

Prudential Life Assurance (Thailand) Public Company Limited
Review report and financial information
For the three-month and six-month periods ended 30 June 2024



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

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

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Prudential Life Assurance (Thailand) Public Company Limited

I have reviewed the accompanying financial information of Prudential Life Assurance (Thailand) Public Company Limited (the Company), which comprises the statement of financial position as at 30 June 2024, the related statements of comprehensive income for the three-month and six-month periods then ended, the related statements of changes in owners' equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim financial statements (collectively "the interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

Rachada Yongsawadvanich
Certified Public Accountant (Thailand) No. 4951

EY Office Limited
Bangkok: 14 August 2024

Prudential Life Assurance (Thailand) Public Company Limited

Statements of financial position

As at 30 June 2024 and 31 December 2023

(Unit: Thousand Baht)

	Note	30 June 2024 (Unaudited but reviewed)	31 December 2023 (Audited)
Assets			
Cash and cash equivalents	2	2,294,637	5,204,525
Premium receivables	3	1,330,890	1,011,172
Accrued investment income		590,822	603,222
Reinsurance receivables		477,407	319,140
Derivatives assets	4	1,457,085	1,458,973
Investment assets			
Investments in securities	5	128,982,652	123,824,780
Loans and interest receivables	6	4,586,543	4,446,520
Investment assets of the insured	7.1	13,637,690	13,536,714
Assets held for sale		8,967	8,967
Premises and equipment		188,573	178,355
Right-of-use assets		207,792	192,880
Intangible assets		19,248,005	19,508,675
Other assets			
Deferred acquisition costs	8	24,952,321	23,825,254
Collateral receivables under derivative agreement		810,611	64,100
Account receivables on sales of securities		78,459	99,269
Restricted assets		783,605	420,101
Others		253,644	255,491
Total assets		199,889,703	194,958,138

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

Prudential Life Assurance (Thailand) Public Company Limited

Statements of financial position (Continued)

As at 30 June 2024 and 31 December 2023

(Unit: Thousand Baht)

	Note	30 June 2024 (Unaudited but reviewed)	31 December 2023 (Audited)
Liabilities and equity			
Liabilities			
Insurance contract liabilities	9	147,130,756	139,471,918
Investment contract liabilities	7.2	13,680,198	13,626,491
Reinsurance payables		779,910	652,708
Derivatives liabilities	4	1,134,610	532,189
Lease liabilities		201,183	195,471
Employee benefit obligations		298,969	451,093
Deferred tax liabilities	10.1	2,123,943	2,209,456
Other liabilities			
Accrued commission		276,198	385,091
Accrued expenses		1,142,576	2,747,332
Account payables on purchases of securities		203,046	2,514,369
Collateral payables under derivative agreements		783,605	420,101
Other payables		474,336	444,651
Others		644,013	311,133
Total liabilities		168,873,343	163,962,003
Owners' equity			
Share capital			
Registered, issued and paid-up			
2,211,152,652 ordinary shares of Baht 9.14 each		20,209,935	20,209,935
Retained earnings			
Appropriated - Statutory reserves		1,194,852	1,194,852
Unappropriated		16,774,525	16,097,447
Other components of owners' equity		(7,162,952)	(6,506,099)
Total owners' equity		31,016,360	30,996,135
Total liabilities and owners' equity		199,889,703	194,958,138

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

(Unaudited but reviewed)

Prudential Life Assurance (Thailand) Public Company Limited

Statements of comprehensive income

For the three-month periods ended 30 June 2024 and 2023

(Unit: Thousand Baht)

	Note	2024	2023
Profit or loss:			
Revenues			
Gross premium written		8,190,086	7,095,000
Less: Premium ceded to reinsurers		(149,715)	(89,778)
Net premium written		8,040,371	7,005,222
Add: Unearned premium reserves decreased from prior period		120,362	74,213
Net premium earned		8,160,733	7,079,435
Commission and brokerage income		34,647	32,488
Net investment revenues		1,033,122	971,752
Gains on investments		14,507	50,211
Fair value losses		(92,343)	(212,336)
Other income		15,456	13,429
Total revenues		9,166,122	7,934,979
Expenses			
Long-term insurance policy reserves increased from prior period		4,746,989	2,929,854
Benefit payments under life policies and gross claims		2,305,364	3,249,099
Less: Benefit payments under life policies and claims refundable from reinsurance		(60,782)	(63,322)
Commission and brokerage expenses		606,838	597,039
Other underwriting expenses		491,712	454,476
Operating expenses		843,073	768,987
Finance costs		1,283	1,430
Expected credit losses and losses on impairment		12,408	77,950
Total expenses		8,946,885	8,015,513
Profit (loss) before income taxes		219,237	(80,534)
Income tax expenses	10.2	(10,423)	(99,546)
Net profit (loss)		208,814	(180,080)

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

(Unaudited but reviewed)

Prudential Life Assurance (Thailand) Public Company Limited
Statements of comprehensive income (Continued)
For the three-month periods ended 30 June 2024 and 2023

(Unit: Thousand Baht)

Note	2024	2023
Other comprehensive income (loss):		
Items to be recognised in profit or loss in subsequent periods:		
Losses on valuation of available-for-sale investments measured at fair value through other comprehensive income	(2,460,512)	(1,624,895)
Losses on measurement of financial derivatives held for cashflow hedge	(711,872)	(299,768)
Deferred hedging costs	(45,761)	-
Total items to be recognised in profit or loss in subsequent periods	(3,218,145)	(1,924,663)
Add: Income taxes	643,629	377,901
Items to be recognised in profit or loss in subsequent periods - net of income taxes	(2,574,516)	(1,546,762)
Other comprehensive loss for the periods	(2,574,516)	(1,546,762)
Total comprehensive loss for the periods	(2,365,702)	(1,726,842)
Basic earnings per share:		
Earnings (loss) per share (Baht)	0.09	(0.08)

11

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

(Unaudited but reviewed)

Prudential Life Assurance (Thailand) Public Company Limited

Statements of comprehensive income

For the six-month periods ended 30 June 2024 and 2023

(Unit: Thousand Baht)

	Note	2024	2023
Profit or loss:			
Revenues			
Gross premium written		16,180,729	14,045,244
Less: Premium ceded to reinsurers		(345,101)	(190,283)
Net premium written		15,835,628	13,854,961
Less: Unearned premium reserves increased from prior period		(123,913)	(199,999)
Net premium earned		15,711,715	13,654,962
Commission and brokerage income		73,186	69,822
Net investment revenues		2,041,267	1,902,666
Gains on investments		73,196	43,258
Fair value gains (losses)		85,846	(623,960)
Other income		39,205	36,744
Total revenues		18,024,415	15,083,492
Expenses			
Long-term insurance policy reserves increased from prior period		7,460,858	2,747,769
Benefit payments under life policies and gross claims		6,212,253	9,196,464
Less: Benefit payments under life policies and claims refundable from reinsurance		(198,755)	(106,428)
Commission and brokerage expenses		1,194,043	1,174,679
Other underwriting expenses		963,939	884,940
Operating expenses		1,648,647	1,521,797
Finance costs		2,514	2,760
Expected credit losses and losses on impairment (reversal)		(63,709)	104,987
Total expenses		17,219,790	15,526,968
Profit (loss) before income taxes		804,625	(443,476)
Income tax expenses	10.2	(127,547)	(26,499)
Net profit (loss)		677,078	(469,975)

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

(Unaudited but reviewed)

Prudential Life Assurance (Thailand) Public Company Limited
Statements of comprehensive income (Continued)
For the six-month periods ended 30 June 2024 and 2023

(Unit: Thousand Baht)

Note	2024	2023
Other comprehensive income (loss):		
Items to be recognised in profit or loss in subsequent periods:		
Gains (losses) on valuation of available-for-sale investments measured at fair value through other comprehensive income	(933,297)	2,280,958
Gains on measurement of financial derivatives held for cashflow hedge	254,934	346,411
Deferred hedging costs	(142,703)	-
Total items to be recognised in profit or loss in subsequent periods	(921,066)	2,627,369
Add (less): Income taxes	164,213	(532,947)
Items to be recognised in profit or loss in subsequent periods - net of income taxes	(656,853)	2,094,422
Other comprehensive income (loss) for the periods	(656,853)	2,094,422
Total comprehensive income for the periods	<u>20,225</u>	<u>1,624,447</u>
Basic earnings per share:	11	
Earnings (loss) per share (Baht)	<u>0.31</u>	<u>(0.21)</u>

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

(Unaudited but reviewed)

Prudential Life Assurance (Thailand) Public Company Limited

Statements of changes in owners' equity

For the six-month periods ended 30 June 2024 and 2023

(Unit: Thousand Baht)

	Note	Other components of owners' equity							Total
		Issued and paid-up share capital	Retained earnings		Revaluation surplus (deficit)		Deferred hedging costs - net of income taxes	Total other components of owners' equity	
			Appropriated -		on available-for-sale	Gains (losses) on			
			Statutory reserves	Unappropriated	investments measured	measurement of			
			at fair value through other	financial derivatives held					
				comprehensive income	for cashflow hedge				
				- net of income taxes	- net of income taxes				
Balance as at 1 January 2023		20,209,935	1,147,002	15,393,758	(8,300,696)	(242,003)	-	(8,542,699)	28,207,996
Net loss		-	-	(469,975)	-	-	-	-	(469,975)
Other comprehensive income for the period		-	-	-	1,824,766	269,656	-	2,094,422	2,094,422
Dividends paid	12	-	-	(192,370)	-	-	-	-	(192,370)
Balance as at 30 June 2023		<u>20,209,935</u>	<u>1,147,002</u>	<u>14,731,413</u>	<u>(6,475,930)</u>	<u>27,653</u>	<u>-</u>	<u>(6,448,277)</u>	<u>29,640,073</u>
Balance as at 1 January 2024		20,209,935	1,194,852	16,097,447	(6,614,782)	116,258	(7,575)	(6,506,099)	30,996,135
Net income		-	-	677,078	-	-	-	-	677,078
Other comprehensive income (loss) for the period		-	-	-	(746,638)	203,947	(114,162)	(656,853)	(656,853)
Balance as at 30 June 2024		<u>20,209,935</u>	<u>1,194,852</u>	<u>16,774,525</u>	<u>(7,361,420)</u>	<u>320,205</u>	<u>(121,737)</u>	<u>(7,162,952)</u>	<u>31,016,360</u>

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

(Unaudited but reviewed)

Prudential Life Assurance (Thailand) Public Company Limited

Statements of cash flows

For the six-month periods ended 30 June 2024 and 2023

	(Unit: Thousand Baht)	
	2024	2023
Cash flows from operating activities		
Premium written from direct insurance	15,777,018	13,323,703
Cash paid for reinsurance	(154,140)	(4,038)
Interest income	1,658,149	1,659,727
Dividend income	480,338	359,903
Other income	67,354	78,466
Benefit payments under life policies and gross claims		
from direct insurance	(6,136,870)	(9,014,144)
Commission and brokerage expenses on direct insurance	(1,273,855)	(1,370,763)
Other underwriting expenses	(1,785,253)	(1,515,158)
Operating expenses	(2,449,093)	(1,759,311)
Income tax expenses	(30,107)	(25,391)
Cash received on financial assets	16,673,358	13,545,224
Cash paid for financial assets	(24,666,103)	(16,913,046)
Net cash used in operating activities	(1,839,204)	(1,634,828)
Cash flows from investing activities		
Disposals of equipment	-	19
Purchases of equipment	(22,793)	(7,472)
Purchases of intangible assets	(1,024,426)	(93,886)
Net cash used in investing activities	(1,047,219)	(101,339)
Cash flows from financial activities		
Repayments of lease liabilities	(23,465)	(17,537)
Dividends paid to shareholders	-	(192,370)
Net cash used in financing activities	(23,465)	(209,907)
Net decrease in cash and cash equivalents	(2,909,888)	(1,946,074)
Cash and cash equivalents at beginning of the periods	5,204,525	3,127,061
Add: Decrease in allowance for expected credit losses	-	354
Cash and cash equivalents at end of the periods	2,294,637	1,181,341

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

Prudential Life Assurance (Thailand) Public Company Limited

Table of contents for notes to interim financial statements

For the three-month and six-month periods ended 30 June 2024 and 2023

Note	Contents	Page
1.	General information.....	1
2.	Cash and cash equivalents	2
3.	Premium receivables.....	2
4.	Derivative assets/liabilities	3
5.	Investments in securities	5
6.	Loans and interest receivables.....	7
7.	Investment assets of the insured/Investment contract liabilities.....	7
8.	Deferred acquisition costs	8
9.	Insurance contract liabilities	8
10.	Deferred tax liabilities and income tax expenses.....	11
11.	Basic earnings per share.....	14
12.	Dividends paid	14
13.	Related party transactions.....	14
14.	Commitments and contingent liabilities	17
15.	Financial instruments	18
16.	Approval of interim financial information.....	19

Prudential Life Assurance (Thailand) Public Company Limited

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2024 and 2023

1. General information

1.1 Corporate information

Prudential Life Assurance (Thailand) Public Company Limited (the “Company”) was established as a public company under Thai laws and domiciled in Thailand. The parent company and ultimate parent company are Staple Limited, which was incorporated in Thailand, and Prudential plc, which was incorporated in England and Wales, respectively. As at 30 June 2024 and 31 December 2023, such parent company held 51.21% of the issued and paid-up ordinary shares of the Company. The Company is principally engaged in the provision of life insurance services. Its registered address is at No. 944, 10th and 29th - 31st Floors of Mitrtown Office Tower, Rama 4 Road, Wangmai Sub-district, Pathumwan District, Bangkok, and has 1 branch (31 December 2023: no branch).

1.2 Basis of preparation of interim financial information

This interim financial information is prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting, with the Company choosing to present condensed interim financial information. However, the Company presented each line item in the statements of financial position, comprehensive income, changes in owners’ equity and cash flows in the same format as that used in preparation of its annual financial statements, and in accordance with the format of financial statements specified in the Notification of the Office of Insurance Commission (“OIC”) regarding criteria, procedures, terms and conditions for preparation and submission of financial statements of life insurance companies B.E. 2566 dated 8 February 2023.

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

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

1.3 Accounting policies

This interim financial information is prepared using the same accounting policies and methods of computation as those were used for preparation of the financial statements for the year ended 31 December 2023.

The revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2024, do not have any significant impact on the Company's financial statements.

For TFRS 17 Insurance contracts, which will supersede TFRS 4 insurance contracts, will be effective for fiscal year beginning on or after 1 January 2025. Currently, the Company's management is in the process of assessment of the impact to the financial statements for the year in which such financial reporting standard will be effective.

2. Cash and cash equivalents

	(Unit: Thousand Baht)	
	30 June 2024	31 December 2023
Deposits at banks with no fixed maturity date	2,294,637	5,204,525
Total cash and cash equivalents	<u>2,294,637</u>	<u>5,204,525</u>

3. Premium receivables

As at 30 June 2024 and 31 December 2023, the outstanding balances of premium receivables, classified by overdue periods, counted from due dates, were as follows:

	(Unit: Thousand Baht)	
	30 June 2024	31 December 2023
Not yet due	1,211,576	800,905
Not over 30 days	100,674	127,381
Over 31 days to 60 days	18,375	80,619
Over 61 days to 90 days	613	747
Overdue longer than 91 days - 1 year	1,243	2,307
Overdue longer than 1 year	16	98
Total	<u>1,332,497</u>	<u>1,012,057</u>
Less: Allowance for doubtful accounts	<u>(1,607)</u>	<u>(885)</u>
Premium receivables - net	<u>1,330,890</u>	<u>1,011,172</u>

The Company has established procedures for following up on the collection of premiums due and uncollected from agents and brokers to ensure it is made within the credit terms. Legal action is taken against agents and brokers on a case-by-case basis when premiums due and uncollected are overdue.

4. Derivative assets/liabilities

As at 30 June 2024 and 31 December 2023, the Company had financial derivatives presented at fair value with different purposes as follows:

(Unit: Thousand Baht)

Types of contracts	Objective	30 June 2024				Gains (losses) on changes in fair value of derivatives ⁽¹⁾
		Number of contracts	Notional amounts	Fair value of contracts		
				Derivatives assets	Derivatives liabilities	
Derivatives not applied hedge accounting:						
Foreign exchange forward	To protect against foreign exchange risk arising from investment activities	5	12,953,714	22,419	62,003	(222,396)
Cross currency swap	To protect against foreign exchange and interest rate risk arising from investment activities	1	36,380	-	769	(2,693)
Interest rate swap	To protect against interest rate risk arising from investment activities	2	75,600	961	-	577
Index option	To hedge against risk of volatility of underlying assets	26	10,507,135	844,465	-	(53,136)
		34	23,572,829	867,845	62,772	(277,648)
Derivatives applied hedge accounting:						
Cross currency swap	To protect against foreign exchange and interest rate risk arising from investment activities	72	16,596,820	33	701,253	(998,109)
Bond forward	To hedge the price risk of the underlying bond	37	19,482,036	589,207	370,585	249,104
		109	36,078,856	589,240	1,071,838	(749,005)
Total		143	59,651,685	1,457,085	1,134,610	(1,026,653)

⁽¹⁾ Presented gains (losses) for the six-month period ended 30 June 2024.

(Unaudited but reviewed)

(Unit: Thousand Baht)

		31 December 2023				Gains (losses) on changes in fair value of derivatives ⁽¹⁾
Types of contracts	Objective	Number of contracts	Notional amounts	Fair value of contracts		
				Derivatives assets	Derivatives liabilities	
Derivatives not applied hedge accounting:						
Foreign exchange forward	To protect against foreign exchange risk arising from investment activities	4	12,700,897	182,812	-	(266,169)
Cross currency swap	To protect against foreign exchange and interest rate risk arising from investment activities	1	36,380	1,924	-	(1,034)
Interest rate swap	To protect against interest rate risk arising from investment activities	2	75,600	555	171	(291)
Index option	To hedge against risk of volatility of underlying assets	15	5,639,502	475,257	-	20,358
Bond forward	To protect against interest rate risk arising from investment activities	-	-	-	-	(2,317)
		<u>22</u>	<u>18,452,379</u>	<u>660,548</u>	<u>171</u>	<u>(249,453)</u>
Derivatives applied hedge accounting:						
Cross currency swap	To protect against foreign exchange and interest rate risk arising from investment activities	61	15,072,737	312,373	15,484	296,889
Bond forward	To hedge the price risk of the underlying bond	31	18,807,388	486,052	516,534	318,728
		<u>92</u>	<u>33,880,125</u>	<u>798,425</u>	<u>532,018</u>	<u>615,617</u>
Total		<u>114</u>	<u>52,332,504</u>	<u>1,458,973</u>	<u>532,189</u>	<u>366,164</u>

⁽¹⁾ Presented gains (losses) for the year ended 31 December 2023.

5. Investments in securities**5.1 Classified by investment type**

(Unit: Thousand Baht)

	30 June 2024		31 December 2023	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
Investments measured at fair value through profit or loss				
Equity securities:				
Unit trusts	3,738	3,998	3,758	3,941
Total	3,738	3,998	3,758	3,941
Add: Unrealised gains	260		183	
Total investments measured at fair value through profit or loss	3,998		3,941	
Investments measured at fair value through other comprehensive income				
Debt securities:				
Government and state enterprises bonds	77,628,963	74,924,575	73,651,326	71,013,947
Corporate bonds	29,073,497	26,861,914	31,089,745	28,703,689
Foreign bonds	10,514,971	9,550,029	8,114,099	7,251,066
Unit trusts	15,116,121	12,573,416	14,146,664	11,938,933
Equity securities:				
Common stocks	5,494,783	4,446,869	4,791,559	4,190,380
Unit trusts	1,516,561	621,851	1,524,100	722,824
Total	139,344,896	128,978,654	133,317,493	123,820,839
Less: Unrealised loss on valuation	(9,201,774)		(8,268,477)	
Allowance for expected credit losses	(423,533)		(526,997)	
Allowance for impairment	(740,935)		(701,180)	
Investments measured at fair value through other comprehensive income - net	128,978,654		123,820,839	
Investments in securities - net	128,982,652	128,982,652	123,824,780	123,824,780

5.2 Classified by stage of credit risk

(Unit: Thousand Baht)

	30 June 2024		31 December 2023	
	Fair value	Allowance for expected credit losses	Fair value	Allowance for expected credit losses
Investments measured at fair value through other comprehensive income				
Stage 1 - Debt securities without a significant increase of credit risk	122,843,869	(22,967)	117,965,465	(23,931)
Stage 3 - Debt securities with a significant increase of credit risk	1,066,065	(400,566)	942,170	(503,066)
Total	123,909,934	(423,533)	118,907,635	(526,997)

5.3 Investments subject to restrictions

As at 30 June 2024 and 31 December 2023, the Company placed certain assets as securities and insurance reserves with the Registrar in accordance with the Life Insurance Act as below.

(Unit: Thousand Baht)

	30 June 2024		31 December 2023	
	Amortised cost	Fair value	Amortised cost	Fair value
Placed as securities				
Government bonds	34,997	36,236	33,959	36,641
Placed as insurance reserves				
Government and state enterprises bonds	31,800,653	30,037,655	30,950,821	29,202,334
Promissory notes	1,000,000	1,113,328	1,000,000	1,106,538
Total	32,800,653	31,150,983	31,950,821	30,308,872

6. Loans and interest receivables

As at 30 June 2024 and 31 December 2023, the balances of loans and interest receivables, classified by stage of credit risk, were as follows:

	(Unit: Thousand Baht)	
	30 June 2024	31 December 2023
Policy loans	4,138,004	4,022,803
Accrued interest receivable	448,511	423,660
Total	<u>4,586,515</u>	<u>4,446,463</u>
Other loans		
Stage 1 - Loans without a significant increase of credit risk	28	57
Total	<u>28</u>	<u>57</u>
Total loans and interest receivables	<u><u>4,586,543</u></u>	<u><u>4,446,520</u></u>

Policy loans represent loans granted to the policyholders at an amount not exceeding the cash value of the policy, with an annual interest rate not exceeding the rate used in determination of premium written and plus 2%.

Other loans are personal guarantee loans granted to the Company's staff. As at 30 June 2024 and 31 December 2023, an interest rate charged on such loans is 4.62% per annum.

7. Investment assets of the insured/Investment contract liabilities

7.1 Investment assets of the insured

As at 30 June 2024 and 31 December 2023, the balances of investment assets of the insured, classified by types of funds, were as follows:

	(Unit: Thousand Baht)			
	30 June 2024		31 December 2023	
	Cost	Fair value	Cost	Fair value
Investment units measured at fair value through profit or loss				
Fixed income funds	1,725,958	1,748,659	1,734,930	1,752,890
Equity funds	10,020,726	10,079,541	10,463,248	9,886,172
Mixed funds	1,653,320	1,679,947	1,821,536	1,793,754
Other funds	112,432	129,543	94,458	103,898
Total	<u>13,512,436</u>	<u>13,637,690</u>	14,114,172	<u>13,536,714</u>
Add (less): Unrealised gains (losses)	<u>125,254</u>		<u>(577,458)</u>	
Investment assets of the insured - net	<u><u>13,637,690</u></u>		<u><u>13,536,714</u></u>	

(Unaudited but reviewed)

7.2 Investment contract liabilities

	(Unit: Thousand Baht)	
	For the six-month period ended 30 June 2024	For the year ended 31 December 2023
Beginning balances	13,626,491	12,684,978
Deposit during the periods	902,982	2,360,530
Withdrawal during the periods	(1,573,777)	(1,861,128)
Valuation adjustment during the periods	724,502	442,111
Ending balances	<u>13,680,198</u>	<u>13,626,491</u>

8. Deferred acquisition costs

	(Unit: Thousand Baht)	
	For the six-month period ended 30 June 2024	For the year ended 31 December 2023
Beginning balances	23,825,254	21,749,910
Increased during the periods	3,481,526	6,625,536
Amortisation during the periods	(2,354,459)	(4,550,192)
Ending balances	<u>24,952,321</u>	<u>23,825,254</u>

9. Insurance contract liabilities

	(Unit: Thousand Baht)		
	30 June 2024		
	Insurance contract liabilities	Reinsurers' shared liabilities	Net
Long-term insurance policy reserves	144,326,996	-	144,326,996
Loss reserves and outstanding claims			
Claims incurred and reported	95,225	-	95,225
Claims incurred but not yet reported	61,312	-	61,312
Premium reserves			
Unearned premium reserves	620,702	-	620,702
Unpaid policy benefits	483,691	-	483,691
Other insurance liabilities	1,542,830	-	1,542,830
Total insurance contract liabilities	<u>147,130,756</u>	<u>-</u>	<u>147,130,756</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	31 December 2023		
	Insurance	Reinsurers'	
	contract liabilities	shared	Net
		liabilities	
Long-term insurance policy reserves	136,866,138	-	136,866,138
Loss reserves and outstanding claims			
Claims incurred and reported	210,584	-	210,584
Claims incurred but not yet reported	50,153	-	50,153
Premium reserves			
Unearned premium reserves	496,789	-	496,789
Unpaid policy benefits	501,842	-	501,842
Other insurance liabilities	1,346,412	-	1,346,412
Total insurance contract liabilities	<u>139,471,918</u>	<u>-</u>	<u>139,471,918</u>

9.1 Long-term insurance policy reserves

(Unit: Thousand Baht)

	For the six-month	For the
	period ended	year ended
	30 June 2024	31 December 2023
Beginning balances	136,866,138	126,478,881
Insurance policy reserves increased for new businesses and inforce policies	12,608,477	26,197,569
Insurance policy reserves released from death, benefit paid, lapse and surrender	<u>(5,147,619)</u>	<u>(15,810,312)</u>
Ending balances	<u>144,326,996</u>	<u>136,866,138</u>

(Unaudited but reviewed)

9.2 Short-term insurance policy reserves

(a) Loss reserves and outstanding claims

	(Unit: Thousand Baht)	
	For the six-month period ended 30 June 2024	For the year ended 31 December 2023
Beginning balances	260,737	131,923
Claims incurred in the current periods	573,482	1,119,398
Claims paid during the periods	(677,682)	(990,584)
Ending balances	<u>156,537</u>	<u>260,737</u>

(b) Unearned premium reserves

	(Unit: Thousand Baht)	
	For the six-month period ended 30 June 2024	For the year ended 31 December 2023
Beginning balances	496,789	407,349
Premium written during the periods	1,067,106	1,719,531
Premium earned during the periods	(943,193)	(1,630,091)
Ending balances	<u>620,702</u>	<u>496,789</u>

9.3 Unpaid policy benefits

	(Unit: Thousand Baht)	
	30 June 2024	31 December 2023
Death benefits	144,378	130,167
Surrender	5	6
Unpresented cheques for benefits and claims payment	328,320	363,976
Others	10,988	7,693
Total unpaid policy benefits	<u>483,691</u>	<u>501,842</u>

9.4 Other insurance liabilities

	(Unit: Thousand Baht)	
	30 June 2024	31 December 2023
Deposits of the insured	1,440,970	1,323,693
Others	101,860	22,719
Total other insurance liabilities	<u>1,542,830</u>	<u>1,346,412</u>

10. Deferred tax liabilities and income tax expenses**10.1 Deferred tax liabilities**

As at 30 June 2024 and 31 December 2023, deferred tax assets and liabilities consisted of tax effects arose from the following temporary difference items:

	(Unit: Thousand Baht)			
			Change in deferred tax assets or liabilities	
	30	31	For the six-month periods ended 30 June	
	June	December	2024	2023
	2024	2023	2024	2023
Deferred tax assets				
Unpaid policy benefits	46,133	40,763	5,370	26,713
Premium reserves	15,094	-	15,094	35,785
Allowance for expected credit losses and impairment losses on investments	236,581	250,342	(13,761)	21,543
Modification losses	61,827	66,106	(4,279)	(6,670)
Unrealised losses on available-for-sale investments	1,840,355	1,653,696	186,659	(456,192)
Losses on bond forward contracts	7,799	-	7,799	(7,473)
Unrealised losses on derivatives	106,261	-	106,261	163,270
Unrealised losses on interest receivable from CCS hedge accounting	21,701	-	21,701	-
Unrealised losses on translation adjustments of foreign currency denominated investments	-	-	-	1,564
Employee benefit obligations	47,568	38,354	9,214	1,456
Unutilised tax losses	494,470	680,239	(185,769)	(160,289)
Others	28,458	28,202	256	830
Total	<u>2,906,247</u>	<u>2,757,702</u>		

(Unaudited but reviewed)

(Unit: Thousand Baht)

			Change in deferred tax assets or liabilities	
	30	31	For the six-month periods ended 30 June	
	June	December	2024	2023
	2024	2023	2024	2023
Deferred tax liabilities				
Deferred Acquisition cost	(4,990,464)	(4,765,051)	(225,413)	(194,730)
Fair value gains on trading investment	(52)	(37)	(15)	2
Gains on bond forward contracts	-	(29,781)	29,781	(6,585)
Unrealised gains on derivatives	-	(92,486)	92,486	21,144
Unrealised gains on translation adjustments of foreign currency denominated investments	(23,946)	(64,075)	40,129	44,795
Actuarial gains on defined benefit plan	(15,728)	(15,728)	-	-
Total	(5,030,190)	(4,967,158)		
Deferred tax liabilities - net	(2,123,943)	(2,209,456)		
Total changes			85,513	(514,837)
Changes in deferred taxes recognised in:				
- Profit or loss			(78,700)	18,110
- Other comprehensive income			164,213	(532,947)
Total changes			85,513	(514,837)

10.2 Income tax expenses

Income tax expenses for the three-month and six-month periods ended 30 June 2024 and 2023 were made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2024	2023	2024	2023
Current income taxes:				
Corporate income tax for the periods	-	-	-	-
Adjustment in respect of current income taxes of prior period	(48,847)	(44,609)	(48,847)	(44,609)
Total	(48,847)	(44,609)	(48,847)	(44,609)
Deferred income taxes:				
Adjustment of deferred taxes of prior period	82,275	(70,599)	82,275	(70,599)
Relating to origination and reversal of temporary differences	(43,851)	15,662	(160,975)	88,709
Total	38,424	(54,937)	(78,700)	18,110
Income tax expenses recognised in profit or loss	(10,423)	(99,546)	(127,547)	(26,499)

Reconciliations between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the three-month and six-month periods ended 30 June 2024 and 2023 were as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2024	2023	2024	2023
Accounting profit (loss) before income taxes	219,237	(80,534)	804,625	(443,476)
Applicable tax rate	20%	20%	20%	20%
Amount of income taxes at the applicable tax rate	(43,847)	16,107	(160,925)	88,695
Adjustment in respect of current income taxes of prior period	(48,847)	(44,609)	(48,847)	(44,609)
Adjustment of deferred taxes of prior period	82,275	(70,599)	82,275	(70,599)
Net tax effect on tax-exempted revenues or non-tax deductible expenses	(4)	(445)	(50)	14
Income tax expenses recognised in profit or loss	(10,423)	(99,546)	(127,547)	(26,499)

11. Basic earnings per share

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

12. Dividends paid

Dividends declared during the six-month period ended 30 June 2023 were as follow:

	Approved by	Total dividend (Thousand Baht)	Dividend per share (Baht)
Annual dividend for 2022	Annual General Meeting No.45 of the Shareholders held on 25 April 2023	192,370	0.087
Total dividends paid during 2023		192,370	0.087

13. Related party transactions**13.1 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 entities/Personnel	Country of Incorporation/Nationality	Nature of relationships
Prudential plc	United Kingdom	Ultimate parent company
Prudential Holding Limited	United Kingdom	Intermediate parent company
Prudential Corporation Asia Limited	Hong Kong	Intermediate parent company
Staple Limited	Thailand	Parent company
Prudential Corporation Holding Limited	United Kingdom	Major shareholder who holds 48.72% of the Company's shares
Affiliate of Prudential Group	Thailand and various countries	Related parties
Key management personnel	Thailand and other nationality	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any directors (whether executive or otherwise) of the Company

13.2 Significant business transactions with related parties

During the three-month and six-month periods ended 30 June 2024 and 2023, 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 and there was no significant change in the pricing policy of the business transactions with related parties, were as follows:

					(Unit: Thousand Baht)
	For the three-month		For the six-month		Pricing policies
	periods ended 30 June		periods ended 30 June		
	2024	2023	2024	2023	
Affiliate of Prudential Group					
Revenue					
Trailing fee ⁽¹⁾	9,685	9,002	19,299	17,615	Contractually agreed price
Expenses					
Investment management fee expenses and Investment related expenses ⁽²⁾	42,701	47,198	90,264	95,301	Contractually agreed price
Operating expenses	177,019	156,325	360,784	313,385	Contractually agreed price
Other underwriting expenses	88,478	79,460	166,715	161,814	Contractually agreed price

⁽¹⁾ It is shown as a part of "Commission and brokerage income" in the statement of comprehensive income.

⁽²⁾ It is shown as a part of "Net investment revenues" in the statement of comprehensive income.

13.3 Outstanding balances with related parties

As at 30 June 2024 and 31 December 2023, significant outstanding balances between the Company and its related parties were as follows:

	(Unit: Thousand Baht)	
	30 June 2024	31 December 2023
Outstanding items with affiliates of Prudential Group		
Assets		
Other assets	10,967	23,153
Liabilities		
Accrued investment management fee ⁽¹⁾	27,226	14,141
Other payables	417,347	371,750
Accrued expenses	418,513	175,219

⁽¹⁾ They were shown as a part of "Other liabilities" in the statements of financial position.

13.4 Directors' and key management's remunerations

For the three-month and six-month periods ended 30 June 2024 and 2023, the Company had employee benefit expenses incurred in relation to its directors and key management as below.

	(Unit: Thousand Baht)			
	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2024	2023	2024	2023
Short-term employee benefits	33,818	23,158	63,168	54,665
Post-employment benefits	1,813	1,723	3,607	2,894
Other long-term benefits	8,095	4,382	16,713	22,354
Total	43,726	29,263	83,488	79,913

13.5 Significant agreements

Investment Management Agreements

The Company has entered into an Investment Management Agreement with an affiliate of the Prudential Group. The affiliate agreed to act as the Company's investment manager. The Company is committed to pay a management fee at the rate in agreements. These agreements can be terminated upon 3 months written notice.

Service agreements

The Company entered into Service Agreements with Prudential Corporation Holdings Limited ("PCHL"), a major shareholder, which is Prudential Regional Head Office in Asia, for the provision of services and support for both IT and non-IT services to the Company, for a period of five years. In consideration of the provision of services provided by PCHL, the Company shall pay to PCHL a service fee as set out in the agreements. The agreements can be terminated upon one month written notice and can be extended upon not less than one month written notice prior to the expiry of the term of these agreements by either party.

Cost reimbursement agreements

The Company entered into Cost Reimbursement Agreement with Prudential Corporation Holdings Limited ("PCHL"). PCHL agreed to pay on behalf of the Company in respect of Master Distribution Agreement with a bank which have initial term of fifteen years plus extended terms. The Company shall reimburse all costs and expenses to PCHL as agreed. The agreement can be terminated upon one month written notice by either party.

The Company entered into Cost Reimbursement Agreement with Prudential Corporation Holdings Limited ("PCHL"). PCHL agreed to pay on behalf of the Company in respect of Bancassurance Agreement with another bank which have initial term of fifteen years plus extended terms. The Company shall reimburse all costs and expenses to PCHL as agreed. The agreement can be terminated upon one month written notice by either party.

Master Cost Contribution Agreement

The Company entered into Master Cost Contribution Agreement with an affiliated of the Prudential Group, which is incorporated in Singapore, for sharing application platform-related development costs and expenses, for a period of five years. The Company shall pay a charge as set out in the agreement. The agreement can be terminated upon one month written notice by either party.

14. Commitments and contingent liabilities

14.1 Capital commitments

As at 30 June 2024 and 31 December 2023 The Company has capital commitments as follows:

	(Unit: Thousand Baht)	
	30 June 2024	31 December 2023
Building improvements	1,166	-
Software licenses	59,423	17,355
	<u>60,589</u>	<u>17,355</u>

14.2 Service commitments

As at 30 June 2024 and 31 December 2023, the Company had future minimum payments under non-cancellable service contracts as follows:

	(Unit: Thousand Baht)	
Payable within	30 June 2024	31 December 2023
1 year	40,641	9,096
2 - 5 years	70,375	-
	<u>111,016</u>	<u>9,096</u>

14.3 Other commitments

As at 30 June 2024 and 31 December 2023, the Company had future minimum under distribution channel agreement as follows:

Payable within	(Unit: Thousand Baht)	
	30 June 2024	31 December 2023
1 year	118,500	118,500
2 - 5 years	59,250	118,500
	<u>177,750</u>	<u>237,000</u>

15. Financial instruments**15.1 Fair value and hierarchy of financial instruments**

As at 30 June 2024 and 31 December 2023, the Company had financial assets and liabilities that were measured at fair value and assets and liabilities for which fair values were disclosed by hierarchy of fair value as follows:

	(Unit: Thousand Baht)			
	30 June 2024			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments measured at fair value through profit or loss	3,998	-	-	3,998
Investments measured at fair value through other comprehensive income	17,631,959	110,270,453	1,076,242	128,978,654
Derivatives assets	-	1,457,085	-	1,457,085
Investment assets of the insured	13,637,690	-	-	13,637,690
Financial liabilities measured at fair value				
Derivatives liabilities	-	1,134,610	-	1,134,610

(Unaudited but reviewed)

(Unit: Thousand Baht)

	31 December 2023			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Investments measured at fair value through profit or loss	3,941	-	-	3,941
Investments measured at fair value through other comprehensive income	16,843,083	106,026,532	951,225	123,820,840
Derivative assets	-	1,458,973	-	1,458,973
Investment assets of the insured	13,536,714	-	-	13,536,714
Financial liabilities measured at fair value				
Derivatives liabilities	-	532,189	-	532,189

In addition, the Company had financial assets and liabilities that are not measured at fair value. However, the fair values of such financial assets and liabilities are not materially different from the carrying values shown in the statements of financial position.

During the periods, the Company did not change the valuation techniques and assumptions used in valuation of its financial instruments and there were no transfers within the fair value hierarchy.

16. Approval of interim financial information

This interim financial information was authorised for issue by the Company's Board of Directors on 14 August 2024.