

Phillip Life Assurance Public Company Limited
and its subsidiary
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 2020



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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 September 2020, the related consolidated statements of comprehensive income for the three-month and nine-month periods then ended, the consolidated statements of changes in owners' equity and cash flows for the nine-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.

Emphasis of Matters

I draw attention to the following matters.

- (a) As described in Note 2.1 to the interim financial statements, 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 to inject a total of Baht 1,100 million during the period to meet the CAR’s requirement, which caused its CAR as at 30 September 2020 to be at 153% (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.

- (b) As described in Note 3 to the interim financial statements, the Company has adopted the Accounting Guidance related to financial instruments and disclosures applicable to insurance business and Thai Financial Reporting Standard No.16 regarding leases. The cumulative effects of the change in accounting policies were adjusted against deficit or other components of owners' equity as at 1 January 2020 as the case may be.

However, I have not modified my conclusion in respect of these matters.



Rachada Yongsawadvanich
Certified Public Accountant (Thailand) No. 4951

EY Office Limited
Bangkok: 10 November 2020

Phillip Life Assurance Public Company Limited and its subsidiary

Statements of financial position

As at 30 September 2020 and 31 December 2019

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements		
	30 September 2020	31 December 2019	30 September 2020	31 December 2019	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Assets					
Cash and cash equivalents	4	224,727,474	365,763,405	219,336,533	360,621,159
Premium receivables	5	97,548,049	130,946,120	97,548,049	130,946,120
Accrued investment income		49,571,297	50,936,491	49,571,297	50,936,491
Reinsurance assets	6	60,933,831	1,539,411	60,933,831	1,539,411
Reinsurance receivables	7	52,823,218	898,656	52,823,218	898,656
Investment assets					
Investments in securities	8	11,168,861,829	10,149,719,295	11,168,861,829	10,149,719,295
Loans and interest receivables	9	1,226,609,786	1,054,831,464	1,226,609,786	1,054,831,464
Investments in a subsidiary	10	-	-	4,903,258	4,955,839
Premises and equipment	11	230,365,807	241,332,638	230,365,807	241,332,638
Right-of-use assets	12	73,927,059	-	73,927,059	-
Intangible assets	13	11,108,209	13,860,529	11,108,209	13,860,529
Other assets	14	47,059,739	40,623,929	46,661,886	40,661,285
Total assets		13,243,536,298	12,050,451,938	13,242,650,762	12,050,302,887

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



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Phillip Life Assurance Public Company Limited and its subsidiary

Statements of financial position (Continued)

As at 30 September 2020 and 31 December 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2020 (Unaudited but reviewed)	31 December 2019 (Audited)	30 September 2020 (Unaudited but reviewed)	31 December 2019 (Audited)
Liabilities and owners' equity					
Liabilities					
Insurance contract liabilities	15	10,666,130,862	9,763,554,910	10,666,130,862	9,763,554,910
Reinsurance payables	16	121,041,366	5,843,790	121,041,366	5,843,790
Lease liabilities	17	75,936,509	-	75,936,509	-
Employee benefit obligations		63,180,286	57,190,980	63,180,286	57,190,980
Deferred tax liabilities	18	116,422,283	128,911,839	116,422,283	128,911,839
Other liabilities	19	230,117,104	289,356,131	229,237,459	289,213,034
Total liabilities		11,272,828,410	10,244,857,650	11,271,948,765	10,244,714,553
Owners' equity					
Share capital					
Registered					
1,600 million ordinary shares of Baht 6.25 each					
(31 December 2019: 960 million ordinary shares of Baht 6.25 each)					
	20	<u>10,000,000,000</u>	<u>6,000,000,000</u>	<u>10,000,000,000</u>	<u>6,000,000,000</u>
Issued and paid-up					
861.50 million ordinary shares of Baht 6.25 each					
(31 December 2019: 685.50 million ordinary shares of Baht 6.25 each)					
	20	<u>5,384,375,000</u>	<u>4,284,375,000</u>	<u>5,384,375,000</u>	<u>4,284,375,000</u>
Share subscription receivable	21	-	(1,128,406)	-	(1,128,406)
Issued and paid-up		<u>5,384,375,000</u>	<u>4,283,246,594</u>	<u>5,384,375,000</u>	<u>4,283,246,594</u>
Share subscription receivable	21	-	(71,089,769)	-	(71,089,769)
Share discount	21	(58,798,175)	-	(58,798,175)	-
Deficit		<u>(3,765,773,925)</u>	<u>(2,914,875,409)</u>	<u>(3,765,773,925)</u>	<u>(2,914,875,409)</u>
Other component of owners' equity					
Revaluation surplus on available-for-sale investments measured at fair value through other comprehensive income - net of income taxes					
	8.4	<u>410,899,097</u>	<u>508,306,918</u>	<u>410,899,097</u>	<u>508,306,918</u>
Equity attributable to equity holders of the Company		<u>1,970,701,997</u>	<u>1,805,588,334</u>	<u>1,970,701,997</u>	<u>1,805,588,334</u>
Non-controlling interests of the subsidiary		<u>5,891</u>	<u>5,954</u>		-
Total owners' equity		<u>1,970,707,888</u>	<u>1,805,594,288</u>	<u>1,970,701,997</u>	<u>1,805,588,334</u>
Total liabilities and owners' equity		<u>13,243,536,298</u>	<u>12,050,451,938</u>	<u>13,242,650,762</u>	<u>12,050,302,887</u>

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



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Directors

(Unaudited but reviewed)

Phillip Life Assurance Public Company Limited and its subsidiary
Statements of comprehensive income
For the three-month periods ended 30 September 2020 and 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Premium written		925,060,509	567,294,935	925,060,509	567,294,935
Less: Premium ceded to reinsurers		(88,568,345)	(1,675,141)	(88,568,345)	(1,675,141)
Net premium written		836,492,164	565,619,794	836,492,164	565,619,794
Less: Unearned premium reserves increase from prior period		(2,677,933)	(45,459,653)	(2,677,933)	(45,459,653)
Net earned premium after reinsurance		833,814,231	520,160,141	833,814,231	520,160,141
Fee and commission income		3,874,225	-	3,874,225	-
Net investment revenues		95,839,090	98,978,655	95,839,091	98,978,655
Gains (losses) on investments		11,678,186	(24,384,559)	11,678,186	(24,384,559)
Fair value gains (losses)		80,710,207	(20,791,145)	80,710,207	(20,791,145)
Share of gain (loss) from investment in a subsidiary under equity method		-	-	119,850	(17,559)
Other income		591,284	495,644	391,043	495,644
Total revenues		1,026,507,223	574,458,736	1,026,426,833	574,441,177
Expenses					
Long-term life insurance policy reserves increase from prior period		250,732,229	712,058,052	250,732,229	712,058,052
Unexpired risk reserves decrease from prior period	15.2	(21,990,186)	-	(21,990,186)	-
Benefit payments under life policies and gross claims		647,768,737	309,484,038	647,768,737	309,484,038
Add (less): Benefit receipts (payments) under life policies and claims refundable from reinsurance		(43,922,458)	2,627,981	(43,922,458)	2,627,981
Commission and brokerage expenses		187,253,785	133,124,097	187,189,749	133,124,097
Other underwriting expenses		7,291,386	5,258,964	7,291,386	5,258,964
Operating expenses	22	100,444,945	84,162,063	100,428,423	84,144,483
Finance costs		770,006	-	770,006	-
Expected credit losses	23	840,988	-	841,300	-
Other expenses		162,027	100,865	162,027	100,865
Total expenses		1,129,351,459	1,246,816,060	1,129,271,213	1,246,798,480
Loss before income tax expenses		(102,844,236)	(672,357,324)	(102,844,380)	(672,357,303)
Income tax expenses	18.2	(5,730,956)	-	(5,730,956)	-
Net loss		(108,575,192)	(672,357,324)	(108,575,336)	(672,357,303)

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



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(Unaudited but reviewed)

Phillip Life Assurance Public Company Limited and its subsidiary
Statements of comprehensive Income (Continued)
For the three-month periods ended 30 September 2020 and 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
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		(8,025,076)	213,021,940	(8,025,076)	213,021,940
Add (less): Income taxes	18.2	1,605,016	(42,604,388)	1,605,016	(42,604,388)
Items to be recognised in profit or loss in subsequent periods - net of income taxes		(6,420,060)	170,417,552	(6,420,060)	170,417,552
Other comprehensive income (loss) for the periods		(6,420,060)	170,417,552	(6,420,060)	170,417,552
Total comprehensive loss for the periods		(114,995,252)	(501,939,772)	(114,995,396)	(501,939,751)
Net loss attributable to:					
The Company's shareholders		(108,575,336)	(672,357,303)	(108,575,336)	(672,357,303)
Non-controlling interests of the subsidiary		144	(21)		
		(108,575,192)	(672,357,324)		
Total comprehensive loss for the periods attributable to:					
The Company's shareholders		(114,995,396)	(501,939,751)	(114,995,396)	(501,939,751)
Non-controlling interests of the subsidiary		144	(21)		
		(114,995,252)	(501,939,772)		
Basic earnings per share	24				
Loss per share		(0.13)	(1.26)	(0.13)	(1.26)

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



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(Unaudited but reviewed)

Phillip Life Assurance Public Company Limited and its subsidiary
Statements of comprehensive income
For the nine-month periods ended 30 September 2020 and 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Profit or loss:					
Revenues					
Premium written		2,342,105,740	1,325,313,106	2,342,105,740	1,325,313,106
Less: Premium ceded to reinsurers		(133,029,347)	(5,600,158)	(133,029,347)	(5,600,158)
Net premium written		2,209,076,393	1,319,712,948	2,209,076,393	1,319,712,948
Less: Unearned premium reserves increase from prior period		(24,661,736)	(52,056,322)	(24,661,736)	(52,056,322)
Net earned premium after reinsurance		2,184,414,657	1,267,656,626	2,184,414,657	1,267,656,626
Fee and commission income		7,354,759	-	7,354,759	-
Net investment revenues		302,264,417	287,429,390	302,258,993	287,419,683
Losses on investments		(45,393,496)	(87,482,091)	(45,393,496)	(87,482,091)
Fair value gains (losses)		77,256,388	(24,500,514)	77,256,388	(24,500,514)
Share of loss from investment in a subsidiary					
under equity method		-	-	(52,580)	(29,205)
Other income		982,507	970,960	693,344	970,608
Total revenues		2,526,879,232	1,444,074,371	2,526,532,065	1,444,035,107
Expenses					
Long-term life insurance policy reserves increase					
from prior period		638,129,743	1,068,587,238	638,129,743	1,068,587,238
Unexpired risk reserves increase from prior period	15.2	33,677,373	-	33,677,373	-
Benefit payments under life policies and gross claims		1,629,654,629	815,618,643	1,629,654,629	815,618,643
Less: Benefit payments under life policies and					
claims refundable from reinsurance		(53,362,956)	(869,279)	(53,362,956)	(869,279)
Commission and brokerage expenses		540,237,613	348,525,138	539,939,501	348,524,369
Other underwriting expenses		22,121,439	14,002,227	22,121,439	14,002,227
Operating expenses	22	304,260,310	280,179,954	304,214,913	280,141,424
Finance costs		2,465,342	-	2,465,342	-
Expected credit losses	23	79,720,993	-	79,717,272	-
Other expenses		635,153	102,904	635,153	102,904
Total expenses		3,197,539,639	2,526,146,825	3,197,192,409	2,526,107,526
Loss before income tax expenses		(670,660,407)	(1,082,072,454)	(670,660,344)	(1,082,072,419)
Income tax expenses	18.2	(11,862,399)	-	(11,862,399)	-
Net loss		(682,522,806)	(1,082,072,454)	(682,522,743)	(1,082,072,419)

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



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 Director

(Unaudited but reviewed)

Phillip Life Assurance Public Company Limited and its subsidiary
Statements of comprehensive income (Continued)
For the nine-month periods ended 30 September 2020 and 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
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		(128,200,259)	555,364,204	(128,200,259)	555,364,204
Add (Less): Income taxes	18.2	25,640,052	(111,072,841)	25,640,052	(111,072,841)
Items to be recognised in profit or loss in subsequent periods - net of income taxes		(102,560,207)	444,291,363	(102,560,207)	444,291,363
Items not to be recognised in profit or loss in subsequent periods:					
Actuarial losses		-	(4,266,024)	-	(4,266,024)
Total items not to be recognised in profit or loss in subsequent periods		-	(4,266,024)	-	(4,266,024)
Other comprehensive income (loss) for the periods		(102,560,207)	440,025,339	(102,560,207)	440,025,339
Total comprehensive loss for the periods		(785,083,013)	(642,047,115)	(785,082,950)	(642,047,080)
Net loss attributable to:					
The Company's shareholders		(682,522,743)	(1,082,072,419)	(682,522,743)	(1,082,072,419)
Non-controlling interests of the subsidiary		(63)	(35)		
		(682,522,806)	(1,082,072,454)		
Total comprehensive loss for the periods attributable to:					
The Company's shareholders		(785,082,950)	(642,047,080)	(785,082,950)	(642,047,080)
Non-controlling interests of the subsidiary		(63)	(35)		
		(785,083,013)	(642,047,115)		
Basic earnings per share	24				
Loss per share		(0.90)	(2.07)	(0.90)	(2.07)

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 nine-month periods ended 30 September 2020 and 2019

(Unit: Baht)

	Consolidated financial statements										
	Equity attributable to equity holders of the Company					Other component of equity					Total
	Issued and paid-up share capital	Share subscription receivable	Share discount	Deficit	Revaluation surplus on available-for-sale investments measured at fair value through other comprehensive income - net of income taxes	Total equity attributable to the Company's shareholders	Equity attributable to non-controlling interests of the subsidiary				
Balance as at 1 January 2019	3,133,246,594	(71,089,769)	-	(1,697,519,451)	208,553,433	1,573,190,807	5,905	1,573,196,712			
Net loss	-	-	-	(1,082,072,419)	-	(1,082,072,419)	(35)	(1,082,072,454)			
Other comprehensive income (loss) for the period	-	-	-	(4,266,024)	444,291,363	440,025,339	-	440,025,339			
Total comprehensive income (loss) for the period	-	-	-	(1,086,338,443)	444,291,363	(642,047,080)	(35)	(642,047,115)			
Issuance of additional ordinary shares	500,000,000	-	-	-	-	500,000,000	-	500,000,000			
Balance as at 30 September 2019	3,633,246,594	(71,089,769)	-	(2,783,857,894)	652,844,796	1,431,143,727	5,870	1,431,149,597			
Balance as at 1 January 2020	4,283,246,594	(71,089,769)	-	(2,914,875,409)	508,306,918	1,805,588,334	5,954	1,805,594,288			
Cumulative effects of the change in accounting policies	-	-	-	(168,375,773)	5,152,386	(163,223,387)	-	(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	5,954	1,642,370,901			
Net loss	-	-	-	(682,522,743)	-	(682,522,743)	(63)	(682,522,806)			
Other comprehensive loss for the period	-	-	-	-	(102,560,207)	(102,560,207)	-	(102,560,207)			
Total comprehensive loss for the period	-	-	-	(682,522,743)	(102,560,207)	(785,082,950)	(63)	(785,083,013)			
Issuance of additional ordinary shares	1,100,000,000	-	-	-	-	1,100,000,000	-	1,100,000,000			
Collection on share subscription receivable	1,128,406	71,089,769	(58,798,175)	-	-	13,420,000	-	13,420,000			
Balance as at 30 September 2020	5,384,375,000	-	(58,798,175)	(3,765,773,925)	410,899,097	1,970,701,997	5,891	1,970,707,888			

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 (Continued)

For the nine-month periods ended 30 September 2020 and 2019

(Unit: Baht)

	Separate financial statements					Total
	Note	Issued and paid-up share capital	Share subscription receivable	Share discount	Deficit	
Balance as at 1 January 2019		3,133,246,594	(71,089,769)	-	(1,697,519,451)	1,573,190,807
Net loss		-	-	-	(1,082,072,419)	(1,082,072,419)
Other comprehensive income (loss) for the period		-	-	-	(4,266,024)	440,025,339
Total comprehensive income (loss) for the period		-	-	-	(1,086,338,443)	(642,047,080)
Issuance of additional ordinary shares		500,000,000	-	-	-	500,000,000
Balance as at 30 September 2019		3,633,246,594	(71,089,769)	-	(2,783,857,894)	1,431,143,727
Balance as at 1 January 2020		4,283,246,594	(71,089,769)	-	(2,914,875,409)	1,805,588,334
Cumulative effects of the change in accounting policies	3	-	-	-	(166,375,773)	(163,223,387)
Balance as at 1 January 2020 - as restated		4,283,246,594	(71,089,769)	-	(3,083,251,182)	1,642,364,947
Net loss		-	-	-	(682,522,743)	(682,522,743)
Other comprehensive loss for the period		-	-	-	(102,560,207)	(102,560,207)
Total comprehensive loss for the period		-	-	-	(682,522,743)	(785,082,950)
Issuance of additional ordinary shares	20	1,100,000,000	-	-	-	1,100,000,000
Collection on share subscription receivable	21	1,128,406	71,089,769	(58,798,175)	-	13,420,000
Balance as at 30 September 2020		5,384,375,000	-	(58,798,175)	(3,765,773,925)	1,970,701,997



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 cash flows

For the nine-month periods ended 30 September 2020 and 2019

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2020	2019	2020	2019
Cash flows from (used in) operating activities					
Gross premium from direct insurance		2,375,306,269	1,337,408,342	2,375,306,269	1,337,408,342
Cash paid from reinsurance		(14,211,719)	(5,107,235)	(14,211,719)	(5,107,235)
Interest income		160,325,612	197,100,678	160,320,187	197,090,971
Dividend income		84,914,064	84,837,341	84,914,064	84,837,341
Other income		8,072,653	946,398	7,783,490	946,046
Benefit payments under life policies and gross claims					
from direct insurance		(1,485,123,606)	(743,847,714)	(1,485,123,606)	(743,847,714)
Commission and brokerage expenses on direct insurance		(618,075,783)	(396,953,974)	(617,777,671)	(396,953,205)
Other underwriting expenses		(23,109,095)	(11,856,708)	(23,109,095)	(11,856,708)
Operating expenses		(242,630,203)	(236,122,368)	(242,886,143)	(236,126,289)
Other expenses		(80,468)	(2,030)	(80,468)	(2,030)
Investments in securities		-	(729,447,629)	-	(729,447,629)
Loans		-	86,838,993	-	86,838,993
Cash received on financial assets		151,034,286	-	151,034,286	-
Cash paid for financial assets		(1,611,798,449)	-	(1,611,798,449)	-
Net cash used in operating activities		(1,215,376,439)	(416,205,906)	(1,215,628,855)	(416,219,117)
Cash flows from (used in) investing activities					
Building and equipment		(16,175,278)	(26,398,389)	(16,175,278)	(26,398,389)
Intangible assets		(948,014)	(2,116,599)	(948,014)	(2,116,599)
Net cash used in investing activities		(17,123,292)	(28,514,988)	(17,123,292)	(28,514,988)
Cash flows from (used in) financial activities					
Repayment of lease liabilities		(21,854,053)	-	(21,854,053)	-
Proceeds from issuance of additional ordinary shares	20	1,100,000,000	500,000,000	1,100,000,000	500,000,000
Collection on share subscription receivable	21	13,420,000	-	13,420,000	-
Net cash provided by financing activities		1,091,565,947	500,000,000	1,091,565,947	500,000,000
Allowance for expected credit losses		(102,147)	-	(98,426)	-
Net increase (decrease) in cash and cash equivalents		(141,035,931)	55,279,106	(141,284,626)	55,265,895
Cash and cash equivalents at beginning of the periods		365,763,405	236,188,519	360,621,159	231,189,606
Cash and cash equivalents at end of the periods		224,727,474	291,467,625	219,336,533	286,455,501

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



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Phillip Life Assurance Public Company Limited and its subsidiary

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Phillip Life Assurance Public Company Limited

Notes to interim financial statements

For the three-month and nine-month period ended 30 September 2020 and 2019

1. General information

1.1 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 September 2020 and 31 December 2019, its major shareholder is Phillip Life Company Limited, which was incorporated in Singapore, holding 99.76% and 99.70%, 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 September 2020 and 31 December 2019, the Company had altogether 24 branches, and 27 branches, respectively.

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 either directly or indirectly. 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 to inject a total of Baht 1,100 million during the period to meet the CAR's requirement, which caused its CAR as at 30 September 2020 to be at 153% (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 statutory financial statements 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 September 2020 (Percent)	31 December 2019 (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 Financial reporting standards that became effective in the current period

During the period, the Company has adopted the revised (revised 2019) and new financial reporting standards and interpretations which are effective for fiscal years beginning on or after 1 January 2020. 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. However, the new standard involves changes to key principles, which are summarised below:

(a) Financial reporting standards and Accounting Guidance related to financial instruments

Financial reporting standards related to financial instruments

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

Financial reporting standards:

TFRS 7	Financial Instruments: Disclosures
TFRS 9	Financial Instruments

Accounting standard:

TAS 32	Financial Instruments: Presentation
--------	-------------------------------------

Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

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

Accounting Guidance related to financial instruments and disclosures applicable to insurance business

Accounting Guidance related to financial instruments and disclosures applicable to insurance business was issued to comply with TFRS 4 (revised 2019) Insurance contracts, which allows insurers who meet certain criteria stipulated in TFRS 4 to delay adoption of TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures, which are applicable for the financial reporting period beginning on or after 1 January 2020, and to adopt the Accounting Guidance related to financial instruments and disclosures applicable to insurance business instead.

This Accounting Guidance has some differences from TFRS 9, with the significant differences being described as below:

- Classification and measurement of financial assets: These are to be classified as trading securities, available-for-sale securities, held to maturity debt securities, and loans and receivables, with no requirement to take into account the assessment of the Company's business model and the characteristics of the contractual cash flows.
- Loss on impairment, gain or loss on derecognition, and gain or loss on fair value hedges for available-for-sale equity securities items are to be recognised in profit or loss.
- The embedded derivatives in financial assets that are hybrid contracts are to be separated from host contract if they meet all criteria for separation.

In addition, the Accounting Guidance has certain differences from TFRS 7 with respect to disclosures.

According to the Company's statements of financial position as at 31 December 2017, insurance contracts liabilities under the scope of TFRS 4 Insurance Contracts comprise more than 90% of the carrying value of total liabilities, which meets criteria stipulated in TFRS 4, and there has been no change in the Company's core activities in the following accounting periods. As a result, the Company is eligible to adopt the Accounting Guidance related to financial instruments and disclosures applicable to insurance business. The Company's management believe that adoption of the Accounting Guidance is appropriate in the current circumstances and the Company has, therefore, elected to adopt such Accounting Guidance.

However, the significant accounting policies and impact to the Company's interim financial information from the adoption of such Accounting Guidance can be summarised as follows:

Classification and measurement of financial assets

The Company shall classify financial assets as trading securities, available for sale securities, held to maturity securities, and receivables and loans by not taking into consideration of its business model and the characteristics of the contractual cash flows. The Company already considered as follows:

- The Company continues to classify its trading investments in are unit trusts as financial assets measured at fair value through profit or loss.

- The Company continues to classify its available-for-sale investments both in debt instruments and equity instruments, except for non-listed equity securities, as financial assets measured at fair value through other comprehensive income and will be recognised in profit or loss when sold. Additional investments incurred during the period were classified according to the objective set out on investment date.
- The Company reclassifies its investments in non-listed equity securities, previously classified as general investments measured at cost net of allowance for impairment (if any) under the cancelled former accounting standard, as financial assets measured at fair value through other comprehensive income.
- The Company continues to classify and present debt instruments and loans, which the Company holds to collect contractual cash flow (both principal and interest), as held-to-maturity investments and loans and interest receivables measured at amortised cost.

Classification of financial liabilities

The adoption of this Accounting Guidance does not have any impact to classification of financial liabilities. The Company continues to classify financial liabilities measured at amortised cost.

Impairment of financial assets

This Accounting Guidance requires the Company to move from incurred loss provisioning, under former accounting policy, to expected loss provisioning by recognising an allowance for expected credit losses on its financial assets and it is no longer necessary for a credit-impaired event to have occurred. The Company considers to adopt the general approach to determine expected credit loss on financial assets.

Loss on impairment of investments in equity instruments and unit trusts which classified as available-for-sale investments is immediately recognised in profit or loss when there is objective evidence of impairment, considering from the evidence that indicates the cost of investments may not be recovered and a significant or prolonged decline in fair value of investments below its costs.

Transition

The Company adopted this Accounting Guidance whereby it recognised the cumulative effects from the first-time adoption using the modified retrospective method, which required the adjustment of the cumulative effects against deficit or other components of owners' equity as at 1 January 2020, and the comparative information was not restated.

The cumulative effects of the change in accounting policy were described in Note 3 to interim financial statements.

(b) TFRS 16 Leases

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

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

However, significant accounting policies and impact to the Company's interim financial information from the adoption of this standard can be summarised as follows:

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised through initial measurement, initial direct costs incurred, and lease payments made at or before the commencement date, less any lease incentives received.

Unless the Company is reasonably certain that it will obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of the lease payments to be made over the lease term, discounted by the interest rate implicit in the lease or the Company's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification or reassessment.

However, in the second quarter of 2020, the Company elected to adopt the Accounting Guidance on Temporary Relief Measures on Accounting Alternatives, whereby any reduction in lease payments by lessors is not treated as a lease modification, as mentioned in Note 2.5 (c) to interim financial statements.

Short-term leases and Leases of low-value assets

Payments under leases that, have a lease term of 12 months or less at the commencement date, or are leases of low-value assets, are recognised as expenses on a straight-line basis over the lease term.

Transition

The Company initially adopted this financial reporting standard using the modified retrospective method whereby an adjustment of the cumulative effect was made against assets and liabilities as at 1 January 2020, and the comparative information was not restated.

The cumulative effect of the change in accounting policy was described in Note 3 to interim financial statements.

(c) Accounting Guidances on Temporary Relief Measures

Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures for Entities Providing Assistance to Debtors Impacted by Situations That Affect the Thai Economy. Its objectives are to provide temporary relief measures solely for entities providing assistance to debtors impacted by the situations that affect the Thai economy, such as COVID-19, economic conditions, trade wars and drought, and to provide an alternative for all entities providing assistance to debtors in accordance with measures to assist debtors specified in the circular of the Bank of Thailand No. BOT.RPD.(23)C. 276/2563 "Guidelines on providing assistance to debtors impacted by situations that affect the Thai economy" and the circular of the Bank of Thailand No. BOT.RPD.(01)C. 380/2563 "Measures to provide additional assistance to debtors during the COVID-19 situation" or any other measures announced by the Bank of Thailand. Such entities include credit card businesses, businesses providing loans secured against vehicle registrations without collateral, personal loan businesses under the supervision of the Bank of Thailand and certain entities not under the supervision of the Bank of Thailand, such as leasing, hire-purchase, motorcycle hire-purchase and factoring businesses. Entities providing assistance to debtors in accordance with the Bank of Thailand's measures and electing to apply this Accounting Guidance have to apply all temporary relief measures in this guidance.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for entities providing assistance to debtors impacted by situations that affect the Thai economy during the period from 1 January 2020 to 31 December 2021 or until the Bank of Thailand makes changes, with which the entities are to comply. The guidance applies to large debtors, small- and medium-sized debtors and retail debtors who have the ability to run a business or to pay debts in the future and who have been impacted directly or indirectly by such this, considering the following guidelines.

The Company did not opt to adopt this Accounting Guidance since it was not applicable to the Company's business.

Accounting Guidance on Temporary Relief Measures on Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic

The Federation of Accounting Professions announced Accounting Guidance on Temporary Relief Measures on Accounting Alternatives in Response to the Impact of the COVID-19 Pandemic. Its objectives are to alleviate some of the impact of applying certain financial reporting standards, and to provide clarification about accounting treatments during the period of uncertainty relating to this situation.

On 22 April 2020, the Accounting Guidance was announced in the Royal Gazette and it is effective for the financial statements prepared for reporting periods ending between 1 January 2020 and 31 December 2020.

The Company has elected to apply the following temporary relief measures on accounting alternative:

- The Company opted not to consider any reduction in lease payments by lessors resulting from the COVID-19 situation as a lease modification whereby it will gradually decrease, the lease liabilities that due in each period proportionately to the reduced portion of the lease liabilities and make a reversal of depreciation of right-of-use assets and interest on lease liabilities recognised in each period proportionately to the reduced lease liabilities and recognise the difference in profit or loss. However, the amount of reduction in lease payments during such situation is not material to total remaining balances of lease liabilities.

2.6 Financial reporting standards that became effective for fiscal years beginning on or after 1 January 2021

The Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal years 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.

The management of the Group is currently evaluating the impact of these revised standards to the financial statements in the year when they are adopted.

2.7 Significant accounting policies

This interim financial information is prepared using the same accounting policies and methods of computation as those were used for the financial statements for the year ended 31 December 2019, except for the changes in accounting policies as a result of the adoption of new accounting standards as summarised in Note 2.5 to the interim financial statements.

3. Cumulative effects of the changes in accounting policies

As described in Note 2.5 (a) and (b) to the interim financial statements, the Company has adopted Accounting Guidance related to financial instruments and disclosures applicable to insurance business and TFRS 16 Leases since 1 January 2020 whereby the Company chose to adjust the cumulative effects from changes in accounting policies against deficit or other components of owners' equity as at 1 January 2020 and the comparative information was not restated.

The impacts on the beginning balance of deficit or other components of owners' equity of 2020 were summarised as follows:

(Unit: Thousand Baht)

Consolidated financial statements				
		The impacts of		
		Accounting Guidance related to financial instruments		
31 December		Reclassification ⁽¹⁾	TFRS 16	1 January
2019		(Note 3.1)	(Note 3.2)	2020
Statement of financial position				
Assets				
Cash and cash equivalents	365,763	-	(173)	365,590
Accrued investment income	73,595	(22,658)	(67)	50,870
Investments in securities	10,149,719	-	3,142	10,152,861
Loans	1,032,173	(1,032,173)	-	-
Loans and interest receivables	-	1,054,831	(164,838)	889,993
Right-of-use assets	-	-	95,953	95,953
Other assets	40,624	-	(431)	40,193
Liabilities				
Lease liabilities	-	-	95,522	95,522
Deferred tax liabilities	128,912	-	1,288	130,200
Owners' equity				
Deficit	(2,914,875)	-	(168,376)	(3,083,251)
Other components of owners' equity				
equity	508,307	-	5,152	513,459

⁽¹⁾ The Company reclassified certain line items in accordance with the new format of financial statements as set out by the OIC from 1 January 2020.

(Unaudited but reviewed)

(Unit: Thousand Baht)

Separate financial statements

	31 December 2019		The impacts of		
			Accounting Guidance related to financial instruments (Note 3.1)	TFRS 16 (Note 3.2)	1 January 2020
Statement of financial position					
Assets					
Cash and cash equivalents	360,621	-	(173)	-	360,448
Accrued investment income	73,595	(22,658)	(67)	-	50,870
Investments in securities	10,149,719	-	3,142	-	10,152,861
Loans	1,032,173	(1,032,173)	-	-	-
Loans and interest receivables	-	1,054,831	(164,838)	-	889,993
Right-of-use assets	-	-	-	95,953	95,953
Other assets	40,661	-	-	(431)	40,230
Liabilities					
Lease liabilities	-	-	-	95,522	95,522
Deferred tax liabilities	128,912	-	1,288	-	130,200
Owners' equity					
Deficit	(2,914,875)	-	(168,376)	-	(3,083,251)
Other components of owners' equity					
equity	508,307	-	5,152	-	513,459

⁽¹⁾ The Company reclassified certain line items in accordance with the new format of financial statements as set out by the OIC from 1 January 2020.

3.1 Financial instruments

Details of the impact on deficit and other components of owners' equity as at 1 January 2020 due to the first-time adoption of Accounting Guidance related to financial instruments and disclosures applicable to insurance business were presented as follows:

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
	<hr/>
Deficit	
Recognition of an allowance for expected credit losses on financial assets	(168,376)
	<hr/>
Impacts on deficit as at 1 January 2020	(168,376)
	<hr/> <hr/>
Other components of owners' equity	
Changes in measurement of investments in non-listed equity instruments, previously measured at cost, to be measured at fair value	3,142
Recognition of an allowance for expected credit losses on financial assets	3,298
	<hr/>
Total	6,440
Less: relevant income taxes	(1,288)
	<hr/>
Impacts on other components of owners' equity as at 1 January 2020	5,152
	<hr/> <hr/>

As at 1 January 2020, the carrying values of financial assets in accordance with Accounting Guidance related to financial instruments and disclosures applicable to insurance business, as compared to the carrying values under the former accounting policies, were as follows:

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated financial statements					
Carrying values in accordance with Accounting Guidance					
Carrying values under the former accounting policies	Trading investments measured at fair value through profit or loss	Available-for-sale investments measured at fair value through other comprehensive income	Amortised cost	Total	
Cash and cash equivalents	365,763	-	-	365,590	365,590
Accrued investment income	50,937	-	-	50,870	50,870
Investments in securities	10,149,719	2,218,335	7,934,526	-	10,152,861
Loans and interest receivables	1,054,831	-	-	889,993	889,993

(Unit: Thousand Baht)

Separate financial statements					
Carrying values in accordance with Accounting Guidance					
Carrying values under the former accounting policies	Trading investments measured at fair value through profit or loss	Available-for-sale investments measured at fair value through other comprehensive income	Amortised cost	Total	
Cash and cash equivalents	360,621	-	-	360,448	360,448
Accrued investment income	50,937	-	-	50,870	50,870
Investments in securities	10,149,719	2,218,335	7,934,526	-	10,152,861
Loans and interest receivables	1,054,831	-	-	889,993	889,993

As at 1 January 2020, the Company did not designate any financial liabilities at fair value through profit or loss.

3.2 Leases

Upon initial application of TFRS 16, the Company recognised lease liabilities previously classified as operating leases at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate at 1 January 2020.

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
	<hr/>
Operating lease commitments as at 31 December 2019	89,344
Add: Option to extend lease term	13,142
Less: Deferred interest expenses	(6,964)
	<hr/>
Increase in lease liabilities due to TFRS 16 adoption	95,522
Liabilities under finance lease agreements as at 31 December 2019	-
	<hr/>
Lease liabilities as at 1 January 2020	95,522
Add: Transfer of prepaid rental expenses from other assets	431
	<hr/>
Right-of-use assets as at 1 January 2020	<u>95,953</u>

The adjustments of right-of-use assets due to TFRS 16 adoption as at 1 January 2020 were summarised below:

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
	<hr/>
Leased buildings	94,393
Motor vehicles	1,560
	<hr/>
Total right-of-use assets	<u>95,953</u>

4. Cash and cash equivalents

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Cash on hand	692	1,046	692	1,046
Deposits at banks with no fixed maturity date	224,137	364,717	218,743	359,575
Total cash and cash equivalents	224,829	365,763	219,435	360,621
Less: Allowance for expected credit losses	(102)	-	(98)	-
Cash and cash equivalents - net	224,727	365,763	219,337	360,621

5. Premium receivables

As at 30 September 2020 and 31 December 2019, 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	
	Direct insurance	
	30 September 2020	31 December 2019
Not yet due	97,297	130,508
Not over 30 days	10	238
Over 31 days to 60 days	10	-
Over 61 days to 90 days	3	5
Overdue longer than 90 days	6,325	6,489
Total premium receivables	103,645	137,240
Less: Allowance for doubtful accounts	(6,097)	(6,294)
Premium receivables - net	97,548	130,946

6. Reinsurance assets

As at 30 September 2020 and 31 December 2019, reinsurance assets consisted of reserves refundable from reinsurers as follows:

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	<u>30 September 2020</u>	<u>31 December 2019</u>
Insurance reserve refundable from reinsurers		
Unearned premium reserves	35,218	1,539
Unexpired Risk Reserves	2,296	-
Loss reserves		
Claims incurred and reported	6,642	-
Claims incurred but not yet reported	16,778	-
Reinsurance assets	<u>60,934</u>	<u>1,539</u>

7. Reinsurance receivables

As at 30 September 2020 and 31 December 2019, reinsurance receivables consisted of the following:

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	
	<u>30 September 2020</u>	<u>31 December 2019</u>
Amounts due from reinsurers	<u>52,823</u>	<u>899</u>
Reinsurance receivables	<u>52,823</u>	<u>899</u>

8. Investments in securities**8.1 Classified by investment type**

(Unit: Thousand Baht)

	Consolidated and Separate financial statements			
	30 September 2020		31 December 2019	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments measured at fair value through profit or loss				
Domestic unit trusts	2,581,979	2,651,806	2,152,920	2,163,598
Foreign unit trusts	407,028	411,846	54,711	54,737
Total	2,989,007	3,063,652	2,207,631	2,218,335
Add: Revaluation allowance				
from fair value measurement	68,488		9,176	
from translation of foreign currencies	6,157		1,528	
Total revaluation allowance	74,645		10,704	
Trading investments measured at fair value through profit or loss - net	3,063,652		2,218,335	
Available-for-sale investments measured at fair value through other comprehensive income				
Government and state enterprise securities	2,116,216	2,277,959	2,293,460	2,469,772
Private sector debt securities	3,306,280	3,396,682	3,319,108	3,620,614
Domestic common stocks	192,427	206,667	591,069	553,572
Foreign common stocks	1,007,271	1,191,158	333,616	371,466
Domestic unit trusts	883,079	803,749	743,694	807,159
Foreign unit trusts	220,905	218,995	100,321	105,534
Total	7,726,178	8,095,210	7,381,268	7,928,117
Add (less): Revaluation allowance				
from fair value measurement	513,624		635,384	
from translation of foreign currencies	(50,585)		(64,123)	
Total revaluation allowance	463,039		571,261	
Less: Allowance for impairment	(1,208)		(24,412)	
Less: Allowance for expected credit losses	(92,799)		-	
Available-for-sale investments measured at fair value through other comprehensive income - net	8,095,210		7,928,117	

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated and Separate financial statements			
	30 September 2020		31 December 2019	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
	Held-to-maturity investments measured at amortised cost			
Deposits at financial institutions which matured over 3 months	10,000		-	
Less: Allowance for expected credit losses	-		-	
Held-to-maturity investments measured at amortised cost - net	10,000		-	
General investment				
Common stocks	-		3,267	
General investment	-		3,267	
Investments in securities - net	11,168,862		10,149,719	

8.2 Classified by stage of credit risk

(Unit: Baht)

	Consolidated and Separate financial statements	
	30 September 2020	
	Fair value	Allowance for expected credit losses recognised in profit or loss
Available-for-sale investments measured at fair value through other comprehensive income		
Stage 1 - Debt securities without a significant increase of credit risk	5,564,423	(2,676)
Stage 2 - Debt securities with a significant increase of credit risk	29,808	(533)
Stage 3 - Credit - impaired debt securities	80,410	(89,590)
Total	5,674,641	(92,799)

(Unit: Baht)

	Consolidated and Separate financial statements		
	30 September 2020		
	Gross carrying value	Allowance for expected credit losses recognised in profit or loss	Net 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

8.3 Investments subject to restrictions

As at 30 September 2020 and 31 December 2019, the Company placed certain assets as securities and insurance reserves as described below.

(Unit: Thousand Baht)

	Consolidated and Separate financial statements			
	30 September 2020		31 December 2019	
	Amortised cost	Fair value	Amortised cost	Fair value
Placed with the Life Assurance Registrar:				
As securities	20,290	20,754	20,465	20,952
As life insurance reserves	2,235,865	2,447,509	1,916,179	2,144,348
Total	2,256,155	2,468,263	1,936,644	2,165,300
Placed with bank:				
As securities	10,000	10,000	-	-

8.4 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 nine-month period ended 30 September 2020	For the year ended 31 December 2019
Revaluation surplus on available-for-sale investments measured at fair value through other comprehensive income at beginning of the periods	635,384	260,692
Cumulative effect of change in accounting policy (Note 3.1)	6,440	-
Revaluation surplus on available-for-sale investments measured at fair value through other comprehensive income at beginning of the periods - as restated	641,824	260,692
Gains (losses) on revaluation during the periods	(201,523)	288,680
Losses on sales of available-for-sale investments measured at fair value through other comprehensive income transferred to be recognised in profit or loss	73,323	86,012
Revaluation surplus on available-for-sale investments measured at fair value through other comprehensive income - end of the periods	513,624	635,384
Less: Income taxes	(102,725)	(127,077)
Revaluation surplus on available-for-sale investments measured at fair value through other comprehensive income at end of the periods - net of income taxes	410,899	508,307

9. Loans and interest receivables

9.1 Loans and interest receivables classified by overdue periods

As at 30 September 2020 and 1 January 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 September 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	569,034	18,962	358,612	1,503	45	-	927,691	20,465	948,156
Past due									
Less than 3 months	-	-	16,332	558	-	-	16,332	558	16,890
3 - 6 months	-	-	130	3	-	-	130	3	133
6 - 12 months	-	-	2,193	27	-	-	2,193	27	2,220
Over 12 months	-	-	479,299	19,196	5,079	303	484,378	19,499	503,877
Total loans and interest receivables	569,034	18,962	856,566	21,287	5,124	303	1,430,724	40,552	1,471,276
Less: Allowance for expected credit losses	-	-	(220,733)	(18,551)	(5,079)	(303)	(225,812)	(18,854)	(244,666)
Loans and interest receivables - net	569,034	18,962	635,833	2,736	45	-	1,204,912	21,698	1,226,610

(Unit: Thousand Baht)

Consolidated and Separate financial statements									
1 January 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	517,398	15,771	52,891	1,380	140	-	570,429	17,151	587,580
Past due									
Less than 3 months	-	-	27,530	889	-	-	27,530	889	28,419
3 - 6 months	-	-	1,409	55	-	-	1,409	55	1,464
6 - 12 months	-	-	4,124	20	-	-	4,124	20	4,144
Over 12 months	-	-	500,426	20,192	5,079	303	505,505	20,495	526,000
Total loans and interest receivables	517,398	15,771	586,380	22,536	5,219	303	1,108,997	38,610	1,147,607
Less: Allowance for expected credit losses	-	-	(232,581)	(19,651)	(5,079)	(303)	(237,660)	(19,954)	(257,614)
Loans and interest receivables - net	517,398	15,771	353,799	2,885	140	-	871,337	18,656	889,993

As at 30 September 2020 and 31 December 2019, 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 and 6 to 19 percent per annum, respectively. Collateral used to secure such loans comprised land and buildings.

As at 30 September 2020 and 31 December 2019, other loans were loans provided to employees and agents, which were guaranteed by personal guarantees or motor vehicles and on which interest was charged at the rates between 7 to 15 percent per annum and 7 to 15 percent per annum, respectively.

9.2 Loans and interest receivables classified by staging of credit risk

As at 30 September 2020 and 1 January 2020, the balances of loan and interest receivables excluding policy loans, classified by staging of credit risk were as follows:

(Unit: Thousand Baht)

Staging of credit risk	Consolidated and Separate financial statements						
	30 September 2020						
	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	389,045	2,531	45	-	389,090	2,531	391,621
Stage 2 - Loans with significant increases of credit risk	2,322	88	-	-	2,322	88	2,410
Stage 3 - Credit impairment loans	465,199	18,668	5,079	303	470,278	18,971	489,249
Total loans and interest receivables	856,566	21,287	5,124	303	861,690	21,590	883,280
Less: Allowance for expected credit losses	(220,733)	(18,551)	(5,079)	(303)	(225,812)	(18,854)	(244,666)
Loans and interest receivables - net	635,833	2,736	45	-	635,878	2,736	638,614

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated and Separate financial statements							
1 January 2020							
Staging of credit risk	Mortgage loans		Other loans		Total		Total
	Principal	Interest receivables	Principal	Interest receivables	Principal	Interest receivables	
Stage 1 - Loans without a significant increase of credit risk	95,512	2,689	140	-	95,652	2,689	98,341
Stage 2 - Loans with significant increases of credit risk	2,066	80	-	-	2,066	80	2,146
Stage 3 - Credit impairment loans	488,802	19,767	5,079	303	493,881	20,070	513,951
Total loans and interest receivables	586,380	22,536	5,219	303	591,599	22,839	614,438
Less: Allowance for expected credit losses	(232,581)	(19,651)	(5,079)	(303)	(237,660)	(19,954)	(257,614)
Loans and interest receivables - net	353,799	2,885	140	-	353,939	2,885	356,824

10. Investment in a subsidiary

As at 30 September 2020 and 31 December 2019, detail of investment in a subsidiary, as presented in the separate financial statements, was as follows:

Company's name	Type of business	Country of incorporation	Issued and paid-up share capital		Shareholding percentage		Cost		Carrying value under equity method	
			30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019	30 September 2020	31 December 2019
					(%)	(%)				
Phillip Insurance Broker Company Limited	Non-life insurance broker	Thailand	5,000	5,000	99.88	99.88	4,994	4,994	4,903	4,956
Total investment in a subsidiary							4,994	4,994	4,903	4,956

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

11. Premises and equipment

(Unit: Thousand Baht)

Consolidated and Separate financial statements								
For the nine-month period ended 30 September 2020								
	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 2020	36,714	176,798	14,424	10,289	123	-	2,985	241,333
Additions - cost	-	390	1,834	8,151	-	6,330	-	16,505
Transfer in (out)	-	4,296	2,034	-	-	(6,330)	-	-
Disposals during the periods - net book value	-	(564)	(55)	-	-	-	-	(619)
Depreciation for the period	-	(19,615)	(3,586)	(3,529)	(123)	-	-	(26,853)
Net book value as at 30 September 2020	36,714	181,305	14,451	14,911	-	-	2,985	230,366

12. Right-of-use assets

(Unit: Thousand Baht)

Consolidated and Separate financial statements			
For the nine-month period ended 30 September 2020			
	Leased buildings	Motor vehicles	Total
Net book value as at 31 December 2019	-	-	-
Effect from change in accounting policy (Note 3.2)	94,393	1,560	95,953
Net book value as at 1 January 2020	94,393	1,560	95,953
Increase during the period	2,659	-	2,659
Cancelled during the period	(2,153)	-	(2,153)
Remeasurement during the period	(103)	-	(103)
Amortisation for the period	(21,760)	(669)	(22,429)
Net book value as at 30 September 2020	73,036	891	73,927

The following amounts were recognised in profit or loss.

	(Unit: Thousand Baht)	
	Consolidated and Separate financial statements	Consolidated and Separate financial statements
	For the three-month period ended 30 September 2020	For the nine-month period ended 30 September 2020
Amortisation of right-of-use assets	7,391	21,742
Interest expense on lease liabilities	770	2,465
Total expenses	<u>8,161</u>	<u>24,207</u>

The Company recorded reduction in lease payments by lessors amounting to Baht 1.2 million from the COVID-19 situation by reversals of amortisation expenses on the right of use assets and interest expenses on lease liabilities in accordance with the Accounting Guidance as described in Note 2.5 (c) to interim financial statements.

13. Intangible assets

	(Unit: Thousand Baht)
	Consolidated and Separate financial statements
	For the nine-month period ended 30 September 2020
	<u>Computer software</u>
Net book value as at 1 January 2020	13,861
Additions - cost	948
Amortisation for the period	<u>(3,701)</u>
Net book value as at 30 September 2020	<u>11,108</u>

14. Other assets

As at 30 September 2020 and 31 December 2019, other assets consisted of the following items:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Rental deposits	7,638	7,387	7,638	7,387
Other receivables	94,846	87,013	94,887	87,050
Withholding taxes	14,057	19,255	14,057	19,255
Receivables from sales of investments	856	-	856	-
Receivable from the Legal Executive Department	5,870	4,444	5,870	4,444
Others	25,212	15,756	24,773	15,756
Total	148,479	133,855	148,081	133,892
Less: Allowance for doubtful accounts	(101,419)	(93,231)	(101,419)	(93,231)
Other assets - net	47,060	40,624	46,662	40,661

15. Insurance contract liabilities

	(Unit: Thousand Baht)					
	Consolidated and Separate financial statements					
	30 September 2020			31 December 2019		
	Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net
Long-term insurance policy reserves	9,318,099	-	9,318,099	8,679,969	-	8,679,969
Loss reserves						
Claims incurred and reported	152,967	(6,642)	146,325	170,289	-	170,289
Claims incurred but not yet reported	155,760	(16,778)	138,982	20,554	-	20,554
Premium reserves						
Unearned premium reserves	418,931	(35,218)	383,713	360,591	(1,539)	359,052
Unexpired risk reserves	68,627	(2,296)	66,331	30,472	2,182 ⁽¹⁾	32,654
Unpaid policy benefits	51,504	-	51,504	42,115	-	42,115
Other insurance liabilities	500,243	-	500,243	459,565	-	459,565
Total	10,666,131	(60,934)	10,605,197	9,763,555	643	9,764,198

⁽¹⁾ Presented as part of "Other liabilities" in the statements of financial position

15.1 Long-term insurance policy reserves

(Unit: Thousand Baht)

<u>Consolidated and Separate financial statements</u>		
	For the nine-month period ended 30 September 2020	For the year ended 31 December 2019
Balances - beginning of the periods	8,679,969	7,405,511
Insurance policy reserves increased for new businesses and inforce policies	784,199	1,139,842
Insurance policy reserves released from death, benefit paid, lapse and surrender	(405,705)	(526,254)
Change in insurance policy reserves as a result of assumption changes	306,583	657,756
Changes in insurance policy reserves as a result of experience adjustments	(46,947)	3,114
Balances - end of the periods	<u>9,318,099</u>	<u>8,679,969</u>

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

(Unit: Thousand Baht)

<u>Consolidated and Separate financial statements</u>		
	For the nine-month period ended 30 September 2020	For the year ended 31 December 2019
Balances - beginning of the periods	190,843	29,852
Claims incurred in the current periods	997,286	516,395
Changes in estimation and assumptions	(14,985)	(6,643)
Claims paid during the periods	(864,417)	(348,761)
Balances - end of the periods	<u>308,727</u>	<u>190,843</u>

(b) Unearned premium reserves

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	For the nine-month period ended	For the year ended
	30 September 2020	31 December 2019
Balances - beginning of the periods	360,591	126,881
Premium written during the periods	1,101,464	788,807
Premium earned during the periods	(1,043,124)	(555,097)
Balances - end of the periods	<u>418,931</u>	<u>360,591</u>

(c) Unexpired risk reserves

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	For the nine-month period ended	For the year ended
	30 September 2020	31 December 2019
Balances - beginning of the periods	391,063	119,916
Estimated claims	1,281,103	852,761
Risk expired during the periods	(1,184,608)	(581,614)
Balances - end of the periods	<u>487,558</u>	<u>391,063</u>

As at 30 September 2020 and 31 December 2019, unexpired risk reserves were higher than unearned premium reserves by Baht 68.6 million and Baht 30.5 million, respectively, which was already recognised in profit or loss.

15.3 Unpaid policy benefits

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	30 September 2020	31 December 2019
Death benefits	6,755	4,319
Maturity payments	21,581	21,209
Surrender	915	974
Benefit payments under policies	1,273	1,339
Others	20,980	14,274
Total unpaid policy benefits	<u>51,504</u>	<u>42,115</u>

15.4 Other insurance liabilities

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	30 September 2020	31 December 2019
Deposits of the insured	470,405	441,070
Others	29,838	18,495
Total other insurance liabilities	<u>500,243</u>	<u>459,565</u>

16. Reinsurance payables

As at 30 September 2020 and 31 December 2019, the Company had reinsurance payables classified by type of liabilities as follows:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements	
	30 September 2020	31 December 2019
Outward premium payables	121,041	5,844
Total due to reinsurers	<u>121,041</u>	<u>5,844</u>

17. Lease liabilities

(Unit: Thousand Baht)

	Consolidated and Separate financial statements		
	For the nine-month period ended 30 September 2020		
	Lease buildings	Motor vehicles	Total
Lease liabilities as at 31 December 2019	-	-	-
Effect from change in accounting policy (Note 3.2)	93,962	1,560	95,522
Lease liabilities as at 1 January 2020	93,962	1,560	95,522
Increase during the period	2,659	-	2,659
Cancelled during the period	(1,975)	-	(1,975)
Remeasurement during the period	(122)	-	(122)
Add: Recognised financial cost during the period	2,723	38	2,761
Less: Lease payments during the period	(22,215)	(693)	(22,908)
Lease liabilities as at 30 September 2020	<u>75,032</u>	<u>905</u>	<u>75,937</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

Consolidated and Separate financial statements			
30 September 2020			
	Lease buildings	Motor vehicles	Total
Lease liabilities before deferred interest expenses			
Portion due within 1 year	29,591	924	30,515
Portion due over 1 year	49,766	-	49,766
Total lease liabilities before deferred interest expenses	79,357	924	80,281
Less: Deferred interest expenses	(4,325)	(19)	(4,344)
Lease liabilities at end of period	75,032	905	75,937

18. Deferred tax liabilities and income tax revenues

18.1 Deferred tax liabilities

As at 30 September 2020 and 31 December 2019, 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						
	30 September 2020	31 December 2019	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
			2020	2019	2020	2019
Deferred tax liabilities arose from:						
Unrealised gains on available-for-sale investments measured at fair value through other comprehensive income	102,725	127,077	1,605	(42,605)	24,352	(111,073)
Unrealised gains on trading investments measured at fair value through profit or loss	13,697	1,835	(5,731)	-	(11,862)	-
Total deferred tax liabilities	116,422	128,912				
Total changes			(4,126)	(42,605)	12,490	(111,073)
Recognition of changes in						
- Other comprehensive income at beginning of the periods (Note 3.1)			-	-	(1,288)	-
- Profit or loss			(5,731)	-	(11,862)	-
- Other comprehensive income			1,605	(42,605)	25,640	(111,073)
Total changes			(4,126)	(42,605)	12,490	(111,073)

(Unaudited but reviewed)

As at 30 September 2020 and 31 December 2019, 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 follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2020	2019	2020	2019
Allowance for impairment	1,208	24,412	1,208	24,412
Employee benefit obligations	63,180	57,191	63,180	57,191
Loss reserves	285,307	190,843	285,307	190,843
Premium reserves	-	48,481	-	48,481
Unexpired risk reserves	66,331	32,654	66,331	32,654
Lease liabilities	2,441	-	2,441	-
Tax losses brought forward no longer than five fiscal years	1,809,646	1,216,608	1,809,593	1,216,649
Total	2,228,113	1,570,189	2,228,060	1,570,230

18.2 Income tax expenses

Income tax expenses for the three-month periods and nine-month ended 30 September 2020 and 2019 were made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	For the three-month periods ended		For the nine-month periods ended		For the three-month periods ended		For the nine-month periods ended	
	30 September		30 September		30 September		30 September	
	2020	2019	2020	2019	2020	2019	2020	2019
Current income taxes:								
Corporate income tax for the periods	-	-	-	-	-	-	-	-
Deferred income taxes:								
Relating to origination and reversal of temporary differences	(5,731)	-	(11,862)	-	(5,731)	-	(11,862)	-
Income tax expenses recognised in profit or loss	(5,731)	-	(11,862)	-	(5,731)	-	(11,862)	-

(Unaudited but reviewed)

Reconciliations between income tax expenses and the product of accounting loss for the three-month periods and nine-month ended 30 September 2020 and 2019 and the applicable tax rate were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	For the three-month		For the nine-month		For the three-month		For the nine-month	
	periods ended		periods ended		periods ended		periods ended	
	30 September		30 September		30 September		30 September	
	2020	2019	2020	2019	2020	2019	2020	2019
Accounting loss before income tax expenses	(102,844)	(672,357)	(670,660)	(1,082,072)	(102,844)	(672,357)	(670,660)	(1,082,072)
Applicable tax rate	20%	20%	20%	20%	20%	20%	20%	20%
Amount of income taxes at the applicable tax rate	20,569	134,471	134,132	216,414	20,569	134,471	134,132	216,414
Net tax effect on revenues or expenses that are not taxable or not deductible in determining taxable profits	866	980	(14,428)	15,344	866	980	(14,428)	15,344
Temporary differences, which are not recognised as deferred tax assets	(18,314)	2,230	(12,977)	(12,952)	(18,314)	2,230	(12,977)	(12,952)
Deferred taxes on losses for the periods expected not to be able to utilise	(8,852)	(137,681)	(118,589)	(218,806)	(8,852)	(137,681)	(118,589)	(218,806)
Income tax expenses reported in profit or loss	(5,731)	-	(11,862)	-	(5,731)	-	(11,862)	-

The amounts of income taxes relating to each component of other comprehensive income (loss) for the three-month periods and nine-month ended 30 September 2020 and 2019 were as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	For the three-month		For the nine-month	
	periods ended		periods ended	
	30 September		30 September	
	2020	2019	2020	2019
Income taxes relating to:				
(Gains) losses on revaluation of available-for-sale investments measured at fair value through other comprehensive income	211	(35,550)	40,305	(84,717)
Gain (losses) on sales of available-for-sale investments measured at fair value through other comprehensive income transferred to be recognised in profit or loss	1,394	(7,055)	(14,665)	(26,356)
Income taxes reported in other comprehensive income (loss)	1,605	(42,605)	25,640	(111,073)

19. Other liabilities

As at 30 September 2020 and 31 December 2019, other liabilities consisted of the following items:

	(Unit: Thousand Baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Accrued commission and brokerage expenses	73,934	151,772	73,934	151,772
Deposits from agents	82,172	62,752	82,172	62,752
Accrued operating expenses	60,789	56,913	59,909	56,770
Payables on purchases of investments	-	1,135	-	1,135
Others	13,222	16,784	13,222	16,784
Total other liabilities	230,117	289,356	229,237	289,213

20. Share capital**20.1 Registered share capital**

By the resolution of the Extraordinary General Meeting No.1/2019 of the Company's shareholders held on 10 October 2019, it is resolved to approve the decrease in the registered share capital of the Company from Baht 4,000,000,000 to Baht 3,634,375,000 by the decrease of unissued 58.50 million ordinary shares at a par value of Baht 6.25 each, or total of Baht 365,625,000. In addition, it is resolved to approve the increase in the registered share capital of the Company from Baht 3,634,375,000 to Baht 6,000,000,000 by the increase of 378.50 million ordinary shares at a par value of Baht 6.25 each, or a total of Baht 2,365,635,000. The Company registered the decrease and increase in the registered share capital with the Ministry of Commerce on 31 October 2019 and 6 November 2019, respectively.

By the resolution of the 2020 Annual General Meeting of the Company's shareholders held on 23 April 2020, it is resolved to approve the decrease in the registered share capital of the Company from Baht 6,000,000,000 to Baht 4,784,375,000 by the decrease of unissued 194.50 million ordinary shares at a par value of Baht 6.25 each, or total of Baht 1,215,625,000. In addition, it is resolved to approve the increase in the registered share capital of the Company from Baht 4,784,375,000 to Baht 10,000,000,000 by the increase of 834.50 million ordinary shares at a par value of Baht 6.25 each, or a total of Baht 5,215,625,000. The Company registered the decrease and increase in the registered share capital with the Ministry of Commerce on 4 June 2020 and 10 June 2020, respectively.

20.2 Issued and paid-up share capital

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

By the resolution of the Meeting No. 21/2019 of the Executives Committee held on 4 September 2019, 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 0.0899719 new ordinary shares for the purpose of meeting the Capital Adequacy Requirement as required by the Office of Insurance Commission. On 20 September 2019, the Company received payments for such additional ordinary shares and registered the issued and paid-up share capital with the Ministry of Commerce on 30 September 2019.

By the resolution of the Meeting No. 6/2019 of the Company's Board of Directors held on 8 November 2019, it is resolved to approve the issuance of the Company's additional 64 million ordinary shares at a par value of Baht 6.25 each, or a total of Baht 400 million to existing shareholders at the ratio of 1 existing share to 0.1100602 new ordinary shares for the purpose of meeting the Capital Adequacy Requirement as required by the Office of Insurance Commission. On 25 November 2019, the Company received payments for such additional ordinary shares and registered the issued and paid-up share capital with the Ministry of Commerce on 29 November 2019.

By the resolution of the Meeting No. 31/2019 of the Executives Committee held on 4 December 2019, it is resolved to approve the issuance of the Company's additional 40 million ordinary shares at a par value of Baht 6.25 each, or a total of Baht 250 million to existing shareholders at the ratio of 1 existing share to 0.0619675 new ordinary shares for the purpose of meeting the Capital Adequacy Requirement as required by the Office of Insurance Commission. On 18 December 2019, the Company received payments for such additional ordinary shares and registered the issued and paid-up share capital with the Ministry of Commerce on 24 December 2019.

By the resolution of the Meeting No. 9/2020 of the Executives Committee held on 11 March 2020, it is resolved to approve the issuance of the Company's additional 80 million ordinary shares at a par value of Baht 6.25 each, or a total of Baht 500 million to existing shareholders at the ratio of 1 existing share to 0.1167031 new ordinary shares for the purpose of meeting the Capital Adequacy Requirement as required by the Office of Insurance Commission. On 24 March 2020, the Company received payments for such additional ordinary shares and registered the issued and paid-up share capital with the Ministry of Commerce on 30 March 2020.

By the resolution of the Meeting No. 4/2020 of the Company's Board of Directors held on 11 June 2020, 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 0.0627041 new ordinary shares for the purpose of meeting the Capital Adequacy Requirement as required by the Office of Insurance Commission. On 19 June 2020, the Company received payments for such additional ordinary shares and registered the issued and paid-up share capital with the Ministry of Commerce on 29 June 2020.

By the resolution of the Meeting No. 26/2020 of the Executives Committee held on 11 August 2020, 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 0.0590043 new ordinary shares for the purpose of meeting the Capital Adequacy Requirement as required by the Office of Insurance Commission. On 20 August 2020, the Company received payments for such additional ordinary shares and registered the issued and paid-up share capital with the Ministry of Commerce on 31 August 2020.

20.3 Reconciliation of registered, issued and paid-up share capital

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

(Unit: Baht)

	Par value per share	For the nine-month period ended		For the year ended	
		30 September 2020		31 December 2019	
		No. of shares	Amount	No. of shares	Amount
Registered share capital:					
Balance at beginning of the periods	6.25	960,000,000	6,000,000,000	640,000,000	4,000,000,000
Registered the increased/decreased share capital during the periods	6.25	640,000,000	4,000,000,000	320,000,000	2,000,000,000
Balance at end of the periods	6.25	1,600,000,000	10,000,000,000	960,000,000	6,000,000,000
Issued and paid-up share capital:					
Balance at beginning of the periods	6.25	685,500,000	4,284,375,000	501,500,000	3,134,375,000
Issued additional shares during the periods	6.25	176,000,000	1,100,000,000	184,000,000	1,150,000,000
Balance at end of the periods	6.25	861,500,000	5,384,375,000	685,500,000	4,284,375,000

21. Share subscription receivable

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

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

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.

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

On 25 September 2019, Philip Life Company Limited, the parent company, made a payment for the remaining share price to the Bangkok Civil Litigation Office 2.

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On 4 March 2020, the Company already received share price payment of Baht 13,420,000 from the Bangkok Civil Litigation Office 2. Therefore, the Company derecognised share subscription receivable totaling Baht 72,218,175 and the difference of Baht 58,798,175 from such settlement was presented as share discount in owners' equity.

22. Operating expenses

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	For the three-month periods ended		For the nine-month periods ended		For the three-month periods ended		For the nine-month periods ended	
	30 September		30 September		30 September		30 September	
	2020	2019	2020	2019	2020	2019	2020	2019
Personnel expenses	51,137	46,063	156,313	157,013	51,137	46,063	156,313	157,013
Premises and equipment expenses	23,395	25,239	69,784	74,381	23,395	25,239	69,784	74,381
Taxes and duties	2,205	2,189	7,039	7,614	2,205	2,189	7,039	7,614
Bad debt and doubtful accounts (reversal)	65	(9,323)	8,159	(13,525)	65	(9,323)	8,159	(13,525)
Other operating expenses	23,643	19,994	62,965	54,697	23,627	19,976	62,920	54,658
Total operating expenses	100,445	84,162	304,260	280,180	100,429	84,144	304,215	280,141

23. Expected credit losses

(Unit: Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month period ended	For the nine-month period ended	For the three-month period ended	For the nine-month period ended
	30 September	30 September	30 September	30 September
	2020	2020	2020	2020
Cash and cash equivalents	(60)	(71)	(60)	(75)
Investments in securities	836	92,740	836	92,740
Loans and interest receivables	65	(12,948)	65	(12,948)
Total	841	79,721	841	79,717

24. Basic earnings per share

Loss per share is calculated by dividing net 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.

Loss per share for the three-month and nine-month periods ended 30 September 2020 and 2019 were determined as follows:

	Consolidated financial statements				Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September		For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2020	2019	2020	2019	2020	2019	2020	2019
Net loss (Thousand Baht)	(108,575)	(672,357)	(682,523)	(1,082,072)	(108,575)	(672,357)	(682,523)	(1,082,072)
Weighted average number of ordinary shares (Thousand shares)	829,493	533,841	761,232	523,297	829,493	533,841	761,232	523,297
Basic earnings per share								
Loss per share (Baht/share)	(0.13)	(1.26)	(0.90)	(2.07)	(0.13)	(1.26)	(0.90)	(2.07)

25. Related party transactions**25.1 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.

25.2 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 September		For the nine-month periods ended 30 September		
	2020	2019	2020	2019	
	Related parties				
Expenses					
Securities management fee	512	1,327	2,161	4,308	Contract rates or agreed-upon rates
Commission expense	668	-	1,986	-	Contract rates or agreed-upon rates

25.3 Outstanding balances with related parties

As at 30 September 2020 and 31 December 2019, the outstanding balances between the Company and its related parties were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
	Subsidiary			
Assets				
Receivables from related parties	-	-	41	38
Related company				
Assets				
Premium receivables	227	193	227	193
Liabilities				
Accrued commission expenses	-	231	-	231
Accrued securities management fee	512	1,116	512	1,116

25.4 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 nine-month periods	
	ended 30 September		ended 30 September	
	2020	2019	2020	2019
Short-term employee benefits	756	844	2,313	2,858
Long-term employee benefits	33	33	102	100
Total directors' and key management's remunerations	789	877	2,415	2,958

26. Commitments and contingencies

26.1 Contracts commitments

As at 30 September 2020, future minimum payments required under commitments with respect to agreements with related short-term leases and leases of low-value assets and services were as follows.

(Unit: Thousand Baht)

Payable	Consolidated and Separate financial statements
	30 September 2020
Within 1 year	722
1 - 4 years	1,015
Total	1,737

27. Fair values of financial assets

As at 30 September 2020 and 31 December 2019, the Company had the following financial assets measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated and Separate financial statements				
	30 September 2020				
	Fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
Trading investments measured at fair value					
through profit or loss					
Domestic unit trusts	-	2,651,806	-	2,651,806	2,651,806
Foreign unit trusts	-	411,846	-	411,846	411,846
Available-for-sale investments measured at fair value through other comprehensive income					
Government and state enterprise securities	-	2,277,959	-	2,277,959	2,277,959
Private sector debt securities	-	3,286,464	110,218	3,396,682	3,396,682
Domestic common stocks	200,111	-	6,556	206,667	206,667
Foreign common stocks	1,191,158	-	-	1,191,158	1,191,158
Domestic unit trusts	803,749	-	-	803,749	803,749
Foreign unit trusts	218,995	-	-	218,995	218,995

(Unit: Thousand Baht)

	Consolidated and Separate financial statements				
	31 December 2019				
	Fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
Trading investments measured at fair value					
through profit or loss					
Domestic unit trusts	-	2,163,598	-	2,163,598	2,163,598
Foreign unit trusts	-	54,737	-	54,737	54,737
Available-for-sale investments measured at fair value through other comprehensive income					
Government and state enterprise securities	-	2,469,772	-	2,469,772	2,469,772
Private sector debt securities	-	3,620,614	-	3,620,614	3,620,614
Domestic common stocks	553,572	-	-	553,572	553,572
Foreign common stocks	371,466	-	-	371,466	371,466
Domestic unit trusts	807,159	-	-	807,159	807,159
Foreign unit trusts	105,534	-	-	105,534	105,534

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

- (a) The fair value of investments in common stocks and unit trusts that are listed securities are presented at market prices.
- (b) The fair value of investments in debt securities are presented at market prices or determined using the yield curve as announced by the Thai Bond Market Association and adjusted with credit risk.
- (c) The fair value of investments in unit trusts that are not listed securities is determined by using the net asset value per unit as announced by the fund manager. The fair value of investments in non-listed equity securities is determined using generally accepted pricing model or approximated to their net book values.

28. Reclassification

The Company reclassified certain line items for more appropriate comparison with current period's financial information. However, such reclassifications had no effect to previously reported net loss or owners' equity. The reclassification was as follows:

(Unit: Thousand Baht)

	Consolidated financial statements			
	For the three-month period ended		For the nine-month period ended	
	30 September 2019		30 September 2019	
	As reclassified	As previously reported	As reclassified	As previously reported
Statements of comprehensive income				
Revenues				
Net investment revenues	98,979	88,902	287,429	290,990
Fair value losses	(20,792)	(10,715)	(24,501)	(28,062)
	<u>78,187</u>	<u>78,187</u>	<u>262,928</u>	<u>262,928</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Separate financial statements			
	For the three-month period ended		For the nine-month period ended	
	30 September 2019		30 September 2019	
	As reclassified	As previously reported	As reclassified	As previously reported
Statements of comprehensive income				
Revenues				
Net investment revenues	98,979	88,902	287,420	290,981
Fair value losses	(20,792)	(10,715)	(24,501)	(28,062)
	<u>78,187</u>	<u>78,187</u>	<u>262,919</u>	<u>262,919</u>

29. Approval of interim financial information

This interim financial information was authorised for issue by the Company's authorised director on 10 November 2020.