

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

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 September 2024, the related statements of comprehensive income for the three-month and nine-month periods then ended, the related statements of changes in owners' equity and cash flows for the nine-month period then ended, as well as the condensed notes to the interim financial statements (collectively called "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 provide 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 November 2024

Prudential Life Assurance (Thailand) Public Company Limited

Statements of financial position

As at 30 September 2024 and 31 December 2023

(Unit: Thousand Baht)

	Note	30 September 2024 (Unaudited but reviewed)	31 December 2023 (Audited)
Assets			
Cash and cash equivalents	2	622,607	5,204,525
Premium receivables	3	1,169,399	1,011,172
Accrued investment income		1,109,327	603,222
Reinsurance receivables		477,500	319,140
Derivatives assets	4	4,186,757	1,458,973
Investment assets			
Investments in securities	5	138,221,841	123,824,780
Loans and interest receivables	6	4,687,625	4,446,520
Investment assets of the insured	7.1	13,581,241	13,536,714
Assets held for sale		8,967	8,967
Premises and equipment		177,835	178,355
Right-of-use assets		197,949	192,880
Intangible assets		19,144,624	19,508,675
Other assets			
Deferred acquisition costs	8	25,403,753	23,825,254
Collateral receivables under derivative agreements		-	64,100
Account receivables on sales of securities		100,762	99,269
Restricted assets		3,648,197	420,101
Others		282,622	255,491
Total assets		213,021,006	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 September 2024 and 31 December 2023

(Unit: Thousand Baht)

	Note	30 September 2024 (Unaudited but reviewed)	31 December 2023 (Audited)
Liabilities and equity			
Liabilities			
Insurance contract liabilities	9	152,616,193	139,471,918
Investment contract liabilities	7.2	13,696,722	13,626,491
Reinsurance payables		650,414	652,708
Derivatives liabilities	4	3,098	532,189
Lease liabilities		192,581	195,471
Employee benefit obligations		372,888	451,093
Deferred tax liabilities	10.1	3,205,745	2,209,456
Other liabilities			
Accrued commission		276,197	385,091
Accrued expenses		1,266,947	2,747,332
Account payables on purchases of securities		479,679	2,514,369
Collateral payables under derivative agreements		3,648,197	420,101
Other payables		466,918	444,651
Others		802,906	311,133
Total liabilities		177,678,485	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		15,779,627	16,097,447
Other components of owners' equity		(1,841,893)	(6,506,099)
Total owners' equity		35,342,521	30,996,135
Total liabilities and owners' equity		213,021,006	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 September 2024 and 2023

		(Unit: Thousand Baht)	
	Note	2024	2023
Profit or loss:			
Revenues			
Gross premium written		8,689,895	8,498,825
Less: Premium ceded to reinsurers		(204,446)	(104,913)
Net premium written		8,485,449	8,393,912
Add: Unearned premium reserves decreased from prior period		42,939	66,898
Net premium earned		8,528,388	8,460,810
Commission and brokerage income		45,267	36,844
Net investment revenues		1,079,966	941,324
Gains on investments		42,418	5,718
Fair value gains (losses)		(835,900)	146,074
Other income		16,400	18,632
Total revenues		8,876,539	9,609,402
Expenses			
Long-term insurance policy reserves increased from prior period		5,463,319	2,889,326
Benefit payments under life policies and gross claims		2,428,751	4,218,384
Less: Benefit payments under life policies and claims refundable from reinsurance		(95,162)	(45,798)
Commission and brokerage expenses		623,556	615,645
Other underwriting expenses		520,668	470,991
Operating expenses		1,079,437	783,852
Finance costs		1,491	1,343
Expected credit losses and losses on impairment		97,840	51,428
Total expenses		10,119,900	8,985,171
Profit (loss) before income taxes		(1,243,361)	624,231
Income tax benefits (expenses)	10.2	248,463	(117,896)
Net profit (loss)		(994,898)	506,335

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 September 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		5,896,952	(5,312,097)
Gains (losses) on measurement of financial derivatives held for			
cashflow hedge		809,700	(657,198)
Amortisation of deferred hedging costs		(55,328)	(16,091)
Total items to be recognised in profit or loss in subsequent periods		6,651,324	(5,985,386)
Add (less): Income taxes		(1,330,265)	1,197,078
Items to be recognised in profit or loss in subsequent periods			
- net of income taxes		5,321,059	(4,788,308)
Other comprehensive income (loss) for the periods		5,321,059	(4,788,308)
Total comprehensive income (loss) for the periods		4,326,161	(4,281,973)
Basic earnings per share:			
Earnings (loss) per share (Baht)	11	(0.45)	0.23

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 nine-month periods ended 30 September 2024 and 2023

		(Unit: Thousand Baht)	
	Note	2024	2023
Profit or loss:			
Revenues			
Gross premium written		24,870,624	22,544,069
Less: Premium ceded to reinsurers		(549,547)	(295,196)
Net premium written		24,321,077	22,248,873
Less: Unearned premium reserves increased from prior period		(80,974)	(133,101)
Net premium earned		24,240,103	22,115,772
Commission and brokerage income		118,453	106,666
Net investment revenues		3,121,233	2,843,990
Gains on investments		115,614	48,976
Fair value losses		(750,054)	(477,886)
Other income		55,605	55,376
Total revenues		26,900,954	24,692,894
Expenses			
Long-term insurance policy reserves increased from prior period		12,924,177	5,637,095
Benefit payments under life policies and gross claims		8,641,004	13,414,848
Less: Benefit payments under life policies and claims refundable from reinsurance		(293,917)	(152,226)
Commission and brokerage expenses		1,817,599	1,790,324
Other underwriting expenses		1,484,607	1,355,931
Operating expenses		2,728,084	2,305,649
Finance costs		4,005	4,103
Expected credit losses and losses on impairment		34,131	156,415
Total expenses		27,339,690	24,512,139
Profit (loss) before income taxes		(438,736)	180,755
Income tax benefits (expenses)	10.2	120,916	(144,395)
Net profit (loss)		(317,820)	36,360

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 nine-month periods ended 30 September 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		4,963,655	(3,031,139)
Gains (losses) on measurement of financial derivatives held for			
cashflow hedge		1,064,634	(310,787)
Amortisation of deferred hedging costs		(198,031)	(16,091)
Total items to be recognised in profit or loss in subsequent periods		5,830,258	(3,358,017)
Add (less): Income taxes		(1,166,052)	664,131
Items to be recognised in profit or loss in subsequent periods			
- net of income taxes		4,664,206	(2,693,886)
Other comprehensive income (loss) for the periods		4,664,206	(2,693,886)
Total comprehensive income (loss) for the periods		4,346,386	(2,657,526)
Basic earnings per share:	11		
Earnings (loss) per share (Baht)		(0.14)	0.02

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 nine-month periods ended 30 September 2024 and 2023

(Unit: Thousand Baht)

					Other components of owners' equity				
					Revaluation deficit				
					on available-for-sale	Gains (losses) on	Amortisation of		
					investments measured	measurement of	deferred		
Retained earnings					at fair value through other	financial derivatives held	hedging costs	Total	
					comprehensive income	for cashflow hedge	- net of income	other components of	
Note	Issued and	Appropriated -			- net of income taxes	- net of income taxes	taxes	owners' equity	Total
	paid-up share capital	Statutory reserves	Unappropriated						
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 profit	-	-	36,360		-	-	-	-	36,360
Other comprehensive loss for the period	-	-	-		(2,424,911)	(256,102)	(12,873)	(2,693,886)	(2,693,886)
Dividends paid	12	-	(192,370)		-	-	-	-	(192,370)
Balance as at 30 September 2023	20,209,935	1,147,002	15,237,748		(10,725,607)	(498,105)	(12,873)	(11,236,585)	25,358,100
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 loss	-	-	(317,820)		-	-	-	-	(317,820)
Other comprehensive income (loss)									
for the period	-	-	-		3,970,924	851,707	(158,425)	4,664,206	4,664,206
Balance as at 30 September 2024	20,209,935	1,194,852	15,779,627		(2,643,858)	967,965	(166,000)	(1,841,893)	35,342,521

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 nine-month periods ended 30 September 2024 and 2023

	(Unit: Thousand Baht)	
	2024	2023
Cash flows from operating activities		
Premium written from direct insurance	24,585,279	21,957,847
Cash paid for reinsurance	(371,793)	(37,795)
Interest income	1,862,911	2,074,952
Dividend income	687,936	537,215
Other income	129,595	126,783
Benefit payments under life policies and gross claims		
from direct insurance	(8,499,318)	(13,085,954)
Commission and brokerage expenses on direct insurance	(1,905,310)	(2,053,311)
Other underwriting expenses	(2,485,238)	(2,106,285)
Operating expenses	(2,916,214)	(2,704,114)
Income tax expenses	(39,801)	(33,664)
Cash received on financial assets	26,094,439	20,801,614
Cash paid for financial assets	(40,600,777)	(27,080,483)
Net cash used in operating activities	(3,458,291)	(1,603,195)
Cash flows from investing activities		
Disposals of equipment	665	39
Purchases of equipment	(32,163)	(7,193)
Purchases of intangible assets	(1,058,354)	(119,897)
Net cash used in investing activities	(1,089,852)	(127,051)
Cash flows from financial activities		
Borrowing from repurchase agreement	-	296,000
Repayments of lease liabilities	(33,775)	(26,280)
Dividends paid to shareholders	-	(192,370)
Net cash provided by (used in) financing activities	(33,775)	77,350
Net decrease in cash and cash equivalents	(4,581,918)	(1,652,896)
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	622,607	1,474,519

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

Prudential Life Assurance (Thailand) Public Company Limited

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Prudential Life Assurance (Thailand) Public Company Limited

Notes to interim financial statements

For the three-month and nine-month periods ended 30 September 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 September 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 presenting condensed interim financial information. The Company has presented the statements of financial position, comprehensive income, changes in owners’ equity and cash flows in the same format as that used for the annual financial statements and has presented notes to the interim financial statements on a condensed basis, which is 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.

1.4 New financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2025

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2025. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users. The management of the Company believes that adoption of these amendment will not have any significant impact on the Company's financial statements, except for TFRS 17 Insurance Contracts, which will supersede TFRS 4 Insurance Contracts, and establishes key principles for the recognition, measurement, presentation and disclosure of insurance contracts. An entity shall recognise a group of insurance contracts it issues from the earliest of the beginning of the coverage period of the group of contracts and the date when the first payment from a policyholder in the group becomes due. For a group of onerous contracts, these contracts will recognise loss at the date when the group becomes onerous.

Upon initial recognition, this standard requires the adoption of the General Measurement Model, the Variable Fee Approach, or Premium Allocation Approach if contracts meet certain requirements under this standard. In measuring value by the General Measurement Model, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows represent the estimates of future cash flows, which arise from substantive rights and obligations that exist during the reporting period, and a risk adjustment for non-financial risk. The contractual service margin represents the unearned profit that the entity will recognise as it provides insurance contract services in the future. In addition, this standard requires the entity to present and disclose more information related both qualitative and quantitative information. The Company's management is currently evaluating 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 September 2024	31 December 2023
Deposits at banks with no fixed maturity date	622,607	5,204,525
Total cash and cash equivalents	622,607	5,204,525

3. Premium receivables

As at 30 September 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 September 2024	31 December 2023
Not yet due	1,048,120	800,905
Not over 30 days	116,718	127,381
Over 31 days to 60 days	4,414	80,619
Over 61 days to 90 days	44	747
Overdue longer than 91 days - 1 year	385	2,307
Overdue longer than 1 year	8	98
Total	1,169,689	1,012,057
Less: Allowance for doubtful accounts	(290)	(885)
Total premium receivables - net	1,169,399	1,011,172

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 September 2024 and 31 December 2023, the Company had financial derivatives entered under different purposes and presented at fair value as follows:

(Unit: Thousand Baht)

		30 September 2024				Gains 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	5	12,291,453	872,760	-	689,948
Cross currency swap	To protect against foreign exchange and interest rate risk arising from investment activities	1	36,380	3,653	-	1,729
Interest rate swap	To protect against interest rate risk arising from investment activities	2	75,600	781	351	46
Index option	To hedge against risk of volatility of underlying assets	35	13,244,890	1,028,718	-	50,830
		43	25,648,323	1,905,912	351	742,553
Derivatives applied						
hedge accounting:						
Cross currency swap	To protect against foreign exchange and interest rate risk arising from investment activities	72	15,767,382	990,591	-	693,702
Bond forward	To hedge the price risk of the underlying bond	41	22,167,891	1,290,254	2,747	1,317,989
		113	37,935,273	2,280,845	2,747	2,011,691
Total		156	63,583,596	4,186,757	3,098	2,754,244

⁽¹⁾ Presented for gains for the nine-month period ended 30 September 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)
		22	18,452,379	660,548	171	(249,453)
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
		92	33,880,125	798,425	532,018	615,617
Total		114	52,332,504	1,458,973	532,189	366,164

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

5. Investments in securities

5.1 Classified by investment type

	(Unit: Thousand Baht)			
	30 September 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	3,896	4,303	3,758	3,941
Total	3,896	4,303	3,758	3,941
Add: Unrealised gains	407		183	
Total investments measured at fair value through profit or loss	4,303		3,941	
Investments measured at fair value through other comprehensive income				
Debt securities:				
Government and state enterprises bonds	81,035,970	81,519,147	73,651,326	71,013,947
Corporate bonds	28,172,129	26,562,917	31,089,745	28,703,689
Foreign bonds	9,537,979	9,041,209	8,114,099	7,251,066
Unit trusts	16,294,530	14,478,926	14,146,664	11,938,933
Equity securities:				
Common stocks	6,231,945	5,868,675	4,791,559	4,190,380
Unit trusts	1,512,115	746,664	1,524,100	722,824
Total	142,784,668	138,217,538	133,317,493	123,820,839
Less: Unrealised loss on valuation	(3,304,822)		(8,268,477)	
Allowance for expected credit losses	(433,271)		(526,997)	
Allowance for impairment	(829,037)		(701,180)	
Total investments measured at fair value through other comprehensive income - net	138,217,538		123,820,839	
Total investments in securities - net	138,221,841	138,221,841	123,824,780	123,824,780

5.2 Classified by stage of credit risk

(Unit: Thousand Baht)

	30 September 2024		31 December 2023	
		Allowance for expected credit losses		Allowance for expected credit losses
	Fair value		Fair value	
Investments measured at fair value through other comprehensive income				
Stage 1 - Debt securities without a significant increase of credit risk	130,536,134	(21,593)	117,965,465	(23,931)
Stage 3 - Debt securities with a significant increase of credit risk	1,066,065	(411,678)	942,170	(503,066)
Total	131,602,199	(433,271)	118,907,635	(526,997)

5.3 Investments subject to restrictions

As at 30 September 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 September 2024		31 December 2023	
	Amortised cost	Fair value	Amortised cost	Fair value
Placed as securities				
Government bonds	34,985	37,468	33,959	36,641
Placed as insurance reserves				
Government and state enterprises bonds	33,072,553	32,410,595	30,950,821	29,202,334
Promissory notes	1,000,000	1,163,659	1,000,000	1,106,538
Total	34,072,553	33,574,254	31,950,821	30,308,872

6. Loans and interest receivables

As at 30 September 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 September 2024	31 December 2023
Policy loans	4,225,622	4,022,803
Accrued interest receivable	461,990	423,660
Total	4,687,612	4,446,463
Other loans		
Stage 1 - Loans without a significant increase of credit risk	13	57
Total	13	57
Total loans and interest receivables	4,687,625	4,446,520

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 September 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 September 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 September 2024		31 December 2023	
	Cost	Fair value	Cost	Fair value
Investment units measured at fair value through profit or loss				
Fixed income funds	1,682,841	1,720,057	1,734,930	1,752,890
Equity funds	9,746,025	10,071,754	10,463,248	9,886,172
Mixed funds	1,565,244	1,619,320	1,821,536	1,793,754
Other funds	139,812	170,110	94,458	103,898
Total	13,133,922	13,581,241	14,114,172	13,536,714
Add (less): Unrealised gains (losses)	447,319		(577,458)	
Total investment assets of the insured - net	13,581,241		13,536,714	

7.2 Investment contract liabilities

	(Unit: Thousand Baht)	
	For the nine-month period ended 30 September 2024	For the year ended 31 December 2023
Beginning balances	13,626,491	12,684,978
Deposit during the periods	1,405,003	2,360,530
Withdrawal during the periods	(2,400,658)	(1,861,128)
Valuation adjustment during the periods	1,065,886	442,111
Ending balances	13,696,722	13,626,491

8. Deferred acquisition costs

	(Unit: Thousand Baht)	
	For the nine-month period ended 30 September 2024	For the year ended 31 December 2023
Beginning balances	23,825,254	21,749,910
Increased during the periods	5,181,152	6,625,536
Amortisation during the periods	(3,602,653)	(4,550,192)
Ending balances	25,403,753	23,825,254

9. Insurance contract liabilities

	(Unit: Thousand Baht)		
	30 September 2024		
	Insurance contract liabilities	Reinsurers' shared liabilities	Net
Long-term insurance policy reserves	149,790,315	-	149,790,315
Loss reserves and outstanding claims			
Claims incurred and reported	180,794	-	180,794
Claims incurred but not yet reported	67,451	-	67,451
Premium reserves			
Unearned premium reserves	577,763	-	577,763
Unpaid policy benefits	438,440	-	438,440
Other insurance liabilities	1,561,430	-	1,561,430
Total insurance contract liabilities	152,616,193	-	152,616,193

(Unaudited but reviewed)

(Unit: Thousand Baht)

	31 December 2023		
	Insurance	Reinsurers'	
	contract liabilities	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 nine-month period ended 30 September 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	20,002,116	26,197,569
Insurance policy reserves released from death, benefit paid, lapse and surrender	<u>(7,077,939)</u>	<u>(15,810,312)</u>
Ending balances	<u>149,790,315</u>	<u>136,866,138</u>

9.2 Short-term insurance policy reserves**(a) Loss reserves and outstanding claims**

	(Unit: Thousand Baht)	
	For the nine-month period ended 30 September 2024	For the year ended 31 December 2023
Beginning balances	260,737	131,923
Claims incurred during the periods	968,920	1,119,398
Claims paid during the periods	(981,412)	(990,584)
Ending balances	248,245	260,737

(b) Unearned premium reserves

	(Unit: Thousand Baht)	
	For the nine-month period ended 30 September 2024	For the year ended 31 December 2023
Beginning balances	496,789	407,349
Premium written for the periods	1,490,561	1,719,531
Premium earned during the periods	(1,409,587)	(1,630,091)
Ending balances	577,763	496,789

9.3 Unpaid policy benefits

	(Unit: Thousand Baht)	
	30 September 2024	31 December 2023
Death benefits	69,756	130,167
Surrender	16	6
Unpresented cheques for benefits and claims payment	324,827	363,976
Others	43,841	7,693
Total unpaid policy benefits	438,440	501,842

9.4 Other insurance liabilities

	(Unit: Thousand Baht)	
	30 September 2024	31 December 2023
Deposits of the insured	1,492,233	1,323,693
Others	69,197	22,719
Total other insurance liabilities	1,561,430	1,346,412

10. Deferred tax liabilities and income tax benefits (expenses)**10.1 Deferred tax liabilities**

As at 30 September 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 nine-month periods ended 30 September	
	September	December	2024	2023
	2024	2023		
Deferred tax assets				
Unpaid policy benefits	47,380	40,763	6,617	27,670
Allowance for expected credit losses and impairment losses on investments	256,223	250,342	5,881	32,371
Modification losses	59,605	66,106	(6,501)	(10,066)
Unrealised losses on available-for-sale investments	660,965	1,653,696	(992,731)	606,228
Losses on bond forward contracts	8,240	-	8,240	(7,473)
Unrealised losses on derivatives	-	-	-	176,504
Unrealised losses on interest receivable from CCS hedge accounting	11,662	-	11,662	-
Employee benefit obligations	46,837	38,354	8,483	8,993
Unutilised tax losses	1,449,963	680,239	769,724	38,807
Others	28,516	28,202	314	999
Total	2,569,391	2,757,702		

(Unaudited but reviewed)

		(Unit: Thousand Baht)	
		Change in deferred tax assets or liabilities	
		For the nine-month periods ended 30 September	
	30 September 2024	31 December 2023	
			2024 2023
Deferred tax liabilities			
Deferred Acquisition cost	(5,080,751)	(4,765,051)	(315,700) (314,043)
Fair value gains on trading investment	(81)	(37)	(44) 21
Gains on bond forward contracts	-	(29,781)	29,781 (22,294)
Unrealised gains on derivatives	(626,539)	(92,486)	(534,053) 21,144
Unrealised gains on translation adjustments of foreign currency denominated investments	(52,037)	(64,075)	12,038 5,484
Actuarial gains on defined benefit plan	(15,728)	(15,728)	- -
Total	(5,775,136)	(4,967,158)	
Total deferred tax liabilities - net	(3,205,745)	(2,209,456)	
Total changes			(996,289) 564,345
Changes in deferred taxes recognised in:			
- Profit or loss			169,763 (99,786)
- Other comprehensive income			(1,166,052) 664,131
Total changes			(996,289) 564,345

10.2 Income tax benefits (expenses)

Income tax benefits (expenses) for the three-month and nine-month periods ended 30 September 2024 and 2023 were made up as follows:

	(Unit: Thousand Baht)			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2024	2023	2024	2023
Current income taxes:				
Corporate income taxes for the periods	-	-	-	-
Adjustment in respect of current income taxes of prior period	-	-	(48,847)	(44,609)
Total	-	-	(48,847)	(44,609)
Deferred income taxes:				
Adjustment of deferred taxes of prior period	(59)	-	82,216	(70,599)
Relating to origination and reversal of temporary differences	248,522	(117,896)	87,547	(29,187)
Total	248,463	(117,896)	169,763	(99,786)
Income tax benefits (expenses) recognised in profit or loss	248,463	(117,896)	120,916	(144,395)

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

	(Unit: Thousand Baht)			
	For the three-month		For the nine-month	
	periods ended 30 September		periods ended 30 September	
	2024	2023	2024	2023
Accounting profit (loss) before income taxes	(1,243,361)	624,231	(438,736)	180,755
Applicable tax rate	20%	20%	20%	20%
Amount of income taxes at the applicable tax rate	248,672	(124,846)	87,747	(36,151)
Adjustment in respect of current income taxes of prior period	-	-	(48,847)	(44,609)
Adjustment of deferred taxes of prior period	(59)	-	82,216	(70,599)
Net tax effect on tax-exempted revenues or non-tax deductible expenses	(150)	6,950	(200)	6,964
Income tax benefits (expenses) recognised in profit or loss	248,463	(117,896)	120,916	(144,395)

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 nine-month period ended 30 September 2023 were as follow:

	Approved by	Total dividend	Dividend per share
		(Thousand Baht)	(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 nine-month periods ended 30 September 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 30		For the nine-month periods ended 30		Pricing policies
	September		September		
	2024	2023	2024	2023	
Transactions with affiliates of Prudential Group					
Revenue					
Trailing fee ⁽¹⁾	9,305	9,520	28,604	27,135	Contractually agreed price
Expenses					
Investment management fee expenses and Investment related expenses ⁽²⁾	42,209	49,895	132,473	145,196	Contractually agreed price
Operating expenses	297,008	121,654	657,792	435,039	Contractually agreed price
Other underwriting expenses	90,415	73,880	257,130	235,694	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 September 2024 and 31 December 2023, significant outstanding balances between the Company and its related parties were as follows:

(Unit: Thousand Baht)		
	30 September 2024	31 December 2023
Outstanding items with affiliates of Prudential Group		
Assets		
Other assets	49,705	45,089
Liabilities		
Accrued investment management fee ⁽¹⁾	29,345	14,141
Other payables	390,117	371,750
Accrued expenses	546,067	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 nine-month periods ended 30 September 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 nine-month periods	
	ended 30 September		ended 30 September	
	2024	2023	2024	2023
Short-term employee benefits	38,131	12,009	101,299	66,674
Post-employment benefits	2,532	1,544	6,139	4,438
Other long-term benefits	13,455	17,264	30,168	39,618
Total	54,118	30,817	137,606	110,730

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 September 2024 and 31 December 2023, the Company has capital commitments as follows:

	(Unit: Thousand Baht)	
	30 September 2024	31 December 2023
Building improvements	684	-
Software licenses	49,502	17,355
	<u>50,186</u>	<u>17,355</u>

14.2 Service commitments

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

	(Unit: Thousand Baht)	
Payable within	30 September 2024	31 December 2023
1 year	40,641	9,096
2 - 5 years	60,215	-
	<u>100,856</u>	<u>9,096</u>

14.3 Other commitments

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

Payable within	(Unit: Thousand Baht)	
	30 September 2024	31 December 2023
1 year	118,500	118,500
2 - 5 years	29,625	118,500
	<u>148,125</u>	<u>237,000</u>

15. Financial instruments

15.1 Fair value and hierarchy of financial instruments

As at 30 September 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 September 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	4,303	-	-	4,303
Investments measured at fair value through other comprehensive income	21,084,088	116,057,208	1,076,242	138,217,538
Derivatives assets	-	4,186,757	-	4,186,757
Investment assets of the insured	13,581,241	-	-	13,581,241
Financial liabilities measured at fair value				
Derivatives liabilities	-	3,098	-	3,098

(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 November 2024.