

MSIG Insurance (Thailand) Public Company Limited

Condensed interim financial statements
for the three-month period ended
31 March 2022
and
Independent auditor's review report



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Independent auditor's report on review of interim financial information

To the Board of Directors of MSIG Insurance (Thailand) Public Company Limited

I have reviewed the accompanying statement of financial position of MSIG Insurance (Thailand) Public Company Limited as at 31 March 2022; the statement of comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2022, and the condensed notes ("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 the 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".

(Pantip Gulsantithamrong)
Certified Public Accountant
Registration No. 4208

KPMG Phoomchai Audit Ltd.
Bangkok
13 May 2022

MSIG Insurance (Thailand) Public Company Limited**Statement of financial position**

Assets	<i>Note</i>	31 March	31 December
		2022	2021
		(Unaudited)	
		<i>(in thousand Baht)</i>	
Cash and cash equivalents	3, 14	248,679	239,366
Premiums due and uncollected	4	886,646	760,611
Accrued investment income		18,168	9,326
Reinsurance assets	7, 11	550,396	393,416
Reinsurance receivables	5	82,127	103,469
Investments assets			
Investments in securities	6, 12, 13	3,597,067	3,508,824
Premises and equipment		259,142	256,517
Right-of-use assets		13,800	13,889
Intangible assets		32,187	33,839
Deferred acquisition costs		602,363	565,279
Deferred tax assets		426,689	389,776
Other assets	11	131,563	81,868
Total assets		6,848,827	6,356,180

The accompanying notes are an integral part of these interim financial statements.

MSIG Insurance (Thailand) Public Company Limited**Statement of financial position**

		31 March	31 December
	Note	2022	2021
		(Unaudited)	
		<i>(in thousand Baht)</i>	
Liabilities and equity			
<i>Liabilities</i>			
Insurance contract liabilities	7	3,765,147	3,367,506
Reinsurance payables	8, 11	311,436	300,570
Income tax payable		95,806	58,995
Employee benefit obligations		279,693	285,060
Lease liabilities		12,376	12,588
Other liabilities	11	503,244	476,246
Total liabilities		4,967,702	4,500,965
<i>Equity</i>			
Share capital			
Authorized share capital		142,666	142,666
<i>(1,426,662 ordinary shares, par value at Baht 100 per share)</i>			
Issued and paid-up share capital		142,666	142,666
<i>(1,426,662 ordinary shares, par value at Baht 100 per share)</i>			
Share premium on ordinary shares		146,069	146,069
Retained earnings			
Appropriated			
Legal reserve		14,266	14,266
Unappropriated		1,581,826	1,538,012
Other components of shareholders' equity		(3,702)	14,202
Total equity		1,881,125	1,855,215
Total liabilities and equity		6,848,827	6,356,180

The accompanying notes are an integral part of these interim financial statements.

MSIG Insurance (Thailand) Public Company Limited

Statement of comprehensive income (Unaudited)

		Three-month period ended	
		31 March	
	Note	2022	2021
		<i>(in thousand Baht)</i>	
Revenues			
Gross premiums written		1,218,847	1,056,338
Less premiums ceded	11	<u>(204,941)</u>	<u>(181,457)</u>
Net premiums written		1,013,906	874,881
Unearned premium reserve increased from previous period		(202,741)	(168,621)
Add reinsurers' share of unearned premium reserve increased from previous period		<u>45,332</u>	<u>37,466</u>
Net premium earned		856,497	743,726
Commission and brokerage income	11	53,994	37,021
Net investment income		9,768	9,790
Gain on investments		828	17,476
Other income	11	<u>3,463</u>	<u>2,871</u>
Total revenues		<u>924,550</u>	<u>810,884</u>
Expenses			
Insurance claim expenses		642,002	338,678
Add (less) insurance claims expenses recovered from reinsurers	11	<u>(149,804)</u>	<u>794</u>
Net insurance claims expenses		492,198	339,472
Commission and brokerage expenses	11	116,333	121,525
Other underwriting expenses		159,847	129,315
Operating expenses	11	107,094	128,067
Other expenses		2,347	2,865
Expected credit loss (reversal)	10	<u>3</u>	<u>(10)</u>
Total expenses		<u>877,822</u>	<u>721,234</u>
Profit before income tax		46,728	89,650
Income tax expense	9	<u>7,843</u>	<u>17,588</u>
Net profit		<u>38,885</u>	<u>72,062</u>

The accompanying notes are an integral part of these interim financial statements.

MSIG Insurance (Thailand) Public Company Limited**Statement of comprehensive income (Unaudited)**

	Three-month period ended	
	31 March	
	2022	2021
	<i>(in thousand Baht)</i>	
Other comprehensive income		
<i>Components of other comprehensive income (loss) that will be reclassified subsequently to profit or loss</i>		
Loss on remeasurement of investments - fair value through other comprehensive income (loss)	(22,380)	(8,296)
Income tax relating to components of other comprehensive income that will be reclassified subsequently to profit or loss	4,476	1,659
Total components of other comprehensive income (loss) that will be reclassified subsequently to profit or loss	(17,904)	(6,637)
<i>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</i>		
Actuarial gain on defined benefit plan	6,162	-
Income tax relating to components of other comprehensive income (loss) that will not be reclassified subsequently to profit or loss	(1,233)	-
Total components of other comprehensive income (loss) that will not be reclassified to profit or loss	4,929	-
Other comprehensive income (loss) for the period, net of income tax	(12,975)	(6,637)
Total comprehensive income for the period	25,910	65,425
Basic earnings per share <i>(in Baht)</i>	27.26	50.51

The accompanying notes are an integral part of these interim financial statements.

MSIG Insurance (Thailand) Public Company Limited

Statement of changes in equity (Unaudited)

	Issued and paid-up share capital	Share premium on ordinary shares	Retained earnings		Other components of equity	Total equity
			Legal reserve	Unappropriated	Gain (loss) on investments measured at fair value through other comprehensive income	
Three-month period ended 31 March 2021						
Balance at 1 January 2021	142,666	146,069	14,266	1,371,576	34,926	1,709,503
Comprehensive income (loss) for the period						
Net profit	-	-	-	72,062	-	72,062
Other comprehensive income (loss)	-	-	-	-	(6,637)	(6,637)
Total comprehensive income (loss) for the period	-	-	-	72,062	(6,637)	65,425
Balance at 31 March 2021	142,666	146,069	14,266	1,443,638	28,289	1,774,928

The accompanying notes are an integral part of these interim financial statements.

MSIG Insurance (Thailand) Public Company Limited

Statement of changes in equity (Unaudited)

	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Retained earnings Unappropriated <i>(in thousand Baht)</i>	Other components of equity Gain (loss) on investments measured at fair value through other comprehensive income	Total equity
Three-month period ended 31 March 2022						
Balance at 1 January 2022	142,666	146,069	14,266	1,538,012	14,202	1,855,215
Comprehensive income (loss) for the period						
Net profit	-	-	-	38,885	-	38,885
Other comprehensive income (loss)	-	-	-	4,929	(17,904)	(12,975)
Total comprehensive income (loss) for the period	-	-	-	43,814	(17,904)	25,910
Balance at 31 March 2022	142,666	146,069	14,266	1,581,826	(3,702)	1,881,125

The accompanying notes are an integral part of these interim financial statements.

MSIG Insurance (Thailand) Public Company Limited
Statement of cash flows (Unaudited)

	<i>Note</i>	Three-month period ended	
		31 March	
		2022	2021
		<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>			
Premium received		1,087,208	931,377
Cash paid to reinsurers		(67,715)	(72,577)
Interest received		628	1,503
Dividend received		727	1,486
Other income		1,639	6
Insurance claims expenses		(426,036)	(331,193)
Commission and brokerage expenses		(156,077)	(150,387)
Other underwriting expenses		(137,570)	(134,272)
Operating expenses		(166,602)	(121,877)
Income tax paid		(4,702)	(4,105)
Cash received - financial assets		203,261	621,111
Cash payment - financial assets		(313,487)	(750,573)
Net cash flows provided by (used in) operating activities		<u>21,274</u>	<u>(9,501)</u>
<i>Cash flows from investing activities</i>			
Cash flows provided by			
Proceeds from sale of equipment		17	-
Cash flows provided by investing activities		<u>17</u>	<u>-</u>
Cash flows used in			
Purchase of building improvement and equipment		(9,263)	(9,721)
Purchase of intangible assets		(560)	-
Cash flows used in investing activities		<u>(9,823)</u>	<u>(9,721)</u>
Net cash flows used in investing activities		<u>(9,806)</u>	<u>(9,721)</u>
<i>Cash flows from financing activities</i>			
Payment of lease liabilities		(2,006)	(1,739)
Interest paid		(149)	(116)
Net cash flows used in financing activities		<u>(2,155)</u>	<u>(1,855)</u>
Net increase (decrease) in cash and cash equivalents		9,313	(21,077)
Cash and cash equivalents at beginning of period		239,366	212,808
Cash and cash equivalents at ending of period	3	<u>248,679</u>	<u>191,731</u>

The accompanying notes are an integral part of these interim financial statements.

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

These notes form an integral part of these interim financial statements.

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements and were approved and authorised for issue by the Company's Board of Directors on 13 May 2022.

1 General information

The principal business of the Company is the operation of non-life insurance.

2 Basis of preparation of the interim financial statements

The condensed interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis ("interim financial statements") in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions. In addition, the interim financial statements are prepared in accordance with the Notification of the Office of Insurance Commission regarding "Rules Procedures Conditions and Timing Period for Preparation and Submission of the Financial Statements and Reporting the Operation of Non-Life insurance Companies" B.E. 2562 (No.2), dated 4 April 2019. The interim financial statements focus on new activities, events, and circumstances to avoid repetition of information previously reported in annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 December 2021.

In preparing these interim financial statements, judgements and estimates are made by management in applying the Company's accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2021.

3 Cash and cash equivalents

	31 March 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Cash on hand	30	50
Deposits at banks - call deposits	248,649	184,211
Highly liquid short-term investments	-	55,105
Total	<u>248,679</u>	<u>239,366</u>

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

4 Premiums due and uncollected

As at 31 March 2022 and 31 December 2021, premiums due and uncollected by aging were as follows:

	31 March 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Within credit terms	587,094	618,774
Overdue:		
Not over than 30 days	137,631	61,314
31 - 60 days	129,525	39,057
61 - 90 days	19,127	15,818
91 days - 1 year	13,395	25,817
Over 1 year	5,477	5,208
Total	<u>892,249</u>	<u>765,988</u>
Less allowance for doubtful accounts	<u>(5,603)</u>	<u>(5,377)</u>
Net	<u>886,646</u>	<u>760,611</u>
	31 March 2022	31 March 2021
	<i>(in thousand Baht)</i>	
Doubtful accounts (reversal) for the period ended	<u>226</u>	<u>(218)</u>

The normal credit term of insured and agents and brokers granted by the Company is not over 60 days.

For premiums due and uncollected from agents and brokers, the Company has established collection guidelines in accordance with the regulatory requirement for premium collection. For overdue premium receivables, the Company closely follows up or pursues legal proceedings against such agents and brokers.

5 Reinsurance receivables

	31 March 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Due from reinsurers	<u>82,127</u>	<u>103,469</u>

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

6 Investments in securities

6.1 Investment in securities by measurement are as follows:

	31 March 2022		31 December 2021	
	Cost / Amortised cost	Fair value <i>(in thousand Baht)</i>	Cost / Amortised cost	Fair value
<i>Investment measured at fair value through other comprehensive income</i>				
Government and state enterprise debt securities	2,250,508	2,223,065	2,075,289	2,066,781
Private debt securities	783,690	776,872	761,964	766,358
Equity securities	236,550	256,244	229,481	241,781
Unit trust	82,800	90,178	82,800	89,805
Total	3,353,548	3,346,359	3,149,534	3,164,725
Add Unrealised gains (losses)	(7,019)	-	15,361	-
Less Allowance for impairment	(170)	-	(170)	-
Total investment measured at fair value through other comprehensive income	3,346,359	3,346,359	3,164,725	3,164,725
Allowance for impairment loss	2,067	-	2,067	-
Allowance for expected credit loss	324	-	321	-
<i>Investment measured at amortised cost</i>				
Deposits at banks with original maturities over 3 months	250,708	250,708	344,099	344,099
Total investment measured at amortised Cost	250,708	250,708	344,099	344,099
Total investment in securities	3,597,067	3,597,067	3,508,824	3,508,824

6.2 Investment measured at fair value through other comprehensive income

	31 March 2022		31 December 2021	
	Fair value	Allowance for expected credit loss / Allowance for impairment loss <i>(in thousand Baht)</i>	Fair value	Allowance for expected credit loss / Allowance for impairment loss
Debt securities - no significant increase in credit risk (stage 1)	2,999,937	324	2,833,139	321
Debt securities - unit trust	90,178	-	89,805	-
Equity securities	256,244	2,237	241,781	2,237
Total	3,346,359	2,561	3,164,725	2,558

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

6.3 Investment measured at amortised cost

	31 March 2022		
	Book value	Allowance for expected credit loss	Net book value
	<i>(in thousand Baht)</i>		
Debt securities - no significant increase in credit risk (stage 1)	250,708	-	250,708
Total	250,708	-	250,708
	31 December 2021		
	Book value	Allowance for expected credit loss	Net book value
	<i>(in thousand Baht)</i>		
Debt securities - no significant increase in credit risk (stage 1)	344,099	-	344,099
Total	344,099	-	344,099

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

7 Insurance contract liabilities

	31 March 2022			31 December 2021		
	Liabilities under insurance contracts	Reinsurers' share liabilities	Net <i>(in thousand Baht)</i>	Liabilities under insurance contracts	Reinsurers' share liabilities	Net
Short-term technical reserves						
Loss reserves and outstanding claims						
- Case reserves	1,218,711	(273,832)	944,879	1,028,047	(163,475)	864,572
- Incurred but not reported	134,225	(27,320)	106,905	129,989	(26,029)	103,960
Total loss reserves and outstanding claims	<u>1,352,936</u>	<u>(301,152)</u>	<u>1,051,784</u>	<u>1,158,036</u>	<u>(189,504)</u>	<u>968,532</u>
Unearned premium reserves	2,412,211	(249,244)	2,162,967	2,209,470	(203,912)	2,005,558
Total	<u>3,765,147</u>	<u>(550,396)</u>	<u>3,214,751</u>	<u>3,367,506</u>	<u>(393,416)</u>	<u>2,974,090</u>
7.1 Loss reserves and outstanding claims						
At 1 January	1,158,036	(189,504)	968,532	1,055,830	(222,438)	833,392
Insurance claim expenses incurred during the period / year	607,741	(148,513)	459,228	1,509,415	(149,186)	1,360,229
Insurance claim expenses paid during the period / year	(417,077)	38,156	(378,921)	(1,362,823)	125,373	(1,237,450)
Change in estimation and assumption	4,236	(1,291)	2,945	(44,386)	56,747	12,361
At 31 March 2022 / 31 December 2021	<u>1,352,936</u>	<u>(301,152)</u>	<u>1,051,784</u>	<u>1,158,036</u>	<u>(189,504)</u>	<u>968,532</u>
7.2 Unearned premium reserves						
At 1 January	2,209,470	(203,912)	2,005,558	1,934,549	(195,014)	1,739,535
Premium written during the period / year	1,218,847	(204,941)	1,013,906	4,105,405	(628,232)	3,477,173
Earned premium in the period / year	(1,016,106)	159,609	(856,497)	(3,830,484)	619,334	(3,211,150)
At 31 March 2022 / 31 December 2021	<u>2,412,211</u>	<u>(249,244)</u>	<u>2,162,967</u>	<u>2,209,470</u>	<u>(203,912)</u>	<u>2,005,558</u>

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

8 Reinsurance payables

	31 March 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Amount withheld on reinsurance	79,459	85,336
Due to reinsurers	231,977	215,234
Total	<u>311,436</u>	<u>300,570</u>

9 Income tax

Income tax recognised in profit or loss

For the three-month period ended 31 March

Current tax expense

	2022	2021
	<i>(in thousand Baht)</i>	
Current period	41,513	40,470

Deferred tax expense

Movements in temporary differences	(33,670)	(22,882)
Total	<u>7,843</u>	<u>17,588</u>

Income tax recognised in other comprehensive income

Deferred tax expense

Loss on remeasurement of investments - fair value through other comprehensive income (loss)	4,476	1,659
Actuarial gain on defined benefit plan	(1,233)	-
Total	<u>3,243</u>	<u>1,659</u>

Reconciliation of effective tax rate

For the three-month period ended 31 March

	2022		2021	
	Rate (%)	<i>(in thousand Baht)</i>	Rate (%)	<i>(in thousand Baht)</i>
Profit before income tax		<u>46,728</u>		<u>89,650</u>
Income tax using the Thai corporation tax rate	20.0	9,346	20.0	17,930
Income not subject to tax	(0.0)	-	(0.1)	(21)
Additional deductible expenses for tax purpose	(0.8)	(394)	(0.4)	(403)
Expenses not deductible for tax purposes	(2.4)	(1,109)	0.1	82
Total	<u>16.8</u>	<u>7,843</u>	<u>19.6</u>	<u>17,588</u>

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

10 Expected credit loss (reversal)

<i>Three-month period ended 31 March</i>	2022	2021
	<i>(in thousand Baht)</i>	
Expected credit loss (reversal)		
Investment in securities		
- Debt securities measured at fair value through other comprehensive income	3	(10)
Total	<u>3</u>	<u>(10)</u>

11 Related parties

The Company do not have material changing in relationships with key management and related parties during the period.

The pricing policies for transactions with related parties are explained further below:

Transactions	Pricing policies
Premiums ceded	Normal commercial terms for reinsurance depending on type of insurance and reinsurance contract
Commission and brokerage income	As stated in the agreement upon normal commercial terms for business operations
Service income	As stated in the agreement upon normal commercial terms for business operations
Insurance claims expenses recovered from reinsurers	Actual indemnity but not exceed as stated in the agreement upon normal commercial terms for business operations
Commission and brokerage expenses	As stated in the agreement upon normal commercial terms for business operations
Marketing and management support services agreement fee	As stated in the agreement upon normal commercial terms for business operations

Significant transactions for the three-month period ended 31 March 2022 and 2021 with key management and related parties were summarised as follows:

<i>For the three-month period ended 31 March</i>	2022	2021
	<i>(in thousand Baht)</i>	
Revenue		
Other related parties		
Commission and brokerage income	5,358	6,481
Service income	2,725	2,530

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

<i>For the three-month period ended 31 March</i>	2022	2021
	<i>(in thousand Baht)</i>	
Expenses		
Other related parties		
Premiums ceded	25,135	26,728
Commission and brokerage expenses	13	50
Insurance claims expenses recovered from reinsurers	20,578	15,808
Marketing and management support services agreement fee	1,784	11,498
Key management and director compensation		
Directors' remuneration	1,094	1,049
Short-term benefits	17,358	16,870
Post-employment benefit	2,681	2,498
Total	<u>21,133</u>	<u>20,417</u>

Significant balances as at 31 March 2022 and 31 December 2021 with related parties were as follows:

	31 March 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Premiums due and uncollected		
Other related parties	<u>58</u>	<u>156</u>
Reinsurance assets		
Reinsurance's share of liabilities		
Other related parties	<u>72,241</u>	<u>55,983</u>
Reinsurance receivables		
Due from reinsurers		
Other related parties	<u>18,029</u>	<u>14,946</u>
Other assets		
Other receivables		
Other related parties	<u>461</u>	<u>511</u>
Reinsurance payable		
Due to reinsurers		
Other related parties	<u>40,033</u>	<u>27,296</u>
Amount withheld on reinsurance		
Other related parties	<u>17,020</u>	<u>21,364</u>
Other liabilities		
Payables to related parties		
Other related parties	<u>8,942</u>	<u>21,499</u>

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

12 Financial instruments

Carrying amounts and fair value

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

<i>At 31 March 2022</i>	<i>Note</i>	Carrying amount	Fair value			Total
			Level 1	Level 2	Level 3	
			<i>(in thousand Baht)</i>			
Financial assets						
Investment in securities	6					
Government and state enterprise debt securities		2,223,065	-	2,223,065	-	2,223,065
Private debt securities		776,872	-	776,872	-	776,872
Equity securities		256,244	235,739	20,505	-	256,244
Unit trusts		90,178	-	90,178	-	90,178
Total		3,346,359	235,739	3,110,620	-	3,346,359
At 31 December 2021						
	<i>Note</i>					
Financial assets						
Investment in securities	6					
Government and state enterprise debt securities		2,066,781	-	2,066,781	-	2,066,781
Private debt securities		766,358	-	766,358	-	766,358
Equity securities		241,781	221,006	20,775	-	241,781
Unit trusts		89,805	-	89,805	-	89,805
Total		3,164,725	221,006	2,943,719	-	3,164,725

Measurement of fair values

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the assets or liabilities that are based on unobservable inputs.

If the inputs used to measure the fair value of an asset or liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company determines Level 1 fair values of investment in market equity which are in SET 100 by using the last bidding from the Stock Exchange of Thailand (SET) at the reporting date.

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

The Company determines Level 2 fair values for debt securities measured at FVOCI by reference price provided by the Thai Bond Market Association, unit trusts using net asset value (NAV) provided by asset management companies at the reporting date. For market equity which are not in SET 100, the fair value is based on last bidding price from the Stock Exchange of Thailand (SET) at the reporting date.

For Level 3 fair value, the Company management performed this judgement by cost approach and expected future dividend and cashflows.

The Company recognises transfers between levels of the fair value hierarchy as of the end of reporting period.

13 Securities and assets pledged with the Registrar

- 13.1 As at 31 March 2022 and 31 December 2021, the Company's investments were pledged with the Registrar in accordance with the Non-Life Insurance Act No. 2 B.E. 2551 as follows:

	31 March 2022		31 December 2021	
	Book value	Face value	Book value	Face value
		<i>(in thousand Baht)</i>		
Bank of Thailand bond	14,975	15,000	15,008	15,000
Total	14,975	15,000	15,008	15,000

- 13.2 As at 31 March 2022 and 31 December 2021, the Company's investments in debt securities and deposit at banks were reserved with the Registrar in accordance with the Notification of the Office of Insurance Commission regarding "Rates, Rules and Procedures for unearned premium reserve of Non-life Insurance Company B.E.2557" as follows:

	31 March 2022		31 December 2021	
	Book value	Face value	Book value	Face value
		<i>(in thousand Baht)</i>		
Government and Bank of Thailand bonds	273,381	255,000	278,725	255,000
Deposit at bank - time deposit	250,000	250,000	250,000	250,000
Total	523,381	505,000	528,725	505,000

14 Restricted and collateral assets

	31 March 2022	31 December 2021
		<i>(in thousand Baht)</i>
Deposit at bank - time deposit		
To secure bank guarantee - facilities issued by banks	700	700

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2022 (Unaudited)

15 Commitments with non-related parties

As at 31 March 2022 and 31 December 2021, the Company had future minimum lease payments required under these non-cancellable contracts as follows:

Commitments under office rental and service agreements

	31 March 2022	31 December 2021
	<i>(in thousand Baht)</i>	
<i>Operating lease commitments</i>		
Within one year	9,702	8,620
After one year but within five years	1,657	2,651
Total	<u>11,359</u>	<u>11,271</u>

16 Contingent liabilities

As at 31 March 2022, lawsuits have been brought against the Company, in relation to insurance claims of Baht 201 million (*31 December 2021: Baht 189 million*) whereas the sum insured of insurance policy and reinsurance claim recoverable of Baht 145 million and Baht 7 million, respectively (*31 December 2021: Baht 126 million and Baht 6 million, respectively*). The Company's management believes that the claim reserves accounted for in the financial statements is adequate for potential losses in respect of those lawsuits.

17 Event after the reporting period

At the shareholders' annual general meeting of the Company held on 25 April 2022, the shareholders approved the appropriation of dividend of Baht 100 per share, amounting to Baht 142.7 million. The dividend will be paid to shareholders in May 2022.