

MSIG Insurance (Thailand) Public Company Limited

Condensed interim financial statements
for the three-month and six-month periods ended
30 June 2021
and
Independent auditor's review report



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Independent auditor's report on review of interim financial information

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

I have reviewed the accompanying statement of financial position of MSIG Insurance (Thailand) Public Company Limited as at 30 June 2021; the statement of comprehensive income for the three-month and six-month periods ended 30 June 2021; changes in equity and cash flows for the six-month period ended 30 June 2021, and the condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

(Pantip Gulsantithamrong)
Certified Public Accountant
Registration No. 4208

KPMG Phoomchai Audit Ltd.
Bangkok
13 August 2021

MSIG Insurance (Thailand) Public Company Limited

Statement of financial position

Assets	Note	30 June	31 December
		2021	2020
		(Unaudited)	
		(in thousand Baht)	
Cash and cash equivalents	3, 16	144,986	212,808
Premiums due and uncollected	4	811,574	744,012
Accrued investment income		8,331	10,356
Reinsurance assets	7, 13	411,270	417,452
Reinsurance receivables	5	86,197	60,585
Investments assets			
Investments in securities	6, 14, 15	3,127,051	3,049,095
Premises and equipment		255,316	260,183
Right-of-use-assets		13,423	16,282
Intangible assets		29,623	34,718
Deferred acquisition costs		518,316	535,335
Deferred tax assets		340,637	316,086
Other assets	13	83,056	68,071
Total assets		5,829,780	5,724,983



บมจ. เอ็ม เอส ไอ จี ประกันภัย (ประเทศไทย)
MSIG Insurance (Thailand) Public Company Limited

(นายอรณพ พรธิติ)
กรรมการผู้มีอำนาจ

(นายรุ่งพล กิตติศักดิ์ไชยกุล)
กรรมการผู้มีอำนาจ

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

MSIG Insurance (Thailand) Public Company Limited

Statement of financial position

		30 June 2021 (Unaudited)	31 December 2020
Liabilities and equity	<i>Note</i>		
		(Unaudited)	
		<i>(in thousand Baht)</i>	
Liabilities			
Insurance contract liabilities	7	3,108,565	2,990,379
Reinsurance payables	8, 13	278,800	217,445
Income tax payable		29,315	72,751
Employee benefit obligations		284,680	285,471
Lease liabilities		12,342	15,434
Other liabilities	13	357,048	434,000
Total liabilities		4,070,750	4,015,480
Equity			
Share capital			
Authorized share capital		142,666	142,666
<i>(1,426,662 ordinary shares, par value at Baht 100 per share)</i>			
Issued and paid-up share capital		142,666	142,666
<i>(1,426,662 ordinary shares, par value at Baht 100 per share)</i>			
Share premium on ordinary shares		146,069	146,069
Retained earnings			
Appropriated			
Legal reserve		14,266	14,266
Unappropriated		1,426,181	1,371,576
Other components of shareholders' equity		29,848	34,926
Total equity		1,759,030	1,709,503
Total liabilities and equity		5,829,780	5,724,983

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

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

	Three-month period ended	
	30 June	
	2021	2020
	<i>(in thousand Baht)</i>	
Revenues		
Gross premiums written	905,469	755,727
<i>Less</i> premiums ceded	<u>(145,453)</u>	<u>(127,749)</u>
Net premiums written	760,016	627,978
Unearned premium reserve decreased from previous period	43,397	145,945
<i>Less</i> reinsurers' share of unearned premium reserve decreased from previous period	<u>(6,826)</u>	<u>(16,842)</u>
Net premium earned	796,587	757,081
Commission and brokerage income	44,102	34,819
Net investment income	10,361	9,981
Gain on investments	21,739	12,557
Other income (expense)	<u>2,905</u>	<u>(481)</u>
Total revenues	<u>875,694</u>	<u>813,957</u>
Expenses		
Insurance claim expenses	401,422	371,874
<i>Less</i> insurance claims expenses recovered from reinsurers	<u>(24,409)</u>	<u>(53,162)</u>
Net insurance claims expenses	377,013	318,712
Commission and brokerage expenses	162,960	159,992
Other underwriting expenses	118,290	120,002
Operating expenses	132,566	145,114
Other expenses	2,133	-
Expected credit loss and impairment loss	<u>2,162</u>	<u>140</u>
Total expenses	<u>795,124</u>	<u>743,960</u>
Profit before income tax	80,570	69,997
Income tax	<u>19,561</u>	<u>13,275</u>
Net profit	<u>61,009</u>	<u>56,722</u>

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

	Three-month period ended	
	30 June	
	2021	2020
	<i>(in thousand Baht)</i>	
Other comprehensive income		
<i>Items that will be reclassified subsequently to profit or loss</i>		
Gain on remeasurement of investments - fair value through other comprehensive income (loss)	1,949	19,360
Income tax relating to components of other comprehensive income (loss) that will be reclassified subsequently to profit or loss	(390)	(3,872)
Other comprehensive income for the period, net of income tax	<u>1,559</u>	<u>15,488</u>
 Total comprehensive income for the period	 <u><u>62,568</u></u>	 <u><u>72,210</u></u>
 Basic earnings per share <i>(in Baht)</i>	 <u><u>42.76</u></u>	 <u><u>39.75</u></u>

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

MSIG Insurance (Thailand) Public Company Limited

Statement of comprehensive income (Unaudited)

		Six-month period ended	
		30 June	
	Note	2021	2020
		<i>(in thousand Baht)</i>	
Revenues			
Gross premiums written		1,961,807	1,726,505
Less premiums ceded	13	<u>(326,910)</u>	<u>(302,562)</u>
Net premiums written		1,634,897	1,423,943
Unearned premium reserve decreased (increased) from previous period		(125,224)	139,826
Add reinsurers' share of unearned premium reserve increased			
from previous period		<u>30,640</u>	<u>14,394</u>
Net premium earned		1,540,313	1,578,163
Commission and brokerage income	13	81,123	69,059
Net investment income		20,151	26,080
Gain (loss) on investments		39,215	(6,291)
Other income	13	<u>5,776</u>	<u>3,714</u>
Total revenues		<u>1,686,578</u>	<u>1,670,725</u>
Expenses			
Insurance claim expenses		740,100	785,157
Less insurance claims expenses recovered from reinsurers	13	<u>(23,615)</u>	<u>(74,103)</u>
Net insurance claims expenses		716,485	711,054
Commission and brokerage expenses		284,485	300,618
Other underwriting expenses		247,605	267,436
Operating expenses	13	260,633	286,363
Other expenses		4,998	-
Expected credit loss and impairment loss	12	<u>2,152</u>	<u>231</u>
Total expenses		<u>1,516,358</u>	<u>1,565,702</u>
Profit before income tax		170,220	105,023
Income tax	10	<u>37,149</u>	<u>19,519</u>
Net profit		<u>133,071</u>	<u>85,504</u>

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

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

	Six-month period ended	
	30 June	
<i>Note</i>	2021	2020
	<i>(in thousand Baht)</i>	
Other comprehensive income (loss)		
<i>Items that will be reclassified subsequently to profit or loss</i>		
Loss on remeasurement of investments - fair value through other comprehensive income (loss)	(6,347)	(5,458)
Income tax relating to components of other comprehensive income (loss) that will be reclassified subsequently to profit or loss	10 1,269	1,092
Other comprehensive loss for the period, net income tax	<u>(5,078)</u>	<u>(4,366)</u>
Total comprehensive income for the period	<u>127,993</u>	<u>81,138</u>
Basic earnings per share (in Baht)	<u>93.27</u>	<u>59.93</u>

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MSIG Insurance (Thailand) Public Company Limited

Statement of changes in equity (Unaudited)

			Retained earnings		Other components of equity	
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated	Gain (loss) on investment measured at fair value through other comprehensive income	Total equity
<i>Note</i>						
	<i>(in thousand Baht)</i>					
Six-month period ended 30 June 2020						
Balance at 1 January 2020	142,666	146,069	14,266	1,231,774	30,857	1,565,632
Transactions with shareholders, recorded directly in equity						
<i>Distributions to shareholders of the Company</i>						
Dividends	11	-	-	(64,200)	-	(64,200)
Total distributions to shareholders of the Company		-	-	(64,200)	-	(64,200)
Comprehensive income (loss) for the period						
Net profit		-	-	85,504	-	85,504
Other comprehensive income (loss)		-	-	-	(4,366)	(4,366)
Total comprehensive income (loss) for the period		-	-	85,504	(4,366)	81,138
Balance at 30 June 2020	142,666	146,069	14,266	1,253,078	26,491	1,582,570

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

MSIG Insurance (Thailand) Public Company Limited

Statement of changes in equity (Unaudited)

			Retained earnings		Other components of equity	
	Issued and paid-up share capital	Share premium on ordinary shares	Legal reserve	Unappropriated	Gain (loss) on investment measured at fair value through other comprehensive income	Total equity
<i>Note</i>						
	<i>(in thousand Baht)</i>					
Six-month period ended 30 June 2021						
Balance at 1 January 2021	142,666	146,069	14,266	1,371,576	34,926	1,709,503
Transactions with shareholders, recorded directly in equity						
<i>Distributions to shareholders of the Company</i>						
Dividends	11	-	-	(78,466)	-	(78,466)
Total distributions to shareholders of the Company		-	-	(78,466)	-	(78,466)
Comprehensive income (loss) for the period						
Net profit		-	-	133,071	-	133,071
Other comprehensive income (loss)		-	-	-	(5,078)	(5,078)
Total comprehensive income (loss) for the period		-	-	133,071	(5,078)	127,993
Balance at 30 June 2021	142,666	146,069	14,266	1,426,181	29,848	1,759,030

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

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

	Six-month period ended	
	30 June	
<i>Note</i>	2021	2020
	<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>		
Premium received	1,886,104	1,858,352
Cash paid to reinsurers	(144,458)	(62,333)
Interest received	20,910	21,705
Dividend received	3,439	2,239
Other income	805	6,287
Insurance claims expenses	(750,995)	(800,582)
Commission and brokerage expenses	(279,413)	(290,452)
Other underwriting expenses	(294,825)	(288,608)
Operating expenses	(261,209)	(297,601)
Income tax paid	(103,868)	(7,976)
Cash received - financial assets	1,823,041	1,741,830
Cash payment - financial assets	(1,872,455)	(1,869,391)
Net cash flows provided by operating activities	<u>27,076</u>	<u>13,470</u>
<i>Cash flows from investing activities</i>		
Cash flows provided by		
Proceeds from sale of equipment	-	52
Cash provided by investing activities	<u>-</u>	<u>52</u>
Cash flows used in		
Purchase of building improvement and equipment	(12,045)	(13,693)
Purchase of intangible assets	(665)	-
Cash used in investing activities	<u>(12,710)</u>	<u>(13,693)</u>
Net cash flows used in investing activities	<u>(12,710)</u>	<u>(13,641)</u>
<i>Cash flows from financing activities</i>		
Payment of lease liabilities	(3,497)	(3,975)
Interest paid	9 (225)	(359)
Dividend paid	11 (78,466)	(64,200)
Net cash flows used in financing activities	<u>(82,188)</u>	<u>(68,534)</u>
Net decrease in cash and cash equivalents	(67,822)	(68,705)
Cash and cash equivalents at beginning of period	212,808	233,814
Cash and cash equivalents at ending of period	3 <u>144,986</u>	<u>165,109</u>

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

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2021 (Unaudited)

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

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements and were approved and authorised for issue by the Company's Board of Directors on 13 August 2021.

1 General information

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

2 Basis of preparation of the interim financial statements

The condensed interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis ("interim financial statements") in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions. In addition, the interim financial statements are prepared in accordance with the Notification of the Office of Insurance Commission regarding "Rules Procedures Conditions and Timing Period for Preparation and Submission of the Financial Statements and Reporting the Operation of Non-Life insurance Companies" B.E. 2562 (No.2) , dated 4 April 2019. The interim financial statements focus on new activities, events, and circumstances to avoid repetition of information previously reported in annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 December 2020.

In preparing these interim financial statements, judgements and estimates are made by management in applying the Company's accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2020.

3 Cash and cash equivalents

	30 June 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Cash on hand	210	330
Deposits at banks - call deposits	111,782	112,482
Highly liquid short-term investments	32,994	99,996
Total	144,986	212,808

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2021 (Unaudited)

4 Premiums due and uncollected

As at 30 June 2021 and 31 December 2020, premiums due and uncollected by aging were as follows:

	30 June 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Within credit terms	538,073	627,140
Overdue:		
Not over than 30 days	93,513	53,502
31 - 60 days	82,107	31,247
61 - 90 days	57,299	14,204
91 days - 1 year	48,323	25,135
Total	<u>819,315</u>	<u>751,228</u>
Less allowance for doubtful accounts	<u>(7,741)</u>	<u>(7,216)</u>
Net	<u>811,574</u>	<u>744,012</u>
	30 June 2021	30 June 2020
	<i>(in thousand Baht)</i>	
Doubtful accounts for the period ended	<u>525</u>	<u>2,439</u>

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

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

5 Reinsurance receivables

	30 June 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Due from reinsurers	<u>86,197</u>	<u>60,585</u>

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2021 (Unaudited)

6 Investments in securities

6.1 Investment in securities by measurement are as follows:

	30 June 2021		31 December 2020	
	Cost / Amortised cost	Fair value <i>(in thousand Baht)</i>	Cost / Amortised cost	Fair value
<i>Investment measured at fair value through other comprehensive income</i>				
Government and state enterprise debt securities	1,828,958	1,841,106	1,762,317	1,795,447
Private debt securities	732,194	745,687	622,845	635,883
Equity securities	193,642	199,334	219,177	221,738
Unit trust	86,800	90,217	86,800	81,320
Total	2,841,594	2,876,344	2,691,139	2,734,388
Add Unrealised gains	34,920	-	43,419	-
Less Allowance for impairment	(170)	-	(170)	-
Total investment measured at fair value through other comprehensive income	2,876,344	2,876,344	2,734,388	2,734,388
Allowance for impairment loss	2,067	-	-	-
Allowance for expected credit loss	324	-	239	-
<i>Investment measured at amortised cost</i>				
Deposits at banks with original maturities over 3 months	250,707	250,707	314,707	314,707
Total investment measured at amortised cost	250,707	250,707	314,707	314,707
Total investment in securities	3,127,051	3,127,051	3,049,095	3,049,095

6.2 Investment measured at fair value through other comprehensive income

	30 June 2021		31 December 2020	
	Fair value	Allowance for expected credit loss / impairment	Fair value	Allowance for expected credit loss / impairment
<i>(in thousand Baht)</i>				
Debt securities - no significant increase in credit risk (stage 1)	2,675,465	324	2,511,278	239
Debt securities - significant increase in credit risk (stage 2)	-	-	-	-
Debt securities - default / credit- impaired (stage 3)	1,545	-	1,372	-
Equity securities	199,334	2,237	221,738	170
Total	2,876,334	2,561	2,734,388	409

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2021 (Unaudited)

6.3 Investment measured at amortised cost

	30 June 2021		
	Book value	Loss allowance for ECL	Net book value
		<i>(in thousand Baht)</i>	
Debt securities - no significant increase in credit risk (stage 1)	250,707	-	250,707
Debt securities - significant increase in credit risk (stage 2)	-	-	-
Debt securities - Default / credit-impaired (stage 3)	-	-	-
Total	250,707	-	250,707

	31 December 2020		
	Book value	Loss allowance for ECL	Net book value
		<i>(in thousand Baht)</i>	
Debt securities - no significant increase in credit risk (stage 1)	314,707	-	314,707
Debt securities - significant increase in credit risk (stage 2)	-	-	-
Debt securities - Default / credit-impaired (stage 3)	-	-	-
Total	314,707	-	314,707

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2021 (Unaudited)

7 Insurance contract liabilities

	30 June 2021			31 December 2020		
	Liabilities under insurance contracts	Reinsurers' share liabilities	Net	Liabilities under insurance contracts	Reinsurers' share liabilities	Net
			<i>(in thousand Baht)</i>			
Short-term technical reserves						
Loss reserves and outstanding claims						
- Case reserves	940,147	(159,902)	780,245	881,455	(139,662)	741,793
- Incurred but not reported	108,645	(25,714)	82,931	174,375	(82,776)	91,599
Total loss reserves and outstanding claims	<u>1,048,792</u>	<u>(185,616)</u>	<u>863,176</u>	<u>1,055,830</u>	<u>(222,438)</u>	<u>833,392</u>
Unearned premium reserves	<u>2,059,773</u>	<u>(225,654)</u>	<u>1,834,119</u>	<u>1,934,549</u>	<u>(195,014)</u>	<u>1,739,535</u>
Total	<u>3,108,565</u>	<u>(411,270)</u>	<u>2,697,295</u>	<u>2,990,379</u>	<u>(417,452)</u>	<u>2,572,927</u>

7.1 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 period / year	742,986	(80,677)	662,309	1,442,624	(158,162)	1,284,462
Insurance claim expenses paid during the period / year	(684,294)	60,437	(623,857)	(1,408,290)	131,853	(1,276,437)
Change in estimation and assumption	(65,730)	57,062	(8,668)	43,989	(49,799)	(5,810)
At 30 June 2021 / 31 December 2020	<u>1,048,792</u>	<u>(185,616)</u>	<u>863,176</u>	<u>1,055,830</u>	<u>(222,438)</u>	<u>833,392</u>

7.2 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 period / year	1,961,807	(326,910)	1,634,897	3,638,367	(586,020)	3,052,347
Earned premium in the period / year	(1,836,583)	296,270	(1,540,313)	(3,667,903)	584,790	(3,083,113)
At 30 June 2021 / 31 December 2020	<u>2,059,773</u>	<u>(225,654)</u>	<u>1,834,119</u>	<u>1,934,549</u>	<u>(195,014)</u>	<u>1,739,535</u>

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2021 (Unaudited)

8 Reinsurance payables

	30 June 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Amount withheld on reinsurance	82,437	83,790
Due to reinsurers	196,363	133,655
Total	<u>278,800</u>	<u>217,445</u>

9 Leases

For the six-month period ended 30 June

	2021	2020
	<i>(in thousand Baht)</i>	
<i>Recognised in profit or loss</i>		
Interest on lease liabilities	225	359
Total	<u>225</u>	<u>359</u>

Total cash outflow for leases presented in the statement of cash flows for the six-month period ended 30 June 2021 were Baht 3.7 million (2020: Baht 4.3 million).

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2021 (Unaudited)

10 Income tax

Income tax recognised in profit or loss

For the six-month period ended 30 June

	2021	2020
	<i>(in thousand Baht)</i>	
<i>Current tax expense</i>		
Current period	36,613	4,636
Under provided in prior year	3,850	-
<i>Deferred tax expense</i>		
Movements in temporary differences	(3,314)	14,883
Total	<u>37,149</u>	<u>19,519</u>

Income tax recognised in other comprehensive income

Deferred tax expense

Loss on remeasurement of investments - fair value through other comprehensive income (loss)	1,269	1,092
Total	<u>1,269</u>	<u>1,092</u>

Reconciliation of effective tax rate

For the six-month period ended 30 June

	2021		2020	
	Rate (%)	<i>(in thousand Baht)</i>	Rate (%)	<i>(in thousand Baht)</i>
Profit before income tax		<u>170,220</u>		<u>105,023</u>
Income tax using the tax rate	20.0	34,044	20.0	21,005
Under provided in prior year	2.3	3,850	-	-
Income not subject to tax	(0.1)	(77)	(0.1)	(141)
Additional deductible expenses for tax purpose	(0.5)	(806)	(1.5)	(1,574)
Expenses not deductible for tax purposes	0.1	138	0.2	229
Total	<u>21.8</u>	<u>37,149</u>	<u>18.6</u>	<u>19,519</u>

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11 Dividends

The dividends paid by the Company to the shareholder are as follows:

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

12 Expected credit loss and impairment loss

For the six-month period ended 30 June

2021 2020
(in thousand Baht)

Expected credit loss

Investment in securities

- Debt securities measured at fair value through other comprehensive income

85 231

Impairment loss

Investment in securities

- Equity securities measured at fair value through other comprehensive income

2,067 -
2,152 231

Total

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13 Related parties

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

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

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

Significant transactions for the six-month period ended 30 June 2021 and 2020 with key management and related parties were summarised as follows:

<i>For the six-month period ended 30 June</i>	2021	2020
	<i>(in thousand Baht)</i>	
Revenue		
Other related parties		
Commission and brokerage income	11,708	11,086
Service income	5,263	5,920
Expenses		
Other related parties		
Premiums ceded	46,828	51,507
Insurance claims expenses recovered from reinsurers	(8,777)	(26,605)
Marketing and management support services agreement fee	22,653	20,202
Key management and director compensation		
Directors' remuneration	1,917	1,988
Short-term benefits	35,132	34,080
Post-employment benefit	4,996	4,726
Total	42,045	40,794
Dividends		
Major shareholders		
Dividend paid	67,811	55,481

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Significant balances as at 30 June 2021 and 31 December 2020 with related parties were as follows:

	30 June 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Reinsurance assets		
Reinsurance's share of liabilities		
Other related parties	<u>62,685</u>	<u>67,915</u>
Other assets		
Other receivables		
Other related parties	<u>883</u>	<u>927</u>
Reinsurance payable		
Due to reinsurers		
Other related parties	<u>45,364</u>	<u>34,397</u>
Other liabilities		
Payables to related parties		
Other related parties	<u>11,454</u>	<u>1,946</u>

14 Financial instruments

Carrying amounts and fair value

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

<i>At 30 June 2021</i>	<i>Note</i>	Level 1	Fair value		Total
			Level 2	Level 3	
<i>(in thousand Baht)</i>					
Financial assets					
Investment in securities	6				
Government and state enterprise					
debt securities		-	1,841,106	-	1,841,106
Private debt securities		-	745,687	-	745,687
Equity securities		154,832	44,502	-	199,334
Unit trusts		-	90,217	-	90,217
Total		<u>154,832</u>	<u>2,721,512</u>	<u>-</u>	<u>2,876,344</u>
 <i>At 31 December 2020</i>					
Financial assets					
Investment in securities	6				
Government and state enterprise					
debt securities		-	1,795,447	-	1,795,447
Private debt securities		-	635,883	-	635,883
Equity securities		200,119	19,552	2,067	221,738
Unit trusts		-	81,320	-	81,320
Total		<u>200,119</u>	<u>2,532,202</u>	<u>2,067</u>	<u>2,734,388</u>

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Measurement of fair values

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

- Level 1: quoted prices (unadjusted) 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 (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the assets or liabilities that are not based on observable movement date (unobservable inputs).

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

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

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) published by asset management companies at the reporting date. For market equity which are not in SET 100, the fair value is based on last bidding price from the Stock Exchange of Thailand (SET) at the reporting date.

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

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

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15 Securities and assets pledged with the Registrar

15.1 As at 30 June 2021 and 31 December 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:

	30 June 2021		31 December 2020	
	Book value	Face value	Book value	Face value
Bank of Thailand bond	15,036	15,000	-	-
Deposit at bank - time deposit	-	-	14,000	14,000
Total	15,036	15,000	14,000	14,000

15.2 As at 30 June 2021 and 31 December 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:

	30 June 2021		31 December 2020	
	Book value	Face value	Book value	Face value
Government and Bank of Thailand bonds	173,904	155,000	177,181	155,000
Deposit at bank - time deposit	200,000	200,000	300,000	300,000
Total	373,904	355,000	477,181	455,000

16 Restricted and collateral assets

	30 June 2021	31 December 2020
(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

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17 Commitments with non-related parties

As at 30 June 2021 and 31 December 2020, the Company had future minimum lease payments required under these non-cancellable contracts as follows:

Commitments under office rental and service agreements

	30 June 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Operating lease commitments		
Within one year	8,505	11,351
After one year but within five years	5,609	8,905
Total	14,114	20,256

18 Contingent liabilities

As at 30 June 2021, lawsuits have been brought against the Company, in relation to insurance claims of Baht 157.4 million (31 December 2020: Baht 139.7 million) whereas the sum insured of insurance policy and reinsurance claim recoverable of Baht 150.8 million and Baht 3.4 million, respectively (31 December 2020: Baht 117 million and Baht 3 million, respectively). The Company's management believes that the claim reserves accounted for in the financial statements is adequate for potential losses in respect of those lawsuits.


บมจ. เอ็ม เอส ไอ จี ประกันภัย (ประเทศไทย)
MSIG Insurance (Thailand) Public Company Limited


 (นายอรรถมพ์ พรธิตี)
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