



**Disclosure Form (Attached to the OIC Commissioner Order No.71/2563)  
Information Disclosure of 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...30....Month...May....Year..2025.....

Information for the Year.....2024.....



## 1.1 Company Profile

## 1.2 Company Policies, Objective and Strategies

## 1.3 The nature of Business

Established in Thailand since 1938, AIA has been committed to meeting the long-term savings and protection needs of individuals by offering a range of products and services including life insurance, personal accident, health insurance and savings plans. AIA also provides group insurance, employee benefits, credit life insurance and provident fund management services to corporate clients.

AIA Thailand is a leading life insurer serving customers in the country for over 85 years. Currently, approximately 1 out of every 3 life insurance policies in Thailand is written by AIA. We have the largest market share based on total premiums from all lines of business<sup>1</sup> and we service over 5 million customers with over 7.8 million<sup>2</sup> in-force policies including personal accident insurance. We have an extensive agency network of approximately 50,000 agents<sup>3</sup> nationwide and the highest number of unit-linked sales and IC-licensed agents.

Leading the life insurance industry, AIA pioneers iPOS+ and AIA iSign for salesforces and launches one-stop application AIA+ which combine AIA iService and AIA Vitality for customers to ensure prompt and first-rate service standards.

AIA is strongly committed to making people live healthier, longer and better lives. We aim to make a real difference to our community through our ESG programme and corporate social responsibility initiatives, for instance AIA Sharing A Life Day, AIA School Library, AIA Operation Smile, AIA New Legs New Life, and so on.

**Note:** <sup>1</sup> Thai Life Assurance Association Report as of December 2024

<sup>2</sup> Ordinary Life + Personal Accident + Group + Credit Life as of December 2024


<sup>3</sup> As of December 2024



## Information Update



### Our Products

For Individual

Title	Products
 <p>Health</p>	<p><b>Medical Protection</b></p> <ul style="list-style-type: none"> <li>○ AIA Health Saver</li> <li>○ AIA Health Saver - UDR</li> <li>○ AIA Health Happy</li> <li>○ AIA Health Happy - UDR</li> <li>○ AIA Infinite Care (new standard)</li> <li>○ AIA H&amp;S (new standard)</li> <li>○ AIA H&amp;S (new standard) - UDR</li> <li>○ AIA H&amp;S Extra (new standard)</li> <li>○ AIA H&amp;S Extra (new standard) - UDR</li> <li>○ AIA Health Plus</li> <li>○ AIA Med Care Package</li> <li>○ AIA Health Happy kids</li> <li>○ AIA Health Happy kids - UDR</li> </ul> <p><b>Benefit Protection</b></p> <ul style="list-style-type: none"> <li>○ HB</li> <li>○ AIA HB Extra</li> <li>○ AIA HB Extra - UDR</li> <li>○ AIA Health Cancer</li> <li>○ AIA Health Cancer – UDR</li> <li>○ AIA HB Care</li> </ul> <p><b>Critical Illness Protection</b></p> <ul style="list-style-type: none"> <li>○ AIA WPCI</li> <li>○ AIA Multi-Pay CI - UDR</li> <li>○ AIA CI Care - UDR</li> <li>○ AIA CI - UDR</li> <li>○ AIA Health Cancer</li> <li>○ AIA Health Cancer - UDR</li> <li>○ AIA CI Top Up</li> <li>○ AIA CI Plus</li> <li>○ AIA CI Plus - UDR</li> <li>○ Lady Care</li> <li>○ Lady Care Plus</li> <li>○ AIA TPD</li> <li>○ AIA CI SuperCare 10/99 (Non Par)</li> <li>○ AIA CI SuperCare 20/99 (Non Par)</li> <li>○ Term CI</li> <li>○ SI Cancer</li> </ul>



## For Individual (Cont'd)

Title	Products
 <p>Health</p>	<ul style="list-style-type: none"> <li>○ AIA Care for Cancer</li> <li>○ AIA Care for Cancer – UDR</li> <li>○ AIA CI Procare</li> <li>○ AIA Multi-Pay CI Plus</li> <li>○ AIA Multi-Pay CI Plus - UDR</li> </ul>
 <p>Protection</p>	<p><b>Life Protection</b></p> <ul style="list-style-type: none"> <li>○ AIA Pay Life Plus 10 / 15 / 20 (Non Par)</li> <li>○ AIA 10&amp;15 Pay Life (Non Par)</li> <li>○ AIA CI SuperCare 10/99 (Non Par)</li> <li>○ AIA CI SuperCare 20/99 (Non Par)</li> <li>○ Term 5 / 10 / 15 / 20</li> <li>○ AIA Life Protector 70 (Non Par)</li> <li>○ AIA Life Protector 80 (Non Par)</li> <li>○ AIA 20 Pay Life (Non Par)</li> <li>○ AIA Senior Happy</li> <li>○ AIA Senior OK</li> <li>○ 50 UP</li> <li>○ Senior Take Care</li> <li>○ AIA CI Procare</li> <li>○ AIA Protection 65</li> </ul> <p><b>Accident Protection</b></p> <ul style="list-style-type: none"> <li>○ AIANPA2500</li> <li>○ AIANPA3000</li> <li>○ AIANPA3300</li> <li>○ AIANPA3800</li> <li>○ AIANPA3900</li> <li>○ AIANPA4600</li> <li>○ AIANPA5500</li> <li>○ AIANPA7900</li> <li>○ AIANPA32K</li> <li>○ Micro 100</li> <li>○ Micro 200</li> <li>○ Micro 300</li> <li>○ Micro 500</li> <li>○ Micro 1000</li> <li>○ ADB/RCC</li> <li>○ ADD/RCC</li> <li>○ AI/RCC</li> <li>○ WSMNPA1600</li> <li>○ WSMNPA2200</li> <li>○ WSMNPA2700</li> <li>○ WSMNPA3300</li> </ul>






## For Individual (Cont'd)

Title	Products
 <p>Save &amp; Investment</p>	<p><b>Unit Linked</b></p> <ul style="list-style-type: none"> <li>○ AIA Issara Plus (Unit Linked)</li> <li>○ AIA Smart Select (Unit Linked)</li> <li>○ AIA Smart Wealth (Unit Linked)</li> <li>○ AIA 20 Pay Link (Unit Linked)</li> <li>○ AIA Issara Extra Plus (Unit Linked)</li> <li>○ AIA Wealth Max (Unit Linked)</li> </ul> <p><b>Annuity</b></p> <ul style="list-style-type: none"> <li>○ AIA Annuity Fix</li> <li>○ AIA Annuity Sure</li> </ul> <p><b>Saving</b></p> <ul style="list-style-type: none"> <li>○ AIA Excellent (Non Par)</li> <li>○ AIA Endowment 15/25 (Non Par)</li> <li>○ AIA Saving Sure (Non Par)</li> </ul>
 <p>Prestige</p>	<ul style="list-style-type: none"> <li>○ AIA Infinite Gift Prestige (Unit Linked)</li> <li>○ AIA Infinite Wealth Prestige (Unit Linked)</li> <li>○ AIA Legacy Prestige Plus (Non Par)</li> <li>○ AIA Legacy Prestige (Non Par)</li> <li>○ AIA CI SuperCare Prestige</li> <li>○ AIA Issara Prestige Extra plus (Unit Linked)</li> <li>○ AIA Smart Wealth Prestige (Unit Linked)</li> <li>○ AIA Smart Select Prestige (Unit Linked)</li> <li>○ AIA 20 Pay Link Prestige (Unit Linked)</li> <li>○ AIA Legacy Prestige (New)</li> <li>○ AIA Legacy Prestige Plus (New)</li> <li>○ AIA Legacy Prestige Protection (New)</li> <li>○ AIA Legacy Prestige Protection</li> <li>○ AIA Wealth Max Prestige (Unit Linked)</li> </ul>



For Corporate

Title	Products
 Corporate	<p><b>Provident Fund</b></p> <ul style="list-style-type: none"><li>○ Provident Fund Management Services</li></ul> <p><b>Group Insurance</b></p> <ul style="list-style-type: none"><li>○ Flexi Pack</li><li>○ GPA Continental</li></ul>



## 1.5.1 Individual Health and Personal Accident Claim

### Individual Health and Personal Accident insurance Claim


How to make a claim at AIA Health Care Provider Network?

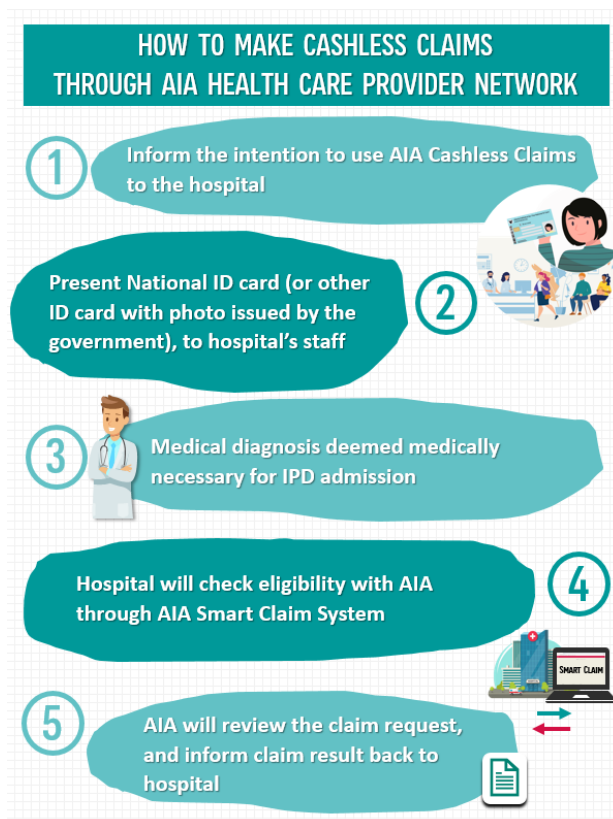
**List of Hospitals | TH**  
List of hospitals for Individual Health Claims  
[Download](#)

**List of Hospitals | EN**  
List of hospitals for Individual Health Claims  
[Download](#)

#### ○ IPD Cashless Claims via AIA Health Care Provider Network (IPD CASHLESS CLAIMS)

Cashless claims (Fax Claims) for Inpatient and Day Case treatment required under according to medical standards via AIA Health Care Provider Network for the covered illness or injury. The service will be available to Hospital & Surgical (H&S) medical rider and Personal Accident (PA) according to policy's coverage.

	Monday – Friday	Weekends and Holidays
 Service time	8.00 AM - 7.00 PM	8.30 AM - 7.00 PM





- ❖ In case AIA allows to use AIA Health Care service, insured will be responsible for any expenses exceeding policy's coverage.
- ❖ The coverage from other benefits e.g., Hospital Benefits (HB), Daily hospital benefit from AIA health cancer (AHC), all benefit will be processed by AIA along with Fax Claims. The claim payment will be sent directly to the insured at the address, or bank account (AIAPAY) provided to AIA.
- ❖ For the Critical Illness benefit and the Disability benefit, insured need to submit claim request separately with relevant documents to AIA directly or through agents.
- ❖ In case AIA cannot provide Fax Claims services, insured can submit claim request with a claim form including with original receipt and relevant documents to AIA as per normal process.

#### Service Conditions

1. **The policy with H&S (Hospital & Surgical) rider**

For Health claim, rider must be effective at least 90 days from the rider contracted date or reinstated date.

For Accident claim, service is available from the rider contracted date.

**The Personal Accident rider (PA)** the service is available on the rider contracted date.

2. AIA will assess your claim, upon the request and documents received through AIA Smart Claim system, according to the policy's terms and conditions.
3. Available at hospitals and clinics under AIA Health Care Provider Network.
4. AIA will not provide Fax Claims services to the following cases (insured needs to submit claim request with the claim form and original receipt to AIA as per normal process)
- Treatments of any critical, or chronic illness while the rider has been effective less than 2 years.
  - Treatments of any pre-existing conditions, or conditions listed under General and Personal Exclusions.
  - Medical check-ups, rehabilitations or physical therapies.
  - In case AIA needs to collect further information or consult the specialists in order to provide an accurate and fair claim assessment.

#### Have questions?

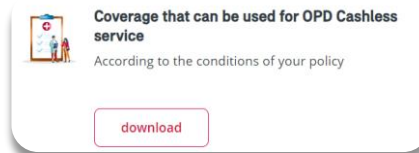
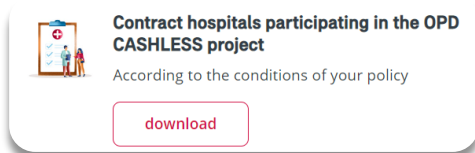
Learn more about claiming questions on our FAQs page.

Let's find out now. >

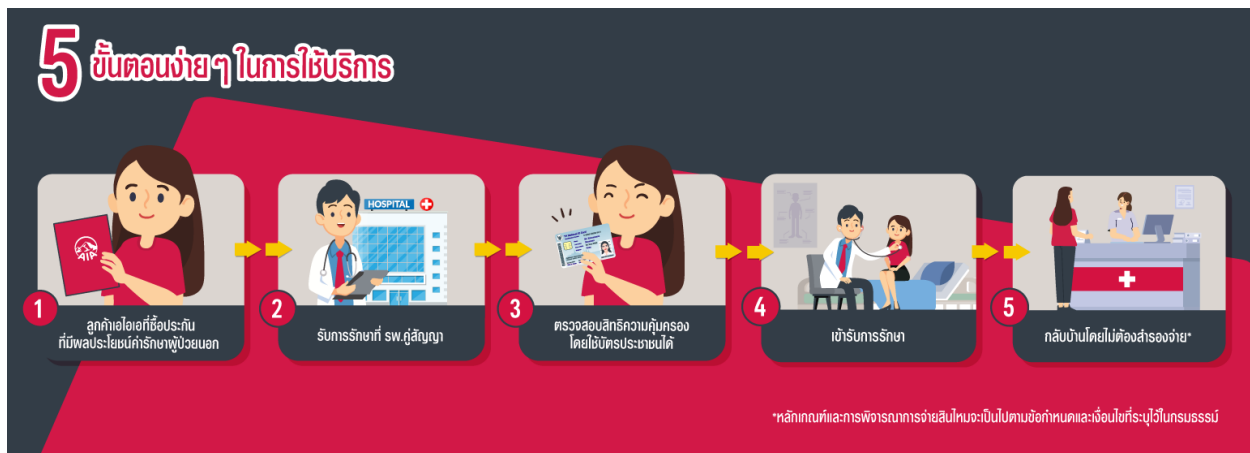




## ○ OPD Cashless Claims



OPD cashless claims is applicable after personal health riders are effective not less than 30 days after inforce date. If there is reinstatement, OPD cashless claims is applicable at the effective of last reinstatement. OPD cashless claims can be used at any AIA Health Care Provider Network.



### Conditions:

1. OPD cashless claims is applicable after personal health riders are effective not less than 30 days after inforce date. If there is reinstatement, OPD cashless claims is applicable at the effective of last reinstatement.
2. OPD cashless claims is applied to personal health riders which the coverage are;
  - 2.1 Outpatient treatment for common diseases (OPD general)
  - 2.2 Outpatient treatment within 30 days after admission as an inpatient (OPD follow up)
  - 2.3 Outpatient treatment in case of an accident within 24 hours (E&O)
  - 2.4 Outpatient treatment for chronic renal failure by dialysis through a vein (OPD Hemodialysis)
  - 2.5 Outpatient treatment in case of treatment tumor or cancer by radiotherapy radiation therapy Therapeutic Nuclear Medicine (OPD Radiation)
  - 2.6 Outpatient treatment in case of medical expenses for cancer treatment by chemotherapy (OPD Chemotherapy)



#### Conditions (cont'd):

- 2.7 Special benefits of AIA infinite Care supplementary contract, 120 million plan:
- General Health Check-up: The general health check-up must take place after one year from the effective date of the supplementary contract.
  - Dental Treatment: Treatment must occur after 180 days from the effective date of the supplementary contract.
    - Scaling and teeth cleaning
    - fillings and restorations
    - dental examination
    - x-ray of teeth
    - Root canal treatment
    - Dental bridges and crowns
    - Gum disease treatment
  - Vaccination benefits: Vaccination must occur after 180 days from the effective date of the supplementary contract.
  - Physical therapy treatment benefits: Treatment expenses for physical therapy and occupational therapy (both plan 60 million and plan 120 million)
- 2.8 Outpatient diagnosis that is directly related and occurs within 30 days after admission as an inpatient who has previously been covered (Xray-Lab after admission).
- 2.9 Outpatient treatment, rehabilitation medicine After admission as an inpatient who was previously covered (OPD PT after admission)
3. OPD Cashless Claims is available at the AIA Health Care Provider Network.
4. AIA will inform claim assessment result through Smart Claim and the insured need to endorse on the result.
5. If the claim is over coverage amount, the insured is responsible for the difference.

#### OPD Cashless cannot be applied, if;

1. The coverage period of Critical Illness is not applicable is less than 2 years after the effective of riders or last inforce date of the last reinstatement.
2. The illness that specified in the waiting period clause or the illness which on included in coverage condition.
3. In case AIA needs to collect further information or consult the specialists to provide an accurate and fair claim assessment.
4. X-lab for 30 days before admission.
5. Limit of Law/ the AIA system, the insured is required to submit claim to AIA directly.

#### Have questions?


Learn more about claiming questions on our FAQs page.

Let's find out now. >






○ Accident Claim (PA-Personal Accident Insurance Policy)



**List of Medical Centers | TH**  
List of medical centers for personal accident claims

[Download](#)



**List of Medical Centers | EN**  
List of medical centers for personal accident claims

[Download](#)

Cashless claim service for Insured persons holding a Personal Accident (PA) insurance policy can claim through AIA Health Care networks immediately after the PA insurance policy becomes effective. This is applicable for medical treatment due to bodily injury or disability, or loss of organs or life resulting from an accident, both for inpatient (IPD) and outpatient (OPD) treatment.

Coverage: Medical treatment resulting from direct accidents occurring within 52 weeks from the date of the accident.

**How to Claim Personal Accident Insurance through AIA Health Care networks**

1

**Step 1**

Present your ID card for verification of coverage at the hospital or directly inquire at the contracted hospital where you would like to receive the service.

2

**Step 2**

AIA will notify the result of the consideration through the Smart Claim system, in which the insured must sign to acknowledge the result.

However, the insured will be responsible for the excess of medical expenses benefits (if any) with the hospital.

**Note:**

- The criteria and consideration for paying claims will be in accordance with the terms and conditions specified in the policy.
- The reason for receiving medical treatment must be a direct result of an accident, as defined in the Personal Accident (PA) insurance policy. It will not be covered if the medical treatment is an exception to the PA insurance policy.
- Insured persons can use the service only at with AIA network hospitals.
- In case of advance payment, please submit the claim documents within the time frame specified in the policy as follows: for disability, loss of organs, or death, submit the claim documents within 30 days from the date of death or the date of disability; for medical expenses, submit the claim documents within 180 days from the date of the accident.

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○ **Hospital Benefit (HB) claim**

Provide daily inpatient benefit during hospitalization per confinement due to injury or illness.

**HB Rider Claim:** the compensation will be sent to the insured by depositing to the insured's bank account (AIAPAY) or delivering cheque at the address provided to AIA.

○ **Policy Coverage**

- The rider is effective when the premium is paid within due date.
- The rider is effective at hospitalization date or accident date according to rider conditions.
- Channels to Check for Coverage,
  - Online checking (24 hours): AIA iService Application and AIA iService Website
  - Your AIA Agent.
  - AIA Call Center 1581 on a 24/7 basis.

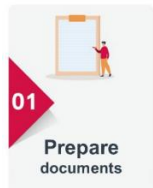




### Claim at Non-AIA Provider Network

For IPD, OPD for both health and accident claims, insured must submitted claim request to AIA within 30 days after treatment date or Hospital discharge date.

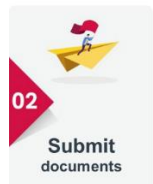
#### How to make a claim:



#### Step 1 Prepare documents

- Complete claim form and the insured must sign the PDPA consent
- Original medical receipt and expense details (only claim for medical expenses)
- Other documents according to claim type
- Complete submission claim form

[Click here](#) for download claim document



#### Step 2 Submit documents

- Submit via agent or broker
- Submit at AIA Head Office
- Submit via mail to AIA Head Office as address below:
- Health Services Department (Please specify individual health insurance or group insurance.)  
AIA Company Limited, AIA Tower 2, 181 Surawongse Road, Bangrak, Bangkok 10500

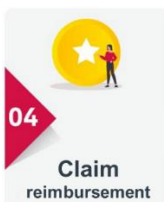


#### Step 3 AIA process claim

AIA will process the claim within 5 days after receiving all complete relating documents unless the company is required to investigate and collect additional information. After receiving all additional documents, AIA will proceed your claim as soon as possible.

Claim process status will be updated to you via SMS and AIA iService application since receiving documents to completing the claims.

Remark: For group insurance, SMS notification for claim status is depended on the conditions with your companies.



#### Step 4 Claim reimbursement

Claim reimbursement will be proceed throught the channel you selected

- For who selected Bank account (AIA PAY), you will receive the payment within 3 days after approving claim.
- For those who choose a cheque, the cheque will be sent to the address specified in the policy within 5-7 days after approving claim.
- For group insurance, the payment will be paid through the channel of your company's condition.

You can apply for AIA PAY to receive a benefit payment [Click here](#)

Remarks: Group Insurance Claim Methods will be in accordance with the conditions of your employer/ organization company.

- Remark:**
- The criteria and consideration for paying claims will be in accordance with the terms and conditions specified in the policy.
  - Submitting complete claim documents will expedite the claim consideration process.
  - Incomplete of cslaim document submission within said period will not csause any failure Claims if shows an necessary that the insured is unable to submit the claim within the period specified, but it has been proceeding at best possible.

### Have questions?

Learn more about claiming questions on our FAQs page.

Let's find out now. >



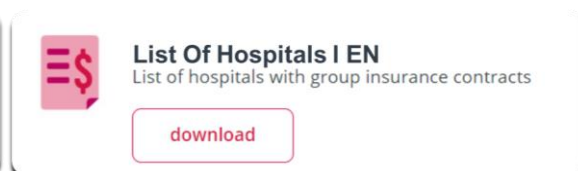
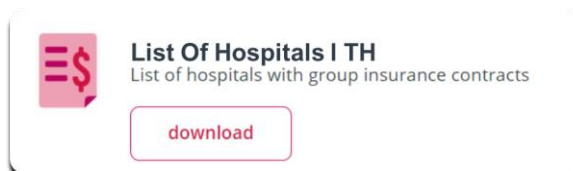


## Group Health and Personal Accident insurance Claim

How to make a claim at AIA Health Care Provider network?



Check the list of AIA Network Hospitals



AIA E-Card Group insurance  
in AIA iService Application



The AIA E-Card for group insurance displays the members' details  
and coverage information of the policy, and can be used for  
cashless claims at AIA network hospitals.

AIA group insurance customers who receive medical treatment at AIA network hospitals. Whether in-patient medical treatment (IPD) or out-patient (OPD) or emergency accident or dental care (according to your group insurance coverage rights), you can use "Thai National ID Card" instead of AIA card for cashless claim service

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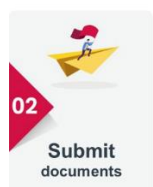
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[Click here](#) for download claim document



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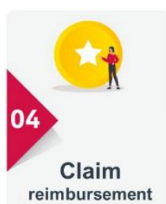


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## 1.5.2 Life claim

### How to claim benefits for death, critical illness, disability and dismemberment?

All the necessary forms and information can be found HERE <https://www.aia.co.th/th/help-support/form-library>

### How soon must documents be submitted to AIA after death, sickness or accident?

- Critical Illness: within 60 days from the date of diagnosis and confirmation by a physician.
- Disability/ Dismemberment: within 30 days or 180 days from the start of the disability/ dismemberment.
- Death: the beneficiary must submit the claim documents within 14 days. However, if an entitled family member is not aware that the deceased has insurance benefits, the claim can be made within 7 days after he or she becomes aware of the death benefits.

Note: If it is not possible to submit the claim within the specified time, provide a written explanation letter to the company as soon as possible, stating the reasons that prevent you from submitting the claim within the specified time.

### In the event of sickness during the waiting period, can a claim be made?

- A claim for benefits cannot be made during the waiting period.
- The waiting period differs depending on the details stated in each individual policy.
- In the case of accident and loss of life, the waiting period does not apply.

### What is the timeline for decision making once the insured, the beneficiary or entitled person submits a claim for benefits together with all relevant documents?

- The company will make a decision within 15 days after the claim has been filed together with all the necessary documents.
- However, the company reserves the rights to extend the period, depending on each specific circumstance.
- The insured or beneficiary will be informed of this extension and asked to cooperate with the company in case of further investigation.
- The company will pay the interest of 15 per cent per annum, if the claims payment is made later than the specified time period or the extended period.



## FAQs

### How to make FAQs Claim Process

#### 1. How to claim for medical expenses and how long does it take?

There are 2 ways to claim for medical expenses:


1. Claiming through a network hospital without having to pay upfront (Cashless or Fax Claim) takes approximately 1 hour after the hospital sends the claim documents to AIA, unless additional documents are required by the company.


This service is an additional service that helps facilitate policyholders when receiving treatment at a network hospital of AIA. The policyholder does not have to pay the medical expenses upfront. However, in cases where there are doubts that the claim may not meet the coverage conditions of the policy, such as pre-existing conditions, excluded conditions, or non-essential and non-standard medical treatments, the policyholder may not be able to use this service and will have to pay upfront and submit the claim for consideration by the company through the normal process in point 2) below.

Apart from that, you can also check coverage and service entitlement in advance through Pre-Authorization or Pre-Admission Assessment services before receiving treatment.

[click here](#) to Check AIA network hospitals.

2. For claim reimbursement directly to AIA, customers can submit claim documents to the company for consideration through three channels:

 Submit through your agent or broker

 Send by mail to AIA Company Limited, Health Insurance Claims Department (Please specify individual health insurance or group insurance)

"AIA Tower, 181 Surawong Road, Bang Rak, Bangkok 10500"

 Submit through the AIA+ mobile application under the Manage Claim menu.

[Click here to view more details.](#)

The company will process the critical illness claim within 5 days after receiving complete documents unless additional information verification is necessary. The company will expedite the assessment of your claim as quickly as possible once all required documents is fully received.

#### 2. How to claim for permanent disability benefit?


Submit the claim documents for permanent disability along with all medical records and X-ray films (if any) to the company within 180 days from the start of the permanent disability.


[Click here](#) to download claim form

You can submit the claim documents for permanent disability through the following channels:


1. Submit through your agent or representative.
2. Send by mail to AIA Company Limited, Claims Department, AIA Tower, 181 Surawong Road, Bangrak, Bangkok 10500.


#### 3. How many days do you have to submit claim documents to AIA?

-  For general illnesses or accidents, submit the claim documents within 30 days from the date of the incident or discharge from the hospital.

-  For critical illnesses, submit the claim documents within 60 days from the date of diagnosis and confirmation by a physician or the date the policyholder passes away.



-  For permanent disability, submit the claim documents within 180 days from the start of the disability or the date the policyholder passes away.

-  In case of death, the beneficiary must submit the claim documents within 14 days from the date of death or within 7 days after being informed that the insured has a life insurance policy.

Note: If it is not possible to submit the claim within the specified time, provide a written explanation letter to the company as soon as possible, stating the reasons that prevent you from submitting the claim within the specified time.

**4. How to check the claim assessment results?**

AIA customers can check or track the claim assessment results through the AIA+ application "manage claim" menu.

**5. Do I need to use the original receipt for claiming or not?**

For claiming medical expenses, you must use the original receipt. However, if you are claiming through the AIA+ application under the "manage claim" menu, you can take a photo of the original receipt.

**6. How can I request for the original receipt or claim documents back?**

When submitting the claim documents, attach a letter of requesting the return of the original receipt in the same submission. You can download the letter request form by [clicking here](#)

**7. Which hospitals are AIA's network hospitals?**



Check the list of AIA's network hospitals by [clicking here](#).

**8. What documents should I bring to the hospital for a smoother cashless claim process?**

To check your treatment entitlement, you can use your national ID card or any official photo ID card and present it to the hospital staff.

**9. Can I claim during waiting period?**

The non-coverage period or waiting period is the time when certain illnesses are not covered by insurance.

- For health insurance, there are waiting periods of 30 days and 120 days:
  - 30 days  Not covered for general illnesses such as flu or diarrhea.
  - 120 days  Not covered for critical illnesses such as all types of hernias, Pterygium or cataract Tonsillectomy or adenoidectomy Endometriosis.
- If you have an accident, you can claim immediately from the start of the policy.
- Critical illness insurance has waiting periods of 60 days such as heart disease, cancer, stroke, liver cirrhosis, or chronic kidney disease.


Each additional policy may specify different diseases and waiting periods time.

**10. Can I claim during the grace period?**

The Grace Period for insurance premium payment flexibility is the period during which the insurance company allows policyholders to pay their insurance premiums even after the due date has passed. There is a 31-day grace period starting from the due date of the insurance premium payment.

For example, if the premium payment due date is January 5, 2567, customers can still make the payment until February 5, 2567.

During the grace period, customers will still receive the same coverage as before. However, if a critical illness claim is made during this period, customers must fully settle the outstanding premium amount before the company will consider paying out the claim according to the coverage.

 Failure to pay the insurance premium within the grace period may result in the policy lapsing or policy termination.



# 11. Can I claim from AIA after claiming from government insurance or other companies?

1) If you have not fully claimed for medical expenses from another insurance company or government insurance, you can submit the original receipt certified by the other company along with a doctor's certificate, claim form, and treatment details to claim the remaining amount from AIA directly.

2) If you have already claimed the full amount from another insurance company or government insurance, you cannot claim additional expenses from AIA.

# 12. When the policyholder, beneficiary, or related party submits a critical illness or death claim with all required documents as specified by the company, how many days does the company take to process it?

The company will assess and settle the claim within 15 days from the date the company receives the claim documents and supporting materials from the policyholder or beneficiary.

However, the company may extend the processing and settlement period as necessary, but not exceeding 90 days from the date the company receives the complete claim documents as specified. The company will inform the policyholder or beneficiary of any delays and reasons for the extension, if applicable. In such cases, the policyholder or beneficiary must provide accurate information and cooperate with the company as needed.

If the company pays the claim beyond the specified period, it will pay interest at a rate of 15% per annum on the amount due for the period of delay beyond the set timeframe or any extended period.

[Click here](#) to download the critical illness and death claim form.

The document is required to support the claim (Living Benefits)													
Documents	Type of claim										Other		
	IPD treatment expenses	OPD treatment expenses	AI Benefit (1)	Broken bone benefit	IPD treatment expenses/Day Case	OPD treatment expenses	HI/HB Benefit (2)	claim abroad	Deductible Claim	Disability Claim (3)	cancer or serious disease (4)	freeze or change check	Request for the return of document
1. Claim form	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-	-
2. Original receipts and expense statements	✓	✓	-	-	✓	✓	-	✓	-	-	-	-	-
3. Copy of the receipt and/or expense statement	-	-	★	★	-	-	★	-	✓	-	★	-	-
4. Treatment history/record of vaccination or serum	★	★	★	★	★	★	★	★	-	★	★	-	-
5. Copy of pathology biopsy results	-	-	-	-	★	★	-	★	-	-	★	-	-
6. Film X-Rays, CT, MRI, EMG, PET SCAN with results, CD, current photographs	★	★	★	★	★	★	★	★	-	★	★	-	-
7. A copy of police daily report	★	★	★	★	-	-	★	-	-	★	-	-	-
8. Copy of the first page of the passport with a travel stamp	-	-	-	-	-	-	-	✓	-	-	-	-	-
9. Return Request Form	-	-	-	-	-	-	-	-	-	-	-	-	✓
10. Request form to freeze/change cheques	-	-	-	-	-	-	-	-	-	-	-	✓	-
11. Co-insurance payment letter or other welfare	★	★	★	-	★	★	★	★	✓	-	-	-	-

Remark:

- ✓ This document is necessary to support the claim for consideration
- ★ This document is required to support the claim for consideration in some cases
- Not necessary





#### Examples of additional documents used in claim consideration

##### (1) Accidental Indemnity (AI)

Case	Please submit your claim along with
IPD treatment	Copy of the receipt and/or expense statement
Surgery treatment	An Operative report or medical record
Broken bone, fractures, or dislocations	Film X-Rays, CT and MRI with result
Injuries from an assault include	A copy of police daily report

##### (2) Hospital Benefits (HBX/HBPG)

Case	Please submit your claim along with
IPD treatment	Copy of the receipt and/or expense statement
Surgery treatment	An Operative report or medical record

##### (3) Total And Permanent Disability

Case	Please submit your claim along with
Eye	medical record with your recent photo
Hand, foot, arm or leg	Film X-rays with result and your recent photo

##### (4) Cancer Or Serious Disease

Case	Please submit your claim along with
Cancer	The results of the examination of tissue, blood, or bone under a microscope by a pathologist or hematologist. In cases where the examination was not conducted while the person was alive, attach the autopsy report.
Liver Cirrhosis	Medical record, microscopic examination of liver tissue by pathologist and results of Ultrasound, CT scan of abdominal cavity
Stroke	Medical record and Results of CT, MRI of the brain
Coronary artery disease	Medical record and result of Coronary Angiogram
Coronary Artery Bypass Surgery	Medical record and Operative report
Acute Myocardial infarction	Medical record, blood test results of cardiac enzyme and electrocardiogram (ECG) results
Severe Hepatitis B Virus Infection	Medical record, blood test results of liver function test and Ultrasound of abdominal cavity results
Chronic kidney disease	Medical record, blood test results of renal function test and Ultrasound of abdominal cavity results
Organ transplant or bone marrow transplant	Medical record and Operative report
Chronic obstructive pulmonary disease	Medical record and blood test results of liver function
Muscular Dystrophy	Medical record and Electromyogram (EMG) results
Multiple Sclerosis	Medical record and cerebrospinal fluid test results
Poliomyelitis	Medical record and cerebrospinal fluid test results
bacterial Meningitis	Medical record and cerebrospinal fluid test results
Viral encephalitis	Medical record and cerebrospinal fluid test results
Third degree burn	Medical record and the results of the assessment of the degree of burns following the Rule of Nines criteria, which was diagnosed by a surgeon
Coma	Medical record and the results of the diagnosis of the nervous system by a physician or neurosurgeon
Severe head injury	Medical record, Head injury examination results and results of Activity Daily Living (ADL index)
Kawasaki disease	Medical record, and the results of Echocardiogram from a cardiologist or pediatric cardiologist





Document Required for All type of Death Claims of the Insured / Payor				
Document / Evidence		Natural Death	Unnatural Death	Remark
1.	Claim form signed by all beneficiary (1 form for 1 beneficiary)	✓	✓	In case the beneficiary is juvenile, parent, guardian or close relatives is required to co-sign as well. In case the beneficiary is Corporate or Employer, authorized person with corporate stamp and Certificate of the Ministry of Commerce are required.
2.	Photography of Beneficiary together with ID Card (1 photo for 1 beneficiary)	✓	✓	
3.	Copy of house registration and Identity card of all beneficiaries	✓	✓	In case that the beneficiary is Estate, do submit all document related to Administrator
4.	Copy of death certificate of the deceased	✓	✓	
5.	Copy of house registration of the deceased with stamp "DEATH"	✓	✓	
6.	Copy of Identity card of the deceased	✓	✓	
7.	KYC form for Agent	✓	✓	
8.	Agent's report	✓	✓	
9.	Employee's Certificate with date of commence, position, current salary from HR, signed and stamped by authorized person (WAIVED in case of Government sector)	✓	✓	For Corporate Solution Group
10.	Copy of police report	—	✓	For unnatural death
11.	Copy of autopsy report or postmortem	—	✓	For unnatural death
12.	Student's certificate with institute's stamp	—	✓	For Group accident claim
13.	Physician's statement	✓	*	Dead from Illness or dead at home, death notice is acceptable
14.	Copy of Proof of name change of the Insured/Payor or beneficiary	*	*	In case name is different as indicated in the policy.
15.	Copy of Birth Certificate of Juvenile insured or Juvenile beneficiary	*	*	
16.	Copy of Marriage certificate of the Insured / Payor or beneficiary	*	*	
17.	Copy of court order for juvenile's guardian appointment	*	*	
18.	Copy of court order for administrator appointment 18.1 Copy of court order for Insured's administrator appointment  18.2 Copy of court order for Beneficiary's administrator appointment	*	*	In case of ONE or more than one beneficiary is dead before or in the same time of the insured, and the change of the beneficiary has not been done yet, <u>EXCEPT</u> the policy issued before September 1, 2000, death benefit shall be paid to the still living beneficiary (PA excluded). In case the insured is murdered by ONE or ALL beneficiary In case there is living benefit approved after death and the amount exceeds 200,000 THB.  In case the beneficiary passed away after the insured.
19.	Copy of court order to be missing person	*	*	In case the insured or the beneficiary is missing without knowing that if he/she is still alive.



Document Required for All type of Death Claims of the Insured / Payor				
Document / Evidence		Natural Death	Unnatural Death	Remark
20.	Copy of Passbook of Beneficiary (Bankbook)	*	*	In case the beneficiary requires a media clearing (AIA PAY)
21.	Form of change of beneficiary	*	*	In case the payor is dead.

- Note**
- ✓ Required for assessment
  - \* To be used in some cases
  - Not necessary

For the document of 3-6

- In case of juvenile insured or beneficiary, birth certificate can be used as identity card.
- All document of the insured must be certified true copy by ONE of the beneficiaries.
- All document of the payor must be certified true copy by the insured.
- All document of the beneficiary must be certified true copy by each respective beneficiary. In case of juvenile beneficiary, document must be certified true copy by parent or guardian, or closed relative of such junior attached with the copy of house registration and identity card of the above co-signed individual.

Note	
▪	Natural Death means death from illness.
▪	Unnatural Death means commit suicide, assault by human or animal, accidental death or death from unknown cause.
▪	Death benefit shall be sent through writing agent. If the agent wishes to receive death benefit through servicing agent, consent from writing agent is required.
▪	If the beneficiary (indicated in the life or accident policy) is dead or bankrupted before the insured. Change of the beneficiary is preferably recommended.

Death Claims Document\_Mar 17, 2022



### 1.5.3 Customer Service, Complaint process and channel

	<p><b>AIA Company Limited</b>  AIA Tower, 181 Surawong Road., Suriyawong, Bang Rak, Bangkok 10500  Service Hours : Mon - Fri (8:00 am – 5.00 pm)</p>
	<p><b>Customer Service Centre</b>  2nd Floor AIA Tower, 181 Surawong Road., Suriyawong, Bang Rak, Bangkok 10500  Service Hours : Mon - Fri (8:00 am – 5.00 pm)</p> <p><a href="#">Advance appointment at Customer Service Center</a></p>
	<p><b>Customer Care Center</b>  5th Floor AIA Tower, 181 Surawong Road, Suriyawong, Bang Rak, Bangkok 10500  Service Hours : Mon – Fri (8:00 am – 5.00 pm)</p> <p><a href="#">Online Complaint</a></p>
	<p><b>Contact Us</b></p> <ul style="list-style-type: none"> <li>○ AIA Call Center 1581 (24-hour Call Center Service)</li> </ul> <p><b>For Customer Complaint</b></p> <ul style="list-style-type: none"> <li>○ Email: <a href="mailto:th.customercare@aia.com">th.customercare@aia.com</a></li> </ul>

#### Complaint resolution process

##### Contact channel

“Customer service issues and complaints have always been a matter of great interest for AIA Thailand and AIA Group. To enhance the effectiveness of the complaint resolution process, the Company has invested in developing our People, Process and Tools to ensure that complaints will be resolved uniformly, transparently, and equitably under strict adherence to OIC regulations.

To further cater to the convenience of our customers, AIA has established multiple contact points to service the increasingly diverse sources of complaints such as complaints by walk-ins, through the regulators, in writing or online correspondence, by phone and through social media. Each contact point is staffed by designated complaint resolution personnel, and if the complaint is complex, then it will be specifically managed and resolved by specialized unit, the Customer Care Center.”

# AIA Thailand

## **Corporate Governance Framework**

Incorporating

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AIA THAILAND



# Document Details

Document Name	Corporate Governance Framework
Document Version	8.0
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
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Approved by	Chief Risk Officer (“CRO”)
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Related Policies and Standards	Code of Conduct AIA Group Anti-Corruption Policy 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 <ul style="list-style-type: none"> <li>- Minor revise on department name</li> <li>- Add Legal and External Affairs Department in AIA Thailand Structure</li> </ul>	24 March 2022	CRO
5.0	Fifth release <ul style="list-style-type: none"> <li>- Minor revise on senior management according to revised TORs</li> </ul>	23 May 2022	CRO
6.0	Sixth release <ul style="list-style-type: none"> <li>- Minor revise on the frequency of EXCO meeting</li> <li>- Minor revise on senior management according to revised corporate structure</li> <li>- Minor revise on the member of Intermediary Appeal Board according to the revised TOR</li> </ul>	2 May 2023	CRO
7.0	Seventh release <ul style="list-style-type: none"> <li>- Minor revise on senior management according to the revision on corporate structure.</li> <li>- Minor revise on the members of Serious Complaint Committee ("SCC") and Intermediary Disciplinary Committee ("DC").</li> </ul>	19 April 2024	CRO
8.0	Eight release <ul style="list-style-type: none"> <li>- Revise on senior management structure according to the revision on corporate structure together with title of affected management committee member</li> <li>- Revise on the member of Serious Compliant Committee</li> <li>- Revise the member of Claim Committee</li> <li>- Add a new Management Committee (Product Development Committee)</li> <li>- Revise the name of "Whistle Blower Protection Policy" and Anti-Fraud Policy"</li> <li>- Revise "Monitoring Review and Amendments"</li> </ul>	30 April 2025	EXCO

## DISTRIBUTION LIST

TITLES
All members of EXCO

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## 1. Introduction

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### 1.1. Purpose and Background

According to the Notification of the Insurance Commission Re: 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 ("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

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### 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

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#### 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 least 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.

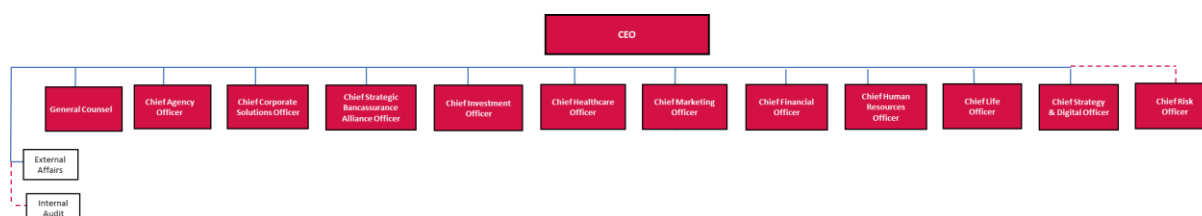
Full minutes of the EXCO's meetings shall be kept by the secretariat, and such minutes shall be available for inspection at any reasonable time on reasonable notice by the EXCO or the Board.

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.

c) Pension Investment Committee (“Pension IC”)

The Pension IC reviews the investment policies of the pension business and monitors the allocation and performance of funds. The members of Pension IC are:

1. Chief Investment Officer
2. Fund Manager
3. Head of CS Pension Department

4. Director of ERM Department

5. Pension Fund Managers

d) 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. General Counsel
8. Director of Compliance
9. Director of Information Technology

e) 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

f) 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

g) 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

h) 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

i) 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

j) Intermediary Appeal Board (“AB”)

The Objective of the AB is to provide for appeal by an Intermediary against a penalty imposed by the Intermediary Disciplinary Committee. The members of AB are:

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

k) 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

l) 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. Director of Information Technology
15. Director 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 addition, 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-Corruption Policy**

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.

### **Remuneration 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

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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

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Code of Conduct

AIA Group Anti-Corruption Policy

AIA Group Anti-Fraud Standard

AIA Group Whistleblowing Standard

AIA Thailand

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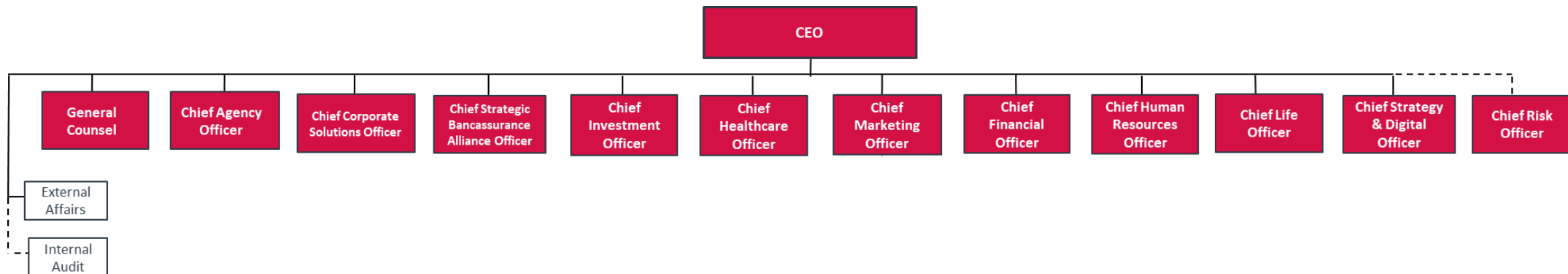
## **Corporate Governance Framework**

Version 8.0





## 2.2 Company Structure








## 2.3 Board and Management Structure

### Board and Management

Management	Description
 <p>Nikhil Ashvani Advani Chief Executive Officer</p>	<p>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.</p>
 <p>Hiew Tet Chian Chief Financial Officer</p>	<p>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 &amp; Management Information to support the business.</p>
 <p>Aekkaratt Thitimon Chief Healthcare Officer</p>	<p>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.</p>



## Board and Management (Cont'd)

Management	Description
 <p>Alisa Simaroj Chief Agency Officer</p>	<p>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.</p>
 <p>Auraratana Jutimitta Chief Strategic Bancassurance Alliance Officer</p>	<p>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.</p>
 <p>Sarunya Tienthavorn Chief Human Resources Officer</p>	<p>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.</p>



## Board and Management (Cont'd)

Management	Description
 <p>Chalida Nakornchai Chief Marketing Officer</p>	<p>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.</p>
 <p>Chih-Yi Lu (Eric Lu) Chief Investment Officer</p>	<p>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 &amp; asset liability management.</p>
 <p>Suthanit Suriyotai Chief Life Officer</p>	<p>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.</p>



## Board and Management (Cont'd)

Management	Description
 <p>Loo Boon Teik Chief Risk Officer</p>	<p>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.</p>
 <p>Chiraporn Kanistarath Chief Corporate Solutions Officer</p>	<p>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.</p>
 <p>Dr. Christian Roland Chief Strategy &amp; Digital Officer</p>	<p>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.</p>



## 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 (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)
- 9) Amaraporn Runsewa (Head of Information Technology)



#### **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)





## 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 ERM framework that focuses on risks arising from interdependencies between Company's assets and liabilities. Through the management of investment strategies, as well as product design, pricing and development; ALM framework aims to achieve the company's goals whilst operating under applicable constraints and within the acceptable risk threshold. Asset-Liability Management Committee (ALCO) is a management committee that the local Executive Committee (EXCO) has delegated the authority to provide oversight and governance on 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 compliance with the established guidelines and policies from AIA Group and AIA Thailand.

The risk arising from interest rate sensitivity between asset and liabilities are held as Interest Rate Risk Charge in the regulatory reporting, where the rules are as prescribed in Risk-Based Capital Framework and Regulations prescribed by the OIC. In addition, interest rate risk is mainly managed through duration and cashflow management. Duration gap between assets and liabilities is taken into consideration and regularly monitored and discussed among ALCO and Financial Risk Committee (FRC).

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



## 4. Insurance Risks

**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 helps to reduce concentration and volatility risk, especially on policies with large sums assured or lines of business with new risks. It also serves to protect against catastrophic events such as pandemics or natural disasters.



## 5. Value, Procedures and Assumptions for Insurance Reserves

Long term insurance contracts have a coverage term that is longer than 1 year, or the contract automatically renews with a guarantee that it cannot terminate, and that the premiums and benefits cannot change throughout the contract term.

Short term insurance contracts do not have the same guarantees in the terms and conditions as long term insurance contracts.

The classifications of long term and short-term insurance contracts are in accordance with the approach followed for the Risk-Based Capital report.

### Long-term technical reserves

The insurance contract liabilities for traditional life insurance are calculated using a net premium valuation method, whereby the liability represents the present value of estimated future policy benefits to be paid, less the present value of estimated future net premiums to be collected from policyholders. This method uses assumptions prescribed by the OIC without a provision for adverse deviation. Assumptions are set at the policy inception date and remain locked in thereafter, unless a deficiency arises in the Liability Adequacy Testing (LAT). If the LAT shows that the liability is inadequate, then the entire deficiency will be recognised in the profit and loss account.

For contracts with an explicit account balance, such as universal life and unit-linked contracts, the insurance contract liabilities represent the accumulated fund value. This is comprised of the premiums received and investment returns credited to the policy, less deductions for mortality and morbidity costs and expense charges. Included in the amount "Due to insured" is the investment element of the universal life policies and investment linked products which represents 100% of the account value. The non-investment elements are reserved for based on an unearned cost of insurance basis.

### Short-term technical reserve

The Unearned Premium Reserves for group life insurance and short-term insurance contracts are calculated on a pro-rata basis.



## Insurance liabilities

Unit: Million Baht

Item	As of December 31,			
	2024		2023	
	Book value	Appraisal value	Book value	Appraisal value
Long-term technical reserves	593,973	687,161	568,945	608,357
Short-term technical reserves	28,557	24,771	25,335	21,481
Unpaid policy benefits	558	558	464	464
Due to insured	189,600	93,425	173,806	89,967

**Remarks:**

- Book Value refers to Insurance liabilities valued according to the Thai Generally Accepted Accounting Principles (THGAAP). The main objective is to support the investor's understanding of the economic value of policy liabilities according to THGAAP. The Policy liabilities are audited and certified by an auditor.
- Fair Value refers to Insurance liabilities valued according to the OIC's Notification on the Valuation of Assets and Liabilities of Life Insurance Companies to ensure that the Company has the ability to pay the policy benefit to policyholders. The fair value of insurance liabilities must be calculated by a certified actuary according to accepted actuarial principles. The assumptions used in the fair 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.

**Notes:** In some reporting periods, there could be a material difference between insurance liabilities valued under a book value approach and a fair 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, and to be consistent with the asset-liability management objectives of the company 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 investments are categorized under 3 main asset classes i.e., Fixed Income, Equity and Real Estate.

### 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, credit risk management and Asset Liabilities Management.

### Equity

The objective of equity investment is to optimize investment returns and generate excess returns over respective benchmarks by investing in stocks which have good fundamentals and consistent growth with reasonable prices. Investment is based on fundamentals, instead of technical factors for both entry and exit strategies.

Stocks are evaluated not only on their growth potential, but also on their growth profiles or characteristics. The growth characteristics of a company is typified by the growth cycle characterized by different growth/risk parameters.

The investment process is driven by fundamental research, combining top-down macroeconomic and market analysis with comprehensive bottom-up fundamental analysis for individual stocks. Use of external investment research is augmented by internal research that includes field visits. A global or regional overlay is achieved by interaction with AIA's Group investment team, especially in sectors that are particularly global in nature, e.g. technology and commodities.

### Real Estate

The investment process is driven by due diligence on potential direct real estate investments. The purpose of due diligence is to prevent material negative impacts to the Company's financial results. Real estate investment must be in line with the strategic asset allocation and should significantly contribute to the Company's obligations, dividend payments to policyholders and risk-based capital adequacy.

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



## Investment assets Table

Unit: Million Baht

Item	As of December 31,			
	2024		2023	
	Book value	Appraisal value	Book value	Appraisal value
Deposits with financial institutions and Certificate of Deposit	5,061	5,061	6,953	6,953
Bonds, debentures, promissory notes bill of exchange	726,984	752,528	678,132	651,407
Equity securities excluded investments in subsidiaries and associates	75,649	75,649	80,219	80,219
Mutual fund	18,593	18,670	3,391	3,388
Policy Loans	38,504	44,821	35,224	40,380
Loans	16	8	25	16
Warrants	-	-	25	25
Investment property	28,001	28,001	26,894	26,894
Derivative assets	8,954	8,954	6,658	6,658
Others	-	-	-	-
<b>Total Investment Assets</b>	<b>901,762</b>	<b>933,692</b>	<b>837,521</b>	<b>815,940</b>

### Remarks:

- Book Value refers to assets and liabilities valued in accordance with accounting standards.
- Fair Value refers to assets and liabilities valued in accordance with the OIC Notification on the Valuation of Assets and Liabilities of Life Insurance Companies for CAR calculation under the RBC Framework.





## 7. Financial Results Analysis and Ratios

### Performance

Unit: Million Baht

Item	As of December 31,	
	2024	2023
Gross written premiums	150,667	144,140
Net earned premiums	128,164	127,634
Net investment income	27,626	26,468
Change in long-term technical reserve	25,028	10,824
Net benefits and claim paid	77,960	92,029
Net Profit	10,029	9,511

Compared with year 2023, Gross written premiums in 2024 increased by Baht 6,527 million or 4.5% mainly from Ordinary Life and Unit linked products generating from Agency channel. Net profit increased by Baht 518 million or 5.4% mainly from increase in net investment income; while Change in long-term technical reserve increased by Baht 14,204 million or 131.2% which is in line with the decrease in Net benefits paid for maturity.

### Financial Ratios

Ratios	2024	2023
First year underwriting expense per net premium*	85.9%	80.6%
Renewal underwriting expense per net premium*	14.7%	14.4%
Return on equity	5.3%	5.0%
Return on asset		
Return on asset	0.9%	0.9%
Return on asset excluded Unit linked and Universal life	0.8%	0.8%
Return on investment		
Return on investment	2.9%	2.9%
Return on investment excluded Unit linked and Universal life	3.2%	3.2%
Investment asset per liability reserve	144.0%	141.2%

\* First year and Renewal underwriting expenses exclude investment management expenses.



Table: Proportion of premium written from each insurance category for 2024

Unit: Million Baht

Description	Ordinary					Industrial	Personal Accident	Group	Total
	Whole Life	Endowment	Term	Others	Total				
Direct premium written	29,614	40,820	212	67,142	137,788	-	3,088	9,791	150,667
Proportion of premium written (%)	19.66	27.09	0.14	44.56	91.45	-	2.04	6.50	100.00



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

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

Unit: Million Baht

Items	As of December 31,	
	2024	2023
Total Asset	1,053,774	929,446
Total Liabilities	878,991	771,279
- Insurance liabilities	805,915	720,269
- Other Liabilities	73,076	51,010
Total Head Office's Equity	174,782	158,166
Common Equity Tier 1 Ratio (%)	380	370
Tier 1 Ratio (%)	380	370
Capital Adequacy Ratio (%)	380	370
Total Capital Available	172,880	156,253
Total Capital Required	45,500	42,245

### Remarks:

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

AIA COMPANY LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2024



## **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 (the Branch) as at 31 December 2024, 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 2024;
- 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 management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRS, and for such internal control as management determines 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, management is 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 management either intends to liquidate the Branch or to cease operations, or has no realistic alternative but to do so.

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





### **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 management.
- Conclude on the appropriateness of the management's 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, related safeguards.

PricewaterhouseCoopers ABAS Ltd.

A handwritten signature in black ink, appearing to read "Paiboon Tunkoon", with a horizontal line underneath.

**Paiboon Tunkoon**

Certified Public Accountant (Thailand) No. 4298

Bangkok

10 March 2025

AIA Company Limited  
Statement of Financial Position  
As at 31 December 2024

		31 December 2024	31 December 2023
	Notes	Baht	Baht
<b>Assets</b>			
Cash and cash equivalents	6	15,672,091,960	17,364,823,430
Premium receivables	7	9,011,555,468	7,578,663,058
Accrued income on investments		3,194,716,221	3,535,442,356
Reinsurance assets	8, 21, 33	1,446,100,205	470,102,101
Amount due from reinsurance	9, 33	35,434,938	4,126,016
Deferred acquisition costs	10	89,837,896,973	83,378,284,826
Derivative assets	11	8,954,428,841	6,682,979,180
Invested assets			
Investment in securities	12, 33	810,617,942,899	751,334,939,998
Loans and accrued interest receivables	14	38,520,286,345	35,249,114,148
Investment property	15	28,001,000,000	26,894,190,720
Investment in associates	13, 33	171,500,000	171,500,000
Assets held to cover linked liabilities	16	86,541,599,678	73,921,113,633
Property, plant and equipment	17	1,332,953,039	1,339,299,368
Intangible assets	18	4,125,086,620	4,114,622,422
Other assets	19, 33	4,754,168,586	14,263,871,585
<b>Total assets</b>		<b>1,102,216,761,773</b>	<b>1,026,303,072,841</b>

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



AIA Company Limited  
Statement of Financial Position (Cont'd)  
As at 31 December 2024

		31 December 2024 Baht	31 December 2023 Baht
	Notes		
<b>Liabilities and Head Office's Equity</b>			
<b>Liabilities</b>			
Borrowings	20	22,660,000,000	-
Insurance liabilities	21	809,719,287,791	765,526,606,239
Amount due to reinsurance	22, 33	488,950,776	749,858,103
Derivative liabilities	11	6,552,514,061	9,105,472,926
Income tax payable		2,024,995,222	1,829,423,664
Provisions for employee benefits	23	4,892,749,094	4,476,585,136
Deferred tax liabilities	24	25,244,518,052	22,304,889,154
Other liabilities	25, 33	35,457,970,864	35,769,795,411
<b>Total liabilities</b>		<b>907,040,985,860</b>	<b>839,762,630,633</b>
<b>Head Office's Equity</b>			
Fair value gains on investments measured at fair value through other comprehensive income, net of tax		35,864,493,327	23,026,131,738
Fair value gains on derivative instruments used in cash flow hedge, net of tax		3,711,181,531	1,882,585,732
Fair value losses on deferred cost of hedge, net of tax		(552,852,064)	(1,054,658,819)
Remeasurements of post-employment benefit obligations, net of tax		(1,685,830,062)	(1,431,881,794)
Gains on land and building revaluation, net of tax		1,582,120,366	1,527,494,308
Other reserve		132,517,439	124,725,809
Branch's retained earnings			
Unappropriated		156,124,145,376	162,466,045,234
<b>Total Head Office's Equity</b>		<b>195,175,775,913</b>	<b>186,540,442,208</b>
<b>Total liabilities and Head Office's Equity</b>		<b>1,102,216,761,773</b>	<b>1,026,303,072,841</b>

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

AIA Company Limited  
Statement of Comprehensive Income  
For the year ended 31 December 2024

	Notes	2024 Baht	2023 Baht
<b>Revenues</b>			
Gross written premiums		150,666,743,628	144,140,243,509
<u>Less</u> premiums ceded to reinsurers	33	<u>(20,635,793,257)</u>	<u>(15,282,589,589)</u>
Net written premiums		130,030,950,371	128,857,653,920
<u>Less</u> net change in unearned premium reserve		<u>(1,866,626,947)</u>	<u>(1,223,983,345)</u>
Net earned premiums		128,164,323,424	127,633,670,575
Fee and commission income	33	976,036,495	826,878,633
Net investment income	33	27,626,446,900	26,468,226,307
Gains on investment		5,035,661	910,736,810
Fair value gains (losses)		(487,779,379)	390,606,348
Fair value losses on investment property	15	(2,003,926)	(165,471,360)
Other income	33	<u>313,967,399</u>	<u>162,047,140</u>
Total revenues		<u>156,596,026,574</u>	<u>156,226,694,453</u>
<b>Expenses</b>			
Change in long-term technical reserves		25,027,933,399	10,823,846,130
Gross benefits and claim paid	26	94,865,321,940	104,550,592,606
<u>Less</u> benefits and claim paid recovered from reinsurers	33	<u>(16,905,055,528)</u>	<u>(12,521,984,560)</u>
Net benefits and claim paid		77,960,266,412	92,028,608,046
Commissions and brokerages		10,611,631,388	10,207,261,819
Other underwriting expenses	33	19,443,214,250	18,896,810,762
Operating expenses	28, 33	10,793,846,498	9,990,963,569
Finance cost	33	265,074,723	59,221,036
(Reversal of) expected credit loss	30	<u>(18,882,300)</u>	<u>2,352,921,235</u>
Total expenses		<u>144,083,084,370</u>	<u>144,359,632,597</u>
Profit before income tax		12,512,942,204	11,867,061,856
Income tax expenses	31	<u>2,483,842,062</u>	<u>2,356,335,823</u>
Net profit		<u>10,029,100,142</u>	<u>9,510,726,033</u>

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

AIA Company Limited  
Statement of Comprehensive Income (Cont'd)  
For the year ended 31 December 2024

	Notes	2024 Baht	2023 Baht
<b>Other comprehensive income (loss)</b>			
<u>Items that will not be reclassified subsequently to profit or loss</u>			
Remeasurements of post-employment benefit obligations	23.1	(317,435,335)	(200,781,262)
Gains on land and building revaluation		68,282,572	118,908,787
Income tax on items that will not be reclassified subsequently to profit or loss		49,830,553	16,374,495
Total items that will not be reclassified subsequently to profit or loss		(199,322,210)	(65,497,980)
<u>Items that will be reclassified subsequently to profit or loss</u>			
Fair value gains on investments measured at fair value through other comprehensive income		14,933,206,142	27,087,298
Fair value gains on derivative instruments used in cash flow hedge		2,285,744,749	332,929,921
Fair value gains (losses) on deferred cost of hedge		627,258,444	(877,911,780)
Items in other comprehensive income transferred to profit or loss		1,114,745,844	(3,307,738,687)
Income tax relating to items that will be reclassified subsequently to profit or loss		(3,792,191,035)	765,126,649
Total items that will be reclassified subsequently to profit or loss		15,168,764,144	(3,060,506,599)
Other comprehensive income (loss) for the year, net of tax		14,969,441,934	(3,126,004,579)
Total comprehensive income for the year		24,998,542,076	6,384,721,454

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

AIA Company Limited  
Statement of Changes in Head Office's Equity  
For the year ended 31 December 2024

	Fair value gains on investments measured at fair value through other comprehensive income, net of tax Baht	Fair value gains on derivative instruments used in cash flow hedge, net of tax Baht	Fair value gains (losses) on deferred cost of hedge, net of tax Baht	Remeasurements of post-employment benefit obligations, net of tax Baht	Gains on land and building revaluation, net of tax Baht	Other reserve Baht	Unappropriated Branch's retained earnings Baht	Total Head Office's Equity Baht
Beginning balance as at 1 January 2024	23,026,131,738	1,882,585,732	(1,054,658,819)	(1,431,881,794)	1,527,494,308	124,725,809	162,466,045,234	186,540,442,208
Profit remittances to Head Office	-	-	-	-	-	-	(16,371,000,000)	(16,371,000,000)
Employee benefits on share-based payment	-	-	-	-	-	7,791,630	-	7,791,630
Net profit	-	-	-	-	-	-	10,029,100,142	10,029,100,142
Remeasurements of post-employment benefit obligations	-	-	-	(253,948,268)	-	-	-	(253,948,268)
Gains on land and building revaluation	-	-	-	-	54,626,058	-	-	54,626,058
Fair value gains on investments measured at fair value through other comprehensive income	11,946,564,914	-	-	-	-	-	-	11,946,564,914
Fair value gains on derivative instruments used in cash flow hedge	-	1,828,595,799	-	-	-	-	-	1,828,595,799
Fair value gains on deferred cost of hedge	-	-	501,806,755	-	-	-	-	501,806,755
Items in other comprehensive income transferred to profit or loss	891,796,675	-	-	-	-	-	-	891,796,675
Ending balance as at 31 December 2024	35,864,493,327	3,711,181,531	(552,852,064)	(1,685,830,062)	1,582,120,366	132,517,439	156,124,145,376	195,175,775,913
Beginning balance as at 1 January 2023	25,650,652,850	1,616,241,795	(352,329,395)	(1,271,256,784)	1,432,367,278	115,902,803	167,984,319,201	195,175,897,748
Profit remittances to Head Office	-	-	-	-	-	-	(15,029,000,000)	(15,029,000,000)
Employee benefits on share-based payment	-	-	-	-	-	8,823,006	-	8,823,006
Net profit	-	-	-	-	-	-	9,510,726,033	9,510,726,033
Remeasurements of post-employment benefit obligations	-	-	-	(160,625,010)	-	-	-	(160,625,010)
Gains on land and building revaluation	-	-	-	-	95,127,030	-	-	95,127,030
Fair value gains on investments measured at fair value through other comprehensive income	21,669,838	-	-	-	-	-	-	21,669,838
Fair value gains on derivative instruments used in cash flow hedge	-	266,343,937	-	-	-	-	-	266,343,937
Fair value losses on deferred cost of hedge	-	-	(702,329,424)	-	-	-	-	(702,329,424)
Items in other comprehensive income transferred to profit or loss	(2,646,190,950)	-	-	-	-	-	-	(2,646,190,950)
Ending balance as at 31 December 2023	23,026,131,738	1,882,585,732	(1,054,658,819)	(1,431,881,794)	1,527,494,308	124,725,809	162,466,045,234	186,540,442,208

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

AIA Company Limited  
Statement of Cash Flows  
For the year ended 31 December 2024

	Notes	2024 Baht	2023 Baht
<b>Cash flows provided by (used in) operating activities</b>			
Written premium received from direct insurance		159,619,478,922	151,764,820,738
Fee income		523,127,578	424,472,352
Cash paid for reinsurance		(4,713,179,722)	(2,466,882,445)
Interest income		27,062,656,356	26,788,847,493
Dividend income		2,976,063,503	2,111,302,239
Investment expenses		(3,010,920,883)	(2,837,457,425)
Cash paid from settlement of derivatives		(1,451,315,665)	(302,281,247)
Rental income		1,101,094,830	1,005,222,735
Other income		214,088,071	258,958,460
Gross benefits and claim paid from direct insurance		(92,670,823,469)	(105,947,719,071)
Commissions and brokerages from direct insurance		(13,891,303,252)	(13,997,505,819)
Other underwriting expenses		(20,702,472,209)	(19,059,586,991)
Operating expenses		(8,914,300,700)	(8,443,495,703)
Income tax expense		(3,091,002,090)	(2,074,168,497)
Cash received from investment in securities		119,722,059,855	106,448,164,820
Cash paid for investment in securities		(156,936,949,883)	(95,391,119,989)
Cash paid for investment property	15	(1,116,359,755)	(1,429,269,707)
Cash received from loans repayment		4,638,142,046	21,401,978,925
Cash paid for loans drawdown		(8,491,819,966)	(24,408,673,862)
Cash received from assets held to cover linked liabilities		28,895,094,930	16,194,739,690
Cash paid for assets held to cover linked liabilities		(36,744,160,047)	(23,761,898,346)
<b>Net cash provided by (used in) operating activities</b>		<b>(6,982,801,550)</b>	<b>26,278,448,350</b>
<b>Cash flows provided by (used in) investing activities</b>			
<u>Cash flows provided by:</u>			
Properties and equipment		1,759,169	4,894,978
<b>Net cash provided by investing activities</b>		<b>1,759,169</b>	<b>4,894,978</b>
<u>Cash flows used in:</u>			
Properties and equipment	17	(89,129,303)	(75,289,357)
Intangible assets		(566,398,546)	(1,086,603,124)
<b>Net cash used in investing activities</b>		<b>(655,527,849)</b>	<b>(1,161,892,481)</b>
<b>Net cash used in investing activities</b>		<b>(653,768,680)</b>	<b>(1,156,997,503)</b>

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

AIA Company Limited  
Statement of Cash Flows (Cont'd)  
For the year ended 31 December 2024

	Notes	2024 Baht	2023 Baht
<b>Cash flows provided by (used in) financing activities</b>			
<u>Cash flows provided by:</u>			
Borrowings		137,280,000,000	28,070,000,000
Net cash provided by financing activities		137,280,000,000	28,070,000,000
<u>Cash flows used in:</u>			
Repayment of borrowings		(114,620,000,000)	(28,070,000,000)
Lease liabilities		(119,974,170)	(117,076,651)
Remittances to Head Office	33	(16,371,000,000)	(15,029,000,000)
Finance cost		(225,187,070)	(41,823,898)
Net cash used in financing activities		(131,336,161,240)	(43,257,900,549)
Net cash provided by (used in) financing activities		5,943,838,760	(15,187,900,549)
<b>Net increase (decrease) in cash and cash equivalents</b>		(1,692,731,470)	9,933,550,298
Cash and cash equivalents at beginning of year		17,364,823,430	7,431,273,132
<b>Cash and cash equivalents at end of year</b>		15,672,091,960	17,364,823,430

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

**1. General information**

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

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

181 Surawongse Road, Bangrak, Bangkok 10500.

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

These financial statements have been approved by the Branch's management on 10 March 2025.

**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 financial statements presentation is based on the formats of 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 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 have 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.

## 2. Material accounting policies (Cont'd)

### 2.1 Basis of preparation (Cont'd)

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

- a) Financial reporting standards that are effective for the year ended 31 December 2024, but the Branch has elected to apply the temporary exemption described further below:

- **The financial standards related to financial instruments are as follows:**

TAS 32	Financial instruments: Presentation
TFRS 7	Financial instruments: Disclosures
TFRS 9	Financial instruments
TFRIC 16	Hedges of a net investment in a foreign operation
TFRIC 19	Extinguishing financial liabilities with equity instruments

The financial reporting standards and TFAC Accounting Guidance related to financial instruments address the classification and measurement requirements for financial instruments as well as provide derecognition guidance on financial assets and financial liabilities. The guidance also provides an option for the Branch to apply hedge accounting to reduce accounting mismatch between hedged item and hedging instrument. In addition, the rule 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 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 guidance requires assessment of impairment of financial assets as well as contract assets and recognition of expected credit loss from initial recognition.

The Branch performed an initial eligibility assessment and passed the criteria of temporary exemption from TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures under TFRS 4 Insurance Contracts. The Branch is eligible to apply the 'financial instruments and disclosure for insurance companies' accounting guidance' ('The Accounting Guidance'). After the date of eligibility assessment, there has been no change in the Branch's activities that requires a reassessment of the eligibility assessment. Additional information on financial assets in relation to the election of the temporary option is illustrated as follows:

Financial assets of the Branch are separated into (i) financial assets with contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (SPPI) in accordance with TFRS 9 and are not held for trading or managed on fair value basis and (ii) all financial assets other than those specified in (i).



## 2. Material accounting policies (Cont'd)

### 2.1 Basis of preparation (Cont'd)

The accounting policies adopted are consistent with those of the previous financial year, except as described as follows: (Cont'd)

- a) Financial reporting standards that are effective for the year ended 31 December 2024, but the Branch has elected to apply the temporary exemption described further below: (Cont'd)

The following table shows the fair value and change in fair value of these two groups of financial assets:

	Fair value as at 31 December 2024			Change in fair value for the year ended 31 December 2024		
	Financial assets that met SPPI criteria and not held for trading or managed on fair value basis Thousand Baht	Others Thousand Baht	Total Thousand Baht	Financial assets that met SPPI criteria and not held for trading or managed on fair value basis Thousand Baht	Others Thousand Baht	Total Thousand Baht
Debt securities	742,798,007	1,196,947	743,994,954	61,214,759	19,458	61,234,217
Other financial assets	20,078,348	183,185,260	203,263,608	(13,723,711)	11,210,497	(2,513,214)
Total	762,876,355	184,382,207	947,258,562	47,491,048	11,229,955	58,721,003

	Fair value as at 31 December 2023			Change in fair value for the year ended 31 December 2023		
	Financial assets that met SPPI criteria and not held for trading or managed on fair value basis Thousand Baht	Others Thousand Baht	Total Thousand Baht	Financial assets that met SPPI criteria and not held for trading or managed on fair value basis Thousand Baht	Others Thousand Baht	Total Thousand Baht
Debt securities	638,985,898	2,047,640	641,033,538	21,737,283	33,010	21,770,293
Other financial assets	33,801,406	155,107,661	188,909,067	16,469,120	(14,013,737)	2,455,383
Total	672,787,304	157,155,301	829,942,605	38,206,403	(13,980,727)	24,225,676

Notes:

- Significant balance of other financial assets qualifying as SPPI includes accrued investment income and cash and cash equivalents whereas the remaining includes equity securities and derivative financial instruments.
- Certain financial assets included within the financial statements, including policy loan, interest receivables, amount due from reinsurance, and other receivables amounting to Baht 38,597 million (31 December 2023: Baht 37,761 million) are not included above since they will be accounted for under TFRS 17 when its adoption is in parallel with TFRS 9.

## 2. Material accounting policies (Cont'd)

### 2.1 Basis of preparation (Cont'd)

The accounting policies adopted are consistent with those of the previous financial year, except as described as follows: (Cont'd)

- b) Amended financial reporting standards that are effective for accounting year beginning on or after 1 January 2024 and have no material impact to the Branch.

- **Amendment to TAS 1 - Presentation of financial statements** revised the disclosure from 'significant accounting policies' to 'material accounting policies'. The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.
- **Amendment to TAS 8 - Accounting policies, changes in accounting estimates and errors** revised the definition of 'accounting estimates' to clarify how companies should distinguish between 'changes in accounting policies' and 'changes in accounting estimates'. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events and conditions from the date of that change. Whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period as if the new accounting policy had always been applied.
- **Amendments to TAS 12 - Income taxes**
  - 1) The Branch must recognise any deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, gives rise to equal amounts of taxable and deductible temporary differences. Example transactions are leases and decommissioning obligations.

The amendment should be applied to transactions on or after the beginning of the earliest comparative period presented. In addition, the Branch should recognise deferred tax assets (to the extent that they can probably be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised at the beginning of retained earnings or any other component of equity, as appropriate.

## 2. Material accounting policies (Cont'd)

### 2.1 Basis of preparation (Cont'd)

The accounting policies adopted are consistent with those of the previous financial year, except as described as follows: (Cont'd)

- b) Amended financial reporting standards that are effective for accounting year beginning on or after 1 January 2024 and have no material impact to the Branch. (Cont'd)

#### - Amendments to TAS 12 - Income taxes (Cont'd)

- 2) The Branch must apply all income taxes arising from the tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), an international organisation.

In December 2021, the OECD released the Pillar Two model rules to apply the Global Anti-Base Erosion Proposal, or 'GloBE', to reform international corporate taxation. Large multinational enterprises within the rules' scope must calculate the GloBE effective tax rates for each territory in which they operate and pay a top-up tax for the differences between these and the 15% minimum effective tax rate.

In December 2023, the amendments to TAS 12 provide a temporary relief from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments also require the Branch to disclose:

- the fact that the Branch has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes
- the current tax expense (if any) related to the Pillar Two income taxes; and
- during the period between the legislation being enacted or substantially enacted and the legislation becoming effective, known or reasonably estimable information that would help users of financial statements to understand the Branch' s exposure to Pillar Two income taxes arising from that legislation. If this information is not known or reasonably estimable, the Branch is instead required to disclose a statement to that effect and information about its progress in assessing the exposure.

Nevertheless, the Pillar Two model rules have no impact to the Branch since they have not become effective yet.

- **Amendment to Accounting Guidance related to financial instruments and disclosures applicable to insurance business** revised the disclosures in 'material accounting policies' to align with Amendment to TAS 1 - Presentation of financial statements.

## 2. Material accounting policies (Cont'd)

### 2.1 Basis of preparation (Cont'd)

The accounting policies adopted are consistent with those of the previous financial year, except as described as follows: (Cont'd)

- c) New financial reporting standard that is effective for accounting year beginning on or after 1 January 2025 and has material impacts to the Branch. However, the following new TFRS was not mandatory for the current reporting year and the Branch has not early adopted it.
- **TFRS 17 Insurance Contracts** TFRS 17 has replaced TFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using general measurement model which comprise of:
    - discounted probability-weighted cash flows
    - an explicit risk adjustment, and
    - a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

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

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

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

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

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

The new financial reporting standard is not mandatory for the current reporting period and the Branch has not early adopted the standard. The Branch's management has assessed the effect of the initial adoption of TFRS 17 involves the use of judgements and assumptions. This includes the approach to transition setting of actuarial assumptions and selection of valuation methodologies, and the models deployed in the measurement of fulfilment cashflows. It is expected that the effect on the statement of financial position on transition to TFRS 17 as at 1 January 2024 will result in a decrease in Head Office's equity.

## 2. Material accounting policies (Cont'd)

### 2.1 Basis of preparation (Cont'd)

The accounting policies adopted are consistent with those of the previous financial year, except as described as follows: (Cont'd)

- d) Amended financial reporting standard that is effective for accounting year beginning on or after 1 January 2025 and has no material impact to the Branch.
  - **Amendment to TFRS 16 Leases** added to the requirements for sale and leaseback transactions which explains how an entity accounts for a sale and leaseback after the date of the transaction.

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

### 2.2 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 Premium receivables

Premium receivables arising from insurance contracts are carried at carrying value less allowance for impairment which is established when there is objective evidence that the Branch will not be able to receive all amounts due according to term and condition specified in policy.

## 2. Material accounting policies (Cont'd)

### 2.5 Reinsurance transactions

Reinsurance assets, amount due from reinsurance and amount due to reinsurance are stated at carrying value.

The Branch cedes reinsurance in the normal course of business, with retentions varying by line of business. Premium ceded and claim reimbursed are presented on a gross basis in profit or loss and net basis by reinsurer in the statement of financial position.

Reinsurance assets consist of amounts receivable in respect of recovered insurance liabilities.

If a reinsurance asset is impaired, the Branch reduces the carrying amount accordingly and recognises that impairment loss in the profit or loss. A reinsurance asset is impaired if there is objective evidence, as a result of an event that occurred after initial recognition of the reinsurance asset, that the Branch may not receive all amounts due to it under the terms of the contract, and the impact on the amounts that the Branch will receive from the reinsurer can be reliably measured.

### 2.6 Deferred acquisition costs

The costs of acquiring new insurance contracts, including commissions and distribution costs, underwriting and other policy issue expenses which vary with and are primarily related to the production of new business or renewal of existing business, are deferred as an asset. Deferred acquisition costs are assessed for recoverability in the year of policy issue to ensure that these costs are recoverable out of the estimated future margins to be earned on the policy. Deferred acquisition costs are assessed for recoverability at least annually thereafter. To the extent that acquisition costs are not considered to be recoverable at inception or thereafter, these costs are expensed in the statement of comprehensive income. Deferred acquisition costs for insurance are amortised on a systematical basis.

### 2.7 Investment in securities

#### a) Classification

The Branch classifies its financial assets as follows:

- Investments measured at fair value through profit or loss (FVPL)
- Investments measured at fair value through other comprehensive income (FVOCI)
- Investments measured at amortised cost (AMC)
- Investments designated at fair value through profit or loss (FVO)

On the adoption of TAS 32 and the Accounting Guidance, the Branch shall classify financial instruments as equity instruments or debt instruments follow definition in paragraph 11 of TAS 32.

#### b) Recognition and derecognition

Regular way purchases, acquires and sales of financial assets are recognised on trade-date, the date on which the Branch commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Branch has transferred substantially all the risks and rewards of ownership.

## 2. Material accounting policies (Cont'd)

### 2.7 Investment in securities (Cont'd)

#### c) Measurement

At initial recognition, the Branch measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

For financial assets with embedded derivatives, the Branch designated the entire hybrid contract as fair value through profit or loss.

#### d) Debt instruments

Subsequent measurement of debt instruments depends on the Branch's classification of the financial assets. There are four measurement categories into which the Branch classifies its debt instruments:

- FVPL: Financial assets that are acquired principally for the purpose of generating a profit from short-term fluctuations in price, includes those do not meet the criteria for amortised cost or FVOCI, are measured at FVPL. A gain or loss on investments that is subsequently measured at FVPL is recognised in profit or loss and presented net within fair value gains (losses) in the period in which it arises.
- FVOCI: Financial assets intended to be held for an indefinite period of time, which may be sold in response to liquidity needs or changes in interest rates. Movements in the carrying amount are taken through other comprehensive income (OCI), except for the recognition of impairment gains or losses, interest income using the effective interest method, and foreign exchange gains and losses which are recognised in profit or loss. When the financial assets are derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in gains (losses) on investment. Interest income is included in net investment income. Impairment expenses are presented separately in the statement of comprehensive income.
- AMC: Financial assets with fixed maturity that the management has the intention and ability to hold to maturity. Interest income from these financial assets is included in net investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in gains (losses) on investment together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- FVO: Financial assets irrevocably designated at fair value through profit or loss in order to eliminate or significantly reduce a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains or losses on them on different bases. A gain or loss on these investments is recognised in profit or loss and presented net within fair value gains (losses) in the period in which it arises.

The classification is dependent on the purpose for which the investments were acquired. Management determines the appropriate classification of its investments at the time of the purchase and re-evaluates such designation on a regular basis.

## 2. Material accounting policies (Cont'd)

### 2.7 Investment in securities (Cont'd)

#### e) Equity instruments

The Branch measures all equity instruments at fair value where the Branch has elected to present fair value gains and losses on equity instruments in OCI and on mutual funds in profit or loss. Dividends from such investments continue to be recognised in profit or loss as investment income when the right to receive payments is established.

The Branch presents its investments in Real Estate Investment Trust (REIT), Infrastructure Trust, and Property Fund established and registered in Thailand as equity investments and measures them at FVO following the TFAC's clarification, "Interpretation of investments in Property Fund unit trusts, Real Estate Investment Trust units, Infrastructure Fund units, and Infrastructure Trust units established and registered in Thailand" dated 25 June 2020. The funds and trusts are required to distribute benefits of not less than 90% of its adjusted net profit.

#### f) Impairment

##### *Debt instruments*

The Branch applies the Accounting Guidance 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 assets 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 the financial assets, 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. Material accounting policies (Cont'd)**

**2.7 Investment in securities (Cont'd)**

**f) Impairment (Cont'd)**

*Equity instruments*

A test for impairment of equity instruments is carried out quarterly or when there is objective evidence that the issuer of the securities has significant financial difficulties, has defaulted or breached the contract terms, or the securities are illiquid due to the issuer's financial difficulties or a high probability that an issuer would be bankrupt or is undergoing a rehabilitation plan or the securities are prolonged declining in value. Impairment loss is charged to profit or loss.

**2.8 Investment in associates**

Associates are entities over which the Branch has the significant influence to participate in the financial and operating policy decisions of the investee but does not control or joint control over those policies.

The Branch does not present financial statements under equity method apart from separated Branch's financial statement because the Branch met exemption criteria for such requirement (the details of investment in associates are disclosed in Note 13).

Investment in associates are accounted for using the cost method. Income from investment in associates will be recorded in profit or loss when dividends are declared.

**2.9 Loans**

Loans including policy loan are stated at principal amounts less allowance for doubtful accounts.

Expected credit loss is assessed primarily on an analysis of payment histories, future expectations of borrowers repayments and the aging of accounts receivable and collaterals.

## **2. Material accounting policies (Cont'd)**

### **2.10 Investment property**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Branch, is classified as investment property. Investment property also includes property that is being constructed or developed for future use as investment property.

There is no property held under operating leases which is classified as investment property.

Investment property is measured initially at its cost, including related transaction costs. After initial recognition, investment property is carried at fair value.

Subsequent expenditure is capitalised to the asset's costs only when it is probable that future economic benefits associated with the expenditure will flow to the Branch and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment property under construction is measured at fair value if the fair value is considered reliably determinable. Investment property under construction for which the fair value cannot be determined reliably but for which the Branch expects that the fair value of the property will be reliably determinable when construction is completed, are measured at cost less impairment until the fair value becomes reliably determinable or construction is completed - whichever is earlier.

The fair value of investment property reflects, among other things, rental income from current leases and other assumptions market participants would make when pricing the property under current market conditions.

Change in fair value of investment property is recognised in profit or loss. Investment property is derecognised when it has been disposed or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposal.

Where the Branch disposes of a property at fair value, the carrying value immediately prior to the sale is adjusted to the transaction price, and the adjustment is recorded in profit or loss within net gain from fair value adjustment on investment property.

### **2.11 Assets held to cover linked liabilities**

Assets held to cover linked liabilities are invested assets held for policies issued that policyholders take risks and rewards of changes in value of those assets such as unit-linked. They are initially recognised at cost which is equal to the fair value of consideration paid plus transaction costs and subsequently measured at fair value. Unrealised gains (losses) arising from changes in fair value are recorded in profit or loss in the year in which they arise.

## 2. Material accounting policies (Cont'd)

### 2.12 Property, plant and equipment

Land and buildings comprise mainly offices and are shown at fair value, based on valuations by external independent valuer which will be revised every 12 months, less subsequent depreciation for buildings. Any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset and accumulated impairment losses (if any), and the net amount is restated to the revalued amount of the asset.

Equipment is stated at cost less accumulated depreciation and allowance of impairment (if any). Cost is measured by purchase price with the cash or other consideration plus expenses obtaining the asset and bringing it to the location and condition necessary for its intended use.

Increases in the carrying amount arising on revaluation of land and buildings are credited to other comprehensive income and shown as gains on land and building revaluation in Head Office's Equity. Decreases that offset previous increases of the same asset are charged in other comprehensive income and debited against gains on land and building revaluation directly in Head Office's Equity; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost is transferred from 'gains on asset revaluation' to retained earnings.

Depreciation is calculated on the straight-line basis to allocate the cost or the revalued amount of each asset, except for land which is considered to have an indefinite life, to its residual value over the estimated useful life as follows:

Buildings and improvements	20 years, 30 years and 60 years
Furniture, fixtures and equipment	5 years and 10 years
Computer hardware	3 years and 5 years
Motor vehicles	5 years

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

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount. When land, property and equipment are disposed, the Branch will write off both their asset and related accumulated depreciation accounts, and recognise any gain or loss from disposal of the asset in profit or loss. Gains or losses on disposals of land, properties and equipment are determined by comparing the proceeds from disposal with the carrying amount of the asset.

When revalued assets are sold, the amounts included in gains on asset revaluation are transferred to retained earnings.

Repairs and maintenance are charged to profit or loss during the financial year in which they are incurred. The cost of major renovations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Branch. Major renovations are depreciated over the remaining useful life of the related asset.

## 2. Material accounting policies (Cont'd)

### 2.13 Intangible assets

#### Computer software

Acquired specific computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their useful lives of 3 years.

Costs associated with developing or maintaining computer software programmes are recognised as expenses as incurred. Costs that are directly associated with identifiable and unique software products controlled by the Branch and will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Direct costs include staff costs of the software development team and an appropriate portion of relevant costs.

Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software. Computer software development costs are recognised as assets and amortised using the straight-line over their estimated useful lives, not exceeding a period of 15 years.

Other intangible assets with limited useful life are initially recognised at cost, and subsequently measured at costs less accumulated amortisation and impairment loss. The assets are amortised using the straight-line over their estimated useful lives of 3 to 5 years.

Other intangible asset with indefinite useful life is initially recognised at cost and subsequently measured at costs less impairment loss.

### 2.14 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.

### 2.15 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 so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. 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.

## 2. Material accounting policies (Cont'd)

### 2.15 Leases (Cont'd)

#### Accounting for leases - where the Branch is the lessee (Cont'd)

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.

#### Accounting for leases - where the Branch is the lessor

Rental income under operating leases (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the statement of financial position based on their nature.

**2. Material accounting policies (Cont'd)**

**2.16 Insurance and investment contracts**

**2.16.1 Product classification**

The Branch classified its contracts written as either insurance contracts or investment contracts, depending on the level of insurance risk.

Insurance contracts are those contracts that transfer significant insurance risk, while investment contracts are those contracts without significant insurance risk. Some insurance and investment contracts, referred to as participating business, have discretionary participation features, "DPF", which may entitle the customer to receive, as a supplement to guaranteed benefits, additional non-guaranteed benefits, such as policyholder dividends or bonuses.

The Branch applies the same accounting policies for the recognition and measurement of obligations arising from investment contracts with DPF as it does for insurance contracts.

Also, the Branch classifies between short-term or long-term insurance contract liabilities in accordance with Risk-Based Capital Report.

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, the contract is accounted for as an insurance contract.

For investment contracts that do not contain DPF, accounting policies for measurement and recognition of financial liabilities, and, if the contract includes an investment management element, TFRS 15, Revenue from Contracts with Customer, are applied.

TFRS 4 permits the continued use of previously applied accounting policies for insurance contracts and investment contracts with DPF, and this basis has been adopted by the Branch in accounting for such contracts. Once a contract has been classified as an insurance or investment contract, no reclassification is subsequently performed unless the terms of the agreement are later amended.

**2. Material accounting policies (Cont'd)**

**2.16 Insurance and investment contracts (Cont'd)**

**2.16.2 Insurance contracts and investment contracts with DPF**

**a) Unbundling**

The Branch applies a policy of unbundling for insurance contracts only in circumstances when both of the following conditions are met:

- The deposit component (including any embedded surrender option) can be measured separately (i.e. without taking into account the insurance component); and
- The Branch's accounting policies do not otherwise require the recognition of all obligations and rights arising from the deposit component.

**b) Liability adequacy testing**

The adequacy of insurance liabilities is assessed by portfolio of contracts, in accordance with the Branch's manner of acquiring, servicing and measuring the profitability of its insurance contracts. The insurance liabilities net of deferred acquisition costs are compared to the gross premium valuation calculated on a best estimate basis, as of the valuation date. If there is a deficiency, the liabilities are increased by the amount of the deficiency and recognised directly in profit or loss.

**c) Long-term and short-term insurance contracts**

Long-term insurance contracts are insurance contracts which the term of contract is more than 1 year or the contract which have automatic approve of renewal which the Branch cannot terminate and cannot increase or decrease premium, including changes in other benefit throughout the contract term.

Short-term insurance contracts are insurance contracts which do not have terms and conditions as long-term insurance contracts.

**d) Policy reserves**

The policy reserves consist of the following calculation methods:

Life policy reserves

Life policy reserves represent the accumulated total net premium valuation reserves under actuarial principle for future insurance claims and benefits paid for life policies in force as at the statement of financial position date. This method uses assumptions approved by OIC without a provision for adverse deviation. These assumptions are set at the policy inception date remained locked-in thereafter.

Unearned premium reserves

Unearned premium reserves (UPR) for short-term insurance contracts are calculated on a pro-rata basis.

**2. Material accounting policies (Cont'd)**

**2.16 Insurance and investment contracts (Cont'd)**

**2.16.2 Insurance contracts and investment contracts with DPF (Cont'd)**

**d) Policy reserves (Cont'd)**

Universal life and unit-linked products

Included in "Due to insured" is the investment element of the universal life policies and investment-linked product which represents 100% of the account value.

Unexpired risk reserve

Unexpired risk reserve (URR) represents the future cost of insurance coverage from the statement of financial position date to the subsequent dates of expiry of the policies for all policies in force at the statement of financial position date. The Branch recognises the variance in profit or loss in case that the URR is higher than UPR.

**e) Loss reserve and outstanding claims**

Loss reserve and outstanding claims represent the estimated cost of all claims notified but not settled, including all claims incurred but not reported, based on data available as at the statement of financial position date. Differences between the balance of outstanding claims at the statement of financial position date and subsequent revisions and settlements are included in profit or loss in later periods.

**2.16.3 Investment contracts**

Investment contracts, which do not contain sufficient insurance risk to be considered insurance contracts, are accounted for as financial liabilities while investment contracts with DPF to be accounted for as if they were insurance contracts, even though they do not transfer significant insurance risk.

**a) Investment contract fee revenue**

Customers are charged fees for policy administration, investment management, surrenders or other contract services. The fees may be fixed amounts or vary with the amounts being managed, and will generally be charged as an adjustment to the policyholder's account balance.

Origination and other "upfront" fees (fees that are assessed against the account balance as consideration for origination of the contract) are charged on some non-participating investment contracts. Where the investment contract is recorded at amortised cost, these fees are amortised and recognised over the expected term of the policy as an adjustment to the effective yield.



**2. Material accounting policies (Cont'd)**

**2.16 Insurance and investment contracts (Cont'd)**

**2.16.3 Investment contracts (Cont'd)**

**b) Investment contract liabilities**

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

The amortised cost of the financial liability is never recorded at less than the amount payable on surrender, discounted for the time value of money where applicable, if the investment contract is subject to a surrender option.

**2.17 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 interest expense.

**2.18 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 the statement of financial position.

Post-retirement benefit obligations

The Branch has established a provident fund that is a defined contribution plan, which the assets 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 expenses in 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. Material accounting policies (Cont'd)

### 2.18 Employee benefits (Cont'd)

#### Share-based compensation

AIA Group, which is the ultimate holding company of the Branch, launched share-based compensation plans, under which the Branch receives services from the agents and employees, as consideration for the shares or share options of AIA Group.

Under equity-settled share-based compensation plan, the fair value of the employee services received in exchange for the grant of shares or share options is recognised as an expense over the vesting period. The equity from share-based payment is presented under the Head Office's Equity.

The Branch utilises a binomial lattice model, Monte-Carlo or discount cash flow model to calculate the fair value of the share options grants. These models require inputs such as share price, implied volatility, risk free interest rate, expected dividend payment rate and the expected life of the option.

### 2.19 Borrowings

The Branch has borrowings under repurchase agreement (Repo) which have defined date and certain price in the future. Sold securities with repurchase agreement are recognised in the statement of financial position and valued following to the accounting policy of investment. The received money from the sold securities is presented as borrowings.

Assets sold under repurchase agreements continue to be recognised and a liability is established for the consideration received.

### 2.20 Current and deferred income taxes

The tax expense for the year comprises current and deferred taxes. 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 substantially 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 tax assets against current 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. Material accounting policies (Cont'd)**

**2.21 Revenues and expenses recognition**

**a) Premiums**

Premiums are from life insurance contracts, including participating policies and annuity policies with life contingencies. For first year policies, life premium income is recognised as revenue when the first premium installment is fully received and the policy is effective. Renewal premium is recognised as revenue when premium is due. Personal accident premium is recognised as revenue on the effective date of the insurance policy. The movement in unearned premium reserve is presented under net change in unearned premium reserve.

Ceded premium is recognised when the insurance risk is transferred to another reinsurer.

Amounts collected as premiums from insurance contracts with investment features but with sufficient insurance risk to be considered as insurance contracts, such as universal life, and unit-linked contracts, are accumulated as deposits. Revenue from these contracts consists of policy fees for the cost of insurance and administration during the year.

**b) Benefits and claims**

Insurance contract benefits reflect the cost of all maturities, surrenders, withdrawals and claims arising during the year, policyholder dividends accrued in anticipation of dividend declarations, as well as claims handling costs including internal and external costs incurred in connection with the negotiation and settlement of claims.

Accident and health claims incurred include all losses occurring during the year, related handling costs, a reduction for recoveries, and any adjustments to claims outstanding from previous years.

Benefit payments to policyholders are recorded when the notice of a claim has received or the policyholder requests to surrender the policy. Other benefits are recognised when due or on maturity.

**c) Policy acquisition costs**

Acquisition costs are expenses of an insurer which are incurred in connection with the acquisition of new insurance contracts or the renewal of existing insurance contracts. They include commissions and the direct costs of issuing the policy, such as underwriting and other policy issue expenses. These costs are deferred and expensed to the statement of comprehensive income on a systematic basis over the life of the policy. Such assets are tested for recoverability at least annually.

**d) Universal life products**

The change in account value of universal life products are presented in "Other underwriting expenses".

**e) 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. No accrual is made for loans with interest default over three consecutive months.

Dividends on securities are recognised on the dividend declaration date.

**f) Other income and expenses**

Other income and expenses are recognised on an accrual basis.

## 2. Material accounting policies (Cont'd)

### 2.22 Financial instruments

Financial assets carried on the statement of financial position include cash and cash equivalents, accrued income on investments, derivative assets, investment in securities, mortgage loans, assets held to cover linked liabilities, and certain balances included in other assets. Financial liabilities carried on the statement of financial position include borrowing, derivative liabilities, and certain balances included in other liabilities. The particular recognition methods adopted are disclosed in the individual accounting policy associated with each item.

### 2.23 Derivatives and hedging activities

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

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

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

#### 1) Fair value hedge

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

#### 2) Cash flow hedge

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

#### 3) Net investment in foreign operation hedge

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

## 2. Material accounting policies (Cont'd)

### 2.23 Derivatives and hedging activities (Cont'd)

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

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

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

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

### 2.24 Collateral

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

### 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.

### 3. Risk management (Cont'd)

#### 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.

Proportion of the significant financial instruments' stated at fair value grouped by rating are as follows:

	2024 Thousand Baht	2023 Thousand Baht
Debt securities		
Government and state enterprise	635,695,736	525,256,505
AA	5,908,083	6,142,468
A	21,911,098	15,388,971
BBB	63,086,739	74,143,880
Below investment grade	17,393,298	20,101,714
Total	743,994,954	641,033,538
Equities securities		
Listed	75,641,111	80,212,470
Unlisted	7,419	6,047
Total	75,648,530	80,218,517

The reported rating is mapped as follows:

External		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

#### 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. Since most markets do not have assets of sufficient tenor to match life insurance liabilities, an uncertainty arises around the reinvestment of maturing assets to match the Branch's insurance liabilities.

### 3. Risk management (Cont'd)

#### Interest rate risk (Cont'd)

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 bearing Thousand Baht	Total Thousand Baht	Interest rate (% p.a)
	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			
As at 31 December 2024									
Financial assets									
Cash and cash equivalents	3,840,894	-	-	6,480,417	-	-	5,350,781	15,672,092	0.01%-2.24%
Accrued income on investments	-	-	-	-	-	-	3,194,716	3,194,716	-
Derivative assets	-	-	-	-	-	-	8,954,429	8,954,429	2.57%-10.23%
Investment in securities	9,199,652	392,735	16,352,793	9,998,250	38,660,657	643,831,537	92,182,319	810,617,943	1.25%-10.23%
Loans and accrued interest receivables	11,743	-	-	-	4,808	37,503,752	999,983	38,520,286	4.00%-8.70%
Assets held to cover linked liabilities	-	-	-	-	-	-	86,541,600	86,541,600	-
Other assets (partial)	2,465,947	-	-	-	-	-	-	2,465,947	2.15%-2.25%
Total financial assets	15,518,236	392,735	16,352,793	16,478,667	38,665,465	681,335,289	197,223,828	965,967,013	
Financial liabilities									
Borrowings	-	-	-	22,660,000	-	-	-	22,660,000	2.27%-2.34%
Derivative liabilities	-	-	-	-	-	-	6,552,514	6,552,514	2.5%-12.53%
Other liabilities (partial)	4,482,733	-	-	-	-	-	-	4,482,733	2.15%-2.25%
Total financial liabilities	4,482,733	-	-	22,660,000	-	-	6,552,514	33,695,247	



### 3. Risk management (Cont'd)

#### Interest rate risk (Cont'd)

Significant financial assets and liabilities classified by type of interest rates are summarised in the table below. (Cont'd)

	Variable interest rate			Fixed interest rate			Non-interest bearing Thousand Baht	Total Thousand Baht	Interest rate (% p.a)
	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			
As at 31 December 2023									
<u>Financial assets</u>									
Cash and cash equivalents	6,642,786	-	-	5,953,149	-	-	4,768,888	17,364,823	0.01%-2.49%
Accrued income on investments	-	-	-	-	-	-	3,535,442	3,535,442	-
Derivative assets	-	-	-	-	-	-	6,682,979	6,682,979	2.03%-11.15%
Investment in securities	4,072,533	860,315	7,942,998	9,034,328	39,081,254	606,734,471	83,609,041	751,334,940	0.85%-11.15%
Loans and accrued interest receivables	14,116	-	-	-	10,622	34,308,351	916,025	35,249,114	4.00%-8.70%
Assets held to cover linked liabilities	-	-	-	-	-	-	73,921,114	73,921,114	-
Other assets (partial)	6,548,987	-	-	-	-	-	-	6,548,987	1.15%-1.25%
<b>Total financial assets</b>	<b>17,278,422</b>	<b>860,315</b>	<b>7,942,998</b>	<b>14,987,477</b>	<b>39,091,876</b>	<b>641,042,822</b>	<b>173,433,489</b>	<b>894,637,399</b>	
<u>Financial liabilities</u>									
Derivative liabilities	-	-	-	-	-	-	9,105,473	9,105,473	0.84%-12.81%
Other liabilities (partial)	2,835,078	-	-	-	-	-	-	2,835,078	1.15%-1.25%
<b>Total financial liabilities</b>	<b>2,835,078</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,105,473</b>	<b>11,940,551</b>	

#### Sensitivity

Profit or loss is sensitive to higher or lower interest income from cash and cash equivalents, investment in securities, loans and accrued interest receivables and part of other assets and other liabilities as a result of changes in interest rates. Other components of equity change as a result of an increase or decrease in the fair value of the cash flow hedges of investment in securities and the fair value of investments measured at fair value through other comprehensive income.

As at 31 December 2024, when the interest rate increases or decreases 50 basis point shift in yield curve given that all other variable remains constant, the impact to other components of equity decreases by Baht 20,501 million and increases by Baht 23,326 million, respectively (31 December 2023: decreases by Baht 19,454 million and increases by Baht 22,011 million, respectively). The impact to net profit and loss is nil (31 December 2023: nil).

### 3. Risk management (Cont'd)

#### Equity price risk

Equity price risk arises from changes in the market value of equity securities. Investments in equity securities on a long-term basis are expected to align policyholders expectations, provide diversification benefits and enhance returns. The extent of exposure to equities at any time is subject to the terms of the Branch's strategic asset allocations.

Equity price risk is managed in the first instance through the individual investment mandates which define benchmarks and any tracking error targets. Equity limits are also applied to contain individual exposures. Equity exposures are included in the aggregate exposure reports on each individual counterparty to ensure concentrations are avoided.

As at 31 December 2024 and 2023, the Branch had risk from its investment in securities of which the price will change with reference to market conditions. The Branch will manage investment portfolios according to investment plan approved by Investment Committee, in accordance to investment policies under related Notification of Office of Insurance Commission.

#### Sensitivity

The table below summarises the impact of increases/decreases of these equity indices on the Branch's other components of equity and net profit for the year.

	2024		2023	
	Impact on post tax profit Thousand Baht	Impact to other components of equity Thousand Baht	Impact on post tax profit Thousand Baht	Impact to other components of equity Thousand Baht
Equity price - Increase by 10%*	-	7,564,853	-	8,021,852
Equity price - Decrease by 10%*	-	(7,564,853)	-	(8,021,852)

\* Holding all other variables constant and all the Branch's equity instruments moved in line with the index

#### Foreign exchange rate risk

The foreign currency rate risk occurs from assets or liabilities in other foreign currencies other than Thai Baht which is functional and reporting currency. The significant foreign currency exposure is from offshore investment and the Branch manages by using the financial instrument to hedge its exposure to foreign exchange rate risk e.g. cross currency swap and interest rate swap with basis spread as disclosed in Note 11.

The Branch uses cross currency swaps to hedge the exposure to foreign currency risk. Under the Branch's policy, the critical terms of the swaps must be aligned with the hedged items. The Branch only designates the intrinsic value of cross currency swaps in hedge relationships. The changes in the basis spread of the cross-currency swaps that relate to hedged items are deferred in the deferred cost of hedge.

3. Risk management (Cont'd)

Foreign exchange rate risk (Cont'd)

The Branch's exposure to foreign exchange rate risk at the end of the reporting year, expressed in Baht are as follows:

	2024			2023	
	U.S. Dollar Thousand Baht	Euro Thousand Baht	Singapore Dollar Thousand Baht	U.S. Dollar Thousand Baht	Euro Thousand Baht
Cash and cash equivalents	2,356,951	123	13,544	1,202,672	132
Investment in debt securities	72,155,293	1,059,974	-	74,799,705	2,434,872
Investment in equity securities	14,721,632	-	1,304,115	2,553,110	-

*Effects of hedge accounting on the financial position and performance*

As of 31 December 2024 and 2023, foreign currency-related hedging relationship of the Branch is entirely designated as cash flow hedge. The Branch has no foreign currency-related hedging instruments that designate neither as fair value hedge nor net investment in foreign operation.

*Sensitivity*

The sensitivity of profit or loss to changes in the exchange rates arises from financial assets and financial liabilities denominated in U.S. Dollar, Euro, and Singapore Dollar. The impact on other components of equity arises from cross currency swaps designated as cash flow hedges.

The table below shows the exchange rates sensitivity for the financial assets and financial liabilities held as at reporting date.

	2024		2023	
	Impact to net profit Thousand Baht	Impact to other components of equity Thousand Baht	Impact to net profit Thousand Baht	Impact to other components of equity Thousand Baht
<i>Foreign exchange - Increase by 5%*</i>				
U.S. Dollar	4,343,846	-	3,867,641	-
Euro	52,998	-	121,744	-
Singapore Dollar	65,206	-	-	-
<i>Foreign exchange - Decrease by 5%*</i>				
U.S. Dollar	(4,343,846)	-	(3,867,641)	-
Euro	(52,998)	-	(121,744)	-
Singapore Dollar	(65,206)	-	-	-

\* Holding all other variables constant

### 3. Risk management (Cont'd)

#### Liquidity risk

The Branch identifies liquidity risk as financial liquidity risk and investment liquidity risk. Financial liquidity risk is the risk that the Branch may have insufficient cash to meet payment obligations to counterparties as they fall due. One area of particular focus in the management of financial liquidity is collateral. The Branch manages this exposure by determining limits for its activities in the derivatives and repurchase agreement markets based on the collateral available within the relevant fund or subsidiary to withstand extreme market events. More broadly the Branch supports its liquidity through committed bank facilities and use of the bond repurchase.

Investment liquidity risk occurs in relation to the Branch's ability to buy and sell investments. This is a function of the size of the Branch's holdings relative to the availability of counterparties willing to buy or sell these holdings at any given time. In times of stress, market losses will generally be compounded by forced sellers seeking unwilling buyers.

While life insurance companies are characterised by a relatively low need for liquidity to cover those of their liabilities which are directly linked to mortality and morbidity, this risk is nevertheless carefully managed by continuously assessing the relative liquidity of the Branch's assets and managing the size of individual holdings through limits.

The table below analyses 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 12.1.1.

	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
<b>As at 31 December 2024</b>						
Borrowings	22,660,000	-	-	-	-	22,660,000
Other liabilities (partial)	33,844,627	7,119	35,216	149,190	7,588	34,043,740
<b>Total financial liabilities</b>	<b>56,504,627</b>	<b>7,119</b>	<b>35,216</b>	<b>149,190</b>	<b>7,588</b>	<b>56,703,740</b>
<b>As at 31 December 2023</b>						
Other liabilities (partial)	34,321,317	8,491	82,423	106,084	7,197	34,525,512
<b>Total financial liabilities</b>	<b>34,321,317</b>	<b>8,491</b>	<b>82,423</b>	<b>106,084</b>	<b>7,197</b>	<b>34,525,512</b>

#### 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 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 2024 and 2023.

	Fair value through profit or loss (FVPL) Thousand Baht	Fair value through other comprehensive income (FVOCI) Thousand Baht	Amortised cost (AMC) Thousand Baht	Designated at fair value through profit or loss (FVO) Thousand Baht	Total carrying amount Thousand Baht	Fair value Thousand Baht
<b>As at 31 December 2024</b>						
<b>Assets</b>						
<i>Financial assets measured at fair value</i>						
Derivative assets	8,954,429	-	-	-	8,954,429	8,954,429
Investment in securities						
Investments measured at fair value through profit or loss						
Mutual funds	661	-	-	-	661	661
Investments measured at fair value through other comprehensive income						
Debt securities	-	349,698,615	-	-	349,698,615	349,698,615
Equity securities	-	75,648,530	-	-	75,648,530	75,648,530
Investments designated at fair value through profit or loss						
Mutual funds	-	-	-	16,533,128	16,533,128	16,533,128
Investment property	28,001,000	-	-	-	28,001,000	28,001,000
Assets held to cover linked liabilities	86,541,600	-	-	-	86,541,600	86,541,600
Land and buildings	-	1,149,000	-	-	1,149,000	1,149,000
<i>Financial assets not measured at fair value</i>						
Cash and cash equivalents	-	-	15,672,092	-	15,672,092	15,672,092
Investment measured at amortised cost	-	-	368,737,009	-	368,737,009	394,296,339
Mortgage loans, net	-	-	16,255	-	16,255	16,255
<b>Total assets</b>	<b>123,497,690</b>	<b>426,496,145</b>	<b>384,425,356</b>	<b>16,533,128</b>	<b>950,952,319</b>	<b>976,511,649</b>
<b>Liabilities</b>						
<i>Financial liabilities measured at fair value</i>						
Derivative liabilities	6,552,514	-	-	-	6,552,514	6,552,514
<i>Financial liabilities not measured at fair value</i>						
Borrowings	-	-	22,660,000	-	22,660,000	22,660,000
Lease liabilities	-	-	572,188	-	572,188	572,188
<b>Total liabilities</b>	<b>6,552,514</b>	<b>-</b>	<b>23,232,188</b>	<b>-</b>	<b>29,784,702</b>	<b>29,784,702</b>

4. Fair value (Cont'd)

4.1 Fair value estimation (Cont'd)

The following table shows fair values and carrying amounts of financial assets and liabilities by category as at 31 December 2024 and 2023. (Cont'd)

	Fair value through profit or loss (FVPL) Thousand Baht	Fair value through other comprehensive income (FVOCI) Thousand Baht	Amortised cost (AMC) Thousand Baht	Designated at fair value through profit or loss (FVO) Thousand Baht	Total carrying amount Thousand Baht	Fair value Thousand Baht
<b>As at 31 December 2023</b>						
<b>Assets</b>						
<i>Financial assets measured at fair value</i>						
Derivative assets	6,682,979	-	-	-	6,682,979	6,682,979
Investment in securities						
Investments measured at fair value through profit or loss						
Mutual funds	575	-	-	-	575	575
Investments measured at fair value through other comprehensive income						
Debt securities	-	358,154,125	-	-	358,154,125	358,154,125
Equity securities	-	80,218,517	-	-	80,218,517	80,218,517
Investments designated at fair value through profit or loss						
Mutual funds	-	-	-	3,389,949	3,389,949	3,389,949
Investment property	26,894,191	-	-	-	26,894,191	26,894,191
Assets held to cover linked liabilities	73,921,114	-	-	-	73,921,114	73,921,114
Land and buildings	-	1,168,000	-	-	1,168,000	1,168,000
<i>Financial assets not measured at fair value</i>						
Cash and cash equivalents	-	-	17,364,823	-	17,364,823	17,364,823
Investment measured at amortised cost	-	-	309,571,774	-	309,571,774	282,879,413
Mortgage loans, net	-	-	25,363	-	25,363	25,363
<b>Total assets</b>	<b>107,498,859</b>	<b>439,540,642</b>	<b>326,961,960</b>	<b>3,389,949</b>	<b>877,391,410</b>	<b>850,699,049</b>
<b>Liabilities</b>						
<i>Financial liabilities measured at fair value</i>						
Derivative liabilities	9,105,473	-	-	-	9,105,473	9,105,473
<i>Financial liabilities not measured at fair value</i>						
Lease liabilities	-	-	513,187	-	513,187	513,187
<b>Total liabilities</b>	<b>9,105,473</b>	<b>-</b>	<b>513,187</b>	<b>-</b>	<b>9,618,660</b>	<b>9,618,660</b>

4. Fair value (Cont'd)

4.1 Fair value estimation (Cont'd)

The following table presents the Branch's assets and liabilities that are measured and recognised at fair value as at 31 December 2024 and 2023.

	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
<b>As at 31 December 2024</b>				
<b>Assets</b>				
Derivative assets	-	8,954,429	-	8,954,429
Investment in securities				
Investments measured at fair value through profit or loss				
Mutual funds	661	-	-	661
Investments measured at fair value through other comprehensive income				
Debt securities	-	335,113,368	14,585,247	349,698,615
Equity securities	75,641,111	-	7,419	75,648,530
Investments designated at fair value through profit or loss				
Mutual funds	15,702,994	830,134	-	16,533,128
Investment property	-	-	28,001,000	28,001,000
Assets held to cover linked liabilities	86,541,600	-	-	86,541,600
Land and buildings	-	-	1,149,000	1,149,000
<b>Total assets</b>	<b>177,886,366</b>	<b>344,897,931</b>	<b>43,742,666</b>	<b>566,526,963</b>
<b>Liabilities</b>				
Derivative liabilities	-	6,552,514	-	6,552,514
<b>Total liabilities</b>	<b>-</b>	<b>6,552,514</b>	<b>-</b>	<b>6,552,514</b>
	<b>Level 1 Thousand Baht</b>	<b>Level 2 Thousand Baht</b>	<b>Level 3 Thousand Baht</b>	<b>Total Thousand Baht</b>
<b>As at 31 December 2023</b>				
<b>Assets</b>				
Derivative assets	25,384	6,657,595	-	6,682,979
Investment in securities				
Investments measured at fair value through profit or loss				
Mutual funds	575	-	-	575
Investments measured at fair value through other comprehensive income				
Debt securities	-	351,986,774	6,167,351	358,154,125
Equity securities	80,212,470	-	6,047	80,218,517
Investments designated at fair value through profit or loss				
Mutual funds	3,389,949	-	-	3,389,949
Investment property	-	-	26,894,191	26,894,191
Assets held to cover linked liabilities	73,921,114	-	-	73,921,114
Land and buildings	-	-	1,168,000	1,168,000
<b>Total assets</b>	<b>157,549,492</b>	<b>358,644,369</b>	<b>34,235,589</b>	<b>550,429,450</b>
<b>Liabilities</b>				
Derivative liabilities	-	9,105,473	-	9,105,473
<b>Total liabilities</b>	<b>-</b>	<b>9,105,473</b>	<b>-</b>	<b>9,105,473</b>

In 2024 and 2023, the Branch has transferred fair value level of financial instrument from Level 2 into Level 3 during the year. The change in Level 3 financial instruments is disclosed in Note 4.4.

**4. Fair value (Cont'd)**

**4.2 Valuation techniques used to derive Level 1 fair values**

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

**4.3 Valuation techniques used to derive Level 2 fair values**

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

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

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

There were no changes in valuation techniques during the year.

**4.4 Valuation techniques used to derive Level 3 fair values**

The changes in investment property, and land and buildings are disclosed in Notes 15 and 17, respectively. The Branch engaged an external independent and qualified appraiser to determine the fair value of the investment property, and land and buildings. Different valuation techniques may be adopted to reach the fair value of the properties. Under the Market Data Approach, records of recent sales and offerings of similar property are analysed and comparisons are made for factors such as size, location, quality and prospective use. The Discounted Cash Flow Approach may be used by reference to net rental income allowing for reversionary income potential to estimate the fair value of the properties. On some occasions, the Cost Approach is used as well to calculate the fair value which reflects the cost that would be required to replace the service capacity of the property.



4. Fair value (Cont'd)

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

The following table presents the changes in Level 3 financial instruments.

	Investment in securities 2024 Thousand Baht	Investment in securities 2023 Thousand Baht
Beginning balance as at 1 January	6,173,398	5,736,838
<u>Add</u> Addition		
- Book value	281	281
<u>Add</u> Transfer into Level 3		
- Book value	9,250,119	1,738,207
- Unrealised gains recognised in other comprehensive income	1,683	13,758
<u>Less</u> Disposal		
- Book value	(852,071)	(636,698)
- Gains (losses) recognised in profit or loss	(75,411)	394,215
Net carrying value	14,497,999	7,246,601
Fair value gains (losses) on investments measured at fair value through other comprehensive income	94,667	(1,073,203)
Closing balance as at 31 December	14,592,666	6,173,398

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

There were no changes in valuation techniques during the year.

Valuation process

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

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

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

4. Fair value (Cont'd)

4.5 Fair value for assets and liabilities for which the fair value is disclosed at reporting date

A summary of fair value hierarchy of assets and liabilities not carried at fair value but for which the fair value is disclosed below:

	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
<b>As at 31 December 2024</b>				
<b>Assets for which the fair value is disclosed</b>				
<b>Financial assets</b>				
Investment in securities				
Investment measured at amortised cost	-	-	394,296,339	394,296,339
Mortgage loans, net	-	16,255	-	16,255
<b>Total asset for which the fair value is disclosed</b>	-	16,255	394,296,339	394,312,594
<b>Liabilities for which the fair value is disclosed</b>				
<b>Financial liabilities</b>				
Borrowings	-	22,660,000	-	22,660,000
<b>Total liabilities for which the fair value is disclosed</b>	-	22,660,000	-	22,660,000
<b>As at 31 December 2023</b>				
<b>Assets for which the fair value is disclosed</b>				
<b>Financial assets</b>				
Investment in securities				
Investment measured at amortised cost	-	-	282,879,413	282,879,413
Mortgage loans, net	-	25,363	-	25,363
<b>Total asset for which the fair value is disclosed</b>	-	25,363	282,879,413	282,904,776

The fair value of general investments, which quoted market prices is not available, is determined by discounted cash flow approach using internally developed financial modelling.

Other financial instruments not carried at fair value are typically short-term in nature. Accordingly, their carrying amount is a reasonable approximation of fair value. This includes cash and cash equivalents, accrued investment income, premium receivables, receivable from sale of investments, other assets, payable for purchase of investments, borrowings and other liabilities.

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. The estimates and assumptions that are significant causing a risk of material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

**5. Critical accounting estimates and judgements (Cont'd)**

**5.1 Product classification**

The Branch issues contracts that transfer insurance risk or financial risk or both. Insurance contracts are those contracts that transfer significant insurance risk, while investment contracts are those contracts without significant insurance risk. The Branch exercises significant judgement to determine whether there is a scenario (other than those lacking commercial substance) in which an insured event would require the Branch to pay significant additional benefits to its customers.

In the event the Branch has to pay significant additional benefits to its customers, the contract is accounted for as an insurance contract. The accounting policy on product classification is described in Note 2.16.1.

**5.2 Insurance contract liabilities (including liabilities in respect of investment contracts with DPF)**

The Branch calculates the insurance contract liabilities for traditional life insurance using a net premium valuation method, whereby the liability represents the present value of estimated future policy benefits to be paid, less the present value of estimated future net premiums to be collected from policyholders. This method uses assumptions approved by OIC without a provision for adverse deviation. Assumptions are set at the policy inception date and remained locked-in thereafter, unless a deficiency arises on liability adequacy testing. If the test shows that the liability is inadequate, the entire deficiency is recognised in profit or loss.

For contracts with an explicit account balance, such as universal life and unit-linked contracts, insurance contract liabilities represent the accumulation value, which represents premiums received and investment returns credited to the policy less deductions for mortality and morbidity costs and expense charges.

**5.3 Deferred acquisition costs**

The judgements exercised in the deferral and amortisation of acquisition costs affect amounts recognised in the financial statements as deferred acquisition costs and insurance and investment contract benefits.

Additional details of deferred acquisition and origination costs are provided in Notes 2.6 and 10.

**5.4 Liabilities adequacy testing**

The Branch evaluates the adequacy of its insurance and investment contract liabilities with DPF. Significant judgement is exercised in determining the level of aggregation at which liability adequacy testing is performed and in selecting best estimate assumptions. Liability adequacy is assessed by portfolio of contracts in accordance with the Branch's manner of acquiring, servicing and measuring the profitability of its insurance contracts. The Branch performs liability adequacy testing at entity level.

**5. Critical accounting estimates and judgements (Cont'd)**

**5.5 Fair value of land, property and investment property**

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

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

**5.6 Impairment of investments**

The Branch determines an impairment of investments in equity securities as described in Note 2.7.

The expected credit losses for investment in debt securities are based on assumptions about default risk, credit rating and expected loss rates. The Branch uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Branch's past history and existing market conditions at the end of each reporting period.

**5.7 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 provision 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**

	<b>2024</b>	<b>2023</b>
	<b>Thousand</b>	<b>Thousand</b>
	<b>Baht</b>	<b>Baht</b>
Cash on hand	3,271	5,396
Deposits with banks and financial institutions without fixed maturity date	5,061,296	6,953,121
Short-term investments	10,607,525	10,406,306
Total cash and cash equivalents	<u>15,672,092</u>	<u>17,364,823</u>

**7. Premium receivables**

The balances of premium receivables are aged as follows:

	From direct insurance	
	2024 Thousand Baht	2023 Thousand Baht
Current	8,052,809	6,577,049
Overdue		
Not over 30 days	926,229	969,809
31 - 60 days	8,725	14,672
61 - 90 days	4,406	4,960
Over 90 days	19,386	12,173
Total premium receivables	<u>9,011,555</u>	<u>7,578,663</u>

The premium receivables are aged by legal grace period or credit terms.

**8. Reinsurance assets**

The details of reinsurance assets are as follows:

	2024 Thousand Baht	2023 Thousand Baht
Claim reserve	1,037,217	-
Claim incurred but not reported	329,406	393,075
Unearned premium reserve	76,270	72,374
Others (Note 33 (b))	3,207	4,653
Total reinsurance assets	<u>1,446,100</u>	<u>470,102</u>

**9. Amount due from reinsurance**

The details of amount due from reinsurance are as follows:

	2024 Thousand Baht	2023 Thousand Baht
Due from reinsurance (Note 33 (b))	35,435	4,126
Total amount due from reinsurance	<u>35,435</u>	<u>4,126</u>

The amount due from reinsurance was aged as follows:

	2024 Thousand Baht	2023 Thousand Baht
Current	35,435	4,126
Overdue		
Not over 12 months	-	-
1-2 years	-	-
Over 2 years	-	-
Total amount due from reinsurance	<u>35,435</u>	<u>4,126</u>

**10. Deferred acquisition costs**

The movements details are below:

	2024 Thousand Baht	2023 Thousand Baht
Beginning balance for the year	83,378,285	76,770,760
Deferral of acquisition costs	22,713,569	21,968,383
Amortisation of acquisition costs	<u>(16,253,957)</u>	<u>(15,360,858)</u>
Closing balance at the end of year	<u>89,837,897</u>	<u>83,378,285</u>

11. Derivative assets and liabilities

		2024	
		Fair value	
		Assets	Liabilities
		Thousand	Thousand
		Baht	Baht
Held for hedge derivatives			
- Applied hedge accounting		6,004,486	4,618,691
- Not applied hedge accounting		2,949,943	1,933,823
Total derivatives		8,954,429	6,552,514
		2023	
		Fair value	
		Assets	Liabilities
		Thousand	Thousand
		Baht	Baht
Held for hedge derivatives			
- Applied hedge accounting		4,574,522	6,960,596
- Not applied hedge accounting		2,108,457	2,144,877
Total derivatives		6,682,979	9,105,473

11. Derivative assets and liabilities (Cont'd)

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

2024							
Type of contract	Purpose	Number of contracts	Face value		Fair value		Fair value gains on derivatives Thousand Baht
			Assets Thousand Baht	Liabilities Thousand Baht	Assets Thousand Baht	Liabilities Thousand Baht	
Cross currency swap and forward contracts	Closing financial position of investment in foreign currency	111	13,025,118	34,626,027	693,306	3,293,164	2,268,669
Interest rate swap contracts	Closing position of floating interest rate	166	-	-	5,311,180	1,325,527	1,503,200
Total		277	13,025,118	34,626,027	6,004,486	4,618,691	3,771,869
2023							
Type of contract	Purpose	Number of contracts	Face value		Fair value		Fair value gains (losses) on derivatives Thousand Baht
			Assets Thousand Baht	Liabilities Thousand Baht	Assets Thousand Baht	Liabilities Thousand Baht	
Cross currency swap and forward contracts	Closing financial position of investment in foreign currency	128	2,559,489	48,945,480	118,043	4,986,570	(247,971)
Interest rate swap contracts	Closing position of floating interest rate	192	-	-	4,456,479	1,974,026	362,626
Total		320	2,559,489	48,945,480	4,574,522	6,960,596	114,655



11. Derivative assets and liabilities (Cont'd)

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

2024							
Type of contract	Purpose	Number of contracts	Face value		Fair value		Fair value gains (losses) on derivatives Thousand Baht
			Assets Thousand Baht	Liabilities Thousand Baht	Assets Thousand Baht	Liabilities Thousand Baht	
Cross currency swap and forward contracts	Closing financial position of investment in foreign currency	65	17,150,299	16,819,636	541,772	1,070,927	217,464
Interest rate swap contracts	Closing position of floating interest rate	62	-	-	2,408,171	862,896	860,460
Warrants		-	-	-	-	-	(25,384)
Total		127	17,150,299	16,819,636	2,949,943	1,933,823	1,052,540

2023							
Type of contract	Purpose	Number of contracts	Face value		Fair value		Fair value gains (losses) on derivatives Thousand Baht
			Assets Thousand Baht	Liabilities Thousand Baht	Assets Thousand Baht	Liabilities Thousand Baht	
Cross currency swap and forward contracts	Closing financial position of investment in foreign currency	57	7,741,549	11,655,114	270,281	1,016,900	(251,014)
Interest rate swap contracts	Closing position of floating interest rate	50	-	-	1,812,792	1,127,977	486,461
Warrants		-	-	-	25,384	-	(2,000)
Total		107	7,741,549	11,655,114	2,108,457	2,144,877	233,447

11. Derivative assets and liabilities (Cont'd)

*Effects of hedge accounting on the financial position and performance*

As of 31 December 2024 and 2023, foreign currency-related hedging relationship of the Branch is entirely designated as cash flow hedge. The Branch has no foreign currency-related hedging instruments that designate neither as fair value hedge nor net investment in foreign operation.

- i) The effects of the foreign currency-related hedging instruments on the Branch's financial position and performance are as follows:

	2024	2023
	Cross-currency swaps and interest rate swaps Thousand Baht	Cross-currency swaps and interest rate swaps Thousand Baht
<b>Assets</b>		
Change in fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness for the year		
Hedging gains or losses recognised in other comprehensive income	1,429,963	(955,944)
Hedge ineffectiveness recognised in profit or loss	-	-
Reclassification adjustment from cash flow hedge reserve into profit or loss	-	-
Reclassification adjustment from deferred cost of hedge into profit or loss	-	-
<b>Liabilities</b>		
Change in fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness for the year		
Hedging gains or losses recognised in other comprehensive income	2,341,906	1,070,599
Hedge ineffectiveness recognised in profit or loss	-	-
Reclassification adjustment from cash flow hedge reserve into profit or loss	11,131	(383,748)
Reclassification adjustment from deferred cost of hedge into profit or loss	(209,002)	(1,888,826)

*Note:*

*The Branch separately presents certain hedging instrument according to its position at the end of the reporting year, either as derivative assets or derivative liabilities. While the hedge ineffectiveness and reclassification adjustment are recognised as fair value gain/loss.*

11. Derivative assets and liabilities (Cont'd)

*Effects of hedge accounting on the financial position and performance (Cont'd)*

As of 31 December 2024 and 2023, foreign currency-related hedging relationship of the Branch is entirely designated as cash flow hedge. The Branch has no foreign currency-related hedging instruments that designate neither as fair value hedge nor net investment in foreign operation. (Cont'd)

- ii) The effects of the foreign currency-related hedged item on the Branch's financial position and performance are as follows:

	2024	2023
	Investment in debt securities Thousand Baht	Investment in debt securities Thousand Baht
Change in value of the hedged item used as the basis for recognising hedge ineffectiveness for the year	(2,962,950)	(6,118,947)
Remaining cash flow hedge reserve and deferred cost of hedge for continuing hedges	(2,097,816)	(3,915,238)
Remaining cash flow hedge reserve and deferred cost of hedge from any hedging relationships for which hedge accounting is no longer applied	(865,134)	(2,203,709)

- iii) The effects of the foreign currency-related cash flow hedge and cost of hedge on the Branch's financial position and performance during the year are as follows:

	2024	2023
	Time-period related hedged items Thousand Baht	Time-period related hedged items Thousand Baht
<i>Cash flow hedge reserve</i>		
Beginning balance	(2,353,232)	(2,020,302)
Hedging gains or losses recognised in other comprehensive income during the year	(2,296,875)	50,818
Reclassification adjustment to profit or loss during the year	11,131	(383,748)
Closing balance	(4,638,976)	(2,353,232)
<i>Deferred cost of hedge</i>		
Beginning balance	1,318,324	440,412
Hedging gains or losses recognised in other comprehensive income during the year	(418,257)	2,766,738
Reclassification adjustment to profit or loss during the year	(209,002)	(1,888,826)
Closing balance	691,065	1,318,324

11. Derivative assets and liabilities (Cont'd)

*Effects of hedge accounting on the financial position and performance (Cont'd)*

As of 31 December 2024 and 2023, foreign currency-related hedging relationship of the Branch is entirely designated as cash flow hedge. The Branch has no foreign currency-related hedging instruments that designate neither as fair value hedge nor net investment in foreign operation. (Cont'd)

- iii) The effects of the foreign currency-related cash flow hedge and cost of hedge on the Branch's financial position and performance during the year are as follows: (Cont'd)

*Note:*

*As of 31 December 2024 and 2023, entire cash flow hedge and cost of hedge of the Branch associated with the cross currency swaps and interest rate swaps with basis spread that hedge time-period related hedged items.*

- iv) The face value splits by times as the nature of derivative, shown as below:

	Within 1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht
As at 31 December 2024			
Face value	(1,715,591)	(6,641,338)	(12,918,707)
Average foreign exchange rate (U.S. Dollar)	33.65	33.51	33.94
Average foreign exchange rate (Euro)	35.67	34.52	36.49
Notional interest rate (range)	1.89% - 10.08%	0.58% - 9.75%	0.58% - 9.75%
As at 31 December 2023			
Face value	(631,304)	(7,029,212)	(14,509,125)
Average foreign exchange rate (U.S. Dollar)	32.83	33.97	33.79
Average foreign exchange rate (Euro)	36.31	34.50	36.49
Notional interest rate (range)	1.89% - 12.81%	0.58% - 9.75%	0.58% - 9.75%

## 12. Investment in securities

The details of investment in securities are as follows:

	2024		2023	
	Cost/ Amortised cost Thousand Baht	Fair value Thousand Baht	Cost/ Amortised cost Thousand Baht	Fair value Thousand Baht
<u>Investments measured at fair value through profit or loss</u>				
Mutual funds	677	661	616	575
Total	677	661	616	575
<u>Less</u> Unrealised losses	(16)	-	(41)	-
Total investments measured at fair value through profit or loss	661	661	575	575
<u>Investments measured at fair value through other comprehensive income</u>				
Government and state enterprise securities	226,987,193	241,399,397	241,091,320	242,377,092
Private enterprise debt securities	44,296,973	42,940,277	49,520,347	48,109,221
Foreign debt securities	73,484,300	65,358,941	76,302,402	67,667,812
Equity securities	63,074,587	75,648,530	70,577,495	80,218,517
Total	407,843,053	425,347,145	437,491,564	438,372,642
<u>Add</u> Unrealised gains	17,697,166	-	997,728	-
<u>Less</u> Provision for impairment on equity securities	(193,074)	-	(116,650)	-
Total investments measured at fair value through other comprehensive income	425,347,145	425,347,145	438,372,642	438,372,642
<u>Investment measured at amortised cost</u>				
Government and state enterprise securities	368,737,009	394,296,339	309,571,774	282,879,413
Total investment measured at amortised cost	368,737,009	394,296,339	309,571,774	282,879,413
<u>Investment designated at fair value through profit or loss</u>				
Mutual funds	17,022,320	16,533,128	3,196,807	3,389,949
Total	17,022,320	16,533,128	3,196,807	3,389,949
<u>Add (Less)</u> Unrealised gains (losses)	(489,192)	-	193,142	-
Total investment designated at fair value through profit or loss	16,533,128	16,533,128	3,389,949	3,389,949
Total investment in securities	810,617,943	836,177,273	751,334,940	724,642,579

**12. Investment in securities (Cont'd)**

In 2022, the Branch has partially reclassified its investments in debt securities measured at fair value through other comprehensive income to investments in debt securities measured at amortised cost because the management intends to hold these debt securities to their maturities.

As at 31 December 2024, the fair value of these debt securities are Baht 237,915 million and Baht 190,332 million, net of tax (31 December 2023: Baht 201,394 million and Baht 161,115 million, net of tax).

For the year ended 31 December 2024, fair value gains on investments measured at fair value through other comprehensive income would be amounting to Baht 36,609 million and Baht 29,287 million, net of tax (31 December 2023: fair value gains on investments measured at fair value through other comprehensive of Baht 15,309 million and Baht 12,247 million, net of tax).

The Branch had revenue recognised relating to investment during the year as follows:

	<b>2024</b>	<b>2023</b>
	<b>Thousand</b>	<b>Thousand</b>
	<b>Baht</b>	<b>Baht</b>
Interest income and dividend income from investments	27,397,168	26,177,878
Consideration received from selling investments	107,089,834	101,596,613
Gains from selling investments	5,036	910,737

As at 31 December 2024, the Branch had government bonds and promissory notes deposited with the Office of Insurance Commission in order to comply with the Life Insurance Act with a fair value amounting to Baht 219,644 million (31 December 2023: Baht 189,164 million).

## 12. Investment in securities (Cont'd)

### 12.1 Debt securities

#### 12.1.1 The maturity of debt securities

The details of debt securities measured at fair value through other comprehensive income, debt securities measured at amortised cost and debt securities designated at fair value through profit or loss are aged as follows:

	2024				2023			
	Maturing within			Total Thousand Baht	Maturing within			Total Thousand Baht
	1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht		1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	
<b>Debt securities measured at fair value through other comprehensive income</b>								
<u>Government and state enterprise securities</u>								
Government bonds	9,277,815	769,640	189,401,501	199,448,956	4,073,370	1,515,409	205,489,934	211,078,713
State enterprise bonds	-	131,911	27,406,326	27,538,237	449,243	2,010,000	27,553,364	30,012,607
Total	9,277,815	901,551	216,807,827	226,987,193	4,522,613	3,525,409	233,043,298	241,091,320
Add (Less) Unrealised gains (losses)	(503)	4,112	14,408,595	14,412,204	(52,891)	43,459	1,295,204	1,285,772
Total government and state enterprise securities	9,277,312	905,663	231,216,422	241,399,397	4,469,722	3,568,868	234,338,502	242,377,092
<u>Private enterprise securities</u>								
Debentures	7,254,369	19,176,084	17,866,520	44,296,973	2,116,769	24,492,696	22,910,882	49,520,347
Total	7,254,369	19,176,084	17,866,520	44,296,973	2,116,769	24,492,696	22,910,882	49,520,347
Add (Less) Unrealised gains (losses)	(724,086)	234,680	(767,290)	(1,256,696)	(35,850)	(488,242)	(787,034)	(1,311,126)
Less Allowance for impairment	(100,000)	-	-	(100,000)	(100,000)	-	-	(100,000)
Total private enterprise securities	6,430,283	19,410,764	17,099,230	42,940,277	1,980,919	24,004,454	22,123,848	48,109,221
<u>Foreign securities</u>								
Government bonds	819,060	360,915	13,256,894	14,436,869	-	1,205,771	13,420,467	14,626,238
State enterprise bonds	738,194	1,920,199	6,211,714	8,870,107	1,141,244	2,424,155	7,708,057	11,273,456
Debentures	2,676,824	9,550,690	37,949,810	50,177,324	6,458,886	11,243,909	32,699,913	50,402,708
Total	4,234,078	11,831,804	57,418,418	73,484,300	7,600,130	14,873,835	53,828,437	76,302,402
Less Unrealised losses	(743,772)	(2,094,837)	(5,286,750)	(8,125,359)	(943,910)	(2,505,588)	(5,185,092)	(8,634,590)
Total foreign securities	3,490,306	9,736,967	52,131,668	65,358,941	6,656,220	12,368,247	48,643,345	67,667,812
Total debt securities measured at fair value through other comprehensive income	19,197,901	30,053,394	300,447,320	349,698,615	13,106,861	39,941,569	305,105,695	358,154,125

12. Investment in securities (Cont'd)

12.1 Debt securities (Cont'd)

12.1.1 The maturity of debt securities (Cont'd)

The details of debt securities measured at fair value through other comprehensive income, debt securities measured at amortised cost and debt securities designated at fair value through profit or loss are aged as follows: (Cont'd)

	2024				2023			
	Maturing within			Total Thousand Baht	Maturing within			Total Thousand Baht
	1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht		1 year Thousand Baht	1 - 5 years Thousand Baht	Over 5 years Thousand Baht	
Debt securities measured at amortised cost								
<u>Government and state enterprise securities</u>								
Government bonds	-	-	315,518,575	315,518,575	-	-	256,353,054	256,353,054
State enterprise bonds	-	-	1,718,434	1,718,434	-	-	1,718,720	1,718,720
Promissory notes	-	9,000,000	42,500,000	51,500,000	-	-	51,500,000	51,500,000
Total government and state enterprise securities	-	9,000,000	359,737,009	368,737,009	-	-	309,571,774	309,571,774
Total debt securities measured at amortised cost	-	9,000,000	359,737,009	368,737,009	-	-	309,571,774	309,571,774
Total investment in debt securities	19,197,901	39,053,394	660,184,329	718,435,624	13,106,861	39,941,569	614,677,469	667,725,899



12. Investment in securities (Cont'd)

12.1 Debt securities (Cont'd)

12.1.2 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
Investments in debt securities which credit risk has not significantly increased (Stage 1)	349,471,404	222,593
Credit-impaired investments in debt securities (Stage 3)	227,211	2,746,507
Total	349,698,615	2,969,100
	2023	
	Fair value Thousand Baht	Expected credit loss recognised in other comprehensive income Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	357,906,326	242,537
Credit-impaired investments in debt securities (Stage 3)	247,799	2,744,631
Total	358,154,125	2,987,168

12. Investment in securities (Cont'd)

12.1 Debt securities (Cont'd)

12.1.2 Debt securities that are measured at fair value through other comprehensive income (Cont'd)

*Expected credit loss*

The reconciliations of expected credit loss for debt securities that are measured at fair value through other comprehensive income for the years ended 31 December 2024 and 2023 are as follows:

	Expected credit loss measured at amount equal to			Total Thousand Baht
	12 months expected credit losses Thousand Baht	Lifetime expected credit losses Thousand Baht	Lifetime expected credit losses (credit- impaired investments) Thousand Baht	
As of 1 January 2024	242,537	-	2,744,631	2,987,168
Movement from stage change	-	-	-	-
Increase in loss allowance recognised in profit or loss during the year	13,251	-	1,876	15,127
Disposed and matured during the year	(33,195)	-	-	(33,195)
As of 31 December 2024	222,593	-	2,746,507	2,969,100
As of 1 January 2023	294,110	174,661	165,339	634,110
Movement from stage change	-	(62,993)	62,993	-
Increase (decrease) in loss allowance recognised in profit or loss during the year	(32,484)	-	2,516,299	2,483,815
Disposed and matured during the year	(19,089)	(111,668)	-	(130,757)
As of 31 December 2023	242,537	-	2,744,631	2,987,168

12. Investment in securities (Cont'd)

12.1 Debt securities (Cont'd)

12.1.3 Debt securities that are measured at amortised cost

	2024		
	Gross carrying value Thousand Baht	Expected credit loss Thousand Baht	Carrying value Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	368,737,105	96	368,737,009
Total	368,737,105	96	368,737,009

	2023		
	Gross carrying value Thousand Baht	Expected credit loss Thousand Baht	Carrying value Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	309,571,871	97	309,571,774
Total	309,571,871	97	309,571,774

*Expected credit loss*

All of the Branch's investments measured at amortised cost are considered to have low credit risk. The loss allowance recognised during the year was therefore limited to 12 months expected losses.

12. Investment in securities (Cont'd)

12.2 Recognition of transaction in profit or loss and other comprehensive income

*Investments measured at FVOCI*

Recognition of transaction in profit or loss and other comprehensive income for investments measured at FVOCI during the year are as follows:

	2024 Thousand Baht	2023 Thousand Baht
Gains recognised in other comprehensive income	14,933,206	27,087
Gains (losses) reclassified from other comprehensive income to profit or loss on the sale of investments measured at FVOCI	(1,020,254)	960,473
Dividends from equity securities measured at FVOCI recognised in profit or loss		
- Related to investments derecognised during the year	189,960	79,855
- Related to investments held at the end of year	2,662,166	2,011,795
Expected credit losses for debt securities measured at fair value through other comprehensive income recognised in profit or loss	(18,068)	2,353,058
Total	<u>16,747,010</u>	<u>5,432,268</u>

*Investments measured at FVPL*

Recognition of transaction in profit or loss for investments measured at FVPL during the year are as follows:

	2024 Thousand Baht	2023 Thousand Baht
Gains recognised in profit of loss	4,020,334	17,579
Total	<u>4,020,334</u>	<u>17,579</u>

### 13. Investment in associates

The Branch has interests in an immaterial associate.

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

Associates	Type of business	Ownership interest		Cost method	
		2024 %	2023 %	2024 Thousand Baht	2023 Thousand Baht
AIA Wellness Company Limited	Real estate and services	49	49	171,500	171,500
Total				171,500	171,500

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

14. Loans and accrued interest receivables

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

	2024		2023	
	Principal Thousand Baht	Accrued interest Thousand Baht	Principal Thousand Baht	Accrued interest Thousand Baht
<u>Policy loans</u>				
Outstanding period				
Current	37,499,545	1,004,437	34,300,754	922,914
Overdue				
Less than 3 months	-	-	-	-
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
More than 12 months	-	-	-	-
Policy loans, net	37,499,545	1,004,437	34,300,754	922,914
<u>Mortgage loans</u>				
Loans which credit risk has not significantly increased (Stage 1)	7,657	41	15,834	83
Loans which credit risk has significantly increased (Stage 2)	541	3	-	-
Credit-impaired loans (Stage 3)	12,560	5	16,501	-
Total	20,758	49	32,335	83
<u>Less</u> expected credit loss	(4,503)	-	(6,972)	-
Mortgage loans, net	16,255	49	25,363	83
Loans and accrued interest receivables	37,515,800	1,004,486	34,326,117	922,997

14. Loans and accrued interest receivables (Cont'd)

*Expected credit loss*

Loans to related parties measured at amortised cost are considered to have low credit risk, and the loss allowance recognised during the year was therefore limited to 12 months expected losses. Lifetime expected credit losses is recognised for the loans that the credit risk is significant increased.

The reconciliations of loss allowances for loans measured at amortised cost for the year ended 31 December 2024 and 2023 are as follows:

	<b>Thousand Baht</b>
As at 1 January 2024	6,972
Decrease in loss allowance recognised in profit or loss during the year	(35)
Unused amount reversed	<u>(2,434)</u>
As at 31 December 2024	<u>4,503</u>
As at 1 January 2023	7,106
Decrease in loss allowance recognised in profit or loss during the year	(65)
Unused amount reversed	<u>(69)</u>
As at 31 December 2023	<u>6,972</u>

15. Investment property

2024						
Cost/Fair value						
For the year						
Beginning balance 1 January 2024 Thousand Baht	Additions from acquisition and capitalised subsequent expenditures Thousand Baht	Write-off Thousand Baht	Transfer Thousand Baht	Fair value gains (losses) Thousand Baht	Ending balance 31 December 2024 Thousand Baht	
Land	15,334,270	21,927	-	-	(456,775)	14,899,422
Buildings and improvements	11,559,921	1,094,433	(7,547)	-	454,771	13,101,578
Total	26,894,191	1,116,360	(7,547)	-	(2,004)	28,001,000
2023						
Cost/Fair value						
For the year						
Beginning balance 1 January 2023 Thousand Baht	Additions from acquisition and capitalised subsequent expenditures Thousand Baht	Write-off Thousand Baht	Transfer Thousand Baht	Fair value gains (losses) Thousand Baht	Ending balance 31 December 2023 Thousand Baht	
Land	15,072,700	165,191	-	-	96,379	15,334,270
Buildings and improvements	10,557,692	1,264,079	-	-	(261,850)	11,559,921
Total	25,630,392	1,429,270	-	-	(165,471)	26,894,191

In 2023 and 2024, the Branch engaged an external independent and qualified appraiser to determine the fair value of the investment property. The valuation techniques and valuation process of investment property are disclosed in Note 4.4.

For the year ended 31 December 2024, the investment property generated rental income amounting to Baht 1,077 million (31 December 2023: Baht 987 million) and its direct operating expenses (including repair and maintenance) arise from investment property that generated rental income amounting to Baht 340 million (31 December 2023: Baht 301 million).



15. Investment property (Cont'd)

15.1 Lease revenue arising from operating lease contracts

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

	2024 Thousand Baht	2023 Thousand Baht
<b>Maturing</b>		
Within 1 year	723,674	807,195
Between 1 to 2 years	530,447	485,891
Between 2 to 3 years	226,868	287,071
Between 3 to 4 years	78,848	66,158
Between 4 to 5 years	57,675	46,708
Later than 5 years	141,047	181,041
<b>Total</b>	<b>1,758,559</b>	<b>1,874,064</b>

16. Assets held to cover linked liabilities

	2024 Thousand Baht	2023 Thousand Baht
Investment in mutual funds that are measured at fair value through profit or loss	86,541,600	73,921,114
<b>Total</b>	<b>86,541,600</b>	<b>73,921,114</b>

17. Property, plant and equipment

	2024													
	Cost/Revaluation							Accumulated depreciation						
	For the year						Ending balance 31 December 2024	For the year					Ending balance 31 December 2024	Property, plant and equipment Thousand Baht
	Beginning balance 1 January 2024	Addition	Write-off	Disposal	Transfer	Gain (loss) on revaluation		Beginning balance 1 January 2024	Depreciation charge	Write-off	Disposal	Revaluation adjustment		
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Land	467,000	-	-	-	-	5,000	472,000	-	-	-	-	-	-	472,000
Buildings and improvements	701,000	-	-	-	-	(24,000)	677,000	-	72,950	-	-	(72,950)	-	677,000
Furniture, fixtures and equipment	1,443,270	5,995	(38,536)	-	58,115	-	1,468,844	1,355,916	38,980	(38,522)	-	-	1,356,374	112,470
Computer hardware	1,036,621	40,373	(91,860)	(30,883)	-	-	954,251	983,357	35,099	(91,860)	(30,882)	-	895,714	58,537
Motor vehicles	34,041	4,499	-	(3,060)	-	-	35,480	30,136	2,381	-	(3,060)	-	29,457	6,023
Construction in progress	26,776	38,262	-	-	(58,115)	-	6,923	-	-	-	-	-	-	6,923
Total	3,708,708	89,129	(130,396)	(33,943)	-	(19,000)	3,614,498	2,369,409	149,410	(130,382)	(33,942)	(72,950)	2,281,545	1,332,953

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

	2023																
	Cost/Revaluation							Accumulated depreciation						Accumulated impairment			
	Beginning balance 1 January 2023 Thousand Baht	For the year					Ending balance 31 December 2023 Thousand Baht	Beginning balance 1 January 2023 Thousand Baht	For the year				Ending balance 31 December 2023 Thousand Baht	Beginning balance 1 January 2023 Thousand Baht	For the year (Reversal) Impairment loss Thousand Baht	Ending balance 31 December 2023 Thousand Baht	Property, plant and equipment Thousand Baht
		Addition	Write-off	Disposal	Transfer	Gain (loss) on revaluation			Depreciation charge	Write-off	Disposal	Revaluation adjustment					
Land	463,000	-	-	-	-	4,000	467,000	-	-	-	-	-	-	-	-	-	467,000
Buildings and improvements	733,000	-	-	-	-	(32,000)	701,000	-	65,259	-	-	(65,259)	-	-	-	-	701,000
Furniture, fixtures and equipment	2,220,814	9,180	(763,999)	(42,394)	19,669	-	1,443,270	1,808,914	59,733	(473,438)	(39,293)	-	1,355,916	302,875	(302,875)	-	87,354
Computer hardware	1,054,513	30,630	(6,806)	(41,716)	-	-	1,036,621	990,918	41,079	(6,928)	(41,712)	-	983,357	-	-	-	53,264
Motor vehicles	34,924	-	-	(883)	-	-	34,041	27,082	3,937	-	(883)	-	30,136	-	-	-	3,905
Construction in progress	10,965	35,480	-	-	(19,669)	-	26,776	-	-	-	-	-	-	-	-	-	26,776
Total	4,517,216	75,290	(770,805)	(84,993)	-	(28,000)	3,708,708	2,826,914	170,008	(480,366)	(81,888)	(65,259)	2,369,409	302,875	(302,875)	-	1,339,299

In 2023 and 2024, the Branch engaged an external independent and qualified appraiser to determine the fair value of the land and buildings. The valuation techniques and valuation process of land and buildings are disclosed in Note 4.4.

If the land and buildings are stated under the cost model, as at 31 December 2024, the carrying value would be Baht 53 million and Baht 48 million, respectively (31 December 2023: Baht 53 million and Baht 51 million, respectively).

## 18. Intangible assets

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

	2024											
	Cost					Accumulated amortisation						
	Beginning balance	For the year				Ending balance	Beginning balance	For the year			Ending balance	
	1 January					31 December	1 January	Amortisation	Write-off	Disposal	31 December	Intangible
	2024	Addition	Write-off	Disposal	Transfer	2024	2024	charge			2024	assets
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Computer software	4,010,427	6,145	(610,185)	(22,470)	490,109	3,874,026	1,793,030	398,691	(610,185)	(22,470)	1,559,066	2,314,960
Others	1,162,564	30,000	-	-	-	1,192,564	58,672	67,243	-	-	125,915	1,066,649
Work in progress	793,333	440,254	-	-	(490,109)	743,478	-	-	-	-	-	743,478
Total	5,966,324	476,399	(610,185)	(22,470)	-	5,810,068	1,851,702	465,934	(610,185)	(22,470)	1,684,981	4,125,087
	2023											
	Cost					Accumulated amortisation						
	Beginning balance	For the year				Ending balance	Beginning balance	For the year			Ending balance	
	1 January					31 December	1 January	Amortisation	Write-off	Disposal	31 December	Intangible
	2023	Addition	Write-off	Disposal	Transfer	2023	2023	charge			2023	assets
	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand	Thousand
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
Computer software	3,385,564	128,052	(89,543)	-	586,354	4,010,427	1,573,962	301,034	(81,966)	-	1,793,030	2,217,397
Others	368,964	843,600	(50,000)	-	-	1,162,564	73,929	34,743	(50,000)	-	58,672	1,103,892
Work in progress	1,000,736	378,951	-	-	(586,354)	793,333	-	-	-	-	-	793,333
Total	4,755,264	1,350,603	(139,543)	-	-	5,966,324	1,647,891	335,777	(131,966)	-	1,851,702	4,114,622

19. Other assets

	2024 Thousand Baht	2023 Thousand Baht
Deposits (Note 33 (b))	92,256	62,130
Amounts due from a related party (Note 33 (b))	77,652	39,767
Receivables from sale of investments	532,191	6,144,833
Cash collateral from derivative contract	2,465,947	6,548,987
Right-of-use assets (Note 33 (b))	1,294,821	1,244,067
Others (Note 33 (b))	291,302	224,088
Total	<u>4,754,169</u>	<u>14,263,872</u>

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

19. Other assets (Cont'd)

19.1 Right-of-use assets

	2024													
	Cost					Accumulated amortisation					Accumulated impairment			
	Beginning balance 1 January 2024 Thousand Baht	For the year			Ending balance 31 December 2024 Thousand Baht	Beginning balance 1 January 2024 Thousand Baht	For the year			Ending balance 31 December 2024 Thousand Baht	Beginning balance 1 January 2024 Thousand Baht	For the year		Right-of-use assets Thousand Baht
		Addition Thousand Baht	Change in contract Thousand Baht	Loss on revaluation Thousand Baht			Amortisation charge Thousand Baht	Change in contract Thousand Baht	Revaluation adjustment Thousand Baht			Impairment loss Thousand Baht	Ending balance 2024 Thousand Baht	
Land	790,100	-	-	(7,100)	783,000	-	21,433	-	(21,433)	-	-	-	-	783,000
Buildings and improvements	881,291	97,005	(26,904)	-	951,392	362,982	94,066	(3,966)	-	453,082	65,550	-	65,550	432,760
Computer hardware	-	83,098	-	-	83,098	-	6,925	-	-	6,925	-	-	-	76,173
Others	1,342	2,105	-	-	3,447	134	425	-	-	559	-	-	-	2,888
Total	1,672,733	182,208	(26,904)	(7,100)	1,820,937	363,116	122,849	(3,966)	(21,433)	460,566	65,550	-	65,550	1,294,821
	2023													
	Cost					Accumulated amortisation					Accumulated impairment			
	Beginning balance 1 January 2023 Thousand Baht	For the year			Ending balance 31 December 2023 Thousand Baht	Beginning balance 1 January 2023 Thousand Baht	For the year			Ending balance 31 December 2023 Thousand Baht	Beginning balance 1 January 2023 Thousand Baht	For the year		Right-of-use assets Thousand Baht
		Addition Thousand Baht	Change in contract Thousand Baht	Gain on revaluation Thousand Baht			Amortisation charge Thousand Baht	Change in contract Thousand Baht	Revaluation adjustment Thousand Baht			Impairment loss Thousand Baht	Ending balance 2023 Thousand Baht	
Land	728,000	-	-	62,100	790,100	-	19,549	-	(19,549)	-	-	-	-	790,100
Buildings and improvements	758,525	261,750	(138,984)	-	881,291	336,410	95,348	(68,776)	-	362,982	65,550	-	65,550	452,759
Others	-	1,342	-	-	1,342	-	134	-	-	134	-	-	-	1,208
Total	1,486,525	263,092	(138,984)	62,100	1,672,733	336,410	115,031	(68,776)	(19,549)	363,116	65,550	-	65,550	1,244,067

The related lease liabilities are disclosed in Note 25.1.

For the year ended 31 December 2024, 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.

## 20. Borrowings

The details of borrowings are presented below:

### Short-term borrowings

	2024		2023	
	Principal Thousand Baht	Accrued interest Thousand Baht	Principal Thousand Baht	Accrued interest Thousand Baht
Borrowings with repurchase agreement (Repo)	22,660,000	19,236	-	-
Total	22,660,000	19,236	-	-

As at 31 December 2024, the Branch had sold government bonds with Repurchase Agreements (Repo) to commercial banks as collateral for borrowings with the same amount. The certain government bonds have nominal value amounting to Baht 20,996 million (31 December 2023: Nil). The interest rate of the borrowing agreement was 2.27% - 2.34% per annum.

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

21. Insurance liabilities

	2024			2023		
	Insurance contract liabilities Thousand Baht	Liabilities recovered from reinsurance Thousand Baht	Net Thousand Baht	Insurance contract liabilities Thousand Baht	Liabilities recovered from reinsurance Thousand Baht	Net Thousand Baht
Long-term technical reserves	593,972,555	-	593,972,555	568,944,621	-	568,944,621
Claim liability						
- Reported claim	3,702,049	(1,040,424)	2,661,625	2,266,355	(4,653)	2,261,702
- Claim incurred but not reported	759,708	(329,406)	430,302	840,029	(393,075)	446,954
Premium liability						
- Unearned premium reserve	24,095,143	(76,270)	24,018,873	22,228,516	(72,374)	22,156,142
Unpaid policy benefits	557,614	-	557,614	463,644	-	463,644
Due to insured	186,632,219	-	186,632,219	170,783,441	-	170,783,441
Total	809,719,288	(1,446,100)	808,273,188	765,526,606	(470,102)	765,056,504



21. Insurance liabilities (Cont'd)

21.1 Long-term technical reserves

The movement details are below:

	2024 Thousand Baht	2023 Thousand Baht
Beginning balance for the year	568,944,621	558,120,775
Policy reserve movement for new policies and inforce policies during the year	68,178,202	68,964,564
Net movement in benefits payable to life policyholders for death, maturities, surrenders, other policyholders benefits and claims	(42,371,885)	(56,873,552)
Others	(778,383)	(1,267,166)
Closing balance at the end of year	<u>593,972,555</u>	<u>568,944,621</u>

Long-term technical reserves are calculated using Net Premium Valuation method for traditional life products. The mortality table used are industry mortality tables prescribed by OIC, i.e. Thai Mortality Table for Ordinary Life. The interest rate assumptions used vary by products and range from 2.0% to 6.0%. These assumptions are locked-in at policy issue date throughout the policy life. There is no any impact of the assumption sensitivities on the carrying amount of traditional life insurance liabilities as the sensitivities would not have triggered a liability adequacy adjustment. For non-traditional life products, e.g. universal life and unit-linked, the non-unit reserve is calculated as a percentage of cost of insurance in current month.

Aging of insurance contract liabilities' repayment based on current estimate is as follows:

	2024 Thousand Baht	2023 Thousand Baht
Repayment within 1 year	56,777,513	51,207,059
Repayment between 1-5 years	209,569,922	197,251,822
Repayment over 5 years	<u>1,512,839,776</u>	<u>1,460,319,014</u>
Total	<u>1,779,187,211</u>	<u>1,708,777,895</u>

21. Insurance liabilities (Cont'd)

21.2 Short-term technical reserves

21.2.1 Claim liability

The movement details are below:

	2024 Thousand Baht	2023 Thousand Baht
Beginning balance for the year	3,106,384	2,777,622
Insurance claims and loss adjustment expenses incurred during the year	36,381,562	31,488,020
Changes in claim reserve from change in assumption during the year	(80,321)	69,648
Insurance claims and loss adjustment expenses paid during the year	(34,945,868)	(31,228,906)
Closing balance at the end of year	<u>4,461,757</u>	<u>3,106,384</u>

21.2.2 Unearned premium reserve

	2024 Thousand Baht	2023 Thousand Baht
Beginning balance for the year	22,228,516	21,004,533
Premium written for the year	55,490,245	51,967,070
Premium earned in the year	(53,623,618)	(50,743,087)
Closing balance at the end of year	<u>24,095,143</u>	<u>22,228,516</u>

21. Insurance liabilities (Cont'd)

21.3 Claim development table

21.3.1 Claim development table before reinsurance

	2024					Total Thousand Baht
	Incident Year					
	2020 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2024 Thousand Baht	
<b>Reported Year</b>						
Estimated claim:						
- At the end of the year	17,015,139	18,642,112	25,480,445	28,638,025	37,091,252	126,866,973
- After 1 year	17,620,733	19,276,782	26,106,596	29,270,487	-	92,274,598
- After 2 year	17,644,637	19,304,990	26,157,648	-	-	63,107,275
- After 3 year	17,658,389	19,312,571	-	-	-	36,970,960
- After 4 year	17,662,517	-	-	-	-	17,662,517
Absolute estimated claim	17,662,517	19,312,571	26,157,648	29,277,176	37,749,502	130,159,414
Cumulative claim paid	17,662,517	19,312,571	26,157,648	29,270,487	33,389,202	125,792,425
Total claim reserve	-	-	-	6,688	4,360,300	4,366,988
Claim liability under other IBNR methodology	-	-	-	-	94,769	94,769
Total claim liability	-	-	-	6,688	4,455,069	4,461,757

21. Insurance liabilities (Cont'd)

21.3 Claim development table (Cont'd)

21.3.2 Claim development table after reinsurance

	2024					
	Incident Year					
	2020 Thousand Baht	2021 Thousand Baht	2022 Thousand Baht	2023 Thousand Baht	2024 Thousand Baht	Total Thousand Baht
Reported Year						
Estimated claim:						
- At the end of the year	11,738,920	12,401,182	16,845,621	18,909,105	24,906,293	84,801,121
- After 1 year	12,068,914	12,765,275	17,173,211	19,240,290	-	61,247,690
- After 2 year	12,080,480	12,777,494	17,190,398	-	-	42,048,372
- After 3 year	12,085,735	12,780,061	-	-	-	24,865,796
- After 4 year	12,087,150	-	-	-	-	12,087,150
Absolute estimated claim	12,087,150	12,780,061	17,190,398	19,242,307	25,243,979	86,543,895
Cumulative claim paid	12,087,150	12,780,061	17,190,398	19,240,290	22,244,668	83,542,567
Total claim reserve	-	-	-	2,017	2,999,311	3,001,328
Claim liability under other IBNR methodology	-	-	-	-	90,599	90,599
Total claim liability	-	-	-	2,017	3,089,910	3,091,927

**21. Insurance liabilities (Cont'd)**

**21.4 Unpaid policy benefits**

The details are as below:

	2024 Thousand Baht	2023 Thousand Baht
Death benefits	557,614	463,644
Total	557,614	463,644

**21.5 Due to insured**

The details of due to insured are presented below:

	2024 Thousand Baht	2023 Thousand Baht
Deposits from insurance contracts	90,457,160	86,944,773
Account value of universal life insurance contracts	9,633,459	9,917,554
Account value of unit-linked insurance contracts	86,541,600	73,921,114
Total	186,632,219	170,783,441

**22. Amount due to reinsurance**

	2024 Thousand Baht	2023 Thousand Baht
Fund reserve	17,462	15,592
Outward premium payables and other (Note 33 (b))	471,489	734,266
Total	488,951	749,858

**23. Provisions for employee benefits**

	2024 Thousand Baht	2023 Thousand Baht
Short-term employee benefits	843,727	845,832
Long-term employee benefits	4,049,022	3,630,753
Total	4,892,749	4,476,585

23. Provisions for employee benefits (Cont'd)

23.1 Long-term employee benefits

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

	2024 Thousand Baht	2023 Thousand Baht
Present value of employee benefits obligations	4,049,022	3,630,753
	<u>4,049,022</u>	<u>3,630,753</u>

The amounts recognised in profit or loss are as follows:

	2024 Thousand Baht	2023 Thousand Baht
Current service costs	113,260	99,506
Interest costs	108,407	113,435
Others	8,877	16
	<u>230,544</u>	<u>212,957</u>

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

	2024 Thousand Baht	2023 Thousand Baht
Beginning of the year	3,630,753	3,339,730
Current service costs	113,260	99,506
Interest costs	108,407	113,435
Remeasurements of long-term employee benefits	317,435	200,781
Others	8,877	16
<u>Less</u> Benefits paid	<u>(129,710)</u>	<u>(122,715)</u>
Ending of the year	<u>4,049,022</u>	<u>3,630,753</u>

Principal actuarial assumptions at 31 December are shown as follows:

	2024	2023
Discount rate	2.00% - 3.00%	2.25% - 3.25%
Future salary increases	5.00% - 6.00%	5.00% - 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 4%	Increase by 4%
Future salary	0.25%	Increase by 1%	Decrease by 1%

**23. Provisions for employee benefits (Cont'd)**

**23.1 Long-term employee benefits (Cont'd)**

The above sensitivity analysis 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 employee benefit obligations 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 15 years.

Expected maturity analysis of undiscounted long-term employee benefits:

	Less than a year Thousand Baht	Between 1 - 5 years Thousand Baht	Over 5 years Thousand Baht	Total Thousand Baht
At 31 December 2024				
Long-term employee benefits	134,490	770,896	5,604,882	6,510,268
Total	134,490	770,896	5,604,882	6,510,268
At 31 December 2023				
Long-term employee benefits	164,504	644,796	5,627,329	6,436,629
Total	164,504	644,796	5,627,329	6,436,629

**23.2 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 2024, Baht 251 million (31 December 2023: Baht 227 million) has been contributed to the fund by the Branch which was presented in the statement of comprehensive income.

24. Deferred tax liabilities

	Net deferred tax assets/ (liabilities) at 1 January 2024 Thousand Baht	Credited/ (charged) to profit or loss Thousand Baht	Credited/ (charged) to Other comprehensive income (loss) Thousand Baht	Net deferred tax assets/ (liabilities) at 31 December 2024 Thousand Baht
For the year ended				
Revaluation of investment	(5,912,417)	58,771	(3,792,191)	(9,645,837)
Deferred acquisition costs	(4,850,151)	1,555,472	-	(3,294,679)
Insurance liabilities	(9,029,272)	(653,644)	-	(9,682,916)
Provision of expenses	887,568	14,111	63,487	965,166
Others	(3,400,617)	(171,979)	(13,656)	(3,586,252)
Total	(22,304,889)	802,731	(3,742,360)	(25,244,518)

	Net deferred tax assets/ (liabilities) at 1 January 2023 Thousand Baht	Credited/ (charged) to Profit or loss Thousand Baht	Credited/ (charged) to Other comprehensive income (loss) Thousand Baht	Net deferred tax assets/ (liabilities) at 31 December 2023 Thousand Baht
For the year ended				
Revaluation of investment	(7,135,009)	457,465	765,127	(5,912,417)
Deferred acquisition costs	(6,685,734)	1,835,583	-	(4,850,151)
Insurance liabilities	(7,453,927)	(1,575,345)	-	(9,029,272)
Provision of expenses	835,539	11,873	40,156	887,568
Others	(3,396,059)	19,224	(23,782)	(3,400,617)
Total	(23,835,190)	748,800	781,501	(22,304,889)

25. Other liabilities

	2024 Thousand Baht	2023 Thousand Baht
Accrued expenses	13,021,840	11,068,655
Payable for purchase of investments	1,858,763	6,103,909
Unpresented cheques payable	951,446	1,279,014
Expired cheques payable	2,973,596	3,037,966
Due commissions and expenses	842,043	731,097
Payable to related parties (Note 33 (b))	569,705	663,946
Agents payable	6,840,393	6,313,583
Cash collateral from derivative contracts	4,482,733	2,835,078
Other accounts payable	1,076,165	922,268
Lease liabilities (Note 33 (b))	572,188	513,187
Others (Note 33 (b))	2,269,099	2,301,092
Total	35,457,971	35,769,795

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



25. Other liabilities (Cont'd)

25.1 Lease liabilities

The maturity analysis of lease liabilities is aged as follows:

	2024 Thousand Baht	2023 Thousand Baht
<b>Maturing</b>		
Within 1 year	97,782	84,123
Between 1 to 5 years	387,869	332,249
Later than 5 years	86,537	96,815
<b>Total</b>	<b>572,188</b>	<b>513,187</b>
Including: - Principal	690,311	630,942
- Interest	(118,123)	(117,755)

For the year ended 31 December 2024, interest expense on lease liabilities amounted to Baht 21 million (31 December 2023: Baht 17 million), is recorded as "Finance cost" in the statement of comprehensive income.

26. Gross benefits and claim paid

	2024 Thousand Baht	2023 Thousand Baht
Insurance contract benefits	94,865,322	104,550,593
<b>Total</b>	<b>94,865,322</b>	<b>104,550,593</b>

27. Share-based compensation

As at 31 December 2024, the Branch has share-based compensation in accordance with Group policy using share price of AIA Group Limited which is ultimate holding company.

During the year 2024, there are 4 share-based compensation plans to employees and agents as detailed below:

Restricted Share Unit Scheme (RSU)

Under the RSU Scheme, the vesting of the granted RSUs is conditional upon the eligible participants remaining in employment with AIA Group during the respective vesting periods. For certain RSUs, performance conditions are also attached which include both market and non-market conditions. RSUs subject to performance conditions are released to the employees at the end of vesting period depending on the actual achievement of the performance condition. During the vesting period, the eligible participants are not entitled to dividends of the underlying shares.

27. Share-based compensation (Cont'd)

Restricted Share Unit Scheme (RSU) (Cont'd)

	2024 Number of shares	2023 Number of shares
As at 1 January	1,703,465	1,808,890
Granted	1,066,173	623,936
Vested	(230,768)	(311,696)
Transferred out	-	(85,422)
Forfeited	(391,784)	(332,243)
As at 31 December	2,147,086	1,703,465

Share Option Scheme (SO)

The objectives of the SO Scheme are to align eligible participants' interests with those of the shareholders of AIA Group by allowing eligible participants to share in the value created at the point they exercise their options. Share option ('SO') grants are vested entirely after a specific period of time, during which, the eligible participants are required to remain in employment with AIA Group. The granted share options expire ten years from the date of grant.

	2024		2023	
	Number of options	Weighted - average exercise price per share (HK\$)	Number of options	Weighted - average exercise price per share (HK\$)
As at 1 January	69,325	78.09	53,824	77.34
Granted	24,529	62.33	15,501	80.73
Exercised	-	-	-	-
Transferred in	-	-	-	-
Forfeited	-	-	-	-
As at 31 December	93,854	73.97	69,325	78.09

Employee share purchase plan (ESPP)

Under the plan, eligible employees of the Branch can purchase ordinary shares of AIA Group with qualified employee contributions and the Branch will award one matching restricted stock purchase unit to them at the end of the vesting period for each two shares purchased through the qualified employee contributions ('contribution shares'). Contribution shares are purchased from the open market. During the vesting period, the eligible employees must hold the contribution shares purchased during the plan cycle and remain employed by AIA Group.

For the year ended 31 December 2024, the eligible employees paid Baht 113 million to purchase 435,764 ordinary shares of AIA Group (31 December 2023: paid Baht 110 million to purchase 327,370 ordinary shares of AIA Group).

27. Share-based compensation (Cont'd)

Agent Share Purchase Plan (ASPP)

The structure of ASPP generally follows that of ESPP, the key difference being that the eligible agents are required to pay a subscription price of US\$1 to subscribe for each new share in AIA Group at the end of the vesting period. Under the plan, eligible agents of the Branch can purchase ordinary shares of AIA Group with qualified agent contributions and the Branch will award one matching restricted stock subscription unit to them at the end of the vesting period for each two shares purchased through the qualified agent contributions (agent contribution shares). Each restricted stock subscription unit entitles eligible agents to subscribe for one new share of AIA Group. Agent contribution shares are purchased from the open market. During the vesting period, the eligible agents must hold the contribution shares purchased during the plan cycle and maintain their agent contracts with AIA Group.

For the year ended 31 December 2024, the eligible agents paid Baht 260 million to purchase 971,283 ordinary shares of AIA Group (31 December 2023: paid Baht 235 million to purchase 703,240 ordinary shares of AIA Group).

Accounting treatment and assumption for valuation of share-based payment

The Branch utilises a binomial lattice model to calculate the fair value of the share option grants, a Monte-Carlo simulation model and/or discounted cash flow technique to calculate the fair value of the RSU, SO, ESPP and ASPP awards. The Branch records in accordance with the Branch's allocation based on the Branch's employees and agents who are eligible in each plan. The total recognised compensation cost for the year ended 31 December 2024 amount of Baht 249 million (31 December 2023: Baht 236 million) and the other reserve in the Head Office's equity as at 31 December 2024 amount of Baht 133 million (31 December 2023: Baht 125 million).

**2024**

Assumptions	Share option scheme	Restricted share unit scheme	Employee share purchase plan	Agent share purchase plan
Risk-free interest rate (%)	3.67	3.69	2.54 - 3.87	3.49
Volatility (%)	29.00	29.00	-	-
Dividend yield (%)	1.70	1.70	1.70 - 1.80	1.70
Weighted average fair value per option/unit at measurement date (HK\$)	17.37	39.90	49.57	43.06

**2023**

Assumptions	Share option scheme	Restricted share unit scheme	Employee share purchase plan	Agent share purchase plan
Risk-free interest rate (%)	3.19	3.27	3.16 - 4.17	2.87
Volatility (%)	28.00	28.00	-	-
Dividend yield (%)	1.60	1.60	1.60 - 1.70	1.60
Weighted average fair value per option/unit at measurement date (HK\$)	23.97	63.37	61.31	57.07

**28. Operating expenses**

	2024 Thousand Baht	2023 Thousand Baht
Employee expenses not relating to underwriting expenses, and loss adjusting expenses	4,771,049	4,662,005
Property and equipment expenses not relating to underwriting expenses, and loss adjusting expenses	2,595,523	2,273,218
Tax expenses	11,926	14,096
Other operating expenses	3,415,348	3,041,645
<b>Total</b>	<b>10,793,846</b>	<b>9,990,964</b>

**29. Employee benefit expenses**

	2024 Thousand Baht	2023 Thousand Baht
Salary, overtime and bonus	4,368,818	4,305,364
Provident fund	251,343	226,775
Provision for long-term employee benefits	230,544	212,957
Share-based payment	155,749	148,729
Other employee benefit expenses	105,410	142,414
<b>Total</b>	<b>5,111,864</b>	<b>5,036,239</b>

**30. (Reversal of) expected credit loss**

	2024 Thousand Baht	2023 Thousand Baht
Investment in securities	(18,069)	2,353,055
Loans and accrued interest receivables	(813)	(134)
<b>Total</b>	<b>(18,882)</b>	<b>2,352,921</b>

**31. Income tax expenses**

	2024 Thousand Baht	2023 Thousand Baht
Current income tax on taxable profits for the year	3,286,573	3,105,136
Deferred income tax on temporary differences (Note 24)	(802,731)	(748,800)
<b>Total income tax expenses</b>	<b>2,483,842</b>	<b>2,356,336</b>

Income tax rate used for 2024 is 20% (2023: 20%).

The effective tax rate for 2024 is 20% (2023: 20%). There was no significant transaction being income not subject to tax and expense not deductible for tax purpose.

### 32. Tax effect from other comprehensive income

	2024			2023		
	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 (losses) on investment measured at fair value through comprehensive income	18,960,955	(3,792,191)	15,168,764	(3,825,634)	765,127	(3,060,507)
Remeasurements of post-employment benefit obligations	(317,435)	63,487	(253,948)	(200,781)	40,156	(160,625)
Gains on revaluation of land and building	68,282	(13,656)	54,626	118,909	(23,782)	95,127
Total	18,711,802	(3,742,360)	14,969,442	(3,907,506)	781,501	(3,126,005)

### 33. 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

	2024 Thousand Baht	2023 Thousand Baht
<b>Head office</b>		
Other underwriting expenses	18,063	17,773
Operating expenses	2,007,174	1,781,279
Capitalised expenses	179,968	143,564
<b>Affiliated companies</b>		
Premiums ceded to reinsurers	17,074,511	12,248,995
Fee and commission income	513,741	384,719
Net investment income (expenses)	(1,587,056)	(1,526,852)
Other income	37,478	35,419
Benefits and claim paid recovered from reinsurers	13,301,288	10,115,886
Operating expenses	834,149	1,014,892
Finance cost	5,178	5,469

33. Related party transactions (Cont'd)

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

(b) Statement of financial position

	2024 Thousand Baht	2023 Thousand Baht
<b>Head office</b>		
Other assets	3,552	304
Profit remittances to Head Office	16,371,000	15,029,000
Other liabilities	223,909	332,465
<b>Affiliated companies</b>		
Reinsurance assets	2,017	2,073
Amount due from reinsurance	14,584	3,911
Investment in securities	14,975,604	3,192,092
Investment in associates	171,500	171,500
Other assets	1,004,693	961,407
Amount due to reinsurance	109,581	425,037
Other liabilities	523,533	488,467

(c) Key management compensations

Key management compensations are as follows:

	2024 Thousand Baht	2023 Thousand Baht
Salary and other short-term employee benefits	185,082	193,391
Post-employment benefits	13,680	13,182
Share-based payment	38,283	39,912
Total	237,045	246,485

34. Contingent liabilities and commitments

As at 31 December 2024, the Branch had contractual commitment from contracts for investment property projects with the amount at the maximum of Baht 2,827 million (31 December 2023: the amount at the maximum of Baht 3,958 million). Commitments arising from short-term leases and low-value leases are not material to the financial statements.