

Phillip Life Assurance Public Company Limited
and its subsidiary

Review report and interim financial information
For the three-month and six-month periods ended
30 June 2021



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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 2021, and the related consolidated statements of comprehensive income for the three-month and 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 interim consolidated financial statements. I have also reviewed the separate financial information of Phillip Life Assurance Public Company Limited for the same periods (collectively called "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with 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: 11 August 2021

Phillip Life Assurance Public Company Limited and its subsidiary

Statements of financial position

As at 30 June 2021 and 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2021 (Unaudited but reviewed)	31 December 2020 (Audited)	30 June 2021 (Unaudited but reviewed)	31 December 2020 (Audited)
Assets					
Cash and cash equivalents	3	222,048,959	356,875,004	216,114,525	351,883,915
Premium receivables	4	111,544,584	165,702,830	111,544,584	165,702,830
Accrued investment income		40,210,957	44,846,399	40,210,957	44,846,399
Reinsurance assets	5	175,367,901	104,264,557	175,367,901	104,264,557
Reinsurance receivables	6	335,936,272	128,987,971	335,936,272	128,987,971
Investment assets					
Investments in securities	7	12,442,061,795	11,734,014,046	12,442,061,795	11,734,014,046
Loans and interest receivables	8	1,215,638,284	1,191,458,435	1,215,638,284	1,191,458,435
Investments in a subsidiary	9	-	-	5,157,843	5,065,048
Investment assets of the insured		104,004	-	104,004	-
Premises and equipment	10	209,733,460	223,068,936	209,733,460	223,068,936
Right-of-use assets	11	56,981,539	70,160,157	56,981,539	70,160,157
Intangible assets	12	9,651,716	11,885,054	9,651,716	11,885,054
Other assets	13	52,471,612	50,272,387	51,956,127	49,797,699
Total assets		14,871,751,083	14,081,535,776	14,870,459,007	14,081,135,047

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



Phillip Life Assurance Public Company Limited and its subsidiary

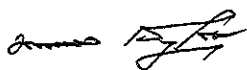
Statements of financial position (Continued)

As at 30 June 2021 and 31 December 2020

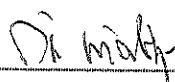
(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements		
	30 June 2021 (Unaudited but reviewed)	31 December 2020 (Audited)	30 June 2021 (Unaudited but reviewed)	31 December 2020 (Audited)	
Liabilities and owners' equity					
Liabilities					
Insurance contract liabilities	14	10,743,694,981	11,344,321,195	10,743,694,981	11,344,321,195
Investment contract liabilities		104,004	-	104,004	-
Reinsurance payables	15	299,891,130	165,843,126	299,891,130	165,843,126
Lease liabilities	11	60,044,282	72,869,099	60,044,282	72,869,099
Employee benefit obligations		59,499,954	56,833,580	59,499,954	56,833,580
Deferred tax liabilities	16	201,038,561	161,729,290	201,038,561	161,729,290
Other liabilities	17	192,215,706	317,088,751	190,929,827	316,694,107
Total liabilities		11,556,488,618	12,118,685,041	11,555,202,739	12,118,290,397
Owners' equity					
Share capital					
Registered					
1,600 million ordinary shares of Baht 6.25 each		10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
Issued and paid-up					
957.5 million ordinary shares of Baht 6.25 each (31 December 2020: 909.5 million ordinary shares of Baht 6.25 each)	18	5,984,375,000	5,684,375,000	5,984,375,000	5,684,375,000
Share discount		(58,798,175)	(58,798,175)	(58,798,175)	(58,798,175)
Deficit		(3,264,183,952)	(4,213,024,121)	(3,264,183,952)	(4,213,024,121)
Other component of owners' equity					
Revaluation surplus on available-for-sale investments measured at fair value through other comprehensive income - net of income taxes	7.4	653,863,395	550,291,946	653,863,395	550,291,946
Equity attributable to equity holders of the Company		3,315,256,268	1,962,844,650	3,315,256,268	1,962,844,650
Non-controlling interests of the subsidiary		6,197	6,085	-	-
Total owners' equity		3,315,262,465	1,962,850,735	3,315,256,268	1,962,844,650
Total liabilities and owners' equity		14,871,751,083	14,081,535,776	14,870,459,007	14,081,135,047

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



Directors





Phillip Life Assurance Public Company Limited and its subsidiary

(Unaudited but reviewed)

Statements of comprehensive income

For the three-month periods ended 30 June 2021 and 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit or loss:					
Revenues					
Premium written		766,805,069	655,183,648	766,805,069	655,183,648
Less: Premium ceded to reinsurers		(106,144,823)	(24,036,621)	(106,144,823)	(24,036,621)
Net premium written		660,660,246	631,147,027	660,660,246	631,147,027
Less: Unearned premium reserves decreased from prior period		71,643,508	53,135,094	71,643,508	53,135,094
Earned premium after reinsurance		732,303,754	684,282,121	732,303,754	684,282,121
Fee and commission income		4,685,220	-	4,685,220	-
Net investment revenues		105,144,295	111,672,367	105,141,418	111,666,942
Gain (losses) on investments		59,494,283	(44,687,210)	59,494,283	(44,687,210)
Fair value gains		136,147,120	(11,588,934)	136,147,120	(11,588,934)
Share of loss from investment in a subsidiary under equity method		-	-	105,083	(136,508)
Other income		2,223,682	299,994	1,879,290	264,891
Total revenues		1,039,998,354	739,978,338	1,039,756,168	739,801,302
Expenses					
Long-term life insurance policy reserves increase (decrease) from prior year		322,662,886	288,818,262	322,662,886	288,818,262
Unexpired risk reserves increase from prior year		(23,640,190)	44,556,026	(23,640,190)	44,556,026
Benefit payments under life policies and gross claims		629,171,015	518,589,116	629,171,015	518,589,116
Less: Benefit payments under life policies and claims refundable from reinsurance		(128,611,339)	(9,388,644)	(128,611,339)	(9,388,644)
Commission and brokerage expenses		89,938,034	164,551,988	89,712,260	164,394,996
Other underwriting expenses		5,678,383	6,510,751	5,678,383	6,510,751
Operating expenses		61,465,631	91,215,952	61,449,769	91,199,777
Finance costs		625,987	767,250	625,987	767,250
Expected credit losses	19	9,236,160	90,744,444	9,235,736	90,740,411
Other expenses		33	(23,333)	33	(23,333)
Total expenses		966,526,600	1,196,341,812	966,284,540	1,196,164,612
Profit (loss) before income tax expenses		73,471,754	(456,363,474)	73,471,628	(456,363,310)
Income tax expenses	16.2	(14,150,086)	(6,514,885)	(14,150,086)	(6,514,885)
Net profit (loss)		59,321,668	(462,878,359)	59,321,542	(462,878,195)

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 comprehensive income (Continued)

For the three-month periods ended 30 June 2021 and 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Other comprehensive income (loss):					
Items to be recognised in profit or loss in subsequent periods:					
Gains on valuation of available-for-sale investments					
measured at fair value through other comprehensive income					
		92,179,794	291,999,820	92,179,794	291,999,820
Less: Income taxes	16.2	(18,435,959)	(58,399,965)	(18,435,959)	(58,399,965)
Items to be recognised in profit or loss in subsequent					
periods - net of income taxes					
		73,743,835	233,599,855	73,743,835	233,599,855
Other comprehensive income for the periods					
		73,743,835	233,599,855	73,743,835	233,599,855
Total comprehensive income (loss) for the periods					
		133,065,503	(229,278,504)	133,065,377	(229,278,340)
Net profit (loss) attributable to:					
The Company's shareholders					
		59,321,542	(462,878,195)	59,321,542	(462,878,195)
Non-controlling interests of the subsidiary					
		126	(164)		
		59,321,668	(462,878,359)		
Total comprehensive income (loss) for the periods attributable to:					
The Company's shareholders					
		133,065,377	(229,278,340)	133,065,377	(229,278,340)
Non-controlling interests of the subsidiary					
		126	(164)		
		133,065,503	(229,278,504)		
Basic earnings per share					
	20				
Earnings (loss) per share					
		0.06	(0.60)	0.06	(0.60)

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 comprehensive income

For the six-month periods ended 30 June 2021 and 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit or loss:					
Revenues					
Premium written		1,625,156,965	1,417,045,231	1,625,156,965	1,417,045,231
Less: Premium ceded to reinsurers		(210,678,683)	(28,609,128)	(210,678,683)	(28,609,128)
Net premium written		1,414,478,282	1,388,436,103	1,414,478,282	1,388,436,103
Less: Unearned premium reserves increase from prior year		67,361,051	(21,983,803)	67,361,051	(21,983,803)
Earned premium after reinsurance		1,481,839,333	1,366,452,300	1,481,839,333	1,366,452,300
Fee and commission income		8,620,603	-	8,620,603	-
Net investment revenues		211,529,488	206,425,327	211,526,611	206,419,902
Gain (losses) on investments		77,030,673	(57,071,682)	77,030,673	(57,071,682)
Fair value gains		200,688,378	(3,453,819)	200,688,378	(3,453,819)
Share of loss from investment in a subsidiary under equity method		-	-	92,795	(172,430)
Other income		2,756,618	391,223	2,301,268	302,301
Total revenues		1,982,465,093	1,512,743,349	1,982,099,661	1,512,476,572
Expenses					
Long-term life insurance policy reserves increased (decreased)					
from prior period		(476,471,407)	387,397,514	(476,471,407)	387,397,514
Unexpired risk reserves increase from prior year		3,327,022	55,667,559	3,327,022	55,667,559
Benefit payments under life policies and gross claims		1,343,614,068	981,897,752	1,343,614,068	981,897,752
Less: Benefit payments under life policies and					
claims refundable from reinsurance		(260,963,881)	(9,440,498)	(260,963,881)	(9,440,498)
Commission and brokerage expenses		218,519,005	352,983,828	218,198,380	352,749,752
Other underwriting expenses		12,078,422	14,830,053	12,078,422	14,830,053
Operating expenses		153,735,183	203,803,505	153,690,709	203,774,630
Finance costs		1,310,880	1,695,336	1,310,880	1,695,336
Expected credit losses	19	25,035,006	78,880,005	25,034,785	78,875,972
Other expenses		24,105	473,126	24,105	473,126
Total expenses		1,020,208,403	2,068,188,180	1,019,843,083	2,067,921,196
Profit (loss) before income tax expenses		962,256,690	(555,444,831)	962,256,578	(555,444,624)
Income tax expenses	16.2	(13,416,409)	(6,131,443)	(13,416,409)	(6,131,443)
Net profit (loss)		948,840,281	(561,576,274)	948,840,169	(561,576,067)

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



Phillip Life Assurance Public Company Limited and its subsidiary
 Statements of comprehensive income (Continued)
 For the six-month periods ended 30 June 2021 and 2020

(Unaudited but reviewed)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
(Unit: Baht)					
Other comprehensive income (loss):					
Items to be recognised in profit or loss in subsequent periods:					
Gains (losses) on valuation of available-for-sale investments measured at fair value through other comprehensive income					
		129,464,311	(120,175,183)	129,464,311	(120,175,183)
Add (Less): Income taxes	16.2	(25,892,862)	24,035,036	(25,892,862)	24,035,036
Items to be recognised in profit or loss in subsequent periods - net of income taxes					
		103,571,449	(96,140,147)	103,571,449	(96,140,147)
Other comprehensive income (loss) for the periods		103,571,449	(96,140,147)	103,571,449	(96,140,147)
Total comprehensive income (loss) for the periods		1,052,411,730	(657,716,421)	1,052,411,618	(657,716,214)
Net profit (loss) attributable to:					
The Company's shareholders					
		948,840,169	(561,576,067)	948,840,169	(561,576,067)
Non-controlling interests of the subsidiary					
		112	(207)		
		<u>948,840,281</u>	<u>(561,576,274)</u>		
Total comprehensive income (loss) for the periods attributable to:					
The Company's shareholders					
		1,052,411,618	(657,716,214)	1,052,411,618	(657,716,214)
Non-controlling interests of the subsidiary					
		112	(207)		
		<u>1,052,411,730</u>	<u>(657,716,421)</u>		
Basic earnings per share	20				
Earnings (loss) per share		1.01	(0.77)	1.01	(0.77)

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 changes in owners' equity

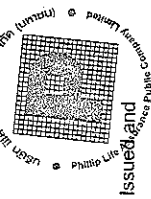
For the six-month periods ended 30 June 2021 and 2020

(Unit: Baht)

Consolidated financial statement

Equity attributable to equity holders of the Company

Other component of equity



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Revaluation surplus on available-for-sale investments measured at fair value through other comprehensive income - net of income taxes

Share subscription receivable

Share discount

Deficit

Equity attributable to non-controlling interests of the subsidiary

Total equity attributable to the Company's shareholders

Total

Issued and paid-up share capital

Issuance of additional ordinary shares

Collection on share subscription receivable

Balance as at 30 June 2021

Note	Issued and paid-up share capital	Share subscription receivable	Share discount	Deficit	Other component of equity	Total equity attributable to the Company's shareholders	Equity attributable to non-controlling interests of the subsidiary	Total
	4,283,246,594	(71,089,769)	-	(2,914,875,409)	508,306,918	1,805,588,334	5,954	1,805,594,288
	4,283,246,594	(71,089,769)	-	(168,375,773)	5,152,386	(163,223,387)	-	(163,223,387)
	-	-	-	(3,083,251,182)	513,459,304	1,642,364,947	5,954	1,642,370,901
	-	-	-	(561,576,067)	-	(561,576,067)	(207)	(561,576,274)
	-	-	-	(561,576,067)	(96,140,147)	(96,140,147)	-	(96,140,147)
	800,000,000	-	-	(96,140,147)	(96,140,147)	(657,716,214)	(207)	(657,716,421)
	1,128,406	71,089,769	(58,798,175)	-	-	800,000,000	-	800,000,000
	5,084,375,000	-	(58,798,175)	(3,644,827,249)	417,319,157	1,798,068,733	5,747	1,798,074,480
	5,684,375,000	-	(58,798,175)	(4,213,024,121)	550,291,946	1,962,844,650	6,085	1,962,850,735
	-	-	-	948,840,169	-	948,840,169	112	948,840,281
	-	-	-	-	103,571,449	103,571,449	-	103,571,449
	-	-	-	948,840,169	103,571,449	1,052,411,618	112	1,052,411,730
	300,000,000	-	-	-	-	300,000,000	-	300,000,000
	5,984,375,000	-	(58,798,175)	(3,264,183,952)	653,863,395	3,315,256,268	6,197	3,315,262,465

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

Phillip Life Assurance Public Company Limited and its subsidiary

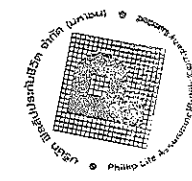
Statements of changes in owners' equity (Continued)

For the six-month periods ended 30 June 2021 and 2020

(Unit: Baht)

Separate financial statements

	Note	Issued and paid-up share capital	Share subscription receivable	Share discount	Deficit	Other component of equity		Total
						Revaluation surplus on available-for-sale investments measured at fair value through other comprehensive income - net	of income taxes	
Balance as at 1 January 2020 - as previously reported		4,283,246,594	(71,089,769)	-	(2,914,875,409)	508,306,918		1,805,588,334
Cumulative effects of the change in accounting policies		-	-	-	(168,375,773)	5,152,386		(163,223,387)
Balance as at 1 January 2020 - as restated		4,283,246,594	(71,089,769)	-	(3,083,251,182)	513,459,304		1,642,364,947
Net loss		-	-	-	(561,576,067)	-		(561,576,067)
Other comprehensive loss for the period		800,000,000	-	-	(561,576,067)	(96,140,147)		(96,140,147)
Total comprehensive loss for the period		800,000,000	-	-	(561,576,067)	(96,140,147)		(657,716,214)
Issuance of additional ordinary shares		-	-	-	-	-		800,000,000
Collection on share subscription receivable		1,128,406	71,089,769	(58,798,175)	-	-		13,420,000
Balance as at 30 June 2020		5,084,375,000	-	(58,798,175)	(3,644,827,249)	417,319,157		1,798,068,733
Balance as at 1 January 2021		5,684,375,000	-	(58,798,175)	(4,213,024,121)	550,291,946		1,962,844,650
Net profit		-	-	-	948,840,169	-		948,840,169
Other comprehensive income for the period		-	-	-	-	103,571,449		103,571,449
Total comprehensive income for the period		-	-	-	948,840,169	103,571,449		1,052,411,618
Issuance of additional ordinary shares	18	300,000,000	-	-	-	-		300,000,000
Balance as at 30 June 2021		5,984,375,000	-	(58,798,175)	(3,264,183,952)	653,863,395		3,315,256,268



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

Phillip Life Assurance Public Company Limited and its subsidiary

(Unaudited but reviewed)

Statements of cash flows

For the six-month periods ended 30 June 2021 and 2020

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from (used in) operating activities				
Gross premium from direct insurance	1,679,123,802	1,457,005,517	1,679,123,802	1,457,005,517
Cash paid from reinsurance	(13,994,496)	(28,477,443)	(13,994,496)	(28,477,443)
Interest income	90,067,166	120,078,913	90,064,289	120,073,488
Dividend income	59,959,789	60,049,070	59,959,789	60,049,070
Other income	1,941,058	367,919	1,485,709	278,996
Benefit payments under life policies and gross claims from direct insurance	(1,474,838,190)	(989,633,370)	(1,474,838,190)	(989,633,370)
Commission and brokerage expenses on direct insurance	(318,224,271)	(423,668,681)	(317,903,647)	(423,434,605)
Other underwriting expenses	(13,636,774)	(15,904,247)	(13,636,774)	(15,904,247)
Operating expenses	(154,128,601)	(164,044,609)	(154,934,565)	(164,891,309)
Other expenses	(22,845)	(131,440)	(22,845)	(131,440)
Cash received on financial assets	1,579,579,425	2,599,559,637	1,579,579,425	2,599,559,637
Cash paid for financial assets	(1,852,767,358)	(3,511,926,460)	(1,852,767,358)	(3,511,926,460)
Net cash used in operating activities	(416,941,295)	(896,725,194)	(417,884,861)	(897,432,166)
Cash flows from (used in) investing activities				
Building and equipment	(1,698,016)	(15,438,297)	(1,698,016)	(15,438,297)
Intangible assets	-	(948,020)	-	(948,020)
Net cash used in investing activities	(1,698,016)	(16,386,317)	(1,698,016)	(16,386,317)
Cash flows from (used in) financial activities				
Repayment of lease liabilities	(16,086,139)	(14,399,273)	(16,086,139)	(14,399,273)
Proceeds from issuance of additional ordinary shares	300,000,000	800,000,000	300,000,000	800,000,000
Collection on share subscription receivable	-	13,420,000	-	13,420,000
Net cash provided by financing activities	283,913,861	799,020,727	283,913,861	799,020,727
Net decrease in cash and cash equivalents	(134,725,450)	(114,090,784)	(135,669,016)	(114,797,756)
Increase in allowance for expected credit losses	(100,595)	(162,407)	(100,374)	(158,373)
Cash and cash equivalents at beginning of the periods	356,875,004	365,763,405	351,883,915	360,621,159
Cash and cash equivalents at end of the periods	222,048,959	251,510,214	216,114,525	245,665,030

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



Phillip Life Assurance Public Company Limited and its subsidiary
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For the three-month and six-month periods ended 30 June 2021 and 2020

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Phillip Life Assurance Public Company Limited

Notes to interim financial statements

For the three-month periods and six-month ended 30 June 2021 and 2020

1. General information

1.1 Corporate information

Phillip Life Assurance Public Company Limited (the "Company") was established as a public company under Thai laws and domiciled in Thailand. As at 30 June 2021 and 31 December 2020, major shareholder is Phillip Life Company Limited, which was incorporated in Singapore, holding 99.79% and 99.77%, 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 2021 and 31 December 2020, the Company had altogether 24 branches.

1.2 The Coronavirus 2019 pandemic

The Coronavirus 2019 (COVID-19) pandemic results in an economic slowdown and impacts businesses and industries in various sectors. This situation may bring uncertainties and have an impact on the environment in which the business operates. The Company's management has continuously monitored ongoing developments and assessed the financial impact in respect of the valuation of assets, provisions and contingent liabilities, and has used estimates and judgement in respect of various issues as the situation has evolved.

2. Basis of preparation of interim financial information

2.1 Accounting assumption

The sudden market volatilities with the fall of interest rates and the capital market poses difficulties for financial institutions in the market place. Adjustments are being made by companies to inject capital to meet prudential capital requirements as stipulated by the Office of the Insurance Commission ("the OIC"). The OIC has also temporarily lowered the minimum Capital Adequacy Ratio ("CAR") from 140% to 120% as from 31 December 2019 to 31 December 2021 under the Risk-Based Capital 2 Framework.

The Company is no exception having continuously increased its share capital and increased an additional share capital of Baht 300 million during the period to meet the CAR's requirement, which caused its CAR as at 30 June 2021 to be at 160% (based on management report, not yet reviewed or audited by the Company's auditor). The Company still plans to increase additional capital to support the continuing situation of the persistent low interest rate and the business expansion, and execute its long-term plan by readjusting its product and investment strategies to lower the risk charge and enhance a sustainable efficiency in its business operation.

The market circumstances indicate uncertainties, which are dependent upon the success in achieving its capital increase plan and improving its operating performance. The major shareholder has been very supportive of all past capital calls and has undertaken to provide more capital if necessary, to meet its growing policy commitments and regulatory capital requirements. Furthermore, the major shareholder stated in its letter dated 7 August 2020 that it will provide financial support to the Company to enable it to maintain the CAR of not lower than the minimum requirement as stipulated by the OIC.

With such short-term and long-term plans, the Company's management believes that the Company would be able to operate an on-going business and these financial statements were therefore prepared under the going concern assumptions, with assets and liabilities carried on the basis that the Company will be able to realise assets and settle liabilities in the normal course of business.

2.2 Basis of preparation of interim financial information

This interim financial information is prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial statements. However, the Company presented each line item in the statements of financial position, comprehensive income, changes in owners' equity and cash flows in the same full format as that used in preparation of its annual financial statements and in accordance with the format of financial statements specified in the Notification of the Office of Insurance Commission regarding criteria, procedures, terms and conditions for preparation and submission of financial statements and operating performance reports of life insurance companies (No. 2) B.E. 2562 dated 4 April 2019.

This interim financial information is 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. This interim financial information should therefore be read in conjunction with the latest annual financial statements.

The interim financial information in Thai language is the official interim statutory financial information of the Company. The interim financial information in English language has been translated from such interim financial information in Thai language.

2.3 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 2021 (Percent)	31 December 2020 (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 are prepared using the same significant accounting policies as the Company.
- (d) Material balances and transactions between the Group 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.

2.4 Separate financial statements

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

2.5 New financial reporting standards

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

During the period, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal year beginning on or after 1 January 2021. 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. Hence, the adoption of these standards does not have any significant impact on the Group's financial statements.

(b) Financial reporting standards that became effective for fiscal year beginning on or after 1 January 2022

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. 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, for some standards, providing temporary reliefs or temporary exemptions for users.

The management of the Group believes that adoption of these amendments will not have any significant impact on the Group's financial statements.

2.6 Significant accounting policies

This interim financial information is prepared using the same significant accounting policies and methods of computation as those were used for preparation the financial statements for the year ended 31 December 2020. The Group adopted additional accounting policies in relation to the issuance of unit-linked products during the period as follows:

Investment assets of the insured

Investment assets of the insured represent investments in securities under insurance contracts of which the policyholders are responsible for risks and rewards from changes in the fair value of such assets, for example, unit-linked investment plans. The Group measures an asset initially at cost which is equal to the fair value of consideration paid plus cost of the transactions which is measured subsequently at fair values. Any gain (loss) from revaluation of the fair value will be recognised as investment contract liabilities during the period of occurrence.

Investment contract liabilities

Investment contract liabilities represent provisional liabilities under insurance contracts of which the policyholders are responsible for risks and rewards from changes in the fair value of such assets. The Group measures an asset initially at cost, which is equal to the fair value of consideration paid plus cost of the transaction which is measured subsequently at fair value.

3. Cash and cash equivalents

(Unit: Thousand baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
Cash on hand	491	743	491	743
Deposits at banks with no fixed maturity date	221,638	356,311	215,700	351,317
Total cash and cash equivalents	222,129	357,054	216,191	352,060
Less: Allowance for expected credit losses	(80)	(179)	(76)	(176)
Cash and cash equivalents - net	222,049	356,875	216,115	351,884

4. Premium receivables

As at 30 June 2021 and 31 December 2020, the outstanding balances of premium receivables, classified by overdue periods, counted from the grace-period due dates, were as follows:

(Unit: Thousand baht)

	Consolidated and Separate	
	financial statements	
	30 June 2021	31 December 2020
Not yet due	111,506	163,288
Not over 30 days	-	2,369
Over 31 days to 60 days	4	-
Over 61 days to 90 days	-	13
Overdue longer than 90 days	5,875	6,065
Total premium receivables	117,385	171,735
Less: Allowance for doubtful accounts	(5,840)	(6,032)
Premium receivables - net	111,545	165,703

(Unaudited but reviewed)

5. Reinsurance assets

As at 30 June 2021 and 31 December 2020, reinsurance assets consisted of reserves refundable from reinsurers as follows:

(Unit: Thousand baht)

Consolidated and Separate
financial statements

	30 June 2021	31 December 2020
Insurance reserve refundable from reinsurers		
Unearned premium reserves	42,183	32,578
Unexpired Risk Reserves	8,424	1,180
Loss reserves		
Claims incurred and reported	28,482	38,580
Claims incurred but not yet reported	96,279	31,927
Reinsurance assets	<u>175,368</u>	<u>104,265</u>

6. Reinsurance receivables

As at 30 June 2021 and 31 December 2020, reinsurance receivables consisted of the following:

(Unit: Thousand baht)

Consolidated and Separate
financial statements

	30 June 2021	31 December 2020
Amounts due from reinsurers	<u>335,936</u>	<u>128,988</u>
Reinsurance receivables	<u>335,936</u>	<u>128,988</u>

7. Investments in securities

7.1 Classified by investment type

(Unit: Thousand baht)

	Consolidated and Separate financial statements			
	30 June 2021		31 December 2020	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments measured at fair value through profit or loss				
Domestic unit trusts	3,122,718	3,311,648	2,766,756	2,888,774
Foreign unit trusts	556,277	584,411	376,735	371,778
Total	3,678,995	3,896,059	3,143,491	3,260,552
Add (less): Revaluation allowance				
from fair value measurement	187,885		120,782	
from translation of foreign currencies	29,179		(3,721)	
Total revaluation allowance	217,064		117,061	
Trading investments measured at fair value through profit or loss - net	3,896,059		3,260,552	
Available-for-sale investments measured at fair value through other comprehensive income				
Government and state enterprise securities	2,019,104	2,101,342	2,053,802	2,236,254
Private sector debt securities	2,920,404	3,014,776	3,229,415	3,349,822
Domestic common stocks	407,101	459,513	284,148	304,166
Foreign common stocks	1,410,485	1,937,321	1,340,417	1,604,032
Domestic unit trusts	829,494	765,705	844,484	737,677
Foreign unit trusts	220,905	257,176	220,905	231,511
Total	7,807,493	8,535,833	7,973,171	8,463,462
Add (less): Revaluation allowance				
from fair value measurement	817,329		687,865	
from translation of foreign currencies	23,065		(77,634)	
Total revaluation allowance	840,394		610,231	
Less: Allowance for impairment	(18,545)		(26,837)	
Less: Allowance for expected credit losses	(93,509)		(93,103)	
Available-for-sale investments measured at fair value through other comprehensive income - net	8,535,833		8,463,462	

(Unaudited but reviewed)

(Unit: Thousand baht)

	Consolidated and Separate financial statements			
	30 June 2021		31 December 2020	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Held-to-maturity investments				
measured at amortised cost				
Deposits at financial institutions with				
maturity period of longer than 3 months	10,170		10,000	
Less: Allowance for expected credit				
losses	-		-	
Held-to-maturity investments measured				
at amortised cost - net	10,170		10,000	
Investments in securities - net	12,442,062		11,734,014	

7.2 Classified by stage of credit risk

(Unit: Thousand baht)

	Consolidated and Separate financial statements			
	30 June 2021		31 December 2020	
	Fair value	Allowance for expected credit losses	Fair value	Allowance for expected credit losses
Available-for-sale investments				
measured at fair value through				
other comprehensive income				
Stage 1 - Debt securities without a				
significant increase of credit risk	5,015,561	(4,071)	5,483,212	(2,720)
Stage 2 - Debt securities with a				
significant increase of credit risk	19,637	(358)	22,454	(793)
Stage 3 - Credit - impaired debt				
securities	80,920	(89,080)	80,410	(89,590)
Total	5,116,118	(93,509)	5,586,076	(93,103)

(Unaudited but reviewed)

(Unit: Thousand baht)

Consolidated and Separate financial statements			
30 June 2021			
	Gross	Allowance for	Net
	carrying value	expected credit losses	carrying value
Held-to-maturity investments measured at amortised cost			
Stage 1 - Debt securities without a significant increase of credit risk			
	10,170	-	10,170
Total	10,170	-	10,170

(Unit: Thousand baht)

Consolidated and Separate financial statements			
31 December 2020			
	Gross	Allowance for	Net
	carrying value	expected credit losses	carrying value
Held-to-maturity investments measured at amortised cost			
Stage 1 - Debt securities without a significant increase of credit risk			
	10,000	-	10,000
Total	10,000	-	10,000

7.3 Investments subject to restrictions

As at 30 June 2021 and 31 December 2020, the Group placed certain assets as securities and insurance reserves as described below.

(Unit: Thousand baht)

	Consolidated and Separate financial statements			
	30 June 2021		31 December 2020	
	Amortised cost	Fair value	Amortised cost	Fair value
Placed with the Life Assurance Registrar:				
As securities	20,112	20,306	20,231	20,641
As life insurance reserves	2,438,969	2,576,717	2,234,019	2,473,041
Total	2,459,081	2,597,023	2,254,250	2,493,682
Placed with bank:				
As securities	10,170	10,170	10,000	10,000

7.4 Revaluation surplus on available-for-sale investments measured at fair value through other comprehensive income

(Unit: Thousand baht)

	Consolidated and Separate financial statements	
	For the six-month period ended	For the year ended
	30 June 2021	31 December 2020
Balances at beginning of the periods - as previously reported	687,865	635,384
Cumulative effects of the change in accounting policies	-	6,440
Balances at beginning of the periods - as restated	687,865	641,824
Gains (losses) on revaluation during the periods	203,588	(107,375)
Recognition of expected credit losses in profit or loss	406	89,805
Recognition (reversal) of impairment loss in profit or loss	(8,292)	2,426
Recognition of (gains) losses on sales in profit or loss	(66,238)	61,185
Balances at end of the periods	817,329	687,865
Less: Income taxes	(163,466)	(137,573)
Balances at end of the periods - net of income taxes	653,863	550,292

8. Loans and interest receivables

8.1 Loans and interest receivables classified by overdue periods

As at 30 June 2021 and 31 December 2020, the balances of loans and interest receivables classified by overdue periods of principal and interest receivables were as follows:

(Unit: Thousand baht)

Consolidated and Separate financial statements									
30 June 2021									
Overdue periods	Policy loans		Mortgage loans		Other loans		Total		
	Principal	Interest receivables	Principal	Interest receivables	Principal	Interest receivables	Principal	Interest receivables	Total
Not yet due	567,370	19,306	98,644	596	27	-	666,041	19,902	685,943
Past due									
Less than 3 months	-	-	266,484	1,496	-	-	266,484	1,496	267,980
3 - 6 months	-	-	7,359	92	-	-	7,359	92	7,451
6 - 12 months	-	-	250	21	-	-	250	21	271
Over 12 months	-	-	471,157	53,518	-	-	471,157	53,518	524,675
Total	567,370	19,306	843,894	55,723	27	-	1,411,291	75,029	1,486,320
Less: Allowance for expected credit losses	-	-	(216,438)	(54,244)	-	-	(216,438)	(54,244)	(270,682)
Loans and interest receivables - net	567,370	19,306	627,456	1,479	27	-	1,194,853	20,785	1,215,638

(Unit: Thousand baht)

Consolidated and Separate financial statements									
31 December 2020									
Overdue periods	Policy loans		Mortgage loans		Other loans		Total		
	Principal	Interest receivables	Principal	Interest receivables	Principal	Interest receivables	Principal	Interest receivables	Total
Not yet due	557,190	16,358	332,555	1,228	83	-	889,828	17,586	907,414
Past due									
Less than 3 months	-	-	27,177	1,503	-	-	27,177	1,503	28,680
3 - 6 months	-	-	-	-	-	-	-	-	-
6 - 12 months	-	-	1,878	40	-	-	1,878	40	1,918
Over 12 months	-	-	471,369	29,819	-	-	471,369	29,819	501,188
Total	557,190	16,358	832,979	32,590	83	-	1,390,252	48,948	1,439,200
Less: Allowance for expected credit losses	-	-	(216,611)	(31,131)	-	-	(216,611)	(31,131)	(247,742)
Loans and interest receivables - net	557,190	16,358	616,368	1,459	83	-	1,173,641	17,817	1,191,458

(Unaudited but reviewed)

As at 30 June 2021 and 31 December 2020, mortgage loans were loans provided to agents, employees and external individuals on which interest was charged at the rates between 5 to 19 percent per annum. Collateral used to secure such loans comprised land and buildings.

As at 30 June 2021 and 31 December 2020, 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 percent per annum.

8.2 Loans and interest receivables classified by staging of credit risk

As at 30 June 2021 and 31 December 2020, the balances of loan and interest receivables (excluding policy loans and interest receivables), classified by staging of credit risk were as follows:

(Unit: Thousand baht)

Consolidated and Separate financial statements							
30 June 2021							
Staging of credit risk	Mortgage loans		Other loans		Total		
	Principal	Interest receivables	Principal	Interest receivables	Principal	Interest receivables	Total
Stage 1 - Loans without a significant increase of credit risk	345,669	1,496	27	-	345,696	1,496	347,192
Stage 2 - Loans with significant increases of credit risk	5,064	-	-	-	5,064	-	5,064
Stage 3 - Credit impairment loans	493,161	54,227	-	-	493,161	54,227	547,388
Total	843,894	55,723	27	-	843,921	55,723	899,644
Less: Allowance for expected credit losses	(216,438)	(54,244)	-	-	(216,438)	(54,244)	(270,682)
Loans and interest receivables - net	627,456	1,479	27	-	627,483	1,479	628,962

(Unit: Thousand baht)

Consolidated and Separate financial statements							
31 December 2020							
Staging of credit risk	Mortgage loans		Other loans		Total		
	Principal	Interest receivables	Principal	Interest receivables	Principal	Interest receivables	Total
Stage 1 - Loans without a significant increase of credit risk	334,086	1,231	83	-	334,169	1,231	335,400
Stage 2 - Loans with significant increases of credit risk	10,197	365	-	-	10,197	365	10,562
Stage 3 - Credit impairment loans	488,696	30,994	-	-	488,696	30,994	519,690
Total	832,979	32,590	83	-	833,062	32,590	865,652
Less: Allowance for expected credit losses	(216,611)	(31,131)	-	-	(216,611)	(31,131)	(247,742)
Loans and interest receivables - net	616,368	1,459	83	-	616,451	1,459	617,910

9. Investment in a subsidiary

As at 30 June 2021 and 31 December 2020, 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		(Unit: Thousand baht) Carrying value under equity method	
			30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
			2021	2020	2021	2020	2021	2020	2021	2020
					(%)	(%)				
Phillip Insurance Broker Company Limited	Non-life insurance broker	Thailand	5,000	5,000	99.88	99.88	4,994	4,994	5,158	5,065
Total investment in a subsidiary							4,994	4,994	5,158	5,065

The Company recognised share of profit or 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 reviewed or audited by its auditor.

10. Premises and equipment

	(Unit: Thousand baht)						
	Consolidated and Separate financial statements						
	For the six-month period ended 30 June 2021						
	Land	Buildings and building improvements	Furniture, fixtures and office equipment	Computers	Construction in progress	Idle assets	Total
Net book value							
as at 1 January 2021	36,714	155,506	13,261	14,098	505	2,985	223,069
Additions - cost	-	56	220	4,965	284	-	5,525
Transfer in (out)	-	778	11	-	(789)	-	-
Disposals during the periods - net book value	-	-	-	(27)	-	(2,985)	(3,012)
Depreciation for the period	-	(11,263)	(2,430)	(2,156)	-	-	(15,849)
Net book value as at 30 June 2021	36,714	145,077	11,062	16,880	-	-	209,733

11. Leases

The Company has lease contracts for various items used in its operations. Leases generally have lease terms between 2 - 3 years.

11.1 Right-of-use assets

	(Unit: Thousand baht)		
	Consolidated and Separate financial statements		
	For the six-month ended period 30 June 2021		
	Leased buildings	Motor vehicles	Total
Net book value as at 1 January 2021	69,492	668	70,160
Addition during the period	1,730	-	1,730
Remeasurement during the period	171	-	171
Depreciation for the period	(14,633)	(446)	(15,079)
Net book value as at 30 June 2021	56,760	222	56,982

11.2 Lease liabilities

	(Unit: Thousand baht)	
	30 June 2021	31 December 2020
Amounts of lease payments	62,672	76,713
Less: Deferred interest expenses	(2,628)	(3,844)
Lease liabilities	60,044	72,869
Less: Current portion	(28,292)	(28,383)
Lease liabilities - net of current portion	31,752	44,486

12. Intangible assets

	(Unit: Thousand baht)
	Consolidated and Separate financial statements
	For the six-month period ended 30 June 2021
	Computer softwares
Net book value as at 1 January 2021	11,885
Amortisation for the period	(2,233)
Net book value as at 30 June 2021	9,652

13. Other assets

As at 30 June 2021 and 31 December 2020, other assets consisted of the following items:

(Unit: Thousand baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Rental deposits	7,935	7,638	7,935	7,638
Other receivables	53,310	55,931	53,320	55,973
Withholding taxes	20,878	16,221	20,878	16,221
Receivables from sales of investments	3,547	1,782	3,547	1,782
Receivable from the Legal Executive Department	5,870	5,870	5,870	5,870
Others	20,212	24,856	19,686	24,340
Total	111,752	112,298	111,236	111,824
Less: Allowance for impairment	(59,280)	(62,026)	(59,280)	(62,026)
Other assets - net	52,472	50,272	51,956	49,798

14. Insurance contract liabilities

(Unit: Thousand baht)

	Consolidated and Separate financial statements					
	30 June 2021			31 December 2020		
	Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net
Long-term insurance policy reserves	9,290,284	-	9,290,284	9,766,755	-	9,766,755
Loss reserves						
Claims incurred and reported	112,862	(28,482)	84,380	317,842	(38,580)	279,262
Claims incurred but not yet reported	211,004	(96,279)	114,725	98,148	(31,927)	66,221
Premium reserves						
Unearned premium reserves	413,823	(42,183)	371,640	471,579	(32,578)	439,001
Unexpired risk reserves	125,542	(8,424)	117,118	114,972	(1,180)	113,792
Unpaid policy benefits	53,272	-	53,272	54,975	-	54,975
Other insurance liabilities	536,908	-	536,908	520,050	-	520,050
Total	10,743,695	(175,368)	10,568,327	11,344,321	(104,265)	11,240,056

(Unaudited but reviewed)

14.1 Long-term insurance policy reserves

(Unit: Thousand baht)

	Consolidated and Separate financial statements	
	For the six-month period ended 30 June 2021	For the year ended 31 December 2020
Balances - beginning of the periods	9,766,755	8,679,969
Insurance policy reserves increased for new businesses and inforce policies	732,104	1,635,468
Insurance policy reserves released from death, benefit paid, lapse and surrender	(426,385)	(957,835)
Change in insurance policy reserves as a result of assumption changes	(734,944)	460,515
Changes in insurance policy reserves as a result of experience adjustments	(47,246)	(51,362)
Balances - end of the periods	<u>9,290,284</u>	<u>9,766,755</u>

14.2 Short-term insurance policy reserves

(a) Loss reserves

(Unit: Thousand baht)

	Consolidated and Separate financial statements	
	For the six-month period ended 30 June 2021	For the year ended 31 December 2020
Balances - beginning of the periods	415,990	190,843
Claims incurred in the current periods	981,401	1,565,655
Changes in loss reserves from the prior year	(26,091)	(14,788)
Changes in assumption for calculating claim reserves	-	(24)
Claims paid during the periods	(1,047,434)	(1,325,696)
Balances - end of the periods	<u>323,866</u>	<u>415,990</u>

(b) Unearned premium reserves

(Unit: Thousand baht)

Consolidated and Separate
financial statements

	For the six-month period ended 30 June 2021	For the year ended 31 December 2020
Balances - beginning of the periods	471,579	360,591
Premium written during the periods	815,191	1,587,230
Premium earned during the periods	(872,947)	(1,476,242)
Balances - end of the periods	413,823	471,579

(c) Unexpired risk reserves

(Unit: Thousand baht)

Consolidated and Separate
financial statements

	For the six-month period ended 30 June 2021	For the year ended 31 December 2020
Balances - beginning of the periods	586,551	391,063
Estimated claims	1,038,522	1,867,667
Risk expired during the periods	(1,085,708)	(1,672,179)
Balances - end of the periods	539,365	586,551

As at 30 June 2021 and 31 December 2020, unexpired risk reserves were higher than unearned premium reserves net of reinsurance by Baht 3.3 million and Baht 81.1 million, respectively, which were already recognised in profit or loss.

(Unaudited but reviewed)

14.3 Unpaid policy benefits

(Unit: Thousand baht)

Consolidated and Separate
financial statements

	30 June 2021	31 December 2020
Death benefits	2,960	9,752
Maturity payments	20,252	21,250
Surrender	6,142	838
Benefit payments under policies	1,064	1,229
Others	22,854	21,906
Total unpaid policy benefits	<u>53,272</u>	<u>54,975</u>

14.4 Other insurance liabilities

(Unit: Thousand baht)

Consolidated and Separate
financial statements

	30 June 2021	31 December 2020
Deposits of the insured	510,172	484,901
Others	26,736	35,149
Total other insurance liabilities	<u>536,908</u>	<u>520,050</u>

15. Reinsurance payables

As at 30 June 2021 and 31 December 2020, the Company had reinsurance payables classified by type of liabilities as follows:

(Unit: Thousand baht)

Consolidated and Separate
financial statements

	30 June 2021	31 December 2020
Outward premium payables	299,891	165,843
Total due to reinsurers	<u>299,891</u>	<u>165,843</u>

16. Deferred tax liabilities and income tax benefits

16.1 Deferred tax liabilities

As at 30 June 2021 and 31 December 2020, 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 30 June		For the six-month periods ended 30 June		
30 June	31 December	2021	2020	2021	2020	
Deferred tax liabilities arose from:						
Unrealised gains on available-for-sale investments measured at fair value through other comprehensive income	163,466	137,573	(18,436)	(58,400)	(25,893)	22,747
Unrealised gains on trading investments measured at fair value through profit or loss	37,572	24,156	(14,150)	(6,514)	(13,416)	(6,131)
Total deferred tax liabilities	201,038	161,729				
Total changes			(32,586)	(64,914)	(39,309)	16,616
Recognition of changes in						
- Other comprehensive income at beginning of the periods (Note 3.1)			-	-	-	(1,288)
- Profit or loss			(14,150)	(6,514)	(13,416)	(6,131)
- Other comprehensive income			(18,436)	(58,400)	(25,893)	24,035
Total changes			(32,586)	(64,914)	(39,309)	16,616

As at 30 June 2021 and 31 December 2020, the Group had tax-deductible temporary differences and unused tax losses for which the Group did not record deferred tax assets since the management has already assessed and believes that it will not have sufficient taxable profit in the future to utilise such deductible temporary differences and unused tax losses before they expire. Those tax-deductible temporary differences and unused tax losses items are as bellows:

(Unaudited but reviewed)

(Unit: Thousand baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
Allowance for impairment	18,545	26,837	18,545	26,837
Employee benefit obligations	59,500	56,834	59,500	56,834
Loss reserves	199,105	345,483	199,105	345,483
Premium reserves	-	-	-	-
Unexpired risk reserves	117,118	113,792	117,118	113,792
Leases	3,444	3,140	3,444	3,140
Tax losses brought forward no longer than five fiscal years	1,213,264	1,972,139	1,213,357	1,972,249
Total	1,610,976	2,518,225	1,611,069	2,518,335

16.2 Income tax benefits

Income tax benefits for the three-month and six-month periods ended 30 June 2021 and 2020 were made up 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	
	2021	2020	2021	2020	2021	2020	2021	2020
Current income taxes:								
Corporate income tax for the periods	-	-	-	-	-	-	-	-
Deferred income taxes:								
Relating to origination and reversal of temporary differences	(14,150)	(6,514)	(13,416)	(6,131)	(14,150)	(6,514)	(13,416)	(6,131)
Income tax expenses recognised in profit or loss	(14,150)	(6,514)	(13,416)	(6,131)	(14,150)	(6,514)	(13,416)	(6,131)

(Unaudited but reviewed)

Reconciliations between income tax benefits and the product of accounting loss for the three-month and six-month periods ended 30 June 2021 and 2020 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	
	2021	2020	2021	2020	2021	2020	2021	2020
Accounting loss before income tax expenses	73,472	(456,364)	962,257	(555,445)	73,472	(456,364)	962,257	(555,445)
Applicable tax rate	20%	20%	20%	20%	20%	20%	20%	20%
Amount of income taxes at the applicable tax rate	(14,694)	91,273	(192,451)	111,089	(14,694)	91,273	(192,451)	111,089
Net tax effect on revenues or expenses that are not taxable or not deductible in determining taxable profits	(222)	(16,876)	(2,418)	(15,294)	(222)	(16,876)	(2,418)	(15,294)
Temporary differences, which are not recognised as deferred tax assets	17,565	(2,174)	29,675	5,337	17,565	(2,174)	29,675	5,337
Deferred taxes on losses for the periods expected not to be able to utilise	(16,799)	(78,737)	151,778	(107,263)	(16,799)	(78,737)	151,778	(107,263)
Income tax expenses reported in profit or loss	(14,150)	(6,514)	(13,416)	(6,131)	(14,150)	(6,514)	(13,416)	(6,131)

(Unaudited but reviewed)

The amounts of income taxes relating to each component of other comprehensive income (loss) For the three-month and six-month periods ended 30 June 2021 and 2020 were as follows:

	Consolidated and separate financial statements			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2021	2020	2021	2020
Income taxes relating to:				
(Gains) losses on revaluation of available-for-sale investments measured at fair value through other comprehensive income during the periods	(29,758)	(31,514)	(40,718)	54,904
Reversal of expected credit losses in profit or loss	(61)	(17,918)	(81)	(18,572)
Recognition of impairment loss in profit or loss	608	3,874	1,658	3,762
Recognition of (gain) losses on sales of available-for-sale investments measured at fair value through other comprehensive income in profit or loss	10,775	(12,842)	13,248	(16,059)
Income taxes reported in other comprehensive income (loss)	<u>(18,436)</u>	<u>(58,400)</u>	<u>(25,893)</u>	<u>24,035</u>

17. Other liabilities

As at 30 June 2021 and 31 December 2020, other liabilities consisted of the following items:

	(Unit: Thousand baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2021	31 December 2020	30 June 2021	31 December 2020
Accrued commission and brokerage expenses	50,335	150,040	50,335	150,040
Deposits from agents	94,245	89,437	94,245	89,437
Accrued operating expenses	38,823	65,196	37,537	64,801
Payables on purchases of investments	1,048	-	1,048	-
Others	7,765	12,416	7,765	12,416
Total other liabilities	<u>192,216</u>	<u>317,089</u>	<u>190,930</u>	<u>316,694</u>

18. Share capital

By the resolution of the Meeting No. 1/2021 of the Board of Directors held on 25 January 2021, 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 at the ratio of 1 existing share to 0.0527763 new ordinary shares for the purpose of meeting the Capital Adequacy Requirement as required by the Office of Insurance Commission. On 11 February 2021, the Company received payments for such additional ordinary shares and registered the issued and paid-up share capital with the Ministry of Commerce on 22 February 2021.

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 30 June 2021		For the year ended 31 December 2020		
	No. of shares	Amount	No. of shares	Amount	
	(Thousand shares)	(Thousand Baht)	(Thousand shares)	(Thousand Baht)	
Registered share capital:					
Balance at beginning of the periods	6.25	1,600,000	10,000,000	960,000	6,000,000
Registered the increased/decreased share capital during the periods	6.25	-	-	640,000	4,000,000
Balance at end of the periods	6.25	1,600,000	10,000,000	1,600,000	10,000,000
Issued and paid-up share capital:					
Balance at beginning of the periods	6.25	909,500	5,684,375	685,500	4,284,375
Issued additional shares during the periods	6.25	48,000	300,000	224,000	1,400,000
Balance at end of the periods	6.25	957,500	5,984,375	909,500	5,684,375

19. Expected credit losses

(Unit: Thousand baht)

	Consolidated financial statements				Separate financial statements			
	For the		For the		For the		For the	
	three-month periods		six-month periods		three-month periods		six-month periods	
	ended 30 June		ended 30 June		ended 30 June		ended 30 June	
	2021	2020	2021	2020	2021	2020	2021	2020
Cash and cash equivalents	(2)	67	(100)	(11)	(2)	63	(100)	(15)
Accrued investment income	901	2,343	1,789	2,343	901	2,343	1,789	2,343
Investments in securities	308	89,588	406	89,561	308	89,588	406	89,561
Loans and interest receivables	8,029	(1,254)	22,940	(13,013)	8,029	(1,254)	22,940	(13,013)
Total	9,236	90,744	25,035	78,880	9,236	90,740	25,035	78,876

20. Earnings per share

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

Earnings (loss) per share for the three-month and six-month periods ended 30 June 2021 and 2020 were determined as follows:

	Consolidated financial statements				Separate financial statements			
	For the three-month		For the six-month		For the three-month		For the six-month	
	periods ended		periods ended		periods ended		periods ended	
	30 June		30 June		30 June		30 June	
	2021	2020	2021	2020	2021	2020	2021	2020
Loss for the period (Thousand Baht)	59,322	(462,878)	948,840	(561,576)	59,322	(462,878)	948,840	(561,576)
Weighted average number of ordinary shares (Thousand shares)	957,500	766,555	943,710	726,907	957,500	766,555	943,710	726,907
Basic earnings per share Loss per share (Baht / share)	0.06	(0.60)	1.01	(0.77)	0.06	(0.60)	1.01	(0.77)

21. Related party transactions

21.1 Type of relationship

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

21.2 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:

(Unit: Thousand baht)

	Consolidated and separate financial statements				Pricing policy
	For the three-month periods ended 30 June		For the six-month periods ended 30 June		
	2021	2020	2021	2020	
Related parties					
Expenses					
Securities management fee	1,127	634	2,163	1,649	Contract rates or agreed-upon rates
Commission expense	245	407	853	1,318	Contract rates or agreed-upon rates

21.3 Outstanding balances with related parties

As at 30 June 2021 and 31 December 2020, the outstanding balances between the Company and its related parties were as follows:

	(Unit: Thousand baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2021	2020	2021	2020
Subsidiary				
Assets				
Receivables from related parties	-	-	10	42
Related company				
Assets				
Premium receivables	199	26	199	26
Liabilities				
Accrued securities management fee	1,127	846	1,127	846

21.4 Directors' and key management's remunerations

The Group 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	
	2021	2020	2021	2020
Short-term employee benefits	790	729	1,555	1,530
Long-term employee benefits	34	35	69	69
Total directors' and key management's remunerations	824	764	1,624	1,599

22. Litigations

As at 30 June 2021, the Company had outstanding litigation cases whereby the Company has been sued by its policyholders claiming for benefits under the insurance contracts for the amount of Baht 4.6 million. The judgment of the cases has not yet been finalised and the Company's management expects that the Company will win the cases and there will be no payments as a result of such claims. Therefore, the Company recorded no provision of liabilities on those litigation cases.

23. Fair values of financial instruments

As at 30 June 2021 and 31 December 2020, the Group had financial assets and liabilities that were measured or disclosed at fair value using different levels of inputs as follows:

(Unit: Thousand baht)

	Consolidated financial statements				Carrying value
	30 June 2021				
	Fair value			Total	
Level 1	Level 2	Level 3			
Financial assets measured at fair values					
Trading investments measured at fair value through profit or loss					
Domestic unit trusts	-	3,311,648	-	3,311,648	3,311,648
Foreign unit trusts	-	584,411	-	584,411	584,411
Available-for-sale investments measured at fair value through other comprehensive income					
Government and state enterprise securities	-	2,101,342	-	2,101,342	2,101,342
Private sector debt securities	-	2,914,219	100,557	3,014,776	3,014,776
Domestic common stocks	453,067	-	6,446	459,513	459,513
Foreign common stocks	1,937,321	-	-	1,937,321	1,937,321
Domestic unit trusts	765,705	-	-	765,705	765,705
Foreign unit trusts	257,176	-	-	257,176	257,176
Financial assets for which fair values were disclosed					
Cash and cash equivalents	222,049	-	-	222,049	222,049
Accrued investment income	-	40,211	-	40,211	40,211
Held-to-maturity investments measured at amortised cost					
Deposits at financial institutions with maturity periods of longer than 3 months					
	-	10,170	-	10,170	10,170
Policy loans and interest receivables	-	-	675,430	675,430	586,676
Mortgage loans, other loans and interest receivables	-	-	842,326	842,326	628,962
Financial liabilities for which fair values were disclosed					
Lease liabilities	-	-	60,044	60,044	60,044

(Unaudited but reviewed)

(Unit: Thousand baht)

Consolidated financial statements					
31 December 2020					
	Fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair values					
Trading investments measured at fair value through profit or loss					
Domestic unit trusts	-	2,888,774	-	2,888,774	2,888,774
Foreign unit trusts	-	371,778	-	371,778	371,778
Available-for-sale investments measured at fair value through other comprehensive income					
Government and state enterprise securities	-	2,236,254	-	2,236,254	2,236,254
Private sector debt securities	-	3,246,958	102,864	3,349,822	3,349,822
Domestic common stocks	297,610	-	6,556	304,166	304,166
Foreign common stocks	1,604,032	-	-	1,604,032	1,604,032
Domestic unit trusts	737,677	-	-	737,677	737,677
Foreign unit trusts	231,511	-	-	231,511	231,511
Financial assets for which fair values were disclosed					
Cash and cash equivalents	356,875	-	-	356,875	356,875
Accrued investment income	-	44,846	-	44,846	44,846
Held-to-maturity investments measured at amortised cost					
Deposits at financial institutions with maturity periods of longer than 3 months					
	-	10,000	-	10,000	10,000
Policy loans and interest receivables	-	-	667,558	667,558	573,548
Mortgage loans, other loans and interest receivables	-	-	796,540	796,540	617,910
Financial liabilities for which fair values were disclosed					
Lease liabilities	-	-	72,869	72,869	72,869

(Unaudited but reviewed)

(Unit: Thousand baht)

Separate financial statements					
30 June 2021					
	Fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair values					
Trading investments measured at fair value fair value through profit or loss					
Domestic unit trusts	-	3,311,648	-	3,311,648	3,311,648
Foreign unit trusts	-	584,411	-	584,411	584,411
Available-for-sale investments measured at fair value through other comprehensive income					
Government and state enterprise securities	-	2,101,342	-	2,101,342	2,101,342
Private sector debt securities	-	2,914,219	100,557	3,014,776	3,014,776
Domestic common stocks	453,067	-	6,446	459,513	459,513
Foreign common stocks	1,937,321	-	-	1,937,321	1,937,321
Domestic unit trusts	765,705	-	-	765,705	765,705
Foreign unit trusts	257,176	-	-	257,176	257,176
Financial assets for which fair values were disclosed					
Cash and cash equivalents	216,115	-	-	216,115	216,115
Accrued investment income	-	40,211	-	40,211	40,211
Held-to-maturity investments measured at amortised cost					
Deposits at financial institutions with maturity periods of longer than 3 months					
	-	10,170	-	10,170	10,170
Policy loans and interest receivables	-	-	675,430	675,430	586,676
Mortgage loans, other loans and interest receivables	-	-	842,326	842,326	628,962
Financial liabilities for which fair values were disclosed					
Lease liabilities	-	-	60,044	60,044	60,044

(Unaudited but reviewed)

(Unit: Thousand baht)

	Separate financial statements				Carrying value
	31 December 2020				
	Fair value			Total	
Level 1	Level 2	Level 3			
Financial assets measured at fair values					
Trading investments measured at fair value fair value through profit or loss					
Domestic unit trusts	-	2,888,774	-	2,888,774	2,888,774
Foreign unit trusts	-	371,778	-	371,778	371,778
Available-for-sale investments measured at fair value through other comprehensive income					
Government and state enterprise securities	-	2,236,254	-	2,236,254	2,236,254
Private sector debt securities	-	3,246,958	102,864	3,349,822	3,349,822
Domestic common stocks	297,610	-	6,556	304,166	304,166
Foreign common stocks	1,604,032	-	-	1,604,032	1,604,032
Domestic unit trusts	737,677	-	-	737,677	737,677
Foreign unit trusts	231,511	-	-	231,511	231,511
Financial assets for which fair values were disclosed					
Cash and cash equivalents	351,884	-	-	351,884	351,884
Accrued investment income	-	44,846	-	44,846	44,846
Held-to-maturity investments measured at amortised cost					
Deposits at financial institutions with maturity periods of longer than 3 months					
	-	10,000	-	10,000	10,000
Policy loans and interest receivables	-	-	667,558	667,558	573,548
Mortgage loans, other loans and interest receivables	-	-	796,540	796,540	617,910
Financial liabilities for which fair values were disclosed					
Lease liabilities	-	-	72,869	72,869	72,869

The methods and assumptions used by the Group in estimating the fair value of financial instruments are as follows:

- (a) The fair values of financial assets having short-term maturity, which are cash and cash equivalent, short-term deposits at financial institutes and accrued investment income, are estimated to approximate their carrying values.
- (b) Investments in debts securities are determined for fair values using the yield curve as announced by the Thai Bond Market Association.

(Unaudited but reviewed)

- (c) Investment in equity securities are determined for fair values according to market prices or using the net asset value per unit as announced by the fund managers. In case of non-marketable equity securities, the fair value is generally determined using generally accepted pricing model or approximated to their net book values if the fair value cannot be reliably estimated.
- (d) The fair value of policy loans is estimated from the present value of cash flows discounted by zero coupon bonds.
- (e) The fair value of mortgaged loans is estimated from the present value of cash flows discounted by an average retail lending rates of 5 commercial banks.
- (f) The fair value of lease liabilities is approximated to their carrying values due to carrying an approximate market rate.

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

Reconciliation of fair value measurements of equity financial assets, categorised within Level 3 of the fair value hierarchy, were presented below:

	(Unit: Thousand baht)
	Consolidated and Separate financial statements
	<hr/>
Balance as of 1 January 2021	6,556
Net gain recognised in other comprehensive income	(110)
Balance as of 30 June 2021	<hr/> <hr/> 6,446

24. Approval of interim financial information

This interim financial information was authorised for issue by the Company's authorised director on 11 August 2021.