

*PHILLIP LIFE ASSURANCE PUBLIC COMPANY
LIMITED AND ITS SUBSIDIARY*

Interim Financial Statements

*Three-month and nine-month periods ended
September 30, 2023*



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**REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION
BY THE INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

TO THE BOARD OF DIRECTORS

PHILLIP LIFE ASSURANCE PUBLIC COMPANY LIMITED

We have reviewed the consolidated statement of financial position of Phillip Life Assurance Public Company Limited and its subsidiary and the separate statement of financial position of Phillip Life Assurance Public Company Limited as at September 30, 2023, and the related consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2023, and the related consolidated and separate statements of changes in equity and cash flows for the nine-month period ended September 30, 2023, and the condensed notes to the financial statements. The Company's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our 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 us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the aforementioned interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".



Emphasis of Matter

We draw attention to Note 1 to the interim financial statements, the Company is in process to extend the waiver period for foreign shareholder portion and non-Thai director ratio for another 5 years from the Office of Insurance Commission (OIC). The Company has submitted the plan for diluting of foreign shareholders to OIC which is being considered by OIC. During this period, the Company is able to do its operation. Our conclusion is not modified in respect of this matter.

Other Matter

The consolidated statement of financial position of Phillip Life Assurance Public Company Limited and its subsidiary and the separate statement of financial position of Phillip Life Assurance Public Company Limited as at December 31, 2022, presented herein as comparative information, were audited by other auditor, whose report thereon dated March 28, 2023 expressed an unmodified opinion on those statements. The consolidated and separate statements of profit or loss and other comprehensive income for the three-month and nine-month periods ended September 30, 2022, and the consolidated and separate statements of changes in equity and cash flows for the nine-month period ended September 30, 2022, presented herein as comparative information, were reviewed by other auditor, whose report thereon dated November 11, 2022, concluded that nothing had come to her attention that caused her to believe that such interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".



Chavala Tienpasertkij
Certified Public Accountant (Thailand)
Registration No. 4301

BANGKOK
November 10, 2023

DELOITTE TOUCHE TOHMATSU JAIYOS AUDIT CO., LTD.

PHILLIP LIFE ASSURANCE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		"UNAUDITED"		"UNAUDITED"	
		As at	As at	As at	As at
		September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
ASSETS					
Cash and cash equivalents	4.1	1,285,444,753	362,600,596	1,279,367,334	356,558,603
Premium receivables	5	108,584,708	174,168,957	108,584,708	174,168,957
Accrued investment income		48,879,454	36,068,706	48,879,454	36,068,706
Reinsurance assets	6,14	9,639,992	10,504,865	9,639,992	10,504,865
Reinsurance receivables	7	4,103,251	2,112,500	4,103,251	2,112,500
Investment assets					
Investments in securities	8	11,132,234,516	12,369,312,767	11,132,234,516	12,369,312,767
Loans and interest receivables	9	788,109,288	764,104,735	788,109,288	764,104,735
Investments in a subsidiary	10	-	-	5,592,942	5,851,408
Investment assets of the insured		265,132	208,832	265,132	208,832
Premises and equipment	11	146,473,592	165,286,965	146,473,592	165,286,965
Right-of-use assets	12.1	41,206,568	11,631,029	41,206,568	11,631,029
Intangible assets		10,071,150	11,656,215	10,071,150	11,656,215
Other assets	13	104,850,832	180,982,269	104,213,679	180,442,787
TOTAL ASSETS		13,679,863,236	14,088,638,436	13,678,741,606	14,087,908,369

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See condensed notes to the financial statements

PHILLIP LIFE ASSURANCE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION (CONTINUED)

AS AT SEPTEMBER 30, 2023

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		"UNAUDITED"		"UNAUDITED"	
		As at	As at	As at	As at
		September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
LIABILITIES AND EQUITY					
LIABILITIES					
Insurance contract liabilities	14	9,667,107,909	9,779,630,852	9,667,107,909	9,779,630,852
Investment contract liabilities		265,132	208,832	265,132	208,832
Reinsurance payables	15	8,726,782	8,521,743	8,726,782	8,521,743
Lease liabilities	12.2	44,987,185	15,212,565	44,987,185	15,212,565
Employee benefit obligations		47,140,216	40,015,994	47,140,216	40,015,994
Deferred tax liabilities	16.1	53,356,042	98,461,105	53,356,042	98,461,105
Other liabilities	17	132,795,461	177,945,496	131,680,551	177,222,459
TOTAL LIABILITIES		9,954,378,727	10,119,996,587	9,953,263,817	10,119,273,550
EQUITY					
Share capital					
Authorized share capital					
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 share capital					
957.5 million ordinary shares of Baht 6.25 each		5,984,375,000	5,984,375,000	5,984,375,000	5,984,375,000
Discount on share capital		(58,798,175)	(58,798,175)	(58,798,175)	(58,798,175)
Deficit		(2,376,219,579)	(2,312,578,103)	(2,376,219,579)	(2,312,578,103)
Other component of owners' equity					
Revaluation surplus on investment					
at fair value through other					
comprehensive income - net of income taxes	8.4	176,120,543	355,636,097	176,120,543	355,636,097
Equity attributable to equity holders of the Company		3,725,477,789	3,968,634,819	3,725,477,789	3,968,634,819
Non-controlling interests of the subsidiary		6,720	7,030	-	-
TOTAL EQUITY		3,725,484,509	3,968,641,849	3,725,477,789	3,968,634,819
TOTAL LIABILITIES AND EQUITY		13,679,863,236	14,088,638,436	13,678,741,606	14,087,908,369

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See condensed notes to the financial statements

PHILLIP LIFE ASSURANCE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
 FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2023
 "UNAUDITED"

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
PROFIT OR LOSS					
REVENUES					
Gross written premiums		408,674,049	525,349,104	408,674,049	525,349,104
<u>Less</u> Premium ceded to reinsurers		(3,360,160)	(7,530,776)	(3,360,160)	(7,530,776)
Net written premiums		405,313,889	517,818,328	405,313,889	517,818,328
<u>Add(Less)</u> Unearned premium reserves decreased (increased)					
from prior period		43,661,559	(14,343,736)	43,661,559	(14,343,736)
Earned premium after reinsurance		448,975,448	503,474,592	448,975,448	503,474,592
Fee and commission income		662,343	4,063,274	662,343	4,063,274
Net investment income		133,643,474	122,159,701	133,643,474	122,159,700
Gain (loss) on investments		(3,551,673)	2,606,112	(3,551,673)	2,606,112
Fair value gains		19,906,507	93,015,054	19,906,507	93,015,054
Share of profit (loss) from investment in a subsidiary					
under equity method		-	-	(230,074)	54,247
Other income		384,018	417,995	10,041	244,566
Total revenues		600,020,117	725,736,728	599,416,066	725,617,545
EXPENSES					
Long-term life insurance policy reserves					
decreased from prior period		(380,201,864)	(137,068,798)	(380,201,864)	(137,068,798)
Unexpired risk reserves increased (decreased) from prior period		(22,322,846)	4,239,407	(22,322,846)	4,239,407
Benefit payments under life policies and gross claims		577,343,249	691,305,847	577,343,249	691,305,847
<u>Less</u> Benefit payments under life policies and					
claims refundable from reinsurance		(2,491,315)	(638,022)	(2,491,315)	(638,022)
Commission and brokerage expenses		32,344,897	51,311,489	32,076,005	51,209,350
Other underwriting expenses		3,257,869	4,706,952	3,257,869	4,706,952
Operating expenses		42,060,727	71,012,089	41,725,292	70,995,302
Finance costs		570,735	200,776	570,735	200,776
Expected credit losses and impairment losses	18	1,656,757	6,530,692	1,656,757	6,530,500
Other expenses		6,554	2,654	6,554	2,654
Total expenses		252,224,763	691,603,086	251,620,436	691,483,968
Profit before income tax		347,795,354	34,133,642	347,795,630	34,133,577
Income tax income (expense)	16	81,514	(22,632,477)	81,514	(22,632,477)
Net profit		347,876,868	11,501,165	347,877,144	11,501,100

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PHILLIP LIFE ASSURANCE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
 FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2023
 "UNAUDITED"

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Other comprehensive income					
Items to be recognised in profit or loss in subsequent periods					
Losses on valuation of investment at fair value through other comprehensive income		(175,575,049)	(190,244,381)	(175,575,049)	(190,244,381)
Income taxes relating to components of other comprehensive income	16	35,115,009	38,048,876	35,115,009	38,048,876
Items to be recognised in profit or loss in subsequent periods - net of income taxes					
		(140,460,040)	(152,195,505)	(140,460,040)	(152,195,505)
Other comprehensive loss for the periods - net of income taxes					
		(140,460,040)	(152,195,505)	(140,460,040)	(152,195,505)
Total comprehensive income (loss) for the periods					
		207,416,828	(140,694,340)	207,417,104	(140,694,405)
Net profit (loss) attributable to					
The Company's shareholders		347,877,144	11,501,100	347,877,144	11,501,100
Non-controlling interests of the subsidiary		(276)	65		
		347,876,868	11,501,165		
Total comprehensive income (loss) for the periods attributable to					
The Company's shareholders		207,417,104	(140,694,405)	207,417,104	(140,694,405)
Non-controlling interests of the subsidiary		(276)	65		
		207,416,828	(140,694,340)		
Earnings per share	19				
Basic earnings per share		0.36	0.01	0.36	0.01

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See condensed notes to the financial statements

PHILLIP LIFE ASSURANCE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023
"UNAUDITED"

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
PROFIT OR LOSS					
REVENUES					
Gross written premiums		1,454,811,730	1,582,094,038	1,454,811,730	1,582,094,038
<u>Less</u> Premium ceded to reinsurers		(19,184,561)	(19,484,104)	(19,184,561)	(19,484,104)
Net written premiums		1,435,627,169	1,562,609,934	1,435,627,169	1,562,609,934
<u>Add</u> Unearned premium reserves decreased					
from prior period		71,474,104	40,989,875	71,474,104	40,989,875
Earned premium after reinsurance		1,507,101,273	1,603,599,809	1,507,101,273	1,603,599,809
Fee and commission income		7,425,544	6,320,196	7,425,544	6,320,196
Net investment income		340,523,182	316,132,613	340,521,719	316,129,618
Gain on investments		41,142,899	30,360,535	41,142,899	30,360,535
Fair value gains		16,044,237	37,795,338	16,044,237	37,795,338
Share of profit (loss) from investment in a subsidiary					
under equity method		-	-	(258,466)	840,783
Other income		3,125,546	3,331,478	758,540	827,204
Total revenues		1,915,362,681	1,997,539,969	1,912,735,746	1,995,873,483
EXPENSES					
Long-term life insurance policy reserves increased					
(decreased) from prior period		49,930,158	(1,554,237,844)	49,930,158	(1,554,237,844)
Unexpired risk reserves decreased from prior period		(37,515,239)	(5,383,757)	(37,515,239)	(5,383,757)
Benefit payments under life policies and gross claims		1,684,553,364	1,685,930,390	1,684,553,364	1,685,930,390
<u>Less</u> Benefit payments under life policies and					
claims refundable from reinsurance		(9,044,967)	(5,375,974)	(9,044,967)	(5,375,974)
Commission and brokerage expenses		122,002,386	153,769,756	120,124,097	152,146,753
Other underwriting expenses		11,148,978	14,237,965	11,148,978	14,237,965
Operating expenses		137,055,630	214,008,020	136,306,674	213,965,744
Finance costs		765,744	736,523	765,744	736,523
Expected credit losses and impairment losses (reversal)	18	13,317,420	(9,173,446)	13,317,420	(9,173,643)
Other expenses		686,075	5,472,605	686,075	5,472,605
Total expenses		1,972,899,549	499,984,238	1,970,272,304	498,318,762
Profit (loss) before income tax		(57,536,868)	1,497,555,731	(57,536,558)	1,497,554,721
Income tax income (expense)	16	226,174	(116,590,520)	226,174	(116,590,520)
Net profit (loss)		(57,310,694)	1,380,965,211	(57,310,384)	1,380,964,201

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PHILLIP LIFE ASSURANCE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
 STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
 FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023
 "UNAUDITED"

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Other comprehensive income					
Items to be recognised in profit or loss in subsequent periods					
Losses on valuation of investment at fair value					
through other comprehensive income		(224,394,442)	(637,016,754)	(224,394,442)	(637,016,754)
Income taxes relating to components of other					
comprehensive income	16	44,878,888	127,403,351	44,878,888	127,403,351
Items to be recognised in profit or loss in subsequent					
periods - net of income taxes		(179,515,554)	(509,613,403)	(179,515,554)	(509,613,403)
Items not to be recognised in profit or loss in subsequent periods					
Actuarial gain (loss)		(6,331,092)	3,762,191	(6,331,092)	3,762,191
Items not to be recognised in profit or loss					
in subsequent periods		(6,331,092)	3,762,191	(6,331,092)	3,762,191
Other comprehensive loss for the periods					
- net of income taxes		(185,846,646)	(505,851,212)	(185,846,646)	(505,851,212)
Total comprehensive income (loss) for the periods					
		(243,157,340)	875,113,999	(243,157,030)	875,112,989
Net profit (loss) attributable to					
The Company's shareholders					
		(57,310,384)	1,380,964,201	(57,310,384)	1,380,964,201
Non-controlling interests of the subsidiary					
		(310)	1,010		
		(57,310,694)	1,380,965,211		
Total comprehensive income (loss) for the periods					
attributable to					
The Company's shareholders					
		(243,157,030)	875,112,989	(243,157,030)	875,112,989
Non-controlling interests of the subsidiary					
		(310)	1,010		
		(243,157,340)	875,113,999		
Earnings (losses) per share	19				
Basic earnings (losses) per share		(0.06)	1.44	(0.06)	1.44

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See condensed notes to the financial statements

PHILLIP LIFE ASSURANCE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023
"UNAUDITED"

Unit : Baht

Consolidated financial statement							
Equity attributable to equity holders of the Company							
	Issued and paid-up share capital	Discount on share capital	Deficit	Other component of equity	Total equity attributable to the Company's shareholders	Equity attributable to non-controlling interests of the subsidiary	Total
				Revaluation surplus on investment at fair value through other comprehensive income - net of income taxes			
Balance as at January 1, 2022	5,984,375,000	(58,798,175)	(2,923,809,405)	650,280,689	3,652,048,109	6,243	3,652,054,352
Net profit	-	-	1,380,964,201	-	1,380,964,201	1,010	1,380,965,211
Other comprehensive income (loss) for the period	-	-	3,762,191	(509,613,403)	(505,851,212)	-	(505,851,212)
Total comprehensive income (loss) for the period	-	-	1,384,726,392	(509,613,403)	875,112,989	1,010	875,113,999
Balance as at September 30, 2022	<u>5,984,375,000</u>	<u>(58,798,175)</u>	<u>(1,539,083,013)</u>	<u>140,667,286</u>	<u>4,527,161,098</u>	<u>7,253</u>	<u>4,527,168,351</u>
Balance as at January 1, 2023	5,984,375,000	(58,798,175)	(2,312,578,103)	355,636,097	3,968,634,819	7,030	3,968,641,849
Net loss	-	-	(57,310,384)	-	(57,310,384)	(310)	(57,310,694)
Other comprehensive loss for the period	-	-	(6,331,092)	(179,515,554)	(185,846,646)	-	(185,846,646)
Total comprehensive loss for the period	-	-	(63,641,476)	(179,515,554)	(243,157,030)	(310)	(243,157,340)
Balance as at September 30, 2023	<u>5,984,375,000</u>	<u>(58,798,175)</u>	<u>(2,376,219,579)</u>	<u>176,120,543</u>	<u>3,725,477,789</u>	<u>6,720</u>	<u>3,725,484,509</u>

See condensed notes to the financial statements

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PHILLIP LIFE ASSURANCE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY
STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023
"UNAUDITED"

Unit : Baht

	Separate financial statement				Total
	Issued and paid-up share capital	Discount on share capital	Deficit	Other component of equity Revaluation surplus on investment at fair value through other comprehensive income - net of income taxes	
Balance as at January 1, 2022	5,984,375,000	(58,798,175)	(2,923,809,405)	650,280,689	3,652,048,109
Net profit	-	-	1,380,964,201	-	1,380,964,201
Other comprehensive income (loss) for the period	-	-	3,762,191	(509,613,403)	(505,851,212)
Total comprehensive income (loss) for the period	-	-	1,384,726,392	(509,613,403)	875,112,989
Balance as at September 30, 2022	<u>5,984,375,000</u>	<u>(58,798,175)</u>	<u>(1,539,083,013)</u>	<u>140,667,286</u>	<u>4,527,161,098</u>
Balance as at January 1, 2023	5,984,375,000	(58,798,175)	(2,312,578,103)	355,636,097	3,968,634,819
Net loss	-	-	(57,310,384)	-	(57,310,384)
Other comprehensive loss for the period	-	-	(6,331,092)	(179,515,554)	(185,846,646)
Total comprehensive loss for the period	-	-	(63,641,476)	(179,515,554)	(243,157,030)
Balance as at September 30, 2023	<u>5,984,375,000</u>	<u>(58,798,175)</u>	<u>(2,376,219,579)</u>	<u>176,120,543</u>	<u>3,725,477,789</u>

See condensed notes to the financial statements

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PHILLIP LIFE ASSURANCE PUBLIC COMPANY LIMITED AND ITS SUBSIDIARY

STATEMENTS OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023

"UNAUDITED"

Unit : Baht

	Notes	Consolidated financial statements		Separate financial statements	
		2023	2022	2023	2022
Cash flows provided by (used in) operating activities					
Gross written premiums from direct insurance		1,520,267,395	1,688,251,847	1,520,267,395	1,688,251,847
Cash paid from reinsurance		(4,499,762)	(10,709,991)	(4,499,762)	(10,709,991)
Interest income		167,334,497	160,187,524	167,333,035	160,184,529
Dividend income		155,498,056	141,150,945	155,498,056	141,150,945
Other income		11,295,897	21,298,070	8,928,890	18,793,796
Benefit payments under life policies and gross claims					
from direct insurance		(1,737,152,251)	(1,641,003,697)	(1,737,152,251)	(1,641,003,697)
Commission and brokerage expenses on direct insurance		(142,474,745)	(192,546,083)	(140,596,455)	(190,923,080)
Other underwriting expenses		(12,680,259)	(16,023,633)	(12,680,259)	(16,023,633)
Operating expenses		(91,840,886)	(192,789,175)	(91,386,133)	(192,222,866)
Other expenses		(679,513)	(1,990,627)	(679,513)	(1,990,627)
Cash received on financial assets		2,799,562,242	1,194,177,305	2,799,562,242	1,194,177,305
Cash paid for financial assets		(1,728,705,623)	(1,397,517,846)	(1,728,705,623)	(1,397,517,846)
Net cash provided by (used in) operating activities		935,925,048	(247,515,361)	935,889,622	(247,833,318)
Cash flows provided by (used in) investing activities					
Net cash paid for purchase of equipment		(239,882)	(7,670,386)	(239,882)	(7,670,386)
Net cash received for disposal of intangible assets		24	-	24	-
Net cash paid for purchase of intangible assets		-	(160,500)	-	(160,500)
Net cash provided by (used in) investing activities		(239,858)	(7,830,886)	(239,858)	(7,830,886)
Cash flows used in financing activities					
Repayments of lease liabilities	4.2	(13,461,104)	(15,897,873)	(13,461,104)	(15,897,873)
Net cash used in financing activities		(13,461,104)	(15,897,873)	(13,461,104)	(15,897,873)
Net increase (decrease) in cash and cash equivalents		922,224,086	(271,244,120)	922,188,660	(271,562,077)
Decrease (increase) in allowance for expected credit losses		620,071	(126,265)	620,071	(126,069)
Cash and cash equivalents at beginning of periods		362,600,596	516,913,634	356,558,603	511,089,117
Cash and cash equivalents at ending of periods	4.1	1,285,444,753	245,543,249	1,279,367,334	239,400,971

See condensed notes to the financial statements

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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 SEPTEMBER 30, 2023
“UNAUDITED”**

1. THE COMPANY’S OPERATIONS AND GENERAL INFORMATION

Phillip Life Assurance Public Company Limited (the “Company”) was established as a public company under Thai laws and domiciled in Thailand. As at September 30, 2023 and December 31, 2022, major shareholder is Phillip Life Company Limited, which was incorporated in Singapore, holding 99.79% 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 September 30, 2023 and December 31, 2022, the Company had altogether 10 branches and 12 branches, respectively.

The Company has extensive transactions and relationships with its related parties. Accordingly, the accompanying financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred had the Company operated without such affiliations.

On August 9, 2013, the Company received approval for waiver from the Office of Insurance Commission (OIC) allowing foreign shareholders to hold the Company’s shares exceed 49% of the shares and non-Thai directors more than half of the total number of directors of the Company for a period of 10 years and shall be extended for another 5 years. The Company is required to comply with requirements under such approval.

On February 8, 2023, the Company sent the letter to OIC to consult on extending the waiver period for another 5 years, including recruiting legal advisors for opinions and advices regarding the process of extending the waiver period and complying with requirements under such approval.

On July 26, 2023, the Company submitted the letter to OIC the plan for diluting of foreign shareholders within August 2028 for consideration of extending the waiver period for another 5 years. This is being considered by OIC. During this period, the Company is able to do its operation.

2. BASIS OF PREPARATION OF INTERIM FINANCIAL INFORMATION

- 2.1 These interim consolidated and separate financial statements are prepared in Thai Baht and in compliance with Thai Accounting Standard No. 34 “Interim Financial Reporting” and accounting practices generally accepted in Thailand. The Company presents the condensed notes to interim financial statements and in accordance with Thai accounting practices related to insurance and the accounting and reporting guidelines prescribed by the Office of Insurance Commission (“OIC”), and in accordance with the format of financial statements specified in the Notification of the OIC regarding Rules, Procedures, Conditions and Periods for preparation and submission of financial statements of life insurance companies B.E. 2566 (2023) dated February 8, 2023, which has been effective since January 1, 2023 onwards.
- 2.2 The consolidated and separate statements of financial position as at December 31, 2022, presented herein for comparison, have been derived from the consolidated and separate financial statements of the Company for the year then ended which had been previously audited.
- 2.3 The English version of the interim financial statements for the three-month and nine-month periods ended September 30, 2023 have been prepared from the Thai version of the interim financial statements prepared by law. In the event of any conflict or different interpretation of the two different languages, the Thai version interim financial statements in accordance with the Thai law is superseded.
- 2.4 The unaudited results of operations presented in the three-month and nine-month periods ended September 30, 2023 are not necessarily an indication nor anticipation of the operating results for the full year.
- 2.5 Certain financial information which is normally included in the annual financial statements prepared in accordance with TFRS, but which is not required for interim reporting purposes, has been omitted. Therefore, the interim financial statements for the three-month and nine-month periods ended September 30, 2023 should be read in conjunction with the audited financial statements for the year ended December 31, 2022.
- 2.6 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	
			September 30, 2023 (Percent)	December 31, 2022 (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.

2.7 Separate financial statements

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

- ## 2.8
- The preparation of interim financial statements in conformity with Thai Accounting Standard No. 34 also requires the Company's management to exercise judgements in order to determine the accounting policies, estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenue and expense during the reporting period. Although, these estimates are based on management's reasonable consideration of current events, actual results may differ from these estimates.

2.9 Thai Financial Reporting Standards affecting the presentation and disclosure in the current period financial statements

During the period, the Group has adopted the revised financial reporting standards issued by the Federation of Accounting Professions which are effective for fiscal years beginning on or after January 1, 2023. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology and clarification of accounting requirements. The adoption of these financial reporting standards does not have any significant impact on the Group's interim financial statements.

In addition, The Federation of Accounting Professions issued the accounting guidelines for financial instruments and disclosures on insurance business, which has been announced in the Royal Gazette on November 30, 2022 and effective for the financial statements for the period beginning on or after January 1, 2023 onwards with earlier application permitted. The adoption of the accounting guidelines for financial instruments and disclosures on insurance business do not have any significant impact on the Group's interim financial statements.

2.10 Thai Financial Reporting Standards announced in the Royal Gazette but not yet effective

Thai Financial Reporting Standard which will be effective for the financial statements for the period beginning on or after January 1, 2024, onwards

On August 8, 2023, the revised TFRSs have been announced in the Royal Gazette which mostly are the amendments of wordings and the references of Thai Financial Reporting Standard No.17 “Insurance Contracts”. TFRSs which have been amended and are relevant to the Group are as follows:

Thai Accounting Standard No.1 “Presentation of Financial Statements”

The amendments change the requirements regarding the disclosure of accounting policies from “significant accounting policies” to “material accounting policy information”. Accounting policy information is material if, when considered together with other information included in an entity’s financial statements, it can reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements.

Thai Accounting Standard No.8 “Accounting Policies, Changes in Accounting Estimates and Errors”

The amendments change the definition of accounting estimates to be “monetary amounts in financial statements that are subject to measurement uncertainty”, to help an entity to be able to segregate the difference of “change in accounting estimates” from “change in accounting policies”.

Thai Accounting Standard No.12 “Income Taxes”

The amendments add the requirements for the initial recognition of deferred tax, which give rise to equal taxable and deductible temporary differences such as right-of-use assets and lease liabilities and decommissioning obligation. The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognizes a deferred tax asset, to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilized, and a deferred tax liability for all deductible and taxable temporary differences associated with such transactions. The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate).

The Group’s management will adopt such TFRSs in the preparation of the Group’s financial statements when they become effective. The Group’s management is in the process to assess the impact of these TFRSs on the financial statements of the Group in the period of initial application.

Thai Financial Reporting Standard which will be effective for the financial statements for the period beginning on or after January 1, 2025, onwards

On August 19, 2022, Thai Financial Reporting Standard No.17 “Insurance Contracts” has been announced in the Royal Gazette. This Standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes Thai Financial Reporting Standard No.4 “Insurance Contracts”.

The Group’s management will adopt TFRS 17 in the preparation of the Group’s financial statements when it becomes effective. The Group’s management is in the process to assess the impact of this TFRS on the financial statements of the Group in the period of initial application.

3. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements have been prepared based on basis, accounting policies and method of computation consistent with those used in the financial statements for the year ended December 31, 2022.

4. CASH AND CASH EQUIVALENTS

4.1 Cash and cash equivalents as at September 30, 2023 and December 31, 2022, consist of:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	As at September 30, 2023	As at December 31, 2022	As at September 30, 2023	As at December 31, 2022
Cash on hand	140	364	140	364
Deposits at banks with no fixed maturity date	1,286,020	292,368	1,279,939	286,323
Investments with maturity periods of not longer than 3 months	-	69,964	-	69,964
Total cash and cash equivalents	1,286,160	362,696	1,280,079	356,651
<u>Less</u> Allowance for expected credit losses	(715)	(95)	(712)	(92)
Cash and cash equivalents - net	1,285,445	362,601	1,279,367	356,559

4.2 Non-cash items

Cash paid for repayment of lease liabilities for the nine-month periods ended September 30, 2023 and 2022 were as follows:

	Unit : Thousand Baht Consolidated and separate financial statements	
	2023	2022
Cash paid for repayment of lease liabilities		
Lease liabilities - beginning	15,494	50,136
Addition lease liabilities	46,264	3,113
Remeasurement during the periods	-	(10,243)
Cancelled lease contracts during the periods	-	(5,880)
<u>Less</u> Cash paid for repayment of lease liabilities	(13,461)	(15,898)
Lease liabilities - ending	48,297	21,228

5. PREMIUM RECEIVABLES

As at September 30, 2023 and December 31, 2022, 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	
	As at	As at
	September 30,	December 31,
	2023	2022
Not yet due	108,555	174,142
Not over 30 days	-	-
Over 30 days to 60 days	-	-
Over 60 days to 90 days	4	5
Overdue longer than 90 days	5,535	5,660
Total premium receivables	<u>114,094</u>	<u>179,807</u>
<u>Less</u> Allowance for doubtful accounts	<u>(5,509)</u>	<u>(5,638)</u>
Premium receivables - net	<u><u>108,585</u></u>	<u><u>174,169</u></u>

6. REINSURANCE ASSETS

As at September 30, 2023 and December 31, 2022, reinsurance assets consisted of reserves refundable from reinsurers as follows:

	Unit : Thousand Baht	
	Consolidated and separate	
	financial statements	
	As at	As at
	September 30,	December 31,
	2023	2022
Insurance reserve refundable from reinsurers		
Unearned premium reserves	7,856	8,951
Unexpired risk reserves	1,542	1,395
Loss reserves		
Claims incurred and reported	194	135
Claims incurred but not yet reported	48	24
Reinsurance assets (see Note 14)	<u><u>9,640</u></u>	<u><u>10,505</u></u>

7. REINSURANCE RECEIVABLES

As at September 30, 2023 and December 31, 2022, reinsurance receivables consisted of the following:

	Unit : Thousand Baht	
	Consolidated and separate financial statements	
	As at	As at
	September 30,	December 31,
	2023	2022
Amounts due from reinsurers	4,103	2,113
Reinsurance receivables	<u>4,103</u>	<u>2,113</u>

8. INVESTMENTS IN SECURITIES

8.1 Classified by investment type

	Unit : Thousand Baht			
	Consolidated and separate financial statements			
	As at September 30, 2023		As at December 31, 2022	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Investments at fair value through profit or loss				
Domestic unit trusts	1,564,534	1,583,091	2,600,200	2,641,328
Foreign unit trusts	807,451	930,750	846,362	930,636
Total	<u>2,371,985</u>	<u>2,513,841</u>	<u>3,446,562</u>	<u>3,571,964</u>
Add Unrealised gains	141,856		125,402	
Investments at fair value through profit or loss - net	<u>2,513,841</u>		<u>3,571,964</u>	
Investments at fair value through other comprehensive income				
Government and state enterprise securities	2,945,137	2,778,393	2,806,027	2,747,025
Private sector debt securities	2,692,470	2,632,678	2,744,135	2,708,813
Domestic common stocks	390,620	396,422	401,029	418,355
Foreign common stocks	1,236,511	1,963,381	1,236,511	1,916,410
Domestic unit trusts	862,559	663,777	878,599	815,178
Foreign unit trusts	163,940	183,743	162,490	181,251
Total	<u>8,291,237</u>	<u>8,618,394</u>	<u>8,228,791</u>	<u>8,787,032</u>
Add Unrealised gains	446,671		671,055	
Less Allowance for impairment	(26,599)		(20,699)	
Less Allowance for expected credit losses	<u>(92,915)</u>		<u>(92,115)</u>	
Investments at fair value through other comprehensive income - net	<u>8,618,394</u>		<u>8,787,032</u>	
Investments at amortised cost				
Deposits at financial institutions with maturity period of longer than 3 months	-		10,317	
Less Allowance for expected credit losses	-		-	
Investments at amortised cost - net	<u>-</u>		<u>10,317</u>	
Investments in securities - net	<u>11,132,235</u>		<u>12,369,313</u>	

8.2 Classified by stage of credit risk

	Unit : Thousand Baht			
	Consolidated and separate financial statements			
	As at September 30, 2023		As at December 31, 2022	
	Fair value	Allowance for expected credit losses	Fair value	Allowance for expected credit losses
Investments at fair value through other comprehensive income				
Stage 1 - Debt securities without a significant increase of credit risk	5,516,342	(1,387)	5,557,359	(1,845)
Stage 3 - Credit-impaired debt securities	78,472	(91,528)	79,730	(90,270)
Total	5,594,814	(92,915)	5,637,089	(92,115)

	Unit : Thousand Baht		
	Consolidated and separate financial statements		
	As at September 30, 2023		
	Gross carrying value	Allowance for expected credit losses	Net carrying value
Investments at amortised cost			
Stage 1 - Debt securities without a significant increase of credit risk	-	-	-
Total	-	-	-

	Unit : Thousand Baht		
	Consolidated and separate financial statements		
	As at December 31, 2022		
	Gross carrying value	Allowance for expected credit losses	Net carrying value
Investments at amortised cost			
Stage 1 - Debt securities without a significant increase of credit risk	10,317	-	10,317
Total	10,317	-	10,317

8.3 Investments subject to restrictions

As at September 30, 2023 and December 31, 2022, the Group placed certain assets as securities and insurance reserves as follows:

	Unit : Thousand Baht			
	Consolidated and separate financial statements			
	As at September 30, 2023		As at December 31, 2022	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Placed with the Life Assurance Registrar:				
As securities	22,244	20,783	22,443	21,858
As life insurance reserves	2,817,028	2,662,290	2,333,988	2,268,605
Total	2,839,272	2,683,073	2,356,431	2,290,463

8.4 Revaluation surplus on investments at fair value through other comprehensive income

	Unit : Thousand Baht	
	As at September 30, 2023	As at December 31, 2022
Balances at beginning of the periods	444,545	812,851
Losses on revaluation during the periods	(267,614)	(392,531)
Recognition (reversal) of expected credit losses in profit or loss	800	(915)
Recognition of impairment loss in profit or loss	5,900	1,827
Recognition of losses on sales in profit or loss	36,520	23,313
Balances at ending of the periods	<u>220,151</u>	<u>444,545</u>
<u>Less</u> Income taxes	<u>(44,030)</u>	<u>(88,909)</u>
Balances at ending of the periods - net of income taxes	<u>176,121</u>	<u>355,636</u>

9. LOANS AND INTEREST RECEIVABLES

9.1 Loans and interest receivables classified by overdue periods

As at September 30, 2023 and December 31, 2022, the balances of loans and interest receivables classified by overdue periods of principal and interest receivables were as follows:

Overdue periods	Unit : Thousand Baht								Total
	Consolidated and separate financial statements								
	As at September 30, 2023								
	Policy loans		Mortgage loans		Other loans		Total		
	Principal	Interest receivables	Principal	Interest receivables	Principal	Interest receivables	Principal	Interest receivables	
Not yet due	532,471	16,283	42,245	86	12	-	574,728	16,369	591,097
Overdue:									
Less than 3 months	-	-	19,553	669	-	-	19,553	669	20,222
3 - 6 months	-	-	412	8	-	-	412	8	420
6 - 12 months	-	-	654	17	-	-	654	17	671
Over 12 months	-	-	338,066	72,554	-	-	338,066	72,554	410,620
Total	<u>532,471</u>	<u>16,283</u>	<u>400,930</u>	<u>73,334</u>	<u>12</u>	<u>-</u>	<u>933,413</u>	<u>89,617</u>	<u>1,023,030</u>
<u>Less</u> Allowance for expected credit losses	<u>-</u>	<u>-</u>	<u>(198,935)</u>	<u>(35,986)</u>	<u>-</u>	<u>-</u>	<u>(198,935)</u>	<u>(35,986)</u>	<u>(234,921)</u>
Loans and interest receivables - net	<u>532,471</u>	<u>16,283</u>	<u>201,995</u>	<u>37,348</u>	<u>12</u>	<u>-</u>	<u>734,478</u>	<u>53,631</u>	<u>788,109</u>

Unit : Thousand Baht

Consolidated and separate financial statements

As at December 31, 2022

Overdue periods	Policy loans		Mortgage loans		Other loans		Total		Total
	Principal	Interest receivables	Principal	Interest receivables	Principal	Interest receivables	Principal	Interest receivables	
Not yet due	497,987	14,189	67,650	593	-	-	565,637	14,782	580,419
Overdue:									
Less than 3 months	-	-	8,215	15	-	-	8,215	15	8,230
3 - 6 months	-	-	926	12	-	-	926	12	938
6 - 12 months	-	-	-	-	-	-	-	-	-
Over 12 months	-	-	343,608	61,725	-	-	343,608	61,725	405,333
Total	497,987	14,189	420,399	62,345	-	-	918,386	76,534	994,920
Less Allowance for expected credit losses	-	-	(201,371)	(29,444)	-	-	(201,371)	(29,444)	(230,815)
Loans and interest receivables - net	497,987	14,189	219,028	32,901	-	-	717,015	47,090	764,105

As at September 30, 2023 and December 31, 2022, 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 lands and buildings.

As at September 30, 2023, 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 rate 7 percent per annum (As at December 31, 2022 : Nil).

9.2 Loans and interest receivables classified by staging of credit risk

As at September 30, 2023 and December 31, 2022, the balances of loan and interest receivables (excluding policy loans and interest receivables), classified by staging of credit risk were as follows:

Unit : Thousand Baht

Consolidated and separate financial statements

As at September 30, 2023

Staging of credit risk	Mortgage loans		Other loans		Total		Total
	Principal	Interest receivables	Principal	Interest receivables	Principal	Interest receivables	
Stage 1 - Loans without a significant increase of credit risk	40,822	9	12	-	40,834	9	40,843
Stage 2 - Loans with significant increases of credit risk	12,237	664	-	-	12,237	664	12,901
Stage 3 - Credit impairment loans	347,871	72,661	-	-	347,871	72,661	420,532
Total	400,930	73,334	12	-	400,942	73,334	474,276
Less Allowance for expected credit losses	(198,935)	(35,986)	-	-	(198,935)	(35,986)	(234,921)
Loans and interest receivables - net	201,995	37,348	12	-	202,007	37,348	239,355

Unit : Thousand Baht

Consolidated and separate financial statements
As at December 31, 2022

Staging of credit risk	Mortgage loans		Other loans		Total		Total
	Principal	Interest receivables	Principal	Interest receivables	Principal	Interest receivables	
Stage 1 - Loans without a significant increase of credit risk	46,186	-	-	-	46,186	-	46,186
Stage 2 - Loans with significant increases of credit risk	14,218	594	-	-	14,218	594	14,812
Stage 3 - Credit impairment loans	359,995	61,751	-	-	359,995	61,751	421,746
Total	420,399	62,345	-	-	420,399	62,345	482,744
Less Allowance for expected credit losses	(201,371)	(29,444)	-	-	(201,371)	(29,444)	(230,815)
Loans and interest receivables - net	219,028	32,901	-	-	219,028	32,901	251,929

10. INVESTMENT IN A SUBSIDIARY

As at September 30, 2023 and December 31, 2022, detail of investment in a subsidiary, as presented in the separate financial statements, was as follows:

Unit : Thousand Baht

Company's name	Type of business	Country of incorporation	Issued and paid-up share capital		Shareholding percentage		Cost		Carrying value under equity method	
			As at	As at	As at	As at	As at	As at	As at	As at
			September 30, 2023	December 31, 2022	September 30, 2023 (%)	December 31, 2022 (%)	September 30, 2023	December 31, 2022	September 30, 2023	December 31, 2022
Phillip Insurance Broker Company Limited	Non-life insurance broker	Thailand	5,000	5,000	99.88	99.88	4,994	4,994	5,593	5,851
Total investment in a subsidiary							4,994	4,994	5,593	5,851

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.

11. PREMISES AND EQUIPMENT

Premises and equipment as at September 30, 2023 and December 31, 2022, consisted of the following:

	Consolidated and separate financial statements					Unit : Thousand Baht
	Land	Buildings and building improvements	Furniture, fixtures and office equipment	Computers	Motor vehicles	Total
Cost:						
January 1, 2023	36,714	265,182	55,544	67,780	2,745	427,965
Additions	-	67	26	630	-	723
Transfer in (out)	-	-	-	-	-	-
Disposals/write-off	-	(3,092)	(3,160)	(4,019)	-	(10,271)
September 30, 2023	<u>36,714</u>	<u>262,157</u>	<u>52,410</u>	<u>64,391</u>	<u>2,745</u>	<u>418,417</u>
Accumulated depreciation:						
January 1, 2023	-	151,723	52,416	56,832	1,707	262,678
Depreciation for the period	-	13,330	1,834	3,738	210	19,112
Disposals/write-off	-	(3,086)	(3,122)	(3,639)	-	(9,847)
September 30, 2023	<u>-</u>	<u>161,967</u>	<u>51,128</u>	<u>56,931</u>	<u>1,917</u>	<u>271,943</u>
Net carrying value						
December 31, 2022	<u>36,714</u>	<u>113,459</u>	<u>3,128</u>	<u>10,948</u>	<u>1,038</u>	<u>165,287</u>
September 30, 2023	<u>36,714</u>	<u>100,190</u>	<u>1,282</u>	<u>7,460</u>	<u>828</u>	<u>146,474</u>

As at September 30, 2023 and December 31, 2022, the Company's certain buildings and equipment items have been fully depreciated but are still in use. The cost of those assets amounted to approximately Baht 194.51 million and Baht 159.07 million, respectively.

Depreciation for the three-month periods ended September 30, 2023 and 2022 amounting to Baht 5.98 million and Baht 7.05 million, respectively, and depreciation for the nine-month periods ended September 30, 2023 and 2022 amounting to Baht 19.11 million and Baht 22.11 million, respectively, were included in operating expenses.

12. LEASES

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

12.1 Right-of-use assets

Right-of-use assets as at September 30, 2023 and December 31, 2022, consisted of the following:

	Unit : Thousand Baht	
	Consolidated and separate	
	financial statements	
	Leased buildings	
Net carrying value as at January 1, 2023		11,631
Additions during the period		42,470
Depreciation for the period		(12,894)
Net carrying value as at September 30, 2023		<u>41,207</u>

12.2 Lease liabilities

	Unit : Thousand Baht	
	Consolidated and separate	
	financial statements	
	As at	As at
	September 30,	December 31,
	2023	2022
Amounts of lease payments	48,297	15,494
<u>Less</u> Deferred interest expenses	<u>(3,310)</u>	<u>(281)</u>
Lease liabilities	44,987	15,213
<u>Less</u> Current portion	<u>(15,129)</u>	<u>(13,318)</u>
Lease liabilities - net of current portion	<u>29,858</u>	<u>1,895</u>

13. OTHER ASSETS

As at September 30, 2023 and December 31, 2022, other assets consisted of the following items:

	Consolidated		Unit : Thousand Baht Separate	
	financial statements		financial statements	
	As at September 30, 2023	As at December 31, 2022	As at September 30, 2023	As at December 31, 2022
Rental deposits	4,359	4,635	4,359	4,635
Agents and brokers receivables	7,301	7,992	7,301	7,992
Other receivables*	14,538	142,974	14,538	142,974
Withholding taxes	47,031	40,163	47,031	40,163
Receivables from sales of investments	-	35,068	-	35,068
Receivable from the Legal Execution Department	3,829	3,829	3,829	3,829
Others	43,873	34,021	43,236	33,482
Total	120,931	268,682	120,294	268,143
<u>Less</u> Allowance for doubtful	<u>(16,080)</u>	<u>(87,700)</u>	<u>(16,080)</u>	<u>(87,700)</u>
Other assets - net	104,851	180,982	104,214	180,443

* On September 8, 2023, the Company received payment from the disputed receivable presented as other receivable as at December 31, 2022 amounting to Baht 126.61 million. The relevant allowance for doubtful has been reversed.

14. INSURANCE CONTRACT LIABILITIES

	Unit : Thousand Baht					
	Consolidated and separate financial statements					
	As at September 30, 2023			As at December 31, 2022		
Insurance contract liabilities	Reinsurance of liabilities (see Note 6)	Net	Insurance contract liabilities	Reinsurance of liabilities (see Note 6)	Net	
Long-term insurance policy reserves	8,506,567	-	8,506,567	8,456,637	-	8,456,637
Loss reserves						
Claims incurred and reported	96,503	(194)	96,309	97,452	(135)	97,317
Claims incurred but not yet reported	74,801	(48)	74,753	84,115	(24)	84,091
Premium reserves						
Unearned premium reserves	276,272	(7,856)	268,416	348,841	(8,951)	339,890
Unexpired risk reserves	110,083	(1,542)	108,541	147,452	(1,395)	146,057
Unpaid policy benefits	42,688	-	42,688	48,228	-	48,228
Other insurance liabilities	560,194	-	560,194	596,906	-	596,906
Total	9,667,108	(9,640)	9,657,468	9,779,631	(10,505)	9,769,126

14.1 Long-term insurance contract reserves

	Unit : Thousand Baht Consolidated and separate financial statements	
	As at September 30, 2023	As at December 31, 2022
Balances - beginning of the period/year	8,456,637	9,310,423
Reserves increased for new businesses and inforce policies	944,889	1,487,670
Reserves released from death, benefit paid, lapse and surrender	(862,151)	(1,303,372)
Adjustments due to changes in assumptions	(119,625)	(1,052,450)
Adjustments due to changes in experience	86,817	14,366
Balances - ending of the period/year	<u>8,506,567</u>	<u>8,456,637</u>

14.2 Short-term insurance contract reserves

(a) Loss reserves

	Unit : Thousand Baht Consolidated and separate financial statements	
	As at September 30, 2023	As at December 31, 2022
Balances - beginning of the period/year	181,567	306,488
Claims incurred in the current period/year	871,691	1,116,993
Changes in loss reserves from prior years	(75,025)	(148,879)
Claims paid during the period/year	(806,929)	(1,093,035)
Balances - ending of the period/year	<u>171,304</u>	<u>181,567</u>

(b) Unearned premium reserves

	Unit : Thousand Baht Consolidated and separate financial statements	
	As at September 30, 2023	As at December 31, 2022
Balances - beginning of the period/year	348,841	360,577
Premium written for the period/year	473,000	786,754
Premium earned for the period/year	(545,569)	(798,490)
Balances - ending of the period/year	<u>276,272</u>	<u>348,841</u>

(c) Unexpired risk reserves

	Unit : Thousand Baht Consolidated and separate financial statements	
	As at September 30, 2023	As at December 31, 2022
Balances - beginning of the period/year	496,293	421,352
Estimated claims	669,958	1,125,680
Risk expired during the period/year	(779,896)	(1,050,739)
Balances - ending of the period/year	<u>386,355</u>	<u>496,293</u>

As at September 30, 2023 and December 31, 2022, the Company has an excess of unexpired risk reserves from unearned premium reserves net of reinsurance by Baht 108.54 million and Baht 146.06 million, respectively.

14.3 Unpaid policy benefits

	Unit : Thousand Baht Consolidated and separate financial statements	
	As at September 30, 2023	As at December 31, 2022
Death benefits	4,108	5,951
Maturity payments	17,956	17,184
Surrender	1,468	1,348
Benefit payments under policies	479	604
Others	18,677	23,141
Total unpaid policy benefits	<u>42,688</u>	<u>48,228</u>

14.4 Other insurance liabilities

	Unit : Thousand Baht Consolidated and separate financial statements	
	As at September 30, 2023	As at December 31, 2022
Deposits of the insured	538,824	563,508
Premiums received in advance	10,864	19,425
Suspense accounts to settle with premium	10,506	13,973
Total other insurance liabilities	<u>560,194</u>	<u>596,906</u>

15. REINSURANCE PAYABLES

As at September 30, 2023 and December 31, 2022, the Company had reinsurance payables classified by type of liabilities as follows:

	Unit : Thousand Baht Consolidated and separate financial statements	
	As at September 30, 2023	As at December 31, 2022
Amount due to reinsurers	8,727	8,522
Total due to reinsurers	<u>8,727</u>	<u>8,522</u>

16. DEFERRED TAX LIABILITIES AND INCOME TAX INCOMES (EXPENSES)

16.1 Deferred tax liabilities

As at September 30, 2023 and December 31, 2022, deferred tax liabilities consisted of tax effects arose from the following temporary difference items:

	Unit : Thousand Baht Consolidated and separate financial statements					
	As at September 30, 2023	As at December 31, 2022	Changes in deferred tax liabilities for the three-month periods ended September 30,		Changes in deferred tax liabilities for the nine-month periods ended September 30,	
			2023	2022	2023	2022
Deferred tax liabilities arose from:						
Unrealised gains on investments at fair value through other comprehensive income	44,030	88,909	35,115	38,049	44,879	127,403
Unrealised gains on investments at fair value through profit or loss	9,326	9,552	82	7,892	226	34,003
Total deferred tax liabilities	<u>53,356</u>	<u>98,461</u>				
Total changes			<u>35,197</u>	<u>45,941</u>	<u>45,105</u>	<u>161,406</u>
Recognition of changes in:						
- Profit or loss			82	7,892	226	34,003
- Other comprehensive income			35,115	38,049	44,879	127,403
Total changes			<u>35,197</u>	<u>45,941</u>	<u>45,105</u>	<u>161,406</u>

As at September 30, 2023 and December 31, 2022, 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 amounted to Baht 1,103.58 million and Baht 969.67 million, respectively.

16.2 Income tax incomes (expenses)

Income tax incomes (expenses) for the three-month and nine-month periods ended September 30, 2023 and 2022 were made up as follows:

	Unit : Thousand Baht			
	Consolidated and separate financial statements			
	For the three-month periods ended September 30,		For the nine-month periods ended September 30,	
	2023	2022	2023	2022
Current income taxes:				
Corporate income tax for the periods	-	(30,524)	-	(150,594)
Deferred income taxes:				
Relating to origination and reversal of temporary differences	82	7,892	226	34,003
Income tax incomes (expenses) recognised in profit or loss	<u>82</u>	<u>(22,632)</u>	<u>226</u>	<u>(116,591)</u>

Reconciliations between income tax incomes (expenses) and the product of accounting gain (loss) for the three-month and nine-month periods ended September 30, 2023 and 2022 and the applicable tax rate were as follows:

	Unit : Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	For the three-month periods ended September 30,		For the three-month periods ended September 30,	
	2023	2022	2023	2022
Accounting gain before income tax incomes (expenses)	<u>347,795</u>	<u>34,134</u>	<u>347,796</u>	<u>34,134</u>
Applicable tax rate	20%	20%	20%	20%
Amount of income taxes at the applicable tax rate	(69,559)	(6,827)	(69,559)	(6,827)
Net tax effect on revenues or expenses that are not taxable or not deductible in determining taxable profits	6,100	1,069	6,100	1,069
Temporary differences, which are not recognised as deferred tax assets	4,318	(20,571)	4,318	(20,571)
Taxes on loss carried forward loss which were expected not to be utilised and not recorded as deferred tax assets but utilised during the periods	<u>59,223</u>	<u>3,697</u>	<u>59,223</u>	<u>3,697</u>
Income tax incomes (expenses) recognised in profit or loss	<u>82</u>	<u>(22,632)</u>	<u>82</u>	<u>(22,632)</u>

	Unit : Thousand Baht			
	Consolidated financial statements For the nine-month periods ended September 30, 2023		Separate financial statements For the nine-month periods ended September 30, 2022	
Accounting gain (loss) before income tax incomes (expenses)	(57,537)	1,497,556	(57,537)	1,497,555
Applicable tax rate	20%	20%	20%	20%
Amount of income taxes at the applicable tax rate	11,507	(299,511)	11,507	(299,511)
Net tax effect on revenues or expenses that are not taxable or not deductible in determining taxable profits	12,444	2,554	12,444	2,554
Temporary differences, which are not recognised as deferred tax assets	27,615	754	27,615	754
Taxes on loss carried forward loss which were expected not to be utilised and not recorded as deferred tax assets but utilised during the periods	-	179,612	-	179,612
Taxes on loss for the periods, which are expected not to be able to utilise and were not recorded as deferred tax assets	(51,340)	-	(51,340)	-
Income tax incomes (expenses) recognised in profit or loss	226	(116,591)	226	(116,591)

The amounts of income taxes relating to each component of other comprehensive income for the three-month and nine-month periods ended September 30, 2023 and 2022 were as follows:

	Unit : Thousand Baht			
	Consolidated and separate financial statements For the three-month periods ended September 30, 2023		For the nine-month periods ended September 30, 2022	
Income taxes relating to:				
Investments at fair value through other comprehensive income				
Losses on revaluation during the periods	35,948	37,640	53,523	121,407
Reversal (Recognition) of expected credit losses in profit or loss	5	(25)	(160)	161
Reversal (Recognition) of impairment losses in profit or loss	33	1	(1,180)	(77)
Recognition of gains (losses) on sales in profit or loss	(871)	433	(7,304)	5,912
Income taxes reported in other comprehensive income	35,115	38,049	44,879	127,403

17. OTHER LIABILITIES

As at September 30, 2023 and December 31, 2022, other liabilities consisted of the following items:

	Consolidated financial statements		Unit : Thousand Baht Separate financial statements	
	As at September 30, 2023	As at December 31, 2022	As at September 30, 2023	As at December 31, 2022
Accrued commission and brokerage expenses	23,522	43,995	23,522	43,995
Deposits from agents	63,969	68,038	63,969	68,038
Accrued operating expenses	26,958	47,740	25,844	47,017
Payables from purchases of investments	-	7,573	-	7,573
Others	18,346	10,599	18,346	10,599
Total other liabilities	132,795	177,945	131,681	177,222

18. EXPECTED CREDIT LOSSES AND IMPAIRMENT LOSSES (REVERSAL)

	Consolidated financial statements For the three-month periods ended September 30,		Unit : Thousand Baht Separate financial statements For the three-month periods ended September 30,	
	2023	2022	2023	2022
Expected credit losses (Reversal)				
Cash and cash equivalents	431	(53)	431	(53)
Accrued investment income	635	889	635	889
Investments in securities	(24)	123	(24)	123
Loans and interest receivables	780	5,572	780	5,572
Impairment losses (Reversal)				
Investments in securities	(165)	-	(165)	-
Total	1,657	6,531	1,657	6,531

	Consolidated financial statements For the nine-month periods ended September 30,		Unit : Thousand Baht Separate financial statements For the nine-month periods ended September 30,	
	2023	2022	2023	2022
Expected credit losses (Reversal)				
Cash and cash equivalents	620	(126)	620	(126)
Accrued investment income	1,891	2,511	1,891	2,510
Investments in securities	800	(806)	800	(806)
Loans and interest receivables	4,106	(10,752)	4,106	(10,752)
Impairment losses (Reversal)				
Investments in securities	5,900	-	5,900	-
Total	13,317	(9,173)	13,317	(9,174)

19. EARNINGS (LOSSES) PER SHARE

Basic earnings (losses) 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 (losses) per share for the three-month and nine-month periods ended September 30, 2023 and 2022 were determined as follows:

	Consolidated financial statements For the three-month periods ended September 30,		Separate financial statements For the three-month periods ended September 30,	
	2023	2022	2023	2022
Net profit attributable to the Company's shareholders (Thousand Baht)	347,877	11,501	347,877	11,501
Weighted average number of ordinary shares (Thousand shares)	957,500	957,500	957,500	957,500
Basic earnings per share (Baht/share)	0.36	0.01	0.36	0.01

	Consolidated financial statements For the nine-month periods ended September 30,		Separate financial statements For the nine-month periods ended September 30,	
	2023	2022	2023	2022
Net profit (loss) attributable to the Company's shareholders (Thousand Baht)	(57,311)	1,380,965	(57,310)	1,380,964
Weighted average number of ordinary shares (Thousand shares)	957,500	957,500	957,500	957,500
Basic earnings (losses) per share (Baht/share)	(0.06)	1.44	(0.06)	1.44

20. RELATED PARTY TRANSACTIONS

20.1 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

20.2 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:

	Consolidated and separate financial statements				Pricing policy
	For the three-month periods ended		For the nine-month periods ended		
	September 30, 2023	2022	September 30, 2023	2022	
Unit : Thousand Baht					
Related companies					
Revenue					
Gross written premiums	-	188	-	188	Normal commercial terms
Expenses					
Securities management fee	1,234	1,261	3,741	3,745	Contract rates or agreed-upon rates
Commission expenses	134	283	517	848	Contract rates or agreed-upon rates

20.3 Outstanding balances with related parties

As at September 30, 2023 and December 31, 2022, the outstanding balances between the Company and its related parties were as follows:

	Consolidated and separate financial statements	
	As at September 30, 2023	As at December 31, 2022
	Unit : Thousand Baht	
Related companies		
Assets		
Premium receivables	24	21
Liabilities		
Accrued securities management fee	1,234	1,255

20.4 Directors and key management's remunerations

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

	Consolidated and separate financial statements			
	For the three-month periods ended		For the nine-month periods ended	
	September 30, 2023	2022	September 30, 2023	2022
Unit : Thousand Baht				
Short-term employee benefits	6,929	5,788	23,215	19,241
Long-term employee benefits	(38)	345	670	725
Total	6,891	6,133	23,885	19,966

21. COMMITMENTS AND CONTINGENT LIABILITIES

Non-cancellable low valued lease commitments and service agreements

The Group had future minimum lease payments required under non-cancellable low valued lease and service agreements as follows:

	Unit : Thousand Baht	
	Consolidated and separate financial statements	
	As at September 30, 2023	As at December 31, 2022
Within one year	3,213	5,875
Over one year to five years	727	531
Total	3,940	6,406

For the three-month and nine-month periods ended September 30, 2023, the Group recorded expense according to the non-cancellable low valued lease and service agreements in the consolidated and separate statements of profit or loss and other comprehensive income of Baht 2.89 million and Baht 6.01 million, respectively (For the three-month and nine-month periods ended September 30, 2022, Baht 1.30 million and Baht 2.96 million, respectively).

22. LITIGATIONS

As at September 30, 2023 and December 31, 2022, the Company had outstanding litigation cases whereby the Company has been sued for the amount of Bah 17.20 million and Baht 5.03 million, respectively. The judgment of the cases has not yet been finalised and the Company's management believes that the Company will win the cases and there will be no payments as a result of such claims. Therefore, the Company recorded no provision of liabilities on those litigation cases.

23. FAIR VALUES OF FINANCIAL INSTRUMENTS

As at September 30, 2023 and December 31, 2022, 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				Carrying value
	Consolidated financial statements				
	September 30, 2023				
	Fair value				
	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair values					
Investments at fair value through profit or loss					
Domestic unit trusts	-	1,583,091	-	1,583,091	1,583,091
Foreign unit trusts	-	930,750	-	930,750	930,750
Investments at fair value through other comprehensive income					
Government and state enterprise securities	-	2,778,393	-	2,778,393	2,778,393
Private sector debt securities	-	2,554,206	78,472	2,632,678	2,632,678
Domestic common stocks	388,958	-	7,464	396,422	396,422
Foreign common stocks	1,963,381	-	-	1,963,381	1,963,381
Domestic unit trusts	663,777	-	-	663,777	663,777
Foreign unit trusts	183,743	-	-	183,743	183,743
Financial assets for which fair values were disclosed					
Cash and cash equivalents	1,285,445	-	-	1,285,445	1,285,445
Premium receivables	108,585	-	-	108,585	108,585
Accrued investment income	48,879	-	-	48,879	48,879
Reinsurance receivables	4,103	-	-	4,103	4,103
Policy loans and interest receivables	-	-	584,706	584,706	548,754
Mortgage loans, other loans and interest receivables	-	-	393,525	393,525	239,355
Financial liabilities for which fair values were disclosed					
Reinsurance payables	8,727	-	-	8,727	8,727
Lease liabilities	-	-	44,987	44,987	44,987

Unit : Thousand Baht					
Consolidated financial statements					
December 31, 2022					
	Fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair values					
Investments at fair value through profit or loss					
Domestic unit trusts	-	2,641,328	-	2,641,328	2,641,328
Foreign unit trusts	-	930,636	-	930,636	930,636
Investments at fair value through other comprehensive income					
Government and state enterprise securities	-	2,747,025	-	2,747,025	2,747,025
Private sector debt securities	-	2,629,083	79,730	2,708,813	2,708,813
Domestic common stocks	411,713	-	6,642	418,355	418,355
Foreign common stocks	1,916,410	-	-	1,916,410	1,916,410
Domestic unit trusts	815,178	-	-	815,178	815,178
Foreign unit trusts	181,251	-	-	181,251	181,251
Financial assets for which fair values were disclosed					
Cash and cash equivalents	362,601	-	-	362,601	362,601
Premium receivables	174,169	-	-	174,169	174,169
Accrued investment income	36,069	-	-	36,069	36,069
Reinsurance receivables	2,113	-	-	2,113	2,113
Investments at amortised cost					
Deposits at financial institutions with a maturity period of longer than 3 months	10,317	-	-	10,317	10,317
Policy loans and interest receivables	-	-	564,560	564,560	512,176
Mortgage loans, other loans and interest receivables	-	-	521,491	521,491	251,929
Financial liabilities for which fair values were disclosed					
Reinsurance payables	8,522	-	-	8,522	8,522
Lease liabilities	-	-	15,213	15,213	15,213

Unit : Thousand Baht					
Separate financial statements					
September 30, 2023					
	Fair value				Carrying value
	Level 1	Level 2	Level 3	Total	
Financial assets measured at fair values					
Investments at fair value through profit or loss					
Domestic unit trusts	-	1,583,091	-	1,583,091	1,583,091
Foreign unit trusts	-	930,750	-	930,750	930,750
Investments at fair value through other comprehensive income					
Government and state enterprise securities	-	2,778,393	-	2,778,393	2,778,393
Private sector debt securities	-	2,554,206	78,472	2,632,678	2,632,678
Domestic common stocks	388,958	-	7,464	396,422	396,422
Foreign common stocks	1,963,381	-	-	1,963,381	1,963,381
Domestic unit trusts	663,777	-	-	663,777	663,777
Foreign unit trusts	183,743	-	-	183,743	183,743
Financial assets for which fair values were disclosed					
Cash and cash equivalents	1,279,367	-	-	1,279,367	1,279,367
Premium receivables	108,585	-	-	108,585	108,585
Accrued investment income	48,879	-	-	48,879	48,879
Reinsurance receivables	4,103	-	-	4,103	4,103
Policy loans and interest receivables	-	-	584,706	584,706	548,754
Mortgage loans, other loans and interest receivables	-	-	393,525	393,525	239,355
Financial liabilities for which fair values were disclosed					
Reinsurance payables	8,727	-	-	8,727	8,727
Lease liabilities	-	-	44,987	44,987	44,987

	Unit : Thousand Baht				
	Separate financial statements				
	December 31, 2022				
	Fair value				Carrying
	Level 1	Level 2	Level 3	Total	value
Financial assets measured at fair values					
Investments at fair value through profit or loss					
Domestic unit trusts	-	2,641,328	-	2,641,328	2,641,328
Foreign unit trusts	-	930,636	-	930,636	930,636
Investments at fair value through other comprehensive income					
Government and state enterprise securities	-	2,747,025	-	2,747,025	2,747,025
Private sector debt securities	-	2,629,083	79,730	2,708,813	2,708,813
Domestic common stocks	411,713	-	6,642	418,355	418,355
Foreign common stocks	1,916,410	-	-	1,916,410	1,916,410
Domestic unit trusts	815,178	-	-	815,178	815,178
Foreign unit trusts	181,251	-	-	181,251	181,251
Financial assets for which fair values were disclosed					
Cash and cash equivalents	356,559	-	-	356,559	356,559
Premium receivables	174,169	-	-	174,169	174,169
Accrued investment income	36,069	-	-	36,069	36,069
Reinsurance receivables	2,113	-	-	2,113	2,113
Investments at amortised cost					
Deposits at financial institutions with a maturity period of longer than 3 months	10,317	-	-	10,317	10,317
Policy loans and interest receivables	-	-	564,560	564,560	512,176
Mortgage loans, other loans and interest receivables	-	-	521,491	521,491	251,929
Financial liabilities for which fair values were disclosed					
Reinsurance payables	8,522	-	-	8,522	8,522
Lease liabilities	-	-	15,213	15,213	15,213

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

- (1) The fair values of financial assets and liabilities having short-term maturity, which are cash and cash equivalent, short-term deposits at financial institutes, premium receivables, accrued investment income, reinsurance receivables and reinsurance payables are estimated to approximate their carrying values.
- (2) Investments in government and state enterprise securities and private sector debt securities are determined for fair values using the yield curve as announced by the Thai Bond Market Association.
- (3) Investments in private sector debt securities at fair value level 3 are determined by using best estimates of net realized value.
- (4) Investment in unit trusts which are non-marketable securities has been determined by net asset value at the last working day of the reporting period as quoted on their asset management company.
- (5) Investment in common stocks and unit trusts which are marketable securities, their fair values are generally derived from last bid prices of the last working day of the reporting period.

- (6) Investment in common stocks which are non-marketable securities has been determined by using book value per share, calculated from the last issuer's financial statement.
- (7) Policy loans and interest receivables are estimated from the present value of cash flows discounted by zero coupon bonds.
- (8) Mortgaged loans and interest receivables are estimated from the present value of cash flows discounted by the current market interest rate of the loans with similar terms and conditions.
- (9) Lease liabilities are approximated to their carrying values due to similar approximation between interest rate and market rate.

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

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

	Unit : Thousand Baht Consolidated and separate financial statements
Balance as of January 1, 2023	6,642
Unrealised gain recognised in other comprehensive income	822
Balance as of September 30, 2023	<u>7,464</u>

24. APPROVAL OF INTERIM FINANCIAL INFORMATION

This interim financial information was authorised for issuance by the Company's authorised director on November 10, 2023.