

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 2021

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 2021, and 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.



Rachada Yongsawadvanich
Certified Public Accountant (Thailand) No. 4951

EY Office Limited

Bangkok: 10 November 2021

Phillip Life Assurance Public Company Limited and its subsidiary

Statements of financial position

As at 30 September 2021 and 31 December 2020

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements		
	30 September 2021	31 December 2020	30 September 2021	31 December 2020	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Assets					
Cash and cash equivalents	3	524,036,897	356,875,004	518,158,422	351,883,915
Premium receivables	4	129,021,971	165,702,830	129,021,971	165,702,830
Accrued investment income		44,618,676	44,846,399	44,618,676	44,846,399
Reinsurance assets	5	180,990,150	104,264,557	180,990,150	104,264,557
Reinsurance receivables	6	460,324,262	128,987,971	460,324,262	128,987,971
Investment assets					
Investments in securities	7	12,402,186,462	11,734,014,046	12,402,186,462	11,734,014,046
Loans and interest receivables	8	942,854,374	1,191,458,435	942,854,374	1,191,458,435
Investments in a subsidiary	9	-	-	5,325,157	5,065,048
Investment assets of the insured		100,670	-	100,670	-
Premises and equipment	10	205,606,975	223,068,936	205,606,975	223,068,936
Right-of-use assets	11	49,778,835	70,160,157	49,778,835	70,160,157
Intangible assets	12	8,516,759	11,885,054	8,516,759	11,885,054
Other assets	13	110,267,098	50,272,387	109,712,373	49,797,699
Total assets		15,058,303,129	14,081,535,776	15,057,195,086	14,081,135,047

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



[Handwritten signatures in blue ink]

Phillip Life Assurance Public Company Limited and its subsidiary

Statements of financial position (Continued)

As at 30 September 2021 and 31 December 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2021 (Unaudited but reviewed)	31 December 2020 (Audited)	30 September 2021 (Unaudited but reviewed)	31 December 2020 (Audited)
Liabilities and owners' equity					
Liabilities					
Insurance contract liabilities	14	10,752,003,410	11,344,321,195	10,752,003,410	11,344,321,195
Investment contract liabilities		100,670	-	100,670	-
Reinsurance payables	15	319,149,499	165,843,126	319,149,499	165,843,126
Lease liabilities	11	53,306,179	72,869,099	53,306,179	72,869,099
Employee benefit obligations		60,833,141	56,833,580	60,833,141	56,833,580
Deferred tax liabilities	16	183,272,928	161,729,290	183,272,928	161,729,290
Other liabilities	17	186,542,598	317,088,751	185,440,953	316,694,107
Total liabilities		11,555,208,425	12,118,685,041	11,554,106,780	12,118,290,397
Owners' equity					
Share capital					
Registered					
1,600 million ordinary shares of Baht 6.25 each		10,000,000,000	10,000,000,000	10,000,000,000	10,000,000,000
Issued and paid-up					
957.5 million ordinary shares of Baht 6.25 each (31 December 2020: 909.5 million ordinary shares of Baht 6.25 each)	18	5,984,375,000	5,684,375,000	5,984,375,000	5,684,375,000
Share discount		(58,798,175)	(58,798,175)	(58,798,175)	(58,798,175)
Deficit		(3,027,103,223)	(4,213,024,121)	(3,027,103,223)	(4,213,024,121)
Other component of owners' equity					
Revaluation surplus on available-for-sale investments measured at fair value through other comprehensive income - net of income taxes	7.4	604,614,704	550,291,946	604,614,704	550,291,946
Equity attributable to equity holders of the Company		3,503,088,306	1,962,844,650	3,503,088,306	1,962,844,650
Non-controlling interests of the subsidiary		6,398	6,085	-	-
Total owners' equity		3,503,094,704	1,962,850,735	3,503,088,306	1,962,844,650
Total liabilities and owners' equity		15,058,303,129	14,081,535,776	15,057,195,086	14,081,135,047

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

[Handwritten signature]

[Handwritten signature]

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 2021 and 2020

	(Unit: Baht)				
	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Profit or loss:					
Revenues					
Premium written		758,279,298	925,060,509	758,279,298	925,060,509
Less: Premium ceded to reinsurers		(121,228,181)	(88,568,345)	(121,228,181)	(88,568,345)
Net premium written		637,051,117	836,492,164	637,051,117	836,492,164
Add (less): Unearned premium reserves (increased) decreased					
from prior period		27,857,636	(2,677,933)	27,857,636	(2,677,933)
Earned premium after reinsurance		664,908,753	833,814,231	664,908,753	833,814,231
Fee and commission income		5,852,782	3,874,225	5,852,782	3,874,225
Net investment revenues		146,503,519	95,839,090	146,503,520	95,839,091
Gain on investments		19,363,671	11,678,186	19,363,671	11,678,186
Fair value gains		105,569,715	80,710,207	105,569,715	80,710,207
Share of gain from investment in a subsidiary under equity method		-	-	167,314	119,850
Other income		45,160,088	591,284	44,826,226	391,043
Total revenues		987,358,528	1,026,507,223	987,191,981	1,026,426,833
Expenses					
Long-term life insurance policy reserves increased from prior period		2,698,762	250,732,229	2,698,762	250,732,229
Unexpired risk reserves decreased from prior period		(8,642,726)	(21,990,186)	(8,642,726)	(21,990,186)
Benefit payments under life policies and gross claims		685,173,694	647,781,931	685,173,694	647,781,931
Less: Benefit payments under life policies and					
claims refundable from reinsurance		(114,700,454)	(43,922,458)	(114,700,454)	(43,922,458)
Commission and brokerage expenses		78,874,601	187,253,785	78,742,500	187,189,749
Other underwriting expenses		5,183,993	7,291,386	5,183,993	7,291,386
Operating expenses		85,491,441	100,431,751	85,457,161	100,415,229
Finance costs		559,023	770,006	559,023	770,006
Expected credit losses	19	21,092,719	840,988	21,092,754	841,300
Other expenses		6	162,027	6	162,027
Total expenses		755,731,059	1,129,351,459	755,564,713	1,129,271,213
Profit (loss) before income tax expenses		231,627,469	(102,844,236)	231,627,268	(102,844,380)
Income tax benefits (expenses)	16.2	5,453,461	(5,730,956)	5,453,461	(5,730,956)
Net profit (loss)		237,080,930	(108,575,192)	237,080,729	(108,575,336)

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



[Handwritten signature]
[Handwritten signature]

(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 2021 and 2020

		Consolidated financial statements		Separate financial statements	
	Note	2021	2020	2021	2020
Other comprehensive income (loss):					
Items to be recognised in profit or loss in subsequent periods:					
Gains on valuation of available-for-sale investments					
measured at fair value through other comprehensive income					
		(61,560,863)	(8,025,076)	(61,560,863)	(8,025,076)
Less: Income taxes	16.2	12,312,172	1,605,016	12,312,172	1,605,016
Items to be recognised in profit or loss in subsequent periods - net of income taxes					
		(49,248,691)	(6,420,060)	(49,248,691)	(6,420,060)
Other comprehensive income for the periods					
		(49,248,691)	(6,420,060)	(49,248,691)	(6,420,060)
Total comprehensive income (loss) for the periods					
		187,832,239	(114,995,252)	187,832,038	(114,995,396)
Net profit (loss) attributable to:					
The Company's shareholders					
		237,080,729	(108,575,336)	237,080,729	(108,575,336)
Non-controlling interests of the subsidiary					
		201	144		
		237,080,930	(108,575,192)		
Total comprehensive income (loss) for the periods attributable to:					
The Company's shareholders					
		187,832,038	(114,995,396)	187,832,038	(114,995,396)
Non-controlling interests of the subsidiary					
		201	144		
		187,832,239	(114,995,252)		
Basic earnings per share					
	20				
Earnings (loss) per share					
		0.25	(0.13)	0.25	(0.13)

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



[Handwritten signature]

Din Minky

(Unaudited but reviewed)

Phillip Life Assurance Public Company Limited and its subsidiary
 Statements of comprehensive income
 For the nine-month periods ended 30 September 2021 and 2020

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
(Unit: Baht)					
Profit or loss:					
Revenues					
Premium written		2,383,436,263	2,342,105,740	2,383,436,263	2,342,105,740
Less: Premium ceded to reinsurers		(331,906,864)	(133,029,347)	(331,906,864)	(133,029,347)
Net premium written		2,051,529,399	2,209,076,393	2,051,529,399	2,209,076,393
Add (less): Unearned premium reserves (increased) decreased					
from prior period		95,218,687	(24,661,736)	95,218,687	(24,661,736)
Earned premium after reinsurance		2,146,748,086	2,184,414,657	2,146,748,086	2,184,414,657
Fee and commission income		14,473,385	7,354,759	14,473,385	7,354,759
Net investment revenues		358,033,007	302,264,417	358,030,131	302,258,993
Gain (losses) on investments		96,394,344	(45,393,496)	96,394,344	(45,393,496)
Fair value gains		306,258,093	77,256,388	306,258,093	77,256,388
Share of gain (loss) from investment in a subsidiary					
under equity method		-	-	260,109	(52,580)
Other income		47,916,706	982,507	47,127,494	693,344
Total revenues		2,969,823,621	2,526,879,232	2,969,291,642	2,526,532,065
Expenses					
Long-term life insurance policy reserves increased (decreased)					
from prior period		(473,772,645)	638,129,743	(473,772,645)	638,129,743
Unexpired risk reserves increased (decreased) from prior period		(5,315,704)	33,677,373	(5,315,704)	33,677,373
Benefit payments under life policies and gross claims		2,028,787,762	1,629,667,823	2,028,787,762	1,629,667,823
Less: Benefit payments under life policies and					
claims refundable from reinsurance		(375,664,335)	(53,362,956)	(375,664,335)	(53,362,956)
Commission and brokerage expenses		297,393,606	540,237,613	296,940,880	539,939,501
Other underwriting expenses		17,262,415	22,121,439	17,262,415	22,121,439
Operating expenses		239,226,624	304,247,116	239,147,870	304,201,719
Finance costs		1,869,903	2,465,342	1,869,903	2,465,342
Expected credit losses	19	46,127,725	79,720,993	46,127,539	79,717,272
Other expenses		24,111	635,153	24,111	635,153
Total expenses		1,775,939,462	3,197,539,639	1,775,407,796	3,197,192,409
Profit (loss) before income tax expenses		1,193,884,159	(670,660,407)	1,193,883,846	(670,660,344)
Income tax expenses	16.2	(7,962,948)	(11,862,399)	(7,962,948)	(11,862,399)
Net profit (loss)		1,185,921,211	(682,522,806)	1,185,920,898	(682,522,743)

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



Signature
On mady

(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 2021 and 2020

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		2021	2020	2021	2020
Other comprehensive income (loss):					
Items to be recognised in profit or loss in subsequent periods:					
Gains (losses) on valuation of available-for-sale investments measured at fair value through other comprehensive income		67,903,448	(128,200,259)	67,903,448	(128,200,259)
Add (Less): Income taxes	16.2	(13,580,690)	25,640,052	(13,580,690)	25,640,052
Items to be recognised in profit or loss in subsequent periods - net of income taxes		54,322,758	(102,560,207)	54,322,758	(102,560,207)
Other comprehensive income (loss) for the periods		54,322,758	(102,560,207)	54,322,758	(102,560,207)
Total comprehensive income (loss) for the periods		1,240,243,969	(785,083,013)	1,240,243,656	(785,082,950)
Net profit (loss) attributable to:					
The Company's shareholders		1,185,920,898	(682,522,743)	1,185,920,898	(682,522,743)
Non-controlling interests of the subsidiary		313	(63)		
		1,185,921,211	(682,522,806)		
Total comprehensive income (loss) for the periods attributable to:					
The Company's shareholders		1,240,243,656	(785,082,950)	1,240,243,656	(785,082,950)
Non-controlling interests of the subsidiary		313	(63)		
		1,240,243,969	(785,083,013)		
Basic earnings per share	20				
Earnings (loss) per share		1.25	(0.90)	1.25	(0.90)

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



Signature
Signature
Signature

(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 2021 and 2020

(Unit: Baht)

	Consolidated financial statement										
	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	available-for-sale investments measured at fair value through other comprehensive income - net of income taxes	Revaluation surplus on available-for-sale investments	Total equity attributable to the Company's shareholders	Equity attributable to non-controlling interests of the subsidiary			
Balance as at 1 January 2020 - as previously reported	4,283,246,594	(71,089,769)	-	(2,914,875,409)	508,306,918	1,805,588,334	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			
Balance as at 1 January 2021	5,684,375,000	-	(58,798,175)	(4,213,024,121)	550,291,946	1,962,844,650	6,085	1,962,850,735			
Net profit	-	-	-	1,185,920,898	-	1,185,920,898	313	1,185,921,211			
Other comprehensive income for the period	-	-	-	-	54,322,758	54,322,758	-	54,322,758			
Total comprehensive income for the period	-	-	-	1,185,920,898	54,322,758	1,240,243,656	313	1,240,243,969			
Issuance of additional ordinary shares	300,000,000	-	-	-	-	300,000,000	-	300,000,000			
Balance as at 30 September 2021	5,984,375,000	-	(58,798,175)	(3,027,103,223)	604,614,704	3,503,088,306	6,398	3,503,094,704			

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



Signature

Signature

(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 2021 and 2020

(Unit: Baht)

	Note	Separate financial statements					Total
		Issued and paid-up share capital	Share subscription receivable	Share discount	Deficit	Other component of equity	
						Revaluation surplus on available-for-sale investments measured at fair value through other comprehensive income - net of income taxes	
Balance as at 1 January 2020 - as previously reported		4,283,246,594	(71,089,769)	-	(2,914,875,409)	508,306,918	1,805,588,334
Cumulative effects of the change in accounting policies		-	-	-	(168,375,773)	5,152,386	(163,223,387)
Balance as at 1 January 2020 - as restated		4,283,246,594	(71,089,769)	-	(3,083,251,182)	513,459,304	1,642,364,947
Net loss		-	-	-	(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)	(102,560,207)	(785,082,950)
Issuance of additional ordinary shares		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
Balance as at 30 September 2020		5,384,375,000	-	(58,798,175)	(3,765,773,925)	410,899,097	1,970,701,997
Balance as at 1 January 2021		5,684,375,000	-	(58,798,175)	(4,213,024,121)	550,291,946	1,962,844,650
Net profit		-	-	-	1,185,920,898	-	1,185,920,898
Other comprehensive income for the period		-	-	-	-	54,322,758	54,322,758
Total comprehensive income for the period		-	-	-	1,185,920,898	54,322,758	1,240,243,656
Issuance of additional ordinary shares	18	300,000,000	-	-	-	-	300,000,000
Balance as at 30 September 2021		5,984,375,000	-	(58,798,175)	(3,027,103,223)	604,614,704	3,503,088,306



Handwritten signatures and initials in blue ink.

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

(Unaudited but reviewed)

Phillip Life Assurance Public Company Limited and its subsidiary

Statements of cash flows

For the nine-month periods ended 30 September 2021 and 2020

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2021	2020	2021	2020
Cash flows from (used in) operating activities				
Gross premium from direct insurance	2,420,283,258	2,375,306,269	2,420,283,258	2,375,306,269
Cash paid from reinsurance	(119,799,062)	(6,856,960)	(119,799,062)	(6,856,960)
Interest income	180,951,751	160,325,612	180,948,874	160,320,187
Dividend income	139,976,451	84,914,064	139,976,451	84,914,064
Other income	47,101,340	717,894	46,312,128	428,731
Benefit payments under life policies and gross claims				
from direct insurance	(2,123,524,103)	(1,485,136,800)	(2,123,524,103)	(1,485,136,800)
Commission and brokerage expenses on direct insurance	(401,853,627)	(618,075,783)	(401,400,901)	(617,777,671)
Other underwriting expenses	(19,755,091)	(23,109,095)	(19,755,091)	(23,109,095)
Operating expenses	(260,833,337)	(242,617,009)	(261,381,546)	(242,872,949)
Other expenses	(22,845)	(80,468)	(22,845)	(80,468)
Cash received on financial assets	2,504,949,494	3,208,279,182	2,504,949,494	3,208,279,182
Cash paid for financial assets	(2,471,213,144)	(4,669,043,345)	(2,471,213,144)	(4,669,043,345)
Net cash used in operating activities	(103,738,915)	(1,215,376,439)	(104,626,487)	(1,215,628,855)
Cash flows from (used in) investing activities				
Building and equipment	(5,529,490)	(16,175,278)	(5,529,490)	(16,175,278)
Intangible assets	-	(948,014)	-	(948,014)
Net cash used in investing activities	(5,529,490)	(17,123,292)	(5,529,490)	(17,123,292)
Cash flows from (used in) financial activities				
Repayment of lease liabilities	(23,642,877)	(21,854,053)	(23,642,877)	(21,854,053)
Proceeds from issuance of additional ordinary shares	300,000,000	1,100,000,000	300,000,000	1,100,000,000
Collection on share subscription receivable	-	13,420,000	-	13,420,000
Net cash provided by financing activities	276,357,123	1,091,565,947	276,357,123	1,091,565,947
Net increase (decrease) in cash and cash equivalents	167,088,718	(140,933,784)	166,201,146	(141,186,200)
Increase (decrease) in allowance for expected credit losses	73,175	(102,147)	73,361	(98,426)
Cash and cash equivalents at beginning of the periods	356,875,004	365,763,405	351,883,915	360,621,159
Cash and cash equivalents at end of the periods	524,036,897	224,727,474	518,158,422	219,336,533

The accompanying notes are an integral part of the financial statements



[Handwritten signatures and initials]

Phillip Life Assurance Public Company Limited and its subsidiary

Table of contents for notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2021 and 2020

Note	Content	Page
1.	General information.....	1
2.	Basis of preparation of interim financial information	1
3.	Cash and cash equivalents	5
4.	Premium receivables.....	5
5.	Reinsurance assets.....	6
6.	Reinsurance receivables.....	6
7.	Investments in securities.....	7
8.	Loans and interest receivables.....	11
9.	Investment in a subsidiary.....	13
10.	Premises and equipment	13
11.	Leases	14
12.	Intangible assets	14
13.	Other assets	15
14.	Insurance contract liabilities	15
15.	Reinsurance payables.....	18
16.	Deferred tax liabilities and income tax benefits.....	19
17.	Other liabilities	22
18.	Share capital.....	23
19.	Expected credit losses	24
20.	Earnings per share.....	24
21.	Related party transactions.....	25
22.	Capital commitments.....	26
23.	Litigations.....	27
24.	Fair values of financial instruments	27
25.	Approval of interim financial information.....	31

Phillip Life Assurance Public Company Limited

Notes to interim financial statements

For the three-month and nine-month ended 30 September 2021 and 2020

1. General information

1.1 Corporate information

Phillip Life Assurance Public Company Limited (the "Company") was established as a public company under Thai laws and domiciled in Thailand. As at 30 September 2021 and 31 December 2020, major shareholder is Phillip Life Company Limited, which was incorporated in Singapore, holding 99.79% and 99.77%, respectively, of the issued and paid-up share capital of the Company.

The Company is principally engaged in the provision of life insurance services. The registered office of the Company is located at No. 849, Vorawat Building, Silom Road, Silom Sub-district, Bangrak District, Bangkok. As of 30 September 2021 and 31 December 2020, the Company had altogether 24 branches.

1.2 The Coronavirus 2019 pandemic

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

2. Basis of preparation of interim financial information

2.1 Accounting assumption

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

The Company is no exception having continuously increased its share capital and increased an additional share capital of Baht 300 million during the period to meet the CAR's requirement, which caused its CAR as at 30 September 2021 to be at 158% (based on management report, not yet reviewed or audited by the Company's auditor). The Company still plans to increase additional capital to support the continuing situation of the persistent low interest rate and the business expansion, and execute its long-term plan by readjusting its product and investment strategies to lower the risk charge and enhance a sustainable efficiency in its business operation.

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

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

2.2 Basis of preparation of interim financial information

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

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

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

2.3 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			30 September	
			2021	31 December 2020
			(Percent)	(Percent)
Phillip Insurance Broker Company Limited	Non-life insurance broker	Thailand	99.88	99.88

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

2.4 Separate financial statements

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

2.5 New financial reporting standards

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

During the period, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations, which are effective for fiscal year beginning on or after 1 January 2021. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards. Hence, the adoption of these standards does not have any significant impact on the Group's financial statements.

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

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2022. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and, for some standards, providing temporary reliefs or temporary exemptions for users.

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

2.6 Significant accounting policies

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

Investment assets of the insured

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

Investment contract liabilities

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

3. Cash and cash equivalents

	(Unit: Thousand baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Cash on hand	134	743	134	743
Deposits at banks with no fixed maturity date	524,156	356,311	518,274	351,317
Total cash and cash equivalents	524,290	357,054	518,408	352,060
Less: Allowance for expected credit losses	(253)	(179)	(250)	(176)
Cash and cash equivalents - net	524,037	356,875	518,158	351,884

4. Premium receivables

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

	(Unit: Thousand baht)	
	Consolidated and Separate	
	financial statements	
	30 September 2021	31 December 2020
Not yet due	128,967	163,288
Not over 30 days	1	2,369
Over 31 days to 60 days	15	-
Over 61 days to 90 days	4	13
Overdue longer than 90 days	6,233	6,065
Total premium receivables	135,220	171,735
Less: Allowance for doubtful accounts	(6,198)	(6,032)
Premium receivables - net	129,022	165,703

5. Reinsurance assets

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

	(Unit: Thousand baht)	
	Consolidated and Separate financial statements	
	<u>30 September 2021</u>	<u>31 December 2020</u>
Insurance reserve refundable from reinsurers		
Unearned premium reserves	34,550	32,578
Unexpired Risk Reserves	6,836	1,180
Loss reserves		
Claims incurred and reported	26,800	38,580
Claims incurred but not yet reported	112,804	31,927
Reinsurance assets	<u>180,990</u>	<u>104,265</u>

6. Reinsurance receivables

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

	(Unit: Thousand baht)	
	Consolidated and Separate financial statements	
	<u>30 September 2021</u>	<u>31 December 2020</u>
Amounts due from reinsurers	<u>460,324</u>	<u>128,988</u>
Reinsurance receivables	<u>460,324</u>	<u>128,988</u>

7. Investments in securities**7.1 Classified by investment type**

(Unit: Thousand baht)

	Consolidated and Separate financial statements			
	30 September 2021		31 December 2020	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Trading investments measured at fair value through profit or loss				
Domestic unit trusts	3,041,946	3,203,503	2,766,756	2,888,774
Foreign unit trusts	602,495	662,366	376,735	371,778
Total	3,644,441	3,865,869	3,143,491	3,260,552
Add (less): Revaluation allowance				
from fair value measurement	160,725		120,782	
from translation of foreign currencies	60,703		(3,721)	
Total revaluation allowance	221,428		117,061	
Trading investments measured at fair value through profit or loss - net				
	3,865,869		3,260,552	
Available-for-sale investments measured at fair value through other comprehensive income				
Government and state enterprise securities	1,916,808	1,978,516	2,053,802	2,236,254
Private sector debt securities	2,897,998	2,975,093	3,229,415	3,349,822
Domestic common stocks	457,038	490,192	284,148	304,166
Foreign common stocks	1,386,731	2,019,383	1,340,417	1,604,032
Domestic unit trusts	877,547	803,237	844,484	737,677
Foreign unit trusts	227,015	259,726	220,905	231,511
Total	7,763,137	8,526,147	7,973,171	8,463,462
Add (less): Revaluation allowance				
from fair value measurement	755,769		687,865	
from translation of foreign currencies	124,257		(77,634)	
Total revaluation allowance	880,026		610,231	
Less: Allowance for impairment	(23,828)		(26,837)	
Less: Allowance for expected credit losses	(93,188)		(93,103)	
Available-for-sale investments measured at fair value through other comprehensive income - net				
	8,526,147		8,463,462	

(Unaudited but reviewed)

(Unit: Thousand baht)

	Consolidated and Separate financial statements			
	30 September 2021		31 December 2020	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
	Held-to-maturity investments measured at amortised cost			
Deposits at financial institutions with maturity period of longer than 3 months	10,170		10,000	
Less: Allowance for expected credit losses	-		-	
Held-to-maturity investments measured at amortised cost - net	10,170		10,000	
Investments in securities - net	12,402,186		11,734,014	

7.2 Classified by stage of credit risk

(Unit: Thousand baht)

	Consolidated and Separate financial statements			
	30 September 2021		31 December 2020	
	Fair value	Allowance for expected credit losses	Fair value	Allowance for expected credit losses
	Available-for-sale investments measured at fair value through other comprehensive income			
Stage 1 - Debt securities without a significant increase of credit risk	4,993,466	(4,108)	5,590,621	(2,720)
Stage 2 - Debt securities with a significant increase of credit risk	-	-	22,454	(793)
Stage 3 - Credit - impaired debt securities	80,920	(89,080)	80,410	(89,590)
Total	5,074,386	(93,188)	5,693,485	(93,103)

(Unaudited but reviewed)

(Unit: Thousand baht)

Consolidated and Separate financial statements

30 September 2021

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

(Unit: Thousand baht)

Consolidated and Separate financial statements

31 December 2020

	Gross carrying value	Allowance for expected credit losses	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

7.3 Investments subject to restrictions

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

(Unit: Thousand baht)

	Consolidated and Separate financial statements			
	30 September 2021		31 December 2020	
	Amortised cost	Fair value	Amortised cost	Fair value
Placed with the Life Assurance Registrar:				
As securities	20,052	20,132	20,231	20,641
As life insurance reserves	2,436,813	2,551,170	2,234,019	2,473,041
Total	2,456,865	2,571,302	2,254,250	2,493,682
Placed with bank:				
As securities	10,170	10,170	10,000	10,000

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

(Unit: Thousand baht)

	Consolidated and Separate financial statements	
	For the nine-month period ended	For the year ended
	30 September 2021	31 December 2020
Balances at beginning of the periods - as previously reported	687,865	635,384
Cumulative effects of the change in accounting policies	-	6,440
Balances at beginning of the periods - as restated	687,865	641,824
Gains (losses) on revaluation during the periods	161,451	(107,375)
Recognition of expected credit losses in profit or loss	85	89,805
Recognition (reversal) of impairment loss in profit or loss	(3,009)	2,426
Recognition of (gains) losses on sales in profit or loss	(90,623)	61,185
Balances at end of the periods	755,769	687,865
Less: Income taxes	(151,154)	(137,573)
Balances at end of the periods - net of income taxes	604,615	550,292

8. Loans and interest receivables

8.1 Loans and interest receivables classified by overdue periods

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

(Unit: Thousand baht)

Consolidated and Separate financial statements									
30 September 2021									
Overdue periods	Policy loans		Mortgage loans		Other loans		Total		
	Principal	Interest receivables	Principal	Interest receivables	Principal	Interest receivables	Principal	Interest receivables	Total
Not yet due	574,552	18,212	72,820	597	47	-	647,419	18,809	666,228
Past due									
Less than 3 months	-	-	36,921	-	-	-	36,921	-	36,921
3 - 6 months	-	-	1,451	6	-	-	1,451	6	1,457
6 - 12 months	-	-	228	20	-	-	228	20	248
Over 12 months	-	-	469,741	59,248	-	-	469,741	59,248	528,989
Total	574,552	18,212	581,161	59,871	47	-	1,155,760	78,083	1,233,843
Less: Allowance for expected credit losses	-	-	(231,444)	(59,545)	-	-	(231,444)	(59,545)	(290,989)
Loans and interest receivables - net	574,552	18,212	349,717	326	47	-	924,316	18,538	942,854

(Unit: Thousand baht)

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

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

As at 30 September 2021 and 31 December 2020, other loans were loans provided to employees and agents, which were guaranteed by personal guarantees or motor vehicles and on which interest was charged at the rates between 7 percent per annum.

8.2 Loans and interest receivables classified by staging of credit risk

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

(Unit: Thousand baht)

Staging of credit risk	Consolidated and Separate financial statements						
	30 September 2021						
	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	53,091	-	47	-	53,138	-	53,138
Stage 2 - Loans with significant increases of credit risk	49,257	594	-	-	49,257	594	49,851
Stage 3 - Credit impairment loans	478,813	59,277	-	-	478,813	59,277	538,090
Total	581,161	59,871	47	-	581,208	59,871	641,079
Less: Allowance for expected credit losses	(231,444)	(59,545)	-	-	(231,444)	(59,545)	(290,989)
Loans and interest receivables - net	349,717	326	47	-	349,764	326	350,090

(Unit: Thousand baht)

Staging of credit risk	Consolidated and Separate financial statements						
	31 December 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	334,086	1,231	83	-	334,169	1,231	335,400
Stage 2 - Loans with significant increases of credit risk	10,197	365	-	-	10,197	365	10,562
Stage 3 - Credit impairment loans	488,696	30,994	-	-	488,696	30,994	519,690
Total	832,979	32,590	83	-	833,062	32,590	865,652
Less: Allowance for expected credit losses	(216,611)	(31,131)	-	-	(216,611)	(31,131)	(247,742)
Loans and interest receivables - net	616,368	1,459	83	-	616,451	1,459	617,910

9. Investment in a subsidiary

As at 30 September 2021 and 31 December 2020, detail of investment in a subsidiary, as presented in the separate financial statements, was as follows:

Company's name	Type of business	Country of incorporation	Issued and paid-up share capital		Shareholding percentage		Cost		(Unit: Thousand baht) Carrying value under equity method		
			30 September	31 December	30 September	31 December	30 September	31 December	30 September	31 December	
			2021	2020	2021	2020	2021	2020	2021	2020	
					(%)	(%)					
Phillip Insurance Broker Company Limited	Non-life insurance broker	Thailand	5,000	5,000	99.88	99.88	4,994	4,994	5,325	5,065	
Total investment in a subsidiary								4,994	4,994	5,325	5,065

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

10. Premises and equipment

(Unit: Thousand baht)

	Consolidated and Separate financial statements							
	For the nine-month period ended 30 September 2021							
	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 2021	36,714	155,506	13,261	14,098	-	505	2,985	223,069
Additions - cost	-	56	306	6,116	1,401	1,477	-	9,356
Transfer in (out)	-	778	11	-	-	(789)	-	-
Disposals during the periods -								
net book value	-	-	-	(28)	-	-	(2,985)	(3,013)
Depreciation for the period	-	(16,642)	(3,616)	(3,535)	(12)	-	-	(23,805)
Net book value								
as at 30 September 2021	36,714	139,698	9,962	16,651	1,389	1,193	-	205,607

11. Leases

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

11.1 Right-of-use assets

(Unit: Thousand baht)

	Consolidated and Separate financial statements		
	For the nine-month ended period 30 September 2021		
	Leased buildings	Motor vehicles	Total
Net book value as at 1 January 2021	69,492	668	70,160
Addition during the period	2,111	-	2,111
Remeasurement during the period	170	(71)	99
Depreciation for the period	(21,994)	(597)	(22,591)
Net book value as at 30 September 2021	49,779	-	49,779

11.2 Lease liabilities

(Unit: Thousand baht)

	30 September 2021	31 December 2020
Amounts of lease payments	55,381	76,713
Less: Deferred interest expenses	(2,075)	(3,844)
Lease liabilities	53,306	72,869
Less: Current portion	(27,783)	(28,383)
Lease liabilities - net of current portion	25,523	44,486

12. Intangible assets

(Unit: Thousand baht)

	Consolidated and Separate financial statements	
	For the nine-month period ended 30 September 2021	
	Computer softwares	
Net book value as at 1 January 2021		11,885
Amortisation for the period		(3,368)
Net book value as at 30 September 2021		8,517

13. Other assets

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

	(Unit: Thousand baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Rental deposits	7,935	7,638	7,935	7,638
Agents and brokers receivables	44,413	9,759	44,413	9,759
Other receivables	48,948	55,931	48,948	55,973
Withholding taxes	25,481	16,221	25,481	16,221
Receivables from sales of investments	12,833	1,782	12,833	1,782
Receivable from the Legal Executive Department	5,214	5,870	5,214	5,870
Others	19,542	15,097	18,987	14,581
Total	164,366	112,298	163,811	111,824
Less: Allowance for impairment	(54,099)	(62,026)	(54,099)	(62,026)
Other assets - net	110,267	50,272	109,712	49,798

14. Insurance contract liabilities

	(Unit: Thousand baht)					
	Consolidated and Separate financial statements					
	30 September 2021			31 December 2020		
	Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net
Long-term insurance policy reserves	9,292,982	-	9,292,982	9,766,755	-	9,766,755
Loss reserves						
Claims incurred and reported	108,889	(26,800)	82,089	317,842	(38,580)	279,262
Claims incurred but not yet reported	241,125	(112,804)	128,321	98,148	(31,927)	66,221
Premium reserves						
Unearned premium reserves	378,333	(34,550)	343,783	471,579	(32,578)	439,001
Unexpired risk reserves	115,312	(6,836)	108,476	114,972	(1,180)	113,792
Unpaid policy benefits	69,214	-	69,214	54,975	-	54,975
Other insurance liabilities	546,148	-	546,148	520,050	-	520,050
Total	10,752,003	(180,990)	10,571,013	11,344,321	(104,265)	11,240,056

14.1 Long-term insurance policy reserves

(Unit: Thousand baht)

Consolidated and Separate
financial statements

	For the nine-month period ended 30 September 2021	For the year ended 31 December 2020
Balances - beginning of the periods	9,766,755	8,679,969
Insurance policy reserves increased for new businesses and inforce policies	993,723	1,635,468
Insurance policy reserves released from death, benefit paid, lapse and surrender	(719,164)	(957,835)
Change in insurance policy reserves as a result of assumption changes	(735,151)	460,515
Changes in insurance policy reserves as a result of experience adjustments	(13,181)	(51,362)
Balances - end of the periods	<u>9,292,982</u>	<u>9,766,755</u>

14.2 Short-term insurance policy reserves

(a) Loss reserves

(Unit: Thousand baht)

Consolidated and Separate
financial statements

	For the nine-month period ended 30 September 2021	For the year ended 31 December 2020
Balances - beginning of the periods	415,990	190,843
Claims incurred in the current periods	1,377,664	1,565,655
Changes in loss reserves from the prior year	(24,628)	(14,788)
Changes in assumption for calculating claim reserves	-	(24)
Claims paid during the periods	(1,419,012)	(1,325,696)
Balances - end of the periods	<u>350,014</u>	<u>415,990</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 2021	31 December 2020
Balances - beginning of the periods	471,579	360,591
Premium written during the periods	1,210,392	1,587,230
Premium earned during the periods	(1,303,638)	(1,476,242)
Balances - end of the periods	378,333	471,579

(c) Unexpired risk reserves

(Unit: Thousand baht)

	Consolidated and Separate financial statements	
	For the nine-month period ended	For the year ended
	30 September 2021	31 December 2020
Balances - beginning of the periods	586,551	391,063
Estimated claims	1,544,803	1,867,667
Risk expired during the periods	(1,637,709)	(1,672,179)
Balances - end of the periods	493,645	586,551

As at 30 September 2021 and 31 December 2020, the Company has an excess of unexpired risk reserves from unearned premium reserves net of reinsurance by Baht 108.5 million and Baht 113.8 million, respectively. During the nine-month period ended 30 September 2021, the Company was already recognised a reversal of such reserves of Baht 5.3 million in profit or loss.

(Unaudited but reviewed)

14.3 Unpaid policy benefits

(Unit: Thousand baht)

Consolidated and Separate
financial statements

	30 September 2021	31 December 2020
Death benefits	5,490	9,752
Maturity payments	19,577	21,250
Surrender	4,364	838
Benefit payments under policies	926	1,229
Others	38,857	21,906
Total unpaid policy benefits	<u>69,214</u>	<u>54,975</u>

14.4 Other insurance liabilities

(Unit: Thousand baht)

Consolidated and Separate
financial statements

	30 September 2021	31 December 2020
Deposits of the insured	516,772	484,901
Others	29,376	35,149
Total other insurance liabilities	<u>546,148</u>	<u>520,050</u>

15. Reinsurance payables

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

(Unit: Thousand baht)

Consolidated and Separate
financial statements

	30 September 2021	31 December 2020
Outward premium payables	319,149	165,843
Total due to reinsurers	<u>319,149</u>	<u>165,843</u>

16. Deferred tax liabilities and income tax benefits

16.1 Deferred tax liabilities

As at 30 September 2021 and 31 December 2020, deferred tax liabilities consisted of tax effects arose from the following temporary difference items:

(Unit: Thousand baht)

	Consolidated and Separate financial statements					
			Changes in deferred tax liabilities reported in the statements of comprehensive income			
	30 September	31 December	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
			2021	2020	2021	2020
Deferred tax liabilities arose from:						
Unrealised gains on available-for-sale investments measured at fair value through other comprehensive income	151,154	137,573	12,312	1,605	(13,581)	24,352
Unrealised gains on trading investments measured at fair value through profit or loss	32,119	24,156	5,453	(5,731)	(7,963)	(11,862)
Total deferred tax liabilities	183,273	161,729				
Total changes			17,765	(4,126)	(21,544)	12,490
Recognition of changes in						
- Other comprehensive income at beginning of the periods			-	-	-	(1,288)
- Profit or loss			5,453	(5,731)	(7,963)	(11,862)
- Other comprehensive income			12,312	1,605	(13,581)	25,640
Total changes			17,765	(4,126)	(21,544)	12,490

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

(Unaudited but reviewed)

(Unit: Thousand baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
Allowance for impairment	23,828	26,837	23,828	26,837
Employee benefit obligations	60,833	56,834	60,833	56,834
Loss reserves	210,410	345,483	210,410	345,483
Unexpired risk reserves	108,476	113,792	108,476	113,792
Leases	3,959	3,140	3,959	3,140
Tax losses brought forward no longer than five fiscal years	930,955	1,972,249	930,955	1,972,249
Total	1,338,461	2,518,335	1,338,461	2,518,335

16.2 Income tax benefits (expenses)

Income tax benefits (expenses) for the three-month and six-month periods ended 30 September 2021 and 2020 were made up as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	For the three-month periods ended		For the nine-month periods ended		For the three-month periods ended		For the nine-month periods ended	
	30 September		30 September		30 September		30 September	
	2021	2020	2021	2020	2021	2020	2021	2020
Current income taxes:								
Corporate income tax for the periods	-	-	-	-	-	-	-	-
Deferred income taxes:								
Relating to origination and reversal of temporary differences	5,453	(5,731)	(7,963)	(11,862)	5,453	(5,731)	(7,963)	(11,862)
Income tax benefits (expenses) recognised in profit or loss	5,453	(5,731)	(7,963)	(11,862)	5,453	(5,731)	(7,963)	(11,862)

Reconciliations between income tax benefits and the product of accounting loss for the three-month and six-month periods ended 30 September 2021 and 2020 and the applicable tax rate were as follows:

	(Unit: Thousand Baht)							
	Consolidated financial statements				Separate financial statements			
	For the three-month periods ended 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	
	2021	2020	2021	2020	2021	2020	2021	2020
Accounting gain (loss) before income tax expenses	231,627	(102,844)	1,193,884	(670,660)	231,627	(102,844)	1,193,884	(670,660)
Applicable tax rate	20%	20%	20%	20%	20%	20%	20%	20%
Amount of income taxes at the applicable tax rate	(46,326)	20,569	(238,777)	134,132	(46,326)	20,569	(238,777)	134,132
Net tax effect on revenues or expenses that are not taxable or not deductible in determining taxable profits	(2,743)	866	(5,161)	(14,428)	(2,743)	866	(5,161)	(14,428)
Temporary differences, which are not recognised as deferred tax assets	(1,959)	(18,314)	27,716	(12,977)	(1,959)	(18,314)	27,716	(12,977)
Deferred taxes on losses for the periods expected not to be able to utilise	-	(8,852)	-	(118,589)	-	(8,852)	-	(118,589)
Deferred taxes on losses for the periods expected to be able to utilise	56,481	-	208,259	-	56,481	-	208,259	-
Income tax benefits (expenses) reported in profit or loss	5,453	(5,731)	(7,963)	(11,862)	5,453	(5,731)	(7,963)	(11,862)

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

	Consolidated and separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2021	2020	2021	2020
Income taxes relating to:				
(Gains) losses on revaluation of available-for-sale investments measured at fair value through other comprehensive income during the periods	8,428	(680)	(32,290)	53,564
Reversal of expected credit losses in profit or loss	64	12	(17)	(17,900)
Recognition of impairment loss in profit or loss	(1,056)	879	602	4,641
Recognition of (gain) losses on sales of available-for-sale investments measured at fair value through other comprehensive income in profit or loss	4,876	1,394	18,124	(14,665)
Income taxes reported in other comprehensive income (loss)	12,312	1,605	(13,581)	25,640

17. Other liabilities

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

	(Unit: Thousand baht)			
	Consolidated financial statements		Separate financial statements	
	30 September 2021	31 December 2020	30 September 2021	31 December 2020
Accrued commission and brokerage expenses	45,581	150,040	45,581	150,040
Deposits from agents	89,670	89,437	89,670	89,437
Accrued operating expenses	43,621	65,196	42,519	64,801
Others	7,671	12,416	7,671	12,416
Total other liabilities	186,543	317,089	185,441	316,694

18. Share capital

By the resolution of the Meeting No. 1/2021 of the Board of Directors held on 25 January 2021, it is resolved to approve the issuance of the Company's additional 48 million ordinary shares at a par value of Baht 6.25 each, or a total of Baht 300 million to existing shareholders at the ratio of 1 existing share to 0.0527763 new ordinary shares for the purpose of meeting the Capital Adequacy Requirement as required by the Office of Insurance Commission. On 11 February 2021, the Company received payments for such additional ordinary shares and registered the issued and paid-up share capital with the Ministry of Commerce on 22 February 2021.

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

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

19. Expected credit losses

(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	
	2021	2020	2021	2020	2021	2020	2021	2020
Cash and cash equivalents	174	(60)	74	(71)	174	(60)	74	(75)
Accrued investment income	933	896	2,722	3,239	933	896	2,722	3,239
Investments in securities	(321)	(60)	85	89,501	(321)	(60)	85	89,501
Loans and interest								
receivables	20,307	65	43,247	(12,948)	20,307	65	43,247	(12,948)
Total	21,093	841	46,128	79,721	21,093	841	46,128	79,717

20. Earnings per share

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

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

	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	
	2021	2020	2021	2020	2021	2020	2021	2020
Profit (loss) for the period								
(Thousand Baht)	237,081	(108,575)	1,185,921	(682,523)	237,081	(108,575)	1,185,921	(682,523)
Weighted average number								
of ordinary shares								
(Thousand shares)	957,500	829,493	948,357	761,232	957,500	829,493	948,357	761,232
Basic earnings per share								
Earnings (loss) per								
share (Baht/share)	0.25	(0.13)	1.25	(0.90)	0.25	(0.13)	1.25	(0.90)

21. Related party transactions

21.1 Type of relationship

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

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

21.2 Significant business transactions with related parties

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

(Unit: Thousand baht)

	Consolidated and separate financial statements				Pricing policy
	For the three-month periods ended		For the nine-month periods ended		
	30 September		30 September		
	2021	2020	2021	2020	
Related parties					
Expenses					
Securities management fee	1,164	512	3,327	2,161	Contract rates or agreed-upon rates
Commission expense	312	668	1,165	1,986	Contract rates or agreed-upon rates

21.3 Outstanding balances with related parties

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

	(Unit: Thousand baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2021	2020	2021	2020
Subsidiary				
Assets				
Receivables from related parties	-	-	-	42
Related company				
Assets				
Premium receivables	33	26	33	26
Liabilities				
Accrued securities management fee	1,164	846	1,164	846

21.4 Directors' and key management's remunerations

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

	(Unit: Thousand baht)			
	Consolidated and separate financial statements			
	For the three-month		For the nine-month	
	periods ended		periods ended	
	30 September		30 September	
	2021	2020	2021	2020
Short-term employee benefits	731	783	2,288	2,313
Long-term employee benefits	35	33	104	102
Total directors' and key management's remunerations	766	816	2,392	2,415

22. Capital commitments

As at 30 September 2021, the Company had capital commitments of Baht 2.8 million, relating to building improvements.

23. Litigations

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

24. Fair values of financial instruments

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

	(Unit: Thousand baht)				
	Consolidated financial statements				
	30 September 2021				
	Fair value				Carrying
	Level 1	Level 2	Level 3	Total	value
Financial assets measured at fair values					
Trading investments measured at fair value through profit or loss					
Domestic unit trusts	-	3,203,503	-	3,203,503	3,203,503
Foreign unit trusts	-	662,366	-	662,366	662,366
Available-for-sale investments measured at fair value through other comprehensive income					
Government and state enterprise securities	-	1,978,516	-	1,978,516	1,978,516
Private sector debt securities	-	2,894,173	80,920	2,975,093	2,975,093
Domestic common stocks	483,746	-	6,446	490,192	490,192
Foreign common stocks	2,019,383	-	-	2,019,383	2,019,383
Domestic unit trusts	803,237	-	-	803,237	803,237
Foreign unit trusts	259,726	-	-	259,726	259,726
Financial assets for which fair values were disclosed					
Cash and cash equivalents	524,037	-	-	524,037	524,037
Accrued investment income	-	44,619	-	44,619	44,619
Held-to-maturity investments measured at amortised cost					
Deposits at financial institutions with maturity periods of longer than 3 months	-	10,170	-	10,170	10,170
Policy loans and interest receivables	-	-	677,792	677,792	592,764
Mortgage loans, other loans and interest receivables	-	-	573,991	573,991	350,090
Financial liabilities for which fair values were disclosed					
Lease liabilities	-	-	53,306	53,306	53,306

(Unaudited but reviewed)

(Unit: Thousand baht)

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

(Unaudited but reviewed)

(Unit: Thousand baht)

Separate financial statements					
30 September 2021					
	Fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair values					
Trading investments measured at fair value fair value through profit or loss					
Domestic unit trusts	-	3,203,503	-	3,203,503	3,203,503
Foreign unit trusts	-	662,366	-	662,366	662,366
Available-for-sale investments measured at fair value through other comprehensive income					
Government and state enterprise securities	-	1,978,516	-	1,978,516	1,978,516
Private sector debt securities	-	2,894,173	80,920	2,975,093	2,975,093
Domestic common stocks	483,746	-	6,446	490,192	490,192
Foreign common stocks	2,019,383	-	-	2,019,383	2,019,383
Domestic unit trusts	803,237	-	-	803,237	803,237
Foreign unit trusts	259,726	-	-	259,726	259,726
Financial assets for which fair values were disclosed					
Cash and cash equivalents	518,158	-	-	518,158	518,158
Accrued investment income	-	44,619	-	44,619	44,619
Held-to-maturity investments measured at amortised cost					
Deposits at financial institutions with maturity periods of longer than 3 months					
	-	10,170	-	10,170	10,170
Policy loans and interest receivables	-	-	677,792	677,792	592,764
Mortgage loans, other loans and interest receivables	-	-	573,991	573,991	350,090
Financial liabilities for which fair values were disclosed					
Lease liabilities	-	-	53,306	53,306	53,306

(Unaudited but reviewed)

(Unit: Thousand baht)

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

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

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

