


Information Disclosure Allianz Ayudhya Assurance Public Company Limited

The Company has cautiously reviewed the disclosed information and has verified that the information is completed, accurate and is not misleading or lack of essence .

This is to certify the accuracy of all disclosed information reported by the Company.


Sign
Name Mr. Thomas Charles Wilson
Position Director


Sign
Name Ms. Napha Trirattanawongse
Position Director

Disclosed on 23 April 2026
Annual Year 2025



1. Company Background, Policies, Objectives, and Business Strategies; Nature of Business Operations; Details of Key Products and Services; Corporate Contact Channels; and Procedures and Timeframes for Filing, Assessing, and Settling Claims under Life Insurance Contracts

1.1 Company Background

Allianz Ayudhya Assurance Public Company Limited (“the Company”) was originally established in Thailand under the name Sri Ayudhya Life Assurance Company Limited on 11 April 1951 and was granted a life insurance business license on 20 April 1951 with a registered capital of THB 10 million. The Company operates a life insurance business.

On 7 April 1995, the Krungsri Group invited CMG Asia, a leading life insurance company in Australia at that time, to join as a joint-venture partner. The Company subsequently changed its name to Sri Ayudhya Jardine CMG Life Assurance Public Company Limited and increased its registered capital to THB 100 million. Later, on 21 May 1997, the Company was renamed Sri Ayudhya CMG Life Assurance Public Company Limited.

On 15 January 2002, following a joint venture with the Allianz Group and the C.P. Group, the Company changed its name to Ayudhya Allianz C.P. Life Assurance Public Company Limited.

On 23 May 2012, the Company adopted its current name, Allianz Ayudhya Assurance Public Company Limited, with registered capital of THB 4,000 million and paid-up capital of THB 2,950 million.

The Company’s registered head office is located at Ploenchit Tower, 898 Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330.

1.2 Policies, Objectives, and Business Strategies

1.2.1 Business Expansion Direction

- **Industry and Market Overview**

Overall, Thailand’s life insurance industry grew by 3.97 percent (based on total premium income) compared to the same period in the previous year. The growth was primarily driven by new business premiums, especially first-year premiums and renewal premiums. The upward trend observed in 2025 compared to 2024 resulted from multiple factors, including: Thailand’s transition into a fully aged society, continuously rising healthcare costs, increased public awareness of health and well-being, greater emphasis on personal financial risk management, and the adoption of digital technology and data analytics (AI/Data Analytics) to enhance customer experience and operational efficiency

- **Company’s Market Share**

Total market: As of November 2025, the Company ranked 7th in terms of total premium income, with a market share of 6.27 percent (compared to 6.00 percent in the previous year).

While the overall industry grew by 3.97 percent, the Company achieved a growth rate of 8.93 percent, driven by 1.79 percent increase in first-year premiums, and 11.05 percent increase in renewal premiums, partially offset by a 12.15 percent decrease in single-premium business.

Health insurance Market: As of November 2025, the Company ranked 4th with a market share of 9.45 percent.

- **Market Trend**

Consumers have become increasingly health-conscious due to heightened awareness of emerging diseases, pollution, and rising medical expenses. This has led to increased demand for health insurance. As Thailand enters a fully aged society, retirement planning has become more important as a low-risk savings option that also provides life protection and tax benefits supported by government policy.

The growing use of technologies such as artificial intelligence and data analytics enhances competitiveness and operational efficiency in the life insurance industry-covering product development, sales processes, underwriting, claims assessment, and policy servicing-all aimed at improving customer satisfaction.

The Company has observed a significant shift in customer behavior towards digital platforms. Online activities have expanded rapidly. To respond to this transformation, the Company continues to strengthen its digital marketing capabilities and expand online services allowing customers to manage policies and access related services conveniently. Key platforms include: MyAllianz application for policy management and customer benefits, social media channels, the company's website, and the Healthy Living application, which offering content on nutrition, lifestyle, wellness, and wealth building. These platforms continue to be enhanced to provide a seamless and accessible digital experience for customers.

1.2.2 Company's objectives in the three-year plan

Over the next three years, the company will focus on sustainable business expansion. The company aims to strengthen all distribution channels (Agency, Bancassurance and Direct Marketing), focusing on True Customer Centricity and using digital technology to support sales. Agency channel will Focus on health insurance, increase recruitment of new agents, and enhance the performance of existing agents through the Elite Franchise Builder program. Bancassurance channel will focus on maintaining strong relationships with existing bank partner and ensure sustainable growth. Direct Marketing channel will focus on strengthen the company's leading market position by serving existing partners, exploring new partnership opportunities, and continuously improving efficiency.

1.2.2.1 Fair treatment to customer

The Company is committed to the principles of Fair Customer Treatment, ensuring fairness across all business activities—from product development, disclosure, sales practices, claims settlement, benefit payments, remuneration, to complaint handling.

- **Product development** – A Product Development Committee, comprising representatives from relevant departments, ensures that products are designed to meet customer needs at fair and appropriate pricing.
- **Sales Materials and Customer Information** – Sales documents and customer information undergo stringent review and control to ensure accuracy and completeness.
- **Sales Code of Conduct** - The Company maintains comprehensive sales conduct guidelines covering the entire sales process. These guidelines are regularly updated and communicated to the salesforce to ensure proper advice and ethical practices. Processes for vulnerable customers are also established.
- **Recruitment and Training of Sales Personnel** - The Company has guidelines and conditions for selecting sales personnel and provides ongoing training to ensure that sales representatives operate ethically and can offer accurate advice.
- **Claim handling and Policy benefit payment** - The Company has established clear and accurate procedures and Service Level Agreement (SLA) are established for claims handling and benefit payments. These procedures are continuously reviewed, updated, and communicated to staff.
- **Remuneration** - The Company set compensation structures prioritize quality of sales and require approval from relevant senior management. A dedicated committee oversees disciplinary measures for non-compliance by sales representatives.
- **Complaint Management** - The Company provides accessible channels are provided for customers to submit complaints, with defined processing timelines. Complex or high-risk complaints are handled by the Complaint Resolution Committee to ensure fairness.

Additionally, the Sales Compliance Committee, chaired by the President and Chief Executive Officer and comprising senior executives from Life & Health Operations, Finance, Government Relations & Compliance, and Sales Management, oversees fair customer treatment in all sales and servicing activities.

1.2.2.2 Customer Centricity and Growth Engine

Allianz Ayudhya Assurance (the Company) has aligned its core marketing strategy with Allianz Group's emphasis on True Customer Centricity (TCC), ensuring all products and services are developed to meet current customer needs. Operating under the "Get Ready for the Best" framework, each activation empowers customers to be prepared for life's challenges. Every year, the Group and its affiliates conduct customer satisfaction surveys. Based on the Voice of Customers (VOC) assessment in 2025, the Company received a strong positive response, achieving an average score of 4.8 out of 5. Insights from these surveys are continuously used to improve service excellence, leading to long-term customer loyalty.

In 2025, the Company continued to promote the True Customer Centricity (TCC) concept across all communication channels—including service centers, distribution partners, the Company's website, social media platforms, and the 24-hour Customer Care Center—reinforcing the Company's commitment to being readily available whenever customers require assistance. The Company's brand positioning is built on trust and transparency as a responsible life insurer. The Company also prioritizes clear explanation of technical insurance terminology to ensure customer understanding, along with promoting consumer awareness regarding the importance of reviewing policy terms and conditions thoroughly before making purchase decisions.

From 2021 to 2032, the Allianz Group is a proud global partner and the exclusive insurance sponsor of the Olympic and Paralympic Games. This partnership is communicated across various channels to reach diverse target groups, with the objective of strengthening brand recognition and fostering pride among customers, agents, and employees. Throughout this 12-year period, the Olympic and Paralympic logos will be featured consistently in the Company's communications and promotional activities.

Sustainable Business Development

The Company is committed to advancing sustainability by integrating sustainability principles into all aspects of its business operations—including environmental stewardship, social responsibility, volunteerism, and transparent corporate governance. The Company strives to be a trusted partner in helping build a sustainable, secure, and resilient future across life protection, assets, businesses, and the environment.

The Company's sustainability approach is aligned with the Allianz Group's vision "We Secure People's Future." Beyond financial security, the Allianz Group also

focuses on environmental and social stability, recognizing that long-term sustainability cannot be achieved by focusing on a single dimension.

The Company's sustainability objectives are structured around three core pillars:

A. Livable Planet

Focused on supporting a future that is resilient to climate-related risks while minimizing environmental impact. As a life insurer and asset manager, the Company recognizes the importance of environmental risk management and therefore emphasizes supporting environmentally friendly business operations, setting greenhouse gas reduction targets, and raising customer awareness on climate-related risk prevention and mitigation.

B. Resilient Society

Focused on strengthening social resilience and unity to build communities that are robust and adaptable. Key priorities include: developing insurance products tailored to individual needs, delivering high-quality services, ensuring fair and equal treatment for employees and agents, investing in employee well-being, skills development, and career growth.

For communities and social organizations, the Company promotes initiatives that encourage employee and community participation, such as: volunteer programs, support for local waste management improvement, and donation initiatives for under-resourced organizations.

C. Responsible Business

Focused on establishing trust through ethical operations and sustainability. The Company emphasizes transparency, accountability, risk management, and good corporate governance, along with ethical sales practices and strong data protection. The Company actively collaborates with both private sector partners and academic institutions to drive sustainable impact under the "Ma-Ha-Mitr" Sustainability Partnership.

As part of the Allianz Group, the Company integrates ESG (Environmental, Social, Governance) principles into its business operations and encourages participation from all stakeholders-including

employees, agents, partners, customers, and the public-to collectively generate meaningful positive impacts.

1.2.2.3 Digital Transformation and Technology Excellence

The Company is committed to enhancing its information technology systems to improve work processes across multiple functions with the aim of increasing operational efficiency and delivering the highest level of customer satisfaction. Operations include extensive use of automation to support sales processes, improve operational efficiency, minimize environmental impact, and expand advanced data analytics to improve productivity and informed decision-making.

The Company continues improving customer experience through digital tools designed to make services faster, simpler, and more accessible, while maintaining strong customer satisfaction (NPS) scores. Enhancements include: real-time claim status tracking for greater transparency, personalized promotions through advanced analytics, additional payment channels to speed up benefit payments and premium collection, and online claim document downloads to reduce paper usage. Customer service platforms offer robust self-service tools to reduce waiting times and increase convenience. The Company has also expanded the hospital network for cashless claims and introduced Generative AI-enabled chatbots at the Customer Care Center to support call center agents, enabling faster and more consistent customer service.

To improve efficiency and reduce costs, the Company launched the “Rapid Productivity” program, applying automation technologies such as: Robotic Process Automation (RPA) for data transformation, automated claims verification through rule-based engines, expanded automated underwriting with risk validation, and optimization of banking arrangements for lower fees. The Company continues to reduce paper usage through initiatives such as electronic policies (e-policy), digital communications through agents, promotional campaigns, and digital reminders.

The Company also leverages its comprehensive data sets—from customers, products, and distribution channels—to support critical business processes. Data analytics initiatives help improve health operations and customer management, enhancing employee productivity. The Company collaborates closely with key control functions—Compliance, Data Security, and IT Risk—to ensure responsible data usage under strong governance control. AI governance is strengthened through corporate artificial intelligence tools (AllianzGPT) to enhance sustainable business outcomes.

The Company has adopted Development, Security and Operations practices to improve software development and problem resolution, including the migration of applications to cloud environments to enhance long-term customer service capability. A Change Advisory Board (CAB) oversees changes to IT systems to mitigate risks arising from system transitions.

To protect against insurance fraud risks and cyber threats that may cause financial or reputational impact, the Company allocates 5% of its annual IT budget to cybersecurity enhancement, including establishing a dedicated taskforce to assess, monitor, and report potential risks. The Company maintains cyber insurance coverage, conducts annual cyber crisis simulations, and ensures effective communication protocols for crisis management.

In addition, the Company has continuously improved and upgraded its information technology infrastructure by using modern hardware and software and always ensuring system readiness in order to support the increasing level of digital usage. The Company maintains an effective Disaster Recovery (DR) function, with technologies and procedures that are regularly tested, reviewed, and appropriately updated. The Company also supports initiatives of the Allianz Asia Pacific Group to enhance capabilities in protecting data security and mitigating cyber threats at a high level, by strictly and fully adhering to Allianz Group standards and domestic regulatory requirements. The Company continues to invest in various security tools, including data and database encryption, digital signatures, mobile device management, malware detection, real-time monitoring and detection of suspicious activities or events, vulnerability scanning, web application firewalls, source-code scanning, and secure software development lifecycle processes.

In addition, the Company has established business continuity management plans, backup office arrangements, and data security systems, including preparations for cybersecurity. The Company conducts simulated cyber-threat response exercises to enhance the effectiveness and capability of continuous business operation, as well as to manage operational risk and ensure the safety of the Company's employees.

1.2.2.4 Employee Development

- **At Allianz Ayudhya, we care for tomorrow**

The company places importance on the environment and sustainability by focusing on taking care of and developing employees to have knowledge and understanding of the principles of the environment and sustainability and encouraging employees to participate in

environmental conservation, develop and create good things for customers to enhance sustainability.

In addition, the company provides opportunities for employees to participate in creating a stable and safe working future in order to lead to good and efficient services for customers, including various services or insurance plans of the company.

- **People Attraction**

The Company has a fair recruitment policy and provides opportunities for individuals with knowledge and skills without discrimination or limitations on gender, age, race, or religion. The Company focuses on transparency in job announcements and recruitment through clear communication channels both inside and outside the Company. The Company has a clear plan to communicate and provide information about the Company continuously through various media. The Company also organizes activities to promote knowledge, understanding, and skills in life and health insurance business management for students in leading universities in the country by giving students an opportunity to join the internship program every year. The Company also encourages senior executives of the Company to give lectures and share their experiences in university classes on the topic of “Life and Health Insurance Business Management” to increase knowledge and understanding of the insurance business. In addition, the Company emphasizes public relations through online media and organizing activities with educational institutions or related associations to make the Company better known and reach more people interested in working with the Company.

In addition to communicating and organizing activities to make the Company better known, the Human Resources Department has also used digital technology in the recruitment process and new employee care. Using digital technology in the employee recruitment process helps the Company create good experience for new applicants and employees.

- **Learning and Development**

The Company supports employees to develop skills and grow through learning and working both in the same line of work and across lines of work, including transfers within the Group, starting from individual development plans for employees to career growth. The Company provides support in terms of information, advice and tools to help employees develop and grow in their current roles and prepare for future growth, whether it is growth within the organization, both domestically

and internationally, and whether it is growth in the path of expertise, management or project management. The Company provides learning media through various channels, both in the classroom and online training, which contains learning content from all over the world, more than 10,000 courses in various formats so that employees can learn by themselves anytime, anywhere, according to their interests. The Company is committed to creating leaders with organizational characteristics and aims to improve and change the Company for the better in line with the Company's strategy. The Company has developed and invested in creating learning plans for employees, such as learning through one-on-one conversations, simulations and courses certified by credible institutions.

- **Talent Management**

The Company focuses on promoting career growth to leaders or talent group by providing opportunities to transfer and join programs that promote potential and growth, focusing on succession planning and development plans to ensure that successors are ready when the time comes to assume the planned positions.

In addition, the Human Resources Department of Allianz Group has integrated leadership and potential group management into the performance management process, with the aim of developing potential employees and in line with the results of the annual performance evaluation.

In terms of promoting career growth, the Human Resources Department will organize a career development program to promote employee growth under the "Own Your Career and Development" campaign, which will encourage employees to participate in planning their own development and select appropriate learning channels to provide opportunities for continuous self-development.

- **Employee Engagement**

The company supports employees in achieving a balanced life in terms of physical and mental health, as well as living creatively. It organizes programs that focus on strengthening employees physically, mentally, and financially. These include offering flexible working hours, providing options to work from home, and arranging recreational activities. This allows employees to make productive use of their free time by engaging in special activities together with their colleagues.

The company also conducts an annual Employee Engagement Survey (AES) that focuses on reporting on 3 topics:

- **EI (Employee Engagement Index)** - to see the engagement with the organization.
- **IMIX (Inclusive Meritocracy Index)** – to see the well-being and equality in the company.
- **WWI (Work Well Index)** - to see the working environment within the company.

The survey results from the ranking under the Allianz Group worldwide found that the company received scores of over 90% in all 3 categories. This is due to the commitment, care and seriousness of the management team, who have communicated and used the suggestions from the survey to effectively determine various activities in the company.

- **Inclusion & Equal Opportunities**

The company accepts the inclusion and participation of its employees, so that employees can bring their whole selves to work. The company's working environment also encourages all employees to participate and succeed regardless of their work experience, background, thinking style, ability, working style, religion, culture, gender. These things will make a difference and promote their own identity by respecting each other and treating each other equally. This is an important reason why the company is committed to creating awareness, supporting changes, equality of personnel from hiring to developing capabilities. In addition, the employees of the company can join or establish employee diversity networks within the Allianz group globally.

- **Performance & Rewards**

The company has a clear and transparent performance management system, emphasizing on the evaluation of performance that emphasizes consistency and appropriateness, starting from setting goals, reviewing performance, talking to find potential and planning development, to paying compensation and planning budgets. The purpose of performance management will not only focus on paying compensation, but also on looking after and finding the potential and abilities of employees, as well as planning strategies and concrete action plans to develop the potential of employees who have exceeded and fallen short of their targets.

1.2.2.5 Compliance

The Company provides personnel and resources for identifying, assessing, monitoring and reporting potential risks to ensure that laws and Company rules are adhered to. The Compliance Function has developed a framework to ensure

that the Company conducts its business with transparency and follows all applicable laws and regulations as well as Allianz Group standards, including the Company's code of conduct. Compliance performs assessments on compliance-related risks with the objective of identifying potential risks, assessing existing controls and report the findings and recommendations to the Company's Management, Board of Directors and Audit Committee. The scope includes regulatory risks (including all applicable laws from our main regulators i.e. OIC, SEC, PDPC, AMLO, etc), fraud risk, anti-corruption, sales compliance, anti-money laundering, counter financing terrorism, foreign tax compliance (FATCA), Compliance Reporting Standard (CRS), regulatory compliance, and data privacy.

The Company also provides continuous compliance training to all employees to ensure they understand the requirements. The current compliance training provided to our employees covers code of conduct, anti-money laundering, anti-corruption, fraud awareness, and data privacy with some refresher training courses based on risk-based cycle. Our Compliance training program is compulsory for all employees. All new employees must pass the tests of all four compliance training courses before their probation ends. Focus group or small group training are also provided for employees to learn more about compliance on designated topics relevant for their area of work.

1.2.2.6 Risk Management

The Company operates life and health insurance businesses based on robust risk management principles. The primary objective is not solely to avoid risks, but to manage them appropriately and effectively. Risk management is integrated into the Company's management and control framework to ensure timely identification, assessment, measurement, management, and reporting of key risks. These processes are fundamental to the Company's success in value-based management, risk-based capital allocation, and performance evaluation-ensuring optimal balance between risk and return.

The Company's risk management documentation, including policies, processes, methodologies, and governance structure, is clearly defined in separate documents in accordance with legal requirements and Allianz Group standards.

1.3 Nature of Business Operation

1.3.1 Life Insurance Business

The Company classifies its life insurance business into the following categories:

1. Ordinary Life Insurance

This refers to individual life insurance policies, generally with relatively high sums insured per policyholder .

2. Group Life Insurance

This type of insurance provides life coverage to groups of individuals under a single master policy.

3. Unit-Linked Insurance

This type of life insurance offers life protection together with the opportunity to obtain investment returns through selected mutual funds.

4. Other Types of Life Insurance Policies

1.3.2 Investment Business

The company has invested in various assets which are in accordance with the Life Insurance Act, B.E. 2535 (1992), amended by the Life Insurance Act (No. 2) B.E. 2551 (2008).

1. Deposits with financial institutions
2. Domestic and foreign debt instruments
3. Domestic and foreign equity instruments
4. Domestic and foreign unit trusts
5. Futures contracts
6. Debt securities with embedded derivatives
7. Loans
8. Securities Borrowing and Lending (SBL)

1.4 Details of the Company's Key Products and Services, and the Percentage Distribution of Premium Income by Type of Insurance Coverage

Details of the Company's key products and services can be found on the Company's website.: <https://www.allianz.co.th>

Percentage Distribution of Insurance Premiums by Type of Insurance Coverage for the Year 2025

Unit: Million Baht

	Primary Life Insurance Policies																	Riders			Total	
	Ordinary Life Insurance Policies						Industrial Life Insurance Policies	Group Life Insurance Policies						Pension (Annuity) Life Insurance	Unit-Linked Life Insurance Policies	Universal Life Insurance Policies	Personal Accident Insurance Policies	Micro-Insurance Policies	Accident	Health		Others
	Whole Life	Endowment	Term Insurance	Credit Life	Others	Total		Whole Life	Endowment	Term Insurance	Credit Life	Others	Total									
Direct Premiums	3,444	22,443	60	0	0	25,947	0	0	0	365	240	0	605	898	1,236	0	93	0	657	13,144	136	42,716
Proportion of Total Direct Premiums (Percentage)	8.1	52.5	0.1	0.0	0.0	60.7	0.0	0.0	0.0	0.9	0.6	0.0	1.5	2.1	2.9	0.0	0.2	0.0	1.5	30.8	0.3	100.0

Notes : Information obtained from the Office of Insurance Commission(OIC)Annual Report (Form Chor 2400).

In 2025, the Company recorded direct premium income of THB 42,716 million, an increase of THB 6,969 million from 2024, representing a growth of 19.5%. The increase in premium income was primarily driven by ordinary life insurance products and health riders.

1. 5 Company Contact Channels and Procedures for Filing Claims under Life Insurance Contract

1. 5. 1 Procedures, Timeframes, Required Documents, and Methods for Filing Claims under Life Insurance Contracts

1. Claims under Life Insurance Policies – Death Due to Illness. The claimant is required to submit the following documents:
 - a) The original insurance policy, except in cases where the Company issued the policy electronically, in which case the physical policy is not required.
 - b) A claim form completed by each beneficiary or entitled claimant, in the format prescribed by the Company.
 - c) Government-issued identification and a copy of the house registration of each beneficiary or entitled claimant, with certified true copies.
 - d) A certified true copy of the death certificate.
 - e) A certified true copy of the house registration showing the removal of the insured due to death.
 - f) A consent form from each beneficiary or entitled claimant authorizing the disclosure of the insured’s medical records.
 - g) A medical report, in cases where the insured passed away in a hospital or medical facility.

2. Claims under Life Insurance Policies – Death Due to Accident or Other Causes. The claimant is required to submit the following documents:
 - a) The original insurance policy, except in cases where the Company issued the policy electronically, in which case the physical policy is not required.
 - b) A claim form completed by each beneficiary or entitled claimant, in the format prescribed by the Company.
 - c) Government-issued identification and a copy of the house registration of each beneficiary or entitled claimant, with certified true copies.
 - d) A certified true copy of the death certificate.
 - e) A certified true copy of the house registration showing the removal of the insured due to death.
 - f) A consent form from each beneficiary or entitled claimant authorizing the disclosure of the insured’s medical records.
 - g) A medical report, in cases where the insured passed away in a hospital or medical facility.
 - h) A certified copy of the police daily report and the investigation summary (if any).

- i) A certified copy of the autopsy report or post-mortem examination report issued by a government agency, medical facility, or competent authority (if any).
3. Personal Accident Insurance Claims – Non-Fatal Injury. The claimant is required to submit the following documents:
 - a) A claim form in the format prescribed by the Company.
 - b) Government-issued identification of the insured.
 - c) A medical certificate or physician’s report.
 - d) A certified copy of the police daily report (if any).
 - e) A consent form from the insured authorizing the disclosure of medical records.
 4. Health Insurance Claims – Medical Expense Reimbursement. The claimant is required to submit the following documents:
 - a) A claim form in the format prescribed by the Company.
 - b) Government-issued identification of the insured.
 - c) A medical certificate or physician’s report.
 - d) A certified copy of the police daily report (if any).
 - e) A consent form from the insured authorizing the disclosure of medical records.
 5. Critical Illness Insurance Claims. The claimant is required to submit the following documents:
 - a) A claim form in the format prescribed by the Company.
 - b) Government-issued identification of the insured.
 - c) A medical certificate or diagnostic report from a physician, as required for the assessment of each critical illness.
 - d) A consent form from the insured authorizing the disclosure of medical records.

Claim Assessment Notification Service for Customers consists of:

A. SMS Notification of Claim Document Receipt

Example message:

“Claim documents for medical treatment submitted on <dd/mm/yy> for <full name> have been received”. The Company will notify you of the assessment result within 15 business days.”

B. SMS Notification of Claim Assessment Result. SMS Notification of Claim Assessment Result

Example message – Payment by cheque:

“Your claim for <full name> has been approved <x,xxx.xx Baht>. A cheque has been sent to the address on record.”

Example message – Payment via bank transfer:

“Your claim for <full name> has been approved <x,xxx.xx Baht>. The amount has been transferred to the customer’s bank account No. XXXXXXXX0187 on <dd/mm/yy>.”

Cashless Service

Cashless service refers to a healthcare service developed by the Company to provide medical treatment to policyholders at leading hospitals in the Allianz Ayudhya Care network without the need for upfront payment, subject to the terms and conditions of the insurance policy

1. IPD Cashless Service via Internet: This service enables policyholders to receive inpatient treatment at any of the 311 Allianz Ayudhya Care network hospitals nationwide (as of December 2025) without making an upfront payment.

Service Procedure

The insured notifies the hospital of the intention to use the benefit by presenting a national identification card to hospital staff. When the attending physician determines that inpatient admission is necessary, the hospital staff will verify eligibility, benefits, and policy status through the Company's online system. If the Company approves the request, the system will display the policyholder's information. The hospital staff will then inform the insured of the expenses covered under the policy. Any expenses exceeding policy limits will be disclosed and collected directly from the insured upon discharge.

2. OPD Cashless Service: This service allows both individual and group policyholders to receive outpatient treatment without upfront payment at any of the 436 Allianz Ayudhya Care network hospitals nationwide (as of December 2025).

Service Procedure

The insured presents a national identification card to hospital staff. After verifying eligibility, the hospital will inform the insured of policy benefits, coverage, and any excess expenses. Any excess amount must be paid directly by the insured.

Terms of Service

The company only reserves to provide OPD Cashless Service as follow;

- a) The insured has no exclusions specified in the policy.
- b) The Policy that premium payment within the specified period.
- c) Policy with no accrual expenses with the company.
- d) In case medical expenses are excess policy coverage, the insured must be paid the excess expenses directly to the hospital.
- e) In case the insured is unable to use the service, the insured can submit claim documents to the Claim department as usual by attaching the document in article 1) and 2), If the company detects that illness or

injury occurred not under policy coverage the company is required to charge expenses to the insured.

Benefit Payments under the Life Insurance Policy

1. Payment of Maturity Benefits

The Company will automatically pay the maturity benefits to the policyholder in accordance with policy terms. The Company's system calculates the benefits to ensure accurate net benefit payment under the policy.

Communication with the Insured

- The Company will send a written notification of maturity benefit details to the policyholder's most recently provided address 30 days prior to the maturity date.
- After the maturity benefit has been paid, the Company will also send an SMS notification to the policyholder's registered mobile number.

2. Policy Surrender

The insured has to submit the required documents as the following

- Policy Surrender Request Form (downloadable at <https://www.allianz.co.th>)
- Original policy or a policy loss report (not required for electronic policies)
- A copy of the national identification card with certified true copy
- A copy of the front page of the savings account bankbook with certified true copy (if payment is made via bank transfer)

Communication with the Policyholder

Once the surrender request is approved, the Company will send:

- A written summary of the policy surrender details to the policyholder's address; and
- A short message (SMS) to the policyholder's registered mobile number.

3. Policy Loan Request

Required documents to be prepared by the policyholder:

- Policy Loan Agreement Form (downloadable at <https://www.allianz.co.th>)
- A copy of the national identification card with certified true copy
- A copy of the front page of the savings account bankbook with certified true copy (if loan proceeds are transferred to a bank account)

To facilitate convenience for policyholders, the Company provides the "My Allianz" mobile application, which allows policyholders to check their available loan value and to submit policy loan requests electronically.

Communication with the Policyholder

Upon approval of the loan request, the Company will send:

- A written summary of the policy loan details to the policyholder's address
- A copy of the policy loan agreement
- A short message (SMS) to the policyholder's registered mobile number

The Company provides detailed procedures for policy loans and policy surrender on its website (<https://www.allianz.co.th>) so that policyholders can review and understand the processes for greater convenience and faster service.

1.5.2 Methods for Contacting the Company and Department Contact for Dispute or Complaint Management

1) Complaint Management Contact Details

Customers can contact directly to the company through Telephone, Fax, Email, Letter or directly in person, more details as per followings;

Telephone:	Allianz Ayudhya Customer Care Center Tel. 1373
e-mail:	voiceofcustomer@allianz.co.th customercare@allianz.co.th
Postal Mail:	Complaint Management Department Allianz Ayudhya Assurance Public Company Limited, 898, Ploenchit Tower, 6th Fl., Ploenchit Road, Lumpini, Pathumwan, Bangkok 10330
Website:	http://www.allianz.co.th (Customers can notify the complaint by submit the Complaint e-Form)
In Person:	Company Head Office or Company Branch Office

Branch	Telephone Number	Business Days and Hours (excluding public holidays)
Head Office	0-2305-7000	Monday – Friday 08.00 AM - 16.30 PM. Saturday – Sunday 09.00 AM-17.00 PM.
Chiang Mai	0-5327-2072-4 0-5327-7013 0-5327-9311 0-5327-9347	Monday – Friday 09.00 AM-18.00 PM. Saturday 09.00 AM-13.00 PM.
Sriracha	0-3831-4377-8	
Hat Yai (Songkhla)	0-7455-9024 0-7455-2026 0-7455-9030	

2) Complaint Management Procedures

For Complaint Management Procedures, will follow the process as per below

In cases where the complaint is received directly from the customer

- a) The Customer Complaint Management Department shall coordinate with the complainant to obtain further details regarding the complaint, conduct a preliminary verification of policy information, and request additional documents if required for investigation and assessment of the complaint.
- b) Record the complaint and all related documents in the Complaint Management System, and forward the complaint to the relevant responsible unit (Person in Charge) for review, resolution, and corrective action as appropriate.
- c) Coordinate with the officer or representative of the relevant responsible unit (Person in Charge) to ensure that the complaint handling process proceeds efficiently.
- d) Follow up on the progress of the complaint review and ensure that each responsible unit (Person in Charge) completes the resolution within the prescribed timeframe so that the customer receives a response within the required period, and receives a written outcome within 7 days after the complaint is closed.
- e) Review the closure details recorded by the responsible unit (Person in Charge) to ensure that the case has been fully and properly resolved.

In cases where the complaint is received through regulatory authorities

- a) The Customer Complaint Management Department shall receive the complaint from the regulatory authority and coordinate with the complainant (if applicable). For complaints submitted via email, the relevant officer shall acknowledge receipt to the regulatory authority to confirm that the complaint is being processed.
- b) Conduct a preliminary verification of policy information and request additional documents if required for the investigation and assessment of the complaint.
- c) Record the complaint and all related documents in the Complaint Management System, and forward the complaint to the relevant responsible unit (Person in Charge) for prompt review and resolution.
- d) Coordinate with the officer or representative of the responsible unit (Person in Charge) to ensure efficient handling of the complaint.
- e) Follow up and ensure that the responsible unit (Person in Charge) resolves the matter within the prescribed timeframe, and that the customer receives a written outcome within 7 days after the complaint is closed. If the complaint cannot be resolved within the required timeframe, the Customer Complaint Management Department will coordinate with the responsible unit to provide an update to the customer and continue monitoring the case until completion.
- f) Review the closure details recorded by the responsible unit (Person in Charge) to ensure that the complaint is fully and properly resolved.
- g) Provide explanations and required clarifications to the regulatory authority:
 - (g.1) For complaints requiring clarification to the Securities and Exchange Commission (SEC), the responsible unit (Person in Charge) shall submit the assessment result to the Customer Complaint Management Department, which will then communicate the explanation to the SEC. The Customer Complaint Management Department will also notify the Compliance Department accordingly.
 - (g.2) For complaints requiring clarification to other regulatory bodies-such as the Office of Insurance Commission (OIC), Damrongdhama Center, or the Office of Consumer Protection-the responsible unit (Person in Charge) shall submit the assessment result to the Customer Complaint Management Department, which will then provide the explanation to the relevant regulatory authority.

^[1] *In the event that the Company is unable to provide a response to the customer within the prescribed timeframe, the Customer Complaint Management Department shall coordinate with the relevant unit to provide an update to the customer and continue monitoring the progress until the customer has been informed of the final outcome of the complaint.*

2. Framework for Good Corporate Governance and the Company's Internal Control Processes, including the procedures and operational details under such framework and processes

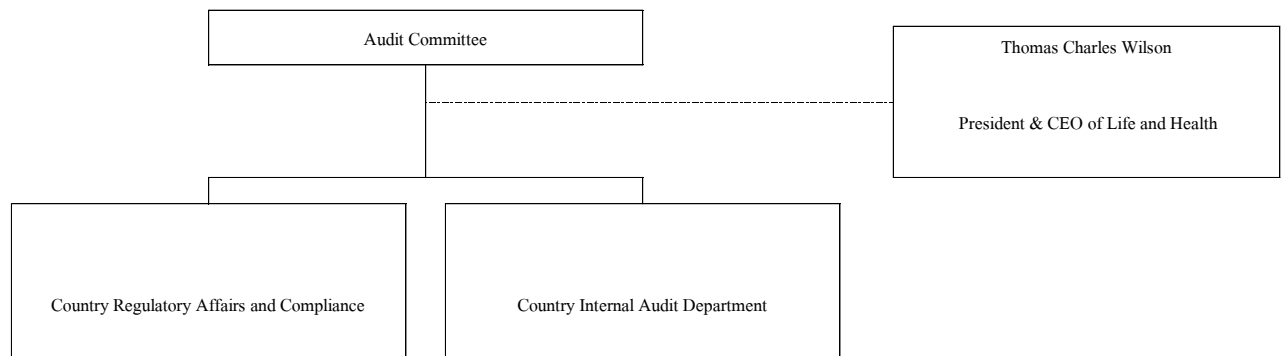
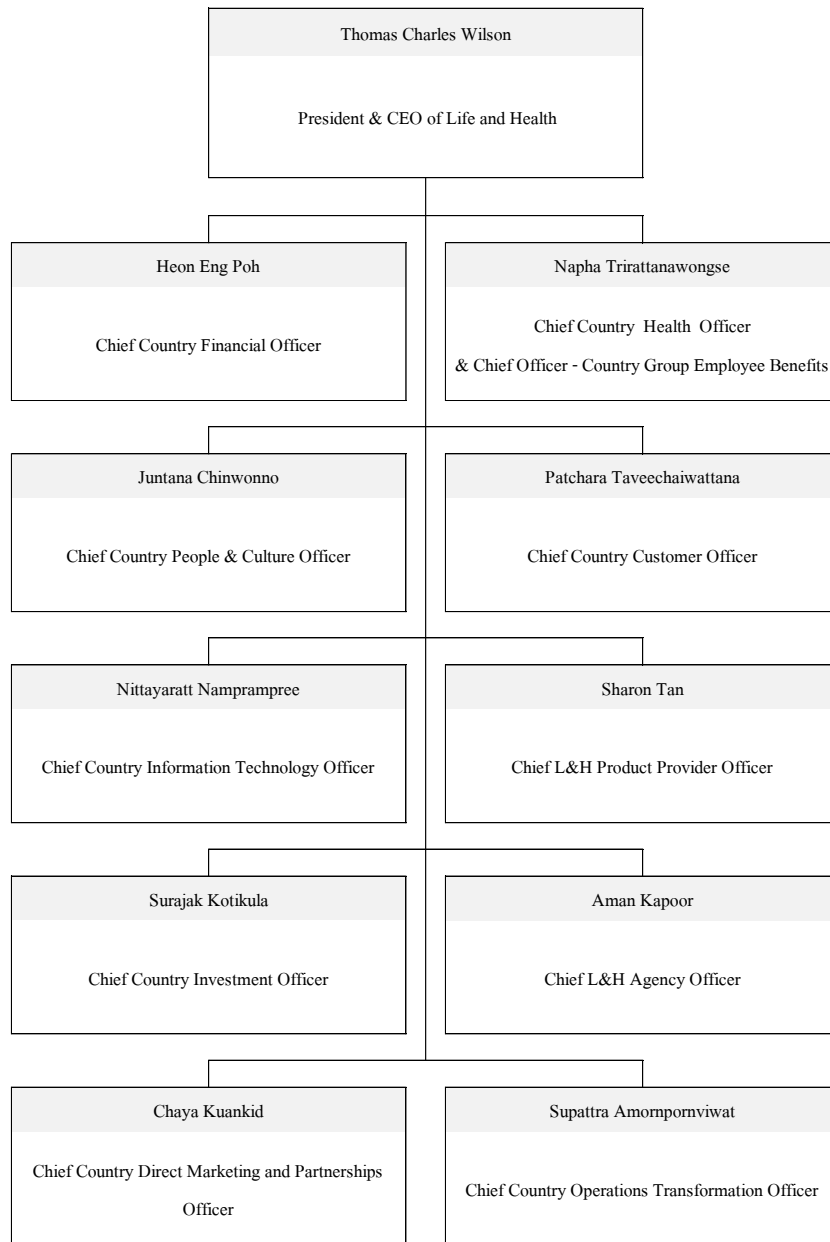
2.1 Corporate Governance and Internal Process

The Company confirms its commitment given to all stakeholders, customers, shareholders, employees, business partners and community and continues its roles and responsibilities under the Allianz Corporate Governance to remain its business based on trust and honesty in order to build our business under the good corporate governance and other relevant policies to support Company's corporate governance and build system of governance. The Company encompasses the structure, qualification, role and responsibility of the Board of Directors, Board of Management and employees to align with the corporate governance code, policy and strategy while taking account of code of ethics, effective mechanism to continuously oversee the operating results with transparency and to ultimately create sustainable value for the organization

The Company's Corporate Governance Policy (CG Policy) is structured and described the system of governance consisting of key elements, general governance requirements, key functions such as Actuary Department, Internal Audit Department, Compliance Department, Legal Department, Risk Management Department and Accounting and Finance Department.

In addition, the CG Policy includes with internal control system such as internal control framework, general control elements following by "The Three-lines-of-defenses Model" and Specific Control Areas for example internal control for financial reporting, information technology and investment.

2.2 Organization Chart



2.3 Corporate Management Structure

As of 31 December 2025, the Board of Directors comprised 8 members as follows:

Name	Position
1. Mr. Aaron Mitchell Fryer	Chairman of the Board
2. Mrs. Wanna Thamsirisup	Independent Director and Chairperson of the Audit Committee
3. Mr. Titiwut Soukpornchaikul	Director and Audit Committee Member
4. Ms. Napha Trirattanwongse	Director
5. Mr. Pongpinit Tejagupta	Director and Audit Committee Member (Position vacated on December 14, 2025, due to his passing*)
6. Mr. Thomas Charles Wilson	President and Chief Executive Officer
7. Mr. Tivakorn Kanjanakit	Director
8. Mr. Kittipintavirooj	Director

*The Company is in a process for finding his replacement

As of 31 December 2025, the Company Board of Management comprised of 11 members as below

Name - Surname	Position	Scope of Responsibilities
1. Mr. Thomas Charles Wilson	President & CEO of Life and Health	Responsible for overseeing the overall company's operations by defining and executing the business strategic goals, financial results and budget as approved by the Board of Directors and / or the resolution of the shareholders' meeting. This includes good corporate governance and responsibility focus for people and products, communication, distribution, markets and customers.
2. Mr. Heon Eng Poh	Chief Country Financial Officer	Responsible for managing the financial actions of the company by performing the leadership and coordination role of planning and internal reporting, accounting, treasury and budgeting. Moreover, the Chief Financial Officer is responsible to protect the capital to the shareholder for businesses.
3. Ms. Napha Trirattanawongse	Chief Country Health Officer	Responsible for managing the Operations and leading the Health Profit Center to increase the productivity as well as strong

Name - Surname	Position	Scope of Responsibilities
	Chief Officer - Country Group Employee Benefits	<p>execution strength to deliver against business goals.</p> <p>Responsible for managing and providing the strategic direction for driving Group Employee Benefits business.</p>
4. Ms. Juntana Chinwonno	Chief Country People & Culture Officer	Responsible for defining People & Culture strategic direction and formulating People & Culture strategies aligned with business goals including reward and performance management, learning and development, organization design, talent management & succession plan and employee engagement and well being for employees and businesses.
5. Ms. Patchara Taveechaiwattana	Chief Country Customer Officer	Responsible for managing the market management function to serve the needs of the customers and also ensure the highest level of satisfaction of customers in both product and services. This role also provides services and support to sale channels in term of sales strategic planning, sales communication and sales events / convention organizing for businesses.
6. Ms. Nittayaratt Namprampree	Chief Country Information Technology Officer	Responsible for setting strategic direction for IT Division and IT Digital Platform & technology initiatives to support businesses.
7. Mr. Surajak Kotikula	Chief Country Investment Officer	Responsible leading the investment teams in establishing and implementing investment strategies including designing the investment process, asset management, assessing business risks, asset allocation levels aimed

Name - Surname	Position	Scope of Responsibilities
		at creating a balanced portfolio of investments for businesses.
8. Mrs. Sharon Tan	Chief L&H Product Provider Officer	Responsible for directing and controlling to ensure the success of the Product Management and Product Actuarial functions.
9. Mr. Aman Kapoor	Chief L&H Agency Officer	Responsible managing overall Agency Division, and provides the strategic direction for Agency Sales Management as well as Agency Support, Agency Training and Development and Financial Advisor.
10. Mr. Chaya Kuankid	Chief Country Direct Marketing and Partnerships Officer	Responsible for managing the Direct Marketing and Bancassurance and driving sales revenue for these 2 businesses
11. Mrs. Supattra Amornpornviwat	Chief Country Operations Transformation Officer	Responsible for managing Organization Management, Call Center and Service Centers as well as Country Operation Support functions.

2.4 Board Sub-Committees

2.4.1 Audit Committee

The Audit Committee was established on 25 September 2007 to align with the Corporate Good Governance re: structure, qualification and responsibility of the Board of Directors for insurance business. The Audit Committee will carry out the following responsibilities as follows

1. Review the Company's financial reports to ensure the completeness, correctness and reliability;
2. Review and evaluate the Company's internal control system;
3. Determine the authority, duties, and responsibilities of the Internal Audit Department and approve Internal Audit Charter;
4. Review Company's working procedures;
5. Review the performance of the external auditors and consider, select, and propose for appointment or change of the external auditors;
6. Provide suggestions to Management for supervision to ensure work efficiency and effectiveness;
7. Prepare the Audit Committee Meeting minutes to be proposed to the Board of Directors;
8. Perform other duties as assigned by the Board of Directors;
9. Review with the Company's management on relevant issues;

10. Review significant and connected parties' transactions;
11. Review and approve the annual audit plan;
12. Review measures, internal controls, and risk assessment relating to the anti-corruption policy;
13. Review and consider the audit scopes of the internal audit and external auditors

As of 31 December 2025, the Audit Committee consists of 3 members as follows:

Name	Position
1. Mrs. Wanna Thamsirisup	Chairwoman
2. Mr. Titiwut Soukpornchaikul	Member
3. Mr. Pongpinit Tejagupta	Member (Position vacated on December 14, 2025, due to his passing*)

*The Company is in a process for finding his replacement

2.4.2 Risk Management Committee (RiCo)

The Risk Management Committee is responsible for reviewing the risk management policy to ensure that it meets the requirements of the Office of Insurance Commission (OIC) and requirements of Allianz Group, including the responsibilities stated in the Risk Management Committee Charter of the Company.

As of 31 December 2025, the Risk Management Committee consists of 11 members as follows:

Name	Position
1. Ms. Wei Yin Lim	Chairman of Committee
2. Mr. Thomas Charles Wilson	Member and CEO
3. Ms. Napha Trirattanawongse	Member
4. Ms. Supattra Amornpornviwat	Member
5. Ms. Sharon Tan	Member
6. Mr. Poh Heon Eng	Member
7. Mr. Surajak Kotikula	Member
8. Ms. Nittayaratt Namprampree	Member
9. Ms. Narissara Udomvongsa	Member
10. Ms. Saovaporn Sattabusya	Member
11. Mr. Jin Sen Wong	Member

2.4.3 Investment Committee

Investment Committee is responsible for determining investment policies, investment proportion and the target rate of return for various types of funds as well as considering and giving advice on investment decisions. Such policies will be used as a guideline for investing in securities and determine the rate of return which is the target of the Investment Department. In addition, the Company has set up a system to monitor the operations

according to the policy by having the Investment Operations officer to prepare a report on trading results and a report on the net asset value of investment assets to propose to the President.

As of 31 December 2025, the Investment Committee consists of 8 members as follows:

	Name	Position
1.	Mr. Thomas Wilson	Chairperson
2.	Mr. Surajak Kotikula	Deputy Chairperson
3.	Mr. Poh Heon Eng	Member
4.	Ms. Sandrine de Bonhome	Standing Guest
5.	Mrs. Sharon Tan	Standing Guest
6.	Mr. Jin Sen Wong	Standing Guest
7.	Representatives from AIM Singapore	Standing Guest
8.	Representatives from Risk Department Allianz SE Singapore Branch	Standing Guest

2.4.4 Complaint Resolution Committee

The Complaint Resolution Committee is appointed by the Company to review and determine complaint cases that are considered significant or sensitive in nature, such as those impacting the Company's reputation or having potential business implications. The Committee performs its duties in accordance with the prescribed roles and responsibilities.

The Committee is composed of representatives from the following departments, who serve in the capacity of department heads or their delegates (department heads may appoint qualified personnel within their units to serve as committee members - authorized participants).

As of 31 December 2025, the complaint Resolution Committee consists of 6 members as follows:

	Name	Position
1.	Ms. Patchara Taveechaiwattana	Chairperson
2.	Ms. Napha Trirattanawongse	Member
3.	Ms. Narissara Udomvongsa	Member
4.	Ms. Saovaporn Sattabusya	Member
5.	Ms. Wei Yin Lim	Member
6.	Ms. Kesanee Ketkhong	Secretary to the Committee

2.4.5 Product Steering & Governance Committee

Product Steering & Governance Committee is overall responsible for the oversight and governance of:

- (1) Product Development and premium determination
- (2) Policy proposal and issuance
- (3) Post-sale evaluation and monitoring.

As of 31 December 2025, the product Steering & Governance Committee as consists of 13 members, as follows:

	Name	Position
1.	Mrs. Sharon Tan	Chairman of the committee
2.	Mr. Thomas Wilson	Committee
3.	Mr. Poh Heon Eng	Committee
4.	Ms. Napha Trirattanawongse	Committee
5.	Ms. Nittayaratt Namprampree	Committee
6.	Ms. Saovaporn Sattabusya	Committee
7.	Mr. Surajak Kotikula	Committee
8.	Mr. Chaya Kuankid	Committee
9.	Ms. Narissara Udomvongsa	Committee
10.	Ms. Patchara Taveechaiwattana	Committee
11.	Mr. Jin Sen Wong	Committee
12.	Mr. Aman Kapoor	Committee
13.	Ms. Wei Yin Lim	Committee

2.5 Nomination and Appointment of Director, Independent Directors and Management

A director, independent directors, or person authorized to act on behalf of the company, or the Management, shall have work experience in relation to the insurance business, and shall not have any of the following prohibited characteristics:

- 1) is, or has been, declared bankrupt;
- 2) has been imprisoned by a final court judgment, for an offense relating to property;
- 3) has been a director, manager, or person authorized to act on behalf of a company at the time such company had its license to undertake non-life or life insurance business revoked, except for a person whom the Registrar, with the approval of the Commission, appointed to hold such office at such time;
- 4) is a director, manager, or person authorized to act on behalf of another company licensed to undertake non-life insurance business, unless an exception in accordance with the regulations, procedures, and conditions announced by the Commission has been granted;
- 5) is removed from the position of director, manager, or person authorized to act on behalf of a company;
- 6) is a political official or a person holding a political office;
- 7) is a government official or an officer of the Office of Insurance Commission, having a responsibility to control the company, unless the company is a public enterprise or the appointment is made with the approval of the Commission, for the purpose of assisting in the operations of the company;
- 8) has a bad record or carries out any activity showing a lack of responsibility or due care that a person of such profession is supposed to have in his conduct.
- 9) is a person designated by anti-money laundering and combating of financing of terrorism law.

10) is a person whose assets have been ordered by a court to be reverted to the state according to the anti-corruption law, anti-money laundering law, or any other similar law.

11) is a life or non-life insurance broker (whichever case may be) and

12) not have been dismissed from a government service or state organization or agency for dishonesty on duty.

2.6 Remuneration Policy

Remuneration for the Company's executives is categorized as follows:

- 1) Total annual remuneration for the members of Board of Directors comprises the director fee and meeting allowance
- 2) Total annual remuneration for the Board of Management comprises
 - a. Monthly base salary and allowances rewards the role and responsibilities including the provident fund on the part of the company's contribution.
 - b. Annual variable bonus which is based on a combination of assessment of the performance of the individual and the company's business performance.

3. Enterprise Risk Management (ERM) and Asset Liability Management (ALM)

3.1 Enterprise Risk Management: ERM

As a life insurance company, Allianz Ayudhya Assurance Pcl. (the Company) considers risk acceptance and active risk management as core competencies. The primary objective of risk management is effective risk steering, rather than merely avoiding or minimizing risks. Consequently, risk management forms an integral part of the Company's governance and control system, ensuring timely identification, analysis, measurement, management and reporting of risks. This approach underpins value-based management by enabling efficient capital allocation and optimizing key performance indicators through consistent consideration of risk-return implications.

This Risk Management Policy, together with other related documents, is intended to establish the principles of good corporate governance, the operational framework, and the procedures and methodologies related to the management of key risks, as well as the risk management structure within the Company.

3.2 Asset Liability Management: ALM

ALM involves assessing risks arising from movements in the value of assets and liabilities. The Company has implemented this process with a focus on managing interest rate risk, which directly affects both asset and liability cash flows. In addition to ALM processes, it reduces the volatility of shareholder's equity of the Company. The Company also serves as a tool for evaluating and validating investment strategies and product management and supporting other strategic initiatives.

In the current year, the Company's ALM strategies focus on:

- Focus on matching the Company's asset and liability duration and cash flows
- Minimize the interest risk charge under the life insurance capital calculation framework.

4. Significant financial risks that may affect the Company's financial position and its risk management plan

The Company's activities involve financial risks, including market risk (i.e. interest rate risk, price risk, and foreign exchange rate risk), credit risk, and liquidity risk.

4.1 Market risk

A. Interest rate risk

Interest rate risk arises from changes in interest rates in the future, which affect the value of an debt asset since most of the interest on debt securities and loans have fixed rates. The Company manages interest risk by focusing on matching the Company's asset and liability duration and cashflows, along with ensuring the sufficiency of return on the debt investment.

B. Price risk

Price risk arises from change in the price of equity securities, causing fluctuation in the value of financial assets. The Company has a risk-prevention policy that includes setting an investment limit to keep the Company's capital funds at an acceptable level, for both company level and regulatory level regulated by the Office of Insurance Commission.

C. Foreign exchange rate risk

The Company is exposed to foreign exchange risk which arises from investments in securities denominated in foreign currencies both debt and equity instruments. The Company has entered into a foreign exchange forward contract in order to hedge such risk for debt and REITs instruments. Additionally, the Company's Risk Management policy indicates that the terms of such contracts must be in line with risk of the hedged transaction.

4.2 Credit risk

Credit risk is the risk that customers or counterparties are unable to pay debts to the Company according to the terms agreed upon maturity date.

The Company has a credit policy to control such risks on a regular basis by analysing its financial status and considering the potential credit losses of the bond issuer or counterparty.

4.3 Liquidity risk

The Company controls its liquidity risk by maintaining a level of cash and cash equivalents to be sufficient to cover the Company's operational activities and maintain a reasonable level of liquid assets such as government bonds.

5. Predictable insurance risk which could cause significant impact to the company financial position, reinsurance management, relationship between company's capital and insurance risk and concentration risk

The company has the process to manage insurance risk by using reinsurance as the main tool. Risk that company cedes to reinsurer mainly the risk with high insurance risk i.e., high sum assured or high potential loss amount which could cause a significant impact to the company's financial position. Currently the company has the certain limit retained risk per life which vary by product type, if a single insured purchases policy/policy which total risk covered higher than the company's maximum retention limit, company will cede out the excess risk to reinsurer to prevent the company from the big loss. The retention limit that company set is reviewed every 2 years by testing the impact to the company financial statement in the worst-case scenario that may occur -in-20-year event (95% confident interval) to see whether with the current risk retention limit, the company is still stay strong and the solvency position remains resilient.

Besides the ceding of high insurance risk policies, the company also uses reinsurance when the company takes on new types of risks when creating new products, the Company may not be familiar with characteristics of such particular risks. Reinsurance helps to reduce the impact of the risk in case the new risk causes the negative impact to the company.

In addition, the company also manages concentration risk using reinsurance as well especially for the catastrophe event. The catastrophe event can cause the huge impact to the company if there are many insureds involve in the event for example group employee benefit policy which all employees work in the same area. The company has purchased catastrophe reinsurance to prevent the company from such a scenario. The catastrophe reinsurance that the company purchased is the excess of loss reinsurance that the company absorb the priority level from the catastrophe event up to the point that the company considers as the level that may impact to the company solvency position and cedes the catastrophe risk above that level to reinsurer.

From above statements, it can be seen that the company concern on the insurance risk and has a well management of the insurance risk to ensure that the company's solvency position still be strong even in the stress scenario that may occur 1 in 20 years or in the catastrophe event and to ensure that the company can pay policyholder benefits in all scenario. The adequacy ratio of the company as of 31 December 2025 is higher than the OIC's prescribed ratio more 2 times, together with the reinsurance management, it can be seen that the risk of insolvent of the company is very low.

For quantitative information, the following details

Unit : Million Baht

Items	Book Value	
	2025	2024
Net Reinsurance Contract Liabilities ^{/1}	139	(1,711)
- Reinsurance Contract Assets	1,566	1,937
- Reinsurance Contract Liabilities	1,705	226

Notes:

1. Net Reinsurance Contract Liabilities^{/1} Net reinsurance contract liabilities are calculated as: Reinsurance Contract Liabilities – Reinsurance Contract Assets
2. Book value refers to the value of assets and liabilities measured in accordance with financial reporting standards. The primary purpose is to provide investors and financial analysts with an understanding of the economic value of insurance contract liabilities recognized under Thai accounting principles. These values must be audited and certified by a licensed auditor.

6. Valuation, Method and Assumptions for Insurance Liabilities Assessment

6.1 Book Value

Insurance contract

Insurance contract is a contract that transfers significant insurance risk and under which the Company (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

IFRS 17 insurance contracts liabilities is the total of fulfilment cash flows, which represents the total of present value of best estimate future cash flows arising from the contract and risk adjustment for non-financial risks, and contractual service margin.

a) Separating components

IFRS 17 requires the Company to separate other components from the host insurance contract, such as investment components, embedded derivatives or a component for services other than insurance contracts services. The Company must apply other related financial reporting standards for those separating components.

Investment component is the amount that an insurance contract requires the entity to repay to a policyholder in all circumstances, regardless of whether an insured event occurs. The Company will separate an investment component from a host insurance contract only if, that investment component is distinct and has commercial value (Distinct Investment Component). If all conditions of the investment component that has not been separated from the host insurance contract (Non-Distinct Investment Component), such as Profit sharing, are met, the Company must apply IFRS 17. However, the Company will separately recognise an investment component that has not been separated from the host insurance contract from insurance revenue and insurance services expenses.

b) Measurement

According to IFRS 17, there are three measurement models. Insurance contracts

- with direct participation features (DPF) are measured under with the Variable Fee Approach (VFA); or
- without direct participation features (DPF) are measured under the General Measurement Model GMM); or
- without direct participation features can be measured under the Premium Allocation Approach (PAA), if selected instead of GMM and eligibility criteria are fulfilled.

For the measurement of a group of reinsurance contracts held, the Company applies the same accounting policies as insurance contracts issued without direct participation features, with following adjustments:

The estimates of the present value of future cash flows are measured using assumptions that are consistent with those used to measure the estimates of the

present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

c) Classification

Insurance contracts are classified as contracts with direct participating features (DPF) or contracts without direct participation features. The classification of insurance contracts forms the basis for the measurement model applied. Direct participating contracts are contracts for which, at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Company expects to pay the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Company expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

The Company uses judgement to assess whether the amounts expected to be paid to the policyholder constitute a substantial share of the fair value returns on the underlying items.

d) Level of aggregation

To allocate individual insurance contracts to groups of contracts, the Company first defines portfolios which include contracts with similar risks that are managed together. These portfolios are subdivided into groups of contracts on the basis of profitability and annual cohorts which are:

- contracts that are onerous at initial recognition;
- contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and
- a group of remaining contracts.

For insurance contracts issued measured under the PAA, management judgment is required to assess the likelihood of changes in assumptions that could make them onerous and to use profitability estimates for the relevant product group.

Measurement of insurance contracts liabilities under TFRS 17 is performed on groups of insurance contracts. In particular, the contracts are grouped based on portfolio classification, profitability of insurance contracts and annual cohorts based on year of issue.

Portfolio classification of insurance contracts is performed by considering similarity of risk and the extent to which contracts are managed together. For contracts with multiple risks, classification is determined based on predominant risk of the contracts. Overview of portfolio grouping is as follows:

	Contract Groups	Portfolio Grouping Consideration	Accounting Basis
Insurance Contract	Traditional non-participating	Long term protection contracts with savings components with benefit payments which are guaranteed at outset as set out in the contract term with no participating features	General measurement model
	Term (pure protection)	Long term pure protection contracts with benefit payments which are guaranteed at outset as set out in the contract term	General measurement model
	Traditional participating	Contract grouping is determined based on product characteristics and the way participating fund is managed: <u>Product characteristics</u> Long term protection contracts with savings with participating features and hence non-guaranteed benefit in addition to guaranteed benefit <u>Participating fund management</u> Contracts which are managed in the same participating fund will have the same contract group	General measurement model applying TFRS17.B132 for the reporting of insurance finance income/expense applicable for indirect participating business
	Unit Linked	Unit linked products which contain both saving and protection component	Variable Fee Measurement model in line with the measurement for insurance contract with direct participation features (TFRS17. B104)

	Short Term Contract	Short term contracts with contract boundary that is less than or equal to one year	Premium Allocation Approach
Reinsurance Contract	Long Term Contract	All reinsurance contract with respect to underlying contracts which have contract boundary that is greater than one year is grouped in same contract group	General measurement model
	Short Term Contract	All reinsurance contract with respect to underlying contracts which have contract boundary that is less than or equal to one year is grouped in same contract group	Premium Allocation Approach

In terms of profitability grouping, contracts are classified into three different groups, i.e. onerous contracts at initial recognition, non-onerous contracts with no significant possibility of becoming onerous and other contracts.

e) Recognition and derecognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Company determines that a group of contracts becomes onerous.

Reinsurance contracts held are recognised as follows:

- a group of reinsurance contracts held that provide proportionate coverage (quota share reinsurance) is recognised at the later of:
 - the beginning of the coverage period of the Company; and
 - the initial recognition of any underlying insurance contract;
- all other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the reinsurance contracts held unless the Company entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the reinsurance contracts held, in which case the reinsurance contract held is recognised at the same time as the Company of underlying insurance contracts is recognised.

- f) **Accounting for contract modification and derecognition**
 The Company derecognises a contract when it is extinguished or its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Company treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.
- g) **Fulfilment cash flows within contract boundary**
 The fulfilment cash flows represent the risk adjusted present value of the Company's rights and obligations to the policyholders, comprising the estimates of expected future cash flows, discounting, and an explicit risk adjustment for nonfinancial risk. The estimates of future cash flows comprise all cash flows expected to arise as the insurance contract is fulfilled with an adjustment to reflect the time value of money and the financial risks related to future cash flows. In estimating these future cash flows, the Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. The Company performs regular expense studies and uses judgement to determine the extent to which fixed and variable overheads are directly attributable to fulfilling insurance contracts. 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 premiums from policyholders, payments to (or on behalf of) policyholders, insurance acquisition cash flows, and other costs incurred in fulfilling the contracts. Fulfilment cash flows are determined prospectively at every reporting date, including the date of initial application.
- h) **Contract boundary**
 The Company uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.
- Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Company has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:
- a) the Company has the practical ability to reassess the risks of and reprice the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
 - b) both of the following criteria are satisfied:

- i. the Company has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
- ii. the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, which are attached to the main insurance contracts form part of a single insurance contract with all of the cash flows within its boundary.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

Cash flows are within the boundaries of investment contracts with DPF if they result from a substantive obligation of the Company to deliver cash at a present or future date.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Company that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or in which the Company has a substantive right to receive insurance contract services from the reinsurer.

In defining contract boundary of reinsurance held, the Company considers the end of contract boundary from the date when reinsurer has practical ability to reassess risk being transferred or the reinsurance premium, reinsurance contract termination date (when applicable) and substantive right of insurer or reinsurer to terminate cover (subject to notice period).

Future cash flows arising from all underlying contract issued within reinsurance contract boundary are included in the measurement of reinsurance contracts.

The Company recognises the expected recovery from reinsurance held with respect to incurred claims during reporting period from reinsured policies in liabilities of incurred claims of the reinsurance contracts held.

- i) Insurance acquisition costs
 - Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated:
 - a) to that group; and

- b) to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group. Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio.

Cash flows used to acquire insurance coverage that occur before the recognition of the related group of contracts are recognized as an asset. This asset is allocated to each group of contracts to which the cash flows for acquiring insurance coverage are assigned. The asset will be derecognized in whole or in part when the cash flows used to acquire insurance coverage are incorporated into the measurement of the related group of contracts.

Insurance acquisition cash flows assets not yet allocated to a group are assessed for recoverability if facts and circumstances indicate that the assets might be impaired. Impairment losses reduce the carrying amount of these assets and are recognised in insurance service expenses. Previously recognised impairment losses are reversed to the extent that the impairment conditions no longer exist or have improved.

The recoverability assessment is performed in two steps, as follows:

1. The Company must recognize impairment losses in profit or loss and reduce the carrying amount of the asset for cash flows that acquire insurance coverage, so that the carrying amount of this asset does not exceed the expected net cash inflows for the related group of insurance contracts.
2. Additionally, when the Company allocates cash flows used to acquire insurance coverage to the group of contracts expected to arise from the renewal of insurance contracts within that group, these cash flows should not exceed the anticipated net cash inflows for the expected renewals. This amount is determined based on the cash flows expected to be received at the initial recognition of the expected renewal. An impairment loss will be recognized for any excess amount that was not recognized in step (1) above.

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.

- j) Risk adjustment for non-financial risk
The risk adjustment reflects the compensation an entity would require for bearing non-financial risks, i.e., the uncertainty of cash flows that arise from insurance contracts, other than the uncertainty arising from financial risks. Such non-financial risks include insurance risks, lapses and expense risk. The Company applies a Cost of Capital approach.
- k) Groups of contracts not measured under the PAA

Initial measurement

On initial recognition, the Company measures a group of contracts as the total of:

- a) the fulfilment cash flows, which comprise estimates of future cash flows, an adjustment to reflect time value of money and associated financial risks, and a risk adjustment for non-financial risk; and
- b) the contractual service margin (CSM).

Contractual service margin

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Company will recognise as it provides insurance contract services in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous, or insurance revenue and insurance service expenses are recognised as in (d) below) arising from:

- a. the initial recognition of the FCF;
- b. cash flows arising from the contracts in the group at that date;
- c. the derecognition of any insurance acquisition cash flows asset; and
- d. the derecognition of any other pre-recognition cash flows. Insurance revenue and insurance service expenses are recognised immediately for any such assets derecognised.

When the above calculation results in a net outflow, the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately, with no CSM recognised on the balance sheet on initial recognition, and a loss component is established in the amount of loss recognised.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events that occurred before the purchase of group of reinsurance contracts held, in which case the Company recognises the net cost immediately in profit or loss.

For reinsurance contracts held, the CSM represents a deferred gain or loss that the Company will recognise as a reinsurance expense as it receives insurance contract services from the reinsurer in the future. CSM at initial recognition is calculated as the sum of:

- a. the initial recognition of the FCF;
- b. cash flows arising from the contracts in the group at that date;
- c. the amount derecognised at the date of initial recognition of any asset or liability previously recognised for cash flows related to the group of reinsurance contracts held (other pre-recognition cash flows); and
- d. any income recognised in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised in (d) above. This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Company applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

Subsequent measurement

At subsequent measurement, the CSM gets adjusted for changes in cash flows related to future services and for the interest accretion at interest rates locked-in at initial recognition of the group of contracts. A release from the CSM is recognised in profit or loss each period to reflect the services provided in that period based on “coverage units”.

The carrying amount at the end of each reporting period of a group of insurance contracts held is the sum of:

- a. the liabilities remaining coverage, comprising:
 - i. the FCF related to future service allocated to the group at that date;
 - ii. the CSM of the group at that date;
- b. the liabilities for incurred claims, comprising the FCF related to past service allocated to the group at the reporting date

Changes in fulfilment cash flows

The FCF are updated by the Company for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates.

The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:

- a. changes that relate to current or past service are recognised in profit or loss; and
- b. changes that relate to future service are recognised by adjusting the CSM or the loss component within the LRC.

For insurance contracts under the GMM, the following adjustments relate to future service and thus adjust the CSM:

- a. experience adjustments - arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
- b. changes in estimates of the present value of future cash flows in the LRC, except to the extent that such change exceed carrying amount of CSM resulting in a loss or such change are allocated to loss component of LRC;
- c. differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period, determined by comparing (i) the actual investment component that becomes payable in a period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable; and
- d. changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments (a), (b) and (d) above are measured using discount rates determined on initial recognition (the locked-in discount rates).

For insurance contracts under the GMM, the following adjustments do not adjust the CSM:

- a. changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof;
- b. changes in the FCF relating to the LIC;

- c. experience adjustments - arising from premiums received in the period that do not relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes; and
- d. experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows)

For insurance contracts under the VFA, the following adjustments relate to future service and thus adjust the CSM:

- a. changes in the amount of the Company's share of the fair value of the underlying items; and
- b. changes in the FCF that do not vary based on the returns of underlying items:
 - i. changes in the effect of the time value of money and financial risks including the effect of financial guarantees;
 - ii. experience adjustments arising from premiums received in the period that relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes;
 - iii. changes in estimates of the present value of future cash flows in the LRC, except to the extent that such change exceed carrying amount of CSM resulting in a loss or such change are allocated to loss component of LRC;
 - iv. differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period, determined by comparing (i) the actual investment component that becomes payable in a period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable; and
 - v. changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments (ii), (iii) and (v) are measured using the current discount rates.

For insurance contracts under the VFA, the following adjustments do not adjust the CSM:

- a. changes in the obligation to pay the policyholder the amount equal to the fair value of the underlying items;
- b. changes in the FCF that do not vary based on the returns of underlying items:
 - i. changes in the FCF relating to the LIC; and

- ii. experience adjustments arising from premiums received in the period that do not relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes; and
- iii. experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

Changes to the contractual service margin

For insurance contracts issued, at the end of each reporting period the carrying amount of the CSM is adjusted by the Company to reflect the effect of the following changes:

- a. The effect of any new contracts added to the group.
- b. For contracts measured under the GMM, interest accreted on the carrying amount of the CSM.
- c. Changes in the FCF relating to future service are recognised by adjusting the CSM. Changes in the FCF are recognised in the CSM to the extent that the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM.
- d. The effect of any currency exchange differences.
- e. The amount recognised as insurance revenue for insurance contract services provided during the period, determined after all other adjustments above.

The Company has made an accounting policy choice to apply the year-to-date approach for the accounting for insurance contracts. Therefore, the treatment of accounting estimates made in previous interim financial statements may change under IFRS 17 in subsequent interim financial statements and in the annual reporting period.

For reinsurance contracts held, at the end of each reporting period, the carrying amount of the CSM is adjusted by the Company to reflect the effect of the following changes:

- a. The effect of any new contracts added to the group.
- b. Interest accreted on the carrying amount of the CSM.
- c. Income recognised in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of

onerous underlying insurance contracts to that group. A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised.

- d. Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held.
- e. Changes in the FCF, to the extent that the change relates to future service, unless the change results from a change in FCF allocated to a group of underlying insurance contracts that does not adjust the CSM for the group of underlying insurance contracts.
- f. The effect of any currency exchange differences.
- g. The amount recognised in profit or loss for insurance contract services received during the period, determined after all other adjustments above.

Income referred to in (c) above is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contract held that is entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

For the purposes of (c)-(e) above, when underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Company applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

The Company does not have any reinsurance contracts held measured under the GMM with underlying contracts measured under the PAA.

Interest accretion on the CSM

Under the GMM, interest accretion on the CSM is calculated using locked-in rate determined at initial recognition for each respective group of contract. As the locked-in rate is cash-flow duration dependent in nature, the interest accretion is based on weighted-average discount rate using discounted coverage unit as the weight. In terms of locked-in rate, the rate used for given cohort of issue year is determined based on weighted average of quarterly locked-in rate.

Adjusting the CSM for changes in the FCF relating to future service

The CSM is adjusted for changes in the FCF, measured applying the discount rates as specified in the Changes in fulfilment cash flows section above.

Release of the CSM to profit or loss

The amount of the CSM recognised in profit or loss for insurance contract services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units.

The coverage period is defined as a period during which the entity provides insurance contract services. Insurance contract services include coverage for an insured event (insurance coverage), the generation of an investment return for the policyholder, if applicable (investment-return service) for the contracts under the GMM, and the management of underlying items on behalf of the policyholder (investment-related service) for the contracts under the VFA. The period of investment-return service or investment-related service ends at or before the date when all amounts due to current policyholders relating to those services have been paid. Investment-return services are provided only when an investment component exists in insurance contracts or the policyholder has a right to withdraw an amount, and the Company expects these amounts to include an investment return that is achieved by the Company by performing investment activities to generate that investment return.

For contracts issued, the Company determines the coverage period for the CSM recognition as follows:

- a. for direct participating contracts, insurance coverage period is within the period of investment-related services and, thus, the coverage period is determined by the period in which investment-related services are expected to be provided;
- b. for term life insurance contracts, no investment-return services are provided and, thus, the coverage period is determined by insurance coverage.

The total number of coverage units in a group is the quantity of service provided by the contracts in the group over the expected coverage period. Coverage units for each group of contracts are determined at each reporting period-end prospectively by considering:

- a. the quantity of benefits provided;
- b. the expected coverage period of the group of contracts, taking into account the likelihood of insured events occurring; and
- c. the time value of money.

The Company reflects the time value of money in the allocation of the CSM to coverage units, using discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns of underlying items.

For reinsurance contracts held, the CSM is released to profit or loss as insurance contract services are received from the reinsurer in the period.

Coverage units for the proportionate term life reinsurance contracts held are based on the insurance coverage provided by the reinsurer, and they are determined by the ceded policies' fixed face values.

The coverage period for these contracts is determined based on the coverage period of all underlying contracts whose cash flows are included in the reinsurance contract boundary.

Onerous contracts - Loss component

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Company recognises the excess in insurance service expenses, and it records the excess as a loss component of the LRC.

When a loss component exists, subsequent changes to the LRC need to be allocated separately and systematically between the loss component and the remaining in the LRC. Part of the change allocated to the loss component is excluded from insurance revenue

Decreases in the FCF relating to future service in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF relating to future service in subsequent periods increase the loss component.

Reinsurance contracts held - Loss-recovery component

A loss-recovery component is established or adjusted within the asset for remaining coverage for reinsurance contracts held for the amount of income recognised in profit or loss when the Company recognises a loss on initial recognition

of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

Subsequently, the loss-recovery component is adjusted to reflect changes in the loss component of an onerous group of underlying insurance contracts. The loss-recovery component is further adjusted, if required, to ensure that it does not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held.

The loss-recovery component determines the amounts that are presented as a reduction of incurred claims recovery from reinsurance contracts held and are consequently excluded from the reinsurance expenses determination.

l) Groups of contracts measured under the PAA

The Company uses the PAA for measuring contracts with a coverage period of one year or less and for groups of contracts where it is reasonably expected that the measurement of the LRC does not differ materially from the one that would be produced by applying the GMM or the VFA.

For insurance contracts issued, insurance acquisition cash flows allocated to a group are deferred and recognised over the coverage period of contracts in a group. For reinsurance contracts held, broker fees are recognised over the coverage period of contracts in a group.

Initial measurement

For insurance contracts issued, on initial recognition, the Company measures the LRC at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the insurance acquisition cash flows asset and the derecognition of any other relevant pre-recognition cash flows.

For reinsurance contracts held, on initial recognition, the Company measures the remaining coverage at the amount of ceding premiums paid, plus broker fees paid to a party other than the reinsurer and any amounts arising from the derecognition of any other relevant pre-recognition cash flows.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

- a. the LRC; and
- b. the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

- a. the remaining coverage; and
- b. the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

Subsequent measurement

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- a. increased for premiums received in the period, excluding amounts that relate to premium receivables included in the LIC;
- b. decreased for insurance acquisition cash flows paid in the period;
- c. decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period; and
- d. increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

- a. increased for ceding premiums paid in the period;
- b. increased for broker fees paid in the period; and
- c. decreased for the expected amounts of ceding premiums and broker fees recognised as reinsurance expenses for the services received in the period.

The Company does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money, because insurance premiums are due within the coverage period of contracts, which is one year or less.

The Company adjusts the remaining coverage for reinsurance contracts held for the effect of the risk of reinsurer's non-performance.

If facts and circumstances indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or becomes onerous subsequently, the Company increases the carrying amount of the LRC to the amounts of the FCF determined under the GMM with the amount of such an increase recognised in insurance service expenses, and a loss component is established for the amount of the loss recognised.

Subsequently, the loss component is remeasured at each reporting date as the difference between the amounts of the FCF determined under the GMM relating to the future service and the carrying amount of the LRC without the loss component.

Where applicable, resulting changes in the loss component are disaggregated between insurance service expenses and insurance finance income or expenses for the effect of the time value of money, financial risk and effect of changes therein.

When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held measured under the PAA is increased by the amount of income recognised in profit or loss and a loss-recovery component is established or adjusted for the amount of income recognised.

The referred income is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Company applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

For quantitative information, the following details

Unit : Million Baht

Items	Book Value	
	2025	2024
Net Insurance Contract Liabilities ^{/1}	211,595	208,382
- Insurance Contract Assets	1,336	1,026
- Insurance Contract Liabilities	212,931	209,408

Notes:

3. Net Insurance Contract Liabilities^{/1} Net insurance contract liabilities are calculated as: Insurance Contract Liabilities – Insurance Contract Assets
4. Book value refers to the value of assets and liabilities measured in accordance with financial reporting standards. The primary purpose is to provide investors and financial analysts with an understanding of the economic value of insurance contract liabilities recognized under Thai accounting principles. These values must be audited and certified by a licensed auditor.

6.2 Appraised Value

Insurance Reserve Calculation Methodology

The methodologies used for calculating insurance reserves for both short-term and long-term policies comply with the Notification of the Insurance Commission on the forms, rules, procedures, conditions, and reporting periods for the annual submission of reserve calculations for life insurance companies B.E. 2554 (2011).

a) Insurance Reserves for Long-Term Insurance Contracts

The appraised value of long-term insurance contract liabilities is determined using the Gross Premium Valuation (GPV) method, including a Provision for Adverse Deviation (PAD) at a 75% confidence level.

b) Insurance Reserves for Short-Term Insurance Contracts

The products modelled as the short term are all one-year renewal riders, personal accident product, group direct marketing and group employee benefit.

The calculation of reserves for short-term insurance contracts is divided into two components:

1) Premium Reserves

It is the maximum value of Unearned Premium Reserve (UPR) and Unexpired Risk Reserve (URR).

2) Claim Reserves

Claim reserves consist of:

- Accrued claim (reported but not paid) from the Company's balance sheet
- Incurred But Not Reported (IBNR) reserve with a 12% PAD for both individual and group policy except group life benefit at a 8% PAD.

c) Incurred But Not Reported (IBNR) Claims

IBNR reserves are calculated using the Chain Ladder Method, which is one of the standard actuarial methods accepted by the Office of Insurance Commission (OIC).

For quantitative information, the following details:

Unit : Million Baht

Items		Appraised Value	
		2025	2024
Technical reserves (gross of reinsurance)			
(1)	Long-term technical reserves	190,769	185,450
(2)	Short-term technical reserves		
	(2.1) Claim reserves ¹	1,120	1,226
	(2.2) premium reserves ²	4,054	3,462
	Due to insured	2,551	2,235

Notes:

1. Claim reserves¹: Claim reserves comprise reported but unpaid claims, claims that have been reported but not fully settled, and incurred but not reported (IBNR) claims, including both allocable and non-allocable claim adjustment expenses.
2. Premium reserves²: Premium reserves represent the higher of: the unexpired risk reserve for policies in force before reinsurance; or unearned premium reserves before reinsurance.
3. Appraised value refers to the valuation of insurance contract liabilities assessed in accordance with the Notification of the Insurance Commission regarding the valuation of

assets and liabilities of life insurance companies. The primary objectives of such valuation are to ensure the financial stability of insurance companies and to confirm their ability to fully fulfill obligations under insurance contracts to policyholders.

The valuation must be performed by a licensed actuary using generally accepted actuarial principles. The assumptions applied must be consistent with the company's actual experience; if insufficient company data are available, industry experience may be used and adjusted appropriately to reflect the specific characteristics of the company's underwriting portfolio.

In addition, the insurance liability valuation must include a Provision for Adverse Deviation (PAD) as prescribed by the Office of Insurance Commission.

4. The value of insurance contract liabilities may differ significantly between the book value and the appraised value due to the differing objectives and valuation methodologies described above. Users of this information should carefully review and understand the purposes and methodologies of both valuation approaches before making any decisions.

7. The Company's Investments

Investment objective is to invest for a good long-term rate of return with an acceptable risk level while still having sufficient liquidity for future obligations. This must be consistent with risk management strategy, product strategy, asset and liability management strategy, and take into account the ability to pay off debts.

The Company considers investing in a variety of investment ports. Examples include debt instruments, equity instruments, money markets, mutual funds, and other securities that were in compliance with regulations and within defined investment limits of the Company's group. All investment decisions are made according to strategy and supervision applying skills and prudence based on the Allianz investment philosophy which must take into account nature of the market in Thailand and the laws and regulations of Thailand.

Valuation Method for Investment Assets Used in Preparation of General Financial Reports in accordance with Accounting Standards and Reporting of Capital Adequacy

A. Debt Instruments

- 1) Debt Instruments registered in Thailand:
 - Debt instruments with high liquidity: Use the price excluding accrued interest (clean price) at end of the day published by Thai Bond Market Association ("ThaiBMA") or an agency certified by the Securities and Exchange Commission.
 - Over-the-Counter Debt Instruments: Valuated by using reference yields published by ThaiBMA with a weighted average duration of a bond that is similar to that of the debt to be evaluated, or using another generally accepted valuation method that is consistent with market practice and accounting standards.
- 2) Debt instruments registered in foreign countries: Use the price published by Bloomberg. For held-to-maturity debt instruments, it will be evaluated by amortized cost.

B. Equity Instruments

- 1) Equity Instruments registered in Thailand:
 - Equity instruments listed on Stock Exchange of Thailand ("SET"):
 - Traded equity securities on the valuation date: Use price at end of the day published by SET.
 - Non-traded equity securities on the valuation date: Use the latest price within 15 preceding business days.
 - Equity securities that are not listed on SET or have not been traded for more than 15 business days, the valuation is calculated based on discounted cash flow expected from the shares. This will be considered on a case-by-case basis, such as dividends. The discount rate is derived from government bond interest rates plus appropriate risk compensation based on the CAPM model.

- Warrants listed on SET: Use the latest price as of the valuation date. In case of unavailable bid price, the latest Net Asset Value (“NAV”) per unit before the valuation date, but not more than 15 business days is used. If over such period, the underlying asset price will be based on the valuation method described above, less strike price. However, the value of the warrant must not be less than zero.
- 2) Equity Instruments registered in foreign countries:
- Equity instruments listed on Stock Exchanges: Use the price published by Bloomberg at end of the valuation date.

C. Loans

- 1) Policy Loan: The valuation is calculated using the amortized cost method based on the effective interest rate.
- 2) Mortgage Loan:
- Debtors who make regular repayments: The valuation is based on the outstanding loan amount plus all accrued interest, less allowance for impairment.
 - Debtors who have defaulted for more than three months but not exceeding six months: The valuation is based on the outstanding loan amount plus all accrued interest, less allowance for impairment, but not exceeding eighty percent of the appraised value of the real estate collateral.
 - Debtors who have defaulted for more than six months: The valuation is based on the outstanding loan amount plus all accrued interest, less allowance for impairment, but not exceeding fifty percent of the appraised value of the real estate collateral.

The appraised value of the real estate collateral must be based on an appraisal conducted by a property valuation company within the past thirty six months, adjusted for accumulated depreciation and allowance for impairment. If any of these conditions are not met, the real estate collateral shall be deemed to have no appraised value.

D. Derivatives

- 1) Cross Currency Swap (CCS): The price is evaluated using the discounted cash flow method of each pair of currencies which is discounted using zero coupon rate for each currency and find Net Present Value by subtracting both currencies to get CCS net value, or using another generally accepted valuation method that is consistent with market practice and accounting standards.
- 2) Bond Forward: Calculates current price of the underlying bond and the present value of the bond market price determined in the futures contract to find the net value of that futures contract, or uses another generally accepted valuation method that is consistent with market practice and accounting standards.
- 3) FX Forward: Valuation is performed by comparing the forward exchange rate specified in the contract with the market forward exchange rate on the

valuation date. The market forward exchange rate is calculated from the current spot rate adjusted by forward points, which are derived from the interest rate differential between the two currencies and the remaining term of the contract. The resulting value is then discounted to present value and converted into the reporting currency (THB). Alternatively, the valuation shall be performed using another generally accepted valuation method that is consistent with market practice and accounting standards.

- 4) Index Option: Valuation is based on market prices, using the Indicative MID price (%) derived from option pricing through standard models accepted in the market, utilizing observable market data to reflect the fair value of the instrument as of the valuation date. The market value is calculated by multiplying the notional amount by the Indicative MID price, and then converted into the reporting currency (THB) using the prevailing exchange rate on the valuation date. Alternatively, the valuation shall be performed using another generally accepted valuation method that is consistent with market practice and accounting standards.

E. Cash and Deposits

- 1) Cash: Evaluated based on current holding balance.
- 2) Deposits with financial institutions: Evaluated based on the deposited amount.

F. Land and Buildings

Use the appraisal value provided by the appraisal company, less accumulated depreciation and allowance for impairment.

For quantitative information, the following details

Unit : Million Baht

Investment Assets	Value as of 31 December			
	2025		2024	
	Book Value	Appraised Value	Book Value	Appraised Value
Deposits with Financial Institutions, Certificates of Deposit, and Deposit Receipts	11,780	11,755	8,918	8,902
Debt Securities	191,828	191,611	185,037	184,913
Equity Securities	4,644	4,631	4,761	4,749
Policy Loans		11,477		11,806
Loans	-	-	-	-
Derivatives	3,105	3,105	1,668	1,668
- Derivatives Assets	3,229	3,229	2,041	2,041
- Derivatives Liabilities	(124)	(124)	(373)	(373)
Other Investments	24,105	20,740	19,794	17,671
Investment Properties	-	-	-	-
Total Investment Assets	235,462	243,319	220,178	229,709

Notes : Information obtained from the Annual Report of the Office of Insurance Commission (OIC).

1. Book value refers to the valuation of assets and liabilities in accordance with financial reporting standards. The primary objective is to provide investors and financial analysts with an understanding of the economic value of insurance contract liabilities recognized under Thai accounting principles. These values must be audited and certified by a licensed auditor
2. Appraised value refers to the valuation of assets and liabilities assessed in accordance with the Notification of the Insurance Commission regarding the valuation of assets and liabilities of life insurance companies. The objective of such valuation is to ensure the financial stability of insurance companies and to confirm their ability to fully meet obligations under insurance contracts.
3. Policy loans secured by insurance policies are not presented under investment assets (Book Value). For the valuation under Investment Assets (Appraised Value), the measurement shall comply with the regulations prescribed by the Office of Insurance Commission.
4. Loans (Book Value) refer to the item "Loans and Accrued Interest Receivable" as defined under financial reporting standards.
5. Loans (Appraised Value) refer to the item "Loans" as defined under the regulations prescribed by the Office of Insurance Commission

8. Insurance Company Performance, Including Related Analyses and Ratios

8.1 Company Performance

For the Company's operating results, the Company recorded insurance revenue of THB 27,360 million for the year 2025, representing an increase of 8.49 percent compared to the previous year. The Company reported a net profit of THB 7,734 million (THB 26.22 per share), compared to the net profit of THB 7,199 million (THB 24.40 per share) in the prior year-an increase of THB 535 million, or 7.43 percent year-on-year.

This increase was primarily attributable to an improvement in insurance service results of THB 1,017 million, partially offset by: a decrease in investment income and net insurance finance income or expenses of THB 84 million, an increase in other finance costs of THB 22 million, an increase in other operating expenses of THB 164 million, and a decrease in other income of THB 21 million.

In 2025, the Company declared and paid dividends totaling THB 1,817 million.

Unit: Million Baht

Items	2025	2024
Insurance Revenue ¹	27,360	25,217
Insurance Service Results ²	11,131	10,114
Investment Results ³	(475)	(391)
Other results ⁴	952	744
Net Profit (Loss) ⁵	7,734	7,199

Notes : Source: Annual Report of the Office of Insurance Commission (OIC)

1. Insurance Revenue¹ Calculated as: Insurance revenue for contracts measured under GMM & VFA + insurance revenue for contracts measured under PAA.
2. Insurance Service Results² Calculated as: Insurance revenue - Insurance service expenses - Net expenses (income) from reinsurance held
3. Investment Results³ Calculated as: Investment income + Gains (losses) on derecognition of financial assets+ Gains (losses) on reclassification of investments - Expected credit loss expenses - Impairment loss on financial assets + Impairment loss on financial asset + Net gains (losses) from hedge accounting - Net insurance finance expenses
4. Other results⁴ Calculated as: Other finance costs + Other operating expenses - Share of profit (loss) from associates and joint ventures (equity method) - Other income - Gains (losses) on disposal of property received for debt settlement - Gains (losses) on foreign exchange
5. Net Profit (Loss)⁵ Calculated as: Insurance service results + Investment results - Other results - Corporate income tax
6. Book value refers to the value of assets and insurance contract liabilities measured in accordance with financial reporting standards, primarily intended to provide investors and financial analysts with an understanding of the economic value of insurance contract liabilities recognized under Thai accounting principles. These values must be audited by a licensed auditor

8.2 Related Ratios

Unit : Percent

Items	2025	2024
Return on Equity	39.20	59.65
Net Combined ratio	59.32	59.89
Liquidity Asset Ratio	7,652.26	5,912.91
Asset Back	110.24	114.32
Return on Investment	2.94	3.13

Notes : Source: Annual Report of the Office of Insurance Commission (OIC)

1. Book Value: Refers to the value of insurance contract liabilities measured in accordance with financial reporting standards
2. Appraised Value: Refers to assets and liabilities valued in accordance with the Notification of the Insurance Commission on the valuation of assets and liabilities of life insurance companies, with the primary objective of overseeing the financial stability of insurance companies and ensuring their ability to meet obligations under insurance contracts
3. The above ratios : Calculated based on formulas under the Early Warning System (EWS) prescribed by the Office of Insurance Commission.

9. Capital Adequacy

The Company's Risk-Based Capital (RBC) Solvency Ratio remained strong and stable. As of the end of 2025, the Company's solvency ratio stood at 355 percent, which was significantly higher than the minimum requirement prescribed by the Office of Insurance Commission (OIC).

In addition, the Company conducts quarterly stress testing of its financial position to ensure that it is able to withstand and effectively respond to adverse or unfavorable economic conditions should they occur.

Unit : Millian Baht

Items	As of 31 December	
	2025	2024
Total Assets	246,764	228,723
Total Liabilities	221,032	216,654
- Insurance Contract Liabilities ¹	214,629	210,874
- Other Liabilities ²	6,403	5,780
Shareholders' Equity	19,732	12,069
Common Equity Tier 1 Ratio (CET 1 Ratio) (%)	355%	311%
Tier 1 ratio (%)	355%	311%
Capital Adequacy Ratio: CAR (%)	355%	311%
Total Capital Available: TCA	38,747	30,963
Total Capital Required: TCR	10,901	9,948

Notes : Source: Annual Report of the Office of Insurance Commission (OIC)

1. Insurance Contract Liabilities¹ Calculated as: Insurance reserves (before reinsurance) + Outstanding insurance contract liabilities
2. Other Liabilities² Calculated as: Borrowings + Reinsurance liabilities + Deferred tax liabilities + Income tax payable + Employee benefits obligations + Other liabilities + Derivatives + Head office intercompany current account
3. In accordance with the Notification of the Insurance Commission on the classification and types of capital funds, including the rules, procedures, and conditions for calculating the capital funds of life insurance companies, the Registrar may prescribe necessary supervisory measures for companies whose capital adequacy ratio (CAR) falls below the supervisory CAR level set forth in the notification
4. The above items are calculated using values determined in accordance with the following:
 - The Notification of the Insurance Commission on the valuation of assets and liabilities of life insurance companies; and
 - The Notification of the Insurance Commission on the classification and types of capital funds, including the rules, procedures, and conditions for calculating the capital funds of life insurance companies.

10. Financial Statements and Notes to the Financial Statements, which have been audited and opined upon by the auditor.

ALLIANZ AYUDHYA ASSURANCE PUBLIC COMPANY LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2025



Independent Auditor's Report

To the shareholders of Allianz Ayudhya Assurance Public Company Limited

My opinion

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

What I have audited

The Company's financial statements comprise:

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

Basis for opinion

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

Responsibilities of management for the financial statements

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

In preparing the financial statements, management is responsible for assessing the 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.

The audit committee assists management in discharging their responsibilities 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 TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 the audit committee and management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

PricewaterhouseCoopers ABAS Ltd.

Sakuna Yamsakul
Certified Public Accountant (Thailand) No. 4906
Bangkok
24 February 2026

Allianz Ayudhya Assurance Public Company Limited

Statement of Financial Position

As at 31 December 2025

		31 December 2025	(Restated) 31 December 2024	(Restated) 1 January 2024
	Notes	Thousand Baht	Thousand Baht	Thousand Baht
Assets				
Cash and cash equivalents, net	4, 12	18,095,305	18,271,222	14,736,059
Accrued investment income		1,653,560	1,537,593	1,720,960
Investment receivables		15,143	274,372	239,066
Insurance contract assets	4, 10, 22	1,335,992	1,025,863	844,685
Reinsurance contract assets	4, 10, 22	1,565,998	1,936,527	1,617,512
Debt instruments - financial assets	4, 13	187,995,013	177,584,810	169,183,099
Equity instruments - financial assets	4, 14	25,520,407	22,514,509	19,605,527
Derivative assets	15	3,228,627	2,041,195	374,516
Loans and accrued interest receivable, net	4, 16	-	297	848
Property, plant and equipment, net	17	451,952	425,029	444,898
Right-of-use assets, net	18	178,140	273,772	320,558
Intangible assets, net	19	302,320	420,185	545,482
Deferred tax assets, net	4, 20	-	1,955,536	3,358,946
Other assets, net	4, 21	421,637	461,959	1,119,002
Total assets		240,764,094	228,722,869	214,111,158

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

Allianz Ayudhya Assurance Public Company Limited

Statement of Financial Position (Cont'd)

As at 31 December 2025

		(Restated)	(Restated)
	31 December	31 December	1 January
	2025	2024	2024
Notes	Thousand Baht	Thousand Baht	Thousand Baht
Liabilities and equity			
Liabilities			
Insurance contract liabilities	4, 10, 22	212,930,869	209,408,243
Reinsurance contract liabilities	4, 10, 22	1,704,961	226,168
Investment payables		-	2,352,108
Derivative liabilities	15	123,857	372,903
Income tax payable		-	322,103
Employee benefit obligations	23	922,567	814,780
Deferred tax liabilities, net	20	37,857	-
Accrued expense	4, 24	280,595	199,875
Provisions	4, 25	95,033	95,933
Other liabilities	4, 26	4,936,031	2,861,786
Total liabilities		221,031,770	216,653,899
Equity			
Share capital			
Registered share capital			
Ordinary shares, 400,000,000 shares at par value of Baht 10 each	27	4,000,000	4,000,000
Issued and paid-up share capital			
Ordinary shares, 295,000,000 shares paid-up at Baht 10 each	27	2,950,000	2,950,000
Retained earnings			
Appropriated			
Legal reserve	28	400,000	400,000
Unappropriated	4	15,207,080	9,548,758
Other components of equity	4	1,175,244	(829,788)
Total equity		19,732,324	12,068,970
Total liabilities and equity		240,764,094	214,111,158

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

Allianz Ayudhya Assurance Public Company Limited
Statement of Comprehensive Income
For the year ended 31 December 2025

		(Restated)
		2025
		2024
		Thousand Baht
		Thousand Baht
Revenues		
Insurance revenue	30	27,359,967
Insurance service expenses	30	(15,991,689)
Expenses from reinsurance contracts	30	(237,226)
Insurance service result		11,131,052
Net investment income	31, 35	6,768,771
Losses on financial instruments	32, 35	(6,978)
Fair value gains	33	93,104
Reversal of expected credit loss	34	13,045
Net investment result		6,867,942
Finance expenses from insurance contracts issued		(7,382,102)
Finance income from reinsurance contracts held		39,022
Net insurance finance expenses		(7,343,080)
Net investment result and insurance finance expenses		(475,138)
Other finance costs	36	(38,205)
Other operating expenses	37	(1,002,810)
Other income		89,710
Profit before income tax		9,704,609
Income tax expense	39	(1,970,457)
Net profit		7,734,152
		7,199,262

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

Allianz Ayudhya Assurance Public Company Limited
Statement of Comprehensive Income (Unaudited) (Cont'd)
For the year ended 31 December 2025

		(Restated)
		2025
		2024
	Note	Thousand Baht
		Thousand Baht
Other comprehensive income (expense)		
Items that will be reclassified subsequently to profit or loss		
Gains on debt instruments measured at fair value through other comprehensive income		7,477,691
Gains on fair value of cash flow hedges		2,692,559
Gains (losses) on deferred cost of hedging		(353,118)
Finance expenses from insurance contracts issued		(7,909,837)
Finance income (expenses) from reinsurance contracts held		12,484
Items in other comprehensive expense transferred to profit or loss		(1,677,916)
Income tax relating to items that will be reclassified subsequently to profit or loss	20	(48,372)
Total items that will be reclassified subsequently to profit or loss		193,491
Items that will not be reclassified subsequently to profit or loss		
Losses on remeasurements of post-employment benefit obligations	23.1	(82,122)
Gains (losses) on equity instruments measured at fair value through other comprehensive income		1,843,070
Gains on fair value of fair value hedges for equity instruments measured at fair value through other comprehensive income		180,191
Items in other comprehensive income transferred to retained earnings		241,165
Income tax relating to items that will not be reclassified to profit or loss	20	(436,461)
Total items that will not be reclassified subsequently to profit or loss		1,745,843
Other comprehensive income for the year, net of tax		1,939,334
Total comprehensive income for the year		9,673,486
Basic earnings per share (Baht)	40	26.22
		24.40

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

Allianz Ayudhya Assurance Public Company Limited
Statement of Changes in Equity
For the year ended 31 December 2025

	Retained earnings		Other components of equity							Total equity Thousand Baht	
	Issued and paid-up share capital Thousand Baht	Appropriated reserve - Legal reserve Thousand Baht	Unappropriated reserve Thousand Baht	Gains (losses) from change in value of debt instruments measured at fair value through other comprehensive income, net of tax Thousand Baht	Gains (losses) on fair value of cash flow hedges, net of tax Thousand Baht	Gains (losses) on deferred cost of hedging, net of tax Thousand Baht	Change in insurance contract/ reinsurance reserve, net of tax Thousand Baht	Gains (losses) from change in value of equity instruments measured at fair value through other comprehensive income, net of tax Thousand Baht	Gains (losses) on fair value of fair value hedges for equity instruments measured at fair value through other comprehensive income, net of tax Thousand Baht		
Balance as at 1 January 2025 - previously reported	2,950,000	400,000	11,189,080	4,220,836	1,371,113	212,847	(428,854)	710,884	-	6,086,826	20,625,906
Retrospective adjustments from changes in accounting policy (Note 4)	-	-	(1,840,322)	(6,829)	-	-	(4,017,968)	(3,472,063)	580,246	(6,916,614)	(8,556,936)
Balance as at 1 January 2025 - restated	2,950,000	400,000	9,348,758	4,214,007	1,371,113	212,847	(4,446,822)	(2,761,179)	580,246	(829,788)	12,068,970
Transaction with shareholders, recorded directly in equity	-	-	(1,817,200)	-	-	-	-	-	-	-	(1,817,200)
Dividends to shareholders of the Company (Note 29)	-	-	7,734,152	-	-	-	-	-	-	-	7,734,152
Net profit	-	-	-	-	-	-	-	-	-	-	-
Other comprehensive income (expense)	-	-	-	-	-	-	-	-	-	-	-
Gains from change in value of debt instruments measured at fair value through other comprehensive income, net of tax	-	-	-	5,982,153	-	-	-	-	-	-	5,982,153
Gains on fair value of cash flow hedges, net of tax	-	-	-	-	2,154,045	-	-	-	-	-	2,154,045
Losses on deferred cost of hedging, net of tax	-	-	-	-	-	(282,494)	-	-	-	-	(282,494)
Finance expenses from insurance contracts issued, net of tax	-	-	-	-	-	-	(6,327,869)	-	-	-	(6,327,869)
Finance income from reinsurance contracts held, net of tax	-	-	-	-	-	-	9,987	-	-	-	9,987
Items in other comprehensive income transferred to profit or loss, net of tax	-	-	-	(210,889)	(1,144,446)	13,002	-	-	-	-	(1,342,333)
Losses on remeasurements of post-employment benefit obligations, net of tax	-	-	(65,698)	-	-	-	-	-	-	-	(65,698)
Gains from change in value of equity instruments measured at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	-	1,474,455	-	-	1,474,455
Gains on fair value of fair value hedges for equity instruments measured at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	-	-	144,156	-	144,156
Items in other comprehensive income transferred to retained earnings, net of tax	-	-	(192,932)	-	-	-	-	535,847	(342,915)	-	192,932
Total comprehensive income (expense) for the year	-	-	7,475,522	5,771,264	1,009,539	(269,492)	(6,317,882)	2,010,302	(198,759)	2,005,032	9,480,554
Balance as at 31 December 2025	2,950,000	400,000	15,207,080	9,985,271	2,380,712	(56,645)	(10,764,704)	(750,877)	381,487	1,175,244	19,732,324

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

	Retained earnings		Other components of equity						Total other components of equity	Total equity
	Issued and paid-up share capital	Appropriated - Legal reserve	Gains (losses) on fair value of debt instruments measured at fair value through other comprehensive income, net of tax	Gains (losses) on fair value of cash flow hedges, net of tax	Gains (losses) on deferred cost of hedging, net of tax	Change in insurance contract/ reserve, net of tax	Gains (losses) from change in value of equity instruments measured at fair value through other comprehensive income, net of tax	Gains (losses) on fair value of fair value hedges for equity instruments measured at fair value through other comprehensive income, net of tax		
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Balance as at 1 January 2024 - previously reported	2,950,000	400,000	11,308,354	550,521	156,639	126,504	162,893	-	14,547,519	
Retrospective adjustments from changes in accounting policy (Note 4)	-	-	(6,458,320)	242,371	-	(983,077)	(2,000,708)	22,991	(9,176,743)	
Balance as at 1 January 2024 - restated	2,950,000	400,000	4,850,034	885,011	156,639	(856,573)	(1,817,825)	22,991	5,370,776	
Transaction with shareholders, recorded directly in equity	-	-	-	-	-	-	-	-	-	
Dividends to shareholders of the Company (Note 28)	-	-	(1,899,800)	-	-	-	-	-	(1,899,800)	
Comprehensive income (expense) for the year	-	-	7,199,262	-	-	-	-	-	7,199,262	
Net profit	-	-	-	-	-	-	-	-	-	
Other comprehensive income (expense)	-	-	-	-	-	-	-	-	-	
Gains from change in value of debt instruments measured at fair value through other comprehensive income, net of tax	-	-	5,120,398	-	-	-	-	-	5,120,398	
Gains on fair value of cash flow hedges, net of tax	-	-	-	1,028,953	-	-	-	-	1,028,953	
Gains on deferred cost of hedging, net of tax	-	-	-	-	56,208	-	-	-	56,208	
Finance expenses from insurance contracts issued, net of tax	-	-	-	-	(3,586,915)	-	-	-	(3,586,915)	
Finance expenses from reinsurance contracts held, net of tax	-	-	-	-	(3,334)	-	-	-	(3,334)	
Items in other comprehensive income transferred to profit or loss, net of tax	-	-	-	(21,380)	-	-	-	-	(229,741)	
Losses on remeasurements of post-employment benefit obligations, net of tax	-	-	(36,750)	-	-	-	-	-	(36,750)	
Losses from change in value of equity instruments measured at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	(1,461,380)	-	(1,461,380)	
Gains on fair value of fair value hedges for equity instruments measured at fair value through other comprehensive income, net of tax	-	-	-	-	-	-	-	511,293	511,293	
Items in other comprehensive income transferred to retained earnings, net of tax	-	-	(563,988)	-	-	-	518,026	45,962	563,988	
Total comprehensive income (expense) for the year	-	-	6,598,524	820,592	56,208	(3,590,249)	(943,354)	557,255	1,999,470	
Balance as at 31 December 2024	2,950,000	400,000	9,548,758	1,371,113	212,847	(4,446,822)	(2,761,179)	580,246	12,068,970	

Allianz Ayudhya Assurance Public Company Limited

Statement of Cash Flows

For the year ended 31 December 2025

		(Restated)
		2025
		2024
	Notes	Thousand Baht
		Thousand Baht
Cash flows from operating activities		
Premiums received	22	42,703,754
Premiums paid net of directly attributable expenses paid	22	(533,983)
Recoveries from reinsurance	22	2,197,585
Interest received		4,458,420
Dividends received		1,371,490
Other income		82,577
Claims and directly attributable expenses paid	22	(34,966,255)
Insurance acquisition cash flows	22	(8,448,663)
Other operating expenses		(831,136)
Income tax expense		(839,552)
Cash received for financial assets		27,629,956
Cash paid from financial assets		(30,855,328)
Cash received (paid) from loans		300
Deposits		(1,316)
Net cash flow provided by operating activities		1,967,849
Cash flows from investing activities		
Cash received from selling property, plant and equipment		41
Cash paid for purchasing property, plant and equipment	17	(73,736)
Cash paid for purchasing or developing intangible assets	19	(113,263)
Net cash flow used in investing activities		(186,958)
Cash flows from financing activities		
Cash paid for lease liabilities		(81,405)
Cash paid for finance cost		(36,855)
Dividends paid	29	(1,817,200)
Net cash flow used in financing activities		(1,935,460)
Net increase (decrease) in cash and cash equivalents		(154,569)
Cash and cash equivalents as at 1 January		18,271,311
Exchange rate losses on cash and cash equivalents		(21,321)
Cash and cash equivalents as at 31 December		18,095,421
<u>Less</u> Allowance for expected credit loss		(116)
Cash and cash equivalents as at 31 December	12	18,095,305
Supplemental cash flows information		
Significant non-cash items		
Acquisition of right-of-use assets	18	27,012
Lease liability write-off and modification		50,091

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

1 General information

Allianz Ayudhya Assurance Public Company Limited ("the Company") was first incorporated in Thailand under the name of Sri Ayudhya Life Assurance Company Limited on 11 April 1951 and the Company was granted its license to operate as a life insurance Company on 20 April 1951.

Its registered office is located at 898 Ploenchit Tower, Ploenchit Road, Lumpini, Pathumwan, Bangkok.

The immediate parent companies are CPRN (Thailand) Limited and Allianz Ayudhya Capital Public Company Limited which were incorporated in Thailand and Allianz Asia Holding Pte. Ltd which was incorporated in Singapore, holding 34.75%, 31.97% and 16.10% of shares, respectively, and the ultimate parent Company is Allianz SE which was incorporated in Germany.

The principal business of the Company is the provision of life insurance business.

The financial statements were approved by the Board of Directors on 24 February 2026.

2 Basis of preparation

The financial statements have been prepared in accordance with with Thai Financial Reporting Standards ("TFRS"). In addition, the financial statements presentation are based on the formats of life insurance financial statements attached in an Office of Insurance Commission's notification "Principle, methodology, condition and timing for preparation, submission and reporting of financial statements and operation performance for life insurance company B.E. 2566" dated on 8 February 2023 ('OIC Notification') and the additional disclosures in accordance with the aforementioned OIC Notification have been made in the notes to financial statements.

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

The preparation of financial statements in conformity with TFRS requires management to use certain critical accounting estimates and to exercise its judgement in applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas that are more likely to be materially adjusted due to changes in estimates and assumptions are disclosed in Note 8.

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

3 New and amended financial reporting standards

3.1 New financial reporting standard that is effective for the accounting period beginning on or after 1 January 2025 which is relevant and has significant impacts on the Company

TFRS 17 Insurance Contracts the Company adopted TFRS 17 Insurance Contracts on 1 January 2025, applying Full Retrospective Approach and Fair Value Approach. This transition to the new financial reporting standard resulted in significant changes to the accounting policies. The impacts from initial application of the new financial reporting standards were disclosed in Note 4.

3.2 Amended financial reporting standard that is effective for the accounting period beginning on or after 1 January 2026 which is relevant to the Company

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

This amended TFRS was not mandatory for the current reporting period and the Company has not early adopted it.

4 Changes in accounting policy

4.1 Impacts from initial application of the new financial reporting standards and changes in accounting policy

This note explains the impact of the initial application of TFRS 17 Insurance Contracts, TFRS 7 Financial Instruments: Disclosure and TFRS 9 Financial Instruments on the Company's financial statements on 1 January 2025. The retrospective adjustments from changes in accounting policy applied from 1 January 2022 (Transition date) were disclosed in Note 5

TFRS 7 and TFRS 9 are effective for the accounting period beginning on or after 1 January 2020. However, The Company passes criteria and elect to apply temporary exemption from the standards under TFRS 4 Insurance Contracts. The Company applies the 'Financial Instruments and Disclosure for Insurance Companies' accounting guidelines' ('The Accounting Guidance') for financial statement preparation for the prior period. On 1 January 2025, the Company applied retrospective application in the adoption of both financial reporting standards, with a corresponding TFRS 17, which is effective for the accounting period beginning on or after 1 January 2025.

On 1 January 2025, the Company applied retrospectively for the changes in accounting policy for the following topics.

- Fair value measurement of investment in securities previously measured based on bid price to be measured based on close price.
- Changes in classification of short-term investments from debt instruments - financial assets to cash and cash equivalents by changing the interpretation of the cash and cash equivalents classification period from the original 92 days to 100 days, in accordance with the financial reporting standards that specify a period of 3 months and from measured at fair value through other comprehensive income to measured at amortised cost to meet the hold to collect business model

The impact of first-time adoption of new financial reporting standards and changes in accounting policy are as follows:

Statement of financial position	Notes	Impacts			Changes in accounting policy (Note 4.2) Thousand Baht	1 January 2022 (Transition date) Restated Thousand Baht
		31 December 2021 As previously reported Thousand Baht	TFRS 9 (Note 4.2) Thousand Baht	TFRS 17 Thousand Baht		
Assets						
Cash and cash equivalents, net	4.1 e	6,489,635	-	9,169	3,207,594	9,706,398
Premiums receivable, net		1,417,259	-	(1,417,259)	-	-
Amount due from reinsurance		542,822	-	(542,822)	-	-
Insurance contract assets		-	-	1,113,532	-	1,113,532
Reinsurance contract assets		-	-	1,791,474	-	1,791,474
Debt instruments - financial assets	4.1 a, 4.1 e	-	173,654,989	934,166	(3,207,563)	171,381,592
Equity instruments - financial assets	4.1 a, 4.1 d	-	24,092,190	-	125,468	24,217,658
Investments in securities net		195,497,550	(195,497,550)	-	-	-
Investment assets held to cover linked liabilities		943,335	-	(943,335)	-	-
Loans and accrued interest receivable		9,748,164	-	(9,742,029)	-	6,135
Deferred tax (assets) liabilities		(1,377,610)	(456,118)	5,675,108	(25,100)	3,816,280
Other asset, net		1,528,802	-	(6,778)	-	1,522,024
Total assets affected		214,789,957	1,793,511	(3,128,774)	100,399	213,555,093
Liabilities						
Insurance contract liabilities		183,912,401	-	25,773,967	-	209,686,368
Investment contract liabilities		4,306,310	-	(4,306,310)	-	-
Amount due to reinsurers		627,870	-	(627,870)	-	-
Accrued expenses		2,047,767	-	(1,878,386)	-	169,381
Other liabilities		989,890	-	728,930	-	1,718,820
Total liabilities affected		191,884,238	-	19,690,331	-	211,574,569
Unappropriated retained earnings	4.1 a, 4.1 b, 4.1 c, 4.1 d	11,279,937	1,539,486	(15,198,138)	998	(2,377,717)
Other components of equity	4.1 a, 4.1 b, 4.1 c, 4.1 d, 4.1 e	8,839,656	254,025	(7,620,967)	99,401	1,572,115
Total equity affected		20,119,593	1,793,511	(22,819,105)	100,399	(805,602)

Note:

- 4.1 a) Changes in classification and measurement of financial assets (Note 4.2)
4.1 b) Adjustments for hedge accounting impacts with reference to the changes in classification and measurement of financial assets (Note 4.2 i)
4.1 c) Adjustments for impairment of financial assets (Note 4.2)
4.1 d) Changes in accounting policy for the fair value measurement of investment in securities (Note 4.2 g, 4.2 h)
4.1 e) Changes in accounting policy for the classification of short-term investments from debt instruments - financial assets to cash and cash equivalents and from measured at fair value through other comprehensive income to measured at amortised cost.

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

Statement of financial position	Notes	31 December 2023 As previously reported Thousand Baht	Impacts			31 December 2023 Restated Thousand Baht
			TFRS 9 Thousand Baht	TFRS 17 Thousand Baht	Changes in accounting policy Thousand Baht	
Assets						
Cash and cash equivalents, net	4.1 e	9,162,094	-	21,667	5,552,298	14,736,059
Premiums receivable, net		1,598,021	-	(1,598,021)	-	-
Reinsurance assets		75,167	-	(75,167)	-	-
Amount due from reinsurance		653,012	-	(653,012)	-	-
Insurance contract assets		-	-	844,685	-	844,685
Reinsurance contract assets		-	-	1,617,512	-	1,617,512
Debt instruments - financial assets	4.1 a, 4.1 e	-	173,319,573	1,414,988	(5,551,462)	169,183,099
Equity instruments - financial assets	4.1 a, 4.1 d	-	19,520,881	-	84,646	19,605,527
Investments in securities net		192,100,540	(192,100,540)	-	-	-
Investment assets held to cover		-	-	-	-	-
linked liabilities		1,436,655	-	(1,436,655)	-	-
Loans and accrued interest receivable		9,794,658	-	(9,793,810)	-	848
Deferred tax assets (liabilities)		1,044,751	(132,367)	2,463,658	(17,096)	3,358,946
Other asset, net		1,120,007	-	(1,005)	-	1,119,002
Total assets affected		216,984,905	607,547	(7,195,160)	68,386	210,465,678
Liabilities						
Insurance contract liabilities		195,520,962	-	9,075,282	-	204,596,244
Investment contract liabilities		4,459,473	-	(4,459,473)	-	-
Reinsurance contract liabilities		-	-	6,910	-	6,910
Amount due to reinsurers		727,687	-	(727,687)	-	-
Accrued expenses		2,447,509	-	(2,254,790)	-	192,719
Provision		98,163	-	(3,023)	-	95,140
Other liabilities		860,903	-	1,020,297	-	1,881,200
Total liabilities affected		204,114,697	-	2,657,516	-	206,772,213
Unappropriated retained earnings	4.1 a, 4.1 b, 4.1 c, 4.1 d	11,308,354	2,411,229	(8,869,600)	51	4,850,034
Other components of equity	4.1 a, 4.1 b, 4.1 c, 4.1 d, 4.1 e	(110,835)	(1,803,682)	(983,076)	68,335	(2,829,258)
Total equity affected		11,197,519	607,547	(9,852,676)	68,386	2,020,776

Note:

- 4.1 a) Changes in classification and measurement of financial assets
- 4.1 b) Adjustments for hedge accounting impacts with reference to the changes in classification and measurement of financial assets
- 4.1 c) Adjustments for impairment of financial assets
- 4.1 d) Changes in accounting policy for the fair value measurement of investment in securities
- 4.1 e) Changes in accounting policy for the classification of short-term investments from debt instruments - financial assets to cash and cash equivalents and from measured at fair value through other comprehensive income to measured at amortised cost

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

Statement of financial position	Notes	31 December 2024 As previously reported Thousand Baht	Impacts			31 December 2024 Restated Thousand Baht
			TFRS 9 Thousand Baht	TFRS 17 Thousand Baht	Changes in accounting policy Thousand Baht	
Assets						
Cash and cash equivalents, net	4.1 e	13,872,441	-	16,646	4,382,135	18,271,222
Premiums receivable, net		1,805,030	-	(1,805,030)	-	-
Reinsurance assets		50,153	-	(50,153)	-	-
Amount due from reinsurance		754,396	-	(754,396)	-	-
Insurance contract assets		-	-	1,025,863	-	1,025,863
Reinsurance contract assets		-	-	1,936,527	-	1,936,527
Debt instruments - financial assets	4.1 a, 4.1 e	-	180,217,271	1,751,853	(4,384,314)	177,584,810
Equity instruments - financial assets	4.1 a, 4.1 d	-	22,419,413	-	95,096	22,514,509
Investments in securities net		201,901,992	(201,901,992)	-	-	-
Investment assets held to cover linked liabilities		1,768,499	-	(1,768,499)	-	-
Loans and accrued interest receivable		10,193,741	-	(10,193,444)	-	297
Deferred tax assets (liabilities)		(195,196)	(117,331)	2,286,646	(18,583)	1,955,536
Other asset, net		514,266	-	(52,307)	-	461,959
Total assets affected		230,665,322	617,361	(7,606,294)	74,334	223,750,723
Liabilities						
Insurance contract liabilities		201,695,131	-	7,713,112	-	209,408,243
Investment contract liabilities		4,515,036	-	(4,515,036)	-	-
Reinsurance contract liabilities		-	-	226,168	-	226,168
Amount due to reinsurers		425,855	-	(425,855)	-	-
Accrued expenses		2,677,352	-	(2,477,477)	-	199,875
Provision		98,956	-	(3,023)	-	95,933
Other liabilities		1,737,338	-	1,124,448	-	2,861,786
Total liabilities affected		211,149,668	-	1,642,337	-	212,792,005
Unappropriated retained earnings	4.1 a, 4.1 b, 4.1c, 4.1 d	11,189,080	3,590,340	(5,230,662)	-	9,548,758
Other components of equity	4.1 a, 4.1 b, 4.1 c, 4.1 d, 4.1 e	6,086,826	(2,972,979)	(4,017,969)	74,334	(829,788)
Total equity affected		17,275,906	617,361	(9,248,631)	74,334	8,718,970

Note:

- 4.1 a) Changes in classification and measurement of financial assets
- 4.1 b) Adjustment for hedge accounting impacts with reference to the changes in classification and measurement of financial assets
- 4.1 c) Adjustments for impairment of financial assets
- 4.1 d) Changes in accounting policy for the fair value measurement of investment in securities
- 4.1 e) Changes in accounting policy for the classification of short-term investments from debt instruments - financial assets to cash and cash equivalents and from measured at fair value through other comprehensive income to measured at amortised cost

4.2 Financial instruments

The impact of TFRS9 and changes in accounting policy on the Company's equity as of 1 January 2022 are as follows:

	Notes	Equity				Retained earnings Thousand Baht
		Gains (losses) from change in value of debt instruments measured at fair value through other comprehensive income Thousand Baht	Gains (losses) from change in value of equity instruments measured at fair value through other comprehensive income Thousand Baht	Gains (losses) on fair value of fair value hedges for equity instruments measured at fair value through other comprehensive income Thousand Baht		
Balance as of 31 December 2021 (Previously reported)		7,714,430	1,139,088	-	11,279,937	
Reclassification of debt instruments measured at amortized cost to fair value through profit or loss (FVPL)	4.2 a	-	-	-	245,910	
Derecognition of allowance for expected credit loss for debt instruments measured at fair value through profit or loss (FVPL)	4.2 b	-	-	-	224	
Reclassification of debt instruments measured at amortized cost to fair value through other comprehensive income (FVOCI)	4.2 c	2,001,584	-	-	-	
Reclassification of allowance for expected credit loss for debt instruments measured at fair value through other comprehensive income (FVOCI)	4.2 d	1,911	-	-	-	
Reclassifications of debt instruments measured at fair value through other comprehensive income to fair value through profit or loss (FVPL)	4.2 e	69,672	-	-	(69,672)	
Reclassifications of equity instruments measured at fair value through other comprehensive income to fair value through profit or loss (FVPL)	4.2 e	-	14,591	-	(14,591)	
Changes in accounting policy for fair value measurement of debt instruments measured at fair value through profit or loss	4.2 f	-	(1,768,199)	-	1,768,199	
Changes in accounting policy for fair value measurement of equity instruments measured at fair value through profit or loss	4.2 g	-	-	-	1,173	
Reclassifications and changes in accounting policy for fair value measurement of equity instruments designated at fair value through other comprehensive income	4.2 g	-	-	-	75	
Adjustment in relation to hedge accounting for equity instruments measured at fair value through other comprehensive income	4.2 h	-	124,220	-	-	
Changes in accounting policy for the classification of short-term investments from debt instruments - financial assets to cash and cash equivalents and from measured at fair value through other comprehensive income to measured at amortised cost	4.2 i	-	-	(2,026)	2,026	
Recognition of deferred tax on the adjustments above		31	-	-	-	
		(414,640)	325,878	405	(386,669)	
Total impact of TFRS9 and changes in accounting policy		1,658,558	(1,303,510)	(1,621)	1,546,675	
Balance as of 1 January 2022 after the impact of TFRS9 and changes in accounting policy (Before TFRS 17 adjustments)		9,372,988	(164,422)	(1,621)	12,826,612	

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

On 1 January 2022, the management has assessed which business models apply to the financial assets and financial liabilities, and has classified its financial instruments into the appropriate TFRS 9 categories as follows.

Debt instruments - Financial assets, Equity instruments - Financial asset, and cash and cash equivalent

Balance as of 31 December 2021 (Previously reported)

	Notes	FVOCI Thousand Baht	FVPL Thousand Baht	Amortised cost Thousand Baht
Reclassifications and measurements of debt instruments measured at amortized cost to fair value through profit or loss (FVPL)	4.2 a	-	1,245,910	(1,000,000)
Derecognition of allowance for expected credit loss for debt instruments measured at fair value through profit or loss (FVPL)	4.2 b	-	-	224
Reclassification and measurements of debt instruments measured at amortized cost to fair value through other comprehensive income (FVOCI)	4.2 c	22,520,057	-	(20,518,473)
Reclassifications of allowance for expected credit loss for debt instruments measured through other comprehensive income	4.2 d	-	-	1,911
Reclassifications of debt instruments measured through other comprehensive income to fair value through profit or loss (FVPL)	4.2 e	(783,422)	783,422	-
Reclassifications of equity instruments measured through other comprehensive income to fair value through profit or loss (FVPL)	4.2 e	(599,234)	599,234	-
Changes in accounting policy for fair value measurement of debt instruments measured at fair value through profit or loss	4.2 g	-	1,173	-
Changes in accounting policy for fair value measurement of equity instruments measured at fair value through profit or loss	4.2 g	-	75	-
Reclassifications and changes in accounting policy for fair value measurement of equity instruments designated at fair value through other comprehensive income	4.2 h	124,220	-	-
Changes in accounting policy for the classification of short-term investments from debt instruments - financial assets to cash and cash equivalents and from measured at fair value through other comprehensive income to measured at amortised cost		(5,438,514)	-	5,438,545
		176,086,342	1,059,987	25,784,191

**Balance as of 1 January 2022 after the impact of TFRS9 and changes in accounting policy
(Before TFRS 17 adjustments)**

		191,909,449	3,689,801	9,706,398
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4.2 a) Reclassifications of debt instruments measured at amortized cost to fair value through profit or loss (FVPL)

On 1 January 2022, certain debt instruments measured at amortized cost amounting to Baht 1,000 million were reclassified to fair value through profit or loss amounting to Baht 1,245.91 million. They do not meet the TFRS 9 criteria for classification at amortised cost, because their cash flows do not represent solely payments of principal and interest.

Fair value gains amounting to Baht 245.91 million were recognized in retained earnings as at 1 January 2022.

4.2 b) Derecognition of allowance for expected credit loss for debt instruments measured at amortized cost to fair value through profit or loss (FVPL)

Referring to Note 4.2 (a), as previously reported as of 31 December 2021, the Company recognized allowance for expected credit loss for investments measured at amortised cost amounting to Baht 0.22 million. On 1 January 2022, as these investments were reclassified to fair value through profit or loss, the allowance for expected credit loss was derecognized through retained earnings.

4.2 c) Reclassifications of debt instruments measured at amortized cost to fair value through other comprehensive income (FVOCI)

On 1 January 2022, certain debt instruments measured at amortized cost amounting to Baht 20,518.47 million were reclassified to fair value through other comprehensive income amounting to Baht 22,520.06 million.

Fair value gains amounting to Baht 2,001.58 million were recognized in other comprehensive income as at 1 January 2022.

4.2 d) Reclassifications of allowance for expected credit loss for debt instruments measured at fair value through other comprehensive income

Referring to Note 4.2 (c), as previously reported as of 31 December 2021, the Company recognized allowance for expected credit loss for investments measured at amortised cost amounting to Baht 1.91 million. On 1 January 2022, as these investments were reclassified to fair value through other comprehensive income, the allowance for expected credit loss was reclassified to other comprehensive income.

4.2 e) Reclassifications of debt instruments and equity instruments measured at fair value through other comprehensive income to fair value through profit or loss (FVPL)

On 1 January 2022, debt instruments and equity instruments measured at fair value through other comprehensive income were reclassified to fair value through profit or loss as these investments are held as short to medium term investments. As a result, the unrealized losses from change in fair value of debt instruments and equity instruments amounting to Baht 69.67 million and 14.59 million, respectively were transferred from other comprehensive income to retained earnings.

4.2 f) Derecognition of allowance for impairment for equity instruments measured at fair value through other comprehensive income

As previously reported as of 31 December 2021, the Company recognized allowance for impairment for equity instruments measured at fair value through other comprehensive income amounting to Baht 1,768.20 million. As of 1 January 2022, in accordance with the impairment criteria under TFRS9, the allowance for impairment was derecognized through retained earnings.

4.2 g) Changes in accounting policy for fair value measurement of debt instruments and equity instruments designated at fair value through other comprehensive income

On 1 January 2022, the Company has changed its accounting policy for fair value measurement of debt instruments and equity instruments designated at fair value through other comprehensive income previously measured based on bid price to close price. The change in fair value was recognized in profit or loss amounting to Baht 1.17 million and Baht 0.08 million, respectively.

4.2 h) Reclassifications and changes in accounting policy for fair value measurement of equity instruments designated at fair value through other comprehensive income

On 1 January 2022, certain debt instruments amounting to Baht 8,670.29 million were reclassified from debt instruments measured at fair value through other comprehensive income to equity instruments designated at fair value through other comprehensive income. In addition, the Company has changed its accounting policy for fair value measurement of all equity instruments designated at fair value through other comprehensive income previously measured based on bid price to close price. The change in fair value was recognized in other comprehensive income amounting to Baht 124.22 million.

4.2 i) Adjustments in relation to hedge accounting for equity instruments measured at fair value through other comprehensive income

As previously reported as of 31 December 2021, foreign exchange gains (losses) on equity instruments measured at fair value through other comprehensive income (hedged item) were recognized in profit or loss as similar to the change in fair value of foreign exchange forward (hedging instrument). On 1 January 2022, in accordance with hedge accounting under TFRS9, the corresponding adjustments were made to transfer the loss impact from retained earnings to the other comprehensive income amounting to Baht 2.03 million.

4.2 j) Reclassifications of financial instruments on adoption of TFRS 9 and changes in accounting policy

On 1 January 2022, the measurement categories and carrying amounts of financial assets and financial liabilities were as follows.

	Notes	Measurement categories		1 January 2022		New carrying amount Thousand Baht	
		Previously reported	Restated	Previously reported Thousand Baht	Changes in accounting policy Thousand bath		
Financial assets							
Cash and cash equivalents		FVOCI	Amortised cost	5,438,514	31	5,438,545	
Debt instruments	4.2 a, 4.2 b	Amortised cost	FVPL	999,776	246,134	1,245,910	
Debt instruments	4.2 c, 4.2 d	Amortised cost	FVOCI	20,516,562	2,003,495	22,520,057	
Debt instruments	4.2 e, 4.2 g	FVOCI	FVPL	783,422	1,173	784,595	
Equity instruments	4.2 e, 4.2 g	FVOCI	FVPL	599,234	75	599,309	
Debt instruments	4.2 h	FVOCI	FVOCI	8,670,293	(8,670,293)	-	
Equity instruments	4.2 h	FVOCI	FVOCI	14,823,837	8,794,513	23,618,350	
				1 January 2022 Carrying amounts - previously reported Thousand Baht	Change in carrying amounts Reclassification	1 January 2022 Carrying amounts - restated Thousand Baht	
Financial assets							
1. Amortised cost							
- Cash and cash equivalents				6,489,635	3,216,732	31	9,706,398
- Debt instruments - financial assets				21,516,338	(21,516,338)	-	-
Total				28,005,973	(18,299,606)	31	9,706,398
2. Fair value through profit or loss							
- Debt instruments - financial assets				335,012	2,508,174	247,307	3,090,493
- Equity instruments - financial assets				724,976	(125,742)	75	599,309
Total				1,059,988	2,382,432	247,382	3,689,802
3. Fair value through other comprehensive income							
- Debt instruments - financial assets				158,432,320	7,855,284	2,003,495	168,291,099
- Equity instruments - financial assets				15,423,070	8,071,059	124,220	23,618,349
Total				173,855,390	15,926,343	2,127,715	191,909,448

5 Accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below:

5.1 Foreign currency translation

(a) Functional and presentation currency

Financial statements are shown in Thai Baht, which is functional currency and presentation currency of the Company.

(b) Foreign currency transactions

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 are translated to the functional currency using the exchange rate at the reporting date.

5.2 Insurance contracts and reinsurance contracts

Insurance contract

Insurance contract is a contract that transfers significant insurance risk and under which the Company (the issuer) accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder.

TFRS17 insurance contracts liabilities is the total of fulfilment cash flows, which represents the total of present value of best estimate future cash flows arising from the contract and risk adjustment for non-financial risks, and contractual service margin.

a) Separating components

TFRS 17 requires the Company to separate other components from the host insurance contract, such as investment components, embedded derivatives or a component for services other than insurance contracts services. The Company must apply other related financial reporting standards for those separating components.

Investment component is the amount that an insurance contract requires the entity to repay to a policyholder in all circumstances, regardless of whether an insured event occurs. The Company will separate an investment component from a host insurance contract only if, that investment component is distinct and has commercial value (Distinct Investment Component). If all conditions of the investment component that has not been separated from the host insurance contract (Non-Distinct Investment Component), such as Profit sharing, are met, the Company must apply TFRS 17. However, the Company will separately recognise an investment component that has not been separated from the host insurance contract from insurance revenue and insurance services expenses.

b) Measurement

According to TFRS 17, there are three measurement models. Insurance contracts

- with direct participation features (DPF) are measured under with the Variable Fee Approach (VFA); or
- without direct participation features (DPF) are measured under the General Measurement Model (GMM); or
- without direct participation features can be measured under the Premium Allocation Approach (PAA), if selected instead of GMM and eligibility criteria are fulfilled.

For the measurement of a group of reinsurance contracts held, the Company applies the same accounting policies as insurance contracts issued without direct participation features, with following adjustments:

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

c) Classification

Insurance contracts are classified as contracts with direct participating features (DPF) or contracts without direct participation features. The classification of insurance contracts forms the basis for the measurement model applied. Direct participating contracts are contracts for which, at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Company expects to pay the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Company expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

The Company uses judgement to assess whether the amounts expected to be paid to the policyholder constitute a substantial share of the fair value returns on the underlying items.

d) Level of aggregation

To allocate individual insurance contracts to groups of contracts, the Company first defines portfolios which include contracts with similar risks that are managed together. These portfolios are subdivided into groups of contracts on the basis of profitability and annual cohorts which are:

- contracts that are onerous at initial recognition;
- contracts that at initial recognition have no significant possibility of becoming onerous subsequently; and
- a group of remaining contracts.

For insurance contracts issued measured under the PAA, management judgment is required to assess the likelihood of changes in assumptions that could make them onerous and to use profitability estimates for the relevant product group.

Measurement of insurance contracts liabilities under TFRS17 is performed on groups of insurance contracts. In particular, the contracts are grouped based on portfolio classification, profitability of insurance contracts and annual cohorts based on year of issue.

Portfolio classification of insurance contracts is performed by considering similarity of risk and the extent to which contracts are managed together. For contracts with multiple risks, classification is determined based on predominant risk of the contracts. Overview of portfolio grouping is as follows:

	Contract Groups	Portfolio Grouping Consideration	Accounting Basis
Insurance Contract	Traditional non-participating	Long term protection contracts with savings components with benefit payments which are guaranteed at outset as set out in the contract term with no participating features	General measurement model
	Term (pure protection)	Long term pure protection contracts with benefit payments which are guaranteed at outset as set out in the contract term	General measurement model
	Traditional participating	Contract grouping is determined based on product characteristics and the way participating fund is managed: <u>Product characteristics</u> Long term protection contracts with savings with participating features and hence non-guaranteed benefit in addition to guaranteed benefit <u>Participating fund management</u> Contracts which are managed in the same participating fund will have the same contract group	General measurement model applying TFRS17.B132 for the reporting of insurance finance income/expense applicable for indirect participating business
	Unit Linked	Unit linked products which contain both saving and protection component	Variable Fee Measurement model in line with the measurement for insurance contract with direct participation features (TFRS17. B104)
	Short Term Contract	Short term contracts with contract boundary that is less than or equal to one year	Premium Allocation Approach
Reinsurance Contract	Long Term Contract	All reinsurance contract with respect to underlying contracts which have contract boundary that is greater than one year is grouped in same contract group	General measurement model
	Short Term Contract	All reinsurance contract with respect to underlying contracts which have contract boundary that is less than or equal to one year is grouped in same contract group	Premium Allocation Approach

In terms of profitability grouping, contracts are classified into three different groups, i.e. onerous contracts at initial recognition, non-onerous contracts with no significant possibility of becoming onerous and other contracts.

e) Recognition and derecognition

Groups of insurance contracts issued are initially recognised from the earliest of the following:

- the beginning of the coverage period;
- the date when the first payment from the policyholder is due or actually received, if there is no due date; and
- when the Company determines that a group of contracts becomes onerous.

Reinsurance contracts held are recognised as follows:

- a group of reinsurance contracts held that provide proportionate coverage (quota share reinsurance) is recognised at the later of:
 - the beginning of the coverage period of the Company; and
 - the initial recognition of any underlying insurance contract;
- all other groups of reinsurance contracts held are recognised from the beginning of the coverage period of the reinsurance contracts held unless the Company entered into the reinsurance contract held at or before the date when an onerous group of underlying contracts is recognised prior to the beginning of the coverage period of the reinsurance contracts held, in which case the reinsurance contract held is recognised at the same time as the Company of underlying insurance contracts is recognised.

f) Accounting for contract modification and derecognition

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

g) Fulfilment cash flows within contract boundary

The fulfilment cash flows represent the risk adjusted present value of the Company's rights and obligations to the policyholders, comprising the estimates of expected future cash flows, discounting, and an explicit risk adjustment for nonfinancial risk. The estimates of future cash flows comprise all cash flows expected to arise as the insurance contract is fulfilled with an adjustment to reflect the time value of money and the financial risks related to future cash flows. In estimating these future cash flows, the Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. The Company performs regular expense studies and uses judgement to determine the extent to which fixed and variable overheads are directly attributable to fulfilling insurance contracts. 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 premiums from policyholders, payments to (or on behalf of) policyholders, insurance acquisition cash flows, and other costs incurred in fulfilling the contracts. Fulfilment cash flows are determined prospectively at every reporting date, including the date of initial application.

h) Contract boundary

The Company uses the concept of contract boundary to determine what cash flows should be considered in the measurement of groups of insurance contracts.

Cash flows are within the boundary of an insurance contract if they arise from the rights and obligations that exist during the period in which the policyholder is obligated to pay premiums or the Company has a substantive obligation to provide the policyholder with insurance contract services. A substantive obligation ends when:

- a) the Company has the practical ability to reassess the risks of and reprice the particular policyholder or change the level of benefits so that the price fully reflects those risks; or
- b) both of the following criteria are satisfied:
 - i. the Company has the practical ability to reprice the contract or a portfolio of contracts so that the price fully reflects the reassessed risk of that portfolio; and
 - ii. the pricing of premiums up to the date when risks are reassessed does not reflect the risks related to periods beyond the reassessment date.

Riders, representing add-on provisions to a basic insurance policy that provide additional benefits to the policyholder at additional cost, which are attached to the main insurance contracts form part of a single insurance contract with all of the cash flows within its boundary.

Cash flows outside the insurance contracts boundary relate to future insurance contracts and are recognised when those contracts meet the recognition criteria.

Cash flows are within the boundaries of investment contracts with DPF if they result from a substantive obligation of the Company to deliver cash at a present or future date.

For groups of reinsurance contracts held, cash flows are within the contract boundary if they arise from substantive rights and obligations of the Company that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or in which the Company has a substantive right to receive insurance contract services from the reinsurer.

In defining contract boundary of reinsurance held, the Company considers the end of contract boundary from the date when reinsurer has practical ability to reassess risk being transferred or the reinsurance premium, reinsurance contract termination date (when applicable) and substantive right of insurer or reinsurer to terminate cover (subject to notice period).

Future cash flows arising from all underlying contract issued within reinsurance contract boundary are included in the measurement of reinsurance contracts.

The Company recognises the expected recovery from reinsurance held with respect to incurred claims during reporting period from reinsured policies in liabilities of incurred claims of the reinsurance contracts held.

i) Insurance acquisition costs

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Insurance acquisition cash flows are allocated to groups of insurance contracts on a systematic and rational basis. Insurance acquisition cash flows that are directly attributable to a group of insurance contracts are allocated:

- a) to that group; and
- b) to groups that will include insurance contracts that are expected to arise from renewals of the insurance contracts in that group.

Insurance acquisition cash flows not directly attributable to a group of contracts but directly attributable to a portfolio of contracts are allocated to groups of contracts in the portfolio or expected to be in the portfolio.

Cash flows used to acquire insurance coverage that occur before the recognition of the related group of contracts are recognized as an asset. This asset is allocated to each group of contracts to which the cash flows for acquiring insurance coverage are assigned. The asset will be derecognized in whole or in part when the cash flows used to acquire insurance coverage are incorporated into the measurement of the related group of contracts.

Insurance acquisition cash flows assets not yet allocated to a group are assessed for recoverability if facts and circumstances indicate that the assets might be impaired. Impairment losses reduce the carrying amount of these assets and are recognised in insurance service expenses. Previously recognised impairment losses are reversed to the extent that the impairment conditions no longer exist or have improved.

The recoverability assessment is performed in two steps, as follows:

1. The Company must recognize impairment losses in profit or loss and reduce the carrying amount of the asset for cash flows that acquire insurance coverage, so that the carrying amount of this asset does not exceed the expected net cash inflows for the related group of insurance contracts.
2. Additionally, when the Company allocates cash flows used to acquire insurance coverage to the group of contracts expected to arise from the renewal of insurance contracts within that group, these cash flows should not exceed the anticipated net cash inflows for the expected renewals. This amount is determined based on the cash flows expected to be received at the initial recognition of the expected renewal. An impairment loss will be recognized for any excess amount that was not recognized in step (1) above.

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.

j) Risk adjustment for non-financial risk

The risk adjustment reflects the compensation an entity would require for bearing non-financial risks, i.e., the uncertainty of cash flows that arise from insurance contracts, other than the uncertainty arising from financial risks. Such non-financial risks include insurance risks, lapses and expense risk. The Company applies a Cost of Capital approach.

k) Groups of contracts not measured under the PAA

Initial measurement

On initial recognition, the Company measures a group of contracts as the total of:

- a) the fulfilment cash flows, which comprise estimates of future cash flows, an adjustment to reflect time value of money and associated financial risks, and a risk adjustment for non-financial risk; and
- b) the contractual service margin (CSM).

Contractual service margin

The CSM is a component of the carrying amount of the asset or liability for a group of insurance contracts issued representing the unearned profit that the Company will recognise as it provides insurance contract services in the future.

At initial recognition, the CSM is an amount that results in no income or expenses (unless a group of contracts is onerous, or insurance revenue and insurance service expenses are recognised as in (d) below) arising from:

- a. the initial recognition of the FCF;
- b. cash flows arising from the contracts in the group at that date;
- c. the derecognition of any insurance acquisition cash flows asset; and
- d. the derecognition of any other pre-recognition cash flows. Insurance revenue and insurance service expenses are recognised immediately for any such assets derecognised.

When the above calculation results in a net outflow, the group of insurance contracts issued is onerous. A loss from onerous insurance contracts is recognised in profit or loss immediately, with no CSM recognised on the balance sheet on initial recognition, and a loss component is established in the amount of loss recognised.

For groups of reinsurance contracts held, any net gain or loss at initial recognition is recognised as the CSM unless the net cost of purchasing reinsurance relates to past events that occurred before the purchase of group of reinsurance contracts held, in which case the Company recognises the net cost immediately in profit or loss.

For reinsurance contracts held, the CSM represents a deferred gain or loss that the Company will recognise as a reinsurance expense as it receives insurance contract services from the reinsurer in the future. CSM at initial recognition is calculated as the sum of:

- a. the initial recognition of the FCF;
- b. cash flows arising from the contracts in the group at that date;
- c. the amount derecognised at the date of initial recognition of any asset or liability previously recognised for cash flows related to the group of reinsurance contracts held (other pre-recognition cash flows); and
- d. any income recognised in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised in (d) above. This amount is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contracts held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Company applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

Subsequent measurement

At subsequent measurement, the CSM gets adjusted for changes in cash flows related to future services and for the interest accretion at interest rates locked-in at initial recognition of the group of contracts. A release from the CSM is recognised in profit or loss each period to reflect the services provided in that period based on "coverage units".

The carrying amount at the end of each reporting period of a group of insurance contracts held is the sum of:

- a. the liabilities remaining coverage, comprising:
 - i. the FCF related to future service allocated to the group at that date;
 - ii. the CSM of the group at that date;
- b. the liabilities for incurred claims, comprising the FCF related to past service allocated to the group at the reporting date

Changes in fulfilment cash flows

The FCF are updated by the Company for current assumptions at the end of every reporting period, using the current estimates of the amount, timing and uncertainty of future cash flows and of discount rates.

The way in which the changes in estimates of the FCF are treated depends on which estimate is being updated:

- a. changes that relate to current or past service are recognised in profit or loss; and
- b. changes that relate to future service are recognised by adjusting the CSM or the loss component within the LRC.

For insurance contracts under the GMM, the following adjustments relate to future service and thus adjust the CSM:

- a. experience adjustments - arising from premiums received in the period that relate to future service and related cash flows such as insurance acquisition cash flows and premium-based taxes;
- b. changes in estimates of the present value of future cash flows in the LRC, except to the extent that such change exceed carrying amount of CSM resulting in a loss or such change are allocated to loss component of LRC;
- c. differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period, determined by comparing (i) the actual investment component that becomes payable in a period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable; and
- d. changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments (a), (b) and (d) above are measured using discount rates determined on initial recognition (the locked-in discount rates).

For insurance contracts under the GMM, the following adjustments do not adjust the CSM:

- a. changes in the FCF for the effect of the time value of money and the effect of financial risk and changes thereof;
- b. changes in the FCF relating to the LIC;
- c. experience adjustments - arising from premiums received in the period that do not relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes; and
- d. experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows)

For insurance contracts under the VFA, the following adjustments relate to future service and thus adjust the CSM:

- a. changes in the amount of the Company's share of the fair value of the underlying items; and
- b. changes in the FCF that do not vary based on the returns of underlying items:
 - i. changes in the effect of the time value of money and financial risks including the effect of financial guarantees;
 - ii. experience adjustments arising from premiums received in the period that relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes;
 - iii. changes in estimates of the present value of future cash flows in the LRC, except to the extent that such change exceed carrying amount of CSM resulting in a loss or such change are allocated to loss component of LRC;
 - iv. differences between any investment component expected to become payable in the period and the actual investment component that becomes payable in the period, determined by comparing (i) the actual investment component that becomes payable in a period with (ii) the payment in the period that was expected at the start of the period plus any insurance finance income or expenses related to that expected payment before it becomes payable; and
 - v. changes in the risk adjustment for non-financial risk that relate to future service.

Adjustments (ii), (iii) and (v) are measured using the current discount rates.

For insurance contracts under the VFA, the following adjustments do not adjust the CSM:

- a. changes in the obligation to pay the policyholder the amount equal to the fair value of the underlying items;
- b. changes in the FCF that do not vary based on the returns of underlying items:
 - i. changes in the FCF relating to the LIC; and
 - ii. experience adjustments arising from premiums received in the period that do not relate to future service and related cash flows, such as insurance acquisition cash flows and premium-based taxes; and
 - iii. experience adjustments relating to insurance service expenses (excluding insurance acquisition cash flows).

Changes to the contractual service margin

For insurance contracts issued, at the end of each reporting period the carrying amount of the CSM is adjusted by the Company to reflect the effect of the following changes:

- a. The effect of any new contracts added to the group.
- b. For contracts measured under the GMM, interest accreted on the carrying amount of the CSM.
- c. Changes in the FCF relating to future service are recognised by adjusting the CSM. Changes in the FCF are recognised in the CSM to the extent that the CSM is available. When an increase in the FCF exceeds the carrying amount of the CSM, the CSM is reduced to zero, the excess is recognised in insurance service expenses and a loss component is recognised within the LRC. When the CSM is zero, changes in the FCF adjust the loss component within the LRC with correspondence to insurance service expenses. The excess of any decrease in the FCF over the loss component reduces the loss component to zero and reinstates the CSM.
- d. The effect of any currency exchange differences.
- e. The amount recognised as insurance revenue for insurance contract services provided during the period, determined after all other adjustments above.

The Company has made an accounting policy choice to apply the year-to-date approach for the accounting for insurance contracts. Therefore, the treatment of accounting estimates made in previous interim financial statements may change under IFRS 17 in subsequent interim financial statements and in the annual reporting period.

For reinsurance contracts held, at the end of each reporting period, the carrying amount of the CSM is adjusted by the Company to reflect the effect of the following changes:

- a. The effect of any new contracts added to the group.
- b. Interest accreted on the carrying amount of the CSM.
- c. Income recognised in profit or loss when the entity recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group. A loss-recovery component is established or adjusted within the remaining coverage for reinsurance contracts held for the amount of income recognised.
- d. Reversals of a loss-recovery component other than changes in the FCF of reinsurance contracts held.
- e. Changes in the FCF, to the extent that the change relates to future service, unless the change results from a change in FCF allocated to a group of underlying insurance contracts that does not adjust the CSM for the group of underlying insurance contracts.
- f. The effect of any currency exchange differences.
- g. The amount recognised in profit or loss for insurance contract services received during the period, determined after all other adjustments above.

Income referred to in (c) above is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contract held that is entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

For the purposes of (c)-(e) above, when underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Company applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

The Company does not have any reinsurance contracts held measured under the GMM with underlying contracts measured under the PAA.

Interest accretion on the CSM

Under the GMM, interest accretion on the CSM is calculated using locked-in rate determined at initial recognition for each respective group of contract. As the locked-in rate is cash-flow duration dependent in nature, the interest accretion is based on weighted-average discount rate using discounted coverage unit as the weight. In terms of locked-in rate, the rate used for given cohort of issue year is determined based on weighted average of quarterly locked-in rate.

Adjusting the CSM for changes in the FCF relating to future service

The CSM is adjusted for changes in the FCF, measured applying the discount rates as specified in the Changes in fulfilment cash flows section above.

Release of the CSM to profit or loss

The amount of the CSM recognised in profit or loss for insurance contract services in the period is determined by the allocation of the CSM remaining at the end of the reporting period over the current and remaining expected coverage period of the group of insurance contracts based on coverage units.

The coverage period is defined as a period during which the entity provides insurance contract services. Insurance contract services include coverage for an insured event (insurance coverage), the generation of an investment return for the policyholder, if applicable (investment-return service) for the contracts under the GMM, and the management of underlying items on behalf of the policyholder (investment-related service) for the contracts under the VFA. The period of investment-return service or investment-related service ends at or before the date when all amounts due to current policyholders relating to those services have been paid. Investment-return services are provided only when an investment component exists in insurance contracts or the policyholder has a right to withdraw an amount, and the Company expects these amounts to include an investment return that is achieved by the Company by performing investment activities to generate that investment return.

For contracts issued, the Company determines the coverage period for the CSM recognition as follows:

- a. for direct participating contracts, insurance coverage period is within the period of investment-related services and, thus, the coverage period is determined by the period in which investment-related services are expected to be provided;
- b. for term life insurance contracts, no investment-return services are provided and, thus, the coverage period is determined by insurance coverage.

The total number of coverage units in a group is the quantity of service provided by the contracts in the group over the expected coverage period. Coverage units for each group of contracts are determined at each reporting period-end prospectively by considering:

- a. the quantity of benefits provided;
- b. the expected coverage period of the group of contracts, taking into account the likelihood of insured events occurring; and
- c. the time value of money.

The Company reflects the time value of money in the allocation of the CSM to coverage units, using discount rates determined at initial recognition that are applied to nominal cash flows that do not vary based on the returns of underlying items.

For reinsurance contracts held, the CSM is released to profit or loss as insurance contract services are received from the reinsurer in the period.

Coverage units for the proportionate term life reinsurance contracts held are based on the insurance coverage provided by the reinsurer, and they are determined by the ceded policies' fixed face values.

The coverage period for these contracts is determined based on the coverage period of all underlying contracts whose cash flows are included in the reinsurance contract boundary.

Onerous contracts - Loss component

When adjustments to the CSM exceed the amount of the CSM, the group of contracts becomes onerous and the Company recognises the excess in insurance service expenses, and it records the excess as a loss component of the LRC.

When a loss component exists, subsequent changes to the LRC need to be allocated separately and systematically between the loss component and the remaining in the LRC. Part of the change allocated to the loss component is excluded from insurance revenue

Decreases in the FCF relating to future service in subsequent periods reduce the remaining loss component and reinstate the CSM after the loss component is reduced to zero. Increases in the FCF relating to future service in subsequent periods increase the loss component.

Reinsurance contracts held - Loss-recovery component

A loss-recovery component is established or adjusted within the asset for remaining coverage for reinsurance contracts held for the amount of income recognised in profit or loss when the Company recognises a loss on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group.

Subsequently, the loss-recovery component is adjusted to reflect changes in the loss component of an onerous group of underlying insurance contracts. The loss-recovery component is further adjusted, if required, to ensure that it does not exceed the portion of the carrying amount of the loss component of the onerous group of underlying insurance contracts that the Company expects to recover from the group of reinsurance contracts held.

The loss-recovery component determines the amounts that are presented as a reduction of incurred claims recovery from reinsurance contracts held and are consequently excluded from the reinsurance expenses determination.

l) Groups of contracts measured under the PAA

The Company uses the PAA for measuring contracts with a coverage period of one year or less and for groups of contracts where it is reasonably expected that the measurement of the LRC does not differ materially from the one that would be produced by applying the GMM or the VFA.

For insurance contracts issued, insurance acquisition cash flows allocated to a group are deferred and recognised over the coverage period of contracts in a group. For reinsurance contracts held, broker fees are recognised over the coverage period of contracts in a group.

Initial measurement

For insurance contracts issued, on initial recognition, the Company measures the LRC at the amount of premiums received, less any acquisition cash flows paid and any amounts arising from the derecognition of the insurance acquisition cash flows asset and the derecognition of any other relevant pre-recognition cash flows.

For reinsurance contracts held, on initial recognition, the Company measures the remaining coverage at the amount of ceding premiums paid, plus broker fees paid to a party other than the reinsurer and any amounts arising from the derecognition of any other relevant pre-recognition cash flows.

The carrying amount of a group of insurance contracts issued at the end of each reporting period is the sum of:

- a. the LRC; and
- b. the LIC, comprising the FCF related to past service allocated to the group at the reporting date.

The carrying amount of a group of reinsurance contracts held at the end of each reporting period is the sum of:

- a. the remaining coverage; and
- b. the incurred claims, comprising the FCF related to past service allocated to the group at the reporting date.

Subsequent measurement

For insurance contracts issued, at each of the subsequent reporting dates, the LRC is:

- a. increased for premiums received in the period, excluding amounts that relate to premium receivables included in the LIC;
- b. decreased for insurance acquisition cash flows paid in the period;
- c. decreased for the amounts of expected premium receipts recognised as insurance revenue for the services provided in the period; and
- d. increased for the amortisation of insurance acquisition cash flows in the period recognised as insurance service expenses.

For reinsurance contracts held, at each of the subsequent reporting dates, the remaining coverage is:

- a. increased for ceding premiums paid in the period;
- b. increased for broker fees paid in the period; and
- c. decreased for the expected amounts of ceding premiums and broker fees recognised as reinsurance expenses for the services received in the period.

The Company does not adjust the LRC for insurance contracts issued and the remaining coverage for reinsurance contracts held for the effect of the time value of money, because insurance premiums are due within the coverage period of contracts, which is one year or less.

The Company adjusts the remaining coverage for reinsurance contracts held for the effect of the risk of reinsurer's non-performance.

If facts and circumstances indicate that a group of insurance contracts measured under the PAA is onerous on initial recognition or becomes onerous subsequently, the Company increases the carrying amount of the LRC to the amounts of the FCF determined under the GMM with the amount of such an increase recognised in insurance service expenses, and a loss component is established for the amount of the loss recognised.

Subsequently, the loss component is remeasured at each reporting date as the difference between the amounts of the FCF determined under the GMM relating to the future service and the carrying amount of the LRC without the loss component.

Where applicable, resulting changes in the loss component are disaggregated between insurance service expenses and insurance finance income or expenses for the effect of the time value of money, financial risk and effect of changes therein.

When a loss is recognised on initial recognition of an onerous group of underlying insurance contracts or on addition of onerous underlying insurance contracts to that group, the carrying amount of the asset for remaining coverage for reinsurance contracts held measured under the PAA is increased by the amount of income recognised in profit or loss and a loss-recovery component is established or adjusted for the amount of income recognised.

The referred income is calculated by multiplying the loss recognised on underlying insurance contracts by the percentage of claims on underlying insurance contracts that the Company expects to recover from the reinsurance contract held that are entered into before or at the same time as the loss is recognised on the underlying insurance contracts.

When underlying insurance contracts are included in the same group with insurance contracts issued that are not reinsured, the Company applies a systematic and rational method of allocation to determine the portion of losses that relates to underlying insurance contracts.

5.3 Financial assets

a) Recognition and derecognition

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

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

b) Classification and measurement

Debt instruments

The Company classifies its debt instrument financial assets depending on i) business model for managing the asset and ii) the cash flow characteristics of the asset whether they represent solely payments of principal and interest (SPPI).

Financial assets with embedded derivatives are considered in their entirety when determining whether the cash flows are solely payment of principal and interest (SPPI).

There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised cost:** Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in investment income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in net gains or losses from financial assets. Impairment losses are presented as a separate line item in the statement of comprehensive income.
- **Fair value through other comprehensive income (FVOCI):** Financial assets that are held for i) collection of contractual cash flows; and ii) for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income (OCI), except i) for the recognition of impairment losses (reversal), ii) interest income using the effective interest method, and iii) foreign exchange gains or losses which are recognised in profit or loss. When the financial assets is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and presented in net gains or losses from financial instruments. Interest income presented in investment income. Impairment expenses are presented separately in the statement of comprehensive income.

- Fair value through profit or loss (FVPL): Financial assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within fair value gains (losses) on financial instruments in the period in which it arises.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

Equity instruments

Except for equity instruments held for trading, which are measured at FVPL, the Company makes an irrevocable election at the time of initial recognition, classifying its equity instruments into two measurement categories.

- FVPL: the equity instruments are measured at fair value and changes in the fair value are recognised in fair value gains (losses) on financial instruments in the statement of comprehensive income.
- FVOCI: the equity instruments are measured at fair value and changes in the fair value are recognised in OCI. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Impairment losses (and reversal of impairment losses) are not reported separately from other changes in fair value.

Dividends from such investments (FVPL/FVOCI) continue to be recognised in profit or loss as investment income when the right to receive payments is established.

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

c) Impairment

The Company measures expected credit losses using the following methods

- a) Simplified approach : The Company uses the simplified approach to calculate the allowance for expected credit losses, considering the expected credit losses over the lifetime for other receivables.
- b) General approach : For financial assets that are debt instruments measured at fair value through other comprehensive income and at amortized cost, the Company uses the general approach according to TFRS 9 to measure expected credit losses. This approach requires consideration of expected losses within 12 months or over the asset's lifetime, depending on whether there has been a significant increase in credit risk. The Company recognizes impairment losses from the initial recognition of such financial assets. The Company assesses changes in the credit quality of financial assets in three stages, with each stage defining different methodologies for measuring impairment allowances and calculating effective interest rates, as follows:
 - Stage 1 When the credit risk of financial assets has not increased significantly relative to its initial recognition, allowance for expected credit losses is recognised equal to the credit losses expected from defaults occurring over the next 12 months.
 - Stage 2 When the credit risk of financial assets has increased significantly increase relative to its initial recognition, allowance for expected credit losses is recognised equal to the credit losses expected over the full lifetime of the asset.
 - Stage 3 When financial assets are considered to be credit-impaired, allowance for expected credit losses is recognised equal to the credit losses expected over the full lifetime of the asset.

The Company evaluates the credit risk of the financial assets at the end of each reporting period to determine whether there has been a significant increase since the initial recognition (comparing the risk of default as of the reporting date with the risk of default as of the initial recognition date).

The Company assesses expected credit loss by taking into consideration forward-looking information and past experiences. The expected credit loss is a probability-weighted present value of estimated cash shortfall. The cash shortfall is the difference between all contractual cash flows that are due to the Company and all cash flows expected to receive, discounted at the original effective interest rate.

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

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

5.4 Derivative financial instruments

Derivative financial instruments are used to manage cash flow exposure risk or fair value risk arising from investment activities. Derivative financial instruments are not used for trading purposes. However, derivatives that do not qualify as hedging instruments are accounted for as trading instruments.

Derivatives are recognised initially at fair value; attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, they are remeasured at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify as hedging instruments, recognition of any resultant gain or loss depends on the nature of the item being hedged.

Hedge accounting

The Company designates gains or losses on fair value of cash flow hedges and gains or losses on deferred cost of hedging. The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedge is recognised in other components of equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within fair value gains or losses. The change in foreign currency basis spread or forward point that relates to the hedged items is recognised in the costs of hedge reserve within other component of equity.

Amounts accumulated in equity will be reclassified to profit or loss in the period when the hedged items affect profit or loss when hedging instruments is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting. Any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

The Company recognises the fair value hedges gains or losses on hedging instruments in profit or loss and the carrying amount of the hedged items is adjusted for the corresponding gains or losses in respect to the hedged risk, which is also recognised in profit or loss. For the hedged items which is equity measured at FVOCI, the Company recognises the fair value hedges gains or losses on hedging instruments and its foreign exchange gains or losses in other comprehensive income.

5.5 Property, plant and equipment

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

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

Building	20 years
Computer	3 - 5 years
Office equipment, furniture and fitting	5 - 10 years
Vehicle	5 years

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

5.6 Intangible assets

5.6.1 Computer software

Computer software that is acquired by the Company and has finite useful life is measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives as follows:

Computer software	3 - 10 years
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Amortisation methods, residual values and useful lives are reviewed and adjusted if appropriate at the end of each financial year.

5.6.2 Distribution rights

Distribution rights is presented as intangible assets and recognised at cost incurred to acquire the right. The right is amortised over its estimated useful life within the utilisation period of 5 years.

5.7 Leases - where the Company is the lessee

The Company leases building and equipment. Rental contracts are typically made for fixed periods of 2 to 3 years but may have extension options.

The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis.

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

Right-of-use assets are measured at cost.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise the underlying asset that the value does not exceed Baht 175,000 (EUR 5,000).

5.8 Financial liabilities

Financial liabilities are initially recognised at fair value, subsequently measured at amortised cost and derecognised when the obligation specified in the contract is discharged, cancelled, or expired.

5.9 Current and deferred income taxes

Income tax comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Deferred tax is recognised based on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their value for tax purposes. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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

5.10 Employee benefits

a) Defined benefit plans

Retirement benefits

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit earned from employees' services in the current and prior periods; these benefits are discounted to determine its present value. The discount rate is the yield at the reporting date from government bonds that have maturity dates approximating the terms of the Company's obligations.

The calculation of defined benefit obligations is performed annually 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 OCI. The Company determines the interest expense on the net defined benefit liability 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 as a result of benefit payments.

Long-term employee benefits

Share-based compensation

Allianz SE which is the ultimate parent of the Company, launched share-based compensation plans for the Company's employee, under which the Company receives services from the employees, as consideration for the shares of Allianz SE. The condition of the plans is set by Allianz SE.

The fair value of the employee services received in exchange for the grant of shares or share options is recognised as an expense over the vesting period. The obligation from share-based payment is presented under "Employee benefits obligation" in the statement of financial position.

Long service award

The Company has long service award compensation according to the years of service with the Company. The years of service will be counted since the first working day. The awarded employee must be the Company's employee on the benefit pay out date.

b) Defined contribution plans

Provident fund

The Company established a contributory registered provident fund in accordance with the Provident Fund Act B.E. 2530, being a defined contribution plan. The registered provident fund plan was approved by the Ministry of Finance on 1 January 2017 and 11 January 2017. The provident fund is funded by payments from employees and by contribution from the Company. The assets for which are held in separate funds and managed by 2 qualified fund managers in accordance with the terms and conditions as prescribed in the Ministerial Regulations under Provident Fund Act B.E. 2530. The Company's contributions to the provident fund are charged as expense to the statements of comprehensive income in the financial period to which they relate.

c) 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.

5.11 Provisions

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. The increase in the provision due to passage of time is recognised as interest expense.

5.12 Recognition of revenues and expenses

a) Insurance revenue

For contracts under the GMM or VFA, the insurance revenue is recognized as the Company provides services under groups of insurance contracts and the insurance revenue relating to services provided for each reporting period represents the total of the changes in the LRC 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 provided.
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year, excluding amounts allocated to a potential loss component, repayments of investment components, insurance acquisition expenses, and amounts that relate to transaction based taxes collected on behalf of third parties.
- Amortization of acquisition expenses.
- Other amounts, including experience adjustments for premium receipts for current or past services.

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

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

b) Insurance service expenses

Insurance service expenses include the following:

- a. incurred claims and benefits, excluding investment components reduced by loss component allocations;
- b. other incurred directly attributable expenses, including amounts of any other pre-recognition cash flows assets (other than insurance acquisition cash flows) derecognised at the date of initial recognition;
- c. amortisation of insurance acquisition cash flows: for contracts not measured under the PAA, this is equal to the amount of insurance revenue recognised in the period that relates to recovering insurance acquisition cash flows. For contracts measured under the PAA, the Company amortises insurance acquisition cash flows on a straight - line basis over the coverage period of the group of contracts;
- d. changes that relate to past service - changes in the FCF relating to the LIC; and
- e. changes that relate to future service - changes in the FCF that result in onerous contract losses or reversals of those losses; and
- f. insurance acquisition cash flows assets impairment, net of reversals

c) Net income (expenses) from reinsurance contracts held

The Company presents financial performance of groups of reinsurance contracts held on a net basis in net income (expenses) from reinsurance contracts held, comprising the following amounts:

- a. reinsurance expenses;
- b. for groups of reinsurance contracts measured under the PAA, broker fees are included within reinsurance expenses;
- c. incurred claims recovery, excluding investment components reduced by loss-recovery component allocations;
- d. other incurred directly attributable expenses;
- e. changes that relate to past service - changes in the FCF relating to incurred claims recovery;
- f. effect of changes in the risk of reinsurers' non-performance; and
- g. amounts relating to accounting for onerous groups of underlying insurance contracts issued:
 - i. income on initial recognition of onerous underlying contracts;
 - ii. reinsurance contracts held under the GMM: reversals of a loss -recovery component other than changes in the FCF of reinsurance contracts held; and
 - iii. reinsurance contracts held under the GMM: changes in the FCF of reinsurance contracts held from onerous underlying contracts.

For groups of reinsurance contracts held measured under the GMM, reinsurance expenses comprise the following amounts relating to the changes in the remaining coverage:

- a. claims and other directly attributable expenses recovery in the period, measured at the amounts expected to be incurred at the beginning of the period, excluding:
 - amounts allocated to the loss - recovery component;
 - repayments of investment components; and
 - amounts related to the risk adjustment for non - financial risk;
- b. changes in the risk adjustment for non - financial risk, excluding:
 - changes included in finance income (expenses) from reinsurance contracts held;
 - changes that relate to future coverage (which adjust the CSM); and
 - amounts allocated to the loss - recovery component;
- c. amounts of the CSM recognised for the services received in the period; and
- d. experience adjustments - arising from premiums paid in the period other than those that relate to future service.

For groups of reinsurance contracts held measured under the PAA, the Company recognises reinsurance expenses based on the passage of time over the coverage period of a group of contracts.

Ceding commissions that are not contingent on claims of the underlying contracts issued reduce ceding premiums and are accounted for as part of reinsurance expenses. Ceding commissions that are contingent on claims of the underlying contracts issued are part of incurred claims recovery.

d) Insurance finance income or expenses

Insurance finance income or expenses comprise the change in the carrying amount of the group of insurance contracts arising from the effect of the time value of money and changes in the time value of money; and the effect of financial risk and changes in financial risk.

For the insurance contracts without direct participation features, the main amounts within insurance finance income or expenses are interest accreted on the FCF and the CSM; and the effect of changes in interest rates and other financial assumptions.

For the insurance contracts with direct participation features, insurance finance income or expenses comprise changes in the value of underlying items (excluding additions and withdrawals).

The Company chooses to disaggregate the insurance finance income or expenses other than those arising from the risk mitigation option between profit or loss and other comprehensive income (OCI) based on a systematic allocation. Furthermore, the Company chooses to disaggregate the change in risk adjustment for non-financial risk between a change related to non-financial risk and the effect of the time value of money and changes in the time value of money, which are included in net insurance finance expenses.

For the contracts measured using the VFA, the OCI option is applied. Since the Company holds the underlying items for these contracts, the use of the OCI option results in the elimination of accounting mismatches, with income or expenses included in profit or loss on the underlying assets held. The amount that exactly matches income or expenses recognised in profit or loss on underlying assets is included in finance income or expenses from insurance contracts issued. The remaining amount of finance income or expenses from insurance contracts issued for the period is recognised in OCI.

e) Investment income

Dividend income is recognised in profit or loss on the date the Company's right to receive payments is established.

Interest income is recognised in profit or loss on an accrual basis, except interest on loans overdue more than 6 months is recognised on a cash basis.

5.13 Dividend distribution

Dividend distributed to the Company's shareholders is recognised as a liability when interim dividends are approved by the Board of Directors and the Office of Insurance Commission, and when the annual dividends are approved by the Board of Directors, the shareholders and the Office of Insurance Commission under Section 32 of Life Insurance Act B.E. 2535.

6 Risk management

The company adopts risk management framework which involves identification, measurement, management and monitoring of various risks affecting the company. Effective implementation of this framework enables the company to meet its strategic objective in a sustainable manner. This section discusses key risks which the company is exposed to which include insurance, market and credit risks.

6.1 Insurance risk

Insurance risk arises from actual claim, persistency and attributable expense experience being different from that assumed in the measurement of liabilities.

6.1.1 Mortality and morbidity risk

This refers to the risk that the actual mortality and health related claims (such as medical and critical illness claim) being higher than that assumed in the pricing and liabilities valuation.

This risk is mitigated through combination of established underwriting and claim management process, proper product design and pricing and effective reinsurance arrangement which limits loss exposure. The claim experience is regularly reviewed through experience studies process and emerging experience will be considered in product design and pricing, re-evaluating reinsurance needs, underwriting and claims management.

6.1.2 Concentration risk

Concentration risk refers to likelihood of incurring large financial loss due to concentrated exposure to certain product or risk events. The Company mitigates this risk through product diversification and having reinsurance arrangements in place that limits concentration of loss from single risk events (e.g. catastrophe reinsurance). In terms of product diversification, the Company has diversified product type (non-participating, participating and unit linked) with diversified risks exposure. As of the reporting date, the Company does not have material insurance concentration risk.

The Company has life insurance participating and non-participating contracts with guaranteed benefits. The amount of risk to which the Company is exposed depends on the level of guarantees inherent in the contracts compared the current interest rate.

As of 31 December 2025 and 2024, the balances relating to the insurance contracts of the Company by product type are as follows:

	2025			
	Insurance contracts issued		Reinsurance contracts held	
	Liabilities for remaining coverage	Liabilities for incurred claims	Remaining coverage	Incurred claims
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Non-participating life risk contracts	28,662,567	517,503	(675,750)	536,787
Participating life risk contracts	179,770,240	749,700	-	-
Unit-linked contracts	1,912,923	21,944	-	-
Total	210,305,730	1,289,147	(675,750)	536,787
	(Restated) 2024			
	Insurance contracts issued		Reinsurance contracts held	
	Liabilities for remaining coverage	Liabilities for incurred claims	Remaining coverage	Incurred claims
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Non-participating life risk contracts	31,829,839	599,869	905,810	804,549
Participating life risk contracts	173,963,545	825,760	-	-
Unit-linked contracts	1,702,704	663	-	-
Total	206,956,088	1,426,292	905,810	804,549

6.1.3 Lapse risk

Lapse risk arises from actual surrender or lapse experience being different from that assumed in pricing and liabilities valuation. The risk is mitigated by providing training to reduce mis-selling, ensuring the products sold meeting policyholders' needs and monitoring the persistency respectively.

6.1.4 Expense risk

This refers to the risk that actual expense being higher than that assumed in liabilities valuation. This risk is mitigated through expense control ensuring that actual spending is within expense budget.

6.1.5 Sensitivity analysis to insurance risks

The following table shows sensitivity analysis on profit before tax, CSM and equity to underwriting risk variables (gross of reinsurance).

	2025			(Restated) 2024		
	Impact on profit before tax Thousand Baht	Impact on CSM Thousand Baht	Impact on equity Thousand Baht	Impact on profit before tax Thousand Baht	Impact on CSM Thousand Baht	Impact on equity Thousand Baht
Attributable expenses - increase by 10%	(160,818)	(1,046,766)	(253,077)	(123,708)	(968,030)	(147,204)
Mortality rate - increase by 15% for products with death risk	(136,541)	(923,963)	(118,996)	(106,656)	(824,321)	(85,871)
Mortality rate - decrease by 20% for products with longevity risk	(3,802)	(30,093)	(14,144)	(3,060)	(25,606)	(9,277)
Morbidity rate - increase by 5% for products with morbidity risk	(511,369)	(3,691,024)	(927,880)	(368,377)	(2,901,274)	(463,235)
Surrender rate - increase by 10%	(463,759)	(3,477,494)	(716,081)	(325,802)	(2,702,376)	(401,002)

The following table shows sensitivity analysis on profit before tax, CSM and equity to underwriting risk variables (net of reinsurance).

	2025			(Restated) 2024		
	Impact on profit before tax Thousand Baht	Impact on CSM Thousand Baht	Impact on equity Thousand Baht	Impact on profit before tax Thousand Baht	Impact on CSM Thousand Baht	Impact on equity Thousand Baht
Attributable expenses - increase by 10%	(160,818)	(1,046,766)	(253,077)	(123,708)	(968,030)	(147,204)
Mortality rate - increase by 15% for products with death risk	(130,129)	(923,963)	(110,195)	(102,721)	(824,321)	(81,897)
Mortality rate - decrease by 20% for products with longevity risk	(3,802)	(30,093)	(14,144)	(3,060)	(25,606)	(9,277)
Morbidity rate - increase by 5% for products with morbidity risk	(511,144)	(3,691,024)	(927,513)	(368,185)	(2,901,274)	(463,031)
Surrender rate - increase by 10%	(460,394)	(3,477,494)	(712,231)	(322,536)	(2,702,376)	(398,162)

The sensitivity analysis to change in insurance risks is performed by applying shock from each insurance risk to future best estimate assumption. This change in assumption will affect present value of future cash flow and risk adjustment which adjust CSM.

Impact on operating profit arises from release of the CSM impact and recognition of loss component (if any). In terms of impact on shareholder's equity, it includes impact on net profit and on other comprehensive income (for the contracts measured under general measurement model) due to difference of impact from insurance risk between market and locked-in rate. Note that the impact from insurance risk is before additional management action to mitigate and manage the relevant insurance risk.

6.2 Financial risk

The Company is exposed to a variety of financial risk: market risk (including foreign exchange rate risk, interest rate risk and equity price risk), credit risk and, liquidity risk. The Company's risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. The Company uses derivative financial instruments to hedge certain exposures. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Where all relevant criteria are met, hedge accounting is applied to remove the accounting mismatch on the recognition between the hedging instruments and the hedged items.

Risk management is integral to the 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 which is monitored on a regular basis.

6.2.1 Market risk

a) Foreign exchange rate risk

The Company is exposed to foreign currency risk relating to financial assets for both fixed income and equity which are denominated in foreign currencies. The Company primarily utilises cross currency swap and foreign exchange forward contracts to hedge such foreign currency risk arising from fixed income. Under the company's policy, the critical terms of the cross currency swap must align with the hedged items.

The Company only designates the spot component of foreign currency hedges. The spot component is determined with reference to relevant spot market exchange rates. The difference between the contracted forward rate and the spot market exchange rate is defined as the forward points. It is discounted, where material.

The changes in the foreign currency basis spread of the cross currency swaps that relate to hedged items are deferred in the costs of hedge reserve.

The Company's exposure to foreign exchange rate risk as at 31 December 2025 and 2024, expressed in Baht is as follows:

	2025			(Restated) 2024		
	U.S. Dollar Thousand Baht	Euro Thousand Baht	Others Thousand Baht	U.S. Dollar Thousand Baht	Euro Thousand Baht	Others Thousand Baht
Cash and cash equivalents	7,543	84	255,031	30,210	3	182,067
Financial assets						
Private debt instruments	1,646,401	436,540	-	1,715,697	424,875	-
Foreign debt instruments	21,252,537	316,875	56,338	17,516,603	286,376	55,075
Foreign equity instruments	656,438	-	14,324,215	568,023	-	11,217,403

Effects of hedge accounting on the financial position and performance

As at 31 December 2025 and 2024, foreign currency-related hedging relationships of the Company are designated as cash flow hedges and fair value hedge. The Company has no foreign currency-related hedging instruments that are designated as net investment in foreign operation.

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

	Cross currency swaps	
	2025 Thousand Baht	2024 Thousand Baht
Carrying amount (assets)		
Notional amount	1,684,436	486,844
Change in fair value of the hedging instruments used as the basis for recognising hedge ineffectiveness	23,074,679	11,551,727
Hedging gains recognised in other comprehensive income	-	-
Hedge ineffectiveness recognised in profit or loss	1,042,589	268,757
Reclassification adjustment from cash flow hedge reserve into profit or loss	-	-
Reclassification adjustment from costs of hedge reserve to profit or loss	(789,281)	257,594
	15,533	-
Carrying amount (liabilities)		
Notional amount	17,335	370,450
Change in fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness	957,350	8,174,758
Hedging gains recognised in other comprehensive income	-	-
Hedge ineffectiveness recognised in profit or loss	350,278	209,363
Reclassification adjustment from cash flow hedge reserve into profit or loss	-	-
Reclassification adjustment from costs of hedge reserve to profit or loss	(641,074)	(524,005)
	720	-
	Foreign exchange forwards	
	2025 Thousand Baht	(Restated) 2024 Thousand Baht
Carrying amount (assets)		
Notional amount	112,223	725,310
The carrying amount of the hedged items	7,207,490	9,710,000
Hedging gains recognised in other comprehensive income	7,253,700	8,758,075
Reclassification adjustment from fair value hedge reserve into retained earnings	232,754	843,601
Hedge ineffectiveness recognised in other comprehensive income	84,729	(84,729)
	-	-
Carrying amount (liabilities)		
Notional amount	39,558	-
The carrying amount of the hedged items	4,508,584	-
Hedging losses recognised in other comprehensive income	4,691,256	-
Reclassification adjustment from fair value hedge reserve into retained earnings	(52,563)	(204,483)
Hedge ineffectiveness recognised in other comprehensive income	(513,372)	142,182
	-	-

The Company separately discloses certain hedging instruments according to its position at the end of the reporting period, either as derivative assets or derivative liabilities. The hedge ineffectiveness and reclassification adjustment to profit or loss or other comprehensive income are recognised as fair value gains or losses.

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

	<u>Debt instruments - financial assets</u>	
	<u>2025</u>	<u>2024</u>
	<u>Thousand Baht</u>	<u>Thousand Baht</u>
Change in value of the hedged items used as the basis for recognising hedge ineffectiveness	-	-
Remaining cash flow hedge reserve and costs of hedge reserve for continuing hedges	1,088,651	1,109,886
Remaining cash flow hedge reserve and costs of hedge reserve from any hedging relationships for which hedge accounting is no longer applied	-	-
	<u>Equity instruments - financial assets</u>	
	<u>2025</u>	<u>2024</u>
	<u>Thousand Baht</u>	<u>Thousand Baht</u>
		(Restated)
Change in value of the hedged items used as the basis for recognising hedge ineffectiveness	-	-
Remaining fair value hedge reserve for continuing hedges	476,858	725,310
Remaining fair value hedge reserve from any hedging relationships for which hedge accounting is no longer applied	-	-

- iii) The effects of the foreign currency-related cash flow hedge, costs of hedge and fair value hedge on the Company's financial position and performance are as follows:

	<u>Time period-related hedged items</u>	
	<u>2025</u>	<u>2024</u>
	<u>Thousand Baht</u>	<u>Thousand Baht</u>
Cash flow hedge reserve		
Beginning balance	1,224,889	879,327
Hedging gains recognised in other comprehensive income	1,581,098	611,973
Reclassification to profit or loss	(1,430,355)	(266,411)
Closing balance	1,375,632	1,224,889
Costs of hedge reserve		
Beginning balance	(115,003)	18,850
Hedging losses recognised in other comprehensive income	(188,231)	(133,853)
Reclassification to profit or loss	16,253	-
Closing balance	(286,981)	(115,003)

	Transaction-related hedged items	
	2025 Thousand Baht	(Restated) 2024 Thousand Baht
Fair value hedge reserve		
Beginning balance	725,310	28,739
Hedging gains recognised in other comprehensive income	180,191	639,118
Reclassification to retained earnings	(428,643)	57,453
Closing balance	476,858	725,310

Sensitivity

The Company calculates the impact on the sensitivity of exchange rates. However, the management considers that the Company has no significant effect.

b) Interest rate risk

Interest rate risk arises due to mismatch between asset and liabilities from interest rate movement.

Effects of hedge accounting on the financial position and performance

As at 31 December 2025 and 2024, interest rate-related hedging relationship of the Company is entirely designated as cash flow hedge. The Company has no interest rate-related hedging instruments that designate as fair value hedge or net investment in foreign operation.

i) The effects of the interest rate-related hedging instruments on the Company's financial position and performance are as follows:

	Bond forwards	
	2025 Thousand Baht	2024 Thousand Baht
Carrying amount (assets)		
Notional amount	1,424,323	821,700
Change in fair value of the hedging instruments used as the basis for recognising hedge ineffectiveness	6,610,000	8,115,000
Hedging gains recognised in other comprehensive income	-	-
Hedge ineffectiveness recognised in profit or loss	1,011,911	853,701
Reclassification from cash flow hedge reserve into profit or loss	-	-
Reclassification from costs of hedge reserve into profit or loss	(26,296)	(8,446)
	-	-
Carrying amount (liabilities)		
Notional amount	66,964	2,453
Change in fair value of the hedging instrument used as the basis for recognising hedge ineffectiveness	1,320,000	60,000
Hedging gains (losses) recognised in other comprehensive income	-	-
Hedge ineffectiveness recognised in profit or loss	(65,337)	24,630
Reclassification from cash flow hedge reserve into profit or loss	-	-
Reclassification from costs of hedge reserve into profit or loss	26,093	14,407
	-	-

The Company separately discloses certain hedging instruments according to its position at the end of the reporting period, either as derivative assets or derivative liabilities. The hedge ineffectiveness is recognised as fair value gains or losses and reclassification adjustment to profit or loss is recognised as investment income or gains or losses on financial instruments.

- ii) The effects of the interest rate-related hedged items on the Company's financial position and performance are as follows:

	Debt instruments - financial assets	
	2025	2024
	Thousand	Thousand
	Baht	Baht
Change in value of the hedged items used as the basis for recognising hedge ineffectiveness	-	-
Remaining cash flow hedge reserve and costs of hedge reserve for continuing hedges	1,816,435	870,064
Remaining cash flow hedge reserve and costs of hedge reserve from any hedging relationships for which hedge accounting is no longer applied	-	-

- iii) The effects of the interest rate-related cash flow hedge and costs of hedge on the Company's financial position and performance during the year are as follows:

	Transaction-related hedged items	
	2025	2024
	Thousand	Thousand
	Baht	Baht
Cash flow hedge reserve		
Beginning balance	489,002	(191,177)
Hedging gains recognised in other comprehensive income	1,111,461	674,218
Reclassification to profit or loss	(203)	5,961
Closing balance	<u>1,600,260</u>	<u>489,002</u>
Costs of hedge reserve		
Beginning balance	381,062	176,949
Hedging gains (losses) recognised in other comprehensive income	(164,887)	204,113
Closing balance	<u>216,175</u>	<u>381,062</u>

As at 31 December 2025 and 2024, significant financial assets and financial liabilities classified by type of interest rates and maturity date are summarised in the table below.

	2025								Interest rate (% p.a.)
	Fixed interest rate				Variable interest rate		Non-interest bearing		
	Within 1 year	1 - 5 years	Over 5 years	At call	At call	At call	Total		
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht		
Financial assets									
Cash and cash equivalents	-	-	-	4,022,655	14,072,766	18,095,421	0.00 - 2.00		
Accrued investment income	-	-	-	-	1,653,560	1,653,560	-		
Investment receivables	-	-	-	-	15,143	15,143	-		
Financial assets									
Debt instruments	12,429,329	44,373,828	125,597,748	-	5,594,108	187,995,013	0.00 - 9.00		
Equity instruments	-	-	-	-	25,520,407	25,520,407	-		
Derivative assets	449,579	974,744	-	-	1,804,304	3,228,627	0.00 - 4.00		
Other assets	-	-	-	-	281,637	281,637	-		
	12,878,908	45,348,572	125,597,748	4,022,655	48,941,925	236,789,808			
Financial liabilities									
Derivative liabilities	521	66,443	-	-	56,893	123,857	0.00 - 4.00		
Other liabilities - cash collateral from derivative contracts	-	-	-	2,768,943	-	2,768,943	1.15 - 2.25		
Other liabilities - lease liabilities	62,307	139,784	-	-	-	202,091	1.95 - 8.20		
Other liabilities	-	-	-	-	1,935,224	1,935,224	-		
	62,828	206,227	-	2,768,943	1,992,117	5,030,115			

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

(Restated)
2024

	Fixed interest rate						Variable interest rate		Non-interest bearing		Total Thousand Baht	Interest rate (% p.a.)
	Within 1 year		1 - 5 years		Over 5 years		At call		At call			
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht		
Financial assets												
Cash and cash equivalents	-	-	-	-	-	-	3,886,086	14,385,225	18,271,311	0.00 - 2.00		
Accrued investment income	-	-	-	-	-	-	-	1,537,593	1,537,593	-		
Investment receivables	-	-	-	-	-	-	-	274,372	274,372	-		
Financial assets												
Debt instruments - financial assets	14,311,717	54,992,697	105,078,511	-	-	-	-	3,201,885	177,584,810	0.00 - 9.00		
Equity instruments - financial assets	-	-	-	-	-	-	-	22,514,509	22,514,509	0.00 - 4.00		
Derivative assets	216,870	604,830	-	-	-	-	-	1,219,495	2,041,195	6.50 - 19.00		
Loans	12,748	-	730	-	-	-	-	-	13,478	2.15 - 2.50		
Other assets - cash collateral from derivative contracts	-	-	-	-	-	-	63,500	-	63,500	-		
Other assets	-	-	-	-	-	-	-	340,421	340,421	-		
	14,541,335	55,597,527	105,079,241	105,079,241	3,949,586	43,473,500	222,641,189					
Financial liabilities												
Investment payables	-	-	-	-	-	-	-	2,352,108	2,352,108	0.00 - 3.78		
Derivative liabilities	2,453	-	-	-	-	-	-	370,450	372,903	2.15 - 2.50		
Other liabilities - cash collateral from derivative contracts	-	-	-	-	-	-	889,142	-	889,142	2.22 - 3.46		
Other liabilities - lease liabilities	86,210	216,996	-	-	-	-	-	-	303,206	-		
Other liabilities	-	-	-	-	-	-	1,642,191	1,642,191	1,642,191	-		
	88,663	216,996	-	-	889,142	4,364,749	5,559,550					

The table below shows the interest rate sensitivity to net profit and other components of equity for the financial assets and financial liabilities held as at reporting date.

	Impact to net profit before tax		Impact to other components of equity	
	2025	2024	2025	2024
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Interest rate - increase 1%*	(234,823)	(124,521)	15,826,021	13,583,759
Interest rate - decrease 1%*	372,963	169,716	(19,142,052)	(16,134,910)

* Holding all other variables constant

The table below shows the sensitivity analysis on profit before tax, CSM and equity to discount rate of insurance contract assets and liabilities (gross of reinsurance).

	2025			(Restated) 2024		
	Impact on profit before tax Thousand Baht	Impact on CSM Thousand Baht	Impact on equity Thousand Baht	Impact on profit before tax Thousand Baht	Impact on CSM Thousand Baht	Impact on equity Thousand Baht
	Discount rate - increase 1%	(149,250)	(131,062)	(4,043,395)	(53,947)	(79,492)
Discount rate - decrease 1%	222,066	147,285	4,042,549	67,620	97,407	2,210,774

The financial impact from change interest rate risk is assessed by assessing the impact of market value of asset as of valuation date and applying the shock to future interest rate assumption to assess the impact on liabilities. Impact on operating profit arises from the impact on asset measured using fair value through profit and loss (for policies which are not measured using VFA) and from the release of CSM impact from change in fulfilment cash flow (for VFA policies)

In terms of impact on shareholder's equity, it includes net income impact, unrealized gain and loss from movement of asset and impact on other comprehensive income from difference in fulfilment cash flow between market and locked-in rate (for non-VFA policies). Note that the impact presented has not allowed for the impact of management action, which can be implemented if the change in economic condition were to persist.

c) Equity risk

Equity risk is the risk arising from changes in the price of equity instruments that may cause fluctuation in the value of financial assets. The Company manages the risk both by setting internal investment limits and strictly complying with the Office of Insurance Commission limits to ensure that the risk is within the Company's risk appetite.

The table below summarises the impact of increases/decreases of the index on net profit and equity.

	Impact to profit before tax		Impact to other components of equity	
	2025	(Restated) 2024	2025	(Restated) 2024
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Equity price - Increase 1%*	-	-	(255,204)	(225,145)
Equity price - Decrease 1%*	-	-	255,204	225,145

* Holding all other variables constant

The table below shows the sensitivity analysis on profit before tax, CSM and shareholder's equity at the end of reporting period to movement in market value of underlying equity instruments which affects insurance contract liabilities and assets complying with TFRS17 requirement.

	2025			(Restated) 2024		
	Impact on profit before tax Thousand Baht	Impact on CSM Thousand Baht	Impact on equity Thousand Baht	Impact on profit before tax Thousand Baht	Impact on CSM Thousand Baht	Impact on equity Thousand Baht
Equity price - decrease 30%*	(3,736)	(42,998)	(912,999)	(2,157)	(22,610)	(532,697)

* Holding all other variables constant

In the event of reduction of market value of equity, operating profit will be affected through release of CSM impact from change in variable fee (and allowing for risk adjustment impact) of VFA policies. In terms of impact on shareholder's equity, it is driven by net income impact from VFA policies, the impact of unrealized gain/loss from movement of asset (for non VFA policies) and impact on other comprehensive income from liabilities movement from the contracts measured under general measurement model.

6.2.2 Credit risk

Credit risk is the risk that a customer or counterparty fails to settle its financial and contractual obligations to the Company when they fall due.

Credit risk mostly arises from cash and cash equivalents, contractual cash flows of debt instruments - financial assets carried at amortised cost, at fair value through other comprehensive income (FVOCI) and designated at fair value through profit or loss (Designated at FVPL), derivative assets as well as credit exposures to customers and outstanding receivables.

Management has a credit policy in place to monitor credit risk on an ongoing basis. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Company's customer base, Management does not anticipate material losses from its debt collection.

Concentrations of the credit risk with respect to loans and premiums receivable are less significant since the borrowers and the insured are dispersed across different industries and geographic regions.

The Company's debt instruments - financial assets are considered to be low risk investments. The Company regularly monitors the credit ratings of the investments if there has been an increase in the risk.

Risk management

The Company has the credit risk management policy that is approved by the Risk Committee consisting of:

Risk assessment

- The Company's credit risk limitation and the verification by the Risk Management Department.
- The Company's credit risk analysis through change on asset allocation, investment strategy and credit rating on an annual basis.

Risk reporting

Risk Management Department reports results to the Risk Committee at least on a quarterly basis. Risk Committee assesses the appropriateness of credit risk management and approve the adjustment of the credit risk management at least on an annual basis to be consistent with the Company's operation and industry.

Risk management

- Credit risk monitoring practices such as defining approval authority limit table;
- The Company determines the credit risk rating grades, for example, the investment grade credit rating by referring the information obtained from at least one major rating agency at the reporting date, and determines the financial assets that are credit-impaired;
- Risk management policy for financial instruments that are considered to have low credit risk;

To determine whether financial instruments have low credit risk, the Company considers the external rating of investment grade at the reporting date according to the Company's credit rating methodology. The allowance for expected credit losses recognised during the year is limited to 12 months expected losses.

- Policy for significant increases in credit risk since initial recognition when financial assets are more than 30 days past due.

At the reporting date, the Company assesses whether the credit risk on financial instruments have increased significantly since initial recognition if one of the following criteria is met.

Quantitative criteria

The Company determines whether the probability of a default occurring on the financial instrument as at the reporting date has increased significantly since initial recognition.

Qualitative criteria

Significant changes in external market indicators of credit risk for a particular financial instrument are as follows:

- significant changes in the credit spread;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the borrower's ability to meet its debt obligations;
- an actual or expected significant change in the operating results of the borrower;
- significant changes in the value of the collateral supporting the obligation which are expected to have an effect on the probability of a default occurring;
- significant changes in the financial instrument's external credit rating.

- Policy for the modification of contractual cash flows of financial assets;

If the contractual cash flows on financial assets have been renegotiated or modified and the financial assets were not derecognised, the Company assesses whether there has been a significant increase in the credit risk of the financial instruments by comparing (1) the risk of a default occurring at the reporting date (based on the modified contractual terms); and (2) the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms).

- Classification policy for financial assets whose allowance for expected credit losses was measured at an amount equal to lifetime expected credit losses whereby its cash flow has improved;

For financial assets whose allowance for expected credit losses was measured at an amount equal to lifetime expected credit losses, if there has been an improvement in cash flow, the allowance for expected credit losses reverts to being measured at an amount equal to 12-month expected credit losses.

- Policy for monitoring the allowance for expected credit losses that was measured at an amount equal to lifetime expected credit losses for the financial assets that have been modified;

The Company monitors the verification of subsequently significant increase in credit risk on financial assets through the specific models for modified financial assets.

Collateral

The Company determines the policy and practices in order to reduce the credit risk and allows borrowers to pledge collaterals to guarantee their loans.

The Company assessed the value of collateral since the start date of a loan agreement. The main types of collateral held are as follows:

- Residential real estate
- Commercial real estate and movable property

There have been no significant changes in the policy of pledging collaterals during the reporting period.

The following table shows the credit-impaired financial assets and the collateral held to reduce the credit risk.

	2025			
	Gross carrying amount Thousand Baht	Allowance for expected credit losses Thousand Baht	Net carrying amount Thousand Baht	Fair value of collateral Thousand Baht
Loans and accrued interest receivable	-	-	-	-
Total credit-impaired financial assets	-	-	-	-
	2024			
	Gross carrying amount Thousand Baht	Allowance for expected credit losses Thousand Baht	Net carrying amount Thousand Baht	Fair value of collateral Thousand Baht
Loans and accrued interest receivable	14,338	(14,338)	-	20,569
Total credit-impaired financial assets	14,338	(14,338)	-	20,569

Impairment of financial assets

The Company has 4 types of financial assets that are subject to the expected credit loss model:

- Cash and cash equivalents
- Debt instruments - financial assets measured at fair value through other comprehensive income
- Loans and accrued interest receivable
- Other receivables

The expected credit losses are measured on either a 12-month or lifetime basis depending on whether the significant increase in credit risk has occurred since initial recognition or whether the assets are considered to be credit-impaired financial assets. The expected credit losses are the discounted product of probability of default, loss given default and exposure at default, defined as follows:

- The probability of default represents the likelihood of a borrower defaulting on its financial obligation either over the next 12 months or over the remaining lifetime of the obligation.
- The exposure at default is based on the amounts that the Company expects to be owed at the time of default, over the next 12 months or over the remaining lifetime of the obligation.
- The loss given default represents the Company's expectation of the extent of loss on a defaulted exposure. The loss given default varies by type of borrower, type of seniority of claim and availability of collateral or other credit support. The loss given default is calculated on a 12-month or over the remaining lifetime of the obligation.

The expected credit losses are determined by projecting the probability of default, loss given default and exposure at default for each future month and for each individual exposure or collective segment. These three components are multiplied together. To effectively calculate expected credit losses, the Company calculates expected credit losses for each future month and discounted back to the reporting date. The discount rate used in the expected credit loss calculation is the original effective interest rate (EIR).

Forward-looking economic information is also included in determining expected credit losses in the next 12 months or over the remaining lifetime of the obligation.

There have been no significant changes in estimation techniques or significant assumptions made during the reporting period.

Loans and accrued interest receivable

The Company has loans and accrued interest receivable measured at amortised cost by recognising 12 months expected losses for the loans that the credit risk has not significantly increased and lifetime expected credit losses for the loans that the credit risk has significantly increased.

The reconciliation of allowance for expected credit losses for loans for the year ended 31 December 2025 and 2024 are as follows:

	Thousand Baht
As at 1 January 2024	47,103
Reversal of allowance for expected credit losses	(32,762)
As at 31 December 2024	14,341
Reversal of allowance for expected credit losses	(14,341)
As at 31 December 2025	-

The allowance for expected credit losses for loans by stage of risk are as follows:

	2025			Total Thousand Baht
	Allowance for expected credit losses measured at amount equal to 12 months expected credit losses Thousand Baht	Allowance for expected credit losses measured at amount equal to lifetime expected credit losses Thousand Baht	Allowance for expected credit losses measured at amount equal to lifetime expected credit losses (credit- impaired financial assets) Thousand Baht	
Loans and accrued interest receivable				
Beginning balance	4	-	14,337	14,341
Changes occurred from classification	-	-	-	-
Changes occurred from measurement	(4)	-	(14,337)	(14,341)
Ending balance	-	-	-	-
	2024			
	Allowance for expected credit losses measured at amount equal to 12 months expected credit losses Thousand Baht	Allowance for expected credit losses measured at amount equal to lifetime expected credit losses Thousand Baht	Allowance for expected credit losses measured at amount equal to lifetime expected credit losses (credit- impaired financial assets) Thousand Baht	Total Thousand Baht
Loans and accrued interest receivable				
Beginning balance	9	-	47,094	47,103
Changes occurred from classification	-	-	-	-
Changes occurred from measurement	(5)	-	(32,757)	(32,762)
Ending balance	4	-	14,337	14,341

Debt instruments - financial assets

The Company considers that debt instruments - financial assets measured at amortised cost and FVOCI have low credit risk, and the allowance for expected credit losses recognised during the year was therefore limited to 12 months expected credit losses. Management considers 'low credit risk' for bonds to be an investment grade credit rating with at least one major rating agency. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations.

Debt instruments - financial assets measured at fair value through other comprehensive income (FVOCI)

The allowance for expected credit losses of in debt instruments - financial assets measured at fair value through other comprehensive income (FVOCI) is recognised in profit or loss and reduces the fair value loss recognised in OCI.

The reconciliation of allowance for expected credit losses for debt instruments - financial assets measured at FVOCI as at 31 December 2025 and 2024 are as follows:

	2025 Thousand Baht	2024 Thousand Baht
As at 1 January	9,517	11,247
Increase in allowance for expected credit losses recognised in profit or loss during the year (reversal)	1,288	(1,730)
As at 31 December	10,805	9,517

Financial assets designated as measured at fair value through profit or loss (Designated at FVPL)

The Company is exposed to credit risk in relation to debt instruments - financial assets that are designated at FVPL. The maximum exposure at the reporting date is the carrying amount of the investments.

Credit risk exposure

The maximum credit risk exposure is considered to be the statement of financial position carrying amount or, for non-derivative off-statement of financial position transaction, their contractual nominal amounts. The exposure to credit risk of the Company equals their carrying amount in the statement of financial position as at reporting date.

Reinsurance assets

As at 31 December 2025 and 2024, reinsurance assets that are net offset between assets and liabilities for each reinsurer are separated by credit rating as follows:

	2025 Thousand Baht	2024 Thousand Baht
Investment grade	64,311	1,936,031
Below investment grade	-	-
No rating	-	-
Total	64,311	1,936,031

6.2.3 Liquidity risk

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

The Company's financial assets mainly comprise cash and deposits at 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.

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. At the end of the reporting period the Company held deposits at call of Baht 11,754.37 million (2024: Baht 7,901.02 million) that are expected to readily generate cash inflows for managing liquidity risk. Due to the flexible and dynamic nature of the underlying businesses, the Company's treasury department maintains flexibility in funding under sufficient committed credit lines.

Management monitors cash and cash equivalents on the basis of expected cash flows. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies, considering the level of liquid assets necessary and balance sheet liquidity ratios and maintaining financing plans.

The table below shows the financial liabilities grouping based on their contractual maturities. The amounts disclosed are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Carrying amount Thousand Baht	Estimated net undiscounted cash flows				Total Thousand Baht
		Less than 1 year Thousand Baht	1 - 5 years Thousand Baht	5 - 10 years Thousan d Baht	Over 10 years Thousand Baht	
As at 31 December 2025						
Other liabilities - cash collateral from derivative contracts	2,771,599	2,771,599	-	-	-	2,771,599
Other liabilities - lease liabilities	202,091	74,605	153,206	-	-	227,811
Other liabilities	1,935,224	1,935,224	-	-	-	1,935,224
Total financial liabilities that are not derivatives	4,908,914	4,781,428	153,206	-	-	4,934,634
Derivative financial instruments applying hedge accounting						
Derivative hedging foreign exchange rate risk						
<i>Cross currency swaps (U.S. Dollar)</i>						
Notional value	16,154	-	905,600	-	-	905,600
Average foreign exchange rate		-	30.17	-	-	
<i>Cross currency swaps (S.G. Dollar)</i>						
Notional value	1,181	-	51,750	-	-	51,750
Average foreign exchange rate		-	23.00	-	-	
<i>Foreign exchange forwards (A.U. Dollar)</i>						
Notional value	39,558	4,508,584	-	-	-	4,508,584
Average foreign exchange rate		20.80	-	-	-	
Derivative hedging interest rate risk						
<i>Bond forward contracts</i>						
Notional value	66,964	280,000	1,040,000	-	-	1,320,000
Average price		142,168	111,350	-	-	
Total derivative financial instruments applying hedge accounting	123,857	4,788,584	1,997,350	-	-	6,785,934
Total	5,032,771	9,570,012	2,150,556	-	-	11,720,568

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

	Carrying amount Thousand Baht	Estimated net undiscounted cash flows				Total Thousand Baht
		Less than 1 year Thousand Baht	1 - 5 years Thousand Baht	5 - 10 years Thousan d Baht	Over 10 years Thousand Baht	
As at 31 December 2024						
Investment payables	2,352,108	2,352,108	-	-	-	2,352,108
Other liabilities - cash collateral from derivative contracts	889,142	889,142	-	-	-	889,142
Other liabilities - lease liabilities	303,206	95,316	228,847	-	-	324,163
Other liabilities	1,642,191	1,642,191	-	-	-	1,642,191
Total financial liabilities that are not derivatives	5,186,647	4,978,757	228,847	-	-	5,207,604
Derivative financial instruments applying hedge accounting						
Derivative hedging foreign exchange rate risk						
<i>Cross currency swaps (U.S. Dollar)</i>						
Notional value	368,249	1,840,715	4,961,341	1,320,952	-	8,123,008
Average foreign exchange rate		32.08	31.24	31.10	-	
<i>Cross currency swaps (S.G. Dollar)</i>						
Notional value	2,201	-	-	51,750	-	51,750
Average foreign exchange rate		-	-	23.00	-	
Derivative hedging interest rate risk						
<i>Bond forward contracts</i>						
Notional value	2,453	60,000	-	-	-	60,000
Average price		69,335	-	-	-	
Total derivative financial instruments applying hedge accounting	372,903	1,900,715	4,961,341	1,372,702	-	8,234,758
Total	5,559,550	6,879,472	5,190,188	1,372,702	-	13,442,362

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

The tables below analyse the expected timing of hedging instruments' cash flows that will arise and impact profit or loss, grouping based on their contractual maturities.

	2025					
	Within 3 months	3 months - 1 year	1 - 5 years	5 - 10 years	Over 10 years	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cross currency swaps						
Cash inflow	-	1,039,988	10,224,218	11,547,657	1,220,166	24,032,029
Cash outflow	-	(1,039,988)	(10,224,218)	(11,547,657)	(1,220,166)	(24,032,029)
Net cash flow	-	-	-	-	-	-
Bond forward contracts						
Settlement price	719,220	1,936,071	6,004,223	-	-	8,659,514
	2024					
	Within 3 months	3 months - 1 year	1 - 5 years	5 - 10 years	Over 10 years	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cross currency swaps						
Cash inflow	698,375	2,357,440	7,647,683	8,513,942	509,045	19,726,485
Cash outflow	(698,375)	(2,357,440)	(7,647,683)	(8,513,942)	(509,045)	(19,726,485)
Net cash flow	-	-	-	-	-	-
Bond forward contracts						
Settlement price	727,754	1,992,954	5,731,792	-	-	8,452,500

The tables below analyse the expected timing of undiscounted cash flows of insurance contracts.

	2025						
	Within 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	Over 5 years	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash flow received (paid)							
from insurance contract	(95,083)	(4,977,116)	(2,349,263)	(4,155,075)	(6,094,940)	(158,595,231)	(176,266,708)
Cash flow received (paid) from reinsurance contract	(189,623)	(226,353)	(244,870)	(238,809)	(233,202)	(670,937)	(1,803,794)
	(284,706)	(5,203,469)	(2,594,133)	(4,393,884)	(6,328,142)	(159,266,168)	(178,070,502)
	2025						
	Within 1 year	1 - 2 years	2 - 3 years	3 - 4 years	4 - 5 years	Over 5 years	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Cash flow received (paid)							
from insurance contract	(3,915,585)	(3,487,018)	(9,000,811)	(6,892,402)	(8,124,197)	(160,473,350)	(191,893,363)
Cash flow received (paid) from reinsurance contract	44,629	(11,625)	(25,753)	(23,484)	(24,335)	(119,909)	(160,477)
	(3,870,956)	(3,498,643)	(9,026,564)	(6,915,886)	(8,148,532)	(160,593,259)	(192,053,840)

The tables below show the amounts payable on demand and carrying amount of insurance contracts by product type.

	2025		2024	
	Amounts payable on demand Thousand Baht	Carrying amount Thousand Baht	Amounts payable on demand Thousand Baht	Carrying amount Thousand Baht
Non-participating life risk contracts	23,292,072	29,140,070	26,038,123	31,889,708
Participating life risk contracts	143,834,782	180,519,940	142,128,039	174,789,305
Unit-linked contracts	2,245,940	1,934,867	1,551,975	1,703,367
	169,372,794	211,594,877	169,718,137	208,382,380

The amounts payable on demand represent the policyholders' account values less applicable surrender fees at the end of reporting period.

6.2.4 Fair value risk

Fair value risk is the risk arising from the change in the value of financial instruments, being the risk from the decrease in value of financial instruments owing to external market factors including changes in interest rates and foreign exchange rates and equity prices. The Company has a Risk Committee to approve the policies associated with the evaluation of fair value risk exposure. The Company uses various tools to manage this risk such as derivative financial instruments and hedging activities.

The details of fair value are described in Note 7.

7 Fair value

7.1 Fair value estimation

The following table shows carrying amount and fair value of financial assets and financial liabilities.

	Fair value through profit or loss Thousand Baht	Fair value through other comprehensive income Thousand Baht	Amortised cost Thousand Baht	Total carrying amount Thousand Baht	Fair value Thousand Baht
As at 31 December 2025					
Assets					
<i>Financial assets measured at fair value</i>					
Debt instruments - financial assets	3,902,681	184,092,332	-	187,995,013	187,995,013
Equity instruments - financial assets	-	25,520,407	-	25,520,407	25,520,407
Derivative assets	3,228,627	-	-	3,228,627	3,228,627
<i>Financial assets not measured at fair value</i>					
Cash and cash equivalents	-	-	18,095,305	18,095,305	18,095,305
Accrued investment income	-	-	1,653,560	1,653,560	1,653,560
Investment receivables	-	-	15,143	15,143	15,143
Other assets	-	-	281,637	281,637	281,637
Total	7,131,308	209,612,739	20,045,645	236,789,692	236,789,692
Liabilities					
<i>Financial liabilities measured at fair value</i>					
Derivative liabilities	123,857	-	-	123,857	123,857
<i>Financial liabilities not measured at fair value</i>					
Other liabilities - cash collateral from derivative contracts	-	-	2,771,599	2,771,599	2,771,599
Other liabilities - lease liabilities	-	-	202,091	202,091	202,091
Other liabilities	-	-	1,935,224	1,935,224	1,935,224
Total	123,857	-	4,908,914	5,032,771	5,032,771

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

	Fair value through profit or loss Thousand Baht	Fair value through other comprehensive income Thousand Baht	Amortised cost Thousand Baht	Total carrying amount Thousand Baht	Fair value Thousand Baht
As at 31 December 2024 (Restated)					
Assets					
<i>Financial assets measured at fair value</i>					
Debt instruments - financial assets	3,166,236	174,418,574	-	177,584,810	177,584,810
Equity instruments - financial assets	-	22,514,509	-	22,514,509	22,514,509
Derivative assets	2,041,195	-	-	2,041,195	2,041,195
<i>Financial assets not measured at fair value</i>					
Cash and cash equivalents	-	-	18,271,222	18,271,222	18,271,222
Accrued investment income	-	-	1,537,593	1,537,593	1,537,593
Investment receivables	-	-	274,372	274,372	274,372
Loans and accrued interest receivable	-	-	297	297	297
Other assets - cash collateral from derivative contracts	-	-	63,500	63,500	63,500
Other assets	-	-	340,421	340,421	340,421
Total	5,207,431	196,933,083	20,487,405	222,627,919	222,627,919
Liabilities					
<i>Financial liabilities measured at fair value</i>					
Derivative liabilities	372,903	-	-	372,903	372,903
<i>Financial liabilities not measured at fair value</i>					
Investment payables	-	-	2,352,108	2,352,108	2,352,108
Other liabilities - cash collateral from derivative contracts	-	-	889,142	889,142	889,142
Other liabilities - lease liabilities	-	-	303,206	303,206	303,206
Other liabilities	-	-	1,642,191	1,642,191	1,642,191
Total	372,903	-	5,186,647	5,559,550	5,559,550

Proportion of the financial instruments' contract value grouped by counterparties for debt instruments - financial assets and equity instruments - financial assets and derivatives are as follows:

	2025 %	2024 %
Financial institutions	58.05	59.85
Other parties	41.95	40.15
Total	100.00	100.00

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

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

The following table presents the Company's financial assets and financial liabilities that are measured at fair value by level as at 31 December 2025 and 2024, excluding where its fair value is approximating the carrying amount.

	2025			Total Thousand Baht
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	
Financial assets				
Debt instruments				
measured at fair value through profit or loss	-	3,732,204	-	3,732,204
measured at fair value through other comprehensive income	-	184,092,332	-	184,092,332
designated at fair value through profit or loss	170,477	-	-	170,477
Equity instruments				
designated at fair value through other comprehensive income	25,497,042	-	23,365	25,520,407
Derivative assets	-	3,228,627	-	3,228,627
Total	25,667,519	191,053,163	23,365	216,744,047
Financial liabilities				
Derivative liabilities				
	-	123,857	-	123,857
Total	-	123,857	-	123,857
	(Restated) 2024			
	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
Financial assets				
Debt instruments				
measured at fair value through profit or loss	-	3,016,821	-	3,016,821
measured at fair value through other comprehensive income	-	174,418,574	-	174,418,574
designated at fair value through profit or loss	149,415	-	-	149,415
Equity instruments				
designated at fair value through other comprehensive income	22,500,920	-	13,589	22,514,509
Derivative assets	-	2,041,195	-	2,041,195
Total	22,650,335	179,476,590	13,589	202,140,514
Financial liabilities				
Derivative liabilities				
	-	372,903	-	372,903
Total	-	372,903	-	372,903

There was no transfer between levels during the year.

There was no change in valuation techniques during the year.

7.2 Valuation techniques used to measure fair value of financial assets and financial liabilities

The carrying amount of the following financial assets and financial liabilities is considered to be approximate to their fair values: cash and cash equivalents, accrued investment income, investment receivables, other receivables, investment payables and other payables.

The fair value of deposits at financial institutions with original maturities more than 3 months are based on carrying amount presented in statement of financial position.

The fair value of loans which carry floating interest rates and are fully collateralised is taken to approximate the carrying amount. The fair value of fixed interest rate loans is estimated by using discounted cash flow based on current interest rates for the remaining period to maturity.

The Company determines level 1 fair values for financial instruments traded in active markets which is based on the latest close price on the last business day of the reporting period as quoted on the Stock Exchange.

The Company determines level 2 fair values for debt instruments using the prices on the last business day of the reporting period provided by the Thai Bond Market Association which is determined from contractual cash flows, discounted at the rate derived from observable market price of other quoted debt instruments of the counterparties.

The Company determines level 2 fair values for unit trusts using the net asset value (NAV) on the last business day of the reporting period provided by assets management companies.

The Company determines level 2 fair values for over-the-counter hedging derivatives which comprise cross currency swap contracts, bond forward contracts and foreign exchange forward contracts based on broker quotes. The cross currency swap contracts have been fair valued based on interest rates and foreign exchange rates that are quoted in an active market. The bond forward contracts have been fair valued based on forward interest rates extracted from observable yield curves. The foreign exchange forward contracts have been fair valued based on foreign exchange rates that are observable in publicly available source. The discount model has no significant impact on the fair value of derivative, which is categorized at level 2.

The Company determines level 2 fair values for over-the-counter derivative that are not used for hedge accounting, which include contracts that grant the holder the right to buy/sell based on a specified index at a predetermined price, priced based on quotes from brokers. The fair value of the contracts that grant the holder the right to buy/sell based on a specified index at a predetermined price is measured based on the index reference prices and exchange rates from brokers.

Fair value level 3 valuation process

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

The main information that the Company uses to derive level 3 fair values are based on dividend discount model technique using the net present value of dividends and terminal value expected to be received in the future.

Changes in level 3 financial instruments for the year ended 31 December 2025 and 2024 are as follows:

	2025	2024
	<u>Thousand Baht</u>	<u>Thousand Baht</u>
Beginning balance	13,589	25,468
Gains (losses) on remeasuring investments in equity instruments designated at fair value through other comprehensive income	9,776	(11,879)
Ending balance	<u>23,365</u>	<u>13,589</u>

8 Critical accounting estimates, assumptions and judgements

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

8.1 Transition to TFRS 17

The Company applied TFRS 17 for an annual reporting period beginning on 1 January 2025. The accounting policy choice for the transition approach was made on a group of contract level. If a full retrospective application is impracticable, the Company can choose between a modified retrospective approach or a fair value approach. The decision involved the consideration of multiple criteria, such as availability of reliable and objective information, operational complexity, or the reasonableness of the split between earned and unearned profits.

The Company has determined that it was impracticable to apply the full retrospective approach for groups of contracts with annual cohorts prior to 2021 because certain historical information was not available or was not available without undue cost or effort that would enable it to be used under full retrospective approach. Therefore, the Company applied fair value approaches for these groups of contracts. For groups of contracts with annual cohorts 2021 or later, the full retrospective approach has been applied. The Company exercises judgements in determining the transition approaches, applying the transition methods and measuring the transition impacts on the transition date, which will affect the amounts recognised in the financial statements on the transition date.

8.2 Determination of coverage unit

The CSM of a group of contracts is recognised as insurance revenue in each period based on the number of coverage units provided in the period, which is determined by considering for each contract the quantity of the services provided, its expected coverage period and time value of money. The CSM is rolled forward over time, a split of profits between equity ("earned profits") and CSM ("unearned profits") involves management judgement.

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

The Company determines the quantity of benefits for insurance coverage based on the amount that policyholders can claim in each reporting period if an insured event occurs. For contracts that provide only insurance services (e.g., term life insurance), the quantity of benefits reflects the expected claim amount. For investment related or investment services component of the contract, the quantity of benefits is represented by the expected surrender value. In the case of insurance contracts with multiple services, the quantity of benefits is calculated by applying appropriate weighting to the benefits from each service.

8.3 Discounting and interest rates

According to TFRS 17, all future cash flows must be discounted. Interest rates are required for discounting and - in the case of participating business - projecting fulfilment cash flows. The TFRS 17 requirements for the interest curves are principle-based. An entity should use observable market data based on a risk-free base curve and portfolio-specific adjustments to reflect the illiquidity of insurance obligations in determining the interest curves. The Company pursues a bottom-up approach in the determination of the discount rates, where all cash flows are discounted using the risk-free rates adjusted for an illiquidity premium. The risk free rates are constructed from observed spot rates of the local government bonds up to 15 years, with adjustment to remove the credit risk of the government bonds. Thereafter, the risk-free rates are extrapolated towards the ultimate forward rate using the Smith-Wilson method.

The Company determines the illiquidity adjustment based on the spread of reference portfolio, corrected for expected and unexpected credit loss and application ratio to reflect the difference in illiquidity characteristics of the insurance contract liabilities and the chosen reference portfolio.

The Company disaggregates insurance finance income or expenses and recognises the impact of changes in discount rates in other comprehensive income (OCI option). Current interest rates are applied in the measurement of FCF in the statement of financial position. The interest rates used in the reporting of insurance finance income or expense in profit or loss is based on locked-in interest rates determined at initial recognition.

The table below sets out the range of discount rates used to discount the cash flows of insurance contracts for various terms from various portfolios:

Term (Year)	31 December 2025	31 December 2024
1	0.92% - 1.44%	2.09% - 2.60%
10	1.56% - 2.08%	2.38% - 2.89%
20	2.24% - 2.74%	3.00% - 3.47%

8.4 Risk adjustment for non-financial risk

The risk adjustment reflects the compensation an entity would require for bearing non-financial risks, i.e., the uncertainty of cash flows that arise from insurance contracts, other than the uncertainty arising from financial risks. Such non-financial risks include insurance risks, lapse and expense risk. TFRS 17 does not prescribe a specific approach for determining the risk adjustment. The Company applies a Cost of Capital approach, in which the risk adjustment is determined by applying a Cost of Capital rate to the present value of projected capital relating to non-financial risk. The Cost of Capital rate is set at 6% per annum, representing the return required to compensate for the exposure to non-financial risk. The capital is determined at a 99.5% confidence level over one year period, and it is projected in line with the run-off of the business. The diversification benefit is included to reflect the diversification between risk categories, as well as the contracts sold across geographies (i.e. on the Group level), because this reflects the compensation that the entity requires.

As at 31 December 2025, the resulting amount of the calculated risk adjustment corresponds to the confidence level of 70%. (2024 : 70%)

However, if the Company applies the calculated risk adjustment corresponds to the confidence level of 75%, the risk adjustment will be as follows.

Risk adjustment corresponds to the confidence level of 75%	2025 Million Baht	2024 Million Baht
Insurance contract	13,187.82	9,159.90
Reinsurance contract	(293.49)	(189.03)

8.5 Estimates of future cash flows to fulfil insurance contracts

The estimates of future cash flows comprise all cash flows expected to arise as the insurance contract is fulfilled. In estimating these future cash flows, the Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date.

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 premiums from policyholders, payments to (or on behalf of) policyholders, insurance acquisition cash flows, and other costs incurred in fulfilling the contracts.

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs incurred include allocation of overheads which are attributable to fulfilling insurance contract.

Actuarial assumptions used in the projection of these future cash flows (e.g. mortality, morbidity, lapse) are determined based on annual experience study which considers actual historical experience.

Assumptions	2025	2024
Mortality	100% TMO / TMI 2017	100% TMO / TMI 2017
Lapse	1% - 40%	1% - 40%
Morbidity	100% earned premium	100% earned premium

Note that mortality and morbidity assumption shown above refer to the basis of the assumption and the actual assumption is a percentage of this basis which is determined based on experience study. Lapse rate refers to range of lapse rate which varies by product type, channel and policy year.

8.6 Estimates of future expenses

The Company projects estimates of future expenses relating to fulfilment of contracts within the scope of TFRS17 using current expense levels adjusted for inflation. Expenses comprise expenses directly attributable to the groups of contracts, including an allocation of fixed and variable overheads.

8.7 Fair value of derivatives and other non-marketable financial instruments

The fair value of financial instruments that are not traded in an active market such as over-the-counter derivatives and non-marketable financial instruments are determined by using valuation techniques. The Company uses its judgement to select a variety of methods and make assumptions that are mainly based on market condition existing at the end of each reporting period.

8.8 Employee benefits

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

8.9 Determination of lease terms

The Company considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The Company considers an extension option or termination if the lease is reasonably certain to be extended or terminated.

Most extension options on office buildings and vehicles lease have been included in the lease liabilities, because the Company considers i) the underlying asset condition and/or ii) significant cost to replace the leased assets.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty occurs if there is a significant event or a significant change in circumstance affecting the lease term assessment, and that it is within the control of the Company.

8.10 Determination of discount rate applied to lease liabilities

The Company determines the incremental borrowing rate as follows:

- Where possible, use recent third-party financing received by the individual lessee as a starting point, adjusting to reflect changes in its financing conditions.
- Make adjustments specific to the lease, e.g. term, country, currency and security.

8.11 Impairment of financial assets

The impairment losses on financial assets are based on assumptions about default risk and expected loss rates. The Company uses judgement in making these assumptions and selecting the inputs used in the impairment calculation, based on the Company's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period.

9 Capital risk management

The Company maintains its capital fund in accordance with the requirements of the Office of Insurance Commission. The Company's objectives in managing capital are to ensure that it has appropriate financial structure to continue its business as a going concern in order to protect policyholders and to provide returns for shareholders and benefits for other stakeholders, and to optimise risk and return to add economic value over the Company's cost of capital. In order to maintain an appropriate capital structure, the Company may adjust the amount of dividends paid to shareholders or return capital to shareholders.

10 Components of statement of financial position

The analysis of the amounts presented in the statement of financial position for insurance contracts as at 31 December 2025 and 2024, is shown in the table below.

	Life risk contracts not measured under the PAA Thousand Baht	Life risk contracts measured under the PAA Thousand Baht	Total Thousand Baht
As at 31 December 2025			
Insurance contract assets			
- Insurance contract assets excluding pre-recognition cash flows	(139,342)	270,915	131,573
- Pre-recognition cash flows	-	(1,467,565)	(1,467,565)
Insurance contract assets	(139,342)	(1,196,650)	(1,335,992)
Insurance contract liabilities			
- Insurance contract liabilities excluding pre-recognition cash flows	212,209,942	720,927	212,930,869
- Pre-recognition cash flows	-	-	-
Insurance contract liabilities	212,209,942	720,927	212,930,869
Reinsurance contract assets	1,509,600	56,398	1,565,998
Reinsurance contract liabilities	(1,704,961)	-	(1,704,961)
Investment contract liabilities	-	-	-

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

	Life risk contracts not measured under the PAA Thousand Baht	Life risk contracts measured under the PAA Thousand Baht	Total Thousand Baht
As at 31 December 2024			
Insurance contract assets			
- Insurance contract assets excluding pre-recognition cash flows	-	271,707	271,707
- Pre-recognition cash flows	-	(1,297,570)	(1,297,570)
Insurance contract assets	-	(1,025,863)	(1,025,863)
Insurance contract liabilities			
- Insurance contract liabilities excluding pre-recognition cash flows	208,813,600	594,643	209,408,243
- Pre-recognition cash flows	-	-	-
Insurance contract liabilities	208,813,600	594,643	209,408,243
Reinsurance contract assets			
Reinsurance contract liabilities	1,885,690	50,837	1,936,527
Investment contract liabilities	(226,168)	-	(226,168)
	-	-	-

11 Classification and measurement of financial assets and liabilities

	Fair value through profit or loss Thousand Baht	Fair value through other comprehensive income Thousand Baht	Amortised cost Thousand Baht	Total Thousand Baht	Underlying asset - Insurance contracts with direct participation features Thousand Baht	Other Thousand Baht	Total Thousand Baht
As at 31 December 2025							
Financial assets							
Cash and cash equivalents, net	-	-	18,095,305	18,095,305	259,279	17,836,026	18,095,305
Accrued investment income	-	-	1,653,560	1,653,560	-	1,653,560	1,653,560
Investment receivables	-	-	15,143	15,143	11,994	3,149	15,143
Debt instruments - financial assets	3,902,681	184,092,332	-	187,995,013	2,311,779	185,683,234	187,995,013
Equity instruments - financial assets	-	25,520,407	-	25,520,407	-	25,520,407	25,520,407
Derivative assets	3,228,627	-	-	3,228,627	-	3,228,627	3,228,627
Other assets	-	-	281,637	281,637	-	281,637	281,637
Total financial assets	7,131,308	209,612,739	20,045,645	236,789,692	2,583,052	234,206,640	236,789,692
Financial liabilities							
Derivative liabilities	123,857	-	-	123,857	-	123,857	123,857
Other liabilities - cash collateral from derivative contracts	-	-	2,771,599	2,771,599	-	2,771,599	2,771,599
Other liabilities - lease liabilities	-	-	202,091	202,091	-	202,091	202,091
Other liabilities	-	-	1,935,224	1,935,224	-	1,935,224	1,935,224
Total financial liabilities	123,857	-	4,908,914	5,032,771	-	5,032,771	5,032,771
As at 31 December 2024							
Financial assets							
Cash and cash equivalents, net	-	-	18,271,222	18,271,222	322,839	17,948,383	18,271,222
Accrued investment income	-	-	1,537,593	1,537,593	-	1,537,593	1,537,593
Investment receivables	-	-	274,372	274,372	4,134	270,238	274,372
Debt instruments - financial assets	3,166,236	174,418,574	-	177,584,810	1,751,854	175,832,956	177,584,810
Equity instruments - financial assets	-	22,514,509	-	22,514,509	-	22,514,509	22,514,509
Derivative assets	2,041,195	-	-	2,041,195	-	2,041,195	2,041,195
Loans and accrued interest receivable, net	-	-	297	297	-	297	297
Other assets - cash collateral from derivative contracts	-	-	63,500	63,500	-	63,500	63,500
Other assets	-	-	340,421	340,421	-	340,421	340,421
Total financial assets	5,207,431	196,933,083	20,487,405	222,627,919	2,078,827	220,549,092	222,627,919
Financial liabilities							
Investment payables	-	-	2,352,108	2,352,108	-	2,352,108	2,352,108
Derivative liabilities	372,903	-	-	372,903	-	372,903	372,903
Other liabilities - cash collateral from derivative contracts	-	-	889,142	889,142	-	889,142	889,142
Other liabilities - lease liabilities	-	-	303,206	303,206	-	303,206	303,206
Other liabilities	-	-	1,642,191	1,642,191	-	1,642,191	1,642,191
Total financial liabilities	372,903	-	5,186,647	5,559,550	-	5,559,550	5,559,550

12 Cash and cash equivalents, net

	2025 Thousand Baht	(Restated) 2024 Thousand Baht
Cash on hand	479	479
Call deposits at banks	11,780,042	7,917,669
Short-term investments	6,314,900	10,353,163
<u>Less</u> Allowance for expected credit losses	(116)	(89)
Total cash and cash equivalents, net	18,095,305	18,271,222

As at 31 December 2025, cash and cash equivalents were denominated in foreign currencies amounting to Baht 262.66 million (2024: Baht 212.28 million).

As at 31 December 2025, call deposits at banks include call deposits at banks for unit-linked contracts amounting to Baht 25.67 million (2024: Baht 16.64 million).

13 Debt instruments - financial assets

	2025 Fair value Thousand Baht	(Restated) 2024 Fair value Thousand Baht
<u>Debt instruments measured at fair value through profit or loss</u>		
Government and state enterprise debt instruments	1,420,425	1,264,967
Mutual fund - policyholders'	2,311,779	1,751,854
Total debt instruments measured at fair value through profit or loss	3,732,204	3,016,821
<u>Debt instruments measured at fair value through other comprehensive income</u>		
Government and state enterprise debt instruments	122,223,125	118,580,493
Private debt instruments	40,413,934	36,420,845
Foreign debt instruments	21,455,273	18,417,236
Deposits at financial institutions with original maturities more than 3 months	-	1,000,000
Total debt instruments measured at fair value through other comprehensive income	184,092,332	174,418,574
<u>Debt instruments designated at fair value through profit or loss</u>		
Foreign debt instruments (Note 41)	170,477	149,415
Total debt instruments designated at fair value through profit or loss	170,477	149,415
Total debt instruments - financial assets	187,995,013	177,584,810

For the year ended 31 December 2025, the Company received consideration from debt instruments measured at fair value through other comprehensive income amounting to Baht 7,470.38 million (2024: Baht 4,306.21 million).

Investment in securities deposited with the Office of Insurance Commission are disclosed in Note 42.

13.1 Debt instruments measured at fair value through profit or loss

a) Amounts recognised in profit or loss

The items recognised in profit or loss during the year were as follows:

	2025 Thousand Baht	(Restated) 2024 Thousand Baht
Fair value gains on debt instruments measured at fair value through profit or loss	185,073	192,220
Losses on debt instruments measured at fair value through profit or loss	(51,147)	(9,710)
Interest income on debt instruments measured at fair value through profit or loss	59,000	59,162

13.2 Debt instruments measured at fair value through other comprehensive income

a) Allowance for expected credit losses

	2025	
	Fair value Thousand Baht	Allowance for expected credit losses recognised in other comprehensive income Thousand Baht
Debt instruments which credit risk has not significantly increased (Stage 1)	184,092,332	(10,805)
Debt instruments which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired debt instruments (Stage 3)	-	-
Total	184,092,332	(10,805)

	(Restated) 2024	
	Fair value Thousand Baht	Allowance for expected credit losses recognised in other comprehensive income Thousand Baht
Debt instruments which credit risk has not significantly increased (Stage 1)	174,418,574	(9,517)
Debt instruments which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired debt instruments (Stage 3)	-	-
Total	174,418,574	(9,517)

b) Amounts recognised in profit or loss and other comprehensive income

The items recognised in profit or loss and other comprehensive income during the year were as follows:

	2025 Thousand Baht	(Restated) 2024 Thousand Baht
Gains on debt instruments measured at fair value through other comprehensive income recognised in other comprehensive income and transferred to profit or loss	263,611	26,725
Interest income on debt instruments measured at fair value through other comprehensive income recognised in profit or loss	5,660,698	5,695,096
Reversal (increase) of allowance for expected credit loss on debt instruments measured at fair value through other comprehensive income recognised in profit or loss	(1,288)	1,730
Foreign exchange losses on debt instruments measured at fair value through other comprehensive income in profit or loss	(1,486,896)	(201,684)

13.3 Debt instruments designated at fair value through profit or loss

a) Amounts recognised in profit or loss

The items recognised in profit or loss during the year were as follows:

	2025 Thousand Baht	(Restated) 2024 Thousand Baht
Fair value gains on debt instruments measured at fair value through profit or loss	54,184	36,107

14 Equity instruments - financial assets

	2025 Fair value Thousand Baht	(Restated) 2024 Fair value Thousand Baht
<u>Equity instruments designated at fair value through other comprehensive income</u>		
Equity instruments	3,987,184	4,193,186
Equity instruments - Real Estate Investment Funds	28,782	93,306
Equity instruments - Infrastructure Funds	1,589,746	1,498,594
Equity instruments - REITs	4,934,042	4,943,997
Foreign equity instruments	656,438	568,023
Foreign equity instruments - REITs	14,324,215	11,217,403
Total equity instruments designated at fair value through other comprehensive income	25,520,407	22,514,509
Total equity instruments - financial assets	25,520,407	22,514,509

The Company invested in onshore and offshore equity instruments with the objective of long-term holding to support strategic goals rather than holding for short-term trading. The Company elected to measure equity instruments at fair value through other comprehensive income because they were not held for trading and to reflect the true intention of holding and to reduce the volatility of profit or loss recognised in the year.

For the year ended 31 December 2025, the Company recognised fair value gains (losses) on equity instruments measured at fair value through other comprehensive income amounting to Baht 1,843.07 million (2024: Baht (1,826.73) million) in other comprehensive income.

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

For the year ended 31 December 2025 and 2024, the Company derecognised equity instruments measured at fair value through other comprehensive income following their investment strategy as follows:

	2025			(Restated) 2024		
	Fair value at derecognition Thousand Baht	Dividends received Thousand Baht	Cumulative gains (losses) at derecognition Thousand Baht	Fair value at derecognition Thousand Baht	Dividends received Thousand Baht	Cumulative gains (losses) at derecognition Thousand Baht
Equity instruments	1,241,596	22,840	(136,755)	3,123,452	45,072	(606,338)
Equity instruments - Real Estate Investment Funds	64,445	1,277	(36,848)	129,867	4,363	(80,447)
Equity instruments - Infrastructure funds	-	-	-	-	-	-
Equity instruments - REITs	82,183	840	(81,167)	53,665	214	(63,342)
Foreign equity instruments	56,031	191	(3,388)	23,880	48	299
Foreign equity instruments - REITs	1,761,022	16,762	16,993	36,150	588	44,843
Total	3,205,277	41,910	(241,165)	3,367,014	50,285	(704,985)

For the year ended 31 December 2025 and 2024, the Company recognised the dividends on equity instruments measured at fair value through other comprehensive income in investment income in profit or loss as follows:

	2025	(Restated) 2024
	Thousand Baht	Thousand Baht
Equity instruments	228,362	321,910
Equity instruments - Real Estate Investment Funds	4,673	51,010
Equity instruments - Infrastructure Funds	141,144	127,012
Equity instruments - REITs	369,217	322,557
Foreign equity instruments	6,960	1,000
Foreign equity instruments - REITs	667,804	601,210
Total	1,418,160	1,424,699

15 Derivative assets and liabilities

The details of derivative assets which applied hedge accounting are as follows:

		2025			
Type of contract	Purpose	Number of contracts	Notional amount Thousand Baht	Derivative fair value Thousand Baht	Gains (losses) on fair value of derivative for the period Thousand Baht
Cross currency swap	To hedge foreign exchange rate risk of investment in foreign currency	147	23,074,679	1,684,436	1,197,592
Bond forward	To hedge reinvestment risk	49	6,610,000	1,424,323	602,623
Foreign exchange forward	To hedge fair value risk	10	7,207,490	112,223	(613,087)
Total derivative assets		206	36,892,169	3,220,982	1,187,128
		2024			
Type of contract	Purpose	Number of contracts	Notional amount Thousand Baht	Derivative fair value Thousand Baht	Gains on fair value of derivative for the year Thousand Baht
Cross currency swap	To hedge foreign exchange rate risk of investment in foreign currency	75	11,551,727	486,844	268,757
Bond forward	To hedge reinvestment risk	61	8,115,000	821,700	727,571
Foreign exchange forward	To hedge fair value risk	12	9,710,000	725,310	663,010
Total derivative assets		148	29,376,727	2,033,854	1,659,338

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

The details of derivative assets which did not apply hedge accounting are as follows:

2025					
Type of contract	Purpose	Number of contracts	Notional amount Thousand Baht	Derivative fair value Thousand Baht	Gains (losses) on fair value of derivative for the period Thousand Baht
Index option	To enhance the return to match the feature of the product	4	146,627	5,497	(1,992)
Foreign exchange forward	To hedge fair value risk	2	76,010	2,148	2,148
Total derivative assets		6	222,637	7,645	156
2024					
Type of contract	Purpose	Number of contracts	Notional amount Thousand Baht	Derivative fair value Thousand Baht	Losses on fair value of derivative for the year Thousand Baht
Index option	To enhance the return to match the feature of the product	3	144,213	7,341	(1,562)
Total derivative assets		3	144,213	7,341	(1,562)

The details of derivative liabilities which applied hedge accounting are as follows:

2025					
Type of contract	Purpose	Number of contracts	Notional amount Thousand Baht	Derivative fair value Thousand Baht	(Gains) losses on fair value of derivative for the period Thousand Baht
Cross currency swap	To hedge foreign exchange rate risk of investment in foreign currency	10	957,350	17,335	(353,115)
Bond forward	To hedge reinvestment risk	14	1,320,000	66,964	64,511
Foreign exchange forward	To hedge fair value risk	6	4,508,584	39,558	39,558
Total derivative liabilities		30	6,785,934	123,857	(249,046)
2024					
Type of contract	Purpose	Number of contracts	Notional amount Thousand Baht	Derivative fair value Thousand Baht	Gains on fair value of derivative for the year Thousand Baht
Cross currency swap	To hedge foreign exchange rate risk of investment in foreign currency	67	8,174,758	370,450	209,363
Bond forward	To hedge reinvestment risk	1	60,000	2,453	57,804
Total derivative liabilities		68	8,234,758	372,903	267,167

The Company applies hedge accounting. The effective portion of changes in the fair value of derivatives that are designated and qualified as cash flow hedge is recognised in other components of equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within fair value gains or losses. For fair value hedge of equity instruments designated at fair value through other comprehensive income, the gains or losses on the hedging instrument are recognised in other comprehensive income.

As at 31 December 2025, the Company has hedged the risk on foreign currency of offshore bonds by entering into cross currency swap contracts with local banks. The notional amount of these hedges is U.S. Dollar 721.46 million, EUR 17.00 million and SGD 2.25 million (2024: U.S. Dollar 587.32 million, EUR 17.00 million and SGD 2.25 million).

As at 31 December 2025, the Company has hedged the risk on foreign currency of foreign debt instrument - REITs by entering into foreign exchange forward contracts with local banks. The notional amount of these hedges is AUD 344.24 million and SGD 181.60 million (31 December 2024: AUD 254.11 million and SGD 145.91 million).

The notional amount is the amount used as a reference for calculation of the settlements made on the derivatives.

a) Hedging reserve

	Cost of hedging Thousand Baht	Cross currency swap Thousand Baht	Bond forward Thousand Baht	Foreign exchange forward Thousand Baht	Total Thousand Baht
As at 1 January 2024	156,639	703,462	(152,941)	22,991	730,151
<u>Add</u> Change in fair value of hedging instrument recognised in OCI	-	611,973	674,218	639,118	1,925,309
<u>Add</u> Cost of hedging deferred and recognised in OCI	70,260	-	-	-	70,260
<u>Add (less)</u> Reclassified from OCI to profit or loss	-	(266,411)	5,961	-	(260,450)
<u>Add</u> Reclassified from OCI to retained earnings	-	-	-	57,453	57,453
<u>Less</u> Deferred tax	(14,052)	(69,113)	(136,036)	(139,316)	(358,517)
As at 31 December 2024	212,847	979,911	391,202	580,246	2,164,206
<u>Add</u> Change in fair value of hedging instrument recognised in OCI	-	1,581,098	1,111,461	180,191	2,872,750
<u>Less</u> Cost of hedging deferred and recognised in OCI	(353,118)	-	-	-	(353,118)
<u>Less</u> Reclassified from OCI to profit or loss	16,253	(1,430,355)	(203)	-	(1,414,305)
<u>Less</u> Reclassified from OCI to retained earnings	-	-	-	(428,643)	(428,643)
<u>Add (less)</u> Deferred tax	67,373	(30,150)	(222,252)	49,693	(135,336)
As at 31 December 2025	(56,645)	1,100,504	1,280,208	381,487	2,705,554

16 Loans and accrued interest receivable, net

As at 31 December 2025 and 2024, the balance of loans and accrued interest receivable are aged as follows:

16.1 Mortgage loans

Staging	2025		2024	
	Principal Thousand Baht	Accrued interest receivable Thousand Baht	Principal Thousand Baht	Accrued interest receivable Thousand Baht
Mortgage loans which credit risk has not significantly increased (Stage 1)	-	-	300	-
Mortgage loans which credit risk has significantly increased (Stage 2)	-	-	-	-
Credit-impaired mortgage loans (Stage 3)	-	-	13,178	1,160
Total	-	-	13,478	1,160
Less Allowance for expected credit losses	-	-	(13,181)	(1,160)
Mortgage loans and accrued interest receivable, net	-	-	297	-

Mortgage loans are loans secured by real estates. The Company stopped providing new mortgage loans since 2010.

For the year ended 31 December 2025, the Company write off principal and accrued interest for loans secured by mortgaged assets totaling Baht 14.34 million, and an allowance for expected credit losses totaling Baht 14.34 million.

For the year ended 31 December 2024, the Company was returned principal and accrued interest receivable of mortgage loan amounting to Baht 2.39 million and derecognised principal and accrued interest receivable and allowance for expected credit losses on this loan amounting to Baht 30.37 million and Baht 32.76 million respectively. The Company also received the consideration from the interest that was overdue more than 180 days amounting to Baht 11.23 million which was recorded as net investment income in the statement of comprehensive income.

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

17 Property, plant and equipment, net

	Land Thousand Baht	Building Thousand Baht	Computer Thousand Baht	Office equipment Thousand Baht	Furniture Thousand Baht	Fitting Thousand Baht	Vehicles Thousand Baht	Assets under installation		Total Thousand Baht
								Thousand Baht	Thousand Baht	
At 1 January 2025										
Cost	243,116	51,637	222,198	140,688	2,279	304,545	553	1,149	966,165	
Less Accumulated depreciation	-	(50,792)	(187,479)	(118,723)	(1,967)	(181,622)	(553)	-	(541,136)	
Net book amount	243,116	845	34,719	21,965	312	122,923	-	1,149	425,029	
For the year ended 31 December 2025										
Beginning net book amount	243,116	845	34,719	21,965	312	122,923	-	1,149	425,029	
Additions - cost	-	-	34,049	10,223	-	29,464	-	-	73,736	
Transfer in (transfer out) - net book amount	-	-	-	1,149	-	-	-	(1,149)	-	
Disposal and write-off - net book amount	-	-	(70)	(10)	-	-	-	-	(80)	
Depreciation charges	-	(461)	(12,098)	(11,062)	(246)	(22,866)	-	-	(46,733)	
Ending net book amount	243,116	384	56,600	22,265	66	129,521	-	-	451,952	
At 31 December 2025										
Cost	243,116	51,637	219,381	130,950	2,078	307,338	553	-	955,053	
Less Accumulated depreciation	-	(51,253)	(162,781)	(108,685)	(2,012)	(177,817)	(553)	-	(503,101)	
Net book amount	243,116	384	56,600	22,265	66	129,521	-	-	451,952	

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

	Land	Building	Computer	Office	Furniture	Fitting	Vehicles	Assets under	Total
	Thousand Baht	Thousand Baht	Thousand Baht	equipment Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	installation Thousand Baht	Thousand Baht
At 1 January 2024									
Cost	243,116	51,637	277,280	145,580	2,504	298,940	553	-	1,019,610
Less Accumulated depreciation	-	(50,332)	(239,810)	(117,806)	(1,881)	(164,330)	(553)	-	(574,712)
Net book amount	243,116	1,305	37,470	27,774	623	134,610	-	-	444,898
For the year ended 31 December 2024									
Beginning net book amount	243,116	1,305	37,470	27,774	623	134,610	-	-	444,898
Additions - cost	-	-	9,308	7,560	-	10,884	-	1,149	28,901
Disposal and write-off - net book amount	-	-	(3)	(13)	-	-	-	-	(16)
Depreciation charges	-	(460)	(12,056)	(13,356)	(311)	(22,571)	-	-	(48,754)
Ending net book amount	243,116	845	34,719	21,965	312	122,923	-	1,149	425,029
At 31 December 2024									
Cost	243,116	51,637	222,198	140,688	2,279	304,545	553	1,149	966,165
Less Accumulated depreciation	-	(50,792)	(187,479)	(118,723)	(1,967)	(181,622)	(553)	-	(541,136)
Net book amount	243,116	845	34,719	21,965	312	122,923	-	1,149	425,029

18 Right-of-use assets, net

	Building and improvement Thousand Baht	Others Thousand Baht	Total Thousand Baht
As at 1 January 2024			
Cost	587,329	12,157	599,486
<u>Less</u> Accumulated amortisation	(269,195)	(9,733)	(278,928)
Net carrying amount	318,134	2,424	320,558
For the year ended 31 December 2024			
Beginning net carrying amount	318,134	2,424	320,558
Additions	50,094	-	50,094
Write-off	(2,991)	(2,424)	(5,415)
Lease modifications and reassessments	(14,773)	-	(14,773)
Amortisation charges	(76,692)	-	(76,692)
Closing net carrying amount	273,772	-	273,772
As at 31 December 2024			
Cost	545,533	-	545,533
<u>Less</u> Accumulated amortisation	(271,761)	-	(271,761)
Net carrying amount	273,772	-	273,772
For the year ended 31 December 2025			
Beginning net carrying amount	273,772	-	273,772
Additions	30,067	-	30,067
Write-off	(370)	-	(370)
Lease modifications and reassessments	(49,299)	-	(49,299)
Amortisation charges	(76,030)	-	(76,030)
Closing net carrying amount	178,140	-	178,140
As at 31 December 2025			
Cost	522,876	-	522,876
<u>Less</u> Accumulated amortisation	(344,736)	-	(344,736)
Closing net carrying amount	178,140	-	178,140

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

19 Intangible assets, net

	Developed in-house		Purchased		Total Thousand Baht
	Computer software Thousand Baht	Work-in-process Thousand Baht	Computer software Thousand Baht	Distribution rights Thousand Baht	
At 1 January 2025					
Cost	881,114	12,744	258,543	600,000	1,752,401
Less Accumulated amortisation	(658,404)	-	(193,812)	(480,000)	(1,332,216)
Net book amount	222,710	12,744	64,731	120,000	420,185
For the year ended 31 December 2025					
Beginning net book amount	222,710	12,744	64,731	120,000	420,185
Additions - cost	93,916	15,040	4,307	-	113,263
Transfer in (transfer out) - net book amount	457	(457)	-	-	-
Amortisation charges	(95,105)	-	(16,023)	(120,000)	(231,128)
Ending net book amount	221,978	27,327	53,015	-	302,320
At 31 December 2025					
Cost	975,487	27,327	253,119	600,000	1,855,933
Less Accumulated amortisation	(753,509)	-	(200,104)	(600,000)	(1,553,613)
Net book amount	221,978	27,327	53,015	-	302,320

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

	Developed in-house		Purchased		Total Thousand Baht
	Computer software Thousand Baht	Work-in-process Thousand Baht	Computer software Thousand Baht	Distribution rights Thousand Baht	
At 1 January 2024					
Cost	779,532	14,761	258,315	600,000	1,652,608
Less Accumulated amortisation	(569,803)	-	(177,323)	(360,000)	(1,107,126)
Net book amount	209,729	14,761	80,992	240,000	545,482
For the year ended 31 December 2024					
Beginning net book amount	209,729	14,761	80,992	240,000	545,482
Additions - cost	98,513	1,052	228	-	99,793
Transfer in (transfer out) - net book amount	3,069	(3,069)	-	-	-
Amortisation charges	(88,601)	-	(16,489)	(120,000)	(225,090)
Ending net book amount	222,710	12,744	64,731	120,000	420,185
At 31 December 2024					
Cost	881,114	12,744	258,543	600,000	1,752,401
Less Accumulated amortisation	(658,404)	-	(193,812)	(480,000)	(1,332,216)
Net book amount	222,710	12,744	64,731	120,000	420,185

20 Deferred tax

As at 31 December 2025 and 2024, deferred tax assets and liabilities are as follows:

	2025	(Restated) 2024
	Thousand Baht	Thousand Baht
Deferred tax assets	5,621,694	5,084,355
Deferred tax liabilities	(5,659,551)	(3,128,819)
Deferred tax assets (liabilities), net	(37,857)	1,955,536

Movements in deferred tax assets and liabilities are as follows:

	2025			
	(Restated) As at 1 January 2025 Thousand Baht	Increase (decrease) in profit or loss Thousand Baht	Increase (decrease) in other comprehensive income Thousand Baht	As at 31 December 2025 Thousand Baht
Deferred tax assets				
Allowance for expected credit losses	41,367	(2,389)	(256)	38,722
Unrealised losses on debt instruments	439,743	(7,207)	(291,904)	140,632
Unrealised losses on equity instruments	1,255,627	-	301,519	1,557,146
Unrealised losses on cash flow hedges	33,011	-	42,011	75,022
Unrealised losses on fair value hedges	-	-	14,783	14,783
Unrealised losses on index option	312	399	-	711
Deferred cost of hedging	30,333	-	32,167	62,500
Lease liabilities	65,913	(20,286)	-	45,627
Insurance reserve and insurance - related liabilities	603,420	34,583	-	638,003
Temporary differences from the adoption of financial reporting standards	2,397,354	(1,203,305)	1,610,841	2,804,890
Employee benefit obligations	175,427	5,776	16,425	197,628
Accrued expenses	22,661	4,607	-	27,268
Provisions	19,187	(180)	-	19,007
Total deferred tax assets	5,084,355	(1,188,002)	1,725,586	5,621,939
Deferred tax liabilities				
Unrealised gains on debt instruments	(1,553,232)	(35,018)	(1,150,656)	(2,738,906)
Unrealised gains on equity instruments	(565,332)	-	(804,094)	(1,369,426)
Unrealised gains on cash flow hedges	(375,789)	-	(294,412)	(670,201)
Unrealised gains on fair value hedges	(145,062)	(429)	34,906	(110,585)
Deferred cost of hedging	(83,545)	-	35,207	(48,338)
Right of use assets	(54,754)	19,126	-	(35,628)
Premium receivable	(332,894)	(3,726)	-	(336,620)
Temporary differences from the adoption of financial reporting standards	(2,890)	-	(31,370)	(34,260)
Ceded reserves	(15,321)	(300,511)	-	(315,832)
Total deferred tax liabilities	(3,128,819)	(320,558)	(2,210,419)	(5,659,796)
Deferred tax assets (liabilities), net	1,955,536	(1,508,560)	(484,833)	(37,857)

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

	2024			
	(Restated) As at 1 January 2024 Thousand Baht	Increase (decrease) in profit or loss Thousand Baht	Increase (decrease) in other comprehensive income Thousand Baht	(Restated) As at 31 December 2024 Thousand Baht
Deferred tax assets				
Allowance for expected credit losses	47,179	(6,172)	360	41,367
Unrealised losses on debt instruments	960,108	(4,535)	(515,830)	439,743
Unrealised losses on equity instruments	1,043,809	-	211,818	1,255,627
Unrealised losses on cash flow hedges	64,731	-	(31,720)	33,011
Unrealised losses on fair value hedges	6,712	-	(6,712)	-
Unrealised losses on index option	-	312	-	312
Deferred cost of hedging	9,331	-	21,002	30,333
Lease liabilities	76,140	(10,227)	-	65,913
Insurance reserve and insurance - related liabilities	540,862	62,558	-	603,420
Temporary differences from the adoption of financial reporting standards	2,438,025	(935,734)	895,063	2,397,354
Employee benefit obligations	150,200	16,040	9,187	175,427
Accrued expenses	27,503	(4,842)	-	22,661
Provisions	19,028	159	-	19,187
Total deferred tax assets	5,383,628	(882,441)	583,168	5,084,355
Deferred tax liabilities				
Unrealised gains on debt instruments	(754,923)	(39,025)	(759,284)	(1,553,232)
Unrealised gains on equity instruments	(589,353)	-	24,021	(565,332)
Unrealised gains on cash flow hedges	(202,361)	-	(173,428)	(375,789)
Unrealised gains on fair value hedges	(12,460)	-	(132,602)	(145,062)
Deferred cost of hedging	(48,491)	-	(35,054)	(83,545)
Right of use assets	(64,112)	9,358	-	(54,754)
Premium receivable	(313,813)	(19,081)	-	(332,894)
Temporary differences from the adoption of financial reporting standards	(5,389)	-	2,499	(2,890)
Ceded reserves	(33,780)	18,459	-	(15,321)
Total deferred tax liabilities	(2,024,682)	(30,289)	(1,073,848)	(3,128,819)
Deferred tax assets (liabilities), net	3,358,946	(912,730)	(490,680)	1,955,536

21 Other assets, net

	2025 Thousand Baht	(Restated) 2024 Thousand Baht
Cash collateral from derivative contracts	-	63,500
Other receivables	119,877	141,449
<u>Less</u> Allowance for expected credit losses	(7,794)	(7,808)
Other receivables, net	112,083	133,641
Prepaid expenses	70,260	38,365
Prepaid income tax	55,065	-
Receivables from the Revenue Department	97,382	97,382
Others	86,847	129,071
Other assets, net	421,637	461,959

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

22 Insurance and reinsurance contracts

22.1 Insurance contracts issued

22.1.1 Reconciliation of the liabilities for remaining coverage and the liabilities for incurred claims

	Contracts not measured under the PAA		Contracts measured under the PAA		LRC		LRC		Risk adjustment for non-financial risk	
	LRC		LRC		LRC		LRC		LRC	
	Excluding Loss component Thousand Baht	Loss component Thousand Baht	LIC Thousand Baht	Excluding Loss component Thousand Baht	Loss component Thousand Baht	Present value of future cash flow Thousand Baht	Loss component Thousand Baht	Present value of future cash flow Thousand Baht	Thousand Baht	Thousand Baht
Insurance contracts issued										
Insurance contract liabilities - opening balance	207,811,544	13,883	988,173	336,808	-	257,135	-	257,135	700	209,408,243
Insurance contract assets - opening balance	-	-	-	(1,206,147)	-	179,341	-	179,341	943	(1,025,863)
Net opening balance as at 1 January 2025	207,811,544	13,883	988,173	(869,339)	-	436,476	-	436,476	1,643	208,382,380
Insurance revenue	(22,237,363)	-	-	(5,122,604)	-	-	-	-	-	(27,359,967)
Insurance service expenses	973,949	-	5,451,971	73,955	-	3,354,563	-	3,354,563	(309)	9,854,129
Incurred claims and directly attributable expenses	-	-	(79,351)	-	-	(2,379)	-	(2,379)	(7)	(81,737)
Changes that relate to past service - changes in the FCF relating to the LIC	-	(1,801)	-	-	-	-	-	-	-	(1,801)
Losses and reversal of losses on onerous contracts	4,800,620	-	-	1,379,627	-	-	-	-	-	6,180,247
Insurance acquisition cash flow amortisation	-	-	-	40,851	-	-	-	-	-	40,851
Impairment of assets for insurance acquisition cash flows	-	-	-	-	-	-	-	-	-	-
Insurance service expenses	5,774,569	(1,801)	5,372,620	1,494,433	-	3,352,184	-	3,352,184	(316)	15,991,689
Insurance service result	(16,462,794)	(1,801)	5,372,620	(3,628,171)	-	3,352,184	-	3,352,184	(316)	(11,368,278)
Finance expenses from insurance contracts issued	15,291,939	-	-	-	-	-	-	-	-	15,291,939
Total amounts recognised in comprehensive income	(1,170,855)	(1,801)	5,372,620	(3,628,171)	-	3,352,184	-	3,352,184	(316)	3,923,661
Investment components	(25,122,041)	-	25,122,041	-	-	-	-	-	-	-
Cash flows	37,340,052	-	-	5,363,702	-	-	-	-	-	42,703,754
Premiums received	(906,935)	-	(30,567,964)	(75,646)	-	(3,415,710)	-	(3,415,710)	-	(34,966,255)
Claims and directly attributable expenses paid	(6,808,117)	-	-	(1,640,546)	-	-	-	-	-	(8,448,663)
Insurance acquisition cash flows	-	-	-	-	-	-	-	-	-	-
Total cash flows	29,625,000	-	(30,567,964)	3,647,510	-	(3,415,710)	-	(3,415,710)	-	(711,164)
Net closing balance as at 31 December 2025	211,143,648	12,082	914,870	(850,000)	-	372,950	-	372,950	1,327	211,594,877
Insurance contract liabilities - closing balance	211,375,469	6,653	827,820	503,334	-	217,014	-	217,014	579	212,930,869
Insurance contract assets - closing balance	(231,831)	5,429	87,050	(1,353,334)	-	155,936	-	155,936	748	(1,335,992)
Net closing balance as at 31 December 2025	211,143,648	12,082	914,870	(850,000)	-	372,950	-	372,950	1,327	211,594,877

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

	Contracts not measured under the PAA				Contracts measured under the PAA				Total Thousand Baht
	LRC		LIC		LRC		LIC		
	Excluding Loss component Thousand Baht	Loss component Thousand Baht	LIC Thousand Baht	Excluding Loss component Thousand Baht	Loss component Thousand Baht	Present value of future cash flow Thousand Baht	Risk adjustment for non- financial risk Thousand Baht		
Insurance contracts issued									
Insurance contract liabilities - opening balance	202,885,293	14,390	969,683	421,876	-	304,251	751	204,596,244	
Insurance contract assets - opening balance	-	-	-	(1,049,979)	-	204,333	961	(844,685)	
Net opening balance as at 1 January 2024	202,885,293	14,390	969,683	(628,103)	-	508,584	1,712	203,751,559	
Insurance revenue	(20,518,686)	-	-	(4,698,082)	-	-	-	(25,216,768)	
Insurance service expenses	901,452	-	5,213,749	60,414	-	3,436,292	1,643	9,613,550	
Incurred claims and directly attributable expenses	-	-	(180,119)	-	-	(70,759)	(1,712)	(252,590)	
Changes that relate to past service - changes in the FCF relating to the LIC	-	(507)	-	-	-	-	-	(507)	
Losses and reversal of losses on onerous contracts	4,263,707	-	-	1,341,383	-	-	-	5,605,090	
Insurance acquisition cash flow amortisation	-	-	-	23,616	-	-	-	23,616	
Impairment of assets for insurance acquisition cash flows	-	-	-	-	-	-	-	-	
Insurance service expenses	5,165,159	(507)	5,033,630	1,425,413	-	3,365,533	(69)	14,989,159	
Insurance service result	(15,353,527)	(507)	5,033,630	(3,272,669)	-	3,365,533	(69)	(10,227,609)	
Finance expenses from insurance contracts issued	11,958,293	-	3,940	-	-	-	-	11,962,233	
Total amounts recognised in comprehensive income	(3,395,234)	(507)	5,037,570	(3,272,669)	-	3,365,533	(69)	1,734,624	
Investment components	(18,846,823)	-	18,846,823	-	-	-	-	-	
Cash flows	34,620,207	-	-	4,584,614	-	-	-	39,204,821	
Premiums received	(924,132)	-	(23,865,903)	(83,182)	-	(3,437,641)	-	(28,310,858)	
Claims and directly attributable expenses paid	(6,527,767)	-	-	(1,469,999)	-	-	-	(7,997,766)	
Insurance acquisition cash flows	-	-	-	-	-	-	-	-	
Total cash flows	27,168,308	-	(23,865,903)	3,031,433	-	(3,437,641)	-	2,896,197	
Net closing balance as at 31 December 2024	207,811,544	13,883	988,173	(869,339)	-	436,476	1,643	208,382,380	
Insurance contract liabilities - closing balance	207,811,544	13,883	988,173	336,808	-	257,135	700	209,408,243	
Insurance contract assets - closing balance	-	-	-	(1,206,147)	-	179,341	943	(1,025,863)	
Net closing balance as at 31 December 2024	207,811,544	13,883	988,173	(869,339)	-	436,476	1,643	208,382,380	

22.1.2 Reconciliation of the measurement components of insurance contract balances

The table below exclude contracts measured under the PAA.

Insurance contracts issued	Present value of future cash flows Thousand Baht	Risk adjustment for non-financial risk Thousand Baht	CSM Thousand Baht	Total Thousand Baht
Insurance contract liabilities - opening balance	127,508,037	6,957,522	74,348,041	208,813,600
Insurance contract assets - opening balance	-	-	-	-
Net opening balance as at 1 January 2025	127,508,037	6,957,522	74,348,041	208,813,600
Changes that relate to current service				
CSM recognised in profit or loss for the services provided	-	-	(9,989,340)	(9,989,340)
Change in the risk adjustment for non-financial risk for the risk expired	-	(617,533)	-	(617,533)
Experience adjustments	(406,008)	-	-	(406,008)
	(406,008)	(617,533)	(9,989,340)	(11,012,881)
Changes that relate to future service				
Changes in estimates that adjust the CSM	(990,258)	1,226,198	(235,940)	-
Changes in estimates that result in onerous contract losses and reversals of those losses	228	29	-	257
Contracts initially recognised in the period	(9,306,618)	1,842,413	7,464,205	-
Experience adjustments	817,656	-	(817,656)	-
	(9,478,992)	3,068,640	6,410,609	257
Changes that relate to past service				
Changes that relate to past service - changes in the FCF relating to the LIC	(78,887)	(464)	-	(79,351)
	(78,887)	(464)	-	(79,351)
Insurance service result	(9,963,887)	2,450,643	(3,578,731)	(11,091,975)
Finance expenses from insurance contracts issued	11,675,629	1,036,981	2,579,329	15,291,939
Total amounts recognised in comprehensive income	1,711,742	3,487,624	(999,402)	4,199,964
Cash flows				
Premiums received	37,340,052	-	-	37,340,052
Claims and directly attributable expenses paid	(31,474,899)	-	-	(31,474,899)
Insurance acquisition cash flows	(6,808,117)	-	-	(6,808,117)
Total cash flows	(942,964)	-	-	(942,964)
Net closing balance as at 31 December 2025	128,276,815	10,445,146	73,348,639	212,070,600
Insurance contract liabilities - closing balance	131,752,970	9,477,090	70,979,882	212,209,942
Insurance contract assets - closing balance	(3,476,155)	968,056	2,368,757	(139,342)
Net closing balance as at 31 December 2025	128,276,815	10,445,146	73,348,639	212,070,600

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

Insurance contracts issued	Present value of future cash flows Thousand Baht	Risk adjustment for non- financial risk Thousand Baht	CSM Thousand Baht	Total Thousand Baht
Insurance contract liabilities - opening balance	128,395,757	3,601,542	71,872,067	203,869,366
Insurance contract assets - opening balance	-	-	-	-
Net opening balance as at 1 January 2024	128,395,757	3,601,542	71,872,067	203,869,366
Changes that relate to current service				
CSM recognised in profit or loss for the services provided	-	-	(9,908,484)	(9,908,484)
Change in the risk adjustment for non-financial risk for the risk expired	-	(466,494)	-	(466,494)
Experience adjustments	232,979	-	-	232,979
	232,979	(466,494)	(9,908,484)	(10,141,999)
Changes that relate to future service				
Changes in estimates that adjust the CSM	(5,489,167)	2,218,013	3,271,154	-
Changes in estimates that result in onerous contract losses or reversals of those losses	-	-	1,714	1,714
Contracts initially recognised in the year	(8,202,760)	1,253,178	6,949,582	-
Experience adjustments	582,155	-	(582,155)	-
	(13,109,772)	3,471,191	9,640,295	1,714
Changes that relate to past service				
Changes that relate to past service - changes in the FCF relating to the LIC	(179,352)	(767)	-	(180,119)
	(179,352)	(767)	-	(180,119)
Insurance service result	(13,056,145)	3,003,930	(268,189)	(10,320,404)
Finance expenses from insurance contracts issued	8,866,020	352,050	2,744,163	11,962,233
Total amounts recognised in comprehensive income	(4,190,125)	3,355,980	2,475,974	1,641,829
Cash flows				
Premiums received	34,620,207	-	-	34,620,207
Claims and other directly attributable expenses paid	(24,790,035)	-	-	(24,790,035)
Insurance acquisition cash flows	(6,527,767)	-	-	(6,527,767)
Total cash flows	3,302,405	-	-	3,302,405
Net closing balance as at 31 December 2024	127,508,037	6,957,522	74,348,041	208,813,600
Insurance contract liabilities - closing balance	127,508,037	6,957,522	74,348,041	208,813,600
Insurance contract assets - closing balance	-	-	-	-
Net closing balance as at 31 December 2024	127,508,037	6,957,522	74,348,041	208,813,600

22.1.3 Impact of contracts recognised in the year

The table below excludes contracts measured under PAA.

	2025		2024	
	Contract issued		Contract issued	
Insurance contracts issued	Non-onerous contracts originated Thousand Baht	Onerous contracts originated Thousand Baht	Non-onerous contracts originated Thousand Baht	Onerous contracts originated Thousand Baht
Estimates of the present value of future cash outflows				
- Insurance acquisition cash flows	8,477,328	-	7,883,553	-
- Cash flows excluding insurance acquisition cash flows	39,644,937	-	35,112,795	-
Estimates of the present value of future cash outflows	48,122,265	-	42,996,348	-
Estimates of the present value of future cash inflows	(57,428,883)	-	(51,199,108)	-
Risk adjustment for non-financial risk CSM	1,842,413	-	1,253,178	-
	7,464,205	-	6,949,582	-
Increase in insurance contract liabilities from contracts recognised in the year	-	-	-	-

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

22.1.4 Amounts determined on transition to TFRS 17

The table below excludes contracts measured under PAA.

	2025		2024	
	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition	New contracts and contracts measured under the full retrospective approach at transition	Contracts measured under the fair value approach at transition
Insurance contracts issued	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Insurance revenue	9,584,642	12,652,721	6,795,508	13,723,178
CSM as at 1 January	21,771,228	52,576,813	14,976,274	56,895,793
Changes that relate to current service	(3,093,911)	(6,895,429)	(2,333,692)	(7,574,792)
CSM recognised in profit or loss for the services provided	-	-	-	-
Experience adjustments	(3,093,911)	(6,895,429)	(2,333,692)	(7,574,792)
Changes that relate to future service	517,601	(753,541)	1,709,020	1,562,134
Changes in estimates that adjust the CSM	-	-	1,714	-
Changes in estimates that result in onerous contract losses or reversals of those losses	7,464,205	-	6,949,582	-
Contracts initially recognised in the year	(160,529)	(657,127)	(168,048)	(414,107)
Experience adjustments	7,821,277	(1,410,668)	8,492,268	1,148,027
Insurance service result	4,727,366	(8,306,097)	6,158,576	(6,426,765)
Finance expenses from insurance contracts issued	716,620	1,862,709	636,378	2,107,785
Total amounts recognised in comprehensive income	5,443,986	(6,443,388)	6,794,954	(4,318,980)
CSM as at 31 December	27,215,214	46,133,425	21,771,228	52,576,813
				74,348,041
				20,518,686
				71,872,067
				(9,908,484)
				(9,908,484)
				3,271,154
				1,714
				6,949,582
				(582,155)
				9,640,295
				(268,189)
				2,744,163
				2,475,974
				74,348,041

The following table shows the reconciliation of cumulative amounts of the fair value reserve within OCI, for investment assets measured at FVOCI related to the groups of insurance contracts.

Investment assets measured at FVOCI	2025			2024		
	Amount determined as at transition Thousand Baht	Post-transition amount Thousand Baht	Total Thousand Baht	Amount determined as at transition Thousand Baht	Post-transition amount Thousand Baht	Total Thousand Baht
Fair value reserve as at 1 January	4,305,183	(3,425,270)	879,913	(822,522)	(2,030,428)	(2,852,950)
Gains (losses) on measurement of investments	5,105,486	4,062,003	9,167,489	6,887,151	(1,633,816)	5,253,335
Items in other comprehensive income transferred to profit or loss/retained earnings	(19,028)	(15,139)	(34,167)	(477,520)	(109,736)	(587,256)
Income tax relating to these items	(1,017,291)	(809,373)	(1,826,664)	(1,281,926)	348,710	(933,216)
Fair value reserve as at 31 December	8,374,350	(187,779)	8,186,571	4,305,183	(3,425,270)	879,913

22.1.5 Reconciliation of insurance acquisition cash flows asset

Insurance contracts issued	2025 Thousand Baht	2024 Thousand Baht
Insurance acquisition cash flows asset as at 1 January	1,297,570	1,171,460
Cash flows recognised as an asset during the year	510,408	487,140
Amounts derecognised on initial recognition of groups of insurance contracts	(299,562)	(337,414)
Impairment losses recognised during the year	(40,851)	(23,616)
Reversal of impairment losses recognised in prior year	-	-
Insurance acquisition cash flows asset as at 31 December	1,467,565	1,297,570
Cumulative impairment, net of reversals, recognised at the end of the year	(64,467)	(23,616)

Expected timing of derecognition of insurance acquisition cash flows asset

Number of years until expected derecognition	1	2	3	4	5	Total
	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
As at 31 December 2025	308,683	222,760	171,765	135,377	628,980	1,467,565
As at 31 December 2024	286,752	205,785	155,704	120,588	528,741	1,297,570

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

22.2 Reinsurance contracts held

22.2.1 Reconciliation of the remaining coverage and incurred claims

	Reinsurance contracts not measured under the PAA		Reinsurance contracts measured under the PAA		Total	
	Remaining coverage		Remaining coverage		Risk	
	Excluding loss recovery component Thousand Baht	Loss recovery component Thousand Baht	Excluding loss recovery component Thousand Baht	Loss recovery component Thousand Baht	Present value of future cash flows Thousand Baht	adjustment for non- financial risk Thousand Baht
Reinsurance contracts held						
Reinsurance contract assets - opening balance	1,334,138	-	(107,384)	-	158,221	-
Reinsurance contract liabilities - opening balance	(320,944)	-	-	-	-	-
Net opening balance as at 1 January 2025	1,013,194	-	(107,384)	-	158,221	-
Net income (expenses) from reinsurance contracts held						
Reinsurance expenses	(451,917)	-	(142,533)	-	-	-
Incurred claim recovery	-	231,272	-	-	138,240	27
Changes that relate to past service - changes in the FCF relating to incurred claim recovery	-	-	-	-	(33,959)	-
Net income (expenses) from reinsurance contracts held	(451,917)	252,916	(142,533)	-	104,281	27
Finance income from reinsurance contracts held	51,506	-	-	-	-	-
Total amounts recognised in comprehensive income	(400,411)	252,916	(142,533)	-	104,281	27
Investment components	(37,875)	-	-	-	-	-
Cash flows						
Premiums paid net of directly attributable expenses paid	290,622	-	243,361	-	-	-
Recoveries from reinsurance	(1,534,724)	(463,286)	-	-	(199,575)	-
Total cash flows	(1,244,102)	(463,286)	243,361	-	(199,575)	-
Net closing balance as at 31 December 2025	(669,194)	-	(6,556)	-	62,927	27
Reinsurance contract assets - closing balance	1,159,446	-	(6,556)	-	62,927	27
Reinsurance contract liabilities - closing balance	(1,828,640)	-	-	-	-	-
Net closing balance as at 31 December 2025	(669,194)	-	(6,556)	-	62,927	27

In 2025, the Company entered into a reinsurance agreement with the related party which was a significant transaction. Details are disclosed in Note 41.3 (c).

	Reinsurance contracts not measured under the PAA		Reinsurance contracts measured under the PAA		Reinsured under the PAA		Total	
	Remaining coverage		Remaining coverage		Incurred claims		Risk	
	Excluding loss recovery component Thousand Baht	Loss recovery component Thousand Baht	Excluding loss recovery component Thousand Baht	Incurred claims Thousand Baht	Present value of future cash flows Thousand Baht	Loss recovery component Thousand Baht	adjustment for non- financial risk Thousand Baht	Thousand Baht
Reinsurance contracts held								
Reinsurance contract assets - opening balance	953,206	-	575,494	-	124,657	-	-	1,617,512
Reinsurance contract liabilities - opening balance	(34,937)	-	28,027	-	-	-	-	(6,910)
Net opening balance as at 1 January 2024	918,269	-	603,521	-	124,657	-	-	1,610,602
Net income (expenses) from reinsurance contracts held								
Reinsurance expenses	(689,943)	-	(166,343)	-	-	-	-	(856,286)
Incurred claims recovery	-	-	689,144	-	217,711	-	-	906,855
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	-	-	(98,569)	-	(65,921)	-	-	(164,490)
Net income (expenses) from reinsurance contracts held	(689,943)	-	590,575	(166,343)	151,790	-	-	(113,921)
Finance income from reinsurance contracts held	35,333	-	-	-	-	-	-	35,333
Total amounts recognised in comprehensive income	(654,610)	-	590,575	(166,343)	151,790	-	-	(78,588)
Investment components								
Cash flows								
Premiums paid net of directly attributable expenses paid	(5,987)	-	5,987	-	-	-	-	-
Recoveries from reinsurance	755,522	-	-	94,804	-	-	-	850,326
Total cash flows	755,522	-	(553,755)	94,804	(118,226)	-	-	(671,981)
Net closing balance as at 31 December 2024	1,013,194	-	646,328	(107,384)	158,221	-	-	1,710,359
Reinsurance contract assets - closing balance	1,334,138	-	551,552	(107,384)	158,221	-	-	1,936,527
Reinsurance contract liabilities - closing balance	(320,944)	-	94,776	-	-	-	-	(226,168)
Net closing balance as at 31 December 2024	1,013,194	-	646,328	(107,384)	158,221	-	-	1,710,359

22.2.2 Reconciliation of the measurement components of reinsurance contract held balances

The tables below exclude contracts measured under the PAA

Reinsurance contracts held	Present value of future cash flows Thousand Baht	Risk adjustment for non- financial risk Thousand Baht	CSM Thousand Baht	Total Thousand Baht
Reinsurance contract assets - opening balance	92,796	89,476	1,703,418	1,885,690
Reinsurance contract liabilities - opening balance	(167,673)	54,028	(112,523)	(226,168)
Net opening balance as at 1 January 2025	(74,877)	143,504	1,590,895	1,659,522
Changes that relate to current service				
CSM recognised for the services received	-	-	(180,092)	(180,092)
Change in the risk adjustment for non-financial risk for the risk expired	-	(14,899)	-	(14,899)
Experience adjustments	(25,654)	-	-	(25,654)
	(25,654)	(14,899)	(180,092)	(220,645)
Changes that relate to future service				
Changes in estimates that adjust the CSM	69,265	(8,985)	(60,280)	-
Contracts initially recognised in the period	(382,878)	99,885	282,993	-
	(313,613)	90,900	222,713	-
Changes that relate to past service				
Changes that relate to past service - changes in the FCF relating to the incurred claim recovery	21,375	269	-	21,644
	21,375	269	-	21,644
Net income (expenses) from reinsurance contracts held	(317,892)	76,270	42,621	(199,001)
Finance income from reinsurance contracts held	990	12,869	37,647	51,506
Total amounts recognised in comprehensive income	(316,902)	83,139	80,268	(147,495)
Cash flows				
Premiums paid net of directly attributable expenses paid	290,622	-	-	290,622
Recoveries from reinsurance	(1,998,010)	-	-	(1,998,010)
Total cash flows	(1,707,388)	-	-	(1,707,388)
Net closing balance as at 31 December 2025	(2,099,167)	232,643	1,671,163	(195,361)
Reinsurance contract assets - closing balance	(146,076)	89,111	1,566,565	1,509,600
Reinsurance contract liabilities - closing balance	(1,953,091)	143,532	104,598	(1,704,961)
Net closing balance as at 31 December 2025	(2,099,167)	232,643	1,671,163	(195,361)

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

Reinsurance contracts held	Present value of future cash flows Thousand Baht	Risk adjustment for non- financial risk Thousand Baht	CSM Thousand Baht	Total Thousand Baht
Reinsurance contract assets - opening balance	(881,563)	466,262	1,944,001	1,528,700
Reinsurance contract liabilities - opening balance	(76,127)	13,867	55,350	(6,910)
Net opening balance as at 1 January 2024	(957,690)	480,129	1,999,351	1,521,790
Changes that relate to current service				
CSM recognised for the services received	-	-	(191,866)	(191,866)
Change in the risk adjustment for non-financial risk for the risk expired	-	(13,029)	-	(13,029)
Experience adjustments	204,096	-	-	204,096
	204,096	(13,029)	(191,866)	(799)
Changes that relate to future service				
Changes in estimates that adjust the CSM	837,188	(461,392)	(375,796)	-
Contracts initially recognised in the year	(252,392)	132,374	120,018	-
	584,796	(329,018)	(255,778)	-
Changes that relate to past service				
Changes that relate to past service - changes in the FCF relating to the incurred claim recovery	(98,569)	-	-	(98,569)
	(98,569)	-	-	(98,569)
Net income (expenses) from reinsurance contracts held	690,323	(342,047)	(447,644)	(99,368)
Finance income (expenses) from reinsurance contracts held	(9,277)	5,422	39,188	35,333
Total amounts recognised in comprehensive income	681,046	(336,625)	(408,456)	(64,035)
Cash flows				
Premiums paid net of directly attributable expenses paid	755,522	-	-	755,522
Recoveries from reinsurance	(553,755)	-	-	(553,755)
Total cash flows	201,767	-	-	201,767
Net closing balance as at 31 December 2024	(74,877)	143,504	1,590,895	1,659,522
Reinsurance contract assets - closing balance	92,796	89,476	1,703,418	1,885,690
Reinsurance contract liabilities - closing balance	(167,673)	54,028	(112,523)	(226,168)
Net closing balance as at 31 December 2024	(74,877)	143,504	1,590,895	1,659,522

22.2.3 Impact of contracts recognised in the year

The tables below exclude contracts measured under PAA.

Reinsurance contracts held	2025		
	Contracts originated not in a net gain		
	Contracts purchased Thousand Baht	Contracts acquired Thousand Baht	Total Thousand Baht
Estimates of the present value of future cash inflows	3,519,345	-	3,519,345
Estimates of the present value of future cash outflows	(3,902,223)	-	(3,902,223)
Risk adjustment for non-financial risk	99,885	-	99,885
CSM	282,993	-	282,993

Reinsurance contracts held	2024		
	Contracts originated not in a net gain		
	Contracts purchased Thousand Baht	Contracts acquired Thousand Baht	Total Thousand Baht
Estimates of the present value of future cash inflows	1,887,376	-	1,887,376
Estimates of the present value of future cash outflows	(2,139,768)	-	(2,139,768)
Risk adjustment for non-financial risk	132,374	-	132,374
CSM	120,018	-	120,018

22.2.4 Amounts determined on transition to TFRS 17

The table below excludes contracts measured under PAA.

	2025		2024		Total Thousand Baht
	New contracts and contracts measured under the full retrospective approach at transition Thousand Baht		New contracts and contracts measured under the full retrospective approach at transition Thousand Baht		
	Contracts measured under the fair value approach at transition Thousand Baht	Contracts measured under the fair value approach at transition Thousand Baht	Contracts measured under the fair value approach at transition Thousand Baht	Contracts measured under the fair value approach at transition Thousand Baht	
Reinsurance contracts held					
CSM as at 1 January	(105,237)	(1,485,658)	(110,911)	(1,888,440)	(1,999,351)
Changes that relate to current service CSM recognised for the services received Experience adjustments	15,896	164,196	10,691	181,175	191,866
	-	-	-	-	-
	15,896	164,196	10,691	181,175	191,866
Changes that relate to future service					
Changes in estimates that adjust the CSM Contracts initially recognised in the year	24,577 (282,993)	35,703 -	119,270 (120,018)	256,526 -	375,796 (120,018)
	(258,416)	35,703	(748)	256,526	255,778
Insurance service result	(242,520)	199,899	9,943	437,701	447,644
Finance income from reinsurance contracts held	(3,586)	(34,061)	(4,269)	(34,919)	(39,188)
Total amounts recognised in comprehensive income	(246,106)	165,838	5,674	402,782	408,456
CSM as at 31 December	(351,343)	(1,319,820)	(105,237)	(1,485,658)	(1,590,895)

23 Employee benefits obligations

	2025	2024
	Thousand Baht	Thousand Baht
Statement of financial position		
Short-term employee benefits	257,952	242,934
Long-term employee benefits	129,350	118,643
Retirement benefits	535,265	453,203
Total employment benefits obligations	922,567	814,780

23.1 Retirement benefits

The amounts recognised in profit or loss are as follows:

	2025	2024
	Thousand Baht	Thousand Baht
<u>Expense from defined benefits plans</u>		
Prior year service costs	(22,600)	-
Current year service costs	34,343	30,287
Interest costs	11,257	11,968
Total expenses	23,000	42,255
<u>Obligations from defined benefits plans</u>		
Present value of employee benefits obligations	535,265	453,203
<u>Changes in the present value of obligation</u>		
As at 1 January	453,203	389,476
Prior year service costs	(22,600)	-
Current year service costs	34,343	30,287
Interest costs	11,257	11,968
<u>Less</u> Benefits paid	(23,060)	(24,466)
Losses on actuarial remeasurement	82,122	45,938
As at 31 December	535,265	453,203

Significant statistical assumptions used in the actuarial calculation are summarised as follows:

	2025	2024
Discount rate (per annum)	1.16% - 2.42%	2.15% - 4.32%
Salary increase rate (per annum)	4.00% - 9.00%	4.00% - 9.00%
Retirement ages (years)	60 years	60 years
Turnover rate	0.00% - 20.00%	0.00% - 20.00%

Sensitivity analysis on key assumptions changes is as follows:

	Change in assumptions		Impact on employee benefits obligations			
			Increase in assumption		Decrease in assumption	
	2025	2024	2025	2024	2025	2024
	Percentage	Percentage	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Discount rate	0.50	0.50	(20,404)	(17,693)	21,770	18,842
Salary increase rate	0.25	0.25	12,650	11,574	(12,340)	(11,298)
Turnover rate	1.00	1.00	(20,924)	(18,100)	23,085	19,881

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

	2025	2024
Weighted average duration of the defined benefit obligation (years)	12.40	12.30
Maturity analysis of undiscounted benefits expected to be paid (Thousand Baht)		
Benefits expected to be paid within 1 year	68,840	43,195
Benefits expected to be paid between 1 - 5 years	199,699	169,917
Benefits expected to be paid after 5 years	896,322	917,114

23.2 Long-term employee benefits - Share-based compensation

The Company has share-based compensation in accordance with Allianz Group policy using the share price of Allianz SE, a listed company in Frankfurt am Main in XETRA trading.

During the year 2025 and 2024, there was a share-based compensation plan to employee. The details are as below:

Employee Stock Purchase Plan (ESPP)

The Company had arranged Employee Stock Purchase Plan (ESPP) to offer Allianz SE shares to entitled Company staff. The ESPP was offered to entitled Allianz employees all across the world, in 48 countries. The offer provides additional 1 Euro on top for every 3 Euro that had been invested by the employees. The shares have a three-year restriction period for not transferring or selling.

During the year ended 31 December 2025, the total Company's contribution under this plan was Baht 7.75 million (2024: Baht 6.24 million).

Restricted stock unit (RSU)

The Allianz Equity Incentive (AEI) is a long-term equity-based plan granting Restricted Stock Units (RSU) provided to executives. The AEI are granted once a year and have a four-year vesting period from the time of their grant. The plan participant is required to formally accept the grant during a defined period. Failure to do so will result in forfeiture of the grant. Any value can be realised if the plan participant remains employed within the Allianz Group or under certain conditions.

Performance criteria are set by the Board of Directors and will measure the performance of the Company.

	RSU	
	2025	2024
	Number of shares	Number of shares
As at 1 January	15,099	16,012
Granted / Transferred in	2,633	3,177
Exercised	(5,326)	(4,090)
As at 31 December	12,406	15,099

The total returns are recognised as compensation in other employee benefits for the year ended 31 December 2025 amounting to Baht 94.80 million (2024: Baht 72.25 million) and the total compensation liabilities under "Employee benefits" amounting to Baht 118.02 million (2024: Baht 107.85 million). The Company uses projected cash flow technique to calculate the fair value of this share-based payment plan. The key assumptions for valuations are expected share price and employee turnover rate.

23.3 Long-term employee benefits - Long service award

The Company has long service award compensation according to the years of service with the Company. The years of service will be counted since the first working day. The awarded employee must be the Company's employee on the benefit pay out date.

24 Accrued expenses

	2025 Thousand Baht	(Restated) 2024 Thousand Baht
Accrued marketing expenses	65,711	64,251
Accrued administration expenses	178,932	108,033
Others	35,952	27,591
Total accrued expenses	280,595	199,875

25 Provisions and contingent liabilities

25.1 Provisions

As at 31 December 2025, the Company set up the provision for lawsuits as the insurer amounting to Baht 95.03 million. (2024: Baht 95.93 million). The Company's management believes that the amount of provision recorded in the financial statements for the potential losses and expenses is adequate.

Significant changes in provisions during the year are as follows:

	Lawsuits as the insurer Thousand Baht	Normal business operation Thousand Baht	Total Thousand Baht
As at 1 January 2025	95,933	-	95,933
Additional	-	40,000	40,000
Reversal	(900)	(40,000)	(40,900)
Recognition of time value of money	-	-	-
Provisions used during the year	-	-	-
As at 31 December 2025	95,033	-	95,033

25.2 Contingent liabilities

As at 31 December 2025, the claims were lodged against the Company for lawsuits as the insurer. It is practical to estimate the potential effect of the claims but legal advice indicates that it is not probable that significant liabilities will arise.

26 Other liabilities

	2025 Thousand Baht	(Restated) 2024 Thousand Baht
Cash collateral from derivative contracts	2,771,599	889,142
Lease liabilities	202,091	303,206
Decommissioning provisions	26,043	26,359
Other creditors	61,818	40,583
Others	1,874,480	1,602,496
Total other liabilities	4,936,031	2,861,786

The lease liabilities are aged as follows:

	2025	2024
	Thousand Baht	Thousand Baht
Maturing		
Within 1 year	62,307	86,210
Between 1 to 2 years	56,890	85,984
Between 2 to 3 years	57,040	52,281
Between 3 to 4 years	25,854	52,038
Between 4 to 5 years	-	26,693
Later than 5 years	-	-
Total	202,091	303,206
Including: - Principal	227,811	324,163
- Interest	(25,720)	(20,957)

Movements of lease liabilities are as follows:

	2025	2024
	Thousand Baht	Thousand Baht
Balance as at 1 January	303,206	352,765
Increase	30,066	49,715
Interests paid	9,631	11,543
Cash flows paid	(91,513)	(91,365)
Modification	(49,299)	(15,765)
Write-off	-	(3,687)
Balance as at 31 December	202,091	303,206

27 Share capital

The total number of authorised ordinary shares is 400 million shares (2024: 400 million shares) with a par value of Baht 10 per share (2024: Baht 10 per share). 295 million shares (2024: 295 million shares) are issued and fully paid.

28 Legal reserve

Under the Public Limited Company Act., B.E. 2535, the Company is required to set aside as a legal reserve at least 5 percent of its net profit after accumulated deficit brought forward (if any) until the reserve is not less than 10 percent of the registered capital. The legal reserve is non-distributable.

29 Dividends

Dividends are recorded in the financial statements in the period in which they are approved by the shareholders and the Office of Insurance Commission.

At the annual general meeting of the shareholders of the Company held on 23 April 2025, the shareholders approved the appropriation of dividend payment from the Company's performance for the year 2024 of Baht 6.16 per share, on 295 million shares, totaling at Baht 1,817.28 million. On 12 June 2025, the Office of Insurance Commission endorsed for distribution of profit for the year 2024 for dividend payments not exceeding a total of Baht 1,817.28 million. The dividend payment was made at Baht 6.16 per share, on 295 million shares, totaling at Baht 1,817.20 million on 27 June 2025. (2024: At the annual general meeting of the shareholders of the Company held on 23 April 2024, the shareholders approved the appropriation of dividend payment from the Company's performance for the year 2023 of Baht 6.45 per share, on 295 million shares, totaling at Baht 1,901.76 million. On 12 June 2024, the Office of Insurance Commission endorsed for distribution of profit for the year 2023 for dividend payments not exceeding a total of Baht 1,901.76 million. The dividend payment was made at Baht 6.44 per share, on 295 million shares, totaling at Baht 1,899.80 million on 28 June 2024).

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

	2025		(Restated) 2024		Total Thousand Baht	Life risk contracts not measured under the PAA Thousand Baht	Life risk contracts measured under the PAA Thousand Baht	Life risk contracts not measured under the PAA Thousand Baht	Life risk contracts measured under the PAA Thousand Baht	Total Thousand Baht
	Life risk contracts not measured under the PAA Thousand Baht	Life risk contracts measured under the PAA Thousand Baht	Life risk contracts not measured under the PAA Thousand Baht	Life risk contracts measured under the PAA Thousand Baht						
30 Insurance revenue and expenses										
30.1 Insurance revenue and insurance service result										
Insurance revenue										
Contracts not measured under the PAA										
Amounts relating to the changes in the LRC										
- Expected incurred claims and directly attributable expenses after allocating to loss component	6,871,852	-	6,871,852	-	6,871,852	6,099,472	-	6,099,472	-	6,099,472
- Change in the risk adjustment for non-financial risk for the risk expired after allocating to loss component	617,524	-	617,524	-	617,524	467,396	-	467,396	-	467,396
- CSM recognised in profit or loss for the services provided	9,989,340	-	9,989,340	-	9,989,340	9,908,484	-	9,908,484	-	9,908,484
- Others	(41,973)	-	(41,973)	-	(41,973)	(220,373)	-	(220,373)	-	(220,373)
Others	4,800,620	-	4,800,620	-	4,800,620	4,263,707	-	4,263,707	-	4,263,707
Insurance acquisition cash flow recovery										
Insurance revenue from contracts not measured under the PAA	22,237,363	-	22,237,363	-	22,237,363	20,518,686	-	20,518,686	-	20,518,686
Insurance revenue from contracts measured under the PAA	-	5,122,604	5,122,604	-	5,122,604	-	4,698,082	4,698,082	-	4,698,082
Total insurance revenue	22,237,363	5,122,604	27,359,967	5,122,604	27,359,967	20,518,686	4,698,082	20,518,686	4,698,082	25,216,768
Insurance service expenses										
Incurred claims and directly attributable expenses	(6,425,920)	(3,428,209)	(9,854,129)	(3,428,209)	(9,854,129)	(6,115,201)	(3,498,349)	(6,115,201)	(3,498,349)	(9,613,550)
Changes that relate to past service - changes in the FCF relating to the LIC	79,351	2,386	81,737	2,386	81,737	180,119	72,471	180,119	72,471	252,590
Losses and reversal of losses on onerous contracts	1,801	-	1,801	-	1,801	507	-	507	-	507
Insurance acquisition cash flow amortisation	(4,800,620)	(1,379,627)	(6,180,247)	(1,379,627)	(6,180,247)	(4,263,707)	(1,341,383)	(4,263,707)	(1,341,383)	(5,605,090)
Impairment of insurance acquisition cash flow assets	-	(40,851)	(40,851)	(40,851)	(40,851)	-	(23,616)	-	(23,616)	(23,616)
Total insurance service expenses	(11,145,388)	(4,846,301)	(15,991,689)	(4,846,301)	(15,991,689)	(10,198,282)	(4,790,877)	(10,198,282)	(4,790,877)	(14,989,159)

	2025		(Restated) 2024		Total Thousand Baht	Life risk contracts not measured under the PAA Thousand Baht	Life risk contracts measured under the PAA Thousand Baht	Life risk contracts not measured under the PAA Thousand Baht	Life risk contracts measured under the PAA Thousand Baht	Total Thousand Baht
	Life risk contracts not measured under the PAA Thousand Baht	Life risk contracts measured under the PAA Thousand Baht	Life risk contracts not measured under the PAA Thousand Baht	Life risk contracts measured under the PAA Thousand Baht						
Net income (expenses) from reinsurance contracts held										
Reinsurance expenses - contracts not measured under the PAA	(222,201)	-	(222,201)	(524,053)	(524,053)	-	-	-	-	(524,053)
Amounts relating to the changes in the remaining coverage	(14,899)	-	(14,899)	(13,029)	(13,029)	-	-	-	-	(13,029)
- Expected incurred claims and directly attributable expenses recovery	(180,092)	-	(180,092)	(191,866)	(191,866)	-	-	-	-	(191,866)
- Change in the risk adjustment for non-financial risk	(34,725)	-	(34,725)	39,005	39,005	-	-	-	-	39,005
- CSM recognised for the services received	(451,917)	-	(451,917)	(689,943)	(689,943)	-	-	-	-	(689,943)
- Other	-	(142,533)	(142,533)	-	(166,343)	-	(166,343)	-	(166,343)	(166,343)
Reinsurance expenses - contracts not measured under the PAA	231,272	138,267	369,539	689,144	906,855	-	217,711	-	217,711	906,855
Reinsurance expenses - contracts measured under the PAA	21,644	(33,959)	(12,315)	(98,569)	(164,490)	-	(65,921)	-	(65,921)	(164,490)
Incurred claim recovery	(199,001)	(38,225)	(237,226)	(99,368)	(113,921)	-	(14,553)	-	(14,553)	(113,921)
Changes that relate to past service - changes in the FCF relating to incurred claims recovery	10,892,974	238,078	11,131,052	10,221,036	10,113,688	-	(107,348)	-	(107,348)	10,113,688
Total net expenses from reinsurance contracts held										
Total insurance service result										

30.2 Amounts determined on transition to TFRS 17

The table below excludes contracts measured under PAA.

	2025		(Restated) 2024		Total Thousand Baht	Unit-linked contracts Thousand Baht	Participating life risk contracts Thousand Baht	Non-participating life risk contracts Thousand Baht	Participating life risk contracts Thousand Baht	Unit-linked contracts Thousand Baht	Total Thousand Baht		
	Non-participating life risk contracts Thousand Baht	Participating life risk contracts Thousand Baht	Unit-linked contracts Thousand Baht	Non-participating life risk contracts Thousand Baht								Participating life risk contracts Thousand Baht	Unit-linked contracts Thousand Baht
Insurance contracts issued													
Insurance revenue													
New contracts and contracts measured under the full retrospective approach at transition	1,238,817	7,971,053	374,772	895,048	9,584,642	250,479	5,649,981	250,479	6,795,508				
Contracts measured under the fair value approach at transition	1,729,622	10,774,251	148,848	1,986,379	12,652,721	166,766	11,570,033	166,766	13,723,178				
Total insurance revenue	2,968,439	18,745,304	523,620	2,881,427	22,237,363	417,245	17,220,014	417,245	20,518,686				
CSM as at 31 December													
New contracts and contracts measured under the full retrospective approach at transition	2,727,052	23,232,393	1,255,769	2,184,743	27,215,214	814,434	18,772,051	814,434	21,771,228				
Contracts measured under the fair value approach at transition	5,733,757	39,637,469	762,199	6,753,691	46,133,425	903,761	44,919,361	903,761	52,576,813				
Total CSM as at 31 December	8,460,809	62,869,862	2,017,968	8,938,434	73,348,639	1,718,195	63,691,412	1,718,195	74,348,041				
Reinsurance contracts held													
CSM as at 31 December													
New contracts and contracts measured under the full retrospective approach at transition	(351,343)	-	-	(105,237)	(351,343)	-	-	-	(105,237)				
Contracts measured under the fair value approach at transition	(1,319,820)	-	-	(1,485,658)	(1,319,820)	-	-	-	(1,485,658)				
Total CSM as at 31 December	(1,671,163)	-	-	(1,590,895)	(1,671,163)	-	-	-	(1,590,895)				

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

30.3 Expected recognition of the CSM

The table below excludes contracts measured under PAA.

As at 31 December 2025 and 2024, an analysis of the expected recognition of the CSM remaining the at the end of the reporting period in profit or loss is provided in the following table:

Number of years until expected to be recognised	2025					(Restated) 2024				
	Non-participating life risk contracts Thousand Baht	Participating life risk contracts Thousand Baht	Unit-linked contracts Thousand Baht	Total CSM for insurance contracts issued Thousand Baht	Total CSM for reinsurance contracts held Thousand Baht	Non-participating life risk contracts Thousand Baht	Participating life risk contracts Thousand Baht	Unit-linked contracts Thousand Baht	Total CSM for insurance contracts issued Thousand Baht	Total CSM for reinsurance contracts held Thousand Baht
1 - 5	4,516,459	30,034,148	735,101	35,285,708	(795,299)	4,857,618	30,080,474	644,539	35,582,631	(702,121)
6 - 10	2,047,956	16,035,958	495,214	18,579,128	(430,179)	2,160,058	16,408,670	424,890	18,993,618	(396,200)
>10	1,896,394	16,799,756	787,653	19,483,803	(445,665)	1,920,758	17,202,268	648,766	19,771,792	(492,574)
Total	8,460,809	62,869,862	2,017,968	73,348,639	(1,671,163)	8,938,434	63,691,412	1,718,195	74,348,041	(1,590,895)

31 Investment income

	2025	(Restated) 2024
	Thousand Baht	Thousand Baht
Interest income	5,742,739	5,795,330
Dividend income	1,418,160	1,424,699
<u>Less</u> Investment expense	<u>(392,128)</u>	<u>(366,648)</u>
Total investment income	<u>6,768,771</u>	<u>6,853,381</u>

32 Gains (losses) on financial instruments

	2025	(Restated) 2024
	Thousand Baht	Thousand Baht
Gains (losses) on disposal and derecognition		
Debt instruments measured at fair value through profit or loss	(51,147)	(9,710)
Debt instruments measured at fair value through other comprehensive income	263,611	26,725
Equity instruments measured at fair value through profit or loss	-	52,813
Derivatives which apply hedge accounting	(10,499)	-
Derivatives which do not apply hedge accounting	<u>(208,943)</u>	<u>(109,067)</u>
Total losses on financial instruments	<u>(6,978)</u>	<u>(39,239)</u>

33 Fair value gains (losses)

	2025	(Restated) 2024
	Thousand Baht	Thousand Baht
Fair value gains (losses)		
Debt instruments designated at fair value through profit or loss	1,958	1,651
Debt instruments measured at fair value through profit or loss	155,457	169,543
Mutual funds - Policyholders'	29,616	22,677
Derivatives	<u>156</u>	<u>(1,562)</u>
Total fair value gains	<u>187,187</u>	<u>192,309</u>
Exchange rate gains (losses)		
Debt instruments designated at fair value through profit or loss	1,602	(4,216)
Debt instruments measured at fair value through other comprehensive income	(1,486,896)	(201,684)
Derivatives which apply hedge accounting	1,414,103	266,411
Other	<u>(22,892)</u>	<u>(53,469)</u>
Total exchange rate gains (losses)	<u>(94,083)</u>	<u>7,042</u>
Total fair value gains	<u>93,104</u>	<u>199,351</u>

34 Reversal (increase) of expected credit losses

	2025 Thousand Baht	(Restated) 2024 Thousand Baht
Cash and cash equivalents (Note 12)	(27)	(36)
Debt instruments measured at fair value through other comprehensive income (Note 13)	(1,288)	1,730
Loans and accrued interest receivables (Note 16)	14,341	32,762
Collateral in derivative contracts	5	66
Other receivable (Note 21)	14	(177)
Total reversal of expected credit losses	13,045	34,345

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

35	Net investment result and net insurance finance expenses	(Restated)							
		2025			2024				
		Non- participating life risk contracts Thousand Baht	Participating life risk contracts Thousand Baht	Unit-linked contracts Thousand Baht	Total Thousand Baht	Non- participating life risk contracts Thousand Baht	Participating life risk contracts Thousand Baht	Unit-linked contracts Thousand Baht	Total Thousand Baht
Net investment income (expenses)									
- underlying assets									
Net investment income		1,887,139	5,474,736	8,754	7,370,629	2,056,543	5,350,673	7,090	7,414,306
Gains (losses) on financial instruments		78,662	174,029	(51,147)	201,544	(33,625)	77,877	(9,710)	34,542
Fair value gains		1,238,561	7,315,512	29,894	8,583,967	1,146,743	4,157,730	22,553	5,327,026
Reversal of expected credit losses		14,237	-	-	14,327	32,550	-	-	32,550
Total net investment income (expenses)		3,218,689	12,964,277	(12,499)	16,170,467	3,202,211	9,586,280	19,933	12,808,424
Net investment income (expenses)									
- other investments									
Net investment income		(168,776)	(430,918)	(2,164)	(601,858)	(153,312)	(407,460)	(153)	(560,925)
Losses on financial instruments		(42,527)	(165,995)	-	(208,522)	(21,287)	(52,494)	-	(73,781)
Fair value gains		371,795	1,539,702	-	1,911,497	350,306	1,510,963	-	1,861,269
Reversal of expected credit losses		-	-	-	-	-	-	-	-
Total net investment income (expenses)		160,492	942,789	(2,164)	1,101,117	175,707	1,051,009	(153)	1,226,563
Total net investment income (expenses)		3,379,181	13,907,066	(14,663)	17,271,584	3,377,918	10,637,289	19,780	14,034,987

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

	2025		(Restated) 2024							
	Non- participating life risk contracts Thousand Baht	Participating life risk contracts Thousand Baht	Unit-linked contracts Thousand Baht	Others Thousand Baht	Total Thousand Baht	Non- participating life risk contracts Thousand Baht	Participating life risk contracts Thousand Baht	Unit-linked contracts Thousand Baht	Others Thousand Baht	Total Thousand Baht
Finance income (expenses) from insurance contracts issued										
Changes in value of underlying assets	51,609	318,939	14,608	-	385,156	54,538	298,692	(18,293)	-	334,937
Interest accreted	(1,266,040)	(6,234,045)	-	-	(7,500,085)	(1,372,349)	(6,306,188)	-	-	(7,678,537)
Effect of changes in interest rates and other financial assumptions	(1,008,999)	(6,897,020)	-	-	(7,906,019)	(1,009,631)	(3,474,013)	-	-	(4,483,644)
Effect of changes in FCF at current rates compared to locked-in rates	-	(270,991)	-	-	(270,991)	16	(135,005)	-	-	(134,989)
Total finance income (expenses) from insurance contracts issued	(2,223,430)	(13,083,117)	14,608	-	(15,291,939)	(2,327,426)	(9,616,514)	(18,293)	-	(11,962,233)
Finance income (expenses) from reinsurance contracts held										
Interest accreted	39,011	-	-	-	39,011	39,503	-	-	-	39,503
Effect of changes in interest rates and other financial assumptions	12,495	-	-	-	12,495	(4,170)	-	-	-	(4,170)
Total finance income from reinsurance contracts held	51,506	-	-	-	51,506	35,333	-	-	-	35,333
Total net insurance finance income (expenses)	(2,171,924)	(13,083,117)	14,608	-	(15,240,433)	(2,292,093)	(9,616,514)	(18,293)	-	(11,926,900)

36 Other finance costs

	2025	(Restated) 2024
	Thousand Baht	Thousand Baht
Interest and finance cost for financial liabilities not at fair value through profit or loss	28,098	4,115
Interest and finance cost for lease liabilities	10,107	12,003
Total other finance costs	38,205	16,118

37 Other operating expenses

	2025	(Restated) 2024
	Thousand Baht	Thousand Baht
Employee expenses not relating to underwriting and loss adjustment	561,022	448,710
Property and equipment expenses not relating to underwriting and loss adjustment	129,751	123,711
Tax expenses	1,557	1,241
Bad debt and doubtful debt expenses	14,662	31,572
Other operating expenses	295,818	233,227
Total other operating expenses	1,002,810	838,461

38 Employee expenses

	2025	2024
	Thousand Baht	Thousand Baht
Salary and wages	1,415,888	1,373,755
Social security fund contributions	10,424	10,158
Provident fund contributions	75,159	73,270
Other employee benefits	346,815	303,690
Total employee expenses	1,848,286	1,760,873

The Company established a provident fund in accordance with the Provident Fund Act B.E. 2530. Membership to the funds is on a voluntary basis. Payments are made monthly by the employees at rates ranging from 2% to 15% of their basic salaries and contributed by the Company at rates ranging from 5% to 10% of the employees' basic salaries. The Company appointed 2 fund managers to manage the funds in accordance with terms and conditions as prescribed in the Ministerial Regulations.

39 Income tax

For the year ended 31 December 2025 and 2024, income tax comprises the following:

	2025	(Restated) 2024
	Thousand Baht	Thousand Baht
Current tax:		
Current tax on profits for the year	412,715	865,886
Adjustments in respect of prior year	(6,775)	1,165
Expenses not deductible for tax purposes	55,957	-
Total current tax	461,897	867,051
Deferred income tax:		
Decrease in deferred tax assets (Note 20)	1,188,002	882,441
Increase in deferred tax liabilities (Note 20)	320,558	30,289
Total deferred income tax	1,508,560	912,730
Total income tax expenses	1,970,457	1,779,781

Allianz Ayudhya Assurance Public Company Limited
Notes to Financial Statements
For the year ended 31 December 2025

For the year ended 31 December 2025 and 2024, the income tax on the Company's profit before income tax differs from the theoretical amount that would arise using the Thailand basic tax rate as follows:

	2025	(Restated) 2024
	Thousand Baht	Thousand Baht
Profit before income tax	9,704,609	8,979,043
Tax calculated at a tax rate of 20% (2024: 20%)	1,940,922	1,795,809
Tax effect of:		
Additional income subject to tax	145	105
Income not subject to tax	(31,019)	(30,094)
Expenses not deductible for tax purpose	11,397	12,983
Additional deduction for tax purposes	(170)	(187)
Adjustment in respect of prior year	(6,775)	1,165
Withholding tax that cannot be used as a tax credit or claimed for a tax refund	55,957	-
Income tax	1,970,457	1,779,781

The weighted average applicable tax rate was 20.30% (2024: 19.82%). The increase/decrease in weighted average applicable tax rate was not significant.

For the year ended 31 December 2025 and 2024, the income tax (charge) credit relating to component of other comprehensive income is as follows:

	2025			(Restated) 2024		
	Before tax Thousand Baht	Tax benefit (expense) Thousand Baht	Net of tax Thousand Baht	Before tax Thousand Baht	Tax benefit (expense) Thousand Baht	Net of tax Thousand Baht
Gains on debt instruments measured at FVOCI	7,477,691	(1,495,538)	5,982,153	6,400,498	(1,280,100)	5,120,398
Gains on fair value of cash flow hedges	2,692,559	(538,514)	2,154,045	1,286,191	(257,238)	1,028,953
Gains (losses) on deferred cost of hedging	(353,118)	70,624	(282,494)	70,259	(14,051)	56,208
Finance expenses from insurance contracts issued	(7,909,837)	1,581,968	(6,327,869)	(4,483,644)	896,729	(3,586,915)
Finance income (expenses) from reinsurance contracts held	12,484	(2,497)	9,987	(4,167)	833	(3,334)
Items in other comprehensive income transferred to profit or loss	(1,677,916)	335,583	(1,342,333)	(287,177)	57,436	(229,741)
Losses on remeasurements of post-employment benefit obligations	(82,122)	16,424	(65,698)	(45,938)	9,188	(36,750)
Gains (losses) on equity instruments designated at FVOCI	1,843,070	(368,615)	1,474,455	(1,826,725)	365,345	(1,461,380)
Gains on fair value of fair value hedges for equity instruments designated at FVOCI	180,191	(36,035)	144,156	639,118	(127,825)	511,293
Items in other comprehensive income transferred to retained earnings	241,165	(48,233)	192,932	704,985	(140,997)	563,988
Total	2,424,167	(484,833)	1,939,334	2,453,400	(490,680)	1,962,720

For the year ended 31 December 2025 and 2024, the income tax charged/ (credited) directly to equity is as follows:

	2025	(Restated) 2024
	Thousand Baht	Thousand Baht
Current tax:		
Gains (losses) on equity instruments designated at FVOCI	368,615	(365,345)
Gains on fair value of fair value hedges for equity instruments designated at FVOCI	36,035	127,825
Losses on remeasurements of post-employment benefit obligations	(16,424)	(9,188)
Total	388,226	(246,708)

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

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

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

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

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

40 Basic earnings per share

For the year ended 31 December 2025 and 2024, the calculations of basic earnings per share are based on the profit for the year attributable to ordinary shareholders of the Company and the number of ordinary shares outstanding during the year as follows:

	2025	(Restated) 2024
Profit for the year attributable to ordinary shareholders of the Company (Thousand Baht)	7,734,152	7,199,262
Number of ordinary shares outstanding (Thousand shares)	295,000	295,000
Basic earnings per share (Baht per share)	26.22	24.40

For the year ended 31 December 2025 and 2024, there are no potential dilutive ordinary shares in issue.

41 Related parties

For the purposes of financial statements preparation, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control or joint control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

When considering the relationship between a related person or party transactions which may exist, it requires to consider the details of the relationship rather than the legal relationship.

Relationships with key management and related parties were as follows:

Name of entities	Country of incorporation/ nationality	Nature of relationships
Allianz SE	Germany	Ultimate parent
Allianz SE, Singapore Branch	Singapore	Related company of ultimate parent
Allianz Technology SE	Germany	Related company of ultimate parent
Allianz Global Benefits GmbH	Germany	Related company of ultimate parent
Allianz SE Reinsurance Branch Asia Pacific Singapore	Singapore	Related company of ultimate parent
Allianz Investment Management Singapore Pte. Ltd.	Singapore	Related company of ultimate parent
Allianz Global Investors Singapore Limited	Singapore	Related company of ultimate parent
Allianz General Insurance Company (Malaysia) Berhad p.l.c	Malaysia	Related company of ultimate parent
Allianz Malaysia Berhad p.l.c	Malaysia	Related company of ultimate parent
Allianz Digital Health GmbH	Germany	Related company of ultimate parent
Allianz Investment Management SE	Germany	Related company of ultimate parent
IDS GmbH	Germany	Related company of ultimate parent
AWP Services (Thailand) Co. Ltd.	Thailand	Related company of ultimate parent
Allianz Technology (Thailand) Company Limited	Thailand	Related company of ultimate parent
CPRN (Thailand) Limited	Thailand	Major shareholder, 34.75% shareholding
Allianz Ayudhya Capital Public Company Limited	Thailand	Major shareholder, 31.97% shareholding and common director
Allianz Asia Holding Pte. Ltd	Singapore	Major shareholder, 16.10% shareholding
Allianz Ayudhya General Insurance Public Company Limited	Thailand	Related company of major shareholders and common director
Aqua Holdings (Thailand) Limited	Thailand	Related company of major shareholders
My Health Services (Thailand) Company Limited	Thailand	Related company of major shareholders
Health Care Management Company Limited	Thailand	Related company of major shareholders

41.1 Significant transactions with related parties

Significant transactions for the year ended 31 December 2025 and 2024 with related parties are as follows:

	2025 Thousand Baht	(Restated) 2024 Thousand Baht
Gross written premiums		
Other related parties	2,910	2,523
Premiums ceded to reinsurers		
Ultimate parent	161,181	140,586
Other related parties	269,245	284,216
Fees and commission income		
Ultimate parent	33,122	28,403
Other related parties	54,761	137,844
Gains on fair value		
Ultimate parent	55,786	31,891
Other income		
Other related parties	62,906	60,716
Major shareholders	954	988
Gross benefits and claim paid		
Other related parties	400	1,587
Benefit and claim paid recovered from reinsurers		
Ultimate parent	94,013	101,980
Other related parties	150,475	401,733
Other operating expenses		
Ultimate parent	190,887	149,762
Other related parties	400,394	384,583
Key management personnel compensation		
Short-term benefits	152,607	179,541
Post-employment benefits	12,296	13,010
Share-based payments	22,698	22,486
Total	187,601	215,037

41.2 Significant balances with related parties

Significant balances with related parties as at 31 December 2025 and 2024 are as follows:

	2025 Thousand Baht	(Restated) 2024 Thousand Baht
Claims recovery receivables		
Ultimate parent	59,618	157,602
Other related parties	350,055	551,792
Debt instruments - financial assets		
Ultimate parent	170,477	149,415
Intangible assets		
Other related parties	25,134	28,734
Other assets, net		
Other related parties	73,920	70,091
Major shareholder	1,875	1,399
Ultimate parent	425	-
Ceded premiums payable		
Other related parties	10,824	112,318
Major shareholder	247,375	176,763
Unearned fee and commission income		
Other related parties (Note 41.3 (c))	1,500,000	-
Accrued expenses		
Ultimate parent	113,150	35,911
Other related parties	210,404	118,019
Other liabilities		
Ultimate parent	3,630	2,360
Major shareholder	27,051	-

41.3 Significant agreements with related parties

- (a) The Company entered into an agreement with a related Company whereby the related Company will provide the support services to the Company. The term of the agreement is for 1 year from 1 January 2025 to 31 December 2025 for which the service fee is estimated at SGD 1.97 million (2024: SGD 1.43 million). The payments are made on quarterly basis. Either party may terminate this agreement at any time by giving six-month prior written notice to another party. As at 31 December 2025, there was no notice to terminate such agreement.
- (b) The Company entered into an agreement with ultimate parent whereby ultimate parent will provide the support services to the Company. As at 31 December 2025, the Company set up the provision for the service fee amounting to EUR 1.18 million (2024: EUR 0.82 million). The agreement is continuous contract from 1 January 2019 subject to six-month notice of cancellation by either party. As at 31 December 2025, there was no notice to terminate such agreement.
- (c) On 15 December 2025, the Company entered into a reinsurance agreement with a related party. Under this agreement, the related party paid reinsurance allowance to the Company totaling Baht 1,500 million in respect of premiums payable under the reinsurance arrangement over the contract period. The agreement will terminate upon the occurrence of the earlier of the following events:
- The last day of the quarter in which the deficit account is no longer positive or when no reinsurance liabilities remain outstanding; or
 - 31 December 2038.

42 Securities placed and securities reserved with the Registrar

42.1 Securities placed with the Registrar

As at 31 December 2025 and 2024, the Company placed securities with the Registrar in accordance with Section 20 of the Life Insurance Act B.E. 2535 as follows:

	2025		2024	
	Carrying amount Thousand Baht	Face value Thousand Baht	Carrying amount Thousand Baht	Face value Thousand Baht
Government bonds	28,237	20,000	26,016	20,000
Total	28,237	20,000	26,016	20,000

42.2 Securities reserved with the Registrar

As at 31 December 2025 and 2024, the Company placed securities for life policy reserve with the Registrar in accordance with Section 24 of the Life Insurance Act B.E. 2535 and amendment Act (No. 2) B.E. 2551 as follows:

	2025		2024	
	Carrying amount Thousand Baht	Face value Thousand Baht	Carrying amount Thousand Baht	Face value Thousand Baht
Government bonds	49,203,832	40,000,000	45,932,529	40,302,000
State enterprise bonds	-	-	1,300,000	1,300,000
Total	49,203,832	40,000,000	47,232,529	41,602,000

43 Commitments

The Company has payment obligations of low-value leases and service agreements which have payment due date from the statement of financial position date as follows:

	31 December 2025 Thousand Baht	31 December 2024 Thousand Baht
Due within 1 year	7,388	33,041
Due more than 1 year but not later than 5 years	2,489	5,667
Total	9,877	38,708

The Company has entered into several lease agreements in respect of office space and service agreements. The maximum period of the agreements remains up to 2029.

44 Contribution to life insurance fund

As at 31 December 2025, the Company has accumulated funding amount which was paid into contribution to Office of Insurance Commission and life insurance fund in order to comply with the Life Insurance Act B.E. 2535 and amendment Act (No.2) B.E. 2551 amounting to Baht 914.91 million and Baht 508.34 million, respectively (2024: Baht 839.96 million and Baht 465.62 million, respectively).

For the year ended 31 December 2025, the Company paid the contribution to Office of Insurance Commission and Life insurance fund in order to comply with the Life Insurance Act B.E. 2535 and amendment Act (No.2) B.E. 2551 amounting to Baht 74.95 million and Baht 42.72 million, respectively (2024: Baht 70.14 million and Baht 39.28 million, respectively).

45 Event after the statement of financial position date

On November 11, 2025, the Board of Directors' Meeting approved the appropriation of interim dividend payment from the Company's results for the first six months of 2025, at a maximum Baht 1.69 per share, on 295 million shares, maximum of Baht 500 million, which presents 11.78% of net profit after income tax. On 28 January 2026, the Office of Insurance Commission endorsed for distribution of profit for the six-month period of 2025 for dividend payments not exceeding a total of Baht 500 million. The dividend payment will be made at Baht 1.69 per share, on 295 million shares, totaling at Baht 498.55 million within 28 February 2026.

On 24 February 2026, the Board of Directors' Meeting approved the appropriation of dividend payment from the Company's performance for the year 2025 of maximum Baht 8.31 per share, on 295 million shares, maximum of Baht 2,450 million. The dividend payment shall be made subject to the approval of the Annual General Meeting of the shareholders and the Office of Insurance Commission under Section 32 of Life Insurance Act B.E. 2535.

As at 1 January 2026, the Company entered into an agreement with another company to obtain the rights to distribute the Company's insurance products. The agreement covers a period of five years, from 1 January 2026 to 31 December 2031. The Company made a payment under this agreement on 14 January 2026 and recorded this as intangible assets.