

MSIG Insurance (Thailand) Public Company Limited

Condensed interim financial statements
for the three-month and nine-month periods ended
30 September 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 September 2021; the statement of comprehensive income for the three-month and nine-month periods ended 30 September 2021; the statements of changes in equity and cash flows for the nine-month period ended 30 September 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
12 November 2021

MSIG Insurance (Thailand) Public Company Limited

Statement of financial position

Assets	Note	30 September	31 December
		2021	2020
		(Unaudited)	
		(in thousand Baht)	
Cash and cash equivalents	3, 16	232,025	212,808
Premiums due and uncollected	4	778,641	744,012
Accrued investment income		15,506	10,356
Reinsurance assets	7, 13	416,043	417,452
Reinsurance receivables	5	104,901	60,585
Investments assets			
Investments in securities	6, 14, 15	3,236,223	3,049,095
Premises and equipment		250,276	260,183
Right-of-use assets		14,198	16,282
Intangible assets		27,013	34,718
Deferred acquisition costs		528,908	535,335
Deferred tax assets		348,219	316,086
Other assets	13	72,266	68,071
Total assets		6,024,219	5,724,983


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


(นายอรณพ พรธิติ)
กรรมการผู้มีอำนาจ


(นายรัฐพล 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 September 2021 (Unaudited)	31 December 2020
Liabilities and equity	Note		
<i>(in thousand Baht)</i>			
Liabilities			
Insurance contract liabilities	7	3,118,398	2,990,379
Reinsurance payables	8, 13	300,793	217,445
Income tax payable		22,802	72,751
Employee benefit obligations		288,762	285,471
Lease liabilities		13,007	15,434
Other liabilities	13	445,491	434,000
Total liabilities		4,189,253	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		1,518,130	1,371,576
Other components of shareholders' equity		13,835	34,926
Total equity		1,834,966	1,709,503
Total liabilities and equity		6,024,219	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 September	
	2021	2020
	<i>(in thousand Baht)</i>	
Revenues		
Gross premiums written	981,503	899,158
Less premiums ceded	(154,335)	(138,413)
Net premiums written	827,168	760,745
Unearned premium reserve decreased (increased) from previous period	10,803	(914)
Less reinsurers' share of unearned premium reserve decreased from previous period	(11,470)	(9,883)
Net premium earned	826,501	749,948
Commission and brokerage income	28,960	39,788
Net investment income	8,537	12,241
Gain on investments	8,383	10,973
Other income	3,075	2,902
Total revenues	875,456	815,852
Expenses		
Insurance claim expenses	391,255	373,000
Less insurance claims expenses recovered from reinsurance	(56,595)	(28,103)
Net insurance claims expenses	334,660	344,897
Commissions and brokerage expenses	126,335	139,768
Other underwriting expenses	146,486	126,693
Operating expenses	151,200	138,343
Other expenses	2,340	-
Expected credit loss (reversal) and impairment loss	4	(122)
Total expenses	761,025	749,579
Profit before income tax	114,431	66,273
Income tax	22,482	12,469
Net profit	91,949	53,804
Other comprehensive income (loss)		
<i>Items that will be reclassified subsequently to profit or loss</i>		
Loss on remeasurement of investment - fair value through other comprehensive income (loss)	(20,017)	(36,441)
Income tax relating to components of other comprehensive income (loss) that will be reclassified subsequently to profit or loss	4,004	7,288
Other comprehensive loss for the period, net income tax	(16,013)	(29,153)
Total comprehensive income for the period	75,936	24,651
Basic earnings per share (in Baht)	64.45	37.71

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

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

		Nine-month period ended 30 September	
	Note	2021	2020
		(in thousand Baht)	
Revenues			
Gross premiums written		2,943,310	2,625,663
Less premiums ceded	13	(481,245)	(440,975)
Net premiums written		2,462,065	2,184,688
Unearned premium reserve decreased (increased) from previous period		(114,421)	138,912
Add reinsurers' share of unearned premium reserve increased from previous period		19,170	4,511
Net premium earned		2,366,814	2,328,111
Commission and brokerage income	13	110,083	108,847
Net investment income		28,688	38,321
Gain on investments		47,598	4,682
Other income	13	8,851	6,616
Total revenues		2,562,034	2,486,577
Expenses			
Insurance claim expenses		1,131,355	1,158,157
Less insurance claims expenses recovered from reinsurance	13	(80,210)	(102,206)
Net insurance claims expenses		1,051,145	1,055,951
Commission and brokerage expenses		410,820	440,386
Other underwriting expenses		394,091	394,129
Operating expenses	13	411,833	424,706
Other expenses		7,338	-
Expected credit loss and impairment loss	12	2,156	109
Total expenses		2,277,383	2,315,281
Profit before income tax		284,651	171,296
Income tax	10	59,631	31,988
Net profit		225,020	139,308
Other comprehensive income (loss)			
Items that will be reclassified subsequently to profit or loss			
Loss on remeasurement of investment - fair value through other comprehensive income (loss)		(26,364)	(41,899)
Income tax relating to components of other comprehensive income (loss) that will be reclassified subsequently to profit or loss	10	5,273	8,380
Other comprehensive loss for the period, net income tax		(21,091)	(33,519)
Total comprehensive income for the period		203,929	105,789
Basic earnings per share (in Baht)		157.72	97.65

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	
					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 thousand Baht)	
Nine-month period ended 30 September 2020						
Balance at 1 January 2020		142,666	146,069	14,266	1,231,774	30,857
Transactions with shareholders, recorded directly in equity						
<i>Distributions to shareholders of the Company</i>						
Dividends	11	-	-	-	(64,200)	-
<i>Total distributions to shareholders of the Company</i>		-	-	-	(64,200)	-
Comprehensive income (loss) for the period						
Net profit		-	-	-	139,308	-
Other comprehensive income (loss)		-	-	-	-	(33,519)
Total comprehensive income (loss) for the period		-	-	-	139,308	(33,519)
Balance at 30 September 2020		142,666	146,069	14,266	1,306,882	(2,662)

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 (in thousand Baht)	Gain (loss) on investment measured at fair value through other comprehensive income	Total equity
	Note						
Nine-month period ended 30 September 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)
<i>Total distributions to shareholders of the Company</i>		-	-	-	(78,466)	-	(78,466)
Comprehensive income (loss) for the period							
Net profit		-	-	-	225,020	-	225,020
Other comprehensive income (loss)		-	-	-	-	(21,091)	(21,091)
Total comprehensive income (loss) for the period		-	-	-	225,020	(21,091)	203,929
Balance at 30 September 2021		142,666	146,069	14,266	1,518,130	13,835	1,834,966

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

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

		Nine-month period ended	
		30 September	
	Note	2021	2020
		(in thousand Baht)	
Cash flows from operating activities			
Premium received		2,900,527	2,717,553
Cash paid to reinsurers		(225,768)	(128,132)
Interest received		21,841	29,001
Dividend received		5,067	3,227
Other income		1,566	9,192
Insurance claims expenses		(1,099,878)	(1,159,734)
Commission and brokerage expenses		(410,013)	(419,198)
Other underwriting expenses		(386,685)	(374,080)
Operating expenses		(380,245)	(438,625)
Income tax paid		(136,440)	(61,174)
Cash received - financial assets		2,352,054	2,459,291
Cash payment - financial assets		(2,523,472)	(2,558,988)
Net cash flows provided by operating activities		118,554	78,333
Cash flows from investing activities			
Cash flows provided by			
Proceeds from sale of equipment		-	70
Cash provided by investing activities		-	70
Cash flows used in			
Purchase of building improvement and equipment		(14,651)	(24,098)
Purchase of intangible assets		(694)	-
Cash used in investing activities		(15,345)	(24,098)
Net cash flows used in investing activities		(15,345)	(24,028)
Cash flows from financing activities			
Payment of lease liabilities		(5,155)	(8,015)
Interest paid	9	(371)	(496)
Dividend paid	11	(78,466)	(64,200)
Net cash flows used in financing activities		(83,992)	(72,711)
Net increase (decrease) in cash and cash equivalents		19,217	(18,406)
Cash and cash equivalents at beginning of period		212,808	233,814
Cash and cash equivalents at ending of period	3	232,025	215,408

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 nine-month periods ended 30 September 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 12 November 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 September 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Cash on hand	180	330
Deposits at banks - call deposits	181,855	112,482
Highly liquid short-term investments	49,990	99,996
Total	232,025	212,808

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

4 Premiums due and uncollected

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

	30 September 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Within credit terms	529,906	627,140
Overdue:		
Not over than 30 days	111,966	53,502
31 - 60 days	98,509	31,247
61 - 90 days	16,699	14,204
91 days - 1 year	19,524	25,135
Over 1 year	9,748	-
Total	786,352	751,228
Less allowance for doubtful accounts	(7,711)	(7,216)
Net	778,641	744,012

	30 September 2021	30 September 2020
	<i>(in thousand Baht)</i>	
Doubtful accounts for the period ended	495	6,830

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 September 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Due from reinsurers	104,901	60,585

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

6 Investments in securities

6.1 Investment in securities by measurement are as follows:

	30 September 2021		31 December 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	1,913,436	1,914,177	1,762,317	1,795,447
Private debt securities	728,131	735,398	622,845	635,883
Equity securities	242,423	246,791	219,177	221,738
Unit trust	86,800	89,150	86,800	81,320
Total	2,970,790	2,985,516	2,691,139	2,734,388
Add Unrealised gains	14,896	-	43,419	-
Less Allowance for impairment loss	(170)	-	(170)	-
Total investment measured at fair value through other comprehensive income	2,985,516	2,985,516	2,734,388	2,734,388
Allowance for impairment loss	2,067	-	-	-
Allowance for expected credit loss	328	-	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	3,236,223	3,236,223	3,049,095	3,049,095

6.2 Investment measured at fair value through other comprehensive income

	30 September 2021		31 December 2020	
	Fair value	Allowance for expected credit loss / Allowance for impairment loss	Fair value	Allowance for expected credit loss / Allowance for impairment loss
		(in thousand Baht)		
Debt securities - no significant increase in credit risk (stage 1)	2,649,575	328	2,431,330	239
Debt securities - significant increase in credit risk (stage 2)	-	-	-	-
Debt securities - default / credit- impaired (stage 3)	-	-	-	-
Debt securities - unit trust	89,150	-	81,320	-
Equity securities	246,791	2,237	221,738	170
Total	2,985,516	2,565	2,734,388	409

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

6.3 Investment measured at amortised cost

	30 September 2021		
	Book value	Allowance for expected credit loss (in thousand Baht)	Net book value
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	Allowance for expected credit loss (in thousand Baht)	Net book value
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 nine-month periods ended 30 September 2021 (Unaudited)

7 Insurance contract liabilities

	30 September 2021			31 December 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	943,528	(172,348)	771,180	881,455	(139,662)	741,793
- Incurred but not reported	125,900	(29,511)	96,389	174,375	(82,776)	91,599
Total loss reserves and outstanding claims	1,069,428	(201,859)	867,569	1,055,830	(222,438)	833,392
Unearned premium reserves	2,048,970	(214,184)	1,834,786	1,934,549	(195,014)	1,739,535
Total	3,118,398	(416,043)	2,702,355	2,990,379	(417,452)	2,572,927

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	1,083,653	(133,475)	950,178	1,442,624	(158,162)	1,284,462
Insurance claim expenses paid during the period / year	(1,021,580)	100,789	(920,791)	(1,408,290)	131,853	(1,276,437)
Change in estimation and assumption	(48,475)	53,265	4,790	43,989	(49,799)	(5,810)
At 30 September 2021 / 31 December 2020	1,069,428	(201,859)	867,569	1,055,830	(222,438)	833,392

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	2,943,310	(481,245)	2,462,065	3,638,367	(586,020)	3,052,347
Earned premium in the period / year	(2,828,889)	462,075	(2,366,814)	(3,667,903)	584,790	(3,083,113)
At 30 September 2021 / 31 December 2020	2,048,970	(214,184)	1,834,786	1,934,549	(195,014)	1,739,535

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

8 Reinsurance payables

	30 September 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Amount withheld on reinsurance	81,636	83,790
Due to reinsurers	219,157	133,655
Total	300,793	217,445

9 Leases

	2021	2020
	<i>(in thousand Baht)</i>	
<i>Recognised in profit or loss</i>		
Interest on lease liabilities	371	496
Total	371	496

Total cash outflow for leases presented in the statement of cash flows for the nine-month period ended 30 September 2021 were Baht 5.5 million (2020: Baht 8.5 million).

MSIG Insurance (Thailand) Public Company Limited

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2021 (Unaudited)

10 Income tax

Income tax recognised in profit or loss

For the nine-month period ended 30 September

2021
(in thousand Baht)

2020

Current tax expense

Current period	62,673	29,948
Understatement in prior year	3,850	-

Deferred tax expense

Movements in temporary differences	(6,892)	2,040
Total	59,631	31,988

Income tax recognised in other comprehensive income

Deferred tax expense

Loss on remeasurement of investments - fair value through other comprehensive income (loss)	5,273	8,380
Total	5,273	8,380

Reconciliation of effective tax rate

For the nine-month period ended 30 September

2021

2020

	Rate (%)	(in thousand Baht)	Rate (%)	(in thousand Baht)
Profit before income tax		284,651		171,296
Income tax using the tax rate	20.0	56,930	20.0	34,259
Understatement in prior year	1.4	3,850	-	-
Income not subject to tax	(0.1)	(144)	(0.1)	(205)
Addition deductible expense for tax purpose	(0.4)	(1,208)	(1.4)	(2,357)
Expenses not deductible for tax purposes	0.1	203	0.2	291
Total	21.0	59,631	18.7	31,988

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

11 Dividends

The dividends paid by the Company to the shareholder are 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

12 Expected credit loss and impairment loss

For the nine-month period ended 30 September

2021 2020
(in thousand Baht)

Expected credit loss

Investment in securities

- Debt securities measured at fair value through other comprehensive income

89 109

Impairment loss

Investment in securities

- Equity securities measured at fair value through other comprehensive income

2,067 -

Total

2,156 109

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

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 nine-month period ended 30 September 2021 and 2020 with key management and related parties were summarised as follows:

<i>For the nine-month period ended 30 September</i>	<i>2021</i>	<i>2020</i>
	<i>(in thousand Baht)</i>	
Revenues		
Other related parties		
Commission and brokerage income	16,726	15,215
Service income	7,267	8,938
Expenses		
Other related parties		
Premiums ceded	88,580	69,041
Insurance claims expenses recovered from reinsurers	17,493	27,844
Marketing and management support services agreement fee	39,960	30,149
Key management and director compensation		
Directors' remuneration	2,757	2,779
Short-term benefits	48,079	46,997
Post-employment benefit	7,502	7,168
Total	58,338	56,944
Dividends		
Major shareholders		
Dividend paid	67,811	55,481

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

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

	30 September 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Reinsurance assets		
Reinsurance's share of liabilities		
Other related parties	<u>61,370</u>	<u>67,915</u>
Other assets		
Other receivables		
Other related parties	<u>814</u>	<u>927</u>
Reinsurance payable		
Due to reinsurers		
Other related parties	<u>37,955</u>	<u>34,397</u>
Other liabilities		
Payables to related parties		
Other related parties	<u>27,719</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 September 2021</i>	<i>Note</i>	Fair value			Total
		Level 1	Level 2	Level 3	
		<i>(in thousand Baht)</i>			
Financial assets					
Investment in securities	6				
Government and state enterprise					
debt securities		-	1,914,177	-	1,914,177
Private debt securities		-	735,398	-	735,398
Equity securities		227,956	18,835	-	246,791
Unit trusts		-	89,150	-	89,150
Total		<u>227,956</u>	<u>2,757,560</u>	<u>-</u>	<u>2,985,516</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 September 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 September 2021		31 December 2020	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
Bank of Thailand bond	15,040	15,000	-	-
Deposit at bank - time deposit	-	-	14,000	14,000
Total	15,040	15,000	14,000	14,000

- 15.2 As at 30 September 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 September 2021		31 December 2020	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
Government and Bank of Thailand bonds	172,218	155,000	177,181	155,000
Deposit at bank - time deposit	250,000	250,000	300,000	300,000
Total	422,218	405,000	477,181	455,000

16 Restricted and collateral assets

	30 September 2021	31 December 2020
	<i>(in thousand Baht)</i>	
(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 September 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 September 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Operating lease commitments		
Within one year	7,349	11,351
After one year but within five years	3,958	8,905
Total	11,307	20,256

18 Contingent liabilities

As at 30 September 2021, lawsuits have been brought against the Company, in relation to insurance claims of Baht 190.8 million (31 December 2020: Baht 139.7 million) whereas the sum insured of insurance policy and reinsurance claim recoverable of Baht 134.2 million and Baht 5.7 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.

 **MSIG**

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