

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.....Kris Chantanotoke

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

Disclosed on28..May.....2021.....

Information for the Quarter.....1.....Year...2021....

CAPITAL ADEQUACY

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

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

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

The table below illustrates that throughout the year, the Company has a strong capital position, that is significantly above the minimum CAR of 120%.

Unit: Million Baht

Capital Items	Quarter 1		Quarter 2		Quarter 3	
	2021	2020	2021	2020	2021	2020
Common Equity Tier 1 Ratio (%)	1,145	1,484	XXX	1,500	XXX	1,155
Tier 1 Ratio (%)	1,145	1,484	XXX	1,500	XXX	1,155
Capital Adequacy Ratio (%)	1,145	1,484	XXX	1,500	XXX	1,155
Total Capital Available	439	445	XXX	450	XXX	450
Total Capital Required	38	30	XXX	30	XXX	39

- Remarks:**
- According to the OIC's RBC capital valuation of Life Insurance Companies, the Registrar may determine the necessary procedures to manage companies with a CAR below the supervisory CAR
 - The above items use a Fair Value approach according to the OIC's Notification on the Valuation of Assets and Liabilities of Life Insurance Companies and RBC capital is valued according to the OIC's Notification on the Valuation of Assets and Liabilities of 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 2021



AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Executive Committee of AIA Company Limited

I have reviewed the interim financial information of AIA Company Limited (Non-Life Insurance) Thailand Branch, which comprises the statement of financial position as at 31 March 2021, the statements of comprehensive income for the three-month periods then ended, the related statements of changes in equity and cash flows for the three-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

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

Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

Paiboon Tunkoon
Certified Public Accountant (Thailand) No. 4298
Bangkok
7 May 2021

AIA Company Limited (Non-Life Insurance) Thailand Branch
Statement of Financial Position
As at 31 March 2021

		(Unaudited) 31 March 2021 Baht	(Audited) 31 December 2020 Baht
	Notes		
Assets			
Cash and cash equivalents	5	3,364,939	7,854,848
Accrued income on investments		1,911,444	1,629,553
Reinsurance assets	6	41,921	57,602
Invested assets			
Investments in securities	7	450,714,382	460,102,212
Amount due from related parties	18	211,096	118,558
Furniture, fixtures and equipment	8	230	230
Intangible assets	9	32	32
Other assets	10,18	1,597,720	1,670,725
Total assets		457,841,764	471,433,760

Authorised person _____

Date _____

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 2021

		(Unaudited) 31 March 2021 Baht	(Audited) 31 December 2020 Baht
	Notes		
Liabilities and Head Office's Equity			
Liabilities			
Insurance liabilities	11	840,213	1,155,248
Amount due to reinsurance	12	27,134	60,044
Amount due to related parties	18	72,627	176,903
Income tax payable		6,167,413	972,953
Employee benefit liabilities		4,859,032	5,101,016
Deferred tax liabilities		-	5,817,141
Other liabilities	13,18	6,681,443	6,469,268
Total liabilities		<u>18,647,862</u>	<u>19,752,573</u>
Head Office's Equity			
Funds from Head Office	14	140,307,753	140,307,753
Remeasurements of investments measured at fair value through other comprehensive income, net of tax		(4,439,096)	23,268,565
Remeasurements of post-employment benefit obligations, net of tax		(2,615,592)	(2,615,592)
Branch's retained earnings Unappropriated		<u>305,940,837</u>	<u>290,720,461</u>
Total Head Office's Equity		<u>439,193,902</u>	<u>451,681,187</u>
Total liabilities and Head Office's Equity		<u><u>457,841,764</u></u>	<u><u>471,433,760</u></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)
For the three-month period ended 31 March 2021

	Notes	2021 Baht	2020 Baht
Revenues			
Gross written premiums		942,258	1,247,316
<u>Less</u> Premiums ceded to reinsurers		(47,112)	(64,903)
Net written premiums		895,146	1,182,413
<u>Add</u> Net change in unearned premium reserve		283,174	386,075
Net earned premiums		1,178,320	1,568,488
Fee and commission income		15,312	20,269
Net investment income		1,898,560	1,918,154
Gains on Investment		18,699,862	-
Total revenues		21,792,054	3,506,911
Expenses			
Gross claim paid		479,548	474,770
<u>Less</u> Claim paid recovered from reinsurers		(3,889)	(6,102)
Commission and brokerage		125,042	178,520
Other underwriting expenses		90,942	127,437
Operating expenses	15,18	703,517	390,828
Finance cost		11,494	5,698
Expected credit loss	16	(56,120)	(9)
Total expenses		1,350,534	1,171,142
Profit before income tax		20,441,520	2,335,769
Income tax expenses		5,221,144	453,572
Net profit for the period		15,220,376	1,882,197

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 2021

	2021	2020
	Baht	Baht
Other comprehensive income (loss)		
<u>Items that will be reclassified subsequently to profit or loss</u>		
Gains (losses) on remeasuring investments measured at fair value through other comprehensive income	(52,280,784)	918,318
Items in other comprehensive income transferred to profit or loss	18,755,982	-
Income tax on items that will be reclassified subsequently to profit or loss	5,817,141	(183,664)
Total items that will be reclassified subsequently to profit or loss	<u>(27,707,661)</u>	<u>734,654</u>
Other comprehensive income (loss) for the period, net of tax	<u>(27,707,661)</u>	<u>734,654</u>
Total comprehensive income (loss) for the period	<u><u>(12,487,285)</u></u>	<u><u>2,616,851</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 2021

	Funds from Head Office Baht	Remeasurements of investments measured at fair value through other comprehensive income, 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 2021	140,307,753	23,268,565	(2,615,592)	290,720,461	451,681,187
Net profit for the period	-	-	-	15,220,376	15,220,376
Losses on remeasuring investments measured at fair value through other comprehensive income	-	(42,712,447)	-	-	(42,712,447)
Items in other comprehensive income transferred to profit or loss	-	15,004,786	-	-	15,004,786
Ending balance as at 31 March 2021	140,307,753	(4,439,096)	(2,615,592)	305,940,837	439,193,902
Beginning balance as at 1 January 2020	140,307,753	15,479,724	(2,585,555)	285,301,560	438,503,482
Retrospective adjustment from adoption of new financial reporting standards	-	28,869	-	(38,067)	(9,198)
Beginning balance after adjustment	140,307,753	15,508,593	(2,585,555)	285,263,493	438,494,284
Net profit for the period	-	-	-	1,882,197	1,882,197
Gains on remeasuring investments measured at fair value through other comprehensive income	-	734,654	-	-	734,654
Ending balance as at 31 March 2020	140,307,753	16,243,247	(2,585,555)	287,145,690	441,111,135

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 2021

	2021	2020
	Baht	Baht
Cash flows provided by (used in) operating activities		
Written premium received from direct insurance	1,082,850	1,221,078
Cash paid for reinsurance	(60,044)	(83,904)
Net investment income	1,531,668	903,279
Claim paid from direct insurance	(94,393)	(158,593)
Commission and brokerage paid to direct insurance	(111,095)	(209,285)
Other underwriting expenses	(250,781)	(200,671)
Operating expenses	(1,184,688)	(733,687)
Income tax	(26,684)	(14,614)
Cash received from investment in securities	315,160,601	10,000,000
Cash paid for investment in securities	(320,456,589)	(15,941,804)
Net cash used in operating activities	(4,409,155)	(5,218,201)
Cash flows used in financing activities		
Lease Liabilities	(80,754)	(80,687)
Net cash used in financing activities	(80,754)	(80,687)
Net decrease in cash and cash equivalent	(4,489,909)	(5,298,888)
Cash and cash equivalents at beginning of period	7,854,848	10,106,695
Cash and cash equivalents at end of period	3,364,939	4,807,807

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 7 May 2021.

This interim financial information has been reviewed, not audited.

2. Significant Accounting Policies

2.1 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 (No.3) B.E. 2563" dated on 13 May 2020 ('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 2020.

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.

2.2 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2020. Since 2020, the Branch passes criteria of temporary exemption from TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures under TFRS 4 (revised 2018) Insurance Contracts. The Branch is eligible to apply the 'financial instruments and disclosures for insurance companies' accounting guidance' ('the Accounting Guidance') as the Branch has not previously applied any version of TFRS 9 Financial Instrument and the Branch's activities are predominantly connected with insurance business.

3. 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 2020.

4. Fair value

4.1 Fair value estimation

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

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

The following table presents fair value of the Branch's financial assets that are measured at fair value as at 31 March 2021 and 31 December 2020.

	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
As at 31 March 2021 (Unaudited)				
Asset				
Investment in securities				
Investments measured at fair value through other comprehensive income				
Debt securities	-	450,714,382	-	450,714,382
Total asset	-	450,714,382	-	450,714,382
As at 31 December 2020 (Audited)				
Asset				
Investment in securities				
Investments measured at fair value through other comprehensive income				
Debt securities	-	460,102,212	-	460,102,212
Total asset	-	460,102,212	-	460,102,212

The Branch had no transfers between levels during the period.

4.2 Valuation techniques used to derive Level 2 fair values

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

AIA Company Limited (Non-Life Insurance) Thailand Branch
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 31 March 2021

5. Cash and cash equivalents

	(Unaudited) 31 March 2021 Baht	(Audited) 31 December 2020 Baht
Deposits held at call with banks	3,364,939	7,854,848
Total cash and cash equivalents	<u>3,364,939</u>	<u>7,854,848</u>

6. Reinsurance assets

	(Unaudited) 31 March 2021 Baht	(Audited) 31 December 2020 Baht
<u>Reserve of recovery from reinsurers</u>		
Short term insurance contract reserve		
Loss reserve (IBNR)	8,900	9,677
Premium reserve		
- Unearned premium reserve (UPR)	33,021	47,925
Total reinsurance assets	<u>41,921</u>	<u>57,602</u>

7. Investments in securities

The details of investment in securities are as follows:

	(Unaudited) 31 March 2021		(Audited) 31 December 2020	
	Cost/ amortised cost Baht	Fair value Baht	Cost/ amortised cost Baht	Fair value Baht
<u>Investments measured at fair value through other comprehensive income</u>				
Government and state enterprise securities	318,719,417	311,220,408	269,730,815	292,845,355
Private enterprise debt securities	138,399,100	139,493,974	163,306,850	167,256,857
Total	457,118,517	450,714,382	433,037,665	460,102,212
Add Unrealised gains (losses) on the changes in value of investments	(6,404,135)	-	27,064,547	-
Total Investments measured at fair value through other comprehensive income	<u>450,714,382</u>	<u>450,714,382</u>	<u>460,102,212</u>	<u>460,102,212</u>
Total investments in securities	<u>450,714,382</u>	<u>450,714,382</u>	<u>460,102,212</u>	<u>460,102,212</u>

7. Investment in securities (Cont'd)

For the three-month period ended 31 March 2021, the Branch had revenue recognised relating to investment as follows:

- Interest income from investments amounting to Baht 2.77 million (31 March 2020: Baht 2.48 million).
- Consideration received from selling investments totalling Baht 275.16 million (31 March 2020: Nil) and gain from selling investments totalling Baht 18.70 million (31 March 2020: Nil).

As at 31 March 2021, investments in securities include debts securities with a fair value of Baht 9.61 million (31 December 2020: with a fair value of Baht 9.85 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.

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

	(Unaudited) 31 March 2021	
	Fair value	Expected credit loss
	Baht	recognised in other
		comprehensive
		income
		Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	440,454,842	69,386
Investment in debt securities which credit risk has significantly increased (Stage 2)	10,259,540	1,895,653
Credit-impaired investments in debt securities (Stage 3)	-	-
Total	450,714,382	1,965,039
	(Audited) 31 December 2020	
	Fair value	Expected credit loss
	Baht	recognised in other
		comprehensive
		income
		Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	449,545,227	61,913
Investment in debt securities which credit risk has significantly increased (Stage 2)	10,556,985	1,959,246
Credit-impaired investments in debt securities (Stage 3)	-	-
Total	460,102,212	2,021,159

AIA Company Limited (Non-Life Insurance) Thailand Branch
 Condensed Notes to the Interim Financial Information (Unaudited)
 For the interim period ended 31 March 2021

8. Furniture, fixtures and equipment

	31 March 2021 (Unaudited)									
	Cost				Accumulated depreciation					
	Beginning balance 1 January 2021 Baht	For the period Additions Baht	Disposals/ Write-offs Baht	Ending balance 31 March 2021 Baht	Beginning balance 1 January 2021 Baht	For the period Depreciation Baht	Disposals/ Write-offs Baht	Ending balance 31 March 2021 Baht	Furniture, fixtures and equipment Baht	
Furniture, fixtures and equipment	3,098,917	-	-	3,098,917	3,098,765	-	-	3,098,765	152	
Computers	4,409,769	-	-	4,409,769	4,409,691	-	-	4,409,691	78	
Total	7,508,686	-	-	7,508,686	7,508,456	-	-	7,508,456	230	

	31 December 2020 (Audited)									
	Cost				Accumulated depreciation					
	Beginning balance 1 January 2020 Baht	For the year Additions Baht	Disposals/ Write-offs Baht	Ending balance 31 December 2020 Baht	Beginning balance 1 January 2020 Baht	For the year Depreciation Baht	Disposals/ Write-offs Baht	Ending balance 31 December 2020 Baht	Furniture, fixtures and equipment Baht	
Furniture, fixtures and equipment	3,098,917	-	-	3,098,917	3,098,765	-	-	3,098,765	152	
Computers	4,409,769	-	-	4,409,769	4,404,873	4,818	-	4,409,691	78	
Total	7,508,686	-	-	7,508,686	7,503,638	4,818	-	7,508,456	230	

AIA Company Limited (Non-Life Insurance) Thailand Branch
 Condensed Notes to the Interim Financial Information (Unaudited)
 For the interim period ended 31 March 2021

9. Intangible assets

	31 March 2021 (Unaudited)									
	Cost			Accumulated amortisation						
	Beginning balance 1 January 2021 Baht	For the period Additions Baht	Disposals/ Write-offs Baht	Ending balance 31 March 2021 Baht	Beginning balance 1 January 2021 Baht	Amortisation Charge Baht	Disposals/ Write-offs Baht	For the period Amortisation Charge Baht	Ending balance 31 March 2021 Baht	Intangible assets Baht
Computer software	5,775,153	-	-	5,775,153	5,775,121	-	-	-	5,775,121	32
Total	5,775,153	-	-	5,775,153	5,775,121	-	-	-	5,775,121	32

	31 December 2020 (Audited)									
	Cost			Accumulated amortisation						
	Beginning balance 1 January 2020 Baht	For the year Additions Baht	Disposals/ Write-offs Baht	Ending balance 31 December 2020 Baht	Beginning balance 1 January 2020 Baht	Amortisation Charge Baht	Disposals/ Write-offs Baht	For the year Amortisation Charge Baht	Ending balance 31 December 2020 Baht	Intangible assets Baht
Computer software	5,775,153	-	-	5,775,153	5,775,121	-	-	-	5,775,121	32
Total	5,775,153	-	-	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 2021

10. Other assets

	(Unaudited) 31 March 2021 Baht	(Audited) 31 December 2020 Baht
Deposits	10,000	10,000
Right-of-use assets (Note 18 (b))	1,576,647	1,650,052
Other assets	11,073	10,673
Total	<u>1,597,720</u>	<u>1,670,725</u>

AIA Company Limited (Non-Life Insurance) Thailand Branch
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 31 March 2021

10. Other assets (Cont'd)

10.1 Right-of-use assets

Detail of right-of-use assets are as follows:

	31 March 2021 (Unaudited)						31 December 2020 (Audited)							
	Cost			Accumulated amortisation			Cost			Accumulated amortisation				
	Beginning balance 1 January 2021 Baht	For the period Addition Baht	Change in contract Baht	Ending balance 31 March 2021 Baht	Beginning balance 1 January 2021 Baht	For the period Amortisation charge Baht	Beginning balance 1 January 2020 Baht	For the year Addition Baht	Change in contract Baht	Ending balance 31 December 2020 Baht	Beginning balance 1 January 2020 Baht	For the year Amortisation charge Baht	Ending balance 31 December 2020 Baht	
Buildings and improvements	1,950,450	-	(17)	1,950,433	300,398	73,388	300,398	-	-	1,950,450	-	300,398	300,398	1,576,647
Total	1,950,450	-	(17)	1,950,433	300,398	73,388	300,398	-	-	1,950,450	-	300,398	300,398	1,576,647

The related lease liabilities are disclosed in Note 13.

11. Insurance liabilities

	Insurance liabilities Baht	Liabilities recovered from reinsurance Baht	Net Baht
31 March 2021 (Unaudited)			
Short term insurance contract reserve			
Loss reserve			
- Reported claim	-	-	-
- Claim incurred but not reported	179,789	(8,900)	170,889
Premium reserve			
- Unearned premium reserve	660,424	(33,021)	627,403
Total	840,213	(41,921)	798,292
31 December 2020 (Audited)			
Short term insurance contract reserve			
Loss reserve			
- Reported claim	1,066	-	1,066
- Claim incurred but not reported	195,680	(9,677)	186,003
Premium reserve			
- Unearned premium reserve	958,502	(47,925)	910,577
Total	1,155,248	(57,602)	1,097,646

No additional reserve for Unexpired Risk Reserve has been established as the Unexpired Risk Reserve estimated by the Branch as at 31 March 2021 amounting to Baht 0.54 million (31 December 2020: Baht 0.73 million) is lower than the Unearned Premium Reserve.

11.1 Short-term insurance contract reserve

11.1.1 Loss reserve

	(Unaudited) 31 March 2021 Baht	(Audited) 31 December 2020 Baht
Beginning balance for the period/year	196,746	290,207
Insurance claim incurred during the period/year	93,327	513,254
Changes in claim reserve from change in assumption during the period/year	(15,891)	(94,527)
Insurance claim paid during the period/year	(94,393)	(512,188)
Closing balance at the end of period/year	179,789	196,746

AIA Company Limited (Non-Life Insurance) Thailand Branch
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 31 March 2021

11. Insurance liabilities (Cont'd)

11.1 Short-term insurance contract reserve (Cont'd)

11.1.2 Unearned premium reserve

	(Unaudited) 31 March 2021 Baht	(Audited) 31 December 2020 Baht
Beginning balance for the period/year	958,502	1,163,415
Premium written for the period/year	942,258	5,857,369
Premium earned in the period/year	(1,240,336)	(6,062,282)
Closing balance at the end of period/year	<u>660,424</u>	<u>958,502</u>

12. Amount due to reinsurance

	(Unaudited) 31 March 2021 Baht	(Audited) 31 December 2020 Baht
Reinsurance payable	<u>27,134</u>	<u>60,044</u>
Total amount due to reinsurance	<u>27,134</u>	<u>60,044</u>

13. Other liabilities

	(Unaudited) 31 March 2021 Baht	(Audited) 31 December 2020 Baht
Accrued expenses	181,572	72,208
Others payables	4,304,866	4,319,559
Sundry liabilities	205,246	64,654
Unpresented cheque payable	124,538	137,125
Account payable for agents	77,750	63,803
Withholding tax payable and VAT payable	161,749	118,153
Lease liabilities (Note 18 (b))	1,600,399	1,669,659
Others	25,323	24,107
Total	<u>6,681,443</u>	<u>6,469,268</u>

13. Other liabilities (Cont'd)

13.1 The maturity of lease liabilities

The maturity analysis of lease liabilities are aged as follows:

	(Unaudited) 31 March 2021 Baht	(Audited) 31 December 2020 Baht
Maturing		
Within 1 year	281,937	279,948
Between 1 to 5 years	1,211,192	1,202,649
Later than 5 years	107,270	187,062
Total	1,600,399	1,669,659
<i>Including: - Principal</i>	1,722,409	1,803,164
<i>- Interest</i>	(122,010)	(133,505)

For the three-month periods ended 31 March 2021, interest expense on lease liabilities amounted to Baht 11,494 (31 March 2020: Baht 5,698) is recorded as "Finance cost" in the statement of comprehensive income.

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) 31 March 2021 Baht	(Unaudited) 31 March 2020 Baht
Staff expenses	121,612	137,909
Premises and equipment expense	39,705	40,817
Tax and duties	16,000	16,192
Service fees	222,128	40,924
Other operating expenses	304,072	154,986
Total	703,517	390,828

AIA Company Limited (Non-Life Insurance) Thailand Branch
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 31 March 2021

16. Expected credit loss

	(Unaudited) 31 March 2021 Baht	(Unaudited) 31 March 2020 Baht
Investment in securities	(56,120)	(9)
Total	(56,120)	(9)

17. Income tax expenses

The interim income tax expense is recognised based on the management's best estimate of the weighted average income tax rate expected for the interim period applied to the pretax income of the interim period.

18. 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.

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

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

a) Statements of Comprehensive Income

	(Unaudited) 31 March 2021 Baht	(Unaudited) 31 March 2020 Baht
Affiliated companies		
Net investment income (expense)	(231,686)	(55,552)
<u>Operating expenses:</u>		
Information system service and other expenses	81,413	86,836
Rental and utilities expenses	84,533	77,145
Service fees	222,128	222,158

18. Related party transactions (Cont'd)

Significant transactions with Head Office, related parties and affiliates within AIA Group Limited are as follows: (Cont'd)

b) Statements of Financial Position

	(Unaudited) 31 March 2021 Baht	(Audited) 31 December 2020 Baht
Affiliated companies		
Amounts due from related parties	211,096	118,558
Other assets	1,576,647	1,650,052
Other liabilities	1,600,399	1,669,659
Head Office and affiliated companies		
Amounts due to related parties	72,627	176,903

c) Key management compensation

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

19. Events occurring after the reporting date

In 2021, the Branch is facing the uncertain impact of the COVID-19 virus and the measures taken to limit its spread. The Branch is closely monitoring the development of situation.