

Prudential Life Assurance (Thailand) Public Company Limited
Review report and interim financial information
For the three-month and six-month periods ended 30 June 2023

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 30 June 2023, the related statements of comprehensive income for the three-month and six-month periods then ended, the related statements of changes in owners' equity and cash flows for the six-month period then ended, as well as the condensed notes to the interim financial statements (collectively 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.

Emphasis of Matter

I draw attention to Note 1.4 to the interim financial statements, which describes the effect of changes in accounting policies relating to the deferred acquisition costs for insurance and investment contracts and the valuation of long-term insurance policy reserves for Zillmer/FPT adjustment under the Net Level Premium Valuation method on the comparative interim financial information. In the fourth quarter of 2022, the Company's has changed such accounting policies in its preparation and presentation of its financial statements for the year 2022. Hence, the comparative interim financial information for the three-month and six-month periods ended 30 June 2022, which were reviewed by other auditor as mentioned in the "Other Matter" paragraph, have not yet reflected the effect of such changes in accounting policies. The Company therefore restated the statements of comprehensive income for the three-month and six-month periods ended 30 June 2022, the statements of changes in owner's equity and cash flows for the six-month period then ended, presented as comparative information, to reflect the effect of adjustments from such changes in accounting policies. My conclusion is not modified in respect of this matter.

Other Matter

The statement of financial position as at 31 December 2022 of Prudential Life Assurance (Thailand) Public Company Limited, presented as comparative information, was audited by other auditor, who expressed an unqualified opinion in her report dated 16 March 2023.

The statements of comprehensive income, changes in owners' equity and cash flows for the six-month period ended 30 June 2022, of Prudential Life Assurance (Thailand) Public Company Limited (before restatement), presented as comparative information, were also reviewed by the aforementioned auditor who concluded, in her report dated 11 August 2022, that nothing had come to her attention that caused her to believe that the interim financial information was 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 August 2023

Prudential Life Assurance (Thailand) Public Company Limited

Statements of financial position

As at 30 June 2023 and 31 December 2022

		(Unit: Thousand Baht)	
	Note	30 June 2023	31 December 2022
		(Unaudited but reviewed)	(Audited)
Assets			
Cash and cash equivalents	2	1,181,341	3,127,061
Premium receivables	3	1,254,297	636,295
Accrued investment income		599,822	611,571
Reinsurance receivables		271,462	142,715
Derivatives assets	4	607,200	706,445
Investment assets			
Investments in securities	5	116,358,614	111,662,308
Loans and interest receivables	6	4,209,945	3,963,864
Investment assets of the insured	7.1	13,441,310	12,633,097
Assets held for sale		8,967	8,967
Premises and equipment		196,107	207,831
Right-of-use assets		208,763	224,733
Intangible assets		18,769,706	18,928,524
Other assets			
Deferred acquisition costs	8	22,723,561	21,749,910
Collateral receivables under derivative agreement		766,150	455,500
Account receivables on sales of securities		624,023	256,564
Restricted assets		240,863	390,000
Others		246,587	256,143
Total assets		181,708,718	175,961,528

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

Prudential Life Assurance (Thailand) Public Company Limited

Statements of financial position (Continued)

As at 30 June 2023 and 31 December 2022

(Unit: Thousand Baht)

	Note	30 June 2023 (Unaudited but reviewed)	31 December 2022 (Audited)
Liabilities and equity			
Liabilities			
Insurance contract liabilities	9	131,767,530	128,637,442
Investment contract liabilities	7.2	13,499,102	12,684,978
Reinsurance payables		540,136	354,036
Derivatives liabilities	4	1,215,558	564,971
Lease liabilities		209,785	223,941
Employee benefit obligations		290,707	520,259
Deferred tax liabilities	10.1	1,879,561	1,364,724
Other liabilities			
Accrued commission		305,363	389,281
Accrued expenses		1,453,405	1,764,258
Collateral payables under derivative agreements		240,863	390,000
Account payables on purchases of securities		-	299,691
Others		666,635	559,951
Total liabilities		152,068,645	147,753,532
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		1,147,002	1,147,002
Unappropriated		14,731,413	15,393,758
Other components of owners' equity		(6,448,277)	(8,542,699)
Total owners' equity		29,640,073	28,207,996
Total liabilities and owners' equity		181,708,718	175,961,528

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

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Directors
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(Unaudited but reviewed)

Prudential Life Assurance (Thailand) Public Company Limited

Statements of comprehensive income

For the three-month periods ended 30 June 2023 and 2022

	(Unit: Thousand Baht)	
Note	2023	2022
		(Restated)
Profit or loss:		
Revenues		
Gross premium written	7,095,000	6,277,416
Less: Premium ceded to reinsurers	(89,778)	(57,331)
Net premium written	7,005,222	6,220,085
Add: Unearned premium reserves decreased from prior period	74,213	3,914
Net premium earned	7,079,435	6,223,999
Commission and brokerage income	32,488	24,428
Net investment revenues	971,752	898,673
Gains (losses) on investments	50,211	(61,763)
Fair value gains (losses)	(212,336)	279,436
Other income	13,429	18,280
Total revenues	7,934,979	7,383,053
Expenses		
Long-term insurance policy reserves increased from prior period	2,929,854	2,325,441
Benefit payments under life policies and gross claims	3,249,099	3,080,549
Less: Benefit payments under life policies and claims refundable from reinsurance	(63,322)	(26,736)
Commission and brokerage expenses	597,039	566,203
Other underwriting expenses	454,476	402,955
Operating expenses	768,987	674,257
Finance costs	1,430	732
Expected credit losses	77,950	56,123
Total expenses	8,015,513	7,079,524
Profit (loss) before income taxes	(80,534)	303,529
Income tax expenses	10.2 (99,546)	(48,138)
Net profit (loss)	(180,080)	255,391

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

(Unaudited but reviewed)

Prudential Life Assurance (Thailand) Public Company Limited

Statements of comprehensive income (Continued)

For the three-month periods ended 30 June 2023 and 2022

	(Unit: Thousand Baht)	
Note	2023	2022
		(Restated)
Other comprehensive income (loss):		
Items to be recognised in profit or loss in subsequent periods:		
Losses on valuation of available-for-sale investments measured at fair value through other comprehensive income	(1,624,895)	(7,075,054)
Losses on measurement of financial derivatives held for cashflow hedge	(299,768)	(275,384)
Total items to be recognised in profit or loss in subsequent periods	(1,924,663)	(7,350,438)
Add: Income taxes	377,901	1,469,612
Items to be recognised in profit or loss in subsequent periods - net of income taxes	(1,546,762)	(5,880,826)
Other comprehensive loss for the periods	(1,546,762)	(5,880,826)
Total comprehensive loss for the periods	(1,726,842)	(5,625,435)
Basic earnings per share:	11	
Earnings (loss) per share (Baht)	(0.08)	0.12

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

(Unaudited but reviewed)

Prudential Life Assurance (Thailand) Public Company Limited

Statements of comprehensive income

For the six-month periods ended 30 June 2023 and 2022

	(Unit: Thousand Baht)	
Note	2023	2022
		(Restated)
Profit or loss:		
Revenues		
Gross premium written	14,045,244	12,179,752
Less: Premium ceded to reinsurers	(190,283)	(114,051)
Net premium written	13,854,961	12,065,701
Less: Unearned premium reserves increased from prior period	(199,999)	(187,980)
Net premium earned	13,654,962	11,877,721
Commission and brokerage income	69,822	49,560
Net investment revenues	1,902,666	1,776,846
Gains (losses) on investments	43,258	(93,070)
Fair value gains (losses)	(623,960)	485,286
Other income	36,744	30,721
Total revenues	15,083,492	14,127,064
Expenses		
Long-term insurance policy reserves increased from prior period	2,747,769	3,536,932
Benefit payments under life policies and gross claims	9,196,464	6,729,729
Less: Benefit payments under life policies and claims refundable from reinsurance	(106,428)	(46,279)
Commission and brokerage expenses	1,174,679	1,123,228
Other underwriting expenses	884,940	769,434
Operating expenses	1,521,797	1,196,755
Finance costs	2,760	2,929
Expected credit losses	104,987	84,844
Total expenses	15,526,968	13,397,572
Profit (loss) before income taxes	(443,476)	729,492
Income tax expenses	10.2 (26,499)	(134,765)
Net profit (loss)	(469,975)	594,727

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

(Unaudited but reviewed)

Prudential Life Assurance (Thailand) Public Company Limited

Statements of comprehensive income (Continued)

For the six-month periods ended 30 June 2023 and 2022

	(Unit: Thousand Baht)	
Note	2023	2022
		(Restated)
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	2,280,958	(13,335,342)
Gains (losses) on measurement of financial derivatives held for cashflow hedge	346,411	(727,308)
Total items to be recognised in profit or loss in subsequent periods	2,627,369	(14,062,650)
Add (less): Income taxes	(532,947)	2,821,925
Items to be recognised in profit or loss in subsequent periods - net of income taxes	2,094,422	(11,240,725)
Other comprehensive income (loss) for the periods	2,094,422	(11,240,725)
Total comprehensive income (loss) for the periods	1,624,447	(10,645,998)
Basic earnings per share:	11	
Earnings (loss) per share (Baht)	(0.21)	0.27

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

(Unaudited but reviewed)

Prudential Life Assurance (Thailand) Public Company Limited**Statements of changes in owners' equity****For the six-month periods ended 30 June 2023 and 2022**

(Unit: Thousand Baht)

	Note	Issued and paid-up share capital	Retained earnings		Other components of owners' equity			Total
			Appropriated - Statutory reserves	Unappropriated	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	Total other components of owners' equity	
Balance as at 1 January 2022								
- as previously reported		20,209,935	466,939	2,490,513	963,293	(167,207)	796,086	23,963,473
Cumulative effects of the changes in accounting policies	1.4	-	655,651	12,457,383	-	-	-	13,113,034
Balance as at 1 January 2022 - restated		20,209,935	1,122,590	14,947,896	963,293	(167,207)	796,086	37,076,507
Net profit - restated		-	-	594,727	-	-	-	594,727
Other comprehensive loss for the period		-	-	-	(10,668,274)	(572,451)	(11,240,725)	(11,240,725)
Balance as at 30 June 2022 - restated		20,209,935	1,122,590	15,542,623	(9,704,981)	(739,658)	(10,444,639)	26,430,509
Balance as at 1 January 2023		20,209,935	1,147,002	15,393,758	(8,300,696)	(242,003)	(8,542,699)	28,207,996
Net loss		-	-	(469,975)	-	-	-	(469,975)
Other comprehensive income for the period		-	-	-	1,824,766	269,656	2,094,422	2,094,422
Dividends paid	12	-	-	(192,370)	-	-	-	(192,370)
Balance as at 30 June 2023		20,209,935	1,147,002	14,731,413	(6,475,930)	27,653	(6,448,277)	29,640,073

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

(Unaudited but reviewed)

Prudential Life Assurance (Thailand) Public Company Limited

Statements of cash flows

For the six-month periods ended 30 June 2023 and 2022

	(Unit: Thousand Baht)	
	2023	2022
Cash flows from operating activities		
Premium written from direct insurance	13,300,420	11,690,349
Cash paid for reinsurance	(4,038)	(36,438)
Interest income	1,683,010	1,486,629
Dividend income	359,903	374,489
Other income	78,466	66,814
Benefit payments under life policies and gross claims		
from direct insurance	(9,014,144)	(6,547,451)
Commission and brokerage expenses on direct insurance	(1,370,763)	(1,301,658)
Other underwriting expenses	(1,515,158)	(1,203,287)
Operating expenses	(1,759,311)	(1,253,979)
Income tax expenses	(25,391)	(100,454)
Cash received on financial assets	13,545,224	10,732,161
Cash paid for financial assets	(16,913,046)	(13,333,397)
Net cash provided by (used in) operating activities	(1,634,828)	573,778
Cash flows from investing activities		
Disposals of equipment	19	-
Purchases of equipment	(7,472)	(7,539)
Purchases of intangible assets	(93,886)	(124,824)
Net cash used in investing activities	(101,339)	(132,363)
Cash flows from financial activities		
Borrowing from repurchase agreement	-	290,643
Repayments of lease liabilities	(17,537)	(18,020)
Dividends paid to shareholders	(192,370)	-
Net cash provided by (used in) financing activities	(209,907)	272,623
Net increase (decrease) in cash and cash equivalents	(1,946,074)	714,038
Cash and cash equivalents at beginning of the periods	3,127,061	2,142,189
Add: Decrease in allowance for expected credit losses	354	115
Cash and cash equivalents at end of the periods	1,181,341	2,856,342

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

Prudential Life Assurance (Thailand) Public Company Limited

Table of contents for notes to interim financial statements

For the three-month and six-month periods ended 30 June 2023 and 2022

Note	Contents	Page
1.	General information.....	1
2.	Cash and cash equivalents	4
3.	Premium receivables.....	5
4.	Derivative assets/liabilities.....	6
5.	Investments in securities	8
6.	Loans and interest receivables	10
7.	Investment assets of the insured/Investment contract liabilities	10
8.	Deferred acquisition costs	11
9.	Insurance contract liabilities	11
10.	Deferred tax liabilities and income tax expenses	14
11.	Basic earnings per share.....	17
12.	Dividends paid.....	17
13.	Related party transactions.....	17
14.	Commitments and contingent liabilities.....	20
15.	Financial instruments	21
16.	Approval of interim financial information	22

Prudential Life Assurance (Thailand) Public Company Limited

Notes to interim financial statements

For the three-month and six-month periods ended 30 June 2023 and 2022

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 30 June 2023 and 31 December 2022, 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 and there is 1 branch. 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 Significant accounting policies

This interim financial information is prepared using the same significant accounting policies and methods of computation as those were used for preparation of the financial statements for the year ended 31 December 2022.

The revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2023, do not have any significant impact on the Company's financial statements.

1.4 Changes in accounting policies

Since 1 January 2022, the Company has changed accounting policy relating to the deferred acquisition costs for insurance and investment contracts where the costs of acquiring new insurance contracts, including commissions and distribution costs, underwriting and other policy issue expenses, which vary with and are related to the production of new business, are deferred as assets and are subsequently amortised on a straight line basis considering the profit emergence period of the underlying group of contracts. In the past, acquisition costs were either recognised as expense when incurred or implicitly deferred within long-term insurance policy reserves. The Company has also changed the accounting policy relating to the valuation of long-term insurance policy reserves for Zillmer/FPT adjustment under the Net Level Premium Valuation method. The Company's management considered that such changes provide information that is more relevant and no less reliable to the decision-making needs of financial statement users.

The effects of the changes in accounting policies to the beginning balances as at 1 January 2022 of line items in the statement of changes in owners' equity were summarised as follows:

(Unit: thousand Baht)

	1 January 2022		
	As previously reported	Adjustments ⁽¹⁾	Restated
Statement of Changes in Owners' equity			
Retained earnings - unappropriated	2,490,513	12,457,383	14,947,896
Statutory reserves	466,939	655,651	1,122,590

⁽¹⁾ Adjustments of the effects from changes in accounting policies

The effects of the changes in accounting policies to line items in the statement of comprehensive income for the three-month and six-month periods ended 30 June 2022 were summarised as follows:

(Unit: thousand Baht)

	For the three-month period ended 30 June 2022			
	As previously reported	Adjustment ⁽¹⁾	Reclassification ⁽²⁾	Restated
Statement of comprehensive income				
Unearned premium reserves increased (decreased) from prior period	(6,605)	2,691	-	(3,914)
Long-term insurance policy reserves increased from prior period	2,322,361	3,080	-	2,325,441
Commission and brokerage expenses	672,094	(105,891)	-	566,203
Other underwriting expenses	776,734	(373,779)	-	402,955
Operating expenses	910,307	(245,913)	9,863	674,257
Finance costs	-	-	732	732
Losses on exchange rate	10,595	-	(10,595)	-
Income tax (benefits) expenses	(96,978)	145,116	-	48,138
Net profit (loss)	(319,305)	574,696	-	255,391
Earnings (loss) per share (Baht)	(0.14)	0.26	-	0.12

⁽¹⁾ Adjustments of the effects from changes in accounting policies

⁽²⁾ Reclassification to conform to the current period's classification

(Unit: thousand Baht)

For the six-month period ended 30 June 2022

	For the six-month period ended 30 June 2022			
	As previously reported	Adjustment ⁽¹⁾	Reclassification ⁽²⁾	Restated
Statement of comprehensive income				
Unearned premium reserves increased (decreased) from prior period	188,121	(141)	-	187,980
Long-term insurance policy reserves increased from prior period	3,522,127	14,805	-	3,536,932
Commission and brokerage expenses	1,264,270	(141,042)	-	1,123,228
Other underwriting expenses	1,324,862	(555,428)	-	769,434
Operating expenses	1,631,149	(437,044)	2,650	1,196,755
Finance costs	-	-	2,929	2,929
Losses on exchange rate	5,579	-	(5,579)	-
Income tax (benefits) expenses	(91,937)	226,702	-	134,765
Net profit (loss)	(297,421)	892,148	-	594,727
Earnings (loss) per share (Baht)	(0.13)	0.40	-	0.27

⁽¹⁾ Adjustments of the effects from changes in accounting policies⁽²⁾ Reclassification to conform to the current period's classification**2. Cash and cash equivalents**

(Unit: Thousand Baht)

	30 June 2023	31 December 2022
Cash on hand	55	55
Deposits at banks with no fixed maturity date	1,181,286	3,127,360
Total	1,181,341	3,127,415
Less: Allowance for expected credit losses	-	(354)
Cash and cash equivalents - net	1,181,341	3,127,061

3. Premium receivables

As at 30 June 2023 and 31 December 2022, the outstanding balances of premium receivables, classified by overdue periods, counted from due dates, were as follows:

	(Unit: Thousand Baht)	
	30 June 2023	31 December 2022
Not yet due	1,112,931	574,488
Not over 30 days	57,154	58,862
Over 31 days to 60 days	2,071	2,165
Over 61 days to 90 days	1,935	358
Overdue longer than 90 days - 1 Year	80,434	1,879
Overdue longer than 1 Year	44	17
Total	1,254,569	637,769
Less: Allowance for doubtful accounts	(272)	(1,474)
Premium receivables - net	1,254,297	636,295

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

4. Derivative assets/liabilities

As at 30 June 2023 and 31 December 2022, the Company had financial derivatives presented at fair value with different purposes as follows:

(Unit: Thousand Baht)

30 June 2023						
Types of contracts	Objective	Number of contracts	Notional amounts	Fair value of contracts		Gains (losses) on changes in fair value of derivatives ⁽¹⁾
				Derivatives assets	Derivatives liabilities	
Derivatives not applied hedge accounting:						
Foreign exchange forward	To protect against foreign exchange risk arising from investment activities	8	27,374,273	21,191	837,393	(1,265,183)
Cross currency swap	To protect against foreign exchange and interest rate risk arising from investment activities	1	37,800	1,904	-	(1,054)
Interest rate swap	To protect against interest rate risk arising from investment activities	2	75,600	743	-	68
Index option	To hedge against risk of volatility of underlying assets	9	2,418,118	198,642	-	(6,213)
Bond forward	To protect against interest rate risk arising from investment activities	1	191,052	4,914	-	2,597
		<u>21</u>	<u>30,096,843</u>	<u>227,394</u>	<u>837,393</u>	<u>(1,269,785)</u>
Derivatives applied hedge accounting:						
Bond forward	To hedge the price risk of the underlying bond	23	12,975,005	379,806	378,165	350,851
		23	12,975,005	379,806	378,165	350,851
Total		<u>44</u>	<u>43,071,848</u>	<u>607,200</u>	<u>1,215,558</u>	<u>(918,934)</u>

⁽¹⁾ Presented gains (losses) for the six-month period ended 30 June 2023.

(Unit: Thousand Baht)

31 December 2022

Types of contracts	Objective	Number of contracts	Notional amounts	Fair value of contracts		Gains (losses) on changes in fair value of derivatives ⁽¹⁾
				Derivatives assets	Derivatives liabilities	
Derivatives not applied hedge accounting:						
Foreign exchange forward	To protect against foreign exchange risk arising from investment activities	6	28,000,150	448,981	-	893,558
Cross currency and interest rate swap	To protect against foreign exchange and interest rate risk arising from investment activities	1	37,800	2,958	-	2,958
Interest rate swap	To protect against interest rate risk arising from investment activities	2	75,600	965	290	675
Index option	To hedge against risk of volatility of underlying assets	3	463,059	35,753	-	(2,138)
Bond forward	To protect against interest rate risk arising from investment activities	1	191,052	2,317	-	(6,714)
		13	28,767,661	490,974	290	888,339
Derivatives applied hedge accounting:						
Bond forward	To hedge the price risk of the underlying bond	15	9,394,659	215,471	564,681	(140,201)
		15	9,394,659	215,471	564,681	(140,201)
Total		28	38,162,320	706,445	564,971	748,138

⁽¹⁾ Presented gains (losses) for the year ended 31 December 2022.

5. Investments in securities

5.1 Classified by investment type

(Unit: Thousand Baht)

	30 June 2023		31 December 2022	
	Cost	Fair value	Cost	Fair value
Investments measured at fair value through profit or loss				
Equity securities:				
Unit trusts	3,734	3,936	3,741	3,946
Total	3,734	3,936	3,741	3,946
Add: Unrealised gains	202		205	
Total investments measured at fair value through profit or loss	3,936		3,946	
Investments measured at fair value through other comprehensive income				
Debt securities:				
Government and state enterprises bonds	63,343,119	61,646,351	59,470,640	55,839,363
Corporate bonds	34,239,974	31,572,657	35,442,381	32,628,193
Foreign bonds	7,890,203	6,863,782	8,347,189	7,150,507
Unit trusts	14,542,886	11,963,999	14,227,967	11,495,158
Equity securities:				
Common stocks	4,026,568	3,491,411	4,026,286	3,615,635
Unit trusts	1,527,896	816,478	1,535,485	929,506
Total	125,570,646	116,354,678	123,049,948	111,658,362
Less: Unrealised loss on valuation	(8,094,911)		(10,375,869)	
Allowance for expected credit losses	(497,203)		(537,696)	
Allowance for impairment	(623,854)		(478,021)	
Investments measured at fair value through other comprehensive income - net	116,354,678		111,658,362	
Investments in securities - net	116,358,614	116,358,614	111,662,308	111,662,308

5.2 Classified by stage of credit risk

(Unit: Thousand Baht)

	30 June 2023		31 December 2022	
	Fair value	Allowance for expected credit	Fair value	Allowance for expected credit
		losses		losses
Investments measured at fair value through other comprehensive income				
Stage 1 - Debt securities without a significant increase of credit risk	111,104,619	(28,225)	106,248,086	(25,035)
Stage 3 - Debt securities with a significant increase of credit risk	942,170	(468,978)	865,135	(512,661)
Total	112,046,789	(497,203)	107,113,221	(537,696)

5.3 Investments subject to restrictions

As at 30 June 2023 and 31 December 2022, the Company placed certain assets as securities and insurance reserves with the Registrar in accordance with the Life Insurance Act as below.

(Unit: Thousand Baht)

	30 June 2023		31 December 2022	
	Amortised cost	Fair value	Amortised cost	Fair value
Placed as securities				
Government bonds	34,024	37,128	34,090	35,801
Placed as insurance reserves				
Government and state enterprises bonds	31,411,654	30,108,297	31,484,764	28,947,780
Promissory notes	1,000,000	1,139,627	1,000,000	1,071,567
Total	32,411,654	31,247,924	32,484,764	30,019,347

6. Loans and interest receivables

As at 30 June 2023 and 31 December 2022, the balances of loans and interest receivables, classified by stage of credit risk, were as follows:

	(Unit: Thousand Baht)	
	30 June 2023	31 December 2022
Policy loans	3,804,454	3,581,599
Accrued interest receivable	405,384	382,101
Total	4,209,838	3,963,700
Other loans		
Stage 1 - Loans without a significant increase of credit risk	107	164
Total	107	164
Total loans and interest receivables	4,209,945	3,963,864

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

Other loans are personal guarantee loans granted to the Company's staff. As at 30 June 2023 and 31 December 2022, an interest rate charged on such loans is 4.62% per annum.

7. Investment assets of the insured/Investment contract liabilities

7.1 Investment assets of the insured

As at 30 June 2023 and 31 December 2022, the balances of investment assets of the insured, classified by types of funds, were as follows:

	(Unit: Thousand Baht)			
	30 June 2023		31 December 2022	
	Cost	Fair value	Cost	Fair value
Investment units measured at fair value through profit or loss				
Fixed income funds	1,692,227	1,685,006	1,734,329	1,716,310
Equity funds	10,499,726	9,770,332	10,059,665	8,968,906
Mixed funds	1,947,910	1,904,642	1,948,960	1,869,062
Other funds	77,570	81,330	76,045	78,819
Total	14,217,433	13,441,310	13,818,999	12,633,097
Less: Unrealised losses	(776,123)		(1,185,902)	
Investment assets of the insured - net	13,441,310		12,633,097	

7.2 Investment contract liabilities

(Unit: Thousand Baht)

	For the six-month period ended 30 June 2023	For the year ended 31 December 2022
Beginning balances	12,684,978	12,752,405
Deposit during the periods	1,285,720	3,130,630
Withdrawal during the periods	(806,328)	(811,204)
Valuation adjustment during the periods	334,732	(2,386,853)
Ending balances	<u>13,499,102</u>	<u>12,684,978</u>

8. Deferred acquisition costs

(Unit: Thousand Baht)

	For the six-month period ended 30 June 2023	For the year ended 31 December 2022
Beginning balances	21,749,910	18,973,009
Increased during the periods	3,154,570	6,846,671
Amortisation during the periods	(2,180,919)	(4,069,770)
Ending balances	<u>22,723,561</u>	<u>21,749,910</u>

9. Insurance contract liabilities

(Unit: Thousand Baht)

	30 June 2023		
	Insurance contract liabilities	Reinsurers' shared liabilities	Net
Long-term insurance policy reserves	129,226,650	-	129,226,650
Loss reserves			
Claims incurred and reported	137,550	-	137,550
Claims incurred but not yet reported	43,087	-	43,087
Premium reserves			
Unearned premium reserves	607,348	-	607,348
Unpaid policy benefits	486,037	-	486,037
Other insurance liabilities	1,266,858	-	1,266,858
Total insurance contract liabilities	<u>131,767,530</u>	<u>-</u>	<u>131,767,530</u>

(Unit: Thousand Baht)

31 December 2022

	Reinsurers'		Net
	Insurance contract liabilities	shared liabilities	
Long-term insurance policy reserves	126,478,881	-	126,478,881
Loss reserves			
Claims incurred and reported	87,404	-	87,404
Claims incurred but not yet reported	44,519	-	44,519
Premium reserves			
Unearned premium reserves	407,349	-	407,349
Unpaid policy benefits	473,514	-	473,514
Other insurance liabilities	1,145,775	-	1,145,775
Total insurance contract liabilities	128,637,442	-	128,637,442

9.1 Long-term insurance policy reserves

(Unit: Thousand Baht)

	For the six-month period ended 30 June 2023	For the year ended 31 December 2022
Beginning balances	126,478,881	116,900,832
Insurance policy reserves increased for new businesses and inforce policies	11,956,130	22,496,175
Insurance policy reserves released from death, benefit paid, lapse and surrender	(9,208,361)	(12,918,126)
Ending balances	129,226,650	126,478,881

9.2 Short-term insurance policy reserves

(a) Loss reserves

	(Unit: Thousand Baht)	
	For the six-month period ended 30 June 2023	For the year ended 31 December 2022
Beginning balances	131,923	100,073
Claims incurred in the current periods	474,902	691,680
Claims paid during the periods	(426,188)	(659,830)
Ending balances	<u>180,637</u>	<u>131,923</u>

(b) Unearned premium reserves

	(Unit: Thousand Baht)	
	For the six-month period ended 30 June 2023	For the year ended 31 December 2022
Beginning balances	407,349	285,576
Premium written during the periods	904,666	1,204,798
Premium earned during the periods	(704,667)	(1,083,025)
Ending balances	<u>607,348</u>	<u>407,349</u>

9.3 Unpaid policy benefits

	(Unit: Thousand Baht)	
	30 June 2023	31 December 2022
Death benefits	118,053	119,416
Surrender	6	11
Unpresented cheques for benefits and claims payment	364,870	352,449
Others	3,108	1,638
Total unpaid policy benefits	<u>486,037</u>	<u>473,514</u>

9.4 Other insurance liabilities

	(Unit: Thousand Baht)	
	30 June 2023	31 December 2022
Deposits of the insured	1,216,292	1,123,018
Advance premium	3	3
Others	50,563	22,754
Total other insurance liabilities	<u>1,266,858</u>	<u>1,145,775</u>

10. Deferred tax liabilities and income tax expenses

10.1 Deferred tax liabilities

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

	(Unit: Thousand Baht)			
			Changes in deferred taxes for the six-month periods ended 30 June	
	30 June 2023	31 December 2022	2023	2022
				(Restated)
Deferred tax assets				
Unpaid policy benefits	39,100	12,387	26,713	1,159
Premium reserves	35,785	-	35,785	36,520
Allowance for expected credit losses and impairment losses on investments	227,814	206,271	21,543	17,954
Modification losses	72,924	79,594	(6,670)	(6,358)
Unrealised losses on available-for-sale investments	1,618,983	2,075,175	(456,192)	2,426,246
Losses on bond forward contracts	-	7,473	(7,473)	-
Unrealised losses on derivatives	163,270	-	163,270	361,803
Unrealised losses on translation adjustments of foreign currency denominated investments	1,564	-	1,564	(46,524)
Employee benefit obligations	39,562	38,106	1,456	2,346
Unutilised tax losses	476,155	636,444	(160,289)	-
Others	15,622	14,792	830	(218)
Total	<u>2,690,779</u>	<u>3,070,242</u>		

	(Unit: Thousand Baht)			
	Changes in deferred taxes for the six-month periods			
	30 June	31 December	ended 30 June	
	2023	2022	2023	2022
			(Restated)	
Deferred tax liabilities				
Deferred Acquisition cost	(4,544,712)	(4,349,982)	(194,730)	(226,703)
Unrealised gains on available-for-sale investments	-	-	-	240,822
Fair value gains on trading investment	(40)	(42)	2	94
Gains on bond forward contracts	(6,585)	-	(6,585)	9,395
Unrealised gains on derivatives	-	(21,144)	21,144	-
Unrealised gains on translation adjustments of foreign currency denominated investments	-	(44,795)	44,795	-
Actuarial gains on defined benefit plan	(19,003)	(19,003)	-	-
Total	<u>(4,570,340)</u>	<u>(4,434,966)</u>		
Deferred tax liabilities - net	<u>(1,879,561)</u>	<u>(1,364,724)</u>		
Total changes			<u>(514,837)</u>	<u>2,816,536</u>
Changes in deferred taxes recognised in:				
- Profit or loss			18,110	(5,389)
- Other comprehensive income			(532,947)	2,821,925
Total changes			<u>(514,837)</u>	<u>2,816,536</u>

10.2 Income tax expenses

Income tax expenses for the three-month and six-month periods ended 30 June 2023 and 2022 were made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2023	2022	2023	2022
		(Restated)		(Restated)
Current income taxes:				
Corporate income tax for the periods	-	(88,292)	-	(143,622)
Adjustment in respect of current income taxes of prior period	(44,609)	14,246	(44,609)	14,246
Total	(44,609)	(74,046)	(44,609)	(139,376)
Deferred income taxes:				
Adjustment of deferred taxes of prior period	(70,599)	-	(70,599)	-
Relating to origination and reversal of temporary differences	15,662	25,908	88,709	(5,389)
Total	(54,937)	25,908	18,110	(5,389)
Income tax expenses recognised in profit or loss	(99,546)	(48,138)	(26,499)	(134,765)

Reconciliations between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the three-month and six-month periods ended 30 June 2023 and 2022 were as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 June		For the six-month periods ended 30 June	
	2023	2022	2023	2022
		(Restated)		(Restated)
Accounting profit (loss) before income taxes	(80,534)	303,529	(443,476)	729,492
Applicable tax rate	20%	20%	20%	20%
Amount of income taxes at the applicable tax rate	16,107	(60,705)	88,695	(145,898)
Adjustment in respect of current income taxes of prior period	(44,609)	14,246	(44,609)	14,246
Adjustment of deferred taxes of prior period	(70,599)	-	(70,599)	-
Net tax effect on tax-exempted revenues or non-tax deductible expenses	(445)	(1,679)	14	(3,113)
Income tax expenses recognised in profit or loss	(99,546)	(48,138)	(26,499)	(134,765)

11. Basic earnings per share

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

12. Dividends paid

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

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

13. Related party transactions

13.1 Type of relationship

The relationship between the Company and its related parties, who have significant business transactions with the Company, are summarised below.

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

13.2 Significant business transactions with related parties

During the three-month and six-month periods ended 30 June 2023 and 2022, the Company had significant business transactions with its related parties. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company and those parties and there was no significant change in the pricing policy of the business transactions with related parties, were as follows:

					(Unit: Thousand Baht)
	For the three-month		For the six-month		Pricing policies
	periods ended 30 June		periods ended 30 June		
	2023	2022	2023	2022	
	(Restated)		(Restated)		
Affiliate of Prudential Group					
Revenue					
Trailing fee ⁽¹⁾	9,002	8,513	17,615	17,287	Contractually agreed price
Expenses					
Investment management fee expenses and Investment related expenses ⁽²⁾	47,198	45,827 ⁽³⁾	95,301	93,238 ⁽³⁾	Contractually agreed price
Operating expenses	207,311	65,962 ⁽³⁾	308,748	127,653 ⁽³⁾	Contractually agreed price
Other underwriting expenses	79,460	61,499 ⁽³⁾	161,814	113,406 ⁽³⁾	Contractually agreed price

⁽¹⁾ They were shown as a part of "Commission and brokerage income" in the statements of comprehensive income.

⁽²⁾ They were shown as a part of "Net investment revenues" in the statements of comprehensive income.

⁽³⁾ They were restated since the total amounts of Baht 50.3 million and Baht 92.8 million for the three-month and six-month periods ended 30 June 2022, respectively, were recognised as deferred acquisition costs.

13.3 Outstanding balances with related parties

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

	(Unit: Thousand Baht)	
	30 June 2023	31 December 2022
Outstanding items with affiliates of Prudential Group		
Assets		
Other assets	13,513	18,119
Liabilities		
Accrued investment management fee ⁽¹⁾	16,915	28,089
Other payables ⁽¹⁾	226,346	101,795

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

13.4 Directors' and key management's remunerations

For the three-month and six-month periods ended 30 June 2023 and 2022, the Company had employee benefit expenses incurred in relation to its directors and key management as below.

(Unit: Thousand Baht)

	For the three-month periods		For the six-month periods	
	ended 30 June		ended 30 June	
	2023	2022	2023	2022
		(Restated) ⁽¹⁾		(Restated) ⁽¹⁾
Short-term employee benefits	6,020	29,715	31,744	49,323
Post-employment benefits	1,483	753	2,413	1,505
Other long-term benefits	4,153	6,736	18,643	9,370
Total	11,656	37,204	52,800	60,198

⁽¹⁾ They were restated since the total amounts of Baht 41.6 million and Baht 73.6 million for the three-month and six-month periods ended 30 June 2022, respectively, were recognised as deferred acquisition costs.

13.5 Significant agreements

Investment Management Agreements

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

Service agreements

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

Cost reimbursement agreements

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

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

Master Cost Contribution Agreement

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

14. Commitments and contingent liabilities

14.1 Capital commitments

As at 30 June 2023 and 31 December 2022 The Company has capital commitments related to software licenses Baht 50.9 million and Baht 171.6 million, respectively.

14.2 Service commitments

As at 30 June 2023 and 31 December 2022, the Company had future minimum payments under non-cancellable service contracts as follows:

	(Unit: Thousand Baht)	
Payable within	30 June 2023	31 December 2022
1 year	27,289	36,385
1 - 5 years	-	9,096

14.3 Other commitments

As at 30 June 2023 and 31 December 2022, the Company had future minimum under distribution channel agreement as follows:

	(Unit: Thousand Baht)	
Payable within	30 June 2023	31 December 2022
1 year	118,500	118,500
1 - 5 years	177,750	237,000
	296,250	355,500

14.4 Litigations

As at 30 June 2023 and 31 December 2022, the Company has been sued for claims of benefits under life insurance contracts and on other lawsuits totalling Baht 19.9 million and Baht 17.4 million, respectively. The cases have not yet been finalised. However, the Company recognised provision for possible losses that may arise from such litigations in the financial statements amounting to Baht 19.9 million and Baht 17.4 million, respectively.

15. Financial instruments

15.1 Fair value and hierarchy of financial instruments

As at 30 June 2023 and 31 December 2022, the Company had financial assets and liabilities that were measured at fair value and assets and liabilities for which fair values were disclosed by hierarchy of fair value as follows:

(Unit: Thousand Baht)

	30 June 2023			
	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivatives assets	-	607,200	-	607,200
Investments measured at fair value through profit or loss	3,936	-	-	3,936
Investments measured at fair value through other comprehensive income	16,262,833	99,140,620	951,225	116,354,678
Investment asset of the insured	13,441,310	-	-	13,441,310
Financial liabilities measured at fair value				
Derivatives liabilities	-	1,215,558	-	1,215,558

(Unit: Thousand Baht)

31 December 2022

	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
Derivatives assets	-	706,445	-	706,445
Investments measured at fair value through profit or loss	3,946	-	-	3,946
Investments measured at fair value through other comprehensive income	16,032,511	94,752,928	872,923	111,658,362
Investment asset of the insured	12,633,097	-	-	12,633,097
Financial liabilities measured at fair value				
Derivatives liabilities	-	564,971	-	564,971

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 10 August 2023.