18. AMOUNT DUE TO REINSURANCE

As at June 30, 2018 and December 31, 2017, amount due to reinsurance consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	June 30, 2018	December 31, 2017
Amount due to reinsurers	969,288	1,003,195
Total amount due to reinsurance	<u>969,288</u>	<u>1,003,195</u>

19. EMPLOYEE BENEFIT OBLIGATIONS

As at June 30, 2018 and December 31, 2017, employee benefit obligations consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Post-employment benefit obligations for severance pay	201,300	193,385	199,526	191,781
Other employment benefit obligation for long service awards	36,736	35,442	36,599	35,316
Total employee benefit obligations	<u>238,036</u>	<u>228,827</u>	<u>236,125</u>	<u>227,097</u>

20. OTHER LIABILITIES

As at June 30, 2018 and December 31, 2017, other liabilities consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Accrued commission expenses	652,451	753,494	651,332	751,547
Accrued expenses	483,141	409,977	482,399	409,497
Premium received for policies not yet approved	144,192	159,514	144,192	159,514
Amounts received awaiting transfer	103,197	89,083	103,197	89,083
Specific Business Tax payable	134,359	130,798	134,359	130,798
Payable from purchases of investments	56,166	171,926	56,166	171,926
Withholding tax payable	27,570	59,730	27,132	59,550
Short-term employee benefit payables	109,772	141,699	109,081	140,566
Others	67,991	72,379	62,538	56,034
Total other liabilities	<u>1,778,839</u>	<u>1,988,600</u>	<u>1,770,396</u>	<u>1,968,515</u>

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

Reconciliation for the six-month periods ended June 30, 2018 and 2017 is as follows:

	For the six-month period ended June 30, 2018			
	Consolidated and separate financial statements			
	Issued and paid-up share capital		Premium on share capital	Capital reserve on share-based payments
	Number of shares (Thousand shares)	Thousand Baht	Thousand Baht	Thousand Baht
Balances - beginning of the period	1,707,566	1,707,566	3,360,993	-
Balances - end of the period	1,707,566	1,707,566	3,360,993	-

	For the six-month period ended June 30, 2017			
	Consolidated and separate financial statements			
	Issued and paid-up share capital		Premium on share capital	Capital reserve on share-based payments
	Number of shares (Thousand shares)	Thousand Baht	Thousand Baht	Thousand Baht
Balances - beginning of the period	1,705,953	1,705,953	3,309,857	11,323
Expenses in respect of share-based payments (Note 22)	1,613	1,613	38,710	1,103
Transfer of capital reserve for share-based payment transactions to premium on share capital as a result of warrant No. 2 exercise	-	-	12,426	(12,426)
Balances - end of the period	1,707,566	1,707,566	3,360,993	-

22. SHARE-BASED PAYMENT - WARRANTS

On November 23, 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 April 26, 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/or managements and the grant date is stipulated to be April 1, 2012.

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

Approved by the Executive Board of Directors of the Company	(Unit : Thousand Baht)		
	Number of units of warrants		
	Warrant No. 1	Warrant No. 2	Total
On May 29, 2008	11,500	-	11,500
On August 11, 2009	1,350	-	1,350
On February 22, 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 August 8, 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 January 1, 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) recognized for the six-month period ended June 30, 2017, amounting to Baht 1.10 million.

Movements of warrants during the six-month period ended June 30, 2017 are summarized below:

	(Unit : Thousand units)
	For the six-month period ended June 30, 2017
	Warrant No. 2
Number of unexercised warrants as at January 1, 2017	612
Exercised during the period	(572)
Number of unexercised warrants as at June 30, 2017	40

During the year ended December 31, 2016, the Warrant No. 2 holders exercised rights 1.8 million units of warrants at an exercise price of Baht 25.00 each, or for a total of Baht 63.2 million.

During the six-month period ended June 30, 2017, the Company transferred subscriptions received in advance from the eighth exercise of warrants No. 2 amounting to Baht 20.30 million to issued and paid-up share capital and share premium. In addition, the holders of warrant No. 2 exercised the ninth right of 0.57 million units of warrants at an exercise price of Baht 25.00 each, amounting to Baht 20.02 million. Details of movement are summarized as follows:

(Unit : Thousand Baht)

	For the six-month period ended June 30, 2017							
	Units of warrants (Thousand units)	Exercise price per share (Baht)	Proceeds from exercise (Thousand Baht)	Issued and paid-up share capital	Share premium (Thousand Baht)	Subscriptions received in advance from exercises of warrants	Share capital increase registration date	Listing date
Warrant No. 2								
The ninth exercise	572	25.00	-	-	-	20,023	April 24, 2017	April 10, 2017
Total	572					20,023		

23. OPERATING SEGMENT

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

For the three-month and six-month periods ended June 30, 2018 and 2017, the Company has no gross written premium from a single external customer in the amount over 10% of total gross written premium.

The financial information of the Company for the three-month and six-month periods ended June 30, 2018 and 2017 were presented by business segment as follows:

(Unit : Thousand Baht)					
Consolidated financial statements					
For the three-month period ended June 30, 2018					
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Premium written	7,627,101	187,763	10,406	-	7,825,270
Less Premium ceded	(286,332)	-	-	-	(286,332)
Net premium written	7,340,769	187,763	10,406	-	7,538,938
Add (less) Unearned premium reserve (increased) decreased from prior period	99,579	-	(282)	-	99,297
Net earned premium	7,440,348	187,763	10,124	-	7,638,235
Fee and commission income	99,232	-	-	-	99,232
Total underwriting income	7,539,580	187,763	10,124	-	7,737,467
Underwriting expenses					
Life policy reserves increased from prior period	3,104,000	134,591	-	-	3,238,591
Benefit payments under life policies and claims net refundable from reinsurance	5,069,675	12,714	1,757	-	5,084,146
Commissions and brokerage expenses	803,318	15,102	217	2,665	821,302
Other underwriting expenses	201,831	3,680	210	-	205,721
Total underwriting expenses	9,178,824	166,087	2,184	2,665	9,349,760
(Unit : Thousand Baht)					
Consolidated financial statements					
For the three-month period ended June 30, 2017					
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Premium written	7,958,625	136,838	10,542	-	8,106,005
Less Premium ceded	(186,646)	-	-	-	(186,646)
Net premium written	7,771,979	136,838	10,542	-	7,919,359
Add (less) Unearned premium reserve (increased) decreased from prior period	1,717	-	(594)	-	1,123
Net earned premium	7,773,696	136,838	9,948	-	7,920,482
Fee and commission income	60,119	-	-	-	60,119
Total underwriting income	7,833,815	136,838	9,948	-	7,980,601
Underwriting expenses					
Life policy reserves increased from prior period	3,586,122	108,145	-	-	3,694,267
Benefit payments under life policies and claims net refundable from reinsurance	4,817,293	8,616	1,763	-	4,827,672
Commissions and brokerage expenses	715,960	15,694	198	1,747	733,599
Other underwriting expenses	162,323	2,648	165	84	165,220
Total underwriting expenses	9,281,698	135,103	2,126	1,831	9,420,758

(Unit : Thousand Baht)

Consolidated financial statements					
For the six-month period ended June 30, 2018					
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Premium written	20,602,422	508,141	20,207	-	21,130,770
<u>Less</u> Premium ceded	(850,224)	-	-	-	(850,224)
Net premium written	19,752,198	508,141	20,207	-	20,280,546
<u>Add</u> Unearned premium reserve decreased from prior year	19,597	-	93	-	19,690
Net earned premium	19,771,795	508,141	20,300	-	20,300,236
Fee and commission income	234,362	-	-	-	234,362
Total underwriting income	20,006,157	508,141	20,300	-	20,534,598
Underwriting expenses					
Life policy reserves increased from prior year	7,337,808	361,168	-	-	7,698,976
Benefit payments under life policies and claims net refundable from reinsurance	12,913,381	23,538	2,499	-	12,939,418
Commissions and brokerage expenses	1,821,417	47,251	396	4,813	1,873,877
Other underwriting expenses	572,128	11,456	457	6	584,047
Total underwriting expenses	22,644,734	443,413	3,352	4,819	23,096,318

(Unit : Thousand Baht)

Consolidated financial statements					
For the six-month period ended June 30, 2017					
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Premium written	20,758,179	475,193	20,345	-	21,253,717
<u>Less</u> Premium ceded	(708,449)	-	-	-	(708,449)
Net premium written	20,049,730	475,193	20,345	-	20,545,268
<u>Less</u> Unearned premium reserve increased from prior year	(83,903)	-	(735)	-	(84,638)
Net earned premium	19,965,827	475,193	19,610	-	20,460,630
Fee and commission income	186,782	-	-	-	186,782
Total underwriting income	20,152,609	475,193	19,610	-	20,647,412
Underwriting expenses					
Life policy reserves increased from prior year	11,017,803	241,778	-	-	11,259,581
Benefit payments under life policies and claims net refundable from reinsurance	10,389,886	25,965	2,704	-	10,418,555
Commissions and brokerage expenses	1,527,070	36,947	404	3,701	1,568,122
Other underwriting expenses	342,000	7,059	291	84	349,434
Total underwriting expenses	23,276,759	311,749	3,399	3,785	23,595,692

24. OPERATING EXPENSES

For the three-month and six-month periods ended June 30, 2018 and 2017, operating expenses consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2018	2017	2018	2017
Personnel expenses	252,594	240,670	494,178	465,101
Property, plant and equipment expenses	44,340	41,469	88,052	82,554
Taxes and duties	3,032	2,692	4,065	3,723
Other operating expenses	132,896	138,095	242,435	243,541
Total operating expenses	432,862	422,926	828,730	794,919

	(Unit : Thousand Baht)			
	Separate financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2018	2017	2018	2017
Personnel expenses	252,594	240,441	490,962	461,594
Property, plant and equipment expenses	43,178	41,900	87,823	82,307
Taxes and duties	2,753	2,855	4,066	3,723
Other operating expenses	132,189	135,911	242,036	243,481
Total operating expenses	430,714	421,107	824,887	791,105

25. FAIR VALUE GAIN (LOSS)

For the three-month and six-month periods ended June 30, 2018 and 2017 fair value gain (loss) consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2018	2017	2018	2017
Unrealised loss on remeasuring held-for-trading securities	(7,932)	(7,187)	(22,073)	(10,037)
Unrealised gains (loss) on foreign exchange forward contracts	(138,706)	(17,195)	(50,576)	8,423
Gain (loss) on foreign exchange rate	54,283	(34,881)	59,117	(149,798)
Total fair value loss	(92,355)	(59,263)	(13,532)	(151,412)

26. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Fair value hierarchy

In applying the above-mentioned valuation techniques, the Company and its subsidiaries endeavor to use relevant observable inputs as much as possible.

IFRS 13 “Fair Value Measurement” establishes a fair value hierarchy categorising such inputs into three levels as follows:

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

As at June 30, 2018 and December 31, 2017, the Company and subsidiaries had the following assets that were measured at fair value using different fair value hierarchy as follows:

	(Unit: Thousand Baht)		
	Consolidated and separate financial statements		
	As at June 30, 2018		
	Level 1	Level 2	Total
Financial assets measured at fair value			
Held-for-trading investments			
Equity instruments	59,784	-	59,784
Available-for-sale investments			
Equity instruments	40,338,700	6,620,425	46,959,125
Debt instruments	-	30,359,013	30,359,013

	(Unit: Thousand Baht)		
	Consolidated and separate financial statements		
	As at December 31, 2017		
	Level 1	Level 2	Total
Financial assets measured at fair value			
Held-for-trading investments			
Equity instruments	87,957	-	87,957
Available-for-sale investments			
Equity instruments	38,200,799	6,226,402	44,427,201
Debt instruments	-	32,694,734	32,694,734

Valuation techniques and inputs to Level 2 valuations

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

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

27. RELATED PARTY TRANSACTIONS

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

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

<u>Name of related parties</u>	<u>Type of business</u>	<u>Relationship with the Company</u>
Bangkok Bank Pcl.	Banking	Related by way of common shareholders
Bangkok Insurance Pcl.	Insurance	Shareholding and related by way of common directors
Sorachai Vivat Co., Ltd.	Property development	Related by way of common shareholders
Thaire Life Assurance Pcl.	Life assurance	Related by way of common directors
Bumrungrad Hospital Pcl.	Health care services	Related by way of common shareholders
Rajburi Sugar Co., Ltd.	Industry	Related by way of common directors
Narai Ruamphiphat Co., Ltd.	Property development	Shareholding by an individual related to the major shareholder of the Company
Bangkok Business Building (1987) Co., Ltd.	Rental of assets	Related by way of common shareholders
Tris Corporation Ltd.	Services	Related by way of common directors
Union Textile Industries Pcl.	Industry	Related by way of common shareholders
Charoen Pokphand Foods Pcl. ⁽²⁾	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 Ventures Public Company Limited	Petrochemical	Related by way of common directors
Asia warehouse Co., Ltd.	Rental of assets	Shareholding by the major shareholder of the Company
Ek-Chai Distribution System Co., Ltd.	Commercial	Related by way of common directors
BBL Asset Management Co., Ltd. ⁽¹⁾	Asset management	Related by way of common shareholders and common directors
Bualuang Securities Pcl.	Securities	Subsidiary of the major shareholder of the Company
Asia Insurance Company Limited ⁽¹⁾	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 shareholders
Bangkok Mitsubishi UFJ Lease Co., Ltd.	Services	Related by way of common shareholders
Samitivij Pcl. ⁽³⁾	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
I-Direct Insurance Broker Co., Ltd.	Life Insurance broker	Related by way of common shareholders
Bangkok Life Assurance (Cambodia) Public Limited Company	Life insurance	Subsidiary

⁽¹⁾ It had been considered a related party until November 29, 2016 because the Company and its subsidiaries have no common directors with BBL Asset Management Co., Ltd. and Asia Insurance Company Limited since then and have common directors once again with BBL Asset Management Co., Ltd. since March 23, 2017 and had been considered a related party until May 5, 2018 because the Company and its subsidiaries have no common directors with BBL Asset Management Co., Ltd. since then.

⁽²⁾ It had been considered a related party unit April 25, 2017 because the Company and its subsidiaries have no common directors with Charoen Pokphand Foods Pcl. since then.

⁽³⁾ It had been considered a related party unit May 1, 2018 because the Company and its subsidiaries have no common directors with Samitivij Pcl. since then.

During the three-month and six-month periods ended June 30, 2018 and 2017, the Company and subsidiaries had significant business transactions with related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course business between the Company and those parties are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements				Pricing policy
	For the three-month periods ended June 30,		For the six-month periods ended June 30,		
	2018	2017	2018	2017	
Related parties					
Premium written	1,597	2,481	4,325	4,695	Normal commercial terms for underwriting
Premium ceded to reinsurers	60,626	42,673	203,179	173,599	Normal commercial terms for reinsurance
Interest income - deposits at banks, promissory notes and debentures	103,241	111,135	209,761	238,568	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	1,050	1,443	2,162	2,965	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	61,520	103,483	165,630	174,622	The declared amount
Rental and service income	3,119	3,031	5,700	6,251	Rate on agreements those charged by rental and service fees per square meter per month
Brokerage income from securities trading	6,319	-	26,766	-	Normal commercial terms for securities brokerage
Gain (loss) on forward and swap foreign exchange contracts	(50)	60,662	(7,269)	211,917	Normal commercial terms on contracts
Commission and brokerage	440,747	340,517	969,390	736,586	At a mutually agreed percentage of premium written
Claim refundable from reinsurance	70,540	63,301	146,851	90,418	Normal commercial terms for underwriting
Claim payment and diagnose charge	3,508	20,196	10,931	33,716	Normal commercial terms for underwriting
Bank charges	32,607	40,808	76,000	65,645	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	505	303	1,606	1,239	Normal commercial terms for underwriting
Building space rental and services	21,258	17,639	35,673	34,694	Head office building: Rental fee of approximately Baht 90 per square meter per month and service fee of Baht 29 per square meter per month for long-term agreement and approximately Baht 44 and Baht 138 per square meter per month and service fees approximately Baht 91 and Baht 307 per square meter per month. Branch office buildings: Rental fees of approximately Baht 100, Baht 150, Baht 188 and Baht 315 per square meter per month and service fees of approximately Baht 342 and Baht 200 per square meter per month
Other services	2,227	464	5,755	642	Normal commercial terms for services

(Unit : Thousand Baht)

	Separate financial statements				Pricing policy
	For the three-month periods ended June 30,		For the six-month periods ended June 30,		
	2018	2017	2018	2017	
Subsidiaries					
Written premium	-	5	-	54	Normal commercial terms for underwriting
Rental and service income	35,428	140	35,673	292	Rate on agreements as those charged by rental and service fees per square meter per month
Related parties					
Written premium	1,597	2,481	4,325	4,695	Normal commercial terms for underwriting
Premium ceded to reinsurers	60,626	42,673	203,179	173,599	Normal commercial terms for reinsurance
Interest income - deposits at banks, promissory notes and debentures	103,241	111,120	209,761	238,553	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	1,050	1,443	2,162	2,965	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	61,520	103,483	165,630	174,622	The declared amount
Brokerage income from securities trading	6,319	-	26,766	-	Normal commercial terms for securities brokerage
Gain (loss) on forward and swap foreign exchange contracts	(50)	60,662	(7,269)	211,917	Normal commercial terms on contracts
Commission and brokerage	440,747	340,517	969,390	736,586	At a mutually agreed percentage of premium written
Claim refundable from reinsurance	70,540	63,301	146,851	90,418	Normal commercial terms for underwriting
Claim payment and diagnose charge	3,508	20,196	10,931	33,716	Normal commercial terms for underwriting
Bank charges	32,624	40,783	75,981	65,593	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	505	296	1,600	1,232	Normal commercial terms for underwriting
Building space rental and services	21,258	17,639	35,673	34,694	Head office building: Rental fee of approximately Baht 90 per square meter per month and service fee of Baht 29 per square meter per month for long-term agreement and approximately Baht 44 and Baht 138 per square meter per month and service fees approximately Baht 91 and Baht 307 per square meter per month. Branch office buildings: Rental fees of approximately Baht 100, Baht 150, Baht 188 and Baht 315 per square meter per month and service fees of approximately Baht 342 and Baht 200 per square meter per month.
Other services	855	464	3,118	642	Normal commercial terms for services

For the three-month and six-month periods ended June 30, 2018, the premium generated from the Bancassurance distribution channel represented approximately 56.79% and 65.62% of total net premium written, respectively. (June 30, 2017, approximately 59.80% and 64.91% of total net premium written, respectively)

As at June 30, 2018 and December 31, 2017, the balance of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	June 30, 2018	December 31, 2017	June 30, 2018	December 31, 2017
Subsidiaries				
Other liabilities				
Advance received	-	-	66	66
Total other liabilities	-	-	66	66
Related parties				
Deposit at financial institution (included in cash and cash equivalents)	918,903	1,051,281	908,469	1,043,223
Investments in securities				
Available-for-sale investments - cost				
Domestic equity securities	2,371,103	2,221,635	2,371,103	2,221,635
Domestic investment unit	3,521,872	3,337,446	3,521,872	3,337,446
Total available-for-sale investment - cost	5,892,975	5,559,081	5,892,975	5,559,081
Add Unrealised gains	1,723,456	2,030,324	1,723,456	2,030,324
Total available-for-sale investments - fair value	7,616,431	7,589,405	7,616,431	7,589,405
Held-to-maturity investments - cost/amortised cost				
Private enterprise debt securities	3,245,000	2,745,000	3,245,000	2,745,000
Foreign debt securities	6,026,361	6,316,261	6,026,361	6,316,261
Total held-to-maturity investment - cost/amortised cost	9,271,361	9,061,261	9,271,361	9,061,261
General investments - foreign equity securities	11,167	11,167	11,167	11,167
Loans	60,521	73,060	60,521	73,060
Total investments assets	16,959,480	16,734,893	16,959,480	16,734,893

	Consolidated financial statements		(Unit: Thousand Baht) Separate financial statements	
			June 30, 2018	December 31, 2017
	Related parties (continued)			
Amount due from reinsurance	238,051	230,784	238,051	230,784
Forward and swap foreign exchange contract receivable	6,405,138	5,585,475	6,405,138	5,585,475
Other assets				
Accrued income	2,635	6,641	-	-
Prepaid rental expenses	28,514	34,411	28,514	34,411
Prepaid expense	771	208	771	208
Total other assets	31,920	41,260	29,285	34,619
Amount due to reinsurance	285,879	187,294	285,879	187,294
Outstanding claims	1,478	10,468	1,478	10,468
Forward and swap foreign exchange contract payable	6,577,319	5,622,022	6,577,319	5,622,022
Other liabilities				
Accrued commission	371,764	366,786	371,764	366,786
Accrued premium	6,106	16,410	-	-
Accrued rental and service expense	156	128	156	128
Total other liabilities	378,026	383,324	371,920	366,914

Directors and key management's benefits

During the three-month and six-month periods ended June 30, 2018 and 2017, the Company and subsidiaries had employee benefit expenses payable to their directors and key management as follows:

	(Unit : Million Baht)			
	Consolidated financial statements			
	For the three-month periods ended June 30, 2018	For the three-month periods ended June 30, 2017	For the six-month periods ended June 30, 2018	For the six-month periods ended June 30, 2017
Short-term employee benefits	10.1	10.9	22.5	20.7
Long-term employee benefits	0.4	0.6	1.5	1.3
Share-based payment transactions (Note 22)	-	-	-	0.4
Total directors and management's benefits	10.5	11.5	24.0	22.4

	(Unit : Million Baht)			
	Separate financial statements			
	For the three-month periods ended June 30, 2018	For the three-month periods ended June 30, 2017	For the six-month periods ended June 30, 2018	For the six-month periods ended June 30, 2017
Short-term employee benefits	10.1	10.9	22.5	20.7
Long-term employee benefits	0.2	0.6	1.3	1.3
Share-based payment transactions (Note 22)	-	-	-	0.4
Total directors and management's benefits	10.3	11.5	23.8	22.4

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

28. ASSETS PLACED WITH THE REGISTRAR

As at June 30, 2018 and December 31, 2017, the following securities have been placed securities with the Registrar in accordance with the Life Insurance Act.

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	June 30, 2018		December 31, 2017	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
State enterprise bonds	23,164	23,943	23,200	25,605

29. ASSETS RESERVED WITH THE REGISTRAR

As at June 30, 2018 and December 31, 2017, the following securities have been placed as reserves with the Registrar in accordance with the Life Insurance Act.

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	June 30, 2018		December 31, 2017	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Government bonds	55,505,340	61,675,297	52,400,828	61,274,166
State enterprise bonds	4,899,956	5,440,584	5,699,921	6,375,488
Total	60,405,296	67,115,881	58,100,749	67,649,654

30. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares issued during the period.

Diluted earnings per share is calculated by dividing profit for the period attributable to equity holders of the Company (excluding other comprehensive income) by the weighted average number of ordinary shares issued during the period plus the weighted average number of ordinary shares which would need to be issued to convert all dilutive potential ordinary shares into ordinary shares. The calculation assumes that the conversion took place either at the beginning of the period or on the date the potential ordinary shares were issued.

Basic and diluted earnings per share for the three-month periods ended June 30, 2018 and 2017 are as follows:

Consolidated financial statements						
	Profit for the period (Thousand Baht)		Weighted average number of shares (Thousand shares)		Earnings per share (Baht)	
	2018	2017	2018	2017	2018	2017
	Basic earnings per share					
Profit attributable to ordinary shareholders of the Company						
- From continuing operations	1,234,098	1,228,476			0.72	0.73
- From discontinued operation	(3,841)	(4,511)			(0.01)	(0.01)
Profit attributable to ordinary shareholders of the Company	1,230,257	1,223,965	1,707,566	1,707,348	0.71	0.72
Effect of dilutive potential ordinary shares						
Warrant No. 2	-	-	-	-		
Diluted earnings per share	<u>1,230,257</u>	<u>1,223,965</u>	<u>1,707,566</u>	<u>1,707,348</u>	<u>0.71</u>	<u>0.72</u>

Separate financial statements						
	Profit for the period (Thousand Baht)		Weighted average number of shares (Thousand shares)		Earnings per share (Baht)	
	2018	2017	2018	2017	2018	2017
	Basic earnings per share					
Profit attributable to ordinary shareholders of the Company	1,181,866	1,228,937	1,707,566	1,707,348	0.69	0.72
Effect of dilutive potential ordinary shares						
Warrant No. 2	-	-	-	-		
Diluted earnings per share	<u>1,181,866</u>	<u>1,228,937</u>	<u>1,707,566</u>	<u>1,707,348</u>	<u>0.69</u>	<u>0.72</u>

Basic and diluted earnings per share for the six-month periods ended June 30, 2018 and 2017 are as follows:

Consolidated financial statements						
	Profit for the period (Thousand Baht)		Weighted average number of shares (Thousand shares)		Earnings per share (Baht)	
	2018	2017	2018	2017	2018	2017
	Basic earnings per share					
Profit attributable to ordinary shareholders of the Company						
- From continuing operations	2,993,091	2,155,979			1.76	1.27
- From discontinued operation	(6,906)	(7,552)			(0.01)	(0.01)
	2,986,185	2,148,427	1,707,566	1,707,926	1.75	1.26
Effect of dilutive potential ordinary shares						
Warrant No. 2	-	-	-	-		
Diluted earnings per share	<u>2,986,185</u>	<u>2,148,427</u>	<u>1,707,566</u>	<u>1,707,926</u>	<u>1.75</u>	<u>1.26</u>

	Separate financial statements					
	Profit for the period (Thousand Baht)		Weighted average number of shares (Thousand shares)		Earnings per share (Baht)	
	2018	2017	2018	2017	2018	2017
Basic earnings per share						
Profit attributable to ordinary shareholders of the Company	2,940,800	2,157,362	1,707,566	1,707,926	1.72	1.26
Effect of dilutive potential ordinary shares						
Warrant No. 2	-	-	-	-		
Diluted earnings per share	<u>2,940,800</u>	<u>2,157,362</u>	<u>1,707,566</u>	<u>1,707,926</u>	<u>1.72</u>	<u>1.26</u>

31. DIVIDENDS PAID

Dividends declared during the six-month periods ended June 30, 2018 and 2017, consisted of the following:

	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
Annual dividend for 2017	Annual General Meeting of the Shareholders on April 27, 2018 and the OIC on April 18, 2018	375	0.22
Total dividend for the period 2018		<u>375</u>	<u>0.22</u>
Annual dividend for 2016	Annual General Meeting of the Shareholders on April 27, 2017 and the OIC on May 8, 2017	730	0.43
Total dividend for the period 2017		<u>730</u>	<u>0.43</u>

32. COMMITMENTS

- 32.1 As at June 30, 2018 and December 31, 2017, the Company entered into construction building agreement with local companies totaling of Baht 66.59 million and Baht 228.06 million, respectively. The Company has commitments to be paid according to the agreements amounting to Baht 19.94 million and Baht 44.73 million, respectively.
- 32.2 The Company and subsidiaries have entered into several lease agreements in respect of the lease of office building space, motor vehicles and equipment. The terms of the agreements are generally between 1 and 5 years for leases of building space and are generally between 1 and 5 years for leases of motor vehicles and equipment. Such agreements are non-cancellable

As at June 30, 2018 and December 31, 2017, future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

	(Unit: Million Baht)		
	Consolidated financial statements		
	June 30, 2018		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements - Related parties	31.65	18.82	50.47
Operating lease agreements - Other parties	24.83	16.71	41.54
Service agreements	7.13	0.02	7.15
Total	63.61	35.55	99.16

	(Unit: Million Baht)		
	Consolidated financial statements		
	December 31, 2017		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements - Related parties	27.61	28.91	56.52
Operating lease agreements - Other parties	22.07	18.26	40.33
Service agreements	0.23	0.03	0.26
Total	49.91	47.20	97.11

	(Unit: Million Baht)		
	Separate financial statements		
	June 30, 2018		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements - Related parties	31.65	18.82	50.47
Operating lease agreements - Other parties	24.67	16.57	41.24
Service agreements	7.12	-	7.12
Total	63.44	35.39	98.83

	Unit: Million Baht)		
	Separate financial statements		
	December 31, 2017		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements - Related parties	27.61	28.91	56.52
Operating lease agreements - Other parties	21.92	18.04	39.96
Service agreements	0.21	-	0.21
Total	49.74	46.95	96.69

The Company and subsidiaries recognized rental expense derived from the operating leases for the three-month and six-month periods ended June 30, 2018 amounting to Baht 14.8 million and Baht 31.9 million, respectively. (June 30, 2017 amounting to Baht 11.9 million and Baht 23.7 million, respectively)

- 32.3 As at June 30, 2018 and December 31, 2017, the Company may need to deposit additional amounts in the future under the investment conditions as described in Note 9.5 (a), as summarized below:

Payable within	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	June 30, 2018	December 31, 2017
1 year	1,200,000	1,200,000
2 - 5 years	-	600,000

33. LITIGATION

As at June 30, 2018 and December 31, 2017, the Company has been sued in litigation cases of compensation of claims totaling approximately Baht 17 million and Baht 18 million, respectively, for being the insurer and the cases have not yet been finalized. The Company has not yet provided for any provision for loss on such cases since there is still uncertainty with respect to the outcome of the cases.

34. EVENT AFTER THE REPORTING PERIOD

At the Company's Board of Directors' meeting held on August 9, 2018, 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 Office of Insurance Commission.

35. RECLASSIFICATIONS

- 35.1 The reclassifications to conform to the presentation in the interim financial statements for the current periods

Reclassifications have been made to the statement of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2017 to conform to the classification used in the statement of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2018 as follow:

Transactions	(Unit : Thousand Baht)					
	For the three-month period ended June 30, 2017		For the six-month period ended June 30, 2017		Previous classification	Current classification
	Consolidated financial statements	Separate financial statements	Consolidated financial statements	Separate financial statements		
Other underwriting expenses	23,487	23,487	42,449	42,449	Operating expenses	Other underwriting expenses
Fees related to investment	3,654	3,654	10,328	10,328	Operating expenses	Net with net investment income

The consolidated and separate statements of cash flows for the six-month period ended June 30, 2017 have been reclassified to conform to the above reclassifications.

35.2 The reclassifications to conform to presentation of discontinued operation

(Unit : Thousand Baht)

Consolidated financial statements
For the three-month period ended June 30, 2017

	Before reclassifications	Reclassifications as Note 35.1	Reclassifications for discontinued operation	After reclassifications
PROFIT AND LOSS				
Net earned premium	7,920,633	-	(151)	7,920,482
Net investment income	2,857,121	(3,654)	(18)	2,853,449
Other income	35,270	-	2	35,272
Total revenues	10,813,024	(3,654)	(167)	10,809,203
Life policy reserves increased from prior period	3,694,281	-	(14)	3,694,267
Commissions and brokerages	733,626	-	(27)	733,599
Other underwriting expenses	145,032	23,487	(3,299)	165,220
Operating expenses	455,568	(27,141)	(5,501)	422,926
Total expenses	5,028,507	(3,654)	(8,841)	5,016,012
Profit (loss) before income tax expense	1,444,446	-	8,674	1,453,120
Income tax expenses	(224,649)	-	-	(224,649)
Profit (loss) for the periods	1,219,797	-	8,674	1,228,471

(Unit : Thousand Baht)

Consolidated financial statements
For the six-month period ended June 30, 2017

	Before reclassifications	Reclassifications as Note 35.1	Reclassifications for discontinued operation	After reclassifications
PROFIT AND LOSS				
Net earned premium	20,460,847	-	(217)	20,460,630
Net investment income	5,659,734	(10,328)	(28)	5,649,378
Other income	60,974	-	4	60,978
Total revenues	26,181,555	(10,328)	(241)	26,170,986
Life policy reserves increased from prior year	11,259,598	-	(17)	11,259,581
Commissions and brokerages	1,568,165	-	(43)	1,568,122
Other underwriting expenses	312,756	42,449	(5,771)	349,434
Operating expenses	856,629	(52,777)	(8,933)	794,919
Total expenses	13,997,148	(10,328)	(14,764)	13,972,056
Profit (loss) before income tax expense	2,492,414	-	14,523	2,506,937
Income tax expenses	(350,972)	-	-	(350,972)
Profit (loss) for the periods	2,141,442	-	14,523	2,155,965

36. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These consolidation and separate interim financial statements were authorized for issue by the Board of Directors on August 9, 2018.