

**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 March 31, 2017, and the related consolidated and separate statements of profit or loss and other comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Other Matter

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 December 31, 2016, presented herein as comparative information, were audited by another auditor, whose report thereon dated February 23, 2017 expressed an unmodified opinion with emphasis of matters regarding the reclassified transactions in accordance with the new format of financial statements as specified in the Notification of the Office of Insurance Commission dated March 4, 2016 which effective on January 1, 2016 onward and the adoption of the revised and new financial reporting standards issued by the Federation of Accounting professions.

The consolidated and the separate statements of profit or loss and other comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended March 31, 2016, presented herein as comparative information, were reviewed by another auditor, whose report thereon dated May 12, 2016, concluded that nothing had come to her attention that caused her to believe that the aforementioned interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting" with emphasis of matters regarding the reclassified transactions in accordance with the new format of financial statements as specified in the Notification of the Office of Insurance Commission dated March 4, 2016 which effective on January 1, 2016 onward and the adoption of the revised and new financial reporting standards issued by the Federation of Accounting professions.

BANGKOK
May 11, 2017

Chavala Tienpasertkij
Certified Public Accountant (Thailand)
Registration No. 4301
DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT MARCH 31, 2017

(Unit: Thousand Baht)

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS (Unaudited but reviewed) March 31, 2017	(Audited) December 31, 2016	FINANCIAL STATEMENTS (Unaudited but reviewed) March 31, 2017	(Audited) December 31, 2016
ASSETS					
Cash and cash equivalents	4, 26	14,818,350	13,109,072	14,737,085	13,020,689
Premium receivables	5	3,034,844	2,199,553	3,034,844	2,199,553
Accrued investment income		2,859,594	2,053,258	2,859,594	2,053,258
Reinsurance assets	6, 16	616,767	374,219	616,767	374,219
Amount due from reinsurances	7	624,645	649,427	624,645	649,427
Derivative assets	8	107,051	21,849	107,051	21,849
Investment assets					
Investments in securities					
Held-for-trading investments	9	113,891	155,100	113,891	155,100
Available-for-sale investments	9	67,091,121	65,314,232	67,091,121	65,314,232
Held-to-maturity investments	9, 27, 28	189,099,634	185,817,494	189,099,634	185,817,494
General investments	9	29,588	29,588	29,588	29,588
Investments in subsidiaries	10	-	-	132,530	132,530
Loans	11, 26	8,115,420	7,912,166	8,115,420	7,912,166
Investment property	12	19,616	19,882	19,616	19,882
Property, plant and equipment	13	1,219,605	1,157,564	1,215,949	1,153,523
Goodwill		4,955	4,955	-	-
Intangible assets		17,016	19,557	16,455	18,950
Deferred tax assets	14	2,620,234	2,818,598	2,620,234	2,818,598
Other assets	15	500,141	699,638	469,103	667,651
TOTAL ASSETS		290,892,472	282,356,152	290,903,527	282,358,709

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT MARCH 31, 2017

(Unit: Thousand Baht)

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS (Unaudited but reviewed) March 31, 2017	(Audited) December 31, 2016	FINANCIAL STATEMENTS (Unaudited but reviewed) March 31, 2017	(Audited) December 31, 2016
LIABILITIES AND EQUITY					
Insurance contract liabilities	16	251,049,562	243,098,663	251,049,558	243,098,663
Amount due to reinsurances	17	872,288	592,515	872,288	592,515
Derivative liabilities	8	1,779,465	2,775,409	1,779,465	2,775,409
Income tax payable		447,706	403,632	447,706	403,632
Employee benefit obligations	18	208,041	201,806	206,576	200,415
Other liabilities	19	1,733,176	1,955,052	1,723,072	1,947,235
Total liabilities		<u>256,090,238</u>	<u>249,027,077</u>	<u>256,078,665</u>	<u>249,017,869</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					
1,706,765,060 ordinary shares of Baht 1 each, fully paid-up	20	1,706,765	-	1,706,765	-
1,705,953,060 ordinary shares of Baht 1 each, fully paid-up		-	1,705,953	-	1,705,953
Premium on share capital	20	3,341,771	3,309,857	3,341,771	3,309,857
Capital reserve on share-based payments	20	-	11,323	-	11,323
Subscriptions received in advance from exercise of warrants	21	20,024	20,300	20,024	20,300
Retained earnings					
Appropriated					
Legal reserve		170,800	170,800	170,800	170,800
General reserve		400,000	400,000	400,000	400,000
Unappropriated		22,406,477	21,482,015	22,430,644	21,502,219

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT MARCH 31, 2017

(Unit: Thousand Baht)

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS (Unaudited but reviewed) March 31, 2017	(Audited) December 31, 2016	FINANCIAL STATEMENTS (Unaudited but reviewed) March 31, 2017	(Audited) December 31, 2016
LIABILITIES AND EQUITY (CONTINUED)					
Other component of equity					
Revaluation surplus on available-for-sale investments - net of income taxes		6,754,858	6,220,388	6,754,858	6,220,388
Exchange differences on translation of financial statements in foreign currency		(1,823)	299	-	-
Equity attributable to equity holders of the Company		<u>34,798,872</u>	<u>33,320,935</u>	<u>34,824,862</u>	<u>33,340,840</u>
Non-controlling interests of the subsidiaries		3,362	8,140	-	-
Total equity		<u>34,802,234</u>	<u>33,329,075</u>	<u>34,824,862</u>	<u>33,340,840</u>
TOTAL LIABILITIES AND EQUITY		<u>290,892,472</u>	<u>282,356,152</u>	<u>290,903,527</u>	<u>282,358,709</u>

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017
“UNAUDITED BUT REVIEWED”

(Unit: Thousand Baht)

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2017	2016	2017	2016
Revenues					
Gross written premium	22, 26	13,147,778	13,412,294	13,147,761	13,412,356
<u>Less</u> Premium ceded to reinsurers	22	(521,803)	(452,249)	(521,803)	(452,249)
Net premium written		12,625,975	12,960,045	12,625,958	12,960,107
<u>Less</u> Unearned premium reserves					
increased form prior period	22	(85,761)	(104,211)	(85,761)	(104,211)
Net earned premium		12,540,214	12,855,834	12,540,197	12,855,896
Fee and commission income	22	126,663	120,024	126,663	120,024
Net investment income	26	2,802,613	2,560,148	2,802,603	2,560,148
Gain on investment	9	204,447	624,087	204,447	624,087
Fair value loss	24	(92,149)	(69,286)	(92,149)	(69,286)
Other income	26	25,705	17,930	22,638	14,373
Total revenues		<u>15,607,493</u>	<u>16,108,737</u>	<u>15,604,399</u>	<u>16,105,242</u>
Expenses					
Life policy reserves increased from prior period	22	7,565,317	17,848,448	7,565,314	17,848,448
Gross benefit and claims paid	22, 26	5,671,861	5,650,694	5,671,861	5,650,694
<u>Less</u> Benefit and claims paid recovered from reinsurers	22	(80,979)	(198,127)	(80,979)	(198,127)
Commissions and brokerages	22, 26	834,539	927,509	832,569	925,845
Other underwriting expenses	22	167,725	183,752	165,252	183,787
Operating expenses	23	401,062	385,353	395,634	383,663
Total expenses		<u>14,559,525</u>	<u>24,797,629</u>	<u>14,549,651</u>	<u>24,794,310</u>
Profit (loss) before income tax expense		<u>1,047,968</u>	<u>(8,688,892)</u>	<u>1,054,748</u>	<u>(8,689,068)</u>
Income tax revenue (expense)	14	(126,323)	1,800,656	(126,323)	1,800,656
Profit (loss) for the periods		<u>921,645</u>	<u>(6,888,236)</u>	<u>928,425</u>	<u>(6,888,412)</u>
Profit (loss) for the periods attributable to					
Equity holders of the Company		924,462	(6,888,238)	928,425	(6,888,412)
Non-controlling interests of the subsidiaries		(2,817)	2		
		<u>921,645</u>	<u>(6,888,236)</u>		

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017
“UNAUDITED BUT REVIEWED”

(Unit: Thousand Baht)

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2017	2016	2017	2016
Profit (loss) for the periods		921,645	(6,888,236)	928,425	(6,888,412)
Other comprehensive income					
Other comprehensive income to be reclassified					
to profit or loss in subsequent periods					
Gains on remeasuring available-for-sale					
investments		822,867	2,021,401	822,867	2,021,401
Gain realised on the disposal of available-for-sale investments		(154,780)	(90,124)	(154,780)	(90,124)
Gain on reclassify investment		-	3,224,354	-	3,224,354
Exchange differences on translation of					
financial statements in foreign currency		(4,083)	-	-	-
Income taxes relating to other comprehensive income		(133,617)	(1,031,126)	(133,617)	(1,031,126)
Total other comprehensive income to be					
reclassified to profit or loss in subsequent					
periods - net of income taxes		530,387	4,124,505	534,470	4,124,505
Other comprehensive income for the periods					
- net of income taxes		530,387	4,124,505	534,470	4,124,505
Total comprehensive income (loss) for the periods		1,452,032	(2,763,731)	1,462,895	(2,763,907)
Total comprehensive income (loss) for the periods attributable to					
Equity holders of the Company		1,456,810	(2,763,733)	1,462,895	(2,763,907)
Non-controlling interests of the subsidiaries		(4,778)	2		
		1,452,032	(2,763,731)		
					(Unit: Baht)
Earnings per share					
Basic earnings per share	29				
Profit (loss) for the periods		0.54	(4.04)	0.54	(4.04)
Diluted earnings per share					
Profit (loss) for the periods		0.54	(4.04)	0.54	(4.04)

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017
“UNAUDITED BUT REVIEWED”

(Unit: Thousand Baht)

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2017	2016	2017	2016
Cash flows from (used in) operating activities					
Gross premium		12,367,059	12,140,595	12,367,039	12,140,595
Cash payments from reinsurance		(138,566)	(103,367)	(138,566)	(103,367)
Interest income		1,711,396	1,682,518	1,711,396	1,682,518
Dividend income		268,096	225,274	268,096	225,274
Gain (loss) on investment		(820,188)	123,432	(820,188)	123,432
Other income		25,730	13,016	22,663	13,016
Benefit and claim on direct insurance		(5,446,836)	(5,590,851)	(5,446,836)	(5,590,851)
Commissions and brokerages on direct insurance		(1,017,689)	(913,129)	(1,016,024)	(913,129)
Other underwriting expenses		(128,585)	(216,692)	(128,585)	(216,692)
Operating expenses		(467,339)	(486,898)	(463,576)	(486,604)
Corporate income taxes		(17,502)	(14,058)	(17,502)	(14,058)
Investments in securities		(15,303,831)	(1,998,787)	(15,299,054)	(1,998,789)
Loans		(199,793)	(335,305)	(199,793)	(335,305)
Other investments		10,936,826	(6,008,750)	10,936,826	(6,008,750)
Net cash provided by (used in) operating activities		<u>1,768,778</u>	<u>(1,483,002)</u>	<u>1,775,896</u>	<u>(1,482,710)</u>
Cash flows from (used in) investing activities					
Net cash flows for purchases and disposals					
of premises and equipment		(80,627)	(49,663)	(80,627)	(49,663)
Cash paid for purchase of investment in subsidiary		-	-	-	(108,770)
Net cash provided by (used in) investing activities		<u>(80,627)</u>	<u>(49,663)</u>	<u>(80,627)</u>	<u>(158,433)</u>
Cash flows from (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		20,024	21,091	20,024	21,091
Net cash provided by financing activities		<u>21,127</u>	<u>21,091</u>	<u>21,127</u>	<u>21,091</u>
Net increased (decreased) in cash and cash equivalents		1,709,278	(1,511,574)	1,716,396	(1,620,052)
Cash and cash equivalents at beginning of periods		13,109,072	7,101,758	13,020,689	7,087,584
Cash and cash equivalents at end of periods	4	<u>14,818,350</u>	<u>5,590,184</u>	<u>14,737,085</u>	<u>5,467,532</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 THREE-MONTH PERIOD ENDED MARCH 31, 2017

“UNAUDITED BUT REVIEWED”

(Unit : Thousand Baht)

Consolidated financial statement												
Equity attributable to equity holders of the Company												
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			Other component of equity Surplus on remeasuring available-for-sale investments - net of income taxes	Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total	
					Appropriated							
					Legal reserve	General reserve	Unappropriated					
Balance as at January 1, 2016	1,703,811	3,219,926	38,834	10,626	170,800	400,000	17,460,248	3,985,966	26,990,211	158	26,990,369	
Share-based payments	21	-	5,088	-	-	-	-	-	5,088	-	5,088	
Increase in share capital as a result of warrant exercise	21	425	10,201	-	(10,626)	-	-	-	-	-	-	
Transfer capital reserve for share-based payment transactions to premium on share capital as a result of warrant No. 2 exercise	21	-	12,365	(12,365)	-	-	-	-	-	-	-	
Subscriptions received in advance from exercises of warrants	21	-	-	-	21,091	-	-	-	21,091	-	21,091	
Profits (losses) for the period		-	-	-	-	-	(6,888,238)	-	(6,888,238)	2	(6,888,236)	
Other comprehensive income Gain on remeasuring available-for-sale investments - net of income taxes		-	-	-	-	-	-	4,124,505	4,124,505	-	4,124,505	
Total comprehensive income (loss) for the period		-	-	-	-	-	(6,888,238)	4,124,505	(2,763,733)	2	(2,763,731)	
Balance as at March 31, 2016		<u>1,704,236</u>	<u>3,242,492</u>	<u>31,557</u>	<u>21,091</u>	<u>170,800</u>	<u>400,000</u>	<u>10,572,010</u>	<u>8,110,471</u>	<u>24,252,657</u>	<u>160</u>	<u>24,252,817</u>

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

“UNAUDITED BUT REVIEWED”

(Unit: Thousand Baht)

Consolidated financial statement													
Equity attributable to equity holders of the Company													
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			Other component of equity	Exchange 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								remeasuring available-for-sale investments - net of income taxes
					Legal reserve	General reserve	Unappropriated						
Balance as at January 1, 2017	1,705,953	3,309,857	11,323	20,300	170,800	400,000	21,482,015	6,220,388	299	33,320,935	8,140	33,329,075	
Share-based payments	20	-	1,103	-	-	-	-	-	-	1,103	-	1,103	
Increase in share capital as a result of warrant exercise	20	812	19,488	-	(20,300)	-	-	-	-	-	-	-	
Transfer of capital reserve for share-based payment transactions to premium on share capital as a result of warrant No. 2 exercise	20	-	12,426	(12,426)	-	-	-	-	-	-	-	-	
Subscriptions received in advance from exercises of warrants	21	-	-	-	20,024	-	-	-	-	20,024	-	20,024	
Acquisition of non-controlling interests without a change in control		-	-	-	-	-	-	-	-	-	-	-	
Profit (loss) for the period		-	-	-	-	-	924,462	-	-	924,462	(2,817)	921,645	
Other comprehensive income													
Gain on remeasuring of available-for-sale investments - net of income taxes		-	-	-	-	-	-	534,470	-	534,470	-	534,470	
Exchange differences on translation of financial statements in foreign currency		-	-	-	-	-	-	-	(2,122)	(2,122)	(1,961)	(4,083)	
Total comprehensive income (loss) for the period		-	-	-	-	-	924,462	534,470	(2,122)	1,456,810	(4,778)	1,452,032	
Balance as at March 31, 2017	1,706,765	3,341,771	-	20,024	170,800	400,000	22,406,477	6,754,858	(1,823)	34,798,872	3,362	34,802,234	

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

“UNAUDITED BUT REVIEWED”

(Unit: Thousand Baht)

	Separate financial statements							Other component of equity	Total	
	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
						Appropriated				
						Legal reserve	General reserve			
					Unappropriated					
Balance as at January 1, 2016		1,703,811	3,219,926	38,834	10,626	170,800	400,000	17,468,357	3,985,966	26,998,320
Share-based payments	21	-	-	5,088	-	-	-	-	-	5,088
Increase in share capital as a result of warrant exercise	21	425	10,201	-	(10,626)	-	-	-	-	-
Transfer of capital reserve for share-based payment transactions to premium on share capital as a result of warrant No. 2 exercise	21	-	12,365	(12,365)	-	-	-	-	-	-
Subscriptions received in advance from exercises of warrants	21	-	-	-	21,091	-	-	-	-	21,091
Loss for the period		-	-	-	-	-	-	(6,888,412)	-	(6,888,412)
Other comprehensive income										
Gain on remeasuring available-for-sale investments - net of income taxes		-	-	-	-	-	-	-	4,124,505	4,124,505
Total comprehensive income (loss) for the period		-	-	-	-	-	-	(6,888,412)	4,124,505	(2,763,907)
Balance as at March 31, 2016		<u>1,704,236</u>	<u>3,242,492</u>	<u>31,557</u>	<u>21,091</u>	<u>170,800</u>	<u>400,000</u>	<u>10,579,945</u>	<u>8,110,471</u>	<u>24,260,592</u>

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017

“UNAUDITED BUT REVIEWED”

(Unit: Thousand Baht)

	Separate financial statements							Other component of equity	Total	
	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
						Appropriated				
						Legal reserve	General reserve			
Unappropriated										
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	20	-	-	1,103	-	-	-	-	-	1,103
Increase in share capital as a result of warrant exercise	20	812	19,488	-	(20,300)	-	-	-	-	-
Transfer of capital reserve for share-based payment transactions to premium on share capital as a result of warrant No. 2 exercise	20	-	12,426	(12,426)	-	-	-	-	-	-
Subscriptions received in advance from exercises of warrants	21	-	-	-	20,024	-	-	-	-	20,024
Profit for the period		-	-	-	-	-	-	928,425	-	928,425
Other comprehensive income										
Gain on remeasuring available-for-sale investments - net of income taxes		-	-	-	-	-	-	-	534,470	534,470
Total comprehensive income for the period		-	-	-	-	-	-	928,425	534,470	1,462,895
Balance as at March 31, 2017		<u>1,706,765</u>	<u>3,341,771</u>	<u>-</u>	<u>20,024</u>	<u>170,800</u>	<u>400,000</u>	<u>22,430,644</u>	<u>6,754,858</u>	<u>34,824,862</u>

See the condensed notes to the interim financial statements

**BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2017
“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 OF 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 2016) “Interim Financial Reporting” and the additional disclosure in accordance with the Notification of the Office of the Securities and Exchange Commission, with the Company choosing to present condensed interim financial statements. However, the Company has presented line items in the consolidated and separate statements of financial position, the consolidated and separate statements of profit or loss and other comprehensive income, statements of changes in owners’ equity and statements of cash flows in the same format as that used in its preparation of the annual financial statements and in accordance with the format of financial statements specified in the Notification of the Office of Insurance Commission (“OIC”) regarding criteria, procedures, terms and conditions for preparation and submission of financial statements and operating performance reports of life insurance companies dated March 4, 2016, which has been effective since January 1, 2016.

These consolidated and separate interim financial statements are intended to provide 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, 2016, 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 period ended March 31, 2017 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, 2016, 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	
			March 31, 2017	December 31, 2016
			%	%
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, 2016.

3. NEW FINANCIAL REPORTING STANDARDS

During the period three-month period ended March 31, 2017, the Company has adopted the revised and new financial reporting standards and accounting treatment guidance issued by the Federation of Accounting Professions, which became effective for fiscal years beginning on or after January 1, 2016. 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. Financial reporting standards with significant changes that are directly relevant to the Company are as follows:

TAS 27 (revised 2016) Separate Financial Statements

This revised standard stipulates an additional option to account for investments in subsidiaries, joint ventures and associates in separate financial statements under the equity method, as described in TAS 28 (Revised 2016) "Investments in Associates and Joint Ventures." However, the entity is to apply the same accounting treatment for each category of investment. If an entity elects to account for such investments using the equity method in the separate financial statements, it has to adjust the transaction retrospectively.

However, the Company still chose the cost method for presentation of investment in subsidiaries in the separate financial statement.

4. CASH AND CASH EQUIVALENT

As at March 31, 2017 and December 31, 2016, the Company and subsidiaries have cash and cash equivalent as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Cash on hand	3,477	4,137	3,472	4,136
Deposits at banks with no fixed maturity date	1,041,044	1,577,932	959,784	1,489,550
Short-term investments in promissory notes	13,773,829	11,527,003	13,773,829	11,527,003
Cash and cash equivalents	<u>14,818,350</u>	<u>13,109,072</u>	<u>14,737,085</u>	<u>13,020,689</u>

As at March 31, 2017, interest rates on saving accounts and promissory notes are in the range of 0.38% - 1.50% per annum (December 31, 2016: 0.38% - 1.50% per annum).

5. PREMIUM RECEIVABLES

As at March 31, 2017 and December 31, 2016, the outstanding balances of premium receivables, classified by overdue period, counted from the due dates, are as follows:

	(Unit : Thousand Baht)	
	Consolidated and separate	
	financial statements	
	Due from direct insurance	
	March 31, 2017	December 31, 2016
Not yet due	2,871,775	2,170,440
Not over 30 days	153,235	15,522
Over 30 days to 60 days	4,924	8,580
Over 60 days to 90 days	3,367	3,663
Over 90 days	1,543	1,348
Total premium receivables	<u>3,034,844</u>	<u>2,199,553</u>

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

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

6. REINSURANCE ASSETS

As at March 31, 2017 and December 31, 2016, reinsurance assets consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Reserves recoverable from reinsurances		
Claim reserves	98,875	115,188
Premium reserves		
Unearned premium reserves	517,892	259,031
Total reinsurance assets	<u>616,767</u>	<u>374,219</u>

7. AMOUNT DUE FROM REINSURANCE

As at March 31, 2017 and December 31, 2016, amount due from reinsurance consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Amount due from reinsurers	624,645	649,427
Total amount due from reinsurance	<u>624,645</u>	<u>649,427</u>

8. DERIVATIVE ASSETS AND LIABILITIES

As at March 31, 2017 and December 31, 2016, derivatives classified by objective are as follows:

	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	<u>March 31, 2017</u>		<u>December 31, 2016</u>	
	Fair value		Fair value	
	<u>Assets</u>	<u>Liabilities</u>	<u>Assets</u>	<u>Liabilities</u>
Derivatives for hedging risks				
Cash flow hedge	124,271	1,141,956	11,221	2,106,821
Hedge of net investment in foreign entities	52,376	(8,468)	33,938	1,494
Total derivatives	<u>176,647</u>	<u>1,133,488</u>	<u>45,159</u>	<u>2,108,315</u>

As at March 31, 2017 and December 31, 2016, derivative assets and liabilities consisted of the following:

Consolidated and separate financial statements			
March 31, 2017			
Contract type	Notional amount (Thousand Unit)	Assets (Thousand Baht)	Liabilities (Thousand Baht)
Cross currency swap contracts			
US dollar	697,490	74,392	1,775,087
Forward exchange contracts			
Yen	1,112,910	2,466	2,613
US dollar	9,940	6,993	-
Singapore dollar	21,924	7,737	1,761
Euro	9,810	15,463	4
Total derivative	<u>1,852,074</u>	<u>107,051</u>	<u>1,779,465</u>

Consolidated and separate financial statements			
December 31, 2016			
Contract type	Notional amount (Thousand Unit)	Assets (Thousand Baht)	Liabilities (Thousand Baht)
Cross currency swap contracts			
US dollar	722,490	1,487	2,764,931
Forward exchange contracts			
Yen	1,112,900	2,548	2,338
US dollar	10,250	-	8,018
Singapore dollar	19,039	11,009	122
Euro	9,210	6,805	-
Total derivative	<u>1,873,889</u>	<u>21,849</u>	<u>2,775,409</u>

9. INVESTMENTS IN SECURITIES

9.1 Held-for-trading investments

As at March 31, 2017 and December 31, 2016, held-for-trading investments consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	March 31, 2017		December 31, 2016	
	Cost	Fair value	Cost	Fair value
Held-for-trading investments				
Equity securities	106,186	113,891	135,389	155,100
Total	106,186	113,891	135,389	155,100
Add Unrealised gains	7,705	-	19,711	-
Total held-for- trading investments	<u>113,891</u>	<u>113,891</u>	<u>155,100</u>	<u>155,100</u>

9.2 Available-for-sale investments

As at March 31, 2017 and December 31, 2016, available-for-sales investments consisted of following:

	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	March 31, 2017		December 31, 2016	
	Cost/ Amortised cost		Cost/ Amortised cost	
	Fair value	Fair value	Fair value	
Available-for-sale investments				
Government and state enterprise securities	4,290,077	4,950,152	4,290,449	4,900,370
Private enterprises debt securities	25,581,751	26,911,844	25,728,246	27,001,075
Equity securities	21,854,257	27,807,673	20,288,559	26,013,807
Foreign debt securities	2,739,975	2,656,281	2,740,950	2,730,273
Foreign equity securities	4,240,567	4,765,171	4,287,148	4,668,707
Total	58,706,627	67,091,121	57,335,352	65,314,232
<u>Add</u> Unrealised gains	8,384,494	-	7,978,880	-
Total available-for-sale investments	67,091,121	67,091,121	65,314,232	65,314,232

9.3 Held-to-maturity investments

As at March 31, 2017 and December 31, 2016, held-to-maturity investments consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	March 31, 2017	December 31, 2016
	Cost/ Amortised cost	Cost/ Amortised cost
Held-to-maturity investments		
Government and state enterprise securities	133,894,983	123,749,086
Private enterprises debt securities	44,489,806	41,664,521
Foreign debt securities	6,614,845	7,613,887
Deposits at financial institutions with an original maturity longer than 3 months	4,100,000	12,790,000
Total held-to-maturity investments	189,099,634	185,817,494

As at March 31, 2017 and December 31, 2016, the Company has investments in foreign securities as follows:

	Consolidated and separate financial statements			
	March 31, 2017		December 31, 2016	
	Notional amount	Equivalent to Baht	Notional amount	Equivalent to Baht
	(Million units)	(Million Baht)	(Million units)	(Million Baht)
Foreign currency				
US dollar	707.4	22,796	732.7	23,612
Yen	1,112.9	351	1,112.9	351
Euro	9.8	383	9.2	360
Singapore dollar	21.9	554	19.0	488

The Company has entered into cross currency swap contracts and forward contracts in order to protect against fluctuations in currency risks in respect of these investments.

As at March 31, 2016, the Company reclassified the held-to-maturity debt securities to available for sale securities. The amortised cost of the securities is Baht 19,534 million with fair value of Baht 22,758 million at the date of reclassification for the purpose of supporting the interest rate environment fluctuation.

9.4 General investments

As at March 31, 2017 and December 31, 2016, general investments consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	March 31, 2017	December 31, 2016
	Cost	Cost
General investments		
Equity securities	29,588	29,588
Total general investments	29,588	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 March 31, 2017 and December 31, 2016, 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 3 - 12 years and 3 - 12 years, respectively, and containing conditions whereby the issuer has call option or has rights to call for additional deposits.

- (b) As at March 31, 2017 and December 31, 2016, the Company has investments of Baht 2,600 million and Baht 3,600 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining lives of 2 - 5 years and 3 - 6 years, respectively, and bearing interest rate referring to the yield rate on government bond (CMT Index).
- (c) As at March 31, 2017 and December 31, 2016, the Company has investments of Baht 3,376 million and Baht 3,356 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining lives of 3 - 11 years and 3 - 12 years, respectively, and the bills contain conditions whereby the redemption of the bills is based on the credit event of the reference assets.
- (d) As at March 31, 2017 and December 31, 2016, the Company has investments of Baht 852 million and Baht 841 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining maturity periods of 17 years and 17 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 March 31, 2017 and December 31, 2016, the Company has investments of Baht 418 Million and Baht 413 million, respectively, in bills of exchange, which were issued by branches of foreign commercial banks, having remaining maturity periods of 14 years and 15 years, respectively. The bills contain conditions whereby the redemption of the bills is based on the credit event of the reference assets.
- (f) As at March 31, 2017 and December 31, 2016, the Company has investments of Baht 650 Million and Baht 676 million, respectively, in bills of exchange, which were issued by branches of foreign commercial banks, having remaining maturity periods of 10 years and 10 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 March 31, 2017 and December 31, 2016, the Company has placed government and state enterprise bonds with cost or amortised cost of Baht 55,307 million and Baht 49,032 million, respectively, with the Registrar as securities and reserves as described in Notes 27 and 28.

9.7 Gains on investments

Gains on investments for the three-month periods ended March 31, 2017 and 2016 consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	For the three-month periods ended March 31,	
	2017	2016
Gains on sales of held-for-trading investments	2,097	1,175
Gains on sales of available-for-sale investments	161,049	414,018
Gains on sales of held-to-maturity investments	41,301	208,894
Total gains on investments	<u>204,447</u>	<u>624,087</u>

10. INVESTMENTS IN SUBSIDIARIES

As at March 31, 2017 and December 31, 2016, detail of investments in subsidiaries, as presented in the separate interim financial statements, is as follows:

(Unit : Thousand Baht)								
Company's name	Type of business	Country of incorporation	Issued and paid-up capital		Shareholding percentage		Cost	
			March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
					%	%		
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	124,950	124,950	52 ⁽¹⁾	52 ⁽¹⁾	108,770	108,770
Total investments in subsidiaries			<u>148,950</u>	<u>148,950</u>			<u>132,530</u>	<u>132,530</u>

⁽¹⁾ As stated in "Memorandum and Article of Company"

11. LOANS AND ACCRUED INTEREST RECEIVABLES

As at March 31, 2017 and December 31, 2016, the balances of loans and accrued interest receivables, classified by overdue periods, are as follows:

(Unit: Thousand Baht)

Consolidated and separate financial statements									
March 31, 2017									
Loans									
Overdue periods	Policy loans		Mortgage loans		Other loans		Total		
	Accrued		Accrued		Accrued		Accrued		Total
	Principal	interest ⁽¹⁾	Principal	interest ⁽¹⁾	Principal	interest ⁽¹⁾	Principal	interest ⁽¹⁾	
Not yet due	6,455,674	598,258	1,577,412	787	13,868	-	8,046,954	599,045	8,645,999
Overdue:									
Less than 3 months	-	-	41,828	168	-	-	41,828	168	41,996
3 - 6 months	-	-	7,895	30	-	-	7,895	30	7,925
6 - 12 months	-	-	14,501	266	-	-	14,501	266	14,767
Over 12 months	-	-	4,672	352	130	2	4,802	354	5,156
Total	6,455,674	598,258	1,646,308	1,603	13,998	2	8,115,980	599,863	8,715,843
Less Allowance for doubtful accounts	-	-	(560)	(79)	-	-	(560)	(79)	(639)
Loans and accrued interest receivables	6,455,674	598,258	1,645,748	1,524	13,998	2	8,115,420	599,784	8,715,204

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

(Unit: Thousand Baht)

Consolidated and separate financial statements									
March 31, 2016									
Loans									
Overdue periods	Policy loans		Mortgage loans		Other loans		Total		
	Accrued		Accrued		Accrued		Accrued		Total
	Principal	interest ⁽¹⁾	Principal	interest ⁽¹⁾	Principal	interest ⁽¹⁾	Principal	interest ⁽¹⁾	
Not yet due	6,291,190	569,387	1,537,174	868	15,816	-	7,844,180	570,255	8,414,435
Overdue:									
Less than 3 months	-	-	37,312	76	-	-	37,312	76	37,388
3 - 6 months	-	-	15,301	63	-	-	15,301	63	15,364
6 - 12 months	-	-	11,113	139	-	-	11,113	139	11,252
Over 12 months	-	-	4,690	305	130	2	4,820	307	5,127
Total	6,291,190	569,387	1,605,590	1,451	15,946	2	7,912,726	570,840	8,483,566
Less Allowance for doubtful accounts	-	-	(560)	(79)	-	-	(560)	(79)	(639)
Loans and accrued interest receivables	6,291,190	569,387	1,605,030	1,372	15,946	2	7,912,166	570,761	8,482,927

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

Policy loans represent loans granted to the policyholders in an amount not exceeding the cash value of the policy. The loans carry interest 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 charged is at the rates of 6.00% per annum. As at March 31, 2017 and December 31, 2016, loans to employees amounted to Baht 14 million and Baht 16 million, respectively.

Loans to employees under the mortgage loans are not to exceed 50 times the employee's monthly salary to each employee for secured loans. The loans carry interest of 5.00% - 6.00% per annum. As at March 31, 2017 and December 31, 2016, loans to employees under the mortgage loans amounted to Baht 48 million and Baht 50 million, respectively.

12. INVESTMENT PROPERTY

As at March 31, 2017 and December 31, 2016, the Company has movement in the investment property as follows:

	(Unit : Thousand Baht)	
	Consolidated financial statements	
	For the three-month period ended March 31, 2017	For the year ended December 31, 2016
Net carrying value - beginning of the period/year	19,882	20,947
Depreciation for period/year	(266)	(1,065)
Net carrying value - end of the period/year	<u>19,616</u>	<u>19,882</u>

13. PROPERTY, PLANT AND EQUIPMENT

Movement of property, plant and equipment for the three-month period ended March 31, 2017 are as follows:

	(Unit : Thousand Baht)						
	Consolidated financial statements						
	For the three-month period ended March 31, 2017						
	Land	Buildings and buildings improvements	Condominium	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	Total
Net carrying value as at							
January 1, 2017	794,249	120,642	12,515	103,728	8,431	117,999	1,157,564
Additions - at cost	-	325	-	4,550	-	75,782	80,657
Disposals - net carrying value	(3)	-	-	(27)	-	(10)	(40)
Transfer in (out)	-	43,946	-	100	-	(44,046)	-
Exchange translation	-	(99)	-	(50)	-	-	(149)
Depreciation charges for the period	-	(6,715)	(458)	(10,261)	(993)	-	(18,427)
Net carrying value as at							
March 31, 2017	<u>794,246</u>	<u>158,099</u>	<u>12,057</u>	<u>98,040</u>	<u>7,438</u>	<u>149,725</u>	<u>1,219,605</u>

(Unit : Thousand Baht)

Separate financial statements							
For the three-month period ended March 31, 2017							
	Buildings and buildings		Office furniture, fixture and		Construction in		
	Land	improvements	Condominium	equipment	Motor vehicles	progress	Total
Net carrying value as at							
January 1, 2017	794,249	118,025	12,515	102,304	8,431	117,999	1,153,523
Additions - at cost	-	325	-	4,535	-	75,782	80,642
Disposals - net carrying value	(3)	-	-	(27)	-	(10)	(40)
Transfer in (out)	-	43,946	-	100	-	(44,046)	-
Depreciation charges for the period	-	(6,575)	(458)	(10,150)	(993)	-	(18,176)
Net carrying value as at							
March 31, 2017	794,246	155,721	12,057	96,762	7,438	149,725	1,215,949

14. DEFERRED TAX ASSETS/LIABILITIES AND INCOME TAX EXPENSE

14.1 Deferred tax assets/liabilities

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

Consolidated and separate financial statements						
			Change in deferred tax assets/liabilities reported profit or loss in the for the three-month periods ended March 31,		Change in deferred tax assets/liabilities reported in the statements of comprehensive income for the three-month periods ended March 31,	
	March 31, 2017	December 31, 2016	2017	2016	2017	2016
Deferred tax assets						
Reserves for long-term insurance contracts	3,287,150	3,323,959	(36,809)	1,973,893	-	-
Claim reserves and outstanding claims	10,685	11,896	(1,211)	1,209	-	-
Provisions for long-term employee benefits	41,315	40,083	1,232	1,130	-	-
Others	644	644	-	(1,321)	-	-
Total deferred tax assets	3,339,794	3,376,582	(36,788)	1,974,911	-	-
Deferred tax liabilities						
Available-for-sale investments	715,936	553,337	28,982	(1,446,559)	133,617	1,031,126
Others	3,624	4,647	(1,023)	1,947	-	-
Total deferred tax liabilities	719,560	557,984	27,959	(1,444,612)	133,617	1,031,126
Deferred tax assets/liabilities - net	2,620,234	2,818,598	(64,747)	3,419,523	(133,617)	(1,031,126)

14.2 Income tax expenses

Income tax expenses for the three-month periods ended March 31, 2017 and 2016 are made up as follows:

	(Unit : Thousand Baht)	
	Consolidated and separate	
	financial statements	
	For the three-month	
	periods ended March 31,	
	2017	2016
Current income tax:		
Interim corporate income tax	61,576	1,618,867
Deferred tax:		
Deferred tax relating to origination and reversal of temporary differences	64,747	(3,419,523)
Income tax expense (revenue) reported in profits or losses	<u>126,323</u>	<u>(1,800,656)</u>

Reconciliation between accounting profits and income tax expense for the three-month periods ended March 31, 2017 and 2016 are as follows:

	(Unit : Thousand Baht)	
	Consolidated	
	financial statements	
	For the three-month	
	periods ended March 31,	
	2017	2016
Accounting profit (loss) before income tax expenses	<u>1,047,968</u>	<u>(8,688,892)</u>
Applicable corporate income tax rates	15%, 20%	15%, 20%
Income tax expense (revenue) at the applicable tax rates	209,594	(1,737,778)
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	<u>(83,271)</u>	<u>(62,878)</u>
Income tax expense (revenue) recognised in profits or losses	<u>126,323</u>	<u>(1,800,656)</u>

	(Unit : Thousand Baht)	
	Separate	
	financial statements	
	For the three-month	
	periods ended March 31,	
	2017	2016
Accounting profit (loss) before income tax expenses	1,054,748	(8,689,068)
Applicable corporate income tax rates	20%	20%
Income tax expense (revenue) at the applicable tax rates	210,950	(1,737,814)
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	(84,627)	(62,842)
Income tax expense (revenue) recognised in profits or losses	126,323	(1,800,656)

15. OTHER ASSETS

As at March 31, 2017 and December 31, 2016, other assets consisted of the follows:

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Derivative collateral	187,500	264,500	187,500	264,500
Prepaid rental expenses	43,256	46,204	43,256	46,204
Deposits	45,362	45,909	20,681	20,037
Receivable from sales of investments	143,481	286,497	143,481	286,497
Prepaid expenses	26,391	14,142	26,233	14,142
Others	54,151	42,386	47,952	36,271
Total other assets	500,141	699,638	469,103	667,651

16. INSURANCE CONTRACT LIABILITIES

As at March 31, 2017 and December 31, 2016, insurance contract liabilities consisted of the follows:

(Unit : Thousand Baht)

	Consolidated financial statements					
	March 31, 2017			December 31, 2016		
	Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net
Reserves for long-term insurance contracts	240,977,611	-	240,977,611	233,412,294	-	233,412,294
Claim reserves						
Reserves for reported claims	213,772	(98,875)	114,897	174,258	(115,188)	59,070
Reserves for claims incurred but not yet reported	53,426	-	53,426	59,482	-	59,482
Premium reserves						
Unearned premium reserves	1,478,840	(517,892)	960,948	1,134,217	(259,031)	875,186
Unpaid policy benefits	162,265	-	162,265	137,008	-	137,008
Other insurance liabilities	8,163,648	-	8,163,648	8,181,404	-	8,181,404
Total insurance contract liabilities	251,049,562	(616,767)	250,432,795	243,098,663	(374,219)	242,724,444

(Unit : Thousand Baht)

	Separate financial statements					
	March 31, 2017			December 31, 2016		
	Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net
Reserves for long-term insurance contracts	240,977,607	-	240,977,607	233,412,294	-	233,412,294
Claim reserves						
Reserves for reported claims	213,772	(98,875)	114,897	174,258	(115,188)	59,070
Reserves for claims incurred but not yet reported	53,426	-	53,426	59,482	-	59,482
Premium reserves						
Unearned premium reserves	1,478,840	(517,892)	960,948	1,134,217	(259,031)	875,186
Unpaid policy benefits	162,265	-	162,265	137,008	-	137,008
Other insurance liabilities	8,163,648	-	8,163,648	8,181,404	-	8,181,404
Total insurance contract liabilities	251,049,558	(616,767)	250,432,791	243,098,663	(374,219)	242,724,444

16.1 Reserves for long-term insurance contracts

As at March 31, 2017 and December 31, 2016, reserves for long-term insurance contracts of the follows:

	Consolidated financial statements		(Unit : Thousand Baht) Separate financial statements	
	For the three-month period ended March 31, 2017	For the year ended December 31, 2016	For the three-month period ended March 31, 2017	For the year ended December 31, 2016
Balances - beginning of the period/year	233,412,294	207,308,208	233,412,294	207,308,208
Reserved increased for new businesses and inforce policies	9,475,613	33,339,745	9,475,609	33,339,745
Reserve decreased for death, maturities, benefits, claims, lapses and surrender	(1,910,296)	(6,890,629)	(1,910,296)	(6,890,629)
Reserve decreased for testing the adequacy of liabilities	-	(345,030)	-	(345,030)
Balances - end of the period/year	<u>240,977,611</u>	<u>233,412,294</u>	<u>240,977,607</u>	<u>233,412,294</u>

16.2 Claim reserves

As at March 31, 2017 and December 31, 2016, claim reserves consisted of the following:

	(Unit : Thousand Baht) Consolidated and separate financial statements	
	For the three-month period ended March 31, 2017	For the year ended December 31, 2016
Balances - beginning of the period/year	233,740	320,356
Claims incurred in the current period/year	491,767	1,911,247
Claims paid during the period/year	(458,309)	(1,997,863)
Balances - end of the period/year	<u>267,198</u>	<u>233,740</u>

16.3 Unearned premium reserves

As at March 31, 2017 and December 31, 2016, unearned premium reserves consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	For the three- month period ended March 31, 2017	For the year ended December 31, 2016
Balances - beginning of the period/year	1,134,217	1,074,854
Premium written for the period/year	1,156,639	3,124,596
Premium earned for the period/year	<u>(812,016)</u>	<u>(3,065,233)</u>
Balances - end of the period/year	<u>1,478,840</u>	<u>1,134,217</u>

16.4 Unpaid policy benefits

As at March 31, 2017 and December 31, 2016, unpaid policy benefits consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	March 31, 2017	December 31, 2016
Death benefit	124,839	100,209
Maturity payment	29,702	29,110
Benefit payment under policies	4,945	4,856
Surrender	2,779	2,833
Total unpaid policy benefits	<u>162,265</u>	<u>137,008</u>

16.5 Other insurance liabilities

As at March 31, 2017 and December 31, 2016, other insurance liabilities consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	March 31, 2017	December 31, 2016
Deposits from insurance contracts	7,477,851	7,456,815
Premiums received in advance	595,765	634,337
Payable to policyholders on exempted premiums	<u>90,032</u>	<u>90,252</u>
Total other insurance liabilities	<u>8,163,648</u>	<u>8,181,404</u>

17. AMOUNT DUE TO REINSURANCE

As at March 31, 2017 and December 31, 2016, amount due to reinsurance consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	March 31, 2017	December 31, 2016
Amount due to reinsurers	872,288	592,515
Total amount due to reinsurance	<u>872,288</u>	<u>592,515</u>

18. EMPLOYEE BENEFIT OBLIGATIONS

As at March 31, 2017 and December 31, 2016, employee benefit obligations consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Provisions for long-term employee benefits	208,041	201,806	206,576	200,415
Total employee benefit obligations	<u>208,041</u>	<u>201,806</u>	<u>206,576</u>	<u>200,415</u>

19. OTHER LIABILITIES

As at March 31, 2017 and December 31, 2016, other liabilities consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Accrued commission expenses	499,212	682,353	498,325	681,780
Accrued expenses	365,945	396,966	364,702	397,133
Premium received for policies not yet approved	327,129	304,632	327,126	304,632
Amounts received awaiting for transfer	190,406	116,079	190,406	116,079
Specific Business Tax payable	101,467	118,241	101,467	118,241
Payable from purchases of investments	81,232	88,082	81,232	88,082
Withholding tax payable	55,908	40,920	55,777	40,801
Short-term employee benefit payables	54,699	157,857	54,319	156,924
Others	57,178	49,922	49,718	43,563
Total other liabilities	<u>1,733,176</u>	<u>1,955,052</u>	<u>1,723,072</u>	<u>1,947,235</u>

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

Reconciliation for the three-month period ended March 31, 2017 is as follows:

	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 21)	812	812	19,488	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	1,706,765	1,706,765	3,341,771	-

21. SHARE-BASED PAYMENTS - 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 summarised as follows:

Approved by the Executive Board of Directors of the Company	(Unit: Thousand units)		
	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 stock price information of the Company)
Risk-free interest rate	- 3.51% - 3.64%
Expected life of warrants	- Not more than 5 years from the date of issuance or upon termination of an employee
Model used	- Black Schole - continuous model

Employee expenses in respect of share-based payments (Warrant No. 2) recognised for the three-month periods ended March 31, 2017 and 2016 amounting to Baht 1.1 million and Baht 5.1 million, respectively.

Movements of warrants during the three-month period ended March 31, 2017 are summarised below.

	(Unit : Thousand units)
	For the three-month period ended March 31, 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 March 31, 2017	<u>40</u>

During the years 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 three-month period ended March 31, 2017, the Warrant No. 2 holders exercised rights 0.57 million units of warrants at an exercise price of Baht 25.00 each, or for a total of Baht 20.02 million. The Company recorded such amount received from the exercise of warrants under the caption of “Subscriptions received in advance from exercise of warrants”, in the equity. The details are summarised as below.

(Unit : Thousand Baht)

For the three-month period ended March 31, 2017								
Exercise	Units of warrants (Thousand units)	Exercise price per share (Baht)	Proceeds from exercise	Issued and paid up share capital	Share Premium	Subscriptions received in advance from exercises of warrants	Share capital registration date	Listing date
Warrant No. 2								
The ninth exercise	572	25.00	-	-	-	20,024	April 24, 2017	April 10, 2017
Total	572		-	-	-	20,024		

22. 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.

Underwriting information classified by insurance categories for the three-month periods ended March 31, 2017 and 2016 is as follows:

(Unit: Thousand Baht)

Consolidated financial statements					
For the three-month period ended March 31, 2017					
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Gross written premium	12,799,620	338,355	9,803	-	13,147,778
Less: Premium ceded	(521,803)	-	-	-	(521,803)
Net premium written	12,277,817	338,355	9,803	-	12,625,975
Add (less): Unearned premium reserve decreased (increased) from prior period	(85,620)	-	(141)	-	(85,761)
Net earned premium	12,192,197	338,355	9,662	-	12,540,214
Fee and commission income	126,663	-	-	-	126,663
Total underwriting income	12,318,860	338,355	9,662	-	12,666,877

(Unit : Thousand Baht)

Consolidated financial statements					
For the three-month period ended March 31, 2017					
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting expenses					
Life policy reserves increased from prior period	7,431,684	133,633	-	-	7,565,317
Benefit payments under life and claims net refundable from reinsurance	5,572,592	17,349	941	-	5,590,882
Losses and losses adjustment expenses					
Commissions and brokerage	811,126	21,253	206	1,954	834,539
Other underwriting expenses	163,188	4,411	126	-	167,725
Total underwriting expenses	13,978,590	176,646	1,273	1,954	14,158,463

(Unit : Thousand Baht)

Consolidated financial statements

For the three-month period ended March 31, 2016

	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Premium written	13,273,206	130,102	8,986	-	13,412,294
Less: Premium ceded	(452,249)	-	-	-	(452,249)
Net premium written	12,820,957	130,102	8,986	-	12,960,045
Add (less): Unearned premium reserve (increased) decreased from prior period	(104,359)	-	148	-	(104,211)
Net earned premium	12,716,598	130,102	9,134	-	12,855,834
Fee and commission income	120,024	-	-	-	120,024
Total underwriting income	12,836,622	130,102	9,134	-	12,975,858
Underwriting expenses					
Life policy reserves increased from prior period	17,733,244	115,204	-	-	17,848,448
Benefit payments under life policies and claims net refundable from reinsurance	5,447,025	4,770	1,072	-	5,452,867
Commissions and brokerage expenses	905,806	19,811	227	1,665	927,509
Other underwriting expenses	181,924	1,735	128	85	183,872
Total underwriting expenses	24,267,999	141,520	1,427	1,750	24,412,696

23. OPERATING EXPENSES

For the three-month periods ended March 31, 2017 and 2016 operating expenses consisted of the following:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended March 31,		For the three-month periods ended March 31,	
	2017	2016	2017	2016
Personnel expenses	224,431	209,652	221,153	208,201
Property, plant and equipment expenses	41,085	44,541	40,407	44,412
Taxes and duties	1,032	1,341	868	1,341
Other operating expenses	134,514	129,819	133,206	129,709
Total operating expenses	401,062	385,353	395,634	383,663

24. FAIR VALUE LOSS

For the three-month periods ended March 31, 2017 and 2016 f consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	For the three-month periods ended March 31,	
	2017	2016
Unrealised gain (loss) on remeasuring held-for-trading securities	(2,850)	17,786
Unrealised gain (loss) on foreign exchange forward contracts	25,618	(8,528)
Losses on foreign exchange rate	(114,917)	(78,544)
Total fair value loss	<u>(92,149)</u>	<u>(69,286)</u>

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Fair value hierarchy

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

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

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

As at March 31, 2017 and December 31, 2016, the Company and subsidiaries had the following assets that were measured at fair value using different fair value hierarchy as follows:

	(Unit: Thousand Baht)		
	Consolidated and separate financial statements		
	As at March 31, 2017		
	Level 1	Level 2	Total
Financial assets measured at fair value			
Held-for-trading investments			
Equity instruments	113,891	-	113,891
Available-for-sale investments			
Equity instruments	29,397,306	3,991,147	33,388,453
Debt instruments	-	33,702,668	33,702,668

	(Unit: Thousand Baht)		
	Consolidated and separate financial statements		
	As at March 31, 2016		
	Level 1	Level 2	Total
Financial assets measured at fair value			
Held-for-trading investments			
Equity instruments	155,100	-	155,100
Available-for-sale investments			
Equity instruments	27,654,841	3,851,501	31,506,342
Debt instruments	-	33,807,890	33,807,890

Valuation techniques and inputs to Level 2 valuations

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

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

26. RELATED PARTY TRANSACTIONS

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

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

Name of related parties	Type of business	Relationship with the Company
Bangkok Bank Pcl.	Banking	Related by way of common shareholders
Bangkok Insurance Pcl.	Insurance	Shareholding and related by way of common directors
Sorachai Vivatn Co., Ltd.	Property development	Related by way of common shareholders
Thaire Life Assurance Pcl.	Life assurance	Related by way of common directors
Bumrungrad Hospital Pcl.	Health care services	Related by way of common shareholders
Rajburi Sugar Co., Ltd.	Industry	Related by way of common directors
Narai Ruamphiphat Co., Ltd.	Property development	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 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.	Agriculture	Related by way of common directors
TICON Industrial Connection Pcl.	Property development	Holding by an individual related to the major shareholder of the Company
Indorama Polymers Pcl.	Petrochemical	Related by way of common directors
Asia warehouse Co., Ltd.	Rental of assets	Holding by the major shareholder of the Company
Ek-Chai Distribution System Co., Ltd.	Commercial	Related by way of common directors
BBL Asset Management Co., Ltd. ⁽¹⁾	Asset management	Shareholding and related by way of 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.	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
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 on common directors with BBL Asset Management Co., Ltd. and Asia Insurance Company Limited since then.

During the three-month periods ended March 31, 2017 and 2016, the Company and subsidiaries had significant business transactions with related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course business between the Company and those parties are as follows:

	Consolidated financial statements		(Unit: Thousand Baht)
	For the three-month periods ended March 31,		Pricing policy
	2017	2016	
Related parties			
Premium written	2,214	1,876	Normal commercial terms for underwriting
Premium ceded to reinsurers	130,926	-	Normal commercial terms for reinsurance
Interest income - deposits at banks, promissory notes and debentures	127,433	146,861	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	1,522	1,902	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	71,139	112,621	The declared amount
Rental and service income	3,220	3,676	Rate on agreements those charged by rental and service fees per square meter per month
Brokerage income from securities trading	-	7,531	Normal commercial terms for securities brokerage
Gain on forward and swap foreign exchange contracts	151,255	86,513	Normal commercial terms on contracts
Commission and brokerage	396,069	445,978	At a mutually agreed percentage of premium written
Claim refundable from reinsurance	27,117	-	Normal commercial terms for underwriting
Claim payment and diagnose charge	13,520	5,077	Normal commercial terms for underwriting
Bank charges	24,837	29,802	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	936	1,031	Normal commercial terms for underwriting

(Unit: Thousand Baht)

	Consolidated financial statements		Pricing policy
	For the three-month periods ended March 31,		
	2017	2016	
Related parties (continued)			
Building space rental and services	17,055	17,209	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	178	1,076	Normal commercial terms for services

(Unit: Thousand Baht)

	Separate financial statements		Pricing policy
	For the three-month periods ended March 31,		
	2017	2016	
Subsidiaries			
Written premium	49	-	Normal commercial terms for underwriting
Rental and service income	152	182	Rate on agreements as those charged by rental and service fees per square meter per month
Related parties			
Written premium	2,214	1,876	Normal commercial terms for underwriting
Premium ceded to reinsurers	130,926	-	Normal commercial terms for reinsurance
Interest income - deposits at banks, promissory notes and debentures	127,433	146,861	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	1,522	1,902	Same rates as the Company charged to general borrowers who mortgage assets as collateral

(Unit: Thousand Baht)

	Separate financial statements		Pricing policy
	For the three-month periods ended March 31,		
	2017	2016	
Dividend income	71,139	112,621	The declared amount
Brokerage income from securities trading	-	7,531	Normal commercial terms for securities brokerage
Gain on forward and swap foreign exchange contracts	151,255	86,513	Normal commercial terms on contracts
Commission and brokerage	396,069	445,978	At a mutually agreed percentage of premium written
Claim refundable from reinsurance	27,117	-	Normal commercial terms for underwriting
Claim payment and diagnose charge	13,520	5,077	Normal commercial terms for underwriting
Bank charges	24,810	29,780	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	936	1,030	Normal commercial terms for underwriting
Building space rental and services	17,055	17,209	Head office building: Rental fee of approximately Baht 90 per square meter per month and service fee of Baht 29 per square meter per month for long-term agreement and approximately Baht 44 and Baht 138 per square meter per month and service fees approximately Baht 91 and Baht 307 per square meter per month. Branch office buildings: Rental fees of approximately Baht 100, and Baht 150, Baht 188 and Baht 315 per square meter per month and service fees of approximately Baht 342 and Baht 200 per square meter per month.
Other services	178	1,076	Normal commercial terms for services

For the three-month periods ended March 31, 2017 and 2016, the premium generated from the Bancassurance distribution channel represented approximately 68% and 71% of total net premium written, respectively.

As at March 31, 2017 and December 31, 2016, the balance of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
Subsidiaries				
Other liabilities				
Accrued expense	-	-	-	659
Others	-	-	66	66
Total other liabilities	-	-	66	725
Related parties				
Deposit at financial institution (included in cash and cash equivalents)	1,203,937	1,930,536	1,191,975	1,919,132
Investments in securities				
Available-for-sale investments - cost				
Domestic equity securities	2,094,620	2,024,654	2,094,620	2,024,654
Domestic investment unit	3,593,097	3,558,734	3,593,097	3,558,734
Total available-for-sale investment - cost	5,687,717	5,583,388	5,687,717	5,583,388
Add Unrealised gains	1,836,365	1,710,711	1,836,365	1,710,711
Total available-for-sale investments - fair value	7,524,082	7,294,099	7,524,082	7,294,099
Held-to-maturity investments - cost/amortised cost				
Private enterprise debt securities	3,955,000	3,955,000	3,955,000	3,955,000
Foreign debt securities	6,324,854	6,327,666	6,324,854	6,327,666
Total held-to-maturity investment - cost/amortised cost	10,279,854	10,282,666	10,279,854	10,282,666
General investments - foreign equity securities	1,167	1,167	1,167	1,167
Loans	91,040	96,868	91,040	96,868
Total investments assets	17,896,143	17,674,800	17,896,143	17,674,800

	Consolidated		(Unit: Thousand Baht)	
	financial statements		Separate	
	March 31,	December 31,	March 31,	December 31,
	2017	2016	2017	2016
Related parties (continued)				
Amount due from reinsurance	119,724	175,965	119,724	175,965
Forward and swap foreign exchange contract receivable	4,016,932	4,585,297	4,016,932	4,585,297
Other assets				
Accrued income	1,925	3,176	-	-
Prepaid rental expenses	43,256	46,204	43,256	46,204
Prepaid expense	140	201	140	201
Total other assets	<u>45,321</u>	<u>49,581</u>	<u>43,396</u>	<u>46,405</u>
Amount due to reinsurance	177,789	123,055	177,789	123,055
Outstanding claims	2,736	1,873	2,736	1,873
Forward and swap foreign exchange contract payable	4,138,832	4,899,075	4,138,832	4,899,075
Other liabilities				
Accrued commission	233,057	279,202	233,057	279,202
Accrued rental and service expense	7,713	8,126	188	1,766
Total other liabilities	<u>240,770</u>	<u>287,328</u>	<u>233,245</u>	<u>280,968</u>

Directors and management's benefits

During the three-month periods ended March 31, 2017 and 2016, the Company and subsidiaries had employee benefit expenses payable to their directors and management as follows:

	(Unit: Million Baht)			
	Consolidated financial		Separate financial statements	
	statements		For the three-month	
	For the three-month		periods ended March 31,	
	2017	2016	2017	2016
Short-term employee benefits	9.8	9.3	9.8	9.3
Long-term employee benefits	0.6	0.5	0.6	0.5
Share-based payment transactions (Note 21)	0.4	5.1	0.4	5.1
Total directors and management's benefits	<u>10.8</u>	<u>14.9</u>	<u>10.8</u>	<u>14.9</u>

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

27. ASSETS PLACED WITH THE REGISTRAR

As at March 31, 2017 and December 31, 2016, the following securities have been placed securities with the Registrar in accordance with the Life Insurance Act.

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	March 31, 2017		December 31, 2016	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
State enterprise bonds	20,000	24,185	20,000	24,434

28. ASSETS RESERVED WITH THE REGISTRAR

As at March 31, 2017 and December 31, 2016, the following securities have been placed as reserves with the Registrar in accordance with the Life Insurance Act.

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	March 31, 2017		December 31, 2016	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Government bonds	49,587,103	56,140,397	42,811,914	48,139,566
State enterprise bonds	5,699,882	6,380,714	6,199,704	6,902,127
Total	55,286,985	62,521,111	49,011,618	55,041,693

29. EARNINGS (LOSS) PER SHARE

Basic earnings (loss) per share is calculated by dividing profit (loss) 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 (loss) per share is calculated by dividing profit (loss) 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 (loss) per share for the three-month periods ended March 31, 2017 and 2016 are as follows:

Consolidated financial statements						
	Profit (loss) for the period (Thousand Baht)		Weighted average number of shares (Thousand shares)		Earnings per share (Baht)	
	2017	2016	2017	2016	2017	2016
Basic earnings (loss) per share						
Profit (loss) attributable to ordinary shareholders of the Company	924,462	(6,888,238)	1,706,754	1,703,888	0.54	(4.04)
Effect of dilutive potential ordinary shares						
Warrant No. 2	-	-	388	237		
Diluted earnings (loss) per share	<u>924,462</u>	<u>(6,888,238)</u>	<u>1,707,142</u>	<u>1,704,125</u>	<u>0.54</u>	<u>(4.04)</u>
Separate financial statements						
	Profit (loss) for the period (Thousand Baht)		Weighted average number of shares (Thousand shares)		Earnings per share (Baht)	
	2017	2016	2017	2016	2017	2016
Basic earnings (loss) per share						
Profit (loss) attributable to ordinary shareholders of the Company	928,425	(6,888,412)	1,706,754	1,703,888	0.54	(4.04)
Effect of dilutive potential ordinary shares						
Warrant No. 2	-	-	388	237		
Diluted earnings (loss) per share	<u>928,425</u>	<u>(6,888,412)</u>	<u>1,707,142</u>	<u>1,704,125</u>	<u>0.54</u>	<u>(4.04)</u>

30. COMMITMENTS

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

As at March 31, 2017 and December 31, 2016, future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

(Unit: Million Baht)

Consolidated financial statements			
March 31, 2017			
Pay within			
	1 year	1 - 5 years	Total
Operating lease agreements	60.88	60.58	121.46
Service agreements	7.82	0.05	7.87
Total	<u>68.70</u>	<u>60.63</u>	<u>129.33</u>

(Unit: Million Baht)

Consolidated financial statements			
December 31, 2016			
Pay within			
	1 year	1 - 5 years	Total
Operating lease agreements	65.07	63.15	128.22
Service agreements	13.36	0.05	13.41
Total	<u>78.43</u>	<u>63.20</u>	<u>141.63</u>

(Unit: Million Baht)

Separate financial statements			
March 31, 2017			
Pay within			
	1 year	1 - 5 years	Total
Operating lease agreements	60.73	60.25	120.98
Service agreements	7.80	-	7.80
Total	<u>68.53</u>	<u>60.25</u>	<u>128.78</u>

(Unit: Million Baht)

Separate financial statements			
December 31, 2016			
Pay within			
	1 year	1 - 5 years	Total
Operating lease agreements	64.91	62.77	127.68
Service agreements	13.34	-	13.34
Total	<u>78.25</u>	<u>62.77</u>	<u>141.02</u>

The Company recognized rental expense derived from the operating leases for the three-month periods ended March 31, 2017 and 2016 amounting to Baht 36.17 million and Baht 36.35 million, respectively.

30.2 As at March 31, 2017 and December 31, 2016, the Company may need to deposit additional amounts in the future under the investment conditions as described in Note 9.5 (a) and Note 9.5 (b), as summarised below.

Payable within	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	March 31, 2017	December 31, 2016
1 year	1,200,000	1,200,000
2 - 5 years	600,000	600,000

31. LITIGATION

As at March 31, 2017 and December 31, 2016, the Company has been sued in litigation cases of compensation of claims totaling approximately Baht 17 million and Baht 48 million, respectively, for being the insurer and the cases have yet been finalised. The Company has not yet provided for any provision for loss on such cases since there is still uncertainty with respect to the outcome of the cases.

32. EVENT AFTER THE REPORTING PERIOD

On April 27, 2017, the Annual General Meeting of shareholders approved the payment of dividend of Baht 0.43 per share to the Company's shareholders. The payment of dividend were approved by the Office of Insurance Commission on May 8, 2017.

33. RECLASSIFICATION

Reclassification has been made to the statement of profit or loss and other comprehensive income for the three-month period ended March 31, 2016 to conform to the classification used in the statement of profit or loss and other comprehensive income for the three-month period ended March 31, 2017 as follow:

Transactions	Thousand Baht	Previous presentation	Current presentation
Specific business tax from investment	155,450	Operating expense	Net with net investment income

34. APPROVAL OF INTERIM FINANCIAL STATEMENTS

These consolidation and separate interim financial statements were authorised for issue by the Board of Directors on May 11, 2017.