

Annual Report

2021

Content

03	Key Figures 2021
04	Report on the Performance
06	Name of Directors
07	General Information
08	Our Management Team
09	Organization Chart
10	Mission & Vision
11	Corporate Social Responsibility
16	Financial Highlights
18	Financial Statements 2021 and Independent Auditor'S Report

Key Figures 2021

03 | MSIG Insurance (Thailand) Public Company Limited



Operating in
Thailand

100+
years



Gross Written Premium 2021

4,105 million
Baht



Employees

700+
people



Claims Service Centers

14 locations
nationwide

Strong Financial Credit Rating MS&AD Group

As of February 24, 2022

MSIG Insurance (Thailand) Public Company Limited a member of
is a company in the world's leading non-life insurance group

MS&AD

Japan Credit Rating
Agency (JCR)

AA+

Mitsui Sumitomo Insurance
Aioi Nissay Dowa Insurance

(Long-Term Issuer Credit Rating)

Moody's Japan

A1

Mitsui Sumitomo Insurance
Aioi Nissay Dowa Insurance
(Financial Strength Rating)

Mitsui Sumitomo Insurance
(Long-Term Issuer Credit Rating)

Rating and Investment
Information (R&I)

AA

Mitsui Sumitomo Insurance
Aioi Nissay Dowa Insurance
(Issuer Rating)

Mitsui Sumitomo Aioi Life Insurance
Mitsui Sumitomo Primary Life Insurance
(Insurance Claims Paying Ability)

A.M.Best

A+

Mitsui Sumitomo Insurance
Aioi Nissay Dowa Insurance

(Financial Strength Rating)

Standard & Poor's
Ratings Japan

A+

Mitsui Sumitomo Insurance
Aioi Nissay Dowa Insurance
Mitsui Sumitomo Primary Life Insurance
(Financial Strength Rating)

Mitsui Sumitomo Insurance
Aioi Nissay Dowa Insurance
(Long-Term Issuer Credit Rating)

website : <https://www.ms-ad-hd.com>

In 2021, the spread of the Coronavirus disease (COVID-19) and its derivatives continued and intensified compared to the previous year. Economic difficulties were more widespread and adversely impacted the country's GDP, resulting in economic recession. The important tourism, travel and hospitality business come to a virtual standstill.

The General Insurance industry was severely affected due to the offering of COVID insurance policies with lump sum payments ("Jer-Jai-Joob"), which generated total premium (as of 31st January 2022) in the amount of about Baht 11,000 million. However, claims have amounted to over Baht 40,000 million, which has had a serious financial impact on those insurance companies that had offered the "Jer-Jai-Joob" COVID insurance policies.

These companies are facing heavy underwriting losses as reported widely in the media. Fortunately, the Company took the decision not to offer any COVID insurance coverage and therefore has not been adversely affected by this situation.

The Company earned Gross Written Premium of Baht 4,105 million, a 12.8% increase over the Baht 3,638 million reported in 2020. Growth was mainly from Motor and Marine; and Personal Accident businesses through the expansion of distribution channels, especially online selling via strong business partnerships.

In 2021, the Company posted an overall Underwriting Profit of Baht 215 million, which was better than Plan and significantly higher than 2020 (Baht 188 million).

The Company's GWP and underwriting profit earned in 2021 is therefore its best performance in the past 15 years

MSIG (Thailand) had investment income and gains of Baht 88 million for the year, an increase of 52% from 2020, mainly derived from realised gains from securities trading and interest and dividend income.

The Company's Profit after Tax was Baht 245 million, an increase over 2020 (Baht 204 million). Earnings per share for the year 2021 were Baht 172. The Capital Adequacy Ratio stands at 390%, almost four times higher than the required regulatory ratio (100%). The Company is therefore in a strong financial position with capital funds to support sustainable business development.

Throughout 2021, the Company faced many challenges in the severe economic turndown and change in customer behavior. It has been necessary for the Company to adjust its strategies to such changes, especially to overcome the economic recession, the lack of travel insurance business and other emerging risks (such as cyber threats and the potential spread of other diseases).

In 2022, the Company will be using new technology and innovations to enhance its processes and systems for selling and providing services to better meet the needs of business partners, alliances, and customers, in line with the changes in the business and social environment. We shall further introduce more eCommerce initiatives and expand ePayments to reduce the use of cash transactions. The Company will also develop and launch a new Motor Insurance product, "UBI" (Usage Based Insurance), to respond to customers who use their vehicles less often.

The Company has continued to develop new marketing strategies by building Business Eco systems to create activities that built customer loyalty in all target segments and look to business expansion through selected partners who have the potential to bring new businesses, profitable growth and other opportunities.

The Company's management and all employees are motivated and engaged, and strive to provide excellent and professional services to our customers, business partners and all stakeholders.

On behalf of the Company's Board of Directors, we would like to take this opportunity to sincerely thank everyone who contributed to the Company's success in 2021.



Mr. Arnop Phorndhiti

Chairman
and Chairman of the Executive Committee



Mr. Rattapol Gitisakchaiyakul

Chief Executive Officer



Mr. Sanit Rangnoi
Chairman of the Audit
Committee
and Independent Director



Mr. Arnop Phorndhiti
Chairman
and Chairman of the Executive
Committee



Mr. Alan John Wilson
Chairman of the Nomination
and Remuneration Committee
and Director



Mr. Dhevan Liauburindr
Director



Mr. Kiyoshi Nakagawa
Director



Mr. Boonchu Angchaisuksiri
Independent Director



Mr. Rattapol Gitisakchaiyakul
Director

Name of Company : MSIG Insurance (Thailand) Public Company Limited.
 Registration No. : 0107555000414
 Head Office : 1908 MSIG Building, New Petchburi Road, Bangkapi,
 Huay Kwang, Bangkok 10310
 Telephone : +66 2825 8888 Fax : +66 2318 8550 www.msig-thai.com
 Type of Business : Insurance
 Registered Capital : 1,426,662 Ordinary shares, in a total value of 142,666,200 Baht
 Paid-up Capital : 1,426,662 Ordinary shares, in a total value of 142,666,200 Baht
 Legal entity which MSIG holds share exceeding 10% : -None-

Declaration of Directors on a direct or indirect interest in any contract which is made by the Company during an accounting year -None-

Declaration of holding of shares or debentures of the Company or an affiliated company (as at 31st December 2021)

Name of Directors	Number of Shares held as at 1 st January 2021	Number of Shares held as at 31 st December 2021	Change
1. Mr. Arnop Phorndhiti	6,133	6,133	-
2. Mr. Alan John Wilson	-	-	-
3. Mr. Sanit Rangnoi	-	-	-
4. Mr. Dhevan Liauburindr	-	-	-
5. Mr. Kiyoshi Nakagawa*	-	-	-
6. Mr. Boonchu Angchaisuksiri	-	-	-
7. Mr. Rattapol Gitisakchaiyakul	4,267	4,367	100

Our Management Team



Mr. Rattapol Gitisakchaiyakul
Chief Executive Officer



Mr. Surachai Rattayavisid
Senior Vice President,
Underwriting



Miss Suporn Raopitiwongkul
Senior Vice President,
Finance and Accounts



Miss Pawana Thaisuwan
Senior Vice President,
Strategic Planning
and ERM



Miss Sathaporn Thaneerat
Senior Vice President,
Information Technology



Mr. Worapon Lopansri
Senior Vice President,
Internal Audit



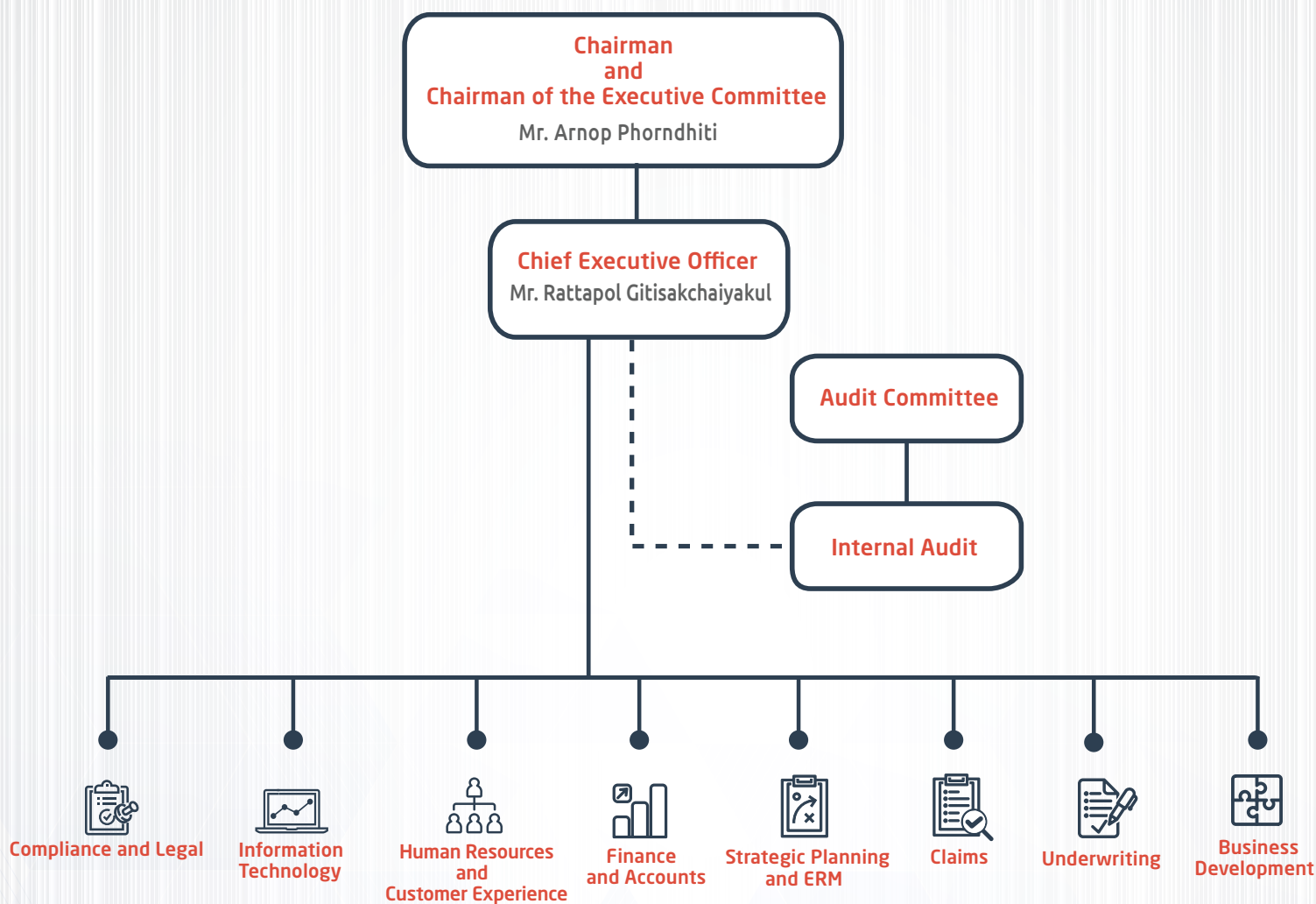
Mrs. Lalita Suwanarat
Senior Vice President,
Compliance & Legal



Dr. Somkiat Sakulsuraekkapong
Senior Vice President,
Human Resources
and Customer Experience



Miss Suppawan Nakapanant
Senior Vice President,
Claims



Achievements

- 
- **2014** : Consumer Protection Thailand Call Center Award
 - **2015** : Consumer Protection Thailand Call Center Award
 - **2016** : Prime Minister Insurance Award 2017 for Best Thailand Non-Life Insurer,
 - **2017** : Consumer Protection Thailand Call Center Award
 - **2019** : Happy Provident Fund Company Award
 - **2020** : Organization of the Year – Insurance Services and Social Contribution
 - **2020** : BSA Building Safety Award
 - **2021** : DhepMahesak Award
(organized by Department of Empowerment of Persons with disabilities)
 - **2021** : Most Innovative Customer Centric Digital Insurance Product
- Prakan Kubdee Project – Thailand



Mission : To contribute to the development of a vibrant society and help secure a sound future for the planet, by enabling safety and peace of mind through the global insurance and financial services business.



Vision : To create a world-leading insurance and financial services group that consistently pursues sustainable growth and enhances corporate value.

Core Values



Customer Focused

We continuously strive to provide security to our customers and achieve customer satisfaction.



Integrity

We are sincere, fair and just in all our dealings.



Teamwork

We achieve mutual growth by respecting one another's individuality and opinions and by sharing knowledge and ideas.



Innovation

We listen to our stakeholders and continuously seek ways to improve the way we work and do business.



Professionalism

We make continuous efforts to improve our skills and proficiency to provide high quality services.

Corporate Social Responsibility 2021

The Sustainable Development Goals (SDGs), otherwise known as the Global Goals, build on the Millennium Development Goals (MDGs), adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are an urgent call for action by all countries - developed and developing - in a global partnership.

The 17 Sustainable Development Goals (SDGs) are :

1. No poverty
2. Zero hunger
3. Good health and well-being
4. Quality education
5. Gender equality
6. Clean water and sanitation
7. Affordable and clean energy
8. Decent work and economic growth
9. Industry, innovation and infrastructure
10. Reduced inequalities
11. Sustainable cities and communities
12. Responsible consumption and production
13. Climate action
14. Life below water
15. Life on land
16. Peace, justice and strong institutions
17. Partnerships for the goals



Sustainable Development 2021

The **MS&AD** Insurance Group contributes to the development of a vibrant society and helps secure a sound future for the planet, by enabling safety and peace of mind through the global insurance and financial services business.

In 2021, MSIG Thailand organized various Corporate Social Responsibility (CSR) projects that supported the Sustainable Development Goals (SDGs) in Good Health and Well-being: To ensure healthy lives and promote well-being for all at all ages. MSIG Thailand has been supporting accessibility to health services and vaccinations during the COVID pandemic through various projects to help reduce the impact of the pandemic.



Prakan Kubdee Donation for COVID 19

The Company's Prakan Kubdee (Good Driving Insurance) innovation won the MSIG Asia Innovation Award 2021. The Company decided to donate this prize money to the Ramathibodi Foundation to support those infected with COVID 19 and other vulnerable persons. The donation was received by Asst. Prof. Thongchai Bhongmakapat, treasurer of the foundation.



Siriraj Foundation Donation for COVID 19

MSIG Thailand donated 200,000 Baht to the Siriraj Foundation for the purchase of medical equipment and to support COVID 19 related activities. The donation was received by treasurer of the foundation.

In addition to the above two activities, the company has also participated in activities with the Office of Insurance Commission (OIC), the Thai General Insurance Association and partner companies to help ensure healthy lives and promote well-being for all at all ages as follows.

COVID 19 vaccine donation

MSIG Thailand and the Office of Insurance Commission (OIC) together with other members sponsored the purchase of Sinopharm COVID 19 vaccine from the Chulabhorn Royal Academy. This activity was made to recognize the importance of vaccinations especially for vulnerable persons such as elderly persons, pregnant women and disabled people.

Ventilators Donation

MSIG Thailand and the Thai General Insurance Association together with other members sponsored the purchase of ventilators to Bussarakham field hospital, to help fight the Covid 19 pandemic. The donation was received by Prime Minister.



We will get through this together project

MSIG Thailand cooperated with other 31 partners to support the project **“We will get through this together Box”** hosted on the Facebook page “We will get through this together”. The “box” contained medical supplies and COVID survival kits for infected persons during their quarantine period. The boxes were delivered to people who contacted and sought aid via the chat box on the Facebook page.

Moreover, MSIG Thailand continuous organized activities that supported other goals of the Sustainable Development Goals (SDGs) especially in Decent Work and Economic Growth; To promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all and Quality Education; Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all as follows.





DhepMahesak Award 2021

MSIG was honored with a “DhepMahesak” award (organized by Department of Empowerment of Persons with disabilities) that is given to organizations in both the public and private sector in recognition of supporting the employment of persons with disabilities and to encouraging various activities for sustainable benefit to people with disabilities. MSIG has supported a Phayao disabled community by providing livelihood opportunities through the “Sustainable Agricultural Center” project. Income generated from the Center’s produce has significantly improved the quality of life and mental health of those given an opportunity to participate in the project, which extends to family members and the disabled community in Hong-Hin subdistrict, Phayao province. The project has enabled a resilient and sustainable way of life for an underfunded rural community; and for people with little or no income struggling in life, the program has provided a new means and meaning to life.



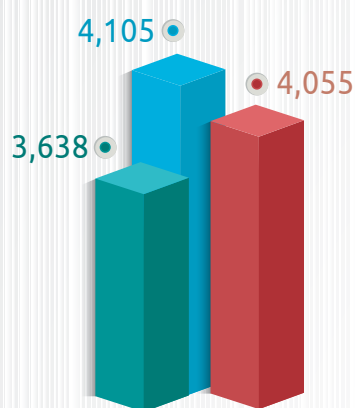
“PROP-INSUR-TECH HACKATHON 2021”

MSIG Thailand in collaboration with the Faculty of Science, Chiangmai University and digital technology partners organized the PROP-INSUR-TECH HACKATHON 2021 for students and other interested persons regardless of age or academic background. The main objective of the activity was to publicize the general insurance industry; share knowledge; develop digital literacy, showcase expert talent adapting technology to the insurance industry (InsurTech); expand the consumer market; and initiate new ways of working as well as promoting job opportunities in the emerging skill fields of the general insurance industry. There were 40 teams with more than 150 persons who participated in this HACKATHON.

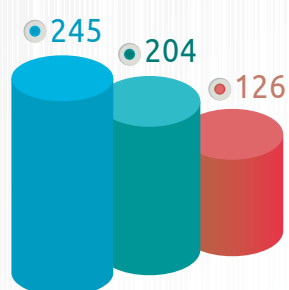
[Financial Highlights 2021]



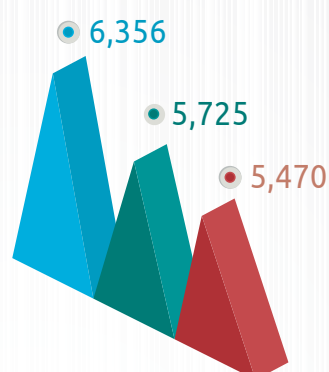
Summary Financial Information (Million Baht)



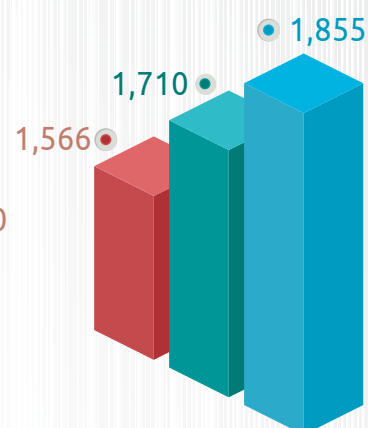
Gross Premium Written



Net Profit

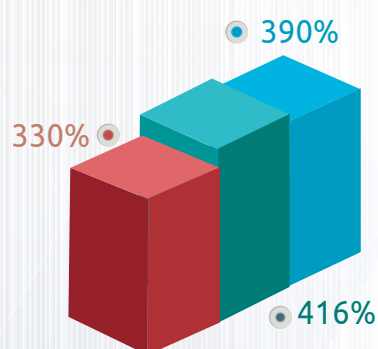


Total Assets

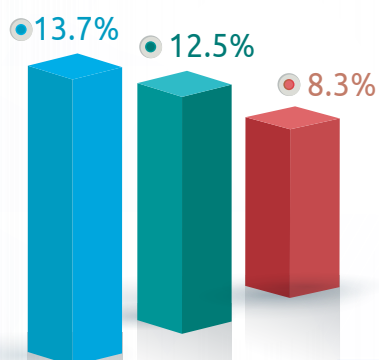


Equity

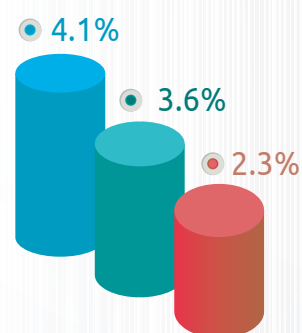
Financial Ratio (%)



Capital Adequacy Ratio



Return on Equity (Average)



Return on Total Assets (Average)

31 December (Million Baht)

	2021	2020	2019
Gross Premium Written	4,105	3,638	4,055
Net Premium Earned	3,211	3,083	3,346
Underwriting Profit	215	188	61
Investment income and gains on investment	88	58	67
Net Profit	245	204	126
Total Assets	6,356	5,725	5,470
Total Liabilities	4,501	4,015	3,904
Equity	1,855	1,710	1,566

Financial Statements **2021** and Independent Auditor's Report



MSIG Insurance (Thailand) Public Company Limited

Financial statements for the year ended
31 December 2021

and
Independent Auditor's Report



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Sathorn, Bangkok 10120, Thailand
Tel +66 2677 2000
Fax +66 2677 2222
Website home.kpmg/th

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Independent Auditor's Report

To the Shareholders of MSIG Insurance (Thailand) Public Company Limited

Opinion

I have audited the financial statements of MSIG Insurance (Thailand) Public Company Limited (the "Company"), which comprise the statement of financial position as at 31 December 2021, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants issued by the Federation of Accounting Professions that is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. ✓



I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

A handwritten signature in blue ink, reading 'P. Gulsantithamrong'.

(Pantip Gulsantithamrong)
Certified Public Accountant
Registration No. 4208

KPMG Phoomchai Audit Ltd.
Bangkok
18 March 2022

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

Assets	<i>Note</i>	31 December	
		2021	2020
		<i>(in Baht)</i>	
Cash and cash equivalents	4, 26	239,365,601	212,807,604
Premiums due and uncollected	5	760,610,706	744,012,473
Accrued investment income		9,326,207	10,356,345
Reinsurance assets	11, 23	393,415,655	417,451,553
Reinsurance receivables	6	103,469,426	60,584,689
Investments assets			
Investments in securities	7, 25, 26	3,508,824,145	3,049,094,511
Premises and equipment	8	256,517,363	260,183,026
Right-of-use assets	9	13,889,176	16,281,857
Intangible assets	10	33,838,593	34,718,432
Deferred acquisition costs		565,279,431	535,335,013
Deferred tax assets	19	389,775,666	316,086,110
Other assets	23	81,867,855	68,071,359
		<hr/>	<hr/>
Total assets		6,356,179,824	5,724,982,972
		<hr/>	<hr/>

The accompanying notes form an integral part of the financial statements.

MSIG Insurance (Thailand) Public Company Limited

Statement of financial position

Liabilities and equity	Note	31 December	
		2021	2020
		<i>(in Baht)</i>	
Liabilities			
Insurance contract liabilities	11	3,367,505,930	2,990,379,063
Reinsurance payables	12, 23	300,570,150	217,445,263
Income tax payable		58,994,967	72,750,970
Employee benefit obligations	13	285,060,126	285,470,638
Lease liabilities		12,588,062	15,433,689
Other liabilities	14, 23	476,246,376	434,000,087
Total liabilities		4,500,965,611	4,015,479,710
Equity			
Share capital			
Authorized share capital		142,666,200	142,666,200
<i>(1,426,662 ordinary shares, par value at Baht 100 per share)</i>			
Issued and paid-up share capital		142,666,200	142,666,200
<i>(1,426,662 ordinary shares, par value at Baht 100 per share)</i>			
Share premium on ordinary shares	15	146,068,797	146,068,797
Retained earnings			
Appropriated			
Legal reserve	16	14,266,620	14,266,620
Unappropriated		1,538,010,737	1,371,576,179
Other components of shareholders' equity	16	14,201,859	34,925,466
Total equity		1,855,214,213	1,709,503,262
Total liabilities and equity		6,356,179,824	5,724,982,972

The accompanying notes form an integral part of the financial statements.

MSIG Insurance (Thailand) Public Company Limited

Statement of comprehensive income

		For the year ended 31 December	
	Note	2021	2020
		(in Baht)	
Revenues			
Gross premiums written		4,105,404,569	3,638,367,145
Less premiums ceded	23	(628,232,381)	(586,019,911)
Net premiums written		3,477,172,188	3,052,347,234
Unearned premium reserve decreased (increased) from previous year		(274,920,960)	29,536,242
Add reinsurers' share of unearned premium reserve increased from previous year		8,898,447	1,229,909
Net premiums earned		3,211,149,675	3,083,113,385
Commission and brokerage income	23	148,180,154	145,663,836
Net investment income		37,094,559	47,013,706
Gain on investments		50,694,568	11,397,925
Other income	23	14,286,739	15,340,785
Total revenues		3,461,405,695	3,302,529,637
Expenses			
Insurance claims expenses	18	1,596,031,363	1,618,991,675
Less insurance claims expenses recovered from reinsurers	23	(92,438,992)	(207,960,293)
Net insurance claims expenses		1,503,592,371	1,411,031,382
Commission and brokerage expenses		539,674,221	544,159,405
Other underwriting expenses	18	541,053,527	542,176,778
Operating expenses	17, 18, 23	559,927,043	543,815,306
Other expenses		9,342,107	11,329,697
Expected credit loss and impairment loss	22	2,149,101	45,941
Total expenses		3,155,738,370	3,052,558,509
Profit before income tax		305,667,325	249,971,128
Income tax	19	60,766,357	45,967,853
Net profit		244,900,968	204,003,275
Other comprehensive income (loss)			
Items that will be reclassified subsequently to profit or loss			
Gain (loss) on remeasurement of investment-fair value through other comprehensive income (loss)		(25,904,509)	5,084,870
Income tax relating to components of other comprehensive income (loss) that will be reclassified subsequently to profit or loss	19	5,180,902	(1,016,974)
Other comprehensive income (loss) for the year, net of income tax		(20,723,607)	4,067,896
Total comprehensive income for the year		224,177,361	208,071,171
Basic earnings per share (in Baht)	20	171.66	142.99

The accompanying notes form an integral part of the financial statements.

MSIG Insurance (Thailand) Public Company Limited

Statement of changes in equity

				Retained earnings		Other components of equity	
		Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated (in Baht)	Gain on investment measured at fair value through other comprehensive income	Total equity
	Note						
For the year ended 31 December 2020							
Balance at 1 January 2020		142,666,200	146,068,797	14,266,620	1,231,772,694	30,857,570	1,565,631,881
Transactions with shareholders, recorded directly in equity							
Distributions to shareholders of the Company							
Dividends	21, 23	-	-	-	(64,199,790)	-	(64,199,790)
Total distributions to shareholders of the Company		-	-	-	(64,199,790)	-	(64,199,790)
Comprehensive income for the year							
Net profit		-	-	-	204,003,275	-	204,003,275
Other comprehensive income		-	-	-	-	4,067,896	4,067,896
Total comprehensive income for the year		-	-	-	204,003,275	4,067,896	208,071,171
Balance at 31 December 2020		142,666,200	146,068,797	14,266,620	1,371,576,179	34,925,466	1,709,503,262

The accompanying notes form an integral part of the financial statements.

MSIG Insurance (Thailand) Public Company Limited

Statement of changes in equity

			Retained earnings		Other components of equity		
					Gain (loss) on investment measured at fair value through other comprehensive income	Total equity	
	Note	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated (in Baht)		
For the year ended 31 December 2021							
Balance at 1 January 2021		142,666,200	146,068,797	14,266,620	1,371,576,179	34,925,466	1,709,503,262
Transactions with shareholders, recorded directly in equity							
<i>Distributions to shareholders of the Company</i>							
Dividends	21, 23	-	-	-	(78,466,410)	-	(78,466,410)
<i>Total distributions to shareholders of the Company</i>		-	-	-	(78,466,410)	-	(78,466,410)
Comprehensive income (loss) for the year							
Net profit		-	-	-	244,900,968	-	244,900,968
Other comprehensive income (loss)		-	-	-	-	(20,723,607)	(20,723,607)
Total comprehensive income (loss) for the year		-	-	-	244,900,968	(20,723,607)	224,177,361
Balance at 31 December 2021		142,666,200	146,068,797	14,266,620	1,538,010,737	14,201,859	1,855,214,213

The accompanying notes form an integral part of the financial statements.

MSIG Insurance (Thailand) Public Company Limited

Statement of cash flows

		For the year ended 31 December	
	Note	2021	2020
		(in Baht)	
Cash flows from operating activities			
Premium received		4,083,271,793	3,644,350,540
Cash paid to reinsurers		(310,065,622)	(207,180,720)
Interest received		36,477,035	44,505,651
Dividend received		5,480,249	3,409,977
Other income		4,987,302	6,619,156
Insurance claims expenses		(1,484,333,014)	(1,518,594,619)
Commission and brokerage expenses		(561,334,286)	(562,666,513)
Other underwriting expenses		(514,469,315)	(485,248,179)
Operating expenses		(525,492,629)	(533,984,945)
Income tax paid		(143,031,013)	(66,450,811)
Cash received - financial assets		2,441,873,117	2,988,758,465
Cash payment - financial assets		(2,882,794,380)	(3,232,047,612)
Net cash flows provided by operating activities		150,569,237	81,470,390
Cash flows from investing activities			
Cash flows provided by			
Proceeds from sale of equipment and vehicles		10,435	70,173
Cash flows provided by investing activities		10,435	70,173
Cash flows used in			
Purchase of building improvement and equipment		(28,190,298)	(21,968,276)
Purchase of intangible assets		(9,969,093)	(5,748,270)
Cash flows used in investing activities		(38,159,391)	(27,716,546)
Net cash flows used in investing activities		(38,148,956)	(27,646,373)
Cash flows from financing activities			
Payment of lease liabilities		(6,866,348)	(10,000,697)
Interest paid	9	(529,526)	(630,165)
Dividend paid	21, 23	(78,466,410)	(64,199,790)
Net cash flows used in financing activities		(85,862,284)	(74,830,652)
Net increase (decrease) in cash and cash equivalents		26,557,997	(21,006,635)
Cash and cash equivalents at 1 January		212,807,604	233,814,239
Cash and cash equivalents at 31 December	4	239,365,601	212,807,604

The accompanying notes form an integral part of the financial statements.

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and 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 issuance by the Company's Board of Directors on 18 March 2022.

1 General information

MSIG Insurance (Thailand) Public Company Limited, (the "Company"), is incorporated in Thailand. The Company's registered office at 1908 MSIG Building, New Petchburi Road, Bangkok, HuayKwang, Bangkok.

The ultimate parent company, MS&AD Insurance Group Holdings, Inc., and the Company's major shareholders, Mitsui Sumitomo Insurance Co., Ltd. are incorporated in Japan and Yardhimar Co., Ltd. which is incorporated in Thailand.

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

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS") and guidelines promulgated by the Federation of Accounting Professions. In addition, the financial statements are prepared in accordance with the Notification of the Office of Insurance Commission regarding "Rules, Procedures, Conditions and Timing for the Preparation and Submission of the Financial Statements and Reporting of the Operations of Non-Life Insurance Companies" B.E. 2562 (No.2), dated 4 April 2019.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2021. The adoption of these new and revised TFRS did not have any material impact on the financial statements.

The Company has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. The Company has assessed the potential initial impact on the financial statements of these new and revised TFRS that there will be no material impact on the financial statements in the period of initial application.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

<i>Items</i>	<i>Measurement bases</i>
Investment measured at fair value through other comprehensive income	Fair value
Defined benefit liability	Present value of the defined benefit obligation as explained in Note 3 (k)

(c) Functional and presentation currency

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented has been rounded to the nearest thousand Baht in note to financial statements unless otherwise stated.

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

(d) Use of judgements and estimates

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Company's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements, assumptions, and estimation uncertainties

Information about judgements, assumptions and estimation uncertainties at 31 December 2021 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial statements is included in the following notes:

Note 7	Investment in securities
Note 11	Insurance contract liabilities
Note 13	Employee benefit obligations
Note 19	Income tax
Note 22	Expected credit loss and impairment loss
Note 24	Insurance and financial risk management
Note 29	Contingent liabilities

Insurance contract liabilities

Insurance contract liabilities consist of loss reserve, outstanding claims and unearned premium reserves. The carrying amount as at the reporting date is disclosed in Note 11.

Process involved in determining assumptions of loss reserve and outstanding claims

The Company determines the loss reserve and outstanding claims in accordance with the Company's claim experiences. The assumptions used in the estimation are intended to result in provisions which are sufficient to cover any liabilities arising out of insurance contracts to the extent that can be reasonably foreseen. However, because of the uncertainty of a provision for insurance claims, it is likely that the final outcome could prove to be different from the estimated liability.

Provision is estimated at the reporting date for the expected ultimate cost of settlement of all claims incurred in respect of events up to that date, whether reported or not, together with related claims handling expenses. The Company uses several statistical methods to incorporate the various assumptions made in order to estimate the ultimate cost of claims.

The Chain-ladder technique involves the analysis of historical claims development factors and the selection of estimated development factors based on the historical claims development pattern. The selected development factors are then applied to cumulative claims data for each accident year.

The Bornhuetter-Ferguson method estimates the ultimate loss using a combination of actual reported losses and an estimate of loss developments for future losses which are based on the expected losses and the selected loss development factors of each accident year. The two estimates are combined using a formula that gives weight to the experience-based estimate as time passes.

Process involved in determining of premium reserves

The Company determines the premium reserves based on the greater amount of unearned premium reserves less deferred acquisition costs and unexpired risk reserves which as of reporting date.

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currencies

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates at the reporting date. Foreign currency differences are generally recognised in profit or loss.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition.

(c) Classification of insurance contracts

Insurance contracts are contracts under which the Company accepts significant insurance risk from another party by agreeing to compensate the policy holder or beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder. Once a contract is classified as an insurance contract, it remains classified as an insurance contract until all rights and obligations are extinguished or expired.

(d) Recognition and measurement of insurance contracts

Premiums due and uncollected

Premiums due and uncollected are stated in the insurance policy value less allowance for doubtful accounts. Which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Loss reserves and outstanding claims

Loss reserves are taken up in the accounts upon receipt of claim advices from the insured, at the value appraised by an independent appraiser or the Company's appraiser, depending on the particular case. In addition, the Company set up a provision for losses incurred but not yet reported (IBNR) based upon estimates made by a qualified actuary.

Premium reserves

Premium reserves consist of unearned premium reserve and unexpired risks reserve.

Unearned premium reserve

Unearned premium reserve represent the portion of the net premium written which is estimated to be earned in the following or subsequent financial years, computed separately for each insurance contract using the daily average basis from net premium written (the one-three hundred sixty fifth basis).

Unexpired risks reserve

Unexpired risks reserves are the best estimate of the claims that are expected be incurred during the remaining period of coverage of in-force policies, based on analysis of historical claims data by an actuary. Unexpired risk reserves are only recognised in the financial statements to the extent that they exceed unearned premium reserve.

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

Premium written and premium earned

Premium written is recognised on insurance policy comes into effect and are presented gross of premium ceded and commissions and brokerage expenses. Premium earned comprises of premium written during the year and change in unearned premium reserves and is recognised as revenue proportionally over the period of coverage.

Commissions and brokerage expenses

Acquisition costs which represent commission and other related expenses are deferred and recognised over the period in which the related premiums are earned.

Claims and loss adjustment expenses

Insurance claims and loss adjustment expenses consist of insurance claims and loss adjustment expenses of direct insurance and reinsurance, and include the amounts of insurance claims, related expenses, and loss adjustments of current loss reserves and brought forward period, less residual value and other recoveries (if any) and claims refundable from reinsurers. Insurance claims and loss adjustment expenses of direct insurance are recognised upon the receipt of the claims advice from the insured and estimated loss incurred by the Company's claim department or external surveyors. The maximum value of claims estimated is not, however, to exceed the sum-insured under the relevant policy. Insurance claims and loss adjustment expenses of reinsurance are recognised as expenses when the reinsurer places the loss advice or the statement of accounts with the Company.

Reinsurance

Assets, liabilities, income and expense arising from reinsurance contracts are presented separately from the assets, liabilities, income and expense from the related insurance contracts because the reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders. Premium ceded, reinsurer's share of change in unearned premium reserve, fee and commission income and claims and loss adjustment expenses recovered from reinsurers are recognised as expense or income in accordance with the pattern of reinsurance service received when incurred. An asset or liability is recognised in the statement of financial position representing reinsurance receivables, reinsurer's share of insurance contract liabilities and reinsurance payables. The net amount is presented in the statement financial position only when the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The measurement of reinsurance assets is consistent with the measurement of the underlying insurance contracts.

Amounts recoverable under reinsurance contracts are assessed for impairment at reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Company may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer. Due to reinsurers and other payable are stated at cost.

Liability adequacy test

Short-term insurance contracts

The liability of the Company under short-term insurance contracts is tested for adequacy by comparing the best estimate of future contractual cash flows with the carrying amount of gross insurance contract provisions for unearned premiums and insurance claims on in force policies at the end of reporting period by using an actuarial method based on historical claims and expense. Where an expected shortfall is identified, additional provisions are made for unearned premiums or insurance claims and are recognized in profit or loss.

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

(e) Financial instruments

(1) Recognition and initial measurement

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset and financial liability are initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(2) Classification and subsequent measurement

Financial assets

Debt securities that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost, less impairment losses. Acquisition cost and maturity amount of debt securities differences are amortised by effective interest method through the remaining life of debt securities. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets other than those debt securities held to maturity, are classified as investments measured at fair value through other comprehensive income, subsequent to their initial recognition, these investments are measured at fair value to other comprehensive income, with changes in fair value on investments recognised directly in equity, except impairment losses and monetary in foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

The fair value of debt securities is calculated by referencing to the price quoted by Thai Bond Market Association at reporting date. For debt securities which are not listed on the Thai Bond Market Association, the fair value is calculated by referencing to the price quoted by a reliable institutions at the reporting date. For equity securities and other securities which are listed, the fair value is estimated using the last bid price from the Stock Exchange of Thailand (SET) at reporting date. For unit trusts which are non-listed, fair value is estimated using net asset value at reporting date.

Financial liabilities

Financial liabilities are measured at amortised cost which subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

(3) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(f) Premises and equipment

Recognition and measurement

Owned assets

Land is measured at cost less any impairment loss. Building and equipment are measured at cost less accumulated depreciation and any impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of premises and equipment are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of premises and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of premises and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land or assets under construction.

The estimated useful lives are as follows:

Buildings	50 years
Buildings improvement	3 - 20 years
Furniture, fixtures and equipment	1 - 10 years
Computer equipment	3 - 10 years
Vehicles	5 years

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

(g) Lease

At inception of a contract, the Company assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Company uses the Company's incremental borrowing rate to discount the lease payments to the present value. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At lease inception, the Company considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease. The Company recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

(h) Intangible assets

Computer software that is acquired by the Company and had a finite useful life are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

Computer software	1 - 10 years
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MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

(i) Impairment of financial assets

Equity instruments and unit trust which is classified as FVOCI

Impairment loss is recognised when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists.

When a decline in the fair value of FVOCI financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Debt instruments except for unit trust which is classified as FVOCI securities

The Company recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, and debt investments measured at FVOCI.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

The Company recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the Company recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

ECLs for investments in debt securities

Probabilities of default (PD) and loss given default (LGD) for investment in debt securities are based on historical data supplied by rating agency for each credit rating.

The Company considers debt securities to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade' as equivalent to S&P BBB- grade at least.

The Company assumes that the credit risk on debt securities has increased significantly if it is significant deterioration in debt securities' credit rating.

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

The Company considers debt securities to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full; or
- the debt securities are more than 1 days past due.

(j) *Impairment of non-financial assets*

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Calculation of recoverable amount

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) *Employee benefits*

The Company operates a number of employee benefit plans as follows:

Defined contribution plans

Obligations for contributions to the Company's provident funds are expensed as the related service is provided.

Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations are discounted to the present value, which performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(l) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(m) Measurement of fair value

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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 within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs for the assets or liabilities that are not 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 recognises transfers between levels of the fair value hierarchy as of the end of reporting period.

Further information about the methods made in measuring fair values is disclosed in note 24.

(n) Revenue

Revenue is recognised when a customer obtains control of service in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Rendering of services

Revenue for rendering of services is recognized over time as the services are provided. The related costs are recognized in profit or loss when they are incurred.

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

(o) *Investment income*

Investment income comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Company's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

(p) *Expenses-operating expenses*

Operating expenses are recognised in the statement of comprehensive income as expenses on an accrual basis.

(q) *Finance costs*

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition construction. Interest expenses or borrowing costs are recognized in profit or loss using the effective interest method.

(r) *Income tax*

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; to the extent that it is probable that they will not reverse in the foreseeable future.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) *Earnings per share*

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the number of ordinary shares outstanding during the year.

(t) *Related parties*

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Company; a person or entity that are under common control or under the same significant influence as the Company or the Company has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

4 Cash and cash equivalents

	2021	2020
	<i>(in thousand Baht)</i>	
Cash on hand	50	330
Deposits at banks - call deposits	184,211	112,482
Highly liquid short - term investments	55,105	99,996
Total	<u>239,366</u>	<u>212,808</u>

5 Premiums due and uncollected

As at 31 December 2021 and 2020, the aging analyses for premiums due and uncollected were as follows:

	2021	2020
	<i>(in thousand Baht)</i>	
Within credit terms	618,774	627,140
Overdue:		
Not over than 30 days	61,314	53,502
31 - 60 days	39,057	31,247
61 - 90 days	15,818	14,204
91 days - 1 year	25,817	25,135
Over 1 year	5,208	-
Total	765,988	751,228
Less allowance doubtful accounts	(5,377)	(7,216)
Net	<u>760,611</u>	<u>744,012</u>

	2021	2020
	<i>(in thousand Baht)</i>	
Doubtful accounts (reversal) for the year ended 31 December	<u>(1,839)</u>	<u>5,388</u>

The normal credit term of insured, 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 pursues legal proceedings against such agents and brokers.

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

6 Reinsurance receivables

	2021 (in thousand Baht)	2020 (in thousand Baht)
Due from reinsurers	103,469	60,585

As at 31 December 2021 and 2020, the aging analyses for due from reinsurers were as follows:

	2021 (in thousand Baht)	2020 (in thousand Baht)
Within due	-	-
Overdue:		
Less than 1 year	97,590	58,247
Within 1 - 2 years	5,873	1,150
Over 2 years	6	1,188
Total	103,469	60,585

7 Investments in securities

7.1 Investment in securities by measurement are as follows:

	2021		2020	
	Cost / Amortised cost	Fair value (in thousand Baht)	Cost / Amortised cost	Fair value
<i>Investment measured at fair value through other comprehensive income</i>				
Government and state enterprise debt securities	2,075,289	2,066,781	1,762,317	1,795,447
Private debt securities	761,964	766,358	622,845	635,883
Equity securities	229,481	241,781	219,177	221,738
Unit trust	82,800	89,805	86,800	81,320
Total	3,149,534	3,164,725	2,691,139	2,734,388
Add Unrealised gains	15,361	-	43,419	-
Less Allowance for impairment loss	(170)	-	(170)	-
Total investment measured at fair value through other comprehensive income	3,164,725	3,164,725	2,734,388	2,734,388
Allowance for impairment loss	2,067	-	-	-
Allowance for expected credit loss	321	-	239	-
<i>Investment measured at amortised cost</i>				
Deposits at banks with original maturities over 3 months	344,099	344,099	314,707	314,707
Total investment measured at amortised cost	344,099	344,099	314,707	314,707
Total investment in securities	3,508,824	3,508,824	3,049,095	3,049,095

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

7.2 Investment measured at fair value through other comprehensive income

	2021		2020	
	Fair value	Allowance for expected credit loss / Allowance for impairment loss	Fair value	Allowance for expected credit loss / Allowance for impairment loss
	<i>(in thousand Baht)</i>			
Debt securities - no significant increase in credit risk (stage 1)	2,833,139	321	2,431,330	239
Debt securities - significant increase in credit risk (stage 2)	-	-	-	-
Debt securities - default / credit-impaired (stage 3)	-	-	-	-
Debt securities - unit trust	89,805	-	81,320	-
Equity securities	241,781	2,237	221,738	170
Total	3,164,725	2,558	2,734,388	409

7.3 Investment measured at amortised cost

	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

	2020		
	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)	314,707	-	314,707
Total	314,707	-	314,707

MSIG Insurance (Thailand) Public Company Limited

Notes to the financial statements

For the year ended 31 December 2021

7.4 Remaining period of debt securities

As at 31 December 2021 and 2020, investments in debt securities which were classified as investment measured at fair value through other comprehensive income and investment measured at amortised cost were classified by the remaining maturity as follows:

	2021 Maturities				2020 Maturities			
	1 year	Over 1 - 5 years	Over 5 years	Total	1 year	Over 1 - 5 years	Over 5 years	Total
	<i>(in thousand Baht)</i>							
<i>Debt securities measured at fair value through other comprehensive income</i>								
<i>Government and state enterprise debt securities</i>								
- Thai government bonds	537,639	1,107,112	347,038	1,991,789	74,409	1,053,365	603,143	1,730,917
- State enterprise bonds	-	5,500	78,000	83,500	-	5,500	25,900	31,400
Total	537,639	1,112,612	425,038	2,075,289	74,409	1,058,865	629,043	1,762,317
Add (Less) Unrealised gains (losses)	865	(2,373)	(7,000)	(8,508)	692	22,584	9,854	33,130
Total	538,504	1,110,239	418,038	2,066,781	75,101	1,081,449	638,897	1,795,447
<i>Private debt securities</i>								
- Debentures	-	481,210	280,754	761,964	-	382,398	240,447	622,845
Total	-	481,210	280,754	761,964	-	382,398	240,447	622,845
Add (Less) Unrealised gains (losses)	-	6,391	(1,997)	4,394	-	7,916	5,122	13,038
Total	-	487,601	278,757	766,358	-	390,314	245,569	635,883
Total debt securities measured at fair value through other comprehensive income	538,504	1,597,840	696,795	2,833,139	75,101	1,471,763	884,466	2,431,330

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

	2021 Maturities				2020 Maturities			
	1 year	Over 1 - 5 years	Over 5 years	Total (in thousand Baht)	1 year	Over 1 - 5 years	Over 5 years	Total
<i>Debt securities at amortised cost</i>								
Deposits at banks with original maturities over 3 months	344,099	-	-	344,099	314,707	-	-	314,707
Total debt securities at amortised cost	344,099	-	-	344,099	314,707	-	-	314,707
Total investment in debt securities	882,603	1,597,840	696,795	3,177,238	389,808	1,471,763	884,466	2,746,037

7.5 Disclosure on fair value of debt securities for each class as follow

Classification of financial assets	Fair value as at 31 December 2021	Changes in fair value during the year	Fair value as at 31 December 2020	Changes in fair value during the year
Financial assets - the contractual cash flows from financial assets at the defined date are solely payment of principal and interest, excluding financial assets meet to definition of held for trading in accordance with Thai Financial Reporting Standards: TFRS 9 or the company is managed and whose performance is evaluated on a fair value basis.	<u>3,177,238</u>	<u>(50,283)</u>	<u>2,746,037</u>	<u>5,688</u>
Contractual cash flows from financial assets at the defined date are not solely payment of principal and interest.	<u>89,805</u>	<u>12,485</u>	<u>81,320</u>	<u>(1,299)</u>

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

8 Premises and equipment

	Land	Buildings	Buildings improvement (in thousand Baht)	Furniture, fixtures and equipment	Vehicles	Total
<i>Cost</i>						
At 1 January 2020	119,074	218,765	83,448	300,336	15,098	736,721
Additions	-	-	7,239	26,215	-	33,454
Disposals	-	-	(3,075)	(8,677)	(129)	(11,881)
Transfers	-	-	-	(3,400)	(8,670)	(12,070)
At 31 December 2020 and 1 January 2021	119,074	218,765	87,612	314,474	6,299	746,224
Additions	-	-	7,949	20,425	2,205	30,579
Disposals	-	-	(4,011)	(83,990)	(6,299)	(94,300)
At 31 December 2021	119,074	218,765	91,550	250,909	2,205	682,503
<i>Accumulated depreciation</i>						
At 1 January 2020	-	195,593	30,167	232,750	4,668	463,178
Depreciation charge for the year	-	1,051	5,021	25,310	1,268	32,650
Disposals	-	-	(531)	(8,564)	(105)	(9,200)
Transfers	-	-	-	(425)	(162)	(587)
At 31 December 2020 and 1 January 2021	-	196,644	34,657	249,071	5,669	486,041
Depreciation charge for the year	-	1,051	5,261	24,888	656	31,856
Disposals	-	-	(2,745)	(83,182)	(5,984)	(91,911)
At 31 December 2021	-	197,695	37,173	190,777	341	425,986
<i>Net book value</i>						
At 1 January 2020	119,074	23,172	53,281	67,586	10,430	273,543
At 31 December 2020 and 1 January 2021	119,074	22,121	52,955	65,403	630	260,183
At 31 December 2021	119,074	21,070	54,377	60,132	1,864	256,517

The gross carrying amount of the Company's fully depreciated buildings and equipment that was still in use as at 31 December 2021 amounted to Baht 130 million (2020: Baht 174 million).

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

9 Leases

As a lessee

Right-of-use assets

At 31 December

	2021	2020
	<i>(in thousand Baht)</i>	
Buildings	2,526	3,104
Equipment	1,841	2,408
Vehicles	9,522	10,770
Total	13,889	16,282

In 2021, additions to the right-of-use assets of the Company were Baht 4.3 million (2020: Baht 0.6 million).

For the year ended 31 December

2021 2020

(in thousand Baht)

Amounts recognised in profit or loss

Depreciation of right-of-use assets:

- Buildings	2,397	2,887
- Equipment	567	567
- Vehicles	3,605	3,700
Interest on lease liabilities	530	630
Expenses relating to short-term leases	2,897	3,426

In 2021, total cash outflow for leases of the Company were Baht 7 million (2020: Baht 11 million).

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

10 Intangible assets

	Software licences (in thousand Baht)
<i>Cost</i>	
At 1 January 2020	75,154
Additions	8,248
Disposal	(131)
At 31 December 2020 and 1 January 2021	83,271
Additions	11,593
Disposal	(4,125)
At 31 December 2021	90,739
<i>Amortisation and impairment losses</i>	
At 1 January 2020	38,807
Amortisation for the year	9,877
Disposal	(131)
At 31 December 2020 and 1 January 2021	48,553
Amortisation for the year	10,849
Disposal	(2,502)
At 31 December 2021	56,900
<i>Net book value</i>	
At 1 January 2020	36,347
At 31 December 2020 and 1 January 2021	34,718
At 31 December 2021	33,839

The gross carrying amount of the Company's fully amortised intangible assets that still in use as at 31 December 2021 amounted to Baht 22 million (2020: Baht 18 million).

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

11 Insurance contract liabilities

	2021			2020		
	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	1,028,047	(163,475)	864,572	881,455	(139,662)	741,793
- Incurred but not reported	129,989	(26,029)	103,960	174,375	(82,776)	91,599
Total loss reserves and outstanding claims	1,158,036	(189,504)	968,532	1,055,830	(222,438)	833,392
Unearned premium reserves	2,209,470	(203,912)	2,005,558	1,934,549	(195,014)	1,739,535
Total	3,367,506	(393,416)	2,974,090	2,990,379	(417,452)	2,572,927

11.1 Loss reserves and outstanding claims

At 1 January	1,055,830	(222,438)	833,392	977,507	(146,330)	831,177
Insurance claim expenses incurred during the year	1,509,415	(149,186)	1,360,229	1,442,624	(158,162)	1,284,462
Insurance claim expenses paid during the year	(1,362,823)	125,373	(1,237,450)	(1,408,290)	131,853	(1,276,437)
Change in estimation and assumption	(44,386)	56,747	12,361	43,989	(49,799)	(5,810)
At 31 December	1,158,036	(189,504)	968,532	1,055,830	(222,438)	833,392

11.2 Unearned premium reserves

At 1 January	1,934,549	(195,014)	1,739,535	1,964,085	(193,784)	1,770,301
Premium written during the year	4,105,405	(628,232)	3,477,173	3,638,367	(586,020)	3,052,347
Earned premium in the year	(3,830,484)	619,334	(3,211,150)	(3,667,903)	584,790	(3,083,113)
At 31 December	2,209,470	(203,912)	2,005,558	1,934,549	(195,014)	1,739,535

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

11.3 Loss development table

11.3.1 Gross loss development triangle

At 31 December 2021

Accident year/ Accounting year	Prior and within 2016	2017	2018	2019	2020	2021	Total
				<i>(in thousand Baht)</i>			
Estimated loss reserve and outstanding claims							
At year ended		2,003,669	2,103,157	1,936,421	1,656,868	1,769,681	
Development year 1		1,950,548	1,996,700	1,867,277	1,516,826	-	
Development year 2		1,875,305	1,900,641	1,708,211	-	-	
Development year 3		1,877,678	1,896,042	-	-	-	
Development year 4		1,874,401	-	-	-	-	
Absolute estimated loss reserve and outstanding claim	127,147	1,874,401	1,896,042	1,708,211	1,516,826	1,769,681	8,892,308
Accumulative claims paid	(121,777)	(1,866,393)	(1,891,376)	(1,625,103)	(1,338,619)	(955,414)	(7,798,682)
Total	5,370	8,008	4,666	83,108	178,207	814,267	1,093,626
Reconciliation							
Unallocated loss adjustment expenses							64,410
Total loss reserve and outstanding claims							1,158,036

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

At 31 December 2020

Accident year/ Accounting year	Prior and within 2015	2016	2017	2018 (in thousand Baht)	2019	2020	Total
Estimated loss reserve and outstanding claims							
At year ended		1,827,468	2,003,669	2,103,156	1,936,423	1,656,865	
Development year 1		1,831,510	1,950,548	1,996,699	1,867,272	-	
Development year 2		1,773,304	1,875,305	1,900,639	-	-	
Development year 3		1,768,852	1,877,678	-	-	-	
Development year 4		1,768,597	-	-	-	-	
Absolute estimated loss reserve and outstanding claim	195,534	1,768,597	1,877,678	1,900,639	1,867,272	1,656,865	9,266,585
Accumulative claims paid	(188,422)	(1,766,494)	(1,866,093)	(1,887,241)	(1,605,781)	(949,550)	(8,263,581)
Total	7,112	2,103	11,585	13,398	261,491	707,315	1,003,004
Reconciliation							
Unallocated loss adjustment expenses							52,826
Total loss reserve and outstanding claims							1,055,830

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

11.3.2 Net loss development triangle

At 31 December 2021[illegible]

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

At 31 December 2020

Accident year/ Accounting year	Prior and within 2015	2016	2017	2018	2019	2020	Total
				<i>(in thousand Baht)</i>			
Estimated loss reserve and outstanding claims							
At year ended		1,689,699	1,715,205	1,626,174	1,690,775	1,460,487	
Development year 1		1,714,538	1,681,410	1,610,349	1,610,907	-	
Development year 2		1,659,222	1,611,631	1,520,312	-	-	
Development year 3		1,655,753	1,611,927	-	-	-	
Development year 4		1,655,458	-	-	-	-	
Absolute estimated loss reserve and outstanding claims	66,008	1,655,458	1,611,927	1,520,312	1,610,907	1,460,487	7,925,099
Accumulative claims paid	(59,726)	(1,653,425)	(1,606,150)	(1,511,445)	(1,452,666)	(861,121)	(7,144,533)
Total	6,282	2,033	5,777	8,867	158,241	599,366	780,566
Reconciliation							
Unallocated loss adjustment expenses							52,826
Total loss reserve and outstanding claims, net							833,392

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

12 Reinsurance payables

	2021	2020
	<i>(in thousand Baht)</i>	
Amount withheld on reinsurance	85,336	83,790
Due to reinsurers	215,234	133,655
Total	300,570	217,445

13 Employee benefit obligations

Post-employment benefits

The Company operates a number of post-employment benefit plans including defined benefit plans. All defined benefit plans are unfunded. The Company has 3 defined benefit plans as follows:

Plan A

The retirement gratuity to staff employed by Commercial Union Assurance (Thailand) Company Limited prior to 15 July 1999. The employee benefits will be paid upon retirement or resignation.

Plan B

The post-employment benefit plan based on the requirement of the Thai Labor Protection Act B.E. 2541.

Plan C

Long service awards are given to eligible employees who complete 10 years of work, and subsequently every fifth year.

Present value of unfunded obligations as at 31 December 2021 and 2020 were as follows:

	2021	2020
	<i>(in thousand Baht)</i>	
Defined benefit plans		
- Post-employment benefits	275,667	276,509
- Other long-term employee benefits	9,393	8,962
Total present value of unfunded obligations	285,060	285,471

<i>Present value of the defined benefit obligations</i>	2021		2020		Total <i>(in thousand Baht)</i>
	Post-employment benefits	Other long-term employee benefits	Post-employment benefits	Other long-term employee benefits	
At 1 January	276,509	8,962	285,471	263,637	272,262
Include in profit or loss:					
Current service cost	20,028	1,460	21,488	19,770	21,175
Interest on obligation	5,899	203	6,102	5,690	5,886
Paid during the year	(26,769)	(1,232)	(28,001)	(12,588)	(13,852)
At 31 December	275,667	9,393	285,060	276,509	285,471

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

Principal actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

	2021	2020
	(%)	
Discount rate	2.2 - 2.6	2.2 - 2.6
Future salary increase rate	4.0 - 6.0	4.0 - 6.0
Employee turnover rate	0.0 - 18.0	0.0 - 18.0

Assumptions regarding future mortality have been based on published statistics and mortality tables.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(a) *Defined post - employment benefits obligation*

	Change in variable (%)	2021 Increase (decrease) in liabilities (in thousand Baht)	2020 Increase (decrease) in liabilities
Discount rate	+1	(15,010)	(15,319)
Discount rate	-1	16,797	17,162
Future salary	+1	32,081	29,468
Future salary	-1	(29,002)	(26,763)
Employee turnover rate	+10	(2,863)	(2,773)
Employee turnover rate	-10	3,043	2,951

(b) *Defined other long-term employee benefits obligation*

	Change in variable (%)	2021 Increase (decrease) in liabilities (in thousand Baht)	2020 Increase (decrease) in liabilities
Discount rate	+1	(493)	(473)
Discount rate	-1	545	524
Employee turnover rate	+10	(290)	(273)
Employee turnover rate	-10	311	294

14 Other liabilities

	Note	2021 (in thousand Baht)	2020
Commission payables		128,238	115,660
Accrued expenses		257,844	242,725
Others	23	90,164	75,615
Total		476,246	434,000

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

15 Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account (“share premium”). Share premium is not available for dividend distribution.

16 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account (“legal reserve”), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Investments measured at fair value through other comprehensive income

The fair value changes account within equity comprises the cumulative net change in the fair value of investment at FVOCI until the investments are derecognised or impaired, net of deferred tax.

17 Operating expenses

	2021	2020
	<i>(in thousand Baht)</i>	
Employee expense	323,912	318,020
Premises and equipment expense	97,795	88,634
Taxes and duties	1,691	867
Bad debt and doubtful account expense (reversal)	(526)	6,126
Others	137,055	130,168
Total	559,927	543,815

18 Employee benefit expenses

	Note	2021	2020
		<i>(in thousand Baht)</i>	
Director’s remuneration	23	3,490	3,602
Wages, salaries and bonuses	23	592,970	618,067
Post-employment benefits	13, 23	61,182	60,160
Total		657,642	681,829

The defined contribution plan comprises a provident fund established by the Company for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 5% to 15% of their basic salaries and by the Company at rates ranging from 5% to 15% of the employees’ basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

19 Income tax

Income tax recognised in profit or loss

	2021 (in thousand Baht)	2020
Current tax expense		
Current year	105,457	97,212
Understatement in prior year	23,818	-
Deferred tax expense		
Movements in temporary differences	(68,509)	(51,244)
Total	60,766	45,968

Income tax recognised in other comprehensive income

Deferred tax expenses

Loss (gain) on remeasurement of investments - fair value
through other comprehensive income (loss)

	5,181	(1,017)
Total	5,181	(1,017)

Reconciliation of effective tax rate

	2021 Rate (%)	(in thousand Baht)	2020 Rate (%)	(in thousand Baht)
Profit before income tax		305,668		249,971
Income tax using the tax rate	20.0	61,134	20.0	49,994
Understatement in prior year	7.8	23,818	-	-
Income tax adjustment - deferred	(6.5)	(19,968)	-	-
Income not subject to tax	(1.3)	(4,001)	(0.1)	(264)
Addition deductible expense for tax purpose	(0.6)	(1,716)	(1.7)	(4,209)
Expenses not deductible for tax purposes	0.5	1,499	0.2	447
Total	19.9	60,766	18.4	45,968

Deferred tax assets and liabilities

	2021 (in thousand Baht)	2020
Deferred tax assets	397,822	329,406
Deferred tax liabilities	(8,046)	(13,320)
Net	389,776	316,086

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

Movements in deferred tax balance are as follows:

	At 1 January 2021	(Charged) / credited to		At 31 December 2021
		Profit or loss	Other comprehensive income	
		<i>(in thousand Baht)</i>		
<i>Deferred tax assets</i>				
Allowance for doubtful accounts	1,832	(471)	-	1,361
Allowance for impairment loss on investment	34	413	-	447
Unearned premium reserve	103,719	19,219	-	122,938
Incurred but not reported loss reserves (IBNR)	18,320	2,472	-	20,792
Loss reserves	148,359	24,555	-	172,914
Employee benefit obligations	57,094	(82)	-	57,012
Accrued Expense	-	22,294	-	22,294
Expected credit loss	48	16	-	64
Total	329,406	68,416	-	397,822
<i>Deferred tax liabilities</i>				
Depreciation expense for buildings	4,424	(211)	-	4,213
Depreciation expense for financial lease	164	118	-	282
Gain on remeasurement of investments - fair value	8,684	-	(5,610)	3,074
Allowance for impairment loss on investment	-	-	413	413
Expected credit loss	48	-	16	64
Total	13,320	(93)	(5,181)	8,046
Net	316,086	68,509	5,181	389,776

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

	At 1 January 2020	(Charged) / credited to		At 31 December 2020
		Profit or loss	Other comprehensive income	
		(in thousand Baht)		
Deferred tax assets				
Allowance for doubtful accounts	735	1,097	-	1,832
Allowance for impairment loss on investment	34	-	-	34
Unearned premium reserve	80,164	23,555	-	103,719
Incurred but not reported loss reserves (IBNR)	19,482	(1,162)	-	18,320
Loss reserves	123,360	24,999	-	148,359
Employee benefit obligations	54,452	2,642	-	57,094
Expected credit loss	39	9	-	48
Total	278,266	51,140	-	329,406
Deferred tax liabilities				
Depreciation expense for buildings	4,634	(210)	-	4,424
Depreciation expense for financial lease	58	106	-	164
Gain on remeasurement of investments - fair value	7,676	-	1,008	8,684
Expected credit loss	39	-	9	48
Total	12,407	(104)	1,017	13,320
Net	265,859	51,244	(1,017)	316,086

20 Basic earnings per share

	2021 (in thousand Baht/share)	2020
Profit attributable to ordinary shareholder for the year ended 31 December		
Profit	244,901	204,003
Number of ordinary shares outstanding	1,426,662	1,426,662
Basic earnings per share (in Baht)	171.66	142.99

21 Dividends

The shareholders of the Company have approved dividends as follows:

Annual dividend	Approval date	Payment schedule	Dividends rate per share (Baht)	Amount (in million Baht)
2021	27 April 2021	May 2021	55	78
2020	24 April 2020	May 2020	45	64

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

22 Expected credit loss and impairment loss

	2021	2020
	<i>(in thousand Baht)</i>	
Expected credit loss		
Investment in securities		
- Debt securities measured at fair value through other comprehensive income	82	46
Impairment loss		
Investment in securities		
- Equity securities measured at fair value through other comprehensive income	2,067	-
Total	2,149	46

23 Related parties

Other related parties that the Company has significant transactions with during the year were as follows:

Name of entities/Personnel	Country of Incorporation/ Nationality	Nature of relationships
Key management personnel	Thais/ Foreigners	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including director (whether executive or otherwise) of the Company.
MS&AD Insurance Group Holdings, Inc.	Japan	Ultimate parent company
Mitsui Sumitomo Insurance Co., Ltd.	Japan	Major shareholder, 49% shareholding
Yardhimar Co., Ltd.	Thailand	Major shareholder, 37% shareholding
Mitsui Sumitomo Insurance Co., Ltd. Thailand Branch	Thailand	The subsidiary company of the Ultimate parent company
MSIG Service and Adjusting (Thailand) Co., Ltd.	Thailand	The subsidiary company of the Ultimate parent company
Calm Sea Service Co., Ltd.	Thailand	The subsidiary company of the Ultimate parent company
MSIG Asia Pte. Ltd. (Formerly named "MSIG Holdings (Asia) Pte. Ltd.")	Singapore	The subsidiary company of the Ultimate parent company
MSIG Insurance (Singapore) Pte. Ltd.	Singapore	The subsidiary company of the Ultimate parent company
MS First Capital Insurance Limited	Singapore	The subsidiary company of the Ultimate parent company
MS Amlin Asia Pacific Pte. Ltd.	Singapore	The subsidiary company of the Ultimate parent company
MSIG Insurance Malaysia Bhd.	Malaysia	The subsidiary company of the Ultimate parent company
MS Frontier Reinsurance Limited, Kuala Lumpur Office	Malaysia	The subsidiary company of the Ultimate parent company
MSIG Insurance (Hong Kong) Ltd.	Hong Kong	The subsidiary company of the Ultimate parent company

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

Name of entities/Personnel	Country of Incorporation/ Nationality	Nature of relationships
MS Amlin Underwriting Limited	United Kingdom	The subsidiary company of the Ultimate parent company
MS Amlin Insurance SE	United Kingdom	The subsidiary company of the Ultimate parent company
Amlin Bermuda Limited	Bermuda	The subsidiary company of the Ultimate parent company
MSIG Insurance (Vietnam) Co., Ltd.	Vietnam	The subsidiary company of the Ultimate parent company

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

Transactions	Pricing policies
Premium 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
Marketing and management support services agreement fee	As stated in the agreement upon normal commercial terms for business operations

Significant transactions for the years ended 31 December with key management and related parties were summarised as follows:

<i>For the years ended 31 December</i>	2021	2020
	<i>(in thousand Baht)</i>	
Revenues		
Other related parties		
Commission and brokerage income	20,826	21,660
Service income	10,449	12,186
Expenses		
Other related parties		
Premiums ceded	110,029	96,871
Insurance claims expenses recovered from reinsurers	21,475	41,155
Marketing and management support services agreement fee	52,879	29,542
Key management and director compensation		
Directors' remuneration	3,490	3,602
Short-term benefits	61,048	59,899
Post-employment benefit	10,009	9,610
Total	74,547	73,111
Dividends		
Major shareholders		
Dividend paid	67,811	55,481

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

Significant balances as at 31 December 2021 and 2020 with related parties were as follows:

	2021 (in thousand Baht)	2020
Reinsurance assets		
Reinsurance's share of liabilities		
Other related parties		
Mitsui Sumitomo Insurance Co., Ltd.	35,768	45,925
MS Amlin Underwriting Limited	4,133	6,304
Amlin Bermuda Limited	931	912
MS First Capital Insurance Limited	2,043	2,094
MS Amlin Insurance SE	12,461	12,680
MSIG Insurance (Hong Kong) Limited	337	-
MS Amlin Asia Pacific Pte. Ltd.	310	-
Total	55,983	67,915
Reinsurance receivables		
Due from reinsurers		
Other related parties		
Mitsui Sumitomo Insurance Co., Ltd.	-	14
MS Amlin Underwriting Limited	1,501	3,031
MS First Capital Insurance Limited	-	58
MS Amlin Insurance SE	13,410	7,818
MSIG Insurance (Hong Kong) Limited	35	-
Total	14,946	10,921
Other assets		
Other receivables		
Other related parties		
Mitsui Sumitomo Insurance Co., Ltd. Thailand Branch	511	927
Total	511	927
Reinsurance payables		
Due to reinsurers		
Other related parties		
Mitsui Sumitomo Insurance Co., Ltd.	3,259	404
MS Amlin Underwriting Limited	265	2,488
Amlin Bermuda Limited	287	148
MS First Capital Insurance Limited	718	34
MS Amlin Insurance SE	21,715	20,784
MSIG Insurance (Hong Kong) Limited	459	-
MS Amlin Asia Pacific Pte. Ltd.	593	-
Total	27,296	23,858
Amount withheld on reinsurance		
Other related parties		
Mitsui Sumitomo Insurance Co., Ltd.	19,036	19,244
MS First Capital Insurance Limited	1,629	1,608
Amlin Bermuda Limited	699	608
Total	21,364	21,460

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

	2021	2020
	<i>(in thousand Baht)</i>	
<i>Other liabilities</i>		
Payables to related parties		
Other related parties		
Mitsui Sumitomo Insurance Co., Ltd.	7,875	-
MSIG Asia Pte. Ltd.	13,058	1,946
Calm Sea Service Co., Ltd.	543	-
Total	21,476	1,946

24 Insurance and financial risk management

24.1 Financial risk management policies

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risk occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

24.2 Insurance risk

Insurance risk is the risk of financial loss exposed to the Company arising from incidents happened to risks accepted by the Company. Without proper risk management, this could cause negative impact to the company.

Exposure to insurance risk varies by class of business, retention, reinsurance arrangement, and accumulation control for natural catastrophes.

The Company has established level governance of insurance risk management through various policies deployed to management and staff via strategic execution and operational controls in each area.

24.2.1 Insurance Risk Management

Insurance Risk Management shall include how the Company determines its risk appetite, risk acceptance/selection, establishment of underwriting manual/guideline, segregation of duties, appropriate underwriting authority delegation, accumulation/concentration control as well as risk transfer with sufficient protection through appropriate treaties structure. This is to ensure that in most circumstances of uncertainties, the company will remain sustainable.

24.2.2 Underwriting strategy

The Company sets out its underwriting strategy and direction in its annual business plan with an aim to drive the company to achieve its ultimate business objectives as well as to create a well-balanced portfolio to mitigate risk of volatility. This includes determination of targeted classes of business, develops products and segments. The Company's underwriting strategy is conveyed to relevant staff, in particular those in business development, underwriting and claims who prepare their own operational departmental plans geared towards common goals.

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

24.2.3 Reinsurance strategy

The Reinsurance Strategy of the Company was established and annually reviewed under the Reinsurance Strategic Management approved by the Board of Directors and has been filed with the Office of Insurance commission. It is in line with MS&AD Group Reinsurance and Retention Policy, Regulations and Guidelines. It governs how the Company manages reinsurance, reinsurance broker selection, approved reinsurance securities, the level of reinsurance protection required as well as risk concentration controls and monitoring etc. The strategy is set out to support the corporate Underwriting Strategy as well as the Business Plan and proper measures are put in place to ensure appropriate and independent controls. Such controls include regular operational audits locally and technical auditing conducted by Review teams from the Regional office and/or Mitsui Sumitomo Insurance Co., Ltd.

24.2.4 Risk Accumulation Control

As part of our risk acceptance, the Company lays down regulations to control risk accumulation, in particular for those risks located in Industrial Estate, multi-tenancy risks and also accumulation exposure in relation to natural catastrophe perils. The controls include underwriting guidelines in relation to natural perils, training conducted for people with underwriting authorities, restricted authority granted for natural perils in particular for flood exposure, regular monitoring of exposure limits and risk block controls.

24.3 Concentration of insurance risks

The concentration of gross insurance risk and net of reinsurance in relation to the types of insurance risk accepted by the Company is summarized below, with the carrying amount of insurance contracts liabilities;

	2021		2020	
	Gross of reinsurance	Net	Gross of reinsurance	Net
	<i>(in thousand Baht)</i>			
Loss reserves and outstanding claims				
<i>Type of insurance</i>				
Fire	8,312	6,607	17,506	15,630
Marine	184,321	69,125	203,322	58,849
Motor	751,539	747,681	661,509	653,090
Miscellaneous	213,864	145,119	173,493	105,823
Total	1,158,036	968,532	1,055,830	833,392
Unearned premium reserves				
<i>Type of insurance</i>				
Fire	140,942	120,984	127,206	108,741
Marine	76,384	49,245	89,713	63,345
Motor	1,301,658	1,287,061	1,118,002	1,108,179
Miscellaneous	690,486	548,268	599,628	459,270
Total	2,209,470	2,005,558	1,934,549	1,739,535

Sensitivity analysis

The sensitivity analysis is performed on the net loss reserve and outstanding claims, based on changes in assumptions that may affect the level of liabilities. The assumption that has the greatest effect on the determination of loss reserve and outstanding claims is the expected loss ratio. The test was conducted based on a change level of -1% and +1% of the net of reinsurance recoveries.

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

		2021		2020	
	Change in variable (%)	Increase (decrease) in liabilities	Increase (decrease) in profit and equity (in thousand Baht)	Increase (decrease) in liabilities	Increase (decrease) in profit and equity
Net expected loss ratio	-1	(34,399)	34,399	(32,918)	32,918
Net expected loss ratio	+1	34,399	(34,399)	32,918	(32,918)

24.4 Capital management

The primary objectives of the Company's capital management are to ensure that it has an appropriate financial structure, preserves the ability to continue its business as a going concern and to maintain capital reserve in accordance with notifications of the Office of Insurance Commission. To maintain a strong capital fund base to maintain shareholders, policy holders, reinsurers and other stakeholders and to sustain future development of the business. The Board monitors the return on capital, which the Company defines as results from operating activities divided by total equity, and also monitors the level of dividends to ordinary shareholders.

In accordance with the requirements of the Office of Insurance Commission, all insurers are required to maintain a minimum at least 120% of capital adequacy requirement (CAR). It is the Company's policy to hold capital levels in excess of CAR.

24.5 Interest rate risk

Interest rate risk is the risk that future movement in market interest rates which will affect the interest income from investments. The investments include both short-term and long-term investments that have fixed and floating interest rates. The Company has managed investment risk by considering the risk of investments together with the return on such investments.

As at 31 December 2021 and 2020 significant financial assets classified by type of interest rate are as follows:

	2021				2020			
	Floating interest rate	Fixed interest rate	Non- interest bearing	Total	Floating interest rate	Fixed interest rate	Non- interest bearing	Total
	(in thousand Baht)							
Financial assets								
Cash and cash equivalents	184,211	55,105	50	239,366	112,482	99,996	330	212,808
Investments in securities								
Government and state enterprise debt securities	-	2,066,781	-	2,066,781	-	1,795,447	-	1,795,447
Private debt securities	-	766,358	-	766,358	-	635,883	-	635,883
Equity securities	-	-	241,781	241,781	-	-	221,738	221,738
Unit trusts	-	-	89,805	89,805	-	-	81,320	81,320
Deposits at banks with original maturities over 3 months	-	344,099	-	344,099	-	314,707	-	314,707
Total financial assets	184,211	3,232,343	331,636	3,748,190	112,482	2,846,033	303,388	3,261,903

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

As at 31 December 2021 and 2020, the financial assets carrying interest at fixed rates are classified below, according to the period from the reporting date to the contractual repricing dates or to the maturity date (whichever dates are earlier):

	Maturity period				Average interest rate (% per annum)
	Within 1 year	Over 1 - 5 years (in thousand Baht)	Over 5 years	Total	
2021					
Financial assets					
Cash and cash equivalents	55,105	-	-	55,105	0.31
Investments in securities					
Government and state enterprise debt securities	538,504	1,110,239	418,038	2,066,781	0.94
Private debt securities	-	487,601	278,757	766,358	2.32
Deposit at banks with original maturities over than 3 months	344,099	-	-	344,099	1.34
Total financial assets	937,708	1,597,840	696,795	3,232,343	

	Maturity period				Average interest rate (% per annum)
	Within 1 year	Over 1 - 5 years (in thousand Baht)	Over 5 years	Total	
2020					
Financial assets					
Cash and cash equivalents	99,996	-	-	99,996	0.66
Investments in securities					
Government and state enterprise debt securities	75,100	1,081,450	638,897	1,795,447	1.48
Private debt securities	-	390,314	245,569	635,883	2.60
Deposit at banks with original maturities over than 3 months	314,707	-	-	314,707	1.59
Total financial assets	489,803	1,471,764	884,466	2,846,033	

Sensitivity analysis

A reasonable possible change of interest rates as at 31 December 2021 and 2020 would have affected the measurement of investment in debt securities measured at FVOCI and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

	2021			
	Net profit (loss) + 25 basis point	Net profit (loss) - 25 basis point	Other components of shareholders' equity + 25 basis point (in thousand Baht)	Other components of shareholders' equity - 25 basis point
Yield curve	-	-	(19,725)	19,976
	2020			
	Net profit (loss) + 25 basis point	Net profit (loss) - 25 basis point	Other components of shareholders' equity + 25 basis point (in thousand Baht)	Other components of shareholders' equity - 25 basis point
Yield curve	-	-	(20,533)	20,755

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

24.6 Foreign currency risk

As at 31 December 2021 and 2020, the Company was exposed to foreign currency risk in respect of financial liabilities denominated in the following currency:

	<i>Note</i>	2021 Singapore Dollars (in thousand Baht)	2020 Singapore Dollars
<i>Liabilities denominated in the foreign currency</i>			
Payables to related parties	23	20,933	1,946
Other payables		2,290	-
Total		23,223	1,946

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Singapore Dollars as at 31 December 2021 and 2020 would have affected the measurement of financial instruments denominated in a foreign currency and affected equity and profit or loss by the amount shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sale and purchases.

	2021		2020	
	Net profit (loss) 5% strengthening	Net profit (loss) 5% weakening	Other components of shareholders' equity 5% strengthening	Other components of shareholders' equity 5% weakening
Singapore Dollars	(931)	931	-	-
<i>(in thousand Baht)</i>				
	2021		2020	
	Net profit (loss) 5% strengthening	Net profit (loss) 5% weakening	Other components of shareholders' equity 5% strengthening	Other components of shareholders' equity 5% weakening
Singapore Dollars	(78)	78	-	-
<i>(in thousand Baht)</i>				

24.7 Equity and unit trust price risk

Sensitivity analysis

A reasonably possible change of the stock market as at 31 December 2021 and 2020 would have affected the valuation of investment in listed equity investments included unit trust funds invested in stock exchange and affected equity and profit or loss by the amount shown below.

	2021		2020	
	Net profit (loss) 1% increase	Net profit (loss) 1% decrease	Other components of shareholders' equity 1% increase	Other components of shareholders' equity 1% decrease
SET Index	-	-	2,747	(2,747)
<i>(in thousand Baht)</i>				
	2021		2020	
	Net profit (loss) 1% increase	Net profit (loss) 1% decrease	Other components of shareholders' equity 1% increase	Other components of shareholders' equity 1% decrease
SET Index	-	-	2,578	(2,578)
<i>(in thousand Baht)</i>				

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

24.8 Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Company's customer base, Management does not anticipate material losses from its debt collection.

Concentrations of the credit risk with respect to premium due and uncollected is less significant since the insured is dispersed across different industries and geographic regions in Thailand.

Credit quality analysis

The following table sets out information about the credit quality as at 31 December 2021 and 2020 of debt securities measured at fair value through other comprehensive income and debt securities measured at amortised cost, based on TRIS and Fitch ratings (Excluded unit trust classified as FVOCI debt securities).

	31 December 2021 (in thousand Baht)			
	Stage 1	Stage 2	Stage 3	Total
<i>Investments measured at fair value through other comprehensive income</i>				
Government debts securities				
Non-rated	1,984,466	-	-	1,984,466
State enterprise debt securities				
Rated A and above	82,315	-	-	82,315
Private debt securities				
Rated A and above	766,358	-	-	766,358
Rated BBB+ to A-	-	-	-	-
Rated BBB and below	-	-	-	-
Carrying amount	2,833,139	-	-	2,833,139
Allowance for excepted credit loss	321	-	-	321
<i>Investments measured at amortised cost</i>				
Deposits at banks with original maturities over 3 months				
Rated A and above	344,099	-	-	344,099
Rated BBB+ to A-	-	-	-	-
Rated BBB and below	-	-	-	-
Carrying amount	344,099	-	-	344,099
Less Allowance for excepted credit loss	-	-	-	-
Net carrying amount	344,099	-	-	344,099

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

	31 December 2020 (in thousand Baht)			
	Stage 1	Stage 2	Stage 3	Total
<i>Investments measured at fair value through other comprehensive income</i>				
Government debts securities				
Non-rated	1,789,891	-	-	1,789,891
State enterprise debt securities				
Rated A and above	5,556	-	-	5,556
Private debt securities				
Rated A and above	635,883	-	-	635,883
Rated BBB+ to A-	-	-	-	-
Rated BBB and below	-	-	-	-
Carrying amount	2,431,330	-	-	2,431,330
Allowance for excepted credit loss	239	-	-	239
<i>Investments measured at amortised cost</i>				
Deposits at banks with original maturities over 3 months				
Rated A and above	314,707	-	-	314,707
Rated BBB+ to A-	-	-	-	-
Rated BBB and below	-	-	-	-
Carrying amount	314,707	-	-	314,707
Less Allowance for excepted credit loss	-	-	-	-
Net carrying amount	314,707	-	-	314,707

24.9 Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents and investment assets deemed adequate for operations and to mitigate the effects of fluctuations in cash flows.

The analysis of the expected maturity profile of loss reserves and outstanding claims, net of reinsurance are as follows;

	1 year	Over 1-5 years (in thousand Baht)	Total
2021			
Insurance contract liabilities			
Loss reserves and outstanding claims, net	878,304	90,228	968,532
2020			
Insurance contract liabilities			
Loss reserves and outstanding claims, net	747,464	85,928	833,392

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

24.10 Carrying amount and fair values

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 December 2021</i>	<i>Note</i>	Carrying amount	Level 1	Fair value		Total
				Level 2	Level 3	
				<i>(in thousand Baht)</i>		
Financial assets						
Investment in securities	7					
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
At 31 December 2020						
Financial assets						
Investment in securities	7					
Government and state						
enterprise debt securities		1,795,447	-	1,795,447	-	1,795,447
Private debt securities		635,883	-	635,883	-	635,883
Equity securities		221,738	200,119	19,552	2,067	221,738
Unit trusts		81,320	-	81,320	-	81,320
Total		2,734,388	200,119	2,532,202	2,067	2,734,388

Financial instruments measured at fair value

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

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 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.

Transfer between Level 1 and 2 of the fair value hierarchy

At 31 December 2021, the Company did not have equity securities measured at FVOCI that were transferred from Level 2 to Level 1 (2020: nil) or from Level 1 to Level 2 (2020: nil).

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

Financial instruments not measured at fair value

The carrying amounts of the following financial assets and financial liabilities are considered to be approximate to their fair values: cash and cash equivalents, accrued investment income, premiums due and uncollected, reinsurance assets and receivables, other assets, insurance contract liabilities, reinsurance payable, claim payable and other liabilities.

The fair value of deposits at financial institutions which have remaining terms to maturity of less than 90 days and for those with remaining terms to maturity greater than 90 days, the fair value are based on carrying value.

25 Securities and assets pledged with the Registrar

25.1 As at 31 December 2021 and 2020, the Company's investments were pledged with the Registrar in accordance with the Non-Life Insurance Act No. 2 B.E. 2551 as follows:

	2021		2020	
	Book value	Face value (in thousand Baht)	Book value	Face value
Bank of Thailand bond	15,008	15,000	-	-
Deposit at bank - time deposit	-	-	14,000	14,000
Bonds	15,008	15,000	14,000	14,000

25.2 As at 31 December 2021 and 2020, 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:

	2021		2020	
	Book value	Face value (in thousand Baht)	Book value	Face value
Government and Bank of Thailand bonds	278,725	255,000	177,181	155,000
Deposit at bank - time deposit	250,000	250,000	300,000	300,000
Total	528,725	505,000	477,181	455,000

26 Restricted and collateral assets

	2021 (in thousand Baht)	2020 (in thousand Baht)
(a) Deposit at bank - call deposit		
To secure group personal accident insurance	-	850
(b) Deposit at bank - time deposit		
To secure bank guarantee - facilities issued by banks	700	700

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2021

27 Contribution to Non-Life Insurance Fund

As at 31 December 2021 and 2020, the accumulated Contribution to Non-Life Insurance Fund were as follows:

	2021	2020
	<i>(in thousand Baht)</i>	
At 1 January	97,053	87,966
Increase during the year	10,252	9,087
At 31 December	107,305	97,053

28 Commitments with non - related parties

Commitments under office rental and service agreements

	2021	2020
	<i>(in thousand Baht)</i>	
<i>Operating lease commitments</i>		
Within one year	8,620	11,351
After one year but within five years	2,651	8,905
Total	11,271	20,256

29 Contingent liabilities

As at 31 December 2021 lawsuits have been brought against the Company, in relation to insurance claims of Baht 189 million (2020: Baht 140 million) whereas the sum insured of insurance policy and reinsurance claim recoverable of Baht 126 million and Baht 6 million, respectively (2020: Baht 117 million and Baht 3 million, respectively). The Company's management believes that the claim reserves accounted for in the financial statements are sufficient for potential losses in respect of those lawsuits.

30 Events after the reporting period

At the meeting of the Board of Directors of the Company held on 18 March 2022, the Board of Directors agreed to propose the meeting of shareholders will be held on 25 April 2022 to approve the appropriation of dividends of Baht 100 per share, amounting to Baht 143 million.

MSIG Insurance (Thailand) Public Company Limited

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