

Prudential Life Assurance (Thailand) Public Company Limited

Condensed interim financial statements
for the three-month and nine-month periods ended
30 September 2022

and

Independent auditor's review report



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Independent auditor's report on review of interim financial information

To the Board of Directors 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 30 September 2022; the statements of comprehensive income for the three-month and nine-month periods ended 30 September 2022, the statements of changes in equity and cash flows for the nine-month period ended 30 September 2022; and the condensed notes ("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 the 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".

(Orawan, Chotiwiriyakul)
Certified Public Accountant
Registration No.10566

KPMG Phoomchai Audit Ltd.
Bangkok
10 November 2022

Prudential Life Assurance (Thailand) Public Company Limited

Statement of financial position

Assets	Note	30 September	31 December
		2022	2021
		(Unaudited)	
		(in thousand Baht)	
Cash and cash equivalents	3	1,671,685	2,142,189
Investment receivables		37,245	46,455
Premiums due and uncollected	4	1,012,748	563,406
Accrued investment income		961,298	564,723
Reinsurance receivables		121,462	123,446
Derivative assets	5	-	96,775
Investments assets			
Investments in securities	6, 17	105,943,666	116,701,748
Loans and accrued interest	7	3,790,327	3,352,495
Investment assets where policyholders bear the investment risk	15	11,598,477	12,683,422
Non-current assets held for sale		9,980	9,980
Premises and equipment		215,593	232,484
Right-of-use asset		240,257	265,176
Intangible assets	8	18,894,311	19,063,676
Deferred tax assets	9	3,871,667	217,309
Other assets	16	2,921,544	1,153,677
Total assets		151,290,260	157,216,961

The accompanying notes are an integral part of these interim financial statements.

Prudential Life Assurance (Thailand) Public Company Limited

Statement of financial position

Liabilities and shareholders' equity	<i>Note</i>	30 September 2022 (Unaudited)	31 December 2021
		<i>(in thousand Baht)</i>	
Liabilities			
Insurance contract liabilities	10	124,209,717	116,531,392
Investment contract liabilities	11	11,656,205	12,752,405
Due to reinsurers		297,989	251,781
Derivative liabilities	5	2,649,509	741,330
Accrued commission		322,860	366,263
Accrued expenses	16	1,832,838	1,373,116
Employee benefit obligations		317,410	301,716
Lease liabilities		230,928	251,527
Income tax payable		-	92,341
Other liabilities	16	365,284	591,617
Total liabilities		<u>141,882,740</u>	<u>133,253,488</u>
Shareholders' equity			
Share capital			
Authorised share capital			
<i>(2,211,152,652 ordinary shares, par value at Baht 9.14 per share)</i>		<u>20,209,935</u>	<u>20,209,935</u>
Issued and paid share capital			
<i>(2,211,152,652 ordinary shares, par value at Baht 9.14 per share)</i>		20,209,935	20,209,935
Retained earnings			
Appropriated			
Legal reserve		466,939	466,939
Unappropriated		1,645,921	2,490,513
Other components of shareholders' equity		<u>(12,915,275)</u>	<u>796,086</u>
Total shareholders' equity		<u>9,407,520</u>	<u>23,963,473</u>
Total liabilities and shareholders' equity		<u>151,290,260</u>	<u>157,216,961</u>

The accompanying notes are an integral part of these interim financial statements.

Prudential Life Assurance (Thailand) Public Company Limited
Statement of comprehensive income (Unaudited)

	Note	Three-month period ended	
		2022	2021
		30 September	
		(in thousand Baht)	
Revenues			
Gross premium written		7,524,407	5,601,771
Less premium ceded		(63,358)	(122,069)
Net premiums written		7,461,049	5,479,702
Add unearned premium reserve decreased from previous period		18,665	1,084
Net premium earned		7,479,714	5,480,786
Commission and brokerage income		24,753	57,621
Net investments income	16	980,977	930,192
Gain on investments		825	659,730
Gain (loss) on fair value changes		51,666	(203,631)
Other income		13,859	18,570
Total revenues		8,551,794	6,943,268
Expenses			
Long-term technical reserve increase from prior period		3,723,824	1,534,084
Benefits payments and insurance claims expenses		2,899,749	3,251,803
Less benefits payments and insurance claims expenses recovered from reinsurers		(23,237)	(53,598)
Net benefits payments and insurance claims expenses		2,876,512	3,198,205
Commissions and brokerage expenses		698,767	480,911
Other underwriting expenses	16	914,832	556,495
Operating expenses	16	956,311	820,586
Expected credit losses and impairment losses on investments	13	42,669	18,714
Loss on exchange rate		6,576	23,139
Total expenses		9,219,491	6,632,134
Profit (loss) before income tax		(667,697)	311,134
Income tax expense (revenue)	12	(120,526)	43,490
Profit (loss) for the period		(547,171)	267,644
Other comprehensive income (loss)			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Loss on remeasurement of investments - fair value through other comprehensive income		(3,013,785)	(1,495,933)
(Loss) gain on remeasurement of derivatives for cash flow hedges		(73,911)	4,111
Income tax relating to items that will be reclassified subsequently to profit or loss		617,060	298,365
Other comprehensive income (loss) for the period, net of income tax		(2,470,636)	(1,193,457)
Total comprehensive income (loss) for the period		(3,017,807)	(925,813)
Basic earnings (loss) per share (in Baht)	14	(0.25)	0.12

The accompanying notes are an integral part of these interim financial statements.

Prudential Life Assurance (Thailand) Public Company Limited
Statement of comprehensive income (Unaudited)

		Nine-month period ended	
		30 September	
	Note	2022	2021
		<i>(in thousand Baht)</i>	
Revenues			
Gross premium written		19,704,159	16,570,925
Less premium ceded		<u>(177,409)</u>	<u>(242,083)</u>
Net premiums written		19,526,750	16,328,842
Less unearned premium reserve increased from previous period		<u>(169,456)</u>	<u>(87,792)</u>
Net premium earned		19,357,294	16,241,050
Commission and brokerage income		74,313	103,471
Net investments income	16	2,757,823	2,570,093
(Loss) gain on investments		(92,245)	1,128,742
Gain (loss) on fair value changes		536,952	(211,829)
Other income		44,580	46,229
Total revenues		<u>22,678,717</u>	<u>19,877,756</u>
Expenses			
Long-term technical reserve increase from prior period		7,245,951	6,218,442
Benefits payments and insurance claims expenses		9,629,478	7,561,251
Less benefits payments and insurance claims expenses recovered from reinsurers		<u>(69,516)</u>	<u>(92,416)</u>
Net benefits payments and insurance claims expenses		9,559,962	7,468,835
Commissions and brokerage expenses		1,963,037	1,586,172
Other underwriting expenses	16	2,239,694	1,613,371
Operating expenses	16	2,587,460	2,254,870
Expected credit losses and impairment losses on investments	13	127,513	6,841
Loss on exchange rate		12,155	54,971
Total expenses		<u>23,735,772</u>	<u>19,203,502</u>
Profit (loss) before income tax		<u>(1,057,055)</u>	<u>674,254</u>
Income tax expense (revenue)	12	<u>(212,463)</u>	<u>111,249</u>
Profit (loss) for the period		<u>(844,592)</u>	<u>563,005</u>
Other comprehensive income (loss)			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Loss on remeasurement of investments - fair value through other comprehensive income		(16,349,127)	(7,653,391)
(Loss) gain on remeasurement of derivatives for cash flow hedges		(801,219)	70,963
Income tax relating to items that will be reclassified subsequently to profit or loss		<u>3,438,985</u>	<u>1,516,486</u>
Other comprehensive income (loss) for the period, net of income tax		<u>(13,711,361)</u>	<u>(6,065,942)</u>
Total comprehensive income (loss) for the period		<u>(14,555,953)</u>	<u>(5,502,937)</u>
Basic earnings (loss) per share (in Baht)	14	<u>(0.38)</u>	<u>0.25</u>

The accompanying notes are an integral part of these interim financial statements.

Prudential Life Assurance (Thailand) Public Company Limited

Statement of changes in equity (Unaudited)

	Retained earnings		Other components of shareholders' equity		Total shareholders' equity	
	Issued and paid share capital	Legal reserve	Unappropriated	Gain (loss) on remeasurement of investments - fair value through other comprehensive income <i>(in thousand Baht)</i>		Gain on remeasurement of derivatives for cash flow hedges
Nine-month period ended 30 September 2021						
Balance at 1 January 2021	20,209,935	463,275	2,409,523	7,800,998	-	30,883,731
Comprehensive income (loss) for the period						
Profit for the period	-	-	563,005	-	-	563,005
Other comprehensive income (loss)						
Loss on remeasurement of investments - fair value through other comprehensive income, net of income tax	-	-	-	(6,122,712)	-	(6,122,712)
Gain on remeasurement of derivatives for cash flow hedges, net of income tax	-	-	-	-	56,770	56,770
Total comprehensive income (loss) for the period	-	-	563,005	(6,122,712)	56,770	(5,502,937)
Balance at 30 September 2021	20,209,935	463,275	2,972,528	1,678,286	56,770	25,380,794

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Prudential Life Assurance (Thailand) Public Company Limited

Statement of changes in equity (Unaudited)

	Issued and paid share capital	Retained earnings		Other components of shareholders' equity		Total shareholders' equity
		Legal reserve	Unappropriated	Gain (loss) on remeasurement of investments - fair value through other comprehensive income <i>(in thousand Baht)</i>	Loss on remeasurement of derivatives for cash flow hedges	
Nine-month period ended 30 September 2022						
Balance at 1 January 2022	20,209,935	466,939	2,490,513	963,293	(167,207)	23,963,473
Comprehensive income (loss) for the period						
Loss for the period	-	-	(844,592)	-	-	(844,592)
Other comprehensive income (loss)						
Loss on remeasurement of investments - fair value through other comprehensive income, net of income tax	-	-	-	(13,079,302)	-	(13,079,302)
Loss on remeasurement of derivatives for cash flow hedges, net of income tax	-	-	-	-	(632,059)	(632,059)
Total comprehensive income (loss) for the period	-	-	(844,592)	(13,079,302)	(632,059)	(14,555,953)
Balance at 30 September 2022	20,209,935	466,939	1,645,921	(12,116,009)	(799,266)	9,407,520

The accompanying notes are an integral part of these interim financial statements.

Prudential Life Assurance (Thailand) Public Company Limited
Statement of cash flows (Unaudited)

	Nine-month period ended	
	30 September	
Note	2022	2021
	<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>		
Premiums received	19,068,823	16,284,021
Cash paid to reinsurers	(47,085)	(85,218)
Interest received	1,913,362	1,886,201
Dividend received	569,954	440,121
Other income	94,619	47,451
Benefit payments and insurance claims expenses	(9,366,560)	(7,330,033)
Commissions and brokerages	(2,006,440)	(1,675,585)
Other underwriting expenses	(1,950,011)	(1,523,269)
Operating expenses	(2,152,112)	(2,446,865)
Income tax paid	(95,251)	(266,319)
Investments in securities	(5,979,732)	(2,284,821)
Loans	(251,805)	89,021
Investment assets where policyholders bear the investment risk	(43,166)	(59,937)
Net cash generated from (used in) operating activities	<u>(245,404)</u>	<u>3,074,768</u>
<i>Cash flows from investing activities</i>		
<i>Cash flow provided by</i>		
Proceeds from sale of premises and equipment	116	2,016
Cash flow provided by investing activities	<u>116</u>	<u>2,016</u>
<i>Cash flow used in</i>		
Acquisition of premises and equipment	(11,665)	(192,394)
Acquisition of intangible assets	(186,784)	(204,010)
Cash flow used in investing activities	<u>(198,449)</u>	<u>(396,404)</u>
Net cash used in investing activities	<u>(198,333)</u>	<u>(394,388)</u>
<i>Cash flow from financing activities</i>		
<i>Cash flows used in</i>		
Payment of lease liabilities	(27,024)	(49,886)
Net cash used in financing activities	<u>(27,024)</u>	<u>(49,886)</u>
Net increase (decrease) in cash and cash equivalents	(470,761)	2,630,494
Cash and cash equivalent at 31 December 2021/2020	2,142,711	2,446,298
Total cash and cash equivalent at 30 September	1,671,950	5,076,792
<i>Less</i> allowance of expected credit losses	3 (265)	(1,217)
Cash and cash equivalent at 30 September - Net	3 <u>1,671,685</u>	<u>5,075,575</u>

The accompanying notes are an integral part of these interim financial statements.

Prudential Life Assurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2022 (Unaudited)

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Prudential Life Assurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
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These notes form an integral part of the interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language interim financial statements have been prepared from the Thai language interim financial statements. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial statements shall prevail.

These interim financial statements were approved and authorised for issue by the Board of Directors on 10 November 2022.

1 General information

Prudential Life Assurance (Thailand) Public Company Limited, (the “Company”), is incorporated in Thailand and has its registered office at Mitrtown Office Tower, 10th and 29th - 31st Floor, 944 Rama 4 Road, Wangmai, Pathumwan, Bangkok. The Company has 1 branch (*31 December 2021: 1 branch*).

The immediate and ultimate parent companies during the period were Staple Limited (51.21% shareholding) which was incorporated in Thailand, and Prudential plc which was incorporated in the England and Wales, respectively.

The principal activity of the Company is to operate life assurance.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

The condensed interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis (“interim financial statements”) in accordance with Thai Accounting Standard (TAS) No.34 *Interim Financial Reporting*; guidelines promulgated by the Federation of Accounting Professions (TFAC). In addition, the interim financial statements are prepared in accordance with the Notification of the Office of Insurance Commission regarding “Rules, Procedures, Conditions and Timing for the Preparation and Submission of the Financial Statements and Reporting of the Operations of Life Insurance Companies” B.E. 2562 (No. 2), dated 4 April 2019.

The interim financial statements focus on new activities, events and circumstances to avoid repetition of information previously reported in financial statement. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 December 2021.

The Company has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these interim financial statements. Those new and revised TFRS that are relevant to the Company’s operations are disclosed in note 19

(b) Use of judgements, estimates and accounting policies

In preparing these interim financial statements, judgements and estimates are made by management in applying the Company’s accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2021.

Prudential Life Assurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2022 (Unaudited)

3 Cash and cash equivalents

	30 September 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Cash on hand	55	55
Deposits at banks - call deposits	1,671,895	2,142,656
Less allowance for expected credit losses	(265)	(522)
Total	<u>1,671,685</u>	<u>2,142,189</u>

4 Premiums due and uncollected

As at 30 September 2022 and 31 December 2021, the balances of premiums due and uncollected are classified by aging as follows:

	30 September 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Within due	891,910	506,914
Overdue		
Not over than 30 days	77,431	51,189
31 - 60 days	1,779	3,260
61 - 90 days	41,579	1,406
91 days - 1 year	313	949
Over 1 year	17	2
Total	<u>1,013,029</u>	<u>563,720</u>
Less allowance for doubtful accounts	(281)	(314)
Net	<u>1,012,748</u>	<u>563,406</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.

Prudential Life Assurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2022 (Unaudited)

5 Derivatives

As at 30 September 2022 and 31 December 2021, the derivative asset and liabilities were as follows:

Derivatives for which hedge accounting has not been elected

Type of contract	Objectives	No. of contracts	Notional value	30 September 2022		Three-month period ended 30 September 2022	Nine-month period ended 30 September 2022
				Fair value Assets	Fair value Liabilities		
Foreign exchange forward	To protect against foreign exchange risk arising from investment activities	11	28,858,590	-	(1,589,339)	(121,189)	(1,144,762)
Bond forward	To protect against interest rate risk arising from investment activities	1	191,052	-	(5,363)	(3,239)	(14,394)
Total		12	29,049,642	-	(1,594,702)	(124,428)	(1,159,156)

Derivatives for which hedge accounting has been elected

Type of contract	Objectives	No. of contracts	Notional value	30 September 2022		Three-month period ended 30 September 2022	Nine-month period ended 30 September 2022
				Fair value Assets	Fair value Liabilities		
Bond forward	To hedge the price risk of the underlying bond	9	7,499,906	-	(1,054,807)	(71,512)	(845,798)
Total		9	7,499,906	-	(1,054,807)	(71,512)	(845,798)

Prudential Life Assurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2022 (Unaudited)

Derivatives for which hedge accounting has not been elected

Type of contract	Objectives	No. of contracts	Notional value	31 December 2021		Gain (loss) on remeasurement of derivatives at fair value (in thousand Baht)
				Fair value Assets	Fair value Liabilities	
Foreign exchange forward	To protect against foreign exchange risk arising from investment activities	20	29,873,187	36,883	(481,460)	(653,600)
Bond forward	To protect against interest rate risk arising from investment activities	1	191,052	9,031	-	6,682
Total		21	30,064,239	45,914	(481,460)	(646,918)

Derivatives for which hedge accounting has been elected

Type of contract	Objectives	No. of contracts	Notional value	Fair value		Loss on remeasurement of derivatives at fair value (in thousand Baht)
				Assets	Liabilities	
Bond forward	To hedge the price risk of the underlying bond	9	8,226,154	50,861	(259,870)	(209,009)
Total		9	8,226,154	50,861	(259,870)	(209,009)

As at 30 September 2022, the Company has hedged the foreign exchange risks arising from investment activities by entering into foreign exchange forward contracts with the banks. The notional amount of these hedges is USD 807.0 million (31 December 2021: USD 923.9 million).

Prudential Life Assurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2022 (Unaudited)

6 Investments in securities

6.1 Investment in securities by measurement of accounting guidelines are as follows:

	30 September 2022		31 December 2021	
	Cost/ Amortised cost	Fair value	Cost/ Amortised cost	Fair value
	<i>(in thousand Baht)</i>			
<i>Investments measured at fair value through profit or loss</i>				
Unit trusts	3,740	3,805	3,736	4,394
Total	3,740	3,805	3,736	4,394
Add unrealised gains	65	-	658	-
Total investments measured at fair value through profit or loss	3,805	3,805	4,394	4,394
<i>Investments measured at fair value through other comprehensive income</i>				
Government and state enterprises securities	55,022,750	47,989,698	56,755,502	57,787,335
Corporate securities	37,208,640	33,622,473	34,350,414	34,627,805
Foreign securities	9,067,053	7,649,139	5,477,924	5,488,746
Equity securities	3,683,323	3,422,087	3,678,019	3,178,007
Unit trusts	17,076,580	13,256,464	16,077,083	15,615,461
Total	122,058,346	105,939,861	116,338,942	116,697,354
Add unrealised gains (losses)	(16,118,485)	-	358,412	-
Total investments measured at fair value through other comprehensive income	105,939,861	105,939,861	116,697,354	116,697,354
Allowance for expected credit losses - Debt		523,799		474,026
Allowance for impairment losses - Equity securities and unit trusts classified as equity		449,676		371,679

6.2 Fair value through other comprehensive income

	30 September 2022		31 December 2021	
	Fair value	Allowance for expected credit losses / impairment	Fair value	Allowance for expected credit losses / impairment
	<i>(in thousand Baht)</i>			
Debt securities - no significant increase in credit risk / performing (stage 1)	100,728,480	27,518	111,527,343	25,721
Debt securities - default / non-performing (stage 3)	865,135	496,281	865,135	448,305
Equity securities and unit trusts classified as equity	4,346,246	449,676	4,304,876	371,679
Total	105,939,861	973,475	116,697,354	845,705

Prudential Life Assurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2022 (Unaudited)

7 Loans and accrued interest

As at 30 September 2022 and 31 December 2021, the detail of loans and accrued interest were as follows:

	30 September 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Other loans - no significant increase in credit risk (stage 1)	-	57
Less allowance for doubtful accounts	-	-
Total	-	57
Policy loans	3,419,708	3,007,778
Accrued interest receivable	370,619	344,660
Loans and accrued interest, net	<u>3,790,327</u>	<u>3,352,495</u>

Policy loans represent loans granted to the policyholders at an amount not exceeding the cash value of the policy, an interest not exceeding the premium written calculation and plus 2% per annum.

As at 30 September 2022, there was no other loans (*31 December 2021: other loans had interest rate 4.32% per annum*).

8 Intangible assets

	Software licenses	Software under development	Bancassurance agreement	Total
	<i>(in thousand Baht)</i>			
Net book value at 1 January 2022	367,175	246,325	18,450,176	19,063,676
Additions during the period - cost	-	194,852	-	194,852
Net transfers in/(out)	202,951	(202,951)	-	-
Amortisation charge for the period	(109,331)	-	(254,886)	(364,217)
Net book value at 30 September 2022	<u>460,795</u>	<u>238,226</u>	<u>18,195,290</u>	<u>18,894,311</u>

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9 Deferred tax

Deferred tax assets and liabilities as at 30 September 2022 and 31 December 2021 were as follows:

	30 September 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Deferred tax assets	3,913,340	487,607
Deferred tax liabilities	<u>(41,673)</u>	<u>(270,298)</u>
Net deferred tax assets	<u>3,871,667</u>	<u>217,309</u>

Movements in total deferred tax assets and liabilities for the nine-month period ended 30 September 2022 and 2021 were as follows:

	<u>(Charged) / Credited to:</u>			
	At 1 January 2022	Profit or loss	Other comprehensive income	At 30 September 2022
	<i>(in thousand Baht)</i>			
<i>Deferred tax assets</i>				
Premises and equipment	19,896	(19,896)	-	-
Intangible assets	2,063	(1,238)	-	825
Provision for dismantling	1,097	(899)	-	198
Employee benefit obligations	27,105	11,366	-	38,471
Unpaid policy benefits	10,019	253	-	10,272
Premium reserve	5,458	8,373	-	13,831
Expected credit losses and impairment losses on investments	170,237	27,018	-	197,255
Modification loss	92,465	(9,595)	-	82,870
Loss on remeasurement of investments - fair value through other comprehensive income	-	-	3,029,003	3,029,003
Realised gain from bond forward	-	8,916	-	8,916
Unrealised loss on derivative instruments	128,911	231,831	169,160	529,902
Others	30,356	(28,559)	-	1,797
Total	<u>487,607</u>	<u>227,570</u>	<u>3,198,163</u>	<u>3,913,340</u>
<i>Deferred tax liabilities</i>				
(Gain) loss on remeasurement of investments - fair value through other comprehensive income	(240,822)	-	240,822	-
Unrealised gain on exchange rate adjustment from foreign currency investment	(5,853)	(12,316)	-	(18,169)
(Gain) loss on remeasurement of investments - fair value through profit or loss	(132)	119	-	(13)
Actuarial gain on defined benefit plan	(23,491)	-	-	(23,491)
Total	<u>(270,298)</u>	<u>(12,197)</u>	<u>240,822</u>	<u>(41,673)</u>
Net	<u>217,309</u>	<u>215,373</u>	<u>3,438,985</u>	<u>3,871,667</u>

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	(Charged) / Credited to:			
	At 1 January 2021	Profit or loss <i>(in thousand Baht)</i>	Other comprehensive income	At 30 September 2021
<i>Deferred tax assets</i>				
Premises and equipment	23,417	(3,521)	-	19,896
Intangible assets	5,533	(2,744)	-	2,789
Provision for dismantling	1,000	65	-	1,065
Employee benefit obligations	26,310	2,471	-	28,781
Unpaid policy benefits	10,377	(480)	-	9,897
Premium reserve	10,823	23,264	-	34,087
Expected credit losses and impairment losses on investments	274,205	(97,262)	-	176,943
Modification loss	-	95,588	-	95,588
Unrealised (gain) loss on derivative instruments	-	89,571	(14,193)	75,378
Others	125	238	-	363
Total	351,790	107,190	(14,193)	444,787
<i>Deferred tax liabilities</i>				
(Gain) loss on remeasurement of investments - fair value through other comprehensive income	(1,950,248)	-	1,530,679	(419,569)
Unrealised (gain) loss on exchange rate adjustment from foreign currency investment	(22,763)	21,709	-	(1,054)
Gain on remeasurement of investments - fair value through profit or loss	(63)	(55)	-	(118)
Actuarial gain on defined benefit plan	(20,646)	-	-	(20,646)
Unrealised (gain) loss on derivative instruments	(53,130)	53,130	-	-
Total	(2,046,850)	74,784	1,530,679	(441,387)
Net	(1,695,060)	181,974	1,516,486	3,400

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10 Insurance contract liabilities

	30 September 2022			31 December 2021		
	Liabilities under insurance contracts	Reinsurers' share liabilities	Net <i>(in thousand Baht)</i>	Liabilities under insurance contracts	Reinsurers' share liabilities	Net
Long-term technical reserves	122,081,551	-	122,081,551	114,835,600	-	114,835,600
Short-term technical reserves						
Loss reserves and outstanding claims						
- Case reserves	94,608	-	94,608	58,191	-	58,191
- Incurred but not reported	46,506	-	46,506	41,882	-	41,882
Total loss reserves and outstanding claims	141,114	-	141,114	100,073	-	100,073
Unearned premium reserves	454,891	-	454,891	285,435	-	285,435
Total short-term technical reserves	596,005	-	596,005	385,508	-	385,508
Unpaid policy benefits	447,894	-	447,894	392,598	-	392,598
Due to insured	1,084,267	-	1,084,267	917,686	-	917,686
Total	124,209,717	-	124,209,717	116,531,392	-	116,531,392

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10.1 Long-term technical reserves

	30 September 2022	31 December 2021
	<i>(in thousand Baht)</i>	
At 1 January	114,835,600	105,433,242
Reserve increase from new and inforce policies during the period / year	15,693,461	18,594,083
Reserves released for benefits payment, lapse and policies cancelled during the period / year	<u>(8,447,510)</u>	<u>(9,191,725)</u>
At 30 September 2022/ 31 December 2021	<u>122,081,551</u>	<u>114,835,600</u>

10.2 Short-term technical reserves

10.2.1 Loss reserves and outstanding claims

	30 September 2022	31 December 2021
	<i>(in thousand Baht)</i>	
At 1 January	100,073	86,391
Insurance claim expense incurred during the period / year	497,982	373,624
Insurance claim expense paid during the period / year	<u>(456,941)</u>	<u>(359,942)</u>
At 30 September 2022 / 31 December 2021	<u>141,114</u>	<u>100,073</u>

10.2.2 Unearned premium reserves

	30 September 2022	31 December 2021
	<i>(in thousand Baht)</i>	
At 1 January	285,435	263,406
Premium written during the period / year	963,588	744,497
Earned premium in the period / year	<u>(794,132)</u>	<u>(722,468)</u>
At 30 September 2022 / 31 December 2021	<u>454,891</u>	<u>285,435</u>

10.3 Unpaid policy benefits

	30 September 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Death	74,332	53,341
Unpresented cheques for benefits and claims payment	353,896	328,002
Others	<u>19,666</u>	<u>11,255</u>
Total	<u>447,894</u>	<u>392,598</u>

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10.4 Due to insured

	30 September 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Policyholder deposits	1,075,810	909,825
Advance premium	3	3
Others	8,454	7,858
Total	<u>1,084,267</u>	<u>917,686</u>

11 Investment contract liabilities

The movement of investment contract liabilities are as follows:

	30 September 2022	31 December 2021
	<i>(in thousand Baht)</i>	
At 1 January	12,752,405	10,206,894
Deposit during the period / year	2,368,700	3,338,979
Withdrawal during the period / year	(560,401)	(1,505,739)
Valuation adjustment during the period / year	(2,904,499)	712,271
At 30 September 2022 / 31 December 2021	<u>11,656,205</u>	<u>12,752,405</u>

12 Income tax

Income tax is recognised based on management's best estimated of the weighted average annual income tax expected for the full financial year applied to the pre-tax of interim period. The Company's effective income tax rate in respect of continuing operations for the three-month and nine-month periods ended 30 September 2022 was 18.1% and 20.1%, respectively (*30 September 2021: 14.0% and 16.5%, respectively*). This change in effective tax rate was caused mainly by the following factors:

- Non-deductible expenses
- Tax exemption income
- Additional tax-deductible expenses
- Prior year adjustment

13 Expected credit losses and impairment losses on investments

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Cash and cash equivalent	(142)	586	(257)	784
Investment in debt securities	25,084	18,248	49,773	24,290
Investment in equity securities and unit trusts classified as equity	17,727	(120)	77,997	(18,233)
Total	<u>42,669</u>	<u>18,714</u>	<u>127,513</u>	<u>6,841</u>

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14 Basic earnings (loss) per share

The calculations of basic earnings (loss) per share for the three-month and nine-month periods ended 30 September 2022 and 2021 were based on the profit (loss) for the periods attributable to ordinary shareholders of the Company and the ordinary shares outstanding during the periods as follows:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2022	2021	2022	2021
	<i>(in thousand Baht / thousand shares)</i>			
Profit (loss) for the period attributable to ordinary shareholders of the Company (basic)	<u>(547,171)</u>	<u>267,644</u>	<u>(844,592)</u>	<u>563,005</u>
Number of ordinary shares outstanding	<u>2,211,153</u>	<u>2,211,153</u>	<u>2,211,153</u>	<u>2,211,153</u>
Basic earnings (loss) per share (in Baht)	<u>(0.25)</u>	<u>0.12</u>	<u>(0.38)</u>	<u>0.25</u>

15 Fair value of financial assets and liabilities

Carrying amounts and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

	Carrying amounts and Fair value			
	Level 1	Level 2	Level 3	Total
	<i>(in thousand Baht)</i>			
At 30 September 2022				
Financial assets				
Investment in securities				
Investments measured at fair value through profit or loss	3,805	-	-	3,805
Investments measured at fair value through other comprehensive income	<u>16,670,763</u>	<u>88,396,175</u>	<u>872,923</u>	<u>105,939,861</u>
Total investment in securities	<u>16,674,568</u>	<u>88,396,175</u>	<u>872,923</u>	<u>105,943,666</u>
Investment assets where policyholders bear the investment risk	<u>11,598,477</u>	<u>-</u>	<u>-</u>	<u>11,598,477</u>
Financial liabilities				
Derivative liabilities	<u>-</u>	<u>2,649,509</u>	<u>-</u>	<u>2,649,509</u>

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	Carrying amounts and Fair value			Total
	Level 1	Level 2	Level 3	
	(in thousand Baht)			
31 December 2021				
Financial assets				
Investment in securities				
Investment measured at fair value through profit or loss	4,394	-	-	4,394
Investment measured at fair value through other comprehensive income	18,786,032	97,038,751	872,571	116,697,354
Total investment in securities	18,790,426	97,038,751	872,571	116,701,748
Derivative assets	-	96,775	-	96,775
Investment assets where policyholders bear the investment risk	12,683,422	-	-	12,683,422
Financial liabilities				
Derivative liabilities	-	741,330	-	741,330

Fair value hierarchy

The table above analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the asset or liability that are based on unobservable input.

The following methods and assumptions were used by the Company in estimating fair value of financial assets and financial liabilities as disclosed herein.

The carrying value of these financial instruments, cash and cash equivalents, accrued investment income, premiums due and uncollected, loans, due to reinsurers, unpaid policy benefit loss reserves and outstanding claim and other payables approximates the fair value.

The Company determines Level 2 fair values for debt securities using clean price on the last day of the period provided by the Thai Bond Market Association and foreign issued debt securities using quotes from brokers and dealers.

The Company determines Level 2 fair values for unit trusts using the net asset value (NAV) on the last business day of the period provided by assets management companies.

The Company determines Level 2 fair values for promissory notes using discounted cash flow technique, which uses contractual cash flows and a market - related discount rate.

Level 2 fair values for simple over-the-counter derivative financial instruments are based on counterparty quotes.

The Company determines level 3 fair value based on multiple of price per book value approach for equity securities which are not marketable.

The Company determines level 3 fair value for debt securities based on recovery rate estimated from rehabilitation plan.

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The Company recognises transfers between levels of the fair value hierarchy as of the end of reporting period. There were no transfers between levels of the fair value hierarchy during the three-month and nine-month periods ended 30 September 2022 (*For the year ended 31 December 2021: there were no transfers between levels of the fair value hierarchy*).

16 Related parties

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Relationships with key management personnel and related parties were as follows:

Name of entities/Personnel	Country of Incorporation/ Nationality	Nature of relationships
Key management personnel	Thailand/ Foreigners	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
Prudential plc	United Kingdom	Ultimate parent of Prudential group
Staple Limited	Thailand	Parent company, holds 51.21% of the Company's shares
Prudential Corporation Holdings Limited	United Kingdom	Major shareholder, holds 48.72% of the Company's shares
Prudential Holdings Limited	United Kingdom	Intermediate parent company
Prudential Corporation Asia Limited Affiliate of Prudential Group	Hong Kong Thailand/ Foreign	Intermediate parent company Related party of Prudential Group

The pricing policies for particular types of transactions are explained further below:

Transactions	Pricing policies
Investment management fee expenses	Contractually agreed price
Investment related expenses and operating expenses	Contractually agreed price
Other underwriting expenses	Contractually agreed rate

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Significant transactions for the three-month and nine-month periods ended 30 September 2022 and 2021 with key management personnel and related parties were as follows:

	Three-month period ended 30 September		Nine-month period ended 30 September	
	2022	2021	2022	2021
	<i>(in thousand Baht)</i>			
Revenue				
Affiliate of Prudential Group				
Trailing fee	8,442	8,589	25,729	22,938
Expenses				
Affiliate of Prudential Group				
Investment management fee expenses	46,426	44,697	139,369	128,785
Investment related expenses and operating expenses	58,442	55,913	161,383	184,575
Other underwriting expenses	168,503	113,301	399,798	300,293
Directors and key management personnel compensation				
Short-term employee benefits	55,950	57,363	173,855	141,080
Post-employment benefit	1,819	1,938	5,421	6,187
Other long-term benefits	46,431	21,536	58,690	31,600
Total	104,200	80,837	237,966	178,867

Significant balances as at 30 September 2022 and 31 December 2021 with related parties were as follows:

	30 September 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Other assets		
Affiliate of Prudential Group	57,790	4,508
Accrued investment management fee		
Affiliate of Prudential Group	29,638	41,926
Other liabilities		
Affiliate of Prudential Group	14,422	230,811

Significant agreements with related parties

Investment Management Agreement

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.

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18 Commitments with non-related parties

	30 September 2022	31 December 2021
	<i>(in thousand Baht)</i>	
(a) Capital commitments		
<i>Contracted but not provided for:</i>		
Furniture	36	-
Software licenses	76,998	42,208
Total	<u><u>77,034</u></u>	<u><u>42,208</u></u>
	30 September 2022	31 December 2021
	<i>(in thousand Baht)</i>	
(b) Non-cancellable operating service agreement		
Within 1 year	36,385	36,385
1 - 5 years	18,192	45,481
Total	<u><u>54,577</u></u>	<u><u>81,866</u></u>
	30 September 2022	31 December 2021
	<i>(in thousand Baht)</i>	
(c) Commitment from distribution agreement		
Within 1 year	118,500	-
1 - 5 years	266,625	-
Total	<u><u>385,125</u></u>	<u><u>-</u></u>

19 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new and revised TFRS which are relevant to the Company's operations are expected to have significant impact on the Company's financial statements on the date of initial application are as follows:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 17	Insurance contracts

* TFRS - Financial instruments standards

(a) TFRS - Financial instruments standards

TFRS 9 and TFRS 7 became effective for the annual periods beginning on or after 1 January 2020. TFRS 4 Insurance Contracts has allowed insurance entities that meet the conditions as specified by TFRS 4, to use the deferral approach in application of TFRS 9 and TFRS 7 for insurance entities and continue to apply Accounting Guidance: Financial Instruments and Disclosures for Insurance Business until TFRS 17 Insurance contract becomes effective in 2025.

These TFRSs establish requirements related to definition, classification, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

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(b) TFRS 17 - Insurance contracts

TFRS 17 will replace TFRS 4 - Insurance Contracts for the annual periods beginning on or after 1 January 2025.

TFRS 17 introduces the new measurement model which consists of fulfillment cash flows and a contractual service margin. The fulfillment cash flows represent the risk adjusted present value of the insurer's rights and obligations to the policyholders, comprising estimates of expected cash flows, discounting, and an explicit risk adjustment for non-financial risk. The contractual service margin represents the unearned profit from in-force contracts that the Company will recognise as it provides services over the coverage period. The contractual service margin is earned based on a pattern of coverage units, reflecting the quantity of benefits provided. The simplified approach may be chosen to adopt when certain criteria are met.

The Company may elect to recognise the cumulative negative impact on insurance contract liabilities from the adoption of TFRS 17 to retained earnings by applying the straight-line method within the period not exceeding 3 years from transition date.

TFRS 17 also introduces substantial changes in both presentation of the statement of financial position and statement of comprehensive income, as well as more granular disclosure requirements.

Management is presently considering the potential impact of adopting and initially applying those TFRSs on the financial statements.