



Disclosure Form (Attached to the OIC Commissioner Order No.72/2563)
Information Disclosure of Non-Life Insurance Companies

Part 1: To certify correctness of disclosure

The Company has reviewed the information disclosure with caution and certifies that it is complete, true, and not misleading or lack of significant information. The Company certifies the correctness of all information disclosure.

Signature.....

Name.....Nikhil Ashvani Advani.....

Position.....Chief Executive Officer.....

Disclosure on.....30...May...2025.....

Information for the Quarter..1..Year 2025.....



Capital Adequacy

The Company monitors the solvency capital in compliance with the requirements from the OIC.

Thailand has implemented RBC regulation since September 2011. In December 2019 the RBC regulation was updated with the implementation of RBC II, which updates and enhances the capital standards to be more comprehensive.

The key metric used by the regulator is the Capital Adequacy Ratio ("CAR"), defined as Total Capital Available ("TCA") divided by Total Capital Required ("TCR"), which needs to remain above the supervisory CAR to maintain financial strength and avoid potential regulatory intervention.

The Company holds additional capital in excess of the TCR to comply with its internal capital requirements. This ensures that the Company's CAR will remain higher than 140% even after a shock that is expected to occur once in 10 years.

The table below illustrates that throughout the year, the Company has a strong capital position that is significantly above the supervisory CAR of 140%.

Unit: Million Baht

Description	Quarter 1		Quarter 2		Quarter 3	
	2025	2024	2025	2024	2025	2024
Common Equity Tier 1 Ratio (%)	398	404	xxx	357	xxx	371
Tier 1 Ratio (%)	398	404	xxx	357	xxx	371
Capital Adequacy Ratio (%)	398	404	xxx	357	xxx	371
Total Capital Available	165,492	170,679	xxx	159,214	xxx	166,368
Total Capital Required	41,557	42,216	xxx	44,646	xxx	44,882

Remarks:

- According to the OIC's RBC capital valuation of Life Insurance Companies, the Registrar may determine the necessary procedures to manage companies with a CAR below the supervisory CAR.
- The above items use a Fair Value approach according to the OIC's Notification on the Valuation of Assets and Liabilities of Life Insurance Companies and RBC capital is valued according to the OIC's Notification on the Valuation of Assets and Liabilities of Life Insurance Companies.
- Quarter 2 is 6-month accumulated operating results and Quarter 3 is 9-month accumulated operating results.

AIA COMPANY LIMITED

INTERIM FINANCIAL INFORMATION (UNAUDITED)

31 MARCH 2025



AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Executive Committee of AIA Company Limited

I have reviewed the interim financial information of AIA Company Limited which comprises the statement of financial position as at 31 March 2025, the related statements of comprehensive income, for the three-month period then ended, changes in Head Office's equity, and cash flows for the three-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in blue ink, appearing to read "Sinsiri Thangsombat".

Sinsiri Thangsombat
Certified Public Accountant (Thailand) No.7352
Bangkok
12 May 2025

AIA Company Limited
Statement of Financial Position
As at 31 March 2025

		(Unaudited) 31 March 2025 Million Baht	(Restated) 31 December 2024 Million Baht	(Restated) 1 January 2024 Million Baht
	Notes			
Assets				
Cash and cash equivalents	5	19,578	15,672	17,365
Accrued investment income		7,680	3,195	3,536
Reinsurance contract assets	15	7,325	11,166	17,708
Debt instrument - financial assets	7	763,146	-	-
Equity instrument - financial assets	7	51,486	-	-
Mutual fund - financial assets	7	105,773	-	-
Investment in securities	7	-	897,160	825,256
Derivative assets	6	8,490	8,954	6,683
Loans and accrued interest receivables	9	16	16	25
Investment property	10	28,335	28,001	26,894
Investment in associates	8, 20	172	172	172
Property, plant and equipment	11	1,307	1,333	1,339
Intangible assets	12	4,063	4,125	4,115
Deferred tax assets		6,047	1,849	-
Other assets	13, 20	4,046	4,944	14,263
Total assets		1,007,464	976,587	917,356

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Date _____

The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

AIA Company Limited
Statement of Financial Position (Cont'd)
As at 31 March 2025

		(Unaudited) 31 March 2025 Million Baht	(Restated) 31 December 2024 Million Baht	(Restated) 1 January 2024 Million Baht
	Notes			
Liabilities and Head Office's Equity				
Liabilities				
Borrowings	14	24,180	22,660	-
Insurance contract liabilities	15	823,640	783,119	698,189
Reinsurance contract liabilities	15	-	9	22
Investment contract liabilities		49,980	49,885	50,525
Derivative liabilities	6	5,846	6,553	9,106
Income tax payable		3,224	2,025	1,829
Provisions for employee benefits		4,442	4,892	4,477
Deferred tax liabilities		-	-	6,676
Other liabilities	16, 20	21,171	20,645	22,508
Total liabilities		932,483	889,788	793,332
Head Office's Equity				
Fair value gains on debt instrument - financial assets				
at fair value through other comprehensive income, net of tax		52,551	-	-
Fair value gains on equity instrument - financial assets				
at fair value through other comprehensive income, net of tax		911	-	-
Fair value gains on investments measured				
at fair value through other comprehensive income, net of tax		-	35,865	23,026
Fair value gains on derivative instruments				
used in cash flow hedge, net of tax		3,976	3,711	1,883
Fair value losses on deferred cost of hedge, net of tax		(1,207)	(553)	(1,055)
Remeasurements of post-employment				
benefit obligations, net of tax		(1,686)	(1,686)	(1,432)
Gains on land and building revaluation, net of tax		1,582	1,582	1,527
Insurance finance reserve, net of tax	15	(74,773)	(44,226)	(4,089)
Reinsurance finance reserve, net of tax	15	(7,494)	(4,784)	-
Other reserve		151	133	125
Branch's retained earnings				
Unappropriated		100,970	96,757	104,039
Total Head Office's Equity		74,981	86,799	124,024
Total liabilities and Head Office's Equity		1,007,464	976,587	917,356

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The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

AIA Company Limited
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 31 March 2025

		(Unaudited) 2025 Million Baht	(Restated) 2024 Million Baht
	Notes		
Insurance revenue	15	22,580	20,291
Insurance service expenses	15	(18,377)	(15,610)
Net expenses from reinsurance contracts held	15	(1,540)	(1,051)
Insurance service result		2,663	3,630
Investment income		7,028	7,129
Gains from selling financial assets	7	372	-
Losses from selling investments	7	-	(1,162)
Fair value gains (losses)		(5,208)	3,887
Net impairment gains (losses) on financial assets	18	134	(211)
Net investment income		2,326	9,643
Net finance expenses from insurance contracts	15	1,146	8,006
Net finance expenses from reinsurance contracts held	15	328	143
Net insurance finance expenses		1,474	8,149
Net investment income and insurance finance expenses		852	1,494
Finance costs	20	(773)	(757)
Other operating expenses	17, 20	(374)	(453)
Other revenue	20	93	203
Profit before income tax		2,461	4,117
Income tax expenses	19	489	818
Net profit for the period		1,972	3,299

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The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

AIA Company Limited
Statement of Comprehensive Income (Unaudited) (Cont'd)
For the three-month period ended 31 March 2025

		(Unaudited) 2025 Million Baht	(Restated) 2024 Million Baht
	Notes		
Other comprehensive income (loss)			
<u>Items that will not be reclassified subsequently to profit or loss</u>			
Remeasurements of post-employment benefit obligations		-	(6)
Fair value losses on equity instrument - financial assets			
at fair value through other comprehensive income		(9,019)	-
Items in other comprehensive income not transferred to profit or loss		(2,609)	-
Income tax on items that will not be reclassified			
subsequently to profit or loss		2,326	1
Total items that will not be reclassified subsequently to profit or loss		(9,302)	(5)
<u>Items that will be reclassified subsequently to profit or loss</u>			
Fair value gains on debt instrument - financial assets			
at fair value through other comprehensive income		33,912	-
Fair value gains on investments measured			
at fair value through other comprehensive income		-	4,115
Fair value gains on derivative instruments used in cash flow hedge		331	1,921
Fair value losses on deferred cost of hedge		(818)	(228)
Net finance expenses from insurance contracts	15	(38,184)	(23,300)
Net finance expenses from reinsurance contracts held	15	(3,387)	(1,664)
Items in other comprehensive income transferred to profit or loss		(288)	980
Income tax relating to items that will be reclassified			
subsequently to profit or loss		1,687	3,635
Total items that will be reclassified subsequently to profit or loss		(6,747)	(14,541)
Other comprehensive loss for the period, net of tax		(16,049)	(14,546)
Total comprehensive loss for the period		(14,077)	(11,247)

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Date _____

The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

		Fair value gains (losses) on debt instrument - financial assets at fair value through other comprehensive income, net of tax Million Baht	Fair value gains (losses) on equity instrument - financial assets at fair value through other comprehensive income, net of tax Million Baht	Fair value gains on investments measured at fair value through other comprehensive income, net of tax Million Baht	Fair value gains on derivative instruments used in cash flow hedge, net of tax Million Baht	Fair value losses on deferred cost of hedge, net of tax Million Baht	Remeasurements of post-employment benefit obligations, net of tax Million Baht	Gains on land and building revaluation, net of tax Million Baht	Insurance finance reserve, net of tax Million Baht	Reinsurance finance reserve, net of tax Million Baht	Other reserve Million Baht	Unappropriated Branch's retained earnings Million Baht	Total Head Office's Equity Million Baht
Beginning balance as at 1 January 2025		-	-	35,865	3,711	(553)	(1,666)	1,582	-	-	133	156,124	195,176
Retrospective adjustments from change in accounting policy		-	-	-	-	-	-	-	(44,226)	(4,784)	-	(59,367)	(108,377)
Effect of initial adoption of TFRS 9 Financial Instruments	22	25,651	10,214	(35,865)	-	-	-	-	-	-	-	154	154
Beginning balance after adjustment		25,651	10,214	-	3,711	(553)	(1,666)	1,582	(44,226)	(4,784)	133	99,911	86,953
Employee benefits on share-based payment		-	-	-	-	-	-	-	-	-	18	-	18
Net profit for the period		-	-	-	-	-	-	-	-	-	-	1,972	1,972
Gains from selling of financial assets		-	-	-	-	-	-	-	-	-	-	2,087	2,087
Fair value gains on debt instrument - financial assets at fair value through other comprehensive income		27,130	-	-	-	-	-	-	-	-	-	-	27,130
Fair value losses on equity instrument - financial assets at fair value through other comprehensive income		-	(7,216)	-	-	-	-	-	-	-	-	-	(7,216)
Fair value gains on derivative instruments used in cash flow hedge		-	-	-	265	-	-	-	-	-	-	-	265
Fair value losses on deferred cost of hedge		-	-	-	-	(654)	-	-	-	-	-	-	(654)
Finance expenses from insurance contracts issued		-	-	-	-	-	-	-	(30,547)	-	-	-	(30,547)
Finance expenses from reinsurance contracts held		-	-	-	-	-	-	-	-	(2,710)	-	-	(2,710)
Items in other comprehensive income not transferred to profit or loss		-	(2,087)	-	-	-	-	-	-	-	-	-	(2,087)
Items in other comprehensive income transferred to profit or loss		(230)	-	-	-	-	-	-	-	-	-	-	(230)
Ending Balance as at 31 March 2025		52,551	911	-	3,976	(1,207)	(1,666)	1,582	(74,773)	(7,494)	151	100,970	74,981
Beginning balance as at 1 January 2024		-	-	23,026	1,883	(1,055)	(1,432)	1,527	-	-	125	162,466	185,540
Retrospective adjustments from change in accounting policy	22	-	-	-	-	-	-	-	(4,089)	-	-	(58,427)	(62,516)
Beginning balance after adjustment		-	-	23,026	1,883	(1,055)	(1,432)	1,527	(4,089)	-	125	104,039	124,024
Employee benefits on share-based payment		-	-	-	-	-	-	-	-	-	15	-	15
Net profit for the period		-	-	-	-	-	-	-	-	-	-	3,299	3,299
Remeasurements of post-employment benefit obligations		-	-	-	-	-	(5)	-	-	-	-	-	(5)
Fair value gains on investments measured at fair value through other comprehensive income		-	-	3,292	-	-	-	-	-	-	-	-	3,292
Fair value gains on derivative instruments used in cash flow hedge		-	-	-	1,537	-	-	-	-	-	-	-	1,537
Fair value losses on deferred cost of hedge		-	-	-	-	(182)	-	-	-	-	-	-	(182)
Finance expenses from insurance contracts issued		-	-	-	-	-	-	-	(18,640)	-	-	-	(18,640)
Finance expenses from reinsurance contracts held		-	-	-	-	-	-	-	-	(1,331)	-	-	(1,331)
Items in other comprehensive income transferred to profit or loss		-	-	784	-	-	-	-	-	-	-	-	784
Ending Balance as at 31 March 2024		-	-	27,102	3,420	(1,237)	(1,437)	1,527	(22,729)	(1,331)	140	107,338	112,793

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Date _____

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

AIA Company Limited
Statement of Cash Flows (Unaudited)
For the three-month period ended 31 March 2025

		2025	(Restated) 2024
	Notes	Million Baht	Million Baht
Cash flows provided by (used in) operating activities			
Premium received from direct insurance		46,627	41,600
Premium paid for reinsurance	15	(5,768)	(4,139)
Recoveries from reinsurance	15	4,345	3,243
Interest income		2,924	3,310
Fee income		141	118
Dividend income		215	35
Rental income		250	280
Investment expenses		(232)	(8)
Claims and other insurance service expenses paid	15	(28,900)	(28,818)
Insurance acquisition cash flows paid	15	(12,321)	(9,701)
Other operating expenses		(3,884)	(5,192)
Other revenue (expenses)		(46)	93
Income tax expenses		(36)	(33)
Cash paid for settlement of derivatives		(238)	(345)
Cash received from financial assets		42,247	-
Cash paid for financial assets		(41,739)	-
Cash received from investment in securities		-	27,289
Cash paid for investment in securities		-	(34,111)
Cash paid for investment property	10	(334)	(109)
Cash received from loans repayment		1	7
Net cash provided by (used in) operating activities		3,252	(6,481)
Cash flows used in investing activities			
<u>Cash flows used in:</u>			
Properties and equipment	11	(14)	(21)
Intangible assets		(53)	(201)
Net cash used in investing activities		(67)	(222)
Net cash used in investing activities		(67)	(222)

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Date _____

The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

AIA Company Limited
Statement of Cash Flows (Unaudited) (Cont'd)
For the three-month period ended 31 March 2025

		(Restated)
	2025	2024
	Million	Million
Notes	Baht	Baht
Cash flows provided by (used in) financing activities		
<u>Cash flows provided by:</u>		
Borrowings	65,220	-
Net cash provided by financing activities	65,220	-
<u>Cash flows used in:</u>		
Lease liabilities	(27)	(25)
Repayment of borrowings	(63,700)	-
Finance cost	(772)	(752)
Net cash used in financing activities	(64,499)	(777)
Net cash provided by (used in) financing activities	721	(777)
Net increase (decrease) in cash and cash equivalents	3,906	(7,480)
Cash and cash equivalents at beginning of period	15,672	17,365
Cash and cash equivalents at end of period	19,578	9,885

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The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

1. General information

AIA Company Limited ("the Branch") is a branch in Thailand of AIA Company Limited ("AIA") whose ultimate holding company is AIA Group Limited ("AIA Group"), a company incorporated in Hong Kong and listed on the Stock Exchange of Hong Kong Limited.

The Branch received its life insurance license under the laws of Thailand on 1 October 1938. The address of the Branch's registered office is as follows:

181 Surawongse Road, Bangrak, Bangkok 10500.

The principal business operations of the Branch are to provide life insurance, personal accident and health insurance.

This interim financial information has been approved by the Branch's management on 12 May 2025.

This interim financial information has been reviewed, not audited.

2. Material accounting policies

2.1 Basis of preparation

The interim financial information has been prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting. The primary financial information (statement of financial position, statement of comprehensive income, statement of changes in Head Office's equity and statement of cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard 1 Presentation of Financial Statements. In addition, the interim financial information presentation is based on the formats of life insurance interim financial information attached in an Office of Insurance Commission's notification "Principle, methodology, condition and timing for preparation and submission of financial statements for life insurance company B.E.2566" dated on 8 February 2023 ("OIC Notification"). The notes to the interim financial information are prepared in a condensed format. Additional notes are presented as required by the aforementioned OIC Notification.

The interim financial information should be read together with the annual financial statements for the year ended 31 December 2024.

An English version of the interim financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

Income taxes in the interim periods are accrued by using the expected income taxes in the interim period.

2. Material accounting policies (Cont'd)

2.2 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2024, except for the adoption of the new and amended financial reporting standards as described in Note 2.3, 2.4, 2.5, and 2.6.

2.3 New and amended financial reporting standards

- a) New financial reporting standards that are effective for accounting period beginning on or after 1 January 2025 which are relevant and have material impacts to the Branch

- **TFRS 9 Financial instruments**

The financial reporting standards related to financial instruments introduce new classification and measurement requirements for financial instruments as well as provide derecognition guidance on financial assets and financial liabilities. The new guidance also provides an option for the Branch to apply hedge accounting to reduce accounting mismatch between hedged item and hedging instrument. In addition, the new standard provides detailed guidance on financial instruments issued by the Branch whether it is a liability or an equity. Among other things, they require extensive disclosure on financial instruments and related risks.

The new classification requirements of financial assets require the Branch to assess both i) business model for holding the financial assets; and ii) cash flow characteristics of the asset whether the contractual cash flows represent solely payments of principal and interest (SPPI). The classification affects the financial assets' measurement. The new guidance requires assessment of impairment of financial assets as well as contract assets and recognition of expected credit loss from initial recognition.

On 1 January 2025, the Branch has adopted the financial reporting standards related to financial instruments in its financial statements. The impact from the first-time adoption has been disclosed in Note 22.

- **TFRS 17 Insurance Contracts** TFRS 17 has replaced TFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using general measurement model which comprise of:

- discounted probability-weighted cash flows
- an explicit risk adjustment, and
- a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under TFRS 9.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for eligible groups of insurance contracts.

There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.

2. Material accounting policies (Cont'd)

2.3 New and amended financial reporting standards (Cont'd)

- a) New financial reporting standards that are effective for accounting period beginning on or after 1 January 2025 which are relevant and have material impacts to the Branch (Cont'd)

- **TFRS 17 Insurance Contracts** (Cont'd)

Adopting TFRS 17, the Branch can choose to recognise any cumulative negative impacts from insurance contract liabilities in retained earnings by applying the straight-line method, using no more than a three-year period from the transition date.

The new standard will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

On 1 January 2025, the Branch has adopted the financial reporting standards related to Insurance Contracts in its financial statements. The impact from the first-time adoption has been disclosed in Note 22.

- b) Amended financial reporting standards that are effective for accounting year beginning on or after 1 January 2025 and have no material impact to the Branch

- **Amendments to TAS 1 Presentation of Financial Statements** clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity's expectations or events after the reporting period (for example, the receipt of a waiver or a breach of covenant).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the end of reporting period if the entity must only comply with the covenants after the reporting period. However, if the entity must comply with a covenant either before or at the end of reporting period, this will affect the classification as current or non-current even if the covenant is only tested for compliance after the reporting period.

The amendments require disclosures if an entity classifies a liability as non-current and that liability is subject to covenants with which the entity must comply within 12 months of the reporting period. The disclosures include:

- the carrying amount of the liability;
- information about the covenants; and
- facts and circumstances, if any, that indicate that the entity might have difficulty complying with the covenants.

The amendments also clarify what TAS 1 means when it refers to the 'settlement' of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity's own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current if the entity classifies the option as an equity instrument.

The amendments must be applied retrospectively in accordance with the normal requirements in TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors.

- **Amendments to TFRS 16 Leases** added to the requirements for sale and leaseback transactions which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines 'lease payments' and 'revised lease payments' in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

2. Material accounting policies (Cont'd)

2.3 New and amended financial reporting standards (Cont'd)

- b) Amended financial reporting standards that are effective for accounting year beginning on or after 1 January 2025 and have no material impact to the Branch (Cont'd)

- **Amendments to TAS 7 Statement of cash flows and TFRS 7 Financial instruments: Disclosures** require specific disclosures about supplier finance arrangements (SFAs). The amendments respond to investors that said that they urgently needed more information about SFAs to be able to assess how these arrangements affect an entity's liabilities, cash flows and liquidity risk.

To meet investors' needs, the new disclosures will provide information about:

- (1) The terms and conditions of SFAs.
- (2) The carrying amount of financial liabilities that are part of SFAs, and the line items in which those liabilities are presented.
- (3) The carrying amount of the financial liabilities in (2), for which the suppliers have already received payment from the finance providers.
- (4) The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
- (5) Non-cash changes in the carrying amounts of financial liabilities in (2).
- (6) Access to SFA facilities and concentration of liquidity risk with the finance providers.

2.4 Financial instruments

2.4.1 Classification and designation of financial instruments

On initial recognition, financial assets are classified as measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss.

Financial assets are not reclassified subsequently to their initial recognition, unless the Branch changes its business model for managing financial assets in that all affected financial assets are reclassified at the beginning of the reporting period in which the business model has changed. The business model for Thailand's financial reporting is considered based on local content.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

A debt security is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated at fair value through profit or loss:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. Material accounting policies (Cont'd)

2.4 Financial instruments (Cont'd)

2.4.1 Classification and designation of financial instruments (Cont'd)

On initial recognition of an equity security that is not held for trading, the Branch may irrevocably elect to present subsequent changes in fair value in other comprehensive income on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. In addition, on initial recognition the Branch may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income or at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

2.4.2 Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities at fair value through profit or loss comprise two categories:

- financial assets or liabilities mandatorily classified as at fair value through profit or loss; and
- financial assets or liabilities designated at fair value through profit or loss upon initial recognition.

Management designates financial assets and liabilities at fair value through profit or loss if this eliminates a measurement or recognition inconsistency or if the liabilities are actively managed on a fair value basis, including among others debt securities held in other participating business with distinct portfolios.

Dividend income from equity instruments measured at fair value through profit or loss is recognised in the income statement. For all financial assets measured at fair value through profit or loss, changes in fair value are recognised in profit or loss as part of net investment result.

Transaction costs in respect of financial assets and liabilities at fair value through profit or loss are expensed as they are incurred.

2.4.3 Financial assets at fair value through other comprehensive income

These financial assets are initially recognised at fair value plus attributable transaction costs and are subsequently measured at fair value. These principally consist of the Branch's debt securities. The difference between their cost and par value is amortised. Interest revenue is recognised in investment return in the profit and loss using the effective interest method.

Unrealised gains and losses on securities are decomposed between differences resulting from foreign currency translation, and other fair value changes. Foreign currency translation differences are calculated as if they were carried at amortised cost and so are recognised in profit and loss. For impairments, reference is made to Note 2.4.8.

Changes in the fair value of securities, except for impairment losses and relevant foreign exchange gains and losses, are recognised in other comprehensive income. Impairment losses and relevant foreign exchange gains and losses are recognised in the profit and loss.

2. Material accounting policies (Cont'd)

2.4 Financial instruments (Cont'd)

2.4.4 Realised gains and losses on financial assets

Realised gains and losses on financial assets measured at fair value through profit or loss excludes any interest revenue or dividend income.

Realised gains and losses on financial assets measured at fair value through other comprehensive income are calculated as the difference between the sale proceeds and its original cost or amortised cost as appropriate. Amortised cost is determined by specific identification by lots.

2.4.5 Recognition of financial instruments

Purchases and sales of financial instruments are recognised on the trade date, which is the date at which the Branch commits to purchase or sell the assets.

2.4.6 Derecognition, contract modification and offset

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Branch has transferred substantially all risks and rewards of ownership. If the Branch neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it derecognises the financial asset if there is no longer control over the asset. In transfers where control over the asset is retained, the Branch continues to recognise the asset to the extent of its continuing involvement. The extent of continuing involvement is determined by the extent to which the Branch is exposed to changes in the fair value of the asset.

Financial liabilities are generally derecognised when their contractual obligations expire or are discharged or cancelled. Notwithstanding, when, and only when, the Branch repurchases its financial liability and includes it as underlying items of contracts with direct participation features or investment contracts with DPF, the Branch may elect not to derecognise the financial liability. Instead, the Branch may elect to continue to account for that instrument as a financial liability and to account for the repurchased instrument as if it were a financial asset and measure it at fair value through profit or loss. This election is irrevocable and is made on an instrument-by-instrument basis.

If the terms of a financial instrument are modified, then the Branch evaluates whether the cash flows of the modified financial instrument are substantially different. If the cash flows are substantially different, in which case, a new financial instrument based on the modified terms is recognised at fair value. If a financial instrument is modified but not substantially, then it is not derecognised.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

2.4.7 Financial assets measured at amortised cost

Other than cash and cash equivalents, financial assets measured at amortised cost primarily include debt securities, loans and deposits, and receivables. These financial assets are initially recognised at fair value plus transaction costs. Subsequently, they are carried at amortised cost using the effective interest method less any impairment losses. Interest revenue from debt securities measured at amortised cost is recognised in the profit and loss using the effective interest method.

2. Material accounting policies (Cont'd)

2.4 Financial instruments (Cont'd)

2.4.7 Financial assets measured at amortised cost (Cont'd)

Financial instruments at fair value are measured using the fair value hierarchy as described in Note 4.

2.4.8 Impairment of financial assets

The Branch applies the TFRS 9 general approach in measuring the financial assets carried at AMC and FVOCI. Under the general approach, the 12-month or the lifetime expected credit loss is applied depending on whether there has been a significant increase in credit risk since the initial recognition.

The Branch always accounts for expected credit losses which involves a three-stage expected credit loss impairment model. The stage dictates how the entity measures impairment losses and applies the effective interest rate method. In which, the three-stage expected credit loss impairment will be as the following stages:

- Stage 1 - from initial recognition of a financial asset to the date on which the credit risk of the asset has not increased significantly relative to its initial recognition, a loss allowance is recognised equal to the credit losses expected to result from defaults occurring over the next 12 months.
- Stage 2 - following a significant increase in credit risk relative to the initial recognition of a financial asset, a loss allowance is recognised equal to the credit losses expected over the remaining life of the asset.
- Stage 3 - when a financial asset is considered to be credit-impaired, a loss allowance equal to full lifetime expected credit losses is to be recognised.

The significant increase in credit risk (from initial recognition) assessment is performed every end of reporting period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

When measuring expected credit losses, the Branch reflects the following:

- probability-weighted estimated uncollectible amounts;
- time value of money; and
- supportable and reasonable information as of the reporting date about past experience, current conditions and forecasts of future situations.

The expected credit losses are recognised in profit or loss as a separate line item.

2.4.9 Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured to their fair value at the end of each reporting period. The method of recognising the resulting gain or loss depends on whether or not the derivative is applied hedge accounting, and if so, the nature of the item being hedged.

Derivative financial instruments that are not applied hedge accounting is remeasured at fair values which are obtained from quoted market price, or other widely used methods. Gain or loss on such agreements and changes in related fair values for the year ended are reflected in profit or loss.

2. Material accounting policies (Cont'd)

2.4 Financial instruments (Cont'd)

2.4.9 Derivatives and hedging activities (Cont'd)

When derivatives financial instruments are applied hedge accounting, the Branch measures derivatives classified as hedging transactions according to the natures of items being hedged. The Branch designates certain derivatives as:

1) Fair Value hedge

Changes in the fair value of derivatives that are designated and qualified as fair value hedges are recorded in profit or loss, together with any changes in the fair value of the hedged items that are attributable to the hedged risk.

2) Cash flow hedge

The effective portion of changes in fair value of derivatives that are designated and qualified as cash flow hedges are recognised in other comprehensive income. The gain and loss relating to the ineffective portion is recognised immediately in profit or loss. Amount accumulated in equity are recycled to profit or loss for the year in which the hedged item will affect profit or loss.

3) Net investment in foreign operation hedge

Hedge of net investment in foreign operations are accounted for similar to cash flow hedge.

At the inception of the hedge, the Branch documents the relationship between hedged items and hedging instruments, as well as their risk management objective. The Branch also assesses the hedge effectiveness in offsetting changes in fair values or cash flows of hedged items on an ongoing basis both at the hedge inception and every financial reporting date.

The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedge is recognised in the cash flow hedge reserve within Head Office's equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within fair value gain/loss. When cross currency swap contracts are used to hedge interest rate risk and foreign exchange risk, the Branch chooses to exclude the foreign currency basis spread from the designation of the derivatives as hedging instruments. Gains or losses relating to the effective portion of the change in fair value of cross currency swap contracts excluding foreign currency basis spread are recognised in the cash flow hedge reserve within Head Office's equity. The change in foreign currency basis spread at the swap contract that relates to the hedged item is recognised within other comprehensive income in the costs of hedging reserve within Head Office's equity.

Amounts accumulated in Head Office's equity are reclassified in the year when the hedged item affects profit or loss. When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in Head Office's equity at that time remains in Head Office's equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative deferred gain or loss and deferred costs of hedging that were reported in Head Office's equity are immediately reclassified to profit or loss.

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivatives instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in fair value gain/loss.

2. Material accounting policies (Cont'd)

2.4 Financial instruments (Cont'd)

2.4.10 Collateral

Cash received and pledged as a collateral to a counterparty occur in respect to derivative transaction and repurchase agreement in order to reduce the credit risk of these transactions. The cash pledged is recognised as other assets. The cash received is recognised as other liabilities.

2.5 Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held

An accounting policy for the measurement and recognition of insurance, reinsurance and investment contracts has been elected where the estimates made following TFRS 17 Insurance Contracts, which set out as follows:

2.5.1 Insurance contracts, investment contracts with DPF and reinsurance contracts held classification

In the event that a scenario (other than those lacking commercial substance) exists in which an insured event would require the Branch to pay significant additional benefits to its customers and has a possibility of incurring a loss on a present value basis, the contract is considered as transferring significant insurance risk and is accounted for as an insurance contract. Contracts held by the Branch under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts held. Insurance contracts and reinsurance contracts held can also expose the Branch to financial risk. For investment contracts that do not contain DPF, TFRS 9, Financial Instruments, and, if the contract includes an investment management element, TFRS 15, Revenue from Contracts with Customers, are applied. Once a contract has been classified as an insurance, reinsurance or investment contract, reclassification is not subsequently performed unless the terms of the agreement are later amended.

2. Material accounting policies (Cont'd)

2.5 Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held (Cont'd)

2.5.1 Insurance contracts, investment contracts with DPF and reinsurance contracts held classification (Cont'd)

The Branch's products may be divided into the following main categories:

Policy type	Description of benefits payable	Basis of accounting for	
		Insurance contracts	Investment contracts
Non-participating products which include: - Life and annuities - Health insurance riders - Other riders which are not life and health protection - Group insurance policies	Benefits payable are not at the discretion of the insurer	The general measurement model is applied to these insurance contracts except for contracts or additional contracts with the following characteristics, which will use the premium allocation approach (PAA): - Contracts with a duration of less than or equal to 1 year; or - Contracts with a duration of 1 year that are renewable; or - Contracts permitted to use the premium allocation approach to reduce complexity (see Note 2.5.7)	Investment contract liabilities are measured at amortised cost or fair value through profit and loss
Other participating business without distinct portfolios	Participating products include protection and savings elements. The basic sum assured, payable on death or maturity, may be enhanced by dividends or bonuses, the timing or amount of which are at the discretion of the insurer taking into account factors such as investment experience.	The general measurement model is applied to these insurance contracts except for some element of contracts where the permitted premium allocation approach (PAA) simplification (see Note 2.5.7) is applied	Investment contracts with DPF are accounted for in the same way as insurance contracts Investment contracts without DPF are measured at amortised cost or fair value through profit and loss
Universal life	Benefits are based on an account balance, credited with interest at a rate set by the insurer, and a death benefit, which may be varied by the customer	General measurement model	Not applicable as such contracts generally contain significant insurance risk
Unit-linked	These may be primarily savings products or may combine savings with an element of protection	Unit-linked products that meet the definition of an insurance contract with direct participation features are measured under the VFA, otherwise they follow the general measurement model	Investment contract liabilities under TFRS 9 are measured at fair value through profit and loss

2. Material accounting policies (Cont'd)

2.5 Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held (Cont'd)

2.5.2 Separating components from insurance contracts and reinsurance contracts held

At inception, the Branch separates the following components from an insurance contract or a reinsurance contract held and accounts for them as if they were stand-alone financial instruments:

- derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance contract or a reinsurance contract held as a stand-alone instrument; and
- distinct investment components - i.e. investment components that are not highly inter-related with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.

After separating any financial instrument components, the Branch separates any promises to transfer distinct goods or services other than insurance coverage and investment services and accounts for them as separate contracts with customers (i.e. not as insurance contracts). A good or service is distinct if the policyholder can benefit from it either on its own or with other resources that are readily available to the policyholder. A good or service is not distinct and is accounted for together with the insurance component if the cash flows and risks associated with the goods or service are highly interrelated with the cash flows and risks associated with the insurance component, and the Branch provides a significant service of integrating the good or service with the insurance component.

2. Material accounting policies (Cont'd)

2.5 Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held (Cont'd)

2.5.3 Level of aggregation and recognition of group of insurance contracts and reinsurance contracts held

Insurance contracts

Insurance contracts are aggregated into groups for measurement purposes. Groups of contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into semi-annual cohorts and each semi-annual cohort into three groups based on the profitability of contracts:

- any contracts that are onerous on initial recognition;
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the portfolio.

An insurance contract issued by the Branch is recognised at the earliest of:

- the beginning of its coverage period (i.e. the period during which the Branch provides services in respect of any premium within the boundary of the contract);
- when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
- when facts and circumstances indicate that the contract is onerous.

When the contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group.

Reinsurance contracts held

Reinsurance contracts held by the Branch cover underlying insurance contracts.

A group of reinsurance contracts held is recognised on the following dates:

- Reinsurance contracts held that provide proportionate coverage: Generally later of the beginning of the coverage period of the group of reinsurance contracts held, or the date on which any underlying insurance contract is initially recognised.
- Other reinsurance contracts held: The beginning of the coverage period of the group of reinsurance contracts held. However, if the Branch recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract held was entered into on or before that earlier date, then the group of reinsurance contracts held is recognised on that earlier date.

2. Material accounting policies (Cont'd)

2.5 Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held (Cont'd)

2.5.4 Fulfilment cash flows and contract boundaries

Fulfilment cash flows comprise:

- estimates of future cash flows;
- an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows; and
- a risk adjustment for non-financial risk.

Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group, determined as follows:

Insurance contracts

Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period under which the Branch can compel the policyholder to pay premium or has a substantive obligation to provide insurance contract services.

A substantive obligation to provide insurance contract services ends when:

- the Branch has the practical ability to reassess the risks of the policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or
- the Branch has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio; and the pricing of the premium for coverage up to the reassessment date does not take into account risks that relate to periods after the reassessment date.

Reinsurance contracts held

Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Branch is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer.

A substantive right to receive services from the reinsurer ends when the reinsurer:

- has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or
- has a substantive right to terminate the coverage.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Branch's substantive rights and obligations and, therefore, may change over time.

2.5.5 Insurance acquisition cash flows

Insurance acquisition cash flows are allocated to groups of contracts using a systematic and rational allocation method and considering, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort. At each reporting date, the Branch revises the amounts allocated to groups to reflect any changes in assumptions that determine the inputs to the allocation method used. Amounts allocated to a group are not revised once all contracts have been added to the group.

2. Material accounting policies (Cont'd)

2.5 Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held (Cont'd)

2.5.6 Measurement - insurance contracts not measured under the PAA

2.5.6.1 Initial measurement

On initial recognition, the Branch measures a group of contracts as the total of: (a) the fulfilment cash flows, which comprise estimates of future cash flows, an adjustment to reflect time value of money and associated financial risks, and a risk adjustment for non-financial risk; and (b) the contractual service margin (CSM).

The measurement of the fulfilment cash flows of a group of contracts does not reflect the Branch's non-performance risk.

The risk adjustment for non-financial risk for a group of contracts, determined separately from the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The CSM of a group of contracts represents the unearned profit that the Branch will recognise as it provides services under those contracts. On initial recognition of a group of contracts, if the total of the fulfilment cash flows, any cash flows arising at that date and any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows) is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

If the total is a net outflow, then the group is onerous. In this case, the net outflow is recognised as a loss in profit or loss. A loss component is created to depict the amount of the net cash outflows, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous groups and are excluded from insurance revenue.

2.5.6.2 Subsequent measurement

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage (LRC) and the liability for incurred claims (LIC).

The LRC comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The LIC includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

2. Material accounting policies (Cont'd)

2.5 Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held (Cont'd)

2.5.6 Measurement - insurance contracts not measured under the PAA (Cont'd)

2.5.6.2 Subsequent measurement (Cont'd)

The fulfilment cash flows of groups of contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows:

- changes relating to future services are adjusted against the CSM (or recognised in the insurance service result in profit or loss if the group is onerous);
- changes relating to current or past services are recognised in the insurance service result in profit or loss; and
- effects of the time value of money, financial risk and changes therein on estimated future cash flows are recognised as insurance finance income or expenses for insurance contracts without direct participation features or adjusted against CSM for insurance contracts with direct participation features.

The CSM of each group of contracts is calculated at each reporting date as follows:

Insurance contracts without direct participation features

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the reporting period, adjusted mainly for:

- the CSM of any new contracts that are added to the group in the period;
- interest accreted on the carrying amount of the CSM during the period, measured at the discount rates determined on initial recognition that are applied to nominal cash flows that do not vary based on the returns on underlying items;
- changes in fulfilment cash flows that relate to future services, except to the extent that:
 - any increases in the fulfilment cash flows exceed the carrying amount of the CSM, in which case the excess is recognised in insurance service expenses and recognised as a loss component in LRC; or
 - any decreases in the fulfilment cash flows adjust the loss component in the LRC and the corresponding amount is recognised in insurance service expenses. If the loss component is reduced to zero, the excess reinstates the CSM;
- the amount recognised as insurance revenue for services provided in the period.

2. Material accounting policies (Cont'd)

2.5 Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held (Cont'd)

2.5.6 Measurement - insurance contracts not measured under the PAA (Cont'd)

2.5.6.2 Subsequent measurement (Cont'd)

The CSM of each group of contracts is calculated at each reporting date as follows: (Cont'd)

Insurance contracts without direct participation features (Cont'd)

Changes in fulfilment cash flows that relate to future services mainly comprise:

- experience adjustments arising from premium received in the period that relate to future services and related cash flows, measured at the discount rates determined on initial recognition;
- changes in estimates of the present value of future cash flows in the LRC, measured at the discount rates determined on initial recognition, except for those that relate to the effects of the time value of money, financial risk and changes therein;
- differences between (a) any investment component expected to become payable in the period, determined as the payment expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable; and (b) the actual amount that becomes payable in the period;
- differences between (a) any policy loan expected to become repayable in the period and (b) the actual amount that becomes repayable in the period; and
- changes in the risk adjustment for non-financial risk that relate to future services.

To determine how to identify a change in discretionary cash flows, the basis is generally determined at inception of the contract. Changes in cash flows arising from the Branch's discretion are regarded as relating to future services and accordingly adjust the CSM, these cash flows are determined based on the relevant contract terms, dividend and bonus rules.

2. Material accounting policies (Cont'd)

2.5 Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held (Cont'd)

2.5.6 Measurement - insurance contracts not measured under the PAA (Cont'd)

2.5.6.2 Subsequent measurement (Cont'd)

Insurance contracts with direct participation features

Contracts with direct participation features are contracts under which the Branch's obligation to the policyholder is the net of:

- the obligation to pay the policyholder an amount equal to the fair value of the underlying items; and
- a variable fee in exchange for future services provided by the contracts, being the amount of the Branch's share of the fair value of the underlying items less fulfilment cash flows that do not vary based on the returns on underlying items.

When measuring a group of contracts with direct participation features, the Branch adjusts the fulfilment cash flows for the changes in the obligation to pay policyholders an amount equal to the policyholder's share of the fair value of the underlying items. These changes do not relate to future services and are recognised in profit or loss.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the reporting period, adjusted mainly for:

- the CSM of any new contracts that are added to the group in the period;
- the change in the amount of the Branch's share of the fair value of the underlying items and changes in fulfilment cash flows that relate to future services, except to the extent that:
 - a decrease in the amount of the Branch's share of the fair value of the underlying items, or an increase in the fulfilment cash flows that relate to future services, exceeds the carrying amount of the CSM. The excess is recognised in insurance service expenses and recognised as a loss component in LRC; or
 - an increase in the amount of the Branch's share of the fair value of the underlying items, or a decrease in the fulfilment cash flows that relate to future services, which adjust the loss component in the LRC and the corresponding amount is recognised in insurance service expenses. If the loss component is reduced to zero, the excess reinstates the CSM;
- the amount recognised as insurance revenue for services provided in the period.

2. Material accounting policies (Cont'd)

2.5 Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held (Cont'd)

2.5.6 Measurement - insurance contracts not measured under the PAA (Cont'd)

2.5.6.2 Subsequent measurement (Cont'd)

Insurance contracts with direct participation features (Cont'd)

Changes in fulfilment cash flows not varying based on the return on underlying items that relate to future services include the changes relating to future services specified above for contracts without direct participation features (measured at current discount rates) and changes in the effect of the time value of money and financial risks that do not arise from underlying items e.g. the effect of financial guarantees.

2.5.7 Measurement - insurance contracts measured under the PAA

The Branch generally uses the PAA to simplify the measurement of groups of contracts in the following circumstances:

- where the coverage period of each contract in the group of contracts is one year or less; or
- the Branch reasonably expects that the resulting measurement of the LRC would not differ materially from the result of applying the accounting policies of contracts not measured under the PAA.

2.5.7.1 Initial measurement

On initial recognition of each group of contracts, the carrying amount of the LRC is measured as the premium received on initial recognition minus any insurance acquisition cash flows allocated to the group at that date and adjusted for amounts arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group.

The Branch chooses to recognise insurance cash flows as an expense when it incurred if each insurance contract in a group has a coverage period of one year or less. The Branch has elected the accounting policy choice to recognise insurance acquisition cash flows on an accrual basis.

2. Material accounting policies (Cont'd)

2.5 Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held (Cont'd)

2.5.7 Measurement - insurance contracts measured under the PAA (Cont'd)

2.5.7.2 Subsequent measurement

Subsequently, the carrying amount of the LRC is increased by (i) any premium received and decreased by (i) insurance acquisition cash flows paid; (ii) the amount recognised as insurance revenue for coverage provided; and (iii) any investment component paid or transferred to the LIC.

On initial recognition of each group of contracts, the Branch expects that the time gap between providing each part of the coverage and the related premium due date is not significant. Accordingly, the Branch has chosen not to adjust the LRC to reflect the time value of money and the effect of financial risk.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Branch recognises a loss in profit or loss and increases the carrying amount of the LRC to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage (including the risk adjustment for non-financial risk) exceed the carrying amount of the LRC as loss component. The fulfilment cash flows are adjusted for the time value of money and the effect of financial risk (using current estimates) if the LIC is also adjusted for the time value of money and the effect of financial risk. In subsequent periods, unless facts and circumstances indicate that the group of contracts is no longer onerous, the loss component is remeasured at each reporting date as the difference between the current estimates of the fulfilment cash flows that relate to remaining coverage (including the risk adjustment for non-financial risk) and the carrying amount of the LRC without loss component.

The Branch recognises the LIC of a group of insurance contracts for the amount of the fulfilment cash flows relating to incurred claims. The fulfilment cash flows are discounted (at current rates) unless the cash flows are expected to be paid in one year or less from the date the claims are incurred.

2. Material accounting policies (Cont'd)

2.5 Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held (Cont'd)

2.5.8 Reinsurance contracts held

For groups of reinsurance contracts held, the Branch applies the same accounting policies as that applied to insurance contracts without direct participation features, with the following modifications.

The carrying amount of a group of reinsurance contracts held at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

The Branch measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

The risk adjustment for non-financial risk is the amount of risk being transferred by the Branch to the reinsurer.

On initial recognition, the CSM of a group of reinsurance contracts held represents a net cost or net gain on purchasing reinsurance. It is measured as the equal and opposite amount of the total of (a) the fulfilment cash flows, (b) the amount arising from assets or liabilities previously recognised for cash flows related to the group, before the group is recognised, (c) cash flows arising from the contracts in the group at that date and (d) any income recognised in profit or loss because of onerous underlying contracts recognised at that date. However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of the reinsurance, then the Branch recognises the cost immediately in profit or loss as an expense.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the reporting period, adjusted for:

- the CSM of any new contracts that are added to the group in the period;
- interest accreted on the carrying amount of the CSM during the period, measured at the discount rates determined on initial recognition that are applied to nominal cash flows;
- income recognised in profit or loss in respect of a loss recognised for onerous underlying contracts. A loss-recovery component is established or adjusted in the asset for remaining coverage of reinsurance contracts held for the amount of income recognised;
- reversals of a loss-recovery component to the extent that they are not changes in the fulfilment cash flows of the group;
- changes in fulfilment cash flows that relate to future services, measured at the discount rates determined on initial recognition, unless the changes result from changes in fulfilment cash flows of onerous underlying contracts, in which case they are recognised in profit or loss and create or adjust a loss-recovery component;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised in profit or loss for the services received in the period.

2. Material accounting policies (Cont'd)

2.5 Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held (Cont'd)

2.5.8 Reinsurance contracts held (Cont'd)

Reinsurance of onerous underlying insurance contracts

The Branch adjusts the CSM of the group to which a reinsurance contract held belongs and as a result recognises income when it recognises a loss on initial recognition of onerous underlying contracts, if the reinsurance contract held is entered into before or at the same time as the onerous underlying contracts are recognised. The adjustment to the CSM is determined by multiplying:

- the amount of the loss that relates to the underlying contracts; and
- the percentage of claims on the underlying contracts that the Branch expects to recover from the reinsurance contracts held.

If the reinsurance contract held covers only some of the insurance contracts included in an onerous group of contracts, then the Branch uses a systematic and rational method to determine a portion of losses recognised on the onerous group of contracts containing the insurance contracts covered by the reinsurance contract held.

A loss-recovery component is established or adjusted in the asset for remaining coverage of reinsurance contracts held, which determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts held and are excluded from the allocation of reinsurance premium paid.

Reinsurance contracts held measured under the PAA

The Branch applies the same accounting principles to measure a group of insurance contracts or reinsurance contracts held under the PAA.

If a loss-recovery component is established for a group of reinsurance contracts held measured under the PAA, the Branch adjusts the carrying amount of the reinsurance asset.

2.5.9 Transition approaches

The Branch adopts the fair value approach when it is impracticable to use a full retrospective approach in determining transition amounts at the TFRS 17 transition date.

Contracts measured under the fair value approach

For the groups of contracts that are measured under the fair value approach, the Branch determined the CSM or loss component of the LRC at transition date as the difference between the fair value of a group of contracts at that date and the fulfilment cash flows at that date.

2. Material accounting policies (Cont'd)

2.5 Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held (Cont'd)

2.5.9 Transition approaches (Cont'd)

Contracts measured under the fair value approach (Cont'd)

The fair value of groups of contracts is primarily determined by using present value technique from the perspective of a market participant with considerations of the following:

- estimate of future cash flows that a market participant would expect to incur or receive in fulfilling the liabilities;
- time value of money, represented by the risk-free interest rate plus a spread based on the characteristic of the liabilities;
- premium that a market participant would require for bearing uncertainty inherent in the cash flows in relation to non-financial risks and compensation that a market participant would require to assume the obligations;
- the non-performance risk relating to those liabilities; and
- other factors that a market participant would take into account in the circumstances.

To the extent possible, the Branch maximised the use of relevant market data and information of market transactions. For the unobservable inputs, the Branch used the best information available in the circumstances, which might include the Branch and Head Office's own data.

For all contracts measured under the fair value approach, the Branch used reasonable and supportable information available at transition date to determine:

- how to identify groups of contracts;
- whether a contract meets the definition of a contract with or without direct participation features, or investment contract with discretionary participation features; and
- how to identify discretionary cash flows for contracts without direct participation features.

For groups of contracts measured under the fair value approach,

- the discount rates on initial recognition were determined at transition date instead of at the date of initial recognition.
- the amount of insurance finance income or expenses accumulated in the insurance finance reserve at transition date was determined to be equal to the cumulative amount recognised in the other comprehensive income on the underlying items of contracts as applicable.

For groups of reinsurance contracts held covering onerous underlying contracts, the Branch established a loss-recovery component at transition date by multiplying:

- the amount of the loss component that relates to the underlying contracts at transition date; and
- the percentage of claims on the underlying contracts that the Branch expected to recover from the reinsurance contracts held.

2. Material accounting policies (Cont'd)

2.5 Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held (Cont'd)

2.5.10 Derecognition and contract modification

The Branch derecognises a contract when it is extinguished - i.e. when the specified obligations in the contract expire or are discharged or cancelled.

The Branch also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Branch treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

On the derecognition of a contract in a group of contracts not measured under the PAA:

- the fulfilment cash flows allocated to the group are adjusted to eliminate those that relate to the rights and obligations derecognised;
- the CSM of the group is adjusted for the change in the fulfilment cash flows that relate to future services, except where such changes are allocated to a loss component; and
- the number of coverage units for the expected remaining services is adjusted to reflect the coverage units derecognised from the group.

If a contract is derecognised because its terms are modified, then the CSM is also adjusted for the premium that would have been charged had the Branch entered into a contract with the new contract's terms at the date of modification, less any additional premium charged for the modification. The new contract recognised is measured assuming that, at the date of modification, the issuer received the premium that it would have charged less any additional premium charged for the modification.

2.5.11 Presentation

Portfolios of insurance contracts and reinsurance contracts held in an asset position are presented separately from those in a liability position. Portfolios of insurance contracts issued by the Branch are presented separately from portfolios of reinsurance contracts held. Any assets recognised for insurance acquisition cash flows arising before the recognition of the related group of insurance contracts are included in the carrying amount of the related portfolios of insurance contracts. Any assets or liabilities for cash flows arising before the recognition of the related group of reinsurance contracts held are included in the carrying amount of the related portfolios of reinsurance contracts held.

The Branch disaggregates amounts recognised in the income statement and the statement of comprehensive income into (a) an insurance service result, comprising insurance revenue and insurance service expenses, and (b) insurance finance income or expenses.

Income and expenses from reinsurance contracts held are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts held, other than insurance finance income or expenses, are presented on a net basis as "net expenses from reinsurance contracts held" in the insurance service result.

2. Material accounting policies (Cont'd)

2.5 Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held (Cont'd)

2.5.11 Presentation (Cont'd)

The Branch does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result.

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows:

(a) Insurance revenue - insurance contracts not measured under the PAA

The Branch recognises insurance revenue as it satisfies its performance obligations - i.e. as it provides services under groups of contracts. For contracts not measured under the PAA, the insurance revenue relating to services provided for each period represents the total of the changes in the LRC that relate to services for which the Branch expects to receive consideration, but excludes expected investment components and mainly comprises the following items:

- A release of the CSM, measured based on coverage units provided;
- Changes in the risk adjustment for non-financial risk relating to current services;
- Claims and other insurance service expenses incurred in the period, generally measured at the amounts expected at the beginning of the period; and
- Other amounts, including experience adjustments for premium receipts for current or past services

For insurance acquisition cash flows recovery, the Branch allocates a portion of premium related to the recovery in a systematic way based on the passage of time over the expected coverage of a group of contracts. The allocated amount is recognised as insurance revenue with the same amount recognised as insurance service expenses.

(b) Release of the CSM - insurance contracts not measured under the PAA

The amount of the CSM of a group of insurance contracts that is recognised as insurance revenue in each reporting period is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the reporting period (before any allocation) equally to each coverage unit provided in the current period and expected to be provided in future periods, and recognising in profit or loss the amount of the CSM allocated to coverage units provided in the current period. The number of coverage units is the quantity of services provided by the contracts in the group, determined considering for each contract the quantity of benefits provided and its expected coverage period.

2. Material accounting policies (Cont'd)

2.5 Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held (Cont'd)

2.5.11 Presentation (Cont'd)

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows: (Cont'd)

(c) Insurance revenue - insurance contracts measured under the PAA

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium for providing services in the period. The Branch allocates the expected premium to each period on the following bases:

- the passage of time; or
- the expected timing of incurred insurance service expenses, if the expected pattern of release of risk during the coverage period differs significantly from the passage of time.

(d) Loss components - insurance contracts not measured under the PAA

For contracts not measured under the PAA, the Branch establishes a loss component of the LRC for onerous groups of contracts. The loss component determines the amounts of fulfilment cash flows that are subsequently excluded from insurance revenue when they occur. When the fulfilment cash flows occur, they are allocated between the loss component and the LRC excluding the loss component on a systematic basis.

Changes in estimates of fulfilment cash flows relating to future services and changes in the Branch's share of the fair value of underlying items are allocated solely to the loss component. If the loss component is reduced to zero, then any excess over the amount allocated to the loss component creates or reinstates the CSM for the group of contracts.

(e) Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and mainly comprise the following items:

- Incurred claims and other insurance service expenses;
- Amortisation of insurance acquisition cash flows: for contracts not measured under the PAA, this is equal to the amount of insurance revenue recognised in the period that relates to recovering insurance acquisition cash flows. For contracts measured under the PAA, the Branch recognises insurance acquisition cash flows as incurred;
- Losses on onerous contracts and reversals of such losses; and
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.

2. Material accounting policies (Cont'd)

2.5 Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held (Cont'd)

2.5.11 Presentation (Cont'd)

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows: (Cont'd)

(f) Net expenses from reinsurance contracts held

Net expenses from reinsurance contracts held mainly comprise an allocation of reinsurance premium paid less amounts recovered from reinsurers.

The Branch recognises an allocation of reinsurance premium paid as reinsurance expenses within net expenses from reinsurance contracts held for the coverage or other services received by the Branch under groups of reinsurance contracts held.

For contracts not measured under the PAA, the allocation of reinsurance premium paid relating to services received for each period represents the total of the changes in the asset for remaining coverage that relate to services for which the Branch expects to pay consideration.

For contracts measured under the PAA, the allocation of reinsurance premium paid for each period is the amount of expected premium payments for receiving services in the period.

For a group of reinsurance contracts held covering onerous underlying contracts, the Branch establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

- on recognition of onerous underlying contracts, if the reinsurance contract held covering those contracts is entered into before or at the same time as those contracts are entered into; and
- for changes in fulfilment cash flows of the group of reinsurance contracts held relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts.

2. Material accounting policies (Cont'd)

2.5 Insurance contracts, investment contracts with discretionary participation features (DPF) and reinsurance contracts held (Cont'd)

2.5.11 Presentation (Cont'd)

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows: (Cont'd)

(g) Insurance finance income or expenses

Insurance finance income or expenses comprise changes in the carrying amounts of groups of insurance contracts and reinsurance contracts held arising from the effects of the time value of money, financial risk and changes therein. This includes changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals).

For certain portfolios, the Branch has chosen to disaggregate insurance finance income or expenses between profit or loss and other comprehensive income. The amount included in profit or loss is determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of the group of contracts. The systematic allocation is determined as follows:

- Contracts for which changes in assumptions that relate to financial risk have a substantial effect on the amounts paid to the policyholders: for insurance finance income or expenses arising from the estimates of future cash flows, using either a rate that allocates the remaining revised expected insurance finance income or expenses over the remaining duration of the group of contracts at a constant rate (i.e. the effective yield) or an allocation that is based on the amounts credited in the period and expected to be credited in future periods; and for insurance finance income or expenses arising from the CSM, the discount rates determined on initial recognition of the group of contracts. This selection of the rate applied is based on the characteristics of contracts.
- Contracts for which changes in assumptions that relate to financial risk do not have a substantial effect on the amounts paid to the policyholders: the discount rates determined on initial recognition of the group of contracts.

Amounts presented in other comprehensive income are accumulated in the insurance finance reserve. If the Branch derecognises a contract without direct participation features as a result of a transfer to a third party or a contract modification, then any remaining amounts of accumulated other comprehensive income for the contract are reclassified to profit or loss.

The Branch presents insurance finance income or expenses for all other contracts in profit or loss.

2. Material accounting policies (Cont'd)

2.6 Investment contracts

Investment contracts do not contain sufficient insurance risk to be considered insurance contracts and are accounted for as a financial liability, other than investment contracts with DPF which are excluded from the scope of TFRS 9 and are accounted for as insurance contracts.

Investment contract liabilities presents deposits received in respect of investment contracts are not accounted for through the income statement, except for the investment income and fees attributable to those contracts, but are accounted for directly through the statement of financial position as an adjustment to the investment contract liability, which reflects the account balance.

Non unit-linked investment contract liabilities are carried at amortised cost, being the fair value of consideration received at the date of initial recognition or date of contract modification. Investment contract liability is recognised by applying effective interest rate method. The policy benefit paid under investment liability is presented in other financial cost.

3. Critical accounting estimates and judgements

The Branch makes estimates and assumptions that affect the reported amounts of assets, liabilities, and revenue and expenses. All estimates are based on management's knowledge of current facts and current circumstances, assumptions based on that knowledge and predictions of future events and actions. Actual results can always differ from those estimates, possibly significantly.

Items that are considered particularly sensitive to changes in estimates and assumptions, and the relevant accounting policies are outlined below.

3.1 Level of aggregation and recognition of group of insurance contracts

For contracts issued to which the Branch does not apply the premium allocation approach, the judgements exercised in determining whether contracts are onerous on initial recognition or those that have no significant possibility of becoming onerous subsequently are:

- based on the likelihood of changes in assumptions which, if they occurred, would result in the contracts becoming onerous; and
- using information about profitability estimation for the relevant group of products.
- The accounting policy on level of aggregation and recognition of group of insurance contracts is described in Note 2.5.3.

3. Critical accounting estimates and judgements (Cont'd)

3.2 Measurement of insurance contracts not measured under the premium allocation approach

The asset or liability for groups of insurance contracts is measured as the total of fulfilment cash flows and CSM.

The fulfilment cash flows of insurance contracts (including investment contracts with DPF) represents the present value of estimated future cash outflows, less the present value of estimated future cash inflows and adjusted for a provision for the risk adjustment for non-financial risk. The assumptions used and the techniques for estimating fulfilment cash flows and risk adjustment for non-financial risk are based on actual experience.

CSM represents the unearned profits that the Branch will recognise as it provides services under the insurance contracts in a group. The amounts of CSM recognised in profit or loss are determined by identifying the coverage units in the group, allocating the CSM at the end of period equally to each coverage unit provided in the current period and expected to be provided in the future. The number of coverage units in a group is the quantity of the service levels provided by the contracts in the group, determined by considering for each contract the quantity of the services provided under a contract and its expected coverage period. The Branch exercises judgements in determining the quantity of the services provided under a contract which will affect the amounts recognised in the financial statements as insurance revenue from insurance contracts issued.

The judgements exercised in the valuation of insurance contracts (including investment contracts with DPF) affect the amounts recognised in the financial statements as assets or liabilities of insurance contracts and investment contracts with DPF. Further details of the related accounting policies, key risk and variables are provided in Note 15.

3.3 Determination of coverage unit

The CSM of a group of contracts is recognised as insurance revenue in each period based on the number of coverage units provided in the period, which is determined by considering for each contract the quantity of the services provided, its expected coverage period and time value of money.

The quantity of services provided by insurance contracts could include insurance coverage, investment-return service and investment-related service, as applicable. In assessing the services provided by insurance contracts, the terms and benefit features of the contracts are considered.

For contracts providing predominately insurance coverage, the quantity of services is determined for the contract as a whole based on the expected maximum benefits less investment component. For contracts providing multiple services, the quantity of services is determined based on the benefits provided to policyholder for each service with the relative weighting considered in the calculation through the use of factors.

Expected coverage period is derived based on the likelihood of an insured event occurring to the extent they affect the expected duration of contracts in the group. Determining the expected coverage period is judgemental since it involves making an expectation of when claims and lapse will occur.

3. Critical accounting estimates and judgements (Cont'd)

3.4 Transition to TFRS 17

The Branch applied TFRS 17 for annual reporting period beginning on 1 January 2025. The Branch has determined that it was impracticable to apply the full retrospective approach for some groups of contracts because certain historical information was not available or was not available without undue cost or effort that would enable it to be used under full retrospective approach. Therefore, the Branch applied fair value approaches for these groups of contracts. The Branch exercises judgements in determining the transition approaches, applying the transition methods and measuring the transition impacts on the transition date, which will affect the amounts recognised in the financial statements on the transition date.

3.5 Fair value of financial assets

The Branch determines the fair values of financial assets traded in active markets using quoted bid prices as of each reporting date. The fair values of financial assets that are not traded in active markets are typically determined using a variety of other valuation techniques, such as prices observed in recent transactions and values obtained from current bid prices of comparable investments. More judgement is used in measuring the fair value of financial assets for which market observable prices are not available or are available only infrequently.

The degree of judgement used in measuring the fair value of financial assets generally correlates with the level of pricing observability. Pricing observability is affected by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established, the characteristics specific to the transaction and general market conditions.

Further details of the fair value of financial assets are provided in Note 4.

3.6 Impairment of financial assets

The Branch recognises loss allowances for ECL on financial assets measured at amortised cost and debt securities measured at fair value through other comprehensive income. The measurement of ECL requires the use of complex models and significant assumptions about future economic conditions and credit behavior.

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as

- Determining criteria for significant increase in credit risk since initial recognition;
- Choosing appropriate models and assumptions for the measurement of ECL; and
- Establishing the methodology for incorporating forward-looking information into the measurement of ECL.

3. Critical accounting estimates and judgements (Cont'd)

3.7 Fair value of land, property and investment property

The Branch engaged an external independent appraiser to determine the fair value of the land, building and investment property. The valuation is based on the highest and best use of such land, building and investment property in practicable extents of property's nature, legal and finance which the management assesses that the current use is considered as the highest and best use for fair value valuation.

The valuation techniques and valuation process of land, building and investment property are disclosed in Note 4.4.

3.8 Employee benefits

The Branch has a legal and constructive commitment to pay post-retirement benefits to employees when they reach retirement age. The present value of provisions for employee benefits recognised in the statement of financial position is determined on an actuarial basis utilising various demographical and economic assumptions, for example, discount rate, salary increment rate, employee turnover rate and probability of each employee working with the Branch until termination.

4. Fair value

4.1 Fair value estimation

The following table presents the Branch's assets and liabilities that are measured and recognised at fair value as at 31 March 2025 and 31 December 2024.

	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
As at 31 March 2025 (Unaudited)				
Assets				
Derivative assets	-	8,490	-	8,490
Financial assets				
Financial assets measured at fair value through profit or loss				
Mutual funds	83,973	-	-	83,973
Financial assets measured at fair value through other comprehensive income				
Debt securities	-	697,783	12,647	710,430
Equity securities	50,184	1,294	8	51,486
Financial assets designated at fair value through profit or loss				
Mutual funds	20,935	865	-	21,800
Financial assets mandatory at fair value through profit or loss				
Debt securities	-	1,216	-	1,216
Investment property	-	-	28,335	28,335
Land and buildings	-	-	1,128	1,128
Total assets	155,092	709,648	42,118	906,858
Liabilities				
Derivative liabilities	-	5,846	-	5,846
Total liabilities	-	5,846	-	5,846

4. Fair value (Cont'd)

4.1 Fair value estimation (Cont'd)

The following table presents the Branch's assets and liabilities that are measured and recognised at fair value as at 31 March 2025 and 31 December 2024. (Cont'd)

	Level 1 Million Baht	Level 2 Million Baht	Level 3 Million Baht	Total Million Baht
As at 31 December 2024 (Restated)				
Assets				
Derivative assets	-	8,954	-	8,954
Investment in securities				
Investments measured at fair value through profit or loss				
Mutual funds	86,543	-	-	86,543
Investments measured at fair value through other comprehensive income				
Debt securities	-	335,113	14,585	349,698
Equity securities	75,641	-	8	75,649
Investments designated at fair value through profit or loss				
Mutual funds	15,703	830	-	16,533
Investment property	-	-	28,001	28,001
Land and buildings	-	-	1,149	1,149
Total assets	177,887	344,897	43,743	566,527
Liabilities				
Derivative liabilities	-	6,553	-	6,553
Total liabilities	-	6,553	-	6,553

During the period ended 31 March 2025, there was a transfer of Baht 1,294 million of investment in equity security measured at fair value through other comprehensive income from Level 1 to Level 2 because as at reporting date, this security had not finished amalgamation process yet.

In 2025 and 2024, the Branch has transferred fair value level of financial instrument from Level 2 into Level 3 during the period/year. The change in Level 3 financial instruments is disclosed in Note 4.4.

4.2 Valuation techniques used to derive Level 1 fair values

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Branch is obtained from exchange markets and asset management companies. These instruments are included in Level 1.

4. Fair value (Cont'd)

4.3 Valuation techniques used to derive Level 2 fair values

Level 2 marketable debt securities are fair valued using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market prices of other quoted debt instruments.

Level 2 marketable equity securities are fair valued based on closed price provided by an asset management company.

Level 2 derivative assets and liabilities are fair valued using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable interest rate and foreign currency exchange rate.

There were no changes in valuation techniques during the period.

4.4 Valuation techniques used to derive Level 3 fair values

The changes in investment property, and land and buildings are disclosed in Notes 10 and 11, respectively. The Branch engaged an external independent and qualified appraiser to determine the fair value of the investment property, and land and buildings. Different valuation techniques may be adopted to reach the fair value of the properties. Under the Market Data Approach, records of recent sales and offerings of similar property are analysed and comparisons are made for factors such as size, location, quality and prospective use. The Discounted Cash Flow Approach may be used by reference to net rental income allowing for reversionary income potential to estimate the fair value of the properties. On some occasions, the Cost Approach is used as well to calculate the fair value which reflects the cost that would be required to replace the service capacity of the property.

4. Fair value (Cont'd)

4.4 Valuation techniques used to derive Level 3 fair values (Cont'd)

The following table presents the changes in Level 3 financial instruments for the period ended 31 March 2025 and for the year ended 31 December 2024.

	(Unaudited) Financial assets 31 March 2025 Million Baht	(Audited) Investment in securities 31 December 2024 Million Baht
Beginning balance as at 1 January	14,593	6,173
<u>Add</u> Addition		
- Book value	-	-
<u>Add</u> Transfer into Level 3		
- Book value	2,228	9,250
- Unrealised gains (losses) recognised in other comprehensive income	(9)	2
<u>Less</u> Disposal		
- Book value	(4,109)	(852)
- Losses recognised in profit or loss	(46)	(75)
Net carrying value	12,657	14,498
Fair value gains (losses) on investments measured at fair value through other comprehensive income	(2)	95
Closing balance at the end of period/year	12,655	14,593

The Branch's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no changes in valuation techniques during the period.

Valuation process

Management has put a process of performing the valuations of financial assets required for financial reporting purposes, including Level 3 fair values. Appropriate valuation techniques and unobservable inputs are selectively used based on the characteristic of financial assets. The valuation of Level 3 fair value is reviewed and approved by management for financial reporting purposes.

The Branch engaged an external independent and qualified appraiser to determine the fair value of the investment property, and land and buildings on the basis of the highest and best use of the properties that is physically possible, legally permissible and financially feasible, which will be revised every 6 months, and 12 months, respectively.

Changes in level (if any) are analysed at the reporting date by management.

5. Cash and cash equivalents

	(Unaudited) 31 March 2025 Million Baht	(Audited) 31 December 2024 Million Baht
Cash on hand	3	3
Deposits with banks and financial institutions without fixed maturity date	3,495	5,061
Short-term investments	16,080	10,608
Total cash and cash equivalents	19,578	15,672

6. Derivative assets and liabilities

	(Unaudited) 31 March 2025 Fair value	
	Assets Million Baht	Liabilities Million Baht
Held for hedge derivatives		
- Applied hedge accounting	5,711	4,329
- Not applied hedge accounting	2,779	1,517
Total derivatives	8,490	5,846

	(Audited) 31 December 2024 Fair value	
	Assets Million Baht	Liabilities Million Baht
Held for hedge derivatives		
- Applied hedge accounting	6,004	4,619
- Not applied hedge accounting	2,950	1,934
Total derivatives	8,954	6,553

6. Derivative assets and liabilities (Cont'd)

Derivative assets and liabilities which applied hedge accounting are as follows:

31 March 2025 (Unaudited)							
Type of contract	Purpose	Number of contracts	Face value		Fair value		Fair value gains (losses) on derivatives Million Baht
			Assets Million Baht	Liabilities Million Baht	Assets Million Baht	Liabilities Million Baht	
Cross currency swap and forward contracts	Closing financial position of investment in foreign currency	110	12,753	34,569	594	3,305	(111)
Interest rate swap contracts	Closing position of floating interest rate	166	-	-	5,117	1,024	108
Total		276	12,753	34,569	5,711	4,329	(3)
31 December 2024 (Audited)							
Type of contract	Purpose	Number of contracts	Face value		Fair value		Fair value gains on derivatives Million Baht
			Assets Million Baht	Liabilities Million Baht	Assets Million Baht	Liabilities Million Baht	
Cross currency swap and forward contracts	Closing financial position of investment in foreign currency	111	13,025	34,626	693	3,293	2,269
Interest rate swap contracts	Closing position of floating interest rate	166	-	-	5,311	1,326	1,503
Total		277	13,025	34,626	6,004	4,619	3,772

6. Derivative assets and liabilities (Cont'd)

Derivative assets and liabilities which are not applied hedge accounting are as follows:

31 March 2025 (Unaudited)							
Type of contract	Purpose	Number of contracts	Face value		Fair value		Fair value gains on derivatives Million Baht
			Assets Million Baht	Liabilities Million Baht	Assets Million Baht	Liabilities Million Baht	
Cross currency swap and forward contracts	Closing financial position of investment in foreign currency	62	13,277	10,139	491	839	181
Interest rate swap contracts	Closing position of floating interest rate	62	-	-	2,288	678	65
Total		124	13,277	10,139	2,779	1,517	246
31 December 2024 (Audited)							
Type of contract	Purpose	Number of contracts	Face value		Fair value		Fair value gains (losses) on derivatives Million Baht
			Assets Million Baht	Liabilities Million Baht	Assets Million Baht	Liabilities Million Baht	
Cross currency swap and forward contracts	Closing financial position of investment in foreign currency	65	17,150	16,820	542	1,071	218
Interest rate swap contracts	Closing position of floating interest rate	62	-	-	2,408	863	860
Warrants		-	-	-	-	-	(25)
Total		127	17,150	16,820	2,950	1,934	1,053

7. Financial assets/Investment in securities

	(Unaudited) 31 March 2025 Million Baht	(Audited) 31 December 2024 Million Baht
Debt instrument - financial assets	763,146	-
Equity instrument - financial assets	51,486	-
Mutual fund – financial assets	105,773	-
Investments measured at fair value through profit or loss	-	86,543
Investments measured at fair value through other comprehensive income	-	425,347
Investments measured at amortised cost	-	368,737
Investments designated at fair value through profit or loss	-	16,533
Total	920,405	897,160

For the three-month period ended 31 March 2025 and 2024, the Branch had revenue recognised relating to financial asset and investment as follows:

	(Unaudited) 31 March 2025 Million Baht	(Unaudited) 31 March 2024 Million Baht
Interest income and dividend income from financial assets	7,007	-
Consideration received from selling financial assets	22,525	-
Gains from selling financial assets	372	-
Interest income and dividend income from investments	-	6,852
Consideration received from selling investments	-	18,083
Losses from selling investments	-	(1,162)

In 2025, the Branch has sold its equity financial assets at fair value of Baht 18,243 million and realised gain from selling by transferring fair value gains on investments measured at fair value through other comprehensive income, net of tax to retained earnings, net of tax of Baht 2,087 million.

As at 31 March 2025, the Branch had government bonds and promissory notes deposited with the Office of Insurance Commission in order to comply with the Life Insurance Act with a fair value amounting to Baht 224,945 million (31 December 2024: Baht 219,644 million).

7. Financial assets/Investment in securities (Cont'd)

7.1 Debt instrument - financial assets

7.1.1 Classified by type of debt securities as at 31 March 2025

	(Unaudited) 31 March 2025	
	Cost/ Amortised cost Million Baht	Fair value Million Baht
Debt securities measured at fair value through profit or loss (mandatory)		
Private enterprise debt securities	860	770
Foreign debt securities	401	446
<u>Less Unrealised losses</u>	<u>(45)</u>	<u>-</u>
Total debt securities measured at fair value through profit or loss	<u>1,216</u>	<u>1,216</u>
Debt securities measured at fair value through other comprehensive income		
Government and state enterprise securities	532,629	600,046
Private enterprise debt securities	41,846	40,969
Foreign debt securities	76,880	69,415
<u>Add Unrealised gains</u>	<u>59,075</u>	<u>-</u>
Total debt securities measured at fair value through other comprehensive income	<u>710,430</u>	<u>710,430</u>
Debt securities measured at amortised cost		
Government and state enterprise securities	<u>51,500</u>	<u>62,386</u>
Total debt securities measured at amortised cost	<u>51,500</u>	<u>62,386</u>
Total debt instrument - financial assets	<u>763,146</u>	<u>774,032</u>

7. Financial assets/Investment in securities (Cont'd)

7.1 Debt instrument - financial assets (Cont'd)

7.1.2 Classified by stage of credit risk of debt securities as at 31 March 2025

7.1.2.1 Debt securities that are measured at fair value through other comprehensive income

	(Unaudited) 31 March 2025	
	Fair value	Expected credit loss recognised in other comprehensive income
	Million Baht	Million Baht
Debt securities which credit risk has not significantly increased (Stage 1)	710,196	226
credit-impaired investment in debt securities (Stage 3)	234	2,589
Total	710,430	2,815

7.1.2.2 Debt securities that are measured at amortised cost

	(Unaudited) 31 March 2025		
	Gross carrying value	Expected credit losses	Net carrying value
	Million Baht	Million Baht	Million Baht
Debt securities which credit risk has not significantly increased (Stage 1)	51,500	-	51,500
Total	51,500	-	51,500

7. Financial assets/Investment in securities (Cont'd)

7.2 Equity instrument - financial assets

7.2.1 Classified by type of equity securities as at 31 March 2025

	(Unaudited) 31 March 2025	
	Cost/ Amortised cost Million Baht	Fair value Million Baht
Equity securities measured at fair value through other comprehensive income		
Equity securities	50,347	51,486
<u>Add</u> Unrealised gains	1,139	-
Total equity securities measured at fair value through other comprehensive income	51,486	51,486
Total equity instrument - financial assets	51,486	51,486

7.3 Mutual fund – financial assets

7.3.1 Classified by type of mutual funds as at 31 March 2025

	(Unaudited) 31 March 2025	
	Cost/ Amortised cost Million Baht	Fair value Million Baht
Mutual funds measured at fair value through profit or loss (mandatory)		
Mutual funds	85,811	83,973
<u>Less</u> Unrealised losses	(1,838)	-
Total mutual funds measured at fair value through profit or loss	83,973	83,973
Mutual funds designated at fair value through profit or loss		
Mutual funds	22,615	21,800
<u>Less</u> Unrealised losses	(815)	-
Total mutual funds designated at fair value through profit or loss	21,800	21,800
Total mutual fund – financial assets	105,773	105,773

7. Financial assets/Investment in securities (Cont'd)

7.4 Classified by type of investment as at 31 December 2024 under the former accounting policy

	(Audited) 31 December 2024	
	Cost/ Amortised cost Million Baht	Fair value Million Baht
Investments measured at fair value through profit or loss		
Mutual funds	1	1
Assets held to cover linked liabilities	83,134	86,542
Total	83,135	86,543
Add Unrealised gains	3,408	-
Total investments measured at fair value through profit or loss	86,543	86,543
Investments measured at fair value through other comprehensive income		
Government and state enterprise securities	226,987	241,399
Private enterprise debt securities	44,297	42,940
Foreign debt securities	73,484	65,359
Equity securities	63,075	75,649
Total	407,843	425,347
Add Unrealised gains	17,697	-
Less Provision for impairment on equity securities	(193)	-
Total investments measured at fair value through other comprehensive income	425,347	425,347
Investments measured at amortised cost		
Government and state enterprise securities	368,737	394,296
Total investments measured at amortised cost	368,737	394,296
Investments designated at fair value through profit or loss		
Mutual funds	17,022	16,533
Total	17,022	16,533
Less Unrealised losses	(489)	-
Total investments designated at fair value through profit or loss	16,533	16,533
Total investment in securities	897,160	922,719

7. Financial assets/Investment in securities (Cont'd)

7.4 Classified by type of investment as at 31 December 2024 under the former accounting policy (Cont'd)

7.4.1 Debt securities that are measured at fair value through other comprehensive income

	(Audited) 31 December 2024	
	Fair value Million Baht	Expected credit loss recognised in other comprehensive income Million Baht
Investment in debt securities which credit risk has not significantly increased (Stage 1)	349,471	223
Credit-impaired investment in debt securities (Stage 3)	227	2,746
Total	349,698	2,969

7.4.2 Debt securities that are measured at amortised cost

	(Audited) 31 December 2024		
	Gross carrying value Million Baht	Expected credit loss Million Baht	Carrying value Million Baht
Investment in debt securities which credit risk has not significantly increased (Stage 1)	368,737	-	368,737
Total	368,737	-	368,737

8. Investment in associates

The Branch has interests in an immaterial associate.

Investment in associates is accounted by using the cost method as follows:

Associates	Type of business	Ownership interest		Cost method	
		(Unaudited) 31 March 2025 %	(Audited) 31 December 2024 %	(Unaudited) 31 March 2025 Million Baht	(Audited) 31 December 2024 Million Baht
AIA Wellness Company Limited	Real estate and services	49	49	172	172
Total				172	172

The Branch has got an approval to hold 49% ownership interest in AIA Wellness Company Limited from Department of Insurance, currently known as Office of Insurance Commission, in 1991. The Branch has not presented financial statements in which investment in associates is accounted for using the equity method because the ultimate holding company (AIA Group) uses the equity method in the consolidated financial statements which are made available for public use. This is permitted under TAS 28 "Investment in Associates and Joint Ventures".

9. Loans and accrued interest receivables

The details of loans and accrued interest receivables are as follows:

	(Unaudited) 31 March 2025		(Audited) 31 December 2024	
	Principal Million Baht	Accrued interest Million Baht	Principal Million Baht	Accrued interest Million Baht
<u>Mortgage loans</u>				
Loans which credit risk has not significantly increased (Stage 1)	7	-	8	-
Loans which credit risk has significantly increased (Stage 2)	-	-	1	-
Credit-impaired loans (Stage 3)	13	-	12	-
Total	20	-	21	-
<u>Less expected credit loss</u>	(4)	-	(5)	-
Mortgage loans, net	16	-	16	-
Other loans	-	-	-	-
Loans and accrued interest receivables	16	-	16	-

10. Investment property

31 March 2025 (Unaudited)						
Cost/Fair value						
For the period						
Beginning balance 1 January 2025 Million Baht	Additions from acquisition and capitalised subsequent expenditures Million Baht	Write-off Million Baht	Transfer Million Baht	Fair value gains (losses) Million Baht	Ending balance 31 March 2025 Million Baht	
Land	14,899	-	-	-	14,899	
Buildings and improvements	13,102	334	-	-	13,436	
Total	28,001	334	-	-	28,335	

31 December 2024 (Audited)						
Cost/Fair value						
For the year						
Beginning balance 1 January 2024 Million Baht	Additions from acquisition and capitalised subsequent expenditures Million Baht	Write-off Million Baht	Transfer Million Baht	Fair value gains (losses) Million Baht	Ending balance 31 December 2024 Million Baht	
Land	15,334	22	-	(457)	14,899	
Buildings and improvements	11,560	1,094	(7)	455	13,102	
Total	26,894	1,116	(7)	(2)	28,001	

In 2024, the Branch engaged an external independent and qualified appraiser to determine the fair value of the investment property. The valuation techniques and valuation process of investment property are disclosed in Note 4.4.

For the three-month period ended 31 March 2025, the investment property generated rental income amounting to Baht 253 million (31 March 2024: Baht 266 million) and its direct operating expenses (including repair and maintenance) arise from investment property that generated rental income amounting to Baht 75 million (31 March 2024: Baht 73 million).

10. Investment property (Cont'd)

10.1 Lease revenue arising from operating lease contracts

A maturity analysis of undiscounted lease revenue arising from operating lease contracts of investment properties is as follows:

	(Unaudited) 31 March 2025 Million Baht	(Audited) 31 December 2024 Million Baht
Maturing		
Within 1 year	812	724
Between 1 to 2 years	597	530
Between 2 to 3 years	271	227
Between 3 to 4 years	78	79
Between 4 to 5 years	49	58
Later than 5 years	131	141
Total	1,938	1,759

11. Property, plant and equipment

	31 March 2025 (Unaudited)														
	Cost/Revaluation						Accumulated depreciation								
	Beginning balance	For the period					Ending balance	Beginning balance	For the period					Ending Balance	Property, plant and equipment
	1 January					Gain on revaluation	31 March	1 January	Depreciation	Write-off	Disposal	Revaluation adjustment	31 March		
	2025	Addition	Write-off	Disposal	Transfer		2025	2025	charge				2025		
	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht	Million Baht		
Land	472	-	-	-	-	-	472	-	-	-	-	-	-	472	
Buildings and improvements	677	-	-	-	-	-	677	-	21	-	-	-	21	656	
Furniture, fixtures and equipment	1,469	-	-	(1)	-	-	1,468	1,356	9	-	(1)	-	1,364	104	
Computer hardware	954	4	-	-	-	-	958	896	9	-	-	-	905	53	
Motor vehicles	35	-	-	-	-	-	35	29	1	-	-	-	30	5	
Construction in progress	7	10	-	-	-	-	17	-	-	-	-	-	-	17	
Total	3,614	14	-	(1)	-	-	3,627	2,281	40	-	(1)	-	2,320	1,307	

11. Property, plant and equipment (Cont'd)

	31 December 2024 (Audited)														
	Cost/Revaluation						Accumulated depreciation								
	Beginning balance 1 January 2024 Million Baht	For the year					Ending balance 31 December 2024 Million Baht	Beginning balance 1 January 2024 Million Baht	For the year					Ending balance 31 December 2024 Million Baht	Property, plant and equipment Million Baht
		Addition Million Baht	Write-off Million Baht	Disposal Million Baht	Transfer Million Baht	Gain (loss) on revaluation Million Baht			Depreciation charge Million Baht	Write-off Million Baht	Disposal Million Baht	Revaluation adjustment Million Baht			
Land	467	-	-	-	-	5	472	-	-	-	-	-	-	472	
Buildings and improvements	701	-	-	-	-	(24)	677	-	73	-	-	(73)	-	677	
Furniture, fixtures and equipment	1,443	6	(38)	-	58	-	1,469	1,356	39	(39)	-	-	1,356	113	
Computer hardware	1,037	40	(92)	(31)	-	-	954	983	35	(91)	(31)	-	896	58	
Motor vehicles	34	4	-	(3)	-	-	35	30	2	-	(3)	-	29	6	
Construction in progress	27	38	-	-	(58)	-	7	-	-	-	-	-	-	7	
Total	3,709	88	(130)	(34)	-	(19)	3,614	2,369	149	(130)	(34)	(73)	2,281	1,333	

In 2024, the Branch engaged an external independent and qualified appraiser to determine the fair value of the land and buildings. The valuation techniques and valuation process of land and buildings are disclosed in Note 4.4.

If the land and buildings are stated under the cost model, as at 31 March 2025, the carrying value would be Baht 53 million and Baht 47 million, respectively (31 December 2024: Baht 53 million and Baht 48 million, respectively).

12. Intangible assets

Intangible assets consist of computer software, distribution rights, copyrights and access rights as follows:

31 March 2025 (Unaudited)											
	Cost					Accumulated amortisation					
	For the period					For the period					Intangible assets
	Beginning balance 1 January 2025 Million Baht	Addition Million Baht	Write-off Million Baht	Disposal Million Baht	Transfer Million Baht	Ending Balance 31 March 2025 Million Baht	Beginning balance 1 January 2025 Million Baht	Amortisation charge Million Baht	Write-off Million Baht	Disposal Million Baht	
Computer software	3,874	-	-	-	1	3,875	1,559	99	-	-	2,217
Others	1,193	-	-	-	-	1,193	126	16	-	-	1,051
Work in progress	743	53	-	-	(1)	795	-	-	-	-	795
Total	5,810	53	-	-	-	5,863	1,685	115	-	-	4,063

31 December 2024 (Audited)											
	Cost					Accumulated amortisation					
	For the year					For the year					Intangible assets
	Beginning balance 1 January 2024 Million Baht	Addition Million Baht	Write-off Million Baht	Disposal Million Baht	Transfer Million Baht	Ending Balance 31 December 2024 Million Baht	Beginning balance 1 January 2024 Million Baht	Amortisation charge Million Baht	Write-off Million Baht	Disposal Million Baht	
Computer software	4,010	6	(610)	(22)	490	3,874	1,793	398	(610)	(22)	2,315
Others	1,163	30	-	-	-	1,193	59	67	-	-	1,067
Work in progress	793	440	-	-	(490)	743	-	-	-	-	743
Total	5,966	476	(610)	(22)	-	5,810	1,852	465	(610)	(22)	4,125

13. Other assets

	(Unaudited) 31 March 2025 Million Baht	(Restated) 31 December 2024 Million Baht
Deposits (Note 20 (b))	93	92
Amounts due from related parties (Note 20 (b))	55	78
Receivables from sale of investments	502	532
Cash collateral from derivative contracts	1,853	2,466
Right-of-use assets (Note 20 (b))	1,263	1,295
Others (Note 20 (b))	280	481
Total	4,046	4,944

Cash collateral from derivative contracts is cash collateral, which the Branch has pledged under the derivative contracts with financial institutions.

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13. Other assets (Cont'd)

13.1 Right-of-use assets

	31 March 2025 (Unaudited)													
	Cost					Accumulated amortisation					Accumulated impairment			
	For the period					For the period					For the period			
	Beginning balance 1 January 2025 Million Baht	Addition Million Baht	Change in contract Million Baht	Gain on revaluation Million Baht	Ending balance 31 March 2025 Million Baht	Beginning balance 1 January 2025 Million Baht	Amortisation charge Million Baht	Change in contract Million Baht	Revaluation adjustment Million Baht	Ending balance 31 March 2025 Million Baht	Beginning balance 1 January 2025 Million Baht	Impairment loss Million Baht	Ending balance 31 March 2025 Million Baht	Right-of-use assets Million Baht
Land	783	-	-	-	783	-	5	-	-	5	-	-	-	778
Buildings and improvements	951	-	-	-	951	453	24	-	-	477	66	-	66	408
Computer hardware	83	-	-	-	83	7	3	-	-	10	-	-	-	73
Others	4	-	-	-	4	-	-	-	-	-	-	-	-	4
Total	1,821	-	-	-	1,821	460	32	-	-	492	66	-	66	1,263
	31 December 2024 (Audited)													
	Cost					Accumulated amortisation					Accumulated impairment			
	For the year					For the year					For the year			
	Beginning balance 1 January 2024 Million Baht	Addition Million Baht	Change in contract Million Baht	Loss on revaluation Million Baht	Ending balance 31 December 2024 Million Baht	Beginning balance 1 January 2024 Million Baht	Amortisation charge Million Baht	Change in contract Million Baht	Revaluation adjustment Million Baht	Ending balance 31 December 2024 Million Baht	Beginning balance 1 January 2024 Million Baht	Impairment loss Million Baht	Ending balance 31 December 2024 Million Baht	Right-of-use assets Million Baht
Land	790	-	-	(7)	783	-	21	-	(21)	-	-	-	-	783
Buildings and improvements	881	97	(27)	-	951	363	94	(4)	-	453	66	-	66	432
Computer hardware	-	83	-	-	83	-	7	-	-	7	-	-	-	76
Others	2	2	-	-	4	-	-	-	-	-	-	-	-	4
Total	1,673	182	(27)	(7)	1,821	363	122	(4)	(21)	460	66	-	66	1,295

The related lease liabilities are disclosed in Note 16.1.

For the three-month period ended 31 March 2025, the lease payments resulting from lease and service contracts which are not capitalised comprised of short-term leases and low-value leases. These lease payments are not material.

14. Borrowings

The details of borrowings are presented below:

Short-term borrowings

	(Unaudited) 31 March 2025		(Audited) 31 December 2024	
	Principal Million Baht	Accrued interest Million Baht	Principal Million Baht	Accrued interest Million Baht
Borrowings with repurchase agreement (Repo)	24,180	15	22,660	19
Total	24,180	15	22,660	19

As at 31 March 2025, the Branch had sold government bonds with Repurchase Agreements (Repo) to commercial banks as collateral for borrowings with the same amount. The certain government bonds have nominal value amounting to Baht 21,582 million (31 December 2024: Baht 20,996 million). The interest rate of the borrowing agreement was 2.02% - 2.03% per annum.

The accrued interests are presented under "Other liabilities" in the Statement of Financial Position.

15. Insurance contracts and reinsurance contracts held

15.1 Insurance revenue

	(Unaudited) 31 March 2025 Million Baht	(Unaudited) 31 March 2024 Million Baht
Contracts not measured under the PAA		
Contractual service margin recognised for services provided	3,212	2,959
Change in risk adjustment for non-financial risk for risk expired	211	176
Expected incurred claims and other insurance service expenses	4,031	3,351
Amounts relating to the changes in liabilities for remaining coverage	7,454	6,486
Recovery of insurance acquisition cash flows	655	498
Contracts measured under the PAA	14,471	13,307
Total insurance revenue	22,580	20,291

15. Insurance contracts and reinsurance contracts held (Cont'd)

15.2 Insurance service expenses

	(Unaudited) 31 March 2025 Million Baht	(Unaudited) 31 March 2024 Million Baht
Claims and benefits	10,289	9,570
Losses on onerous insurance contracts	31	6
Other insurance service expenses	1,711	1,622
Amortisation of insurance acquisition cash flows or recognised as incurred in profit or loss for the period	6,346	4,412
Total insurance service expenses	18,377	15,610
Insurance service and other expenses represented by:		
– Contracts not measured under the PAA	4,190	3,958
– Contracts measured under the PAA	14,187	11,652
Total insurance service expenses	18,377	15,610

15.3 Movement in carrying amounts

The following reconciliations show how the net carrying amounts of insurance contracts and reinsurance contracts held changed during the period as a result of cash flows and amounts recognised in the interim income statement and interim statement of comprehensive income. The Branch presents a table separately analyses movements in the liabilities for remaining coverage and movements in the liabilities for incurred claims and reconciles these movements to the line items in the interim income statement and interim statement of comprehensive income. A second reconciliation is presented for contracts measured under the premium allocation approach, which separately analyses changes in the estimates of the present value of future cash flows, the risk adjustment for non-financial risk and the contractual service margin.

The estimates of the present value of future cash flows from insurance contracts and reinsurance contracts held represent the Branch's maximum exposure to credit risk from these contracts.

15. Insurance contracts and reinsurance contracts held (Cont'd)

15.3 Movement in carrying amounts (Cont'd)

Analysis by remaining coverage and incurred claims of insurance contracts not measured under the premium allocation approach:

	For the period ended 31 March 2025 (Unaudited)			
				Million Baht
	Liabilities for remaining coverage		Liabilities for incurred claims	Total
Insurance contracts issued	Excluding loss component	Loss component		
Opening liabilities	749,474	15	2,157	751,646
Opening assets	-	-	-	-
Net opening balance	749,474	15	2,157	751,646
Insurance revenue	(8,109)	-	-	(8,109)
Insurance service expenses				
Incurred claims and other insurance service expenses	-	(2)	4,496	4,494
Losses and reversal of losses on onerous contracts	-	33	-	33
Amortisation of insurance acquisition cash flows	655	-	-	655
Adjustments to liabilities for incurred claims	-	-	(992)	(992)
Total insurance service expenses	655	31	3,504	4,190
Investment components	(12,292)	-	12,292	-
Insurance service result	(19,746)	31	15,796	(3,919)
Net finance expenses from insurance contracts	39,325	-	5	39,330
Total changes in the statement of comprehensive income	19,579	31	15,801	35,411
Cash flows				
Premium received from direct insurance	28,045	-	-	28,045
Claims and other insurance service expenses paid	-	-	(19,981)	(19,981)
Insurance acquisition cash flows paid	(7,583)	-	-	(7,583)
Others	-	-	3,659	3,659
Total cash flows	20,462	-	(16,322)	4,140
Adjusted for other non-cash items	(12)	-	-	(12)
Net closing balance	789,503	46	1,636	791,185
Closing liabilities	789,503	46	1,636	791,185
Closing assets	-	-	-	-
Net closing balance	789,503	46	1,636	791,185

15. Insurance contracts and reinsurance contracts held (Cont'd)

15.3 Movement in carrying amounts (Cont'd)

Analysis by remaining coverage and incurred claims of insurance contracts not measured under the premium allocation approach: (Cont'd)

	For the year ended 31 December 2024 (Restated)			
				Million Baht
	Liabilities for remaining coverage		Liabilities for incurred claims	Total
Insurance contracts issued	Excluding loss component	Loss component		
Opening liabilities	668,383	6	1,738	670,127
Opening assets	-	-	-	-
Net opening balance	668,383	6	1,738	670,127
Insurance revenue	(29,907)	-	-	(29,907)
Insurance service expenses				
Incurred claims and other insurance service expenses	-	(7)	14,566	14,559
Losses and reversal of losses on onerous contracts	-	15	-	15
Amortisation of insurance acquisition cash flows	2,278	-	-	2,278
Adjustments to liabilities for incurred claims	-	-	(567)	(567)
Total insurance service expenses	2,278	8	13,999	16,285
Investment components	(55,451)	-	55,451	-
Insurance service result	(83,080)	8	69,450	(13,622)
Net finance expenses from insurance contracts	78,454	1	7	78,462
Total changes in the statement of comprehensive income	(4,626)	9	69,457	64,840
Cash flows				
Premium received from direct insurance	110,491	-	-	110,491
Claims and other insurance service expenses paid	-	-	(82,482)	(82,482)
Insurance acquisition cash flows paid	(24,722)	-	-	(24,722)
Others	-	-	13,444	13,444
Total cash flows	85,769	-	(69,038)	16,731
Adjusted for other non-cash items	(52)	-	-	(52)
Net closing balance	749,474	15	2,157	751,646
Closing liabilities	749,474	15	2,157	751,646
Closing assets	-	-	-	-
Net closing balance	749,474	15	2,157	751,646

15. Insurance contracts and reinsurance contracts held (Cont'd)

15.3 Movement in carrying amounts (Cont'd)

Analysis by measurement component of insurance contracts not measured under the premium allocation approach:

	For the period ended 31 March 2025 (Unaudited)			
	Million Baht			
Insurance contracts issued	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	CSM	Total
Opening liabilities	553,142	15,597	182,907	751,646
Opening assets	-	-	-	-
Net opening balance	553,142	15,597	182,907	751,646
Changes that relate to current services	424	(172)	(3,212)	(2,960)
CSM recognised for services provided	-	-	(3,212)	(3,212)
Change in risk adjustment for non-financial risk	-	(172)	-	(172)
Experience adjustments and others	424	-	-	424
Changes that relate to future services	(6,612)	1,092	5,553	33
Contracts initially recognised in the period	(6,734)	689	6,050	5
Changes in estimates that adjust the CSM	96	401	(497)	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	26	2	-	28
Changes that relate to past services	(948)	(44)	-	(992)
Total insurance service result	(7,136)	876	2,341	(3,919)
Net finance expenses from insurance contracts	37,832	-	1,498	39,330
Total amounts recognised in statement of comprehensive income	30,696	876	3,839	35,411
Cash flows	4,140	-	-	4,140
Other non-cash items	(12)	-	-	(12)
Net closing balance	587,966	16,473	186,746	791,185
Closing liabilities	587,966	16,473	186,746	791,185
Closing assets	-	-	-	-
Net closing balance	587,966	16,473	186,746	791,185

15. Insurance contracts and reinsurance contracts held (Cont'd)

15.3 Movement in carrying amounts (Cont'd)

Analysis by measurement component of insurance contracts not measured under the premium allocation approach: (Cont'd)

	For the year ended 31 December 2024 (Restated)			
	Million Baht			
	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
Insurance contracts issued				
Opening liabilities	493,144	13,303	163,680	670,127
Opening assets	-	-	-	-
Net opening balance	493,144	13,303	163,680	670,127
Changes that relate to current services	(97)	(702)	(12,271)	(13,070)
CSM recognised for services provided	-	-	(12,271)	(12,271)
Change in risk adjustment for non-financial risk	-	(702)	-	(702)
Experience adjustments and others	(97)	-	-	(97)
Changes that relate to future services	(28,882)	3,065	25,832	15
Contracts initially recognised in the year	(24,499)	2,421	22,208	130
Changes in estimates that adjust the CSM	(4,391)	767	3,624	-
Changes in estimates that result in losses and reversal of losses on onerous contracts	8	(123)	-	(115)
Changes that relate to past services	(498)	(69)	-	(567)
Total insurance service result	(29,477)	2,294	13,561	(13,622)
Net finance expenses from insurance contracts	72,796	-	5,666	78,462
Total amounts recognised in statement of comprehensive income	43,319	2,294	19,227	64,840
Cash flows	16,731	-	-	16,731
Other non-cash items	(52)	-	-	(52)
Net closing balance	553,142	15,597	182,907	751,646
Closing liabilities	553,142	15,597	182,907	751,646
Closing assets	-	-	-	-
Net closing balance	553,142	15,597	182,907	751,646

15. Insurance contracts and reinsurance contracts held (Cont'd)

15.3 Movement in carrying amounts (Cont'd)

Analysis by remaining coverage and incurred claims of reinsurance contracts not measured under the premium allocation approach:

	For the period ended 31 March 2025 (Unaudited)			
				Million baht
	Asset for remaining coverage		Asset for incurred claims	Total
	Excluding loss-recovery component	Loss-recovery component		
Reinsurance contracts held				
Opening liabilities	-	-	-	-
Opening assets	6,124	-	5,042	11,166
Net opening balance	6,124	-	5,042	11,166
Changes in the income statement and statement of comprehensive income				
Net (expenses) income from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)	(5,795)	-	4,243	(1,552)
Net (expenses) income from reinsurance contracts held	(5,795)	-	4,243	(1,552)
Net finance expenses from reinsurance contracts	(3,715)	-	-	(3,715)
Total changes in the statement of comprehensive income	(9,510)	-	4,243	(5,267)
Cash flows				
Premium paid for reinsurance	5,662	-	-	5,662
Recoveries from reinsurance	-	-	(4,269)	(4,269)
Total cash flows	5,662	-	(4,269)	1,393
Net closing balance	2,276	-	5,016	7,292
Closing liabilities	-	-	-	-
Closing assets	2,276	-	5,016	7,292
Net closing balance	2,276	-	5,016	7,292

15. Insurance contracts and reinsurance contracts held (Cont'd)

15.3 Movement in carrying amounts (Cont'd)

Analysis by remaining coverage and incurred claims of reinsurance contracts not measured under the premium allocation approach: (Cont'd)

	For the year ended 31 December 2024 (Restated)			
	Million baht			
	Asset for remaining coverage		Asset for incurred claims	Total
	Excluding loss-recovery component	Loss-recovery component		
Reinsurance contracts held				
Opening liabilities	-	-	-	-
Opening assets	14,380	-	3,328	17,708
Net opening balance	14,380	-	3,328	17,708
Changes in the income statement and statement of comprehensive income				
Net (expenses) income from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)	(20,414)	-	16,410	(4,004)
Net (expenses) income from reinsurance contracts held	(20,414)	-	16,410	(4,004)
Net finance expenses from reinsurance contracts	(6,771)	-	-	(6,771)
Total changes in the statement of comprehensive income	(27,185)	-	16,410	(10,775)
Cash flows				
Premium paid for reinsurance	18,929	-	-	18,929
Recoveries from reinsurance	-	-	(14,696)	(14,696)
Total cash flows	18,929	-	(14,696)	4,233
Net closing balance	6,124	-	5,042	11,166
Closing liabilities	-	-	-	-
Closing assets	6,124	-	5,042	11,166
Net closing balance	6,124	-	5,042	11,166

15. Insurance contracts and reinsurance contracts held (Cont'd)

15.3 Movement in carrying amounts (Cont'd)

Analysis by measurement component of reinsurance contracts not measured under the premium allocation approach:

	For the period ended 31 March 2025 (Unaudited)			
	Million Baht			
	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
Reinsurance contracts held				
Opening liabilities	-	-	-	-
Opening assets	(111,470)	19,716	102,920	11,166
Net opening balance	(111,470)	19,716	102,920	11,166
Changes that relate to current services	2,283	(365)	(1,634)	284
CSM recognised for services provided	-	-	(1,634)	(1,634)
Change in risk adjustment for non-financial risk	-	(365)	-	(365)
Experience adjustments and others	2,283	-	-	2,283
Changes that relate to future services	(14,837)	2,655	12,182	-
Contracts initially recognised in the period	(13,661)	2,179	11,482	-
Changes in estimates that adjust the CSM	(1,176)	476	700	-
Changes that relate to past services	(1,836)	-	-	(1,836)
Net (expenses) income from reinsurance contracts held	(14,390)	2,290	10,548	(1,552)
Net finance (expenses) income from reinsurance contracts held	(4,557)	-	842	(3,715)
Total amounts recognised in statement of comprehensive income	(18,947)	2,290	11,390	(5,267)
Cash flows	1,393	-	-	1,393
Net closing balance	(129,024)	22,006	114,310	7,292
Closing liabilities	-	-	-	-
Closing assets	(129,024)	22,006	114,310	7,292
Net closing balance	(129,024)	22,006	114,310	7,292

15. Insurance contracts and reinsurance contracts held (Cont'd)

15.3 Movement in carrying amounts (Cont'd)

Analysis by measurement component of reinsurance contracts not measured under the premium allocation approach: (Cont'd)

	For the year ended 31 December 2024 (Restated)			
	Million Baht			
	Estimates of present value of future cash flows	Risk adjustment for non- financial risk	CSM	Total
Reinsurance contracts held				
Opening liabilities	-	-	-	-
Opening assets	(40,361)	13,947	44,122	17,708
Net opening balance	(40,361)	13,947	44,122	17,708
Changes that relate to current services	1,961	(1,219)	(4,501)	(3,759)
CSM recognised for services provided	-	-	(4,501)	(4,501)
Change in risk adjustment for non-financial risk	-	(1,219)	-	(1,219)
Experience adjustments and others	1,961	-	-	1,961
Changes that relate to future services	(68,450)	6,988	61,462	-
Contracts initially recognised in the year	(13,416)	3,088	10,328	-
Changes in estimates that adjust the CSM	(55,034)	3,900	51,134	-
Changes that relate to past services	(245)	-	-	(245)
Net (expenses) income from reinsurance contracts held	(66,734)	5,769	56,961	(4,004)
Net finance (expenses) income from reinsurance contracts held	(8,608)	-	1,837	(6,771)
Total amounts recognised in statement of comprehensive income	(75,342)	5,769	58,798	(10,775)
Cash flows	4,233	-	-	4,233
Net closing balance	(111,470)	19,716	102,920	11,166
Closing liabilities	-	-	-	-
Closing assets	(111,470)	19,716	102,920	11,166
Net closing balance	(111,470)	19,716	102,920	11,166

15. Insurance contracts and reinsurance contracts held (Cont'd)

15.3 Movement in carrying amounts (Cont'd)

Analysis by remaining coverage and incurred claims of insurance contracts measured under the premium allocation approach:

	For the period ended 31 March 2025 (Unaudited)				Million Baht
	Liabilities for remaining coverage		Liabilities for incurred claims		
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Insurance contracts issued					
Opening liabilities	26,871	-	4,374	228	31,473
Opening assets	-	-	-	-	-
Net opening balance	26,871	-	4,374	228	31,473
Insurance revenue	(14,471)	-	-	-	(14,471)
Insurance service expenses					
Incurred claims and other					
insurance service expenses	-	-	11,427	194	11,621
Insurance acquisition cash flows deferred for the period	5,691	-	-	-	5,691
Insurance acquisition cash flows recognised in profit or loss for the period	(5,691)	-	-	-	(5,691)
Adjustments to liabilities for incurred claims	-	-	(2,917)	(208)	(3,125)
Total insurance service expenses	-	-	8,510	(14)	8,496
Investment components	(61)	-	61	-	-
Insurance service result	(14,532)	-	8,571	(14)	(5,975)
Total changes in the statement of comprehensive income	(14,532)	-	8,571	(14)	(5,975)
Cash flows					
Premium received from direct insurance	14,923	-	-	-	14,923
Claims and other insurance service expenses paid	-	-	(8,919)	-	(8,919)
Insurance acquisition cash flows paid	(4,738)	-	-	-	(4,738)
Total cash flows	10,185	-	(8,919)	-	1,266
Adjusted for insurance acquisition cash flows recognised in profit or loss as expenses	5,691	-	-	-	5,691
Net closing balance	28,215	-	4,026	214	32,455
Closing liabilities	28,215	-	4,026	214	32,455
Closing assets	-	-	-	-	-
Net closing balance	28,215	-	4,026	214	32,455

15. Insurance contracts and reinsurance contracts held (Cont'd)

15.3 Movement in carrying amounts (Cont'd)

Analysis by remaining coverage and incurred claims of insurance contracts measured under the premium allocation approach: (Cont'd)

	For the year ended 31 December 2024 (Restated)				Million Baht
	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Insurance contracts issued					
Opening liabilities	24,413	-	3,387	262	28,062
Opening assets	-	-	-	-	-
Net opening balance	24,413	-	3,387	262	28,062
Insurance revenue	(53,693)	-	-	-	(53,693)
Insurance service expenses					
Incurred claims and other					
insurance service expenses	-	-	35,911	217	36,128
Insurance acquisition cash flows deferred for the year	16,235	-	-	-	16,235
Insurance acquisition cash flows recognised in profit or loss for the year	(16,235)	-	-	-	(16,235)
Adjustments to liabilities for incurred claims	-	-	(1,682)	(251)	(1,933)
Total insurance service expenses	-	-	34,229	(34)	34,195
Investment components	(124)	-	124	-	-
Insurance service result	(53,817)	-	34,353	(34)	(19,498)
Total changes in the statement of comprehensive income	(53,817)	-	34,353	(34)	(19,498)
Cash flows					
Premium received from direct insurance	55,477	-	-	-	55,477
Claims and other insurance service expenses paid	-	-	(33,366)	-	(33,366)
Insurance acquisition cash flows paid	(15,437)	-	-	-	(15,437)
Total cash flows	40,040	-	(33,366)	-	6,674
Adjusted for insurance acquisition cash flows recognised in profit or loss as expenses	16,235	-	-	-	16,235
Net closing balance	26,871	-	4,374	228	31,473
Closing liabilities	26,871	-	4,374	228	31,473
Closing assets	-	-	-	-	-
Net closing balance	26,871	-	4,374	228	31,473

15. Insurance contracts and reinsurance contracts held (Cont'd)

15.3 Movement in carrying amounts (Cont'd)

Analysis measurement component of reinsurance contracts measured under the premium allocation approach:

	For the period ended 31 March 2025 (Unaudited)				Million Baht
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Reinsurance contracts held					
Opening liabilities	(183)	-	172	2	(9)
Opening assets	-	-	-	-	-
Net opening balance	(183)	-	172	2	(9)
Changes in the income statement and statement of comprehensive income					
Net (expenses)/income from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)	(94)	-	106	-	12
Net (expenses)/income from reinsurance contracts held	(94)	-	106	-	12
Total changes in the statement of comprehensive income	(94)	-	106	-	12
Cash flows					
Premium paid for reinsurance	106	-	-	-	106
Recoveries from reinsurance	-	-	(76)	-	(76)
Total cash flows	106	-	(76)	-	30
Net closing balance	(171)	-	202	2	33
Closing liabilities	-	-	-	-	-
Closing assets	(171)	-	202	2	33
Net closing balance	(171)	-	202	2	33

15. Insurance contracts and reinsurance contracts held (Cont'd)

15.3 Movement in carrying amounts (Cont'd)

Analysis by measurement component of reinsurance contracts measured under the premium allocation approach: (Cont'd)

For the year ended 31 December 2024 (Restated)					Million Baht
	Asset for remaining coverage		Asset for incurred claims		Total
	Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	
Reinsurance contracts held					
Opening liabilities	(64)	-	40	2	(22)
Opening assets	-	-	-	-	-
Net opening balance	(64)	-	40	2	(22)
Changes in the income statement and statement of comprehensive income					
Net (expenses)/income from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)	(708)	-	431	-	(277)
Net (expenses)/income from reinsurance contracts held	(708)	-	431	-	(277)
Total changes in the statement of comprehensive income	(708)	-	431	-	(277)
Cash flows					
Premium paid for reinsurance	589	-	-	-	589
Recoveries from reinsurance	-	-	(299)	-	(299)
Total cash flows	589	-	(299)	-	290
Net closing balance	(183)	-	172	2	(9)
Closing liabilities	(183)	-	172	2	(9)
Closing assets	-	-	-	-	-
Net closing balance	(183)	-	172	2	(9)

15. Insurance contracts and reinsurance contracts held (Cont'd)

15.4 Effect of contracts initially recognised in the period

The following tables summarise the effect on the measurement components of insurance contracts and reinsurance contracts held arising from the initial recognition of contracts not measured under the premium allocation approach that were initially recognised in the period.

For the period ended 31 March 2025 (Unaudited)			
Million Baht			
	Non-onerous contracts issued	Onerous contracts issued	Contracts acquired
Insurance contracts issued			
Estimates of the present value of future cash outflows			
- Insurance acquisition cash flows	7,482	52	-
- Claims payable and other expenses	24,828	206	-
Total estimates of the present value of future cash outflows	32,310	258	-
Estimates of the present value of future cash inflows	(39,042)	(260)	-
Risk adjustment for non-financial risk	682	7	-
Contractual service margin	6,050	-	-
Losses recognised on initial recognition	-	5	-

For the year ended 31 December 2024 (Restated)			
Million Baht			
	Non-onerous contracts issued	Onerous contracts issued	Contracts acquired
Insurance contracts issued			
Estimates of the present value of future cash outflows			
- Insurance acquisition cash flows	25,678	727	-
- Claims payable and other expenses	81,081	3,294	-
Total estimates of the present value of future cash outflows	106,759	4,021	-
Estimates of the present value of future cash inflows	(131,281)	(3,998)	-
Risk adjustment for non-financial risk	2,314	107	-
Contractual service margin	22,208	-	-
Losses recognised on initial recognition	-	130	-

15. Insurance contracts and reinsurance contracts held (Cont'd)

15.4 Effect of contracts initially recognised in the period (Cont'd)

Reinsurance contracts held	For the period ended 31 March 2025 (Unaudited)			For the year ended 31 December 2024 (Restated)		
	Million Baht			Million Baht		
	Contracts originated	Contracts acquired	Total	Contracts originated	Contracts acquired	Total
Estimates of the present value of future cash inflows	20,303	-	20,303	37,785	-	37,785
Estimates of the present value of future cash outflows	(33,964)	-	(33,964)	(51,201)	-	(51,201)
Risk adjustment for non-financial risk	2,179	-	2,179	3,088	-	3,088
Income recognised on initial recognition	-	-	-	-	-	-
Contractual service margin	(11,482)	-	(11,482)	(10,328)	-	(10,328)

15.5 Fulfilment cash flows

Estimates of future cash flows

The Branch's objective in estimating future cash flows is to determine the expected value or probability-weighted mean of the full range of possible outcomes. The Branch incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Branch's view of current conditions at the reporting date and the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Branch takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted.

Cash flows are within the boundary of a contract if they arise from substantive right and obligations that exist during the reporting period. They relate directly to the fulfilment of the contract, including those for which the Branch has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs that are incurred in fulfilling the contracts include claims handling, maintenance and administration costs, and recurring commissions payable on instalment premium receivable within the contract boundary.

Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

15. Insurance contracts and reinsurance contracts held (Cont'd)

15.5 Fulfilment cash flows (Cont'd)

Methodology and assumptions

Mortality

Assumptions have been developed by the Branch based on the recent historical experience and expectations of current and expected future experience including mortality improvement. Where historical experience is not credible, reference has been made to pricing assumptions supplemented by market data, where available.

Mortality assumptions have been expressed as a percentage of either standard industry experience tables or, where experience is sufficiently credible, as a percentage of tables that have been developed internally by the Branch.

Morbidity

Assumptions have been developed by the Branch based on the recent historical experience and expectations of current and expected future experience. Morbidity rate assumptions have been expressed as a percentage of standard industry experience tables or as expected claims ratios.

Persistency

Persistency covers the assumptions required, where relevant, for policy lapse (including surrender), premium persistency, premium holidays, partial withdrawals, policy loan take up and repayment and retirement rates for pension products.

Assumptions have been developed by the Branch based on their recent historical experience and their best estimate expectations of current and expected future experience. Persistency assumptions would vary by policy year and product type with different rates for regular and single premium products where appropriate.

Where experience for a particular product was not credible enough to allow any meaningful analysis to be performed, experience for similar products was used as a basis for future persistency experience assumptions.

In the case of surrenders, the valuation assumes that current surrender value bases will continue to apply in the future.

Expenses

The expense assumptions have been set based on the most recent expense analysis. The purpose of the expense analysis is to allocate total expenses between acquisition, maintenance and other activities, and then to allocate these acquisition and maintenance expenses that can be directly attributed to the portfolio of insurance contracts to derive unit cost assumptions.

Where the expenses associated with certain activities have been identified as being one-off, these expenses have been excluded from the expense analysis.

Expense assumptions have been determined for acquisition and maintenance activities that can be directly attributed to the portfolio of insurance contracts, split by product type, and unit costs expressed as a percentage of premium, sum assured and an amount per policy. Where relevant, expense assumptions have been calculated per distribution channel.

Expense assumptions do not make allowance for any anticipated future expense savings as a result of any strategic initiatives aimed at improving policy administration and claims handling efficiency.

Assumptions for commission rates and other sales-related payments have been set in line with actual experience.

15. Insurance contracts and reinsurance contracts held (Cont'd)

15.5 Fulfilment cash flows (Cont'd)

Methodology and assumptions (Cont'd)

Reinsurance

Reinsurance assumptions have been developed by the Branch based on the reinsurance arrangements in-force as at the reporting date and the recent historical and expected future experience.

Policyholder dividends

The projected policyholder dividends reflect contractual and regulatory requirements and the Branch's best estimate of future policies, strategies and operations consistent with the investment return assumptions.

An adjustment to reflect the time value of money and the financial risks related to future cash flows

The Branch adjusts the estimate of future cash flows to reflect the time value of money and the financial risks related to those cash flows. The cash flows are discounted by the discount rates to reflect the time value of money, the characteristics of the cash flows and the liquidity characteristics of the insurance contracts.

The top-down approach has been primarily adopted for the derivation of discount rates. A top-down approach starts with considering a yield curve that reflects the current market rates of return of a reference portfolio of assets that have similar characteristics of the insurance contracts and adjust this downwards to eliminate any factors not relevant to the insurance contracts (primarily the allowance for credit risk). The assessment of credit risk premium is done on external and internal ratings when the reference portfolio contains assets which are locally rated. Alternatively, a bottom-up approach could be used under which discount rates are determined by adjusting the liquid risk-free yield curve to reflect the liquidity characteristics of the insurance contracts.

In constructing the discount rates, market observable rates are used up to the last available market data point which is reliable and also relevant in reflecting the characteristics of the insurance contracts. The market observable rates are extrapolated between this point and an ultimate forward rate derived using long-term estimates by applying generally accepted technique such as Smith-Wilson method etc.

For the insurance contracts with cash flows that vary based on the returns on any financial underlying items, the Branch applies risk-neutral measurement techniques. Stochastic modelling is applied for insurance contracts with significant financial options and guarantees to estimate the expected present value. A large number of possible economic scenarios for market variables such as interest rates and equity returns are considered using risk neutral approach and consistent with market observable price.

15. Insurance contracts and reinsurance contracts held (Cont'd)

15.6 Risk adjustments for non-financial risk

Risk adjustments for non-financial risk are generally determined by considering the expected cash flows arising from insurance contracts, consistent with the way that non-financial risk is managed. Risk adjustments are determined separately from estimates from the present value of future cash flows, using the confidence level technique.

Applying a confidence level technique, the Branch estimates the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at 75th percentile (the target confidence level) over the expected present value of the future cash flows.

15.7 Contractual service margin

The CSM of a group of contracts is recognised as insurance revenue in each period based on the number of coverage units provided in the period, which is determined by considering for each contract the quantity of the services provided, its expected coverage period and time value of money.

For a group of contracts that is onerous at the start of a reporting period and becomes profitable subsequently that CSM is recognised during the reporting period, the total amount of recognised CSM is released to profit or loss if there are no more future coverage units.

15.8 Investment components

The Branch identifies the investment component of an insurance contract by determining the amount that it would be required to repay to the policyholder in all circumstances, regardless of whether an insured event occurs. Investment components are excluded from insurance revenue and insurance service expenses. Generally, for relevant contracts, surrender value would be determined as an investment component.

16. Other liabilities

	(Unaudited) 31 March 2025 Million Baht	(Restated) 31 December 2024 Million Baht
Payable for purchase of investments	5,004	1,859
Unpresented cheques payable	1,087	1,095
Expired cheques payable	2,962	2,974
Payable to related parties (Note 20 (b))	472	570
Agents payable	3,032	6,840
Cash collateral from derivative contracts	4,865	4,483
Other accounts payable	929	1,076
Lease liabilities (Note 20 (b))	550	572
Others (Note 20 (b))	2,270	1,176
Total	21,171	20,645

Cash collateral from derivative contracts is cash collateral, which financial institutions have pledged under the derivative contracts with the Branch.

16.1 Lease liabilities

The maturity analysis of lease liabilities is aged as follows:

	(Unaudited) 31 March 2025 Million Baht	(Audited) 31 December 2024 Million Baht
Maturing		
Within 1 year	100	98
Between 1 to 5 years	369	388
Later than 5 years	81	86
Total	550	572
Including: - <i>Principal</i>	663	690
- <i>Interest</i>	(113)	(118)

For the three-month period ended 31 March 2025, interest expense on lease liabilities amounted to Baht 5 million (31 March 2024: Baht 5 million), is recorded as "Finance cost" in the statement of comprehensive income.

17. Other operating expenses

	(Unaudited) 31 March 2025 Million Baht	(Restated) 31 March 2024 Million Baht
Employee expenses	1,335	1,166
Property and equipment expenses	524	558
Tax expenses	3	4
Others	670	637
Expenses attributable to insurance acquisition cash flow and insurance contracts	(2,158)	(1,912)
Total	374	453

18. Net impairment gains (losses) on financial assets

	(Unaudited) 31 March 2025 Million Baht	(Unaudited) 31 March 2024 Million Baht
Financial assets	135	-
Investment in securities	-	(213)
Loans and accrued interest receivables	-	2
Other assets	(1)	-
Total	134	(211)

19. Income tax expenses

The interim income tax expenses are recognised based on the management's best estimate of the weighted average income tax rate expected for the interim period applied to the pre-tax income of the interim period.

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released the Pillar Two model rules to reform international corporate taxation that aim to ensure that large multinationals pay a minimum effective corporate tax rate of 15% in each jurisdiction in which they operate.

The Branch is within the scope of the Pillar Two model rules. In 2024, Pillar Two legislation was enacted in Thailand, the jurisdictions in which the Company is incorporated, and came into effect on 1 January 2025.

The Branch has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes as provided in TAS 12.

Under the legislation, the Branch is liable to pay a top-up tax for the difference between its GloBE effective tax rate in the jurisdiction of the Branch and the 15% minimum rate.

The Branch has GloBE effective tax rates above 15%. So, there's no current tax expense arising from the Pillar Two rules for the period ended 31 March 2025.

20. Related party transactions

Enterprises and individuals that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Branch, including holding companies and fellow subsidiaries are related parties of the Branch. Key management personnel including officers of the Branch and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

The following significant transactions were carried out with related parties and affiliated companies within AIA Group.

(a) Statements of comprehensive income

	(Unaudited) 31 March 2025 Million Baht	(Restated) 31 March 2024 Million Baht
<u>Head office</u>		
Other operating expenses	483	458
Capitalised expenses	20	18
<u>Affiliated companies</u>		
Net expenses from reinsurance contracts held	1,067	833
Investment expenses	458	418
Net finance income from reinsurance contracts held	367	219
Other revenue	129	97
Other operating expenses	232	188
Finance cost	2	1

(b) Statement of financial position

	(Unaudited) 31 March 2025 Million Baht	(Restated) 31 December 2024 Million Baht
<u>Head office</u>		
Other assets	3	4
Other liabilities	194	224
<u>Affiliated companies</u>		
Reinsurance contract assets (liabilities)	(5,749)	(2,356)
Financial assets	19,649	-
Investment in securities	-	14,976
Investment in associates	172	172
Other assets	973	1,195
Other liabilities	450	524
Reinsurance finance reserve	8,772	5,570

20. Related party transactions (Cont'd)

The following significant transactions were carried out with related parties and affiliated companies within AIA Group. (Cont'd)

(c) Key management compensations

Key management compensations are as follows:

	(Unaudited) 31 March 2025 Million Baht	(Unaudited) 31 March 2024 Million Baht
Salary and other short-term employee benefits	47	43
Post-employment benefits	3	3
Share-based payment	1	9
Total	<u>51</u>	<u>55</u>

21. Contingent liabilities and commitments

As at 31 March 2025, the Branch had contractual commitment from contracts for investment property projects with the amount at the maximum of Baht 2,501 million (31 December 2024: the amount at the maximum of Baht 2,827 million). Commitments arising from short-term leases and low-value leases are not material to the interim financial information.

22. Effects of adoption of TFRS 9 and TFRS 17

The Branch has adopted TFRS 9 and TFRS 17, including any consequential amendments to other standards, with a date of initial adoption as at 1 January 2025.

The following table set out the impact of initial adoption of standards related to insurance contracts (TFRS 17) on the Head Office's equity as at 1 January 2024.

	As at 31 December 2023 (As previously reported) Million Baht	Impact upon initial adoption of TFRS 17 Million Baht	As at 1 January 2024 (As restated) Million Baht
Head Office's equity			
Insurance finance reserve	-	(4,089)	(4,089)
Branch's retained earnings	162,466	(58,427)	104,039

The Branch has adopted the financial reporting standard related to financial instruments (TFRS 9) on 1 January 2025. The Branch has not restated comparatives for the year ended 31 December 2024, as permitted by the standard. Therefore, an adjustment arising from the first-time adoption is recognised in the opening statement of the financial position as at 1 January 2025. The adoption has impacted the previously reported Branch's retained earnings to increase by Baht 154 million.

22. Effects of adoption of TFRS 9 and TFRS 17 (Cont'd)

TFRS 17 Insurance Contracts

Recognition, measurement and presentation of insurance contracts

TFRS 17 establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts, reinsurance contracts held and investment contracts with DPF. It introduces a model that measures groups of contracts based on the Branch's estimates of the present value of future cash flows that are expected to arise as the Branch fulfils the contracts, an explicit risk adjustment for non-financial risk and a CSM.

Under TFRS 17, insurance revenue in each reporting period represents the changes in the liabilities for remaining coverage that relate to services for which the Branch expects to receive consideration and an allocation of premium that relate to recovering insurance acquisition cash flows. In addition, investment components are excluded from insurance revenue and insurance service expenses.

Insurance finance income or expenses, disaggregated between profit or loss and other comprehensive income for the business is presented separately from insurance revenue and insurance service expenses.

The Branch applies the premium allocation approach to simplify the measurement of certain contracts. When measuring liabilities for remaining coverage, the premium allocation approach is similar to the Branch's previous accounting treatment and includes an explicit risk adjustment for non-financial risk, as appropriate.

Previously, all acquisition costs were recognised and presented as separate assets from the related insurance contracts ("deferred acquisition costs") and are subsequently amortised over the expected life of the contracts. Under TFRS 17, only insurance acquisition cash flows that arise before the recognition of the related insurance contracts are recognised on accrual basis.

Income and expenses from reinsurance contracts held other than insurance finance income or expenses are now presented as a single net amount in profit or loss. Previously, amounts recovered from reinsurers and reinsurance expenses were presented separately.

For an explanation of how the Branch accounts for insurance contracts and reinsurance contracts held under TFRS 17, see Note 2.5.

22. Effects of adoption of TFRS 9 and TFRS 17 (Cont'd)

TFRS 17 Insurance Contracts (Cont'd)

Transition

Changes in accounting policies resulting from the adoption of TFRS 17 have been applied full retrospective approach to the extent practicable. At 1 January 2024, the Branch:

- identified, recognised and measured each group of insurance contracts and reinsurance contracts held as if TFRS 17 had always applied;
- identified, recognised and measured any assets for insurance acquisition cash flows as if TFRS 17 had always been applied, except that the recoverability assessment was not applied before 1 January 2024;
- derecognised previously reported balances that would not have existed if TFRS 17 had always been applied. These included deferred acquisition costs for insurance contracts, insurance receivables and payables, policy loans and its accrued interest revenue and provisions that are attributable to existing insurance contracts, etc. Under TFRS 17, these are included in the measurement of the insurance contracts;
- recognised any resulting net difference in Head Office's equity.

Insurance contracts and reinsurance contracts held

For certain groups of contracts, the Branch applied the fair value approach in TFRS 17 to identify, recognise and measure certain groups of contracts at 1 January 2024 because it was impracticable to apply the full retrospective approach.

The Branch considered the full retrospective approach impracticable for contracts in these segments under any of the following circumstances.

- The effects of retrospective application were not determinable because the information required had not been collected (or had not been collected with sufficient granularity) and was unavailable because of system migrations, data retention requirements or other reasons.
- The full retrospective approach required assumptions about what Branch management's intentions would have been in previous periods or significant accounting estimates that could not be made without the use of hindsight, the application of full retrospective approach is considered as impracticable if such assumptions and estimates were not determinable.

22. Effects of adoption of TFRS 9 and TFRS 17 (Cont'd)

TFRS 17 Insurance Contracts (Cont'd)

Transition (Cont'd)

Insurance contracts and reinsurance contracts held (Cont'd)

To indicate the effect of applying the fair value approach on the CSM, insurance revenue and insurance finance income or expenses, the Branch has provided additional disclosures in Notes 2.5.9 and 15.

The following table shows the effect of applying the fair value approach on CSM on insurance contracts at 1 January 2024.

	As at 1 January 2024 Million Baht
CSM	
Contracts under the fair value approach	104,618
Other contracts	59,062
Total CSM	163,680

Assets for insurance acquisition cash flows

The Branch also applied the fair value approach to identify, recognise and measure certain assets for insurance acquisition cash flows at 1 January 2024.

It was impracticable to apply the full retrospective approach because:

- data had not been collected with sufficient granularity;
- information required to identify fixed and variable overheads as relating to acquisition activities and to allocate them to groups of contracts was not available; or
- original assumptions about the manner in which the Branch would have expected insurance acquisition cash flows to be recovered, which were required to allocate them to renewals, could not be made without the use of hindsight.

Effect of initial adoption

The Branch has applied the transition provisions in TFRS 17 and has not disclosed the impact of the adoption of TFRS 17 on each financial statement line item.

22. Effects of adoption of TFRS 9 and TFRS 17 (Cont'd)

TFRS 9 Financial Instruments

Classification of financial assets and financial liabilities

TFRS 9 includes three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income and fair value through profit or loss. The classification of financial assets under TFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. TFRS 9 eliminates the previous the Accounting Guidance categories of held-to-maturity investments, loans and receivables, and available for sale financial assets. Under TFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of TFRS 9 are not separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Financial instruments issued by the Branch are classified as either financial liabilities or equity securities by considering contractual obligations.

- Where the Branch has an unconditional contractual obligation to deliver cash or another financial asset to another entity, it is considered a financial liability unless there is a predetermined or possible settlement for a fixed amount of cash in exchange of a fixed number of the Branch's own equity instruments.
- Where the Branch has no contractual obligation or has an unconditional right to avoid delivering cash or another financial asset in settlement of the obligation, it is considered an equity instrument.

For explanations of how the Branch classifies and measures financial assets and accounts for related gains and losses under TFRS 9, see Note 2.4.

TFRS 9 has not had a significant effect on the Branch's accounting policies for financial liabilities and hedge accounting.

Transition

Changes in accounting policies resulting from the adoption of TFRS 9 have been applied.

- The following assessments have been made on the basis of the facts and circumstances that existed at 1 January 2025.
 - The determination of the business model within which a financial asset is held.
 - The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at fair value through profit or loss.
- If an investment in a debt security had low credit risk at 1 January 2025, then the Branch determined that the credit risk on the asset had not increased significantly since initial recognition.

As permitted by TFRS 7, the Branch has not disclosed information about the line item amounts that are reported in accordance with the classification and measurement (including impairment) requirements of TFRS 9 for 2024 and those that would have been reported in accordance with the classification and measurement requirements of the Accounting Guidance for 2025.

22. Effects of adoption of TFRS 9 and TFRS 17 (Cont'd)

TFRS 9 Financial Instruments (Cont'd)

Effect of initial adoption

Classification of financial assets and financial liabilities

The following table shows the original measurement category under the Accounting Guidance and the new measurement category and carrying amount under TFRS 9 for each class of the Branch's financial assets and financial liabilities.

	Original classification under the Accounting Guidance	New classification under TFRS 9	New carrying amount under TFRS 9 as at 1 January 2025 Million Baht
Financial assets			
Cash and cash equivalents	Amortised cost	Amortised cost	15,672
Accrued investment income	Amortised cost	Amortised cost	3,195
Debt securities	FVOCI	FVTPL (mandatory)	1,197
Debt securities	FVOCI	FVOCI	348,501
Debt securities	Amortised cost	FVOCI	332,960
Debt securities	Amortised cost	Amortised cost	51,500
Equity securities	FVOCI	FVOCI	75,648
Mutual funds	FVTPL	FVTPL (mandatory)	86,543
Mutual funds	FVTPL	FVTPL (designated)	16,533
Derivative assets	FVTPL	FVTPL (mandatory)	8,954
Loans and deposits	Amortised cost	Amortised cost	16
Other assets (partial)	Amortised cost	Amortised cost	3,312
Total financial assets			944,031
Financial liabilities			
Investment contract liabilities	Not applicable	Amortised cost	49,886
Borrowings	Amortised cost	Amortised cost	22,660
Derivative liabilities	FVTPL	FVTPL (mandatory)	6,553
Other liabilities (partial)	Amortised cost	Amortised cost	19,183
Total financial liabilities			98,282

The Branch's accounting policies on the classification of financial instruments under TFRS 9 are set out in Note 2.4. The application of these policies resulted in the reclassifications set out in the table above and explained below.

- Under the Accounting Guidance, certain debt securities that were classified as available for sale financial assets; under TFRS 9, a portion of these assets are mandatorily measured at fair value through profit or loss because their contractual cash flows do not represent solely payments of principal and interest on the principal amount outstanding while others are classified as fair value through other comprehensive income based on the criteria in TFRS 9.
- Certain debt securities that were classified as amortised cost under the Accounting Guidance are held within a business model whose objective is to hold assets to collect the contractual cash flows and sell and they have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. Therefore, these assets are measured at fair value through other comprehensive income under TFRS 9.
- Certain financial assets and liabilities recognised upon the adoption of TFRS 9 are designated at FVTPL because such designation eliminates or significantly reduces measurement inconsistency, whereas investment contract liabilities upon the adoption of TFRS 9 are applied amortised cost.

22. Effects of adoption of TFRS 9 and TFRS 17 (Cont'd)

TFRS 9 Financial Instruments (Cont'd)

Effect of initial adoption (Cont'd)

Classification of financial assets and financial liabilities (Cont'd)

There are no changes in carrying amounts of equity shares, interests in investment funds, derivative assets and financial liabilities except for some debt securities at amortised cost under the Accounting Guidance to the carrying amounts under TFRS 9.

The following table reconciles the carrying amounts of other financial assets that there are reclassifications and/or remeasurement on transition to TFRS 9 on 1 January 2025.

	31 December 2024 The Accounting Guidance Million Baht	Reclassification Million Baht	Remeasurement Million Baht	1 January 2025 TFRS 9 Million Baht
Financial assets				
Financial assets measured at fair value through profit or loss				
Debt securities				
Brought forward	-	-	-	-
Reclassified from fair value through other comprehensive income	-	1,197	-	-
Carried forward	-	-	-	1,197
Total financial assets measured at fair value through profit or loss	-	1,197	-	1,197
Financial assets measured at fair value through other comprehensive income				
Debt securities				
Brought forward	349,698	-	-	-
Reclassified to fair value through profit or loss	-	(1,197)	-	-
Reclassified from amortised cost	-	317,237	-	-
Remeasurement	-	-	15,723	-
Carried forward	-	-	-	681,461
Total financial assets measured at fair value through other comprehensive income	349,698	316,040	15,723	681,461
Financial assets measured at amortised cost				
Debt securities				
Brought forward	368,737	-	-	-
Reclassified to fair value through other comprehensive income	-	(317,237)	-	-
Carried forward	-	-	-	51,500
Total financial assets measured at amortised cost	368,737	(317,237)	-	51,500
Financial liabilities				
Investment contract liabilities measured at amortised cost				
Investment contract liabilities				
Brought forward	-	-	-	-
Recognised on transition to TFRS 17	-	-	49,886	-
Carried forward	-	-	-	49,886
Total investment contract liabilities measured at amortised cost	-	-	49,886	49,886

22. Effects of adoption of TFRS 9 and TFRS 17 (Cont'd)

TFRS 9 Financial Instruments (Cont'd)

Effect of initial adoption (Cont'd)

Classification of financial assets and financial liabilities (Cont'd)

The following table summarises the effects of the reclassification of debt securities measured at fair value through other comprehensive income to fair value through profit or loss category as a result of the transition to TFRS 9.

Reclassification from FVOCI to FVTPL

	2025 Million Baht
Fair value at 31 March	1,216
Fair value gains that would have been recognised in the other comprehensive income during the period if the financial asset had not been reclassified	17