

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 on27...August....2021.....

Information for the Quarter.....2...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	1,031	1,500	XXX	1,155
Tier 1 Ratio (%)	1,145	1,484	1,031	1,500	XXX	1,155
Capital Adequacy Ratio (%)	1,145	1,484	1,031	1,500	XXX	1,155
Total Capital Available	439	445	448	450	XXX	450
Total Capital Required	38	30	43	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)

30 JUNE 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 30 June 2021, the statements of comprehensive income for the three-month and six-month periods then ended, the related statements of changes in equity and cash flows for the six-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

9 August 2021

AIA Company Limited (Non-Life Insurance) Thailand Branch
Statement of Financial Position
As at 30 June 2021

		(Unaudited) 30 June 2021 Baht	(Audited) 31 December 2020 Baht
	Notes		
Assets			
Cash and cash equivalents	5	12,759,447	7,854,848
Accrued income on investments		1,867,446	1,629,553
Reinsurance assets	6,11	36,213	57,602
Invested assets			
Investments in securities	7	465,296,955	460,102,212
Amount due from related parties	18	80,943	118,558
Furniture, fixtures and equipment	8	230	230
Intangible assets	9	29	32
Other assets	10,18	11,959,814	1,670,725
Total assets		<u>492,001,077</u>	<u>471,433,760</u>

Authorised signature _____

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 30 June 2021

		(Unaudited) 30 June 2021 Baht	(Audited) 31 December 2020 Baht
	Notes		
Liabilities and Head Office's Equity			
Liabilities			
Insurance liabilities	11	725,939	1,155,248
Amount due to reinsurance	12	39,917	60,044
Amount due to related parties	18	76,501	176,903
Income tax payable		6,569,055	972,953
Employee benefit liabilities		5,031,319	5,101,016
Deferred tax liabilities		101,960	5,817,141
Other liabilities	13,18	31,386,120	6,469,268
Total liabilities		43,930,811	19,752,573
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		407,840	23,268,565
Remeasurements of post-employment benefit obligations, net of tax		(2,615,592)	(2,615,592)
Branch's retained earnings Unappropriated		309,970,265	290,720,461
Total Head Office's Equity		448,070,266	451,681,187
Total liabilities and Head Office's Equity		492,001,077	471,433,760

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 30 June 2021

	Notes	2021 Baht	2020 Baht
Revenues			
Gross written premiums		1,252,972	1,489,010
<u>Less</u> Premiums ceded to reinsurers		(65,211)	(74,451)
Net written premiums		1,187,761	1,414,559
<u>Add</u> Net change in unearned premium reserve		97,333	89,910
Net earned premiums		1,285,094	1,504,469
Fee and commission income		42,325	56,135
Net investment income	18	2,811,741	1,914,750
Gains on Investment		972,737	-
Total revenues		5,111,897	3,475,354
Expenses			
Gross claim paid		425,052	472,348
<u>Less</u> Claim paid recovered from reinsurers		(1,786)	(4,590)
Commission and brokerage		150,452	182,398
Other underwriting expenses		117,528	131,003
Operating expenses	15,18	710,253	743,493
Finance cost		11,001	5,299
Expected credit loss	16	(1,755,413)	(9)
Other expense		3	-
Total expenses		(342,910)	1,529,942
Profit before income tax		5,454,807	1,945,412
Income tax expenses		1,425,379	448,152
Net profit for the period		4,029,428	1,497,260

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 30 June 2021

	2021	2020
	Baht	Baht
Other comprehensive income (loss)		
<u>Items that will be reclassified subsequently to profit or loss</u>		
Gains on remeasuring investments measured at fair value through other comprehensive income	2,220,745	3,295,068
Items in other comprehensive income transferred to profit or loss	2,728,151	-
Income tax on items that will be reclassified subsequently to profit or loss	(101,960)	(659,014)
Total items that will be reclassified subsequently to profit or loss	4,846,936	2,636,054
Other comprehensive income for the period, net of tax	4,846,936	2,636,054
Total comprehensive income for the period	8,876,364	4,133,314

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 six-month period ended 30 June 2021

	Notes	2021 Baht	2020 Baht
Revenues			
Gross written premiums		2,195,230	2,736,326
<u>Less</u> Premiums ceded to reinsurers		(112,323)	(139,354)
Net written premiums		2,082,907	2,596,972
<u>Add</u> Net change in unearned premium reserve		380,507	475,985
Net earned premiums		2,463,414	3,072,957
Fee and commission income		57,637	76,404
Net investment income	18	4,710,301	3,832,904
Gains on Investment		19,672,599	-
Total revenues		26,903,951	6,982,265
Expenses			
Gross claim paid		904,600	947,118
<u>Less</u> Claim paid recovered from reinsurers		(5,675)	(10,692)
Commission and brokerage		275,494	360,918
Other underwriting expenses		208,470	258,440
Operating expenses	15,18	1,413,770	1,134,321
Finance cost		22,495	10,997
Expected credit loss	16	(1,811,533)	(18)
Other expense		3	-
Total expenses		1,007,624	2,701,084
Profit before income tax		25,896,327	4,281,181
Income tax expenses		6,646,523	901,724
Net profit for the period		19,249,804	3,379,457

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 six-month period ended 30 June 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	(50,060,039)	4,213,386
Items in other comprehensive income transferred to profit or loss	21,484,133	-
Income tax on items that will be reclassified subsequently to profit or loss	5,715,181	(842,678)
Total items that will be reclassified subsequently to profit or loss	<u>(22,860,725)</u>	<u>3,370,708</u>
Other comprehensive income (loss) for the period, net of tax	<u>(22,860,725)</u>	<u>3,370,708</u>
Total comprehensive income (loss) for the period	<u><u>(3,610,921)</u></u>	<u><u>6,750,165</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 six-month period ended 30 June 2021

	Funds from Head Office	Remeasurements of investments measured at fair value through other comprehensive income, net of tax	Remeasurement of post-employment benefit obligations, net of tax	Branch's retained earnings	Total Head Office's Equity
	Baht	Baht	Baht	Baht	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	-	-	-	19,249,804	19,249,804
Losses on remeasuring investments measured at fair value through other comprehensive income	-	(40,048,031)	-	-	(40,048,031)
Items in other comprehensive income transferred to profit or loss	-	17,187,306	-	-	17,187,306
Ending balance as at 30 June 2021	<u>140,307,753</u>	<u>407,840</u>	<u>(2,615,592)</u>	<u>309,970,265</u>	<u>448,070,266</u>
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	-	-	-	3,379,457	3,379,457
Gains on remeasuring investments measured at fair value through other comprehensive income	-	3,370,708	-	-	3,370,708
Ending balance as at 30 June 2020	<u>140,307,753</u>	<u>18,879,301</u>	<u>(2,585,555)</u>	<u>288,642,950</u>	<u>445,244,449</u>

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 six-month period ended 30 June 2021

	2021 Baht	2020 Baht
Cash flows provided by (used in) operating activities		
Written premium received from direct insurance	2,219,360	2,709,386
Cash paid for reinsurance	(67,776)	(85,111)
Net investment income	3,218,106	5,061,472
Claim paid from direct insurance	(141,803)	(294,256)
Commission and brokerage paid to direct insurance	(271,864)	(385,234)
Other underwriting expenses	(256,039)	(269,167)
Operating expenses	(2,112,474)	(1,672,066)
Income tax	(1,050,422)	(61,832)
Cash received from investment in securities	412,988,430	15,000,000
Cash paid for investment in securities	(409,459,427)	(20,917,983)
Net cash provided by (used in) operating activities	<u>5,066,091</u>	<u>(914,791)</u>
Cash flows used in financing activities		
Lease Liabilities	(161,492)	(161,426)
Net cash used in financing activities	<u>(161,492)</u>	<u>(161,426)</u>
Net increase (decrease) in cash and cash equivalents	4,904,599	(1,076,217)
Cash and cash equivalents at beginning of period	7,854,848	10,106,695
Cash and cash equivalents at end of period	<u><u>12,759,447</u></u>	<u><u>9,030,478</u></u>

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 August 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 30 June 2021 and 31 December 2020.

	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
As at 30 June 2021 (Unaudited)				
Asset				
Investment in securities				
Investments measured at fair value through other comprehensive income				
Debt securities	-	465,296,955	-	465,296,955
Total asset	-	465,296,955	-	465,296,955
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.

5. Cash and cash equivalents

	(Unaudited) 30 June 2021 Baht	(Audited) 31 December 2020 Baht
Deposits held at call with banks	2,762,284	7,854,848
Short-term investments	9,997,163	-
Total cash and cash equivalents	12,759,447	7,854,848

6. Reinsurance assets

	(Unaudited) 30 June 2021 Baht	(Audited) 31 December 2020 Baht
<u>Reserve of recovery from reinsurers</u>		
Short term insurance contract reserve		
Loss reserve (IBNR)	8,315	9,677
Premium reserve		
- Unearned premium reserve (UPR)	27,898	47,925
Total reinsurance assets	36,213	57,602

7. Investments in securities

The details of investment in securities are as follows:

	(Unaudited) 30 June 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	250,660,097	247,060,151	269,730,815	292,845,355
Private enterprise debt securities	214,336,684	218,236,804	163,306,850	167,256,857
Total	464,996,781	465,296,955	433,037,665	460,102,212
<u>Add</u> Unrealised gains on the changes in value of investments	300,174	-	27,064,547	-
Total Investments measured at fair value through other comprehensive income	465,296,955	465,296,955	460,102,212	460,102,212
Total investments in securities	465,296,955	465,296,955	460,102,212	460,102,212

7. Investment in securities (Cont'd)

For the three-month and six-month period ended 30 June 2021, the Branch had revenue recognised relating to investment as follows:

- Interest income from investments amounting to Baht 3.53 million and Baht 6.30 million, respectively (30 June 2020: Baht 2.47 million and Baht 4.95 million, respectively).
- Consideration received from selling investments totalling Baht 108.26 million and Baht 383.42 million, respectively (30 June 2020: Nil and Nil, respectively) and gain from selling investments totalling Baht 0.97 million and Baht 19.67 million, respectively (30 June 2020: Nil and Nil, respectively).

As at 30 June 2021, investments in securities include debts securities with a fair value of Baht 9.65 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) 30 June 2021	
	Fair value Baht	Expected credit loss recognised in other comprehensive income Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	465,296,955	209,626
Investment in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
Total	465,296,955	209,626

	(Audited) 31 December 2020	
	Fair value Baht	Expected credit loss 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 30 June 2021

8. Furniture, fixtures and equipment

	30 June 2021 (Unaudited)					
	Cost		Accumulated depreciation			
	For the period		For the period		Ending balance	
	Beginning balance 1 January 2021 Baht	Disposals/ Write-offs Baht	Depreciation Baht	Disposals/ Write-offs Baht	30 June 2021 Baht	Furniture, fixtures and equipment Baht
Furniture, fixtures and equipment	3,098,917	-	-	-	3,098,765	152
Computers	4,409,769	-	-	-	4,409,691	78
Total	7,508,686	-	-	-	7,508,456	230

	31 December 2020 (Audited)					
	Cost		Accumulated depreciation			
	For the year		For the year		Ending balance	
	Beginning balance 1 January 2020 Baht	Disposals/ Write-offs Baht	Depreciation Baht	Disposals/ Write-offs Baht	31 December 2020 Baht	Furniture, fixtures and equipment Baht
Furniture, fixtures and equipment	3,098,917	-	-	-	3,098,765	152
Computers	4,409,769	-	4,818	-	4,409,691	78
Total	7,508,686	-	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 30 June 2021

9. Intangible assets

		30 June 2021 (Unaudited)					
		Cost		Accumulated amortisation			
		For the period		For the period		Ending balance 30 June 2021 Baht	Intangible assets Baht
		Beginning balance 1 January 2021 Baht	Additions Baht	Disposals/ Write-offs Baht	Amortisation Charge Baht		
Computer software		5,775,153	-	(5,433,444)	-	341,709	29
Total		5,775,153	-	(5,433,444)	-	341,709	29
		31 December 2020 (Audited)					
		Cost		Accumulated amortisation			
		For the year		For the year		Ending balance 31 December 2020 Baht	Intangible assets Baht
		Beginning balance 1 January 2020 Baht	Additions Baht	Disposals/ Write-offs Baht	Amortisation Charge Baht		
Computer software		5,775,153	-	-	-	5,775,153	32
Total		5,775,153	-	-	-	5,775,153	32

10. Other assets

	(Unaudited) 30 June 2021 Baht	(Audited) 31 December 2020 Baht
Deposits	10,000	10,000
Receivable from sale of investments	10,435,945	-
Right-of-use assets (Note 18 (b))	1,503,260	1,650,052
Other assets	10,609	10,673
Total	<u>11,959,814</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 30 June 2021

10. Other assets (Cont'd)

10.1 Right-of-use assets

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

	30 June 2021 (Unaudited)				
	Cost		Accumulated amortisation		
	Beginning balance 1 January 2021 Baht	For the period		Beginning balance 1 January 2021 Baht	Ending balance 30 June 2021 Baht
		Addition Baht	Change in contract Baht		
Buildings and improvements	1,950,450	-	(17)	300,398	447,173
Total	1,950,450	-	(17)	300,398	447,173
					1,503,260
					1,503,260
	31 December 2020 (Audited)				
	Cost		Accumulated amortisation		
	Beginning balance 1 January 2020 Baht	For the year		Beginning balance 1 January 2020 Baht	Ending balance 31 December 2020 Baht
		Addition Baht	Change in contract Baht		
Buildings and improvements	1,105,499	844,951	-	-	300,398
Total	1,105,499	844,951	-	-	300,398
					1,650,052
					1,650,052

The related lease liabilities are disclosed in Note 13.

11. Insurance liabilities

	Insurance liabilities Baht	Liabilities recovered from reinsurance Baht	Net Baht
30 June 2021 (Unaudited)			
Short term insurance contract reserve			
Loss reserve			
- Reported claim	-	-	-
- Claim incurred but not reported	167,971	(8,315)	159,656
Premium reserve			
- Unearned premium reserve	557,968	(27,898)	530,070
Total	725,939	(36,213)	689,726
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 30 June 2021 amounting to Baht 0.46 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) 30 June 2021 Baht	(Audited) 31 December 2020 Baht
Beginning balance for the period/year	196,746	290,207
Insurance claim incurred during the period/year	140,737	513,254
Changes in claim reserve from change in assumption during the period/year	(27,709)	(94,527)
Insurance claim paid during the period/year	(141,803)	(512,188)
Closing balance at the end of period/year	167,971	196,746

11. Insurance liabilities (Cont'd)

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

11.1.2 Unearned premium reserve

	(Unaudited) 30 June 2021 Baht	(Audited) 31 December 2020 Baht
Beginning balance for the period/year	958,502	1,163,415
Premium written for the period/year	2,195,230	5,857,369
Premium earned in the period/year	(2,595,764)	(6,062,282)
Closing balance at the end of period/year	<u>557,968</u>	<u>958,502</u>

12. Amount due to reinsurance

	(Unaudited) 30 June 2021 Baht	(Audited) 31 December 2020 Baht
Reinsurance payable	39,917	60,044
Total amount due to reinsurance	<u>39,917</u>	<u>60,044</u>

13. Other liabilities

	(Unaudited) 30 June 2021 Baht	(Audited) 31 December 2020 Baht
Accrued expenses	322,390	72,208
Others payables	4,256,036	4,319,559
Sundry liabilities	88,784	64,654
Payable for purchase of investments	24,997,162	-
Unpresented cheque payable	49,961	137,125
Account payable for agents	67,433	63,803
Withholding tax payable and VAT payable	54,300	118,153
Lease liabilities (Note 18 (b))	1,530,662	1,669,659
Others	19,392	24,107
Total	<u>31,386,120</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) 30 June 2021 Baht	(Audited) 31 December 2020 Baht
Maturing		
Within 1 year	283,942	279,948
Between 1 to 5 years	1,219,807	1,202,649
Later than 5 years	26,913	187,062
Total	1,530,662	1,669,659
<i>Including: - Principal</i>	<i>1,641,672</i>	<i>1,803,164</i>
<i>- Interest</i>	<i>(111,010)</i>	<i>(133,505)</i>

For the three-month and six-month periods ended 30 June 2021, interest expense on lease liabilities amounted to Baht 11,001 and Baht 22,495, respectively (30 June 2020: Baht 5,299 and Baht 10,997, respectively) 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) For the three-month period ended	
	30 June 2021 Baht	30 June 2020 Baht
Staff expenses	178,104	159,713
Premises and equipment expense	44,396	43,678
Tax and duties	829	3,315
Service fees	222,125	241,299
Other operating expenses	264,799	295,488
Total	710,253	743,493

	(Unaudited) For the six-month period ended	
	30 June 2021 Baht	30 June 2020 Baht
Staff expenses	299,716	297,622
Premises and equipment expense	84,101	84,495
Tax and duties	16,829	19,507
Service fees	444,253	282,223
Other operating expenses	568,871	450,474
Total	1,413,770	1,134,321

16. Expected credit loss

	(Unaudited)	
	For the three-month period ended	
	30 June 2021 Baht	30 June 2020 Baht
Investment in securities	(1,755,413)	(9)
Total	(1,755,413)	(9)

	(Unaudited)	
	For the six-month period ended	
	30 June 2021 Baht	30 June 2020 Baht
Investment in securities	(1,811,533)	(18)
Total	(1,811,533)	(18)

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.

18. Related party transactions (Cont'd)

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	
	30 June 2021 Baht	30 June 2020 Baht
Affiliated companies		
Net investment income (expense)	(223,656)	(44,292)
<u>Operating expenses:</u>		
Information system service and other expenses	101,247	57,490
Rental and utilities expenses	84,326	84,023
Service fees	222,126	222,132
	(Unaudited)	
	For the six-month period ended	
	30 June 2021 Baht	30 June 2020 Baht
Affiliated companies		
Net investment income (expense)	(455,342)	(99,844)
<u>Operating expenses:</u>		
Information system service and other expenses	182,660	144,326
Rental and utilities expenses	168,859	161,168
Service fees	444,254	444,290

b) Statements of Financial Position

	(Unaudited) 30 June 2021 Baht	(Audited) 31 December 2020 Baht
Affiliated companies		
Amounts due from related parties	80,943	118,558
Other assets	1,503,260	1,650,052
Other liabilities	1,530,662	1,669,659
Head Office and affiliated companies		
Amounts due to related parties	76,501	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.

UPDATED INFORMATION

2.4 SUB-COMMITTEE MEMBERS

a) **Investment Committee (“IC”)**

The members of IC are:

1. Kris Chantanotoke (Chief Executive Officer)
2. Johann Dutoit (Chief Investment Officer)
3. Hiew Tet Chian (Chief Financial Officer)
4. Loo Boon Teik (Chief Risk Officer)
5. Eric Lu (Director & Chief Actuary)

b) **Pension Investment Committee (“Pension IC”)**

The members of Pension IC are:

1. Johann Dutoit (Chief Investment Officer)
2. Sineenart Porkaew (Fund Manager from Life Fund)
3. Vilasinee Limprana (Head of Pension Business)
4. Dudpong Wongsasitorn (Fund Manager from Pension Business)
5. Adiphat Kummaraphat (Fund Manager from Pension Business)
6. Titti Tungpanitansook (Director of Enterprise Risk Management)

c) **Operational Risk Committee (“ORC”)**

The members of ORC are:

1. Hiew Tet Chian (Chief Financial Officer)
2. Loo Boon Teik (Chief Risk Officer)
3. Knattapisit Krutkrongchai (Chief Agency Officer)
4. Dr.Christian Roland (Chief Strategy and Digital Officer)
5. Sarunya Tienthavorn (Chief Human Resources Officer)
6. Supirut Pothavorn (Director of Compliance)
7. Jutamas Suttisirikul (Director of Legal)
8. Amaraporn Runsewa (Head of Information Technology)
9. Krittanon Phoowapattarakul (Acting Head of Life Operations 2)

d) **Financial Risk Committee (“FRC”)**

The members of FRC are:

1. Kris Chantanotoke (Chief Executive Officer)
2. Hiew Tet Chian (Chief Financial Officer)
3. Loo Boon Teik (Chief Risk Officer)
4. Johann Dutoit (Chief Investment Officer)
5. Eric Lu (Director & Chief Actuary)

The Audit Committee

The members of AIA Group’s Audit Committee are:

1. Ricky Choi-Cheung Fung (Independent Non-Executive Director)
2. Dominic Ka-Kui Leung (Independent Non-Executive Director)
3. Stuart John Valentine (Independent Non-Executive Director)
4. Garth Brian Jones (Group Chief Financial Officer)

Financial Oversight Committee

The members of FOC are:

1. Garth Brian Jones (Group Chief Financial Officer)
2. Richard Sumner (Head of Group Tax)
3. Manoj Ramachandra (Group Senior Regional Counsel)