

Prudential Life Assurance (Thailand) Public Company Limited  
Report and financial statements  
31 December 2025



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**EY Office Limited**

1875 One Bangkok Tower 3, Level 34 - 37  
Rama 4 Road, Lumpini, Pathumwan,  
Bangkok 10330  
Tel: + 66 2264 9090  
ey.com

**บริษัท สำนักงาน อีวาย จำกัด**

1875 อาคาร วัน แบงค็อก ทาวเวอร์ 3 ชั้น 34 - 37  
ถนนพระรามที่ 4 แขวงลุมพินี เขตปทุมวัน  
กรุงเทพมหานคร 10330  
โทรศัพท์: +66 2264 9090  
ey.com

## Independent Auditor's Report

To the Shareholders of Prudential Life Assurance (Thailand) Public Company Limited

### Opinion

I have audited the accompanying financial statements of Prudential Life Assurance (Thailand) Public Company Limited (the Company), which comprise the statement of financial position as at 31 December 2025, and the related statements of comprehensive income, changes in owners' equity and cash flows for the year then ended, and notes to the financial statements, including material accounting policy information (collectively "the financial statements").

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Prudential Life Assurance (Thailand) Public Company Limited as at 31 December 2025, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

### Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. 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 Company in accordance with the Code of Ethics for Professional Accountants including Independence Standards issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) that are relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



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## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 Thai Standards on Auditing 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 Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism 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.



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- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of 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 Company'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 Company 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 those charged with governance 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 am responsible for the audit resulting in this independent auditor's report.

Rachada Yongsawadvanich  
Certified Public Accountant (Thailand) No. 4951

EY Office Limited  
Bangkok: 20 March 2026

**Prudential Life Assurance (Thailand) Public Company Limited**

**Statement of financial position**

**As at 31 December 2025**

(Unit: Thousand Baht)

	Note	31 December 2025	31 December 2024 (Restated)	1 January 2024
<b>Assets</b>				
Cash and cash equivalents	12, 13	7,802,389	5,664,859	5,624,626
Accrued investment income	12	600,376	570,685	603,222
Reinsurance contract assets	7, 10.1	13,521	4,763	23,660
Derivative assets	12, 14.1	8,340,044	4,316,806	1,458,973
Financial assets - debt instruments	12, 15.1	188,965,018	156,708,057	132,448,290
Financial assets - equity instruments	12, 16.1	8,113,242	5,807,970	4,913,204
Assets held for sale		8,967	8,967	8,967
Premises and equipment	17	143,454	161,619	178,355
Right-of-use assets	18.1	160,058	188,105	192,880
Intangible assets	19	18,451,360	18,905,271	19,508,675
Deferred tax assets		-	-	196,218
Other assets				
Collateral receivables under derivative agreement	12	284,700	-	64,100
Account receivables on sales of securities	12	78,513	114,601	99,269
Others		230,944	235,931	246,866
<b>Total assets</b>		<b>233,192,586</b>	<b>192,687,634</b>	<b>165,567,305</b>

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

**Prudential Life Assurance (Thailand) Public Company Limited**

**Statement of financial position (continued)**

As at 31 December 2025

(Unit: Thousand Baht)

	Note	31 December 2025	31 December 2024 (Restated)	1 January 2024
<b>Liabilities and shareholders' equity</b>				
<b>Liabilities</b>				
Insurance contract liabilities	7, 9.1	191,370,125	158,791,176	137,043,788
Reinsurance contract liabilities	7, 10.1	1,242,067	1,088,498	1,405,250
Derivative liabilities	12, 14.1	1,021,945	37,120	532,189
Lease liabilities	12, 18.2	157,777	183,904	195,471
Employee benefit obligations	20	527,039	486,268	451,093
Deferred tax liabilities	21.1	1,719,156	818,691	-
<b>Other liabilities</b>				
Accrued expenses		188,648	183,953	1,213,426
Account payables on purchases of securities	12	36,272	530,441	2,514,369
Collateral payables under derivative agreements	12	7,879,293	4,219,407	420,101
Other payables		94,339	104,908	109,728
Others		374,847	340,734	308,451
<b>Total liabilities</b>		<b>204,611,508</b>	<b>166,785,100</b>	<b>144,193,866</b>
<b>Shareholders' equity</b>				
<b>Share capital</b>				
Registered, issued and paid-up				
2,211,152,652 ordinary shares of Baht 9.14 each		20,209,935	20,209,935	20,209,935
<b>Retained earnings</b>				
Appropriated - Statutory reserves		1,331,713	1,251,278	1,194,852
Unappropriated		9,812,411	10,926,606	8,667,434
Other components of owners' equity		(2,772,981)	(6,485,285)	(8,698,782)
<b>Total shareholders' equity</b>		<b>28,581,078</b>	<b>25,902,534</b>	<b>21,373,439</b>
<b>Total liabilities and shareholders' equity</b>		<b>233,192,586</b>	<b>192,687,634</b>	<b>165,567,305</b>

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

Management

**Prudential Life Assurance (Thailand) Public Company Limited**

**Statement of financial position**

**As at 31 December 2025**

(Unit: Thousand Baht)

	Note	31 December 2025	31 December 2024 (Restated)	1 January 2024
<b>Assets</b>				
Cash and cash equivalents	12, 13	7,802,389	5,664,859	5,624,626
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The accompanying notes are an integral part of the financial statements.

Prudential Life Assurance (Thailand) Public Company Limited

Statement of financial position (continued)

As at 31 December 2025

(Unit: Thousand Baht)

	Note	31 December 2025	31 December 2024 (Restated)	1 January 2024
<b>Liabilities and shareholders' equity</b>				
<b>Liabilities</b>				
Insurance contract liabilities	7, 9.1	191,370,125	158,791,176	137,043,788
Reinsurance contract liabilities	7, 10.1	1,242,067	1,088,498	1,405,250
Derivative liabilities	12, 14.1	1,021,945	37,120	532,189
Lease liabilities	12, 18.2	157,777	183,904	195,471
Employee benefit obligations	20	527,039	486,268	451,093
Deferred tax liabilities	21.1	1,719,156	818,691	-
Other liabilities				
Accrued expenses		188,648	183,953	1,213,426
Account payables on purchases of securities	12	36,272	530,441	2,514,369
Collateral payables under derivative agreements	12	7,879,293	4,219,407	420,101
Other payables		94,339	104,908	109,728
Others		374,847	340,734	308,451
<b>Total liabilities</b>		<b>204,611,508</b>	<b>166,785,100</b>	<b>144,193,866</b>
<b>Shareholders' equity</b>				
Share capital				
Registered, issued and paid-up				
2,211,152,652 ordinary shares of Baht 9.14 each		20,209,935	20,209,935	20,209,935
Retained earnings				
Appropriated - Statutory reserves		1,331,713	1,251,278	1,194,852
Unappropriated		9,812,411	10,926,606	8,667,434
Other components of owners' equity		(2,772,981)	(6,485,285)	(8,698,782)
<b>Total shareholders' equity</b>		<b>28,581,078</b>	<b>25,902,534</b>	<b>21,373,439</b>
<b>Total liabilities and shareholders' equity</b>		<b>233,192,586</b>	<b>192,687,634</b>	<b>165,567,305</b>

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

Management

Prudential Life Assurance (Thailand) Public Company Limited

Statement of comprehensive income

For the year ended 31 December 2025

(Unit: Thousand Baht)

Note	2025	2024 (Restated)
<b>Profit or loss:</b>		
<b>Revenues</b>		
Insurance revenue	8.1 13,010,322	12,095,778
Insurance service expenses	8.1 (10,045,919)	(10,058,890)
Net expenses from reinsurance contracts held	8.1 (326,919)	(59,348)
<b>Insurance service result</b>	8.1 2,637,484	1,977,540
Net investment income	23 3,996,543	4,083,989
Gains (losses) on financial instruments	24 (576,285)	661,336
Fair value gains (losses) on financial instruments	25 2,717,161	(137,001)
Reversal expected credit losses	26 111,859	186,499
<b>Net investment income</b>	6,249,278	4,794,823
Finance expenses from insurance contracts issued	(6,503,714)	(4,127,020)
Finance expenses from reinsurance contracts held	(69,614)	(65,950)
<b>Net insurance finance expenses</b>	(6,573,328)	(4,192,970)
<b>Net investment income and insurance finance expenses</b>	(324,050)	601,853
Other finance costs	(6,877)	(7,615)
Other operating expenses	28 (191,923)	(141,923)
Other income	6,700	45,834
<b>Profit before income tax expenses</b>	2,121,334	2,475,689
Less: Income tax expenses	21.2 (512,640)	(440,323)
<b>Profit for the years</b>	1,608,694	2,035,366

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

**Prudential Life Assurance (Thailand) Public Company Limited**

**Statement of comprehensive income (continued)**

**For the year ended 31 December 2025**

(Unit: Thousand Baht)

Note	2025	2024 (Restated)
<b>Other comprehensive income:</b>		
Items to be reclassified in statement of income in subsequent period:		
Gains on debt instruments measured at fair value through other comprehensive income	8,896,555	6,797,432
Gains on measurement of financial derivatives held for cashflow hedge	2,370,710	3,129,637
Amortisation of deferred hedging costs	87,233	(143,352)
Finance expenses from insurance contracts issued	(9,543,287)	(6,770,668)
Finance expenses from reinsurance contracts held	(30,575)	(27,564)
Total items to be reclassified in statement of income in subsequent period:	1,780,636	2,985,485
Less: Income taxes	(356,127)	(597,097)
Items to be reclassified in statement of income in subsequent period - net of income taxes	1,424,509	2,388,388
Items not to be recognised in statement of income in subsequent period:		
Gains (losses) on equity instruments measured at fair value through other comprehensive income	2,859,744	(218,613)
Gains (losses) on disposal equity instruments measured at fair value through other comprehensive income	(2,391,944)	376,824
Defined benefit plan actuarial losses	(26,664)	(26,534)
Total items not to be recognised in statement of income in subsequent period	441,136	131,677
Less: Income taxes	(88,227)	(26,336)
Items not to be recognised in statement of income in subsequent period - net of income taxes	352,909	105,341
<b>Other comprehensive income for the years</b>	<b>1,777,418</b>	<b>2,493,729</b>
<b>Total comprehensive income for the years</b>	<b>3,386,112</b>	<b>4,529,095</b>
<b>Basic earnings per share:</b>		
Earnings per share (Baht)	0.73	0.92

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

Prudential Life Assurance (Thailand) Public Company Limited  
Statement of changes in owners' equity  
For the year ended 31 December 2025

(Unit: Thousand Baht)

	Note	Other components of owners' equity										Total
		Issued and paid-up share capital	Retained earnings	Revaluation deficit on available-for-sale investments measured at fair value through other comprehensive income - net of income tax	Debt instruments measured at fair value through other comprehensive income - net of income tax	Equity instruments designated to be measured at fair value through other comprehensive income - net of income tax	Gain on measurement of financial derivatives held for cashflow hedge - net of income taxes	Deferred hedging costs - net of income taxes	Insurance finance reserve/reinsurance contract - net of income tax	Total other components of owners' equity		
<b>Balance as at 1 January 2024 - as previously reported</b>		20,209,935	1,194,852	16,097,447	(6,614,782)	-	116,258	(7,575)	-	(6,506,099)	30,996,135	
Cumulative effect of the change in accounting policy	4	-	(7,430,013)	(4,287,578)	6,614,782	(1,121,963)	-	-	(3,397,924)	(2,192,683)	(9,622,696)	
<b>Balance as at 1 January 2024 - restated</b>		20,209,935	1,194,852	8,667,434	-	(1,121,963)	116,258	(7,575)	(3,397,924)	(8,698,782)	21,373,439	
Net profit for the year		-	-	2,035,366	-	-	-	-	-	-	2,035,366	
Other comprehensive income (loss) for the year		-	-	(21,228)	-	126,569	2,503,710	(114,682)	(5,438,586)	2,514,957	2,493,729	
Transfer gain on disposals of equity securities designated to be measured at fair value through other comprehensive income to retained earnings	16.2	-	-	301,460	-	(301,460)	-	-	-	(301,460)	-	
Transferred to statutory reserve		-	56,426	(56,426)	-	-	-	-	-	-	-	
<b>Balance as at 31 December 2024</b>		20,209,935	1,251,278	10,926,606	-	(1,296,854)	2,619,968	(122,257)	(8,836,510)	(6,485,285)	25,902,534	
<b>Balance as at 1 January 2025 - as previously reported</b>		20,209,935	1,251,278	17,148,317	(1,251,444)	-	2,619,968	(122,257)	-	1,246,267	39,855,797	
Cumulative effect of the change in accounting policy	4	-	-	(6,221,711)	1,251,444	(1,296,854)	-	-	(8,836,510)	(7,731,552)	(13,953,263)	
<b>Balance as at 1 January 2025 - restated</b>		20,209,935	1,251,278	10,926,606	-	(1,296,854)	2,619,968	(122,257)	(8,836,510)	(6,485,285)	25,902,534	
Net profit for the year		-	-	1,608,694	-	-	-	-	-	-	1,608,694	
Other comprehensive income (loss) for the year		-	-	(21,331)	-	374,240	1,896,568	69,787	(7,659,090)	1,796,749	1,777,418	
Transfer loss on disposals of equity securities designated to be measured at fair value through other comprehensive income to retained earnings	16.2	-	-	(1,913,555)	-	1,913,555	-	-	-	1,913,555	-	
Dividends paid	33	-	-	(707,568)	-	-	-	-	-	-	(707,568)	
Transferred to statutory reserve		-	80,435	(80,435)	-	-	-	-	-	-	-	
<b>Balance as at 31 December 2025</b>		20,209,935	1,331,713	9,812,411	-	990,941	4,516,536	(52,470)	(16,495,600)	(2,772,981)	28,581,078	

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

Prudential Life Assurance (Thailand) Public Company Limited

Statement of cash flows

For the year ended 31 December 2025

(Unit: Thousand Baht)

Note	2025	2024 (Restated)
<b>Cash flows from operating activities</b>		
Premium received	44,107,289	37,856,944
Premiums paid net of ceding commissions and other directly attributable expenses paid	(347,976)	(587,746)
Recoveries from reinsurance	65,679	137,029
Interest income	3,877,896	3,318,525
Dividend income	528,641	884,249
Other income	6,100	24,293
Claim and other directly attributable expenses paid	(16,259,143)	(16,932,079)
Insurance acquisition cash flow	(7,486,508)	(7,232,902)
Other operating expenses	(123,184)	(139,035)
Income tax expenses	(71,944)	(56,529)
Cash received on financial assets	69,154,539	37,498,470
Cash paid for financial assets	(90,234,940)	(53,578,545)
<b>Net cash provided by operating activities</b>	<b>3,216,449</b>	<b>1,192,674</b>
<b>Cash flows from investing activities</b>		
Disposal of equipments	875	35,695
Purchases of equipments	(22,327)	(37,644)
Purchases of intangible assets	(306,894)	(1,110,897)
<b>Net cash used in investing activities</b>	<b>(328,346)</b>	<b>(1,112,846)</b>
<b>Cash flows from financing activities</b>		
Dividends paid to shareholders	(707,568)	-
Cash received from sublease	-	243
Repayments of lease liabilities	(43,005)	(39,838)
<b>Net cash used in financing activities</b>	<b>(750,573)</b>	<b>(39,595)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>2,137,530</b>	<b>40,233</b>
Cash and cash equivalents at beginning of the years	5,664,859	5,624,626
<b>Cash and cash equivalents at end of the years</b>	<b>7,802,389</b>	<b>5,664,859</b>
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The accompanying notes are an integral part of the financial statements.

## Prudential Life Assurance (Thailand) Public Company Limited

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# **Prudential Life Assurance (Thailand) Public Company Limited**

## **Notes to financial statements**

**For the year ended 31 December 2025**

### **1. Corporate information**

Prudential Life Assurance (Thailand) Public Company Limited (the “Company”) was established as a public company under Thai laws and domiciled in Thailand. The parent company and ultimate parent company are Staple Company Limited, which was incorporated in Thailand, and Prudential plc, which was incorporated in England and Wales, respectively. As at 31 December 2025 and 2024, such parent company held 51.21% of the issued and paid-up ordinary shares of the Company. The Company is principally engaged in the provision of life insurance services. Its registered address is at No. 944, 10th and 29th - 31st Floors of Mitrtown Office Tower, Rama 4 Road, Wangmai Sub-district, Pathumwan District, Bangkok, and has 1 branch.

### **2. Basis of preparation of the financial statements**

These financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Professions Act B.E. 2547, and in accordance with Thai accounting practices related to insurance and the guidelines prescribed by the Office of Insurance Commission (“OIC”), and in accordance with the format of financial statements specified in the Notification of the OIC regarding criteria, procedures, conditions and terms for preparation and submission of financial statements of life insurance companies B.E. 2566 dated 8 February 2023.

These financial statements have been prepared on a historical cost basis except where otherwise disclosed in Note 5 to the financial statements regarding the significant accounting policies.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the financial statements in Thai language.

### **3. New financial reporting standards**

#### **3.1 Financial reporting standards that became effective in the current year**

The Federation of Accounting Professions issued a number of revised financial reporting standards, which are effective for fiscal year beginning on or after 1 January 2025. Most of the changes of these revised financial reporting standards direct towards clarifying accounting treatment and providing accounting guidance for users of the standards, except for TFRS 17 Insurance Contracts which supersedes TFRS 4 Insurance Contracts, TFRS 9 Financial Instruments (Revised 2023) and TFRS 7 Financial Instruments: Disclosures which supersedes Thai Accounting Guidance related to financial instruments and disclosures applicable to insurance business. Those standards are effective for fiscal year beginning on or after 1 January 2025 and involved changes to key principles, summarised below.

##### **TFRS 17 Insurance Contracts (TFRS 17)**

This financial reporting standard establishes principles for the recognition, measurement, presentation and disclosure of insurance contracts issued and reinsurance contracts held. An entity shall recognise a group of insurance contracts it issues from the earliest of the beginning of the coverage period of the group of contracts or the date when the first payment from a policyholder in the group becomes due. For a group of onerous contracts, losses shall be recognised at the date when the group becomes onerous.

Upon initial recognition, this standard requires the adoption of the General Measurement Model, the Variable Fee Approach, or Premium Allocation Approach if contracts meet certain requirements under this standard. In measuring value by using the General Measurement Model, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The fulfilment cash flows represent the present value of future cash flows arising from substantive rights and obligations that exist during the reporting period, and adjusted for non-financial risk. The contractual service margin represents the unearned profit that will be recognised over the coverage period as insurance contract services are provided.

Under the Variable Fee Approach, the Company shall measure a group of insurance contracts based on the obligation to pay the policyholder an amount equal to the fair value of the underlying items and the variable fees, in exchange for future services. Under the Premium Allocation Approach, the Company shall measure the liabilities for remaining coverage and liabilities for incurred claim. Additionally, this standard requires more extensive presentation in the financial statements and disclosures of both qualitative and quantitative information.

The Company has adopted this standard for the current period and has made changes in the accounting policies to align with the standard. This includes the restatement made to the financial statements presented for comparative information, as well as the presentation of transactions that have occurred on the beginning of the earliest comparative period presented. The cumulative effects of these changes in accounting policies are presented as a separate line item in the statement of changes in equity, as described in Note 4 to the financial statements.

**TFRS 9 Financial Instruments (Revised 2023) (TFRS 9) and TFRS 7 Financial Instruments: Disclosures (TFRS 7)**

These standards require an entity to reclassify and measure financial instruments at fair value or amortised cost based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, and business model, on the basis of the facts and circumstances in existence that exist at the initial date of application whereby an entity will classify as financial assets measured at amortised cost, financial assets measured at fair value through profit or loss, or financial assets measured at fair value through other comprehensive income. The standards also mentioned the method of recognition profit and loss after initial recognition depends on the type of instrument and its classification.

These standards are required to be adopted starting from the year 2020. However, for insurance businesses, TFRS 4 Insurance Contracts allows qualifying insurers to temporarily defer the adoption of TFRS 7 and TFRS 9, and to begin applying these standards concurrently with the adoption of TFRS 17 Insurance Contracts.

Therefore, starting from 1 January 2025, the Company has adopted TFRS 17, and accordingly, has also adopted TFRS 7 and TFRS 9 for the first time. In line with the adoption of these standards, the Company has changed its accounting policies, reclassified items and reassessed the measurement of financial assets and liabilities. The cumulative effects from the changes in classification and measurement have been recognised by adjusting retained earnings or other components of equity as of the beginning of the period (1 January 2025), in the statement of changes in equity, which are disclosed in Note 4 to the financial statements.

## Classification and measurement of financial assets

### Financial assets - debt instruments

The Company classified investments in debt instruments as financial assets to be subsequently measured at amortised cost or fair value, based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, on the basis of the facts and circumstances in existence at the date of initial adoption of the financial reporting standards, with classifications as follows:

- Financial assets are classified as financial assets measured at amortised cost if they meet both of the following conditions: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding on the specified date.
- Financial assets classified and measured at fair value through other comprehensive income if they meet both of the following conditions: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding on the specified date.
- Financial assets classified and measured at fair value through profit or loss when the investment is held within a business model whose objective is not to hold assets to collect contractual cash flows, or the contractual terms of the financial assets represent contractual cash flows that are not solely payments of principal and interest on the principal amount outstanding on the specified date.

### Financial assets - equity instruments

The Company classifies all investments in equity instruments as financial assets measured at fair value through other comprehensive income, and the classification is irrevocable, except for items classified as financial assets measured at fair value through profit or loss, which are in accordance with the Company's investment policy.

## Classification and measurement of financial liabilities

The adoption of this financial reporting standard has no impact on the classification of financial liabilities, the Company continues to classify and measure financial liabilities at amortised cost.

### **3.2 Financial reporting standards that will become effective for fiscal years beginning on or after 1 January 2026**

The Federation of Accounting Professions issued a number of new and revised financial reporting standards, which are effective for fiscal years beginning on or after 1 January 2026. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards clarifying accounting treatment and providing accounting guidance for users of the standards.

The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements

### **4. Cumulative effect of the changes in accounting policies due to the adoption of Thai Financial Reporting Standards: TFRS 17 Insurance Contracts and TFRS 9 Financial Instruments**

As described in Note 3 to the financial statements, the Company has adopted Thai Financial Reporting Standards: TFRS 17 Insurance Contracts and TFRS 9 Financial Instruments starting on 1 January 2025. The cumulative impact on the statements of financial position, statements of income and comprehensive income from the adoption of these financial reporting standards can be summarised as follows:

#### **4.1 Transition**

##### **4.1.1 TFRS 17 Insurance Contracts**

In adopting TFRS 17 Insurance Contracts, the transition date has been determined as 1 January 2024. The Company uses the Full Retrospective Approach (FRA) except for the group of insurance contracts where historical data is limited. Therefore, the Company has chosen to use the Fair Value Approach (FVA) to identify, recognise, and measure the value of each group of insurance contracts as of 1 January 2024.

##### Full Retrospective Approach

Under the FRA, each group of insurance contracts has been identified, recognised and measured as if TFRS 17 had always applied. The CSM was calculated at initial recognition of a group of contracts based on the facts and circumstances at that time. This CSM was then rolled forward to the transition date in line with the requirements of the standard.

##### Fair Value Approach

Under the FVA, the CSM at the transition date is the difference between the fair value of the insurance contracts and the fulfilment cash flows at that date.

The fair value has been determined using a cost of capital approach by reference to a quantum of capital required to be held in order to fulfil the contracts and a required return on that capital. Expected cash flows and the required locked-in capital are projected forward over the duration of the groups of contracts and discounted at the required rate of return. These calculations are based on the following key assumptions:

- The expected cash flows reflect the future cost that a market participant would expect to incur in fulfilling the obligations under the contracts. The fair value has been based on the same scope of cash flows as are included in the calculation of the best estimate liability.
- The required locked-in capital is the level of capital realistically required for a business to operate in the relevant jurisdiction.
- The required rate of return is compensation the Company would expect a market participant to require to enter into a transaction to transfer the liability associated with the insurance contracts at the transition date. This return has been determined using the Capital Asset Pricing Model.

The impact of the adoption summarized above is presented in the notes to the financial statements in Note 4.2.

#### **4.1.2 TFRS 9 Financial Instruments (Revised 2023)**

On 1 January 2025, the Company has adopted financial reporting standards related to financial instruments. Entities that initially apply TFRS 17 and TFRS 9 simultaneously are permitted to apply the classification overlay for the purpose of presenting comparative information regarding financial assets by adjusting retained earnings or other components of equity as of the transition date of TFRS 17, which is 1 January 2024. There will be impact to the Company's financial statements from the adoption of this standard as follows.

##### Classification and measurement of financial assets

The Company reclassify financial assets to comply with the Company's business model for managing assets based on the facts and circumstances that exist at the initial date of application by

##### *Financial assets - equity instruments*

- Investments in both listed and non-listed equity securities

The Company considers and continues to classify its investments in both listed and non-listed equity securities as financial assets measured at fair value through other comprehensive income whereby change in fair value will be recognised in other comprehensive income and when disposal, the cumulative gain or loss arising from change in fair value will be recognised directly in retained earnings.

- Investments in unit trusts, which are treated as equity securities

The Company considers and continues to classify its investments in unit trusts, which are treated as equity securities, as financial assets at fair value through other comprehensive income whereby the change in fair value will be recognised in other comprehensive income and when disposal, the cumulative gain or loss arising from change in fair value will be recognised directly in retained earnings.

#### *Financial assets - debt instruments*

- Investments in unit trust, which are treated as debt securities

The Company considers to classify investments in unit trusts, which are treated as debt securities, (previously classified as available-for-sale investments measured at fair value through other comprehensive income under the former accounting policies) as financial assets measured at fair value through profit or loss because such unit trusts do not have contractual terms of the financial assets that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Changes in fair value and gain or loss on disposal will be recognised in profit or loss.

- Investment unit of the insured

The Company considers and continues to classify its investment units of the insured as financial assets at fair value through profit or loss whereby the change in fair value will and gain or loss on disposal will be recognised in profit or loss.

- Investment in government and state enterprises bonds, corporate bonds and foreign bonds.

The Company considers and continues to classify its investments in government and state enterprises bonds, corporate bonds and foreign bonds as financial assets measured at fair value through other comprehensive income whereby change in fair value will be recognised in other comprehensive income, and when disposal, gain or loss arising from change in fair value is to be recognised in profit or loss.

- Investment deposits at financial institutions

The Company considers and continues to classify its investments in deposits at financial institutions as financial assets measured at amortised cost.

- Loans (both principal and interest), the Company classifies and presents them as loans stated at their principal less allowance for expected credit losses.

## *Derivatives*

- The Company considers and continues to classify its derivative financial instruments as financial assets at fair value through profit or loss whereby the change in fair value will be recognised in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedges of net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on nature of the item being hedged. The fair value of derivatives is based on valuation techniques, including discounted cash flow models.

## Classification of financial liabilities

The adoption of these standards does not have impact on classification of the Company's financial liabilities since the Company continues to classify them as financial liabilities measured at amortised cost.

## Impairment of financial assets

The adoption of TFRS 9 requires the Company to move from incurred loss provisioning, under previous accounting policy, to expected loss provisioning by recognising an allowance for expected credit losses on its financial assets calculated using the General approach, and it is no longer necessary for a credit-impaired event to have occurred. However, such approach is the same approach currently adopted by the Company.

## Transition

The Company will initially adopt this standard and opted to apply the classification overlay for the purpose of presenting comparative information regarding financial assets by adjusting retained earnings or other components of equity as of the transition date of TFRS 17, which is 1 January 2024. However, there is no impact on the presentation of the value of financial instruments, as the Company's financial assets were already measured at fair value prior to the adoption of TFRS 9.

The classification and measurement of financial assets as at 31 December 2024 and 1 January 2024, following the adoption of TFRS 9 Financial Instruments, company to the reclassification and measurement previously reported are as follows:

Financial instruments	Measurement	
	31 December 2024 Previously reported	31 December 2024 Restated balance
<b>Financial assets</b>		
Financial assets - debt instruments		
Unit trusts in debt securities fund	Fair value through other comprehensive income	Fair value through profit or loss
Investment unit of the insured	Fair value through profit or loss	Fair value through profit or loss
Other unit trusts	Fair value through profit or loss	Fair value through profit or loss
Others debt instruments	Fair value through other comprehensive income	Fair value through other comprehensive income
Financial assets - equity instruments		
Common stocks and unit trusts	Fair value through other comprehensive income	Designated to measure fair value through other comprehensive income

Financial instruments	Measurement	
	31 December 2023 Previously reported	1 January 2024 Restated balance
<b>Financial assets</b>		
Financial assets - debt instruments		
Unit trusts in debt securities fund	Fair value through other comprehensive income	Fair value through profit or loss
Investment unit of the insured	Fair value through profit or loss	Fair value through profit or loss
Other unit trusts	Fair value through profit or loss	Fair value through profit or loss
Others debt instruments	Fair value through other comprehensive income	Fair value through other comprehensive income
Financial assets - equity instruments		
Common stocks and unit trusts	Fair value through other comprehensive income	Designated to measure fair value through other comprehensive income

## 4.2 The impacts from the adoption of the financial reporting standards

The impacts on the financial statements as at 31 December 2024 and 1 January 2024 after the adoption of TFRS 17 Insurance Contracts and TFRS 9 Financial Instruments are presented as follows:

	(Unit: Thousand Baht)			
	31 December 2024 Previously reported	Impacts of		31 December 2024 Restated
		TFRS17	TFRS9	
<b>Assets</b>				
Premium receivables	1,050,447	(1,050,447)	-	-
Reinsurance receivables	448,065	(448,065)	-	-
Reinsurance contract assets	-	4,763	-	4,763
Investments in securities	149,570,036	-	(149,570,036)	-
Investment assets of the insured	12,945,991	-	(12,945,991)	-
Financial assets - debt instruments	-	-	156,708,057	156,708,057
Financial assets - equity instruments	-	-	5,807,970	5,807,970
Loans and interest receivables	4,794,999	(4,794,999)	-	-
Deferred acquisition costs	26,132,592	(26,132,592)	-	-
Other assets	244,246	(8,315)	-	235,931
<b>Liabilities and shareholders' equity</b>				
<b>Liabilities</b>				
Insurance contract liabilities	159,001,557	(210,381)	-	158,791,176
Investment contract liabilities	13,024,875	(13,024,875)	-	-
Reinsurance payables	639,657	(639,657)	-	-
Reinsurance contract liabilities	-	1,088,498	-	1,088,498
Deferred tax liabilities	4,307,006	(3,488,315)	-	818,691
Accrued commission	369,774	(369,774)	-	-
Accrued expenses	1,458,359	(1,274,406)	-	183,953
Other payables	389,868	(284,960)	-	104,908
Other liabilities	613,256	(272,522)	-	340,734
<b>Shareholders' equity</b>				
Unappropriated retained earnings	17,148,317	(5,116,753)	(1,104,958)	10,926,606
Other components of owners' equity	1,246,267	(8,836,510)	1,104,958	(6,485,285)

(Unit: Thousand Baht)

	31 December 2023	Impact from		1 January 2024
	Previously reported	TFRS 17	TFRS 9	Restated
<b>Assets</b>				
Premium receivables	1,011,172	(1,011,172)	-	-
Reinsurance receivables	319,140	(319,140)	-	-
Reinsurance contract assets	-	23,660	-	23,660
Investments in securities	123,824,780	-	(123,824,780)	-
Investment assets of the insured	13,536,714	-	(13,536,714)	-
Financial assets - debt instruments	-	-	132,448,290	132,448,290
Financial assets - equity instruments	-	-	4,913,204	4,913,204
Deferred tax assets	-	196,218	-	196,218
Loans and interest receivables	4,446,520	(4,446,520)	-	-
Deferred acquisition costs	23,825,254	(23,825,254)	-	-
Other assets	255,491	(8,625)	-	246,866
<b>Liabilities and shareholders' equity</b>				
<b>Liabilities</b>				
Insurance contract liabilities	139,471,918	(2,428,130)	-	137,043,788
Investment contract liabilities	13,626,491	(13,626,491)	-	-
Reinsurance payables	652,708	(652,708)	-	-
Reinsurance contract liabilities	-	1,405,250	-	1,405,250
Deferred tax liabilities	2,209,456	(2,209,456)	-	-
Accrued commission	385,091	(385,091)	-	-
Accrued expenses	2,747,332	(1,533,906)	-	1,213,426
Other payables	444,651	(334,923)	-	109,728
Other liabilities	311,133	(2,682)	-	308,451
<b>Shareholders' equity</b>				
Unappropriated retained earnings	16,097,447	(6,224,772)	(1,205,241)	8,667,434
Other components of owners' equity	(6,506,099)	(3,397,924)	1,205,241	(8,698,782)

## **5. Accounting policies**

### **5.1 Classification of insurance contracts**

The Company issues insurance contracts and holds reinsurance contracts, which can be classified as insurance and reinsurance contracts only when they pass significant insurance risk transfer.

Insurance contracts are those contracts under which the Company accepts significant insurance risk from the policyholders by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event adversely affects the policyholder or other beneficiary and considering the present value of the additional benefits that the Company must pay to policyholders beyond the amount that would be paid if no insured event occurs, excluding events that lack commercial substance. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, even if the insurance risk reduces significantly during this period unless the terms of the contract are amended later.

In case where the Company enters into reinsurance contracts as a cedant, reinsurance contracts are those under which the Company transfers significant insurance risk to reinsurers, who compensate the Company for losses on one or more of insurance contracts issued by the Company.

Investment contracts are those contracts that transfer financial risk with no significant insurance risk.

### **5.2 Insurance contract**

#### **A. Separating components from an insurance contract**

Insurance contract may contain one or more components. For example, an insurance contract may include an investment component or a component for services other than insurance contract services (or both). At initial recognition, the Company is required to separate the following components and account for them as if they were stand-alone contracts.

The Company is required to separate a distinct investment component from the host insurance contract. An investment component is distinct if, and only if, both the following conditions are met:

- (a) The insurance and investment components are not highly interrelated.
- (b) A contract with equivalent terms is, or could be, sold separately in the same market or jurisdiction, either by the entities that issue insurance contracts or by other parties. The Company shall take into account all information reasonably available in making this determination. The Company is not required to undertake an exhaustive search to identify whether an investment component is sold separately.

The Company shall separate embedded derivatives that do not meet the definition of an insurance contract and whose economic characteristics and risks are not closely related to those of the host contract.

The Company shall separate distinct services other than insurance contract services. If it is not highly interrelated with the insurance component.

#### B. Level of aggregation of insurance contract

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into annual cohorts and each annual cohort into groups based on the profitability of contracts. Portfolios of reinsurance contracts held are assessed for aggregation separately from portfolios of insurance contracts issued.

When determining 'similar risks' the Company does not divide risks within a contract, e.g. riders sold under a single contract would not be split by risk type. Contracts within a product line would be expected to have similar risks.

#### C. Measurement

The Company measures groups of contracts on initial recognition as the total of (a) Fulfilment cash flows, comprising the best estimate of the present value of future cash flows within the contract boundary that are expected to arise and an explicit risk adjustment for non-financial risk; and (b) a contractual service margin (CSM) that represents the deferral of any day-one gains arising on initial recognition.

Day-one losses, any subsequent losses on onerous contracts and reversal of those losses arising from groups of insurance contracts are recognised directly in the income statement. For groups of reinsurance contracts held, any net gains or losses at initial recognition are recognised as CSM.

The Company predominantly uses the General measurement model (GMM) and Variable fee approach (VFA), depending on the specific characteristics of the insurance contracts. The Company makes very limited use of the Premium allocation approach (PAA) for some small portfolios of short duration contracts. Reinsurance contracts held are measured under the GMM and PAA for short duration contracts.

The fulfilment cash flows are updated each reporting date to reflect current conditions. For contracts accounted for under GMM, the CSM is accreted using the discount rates determined at the date of initial recognition (locked-in discount rates) and only adjusted to reflect the effect of non-economic experience variances and/or assumptions changes that relate to future services. The adjustments to the CSM for GMM business are determined using the locked-in discount rates. For contracts with direct participating features which are accounted for under the VFA, on initial recognition the CSM represents the variable fee to shareholders and it is adjusted to reflect the effect of changes in economics as well as experience variances and/or assumptions changes that relate to future services.

### **5.3 Insurance revenue**

The Company recognises insurance revenue as it satisfies its performance obligations. The insurance revenue relating to services provided for each period represents the total of the changes in the liability for remaining coverage that relate to services for which the Company expects to receive consideration and comprises the following items.

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

In addition, the Company allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period using the same amortisation factor used to amortise CSM. The Company recognises the allocated amount, adjusted for interest accretion, as insurance revenue and an equal amount as insurance service expenses. Non-distinct investment components are excluded from insurance revenue and insurance service expenses.

#### **5.4 Insurance service expenses**

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred excluding repayments of investment components and comprises the following items.

- Incurred claims and other insurance service expenses.
- Amortisation of insurance acquisition cash flows.
- Losses on onerous contracts and reversals of such losses.
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein, which are recognised in insurance finance income (expense).

#### **5.5 Cash and cash equivalents**

Cash and cash equivalents include cash on hand and at banks, and all highly liquid investments with an original maturity of 3 months or less and not subject to withdrawal restrictions.

#### **5.6 Classification and measurement of financial assets**

##### *(1) Debt financial instruments*

The Company classified investments in debt instruments as financial assets to be subsequently measured at amortised cost or fair value, based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, on the basis of the facts and circumstances in existence when the financial reporting standard is first adopted or on the date of acquisition, with classifications as follows:

- Financial assets measured at fair value through profit or loss

Investments in debt instruments are classified as financial assets measured at fair value through profit or loss when the investment is held within a business model whose objective is not to hold assets to collect contractual cash flows or the contractual terms of the financial assets represent contractual cash flows that are not solely payments of principal and interest on the principal amount outstanding, and primarily held for profit from short-term price fluctuations. These financial assets are initially recognised at fair value.

After initial recognition, unrealised gains or losses on changes in fair value are recognised in the statement of income.

- Financial assets measured at fair value through other comprehensive income

Investments in debt instruments are classified as financial assets measured at fair value through other comprehensive income if they meet both of the following conditions: the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value plus transaction costs that are directly related to the acquisition of the asset.

After initial recognition, unrealised gain or loss on changes in fair value are presented as a separate item in statement of comprehensive income. The expected credit loss and interest income, which is calculated using the effective interest rate method, and gains (losses) on exchange rate, are recognised in statements of income. Interest income is presented in the net investment income section, while credit losses are presented as a separate item in the statement of income and gains (losses) from foreign exchange are presented as part of the fair value gains or losses on financial instruments section.

At the end of reporting period, investments in debt instruments measured at fair value through other comprehensive income are presented in the statement of financial position net of allowance for expected credit losses (if any).

- Financial assets measured at amortised cost

Investments in debt instruments are classified as financial assets measured at amortised cost if they meet both of the following conditions: the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial assets represent contractual cash flows that are solely payments of principal and interest on the principal amount outstanding. These financial assets are initially recognised at fair value as at transaction date.

At the end of reporting period, investments in debt instruments measured at amortised cost are presented in the statement of financial position net of allowance for expected credit loss (if any).

### Changes in classification of investments in debt instruments

When there are changes in the Company's business model for management of financial assets, the Company has to reclassify investments in debt instruments and adjust the value of these investments to their fair value on the reclassification date. Differences between the book value and fair value of investments in debt instruments on the reclassification date are recorded in statements of income or other comprehensive income, depending on the reclassified of the investments.

#### (2) *Financial Equity instruments*

All equity instruments are recognised at fair value in the statement of financial position, classified as follows:

- Financial assets measured at fair value through profit or loss

Investment in equity instruments that are held for trading are classified as financial assets measured at fair value through profit or loss, and the classification is irrevocable. Such classification is determined on an instrument-by-instrument basis.

After initial recognition, unrealised gains or losses arising from changes in fair value of investment are recognised in statements of income.

At the end of reporting period, investments in equity instruments measured at fair value through profit or loss are presented in the statement of financial position at their fair value.

- Financial assets measured at fair value through other comprehensive income

Investments in equity instruments that are not held for trading but held for strategic purposes or are investments in securities with low market volatility are classified as financial assets measured at fair value through other comprehensive income, and the classification is irrevocable. Such classification is determined on an instrument-by-instrument basis. The Company also classifies investments in real estate investment trusts and infrastructure trusts, infrastructure funds and property funds as investments in equity instrument designated to be at fair value through other comprehensive income, according to the statement of the Accounting Profession Council.

After initial recognition, unrealised gains or losses arising from changes in the fair value of investments are separately presented in other comprehensive income in the statement of comprehensive income.

At the end of the reporting period, investments in equity instruments designated to be at fair value through other comprehensive income are presented in the statement of financial position at their fair value.

(3) *Fair value*

The fair value of marketable securities is calculated based on the latest bid price of the last working day of the year as quoted on the Stock Exchange of Thailand. The fair value of non-marketable securities is calculated using discounted future cash flow techniques. The fair value of government bonds, state enterprise securities and private debt securities is calculated using the formula determined by the Thai Bond Market Association while the fair value of non-listed unit trusts is determined based on their net asset value.

(4) *Investment income and disposal of investments*

Gains or losses arising from disposal of investments are recognised in statements of income on the transaction date, except for gains or losses from disposal of investments in equity instruments designated to be measured at fair value through other comprehensive income, which are recognised in retained earnings. The weighted average method is used for computation of the cost of investments.

Dividends on these investments are recognised in statements of income, unless the dividends clearly represent a recovery of part of the cost of the investments.

(5) *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

*ECLs are measured on either of the following bases:*

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- Lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

The Company recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

### *ECLs for investments in debt securities*

Probabilities of default (PD) and loss given default (LGD) for investment in debt securities are based on historical data supplied by rating agency for each credit rating.

The Company considers debt securities to have low credit risk when its credit rating is equivalent to the globally understood definition of “investment grade”.

The Company assumes that the credit risk on debt securities has increased significantly if it is significant deterioration in debt securities’ credit rating.

The Company considers debt securities to be in default when:

- The debtor is unlikely to pay its credit obligations to the Company in full; or
- The debt securities are more than 1 day past due.

The assessment of a significant increase in credit risk is performed on an individual basis.

### *Remeasurement of ECLs*

ECLs are remeasured at each reporting date to reflect changes in the financial instrument’s credit risk since initial recognition. Increase or decrease in loss allowance is recognised as an impairment loss or a reversal of impairment loss in profit or loss, respectively. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the Company recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

## **5.7 Classification of financial liabilities**

The adoption of this financial reporting standard has no impact on the classification and the measurement of financial liabilities. The Company continues to classify and measure financial liabilities at amortised cost.

The Company recognises financial liabilities at initial recognition at fair value, less transaction costs and classifies financial liabilities as subsequently measured at amortised cost using the effective interest method. Gains and losses arising from the derecognition of financial liabilities and amortisation using the effective interest method will be recognised in statements of income. The calculation of amortised cost takes into account fees or costs that are considered part of the effective interest rate. The amortisation using the effective interest method is presented as part of the financial costs in the statement of income.

## 5.8 Derivatives

The Company uses derivatives, such as cross currency swaps contracts, forward exchange contracts and bond forward contracts, to hedge its foreign currency risks and other risks.

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into, and are subsequently remeasured at fair value. The subsequent changes are recognised in the statements of income unless the effectiveness portion of derivative designated as a hedging instrument under the cash flow hedge. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The fair value of derivatives is based on their market price at the end of financial reporting period, if available. If a market price is not available, the fair value is estimated by counter parties, or using valuation techniques, or discounted cash flow model.

### **Hedging**

The Company designates certain derivatives as hedging instruments to hedge the variability arising from changes in foreign exchange rates, interest rates and re-investment risk.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

#### *Cash flow hedges*

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognised in OCI and accumulated in the hedging reserve. The effective portion of changes in the fair value of the derivative that is recognised in OCI is limited to the cumulative change in fair value of the hedged item. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss.

For all financial items' hedged forecast transactions, the amount accumulated in the hedging reserve is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in the hedging reserve are immediately reclassified to profit or loss.

The Company's cash flow hedges mainly consist of bond forward contracts and cross currency swap, that are used to protect against the exposure to variability in future cash flows on non-trading investment that are expected to be reinvested in the future.

The Company applies hedge accounting where economic hedging relationships meet the hedge accounting criteria. In these hedging relationships, hedge effectiveness is assessed based on the following factors:

- There is an economic relationship between the hedged item and the hedging instrument.
- The critical terms (including maturity) of the hedged item perfectly match the critical terms of the forward contract.
- The effect of credit risk does not dominate the value changes that result from the economic relationship.
- The hedge ratio of the hedging relationship is the same in the quantity.

## **5.9 Assets held for sale**

Non-current assets are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Once classified as held for sale, these assets are no longer depreciated.

## **5.10 Premises and equipment**

### *Recognition and measurement*

#### *Owned assets*

Land is measured at cost less impairment losses. Building and equipment are stated at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and capitalised borrowing costs. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When separate parts of building and equipment have different useful lives, they are accounted for individually (major components).

Any gains and losses on disposal of an item of premises and equipment are determined by comparing the proceeds from disposal with the carrying amount of premises and equipment, and are recognised net within other income in profit or loss.

#### *Subsequent costs*

The cost of replacing a part of an item of premise and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of premise and equipment are recognised in profit or loss as incurred.

#### *Depreciation*

Depreciation is calculated based on the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is charged to profit or loss on a straight-line basis over the estimated useful lives of each component of an item of building and equipment. The estimated useful lives are as follows:

Buildings	20 years
Buildings improvements	5 years
Leasehold buildings improvements	3, 5 and 9 years
Office equipment and furniture	5 years
Motor vehicles	5 years

No depreciation is provided on freehold land or assets under construction.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

### **5.11 Intangible assets**

#### *Software licences and right to use application platform*

Software licences and right to use application platform that are acquired or developed by the Company and have finite useful lives are stated at cost less accumulated amortisation and impairment losses. Software licences and right to use application platform are amortised in profit or loss on a straight-line basis over their estimated useful lives from the date that they are available for use. The estimated useful life is 5 years.

No amortisation is provided on software licences and right to use application platform under installation.

#### *Bancassurance agreements*

Bancassurance agreements are stated at cost less accumulated amortisation and accumulated impairment losses (if any). They are being amortised in profit or loss based on achievement of performance targets over the life of the agreements, which have initial terms of 10 years and 20 years plus extended terms.

Performance targets, amortisation methods, useful lives and residual rates are reviewed at each financial year-end and adjusted as appropriate.

#### *Impairment of bancassurance agreements*

The carrying amounts of the bancassurance agreements are reviewed at each reporting date to determine whether there is any indication of impairment. The impairment testing is conducted when there is an indicator of impairment and the assets' recoverable amounts are estimated.

To access indicators of an impairment, the Company monitors a number of internal and external factors, including indicators that the financial performance of the agreement is likely to be worse than expected and changes in relevant legislation and regulatory requirements that could impact the Company's ability to sell new business through the bancassurance channel.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

### **5.12 Impairment of non-financial assets**

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. The impairment loss is recognised in profit or loss unless it reverses a previous revaluation credited to equity, in which case it is charged to equity.

### *Calculation of recoverable amount*

The recoverable amount of a non-financial asset is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

### *Reversal of impairment*

Impairment losses recognised in prior periods in respect of other non-financial assets are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## **5.13 Leases**

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in TFRS 16.

### *As a lessee*

The Company recognises a right-of-use asset and a lease liability at the lease commencement date.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method.

The Company presents right-of-use assets and lease liabilities as separate items in the statement of financial position.

#### *Operating leases*

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease.

### **5.14 Employee benefits**

#### *Defined contribution plans*

Obligations for contributions to defined contribution plans are personnel expensed as the related service is provided.

#### *Defined benefit plans*

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

The calculation of defined benefit obligations is performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

#### *Short-term employee benefits*

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

## 5.15 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

## 5.16 Foreign currencies

### *Transactions in foreign currencies*

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rates at the reporting date. Foreign exchange differences arising from translation are recognised in profit or loss.

Non-monetary assets and liabilities measured at cost in foreign currencies are translated to the functional currency at the exchange rates at the dates of the transactions.

## 5.17 Income tax

Income tax expense for the year comprises current and deferred taxes. Current and deferred taxes are recognised in profit or loss to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and differences relating to investments in subsidiaries and jointly-controlled entities to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

In determining the amount of current and deferred tax, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

#### **5.18 Earnings per share**

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year.

#### **5.19 Related parties**

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Company; a person entity that are under common control or under the same significant influence as the Company, or the Company had direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

#### **5.20 Fair value measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure its assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 - Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 - Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 - Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

## **6. Significant accounting judgments and estimates**

The preparation of financial statements in conformity with TFRSs requires management to make judgements, estimates and assumptions that affect the application of the Company's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

### **6.1 Measurement of insurance contract liability**

Liabilities from insurance contracts will be measured based on groups of contracts. The process of determining the insurance contract liability involves a number of estimates and judgments, which are set out below.

#### **A. Estimates of future cash flows**

The Management shall estimate future cash flows incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events. As this is a prediction of the future, significant judgement is applied in determining the assumptions that underpin the estimation of future cash flows. These assumptions include, but are not limited to, operating assumptions such as morbidity, mortality, persistency and expenses, and economic assumptions such as risk-free rates and illiquidity premium.

Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Company has discretion over the amount or timing. These include future premium receipts, payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

In relation to reinsurance contracts held, the probability weighted estimates of the present value of future cash flows includes the potential credit losses and losses from other disputes to reflect the non-performance risk of the reinsurers.

#### B. Expense assumptions used in future cash flow estimation

Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads incurred by the insurance entities. The Company projects estimates of future expenses relating to the fulfilment of contracts using current expense levels adjusted for inflation. Costs that are incurred in fulfilling the contracts include, claims handling costs, policy administration expenses, investment management expenses and other costs specifically chargeable to the policyholders under the terms of the contracts. Expenses included in estimated future cash flows comprise expenses directly attributable to the groups of contracts, including an allocation of fixed and variable overheads incurred by the insurance entities.

Investment management expenses in relation to the management of the assets backing policyholder liabilities are included in the fulfilment cash flows for business using the VFA model, other participating business using the general model and general model non-participating business where the Company performs investment management activities to enhance benefits from insurance coverage for policyholders.

Most of the costs incurred by the insurance entities within the Company are considered to be incurred for the purpose of selling and fulfilling insurance contracts and are hence treated as attributable expenses. Cash flows that are not directly attributable to a portfolio of insurance contracts, such as some product development and training costs, are recognised in other operating expenses as incurred.

#### C. Policyholder benefits

The assumptions used to project the cash flows also reflect the actions that management would take over the duration of the projection, the time it would take to implement these actions and any expenses incurred in taking those actions. Management actions encompass, but are not confined to, investment allocation decisions, levels of regular and final bonuses and crediting rates.

#### D. Insurance acquisition cash flow

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of insurance contracts that are directly attributable to a group of contracts (e.g. non-refundable commissions paid on issuance of a contract) are allocated to that group and to the groups that will include renewals of those contracts.

#### E. Determining the point of recognition and the boundary of an insurance contract

The point of initial recognition of a group of contracts is the earliest of the premium due date, the date coverage starts and, for an onerous contract, the date the contract is signed and accepted by both parties.

The contract boundary defines which future cash flows are included in the measurement of a contract. The boundary of the fulfilment cash flows is considered to be the point at which the Company both no longer has substantive rights and obligations under the insurance contract to provide services or compel the policyholder to pay premiums. The contract boundary is assessed at inception and then reassessed only when there are changes in features or circumstances that alter the commercial substance of the contract or when there are changes in the products within a portfolio. The reassessment of the contract boundary for any changes is performed at the end of each reporting period.

For most contracts issued by the Company, there is little judgement involved in determining the contract boundary as either a single premium is received for a contract which is expected to continue for a long period or a guaranteed premium is received for regular premium contracts.

For certain contracts where the premiums are not guaranteed, more judgement is involved in assessing the Company's substantive rights and obligations. When determining the boundary for these contracts various factors are taken into consideration by the Company such as the Company's practical ability to terminate or refuse renewal of a contract, the Company's ability to fully reprice at the individual contract level and whether the Company has the ability to reassess risks at a portfolio level and set a price that fully reflects the risks of that portfolio.

Where riders attach to and are not separated from a base contract, the contract boundary is determined based on the component of the contract which has the longest contract boundary.

Future cash flows relating to riders which are not purchased at the inception of the base contract, but are added at a later date, are not included within the contract boundary at initial recognition. As the addition of these riders is the exercise of an option under the contract it is not considered a contract modification but is instead treated as changes in fulfilment cash flows.

Similar considerations to those applying to underlying insurance contracts apply in determining the contract boundary of groups of reinsurance contracts held.

#### F. Discount rate

The Company elects to determine discount rates on a bottom-up basis, starting with a liquid risk-free yield curve and adding an illiquidity premium to reflect the characteristics of the insurance contracts.

Risk-free rates are based on government bond yields. Government bond yields is obtained from publicly available data sources. Yield curves are constructed by using a market-observed curve up to a last liquid point and then extrapolating to an ultimate yield curve.

The illiquidity premium is calculated as the yield-to-maturity on a reference portfolio of assets with similar liquidity characteristics to the insurance contracts, (in particular, corporate bonds) less the risk-free curve, and an allowance for credit risk.

The allowance for credit risk includes a credit risk premium which is derived through a lifetime projection of expected bond cash flows, allowing for the cost of downgrades and defaults, a rebalancing rate of projected downgrades and a recovery rate in the event of default.

A proportion of the reference portfolio's illiquidity premium (either 0%, 50% or 100%) is applied to portfolios of insurance contracts reflecting the liquidity characteristics of the insurance contracts. The liquidity characteristics are assessed from the policyholders' perspective. Consideration is given to the nature of premiums, the level of underwriting, and the surrender and other benefit features of the portfolios. A product's illiquidity premium is restricted to be no greater than reasonably expected to be earned on the assets backing the insurance contract liabilities, over the duration of the insurance contracts.

Where cash flows vary based on the return on underlying items, the projected earned rate is set equal to the discount rate.

The table below set out the spot rates used to discount the cash flow of insurance contracts.

		31 December 2025				
		1 year	5 years	10 years	15 years	Over 15 years
		(%)				
Discount rate		1.09 - 1.47	1.31 - 1.69	1.75 - 2.13	2.20 - 2.58	2.66 - 5.00
		31 December 2024				
		1 year	5 years	10 years	15 years	Over 15 years
		(%)				
Discount rate		1.97 - 2.56	2.10 - 2.69	2.32 - 2.91	2.58 - 3.17	2.94 - 5.25

#### G. Risk adjustment for non-financial risk

The risk adjustment for non-financial risk reflects the compensation the Company requires for bearing the uncertainty about the amount and timing of the cash flows from non-financial risk as the Company fulfils insurance contracts.

For reinsurance contracts held, the risk adjustment for non-financial risk represents the amount of risk being transferred by the Company to the reinsurer.

The risk adjustment for non-financial risk is determined by the Company using a confidence level approach. This is implemented through the use of provisions for adverse deviations (PADs) calibrated using non-financial risk distributions and correlation assumptions. The PADs are applied to best estimate assumptions and hence the risk adjustment is calculated on a contract by contract basis.

The Company's risk adjustment allows for all insurance, persistency and expense risks and operational risks specific to uncertainty in the amount and timing of insurance contract cash flows. Reinsurance counterparty default risk is excluded from the calculation. Diversification is included on a net of reinsurance basis within each insurance entity of the Company. Diversification is not allowed for between entities.

By applying a confidence level technique, the Company estimates the probability distribution of the expected present value of the future cash flows from insurance contracts at each reporting date and calculates the risk adjustment for non-financial risk as the excess of the value at risk at the 75th percentile (the target confidence level) over the expected present value of the future cash flows. The confidence level is calibrated over a one-year period.

## H. Coverage units

The proportion of CSM recognised in profit or loss at the end of each reporting period for a group of contracts is determined as the ratio of: (a) the coverage units in the period; divided by (b) the sum of the coverage units in the period and the present value of expected coverage units in future periods.

The total number of coverage units in a group reflects the quantity of service provided determined by considering the quantity of benefits for each contract and its expected coverage period. The Company defines the quantity of benefits for insurance services as the maximum amount which a policyholder receives when an insured event takes place, for example the sum assured, the annual limit for a medical plan or the present value of a stream of payments. The quantity of benefits is updated each period. Investment related and investment-return services are assumed to be constant over time.

Where there are multiple different services in a group of contracts for example both insurance and investment services are provided, the quantities of benefits for the different types of service are combined using weighting factors. These weighting factors are defined as the present value of expected outflows for each type of service, determined at a contract level.

The expected coverage period is the expected duration up to the contract boundary. The expected coverage period of the contracts in a group and the calculation of future coverage units allows for expected decrements (e.g. deaths and lapses) in each future period using current best estimate assumptions consistent with the best estimate liabilities (BEL) calculation.

The Company elects to allow for the time value of money by discounting future coverage units in the determination of the proportion of CSM recognised in profit or loss.

Determination of coverage units for groups of reinsurance contracts held follows the same principles as for groups of underlying contracts.

## I. Disaggregation between profit or loss and other comprehensive income

The Company disaggregates insurance finance income or expenses for the period to include in profit or loss an amount determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of the group of contracts, with the balance being included in other comprehensive income.

## J. Effect of estimates made in interim financial statements

The Company has elected to allow updates to accounting estimates made in interim financial statements when applying TFRS 17 in the annual reporting period.

### 6.2 Fair value of financial instruments

In determining the fair value of financial instruments recognised in the statement of financial position that are not actively traded and for which quoted market prices are not readily available, the management exercise judgement in such valuation, using valuation techniques and models, which require variables and inputs to be approximated from those observed the market, taken into consideration of credit risk of its counterparty, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

### 6.3 Allowances for expected credit losses

The management is required to use judgement in estimating allowance for expected credit losses for financial assets. The Company's calculation of allowance for expected credit losses depends on the criteria used for assessment of a significant increase in credit risk, development of a model, and probability of debt collection, including selection of the forecasted macroeconomic data inputs used in the model. The use of different estimates and assumptions could affect the amount of the allowance for credit losses and, therefore, the allowance may need to be adjusted in the future.

### 6.4 Premises and equipment

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual values of the Company's buildings and equipment and to review estimated useful lives and residual values when there are any changes.

In addition, the management is required to review premises and equipment for impairment on a periodical basis and record impairment loss when it is determined that their recoverable amount is lower than the carrying amount. This requires judgement regarding forecast of future revenues and expenses relating to the assets subject to the review.

## **6.5 Intangible assets**

In determining amortisation of intangible assets, the management is required to make estimates of the economic benefit lives and to review estimated economic benefit lives when there are any changes.

The initial recognition and measurement of intangible assets, and subsequent impairment testing, require management to make estimates of cash flows to be generated by the asset and to choose a suitable discount rate in order to calculate the present value of those cash flows.

In addition, in case of the intangible assets that are the access rights to distribution network under the Bancassurance Agreement, the management is required to make an estimation of the expected economic value to be derived from new policies offered and written through the bank channel each year over the estimated benefit economic life. Such estimation is made using the actuarial method, which involves various assumptions. Future actual economic benefit life and value of such intangible assets could differ from the estimates.

## **6.6 Leases**

In determining the lease term that the Company enters into an agreement as the lessee, the management is required to exercise judgement in assessing whether the Company is reasonably certain to exercise the option to extend or terminate the lease considering all relevant facts and circumstances that create an economic incentive for the Company to exercise either the extension or termination option. In addition, the Company cannot readily determine the interest rate implicit in the lease, therefore, the management is required to exercise judgement in estimating its incremental borrowing rate to discount lease liabilities. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

## **6.7 Deferred tax assets**

Deferred tax assets are recognised for deductible temporary differences and unutilised tax losses to the extent that it is probable that taxable profit will be available against which the temporary differences and losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

## 6.8 Employee benefit obligations

The employee benefit obligations under the defined benefit plan and other employee benefit plans are determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary incremental rate, mortality rate and staff turnover rate.

## 6.9 Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgment to assess the results of the litigation and believes that losses incurred will not exceed the recorded amounts as at the end of reporting periods.

## 7. Composition of the statement of financial position for insurance contracts

The analysis of the amounts presented in the statement of financial position for insurance contracts, presented in the table below as follows:

	(Unit: Thousand Baht)	
	31 December 2025	31 December 2024
		(Restated)
Insurance contract liabilities		
- Insurance contract liabilities excluding assets		
for insurance acquisition cash flows	191,370,125	158,791,176
Reinsurance contract assets	13,521	4,763
Reinsurance contract liabilities	1,242,067	1,088,498

## 8. Insurance revenue and expenses

### 8.1 Insurance revenue and expenses

An analysis of insurance revenue, insurance service expenses and net expenses from reinsurance contracts held by product line for the years ended 31 December 2025 and 2024 is included in the following tables. Additional information on amounts recognised in profit or loss and OCI is included in the insurance contract balances reconciliations below.

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2025	2024
		(Restated)
<b>Insurance revenue</b>		
Contracts not measured under the PAA:		
Amounts relating to the changes in the LRC		
- Expected incurred claims and other expenses after loss component allocation	4,601,389	4,168,480
- Change in the risk adjustment for non-financial risk for the risk expired after loss component allocation	321,476	354,099
- CSM recognised in profit or loss for the services provided	2,925,167	2,703,787
- Other transactions	(13,236)	(119,450)
Insurance acquisition cash flows recovery	5,175,526	4,722,831
Insurance revenue from contracts not measured under the PAA	13,010,322	11,829,747
Insurance revenue from contracts measured under the PAA	-	266,031
<b>Total insurance revenue</b>	<b>13,010,322</b>	<b>12,095,778</b>

(Unit: Thousand Baht)

	For the years ended 31 December	
	2025	2024 (Restated)
<b>Insurance service expenses</b>		
Incurred claims and other directly attributable expenses	(4,661,853)	(5,069,639)
Changes that relate to past service - changes in the FCF relating to the LIC	(189,632)	(292,348)
Losses on onerous contracts and reversal of those losses	(18,907)	25,928
Insurance acquisition cash flows amortisation or recognition when incurred	(5,175,527)	(4,722,831)
<b>Total insurance service expenses</b>	<b>(10,045,919)</b>	<b>(10,058,890)</b>
<b>Net income (expenses) from reinsurance contracts held</b>		
Reinsurance expenses - contracts not measured under the PAA:		
Amount relating to the changes in the remaining coverage		
- Expected claim and other expenses recovery	(541,435)	(302,048)
- Changes in the risk adjustment recognised for the risk expired	(19,038)	(16,214)
- CSM recognised for the services received	(38,398)	(41,598)
Reinsurance expenses - contracts not measured under the PAA	(598,871)	(359,860)
Reinsurance expenses - contracts measured under the PAA	-	18,323
Other incurred directly attributable expenses	-	(18,790)
Incurred claim recovery	239,044	245,273
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	21,861	57,187
Other changes	11,047	(1,481)
<b>Net expenses from reinsurance contracts held</b>	<b>(326,919)</b>	<b>(59,348)</b>
<b>Total insurance service result</b>	<b>2,637,484</b>	<b>1,977,540</b>

## 8.2 Amounts determined on transition to TFRS 17

For insurance contracts not measured under the PAA, an analysis of insurance revenue for insurance contracts issued and the CSM by transition method is included in the following tables. Insurance contracts measured under the PAA are not included in these tables because the Company applied 2024

(Unit: Thousand Baht)

	Insurance contracts not measured under the PAA	
	For the years ended 31 December	
	2025	2024
<b>Insurance revenue</b>		
<b>Insurance contracts issued</b>		
New contracts and contracts measured under the full retrospective approach at transition	12,789,763	11,618,746
Contracts measured under the fair value approach at transition	220,559	211,001
<b>Total</b>	<b>13,010,322</b>	<b>11,829,747</b>

(Unit: Thousand Baht)

	Insurance contracts not measured under the PAA	
	31 December 2025	31 December 2024
	<b>Liability for remaining coverage - Contractual service margin</b>	
<b>Insurance contracts issued</b>		
New contracts and contracts measured under the full retrospective approach at transition	20,868,943	18,821,375
Contracts measured under the fair value approach at transition	466,289	137,434
<b>Total</b>	<b>21,335,232</b>	<b>18,958,809</b>

(Unit: Thousand Baht)

	Insurance contracts not measured under the PAA	
	31 December 2025	31 December 2024
	<b>Asset (liability) for remaining coverage - Contractual service margin</b>	
<b>Reinsurance contracts held</b>		
New contracts and contracts measured under the full retrospective approach at transition	327,389	319,078
Contracts measured under the fair value approach at transition	(2,689)	(2,866)
<b>Total</b>	<b>324,700</b>	<b>316,212</b>

### 8.3 Expected recognition of the contractual service margin

An analysis of the expected recognition of the CSM remaining at the end of the reporting period in the statement of income is provided in the following table:

(Unit: Thousand Baht)

Number of years until expected to be recognised	Insurance contracts not measured under the PAA			
	31 December 2025		31 December 2024	
	CSM for insurance contracts issued	CSM for reinsurance contracts held	CSM for insurance contracts issued	CSM for reinsurance contracts held
Within 1 year	2,616,679	34,996	2,441,382	39,317
From 1 - 2 years	2,214,841	31,772	2,012,760	32,864
From 2 - 3 years	1,910,704	29,183	1,705,139	29,593
From 3 - 4 years	1,642,387	22,410	1,460,112	26,952
From 4 - 5 years	1,412,348	16,918	1,247,984	15,836
From 5 - 10 years	4,714,164	63,879	4,064,685	57,353
More than 10 years	6,824,109	125,542	6,026,747	114,297
<b>Total</b>	<b>21,335,232</b>	<b>324,700</b>	<b>18,958,809</b>	<b>316,212</b>

## 9. Insurance contracts issued

### 9.1 Reconciliation of the liability for remaining coverage and the liability for incurred claims

(Unit: Thousand Baht)

Insurance contract issued	For the year ended 31 December 2025				
	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Contracts not measured under the PAA	Contracts measured under the PAA	
Opening insurance contract liabilities	155,345,625	2,472,966	972,585	-	158,791,176
Opening insurance contract assets	-	-	-	-	-
<b>Net opening balance</b>	<b>155,345,625</b>	<b>2,472,966</b>	<b>972,585</b>	<b>-</b>	<b>158,791,176</b>
<b>Insurance revenue</b>	<b>(13,010,322)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,010,322)</b>
<b>Insurance service expenses</b>					
Incurred claims and other directly attributable expenses	-	(75,229)	4,737,082	-	4,661,853
Changes that related to past service - changes in the FCF related to the LIC	-	-	189,632	-	189,632
Losses on onerous contracts and reversal of those losses	-	18,907	-	-	18,907
Insurance acquisition cash flows amortisation	5,175,527	-	-	-	5,175,527
<b>Insurance service expenses</b>	<b>5,175,527</b>	<b>(56,322)</b>	<b>4,926,714</b>	<b>-</b>	<b>10,045,919</b>
<b>Insurance service result</b>	<b>(7,834,795)</b>	<b>(56,322)</b>	<b>4,926,714</b>	<b>-</b>	<b>(2,964,403)</b>
Finance expenses from insurance contracts issued	16,018,758	28,243	-	-	16,047,001
<b>Total amount recognised in Comprehensive income</b>	<b>8,183,963</b>	<b>(28,079)</b>	<b>4,926,714</b>	<b>-</b>	<b>13,082,598</b>
Investment component	(11,275,599)	-	11,275,599	-	-
Other changes	(717,268)	-	(148,019)	-	(865,287)
<b>Cash flows</b>					
Premium received	44,107,289	-	-	-	44,107,289
Claim and other directly attributable expenses paid	-	-	(16,259,143)	-	(16,259,143)
Insurance acquisition cash flow paid	(7,486,508)	-	-	-	(7,486,508)
<b>Total cash flows</b>	<b>36,620,781</b>	<b>-</b>	<b>(16,259,143)</b>	<b>-</b>	<b>20,361,638</b>
<b>Net closing balance</b>	<b>188,157,502</b>	<b>2,444,887</b>	<b>767,736</b>	<b>-</b>	<b>191,370,125</b>
Closing insurance contract liabilities	188,157,502	2,444,887	767,736	-	191,370,125
Closing insurance contract assets	-	-	-	-	-
<b>Net ending balance</b>	<b>188,157,502</b>	<b>2,444,887</b>	<b>767,736</b>	<b>-</b>	<b>191,370,125</b>

(Unit: Thousand Baht)

For the year ended 31 December 2024

Insurance contract issued	Liability for remaining coverage		Liability for incurred claims		Total
	Excluding loss component	Loss component	Contracts not measured under the PAA	Contracts measured under the PAA	
Opening insurance contract liabilities	133,296,625	2,547,216	905,393	294,554	137,043,788
Opening insurance contract assets	-	-	-	-	-
<b>Net opening balance</b>	<b>133,296,625</b>	<b>2,547,216</b>	<b>905,393</b>	<b>294,554</b>	<b>137,043,788</b>
<b>Insurance revenue</b>	<b>(12,095,778)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(12,095,778)</b>
<b>Insurance service expenses</b>					
Incurred claims and other directly attributable expenses	-	(98,814)	5,044,676	123,777	5,069,639
Changes that related to past service - changes in the FCF related to the LIC	-	-	174,063	118,285	292,348
Losses on onerous contracts and reversal of those losses	-	(25,928)	-	-	(25,928)
Insurance acquisition cash flows amortisation	4,722,831	-	-	-	4,722,831
<b>Insurance service expenses</b>	<b>4,722,831</b>	<b>(124,742)</b>	<b>5,218,739</b>	<b>242,062</b>	<b>10,058,890</b>
<b>Insurance service result</b>	<b>(7,372,947)</b>	<b>(124,742)</b>	<b>5,218,739</b>	<b>242,062</b>	<b>(2,036,888)</b>
Finance expenses from insurance contracts issued	10,847,196	50,492	-	-	10,897,688
<b>Total amount recognised in</b>					
<b>Comprehensive income</b>	<b>3,474,249</b>	<b>(74,250)</b>	<b>5,218,739</b>	<b>242,062</b>	<b>8,860,800</b>
Investment component	(11,375,886)	-	11,375,886	-	-
Other changes	(673,405)	-	(131,660)	(310)	(805,375)
<b>Cash flows</b>					
Premium received	37,856,944	-	-	-	37,856,944
Claim and other directly attributable expenses paid	-	-	(16,395,773)	(536,306)	(16,932,079)
Insurance acquisition cash flow paid	(7,232,902)	-	-	-	(7,232,902)
<b>Total cash flows</b>	<b>30,624,042</b>	<b>-</b>	<b>(16,395,773)</b>	<b>(536,306)</b>	<b>13,691,963</b>
<b>Net closing balance</b>	<b>155,345,625</b>	<b>2,472,966</b>	<b>972,585</b>	<b>-</b>	<b>158,791,176</b>
Closing insurance contract liabilities	155,345,625	2,472,966	972,585	-	158,791,176
Closing insurance contract assets	-	-	-	-	-
<b>Net ending balance</b>	<b>155,345,625</b>	<b>2,472,966</b>	<b>972,585</b>	<b>-</b>	<b>158,791,176</b>

**9.2 Reconciliation of the measurement components of insurance contract balances.**  
**The below items exclude insurance contracts measured under the premium allocation approach.**

(Unit: Thousand Baht)

Insurance contracts issued	For the year ended 31 December 2025			Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	
Opening insurance contract liabilities	138,348,535	1,483,832	18,958,809	158,791,176
Opening insurance contract assets	-	-	-	-
<b>Net opening balance</b>	<b>138,348,535</b>	<b>1,483,832</b>	<b>18,958,809</b>	<b>158,791,176</b>
<b>Change that relate to current service</b>				
CSM recognised in profit or loss for the services provided	-	-	(2,925,167)	(2,925,167)
Change in risk adjustment for non-financial risk for the risk expired	-	(338,651)	-	(338,651)
Experience adjustments	90,876	-	-	90,876
<b>Total</b>	<b>90,876</b>	<b>(338,651)</b>	<b>(2,925,167)</b>	<b>(3,172,942)</b>
<b>Change that relate to future service</b>				
Changes in estimates that adjust the CSM	603,997	(18,227)	(585,770)	-
Changes in estimates that result in onerous contract losses or reversal of losses	1,492,536	14,766	-	1,507,302
Contracts initially recognised in the period	(3,727,965)	623,869	3,192,028	87,932
Experience adjustments	(3,719,940)	-	2,143,613	(1,576,327)
<b>Total</b>	<b>(5,351,372)</b>	<b>620,408</b>	<b>4,749,871</b>	<b>18,907</b>
<b>Change that relate to past service</b>				
Changes that relate to past service - changes in the FCF related to the LIC	189,632	-	-	189,632
<b>Total</b>	<b>189,632</b>	<b>-</b>	<b>-</b>	<b>189,632</b>
<b>Insurance service result</b>	<b>(5,070,864)</b>	<b>281,757</b>	<b>1,824,704</b>	<b>(2,964,403)</b>
Finance (income) expenses from insurance contracts issued	15,409,871	85,411	551,719	16,047,001
<b>Total amounts recognised in comprehensive income</b>	<b>10,339,007</b>	<b>367,168</b>	<b>2,376,423</b>	<b>13,082,598</b>
Other changes	(865,287)	-	-	(865,287)
<b>Cash flows</b>				
Premiums received	44,107,289	-	-	44,107,289
Claims and other directly attributable expenses paid	(16,259,143)	-	-	(16,259,143)
Insurance acquisition cash flows	(7,486,508)	-	-	(7,486,508)
<b>Total cash flows</b>	<b>20,361,638</b>	<b>-</b>	<b>-</b>	<b>20,361,638</b>
<b>Net closing balance</b>	<b>168,183,893</b>	<b>1,851,000</b>	<b>21,335,232</b>	<b>191,370,125</b>
Closing insurance contract liabilities	168,183,893	1,851,000	21,335,232	191,370,125
Closing insurance contract assets	-	-	-	-
<b>Net ending balance</b>	<b>168,183,893</b>	<b>1,851,000</b>	<b>21,335,232</b>	<b>191,370,125</b>

(Unit: Thousand Baht)

Insurance contracts issued	For the year ended 31 December 2024			Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	
Opening insurance contract liabilities	119,073,374	1,434,670	16,210,172	136,718,216
Opening insurance contract assets	-	-	-	-
<b>Net opening balance</b>	<b>119,073,374</b>	<b>1,434,670</b>	<b>16,210,172</b>	<b>136,718,216</b>
<b>Change that relate to current service</b>				
CSM recognised in profit or loss for the services provided	-	-	(2,703,787)	(2,703,787)
Change in risk adjustment for non-financial risk for the risk expired	-	(380,293)	-	(380,293)
Experience adjustments	909,611	-	-	909,611
Total	909,611	(380,293)	(2,703,787)	(2,174,469)
<b>Change that relate to future service</b>				
Changes in estimates that adjust the CSM	207,957	29,041	(236,998)	-
Changes in estimates that result in onerous contract losses or reversal of losses	659,596	(29,522)	-	630,074
Contracts initially recognised in the period	(4,871,754)	620,250	4,268,999	17,495
Experience adjustments	(1,634,690)	-	961,193	(673,497)
Total	(5,638,891)	619,769	4,993,194	(25,928)
<b>Change that relate to past service</b>				
Changes that relate to past service - changes in the FCF related to the LIC	174,063	-	-	174,063
Total	174,063	-	-	174,063
<b>Insurance service result</b>	<b>(4,555,217)</b>	<b>239,476</b>	<b>2,289,407</b>	<b>(2,026,334)</b>
Finance (income) expenses from insurance contracts issued	10,628,772	(190,314)	459,230	10,897,688
<b>Total amounts recognised in comprehensive income</b>	<b>6,073,555</b>	<b>49,162</b>	<b>2,748,637</b>	<b>8,871,354</b>
Other changes	(805,047)	-	-	(805,047)
<b>Cash flows</b>				
Premiums received	37,628,356	-	-	37,628,356
Claims and other directly attributable expenses paid	(16,395,773)	-	-	(16,395,773)
Insurance acquisition cash flows	(7,225,930)	-	-	(7,225,930)
<b>Total cash flows</b>	<b>14,006,653</b>	<b>-</b>	<b>-</b>	<b>14,006,653</b>
<b>Net closing balance</b>	<b>138,348,535</b>	<b>1,483,832</b>	<b>18,958,809</b>	<b>158,791,176</b>
Closing insurance contract liabilities	138,348,535	1,483,832	18,958,809	158,791,176
Closing insurance contract assets	-	-	-	-
<b>Net ending balance</b>	<b>138,348,535</b>	<b>1,483,832</b>	<b>18,958,809</b>	<b>158,791,176</b>

**9.3 Impact of contracts recognised in the period. The below items exclude insurance contracts measured under the premium allocation approach.**

(Unit: Thousand Baht)

Insurance contract issued	For the year ended 31 December 2025		
	Contracts issued		Total
	Non-onerous contracts originated	Onerous contracts originated	
Estimates of the present value of future cash outflows			
- Insurance acquisition cash flows	8,856,931	557,980	9,414,911
- Cash flow excluding insurance acquisition cash flows	41,678,467	4,851,127	46,529,594
Estimates of the present value of future cash outflows	50,535,398	5,409,107	55,944,505
Estimates of the present value of future cash inflows	(54,340,039)	(5,332,431)	(59,672,470)
Risk adjustment for non-financial risk	612,613	11,256	623,869
Contractual service margin	3,192,028	-	3,192,028
<b>Increase in insurance contract liabilities from contracts recognised in the year</b>	<b>-</b>	<b>87,932</b>	<b>87,932</b>

(Unit: Thousand Baht)

Insurance contract issued	For the year ended 31 December 2024		
	Contracts issued		Total
	Non-onerous contracts originated	Onerous contracts originated	
Estimates of the present value of future cash outflows			
- Insurance acquisition cash flows	8,734,070	51,769	8,785,839
- Cash flow excluding insurance acquisition cash flows	37,513,490	463,483	37,976,973
Estimates of the present value of future cash outflows	46,247,560	515,252	46,762,812
Estimates of the present value of future cash inflows	(51,118,552)	(516,014)	(51,634,566)
Risk adjustment for non-financial risk	601,993	18,257	620,250
Contractual service margin	4,268,999	-	4,268,999
<b>Increase in insurance contract liabilities from contracts recognised in the year</b>	<b>-</b>	<b>17,495</b>	<b>17,495</b>

There is no contract acquired for the years ended 31 December 2025 and 2024.

## 9.4 Amounts determined on transition to TFRS 17

(Unit: Thousand Baht)

Insurance contracts issued	For the year ended 31 December 2025		
	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Total
<b>Insurance revenue</b>	12,789,763	220,559	13,010,322
<b>CSM as at 1 January</b>	18,821,375	137,434	18,958,809
<b>Changes that relate to current service</b>			
CSM recognised in profit or loss for the services provided	(2,866,791)	(58,376)	(2,925,167)
<b>Changes that relate to future service</b>			
Changes in estimates that adjust the CSM	(916,699)	330,929	(585,770)
Contracts initially recognised in the period	3,192,028	-	3,192,028
Experience adjustments	2,097,028	46,585	2,143,613
Finance expenses from insurance contracts issued	542,002	9,717	551,719
<b>Total</b>	<b>2,047,568</b>	<b>328,855</b>	<b>2,376,423</b>
<b>CSM as at 31 December</b>	<b>20,868,943</b>	<b>466,289</b>	<b>21,335,232</b>

(Unit: Thousand Baht)

Insurance contracts issued	For the year ended 31 December 2024		
	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Total
<b>Insurance revenue</b>	11,618,746	211,001	11,829,747
<b>CSM as at 1 January</b>	16,136,214	73,958	16,210,172
<b>Changes that relate to current service</b>			
CSM recognised in profit or loss for the services provided	(2,679,881)	(23,906)	(2,703,787)
<b>Changes that relate to future service</b>			
Changes in estimates that adjust the CSM	(531,583)	294,585	(236,998)
Contracts initially recognised in the period	4,268,999	-	4,268,999
Experience adjustments	1,170,503	(209,310)	961,193
Finance expenses from insurance contracts issued	457,123	2,107	459,230
<b>Total</b>	<b>2,685,161</b>	<b>63,476</b>	<b>2,748,637</b>
<b>CSM as at 31 December</b>	<b>18,821,375</b>	<b>137,434</b>	<b>18,958,809</b>

## 10. Reinsurance contract held

### 10.1 Reconciliation of the remaining coverage and incurred claim.

(Unit: Thousand Baht)

Reinsurance contracts held	For the year ended 31 December 2025				
	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Contracts not measured under the PAA	Contracts measured under the PAA	
Opening reinsurance contract assets	(1,180)	-	5,943	-	4,763
Opening reinsurance contract liabilities	(1,526,859)	33,443	404,918	-	(1,088,498)
<b>Net opening balance</b>	<b>(1,528,039)</b>	<b>33,443</b>	<b>410,861</b>	<b>-</b>	<b>(1,083,735)</b>
<b>Net income (expenses) from reinsurance contracts held</b>					
Reinsurance expenses	(598,871)	-	-	-	(598,871)
Other incurred directly attributable expenses	-	-	-	-	-
Incurred claims recovery	-	1	239,043	-	239,044
Changes that related to past service - changes in the FCF relating to incurred claims recovery	-	-	21,861	-	21,861
Other changes	-	11,047	-	-	11,047
<b>Net income (expenses) from reinsurance contracts held</b>	<b>(598,871)</b>	<b>11,048</b>	<b>260,904</b>	<b>-</b>	<b>(326,919)</b>
Finance expenses from reinsurance contracts held	(100,189)	-	-	-	(100,189)
<b>Total amounts recognised in comprehensive income</b>	<b>(699,060)</b>	<b>11,048</b>	<b>260,904</b>	<b>-</b>	<b>(427,108)</b>
<b>Cash flows</b>					
Premiums paid net of ceding commissions and other directly attributable expenses paid	347,976	-	-	-	347,976
Recoveries from reinsurance	-	-	(65,679)	-	(65,679)
<b>Total cash flows</b>	<b>347,976</b>	<b>-</b>	<b>(65,679)</b>	<b>-</b>	<b>282,297</b>
<b>Net closing balance</b>	<b>(1,879,123)</b>	<b>44,491</b>	<b>606,086</b>	<b>-</b>	<b>(1,228,546)</b>
Closing reinsurance contract assets	9,836	-	3,685	-	13,521
Closing reinsurance contract liabilities	(1,888,959)	44,491	602,401	-	(1,242,067)
<b>Net closing balance</b>	<b>(1,879,123)</b>	<b>44,491</b>	<b>606,086</b>	<b>-</b>	<b>(1,228,546)</b>

(Unit: Thousand Baht)

For the year ended 31 December 2024

	Liabilities for remaining coverage		Liabilities for incurred claims		Total
	Excluding loss recovery component	Loss recovery component	Contracts not measured under the PAA	Contracts measured under the PAA	
<b>Reinsurance contracts held</b>					
Opening reinsurance contract assets	(12,781)	-	-	36,441	23,660
Opening reinsurance contract liabilities	(1,667,953)	34,924	227,229	550	(1,405,250)
<b>Net opening balance</b>	<b>(1,680,734)</b>	<b>34,924</b>	<b>227,229</b>	<b>36,991</b>	<b>(1,381,590)</b>
<b>Net income (expenses) from reinsurance contracts held</b>					
Reinsurance expenses	(341,537)	-	-	-	(341,537)
Other incurred directly attributable expenses	-	-	-	(18,790)	(18,790)
Incurred claims recovery	-	-	258,960	(13,687)	245,273
Changes that related to past service - changes in the FCF relating to incurred claims recovery	-	-	53,514	3,673	57,187
Other changes	-	(1,481)	-	-	(1,481)
<b>Net income (expenses) from reinsurance contracts held</b>	<b>(341,537)</b>	<b>(1,481)</b>	<b>312,474</b>	<b>(28,804)</b>	<b>(59,348)</b>
Finance expenses from reinsurance contracts held	(93,514)	-	-	-	(93,514)
<b>Total amounts recognised in comprehensive income</b>	<b>(435,051)</b>	<b>(1,481)</b>	<b>312,474</b>	<b>(28,804)</b>	<b>(152,862)</b>
<b>Cash flows</b>					
Premiums paid net of ceding commissions and other directly attributable expenses paid	587,746	-	-	-	587,746
Recoveries from reinsurance	-	-	(128,842)	(8,187)	(137,029)
<b>Total cash flows</b>	<b>587,746</b>	<b>-</b>	<b>(128,842)</b>	<b>(8,187)</b>	<b>450,717</b>
<b>Net closing balance</b>	<b>(1,528,039)</b>	<b>33,443</b>	<b>410,861</b>	<b>-</b>	<b>(1,083,735)</b>
Closing reinsurance contract assets	(1,180)	-	5,943	-	4,763
Closing reinsurance contract liabilities	(1,526,859)	33,443	404,918	-	(1,088,498)
<b>Net closing balance</b>	<b>(1,528,039)</b>	<b>33,443</b>	<b>410,861</b>	<b>-</b>	<b>(1,083,735)</b>

**10.2 Reconciliation of the measurement components of reinsurance contract balances.**  
**The below items exclude insurance contracts measured under the premium allocation approach.**

(Unit: Thousand Baht)

Reinsurance contracts held	For the year ended 31 December 2025			Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	
Opening reinsurance contract assets	4,759	4	-	4,763
Opening reinsurance contract liabilities	(1,637,688)	232,978	316,212	(1,088,498)
<b>Net opening balance</b>	<b>(1,632,929)</b>	<b>232,982</b>	<b>316,212</b>	<b>(1,083,735)</b>
<b>Changes that relate to current service</b>				
CSM recognised in profit or loss for the service provided	-	-	(38,398)	(38,398)
Change in the risk adjustment for non-financial risk for the risk expired	-	(19,038)	-	(19,038)
Experience adjustments	(305,320)	-	-	(305,320)
<b>Total</b>	<b>(305,320)</b>	<b>(19,038)</b>	<b>(38,398)</b>	<b>(362,756)</b>
<b>Changes that relate to future service</b>				
Changes in estimates that adjust the CSM	6,296	15,582	(21,878)	-
Contracts initially recognised in the period	(111,318)	48,467	62,851	-
Experience adjustments	13,976	-	-	13,976
<b>Total</b>	<b>(91,046)</b>	<b>64,049</b>	<b>40,973</b>	<b>13,976</b>
<b>Changes that relate to past service</b>				
Changes that related to past service - changes in the FCF relating to incurred claims recovery	21,861	-	-	21,861
<b>Total</b>	<b>21,861</b>	<b>-</b>	<b>-</b>	<b>21,861</b>
<b>Net income (expenses) from reinsurance contracts held</b>	<b>(374,505)</b>	<b>45,011</b>	<b>2,575</b>	<b>(326,919)</b>
Finance income (expenses) from reinsurance contracts held	(127,157)	21,055	5,913	(100,189)
<b>Total amounts recognised in Comprehensive income</b>	<b>(501,662)</b>	<b>66,066</b>	<b>8,488</b>	<b>(427,108)</b>
<b>Cash flows</b>				
Premiums paid net of ceding commissions and other directly attributable expenses paid	347,976	-	-	347,976
Recoveries from reinsurance	(65,679)	-	-	(65,679)
<b>Total cash flows</b>	<b>282,297</b>	<b>-</b>	<b>-</b>	<b>282,297</b>
<b>Net closing balance</b>	<b>(1,852,294)</b>	<b>299,048</b>	<b>324,700</b>	<b>(1,228,546)</b>
Closing reinsurance contract assets	13,521	-	-	13,521
Closing reinsurance contract liabilities	(1,865,815)	299,048	324,700	(1,242,067)
<b>Net closing balance</b>	<b>(1,852,294)</b>	<b>299,048</b>	<b>324,700</b>	<b>(1,228,546)</b>

(Unit: Thousand Baht)

Reinsurance contracts held	For the year ended 31 December 2024			Total
	Present value of future cash flows	Risk adjustment for non-financial risk	Contractual service margin	
Opening reinsurance contract assets	-	-	-	-
Opening reinsurance contract liabilities	(1,828,233)	163,923	260,115	(1,404,195)
<b>Net opening balance</b>	<b>(1,828,233)</b>	<b>163,923</b>	<b>260,115</b>	<b>(1,404,195)</b>
<b>Changes that relate to current service</b>				
CSM recognised in profit or loss for the service provided	-	-	(41,598)	(41,598)
Change in the risk adjustment for non-financial risk for the risk expired	-	(16,214)	-	(16,214)
Experience adjustments	(45,377)	-	-	(45,377)
<b>Total</b>	<b>(45,377)</b>	<b>(16,214)</b>	<b>(41,598)</b>	<b>(103,189)</b>
<b>Changes that relate to future service</b>				
Changes in estimates that adjust the CSM	(33,680)	15,319	18,361	-
Contracts initially recognised in the period	(126,084)	51,809	74,275	-
Experience adjustments	809	-	-	809
<b>Total</b>	<b>(158,955)</b>	<b>67,128</b>	<b>92,636</b>	<b>809</b>
<b>Changes that relate to past service</b>				
Changes that related to past service - changes in the FCF relating to incurred claims recovery	53,514	-	-	53,514
<b>Total</b>	<b>53,514</b>	<b>-</b>	<b>-</b>	<b>53,514</b>
<b>Net income (expenses) from reinsurance contracts held</b>				
	(150,818)	50,914	51,038	(48,866)
Finance income (expenses) from reinsurance contracts held	(116,718)	18,145	5,059	(93,514)
<b>Total amounts recognised in Comprehensive income</b>	<b>(267,536)</b>	<b>69,059</b>	<b>56,097</b>	<b>(142,380)</b>
<b>Cash flows</b>				
Premiums paid net of ceding commissions and other directly attributable expenses paid	591,682	-	-	591,682
Recoveries from reinsurance	(128,842)	-	-	(128,842)
<b>Total cash flows</b>	<b>462,840</b>	<b>-</b>	<b>-</b>	<b>462,840</b>
<b>Net closing balance</b>	<b>(1,632,929)</b>	<b>232,982</b>	<b>316,212</b>	<b>(1,083,735)</b>
Closing reinsurance contract assets	4,759	4	-	4,763
Closing reinsurance contract liabilities	(1,637,688)	232,978	316,212	(1,088,498)
<b>Net closing balance</b>	<b>(1,632,929)</b>	<b>232,982</b>	<b>316,212</b>	<b>(1,083,735)</b>

**10.3 Impact of contracts recognised in the period. The below items exclude insurance contracts measured under the premium allocation approach.**

(Unit: Thousand Baht)

Reinsurance contracts held	For the year ended 31 December 2025		
	Contracts purchased		
	Contracts originated not in a net gain	Contracts originated in a net gain	Total
Estimates of the present value of future cash inflows	1,006,643	52,690	1,059,333
Estimates of the present value of future cash outflows	(1,118,958)	(51,693)	(1,170,651)
Risk adjustment for non-financial risk	47,016	1,451	48,467
Contractual service margin	65,299	(2,448)	62,851
Total	-	-	-

(Unit: Thousand Baht)

Reinsurance contracts held	For the year ended 31 December 2024		
	Contracts purchased		
	Contracts originated not in a net gain	Contracts originated in a net gain	Total
Estimates of the present value of future cash inflows	1,208,074	-	1,208,074
Estimates of the present value of future cash outflows	(1,334,158)	-	(1,334,158)
Risk adjustment for non-financial risk	51,809	-	51,809
Contractual service margin	74,275	-	74,275
Total	-	-	-

There is no contract acquired that originated not in a net gain and in a net gain for the years ended 31 December 2025 and 2024.

## 10.4 Amounts determined on transition to TFRS 17

(Unit: Thousand Baht)

Reinsurance contracts held	For the year ended 31 December 2025		
	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Total
<b>CSM as at 1 January</b>	319,078	(2,866)	316,212
<b>Changes that relate to current service</b>			
CSM recognised in profit or loss for the services provided	(39,324)	926	(38,398)
<b>Changes that relate to future service</b>			
Changes in estimates that adjust the CSM	(21,174)	(704)	(21,878)
Contracts initially recognised in the period	62,851	-	62,851
Experience adjustments - arising from ceded premiums paid in the period that relate to future service	-	-	-
Finance expenses from insurance contracts issued - recognised in the statement of income	5,958	(45)	5,913
<b>Total</b>	<b>8,311</b>	<b>177</b>	<b>8,488</b>
<b>CSM as at 31 December</b>	<b>327,389</b>	<b>(2,689)</b>	<b>324,700</b>

(Unit: Thousand Baht)

For the year ended 31 December 2024

Reinsurance contracts held	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	Total
<b>CSM as at 1 January</b>	262,192	(2,077)	260,115
<b>Changes that relate to current service</b>			
CSM recognised in profit or loss for the services provided	(42,550)	952	(41,598)
<b>Changes that relate to future service</b>			
Changes in estimates that adjust the CSM	20,070	(1,709)	18,361
Contracts initially recognised in the period	74,275	-	74,275
Experience adjustments	-	-	-
Finance expenses from insurance contracts issued - recognised in the statement of income	5,091	(32)	5,059
<b>Total</b>	56,886	(789)	56,097
<b>CSM as at 31 December</b>	319,078	(2,866)	316,212

**11. Claim development tables**

(Unit: Thousand Baht)

Accident Year/Report Year	2022	2023	2024	2025	Total
Estimate of claims incurred					
- At end of accident year	703,072	1,155,817	1,150,748	837,411	
- One year later	703,918	1,158,117	1,154,756	-	
- Two years later	704,466	1,159,116	-	-	
- Three years later	704,666	-	-	-	
- Four years later	-	-	-	-	
Ultimate claims incurred	704,666	1,159,116	1,154,756	837,411	3,855,949
Cumulative payment to date	(704,666)	(1,158,231)	(1,153,539)	(679,574)	(3,696,010)
Total loss reserve	-	885	1,217	157,837	159,939
Other directly attributable expense					607,797
Total liabilities for incurred claim					767,736

## 12. Classification of financial assets and financial liabilities

As at 31 December 2025 and 2024, the amounts of financial assets and financial liabilities were classified as follows.

(Unit: Thousand Baht)

	31 December 2025					Total
	Financial instruments measured at fair value through profit or loss	Debt instruments measured at fair value through other comprehensive income	Equity instruments designated to be measured at fair value through other comprehensive income	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	
<b>Financial assets</b>						
Cash and cash equivalents	-	-	-	-	7,802,389	7,802,389
Accrued investment income	-	-	-	-	600,376	600,376
Derivative assets	1,621,571	-	-	6,718,473	-	8,340,044
Financial assets - debt instruments	16,746,561	172,218,457	-	-	-	188,965,018
Financial assets - equity instruments	-	-	8,113,242	-	-	8,113,242
Collateral receivables under derivative agreements	-	-	-	-	284,700	284,700
Account receivables on sales of securities	-	-	-	-	78,513	78,513
<b>Total</b>	<b>18,368,132</b>	<b>172,218,457</b>	<b>8,113,242</b>	<b>6,718,473</b>	<b>8,765,978</b>	<b>214,184,282</b>
<b>Financial liabilities</b>						
Derivative liabilities	14,421	-	-	1,007,524	-	1,021,945
Lease liabilities	-	-	-	-	157,777	157,777
Account payables on purchases of securities	-	-	-	-	36,272	36,272
Collateral payables under derivative agreements	-	-	-	-	7,879,293	7,879,293
<b>Total</b>	<b>14,421</b>	<b>-</b>	<b>-</b>	<b>1,007,524</b>	<b>8,073,342</b>	<b>9,095,287</b>

(Unit: Thousand Baht)

31 December 2024 (Restated)						
	Debt		Equity			
Financial instruments measured at fair value through profit or loss	instruments measured at fair value through other comprehensive income	instruments designated to be measured at fair value through other comprehensive income	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at fair value through other comprehensive income	Financial instruments measured at amortised cost	Total
<b>Financial assets</b>						
Cash and cash equivalents	-	-	-	-	5,664,859	5,664,859
Accrued investment income	-	-	-	-	570,685	570,685
Derivative assets	1,006,749	-	-	3,310,057	-	4,316,806
Financial assets - debt instruments	27,656,517	129,051,540	-	-	-	156,708,057
Financial assets - equity instruments	-	-	5,807,970	-	-	5,807,970
Account receivables on sales of securities	-	-	-	-	114,601	114,601
<b>Total</b>	<b>28,663,266</b>	<b>129,051,540</b>	<b>5,807,970</b>	<b>3,310,057</b>	<b>6,350,145</b>	<b>173,182,978</b>
<b>Financial liabilities</b>						
Derivative liabilities	37,120	-	-	-	-	37,120
Lease liabilities	-	-	-	-	183,904	183,904
Account payables on purchases of securities	-	-	-	-	530,441	530,441
Collateral payables under derivative agreements	-	-	-	-	4,219,407	4,219,407
<b>Total</b>	<b>37,120</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,933,752</b>	<b>4,970,872</b>

As at 31 December 2025 and 2024, the book value of the above financial assets was the Company's portion, except for the following debt financial assets, which included both the Company's portion and insured's portion, separately presented by product type as follows:

(Unit: Thousand Baht)

	31 December 2025		
	Direct participating	The Company's portion	Total
	insurance contracts		
<b>Underlying assets</b>			
Debt financial assets	13,532,213	4,348	13,536,561

(Unit: Thousand Baht)

	31 December 2024		
	Direct participating	The Company's portion	Total
	insurance contracts		
<b>Underlying assets</b>			
Debt financial assets	12,945,991	4,162	12,950,153

### 13. Cash and cash equivalents

(Unit: Thousand Baht)

	31 December 2025	31 December 2024
Deposits at banks with no fixed maturity date	7,802,389	5,664,859
Total cash and cash equivalents	7,802,389	5,664,859

As at 31 December 2025, saving accounts carried interest at the rates between 0.01% - 0.90% per annum (31 December 2024: 0.05% - 1.70% per annum).

As at 31 December 2025 and 2024, the Company had overdraft facilities with banks totaling Baht 510 million and letters of guarantee facilities totaling Baht 2 million.

## 14. Derivative assets/liabilities

### 14.1 Fair values classified by types of contracts

As at 31 December 2025 and 2024, the Company had financial derivatives presented at fair value with different purposes as follows:

(Unit: Thousand Baht)

		31 December 2025					Gains (losses) on changes in fair value of derivatives <sup>(1)</sup>
Types of contracts	Objective	Number of contracts	Notional amounts (Million USD)	Notional amounts	Fair value of contracts		
					Derivative assets	Derivative liabilities	
<b>Derivatives not applied hedge accounting:</b>							
Foreign exchange forward	To protect against foreign exchange risk arising from investment activities	1	36	1,120,317	-	14,421	(7,194)
Cross currency swap	To protect against foreign exchange and interest rate risk arising from investment activities	-	-	-	-	-	-
Interest rate swap	To protect against interest rate risk arising from investment activities	-	-	-	-	-	(1,065)
Index option	To hedge against risk of volatility of underlying assets	78	637	20,673,965	1,621,572	-	168,082
		79	673	21,794,282	1,621,572	14,421	159,823
<b>Derivatives applied hedge accounting:</b>							
Cross currency swap	To protect against foreign exchange and interest rate risk arising from investment activities	142	850	29,172,363	2,976,554	-	2,240,059
Bond forward	To hedge the price risk of the underlying bond	71	-	53,308,465	3,741,918	1,007,524	160,832
		213	850	82,480,828	6,718,472	1,007,524	2,400,891
<b>Total</b>		<b>292</b>	<b>1,523</b>	<b>104,275,110</b>	<b>8,340,044</b>	<b>1,021,945</b>	<b>2,560,714</b>

<sup>(1)</sup> Presented gains (losses) for the year ended 31 December 2025.

(Unit: Thousand Baht)

		31 December 2024					Gains (losses) on changes in fair value of derivatives <sup>(1)</sup>
Types of contracts	Objective	Number of contracts	Notional amounts (Million USD)	Notional amounts	Fair value of contracts		
					Derivative assets	Derivative liabilities	
<b>Derivatives not applied hedge accounting:</b>							
Foreign exchange forward	To protect against foreign exchange risk arising from investment activities	7	369	12,602,318	29,893	37,120	(190,039)
Cross currency swap	To protect against foreign exchange and interest rate risk arising from investment activities	-	-	-	-	-	(1,924)
Interest rate swap	To protect against interest rate risk arising from investment activities	2	1	75,600	1,065	-	681
Index option	To hedge against risk of volatility of underlying assets	41	418	14,742,908	975,792	-	(165,900)
		50	788	27,420,826	1,006,750	37,120	(357,182)
<b>Derivatives applied hedge accounting:</b>							
Cross currency swap	To protect against foreign exchange and interest rate risk arising from investment activities	73	455	15,934,207	736,495	-	439,606
Bond forward	To hedge the price risk of the underlying bond	40	-	24,677,532	2,573,561	-	2,604,043
		113	455	40,611,739	3,310,056	-	3,043,649
<b>Total</b>		<b>163</b>	<b>1,243</b>	<b>68,032,565</b>	<b>4,316,806</b>	<b>37,120</b>	<b>2,686,467</b>

<sup>(1)</sup> Presented gains (losses) for the year ended 31 December 2024.

## 14.2 Derivatives qualified for hedge accounting classified by remaining periods to maturity

Maturity of derivatives by notional amount designated in cash flow hedging, are as follows:

(Unit: Thousand Baht)

	31 December 2025			
	Within	Over		Total
	1 year	1 - 5 years	5 years	
<b>Hedging instrument on investment risk</b>				
Cross currency swap contracts	994,555	15,633,664	12,544,144	29,172,363
Bond forward contracts	11,935,491	41,372,974	-	53,308,465

(Unit: Thousand Baht)

	31 December 2024			
	Within	Over		Total
	1 year	1 - 5 years	5 years	
<b>Hedging instrument on investment risk</b>				
Cross currency swap contracts	-	14,046,672	1,887,535	15,934,207
Bond forward contracts	11,490,898	13,186,634	-	24,677,532

## 15. Financial assets - debt instruments

### 15.1 Classified by investment type

(Unit: Thousand Baht)

	31 December 2025		31 December 2024	
	Cost/ Amortised	Fair value	Cost/ Amortised	Fair value
	cost		cost	
				(Restated)
<b>Debt instruments measured at FVTPL</b>				
Unit trusts	15,372,094	16,746,561	29,974,395	27,656,517
Total	15,372,094	16,746,561	29,974,395	27,656,517
Add (less): Unrealised gain (loss)	1,374,467		(2,317,878)	
Total	16,746,561		27,656,517	
<b>Debt instruments measured at FVOCI</b>				
Government and state enterprise securities	111,868,793	122,878,093	90,039,171	93,819,307
Corporate debt securities	27,349,284	26,461,524	27,337,900	25,469,521
Foreign debt instruments	22,894,503	22,878,840	10,577,005	9,762,712
Total	162,112,580	172,218,457	127,954,076	129,051,540
Add: Unrealised gain	10,334,515		1,437,961	
Less: Allowance for expected credit loss	(228,638)		(340,497)	
Total	172,218,457		129,051,540	
Financial assets - debt instruments - net	188,965,018		156,708,057	

## 15.2 Classified by stage of credit risk

(Unit: Thousand Baht)

	31 December 2025		31 December 2024	
	Fair value	Allowance for expected credit losses	Fair value	Allowance for expected credit losses
				(Restated)
<b>Investments measured at fair value through other comprehensive income</b>				
Stage 1 - Debt securities without a significant increase of credit risk	171,296,987	(30,410)	128,246,661	(21,356)
Stage 3 - Debt securities with a significant increase of credit risk	921,470	(198,228)	804,879	(319,141)
<b>Total</b>	<b>172,218,457</b>	<b>(228,638)</b>	<b>129,051,540</b>	<b>(340,497)</b>

## 15.3 Investments subject to restrictions

As at 31 December 2025 and 2024, the Company placed certain assets as securities and insurance reserves with the Registrar in accordance with the Life Insurance Act as below.

(Unit: Thousand Baht)

	31 December 2025		31 December 2024	
	Amortised cost	Fair value	Amortised cost	Fair value
<b>Placed as securities</b>				
Government bonds	34,976	41,130	34,945	39,024
<b>Placed as insurance reserves</b>				
Government and state enterprises bonds	35,258,416	39,707,806	33,113,515	33,757,352
Promissory notes	1,000,000	1,296,792	1,000,000	1,222,939
<b>Total</b>	<b>36,258,416</b>	<b>41,004,598</b>	<b>34,113,515</b>	<b>34,980,291</b>

## 16. Financial assets - equity instruments

### 16.1 Classified by type of financial assets

(Unit: Thousand Baht)

	31 December 2025		31 December 2024	
	Cost	Fair value	Cost	Fair value
				(Restated)
<b>Equity instruments measured at FVOCI</b>				
Domestic listed equity instruments	6,863,814	8,094,305	5,917,110	5,092,800
Non-listed equity instruments	3,612	11,406	3,612	10,177
Unit trusts	6,883	7,531	1,508,317	704,993
Total	6,874,309	8,113,242	7,429,039	5,807,970
Add (less): Unrealised gains (losses)	1,238,933		(1,621,069)	
Financial assets - equity instruments - net	8,113,242		5,807,970	

### 16.2 Investments derecognition

During the years ended 31 December 2025 and 2024, the Company disposed of its investments in equity instruments designated at fair value through other comprehensive income from the accounts. The Company therefore transferred the previous recognised changes in the fair value of these investments in other comprehensive income, to be recognised in retained earnings as follows:

(Unit: Thousand Baht)

	For the year ended 31 December 2025			
	Fair value at the derecognition date	Dividend received	Accumulated losses as at derecognition date	Reason for derecognition
Domestic listed equity instruments	5,583,777	166,014	(1,528,206)	Disposal
Unit trusts	540,550	25,793	(863,738)	Disposal
Total	6,124,327	191,807	(2,391,944)	
Add: Related tax			478,389	
Accumulated losses - net of income tax			(1,913,555)	

(Unit: Thousand Baht)

	For the year ended 31 December 2024			
	Fair value at the derecognition date	Dividend received	Accumulated gains as at derecognition date	Reason for derecognition
Domestic listed equity instruments	2,015,751	30,319	376,824	Disposal
Total	2,015,751	30,319	376,824	
Less: Related tax			(75,364)	
Accumulated gains - net of income tax			301,460	

## 17. Premises and equipment

(Unit: Thousand Baht)

	Land	Buildings	Buildings improvements	Leasehold buildings improvements	Office equipment and furniture	Assets under construction	Total
<b>Cost</b>							
At 1 January 2024	4,844	13,114	2,101	181,538	141,744	-	343,341
Additions	-	-	-	140	15,567	24,597	40,304
Transfers in (out)	-	-	-	14,586	8,300	(22,886)	-
Disposals and write-offs	(4,844)	(13,114)	(2,101)	(14,360)	(24,041)	-	(58,460)
At 31 December 2024	-	-	-	181,904	141,570	1,711	325,185
Additions	-	-	-	275	16,553	11,016	27,844
Transfers in (out)	-	-	-	9,473	3,254	(12,727)	-
Disposals and write-offs	-	-	-	-	(29,311)	-	(29,311)
At 31 December 2025	-	-	-	191,652	132,066	-	323,718
<b>Accumulated depreciation</b>							
At 1 January 2024	-	13,113	2,100	54,585	95,188	-	164,986
Depreciation charge for the year	-	-	-	22,804	21,053	-	43,857
Depreciation charge of disposals and write-offs	-	(13,113)	(2,100)	(7,191)	(22,873)	-	(45,277)
At 31 December 2024	-	-	-	70,198	93,368	-	163,566
Depreciation charge for the year	-	-	-	24,235	21,412	-	45,647
Depreciation charge of disposals and write-offs	-	-	-	-	(28,949)	-	(28,949)
At 31 December 2025	-	-	-	94,433	85,831	-	180,264
<b>Net book value</b>							
At 31 December 2024	-	-	-	111,706	48,202	1,711	161,619
At 31 December 2025	-	-	-	97,219	46,235	-	143,454

As at 31 December 2025, the gross amount of the Company's fully depreciated building and equipment that was still in use amounted to Baht 21.2 million (31 December 2024: Baht 11.4 million).

## 18. Right-of-use assets/lease liabilities

The Company leases building with an agreement for 3 years, with extension options at the end of lease term and will pay fixed rental over the lease term. The rental is payable monthly as specified in the contract.

### 18.1 Right-of-use assets

(Unit: Thousand Baht)

	Leased building	Vehicle	Others	Total
<b>Cost:</b>				
1 January 2024	272,490	3,806	4,739	281,035
New lease during the year	21,313	3,808	-	25,121
Adjustment	-	(1,157)	1,157	-
Write-off due to expired or cancelled contracts	-	(2,649)	-	(2,649)
Sublease	7,540	-	-	7,540
31 December 2024	301,343	3,808	5,896	311,047
New lease during the year	13,326	-	-	13,326
31 December 2025	314,669	3,808	5,896	324,373
<b>Accumulated amortisation</b>				
1 January 2024	84,308	2,244	1,603	88,155
Amortisation during the year	35,829	919	688	37,436
Amortisation of write-off due to expired or cancelled contracts	-	(2,649)	-	(2,649)
31 December 2024	120,137	514	2,291	122,942
Amortisation during the year	39,734	954	685	41,373
31 December 2025	159,871	1,468	2,976	164,315
<b>Net book value as at</b>				
31 December 2024	181,206	3,294	3,605	188,105
31 December 2025	154,798	2,340	2,920	160,058

## 18.2 Lease liabilities

(Unit: Thousand Baht)

	Leased building	Vehicle	Others	Total
1 January 2024	190,630	1,456	3,385	195,471
New lease during the year	17,665	3,808	-	21,473
Finance costs recognised during the year	6,613	74	111	6,798
Lease payments during the year	(38,098)	(970)	(770)	(39,838)
31 December 2024	176,810	4,368	2,726	183,904
New lease during the year	10,921	-	-	10,921
Finance costs recognised during the year	5,755	108	93	5,956
Lease payments during the year	(41,209)	(1,025)	(770)	(43,004)
31 December 2025	152,277	3,451	2,049	157,777

### Maturity analysis - contractual undiscounted cash flows

(Unit: Thousand Baht)

	31 December 2025				31 December 2024			
	Within	1 - 5	Over	Total	Within	1 - 5	Over	Total
	1 year	years	5 years		1 year	years	5 years	
Future minimum lease payments	43,245	126,037	-	169,282	41,303	150,464	8,942	200,709
Deferred interest expenses	(4,731)	(6,774)	-	(11,505)	(5,783)	(10,971)	(51)	(16,805)
Present value of future minimum lease payments	38,514	119,263	-	157,777	35,520	139,493	8,891	183,904

## 18.3 Expenses relating to leases recognised in profit or loss

(Unit: Thousand Baht)

	For the years ended 31 December	
	2025	2024
Amortisation of right-of-use assets	41,373	37,436
Finance costs on lease liabilities	5,956	6,798
Expenses on short-term leases	2,095	2,398
Total expenses	49,424	46,632

## 19. Intangible assets

(Unit: Thousand Baht)

	Software licenses	Software	Right to use	Bancassurance agreement	Total
		under development	application platform under development		
<b>Cost</b>					
At 1 January 2024	1,364,302	65,323	33,815	21,942,556	23,405,996
Additions	-	118,547	2,132	-	120,679
Transfers in (out)	183,099	(147,152)	(35,947)	-	-
Disposals and write-offs	(3,651)	-	-	-	(3,651)
At 31 December 2024	1,543,750	36,718	-	21,942,556	23,523,024
Additions	-	125,176	-	200,000	325,176
Transfers in (out)	132,024	(132,024)	-	-	-
Disposals and write-offs	(150,890)	-	-	-	(150,890)
At 31 December 2025	1,524,884	29,870	-	22,142,556	23,697,310
<b>Accumulated amortisation</b>					
At 1 January 2024	692,971	-	-	3,204,350	3,897,321
Amortisation charge for the year	238,597	-	-	485,486	724,083
Amortisation charge of disposals and write-offs	(3,651)	-	-	-	(3,651)
At 31 December 2024	927,917	-	-	3,689,836	4,617,753
Amortisation charge for the year	242,109	-	-	536,161	778,270
Amortisation charge of disposals and write-offs	(150,073)	-	-	-	(150,073)
At 31 December 2025	1,019,953	-	-	4,225,997	5,245,950
<b>Net book value</b>					
At 31 December 2024	615,833	36,718	-	18,252,720	18,905,271
At 31 December 2025	504,931	29,870	-	17,916,559	18,451,360

On 28 December 2023, the Company has entered into a bancassurance partnership with a bank and its subsidiary with a term of 10 years.

As at 31 December 2025, certain computer software were fully amortised but are still in use. The original cost before accumulated amortisation of such assets amounted to approximately Baht 342.5 million (31 December 2024: Baht 348.0 million).

**20. Employee benefit obligations**

	(Unit: Thousand Baht)	
	<u>31 December 2025</u>	<u>31 December 2024</u>
Short-term employee benefits	345,348	359,580
Benefit plan obligations	<u>181,691</u>	<u>126,688</u>
Total employee benefit obligations	<u><u>527,039</u></u>	<u><u>486,268</u></u>

## 21. Deferred tax liabilities and income tax expenses

### 21.1 Deferred tax liabilities

As at 31 December 2025 and 2024, deferred tax assets and liabilities consisted of tax effects arose from the following temporary difference items:

	(Unit: Thousand Baht)			
	Change in deferred tax assets or liabilities			
	For the years ended			
	31 December			
	31 December 2025	31 December 2024	2025	2024
		(Restated)		(Restated)
<b>Deferred tax assets</b>				
Allowance for expected credit losses and impairment losses on investments	249,845	273,669	(23,824)	23,327
Modification losses	44,239	43,375	864	(22,731)
Unrealised losses on financial instruments	-	312,861	(312,861)	(1,340,835)
Unrealised losses on interest receivable from CCS hedge accounting	31,532	17,489	14,043	17,489
Employee benefit obligations	48,444	46,672	1,772	8,318
Unutilised tax losses	2,331,154	916,493	1,414,661	236,254
Others	12,801	29,030	(16,229)	828
<b>Total</b>	<b>2,718,015</b>	<b>1,639,589</b>		
<b>Deferred tax liabilities</b>				
Balances relating to insurance contracts	(215,286)	(1,691,372)	1,476,086	627,242
Gains on remeasurement of investments	(84)	(57)	(27)	(20)
Unrealised gains on financial instruments	(2,558,373)	-	(2,558,373)	-
Gains on bond forward contracts	(464,377)	(33,211)	(431,166)	(3,430)
Unrealised gains on derivatives	(1,123,990)	(624,641)	(499,349)	(532,155)
Unrealised gains on translation adjustments of foreign currency denominated investments	(27,914)	(98,578)	70,664	(34,503)
Actuarial gains on defined benefit plan	(5,088)	(10,421)	5,333	5,307
Others	(42,059)	-	(42,059)	-
<b>Total</b>	<b>(4,437,171)</b>	<b>(2,458,280)</b>		
Deferred tax liabilities - net	<b>(1,719,156)</b>	<b>(818,691)</b>		
<b>Total changes</b>			<b>(900,465)</b>	<b>(1,014,909)</b>

		(Unit: Thousand Baht)	
		Change in deferred tax assets or liabilities	
		For the years ended	
	31 December	31 December	
	2025	2025	2024
		(Restated)	
<b>Changes in deferred taxes recognised in:</b>			
Profit or loss		(456,111)	(391,476)
Other comprehensive income		(444,354)	(623,433)
<b>Total changes</b>		<b>(900,465)</b>	<b>(1,014,909)</b>

As at 31 December 2025, the Company has unused tax losses totaling Baht 11,655.8 million. The unused tax losses will expire by 2030.

## 21.2 Income tax expenses

Income tax expenses for the years ended 31 December 2025 and 2024 were made up as follows:

		(Unit: Thousand Baht)	
		For the years ended 31 December	
		2025	2024
<b>Current income taxes:</b>			
Corporate income tax for the year		-	-
Adjustment in respect of current income taxes of prior year		(56,529)	(48,847)
<b>Total</b>		<b>(56,529)</b>	<b>(48,847)</b>
<b>Deferred income taxes:</b>			
Adjustment of deferred taxes of prior year		(39,584)	82,216
Relating to origination and reversal of temporary differences		(416,527)	(473,692)
<b>Total</b>		<b>(456,111)</b>	<b>(391,476)</b>
<b>Income tax expenses recognised in profit or loss</b>		<b>(512,640)</b>	<b>(440,323)</b>

Reconciliations between income tax expenses and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2025 and 2024 were as follows:

(Unit: Thousand Baht)

	For the years ended 31 December	
	2025	2024
Accounting profit before income taxes	2,121,334	2,475,689
Applicable tax rate	20%	20%
Amount of income taxes at the applicable tax rate	(424,267)	(495,137)
Adjustment in respect of current income taxes of prior year	(56,529)	(48,847)
Adjustment of deferred taxes of prior year	(39,584)	82,216
Net tax effect on tax-exempted revenues or non-tax deductible expenses	7,740	21,445
Income tax expenses recognised in profit or loss	(512,640)	(440,323)

## 22. Legal Reserves

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

During the year 2025, the Company has appropriated a net profit of Baht 80.4 million as a legal reserve (2024: Baht 56.4 million).

## 23. Net investment revenues

(Unit: Thousand Baht)

	For the years ended 31 December	
	2025	2024
Interest income	3,747,470	3,268,534
Dividend income	394,144	874,303
Other	3,214	414
Less: Investment expense	(148,285)	(59,262)
Total net investment income	3,996,543	4,083,989

## 24. Gains (losses) on financial instruments

(Unit: Thousand Baht)

For the years ended

31 December

	2025	2024
<b>Gains (losses) on disposal and derecognition</b>		
Debt instruments classified and measured at fair value through profit or loss	(1,493,714)	83,096
Debt instruments classified and measured at fair value through other comprehensive income	815,571	643,676
Derivatives	101,858	(87,366)
Others	-	21,930
Total gains (losses) on disposal and derecognition	(576,285)	661,336

## 25. Fair value gains (losses) on financial instruments

(Unit: Thousand Baht)

For the years ended

31 December

	2025	2024
<b>Fair value gains (losses) on financial instruments</b>		
Debt instruments classified and measured at fair value through profit or loss	2,483,573	222,449
Derivatives	116,940	(381,995)
Others	116,648	22,545
Total fair value gains (losses) on financial instruments	2,717,161	(137,001)

## 26. Reversal of expected credit losses

(Unit: Thousand Baht)

For the years ended

31 December

	2025	2024
<b>Reversal of expected credit losses</b>		
Debt instruments classified and measured at fair value through other comprehensive income	111,859	186,499
Total reversal of expected credit losses	111,859	186,499

## 27. Net investment income and insurance finance expenses

The analysis of investment income and insurance finance expense separated by each type of products are separated in table below.

(Unit: Thousand Baht)

For the year ended 31 December 2025

	Insurance contracts not measured under the PAA	Other policyholder and shareholder	Total
<b>Net investment income</b>			
Net investment income	3,680,826	315,717	3,996,543
Losses on disposal and derecognition	(511,563)	(64,722)	(576,285)
Fair value gains on financial instruments	2,588,937	128,224	2,717,161
Reversal expected credit losses	103,022	8,837	111,859
Total amount recognised in the statement of income	5,861,222	388,056	6,249,278
Amount recognised in the statement of comprehensive income	10,888,364	933,934	11,822,298
<b>Total net investment income</b>	<b>16,749,586</b>	<b>1,321,990</b>	<b>18,071,576</b>
<b>Insurance finance income / (expenses) from insurance contracts issued</b>			
Changes in fair value of underlying assets of contracts measured under the VFA	(1,337,035)	-	(1,337,035)
Interest accreted	(3,541,312)	-	(3,541,312)
Effect of changes in interest rates and other financial assumptions	(11,287,454)	-	(11,287,454)
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	118,800	-	118,800
<b>Total insurance finance expenses from insurance contracts issued</b>	<b>(16,047,001)</b>	<b>-</b>	<b>(16,047,001)</b>
<b>Reinsurance finance income / (expenses) from reinsurance contracts held</b>			
Interest accreted	(26,715)	-	(26,715)
Effect of changes in interest rates and other financial assumptions	(73,361)	-	(73,361)
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	(113)	-	(113)
<b>Total reinsurance finance expenses from reinsurance contracts held</b>	<b>(100,189)</b>	<b>-</b>	<b>(100,189)</b>
<b>Net insurance finance expenses</b>	<b>(16,147,190)</b>	<b>-</b>	<b>(16,147,190)</b>

(Unit: Thousand Baht)

For the year ended 31 December 2025

	Insurance contracts not measured under the PAA	Other policyholder and shareholder	Total
<b>Net insurance finance expenses</b>			
Amount recognised in the statement of income	(6,573,328)	-	(6,573,328)
Amount recognised in the statement of comprehensive income	(9,573,862)	-	(9,573,862)
<b>Total net insurance finance expenses</b>	<b>(16,147,190)</b>	<b>-</b>	<b>(16,147,190)</b>
<b>Net investment income and insurance finance expenses</b>			
Amount recognised in the statement of income	(712,106)	388,056	(324,050)
Amount recognised in the statement of comprehensive income	1,314,502	933,934	2,248,436
<b>Net investment income and insurance finance expenses</b>	<b>602,396</b>	<b>1,321,990</b>	<b>1,924,386</b>

(Unit: Thousand Baht)

For the year ended 31 December 2024

	Insurance contracts not measured under the PAA	Other policyholder and shareholder	Total
<b>Net investment income</b>			
Net investment income	3,940,924	143,065	4,083,989
Gains on disposal and derecognition	612,239	49,097	661,336
Fair value losses on financial instruments	(77,719)	(59,282)	(137,001)
Reversal expected credit losses	177,392	9,107	186,499
Total amount recognised in the statement of income	4,652,836	141,987	4,794,823
Amount recognised in the statement of comprehensive income	9,456,434	485,493	9,941,927
<b>Total net investment income</b>	<b>14,109,270</b>	<b>627,480</b>	<b>14,736,750</b>

(Unit: Thousand Baht)

For the year ended 31 December 2024

	Insurance contracts not measured under the PAA	Other policyholder and shareholder	Total
<b>Insurance finance income / (expenses) from insurance contracts issued</b>			
Changes in fair value of underlying assets of contracts measured under the VFA	(732,922)	-	(732,922)
Interest accreted	(3,210,322)	-	(3,210,322)
Effect of changes in interest rates and other financial assumptions	(6,967,623)	-	(6,967,623)
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	13,179	-	13,179
<b>Total insurance finance expenses from insurance contracts issued</b>	<b>(10,897,688)</b>	<b>-</b>	<b>(10,897,688)</b>
<b>Reinsurance finance income / (expenses) from reinsurance contracts held</b>			
Interest accreted	(31,595)	-	(31,595)
Effect of changes in interest rates and other financial assumptions	(62,087)	-	(62,087)
Effect of changes in FCF at current rates when CSM is unlocked at locked-in rates	168	-	168
<b>Total reinsurance finance expenses from reinsurance contracts held</b>	<b>(93,514)</b>	<b>-</b>	<b>(93,514)</b>
<b>Net insurance finance expenses</b>	<b>(10,991,202)</b>	<b>-</b>	<b>(10,991,202)</b>
<b>Net insurance finance expenses</b>			
Amount recognised in the statement of income	(4,192,970)	-	(4,192,970)
Amount recognised in the statement of comprehensive income	(6,798,232)	-	(6,798,232)
<b>Total net insurance finance expenses</b>	<b>(10,991,202)</b>	<b>-</b>	<b>(10,991,202)</b>
<b>Net investment income and insurance finance expenses</b>			
Amount recognised in the statement of income	459,867	201,248	661,115
Amount recognised in the statement of comprehensive income	2,658,203	485,493	3,143,696
<b>Net investment income and insurance finance expenses</b>	<b>3,118,070</b>	<b>686,741</b>	<b>3,804,811</b>

## 28. Other operating expenses

(Unit: Thousand Baht)

For the years ended 31 December

	2025	2024
Personnel expense	37,084	15,507
Taxes and duties	5,719	5,546
Other operating expenses	149,120	120,870
Total operating expenses	191,923	141,923

## 29. Expenses by nature

Expenses by nature categorised by functions represents the expenses before allocation of operating expenses to benefit payments under life policies and claim, and other underwriting expenses.

(Unit: Thousand Baht)

For the years ended 31 December

	2025	2024
Benefit payments under life policies	1,523,744	1,650,783
Claims	786,465	1,111,198
Losses on onerous contracts and reversal of those losses	18,907	(25,928)
Commission and brokerage expenses	2,695,708	2,501,753
Other underwriting expenses	3,956,776	3,590,378
Personnel expenses	2,178,196	2,108,695
Premises and equipment expenses	843,280	864,023
Taxes and duties	171,141	111,023
Finance costs	6,877	7,615
Other expenses	1,390,346	1,557,480
	13,571,440	13,477,020
Amounts attributed to insurance acquisition cash flows	(8,502,248)	(7,991,423)
Amortisation of insurance acquisition cash flows	5,175,527	4,722,831
	10,244,719	10,208,428
Represented by		
Insurance service expenses	10,045,919	10,058,890
Other finance costs	6,877	7,615
Other operating expenses	191,923	141,923
Total	10,244,719	10,208,428

### 30. Provident fund

The defined contribution plans comprise provident funds established by the Company for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 3% to 15% of their basic salaries and by the Company at rates ranging from 5% to 10% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as juristic entity and is managed by a licensed Fund Manager. During the year ended 31 December 2025, the Company recognised the contributions as expenses of Baht 71.4 million (31 December 2024: Baht 66.5 million).

### 31. Contributions

(Unit: Thousand Baht)

	For the years ended 31 December	
	2025	2024
Expenses recognised in the statement of comprehensive income:		
Contribution to OIC	79,535	68,940
Contribution to Life Insurance Fund	44,056	37,774
Total	<u>123,591</u>	<u>106,714</u>

As at 31 December 2025 and 2024, the Company had accumulated contributions to the Life Insurance Fund amounting to Baht 346.59 and Baht 302.54 million, respectively.

### 32. Basic earnings per share

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

### 33. Dividends paid

Dividends declared during the year ended 31 December 2025 were as follows:

	Approved by	Total dividend	Dividend per share
		(Thousand Baht)	(Baht)
Annual dividend for 2024	Annual General Meeting No.47 of the Shareholders held on 23 April 2025	707,568	0.32
Total dividends paid during 2025		<u>707,568</u>	<u>0.32</u>

### 34. Other comprehensive income (losses)

(Unit: Thousand Baht)

	For the year ended 31 December 2025			For the year ended 31 December 2024		
	Amount before taxes	Tax benefits (expenses)	Amount net of taxes	Amount before taxes	Tax benefits (expenses)	Amount net of taxes
Gains on debt instruments measured at fair value through other comprehensive income	8,896,555	1,779,310	7,117,245	6,797,432	1,359,487	5,437,945
Gains on measurement of financial derivatives held for cashflow hedge	2,370,710	474,142	1,896,568	3,129,637	625,927	2,503,710
Amortisation of deferred hedging costs	87,233	17,447	69,786	(143,352)	(28,670)	(114,682)
Finance expenses from insurance contracts issued	(9,543,287)	(1,908,657)	(7,634,630)	(6,770,668)	(1,354,134)	(5,416,534)
Finance expenses from reinsurance contracts held	(30,575)	(6,115)	(24,460)	(27,564)	(5,513)	(22,051)
Gains (losses) on equity instruments measured at fair value through other comprehensive income	2,859,744	571,949	2,287,795	(218,613)	(43,722)	(174,891)
Gains (losses) on disposal equity instruments measured at fair value through other comprehensive income	(2,391,944)	(478,389)	(1,913,555)	376,824	75,365	301,459
Actuarial losses	(26,664)	(5,333)	(21,331)	(26,534)	(5,307)	(21,227)
<b>Total</b>	<b>2,221,772</b>	<b>444,354</b>	<b>1,777,418</b>	<b>3,117,162</b>	<b>623,433</b>	<b>2,493,729</b>

## 35. Related party transactions

### 35.1 Type of relationship

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

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

### 35.2 Significant business transactions with related parties

During the years ended 31 December 2025 and 2024, the Company had significant business transactions with its related parties which were shown as a part of insurance service expenses and/or other operating expenses in the statements of comprehensive income. Such transactions, which have been concluded on commercial terms and bases agreed upon in the ordinary course of business between the Company and those parties and there was no significant change in the pricing policy of the business transactions with related parties, were as follows:

	For the years ended 31 December		Pricing policies
	2025	2024	
	(Unit: Thousand Baht)		
<b>Affiliate of Prudential Group</b>			
<b>Revenue</b>			
Trailing fee	39,545	38,230	Contractually agreed price
<b>Expenses</b>			
Investment management fee expenses and Investment related expenses	159,798	165,693	Contractually agreed price
Operating expenses	648,674	857,464	Contractually agreed price
Other underwriting expenses	734,229	665,445	Contractually agreed price

### 35.3 Outstanding balances with related parties

As at 31 December 2025 and 2024, significant outstanding balances between the Company and its related parties, which were shown as a part of insurance contract liabilities and other liabilities in the statements of financial position, were as follows:

	(Unit: Thousand Baht)	
	31 December 2025	31 December 2024
<b>Outstanding items with affiliates of Prudential Group</b>		
<b>Assets</b>		
Other assets	32,877	40,802
<b>Liabilities</b>		
Accrued investment management fee	26,074	22,090
Other payables	231,089	323,885
Accrued expenses	371,837	356,833

### 35.4 Directors' and key management's remunerations

During the years ended 31 December 2025 and 2024, the Company had employee benefit expenses incurred in relation to its directors and key management as below.

	(Unit: Thousand Baht)	
	For the years ended 31 December	
	2025	2024
Short-term employee benefits	164,914	180,680
Post-employment benefits	10,384	7,656
Other long-term benefits	50,222	51,189
Total	225,520	239,525

## 35.5 Significant agreements

### Investment Management Agreements

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

### Service agreements

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

### Cost reimbursement agreements

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

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

### Master Cost Contribution Agreement

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

## 36. Commitments

### 36.1 Capital commitments

As at 31 December 2025, the Company has capital commitments related to software licenses Baht 82.6 million (2024: Baht 18.1 million).

### 36.2 Service commitments

As at 31 December 2025 and 2024, the Company had future minimum payments under non-cancellable service contracts as follows:

Payable	(Unit: Thousand Baht)	
	31 December 2025	31 December 2024
Within 1 year	43,161	40,641
1 - 5 years	10,043	50,055
	<u>53,204</u>	<u>90,696</u>

### 36.3 Derivative contracts

As at 31 December 2025 and 2024, the Company had commitments in respect of cross-currency swap, forward exchange, bond forward contracts and others which can summarised as follows:

Currency	(Unit: Thousand units)	
	31 December 2025	31 December 2024
US dollar	885,613	824,713
Baht	53,308,465	24,715,332

### 36.4 Other commitments

As at 31 December 2025, the Company had no future payment obligations under distribution channel agreement (2024: the Company had minimum future payment obligations under distribution channel agreement Baht 118.5 million).

## **37. Risk and risk management of Life Insurance company**

### **37.1 Financial risk management policies**

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

### **37.2 Insurance risk management**

Insurance risk is the risk under any one insurance contract which is the possibility that the insured event occurs and the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and therefore unpredictable.

For a portfolio of insurance contracts where the theory of probability is applied to pricing and provisioning, the principal risk that the Company faces under its insurance contracts is that the actual claims and benefit payments exceed the carrying amount of the insurance contract liabilities. This could occur because the frequency or severity of claims and benefits are greater than estimated. Insurance events are random and the actual number and amount of claims and benefits will vary from year to year from the level established using statistical techniques.

Experience shows that the larger the portfolio of similar insurance contracts, the smaller the relative variability about the expected outcome will be. In addition, a more diversified portfolio is less likely to be affected across the board by a change in any subset of the portfolio. Risks that are specific to the various types of insurance contracts are elaborated as follows:

#### **(a) Underwriting risks**

For contracts where death is the insured risk, the most significant factors that could increase the overall frequency of claims are epidemics or widespread changes in lifestyle, such as eating, smoking and exercise habits, resulting in earlier or more claims than expected. For contracts where survival is the insured risk and the most significant factor is continued improvement in medical science and social conditions that would increase longevity.

The underwriting strategy is intended to ensure that the risks underwritten are well diversified in terms of the type of risk and the level of insured benefits. The risk selection process determines the groups of insurance risk that are acceptable to the Company so that diversification of insurance risk types is achieved. At the same time, this is to ensure within each of these risk types, there is a sufficiently large population of risks to reduce the variability of the expected outcome.

Each group of insurance risks is classified into categories of standard and degree of substandard through underwriting. Medical selection and financial underwriting guidelines included in the Company's underwriting procedures allow the correct assignment of insurance risk to the appropriate classes. Each class has varied premium to reflect the health condition and family medical history of the applicants.

#### *Claims risk*

Claims risk refers to the possibility that the frequency or severity of claims arising from insurance contracts exceeds the level assumed when the products were priced.

Claim trends are monitored on an ongoing basis. Exposure to large claims is managed by establishing policy retention limits, which vary by products. Policies in excess of the limits are reinsured with other companies.

Mortality and morbidity are monitored monthly and the overall experience was within the Company's assumptions used in "Gross Premium Valuation" reserve calculation.

#### *Investment returns*

The Company's policy of closely matching the cash flows of assets with those of the corresponding liabilities is designed to mitigate the Company's exposure to future changes in interest rates. The interest rate risk positions are monitored on an ongoing basis due to the mismatch of assets and corresponding liabilities, which reduces capital adequacy ratio.

#### *Policyholder behaviour risk*

The Company seeks to design products that minimize financial exposure to lapse, surrender and other policyholder behaviour risk. The Company monitors lapse, surrender and other policyholder behaviour experience. Policyholder behaviour experience was when compared to the Company's assumptions used in the "Gross Premium Valuation" reserve calculation.

### *Expense overrun risk*

The Company prices its products to cover the expected costs of servicing and maintaining them. The Company monitors expenses monthly, including comparisons of actual expenses to expense levels allowed for in pricing and valuation.

In pricing insurance products the Company manages expense overrun risk by allowing for an appropriate level of expenses that reflects a realistic medium-term to long-term view of the underlying cost structure. A disciplined expense budgeting and management process is followed that controls expenses within product pricing allowances over the medium to long term.

### **(b) Concentration of insurance risk**

Concentrations of risk may arise where a particular event or a series of events could impact heavily upon the Company's insurance contract liabilities. Such concentrations may arise from a single insurance contract or through a small number of related contracts and relate to circumstances where significant liabilities could arise.

Insurance risk for contracts is also affected by the policyholders' right to pay reduced or no future premiums, or to terminate the contract completely. As a result, the amount of insurance risk is also subject to policyholder behaviour. On the assumption that policyholders will make decisions rationally, overall insurance risk can be assumed to be aggravated by such behaviour. The Company has factored the impact of policyholders' behaviour into the assumptions used to measure insurance contract liabilities.

### Sensitivity analysis

The table below analyses how profit or loss and equity would have increased/(decreased) if changes in key assumptions related to determination of insurance and reinsurance contract balances that were reasonably possible at the reporting date had occurred. This disclosure does not offset movements in the fair value of financial assets backing those liabilities. This analysis presents the sensitivities both gross and net of reinsurance contracts held and assumes that all other assumptions remain constant.

The effects on profit or loss and equity are presented gross of the related income tax.

(Unit: Thousand Baht)

		31 December 2025							
		Profit or loss		Other comprehensive		Equity, net of tax		CSM	
		before tax		income before tax		increase (decrease)		increase (decrease)	
Change in		increase (decrease)		increase (decrease)		increase (decrease)		increase (decrease)	
assumption		Gross	Net	Gross	Net	Gross	Net	Gross	Net
		(%)							
Mortality	+ 5	(205,922)	(142,249)	(44,455)	(15,751)	(200,302)	(126,400)	(730,430)	(497,745)
Mortality	- 5	197,163	138,150	44,882	16,166	193,636	123,453	744,379	510,328
Expenses	+ 10	(107,676)	(107,676)	(18,712)	(18,712)	(101,110)	(101,110)	(418,650)	(418,650)
Expenses	- 10	106,543	106,543	18,712	18,712	100,204	100,204	419,778	419,778
Lapse/discontinuance rates	+ 10	285,862	299,283	325,958	327,893	489,456	501,741	(932,400)	927,678)
Lapse/discontinuance rates	- 10	(285,062)	(296,507)	(325,121)	(327,131)	(488,146)	(498,910)	1,073,540	1,066,023

(Unit: Thousand Baht)

		31 December 2024							
		Profit or loss		Other comprehensive		Equity, net of tax		CSM	
		before tax		income before tax		increase (decrease)		increase (decrease)	
Change in		increase (decrease)		increase (decrease)		increase (decrease)		increase (decrease)	
assumption		Gross	Net	Gross	Net	Gross	Net	Gross	Net
		(%)							
Mortality	+ 5	(168,383)	(122,760)	(6,384)	8,316	(139,814)	(91,555)	(565,411)	(370,160)
Mortality	- 5	175,879	135,609	28,766	13,992	163,716	119,681	585,170	387,039
Expenses	+ 10	(93,016)	(93,016)	3,777	3,777	(71,391)	(71,391)	(343,150)	(343,150)
Expenses	- 10	115,109	115,109	18,401	18,401	106,808	106,808	344,911	344,911
Lapse/discontinuance rates	+ 10	213,851	226,048	245,836	246,687	367,750	378,188	(754,146)	(753,797)
Lapse/discontinuance rates	- 10	(195,348)	(204,376)	(226,513)	(227,324)	(337,489)	(345,360)	864,192	860,744

### **37.3 Capital management**

The Company's capital management policy is to maintain a strong capital base to meet policyholders' obligations and the requirements of the Office of Insurance Commission, to create shareholder value and deliver sustainable returns to shareholders. The Company performed its own risk and solvency assessment (ORSA) incorporating with its business plan, company key risk, and capital management, taking into account strategic risks and external factors which could negatively affect capital adequacy. Capital management is one of the key responsibilities of Asset and Liability Committee (ALCO). The Company activities to effectively monitor and test our capital sufficiency on a regular basis include but not limited to

- Testing capital adequacy in 3 years Business Plan;
- Regularly testing and forward projection of capital adequacy based on going concern basis and economic downturn; and
- The sensitivity test on any significant changes to assess the impact of key risk variables for better informed decisions.

In accordance with and the requirements of the Office of Insurance Commission, all insurers are required to maintain a minimum at least 140% of capital adequacy ratio. It is the Company's policy to hold capital levels in excess of minimum requirement.

### **37.4 Interest rate risk**

Interest rate risk is the risk that the future movement in market interest rates will affect the interest income from deposit at banks and investments. Investments include both short-term and long-term investments that have fixed and floating interest rates. The Company has managed the risk by considering the risk of investments together with the return on such investments.

In addition, the Company has used derivative financial instruments, principally bond forward, cross currency swap, and interest rate swap to manage exposure to fluctuations in interest rates on specific debt securities.

At 31 December 2025 and 2024, financial assets with exposed to interest rate are classified as follows:

(Unit: Thousand Baht)

	31 December 2025			
	Non-interest	Floating	Fixed interest	Total
	bearing	interest	rate	
<b><u>Financial assets</u></b>				
Cash and cash equivalents	46,295	7,756,094	-	7,802,389
Financial assets - debt instruments				
Government and state enterprise securities	-	-	122,878,093	122,878,093
Corporate debt securities	-	-	26,461,524	26,461,524
Foreign debt instruments	-	1,731,439	21,147,401	22,878,840

(Unit: Thousand Baht)

	31 December 2024			
	Non-interest	Floating	Fixed interest	Total
	bearing	interest	rate	
<b><u>Financial assets</u></b>				
Cash and cash equivalents	108,901	5,555,958	-	5,664,859
Financial assets - debt instruments				
Government and state enterprise securities	-	-	93,819,307	93,819,307
Corporate debt securities	-	-	25,469,521	25,469,521
Foreign debt instruments	-	-	9,762,712	9,762,712

As at 31 December 2025 and 2024, financial assets carrying interest at fixed rates are classified on the basis of the length of time from the reporting date to the next re-pricing date, or to the maturity date whichever is sooner. The details are as follows:

(Unit: Thousand Baht)

	31 December 2025				
	Maturity period				
	Average	Within	Over 1 year		Total
	interest rate	1 year	to 5 years	Over 5 years	
<i>(% per annum)</i>					
<b>Financial assets</b>					
Financial assets - debt instruments					
Government and state enterprise					
securities	3.18	5,179,944	4,692,965	113,005,184	122,878,093
Corporate debt securities	3.65	2,558,743	11,410,770	12,492,011	26,461,524
Foreign debt instruments	4.13	1,445,470	4,987,971	16,445,399	22,878,840
<b>Total</b>		<b>9,184,157</b>	<b>21,091,706</b>	<b>141,942,594</b>	<b>172,218,457</b>

(Unit: Thousand Baht)

	31 December 2024				
	Maturity period				
	Average	Within	Over 1 year		Total
	interest rate	1 year	to 5 years	Over 5 years	
<i>(% per annum)</i>					
<b>Financial assets</b>					
Financial assets - debt instruments					
Government and state enterprise					
securities	3.31	6,725,149	4,374,465	82,719,693	93,819,307
Corporate debt securities	3.71	879,233	12,964,123	11,626,165	25,469,521
Foreign debt instruments	3.06	1,068,636	1,164,199	7,529,877	9,762,712
<b>Total</b>		<b>8,673,018</b>	<b>18,502,787</b>	<b>101,875,735</b>	<b>129,051,540</b>

### Sensitivity analysis

As at 31 December 2025 and 2024 a reasonable possible change of 1.0% increase and 0.5% decrease in interest rates would have affected the measurement of investment in debt securities and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

(Unit: Thousand Baht)

		31 December 2025		
		Profit or loss before tax	Other comprehensive income before tax	Equity, net of tax
Interest rate	increase (decrease)	increase (decrease)	increase (decrease)	increase (decrease)
(%)				
Financial assets - debt instruments	+ 1.0	31	(18,424,587)	(14,739,645)
Financial assets - debt instruments	- 0.5	(15)	10,924,650	8,739,708

(Unit: Thousand Baht)

		31 December 2024		
		Profit or loss before tax	Other comprehensive income before tax	Equity, net of tax
Interest rate	increase (decrease)	increase (decrease)	increase (decrease)	increase (decrease)
(%)				
Financial assets - debt instruments	+ 1.0	-	(13,226,499)	(10,581,199)
Financial assets - debt instruments	- 0.5	-	7,672,783	6,138,226

The following table demonstrates the sensitivity to equity from the changes in interest rates that affected the liabilities or assets of insurance contract issued and reinsurance contract held as at 31 December 2025 and 2024.

(Unit: Thousand Baht)

		31 December 2025			
		Profit or loss before tax	Other comprehensive income before tax	Equity, net of tax	CSM increase (decrease)
Change in yield curves	increase (decrease)	increase (decrease)	increase (decrease)	increase (decrease)	(decrease)
(%)					
Insurance contracts and reinsurance contracts held	+ 1.0	(7,666)	17,197,408	13,751,794	(81,447)
Insurance contracts and reinsurance contracts held	- 0.5	3,893	(9,576,795)	(7,658,322)	43,118

(Unit: Thousand Baht)

		31 December 2024			
		Profit or loss	Other	Equity,	CSM increase
		before tax	comprehensive	net of tax	
Change in		increase (decrease)	income before tax	increase (decrease)	(decrease)
yield curves	(%)		increase (decrease)		
Insurance contracts and					
reinsurance contracts held	+ 1.0	(8,561)	13,784,770	11,020,967	(62,505)
Insurance contracts and					
reinsurance contracts held	- 0.5	4,725	(7,714,650)	(6,167,940)	34,244

### 37.5 Foreign currency risk

The Company is exposed to foreign currency risk relating to settlement of financial assets and financial liabilities which are denominated in foreign currencies.

At 31 December 2025 and 2024, the Company were exposed to foreign currency risk in respect of financial assets and liabilities denominated in the following currencies:

		(Unit: Thousand Baht)	
		31 December 2025	31 December 2024
Cash and cash equivalents ( <i>US Dollars</i> )		417,894	118,001
Financial assets - debt instruments ( <i>US Dollars</i> )		30,528,975	29,046,125
Financial assets - equity instruments ( <i>US Dollars</i> )		7,531	-
Accrued interest and dividends ( <i>US Dollars</i> )		234,122	254,895
<b>Gross risk exposure in the statements of financial position</b>		<b>31,188,522</b>	<b>29,419,021</b>
Foreign exchange forward contracts		(1,105,897)	(12,595,091)
Cross currency swap contracts		(32,148,917)	(16,670,702)
<b>Net risk exposure</b>		<b>(2,066,292)</b>	<b>153,228</b>
Other payable - related parties ( <i>Hong Kong Dollars</i> )		-	4,598
Other payable - related parties ( <i>US Dollars</i> )		229,294	318,710
Other payable - related parties ( <i>Ringgit</i> )		-	-
Other payable - related parties ( <i>Singapore Dollars</i> )		30	576
Other payable - related parties ( <i>Taiwan Dollars</i> )		1,764	-
Accrued investment management fee - related parties ( <i>Singapore Dollars</i> )		26,074	22,090
<b>Gross risk exposure in the statements of financial position</b>		<b>257,162</b>	<b>345,974</b>

## 37.6 Credit risk

Credit risk is the potential financial loss resulting from the failure of the counterparty to settle its financial and contractual obligations to the Company as and when they fall due.

Key areas that the Company is exposed to credit risk are cash positions, premium due and uncollected, policy loans and investments in debt securities.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all policyholders, borrowers and debt securities on an ongoing basis.

Concentrations of the credit risk with respect to premiums due and uncollected are insignificant due to the large number of customers comprising the customer base and their dispersion across different industries and geographic regions in Thailand.

In addition, there is insignificant risk from policy loans since the amount lent to insured parties is less than the cash value of their policies with the Company.

### *Credit quality analysis*

The following table sets out information about the credit quality as at 31 December 2025 and 2024 of investment in corporate debt securities measured at fair value through comprehensive income, based on Moody's, Standard & Poor's (S&P's), Fitch, or TRIS ratings.

(Unit: Thousand Baht)

	31 December 2025			
	Stage 1	Stage 2	Stage 3	Total
<b>Debt instruments measured at fair value</b>				
<b>through other comprehensive income</b>				
Rated AAA	129,720,267	-	-	129,720,267
Rated AA- to AA+	9,375,144	-	-	9,375,144
Rated A- to A+	13,657,589	-	-	13,657,589
Rated BBB+ and below	18,543,987	-	-	18,543,987
Non-rated	-	-	921,470	921,470
Carrying amount	171,296,987	-	921,470	172,218,457
Allowance for excepted credit losses	30,410	-	198,228	228,638

(Unit: Thousand Baht)

	31 December 2024			
	Stage 1	Stage 2	Stage 3	Total
<b>Debt instruments measured at fair value through other comprehensive income</b>				
Rated AAA	98,247,998	-	-	98,247,998
Rated AA- to AA+	10,768,691	-	-	10,768,691
Rated A- to A+	9,163,981	-	-	9,163,981
Rated BBB+ and below	10,065,991	-	-	10,065,991
Non-rated	-	-	804,879	804,879
Carrying amount	128,246,661	-	804,879	129,051,540
Allowance for excepted credit losses	21,356	-	319,141	340,497

### 37.7 Equity price risk

The Company invests in equity portfolio to enhance longer term returns. As equity portfolio value might be volatile due to market price movements, the exposure to equities is managed carefully to ensure that the Company's internal capital requirements are met at all times, as well as in compliant with any applicable regulations by regulators. The Company monitors equity price risk on a regular basis.

#### *Sensitivity analysis*

A reasonably possible change of the stock market as at 31 December 2025 and 2024 would have affected the valuation of investment in listed equity investments and affected equity and profit or loss by the amount shown below.

(Unit: Thousand Baht)

	Equity price (%)	31 December 2025		
		Profit or loss before tax increase (decrease)	Other comprehensive income before tax increase (decrease)	Equity, net of tax increase (decrease)
Financial assets - equity instruments	+ 10	-	810,184	648,147
Financial assets - equity instruments	- 20	-	(1,620,368)	(1,296,294)

(Unit: Thousand Baht)

	Equity price (%)	31 December 2024		
		Profit or loss before tax increase (decrease)	Other comprehensive income before tax increase (decrease)	Equity, net of tax increase (decrease)
Financial assets - equity instruments	+ 10	-	579,779	463,823
Financial assets - equity instruments	- 20	-	(1,159,559)	(927,647)

### 37.8 Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The Company's financial assets mainly comprise of cash and cash equivalents, deposits with financial institutions and investments in securities which are highly liquid and are able to be sold quickly at close to their fair value when the Company wishes to raise funds.

The following tables show information about the estimated timing of the undiscounted net cash flows from the Company's insurance and investment contract liabilities. The analysis provided is by estimating the timing of the amounts recognised in the statement of financial position.

		31 December 2025					
		Estimated undiscounted net cash flows					
Amount		1 - 5 years	6 - 10 years	11 - 15 years	More than 15 years	Total	
<i>(in thousand Baht)</i>		<i>(%)</i>					
Insurance contracts							
liabilities	287,289,006	(1.2)	24.7	24.7	51.8	100	
Reinsurance contracts							
liabilities	2,088,166	37.6	8.8	7.2	46.4	100	
		31 December 2024					
		Estimated undiscounted net cash flows					
Amount		1 - 5 years	6 - 10 years	11 - 15 years	More than 15 years	Total	
<i>(in thousand Baht)</i>		<i>(%)</i>					
Insurance contracts							
liabilities	254,259,688	(0.5)	26.1	24.8	49.6	100	
Reinsurance contracts							
liabilities	2,107,788	48.1	7.6	5.9	38.4	100	

### 37.9 Fair values of financial assets and liabilities

#### *Fair value hierarchy*

Analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: input for the asset or liability that are based on unobservable inputs.

*The following methods and assumptions were used by the Company in estimating fair value of financial assets and financial liabilities as disclosed herein.*

The Company determines Level 2 fair values for debt securities using clean price on the last day of the period provided by the Thai Bond Market Association and foreign issued debt securities using quotes from brokers and dealers.

The Company determines Level 2 fair values for promissory notes using discounted cash flow technique, which uses contractual cash flows and a market - related discount rate.

Level 2 fair values for simple over-the-counter derivative financial instruments are based on counterparty quotes and group rate.

The Company determines level 3 fair value using adjusted net asset method for equity securities which are not marketable.

The Company determines level 3 fair value for debt securities based on recovery rate estimated and equity securities based on share rights offering from rehabilitation plan.

The Company recognises transfers between levels of the fair value hierarchy as of the end of reporting period during which the transfer has occurred.

As of 31 December 2025 and 2024, significant assets and liabilities, which were measured at fair value or for which fair value were disclosed, were classified by levels of the fair value hierarchy as follows:

(Unit: Thousand Baht)

	31 December 2025				
	Carrying value	Fair values			Total
		Level 1	Level 2	Level 3	
<b>Financial assets measured at fair value</b>					
Debt instruments measured at fair value					
through profit or loss	16,746,561	16,746,561	-	-	16,746,561
Debt instruments measured at fair value					
through other comprehensive income	172,218,457	-	171,296,987	921,470	172,218,457
Equity instruments measured at fair value					
through other comprehensive income	8,113,242	8,101,836	-	11,406	8,113,242
Derivative assets	8,340,044	-	8,340,044	-	8,340,044
<b>Financial liabilities measured at fair value</b>					
Derivatives liabilities	1,021,945	-	1,021,945	-	1,021,945

(Unit: Thousand Baht)

	31 December 2024				
	Carrying value	Fair values			Total
		Level 1	Level 2	Level 3	
<b>Financial assets measured at fair value</b>					
Debt instruments measured at fair value					
through profit or loss	27,656,517	27,656,517	-	-	27,656,517
Debt instruments measured at fair value					
through other comprehensive income	129,051,540	-	128,246,661	804,879	129,051,540
Equity instruments measured at fair value					
through other comprehensive income	5,807,970	5,362,918	-	445,052	5,807,970
Derivative assets	4,316,806	-	4,316,806	-	4,316,806
<b>Financial liabilities measured at fair value</b>					
Derivatives liabilities	37,120	-	37,120	-	37,120

The carrying value of these financial instruments, cash and cash equivalents, accrued investment income, premiums due and uncollected, due to reinsurers, unpaid policy benefit loss reserves and outstand claim and other payables approximates the fair value.

Reconciliations of financial assets that were measured at fair value regularly using the Level 3 of the fair value hierarchy were as follows:

(Unit: Thousand Baht)

	Debt instruments measured at fair value through other comprehensive income	Equity instruments designated to be measured at fair value through other comprehensive income	Total
Balance as of 1 January 2025	804,879	445,052	1,249,931
Gains (losses) recognised into the statement of comprehensive income	116,591	1,229	117,820
Transfer between hierarchies	-	(434,875)	(434,875)
Balance as of 31 December 2025	<u>921,470</u>	<u>11,406</u>	<u>932,876</u>

### 38. Approval of financial statements

This financial statement was authorised for issue by the Company's Board of Directors on 20 March 2026.