



**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.....*Nikhil*.....

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

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

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

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



## Capital Adequacy

The Company monitors the solvency capital in compliance with the requirements from the OIC.

Thailand has implemented RBC regulation since September 2011. In December 2019 the RBC regulation was updated with the implementation of RBC II, which updates and enhances the capital standards to be more comprehensive.

The key metric used by the regulator is the Capital Adequacy Ratio ("CAR"), defined as Total Capital Available ("TCA") divided by Total Capital Required ("TCR"), which needs to remain above the supervisory CAR to maintain financial strength and avoid potential regulatory intervention.

The 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	
	2023	2022	2023	2022	2023	2022
Common Equity Tier 1 Ratio (%)	404	375	XXX	335	XXX	339
Tier 1 Ratio (%)	404	375	XXX	335	XXX	339
Capital Adequacy Ratio (%)	404	375	XXX	335	XXX	339
Total Capital Available	170,827	164,545	XXX	154,971	XXX	154,882
Total Capital Required	42,246	43,890	XXX	46,283	XXX	45,664

### 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)**

**31 MARCH 2023**



## AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Executive Committee of AIA Company Limited

I have reviewed the interim financial information of AIA Company Limited which comprises the statement of financial position as at 31 March 2023, and the related statements of comprehensive income, changes in Head Office's equity, and cash flows for the three-month period then ended, and the condensed notes to the interim financial information. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

### Scope of review

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

### Conclusion

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

PricewaterhouseCoopers ABAS Ltd.

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

AIA Company Limited  
Statement of Financial Position  
As at 31 March 2023

		(Unaudited) 31 March 2023 Baht	(Restated) 31 December 2022 Baht	(Restated) 1 January 2022 Baht
	Notes			
<b>Assets</b>				
Cash and cash equivalents	5	2,557,879,183	7,431,273,132	8,894,244,108
Premium receivables	6	8,116,268,169	7,774,756,450	8,006,129,402
Accrued income on investments		7,044,569,069	3,178,155,279	3,363,031,080
Reinsurance assets	7, 19, 26	406,581,800	390,965,816	269,898,332
Amount due from reinsurance	8	19,078,355	33,249,001	15,054,822
Deferred acquisition costs	9	78,477,750,438	76,770,760,344	72,634,249,539
Derivative assets	10	6,419,007,522	7,062,310,829	3,501,254,434
Invested assets				
Investment in securities	11, 26	772,323,871,828	770,831,133,005	807,579,863,909
Loans and accrued interest receivables	13	33,220,862,477	32,987,911,363	33,173,260,708
Investment property	14	25,747,407,250	25,630,392,373	22,205,592,406
Investment in associates	12, 26	171,500,000	171,500,000	171,500,000
Assets held to cover linked liabilities	15	68,553,938,158	66,299,307,981	59,961,552,414
Property, plant and equipment	16	1,352,768,973	1,387,427,454	1,835,898,348
Intangible assets	17	3,291,941,396	3,107,373,291	2,613,096,986
Other assets	18, 26	7,076,897,696	7,930,094,389	15,642,718,985
<b>Total assets</b>		<b>1,014,780,322,314</b>	<b>1,010,986,610,707</b>	<b>1,039,867,345,473</b>

Authorised signature \_\_\_\_\_

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 31 March 2023

		(Unaudited) 31 March 2023 Baht	(Restated) 31 December 2022 Baht	(Restated) 1 January 2022 Baht
	Notes			
<b>Liabilities and Head Office's Equity</b>				
<b>Liabilities</b>				
Insurance liabilities	19	742,687,729,802	746,817,304,195	741,636,080,630
Amount due to reinsurance	20, 26	800,160,058	625,826,320	565,397,059
Derivative liabilities	10	8,302,279,172	9,832,907,218	13,470,199,370
Income tax payable		1,568,549,157	798,456,880	1,910,566,593
Employee benefit liabilities		3,672,438,623	3,879,726,220	4,140,470,016
Deferred tax liabilities		26,227,992,196	23,519,321,019	30,053,904,887
Other liabilities	21, 26	22,031,856,356	30,021,302,369	31,850,967,598
<b>Total liabilities</b>		<b>805,291,005,364</b>	<b>815,494,844,201</b>	<b>823,627,586,153</b>
<b>Head Office's Equity</b>				
Remeasurements of investments measured at fair value through other comprehensive income, net of tax		35,436,419,380	25,650,652,850	60,746,878,145
Remeasurements of derivative instruments used in cash flow hedge, net of tax		1,752,058,028	1,616,241,795	(4,202,882,203)
Remeasurements of deferred cost of hedge, net of tax		(447,962,659)	(352,329,395)	(303,519,737)
Remeasurements of post-employment benefit obligations, net of tax		(1,271,256,784)	(1,271,256,784)	(1,367,710,190)
Gains on land and building revaluation, net of tax		1,432,367,278	1,432,367,278	1,373,930,729
Other reserve		132,428,487	115,902,803	128,311,298
Branch's retained earnings				
Unappropriated		172,455,263,220	168,300,187,959	159,864,751,278
<b>Total Head Office's Equity</b>		<b>209,489,316,950</b>	<b>195,491,766,506</b>	<b>216,239,759,320</b>
<b>Total liabilities and Head Office's Equity</b>		<b>1,014,780,322,314</b>	<b>1,010,986,610,707</b>	<b>1,039,867,345,473</b>

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 31 March 2023**

			(Restated)
		2023	2022
	Notes	Baht	Baht
<b>Revenues</b>			
Gross written premiums		33,463,576,843	32,646,393,094
<u>Less</u> premiums ceded to insurers	26	<u>(3,470,582,975)</u>	<u>(3,011,563,968)</u>
Net written premiums		29,992,993,868	29,634,829,126
<u>Less</u> net change in unearned premium reserve		<u>(394,480,951)</u>	<u>(463,226,892)</u>
Not earned premiums		29,598,512,917	29,171,602,234
Fee and commission income	26	188,684,606	159,274,504
Net investment income	26	6,590,480,530	6,706,680,119
Gains on investment	11	893,006,176	3,060,699,797
Fair value losses		(74,312,694)	(4,684,136)
Other income	26	<u>47,363,162</u>	<u>66,372,206</u>
Total revenues		<u>37,243,734,697</u>	<u>39,159,944,724</u>
<b>Expenses</b>			
Change in long-term technical reserves		(5,195,486,082)	4,636,097,125
Gross benefits and claim paid	22	30,969,669,996	21,475,310,253
<u>Less</u> benefits and claim paid recovered from reinsurers	26	<u>(2,628,535,697)</u>	<u>(2,089,799,245)</u>
Net benefits and claim paid		28,341,134,299	19,385,511,008
Commissions and brokerages		2,437,010,810	2,396,696,324
Other underwriting expenses		4,398,889,068	4,140,296,683
Operating expenses	23, 26	2,179,881,208	2,180,231,030
Finance cost	21, 26	4,581,636	9,954,251
(Reversal) expected credit loss	24	<u>(130,060,175)</u>	<u>93,012,392</u>
Total expenses		<u>32,035,950,764</u>	<u>32,841,798,813</u>
<b>Profit before income tax</b>		5,207,783,933	6,318,145,911
Income tax expenses	25	<u>1,052,708,672</u>	<u>1,264,788,424</u>
<b>Net profit</b>		<u>4,155,075,261</u>	<u>5,053,357,487</u>

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 31 March 2023

	2023	(Restated) 2022
	Baht	Baht
<b>Other comprehensive income (loss)</b>		
<u>Items that will be reclassified subsequently to profit or loss</u>		
Gains (losses) on remeasuring investments measured at fair value through other comprehensive income	13,022,641,548	(51,175,482,762)
Gains on remeasuring derivative instruments used in cash flow hedge	169,770,291	2,571,167,279
Losses on remeasuring deferred cost of hedge	(119,541,580)	(263,042,791)
Items in other comprehensive income transferred to profit or loss	(790,433,385)	(2,610,106,604)
Income tax relating to items that will be reclassified subsequently to profit or loss	(2,456,487,375)	10,295,492,975
Total items that will be reclassified subsequently to profit or loss	9,825,949,499	(41,181,971,903)
<b>Other comprehensive income (loss) for the period, net of tax</b>	9,825,949,499	(41,181,971,903)
<b>Total comprehensive income (loss) for the period</b>	13,981,024,760	(36,128,614,416)

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 three-month period ended 31 March 2023

	Remeasurements of investments measured at fair value through other comprehensive income, net of tax	Remeasurements of derivative instruments used in cash flow hedge, net of tax	Remeasurements of deferred cost of hedge, net of tax	Remeasurements of post-employment benefit obligations, net of tax	Gains on land and building revaluation, net of tax	Other reserve	Unappropriated Branch's retained earnings	Total Head Office's Equity
	Baht	Baht	Baht	Baht	Baht	Baht	Baht	Baht
<b>Beginning balance as at 1 January 2023</b>	28,104,192,137	1,616,241,795	(352,329,395)	(1,271,256,784)	1,432,367,278	115,902,803	165,545,103,028	195,190,220,862
Retrospective adjustments from change in accounting policy (Note 2.2)	(2,453,539,287)	-	-	-	-	-	2,755,084,931	301,545,644
<b>Beginning balance after adjustment</b>	25,650,652,850	1,616,241,795	(352,329,395)	(1,271,256,784)	1,432,367,278	115,902,803	168,300,187,959	195,491,766,506
Employee benefits on share-based payment	-	-	-	-	-	16,525,684	-	16,525,684
Net profit	-	-	-	-	-	-	4,155,075,261	4,155,075,261
Gains on remeasuring investments measured at fair value through other comprehensive income	10,418,113,238	-	-	-	-	-	-	10,418,113,238
Gains on remeasuring derivative instruments used in cash flow hedge	-	135,816,233	-	-	-	-	-	135,816,233
Losses on remeasuring deferred cost of hedge	-	-	(95,633,264)	-	-	-	-	(95,633,264)
Items in other comprehensive income transferred to profit or loss	(632,346,708)	-	-	-	-	-	-	(632,346,708)
<b>Ending balance as at 31 March 2023</b>	35,436,419,380	1,752,058,028	(447,962,659)	(1,271,256,784)	1,432,367,278	132,428,487	172,455,263,220	209,489,316,950
<b>Beginning balance as at 1 January 2022</b>	62,558,064,495	(4,202,882,203)	(303,519,737)	(1,367,710,190)	1,373,930,729	128,311,298	157,716,125,574	215,902,319,966
Retrospective adjustments from change in accounting policy (Note 2.2)	(1,811,186,350)	-	-	-	-	-	2,148,625,704	337,439,354
<b>Beginning balance after adjustment</b>	60,746,878,145	(4,202,882,203)	(303,519,737)	(1,367,710,190)	1,373,930,729	128,311,298	159,864,751,278	216,239,759,320
Employee benefits on share-based payment	-	-	-	-	-	21,829,556	-	21,829,556
Net profit	-	-	-	-	-	-	5,053,357,487	5,053,357,487
Losses on remeasuring investments measured at fair value through other comprehensive income	(40,940,386,210)	-	-	-	-	-	-	(40,940,386,210)
Gains on remeasuring derivative instruments used in cash flow hedge	-	2,056,933,823	-	-	-	-	-	2,056,933,823
Losses on remeasuring deferred cost of hedge	-	-	(210,434,233)	-	-	-	-	(210,434,233)
Items in other comprehensive income transferred to profit or loss	(2,088,085,283)	-	-	-	-	-	-	(2,088,085,283)
<b>Ending balance as at 31 March 2022</b>	17,718,406,652	(2,145,948,380)	(513,953,970)	(1,367,710,190)	1,373,930,729	150,140,854	164,918,108,765	180,132,974,460

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 three-month period ended 31 March 2023

		(Restated)
	2023	2022
	Baht	Baht
Notes		
<b>Cash flows provided by (used in) operating activities</b>		
Written premium received from direct insurance	34,006,377,237	35,031,702,781
Fee income	101,130,670	86,928,787
Cash paid for reinsurance	(630,991,084)	(983,554,139)
Interest income	3,070,746,614	3,370,629,479
Dividend income	71,678,637	15,737,981
Investment expenses	(712,921,126)	(717,988,192)
Cash received (paid) from settlement of derivatives	57,466,407	(749,746,700)
Rental income	255,286,216	259,983,754
Other income	72,525,016	65,987,500
Gross benefits and claim paid from direct insurance	(33,693,350,420)	(20,794,697,909)
Commissions and brokerages from direct insurance	(3,295,244,121)	(3,241,985,121)
Other underwriting expenses	(8,273,315,262)	(7,319,853,320)
Operating expenses	(2,897,440,925)	(3,210,816,594)
Income tax expense	(30,432,572)	(43,401,485)
Cash received from investment in securities	34,551,537,477	30,953,389,198
Cash paid for investment in securities	(24,967,736,914)	(29,193,162,657)
Cash paid for investment property	14 (117,014,877)	(508,156,510)
Cash received from loans repayment	1,351,831,538	1,491,170,602
Cash paid for loans drawdown	(1,718,538,827)	(1,454,798,333)
Cash received from assets held to cover linked liabilities	3,946,167,148	4,519,117,713
Cash paid for assets held to cover linked liabilities	(5,982,949,483)	(8,202,724,509)
Net cash used in operating activities	(4,835,188,651)	(626,237,674)
<b>Cash flows provided by (used in) investing activities</b>		
<u>Cash flows provided by:</u>		
Properties and equipment	261,265,141	3,965,088
Net cash provided by investing activities	261,265,141	3,965,088
<u>Cash flows used in:</u>		
Properties and equipment	16 (7,014,301)	(15,785,280)
Intangible assets	17 (254,051,258)	(147,568,970)
Net cash used in investing activities	(261,065,559)	(163,354,250)
Net cash provided by (used in) investing activities	199,582	(159,389,162)

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 three-month period ended 31 March 2023

	2023	(Restated) 2022
	Baht	Baht
<b>Cash flows used in financing activities</b>		
<u>Cash flows used in:</u>		
Finance cost	(720,740)	-
Lease liabilities	(37,684,140)	(84,208,011)
Net cash used in financing activities	(38,404,880)	(84,208,011)
Net cash used in financing activities	(38,404,880)	(84,208,011)
<b>Net decrease in cash and cash equivalents</b>	(4,873,393,949)	(869,834,847)
Cash and cash equivalents at beginning of period	7,431,273,132	8,894,244,108
<b>Cash and cash equivalents at end of period</b>	<u>2,557,879,183</u>	<u>8,024,409,261</u>

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 10 May 2023.

This interim financial information has been reviewed, not audited.

**2. Significant accounting policies**

**2.1 Basis of preparation**

The interim financial information has been prepared in accordance with Thai Accounting Standard 34 Interim Financial Reporting. The primary financial information (statement of financial position, statement of comprehensive income, statement of changes in Head Office's equity and cash flows) is presented in a format consistent with the annual financial statements complying with Thai Accounting Standard 1 Presentation of Financial Statements. In addition, the interim financial information presentation is based on the formats of 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 2022.

An English version of the interim financial information has been prepared from the interim financial information that is in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial information shall prevail.

Income taxes in the interim periods are accrued by using the expected income taxes in the interim period.

## 2. Significant accounting policies (Cont'd)

### 2.2 Accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2022. Since 2020, the Branch passes criteria of temporary exemption from TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures under TFRS 4 Insurance Contracts. The Branch is eligible to apply the 'financial instruments and disclosures for insurance companies' accounting guidance' ('the Accounting Guidance') as the Branch has not previously applied any version of TFRS 9 Financial Instruments and the Branch's activities are predominantly connected with insurance business. However, there are changes in accounting policy as follows:

- **Change in accounting policy restated with financial asset**, the branch has changed the accounting policy related to financial asset costing from weighted average to FIFO which is consistent and permitted under current financial reporting standards. The change in accounting policy has affected financial reporting as follows:
  - For statement of financial position as at 31 December 2022 and 1 January 2022, cash and cash equivalents increased by Baht 0.1 million and decreased by Baht 0.5 million respectively, investment in securities decreased by Baht 27 million and Baht 18 million respectively, deferred tax liabilities decreased by Baht 328 million and Baht 356 million respectively, remeasurements of investments measured at fair value through other comprehensive income, net of tax decreased by Baht 2,454 million and Baht 1,811 million respectively, and retained earnings increased by Baht 2,755 million and Baht 2,149 million respectively.
  - For statement of comprehensive income for the three-month period ended 31 March 2022, net investment income decreased by Baht 14 million, gains on investment increased by Baht 549 million, fair value losses decreased by Baht 12 million, income tax expenses increased by Baht 109 million, and net profit increased by Baht 437 million. For other comprehensive income (loss) for the three-month period ended 31 March 2022, losses on remeasuring investments measured at fair value through other comprehensive income increased by Baht 548 million, income tax relating to items that will be reclassified subsequently to profit or loss increased by Baht 110 million, and total comprehensive loss for the period increased by Baht 1 million.
  - For statement of cash flows for the three-month period ended 31 March 2022, cash flows provided by interest income increased by Baht 0.5 million, net decrease in cash and cash equivalents decreased by Baht 0.5 million, and cash and cash equivalents at end of period increased by Baht 0.01 million.

2. Significant accounting policies (Cont'd)

2.3 New and amended financial reporting standards

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

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

3. Estimates

The preparation of interim financial information requires management to make 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 2022.



#### 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 31 March 2023 and 31 December 2022.

	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
As at 31 March 2023 (Unaudited)				
Assets				
Derivative assets	34,296	6,384,712	-	6,419,008
Investment in securities				
Investments measured at fair value through profit or loss				
Mutual funds	772	-	-	772
Investments measured at fair value through other comprehensive income				
Debt securities	-	380,256,107	5,386,495	385,642,602
Equity securities	83,612,561	-	1,038,424	84,650,985
Investments designated at fair value through profit or loss				
Debt securities	-	-	497,161	497,161
Mutual funds	2,974,699	-	-	2,974,699
Investment property	-	-	25,747,407	25,747,407
Assets held to cover linked liabilities	68,553,938	-	-	68,553,938
Land and buildings	-	-	1,179,685	1,179,685
Total assets	155,176,266	386,640,819	33,849,172	575,666,257
Liabilities				
Derivative liabilities	-	8,302,279	-	8,302,279
Total liabilities	-	8,302,279	-	8,302,279
As at 31 December 2022 (Audited)				
Assets				
Derivative assets	27,384	7,034,927	-	7,062,311
Investment in securities				
Investments measured at fair value through profit or loss				
Mutual funds	520	-	-	520
Investments measured at fair value through other comprehensive income				
Debt securities	-	378,394,870	4,187,749	382,582,619
Equity securities	85,978,224	-	1,038,424	87,016,648
Investments designated at fair value through profit or loss				
Debt securities	-	-	510,665	510,665
Mutual funds	3,012,009	-	-	3,012,009
Investment property	-	-	25,630,392	25,630,392
Assets held to cover linked liabilities	66,299,308	-	-	66,299,308
Land and buildings	-	-	1,196,000	1,196,000
Total assets	155,317,445	385,429,797	32,563,230	573,310,472
Liabilities				
Derivative liabilities	-	9,832,907	-	9,832,907
Total liabilities	-	9,832,907	-	9,832,907

In 2023 and 2022, the Branch has transferred fair value level of financial instrument from Level 2 into Level 3 during the period/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 31 March 2023 and for the year ended 31 December 2022.

	(Unaudited) Investments measured at fair value through other comprehensive income 31 March 2023 Thousand Baht	(Audited) Investments measured at fair value through other comprehensive income 31 December 2022 Thousand Baht
Beginning balance as at 1 January	5,736,838	5,134,784
<u>Add</u> Addition		
- Book value	-	528,973
<u>Add</u> Transfer into Level 3		
- Book value	1,246,289	1,086,091
- Unrealised losses recognised in other comprehensive income	(17,978)	(29,436)
<u>Less</u> Disposal		
- Book value	-	(312,944)
- Gains recognised in profit or loss	-	87,491
Net carrying value	6,965,149	6,494,959
Losses on remeasuring investments measured at fair value through other comprehensive income	(29,565)	(739,813)
Losses on remeasuring investments measured at fair value through profit or loss	(13,504)	(18,308)
Closing balance at the end of period/year	6,922,080	5,736,838

Key unobservable input is expected selling price. The change in expected selling price by 10% will impact the fair value of these instruments by 10%.

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) 31 March 2023 Thousand Baht	(Restated) 31 December 2022 Thousand Baht
Cash on hand	3,961	4,224
Deposits with banks and financial institutions without fixed maturity date	1,274,918	4,080,932
Short-term investments	1,279,000	3,346,117
Total cash and cash equivalents	2,557,879	7,431,273

#### 6. Premium receivables

The balances of premium receivables are aged as follows:

	From direct insurance	
	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
Current	7,355,408	6,745,476
Overdue		
Not over 30 days	737,360	1,001,985
31 - 60 days	8,277	13,403
61 - 90 days	6,024	4,801
Over 90 days	9,199	9,091
Total premium receivables	8,116,268	7,774,756

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

**7. Reinsurance assets**

The details of reinsurance assets are as follows:

	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
Claim incurred but not reported	324,913	309,842
Unearned premium reserve	77,683	77,305
Others (Note 26 (b))	3,986	3,819
Total reinsurance assets	<u>406,582</u>	<u>390,966</u>

**8. Amount due from reinsurance**

The details of amount due from reinsurance are as follows:

	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
Due from reinsurance	19,078	33,249
Total amount due from reinsurance	<u>19,078</u>	<u>33,249</u>

**9. Deferred acquisition costs**

The movements details are below:

	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
Beginning balance for the period/year	76,770,760	72,634,250
Deferral of acquisition costs	5,344,860	18,843,104
Amortisation of acquisition costs	(3,637,870)	(14,706,594)
Closing balance at the end of period/year	<u>78,477,750</u>	<u>76,770,760</u>

10. Derivative assets and liabilities

		(Unaudited) 31 March 2023 Fair value	
		Assets Thousand Baht	Liabilities Thousand Baht
Held for hedge derivatives			
- Applied hedge accounting		4,931,672	6,675,035
- Not applied hedge accounting		1,487,336	1,627,244
Total derivatives		6,419,008	8,302,279
		(Audited) 31 December 2022 Fair value	
		Assets Thousand Baht	Liabilities Thousand Baht
Held for hedge derivatives			
- Applied hedge accounting		5,530,466	8,031,195
- Not applied hedge accounting		1,531,845	1,801,712
Total derivatives		7,062,311	9,832,907



AIA Company Limited  
Condensed Notes to the Interim Financial Information (Unaudited)  
For the interim period ended 31 March 2023

10. Derivative assets and liabilities (Cont'd)

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

Type of contract	Purpose	Number of contracts	31 March 2023 (Unaudited)		Face value		Fair value		Fair value gains on derivatives	
			Assets Thousand Baht	Liabilities Thousand Baht	Assets Thousand Baht	Liabilities Thousand Baht	Assets Thousand Baht	Liabilities Thousand Baht	Thousand Baht	Thousand Baht
Cross currency swap and forward contracts	Closing financial position of investment in foreign currency	149	8,388,246	49,154,321	356,191	4,419,190			557,557	
Interest rate swap contracts	Closing position of floating interest rate	210	-	-	4,575,481	2,255,845			199,809	
Total		359	8,388,246	49,154,321	4,931,672	6,675,035			757,366	
Type of contract	Purpose	Number of contracts	31 December 2022 (Audited)		Face value		Fair value		Fair value gains on derivatives	
			Assets Thousand Baht	Liabilities Thousand Baht	Assets Thousand Baht	Liabilities Thousand Baht	Assets Thousand Baht	Liabilities Thousand Baht	Thousand Baht	Thousand Baht
Cross currency swap and forward contracts	Closing financial position of investment in foreign currency	159	7,742,801	53,477,609	309,394	4,929,950			1,611,167	
Interest rate swap contracts	Closing position of floating interest rate	220	-	-	5,221,072	3,101,245			5,160,315	
Total		379	7,742,801	53,477,609	5,530,466	8,031,195			6,771,482	

AIA Company Limited  
Condensed Notes to the Interim Financial Information (Unaudited)  
For the interim period ended 31 March 2023

10. Derivative assets and liabilities (Cont'd)

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

31 March 2023 (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	
Gross currency swap and forward contracts	Closing financial position of investment in foreign currency	56	6,606,730	8,452,177	229,887	794,703	(69,211)
Interest rate swap contracts	Closing position of floating interest rate	36	-	-	1,223,153	832,541	192,258
Warrants		-	-	-	34,296	-	6,912
Total		92	6,606,730	8,452,177	1,487,336	1,627,244	129,959
31 December 2022 (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	
Gross currency swap and forward contracts	Closing financial position of investment in foreign currency	46	5,876,793	8,063,377	335,880	831,485	(51,971)
Interest rate swap contracts	Closing position of floating interest rate	28	-	-	1,168,581	970,227	479,847
Warrants		-	-	-	27,384	-	(1,009)
Total		74	5,876,793	8,063,377	1,531,845	1,801,712	426,867

**10. Derivative assets and liabilities (Cont'd)**

**Effect of Inter-bank offered rate (IBOR) reform**

Interest rate benchmark reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 4, and accounting guidance, financial instruments and disclosures for insurance business to address the implications on financial reporting when an existing interest rate benchmark is replaced with an alternative benchmark interest rate. These amendments have no material impact to the Branch.

The branch currently holds a number of financial instrument contracts which reference USD London Interbank Offered Rate (LIBOR) and Thai Baht Interest Rate Fixing (THBFIX) and have not yet transitioned to replacement benchmark interest rates.

The Branch monitors the exposure to instruments subject to such reform and is in the process of implementing changes to systems, processes, risk management procedures and valuation models that may arise as a consequence of the reform. Such reform has no impact on the Branch's risk management strategy. Risks arising from instruments that are subject to such transition are not considered significant.

While the impact of IBOR reform on profit or loss and other comprehensive income is not considered significant to the Branch, the carrying values as at 31 December 2022 had yet to transition to a replacement benchmark interest rate were that value of non-derivative financial assets with USD LIBOR of Baht 3,131 million, net derivative financial assets with USD LIBOR of Baht 4,877 million and net derivative financial liabilities with THBFIX of Baht 7,921 million.

Transition risks mainly relate to the potential impact of rate differences if hedged items and hedging instruments do not transition to the new benchmark interest rate at the same time and/or the rates move by different amounts. This could result in hedge ineffectiveness and a net cash expense for the Branch. The Branch is in process to complete the transition.

**Hedge accounting**

**Hedge relationships**

The Phase 1 amendments provided temporary relief from applying specific hedge accounting requirements to hedging relationships directly affected by the IBOR reform. The reliefs had the effect that IBOR reform should not generally cause hedge accounting to terminate prior to contracts being amended. However, any hedge ineffectiveness continued to be recorded in profit or loss. Furthermore, the amendments set out triggers for when the reliefs would end, which included the uncertainty arising from interest rate benchmark reform no longer being present. Phase 2 amendments provided relief measures for issues that could affect financial reporting during the reform, including changes to contractual cash flows or hedging relationships arising from the replacement of one benchmark with an alternative benchmark.

**Interest rate risk on variable-rate hedged items (cash flow hedge)**

The Branch has applied Phase 1 relief to the hedging relationship.

As at 31 March 2023, the details of hedging instruments which have not transitioned to an alternative interest rate benchmark have not significantly changed during the period.

As at 31 December 2022, the details of hedging instruments used in the Branch's hedging strategies referencing USD LIBOR and THBFIX, which have not transitioned to an alternative interest rate benchmark yet are as follows:

10. Derivative assets and liabilities (Cont'd)

Hedge accounting (Cont'd)

Interest rate risk on variable-rate hedged items (cash flow hedge) (Cont'd)

- Cross currency swap contracts have notional value of Baht 59,027 million and the carrying amount of assets and liabilities are Baht 144 million and Baht 4,881 million respectively. Cross currency swap contracts which have notional value of Baht 59,027 million will be partially matured for the amount of Baht 4,593 million before anticipated IBOR replacement. Thus, notional amount directly impacted by IBOR reform would be Baht 54,434 million.
- For interest rate swap contracts, the carrying amount of assets and liabilities are Baht 5,221 million and Baht 3,101 million respectively.
- During 2022, fair value losses on derivatives for cross currency swap contracts are Baht 213 million and fair value gains on derivatives for interest rate swap contracts are Baht 4,412 million, respectively.

For the period ended 31 March 2023, the Branch adopted the following hedge accounting relief provided under Phase 2 of the amendments:

- i) **Hedge designation:** When Phase 1 amendments cease to apply, the Branch amends its hedge designation to reflect changes required by the IBOR reform. The following changes are made:
  - a) Designating an alternative benchmark rate (contractually or non-contractually specified) as a hedged risk
  - b) Amending the hedged item's description, including the description of the designated portion of the cash flows or fair value being hedged; or
  - c) Amending the description of the hedging instrument.

The Branch updates its hedge documentation by the end of the reporting period in which changes are made. These amendments do not require hedge relationships to be discontinued.
- ii) **Amounts accumulated in the cash flow hedge reserve:** When the Branch amends its hedge designation, the accumulated outstanding amount in the cash flow hedge reserve is deemed to be based on the alternative benchmark rate. As for discontinued hedging relationships, when the interest rate benchmark changed as required by IBOR reform, the amount accumulated in the cash flow hedge reserve is also deemed to be based on the alternative benchmark rate.

## 11. Investment in securities

The details of investment in securities are as follows:

	(Unaudited) 31 March 2023		(Restated) 31 December 2022	
	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	837	772	582	520
Total	837	772	582	520
<u>Less</u> Unrealised losses	(65)	-	(62)	-
Total investments measured at fair value through profit or loss	772	772	520	520
<u>Investments measured at fair value through other comprehensive income</u>				
Government and state enterprise securities	253,126,683	262,686,582	264,395,887	259,900,484
Private enterprise debt securities	53,452,856	52,420,618	54,065,727	52,669,985
Foreign debt securities	78,905,454	70,535,402	79,812,525	70,012,150
Equity securities	66,448,479	84,650,985	62,450,782	87,016,648
Total	451,933,472	470,293,587	460,724,921	469,599,267
<u>Add</u> Unrealised gains	18,449,956	-	8,985,203	-
<u>Less</u> Provision for impairment on equity securities	(89,841)	-	(110,857)	-
Total investments measured at fair value through other comprehensive income	470,293,587	470,293,587	469,599,267	469,599,267
<u>Investment measured at amortised cost</u>				
Government and state enterprise securities	298,557,653	287,974,290	297,708,672	253,705,620
Total investment measured at amortised cost	298,557,653	287,974,290	297,708,672	253,705,620
<u>Investment designated at fair value through profit or loss</u>				
Foreign debt securities	529,715	497,161	528,973	510,665
Mutual funds	3,092,679	2,974,699	3,266,390	3,012,009
Total	3,622,394	3,471,860	3,795,363	3,522,674
<u>Less</u> Unrealised losses	(150,534)	-	(272,689)	-
Total investment designated at fair value through profit or loss	3,471,860	3,471,860	3,522,674	3,522,674
Total investment in securities	772,323,872	761,740,509	770,831,133	726,828,081



# 11. Investment in securities (Cont'd)

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

	(Unaudited) 31 March 2023 Thousand Baht	(Restated) 31 March 2022 Thousand Baht
Interest income and dividend income from investments	6,532,779	6,689,245
Consideration received from selling investments	32,029,897	24,163,676
Gains from selling Investments	893,006	3,060,700

As at 31 March 2023, 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 219,561 million (31 December 2022: Baht 192,240 million).

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

	(Unaudited) 31 March 2023	
	Fair value Thousand Baht	Expected credit loss recognised in other comprehensive income Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	384,137,029	288,166
Investment in debt securities which credit risk has significantly increased (Stage 2)	1,411,914	51,445
Credit-impaired investments in debt securities (Stage 3)	93,659	164,464
Total	385,642,602	504,075

	(Audited) 31 December 2022	
	Fair value Thousand Baht	Expected credit loss recognised in other comprehensive income Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	380,757,088	294,110
Investment in debt securities which credit risk has significantly increased (Stage 2)	1,736,802	174,661
Credit-impaired investments in debt securities (Stage 3)	88,729	165,339
Total	382,582,619	634,110



11. Investment in securities (Cont'd)

11.2 Debt securities that are measured at amortised cost

(Unaudited) 31 March 2023			
	Gross carrying value Thousand Baht	Expected credit loss Thousand Baht	Carrying value Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	298,557,753	100	298,557,653
Total	298,557,753	100	298,557,653

  

(Restated) 31 December 2022			
	Gross carrying value Thousand Baht	Expected credit loss Thousand Baht	Carrying value Thousand Baht
Investments in debt securities which credit risk has not significantly increased (Stage 1)	297,708,772	100	297,708,672
Total	297,708,772	100	297,708,672

12. Investment in associates

The Branch has interests in an immaterial associate.

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

Associates	Type of business	Ownership interest		Cost method	
		(Unaudited) 31 March 2023 %	(Audited) 31 December 2022 %	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 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) 31 March 2023		(Audited) 31 December 2022	
	Principal Thousand Baht	Accrued interest Thousand Baht	Principal Thousand Baht	Accrued interest Thousand Baht
<u>Policy loans</u>				
Outstanding period				
Current	32,227,448	958,454	32,054,585	895,939
Overdue				
Less than 3 months	-	-	-	-
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
More than 12 months	-	-	-	-
Policy loans, net	32,227,448	958,454	32,054,585	895,939
<u>Mortgage loans</u>				
Loans which credit risk has not significantly increased (Stage 1)	21,501	122	20,539	111
Loans which credit risk has significantly increased (Stage 2)	-	-	1,545	-
Credit-impaired loans (Stage 3)	20,418	-	22,298	-
Total	41,919	122	44,382	111
<u>Less</u> expected credit loss	(7,081)	-	(7,106)	-
Mortgage loans, net	34,838	122	37,276	111
Loans and accrued interest receivables	32,262,286	958,576	32,091,861	896,050

AIA Company Limited  
Condensed Notes to the Interim Financial Information (Unaudited)  
For the interim period ended 31 March 2023

14. Investment property

	31 March 2023 (Unaudited)					
	Cost/Fair value		For the period		Ending balance	
	Beginning balance 1 January Thousand Baht	Additions from acquisition and capitalised subsequent expenditures Thousand Baht	Write-off Thousand Baht	Transfer Thousand Baht	Fair value gains Thousand Baht	31 March 2023 Thousand Baht
Land	15,072,700	-	-	-	-	15,072,700
Buildings and improvements	10,557,692	117,015	-	-	-	10,674,707
Total	25,630,392	117,015	-	-	-	25,747,407

	31 December 2022 (Audited)					
	Cost/Fair value		For the year		Ending balance	
	Beginning balance 1 January 2022 Thousand Baht	Additions from acquisition and capitalised subsequent expenditures Thousand Baht	Write-off Thousand Baht	Transfer Thousand Baht	Fair value gains (losses) Thousand Baht	31 December 2022 Thousand Baht
Land	13,250,693	-	-	-	1,822,007	15,072,700
Buildings and improvements	8,954,899	2,289,175	(374)	-	(686,008)	10,557,692
Total	22,205,592	2,289,175	(374)	-	1,135,999	25,630,392

In 2022, 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 period ended 31 March 2023, the investment property generated rental income amounting to Baht 251 million (31 March 2022: Baht 247 million) and its direct operating expenses (including repair and maintenance) arise from investment property that generated rental income amounting to Baht 70 million (31 March 2022: Baht 49 million).

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) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
<b>Maturing</b>		
Within 1 year	762,557	775,853
Between 1 to 2 years	448,177	505,613
Between 2 to 3 years	166,463	152,123
Between 3 to 4 years	47,544	40,228
Between 4 to 5 years	39,994	39,280
Later than 5 years	211,037	221,036
Total	<u>1,675,772</u>	<u>1,734,133</u>

15. Assets held to cover linked liabilities

	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
Investment in mutual funds that are measured at fair value through profit or loss	<u>68,553,938</u>	<u>66,299,308</u>
Total	<u>68,553,938</u>	<u>66,299,308</u>

AIA Company Limited  
Condensed Notes to the Interim Financial Information (Unaudited)  
For the interim period ended 31 March 2023

16. Property, plant and equipment

	31 March 2023 (Unaudited)																
	Cost/Revaluation						Accumulated depreciation						Accumulated impairment				
	For the period						For the period						For the period				
	Beginning balance 1 January 2023 Thousand Baht	Addition Thousand Baht	Write-off Thousand Baht	Disposal Thousand Baht	Transfer Thousand Baht	Gain on revaluation Thousand Baht	Ending balance 31 March 2023 Thousand Baht	Beginning balance 1 January 2023 Thousand Baht	Depreciation charge Thousand Baht	Write-off Thousand Baht	Disposal Thousand Baht	Revaluation adjustment Thousand Baht	Ending Balance 31 March 2023 Thousand Baht	Beginning balance 1 January 2023 Thousand Baht	For the period (Reversal of) impairment loss Thousand Baht	Ending Balance 31 March 2023 Thousand Baht	Property, plant and equipment Thousand Baht
Land	463,000	-	-	-	-	-	463,000	-	-	-	-	-	-	-	-	-	463,000
Buildings and improvements	733,000	-	-	-	-	-	733,000	-	16,315	-	-	-	16,315	-	-	-	716,685
Furniture, fixtures and equipment	2,220,814	2,167	(635,028)	(36,514)	1,980	-	1,553,419	1,808,914	12,902	(375,291)	(34,110)	-	1,412,415	302,875	(261,233)	41,642	99,362
Computer hardware	1,054,513	4,201	(1,040)	-	-	-	1,057,674	990,918	10,456	(1,041)	-	-	1,000,333	-	-	-	57,341
Motor vehicles	34,924	-	-	-	-	-	34,924	27,082	1,092	-	-	-	28,174	-	-	-	6,750
Construction in progress	10,965	646	-	-	(1,980)	-	9,631	-	-	-	-	-	-	-	-	-	9,631
Total	4,517,216	7,014	(636,068)	(36,514)	-	-	3,851,648	2,826,914	40,765	(376,332)	(34,110)	-	2,457,237	302,875	(261,233)	41,642	1,352,769

AIA Company Limited  
Condensed Notes to the Interim Financial Information (Unaudited)  
For the interim period ended 31 March 2023

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

	31 December 2022 (Audited)														
	Cost/Revaluation						Accumulated depreciation						Accumulated impairment		
	For the year						For the year						Beginning balance	For the year	Ending balance
	Beginning balance 1 January 2022 Thousand Baht	Addition Thousand Baht	Write-off Thousand Baht	Disposal Thousand Baht	Transfer Thousand Baht	Gain on revaluation Thousand Baht	Ending balance 31 December 2022 Thousand Baht	Beginning balance 1 January 2022 Thousand Baht	Depreciation charge Thousand Baht	Write-off Thousand Baht	Disposal Thousand Baht	Revaluation adjustment Thousand Baht	Ending balance 31 December 2022 Thousand Baht	Impairment loss Thousand Baht	Ending balance 31 December 2022 Thousand Baht
Land	462,000	-	-	-	-	1,000	463,000	-	-	-	-	-	-	-	463,000
Buildings and improvements	733,000	-	-	-	-	-	733,000	-	58,959	-	-	58,959	-	-	733,000
Furniture, fixtures and equipment	2,309,990	13,189	(11,158)	(116,940)	25,733	-	2,220,814	1,752,626	129,143	(11,199)	(61,656)	-	1,808,914	302,875	109,025
Computer hardware	1,024,100	45,391	(1,100)	(13,878)	-	-	1,054,513	965,444	40,439	(1,100)	(13,865)	-	990,918	-	63,595
Motor vehicles	43,052	-	-	(8,128)	-	-	34,924	28,719	4,367	-	(6,004)	-	27,082	-	7,842
Construction in progress	10,545	26,153	-	-	(25,733)	-	10,965	-	-	-	-	-	-	-	10,965
Total	4,582,687	84,733	(12,258)	(138,946)	-	1,000	4,517,216	2,746,789	232,908	(12,299)	(81,525)	58,959	2,826,914	302,875	1,387,427

In 2022, 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 31 March 2023, the carrying value would be Baht 53 million and Baht 53 million, respectively (31 December 2022: Baht 53 million and Baht 54 million, respectively).



AIA Company Limited  
Condensed Notes to the Interim Financial Information (Unaudited)  
For the interim period ended 31 March 2023

17. Intangible assets

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

		31 March 2023 (Unaudited)									
		Cost				Accumulated amortisation					
	Beginning balance 1 January 2023 Thousand Baht	For the period		Ending balance 31 March 2023 Thousand Baht	Beginning balance 1 January 2023 Thousand Baht	For the period		Ending balance 31 March 2023 Thousand Baht	Intangible assets Thousand Baht		
		Addition Thousand Baht	Write-off Thousand Baht			Transfer Thousand Baht	Amortisation charge Thousand Baht				
Computer software	3,385,564	120,498	-	3,506,062	1,573,962	-	53,297	1,637,259	1,868,803		
Others	368,964	-	-	368,964	73,929	-	6,186	80,115	288,849		
Work in progress	1,000,736	133,553	-	1,134,289	-	-	-	-	1,134,289		
Total	4,755,264	254,051	-	5,009,315	1,647,891	-	59,483	1,717,374	3,291,941		

  

		31 December 2022 (Audited)									
		Cost				Accumulated amortisation					
	Beginning balance 1 January 2022 Thousand Baht	For the year		Ending balance 31 December 2022 Thousand Baht	Beginning balance 1 January 2022 Thousand Baht	For the year		Ending balance 31 December 2022 Thousand Baht	Intangible assets Thousand Baht		
		Addition Thousand Baht	Write-off Thousand Baht			Transfer Thousand Baht	Amortisation charge Thousand Baht				
Computer software	1,898,995	11,474	(17,399)	3,385,564	1,349,534	1,492,494	241,790	1,573,962	1,811,602		
Others	368,964	-	-	368,964	49,186	-	24,743	73,929	295,035		
Work in progress	1,743,858	749,372	-	1,000,736	-	(1,492,494)	-	-	1,000,736		
Total	4,011,817	760,846	(17,399)	4,755,264	1,398,720	-	266,533	1,647,891	3,107,373		

18. Other assets

	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
Deposits (Note 26 (b))	99,851	139,026
Amounts due from a related party (Note 26 (b))	88,644	129,116
Receivables from sale of investments	1,341,856	540,474
Cash collateral from derivative contract	4,214,852	5,754,713
Right-of-use assets (Note 26 (b))	1,130,542	1,084,565
Others (Note 26 (b))	201,153	282,200
Total	<u>7,076,898</u>	<u>7,930,094</u>

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

AIA Company Limited  
Condensed Notes to the Interim Financial Information (Unaudited)  
For the interim period ended 31 March 2023

18. Other assets (Cont'd)

18.1 Right-of-use assets

31 March 2023 (Unaudited)													
Cost				Accumulated amortisation				Accumulated impairment					
For the period				For the period				For the period					
Beginning balance 1 January 2023 Thousand Baht	Addition Thousand Baht	Change in contract Thousand Baht	Loss on revaluation Thousand Baht	Ending balance 31 March 2023 Thousand Baht	Beginning balance 1 January 2023 Thousand Baht	Amortisation charge Thousand Baht	Change in contract Thousand Baht	Revaluation adjustment Thousand Baht	Temporary measures to relieve the impact from COVID - 19 Thousand Baht	Ending balance 31 March 2023 Thousand Baht	Beginning balance 1 January 2023 Thousand Baht	Impairment loss Thousand Baht	Ending balance 31 March 2023 Thousand Baht
728,000	-	-	-	728,000	-	4,887	-	-	-	4,887	-	-	723,113
758,525	143,141	(136,806)	-	764,860	336,410	24,247	(68,776)	-	-	291,881	65,550	-	407,429
1,486,525	143,141	(136,806)	-	1,492,860	336,410	29,134	(68,776)	-	-	296,768	65,550	-	1,130,542
Total													
31 December 2022 (Audited)													
Cost				Accumulated amortisation				Accumulated impairment					
For the year				For the year				For the year					
Beginning balance 1 January 2022 Thousand Baht	Addition Thousand Baht	Change in contract Thousand Baht	Loss on revaluation Thousand Baht	Ending balance 31 December 2022 Thousand Baht	Beginning balance 1 January 2022 Thousand Baht	Amortisation charge Thousand Baht	Change in contract Thousand Baht	Revaluation adjustment Thousand Baht	Temporary measures to relieve the impact from COVID - 19 Thousand Baht	Ending balance 31 December 2022 Thousand Baht	Beginning balance 1 January 2022 Thousand Baht	Impairment loss Thousand Baht	Ending balance 31 December 2022 Thousand Baht
734,000	-	-	(6,000)	728,000	-	19,086	-	(19,086)	-	-	-	-	728,000
2,173,876	42,874	(1,458,225)	-	758,525	665,135	313,372	(642,384)	-	287	336,410	-	65,550	356,565
2,907,876	42,874	(1,458,225)	(6,000)	1,486,525	665,135	332,458	(642,384)	(19,086)	287	336,410	-	65,550	1,084,565
Total													

The related lease liabilities are disclosed in Note 21.1.

For the three-month period ended 31 March 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  
Condensed Notes to the Interim Financial Information (Unaudited)  
For the interim period ended 31 March 2023

19. Insurance liabilities

	31 March 2023 (Unaudited)			31 December 2022 (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	552,925,289	-	552,925,289	558,120,775	-	558,120,775
Claim liability						
- Reported claim	2,134,103	(3,986)	2,130,117	2,007,241	(3,819)	2,003,422
- Claim incurred but not reported	778,864	(324,913)	453,951	770,381	(309,842)	460,539
Premium liability						
- Unearned premium reserve	21,399,014	(77,683)	21,321,331	21,004,533	(77,305)	20,927,228
Unpaid policy benefits	619,137	-	619,137	741,993	-	741,993
Due to insured	164,831,323	-	164,831,323	164,172,381	-	164,172,381
Total	742,687,730	(406,582)	742,281,148	746,817,304	(390,966)	746,426,338

**19. Insurance liabilities (Cont'd)**

**19.1 Long-term technical reserves**

The movement details are below:

	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
Beginning balance for the period/year	558,120,775	563,981,057
Policy reserve movement for new policies and inforce policies during the period/year	15,466,530	66,913,621
Net movement in benefits payable to life policyholders for death, maturities, surrenders, other policyholders benefits and claims	(20,353,041)	(69,065,279)
Others	(308,975)	(3,708,624)
Closing balance at the end of period/year	<u>552,925,289</u>	<u>558,120,775</u>

**19.2 Short-term technical reserves**

**19.2.1 Claim liability**

The movement details are below:

	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
Beginning balance for the period/year	2,777,622	1,919,551
Insurance claims and loss adjustment expenses incurred during the period/year	6,919,258	28,096,737
Changes in claim reserve from change in assumption during the period/year	8,483	190,640
Insurance claims and loss adjustment expenses paid during the period/year	(6,792,396)	(27,429,306)
Closing balance at the end of period/year	<u>2,912,967</u>	<u>2,777,622</u>

**19.2.2 Unearned premium reserve**

	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
Beginning balance for the period/year	21,004,533	18,493,978
Premium written for the period/year	11,971,861	47,242,343
Premium earned in the period/year	(11,577,380)	(44,731,788)
Closing balance at the end of period/year	<u>21,399,014</u>	<u>21,004,533</u>

**19. Insurance liabilities (Cont'd)**

**19.3 Unpaid policy benefits**

The details are as below:

	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
Death benefits	619,137	741,993
Total	619,137	741,993

**19.4 Due to insured**

The details of due to insured are presented below:

	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
Deposits from insurance contracts	86,296,230	87,831,427
Account value of universal life insurance contracts	9,981,155	10,041,646
Account value of unit linked insurance contracts	68,553,938	66,299,308
Total	164,831,323	164,172,381

**20. Amount due to reinsurance**

	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
Fund reserve	13,790	13,595
Outward premium payables and other (Note 26 (b))	786,370	612,231
Total amount due to reinsurance	800,160	625,826



## 21. Other liabilities

	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
Accrued expenses	9,214,634	8,948,670
Payable for purchase of investments	608,462	2,607,674
Unpresented cheques payable	325,546	2,294,563
Expired cheques payable	2,843,531	2,771,827
Due commissions and expenses	776,505	751,404
Payable to related parties (Note 26 (b))	396,456	755,252
Agents payable	2,223,265	5,649,635
Cash collateral from derivative contracts	2,554,231	2,483,324
Other accounts payable	619,655	706,484
Lease liabilities (Note 26 (b))	461,295	422,451
Others (Note 26 (b))	2,008,276	2,630,018
Total	<u>22,031,856</u>	<u>30,021,302</u>

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

### 21.1 Lease liabilities

The maturity analysis of lease liabilities is aged as follows:

	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
<b>Maturing</b>		
Within 1 year	89,249	91,927
Between 1 to 5 years	281,721	258,299
Later than 5 years	90,325	72,225
Total	<u>461,295</u>	<u>422,451</u>
Including: - Principal	566,033	516,529
- Interest	(104,738)	(94,078)

For the three-month period ended 31 March 2023, interest expense on lease liabilities amounted to Baht 3.9 million (31 March 2022: Baht 10.0 million), is recorded as "Finance cost" in the statement of comprehensive income.

**22. Gross benefits and claim paid**

	(Unaudited) 31 March 2023 Thousand Baht	(Unaudited) 31 March 2022 Thousand Baht
Insurance contract benefits	30,969,670	21,475,310
Total	30,969,670	21,475,310

**23. Operating expenses**

	(Unaudited) 31 March 2023 Thousand Baht	(Unaudited) 31 March 2022 Thousand Baht
Employee expenses not relating to underwriting expenses, and loss adjusting expenses	1,118,002	983,406
Property and equipment expenses not relating to underwriting expenses, and loss adjusting expenses	572,753	651,934
Tax expenses	2,941	3,765
Other operating expenses	486,185	541,126
Total	2,179,881	2,180,231

**24. Expected credit loss**

	(Unaudited) 31 March 2023 Thousand Baht	(Unaudited) 31 March 2022 Thousand Baht
Investment in securities	(130,035)	94,993
Loans and accrued interest receivables	(25)	(1,981)
Total	(130,060)	93,012

**25. 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.

## 26. 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) 31 March 2023 Thousand Baht	(Unaudited) 31 March 2022 Thousand Baht
<b><u>Head office</u></b>		
Operating expenses	397,286	358,547
Capitalised expenses	31,034	58,800
<b><u>Affiliated companies</u></b>		
Premiums ceded to reinsurers	2,793,069	2,367,545
Fee and commission income	87,052	73,330
Net investment income (expenses)	(399,033)	(418,693)
Other income	7,912	11,289
Benefits and claim paid recovered from reinsurers	2,133,105	1,489,451
Operating expenses	232,065	260,020
Capitalised expenses	-	5,351
Finance cost	1,416	4,211

### (b) Statement of financial position

	(Unaudited) 31 March 2023 Thousand Baht	(Audited) 31 December 2022 Thousand Baht
<b><u>Head office</u></b>		
Profit remittances to Head Office	-	6,471,000
Other liabilities	184,980	522,595
<b><u>Affiliated companies</u></b>		
Reinsurance assets	2,041	2,125
Investment in securities	2,763,608	2,759,324
Investment in associates	171,500	171,500
Other assets	960,483	1,010,471
Amount due to reinsurance	210,632	189,008
Other liabilities	384,120	390,047

**26. 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:

	(Unaudited) 31 March 2023 Thousand Baht	(Unaudited) 31 March 2022 Thousand Baht
Salary and other short-term employee benefits	45,083	37,662
Post-employment benefits	3,105	2,473
Share-based payment	9,046	7,501
Total	57,234	47,636

**27. Contingent liabilities and commitments**

As at 31 March 2023, the Branch had contractual commitment from contracts for investment property projects with the amount at the maximum of Baht 254 million (31 December 2022: the amount at the maximum of Baht 189 million). Commitments arising from short-term leases and low-value leases are not material to the interim financial information.