



**Disclosure Form (Attached to the OIC Commissioner Order No.71/2563)
Information Disclosure of 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.....*Aroni*.....
Name.....Nikhil Ashvani Advani.....
Position.....Chief Executive Officer.....
Disclosure on...29...August...2024.....
Information for the Quarter..2..Year 2024.....



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 Company holds additional capital in excess of the TCR to comply with its internal capital requirements. This ensures that the Company’s CAR will remain higher than 140% even after a shock that is expected to occur once in 10 years.

The table below illustrates that throughout the year, the Company has a strong capital position that is significantly above the supervisory CAR of 140%.

Unit: Million Baht

Description	Quarter 1		Quarter 2		Quarter 3	
	2024	2023	2024	2023	2024	2023
Common Equity Tier 1 Ratio (%)	404	404	357	384	XXX	362
Tier 1 Ratio (%)	404	404	357	384	XXX	362
Capital Adequacy Ratio (%)	404	404	357	384	XXX	362
Total Capital Available	170,679	170,827	159,214	166,541	XXX	157,140
Total Capital Required	42,216	42,246	44,646	43,407	XXX	43,402

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 Life Insurance Companies.
- Quarter 2 is 6-month accumulated operating results and Quarter 3 is 9-month accumulated operating results.

AIA COMPANY LIMITED

INTERIM FINANCIAL INFORMATION (UNAUDITED)

30 JUNE 2024



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, which comprises the statement of financial position as at 30 June 2024, the related statements of comprehensive income, for the three-month and six-month periods then ended, changes in Head Office's equity, and cash flows for the six-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, "Review of interim financial information performed by the independent auditor of the entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34, "Interim Financial Reporting".

PricewaterhouseCoopers ABAS Ltd.

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
13 August 2024

AIA Company Limited
Statement of Financial Position
As at 30 June 2024

		(Unaudited) 30 June 2024	(Audited) 31 December 2023
	Notes	Baht	Baht
Assets			
Cash and cash equivalents	5	8,653,829,291	17,364,823,430
Premium receivables	6	8,745,333,451	7,578,663,058
Accrued income on investments		3,412,162,132	3,535,442,356
Reinsurance assets	7, 20, 27	1,666,922,577	470,102,101
Amount due from reinsurance	8, 27	4,929,171	4,126,016
Deferred acquisition costs	9	85,944,463,509	83,378,284,826
Derivative assets	10	7,736,427,525	6,682,979,180
Invested assets			
Investment in securities	11, 27	774,274,714,830	751,334,939,998
Loans and accrued interest receivables	13	36,780,851,023	35,249,114,148
Investment property	14	27,142,958,227	26,894,190,720
Investment in associates	12, 27	171,500,000	171,500,000
Assets held to cover linked liabilities	15	79,100,022,612	73,921,113,633
Property, plant and equipment	16	1,294,318,442	1,339,299,368
Intangible assets	17	4,066,236,660	4,114,622,422
Other assets	18, 27	12,191,903,077	14,263,871,585
Total assets		<u>1,051,186,572,527</u>	<u>1,026,303,072,841</u>

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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
Statement of Financial Position (Cont'd)
As at 30 June 2024

		(Unaudited)	(Audited)
		30 June	31 December
		2024	2023
	Notes	Baht	Baht
Liabilities and Head Office's Equity			
Liabilities			
Borrowings	19	9,380,000,000	-
Insurance liabilities	20	783,859,690,948	765,526,606,239
Amount due to reinsurance	21, 27	869,239,954	749,858,103
Derivative liabilities	10	13,772,875,228	9,105,472,926
Income tax payable		861,149,343	1,829,423,664
Provisions for employee benefits		4,100,504,379	4,476,585,136
Deferred tax liabilities		22,128,682,359	22,304,889,154
Other liabilities	22, 27	26,086,035,035	35,769,795,411
Total liabilities		861,058,177,246	839,762,630,633
Head Office's Equity			
Remeasurements of investments measured at fair value through other comprehensive income, net of tax		19,846,963,838	23,026,131,738
Remeasurements of derivative instruments used in cash flow hedge, net of tax		2,593,187,437	1,882,585,732
Remeasurements of deferred cost of hedge, net of tax		(1,340,023,249)	(1,054,658,819)
Remeasurements of post-employment benefit obligations, net of tax		(1,436,916,398)	(1,431,881,794)
Gains on land and building revaluation, net of tax		1,527,494,308	1,527,494,308
Other reserve		83,224,081	124,725,809
Branch's retained earnings			
Unappropriated		168,854,465,264	162,466,045,234
Total Head Office's Equity		190,128,395,281	186,540,442,208
Total liabilities and Head Office's Equity		1,051,186,572,527	1,026,303,072,841

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

AIA Company Limited
Statement of Comprehensive Income (Unaudited)
For the three-month period ended 30 June 2024

	Notes	2024 Baht	2023 Baht
Revenues			
Gross written premiums		34,213,127,105	32,444,946,456
<u>Less</u> premiums ceded to reinsurers	27	<u>(5,106,589,273)</u>	<u>(3,775,216,769)</u>
Net written premiums		29,106,537,832	28,669,729,687
<u>Add</u> net change in unearned premium reserve		<u>141,125,519</u>	<u>278,905,050</u>
Net earned premiums		29,247,663,351	28,948,634,737
Fee and commission income	27	250,283,729	237,266,889
Net investment income	27	7,362,908,398	6,912,962,990
Losses on investment	11	(1,352,152,016)	(177,387,172)
Fair value gains		92,727,973	905,522,478
Fair value gains (losses) on investment property		(1,594,718)	14,850,480
Other income	27	<u>107,093,209</u>	<u>58,946,178</u>
Total revenues		<u>35,706,929,926</u>	<u>36,900,796,580</u>
Expenses			
Change in long-term technical reserves		4,702,835,759	1,136,785,853
Gross benefits and claim paid	23	21,462,398,758	24,909,432,449
<u>Less</u> benefits and claim paid recovered from reinsurers	27	<u>(4,389,101,489)</u>	<u>(2,985,369,234)</u>
Net benefits and claim paid		17,073,297,269	21,924,063,215
Commissions and brokerages		2,531,240,920	2,457,098,708
Other underwriting expenses		4,768,714,029	4,423,042,682
Operating expenses	24, 27	2,582,424,378	2,423,110,389
Finance cost	22, 27	31,970,110	5,367,420
(Reversal of) expected credit loss	25	<u>(30,039,234)</u>	<u>110,979,290</u>
Total expenses		<u>31,660,443,231</u>	<u>32,480,447,557</u>
Profit before income tax		4,046,486,695	4,420,349,023
Income tax expenses	26	<u>795,126,421</u>	<u>869,023,115</u>
Net profit for the period		<u>3,251,360,274</u>	<u>3,551,325,908</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
Statement of Comprehensive Income (Unaudited) (Cont'd)
For the three-month period ended 30 June 2024

	2024	2023
	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	(10,509,023,593)	(10,687,875,083)
Losses on remeasuring derivative instruments used in cash flow hedge	(1,033,118,814)	(28,070,010)
Losses on remeasuring deferred cost of hedge	(129,033,250)	(591,017,300)
Items in other comprehensive income transferred to profit or loss	1,440,624,449	49,533,336
Income tax relating to items that will be reclassified subsequently to profit or loss	<u>2,046,110,242</u>	<u>2,251,485,812</u>
Total items that will be reclassified subsequently to profit or loss	<u>(8,184,440,966)</u>	<u>(9,005,943,245)</u>
Other comprehensive loss for the period, net of tax	<u>(8,184,440,966)</u>	<u>(9,005,943,245)</u>
Total comprehensive loss for the period	<u><u>(4,933,080,692)</u></u>	<u><u>(5,454,617,337)</u></u>

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AIA Company Limited
Statement of Comprehensive Income (Unaudited)
For the six-month period ended 30 June 2024

	Notes	2024 Baht	2023 Baht
Revenues			
Gross written premiums		70,154,093,910	65,908,523,299
<u>Less</u> premiums ceded to reinsurers	27	<u>(9,645,838,914)</u>	<u>(7,245,799,744)</u>
Net written premiums		60,508,254,996	58,662,723,555
<u>Less</u> net change in unearned premium reserve		<u>(555,874,138)</u>	<u>(115,575,901)</u>
Net earned premiums		59,952,380,858	58,547,147,654
Fee and commission income	27	461,692,220	425,951,495
Net investment income	27	14,296,069,628	13,503,443,520
Gains (losses) on investment	11	(2,544,759,050)	715,619,004
Fair value gains		1,919,084,903	831,209,784
Fair value gains (losses) on investment property		(1,594,718)	14,850,480
Other income	27	<u>199,474,269</u>	<u>106,309,340</u>
Total revenues		<u>74,282,348,110</u>	<u>74,144,531,277</u>
Expenses			
Change in long-term technical reserves		10,340,612,920	(4,058,700,229)
Gross benefits and claim paid	23	44,090,336,024	55,879,102,445
<u>Less</u> benefits and claim paid recovered from reinsurers	27	<u>(7,813,858,698)</u>	<u>(5,613,904,931)</u>
Net benefits and claim paid		36,276,477,326	50,265,197,514
Commissions and brokerages		5,073,220,932	4,894,109,518
Other underwriting expenses		9,479,475,982	8,821,931,750
Operating expenses	24, 27	4,920,769,487	4,602,991,597
Finance cost	22, 27	36,706,517	9,949,056
(Reversal of) expected credit loss	25	<u>181,226,287</u>	<u>(19,080,885)</u>
Total expenses		<u>66,308,489,451</u>	<u>64,516,398,321</u>
Profit before income tax		7,973,858,659	9,628,132,956
Income tax expenses	26	<u>1,585,438,629</u>	<u>1,921,731,787</u>
Net profit for the period		<u>6,388,420,030</u>	<u>7,706,401,169</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
Statement of Comprehensive Income (Unaudited) (Cont'd)
For the six-month period ended 30 June 2024

	2024	2023
	Baht	Baht
Other comprehensive income (loss)		
<u>Items that will not be reclassified subsequently to profit or loss</u>		
Remeasurements of post-employment benefit obligations	(6,293,255)	-
Income tax on items that will not be reclassified subsequently to profit or loss	1,258,651	-
Total items that will not be reclassified subsequently to profit or loss	<u>(5,034,604)</u>	<u>-</u>
<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	(6,394,525,265)	2,334,766,465
Gains on remeasuring derivative instruments used in cash flow hedge	888,252,131	141,700,281
Losses on remeasuring deferred cost of hedge	(356,705,538)	(710,558,880)
Items in other comprehensive income transferred to profit or loss	2,420,565,390	(740,900,049)
Income tax relating to items that will be reclassified subsequently to profit or loss	688,482,657	(205,001,563)
Total items that will be reclassified subsequently to profit or loss	<u>(2,753,930,625)</u>	<u>820,006,254</u>
Other comprehensive income (loss) for the period, net of tax	<u>(2,758,965,229)</u>	<u>820,006,254</u>
Total comprehensive income for the period	<u><u>3,629,454,801</u></u>	<u><u>8,526,407,423</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
Statement of Changes in Head Office's Equity (Unaudited)
For the six-month period ended 30 June 2024

	Remeasurements of investments measured at fair value through other comprehensive income, net of tax Baht	Remeasurements of derivative instruments used in cash flow hedge, net of tax Baht	Remeasurements of deferred cost of hedge, net of tax Baht	Remeasurements of post-employment benefit obligations, net of tax Baht	Gains on land and building revaluation, net of tax Baht	Other reserve Baht	Unappropriated Branch's retained earnings Baht	Total Head Office's Equity Baht
Beginning balance as at 1 January 2024	23,026,131,738	1,882,585,732	(1,054,658,819)	(1,431,881,794)	1,527,494,308	124,725,809	162,466,045,234	186,540,442,208
Employee benefits on share-based payment	-	-	-	-	-	(41,501,728)	-	(41,501,728)
Net profit for the period	-	-	-	-	-	-	6,388,420,030	6,388,420,030
Remeasurement of post-employment benefits	-	-	-	(5,034,604)	-	-	-	(5,034,604)
Losses on remeasuring investments measured at fair value through other comprehensive income	(5,115,620,212)	-	-	-	-	-	-	(5,115,620,212)
Gains on remeasuring derivative instruments used in cash flow hedge	-	710,601,705	-	-	-	-	-	710,601,705
Losses on remeasuring deferred cost of hedge	-	-	(285,364,430)	-	-	-	-	(285,364,430)
Items in other comprehensive income transferred to profit or loss	1,936,452,312	-	-	-	-	-	-	1,936,452,312
Ending balance as at 30 June 2024	19,846,963,838	2,593,187,437	(1,340,023,249)	(1,436,916,398)	1,527,494,308	83,224,081	168,854,465,264	190,128,395,281
Beginning balance as at 1 January 2023 after adjustment	25,650,652,850	1,616,241,795	(352,329,395)	(1,271,256,784)	1,432,367,278	115,902,803	167,984,319,201	195,175,897,748
Employee benefits on share-based payment	-	-	-	-	-	(32,113,984)	-	(32,113,984)
Net profit for the period	-	-	-	-	-	-	7,706,401,169	7,706,401,169
Gains on remeasuring investments measured at fair value through other comprehensive income	1,867,813,172	-	-	-	-	-	-	1,867,813,172
Gains on remeasuring derivative instruments used in cash flow hedge	-	113,360,225	-	-	-	-	-	113,360,225
Losses on remeasuring deferred cost of hedge	-	-	(568,447,104)	-	-	-	-	(568,447,104)
Items in other comprehensive income transferred to profit or loss	(592,720,039)	-	-	-	-	-	-	(592,720,039)
Ending balance as at 30 June 2023	26,925,745,983	1,729,602,020	(920,776,499)	(1,271,256,784)	1,432,367,278	83,788,819	175,690,720,370	203,670,191,187

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

AIA Company Limited
Statement of Cash Flows (Unaudited)
For the six-month period ended 30 June 2024

	Notes	2024 Baht	2023 Baht
Cash flows provided by (used in) operating activities			
Written premium received from direct insurance		72,446,288,867	68,486,522,901
Fee income		242,462,240	204,706,892
Cash paid for reinsurance		(2,781,298,360)	(1,671,737,158)
Interest income		13,145,871,046	13,030,465,583
Dividend income		2,084,596,449	1,312,681,154
Investment expenses		(1,432,420,515)	(1,395,132,524)
Cash received (paid) from settlement of derivatives		(1,062,101,951)	4,643,792
Rental income		553,366,540	513,387,634
Other income		196,616,624	144,339,929
Gross benefits and claim paid from direct insurance		(42,176,888,432)	(58,359,128,279)
Commissions and brokerages from direct insurance		(6,587,138,192)	(6,529,609,176)
Other underwriting expenses		(13,344,599,496)	(12,001,245,570)
Operating expenses		(5,426,728,193)	(4,520,159,958)
Income tax expense		(2,040,178,439)	(992,174,882)
Cash received from investment in securities		37,789,540,632	52,090,576,540
Cash paid for investment in securities		(63,893,459,567)	(48,641,607,574)
Cash paid for investment property	14	(250,403,998)	(239,907,302)
Cash received from loans repayment		2,338,180,230	2,452,866,133
Cash paid for loans drawdown		(3,996,759,266)	(3,457,768,595)
Cash received from assets held to cover linked liabilities		15,823,291,084	8,391,144,082
Cash paid for assets held to cover linked liabilities		(19,352,037,345)	(11,785,754,217)
Net cash used in operating activities		<u>(17,723,800,042)</u>	<u>(2,962,890,595)</u>
Cash flows provided by (used in) investing activities			
<u>Cash flows provided by:</u>			
Properties and equipment		249,171	3,225,946
Net cash provided by investing activities		<u>249,171</u>	<u>3,225,946</u>
<u>Cash flows used in:</u>			
Properties and equipment	16	(29,354,163)	(37,753,042)
Intangible assets		(263,509,566)	(352,837,049)
Net cash used in investing activities		<u>(292,863,729)</u>	<u>(390,590,091)</u>
Net cash used in investing activities		<u>(292,614,558)</u>	<u>(387,364,145)</u>

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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
Statement of Cash Flows (Unaudited) (Cont'd)
For the six-month period ended 30 June 2024

	Notes	2024 Baht	2023 Baht
Cash flows provided by (used in) financing activities			
<u>Cash flows provided by:</u>			
Borrowings	19	9,380,000,000	1,740,000,000
Net cash provided by financing activities		9,380,000,000	1,740,000,000
<u>Cash flows used in:</u>			
Lease liabilities		(58,766,687)	(62,645,362)
Finance cost		(15,812,852)	(1,617,882)
Net cash used in financing activities		(74,579,539)	(64,263,244)
Net cash provided by financing activities		9,305,420,461	1,675,736,756
Net decrease in cash and cash equivalents		(8,710,994,139)	(1,674,517,984)
Cash and cash equivalents at beginning of period		17,364,823,430	7,431,273,132
Cash and cash equivalents at end of period		8,653,829,291	5,756,755,148

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Date _____

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

1. General information

AIA Company Limited (“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 Branch received its life insurance license under the laws of Thailand on 1 October 1938. The address of the Branch’s registered office is as follows:

181 Surawongse Road, Bangrak, Bangkok 10500.

The principal business operations of the Branch are to provide life insurance, personal accident and health insurance.

This interim financial information has been approved by the Branch’s management on 13 August 2024.

This interim financial information has been reviewed, not audited.

2. Significant accounting policies

2.1 Basis of preparation

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 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 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 2023.

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 2023. 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.

2.3 New and amended financial reporting standards

a) Amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2024 and might have impacts to 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**
 - 1) The Branch must recognise any 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 should be applied to transactions on or after the beginning of the earliest comparative period presented. In addition, the Branch 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 any other component of equity, as appropriate.

2. Significant accounting policies (Cont'd)

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

- a) Amended financial reporting standards that are effective for accounting period beginning on or after 1 January 2024 and might have impacts to the Branch. (Cont'd)

- **Amendments to TAS 12 - Income taxes** (Cont'd)

- 2) The Branch must apply all income taxes arising from the tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD), an international organisation.

In December 2021, the OECD released the Pillar Two model rules to apply the Global Anti-Base Erosion Proposal, or 'GloBE', to reform international corporate taxation. Large multinational enterprises within the rules' scope must calculate the GloBE effective tax rates for each territory in which they operate and pay a top-up tax for the differences between these and the 15% minimum effective tax rate.

In December 2023, the amendments to TAS 12 provide a temporary relief from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules, including tax law that implements qualified domestic minimum top-up taxes described in those rules. The amendments also require the Branch to disclose:

- the fact that the Branch has applied the exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes;
- the current tax expense (if any) related to the Pillar Two income taxes; and
- during the period between the legislation being enacted or substantially enacted and the legislation becoming effective, known or reasonably estimable information that would help users of financial statements to understand the Branch's exposure to Pillar Two income taxes arising from that legislation. If this information is not known or reasonably estimable, the Branch is instead required to disclose a statement to that effect and information about its progress in assessing the exposure.

Nevertheless, the Pillar Two model rules have no impact to the Branch since they have not become effective yet.

- **Amendment to Accounting Guidance related to financial instruments and disclosures applicable to insurance business** revised the disclosures in 'material accounting policies' to align with Amendment to TAS 1 - Presentation of financial statements.

2. Significant accounting policies (Cont'd)

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

b) New financial reporting standard that is effective for accounting period beginning on or after 1 January 2025 and has significant impacts to the Branch. However, the following new TFRS was not mandatory for the current reporting period and the Branch has not early adopted it.

- **TFRS 17 Insurance Contracts** TFRS 17 has replaced TFRS 4 Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using general measurement model which comprise of:
 - discounted probability-weighted cash flows
 - an explicit risk adjustment, and
 - a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.

The standard allows a choice between recognising changes in discount rates either in the statement of profit or loss or directly in other comprehensive income. The choice is likely to reflect how insurers account for their financial assets under TFRS 9.

An optional, simplified premium allocation approach is permitted for the liability for the remaining coverage for eligible groups of insurance contracts.

There is a modification of the general measurement model called the 'variable fee approach' for certain contracts written by life insurers where policyholders share in the returns from underlying items. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the CSM. The results of insurers using this model are therefore likely to be less volatile than under the general model.

Adopting TFRS 17, the Branch can choose to recognise any cumulative negative impacts from insurance contract liabilities in retained earnings by applying the straight-line method, using no more than a three-year period from the transition date.

The new rules will affect the financial statements and key performance indicators of all entities that issue insurance contracts or investment contracts with discretionary participation features.

3. Estimates

The preparation of interim financial information requires management to make judgments, 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 2023.

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4. Fair value

4.1 Fair value estimation

The following table presents the Branch's assets and liabilities that are measured and recognised at fair value as at 30 June 2024 and 31 December 2023.

	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
As at 30 June 2024 (Unaudited)				
Assets				
Derivative assets	1,345	7,735,083	-	7,736,428
Investment in securities				
Investments measured at fair value through profit or loss				
Mutual funds	581	-	-	581
Investments measured at fair value through other comprehensive income				
Debt securities	-	349,805,403	6,737,449	356,542,852
Equity securities	75,391,877	-	6,565	75,398,442
Investments designated at fair value through profit or loss				
Mutual funds	13,480,804	-	-	13,480,804
Investment property	-	-	27,142,958	27,142,958
Assets held to cover linked liabilities	79,100,023	-	-	79,100,023
Land and buildings	-	-	1,131,525	1,131,525
Total assets	167,974,630	357,540,486	35,018,497	560,533,613
Liabilities				
Derivative liabilities	-	13,772,875	-	13,772,875
Total liabilities	-	13,772,875	-	13,772,875
As at 31 December 2023 (Audited)				
Assets				
Derivative assets	25,384	6,657,595	-	6,682,979
Investment in securities				
Investments measured at fair value through profit or loss				
Mutual funds	575	-	-	575
Investments measured at fair value through other comprehensive income				
Debt securities	-	351,986,774	6,167,351	358,154,125
Equity securities	80,212,470	-	6,047	80,218,517
Investments designated at fair value through profit or loss				
Mutual funds	3,389,949	-	-	3,389,949
Investment property	-	-	26,894,191	26,894,191
Assets held to cover linked liabilities	73,921,114	-	-	73,921,114
Land and buildings	-	-	1,168,000	1,168,000
Total assets	157,549,492	358,644,369	34,235,589	550,429,450
Liabilities				
Derivative liabilities	-	9,105,473	-	9,105,473
Total liabilities	-	9,105,473	-	9,105,473

In 2024, The Branch has no significant transfer between levels during the period.

In 2023, the Branch has transferred fair value level of financial instrument from Level 2 into Level 3 during the year. The change in Level 3 financial instruments is disclosed in Note 4.4.

4. Fair value (Cont'd)

4.2 Valuation techniques used to derive Level 1 fair values

The fair value of financial instruments traded in active markets is based on quoted market prices at the statement of financial position date. The quoted market price used for financial assets held by the Branch is obtained from exchange markets and asset management companies. These instruments are included in Level 1.

4.3 Valuation techniques used to derive Level 2 fair values

Level 2 marketable debt securities are fair valued using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable market prices of other quoted debt instruments.

Level 2 marketable equity securities are fair valued based on closed price provided by an asset management company.

Level 2 derivative assets and liabilities are fair valued using a discounted cash flow approach, which discounts the contractual cash flows using discount rates derived from observable interest rate and foreign currency exchange rate.

There were no changes in valuation techniques during the period.

4.4 Valuation techniques used to derive Level 3 fair values

The changes in investment property, and land and buildings are disclosed in Notes 14 and 16, respectively. The Branch engaged an external independent and qualified appraiser to determine the fair value of the investment property, and land and buildings. Different valuation techniques may be adopted to reach the fair value of the properties. Under the Market Data Approach, records of recent sales and offerings of similar property are analysed and comparisons are made for factors such as size, location, quality and prospective use. The Discounted Cash Flow Approach may be used by reference to net rental income allowing for reversionary income potential to estimate the fair value of the properties. On some occasions, the Cost Approach is used as well to calculate the fair value which reflects the cost that would be required to replace the service capacity of the property.

4. Fair value (Cont'd)

4.4 Valuation techniques used to derive Level 3 fair values (Cont'd)

The following table presents the changes in Level 3 financial instruments for the period ended 30 June 2024 and for the year ended 31 December 2023.

	(Unaudited) Investment in securities 30 June 2024 Thousand Baht	(Audited) Investment in securities 31 December 2023 Thousand Baht
Beginning balance as at 1 January	6,173,398	5,736,838
<u>Add</u> Addition		
- Book value	-	281
<u>Add</u> Transfer into Level 3		
- Book value	-	1,738,207
- Unrealised gains recognised in other comprehensive income	-	13,758
<u>Less</u> Disposal		
- Book value	-	(636,698)
- Gains recognised in profit or loss	-	394,215
Net carrying value	6,173,398	7,246,601
Gains (losses) on remeasuring investments measured at fair value through other comprehensive income	570,616	(1,073,203)
Closing balance at the end of period/year	6,744,014	6,173,398

The Branch's policy is to recognise transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer.

There were no changes in valuation techniques during the period.

4. Fair value (Cont'd)

4.4 Valuation techniques used to derive Level 3 fair values (Cont'd)

Valuation process

Management has put a process of performing the valuations of financial assets required for financial reporting purposes, including Level 3 fair values. Appropriate valuation techniques and unobservable inputs are selectively used based on the characteristic of financial assets. The valuation of Level 3 fair value is reviewed and approved by management for financial reporting purposes.

The Branch engaged an external independent and qualified appraiser to determine the fair value of the investment property, and land and buildings on the basis of the highest and best use of the properties that is physically possible, legally permissible and financially feasible, which will be revised every 6 months, and 12 months, respectively.

Changes in level (if any) are analysed at the reporting date by management.

5. Cash and cash equivalents

	(Unaudited) 30 June 2024 Thousand Baht	(Audited) 31 December 2023 Thousand Baht
Cash on hand	3,815	5,396
Deposits with banks and financial institutions without fixed maturity date	4,014,930	6,953,121
Short-term investments	4,635,084	10,406,306
Total cash and cash equivalents	<u>8,653,829</u>	<u>17,364,823</u>

6. Premium receivables

The balances of premium receivables are aged as follows:

	From direct insurance	
	(Unaudited) 30 June 2024 Thousand Baht	(Audited) 31 December 2023 Thousand Baht
Current	7,964,219	6,577,049
Overdue		
Not over 30 days	757,935	969,809
31 - 60 days	5,478	14,672
61 - 90 days	3,590	4,960
Over 90 days	14,111	12,173
Total premium receivables	<u>8,745,333</u>	<u>7,578,663</u>

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

7. Reinsurance assets

The details of reinsurance assets are as follows:

	(Unaudited) 30 June 2024 Thousand Baht	(Audited) 31 December 2023 Thousand Baht
Claim reserve	1,257,403	-
Claim incurred but not reported	333,005	393,075
Unearned premium reserve	73,735	72,374
Others (Note 27 (b))	2,780	4,653
Total reinsurance assets	<u>1,666,923</u>	<u>470,102</u>

8. Amount due from reinsurance

The details of amount due from reinsurance are as follows:

	(Unaudited) 30 June 2024 Thousand Baht	(Audited) 31 December 2023 Thousand Baht
Due from reinsurance (Note 27 (b))	4,929	4,126
Total amount due from reinsurance	<u>4,929</u>	<u>4,126</u>

9. Deferred acquisition costs

The movements details are below:

	(Unaudited) 30 June 2024 Thousand Baht	(Audited) 31 December 2023 Thousand Baht
Beginning balance for the period/year	83,378,285	76,770,760
Deferral of acquisition costs	10,420,345	21,968,383
Amortisation of acquisition costs	<u>(7,854,166)</u>	<u>(15,360,858)</u>
Closing balance at the end of period/year	<u>85,944,464</u>	<u>83,378,285</u>

10. Derivative assets and liabilities

	(Unaudited)	
	30 June 2024	
	Fair value	
	Assets	Liabilities
	Thousand	Thousand
	Baht	Baht
Held for hedge derivatives		
- Applied hedge accounting	5,090,699	10,027,511
- Not applied hedge accounting	2,645,729	3,745,364
Total derivatives	7,736,428	13,772,875
	(Audited)	
	31 December 2023	
	Fair value	
	Assets	Liabilities
	Thousand	Thousand
	Baht	Baht
Held for hedge derivatives		
- Applied hedge accounting	4,574,522	6,960,596
- Not applied hedge accounting	2,108,457	2,144,877
Total derivatives	6,682,979	9,105,473

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10. Derivative assets and liabilities (Cont'd)

Derivative assets and liabilities which applied hedge accounting are as follows:

30 June 2024 (Unaudited)							
Type of contract	Purpose	Number of contracts	Face value		Fair value		Fair value gains (losses) on derivatives Thousand Baht
			Assets Thousand Baht	Liabilities Thousand Baht	Assets Thousand Baht	Liabilities Thousand Baht	
Cross currency swap and forward contracts	Closing financial position of investment in foreign currency	111	1,084,920	46,068,015	62,636	8,187,613	(3,256,450)
Interest rate swap contracts	Closing position of floating interest rate	168	-	-	5,028,063	1,839,898	705,712
Total		279	1,084,920	46,068,015	5,090,699	10,027,511	(2,550,738)
31 December 2023 (Audited)							
Type of contract	Purpose	Number of contracts	Face value		Fair value		Fair value gains (losses) on derivatives Thousand Baht
			Assets Thousand Baht	Liabilities Thousand Baht	Assets Thousand Baht	Liabilities Thousand Baht	
Cross currency swap and forward contracts	Closing financial position of investment in foreign currency	128	2,559,489	48,945,480	118,043	4,986,570	(247,971)
Interest rate swap contracts	Closing position of floating interest rate	192	-	-	4,456,479	1,974,026	362,626
Total		320	2,559,489	48,945,480	4,574,522	6,960,596	114,655

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10. Derivative assets and liabilities (Cont'd)

Derivative assets and liabilities which are not applied hedge accounting are as follows:

30 June 2024 (Unaudited)							
Type of contract	Purpose	Number of contracts	Face value		Fair value		Fair value gains (losses) on derivatives Thousand Baht
			Assets Thousand Baht	Liabilities Thousand Baht	Assets Thousand Baht	Liabilities Thousand Baht	
Cross currency swap and forward contracts	Closing financial position of investment in foreign currency	67	786,400	29,354,282	55,730	2,539,267	(1,736,918)
Interest rate swap contracts	Closing position of floating interest rate	68	-	-	2,588,653	1,206,097	697,741
Warrants		-	-	-	1,346	-	(24,038)
Total		135	786,400	29,354,282	2,645,729	3,745,364	(1,063,215)

31 December 2023 (Audited)							
Type of contract	Purpose	Number of contracts	Face value		Fair value		Fair value gains (losses) on derivatives Thousand Baht
			Assets Thousand Baht	Liabilities Thousand Baht	Assets Thousand Baht	Liabilities Thousand Baht	
Cross currency swap and forward contracts	Closing financial position of investment in foreign currency	57	7,741,549	11,655,114	270,281	1,016,900	(251,014)
Interest rate swap contracts	Closing position of floating interest rate	50	-	-	1,812,792	1,127,977	486,461
Warrants		-	-	-	25,384	-	(2,000)
Total		107	7,741,549	11,655,114	2,108,457	2,144,877	233,447

AIA Company Limited
Condensed Notes to the Interim Financial Information (Unaudited)
For the six-month period ended 30 June 2024

11. Investment in securities

The details of investment in securities are as follows:

	(Unaudited) 30 June 2024		(Audited) 31 December 2023	
	Cost/ Amortised cost Thousand Baht	Fair value Thousand Baht	Cost/ Amortised cost Thousand Baht	Fair value Thousand Baht
<u>Investments measured at fair value through profit or loss</u>				
Mutual funds	601	581	616	575
Total	601	581	616	575
<u>Less</u> Unrealised losses	(20)	-	(41)	-
Total investments measured at fair value through profit or loss	581	581	575	575
<u>Investments measured at fair value through other comprehensive income</u>				
Government and state enterprise securities	241,260,796	242,286,160	241,091,320	242,377,092
Private enterprise debt securities	49,107,836	47,650,447	49,520,347	48,109,221
Foreign debt securities	75,011,857	66,606,245	76,302,402	67,667,812
Equity securities	69,340,144	75,398,442	70,577,495	80,218,517
Total	434,720,633	431,941,294	437,491,564	438,372,642
<u>Add (Less)</u> Unrealised gains (losses)	(2,662,689)	-	997,728	-
<u>Less</u> Provision for impairment on equity securities	(116,650)	-	(116,650)	-
Total investments measured at fair value through other comprehensive income	431,941,294	431,941,294	438,372,642	438,372,642
<u>Investments measured at amortised cost</u>				
Government and state enterprise securities	328,852,036	303,109,701	309,571,774	282,879,413
Total investments measured at amortised cost	328,852,036	303,109,701	309,571,774	282,879,413
<u>Investments designated at fair value through profit or loss</u>				
Mutual funds	12,473,814	13,480,804	3,196,807	3,389,949
Total	12,473,814	13,480,804	3,196,807	3,389,949
<u>Add</u> Unrealised gains	1,006,990	-	193,142	-
Total investments designated at fair value through profit or loss	13,480,804	13,480,804	3,389,949	3,389,949
Total investment in securities	774,274,715	748,532,380	751,334,940	724,642,579

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11. Investment in securities (Cont'd)

For the three-month and six-month periods ended 30 June 2024 and 2023, the Branch had revenue recognised relating to investment as follows:

	For the three-month period ended	
	(Unaudited) 30 June 2024 Thousand Baht	(Unaudited) 30 June 2023 Thousand Baht
Interest income and dividend income from investments	7,224,552	6,828,829
Consideration received from selling investments	16,646,805	17,404,447
Loss from selling investments	(1,352,152)	(177,387)

	For the six-month period ended	
	(Unaudited) 30 June 2024 Thousand Baht	(Unaudited) 30 June 2023 Thousand Baht
Interest income and dividend income from investments	14,076,663	13,361,608
Consideration received from selling investments	34,729,616	49,434,345
Gain (loss) from selling investments	(2,544,759)	715,619

As at 30 June 2024, the Branch had government bonds and promissory notes deposited with the Office of Insurance Commission in order to comply with the Life Insurance Act with a fair value amounting to Baht 189,542 million (31 December 2023: Baht 189,164 million).

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

	(Unaudited) 30 June 2024	
	Fair value Thousand Baht	Expected credit loss recognised in other comprehensive income Thousand Baht
Investment in debt securities which credit risk has not significantly increased (Stage 1)	356,294,571	205,948
Credit-impaired investment in debt securities (Stage 3)	248,281	2,964,458
Total	356,542,852	3,170,406

11. Investment in securities (Cont'd)

11.1 Debt securities that are measured at fair value through other comprehensive income (Cont'd)

	(Audited)	
	31 December 2023	
	Fair value	Expected credit loss
	Thousand	recognised in other
	Baht	comprehensive income
		Thousand
		Baht
Investment in debt securities which credit risk has not significantly increased (Stage 1)	357,906,326	242,537
Credit-impaired investment in debt securities (Stage 3)	247,799	2,744,631
Total	358,154,125	2,987,168

11.2 Debt securities that are measured at amortised cost

	(Unaudited)		
	30 June 2024		
	Gross	Expected	Carrying
	carrying	credit loss	value
	value	Thousand	Thousand
	Thousand	Thousand	Thousand
	Baht	Baht	Baht
Investment in debt securities which credit risk has not significantly increased (Stage 1)	328,852,132	96	328,852,036
Total	328,852,132	96	328,852,036

	(Audited)		
	31 December 2023		
	Gross	Expected	Carrying
	carrying	credit loss	value
	value	Thousand	Thousand
	Thousand	Thousand	Thousand
	Baht	Baht	Baht
Investment in debt securities which credit risk has not significantly increased (Stage 1)	309,571,871	97	309,571,774
Total	309,571,871	97	309,571,774

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12. Investment in associates

The Branch has interests in an immaterial associate.

Investment in associates is accounted by using the cost method as follows:

Associates	Type of business	Ownership interest		Cost method	
		(Unaudited) 30 June 2024 %	(Audited) 31 December 2023 %	(Unaudited) 30 June 2024 Thousand Baht	(Audited) 31 December 2023 Thousand Baht
AIA Wellness Company Limited	Real estate and services	49	49	171,500	171,500
Total				171,500	171,500

The Branch has got an approval to hold 49% ownership interest in AIA Wellness Company Limited from Department of Insurance, currently known as Office of Insurance Commission, in 1991. The Branch has not presented financial statements in which investment in associates is accounted for using the equity method because the ultimate holding company (AIA Group) uses the equity method in the consolidated financial statements which are made available for public use. This is permitted under TAS 28 "Investment in Associates and Joint Ventures".

13. Loans and accrued interest receivables

The details of loans and accrued interest receivables are as follows:

	(Unaudited) 30 June 2024		(Audited) 31 December 2023	
	Principal Thousand Baht	Accrued interest Thousand Baht	Principal Thousand Baht	Accrued interest Thousand Baht
<u>Policy loans</u>				
Outstanding period				
Current	35,677,264	1,083,698	34,300,754	922,914
Overdue				
Less than 3 months	-	-	-	-
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
More than 12 months	-	-	-	-
Policy loans, net	35,677,264	1,083,698	34,300,754	922,914
<u>Mortgage loans</u>				
Loans which credit risk has not significantly increased (Stage 1)	9,679	49	15,834	83
Loans which credit risk has significantly increased (Stage 2)	554	3	-	-
Credit-impaired loans (Stage 3)	14,140	5	16,501	-
Total	24,373	57	32,335	83
<u>Less</u> expected credit loss	(4,541)	-	(6,972)	-
Mortgage loans, net	19,832	57	25,363	83
Loans and accrued interest receivables	35,697,096	1,083,755	34,326,117	922,997

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14. Investment property

	30 June 2024 (Unaudited)					Ending balance 30 June 2024 Thousand Baht
	Cost/Fair value					
	Beginning balance 1 January 2024 Thousand Baht	Additions from acquisition and capitalised subsequent expenditures Thousand Baht	Write-off Thousand Baht	Transfer Thousand Baht	Fair value gains (losses) Thousand Baht	
Land	15,334,270	2,775	-	-	90,449	15,427,494
Buildings and improvements	11,559,921	247,629	(42)	-	(92,044)	11,715,464
Total	26,894,191	250,404	(42)	-	(1,595)	27,142,958
	31 December 2023 (Audited)					Ending balance 31 December 2023 Thousand Baht
	Cost/Fair value					
	Beginning balance 1 January 2023 Thousand Baht	Additions from acquisition and capitalised subsequent expenditures Thousand Baht	Write-off Thousand Baht	Transfer Thousand Baht	Fair value gains (losses) Thousand Baht	
Land	15,072,700	165,191	-	-	96,379	15,334,270
Buildings and improvements	10,557,692	1,264,079	-	-	(261,850)	11,559,921
Total	25,630,392	1,429,270	-	-	(165,471)	26,894,191

In 2023 and 2024, the Branch engaged an external independent and qualified appraiser to determine the fair value of the investment property. The valuation techniques and valuation process of investment property are disclosed in Note 4.4.

For the three-month and six-month periods ended 30 June 2024, the investment property generated rental income amounting to Baht 270 million and Baht 536 million, respectively (30 June 2023: Baht 247 million and Baht 498 million, respectively) and its direct operating expenses (including repair and maintenance) arise from investment property that generated rental income amounting to Baht 79 million and Baht 152 million, respectively (30 June 2023: Baht 74 million and Baht 144 million, respectively).

14. Investment property (Cont'd)

14.1 Lease revenue arising from operating lease contracts

A maturity analysis of undiscounted lease revenue arising from operating lease contracts of investment properties is as follows:

	(Unaudited) 30 June 2024 Thousand Baht	(Audited) 31 December 2023 Thousand Baht
	<hr/>	<hr/>
Maturing		
Within 1 year	843,035	807,195
Between 1 to 2 years	604,159	485,891
Between 2 to 3 years	327,990	287,071
Between 3 to 4 years	72,665	66,158
Between 4 to 5 years	42,210	46,708
Later than 5 years	161,044	181,041
	<hr/>	<hr/>
Total	<u>2,051,103</u>	<u>1,874,064</u>

15. Assets held to cover linked liabilities

	(Unaudited) 30 June 2024 Thousand Baht	(Audited) 31 December 2023 Thousand Baht
	<hr/>	<hr/>
Investment in mutual funds that are measured at fair value through profit or loss	<u>79,100,023</u>	<u>73,921,114</u>
Total	<u>79,100,023</u>	<u>73,921,114</u>

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16. Property, plant and equipment

	30 June 2024 (Unaudited)														Property, plant and equipment Thousand Baht
	Cost/Revaluation							Accumulated depreciation							
	Beginning balance 1 January 2024	For the period						Ending balance 30 June 2024	Beginning balance 1 January 2024	For the period				Ending Balance 30 June 2024	
	Thousand Baht	Addition Thousand Baht	Write-off Thousand Baht	Disposal Thousand Baht	Transfer Thousand Baht	Gain on revaluation Thousand Baht	Thousand Baht	Depreciation charge Thousand Baht	Write-off Thousand Baht	Disposal Thousand Baht	Revaluation adjustment Thousand Baht	Thousand Baht	Thousand Baht		
Land	467,000	-	-	-	-	-	467,000	-	-	-	-	-	-	467,000	
Buildings and improvements	701,000	-	-	-	-	-	701,000	-	36,475	-	-	-	36,475	664,525	
Furniture, fixtures and equipment	1,443,270	1,643	(7,930)	-	13,292	-	1,450,275	1,355,916	19,954	(7,921)	-	-	1,367,949	82,326	
Computer hardware	1,036,621	7,090	(2,765)	(9,697)	-	-	1,031,249	983,357	16,894	(2,765)	(9,697)	-	987,789	43,460	
Motor vehicles	34,041	-	-	-	-	-	34,041	30,136	1,003	-	-	-	31,139	2,902	
Construction in progress	26,776	20,621	-	-	(13,292)	-	34,105	-	-	-	-	-	-	34,105	
Total	3,708,708	29,354	(10,695)	(9,697)	-	-	3,717,670	2,369,409	74,326	(10,686)	(9,697)	-	2,423,352	1,294,318	

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16. Property, plant and equipment (Cont'd)

	31 December 2023 (Audited)																
	Cost/Revaluation						Accumulated depreciation					Accumulated impairment			Property, plant and equipment Thousand Baht		
	Beginning balance 1 January 2023 Thousand Baht	For the year				Ending balance 31 December 2023 Thousand Baht	Beginning balance 1 January 2023 Thousand Baht	For the year				Ending balance 31 December 2023 Thousand Baht	Beginning balance 1 January 2023 Thousand Baht	For the year (Reversal of) Impairment loss Thousand Baht		Ending balance 31 December 2023 Thousand Baht	
		Addition Thousand Baht	Write-off Thousand Baht	Disposal Thousand Baht	Transfer Thousand Baht	Gain (loss) on revaluation Thousand Baht		Depreciation charge Thousand Baht	Write-off Thousand Baht	Disposal Thousand Baht	Revaluation adjustment Thousand Baht						
Land	463,000	-	-	-	-	4,000	467,000	-	-	-	-	-	-	-	-	-	467,000
Buildings and improvements	733,000	-	-	-	-	(32,000)	701,000	-	65,259	-	-	(65,259)	-	-	-	-	701,000
Furniture, fixtures and equipment	2,220,814	9,180	(763,999)	(42,394)	19,669	-	1,443,270	1,808,914	59,733	(473,438)	(39,293)	-	1,355,916	302,875	(302,875)	-	87,354
Computer hardware	1,054,513	30,630	(6,806)	(41,716)	-	-	1,036,621	990,918	41,079	(6,928)	(41,712)	-	983,357	-	-	-	53,264
Motor vehicles	34,924	-	-	(883)	-	-	34,041	27,082	3,937	-	(883)	-	30,136	-	-	-	3,905
Construction in progress	10,965	35,480	-	-	(19,669)	-	26,776	-	-	-	-	-	-	-	-	-	26,776
Total	4,517,216	75,290	(770,805)	(84,993)	-	(28,000)	3,708,708	2,826,914	170,008	(480,366)	(81,888)	(65,259)	2,369,409	302,875	(302,875)	-	1,339,299

In 2023, the Branch engaged an external independent and qualified appraiser to determine the fair value of the land and buildings. The valuation techniques and valuation process of land and buildings are disclosed in Note 4.4.

If the land and buildings are stated under the cost model, as at 30 June 2024, the carrying value would be Baht 53 million and Baht 49 million, respectively (31 December 2023: Baht 53 million and Baht 51 million, respectively).

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17. Intangible assets

Intangible assets consist of computer software, distribution rights, copyrights and access rights as follows:

	30 June 2024 (Unaudited)									
	Cost				Accumulated amortisation					
	Beginning balance	For the period			Ending balance	Beginning balance	For the period		Ending balance	Intangible assets
1 January 2024	Addition	Write-off	Transfer	2024	1 January 2024	Amortisation charge	Write-off	2024	2024	Thousand Baht
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Computer software	4,010,427	-	(8,688)	177,491	4,179,230	1,793,030	187,023	(8,688)	1,971,365	2,207,865
Others	1,162,564	30,000	-	-	1,192,564	58,672	34,872	-	93,544	1,099,020
Work in progress	793,333	143,510	-	(177,491)	759,352	-	-	-	-	759,352
Total	5,966,324	173,510	(8,688)	-	6,131,146	1,851,702	221,895	(8,688)	2,064,909	4,066,237
	31 December 2023 (Audited)									
	Cost				Accumulated amortisation					
	Beginning balance	For the year			Ending balance	Beginning balance	For the year		Ending balance	Intangible assets
	1 January 2023	Addition	Write-off	Transfer	31 December 2023	1 January 2023	Amortisation charge	Write-off	31 December 2023	2023
Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht
Computer software	3,385,564	128,052	(89,543)	586,354	4,010,427	1,573,962	301,034	(81,966)	1,793,030	2,217,397
Others	368,964	843,600	(50,000)	-	1,162,564	73,929	34,743	(50,000)	58,672	1,103,892
Work in progress	1,000,736	378,951	-	(586,354)	793,333	-	-	-	-	793,333
Total	4,755,264	1,350,603	(139,543)	-	5,966,324	1,647,891	335,777	(131,966)	1,851,702	4,114,622

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18. Other assets

	(Unaudited)	(Audited)
	30 June	31 December
	2024	2023
	Thousand	Thousand
	Baht	Baht
Deposits (Note 27 (b))	62,182	62,130
Amounts due from a related party (Note 27 (b))	50,284	39,767
Receivables from sale of investments	1,655,759	6,144,833
Cash collateral from derivative contracts	8,987,071	6,548,987
Right-of-use assets (Note 27 (b))	1,216,458	1,244,067
Others (Note 27 (b))	220,149	224,088
	<hr/>	<hr/>
Total	12,191,903	14,263,872
	<hr/> <hr/>	<hr/> <hr/>

Cash collateral from derivative contracts is cash collateral, which the Branch has pledged under the derivative contracts with financial institutions.

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Condensed Notes to the Interim Financial Information (Unaudited)
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18. Other assets (Cont'd)

18.1 Right-of-use assets

	30 June 2024 (Unaudited)													Right-of-use assets Thousand Baht
	Cost				Accumulated amortisation					Accumulated impairment				
	Beginning balance 1 January 2024 Thousand Baht	For the period			Ending balance 30 June 2024 Thousand Baht	Beginning balance 1 January 2024 Thousand Baht	For the period			Ending balance 30 June 2024 Thousand Baht	Beginning balance 1 January 2024 Thousand Baht	For the period		
	Addition Thousand Baht	Change in contract Thousand Baht	Gain on revaluation Thousand Baht		Amortisation charge Thousand Baht	Change in contract Thousand Baht	Revaluation adjustment Thousand Baht			Impairment loss Thousand Baht				
Land	790,100	-	-	-	790,100	-	10,716	-	-	10,716	-	-	-	779,384
Buildings and improvements	881,291	35,746	(9,523)	-	907,514	362,982	47,349	(3,966)	-	406,365	65,550	-	65,550	435,599
Others	1,342	422	-	-	1,764	134	155	-	-	289	-	-	-	1,475
Total	1,672,733	36,168	(9,523)	-	1,699,378	363,116	58,220	(3,966)	-	417,370	65,550	-	65,550	1,216,458

	31 December 2023 (Audited)													Right-of-use assets Thousand Baht
	Cost				Accumulated amortisation					Accumulated impairment				
	Beginning balance 1 January 2023 Thousand Baht	For the year			Ending balance 31 December 2023 Thousand Baht	Beginning balance 1 January 2023 Thousand Baht	For the year			Ending balance 31 December 2023 Thousand Baht	Beginning balance 1 January 2023 Thousand Baht	For the year		
	Addition Thousand Baht	Change in contract Thousand Baht	Gain on revaluation Thousand Baht		Amortisation charge Thousand Baht	Change in contract Thousand Baht	Revaluation adjustment Thousand Baht			Impairment loss Thousand Baht				
Land	728,000	-	-	62,100	790,100	-	19,549	-	(19,549)	-	-	-	-	790,100
Buildings and improvements	758,525	261,750	(138,984)	-	881,291	336,410	95,348	(68,776)	-	362,982	65,550	-	65,550	452,759
Others	-	1,342	-	-	1,342	-	134	-	-	134	-	-	-	1,208
Total	1,486,525	263,092	(138,984)	62,100	1,672,733	336,410	115,031	(68,776)	(19,549)	363,116	65,550	-	65,550	1,244,067

The related lease liabilities are disclosed in Note 22.1.

For the three-month and six-month periods ended 30 June 2024, 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.

19. Borrowings

The details of borrowings are presented below:

Short-term borrowings

	(Unaudited) 30 June 2024		(Audited) 31 December 2023	
	Principal Thousand Baht	Accrued interest Thousand Baht	Principal Thousand Baht	Accrued interest Thousand Baht
Borrowings with repurchase agreement (Repo)	9,380,000	11,353	-	-
Total	9,380,000	11,353	-	-

As at 30 June 2024, the Branch had sold government bonds with Repurchase Agreements (Repo) to commercial banks as collateral for borrowings with the same amount. The certain government bonds have nominal value amounting to Baht 9,309 million (31 December 2023: Nil). The interest rate of the borrowing agreement was 2.52% - 2.54% per annum.

The accrued interests are presented under “Other liabilities” in the Statement of Financial Position.

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20. Insurance liabilities

	30 June 2024 (Unaudited)			31 December 2023 (Audited)		
	Insurance contract liabilities Thousand Baht	Liabilities recovered from reinsurance Thousand Baht	Net Thousand Baht	Insurance contract liabilities Thousand Baht	Liabilities recovered from reinsurance Thousand Baht	Net Thousand Baht
Long-term technical reserves	579,285,234	-	579,285,234	568,944,621	-	568,944,621
Claim liability						
- Reported claim	4,082,802	(1,260,183)	2,822,619	2,266,355	(4,653)	2,261,702
- Claim incurred but not reported	738,247	(333,005)	405,242	840,029	(393,075)	446,954
Premium liability						
- Unearned premium reserve	22,784,390	(73,735)	22,710,655	22,228,516	(72,374)	22,156,142
Unpaid policy benefits	429,540	-	429,540	463,644	-	463,644
Due to insured	176,539,478	-	176,539,478	170,783,441	-	170,783,441
Total	783,859,691	(1,666,923)	782,192,768	765,526,606	(470,102)	765,056,504

20. Insurance liabilities (Cont'd)

20.1 Long-term technical reserves

The movement details are below:

	(Unaudited) 30 June 2024 Thousand Baht	(Audited) 31 December 2023 Thousand Baht
Beginning balance for the period/year	568,944,621	558,120,775
Policy reserve movement for new policies and inforce policies during the period/year	31,682,798	68,964,564
Net movement in benefits payable to life policyholders for death, maturities, surrenders, other policyholders benefits and claims	(20,952,151)	(56,873,552)
Others	(390,034)	(1,267,166)
Closing balance at the end of period/year	<u>579,285,234</u>	<u>568,944,621</u>

20.2 Short-term technical reserves

20.2.1 Claim liability

The movement details are below:

	(Unaudited) 30 June 2024 Thousand Baht	(Audited) 31 December 2023 Thousand Baht
Beginning balance for the period/year	3,106,384	2,777,622
Insurance claims and loss adjustment expenses incurred during the period/year	16,898,157	31,488,020
Changes in claim reserve from change in assumption during the period/year	(101,782)	69,648
Insurance claims and loss adjustment expenses paid during the period/year	(15,081,710)	(31,228,906)
Closing balance at the end of period/year	<u>4,821,049</u>	<u>3,106,384</u>

20.2.2 Unearned premium reserve

	(Unaudited) 30 June 2024 Thousand Baht	(Audited) 31 December 2023 Thousand Baht
Beginning balance for the period/year	22,228,516	21,004,533
Premium written for the period/year	26,376,835	51,967,070
Premium earned in the period/year	(25,820,961)	(50,743,087)
Closing balance at the end of period/year	<u>22,784,390</u>	<u>22,228,516</u>

20. Insurance liabilities (Cont'd)

20.3 Unpaid policy benefits

The details are as below:

	(Unaudited) 30 June 2024 Thousand Baht	(Audited) 31 December 2023 Thousand Baht
Death benefits	429,540	463,644
Total	<u>429,540</u>	<u>463,644</u>

20.4 Due to insured

The details of due to insured are presented below:

	(Unaudited) 30 June 2024 Thousand Baht	(Audited) 31 December 2023 Thousand Baht
Deposits from insurance contracts	87,711,836	86,944,773
Account value of universal life insurance contracts	9,727,619	9,917,554
Account value of unit linked insurance contracts	79,100,023	73,921,114
Total	<u>176,539,478</u>	<u>170,783,441</u>

21. Amount due to reinsurance

	(Unaudited) 30 June 2024 Thousand Baht	(Audited) 31 December 2023 Thousand Baht
Fund reserve	15,559	15,592
Outward premium payables and other (Note 27 (b))	853,681	734,266
Total amount due to reinsurance	<u>869,240</u>	<u>749,858</u>

22. Other liabilities

	(Unaudited) 30 June 2024 Thousand Baht	(Audited) 31 December 2023 Thousand Baht
Accrued expenses	12,350,392	11,068,655
Payable for purchase of investments	172,642	6,103,909
Unpresented cheques payable	938,695	1,279,014
Expired cheques payable	3,008,895	3,037,966
Due commissions and expenses	749,997	731,097
Payable to related parties (Note 27 (b))	470,610	663,946
Agents payable	2,290,580	6,313,583
Cash collateral from derivative contracts	3,202,731	2,835,078
Other accounts payable	496,487	922,268
Lease liabilities (Note 27 (b))	494,376	513,187
Others (Note 27 (b))	1,910,630	2,301,092
Total	<u>26,086,035</u>	<u>35,769,795</u>

Cash collateral from derivative contracts is cash collateral, which financial institutions have pledged under the derivative contracts with the Branch.

22.1 Lease liabilities

The maturity analysis of lease liabilities is aged as follows:

	(Unaudited) 30 June 2024 Thousand Baht	(Audited) 31 December 2023 Thousand Baht
Maturing		
Within 1 year	85,340	84,123
Between 1 to 5 years	329,502	332,249
Later than 5 years	79,534	96,815
Total	<u>494,376</u>	<u>513,187</u>
Including: - Principal	606,845	630,942
- Interest	(112,469)	(117,755)

For the three-month and six-month periods ended 30 June 2024, interest expense on lease liabilities amounted to Baht 4.8 million and Baht 9.5 million, respectively (30 June 2023: Baht 3.7 million and Baht 7.6 million, respectively), is recorded as "Finance cost" in the statement of comprehensive income.

23. Gross benefits and claim paid

	For the three-month period ended	
	(Unaudited) 30 June 2024 Thousand Baht	(Unaudited) 30 June 2023 Thousand Baht
Insurance contract benefits	21,462,399	24,909,432
Total	21,462,399	24,909,432

	For the six-month period ended	
	(Unaudited) 30 June 2024 Thousand Baht	(Unaudited) 30 June 2023 Thousand Baht
Insurance contract benefits	44,090,336	55,879,102
Total	44,090,336	55,879,102

24. Operating expenses

	For the three-month period ended	
	(Unaudited) 30 June 2024 Thousand Baht	(Unaudited) 30 June 2023 Thousand Baht
Employee expenses not relating to underwriting expenses, and loss adjusting expenses	1,088,758	1,080,348
Property and equipment expenses not relating to underwriting expenses, and loss adjusting expenses	563,690	544,317
Tax expenses	3,361	3,031
Other operating expenses	926,615	795,415
Total	2,582,424	2,423,111

	For the six-month period ended	
	(Unaudited) 30 June 2024 Thousand Baht	(Unaudited) 30 June 2023 Thousand Baht
Employee expenses not relating to underwriting expenses, and loss adjusting expenses	2,167,628	2,198,350
Property and equipment expenses not relating to underwriting expenses, and loss adjusting expenses	1,109,317	1,117,070
Tax expenses	6,851	5,972
Other operating expenses	1,636,973	1,281,600
Total	4,920,769	4,602,992

25. Expected credit loss

	For the three-month period ended	
	(Unaudited) 30 June 2024 Thousand Baht	(Unaudited) 30 June 2023 Thousand Baht
Investment in securities	(30,032)	111,000
Loans and accrued interest receivables	(8)	(21)
Total	(30,040)	110,979

	For the six-month period ended	
	(Unaudited) 30 June 2024 Thousand Baht	(Unaudited) 30 June 2023 Thousand Baht
Investment in securities	183,237	(19,035)
Loans and accrued interest receivables	(2,011)	(46)
Total	181,226	(19,081)

26. 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.

27. 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

	For the three-month period ended	
	(Unaudited) 30 June 2024 Thousand Baht	(Unaudited) 30 June 2023 Thousand Baht
<u>Head office</u>		
Other underwriting expenses	-	2,782
Operating expenses	609,365	503,391
Capitalised expenses	35,726	44,803
<u>Affiliated companies</u>		
Premiums ceded to reinsurers	4,257,788	3,015,053
Fee and commission income	136,372	114,416
Net investment income (expenses)	(298,043)	(361,359)
Other income	9,649	8,476
Benefits and claim paid recovered from reinsurers	2,494,502	2,274,339
Operating expenses	189,432	226,768
Capitalised expenses	-	540
Finance cost	1,232	1,386
	For the six-month period ended	
	(Unaudited) 30 June 2024 Thousand Baht	(Unaudited) 30 June 2023 Thousand Baht
<u>Head office</u>		
Other underwriting expenses	-	2,782
Operating expenses	1,066,966	900,677
Capitalised expenses	53,741	75,837
<u>Affiliated companies</u>		
Premiums ceded to reinsurers	8,013,735	5,808,122
Fee and commission income	238,791	201,468
Net investment income (expenses)	(715,794)	(760,392)
Other income	19,266	16,388
Benefits and claim paid recovered from reinsurers	5,430,269	4,407,444
Operating expenses	377,731	458,833
Capitalised expenses	-	540
Finance cost	2,496	2,802

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27. Related party transactions (Cont'd)

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

(b) Statement of financial position

	(Unaudited) 30 June 2024 Thousand Baht	(Audited) 31 December 2023 Thousand Baht
<u>Head office</u>		
Other assets	-	304
Profit remittances to Head Office	-	15,029,000
Other liabilities	200,355	332,465
<u>Affiliated companies</u>		
Reinsurance assets	2,208	2,073
Amount due from reinsurance	-	3,911
Investment in securities	12,381,583	3,192,092
Investment in associates	171,500	171,500
Other assets	949,897	961,407
Amount due to reinsurance	457,988	425,037
Other liabilities	414,826	488,467

27. Related party transactions (Cont'd)

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

(c) Key management compensations

Key management compensations are as follows:

	For the three-month period ended	
	(Unaudited) 30 June 2024 Thousand Baht	(Unaudited) 30 June 2023 Thousand Baht
Salary and other short-term employee benefits	46,955	47,586
Post-employment benefits	3,545	3,301
Share-based payment	9,035	9,046
Total	59,535	59,933

	For the six-month period ended	
	(Unaudited) 30 June 2024 Thousand Baht	(Unaudited) 30 June 2023 Thousand Baht
Salary and other short-term employee benefits	90,284	92,670
Post-employment benefits	6,936	6,406
Share-based payment	18,070	18,091
Total	115,290	117,167

28. Contingent liabilities and commitments

As at 30 June 2024, the Branch had contractual commitment from contracts for investment property projects with the amount at the maximum of Baht 3,695 million (31 December 2023: the amount at the maximum of Baht 3,958 million). Commitments arising from short-term leases and low-value leases are not material to the interim financial information.