

Phillip Life Assurance Public Company Limited
Review report and interim financial statements
30 June 2019



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Independent Auditor's Report on Review of Interim Financial Information

To the shareholders of Phillip Life Assurance Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Phillip Life Assurance Public Company Limited and its subsidiary as at 30 June 2019, the consolidated statements of comprehensive income for the three-month and the six-month periods then ended, the consolidated statements of changes in owners' equity and cash flows for the six-month period then ended, as well as the condensed notes to the consolidated financial statements, and have also reviewed the separated financial information of Phillip Life Assurance Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34: Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Rachada Yongsawadvanich
Certified Public Accountant (Thailand) No. 4951

EY Office Limited
Bangkok: 8 August 2019

Phillip Life Assurance Public Company Limited and its subsidiary

Statements of financial position

As at 30 June 2019 and 31 December 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2019	31 December 2018	30 June 2019	31 December 2018
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash and cash equivalents	5	641,479,296	236,188,519	636,450,154	231,189,606
Premium receivables - net	6	73,203,423	94,898,717	73,203,423	94,898,717
Accrued investment income - net	10	78,253,597	65,912,306	78,253,597	65,912,306
Reinsurance assets	7	3,934,736	917,416	3,934,736	917,416
Reinsurance receivables	8	610,865	360,601	610,865	360,601
Investment assets					
Investments in securities - net	9, 25	8,255,184,129	8,069,482,168	8,255,184,129	8,069,482,168
Loans - net	10	1,041,599,654	1,125,885,294	1,041,599,654	1,125,885,294
Investment in a subsidiary	11	-	-	4,903,730	4,915,376
Premises and equipment - net	12	254,032,176	254,228,306	254,032,176	254,228,306
Intangible asset	13	15,056,874	16,684,069	15,056,874	16,684,069
Other assets - net	14	42,738,403	59,608,538	42,789,388	59,686,169
Total assets		10,406,093,153	9,924,165,934	10,406,018,726	9,924,160,028

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



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Phillip Life Assurance Public Company Limited and its subsidiary
 Statements of financial position (Continued)
 As at 30 June 2019 and 31 December 2018

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements		
	30 June 2019	31 December 2018	30 June 2019	31 December 2018	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Liabilities and owners' equity					
Liabilities					
Insurance contract liabilities	15	8,421,379,795	8,021,322,365	8,421,379,795	8,021,322,365
Reinsurance payables	16	2,684,097	5,108,736	2,684,097	5,108,736
Employee benefit obligations	17	57,948,272	38,764,995	57,948,272	38,764,995
Deferred tax liabilities	18	120,606,811	52,138,358	120,606,811	52,138,358
Other liabilities	19	170,384,809	233,634,768	170,316,273	233,634,767
Total liabilities		8,773,003,784	8,350,969,222	8,772,935,248	8,350,969,221
Owners' equity					
Share capital					
Registered					
640,000,000 ordinary shares of Baht 6.25 each	20	4,000,000,000	4,000,000,000	4,000,000,000	4,000,000,000
Issued and paid-up					
533,500,000 ordinary shares of Baht 6.25 each (31 December 2018: 501,500,000 ordinary shares of Baht 6.25 each)	20	3,334,375,000	3,134,375,000	3,334,375,000	3,134,375,000
Share subscription receivable	21	(1,128,406)	(1,128,406)	(1,128,406)	(1,128,406)
Issued and paid-up		3,333,246,594	3,133,246,594	3,333,246,594	3,133,246,594
Share subscription receivable	21	(71,089,769)	(71,089,769)	(71,089,769)	(71,089,769)
Deficits		(2,111,500,591)	(1,697,519,451)	(2,111,500,591)	(1,697,519,451)
Other component of owners' equity					
Revaluation surplus on available-for-sale investments - net of income taxes	9.3	482,427,244	208,553,433	482,427,244	208,553,433
Equity attributable to equity holders of the Company		1,633,083,478	1,573,190,807	1,633,083,478	1,573,190,807
Non-controlling interests of the subsidiary		5,891	5,905	-	-
Total owners' equity		1,633,089,369	1,573,196,712	1,633,083,478	1,573,190,807
Total liabilities and owners' equity		10,406,093,153	9,924,165,934	10,406,018,726	9,924,160,028

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

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(Unaudited but reviewed)

Phillip Life Assurance Public Company Limited and its subsidiary

Statements of comprehensive income

For the three-month periods ended 30 June 2019 and 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit or loss:					
Revenues					
Premium written		403,684,389	316,169,740	403,684,389	316,169,740
Less: Premium ceded to reinsurers		(2,564,882)	(2,294,334)	(2,564,882)	(2,294,334)
Net premium written		401,119,507	313,875,406	401,119,507	313,875,406
Less: Unearned premium reserves increased from prior period		(5,987,262)	(19,270,789)	(5,987,262)	(19,270,789)
Earned premium after reinsurance		395,132,245	294,604,617	395,132,245	294,604,617
Net investment revenues		97,401,067	107,030,027	97,391,360	107,030,027
Gains (losses) on investments		(5,729,494)	22,431,923	(5,729,494)	22,431,923
Fair value gains (losses)		(13,528,009)	7,649,901	(13,528,009)	7,649,901
Share of loss from investment in a subsidiary under equity method		-	-	(11,646)	-
Other income		305,996	(194,924)	305,644	(194,924)
Total revenues		473,581,805	431,521,544	473,560,100	431,521,544
Expenses					
Long-term life insurance policy reserves increased (decreased)					
from prior period		245,984,402	(94,561,864)	245,984,402	(94,561,864)
Benefit payments under life policies and gross claims		278,122,738	164,789,073	278,122,738	164,789,073
Less: Benefit payments under life policies and					
claims refundable from reinsurance		(2,492,908)	6,373,796	(2,492,908)	6,373,796
Commission and brokerage expenses		108,587,822	91,424,935	108,587,053	91,424,935
Other underwriting expenses		4,121,163	3,228,186	4,121,163	3,228,186
Operating expenses	22	100,014,741	38,243,531	99,993,791	38,243,531
Other expenses		2,032	(213,141)	2,032	(213,141)
Total expenses		734,339,990	209,284,516	734,318,271	209,284,516
Profit (loss) before income tax expenses		(260,758,185)	222,237,028	(260,758,171)	222,237,028
Income tax expenses	18.2	-	-	-	-
Profit (loss) for the periods		(260,758,185)	222,237,028	(260,758,171)	222,237,028

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



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(Unaudited but reviewed)

Phillip Life Assurance Public Company Limited and its subsidiary

Statements of comprehensive income (Continued)

For the three-month periods ended 30 June 2019 and 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Other comprehensive income (loss):					
Items to be recognised in profit or loss in subsequent periods:					
Gains (losses) on valuation of available-for-sale investments		157,163,969	(314,802,358)	157,163,969	(314,802,358)
Add (less): Income taxes	18.2	(31,432,794)	62,960,471	(31,432,794)	62,960,471
Items to be recognised in profit or loss					
in subsequent periods - net of income taxes		125,731,175	(251,841,887)	125,731,175	(251,841,887)
Items not to be recognised in profit or loss in subsequent periods:					
Actuarial losses		(4,266,024)	-	(4,266,024)	-
Items not to be recognised in profit or loss in subsequent					
periods - net of income taxes		(4,266,024)	-	(4,266,024)	-
Other comprehensive income (loss) for the periods		121,465,151	(251,841,887)	121,465,151	(251,841,887)
Total comprehensive loss for the periods		(139,293,034)	(29,604,859)	(139,293,020)	(29,604,859)
Profit (loss) for the periods attributable to:					
The Company's shareholders		(260,758,171)	222,237,028	(260,758,171)	222,237,028
Non-controlling interests of the subsidiary		(14)	-		
		(260,758,185)	222,237,028		
Total comprehensive loss for the periods attributable to:					
The Company's shareholders		(139,293,020)	(29,604,859)	(139,293,020)	(29,604,859)
Non-controlling interests of the subsidiary		(14)	-		
		(139,293,034)	(29,604,859)		
Earnings per share					
23					
Basic earnings per share					
Profit (loss) for the periods		(0.49)	0.49	(0.49)	0.49

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



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(Unaudited but reviewed)

Phillip Life Assurance Public Company Limited and its subsidiary

Statements of comprehensive income

For the six-month periods ended 30 June 2019 and 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Profit or loss:					
Revenues					
Premium written		758,018,171	575,873,447	758,018,171	575,873,447
Less: Premium ceded to reinsurers		(3,925,017)	(3,854,111)	(3,925,017)	(3,854,111)
Net premium written		754,093,154	572,019,336	754,093,154	572,019,336
Less: Unearned premium reserves increased from prior period		(6,596,669)	(13,018,256)	(6,596,669)	(13,018,256)
Earned premium after reinsurance		747,496,485	559,001,080	747,496,485	559,001,080
Net investment revenues		202,088,580	196,133,022	202,078,873	196,133,022
Gains (losses) on investments		(63,097,532)	50,311,758	(63,097,532)	50,311,758
Fair value gains (losses)		(17,347,214)	(2,561,002)	(17,347,214)	(2,561,002)
Share of loss from investment in a subsidiary under equity method		-	-	(11,646)	(749)
Other income		475,316	285,021	474,964	285,021
Total revenues		869,615,635	803,169,879	869,593,930	803,169,130
Expenses					
Long-term life insurance policy reserves increased (decreased)					
from prior period		356,529,186	(158,655,602)	356,529,186	(158,655,602)
Benefit payments under life policies and gross claims		506,134,605	339,686,317	506,134,605	339,686,317
Less: Benefit payments under life policies and					
claims refundable from reinsurance		(3,497,260)	6,346,365	(3,497,260)	6,346,365
Commission and brokerage expenses		215,401,041	147,753,581	215,400,272	147,753,581
Other underwriting expenses		8,743,263	6,204,234	8,743,263	6,204,234
Operating expenses	22	196,017,891	119,955,720	195,996,941	119,954,970
Other expenses		2,039	(207,891)	2,039	(207,891)
Total expenses		1,279,330,765	461,082,724	1,279,309,046	461,081,974
Profit (loss) before income tax expenses		(409,715,130)	342,087,155	(409,715,116)	342,087,156
Income tax expenses	18.2	-	-	-	-
Profit (loss) for the periods		(409,715,130)	342,087,155	(409,715,116)	342,087,156

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



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(Unaudited but reviewed)

Phillip Life Assurance Public Company Limited and its subsidiary

Statements of comprehensive income (Continued)

For the six-month periods ended 30 June 2019 and 2018

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2019	2018	2019	2018
Other comprehensive income (loss):					
Items to be recognised in profit or loss in subsequent periods:					
Gains (losses) on valuation of available-for-sale investments		342,342,264	(423,132,801)	342,342,264	(423,132,801)
Add (less): Income taxes	18.2	(68,468,453)	84,626,560	(68,468,453)	84,626,560
Items to be recognised in profit or loss					
in subsequent periods - net of income taxes		273,873,811	(338,506,241)	273,873,811	(338,506,241)
Items not to be recognised in profit or loss in subsequent periods:					
Actuarial losses		(4,266,024)	-	(4,266,024)	-
Items not to be recognised in profit or loss in subsequent					
periods - net of income taxes		(4,266,024)	-	(4,266,024)	-
Other comprehensive income (loss) for the periods		269,607,787	(338,506,241)	269,607,787	(338,506,241)
Total comprehensive income (loss) for the periods		(140,107,343)	3,580,914	(140,107,329)	3,580,915
Profit (loss) for the periods attributable to:					
The Company's shareholders		(409,715,116)	342,087,156	(409,715,116)	342,087,156
Non-controlling interests of the subsidiary		(14)	(1)		
		<u>(409,715,130)</u>	<u>342,087,155</u>		
Total comprehensive income (loss) for the periods attributable to:					
The Company's shareholders		(140,107,329)	3,580,915	(140,107,329)	3,580,915
Non-controlling interests of the subsidiary		(14)	(1)		
		<u>(140,107,343)</u>	<u>3,580,914</u>		
Earnings per share					
23					
Basic earnings per share					
Profit (loss) for the periods		(0.79)	0.75	(0.79)	0.75

The accompanying notes are an integral part of the financial



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(Unaudited but reviewed)

Phillip Life Assurance Public Company Limited and its subsidiary

Statements of changes in owners' equity

For the six-month periods ended 30 June 2019 and 2018

(Unit: Baht)

Consolidated financial statement

	Equity attributable to equity holders of the Company							Total
	Note	Equity attributable to equity holders of the Company			Other component of equity			
		Issued and paid-up share capital	Share subscription receivable	Deficits	Revaluation surplus on available-for-sale investments - net of income taxes	Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of the subsidiary	
Balance as at 1 January 2018		2,833,246,594	(71,089,769)	(1,685,451,204)	601,967,263	1,678,672,884	5,968	1,678,678,852
Profit for the period		-	-	342,087,156	-	342,087,156	(1)	342,087,155
Other comprehensive loss for the period		-	-	-	(338,506,241)	(338,506,241)	-	(338,506,241)
Total comprehensive income (loss) for the period		-	-	342,087,156	(338,506,241)	3,580,915	(1)	3,580,914
Balance as at 30 June 2018		2,833,246,594	(71,089,769)	(1,343,364,048)	263,461,022	1,682,253,799	5,967	1,682,259,766
Balance as at 1 January 2019		3,133,246,594	(71,089,769)	(1,697,519,451)	208,553,433	1,573,190,807	5,905	1,573,196,712
Loss for the period		-	-	(409,715,116)	-	(409,715,116)	(14)	(409,715,130)
Other comprehensive income (loss) for the period		-	-	(4,266,024)	273,873,811	269,607,787	-	269,607,787
Total comprehensive income (loss) for the period		-	-	(413,981,140)	273,873,811	(140,107,329)	(14)	(140,107,343)
Issuance of additional ordinary shares	20	200,000,000	-	-	-	200,000,000	-	200,000,000
Balance as at 30 June 2019		3,333,246,594	(71,089,769)	(2,111,500,591)	482,427,244	1,633,083,478	5,891	1,633,089,369

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

(Unaudited but reviewed)

Phillip Life Assurance Public Company Limited and its subsidiary



Statements of changes in owners' equity (Continued)

For the six-month periods ended 30 June 2019 and 2018

(Unit: Baht)

Separate financial statements

	Note	Issued and paid-up share capital	Share subscription receivable	Deficits	Other component of equity		
					Revaluation surplus on available-for-sale investments - net	of income taxes	Total
Balance as at 1 January 2018		2,833,246,594	(71,089,769)	(1,685,451,204)	601,967,263	1,678,672,884	
Profit for the period		-	-	342,087,156	-	342,087,156	
Other comprehensive loss for the period		-	-	-	(338,506,241)	(338,506,241)	
Total comprehensive income (loss) for the period		-	-	342,087,156	(338,506,241)	3,580,915	
Balance as at 30 June 2018		2,833,246,594	(71,089,769)	(1,343,364,048)	263,461,022	1,682,253,799	
Balance as at 1 January 2019		3,133,246,594	(71,089,769)	(1,697,519,451)	208,553,433	1,573,190,807	
Loss for the period		-	-	(409,715,116)	-	(409,715,116)	
Other comprehensive income (loss) for the period		-	-	(4,266,024)	273,873,811	269,607,787	
Total comprehensive income (loss) for the period		-	-	(413,981,140)	273,873,811	(140,107,329)	
Issuance of additional ordinary shares	20	200,000,000	-	-	-	200,000,000	
Balance as at 30 June 2019		3,333,246,594	(71,089,769)	(2,111,500,591)	482,427,244	1,633,083,478	



The accompanying notes are an integral part of the financial statements

(Unaudited but reviewed)

Phillip Life Assurance Public Company Limited and its subsidiary

Statements of cash flows

For the six-month periods ended 30 June 2019 and 2018

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2019	2018	2019	2018
Cash flows from (used in) operating activities				
Gross premium from direct insurance	779,546,978	562,229,413	779,546,978	562,229,413
Cash paid from reinsurance	(6,102,660)	(4,956,887)	(6,102,660)	(4,956,887)
Interest income	124,992,827	146,017,126	124,983,120	146,017,126
Dividend income	56,512,297	67,087,500	56,512,297	67,087,500
Other income	456,881	263,097	456,529	263,097
Benefit payments under life policies and gross claims from direct insurance	(469,220,348)	(352,175,331)	(469,220,348)	(352,175,331)
Commission and brokerage expenses on direct insurance	(266,302,398)	(144,497,598)	(266,301,629)	(144,497,598)
Other underwriting expenses	(8,310,660)	(6,163,380)	(8,310,660)	(6,163,380)
Operating expenses	(144,085,170)	(125,367,426)	(144,106,109)	(125,367,426)
Other expenses	(2,030)	213,780	(2,030)	213,780
Investments in securities	75,041,576	(587,026,799)	75,041,576	(587,026,799)
Loans	85,209,285	18,697,069	85,209,285	18,697,069
Net cash provided by (used in) operating activities	227,736,578	(425,679,436)	227,706,349	(425,679,436)
Cash flows from (used in) investing activities				
Building and equipment	(21,561,654)	(142,615,812)	(21,561,654)	(156,784,453)
Intangible assets	(884,147)	(14,168,641)	(884,147)	-
Net cash used in investing activities	(22,445,801)	(156,784,453)	(22,445,801)	(156,784,453)
Cash flows from (used in) financial activities				
Proceeds from issuance of additional shares	200,000,000	-	200,000,000	-
Net cash provided by financing activities	200,000,000	-	200,000,000	-
Net increase (decrease) in cash and cash equivalents	405,290,777	(582,463,889)	405,260,548	(582,463,889)
Cash and cash equivalents at beginning of the periods	236,188,519	655,466,393	231,189,606	650,466,393
Cash and cash equivalents at end of the periods	641,479,296	73,002,504	636,450,154	68,002,504

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



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Phillip Life Assurance Public Company Limited and its subsidiary

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Phillip Life Assurance Public Company Limited

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2019 and 2018

1. Corporate information

Phillip Life Assurance Public Company Limited (the "Company") was established as a limited company under Thai laws and domiciled in Thailand whereby on 13 March 2014, the Company registered the change of its status to be a public company. As at 30 June 2019 and 31 December 2018, its major shareholder is Phillip Life Company Limited, which was incorporated in Singapore, holding 98.94% and 98.87%, respectively, of the issued and paid-up share capital of the Company.

The Company is principally engaged in the provision of life insurance services. The registered office of the Company is located at No. 849, Vorawat Building, Silom Road, Silom Sub-district Bangrak District, Bangkok. As of 30 June 2019 and 31 December 2018, the Company had altogether 27 branches and 27 branches, respectively.

2. Basis of preparation of financial statements

2.1 Basis of preparation of interim financial statements

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 Interim Financial Reporting and in accordance with the format of financial statements specified in the Notification of the Office of Insurance Commission ("OIC") regarding criteria, procedures, conditions and terms for preparation and submission of financial statements and operating performance reports of life insurance companies B.E. 2559 dated 4 March 2016, whereby the Company choose to present condensed interim financial statements. However, the Company has presented each line items in the statement of financial position, comprehensive income, changes in owners' equity and cash flows in the same format as that used for annual financial statements.

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

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

2.2 Basis of consolidation

- (a) The consolidated financial statements include the financial statements of Phillip Life Assurance Public Company Limited (“the Company”) and the following subsidiary (collectively called “the Group”).

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			30 June 2019 (Percent)	31 December 2018 (Percent)
Phillip Insurance Broker Company Limited	Non-life insurance broker	Thailand	99.88	99.88

- (b) Subsidiary is fully consolidated, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases.
- (c) The financial statements of the subsidiary is prepared using the same significant accounting policies as the Company.
- (d) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
- (e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 Separate financial statements

The Company prepares its separate financial statements, which have presented investment in a subsidiary under the equity method.

3. New financial reporting standard

(a) Financial reporting standards that became effective in the current period

During the period, the Group has adopted the revised (revised 2018) and new financial reporting standards and interpretations which are effective for fiscal periods beginning on or after 1 January 2019. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements. However, the new standard that involves changes to key principles is summarised below:

IFRS 15 Revenue from Contracts with Customers

IFRS 15 supersedes the following accounting standards together with related Interpretations.

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TSIC 31 (revised 2017)	Revenue - Barter Transactions Involving Advertising Services
TFRIC 13 (revised 2017)	Customer Loyalty Programmes
TFRIC 15 (revised 2017)	Agreements for the Construction of Real Estate
TFRIC 18 (revised 2017)	Transfers of Assets from Customers

Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

This standard does not have any significant impact on these financial statements.

TFRS 4 (revised 2018) Insurance contracts

This standard provides an option to the qualifying insurers under such standard to use a temporary exemption from application of TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures on certain topics and to apply the same topics in accordance Thai Accounting Guidance related to financial instruments and disclosures applicable to insurance business instead for the financial reporting period beginning before 1 January 2022 or before the effective date of TFRS 17 Insurance Contracts.

The Company's management is currently considering the alternatives as discussed above.

(b) Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2020

The Federation of Accounting Professions issued a number of new financial reporting standards and interpretations, which are effective for fiscal years beginning on or after 1 January 2020. These new standards involve changes to key principles, which are summarised below.

Financial reporting standards related to financial instruments

A set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 7 Financial Instruments: Disclosures

TFRS 9 Financial Instruments

Accounting standard:

TAS 32 Financial Instruments: Presentation

Financial Reporting Standard Interpretations:

TFRIC 16 Hedges of a Net Investment in a Foreign Operation

TFRIC 19 Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The Group's management is currently evaluating the impact of these standards to the financial statements in the year when they are adopted and considering the alternatives as allowed by TFRS 4 (revised 2018) Insurance Contracts to the qualifying insurers.

TFRS 16 Leases

TFRS 16 supersedes TAS 17 Leases together with related Interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases, and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is low value.

Accounting by lessors under TFRS 16 is substantially unchanged from TAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles to those used under TAS 17.

The Group's management is currently evaluating the impact of this standard on the financial statements in the year when it is adopted.

4. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as those were used for the financial statements for the year ended 31 December 2018, except for the changes in accounting policy as a result of the adoption of new standard as discussed in Note 3 (a) to the interim financial statements.

5. Cash and cash equivalents

As at 30 June 2019 and 31 December 2018, the Group had cash and cash equivalent as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
Cash on hand	564	1,367	564	1,367
Deposits at banks with no fixed maturity date	211,052	234,822	206,023	229,823
Government bond which matured less than 3 months	429,863	-	429,863	-
Cash and cash equivalents	641,479	236,189	636,450	231,190

(Unaudited but reviewed)

6. Premium receivables

As at 30 June 2019 and 31 December 2018, the outstanding balances of premium receivables, classified by overdue periods, counted from due date of the grace-periods, were as follows:

(Unit: Thousand Baht)

Consolidated and separate
financial statements

	Direct insurance	
	30 June 2019	31 December 2018
Not yet due	73,115	94,881
Overdue not over 30 days	9	6
Overdue 31 - 60 days	59	2
Overdue 61 - 90 days	-	4
Overdue longer than 90 days	5,702	5,854
Total premium receivables	78,885	100,747
Less: Allowance for doubtful accounts	(5,682)	(5,848)
Premium receivables - net	73,203	94,899

For insurance policies with individuals, the grace periods are 30 - 60 days after the due dates. For overdue insurance policies having a cash value greater than the amounts of overdue premium receivables, the overdue premium receivables will be automatically settled under the conditions of the automatic policy loans.

7. Reinsurance assets

As at 30 June 2019 and 31 December 2018, reinsurance assets consisted of reserves refundable from reinsurers as follows:

(Unit: Thousand Baht)

Consolidated and separate
financial statements

	30 June 2019	31 December 2018
	Insurance reserve refundable from reinsurers	
Unearned premium reserves	935	917
Unpaid policy benefits	3,000	-
Reinsurance assets	3,935	917

8. Reinsurance receivables

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

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	30 June 2019	31 December 2018
Amounts due from reinsurers	611	361
Reinsurance receivables	611	361

9. Investments in securities**9.1 Classified by investment type**

	(Unit: Thousand Baht)			
	Consolidated and separate financial statements			
	30 June 2019		31 December 2018	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments				
Investment units	687,825	697,036	1,489,230	1,484,547
Total	687,825	697,036	1,489,230	1,484,547
Add (less): Unrealised gains (losses)	9,211		(4,683)	
Trading investments - net	697,036		1,484,547	
Available-for-sale investments				
Government and state enterprise securities	1,639,599	1,827,848	1,852,517	2,011,905
Private sector debt securities	3,350,941	3,544,639	2,182,731	2,312,757
Equity securities	2,025,636	2,183,923	2,332,719	2,258,552
Warrants	14	24	9	7
Total	7,016,190	7,556,434	6,367,976	6,583,221
Add (less): Unrealised gains (losses)				
from revaluation	634,292		323,128	
from translation of foreign currencies	(62,780)		(45,447)	
Total	571,512		277,681	
Less: Allowance for impairment	(31,268)		(62,436)	
Available-for-sale investments - net	7,556,434		6,583,221	
General investment				
Equity securities - ordinary shares	1,714		1,714	
Total general investment	1,714		1,714	
Investments in securities - net	8,255,184		8,069,482	

9.2 Investments subject to restrictions

As at 30 June 2019 and 31 December 2018, the Company had government and state enterprise bonds and private debentures placed as securities as described in Note 25 to the interim financial statements.

9.3 Revaluation surplus on available-for-sale investments

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	For the six-month period ended 30 June 2019	For the year ended 31 December 2018
Revaluation surplus on available-for-sale investments		
- beginning of the periods	260,692	752,459
Gains (losses) on revaluation of available-for-sale investments	245,834	(446,981)
(Gains) losses on sales of available-for-sale investments during the periods transferred to be recognised in profit or loss	96,508	(44,786)
Revaluation surplus on available-for-sale investments - end of the periods	603,034	260,692
Less: Income taxes	(120,607)	(52,138)
Revaluation surplus on available-for-sale investments - net of income taxes	482,427	208,554

10. Loans and interest receivables

As at 30 June 2019 and 31 December 2018, the balances of loans and interest receivables were classified by overdue periods of principal and interest receivables as follows:

(Unit: Thousand Baht)

Consolidated and separate financial statements									
30 June 2019									
Overdue periods	Policy loans		Mortgage loans		Other loans		Total		Total
	Principal	Interest receivables ⁽¹⁾	Principal	Interest receivables ⁽¹⁾	Principal	Interest receivables ⁽¹⁾	Principal	Interest receivables ⁽¹⁾	
Not yet due	518,642	18,363	59,193	1,811	233	-	578,068	20,174	598,242
Past due									
Less than 3 months	-	-	28,110	986	-	-	28,110	986	29,096
3 - 6 months	-	-	1,328	3	-	-	1,328	3	1,331
6 - 12 months	-	-	4,940	89	-	-	4,940	89	5,029
Over 12 months	-	-	509,316	20,538	5,079	302	514,395	20,840	535,235
Total loans and interest receivables	518,642	18,363	602,887	23,427	5,312	302	1,126,841	42,092	1,168,933
Less: Allowance for doubtful accounts	-	-	(80,162)	(16,085)	(5,079)	(302)	(85,241)	(16,387)	(101,628)
Loans and interest receivables - net	518,642	18,363	522,725	7,342	233	-	1,041,600	25,705	1,067,305

⁽¹⁾ Presented as a part of "Accrued investment income - net" in the statements of financial position.

(Unit: Thousand Baht)

Consolidated and separate financial statements									
31 December 2018									
Overdue periods	Policy loans		Mortgage loans		Other loans		Total		Total
	Principal	Interest receivables ⁽¹⁾	Principal	Interest receivables ⁽¹⁾	Principal	Interest receivables ⁽¹⁾	Principal	Interest receivables ⁽¹⁾	
Not yet due	522,004	16,016	58,260	1,984	164	-	580,428	18,000	598,428
Past due									
Less than 3 months	-	-	29,067	978	-	-	29,067	978	30,045
3 - 6 months	-	-	125	-	-	-	125	-	125
6 - 12 months	-	-	7,027	155	-	-	7,027	155	7,182
Over 12 months	-	-	590,122	24,182	5,315	314	595,437	24,496	619,933
Total loans and interest receivables	522,004	16,016	684,601	27,299	5,479	314	1,212,084	43,629	1,255,713
Less: Allowance for doubtful accounts	-	-	(80,884)	(17,775)	(5,315)	(314)	(86,199)	(18,089)	(104,288)
Loans and interest receivables - net	522,004	16,016	603,717	9,524	164	-	1,125,885	25,540	1,151,425

⁽¹⁾ Presented as a part of "Accrued investment income - net" in the statements of financial position.

As at 30 June 2019 and 31 December 2018, mortgage loans were loans provided to agents, employees and external individuals on which interest was charged at the rates between 6 to 19 percent per annum and 6 to 19 percent per annum, respectively. Collateral used to secure such loans comprised land and buildings.

As at 30 June 2019 and 31 December 2018, other loans were loans provided to employees and agents, which were guaranteed by personal guarantees or motor vehicles and on which interest was charged at the rates between 7 to 15 percent per annum and 7 to 15 percent per annum, respectively.

11. Investment in a subsidiary

As at 30 June 2019 and 31 December 2018, detail of investment in a subsidiary, as presented in the separate financial statements, was as follows:

Company's name	Type of business	Country of incorporation	Issued and paid-up share capital		Shareholding percentage		Cost		Carrying value under equity method	
			30	31	30	31	30	31	30	31
			June	December	June	December	June	December	June	December
			2019	2018	2019	2018	2019	2018	2019	2018
					(%)	(%)				
Phillip Insurance Broker Company Limited	Non-life insurance broker	Thailand	5,000	5,000	99.88	99.88	4,994	4,994	4,904	4,915
Total investment in a subsidiary							4,994	4,994	4,904	4,915

The Company recognised share of loss from investment in a subsidiary in its separate statements under the equity method, which was based on the subsidiary's financial statements, prepared by the management but not yet audited by its auditor.

12. Premises and equipment

Movements in premises and equipment for the six-month period ended 30 June 2019 were as follows:

(Unit: Thousand Baht)								
Consolidated and separate financial statements								
For the six-month period ended 30 June 2019								
	Land	Buildings and building improvements	Furniture, fixtures and office equipment	Computers	Motor vehicles	Construction in progress	Idle assets	Total
Net book value as at 1 January 2019	36,714	185,759	14,442	13,937	391	-	2,985	254,228
Additions - cost	-	500	1,222	604	-	19,256	-	21,582
Disposals during the periods - net book value	-	-	-	(1)	-	-	-	(1)
Depreciation for the period	-	(15,940)	(2,819)	(2,885)	(133)	-	-	(21,777)
Net book value as at 30 June 2019	36,714	170,319	12,845	11,655	258	19,256	2,985	254,032

13. Intangible assets

Movement of intangible assets for the six-month period ended 30 June 2019 were as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements		
	For the six-month period ended 30 June 2019		
	Computer software	Computer software under development	Total
Net book value as at 1 January 2019	16,203	481	16,684
Additions - cost	884	-	884
Amortisation for the period	(2,511)	-	(2,511)
Net book value as at 30 June 2019	14,576	481	15,057

14. Other assets

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
Rental deposits	7,357	7,293	7,357	7,293
Other receivables	86,154	86,569	86,205	86,569
Withholding taxes	14,821	36,087	14,821	36,087
Receivable from sales of investments	5,040	1,994	5,040	1,994
Receivable from the Legal Executive Department	4,444	4,444	4,444	4,444
Others	29,884	29,595	29,884	29,672
Total	147,700	165,982	147,751	166,059
Less: Allowance for doubtful accounts	(104,962)	(106,373)	(104,962)	(106,373)
Other assets - net	42,738	59,609	42,789	59,686

15. Insurance contract liabilities

(Unit: Thousand Baht)

	Consolidated and separate financial statements					
	30 June 2019			31 December 2018		
	Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net
Long-term insurance policy reserves	7,762,040	-	7,762,040	7,405,511	-	7,405,511
Loss reserves						
Claims incurred and reported	39,305	-	39,305	26,452	-	26,452
Claims incurred but not yet reported	3,902	-	3,902	3,400	-	3,400
Premium reserves						
Unearned premium reserves	133,495	(935)	132,560	126,881	(917)	125,964
Unpaid policy benefits	45,177	(3,000)	42,177	39,532	-	39,532
Other insurance liabilities	437,461	-	437,461	419,546	-	419,546
Total	8,421,380	(3,935)	8,417,445	8,021,322	(917)	8,020,405

15.1 Long-term insurance policy reserves

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the six-month period ended	For the year ended
	30 June 2019	31 December 2018
Balances - beginning of the periods	7,405,511	7,212,182
Insurance policy reserves increased for new businesses and inforce policies	404,143	750,047
Insurance policy reserves released from death, benefit paid, lapse and surrender	(265,084)	(420,914)
Change in insurance policy reserves as a result of assumption changes	220,087	(136,617)
Changes in insurance policy reserves as a result of experience adjustments	(2,617)	813
Balances - end of the periods	7,762,040	7,405,511

15.2 Short-term insurance policy reserves**(a) Loss reserves**

(Unit: Thousand Baht)

Consolidated and separate
financial statements

	For the six-month	
	period ended 30 June 2019	For the year ended 31 December 2018
Balances - beginning of the periods	29,852	21,975
Claims incurred in the current periods	131,226	175,852
Changes in estimation and assumptions	(8,156)	(10,500)
Claims paid during the periods	(109,715)	(157,475)
Balances - end of the periods	<u>43,207</u>	<u>29,852</u>

(b) Unearned premium reserves

(Unit: Thousand Baht)

Consolidated and separate
financial statements

	For the six-month	
	period ended 30 June 2019	For the year ended 31 December 2018
Balances - beginning of the periods	126,881	100,926
Premium written during the periods	189,958	277,365
Premium earned during the periods	(183,344)	(251,410)
Balances - end of the periods	<u>133,495</u>	<u>126,881</u>

(Unaudited but reviewed)

15.3 Unpaid policy benefits

(Unit: Thousand Baht)

Consolidated and separate
financial statements

	30 June 2019	31 December 2018
Death benefits	7,394	1,881
Maturity payments	21,831	22,365
Surrender	641	479
Benefit payments under policies	1,490	1,740
Others	13,821	13,067
Total unpaid policy benefits	<u>45,177</u>	<u>39,532</u>

15.4 Other insurance liabilities

(Unit: Thousand Baht)

Consolidated and separate
financial statements

	30 June 2019	31 December 2018
Deposits of the insured	416,970	405,184
Others	20,491	14,362
Total other insurance liabilities	<u>437,461</u>	<u>419,546</u>

16. Reinsurance payables

As at 30 June 2019 and 31 December 2018, the Company had reinsurance payables classified by type of liabilities as follows:

(Unit: Thousand Baht)

Consolidated and separate financial statements

	30 June 2019	31 December 2018
Outward premium payables	2,684	5,109
Total due to reinsurers	<u>2,684</u>	<u>5,109</u>

17. Employee benefit obligations

Employee benefit obligations, which represent compensation payable to employee after they retire, for the periods ended 30 June 2019 and 31 December 2018 was as follows:

	(Unit: Thousand Baht)	
	For the six-month period ended	For the year ended
	30 June 2019	31 December 2018
Provision for employee benefits		
at beginning of the periods	38,765	39,053
Current service cost	2,135	3,360
Interest cost	655	835
Past service cost	11,926	-
Actuarial loss	4,467	-
Benefits paid during the periods	-	(4,483)
Provision for employee benefits		
at end of the periods	<u>57,948</u>	<u>38,765</u>

On 5 April 2019, The Labor Protection Act (No. 7) B.E. 2562 was announced in the Royal Gazette. This stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. The law is effective from 5 May 2019. This change is considered a post-employment benefits plan amendment resulting in the Group having additional long-term employee benefit obligations of Baht 11.9 million. The Group already recognised such past service costs as expenses.

18. Deferred tax liabilities and income tax expenses

18.1 Deferred tax liabilities

As at 30 June 2019 and 31 December 2018, deferred tax liabilities consisted of tax effects arose from the following temporary difference items:

(Unit: Thousand Baht)

	Consolidated and separate financial statements						
	Changes in deferred tax liabilities reported in the statements of comprehensive income						
			For the three-month periods ended		For the six-month periods ended		
	30 June 2019	31 December 2018	30 June		30 June		
		2019	2018	2019	2018	2019	2018
Deferred tax liabilities arose from:							
Unrealised gains on available-for-sale investments	120,607	52,138	31,433	(62,960)	68,469	(84,627)	
Total deferred tax liabilities	120,607	52,138					

18.2 Income tax expenses

Reconciliations between income tax expenses and the product of accounting profit (loss) for the three-month and six-month periods ended 30 June 2019 and 2018 and the applicable tax rate were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	For the three-month periods ended		For the six-month periods ended		For the three-month periods ended		For the six-month periods ended	
	30 June		30 June		30 June		30 June	
	2019	2018	2019	2018	2019	2018	2019	2018
Accounting profit (loss) before income tax expenses	(260,758)	222,237	(409,715)	342,087	(260,758)	222,237	(409,715)	342,087
Applicable tax rate	20%	20%	20%	20%	20%	20%	20%	20%
Amount of income taxes at the applicable tax rate	52,152	(44,447)	81,943	(68,417)	52,152	(44,447)	81,943	(68,417)
Net tax effect on revenues or expenses that are not taxable or not deductible in determining taxable profits	10,526	15,140	(818)	4,090	10,526	15,140	(818)	4,090
Tax effect on utilisation of tax losses that have not been recognised as deferred tax assets	-	29,307	-	64,327	-	29,307	-	64,327
Deferred taxes on losses for the periods expected not to be able to utilise	(62,678)	-	(81,125)	-	(62,678)	-	(81,125)	-
Income tax expenses reported in profit or loss	-	-	-	-	-	-	-	-

(Unaudited but reviewed)

The amounts of income taxes relating to each component of other comprehensive income (loss) for three-month and six-month periods ended 30 June 2019 and 2018 are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	For the three-month periods ended		For the six-month periods ended	
	30 June		30 June	
	2019	2018	2019	2018
Income taxes relating to:				
(Gains) losses on revaluation of available-for-sale investments	(24,000)	57,890	(49,167)	74,782
Gains on sales of available-for-sale investments during the periods transferred to be recognised in profit or loss	(7,432)	5,070	(19,301)	9,845
Income taxes reported in other comprehensive income (loss)	<u>(31,432)</u>	<u>62,960</u>	<u>(68,468)</u>	<u>84,627</u>

19. Other liabilities

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
Accrued commission and brokerage expenses	65,789	116,690	65,789	116,690
Deposits from agents	53,254	45,974	53,254	45,974
Accrued operating expenses	30,443	55,244	30,374	55,244
Payable on purchases of investments	8,063	-	8,063	-
Others	12,836	15,727	12,836	15,727
Total other liabilities	<u>170,385</u>	<u>233,635</u>	<u>170,316</u>	<u>233,635</u>

20. Share capital

By the resolution of the Annual General Meeting of the Company's shareholders held on 25 April 2018, it is resolved to approve the decrease in the registered share capital of the Company from Baht 3,034,375,000 to Baht 2,834,375,000 by the decrease of unissued 32 million ordinary shares at a par value of Baht 6.25 each, or total of Baht 200 million. In addition, it is resolved to approve the increase in the registered share capital of the Company from Baht 2,834,375,000 to Baht 4,000,000,000 by the increase of 186.50 million ordinary shares at a par value of Baht 6.25 each, or a total of Baht 1,165,625,000 million. The Company registered the decrease and increase in the registered share capital with the Ministry of Commerce on 18 June 2018.

By the resolution of the Meeting No. 6/2018 of the Board of Directors Committee held on 27 November 2018, it is resolved to approve the issuance of the Company's additional 48 million ordinary shares at a par value of Baht 6.25 each, or a total of Baht 300 million to existing shareholders in the ratio of 1 existing share to 0.1058434 new ordinary shares for the purpose of meeting the Capital Adequacy Requirement as required by the Office of Insurance Commission. On 18 December 2018, the Company received payments for such additional ordinary shares and registered the issued and paid-up share capital with the Ministry of Commerce on 28 December 2018.

By the resolution of the Meeting No. 1/2019 of the Board of Directors Committee held on 25 February 2019, it is resolved to approve the issuance of the Company's additional 32 million ordinary shares at a par value of Baht 6.25 each, or a total of Baht 200 million to existing shareholders at the ratio of 1 existing share to 0.0638086 new ordinary shares for the purpose of meeting the Capital Adequacy Requirement as required by the Office of Insurance Commission. On 26 March 2019, the Company received payments for such additional ordinary shares and registered the issued and paid-up share capital with the Ministry of Commerce on 29 March 2019.

Reconciliation of the registered, issued and paid-up share capital of the Company were as follows:

	Par value per share	For the six-month period ended		For the year ended	
		30 June 2019		31 December 2018	
		No. of shares	Amount	No. of shares	Amount
(Unit: Baht)					
Registered share capital:					
Balance as at beginning of period/year	6.25	640,000,000	4,000,000,000	485,500,000	3,034,375,000
Registered the increased share capital during the period/year	6.25	-	-	154,500,000	965,625,000
Balance as at end of period/year	6.25	<u>640,000,000</u>	<u>4,000,000,000</u>	<u>640,000,000</u>	<u>4,000,000,000</u>
Issued and paid-up share capital:					
Balance as at beginning of period/year	6.25	501,500,000	3,134,375,000	453,500,000	2,834,375,000
Issued additional shares during the period/year	6.25	<u>32,000,000</u>	<u>200,000,000</u>	<u>48,000,000</u>	<u>300,000,000</u>
Balance as at end of period/year	6.25	<u>533,500,000</u>	<u>3,334,375,000</u>	<u>501,500,000</u>	<u>3,134,375,000</u>

21. Share subscription receivable

On 8 September 2004, the Company had issued and paid-up share capital of Baht 2,100 million, consisting of 21,000,000 ordinary shares at a par value of Baht 100 each. The Company did not receive payment of Baht 72,218,175 for 722,182 ordinary shares held by a shareholder. Such unsettled amount has been recorded as "Share subscription receivable", which has been presented as a deduction item in owners' equity since the beginning.

In the year 2009, the Company decreased its issued and paid-up share capital for three times by ways of reducing a par value per share and combining 4 existing shares into 1 new share. These caused the issued and paid-up share capital to be decreased from Baht 2,200 million to Baht 34.375 million by decreasing the share capital of Baht 2,165.625 million and decreasing the share premium of Baht 172.33 million to offset against deficit of Baht 2,337.955 million. After such capital decreases, the Company's issued and paid-up share capital was Baht 34.375 million, consisting of 5,500,000 ordinary shares at a par value of Baht 6.25 each. The number of ordinary shares held by the shareholder, who still owes to the Company on the unsettled shares as mentioned above, is also reduced to 180,545 shares at a par value of Baht 6.25 each after such capital decreases whereby the outstanding unsettled balance from such shareholder still remains at Baht 72,218,175. Legal action was taken against this shareholder whereby the outcome of the case was finalised and the executing officer already seized the unsettled shares for auction process.

Reconciliations of the issued and paid-up share capital as described above are detailed as below.

Year	Description	Par value per share (Baht)	Number of shares (Shares)	Issued and paid-up share capital (Thousand Baht)	Share subscription receivable (Thousand Baht)
Year 2004		100	21,000,000	2,100,000	72,218
Year 2008	Issuance of additional ordinary shares	100	1,000,000	100,000	-
		100	22,000,000	2,200,000	72,218
No.1 - Year 2009	Decrease share capital by reduction of a par value per share		-	(1,650,000)	(54,163)
		25	22,000,000	550,000	18,055
No.2 - Year 2009	Decrease share capital by reduction of a par value per share		-	(412,500)	(13,541)
		6.25	22,000,000	137,500	4,514
No.3 - Year 2009	Decrease share capital by combining 4 existing shares into 1 new share		(16,500,000)	(103,125)	(3,386)
		6.25	5,500,000	34,375	1,128

On 26 June 2015, the Civil Court had a judgment to order F&V Alliance Company Limited to pay to the Company for a total of Baht 95,689,080 including interest determined until the suing date. However, according to the 2015 financial position information of F&V Alliance Company Limited, it showed a significant amount of liabilities and a capital deficit. It is therefore unable to pay to the Company according to the Court's judgement and entered into a compromise agreement with the Company allowing the Company to proceed for the capital decrease. As for the capital decrease process, the Company determined 2 approaches, that is to get an approval from the OIC to reduce the 3,626,571 registered and paid-up shares in the Shareholders Registrar or to sell these shares at auction through the Legal Execution Department.

On 27 April 2017, it was resolved in the 2017 Annual General Meeting of the Company's shareholders to approve the decrease in the registered share capital by 3,626,571 shares amounting to Baht 22,666,068.75 held by a shareholder, namely F&V Alliance Company Limited for the Share Certificate No. 1096644 to No. 4723214 because F&V Alliance Company Limited did not pay such shares.

On 30 May 2017, the Company sent the letter to the OIC requesting for approval of the capital decrease. However, the Company was informed that the OIC cannot approved such capital decrease due to the fact that the Life Insurance Act did not have any clauses specifying that the Registrar can approve the capital decrease due to such reason. Therefore, the Company will proceed to sell those shares through auction, another approach as approved in the Annual General Meeting of the Company's shareholders.

On 8 November 2017, the Company requested the executing officer to cease assets of F&V Alliance Company Limited to settle the balance according to the Court's judgement dated 26 June 2015.

On 7 March 2018, the executing officer sent a letter to the Company informing that they already seized the unsettled shares of the Company held by F&V Alliance Company Limited.

On 26 June 2019, the executing officer sold shares through auction. Phillip Life Company Limited, the parent company, won the bid at the price of Baht 13,420,000 and already placed the deposit of Baht 1,000,000 with the Bangkok Civil Litigation Office 2 whereby it is required to settle the price within 11 October 2019.

22. Operating expenses

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	For the three-month periods ended		For the six-month periods ended		For the three-month periods ended		For the six-month periods ended	
	30 June		30 June		30 June		30 June	
	2019	2018	2019	2018	2019	2018	2019	2018
Personnel expenses	60,438	39,967	110,950	84,912	60,438	39,967	110,950	84,912
Premises and equipment expenses	24,213	21,593	49,142	42,278	24,213	21,593	49,142	42,278
Taxes and duties	2,353	1,808	5,425	4,483	2,353	1,808	5,425	4,483
Bad debt and doubtful accounts (reversal)	(1,011)	(34,423)	(4,202)	(37,550)	(1,011)	(34,423)	(4,202)	(37,550)
Other operating expenses	14,022	9,299	34,703	25,833	14,001	9,299	34,682	25,832
Total operating expenses	100,015	38,244	196,018	119,956	99,994	38,244	195,997	119,955

23. Earnings per share

Basic earnings per share is calculated by dividing profit (loss) for the periods attributable to the Company's shareholders (excluding other comprehensive income (loss)) by the weighted average number of ordinary shares in issue during the periods.

	Consolidated financial statements				Separate financial statements			
	For the three-month periods ended		For the six-month periods ended		For the three-month periods ended		For the six-month periods ended	
	30 June		30 June		30 June		30 June	
	2019	2018	2019	2018	2019	2018	2019	2018
Profit (loss) for the periods attributable to the Company's shareholders (Thousand Baht)	(260,758)	222,237	(409,715)	342,087	(260,758)	222,237	(409,715)	342,087
Weighted average number of ordinary shares (Thousand shares)	533,319	453,319	517,938	453,319	533,319	453,319	517,938	453,319
Basic earnings per share								
Profit (loss) for the periods (Baht per share)	(0.49)	0.49	(0.79)	0.75	(0.49)	0.49	(0.79)	0.75

24. Related party transactions

24.1 Type of relationship

The relationship between the Company and its related parties, who have significant business transactions with the Company, are summarized below.

Name of related parties	Type of relationship
Phillip Life Company Limited	Parent company
Phillip Insurance Broker Company Limited	Subsidiary
Phillip Securities (Thailand) Public Company Limited	Having common directors
Key management personnel	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Company.

24.2 Significant business transactions with related parties

The Company had significant business transactions with its related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company and those parties, were as follows:

	Consolidated and separate				Pricing policy
	financial statements				
	For the		For the		
	three-month	three-month	six-month	six-month	
periods ended		periods ended			
30 June		30 June			
	2019	2018	2019	2018	
Related parties					
Expenses					
Securities management fee	1,499	1,859	2,981	3,802	Similar to those charged to general customers of a related company

24.3 Outstanding balances with related parties

As at 30 June 2019 and 31 December 2018, the outstanding balances between the Company and its related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2019	2018	2019	2018
Other assets				
<i>Receivables from the parent company</i>				
Phillip Life Company Limited	1,000	-	1,000	-
<i>Receivables from related parties</i>				
Phillip Insurance Broker Company Limited	-	-	51	38
Other liabilities				
<i>Accrued securities management fee</i>				
Phillip Securities (Thailand) Public Company Limited	1,500	1,825	1,500	1,825

24.4 Directors' and key management's remunerations

The Company had employee benefit expenses incurred in relation to its directors and key management as below.

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2019	2018	2019	2018
Short-term employee benefits	814	742	2,014	1,477
Long-term employee benefits	34	66	67	132
Total directors' and key management's remunerations	<u>848</u>	<u>808</u>	<u>2,081</u>	<u>1,609</u>

25. Securities placed with the Life Assurance Registrar and commercial bank

As at 30 June 2019 and 31 December 2018, the Company had the following securities placed with the Registrar in accordance with the Life Assurance Act and commercial bank.

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	30 June 2019		31 December 2018	
	Amortised cost	Fair value	Amortised cost	Fair value
Placed with the Life Assurance Registrar:				
As securities				
Government bonds	<u>20,580</u>	<u>20,916</u>	<u>20,145</u>	<u>20,460</u>
As life insurance reserves				
Government and state enterprise bonds	1,322,881	1,496,661	1,535,240	1,683,120
Private debentures	<u>405,306</u>	<u>450,901</u>	<u>355,559</u>	<u>392,985</u>
Total	<u>1,728,187</u>	<u>1,947,562</u>	<u>1,890,799</u>	<u>2,076,105</u>

26. Commitments and contingent liabilities

26.1 Capital commitments

As at 30 June 2019, the Group had capital commitments of approximately Baht 2.6 million, related to buildings improvement.

26.2 Operating lease commitments

The Company entered into several operating lease agreements in respect of the lease of office building. The terms of the agreements are generally between 1 year and 3 years. As at 30 June 2019 and 31 December 2018, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

Payable within	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	30 June 2019	31 December 2018
Within 1 year	27,279	27,121
1 to 3 years	8,279	17,772
Total	35,558	44,893

27. Fair values of financial instruments

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

In applying the above-mentioned valuation techniques, the Group endeavors 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 or liabilities
- Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly
- Level 3 - Use of unobservable inputs such as estimates of future cash flows

As at 30 June 2019 and 31 December 2018, the Group had assets and liabilities that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements							
	30 June 2019				31 December 2018			
	Fair value			Carrying value	Fair value			Carrying value
	Level 1	Level 2	Total		Level 1	Level 2	Total	
Assets measured at fair values								
Trading investments								
Equity securities	-	697,036	697,036	697,036	-	1,484,547	1,484,547	1,484,547
Available-for-sale investments								
Equity securities	2,183,923	-	2,183,923	2,183,923	2,258,552	-	2,258,552	2,258,552
Debt securities	-	5,372,487	5,372,487	5,372,487	-	4,324,662	4,324,662	4,324,662
Warrants	24	-	24	24	7	-	7	7

Valuation techniques and inputs to Level 2 valuations

- (a) The fair value of investments in investment units that are not listed on the stock Exchange of Thailand is determined by using the net asset value per unit as announced by the fund manager.
- (b) The fair value of investments in debt instruments has been determined using the yield curve as announced by the Thai Bond Market Association.

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

28. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Audit Committee on 8 August 2019.