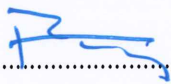


**Disclosure Form (Attached to the OIC Commissioner Order No.48/2561)**

**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.....Wai Cheong Fung.....  
Position.....Chief Executive Officer.....  
Disclosed on .....29.....November..... 2019.....  
Information for the Quarter.....3.....Year...2019.....

# 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	
	2019	2018	2019	2018	2019	2018
Capital Adequacy Ratio (%)	1,399	1,382	1,427	1,378	1,468	1,377
Total Capital Available	420	414	428	413	440	413
Total Capital Required	30	30	30	30	30	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)**

**30 SEPTEMBER 2019**



## 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 30 September 2019, the statements of comprehensive income for the three-month and nine-month periods then ended, and the related statements of changes in equity and cash flows for the nine-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  
7 November 2019

**AIA Company Limited (Non-Life Insurance) Thailand Branch**  
**Statement of Financial Position**  
**As at 30 September 2019**

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		(Unaudited) 30 September 2019 Baht	(Audited) 31 December 2018 Baht
	Notes		
<b>Assets</b>			
Cash and cash equivalents	6	5,816,124	8,902,558
Accrued income on investments		3,220,233	1,983,303
Reinsurance assets	7, 12	47,141	81,900
Amount due from reinsurers		17,870	-
Invested assets			
Investments in securities	8	442,089,376	416,965,859
Amount due from related parties	17	154,858	397,670
Furniture, fixtures and equipment, net	9	10,922	32,534
Intangible assets, net	10	32	32
Other assets, net	11	28,146	175,973
<b>Total assets</b>		<u>451,384,702</u>	<u>428,539,829</u>

Authorised person \_\_\_\_\_

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

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**AIA Company Limited (Non-Life Insurance) Thailand Branch**  
**Statement of Financial Position (Cont'd)**  
**As at 30 September 2019**

		(Unaudited) 30 September 2019 Baht	(Audited) 31 December 2018 Baht
	Notes		
<b>Liabilities and Head Office's Equity</b>			
<b>Liabilities</b>			
Insurance liabilities	12	1,946,029	1,664,484
Amount due to reinsurance		37,382	89,210
Amount due to related parties	17	70,413	399,533
Income tax payable		639,140	476,660
Employee benefit liabilities		3,943,832	3,552,308
Deferred tax liabilities	13	3,622,303	-
Other liabilities	14	5,388,724	5,454,542
<b>Total liabilities</b>		<u>15,647,823</u>	<u>11,636,737</u>
<b>Head Office's Equity</b>			
Funds from Head Office	15	140,307,753	140,307,753
Unrealised gains (losses) on changes in fair value of investments, net of tax		14,489,210	(220,806)
Remeasurements of post-employment benefit obligations		(2,117,966)	(2,070,520)
Branch's retained earnings - Unappropriated		283,057,882	278,886,665
<b>Total Head Office's Equity</b>		<u>435,736,879</u>	<u>416,903,092</u>
<b>Total liabilities and Head Office's Equity</b>		<u><u>451,384,702</u></u>	<u><u>428,539,829</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 30 September 2019**

	<b>Notes</b>	<b>2019</b>	<b>2018</b>
		<b>Baht</b>	<b>Baht</b>
<b>Revenues</b>			
Gross written premiums		1,731,857	2,423,090
<u>Less</u> Premiums ceded to reinsurers		(71,319)	(121,155)
Net written premiums		1,660,538	2,301,935
<u>Add</u> Net change in unearned premium reserve		267,869	161,582
Net earned premiums		1,928,407	2,463,517
Fee and commission income		28,143	90,185
Net investment income		2,134,405	2,199,879
<b>Total revenues</b>		<b>4,090,955</b>	<b>4,753,581</b>
<b>Expenses</b>			
Gross claim paid		1,854,321	566,856
<u>Less</u> Claim paid recovered from reinsurers		(21,148)	(11,130)
Commissions and brokerages		194,897	353,473
Other underwriting expenses		201,653	615,371
Operating expenses	16, 17	643,367	1,681,640
<b>Total expenses</b>		<b>2,873,090</b>	<b>3,206,210</b>
<b>Profit before income tax</b>		<b>1,217,865</b>	<b>1,547,371</b>
Income tax expenses		281,465	318,503
<b>Net profit for the period</b>		<b>936,400</b>	<b>1,228,868</b>

The notes are form an integral part of this 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 September 2019**

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	<b>2019</b>	<b>2018</b>
	<b>Baht</b>	<b>Baht</b>
	<hr/>	<hr/>
<b>Other comprehensive income (loss)</b>		
<u>Items that will be reclassified subsequently to profit or loss</u>		
Change in value of available-for-sale investments	10,437,682	(1,491,435)
Income tax on items that will be reclassified subsequently to profit or loss	(2,087,537)	<hr/> -
Total items that will be reclassified subsequently to profit or loss	<hr/> 8,350,145	<hr/> (1,491,435)
<b>Other comprehensive income (loss) for the period, net of tax</b>	<hr/> 8,350,145	<hr/> (1,491,435)
<b>Total comprehensive income (loss) for the period</b>	<hr/> <hr/> 9,286,545	<hr/> <hr/> (262,567)

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

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**AIA Company Limited (Non-Life Insurance) Thailand Branch**  
**Statement of Comprehensive Income (Unaudited)**  
**For the nine-month period ended 30 September 2019**

	<b>2019</b>	<b>2018</b>
<b>Notes</b>	<b>Baht</b>	<b>Baht</b>
<b>Revenues</b>		
Gross written premiums	5,990,240	7,401,335
<u>Less</u> Premiums ceded to reinsurers	<u>(284,238)</u>	<u>(379,100)</u>
Net written premiums	5,706,002	7,022,235
<u>Add</u> Net change in unearned premium reserve	<u>604,736</u>	<u>629,482</u>
Net earned premiums	6,310,738	7,651,717
Fee and commission income	136,053	170,863
Net investment income	<u>6,327,115</u>	<u>5,908,675</u>
<b>Total revenues</b>	<u>12,773,906</u>	<u>13,731,255</u>
<b>Expenses</b>		
Net change in long-term insurance contract reserve	-	(6,171)
Gross claim paid	3,350,854	2,264,431
<u>Less</u> claim paid recovered from reinsurers	<u>(55,766)</u>	<u>(60,413)</u>
Commission and brokerage	799,107	1,087,993
Other underwriting expenses	754,491	1,885,265
Operating expenses	16, 17 <u>2,570,998</u>	<u>4,570,925</u>
<b>Total expenses</b>	<u>7,419,684</u>	<u>9,742,030</u>
<b>Profit before income tax</b>	5,354,222	3,989,225
Income tax expenses	<u>1,183,005</u>	<u>755,304</u>
<b>Net profit for the period</b>	<u>4,171,217</u>	<u>3,233,921</u>

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

**AIA Company Limited (Non-Life Insurance) Thailand Branch**  
**Statement of Comprehensive Income (Unaudited) (Cont'd)**  
**For the nine-month period ended 30 September 2019**

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	<b>Notes</b>	<b>2019 Baht</b>	<b>2018 Baht</b>
<b>Other comprehensive income (loss)</b>			
<u>Items that will not be reclassified subsequently to profit or loss</u>			
Remeasurements of post-employment benefit obligations		(47,446)	-
Total items that will not be reclassified subsequently to profit or loss		(47,446)	-
<u>Items that will be reclassified subsequently to profit or loss</u>			
Change in value of available-for-sale investments		18,332,319	(3,527,200)
Income tax on items that will be reclassified subsequently to profit or loss	13	(3,622,303)	20,735
Total items that will be reclassified subsequently to profit or loss		14,710,016	(3,506,465)
<b>Other comprehensive income (loss) for the period, net of tax</b>		<b>14,662,570</b>	<b>(3,506,465)</b>
<b>Total comprehensive income (loss) for the period</b>		<b>18,833,787</b>	<b>(272,544)</b>

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

AIA Company Limited (Non-Life Insurance) Thailand Branch  
Statement of Changes in Head Office's Equity (Unaudited)  
For the nine-month period ended 30 September 2019

	Funds from Head Office	Unrealised gains (losses) on changes in value of investments, net of tax	Remeasurement of post-employment benefit obligations	Branch's retained earnings	Total Head office's Equity
	Baht	Baht	Baht	Baht	Baht
<b>Beginning balance as at 1 January 2019</b>	140,307,753	(220,806)	(2,070,520)	278,886,665	416,903,092
Net profit for the period	-	-	-	4,171,217	4,171,217
Remeasurement of post - employment benefit obligations	-	-	(47,446)	-	(47,446)
Change in value of available-for-sale investments, net of tax	-	14,710,016	-	-	14,710,016
<b>Ending balance as at 30 September 2019</b>	<u>140,307,753</u>	<u>14,489,210</u>	<u>(2,117,966)</u>	<u>283,057,882</u>	<u>435,736,879</u>
<b>Beginning balance as at 1 January 2018</b>	140,307,753	82,938	(2,704,801)	275,638,128	413,324,018
Net profit for the period	-	-	-	3,233,921	3,233,921
Change in value of available-for-sale investments, net of tax	-	(3,506,465)	-	-	(3,506,465)
<b>Ending balance as at 30 September 2018</b>	<u>140,307,753</u>	<u>(3,423,527)</u>	<u>(2,704,801)</u>	<u>278,872,049</u>	<u>413,051,474</u>

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

**AIA Company Limited (Non-Life Insurance) Thailand Branch**  
**Statement of Cash Flows (Unaudited)**  
**For the nine-month period ended 30 September 2019**

	<b>2019</b>	<b>2018</b>
	<b>Baht</b>	<b>Baht</b>
<b>Cash flows provided by (used in) operating activities</b>		
Written premium received from direct insurance	6,117,386	7,494,383
Cash paid from reinsurance	(159,186)	(194,314)
Net investment income	6,946,611	7,290,651
Claim paid from direct insurance	(2,307,521)	(2,337,443)
Commission and brokerage paid to direct insurance	(883,758)	(1,132,943)
Other underwriting expenses	(554,475)	(1,758,783)
Operating expenses	(2,577,341)	(4,792,059)
Income tax	(1,020,525)	(1,424,369)
Cash received from investment in securities	82,991,870	144,000,000
Cash paid for investment in securities	(91,639,495)	(146,855,123)
<b>Net cash provided (used in) by operating activities</b>	<b>(3,086,434)</b>	<b>290,000</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(3,086,434)</b>	<b>290,000</b>
Cash and cash equivalents at beginning of period	8,902,558	4,542,195
<b>Cash and cash equivalents at end of period</b>	<b>5,816,124</b>	<b>4,832,195</b>

The notes are form an integral part of this 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, 8<sup>th</sup> 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 November 2019.

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 2018.

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 Financial reporting standards which are effective for annual periods beginning on or after 1 January 2019**

TFRS 2 (revised 2018)	Share-based Payment
TFRS 4 (revised 2018)	Insurance Contracts
TFRS 15	Revenue from contracts with customers
TAS 28 (revised 2018)	Investments in associates and joint ventures
TAS 40 (revised 2018)	Investment Property
TFRIC 22	Foreign Currency Transactions and Advance Consideration

TFRS 2 clarifies;

- The measurement basis for cash-settled share-based payments
- Where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority, the award is treated as if it is wholly equity-settled.
- The accounting for modifications from cash-settled awards to equity-settled awards.

TFRS 4 provides insurance companies an optional exemption from compliance with TFRS 9 and TFRS 7. The exemption is temporarily effective and not mandatory. Entities who choose to use the exemption must follow the 'financial instruments and disclosure for insurance companies' accounting guidelines as issued by the Federation of Accounting Professions until TFRS 17 becomes effective.

TFRS 15 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.

TAS 28 clarifies that the election by venture capital organisations, mutual funds, unit trusts and similar entities to measure investments in associates or joint ventures at fair value through profit or loss should be made separately for each associate or joint venture at initial recognition.

TAS 40 clarifies that transfers to or from investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer.

TFRIC 22 clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income when an entity has received or paid advance consideration in a foreign currency.

The Branch has adopted these standards for the current period. The above standards do not have significant impact on the Branch.

**3. Accounting policies (Cont'd)**

**3.2 Financial reporting standards which are effective for annual periods beginning on or after 1 January 2020 and are relevant to the branch. The branch has not yet adopted these revised standards.**

**3.2.1 Financial instruments**

The new financial reporting standards relate to financial instruments are:

TAS 32	Financial instruments: Presentation
IFRS 7	Financial Instruments: Disclosures
IFRS 9	Financial Instruments
IFRIC 16	Hedges of a Net Investment in a Foreign Operation
IFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These new standards address the classification, measurement and derecognition of financial assets and financial liabilities, impairment of financial assets, hedge accounting, and presentation and disclosure of financial instruments.

**3.2.2 IFRS 16 Leases**

IFRS 16 will result in almost all leases where the Group is a lessee being recognised on the balance sheet as the distinction between operating and finance lease is removed. An asset (the right to use the leased item) and financial liability to pay rentals are recognised, with exception on short-term and low-value leases.

The Branch's management is currently assessing the impacts of these standards.

**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 2018.

**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.

**5. Fair value (Cont'd)**

**5.1 Fair value estimation (Cont'd)**

The following table presents fair value of the Branch's financial assets that are measured at fair value as at 30 September 2019 and 31 December 2018:

	<b>Level1 Baht</b>	<b>Level2 Baht</b>	<b>Level3 Baht</b>	<b>Total Baht</b>
<b>As at 30 September 2019 (Unaudited)</b>				
<b>Asset</b>				
Investment in securities				
Available-for-sale securities				
Debt securities	-	442,089,376	-	442,089,376
Total asset	-	442,089,376	-	442,089,376
<b>As at 31 December 2018 (Audited)</b>				
<b>Asset</b>				
Investment in securities				
Available-for-sale securities				
Debt securities	-	416,965,859	-	416,965,859
Total asset	-	416,965,859	-	416,965,859

**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**

	<b>(Unaudited) 30 September 2019 Baht</b>	<b>(Audited) 31 December 2018 Baht</b>
Deposits held at call with banks	5,816,124	8,902,558
Total cash and cash equivalents	5,816,124	8,902,558



**AIA Company Limited (Non-Life Insurance) Thailand Branch**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the interim period ended 30 September 2019**

**7. Reinsurance assets**

	(Unaudited) 30 September 2019 Baht	(Audited) 31 December 2018 Baht
<u>Reserve of recovery from reinsurers</u>		
Short term insurance contract reserve		
Loss reserve (IBNR)	14,605	17,535
Premium reserve		
- Unearned premium reserve (UPR)	32,536	64,365
Total reinsurance assets	<u>47,141</u>	<u>81,900</u>

**8. Investments in securities**

	(Unaudited) 30 September 2019		(Audited) 31 December 2018	
	Cost/ amortised cost Baht	Fair value Baht	Cost/ amortised cost Baht	Fair value Baht
<b>Available-for-sale securities</b>				
Government and state enterprise securities	320,835,800	337,490,015	303,873,872	304,277,573
Private enterprise debt securities	103,142,063	104,599,361	113,312,793	112,688,286
Total	423,977,863	442,089,376	417,186,665	416,965,859
<u>Add</u> Unrealised gains (losses) on the changes in value of investments	18,111,513	-	(220,806)	-
Total available-for-sale securities	<u>442,089,376</u>	<u>442,089,376</u>	<u>416,965,859</u>	<u>416,965,859</u>
<b>Total investments in securities</b>	<u>442,089,376</u>	<u>442,089,376</u>	<u>416,965,859</u>	<u>416,965,859</u>

Investments in securities include debts securities with a fair value of Baht 8.57 million (31 December 2018: with a fair value of Baht 8.55 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 30 September 2019

9. Furniture, fixtures and equipment, net

	30 September 2019 (Unaudited)									
	Cost					Accumulated depreciation				
	Beginning balance 1 January 2019 Baht	For the period Additions Baht	Disposals/ Write-offs Baht	Ending balance 30 September 2019 Baht	Beginning balance 1 January 2019 Baht	For the period Depreciation Baht	Disposals/ Write-offs Baht	Ending balance 30 September 2019 Baht	Furniture, fixtures and equipment, net 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	4,377,387	21,612	-	4,398,999	10,770	
Total	7,508,686	-	-	7,508,686	7,476,152	21,612	-	7,497,764	10,922	
31 December 2018 (Audited)										
	Cost					Accumulated depreciation				
	Beginning balance 1 January 2018 Baht	For the year Additions Baht	Disposals/ Write-offs Baht	Ending balance 31 December 2018 Baht	Beginning balance 1 January 2018 Baht	For the year Depreciation Baht	Disposals/ Write-offs Baht	Ending balance 31 December 2018 Baht	Furniture, fixtures and equipment, net Baht	
	Furniture, fixtures and equipment	3,098,917	-	-	3,098,917	3,098,041	724	-	3,098,765	152
Computers	4,409,769	-	-	4,409,769	4,329,948	47,439	-	4,377,387	32,382	
Total	7,508,686	-	-	7,508,686	7,427,989	48,163	-	7,476,152	32,534	

AIA Company Limited (Non-Life Insurance) Thailand Branch  
 Condensed Notes to the Interim Financial Information (Unaudited)  
 For the interim period ended 30 September 2019

10. Intangible assets, net

		30 September 2019 (Unaudited)									
		Cost					Accumulated amortisation				
Beginning balance 1 January 2019 Baht	5,775,153	For the period		Ending balance 30 September 2019 Baht	5,775,153	Beginning balance 1 January 2019 Baht	5,775,121	For the period		Ending balance 30 September 2019 Baht	5,775,121
		Additions Baht	Disposals/Write-offs Baht					Amortisation Charge Baht	Disposals/Write-offs Baht		
Computer software	5,775,153	-	-	5,775,153	5,775,153	5,775,121	-	-	-	5,775,121	32
Total	5,775,153	-	-	5,775,153	5,775,153	5,775,121	-	-	-	5,775,121	32

		31 December 2018 (Audited)									
		Cost					Accumulated amortisation				
Beginning balance 1 January 2018 Baht	5,775,153	For the year		Ending balance 31 December 2018 Baht	5,775,153	Beginning balance 1 January 2018 Baht	5,775,121	For the year		Ending balance 31 December 2018 Baht	5,775,121
		Additions Baht	Disposals/Write-offs Baht					Amortisation Charge Baht	Disposals/Write-offs Baht		
Computer software	5,775,153	-	-	5,775,153	5,775,153	5,775,121	-	-	-	5,775,121	32
Total	5,775,153	-	-	5,775,153	5,775,153	5,775,121	-	-	-	5,775,121	32

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**11. Other assets, net**

	(Unaudited) 30 September 2019 Baht	(Audited) 31 December 2018 Baht
Account receivable from agents, net	-	39,418
Deposits	10,000	10,000
Other assets	18,146	126,555
<b>Total</b>	<b>28,146</b>	<b>175,973</b>

**12. Insurance liabilities**

	Insurance liabilities Baht	Liabilities recovered from reinsurance Baht	Net Baht
<b>30 September 2019 (Unaudited)</b>			
Short term insurance contract reserve			
Loss reserve			
- Reported claim	1,000,000	-	1,000,000
- Claim incurred but not reported	295,310	(14,605)	280,705
Premium reserve			
- Unearned premium reserve	650,719	(32,536)	618,183
<b>Total</b>	<b>1,946,029</b>	<b>(47,141)</b>	<b>1,898,888</b>
<b>31 December 2018 (Audited)</b>			
Short term insurance contract reserve			
Loss reserve			
- Reported claim	22,500	-	22,500
- Claim incurred but not reported	354,700	(17,535)	337,165
Premium reserve			
- Unearned premium reserve	1,287,284	(64,365)	1,222,919
<b>Total</b>	<b>1,664,484</b>	<b>(81,900)</b>	<b>1,582,584</b>

No additional reserve for Unexpired Risk Reserve has been established as the Unexpired Risk Reserve estimated by the Branch as at 30 September 2019 amounting to Baht 0.48 million (31 December 2018: Baht 0.95 million) is lower than the Unearned Premium Reserve.

12. Insurance liabilities (Cont'd)

12.1 Long-term insurance contract reserve

	(Unaudited) 30 September 2019 Baht	(Audited) 31 December 2018 Baht
Beginning balance for the period/year	-	6,171
Change in reserve	-	(3,914)
Insurance claim incurred during the period/year	-	-
Changes in claim reserve from change in assumption during the period/year	-	(2,257)
Insurance claim paid during the period/year	-	-
Closing balance at the end of period/year	<u>-</u>	<u>-</u>

12.2 Short-term insurance contract reserve

12.2.1 Loss reserve

	(Unaudited) 30 September 2019 Baht	(Audited) 31 December 2018 Baht
Beginning balance for the period/year	377,200	551,922
Insurance claim incurred during the period/year	3,173,928	1,444,362
Changes in claim reserve from change in assumption during the period/year	(59,390)	(72,222)
Insurance claim paid during the period/year	(2,196,428)	(1,546,862)
Closing balance at the end of period/year	<u>1,295,310</u>	<u>377,200</u>

12.2.2 Unearned premium reserve

	(Unaudited) 30 September 2019 Baht	(Audited) 31 December 2018 Baht
Beginning balance for the period/year	1,287,284	1,430,529
Premium written for the period/year	5,990,240	10,322,733
Premium earned in the period/year	(6,626,805)	(10,465,978)
Closing balance at the end of period/year	<u>650,719</u>	<u>1,287,284</u>

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**13. Deferred tax liabilities**

	(Unaudited)			
	Net deferred tax asset/ (liability) at 1 January 2019 Baht	Credited/ (charged) to profit or loss Baht	Credited/ (charged) to Head Office's Equity Baht	Net deferred tax asset/ (liability) at 30 September 2019 Baht
<b>For the period ended</b>				
Unrealised losses on the changes in value of investments	-	-	3,622,303	3,622,303
<b>Total</b>	-	-	3,622,303	3,622,303
	(Audited)			
	Net deferred tax asset/ (liability) at 1 January 2018 Baht	Credited/ (charged) to profit or loss Baht	Credited/ (charged) to Head Office's Equity Baht	Net deferred tax asset/ (liability) at 31 December 2018 Baht
<b>For the year ended</b>				
Unrealised gains (losses) on the changes in value of investments	(20,735)	-	20,735	-
<b>Total</b>	(20,735)	-	20,735	-

**14. Other liabilities**

	(Unaudited) 30 September 2019 Baht	(Audited) 31 December 2018 Baht
Accrued expenses	243,342	277,771
Others payables	4,850,769	4,876,604
Sundry liabilities	103,470	15,742
Unpresented cheque payable	39,435	73,316
Account payable for agents	85,268	169,919
Withholding tax payable and VAT payable	48,228	33,385
Others	18,212	7,805
<b>Total</b>	5,388,724	5,454,542

**15. 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.

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**16. Operating expenses**

	(Unaudited)	
	For the three-month period ended	
	30 September 2019 Baht	30 September 2018 Baht
Staff expenses	199,511	101,914
Premises and equipment expense	123,726	72,659
Tax and duties	15,429	856
Service fees	323,467	1,155,100
Other operating expenses	(18,766)	351,111
<b>Total</b>	<b>643,367</b>	<b>1,681,640</b>

	(Unaudited)	
	For the nine-month period ended	
	30 September 2019 Baht	30 September 2018 Baht
Staff expenses	569,770	233,599
Premises and equipment expense	374,003	216,666
Tax and duties	32,281	18,511
Service fees	984,766	3,558,673
Other operating expenses	610,178	543,476
<b>Total</b>	<b>2,570,998</b>	<b>4,570,925</b>

**17. 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)	
	For the three-month period ended	
	30 September 2019 Baht	30 September 2018 Baht
<b>Affiliated companies</b>		
Operating expenses:		
Information system service and other expenses	163,044	146,040
Rental and utilities expenses	82,371	86,916
Service fees	270,631	1,054,527

**AIA Company Limited (Non-Life Insurance) Thailand Branch**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the interim period ended 30 September 2019**

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**17. Related party transactions (Cont'd)**

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

**a) Statements of Comprehensive Income (Cont'd)**

	(Unaudited)	
	For the nine-month period ended	
	30 September	30 September
	2019	2018
	Baht	Baht
<b>Affiliated companies</b>		
Operating expenses:		
Information system service and other expenses	247,530	433,838
Rental and utilities expenses	253,141	262,450
Service fees	733,241	3,251,269

**b) Statements of Financial Position**

	(Unaudited)	(Audited)
	30 September	31 December
	2019	2018
	Baht	Baht
<b>Affiliated companies</b>		
Amounts due from related parties	154,858	397,670
<b>Head Office and affiliated companies</b>		
Amounts due to related parties	70,413	399,533

**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.

**18. Commitments**

The Branch has payment obligations operating lease from office rental, services and other significant contracts as follows:

	(Unaudited)	(Audited)
	30 September	31 December
	2019	2018
	Baht	Baht
Not later than 1 year	334,224	371,074
Later than 1 year but not over than 5 years	47,403	284,247
<b>Total</b>	<b>381,627</b>	<b>655,321</b>