

MSIG Insurance (Thailand) Public Company Limited

Condensed interim financial statements
for the three-month and six-month periods ended
30 June 2022
and
Independent auditor's review report



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Independent auditor's report on review of interim financial information

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

I have reviewed the accompanying statement of financial position of MSIG Insurance (Thailand) Public Company Limited as at 30 June 2022; the statement of comprehensive income for the three-month and six-month periods ended 30 June 2022; changes in equity and cash flows for the six-month period ended 30 June 2022, and the condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

(Pantip Gulsantithamrong)
Certified Public Accountant
Registration No. 4208

KPMG Phoomchai Audit Ltd.
Bangkok
15 August 2022

MSIG Insurance (Thailand) Public Company Limited

Statement of financial position

		30 June	31 December
Assets	Note	2022	2021
		(Unaudited)	
		(in thousand Baht)	
Cash and cash equivalents	3, 15	219,162	239,366
Premiums due and uncollected	4	803,872	760,611
Accrued investment income		10,475	9,326
Reinsurance assets	7, 12	488,717	393,416
Reinsurance receivables	5	155,099	103,469
Investments assets			
Investments in securities	6, 13, 14	3,424,660	3,508,824
Premises and equipment		259,627	256,517
Right-of-use assets		14,958	13,889
Intangible assets		33,645	33,839
Deferred acquisition costs		616,002	565,279
Deferred tax assets		453,410	389,776
Other assets	12	99,544	81,868
Total assets		6,579,171	6,356,180

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

MSIG Insurance (Thailand) Public Company Limited

Statement of financial position

		30 June 2022 (Unaudited)	31 December 2021
Liabilities and equity	<i>Note</i>		
		<i>(in thousand Baht)</i>	
Liabilities			
Insurance contract liabilities	7	3,853,839	3,367,506
Reinsurance payables	8, 12	321,162	300,570
Income tax payable		48,766	58,995
Employee benefit obligations		284,250	285,060
Lease liabilities		13,440	12,588
Other liabilities	12	366,679	476,246
Total liabilities		4,888,136	4,500,965
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		1,455,543	1,538,012
Other components of shareholders' equity		(67,509)	14,202
Total equity		1,691,035	1,855,215
Total liabilities and equity		6,579,171	6,356,180

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	
	2022	2021
	<i>(in thousand Baht)</i>	
Revenues		
Gross premiums written	1,203,715	905,469
Less premiums ceded	(243,844)	(145,453)
Net premiums written	959,871	760,016
Unearned premium reserve decreased (increased) from previous period	(42,404)	43,397
Add (Less) reinsurers' share of unearned premium reserve increased (decreased) from previous period	2,154	(6,826)
Net premium earned	919,621	796,587
Commission and brokerage income	77,656	44,102
Net investment income	12,053	10,361
Gain (loss) on investments	(1,361)	21,739
Other income	2,955	2,905
Total revenues	1,010,924	875,694
Expenses		
Insurance claim expenses	630,196	401,422
Less insurance claims expenses recovered from reinsurers	(95,551)	(24,409)
Net insurance claims expenses	534,645	377,013
Commission and brokerage expenses	152,483	162,960
Other underwriting expenses	177,022	118,290
Operating expenses	120,666	132,566
Other expenses	2,460	2,133
Expected credit loss (reversal) and impairment loss	(188)	2,162
Total expenses	987,088	795,124
Profit before income tax	23,836	80,570
Income tax	6,694	19,561
Net profit	17,142	61,009

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
2022 2021
(in thousand Baht)

Other comprehensive income (loss)

Items that will be reclassified subsequently to profit or loss

Gain (loss) on remeasurement of investments - fair value through other comprehensive income (loss)	(79,759)	1,949
Income tax relating to items that will be reclassified subsequently to profit or loss	15,952	(390)
Total items that will be reclassified subsequently to profit or loss	(63,807)	1,559

Items that will not be reclassified subsequently to profit or loss

Actuarial loss on defined benefit plan	(949)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	190	-
Total items that will not be reclassified subsequently to profit or loss	(759)	-
Other comprehensive income (loss) for the period, net of income tax	(64,566)	1,559

Total comprehensive income (loss) for the period	(47,424)	62,568
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Basic earnings per share (<i>in Baht</i>)	12.02	42.76
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The accompanying notes form an integral part of the interim financial statements.

MSIG Insurance (Thailand) Public Company Limited

Statement of comprehensive income (Unaudited)

	Note	Six-month period ended	
		30 June	
		2022	2021
		<i>(in thousand Baht)</i>	
Revenues			
Gross premiums written		2,422,562	1,961,807
Less premiums ceded	12	(448,785)	(326,910)
Net premiums written		1,973,777	1,634,897
Unearned premium reserve increased from previous period		(245,145)	(125,224)
Add reinsurers' share of unearned premium reserve increased from previous period		47,486	30,640
Net premium earned		1,776,118	1,540,313
Commission and brokerage income	12	131,650	81,123
Net investment income		21,821	20,151
Gain (loss) on investments		(533)	39,215
Other income	12	6,418	5,776
Total revenues		1,935,474	1,686,578
Expenses			
Insurance claim expenses		1,272,198	740,100
Less insurance claims expenses recovered from reinsurers	12	(245,355)	(23,615)
Net insurance claims expenses		1,026,843	716,485
Commission and brokerage expenses	12	268,816	284,485
Other underwriting expenses		336,869	247,605
Operating expenses	12	227,760	260,633
Other expenses		4,807	4,998
Expected credit loss (reversal) and impairment loss	11	(185)	2,152
Total expenses		1,864,910	1,516,358
Profit before income tax		70,564	170,220
Income tax	9	14,537	37,149
Net profit		56,027	133,071

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	2022	2021
		(in thousand Baht)	
Other comprehensive income (loss)			
Items that will be reclassified subsequently to profit or loss			
Loss on remeasurement of investments - fair value through other comprehensive income (loss)		(102,139)	(6,347)
Income tax relating to items that will be reclassified subsequently to profit or loss	9	20,428	1,269
Total items that will be reclassified subsequently to profit or loss		(81,711)	(5,078)
Items that will not be reclassified subsequently to profit or loss			
Actuarial gain on defined benefit plan		5,213	-
Income tax relating to items that will not be reclassified subsequently to profit or loss		(1,043)	-
Total items that will not be reclassified subsequently to profit or loss		4,170	-
Other comprehensive loss for the period, net of income tax		(77,541)	(5,078)
Total comprehensive income (loss) for the period		(21,514)	127,993
Basic earnings per share (in Baht)		39.27	93.27

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

Statement of changes in equity (Unaudited)

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

Statement of changes in equity (Unaudited)

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	
	Note	2022	2021
		(in thousand Baht)	
Cash flows from operating activities			
Premium received		2,373,713	1,886,104
Cash paid to reinsurers		(139,083)	(144,458)
Interest received		17,609	20,910
Dividend received		2,979	3,439
Other income		2,105	805
Insurance claims expenses		(1,050,341)	(750,995)
Commission and brokerage expenses		(314,232)	(279,413)
Other underwriting expenses		(390,733)	(294,825)
Operating expenses		(268,434)	(261,209)
Income tax paid		(69,015)	(103,868)
Cash received - financial assets		1,097,144	1,823,041
Cash payment - financial assets		(1,115,382)	(1,872,455)
Net cash flows provided by operating activities		146,330	27,076
Cash flows from investing activities			
Cash flows provided by			
Proceeds from sale of equipment		634	-
Cash provided by investing activities		634	-
Cash flows used in			
Purchase of building improvement and equipment		(16,750)	(12,045)
Purchase of intangible assets		(3,753)	(665)
Cash used in investing activities		(20,503)	(12,710)
Net cash flows used in investing activities		(19,869)	(12,710)
Cash flows from financing activities			
Payment of lease liabilities		(3,675)	(3,497)
Interest paid		(324)	(225)
Dividend paid	10	(142,666)	(78,466)
Net cash flows used in financing activities		(146,665)	(82,188)
Net decrease in cash and cash equivalents		(20,204)	(67,822)
Cash and cash equivalents at beginning of period		239,366	212,808
Cash and cash equivalents at ending of period	3	219,162	144,986

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 2022 (Unaudited)

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

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements and were approved and authorised for issue by the Company's Board of Directors on 15 August 2022.

1 General information

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

2 Basis of preparation of the interim financial statements

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

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

3 Cash and cash equivalents

	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Cash on hand	30	50
Deposits at banks - call deposits	219,132	184,211
Highly liquid short-term investments	-	55,105
Total	219,162	239,366

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

4 Premiums due and uncollected

As at 30 June 2022 and 31 December 2021, premiums due and uncollected by aging were as follows:

	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Within credit terms	586,101	618,774
Overdue:		
Not over than 30 days	108,424	61,314
31 - 60 days	64,296	39,057
61 - 90 days	14,577	15,818
91 days - 1 year	31,072	25,817
Over 1 year	5,083	5,208
Total	809,553	765,988
Less allowance for doubtful accounts	(5,681)	(5,377)
Net	803,872	760,611
	30 June 2022	30 June 2021
	<i>(in thousand Baht)</i>	
Doubtful accounts for the period ended	304	525

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 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Due from reinsurers	155,099	103,469

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

6 Investments in securities

6.1 Investment in securities by measurement are as follows:

	30 June 2022		31 December 2021	
	Cost / Amortised cost	Fair value (in thousand Baht)	Cost / Amortised cost	Fair value
Investment measured at fair value through other comprehensive income				
Government and state				
enterprise debt securities	2,000,224	1,935,699	2,075,289	2,066,781
Private debt securities	979,797	949,012	761,964	766,358
Equity securities	247,890	252,537	229,481	241,781
Unit trust	82,800	86,704	82,800	89,805
Total	3,310,711	3,223,952	3,149,534	3,164,725
Add unrealised gains (losses)	(86,589)	-	15,361	-
Less allowance for impairment	(170)	-	(170)	-
Total investment measured at fair value through other comprehensive income	3,223,952	3,223,952	3,164,725	3,164,725
Allowance for impairment loss	2,067	-	2,067	-
Allowance for expected credit loss	136	-	321	-
Investment measured at amortised cost				
Deposits at banks with original maturities over 3 months	200,708	200,708	344,099	344,099
Total investment measured at amortised Cost	200,708	200,708	344,099	344,099
Total investment in securities	3,424,660	3,424,660	3,508,824	3,508,824

6.2 Investment measured at fair value through other comprehensive income

	30 June 2022		31 December 2021	
	Fair value	Allowance for expected credit loss / Allowance for impairment loss (in thousand Baht)	Fair value	Allowance for expected credit loss / Allowance for impairment loss
Debt securities - no significant increase in credit risk (stage 1)	2,884,711	136	2,833,139	321
Debt securities - unit trust	86,704	-	89,805	-
Equity securities	252,537	2,237	241,781	2,237
Total	3,223,952	2,373	3,164,725	2,558

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

6.3 Investment measured at amortised cost

30 June 2022			
	Book value	Allowance for expected credit loss <i>(in thousand Baht)</i>	Net book value
Debt securities - no significant increase in credit risk (stage 1)	200,708	-	200,708
Total	200,708	-	200,708
31 December 2021			
	Book value	Allowance for expected credit loss <i>(in thousand Baht)</i>	Net book value
Debt securities - no significant increase in credit risk (stage 1)	344,099	-	344,099
Total	344,099	-	344,099

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

7 Insurance contract liabilities

	30 June 2022			31 December 2021		
	Liabilities under insurance contracts	Reinsurers' share liabilities	Net <i>(in thousand Baht)</i>	Liabilities under insurance contracts	Reinsurers' share liabilities	Net
Short-term technical reserves						
Loss reserves and outstanding claims						
- Case reserves	1,256,278	(199,747)	1,056,531	1,028,047	(163,475)	864,572
- Incurred but not reported	142,946	(37,572)	105,374	129,989	(26,029)	103,960
Total loss reserves and outstanding claims	1,399,224	(237,319)	1,161,905	1,158,036	(189,504)	968,532
Unearned premium reserves	2,454,615	(251,398)	2,203,217	2,209,470	(203,912)	2,005,558
Total	3,853,839	(488,717)	3,365,122	3,367,506	(393,416)	2,974,090

7.1 Loss reserves and outstanding claims

At 1 January	1,158,036	(189,504)	968,532	1,055,830	(222,438)	833,392
Insurance claim expenses incurred during the period / year	1,198,452	(233,812)	964,640	1,509,415	(149,186)	1,360,229
Insurance claim expenses paid during the period / year	(970,221)	197,540	(772,681)	(1,362,823)	125,373	(1,237,450)
Change in estimation and assumption	12,957	(11,543)	1,414	(44,386)	56,747	12,361
At 30 June 2022 / 31 December 2021	1,399,224	(237,319)	1,161,905	1,158,036	(189,504)	968,532

7.2 Unearned premium reserves

At 1 January	2,209,470	(203,912)	2,005,558	1,934,549	(195,014)	1,739,535
Premium written during the period / year	2,422,562	(448,785)	1,973,777	4,105,405	(628,232)	3,477,173
Earned premium in the period / year	(2,177,417)	401,299	(1,776,118)	(3,830,484)	619,334	(3,211,150)
At 30 June 2022 / 31 December 2021	2,454,615	(251,398)	2,203,217	2,209,470	(203,912)	2,005,558

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

8 Reinsurance payables

	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Amount withheld on reinsurance	72,144	85,336
Due to reinsurers	249,018	215,234
Total	321,162	300,570

9 Income tax

Income tax recognised in profit or loss

For the six-month period ended 30 June

	2022	2021
	<i>(in thousand Baht)</i>	
Current tax expense		
Current period	57,686	36,613
Under provided in prior year	1,100	3,850
Deferred tax expense		
Movements in temporary differences	(44,249)	(3,314)
Total	14,537	37,149

Income tax recognised in other comprehensive income

Deferred tax expense

Loss on remeasurement of investments - fair value through other comprehensive income (loss)	20,428	1,269
Actuarial gain on defined benefit plan	(1,043)	-
Total	19,385	1,269

Reconciliation of effective tax rate

For the six-month period ended 30 June

	2022	2021
	<i>(in thousand Baht)</i>	<i>(in thousand Baht)</i>
Profit before income tax	70,564	170,220
Income tax using the tax rate	20.0	20.0
Under provided in prior year	1.6	2.3
Income not subject to tax	(0.1)	(0.1)
Additional deductible expenses for tax purpose	(1.1)	(0.5)
Expenses not deductible for tax purposes	0.3	0.1
Total	20.7	21.8

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

10 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)
2022	25 April 2022	May 2022	100	143
2021	27 April 2021	May 2021	55	78

11 Expected credit loss (reversal) and impairment loss

For the six-month period ended 30 June

Expected credit loss (reversal)

Investment in securities

- Debt securities measured at fair value through other comprehensive income

2022 2021
(in thousand Baht)

(185) 85

Impairment loss

Investment in securities

- Equity securities measured at fair value through other comprehensive income

- 2,067

Total

(185) 2,152

12 Related parties

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

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

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

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and six-month periods ended 30 June 2022 (Unaudited)

Significant transactions for the six-month period ended 30 June 2022 and 2021 with key management and related parties were summarised as follows:

<i>For the six-month period ended 30 June</i>	2022	2021
	<i>(in thousand Baht)</i>	
Revenue		
Other related parties		
Commission and brokerage income	10,396	11,708
Service income	4,913	5,263
Expenses		
Other related parties		
Premiums ceded	58,266	46,828
Commission and brokerage expense	21	54
Insurance claims expenses recovered from reinsurers	29,535	8,777
Marketing and management support services agreement fee	15,774	27,216
Key management and director compensation		
Directors' remuneration	2,506	1,917
Short-term benefits	34,241	35,132
Post-employment benefit	9,035	4,996
Total	45,782	42,045
Dividends		
Major shareholders		
Dividend paid	123,292	67,811

Significant balances as at 30 June 2022 and 31 December 2021 with related parties were as follows:

	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Premiums due and uncollected		
Other related parties	<u>55</u>	<u>156</u>
Reinsurance assets		
Reinsurance's share of liabilities		
Other related parties	<u>61,960</u>	<u>55,983</u>
Reinsurance receivables		
Due from reinsurers		
Other related parties	<u>26,373</u>	<u>14,946</u>
Other assets		
Other receivables		
Other related parties	<u>498</u>	<u>511</u>
Reinsurance payable		
Due to reinsurers		
Other related parties	<u>42,466</u>	<u>27,296</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 2022 (Unaudited)

	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>	
Amount withheld on reinsurance		
Other related parties	<u>14,333</u>	<u>21,364</u>
Other liabilities		
Payables to related parties		
Other related parties	<u>7,839</u>	<u>21,499</u>

13 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.

At 30 June 2022	Note	Carrying amount	Fair value			Total
			Level 1	Level 2	Level 3	
			<i>(in thousand Baht)</i>			
Financial assets						
Investment in securities	6					
Government and state enterprise debt securities		1,935,699	-	1,935,699	-	1,935,699
Private debt securities		949,012	-	949,012	-	949,012
Equity securities		252,537	231,990	20,547	-	252,537
Unit trusts		86,704	-	86,704	-	86,704
Total		<u>3,223,952</u>	<u>231,990</u>	<u>2,991,962</u>	<u>-</u>	<u>3,223,952</u>
At 31 December 2021						
Financial assets						
Investment in securities	6					
Government and state enterprise debt securities		2,066,781	-	2,066,781	-	2,066,781
Private debt securities		766,358	-	766,358	-	766,358
Equity securities		241,781	221,006	20,775	-	241,781
Unit trusts		89,805	-	89,805	-	89,805
Total		<u>3,164,725</u>	<u>221,006</u>	<u>2,943,719</u>	<u>-</u>	<u>3,164,725</u>

Measurement of fair values

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

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

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

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

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

14 Securities and assets pledged with the Registrar

- 14.1 As at 30 June 2022 and 31 December 2021, the Company's investments were pledged with the Registrar in accordance with the Non-Life Insurance Act No. 2 B.E. 2551 as follows:

	30 June 2022		31 December 2021	
	Book value	Face value (in thousand Baht)	Book value	Face value
Bank of Thailand bond	14,875	15,000	15,008	15,000
Total	14,875	15,000	15,008	15,000

- 14.2 As at 30 June 2022 and 31 December 2021, the Company's investments in debt securities and deposit at banks were reserved with the Registrar in accordance with the Notification of the Office of Insurance Commission regarding "Rates, Rules and Procedures for unearned premium reserve of Non-life Insurance Company B.E.2557" as follows:

	30 June 2022		31 December 2021	
	Book value	Face value (in thousand Baht)	Book value	Face value
Government and Bank of Thailand bonds	266,028	255,000	278,725	255,000
Deposit at bank - time deposit	200,000	200,000	250,000	250,000
Total	466,028	455,000	528,725	505,000

15 Restricted and collateral assets

	30 June 2022	31 December 2021
	(in thousand Baht)	
Deposit at bank - time deposit		
To secure bank guarantee - facilities issued by banks	700	700

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16 Commitments with non-related parties

As at 30 June 2022 and 31 December 2021, the Company had future minimum lease payments required under these non-cancellable contracts as follows:

Commitments under office rental and service agreements

	30 June 2022	31 December 2021
	<i>(in thousand Baht)</i>	
<i>Operating lease commitments</i>		
Within one year	8,207	8,620
After one year but within five years	663	2,651
Total	8,870	11,271

17 Contingent liabilities

As at 30 June 2022, lawsuits have been brought against the Company, in relation to insurance claims of Baht 224 million (*31 December 2021: Baht 189 million*) whereas the sum insured of insurance policy and reinsurance claim recoverable of Baht 257 million and Baht 6 million, respectively (*31 December 2021: Baht 126 million and Baht 6 million, respectively*). The Company's management believes that the claim reserves accounted for in the financial statements is adequate for potential losses in respect of those lawsuits.