

Bangkok Life Assurance Public Company Limited
Review report and interim financial statements
For the three-month and six-month periods ended
30 June 2012 and 2011

Independent Auditor's Report on Review of Interim Financial Information

To the shareholders of Bangkok Life Assurance Public Company Limited

I have reviewed the accompanying statement of financial position of Bangkok Life Assurance Public Company Limited as at 30 June 2012, and the statements of income and comprehensive income for the three-month and six-month periods ended 30 June 2012 and 2011, the statements of changes in equity and cash flows for the six-month periods ended 30 June 2012 and 2011, as well as the condensed notes to the financial statements. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my reviews.

Scope of review

I conducted my reviews in accordance with 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 standards 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 reviews, 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.

Statement of financial position as at 31 December 2011 for comparative purposes

I have previously audited the financial statements of Bangkok Life Assurance Public Company Limited for the year ended 31 December 2011 in accordance with Thai auditing standards, and expressed an unqualified opinion on those statements under my report dated 22 February 2012. The statement of financial position as at 31 December 2011, as presented herein for comparative purposes, formed an integral part of those financial statements. I have not performed any other audit procedures subsequent to the date of the above report.

Nonglak Pumnoi
Certified Public Accountant (Thailand) No. 4172

Ernst & Young Office Limited
Bangkok: 8 August 2012

Bangkok Life Assurance Public Company Limited**Statements of financial position****As at 30 June 2012 and 31 December 2011**

		(Unit: Baht)	
	Note	30 June 2012	31 December 2011
		(Unaudited but reviewed)	(Audited)
Assets			
Cash and cash equivalent	3, 18	1,520,706,107	2,736,720,476
Accrued investment income		1,344,350,027	1,375,597,931
Premium receivables, net	4	2,859,255,372	2,312,647,445
Reinsurance assets	5, 18	376,755,662	332,055,036
Investment assets			
Investments in securities	18		
Trading investments	6	1,860,149,425	299,019,595
Available-for-sale investments	6	15,099,597,050	13,358,947,452
Held-to-maturity investments	6, 19, 20	103,099,485,966	89,394,339,476
Other investments	6	46,662,230	29,587,830
Loans, net	7, 18	2,403,005,616	2,113,082,452
Property and equipment, net	8	325,275,034	306,415,271
Intangible assets, net		16,527,026	21,390,815
Other assets	9, 18	288,713,092	179,608,126
Total assets		<u>129,240,482,607</u>	<u>112,459,411,905</u>

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

Bangkok Life Assurance Public Company Limited
Statements of financial position (continued)
As at 30 June 2012 and 31 December 2011

		(Unit: Baht)	
	Note	30 June 2012	31 December 2011
		(Unaudited but reviewed)	(Audited)
Liabilities and equity			
Liabilities			
Income tax payable		846,489,681	738,563,265
Amount due to reinsurers	10, 18	452,035,886	266,778,378
Insurance contract liabilities			
Life policy reserve	11	101,202,388,313	88,386,403,850
Unpaid policy benefits	12	94,915,891	82,588,130
Loss reserves and outstanding claims	13, 18	305,937,099	333,830,276
Premium reserve	14	1,066,143,394	1,085,196,967
Other insurance liabilities		7,078,120,505	6,852,174,216
Employee benefit obligations		199,685,267	233,793,703
Other liabilities	15, 18	1,921,331,596	1,048,861,404
Total liabilities		113,167,047,632	99,028,190,189

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

Bangkok Life Assurance Public Company Limited
Statements of financial position (continued)
As at 30 June 2012 and 31 December 2011

	Note	(Unit: Baht)	
		30 June 2012	31 December 2011
		(Unaudited but reviewed)	(Audited)
Equity			
Share capital			
Registered			
1,220,000,000 ordinary shares of Baht 1 each		1,220,000,000	1,220,000,000
Issued and fully paid up			
1,200,000,000 ordinary shares of Baht 1 each		1,200,000,000	1,200,000,000
Premium on share capital		2,699,821,268	2,699,821,268
Capital reserve for share-based payment transactions	21	9,438,397	-
Retained earnings			
Appropriated			
Legal reserve		122,000,000	122,000,000
General reserve		400,000,000	400,000,000
Unappropriated		7,847,757,231	6,531,692,293
Other components of equity		3,794,418,079	2,477,708,155
Total equity		16,073,434,975	13,431,221,716
Total liabilities and equity		129,240,482,607	112,459,411,905
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The accompanying notes are an integral part of the financial statements.

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Directors

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(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited**Statements of income****For the three-month periods ended 30 June 2012 and 2011**

	Note	2012	2011
(Unit: Baht)			
Income			
Net earned premium	16, 18	9,972,910,606	7,958,826,389
Net investment income	18	1,349,903,939	1,114,066,463
Total income		<u>11,322,814,545</u>	<u>9,072,892,852</u>
Expenses			
Underwriting			
Life policy reserve increase from previous period	16	7,060,873,459	4,732,208,588
Benefit payments to life policies and benefit adjustment expenses	16	1,568,985,889	1,217,854,441
Claims and losses adjustment expenses	16, 18	340,116,831	384,244,048
Commissions and brokerages expenses	16, 18	748,733,903	680,743,136
Sales promotion expenses	16	21,366,756	145,489,393
Other underwriting expenses	16, 18	6,568,448	5,099,694
Operating expenses	17, 18	358,945,721	312,035,997
Total underwriting expenses		<u>10,105,591,007</u>	<u>7,477,675,297</u>
Profit from underwriting		1,217,223,538	1,595,217,555
Profit from investments	6	117,852,317	123,547,517
Fair value losses on trading investments		(26,446,940)	(18,036,622)
Other income		4,187,137	3,296,042
Gains (losses) on exchange		22,401,321	(112,134)
Profit from operations		<u>1,335,217,373</u>	<u>1,703,912,358</u>
Contribution to the Office of Insurance Commission		16,695,026	16,474,966
Contribution to Life Insurance Fund		10,090,938	8,075,865
Profit before corporate income tax		<u>1,308,431,409</u>	<u>1,679,361,527</u>
Corporate income tax		500,589,798	387,451,188
Profit for the period		<u>807,841,611</u>	<u>1,291,910,339</u>
Earnings per share	22		
Basic earnings per share			
Profit for the period		<u>0.673</u>	<u>1.077</u>
Diluted earnings per share			
Profit for the period		<u>0.668</u>	<u>1.069</u>

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

(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited

Statements of comprehensive income

For the three-month periods ended 30 June 2012 and 2011

	(Unit: Baht)	
	2012	2011
Profit for the period	<u>807,841,611</u>	<u>1,291,910,339</u>
Other comprehensive income:		
Gains on changes in values of available-for-sale investments	<u>531,575,840</u>	<u>23,528,128</u>
Other comprehensive income for the period	<u>531,575,840</u>	<u>23,528,128</u>
Total comprehensive income for the period	<u><u>1,339,417,451</u></u>	<u><u>1,315,438,467</u></u>

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

(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited**Statements of income (continued)**

For the six-month periods ended 30 June 2012 and 2011

	Note	2012	2011
(Unit: Baht)			
Income			
Net earned premium	16, 18	18,775,910,552	15,820,003,658
Net investment income	18	2,685,181,598	2,178,605,781
Total income		<u>21,461,092,150</u>	<u>17,998,609,439</u>
Expenses			
Underwriting			
Life policy reserve increase from previous period	16	12,815,984,463	9,475,460,059
Benefit payments to life policies and benefit adjustment expenses	16	3,229,898,299	2,672,663,183
Claims and losses adjustment expenses	16, 18	692,285,053	747,963,015
Commissions and brokerages expenses	16, 18	1,510,632,900	1,417,228,725
Sales promotion expenses	16	183,830,456	230,463,610
Other underwriting expenses	16, 18	12,252,689	9,650,495
Operating expenses	17, 18	678,099,915	604,924,081
Total underwriting expenses		<u>19,122,983,775</u>	<u>15,158,353,168</u>
Profit from underwriting		2,338,108,375	2,840,256,271
Profit from investments	6	315,493,152	158,709,923
Fair value losses on trading investments		(17,803,555)	(16,417,863)
Other income		6,801,611	6,200,977
Gains on exchange		1,185,719	2,250,642
Profit from operations		<u>2,643,785,302</u>	<u>2,990,999,950</u>
Contribution to the Office of Insurance Commission		32,324,476	30,465,699
Contribution to Life Insurance Fund		19,083,911	16,095,428
Profit before corporate income tax		<u>2,592,376,915</u>	<u>2,944,438,823</u>
Corporate income tax		870,889,239	665,296,337
Profit for the period		<u><u>1,721,487,676</u></u>	<u><u>2,279,142,486</u></u>
Earnings per share	22		
Basic earnings per share			
Profit for the period		<u>1.435</u>	<u>1.899</u>
Diluted earnings per share			
Profit for the period		<u>1.424</u>	<u>1.887</u>

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

(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited
Statements of comprehensive income (continued)
For the six-month periods ended 30 June 2012 and 2011

	(Unit: Baht)	
	2012	2011
Profit for the period	<u>1,721,487,676</u>	<u>2,279,142,486</u>
Other comprehensive income		
Gains on change in value of available-for-sale investments	<u>1,316,709,924</u>	<u>41,560,201</u>
Other comprehensive income for the period	<u>1,316,709,924</u>	<u>41,560,201</u>
Total comprehensive income for the period	<u><u>3,038,197,600</u></u>	<u><u>2,320,702,687</u></u>

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

(Unaudited but reviewed)

Bangkok Life Assurance Public Company Limited**Statements of cash flows****For the six-month periods ended 30 June 2012 and 2011**

	(Unit: Baht)	
	2012	2011
Cash flows from operating activities		
Direct premium written, net	19,068,737,540	15,470,866,711
Interest income	2,262,883,069	1,789,261,048
Dividend income	453,546,432	316,571,151
Other investment income	333,085,080	185,773,372
Other income	6,857,406	6,194,685
Benefit payments to life policies during the period	(3,657,396,254)	(3,155,751,945)
Dividends to policyholders	(35,698,696)	(20,889,600)
Commissions and brokerages	(1,408,589,771)	(1,446,163,417)
Other underwriting expenses	(159,098,730)	(246,190,075)
Operating expenses	(1,050,792,241)	(809,162,635)
Other expenses	(45,843,462)	(45,406,650)
Corporate income tax	(762,962,823)	(522,568,590)
Net cash from operating activities	15,004,727,550	11,522,534,055
Cash flows from investing activities		
Cash flows from		
Investments in securities	50,541,283,361	64,873,419,475
Loans	239,723,229	270,220,981
Deposits at financial institutions	760,000,000	-
Property and equipment	67,651	56,223
Net cash from investing activities	51,541,074,241	65,143,696,679
Cash flows used in		
Investments in securities	(66,428,994,394)	(71,740,275,630)
Loans	(461,582,729)	(307,907,959)
Deposits at financial institutions	(410,000,000)	-
Property and equipment	(55,816,299)	(24,568,414)
Net cash used in investing activities	(67,356,393,422)	(72,072,752,003)
Net cash used in investing activities	(15,815,319,181)	(6,929,055,324)
Cash flows from financing activity		
Dividends paid	(405,422,738)	-478,086,767
Net cash used in financing activity	(405,422,738)	(478,086,767)
Net increase (decrease) in cash and cash equivalents	(1,216,014,369)	4,115,391,964
Cash and cash equivalents at beginning of period	2,736,720,476	3,579,532,959
Cash and cash equivalents at end of period (Note 3)	1,520,706,107	7,694,924,923
Supplemental cash flows information		
Non-cash item		
Gains on changes in values of available-for-sale investments	1,316,709,924	41,560,201
Capital reserve for share-based payment	9,438,397	-

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

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Bangkok Life Assurance Public Company Limited

Statements of changes in equity

For the six-month periods ended 30 June 2012 and 2011

	Note	Other components of equity							
		Issued and fully paid-up share capital	Share premium	Capital reserve for share-based payment transactions	Retained earnings			Other comprehensive income	
					Appropriated		Unappropriated	Surplus on changes in value of available- for-sale investments	Total other components of equity
					Legal reserve	General reserve			
Balance as at 1 January 2011		1,200,000,000	2,699,821,268	-	122,000,000	400,000,000	4,045,990,431	2,340,704,225	2,340,704,225
Dividend paid	23	-	-	-	-	-	(478,086,766)	-	-
Total comprehensive income for the period		-	-	-	-	-	2,279,142,486	41,560,201	41,560,201
Balance as at 30 June 2011		<u>1,200,000,000</u>	<u>2,699,821,268</u>	<u>-</u>	<u>122,000,000</u>	<u>400,000,000</u>	<u>5,847,046,151</u>	<u>2,382,264,426</u>	<u>2,382,264,426</u>
Balance as at 1 January 2012		1,200,000,000	2,699,821,268	-	122,000,000	400,000,000	6,531,692,293	2,477,708,155	2,477,708,155
Capital reserve for share-based payment transactions	21	-	-	9,438,397	-	-	-	-	-
Dividend paid	23	-	-	-	-	-	(405,422,738)	-	-
Total comprehensive income for the period		-	-	-	-	-	1,721,487,676	1,316,709,924	1,316,709,924
Balance as at 30 June 2012		<u>1,200,000,000</u>	<u>2,699,821,268</u>	<u>9,438,397</u>	<u>122,000,000</u>	<u>400,000,000</u>	<u>7,847,757,231</u>	<u>3,794,418,079</u>	<u>3,794,418,079</u>
		-	-	-	-	-	-	-	-

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

audited but reviewed)

(Unit: Baht)

Total
<u>10,808,515,924</u>
(478,086,766)
<u>2,320,702,687</u>
<u>12,651,131,845</u>
13,431,221,716
9,438,397
(405,422,738)
<u>3,038,197,600</u>
<u>16,073,434,975</u>
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Bangkok Life Assurance Public Company Limited

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2012 and 2011

1. General information

1.1 Corporate information

Bangkok Life Assurance Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Nippon Life Insurance Company, which was incorporated in Japan. The Company is principally engaged in the provision of life insurance business. The registered office of the Company is at 23/115-121, Royal City Avenue, Rama 9 Road, Bangkok, Huaykwang, Bangkok.

1.2 Basis of preparation of interim financial statements

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

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

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

1.3 Significant accounting policies

The interim financial statements have been prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2011, except for the accounting policy for share-based payment transactions arising from the allocation of warrants to employees and management personnels during the current period, as described in Note 21 to the financial statements, which is as follows:

Equity-settled share-based payment transactions

The Company recognise the share-based payment transactions at the date on which the options are granted, based on the fair value of the share options. They are recorded as expenses over the vesting period of the share options, and a capital reserve for share-based payment transactions is presented in equity.

Estimating fair value for share-based payment transactions requires determination relating to appropriate assumptions, including the expected life of the share options, share price volatility and dividend yield.

2. New accounting standards issued during the period and not yet effective

During the current period, the Federation of Accounting Professions issued Thai Financial Reporting Standard No. 8 “Operating Segments”, which is effective for fiscal years beginning on or after 1 January 2013.

The Company’s management believes that this financial reporting standard will not have any significant impact on the financial statements when it is initially applied.

3. Cash and cash equivalents

	(Unit: Baht)	
	30 June 2012	31 December 2011
Cash on hand	3,135,250	5,741,220
Deposits at banks with no fixed maturity date	737,570,857	710,979,256
Deposits at banks with fixed maturity date	1,525,000,000	1,875,000,000
Total cash and financial institutions	2,265,706,107	2,591,720,476
Short-term investments which amounts maturing within 3 months	780,000,000	2,020,000,000
Less: Deposits at banks which amounts maturing in over 3 months	(1,525,000,000)	(1,875,000,000)
Cash and cash equivalents	1,520,706,107	2,736,720,476

(Unaudited but reviewed)

As at 30 June 2012, interest rates of saving account, fixed account and promissory notes are 0.63% - 6.10% per annum (31 December 2011: 0.75% - 6.10% per annum).

4. Premium receivables

The balances as at 30 June 2012 and 31 December 2011 of premium receivables are classified by aging from the maturity date under the stipulated credit terms as follows:

(Unit: Baht)

	30 June 2012		
	Due from insured	Due from agents and brokers	Total
Not yet due	2,736,402,741	68,941,456	2,805,344,197
Not over 30 days	3,194,997	16,383,870	19,578,867
Over 30 days to 60 days	8,907,415	6,305,558	15,212,973
Over 60 days to 90 days	3,312,433	11,642,546	14,954,979
Over 90 days to 1 year	3,934	3,827,112	3,831,046
Over 1 year	10,315	322,995	333,310
Total premium receivables	<u>2,751,831,835</u>	<u>107,423,537</u>	<u>2,859,255,372</u>

(Unit: Baht)

	31 December 2011		
	Due from insured	Due from agents and brokers	Total
Not yet due	2,243,833,205	28,594,810	2,272,428,015
Not over 30 days	1,633,290	13,826,807	15,460,097
Over 30 days to 60 days	2,678,410	3,149,146	5,827,556
Over 60 days to 90 days	1,223,199	2,970,963	4,194,162
Over 90 days to 1 year	799,176	13,565,635	14,364,811
Over 1 year	10,315	362,489	372,804
Total premium receivables	<u>2,250,177,595</u>	<u>62,469,850</u>	<u>2,312,647,445</u>

For premium receivables due from agents and brokers, the Company has stipulated credit term. For overdue premium receivables, the Company has the legal process with such agents and brokers.

(Unaudited but reviewed)

5. Reinsurance assets

	(Unit: Baht)	
	30 June 2012	31 December 2011
Insurance reserve refundable from reinsurers	41,636,745	44,362,258
Amounts due from reinsurers	335,118,917	287,692,778
Reinsurance assets	<u>376,755,662</u>	<u>332,055,036</u>

The balances as at 30 June 2012 and 31 December 2011 of amounts due from reinsurers are classified by aging as follows:

	(Unit: Baht)	
	30 June 2012	31 December 2011
Not yet due	335,118,917	287,692,778
Total amounts due from reinsurers	<u>335,118,917</u>	<u>287,692,778</u>

6. Investments in securities

	30 June 2012		31 December 2011	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments				
Government and state enterprise securities	1,759,428,718	1,757,530,741	-	-
Equity securities	131,905,954	102,618,684	312,236,412	299,019,595
Total	1,891,334,672	1,860,149,425	312,236,412	299,019,595
Less: Unrealised losses	(31,185,247)	-	(13,216,817)	-
Total trading investments	<u>1,860,149,425</u>	<u>1,860,149,425</u>	<u>299,019,595</u>	<u>299,019,595</u>
Available-for-sale investments				
Government and state enterprise securities	3,107,041,726	3,144,666,964	2,958,300,610	3,026,020,782
Private enterprises debt securities	50,000,073	50,691,177	50,000,157	51,417,081
Equity securities	6,165,361,395	9,828,273,334	5,247,888,506	7,574,918,105
Unit trusts	1,255,399,676	1,334,243,067	1,814,664,836	1,973,107,798
Foreign unit trusts	721,608,000	741,722,508	423,350,000	407,357,556
Total	11,299,410,870	15,099,597,050	10,880,118,276	13,358,947,452
Add: Unrealised gains	3,800,186,180	-	2,478,829,176	-
Total available-for-sale investments	<u>15,099,597,050</u>	<u>15,099,597,050</u>	<u>13,358,947,452</u>	<u>13,358,947,452</u>

(Unaudited but reviewed)

(Unit: Baht)

	30 June 2012		31 December 2011	
	Cost/		Cost/	
	Amortised cost	Fair value	Amortised cost	Fair value
Held-to-maturity investments				
Government and state enterprise securities	75,978,157,549		64,863,202,582	
Private enterprises debt securities	20,490,231,939		17,860,621,815	
Foreign debt securities	5,106,096,478		4,795,515,079	
Deposits at banks which amounts maturing in over 3 months	1,525,000,000		1,875,000,000	
Total held-to-maturity investments	103,099,485,966		89,394,339,476	
Other investments				
Equity securities	29,587,830		29,587,830	
Foreign equity securities	17,074,400		-	
Total other investments	46,662,230		29,587,830	

Investments in debt securities as at 30 June 2012 and 31 December 2011 will be matured redemption as follows:

(Unit: Baht)

	30 June 2012			
	Period to maturity			
	Within 1 year	1 – 5 years	Over 5 years	Total
Trading investments				
Government and state enterprise securities	-	1,292,691,802	466,736,916	1,759,428,718
Add (less): Unrealised gains (losses)	-	2,138,364	(4,036,341)	(1,897,977)
Total trading investments	-	1,294,830,166	462,700,575	1,757,530,741
Available-for-sale investments				
Government and state enterprise securities	-	1,526,997,379	1,580,044,347	3,107,041,726
Private enterprises debt securities	50,000,073	-	-	50,000,073
Total	50,000,073	1,526,997,379	1,580,044,347	3,157,041,799
Add: Unrealised gains	691,104	7,174,646	30,450,592	38,316,342
Total available-for-sale debt investments	50,691,177	1,534,172,025	1,610,494,939	3,195,358,141
Held-to-maturity investments				
Government and state enterprise securities	2,942,320,544	9,502,964,356	63,532,872,649	75,978,157,549
Private enterprises debt securities	2,470,000,000	4,347,000,000	13,673,231,939	20,490,231,939
Foreign debt securities	-	3,460,152,908	1,645,943,570	5,106,096,478
Deposits at banks which amounts maturing in over 3 months	825,000,000	700,000,000	-	1,525,000,000
Total held-to-maturity debt investments, net	6,237,320,544	18,010,117,264	78,852,048,158	103,099,485,966

(Unaudited but reviewed)

(Unit: Baht)

	31 December 2011			
	Period to maturity			Total
	Within 1 year	1 – 5 years	Over 5 years	
Available-for-sale investments				
Government and state enterprise securities	-	1,263,769,233	1,694,531,377	2,958,300,610
Private enterprises debt securities	50,000,157	-	-	50,000,157
Total	50,000,157	1,263,769,233	1,694,531,377	3,008,300,767
Add: Unrealised gains	1,416,923	1,910,708	65,809,465	69,137,096
Total available-for-sale debt investments	51,417,080	1,265,679,941	1,760,340,842	3,077,437,863
Held-to-maturity debt investments				
Government and state enterprise securities	1,428,831,067	7,386,680,543	56,047,690,972	64,863,202,582
Private enterprises debt securities	4,770,000,000	3,756,000,000	9,334,621,815	17,860,621,815
Foreign debt securities	-	2,969,473,362	1,826,041,717	4,795,515,079
Deposits at banks which amounts maturing in over 3 months	1,575,000,000	300,000,000	-	1,875,000,000
Total held-to-maturity debt investments, net	7,773,831,067	14,412,153,905	67,208,354,504	89,394,339,476

As at 30 June 2012, the Company has pledged government and state enterprise bonds as life assurance policy reserve and assets pledged with the Registrar in accordance with the Life Assurance Act as mentioned in Notes 19 and 20.

Details of investments in promissory notes and bills of exchange which contain embedded derivatives as follows:

- (a) As at 30 June 2012, the Company has investments of Baht 1,500 million (31 December 2011: Baht 1,800 million) in promissory notes and bills of exchange, which have been classified as held-to-maturity investments and are presented at amortised cost. Such notes were issued by local banks and branches of foreign commercial banks, have remaining lives of 8 - 9 years, and contain conditions related to early redemption rights or put options obliging the Company to purchase additional notes released by issuers.
- (b) As at 30 June 2012, the Company has investments of Baht 1,450 million (31 December 2011: Baht 1,330 million) in promissory notes and bills of exchange, which have been classified as held-to-maturity investments and are presented at amortised cost. Such notes were issued by branches of foreign commercial banks, have remaining lives of 4 years, and contain conditions whereby settlement of principal and interest is to be received on the maturity date per the agreement.

- (c) As at 30 June 2012, the Company has investments of Baht 3,600 million (31 December 2011: Baht 600 million) in promissory notes and bills of exchange, which have been classified as held-to-maturity investments and are presented at amortised cost. Such notes were issued by branches of foreign commercial banks, have remaining lives of 8 - 10 years, and contain conditions whereby settlement of interest is to be received based on the rate of return of government bond (CMT Index) or the interest rate of fixed deposit (6mTHBFIX).
- (d) As at 30 June 2012, the Company has investments of Baht 1,400 million (31 December 2011: Baht 900 million) in promissory notes and bills of exchange, which have been classified as held-to-maturity investments and are presented at amortised cost. Such notes were issued by branches of foreign commercial banks, have remaining lives of 8 - 10 years, and contain conditions whereby settlement of principal is based on the credit event.

The promissory notes and bills of exchange contain embedded derivatives that are not closely related to the host contract instruments, except for structured note as described in (b).

The Company recorded gains (losses) from investments in securities for the three-month and six-month periods ended 30 June 2012 and 2011 by included the following.

	(Unit: Baht)			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2012	2011	2012	2011
Gains from sales of trading investments	117,920,304	9,406,924	127,563,382	24,009,688
Gains from sales of available-for-sale investments	5,393,113	118,440,593	180,515,870	139,050,235
Unrealised gains (losses) on forward exchange contracts	(5,461,100)	(4,300,000)	7,413,900	(4,350,000)
Total	<u>117,852,317</u>	<u>123,547,517</u>	<u>315,493,152</u>	<u>158,709,923</u>

7. Loans and accrued interest

As at 30 June 2012 and 31 December 2011, the balances of loans and accrued interest are aged by principal and accrued interest as follows:

(Unit: Baht)

Outstanding period	30 June 2012								
	Policy loans		Mortgage loans		Other loans		Total		
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Total
Current	2,113,382,960	158,987,770	268,130,942	33,740	19,311,325	-	2,400,825,227	159,021,510	2,559,846,737
Overdue:									
Less than 6 months	-	-	881,328	11,900	21,458	-	902,786	11,900	914,686
Over 12 months	-	-	1,239,498	79,478	104,513	3,353	1,344,011	82,831	1,426,842
Total	2,113,382,960	158,987,770	270,251,768	125,118	19,437,296	3,353	2,403,072,024	159,116,241	2,562,188,265
Less: Allowance for doubtful accounts	-	-	(66,408)	(79,478)	-	-	(66,408)	(79,478)	(145,886)
Loans and accrued interest - net	2,113,382,960	158,987,770	270,185,360	45,640	19,437,296	3,353	2,403,005,616	159,036,763	2,562,042,379

(Unit: Baht)

Outstanding period	31 December 2011								
	Policy loans		Mortgage loans		Other loans		Total		
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Total
Current	1,939,305,479	136,778,194	155,587,371	38,546	16,145,621	-	2,111,038,471	136,816,740	2,247,855,211
Overdue:									
Less than 6 months	-	-	724,652	4,308	-	-	724,652	4,308	728,960
6 - 12 months	-	-	-	-	14,592	-	14,592	-	14,592
Over 12 months	-	-	1,258,520	79,478	112,625	3,353	1,371,145	82,831	1,453,976
Total	1,939,305,479	136,778,194	157,570,543	122,332	16,272,838	3,353	2,113,148,860	136,903,879	2,250,052,739
Less: Allowance for doubtful accounts	-	-	(66,408)	(79,478)	-	-	(66,408)	(79,478)	(145,886)
Loans and accrued interest - net	1,939,305,479	136,778,194	157,504,135	42,854	16,272,838	3,353	2,113,082,452	136,824,401	2,249,906,853

Loans provided to employees are in accordance with employee's benefits plan under a credit line of Baht 100,000 or less for personal guarantee loans. In case of secured loans, the credit line is not to exceed 50 times the employee's salary. The interest rates for the loans charge at the rates of 6% and 5% per annum, respectively. As at 30 June 2012, loans to employees and agents totaled Baht 71 million (31 December 2011: Baht 67 million).

8. Property and equipment

(Unit: Baht)

	Land	Buildings and buildings improvements	Condominium	Office furniture, fixture and equipment	Motor vehicles	Properties foreclosed	Construction in progress	Total
	Net book value as at 31 December 2011	72,476,800	97,153,930	21,673,665	103,749,348	6,261,501	5,100,027	-
Additions - at cost	24,764,090	1,056,291	-	23,512,048	43,870	-	6,440,000	55,816,299
Disposals - net book value	-	-	-	(52,257)	-	-	-	(52,257)
Depreciation charges for the period	-	(9,512,620)	(915,824)	(24,701,702)	(1,751,633)	(22,500)	-	(36,904,279)
Net book value as at 30 June 2012	97,240,890	88,697,601	20,757,841	102,507,437	4,553,738	5,077,527	6,440,000	325,275,034

(Unaudited but reviewed)

9. Other assets

	(Unit: Baht)	
	30 June 2012	31 December 2011
Prepaid rental expenses	99,322,885	105,235,731
Receivable from sales of investments	118,533,152	5,651,811
Prepaid expenses	42,916,456	32,565,528
Deposits	17,498,928	24,770,787
Others	10,441,671	11,384,269
Total	<u>288,713,092</u>	<u>179,608,126</u>

10. Due to reinsurers

	(Unit: Baht)	
	30 June 2012	31 December 2011
Outward premium payable	<u>452,035,886</u>	<u>266,778,378</u>
Total due to reinsurers	<u>452,035,886</u>	<u>266,778,378</u>

11. Life policy reserve

	(Unit: Baht)	
	30 June 2012	31 December 2011
Beginning balance	88,386,403,850	68,189,797,590
Life policy reserve for premium received during the period and reserve for enforced policy benefit and other claims	15,833,764,180	25,096,628,836
Benefit paid for death, maturity, surrender and other claims	<u>(3,017,779,717)</u>	<u>(4,900,022,576)</u>
Ending balance	<u>101,202,388,313</u>	<u>88,386,403,850</u>

12. Unpaid policy benefits

	(Unit: Baht)	
	30 June 2012	31 December 2011
Death benefit	94,105,184	81,726,023
Maturity payment	810,707	862,107
Total	<u>94,915,891</u>	<u>82,588,130</u>

13. Loss reserves and outstanding claims

	(Unit: Baht)	
	30 June 2012	31 December 2011
Beginning balance	333,830,276	320,619,427
Claims and loss adjustment expenses for the period	955,934,401	1,799,686,133
Claims and loss adjustment expenses paid during the period	(983,827,578)	(1,786,475,284)
Ending balance	<u>305,937,099</u>	<u>333,830,276</u>

14. Premium reserve**14.1 Unearned premium reserve**

	(Unit: Baht)	
	30 June 2012	31 December 2011
Beginning balance	1,085,196,967	1,013,363,551
Premium written for the period	1,462,923,961	2,712,992,417
Premium earned for the current period	(1,481,977,534)	(2,641,159,001)
Ending balance	<u>1,066,143,394</u>	<u>1,085,196,967</u>

14.2 Unexpired risk reserve

	(Unit: Baht)	
	30 June 2012	31 December 2011
Beginning balance	759,637,877	780,289,934
Decrease during the period	(20,474,303)	(20,652,057)
Ending balance	<u>739,163,574</u>	<u>759,637,877</u>

(Unaudited but reviewed)

15. Other liabilities

	(Unit: Baht)	
	30 June 2012	31 December 2011
Accrued commission expenses	522,543,481	420,500,352
Accrued expenses	172,942,152	138,228,344
Withholding tax payable	14,186,095	21,413,594
Premium received for policies not yet approved	702,797,158	72,012,505
Amounts received awaiting transfer	284,978,654	95,778,232
Unpaid benefits to life policies exempted premium	97,551,802	95,767,729
Forward contracts payables	49,095,500	56,231,300
Payable from purchases of investments	2,283,733	72,303,102
Others	74,953,021	76,626,246
Total	1,921,331,596	1,048,861,404

16. Underwriting information reported by insurance categories

Underwriting information classified by insurance categories for the three-month period ended 30 June 2012 is as follows:

	(Unit: Baht)			
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Total
Underwriting income				
Premium written	10,070,364,172	9,679,561	10,894,012	10,090,937,745
Add (less): Premium ceded	(107,868,729)	-	37,021	(107,831,708)
Net premium written	9,962,495,443	9,679,561	10,931,033	9,983,106,037
Add (less): Unearned premium reserve	(10,591,555)	-	396,124	(10,195,431)
Total underwriting income	9,951,903,888	9,679,561	11,327,157	9,972,910,606
Underwriting expenses				
Life policy reserve increase from prior period	7,053,323,401	7,550,058	-	7,060,873,459
Benefit payments to life policies and benefit adjustment expenses	1,568,985,889	-	-	1,568,985,889
Claims and losses adjustment expenses	338,686,832	4,917	1,425,082	340,116,831
Commissions and brokerage expenses	744,680,655	3,815,610	237,638	748,733,903
Sales promotion expenses	21,355,085	-	11,671	21,366,756
Other underwriting expenses	6,554,471	6,507	7,470	6,568,448
Total underwriting expenses	9,733,586,333	11,377,092	1,681,861	9,746,645,286

(Unaudited but reviewed)

Underwriting information classified by insurance categories for the three-month period ended 30 June 2011 is as follows:

(Unit: Baht)

	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Total
Underwriting income				
Premium written	8,050,644,414	13,337,055	11,884,322	8,075,865,791
Less: Premium ceded	(83,431,602)	-	(364,836)	(83,796,438)
Net premium written	7,967,212,812	13,337,055	11,519,486	7,992,069,353
Add (less): Unearned premium reserve	(33,698,898)	-	455,934	(33,242,964)
Total underwriting income	7,933,513,914	13,337,055	11,975,420	7,958,826,389
Underwriting expenses				
Life policy reserve increase from prior period	4,724,161,023	8,047,565	-	4,732,208,588
Benefit payments to life policies and benefit adjustment expenses	1,217,854,441	-	-	1,217,854,441
Losses and losses adjustment expenses	381,798,137	9,044	2,436,867	384,244,048
Commissions and brokerage expenses	677,348,950	3,236,586	157,600	680,743,136
Sales promotion expenses	145,051,465	219,035	218,893	145,489,393
Other underwriting expenses	5,083,677	8,343	7,674	5,099,694
Total underwriting expenses	7,151,297,693	11,520,573	2,821,034	7,165,639,300

Underwriting information classified by insurance categories for the six-month period ended 30 June 2012 is as follows:

(Unit: Baht)

	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Total
Underwriting income				
Premium written	19,024,226,931	37,507,492	22,176,513	19,083,910,936
Add (less): Premium ceded	(327,090,978)	-	37,021	(327,053,957)
Net premium written	18,697,135,953	37,507,492	22,213,534	18,756,856,979
Add: Unearned premium reserve	18,487,746	-	565,827	19,053,573
Total underwriting income	18,715,623,699	37,507,492	22,779,361	18,775,910,552
Underwriting expenses				
Life policy reserve increase from prior period	12,786,447,001	29,537,462	-	12,815,984,463
Benefit payments to life policies and benefit adjustment expenses	3,229,744,795	153,504	-	3,229,898,299
Losses and losses adjustment expenses	689,412,456	22,032	2,850,565	692,285,053
Commissions and brokerage expenses	1,503,291,346	6,862,449	479,105	1,510,632,900
Sales promotion expenses	183,240,202	367,227	223,027	183,830,456
Other underwriting expenses	12,213,348	24,476	14,865	12,252,689
Total underwriting expenses	18,404,349,148	36,967,150	3,567,562	18,444,883,860

(Unaudited but reviewed)

Underwriting information classified by insurance categories for the six-month period ended 30 June 2011 is as follows:

(Unit: Baht)

	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Total
Underwriting income				
Premium written	16,051,932,782	19,904,595	23,591,082	16,095,428,459
Less: Premium ceded	(221,260,524)	-	(808,020)	(222,068,544)
Net premium written	15,830,672,258	19,904,595	22,783,062	15,873,359,915
Add (less): Unearned premium reserve	(54,371,880)	-	1,015,623	(53,356,257)
Total underwriting income	<u>15,776,300,378</u>	<u>19,904,595</u>	<u>23,798,685</u>	<u>15,820,003,658</u>
Underwriting expenses				
Life policy reserve increase from prior period	9,461,773,876	13,686,183	-	9,475,460,059
Benefit payments to life policies and benefit adjustment expenses	2,672,663,183	-	-	2,672,663,183
Losses and losses adjustment expenses	745,015,193	11,961	2,935,861	747,963,015
Commissions and brokerage expenses	1,407,502,520	9,406,505	319,700	1,417,228,725
Sales promotion expenses	229,826,948	289,967	346,695	230,463,610
Other underwriting expenses	9,623,835	12,142	14,518	9,650,495
Total underwriting expenses	<u>14,526,405,555</u>	<u>23,406,758</u>	<u>3,616,774</u>	<u>14,553,429,087</u>

17. Operating expenses

(Unit: Baht)

	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2012	2011	2012	2011
Personal expenses which is not expenses for underwriting and claims	176,335,653	153,943,832	342,990,516	306,742,040
Premises and equipment expenses which is not expenses for underwriting	38,339,636	37,498,134	75,800,973	74,432,378
Taxes and duties	37,935,028	30,737,796	62,199,955	57,600,147
Other operating expenses	106,335,404	89,856,235	197,108,471	166,149,516
Total operating expenses	<u>358,945,721</u>	<u>312,035,997</u>	<u>678,099,915</u>	<u>604,924,081</u>

18. Related party transactions

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

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

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

(Unaudited but reviewed)

During the three-month and six-month periods ended 30 June 2012 and 2011, the Company had significant business transactions with its related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course business between the Company and those parties are as follows:

					(Unit: Baht)
	For the three-month periods		For the six-month periods		Pricing policy
	ended 30 June		ended 30 June		
2012	2011	2012	2011		
Premium written	2,131,438	1,626,124	3,757,921	1,968,129	Normal commercial terms for underwriting
Premium ceded	21,596,456	2,245,038	79,335,416	9,387,734	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contract
Commission and brokerages	381,285,965	350,595,369	740,507,817	725,011,760	At a mutually agreed percentage of premium written
Claim payment and diagnose charge	17,649,627	20,565,611	31,739,911	38,202,433	Normal commercial terms for underwriting
Claim recovery from reinsurance	16,774,752	7,853,853	39,400,712	8,464,557	At a mutually agreed percentage of reinsurance premium
Interest income - deposits at banks, promissory notes and debentures	94,705,220	14,783,699	115,857,229	28,038,450	Same rates as those offered by financial institutions to general customers
Interest income - mortgage loans	1,386,187	1,412,258	2,612,946	2,867,563	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	26,398,210	40,398,945	55,505,457	73,823,282	The declared amount
Bank charges	23,323,842	18,383,857	43,454,003	34,197,121	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	354,557	209,974	579,787	513,252	Normal commercial terms for underwriting
Building space rental and services	15,614,316	15,658,458	31,002,055	30,467,300	Head office building: Rental fee of approximately Baht 90 per square meter per month and service fee of Baht 29 per square meter per month for long-term agreement and approximately Baht 44, Baht 138 per square meter per month and service fees approximately Baht 91, Baht 307 per square meter per month. Branch office buildings: Rental fees of approximately Baht 100, Baht 150, Baht 188 and Baht 315 per square meter per month and service fees of approximately Baht 342 and Baht 200 per square meter per month.
Brokerage income from securities trading	72,150	-	72,150	-	Normal commercial terms for securities brokerage

(Unaudited but reviewed)

For the six-month periods ended 30 June 2012 and 2011, the premium generated from the Bancassurance distribution channel represented approximately 68.07% and 66.52% of total net premium written, respectively.

As at 30 June 2012 and 31 December 2011, the balance of the accounts between the Company and those related companies are as follows:

		(Unit: Thousand Baht)	
		30 June	31 December
	Note	2012	2011
Transactions with related companies			
Investments in marketable equity securities - cost		1,312,927	1,266,585
Add: Unrealised gain		1,125,850	576,627
Investments in marketable equity securities - fair value	6	2,438,777	1,843,212
Investments in unit trusts - cost		676,119	1,247,518
Add: Unrealised gain		11,296	102,972
Investments in unit trusts - fair value	6	687,415	1,350,490
Investments in non-marketable equity securities	6	11,167	11,167
Investments in debentures	6	3,555,000	3,555,000
Investments in foreign debentures	6	1,045,944	1,046,041
Deposit at financial institution	3	718,339	689,495
Mortgage loans	7	199,783	83,620
Prepaid rental expense (Including in other assets)	9	99,323	105,236
Reinsurance assets	5	50,797	16,903
Amounts due to reinsurers	10	83,637	10,887
Outstanding claims	13	10,307	16,113
Accrued commission (Including in other liabilities)	15	300,832	160,787
Accrued rental and service expense (Including in other liabilities)	15	530	412

Directors and key management personnel's remuneration

During the six-month periods ended 30 June 2012 and 2011, the Company had salaries, bonuses, meeting allowances, post-employment benefit and share-based payment of its directors and key management personnel as expenses totaling Baht 26.30 million and Baht 20.56 million, respectively.

The details of the warrants that the Company has allocated to its employees are presented in Note 21.

19. Assets pledged with the Registrar

As at 30 June 2012 and 31 December 2011, the following assets have been pledged with the Registrar in accordance with the Life Assurance Act.

(Unit: Baht)

	30 June 2012		31 December 2011	
	Cost/		Cost/	
	Amortised cost	Fair value	Amortised cost	Fair value
State enterprise bonds	20,000,000	21,090,721	20,000,000	21,361,905

20. Assets reserve with the Registrar

As at 30 June 2012 and 31 December 2011, the following assets have been pledged as life assurance policy reserve with the Registrar in accordance with the Life Assurance Act.

(Unit: Baht)

	30 June 2012		31 December 2011	
	Cost/		Cost/	
	Amortised cost	Fair value	Amortised cost	Fair value
Government bonds	12,491,386,674	13,376,203,138	8,877,714,310	9,667,637,947
State enterprise bonds	8,338,415,247	9,012,626,069	8,340,931,088	9,194,442,506
Total	20,829,801,921	22,388,829,207	17,218,645,398	18,862,080,453

21. Warrants

On 23 November 2007, Extraordinary General Meeting No. 2 of the Company's shareholders passed a resolution approving the issuance of 20 million registered and non-transferrable warrants to subscribe to the Company's ordinary shares, to be allotted to employees as follow:

Approved by	Warrants No.1
The Executive Board of Directors of the Company, on 29 May 2008	11.50 million units
The Board of Directors of the Company, on 11 August 2009	1.35 million units
Unallocated warrants	7.15 million units

These warrants expire 5 years from the issue date or on the termination date of employment, if earlier. The exercise ratio is 1 warrant to 1 new ordinary share and their exercise price is equal to the public offering price of Baht 13.50 per share. The first rights can be exercised 3 years from the grant date.

Subsequently, on 26 April 2011, the Annual General Meeting of shareholders of the Company passed a resolution approving the cancelation of the 7.15 million unallocated warrants and the issuance of 7.15 million registered and non-transferrable units of Warrant No.2 to employees and/or management.

Approved by	Warrants No. 2
The Board of Directors of the Company, on 22 February 2012	7.15 million units

The stipulated grant date for Warrant No.2 is 1 April 2012. The warrants mature 5 years from the issue date or upon termination of employment, they have an exercise ratio of 1 warrant to 1 new ordinary share, and their exercise price is equal to Baht 35 per share. The first rights can be exercised 3 years from the grant date.

The expenses recognised for employee services received for the three-month and six-month periods ended 30 June 2012 of the Company was totalled Baht 9.44 million.

As at 30 June 2012, the Company has capital reserve for share-based payment was Baht 9.44 million.

The average fair value of options granted date was Baht 20.45 per share. The following tables list the inputs to the models:

Dividend yield	- 1.5%
Expected stock volatility	- 39.9%
Risk-free interest rate	- 3.51% - 3.64%
Expected life of share options	- Less than 5 years from the date of issuance or upon termination of an employee
Model used	- Black Schole - continuous model

The expected volatility of the share options is based on historical data of the Company's stock price.

22. Basic earnings per share

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

Diluted earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue 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.

The exercise price and the fair value of employee services to be supplied to the Company in the future per each of the BLA-W2 warrants allocated to the Company's employees and management were higher than the average market price for the period. Therefore, the calculation of diluted earnings per share for the current period did not include the effect of the 7.5 million potential ordinary shares from the exercise of BLA-W2 warrants because the effect to earnings per share for the reporting period was antidilutive.

(Unaudited but reviewed)

The following table sets forth the computation of basic and diluted earnings per share for the three-month periods ended 30 June 2012 and 2011 as follows:

	Profit		Weighted average number of		Earnings per	
	(Thousand Baht)		shares (Thousand shares)		share (Baht)	
	2012	2011	2012	2011	2012	2011
Basic earnings per share						
Profit for the period	807,842	1,291,910	1,200,000	1,200,000	<u>0.673</u>	<u>1.077</u>
Effect of dilutive potential						
ordinary share						
Dilutive effect of warrants to subscribe to ordinary shares allotted to directors and employees (BLA-W1)	-	-	9,131	8,701		
Diluted earnings per share						
Profit of ordinary shareholder assuming the conversion of warrants to ordinary shares	<u>807,842</u>	<u>1,291,910</u>	<u>1,209,131</u>	<u>1,208,701</u>	<u>0.668</u>	<u>1.069</u>

The following table sets forth the computation of basic and diluted earnings per share for the six-month periods ended 30 June 2012 and 2011 as follows:

	Profit		Weighted average number of		Earnings per	
	(Thousand Baht)		shares (Thousand shares)		share (Baht)	
	2012	2011	2012	2011	2012	2011
Basic earnings per share						
Profit for the period	1,721,488	2,279,143	1,200,000	1,200,000	<u>1.435</u>	<u>1.899</u>
Effect of dilutive potential						
ordinary share						
Dilutive effect of warrants to subscribe to ordinary shares allotted to directors and employees (BLA-W1)	-	-	9,135	8,125		
Diluted earnings per share						
Profit of ordinary shareholder assuming the conversion of warrants to ordinary shares	<u>1,721,488</u>	<u>2,279,143</u>	<u>1,209,135</u>	<u>1,208,125</u>	<u>1.424</u>	<u>1.887</u>

23. Dividend paid

Dividend declared during the periods 2012 and 2011 consist of the following:

	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
Final dividend for 2011	Annual General Meeting of the Shareholders on 27 April 2012 and the OIC 23 April 2012	408.0	0.34
Total dividend for the period 2012		<u>408.0</u>	<u>0.34</u>
Final dividend for 2010	Annual General Meeting of the Shareholders on 26 April 2011 and the OIC 20 April 2011	480.0	0.40
Total dividend for the period 2011		<u>480.0</u>	<u>0.40</u>

24. Financial information by segment

The Company's operations involve a single industry segment in life insurance and are carried on in the single geographic area in Thailand. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned industry segment and geographic area.

25. Commitments

25.1 The Company has entered into several lease agreements in respect of the lease of office building space, motor vehicles and equipment. The terms of the agreements are generally between 3 and 24 years for lease of building space and are generally between 1 and 5 years for lease of motor vehicles and equipments. Operating lease agreements can not be cancelled.

As at 30 June 2012, future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

	Pay within			
	1 year	1 - 5 years	Over 5 years	Total
Operating lease agreements	29.48	31.17	3.29	63.94
Services agreements	41.76	53.66	15.47	110.89
Total	<u>71.24</u>	<u>84.83</u>	<u>18.76</u>	<u>174.83</u>

(Unit: Million Baht)

(Unaudited but reviewed)

As at 31 December 2011, future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

(Unit: Million Baht)

	Pay within			
	Over			Total
	1 year	1 - 5 years	5 years	
Operating lease agreements	28.91	34.07	3.76	66.74
Services agreements	42.13	66.49	17.68	126.30
Total	71.04	100.56	21.44	193.04

25.2 As at 30 June 2012, the Company may need to deposit additional amounts in the future under the promissory notes and bills of exchange agreements as describe in Note 6 (a) and Note 6 (b), as summarised below.

Within	(Unit: Million Baht)
1 year	1,440
2 - 5 year	710

26. Litigation

As at 30 June 2012, the Company has been sued for damaged totaling approximately Baht 42 million (31 December 2011: Baht 38 million) as insurer. The outcomes of these causes have not yet been finalised. The Company did not set up for the above liabilities due to the uncertainly of the outcome.

27. Events after the reporting period

On 8 August 2012, the Board of Directors Meeting of the Company passed a resolution to approve the payment of an interim dividend of Baht 0.36 per share to shareholders, from the operations for six-month period ended 30 June 2012, or a total of Baht 432 million.

28. Approval of interim financial statements

These interim financial statements were authorised for issue by the Board of Directors on 8 August 2012.