

Prudential Life Assurance (Thailand) Public Company Limited  
Review report and interim financial information  
For the three-month period ended 31 March 2024



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## **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 statement of financial position of Prudential Life Assurance (Thailand) Public Company Limited as at 31 March 2024, the related statements of comprehensive income, changes in owners' equity and cash flows for the three-month period then ended, as well as the condensed notes to the interim financial statements (collectively called "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 Interim Financial Reporting. My responsibility is to express a conclusion on this interim financial information based on my review.

### **Scope of review**

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

### **Conclusion**

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

Rachada Yongsawadvanich

Certified Public Accountant (Thailand) No. 4951

EY Office Limited

Bangkok: 10 May 2024

**Prudential Life Assurance (Thailand) Public Company Limited**

**Statements of financial position**

**As at 31 March 2024 and 31 December 2023**

		(Unit: Thousand Baht)	
	Note	31 March 2024	31 December 2023
		(Unaudited but reviewed)	(Audited)
<b>Assets</b>			
Cash and cash equivalents	2	2,319,242	5,204,525
Premium receivables	3	1,116,127	1,011,172
Accrued investment income		1,107,395	603,222
Reinsurance receivables		457,112	319,140
Derivatives assets	4	1,483,800	1,458,973
Investment assets			
Investments in securities	5	127,738,099	123,824,780
Loans and interest receivables	6	4,543,410	4,446,520
Investment assets of the insured	7.1	13,782,515	13,536,714
Assets held for sale		8,967	8,967
Premises and equipment		176,435	178,355
Right-of-use assets		184,960	192,880
Intangible assets		19,387,412	19,508,675
Other assets			
Deferred acquisition costs	8	24,429,933	23,825,254
Collateral receivables under derivative agreement		216,300	64,100
Account receivables on sales of securities		91,471	99,269
Restricted assets		835,154	420,101
Others		267,770	255,491
<b>Total assets</b>		<b>198,146,102</b>	<b>194,958,138</b>

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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 31 March 2024 and 31 December 2023**

(Unit: Thousand Baht)

	Note	31 March 2024 (Unaudited but reviewed)	31 December 2023 (Audited)
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
Insurance contract liabilities	9	142,519,907	139,471,918
Investment contract liabilities	7.2	13,847,208	13,626,491
Reinsurance payables		823,424	652,708
Derivatives liabilities	4	765,627	532,189
Lease liabilities		188,242	195,471
Employee benefit obligations		202,689	451,093
Deferred tax liabilities	10.1	2,805,996	2,209,456
Other liabilities			
Accrued commission		280,303	385,091
Accrued expenses		1,270,388	2,747,332
Account payables on purchases of securities		280,634	2,514,369
Collateral payables under derivative agreements		835,154	420,101
Other payables		522,860	444,651
Others		421,608	311,133
<b>Total liabilities</b>		<b>164,764,040</b>	<b>163,962,003</b>
<b>Owners' equity</b>			
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		16,565,711	16,097,447
Other components of owners' equity		(4,588,436)	(6,506,099)
<b>Total owners' equity</b>		<b>33,382,062</b>	<b>30,996,135</b>
<b>Total liabilities and owners' equity</b>		<b>198,146,102</b>	<b>194,958,138</b>

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

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(Unaudited but reviewed)

**Prudential Life Assurance (Thailand) Public Company Limited**

**Statements of comprehensive income**

**For the three-month periods ended 31 March 2024 and 2023**

		(Unit: Thousand Baht)	
	Note	2024	2023
<b>Profit or loss:</b>			
<b>Revenues</b>			
Gross premium written		7,990,643	6,950,244
Less: Premium ceded to reinsurers		(195,386)	(100,505)
Net premium written		7,795,257	6,849,739
Less: Unearned premium reserves increased			
from prior period		(244,275)	(274,212)
Net premium earned		7,550,982	6,575,527
Commission and brokerage income		38,539	37,334
Net investment revenues		1,008,145	930,914
Gains (losses) on investments		58,689	(6,953)
Fair value gains (losses)		178,189	(411,624)
Other income		23,749	23,315
<b>Total revenues</b>		8,858,293	7,148,513
<b>Expenses</b>			
Long-term insurance policy reserves increased (decreased)			
from prior period		2,713,869	(182,085)
Benefit payments under life policies and gross claims		3,906,889	5,947,365
Less: Benefit payments under life policies and			
claims refundable from reinsurance		(137,973)	(43,106)
Commission and brokerage expenses		587,205	577,640
Other underwriting expenses		472,227	430,464
Operating expenses		805,574	752,810
Finance costs		1,231	1,330
Expected credit losses and losses on impairment (reversal)		(76,117)	27,037
<b>Total expenses</b>		8,272,905	7,511,455
<b>Profit (loss) before income taxes</b>		585,388	(362,942)
Income tax benefits (expenses)	10.2	(117,124)	73,047
<b>Net profit (loss)</b>		468,264	(289,895)

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 31 March 2024 and 2023**

		(Unit: Thousand Baht)	
	Note	2024	2023
<b>Other comprehensive income (loss):</b>			
Items to be recognised in profit or loss in subsequent periods:			
Gains on valuation of available-for-sale investments			
measured at fair value through other comprehensive income		1,527,215	3,905,853
Gains on measurement of financial derivatives held for			
cashflow hedge		966,806	646,179
Deferred hedging costs		(96,942)	-
Total items to be recognised in profit or loss in subsequent periods		<u>2,397,079</u>	<u>4,552,032</u>
Less: Income taxes		<u>(479,416)</u>	<u>(910,848)</u>
Items to be recognised in profit or loss in subsequent periods			
- net of income taxes		<u>1,917,663</u>	<u>3,641,184</u>
<b>Other comprehensive income for the periods</b>		<u>1,917,663</u>	<u>3,641,184</u>
<b>Total comprehensive income for the periods</b>		<u><u>2,385,927</u></u>	<u><u>3,351,289</u></u>
<b>Basic earnings per share:</b>	11		
Earnings (loss) per share (Baht)		<u>0.21</u>	<u>(0.13)</u>

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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 three-month periods ended 31 March 2024 and 2023

(Unit: Thousand Baht)

	Other components of owners' equity							Total
	Issued and paid-up share capital	Retained earnings		Revaluation surplus (deficit) on available-for-sale investments measured at fair value through other comprehensive income - net of income taxes	Gains (losses) on measurement of financial derivatives held for cashflow hedge - net of income taxes	Deferred hedging costs - net of income taxes	Total other components of owners' equity	
		Appropriated -	Unappropriated					
		Statutory reserves						
<b>Balance as at 1 January 2023</b>	20,209,935	1,147,002	15,393,758	(8,300,696)	(242,003)	-	(8,542,699)	28,207,996
Net loss	-	-	(289,895)	-	-	-	-	(289,895)
Other comprehensive income for the period	-	-	-	3,124,682	516,502	-	3,641,184	3,641,184
<b>Balance as at 31 March 2023</b>	<u>20,209,935</u>	<u>1,147,002</u>	<u>15,103,863</u>	<u>(5,176,014)</u>	<u>274,499</u>	<u>-</u>	<u>(4,901,515)</u>	<u>31,559,285</u>
<b>Balance as at 1 January 2024</b>	20,209,935	1,194,852	16,097,447	(6,614,782)	116,258	(7,575)	(6,506,099)	30,996,135
Net Profit	-	-	468,264	-	-	-	-	468,264
Other comprehensive income (loss) for the period	-	-	-	1,221,772	773,445	(77,554)	1,917,663	1,917,663
<b>Balance as at 31 March 2024</b>	<u>20,209,935</u>	<u>1,194,852</u>	<u>16,565,711</u>	<u>(5,393,010)</u>	<u>889,703</u>	<u>(85,129)</u>	<u>(4,588,436)</u>	<u>33,382,062</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 three-month periods ended 31 March 2024 and 2023**

	(Unit: Thousand Baht)	
	2024	2023
<b>Cash flows from operating activities</b>		
Premium written from direct insurance	7,822,279	6,752,454
Cash paid for reinsurance	(11,000)	-
Interest income	384,365	454,341
Dividend income	165,877	154,368
Other income	32,377	47,297
Benefit payments under life policies and gross claims		
from direct insurance	(3,817,044)	(5,848,624)
Commission and brokerage expenses on direct insurance	(691,883)	(718,423)
Other underwriting expenses	(941,010)	(904,508)
Operating expenses	(1,724,335)	(1,088,597)
Income tax expenses	(5,758)	(4,872)
Cash received on financial assets	9,703,919	8,225,572
Cash paid for financial assets	(12,751,092)	(8,083,890)
<b>Net cash used in operating activities</b>	<b>(1,833,305)</b>	<b>(1,014,882)</b>
<b>Cash flows from investing activities</b>		
Disposals of equipment	-	19
Purchases of equipment	(7,812)	(1,018)
Purchases of intangible assets	(1,035,473)	(46,343)
<b>Net cash used in investing activities</b>	<b>(1,043,285)</b>	<b>(47,342)</b>
<b>Cash flows from financial activities</b>		
Repayments of lease liabilities	(8,693)	(8,770)
<b>Net cash used in financing activities</b>	<b>(8,693)</b>	<b>(8,770)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,885,283)</b>	<b>(1,070,994)</b>
Cash and cash equivalents at beginning of the periods	5,204,525	3,127,061
Add: Decrease in allowance for expected credit losses	-	354
<b>Cash and cash equivalents at end of the periods</b>	<b>2,319,242</b>	<b>2,056,421</b>

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



**Prudential Life Assurance (Thailand) Public Company Limited**

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**For the three-month periods ended 31 March 2024 and 2023**

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**Prudential Life Assurance (Thailand) Public Company Limited**  
**Notes to interim financial statements**  
**For the three-month periods ended 31 March 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 Company Limited, which was incorporated in Thailand, and Prudential plc, which was incorporated in England and Wales. As at 31 March 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.

**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.

**2. Cash and cash equivalents**

	(Unit: Thousand Baht)	
	31 March 2024	31 December 2023
Deposits at banks with no fixed maturity date	2,319,242	5,204,525
Total cash and cash equivalents	<u>2,319,242</u>	<u>5,204,525</u>

**3. Premium receivables**

As at 31 March 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)	
	31 March 2024	31 December 2023
Not yet due	920,302	800,905
Not over 30 days	174,256	127,381
Over 31 days to 60 days	4,996	80,619
Over 61 days to 90 days	16,489	747
Overdue longer than 91 days - 1 year	1,460	2,307
Overdue longer than 1 year	73	98
Total	<u>1,117,576</u>	<u>1,012,057</u>
Less: Allowance for doubtful accounts	<u>(1,449)</u>	<u>(885)</u>
Premium receivables - net	<u>1,116,127</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 31 March 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	31 March 2024				Gains (losses) on changes in fair value of derivatives <sup>(1)</sup>
		Number of contracts	Notional amounts	Fair value of contracts		
				Derivatives assets	Derivatives liabilities	
<b>Derivatives not applied hedge accounting:</b>						
Foreign exchange forward	To protect against foreign exchange risk arising from investment activities	4	13,106,660	-	174,175	(356,987)
Cross currency swap	To protect against foreign exchange and interest rate risk arising from investment activities	1	36,380	-	723	(2,647)
Interest rate swap	To protect against interest rate risk arising from investment activities	2	75,600	1,403	-	1,019
Index option	To hedge against risk of volatility of underlying assets	19	7,596,800	643,777	-	(19,270)
		26	20,815,440	645,180	174,898	(377,885)
<b>Derivatives applied hedge accounting:</b>						
Cross currency swap	To protect against foreign exchange and interest rate risk arising from investment activities	71	16,522,960	326	403,248	(699,811)
Bond forward	To hedge the price risk of the underlying bond	32	19,514,470	838,294	187,481	681,295
		103	36,037,430	838,620	590,729	(18,516)
Total		129	56,852,870	1,483,800	765,627	(396,401)

<sup>(1)</sup> Presented gains (losses) for the three-month period ended 31 March 2024.

(Unaudited but reviewed)

(Unit: Thousand Baht)

		31 December 2023				Gains (losses) on changes in fair value of derivatives <sup>(1)</sup>
Types of contracts	Objective	Number of contracts	Notional amounts	Fair value of contracts		
				Derivatives assets	Derivatives liabilities	
<b>Derivatives not applied hedge accounting:</b>						
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>
<b>Derivatives applied hedge accounting:</b>						
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>
<b>Total</b>		<u>114</u>	<u>52,332,504</u>	<u>1,458,973</u>	<u>532,189</u>	<u>366,164</u>

<sup>(1)</sup> Presented gains (losses) for the year ended 31 December 2023.

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

(Unit: Thousand Baht)

	31 March 2024		31 December 2023	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
<b>Investments measured at fair value through profit or loss</b>				
Equity securities:				
Unit trusts	3,747	4,019	3,758	3,941
Total	3,747	4,019	3,758	3,941
Add: Unrealised gains	272		183	
Total investments measured at fair value through profit or loss	4,019		3,941	
<b>Investments measured at fair value through other comprehensive income</b>				
Debt securities:				
Government and state enterprises bonds	73,141,144	72,450,565	73,651,326	71,013,947
Corporate bonds	30,625,614	28,465,607	31,089,745	28,703,689
Foreign bonds	10,211,006	9,271,429	8,114,099	7,251,066
Unit trusts	14,993,652	12,533,973	14,146,664	11,938,933
Equity securities:				
Common stocks	5,134,550	4,318,965	4,791,559	4,190,380
Unit trusts	1,521,434	693,541	1,524,100	722,824
Total	135,627,400	127,734,080	133,317,493	123,820,839
Less: Unrealised loss on valuation	(6,741,262)		(8,268,477)	
Allowance for expected credit losses	(416,546)		(526,997)	
Allowance for impairment	(735,512)		(701,180)	
Investments measured at fair value through other comprehensive income - net	127,734,080		123,820,839	
Investments in securities - net	127,738,099	127,738,099	123,824,780	123,824,780



**5.2 Classified by stage of credit risk**

(Unit: Thousand Baht)

	31 March 2024		31 December 2023	
	Fair value	Allowance for expected credit losses	Fair value	Allowance for expected credit losses
<b>Investments measured at fair value through other comprehensive income</b>				
Stage 1 - Debt securities without a significant increase of credit risk	121,655,509	(26,624)	117,965,465	(23,931)
Stage 3 - Debt securities with a significant increase of credit risk	1,066,065	(389,922)	942,170	(503,066)
<b>Total</b>	<b>122,721,574</b>	<b>(416,546)</b>	<b>118,907,635</b>	<b>(526,997)</b>

**5.3 Investments subject to restrictions**

As at 31 March 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)

	31 March 2024		31 December 2023	
	Amortised cost	Fair value	Amortised cost	Fair value
<b>Placed as securities</b>				
Government bonds	33,926	37,580	33,959	36,641
<b>Placed as insurance reserves</b>				
Government and state enterprises bonds	31,893,708	30,881,738	30,950,821	29,202,334
Promissory notes	1,000,000	1,160,948	1,000,000	1,106,538
<b>Total</b>	<b>32,893,708</b>	<b>32,042,686</b>	<b>31,950,821</b>	<b>30,308,872</b>

## 6. Loans and interest receivables

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

	(Unit: Thousand Baht)	
	31 March 2024	31 December 2023
Policy loans	4,107,896	4,022,803
Accrued interest receivable	435,471	423,660
<b>Total</b>	<b>4,543,367</b>	<b>4,446,463</b>
Other loans		
Stage 1 - Loans without a significant increase of credit risk	43	57
<b>Total</b>	<b>43</b>	<b>57</b>
<b>Total loans and interest receivables</b>	<b>4,543,410</b>	<b>4,446,520</b>

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

	(Unit: Thousand Baht)			
	31 March 2024		31 December 2023	
	Cost	Fair value	Cost	Fair value
<b>Investment units measured at fair value through profit or loss</b>				
Fixed income funds	1,733,141	1,758,688	1,734,930	1,752,890
Equity funds	10,181,453	10,165,252	10,463,248	9,886,172
Mixed funds	1,727,912	1,758,790	1,821,536	1,793,754
Other funds	86,859	99,785	94,458	103,898
<b>Total</b>	<b>13,729,365</b>	<b>13,782,515</b>	<b>14,114,172</b>	<b>13,536,714</b>
Add (less): Unrealised gains (losses)	53,150		(577,458)	
<b>Investment assets of the insured - net</b>	<b>13,782,515</b>		<b>13,536,714</b>	

**7.2 Investment contract liabilities**

	(Unit: Thousand Baht)	
	For the three-month period ended 31 March 2024	For the year ended 31 December 2023
Beginning balances	13,626,491	12,684,978
Deposit during the periods	477,894	2,360,530
Withdrawal during the periods	(887,521)	(1,861,128)
Valuation adjustment during the periods	630,344	442,111
Ending balances	<u>13,847,208</u>	<u>13,626,491</u>

**8. Deferred acquisition costs**

	(Unit: Thousand Baht)	
	For the three-month period ended 31 March 2024	For the year ended 31 December 2023
Beginning balances	23,825,254	21,749,910
Increased during the periods	1,758,133	6,625,536
Amortisation during the periods	(1,153,454)	(4,550,192)
Ending balances	<u>24,429,933</u>	<u>23,825,254</u>

**9. Insurance contract liabilities**

	(Unit: Thousand Baht)		
	31 March 2024		
	Insurance contract liabilities	Reinsurers' shared liabilities	Net
Long-term insurance policy reserves	139,580,007	-	139,580,007
Loss reserves and outstanding claims			
Claims incurred and reported	87,889	-	87,889
Claims incurred but not yet reported	58,927	-	58,927
Premium reserves			
Unearned premium reserves	741,064	-	741,064
Unpaid policy benefits	575,318	-	575,318
Other insurance liabilities	1,476,702	-	1,476,702
Total insurance contract liabilities	<u>142,519,907</u>	<u>-</u>	<u>142,519,907</u>

(Unaudited but reviewed)

(Unit: Thousand Baht)

31 December 2023

	Insurance contract liabilities	Reinsurers' shared liabilities	Net
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 three-month period ended 31 March 2024	For the year ended 31 December 2023
Beginning balances	136,866,138	126,478,881
Insurance policy reserves increased for new businesses and inforce policies	6,034,835	26,197,569
Insurance policy reserves released from death, benefit paid, lapse and surrender	<u>(3,320,966)</u>	<u>(15,810,312)</u>
Ending balances	<u>139,580,007</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 three-month period ended 31 March 2024	For the year ended 31 December 2023
Beginning balances	260,737	131,923
Claims incurred in the current periods	300,955	1,097,310
Claims paid during the periods	(414,876)	(968,496)
Ending balances	<u>146,816</u>	<u>260,737</u>

### (b) Unearned premium reserves

	(Unit: Thousand Baht)	
	For the three-month period ended 31 March 2024	For the year ended 31 December 2023
Beginning balances	496,789	407,349
Premium written during the periods	716,031	1,719,531
Premium earned during the periods	(471,756)	(1,630,091)
Ending balances	<u>741,064</u>	<u>496,789</u>

## 9.3 Unpaid policy benefits

	(Unit: Thousand Baht)	
	31 March 2024	31 December 2023
Death benefits	222,188	130,167
Surrender	8	6
Unpresented cheques for benefits and claims payment	341,202	363,976
Others	11,920	7,693
Total unpaid policy benefits	<u>575,318</u>	<u>501,842</u>

(Unaudited but reviewed)

**9.4 Other insurance liabilities**

	(Unit: Thousand Baht)	
	31 March 2024	31 December 2023
Deposits of the insured	1,382,667	1,323,693
Others	94,035	22,719
Total other insurance liabilities	<u>1,476,702</u>	<u>1,346,412</u>

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

As at 31 March 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	
	31	31	For the three-month periods ended 31 March	
	March	December	2024	2023
	2024	2023	2024	2023
<b>Deferred tax assets</b>				
Unpaid policy benefits	43,128	40,763	2,365	19
Premium reserves	79,549	-	79,549	79,508
Allowance for expected credit losses and impairment losses on investments	234,027	250,342	(16,315)	5,438
Modification losses	63,956	66,106	(2,150)	(3,352)
Unrealised losses on available-for-sale investments	1,348,253	1,653,696	(305,443)	(781,171)
Losses on bond forward contracts	-	-	-	(442)
Employee benefit obligations	37,587	38,354	(767)	6,002
Unutilised tax losses	341,920	680,239	(338,319)	(34,946)
Others	28,399	28,202	197	620
Total	<u>2,176,819</u>	<u>2,757,702</u>		



(Unaudited but reviewed)

(Unit: Thousand Baht)

	Change in deferred tax		assets or liabilities	
	31	31	For the three-month periods	
	March	December	ended 31 March	
	2024	2023	2024	2023
<b>Deferred tax liabilities</b>				
Deferred Acquisition cost	(4,885,987)	(4,765,051)	(120,936)	(105,104)
Fair value gains on trading investment	(54)	(37)	(17)	(2)
Gains on bond forward contracts	(25,350)	(29,781)	4,431	-
Unrealised gains on derivatives	(19,017)	(92,486)	73,469	(7,469)
Unrealised gains on translation adjustments of foreign currency denominated investments	(36,679)	(64,075)	27,396	3,098
Actuarial gains on defined benefit plan	(15,728)	(15,728)	-	-
Total	(4,982,815)	(4,967,158)		
Deferred tax liabilities - net	(2,805,996)	(2,209,456)		
<b>Total changes</b>			(596,540)	(837,801)
<b>Changes in deferred taxes recognised in:</b>				
- Profit or loss			(117,124)	73,047
- Other comprehensive income			(479,416)	(910,848)
<b>Total changes</b>			(596,540)	(837,801)

## 10.2 Income tax expenses

Income tax expenses for the three-month periods ended 31 March 2024 and 2023 were made up as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2024	2023
<b>Current income taxes:</b>		
Corporate income tax for the periods	-	-
<b>Deferred income taxes:</b>		
Relating to origination and reversal of temporary differences	(117,124)	73,047
<b>Income tax benefits (expenses) recognised in profit or loss</b>	<b>(117,124)</b>	<b>73,047</b>

Reconciliations between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the three-month periods ended 31 March 2024 and 2023 were as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended 31 March	
	2024	2023
Accounting profit (loss) before income taxes	585,388	(362,942)
Applicable tax rate	20%	20%
Amount of income taxes at the applicable tax rate	(117,078)	72,588
Net tax effect on tax-exempted revenues or non-tax deductible expenses	(46)	459
<b>Income tax benefits (expenses) recognised in profit or loss</b>	<b>(117,124)</b>	<b>73,047</b>

## 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. Related party transactions

### 12.1 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

## 12.2 Significant business transactions with related parties

During the three-month periods ended 31 March 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 periods ended 31 March		Pricing policies
	2024	2023	
<b>Affiliate of Prudential Group</b>			
<b>Revenue</b>			
Trailing fee <sup>(1)</sup>	9,614	8,613	Contractually agreed price
<b>Expenses</b>			
Investment management fee expenses and Investment related expenses <sup>(2)</sup>	47,563	48,103	Contractually agreed price
Operating expenses	183,765	157,060	Contractually agreed price
Other underwriting expenses	78,237	82,354	Contractually agreed price

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

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

## 12.3 Outstanding balances with related parties

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

(Unit: Thousand Baht)

	31 March 2024	31 December 2023
<b>Outstanding items with affiliates of Prudential Group</b>		
<b>Assets</b>		
Other assets	9,342	23,153
<b>Liabilities</b>		
Accrued investment management fee <sup>(1)</sup>	13,773	14,141
Other payables	294,148	371,750
Accrued expenses	339,114	175,219

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

## 12.4 Directors' and key management's remunerations

For the three-month periods ended 31 March 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 ended 31 March	
	2024	2023
Short-term employee benefits	29,350	31,507
Post-employment benefits	1,794	1,171
Other long-term benefits	8,618	17,972
Total	<u>39,762</u>	<u>50,650</u>

## 12.5 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.

### 13. Commitments and contingent liabilities

#### 13.1 Capital commitments

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

	(Unit: Thousand Baht)	
	31 March 2024	31 December 2023
Building improvements	10,708	-
Software licenses	44,158	17,355
	<u>54,866</u>	<u>17,355</u>

#### 13.2 Service commitments

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

	(Unit: Thousand Baht)	
Payable within	31 March 2024	31 December 2023
1 year	40,641	9,096
1 - 5 years	80,536	-
	<u>121,177</u>	<u>9,096</u>



### 13.3 Other commitments

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

Payable within	(Unit: Thousand Baht)	
	31 March 2024	31 December 2023
1 year	118,500	118,500
1 - 5 years	88,875	118,500
	<u>207,375</u>	<u>237,000</u>

## 14. Financial instruments

### 14.1 Fair value and hierarchy of financial instruments

As at 31 March 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)			
	31 March 2024			
	Fair value			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
Investments measured at fair value through profit or loss	4,019	-	-	4,019
Investments measured at fair value through other comprehensive income	17,537,424	109,121,536	1,075,120	127,734,080
Derivatives assets	-	1,483,800	-	1,483,800
Investment assets of the insured	13,782,515	-	-	13,782,515
<b>Financial liabilities measured at fair value</b>				
Derivatives liabilities	-	765,627	-	765,627

(Unaudited but reviewed)

(Unit: Thousand Baht)

	31 December 2023			
	Fair value			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
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
<b>Financial liabilities measured at fair value</b>				
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.

## 15. Approval of interim financial information

This interim financial information was authorised for issue by the Company's Board of Directors on 10 May 2024.