



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.....*Advani*.....
Name.....Nikhil Ashvani Advani.....
Position.....Chief Executive Officer.....
Disclosure on...29...November...2023.....
Information for the Quarter..3..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 | 1,368 | 1,089 | 1,444 | 1,092 |
| Tier 1 Ratio (%) | 1,235 | 1,040 | 1,368 | 1,089 | 1,444 | 1,092 |
| Capital Adequacy Ratio (%) | 1,235 | 1,040 | 1,368 | 1,089 | 1,444 | 1,092 |
| Total Capital Available | 456 | 456 | 450 | 453 | 445 | 448 |
| Total Capital Required | 37 | 44 | 33 | 42 | 31 | 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)

30 SEPTEMBER 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 30 September 2023, the statements of comprehensive income for the three-month and nine-month periods then ended, the related statements of changes in Head Office's 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
6 November 2023

AIA Company Limited (Non-Life Insurance) Thailand Branch
Statement of Financial Position
As at 30 September 2023

| | | (Unaudited) 30 September 2023 Baht | (Restated) 31 December 2022 Baht | (Restated) 1 January 2022 Baht |
|-----------------------------------|-------|---|---|---|
| | Notes | | | |
| Assets | | | | |
| Cash and cash equivalents | 5 | 6,823,884 | 6,294,886 | 7,082,587 |
| Accrued income on investments | | 2,173,500 | 1,824,085 | 1,946,718 |
| Reinsurance assets | 6,12 | 35,620 | 44,029 | 49,924 |
| Amount due from reinsurance | 7 | 12,420 | 22,657 | - |
| Invested assets | | | | |
| Investments in securities | 8 | 447,185,136 | 456,614,826 | 461,868,406 |
| Amount due from related parties | 18 | 38,432 | 159,635 | 161,670 |
| Furniture, fixtures and equipment | 9 | 230 | 230 | 230 |
| Intangible assets | 10 | - | - | 29 |
| Deferred tax assets | | 5,346,946 | - | - |
| Other assets | 11,18 | 1,733,575 | 1,099,062 | 1,379,006 |
| Total assets | | 463,349,743 | 466,059,410 | 472,488,570 |

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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 30 September 2023

| | | (Unaudited) 30 September 2023 Baht | (Restated) 31 December 2022 Baht | (Restated) 1 January 2022 Baht |
|--|-------|---|---|---|
| | Notes | | | |
| Liabilities and Head Office's Equity | | | | |
| Liabilities | | | | |
| Insurance liabilities | 12 | 1,055,616 | 882,489 | 1,000,328 |
| Amount due to reinsurance | | - | - | 32,149 |
| Amount due to related parties | 18 | 75,075 | 92,110 | 97,500 |
| Income tax payable | | - | 316,467 | 4,943,311 |
| Employee benefit liabilities | | 5,572,440 | 5,285,961 | 5,402,821 |
| Deferred tax liabilities | | - | - | 113,673 |
| Other liabilities | 13,18 | 5,994,910 | 5,677,815 | 6,167,666 |
| Total liabilities | | <u>12,698,041</u> | <u>12,254,842</u> | <u>17,757,448</u> |
| Head Office's Equity | | | | |
| Funds from Head Office | 14 | 140,307,753 | 140,307,753 | 140,307,753 |
| Remeasurements of investments measured at fair value through other comprehensive income, net of tax | | (17,265,556) | (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 | | <u>329,388,579</u> | <u>327,532,500</u> | <u>316,390,759</u> |
| Total Head Office's Equity | | <u>450,651,702</u> | <u>453,804,568</u> | <u>454,731,122</u> |
| Total liabilities and Head Office's Equity | | <u><u>463,349,743</u></u> | <u><u>466,059,410</u></u> | <u><u>472,488,570</u></u> |

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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 30 September 2023

| | | (Restated) |
|--|-------------------|------------------|
| | 2023 | 2022 |
| | Baht | Baht |
| Notes | Baht | Baht |
| Revenues | | |
| Gross written premiums | 745,465 | 909,334 |
| <u>Less</u> Premiums ceded to reinsurers | <u>(37,273)</u> | <u>(41,808)</u> |
| Net written premiums | 708,192 | 867,526 |
| <u>Add (Less)</u> Net change in unearned premium reserve | <u>(187,407)</u> | <u>108,487</u> |
| Net earned premiums | 520,785 | 976,013 |
| Fee and commission income | 12,114 | 32,761 |
| Net investment income | 18 1,428,571 | 6,123,480 |
| Losses on investment | <u>(50,007)</u> | <u>-</u> |
| Total revenues | <u>1,911,463</u> | <u>7,132,254</u> |
| Expenses | | |
| Gross claim paid | 1,068,098 | 655,898 |
| <u>Less</u> Claim paid recovered from reinsurers | <u>(33,839)</u> | <u>(13,909)</u> |
| Commission and brokerage | 75,341 | 103,148 |
| Other underwriting expenses | 247,359 | 50,328 |
| Operating expenses | 15,18 397,387 | 578,555 |
| Finance cost | 13,18 13,968 | 6,686 |
| (Reversal of) expected credit loss | 16 <u>(5,263)</u> | <u>206</u> |
| Total expenses | <u>1,763,051</u> | <u>1,380,912</u> |
| Profit before income tax | 148,412 | 5,751,342 |
| Income tax expenses | 17 <u>38,588</u> | <u>1,089,966</u> |
| Net profit for the period | <u>109,824</u> | <u>4,661,376</u> |

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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 30 September 2023

| | 2023 | (Restated) 2022 |
|---|---------------------------|---------------------------|
| | Baht | Baht |
| Other comprehensive income (loss) | | |
| <u>Items that will be reclassified subsequently to profit or loss</u> | | |
| Losses on remeasuring investments measured at fair value through other comprehensive income | (5,360,810) | (10,428,475) |
| Items in other comprehensive income transferred to profit or loss | 44,744 | 570,970 |
| Income tax relating to items that will be reclassified subsequently to profit or loss | 1,063,213 | - |
| Total items that will be reclassified subsequently to profit or loss | <u>(4,252,853)</u> | <u>(9,857,505)</u> |
| Other comprehensive loss for the period, net of tax | <u>(4,252,853)</u> | <u>(9,857,505)</u> |
| Total comprehensive loss for the period | <u><u>(4,143,029)</u></u> | <u><u>(5,196,129)</u></u> |

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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 nine-month period ended 30 September 2023

| | | (Restated) |
|---|-----------------|------------|
| | 2023 | 2022 |
| | Baht | Baht |
| Notes | Baht | Baht |
| Revenues | | |
| Gross written premiums | 2,182,930 | 2,671,829 |
| <u>Less</u> Premiums ceded to reinsurers | (110,261) | (131,091) |
| Net written premiums | 2,072,669 | 2,540,738 |
| <u>Add</u> Net change in unearned premium reserve | 146,655 | 439,618 |
| Net earned premiums | 2,219,324 | 2,980,356 |
| Fee and commission income | 35,473 | 61,402 |
| Net investment income | 18 4,339,891 | 15,416,967 |
| Losses on investment | (203,203) | (396,358) |
| Total revenues | 6,391,485 | 18,062,367 |
| Expenses | | |
| Gross claim paid | 2,295,398 | 2,794,524 |
| <u>Less</u> Claim paid recovered from reinsurers | (49,588) | (81,234) |
| Commission and brokerage | 231,311 | 303,887 |
| Other underwriting expenses | 461,653 | 189,284 |
| Operating expenses | 15,18 1,574,005 | 1,679,946 |
| Finance cost | 13,18 29,708 | 21,956 |
| (Reversal of) expected credit loss | 16 94,101 | (110,770) |
| Other expense | - | 29 |
| Total expenses | 4,636,588 | 4,797,622 |
| Profit before income tax | 1,754,897 | 13,264,745 |
| (Reversal of) income tax expenses | 17 (101,182) | 2,573,386 |
| Net profit for the period | 1,856,079 | 10,691,359 |

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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 nine-month period ended 30 September 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 relating to 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> | | |
| Losses on remeasuring investments measured at fair value through other comprehensive income | (10,067,406) | (18,196,690) |
| Items in other comprehensive income transferred to profit or loss | 297,304 | 285,588 |
| Income tax relating to items that will be reclassified subsequently to profit or loss | 4,316,389 | 113,674 |
| Total items that will be reclassified subsequently to profit or loss | (5,453,713) | (17,797,428) |
| Other comprehensive loss for the period, net of tax | (5,008,945) | (17,797,428) |
| Total comprehensive loss for the period | (3,152,866) | (7,106,069) |

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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 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 | Unappropriated 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 | - | - | - | 1,856,079 | 1,856,079 |
| Remeasurements of post-employment benefit obligations | - | - | 444,768 | - | 444,768 |
| Losses on remeasuring investments measured at fair value through other comprehensive income | - | (5,691,566) | - | - | (5,691,566) |
| Items in other comprehensive income transferred to profit or loss | - | 237,843 | - | - | 237,843 |
| Ending balance as at 30 September 2023 | 140,307,753 | (17,265,556) | (1,779,074) | 329,388,579 | 450,651,702 |
| 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 | - | - | - | 10,691,359 | 10,691,359 |
| Losses on remeasuring investments measured at fair value through other comprehensive income | - | (18,025,898) | - | - | (18,025,898) |
| Items in other comprehensive income transferred to profit or loss | - | 228,470 | - | - | 228,470 |
| Ending balance as at 30 September 2022 | 140,307,753 | (17,371,303) | (2,393,515) | 327,082,118 | 447,625,053 |

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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 nine-month period ended 30 September 2023

| | <u>2023</u> | <u>2022</u> |
|--|-------------------------|--------------------------|
| | <u>Baht</u> | <u>Baht</u> |
| Cash flows provided by (used in) operating activities | | |
| Written premium received from direct insurance | 2,121,420 | 2,601,162 |
| Cash paid for reinsurance | (14,272) | (48,484) |
| Net investment income | 4,576,472 | 4,430,870 |
| Claim paid from direct insurance | (666,580) | (1,645,970) |
| Commission and brokerage paid to direct insurance | (240,318) | (305,945) |
| Other underwriting expenses | (293,775) | (285,525) |
| Operating expenses | (2,680,898) | (2,284,339) |
| Income tax expenses | (807,258) | (7,421,319) |
| Cash received from investment in securities | 73,739,765 | 29,760,242 |
| Cash paid for investment in securities | <u>(74,963,477)</u> | <u>(17,824,752)</u> |
| Net cash provided by operating activities | <u>771,079</u> | <u>6,975,940</u> |
| Cash flows used in financing activities | | |
| Lease Liabilities | <u>(242,081)</u> | <u>(241,869)</u> |
| Net cash used in financing activities | <u>(242,081)</u> | <u>(241,869)</u> |
| Net increase in cash and cash equivalents | 528,998 | 6,734,071 |
| Cash and cash equivalents at beginning of period | <u>6,294,886</u> | <u>7,082,587</u> |
| Cash and cash equivalents at end of period | <u><u>6,823,884</u></u> | <u><u>13,816,658</u></u> |

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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 6 November 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 statement of 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 which is applied retrospectively 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 through other comprehensive income, net of tax 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 30 September 2022, net investment income decreased by Baht 3,660 and net profit decreased by Baht 3,660.
For other comprehensive income (loss) for the three-month period ended 30 September 2022, losses on remeasuring investments measured at fair value through other comprehensive income decreased by Baht 3,660.
 - For statement of comprehensive income for the nine-month period ended 30 September 2022, net investment income decreased by Baht 9,039 and net profit decreased by Baht 9,039.
For other comprehensive income (loss) for the nine-month period ended 30 September 2022, losses on remeasuring investments measured at fair value through other comprehensive income decreased by Baht 9,039.

2.3 New and amended financial reporting standards

- a) 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.

2. Significant accounting policies (Cont'd)

2.3 New and amended financial reporting standards (Cont'd)

- b) Amended financial reporting standards that are effective for accounting period beginning or after 1 January 2024 and might have impacts to the Branch. However, certain amended TFRSs have been issued that are not mandatory for the current reporting period and have not been early adopted by the Branch.
- **Amendment to TAS 1 - Presentation of financial statements** revised the disclosure from 'significant accounting policies' to 'material accounting policies'. The amendment also provides guidelines on identifying when the accounting policy information is material. Consequently, immaterial accounting policy information does not need to be disclosed. If it is disclosed, it should not obscure material accounting information.
 - **Amendment to TAS 8 - Accounting policies, changes in accounting estimates and errors** revised the definition of 'accounting estimates' to clarify how companies should distinguish between 'changes in accounting policies' and 'changes in accounting estimates'. The distinction is important because changes in accounting estimates are applied prospectively to transactions, other events and conditions from the date of that change. Whereas changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period as if the new accounting policy had always been applied.
 - **Amendments to TAS 12 - Income taxes** require companies to recognise deferred tax related to assets and liabilities arising from a single transaction that, on initial recognition, gives rise to equal amounts of taxable and deductible temporary differences. Example transactions are leases and decommissioning obligations.

The amendment is applied to transactions on or after the beginning of the earliest comparative period presented. In addition, entities should recognise deferred tax assets (to the extent that they can probably be utilised) and deferred tax liabilities at the beginning of the earliest comparative period for all deductible and taxable temporary differences associated with:

- right-of-use assets and lease liabilities, and
- decommissioning, restoration and similar liabilities, and the corresponding amounts recognised as part of the cost of the related assets.

The cumulative effect of recognising these adjustments is recognised at the beginning of retained earnings or another component of equity, as appropriate.

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 30 September 2023 and 31 December 2022.

| | Level 1 Baht | Level 2 Baht | Level 3 Baht | Total Baht |
|---|-------------------------|-------------------------|-------------------------|-----------------------|
| As at 30 September 2023 (Unaudited) | | | | |
| Asset | | | | |
| Investment in securities | | | | |
| Investments measured at fair value through other comprehensive income | | | | |
| Debt securities | - | 447,185,136 | - | 447,185,136 |
| Total asset | - | 447,185,136 | - | 447,185,136 |
| 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) 30 September 2023 Baht | (Audited) 31 December 2022 Baht |
|---|---|--|
| Deposits with banks without fixed maturity date | 6,823,884 | 6,294,886 |
| Total cash and cash equivalents | <u>6,823,884</u> | <u>6,294,886</u> |

6. Reinsurance assets

| | (Unaudited) 30 September 2023 Baht | (Audited) 31 December 2022 Baht |
|--|---|--|
| <u>Reserve of recovery from reinsurers</u> | | |
| Short term insurance contract reserve | | |
| Loss reserve (IBNR) (Note 12) | 5,609 | 6,300 |
| Premium reserve | | |
| - Unearned premium reserve (UPR) (Note 12) | 30,011 | 37,729 |
| Total reinsurance assets | <u>35,620</u> | <u>44,029</u> |

7. Amount due from reinsurance

| | (Unaudited) 30 September 2023 Baht | (Audited) 31 December 2022 Baht |
|-----------------------------------|---|--|
| Due from reinsurance | 12,420 | 22,657 |
| Total amount due from reinsurance | <u>12,420</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 30 September 2023

8. Investments in securities

The details of investment in securities are as follows:

| | (Unaudited) 30 September 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 | 241,887,529 | 229,315,944 | 296,430,193 | 289,564,120 |
| Private enterprise debt securities | 227,082,721 | 217,869,192 | 172,101,380 | 167,050,706 |
| Total | 468,970,250 | 447,185,136 | 468,531,573 | 456,614,826 |
| <u>Less</u> Unrealised losses on the changes in value of investments | (21,785,114) | - | (11,916,747) | - |
| Total Investments measured at fair value through other comprehensive income | 447,185,136 | 447,185,136 | 456,614,826 | 456,614,826 |
| Total investments in securities | 447,185,136 | 447,185,136 | 456,614,826 | 456,614,826 |

For the three-month and nine-month periods ended 30 September 2023 and 2022, the Branch had revenue recognised relating to investment as follows:

| | For the three-month period ended | |
|---|---|---|
| | (Unaudited) 30 September 2023 Baht | (Unaudited) 30 September 2022 Baht |
| Interest income from investments | 2,284,812 | 6,970,667 |
| Consideration received from selling investments | 19,949,993 | - |
| Losses from selling investments | (50,007) | - |
| | | |
| | For the nine-month period ended | |
| | (Unaudited) 30 September 2023 Baht | (Unaudited) 30 September 2022 Baht |
| Interest income from investments | 6,942,485 | 18,019,728 |
| Consideration received from selling investments | 73,739,765 | 26,760,242 |
| Losses from selling investments | (203,203) | (396,358) |

As at 30 September 2023, the Branch had government bond deposited with the Office of Insurance Commission in order to comply with the Non-Life Insurance Act with a fair value amounting to Baht 8.73 million (31 December 2022: Baht 9.02 million).

8. Investments in securities (Cont'd)

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

| | (Unaudited) 30 September 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) | 447,185,136 | 203,169 |
| Total | 447,185,136 | 203,169 |

| | (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 | 456,614,826 | 109,068 |

AIA Company Limited (Non-Life Insurance) Thailand Branch
 Condensed Notes to the Interim Financial Information (Unaudited)
 For the interim period ended 30 September 2023

9. Furniture, fixtures and equipment

| | 30 September 2023 (Unaudited) | | | | | | | |
|-----------------------------------|---------------------------------------|-------------------------------|----------------------------|---------------------------------------|----------------------------------|----------------------------|---------------------------------------|--|
| | Cost | | | Accumulated depreciation | | | | |
| | Beginning balance 1 January 2023 Baht | For the period Additions Baht | Disposals/ Write-offs Baht | Ending balance 30 September 2023 Baht | For the period Depreciation Baht | Disposals/ Write-offs Baht | Ending balance 30 September 2023 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 |

| | 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 30 September 2023

10. Intangible assets

| | | 30 September 2023 (Unaudited) | | | | | |
|---------------------------------------|----------------|-------------------------------|---------------------------------------|---------------------------------------|--------------------------|----------------------------|---------------------------------------|
| | | Cost | | Accumulated amortisation | | | |
| Beginning balance 1 January 2023 Baht | For the period | Disposals/ Write-offs Baht | Ending balance 30 September 2023 Baht | Beginning balance 1 January 2023 Baht | Amortisation Charge Baht | Disposals/ Write-offs Baht | Ending balance 30 September 2023 Baht |
| - | - | - | - | - | - | - | - |
| - | - | - | - | - | - | - | - |
| Computer software | | - | - | - | - | - | - |
| Total | | - | - | - | - | - | - |
| | | 31 December 2022 (Audited) | | | | | |
| | | Cost | | Accumulated amortisation | | | |
| Beginning balance 1 January 2022 Baht | For the year | Disposals/ Write-offs Baht | Ending balance 31 December 2022 Baht | Beginning balance 1 January 2022 Baht | Amortisation Charge Baht | Disposals/ Write-offs Baht | Ending balance 31 December 2022 Baht |
| 341,709 | - | (341,709) | - | 341,680 | - | (341,680) | - |
| 341,709 | - | (341,709) | - | 341,680 | - | (341,680) | - |
| Computer software | | - | - | - | - | - | - |
| Total | | - | - | - | - | - | - |

AIA Company Limited (Non-Life Insurance) Thailand Branch
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 30 September 2023

11. Other assets

| | (Unaudited) 30 September 2023 Baht | (Audited) 31 December 2022 Baht |
|---|---|--|
| Deposits | 10,000 | 10,000 |
| Income tax and withholding tax receivable | 75,235 | - |
| Right-of-use assets (Note 18 (b)) | 1,638,818 | 1,076,011 |
| Other assets | 9,522 | 13,051 |
| Total | <u>1,733,575</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 30 September 2023

11. Other assets (Cont'd)

11.1 Right-of-use assets

| | 30 September 2023 (Unaudited) | | | | | | Right-of-use assets Baht |
|-------------------------------|---|---|---|---|--|---|--------------------------------|
| | Cost | | Accumulated amortisation | | | | |
| | Beginning balance 1 January 2023 Baht | For the period Change in contract Baht | Ending balance 30 September 2023 Baht | Beginning balance 1 January 2023 Baht | For the period Amortisation charge Baht | Ending balance 30 September 2023 Baht | |
| Buildings and improvements | 1,966,819 | 798,749 (18,721) | 2,746,847 | 890,808 | 217,221 | 1,108,029 | 1,638,818 |
| Total | 1,966,819 | 798,749 (18,721) | 2,746,847 | 890,808 | 217,221 | 1,108,029 | 1,638,818 |
| | 31 December 2022 (Audited) | | | | | | Right-of-use assets Baht |
| | Cost | | Accumulated amortisation | | | | |
| | Beginning balance 1 January 2022 Baht | For the year Change in contract Baht | Ending balance 31 December 2022 Baht | Beginning balance 1 January 2022 Baht | For the year Amortisation charge Baht | Ending balance 31 December 2022 Baht | |
| Buildings and improvements | 1,950,433 | 16,386 - | 1,966,819 | 593,948 | 296,860 | 890,808 | 1,076,011 |
| Total | 1,950,433 | 16,386 - | 1,966,819 | 593,948 | 296,860 | 890,808 | 1,076,011 |

The related lease liabilities are disclosed in Note 13.1.

For the three-month and nine-month periods ended 30 September 2023, the lease payments resulting from lease and service contracts which are not capitalised comprised of short-term leases and low-value leases. These lease payments are not material.

AIA Company Limited (Non-Life Insurance) Thailand Branch
Condensed Notes to the Interim Financial Information (Unaudited)
For the interim period ended 30 September 2023

12. Insurance liabilities

| | Insurance liabilities Baht | Liabilities recovered from reinsurance Baht | Net Baht |
|---------------------------------------|---------------------------------------|--|---------------------|
| 30 September 2023 (Unaudited) | | | |
| Short term insurance contract reserve | | | |
| Loss reserve | | | |
| - Reported claim | 339,000 | - | 339,000 |
| - Claim incurred but not reported | 116,400 | (5,609) | 110,791 |
| Premium reserve | | | |
| - Unearned premium reserve | 600,216 | (30,011) | 570,205 |
| Total | 1,055,616 | (35,620) | 1,019,996 |
| 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 30 September 2023 amounting to Baht 0.51 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) 30 September 2023 Baht | (Audited) 31 December 2022 Baht |
|---|---|--|
| Beginning balance for the period/year | 127,900 | 157,094 |
| Insurance claim incurred during the period/year | 1,005,580 | 2,505,382 |
| Changes in claim reserve from change in assumption during the period/year | (11,500) | (29,194) |
| Insurance claim paid during the period/year | (666,580) | (2,505,382) |
| Closing balance at the end of period/year | 455,400 | 127,900 |

12. Insurance liabilities (Cont'd)

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

12.1.2 Unearned premium reserve

| | (Unaudited) 30 September 2023 Baht | (Audited) 31 December 2022 Baht |
|---|---|--|
| Beginning balance for the period/year | 754,589 | 843,234 |
| Premium written for the period/year | 2,182,930 | 3,982,846 |
| Premium earned in the period/year | (2,337,303) | (4,071,491) |
| Closing balance at the end of period/year | <u>600,216</u> | <u>754,589</u> |

13. Other liabilities

| | (Unaudited) 30 September 2023 Baht | (Audited) 31 December 2022 Baht |
|--------------------------------------|---|--|
| Accrued expenses | 140,171 | 216,051 |
| Others payables | 4,060,770 | 4,127,796 |
| Sundry liabilities | 25,915 | 87,425 |
| Unpresented cheque payable | 3,240 | - |
| Account payable for agents | 25,474 | 34,481 |
| Withholding tax, VAT and SBT payable | 53,335 | 93,639 |
| Lease liabilities (Note 18 (b)) | 1,679,492 | 1,111,837 |
| Others | 6,513 | 6,586 |
| Total | <u>5,994,910</u> | <u>5,677,815</u> |

13.1 The maturity of lease liabilities

The maturity analysis of lease liabilities are aged as follows:

| | (Unaudited) 30 September 2023 Baht | (Audited) 31 December 2022 Baht |
|------------------------|---|--|
| Maturing | | |
| Within 1 year | 260,404 | 301,473 |
| Between 1 to 5 years | 1,154,126 | 810,364 |
| Later than 5 years | 264,962 | - |
| Total | <u>1,679,492</u> | <u>1,111,837</u> |
| Including: - Principal | 1,883,109 | 1,155,389 |
| - Interest | (203,617) | (43,552) |

For the three-month and nine-month periods ended 30 September 2023, interest expense on lease liabilities amounted to Baht 13,968 and Baht 29,708, respectively (30 September 2022: Baht 6,686 and Baht 21,956, respectively) is recorded as "Finance cost" in the statement of comprehensive income.

14. Funds from Head Office

Funds from Head Office represent financing provided by the Head Office. This financing was provided through the transfer of net assets from AIA Company Limited when the non-life branch was formed under the requirement of the Non-life Insurance Act B.E. 2535.

15. Operating expenses

| | (Unaudited) | |
|---------------------------------|----------------------------------|------------------------------|
| | For the three-month period ended | |
| | 30 September 2023 Baht | 30 September 2022 Baht |
| Staff expenses | 20,851 | 111,499 |
| Premises and equipment expenses | 31,862 | 38,628 |
| Tax and duties | 1,495 | - |
| Service fees | 221,873 | 221,143 |
| Other operating expenses | 121,306 | 207,285 |
| Total | 397,387 | 578,555 |

| | (Unaudited) | |
|---------------------------------|---------------------------------|------------------------------|
| | For the nine-month period ended | |
| | 30 September 2023 Baht | 30 September 2022 Baht |
| Staff expenses | 341,498 | 324,140 |
| Premises and equipment expenses | 111,931 | 116,111 |
| Tax and duties | 19,940 | 17,040 |
| Service fees | 665,133 | 663,429 |
| Other operating expenses | 435,503 | 559,226 |
| Total | 1,574,005 | 1,679,946 |

16. Expected credit loss

| | (Unaudited) | |
|--------------------------|----------------------------------|------------------------------|
| | For the three-month period ended | |
| | 30 September 2023 Baht | 30 September 2022 Baht |
| Investment in securities | (5,263) | 206 |
| Total | (5,263) | 206 |

| | (Unaudited) | |
|--------------------------|---------------------------------|------------------------------|
| | For the nine-month period ended | |
| | 30 September 2023 Baht | 30 September 2022 Baht |
| Investment in securities | 94,101 | (110,770) |
| Total | 94,101 | (110,770) |

17. Income tax expenses

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

18. 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 | |
| | 30 September 2023 Baht | 30 September 2022 Baht |
| Affiliated companies | | |
| Net investment income (expense) | (232,286) | (223,367) |
| Operating expenses: | | |
| Information system service and other expenses | 81,647 | 46,563 |
| Rental and utilities expenses | 83,287 | 85,689 |
| Service fees | 221,873 | 221,143 |
| Finance cost | 13,968 | 6,686 |

18. Related party transactions (Cont'd)

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

a) Statements of Comprehensive Income (Cont'd)

| | (Unaudited) | |
|---|---------------------------------|------------------------------|
| | For the nine-month period ended | |
| | 30 September 2023 Baht | 30 September 2022 Baht |
| Affiliated companies | | |
| Net investment income (expense) | (703,203) | (660,222) |
| Operating expenses: | | |
| Information system service and other expenses | 295,032 | 214,141 |
| Rental and utilities expenses | 251,406 | 253,818 |
| Service fees | 665,133 | 663,429 |
| Finance cost | 29,708 | 21,956 |

b) Statements of Financial Position

| | (Unaudited) | (Audited) |
|---------------------------------|------------------------------|-----------------------------|
| | 30 September 2023 Baht | 31 December 2022 Baht |
| Affiliated companies | | |
| Amount due from related parties | 38,432 | 159,635 |
| Other assets | 1,638,818 | 1,076,011 |
| Amount due to related parties | 75,075 | 92,110 |
| Other liabilities | 1,679,492 | 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.



Information Update

Sub-committee Members

a) Investment Committee (“IC”)

The members of IC are:

- 1) Nikhil Ashvani Advani (Chief Executive Officer)
- 2) Johann Dutoit (Chief Investment Officer)
- 3) Hiew Tet Chian (Chief Financial Officer)
- 4) Loo Boon Teik (Chief Risk Officer)
- 5) Jia Ann Chew (Director & Chief Actuary)

b) Pension Investment Committee (“Pension IC”)

The members of Pension IC are:

- 1) Johann Dutoit (Chief Investment Officer)
- 2) Chanakan Hangsasuta (Fund Manager from Life Fund)
- 3) Vilasinee Limprana (Head of Pension Business)
- 4) Kawisa Hemwej (Fund Manager from Pension Business)
- 5) Kriengkrai Tumnutud (Fund Manager from Pension Business)
- 6) Titti Tungpanitansook (Director of Enterprise Risk Management)

c) Operational Risk Committee (“ORC”)

The members of ORC are:

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



d) Financial Risk Committee (“FRC”)

The members of FRC are:

- 1) Nikhil Ashvani Advani (Chief Executive Officer)
- 2) Hiew Tet Chian (Chief Financial Officer)
- 3) Loo Boon Teik (Chief Risk Officer)
- 4) Johann Dutoit (Chief Investment Officer)
- 5) Jia Ann Chew (Director & Chief Actuary)

The Audit Committee

The members of AIA Group’s Audit Committee are:

- 1) Ricky Choi-Cheung Fung (Independent Non-Executive Director)
- 2) Stuart John Valentine (Independent Non-Executive Director)
- 3) Shulamite N K Khoo (Independent Non-Executive Director)
- 4) Garth Brian Jones (Group Chief Financial Officer)

Financial Oversight Committee

The members of FOC are:

- 1) Garth Brian Jones (Group Chief Financial Officer)
- 2) Richard Sumner (Head of Group Tax)
- 3) Clive Vincent Anderson (Group Senior Regional Counsel)