

Disclosure Form (Attached to the OIC Commissioner Order No.47/2561)

Information Disclosure of Life Insurance Companies B.E. 2561

Part 1: To certify correctness of disclosure

The Company has reviewed the information disclosure with caution and certifies that it is complete, true, and not misleading or lack of significant information. The Company certifies the correctness of all information disclosure.

Signature.....

Name.....Nikhil Ahsvani Advani.....

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

Disclosed on30...May...2022.....

Information for the Quarter.....1.....Year.....2022.....

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 120% 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 120%.

Unit: Million Baht

Capital Items	Quarter 1		Quarter 2		Quarter 3	
	2022	2021	2022	2021	2022	2021
Common Equity Tier 1 Ratio (%)	375	385	XXX	379	XXX	416
Tier 1 Ratio (%)	375	385	XXX	379	XXX	416
Capital Adequacy Ratio (%)	375	385	XXX	379	XXX	416
Total Capital Available	164,545	145,199	XXX	140,923	XXX	153,723
Total Capital Required	43,890	37,686	XXX	37,228	XXX	36,976

- 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 2022



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 2022, 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
6 May 2022

AIA Company Limited
Statement of Financial Position
As at 31 March 2022

		(Unaudited) 31 March 2022 Baht	(Audited) 31 December 2021 Baht
	Notes		
Assets			
Cash and cash equivalents	5	8,024,397,609	8,894,740,239
Premium receivables	6	8,050,852,526	8,006,129,402
Accrued income on investments		7,148,796,585	3,363,031,080
Reinsurance assets	7, 19, 26	334,982,014	269,898,332
Amount due from reinsurance	8, 26	25,342,145	15,054,822
Deferred acquisition costs	9	73,574,655,176	72,634,249,539
Derivative assets	10	3,301,786,603	3,501,254,434
Invested assets			
Investment in securities	11, 26	757,468,807,356	807,598,141,504
Loans and accrued interest receivables	13	33,478,617,122	33,173,260,708
Investment property	14	22,713,507,096	22,205,592,406
Investment in associates	12, 26	171,500,000	171,500,000
Assets held to cover linked liabilities	15	62,275,147,855	59,961,552,414
Property, plant and equipment	16	1,788,007,931	1,835,898,348
Intangible assets	17	2,706,938,947	2,613,096,986
Other assets	18, 26	11,306,708,123	15,642,718,985
Total assets		992,370,047,088	1,039,886,119,199

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 2022

		(Unaudited) 31 March 2022 Baht	(Audited) 31 December 2021 Baht
	Notes		
Liabilities and Head Office's Equity			
Liabilities			
Insurance liabilities	19	754,124,675,448	741,636,080,630
Amount due to reinsurance	20, 26	538,179,482	565,397,059
Derivative liabilities	10	9,807,237,124	13,470,199,370
Income tax payable		2,762,740,184	1,910,566,593
Employee benefit liabilities		3,678,138,307	4,140,470,016
Deferred tax liabilities		20,484,135,651	30,410,117,967
Other liabilities	21, 26	21,178,216,539	31,850,967,598
Total liabilities		812,573,322,735	823,983,799,233
Head Office's Equity			
Remeasurements of investments measured at fair value through other comprehensive income, net of tax		19,968,245,231	62,558,064,495
Remeasurements of derivative instruments used in cash flow hedge, net of tax		(2,145,948,380)	(4,202,882,203)
Remeasurements of deferred cost of hedge, net of tax		(513,953,970)	(303,519,737)
Remeasurements of post-employment benefit obligations, net of tax		(1,367,710,190)	(1,367,710,190)
Gains on land and building revaluation, net of tax		1,373,930,729	1,373,930,729
Other reserve		150,140,854	128,311,298
Branch's retained earnings Unappropriated		162,332,020,079	157,716,125,574
Total Head Office's Equity		179,796,724,353	215,902,319,966
Total liabilities and Head Office's Equity		992,370,047,088	1,039,886,119,199

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 2022

	Notes	2022 Baht	2021 Baht
Revenues			
Gross written premiums		32,646,393,094	31,047,898,156
<u>Less</u> premiums ceded to insurers	26	(3,011,563,968)	(2,237,157,084)
Net written premiums		29,634,829,126	28,810,741,072
<u>Less</u> net change in unearned premium reserve		(463,226,892)	(230,747,566)
Net earned premiums		29,171,602,234	28,579,993,506
Fee and commission income	26	159,274,504	144,475,006
Net investment income	26	6,720,296,459	6,764,264,257
Gains on investment		2,511,854,591	4,715,114,471
Fair value losses		(16,283,997)	(141,543,840)
Fair value gains on investment property		-	50,689
Other income	26	66,372,206	54,681,121
Total revenues		38,613,115,997	40,117,035,210
Expenses			
Change in long-term technical reserves		4,636,097,125	(2,784,847,698)
Gross benefits and claim paid	22	21,475,310,253	26,132,936,478
<u>Less</u> benefits and claim paid recovered from reinsurers	26	(2,089,799,245)	(1,408,861,184)
Net benefits and claim paid		19,385,511,008	24,724,075,294
Commissions and brokerages		2,396,696,324	2,997,967,133
Other underwriting expenses	26	4,140,296,683	4,089,130,871
Operating expenses	23, 26	2,180,231,030	2,008,327,080
Finance cost	21, 26	9,954,251	10,109,955
Expected credit loss	24	93,012,392	34,971,644
Total expenses		32,841,798,813	31,079,734,279
Profit before income tax		5,771,317,184	9,037,300,931
Income tax expenses	25	1,155,422,679	1,796,127,055
Net profit		4,615,894,505	7,241,173,876

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 2022

	2022 Baht	2021 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	(50,627,167,476)	(52,887,788,718)
Gains on remeasuring derivative instruments used in cash flow hedge	2,571,167,279	1,447,786,050
Gains (losses) on remeasuring deferred cost of hedge	(263,042,791)	67,148,649
Items in other comprehensive income transferred to profit or loss	(2,610,106,604)	(4,747,825,251)
Income tax relating to items that will be reclassified subsequently to profit or loss	10,185,829,918	11,224,135,854
Total items that will be reclassified subsequently to profit or loss	(40,743,319,674)	(44,896,543,416)
Other comprehensive loss for the period, net of tax	(40,743,319,674)	(44,896,543,416)
Total comprehensive loss for the period	(36,127,425,169)	(37,655,369,540)

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 2022

	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	Gain 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
Beginning balance as at 1 January 2022	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
Employee benefits on share-based payment	-	-	-	-	-	21,829,556	-	21,829,556
Net profit	-	-	-	-	-	-	4,615,894,505	4,615,894,505
Losses on remeasuring investments measured at fair value through other comprehensive income	(40,501,733,981)	-	-	-	-	-	-	(40,501,733,981)
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)
Ending balance as at 31 March 2022	19,968,245,231	(2,145,948,380)	(513,953,970)	(1,367,710,190)	1,373,930,729	150,140,854	162,332,020,079	179,796,724,353
Beginning balance as at 1 January 2021	118,096,487,007	(3,922,469,937)	(930,109,142)	(1,520,867,820)	1,321,289,762	136,126,302	141,676,106,385	254,856,562,557
Employee benefits on share-based payment	-	-	-	-	-	9,066,792	-	9,066,792
Net profit	-	-	-	-	-	-	7,241,173,876	7,241,173,876
Losses on remeasuring investments measured at fair value through other comprehensive income	(42,310,230,974)	-	-	-	-	-	-	(42,310,230,974)
Gains on remeasuring derivative instruments used in cash flow hedge	-	1,158,228,840	-	-	-	-	-	1,158,228,840
Gains on remeasuring deferred cost of hedge	-	-	53,718,919	-	-	-	-	53,718,919
Items in other comprehensive income transferred to profit or loss	(3,798,260,201)	-	-	-	-	-	-	(3,798,260,201)
Ending balance as at 31 March 2021	71,987,995,832	(2,764,241,097)	(876,390,223)	(1,520,867,820)	1,321,289,762	145,193,094	148,917,280,261	217,210,259,809

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 2022

	Notes	2022 Baht	2021 Baht
Cash flows provided by (used in) operating activities			
Written premium received from direct insurance		35,031,702,781	36,405,413,903
Fee income		86,928,787	56,091,431
Cash paid for reinsurance		(983,554,139)	(718,265,936)
Interest income		3,370,121,696	3,795,539,135
Dividend income		15,737,981	56,357,062
Investment expenses		(717,988,192)	(740,878,541)
Cash paid for (received from) settlement of derivatives		(749,746,700)	549,358,490
Rental income		259,983,754	263,437,744
Other income		65,987,500	56,836,355
Gross benefits and claim paid from direct insurance		(20,794,697,909)	(22,684,662,212)
Commissions and brokerages from direct insurance		(3,241,985,121)	(3,461,576,488)
Other underwriting expenses		(7,319,853,320)	(6,934,705,534)
Operating expenses		(3,210,816,594)	(2,682,659,952)
Income tax expense		(43,401,485)	(42,347,138)
Cash received from investment in securities		30,953,389,198	58,206,694,323
Cash paid for investment in securities		(29,193,162,657)	(58,963,010,550)
Cash paid for investment property	14	(508,156,510)	(127,398,550)
Cash received from loans repayment		1,491,170,602	1,510,949,615
Cash paid for loans drawdown		(1,454,798,333)	(1,559,310,140)
Cash received from assets held to cover linked liabilities		4,519,117,713	6,303,029,838
Cash paid for assets held to cover linked liabilities		(8,202,724,509)	(11,083,110,901)
Net cash used in operating activities		(626,745,457)	(1,794,218,046)
Cash flows provided by (used in) investing activities			
<u>Cash flows provided by:</u>			
Properties and equipment		3,965,088	673,211
Net cash provided by investing activities		3,965,088	673,211
<u>Cash flows used in:</u>			
Properties and equipment	16	(15,785,280)	(8,440,745)
Intangible assets	17	(147,568,970)	(161,795,237)
Net cash used in investing activities		(163,354,250)	(170,235,982)
Net cash used in investing activities		(159,389,162)	(169,562,771)

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 2022

	2022 Baht	2021 Baht
Cash flows provided by (used in) financing activities		
<u>Cash flows used in:</u>		
Lease liabilities	(84,208,011)	(86,880,929)
Net cash used in financing activities	(84,208,011)	(86,880,929)
Net cash used in financing activities	(84,208,011)	(86,880,929)
Net decrease in cash and cash equivalents	(870,342,630)	(2,050,661,746)
Cash and cash equivalents at beginning of period	8,894,740,239	7,403,134,110
Cash and cash equivalents at end of period	8,024,397,609	5,352,472,364

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 6 May 2022.

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, submission and reporting of financial statements and operation performance for life insurance company (No. 3) B.E. 2563" dated on 13 May 2020 ("OIC Notification"). The notes to the interim financial information are prepared in a condensed format. Additional notes are presented as required by the aforementioned OIC Notification.

The interim financial information should be read together with the annual financial statements for the year ended 31 December 2021.

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 2021. Since 2020, the Branch passes criteria of temporary exemption from TFRS 9 Financial Instruments and TFRS 7 Financial Instruments: Disclosures under TFRS 4 (revised 2018) Insurance Contracts. The Branch is eligible to apply the 'financial instruments and disclosures for insurance companies' accounting guidance' ('the Accounting Guidance') as the Branch has not previously applied any version of TFRS 9 Financial Instrument and the Branch's activities are predominantly connected with insurance business.

2.3 New and amended financial reporting standards and changes in accounting policies

- a) New and amended financial reporting standards that are effective for accounting period beginning or after 1 January 2022 and have significant impacts to the Branch
- **Interest rate benchmark (IBOR) reform - phase 2, amendments to TFRS 9, TFRS 7, TFRS 16 and TFRS 4, and accounting guidance for insurance business** provide relief measures addressing issues that might affect financial reporting during the reform, including the effects of changes to contractual cash flows or hedging relationship arising from the replacement of one benchmark with an alternative benchmark.

Key relief measures of the phase 2 amendments are as follows:

- When changing the basis for determining contractual cash flows for financial assets and financial liabilities (including lease liabilities), changes that are necessary as a direct result of the IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. The Branch applying the temporary exemption from TFRS 9 by using the Accounting Guidance for insurance business are also required to apply the same practical expedient. TFRS 16 has also been amended to require lessees to use a similar practical expedient when accounting for lease modifications that change the basis for determining future lease payments as a result of the IBOR reform.
- Hedge accounting relief measures allows most hedge relationships that are directly affected by the IBOR reform to continue. However, additional ineffectiveness might need to be recorded.

The Accounting Guidance requires additional disclosure about:

- the nature and extent of risks arising from the IBOR reform to which the entity is exposed to
- how the entity manages those risks
- the entity's progress in transitioning from the IBOR to alternative benchmark rates and how the entity is managing this transition.

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 2021.

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 2022 and 31 December 2021.

	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
As at 31 March 2022 (Unaudited)				
Assets				
Derivative assets	31,682	3,270,105	-	3,301,787
Investment in securities				
Investments measured at fair value through profit or loss	757	-	-	757
Investments measured at fair value through other comprehensive income				
Debt securities	-	611,736,216	3,288,888	615,025,104
Equity securities	87,659,555	-	1,777,554	89,437,109
Investments designated at fair value through profit or loss	1,505,837	-	-	1,505,837
Investment property	-	-	22,713,507	22,713,507
Assets held to cover linked liabilities	62,275,148	-	-	62,275,148
Land and buildings	-	-	1,179,766	1,179,766
Total assets	151,472,979	615,006,321	28,959,715	795,439,015
Liabilities				
Derivative liabilities	-	9,807,237	-	9,807,237
Total liabilities	-	9,807,237	-	9,807,237

4. Fair value (Cont'd)

4.1 Fair value estimation (Cont'd)

The following table presents the Branch's assets and liabilities that are measured and recognised at fair value as at 31 March 2022 and 31 December 2021. (Cont'd)

	Level 1 Thousand Baht	Level 2 Thousand Baht	Level 3 Thousand Baht	Total Thousand Baht
As at 31 December 2021 (Audited)				
Assets				
Derivative assets	28,393	3,472,861	-	3,501,254
Investment in securities				
Investments measured at fair value through profit or loss	646	-	-	646
Investments measured at fair value through other comprehensive income				
Debt securities	-	665,500,449	3,357,062	668,857,511
Equity securities	84,966,013	-	1,777,722	86,743,735
Investments designated at fair value through profit or loss	496,250	-	-	496,250
Investment property	-	-	22,205,592	22,205,592
Assets held to cover linked liabilities	59,961,552	-	-	59,961,552
Land and buildings	-	-	1,195,000	1,195,000
Total assets	<u>145,452,854</u>	<u>668,973,310</u>	<u>28,535,376</u>	<u>842,961,540</u>
Liabilities				
Derivative liabilities	-	13,470,199	-	13,470,199
Total liabilities	<u>-</u>	<u>13,470,199</u>	<u>-</u>	<u>13,470,199</u>

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

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. Fair value (Cont'd)

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 periods.

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.

The following table presents the changes in Level 3 financial instruments for the period ended 31 March 2022 and for the year ended 31 December 2021.

	(Unaudited) Investments measured at fair value through other comprehensive income 31 March 2022 Thousand Baht	(Audited) Investments measured at fair value through other comprehensive income 31 December 2021 Thousand Baht
Beginning balance as at 1 January	5,134,784	1,821,624
Transfer into Level 3		
Book value	-	3,436,459
Unrealised losses recognised in other comprehensive income	-	(19,308)
Net carrying value at transfer date	5,134,784	5,238,775
Losses on remeasuring investments measured at fair value through other comprehensive income	(68,342)	(103,991)
Closing balance at the end of period/year	5,066,442	5,134,784

4. Fair value (Cont'd)

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

Key unobservable input is discount rate. The increase or decrease in discount rate by 1% will impact the fair value of these instruments by decreasing 1.11% and increasing 1.25%, respectively.

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 periods.

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 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Cash on hand	8,853	62,351
Deposits held at call with banks and financial institutions	2,730,358	3,224,420
Short-term investments	5,285,187	5,607,969
Total cash and cash equivalents	<u>8,024,398</u>	<u>8,894,740</u>

6. Premium receivables

The balances of premium receivables are aged as follows:

	From direct insurance	
	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Current	7,253,600	6,846,061
Overdue		
Not over 30 days	776,741	1,140,608
31 - 60 days	7,964	8,085
61 - 90 days	5,656	4,761
Over 90 days	6,892	6,614
Total premium receivables	8,050,853	8,006,129

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 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Claim incurred but not reported	254,499	187,503
Unearned premium reserve	76,172	77,162
Others (Note 26 (b))	4,311	5,233
Total reinsurance assets	334,982	269,898

8. Amount due from reinsurance

The details of amount due from reinsurance are as follows:

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Due from reinsurance (Note 26 (b))	25,342	15,055
Total amount due from reinsurance	25,342	15,055

9. Deferred acquisition costs

The movements details are below:

	(Unaudited) 31 March 2022 Thousand	(Audited) 31 December 2021 Thousand
Beginning balance for the period/year	72,634,250	70,014,183
Deferral of acquisition costs	4,458,875	16,853,416
Amortisation of acquisition costs	(3,518,470)	(14,233,349)
Closing balance at the end of period/year	<u>73,574,655</u>	<u>72,634,250</u>

10. Derivative assets and liabilities

	(Unaudited) 31 March 2022 Fair value	
	Assets Thousand Baht	Liabilities Thousand Baht
Held for hedge derivatives		
- Applied hedge accounting	2,560,543	8,091,918
- Not applied hedge accounting	741,244	1,715,319
Total derivatives	<u>3,301,787</u>	<u>9,807,237</u>

	(Audited) 31 December 2021 Fair value	
	Assets Thousand Baht	Liabilities Thousand Baht
Held for hedge derivatives		
- Applied hedge accounting	3,111,197	12,383,408
- Not applied hedge accounting	390,057	1,086,791
Total derivatives	<u>3,501,254</u>	<u>13,470,199</u>

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10. Derivative assets and liabilities (Cont'd)

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

31 March 2022 (Unaudited)								
Type of contract	Purpose	Number of contracts	Face value		Fair value		Fair value gains on derivatives	
			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	187	13,748,598	57,135,234	149,075	4,199,104		2,181,694
Interest rate swap contracts	Closing position of floating interest rate	253	-	-	2,411,468	3,892,814		1,559,142
Total		440	13,748,598	57,135,234	2,560,543	8,091,918		3,740,836
31 December 2021 (Audited)								
Type of contract	Purpose	Number of contracts	Face value		Fair value		Fair value losses on derivatives	
			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	217	2,221,126	80,635,478	26,652	6,258,375		(9,717,097)
Interest rate swap contracts	Closing position of floating interest rate	305	-	-	3,084,545	6,125,033		(716,190)
Total		522	2,221,126	80,635,478	3,111,197	12,383,408		(10,433,287)

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10. Derivative assets and liabilities (Cont'd)

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

Type of contract	Purpose	Number of contracts	31 March 2022 (Unaudited)				Fair value				Fair value gains (losses) on derivatives Thousand Baht
			Face value		Assets		Liabilities		Assets		Liabilities Thousand Baht
			Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Cross currency swap and forward contracts	Closing financial position of investment in foreign currency	35	2,422,551	8,013,321	45,371	593,175	(104,170)				
Interest rate swap contracts	Closing position of floating interest rate	38	-	-	664,191	1,122,144	(176,460)				
Warrants		-	-	-	31,682	-	3,289				
Total		73	2,422,551	8,013,321	741,244	1,715,319	(277,341)				
31 December 2021 (Audited)											
Type of contract	Purpose	Number of contracts	Fair value				Fair value				Fair value gains (losses) on derivatives Thousand Baht
			Assets		Liabilities		Assets		Liabilities		Thousand Baht
			Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	Thousand Baht	
Cross currency swap and forward contracts	Closing financial position of investment in foreign currency	29	263,357	6,756,662	10,637	454,271	(1,186,780)				
Interest rate swap contracts	Closing position of floating interest rate	24	-	-	351,027	632,520	(130,816)				
Warrants		-	-	-	28,393	-	5,798				
Subscription rights		-	-	-	-	-	8,182				
Total		53	263,357	6,756,662	390,057	1,086,791	(1,303,616)				

11. Investment in securities

The details of investment in securities are as follows:

	(Unaudited) 31 March 2022		(Audited) 31 December 2021	
	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>				
Equity securities - mutual funds	759	757	630	646
Total	759	757	630	646
<u>Add</u> Unrealised gains (losses)	(2)	-	16	-
Total investments measured at fair value through profit or loss	757	757	646	646
<u>Investments measured at fair value through other comprehensive income</u>				
Government and state enterprise securities	473,023,524	469,980,177	463,804,532	502,363,772
Private enterprise debt securities	63,860,837	64,563,533	66,600,040	69,495,767
Foreign debt securities	83,132,562	80,481,394	89,034,361	96,997,972
Equity securities	65,764,155	89,437,109	64,344,596	86,743,735
Total	685,781,078	704,462,213	683,783,529	755,601,246
<u>Add</u> Unrealised gains	18,957,669	-	72,094,251	-
<u>Less</u> Provision for impairment on equity securities	(276,534)	-	(276,534)	-
Total investments measured at fair value through other comprehensive income	704,462,213	704,462,213	755,601,246	755,601,246
<u>Investment measured at amortised cost</u>				
Government and state enterprise securities	51,500,000	55,449,736	51,500,000	60,982,051
Total investment measured at amortised cost	51,500,000	55,449,736	51,500,000	60,982,051
<u>Investment designated at fair value through profit or loss</u>				
Equity securities - mutual funds	1,550,044	1,505,837	565,547	496,250
Total	1,550,044	1,505,837	565,547	496,250
<u>Less</u> Unrealised losses	(44,207)	-	(69,297)	-
Total investment designated at fair value through profit or loss	1,505,837	1,505,837	496,250	496,250
Total investment in securities	757,468,807	761,418,543	807,598,142	817,080,193

11. Investment in securities (Cont'd)

For the three-month period ended 31 March 2022 and 2021, the Branch had revenue recognised relating to investment as follows:

	(Unaudited) 31 March 2022 Thousand Baht	(Unaudited) 31 March 2021 Thousand Baht
Interest income and dividend income from investments	6,689,245	6,744,100
Consideration received from selling investments	50,156,997	55,145,730
Gains from selling investments	2,511,855	4,715,114

As at 31 March 2022, 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 179,370 million (31 December 2021: Baht 192,764 million).

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

	(Unaudited) 31 March 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)	613,660,096	344,582
Investment in debt securities which credit risk has significantly increased (Stage 2)	1,365,008	228,839
Credit-impaired investments in debt securities (Stage 3)	-	100,000
Total	615,025,104	673,421

	(Audited) 31 December 2021	
	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)	668,644,731	466,313
Investment in debt securities which credit risk has significantly increased (Stage 2)	212,780	12,115
Credit-impaired investments in debt securities (Stage 3)	-	100,000
Total	668,857,511	578,428

11. Investment in securities (Cont'd)

11.2 Debt securities that are measured at amortised cost

(Unaudited) 31 March 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)	51,500,000	-	51,500,000
Total	51,500,000	-	51,500,000

(Audited) 31 December 2021			
	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)	51,500,000	-	51,500,000
Total	51,500,000	-	51,500,000

12. Investment in associates

The Branch has interests in an immaterial associate.

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

Associates	Type of business	Ownership interest		Cost method	
		(Unaudited) 31 March 2022	(Audited) 31 December 2021	(Unaudited) 31 March 2022	(Audited) 31 December 2021
		%	%	Thousand Baht	Thousand Baht
AIA Wellness Company Limited	Office building rental and services	49	49	171,500	171,500
Total				171,500	171,500

The Branch has not presented financial statements in which investments in associate 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 (revised 2019) "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 2022		(Audited) 31 December 2021	
	Principal Thousand Baht	Accrued interest Thousand Baht	Principal Thousand Baht	Accrued interest Thousand Baht
<u>Policy loans</u>				
Outstanding period				
Current	31,114,952	943,808	30,869,125	876,781
Overdue				
Less than 3 months	-	-	-	-
3 - 6 months	-	-	-	-
6 - 12 months	-	-	-	-
More than 12 months	-	-	-	-
Policy loans, net	31,114,952	943,808	30,869,125	876,781
<u>Mortgage loans</u>				
Loans which credit risk has not significantly increased (Stage 1)	1,407,017	299	1,410,865	455
Loans which credit risk has significantly increased (Stage 2)	1,982	23	2,018	25
Credit-impaired loans (Stage 3)	20,999	-	26,521	-
Total	1,429,998	322	1,439,404	480
<u>Less</u> Expected credit loss	(10,471)	-	(12,562)	-
Mortgage loans, net	1,419,527	322	1,426,842	480
<u>Loans to employees</u>				
Loans which credit risk has not significantly increased (Stage 1)	8	-	33	-
Total	8	-	33	-
<u>Less</u> Expected credit loss	-	-	-	-
Loans to employees, net	8	-	33	-
Loans and accrued interest receivables	32,534,487	944,130	32,296,000	877,261

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14. Investment property

	31 March 2022 (Unaudited)					
	Cost/Fair value					
	For the period					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 March 2022 Thousand Baht
Land	13,250,693	-	-	-	-	13,250,693
Buildings and improvements	8,954,899	508,157	(242)	-	-	9,462,814
Total	22,205,592	508,157	(242)	-	-	22,713,507

	31 December 2021 (Audited)					
	Cost/Fair value					
	For the year					Ending balance
	Beginning balance 1 January 2021 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 2021 Thousand Baht
Land	9,505,320	-	-	3,297,212	448,161	13,250,693
Buildings and improvements	7,900,080	4,521,343	(554)	(3,297,212)	(168,758)	8,954,899
Total	17,405,400	4,521,343	(554)	-	279,403	22,205,592

In 2021, 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 2022, the investment property generated rental income amounting to Baht 247 million (31 March 2021: Baht 252 million) and its direct operating expenses (including repair and maintenance) arise from investment property that generated rental income amounting to Baht 49 million (31 March 2021: Baht 46 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 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Maturing		
Within 1 year	817,214	730,796
Between 1 to 2 years	631,493	562,387
Between 2 to 3 years	283,434	292,796
Between 3 to 4 years	39,107	36,243
Between 4 to 5 years	36,066	35,709
Later than 5 years	251,031	260,316
Total	<u>2,058,345</u>	<u>1,918,247</u>

15. Assets held to cover linked liabilities

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Investment in mutual funds that are measured at fair value through profit or loss	<u>62,275,148</u>	<u>59,961,552</u>
Total	<u>62,275,148</u>	<u>59,961,552</u>

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16. Property, plant and equipment

31 March 2022 (Unaudited)														
	Cost/Revaluation						Accumulated depreciation						Property plant and equipment Thousand Baht	
	Beginning balance 1 January 2022 Thousand Baht	For the period				Ending balance 31 March 2022 Thousand Baht	Beginning balance 1 January 2022 Thousand Baht	Depreciation charge Thousand Baht	For the period		Revaluation adjustment Thousand Baht	Ending balance 31 March 2022 Thousand Baht		
		Addition Thousand Baht	Write-off Thousand Baht	Disposal Thousand Baht	Transfer Thousand Baht				Gain (loss) on revaluation Thousand Baht	Write-off Thousand Baht				Disposal Thousand Baht
Land	462,000	-	-	-	-	462,000	-	-	-	-	-	-	462,000	
Buildings and improvements	733,000	-	-	-	-	733,000	-	15,234	-	-	-	15,234	717,766	
Furniture, fixtures and equipment	2,309,990	209	(206)	(280)	336	2,310,049	1,752,626	34,191	(287)	(280)	-	1,786,250	523,799	
Computer hardware	1,024,100	6,323	(216)	-	-	1,030,207	965,444	11,115	(216)	-	-	976,343	53,864	
Motor vehicles	43,052	-	-	(8,128)	-	34,924	28,719	1,092	-	(6,004)	-	23,807	11,117	
Construction in progress	10,545	9,253	-	-	(336)	19,462	-	-	-	-	-	-	19,462	
Total	4,582,687	15,785	(422)	(8,408)	-	4,589,642	2,746,789	61,632	(503)	(6,284)	-	2,801,634	1,788,008	

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

	31 December 2021 (Audited)													
	Cost/Revaluation						Accumulated depreciation							
	For the year						For the year				Ending balance 31 December 2021		Ending balance 31 December 2021	
	Beginning balance 1 January 2021 Thousand Baht	Addition Thousand Baht	Write-off Thousand Baht	Disposal Thousand Baht	Transfer Thousand Baht	Loss on revaluation Thousand Baht	Beginning balance 1 January 2021 Thousand Baht	Depreciation charge Thousand Baht	Write-off Thousand Baht	Disposal Thousand Baht	Revaluation adjustment Thousand Baht	31 December 2021 Thousand Baht	Property plant and equipment Thousand Baht	
Land	462,000	-	-	-	-	-	-	-	-	-	-	-	462,000	
Buildings and improvements	734,000	-	-	-	-	(1,000)	-	54,152	-	(54,152)	-	-	733,000	
Furniture, fixtures and equipment	2,429,902	14,947	(134,859)	-	-	-	2,309,990	155,366	(134,585)	-	-	1,752,626	557,364	
Computer hardware	1,031,923	14,015	(827)	(21,011)	-	-	920,348	66,932	(827)	(21,009)	-	965,444	58,656	
Motor vehicles	34,917	8,135	-	-	-	-	22,328	6,391	-	-	-	28,719	14,333	
Construction in progress	-	10,545	-	-	-	-	-	-	-	-	-	-	10,545	
Total	4,692,742	47,642	(135,686)	(21,011)	-	(1,000)	4,582,687	282,841	(135,412)	(21,009)	(54,152)	2,746,789	1,835,898	

In 2021, 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 investment property are disclosed in Note 4.4.

If the land and buildings are stated under the cost model, as at 31 March 2022, the carrying value would be Baht 53 million and Baht 57 million, respectively (31 December 2021: Baht 53 million and Baht 59 million, respectively).

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17. Intangible assets

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

	31 March 2022 (Unaudited)									
	Cost			Accumulated amortisation						
	For the period			Beginning balance			For the period			Intangible assets
	Beginning balance 1 January 2022 Thousand Baht	Addition Thousand Baht	Write-off Thousand Baht	Transfer Thousand Baht	Ending balance 31 March 2022 Thousand Baht	1 January 2022 Thousand Baht	Amortisation charge Thousand Baht	Write-off Thousand Baht	Ending balance 31 March 2022 Thousand Baht	
Computer software	1,898,995	-	-	952,735	2,851,730	1,349,534	47,542	-	1,397,076	1,454,654
Other	368,964	-	-	-	368,964	49,186	6,185	-	55,371	313,593
Work in progress	1,743,858	147,569	-	(952,735)	938,692	-	-	-	-	938,692
Total	4,011,817	147,569	-	-	4,159,386	1,398,720	53,727	-	1,452,447	2,706,939
	31 December 2021 (Audited)									
	Cost			Accumulated amortisation						
	For the year			Beginning balance			For the year			Intangible assets
	Beginning balance 1 January 2021 Thousand Baht	Addition Thousand Baht	Write-off Thousand Baht	Transfer Thousand Baht	Ending balance 31 December 2021 Thousand Baht	1 January 2021 Thousand Baht	Amortisation charge Thousand Baht	Write-off Thousand Baht	Ending balance 31 December 2021 Thousand Baht	
Computer software	1,813,977	39,653	(13,050)	58,415	1,898,995	1,228,412	134,145	(13,023)	1,349,534	549,461
Other	55,671	-	-	313,293	368,964	25,671	23,515	-	49,186	319,778
Work in progress	1,056,156	1,059,410	-	(371,708)	1,743,858	-	-	-	-	1,743,858
Total	2,925,804	1,099,063	(13,050)	-	4,011,817	1,254,083	157,660	(13,023)	1,398,720	2,613,097

18. Other assets

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Deposits (Note 26 (b))	119,460	119,968
Amounts due from a related party (Note 26 (b))	54,422	19,350
Receivables from sale of investments	507,669	2,629,634
Cash collateral from derivative contract	8,326,538	10,373,452
Right-of-use assets (Note 26 (b))	2,059,991	2,242,741
Others	238,628	257,574
Total	<u>11,306,708</u>	<u>15,642,719</u>

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

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18. Other assets (Cont'd)

18.1 Right-of-use assets

	31 March 2022 (Unaudited)											
	Cost				Accumulated amortisation							
	For the period				For the period							
	Beginning balance 1 January 2022 Thousand Baht	Addition Thousand Baht	Change in contract Thousand Baht	Gain (loss) on revaluation Thousand Baht	Ending balance 31 March 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 March 2022 Thousand Baht	Right-of-use assets Thousand Baht
Land	734,000	-	-	-	734,000	-	4,772	-	-	-	4,772	729,228
Buildings and improvements	2,173,876	2,748	(113,765)	-	2,062,859	665,135	81,851	(15,081)	-	191	732,096	1,330,763
Total	2,907,876	2,748	(113,765)	-	2,796,859	665,135	86,623	(15,081)	-	191	736,868	2,059,991
	31 December 2021 (Audited)											
	Cost				Accumulated amortisation							
	For the year				For the year							
	Beginning balance 1 January 2021 Thousand Baht	Addition Thousand Baht	Change in contract Thousand Baht	Loss on revaluation Thousand Baht	Ending balance 31 December 2021 Thousand Baht	Beginning balance 1 January 2021 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 2021 Thousand Baht	Right-of-use assets Thousand Baht
Land	740,000	-	-	(6,000)	734,000	-	18,649	-	(18,649)	-	-	734,000
Buildings and improvements	1,762,662	441,245	(30,031)	-	2,173,876	340,966	333,361	(10,231)	-	1,039	665,135	1,508,741
Others	2,803	-	(2,803)	-	-	894	408	(1,302)	-	-	-	-
Total	2,505,465	441,245	(32,834)	(6,000)	2,907,876	341,860	352,418	(11,533)	(18,649)	1,039	665,135	2,242,741

18. Other assets (Cont'd)

18.1 Right-of-use assets (Cont'd)

The related lease liabilities are disclosed in Note 21.1.

For the three-month period ended 31 March 2022, 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.

During the reporting period, the Branch received discounts in the lease payments from lessors due to the COVID-19 outbreak. The Branch has chosen to apply the temporary measures to relieve the impact from COVID-19 announced by TFAC for the reporting periods ending 1 January 2021 onwards by reducing lease liabilities in the proportion of the reduction to the lease payments due by 30 June 2022 throughout the period that the Branch has received the reduction and reversing depreciation charges on the right-of-use assets and interest expenses on the lease liabilities recognised in the same proportion of Baht 0.19 million and Baht 0.03 million, respectively (31 December 2021: Baht 1.0 million and Baht 0.2 million, respectively). The differences between the reduction of the lease liabilities and the reversal of the expenses of Baht 0.01 million (31 December 2021: Baht 0.1 million) are recognised in profit or loss.

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19. Insurance liabilities

	31 March 2022 (Unaudited)			31 December 2021 (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						
Claim liability	568,617,154	-	568,617,154	563,981,057	-	563,981,057
- Reported claim	1,935,593	(4,311)	1,931,282	1,339,810	(5,233)	1,334,577
- Claim incurred but not reported	711,876	(254,499)	457,377	579,741	(187,503)	392,238
Premium liability						
- Unearned premium reserve	18,957,205	(76,172)	18,881,033	18,493,978	(77,162)	18,416,816
Unpaid policy benefits	532,482	-	532,482	545,682	-	545,682
Due to insured	163,370,365	-	163,370,365	156,695,813	-	156,695,813
Total	754,124,675	(334,982)	753,789,693	741,636,081	(269,898)	741,366,183

19. Insurance liabilities (Cont'd)

19.1 Long-term technical reserve

The movement details are below:

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Beginning balance for the period/year	563,981,057	574,291,648
Policy reserve movement for new policies and inforce policies during the period/year	16,908,380	70,034,424
Net movement in benefits payable to life policyholders for death, maturities, surrenders, other policyholders benefits and claims	(11,698,005) (574,278)	(77,483,731) (2,861,284)
Others		
Closing balance at the end of period/year	<u>568,617,154</u>	<u>563,981,057</u>

19.2 Short-term technical reserve

19.2.1 Claim liability

The movement details are below:

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Beginning balance for the period/year	1,919,551	1,754,194
Insurance claims and loss adjustment expenses incurred during the period/year	6,462,960	20,070,246
Changes in claim reserve from change in assumption during the period/year	132,135	(198,497)
Insurance claims and loss adjustment expenses paid during the period/year	(5,867,177)	(19,706,392)
Closing balance at the end of period/year	<u>2,647,469</u>	<u>1,919,551</u>

19.2.2 Unearned premium reserve

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Beginning balance for the period/year	18,493,978	17,786,901
Premium written for the period/year	10,673,844	42,872,120
Premium earned in the period/year	(10,210,617)	(42,165,043)
Closing balance at the end of period/year	<u>18,957,205</u>	<u>18,493,978</u>

19. Insurance liabilities (Cont'd)

19.3 Unpaid policy benefits

The details are as below:

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Death benefits	532,482	545,682
Total	532,482	545,682

19.4 Due to insured

The details of due to insured are presented below:

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Deposits from insurance contracts	91,087,291	86,641,772
Account value of universal life insurance contracts	10,007,926	10,092,489
Account value of unit linked insurance contracts	62,275,148	59,961,552
Total	163,370,365	156,695,813

20. Amount due to reinsurance

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Fund reserve	14,448	17,714
Outward premium payables (Note 26 (b))	523,731	547,683
Total amount due to reinsurance	538,179	565,397

21. Other liabilities

	(Unaudited) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Accrued commissions and expenses	8,768,995	8,821,283
Payable for purchase of investments	698,724	2,255,967
Unpresented cheques payable	1,103,352	5,731,665
Expired cheques payable	2,599,745	2,556,371
Due commissions and expenses	859,295	891,154
Payable to related parties (Note 26 (b))	475,231	890,213
Agents payable	2,122,647	5,214,874
Cash collateral from derivative contracts	434,434	122,700
Other accounts payable	862,800	1,115,341
Lease liabilities (Note 26 (b))	1,345,062	1,515,809
Others	1,907,932	2,735,591
Total	21,178,217	31,850,968

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 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Maturing		
Within 1 year	307,098	301,928
Between 1 to 5 years	948,817	1,096,402
Later than 5 years	89,147	117,479
Total	1,345,062	1,515,809
Including: - Principal	1,507,215	1,700,420
- Interest	(162,153)	(184,611)

For the three-month period ended 31 March 2022, interest expense on lease liabilities amounted to Baht 10.0 million (31 March 2021: Baht 10.1 million) is recorded as "Finance cost" in the statement of comprehensive income.

22. Gross benefits and claim paid

	(Unaudited) 31 March 2022 Thousand Baht	(Unaudited) 31 March 2021 Thousand Baht
Insurance contract benefits	21,475,310	26,132,936
Total	21,475,310	26,132,936

23. Operating expenses

	(Unaudited) 31 March 2022 Thousand Baht	(Unaudited) 31 March 2021 Thousand Baht
Employee expenses not relating to underwriting expenses, and loss adjusting expenses	983,406	978,523
Property and equipment expenses not relating to underwriting expenses, and loss adjusting expenses	651,934	541,556
Tax expenses	3,765	2,787
Other operating expenses	541,126	485,461
Total	2,180,231	2,008,327

24. Expected credit loss

	(Unaudited) 31 March 2022 Thousand Baht	(Unaudited) 31 March 2021 Thousand Baht
Investment in securities	94,993	37,237
Loans and accrued interest receivables	(1,981)	(2,265)
Total	93,012	34,972

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 2022 Thousand Baht	(Unaudited) 31 March 2021 Thousand Baht
Head office		
Operating expenses	358,547	215,172
Capitalised expenses	58,800	-
Affiliated companies		
Premiums ceded to reinsurers	2,367,545	1,776,851
Fee and commission income	73,330	50,779
Net investment income (expenses)	(418,693)	(454,216)
Other income	11,289	4,280
Benefit and claim paid recovered from reinsurers	1,489,451	1,050,846
Other underwriting expenses	-	2,659
Operating expenses	260,020	315,157
Capitalised expenses	5,351	32,762
Finance cost	4,211	2,954

26. 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) 31 March 2022 Thousand Baht	(Audited) 31 December 2021 Thousand Baht
Head office		
Profit remittances to Head Office	-	3,432,112
Other liabilities	269,266	502,142
Affiliated companies		
Reinsurance assets	2,568	2,460
Amount due from reinsurance	5,841	-
Investment in securities	1,156,121	-
Investment in associates	171,500	171,500
Other assets	1,377,388	1,373,805
Amount due to reinsurance	229,163	206,956
Other liabilities	733,403	935,064

(c) Key management compensations

Key management compensations are as follows:

	(Unaudited) 31 March 2022 Thousand Baht	(Unaudited) 31 March 2021 Thousand Baht
Salary and other short-term employee benefits	37,662	38,226
Post-employment benefits	2,473	2,266
Share-based payment	7,501	9,090
Total	47,636	49,582

27. Contingent liabilities and commitments

As at 31 March 2022, the Branch had contractual commitment from contracts for investment property projects with the amount at the maximum of Baht 1,872 million (31 December 2021: Baht 2,407 million). Commitments arising from short-term leases and low-value leases are not material to the interim financial information.