

Phillip Life Assurance Public Company Limited
and its subsidiary
Review report and interim financial statements
30 June 2018



EY Office Limited
33rd Floor, Lake Rajada Office Complex
193/136-137 Rajadapisek Road
Klongtoey, Bangkok 10110
G.P.O.Box 1047, Bangkok 10501, Thailand
Tel: +66 2264 9090
Fax: +66 2264 0789-90
ey.com

บริษัท สำนักงาน อีวาย จำกัด
ชั้น 33 อาคารเลครัชดา
193/136-137 ถนนรัชดาภิเษก
คลองเตย กรุงเทพฯ 10110
ตู้ป.ณ. 1047 กรุงเทพฯ 10501
โทรศัพท์: +66 2264 9090
โทรสาร: +66 2264 0789-90
ey.com

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 2018, the related consolidated statements of comprehensive income for the three-month and six-month periods ended 30 June 2018, the related consolidated statement 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. I 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.

Nonglak Pumnoi
Certified Public Accountant (Thailand) No. 4172

EY Office Limited
Bangkok: 9 August 2018

Phillip Life Assurance Public Company Limited and its subsidiary

Statements of financial position

As at 30 June 2018 and 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 June 2018	31 December 2017	30 June 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash and cash equivalents	5	73,002,504	655,466,393	68,002,504	650,466,393
Premium receivables - net	6	84,471,208	72,015,522	84,471,208	72,015,522
Accrued investment income - net	10	67,990,089	77,220,597	67,990,089	77,220,597
Reinsurance assets	7	1,062,905	8,150,097	1,062,905	8,150,097
Reinsurance receivables	8	1,707,459	32,854	1,707,459	32,854
Investment assets					
Investments in securities - net	9, 22	7,896,289,110	7,691,871,918	7,896,289,110	7,691,871,918
Loans - net	10	1,120,609,116	1,107,015,832	1,120,609,116	1,107,015,832
Investments in a subsidiary	11	-	-	4,966,926	4,967,675
Premises and equipment - net	12	241,115,831	100,860,307	241,115,831	100,860,307
Other assets - net	13	75,664,652	78,824,423	75,691,009	78,850,780
Total assets		9,561,912,874	9,791,457,943	9,561,906,157	9,791,451,975

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 2018 and 31 December 2017

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements		
	30 June 2018	31 December 2017	30 June 2018	31 December 2017	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Liabilities and owners' equity					
Liabilities					
Insurance contract liabilities	14	7,635,840,543	7,793,554,094	7,635,840,543	7,793,554,094
Reinsurance payables	15	4,061,375	4,643,182	4,061,375	4,643,182
Employee benefit obligations		40,450,645	39,053,096	40,450,645	39,053,096
Deferred tax liabilities	16.1	65,865,255	150,491,816	65,865,255	150,491,816
Other liabilities	17	133,435,290	125,036,903	133,434,540	125,036,903
Total liabilities		7,879,653,108	8,112,779,091	7,879,652,358	8,112,779,091
Owners' equity					
Share capital					
Registered					
485,500,000 ordinary shares of Baht 6.25 each		3,034,375,000	3,034,375,000	3,034,375,000	3,034,375,000
Issued and paid-up					
453,500,000 ordinary shares of Baht 6.25 each		2,834,375,000	2,834,375,000	2,834,375,000	2,834,375,000
Share subscription receivable	18	(1,128,406)	(1,128,406)	(1,128,406)	(1,128,406)
Issued and paid-up		2,833,246,594	2,833,246,594	2,833,246,594	2,833,246,594
Share subscription receivable	18	(71,089,769)	(71,089,769)	(71,089,769)	(71,089,769)
Deficits		(1,343,364,048)	(1,685,451,204)	(1,343,364,048)	(1,685,451,204)
Other component of owners' equity					
Revaluation surplus on available-for-sale investments					
- net of income taxes	9.4	263,461,022	601,967,263	263,461,022	601,967,263
Equity attributable to equity holders of the Company		1,682,253,799	1,678,672,884	1,682,253,799	1,678,672,884
Non-controlling interests of the subsidiary		5,967	5,968	-	-
Total owners' equity		1,682,259,766	1,678,678,852	1,682,253,799	1,678,672,884
Total liabilities and owners' equity		9,561,912,874	9,791,457,943	9,561,906,157	9,791,451,975

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

Directors



(Unaudited but reviewed)

Phillip Life Assurance Public Company Limited and its subsidiary

Statements of comprehensive income

For the three-month periods ended 30 June 2018 and 2017

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
Note	2018	2017	2018	2017
Profit or loss:				
Revenues				
Premium written	316,169,740	266,380,275	316,169,740	266,380,275
Less: Premium ceded to reinsurers	(2,294,334)	(2,031,359)	(2,294,334)	(2,031,359)
Net premium written	313,875,406	264,348,916	313,875,406	264,348,916
Less: Unearned premium reserves increased from prior period	(19,270,789)	(24,799,086)	(19,270,789)	(24,799,086)
Earned premium after reinsurance	294,604,617	239,549,830	294,604,617	239,549,830
Net investment revenues	107,030,027	105,942,797	107,030,027	105,942,797
Gains (losses) on investments	22,431,923	(10,777,636)	22,431,923	(10,777,636)
Fair value gains	7,649,901	142,191	7,649,901	142,191
Share of loss from investment in a subsidiary under equity method	-	-	-	(26,325)
Other income	(194,924)	554,107	(194,924)	554,107
Total revenues	431,521,544	335,411,289	431,521,544	335,384,964
Expenses				
Long-term life insurance policy reserves increased (decreased) from prior period	(94,561,864)	102,315,341	(94,561,864)	102,315,341
Benefit payments under life policies and gross claims	164,789,073	198,235,989	164,789,073	198,235,989
Less: Benefit payments under life policies and claims refundable from reinsurance	6,373,796	(71,612)	6,373,796	(71,612)
Commission and brokerage expenses	91,424,935	41,706,301	91,424,935	41,706,301
Other underwriting expenses	3,228,186	2,990,797	3,228,186	2,990,797
Operating expenses	38,243,531	68,233,882	38,243,531	68,207,525
Other expenses	(213,141)	941,490	(213,141)	941,490
Total expenses	209,284,516	414,352,188	209,284,516	414,325,831
Profit (loss) before income tax expenses	222,237,028	(78,940,899)	222,237,028	(78,940,867)
Income tax expenses	16.2	-	-	-
Profit (loss) for the periods	222,237,028	(78,940,899)	222,237,028	(78,940,867)

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 three-month periods ended 30 June 2018 and 2017

	Note	(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Other comprehensive income (loss):					
Items to be recognised in profit or loss in subsequent periods:					
Gains (losses) on valuation of available-for-sale investments		(314,802,358)	62,821,212	(314,802,358)	62,821,212
Add (less): Income taxes	16.2	62,960,471	(12,564,242)	62,960,471	(12,564,242)
Items to be recognised in profit or loss in subsequent periods - net of income taxes		(251,841,887)	50,256,970	(251,841,887)	50,256,970
Other comprehensive income (loss) for the periods		(251,841,887)	50,256,970	(251,841,887)	50,256,970
Total comprehensive income for the periods		(29,604,859)	(28,683,929)	(29,604,859)	(28,683,897)
Profit for the periods attributable to:					
Equity holders of the Company		222,237,028	(78,940,867)	222,237,028	(78,940,867)
Non-controlling interests of the subsidiary		-	(32)	-	(32)
		222,237,028	(78,940,899)	222,237,028	(78,940,899)
Total comprehensive income for the periods attributable to:					
Equity holders of the Company		(29,604,859)	(28,683,897)	(29,604,859)	(28,683,897)
Non-controlling interests of the subsidiary		-	(32)	-	(32)
		(29,604,859)	(28,683,929)	(29,604,859)	(28,683,929)
Earnings per share	20				
Basic earnings per share					
Profits for the periods		0.49	(0.17)	0.49	(0.17)

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 2018 and 2017

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		(Unit: Baht)			
Profit or loss:					
Revenues					
Premium written		575,873,447	504,901,130	575,873,447	504,901,130
Less: Premium ceded to reinsurers		(3,854,111)	(4,066,046)	(3,854,111)	(4,066,046)
Net premium written		572,019,336	500,835,084	572,019,336	500,835,084
Less: Unearned premium reserves increased					
from prior period		(13,018,256)	(25,876,247)	(13,018,256)	(25,876,247)
Earned premium after reinsurance		559,001,080	474,958,837	559,001,080	474,958,837
Net investment revenues		196,133,022	179,468,558	196,133,022	179,468,558
Gains on investments		50,311,758	40,858,379	50,311,758	40,858,379
Fair value losses		(2,561,002)	(2,147,946)	(2,561,002)	(2,147,946)
Share of loss from investment in a subsidiary under equity method		-	-	(749)	(26,325)
Other income		285,021	4,205,081	285,021	4,205,081
Total revenues		803,169,879	697,342,909	803,169,130	697,316,584
Expenses					
Long-term life insurance policy reserves increased (decreased)					
from prior period		(158,655,602)	117,537,854	(158,655,602)	117,537,854
Benefit payments under life policies and gross claims		339,686,317	385,647,947	339,686,317	385,647,947
Less: Benefit payments under life policies and					
claims refundable from reinsurance		6,346,365	(184,186)	6,346,365	(184,186)
Commission and brokerage expenses		147,753,581	86,000,466	147,753,581	86,000,466
Other underwriting expenses		6,204,234	5,691,519	6,204,234	5,691,519
Operating expenses	19	119,955,720	127,575,290	119,954,970	127,548,933
Other expenses		(207,891)	941,490	(207,891)	941,490
Total expenses		461,082,724	723,210,380	461,081,974	723,184,023
Profit (loss) before income tax expenses		342,087,155	(25,867,471)	342,087,156	(25,867,439)
Income tax expenses	16.2	-	-	-	-
Profit (loss) for the periods		342,087,155	(25,867,471)	342,087,156	(25,867,439)

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 six-month periods ended 30 June 2018 and 2017

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
		(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		(423,132,801)	88,258,726	(423,132,801)	88,258,726
Add (less): Income taxes	16.2	84,626,560	(17,651,745)	84,626,560	(17,651,745)
Items to be recognised in profit or loss					
in subsequent periods - net of income taxes		(338,506,241)	70,606,981	(338,506,241)	70,606,981
Other comprehensive income (loss) for the periods		(338,506,241)	70,606,981	(338,506,241)	70,606,981
Total comprehensive income for the periods		3,580,914	44,739,510	3,580,915	44,739,542
Profit for the periods attributable to:					
Equity holders of the Company		342,087,156	(25,867,439)	342,087,156	(25,867,439)
Non-controlling interests of the subsidiary		(1)	(32)		
		<u>342,087,155</u>	<u>(25,867,471)</u>		
Total comprehensive income for the periods attributable to:					
Equity holders of the Company		6,255,314	44,739,542	3,580,915	44,739,542
Non-controlling interests of the subsidiary		(1)	(32)		
		<u>6,255,313</u>	<u>44,739,510</u>		
Earnings per share	20				
Basic earnings per share					
Profits for the periods		<u>0.75</u>	<u>(0.06)</u>	<u>0.75</u>	<u>(0.06)</u>

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 changes in owners' equity

For the six-month periods ended 30 June 2018 and 2017

(Unit: Baht)

	Consolidated financial statement						
	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	Total
Balance as at 1 January 2017	2,833,246,594	(71,089,769)	(1,486,041,419)	363,661,489	1,639,776,895	-	1,639,776,895
Capital of non-controlling interests of the subsidiary	-	-	-	-	-	6,000	6,000
Loss for the period	-	-	(25,867,439)	-	(25,867,439)	(32)	(25,867,471)
Other comprehensive income for the period	-	-	-	70,606,981	70,606,981	-	70,606,981
Total comprehensive income (loss) for the period	-	-	(25,867,439)	70,606,981	44,739,542	(32)	44,739,510
Balance as at 30 June 2017	2,833,246,594	(71,089,769)	(1,511,908,858)	434,268,470	1,684,516,437	5,968	1,684,522,405
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
Income (loss) 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



[Handwritten signatures]

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 changes in owners' equity (Continued)

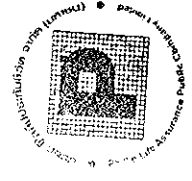
For the six-month periods ended 30 June 2018 and 2017

(Unit: Baht)

Separate financial statements

	Issued and paid-up share capital	Share subscription receivable	Deficits	Other component of equity		Total
				Revaluation surplus on available-for-sale investments - net	of income taxes	
Balance as at 1 January 2017	2,833,246,594	(71,089,769)	(1,486,041,419)	363,661,489		1,639,776,895
Loss for the period	-	-	(25,867,439)	-		(25,867,439)
Other comprehensive income for the period	-	-	-	70,606,981		70,606,981
Total comprehensive income (loss) for the period	-	-	(25,867,439)	70,606,981		44,739,542
Balance as at 30 June 2017	2,833,246,594	(71,089,769)	(1,511,908,858)	434,268,470		1,684,516,437
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

[Handwritten signatures]



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 2018 and 2017

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from (used in) operating activities				
Gross premium from direct insurance	562,229,413	493,990,187	562,229,413	493,990,187
Cash paid from reinsurance	(4,956,887)	(1,068,321)	(4,956,887)	(1,068,321)
Interest income	146,017,126	119,518,575	146,017,126	119,518,575
Dividend income	67,087,500	68,598,695	67,087,500	68,598,695
Other income	263,097	3,379,448	263,097	3,379,448
Benefit payments under life policies and gross claims from direct insuran	(352,175,331)	(397,458,962)	(352,175,331)	(397,458,962)
Commission and brokerage expenses on direct insurance	(144,497,598)	(99,722,491)	(144,497,598)	(99,722,491)
Other underwriting expenses	(6,163,380)	(5,761,092)	(6,163,380)	(5,761,092)
Operating expenses	(125,367,426)	(130,581,677)	(125,367,426)	(130,587,677)
Other expenses	213,780	-	213,780	-
Investments in securities	(587,026,799)	(146,997,786)	(587,026,799)	(146,997,786)
Deposits at financial institutions	-	-	-	-
Loans	18,697,069	34,302,965	18,697,069	34,302,965
Net cash used in operating activities	(425,679,436)	(61,800,459)	(425,679,436)	(61,806,459)
Cash flows used in investing activities				
Building and equipment	(156,784,453)	(3,445,193)	(156,784,453)	(3,445,193)
Investment in a subsidiary	-	-	-	(4,994,000)
Net cash used in investing activities	(156,784,453)	(3,445,193)	(156,784,453)	(8,439,193)
Net decrease in cash and cash equivalents	(582,463,889)	(65,245,652)	(582,463,889)	(70,245,652)
Cash and cash equivalents at beginning of the periods	655,466,393	554,077,279	650,466,393	554,077,279
Cash and cash equivalents at end of the periods	73,002,504	488,831,627	68,002,504	483,831,627

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



Phillip Life Assurance Public Company Limited and its subsidiary

Table of contents for notes to interim financial statements

For the three-month and six-month periods ended 30 June 2018 and 2017

Note	Contents	Page
1.	Corporate information.....	1
2.	Basis of preparation of financial statements	1
3.	New financial reporting standards.....	2
4.	Significant accounting policies.....	3
5.	Cash and cash equivalents.....	4
6.	Premium receivables	4
7.	Reinsurance assets	5
8.	Reinsurance receivables	5
9.	Investments in securities	6
10.	Loans and accrued interest receivables.....	9
11.	Investment in a subsidiary	10
12.	Premises and equipment.....	11
13.	Other assets	11
14.	Insurance contract liabilities.....	12
15.	Reinsurance payables	14
16.	Deferred tax liabilities and income tax expenses	15
17.	Other liabilities	16
18.	Share subscription receivable.....	16
19.	Operating expenses	19
20.	Earnings per share	19
21.	Related party transactions	20
22.	Assets placed with the Registrar.....	22
23.	Commitments and contingent liabilities.....	22
24.	Fair value of financial instruments	23
25.	Approval of interim financial statements	24

Phillip Life Assurance Public Company Limited and its subsidiary

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2018 and 2017

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 2018 and 31 December 2017, its major shareholder is Phillip Life Company Limited, which was incorporated in Singapore, holding 98.75% and 98.75% of the issued and paid-up share capital of the Company, respectively.

The Company is principally engaged in the provision of life insurance services. The registered office of the Company is at No. 849, Vorawat Building, Silom Road, Silom Sub-district Bangrak District, Bangkok. As at 30 June 2018 and 31 December 2017, the Company has altogether 27 branches and 23 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 interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from such interim 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 2018 (Percent)	31 December 2017 (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 has prepared its separate financial statements, which have presented investment in a subsidiary under the equity method.

3. New financial reporting standards

a) Financial reporting standards that became effective in the current year

During the period, the Company and its subsidiary have adopted the revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiary's financial statements.

b) Financial reporting standard that will become effective in the future

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019. Key principles of this standard are summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. 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.

At present, the management of the Company and its subsidiary is evaluating the impact of this standard to 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 2017.

5. Cash and cash equivalents

As at 30 June 2018 and 31 December 2017, the Company and its subsidiary have cash and cash equivalent as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
Cash on hand	496	1,363	496	1,363
Deposits at banks with no fixed maturity date	72,507	64,230	67,507	59,230
Deposits at banks with fixed maturity date	-	1,442	-	1,442
Deposits in money market mutual fund	-	588,431	-	588,431
Cash and cash equivalents	<u>73,003</u>	<u>655,466</u>	<u>68,003</u>	<u>650,466</u>

6. Premium receivables

As at 30 June 2018 and 31 December 2017, the outstanding balances of premium receivables, classified by overdue periods, counted from the due dates under the stipulated credit terms as follows:

	(Unit: Thousand Baht)	
	Consolidated and separate	
	financial statements	
	Due from direct insurance	
	30 June 2018	31 December 2017
Not yet due	84,463	71,998
Not over 30 days	-	4
Over 31 days to 60 days	3	4
Over 61 days to 90 days	4	4
Overdue longer than 90 days	<u>5,834</u>	<u>6,025</u>
Total premium receivables	90,304	78,035
Less: Allowance for doubtful accounts	<u>(5,833)</u>	<u>(6,019)</u>
Premium receivables - net	<u>84,471</u>	<u>72,016</u>

7. Reinsurance assets

As at 30 June 2018 and 31 December 2017, reinsurance assets consisted of the following:

(Unit: Thousand Baht)

	Consolidated and separate	
	financial statements	
	30 June 2018	31 December 2017
Unearned premium reserves	844	431
Loss reserves refundable from reinsurers for unpaid claims under litigation process	219	7,719
Reinsurance assets	<u>1,063</u>	<u>8,150</u>

8. Reinsurance receivables

As at 30 June 2018 and 31 December 2017, reinsurance receivables consisted of the following:

(Unit: Thousand Baht)

	Consolidated and separate	
	financial statements	
	30 June 2018	31 December 2017
Amounts due from reinsurers	1,707	33
Reinsurance receivables	<u>1,707</u>	<u>33</u>

9. Investments in securities

9.1 Classified by investment type

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	30 June 2018		31 December 2017	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments				
Equity securities	-	-	10,238	9,538
Unit trust	828,244	833,781	-	-
Total		833,781	10,238	9,538
Less: Unrealised loss	5,537		(700)	
Trading investments - net	833,781		9,538	
Available-for-sale investments				
Government and state enterprise securities	1,954,692	2,112,331	2,177,446	2,380,893
Private sector debt securities	1,964,481	2,101,178	2,001,190	2,161,109
Equity securities	2,841,459	2,839,714	2,787,479	3,109,221
Warrants	5,945	7,571	5,945	7,611
Total	6,766,577	7,060,794	6,972,060	7,658,834
Add: Unrealised gains				
from revaluation	362,513		752,459	
from translation of foreign currencies	(35,109)		(32,498)	
Total	327,404		719,961	
Less: Allowance for impairment	(33,187)		(33,187)	
Available-for-sale investments - net	7,060,794		7,658,834	
Held-to-maturity investments				
Deposits at banks that have an original maturity period of longer than 3 months	-		10,000	
Total held-to-maturity investments	-		10,000	
General investment				
Equity securities - ordinary shares	1,714		13,500	
Total general investment	1,714		13,500	
Investments in securities - net	7,896,289		7,691,872	

9.2 Classified by remaining periods to maturity of debt securities

As at 30 June 2018 and 31 December 2017, investments in debt securities have the following remaining periods to maturity.

(Unit: Thousand Baht)

Consolidated and separate financial statements				
30 June 2018				
Periods to maturity				
	Within			Total
	1 year	1 - 5 years	Over 5 years	
Available-for-sale investments				
Government and state enterprise securities	99,594	559,571	1,295,527	1,954,692
Private sector debt securities	-	796,511	1,167,970	1,964,481
Total	99,594	1,356,082	2,463,497	3,919,173
Add: Unrealised gains	2,579	73,998	217,758	294,336
Total available-for-sale investments	<u>102,173</u>	<u>1,430,080</u>	<u>2,681,255</u>	<u>4,213,509</u>

(Unit: Thousand Baht)

Consolidated and separate financial statements				
31 December 2017				
Periods to maturity				
	Within			Total
	1 year	1 - 5 years	Over 5 years	
Available-for-sale investments				
Government and state enterprise securities	310,431	661,090	1,205,925	2,177,446
Private sector debt securities	35,000	797,350	1,168,840	2,001,190
Total	345,431	1,458,440	2,374,765	4,178,636
Add: Unrealised gains	1,966	93,852	267,548	363,366
Total available-for-sale investments	<u>347,397</u>	<u>1,552,292</u>	<u>2,642,313</u>	<u>4,542,002</u>
Held-to-maturity debt investments				
Deposits at banks that have an original maturity period of longer than 3 months	10,000	-	-	10,000
Total held-to-maturity investments	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>10,000</u>

9.3 Investments subject to restrictions

As at 30 June 2018 and 31 December 2017, the Company had government bonds and state enterprise debentures placed with the Registrar as securities and reserves as described in Note 22 to the interim financial statements.

9.4 Revaluation surplus on available-for-sale investments

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	For the six-month	For the year ended
	period ended 30 June 2018	31 December 2017
Revaluation surplus on available-for-sale investments - beginning of the period/year	752,459	454,577
Gains (losses) on revaluation of available-for-sale investments during the period/year	(373,911)	343,390
Reclassify from trading investment to available-for-sale investment	(700)	-
Gains on sales of available-for-sale investments during the period/year transferred to be recognised in profit or loss	(48,522)	(45,508)
Revaluation surplus on available-for-sale investments - end of the period/year	329,326	752,459
Less: Income taxes	(65,865)	(150,492)
Revaluation surplus on available-for-sale investments - net of income taxes	263,461	601,967

On 28 February 2018, the Company reclassified equity securities from trading investment to available-for-sale investment. The Company recorded the difference between the carrying amount and fair value as of the reclassification date, amounting to Baht 0.7 million, as loss on reclassification of investment in the statement of comprehensive income for the six-month period ended 30 June 2018.

10. Loans and accrued interest receivables

As at 30 June 2018 and 31 December 2017, loans and accrued interest receivables were classified by overdue periods as follows:

(Unit: Thousand Baht)

Consolidated and separate financial statements									
30 June 2018									
Overdue periods	Policy loans		Mortgage loans		Other loans		Total		
	Principal	Interest receivables ⁽¹⁾	Principal	Interest receivables ⁽¹⁾	Principal	Interest receivables ⁽¹⁾	Principal	Interest receivables ⁽¹⁾	Total
Current	518,418	18,041	44,421	1,597	174	-	563,013	19,638	582,651
Overdue :									
Less than 3 months	-	-	38,049	1,357	-	-	38,049	1,357	39,406
3 - 6 months	-	-	3,717	144	-	-	3,717	144	3,861
6 - 12 months	-	-	5,735	86	-	-	5,735	86	5,821
Over 12 months	-	-	600,518	24,642	5,315	314	605,833	24,956	630,789
Total loans and interest receivables	518,418	18,041	692,440	27,826	5,489	314	1,216,347	46,181	1,262,528
Less: allowance for doubtful accounts	-	-	(90,423)	(18,248)	(5,315)	(314)	(95,738)	(18,562)	(114,300)
Loans and interest receivables - net	518,418	18,041	602,017	9,578	174	-	1,120,609	27,619	1,148,228

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

(Unit: Thousand Baht)

Consolidated and separate financial statements									
31 December 2017									
Overdue period	Policy loans		Mortgage loans		Other loans		Total		
	Principal	Interest receivables ⁽¹⁾	Principal	Interest receivables ⁽¹⁾	Principal	Interest receivables ⁽¹⁾	Principal	Interest receivables ⁽¹⁾	Total
Current	506,225	15,868	36,185	1,441	94	-	542,504	17,309	559,813
Overdue :									
Less than 3 months	-	-	43,511	1,625	-	-	43,511	1,625	45,136
3 - 6 months	-	-	521	13	-	-	521	13	534
6 - 12 months	-	-	4,311	28	-	-	4,311	28	4,339
Over 12 months	-	-	639,726	27,861	5,315	313	645,041	28,174	673,215
Total loans and interest receivables	506,225	15,868	724,254	30,968	5,409	313	1,235,888	47,149	1,283,037
Less: allowance for doubtful accounts	-	-	(123,557)	(22,845)	(5,315)	(313)	(128,872)	(23,158)	(152,030)
Loans and interest receivables - net	506,225	15,868	600,697	8,123	94	-	1,107,016	23,991	1,131,007

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

Mortgage loans are loans provided to agents, employees and external individuals on which interest is charged at the rates between 6 to 10 percent per annum. Collateral used to guarantee such loans comprises land and construction thereon. The Company has provided an allowance for doubtful accounts on such loans, taking into accounts collateral value and the overdue periods.

As at 30 June 2018 and 31 December 2017, loans to employees amounted to Baht 173,956 and Baht 94,567 respectively.

11. Investment in a subsidiary

As at 30 June 2018 and 31 December 2017, detail of investments in subsidiary, as presented in the separate financial statements, is as follows:

Company's name	Issued and paid-up		Shareholding percentage		Cost		(Unit: Thousand Baht) Carrying value under	
	share capital						equity method	
	30 June	31 December	30 June	31 December	30 June	31 December	30 June	31 December
	2018	2017	2018	2017	2018	2017	2018	2017
			(%)	(%)				
Phillip Insurance Broker Company Limited	5,000	5,000	99.88	99.88	4,994	4,994	4,967	4,968
Total investments in a subsidiary					4,994	4,994	4,967	4,968

On 29 May 2017, Phillip Insurance Broker Company Limited was incorporated and registered with the Ministry of Commerce to operate non-life insurance brokerage business with the registered share capital of Baht 5 million consisting of 50,000 ordinary shares at a par value of Baht 100 each. The Company already paid Baht 4,994,000 for 49,940 shares, which contributed 99.88% of the issued and paid-up share capital of such Company.

During 2017, 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 the auditor.

12. Premises and equipment

Movements in premises and equipment for the six-month period ended 30 June 2018 are as follows:

(Unit: Thousand Baht)

Consolidated and separate financial statements								
For the six-month period ended 30 June 2018								
	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 2018	36,714	41,339	9,541	9,621	660	-	2,985	100,860
Additions - cost	-	131,730	2,687	1,598	-	20,792	-	156,807
Transfer in (out)	-	4,243	-	-	-	(4,243)	-	-
Disposals - net book value	-	-	(6)	-	-	-	-	(6)
Depreciation for the period	-	(12,169)	(2,105)	(2,138)	(133)	-	-	(16,545)
Net book value as at 30 June 2018	36,714	165,143	10,117	9,081	527	16,549	2,985	241,116

13. Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
Rental deposits	7,694	7,381	7,694	7,381
Other receivables	86,831	86,744	86,831	86,744
Withholding taxes	33,011	29,589	33,011	29,589
Receivables from sales of investments	1,404	10,308	1,404	10,308
Receivable from the Legal Executive Department	9,802	21,066	9,802	21,066
Others	50,286	36,733	50,312	36,760
Total	189,028	191,821	189,054	191,848
Less: Allowance for impairment	(113,363)	(112,997)	(113,363)	(112,997)
Other assets - net	75,665	78,824	75,691	78,851

14. Insurance contract liabilities

(Unit: Thousand Baht)

	Consolidated and separate financial statements					
	30 June 2018			31 December 2017		
	Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net
Long-term life insurance policy reserves	7,053,526	-	7,053,526	7,212,182	-	7,212,182
Loss reserves						
Incurred and reported	15,730	-	15,730	11,787	-	11,787
Incurred but not yet reported	3,340	-	3,340	10,188	-	10,188
Premium reserves						
Unearned premium reserves	114,357	(844)	113,513	100,926	(431)	100,495
Unpaid policy benefits	46,458	-	46,458	64,385	(7,719)	56,666
Other insurance liabilities	402,429	-	402,429	394,086	-	394,086
Total	7,635,840	(844)	7,634,996	7,793,554	(8,150)	7,785,404

14.1 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 2018	31 December 2017
Balances - beginning of the period/year	7,212,182	6,824,057
Insurance policy reserves increased from new businesses and existing inforce policies	302,181	593,737
Insurance policy reserves released from death, benefit paid, lapse and surrender	(199,345)	(474,215)
Changes in insurance policy reserves as a result of assumption changes	(258,626)	268,831
Changes in insurance policy reserves as a result of experience changes	(2,866)	(228)
Balances - end of the period/year	7,053,526	7,212,182

14.2 Short-term insurance policy reserves**14.2.1 Loss reserves**

(Unit: Thousand Baht)

Consolidated and separate
financial statements

	Consolidated and separate financial statements	
	For the six-month period ended 30 June 2018	For the year ended 31 December 2017
Balances - beginning of the period/year	21,975	17,652
Claims incurred during the period/year	86,170	154,856
Changes in loss estimates and assumptions in loss calculation	(10,434)	(4,169)
Claims paid during the period/year	(78,641)	(146,364)
Balances - end of the period/year	19,070	21,975

14.2.2 Unearned premium reserves

(Unit: Thousand Baht)

Consolidated and separate
financial statements

	Consolidated and separate financial statements	
	For the six-month period ended 30 June 2018	For the year ended 31 December 2017
Balances - beginning of the period/year	100,926	82,498
Premium written for the period/year	140,116	253,648
Premium earned for the period/year	(126,685)	(235,220)
Balances - end of the period/year	114,357	100,926

(Unaudited but reviewed)

14.2.3 Unpaid policy benefits

(Unit: Thousand Baht)

Consolidated and separate
financial statements

	30 June 2018	31 December 2017
Death benefits	2,758	10,472
Maturity payments	24,619	26,715
Surrenders	894	737
Benefit payments under policies	1,975	2,148
Others	16,212	24,313
Total unpaid policy benefits	<u>46,458</u>	<u>64,385</u>

14.2.4 Other insurance liabilities

(Unit: Thousand Baht)

Consolidated and separate
financial statements

	30 June 2018	31 December 2017
Coupon deposits	386,042	375,719
Others	16,387	18,367
Total other insurance liabilities	<u>402,429</u>	<u>394,086</u>

15. Reinsurance payables

(Unit: Thousand Baht)

Consolidated and separate
financial statements

	30 June 2018	31 December 2017
Outward premium payables	<u>4,061</u>	<u>4,643</u>
Total reinsurance payables	<u>4,061</u>	<u>4,643</u>

16. Deferred tax liabilities and income tax expenses

16.1 Deferred tax liabilities

Deferred tax liabilities consisted of tax effects on the following timing differences.

(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 2018	31 December 2017	30 June 2018	2017	30 June 2018	2017
Deferred tax liabilities arose from:						
Unrealised gains on available-for-sale investments	65,865	150,492	62,961	(12,564)	(84,627)	(17,652)
Total deferred tax liabilities	<u>65,865</u>	<u>150,492</u>				

16.2 Income tax expenses

Reconciliations between income tax expenses and the product of accounting profits for the three-month and six-month periods ended 30 June 2018 and 2017 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	
	2018	2017	2018	2017	2018	2017	2018	2017
Accounting profit before income tax expenses	222,237	(78,941)	342,087	(25,867)	222,237	(78,915)	342,087	(25,841)
Applicable tax rate	20%	20%	20%	20%	20%	20%	20%	20%
Income taxes at the applicable tax rate	(44,447)	15,788	(68,417)	5,173	(44,447)	15,783	(68,417)	5,168
Net tax effect on tax-exempted revenues or non tax-deductible expenses	15,140	5,081	4,090	(3,501)	15,140	5,081	4,090	(3,501)
Deferred taxes on losses for the periods, which are expected not to be able to utilise and were not recorded as deferred tax assets	29,307	(20,869)	64,327	(1,672)	29,307	(20,864)	64,327	(1,667)
Income tax expenses reported in profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(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 2018 and 2017 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	
	2018	2017	2018	2017
Income taxes relating to:				
(Gains) losses on revaluation of available-for-sale investments	57,890	(11,099)	74,782	(22,872)
Reclassify from trading investment to available-for-sale investment	140	-	140	-
Gains on sales of available-for-sale investments during the periods transferred to be recognised in profit or loss	4,930	(1,465)	9,705	5,220
Income taxes reported in other comprehensive income (loss)	<u>62,960</u>	<u>(12,564)</u>	<u>84,627</u>	<u>(17,652)</u>

17. Other liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 June	31 December	30 June	31 December
	2018	2017	2018	2017
Commission and brokerage payables	54,003	50,747	54,003	50,747
Deposits from agents	37,180	32,088	37,180	32,088
Accrued operating expenses	24,474	20,306	24,474	20,306
Payable on purchases of investments	3,228	16,216	3,228	16,216
Others	14,550	5,680	14,550	5,680
Total other liabilities	<u>133,435</u>	<u>125,037</u>	<u>133,435</u>	<u>125,037</u>

18. Share subscription receivable

On 8 June 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 awaiting further 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 seize 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.

(Unaudited but reviewed)

19. 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	
	2018	2017	2018	2017	2018	2017	2018	2017
Personnel expenses	39,967	34,462	84,912	69,522	39,967	34,462	84,912	69,522
Premises and equipment expenses	21,593	18,011	42,278	35,678	21,593	18,011	42,278	35,678
Taxes and duties	1,808	1,903	4,483	4,466	1,808	1,904	4,483	4,467
Bad debt and doubtful accounts (reversal)	(34,423)	304	(37,550)	(7,004)	(34,423)	304	(37,550)	(7,004)
Other operating expenses	9,299	13,554	25,833	24,913	9,299	13,527	25,832	24,886
Total operating expenses	38,244	68,234	119,956	127,575	38,244	68,208	119,955	127,549

20. Earnings per share

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

(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	
	2018	2017	2018	2017	2018	2017	2018	2017
Profit for the periods (Thousand Baht)	222,237	(78,941)	342,087	(25,867)	222,237	(78,914)	342,087	(25,841)
Weighted average number of ordinary shares (Thousand shares)	453,319	453,319	453,319	453,319	453,319	453,319	453,319	453,319
Basic earnings per share Profit for the periods (Baht per share)	0.49	(0.17)	0.75	(0.06)	0.49	(0.17)	0.75	(0.06)

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 with the Company
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, are 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		
	2018	2017	2018	2017	
	2018	2017	2018	2017	
Related parties					
Expenses					
Securities management fee	1,859	1,837	3,802	3,677	Similar to those charged to general customers of a related company

21.3 Outstanding balances with related parties

As at 30 June 2018 and 31 December 2017, the outstanding balances between the Company and its related parties are as follows:

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	30 June 2018	31 December 2017
Related parties		
Other liabilities		
Accrued securities management fee		
Phillip Securities (Thailand) Public Company Limited	1,859	2,028

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
Subsidiary company				
Other assets				
Other assets - others				
Phillip Insurance Broker Company Limited	-	-	26	26

21.4 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 ended 30 June		For the six-month periods ended 30 June	
	2018	2017	2018	2017
Short-term employee benefits	742	712	1,477	1,392
Long-term employee benefits	66	-	132	-
Total directors' and key management's remunerations	808	712	1,609	1,392

22. Assets placed with the Registrar

As at 30 June 2018 and 31 December 2017, the Company placed the following assets with the Registrar as securities and life insurance reserves in accordance with the Life Insurance Act.

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	30 June 2018		31 December 2017	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Placed as securities				
Government bonds	20,259	20,868	20,370	21,301
Placed as life insurance reserves				
Government bonds	1,636,866	1,783,879	1,949,081	2,137,763
State enterprise debentures	-	-	35,000	35,280
Total	1,636,866	1,783,879	1,984,081	2,173,043

23. Commitments and contingent liabilities**23.1 Operating lease commitments**

The Company has entered into several operating lease agreements in respect of the lease of motor vehicles and office building. The terms of the agreements are generally between 1 year and 3 years.

As at 30 June 2018 and 31 December 2017, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

(Unit: Thousand Baht)

Payable within	Consolidated and separate financial statements	
	30 June 2018	31 December 2017
Within 1 year	28,530	28,300
1 to 5 years	28,094	37,669
Total	56,624	65,969

23.2 Litigations

As at 30 June 2018 and 31 December 2017, the Company had litigation cases, for which the Company was sued for being an insurer, with the prosecution amounts totaling Baht 2 million and Baht 18 million, respectively (including interest). The Company already recorded such contingent liabilities in full under the account of “unpaid policy benefits”.

24. Fair value of financial instruments

The Company and its subsidiary use 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 Company and its subsidiary endeavor to use relevant observable inputs as much as possible. TFRS 13 Fair Value Measurement establishes a fair value hierarchy categorising such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets 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 2018 and 31 December 2017, the Company had assets that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements					
	30 June 2018			31 December 2017		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Assets measured at fair value						
Trading investments						
Equity securities	-	-	-	9,538	-	9,538
Unit trust	-	833,781	833,781	-	-	-
Available-for-sale investments						
Equity securities	2,839,714	-	2,839,714	3,109,221	-	3,109,221
Debt securities	-	4,213,509	4,213,509	-	4,542,002	4,542,002
Warrants	7,571	-	7,571	7,611	-	7,611

Valuation techniques and inputs to Level 2 valuations

- (a) 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.

25. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Audit Committee on 9 August 2018.