

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

Interim Financial Statements

***Three-month and six-month periods ended
June 30, 2019***

**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

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

We have reviewed the consolidated statement of financial position of Bangkok Life Assurance Public Company Limited and its subsidiaries and the separate statement of financial position of Bangkok Life Assurance Public Company Limited as at June 30, 2019, and the related consolidated and separate statements of profit or loss and other comprehensive income three-month and six-month periods ended June 30, 2019, changes in shareholders' equity, and cash flows for the six-month period ended June 30, 2019, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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



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

BANGKOK
August 13, 2019

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2019

(Unit : Thousand Baht)

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
		June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
ASSETS					
Cash and cash equivalents	4	6,020,959	9,825,592	5,942,112	9,745,784
Premium receivables	5	2,288,595	1,910,397	2,288,595	1,910,397
Accrued investment income		2,784,726	2,690,939	2,784,726	2,690,939
Reinsurance assets	6, 17	655,105	539,180	655,105	539,180
Amount due from reinsurances	7	941,841	703,965	941,841	703,965
Derivative assets	8	914,163	274,887	914,163	274,887
Investment assets					
Investments in securities					
Held-for-trading investments	9	31,145	33,497	31,145	33,497
Available-for-sale investments	9	80,296,558	75,171,941	80,296,558	75,171,941
Held-to-maturity investments	9, 27, 28	218,671,745	217,424,076	218,671,745	217,424,076
General investments	9	30,302	30,302	30,302	30,302
Investments in subsidiaries	10	-	-	56,409	98,437
Loans	12	11,391,370	11,561,541	11,391,370	11,561,541
Investment property	13	17,219	17,752	17,219	17,752
Property, plant and equipment	14	1,357,653	1,333,668	1,357,335	1,331,795
Goodwill		4,955	4,955	-	-
Intangible assets		2,535	3,745	2,535	3,615
Deferred tax assets	15	674,269	2,154,027	674,269	2,154,027
Other assets	16	572,221	897,385	542,437	861,097
TOTAL ASSETS		326,655,361	324,577,849	326,597,866	324,553,232

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT JUNE 30, 2019

(Unit : Thousand Baht)

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		(Unaudited but reviewed) June 30, 2019	(Audited) December 31, 2018	(Unaudited but reviewed) June 30, 2019	(Audited) December 31, 2018
LIABILITIES AND EQUITY					
Liabilities					
Insurance contract liabilities	17	279,576,475	283,281,023	279,576,462	283,280,931
Amount due to reinsurances	18	872,570	585,436	872,570	585,436
Derivative liabilities	8	168,372	644,294	168,372	644,294
Income tax payable		-	7,537	-	7,537
Employee benefit obligations	19	192,326	178,637	190,618	177,112
Other liabilities	20	1,180,072	1,372,766	1,172,236	1,362,192
Total liabilities		<u>281,989,815</u>	<u>286,069,693</u>	<u>281,980,258</u>	<u>286,057,502</u>
Equity					
Share capital					
Authorized share capital					
1,708,000,000 ordinary shares of					
Baht 1 each					
		<u>1,708,000</u>	<u>1,708,000</u>	<u>1,708,000</u>	<u>1,708,000</u>
Issued and paid-up share capital					
1,707,566,000 ordinary shares of					
Baht 1 each, fully paid-up					
	21	1,707,566	1,707,566	1,707,566	1,707,566
Premium on share capital	21	3,360,993	3,360,993	3,360,993	3,360,993
Retained earnings					
Appropriated					
Legal reserve					
		170,800	170,800	170,800	170,800
General reserve					
		400,000	400,000	400,000	400,000
Unappropriated					
		29,528,208	27,908,092	29,513,573	27,894,514
Other component of equity					
Revaluation surplus on available-for-sale					
investments - net of income taxes					
		9,464,676	4,961,857	9,464,676	4,961,857
Exchange rate differences on translation of					
financial statements in foreign currency					
		(4,551)	(4,700)	-	-
Equity attributable to equity holders of the Company		<u>44,627,692</u>	<u>38,504,608</u>	<u>44,617,608</u>	<u>38,495,730</u>
Non-controlling interests of the subsidiaries		<u>37,854</u>	<u>3,548</u>	-	-
Total equity		<u>44,665,546</u>	<u>38,508,156</u>	<u>44,617,608</u>	<u>38,495,730</u>
TOTAL LIABILITIES AND EQUITY		<u>326,655,361</u>	<u>324,577,849</u>	<u>326,597,866</u>	<u>324,553,232</u>

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2019
"UNAUDITED BUT REVIEWED"

(Unit : Thousand Baht)

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
Continuing Operations					
Revenues					
Gross written premium	22, 26	7,088,781	7,825,270	7,088,781	7,825,270
<u>Less</u> Premium ceded to reinsurers	22, 26	<u>(301,318)</u>	<u>(286,332)</u>	<u>(301,318)</u>	<u>(286,332)</u>
Net premium written		6,787,463	7,538,938	6,787,463	7,538,938
<u>Add</u> Unearned premium reserves decreased form prior period	22	<u>202,188</u>	<u>99,297</u>	<u>202,188</u>	<u>99,297</u>
Net earned premium		6,989,651	7,638,235	6,989,651	7,638,235
Fee and commission income	22	109,781	99,232	109,780	99,232
Net investment income	26	3,241,739	3,065,311	3,241,739	3,012,631
Gain on investment	9	67,981	458,278	67,981	458,278
Fair value gain (loss)	24	129,623	(92,355)	129,623	(92,355)
Other income	26	55,187	33,260	49,577	28,899
Total revenues		<u>10,593,962</u>	<u>11,201,961</u>	<u>10,588,351</u>	<u>11,144,920</u>
Expenses					
Life policy reserves increased from prior period	22	2,601,062	3,238,591	2,601,062	3,238,591
Gross benefit and claims paid	22, 26	5,819,097	5,300,191	5,819,097	5,300,190
<u>Less</u> Benefit and claims paid recovered from reinsurers	22, 26	<u>(177,756)</u>	<u>(216,045)</u>	<u>(177,756)</u>	<u>(216,045)</u>
Commissions and brokerages	22, 26	680,949	821,302	678,323	818,637
Other underwriting expenses	22	79,720	205,721	79,719	205,721
Operating expenses	23, 26	427,583	432,862	425,965	430,714
Total expenses		<u>9,430,655</u>	<u>9,782,622</u>	<u>9,426,410</u>	<u>9,777,808</u>
Profit before income tax expense		<u>1,163,307</u>	<u>1,419,339</u>	<u>1,161,941</u>	<u>1,367,112</u>
Income tax expenses	15	<u>(146,885)</u>	<u>(185,246)</u>	<u>(146,885)</u>	<u>(185,246)</u>
Profit for the periods from continuing operations		<u>1,016,422</u>	<u>1,234,093</u>	<u>1,015,056</u>	<u>1,181,866</u>
Discontinued operation					
Loss for the periods from discontinued operation - net of tax income	11	<u>(228)</u>	<u>(7,385)</u>	<u>-</u>	<u>-</u>
Profit for the periods		<u>1,016,194</u>	<u>1,226,708</u>	<u>1,015,056</u>	<u>1,181,866</u>
Profit for the periods attributable to					
Equity holders of the Company					
From continuing operations		1,016,408	1,234,098	1,015,056	1,181,866
From discontinued operation		(118)	(3,841)		
		<u>1,016,290</u>	<u>1,230,257</u>		
Non-controlling interests of the subsidiaries					
From continuing operations		14	(5)		
From discontinued operation		(110)	(3,544)		
		<u>(96)</u>	<u>(3,549)</u>		
		<u>1,016,194</u>	<u>1,226,708</u>		

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
 FOR THE THREE-MONTH PERIOD ENDED JUNE 30, 2019
 "UNAUDITED BUT REVIEWED"

(Unit : Thousand Baht)

	Notes	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
Profit for the periods		<u>1,016,194</u>	<u>1,226,708</u>	<u>1,015,056</u>	<u>1,181,866</u>
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Gains (losses) on remeasuring available-for-sale investments		2,535,647	(2,088,959)	2,535,647	(2,088,959)
Reversal of gain on remeasuring available-for-sale investments		(21,252)	(681,188)	(21,252)	(681,188)
Exchange rate differences on translation of financial statements in foreign currency		3,973	6,365	-	-
Income taxes relating to other comprehensive income	15	(495,680)	554,064	(495,680)	554,064
Total other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income taxes		<u>2,022,688</u>	<u>(2,209,718)</u>	<u>2,018,715</u>	<u>(2,216,083)</u>
Other comprehensive income (loss) for the periods - net of income taxes		<u>2,022,688</u>	<u>(2,209,718)</u>	<u>2,018,715</u>	<u>(2,216,083)</u>
Total comprehensive income (loss) for the periods		<u>3,038,882</u>	<u>(983,010)</u>	<u>3,033,771</u>	<u>(1,034,217)</u>
Total comprehensive income (loss) for the periods attributable to					
Equity holders of the Company		3,037,071	(982,516)	<u>3,033,771</u>	<u>(1,034,217)</u>
Non-controlling interests of the subsidiaries		1,811	(494)		
		<u>3,038,882</u>	<u>(983,010)</u>		
Earnings (losses) per share	29				(Unit : Baht)
Basic earnings (losses) per share					
From continuing operations		0.595	0.723		
From discontinued operation	11	(0.001)	(0.002)		
Profit for the periods		<u>0.594</u>	<u>0.721</u>	<u>0.594</u>	<u>0.692</u>

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019
“UNAUDITED BUT REVIEWED”

(Unit : Thousand Baht)

	Notes	CONSOLIDATED FINANCIAL STATEMENTS		SEPARATE FINANCIAL STATEMENTS	
		2019	2018	2019	2018
Continuing Operations					
Revenues					
Gross written premium	22, 26	17,603,485	21,130,770	17,603,541	21,130,869
<u>Less</u> Premium ceded to reinsurers	22, 26	(769,095)	(850,224)	(769,095)	(850,224)
Net premium written		16,834,390	20,280,546	16,834,446	20,280,645
<u>Add (Less)</u> Unearned premium reserves (increased) decreased form prior year	22	(33,228)	19,690	(33,228)	19,690
Net earned premium		16,801,162	20,300,236	16,801,218	20,300,335
Fee and commission income	22	227,832	234,362	227,831	234,362
Net investment income	26	6,317,611	6,017,090	6,317,611	5,964,410
Gain (loss) on investment	9	(10,184)	832,883	(10,184)	832,883
Fair value gain (loss)	24	254,670	(13,532)	254,670	(13,532)
Other income	26	106,910	67,588	96,693	59,220
Total revenues		<u>23,698,001</u>	<u>27,438,627</u>	<u>23,687,839</u>	<u>27,377,678</u>
Expenses					
Life policy reserves increased (decrease) from prior year	22	(3,912,845)	7,698,976	(3,912,845)	7,698,976
Gross benefit and claims paid	22, 26	22,802,539	13,376,228	22,802,539	13,376,228
<u>Less</u> Benefit and claims paid recovered from reinsurers	22, 26	(491,045)	(436,810)	(491,045)	(436,810)
Commissions and brokerages	22, 26	1,538,426	1,873,877	1,533,510	1,869,064
Other underwriting expenses	22	289,090	584,047	289,082	584,041
Operating expenses	23, 26	798,449	828,730	795,277	824,887
Total expenses		<u>21,024,614</u>	<u>23,925,048</u>	<u>21,016,518</u>	<u>23,916,386</u>
Profit before income tax expense		<u>2,673,387</u>	<u>3,513,579</u>	<u>2,671,321</u>	<u>3,461,292</u>
Income tax expenses	15	(370,331)	(520,492)	(370,331)	(520,492)
Profit for the periods from continuing operations		<u>2,303,056</u>	<u>2,993,087</u>	<u>2,300,990</u>	<u>2,940,800</u>
Discontinued operation					
Loss for the periods from discontinued operation - net of tax income	11	(1,901)	(13,281)	-	-
Profit for the periods		<u>2,301,155</u>	<u>2,979,806</u>	<u>2,300,990</u>	<u>2,940,800</u>
Profit for the periods attributable to					
Equity holders of the Company					
From continuing operations		2,303,035	2,993,091	2,300,990	2,940,800
From discontinued operation		(988)	(6,906)		
		<u>2,302,047</u>	<u>2,986,185</u>		
Non-controlling interests of the subsidiaries					
From continuing operations		21	(4)		
From discontinued operation		(913)	(6,375)		
		<u>(892)</u>	<u>(6,379)</u>		
		<u>2,301,155</u>	<u>2,979,806</u>		

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019
“UNAUDITED BUT REVIEWED”

(Unit : Thousand Baht)

	Notes	CONSOLIDATED		SEPARATE	
		2019	2018	2019	2018
Profit for the periods		2,301,155	2,979,806	2,300,990	2,940,800
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods					
Gains (losses) on remeasuring available-for-sale investments		5,611,312	(2,854,126)	5,611,312	(2,854,126)
Reversal of (gain) loss on remeasuring available-for-sale investments		8,213	(1,034,424)	8,213	(1,034,424)
Exchange rate differences on translation of financial statements in foreign currency		285	1,475	-	-
Income taxes relating to other comprehensive income	15	(1,116,706)	777,710	(1,116,706)	777,710
Total other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income taxes		4,503,104	(3,109,365)	4,502,819	(3,110,840)
Other comprehensive income (loss) for the periods - net of income taxes		4,503,104	(3,109,365)	4,502,819	(3,110,840)
Total comprehensive income (loss) for the periods		6,804,259	(129,559)	6,803,809	(170,040)
Total comprehensive income (loss) for the periods attributable to					
Equity holders of the Company		6,805,015	(123,888)	6,803,809	(170,040)
Non-controlling interests of the subsidiaries		(756)	(5,671)		
		6,804,259	(129,559)		
Earnings (losses) per share					(Unit : Baht)
Basic earnings (losses) per share	29				
From continuing operations		1.349	1.753		
From discontinued operation	11	(0.001)	(0.004)		
Profit for the periods		1.348	1.749	1.347	1.722

See the condensed notes to the interim financial statements

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

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

“UNAUDITED BUT REVIEWED”

(Unit : Thousand Baht)

	Consolidated financial statement									
	Equity attributable to equity holders of the Company					Other component of equity				
	Issued and paid-up share capital	Premium on share capital	Appropriated Legal reserve	General reserve	Retained earnings Unappropriated	Surplus on remeasuring available-for-sale investments - net of income taxes	Exchange rate differences on translation of financial statements in foreign currency	Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total
Balance as at January 1, 2018	1,707,566	3,360,993	170,800	400,000	23,841,906	9,274,641	(4,441)	38,751,465	13,294	38,764,759
Dividend paid	-	-	-	-	(374,902)	-	-	(374,902)	-	(374,902)
Profit (loss) for the period	-	-	-	-	2,986,185	-	-	2,986,185	(6,379)	2,979,806
Other comprehensive income	-	-	-	-	-	(3,110,840)	-	(3,110,840)	-	(3,110,840)
Loss on remeasuring of available-for-sale investments - net of income taxes	-	-	-	-	-	(3,110,840)	-	(3,110,840)	-	(3,110,840)
Exchange rate differences on translation of financial statements in foreign currency	-	-	-	-	-	767	767	767	708	1,475
Total comprehensive income (loss) for the period	-	-	-	-	2,986,185	(3,110,840)	767	(123,888)	(5,671)	(129,559)
Balance as at June 30, 2018	1,707,566	3,360,993	170,800	400,000	26,453,189	6,163,801	(3,674)	38,252,675	7,623	38,260,298

Notes 30

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

“UNAUDITED BUT REVIEWED”

(Unit: Thousand Baht)

	Consolidated financial statement									
	Equity attributable to equity holders of the Company					Other component of equity				
	Issued and paid-up share capital	Premium on share capital	Legal reserve	Appropriated General reserve	Retained earnings	Surplus on remeasuring available-for-sale investments - net of income taxes	Exchange rate differences on translation of financial statements in foreign currency	Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of the subsidiaries	Total
Balance as at January 1, 2019	1,707,566	3,360,993	170,800	400,000	27,908,092	4,961,857	(4,700)	38,504,608	3,548	38,508,156
Dividend paid	-	-	-	-	(681,931)	-	-	(681,931)	-	(681,931)
Change in non-controlling interests	-	-	-	-	-	-	-	-	35,062	35,062
Profit (loss) for the period	-	-	-	-	2,302,047	-	-	2,302,047	(892)	2,301,155
Other comprehensive income	-	-	-	-	-	4,502,819	-	4,502,819	-	4,502,819
Gain on remeasuring of available-for-sale investments - net of income taxes	-	-	-	-	-	4,502,819	-	4,502,819	-	4,502,819
Exchange rate differences on translation of financial statements in foreign currency	-	-	-	-	-	-	149	149	136	285
Total comprehensive income (loss) for the period	-	-	-	-	2,302,047	4,502,819	149	6,805,015	(756)	6,804,259
Balance as at June 30, 2019	1,707,566	3,360,993	170,800	400,000	29,528,208	9,464,676	(4,551)	44,627,692	37,854	44,665,546

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY (CONTINUED)

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

"UNAUDITED BUT REVIEWED"

(Unit : Thousand Baht)

	Separate financial statements							Total
	Note	Issued and paid-up share capital	Premium on share capital	Retained earnings		Unappropriated	Other component of equity	
				Legal reserve	General reserve			
Balance as at January 1, 2018		1,707,566	3,360,993	170,800	400,000	23,872,300	9,274,641	38,786,300
Dividend paid	30	-	-	-	-	(374,902)	-	(374,902)
Profit for the period		-	-	-	-	2,940,800	-	2,940,800
Other comprehensive income		-	-	-	-	-	(3,110,840)	(3,110,840)
Loss on re-measuring available-for-sale investments - net of income taxes		-	-	-	-	-	(3,110,840)	(3,110,840)
Total comprehensive income (loss) for the period		-	-	-	-	2,940,800	(3,110,840)	(170,040)
Balance as at June 30, 2018		1,707,566	3,360,993	170,800	400,000	26,438,198	6,163,801	38,241,358

See the condensed notes to the interim financial statements

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

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019
“UNAUDITED BUT REVIEWED”

(Unit : Thousand Baht)

	Note	Separate financial statements					Total	
		Issued and paid-up share capital	Premium on share capital	Retained earnings		Other component of equity		
				Legal reserve	General reserve			Surplus on re-measuring available-for-sale investments - net of income taxes
Balance as at January 1, 2019		1,707,566	3,360,993	170,800	400,000	27,894,514	4,961,857	38,495,730
Dividend paid	30	-	-	-	-	(681,931)	-	(681,931)
Profit for the period		-	-	-	-	2,300,990	-	2,300,990
Other comprehensive income		-	-	-	-	-	4,502,819	4,502,819
Profit on re-measuring available-for-sale investments - net of income taxes		-	-	-	-	-	4,502,819	4,502,819
Total comprehensive income for the period		-	-	-	-	2,300,990	4,502,819	6,803,809
Balance as at June 30, 2019		1,707,566	3,360,993	170,800	400,000	29,513,573	9,464,676	44,617,608

See the condensed notes to the interim financial statements

BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES

STATEMENTS OF CASH FLOWS

FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2019

"UNAUDITED BUT REVIEWED"

(Unit : Thousand Baht)

	Note	CONSOLIDATED		SEPARATE	
		FINANCIAL STATEMENTS		FINANCIAL STATEMENTS	
		2019	2018	2019	2018
Cash flows provided by (used in) operating activities					
Gross premium		17,211,965	20,613,497	17,212,021	20,613,561
Cash payments from reinsurance		(311,296)	(663,783)	(311,296)	(663,783)
Interest income		5,221,272	5,001,087	5,221,261	4,948,386
Dividend income		1,006,305	1,076,068	1,006,305	1,076,068
Other income on investment		368,531	832,883	368,531	832,883
Other income		92,475	67,418	76,515	59,052
Benefit and claim on direct insurance		(22,448,376)	(12,983,181)	(22,448,376)	(12,983,181)
Commissions and brokerages on direct insurance		(1,740,244)	(1,974,930)	(1,735,075)	(1,969,278)
Other underwriting expenses		(301,444)	(273,755)	(301,436)	(273,755)
Operating expenses		(771,620)	(1,063,967)	(766,544)	(1,056,872)
Corporate income taxes		(22,014)	(91,669)	(22,014)	(91,669)
Investments in securities		(4,594,832)	(9,099,693)	(4,590,905)	(9,047,013)
Loans		169,139	(896,012)	169,139	(896,012)
Other investments		3,009,866	1,653,239	3,009,866	1,653,239
Net cash provided by (used in) operating activities		<u>(3,110,273)</u>	<u>2,197,202</u>	<u>(3,112,008)</u>	<u>2,201,626</u>
Cash flows provided by (used in) investing activities					
Net cash flows for purchases and disposals					
of property, plant and equipment		(47,817)	(59,921)	(47,834)	(59,912)
Cash received from return of investment in subsidiary		-	-	38,101	-
Net cash used in investing activities		<u>(47,817)</u>	<u>(59,921)</u>	<u>(9,733)</u>	<u>(59,912)</u>
Cash flows provided by (used in) financing activities					
Dividend paid		(681,931)	(374,902)	(681,931)	(374,902)
Net cash used in financing activities		<u>(681,931)</u>	<u>(374,902)</u>	<u>(681,931)</u>	<u>(374,902)</u>
Non-controlling interests of the subsidiaries		34,302	-	-	-
Exchange rate differences on translation of					
financial statements in foreign currency		1,086	(4,901)	-	-
Net increased (decreased) in cash and cash equivalents		<u>(3,804,633)</u>	<u>1,757,478</u>	<u>(3,803,672)</u>	<u>1,766,812</u>
Cash and cash equivalents at beginning of periods		9,825,592	3,975,792	9,745,784	3,877,092
Cash and cash equivalents at end of periods	4	<u>6,020,959</u>	<u>5,733,270</u>	<u>5,942,112</u>	<u>5,643,904</u>

See the condensed notes to the interim financial statements

**BANGKOK LIFE ASSURANCE PUBLIC COMPANY LIMITED AND SUBSIDIARIES
CONDENSED NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE THREE-MONTH AND SIX-MONTH PERIODS ENDED JUNE 30, 2019
“UNAUDITED”**

1. GENERAL INFORMATION AND THE COMPANY’S OPERATIONS

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

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

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

These consolidated and separate interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 (Revised 2018) “Interim Financial Reporting” in accordance with the Company choosing to present condensed interim financial statements. However, the Company has presented line items in the consolidated and separate statements of financial position, the consolidated and separate statements of profit or loss and other comprehensive income, statements of changes in owners’ equity and statements of cash flows in the same format as that used in its preparation of the annual financial statements and in accordance with the format of financial statements specified in the Notification of the Office of Insurance Commission (“OIC”) regarding criteria, procedures, terms and conditions for preparation and submission of financial statements and operating performance reports of life insurance companies dated March 4, 2016, which has been effective since January 1, 2016.

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

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

The consolidated and separate statements of financial position as at December 31, 2018, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which had been previously audited.

The unaudited results of operations presented in the three-month and six-month periods ended June 30, 2019 are not necessarily an indication nor anticipation of the operating results for the full year.

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

2.2 Basis for preparation of the consolidated interim financial statements

These consolidated interim financial statements have been prepared on the same basis as that applied for the consolidated financial statements for the year ended December 31, 2018, with no changes in the structure of shareholding in subsidiaries during the period.

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			As at	
			June 30, 2019	December 31, 2018
			%	%
BLA Insurance Broker Company Limited	Insurance broker	Thailand	99	99
Bangkok Life Assurance (Cambodia) Public Limited Company ⁽¹⁾	Life Insurance	Cambodia	52	52

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

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

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

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

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

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

2.3 Separate interim financial statements

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

2.4 Significant accounting policies

The consolidated and separate interim financial statements have been prepared based on the basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2018.

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

During the period, the Company has adopted the revised and new financial reporting standards and guidelines on accounting issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

Thai Financial Reporting Standard No. 4 (Revised 2018) "Insurance Contracts"

This revised financial reporting standard determines the option for insurance industry to temporarily exempt from applying Thai Financial Reporting Standard No. 9 "Financial Instruments". An entity can elect to exempt from Thai Financial Reporting Standard No. 9 until annual periods beginning before January 1, 2023 or before Thai Financial Reporting Standard No. 17 "Insurance Contracts" is effective.

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

The Federation of Accounting Professions has issued the Notification regarding Thai Accounting Standards, Thai Financial Reporting Standards and Thai Financial Reporting Standard Interpretation which have been announced in the Royal Gazette and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, as follows:

Group of Financial Instruments Standards

Thai Accounting Standards (“TAS”)

TAS 32 Financial Instruments: Presentation

Thai Financial Reporting Standards (“TFRS”)

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Thai Financial Reporting Standard Interpretations (“TFRIC”)

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These group of Standards make stipulations relating to the classification of financial instruments and their measurement at fair value or amortized cost; taking into account the type of instrument, the characteristics of the contractual cash flows and the Company’s business model, the calculation of impairment using the expected credit loss method, and the concept of hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. These Standards will supersede the Standards and Interpretations relating to the financial instruments upon its effective date.

Thai Financial Reporting Standards No. 16 “Leases” (“TFRS 16”)

This TFRS provides a comprehensive model for the identification if lease arrangements and their treatment in the financial statements of both lessees and lessors.

This TFRS will supersede the following lease Standards and Interpretations upon its effective date, which are Thai Accounting Standard No. 17 “Leases”, Thai Accounting Standard Interpretation No. 15 “Operating Lease - Incentives”, Thai Accounting Standard Interpretation No. 27 “Evaluating the Substance of Transactions involving the Legal Form of a Lease” and Thai Financial Reporting Standard Interpretation No. 4 “Determining whether on Arrangement contains a Lease”.

For lessee accounting, there are significant changes to lease accounting in this TFRS by removing the distinction between operating and finance leases under TAS 17 and requiring a lessee to recognize a right-of-use asset and a lease liability at commencement for all leases, except for short-term- leases and leases of low value assets. However, the lessor accounting treatment continues to require a lessor to classify a lease either as an operating lease or a finance lease, using the same concept as TAS 17.

The Company's management will adopt such TFRSs in the preparation of the Group's financial statements when it becomes effective, except for Thai Financial Reporting Standard No. 9 "Financial Instruments" that the Company's management elected to adopt such TFRS in the preparation of the Group's financial statements when Thai Financial Reporting Standard No. 17 "Insurance contracts" becomes effective. The Company's management is in the process to assess the impact of these TFRSs on the financial statements of the Company in the period of initial application.

The accounting guidelines for financial instruments and disclosures on insurance business

The Federation of Accounting Professions issued the accounting guidelines for financial instruments and disclosures on insurance business, which has been announced in the Royal Gazette on March 11, 2019 and will be effective for the financial statements for the period beginning on or after January 1, 2020 onwards, which allowed the adoption on this accounting guideline prior to the effective date for the financial statements beginning on or after January 1, 2019 onwards only. If an entity adopts this accounting guideline prior to the effective date, the entity is required to disclose such adoption. However, the Company's management does not adopt such accounting guideline for financial instruments and disclosures on insurance business prior to the effective date.

4. CASH AND CASH EQUIVALENT

As at June 30, 2019 and December 31, 2018, the Company and subsidiaries have cash and cash equivalent as follows:

	(Unit : Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Cash on hand	7,814	11,044	7,812	11,043
Deposits at banks with no fixed maturity date	1,808,081	2,599,619	1,729,236	2,519,812
Short-term investments in promissory notes	4,205,064	7,214,929	4,205,064	7,214,929
Cash and cash equivalents	<u>6,020,959</u>	<u>9,825,592</u>	<u>5,942,112</u>	<u>9,745,784</u>

As at June 30, 2019, interest rates on deposits at bank and promissory notes are in the range of 0.38% - 1.63% per annum (December 31, 2018: 0.38% - 1.63% per annum).

5. PREMIUM RECEIVABLES

As at June 30, 2019 and December 31, 2018, the outstanding balances of premium receivables, classified by overdue period, counted from the due dates, are as follows:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	Due from direct insurance	
	June 30, 2019	December 31, 2018
Not yet due	2,150,782	1,864,857
Not over 30 days	68,994	22,305
Over 30 days to 60 days	50,885	18,701
Over 60 days to 90 days	11,186	2,347
Over 90 days	6,748	2,187
Total premium receivables	<u>2,288,595</u>	<u>1,910,397</u>

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

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

6. REINSURANCE ASSETS

As at June 30, 2019 and December 31, 2018, reinsurance assets consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	June 30, 2019	December 31, 2018
Reserves recoverable from reinsurances		
Claim reserves	111,485	153,422
Unearned premium reserves	543,620	385,758
Total reinsurance assets	<u>655,105</u>	<u>539,180</u>

7. AMOUNT DUE FROM REINSURANCE

As at June 30, 2019 and December 31, 2018, amount due from reinsurance consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	June 30, 2019	December 31, 2018
Amount due from reinsurers	941,841	703,965
Total amount due from reinsurance	941,841	703,965

8. DERIVATIVE ASSETS AND LIABILITIES

As at June 30, 2019 and December 31, 2018, derivatives classified by objective are as follows:

	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	June 30, 2019		December 31, 2018	
	Fair value		Fair value	
	Assets	Liabilities	Assets	Liabilities
Derivatives for hedging risks				
Cash flow hedge	1,264,328	35,272	551,362	143,304
Hedge of net investment in foreign currencies	203,709	-	125,015	713
Total derivatives	1,468,037	35,272	676,377	144,017

As at June 30, 2019 and December 31, 2018, derivative assets and liabilities consisted of the following:

Contract type	Consolidated and separate financial statements		
	June 30, 2019		
	Notional amount (Thousand Unit)	Fair value amount	
		Assets (Thousand Baht)	Liabilities (Thousand Baht)
Cross currency swap contracts			
US dollar	593,800	766,908	164,694
Euro	10,000	29,644	-
Forward exchange contracts			
Yen	1,340,910	7,710	-
US dollar	50,200	36,089	-
Singapore dollar	97,998	26,443	3,678
Euro	32,110	47,369	-
Total derivatives	2,125,018	914,163	168,372

Contract type	Consolidated and separate financial statements		
	December 31, 2018		
	Notional amount (Thousand Unit)	Fair value amount	
		Assets (Thousand Baht)	Liabilities (Thousand Baht)
Cross currency swap contracts			
US dollar	593,800	223,363	630,372
Euro	10,000	7,816	-
Forward exchange contracts			
Yen	1,340,910	1,140	2,980
US dollar	92,200	6,948	1,362
Singapore dollar	83,256	4,682	9,580
Euro	29,110	30,938	-
Total derivatives	2,149,276	274,887	644,294

9. INVESTMENTS IN SECURITIES

9.1 Held-for-trading investments

As at June 30, 2019 and December 31, 2018, held-for-trading investments consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	June 30, 2019		December 31, 2018	
	Cost	Fair value	Cost	Fair value
Held-for-trading investments				
Equity securities	61,327	31,145	63,593	33,497
Total	61,327	31,145	63,593	33,497
<u>Less</u> Unrealised losses	(30,182)	-	(30,096)	-
Total held-for-trading investments	31,145	31,145	33,497	33,497

9.2 Available-for-sale investments

As at June 30, 2019 and December 31, 2018, available-for-sales investments consisted of following:

	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	June 30, 2019		December 31, 2018	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Available-for-sale investments				
Government and state enterprise securities	1,599,672	1,897,959	2,000,869	2,298,545
Private enterprises debt securities	25,589,310	27,471,154	25,591,351	27,181,186
Equity securities	30,644,228	39,690,641	31,143,932	35,841,798
Foreign debt securities	1,401,807	1,229,759	1,403,323	1,251,495
Foreign equity securities	9,259,238	10,007,045	8,777,100	8,598,917
Total	68,494,255	80,296,558	68,916,575	75,171,941
<u>Add</u> Unrealised gains	11,802,303	-	6,255,366	-
Total available-for-sale investments	80,296,558	80,296,558	75,171,941	75,171,941

9.3 Held-to-maturity investments

As at June 30, 2019 and December 31, 2018, held-to-maturity investments consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	June 30, 2019	December 31, 2018
	Cost/ Amortised cost	Cost/ Amortised cost
Held-to-maturity investments		
Government and state enterprise securities	138,755,152	139,536,444
Private enterprises debt securities	71,759,561	67,767,742
Foreign debt securities	6,757,032	6,719,890
Deposits at financial institutions with an original maturity longer than 3 months	1,400,000	3,400,000
Total held-to-maturity investments	218,671,745	217,424,076

9.4 General investments

As at June 30, 2019 and December 31, 2018, general investments consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	June 30, 2019	December 31, 2018
	Cost	Cost
General investments		
Equity securities	30,302	30,302
Total general investments	30,302	30,302

9.5 Investments in structured notes

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

- (a) As at June 30, 2019 and December 31, 2018, the Company has investments of Baht 600 million and Baht 600 million, respectively, in promissory notes and bills of exchange, which were issued by local banks and branches of foreign commercial banks, having remaining lives of 1 - 9 years and 2 - 10 years, respectively, and containing conditions whereby the issuer has call option or has rights to call for additional deposits (see Note 31.3) and bearing interest rate referring to the yield rate on government bond (CMT Index).
- (b) As at June 30, 2019 and December 31, 2018, the Company has investments of Baht 2,600 million and Baht 2,600 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining lives of 1 - 3 years and 2 - 4 years, respectively, and bearing interest rate referring to the yield rate on government bond (CMT Index).

- (c) As at June 30, 2019 and December 31, 2018, the Company has investments of Baht 3,568 million and Baht 3,524 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining lives of 2 - 9 years and 2 - 10 years, respectively, and the notes and bills contain conditions whereby the redemption of the notes and bills is based on the credit event of the reference assets.
- (d) As at June 30, 2019 and December 31, 2018, the Company has investments of Baht 958 million and Baht 933 million, respectively, in promissory notes and bills of exchange, which were issued by branches of foreign commercial banks, having remaining maturity lives of 14 - 15 years and 15 years, respectively. The bank has placed government bonds equivalent to 70% - 80% of the face values of the issued promissory notes and bills of exchange as collateral and such notes and bills contain conditions whereby the redemption of the notes and bills is based on the credit event of the reference assets.
- (e) As at June 30, 2019 and December 31, 2018, the Company has investments of Baht 457 million and Baht 448 million, respectively, in bills of exchange, which were issued by branches of foreign commercial banks, having remaining maturity lives of 12 years and 13 years, respectively. The bills contain conditions whereby the banks have the right to early redemption and the redemption of the bills is based on the credit event of the reference assets.
- (f) As at June 30, 2019 and December 31, 2018, the Company has investments of Baht 1,494 million and Baht 1,577 million, respectively, in bills of exchange, which were issued by branches of foreign commercial banks, having remaining maturity lives of 6 - 8 years and 7 - 8 years, respectively. The bills contain conditions whereby the redemption of the bills is based on the credit event of the reference assets.

9.6 Investments subject to restriction

As at June 30, 2019 and December 31, 2018, the Company has placed government and state enterprise bonds with cost or amortised cost of Baht 64,478 million and Baht 63,357 million, respectively, with the Registrar as securities and reserves as described in Notes 27 and 28.

9.7 Gains (losses) on investments

Gains (losses) on investments for the three-month and six-month periods ended June 30, 2019 and 2018 consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated and separate financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2019	2018	2019	2018
Gains (losses) on sales of trading investments	-	(614)	(94)	3,090
Gains (losses) on sales of available- for-sale investments	67,980	458,892	(10,096)	829,793
Gains on sales of held-to-maturity investments	1	-	6	-
Total gains (losses) on investments	67,981	458,278	(10,184)	832,883

10. INVESTMENTS IN SUBSIDIARIES

As at June 30, 2019 and December 31, 2018, detail of investments in subsidiaries, as presented in the separate interim financial statements, is as follows:

Company's name	Type of business	Country of incorporation	Issued and paid-up capital		Shareholding percentage		Cost	
			June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
					%	%		
BLA Insurance Broker Company Limited	Insurance broker	Thailand	24,000	24,000	99	99	23,760	23,760
Bangkok Life Assurance (Cambodia) Public Limited Company	Life insurance	Cambodia	153,598	153,598	52 ⁽²⁾	52 ⁽²⁾	85,329	127,357
<u>Less</u> Allowance for impairment ⁽¹⁾							<u>(52,680)</u>	<u>(52,680)</u>
Total investments in subsidiaries							56,409	98,437

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

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

11. DISCONTINUED OPERATION

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

The consolidated statement of financial position as at June 30, 2019 and December 31, 2018 include assets from discontinued operation in total amount of Baht 87 million and Baht 97 million, respectively, in which most of balances are cash and cash equivalents and deposit.

The consolidated statements of profit or loss and other comprehensive income for the three-month and six-month periods ended June 30, 2019 and 2018 for discontinued operations are as follows:

	(Unit : Thousand Baht)	
	Consolidated	
	financial statements	
	2019	2018
For the three-month periods ended June 30,		
Discontinued operation		
Revenue	17	11
Expenses	(245)	(7,396)
Loss before income tax expense	(228)	(7,385)
Income tax expense	-	-
Loss for the period from discontinued operation, net of income tax	(228)	(7,385)
Losses per share*		
Basic losses per share (Baht)	(0.001)	(0.002)

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

	(Unit : Thousand Baht)	
	Consolidated	
	financial statements	
	2019	2018
For the six-month periods ended June 30,		
Discontinued operation		
Revenue	27	54
Expenses	(1,928)	(13,335)
Loss before income tax expense	(1,901)	(13,281)
Income tax expense	-	-
Loss for the period from discontinued operation, net of income tax	(1,901)	(13,281)
Losses per share*		
Basic losses per share (Baht)	(0.001)	(0.004)

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

12. LOANS AND ACCRUED INTEREST INCOME

As at June 30, 2019 and December 31, 2018, the balances of loans and accrued interest income, classified by overdue periods, are as follows:

(Unit: Thousand Baht)

Consolidated and separate financial statements									
June 30, 2019									
Loans									
Overdue periods	Policy loans		Mortgage loans		Other loans		Total		Total
	Principal	Accrued interest ⁽¹⁾	Principal	Accrued interest ⁽¹⁾	Principal	Accrued interest ⁽¹⁾	Principal	Accrued interest ⁽¹⁾	
Not yet due	8,120,013	920,640	3,179,996	2,159	504	-	11,300,513	922,799	12,223,312
Overdue:									
Less than 3 months	-	-	59,762	533	-	-	59,762	533	60,295
3 - 6 months	-	-	5,369	102	-	-	5,369	102	5,471
6 - 12 months	-	-	14,258	626	-	-	14,258	626	14,884
Over 12 months	-	-	24,237	1,298	53	2	24,290	1,300	25,590
Total	8,120,013	920,640	3,283,622	4,718	557	2	11,404,192	925,360	12,329,552
Less Allowance for doubtful accounts	-	-	(12,822)	(1,919)	-	-	(12,822)	(1,919)	(14,741)
Loans and accrued interest receivables	8,120,013	920,640	3,270,800	2,799	557	2	11,391,370	923,441	12,314,811

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

(Unit : Thousand Baht)

Consolidated and separate financial statements									
December 31, 2018									
Loans									
Overdue periods	Policy loans		Mortgage loans		Other loans		Total		Total
	Principal	Accrued interest ⁽¹⁾	Principal	Accrued interest ⁽¹⁾	Principal	Accrued interest ⁽¹⁾	Principal	Accrued interest ⁽¹⁾	
Not yet due	7,798,115	856,740	3,666,960	4,938	1,425	1	11,466,500	861,679	12,328,179
Overdue:									
Less than 3 months	-	-	56,496	342	-	-	56,496	342	56,838
3 - 6 months	-	-	21,850	224	-	-	21,850	224	22,074
6 - 12 months	-	-	5,792	296	-	-	5,792	296	6,088
Over 12 months	-	-	19,290	713	53	2	19,343	715	20,058
Total	7,798,115	856,740	3,770,388	6,513	1,478	3	11,569,981	863,256	12,433,237
Less Allowance for doubtful accounts	-	-	(8,440)	(1,071)	-	-	(8,440)	(1,071)	(9,511)
Loans and accrued interest receivables	7,798,115	856,740	3,761,948	5,442	1,478	3	11,561,541	862,185	12,423,726

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

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

Loans to employees under the employee welfare scheme are set for credit limit of Baht 0.1 million for personal guarantee loans. The interest rate is charged at the rates of 6.00% per annum. As at June 30, 2019 and December 31, 2018, loans to employees amounted to Baht 0.56 million and Baht 1.48 million, respectively.

Loans to employees under the mortgage loans are not to exceed 50 times the employee's monthly salary to each employee for secured loans. The loans carry interest of 5.00% - 6.00% per annum. As at June 30, 2019 and December 31, 2018, loans to employees under the mortgage loans amounted to Baht 22 million and Baht 27 million, respectively.

13. INVESTMENT PROPERTY

As at June 30, 2019 and December 31, 2018, the Company has movement in the investment property as follows:

	(Unit : Thousand Baht)	
	Consolidated financial statements	
	For the six-month period ended June 30, 2019	For the year ended December 31, 2018
Net carrying value - beginning of the period/year	17,752	18,817
Depreciation for period/year	(533)	(1,065)
Net carrying value - end of the period/year	17,219	17,752

14. PROPERTY, PLANT AND EQUIPMENT

Movement of property, plant and equipment for the six-month period ended June 30, 2019 are as follows:

	(Unit : Thousand Baht)						
	Consolidated financial statements						
	For the six-month period ended June 30, 2019						
	Land	Buildings and buildings improvements	Condominium	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	Total
Net carrying value as at							
January 1, 2019	794,246	366,569	8,852	121,029	20,976	21,996	1,333,668
Additions - at cost	-	332	-	5,954	6,750	57,882	70,918
Disposals/Write-off - net carrying value	(2,900)	(1,287)	-	(66)	-	-	(4,253)
Exchange rate differences on Translation of foreign currency in financial statements	-	(31)	-	(16)	-	-	(47)
Depreciation charges for the period	-	(15,066)	(915)	(23,482)	(3,170)	-	(42,633)
Net carrying value as at June 30, 2019	791,346	350,517	7,937	103,419	24,556	79,878	1,357,653

(Unit : Thousand Baht)

Separate financial statements							
For the six-month period ended June 30, 2019							
	Land	Buildings and buildings improvements	Condominium	Office furniture, fixture and equipment	Motor vehicles	Construction in progress	Total
Net carrying value as at							
January 1, 2019	794,246	365,254	8,850	120,474	20,975	21,996	1,331,795
Additions - at cost	-	332	-	5,954	6,750	57,882	70,918
Disposals - net carrying value	(2,900)	-	-	(6)	-	-	(2,906)
Depreciation charges for the period	-	(15,066)	(916)	(23,320)	(3,170)	-	(42,472)
Net carrying value as at							
June 30, 2019	791,346	350,520	7,934	103,102	24,555	79,878	1,357,335

15. DEFERRED TAX ASSETS/LIABILITIES AND INCOME TAX EXPENSE

15.1 Deferred tax assets/liabilities

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

Consolidated and separate financial statements						
	June 30, 2019	December 31, 2018	Change in deferred tax assets/liabilities reported in the statement of profit or loss for the three-month periods ended June 30,		Change in deferred tax assets/liabilities reported in the statements of other comprehensive income for the three-month periods ended June 30,	
			2019	2018	2019	2018
Deferred tax assets						
Reserves for long-term insurance contracts	2,538,794	2,757,470	(53,201)	(73,185)	-	-
Claim reserves	16,342	18,633	(1,311)	501	-	-
Provisions for long-term employee benefits	38,123	28,224	8,338	903	-	-
Others	26,615	15,853	(5,787)	14,126	-	-
Total deferred tax assets	2,619,874	2,820,180	(51,961)	(57,655)	-	-
Deferred tax liabilities						
Available-for-sale investments	1,945,605	666,153	87,645	(45,691)	495,680	(554,064)
Others	-	-	-	(309)	-	-
Total deferred tax liabilities	1,945,605	666,153	87,645	(46,000)	495,680	(554,064)
Deferred tax assets/liabilities - net	674,269	2,154,027	(139,606)	(11,655)	(495,680)	554,064

(Unit : Thousand Baht)

	Consolidated and separate financial statements					
			Change in deferred tax assets/liabilities reported in the statement of profit or loss for the six-month periods ended June 30,		Change in deferred tax assets/liabilities reported in the statements of other comprehensive income for the six-month periods ended June 30,	
	June 30, 2019	December 31, 2018	2019	2018	2019	2018
Deferred tax assets						
Reserves for long-term insurance contracts	2,538,794	2,757,470	(218,676)	(162,693)	-	-
Claim reserves	16,342	18,633	(2,291)	(3,992)	-	-
Provisions for long-term employee benefits	38,123	28,224	9,899	1,806	-	-
Others	26,615	15,853	10,762	15,512	-	-
Total deferred tax assets	<u>2,619,874</u>	<u>2,820,180</u>	<u>(200,306)</u>	<u>(149,367)</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities						
Available-for-sale investments	1,945,605	666,153	162,746	60,765	1,116,706	(777,710)
Others	-	-	-	(309)	-	-
Total deferred tax liabilities	<u>1,945,605</u>	<u>666,153</u>	<u>162,746</u>	<u>60,456</u>	<u>1,116,706</u>	<u>(777,710)</u>
Deferred tax assets/liabilities - net	<u>674,269</u>	<u>2,154,027</u>	<u>(363,052)</u>	<u>(209,823)</u>	<u>(1,116,706)</u>	<u>777,710</u>

15.2 Income tax expenses

Income tax expenses for the three-month and six-month periods ended June 30, 2019 and 2018 are made up as follows:

(Unit : Thousand Baht)

	Consolidated and separate financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2019	2018	2019	2018
Current income tax:				
Interim corporate income tax charge	-	172,133	-	309,211
Adjustment in respect of income tax of previous year	7,279	1,458	7,279	1,458
Deferred tax:				
Relating to origination and reversal of temporary differences	139,606	11,655	363,052	209,823
Income tax income reported in profits or losses	<u>146,885</u>	<u>185,246</u>	<u>370,331</u>	<u>520,492</u>

Reconciliation between accounting profits and income tax expense for the three-month and six-month periods ended June 30, 2019 and 2018 are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2019	2018	2019	2018
Accounting profit before income tax expenses	1,163,307	1,419,339	2,673,387	3,513,579
Applicable corporate income tax rates	20%	20%	20%	20%
Income tax expenses at the applicable tax rates	232,388	273,423	534,264	692,259
Adjustment in respect of income tax of previous year	7,279	1,458	7,279	1,458
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	(92,782)	(89,635)	(171,212)	(173,225)
Income tax expenses recognised in profits or losses	<u>146,885</u>	<u>185,246</u>	<u>370,331</u>	<u>520,492</u>

(Unit : Thousand Baht)

	Separate financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2019	2018	2019	2018
Accounting profit before income tax expenses	1,161,941	1,367,112	2,671,321	3,461,292
Applicable corporate income tax rates	20%	20%	20%	20%
Income tax expenses at the applicable tax rates	232,388	273,423	534,264	692,259
Adjustment in respect of income tax of previous year	7,279	1,458	7,279	1,458
Net tax effect on income or expenses that are not taxable or not deductible in determining taxable profits	(92,782)	(89,635)	(171,212)	(173,225)
Income tax expenses recognised in profits or losses	146,885	185,246	370,331	520,492

16. OTHER ASSETS

As at June 30, 2019 and December 31, 2018, other assets consisted of the following:

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Derivative collateral	-	49,500	-	49,500
Prepaid income tax	165,048	100,917	165,048	100,917
Prepaid rental expenses	16,721	22,617	16,721	22,617
Deposits	87,266	51,099	65,298	27,822
Receivable from sales of investments	159,430	555,220	159,430	555,220
Less Allowance for doubtful accounts - receivable from sales of investments	-	(17,074)	-	(17,074)
Prepaid expenses	21,761	18,585	21,693	18,503
Others	121,995	116,521	114,247	103,592
Total other assets	572,221	897,385	542,437	861,097

17. INSURANCE CONTRACT LIABILITIES

As at June 30, 2019 and December 31, 2018, insurance contract liabilities consisted of the following:

(Unit : Thousand Baht)

	Consolidated financial statements					
	June 30, 2019			December 31, 2018		
	Insurance contract liabilities	Reinsurance of liabilities (see Note 6)	Net	Insurance contract liabilities	Reinsurance of liabilities (see Note 6)	Net
Reserves for long-term insurance contracts	269,995,271	-	269,995,271	273,908,194	-	273,908,194
Claim reserves						
Reserves for reported claims	161,610	(111,485)	50,125	172,489	(153,422)	19,067
Reserves for claims incurred but not yet reported	81,711	-	81,711	93,163	-	93,163
Premium reserves						
Unearned premium reserves	1,513,850	(543,620)	970,230	1,322,760	(385,758)	937,002
Unpaid policy benefits	168,592	-	168,592	231,318	-	231,318
Other insurance liabilities	7,655,441	-	7,655,441	7,553,099	-	7,553,099
Total insurance contract liabilities	279,576,475	(655,105)	278,921,370	283,281,023	(539,180)	282,741,843

(Unit : Thousand Baht)

	Separate financial statements					
	June 30, 2019			December 31, 2018		
	Insurance contract liabilities	Reinsurance of liabilities (see Note 6)	Net	Insurance contract liabilities	Reinsurance of liabilities (see Note 6)	Net
Reserves for long-term insurance contracts	269,995,258	-	269,995,258	273,908,102	-	273,908,102
Claims reserves						
Reserves for reported claims	161,610	(111,485)	50,125	172,489	(153,422)	19,067
Reserves for claims incurred but not yet reported	81,711	-	81,711	93,163	-	93,163
Premium reserves						
Unearned premium reserves	1,513,850	(543,620)	970,230	1,322,760	(385,758)	937,002
Unpaid policy benefits	168,592	-	168,592	231,318	-	231,318
Other insurance liabilities	7,655,441	-	7,655,441	7,553,099	-	7,553,099
Total insurance contract liabilities	<u>279,576,462</u>	<u>(655,105)</u>	<u>278,921,357</u>	<u>283,280,931</u>	<u>(539,180)</u>	<u>282,741,751</u>

17.1 Reserves for long-term insurance contracts

As at June 30, 2019 and December 31, 2018, reserves for long-term insurance contracts consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	For the six-month period ended June 30, 2019	For the year ended December 31, 2018	For the six-month period ended June 30, 2019	For the year ended December 31, 2018
Balances - beginning of the period/year	273,908,194	256,595,053	273,908,102	256,595,048
Reserve increased for new businesses and inforce policies	13,710,532	34,307,093	13,710,611	34,307,006
Reserve decreased for benefits payment lapses and surrender, etc.	(17,623,455)	(16,334,300)	(17,623,455)	(16,334,300)
Reserve decreased for testing the adequacy of liabilities	-	(659,652)	-	(659,652)
Balances - end of the period/year	<u>269,995,271</u>	<u>273,908,194</u>	<u>269,995,258</u>	<u>273,908,102</u>

17.2 Claim reserves

As at June 30, 2019 and December 31, 2018, claim reserves consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	For the six-month period ended June 30, 2019	For the year ended December 31, 2018
Balances - beginning of the period/year	265,652	367,962
Claims incurred in the current period/year	1,129,117	2,061,319
Claims paid during the period/year	(1,151,448)	(2,163,629)
Balances - end of the period/year	<u>243,321</u>	<u>265,652</u>

17.3 Unearned premium reserves

As at June 30, 2019 and December 31, 2018, unearned premium reserves consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	For the six-month period ended June 30, 2019	For the year ended December 31, 2018
Balances - beginning of the period/year	1,322,760	1,180,093
Premium written for the period/year	2,011,524	3,592,546
Premium earned for the period/year	(1,820,434)	(3,449,879)
Balances - end of the period/year	<u>1,513,850</u>	<u>1,322,760</u>

17.4 Unpaid policy benefits

As at June 30, 2019 and December 31, 2018, unpaid policy benefits consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	June 30, 2019	December 31, 2018
Death benefit	97,734	136,552
Maturity payment	57,238	70,633
Benefit payment	11,779	22,171
Surrender	1,841	1,962
Total unpaid policy benefits	<u>168,592</u>	<u>231,318</u>

17.5 Other insurance liabilities

As at June 30, 2019 and December 31, 2018, other insurance liabilities consisted of the following:

	(Unit : Thousand Baht)	
	Consolidated and separate financial statements	
	June 30, 2019	December 31, 2018
Deposits from insurance contracts	7,140,323	7,053,376
Premiums received in advance	434,287	421,000
Payable to policyholders on exempted premiums	80,831	78,723
Total other insurance liabilities	<u>7,655,441</u>	<u>7,553,099</u>

18. AMOUNT DUE TO REINSURANCE

As at June 30, 2019 and December 31, 2018, amount due to reinsurance consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	June 30, 2019	December 31, 2018
Amount due to reinsurers	872,570	585,436
Total amount due to reinsurance	872,570	585,436

19. EMPLOYEE BENEFIT OBLIGATIONS

As at June 30, 2019 and December 31, 2018, employee benefit obligations consisted of the following:

	(Unit : Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Post-employment benefits obligations	168,724	155,259	167,090	153,803
Other long-term employee benefits obligation	23,602	23,378	23,528	23,309
Total employee benefit obligations	192,326	178,637	190,618	177,112

20. OTHER LIABILITIES

As at June 30, 2019 and December 31, 2018, other liabilities consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Accrued commission expenses	439,005	640,822	438,095	639,660
Accrued expenses	206,863	234,006	206,344	233,148
Premium received for policies not yet approved	50,110	93,021	50,110	93,021
Amounts received awaiting transfer	87,504	74,345	87,504	74,345
Specific Business Tax payable	144,036	140,295	144,036	140,295
Payable from purchases of investments	66,675	40,702	66,675	40,702
Withholding tax payable	40,818	63,673	40,734	63,559
Short-term employee benefit payables	107,072	61,753	106,594	61,753
Collateral under derivatives agreements	16,500	-	16,500	-
Others	21,489	24,149	15,644	15,709
Total other liabilities	1,180,072	1,372,766	1,172,236	1,362,192

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

As at June 30, 2019 and December 31, 2018, issued and paid-up share capital and premium on share capital consisted of the following:

	Consolidated and separate financial statements		
	June 30, 2019		
	Issued and paid-up share capital		Premium on share capital
	Number of shares (Thousand shares)	Thousand Baht	Thousand Baht
Balances - beginning of the period	1,707,566	1,707,566	3,360,993
Balances - end of the period	1,707,566	1,707,566	3,360,993

	Consolidated and separate financial statements		
	December 31, 2018		
	Issued and paid-up share capital		Premium on share capital
	Number of shares (Thousand shares)	Thousand Baht	Thousand Baht
Balances - beginning of the period	1,707,566	1,707,566	3,360,993
Balances - end of the period	1,707,566	1,707,566	3,360,993

22. OPERATING SEGMENT

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

Underwriting information classified by insurance categories for the three-month and six-month periods ended June 30, 2019 and 2018 are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements				
	For the three-month period ended June 30, 2019				
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Gross written premium	6,943,263	133,797	11,721	-	7,088,781
Less Premium ceded	(301,318)	-	-	-	(301,318)
Net premium written	6,641,945	133,797	11,721	-	6,787,463
Add (less) Unearned premium reserve (increased) decrease from prior period	203,119	-	(931)	-	202,188
Net earned premium	6,845,064	133,797	10,790	-	6,989,651
Fee and commission income	109,781	-	-	-	109,781
Total underwriting income	6,954,845	133,797	10,790	-	7,099,432
Underwriting expenses					
Life policy reserves increased from prior period	2,478,578	122,484	-	-	2,601,062
Benefit payments under life policies and claims net refundable from reinsurance	5,619,777	19,726	1,838	-	5,641,341
Commissions and brokerage expenses	667,218	10,729	376	2,626	680,949
Other underwriting expenses	78,837	784	99	-	79,720
Total underwriting expenses	8,844,410	153,723	2,313	2,626	9,003,072

(Unit : Thousand Baht)

	Consolidated financial statements				
	For the three-month period ended June 30, 2018				
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Premium written	7,627,101	187,763	10,406	-	7,825,270
Less Premium ceded	(286,332)	-	-	-	(286,332)
Net premium written	7,340,769	187,763	10,406	-	7,538,938
Add (less) Unearned premium reserve (increased) decreased from prior period	99,579	-	(282)	-	99,297
Net earned premium	7,440,348	187,763	10,124	-	7,638,235
Fee and commission income	99,232	-	-	-	99,232
Total underwriting income	7,539,580	187,763	10,124	-	7,737,467
Underwriting expenses					
Life policy reserves increased from prior period	3,104,000	134,591	-	-	3,238,591
Benefit payments under life policies and claims net refundable from reinsurance	5,069,675	12,714	1,757	-	5,084,146
Commissions and brokerage expenses	803,318	15,102	217	2,665	821,302
Other underwriting expenses	201,831	3,680	210	-	205,721
Total underwriting expenses	9,178,824	166,087	2,184	2,665	9,349,760

(Unit : Thousand Baht)

Consolidated financial statements					
For the six-month period ended June 30, 2019					
	Traditional products - no participating dividend	Life annuity products - no participating dividend	Personal accident	Others	Total
Underwriting income					
Premium written	17,214,702	366,316	22,467	-	17,603,485
<u>Less</u> Premium ceded	(769,095)	-	-	-	(769,095)
Net premium written	16,445,607	366,316	22,467	-	16,834,390
<u>Less</u> Unearned premium reserve increased from prior period	(31,964)	-	(1,264)	-	(33,228)
Net earned premium	16,413,643	366,316	21,203	-	16,801,162
Fee and commission income	227,832	-	-	-	227,832
Total underwriting income	16,641,475	366,316	21,203	-	17,028,994
Underwriting expenses					
Life policy reserves increased (decrease) from prior period	(4,143,097)	230,252	-	-	(3,912,845)
Benefit payments under life policies and claims net refundable from reinsurance	22,271,681	35,801	4,012	-	22,311,494
Commissions and brokerage expenses	1,511,028	21,820	662	4,916	1,538,426
Other underwriting expenses	284,018	4,786	278	8	289,090
Total underwriting expenses	19,923,630	292,659	4,952	4,924	20,226,165

(Unit : Thousand Baht)

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

23. OPERATING EXPENSES

For the three-month and six-month periods ended June 30, 2019 and 2018, operating expenses consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2019	2018	2019	2018
Personnel expenses	218,833	252,594	435,128	494,178
Property, plant and equipment expenses	38,679	44,340	82,904	88,052
Taxes and duties	2,618	3,032	3,377	4,065
Other operating expenses	167,453	132,896	277,040	242,435
Total operating expenses	<u>427,583</u>	<u>432,862</u>	<u>798,449</u>	<u>828,730</u>

	(Unit : Thousand Baht)			
	Separate financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2019	2018	2019	2018
Personnel expenses	217,362	252,594	432,166	490,962
Property, plant and equipment expenses	38,574	43,178	82,694	87,823
Taxes and duties	2,618	2,753	3,377	4,066
Other operating expenses	167,411	132,189	277,040	242,036
Total operating expenses	<u>425,965</u>	<u>430,714</u>	<u>795,277</u>	<u>824,887</u>

24. FAIR VALUE GAINS (LOSSES)

For the three-month and six-month periods ended June 30, 2019 and 2018, fair value gains (losses) consisted of the following:

	(Unit: Thousand Baht)			
	Consolidated and separate financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2019	2018	2019	2018
Unrealised loss on remeasuring held-for-trading securities	(812)	(7,932)	(270)	(22,073)
Unrealised gains (losses) on foreign exchange forward contracts	152,364	(138,706)	280,914	(50,576)
Gains (losses) on foreign exchange rate	(21,929)	54,283	(25,974)	59,117
Total fair value gains (losses)	<u>129,623</u>	<u>(92,355)</u>	<u>254,670</u>	<u>(13,532)</u>

25. FAIR VALUE OF FINANCIAL INSTRUMENTS

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

Fair value hierarchy

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

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

Level 1 - Use of quoted market prices in an observable active market for such assets

Level 2 - Use of other observable inputs for such assets whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

As at June 30, 2019 and December 31, 2018, the Company and subsidiaries had the following assets that were measured at fair value using different fair value hierarchy as follows:

	(Unit: Thousand Baht)		
	Consolidated and separate financial statements		
	As at June 30, 2019		
	Level 1	Level 2	Total
Financial assets measured at fair value			
Held-for-trading investments			
Equity instruments	31,145	-	31,145
Available-for-sale investments			
Equity instruments	44,930,553	6,166,259	51,096,812
Debt instruments	-	29,199,746	29,199,746

	(Unit: Thousand Baht)		
	Consolidated and separate financial statements		
	As at December 31, 2018		
	Level 1	Level 2	Total
Financial assets measured at fair value			
Held-for-trading investments			
Equity instruments	33,497	-	33,497
Available-for-sale investments			
Equity instruments	39,533,401	6,083,698	45,617,099
Debt instruments	-	29,554,842	29,554,842

Valuation techniques and inputs to Level 2 valuations

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

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

26. RELATED PARTY TRANSACTIONS

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

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

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

⁽¹⁾ The Company and its subsidiaries have common directors with BBL Asset Management Co., Ltd. and had been considered a related party until May 5, 2018 because the Company and its subsidiaries have no common directors with BBL Asset Management Co., Ltd. since then. However, since November 2, 2018, the Company and its subsidiaries have common directors once again with BBL Asset Management Co., Ltd.

⁽²⁾ It had been considered a related party unit May 1, 2018 because the Company and its subsidiaries have no common directors with Samitivij Pcl. since then.

During the three-month and six-month periods ended June 30, 2019 and 2018, the Company and subsidiaries had significant business transactions with related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course business between the Company and those parties are as follows:

(Unit : Thousand Baht)

	Consolidated financial statements				Pricing policy
	For the three-month periods ended June 30,		For the six-month periods ended June 30,		
	2019	2018	2019	2018	
Related parties					
Premium written	4,464	1,597	7,392	4,325	Normal commercial terms for underwriting
Premium ceded to reinsurers	84,696	60,626	224,532	203,179	Normal commercial terms for reinsurance
Interest income - deposits at banks, promissory notes and debentures	103,566	103,241	205,983	209,761	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	1,590	1,050	2,328	2,162	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	84,406	61,520	210,263	165,630	The declared amount
Rental and service income	3,148	3,119	6,421	5,700	Normal commercial rate on contracts
Brokerage income from securities trading	18,080	6,319	35,582	26,766	Normal commercial terms for securities brokerage
Gain (loss) on forward and swap foreign exchange contracts	96,628	(50)	192,860	(7,269)	Normal commercial terms on contracts
Commission and brokerage	310,042	440,747	720,552	969,390	Normal commercial terms for percentage of premium written
Claim refundable from reinsurance	69,641	70,540	180,202	146,851	Normal commercial terms for underwriting
Claim payment and diagnose charge	4,623	3,508	8,771	10,931	Normal commercial terms for underwriting
Bank charges	38,120	32,607	78,521	76,000	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	505	505	1,022	1,606	Normal commercial terms for underwriting
Building space rental and services	18,333	21,258	36,560	35,673	Head office building: Rental fee of approximately Baht 90 per square meter per month and service fee of Baht 29 per square meter per month for long-term agreement and approximately Baht 44 and Baht 138 per square meter per month and service fees approximately Baht 91 and Baht 307 per square meter per month. Branch office buildings: Rental fees of approximately Baht 100, Baht 150, Baht 188 and Baht 315 per square meter per month and service fees of approximately Baht 342 and Baht 200 per square meter per month
Other services	2,352	2,227	4,111	5,755	Normal commercial terms for services

(Unit : Thousand Baht)

	Separate financial statements				Pricing policy
	For the three-month periods ended June 30,		For the six-month periods ended June 30,		
	2019	2018	2019	2018	
Subsidiaries					
Written premium	-	-	56	-	Normal commercial terms for underwriting
Rental and service income	143	140	288	286	Rate on agreements as those charged by rental and service fees per square meter per month
Related parties					
Written premium	4,464	1,597	7,392	4,325	Normal commercial terms for underwriting
Premium ceded to reinsurers	84,696	60,626	224,532	203,179	Normal commercial terms for reinsurance
Interest income - deposits at banks, promissory notes and debentures	103,556	103,241	205,973	209,761	Same rates as those offered by financial institutions and related companies to general customers
Interest income - mortgage loans	1,590	1,050	2,328	2,162	Same rates as the Company charged to general borrowers who mortgage assets as collateral
Dividend income	84,406	61,520	210,263	165,630	The declared amount
Brokerage income from securities trading	18,080	6,319	35,582	26,766	Normal commercial terms for securities brokerage
Gain (loss) on forward and swap foreign exchange contracts	96,628	(50)	192,860	(7,269)	Normal commercial terms on contracts
Commission and brokerage	310,042	440,747	720,552	969,390	At a mutually agreed percentage of premium written
Claim refundable from reinsurance	69,641	70,540	180,202	146,851	Normal commercial terms for underwriting
Claim payment and diagnose charge	4,623	3,508	8,771	10,931	Normal commercial terms for underwriting
Bank charges	38,332	32,624	78,714	75,981	Same rates as those charged by financial institutions and related companies to general customers
Insurance premium	506	505	1,015	1,600	Normal commercial terms for underwriting
Building space rental and services	18,333	21,258	36,560	35,673	Head office building: Rental fee of approximately Baht 90 per square meter per month and service fee of Baht 29 per square meter per month for long-term agreement and approximately Baht 44 and Baht 138 per square meter per month and service fees approximately Baht 91 and Baht 307 per square meter per month. Branch office buildings: Rental fees of approximately Baht 100, Baht 150, Baht 188 and Baht 315 per square meter per month and service fees of approximately Baht 342 and Baht 200 per square meter per month.
Other services	60	855	343	3,118	Normal commercial terms for services

For the three-month and six-month periods ended June 30, 2019, the premium generated from the Bancassurance distribution channel represented approximately 55.43% and 59.03% of total net premium written, respectively. (June 30, 2018, approximately 56.79% and 65.62% of total net premium written, respectively)

As at June 30, 2019 and December 31, 2018, the balance of the accounts between the Company and those related companies are as follows:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Subsidiaries				
Other liabilities				
Deposits	-	-	66	66
Total other liabilities	-	-	66	66
Related parties				
Deposit at financial institution (included in cash and cash equivalents)	725,237	578,555	712,006	570,847
Investments assets				
Available-for-sale investments - cost				
Domestic equity securities	2,847,244	2,185,247	2,847,244	2,185,247
Domestic units trust	3,468,027	3,462,177	3,468,027	3,462,177
Total available-for-sale investment - cost	6,315,271	5,647,424	6,315,271	5,647,424
<u>Add</u> Unrealised gains	2,969,357	2,007,586	2,969,357	2,007,586
Total available-for-sale investments - fair value	9,284,628	7,655,010	9,284,628	7,655,010
Held-to-maturity investments - cost/amortised cost				
Private enterprise debt securities	2,945,000	2,945,000	2,945,000	2,945,000
Foreign debt securities	5,873,401	5,729,391	5,873,401	5,729,391
Total held-to-maturity investment - cost/amortised cost	8,818,401	8,674,391	8,818,401	8,674,391
General investments - foreign equity securities	69,414	11,167	69,414	11,167
Loans	85,242	47,614	85,242	47,614
Total investments assets	18,257,685	16,388,182	18,257,685	16,388,182

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	June 30, 2019	December 31, 2018	June 30, 2019	December 31, 2018
Related parties (continued)				
Amount due from reinsurance	224,594	222,375	224,594	222,375
Forward and swap foreign exchange contract receivable	7,058,393	8,139,953	7,058,393	8,139,953
Other assets				
Accrued income	2,812	5,867	-	-
Prepaid rental expenses	16,721	22,617	16,721	22,617
Prepaid expense	1,013	15	1,013	15
Total other assets	<u>20,546</u>	<u>28,499</u>	<u>17,734</u>	<u>22,632</u>
Amount due to reinsurance	204,102	145,082	204,102	145,082
Outstanding claims	403	1,626	403	1,626
Forward and swap foreign exchange contract payable	6,903,344	8,155,733	6,903,344	8,155,733
Other liabilities				
Accrued commission	193,091	268,975	193,091	268,975
Accrued Premium	6,289	8,439	-	-
Accrued rental and service expense	84	60	84	60
Total other liabilities	<u>199,464</u>	<u>277,474</u>	<u>193,175</u>	<u>269,035</u>

Directors and key management's benefits

During the three-month and six-month periods ended June 30, 2019 and 2018, employee benefit expenses to directors and key management are as follows:

	(Unit : Million Baht)			
	Consolidated financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2019	2018	2019	2018
Short-term employee benefits	17.92	10.10	36.93	22.50
Long-term employee benefits	0.39	0.40	0.78	1.50
Total directors and management's benefits	<u>18.31</u>	<u>10.50</u>	<u>37.71</u>	<u>24.00</u>

	(Unit : Million Baht)			
	Separate financial statements			
	For the three-month periods ended June 30,		For the six-month periods ended June 30,	
	2019	2018	2019	2018
Short-term employee benefits	17.92	10.10	36.93	22.50
Long-term employee benefits	0.38	0.20	0.76	1.30
Total directors and management's benefits	<u>18.30</u>	<u>10.30</u>	<u>37.69</u>	<u>23.80</u>

27. ASSETS PLACED WITH THE REGISTRAR

As at June 30, 2019 and December 31, 2018, the following securities have been placed securities with the Registrar in accordance with the Life Insurance Act.

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	June 30, 2019		December 31, 2018	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
State enterprise bonds	23,089	26,176	23,127	24,881

28. ASSETS RESERVED WITH THE REGISTRAR

As at June 30, 2019 and December 31, 2018, the following securities have been placed as reserves with the Registrar in accordance with the Life Insurance Act.

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	June 30, 2019		December 31, 2018	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Government bonds	59,554,723	70,341,295	58,433,626	65,717,481
State enterprise bonds	4,899,977	5,059,085	4,899,967	5,359,018
Total	64,454,700	75,400,380	63,333,593	71,076,499

29. EARNINGS PER SHARE

Basic earnings per share for the three-month periods ended June 30, 2019 and 2018 were as follows:

	Consolidated financial statement					
	For the three-month period ended June 30,					
	Continuing operations		Discontinued operation		Total	
	2019	2018	2019	2018	2019	2018
Net profits (losses) (Thousand Baht)	1,016,408	1,234,098	(118)	(3,841)	1,016,290	1,230,257
Number of share capital (Thousand shares)	1,707,566	1,707,566	1,707,566	1,707,566	1,707,566	1,707,566
Basic earnings (losses) per share (Thousand Baht)	0.595	0.723	(0.001)	(0.002)	0.594	0.721

	Separate financial statement	
	For the three-month period ended June 30,	
	2019	2018
Net profits (Thousand Baht)	1,015,056	1,181,866
Number of share capital (Thousand shares)	1,707,566	1,707,566
Basic earnings per share (Thousand Baht)	0.594	0.692

Basic earnings per share for the six-month periods ended June 30, 2019 and 2018 were as follows:

	Consolidated financial statement					
	For the six-month periods ended June 30,					
	Continuing operations		Discontinued operation		Total	
	2019	2018	2019	2018	2019	2018
Net profits (losses) (Thousand Baht)	2,303,035	2,993,091	(988)	(6,906)	2,302,047	2,986,185
Number of share capital (Thousand shares)	1,707,566	1,707,566	1,707,566	1,707,566	1,707,566	1,707,566
Basic earnings (losses) per share (Thousand Baht)	1.349	1.753	(0.001)	(0.004)	1.348	1.749

	Separate financial statement	
	For the six-month periods ended June 30,	
	2019	2018
Net profits (Thousand Baht)	2,300,990	2,940,800
Number of share capital (Thousand shares)	1,707,566	1,707,566
Basic earnings per share (Thousand Baht)	1.347	1.722

30. DIVIDENDS PAID

Dividends declared during the six-month periods ended June 30, 2019 and 2018, consisted of the following:

	Approved by	Total dividend (Million Baht)	Dividend per share (Baht)
Annual dividend for 2018	Annual General Meeting of the Shareholders on April 26, 2019 and the OIC on April 18, 2019	682	0.40
Total dividend for the period 2019		682	0.40
Annual dividend for 2017	Annual General Meeting of the Shareholders on April 27, 2018 and the OIC on April 18, 2018	375	0.22
Total dividend for the period 2018		375	0.22

31. COMMITMENTS

- 31.1 As at June 30, 2019 and December 31, 2018, the Company has construction building agreement with local companies totaling of Baht 59 million and Baht 55.47 million, respectively. The Company has commitments to be paid according to the agreements amounting to Baht 25.04 million and Baht 34.40 million, respectively.
- 31.2 The Company and subsidiaries have entered into several lease agreements in respect of the lease of office building space, motor vehicles and equipment. The terms of the agreements are generally between 1 and 5 years for leases of building space and are generally between 1 and 5 years for leases of motor vehicles and equipment. Such agreements are non-cancellable.

As at June 30, 2019 and December 31, 2018, future minimum lease payments required under these non-cancellable operating lease contracts were as follows:

(Unit: Million Baht)

	Consolidated financial statements		
	June 30, 2019		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements			
- Related parties	9.10	1.03	10.13
Operating lease agreements			
- Other parties	17.07	12.53	29.60
Service agreements	19.71	2.21	21.92
Total	45.88	15.77	61.65

(Unit: Million Baht)

	Consolidated financial statements		
	December 31, 2018		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements			
- Related parties	26.92	9.69	36.61
Operating lease agreements			
- Other parties	17.67	15.02	32.69
Service agreements	0.23	0.02	0.25
Total	44.82	24.73	69.55

(Unit: Million Baht)

	Separate financial statements		
	June 30, 2019		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements			
- Related parties	9.10	1.03	10.13
Operating lease agreements			
- Other parties	16.91	12.50	29.41
Service agreements	19.71	2.21	21.92
Total	45.72	15.74	61.46

(Unit: Million Baht)

	Separate financial statements		
	December 31, 2018		
	Pay within		
	1 year	1 - 5 years	Total
Operating lease agreements			
- Related parties	26.92	9.69	36.61
Operating lease agreements			
- Other parties	17.52	14.96	32.48
Service agreements	0.21	-	0.21
Total	44.65	24.65	69.30

The Company and subsidiaries recognized rental expense derived from the operating leases for the three-month and six-month periods ended June 30, 2019 amounting to Baht 10.48 million and Baht 21.41 million, respectively. (June 30, 2018 amounting to Baht 14.80 million and Baht 31.90 million, respectively)

- 31.3 As at June 30, 2019 and December 31, 2018, the Company may need to deposit additional amounts in the future under the investment conditions as described in Note 9.5 (a), as summarised below.

(Unit: Thousand Baht)

Payable within	Consolidated and separate financial statements	
	June 30, 2019	December 31, 2018
1 year	900,000	1,200,000

- 31.4 As at June 30, 2019 and December 31, 2018, the Company had bank guarantee issued by banks Baht 2.2 million and Baht 2.2 million, respectively.

32. LITIGATION

As at June 30, 2019 and December 31, 2018, the Company has been sued in litigation cases of compensation of claims totaling approximately Baht 9 million and Baht 12 million, respectively, for being the insurer and the cases have yet been finalised. The Company has not yet provided for any provision for loss on such cases since there is still uncertainty with respect to the outcome of the cases.

33. EVENT AFTER THE REPORTING PERIOD

At the Company's Board of Directors' meeting held on August 13, 2019, the Board of Directors passed a resolution to approve a dividend payment of Baht 0.32 per share. However, the payment of dividend must be approved by the Office of Insurance Commission.

34. RECLASSIFICATION

The statements of financial position as at December 31, 2018 has been reclassified to conform to the classification used in the current year's financial statements but there is no effect to previously reported net profit or shareholders' equity. The reclassifications are as follows:

Items	Previous presentation	Current presentation	Consolidated	Separate Financial
			Financial Statements	Statements
			(Thousand Baht)	(Thousand Baht)
Statement of financial position as at December 31, 2018				
Unpaid policy benefits	Other liabilities	Insurance contract liabilities	43,256	43,256

The consolidated and separate statements of cash flows for the six-month period ended June 30, 2018 have been reclassified to conform to the above reclassifications.

35. APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

These consolidation and separate interim financial statements were authorised for issue by the Board of Directors on August 13, 2019.