

**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 on .....29...November..2021.....

Information for the Quarter....3...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	1,059	1,155
Tier 1 Ratio (%)	1,145	1,484	1,031	1,500	1,059	1,155
Capital Adequacy Ratio (%)	1,145	1,484	1,031	1,500	1,059	1,155
Total Capital Available	439	445	448	450	446	450
Total Capital Required	38	30	43	30	42	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.

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

**INTERIM FINANCIAL INFORMATION (UNAUDITED)**

**30 SEPTEMBER 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 September 2021, the statements of comprehensive income for the three-month and nine-month periods then ended, 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. 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.

A handwritten signature in black ink, appearing to read 'Paiboon Tunkoon', written over a horizontal line.

**Paiboon Tunkoon**  
Certified Public Accountant (Thailand) No. 4298  
Bangkok  
8 November 2021

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

		(Unaudited) 30 September 2021 Baht	(Audited) 31 December 2020 Baht
	<u>Notes</u>		
<b>Assets</b>			
Cash and cash equivalents	5	5,389,636	7,854,848
Premium receivables	6	128	-
Accrued income on investments		1,977,533	1,629,553
Reinsurance assets	7,12	28,856	57,602
Invested assets			
Investments in securities	8	455,560,204	460,102,212
Amount due from related parties	19	17,800	118,558
Furniture, fixtures and equipment	9	230	230
Intangible assets	10	29	32
Other assets	11,19	<u>1,451,337</u>	<u>1,670,725</u>
<b>Total assets</b>		<u><u>464,425,753</u></u>	<u><u>471,433,760</u></u>

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

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

AIA Company Limited (Non-Life Insurance) Thailand Branch  
Statement of Financial Position (Cont'd)  
As at 30 September 2021

		(Unaudited) 30 September 2021 Baht	(Audited) 31 December 2020 Baht
	Notes		
<b>Liabilities and Head Office's Equity</b>			
<b>Liabilities</b>			
Insurance liabilities	12	578,760	1,155,248
Amount due to reinsurance	13	27,756	60,044
Amount due to related parties	19	83,167	176,903
Income tax payable		5,528,300	972,953
Employee benefit liabilities		5,293,654	5,101,016
Deferred tax liabilities		-	5,817,141
Other liabilities	14,19	6,603,345	6,469,268
<b>Total liabilities</b>		<u>18,114,982</u>	<u>19,752,573</u>
<b>Head Office's Equity</b>			
Funds from Head Office	15	140,307,753	140,307,753
Remeasurements of investments measured at fair value through other comprehensive income, net of tax		(1,076,589)	23,268,565
Remeasurements of post-employment benefit obligations, net of tax		(2,615,592)	(2,615,592)
Branch's retained earnings Unappropriated		309,695,199	290,720,461
<b>Total Head Office's Equity</b>		<u>446,310,771</u>	<u>451,681,187</u>
<b>Total liabilities and Head Office's Equity</b>		<u><u>464,425,753</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 30 September 2021**

	<b>Notes</b>	<b>2021</b> <b>Baht</b>	<b>2020</b> <b>Baht</b>
<b>Revenues</b>			
Gross written premiums		1,023,323	1,217,267
<u>Less</u> Premiums ceded to reinsurers		(51,166)	(60,863)
Net written premiums		972,157	1,156,404
<u>Add</u> Net change in unearned premium reserve		137,718	159,551
Net earned premiums		1,109,875	1,315,955
Fee and commission income		16,629	19,781
Net investment income	19	2,111	1,737,142
Gains on investment		90,019	1,338,623
<b>Total revenues</b>		<b>1,218,634</b>	<b>4,411,501</b>
<b>Expenses</b>			
Gross claim paid		548,588	520,020
<u>Less</u> Claim paid recovered from reinsurers		(6,672)	(6,455)
Commissions and brokerages		96,210	165,873
Other underwriting expenses		151,899	110,287
Operating expenses	16,19	751,444	710,952
Finance cost		10,506	9,935
Expected credit loss	17	36,084	23,978
<b>Total expenses</b>		<b>1,588,059</b>	<b>1,534,590</b>
<b>Profit before income tax</b>		<b>(369,425)</b>	<b>2,876,911</b>
(Reversal of) income tax expenses		(94,359)	591,998
<b>Net profit (loss) for the period</b>		<b>(275,066)</b>	<b>2,284,913</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 2021**

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	<b>2021</b>	<b>2020</b>
	<b>Baht</b>	<b>Baht</b>
	<hr/>	<hr/>
<b>Other comprehensive income (loss)</b>		
<hr/>		
<u>Items that will be reclassified subsequently to profit or loss</u>		
Losses on remeasuring investments measured at fair value through other comprehensive income	(1,640,323)	(3,983,833)
Items in other comprehensive income transferred to profit or loss	53,934	1,338,623
Income tax on items that will be reclassified subsequently to profit or loss	101,960	529,043
	<hr/>	<hr/>
Total items that will be reclassified subsequently to profit or loss	(1,484,429)	(2,116,167)
	<hr/>	<hr/>
<b>Other comprehensive loss for the period, net of tax</b>	(1,484,429)	(2,116,167)
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<b>Total comprehensive income (loss) for the period</b>	<u>(1,759,495)</u>	<u>168,746</u>

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 2021**

	<b>Notes</b>	<b>2021 Baht</b>	<b>2020 Baht</b>
<b>Revenues</b>			
Gross written premiums		3,218,553	3,953,593
<u>Less</u> Premiums ceded to reinsurers		<u>(163,489)</u>	<u>(200,217)</u>
Net written premiums		3,055,064	3,753,376
<u>Add</u> Net change in unearned premium reserve		<u>518,225</u>	<u>635,536</u>
Net earned premiums		3,573,289	4,388,912
Fee and commission income		74,266	96,185
Net investment income	19	4,712,412	5,570,046
Gains on investment		<u>19,762,618</u>	<u>1,338,623</u>
<b>Total revenues</b>		<b><u>28,122,585</u></b>	<b><u>11,393,766</u></b>
<b>Expenses</b>			
Gross claim paid		1,453,188	1,467,138
<u>Less</u> Claim paid recovered from reinsurers		<u>(12,347)</u>	<u>(17,147)</u>
Commission and brokerage		371,704	526,791
Other underwriting expenses		360,369	368,727
Operating expenses	16,19	2,165,214	1,845,273
Finance cost		33,001	20,932
Expected credit loss	17	(1,775,449)	23,960
Other expense		<u>3</u>	<u>-</u>
<b>Total expenses</b>		<b><u>2,595,683</u></b>	<b><u>4,235,674</u></b>
<b>Profit before income tax</b>		<b>25,526,902</b>	<b>7,158,092</b>
Income tax expenses		<u>6,552,164</u>	<u>1,493,722</u>
<b>Net profit for the period</b>		<b><u>18,974,738</u></b>	<b><u>5,664,370</u></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 nine-month period ended 30 September 2021**

	<b>2021</b>	<b>2020</b>
	<b>Baht</b>	<b>Baht</b>
<b>Other comprehensive income (loss)</b>		
<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	(51,700,362)	229,553
Items in other comprehensive income transferred to profit or loss	21,538,067	1,338,623
Income tax on items that will be reclassified subsequently to profit or loss	5,817,141	(313,635)
Total items that will be reclassified subsequently to profit or loss	<u>(24,345,154)</u>	<u>1,254,541</u>
<b>Other comprehensive income (loss) for the period, net of tax</b>	<u>(24,345,154)</u>	<u>1,254,541</u>
<b>Total comprehensive income (loss) for the period</b>	<u><u>(5,370,416)</u></u>	<u><u>6,918,911</u></u>

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 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
	Baht	Baht	Baht	Baht	Equity Baht
<b>Beginning balance as at 1 January 2021</b>	140,307,753	23,268,565	(2,615,592)	290,720,461	451,681,187
Net profit for the period	-	-	-	18,974,738	18,974,738
Losses on remeasuring investments measured at fair value through other comprehensive income	-	(41,575,608)	-	-	(41,575,608)
Items in other comprehensive income transferred to profit or loss	-	17,230,454	-	-	17,230,454
<b>Ending balance as at 30 September 2021</b>	<u>140,307,753</u>	<u>(1,076,589)</u>	<u>(2,615,592)</u>	<u>309,695,199</u>	<u>446,310,771</u>
<b>Beginning balance as at 1 January 2020 after adjustment</b>	140,307,753	15,508,593	(2,585,555)	285,263,493	438,494,284
Net profit for the period	-	-	-	5,664,370	5,664,370
Gains on remeasuring investments measured at fair value through other comprehensive income	-	183,643	-	-	183,643
Items in other comprehensive income transferred to profit or loss	-	1,070,898	-	-	1,070,898
<b>Ending balance as at 30 September 2020</b>	<u>140,307,753</u>	<u>16,763,134</u>	<u>(2,585,555)</u>	<u>290,927,863</u>	<u>445,413,195</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 2021**

	<b>2021</b>	<b>2020</b>
	<b>Baht</b>	<b>Baht</b>
<b>Cash flows provided by (used in) operating activities</b>		
Written premium received from direct insurance	3,199,676	4,013,724
Cash paid from reinsurance	(107,693)	(110,535)
Net investment income	4,648,628	5,320,262
Claim paid from direct insurance	(277,424)	(429,074)
Commission and brokerage paid to direct insurance	(397,084)	(552,212)
Other underwriting expenses	(251,760)	(253,539)
Operating expenses	(2,674,092)	(2,384,960)
Income tax	(1,996,817)	(2,022,152)
Cash received from investment in securities	440,090,174	165,011,104
Cash paid for investment in securities	(444,456,589)	(176,670,097)
<b>Net cash used in operating activities</b>	<b>(2,222,981)</b>	<b>(8,077,479)</b>
<b>Cash flows used in financing activities</b>		
Lease Liabilities	(242,231)	(242,165)
<b>Net cash used in financing activities</b>	<b>(242,231)</b>	<b>(242,165)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,465,212)</b>	<b>(8,319,644)</b>
Cash and cash equivalents at beginning of period	7,854,848	10,106,695
<b>Cash and cash equivalents at end of period</b>	<b>5,389,636</b>	<b>1,787,051</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 8 November 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 September 2021 and 31 December 2020.

	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
<b>As at 30 September 2021 (Unaudited)</b>				
<b>Asset</b>				
Investment in securities				
Investments measured at fair value through other comprehensive income				
Debt securities	-	455,560,204	-	455,560,204
Total asset	-	455,560,204	-	455,560,204
<b>As at 31 December 2020 (Audited)</b>				
<b>Asset</b>				
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 September 2021 Baht	(Audited) 31 December 2020 Baht
Deposits held at call with banks	5,389,636	7,854,848
Total cash and cash equivalents	<u>5,389,636</u>	<u>7,854,848</u>

6. Premium receivables

The balances of premium receivables are aged as follows:

	From direct insurance	
	(Unaudited) 30 September 2021 Baht	(Audited) 31 December 2020 Baht
Current	128	-
Overdue		
Not over 30 days	-	-
31 - 60 days	-	-
61 - 90 days	-	-
Over 90 days	-	-
Total premium receivables	<u>128</u>	<u>-</u>

The premium receivables are aged by related legal grace period or credit terms.

7. Reinsurance assets

	(Unaudited) 30 September 2021 Baht	(Audited) 31 December 2020 Baht
<u>Reserve of recovery from reinsurers</u>		
Short term insurance contract reserve		
Loss reserve (IBNR)	8,206	9,677
Premium reserve		
- Unearned premium reserve (UPR)	<u>20,650</u>	<u>47,925</u>
Total reinsurance assets	<u>28,856</u>	<u>57,602</u>

**AIA Company Limited (Non-Life Insurance) Thailand Branch**  
**Condensed Notes to the Interim Financial Information (Unaudited)**  
**For the interim period ended 30 September 2021**

**8. Investments in securities**

The details of investment in securities are as follows:

	<b>(Unaudited)</b> <b>30 September 2021</b>		<b>(Audited)</b> <b>31 December 2020</b>	
	<b>Cost/ amortised cost Baht</b>	<b>Fair value Baht</b>	<b>Cost/ amortised cost Baht</b>	<b>Fair value Baht</b>
<u>Investments measured at fair value through other comprehensive income</u>				
Government and state enterprise securities	232,563,588	229,909,532	269,730,815	292,845,355
Private enterprise debt securities	224,318,915	225,650,672	163,306,850	167,256,857
Total	456,882,503	455,560,204	433,037,665	460,102,212
<u>Add</u> Unrealised gains (losses) on the changes in value of investments	(1,322,299)	-	27,064,547	-
Total Investments measured at fair value through other comprehensive income	455,560,204	455,560,204	460,102,212	460,102,212
Total investments in securities	455,560,204	455,560,204	460,102,212	460,102,212

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

	<b>For the three-month period ended</b>	
	<b>(Unaudited) 30 September 2021 Baht</b>	<b>(Unaudited) 30 September 2020 Baht</b>
Interest income from investments	778,993	2,458,898
Consideration received from selling investments	16,665,800	79,011,104
Gains from selling investments	90,019	1,338,623
	<b>For the nine-month period ended</b>	
	<b>(Unaudited) 30 September 2021 Baht</b>	<b>(Unaudited) 30 September 2020 Baht</b>
Interest income from investments	7,080,988	7,413,522
Consideration received from selling investments	400,090,174	79,011,104
Gains from selling investments	19,762,618	1,338,623



8. Investment in securities (Cont'd)

As at 30 September 2021, investments in securities include debts securities with a fair value of Baht 9.54 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.

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

	(Unaudited) 30 September 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)	455,560,204	245,710
Investment in debt securities which credit risk has significantly increased (Stage 2)	-	-
Credit-impaired investments in debt securities (Stage 3)	-	-
<b>Total</b>	<b>455,560,204</b>	<b>245,710</b>

	(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)	-	-
<b>Total</b>	<b>460,102,212</b>	<b>2,021,159</b>

AIA Company Limited (Non-Life Insurance) Thailand Branch  
 Condensed Notes to the Interim Financial Information (Unaudited)  
 For the interim period ended 30 September 2021

9. Furniture, fixtures and equipment

	30 September 2021 (Unaudited)							
	Cost			Accumulated depreciation				
	Beginning balance 1 January 2021 Baht	For the period Additions Baht	Ending balance 30 September 2021 Baht	Beginning balance 1 January 2021 Baht	For the period Depreciation Baht	Disposals/ Write-offs Baht	Ending balance 30 September 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	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 30 September 2021

10. Intangible assets

	30 September 2021 (Unaudited)								
	Cost			Accumulated amortisation					
	Beginning balance 1 January 2021 Baht	For the period Additions Baht	Disposals/ Write-offs Baht	Ending balance 30 September 2021 Baht	Beginning balance 1 January 2021 Baht	For the period Amortisation Charge Baht	Disposals/ Write-offs Baht	Ending balance 30 September 2021 Baht	Intangible assets Baht
Computer software	5,775,153	-	(5,433,444)	341,709	5,775,121	-	(5,433,441)	341,680	29
Total	5,775,153	-	(5,433,444)	341,709	5,775,121	-	(5,433,441)	341,680	29
	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	For the year Amortisation Charge Baht	Disposals/ Write-offs 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 30 September 2021

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11. Other assets

	(Unaudited) 30 September 2021 Baht	(Audited) 31 December 2020 Baht
Deposits	10,000	10,000
Right-of-use assets (Note 19 (b))	1,429,872	1,650,052
Other assets	11,465	10,673
Total	<u>1,451,337</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 September 2021

11. Other assets (Cont'd)

11.1 Right-of-use assets

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

	30 September 2021 (Unaudited)						Right-of-use assets Baht	
	Cost			Accumulated amortisation				
	Beginning balance 1 January 2021 Baht	For the period Addition Baht	Change in contract Baht	Ending balance 30 September 2021 Baht	Beginning balance 1 January 2021 Baht	For the period Amortisation charge Baht		
Buildings and improvements	1,950,450	-	(17)	1,950,433	300,398	220,163	520,561	1,429,872
Total	1,950,450	-	(17)	1,950,433	300,398	220,163	520,561	1,429,872
	31 December 2020 (Audited)						Right-of-use assets Baht	
	Cost			Accumulated amortisation				
	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		
Buildings and improvements	1,105,499	844,951	-	1,950,450	-	300,398	300,398	1,650,052
Total	1,105,499	844,951	-	1,950,450	-	300,398	300,398	1,650,052

The related lease liabilities are disclosed in Note 14.

12. Insurance liabilities

	Insurance liabilities Baht	Liabilities recovered from reinsurance Baht	Net Baht
<b>30 September 2021 (Unaudited)</b>			
Short term insurance contract reserve			
Loss reserve			
- Reported claim	-	-	-
- Claim incurred but not reported	165,758	(8,206)	157,552
Premium reserve			
- Unearned premium reserve	413,002	(20,650)	392,352
<b>Total</b>	<b>578,760</b>	<b>(28,856)</b>	<b>549,904</b>
<b>31 December 2020 (Audited)</b>			
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
<b>Total</b>	<b>1,155,248</b>	<b>(57,602)</b>	<b>1,097,646</b>

No additional reserve for Unexpired Risk Reserve has been established as the Unexpired Risk Reserve estimated by the Branch as at 30 September 2021 amounting to Baht 0.34 million (31 December 2020: Baht 0.73 million) is lower than the Unearned Premium Reserve.

12.1 Short-term insurance contract reserve

12.1.1 Loss reserve

	(Unaudited) 30 September 2021 Baht	(Audited) 31 December 2020 Baht
Beginning balance for the period/year	196,746	290,207
Insurance claim incurred during the period/year	276,358	513,254
Changes in claim reserve from change in assumption during the period/year	(29,922)	(94,527)
Insurance claim paid during the period/year	(277,424)	(512,188)
Closing balance at the end of period/year	165,758	196,746

12. Insurance liabilities (Cont'd)

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

12.1.2 Unearned premium reserve

	(Unaudited) 30 September 2021 Baht	(Audited) 31 December 2020 Baht
Beginning balance for the period/year	958,502	1,163,415
Premium written for the period/year	3,218,553	5,857,369
Premium earned in the period/year	(3,764,053)	(6,062,282)
Closing balance at the end of period/year	<u>413,002</u>	<u>958,502</u>

13. Amount due to reinsurance

	(Unaudited) 30 September 2021 Baht	(Audited) 31 December 2020 Baht
Reinsurance payable	<u>27,756</u>	<u>60,044</u>
Total amount due to reinsurance	<u>27,756</u>	<u>60,044</u>

14. Other liabilities

	(Unaudited) 30 September 2021 Baht	(Audited) 31 December 2020 Baht
Accrued expenses	458,711	72,208
Others payables	4,398,311	4,319,559
Sundry liabilities	45,905	64,654
Unpresented cheque payable	120,011	137,125
Account payable for agents	38,422	63,803
Withholding tax payable and VAT payable	63,577	118,153
Lease liabilities (Note 19 (b))	1,460,429	1,669,659
Others	17,979	24,107
Total	<u>6,603,345</u>	<u>6,469,268</u>

**14. Other liabilities (Cont'd)**

**14.1 The maturity of lease liabilities**

The maturity analysis of lease liabilities are aged as follows:

	(Unaudited) 30 September 2021 Baht	(Audited) 31 December 2020 Baht
<b>Maturing</b>		
Within 1 year	285,962	279,948
Between 1 to 5 years	1,174,467	1,202,649
Later than 5 years	-	187,062
<b>Total</b>	<b>1,460,429</b>	<b>1,669,659</b>
<i>Including: - Principal</i>	1,560,933	1,803,164
<i>- Interest</i>	(100,504)	(133,505)

For the three-month and nine-month periods ended 30 September 2021, interest expense on lease liabilities amounted to Baht 10,506 and Baht 33,001, respectively (30 September 2020: Baht 9,935 and Baht 20,932, respectively) is recorded as "Finance cost" in the statement of comprehensive income.

**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.

**16. Operating expenses**

	(Unaudited) For the three-month period ended	
	30 September 2021 Baht	30 September 2020 Baht
Staff expenses	198,464	188,164
Premises and equipment expense	41,545	43,284
Tax and duties	8	1,316
Service fees	222,126	234,438
Other operating expenses	289,301	243,750
<b>Total</b>	<b>751,444</b>	<b>710,952</b>

  

	(Unaudited) For the nine-month period ended	
	30 September 2021 Baht	30 September 2020 Baht
Staff expenses	498,180	485,786
Premises and equipment expense	125,646	127,779
Tax and duties	16,837	20,823
Service fees	666,379	516,661
Other operating expenses	858,172	694,224
<b>Total</b>	<b>2,165,214</b>	<b>1,845,273</b>



**17. Expected credit loss**

	(Unaudited)	
	For the three-month period ended	
	30 September 2021 Baht	30 September 2020 Baht
Investment in securities	36,084	23,978
Total	<u>36,084</u>	<u>23,978</u>

	(Unaudited)	
	For the nine-month period ended	
	30 September 2021 Baht	30 September 2020 Baht
Investment in securities	(1,775,449)	23,960
Total	<u>(1,775,449)</u>	<u>23,960</u>

**18. 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.

**19. 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.

19. 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 September 2021 Baht	30 September 2020 Baht
<b>Affiliated companies</b>		
Net investment income (expense)	(234,251)	(200,163)
<u>Operating expenses:</u>		
Information system service and other expenses	79,936	90,432
Rental and utilities expenses	84,054	85,195
Service fees	222,125	222,132

	(Unaudited)	
	For the nine-month period ended	
	30 September 2021 Baht	30 September 2020 Baht
<b>Affiliated companies</b>		
Net investment income (expense)	(689,593)	(300,007)
<u>Operating expenses:</u>		
Information system service and other expenses	262,596	234,758
Rental and utilities expenses	252,913	246,363
Service fees	666,379	666,422

b) Statements of Financial Position

	(Unaudited)	(Audited)
	30 September 2021 Baht	31 December 2020 Baht
	<b>Affiliated companies</b>	
Amounts due from related parties	17,800	118,558
Other assets	1,429,872	1,650,052
Other liabilities	1,460,429	1,669,659
<b>Head Office and affiliated companies</b>		
Amounts due to related parties	83,167	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.

20. 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.