

Disclosure Form (Attached to the OIC Commissioner Order No.48/2561)

Information Disclosure of Non-Life Insurance Companies B.E. 2561

Part 1: To certify correctness of disclosure

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



Signature.....

Name.....Tan Hak Leh.....

Position.....Chief Executive Officer.....

Disclosed on.....31 October 2018.....

Information for the Quarter.....1.....Year...2018.....

CAPITAL ADEQUACY

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

The current and projected regulatory capital requirements are calculated based on Thailand's RBC regulations, which have been implemented in Thailand since September 2011. The key metric used by the regulator is the Capital Adequacy Ratio (CAR), defined as Total Capital Available (TCA) divided by Total Capital Required (TCR), which needs to remain above 140% to maintain financial strength and avoid potential regulatory intervention.

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

Unit: THB mil

Capital Items	Quarter 1		Quarter 2		Quarter 3	
	2018	2017	2018	2017	2018	2017
Capital Adequacy Ratio (%)	1,382	1,324	XXX	1,328	XXX	1,338
Total Capital Available	414	397	XXX	398	XXX	401
Total Capital Required	30	30	XXX	30	XXX	30

- Remarks:**
- According to the OIC's RBC capital valuation notification for Non-Life Insurance Companies, the Registrar may determine the necessary procedures to manage companies with CAR below 140%
 - Capital refers to the RBC capital required to be held according to the OIC's notification for the Valuation of Assets and Liabilities of Non-Life Insurance Companies
 - Quarter 2 is 6-month accumulated operating results and Quarter 3 is 9-month accumulated operating results.

**AIA COMPANY LIMITED (NON-LIFE INSURANCE)
THAILAND BRANCH**

INTERIM FINANCIAL INFORMATION (UNAUDITED)

31 MARCH 2018



AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of AIA Company Limited

I have reviewed the interim financial information of AIA Company Limited (Non-Life Insurance) Thailand Branch, which comprises the statement of financial position as at 31 March 2018, and the related statements of comprehensive income, changes in Head Office's equity, and cash flows for the three-month period then ended, and the condensed notes to the interim financial information. The Branch's management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

Paiboon Tunkoon

Certified Public Accountant (Thailand) No. 4298

Bangkok

9 May 2018

AIA Company Limited (Non-Life Insurance) Thailand Branch
Statement of Financial Position
As at 31 March 2018

		(Unaudited) 31 March 2018 Baht	(Audited) 31 December 2017 Baht
	Notes		
Assets			
Cash and cash equivalents	6	6,687,903	4,542,195
Accrued income on investments		1,891,887	2,862,488
Reinsurance assets	7, 12	71,137	92,726
Invested assets			
Investments in securities	8	416,638,482	416,655,356
Amount due from related parties	16	471,903	541,332
Furniture, fixtures and equipment, net	9	68,113	80,697
Intangible assets, net	10	32	32
Other assets, net	11	507,179	540,587
Total assets		426,336,636	425,315,413

Authorised person _____

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

AIA Company Limited (Non-Life Insurance) Thailand Branch
Statement of Financial Position (Cont'd)
As at 31 March 2018

		(Unaudited) 31 March 2018 Baht	(Audited) 31 December 2017 Baht
	Notes		
Liabilities and Head Office's Equity			
Liabilities			
Insurance liabilities	12	1,697,395	1,988,622
Amount due to reinsurance		48,613	105,227
Amount due to related parties	16	61,202	44,776
Income tax payable		1,063,435	897,935
Employee benefit liabilities		2,560,081	2,669,709
Deferred tax liabilities		104,128	20,735
Other liabilities	13	6,479,716	6,264,391
Total liabilities		12,014,570	11,991,395
Head Office's Equity			
Funds from Head Office	14	140,307,753	140,307,753
Unrealised gains on changes in fair value of investments, net of tax		416,511	82,938
Remeasurements of post-employment benefit obligations, net of tax		(2,704,801)	(2,704,801)
Branch's retained earnings - Unappropriated		276,302,603	275,638,128
Total Head Office's Equity		414,322,066	413,324,018
Total liabilities and Head Office's Equity		426,336,636	425,315,413

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

AIA Company Limited (Non-Life Insurance) Thailand Branch
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 31 March 2018

	Notes	2018 Baht	2017 Baht
Revenues			
Gross written premiums		2,238,388	4,380,844
<u>Less</u> Premiums ceded to reinsurers		<u>(121,157)</u>	<u>(196,905)</u>
Net written premiums		2,117,231	4,183,939
<u>Add</u> Net change in unearned premium reserve		<u>389,063</u>	<u>402,072</u>
Net earned premiums		2,506,294	4,586,011
Fee and commission income		36,221	60,538
Net investment income		1,788,859	2,262,888
Gains on investment		-	1,147
Total revenue		<u>4,331,374</u>	<u>6,910,584</u>
Expenses			
Net change in long-term insurance contract reserve		(1,740)	(102,508)
Gross claim paid		861,121	807,566
<u>Less</u> Claim paid recovered from reinsurers		<u>(25,501)</u>	<u>(12,261)</u>
Commission and brokerage		347,491	619,291
Other underwriting expenses		632,946	373,007
Operating expenses	15, 16	<u>1,651,975</u>	<u>1,807,788</u>
Total expenses		<u>3,466,292</u>	<u>3,492,883</u>
Profit before income tax		865,082	3,417,701
Income tax expenses		<u>200,607</u>	<u>727,900</u>
Net profit for the period		<u>664,475</u>	<u>2,689,801</u>

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

AIA Company Limited (Non-Life Insurance) Thailand Branch
Statement of Comprehensive Income (Unaudited) (Cont'd)
For the three-month period ended 31 March 2018

	2018	2017
	Baht	Baht
Other comprehensive incomes (losses)		
<u>Items that will be reclassified subsequently to profit or loss</u>		
Realised gain from sale of available-for-sale	416,966	425,301
Investment transferred to profit or loss	-	1,147
Income tax on items that will be reclassified		
Subsequently to profit or loss	<u>(83,393)</u>	<u>-</u>
Total items that will be reclassified subsequently to profit or loss	<u>333,573</u>	<u>426,448</u>
Other comprehensive incomes for the period, net of tax	<u>333,573</u>	<u>426,448</u>
Total comprehensive incomes for the period	<u><u>998,048</u></u>	<u><u>3,116,249</u></u>

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

AIA Company Limited (Non-Life Insurance) Thailand Branch
Statement of Changes in Head Office's Equity (Unaudited)
For the three-month period ended 31 March 2018

	Funds from Head Office Baht	Unrealised gains (losses) on changes in value of investments, net of tax Baht	Remeasurement of post-employment benefit obligations, net of tax Baht	Branch's retained earnings Baht	Total Head Office's Equity Baht
Beginning balance as at 1 January 2018	140,307,753	82,938	(2,704,801)	275,638,128	413,324,018
Net profit for the period	-	-	-	664,475	664,475
Unrealised gain on changes in value of available-for-sale investments	-	333,573	-	-	333,573
Ending balance as at 31 March 2018	140,307,753	416,511	(2,704,801)	276,302,603	414,322,066
Beginning balance as at 1 January 2017	140,307,753	(3,277,718)	(2,947,069)	259,219,209	393,302,175
Net profit for the period	-	-	-	2,689,801	2,689,801
Unrealised gain on changes in value of available-for-sale investments	-	425,301	-	-	425,301
Realised gain from sale of available-for-sale investment transferred to profit or loss	-	1,147	-	-	1,147
Ending balance as at 31 March 2017	140,307,753	(2,851,270)	(2,947,069)	261,909,010	396,418,424

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

AIA Company Limited (Non-Life Insurance) Thailand Branch
Statement of Cash Flows (Unaudited)
For the three-month period ended 31 March 2018

	Note	2018 Baht	2017 Baht
Cash flows provided by (used in) operating activities			
Written premium received from direct insurance		2,339,753	4,102,380
Cash received (paid) from reinsurance		(114,936)	19,397
Net investment income		3,286,703	6,644,870
Claim paid from direct insurance		(773,994)	(1,293,370)
Commission and brokerage paid to direct insurance		(385,916)	(586,212)
Other underwriting expenses		(709,662)	(587,022)
Operating expenses		(1,367,732)	(978,128)
Income tax		(35,107)	(80,855)
Cash received from investment in securities		20,000,000	223,000,000
Cash paid for investment in securities		(20,093,401)	(201,492,518)
Net cash provided by operating activities		2,145,708	28,748,542
Cash flows used in investing activities			
Purchase of equipment	9	-	(35,801)
Net cash used in investing activities		-	(35,801)
Net increase in cash and cash equivalents		2,145,708	28,712,741
Cash and cash equivalents at beginning of period		4,542,195	3,996,026
Cash and cash equivalents at end of period		6,687,903	32,708,767

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

1. General information

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

The address of the Branch's registered office is AIA Tower 1, 8th Floor, 181 Surawongse Road, Suriyawongse District, Bangrak, Bangkok 10500.

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

This interim financial information has been approved by the Branch's management on 9 May 2018.

This interim financial information has been reviewed, not audited.

2. Basis of preparation the interim financial information

The interim financial information has been prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting. The primary financial information (statement of financial position, statement of comprehensive income, statement of changes in Head Office's equity and cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard 1 Presentation of Financial Statements. In addition, the interim financial information presentation is based on the formats of interim financial information 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 non-life insurance company B.E.2559" dated on 4 March 2016 ('OIC notification'). The notes to the interim financial information are prepared in a condensed format. Additional notes are presented as required by the aforementioned OIC Notification.

The interim financial information should be read together with the annual financial statements for the year ended 31 December 2017.

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

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

3. Accounting policies

3.1 Revised accounting standards, revised financial reporting standards, and related interpretations

3.1.1 Revised financial reporting standards that are effective for annual periods beginning on or after 1 January 2018 which have significant changes and are relevant to the Branch:

TAS 7 (revised 2017)	Statement of cash flows
TAS 12 (revised 2017)	Income taxes

TAS 7 (revised 2017), the amendments require additional disclosure of changes in liabilities arising from financing activities. This includes changes arising from cash and non-cash.

TAS 12 (revised 2017), the amendments clarify the accounting for deferred tax where an asset is measured at fair value and that fair value is below the asset's tax base. Specifically, the amendments confirm that:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- An entity can assume that it will recover an amount higher than the carrying amount of an asset to estimate its future taxable profit.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of temporary differences are excluded from the estimated future taxable profits.

The management assesses that these standards do not have a significant impact on the Branch's financial information.

3.1.2 New financial reporting standard is effective for annual periods beginning on or after 1 January 2019 which is relevant to the Branch. The Branch has not yet adopted this standard.

TFRS 15	Revenue from contracts with customers
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TFRS 15 provides the requirements for the recognition of revenue. This standard will supersede the following standards:

TAS 11 (revised 2017)	Construction contracts
TAS 18 (revised 2017)	Revenue
TFRIC 13 (revised 2017)	Customer loyalty programmes
TFRIC 15 (revised 2017)	Agreements for the construction of real estate
TFRIC 18 (revised 2017)	Transfers of assets from customers
TSIC 31 (revised 2017)	Revenue - barter transactions involving advertising services

3. Accounting policies (Cont'd)

3.1 Revised accounting standards, revised financial reporting standards, and related interpretations (Cont'd)

3.1.2 New financial reporting standard is effective for annual periods beginning on or after 1 January 2019 which is relevant to the Branch. The Branch has not yet adopted this standard. (Cont'd)

The new standard is based on the principle that

- revenue is recognised when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards
- an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

An entity recognises revenue in accordance with that core principle by applying the following steps:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Entities will have a choice to apply this standard retrospectively in accordance with TAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, subject to the expedients or retrospectively with the cumulative effect recognised as an adjustment to the opening balance of retained earnings of the annual reporting period that includes the date of initial application with additional disclosures. The Branch will first apply this standard for annual reporting periods beginning on or after 1 January 2019. Management is currently assessing the impact from initial application of this standard in detail.

4. Estimates

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies lead to the reported amounts of assets and liabilities, income and expense may differ from these estimates.

In preparing this interim financial information, the significant judgements made by management in applying the Branch's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2017.

5. Fair value

5.1 Fair value estimation

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

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

The following table presents fair value of the Branch's financial assets that are measured at fair value as at 31 March 2018 and 31 December 2017:

	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
As at 31 March 2018 (Unaudited)				
Asset				
Investment in securities				
Available-for-sale securities				
Debt securities	-	416,638,482	-	416,638,482
Total asset	-	416,638,482	-	416,638,482
As at 31 December 2017 (Audited)				
Asset				
Investment in securities				
Available-for-sale securities				
Debt securities	-	416,655,356	-	416,655,356
Total asset	-	416,655,356	-	416,655,356

5.2 Valuation techniques used to derive Level 2 fair values

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

6. Cash and cash equivalents

	(Unaudited) 31 March 2018 Baht	(Audited) 31 December 2017 Baht
Deposits held at call with banks	6,687,903	4,542,195
Total cash and cash equivalents	6,687,903	4,542,195

AIA Company Limited (Non-Life Insurance) Thailand Branch
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 31 March 2018

7. Reinsurance assets

	(Unaudited) 31 March 2018 Baht	(Audited) 31 December 2017 Baht
<u>Reserve of recovery from reinsurers</u>		
Short term insurance contract reserve		
Loss reserve (IBNR)	20,087	21,200
Premium reserve		
- Unearned premium reserve (UPR)	51,050	71,526
Total reinsurance assets	<u>71,137</u>	<u>92,726</u>

8. Investments in securities

	(Unaudited) 31 March 2018		(Audited) 31 December 2017	
	Cost/ amortised cost Baht	Fair value Baht	Cost/ amortised cost Baht	Fair value Baht
Available-for-sale securities				
Government and state enterprise securities	292,622,696	292,683,331	292,992,768	293,095,996
Private enterprise securities	123,495,147	123,955,151	123,558,915	123,559,360
Total	416,117,843	416,638,482	416,551,683	416,655,356
<u>Add</u> Unrealised gains on the changes in value of investments	520,639	-	103,673	-
Total available-for-sale securities	<u>416,638,482</u>	<u>416,638,482</u>	<u>416,655,356</u>	<u>416,655,356</u>
Total investments in securities	<u>416,638,482</u>	<u>416,638,482</u>	<u>416,655,356</u>	<u>416,655,356</u>

Investments in securities include debts securities with a fair value of Baht 8.67 million (31 December 2017: with a fair value of Baht 8.66 million), which have been placed with the Office of Insurance Commissioner, under the Ministry of Finance, as required by the Non-Life Insurance Act B.E. 2535, amended by the Non-life Insurance Act (No. 2) B.E. 2551.

AIA Company Limited (Non-Life Insurance) Thailand Branch
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 31 March 2018

9. Furniture, fixtures and equipment, net

	31 March 2018 (Unaudited)									
	Cost			Accumulated depreciation						
	Beginning balance 1 January 2018 Baht	For the period		Ending balance 31 March 2018 Baht	For the period		Beginning balance 1 January 2018 Baht	Ending balance 31 March 2018 Baht	Furniture, fixtures and equipment, net Baht	
		Addition Baht	Disposal/ Write-off Baht		Depreciation Baht	Disposal/ Write-off Baht				
Furniture, fixtures and equipment	3,098,917	-	-	3,098,917	724	-	3,098,041	3,098,765	152	
Computers	4,409,769	-	-	4,409,769	11,860	-	4,329,948	4,341,808	67,961	
Total	7,508,686	-	-	7,508,686	12,584	-	7,427,989	7,440,573	68,113	

	31 December 2017 (Audited)									
	Cost			Accumulated depreciation						
	Beginning balance 1 January 2017 Baht	For the year		Ending balance 31 December 2017 Baht	For the year		Beginning balance 1 January 2017 Baht	Ending balance 31 December 2017 Baht	Furniture, fixtures and equipment, net Baht	
		Addition Baht	Disposal/ Write-off Baht		Depreciation Baht	Disposal/ Write-off Baht				
Furniture, fixtures and equipment	3,098,917	-	-	3,098,917	4,910	-	3,093,131	3,098,041	876	
Computers	4,339,272	70,497	-	4,409,769	42,620	-	4,287,328	4,329,948	79,821	
Total	7,438,189	70,497	-	7,508,686	47,530	-	7,380,459	7,427,989	80,697	

AIA Company Limited (Non-Life Insurance) Thailand Branch
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 31 March 2018

10. Intangible assets, net

		31 March 2018 (Unaudited)					
	Cost	Accumulated amortisation					
		Beginning balance 1 January 2018 Baht	For the period		Beginning balance 1 January 2018 Baht	Ending balance 31 March 2018 Baht	Intangible assets, net Baht
			Addition Baht	Disposal/ Write-off Baht			
Computer software		5,775,153	-	-	5,775,121	5,775,121	32
Total		5,775,153	-	-	5,775,121	5,775,121	32
		31 December 2017 (Audited)					
	Cost	Accumulated amortisation					
		Beginning balance 1 January 2017 Baht	For the year		Beginning balance 1 January 2017 Baht	Ending balance 31 December 2017 Baht	Intangible assets, net Baht
			Addition Baht	Disposal/ Write-off Baht			
Computer software		5,775,153	-	-	5,775,121	5,775,121	32
Total		5,775,153	-	-	5,775,121	5,775,121	32

AIA Company Limited (Non-Life Insurance) Thailand Branch
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 31 March 2018

11. Other assets, net

	(Unaudited) 31 March 2018 Baht	(Audited) 31 December 2017 Baht
Account receivable from agents, net	60,876	91,506
Deposits	10,000	10,000
VAT receivable	15,501	6,023
Other assets	420,802	433,058
Total	<u>507,179</u>	<u>540,587</u>

12. Insurance liabilities

	Insurance liabilities Baht	Liabilities recovered from reinsurance Baht	Net Baht
31 March 2018 (Unaudited)			
Long term insurance contract reserve	4,431	-	4,431
Short term insurance contract reserve			
Loss reserve			
- Reported claim	267,024	-	267,024
- Claim incurred but not reported	404,950	(20,087)	384,863
Premium reserve			
- Unearned premium reserve	1,020,990	(51,050)	969,940
Total	<u>1,697,395</u>	<u>(71,137)</u>	<u>1,626,258</u>
31 December 2017 (Audited)			
Long term insurance contract reserve	6,171	-	6,171
Short term insurance contract reserve			
Loss reserve			
- Reported claim	125,000	-	125,000
- Claim incurred but not reported	426,922	(21,200)	405,722
Premium reserve			
- Unearned premium reserve	1,430,529	(71,526)	1,359,003
Total	<u>1,988,622</u>	<u>(92,726)</u>	<u>1,895,896</u>

No additional reserve for Unexpired Risk Reserve has been established as the Unexpired Risk Reserve estimated by the Branch as at 31 March 2018 amounting to Baht 0.69 million (31 December 2017: Baht 0.97 million) is lower than the Unearned Premium Reserve.

12. Insurance liabilities (Cont'd)

12.1 Long term insurance contract reserve

	(Unaudited) 31 March 2018 Baht	(Audited) 31 December 2017 Baht
Beginning balance for the period/year	6,171	639,353
Change in reserve	(1,740)	(449,751)
Insurance claim incurred during the period/year	-	-
Changes in claim reserve from change in assumption during the period/year	-	(183,431)
Insurance claim paid during the period/year	-	-
Closing balance at the end of period/year	<u>4,431</u>	<u>6,171</u>

12.2 Short term insurance contract reserve

12.2.1 Loss reserve

	(Unaudited) 31 March 2018 Baht	(Audited) 31 December 2017 Baht
Beginning balance for the period/year	551,922	496,020
Insurance claim incurred during the period/year	532,279	2,204,892
Changes in claim reserve from change in assumption during the period/year	(21,972)	(69,098)
Insurance claim paid during the period/year	(390,255)	(2,079,892)
Closing balance at the end of period/year	<u>671,974</u>	<u>551,922</u>

12.2.2 Unearned premium reserve

	(Unaudited) 31 March 2018 Baht	(Audited) 31 December 2017 Baht
Beginning balance for the period/year	1,430,529	1,569,337
Premium written for the period/year	2,228,983	13,549,538
Premium earned in the period/year	(2,638,522)	(13,688,346)
Closing balance at the end of period/year	<u>1,020,990</u>	<u>1,430,529</u>

AIA Company Limited (Non-Life Insurance) Thailand Branch
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 31 March 2018

13. Other liabilities

	(Unaudited) 31 March 2018 Baht	(Audited) 31 December 2017 Baht
Accrued expenses	186,392	120,420
Others payable	5,123,590	4,821,911
Sundry liabilities	127,708	56,973
Unpresented cheque payable	72,719	306,500
Account payable for agents	189,165	227,590
Withholding tax payable and VAT payable	75,269	24,084
Others	704,873	706,913
Total	<u>6,479,716</u>	<u>6,264,391</u>

14. Funds from Head Office

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

15. Operating expenses

	(Unaudited) For the three-month period ended 31 March 2018 Baht	31 March 2017 Baht
Staff expenses	55,351	59,856
Premises and equipment expense	71,938	74,599
Tax and duties	16,832	16,949
Service fees	1,197,953	1,203,208
Other operating expenses	309,901	453,176
Total	<u>1,651,975</u>	<u>1,807,788</u>

16. Related party transactions

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

In considering each possible related party relationship, attention is directed to the substance of the relationship, and not merely the legal form.

The significant related party transactions are transacted at prices negotiated between the parties involved.

AIA Company Limited (Non-Life Insurance) Thailand Branch
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 31 March 2018

16. Related party transactions (Cont'd)

The significant transactions with Head Office, related parties and affiliates within AIA Group Limited are as follows:

a) Statements of Comprehensive Income

	(Unaudited)	
	For the three-month period ended	
	31 March	31 March
	2018	2017
	Baht	Baht
Affiliated companies		
Operating expenses:		
Information system service and other expenses	143,334	140,230
Rental and utilities expenses	86,998	87,009
Service fees	1,091,881	1,103,937

b) Statements of Financial Position

	(Unaudited)	(Audited)
	31 March	31 December
	2018	2017
	Baht	Baht
Affiliated companies		
Amount due from related parties	471,903	541,332
Head Office and affiliated companies		
Amount due to related parties	61,202	44,776

c) Key management compensation

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

17. Commitments

The Branch has payment obligations on operating leases and other significant contracts as follows:

	(Unaudited)	(Audited)
	31 March	31 December
	2018	2017
	Baht	Baht
Not later than 1 year	349,840	363,420
Later than 1 year but not later than 5 years	446,272	527,413
Total	796,112	890,833