



**Disclosure Form (Attached to the OIC Commissioner Order No.72/2563)
Information Disclosure of Non-Life Insurance Companies**

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.....Nikhil Ashvani Advani.....

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

Disclosure on...30...May...2023.....

Information for the Quarter..1..Year 2023.....



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 140%.

Unit: Million Baht

Description	Quarter 1		Quarter 2		Quarter 3	
	2023	2022	2023	2022	2023	2022
Common Equity Tier 1 Ratio (%)	1,235	1,040	XXX	1,089	XXX	1,092
Tier 1 Ratio (%)	1,235	1,040	XXX	1,089	XXX	1,092
Capital Adequacy Ratio (%)	1,235	1,040	XXX	1,089	XXX	1,092
Total Capital Available	456	456	XXX	453	XXX	448
Total Capital Required	37	44	XXX	42	XXX	41

- Remarks:**
- According to the OIC's RBC capital valuation of Non-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 Non-Life Insurance Companies and RBC capital is valued according to the OIC's Notification on the Valuation of Assets and Liabilities of Non-Life Insurance Companies
 - Quarter 2 is 6-month accumulated operating results and Quarter 3 is 9-month accumulated operating results.

AIA COMPANY LIMITED (NON-LIFE INSURANCE) THAILAND BRANCH

INTERIM FINANCIAL INFORMATION (UNAUDITED)

31 MARCH 2023



AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Executive Committee of AIA Company Limited

I have reviewed the interim financial information of AIA Company Limited (Non-Life Insurance) Thailand Branch, which comprises the statement of financial position as at 31 March 2023, the related statements of comprehensive income changes in Head Office's equity and cash flows for the three-month period then ended, and the condensed notes to the interim financial information. 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', with a horizontal line underneath.

Paiboon Tunkoon
Certified Public Accountant (Thailand) No. 4298
Bangkok
10 May 2023

AIA Company Limited (Non-Life Insurance) Thailand Branch
Statement of Financial Position
As at 31 March 2023

		(Unaudited)	(Restated)	(Restated)
		31 March	31 December	1 January
		2023	2022	2022
	Notes	Baht	Baht	Baht
Assets				
Cash and cash equivalents	5	5,009,018	6,294,886	7,082,587
Accrued income on investments		1,838,039	1,824,085	1,946,718
Reinsurance assets	6, 12	31,710	44,029	49,924
Amounts due from reinsurance	7	3,415	22,657	-
Invested assets				
Investments in securities	8	459,568,296	456,614,826	461,868,406
Amount due from related parties	19	130,368	159,635	161,670
Furniture, fixtures and equipments	9	230	230	230
Intangible assets	10	-	-	29
Deferred tax assets		3,018,883	-	-
Other assets	11, 19	15,632,959	1,099,062	1,379,006
Total assets		<u>485,232,918</u>	<u>466,059,410</u>	<u>472,488,570</u>

Authorised signature _____

Date _____

The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

AIA Company Limited (Non-Life Insurance) Thailand Branch
Statement of Financial Position (Cont'd)
As at 31 March 2023

		(Unaudited)	(Restated)	(Restated)
		31 March	31 December	1 January
		2023	2022	2022
	Notes	Baht	Baht	Baht
Liabilities and Head Office's Equity				
Liabilities				
Insurance liabilities	12	636,129	882,489	1,000,328
Amount due to reinsurance	13	14,592	-	32,149
Amount due to related parties	19	74,424	92,110	97,500
Income tax payable		481,837	316,467	4,943,311
Employee benefit liabilities		5,097,714	5,285,961	5,402,821
Deferred tax liabilities		-	-	113,673
Other liabilities	14, 19	19,536,859	5,677,815	6,167,666
Total liabilities		25,841,555	12,254,842	17,757,448
Head Office's Equity				
Funds from Head Office	15	140,307,753	140,307,753	140,307,753
Remeasurements of investments measured at fair value through other comprehensive income, net of tax		(7,971,379)	(11,811,843)	426,125
Remeasurements of post-employment benefit obligations, net of tax		(1,779,074)	(2,223,842)	(2,393,515)
Branch's retained earnings Unappropriated		328,834,063	327,532,500	316,390,759
Total Head Office's Equity		459,391,363	453,804,568	454,731,122
Total liabilities and Head Office's Equity		485,232,918	466,059,410	472,488,570

The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

AIA Company Limited (Non-Life Insurance) Thailand Branch
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 31 March 2023

		(Restated)
	2023	2022
	Baht	Baht
	Notes	
Revenues		
Gross written premiums		781,281
<u>Less</u> Premiums ceded to reinsurers		(39,064)
Net written premiums		742,217
<u>Add</u> Net change in unearned premium reserve		258,951
Net earned premiums		1,001,168
Fee and commission income		12,696
Net investment income	19	3,485,166
Gains (losses) on investment		100,023
Total revenues		4,599,053
Expenses		
Gross claim paid		599,842
<u>Less</u> Claim paid recovered from reinsurers		(10,007)
Commissions and brokerages		97,255
Other underwriting expenses		61,384
Operating expenses	16, 19	568,384
Finance cost	14, 19	8,177
(Reversal of) expected credit loss	17	(5,443)
Total expenses		1,319,592
Profit before income tax		3,279,461
(Reversal of) income tax expenses	18	621,550
Net profit for the period		2,657,911

The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

AIA Company Limited (Non-Life Insurance) Thailand Branch
Statement of Comprehensive Income (Unaudited) (Cont'd)
For the three-month period ended 31 March 2023

	2023	(Restated) 2022
	Baht	Baht
Other comprehensive income (loss)		
<u>Items that will not be reclassified subsequently to profit or loss</u>		
Income tax on items that will not be reclassified subsequently to profit or loss	444,768	-
Total items that will not be reclassified subsequently to profit or loss	444,768	-
<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	1,613,649	(1,642,930)
Items in other comprehensive income transferred to profit or loss	233,971	105,466
Income tax on items that will be reclassified subsequently to profit or loss	1,992,844	113,674
Total items that will be reclassified subsequently to profit or loss	3,840,464	(1,423,790)
Other comprehensive income (loss) for the period, net of tax	4,285,232	(1,423,790)
Total comprehensive income for the period	5,586,795	1,234,121

The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

AIA Company Limited (Non-Life Insurance) Thailand Branch
Statement of Changes in Head Office's Equity (Unaudited)
For the three-month period ended 31 March 2023

	Funds from Head Office		Remeasurements of investments measured at fair value through other comprehensive income, net of tax		Remeasurements 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 2023	140,307,753		(11,807,680)		(2,223,842)		327,528,337		453,804,568	
Retrospective adjustments from change in accounting policy (Note 2.2)	-		(4,163)		-		4,163		-	
Beginning balance after adjustment	140,307,753		(11,811,843)		(2,223,842)		327,532,500		453,804,568	
Net profit for the period	-		-		-		1,301,563		1,301,563	
Remeasurements of post-employment benefit obligations	-		-		444,768		-		444,768	
Gains on remeasuring investments measured at fair value through other comprehensive income	-		3,653,287		-		-		3,653,287	
Items in other comprehensive income transferred to profit or loss	-		187,177		-		-		187,177	
Ending balance as at 31 March 2023	140,307,753		(7,971,379)		(1,779,074)		328,834,063		459,391,363	
Beginning balance as at 1 January 2022	140,307,753		454,691		(2,393,515)		316,362,193		454,731,122	
Retrospective adjustments from change in accounting policy (Note 2.2)	-		(28,566)		-		28,566		-	
Beginning balance after adjustment	140,307,753		426,125		(2,393,515)		316,390,759		454,731,122	
Net profit for the period	-		-		-		2,657,911		2,657,911	
Losses on remeasuring investments measured at fair value through other comprehensive income	-		(1,508,163)		-		-		(1,508,163)	
Items in other comprehensive income transferred to profit or loss	-		84,373		-		-		84,373	
Ending balance as at 31 March 2022	140,307,753		(997,665)		(2,393,515)		319,048,670		455,965,243	

The accompanying condensed notes to interim financial information are an integral part of these interim financial information.

AIA Company Limited (Non-Life Insurance) Thailand Branch
Statement of Cash Flows (Unaudited)
For the three-month period ended 31 March 2023

	2023	2022
	Baht	Baht
Cash flows provided by (used in) operating activities		
Written premium received from direct insurance	604,656	724,521
Cash received (paid) from reinsurance	18,128	(32,149)
Net investment income	1,479,382	1,412,127
Claim paid from direct insurance	(143,503)	(177,906)
Commission and brokerage paid to direct insurance	(84,014)	(102,983)
Other underwriting expenses	(211,045)	(352,276)
Operating expenses	(990,056)	(902,330)
Income tax expenses	(21,367)	(22,724)
Cash received from investment in securities	39,161,344	3,256,942
Cash paid for investment in securities	(41,000,000)	-
Net cash provided by (used in) operating activities	(1,186,475)	3,803,222
Cash flows used in financing activities		
Lease liabilities	(99,393)	(80,652)
Net cash used in financing activities	(99,393)	(80,652)
Net increase (decrease) in cash and cash equivalents	(1,285,868)	3,722,570
Cash and cash equivalents at beginning of period	6,294,886	7,082,587
Cash and cash equivalents at end of period	5,009,018	10,805,157

The accompanying condensed notes to interim financial information are 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 10 May 2023.

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 non-life insurance interim financial information attached in an Office of Insurance Commission’s notification “Principle, methodology, condition and timing for preparation and submission of financial statements for non-life insurance company B.E. 2566” dated on 8 February 2023 (“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 2022.

An English version of the interim financial information has been prepared from the interim financial information that is 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. Significant accounting policies (Cont'd)

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 2022. Since 2020, the Branch passes criteria of temporary exemption from TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures under TFRS 4 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 Instruments and the Branch's activities are predominantly connected with insurance business. However, there are changes in accounting policy as follows:

- **Change in accounting policy restated with financial asset**, the branch has changed the accounting policy related to financial asset costing from weighted average to FIFO which is consistent and permitted under current financial reporting standards. The change in accounting policy has affected financial reporting as follows:
 - For statement of financial position as at 31 December 2022 and 1 January 2022, remeasurements of investments measured at fair value decreased by Baht 4,163 and Baht 28,566 respectively. Retained earnings increased by Baht 4,163 and Baht 28,566 respectively.
 - For statement of comprehensive income for the three-month period ended 31 March 2022, net investment income decreased by Baht 2,313 and net profit decreased by Baht 2,313.
For other comprehensive income (loss) for the three-month period ended 31 March 2022, losses on remeasuring investments measured at fair value through other comprehensive income decreased by Baht 2,313.

2.3 New and amended financial reporting standards

New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2023 and might have impacts to the Branch.

- **Amendment to TAS 16 - Property, plant and equipment** clarified to prohibit entities from deducting from the cost of an item of property, plant and equipment any proceeds received from selling any items produced while the entity is preparing that asset for its intended use.
- **Amendment to TAS 37 - Provisions, contingent liabilities and contingent assets** clarified that, in considering whether a contract is onerous, the direct costs of fulfilling a contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling the contract. Before recognising a separate provision for an onerous contract, the entity must recognise any impairment losses that have occurred on the assets used in fulfilling the contract.

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. Actual results 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 2022.

4. Fair value

4.1 Fair value estimation

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

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

The following table presents fair value of the Branch's financial assets that are measured at fair value as at 31 March 2023 and 31 December 2022.

	Level 1 Baht	Level 2 Baht	Level 3 Baht	Total Baht
As at 31 March 2023 (Unaudited)				
Asset				
Investment in securities				
Investments measured at fair value through other comprehensive income				
Debt securities	-	459,568,296	-	459,568,296
Total asset	-	459,568,296	-	459,568,296
As at 31 December 2022 (Audited)				
Asset				
Investment in securities				
Investments measured at fair value through other comprehensive income				
Debt securities	-	456,614,826	-	456,614,826
Total asset	-	456,614,826	-	456,614,826

The Branch had no transfers between levels during the period/year.

4. Fair value (Cont'd)

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) 31 March 2023 Baht	(Audited) 31 December 2022 Baht
Deposits with banks without fixed maturity date	5,009,018	6,294,886
Total cash and cash equivalents	<u>5,009,018</u>	<u>6,294,886</u>

6. Reinsurance assets

	(Unaudited) 31 March 2023 Baht	(Audited) 31 December 2022 Baht
<u>Reserve of recovery from reinsurers</u>		
Short term insurance contract reserve		
Loss reserve (IBNR) (Note 12)	6,430	6,300
Premium reserve		
- Unearned premium reserve (UPR) (Note 12)	25,280	37,729
Total reinsurance assets	<u>31,710</u>	<u>44,029</u>

7. Amount due from reinsurance

	(Unaudited) 31 March 2023 Baht	(Audited) 31 December 2022 Baht
Due from reinsurance	3,415	22,657
Total amount due from reinsurance	<u>3,415</u>	<u>22,657</u>

AIA Company Limited (Non-Life Insurance) Thailand Branch
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 31 March 2023

8. Investments in securities

The details of investment in securities are as follows:

	(Unaudited) 31 March 2023		(Audited) 31 December 2022	
	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	242,616,962	236,509,583	296,430,193	289,564,120
Private enterprise debt securities	227,105,399	223,058,713	172,101,380	167,050,706
Total	469,722,361	459,568,296	468,531,573	456,614,826
<u>Less</u> Unrealised losses on the changes in value of investments	(10,154,065)	-	(11,916,747)	-
Total Investments measured at fair value through other comprehensive income	459,568,296	459,568,296	456,614,826	456,614,826
Total investments in securities	459,568,296	459,568,296	456,614,826	456,614,826

For the three-month periods ended 31 March 2023 and 2022, the Branch had revenue recognised relating to investment as follows:

	For the three-month period ended	
	(Unaudited) 31 March 2023 Baht	(Unaudited) 31 March 2022 Baht
Interest income from investments	2,525,559	4,373,599
Consideration received from selling investments	53,789,772	3,256,942
Gains (losses) from selling investments	(153,196)	100,023

As at 31 March 2023, investments in securities include debts securities with a fair value of Baht 8.95 million (31 December 2022: with a fair value of Baht 9.02 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. Investments in securities (Cont'd)

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

	(Unaudited) 31 March 2023	
	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)	459,568,296	189,843
Total	<u>459,568,296</u>	<u>189,843</u>
	(Audited) 31 December 2022	
	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)	456,614,826	109,068
Total	<u>456,614,826</u>	<u>109,068</u>

AIA Company Limited (Non-Life Insurance) Thailand Branch
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 31 March 2023

9. Furniture, fixtures and equipment

	31 March 2023 (Unaudited)							
	Cost			Accumulated depreciation				
	Beginning balance 1 January 2023 Baht	For the period Additions Baht	Disposals/ Write-offs Baht	Ending balance 31 March 2023 Baht	For the period Depreciation Baht	Disposals/ Write-offs Baht		
Furniture, fixtures and equipment	3,098,917	-	-	3,098,917	-	-	3,098,765	152
Computers	4,409,769	-	-	4,409,769	-	-	4,409,691	78
Total	7,508,686	-	-	7,508,686	-	-	7,508,456	230
	31 December 2022 (Audited)							
	Cost			Accumulated depreciation				
	Beginning balance 1 January 2022 Baht	For the year Additions Baht	Disposals/ Write-offs Baht	Ending balance 31 December 2022 Baht	For the year Depreciation Baht	Disposals/ Write-offs Baht	Ending balance 31 December 2022 Baht	Furniture, fixtures and equipment Baht
Furniture, fixtures and equipment	3,098,917	-	-	3,098,917	-	-	3,098,765	152
Computers	4,409,769	-	-	4,409,769	-	-	4,409,691	78
Total	7,508,686	-	-	7,508,686	-	-	7,508,456	230

AIA Company Limited (Non-Life Insurance) Thailand Branch
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 31 March 2023

10. Intangible assets

	31 March 2023 (Unaudited)						Intangible assets Baht
	Cost			Accumulated amortisation			
	Beginning balance 1 January 2023 Baht	For the period Additions Baht	Disposals/ Write-offs Baht	Ending balance 31 March 2023 Baht	For the period Amortisation Charge Baht	Disposals/ Write-offs Baht	
Computer software	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

	31 December 2022 (Audited)						Intangible assets Baht
	Cost			Accumulated amortisation			
	Beginning balance 1 January 2022 Baht	For the year Additions Baht	Disposals/ Write-offs Baht	Ending balance 31 December 2022 Baht	For the year Amortisation Charge Baht	Disposals/ Write-offs Baht	
Computer software	341,709	-	(341,709)	-	-	(341,680)	-
Total	341,709	-	(341,709)	-	-	(341,680)	-

AIA Company Limited (Non-Life Insurance) Thailand Branch
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 31 March 2023

11. Other assets

	(Unaudited) 31 March 2023 Baht	(Audited) 31 December 2022 Baht
Deposits	10,000	10,000
Receivable from sale of investments	14,628,428	-
Right-of-use assets (Note 19 (b))	983,882	1,076,011
Other assets	10,649	13,051
Total	<u>15,632,959</u>	<u>1,099,062</u>

AIA Company Limited (Non-Life Insurance) Thailand Branch
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 31 March 2023

12. Insurance liabilities

	Insurance liabilities Baht	Liabilities recovered from reinsurance Baht	Net Baht
31 March 2023 (Unaudited)			
Short term insurance contract reserve			
Loss reserve			
- Claim incurred but not reported	130,526	(6,430)	124,096
Premium reserve			
- Unearned premium reserve	505,603	(25,280)	480,323
Total	636,129	(31,710)	604,419
31 December 2022 (Audited)			
Short term insurance contract reserve			
Loss reserve			
- Claim incurred but not reported	127,900	(6,300)	121,600
Premium reserve			
- Unearned premium reserve	754,589	(37,729)	716,860
Total	882,489	(44,029)	838,460

No additional reserve for Unexpired Risk Reserve has been established as the Unexpired Risk Reserve estimated by the Branch as at 31 March 2023 amounting to Baht 0.43 million (31 December 2022: Baht 0.64 million) is lower than the Unearned Premium Reserve.

12.1 Short-term insurance contract reserve

12.1.1 Loss reserve

	(Unaudited) 31 March 2023 Baht	(Audited) 31 December 2022 Baht
Beginning balance for the period/year	127,900	157,094
Insurance claim incurred during the period/year	143,503	2,505,382
Changes in claim reserve from change in assumption during the period/year	2,626	(29,194)
Insurance claim paid during the period/year	(143,503)	(2,505,382)
Closing balance at the end of period/year	130,526	127,900

12. Insurance liabilities (Cont'd)

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

12.1.2 Unearned premium reserve

	(Unaudited) 31 March 2023 Baht	(Audited) 31 December 2022 Baht
Beginning balance for the period/year	754,589	843,234
Premium written for the period/year	644,954	3,982,846
Premium earned in the period/year	(893,940)	(4,071,491)
Closing balance at the end of period/year	<u>505,603</u>	<u>754,589</u>

13. Amount due to reinsurance

	(Unaudited) 31 March 2023 Baht	(Audited) 31 December 2022 Baht
Reinsurance payable	14,592	-
Total amount due to reinsurance	<u>14,592</u>	<u>-</u>

14. Other liabilities

	(Unaudited) 31 March 2023 Baht	(Audited) 31 December 2022 Baht
Accrued expenses	142,957	216,051
Others payables	4,125,783	4,127,796
Sundry liabilities	47,127	87,425
Payable from purchase of investments	14,000,000	-
Unpresented cheque payable	3,330	-
Account payable for agents	29,287	34,481
Withholding tax, VAT and SBT payable	161,735	93,639
Lease liabilities (Note 19 (b))	1,020,140	1,111,837
Others	6,500	6,586
Total	<u>19,536,859</u>	<u>5,677,815</u>

14. Other liabilities (Cont'd)

14.1 The maturity of lease liabilities

The maturity analysis of lease liabilities are aged as follows:

	(Unaudited) 31 March 2023 Baht	(Audited) 31 December 2022 Baht
Maturing		
Within 1 year	294,294	301,473
Between 1 to 5 years	725,846	810,364
Later than 5 years	-	-
Total	1,020,140	1,111,837
<i>Including: - Principal</i>	1,076,062	1,155,389
<i>- Interest</i>	(55,922)	(43,552)

For the three-month period ended 31 March 2023, interest expense on lease liabilities amounted to Baht 7,696 (31 March 2022: Baht 8,177) 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 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	
	31 March 2023 Baht	31 March 2022 Baht
Staff expenses	134,135	98,670
Premises and equipment expense	39,666	38,998
Tax and duties	16,015	17,040
Service fees	221,386	221,143
Other operating expenses	183,417	192,533
Total	594,619	568,384

17. Expected credit loss

	(Unaudited)	
	For the three-month period ended	
	31 March 2023 Baht	31 March 2022 Baht
Investment in securities	80,775	(5,443)
Total	80,775	(5,443)

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 pre-tax income of the interim period.

19. Related party transactions

Enterprises 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 and fellow subsidiaries are related parties of the Branch. Key management personnel including officers of the Branch and close members of the family of these individuals and companies associated with these individuals also constitute related parties.

The following significant transactions were carried out with related parties and affiliated companies within AIA Group.

a) Statements of Comprehensive Income

	(Unaudited)	
	For the three-month period ended	
	31 March 2023 Baht	31 March 2022 Baht
Affiliated companies		
Net investment income (expense)	(231,975)	(218,912)
Operating expenses:		
Information system service and other expenses	84,215	82,595
Rental and utilities expenses	84,154	84,426
Service fees	221,386	221,143
Finance cost	7,696	8,177

19. Related party transactions (Cont'd)

The following significant transactions were carried out with related parties and affiliated companies within AIA Group. (Cont'd)

b) Statements of Financial Position

	(Unaudited) 31 March 2023 Baht	(Audited) 31 December 2022 Baht
	<hr/>	<hr/>
Affiliated companies		
Amounts due from related parties	130,368	159,635
Other assets	983,882	1,076,011
Amounts due to related parties	74,424	92,110
Other liabilities	1,020,140	1,111,837

c) Key management compensation

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