Disclosure Form (Attached to the OIC Commissioner Order No.77/2568)

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.....................

Date...29....Month...May....Year..2026.................

Information for the Year......2025.......................

1.1 Company profile
1.2 Company policies, objectives and strategies
1.3 Nature of business

AIA Company Limited (Non-Life Insurance)

AIA Non-Life was established in year 2000 by AIA Group (100% shareholder). Since AIA Non-Life start the business, we offer the best Accident and Health (A&H) products to our customer both Individual and Group policyholder. We aim to serve customer's need with innovative product and services. We are offering our product through Agency Force.

1.4 Products and Services and Proportion of premium written by insurance category

AIA Company Limited (Non-Life Insurance)

There are 2 types of products.

- Accident
  - Group Accident
- Health
  - Individual Cancer
  - Group Cancer

Insured

- Insured age 15 days to 60 years (depending on product specifications)
- Healthy (depending on product specifications)

Supporting Documents

- Application Form (depending on product specifications)
- Certified Copy of ID Card
- Health Declaration Form (depending on product specifications)

For more information, please contact our Agency Force or Hotline services Number 0 2783 4884

Table: Proportion of premium written by insurance category for the year-ended 2025

Unit: Million Baht

Description	Property Insurance		Marine & Logistic Insurance			Motor Insurance		Accident and Health Insurance			Casualty Insurance			Total
	Fire Insurance	All risk Insurance	Hull Insurance	Cargo Insurance	Carrier Liability Insurance	Compulsory	Voluntary	Accident Insurance	Health Insurance	Travel Insurance	All Risks Insurance	Public liability Insurance	Others	
Direct premium written	-	-	-	-	-	-	-	1	1	-	-	-	-	2
Proportion of premium written (%)	-	-	-	-	-	-	-	50	50	-	-	-	-	100

1.5.1 Claim Process

Supporting Documents

1. Claim Form (Click to download from company's website)
2. Physician's statement (Click to download from company's website)
3. Receipt and Detail
4. Other supporting documents as per requirement

Process

Customer	Agency Force	AIA (Non-LIFE)
• Submit Claim Form together with Physician's statement and Receipt • Receive the Claim Cheque & Settlement letter	• Pass all documents to AIA (Non-Life) • Pass the Claim Cheque & Settlement letter to Customer	• Process Claim in the system and request Claim cheque within 15 working day • Send out the Claim cheque & Settlement letter

1.5.2 Contact us for query and complaint

For more information AIA Company Limited (Non-Life Insurance)

- Company’s address
  AIA Company Limited (Non-Life Insurance) Thailand Branch
  8th Floor AIA Tower 1, 181 Surawong Rd., Bangrak, Bangkok 10500
  or P.O. Box 5 Bangrak, Bangkok 10500
- Telephone Number: +662 783 4888
- Call Center: +662 783 4884

Corporate Governance Framework

Incorporating

AIA COMPANY LIMITED (NON-LIFE INSURANCE) THAILAND BRANCH

Document Details

Document Name	Corporate Governance Framework
Document Version	10.0
Originating Business Function	AIA Thailand, Risk Function.
Framework Owner	Chief Risk Officer ("CRO")
Primary Framework Contact Person	Head of Compliance
Secondary Framework Contact Person	Compliance Department
Date of First Issuance	19 September 2019
Date of Last Approval	30 April 2026
Version Effective Date	30 April 2026
Notified to	Executive Committee ("EXCO")
Approved by	Chief Risk Officer ("CRO")
Review Frequency	Minimum once a year or when needed
Next Review Date	30 April 2027
Document Type *Per Corporate Policy Governance Standard*	Policy
Information Classification *Per Group Data Protection Standard*	Restricted
Related Policies and Standards	Code of Conduct AIA Group Anti-Bribery/ Corruption Standard AIA Group Anti-Fraud Standard AIA Group Whistleblowing Standard

VERSION CONTROL

Version	Amendments	Approval Date	Approved by
1.0	First release	19 September 2019	EXCO
2.0	Second release	1 April 2020	CRO
3.0	Third release	20 April 2021	EXCO
4.0	Forth release - Minor revise on department name - Add Legal and External Affairs Department in AIA Thailand Structure	24 March 2022	CRO
5.0	Fifth release Minor revise on senior management according to revised TORs	23 May 2022	CRO
6.0	Sixth release - Minor revise on the frequency of EXCO meeting - Minor revise on senior management according to revised corporate structure - Minor revise on the member of Intermediary Appeal Board according to the revised TOR	2 May 2023	CRO
7.0	Seventh release - Minor revise on the title of Director of Legal - Minor revise on senior management according to the revision on corporate structure. - Minor revise on the members of Serious Complaint Committee (“SCC”) and Intermediary Disciplinary Committee (“DC”).	19 April 2024	CRO
8.0	Eight release - Revise on senior management structure according to the revision on corporate structure together with title of affected management committee member - Revise on the member of Serious Compliant Committee - Revise the member of Claim Committee - Add a new Management Committee (Product Development Committee) - Revise the name of “Whistle Blower Protection Policy” and Anti-Fraud Policy” - Revise “Monitoring Review and Amendments”	30 April 2025	EXCO
9.0	Ninth release - Revise on the member of Operational Risk Committee	5 September 2025	CRO
10.0	Tenth release - Revise on member of Asset-Liability Management Committee	30 April 2026	CRO

	- Revise on the member of Product Development Committee - Revise on the name of Anti-Corruption standard to Anti- Bribery/ Corruption Standard		

DISTRIBUTION LIST

TITLES
All members of EXCO

Contents

1. Introduction

1.1. Purpose and Background

According to the Notification of the Insurance Commission Re: Non-Life Insurance Company's Corporate Governance B.E.2562 effective on August 25, 2019 (the "Notification"), this Corporate Governance Framework is mandated to be established to assist a company's Board to realize and understand their roles, duties and responsibilities as the leaders of the organization who must oversee that the company has a sound management system.

The Chief Executive Officer (the "CEO") and the Executive Committee (the "EXCO") of AIA Company Limited (Non-Life Insurance) Thailand Branch ("AIA Thailand" or the "Company") believe that strong corporate governance is essential for delivering sustainable value, enhancing a culture of business integrity and maintaining stakeholder confidence. As such, the CEO and the EXCO are committed to high standards of corporate governance and the implementation of good practices across all functions in the Company.

2. Scope

2.1. Scope

This document describes the Corporate Governance Framework (the "Framework") applicable to AIA Thailand. This Framework covers practical guidelines for EXCO members.

2.2. Interpretation and Application

In this Framework, the following rules of interpretation apply unless otherwise specified:

(a) Headings are for convenience only and do not affect the interpretation of this Framework

(b) The singular includes the plural and vice versa;

(c) Words "such as", "including", "particularly" and similar expressions are not used as, nor are intended to be interpreted as, words of limitation;

(d) When the day on which something must be done is not a business day, it must be done on the following business day; and

(e) If there is any conflict between the body of this Framework and its appendices, schedules, attachments, and other documents, the terms of the main body of this Framework will prevail.

2.3. Consultation

This Framework has been consulted with the following parties as per the Group Corporate Policy Governance Standard ("CPG Standard")

- General Counsel
- Chief Risk Officer
- Director of Compliance
- Director of Enterprise Risk Management

3. Main Provisions

3.1. Mandatory and Minimum Requirements

This Framework is developed to provide practical guidelines to assist EXCO members in understanding their roles and responsibilities to oversee AIA Thailand's sound management system and good corporate governance to attain long-term operational performance, credibility and sustainability which comprises of:

1) Formulating directions, policies and strategies of AIA Thailand;
2) Overseeing to ensure that AIA Thailand has in place effective procedures and system to control, monitor and audit; and
3) Following up and supervising the operations of AIA Thailand.

3.2. Roles and Responsibilities

3.2.1 The EXCO of AIA Thailand

AIA Thailand is a branch office of AIA Company Limited ("AIA"), which is incorporated in Hong Kong. AIA's 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 Board of Directors of AIA ("the Board"), has delegated the general operations of AIA Thailand to the CEO of AIA Thailand, who in turn has sub-delegated his authority to the EXCO of which he is the Chairman. According to the definition of "Company's Board" in the Notification, the EXCO is considered as the Company's Board in the case of AIA Thailand.

3.2.2 Responsibilities of the EXCO

The key responsibilities of the EXCO are:

a) Providing direction on the governance and management of AIA Thailand operations, staff, performance, risk and controls;
b) Developing business plans, budgets and company strategies, and ensure their smooth implementation; and
c) Ensuring fair treatment of customers throughout the life-cycle of AIA Thailand products.

The EXCO shall carry out the following:

a) Providing oversight of AIA Thailand corporate governance arrangements to ensure they remain robust and appropriate;
b) Reviewing overall business planning and performance and their contribution to the delivery of AIA Thailand objectives and targets;
c) Supervising the execution of AIA Thailand strategies;

d) Ensuring the effective and efficient delivery of AIA Thailand business;

e) Coordinating the work of the various committees and departments in AIA Thailand;

f) Determining the allocation of resources to ensure that business performance and risk, compliance and audit controls are addressed effectively;

g) Communicating AIA Thailand objectives and priorities to staff and other stakeholders;

h) Leading and promoting change to secure improved performance, including successful delivery of major programmes and projects;

i) Establishing operational policies and plans consistent with AIA Group;

j) Ensuring that applicable legislations, regulations and statutory standards are complied with;

k) Ensuring the appropriate state of business continuity preparedness in AIA Thailand, and that policies and strategies are in place for the continuation of critical business functions;

l) Overseeing AIA Thailand information disclosures to the public relating to corporate governance in accordance with applicable laws and regulations;

m) Ensuring financial statements are prepared accurately, reliably and disclosed adequately and promptly to the public and regulators in accordance with applicable accounting standards and regulations; and

n) Performing such other functions as may be delegated from time to time by the CEO or the Board.

An EXCO member must not work full time for another company, unless the EXCO views that the full-time work for the other company does not impact to the work at AIA Thailand.

3.2.3 The EXCO's Conduct of Meeting

The EXCO has meeting at six times per year. The meeting agenda covers monitoring and evaluating of operations to ensure compliance with regulations as well as relevant governance policies. Other than in exceptional circumstances, an agenda and accompanying meeting papers should be sent in full to all members of the EXCO in a timely manner before the intended date of a meeting of the EXCO.

Meetings of the EXCO may be in person or held through electronic means and all contemplated actions of the EXCO, whether in person or held through electronic means, may be taken by the EXCO through a simple majority vote of those members present or voting through electronic means and forming a quorum in each case, provided in each case notice is provided to each member of the EXCO.

The procedures and processes of the EXCO shall be determined by its members and overseen by the EXCO's secretariat. The secretariat shall be responsible for assisting the Chairman in administering the business of the EXCO.

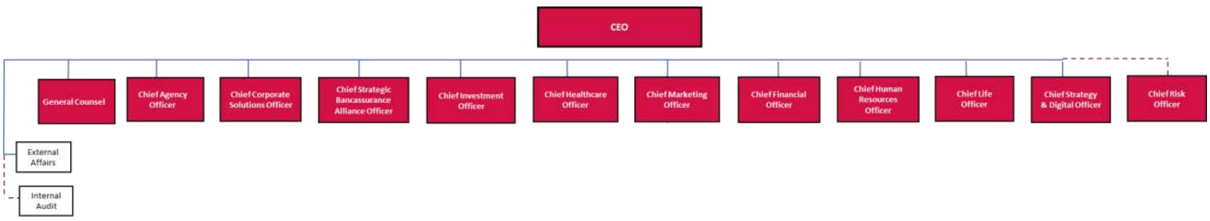
Full minutes of the EXCO's meetings shall be kept by the secretariat, and such minutes shall be available for inspection at any reasonable time on reasonable notice by the EXCO or the Board.

The secretariat shall be responsible for recording and maintaining the minutes of all meetings of the EXCO. Minutes of meetings of the EXCO shall record in sufficient detail the matters considered and recommendations reached during meetings of the EXCO. Draft and final versions of minutes of such meetings should be sent to all members of the EXCO by the Secretariat for their comment and records respectively, in both cases within a reasonable time after such meetings.

3.2.4 Performance Evaluation of Members of the EXCO

AIA Thailand undertakes performance evaluation of its members of the EXCO on an ongoing basis according to Performance Development Dialogue ("PDD") throughout the year.

3.2.5 AIA Thailand Structure



a) Chief Executive Officer

Responsible for leading AIA Thailand to be successful in business and management strategies to harmonize with AIA Group's vision of being a pre-eminent life insurance provider in Asia Pacific and its purpose of driving social and economic development across the region.

b) Chief Financial Officer

Responsible for overseeing financial strategies as well as strategic business plans and corporate projects of the company for future business growth. This includes financial reporting, business analysis, and budgeting. Also, to provide consultative support for initiatives planning through financial and management information analysis. In addition, to manage departments of Actuarial, Real Estate, Distribution Administration & Management Information, and Project Management Office to support the business.

c) Chief Investment Officer

Responsible for formulating and recommending the overall investment plan and asset allocation strategy and implementation of the asset allocation and yield enhancement strategies to maximize investment portfolio with proper risk management to support insurance products & asset liability management.

d) Chief Risk Officer

Responsible for the development of relevant risk and compliance framework, policies and procedures and overseeing the implementation of an effective risk assessment and compliance program. Engaging with key business stakeholders to ensure key regulatory, ethical, financial and operation risks (including emerging risks) are identified and properly managed and ensure compliance with all regulatory requirements.

e) Chief Agency Officer

Responsible for driving the sustainable growth of the agency business and developing short-term and long-term business objectives and targets. Driving agency transformation and enhancing agency force's engagement through enhanced service levels and ongoing sales initiatives.

f) Chief Healthcare Officer

Responsible for overseeing the planning, development and execution of product strategy, marketing, corporate communications and branding initiatives. The primary responsibility is to generate revenue by increasing sales through efficient marketing strategy for the entire organization, using market research, pricing, product marketing, marketing communications, advertising and public relations.

g) Chief Marketing Officer

Responsible for overseeing the planning, development and execution of an organization's product strategy, marketing, branding and advertising initiatives. The primary responsibility is to generate revenue by increasing sales through efficient marketing strategy for the entire organization, using market research, pricing, product marketing, marketing communications, advertising and public relations.

h) Chief Human Resources Officer

Responsible for driving the development and execution of AIA Thailand's people strategy to support the company's business growth, focusing on talent and leadership development, succession planning, as well as organizational and performance management. Managing overall HR activities to ensure that all AIA policies / procedures properly adopted and executed efficiently and effectively.

i) Chief Strategic Bancassurance Alliance Officer

Responsible for managing the relationship with AIA's Thailand's strategic bancassurance partnership including formulating and executing strategic plans to support the growth, profitability and operational objectives within the regulatory framework. as well as synergizing teams' capacity to leverage the relationship management with partners of AIA Thailand. Providing leadership, directions to the team to meet short, medium and long-term financial goals and ambitions.

j) Chief Strategy and Digital Officer

Responsible for leading the development and execution of corporate strategy as well as digital strategy to drive the digital transformation roadmap for successful adoption of digital technologies across the entire business.

k) Chief Corporate Solutions Officer

Responsible for overseeing the Corporate Solutions business unit, which includes distribution, underwriting, pricing, products, front operations, and operational systems for Group Insurance and Pension. Develop and execute all strategies and action plans, maintaining good relationship with business partners, and synergizing team's capability to build Corporate Solutions business growth for AIA Thailand.

l) Chief Life Officer

Responsible for leading the team to achieve operational excellence and supporting distributions to achieve company objectives, business growth targets and financial goals. Focus on accomplishing the highest level of services with quality that exceeds customers' expectation. Execute transformation and digital initiatives to enhance efficiency, streamline process and minimize risk and potential fraud to deliver better experiences for customers and distributions.

m) General Counsel

Responsible for providing strategic legal advice and direction, overseeing the legal and regulatory requirements of AIA Thailand to ensure robust and appropriate risk management and governance as well as managing and developing the legal team to support our business strategy.

3.2.6 Management Committees

The EXCO, as deemed necessary, is empowered to form management committees to execute some of its responsibilities or steering committees, taskforces, workgroups to provide oversight on or carry out specific task or projects.

The main management committees are:

a) Investment Committee ("IC")

The IC provides oversight on the management, performance and governance of AIA Thailand's investment portfolios. The members of IC are:

1. Chief Executive Officer
2. Chief Investment Officer
3. Chief Financial Officer
4. Chief Risk Officer
5. Chief Actuary

b) Asset Liability Committee ("ALCO")

The purpose of the ALCO is to provide oversight of Asset Liability Management (ALM) policies, processes and controls and the implementation of ALM decisions and Strategic Asset Allocation processes. The ALCO shall ensure that the Company holds sufficient assets of appropriate nature, term and liquidity to enable such entities to meet its liabilities as they become due. The members of ALCO shall be appointed by the CEO, which are:

1. Chief Financial Officer
2. Chief Risk Officer
3. Chief Investment Officer
4. Chief Actuary.
5. Any other individual as appointed by the CEO.

c) Operational Risk Committee ("ORC")

The ORC provides oversight on non-financial risk management activities within AIA Thailand in order to ensure operational risk management policies and programmes are in place and are appropriately and consistently followed. The members of ORC are:

1. Chief Financial Officer
2. Chief Risk Officer
3. Chief Agency Officer
4. Chief Human Resource Officer
5. Chief Strategy and Digital Officer
6. Chief Life Officer
7. Director of Compliance
8. General Counsel

d) Financial Risk Committee (“FRC”)

The FRC provides oversight and reviews financial and insurance risks for AIA Thailand. These include assessing market and insurance risks, AIA Thailand balance sheets, liquidity and the adequacy of capital position. The FRC also ensures that appropriate financial risk policies are in place. The members of FRC are:

1. Chief Executive Officer
2. Chief Financial Officer
3. Chief Risk Officer
4. Chief Investment Officer
5. Chief Actuary

e) Serious Complaint Committee (“SCC”)

The purpose of the SCC is to make decision on how to handle serious complaints, develop policies to manage serious complaints, and to monitor communication and results. The members of SCC are:

1. Chief Actuary
2. Chief Life Officer
3. General Counsel
4. Chief Agency Officer or representative
5. Chief Risk Officer
6. Director of Compliance

f) Claims Committee (“CC”)

The Purpose of the CC is to approve claims assessor limit, including ex-gratia payments. The members of CC are:

1. Chief Life Officer
2. Chief Financial Officer
3. Chief Risk Officer
4. Chief Healthcare Officer
5. Chief Actuary
6. Head of Health Claims
7. Head of Life Claims

g) Anti-Money Laundering Committee (“AMLC”)

The objective of the AMLC is to consider matters relating to AML/CTF and to make appropriate decisions in accordance with the Anti-Money Laundering Act, the Counter-Terrorism and Proliferation of Weapon of Mass Destruction Financing Act or any subsequent related legislation and regulation as well as with the AIA Group Policy and Guidelines on Anti-Money Laundering and Counter Terrorist Financing and Economic Sanctions. The members of AMLC are:

1. Chief Risk Officer
2. Chief Life Officer
3. General Counsel

h) Intermediary Disciplinary Committee (“DC”)

The Objective of the DC is to provide oversight of the effectiveness of the investigation, including identifications of root cause and control weakness, portfolio analysis and execution of penalty and remedial actions relating to intermediaries’ misconduct within AIA Thailand. This is to ensure the investigation and disciplinary action relating to intermediaries’ misconduct are properly executed and handled to avoid non-compliance with laws / company’s policies and procedures and to avoid any adverse impact on company’s reputation. The members of DC are:

1. Director of Technical Operations
2. Director of Financial Controller
3. Director of Enterprise Risk Management
4. Director of Compliance
5. Associate Director of Legal

i) Intermediary Appeal Board ("AB")

The Objective of the AB is to provide fair treatment to support appeals filed by an intermediary or their leader against a penalty determined by the Intermediary Disciplinary Committee (DC) and/or Intermediary Market Conduct Committee (MCC). The members of AB are:

1. Chief Financial Officer
2. Chief Risk Officer
3. Chief Life Officer
4. General Counsel

j) Employee Disciplinary Committee ("EDC")

The Objective of the EDC is to provide oversight of the handling incident relating to violation of code of conduct and whistleblowing relating to AIA Thailand staff. This is to ensure the investigation and disciplinary action relating to misconduct are properly executed and handled to avoid non-compliance with laws / company's policies and procedures and to avoid any adverse impact on the company's reputation. The members of EDC are:

1. Chief Financial Officer
2. Chief Risk Officer
3. Chief Human Resource Officer

k) Product Development Committee ("PDC")

The objective of the PDC is to provide overall direction of Company product strategy, product development and pricing, sales offering process, post-sales monitoring, including risk review and prioritization. The members of PDC are:

1. Chief Executive Officer
2. Chief Marketing Officer
3. Chief Healthcare Officer
4. Chief Financial Officer
5. Chief Investment Officer
6. Chief Agency Officer
7. Chief Strategic Bancassurance Alliance Officer
8. Chief Corporate Solutions Officer
9. Chief Life Officer
10. Chief Risk Officer
11. Chief Strategy & Digital Officer

12. Chief Actuary
13. General Counsel
14. Head of Product & Proposition

3.2.7 The Audit Committee

The Board has established the AIA Company Audit Committee ("Audit Committee") to review and monitor audited financial statements, reports from Group Internal Audit, report on litigation updates and other matters escalated to the chairman of the audit committee of AIA Group.

Within the context of AIA Group's control framework, the Internal Audit function is an independent risk assessment function and responsible for providing assurance on risk management, governance and internal control systems to the Board. The Audit Committee ensures that the Internal Audit function has adequate follow-up processes in place to make sure that recommendations raised in internal audit reports are dealt with in a timely manner.

The Audit Committee normally meets privately with the external auditor and AIA Group Internal Audit without management being present at least twice a year.

The members of Audit Committee are Independent Non-Executive Directors, Executive Director and Group Chief Financial Officer

Financial Oversight Committee

The Financial Oversight Committee ("FOC") is established by the Board and authorized by the Audit Committee to provide an independent review of the effectiveness of the financial reporting process and the internal control system of AIA Thailand. The duties of the FOC include review of financial information, oversight of the Company's financial reporting system and internal control procedures, and management of external auditor relationship.

The members of the Thailand FOC are appointed by the AIA Group Audit Committee. The members of FOC are:

1. Group Chief Financial Officer
2. Group Head of Tax
3. Group Senior Regional Counsel

3.2.8 Risk Management and Internal Control

The core of AIA Thailand's business is accepting, pooling and managing risk for the benefit of policyholders and shareholders. Effective risk management is a key driver of value. Accordingly, AIA Thailand does not seek to eliminate all risks but rather to identify, understand and manage them within acceptable limits to create long-term value.

AIA Thailand manages risk by adopting a "Three lines of defence" governance model. The objectives are to ensure that an independent system of checks and balances is in place to provide assurance that risks are governed properly. The EXCO retains overall responsibility for oversight of the AIA Thailand's risk management activities. All business unit managers and executives are accountable for ensuring their business functions always operate within the Risk Appetite set by the EXCO. This is done by identifying the risks associated with their activities, understanding and seeking to manage and mitigate them effectively and achieving appropriate returns for the risk taken.

AIA Thailand's Risk Management Framework provides the structure for identifying, quantifying, mitigating and reporting risk across the company. The Risk Management and Compliance function provides assurance to the EXCO that this framework is appropriate and effective.

All risks that are undertaken by the Company are backed by appropriate levels of capital to support the ongoing business and to protect policyholders. While the Company seeks capital efficiency, AIA Thailand does so within acceptable levels of risk without compromising either financial strength or the requirement for appropriate returns.

AIA Thailand maintains a robust risk management and compliance framework which includes an independent system of checks and balances to provide assurance that risks are identified, assessed, analysed, prioritized, managed and governed properly. The framework clearly defines the respective roles and responsibilities of the EXCO, the Risk and Compliance function and the Internal Audit function. The Risk and Compliance and Internal Audit functions report functionally to AIA Group Risk and Compliance and AIA Group Internal Audit respectively. Both functions administratively report to CEO (Please refer to AIA Thailand Structure under clause 3.2.5 for reference).

In additional, AIA Thailand has the following policies in place.

Conflict of Interest

A position at AIA Thailand cannot be used for inappropriate personal gain or advantage to anyone or a member of family. Any situation that creates, or even appears to create, a conflict of interest between personal interests and the interests of AIA Thailand must be appropriately managed. Conflicts of interest whether potential or actual conflicts must be reported to the channel arranged by AIA Thailand.

Whistleblowing Standard

AIA Thailand maintains a comprehensive Whistle-blower Program, which is designed to handle reports of misconduct and inappropriate behaviour. Employees who are aware of possible wrongdoing within AIA Thailand have a responsibility to disclose that information to management. Reports are taken seriously and investigated confidentially. Employees or other individuals will not suffer retaliation for reporting any suspected wrongdoing in good faith.

Anti- Bribery/ Corruption Standard

During the course of doing business, employees and other persons representing AIA Thailand are prohibited from offering, paying, promising or authorizing (directly or indirectly) any bribe, kickback or other payment or benefit with corrupt intent or in violation of relevant anti-corruption laws.

Anti-Fraud Standard

AIA Thailand adopts a zero-tolerance approach towards fraud and expects all employees, insurance intermediaries, business partners and vendor to act with honesty and integrity. All suspected cases of fraud will be investigated, and disciplinary procedures enforced, including prosecution and termination.

Renumeration Policy

Any compensation proposal for an employee should take into consideration external competitiveness and internal equity and should be prepared and approved as per AIA Thailand procedures before any verbal or written offer can be made.

Code of Conduct and Business Ethics

The AIA Code of Conduct is the main guideline for AIA Thailand staff. The code of conduct emphasizes integrity and responsibility to stakeholders including customers, partnership, shareholders, regulators and communities in which AIA Thailand operates.

3.3. Exemptions

Exemptions to the Framework should be requested only in special circumstances, for example whereby it is required to meet legal or regulatory requirements. The exemption must be escalated to the CRO and the EXCO accordingly and be supported by a rationale from the Executives as appropriate.

Approval for the proposed exemption should be received explicitly from the EXCO before the exemption is treated as authorized.

3.4. Breach Management and Escalation

Where AIA Thailand fails to observe a requirement in the Corporate Governance Framework without prior authorization, this will be deemed as a breach. Breaches should be escalated to the who will further notify any parties as deemed appropriate. Anyone breaching this Framework may render himself/herself liable to disciplinary action. Breaches to the Framework should be notified and reported via incident reporting.

3.5. Maintenance, Review and Amendments

Compliance Department is responsible for maintaining this Framework on an ongoing basis and ensuring the alignment with business practice. This Framework should be reviewed at least on an annual basis to align with the regulatory requirements.

3.6. Delegation of Authority (if applicable) and Other Administrative Matters

Compliance Department is responsible for the administration and revision of this Framework. This Framework shall be reviewed annually. The Head of Compliance is responsible for communicating the Framework to the EXCO's members.

4. Approvals

This Framework is approved by the EXCO. Where changes not significantly affecting the provisions of the Framework (e.g. minor wording changes, etc.), the approval for such changes from EXCO is not required and can be undertaken unilaterally by the CRO.

5. Appendix – Relevant Policies and Regulation

Code of Conduct

AIA Group Anti-Bribery/ Corruption Standard

AIA Group Anti-Fraud Standard

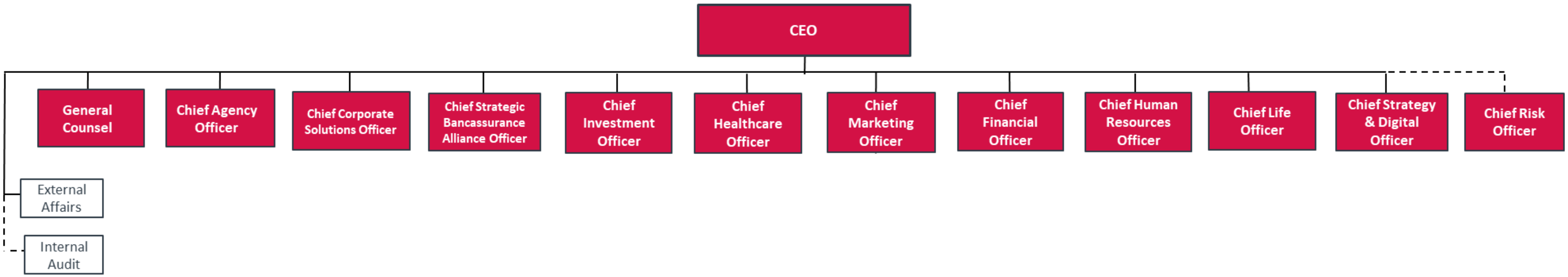
AIA Group Whistleblowing Standard

AIA COMPANY LIMITED (NON-LIFE INSURANCE) THAILAND BRANCH

Corporate Governance Framework

Version 10.0

2.2 Company Structure



2.3 Board and Management Structure

Board and Management

Management	Description
 Nikhil Ashvani Advani **Chief Executive Officer**	Responsible for leading AIA Thailand to be successful in business and management strategies to harmonize with AIA Group's vision of being a pre-eminent life insurance provider in Asia Pacific and its purpose of driving social and economic development across the region.
 Hiew Tet Chian **Chief Financial Officer**	Responsible for overseeing financial strategies as well as strategic business plans and corporate projects of the company for future business growth. This includes financial reporting business analysis and budgeting. Also, to provide consultative support for initiatives planning through financial and management information analysis. In addition, to manage departments of Actuarial, Real Estate, Distribution Administration & Management Information to support the business.
 Aekkaratt Thitimon **Chief Healthcare Officer**	Responsible for overseeing all aspects of health business from marketing and sales development to medical management, provider and network management, customer experience, and health technology, digital, and analytics. As well as leading the implementation of AIA's Integrated Healthcare Strategy (IHS) for AIA Thailand.

Board and Management (Cont'd)

Management	Description
 Alisa Simaroj **Chief Agency Officer**	Responsible for driving the sustainable growth of the agency business and developing short-term and long-term business objectives and targets. Driving agency transformation and enhancing agency force's engagement through enhanced service levels and ongoing sales initiatives.
 Auraratana Jutimitta **Chief Strategic Bancassurance Alliance Officer**	Responsible for managing the relationship with partners including formulating and executing the short to long term strategic plans to support the growth, profitability and operational objectives within the regulatory framework as well as synergizing teams' capacity to leverage the relationship management with partners of AIA Thailand. Providing leadership, directions to the team to meet short, medium and long-term financial goals and ambitions.
 Sarunya Tienthavorn **Chief Human Resources Officer**	Responsible for driving the development and execution of AIA Thailand's People Strategy to support the company's business growth, focusing on talent and leadership development, succession planning, as well as organizational and performance management. Managing overall HR activities to ensure that all AIA policies / procedures properly adopted and executed efficiently and effectively.

Board and Management (Cont'd)

Management	Description
 Chalida Nakornchai **Chief Marketing Officer**	Responsible for overseeing the planning, development and execution of product strategy, marketing, corporate communications and branding initiatives. The primary responsibility is to generate revenue by increasing sales through efficient marketing strategy for the entire organization, using market research, pricing, product marketing, marketing communications, advertising and public relations.
 Chih-Yi Lu (Eric Lu) **Chief Investment Officer**	Responsible for formulating and recommending the overall investment plan and implementation of asset allocation and yield enhancement strategies to maximize investment portfolio with proper risk management to support insurance products & asset liability management.
 Suthanit Suriyotai **Chief Life Officer**	Responsible for leading the team to achieve operational excellence and supporting distributions to achieve company objectives, business growth targets and financial goals. Focus on accomplishing the highest level of services with quality that exceeds customers' expectation. Execute transformation and digital initiatives to enhance efficiency, streamline process and minimize risk and potential fraud to deliver better experiences for customers and distributions.

Board and Management (Cont'd)

Management	Description
 Loo Boon Teik **Chief Risk Officer**	Responsible for the development of relevant risk and compliance framework, policies and procedures and overseeing the implementation of an effective risk assessment and compliance program. Engaging with key business stakeholders to ensure key regulatory, ethical, financial and operation risks (including emerging risks) are identified and properly managed and ensure compliance with all regulatory requirements.
 Chiraporn Kanistarath **Chief Corporate Solutions Officer**	Responsible for overseeing the Corporate Solutions business unit, which includes distribution, underwriting, pricing, products, front operations, and operational systems for Group Insurance and Pension. Develop and execute all strategies and action plans, maintaining good relationship with business partners, and synergizing team's capability to build Corporate Solutions business growth for AIA Thailand.
 Dr. Christian Roland **Chief Strategy & Digital Officer**	Responsible for leading the development and execution of corporate strategy as well as digital strategy to drive the digital transformation roadmap for successful adoption of digital technologies across the entire business.

Board and Management (Cont'd)

Management	Description
 Jutamas Suttisirikul General Counsel	Responsible for providing strategic legal advice and direction, oversee the legal and regulatory requirements of AIA Thailand to ensure robust and appropriate risk management and governance as well as manage and develop the legal team to support our business strategy.

2.4 Sub-committee Members

a) Investment Committee (“IC”)

The members of IC are:

1) Nikhil Ashvani Advani (Chief Executive Officer)
2) Chih-Yi Lu (Chief Investment Officer)
3) Hiew Tet Chian (Chief Financial Officer)
4) Loo Boon Teik (Chief Risk Officer)
5) Jia Ann Chew (Chief Actuary)

b) Pension Investment Committee (“Pension IC”)

The members of Pension IC are:

1) Chih-Yi Lu (Chief Investment Officer)
2) Chanakan Hangsasuta (Fund Manager from Life Fund)
3) Vilasinee Limprana (Head of Pension Business)
4) Kawisa Hemwej (Fund Manager from Pension Business)
5) Kamarat Thardtong (Fund Manager from Pension Business)
6) Titti Tungpanitansook (Director of Enterprise Risk Management)

c) Operational Risk Committee (“ORC”)

The members of ORC are:

1) Hiew Tet Chian (Chief Financial Officer)
2) Loo Boon Teik (Chief Risk Officer)
3) Alisa Simaroj (Chief Agency Officer)
4) Dr.Christian Roland (Chief Strategy and Digital Officer)
5) Sarunya Tienthavorn (Chief Human Resources Officer)
6) Suthanit Suriyotai (Chief Life Officer)
7) Supirut Pothavorn (Director of Compliance)
8) Jutamas Suttisirikul (General Counsel)

d) Financial Risk Committee (“FRC”)

The members of FRC are:

1) Nikhil Ashvani Advani (Chief Executive Officer)
2) Hiew Tet Chian (Chief Financial Officer)
3) Loo Boon Teik (Chief Risk Officer)
4) Chih-Yi Lu (Chief Investment Officer)
5) Jia Ann Chew (Chief Actuary)

e) Serious Complaint Committee (“SCC”)

The members of SCC are:

1) Jia Ann Chew (Chief Actuary)
2) Suthanit Suriyotai (Chief Life Officer)
3) Jutamas Suttisirikul (General Counsel)
4) Alisa Simaroj (Chief Agency Officer)
5) Loo Boon Teik (Chief Risk Officer)
6) Supirut Pothavorn (Director of Compliance)

f) Product Development Committee (“PDC”)

The members of PDC are:

1) Nikhil Ashvani Advani (Chief Executive Officer)
2) Chalida Nakornchai (Chief Marketing Officer)
3) Aekkaratt Thitimon (Chief Healthcare Officer)
4) Hiew Tet Chian (Chief Financial Officer)
5) Chih-Yi Lu (Chief Investment Officer)
6) Alisa Simaroj (Chief Agency Officer)
7) Auraratana Jutimitta (Chief Strategic Bancassurance Alliance Officer)
8) Chiraporn Kanistarath (Chief Corporate Solutions Officer)
9) Suthanit Suriyotai (Chief Life Officer)
10) Loo Boon Teik (Chief Risk Officer)
11) Dr.Christian Roland (Chief Strategy and Digital Officer)
12) Jutamas Suttisirikul (General Counsel)
13) Jia Ann Chew (Chief Actuary)
14) Eng Siang Tan (Director of Product Strategy)

The Audit Committee

The members of AIA Co's Audit Committee are:

1) Ricky Choi-Cheung Fung (Independent Non-Executive Director)
2) Stuart John Valentine (Independent Non-Executive Director)
3) Garth Brian Jones (Group Chief Financial Officer)

Financial Oversight Committee

The members of FOC are:

1) Garth Brian Jones (Group Chief Financial Officer)
2) Richard Sumner (Head of Group Tax)
3) Clive Vincent Anderson (Group Senior Regional Counsel)

2.5 Appointment of management

The appointment process for Managements generally covers:

- Candidates' CV screening should cover personal information, education background and work experience.
- Interviews must be conducted by at least the Chief Executive Officer and Chief Human Resource Officer. Specific feedback and comments on candidates must be systematically captured in all interviews for future reference.
- Management appointment must undergo employment screening per the Company employment screening procedures.
- The employment screening must be complied with the background check policy which should be covered Professional Qualification/ Membership Check, Civil Litigation Check, Credit Check, Financial Regulator Check and Conflict of Interest/ Company Directorship Check.

2.6 Remuneration policy for management

AIA Guideline:

- A Compensation proposal should take into consideration of external competitiveness and internal equity.
- A Compensation proposal should be prepared and approved, following the approval governance, for all compensation and benefits items. The following information is required in preparing the proposed package:
    1. Candidates' current package
    2. Package of peers within AIA
    3. Market reference data.
- The Compensation proposal should be approved per the Company procedures before any verbal or written offer can be made.

3.2 Asset-Liability Management

Asset-Liability Management (ALM) is a vital component of the Company's Enterprise Risk Management (ERM) framework that focuses on risks arising from interdependencies between the Company's assets and liabilities. Through the management of investment strategies, product design, product development and product pricing, the ALM framework aims to achieve the Company's goals whilst operating under applicable constraints and within acceptable risk boundaries. The Asset-Liability Management Committee (ALCO) is a management committee to which the local Executive Committee (EXCO) has delegated the authority to provide oversight and governance of the company's ALM policies; this includes the adoption and the implementation of the Strategic Asset Allocation that the Company has selected. Management of assets and liabilities are in compliance with the established guidelines and policies from AIA Group and AIA Thailand.

The risk arising from interest rate sensitivity between assets and liabilities is mitigated by holding a capital to cover the Interest Rate Risk Charge in the regulatory reporting, where the rules are as prescribed in the OIC's Risk-Based Capital Framework and Regulations.

The Invested Assets to Policy Reserve ratio is regularly monitored under the OIC's Early Warning System Indicators (EWS) framework. The ratio must always be well above 100% to ensure that assets are adequate to cover policy liabilities.

Unit: Million Baht

Items	2025		2024	
	Book value	Appraisal value	Book value	Appraisal value
Total Investment Assets	501	501	482	482
Total Liquid Assets	505	505	482	482
Total Liabilities	18	17	14	14
Net Insurance contract liabilities	4		1	
- Insurance contract assets	-		-	
- Insurance contract liabilities	4	3	1	1

Remarks:

- Net Insurance contract liabilities is calculated from Insurance contract liabilities - Insurance contract assets
- Book Value refers to Insurance contract liabilities valued according to the Thai Financial Reporting Standards (TFRS). The main objective is to support the investors' understanding of the economic value of Insurance contract liabilities according to THGAAP. The Insurance contract liabilities are audited and certified by an external auditor.
- Appraisal value refers to assets and liabilities valued according to the OIC Notification on the Valuation of Assets and Liabilities of Non-Life Insurance Companies which the main objective is to ensure the company's financial security and ability to pay policy benefit to policyholders.
- There could be a material difference between insurance liabilities valued under a book value approach and an appraisal value approach due to the different methodologies used for each valuation basis. Investors are advised to gain an understanding of insurance liabilities across both valuation bases before making investment decisions

4. Insurance Risk

Known insurance risks which may have significant impact on the Company's financial position, the management of reinsurance and the adequacy of the capital position in relation to the level of risk concentration.

As an insurer, the Company is exposed to a range of financial risks. The following section summarizes the Company's financial risk management.

Insurance Risk

Insurance risk is the potential losses resulting from mortality, morbidity, persistency, longevity, and adverse expense experiences. These include the potential impacts from catastrophic events such as pandemics and natural disasters.

Management of insurance risk starts with the management of product design. Ensuring that products meet customer needs, are fairly priced and are clearly understood by customers, are the best way to ensure good persistency and customer satisfaction.

The Company manages product design risk through its Product Approval Process, where products are reviewed against pricing, design and risk benchmarks agreed by the Financial Risk Committee (FRC). The Company works closely with a number of Company functions including product management, actuarial, legal, risk & compliance and underwriting. The Company monitors the performance of new products and focuses on actively managing each part of the actuarial control cycle to minimize the risk of the in-force book as well as for new products.

Concentration Risk

Concentration of risk may arise when there are specific related events that may significantly impact the Company's liabilities. The Company is exposed to a geographical concentration of risk, as most of the business is in Thailand. The Company manages its economic sectoral concentration by diversifying its insurance portfolio across the Thai population, covering different working classes and different levels of society.

Reinsurance Contract Held

Reinsurance contracts held are measured using the same PAA principles as direct insurance contracts, and where a loss-recovery component is identified, the carrying amount of the reinsurance asset is adjusted accordingly.

Net Reinsurance contract liabilities

Unit: Million Baht

Items	Book value	
	2025	2024
Net Reinsurance contract liabilities	-	-
- Reinsurance contract assets	-	-
- Reinsurance contract liabilities	-	-

Remarks:

- Net Reinsurance contract liabilities is calculated from Reinsurance contract liabilities - Reinsurance contract assets
- Book Value refers to the value of assets and liabilities as measured in accordance with Financial Reporting Standards. Its primary purpose is to enable investment analysts to understand the economic value of insurance contract liabilities as recognised under generally accepted accounting principles in Thailand which the value must be certified by a licensed auditor.

5. Value, procedures, and assumptions for Insurance Reserve

5.1 Book value

Underlying Contract

The Company adopted TFRS 17 Insurance Contracts from 1 January 2025, replacing TFRS 4 and introducing a comprehensive framework for the recognition, measurement, presentation, and disclosure of insurance contracts.

As the Company's non-life products are all short-term, insurance contract liabilities are measured using the Premium Allocation Approach (PAA), which simplifies measurement for contracts with coverage periods of one year or less or where results do not differ materially from the general model. Insurance contract liabilities are measured at the level of groups of contracts, determined based on similar risks, issuance period cohorts, and profitability classification. Contracts are recognised at the earliest of the start of coverage, when the first premium is due or received, or when the contract becomes onerous.

The carrying amount consists of the Liability for Remaining Coverage (LRC), representing obligations for future services, and the Liability for Incurred Claims (LIC), covering obligations for past events including incurred but not reported claims.

Net Insurance contract liabilities

Unit: Million Baht

Items	Book value	
	2025	2024
Net Insurance contract liabilities	4	1
- Insurance contract assets	-	-
- Insurance contract liabilities	4	1

Remarks:

- Net Insurance contract liabilities are calculated from Insurance contract liabilities - Insurance contract assets.
- Book Value refers to the value of assets and liabilities as measured in accordance with Financial Reporting Standards. Its primary purpose is to enable investor to understand the economic value of insurance contract liabilities as recognised under generally accepted accounting principles in Thailand which the value must be certified by a licensed auditor.

5.2 Appraisal value

The non-life products are all short-term insurance contracts. Technical reserves (gross of reinsurance) consist of premium reserves and claim reserves

Claim reserves comprise case reserve for reported claims, obtained from the claims system, including outstanding claims and claims during settlement, as well as incurred but not reported (IBNR) claims, which are estimated based on premium ratios. The claim reserves also include allocated and unallocated loss adjustment expenses, determined using assumptions derived from historical experiences, and incorporate a provision for adverse deviation (PAD).

Premium reserves are determined as the higher of the unearned premium reserve (UPR) and the unexpired risk reserve (URR), calculated on a gross of reinsurance basis for each class of business. The unexpired risk reserve is determined based on expected future costs until the end of the contract, including claim costs, policy maintenance expenses, and claims handling expenses, with an allowance for adverse deviation (PAD). The unearned premium reserve is calculated using the pro-rata method.

Unit: Million Baht

Items	Appraisal value	
	2025	2024
Technical reserves (gross of reinsurance)		
2.1 Claim reserves	-	-
2.2 Premium reserves	3	1

Remarks:

- Claim reserves : Claim reserves that notified but not settled and the claim incurred but not reported (including allocated loss adjustment expenses and unallocated loss adjustment expenses).
- Premium reserves : The greater value between the unexpired risk reserve for in-force policies before reinsurance and the unearned premium reserve before reinsurance.
- Appraisal value refers to insurance liabilities valued according to the OIC's notification on the Valuation of Assets and Liabilities for Non-Life Insurance Companies to ensure that the Company has the ability to pay the policy benefit to policyholders. The appraisal value of insurance liabilities must be calculated by a certified actuary according to accepted actuarial principles. The assumptions used in the appraisal value must be consistent with the actual experience, or, in the event of insufficient data, may be based on industry experience and tailored to the specific nature of the insurer's portfolio. In addition, the insurance contract liabilities must include a Provision for Adverse Deviation (PAD) as prescribed by the OIC. may be based on industry experience and tailored to the specific nature of the insurer's portfolio. In addition, the reserves must include a Provision for Adverse Deviation (PAD) as prescribed by the OIC.
- There could be a material difference between insurance contract liabilities valued under a book value approach and appraisal value approach due to the different methodologies used for each valuation basis. Investors are advised to gain an understanding of insurance liabilities across both valuation bases before making investment decisions.

6. Investment

Investment Objective

To prudently manage the Company's investment assets to preserve capital and to generate optimal returns to policyholders and shareholders over the long-term, as well as in full compliance with both applicable regulations and internal policies.

The Company incorporates a quantified assessment of Environmental, Social and Governance factors in all of its investment decisions relating to the securities and assets comprising AIA's general account investment portfolio.

The Company's investments are in Fixed Income.

Fixed Income

The fixed income is managed principally in a "Buy and Maintain" style. The investment objective is to optimize returns with capital preservation. However, the Company has discretion to sell the assets according to its views of the market, credit trends and credit risk management.

The appraisal value of the Company's investment assets is determined by referring to the Notification of the Office of Insurance Company Re: The appraisal value of Assets and Liabilities of Non-Life Insurance Company B.E.2554 and/or amendment.

Investment in Fixed Income complies with the Notification of the Office of the Insurance Commission Re: Investment in Other Businesses of Non-Life Insurance Companies and/or related regulations.

Investment assets Table

Unit: Million Baht

Item	As of December 31,			
	2025		2024 (Restated)	
	Book value	Appraisal value	Book value	Appraisal value
Deposits with financial institutions and Certificate of Deposit	3	3	2	2
Debt instruments	498	498	480	480
Equity instruments	-	-	-	-
Mutual fund	-	-	-	-
Policy Loans	-	-	-	-
Loans	-	-	-	-
Derivatives	-	-	-	-
- Derivative liabilities	-	-	-	-
- Derivative assets	-	-	-	-
Others	-	-	-	-
Investment property	-	-	-	-
Total Investment Assets	**501**	**501**	**482**	**482**

Remarks:

- Book Value refers to the value of assets and liabilities as measured in accordance with Financial Reporting Standards. Its primary purpose is to enable investment analysts to understand the economic value of insurance contract liabilities as recognized under generally accepted accounting principles in Thailand. Such values must be audited and certified by a licensed auditor.
- Appraisal value refers to the assets and liabilities valued in accordance with the OIC Notification on the valuation of assets and liabilities of Non-Life Insurance Companies. The primary purpose of such valuation is to support the prudential supervision of the financial soundness of insurance companies and to ensure that they have sufficient capacity to fully meet benefit payments under insurance contracts to policyholders.
- Policy loans shall not be recognized as investment assets (book value). The valuation of such loans for investment assets (appraisal value) shall be determined in accordance with the regulations prescribed by the OIC.
- Loans (book value) refer to the item “Loans and accrued interest receivable” as defined under the Financial Reporting Standards.
- Loans (appraisal value) refer to the item “Loans” as prescribed by the regulations issued by the OIC.

7. Financial results, analysis and ratios

In 2025, net profit rose by Baht 7 million, or 252%, compared with 2024, primarily due to higher gains from the sale of financial assets. This improvement also had a positive effect on the return on equity ratio, which increased from the prior year. Although the liquidity asset and asset-back ratios declined, both remained well above the required standard.

Financial Results

Unit: Million Baht

Description	As at December 31,	
	2025	(Restated) 2024
Insurance revenue	2	3
Insurance service result	(5)	(3)
Net investment income and insurance finance income	20	10
Others	3	3
Net Profit	10	3

Remarks:

- Insurance revenue is calculated from Insurance revenue from the insurance contracts measured under the General Measurement Model (GMM) + Insurance revenue from the insurance contracts measured under the Premium Allocation Approach (PAA).
- Insurance service result is calculated from Insurance revenue - Insurance service expenses - Net expenses (income) from reinsurance contracts held
- Net investment income and insurance finance income is calculated from Investment Income + Gains (Losses) from selling financial assets at fair value through profit or loss + Gains (Losses) from investment reclassification - Expected Credit Loss - Loss on impairment of financial assets + Fair value gains (losses) on financial instruments + Net insurance finance expenses (income)
- Others are calculated from Finance costs + Other operating expenses - Other revenue - Gains (Losses) from the settlement of property selling - Gains (Losses) on foreign exchange.
- Net profit is calculated from Insurance service result + Net investment income and insurance finance income - Others - Income tax expenses.
- Book Value refers to the value of assets and insurance contract liabilities as measured in accordance with Financial Reporting Standards. Its primary purpose is to enable investor to understand the economic value of insurance contract liabilities as recognised under generally accepted accounting principles in Thailand which the value must be certified by a licensed auditor.

Financial Ratios (%)

Ratios	2025	(Restated) 2024
Return on Comprehensive equity	2%	1%
Net Combined ratio	292%	202%
Liquidity	53046%	62448%
Asset back	201%	653%

Remarks:

- Book Value refers to the value of insurance contract liabilities as measured in accordance with Financial Reporting Standards
- Appraisal value refers to the assets and liabilities valued in accordance with the OIC Notification on the valuation of assets and liabilities of Non-Life Insurance Companies. The primary purpose of such valuation is to support the prudential supervision of the financial soundness of insurance companies and to ensure that they have sufficient capacity to fully meet benefit payments under insurance contracts to policyholders.
- The above ratios are calculated according to Early Warning System (EWS) as prescribed by OIC.

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

Unit: Million Baht

Capital Items	As at December 31,	
	2025	2024
Total Asset	509	487
Total Liabilities	17	14
- Insurance liabilities	3	1
- Other Liabilities	14	13
Total Head Office's Equity	492	473
Common Equity Tier 1 Ratio (%)	1,417	1,169
Tier 1 Ratio (%)	1,417	1,169
Capital Adequacy Ratio (%)	1,417	1,169
Total Capital Available	492	473
Total Capital Required	35	40

<u>Remarks:</u>

- According to the OIC's RBC capital valuation of Non-Life Insurance Companies, the Registrar may determine the necessary procedures to manage companies with a CAR below the supervisory CAR
- The above items use an appraisal value approach in accordance with the OIC notification about the appraisal value for assets and liabilities of Non-Life Insurance Company and the OIC notification on the classification and types of capital, including the criteria, methods, and conditions for calculating the capital of life insurance companies.
- Insurance contract liabilities are calculated by insurance reserve (before reinsurance) + others insurance payable.
- Other liabilities are calculated by liabilities/loans + reinsurance liabilities + deferred tax liabilities + income tax payable + provisions for employee benefits + other liabilities + derivatives + head's office current account balance.

AIA COMPANY LIMITED (NON-LIFE INSURANCE) THAILAND BRANCH

FINANCIAL STATEMENTS

31 DECEMBER 2025

Independent Auditor's Report

To the Executive Committee of AIA Company Limited

My opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of AIA Company Limited (Non-Life Insurance) Thailand Branch (the Branch) as at 31 December 2025, and its financial performance and its cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRS).

What I have audited

The Branch's financial statements comprise:

- the statement of financial position as at 31 December 2025;
- the statement of comprehensive income for the year then ended;
- the statement of changes in Head Office's equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include material accounting policies and other explanatory information.

Basis for opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Branch in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (TFAC Code) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the TFAC Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with TFRS, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Branch's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intends to liquidate the Branch or to cease operations, or has no realistic alternative but to do so.

The audit committee assists the directors in discharging their responsibilities for overseeing the Branch's financial reporting process.

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179/74-80 South Sathorn Road, Bangkok 10120
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Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the audit committee with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, actions taken to eliminate threats or safeguards applied.

PricewaterhouseCoopers ABAS Ltd.

Sinsiri Thangsombat
Certified Public Accountant (Thailand) No. 7352
Bangkok
13 March 2026

AIA Company Limited (Non-Life Insurance) Thailand Branch

Statement of Financial Position

As at 31 December 2025

	Notes	31 December 2025 Thousand Baht	(Restated) 31 December 2024 Thousand Baht	(Restated) 1 January 2024 Thousand Baht
Assets				
Cash and cash equivalents	6	3,530	17,483	5,406
Accrued investment income		2,747	2,804	2,332
Debt instrument - financial assets	7	497,593	-	-
Investment in securities	7	-	464,868	456,591
Amount due from related parties	20	117	11	63
Furniture, fixtures and equipments	8	-	-	-
Deferred tax assets	9	-	633	4,074
Other assets	10, 20	4,551	1,311	1,591
Total assets		508,538	487,110	470,057

Authorised signature ____________________________

Date ____________________________________

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

	Notes	31 December 2025 Thousand Baht	(Restated) 31 December 2024 Thousand Baht	(Restated) 1 January 2024 Thousand Baht
Liabilities and Head Office's equity				
Liabilities				
Insurance contract liabilities	11	3,501	1,414	1,148
Reinsurance contract liabilities	11	5	6	10
Amount due to related parties	20	88	82	78
Income tax payable		1,987	351	174
Provisions for employee benefits	12	7,269	6,755	6,045
Deferred tax liabilities	9	1,289	-	-
Other liabilities	13, 20	3,410	4,942	5,730
Total liabilities		17,549	13,550	13,185
Head Office's equity				
Funds from Head Office	14	140,308	140,308	140,308
Fair value gains on debt instrument - financial assets at fair value through other comprehensive income, net of tax		10,653	-	-
Fair value gains (losses) on investments measured at fair value through other comprehensive income, net of tax		-	2,579	(11,699)
Remeasurements of post-employment benefit obligations, net of tax		(2,450)	(2,256)	(1,957)
Branch's retained earnings				
Unappropriated		342,478	332,929	330,220
Total Head Office's equity		490,989	473,560	456,872
Total liabilities and Head Office's equity		508,538	487,110	470,057

Authorised signature ____________________

Date ____________________

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

AIA Company Limited (Non-Life Insurance) Thailand Branch

Statement of Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 Thousand Baht	(Restated) 2024 Thousand Baht
Insurance revenue	11	2,408	2,823
Insurance service expenses	11	(7,037)	(5,710)
Net income (expenses) from reinsurance contracts held	11	-	2
Insurance service result		(4,629)	(2,885)
Investment income	7	12,724	13,310
Gains from selling financial assets	7	6,722	-
Losses from selling investments	7	-	(3,714)
Net impairment losses on financial assets	17	(30)	(36)
Net investment income		19,416	9,560
Net finance income from reinsurance contracts held		-	-
Net insurance finance income		-	-
Net investment income and insurance finance income		19,416	9,560
Finance cost	13, 20	(43)	(60)
Other operating expenses	15, 20	(3,544)	(3,303)
Other revenue		736	-
Profit before income tax		11,936	3,312
Income tax expenses	18	2,387	603
Net profit		9,549	2,709

Authorised signature ______________________

Date ______________________

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

	Notes	2025 Thousand Baht	(Restated) 2024 Thousand Baht
Other comprehensive income (loss)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of post-employment benefit obligations	12, 19	(243)	(373)
Income tax relating to items that will not be reclassified subsequently to profit or loss		49	74
Total items that will not be reclassified subsequently to profit or loss		(194)	(299)
Items that will be reclassified subsequently to profit or loss			
Fair value gains on debt instrument - financial assets at fair value through other comprehensive income		16,785	-
Fair value gains on investments measured at fair value through other comprehensive income		-	14,097
Items in other comprehensive income transferred to profit or loss		(6,692)	3,750
Income tax relating to items that will be reclassified subsequently to profit or loss	9, 19	(2,019)	(3,569)
Total items that will be reclassified subsequently to profit or loss		8,074	14,278
Other comprehensive income for the year, net of tax		7,880	13,979
Total comprehensive income for the year		17,429	16,688

Authorised signature ______________________

Date ______________________________

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

AIA Company Limited (Non-Life Insurance) Thailand Branch
Statement of Changes in Head Office's Equity
For the year ended 31 December 2025

	Note	Funds from Head Office Thousand Baht	Fair value gains on debt instrument - financial assets at fair value through other comprehensive income, net of tax Thousand Baht	Fair value gains (losses) on investments measured at fair value through other comprehensive income, net of tax Thousand Baht	Remeasurements of post-employment benefit obligations, net of tax Thousand Baht	Unappropriated Branch's retained earnings Thousand Baht	Total Head Office's equity Thousand Baht
Beginning balance as at 1 January 2025		140,308	-	2,579	(2,256)	332,951	473,582
Retrospective adjustments from change in accounting policy		-	2,579	(2,579)	-	(22)	(22)
Beginning balance after adjustment		140,308	2,579	-	(2,256)	332,929	473,560
Net profit for the year		-	-	-	-	9,549	9,549
Remeasurements of post-employment benefit obligations		-	-	-	(194)	-	(194)
Fair value gains on debt instrument - financial assets at fair value through other comprehensive income		-	13,427	-	-	-	13,427
Items in other comprehensive income transferred to profit or loss		-	(5,353)	-	-	-	(5,353)
Ending balance as at 31 December 2025		140,308	10,653	-	(2,450)	342,478	490,989
Beginning balance as at 1 January 2024		140,308	-	(11,699)	(1,957)	330,231	456,883
Retrospective adjustments from change in accounting policy	21	-	-	-	-	(11)	(11)
Beginning balance after adjustment		140,308	-	(11,699)	(1,957)	330,220	456,872
Net profit for the year		-	-	-	-	2,709	2,709
Remeasurements of post-employment benefit obligations		-	-	-	(299)	-	(299)
Fair value gains on investments measured at fair value through other comprehensive income		-	-	11,278	-	-	11,278
Items in other comprehensive income transferred to profit or loss		-	-	3,000	-	-	3,000
Ending balance as at 31 December 2024		140,308	-	2,579	(2,256)	332,929	473,560

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Date ______________________________

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

	Note	2025 Thousand Baht	(Restated) 2024 Thousand Baht
Cash flows provided by (used in) operating activities			
Premium received from direct insurance	11	2,334	2,761
Premium paid for reinsurance	11	(1)	(4)
Recoveries from reinsurance	11	-	2
Interest income		13,702	11,472
Claims and other insurance service expenses paid	11	(4,692)	(5,152)
Insurance acquisition cash flows paid	11	(184)	(230)
Other operating expenses		(3,627)	(3,156)
Income tax expenses		(800)	(479)
Cash received from financial assets		508,838	-
Cash paid for financial assets		(529,200)	-
Cash received from investment in securities		-	157,774
Cash paid for investment in securities		-	(150,588)
Net cash provided by (used in) operating activities		(13,630)	12,400
Cash flows used in financing activities			
Lease liabilities		(323)	(323)
Net cash used in financing activities		(323)	(323)
Net increase (decrease) in cash and cash equivalents		(13,953)	12,077
Cash and cash equivalents at beginning of year		17,483	5,406
Cash and cash equivalents at end of year		3,530	17,483

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Date ____________________________________

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

1. General information

AIA Company Limited (Non-Life Insurance) Thailand Branch ("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 address of the Branch's registered office is AIA Tower 1, 8th Floor, 181 Surawongse Road, Suriyawongse District, Bangrak, Bangkok 10500.

The principal business operation of the Branch is to provide non-life insurance, personal accident and health insurance.

These financial statements have been approved by the Branch's management on 13 March 2026.

2. Material accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Thai Financial Reporting Standards ("TFRS"). In addition, the presentation of financial statements is based on the formats of non-life insurance financial statements attached in an Office of Insurance Commission's notification "Principle, methodology, condition and timing for preparation and submission of financial statements for non-life insurance company B.E. 2566" dated on 8 February 2023 ("OIC Notification").

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies.

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Branch's accounting policies. The areas involving a higher degree of judgement, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 5.

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

The accounting policies adopted are consistent with those of the previous financial year, except as described as follows:

a) New financial reporting standards that are effective for accounting year 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. 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 21.

- **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 year. Contracts are measured using general measurement model which comprises 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.

  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 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 21.

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.

- **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.

c) Amended financial reporting standard that is effective for accounting year beginning on or after 1 January 2026 which are relevant and has no material impact to the Branch.

The following amended TFRS was not mandatory for the current reporting year and the Branch has not early adopted them.

- **Amendments to TAS 21 The Effects of Changes in Foreign Exchange Rates** added requirements to help entities to determine whether a currency is exchangeable into another currency, and the spot exchange rate to use when it is not. Prior to these amendments, TAS 21 set out the exchange rate to use when exchangeability is temporarily lacking, but not what to do when lack of exchangeability is not temporary.

2.2 Foreign currency translation

a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Branch operates ('the functional currency'). The financial statements are presented in Baht, which is the Branch's functional and presentation currency.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss.

Any exchange component of gains and losses on a non-monetary item that recognised in profit or loss, or other comprehensive income is recognised following the recognition of a gain or loss on the non-monetary item.

2.3 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with banks and financial institutions without fixed maturity date, and other short-term highly liquid investments with maturity at acquisition of three months or less.

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 that all affected financial assets are reclassified at the beginning of the reporting year 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.

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.

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.

2.4.4 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.

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 has 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.

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 year 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.

2.5 Furniture, fixtures and equipment

Furniture, fixtures and equipment are stated at historical cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Branch.

All other repairs and maintenance are charged to profit or loss when incurred.

Depreciation is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Furniture, fixtures and equipment	5 years
Computer hardware	3 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each year.

Gains or losses on disposals are determined by comparing the proceeds from disposal with the carrying amount of the asset and are recognised in profit or loss.

2.6 Impairment of assets

Assets that have an indefinite useful life are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired. Assets that are subject to amortisation are reviewed for impairment whenever there is an indication of impairment. An impairment loss is recognised for the amount by which the carrying amount of the assets exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

2.7 Leases

Accounting for leases - where the Branch is the lessee

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Branch. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability for each year. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Contracts may contain both lease and non-lease components. The Branch allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate
- amounts expected to be payable by the lessee under residual value guarantees
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2.8 Insurance contracts and reinsurance contracts held

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

2.8.1 Insurance contracts 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. Once a contract has been classified as insurance or reinsurance contract, reclassification is not subsequently performed unless the terms of the agreement are later amended.

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

Policy type	Description of benefits payable	Basis of accounting for insurance contracts
Protection products	Benefits payable are not at the discretion of the insurer	The premium allocation approach simplification is applied to all insurance contracts as permitted.

2.8.2 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 services 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.

2.8.3 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.

2.8.4 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.

2.8.5 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.

2.8.6 Measurement - insurance contracts measured under the Premium Allocation Approach ("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 Liabilities for Remaining Coverage ("LRC") would not differ materially from the result of applying the accounting policies of contracts not measured under the PAA.

2.8.6.1 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 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.

2.8.6.2 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 Liabilities for Incurred Claims ("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.

2.8.7 Reinsurance contracts held measured under the Premium Allocation Approach ("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 contracts held.

2.8.8 Transition approaches

The Branch adopts retrospective approach at the TFRS 17 transition date which has immaterial impact to the Branch's retained earnings.

2.8.9 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.

2.8.10 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.

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.

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 are recognised as follows:

(a) 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.

(b) 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;
- Insurance acquisition cash flows;
- 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.

(c) Net expenses from reinsurance contracts held

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

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.

(d) 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). The Branch presents insurance finance income or expenses for all contracts in profit or loss.

2.9 Employee benefits

Annual leave

A provision is made for the estimated liability for unused leave as a result of services rendered by employees up to the date in statement of financial position.

Post-retirement benefit obligations

The Branch has established a provident fund that is a defined contribution plan, the assets of which are held in a separate trust fund. The provident fund is funded by payments from employees and the Branch. Contributions to the provident fund are charged to profit or loss.

The Branch provides for post-employment benefits under the Thai Labour Law and under an additional defined benefit plans. Such employee benefit provisions are calculated by an independent actuary on a regular basis.

Gains or losses on remeasurement of post-employment benefit obligations are recognised in other comprehensive income (loss).

Past-service costs from plan amendment are recognised immediately in profit or loss.

The management assesses the appropriate estimated of such provision on a regular basis.

2.10 Provisions

Provisions, excluding provisions for employee benefits, are recognised when the Branch has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. Where the Branch expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as finance cost.

2.11 Current and deferred income taxes

The income tax expense for the year comprises current and deferred income tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in Head Office's equity.

The current income tax charge is calculated on the basis of the tax laws enacted.

Deferred income tax is recognised, using the liability method, on temporary differences arising from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.12 Investment income

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective yield rate over the period to maturity.

2.13 Other income and expenses

Other income and expenses are recognised on an accrual basis.

3. Risk management

The Branch recognises the importance of sound risk management in every aspect of our business and for all our stakeholders. The Risk Management Framework (RMF) provides the structure for identifying, quantifying and mitigating risk which is following AIA Group's policies. An effective RMF is the key to avoiding the financial and reputational damage that arises from inadequate or ineffective control of the risks in the business. In addition, the Branch has established the enterprise risk management function for managing and monitoring the enterprise wide risks and also has established sub-committee among the Branch to manage specific risks which are Financial Risk Committee (FRC), Product Development Committee (PDC) and Operational Risk Committee (ORC) which directly report to the Branch's key management.

Insurance risk

Insurance risk is the risk arising from changes in claims experience as well as more general exposure relating to the acquisition and persistency of insurance business. This also includes changes to assumptions regarding future experience for these risks.

Lapse

Lapse risk is the risk policies lapse, on average, earlier than assumed in the pricing.

Ensuring customers buy products that meet their needs is central to AIA Group's Operating Philosophy. Through effective implementation of the Business Quality Framework, comprehensive sales training programmes and active monitoring of sales activities and persistency, the Branch seeks to ensure that appropriate products are sold by qualified sales representatives and that standards of service consistently meet our customers' needs.

Expenses

Expense risk is the risk of greater than expected trends in, or sudden shocks to, the amount or timing of expenses incurred by the business.

Daily operations follow a disciplined budgeting and control process that allows for the management of expenses based on the Branch's very substantial experience within the markets in which we operate.

Morbidity and mortality

Morbidity and mortality risk are the risk that the incidence and/or amounts of medical/death claims are higher than the assumptions made in pricing.

The Branch adheres to well-defined market-oriented underwriting and claims guidelines and practices that have been developed based on extensive historical experience.

The Branch's actuarial teams conduct regular experience studies of all the insurance risk factors in its in-force book. These internal studies together with external data are used to identify emerging trends which can then be used to inform product design, pricing, underwriting, claims management and reinsurance needs.

Through monitoring the development of both local and global trends in medical technology, health and wellness, the impact of legislation and general social, political and economic conditions the Branch seeks to anticipate and respond promptly to potential adverse experience impacts on its products.

Reinsurance is used to reduce concentration and volatility risk, especially with the large policies or new risks, and as protection against catastrophic events such as pandemics or natural disasters.

Sensitivity analysis on insurance risk

The table below sets out the sensitivity analysis in respect of insurance contracts and reinsurance contracts held to key variables affecting insurance risk exposures. This analysis assumes that all other variables remain constant. Information below presents the sensitivities both before and after risk mitigation by reinsurance, and illustrates the estimated impact on profits and total equity arising from a change in a single variable before taking into account the effects of taxation. The effects on these items are mainly as below:

- The effects on profit or loss are changes relating to loss components and changes in insurance finance income or expenses that are recognised in profit or loss.
- The effects on equity are the effects on profit and loss and the effects on other comprehensive income arising from changes in insurance finance income or expenses.

Sensitivity analysis before risk mitigation by reinsurance

31 December 2025	Impact on profit before tax Thousand Baht	Impact on total equity (before the effects of taxation) Thousand Baht
10% increase in attributable expenses	(213)	(213)
10% decrease in attributable expenses	213	213
10% increase in mortality/morbidity rates	(67)	(67)
10% decrease in mortality/morbidity rates	67	67
10% increase in lapse/discontinuance rates	-	-
10% decrease in lapse/discontinuance rates	-	-

31 December 2024 (Restated)	Impact on profit before tax Thousand Baht	Impact on total equity (before the effects of taxation) Thousand Baht
10% increase in attributable expenses	-	-
10% decrease in attributable expenses	-	-
10% increase in mortality/morbidity rates	-	-
10% decrease in mortality/morbidity rates	-	-
10% increase in lapse/discontinuance rates	-	-
10% decrease in lapse/discontinuance rates	-	-

Sensitivity analysis after risk mitigation by reinsurance

31 December 2025	Impact on profit before tax Thousand Baht	Impact on total equity (before the effects of taxation) Thousand Baht
10% increase in attributable expenses	(213)	(213)
10% decrease in attributable expenses	213	213
10% increase in mortality/morbidity rates	(67)	(67)
10% decrease in mortality/morbidity rates	67	67
10% increase in lapse/discontinuance rates	-	-
10% decrease in lapse/discontinuance rates	-	-

31 December 2024 (Restated)	Impact on profit before tax Thousand Baht	Impact on total equity (before the effects of taxation) Thousand Baht
10% increase in attributable expenses	-	-
10% decrease in attributable expenses	-	-
10% increase in mortality/morbidity rates	-	-
10% decrease in mortality/morbidity rates	-	-
10% increase in lapse/discontinuance rates	-	-
10% decrease in lapse/discontinuance rates	-	-

Credit risk

Credit risk is the risk that third parties fail to meet their obligations to the Branch when they fall due. Although the primary source of credit risk is the Branch's investment portfolio, such risk can also arise through reinsurance, procurement, and treasury activities.

The Branch credit risk is oversight by the Group's credit risk management and accountability by the Branch lines of defence. A key to AIA's credit risk management is adherence to a well-controlled underwriting process. The credit risk management starts with the assignment of an internal rating to all counterparties. A detailed analysis of each counterparty is performed, and a rating determined by the investment teams.

The Branch's Risk Management function manages the internal ratings framework and conducts periodic rating reviews. Measuring and monitoring of credit risk is an ongoing process and is designed to enable early identification of emerging risk.

The reported rating is mapped as follow:

External ratings		Internal ratings	Reported as
Standard and Poor's and Fitch	Moody's		
AAA	Aaa	1	AAA
AA+ to AA-	Aa1 to Aa3	2+ to 2-	AA
A+ to A-	A1 to A3	3+ to 3-	A
BBB+ to BBB-	Baa1 to Baa3	4+ to 4-	BBB
BB+ and below	Ba+ and below	5+ and below	Below investment grade

The following table sets out information about the credit quality of financial assets not measured at FVTPL.

Financial assets not measured at FVTPL

	2025 Thousand Baht	(Restated) 2024 Thousand Baht
Debt securities		
Government and state enterprise	260,753	146,662
BBB	95,352	164,284
Below investment grade	141,488	153,922
Total	497,593	464,868

As at 31 December 2025 and 2024, the Branch had no reinsurance contracts held exposed to credit risk.

Interest rate risk

The Branch's exposure to interest rate risk predominantly arises from any differences between the duration of the Branch's liabilities and assets.

AIA manages interest rate risk primarily on an economic basis to determine the durations of both assets and liabilities. Interest rate risk on solvency basis is also taken into consideration for business units where solvency regimes deviate from economic basis. Furthermore, for products with discretionary benefits, additional modelling of interest rate risk is performed to guide determination of appropriate management actions. Management also takes into consideration the asymmetrical impact of interest rate movements when evaluating products guarantees.

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below.

	Variable interest rate			Fixed interest rate			Non-interest		
	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	bearing Thousand Baht	Total Thousand Baht	Interest rate (% p.a)
As at 31 December 2025									
Financial assets									
Cash and cash equivalents	1,147	-	-	2,172	-	-	211	3,530	0.01%-0.20%
Accrued investment income	-	-	-	-	-	-	2,747	2,747	-
Debt instrument – financial assets	-	-	-	152,100	136,608	208,885	-	497,593	1.00%-4.72%
Amount due from related parties	-	-	-	-	-	-	117	117	-
Other assets (partial)	-	-	-	-	-	-	10	10	-
Total financial assets	1,147	-	-	154,272	136,608	208,885	3,085	503,997	-
Financial liabilities									
Amount due to related parties	-	-	-	-	-	-	88	88	-
Other liabilities (partial)	-	-	-	-	-	-	49	49	-
Total financial liabilities	-	-	-	-	-	-	137	137	-

	Variable interest rate			Fixed interest rate			Non-interest		
	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	bearing Thousand Baht	Total Thousand Baht	Interest rate (% p.a)
As at 31 December 2024									
Financial assets									
Cash and cash equivalents	1,121	-	-	16,159	-	-	203	17,483	0.01%-2.24%
Accrued investment income	-	-	-	-	-	-	2,804	2,804	-
Debt securities	-	-	-	31,666	238,267	194,935	-	464,868	1.25%-4.79%
Amount due from related parties	-	-	-	-	-	-	11	11	-
Other assets (partial)	-	-	-	-	-	-	10	10	-
Total financial assets	1,121	-	-	47,825	238,267	194,935	3,028	485,176	-
Financial liabilities									
Amount due to related parties	-	-	-	-	-	-	82	82	-
Other liabilities (partial)	-	-	-	-	-	-	59	59	-
Total financial liabilities	-	-	-	-	-	-	141	141	-

As at 31 December 2025 and 2024, the Branch had no insurance contracts issued or reinsurance contracts held exposed to interest rate risk.

Sensitivity

Profit or loss is sensitive to higher or lower interest income from cash and cash equivalents, financial instrument, part of other assets and other liabilities as a result of changes in interest rates. Other components of equity changes as a result of an increase or decrease in the fair value of financial instrument measured at fair value through other comprehensive income.

An analysis of the Branch's sensitivity to 50 basis points parallel increase or decrease in yield curves at the reporting date, assuming that all other variables remain constant, is presented below.

	2025		2024	
	Impact on profit before tax	Impact on total equity (before the effects of taxation)	Impact on profit before tax	Impact on total equity (before the effects of taxation)
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Increases 50 basis points shift in yield curves				
Financial instrument	-	(10,649)	-	(10,379)
	-	(10,649)	-	(10,379)
Decreases 50 basis points shift in yield curves				
Financial instrument	-	11,115	-	10,574
	-	11,115	-	10,574

Concentration risk

The greatest aggregate concentration of fair value to an individual issuer (excluding all government bonds) was approximately 5.87 per cent (2024: approximately 6.40 per cent) of the total debt investments as at 31 December 2025.

Liquidity risk

Liquidity risk is financing risk or the risk of difficulty in raising funds sufficiently and in time to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell financial asset quickly at close to its fair value.

Most part of the Branch financial assets is including cash, deposit at bank and investment in securities which are highly liquid and able to be sold quickly at close to their fair value when the Branch wishes to raise fund. The Branch also maintains the investment ratio of high liquidity assets.

The tables below analyse the maturity of financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. The time-to-maturity of significant financial assets is disclosed in Note 7.1.2.

	Within 1 month Thousand Baht	1 – 3 months Thousand Baht	3 – 12 months Thousand Baht	1 – 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht
As at 31 December 2025						
Other liabilities (partial)	2,319	-	-	-	-	2,319
Total financial liabilities	2,319	-	-	-	-	2,319
As at 31 December 2024						
Other liabilities (partial)	3,590	-	-	-	-	3,590
Total financial liabilities	3,590	-	-	-	-	3,590

The table below analyses the maturity of insurance and reinsurance contract liabilities.

	Within 1 year Thousand Baht	1 – 2 years Thousand Baht	2 – 3 years Thousand Baht	3 – 4 years Thousand Baht	4 – 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht
As at 31 December 2025							
Insurance contract liabilities	1,510	-	-	-	-	-	1,510
Reinsurance contract liabilities	5	-	-	-	-	-	5

	Within 1 year Thousand Baht	1 – 2 years Thousand Baht	2 – 3 years Thousand Baht	3 – 4 years Thousand Baht	4 – 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht
As at 31 December 2024 (Restated)							
Insurance contract liabilities	1,392	-	-	-	-	-	1,392
Reinsurance contract liabilities	6	-	-	-	-	-	6

Capital management

The Branch's objectives when managing capital are to safeguard the Branch's ability to continue as a going concern in order to meet policyholder liabilities whilst providing a return for Head Office and other stakeholders.

The Branch monitors its solvency capital in compliance with related regulations as announced by the Office of Insurance Commission under the Risk-Based Capital framework under Life Insurance Act B.E 2535 and amended by Non-Life Insurance Act No.2 B.E. 2551, No.3 B.E. 2558 and No.4 B.E. 2562 for the purpose of assessing the solvency capital requirement.

4. Fair value

4.1 Fair value estimation

The following table shows fair values and carrying amounts of financial assets and liabilities by category as at 31 December 2025 and 2024.

	Fair value through other comprehensive income (FVOCI) Thousand Baht	Amortised cost (AMC) Thousand Baht	Total carrying amount Thousand Baht	Fair value Thousand Baht
As at 31 December 2025				
Assets				
Financial assets measured at fair value				
Debt instrument – financial assets	497,593	-	497,593	497,593
Financial assets not measured at fair value				
Cash and cash equivalents	-	3,530	3,530	3,530
Total assets	497,593	3,530	501,123	501,123
Liabilities				
Financial liabilities not measured at fair value				
Lease liabilities	-	1,091	1,091	1,091
Total liabilities	-	1,091	1,091	1,091

	Fair value through other comprehensive income (FVOCI) Thousand Baht	Amortised cost (AMC) Thousand Baht	Total carrying amount Thousand Baht	Fair value Thousand Baht
As at 31 December 2024				
Assets				
Financial assets measured at fair value				
Investment in securities				
Investments measured at fair value through other comprehensive income				
Debt securities	464,868	-	464,868	464,868
Financial assets not measured at fair value				
Cash and cash equivalents	-	17,483	17,483	17,483
Total assets	464,868	17,483	482,351	482,351
Liabilities				
Financial liabilities not measured at fair value				
Lease liabilities	-	1,351	1,351	1,351
Total liabilities	-	1,351	1,351	1,351

The table below presents financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities, and the Branch is able to access that market on valuation date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observed for the asset or liability, either directly or indirectly.
- Level 3: Inputs for the asset or liability that are not based on observable market data.

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

	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
As at 31 December 2025				
Assets				
Financial assets				
Financial assets measured at fair value through other comprehensive income				
Debt securities	-	497,593	-	497,593
Total assets	-	497,593	-	497,593
As at 31 December 2024				
Assets				
Investment in securities				
Investments measured at fair value through other comprehensive income				
Debt securities	-	464,868	-	464,868
Total assets	-	464,868	-	464,868

Other financial instruments not carried at fair value are typically short-term in nature and reprice to current market rate frequently. Accordingly, their carrying amount is a reasonable approximation of fair value. This includes cash and cash equivalents, accrued investment income, amount due from related parties, other assets, amount due to related parties, and other liabilities.

The Branch has no transfer between levels during the year.

4.2 Valuation techniques used to derive Level 2 fair values

Level 2 marketable debt securities are fair valued based on quoted by reference to the yield curve of the Thai Bond Market Association at the statements of financial position date.

5. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed reasonable under the circumstances.

The Branch makes estimates and assumptions concerning the future events. The resulting of accounting estimates may differ from the related actual results. Items that are considered particularly sensitive to changes in estimates and assumptions, and the relevant accounting policies are outlined below.

5.1 Transition to TFRS 17

The Branch applied TFRS 17 for annual reporting year beginning on 1 January 2025. 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.

5.2 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.

5.3 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.

5.4 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.

6. Cash and cash equivalents

	2025 Thousand Baht	2024 Thousand Baht
Deposits with banks without fixed maturity date	3,530	2,483
Short-term investments	-	15,000
Total cash and cash equivalents	3,530	17,483

7. Financial assets/Investment in securities

	2025 Thousand Baht	2024 Thousand Baht
Debt instrument - financial assets	497,593	-
Investments measured at fair value through other comprehensive income	-	464,868
Total	497,593	464,868

The Branch had revenue (expense) recognised relating to financial assets and investment in securities during the year as follows:

	2025 Thousand Baht	2024 Thousand Baht
Interest income from financial assets	12,724	-
Consideration received from selling financial assets	396,795	-
Gains from selling financial assets	6,722	-
Interest income from investments	-	13,310
Consideration received from selling investments	-	157,774
Losses from selling investments	-	(3,714)

As at 31 December 2025, the Branch had government bonds deposited with the Office of Insurance Commission in order to comply with the Non-Life Insurance Act with a fair value amounting to Baht 5.09 million (31 December 2024: Baht 8.66 million).

7.1 Debt instrument - financial assets

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

	2025	
	Cost/ Amortised cost Thousand Baht	Fair value Thousand Baht
Debt securities measured at fair value through other comprehensive income		
Government and state enterprise securities	258,539	260,753
Private enterprise debt securities	225,936	236,840
Add Unrealised gains	13,118	-
Total debt securities measured at fair value through other comprehensive income	497,593	497,593
Total debt instrument - financial assets	497,593	497,593

7.1.2 The maturity of debt securities

The details of debt securities measured at fair value through other comprehensive income are aged as follows:

	2025			
	Maturing within			
	1 year Thousand Baht	1 – 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht
Debt securities measured at fair value through other comprehensive income				
Government and state enterprise securities	122,007	61,036	75,496	258,539
Private enterprise debt securities	30,000	73,719	122,217	225,936
Total	152,007	134,755	197,713	484,475
Add Unrealised gains	93	1,852	11,173	13,118
Total debt securities measured at fair value through other comprehensive income	152,100	136,607	208,886	497,593
Total debt securities	152,100	136,607	208,886	497,593

7.1.3 Classified by stage of credit risk of debt securities as at 31 December 2025

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

	2025	
	Fair value Thousand Baht	Expected credit loss recognised in other comprehensive income Thousand Baht
Debt securities which credit risk has not significantly increased (Stage 1)	497,593	199
Total	497,593	199

Expected credit loss

The reconciliation of expected credit loss for debt securities that are measured at fair value through other comprehensive income for the year ended 31 December 2025 is as follows:

	Expected credit loss measured at amount equal to			
	12 months expected credit losses Thousand Baht	Lifetime Expected credit losses Thousand Baht	Lifetime expected credit losses (credit-impaired investments) Thousand Baht	Total Thousand Baht
As of 1 January 2025	254	-	-	254
Movement from stage change	-	-	-	-
Increase in loss allowance recognised in profit or loss during the year	30	-	-	30
Disposed and matured during the year	(85)	-	-	(85)
As of 31 December 2025	199	-	-	199

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

	2024	
	Cost/ Amortised cost Thousand Baht	Fair value Thousand Baht
Investments measured at fair value through other comprehensive income		
Government and state enterprise securities	146,907	146,662
Private enterprise debt securities	314,991	318,206
Total	461,898	464,868
Add Unrealised gains	2,970	-
Total investments measured at fair value through other comprehensive income	464,868	464,868
Total investment in securities	464,868	464,868

7.2.1 The maturity of debt securities

The details of debt securities measured at fair value through other comprehensive income are aged as follows:

	2024			
	Maturing within			
	1 year Thousand Baht	1 – 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht
Debt securities measured at fair value through other comprehensive income				
Government and state enterprise securities	10,626	91,134	45,147	146,907
Private enterprise debt securities	20,997	149,909	144,085	314,991
Total	31,623	241,043	189,232	461,898
Add (Less) Unrealised gains (losses)	43	(2,776)	5,703	2,970
Total debt securities measured at fair value through other comprehensive income	31,666	238,267	194,935	464,868
Total debt securities	31,666	238,267	194,935	464,868

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

	2024	
	Fair value Thousand Baht	Expected credit loss recognised in other comprehensive income Thousand Baht
Investment in debt securities which credit risk has not significantly increased (Stage 1)	464,868	254
Total	464,868	254

Expected credit loss

The reconciliation of expected credit loss for debt securities that are measured at fair value through other comprehensive income for the year ended 31 December 2024 is as follows:

	Expected credit loss measured at amount equal to			
	12 months expected credit losses Thousand Baht	Lifetime Expected credit losses Thousand Baht	Lifetime expected credit losses (credit-impaired investments) Thousand Baht	Total Thousand Baht
As of 1 January 2024	218	-	-	218
Movement from stage change	-	-	-	-
Increase in loss allowance recognised in profit or loss during the year	38	-	-	38
Disposed and matured during the year	(2)	-	-	(2)
As of 31 December 2024	254	-	-	254

8. Furniture, fixtures and equipments

	2025								
	Cost				Accumulated depreciation				
	Beginning balance 1 January 2025 Thousand Baht	For the year: Additions Thousand Baht	For the year: Disposals/ Write-offs Thousand Baht	Ending balance 31 December 2025 Thousand Baht	Beginning balance 1 January 2025 Thousand Baht	For the year: Depreciation Thousand Baht	For the year: Disposals/ Write-offs Thousand Baht	Ending balance 31 December 2025 Thousand Baht	Furniture, fixtures and equipments Thousand Baht
Furniture, fixtures and equipments	247	-	-	247	247	-	-	247	-
Computers	4,410	-	-	4,410	4,410	-	-	4,410	-
Total	4,657	-	-	4,657	4,657	-	-	4,657	-

	2024								
	Cost				Accumulated depreciation				
	Beginning balance 1 January 2024 Thousand Baht	For the year: Additions Thousand Baht	For the year: Disposals/ Write-offs Thousand Baht	Ending balance 31 December 2024 Thousand Baht	Beginning balance 1 January 2024 Thousand Baht	For the year: Depreciation Thousand Baht	For the year: Disposals/ Write-offs Thousand Baht	Ending balance 31 December 2024 Thousand Baht	Furniture, fixtures and equipments Thousand Baht
Furniture, fixtures and equipments	3,099	-	(2,852)	247	3,099	-	(2,852)	247	-
Computers	4,410	-	-	4,410	4,410	-	-	4,410	-
Total	7,509	-	(2,852)	4,657	7,509	-	(2,852)	4,657	-

9. Deferred tax assets (liabilities)

The movement in deferred tax assets and liabilities during the year is as follows:

	(Restated) Net deferred tax assets/ (liabilities) at 1 January 2025 Thousand Baht	Effect of changes in accounting policy Thousand Baht	(Restated) Net deferred tax assets/ (liabilities) at 1 January 2025 Thousand Baht	Credited/ (charged) to profit or loss Thousand Baht	Credited/ (charged) to Head Office's Equity Thousand Baht	Net deferred tax assets/ (liabilities) at 31 December 2025 Thousand Baht
For the year ended						
Revaluation of financial instruments	(594)	-	(594)	(11)	(2,019)	(2,624)
Insurance and reinsurance contract assets (liabilities)	23	-	23	(6)	-	17
Provision of expenses	1,195	-	1,195	62	49	1,306
Other	9	-	9	3	-	12
Total	633	-	633	48	(1,970)	(1,289)

	(As previously reported) Net deferred tax assets/ (liabilities) at 1 January 2024 Thousand Baht	Effect of changes in accounting policy Thousand Baht	(Restated) Net deferred tax assets/ (liabilities) at 1 January 2024 Thousand Baht	Credited/ (charged) to profit or loss Thousand Baht	Credited/ (charged) to Head Office's Equity Thousand Baht	(Restated) Net deferred tax assets/ (liabilities) at 31 December 2024 Thousand Baht
For the year ended						
Revaluation of investments	2,968	-	2,968	7	(3,569)	(594)
Insurance and reinsurance contract assets (liabilities)	21	1	22	1	-	23
Provision of expenses	1,077	-	1,077	44	74	1,195
Other	7	-	7	2	-	9
Total	4,073	1	4,074	54	(3,495)	633

10. Other assets

	2025 Thousand Baht	2024 Thousand Baht
Deposits	10	10
Receivable from maturity of financial asset	3,500	-
Right-of-use assets (Note 20 (b))	1,027	1,289
Others	14	12
Total	4,551	1,311

10.1 Right-of-use assets

	2025							
	Cost				Accumulated amortisation			
	Beginning balance 1 January 2025 Thousand Baht	For the year: Addition Thousand Baht	For the year: Change in contract Thousand Baht	Ending balance 31 December 2025 Thousand Baht	Beginning balance 1 January 2025 Thousand Baht	For the year: Amortisation charge Thousand Baht	Ending balance 31 December 2025 Thousand Baht	Right-of-use assets Thousand Baht
Buildings and improvements	2,745	21	-	2,766	1,456	283	1,739	1,027
Total	2,745	21	-	2,766	1,456	283	1,739	1,027

	2024							
	Cost				Accumulated amortisation			
	Beginning balance 1 January 2024 Thousand Baht	For the year: Addition Thousand Baht	For the year: Change in contract Thousand Baht	Ending balance 31 December 2024 Thousand Baht	Beginning balance 1 January 2024 Thousand Baht	For the year: Amortisation charge Thousand Baht	Ending balance 31 December 2024 Thousand Baht	Right-of-use assets Thousand Baht
Buildings and improvements	2,747	-	(2)	2,745	1,178	278	1,456	1,289
Total	2,747	-	(2)	2,745	1,178	278	1,456	1,289

The related lease liabilities are disclosed in Note 13.1.

For the year ended 31 December 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.

11. Insurance contracts or reinsurance contracts held

11.1 Insurance revenue

	2025 Thousand Baht	2024 Thousand Baht
Contracts measured under the PAA	2,408	2,823
Total insurance revenue	2,408	2,823

11.2 Insurance service expenses

	2025 Thousand Baht	2024 Thousand Baht
Claims and benefits	74	742
Losses on onerous insurance contracts	1,987	-
Other insurance service expenses	4,797	4,744
Insurance acquisition cash flows recognised in profit or loss for the year	179	224
Total insurance service expenses	7,037	5,710
Insurance service expenses represented by:		
– Contracts measured under the PAA	7,037	5,710
Total insurance service expenses	7,037	5,710

11.3 Movement in carrying amounts

The following reconciliations show how the net carrying amounts of insurance contracts and reinsurance contracts held changed during the year as a result of cash flows and amounts recognised in the income statement and 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 income statement and statement of comprehensive income.

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

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

	2025				
					Thousand Baht
	Liabilities for remaining coverage		Liabilities for incurred claims		
Insurance contracts issued	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening liabilities	642	-	750	22	1,414
Opening assets	-	-	-	-	-
Net opening balance	642	-	750	22	1,414
Insurance revenue	(2,408)	-	-	-	(2,408)
Insurance service expenses					
Incurred claims and other insurance service expenses	-	-	5,154	4	5,158
Losses and reversal of losses on onerous contracts	-	1,987	-	-	1,987
Insurance acquisition cash flows deferred for the year	179	-	-	-	179
Insurance acquisition cash flows recognised in profit or loss for the year	(179)	-	-	-	(179)
Adjustments to liabilities for incurred claims	-	-	(265)	(22)	(287)
Total insurance service expenses	-	1,987	4,889	(18)	6,858
Insurance service result	(2,408)	1,987	4,889	(18)	4,450
Total changes in the statement of comprehensive income	(2,408)	1,987	4,889	(18)	4,450
Cash flows					
Premium received from direct insurance	2,334	-	-	-	2,334
Claims and other insurance service expenses paid	-	-	(4,692)	-	(4,692)
Insurance acquisition cash flows paid	(184)	-	-	-	(184)
Total cash flows	2,150	-	(4,692)	-	(2,542)
Adjusted for insurance acquisition cash flows recognised in profit or loss as expenses	179	-	-	-	179
Net closing balance	563	1,987	947	4	3,501
Closing liabilities	563	1,987	947	4	3,501
Closing assets	-	-	-	-	-
Net closing balance	563	1,987	947	4	3,501

2024 (Restated)

Thousand Baht

Insurance contracts issued	Liabilities for remaining coverage: Excluding loss component	Liabilities for remaining coverage: Loss component	Liabilities for incurred claims: Estimates of present value of future cash flows	Liabilities for incurred claims: Risk adjustment for non-financial risk	Total
Opening liabilities	710	-	434	4	1,148
Opening assets	-	-	-	-	-
Net opening balance	710	-	434	4	1,148
Insurance revenue	(2,823)	-	-	-	(2,823)
Insurance service expenses					
Incurred claims and other insurance service expenses	-	-	5,558	22	5,580
Insurance acquisition cash flows deferred for the year	224	-	-	-	224
Insurance acquisition cash flows recognised in profit or loss for the year	(224)	-	-	-	(224)
Adjustments to liabilities for incurred claims	-	-	(90)	(4)	(94)
Total insurance service expenses	-	-	5,468	18	5,486
Insurance service result	(2,823)	-	5,468	18	2,663
Total changes in the statement of comprehensive income	(2,823)	-	5,468	18	2,663
Cash flows					
Premium received from direct insurance	2,761	-	-	-	2,761
Claims and other insurance service expenses paid	-	-	(5,152)	-	(5,152)
Insurance acquisition cash flows paid	(230)	-	-	-	(230)
Total cash flows	2,531	-	(5,152)	-	(2,621)
Adjusted for insurance acquisition cash flows recognised in profit or loss as expenses	224	-	-	-	224
Net closing balance	642	-	750	22	1,414
Closing liabilities	642	-	750	22	1,414
Closing assets	-	-	-	-	-
Net closing balance	642	-	750	22	1,414

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

	2025				
					Thousand Baht
	Asset for remaining coverage		Asset for incurred claims		
Reinsurance contracts held	Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening liabilities	1	-	(7)	-	(6)
Opening assets	-	-	-	-	-
Net opening balance	1	-	(7)	-	(6)
Changes in the income statement and statement of comprehensive income					
Net expenses from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)	-	-	-	-	-
Net expenses from reinsurance contracts held	-	-	-	-	-
Net finance income from reinsurance contracts	-	-	-	-	-
Total changes in the statement of comprehensive income	-	-	-	-	-
Cash flows					
Premium paid for reinsurance	1	-	-	-	1
Total cash flows	1	-	-	-	1
Net closing balance	2	-	(7)	-	(5)
Closing liabilities	2	-	(7)	-	(5)
Closing assets	-	-	-	-	-
Net closing balance	2	-	(7)	-	(5)

2024 (Restated)

Thousand Baht

Reinsurance contracts held	Asset for remaining coverage		Asset for incurred claims		
	Excluding loss-recovery component	Loss-recovery component	Estimates of present value of future cash flows	Risk adjustment for non-financial risk	Total
Opening liabilities	(10)	-	-	-	(10)
Opening assets	-	-	-	-	-
Net opening balance	(10)	-	-	-	(10)
Changes in the income statement and statement of comprehensive income					
Net expenses from reinsurance contracts held (excluding effect of changes in non-performance risk of reinsurers)	7	-	(5)	-	2
Net income (expenses) from reinsurance contracts held	7	-	(5)	-	2
Net finance income from reinsurance contracts	-	-	-	-	-
Total changes in the statement of comprehensive income	7	-	(5)	-	2
Cash flows					
Premium paid for reinsurance	4	-	-	-	4
Recoveries from reinsurance	-	-	(2)	-	(2)
Total cash flows	4	-	(2)	-	2
Net closing balance	1	-	(7)	-	(6)
Closing liabilities	1	-	(7)	-	(6)
Closing assets	-	-	-	-	-
Net closing balance	1	-	(7)	-	(6)

11.4 Claim development table

11.4.1 Claim development table before reinsurance

	2025					
	Incident Year					
	2021 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2024 Thousand Baht	2025 Thousand Baht	Total Thousand Baht
Reported Year						
Estimated claims:						
- At the end of the year	543	2,404	1,074	935	125	
- After 1 year	1,094	2,422	1,082	960	-	
- After 2 years	1,094	2,422	1,082	-	-	
- After 3 years	1,094	2,422	-	-	-	
- After 4 years	1,094	-	-	-	-	
Absolute estimated claims	1,094	2,422	1,082	960	125	5,683
Cumulative claims paid	1,094	2,422	1,082	960	63	5,621
Cumulative claims liabilities – incident years from 2021 to 2025	-	-	-	-	62	62
Adjustment for risk adjustment for non-financial risk						4
Directly attributable expense related to claims						885
Total liability for incurred claims for the contracts originated						951

11.4.2 Claim development table after reinsurance

	2025					
	Incident Year					
	2021 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2024 Thousand Baht	2025 Thousand Baht	Total Thousand Baht
Reported Year						
Estimated claims:						
- At the end of the year	543	2,404	1,074	935	125	
- After 1 year	1,094	2,422	1,082	960	-	
- After 2 years	1,094	2,422	1,082	-	-	
- After 3 years	1,094	2,422	-	-	-	
- After 4 years	1,094	-	-	-	-	
Absolute estimated claims	1,094	2,422	1,082	960	125	5,683
Cumulative net claims paid	1,094	2,422	1,082	960	63	5,621
Net cumulative claims liabilities – incident years from 2021 to 2025	-	-	-	-	62	62
Adjustment for risk adjustment for non-financial risk						4
Directly attributable expense related to claims						885
Total net liability for incurred claims for the contracts originated						951

12. Provisions for employee benefits

	2025 Thousand Baht	2024 Thousand Baht
Short-term employee benefits	882	898
Long-term employee benefits	6,387	5,857
	7,269	6,755

12.1 Long-term employee benefits

The long-term employee benefits comprise of provision for severances benefit under Thai Labour Protection Act. All of them are unfunded obligations. The amounts recognised in the statements of financial position are as follows:

	2025 Thousand Baht	2024 Thousand Baht
Present value of employee benefits obligations	6,387	5,857
	6,387	5,857

The amounts recognised in profit or loss are as follows:

	2025 Thousand Baht	2024 Thousand Baht
Current service costs	137	131
Interest costs	150	156
	287	287

Changes in the present value of the long-term employee benefits are as follows:

	2025 Thousand Baht	2024 Thousand Baht
Beginning of the year	5,857	5,196
Current service costs	137	131
Interest costs	150	157
Remeasurements of long-term employee benefits	243	373
Ending of the year	6,387	5,857

Principal actuarial assumptions as at 31 December as follows:

	2025	2024
Discount rate	1.50% - 2.50%	2.25% - 2.75%
Future salary increases	6.00%	6.00%
Mortality assumption	80% Mortality 2017	80% Mortality 2017

	Impact on defined benefit obligation		
	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.25%	Decrease by 3%	Increase by 3%
Salary growth rate	0.25%	Increase by 0.4%	Decrease by 0.4%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

The weighted average duration of the defined benefit obligation is 11 years.

Expected maturity analysis of undiscounted retirement benefits:

	Less than a year Thousand Baht	Between 1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht
At 31 December 2025				
Retirement benefits	1,841	351	6,441	8,633
Total	1,841	351	6,441	8,633
At 31 December 2024				
Retirement benefits	33	1,945	6,427	8,405
Total	33	1,945	6,427	8,405

12.2 Provident fund

The Branch and its employees have jointly established a provident fund scheme under the Provident Fund Act B.E. 2530 whereby contributions are made by both the employees and the Branch. The fund is managed by an authorised fund manager and will be paid to the employees upon retirement or cessation of employment in accordance with the rules of the fund. For the year ended 31 December 2025, Baht 392,625 (2024: Baht 377,615) has been contributed to the fund by the Branch which was presented in the statement of comprehensive income.

13. Other liabilities

	2025 Thousand Baht	(Restated) 2024 Thousand Baht
Other payables	2,221	3,492
Sundry liabilities	-	4
Unpresented cheques payable	36	42
Account payable for agents	13	17
Withholding tax and VAT payable	39	26
Lease liabilities (Note 20 (b))	1,091	1,351
Others	10	10
Total	3,410	4,942

13.1 Lease liabilities

The maturity analysis of lease liabilities is aged as follows:

	2025 Thousand Baht	2024 Thousand Baht
Maturing		
Within 1 year	291	274
Between 1 to 5 years	800	1,077
Later than 5 years	-	-
Total	1,091	1,351
Including: - Principal	1,158	1,478
- Interest	(67)	(127)

For the year ended 31 December 2025, interest expense on lease liabilities amounted to Baht 42,707 (31 December 2024: amounted to Baht 59,686) is recorded as "Finance cost" in the statement of comprehensive income.

14. Funds from Head Office

Funds from Head Office represent financing provided by the Head Office. This financing was provided through the transfer of net assets from AIA Company Limited when the non-life branch was formed under the requirement of the Non-life Insurance Act B.E. 2535.

15. Other operating expenses

	2025 Thousand Baht	(Restated) 2024 Thousand Baht
Employee expenses	5,062	4,866
Property and equipment expenses	417	413
Tax expenses	29	20
Service fee	893	885
Others	679	600
Expenses attributable to insurance contracts	(3,536)	(3,481)
Total	3,544	3,303

16. Employee benefit expenses

	2025 Thousand Baht	2024 Thousand Baht
Salary, overtime and bonus	4,151	4,101
Provident fund	393	378
Social security fund	28	28
Contribution to long-term employee benefits	287	287
Other employee benefit expenses	203	72
Total	5,062	4,866

17. Net impairment losses on financial assets

	2025 Thousand Baht	2024 Thousand Baht
Financial assets	(30)	-
Investment in securities	-	(36)
Total	(30)	(36)

18. Income tax expenses

	2025 Thousand Baht	2024 Thousand Baht
Current income tax on profits for the year	2,435	657
Deferred income tax on temporary differences (Note 9)	(48)	(54)
Total income tax expense	2,387	603

Income tax rate used for 2025 is 20% (2024: 20%)

The effective tax rate for 2025 is 20% (2024: 18.21%).

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 year ended 31 December 2025.

19. Tax effect from other comprehensive income

	2025			(Restated) 2024		
	Before tax Thousand Baht	Tax benefit (expense) Thousand Baht	Net of tax Thousand Baht	Before tax Thousand Baht	Tax benefit (expense) Thousand Baht	Net of tax Thousand Baht
Fair value gains on debt instrument - financial assets measured at fair value through other comprehensive income	10,093	(2,019)	8,074	-	-	-
Fair value gains on investments measured at fair value through other comprehensive income	-	-	-	17,847	(3,569)	14,278
Remeasurements of post-employment benefit obligations	(243)	49	(194)	(373)	74	(299)
Total	9,850	(1,970)	7,880	17,474	(3,495)	13,979

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

	2025 Thousand Baht	2024 Thousand Baht
Affiliated companies		
Other operating expenses:		
Employee expenses	189	8
Property and equipment expenses	456	454
Service fees	893	885
Others	1	-
Investment expenses	960	910
Finance cost	43	60

(b) Statement of financial position

	2025 Thousand Baht	2024 Thousand Baht
Affiliated companies		
Amount due from related parties	117	11
Other assets	1,027	1,289
Amount due to related parties	88	82
Other liabilities	1,091	1,351

(c) Key management compensations

Key management personnel are those people having authority and responsibility for planning, directing and controlling the activities of the Branch. There are no such personnel employed directly by the Branch. These activities are determined by Head Office.

21. 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 Head Office's equity as at 1 January 2024.

	As at 31 December 2023 (As previously reported) Thousand Baht	Impact upon initial adoption of TFRS 17 Thousand Baht	As at 1 January 2024 (As restated) Thousand Baht
Head Office's Equity			
Branch's retained earnings	330,231	(11)	330,220

The Branch has adopted the financial reporting standard related to financial instruments (TFRS 9) on 1 January 2025. The adoption has no impact on Head Office's equity.

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 and reinsurance contracts held.

The Branch applies the premium allocation approach to simplify the measurement of insurance 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.

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 2.8.

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;
- derecognised previously reported balances that would not have existed if TFRS 17 had always been applied. These included insurance receivables and payables, 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; and
- recognised any resulting net difference in Head Office's equity.

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.

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 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.

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.

Effect of initial adoption

Classification of financial assets and financial liabilities

The Branch's accounting policies on the classification of financial instruments under TFRS 9 are set out in Note 2.4. The following table shows the original measurement category, 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 Thousand Baht
Financial assets			
Cash and cash equivalents	Amortised cost	Amortised cost	17,483
Accrued investment income	Amortised cost	Amortised cost	2,804
Debt securities	FVOCI	FVOCI	464,868
Amount due from related parties	Amortised cost	Amortised cost	11
Other assets (partial)	Amortised cost	Amortised cost	10
Total financial assets			485,176
Financial liabilities			
Amount due to related parties	Amortised cost	Amortised cost	82
Other liabilities (partial)	Amortised cost	Amortised cost	59
Total financial liabilities			141