

Bangkok Life Assurance Public Company Limited
Review report and interim financial statements
For the three-month period ended
31 March 2013

Independent Auditor's Report on Review of Interim Financial Information

To the shareholders of Bangkok Life Assurance Public Company Limited

I have reviewed the accompanying statement of financial position of Bangkok Life Assurance Public Company Limited as at 31 March 2013, and the statements of income, comprehensive income, changes in owners' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the financial statements.

Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34: Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Emphasis of Matter

I draw attention to Note 3.1 to the financial statements regarding the first-time adoption of Thai Accounting Standard 12: Income Taxes due to its being effective during the current period. My conclusion is not qualified in respect of this matter.

Other Matter

The statement of financial position of Bangkok Life Assurance Public Company Limited as at 31 December 2012, presented as comparative information, were audited by another auditor in the same firm as mine who expressed an unqualified opinion on those financial statements, under her report dated 22 February 2013. The statements of income, comprehensive income, changes in owners' equity, and cash flows of Bangkok Life Assurance Public Company Limited for the three-month period ended 31 March 2012, presented as comparative information, were also reviewed by the aforementioned auditor who concluded, under her report dated 11 May 2012, that nothing had come to her attention that caused her to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard 34: Interim Financial Reporting.

Rachada Yongsawadvanich
Certified Public Accountant (Thailand) No. 4951

Ernst & Young Office Limited
Bangkok: 10 May 2013

Bangkok Life Assurance Public Company Limited**Statements of financial position****As at 31 March 2013, 31 December 2012 and 1 January 2012**

			(Unit: Baht)	
	Note	31 March 2013	31 December 2012	1 January 2012
		(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)
Assets				
Cash and cash equivalents	5, 25	603,206,305	865,845,947	2,736,720,476
Accrued investment income - net	9	2,102,256,711	1,500,076,847	1,375,597,931
Premium receivables	6	2,954,170,720	1,612,729,639	2,312,647,445
Reinsurance assets	7, 25	497,741,676	510,012,812	332,055,036
Investment assets				
Investments in securities	25			
Trading investments - net	8	671,786,271	477,236,368	299,019,595
Available-for-sale investments	8	20,055,244,488	18,395,331,360	13,358,947,452
Held-to-maturity investments	8, 26, 27	125,836,628,281	116,059,781,262	89,394,339,476
General investments	8	46,962,230	46,962,230	29,587,830
Loans - net	9, 25	2,767,866,019	2,649,100,421	2,113,082,452
Premises and equipment - net	10	299,377,801	304,954,930	306,415,271
Intangible assets - net		14,990,551	17,202,032	21,390,815
Deferred tax assets	11.1	1,152,730,382	780,101,850	340,234,468
Other assets	12	168,502,054	347,978,903	179,608,126
Total assets		157,171,463,489	143,567,314,601	112,799,646,373

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

Bangkok Life Assurance Public Company Limited**Statements of financial position (Continued)****As at 31 March 2013, 31 December 2012 and 1 January 2012**

			(Unit: Baht)	
	Note	31 March 2013	31 December 2012	1 January 2012
		(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)
Liabilities and owners' equity				
Liabilities				
Income tax payable		1,123,414,054	581,526,761	738,563,265
Amounts due to reinsurers	13, 25	504,174,104	400,098,875	266,778,378
Insurance contract liabilities				
Life policy reserves	14	121,162,255,382	111,259,206,400	88,386,403,850
Unpaid policy benefits	15	98,702,645	88,460,596	82,588,130
Loss reserves and outstanding claims	16, 25	320,032,674	340,909,580	333,830,276
Premium reserves	17	1,094,158,892	1,078,120,949	1,085,196,967
Other insurance liabilities		7,426,032,161	7,279,716,866	6,852,174,216
Employee benefit payables	18	207,999,822	266,958,660	233,793,703
Deferred tax liabilities	11.1	1,634,691,105	1,288,404,931	494,917,951
Other liabilities	19, 25	1,780,581,387	1,519,141,914	1,048,861,404
Total liabilities		135,352,042,226	124,102,545,532	99,523,108,140

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

Bangkok Life Assurance Public Company Limited

Statements of financial position (Continued)

As at 31 March 2013, 31 December 2012 and 1 January 2012

		(Unit: Baht)		
	Note	31 March 2013	31 December 2012	1 January 2012
		(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)
Owners' equity				
Share capital				
Registered				
1,220,000,000 ordinary shares of Baht 1 each		1,220,000,000	1,220,000,000	1,220,000,000
Issued and fully paid-up				
1,207,399,800 ordinary shares of Baht 1 each	20	1,207,399,800	1,204,771,855	1,200,000,000
(31 December 2012: 1,204,771,855 ordinary shares of Baht 1 each, 1 January 2012: 1,200,000,000 ordinary shares of Baht 1 each)				
Premium on share capital	20	2,792,318,768	2,759,469,456	2,699,821,268
Capital reserve on share-based payments	20, 21	37,753,588	28,315,191	-
Subscriptions received in advance from exercise of warrants	21	45,920,250	35,477,257	-
Retained earnings				
Appropriated				
Statutory reserve		122,000,000	122,000,000	122,000,000
General reserve		400,000,000	400,000,000	400,000,000
Unappropriated		10,683,305,977	9,761,362,477	6,872,550,441
Other component of owners' equity				
Revaluation surplus on available-for-sale investments - net of relevant income taxes		6,530,722,880	5,153,372,833	1,982,166,524
Total owners' equity		21,819,421,263	19,464,769,069	13,276,538,233
Total liabilities and owners' equity		157,171,463,489	143,567,314,601	112,799,646,373

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

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Directors
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(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited**Statements of income****For the three-month periods ended 31 March 2013 and 2012**

	Note	2013	2012 (Restated)
(Unit: Baht)			
Revenue			
Net premium written	22, 25	12,978,197,832	8,802,999,946
Net investment income		1,675,099,085	1,335,277,659
Total income		14,653,296,917	10,138,277,605
Expenses			
Underwriting			
Life policy reserves increased from prior period	22	9,903,048,982	5,755,111,004
Benefit payments under life policies and benefit adjustment expenses	22	2,038,765,922	1,660,912,410
Claims and losses adjustment expenses	22, 25	329,531,587	352,168,222
Commissions and brokerages expenses	22, 25	878,276,031	761,898,997
Sales promotional expenses	22	111,854,119	162,463,700
Other underwriting expenses	22, 25	6,883,631	5,684,241
Operating expenses	23	425,659,377	319,154,194
Total underwriting expenses		13,694,019,649	9,017,392,768
Profits from underwriting		959,277,268	1,120,884,837
Gains on investments	8.5	227,484,972	184,765,835
Fair value gains (losses)	24	(48,979,235)	302,783
Other income		6,889,606	2,614,474
Profits from operations		1,144,672,611	1,308,567,929
Contribution to the Office of Insurance Commission		26,574,501	15,629,450
Contribution to the Life Insurance Fund		13,224,342	8,992,973
Profits before income tax expenses		1,104,873,768	1,283,945,506
Income tax expenses	11.2	182,930,268	271,982,161
Profits for the periods		921,943,500	1,011,963,345
Earnings per share	28		
Basic earnings per share			
Profits for the periods		0.764	0.843
Diluted earnings per share			
Profits for the periods		0.760	0.837

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

(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited
Statements of comprehensive income
For the three-month periods ended 31 March 2013 and 2012

	2013	2012
		(Restated)
Profits for the periods	921,943,500	1,011,963,345
Other comprehensive income		
Gains on revaluation of available-for-sale investments	1,721,687,559	785,134,084
Less: Income taxes effect on gains on revaluation of available-for-sale investments	<u>(344,337,512)</u>	<u>(157,026,817)</u>
Other comprehensive income for the periods - net of relevant income taxes	<u>1,377,350,047</u>	<u>628,107,267</u>
Total comprehensive income for the periods	<u><u>2,299,293,547</u></u>	<u><u>1,640,070,612</u></u>

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

(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited

Statements of cash flows

For the three-month periods ended 31 March 2013 and 2012

	(Unit: Baht)	
	2013	2012
Cash flows from operating activities		
Net premium written	12,068,514,949	8,795,542,422
Interest income	1,002,268,467	893,758,882
Dividend income	70,650,754	221,690,620
Other investment income	251,202,100	199,336,531
Other income	6,930,700	2,649,954
Benefit payments under life policies during the periods	(2,159,510,086)	(1,956,865,454)
Dividends to policyholders	(24,041,000)	(16,879,900)
Commissions and brokerages	(807,982,318)	(705,896,754)
Other underwriting expenses	(77,277,077)	(55,571,018)
Operating expenses	(464,613,618)	(183,967,419)
Other expenses	(29,878,230)	(24,622,423)
Corporate income taxes	(11,722,845)	(10,401,543)
Net cash provided by operating activities	9,824,541,796	7,158,773,898
Cash flows from investing activities		
Cash flows from		
Investments in securities	13,988,996,468	26,184,315,430
Loans	133,748,212	107,678,193
Deposits at financial institutions	4,970,000,000	250,000,000
Premises and equipment	14,559	36,550
Cash from investing activities	19,092,759,239	26,542,030,173
Cash flows used in		
Investments in securities	(23,845,395,006)	(36,682,371,885)
Loans	(218,732,057)	(146,951,380)
Deposits at financial institutions	(4,950,000,000)	(5,000,000)
Premises and equipment	(11,733,864)	(39,712,925)
Cash used in investing activities	(29,025,860,927)	(36,874,036,190)
Net cash used in investing activities	(9,933,101,688)	(10,332,006,017)

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

(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited

Statements of cash flows (Continued)

For the three-month periods ended 31 March 2013 and 2012

	(Unit: Baht)	
	2013	2012
Cash flows from financing activities		
Subscriptions received from exercise of warrants	45,920,250	-
Proceeds on loans	-	1,000,000,000
Repayments on loans	(200,000,000)	-
Net cash provided by (used in) financing activities	(154,079,750)	1,000,000,000
Net decrease in cash and cash equivalents	(262,639,642)	(2,173,232,119)
Cash and cash equivalents at beginning of periods	865,845,947	2,736,720,476
Cash and cash equivalents at end of periods	603,206,305	563,488,357
Supplemental cash flows information		
Non-cash items		
Increase in available-for-sale investments as a result of revaluation	1,721,687,559	785,134,084
Increase in capital reserve on share-based payments	9,438,397	-

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

(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited**Statements of changes in owners' equity****For the three-month periods ended 31 March 2013 and 2012**

(Unit: Baht)

	Note	Issued and fully paid-up share capital	Share premium	Capital reserve		Retained earnings			Other component of owners' equity - Revaluation surplus on in value of available- for-sale investments	Total
				for share-based payment transactions	subscriptions received in advance from exercise of warrants	Appropriated	Statutory reserve	General reserve		
Balance as at 31 December 2011										
- as previously reported		1,200,000,000	2,699,821,268	-	-	122,000,000	400,000,000	6,531,692,293	2,477,708,155	13,431,221,716
Cumulative effect of the change in accounting policy regarding income taxes	3.1	-	-	-	-	-	-	340,858,148	(495,541,631)	(154,683,483)
Balance as at 1 January 2012 - as restated		1,200,000,000	2,699,821,268	-	-	122,000,000	400,000,000	6,872,550,441	1,982,166,524	13,276,538,233
Total comprehensive income for the period - as restated		-	-	-	-	-	-	1,011,963,345	628,107,267	1,640,070,612
Balance as at 31 March 2012- as restated		<u>1,200,000,000</u>	<u>2,699,821,268</u>	<u>-</u>	<u>-</u>	<u>122,000,000</u>	<u>400,000,000</u>	<u>7,884,513,786</u>	<u>2,610,273,791</u>	<u>14,916,608,845</u>
Balance as at 31 December 2012										
- as previously reported		1,204,771,855	2,759,469,456	28,315,191	35,477,257	122,000,000	400,000,000	8,981,322,350	6,441,716,041	19,973,072,150
Cumulative effect of the change in accounting policy regarding income taxes	3.1	-	-	-	-	-	-	780,040,127	(1,288,343,208)	(508,303,081)
Balance as at 1 January 2013 - as restated		1,204,771,855	2,759,469,456	28,315,191	35,477,257	122,000,000	400,000,000	9,761,362,477	5,153,372,833	19,464,769,069
Share-based payments	20, 21	-	-	9,438,397	-	-	-	-	-	9,438,397
Increase in share capital as a result of warrant exercise	20	2,627,945	32,849,312	-	(35,477,257)	-	-	-	-	-
Subscriptions received in advance from exercises of warrants	21	-	-	-	45,920,250	-	-	-	-	45,920,250
Total comprehensive income for the period		-	-	-	-	-	-	921,943,500	1,377,350,047	2,299,293,547
Balance as at 31 March 2013		<u>1,207,399,800</u>	<u>2,792,318,768</u>	<u>37,753,588</u>	<u>45,920,250</u>	<u>122,000,000</u>	<u>400,000,000</u>	<u>10,683,305,977</u>	<u>6,530,722,880</u>	<u>21,819,421,263</u>
		-	-	-	-	-	-	-	-	-

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

Bangkok Life Assurance Public Company Limited
Notes to interim financial statements
For the three-month period ended 31 March 2013

1. Corporate information

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

2. Basis of preparation of interim financial statement

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (revised 2009) “Interim Financial Reporting” and the requirements in the Declaration dated 27 May 2010 of the Office of the Insurance Commission, with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, income, comprehensive income, changes in owners’ equity and cash flows in the same format as that used in its preparation of the annual financial statements.

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

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

3. New accounting standards

3.1 Adoption of new accounting standards that became effective during the period

The Federation of Accounting Professions issued the following accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

TSIC 10	Government Assistance - No Specific Relation to Operating Activities
TSIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
TSIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

The above accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have a significant impact on these financial statements, except for TAS 12 "Income Taxes". The effect of first-time adoption of this accounting standard has been presented in Note 4.1 to the financial statements.

Hence, the Company recognised the effect as a result of such change in accounting policy by restating its prior period's financial statements, as comparative information, as if it had always adopted deferred tax accounting and presented it under the caption of "Cumulative effects of the change in accounting policy regarding income taxes" in the statements of changes in owners' equity.

(Unaudited but reviewed)

The amounts of adjustments affecting the statements of financial position, income and comprehensive income from the first-time adoption of such accounting standard are summarised below.

	31 March 2013	31 December 2012	(Unit: Million Baht) 1 January 2012
Statements of financial position			
Increase in deferred tax assets	1,153	780	340
Increase in deferred tax liabilities	1,635	1,288	496
Increase in unappropriated retained earnings	1,151	780	340
Decrease in other component of owners' equity	1,633	1,288	496

	(Unit: Million Baht) For the three-month periods ended 31 March	
	2013	2012
Statements of income		
Decrease in income tax expenses	371	99
Increase in profits for the periods	371	99
Increase in basic earnings per share (Baht per share)	0.307	0.082
Increase in diluted earnings per share (Baht per share)	0.306	0.081

	(Unit: Million Baht) For the three-month periods ended 31 March	
	2013	2012
Statements of comprehensive income		
Increase in income tax effect on gains on revaluation of available-for-sale investments	344	157

3.2 New accounting standards not yet effective

The Federation of Accounting Professions has issued notifications which are published in the Royal Gazette during the current period, mandating the use of financial reporting standard, accounting standard interpretation and financial reporting standard interpretations as follows.

	<u>Effective date</u>
Financial Reporting Standard:	
TFRS 4 Insurance Contracts	1 January 2016
Accounting Standard Interpretation:	
TSIC 29 Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:	
TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4 Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7 Applying the Restatement Approach under TAS 29 Financial Reporting in Hyper inflationary Economics	1 January 2014
TFRIC 10 Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12 Service Concession Arrangements	1 January 2014
TFRIC 13 Customer Loyalty Programmes	1 January 2014

The Company's management has assessed the effect of the above financial reporting standard, accounting standard interpretation and financial reporting standard interpretations and believes that they are not relevant to the business of the Company or have no significant impact on the financial statements when they initially applied, except for TFRS 4, for which the management is still evaluating the first-year impact to the financial statements and has yet to reach a conclusion.

4. Significant accounting policies

These interim financial statements are prepared using the same accounting policies and methods of computation as that were used for the financial statements for the year ended 31 December 2012, except for the first-time adoption of TAS 12 “Income Taxes”.

Income tax accounting policy can be summarised as below.

Income taxes

Income tax expense represents the sum of corporate income tax currently payable and deferred taxes.

Current income taxes

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

Deferred taxes

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

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

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

The Company record deferred tax directly to owners’ equity if the tax relates to items that are recorded directly to owners’ equity.

(Unaudited but reviewed)

5. Cash and cash equivalents

	(Unit: Baht)	
	31 March 2013	31 December 2012
Cash on hand	3,492,970	6,438,416
Deposits at banks with no fixed maturity date	599,713,335	859,407,531
Deposits at banks with fixed maturity date	730,000,000	750,000,000
Total cash and deposits at financial institutions	1,333,206,305	1,615,845,947
Less: Deposits at banks and financial institutions with an original maturity period of longer than 3 months	(730,000,000)	(750,000,000)
Cash and cash equivalents	<u>603,206,305</u>	<u>865,845,947</u>

As at 31 March 2013, interest rates on saving accounts, fixed deposits and promissory notes are in the range of 0.625% - 6.10% per annum (31 December 2012: 0.063% - 6.10% per annum).

6. Premium receivables

As at 31 March 2013 and 31 December 2012, the outstanding balances of premium receivables, classified by overdue period, counted from the due dates under the stipulated credit terms, are as follows:

	(Unit: Baht)		
	31 March 2013		
	Due from insured	Due from agents and brokers	Total
Not yet due	2,690,081,825	196,105,600	2,886,187,425
Overdue			
Not over 30 days	18,390,949	44,140,553	62,531,502
Over 30 days to 60 days	(6,510)	3,582,312	3,575,802
Over 60 days to 90 days	-	246,611	246,611
Over 90 days to 1 year	1,060,637	158,322	1,218,959
Over 1 year	15,107	395,314	410,421
Total premium receivables	<u>2,709,542,008</u>	<u>244,628,712</u>	<u>2,954,170,720</u>

(Unaudited but reviewed)

(Unit: Baht)

	31 December 2012		
	Due from insured	Due from agents and brokers	Total
Not yet due	1,561,794,383	27,009,885	1,588,804,268
Overdue			
Not over 30 days	192,880	7,344,220	7,537,100
Over 30 days to 60 days	970,342	5,327,853	6,298,195
Over 60 days to 90 days	1,208,521	3,986,228	5,194,749
Over 90 days to 1 year	1,655,794	2,828,770	4,484,564
Over 1 year	10,315	400,448	410,763
Total premium receivables	<u>1,565,832,235</u>	<u>46,897,404</u>	<u>1,612,729,639</u>

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

7. Reinsurance assets

(Unit: Baht)

	31 March 2013	31 December 2012
Insurance reserve refundable from reinsurers	50,378,532	66,994,992
Amounts due from reinsurers	<u>447,363,144</u>	<u>443,017,820</u>
Reinsurance assets	<u>497,741,676</u>	<u>510,012,812</u>

As at 31 March 2013 and 31 December 2012, the outstanding balances of amounts due from reinsurers, classified by overdue period, are as follows:

(Unit: Baht)

	31 March 2013	31 December 2012
Not yet due	<u>447,363,144</u>	<u>443,017,820</u>
Total amounts due from reinsurers	<u>447,363,144</u>	<u>443,017,820</u>

(Unaudited but reviewed)

8. Investments in securities**8.1 Classified by investment types**

(Unite: Baht)

	31 March 2013		31 December 2012	
	Cost/		Cost/	
	Amortised cost	Fair value	Amortised cost	Fair value
Trading investments				
Government and state enterprise securities	445,247,968	446,136,271	476,046,230	477,236,368
Domestic equity securities	236,739,153	225,650,000	-	-
Add (less): Unrealised gains (losses)	(10,200,850)	-	1,190,138	-
Trading investments - net	671,786,271	671,786,271	477,236,368	477,236,368
Available-for-sale investments				
Government and state enterprise securities	2,078,485,417	2,133,389,782	3,098,389,385	3,169,558,338
Domestic equity securities	7,375,017,102	14,874,805,954	6,636,430,938	12,670,085,840
Domestic investment units	1,323,251,487	1,609,219,797	1,327,416,487	1,520,087,613
Foreign investment units	1,213,438,000	1,437,828,955	921,608,000	1,035,599,569
Total	11,990,192,006	20,055,244,488	11,983,844,810	18,395,331,360
Add: Unrealised gains	8,065,052,482	-	6,411,486,550	-
Total available-for-sale investments	20,055,244,488	20,055,244,488	18,395,331,360	18,395,331,360
Held-to-maturity investments				
Government and state enterprise securities	98,310,169,188		90,327,084,144	
Private enterprises debt securities	18,627,604,947		18,812,126,696	
Foreign debt securities	8,168,854,146		6,170,570,422	
Deposits at financial institutions with an original maturity of longer than 3 months	730,000,000		750,000,000	
Total held-to-maturity investments	125,836,628,281		116,059,781,262	
General investments				
Domestic equity securities	29,887,830		29,887,830	
Foreign equity securities	17,074,400		17,074,400	
Total genreal investments	46,962,230		46,962,230	

8.2 Classified by remaining periods to maturity

Investments in debt securities as at 31 March 2013 and 31 December 2012, classified by remaining periods to maturity, are as follows:

(Unit: Baht)

	31 March 2013			
	Periods to maturity			
	Within 1 year	1 - 5 years	Over 5 years	Total
Trading investments				
Government and state enterprise securities	-	-	445,247,968	445,247,968
Add: Unrealised gains	-	-	888,303	888,303
Total trading investments	-	-	446,136,271	446,136,271
Available-for-sale investments				
Government and state enterprise securities	-	700,820,115	1,377,665,302	2,078,485,417
Add: Unrealised gains	-	12,001,473	42,902,892	54,904,365
Total available-for-sale investments	-	712,821,588	1,420,568,194	2,133,389,782
Held-to-maturity investments				
Government and state enterprise securities	1,715,174,142	9,207,868,509	87,387,126,537	98,310,169,188
Private enterprises debt securities	500,000,000	4,098,000,000	14,029,604,947	18,627,604,947
Foreign debt securities	547,696,992	3,582,208,811	4,038,948,343	8,168,854,146
Deposits at financial institutions with an original maturity of longer than 3 months	30,000,000	700,000,000	-	730,000,000
Total held-to-maturity investments	2,792,871,134	17,588,077,320	105,455,679,827	125,836,628,281

(Unit: Baht)

	31 December 2012			
	Periods to maturity			
	Within 1 year	1 - 5 years	Over 5 years	Total
Trading investments				
Government and state enterprise securities	-	-	476,046,230	476,046,230
Add: Unrealised gains	-	-	1,190,138	1,190,138
Total trading investments	-	-	477,236,368	477,236,368
Available-for-sale investments				
Government and state enterprise securities	-	1,718,370,905	1,380,018,480	3,098,389,385
Add: Unrealised gains	-	23,446,166	47,722,787	71,168,953
Total available-for-sale investments	-	1,741,817,071	1,427,741,267	3,169,558,338
Held-to-maturity investments				
Government and state enterprise securities	1,945,276,725	8,024,048,763	80,357,758,656	90,327,084,144
Private enterprises debt securities	560,000,000	4,128,000,000	14,124,126,696	18,812,126,696
Foreign debt securities	380,704,403	3,751,860,952	2,038,005,067	6,170,570,422
Deposits at financial institutions with an original maturity of longer than 3 months	50,000,000	700,000,000	-	750,000,000
Total held-to-maturity investments	2,935,981,128	16,603,909,715	96,519,890,419	116,059,781,262

8.3 Investments in structured notes

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

- (a) As at 31 March 2013 and 31 December 2012, the Company has investments of Baht 900 million and Baht 1,400 million, respectively, in promissory notes and bills of exchange, which were issued by local banks and branches of foreign commercial banks, have remaining lives of 7 - 8 years, and contain conditions whereby the issuer has call option or has rights to call for additional deposits.
- (b) As at 31 March 2013 and 31 December 2012, the Company has investments of Baht 1,630 million and 1,570 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, have remaining lives of 4 years, and contain conditions whereby the issuer has a call option and additional amounts can be deposited on a monthly basis and settlement of principal and interest is to be received on the maturity date per the agreement.
- (c) As at 31 March 2013 and 31 December 2012, the Company has investments of Baht 3,600 million and Baht 3,600 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, have remaining lives of 6 - 9 years, and bear interest that is reference to the yield rate on government bond (CMT Index).
- (d) As at 31 March 2013 and 31 December 2012, the Company has investments of Baht 2,008.52 million and Baht 1,702.31 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, have remaining lives of 7 - 15 years, and contain conditions whereby settlement of principal is based on the credit event of the reference assets.

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

8.4 Investments subject to restriction

As at 31 March 2013 and 31 December 2012, the Company has placed government and state enterprise bonds of Baht 20,829.63 million and Baht 20,836.47 million, respectively with the Registrar as securities and reserves as described in Notes 26 and 27 to the financial statements.

8.5 Gains on investments

Gains on investments for the three-month periods ended 31 March 2013 and 2012 consisted of:

(Unit: Baht)

	For the three-month periods ended	
	31 March	
	2013	2012
Gains on securities trading	1,082,451	9,643,078
Gains on sales of available-for-sale investments	226,402,521	175,122,757
Total	227,484,972	184,765,835

9. Loans and accrued interest receivables

As at 31 March 2013 and 31 December 2012, the balances of loans and accrued interest receivables, classified by overdue periods, are as follows:

(Unit: Baht)

Overdue periods	31 March 2013								
	Policy loans		Mortgage loans		Other loans		Total		
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Total
Current	2,504,555,061	186,379,515	245,389,164	38,011	16,291,073	-	2,766,235,298	186,417,526	2,952,652,824
Overdue:									
Less than 6 months	-	-	365,875	4,438	-	-	365,875	4,438	370,313
6 - 12 months	-	-	-	-	32,867	-	32,867	-	32,867
Over 12 months	-	-	1,213,674	79,478	84,713	1,583	1,298,387	81,061	1,379,448
Total	2,504,555,061	186,379,515	246,968,713	121,927	16,408,653	1,583	2,767,932,427	186,503,025	2,954,435,452
Less: Allowance for doubtful accounts	-	-	(66,408)	(79,478)	-	-	(66,408)	(79,478)	(145,886)
Loans and accrued interest receivables - net	<u>2,504,555,061</u>	<u>186,379,515</u>	<u>246,902,305</u>	<u>42,449</u>	<u>16,408,653</u>	<u>1,583</u>	<u>2,767,866,019</u>	<u>186,423,547⁽¹⁾</u>	<u>2,954,289,566</u>

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

(Unit: Baht)

Overdue periods	31 December 2012								
	Policy loans		Mortgage loans		Other loans		Total		
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Total
Current	2,379,924,493	177,370,233	250,004,809	27,795	17,274,290	-	2,647,203,592	177,398,028	2,824,601,620
Overdue:									
Less than 6 months	-	-	639,699	3,143	-	-	639,699	3,143	642,842
6 - 12 months	-	-	-	-	16,188	-	16,188	-	16,188
Over 12 months	-	-	1,222,637	79,478	84,713	1,583	1,307,350	81,061	1,388,411
Total	2,379,924,493	177,370,233	251,867,145	110,416	17,375,191	1,583	2,649,166,829	177,482,232	2,826,649,061
Less: Allowance for doubtful accounts	-	-	(66,408)	(79,478)	-	-	(66,408)	(79,478)	(145,886)
Loans and accrued interest receivables - net	<u>2,379,924,493</u>	<u>177,370,233</u>	<u>251,800,737</u>	<u>30,938</u>	<u>17,375,191</u>	<u>1,583</u>	<u>2,649,100,421</u>	<u>177,402,754⁽¹⁾</u>	<u>2,826,503,175</u>

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

(Unaudited but reviewed)

Loans to employees under the employee welfare scheme are set for credit limit of Baht 100,000 for personal guarantee loans and of not to exceed 50 times the employee's salary for secured loans. The interest rates charged are at the rates of 6 percent and 5 percent per annum, respectively. As at 31 March 2013 and 31 December 2012, loans to employees and agents totalled Baht 68.82 million and Baht 68.90 million, respectively.

10. Premises and equipment

(Unit: Baht)

	Land	Buildings and buildings improvements	Condominium	Office furniture, fixture and equipment	Motor vehicles	Properties foreclosed	Construction in progress	Total
Net book value as at 1 January 2013	97,240,890	83,121,824	19,842,017	88,877,888	4,422,284	5,010,027	6,440,000	304,954,930
Additions - at cost	-	1,890,146	-	7,274,718	2,569,000	-	-	11,733,864
Disposals - net book value	-	-	-	(8,396)	-	-	-	(8,396)
Depreciation charges for the period	-	(3,541,598)	(457,912)	(12,309,634)	(970,953)	(22,500)	-	(17,302,597)
Net book value as at 31 March 2013	<u>97,240,890</u>	<u>81,470,372</u>	<u>19,384,105</u>	<u>83,834,576</u>	<u>6,020,331</u>	<u>4,987,527</u>	<u>6,440,000</u>	<u>299,377,801</u>

11. Deferred tax asset/liabilities and income tax expenses

11.1 Deferred tax assets/liabilities

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

(Unit: Baht)

	31 March 2013	31 December 2012	1 January 2012	Change in deferred tax assets/liabilities reported in the statements of comprehensive income for the three-month periods ended 31 March	
		(Restated)	(Restated)	2013	2012
					(Restated)
Deferred tax assets					
Intangible assets	1,103,253,584	732,914,999	304,326,534	370,338,585	99,985,920
Loss reserves and outstanding claims	17,194,168	16,106,215	11,657,911	1,087,953	3,195,744
Provisions for long-term employee benefits	32,171,908	31,051,459	24,224,229	1,120,449	981,865
Others	110,722	29,177	25,794	81,545	3,383
Total deferred tax assets	<u>1,152,730,382</u>	<u>780,101,850</u>	<u>340,234,468</u>	<u>372,628,532</u>	<u>104,166,912</u>
Deferred tax liabilities					
Available-for-sale investments	<u>1,634,691,105</u>	<u>1,288,404,931</u>	<u>494,917,951</u>	<u>346,286,174</u>	<u>162,876,449</u>
Total deferred tax liabilities	<u>1,634,691,105</u>	<u>1,288,404,931</u>	<u>494,917,951</u>	<u>346,286,174</u>	<u>162,876,449</u>

11.2 Income tax expenses

Income tax expenses for the three-month periods ended 31 March 2013 and 2012 are made up as follows:

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2013	2012
		(Restated)
Current income taxes:		
Interim corporate income tax charge	553,610,138	370,299,441
Deferred taxes:		
Relating to origination and reversal of temporary differences	(370,679,870)	(98,317,280)
Income tax expenses reported in profits from operation	<u>182,930,268</u>	<u>271,982,161</u>

Reconciliation between income tax expenses and the product of accounting profits and the applicable tax rates for the three-month periods ended 31 March 2013 and 2012 are as follows:

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2013	2012
		(Restated)
Accounting profits before income tax expenses	<u>1,104,873,768</u>	<u>1,283,945,506</u>
Applicable corporate income tax rate	20%	23%
Income taxes at the applicable tax rate	220,974,754	295,307,466
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	(38,044,486)	(38,164,560)
Effects of changes in the applicable tax rates	-	14,839,255
Income tax expenses reported in profits from operation	<u>182,930,268</u>	<u>271,982,161</u>

(Unaudited but reviewed)

12. Other assets

	(Unit: Baht)	
	31 March 2013	31 December 2012
Prepaid rental expenses	90,461,694	93,410,039
Receivable from sales of investments	7,169,763	193,287,500
Prepaid expenses	40,740,921	24,459,693
Deposits	18,824,277	19,160,406
Others	11,305,399	17,661,265
Total	<u>168,502,054</u>	<u>347,978,903</u>

13. Due to reinsurers

	(Unit: Baht)	
	31 March 2013	31 December 2012
Outward premium payable	<u>504,174,104</u>	<u>400,098,875</u>
Total due to reinsurers	<u>504,174,104</u>	<u>400,098,875</u>

14. Life policy reserves

	(Unit: Baht)	
	For the three-month period ended 31 March 2013	For the year ended 31 December 2012
Balances - beginning of the periods	111,259,206,400	88,386,403,850
Life policy reserves for premium received during the periods and reserves for enforced policies benefit and other claims	11,785,621,253	28,891,861,757
Benefit paid for death, maturity, surrender and other claims	<u>(1,882,572,271)</u>	<u>(6,019,059,207)</u>
Balances - end of the periods	<u>121,162,255,382</u>	<u>111,259,206,400</u>

(Unaudited but reviewed)

15. Unpaid policy benefits

	(Unit: Baht)	
	31 March 2013	31 December 2012
Death benefit	97,940,984	87,751,151
Maturity payment	761,661	709,445
Total	<u>98,702,645</u>	<u>88,460,596</u>

16. Loss reserves and outstanding claims

	(Unit: Baht)	
	For the three-month period ended 31 March 2013	For the year ended 31 December 2012
Balances - beginning of the periods	340,909,580	333,830,276
Claims and losses adjustment expenses for the periods	483,676,580	2,033,661,404
Claims and losses adjustment expenses paid during the periods	<u>(504,553,486)</u>	<u>(2,026,582,100)</u>
Balances - end of the periods	<u>320,032,674</u>	<u>340,909,580</u>

17. Premium reserves

17.1 Unearned premium reserves

	(Unit: Baht)	
	For the three-month period ended 31 March 2013	For the year ended 31 December 2012
Beginning - beginning of the periods of the periods	1,078,120,949	1,085,196,967
Premium written for the periods	876,698,693	2,695,302,374
Premium earned for the current periods	<u>(860,660,750)</u>	<u>(2,702,378,392)</u>
Balances - end of the periods	<u>1,094,158,892</u>	<u>1,078,120,949</u>

(Unaudited but reviewed)

17.2 Unexpired risk reserves

(Unit: Baht)

	For the three-month period ended 31 March 2013	For the year ended 31 December 2012
Balances - beginning of the periods	743,903,455	759,637,877
Increase (decrease) during the periods	11,066,181	(15,734,422)
Balances - end of the periods	<u>754,969,636</u>	<u>743,903,455</u>

18. Employee benefit payables

(Unit: Baht)

	31 March 2013	31 December 2012
Short-term employee benefits payables	47,140,284	111,701,364
Provisions for long-term employee benefits	160,859,538	155,257,296
Total employee benefit payables	<u>207,999,822</u>	<u>266,958,660</u>

Provisions for long-term employee benefits are defined benefit obligation in relation to retirement compensations as follows:

(Unit: Baht)

	For the three-month period ended 31 March 2013	For the year ended 31 December 2012
Defined benefit obligation at beginning of the period/year	155,257,296	121,121,145
Current service costs	3,598,171	13,448,999
Interest costs	2,004,071	5,645,145
Benefit paid during the year	-	(5,925,800)
Actuarial losses	-	20,967,807
Defined benefit obligation at end of the period/year	<u>160,859,538</u>	<u>155,257,296</u>

(Unaudited but reviewed)

Long-term employee benefit expenses included in profit or loss from operation were as follows:

	(Unit: Baht)	
	For the three-month periods ended 31 March	
	2013	2012
Current service costs	3,598,171	3,307,013
Interest costs	2,004,071	1,602,313
Total expenses recognised in profit or loss from operation	<u>5,602,242</u>	<u>4,909,326</u>

19. Other liabilities

	(Unit: Baht)	
	31 March 2013	31 December 2012
Accrued commission expenses	545,285,384	474,991,671
Accrued expenses	314,142,974	279,245,304
Withholding tax payable	96,163,412	57,780,393
Premium received for policies not yet approved	412,281,761	102,988,520
Amounts received awaiting transfer	209,487,931	127,189,555
Payable to policyholders on exempted premiums	94,767,712	95,833,722
Forward exchange contracts payables	33,460,550	54,357,000
Payable from purchases of investments	892,717	243,882,562
Others	74,098,946	82,873,187
Total	<u>1,780,581,387</u>	<u>1,519,141,914</u>

20. Issued and fully paid-up share capital/share premium

Reconciliation for the three-month period ended 31 March 2013 is as follows:

	Issued and fully paid-up share capital		Share premium	Capital reserve on share-based payments
	Number of shares	Baht	Baht	Baht
Balances - beginning of the period	1,204,771,855	1,204,771,855	2,759,469,456	28,315,191
Issuance of ordinary shares as a result of exercise of Warrant No. 1	2,627,945	2,627,945	32,849,312	-
Expenses in respect of share-based payments - Warrant No. 2 (Note 21)	-	-	-	9,438,397
Balances - end of the period	<u>1,207,399,800</u>	<u>1,207,399,800</u>	<u>2,792,318,768</u>	<u>37,753,588</u>

21. Share-based payments - warrants

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

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

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

(Unaudited but reviewed)

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 per share for Warrant No.2. The first exercise date is 3 years from the grant date.

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

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

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

Employee expenses in respect of share-based payments (Warrant No. 2) recognised for three-month period ended 31 March 2013 amounting to Baht 9.44 million.

Movements of warrants during the three-month period ended 31 March 2013 are summarised below.

	(Units)		
	<u>Warrants No.1</u>	<u>Warrants No.2</u>	<u>Total</u>
Number of unexercised warrants at beginning of the period	5,350,200	7,150,000	12,500,200
Exercised during the period	<u>(3,401,500)</u>	<u>-</u>	<u>(3,401,500)</u>
Number of unexercised warrants at end of the period	<u>1,948,700</u>	<u>7,150,000</u>	<u>9,098,700</u>

During the period, the Warrant No. 1 holders exercised 3,401,500 units of warrants at an exercise price of Baht 13.50 each, or for a total of Baht 45,920,250. The Company recorded such amount received from the exercise of warrants under the caption of “Subscriptions received in advance from exercise of warrants”, in the owners’ equity. The Company already registered the increase in its paid-up share capital as a result of warrant exercise with the Ministry of Commerce on 25 April 2013, and the Stock Exchange of Thailand approved the additional ordinary shares as listed securities as from 26 April 2013 onwards.

22. Operating segment

The Company presented operating segment information in the same manner as that reported to the Office of the 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 these segment information are consistent to the Company’s internal reports that are regularly reviewed by the chief operating decision maker in order to make decision about allocation of resources to the segment and evaluate its performance. The chief operating decision maker has been identified as the Chief Executive Officer.

(Unaudited but reviewed)

Underwriting information classified by insurance categories for the three-month period ended 31 March 2013 and 2012 is as follows:

(Unit: Baht)

	For the three-month period ended 31 March 2013			Total
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	
Underwriting income				
Premium written	13,194,291,431	19,487,620	10,563,022	13,224,342,073
Less: Premium ceded	(230,106,298)	-	-	(230,106,298)
Net premium written	12,964,185,133	19,487,620	10,563,022	12,994,235,775
Add (less): Unearned premium reserve	(16,325,735)	-	287,792	(16,037,943)
Total underwriting income	12,947,859,398	19,487,620	10,850,814	12,978,197,832
Underwriting expenses				
Life policy reserves increased from prior period	9,882,797,286	20,251,696	-	9,903,048,982
Benefit payments under life policies and benefit adjustment expenses	2,038,639,043	126,879	-	2,038,765,922
Losses and losses adjustment expenses	328,897,867	9,084	624,636	329,531,587
Commissions and brokerage expenses	874,340,750	3,647,318	287,963	878,276,031
Sales promotional expenses	111,592,644	167,956	93,519	111,854,119
Other underwriting expenses	6,867,540	10,336	5,755	6,883,631
Total underwriting expenses	13,243,135,130	24,213,269	1,011,873	13,268,360,272

(Unaudited but reviewed)

(Unit: Baht)

	For the three-month period ended 31 March 2012			
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Total
Underwriting income				
Premium written	8,969,336,404	12,354,286	11,282,501	8,992,973,191
Less: Premium ceded	(219,222,249)	-	-	(219,222,249)
Net premium written	8,750,114,155	12,354,286	11,282,501	8,773,750,942
Add: Unearned premium reserve	29,079,301	-	169,703	29,249,004
Total underwriting income	8,779,193,456	12,354,286	11,452,204	8,802,999,946
Underwriting expenses				
Life policy reserves increased from prior year	5,738,481,358	16,629,646	-	5,755,111,004
Benefit payments under life policies and benefit adjustment expenses	1,660,654,706	257,704	-	1,660,912,410
Losses and losses adjustment expenses	350,735,141	7,598	1,425,483	352,168,222
Commissions and brokerage expenses	758,610,691	3,046,839	241,467	761,898,997
Sales promotional expenses	162,024,300	228,044	211,356	162,463,700
Other underwriting expenses	5,668,869	7,977	7,395	5,684,241
Total underwriting expenses	8,676,175,065	20,177,808	1,885,701	8,698,238,574

23. Operating expenses

(Unit: Baht)

	For the three-month periods ended 31 March	
	2013	2012
Personal expenses which is not expenses for underwriting and claims	217,620,694	166,654,863
Premises and equipment expenses which is not expenses for underwriting	37,378,398	37,461,337
Taxes and duties	42,952,381	24,264,927
Other operating expenses	127,707,904	90,773,067
Total operating expenses	425,659,377	319,154,194

24. Fair value gains (losses)

(Unit: Baht)

	For the three-month period ended 31 March	
	2013	2012
Unrealised gains (losses) from trading securities	(11,527,016)	8,643,385
Unrealised gains on foreign exchange contracts	47,002,950	12,875,000
Losses on exchange	(84,455,169)	(21,215,602)
Total	(48,979,235)	302,783

25. Related party transactions

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

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

Name of related parties	Type of business	Relationship with the Company
Bangkok Bank Pcl.	Banking	Shareholding and related by way of common directors
Bangkok Insurance Pcl.	Insurance	Shareholding and related by way of common directors
Thai Reinsurance Pcl.	Insurance	Related by way of common directors
Thaire Life Assurance Pcl.	Life assurance	Subsidiary of Thai Reinsurance Pcl.
Sorachai Vivatn Co., Ltd.	Property development	Related by way of common directors
Bumrungrad Hospital Pcl.	Health care services	Related by way of common directors and shareholders
The Phyathai 1 Hospital Co., Ltd.	Health care services	Related by way of common directors
The Phyathai 2 Hospital Co., Ltd.	Health care services	Related by way of common directors
The Phyathai 3 Hospital Co., Ltd.	Health care services	Related by way of common directors
Rajburi Sugar Co., Ltd.	Industry	Related by way of common directors
Narai Ruamphiphat Co., Ltd.	Property development	Holding by an individual related to the major shareholder of the Company
Bangkok Business Building (1987) Co., Ltd.	Rental of assets	Related by way of common directors and shareholders
Tris Corporation Ltd.	Services	Related by way of common directors and shareholders
Union Textile Industries Pcl.	Industry	Related by way of common shareholders
Charoen Pokphand Foods Pcl.	Agriculture	Related by way of common directors
TICON Industrial Connection Pcl.	Property development	Holding by an individual related to the major shareholder of the Company
Indorama Polymers Pcl.	Petrochemical	Related by way of common directors
Asia warehouse Co., Ltd.	Rental of assets	Holding by the major shareholder of the Company
Ex-chai Distribution System Co., Ltd.	Commercial	Related by way of common directors
BBL Asset Management Co., Ltd.	Asset management	Related by way of common directors and shareholders
Bualuang Securities Pcl.	Securities	Subsidiary of the major shareholder of the Company
Asia Insurance Company Limited	Insurance	Related by way of common directors
BLA Insurance Broker Co., Ltd	Insurance	Related by way of common directors are the management of the Company
Bangpain Golf Co., Ltd	Services	Related by way of common directors
Bangkok Mitsubishi Lease Co., Ltd.	Services	Related by way of common directors

(Unaudited but reviewed)

During the three-month periods ended 31 March 2013 and 2012, the Company had significant business transactions with its related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course business between the Company and those parties are as follows:

(Unit: Baht)

	2013	2012	Pricing policy
Premium written	1,782,750	1,626,483	Normal commercial terms for underwriting
Premium cede	60,094,222	57,738,960	Normal Commercial terms for reinsurance depending on type of insurance and reinsurance contract
Claim recoverable from reinsure	29,856,130	22,625,960	At a mutually agreed percentage of reinsurance premium
Commission and brokerage	457,398,374	359,221,852	At a mutually agreed percentage of premium written
Claim payment and diagnose charge	16,006,459	14,090,284	Normal commercial terms for underwriting
Interest income - deposits at banks, promissory notes and debentures	88,256,824	21,152,009	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	2,841,035	1,226,759	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	30,584,905	29,107,247	The declared amount
Bank charges	21,568,056	20,130,161	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	321,956	225,230	Normal commercial terms for underwriting
Building space rental and services	15,818,844	15,387,739	Head office building: Rental fee of approximately Baht 90 per square meter per month and service fee of Baht 29 per square meter per month for long-term agreement and approximately Baht 44, Baht 138 per square meter per month and service fees approximately Baht 91, Baht 307 per square meter per month. Branch office buildings: Rental fees of approximately Baht 100, Baht 150, Baht 188 and Baht 315 per square meter per month and service fees of approximately Baht 342 and Baht 200 per square meter per month.
Other services	114,508	-	Normal commercial terms for services
Brokerage income from securities trading	2,679,475	-	Normal commercial terms for securities brokerage

(Unaudited but reviewed)

For the three-month periods ended 31 March 2013 and 2012, the premium generated from the Bancassurance distribution channel represented approximately 74.00% and 64.35% of total net premium written, respectively.

As at 31 March 2013 and 31 December 2012, the balance of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)	
	31 March 2013	31 December 2012
Transactions with related companies		
Investments in marketable equity securities - cost	1,334,171	1,450,475
Add: Unrealised gain	1,753,354	1,324,345
Investments in marketable equity securities - fair value	<u>3,087,525</u>	<u>2,774,820</u>
Investments in unit trusts - cost	780,348	780,348
Add: Unrealised gain	178,154	86,868
Investments in unit trusts - fair value	<u>958,502</u>	<u>867,216</u>
Investments in non-marketable equity securities	11,467	11,467
Investments in debentures	3,705,000	3,705,000
Investments in foreign debentures	2,369,791	1,638,005
Deposit at financial institution	598,846	852,168
Mortgage loans	178,606	183,115
Prepaid rental expense (Including in other assets)	90,462	93,410
Prepaid expense (Including in other assets)	1,102	1,162
Reinsurance assets	81,851	91,931
Amounts due to reinsurers	68,155	51,534
Accrued commission (Including in other liabilities)	303,248	173,364
Accrued rental and service expense (Including in other liabilities)	348	691
Outstanding claims	8,872	11,826

Directors and management's benefits

During the year ended 31 March 2013 and 2012, the Company had employee benefit expenses payable to their directors and management as below.

	(Unit: Million Baht)	
	For the three-month period ended 31 March	
	2013	2012
Short-term employee benefits	7.75	6.78
Long-term employee benefits	0.41	0.44
Share-based payment transactions (Note 21)	2.20	-
Total	<u>10.36</u>	<u>7.22</u>

The details of the warrants which allocated to the Company's employees are presented in Note 21 to the financial statements.

26. Assets placed with the Registrar

As at 31 December 2012 and 2011, the following assets have been placed as securities with the Registrar in accordance with the Life Insurance Act.

(Unit: Baht)

	31 March 2013		31 December 2012	
	Cost/		Cost/	
	Amortised cost	Fair value	Amortised cost	Fair value
State enterprise bonds	20,000,000	21,118,330	20,000,000	21,156,977

27. Assets reserved with the Registrar

As at 31 December 2012 and 2011, the following assets have been placed as reserves with the Registrar in accordance with the Life Insurance Act.

(Unit: Baht)

	31 March 2013		31 December 2012	
	Cost/		Cost/	
	Amortised cost	Fair value	Amortised cost	Fair value
Government bonds	12,475,097,655	13,336,498,681	12,480,608,158	13,414,367,520
State enterprise bonds	8,334,533,442	9,013,394,598	8,335,857,706	9,047,014,595
Total	20,809,631,097	22,349,893,279	20,816,465,864	22,461,382,115

28. Earnings per share

Basic earnings per share is calculated by dividing profits for the periods (excluding other comprehensive income/loss) by the weighted average number of ordinary shares in issue during the periods.

Diluted earnings per share is calculated by dividing profits for the periods (excluding other comprehensive income/loss) by the sum of the weighted average number of ordinary shares in issue during the periods and 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.

(Unaudited but reviewed)

Basic and diluted earnings per share for the three-month periods ended 31 March 2013 and 2012 are as follows:

	Profits for the periods (Thousand Baht)		Weighted average number of shares (Thousand shares)		Earnings per share (Baht)	
	2013	2012	2013	2012	2013	2012
Basic earnings per share						
Profits for the periods	921,944	1,011,963	1,207,513	1,200,000	<u>0.764</u>	<u>0.843</u>
Effect of dilutive potential ordinary shares						
Warrant No. 1	-	-	4,224	9,127		
Warrant No. 2	-	-	1,857	- ⁽¹⁾		
Diluted earnings per share						
Profits of ordinary shareholder assuming the conversion of warrants to ordinary shares	<u>921,944</u>	<u>1,011,963</u>	<u>1,213,594</u>	<u>1,209,127</u>	<u>0.760</u>	<u>0.837</u>

⁽¹⁾ No calculation of dilutive potential ordinary shares on Warrant No. 2 since Warrant No. 2 had not yet issued in that period.

29. Commitments

29.1 The Company has entered into several lease agreements in respect of the lease of office building space, motor vehicles and equipment. The terms of the agreements are generally between 3 and 24 years for leases of building space and are generally between 1 and 5 years for leases of motor vehicles and equipment. Such agreements are non-cancellable.

As at 31 March 2013 and 31 December 2012, future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

(Unit: Million Baht)

	31 March 2013			
	Pay within			Total
	1 year	1 - 5 years	Over 5 years	
Operating lease agreements	33.47	24.27	2.58	60.32
Service agreements	43.16	38.17	12.16	93.49
Total	<u>76.63</u>	<u>62.44</u>	<u>14.74</u>	<u>153.81</u>

(Unaudited but reviewed)

(Unit: Million Baht)

	31 December 2012			
	Pay within			Total
	1 year	1 - 5 years	Over 5 years	
Operating lease agreements	34.59	30.10	2.82	67.51
Service agreements	44.37	43.98	13.26	101.61
Total	78.96	74.08	16.08	169.12

29.2 As at 31 March 2013 and 31 December 2012, the Company may need to deposit additional amounts in the future under the investment conditions as described in Note 8.3 (a) and Note 8.3 (b) to the financial statements, as summarised below.

(Unit: Million Baht)

Payable within	31 March 2013	31 December 2012
1 year	1,240	1,240
2 - 5 years	530	590

30. Litigation

As at 31 March 2013, the Company has been sued in litigation cases of compensation of claims totaling approximately Baht 37 million and Baht 42 million, respectively, for being the insurer and the cases have yet been finalised. The Company has yet provided for any provision for loss on such cases since there are still uncertainty with respect to the outcome of the cases.

31. Event after the reporting period

On 26 April 2013, the Annual General Meeting of shareholders approved the payment of dividend of Baht 0.36 per share to the Company's shareholders of 1,210,801,300 shares (included 3,401,500 shares as a result of exercise of warrants subsequent to the reporting period and entitled to receive dividend), or a total of Baht 435.89 million. Such dividend payment was also approved by the Office of Insurance Commission on 26 April 2013.

32. Approval of interim financial statements

These interim financial statements were authorised for issue by the Board of Directors on 10 May 2013.