



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

Part 1: To certify correctness of disclosure

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

Signature.....
Name.....Nikhil Ashvani Advani.....
Position.....Chief Executive Officer.....
Disclosure on.....29...August..2025.....
Information for the Quarter..2..Year 2025.....



Capital Adequacy

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

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

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

The 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

| Description | Quarter 1 | | Quarter 2 | | Quarter 3 | |
|--------------------------------|-----------|-------|-----------|-------|-----------|-------|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Common Equity Tier 1 Ratio (%) | 1,104 | 1,421 | 1,382 | 1,411 | XXX | 1,175 |
| Tier 1 Ratio (%) | 1,104 | 1,421 | 1,382 | 1,411 | XXX | 1,175 |
| Capital Adequacy Ratio (%) | 1,104 | 1,421 | 1,382 | 1,411 | XXX | 1,175 |
| Total Capital Available | 482 | 456 | 488 | 460 | XXX | 467 |
| Total Capital Required | 44 | 32 | 35 | 33 | XXX | 40 |

- Remarks:**
- 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 a Fair Value approach according to the OIC's Notification on the Valuation of Assets and Liabilities of Non-Life Insurance Companies and RBC capital is valued according to the OIC's Notification on the Valuation of Assets and Liabilities of Non-Life Insurance Companies
 - Quarter 2 is 6-month accumulated operating results and Quarter 3 is 9-month accumulated operating results.



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 (Director & 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 (Director & Chief Actuary)

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) Shulamite N K Khoo (Independent Non-Executive Director)
- 4) 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)

AIA COMPANY LIMITED (NON-LIFE INSURANCE) THAILAND BRANCH

INTERIM FINANCIAL INFORMATION (UNAUDITED)

30 JUNE 2025



AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Executive Committee of AIA Company Limited

I have reviewed the interim financial information of AIA Company Limited (Non-Life Insurance) Thailand Branch, which comprises the statement of financial position as at 30 June 2025, the related statements of comprehensive income for the three-month and six-month periods then ended, changes in Head Office's equity and cash flows for the six-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

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

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

AIA Company Limited (Non-Life Insurance) Thailand Branch
Statement of Financial Position
As at 30 June 2025

| | | (Unaudited) | (Audited and Restated) | (Audited and Restated) |
|------------------------------------|-------|----------------|------------------------|------------------------|
| | | 30 June | 31 December | 1 January |
| | | 2025 | 2024 | 2024 |
| | | Thousand | Thousand | Thousand |
| | Notes | Baht | Baht | Baht |
| Assets | | | | |
| Cash and cash equivalents | 5 | 2,145 | 17,483 | 5,406 |
| Accrued investment income | | 3,208 | 2,804 | 2,332 |
| Debt instrument - financial assets | 6 | 495,925 | - | - |
| Investment in securities | 6 | - | 464,868 | 456,591 |
| Amount due from related parties | 15 | - | 11 | 63 |
| Furniture, fixtures and equipments | 7 | - | - | - |
| Deferred tax assets | | - | 633 | 4,074 |
| Other assets | 8, 15 | 1,189 | 1,311 | 1,591 |
| Total assets | | 502,467 | 487,110 | 470,057 |

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Date _____

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

AIA Company Limited (Non-Life Insurance) Thailand Branch

Statement of Financial Position (Cont'd)

As at 30 June 2025

| | | (Unaudited) | (Audited and Restated) | (Audited and Restated) |
|--|--------|----------------|------------------------|------------------------|
| | | 30 June | 31 December | 1 January |
| | | 2025 | 2024 | 2024 |
| | | Thousand | Thousand | Thousand |
| Notes | Baht | Baht | Baht | Baht |
| Liabilities and Head Office's equity | | | | |
| Liabilities | | | | |
| Insurance contract liabilities | 9 | 1,897 | 1,414 | 1,148 |
| Reinsurance contract liabilities | 9 | 5 | 6 | 10 |
| Amount due to related parties | 15 | 74 | 82 | 78 |
| Income tax payable | | 1,151 | 351 | 174 |
| Provisions for employee benefits | | 6,504 | 6,755 | 6,045 |
| Deferred tax liabilities | | 1,513 | - | - |
| Other liabilities | 10, 15 | 4,154 | 4,942 | 5,730 |
| Total liabilities | | 15,298 | 13,550 | 13,185 |
| Head Office's equity | | | | |
| Funds from Head Office | 11 | 140,308 | 140,308 | 140,308 |
| Fair value gains on debt instrument | | | | |
| - financial assets at fair value through other comprehensive income, net of tax | | 11,230 | - | - |
| 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 | | (2,256) | (2,256) | (1,957) |
| Branch's retained earnings | | | | |
| Unappropriated | | 337,887 | 332,929 | 330,220 |
| Total Head Office's equity | | 487,169 | 473,560 | 456,872 |
| Total liabilities and Head Office's equity | | 502,467 | 487,110 | 470,057 |

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

AIA Company Limited (Non-Life Insurance) Thailand Branch
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 30 June 2025

| | | (Unaudited) 2025 Thousand Baht | (Restated) 2024 Thousand Baht |
|--|--------|---|--|
| | Notes | | |
| Insurance revenue | 9 | 622 | 748 |
| Insurance service expenses | 9 | (1,969) | (1,068) |
| Net income (expenses) from reinsurance contracts held | 9 | - | 27 |
| Insurance service result | | (1,347) | (293) |
| Investment income | 6 | 3,104 | 4,748 |
| Gains (losses) from selling financial assets | 6 | 3,099 | (69) |
| Net impairment gains (losses) on financial assets | 13 | (48) | 15 |
| Net investment income | | 6,155 | 4,694 |
| Net finance expenses (income) from reinsurance contracts held | | - | - |
| Net insurance finance expenses (income) | | - | - |
| Net investment income and insurance finance expenses (income) | | 6,155 | 4,694 |
| Finance cost | 10, 15 | (11) | (15) |
| Other operating expenses | 12, 15 | (890) | (743) |
| Other revenue | | 300 | - |
| Profit before income tax | | 4,207 | 3,643 |
| Income tax expenses | 14 | 832 | 698 |
| Net profit for the period | | 3,375 | 2,945 |

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

AIA Company Limited (Non-Life Insurance) Thailand Branch
Statement of Comprehensive Income (Unaudited) (Cont'd)
For the three-month period ended 30 June 2025

| | (Unaudited) 2025 Thousand Baht | (Restated) 2024 Thousand Baht |
|--|---|--|
| Other comprehensive income (loss) | | |
| <u>Items that will be reclassified subsequently to profit or loss</u> | | |
| Fair value gains on debt instrument - financial assets at fair value through other comprehensive income | 6,564 | - |
| Fair value gains on investments measured at fair value through other comprehensive income | - | 1,826 |
| Items in other comprehensive income transferred to profit or loss | (3,051) | 54 |
| Income tax relating to items that will be reclassified subsequently to profit or loss | (703) | (376) |
| Total items that will be reclassified subsequently to profit or loss | 2,810 | 1,504 |
| Other comprehensive income for the period, net of tax | 2,810 | 1,504 |
| Total comprehensive income for the period | 6,185 | 4,449 |

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AIA Company Limited (Non-Life Insurance) Thailand Branch
Statement of Comprehensive Income (Unaudited)
For the six-month period ended 30 June 2025

| | | (Unaudited) 2025 Thousand Baht | (Restated) 2024 Thousand Baht |
|--|--------|---|--|
| | Notes | | |
| Insurance revenue | 9 | 1,248 | 1,459 |
| Insurance service expenses | 9 | (3,597) | (2,283) |
| Net income (expenses) from reinsurance contracts held | 9 | (1) | 2 |
| Insurance service result | | (2,350) | (822) |
| Investment income | 6 | 6,406 | 6,060 |
| Gains (losses) from selling financial assets | 6 | 3,600 | (69) |
| Net impairment gains (losses) on financial assets | 13 | (70) | 3 |
| Net investment income | | 9,936 | 5,994 |
| Net finance expenses (income) from reinsurance contracts held | | - | - |
| Net insurance finance expenses (income) | | - | - |
| Net investment income and insurance finance expenses (income) | | 9,936 | 5,994 |
| Finance cost | 10, 15 | (23) | (31) |
| Other operating expenses | 12, 15 | (1,809) | (1,554) |
| Other revenue | | 416 | - |
| Profit before income tax | | 6,170 | 3,587 |
| Income tax expenses | 14 | 1,212 | 687 |
| Net profit for the period | | 4,958 | 2,900 |

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AIA Company Limited (Non-Life Insurance) Thailand Branch
Statement of Comprehensive Income (Unaudited) (Cont'd)
For the six-month period ended 30 June 2025

| | (Unaudited) 2025 Thousand Baht | (Restated) 2024 Thousand Baht |
|--|---|--|
| Other comprehensive income (loss) | | |
| <u>Items that will not be reclassified subsequently to profit or loss</u> | | |
| Remeasurements of post-employment benefit obligations | - | (5) |
| Income tax relating to items that will not be reclassified subsequently to profit or loss | - | 1 |
| Total items that will not be reclassified subsequently to profit or loss | - | (4) |
| <u>Items that will be reclassified subsequently to profit or loss</u> | | |
| Fair value gains on debt instrument - financial assets at fair value through other comprehensive income | 14,344 | - |
| Fair value gains on investments measured at fair value through other comprehensive income | - | 4,820 |
| Items in other comprehensive income transferred to profit or loss | (3,530) | 66 |
| Income tax relating to items that will be reclassified subsequently to profit or loss | (2,163) | (977) |
| Total items that will be reclassified subsequently to profit or loss | 8,651 | 3,909 |
| Other comprehensive income for the period, net of tax | 8,651 | 3,905 |
| Total comprehensive income for the period | 13,609 | 6,805 |

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AIA Company Limited (Non-Life Insurance) Thailand Branch
Statement of Changes in Head Office's Equity (Unaudited)
For the six-month period ended 30 June 2025

| | | Fair value gains on debt instrument - financial assets at fair value through other comprehensive income, net of tax | Fair value gains (losses) on investments measured at fair value through other comprehensive income, net of tax | Remeasurements of post-employment benefit obligations, net of tax | Unappropriated Branch's retained earnings | Total Head Office's equity |
|--|--|--|--|--|---|-------------------------------|
| Note | Funds from Head Office Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht | 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 period | - | - | - | - | 4,958 | 4,958 |
| Fair value gains on debt instrument - financial assets at fair value through other comprehensive income | - | 11,475 | - | - | - | 11,475 |
| Items in other comprehensive income transferred to profit or loss | - | (2,824) | - | - | - | (2,824) |
| Ending balance as at 30 June 2025 | 140,308 | 11,230 | - | (2,256) | 337,887 | 487,169 |
| Beginning balance as at 1 January 2024 | 140,308 | - | (11,699) | (1,957) | 330,231 | 456,883 |
| Retrospective adjustments from change in accounting policy | 16 | - | - | - | (11) | (11) |
| Beginning balance after adjustment | 140,308 | - | (11,699) | (1,957) | 330,220 | 456,872 |
| Net profit for the period | - | - | - | - | 2,900 | 2,900 |
| Remeasurements of post-employment benefit obligations | - | - | - | (4) | - | (4) |
| Fair value gains on investments measured at fair value through other comprehensive income | - | - | 3,856 | - | - | 3,856 |
| Items in other comprehensive income transferred to profit or loss | - | - | 53 | - | - | 53 |
| Ending balance as at 30 June 2024 | 140,308 | - | (7,790) | (1,961) | 333,120 | 463,677 |

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

AIA Company Limited (Non-Life Insurance) Thailand Branch
Statement of Cash Flows (Unaudited)
For the six-month period ended 30 June 2025

| | | 2025 | (Restated) 2024 |
|--|------|------------------|--------------------|
| | Note | Thousand Baht | Thousand Baht |
| Cash flows provided by (used in) operating activities | | | |
| Premium received from direct insurance | 9 | 965 | 1,168 |
| Premium paid for reinsurance | | (2) | (4) |
| Recoveries from reinsurance | | - | 2 |
| Interest income | | 6,789 | 5,326 |
| Claims and other insurance service expenses paid | 9 | (2,734) | (2,530) |
| Insurance acquisition cash flows paid | 9 | (97) | (123) |
| Other operating expenses | | (2,168) | (1,916) |
| Income tax expenses | | (429) | (156) |
| Cash received from financial assets | | 153,020 | 9,364 |
| Cash paid for financial assets | | (170,521) | (12,000) |
| Net cash used in operating activities | | (15,177) | (869) |
| Cash flows used in financing activities | | | |
| Lease liabilities | | (161) | (161) |
| Net cash used in financing activities | | (161) | (161) |
| Net decrease in cash and cash equivalents | | (15,338) | (1,030) |
| Cash and cash equivalents at beginning of period | | 17,483 | 5,406 |
| Cash and cash equivalents at end of period | | 2,145 | 4,376 |

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

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 operations of the Branch is to provide non-life insurance, personal accident and health insurance.

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

This interim financial information has been reviewed, not audited.

2. Material accounting policies

2.1 Basis of preparation

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

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

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

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

2.2 Accounting policies

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

2.3 New and amended financial reporting standards

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

- **IFRS 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 16.

- **IFRS 17 Insurance Contracts** IFRS 17 has replaced IFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using general measurement model which comprise of:
 - discounted probability-weighted cash flows
 - an explicit risk adjustment, and
 - a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

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

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

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

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

On 1 January 2025, the Branch has adopted the financial reporting standards related to Insurance Contracts in its financial statements. The impact from the first-time adoption has been disclosed in Note 16.

- 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.

2.4 Financial instruments

2.4.1 Classification and designation of financial instruments

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

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

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

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

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

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

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 period by comparing i) expected risk of default as of the reporting date and ii) estimated risk of default on the date of initial recognition.

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

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

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

2.5 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:

2.5.1 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. |

2.5.2 Separating components from insurance contracts and reinsurance contracts held

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

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

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

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

Insurance contracts

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

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

An insurance contract issued by the Branch is recognised from 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.

2.5.4 Fulfilment cash flows and contract boundaries

Fulfilment cash flows comprise:

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

Contract boundaries

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

Insurance contracts

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

A substantive obligation to provide insurance contract services ends when:

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

Reinsurance contracts held

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

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

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

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

2.5.5 Insurance acquisition cash flows

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

2.5.6 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.

2.5.6.1 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.

2.5.6.2 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.

2.5.7 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 asset.

2.5.8 Transition approaches

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

2.5.9 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.

2.5.10 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 period is the amount of expected premium payments for receiving services in the period.

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

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

(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.

3. Critical accounting estimates and judgements

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

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

3.1 Transition to TFRS 17

The Branch applied TFRS 17 for annual reporting period 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.

3.2 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.

3.3 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.

3.4 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.

4. Fair value

4.1 Fair value estimation

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 30 June 2025 and 31 December 2024.

| | Level 1 Thousand Baht | Level 2 Thousand Baht | Level 3 Thousand Baht | Total Thousand Baht |
|--|-----------------------------|-----------------------------|-----------------------------|---------------------------|
| As at 30 June 2025 (Unaudited) | | | | |
| Assets | | | | |
| Financial assets | | | | |
| Financial assets measured at fair value through other comprehensive income | | | | |
| Debt securities | - | 495,925 | - | 495,925 |
| Total assets | - | 495,925 | - | 495,925 |
| | Level 1 Thousand Baht | Level 2 Thousand Baht | Level 3 Thousand Baht | Total Thousand Baht |
| As at 31 December 2024 (Audited) | | | | |
| 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 |

The Branch has no transfer between levels during the period/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. Cash and cash equivalents

| | (Unaudited) 30 June 2025 Thousand Baht | (Audited) 31 December 2024 Thousand Baht |
|---|--|--|
| Deposits with banks without fixed maturity date | 2,145 | 2,483 |
| Short-term investments | - | 15,000 |
| Total cash and cash equivalents | 2,145 | 17,483 |

6. Financial assets/Investment in securities

| | (Unaudited) 30 June 2025 Thousand Baht | (Audited) 31 December 2024 Thousand Baht |
|--|--|--|
| Debt instrument - financial assets | 495,925 | - |
| Investments measured at fair value through other comprehensive income | - | 464,868 |
| Total | 495,925 | 464,868 |

For the three-month and six-month periods ended 30 June 2025 and 2024, the Branch had revenue recognised relating to financial assets and investments as follows:

| | (Unaudited) For the three-month period ended | |
|--|---|-------------------------------------|
| | 30 June 2025 Thousand Baht | 30 June 2024 Thousand Baht |
| Interest income from financial assets | 3,104 | - |
| Consideration received from selling financial assets | 89,474 | 9,364 |
| Gains (losses) from selling financial assets | 3,099 | (69) |
| Interest income from investments | - | 4,748 |

| | (Unaudited) For the six-month period ended | |
|--|---|-------------------------------------|
| | 30 June 2025 Thousand Baht | 30 June 2024 Thousand Baht |
| Interest income from financial assets | 6,406 | - |
| Consideration received from selling financial assets | 132,020 | 9,364 |
| Gains (losses) from selling financial assets | 3,600 | (69) |
| Interest income from investments | - | 6,060 |

As at 30 June 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 8.59 million (31 December 2024: Baht 8.66 million).

6.1 Debt instrument - financial assets

6.1.1 Classified by type of debt securities as at 30 June 2025

| | (Unaudited) 30 June 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 | 234,661 | 238,004 |
| Private enterprise debt securities | 247,488 | 257,921 |
| Add Unrealised gains | 13,776 | - |
| Total debt securities measured at fair value through other comprehensive income | 495,925 | 495,925 |
| Total debt instrument - financial assets | 495,925 | 495,925 |

6.1.2 Classified by stage of credit risk of debt securities as at 30 June 2025

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

| | (Unaudited) 30 June 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) | 495,925 | 261 |
| Total | 495,925 | 261 |

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

| | (Audited) 31 December 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 |

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

| | (Audited) 31 December 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 |

7. Furniture, fixtures and equipments

| 30 June 2025 (Unaudited) | | | | | | | | |
|---|-------------------------------|--------------------------|--|---|----------------------------------|--------------------------|--|--|
| Beginning balance 1 January 2025 Thousand Baht | Cost | | Ending balance 30 June 2025 Thousand Baht | Beginning balance 1 January 2025 Thousand Baht | Accumulated depreciation | | Ending balance 30 June 2025 Thousand Baht | Furniture, fixtures and equipments Thousand Baht |
| | For the period | Disposals/ Write-offs | | | For the period | Disposals/ Write-offs | | |
| | Additions Thousand Baht | Thousand Baht | | | Depreciation Thousand Baht | 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 | - |
| 31 December 2024 (Audited) | | | | | | | | |
| Beginning balance 1 January 2024 Thousand Baht | Cost | | Ending balance 31 December 2024 Thousand Baht | Beginning balance 1 January 2024 Thousand Baht | Accumulated depreciation | | Ending balance 31 December 2024 Thousand Baht | Furniture, fixtures and equipments Thousand Baht |
| | For the year | Disposals/ Write-offs | | | For the year | Disposals/ Write-offs | | |
| | Additions Thousand Baht | Thousand Baht | | | Depreciation Thousand Baht | Thousand Baht | | |
| Furniture, fixtures and equipments | 3,099 | - | 247 | 3,099 | - | (2,852) | 247 | - |
| Computers | 4,410 | - | 4,410 | 4,410 | - | - | 4,410 | - |
| Total | 7,509 | - | 4,657 | 7,509 | - | (2,852) | 4,657 | - |

8. Other assets

| | (Unaudited) 30 June 2025 Thousand Baht | (Audited) 31 December 2024 Thousand Baht |
|-----------------------------------|--|--|
| Deposits | 10 | 10 |
| Right-of-use assets (Note 15 (b)) | 1,168 | 1,289 |
| Others | 11 | 12 |
| Total | 1,189 | 1,311 |

8.1 Right-of-use assets

| | 30 June 2025 (Unaudited) | | | | | | | |
|----------------------------|----------------------------|----------------|--------------------|--------------------------|-------------------|---------------------|--|------------------|
| | Cost | | | Accumulated amortisation | | | | |
| | Beginning balance | For the period | | Ending balance | Beginning balance | For the period | | Ending balance |
| | 1 January 2025 | Addition | Change in contract | 30 June 2025 | 1 January 2025 | Amortisation charge | | 30 June 2025 |
| | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht | | Thousand Baht |
| | | | | | | | | |
| Buildings and improvements | 2,745 | 21 | - | 2,766 | 1,456 | 142 | | 1,598 |
| Total | 2,745 | 21 | - | 2,766 | 1,456 | 142 | | 1,598 |
| | | | | | | | | |
| | 31 December 2024 (Audited) | | | | | | | |
| | Cost | | | Accumulated amortisation | | | | |
| | Beginning balance | For the year | | Ending balance | Beginning balance | For the year | | Ending balance |
| | 1 January 2024 | Addition | Change in contract | 31 December 2024 | 1 January 2024 | Amortisation charge | | 31 December 2024 |
| | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht | Thousand Baht | | Thousand Baht |
| | | | | | | | | |
| Buildings and improvements | 2,747 | - | (2) | 2,745 | 1,178 | 278 | | 1,456 |
| Total | 2,747 | - | (2) | 2,745 | 1,178 | 278 | | 1,456 |

The related lease liabilities are disclosed in Note 10.1.

For the six-month period ended 30 June 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.

9. Insurance contracts or reinsurance contracts held

9.1 Insurance revenue

| | (Unaudited) | |
|----------------------------------|----------------------------------|------------------|
| | For the three-month period ended | |
| | 30 June 2025 | 30 June 2024 |
| | Thousand Baht | Thousand Baht |
| Contracts measured under the PAA | 622 | 748 |
| Total insurance revenue | 622 | 748 |

| | (Unaudited) | |
|----------------------------------|--------------------------------|------------------|
| | For the six-month period ended | |
| | 30 June 2025 | 30 June 2024 |
| | Thousand Baht | Thousand Baht |
| Contracts measured under the PAA | 1,248 | 1,459 |
| Total insurance revenue | 1,248 | 1,459 |

9.2 Insurance service expenses

| | (Unaudited) | |
|---|----------------------------------|------------------|
| | For the three-month period ended | |
| | 30 June 2025 | 30 June 2024 |
| | Thousand Baht | Thousand Baht |
| Claims and benefits | (6) | (7) |
| Losses on onerous insurance contracts | 743 | - |
| Other insurance service expenses | 1,184 | 1,018 |
| Insurance acquisition cash flows recognised in profit or loss for the period | 48 | 57 |
| Total insurance service expenses | 1,969 | 1,068 |
| Insurance service and other expenses represented by: | | |
| – Contracts measured under the PAA | 1,969 | 1,068 |
| Total insurance service expenses | 1,969 | 1,068 |

| | (Unaudited) | |
|---|--------------------------------|------------------|
| | For the six-month period ended | |
| | 30 June 2025 | 30 June 2024 |
| | Thousand Baht | Thousand Baht |
| Claims and benefits | 3 | 8 |
| Losses on onerous insurance contracts | 1,104 | - |
| Other insurance service expenses | 2,399 | 2,159 |
| Insurance acquisition cash flows recognised in profit or loss for the period | 91 | 116 |
| Total insurance service expenses | 3,597 | 2,283 |
| Insurance service and other expenses represented by: | | |
| – Contracts measured under the PAA | 3,597 | 2,283 |
| Total insurance service expenses | 3,597 | 2,283 |

9.3 Movement in carrying amounts

The following reconciliations show how the net carrying amounts of insurance contracts and reinsurance contracts held changed during the period as a result of cash flows and amounts recognised in the interim income statement and interim statement of comprehensive income. The Branch presents a table separately analyses movements in the liabilities for remaining coverage and movements in the liabilities for incurred claims and reconciles these movements to the line items in the interim income statement and interim statement of comprehensive income.

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.

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For the six-month period ended 30 June 2025

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

| | For the six-month period ended 30 June 2025 (Unaudited) | | | | |
|--|---|----------------|---|--|----------------|
| | Liabilities for remaining coverage | | Liabilities for incurred claims | | Thousand Baht |
| | Excluding loss component | Loss component | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | Total |
| Insurance contracts issued | | | | | |
| Opening liabilities | 642 | - | 750 | 22 | 1,414 |
| Opening assets | - | - | - | - | - |
| Net opening balance | 642 | - | 750 | 22 | 1,414 |
| Insurance revenue | (1,248) | - | - | - | (1,248) |
| Insurance service expenses | | | | | |
| Incurred claims and other insurance service expenses | - | - | 2,685 | 4 | 2,689 |
| Losses and reversal of losses on onerous contracts | - | 1,104 | - | - | 1,104 |
| Insurance acquisition cash flows deferred for the period | 91 | - | - | - | 91 |
| Insurance acquisition cash flows recognised in profit or loss for the period | (91) | - | - | - | (91) |
| Adjustments to liabilities for incurred claims | - | - | (265) | (22) | (287) |
| Total insurance service expenses | - | 1,104 | 2,420 | (18) | 3,506 |
| Insurance service result | (1,248) | 1,104 | 2,420 | (18) | 2,258 |
| Total changes in the statement of comprehensive income | (1,248) | 1,104 | 2,420 | (18) | 2,258 |
| Cash flows | | | | | |
| Premium received from direct insurance | 965 | - | - | - | 965 |
| Claims and other insurance service expenses paid | - | - | (2,734) | - | (2,734) |
| Insurance acquisition cash flows paid | (97) | - | - | - | (97) |
| Total cash flows | 868 | - | (2,734) | - | (1,866) |
| Adjusted for insurance acquisition cash flows recognised in profit or loss as expenses | 91 | - | - | - | 91 |
| Net closing balance | 353 | 1,104 | 436 | 4 | 1,897 |
| Closing liabilities | 353 | 1,104 | 436 | 4 | 1,897 |
| Closing assets | - | - | - | - | - |
| Net closing balance | 353 | 1,104 | 436 | 4 | 1,897 |

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| | For the year ended 31 December 2024 (Restated) | | | | Thousand Baht |
|--|--|----------------|---|--|---------------|
| | Liabilities for remaining coverage | | Liabilities for incurred claims | | |
| | Excluding loss component | Loss component | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | Total |
| Insurance contracts issued | | | | | |
| Opening liabilities | 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 period | 224 | - | - | - | 224 |
| Insurance acquisition cash flows recognised in profit or loss for the period | (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 |

AIA Company Limited (Non-Life Insurance) Thailand Branch
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For the six-month period ended 30 June 2025

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

| | For the six-month period ended 30 June 2025 (Unaudited) | | | | |
|--|---|-------------------------|---|--|---------------|
| | Asset for remaining coverage | | Asset for incurred claims | | Thousand Baht |
| | Excluding loss-recovery component | Loss-recovery component | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | Total |
| Reinsurance contracts held | | | | | |
| 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) | (1) | - | - | - | (1) |
| Net expenses from reinsurance contracts held | (1) | - | - | - | (1) |
| Net finance income from reinsurance contracts | - | - | - | - | - |
| Total changes in the statement of comprehensive income | (1) | - | - | - | (1) |
| Cash flows | | | | | |
| Premium paid for reinsurance | 2 | - | - | - | 2 |
| Total cash flows | 2 | - | - | - | 2 |
| Net closing balance | 2 | - | (7) | - | (5) |
| Closing liabilities | 2 | - | (7) | - | (5) |
| Closing assets | - | - | - | - | - |
| Net closing balance | 2 | - | (7) | - | (5) |

AIA Company Limited (Non-Life Insurance) Thailand Branch
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2025

| | For the year ended 31 December 2024 (Restated) | | | | |
|--|--|-------------------------|---|--|---------------|
| | Asset for remaining coverage | | Asset for incurred claims | | Thousand Baht |
| | Excluding loss-recovery component | Loss-recovery component | Estimates of present value of future cash flows | Risk adjustment for non-financial risk | Total |
| Reinsurance contracts held | | | | | |
| 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) |

10. Other liabilities

| | (Unaudited) 30 June 2025 Thousand Baht | (Restated) 31 December 2024 Thousand Baht |
|---------------------------------|--|---|
| Other payables | 2,849 | 3,492 |
| Sundry liabilities | 3 | 4 |
| Unpresented cheques payable | 3 | 42 |
| Account payable for agents | 15 | 17 |
| Withholding tax and VAT payable | 41 | 26 |
| Lease liabilities (Note 15 (b)) | 1,233 | 1,351 |
| Others | 10 | 10 |
| Total | 4,154 | 4,942 |

10.1 Lease liabilities

The maturity analysis of lease liabilities is aged as follows:

| | (Unaudited) 30 June 2025 Thousand Baht | (Audited) 31 December 2024 Thousand Baht |
|-------------------------------|--|--|
| Maturing | | |
| Within 1 year | 286 | 274 |
| Between 1 to 5 years | 947 | 1,077 |
| Later than 5 years | - | - |
| Total | 1,233 | 1,351 |
| <i>Including: - Principal</i> | <i>1,320</i> | <i>1,478</i> |
| <i>- Interest</i> | <i>(87)</i> | <i>(127)</i> |

For the three-month and six-month periods ended 30 June 2025, interest expense on lease liabilities amounted to Baht 10,831 and Baht 22,873, respectively (30 June 2024: amounted to Baht 15,256 and Baht 31,180, respectively) is recorded as "Finance cost" in the statement of comprehensive income.

11. 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.

12. Other operating expenses

| | For the three-month period ended | |
|--|--|---|
| | (Unaudited) 30 June 2025 Thousand Baht | (Restated) 30 June 2024 Thousand Baht |
| Employee expenses | 1,269 | 1,000 |
| Property and equipment expenses | 104 | 103 |
| Tax expenses | 12 | - |
| Service fee | 223 | 222 |
| Others | 170 | 156 |
| Expenses attributable to insurance contracts | (888) | (738) |
| Total | 890 | 743 |

| | For the six-month period ended | |
|--|--|---|
| | (Unaudited) 30 June 2025 Thousand Baht | (Restated) 30 June 2024 Thousand Baht |
| Employee expenses | 2,564 | 2,191 |
| Property and equipment expenses | 208 | 207 |
| Tax expenses | 28 | 17 |
| Service fee | 446 | 443 |
| Others | 368 | 291 |
| Expenses attributable to insurance contracts | (1,805) | (1,595) |
| Total | 1,809 | 1,554 |

13. Net impairment gains (losses) on financial assets

| | (Unaudited) For the three-month period ended | |
|--------------------------|---|-------------------------------------|
| | 30 June 2025 Thousand Baht | 30 June 2024 Thousand Baht |
| Financial assets | (48) | - |
| Investment in securities | - | 15 |
| Total | (48) | 15 |

| | (Unaudited) For the six-month period ended | |
|--------------------------|---|-------------------------------------|
| | 30 June 2025 Thousand Baht | 30 June 2024 Thousand Baht |
| Financial assets | (70) | - |
| Investment in securities | - | 3 |
| Total | (70) | 3 |

14. Income tax expenses

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

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

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

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

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

The Branch has GloBE effective tax rates above 15%. So, there's no current tax expense arising from the Pillar Two rules for the period ended 30 June 2025.

15. Related party transactions

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

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

(a) Statements of comprehensive income

| | (Unaudited) | |
|------------------------------------|----------------------------------|----------|
| | For the three-month period ended | |
| | 30 June | 30 June |
| | 2025 | 2024 |
| | Thousand | Thousand |
| | Baht | Baht |
| <u>Affiliated companies</u> | | |
| Other operating expenses: | | |
| (Reversal of) employee expenses | 66 | (146) |
| Property and equipment expenses | 114 | 113 |
| Service fees | 223 | 222 |
| Others | 1 | - |
| Investment expenses | 236 | 250 |
| Finance cost | 11 | 15 |

| | (Unaudited) | |
|------------------------------------|--------------------------------|----------|
| | For the six-month period ended | |
| | 30 June | 30 June |
| | 2025 | 2024 |
| | Thousand | Thousand |
| | Baht | Baht |
| <u>Affiliated companies</u> | | |
| Other operating expenses: | | |
| (Reversal of) employee expenses | 161 | (92) |
| Property and equipment expenses | 228 | 227 |
| Service fees | 446 | 443 |
| Others | 1 | - |
| Investment expenses | 470 | 483 |
| Finance cost | 23 | 31 |

(b) Statement of financial position

| | (Unaudited) 30 June 2025 Thousand Baht | (Audited) 31 December 2024 Thousand Baht |
|---------------------------------|--|--|
| Affiliated companies | | |
| Amount due from related parties | - | 11 |
| Other assets | 1,168 | 1,289 |
| Amount due to related parties | 74 | 82 |
| Other liabilities | 1,233 | 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.

16. 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 2.5.

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 |