

Bangkok Life Assurance Public Company Limited

Interim financial statements
for the three-month and six-month periods ended 30 June 2014
and
Independent auditor's report
on review of interim financial information

Independent auditor's report on review of interim financial information

To the Board of Directors 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 30 June 2014; the statements of comprehensive income for the three-month and six-month periods ended 30 June 2014, the statements of changes in equity and cash flows for the six-month period ended 30 June 2014; and the condensed notes ("interim financial information"). 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 the 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".

Other Matter

The statement of financial position of Bangkok Life Assurance Public Company Limited as at 31 December 2013, which is included as comparative information, was audited by another auditor who expressed an unqualified opinion thereon in her report dated 19 February 2014. Furthermore, the statements of income, comprehensive income for the three-month and six-month periods ended 30 June 2013, changes in equity and cash flows for the six-month period ended 30 June 2013, which are included as comparative information, were reviewed by another auditor who expressed an unmodified conclusion thereon in her report dated 9 August 2013.

Chanchai S.

(Chanchai Sakulkoedsin)
Certified Public Accountant
Registration No. 6827

KPMG Phoomchai Audit Ltd.
Bangkok
8 August 2014

Bangkok Life Assurance Public Company Limited
Statement of financial position

Assets	<i>Note</i>	30 June 2014 (Unaudited)	31 December 2013
		<i>(in Baht)</i>	
Cash and cash equivalents	3, 24	2,799,936,995	1,331,190,953
Accrued investment income		2,087,159,231	1,862,525,767
Premiums due and uncollected	4	3,226,246,206	1,839,665,535
Reinsurance receivables and assets	5, 24	857,098,514	790,087,943
Investments			
Investments in securities	<i>6, 24, 25, 26</i>		
Trading securities		-	100,057,865
Available-for-sale securities		22,822,454,459	20,187,669,759
Held-to-maturity securities		167,419,242,859	141,302,778,338
General investments		46,962,230	46,962,230
Loans	<i>7, 24</i>	3,938,530,619	3,525,693,845
Premises and equipment	8	358,052,544	326,614,377
Intangible assets		15,189,808	19,447,445
Deferred tax assets	9	1,133,200,407	-
Other assets	24	298,614,184	462,620,007
Total assets		<u>205,002,688,056</u>	<u>171,795,314,064</u>

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

Bangkok Life Assurance Public Company Limited
Statement of financial position

Liabilities and equity	<i>Note</i>	30 June 2014 (Unaudited)	31 December 2013
		<i>(in Baht)</i>	
Liabilities			
Securities sold under repurchase agreements		-	950,000,000
Income tax payable		1,682,777,485	257,241,894
Due to reinsurers	10, 24	503,748,929	450,008,758
Insurance contract liabilities			
Life policy reserves	11	167,130,152,428	136,616,421,004
Unpaid policy benefits	12	124,341,600	102,106,322
Loss reserves and outstanding claims	13, 24	303,084,167	297,503,638
Premium reserves	14	1,183,696,795	1,021,135,062
Other insurance liabilities		7,463,647,673	7,379,616,691
Employee benefit obligations		260,668,863	299,382,694
Deferred tax liabilities	9	-	31,761,253
Other liabilities	15, 24	2,030,721,532	2,126,480,109
Total liabilities		<u>180,682,839,472</u>	<u>149,531,657,425</u>
Equity			
Share capital	16		
Authorised share capital			
1,220,000,000 ordinary shares of Baht 1 each		<u>1,220,000,000</u>	<u>1,220,000,000</u>
Issued and paid-up share capital			
1,212,315,000 ordinary shares of Baht 1 each (31 December 2013: 1,211,714,350 ordinary shares of Baht 1 each)		1,212,315,000	1,211,714,350
Share premium	16	2,853,758,768	2,846,250,643
Capital reserve on share - based payments	16	84,945,572	66,068,779
Subscriptions received in advance from exercises of warrants	16, 17	4,495,500	1,246,050
Retained earnings			
Appropriated			
Legal reserve		122,000,000	122,000,000
General reserve		400,000,000	400,000,000
Unappropriated		13,872,164,516	13,225,119,255
Other components of equity			
Net fair value change in available-for-sale securities, net of income tax	6	<u>5,770,169,228</u>	<u>4,391,257,562</u>
Total equity		<u>24,319,848,584</u>	<u>22,263,656,639</u>
Total liabilities and equity		<u>205,002,688,056</u>	<u>171,795,314,064</u>

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

Bangkok Life Assurance Public Company Limited
Statement of income (Unaudited)

		Three-month period ended	
		30 June	
	Note	2014	2013
		<i>(in Baht)</i>	
Revenues			
Net premiums earned	19, 24	9,768,688,694	9,095,303,193
Net investment income	24	<u>2,153,257,474</u>	<u>1,703,498,722</u>
Total revenues		<u>11,921,946,168</u>	<u>10,798,801,915</u>
Expenses			
Underwriting expenses	19		
Life policy reserve increase from the previous period		8,098,975,705	5,858,040,992
Benefits payments to life policyholders		2,539,666,899	1,904,518,404
Insurance claims and loss adjustment expenses	24	294,834,899	288,269,376
Commissions and brokerages	24	594,381,187	627,109,255
Sales promotional expenses		61,588,327	69,071,268
Other underwriting expenses	24	6,889,196	7,274,514
Operating expenses	20, 24	<u>474,971,708</u>	<u>431,098,750</u>
Total underwriting expenses		<u>12,071,307,921</u>	<u>9,185,382,559</u>
Profit (loss) from underwriting		(149,361,753)	1,613,419,356
Gain on investments		321,657,329	172,571,698
Profit on fair value changes	24	8,014,997	6,734,541
Other income	24	<u>8,671,934</u>	<u>8,293,998</u>
Profit from operation		188,982,507	1,801,019,593
Contribution to Office of Insurance Commission		15,812,220	15,008,296
Contribution to Life Guarantee Fund		<u>9,899,430</u>	<u>9,215,386</u>
Profit before income tax expense		163,270,857	1,776,795,911
Income tax expense (income)	21	<u>(5,515,626)</u>	<u>324,002,097</u>
Profit for the period		<u>168,786,483</u>	<u>1,452,793,814</u>
Earnings per share <i>(in Baht)</i>			
Basic earnings per share	22	<u>0.14</u>	<u>1.20</u>
Diluted earnings per share		<u>0.14</u>	<u>1.20</u>

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

Bangkok Life Assurance Public Company Limited
Statement of comprehensive income (Unaudited)

		Three-month period ended	
		30 June	
	<i>Note</i>	2014	2013
		<i>(in Baht)</i>	
Profit for the period		<u>168,786,483</u>	<u>1,452,793,814</u>
Other comprehensive income	<i>6, 21</i>		
Net change in fair value of available-for-sale securities		857,920,269	(1,175,459,034)
Income tax on other comprehensive income		<u>(171,545,188)</u>	<u>235,091,807</u>
Other comprehensive income for the period, net of income tax		<u>686,375,081</u>	<u>(940,367,227)</u>
Total comprehensive income for the period		<u><u>855,161,564</u></u>	<u><u>512,426,587</u></u>

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

Bangkok Life Assurance Public Company Limited
Statement of income (Unaudited)

	Note	Six-month period ended	
		2014	2013
		30 June	
		<i>(in Baht)</i>	
Revenues			
Net premiums earned	19, 24	36,480,493,941	22,073,501,025
Net investment income	24	4,167,206,429	3,378,597,807
Total revenues		40,647,700,370	25,452,098,832
Expenses			
Underwriting expenses	19		
Life policy reserve increase from the previous period		30,513,731,424	15,761,089,974
Benefits payments to life policyholders		5,568,302,550	3,943,284,326
Insurance claims and loss adjustment expenses	24	644,137,630	617,800,963
Commissions and brokerages	24	1,619,705,024	1,505,385,286
Sales promotional expenses		176,217,277	180,925,387
Other underwriting expenses	24	13,791,970	14,158,145
Operating expenses	20, 24	899,279,581	856,758,127
Total underwriting expenses		39,435,165,456	22,879,402,208
Profit from underwriting		1,212,534,914	2,572,696,624
Gain on investments		367,760,229	400,056,670
Loss on fair value changes	24	(30,237,349)	(42,244,694)
Other income	24	17,322,176	15,183,604
Profit from operation		1,567,379,970	2,945,692,204
Contribution to Office of Insurance Commission		60,599,980	41,582,797
Contribution to Life Guarantee Fund		36,896,763	22,439,728
Profit before income tax expense		1,469,883,227	2,881,669,679
Income tax expense	21	205,056,063	506,932,365
Profit for the period		1,264,827,164	2,374,737,314
Earnings per share (in Baht)			
Basic earnings per share	22	1.04	1.96
Diluted earnings per share		1.04	1.96

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

Bangkok Life Assurance Public Company Limited
Statement of comprehensive income (Unaudited)

		Six-month period ended	
		30 June	
	<i>Note</i>	2014	2013
		<i>(in Baht)</i>	
Profit for the period		<u>1,264,827,164</u>	<u>2,374,737,314</u>
Other comprehensive income	<i>6, 21</i>		
Net change in fair value of available-for-sale securities		1,723,591,000	546,228,525
Income tax on other comprehensive income		<u>(344,679,334)</u>	<u>(109,245,705)</u>
Other comprehensive income for the period, net of income tax		<u>1,378,911,666</u>	<u>436,982,820</u>
Total comprehensive income for the period		<u><u>2,643,738,830</u></u>	<u><u>2,811,720,134</u></u>

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

Bangkok Life Assurance Public Company Limited
Statement of changes in equity (Unaudited)

	Note	Retained earnings					Other components of equity		Total equity	
		Issued and paid-up share capital	Share premium	Capital reserve for share-based payments	Subscriptions received in advance from exercise of warrants	Legal reserve (in Baht)	General reserve	Unappropriated		Net fair value change in available-for-sale securities
Six-month period ended 30 June 2013										
Balance at 1 January 2013		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
Transactions with shareholders, recorded directly in equity										
<i>Contributions by and distributions to shareholders of the Company</i>										
Share-based payments	16	-	-	18,876,794	-	-	-	-	-	18,876,794
Share capital increase as result of warrant exercises	16	6,029,445	75,368,062	-	(35,477,257)	-	-	-	-	45,920,250
Subscriptions received in advance from exercises of warrants	16, 17	-	-	-	10,787,175	-	-	-	-	10,787,175
Dividend paid	23	-	-	-	-	-	-	(433,653,254)	-	(433,653,254)
<i>Total contributions by and distributions to shareholders of the Company</i>		6,029,445	75,368,062	18,876,794	(24,690,082)	-	-	(433,653,254)	-	(358,069,035)
Comprehensive income for the period		-	-	-	-	-	-	2,374,737,314	-	2,374,737,314
Profit		-	-	-	-	-	-	-	-	-
Other comprehensive income		-	-	-	-	-	-	-	436,982,820	436,982,820
Net change in fair value of available-for-sale securities, net of income tax		-	-	-	-	-	-	2,374,737,314	436,982,820	2,811,720,134
Total comprehensive income for the period		-	-	-	-	-	-	11,702,446,537	5,590,355,653	21,918,420,168
Balance at 30 June 2013		1,210,801,300	2,834,837,518	47,191,985	10,787,175	122,000,000	400,000,000	11,702,446,537	5,590,355,653	21,918,420,168

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

Bangkok Life Assurance Public Company Limited
Statement of changes in equity (Unaudited)

	Note	Retained earnings					Other components of equity		Total equity
		Issued and paid-up share capital	Share premium	Capital reserve for share-based payments	Subscriptions received in advance from exercise of warrants	Legal reserve (in Baht)	General reserve	Unappropriated	
Six-month period ended 30 June 2014									
Balance at 1 January 2014									
Transactions with shareholders, recorded directly in equity									
<i>Contributions by and distributions to shareholders of the Company</i>									
Share-based payments	16	-	-	18,876,793	-	-	-	-	18,876,793
Share capital increase as result of warrant exercises	16	600,650	7,508,125	-	(1,246,050)	-	-	-	6,862,725
Subscriptions received in advance from exercises of warrants	16, 17	-	-	-	4,495,500	-	-	-	4,495,500
Dividend paid	23	-	-	-	-	-	(617,781,903)	-	(617,781,903)
<i>Total contributions by and distributions to shareholders of the Company</i>									
		600,650	7,508,125	18,876,793	3,249,450	-	(617,781,903)	-	(587,546,885)
Comprehensive income for the period									
Profit		-	-	-	-	-	1,264,827,164	-	1,264,827,164
Other comprehensive income									
Net change in fair value of available-for-sale securities, net of income tax		-	-	-	-	-	-	1,378,911,666	1,378,911,666
Total comprehensive income for the period									
		-	-	-	-	-	1,264,827,164	1,378,911,666	2,643,738,830
Balance at 30 June 2014									
		1,212,315,000	2,853,758,768	84,945,572	4,495,500	122,000,000	13,872,164,516	5,770,169,228	24,319,848,584

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

Bangkok Life Assurance Public Company Limited

Statement of cash flows (Unaudited)

	Six-month period ended	
	2014	2013
	30 June	
	(in Baht)	
<i>Cash flows from operating activities</i>		
Net premiums written	35,153,857,431	20,803,432,894
Interest received	3,453,091,011	2,861,416,388
Dividends received	489,481,954	390,238,874
Other investment income	716,594,021	444,970,530
Other income	17,383,022	15,234,846
Benefits payments to life policyholders and insurance claims and loss adjustment expenses	(5,916,433,257)	(4,298,143,318)
Dividends on insurance policies	(58,382,948)	(59,552,000)
Commissions and brokerages	(1,706,816,062)	(1,528,654,447)
Other underwriting expenses	(213,927,616)	(187,531,829)
Operating expenses	(858,659,643)	(890,458,767)
Other expenses	(74,867,840)	(56,452,732)
Income tax paid	(289,161,467)	(613,411,657)
Net cash provided by operating activities	<u>30,712,158,606</u>	<u>16,881,088,782</u>
<i>Cash flows from investing activities</i>		
Cash flows provided by:		
Investments in securities	57,535,418,452	25,521,380,308
Loans	481,121,907	289,404,206
Deposit in financial institution	510,000,000	60,000,000
Premises and equipment	4,850	19,859
Cash from investing activities	<u>58,526,545,209</u>	<u>25,870,804,373</u>
Cash flow used in:		
Investments in securities	(85,314,275,361)	(43,277,232,343)
Loans	(745,431,749)	(474,092,494)
Deposit in financial institution	(90,000,000)	(40,000,000)
Premises and equipment	(62,550,207)	(28,501,812)
Intangible assets	(1,276,778)	-
Cash used in investing activities	<u>(86,213,534,095)</u>	<u>(43,819,826,649)</u>
Net cash used in investing activities	<u>(27,686,988,886)</u>	<u>(17,949,022,276)</u>

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

Bangkok Life Assurance Public Company Limited
Statement of cash flows (Unaudited)

	<i>Note</i>	Six-month period ended	
		2014	2013
		30 June	
		<i>(in Baht)</i>	
<i>Cash flows from financing activities</i>			
Proceeds from share capital increase as a result of warrant exercises		6,862,725	45,920,250
Subscriptions received in advance from exercise of warrants	17	4,495,500	10,787,175
Proceeds from (pay) securities sold under repurchase agreements		(950,000,000)	980,000,000
Dividend paid	23	(617,781,903)	(433,653,254)
Net cash provided by (used in) financing activities		<u>(1,556,423,678)</u>	<u>603,054,171</u>
Net increase (decrease) in cash and cash equivalents		1,468,746,042	(464,879,323)
Cash and cash equivalents at 1 January		<u>1,331,190,953</u>	<u>865,845,947</u>
Cash and cash equivalents at 30 June	3	<u>2,799,936,995</u>	<u>400,966,624</u>
Supplemental cash flows information			
Non-cash items			
Net fair value change in available-for-sale securities		1,723,591,000	546,228,525
Capital reserve increase from share-based payments		18,876,793	18,876,794

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

Bangkok Life Assurance Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

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Bangkok Life Assurance Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language interim financial statements have been prepared from the Thai language statutory financial statements, and were approved and authorised for issue by the Board of Directors on 8 August 2014.

1 General information

Bangkok Life Assurance Public Company Limited, “the Company”, is incorporated in Thailand and has its registered office at No. 23/115-121, Royal City Avenue, Rama 9 Road, Bangkapi Sub-district, Huaykwang District, Bangkok.

The Company was listed on the Stock Exchange of Thailand on 25 September 2009.

The Company’s major shareholders during the financial period were Nippon Life Insurance Company (24.4% shareholding) (31 December 2013: 24.4% shareholding) which was incorporated in Japan, and Wattanasophonpanich Co., Ltd. (13.2% shareholding) (31 December 2013: 13.2% shareholding), which was incorporated in Thailand.

The principal business of the Company is life assurance.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard (TAS) No. 34 (revised 2012) *Interim Financial Reporting* and guidelines promulgated by the Federation of Accounting Professions (FAP) and applicable rules and regulations of the Thai Securities and Exchange Commission. In addition, the interim financial statements are prepared in accordance with the Notification of the Office of Insurance Commission regarding “Rules, Procedures, Conditions and Timing for the Preparation and Submission of the Financial Statements and Reporting of the Operations of Life Insurance Companies” No. 4 B.E. 2556, dated 31 July 2013, which follows the format of the previous notification dated 27 May 2010.

The interim financial statements are prepared to provide an update on the financial statements for the year ended 31 December 2013. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 December 2013.

The accounting policies and methods of computation applied in these interim financial statements are consistent with those applied in the financial statements for the year ended 31 December 2013 except that the Company has adopted all the new and revised TFRS that are effective for annual periods beginning on or after 1 January 2014. The adoption of these new and revised TFRS did not have any material effect on the accounting policies, methods of computation, financial performance or position of the Company.

The FAP had issued a new TFRS which is effective for financial statements beginning on or after 1 January 2016 and has not been adopted in the preparation of these interim financial statements. This new TFRS that is relevant to the Company’s operations are disclosed in note 29.

Bangkok Life Assurance Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

(b) Functional and presentation currency

The interim financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented in Thai Baht has been rounded in the notes to the interim financial statements to the nearest thousand unless otherwise stated.

(c) Use of estimates and judgements

The preparation of interim financial statements in conformity with TFRS requires management to make judgements, 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.

In preparing these interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2013.

3 Cash and cash equivalents

	30 June 2014	31 December 2013
	<i>(in thousand Baht)</i>	
Cash on hand	5,006	10,818
Deposits at banks - call deposits	654,931	1,320,373
Deposits at banks - time deposits	3,030,000	1,310,000
Total cash and deposits at financial institutions	3,689,937	2,641,191
<i>Less</i> deposits at banks with original maturities over 3 months	(890,000)	(1,310,000)
Cash and cash equivalents	2,799,937	1,331,191

Cash and cash equivalents as at 30 June 2014 and 31 December 2013 were denominated entirely in Thai Baht.

Bangkok Life Assurance Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

4 Premiums due and uncollected

As at 30 June 2014 and 31 December 2013, premiums due and uncollected are classified by aging as follows:

	30 June 2014		31 December 2013			
	Insured	Agents and brokers	Total (in thousand Baht)	Insured	Agents and brokers	Total
Not yet overdue	2,993,858	81,372	3,075,230	1,779,023	28,355	1,807,378
Overdue						
less than 30 days	78,592	11,931	90,523	1	13,276	13,277
30 - 60 days	(90)	16,405	16,315	14,696	2,067	16,763
60 - 90 days	153	35,562	35,715	-	1,029	1,029
90 days - 1 year	371	7,293	7,664	135	365	500
Over 1 year	331	468	799	326	393	719
Total premiums due and uncollected	3,073,215	153,031	3,226,246	1,794,181	45,485	1,839,666

The allowable grace period of life insurance policies is 60 and 31 days from the due date for individual and group policies, respectively.

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

Bangkok Life Assurance Public Company Limited
Notes to the interim financial statements
For the three-month and six-month periods ended 30 June 2014 (Unaudited)

5 Reinsurance receivables and assets

	30 June 2014	31 December 2013
	<i>(in thousand Baht)</i>	
Due from reinsurers	408,681	499,187
Reinsurers' share of insurance contract liabilities	448,418	290,901
Reinsurance receivables and assets	857,099	790,088

As at 30 June 2014 and 31 December 2013, amounts due from reinsurers were classified by aging as follows:

	30 June 2014	31 December 2013
	<i>(in thousand Baht)</i>	
Within credit terms	408,681	499,187
Due from reinsurers	408,681	499,187

6 Investments in securities

6.1 Investments in securities types

	30 June 2014		31 December 2013	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
	<i>(in thousand Baht)</i>			
Trading investments				
Government and state enterprise debt securities	-	-	100,057	100,058
Add unrealised surpluses from fair value changes on securities	-	-	1	-
Total trading investments	-	-	100,058	100,058
Available-for-sale investments				
Government and state enterprise debt securities	1,446,122	1,489,604	1,789,646	1,821,537
Equity securities	7,794,883	14,233,015	7,609,881	12,891,419
Private unit trusts	4,794,201	4,960,706	4,009,663	3,807,393
Foreign unit trusts	1,511,988	2,139,129	1,213,438	1,667,321
Total	15,547,194	22,822,454	14,622,628	20,187,670
Add unrealised surpluses from fair value changes on securities	7,275,260	-	5,565,042	-
Total available-for-sale-investments	22,822,454	22,822,454	20,187,670	20,187,670
Held-to-maturity investments				
Government and state enterprise debt securities	121,473,610	124,109,743	105,545,691	105,031,196
Private debt securities	28,416,605	29,042,399	21,151,062	21,246,232
Foreign debt securities	16,639,028	17,231,766	13,296,025	13,130,098
Deposits at banks with original maturities more than 3 months	890,000	890,000	1,310,000	1,310,000
Total held-to-maturity investments	167,419,243	171,273,908	141,302,778	140,717,526

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	30 June 2014	31 December 2013
	Cost (in thousand Baht)	
General investments		
Equity securities	29,888	29,888
Foreign equity securities	17,074	17,074
Total general investments	46,962	46,962

6.2 Remaining period of debt securities

As at 30 June 2014 and 31 December 2013, investments in debt securities which were classified as trading, available-for-sale and held-to-maturity investments were aged by the remaining period to maturity as follows:

	30 June 2014 Maturity			
	1 year	1 - 5 years	Over 5 years	Total
	(in thousand Baht)			
Available-for-sale investments				
Government and state enterprise debt securities	-	1,290,260	155,862	1,446,122
Add unrealised surpluses from fair value changes on securities	-	43,312	170	43,482
Total available-for-sale investments	-	1,333,572	156,032	1,489,604
Held-to-maturity investments				
Government and state enterprise debt securities	11,785,127	8,278,659	101,409,824	121,473,610
Private debt securities	650,000	4,086,000	23,680,605	28,416,605
Foreign debt securities	1,286,329	2,339,143	13,013,556	16,639,028
Deposit at banks with original maturities more than 3 months	890,000	-	-	890,000
Total held-to-maturity investments	14,611,456	14,703,802	138,103,985	167,419,243
Total debt securities	14,611,456	16,037,374	138,260,017	168,908,847

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	31 December 2013			Total
	1 year	1 - 5 years	Over 5 years	
	Maturity (in thousand Baht)			
<i>Trading investments</i>				
Government and state enterprise debt securities	-	-	100,057	100,057
Add unrealised surpluses from fair value changes on securities	-	-	1	1
Total trading investments	-	-	100,058	100,058
<i>Available-for-sale investments</i>				
Government and state enterprise debt securities	-	491,341	1,298,305	1,789,646
Add unrealised surpluses from fair value changes on securities	-	9,459	22,432	31,891
Total available-for-sale investments	-	500,800	1,320,737	1,821,537
<i>Held-to-maturity investments</i>				
Government and state enterprise debt securities	932,679	8,663,799	95,949,213	105,545,691
Private debt securities	1,335,000	3,975,000	15,841,062	21,151,062
Foreign debt securities	490,175	3,332,505	9,473,345	13,296,025
Deposit at banks with original maturities more than 3 months	1,010,000	300,000	-	1,310,000
Total held-to-maturity investments	3,767,854	16,271,304	121,263,620	141,302,778
Total debt securities	3,767,854	16,772,104	122,684,415	143,224,373

As at 30 June 2014, the Company has investments in foreign securities amounting to USD 526 million or equivalent to Baht 16,604 million (31 December 2013: USD 407 million or equivalent to Baht 12,719 million). The Company has entered into cross currency interest rate swap contracts and forward contracts in order to protect against fluctuations in interest rate and currency risks in respect of these investments.

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6.3 Net fair value change in available-for-sale investments

	30 June 2014	31 December 2013
	<i>(in thousand Baht)</i>	
At 1 January 2014 / 2013	5,489,072	6,441,716
Net fair value change on equity	2,004,867	(583,550)
Net fair value change which transferred to profit or loss	(281,276)	(369,094)
At 30 June 2014 / 31 December 2013	<u>7,212,663</u>	<u>5,489,072</u>
Less deferred tax	<u>(1,442,494)</u>	<u>(1,097,814)</u>
Net fair value change in available-for-sale investments	<u>5,770,169</u>	<u>4,391,258</u>
- net of income tax		

6.4 Investments in structured notes

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

- (a) As at 30 June 2014, the Company has investments of Baht 600 million (*31 December 2013: Baht 900 million*), in promissory notes and bills of exchange, which were issued by local commercial banks and branches of foreign commercial banks, have remaining maturity periods of 5 - 14 years (*31 December 2013: 6 - 15 years*), and contain conditions whereby the issuer has call option or has rights to call for additional deposits.
- (b) As at 30 June 2014, the Company has investments of Baht 1,930 million (*31 December 2013: Baht 1,810 million*), in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, have remaining maturity periods of 2 years (*31 December 2013: 3 years*), and contain conditions whereby the issuer has 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 30 June 2014, the Company has investments of Baht 3,600 million (*31 December 2013: Baht 3,600 million*), in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, have remaining maturity periods of 5 - 8 years (*31 December 2013: 6 - 9 years*), and bear interest that is referenced to the yield rate on government bond (CMT Index).
- (d) As at 30 June 2014, the Company has investments of Baht 2,769 million (*31 December 2013: Baht 2,340 million*), in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, have remaining maturity periods of 6 - 14 years (*31 December 2013: 6 - 15 years*), and contain conditions whereby redemption of the notes and bills is based on the credit event of the reference assets.
- (e) As at 30 June 2014, the Company has investments of Baht 739 million (*31 December 2013: Baht 720 million*), in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, have remaining maturity periods of 19 years (*31 December 2013: 20 years*). The bank has placed government bonds equivalent to 70 - 80% of the face values of the issued promissory notes and bills of exchange as collateral and such issues contain conditions whereby the redemption of the notes and bills is based on the credit event of the reference assets.

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6.5 Movements of investments

Movements during the six-month periods ended 30 June 2014 and 2013 of trading, available for sale, held to maturity investments and general investments were as follows:

	2014	2013
	<i>(in thousand Baht)</i>	
<i>Trading investments</i>		
At 1 January	100,058	477,236
Purchases during the period	15,863	2,236,277
Sales during the period	(115,863)	(61,336)
Valuation and amortisation adjustments	(58)	(4,923)
At 30 June	<u>-</u>	<u>2,647,254</u>
<i>Available for sale investments</i>		
At 1 January	20,187,670	18,395,331
Purchases during the period	1,914,468	2,807,947
Sales during the period	(984,752)	(1,465,399)
Valuation and amortisation adjustments	1,705,068	560,984
At 30 June	<u>22,822,454</u>	<u>20,298,863</u>
<i>Held to maturity investments</i>		
At 1 January	141,302,778	115,723,500
Purchases during the period	6,477,982	8,477,033
Redeems during the period	(31,088,000)	(2,498,195)
Sales during the period	(270,096)	(1,304,563)
Valuation and amortisation adjustments	50,996,579	9,902,848
At 30 June	<u>167,419,243</u>	<u>130,300,623</u>
<i>General investments</i>		
At 1 January	46,962	46,962
Purchases during the period	-	-
Sales during the period	-	-
At 30 June	<u>46,962</u>	<u>46,962</u>

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7 Loans and accrued interest

As at 30 June 2014 and 31 December 2013, loans and accrued interest were classified by aging as follows:

Period	30 June 2014								
	Policy loans		Mortgage loans		Others loans		Total		
	Principal	Accrued interest*	Principal	Accrued interest*	Principal	Accrued interest*	Principal	Accrued interest*	
Current	3,578,757	259,463	343,231	607	15,135	-	3,937,123	260,070	4,197,193
Overdue :									
3 - 6 months	-	-	253	1	-	-	253	1	254
Over than 12 months	-	-	1,168	80	53	2	1,221	82	1,303
Total	3,578,757	259,463	344,652	688	15,188	2	3,938,597	260,153	4,198,750
Less allowance for doubtful accounts	-	-	(66)	(80)	-	-	(66)	(80)	(146)
Total loans and accrued interest, net	3,578,757	259,463	344,586	608	15,188	2	3,938,531	260,073	4,198,604

* Presented as accrued investment income in the statement of financial position.

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Period	31 December 2013								
	Policy loans		Mortgage loans		Others loans		Loans and accrued interest		
	Principal	Accrued interest*	Principal	Accrued interest*	Principal	Accrued interest*	Principal	Accrued interest*	
Current	3,163,866	225,984	344,316	230	15,968	-	3,524,150	226,214	3,750,364
Overdue :									
6 - 12 months	-	-	303	3	-	-	303	3	306
Over than 12 months	-	-	1,187	79	120	2	1,307	81	1,388
Total	3,163,866	225,984	345,806	312	16,088	2	3,525,760	226,298	3,752,058
Less allowance for doubtful accounts	-	-	(66)	(80)	-	-	(66)	(80)	(146)
Total loans and accrued interest, net	3,163,866	225,984	345,740	232	16,088	2	3,525,694	226,218	3,751,912

* Presented as accrued investment income in the statement of financial position

Policy loans represent loans granted to the policyholders in an amount not exceeding the cash value of the policy. The loans carry interest at not more than 4.5% - 8.0% per annum (31 December 2013: 4.5% - 8.0% per annum), as approved by the Office of Insurance Commission.

Loans to employees under the employee welfare scheme are limited to Baht 0.1 million to each employee (31 December 2013: Baht 0.1 million) for personal guarantee loans, and limited to 50 times the employee's monthly salary to each employee for secured loans. The loans carry interest of 6.00% and 5.00% - 6.00% per annum, respectively (31 December 2013: 6.00% and 5.00% per annum). As at 30 June 2014, loans to employees and agents amounted to Baht 69 million (31 December 2013: Baht 73 million).

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8 Premises and equipment

Acquisitions, disposal and transfers of premises and equipment during the six-month periods ended 30 June 2014 were as follows:

	Land	Buildings and improvements	Condominium	Office furniture fixture and equipment (in thousand Baht)	Vehicles	Non-operating assets	Assets under construction	Total
Net book value at 1 January 2014	118,612	84,199	18,010	77,574	11,780	4,920	11,519	326,614
Additions during the period								
- cost	32,151	2,390	-	14,761	3,300	-	9,948	62,550
Transfer in / (out)	-	3,880	-	-	-	-	(3,880)	-
Disposals during the period								
- net book value	-	-	-	(11)	-	-	-	(11)
Depreciation charge for the period	-	(7,572)	(916)	(20,895)	(1,672)	(45)	-	(31,100)
Net book value at 30 June 2014	150,763	82,897	17,094	71,429	13,408	4,875	17,587	358,053

The gross amount of the Company's fully depreciated buildings and equipment that were still in use as at 30 June 2014 amounted to Baht 446 million (31 December 2013: Baht 432 million).

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9 Deferred tax

Deferred tax assets and liabilities as at 30 June 2014 and 31 December 2013 were as follows:

	30 June 2014	31 December 2013
	<i>(in thousand Baht)</i>	
Deferred tax assets	2,575,694	1,066,287
Deferred tax liabilities	<u>(1,442,494)</u>	<u>(1,098,048)</u>
Net deferred tax assets (liabilities)	<u>1,133,200</u>	<u>(31,761)</u>

Movements in deferred tax assets and liabilities during the six-month periods ended 30 June 2014 and 2013 were as follows:

	At 1 January 2014	(Charged) / credited to:		At 30 June 2014
		Profit or loss (Note 21) <i>(in thousand Baht)</i>	Other comprehensive income	
<i>Deferred tax assets</i>				
Life policy reserves	1,019,005	1,506,918	-	2,525,923
Loss reserves and outstanding claims	15,485	1,512	-	16,997
Employee benefit obligations	31,542	1,207	-	32,749
Others	255	(230)	-	25
Total	<u>1,066,287</u>	<u>1,509,407</u>	<u>-</u>	<u>2,575,694</u>
<i>Deferred tax liabilities</i>				
Trading investments	234	(234)	-	-
Net fair value change in available-for-sale investments	1,097,814	-	344,680	1,442,494
Total	<u>1,098,048</u>	<u>(234)</u>	<u>344,680</u>	<u>1,442,494</u>
Net	<u>(31,761)</u>	<u>1,509,641</u>	<u>(344,680)</u>	<u>1,133,200</u>

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	At 1 January 2013	(Charged) / credited to:		At 30 June 2013
		Profit or loss (Note 21) (in thousand Baht)	Other comprehensive income	
Deferred tax assets				
Life policy reserves	732,915	425,828	-	1,158,743
Loss reserves and outstanding claims	16,106	1,695	-	17,801
Employee benefit obligations	31,052	2,241	-	33,293
Others	29	556	-	585
Total	780,102	430,320	-	1,210,422
Deferred tax liabilities				
Trading investments	62	8,122	-	8,184
Net fair value change in available-for-sale investments	1,288,343	-	109,246	1,397,589
Total	1,288,405	8,122	109,246	1,405,773
Net	(508,303)	422,198	(109,246)	(195,351)

10 Due to reinsurers

	30 June 2014	31 December 2013
Premium ceded payables	<u>503,749</u>	<u>450,009</u>

(in thousand Baht)

11 Life policy reserves

	30 June 2014	31 December 2013
At 1 January 2014 / 2013	136,616,421	111,259,206
Life policy reserve for premium written during the period / year and increase reserve for in-force policy benefits	36,000,833	34,778,277
Benefits paid for death, maturity, surrender and other claims and benefits	<u>(5,487,102)</u>	<u>(9,421,062)</u>
At 30 June 2014 / 31 December 2013	<u>167,130,152</u>	<u>136,616,421</u>

(in thousand Baht)

12 Unpaid policy benefits

	30 June 2014	31 December 2013
Death	116,097	92,452
Maturity	8,245	9,654
Total	<u>124,342</u>	<u>102,106</u>

(in thousand Baht)

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13 Loss reserves and outstanding claims

	30 June 2014	31 December 2013
	<i>(in thousand Baht)</i>	
At 1 January 2014 / 2013	297,504	340,910
Insurance claims and loss adjustment expense during the period / year	866,161	1,659,761
Paid insurance claims and loss adjustment expense during the period / year	(860,581)	(1,703,167)
At 30 June 2014 / 31 December 2013	<u>303,084</u>	<u>297,504</u>

14 Premium reserves

14.1 Unearned premium reserve

	30 June 2014	31 December 2013
	<i>(in thousand Baht)</i>	
At 1 January 2014 / 2013	1,021,135	1,078,121
Premium written during the period / year	1,590,098	2,786,817
Earned premium during the period / year	(1,427,536)	(2,843,803)
At 30 June 2014 / 31 December 2013	<u>1,183,697</u>	<u>1,021,135</u>

14.2 Unexpired risk reserve

As at 30 June 2014, no additional reserve for unexpired risk has been established by the Company as the unexpired risk reserve estimated of Baht 843 million (31 December 2013: Baht 641 million) is lower than the unearned premium reserve.

15 Other liabilities

	30 June 2014	31 December 2013
	<i>(in thousand Baht)</i>	
Accrued commission expenses	384,781	471,892
Accrued expenses	303,011	310,852
Premiums received for policies not yet approved	179,806	161,133
Amounts received awaiting transfer	253,357	136,671
Payable to policyholders on exempted premiums	94,659	93,382
Forward and swap exchange contracts payables	674,268	798,974
Others	140,840	153,576
Total	<u>2,030,722</u>	<u>2,126,480</u>

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16 Share capital and reserve

Six-month period ended 30 June 2014

	Issued and paid-up share capital		Share premium	Capital reserve on share-based payments	Subscriptions received in advance from exercises of warrants
	Number of shares (in thousand share)	Amount	Amount (in thousand Baht)	Amount	Amount
Balances at 1 January 2014	1,211,714	1,211,714	2,846,251	66,069	1,246
Issuance of ordinary shares as a result of exercise of warrant No. 1 (Note 17)	601	601	7,508	-	(1,246)
Subscription received in advance from exercises of warrants (Note 17)	-	-	-	-	4,495
Expenses in respect of share-based payments - warrant No. 2 (Note 17)	-	-	-	18,877	-
Balances at 30 June 2014	1,212,315	1,212,315	2,853,759	84,946	4,495

Six-month period ended 30 June 2013

	Issued and paid-up share capital		Share premium	Capital reserve on share-based payments	Subscriptions received in advance from exercises of warrants
	Number of shares (in thousand share)	Amount	Amount (in thousand Baht)	Amount	Amount
Balances at 1 January 2013	1,204,772	1,204,772	2,759,469	28,315	35,477
Issuance of ordinary shares as a result of exercise of warrant No. 1	6,029	6,029	75,368	-	(35,477)
Subscription received in advance from exercises of warrants (Note 17)	-	-	-	-	10,787
Expenses in respect of share-based payments - warrant No. 2 (Note 17)	-	-	-	18,877	-
Balances at 30 June 2013	1,210,801	1,210,801	2,834,837	47,192	10,787

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17 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. Warrant No. 2 was already allocated to employee and the grant date is stipulated to be 1 April 2012.

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

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

These warrants expire the earlier of 5 years from the issue date and the termination date of employment. The exercise ratio is 1 unit of warrant to 1 new ordinary share and the exercise price is equal to Baht 13.50 per share for Warrant No. 1 and Baht 35 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 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 Scholes - continuous model

Employee expenses in respect of share-based payments (Warrant No. 2) recognised for the three-month and six-month periods ended 30 June 2014 amounted to Baht 9.4 million and Baht 18.9 million, respectively (2013: Baht 9.4 million and Baht 18.9 million, respectively).

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Movements units of warrants during the six-month period ended 30 June 2014 and 2013 are summarised below.

		30 June 2014		
		Number of warrants		
Approved by The Executive Board of Directors of the Company		Warrants No. 1	Warrants No. 2	Total
		<i>(thousand units)</i>		
Number of unexercised warrants at 1 January 2014		943	7,150	8,093
Exercised during the period		(841)	-	(841)
Number of unexercised warrants at 30 June 2014		102	7,150	7,252

		30 June 2013		
		Number of warrants		
Approved by The Executive Board of Directors of the Company		Warrants No. 1	Warrants No. 2	Total
		<i>(thousand units)</i>		
Number of unexercised warrants at 1 January 2013		5,350	7,150	12,500
Exercised during the period		(4,200)	-	(4,200)
Number of unexercised warrants at 30 June 2013		1,150	7,150	8,300

During the three-month and six-month periods ended 30 June 2014, the Warrant No. 1 holders exercised 0.3 million units and 0.8 million units of warrants, respectively (2013: 3.4 million units and 4.2 million units, respectively) at an exercise price of Baht 13.5 each (2013: Baht 13.5 each), or for a total of Baht 11.4 million (2013: Baht 56.7 million). Details are summarised as below.

Exercise	Units of warrants <i>(thousand units)</i>	Exercise price per share <i>(Baht)</i>	Proceeds from exercises	Issued and paid up share capital <i>(thousand Baht)</i>	Share Premium	Subscriptions received in advance from exercises of warrants	Share capital registration date	Listing date
The eighth exercise	333	13.5	4,496	-	-	4,495	25 July 2014	30 July 2014
Total 2014	841		11,359	508	6,355	4,495		

Exercise	Units of warrants <i>(thousand units)</i>	Exercise price per share <i>(Baht)</i>	Proceeds from exercises	Issued and paid up share capital <i>(thousand Baht)</i>	Share Premium	Subscriptions received in advance from exercises of warrants	Share capital registration date	Listing date
The fourth exercise	799	13.5	10,787	799	9,988	-	16 July 2013	17 July 2013
The fifth exercise	114	13.5	1,539	114	1,425	-	18 October 2013	22 October 2013
The sixth exercise	93	13.5	1,246	-	-	1,246	20 January 2014	21 January 2014
Total 2013	4,408		59,492	4,315	53,931	1,246		

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18 Operating segments

Management consider that the Company is operating its core business in a single segment in life insurance business and in a single geographic area in Thailand. The information presented in these financial statements is consistent with the internal reports that are regularly reviewed by the Chief Operating Decision Maker. The Chief Operating Decision Maker has been identified as the Chief Executive Officer.

For the three-month and six-month periods ended 30 June 2014 and 2013, the Company has no major customer with revenue of 10 percent or more of revenues.

19 Reporting information classified by type of underwriting

	Three-month period ended 30 June 2014			Total
	Original life product, non-participating	Pension life product, non-participating <i>(in thousand Baht)</i>	Personal accident insurance	
<i>Underwriting income</i>				
Gross premium written	9,844,240	45,626	9,565	9,899,431
Less premium ceded	(138,835)	-	-	(138,835)
Net premiums written	9,705,405	45,626	9,565	9,760,596
Add unearned premium reserves	7,613	-	480	8,093
Total underwriting income	9,713,018	45,626	10,045	9,768,689
<i>Underwriting expenses</i>				
Life policy reserve increase from the previous period	8,058,005	40,971	-	8,098,976
Benefits payments to life policyholders during the period	2,539,269	398	-	2,539,667
Insurance claims and loss adjustment expenses	293,262	-	1,573	294,835
Commissions and brokerages	590,800	3,346	235	594,381
Sale promotional expenses	61,296	237	55	61,588
Other underwriting expenses	6,863	21	5	6,889
Total underwriting expenses	11,549,495	44,973	1,868	11,596,336

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	Three-month period ended 30 June 2013			Total
	Original life product, non-participating	Pension life product, non-participating	Personal accident insurance	
	<i>(in thousand Baht)</i>			
<i>Underwriting income</i>				
Gross premium written	9,171,587	33,220	10,579	9,215,386
Less premium ceded	(109,209)	-	-	(109,209)
Net premiums written	9,062,378	33,220	10,579	9,106,177
Add (less) unearned premium reserves	(11,000)	-	126	(10,874)
Total underwriting income	9,051,378	33,220	10,705	9,095,303
<i>Underwriting expenses</i>				
Life policy reserve increase from the previous period	5,825,018	33,023	-	5,858,041
Benefits payments to life policyholders during the period	1,904,374	144	-	1,904,518
Insurance claims and loss adjustment expenses	284,243	(9)	4,035	288,269
Commissions and brokerages	623,478	3,413	218	627,109
Sale promotional expenses	68,724	264	83	69,071
Other underwriting expenses	7,243	24	8	7,275
Total underwriting expenses	8,713,080	36,859	4,344	8,754,283
	Six-month period ended 30 June 2014			
	Original life product, non-participating	Pension life product, non-participating	Personal accident insurance	Total
	<i>(in thousand Baht)</i>			
<i>Underwriting income</i>				
Gross premium written	36,800,652	76,522	19,590	36,896,764
Less premium ceded	(407,187)	-	-	(407,187)
Net premiums written	36,393,465	76,522	19,590	36,489,577
Add (less) unearned premium reserves	(9,688)	-	605	(9,083)
Total underwriting income	36,383,777	76,522	20,195	36,480,494
<i>Underwriting expenses</i>				
Life policy reserve increase from the previous period	30,442,829	70,902	-	30,513,731
Benefits payments to life policyholders during the period	5,566,650	1,653	-	5,568,303
Insurance claims and loss adjustment expenses	641,970	-	2,168	644,138
Commissions and brokerages	1,612,547	6,541	617	1,619,705
Sale promotional expenses	175,750	369	98	176,217
Other underwriting expenses	13,755	29	8	13,792
Total underwriting expenses	38,453,501	79,494	2,891	38,535,886

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	Six-month period ended 30 June 2013			Total
	Original life product, non-participating	Pension life product, non-participating	Personal accident insurance	
	<i>(in thousand Baht)</i>			
<i>Underwriting income</i>				
Gross premium written	22,365,879	52,707	21,142	22,439,728
Less premium ceded	(339,315)	-	-	(339,315)
Net premiums written	22,026,564	52,707	21,142	22,100,413
Add (less) unearned premium reserves	(27,326)	-	414	(26,912)
Total underwriting income	21,999,238	52,707	21,556	22,073,501
<i>Underwriting expenses</i>				
Life policy reserve increase from the previous period	15,707,815	53,275	-	15,761,090
Benefits payments to life policyholders during the period	3,943,013	271	-	3,943,284
Insurance claims and loss adjustment expenses	613,141	-	4,660	617,801
Commissions and brokerages	1,497,819	7,060	506	1,505,385
Sale promotional expenses	180,317	432	176	180,925
Other underwriting expenses	14,110	34	14	14,158
Total underwriting expenses	21,956,215	61,072	5,356	22,022,643

20 Operating expenses

	Three-month period ended 30 June		Six-month period ended 30 June	
	2014	2013	2014	2013
	<i>(in thousand Baht)</i>			
Personnel expense, not relating to underwriting and insurance claims	215,068	196,889	424,514	414,510
Premises and equipment expense, not relating to underwriting	39,261	37,983	76,426	75,362
Taxes and duties	56,277	46,102	105,674	89,053
Other operating expenses	164,366	150,125	292,666	277,833
Total	474,972	431,099	899,280	856,758

21 Income tax expense

Income tax recognised in profit or loss

	Note	Three-month period ended 30 June		Six-month period ended 30 June	
		2014	2013	2014	2013
		<i>(in thousand Baht)</i>			
Current tax expense					
Current period		407,547	375,520	1,713,156	929,130
Adjustment for prior year		1,541	-	1,541	-
Deferred tax expense					
Movements in temporary differences	9	(414,604)	(51,518)	(1,509,641)	(422,198)
Total		(5,516)	324,002	205,056	506,932

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Income tax recognised in other comprehensive income

Three-month period ended 30 June

	Before tax	2014 Tax (expense) benefit	Net of income tax <i>(in thousand Baht)</i>	Before tax	2013 Tax (expense) benefit	Net of income tax
Net fair value change in available-for-sale securities	<u>857,920</u>	<u>(171,545)</u>	<u>686,375</u>	<u>(1,175,459)</u>	<u>235,092</u>	<u>(940,367)</u>

Six-month period ended 30 June

	Before tax	2014 Tax (expense) benefit	Net of income tax <i>(in thousand Baht)</i>	Before tax	2013 Tax (expense) benefit	Net of income tax
Net fair value change in available-for-sale securities	<u>1,723,591</u>	<u>(344,679)</u>	<u>1,378,912</u>	<u>546,229</u>	<u>(109,246)</u>	<u>436,983</u>

Reconciliation of effective tax rate

	Three month period ended 30 June				Six month period ended 30 June			
	2014		2013		2014		2013	
	Rate (%)	<i>(in thousand Baht)</i>	Rate (%)	<i>(in thousand Baht)</i>	Rate (%)	<i>(in thousand Baht)</i>	Rate (%)	<i>(in thousand Baht)</i>
Profit before income tax expense		<u>163,271</u>		<u>1,776,796</u>		<u>1,469,883</u>		<u>2,881,669</u>
Income tax using the Thai corporation tax rate	20	32,655	20	355,359	20	293,977	20	576,334
Income not subject to tax		(41,653)		(33,255)		(94,346)		(73,268)
Expenses not subject to tax		1,941		1,898		3,884		3,866
Adjustment for prior year		<u>1,541</u>		-		<u>1,541</u>		-
Total	(3)	<u>(5,516)</u>	18	<u>324,002</u>	14	<u>205,056</u>	18	<u>506,932</u>

22 Earnings per share

Basic earnings per share

The calculations of basic earnings per share for the three-month and six-month periods ended 30 June 2014 and 2013 were based on the profit for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods as follows:

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	Three-month period ended 30 June		Six-month period ended 30 June	
	2014	2013	2014	2013
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>168,786</u>	<u>1,452,794</u>	<u>1,264,827</u>	<u>2,374,737</u>
Number of ordinary shares outstanding at 1 January	1,212,315	1,207,400	1,211,807	1,207,400
Effect of exercises warrants	4	3,428	260	1,780
Weighted average number of ordinary shares outstanding (basic)	<u>1,212,319</u>	<u>1,210,828</u>	<u>1,212,067</u>	<u>1,209,180</u>
Earnings per share (basic) (in Baht)	<u>0.14</u>	<u>1.20</u>	<u>1.04</u>	<u>1.96</u>

Diluted earnings per share

The calculations of diluted earnings per share for the three-month and six-month periods ended 30 June 2014 and 2013 were based on the profit for the periods attributable to ordinary shareholders of the Company and the weighted average number of ordinary shares outstanding during the periods after adjusting for the effects of all dilutive potential ordinary shares as follows:

	Three-month period ended 30 June		Six-month period ended 30 June	
	2014	2013	2014	2013
	<i>(in thousand Baht / thousand shares)</i>			
Profit attributable to ordinary shareholders of the Company (basic)	<u>168,786</u>	<u>1,452,794</u>	<u>1,264,827</u>	<u>2,374,737</u>
Weighted average number of ordinary shares outstanding (basic)	1,212,319	1,210,828	1,212,067	1,209,180
Effect of warrant no. 1	360	1,539	561	2,872
Effect of warrant no. 2	2,961	1,893	1,435	1,956
Weighted average number of ordinary shares outstanding (diluted)	<u>1,215,640</u>	<u>1,214,260</u>	<u>1,214,063</u>	<u>1,214,008</u>
Earnings per share (diluted) (in Baht)	<u>0.14</u>	<u>1.20</u>	<u>1.04</u>	<u>1.96</u>

23 Dividends

At the annual general meeting of the shareholders of the Company held on 30 April 2014, the shareholders approved the appropriation of dividend of Baht 0.51 per share, amounting to Baht 618 million. The dividend was paid to shareholders in May 2014.

At the annual general meeting of the shareholders of the Company held on 26 April 2013, the shareholders approved the appropriation of dividend of Baht 0.36 per share, amounting to Baht 434 million. The dividend was paid to shareholders in May 2013.

24 Related parties

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

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Relationships with key management and related parties were as follows:

Name of entities/individuals	Country of incorporation/ nationality	Nature of relationships
Key management personnel	Thailand	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company
Nippon Life Insurance Company	Japan	Major shareholder, 24.4% holding (31 December 2013: 24.4% holding)
Wattanasophonpanich Co., Ltd	Thailand	Major shareholder, 13.2% holding (31 December 2013: 13.2% holding)
Bangkok Bank Pcl.	Thailand	Related by way of common shareholders
Bangkok Insurance Pcl.	Thailand	Shareholding and related by way of common directors
Bumrungrad Hospital Pcl.	Thailand	Related by way of common directors and shareholders
Bangkok Business Building (1987) Co., Ltd.	Thailand	Related by way of common directors and shareholders
Tris Corporation Ltd.	Thailand	Related by way of common directors and shareholders
BBL Asset Management Co., Ltd.	Thailand	Related by way of common directors and shareholders
Union Textile Industries Pcl.	Thailand	Related by way of common shareholders
Narai Ruamphiphat Co., Ltd.	Thailand	Holding by an individual related to the major shareholder of the Company
TICON Industrial Connection Pcl.	Thailand	Holding by an individual related to the major shareholder of the Company
Asia warehouse Co., Ltd.	Thailand	Holding by the major shareholder of the Company
TMD Design, LLC	Thailand	Holding by an individual related to the major shareholder of the Company
Bualuang Securities Pcl.	Thailand	Subsidiary of the major shareholder of the Company
Thaire Life Assurance Pcl. ⁽¹⁾	Thailand	Subsidiary of Thai Reinsurance Pcl.
BLA Insurance Broker Co., Ltd.	Thailand	Related by way of common directors are the management of the Company
Thai Reinsurance Pcl.	Thailand	Related by way of common directors
Sorachai Vivatn Co., Ltd.	Thailand	Related by way of common directors
Thai Phyathai 1 Hospital Co., Ltd.	Thailand	Related by way of common directors
Thai Phyathai 2 Hospital Co., Ltd.	Thailand	Related by way of common directors
Thai Phyathai 3 Hospital Co., Ltd. ⁽²⁾	Thailand	Related by way of common directors
Rajburi Sugar Co., Ltd.	Thailand	Related by way of common directors
Charoen Pokphand Foods Pcl.	Thailand	Related by way of common directors
Indorama Ventures Pcl.	Thailand	Related by way of common directors
Ek-chai Distribution System Co., Ltd.	Thailand	Related by way of common directors

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Name of entities/individuals	Country of incorporation/ nationality	Nature of relationships
Asia Insurance 1950 Pcl.	Thailand	Related by way of common directors
Bangpain Golf Co., Ltd.	Thailand	Related by way of common directors
Bangkok Mitsubishi Lease Co., Ltd.	Thailand	Related by way of common directors

(1) It had been considered a related party until 31 July 2013 because the Company has no common directors with Thaire Life Assurance Pcl. since then.

(2) It had been considered a related party until 8 May 2013 because the Company has no common directors with the Phyathai 3 Hospital Co., Ltd. since then.

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Premium written	Normal commercial terms for underwriting
Claim recoverable from reinsurer	At a mutually agreed percentage of reinsurance premium
Interest income - deposits at bank, promissory notes and debentures	Same rates as those charged by financial institutions and related companies to general customers
Interest income - mortgage loans	Same rates as the Company charges to general borrowers who mortgage assets as collateral
Dividend income	As declared
Rental and service income	Rate on agreements as those charged by rental and service fees per square meter per month
Brokerage income from securities trading	Normal commercial terms for securities brokerage
Premium ceded	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contract
Gain (loss) on forward and swap exchange contracts	Normal commercial terms
Commission and brokerages	At a mutually agreed percentage of premium written
Claim payment and diagnose charge	Normal commercial terms for underwriting
Bank charges	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	Normal commercial terms for underwriting
Building space rental and services	Rate on agreements as those charged by rental and service fees per square meter per month
Other services fees	Normal commercial terms for services

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Significant transactions for the three-month and six-month periods ended 30 June 2014 and 2013 with related parties were as follows:

	Three-month period ended 30 June		Six-month period ended 30 June	
	2014	2013	2014	2013
<i>(in thousand Baht)</i>				
Other related parties				
Revenues				
Premium written	350	2,407	2,597	4,190
Claim recovery from reinsurance	17	30,911	17	60,767
Interest income - deposits at banks, promissory notes and debentures	157,770	64,998	277,383	153,255
Interest income - mortgage loans	2,483	2,805	5,017	5,646
Dividend income	20,356	56,311	72,172	86,896
Rental and service income	97	-	194	-
Brokerage income from securities trading	4,480	1,641	8,307	7,914
Gain (loss) on forward and swap exchange contracts	2,822	(74,784)	2,804	(27,583)
Expenses				
Premium ceded	83	23,930	83	84,025
Commission and brokerage	228,907	296,827	848,383	754,225
Claim payments and diagnosis charges	35,398	12,584	45,437	25,527
Bank charges	20,502	19,979	47,671	41,547
Insurance premiums	153	1,070	309	1,392
Building space rental and service fees	16,608	16,054	32,627	31,873
Other service fees	133	163	291	278
Key management personnel and director compensation				
Short-term employment benefit	8,219	7,752	16,438	15,504
Post-employment benefit	(955)	407	(1,910)	814
Share-based payment transactions	3,102	3,102	6,204	6,204
Total	10,366	11,261	20,732	22,522

For the three-month and six-month periods ended 30 June 2014, the premium generated from the Bancassurance distribution channel represented approximately 66.3% and 79.7% of total net premium written, respectively. For the three-month and six-month periods ended 30 June 2013, the premium generated from the Bancassurance distribution channel represented approximately 66.8% and 71.1% of total net premium written, respectively.

The details of the warrants allocated to the Company's employees are presented in note 17 to the interim financial statements.

Significant balances as at 30 June 2014 and 31 December 2013 with related parties were as follows:

	30 June 2014	31 December 2013
<i>(in thousand Baht)</i>		
Other related parties		
Deposit at financial institution	1,119,323	1,776,563
Reinsurance assets	-	949

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	30 June 2014	31 December 2013
	<i>(in thousand Baht)</i>	
Investments in securities		
Available-for-sale investments		
Equity securities	3,220,588	2,732,969
Unit trusts	1,560,494	1,453,642
Total available-for-sale investments	<u>4,781,082</u>	<u>4,186,611</u>
Held-to-maturity investments		
Private enterprise debt securities	4,105,000	4,105,000
Foreign debt securities	5,908,585	4,801,185
Total held-to-maturity investments	<u>10,013,585</u>	<u>8,906,185</u>
General investments	<u>11,467</u>	<u>11,467</u>
Loans	<u>149,996</u>	<u>159,679</u>
Forward and swap exchange contract receivable	<u>3,849,967</u>	<u>2,416,554</u>
Other assets	<u>76,521</u>	<u>83,475</u>
Amounts due to reinsurers	<u>-</u>	<u>908</u>
Outstanding claims	<u>8,270</u>	<u>6,866</u>
Forward and swap exchange contract payable	<u>3,903,854</u>	<u>2,463,029</u>
Other liabilities	<u>161,349</u>	<u>198,443</u>

Significant agreements with related parties

(a) Significant agreements with related party

Agreements with related bank

The Company entered into various agreements and memorandums with a related bank particularly in the distribution of insurance products in return for commission and marketing support expenses.

Bank charge

The Company agreed to pay fees to a related bank in return for transactional activities of the Company's customers through the bank's branches, ATMs and other alternative channels.

(b) Commitments with related parties

As at 30 June 2014, the Company has existing lease and service agreements for offices with a related companies. The terms of the agreements are generally between 3 - 25 years (31 December 2013: 3 - 25 years) for leases of building space and between 3 - 25 years (31 December 2013: 3 - 25 years) for motor vehicles and equipment. The Company has a monthly rental and service fee of Baht 3.9 million (excluding value added tax) (2013: Baht 3.1 million).

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	30 June 2014	31 December 2013
	<i>(in thousand Baht)</i>	
Within one year	23,917	19,768
After one year but within five years	49,189	29,867
After five years	8,038	8,074
Total	<u>81,144</u>	<u>57,709</u>

25 Securities and assets pledged with registrar

25.1 As at 30 June 2014 and 31 December 2013, investments in debt securities were pledged with the Registrar in accordance with Section 20 of the Life Assurance Act (No. 2) B.E. 2551 as follows:

	30 June 2014		31 December 2013	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
State enterprise bonds	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

25.2 As at 30 June 2014 and 31 December 2013, investments in debt securities were pledged as life assurance policy reserve with the Registrar in accordance with Section 24 of the Life Assurance Act (No. 2) B.E. 2551 as follows:

	30 June 2014		31 December 2013	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
Government bonds	28,471,319	27,750,000	20,802,166	20,750,000
State enterprise bonds	<u>6,930,115</u>	<u>6,927,140</u>	<u>7,430,455</u>	<u>7,924,140</u>
Total	<u>35,401,434</u>	<u>34,677,140</u>	<u>28,232,621</u>	<u>28,674,140</u>

26 Commitments with non-related parties

(a) Operating lease and service commitments

The Company has entered into several lease agreements in respect of the lease of motor vehicles and equipment. The terms of the agreements are generally between 1 - 6 years (*31 December 2013: 1 - 6 years*) for leases of motor vehicles and equipment. Such agreements are non-cancellable.

	30 June 2014	31 December 2013
	<i>(in thousand Baht)</i>	
Within one year	32,266	30,565
After one year but within five years	20,729	24,742
After five years	-	2,644
Total	<u>52,995</u>	<u>57,951</u>

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(b) Investment commitments

As at 30 June 2014 and 31 December 2013, the Company may need to deposit additional amounts in the future under the investment conditions as described in Note 6.4 (a) and (b) to the financial statements, as summarised below.

	30 June 2014	31 December 2013
	<i>(in thousand Baht)</i>	
Within 1 year	1,140,000	1,140,000
After one year but within five years	830,000	950,000
After five years	300,000	300,000
Total	<u>2,270,000</u>	<u>2,390,000</u>

27 Contingent liabilities

As at 30 June 2014, lawsuits have been brought against the Company in relation to insurance claims in the normal course of business totaling approximately Baht 39 million (*31 December 2013: Baht 39 million*). The Company's management believes that the recorded amount of life policy reserves, unpaid policy benefits and due to insured in the financial statements is adequate to meet the potential losses in respect of those claims.

28 Events after reporting period

- (a) On 15 May 2014, the Company was approved by Office of Insurance Commission to increase investment holding in BLA Insurance Broker Company Limited from 15 percent to 99 percent of the authorised and paid up share capital.

On 7 July 2014, the Company has purchased ordinary shares from the former shareholders of 168,000 shares at par Baht 10 per share, amounting to Baht 1.68 million. On 28 July 2014, the Company has purchased additional ordinary shares by 198,000 shares at par Baht 10 per share, amounting to Baht 1.98 million. The total amount is Baht 3.66 million. The Company's investment in BLA Insurance Broker Company Limited has increased from Baht 0.3 million to Baht 3.96 million.

On 8 August 2014, BLA Insurance Broker Company Limited has registered increment of the authorised share capital with Ministry of Commerce from amounting Baht 2 million to Baht 4 million by increasing the ordinary shares from 200,000 shares to 400,000 shares at par Baht 10 per share.

- (b) At the Board of Director meeting of the Company held on 8 August 2014, the Board of Director approved the appropriation of dividend of Baht 0.05 per share, amounting to Baht 60 million and approved to pay 2 shares of stock dividend at a par value of Baht 1 each to every 5 shares held by existing shareholders.

However, the payment of dividend must be approved by the resolution of the Extraordinary General Meeting of shareholders of the Company and the Office of Insurance Commission.

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29 Thai Financial Reporting Standards (TFRS) not yet adopted

The Company has not adopted the new TFRS that has been issued but is not yet effective. The new TFRS that is applicable to the Company, which becomes effective for annual financial periods beginning on or after 1 January in the year indicated in the following table, is as follows:

TFRS	Topic	Year effective
TFRS 4	Insurance Contracts	2016

Management is in the process of assessing the impact of TFRS 4.

30 Reclassification of accounts

Certain accounts in the statements of financial position as at 31 December 2013 and the statement of cash flows for the six-month period ended 30 June 2013 which are included in the 2014 interim financial statements for comparative purposes, have been reclassified to conform to the presentation in the 2014 interim financial statements.

		2013	
	Before reclassification	Reclassification <i>(in thousand Baht)</i>	After reclassification
<i>Statement of financial position as at 31 December 2013</i>			
Deferred tax assets	1,066,287	(1,066,287)	-
Deferred tax liabilities	(1,098,048)	1,066,287	(31,761)
		<u>-</u>	
Held-to-maturity securities	140,790,981	511,797	141,302,778
Other assets	347,315	115,305	462,620
Other liabilities	(1,499,378)	(627,102)	(2,126,480)
		<u>-</u>	
<i>Statement of Cash flows for the six-month period ended 30 June 2013</i>			
<i>Cash flows from investing activities</i>			
Cash flows provided by:			
Deposit in financial institution	10,185,000	(10,125,000)	60,000
Cash flow used in:			
Deposit in financial institution	(10,165,000)	10,125,000	(40,000)
		<u>-</u>	