

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



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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 2018, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2018, the related consolidated statement of changes in owners' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separated financial information of Phillip Life Assurance Public Company Limited for the same periods. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34: Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

Nonglak Pumnoi
Certified Public Accountant (Thailand) No. 4172

EY Office Limited
Bangkok: 9 November 2018

Phillip Life Assurance Public Company Limited and its subsidiary

Statements of financial position

As at 30 September 2018 and 31 December 2017

(Unit: Baht)

	Note	Consolidated financial statements		Separate financial statements	
		30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Assets					
Cash and cash equivalents	5	147,133,791	655,466,393	142,133,791	650,466,393
Premium receivables - net	6	71,076,502	72,015,522	71,076,502	72,015,522
Accrued investment income - net	10	72,938,862	77,220,597	72,938,862	77,220,597
Reinsurance assets	7	1,096,211	8,150,097	1,096,211	8,150,097
Reinsurance receivables	8	1,417,416	32,854	1,417,416	32,854
Investment assets					
Investments in securities - net	9, 22	8,079,220,451	7,691,871,918	8,079,220,451	7,691,871,918
Loans - net	10	1,128,892,150	1,107,015,832	1,128,892,150	1,107,015,832
Investments in a subsidiary	11	-	-	4,966,926	4,967,675
Premises and equipment - net	12	258,157,196	100,860,307	258,157,196	100,860,307
Other assets - net	13	73,136,544	78,824,423	73,162,901	78,850,780
Total assets		9,833,069,123	9,791,457,943	9,833,062,406	9,791,451,975

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



Phillip Life Assurance Public Company Limited and its subsidiary
 Statements of financial position (Continued)
 As at 30 September 2018 and 31 December 2017

(Unit: Baht)

Note	Consolidated financial statements		Separate financial statements		
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)	
Liabilities and owners' equity					
Liabilities					
Insurance contract liabilities	14	7,725,177,576	7,793,554,094	7,725,177,576	7,793,554,094
Reinsurance payables	15	5,281,618	4,643,182	5,281,618	4,643,182
Employee benefit obligations		41,149,420	39,053,096	41,149,420	39,053,096
Deferred tax liabilities	16.1	102,657,951	150,491,816	102,657,951	150,491,816
Other liabilities	17	139,983,768	125,036,903	139,983,018	125,036,903
Total liabilities		8,014,250,333	8,112,779,091	8,014,249,583	8,112,779,091
Owners' equity					
Share capital					
Registered					
640,000,000 ordinary shares of Baht 6.25 each (31 December 2017: 485,500,000 ordinary shares of Baht 6.25 each)		4,000,000,000	3,034,375,000	4,000,000,000	3,034,375,000
Issued and paid-up					
453,500,000 ordinary shares of Baht 6.25 each		2,834,375,000	2,834,375,000	2,834,375,000	2,834,375,000
Share subscription receivable	18	(1,128,406)	(1,128,406)	(1,128,406)	(1,128,406)
Issued and paid-up					
Share subscription receivable	18	(71,089,769)	(71,089,769)	(71,089,769)	(71,089,769)
Deficits		(1,353,975,804)	(1,685,451,204)	(1,353,975,804)	(1,685,451,204)
Other component of owners' equity					
Revaluation surplus on available-for-sale investments					
- net of income taxes	9.4	410,631,802	601,967,263	410,631,802	601,967,263
Equity attributable to equity holders of the Company		1,818,812,823	1,678,672,884	1,818,812,823	1,678,672,884
Non-controlling interests of the subsidiary		5,967	5,968	-	-
Total owners' equity		1,818,818,790	1,678,678,852	1,818,812,823	1,678,672,884
Total liabilities and owners' equity		9,833,069,123	9,791,457,943	9,833,062,406	9,791,451,975

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

Directors



(Unaudited but reviewed)

Phillip Life Assurance Public Company Limited and its subsidiary
Statements of comprehensive income
For the three-month periods ended 30 September 2018 and 2017

	Note	(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit or loss:					
Revenues					
Premium written		365,261,838	245,240,999	365,261,838	245,240,999
Less: Premium ceded to reinsurers		(2,782,375)	(2,569,776)	(2,782,375)	(2,569,776)
Net premium written		362,479,463	242,671,223	362,479,463	242,671,223
Add (less): Unearned premium reserves (increased) decrease					
from prior period		(11,128,396)	9,955,036	(11,128,396)	9,955,036
Earned premium after reinsurance		351,351,067	252,626,259	351,351,067	252,626,259
Net investment revenues		96,650,084	96,803,668	96,650,084	96,803,668
Gains (losses) on investments		(7,687,173)	7,792,845	(7,687,173)	7,792,845
Fair value losses		(9,876,679)	(1,505,602)	(9,876,679)	(1,505,602)
Share of loss from investment in a subsidiary under equity method		-	-	-	-
Other income		422,389	221,361	422,389	221,361
Total revenues		430,859,688	355,938,531	430,859,688	355,938,531
Expenses					
Long-term life insurance policy reserves increased (decreased)					
from prior period		60,019,391	130,932,647	60,019,391	130,932,647
Benefit payments under life policies and gross claims		213,156,002	238,365,070	213,156,002	238,365,070
Less: Benefit payments under life policies and					
claims refundable from reinsurance		-	(25,847)	-	(25,847)
Commission and brokerage expenses		89,703,163	39,906,784	89,703,163	39,906,784
Other underwriting expenses		3,374,094	2,761,262	3,374,094	2,761,262
Operating expenses	19	74,732,649	71,539,689	74,732,649	71,539,689
Other expenses		486,144	22,182	486,144	22,182
Total expenses		441,471,443	483,501,787	441,471,443	483,501,787
Loss before income tax expenses		(10,611,755)	(127,563,256)	(10,611,755)	(127,563,256)
Income tax expenses	16.2	-	-	-	-
Loss for the periods		(10,611,755)	(127,563,256)	(10,611,755)	(127,563,256)

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



(Unaudited but reviewed)

Phillip Life Assurance Public Company Limited and its subsidiary
 Statements of comprehensive income (Continued)
 For the three-month periods ended 30 September 2018 and 2017

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
Note		2018	2017	2018	2017
Other comprehensive income (loss):					
Items to be recognised in profit or loss in subsequent periods:					
	Gains on valuation of available-for-sale investments	183,963,475	127,108,608	183,963,475	127,108,608
16.2	Less: Income taxes	(36,792,695)	(25,421,722)	(36,792,695)	(25,421,722)
Items to be recognised in profit or loss					
	in subsequent periods - net of income taxes	147,170,780	101,686,886	147,170,780	101,686,886
Other comprehensive income (loss) for the periods					
		147,170,780	101,686,886	147,170,780	101,686,886
Total comprehensive income for the periods					
		136,559,025	(25,876,370)	136,559,025	(25,876,370)
Profit for the periods attributable to:					
	Equity holders of the Company	(10,611,755)	(127,563,256)	(10,611,755)	(127,563,256)
	Non-controlling interests of the subsidiary	-	-	-	-
		(10,611,755)	(127,563,256)		
Total comprehensive income for the periods attributable to:					
	Equity holders of the Company	136,559,025	(25,876,370)	136,559,025	(25,876,370)
	Non-controlling interests of the subsidiary	-	-	-	-
		136,559,025	(25,876,370)		
Earnings per share					
20	Basic earnings per share				
	Loss for the periods	(0.02)	(0.28)	(0.02)	(0.28)

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



(Unaudited but reviewed)

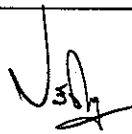
Phillip Life Assurance Public Company Limited and its subsidiary

Statements of comprehensive income

For the nine-month periods ended 30 September 2018 and 2017

	Note	Consolidated financial statements		Separate financial statements	
		2018	2017	2018	2017
Profit or loss:					
Revenues					
Premium written		941,135,285	750,142,129	941,135,285	750,142,129
Less: Premium ceded to reinsurers		(6,636,486)	(6,635,822)	(6,636,486)	(6,635,822)
Net premium written		934,498,799	743,506,307	934,498,799	743,506,307
Less: Unearned premium reserves increased from prior period		(24,146,652)	(15,921,211)	(24,146,652)	(15,921,211)
Earned premium after reinsurance		910,352,147	727,585,096	910,352,147	727,585,096
Net investment revenues		292,783,106	276,272,226	292,783,106	276,272,226
Gains on investments		42,624,585	48,651,224	42,624,585	48,651,224
Fair value losses		(12,437,681)	(3,653,548)	(12,437,681)	(3,653,548)
Share of loss from investment in a subsidiary under equity method		-	-	(749)	(26,325)
Other income		707,410	4,426,442	707,410	4,426,442
Total revenues		1,234,029,567	1,053,281,440	1,234,028,818	1,053,255,115
Expenses					
Long-term life insurance policy reserves increased (decreased) from prior period		(98,636,210)	248,470,501	(98,636,210)	248,470,501
Benefit payments under life policies and gross claims		552,842,319	624,013,017	552,842,319	624,013,017
Less: Benefit payments under life policies and claims refundable from reinsurance		6,346,365	(210,033)	6,346,365	(210,033)
Commission and brokerage expenses		237,456,744	125,907,250	237,456,744	125,907,250
Other underwriting expenses		9,578,328	8,452,781	9,578,328	8,452,781
Operating expenses	19	194,688,368	199,114,979	194,687,618	199,088,622
Other expenses		278,254	963,672	278,254	963,672
Total expenses		902,554,168	1,206,712,167	902,553,418	1,206,685,810
Profit (loss) before income tax expenses		331,475,399	(153,430,727)	331,475,400	(153,430,695)
Income tax expenses	16.2	-	-	-	-
Profit (loss) for the periods		331,475,399	(153,430,727)	331,475,400	(153,430,695)

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





(Unaudited but reviewed)

Phillip Life Assurance Public Company Limited and its subsidiary
 Statements of comprehensive income (Continued)
 For the nine-month periods ended 30 September 2018 and 2017

		(Unit: Baht)			
		Consolidated financial statements		Separate financial statements	
Note		2018	2017	2018	2017
Other comprehensive income (loss):					
Items to be recognised in profit or loss in subsequent periods:					
	Gains (losses) on valuation of available-for-sale investments	(239,169,326)	215,367,334	(239,169,326)	215,367,334
	Add (less): Income taxes	47,833,865	(43,073,467)	47,833,865	(43,073,467)
	Items to be recognised in profit or loss in subsequent periods - net of income taxes	(191,335,461)	172,293,867	(191,335,461)	172,293,867
	Other comprehensive income (loss) for the periods	(191,335,461)	172,293,867	(191,335,461)	172,293,867
	Total comprehensive income for the periods	140,139,938	18,863,140	140,139,939	18,863,172
Profit for the periods attributable to:					
	Equity holders of the Company	331,475,400	(153,430,695)	331,475,400	(153,430,695)
	Non-controlling interests of the subsidiary	(1)	(32)		
		331,475,399	(153,430,727)		
	Total comprehensive income for the periods attributable to:				
	Equity holders of the Company	140,139,939	18,863,172	140,139,939	18,863,172
	Non-controlling interests of the subsidiary	(1)	(32)		
		140,139,938	18,863,140		
	Earnings per share				
	Basic earnings per share				
	Profits (loss) for the periods	0.73	(0.34)	0.73	(0.34)

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



(Unaudited but reviewed)

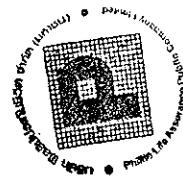
Phillip Life Assurance Public Company Limited and its subsidiary

Statements of changes in owners' equity

For the nine-month periods ended 30 September 2018 and 2017

(Unit: Baht)

	Consolidated financial statement						
	Equity attributable to equity holders of the Company						
	Equity attributable to equity holders of the Company		Other component of equity			Equity attributable to non-controlling interests of the subsidiary	
Issued and paid-up share capital	Share subscription receivable	Deficits	Revaluation surplus on available-for-sale investments - net of income taxes	Total equity attributable to equity holders of the Company	Equity attributable to non-controlling interests of the subsidiary	Total	
Balance as at 1 January 2017	2,833,246,594	(71,089,769)	(1,486,041,419)	363,661,489	1,639,776,895	-	1,639,776,895
Capital of non-controlling interests of the subsidiary	-	-	-	-	-	6,000	6,000
Loss for the period	-	-	(153,430,695)	-	(153,430,695)	(32)	(153,430,727)
Other comprehensive income for the period	-	-	-	172,293,867	172,293,867	-	172,293,867
Total comprehensive income (loss) for the period	-	-	(153,430,695)	172,293,867	18,863,172	(32)	18,863,140
Balance as at 30 September 2017	<u>2,833,246,594</u>	<u>(71,089,769)</u>	<u>(1,639,472,114)</u>	<u>535,955,356</u>	<u>1,658,640,067</u>	<u>5,968</u>	<u>1,658,646,035</u>
Balance as at 1 January 2018	2,833,246,594	(71,089,769)	(1,685,451,204)	601,967,263	1,678,672,884	5,968	1,678,678,852
Income (loss) for the period	-	-	331,475,400	-	331,475,400	(1)	331,475,399
Other comprehensive loss for the period	-	-	-	(191,335,461)	(191,335,461)	-	(191,335,461)
Total comprehensive income (loss) for the period	-	-	331,475,400	(191,335,461)	140,139,939	(1)	140,139,938
Balance as at 30 September 2018	<u>2,833,246,594</u>	<u>(71,089,769)</u>	<u>(1,353,975,804)</u>	<u>410,631,802</u>	<u>1,818,812,823</u>	<u>5,967</u>	<u>1,818,818,790</u>



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

(Unaudited but reviewed)

Phillip Life Assurance Public Company Limited and its subsidiary

Statements of changes in owners' equity (Continued)

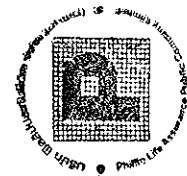
For the nine-month periods ended 30 September 2018 and 2017

(Unit: Baht)

Separate financial statements

	Issued and paid-up share capital	Share subscription receivable	Deficits	Other component of equity		
				Revaluation surplus on available-for-sale investments - net	of income taxes	Total
Balance as at 1 January 2017	2,833,246,594	(71,089,769)	(1,486,041,419)	363,661,489	1,639,776,895	
Loss for the period	-	-	(153,430,695)	-	(153,430,695)	
Other comprehensive income for the period	-	-	-	172,293,867	172,293,867	
Total comprehensive income (loss) for the period	-	-	(153,430,695)	172,293,867	18,863,172	
Balance as at 30 September 2017	2,833,246,594	(71,089,769)	(1,639,472,114)	535,955,356	1,658,640,067	
Balance as at 1 January 2018	2,833,246,594	(71,089,769)	(1,685,451,204)	601,967,263	1,678,672,884	
Profit for the period	-	-	331,475,400	-	331,475,400	
Other comprehensive loss for the period	-	-	-	(191,335,461)	(191,335,461)	
Total comprehensive income (loss) for the period	-	-	331,475,400	(191,335,461)	140,139,939	
Balance as at 30 September 2018	2,833,246,594	(71,089,769)	(1,353,975,804)	410,631,802	1,818,812,823	

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 2018 and 2017

	(Unit: Baht)			
	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from (used in) operating activities				
Gross premium from direct insurance	942,163,971	759,150,246	942,163,971	759,150,246
Cash paid from reinsurance	(6,228,977)	(1,688,482)	(6,228,977)	(1,688,482)
Interest income	177,371,385	180,469,455	177,371,385	180,469,455
Dividend income	128,776,421	104,574,751	128,776,421	104,574,751
Other income	685,486	4,423,115	685,486	4,423,115
Benefit payments under life policies and gross claims				
from direct insurance	(547,178,344)	(627,589,777)	(547,178,344)	(627,589,777)
Commission and brokerage expenses on direct insurance	(233,413,124)	(142,914,444)	(233,413,124)	(142,914,444)
Other underwriting expenses	(9,688,896)	(8,877,318)	(9,688,896)	(8,877,318)
Operating expenses	(189,136,151)	(201,621,936)	(189,136,151)	(201,627,936)
Other expenses	(272,336)	(822,306)	(272,336)	(822,306)
Investments in securities	(616,663,498)	(93,239,063)	(616,663,498)	(93,239,063)
Deposits at financial institutions	10,000,000	-	10,000,000	-
Loans	18,309,538	85,714,634	18,309,538	85,714,634
Net cash provided by (used in) operating activities	(325,274,525)	57,578,875	(325,274,525)	57,572,875
Cash flows used in investing activities				
Building and equipment	(183,058,077)	(6,242,796)	(183,058,077)	(6,242,796)
Investment in a subsidiary	-	-	-	(4,994,000)
Net cash used in investing activities	(183,058,077)	(6,242,796)	(183,058,077)	(11,236,796)
Net increase (decrease) in cash and cash equivalents	(508,332,602)	51,336,079	(508,332,602)	46,336,079
Cash and cash equivalents at beginning of the periods	655,466,393	554,077,279	650,466,393	554,077,279
Cash and cash equivalents at end of the periods	147,133,791	605,413,358	142,133,791	600,413,358

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





Phillip Life Assurance Public Company Limited and its subsidiary

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Phillip Life Assurance Public Company Limited and its subsidiary

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 2018 and 2017

1. Corporate information

Phillip Life Assurance Public Company Limited (the “Company”) was established as a limited company under Thai laws and domiciled in Thailand whereby on 13 March 2014, the Company registered the change of its status to be a public company.

As at 30 September 2018 and 31 December 2017, its major shareholder is Phillip Life Company Limited, which was incorporated in Singapore, holding 98.75% and 98.75% of the issued and paid-up share capital of the Company, respectively.

The Company is principally engaged in the provision of life insurance services. The registered office of the Company is at No. 849, Vorawat Building, Silom Road, Silom Sub-district Bangrak District, Bangkok. As at 30 September 2018 and 31 December 2017, the Company has altogether 27 branches and 23 branches, respectively.

2. Basis of preparation of financial statements

2.1 Basis of preparation of interim financial statements

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

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

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

2.2 Basis of consolidation

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

Company's name	Nature of business	Country of incorporation	Percentage of shareholding	
			30 September 2018	31 December 2017
			(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 is prepared using the same significant accounting policies as the Company.
- (d) Material balances and transactions between the Company and its subsidiary have been eliminated from the consolidated financial statements.
- (e) Non-controlling interests represent the portion of profit or loss and net assets of the subsidiary that are not held by the Company and are presented separately in the consolidated profit or loss and within equity in the consolidated statement of financial position.

2.3 Separate financial statements

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

3. New financial reporting standards

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

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

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards are summarised below.

TFRS 15 Revenue from Contracts with Customers

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

At present, the Group's management is evaluating the impact of this standard to the financial statements in the year when it is adopted.

Thai Financial Reporting Standards related to financial instruments

The 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
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Financial Reporting Standard Interpretations:

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

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

At present, the Group's management is currently evaluating the impact of this set of TFRSs related to financial instruments to the financial statements in the year when they are adopted.

4. Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as those were used for the financial statements for the year ended 31 December 2017.

5. Cash and cash equivalents

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Cash on hand	1,164	1,363	1,164	1,363
Deposits at banks with no fixed maturity date	145,970	64,230	140,970	59,230
Deposits at banks with fixed maturity date	-	1,442	-	1,442
Deposits in money market mutual fund	-	588,431	-	588,431
Cash and cash equivalents	<u>147,134</u>	<u>655,466</u>	<u>142,134</u>	<u>650,466</u>

6. Premium receivables

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

	(Unit: Thousand Baht)	
	Consolidated and separate	
	financial statements	
	Due from direct insurance	
	30 September 2018	31 December 2017
Not yet due	71,057	71,998
Not over 30 days	6	4
Over 31 days to 60 days	1	4
Over 61 days to 90 days	5	4
Overdue longer than 90 days	5,937	6,025
Total premium receivables	<u>77,006</u>	<u>78,035</u>
Less: Allowance for doubtful accounts	(5,929)	(6,019)
Premium receivables - net	<u>71,077</u>	<u>72,016</u>

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

7. Reinsurance assets

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

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	<u>30 September 2018</u>	<u>31 December 2017</u>
Unearned premium reserves	877	431
Loss reserves refundable from reinsurers for unpaid claims under litigation process	<u>219</u>	<u>7,719</u>
Reinsurance assets	<u><u>1,096</u></u>	<u><u>8,150</u></u>

8. Reinsurance receivables

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

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	<u>30 September 2018</u>	<u>31 December 2017</u>
Amounts due from reinsurers	<u>1,417</u>	<u>33</u>
Reinsurance receivables	<u><u>1,417</u></u>	<u><u>33</u></u>

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

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	30 September 2018		31 December 2017	
	Cost/ Amortised		Cost/ Amortised	
	cost	Fair value	cost	Fair value
Trading investments				
Equity securities	-	-	10,238	9,538
Unit trust	710,028	716,382	-	-
Total	710,028	716,382	10,238	9,538
Add (less): Unrealised gain (loss)	6,354		(700)	
Trading investments - net	716,382		9,538	
Available-for-sale investments				
Government and state enterprise securities	1,953,515	2,093,560	2,177,446	2,380,893
Private sector debt securities	2,013,614	2,129,312	2,001,190	2,161,109
Equity securities	2,925,647	3,138,252	2,787,479	3,109,221
Warrants	-	-	5,945	7,611
Total	6,892,776	7,361,124	6,972,060	7,658,834
Add: Unrealised gains				
from revaluation	543,643		752,459	
from translation of foreign currencies	(44,941)		(32,498)	
Total	498,702		719,961	
Less: Allowance for impairment	(30,354)		(33,187)	
Available-for-sale investments - net	7,361,124		7,658,834	
Held-to-maturity investments				
Deposits at banks that have an original maturity period of longer than 3 months	-		10,000	
Total held-to-maturity investments	-		10,000	
General investment				
Equity securities - ordinary shares	1,714		13,500	
Total general investment	1,714		13,500	
Investments in securities - net	8,079,220		7,691,872	

9.2 Classified by remaining periods to maturity of debt securities

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

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	30 September 2018			
	Periods to maturity			
	Within			
	1 year	1 - 5 years	Over 5 years	Total
Available-for-sale investments				
Government and state enterprise securities	331,966	566,404	1,055,145	1,953,515
Private sector debt securities	20,000	826,085	1,167,529	2,013,614
Total	351,966	1,392,489	2,222,674	3,967,129
Add: Unrealised gains	7,421	70,617	177,705	255,743
Total available-for-sale investments	<u>359,387</u>	<u>1,463,106</u>	<u>2,400,379</u>	<u>4,222,872</u>

(Unit: Thousand Baht)

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

9.3 Investments subject to restrictions

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

9.4 Revaluation surplus on available-for-sale investments

	(Unit: Thousand Baht)	
	Consolidated and separate financial statements	
	For the nine-month	For the year ended
	period ended	31 December 2017
	30 September 2018	31 December 2017
Revaluation surplus on available-for-sale investments - beginning of the period/year	752,459	454,577
Gains (losses) on revaluation of available-for-sale investments during the period/year	(201,303)	343,390
Reclassify from trading investment to available-for-sale investment	(700)	-
Gains on sales of available-for-sale investments during the period/year transferred to be recognised in profit or loss	(37,166)	(45,508)
Revaluation surplus on available-for-sale investments - end of the period/year	513,290	752,459
Less: Income taxes	(102,658)	(150,492)
Revaluation surplus on available-for-sale investments - net of income taxes	410,632	601,967

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

10. Loans and accrued interest receivables

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

(Unit: Thousand Baht)

Consolidated and separate financial statements									
30 September 2018									
Overdue periods	Policy loans		Mortgage loans		Other loans		Total		
	Principal	Interest receivables ⁽¹⁾	Principal	Interest receivables ⁽¹⁾	Principal	Interest receivables ⁽¹⁾	Principal	Interest receivables ⁽¹⁾	Total
Current	520,696	17,999	54,962	1,895	126	-	575,784	19,894	595,678
Overdue :	-	-	-	-	-	-	-	-	-
Less than 3 months	-	-	29,912	1,008	-	-	29,912	1,008	30,920
3 - 6 months	-	-	3,217	130	-	-	3,217	130	3,347
6 - 12 months	-	-	5,996	101	-	-	5,996	101	6,097
Over 12 months	-	-	596,511	24,464	5,315	314	601,826	24,778	626,604
Total loans and interest receivables	520,696	17,999	690,598	27,598	5,441	314	1,216,735	45,911	1,262,646
Less: allowance for doubtful accounts	-	-	(82,528)	(18,129)	(5,315)	(314)	(87,843)	(18,443)	(106,286)
Loans and interest receivables - net	520,696	17,999	608,070	9,469	126	-	1,128,892	27,468	1,156,360

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

(Unit: Thousand Baht)

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

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

Mortgage loans are loans provided to agents, employees and external individuals on which interest is charged at the rates between 6 to 9 percent per annum. Collateral used to guarantee such loans comprises land and construction thereon. The Company has provided an allowance for doubtful accounts on such loans, taking into accounts collateral value and the overdue periods.

As at 30 September 2018 and 31 December 2017, loans to employees amounted to Baht 125,525 and Baht 94,567 respectively.

11. Investment in a subsidiary

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

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

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

During 2017, the Company recognised share of loss from investment in a subsidiary in its separate statements under the equity method, which was based on the subsidiary's financial statements, prepared by the management but not yet audited by the auditor.

12. Premises and equipment

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

(Unit: Thousand Baht)

Consolidated and separate financial statements								
For the nine-month period ended 30 September 2018								
	Land	Buildings and building improvements	Furniture, fixtures and office equipment	Computers	Motor vehicles	Construction in progress	Idle assets	Total
Net book value as at								
1 January 2018	36,714	41,339	9,541	9,621	660	-	2,985	100,860
Additions - cost	-	133,195	6,573	2,401	-	40,911	-	183,080
Transfer in (out)	-	38,011	2,731	-	-	(40,742)	-	-
Disposals - net book value	-	-	(6)	-	-	-	-	(6)
Depreciation for the period	-	(18,927)	(3,379)	(3,270)	(201)	-	-	(25,777)
Net book value as at 30 September 2018	36,714	193,618	15,460	8,752	459	169	2,985	258,157

13. Other assets

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Rental deposits	7,294	7,381	7,294	7,381
Other receivables	87,134	86,744	87,134	86,744
Withholding taxes	34,895	29,589	34,895	29,589
Receivables from sales of investments	59	10,308	59	10,308
Receivable from the Legal Executive Department	7,506	21,066	7,506	21,066
Others	49,135	36,733	49,162	36,760
Total	186,023	191,821	186,050	191,848
Less: Allowance for impairment	(112,887)	(112,997)	(112,887)	(112,997)
Other assets - net	73,136	78,824	73,163	78,851

14. Insurance contract liabilities

(Unit: Thousand Baht)

	Consolidated and separate financial statements					
	30 September 2018			31 December 2017		
	Insurance contract liabilities	Reinsurance of liabilities	Net	Insurance contract liabilities	Reinsurance of liabilities	Net
Long-term life insurance policy reserves	7,113,546	-	7,113,546	7,212,182	-	7,212,182
Loss reserves						
Incurred and reported	16,734	-	16,734	11,787	-	11,787
Incurred but not yet reported	8,295	-	8,295	10,188	-	10,188
Premium reserves						
Unearned premium reserves	125,519	(877)	124,642	100,926	(431)	100,495
Unpaid policy benefits	44,450	-	44,450	64,385	(7,719)	56,666
Other insurance liabilities	416,634	-	416,634	394,086	-	394,086
Total	<u>7,725,178</u>	<u>(877)</u>	<u>7,724,301</u>	<u>7,793,554</u>	<u>(8,150)</u>	<u>7,785,404</u>

14.1 Long-term insurance policy reserves

(Unit: Thousand Baht)

	Consolidated and separate financial statements	
	For the nine-month period ended	For the year ended
	30 September 2018	31 December 2017
Balances - beginning of the period/year	7,212,182	6,824,057
Insurance policy reserves increased from new businesses and existing inforce policies	489,069	593,737
Insurance policy reserves released from death, benefit paid, lapse and surrender	(306,609)	(474,215)
Changes in insurance policy reserves as a result of assumption changes	(279,701)	268,831
Changes in insurance policy reserves as a result of experience changes	(1,395)	(228)
Balances - end of the period/year	<u>7,113,546</u>	<u>7,212,182</u>

(Unaudited but reviewed)

14.2 Short-term insurance policy reserves

14.2.1 Loss reserves

(Unit: Thousand Baht)

Consolidated and separate
financial statements

	For the nine-month period ended 30 September 2018	For the year ended 31 December 2017
Balances - beginning of the period/year	21,975	17,652
Claims incurred during the period/year	127,108	154,856
Changes in loss estimates and assumptions in loss calculation	(10,498)	(4,169)
Claims paid during the period/year	(113,556)	(146,364)
Balances - end of the period/year	<u>25,029</u>	<u>21,975</u>

14.2.2 Unearned premium reserves

(Unit: Thousand Baht)

Consolidated and separate
financial statements

	For the nine-month period ended 30 September 2018	For the year ended 31 December 2017
Balances - beginning of the period/year	100,926	82,498
Premium written for the period/year	218,111	253,648
Premium earned for the period/year	(193,518)	(235,220)
Balances - end of the period/year	<u>125,519</u>	<u>100,926</u>

(Unaudited but reviewed)

14.2.3 Unpaid policy benefits

(Unit: Thousand Baht)

Consolidated and separate
financial statements

	30 September 2018	31 December 2017
Death benefits	2,738	10,472
Maturity payments	23,479	26,715
Surrenders	749	737
Benefit payments under policies	1,760	2,148
Others	15,724	24,313
Total unpaid policy benefits	44,450	64,385

14.2.4 Other insurance liabilities

(Unit: Thousand Baht)

Consolidated and separate
financial statements

	30 September 2018	31 December 2017
Coupon deposits	395,516	375,719
Others	21,118	18,367
Total other insurance liabilities	416,634	394,086

15. Reinsurance payables

(Unit: Thousand Baht)

Consolidated and separate
financial statements

	30 September 2018	31 December 2017
Outward premium payables	5,282	4,643
Total reinsurance payables	5,282	4,643

16. Deferred tax liabilities and income tax expenses

16.1 Deferred tax liabilities

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

(Unit: Thousand Baht)

	Consolidated and separate financial statements						
	Changes in deferred tax liabilities reported in the statements of comprehensive income						
			For the three-month periods ended		For the nine-month periods ended		
	30 September 2018	31 December 2017	30 September		30 September		
		2018	2017	2018	2017	2018	2017
Deferred tax liabilities arose from:							
Unrealised gains on available-for-sale investments	102,658	150,492	(36,793)	(25,422)	47,834	(43,073)	
Total deferred tax liabilities	<u>102,658</u>	<u>150,492</u>					

16.2 Income tax expenses

Reconciliations between income tax expenses and the product of accounting profits for the three-month and nine-month periods ended 30 September 2018 and 2017 and the applicable tax rate were as follows:

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	For the three-month periods ended		For the nine-month periods ended		For the three-month periods ended		For the nine-month periods ended	
	30 September		30 September		30 September		30 September	
	2018	2017	2018	2017	2018	2017	2018	2017
Accounting profit before income tax								
expenses	(10,612)	(127,563)	331,475	(153,431)	(10,612)	(127,563)	331,475	(153,431)
Applicable tax rate	20%	20%	20%	20%	20%	20%	20%	20%
Income taxes at the applicable tax rate	2,122	25,513	(66,295)	30,686	2,122	25,513	(66,295)	30,686
Net tax effect on tax-exempted revenues or non tax-deductible expenses	8,313	7,861	12,403	4,360	8,313	7,861	12,403	4,360
Deferred taxes on losses for the periods, which are expected not to be able to utilise and were not recorded as deferred tax assets	(10,435)	(33,374)	53,892	(35,046)	(10,435)	(33,374)	53,892	(35,046)
Income tax expenses reported in profit or loss	-	-	-	-	-	-	-	-

(Unaudited but reviewed)

The amounts of income taxes relating to each component of other comprehensive income (loss) for the three-month and nine-month periods ended 30 September 2018 and 2017 are as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2018	2017	2018	2017
	2018	2017	2018	2017
Income taxes relating to:				
(Gains) losses on revaluation of available-for-sale investments	(34,521)	(27,437)	40,261	(50,013)
Reclassify from trading investment to available-for-sale investment	-	-	140	
Gains (losses) on sales of available-for-sale investments during the periods transferred to be recognised in profit or loss	(2,272)	2,015	7,433	6,940
Income taxes reported in other comprehensive income (loss)	(36,793)	(25,422)	47,834	(43,073)

17. Other liabilities

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
Commission and brokerage payables	54,790	50,747	54,790	50,747
Deposits from agents	40,551	32,088	40,551	32,088
Accrued operating expenses	29,448	20,306	29,448	20,306
Payable on purchases of investments	-	16,216	-	16,216
Others	15,194	5,680	15,194	5,680
Total other liabilities	139,983	125,037	139,983	125,037

18. 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 awaiting further auction process.

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

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

On 26 September 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 ceize assets of F&V Alliance Company Limited to settle the balance according to the Court's judgement dated 26 September 2015.

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

(Unaudited but reviewed)

19. Operating expenses

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	For the three-month periods ended		For the nine-month periods ended		For the three-month periods ended		For the nine-month periods ended	
	30 September		30 September		30 September		30 September	
	2018	2017	2018	2017	2018	2017	2018	2017
Personnel expenses	41,611	34,530	126,523	104,052	41,611	34,530	126,523	104,052
Premises and equipment expenses	23,229	19,434	65,508	55,112	23,229	19,434	65,508	55,113
Taxes and duties	1,821	1,482	6,304	5,948	1,821	1,482	6,304	5,948
Bad debt and doubtful accounts (reversal)	(8,395)	277	(45,945)	(6,727)	(8,395)	277	(45,945)	(6,727)
Other operating expenses	16,467	15,817	42,298	40,730	16,467	15,817	42,298	40,703
Total operating expenses	74,733	71,540	194,688	199,115	74,733	71,540	194,688	199,089

20. Earnings per share

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

(Unit: Thousand Baht)

	Consolidated financial statements				Separate financial statements			
	For the three-month periods ended		For the nine-month periods ended		For the three-month periods ended		For the nine-month periods ended	
	30 September		30 September		30 September		30 September	
	2018	2017	2018	2017	2018	2017	2018	2017
Profit for the periods (Thousand Baht)	(10,612)	(127,563)	331,475	(153,431)	(10,612)	(127,563)	331,475	(153,431)
Weighted average number of ordinary shares (Thousand shares)	453,319	453,319	453,319	453,319	453,319	453,319	453,319	453,319
Basic earnings per share Profit for the periods (Baht per share)	(0.02)	(0.28)	0.73	(0.34)	(0.02)	(0.28)	0.73	(0.34)

21. Related party transactions

21.1 Type of relationship

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

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

21.2 Significant business transactions with related parties

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

(Unit: Thousand Baht)

	Consolidated and separate				Pricing policy
	financial statements				
	For the		For the		
	three-month	three-month	nine-month	nine-month	
	periods ended	periods ended	periods ended	periods ended	
	30 September	30 September	30 September	30 September	
	2018	2017	2018	2017	
Related parties					
Expenses					
Securities management fee	1,859	1,903	5,661	5,580	Similar to those charged to general customers of a related company

21.3 Outstanding balances with related parties

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

(Unit: Thousand Baht)

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

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	Subsidiary company			
Other assets				
Other assets - others				
Phillip Insurance Broker Company Limited	-	-	27	26

21.4 Directors' and key management's remunerations

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

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	2018	2017	2018	2017
	Short-term employee benefits	752	716	2,229
Long-term employee benefits	66	-	199	-
Total directors' and key management's remunerations	818	716	2,428	2,108

22. Assets placed with the Registrar

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

(Unit: Thousand Baht)

	Consolidated and separate financial statements			
	30 September 2018		31 December 2017	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Placed as securities				
Government bonds	20,202	20,647	20,370	21,301
Placed as life insurance reserves				
Government bonds	1,635,963	1,766,778	1,949,081	2,137,763
State enterprise debentures	-	-	35,000	35,280
Total	1,635,963	1,766,778	1,984,081	2,173,043

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

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

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

(Unit: Thousand Baht)

Payable within	Consolidated and separate financial statements	
	30 September 2018	31 December 2017
Within 1 year	25,942	28,300
1 to 5 years	20,023	37,669
Total	45,965	65,969

23.2 Litigations

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

24. Fair value of financial instruments

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

In applying the above-mentioned valuation techniques, the Company and its subsidiary endeavor to use relevant observable inputs as much as possible. TFRS 13 Fair Value Measurement establishes a fair value hierarchy categorising such inputs into three levels as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

As at 30 September 2018 and 31 December 2017, the Company had assets that were measured at fair value using different levels of inputs as follows:

(Unit: Thousand Baht)

	Consolidated and separate financial statements					
	30 September 2018			31 December 2017		
	Level 1	Level 2	Total	Level 1	Level 2	Total
Assets measured at fair value						
Trading investments						
Equity securities	-	-	-	9,538	-	9,538
Unit trust	-	716,382	716,382	-	-	-
Available-for-sale investments						
Equity securities	3,138,253	-	3,138,253	3,109,221	-	3,109,221
Debt securities	-	4,222,872	4,222,872	-	4,542,002	4,542,002
Warrants	-	-	-	7,611	-	7,611

Valuation techniques and inputs to Level 2 valuations

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

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

25. Approval of interim financial statements

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