

Mitsui Sumitomo Insurance Company Limited
Thailand Branch

Condensed interim financial statements
for the three-month period ended 31 March 2021
and
Independent auditor's review report



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Independent auditor's report on review of interim financial information

To the Management of Mitsui Sumitomo Insurance Company Limited Thailand Branch

I have reviewed the accompanying statement of financial position of Mitsui Sumitomo Insurance Company Limited Thailand Branch as at 31 March 2021; the statements of comprehensive income, changes in Head Office Account and cash flows for the three-month period ended 31 March 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
10 May 2021

Mitsui Sumitomo Insurance Company Limited Thailand Branch

Statement of financial position

		31 March	31 December
Assets	Note	2021	2020
		(Unaudited)	
		(in thousand Baht)	
Cash and cash equivalents	3	827,246	1,140,788
Premiums due and uncollected	4, 12	738,370	873,096
Accrued investment income		111,571	61,468
Reinsurance assets	7, 12	4,792,705	3,664,811
Reinsurance receivables	5, 12	188,221	384,995
Investments assets			
Investments in securities	6, 14, 15	18,086,232	17,222,144
Leasehold building improvement and equipment		27,547	21,943
Right-of-use-assets		97,181	37,375
Intangible assets		3,606	3,897
Deferred tax assets		541,058	512,519
Income tax refundable		54,731	108,361
Other assets	12	164,052	225,066
		<u>25,632,520</u>	<u>24,256,463</u>
Total assets		25,632,520	24,256,463

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

Mitsui Sumitomo Insurance Company Limited Thailand Branch

Statement of financial position

		31 March	31 December
Liabilities and Head Office Account	<i>Note</i>	2021	2020
		(Unaudited)	
		(in thousand Baht)	
<i>Liabilities</i>			
Insurance contract liabilities	7, 12	9,326,881	8,206,727
Reinsurance payable	8, 12	482,200	471,758
Income tax payables		241,478	157,402
Employee benefit obligations		89,352	85,383
Lease liabilities		98,587	38,321
Other liabilities	12	336,374	511,379
Total liabilities		10,574,872	9,470,970
<i>Head Office Account</i>			
Funds from Head Office	12	13,593,146	13,593,146
Head Office current account	12	(78,281)	(93,183)
Retained earnings		1,368,649	1,028,443
Other components of Head Office Account		174,134	257,087
Total Head Office Account		15,057,648	14,785,493
Total liabilities and Head Office Account		25,632,520	24,256,463

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

Mitsui Sumitomo Insurance Company Limited Thailand Branch
Statement of comprehensive income (Unaudited)

		Three-month period ended	
		31 March	
	Note	2021	2020
		(in thousand Baht)	
Revenues			
Gross premiums written	12	1,163,458	1,146,540
Less premiums ceded	12	<u>(168,487)</u>	<u>(114,910)</u>
Net premiums written		994,971	1,031,630
Unearned premium reserve decreased from previous period		195,402	256,673
Less reinsurers' share of unearned premium reserve decreased			
from previous period		<u>(163,737)</u>	<u>(213,182)</u>
Net premiums earned		1,026,636	1,075,121
Commission and brokerage income	12	27,358	22,283
Net investment income		66,929	75,793
Gain on investments		8,410	18,157
Gain (Loss) on foreign exchange rate		(186)	698
Other income		<u>402</u>	<u>219</u>
Total revenues		<u>1,129,549</u>	<u>1,192,271</u>
Expenses			
Insurance claims expenses	12	1,726,933	450,845
Less insurance claims expenses recovered from reinsurers	12	<u>(1,319,865)</u>	<u>(36,661)</u>
Net insurance claims expenses		407,068	414,184
Commission and brokerage expenses	12	167,620	167,283
Other underwriting expenses		64,356	70,472
Operating expenses	12	65,036	67,763
Expected credit loss	11	<u>40</u>	<u>59</u>
Total expenses		<u>704,120</u>	<u>719,761</u>
Profit before income tax		<u>425,429</u>	<u>472,510</u>
Income tax	10	<u>85,223</u>	<u>94,257</u>
Net profit		<u>340,206</u>	<u>378,253</u>

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

Mitsui Sumitomo Insurance Company Limited Thailand Branch
Statement of comprehensive income (Unaudited)

		Three-month period ended	
		31 March	
	Note	2021	2020
		(in thousand Baht)	
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		(103,692)	(9,696)
Income tax relating to components of other comprehensive income that will be reclassified subsequently to profit or loss	10	20,739	7,566
Other comprehensive income (loss) for the period, net of income tax		(82,953)	(2,130)
Total comprehensive income (loss) for the period		257,253	376,123

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

Mitsui Sumitomo Insurance Company Limited Thailand Branch

Statement of changes in Head Office Account (Unaudited)

	Funds from Head Office	Head Office current account	Deficits <i>(in thousand Baht)</i>	Other components of Head Office Account Gain (loss) on investments measured at fair value through other comprehensive income	Total Head Office Account
Three-month period ended 31 March 2020					
Balance at 1 January 2020	101,901,346	(97,734)	(88,321,350)	189,774	13,672,036
Comprehensive income (loss) for the period					
Net profit	-	-	378,253	-	378,253
Other comprehensive income (loss)	-	-	-	(30,204)	(30,204)
Total comprehensive income (loss) for the period	-	-	378,253	(30,204)	348,049
Head Office current account	-	(5,112)	-	-	(5,112)
Balance at 31 March 2020	101,901,346	(102,846)	(87,943,097)	159,570	14,014,973

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

Statement of changes in Head Office Account (Unaudited)

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

Mitsui Sumitomo Insurance Company Limited Thailand Branch

Statement of cash flows (Unaudited)

		Three-month period ended	
		31 March	
	<i>Note</i>	2021	2020
		<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>			
Premium received		1,213,862	1,228,099
Cash received from reinsurers		129,517	59,311
Interest received		16,826	48,307
Other income		495	323
Insurance claims expenses		(389,609)	(656,071)
Commissions and brokerage expenses		(167,682)	(173,201)
Other underwriting expenses		(64,356)	(70,472)
Operating expenses		(132,343)	(16,408)
Income tax received (paid)		44,683	(11,113)
Cash received - financial assets		3,065,784	3,286,080
Cash payment - financial assets		(4,025,194)	(2,771,332)
Net cash flows provided by (used in) operating activities		(308,017)	923,523
<i>Cash flows from investing activities</i>			
Cash flows provided by			
Proceeds from sale of leasehold building improvement and equipment		9	481
Cash provided by investing activities		9	481
Cash flows used in			
Purchase of leasehold building improvement and equipment		(7,550)	(2,337)
Cash used in investing activities		(7,550)	(2,337)
Net cash flows provided used in investing activities		(7,541)	(1,856)
<i>Cash flows from financing activities</i>			
Payment of lease liabilities		(12,700)	(10,078)
Head Office current account	12	14,902	(5,112)
Net cash flows provided by (used in) financing activities		2,202	(15,190)
Net increase (decrease) in cash and cash equivalents		(313,356)	906,477
Cash and cash equivalents at beginning of period		1,140,788	859,085
Effect of exchange rate changes on balances held in foreign currencies		(186)	698
Cash and cash equivalents at ending of period	3	827,246	1,766,260

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

Mitsui Sumitomo Insurance Company Limited Thailand Branch
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

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Mitsui Sumitomo Insurance Company Limited Thailand Branch
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

These notes form an integral part of the 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 management on 10 May 2021.

1 General information

The principal business of the Branch is the provision of non-life insurance.

2 Basis of preparation of the interim financial statements

(a) Statement of compliance

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 statement”) 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 do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Branch for the year ended 31 December 2020.

The Branch has initially applied revised TFRS that are effective for annual periods beginning on or after 1 January 2021. In addition, the Branch has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. The Branch has assessed the potential initial impact on the financial statements of these new and revised TFRS that there will be no material impact on the financial statements in the period of initial application.

(b) Use of judgements, estimates and accounting policies

In preparing these interim financial statements, judgements and estimates are made by management in applying the Branch’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 were described in the financial statements for the year ended 31 December 2020.

Mitsui Sumitomo Insurance Company Limited Thailand Branch
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

3 Cash and cash equivalents

	31 March 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Cheque on hand	41,122	20,512
Deposits at banks - call deposits	226,718	265,293
Deposits at banks - time deposits	-	450,000
Highly liquid short - term investments	559,406	404,983
Total	827,246	1,140,788

4 Premiums due and uncollected

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

	31 March 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Within credit terms	634,727	712,551
Overdue:		
Not over 30 days	43,822	144,502
31 - 60 days	37,748	11,995
61 - 90 days	17,982	3,036
91 days - 1 year	4,200	807
Over 1 year	(109)	205
Total	738,370	873,096

The normal credit term for brokers granted by the Branch is not over 60 days.

For premiums due and uncollected from brokers, the Branch has established collection guidelines in accordance with the regulatory requirement for premium collection. For overdue premium receivables, the Branch is pursuing legal proceedings against such agents and brokers.

5 Reinsurance receivables

	31 March 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Due from reinsurers	188,221	384,995
Total	188,221	384,995

Mitsui Sumitomo Insurance Company Limited Thailand Branch
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For the three-month period ended 31 March 2021 (Unaudited)

6 Investments in securities

6.1 Investment in securities by measurement are as follows:

	31 March 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 (loss)</i>				
Government and state enterprise debt securities	10,572,733	10,651,966	9,864,803	10,070,833
Private debt securities	3,907,038	3,975,440	3,718,947	3,809,410
Unit trust	717,112	768,899	785,000	783,310
Equity securities	7,492	20,663	7,492	29,327
Total	15,204,375	15,416,968	14,376,242	14,692,880
Add Unrealised gains	216,025	-	320,070	-
Less Allowance for impairment	(3,432)	-	(3,432)	-
Total investment measured at fair value through other comprehensive income (loss)	15,416,968	15,416,968	14,692,880	14,692,880
Allowance for expected credit loss	1,306	-	1,266	-
<i>Investment measured at amortised cost</i>				
Deposits at banks with original maturities over 3 months	2,669,264	2,669,264	2,529,264	2,529,264
Total investment measured at amortised cost	2,669,264	2,669,264	2,529,264	2,529,264
Total investment in securities	18,086,232	18,086,232	17,222,144	17,222,144

6.2 Investment measured at fair value through other comprehensive income (loss)

	31 March 2021		31 December 2020	
	Fair value	Allowance for expected credit loss / impairment (in thousand Baht)	Fair value	Allowance for expected credit loss / impairment
Debt securities - no significant increase in credit risk (stage 1)	15,396,305	1,306	14,663,553	1,266
Debt securities - significant increase in credit risk (stage 2)	-	-	-	-
Debt securities - default / credit-impaired (stage 3)	-	-	-	-
Equity securities	20,663	3,432	29,327	3,432
Total	15,416,968	4,738	14,692,880	4,698

Mitsui Sumitomo Insurance Company Limited Thailand Branch
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

6.3 Investment measured at amortised cost

	31 March 2021		
	Book value	Allowance for expected credit loss (in thousand Baht)	Net book value
Debt securities - no significant increase in credit risk / performing (stage 1)	2,669,264	-	2,669,264
Debt securities - significant increase in credit risk / under - performing (stage 2)	-	-	-
Debt securities - Default / non-performing (stage 3)	-	-	-
Total	2,669,264	-	2,669,264

	31 December 2020		
	Book value	Allowance for expected credit loss (in thousand Baht)	Net book value
Debt securities - no significant increase in credit risk / performing (stage 1)	2,529,264	-	2,529,264
Debt securities - significant increase in credit risk / under - performing (stage 2)	-	-	-
Debt securities - Default / non-performing (stage 3)	-	-	-
Total	2,529,264	-	2,529,264

Mitsui Sumitomo Insurance Company Limited Thailand Branch
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

7 Insurance contract liabilities

	31 March 2021			31 December 2020		
	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net	Liabilities under insurance contracts	Reinsurers' share of liabilities	Net
	<i>(in thousand Baht)</i>					
Short-term technical reserves						
Loss reserves and outstanding claims						
- Case reserves	5,510,055	(3,975,136)	1,534,919	4,194,499	(2,683,505)	1,510,994
- Incurred but not reported	787,042	(327,058)	459,984	787,042	(327,058)	459,984
Total loss reserves and outstanding claims	6,297,097	(4,302,194)	1,994,903	4,981,541	(3,010,563)	1,970,978
Unearned premium reserves	3,029,784	(490,511)	2,539,273	3,225,186	(654,248)	2,570,938
Total	9,326,881	(4,792,705)	4,534,176	8,206,727	(3,664,811)	4,541,916
7.1 Loss reserves and outstanding claims						
At 1 January	4,981,541	(3,010,563)	1,970,978	3,007,129	(1,399,514)	1,607,615
Insurance claim expenses incurred during the period / year	1,673,294	(1,319,865)	353,429	3,954,572	(1,916,694)	2,037,878
Insurance claim expenses paid during the period / year	(357,738)	28,234	(329,504)	(2,066,525)	353,793	(1,712,732)
Change in estimation and assumption	-	-	-	86,365	(48,148)	38,217
At 31 March 2021 / 31 December 2020	6,297,097	(4,302,194)	1,994,903	4,981,541	(3,010,563)	1,970,978
7.2 Unearned premium reserves						
At 1 January	3,225,186	(654,248)	2,570,938	3,237,845	(669,942)	2,567,903
Premiums written during the period / year	1,163,458	(168,488)	994,970	5,774,149	(1,518,352)	4,255,797
Earned premium in the period / year	(1,358,860)	332,225	(1,026,635)	(5,786,808)	1,534,046	(4,252,762)
At 31 March 2021 / 31 December 2020	3,029,784	(490,511)	2,539,273	3,225,186	(654,248)	2,570,938

Mitsui Sumitomo Insurance Company Limited Thailand Branch
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

8 Reinsurance payables

	31 March 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Amount withheld on reinsurance	197,746	274,870
Due to reinsurers	284,454	196,888
Total	482,200	471,758

9 Leases

For the three-month period ended 31 March

Recognised in profit or loss

Interest on lease liabilities

Total

	2021	2020
	<i>(in thousand Baht)</i>	
	1,214	980
Total	1,214	980

Total cash outflow for leases presented in the statement of cash flows for the three-month period ended 31 March 2021 were Baht 12.7 million (2020: Baht 10 million).

10 Income tax

For the three-month period ended 31 March

Income tax recognised in profit or loss

Current tax expense

Current period

Deferred tax expense

Movements in temporary differences

Total

	2021	2020
	<i>(in thousand Baht)</i>	
	93,023	79,428
	(7,800)	14,829
Total	85,223	94,257

Income tax recognised in other comprehensive income (loss)

Deferred tax expense

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

Total

	2021	2020
	20,739	7,566
Total	20,739	7,566

Mitsui Sumitomo Insurance Company Limited Thailand Branch
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

Reconciliation of effective tax rate

For the three-month period ended 31 March

	2021	2020
	(in thousand Baht)	(in thousand Baht)
Rate (%)	Rate (%)	
Profit before income tax	425,429	472,510
Income tax using the Thai corporation tax rate	20.0	94,502
Expenses not deductible for tax purposes	0.0	476
Change in unrecognised temporary differences	-	(721)
Total	20.0	94,257

11 Expected credit loss

Three-month period ended 31 March

	2021	2020
	(in thousand Baht)	
Investment in securities		
- Debt securities measured at fair value through other comprehensive income (loss)	40	59
Total	40	59

12 Related parties

There is no material change 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
Gross premium written	At contractually agreed prices
Commission and brokerage income	At contractually agreed prices
Insurance claims expenses recovered from reinsurers	As it incurred
Premiums ceded	At contractually agreed prices
Insurance claims expenses	As it incurred and at contractually agreed prices
Commission and brokerage expenses	Within range of rates announced by the Office of Insurance Commission or as stated in the agreement
Other operating expenses - refunded expenses	At contractually agreed prices

Mitsui Sumitomo Insurance Company Limited Thailand Branch
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

Significant transactions for the three-month ended 31 March 2021 and 2020 with key management and related parties were summarised as follows:

<i>For the three-month period ended 31 March</i>	2021	2020
	<i>(in thousand Baht)</i>	
Revenues		
Other related parties		
Gross premiums written	61,180	19,962
Commission and brokerage income	3,970	3,499
Insurance claims expenses recovered from reinsurers	7,850	5,363
Expenses		
Other related parties		
Premiums ceded	33,553	28,123
Insurance claims expenses	11,444	19,516
Commission and brokerage expenses	107,658	104,683
Other operating expenses - refunded expenses	28,923	28,452
Key management compensation		
Short-term and long-term benefits	3,796	3,952

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

	31 March 2021	31 December 2020
	<i>(in thousand Baht)</i>	
Premiums due and uncollected		
Other related parties	<u>36,504</u>	<u>20,705</u>
Reinsurance assets		
Reinsurance's share of liabilities		
Other related parties	<u>458,518</u>	<u>251,705</u>
Reinsurance receivables		
Due from reinsurers		
Other related parties	<u>64,952</u>	<u>52,649</u>
Other assets		
Other related parties	<u>17,016</u>	<u>10,610</u>
Insurance contract liabilities		
Loss reserves and outstanding claims		
Other related parties	<u>469</u>	<u>26,895</u>
Accrued loss adjustment expenses		
Other related parties	<u>510</u>	<u>3,770</u>
Reinsurance payables		
Due to reinsurers		
Other related parties	<u>63,799</u>	<u>38,348</u>

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For the three-month period ended 31 March 2021 (Unaudited)

	31 March 2021 (in thousand Baht)	31 December 2020
Amount withheld on reinsurance		
Other related parties	<u>4,323</u>	<u>5,582</u>
Other liabilities		
Commission payables		
Other related parties	<u>101,558</u>	<u>93,102</u>
Others		
Other related parties	<u>32,110</u>	<u>24,447</u>
Funds from Head Office	<u>13,593,146</u>	<u>13,593,146</u>
Head Office current account	<u>(78,281)</u>	<u>(93,183)</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

<i>At 31 March 2021</i>	<i>Note</i>	<i>Level 1</i>	Fair value		<i>Total</i>
			<i>Level 2</i>	<i>Level 3</i>	
			<i>(in thousand Baht)</i>		
Financial assets					
Investment in securities	6				
Government and state enterprise debt securities		-	10,651,966	-	10,651,966
Private debt securities		-	3,975,440	-	3,975,440
Unit trusts		-	768,899	-	768,899
Equity securities		9,162	-	11,501	20,663
Total		<u>9,162</u>	<u>15,396,305</u>	<u>11,501</u>	<u>15,416,968</u>
 <i>At 31 December 2020</i>					
Financial assets					
Investment in securities	6				
Government and state enterprise debt securities		-	10,070,833	-	10,070,833
Private debt securities		-	3,809,410	-	3,809,410
Unit trusts		-	783,310	-	783,310
Equity securities		7,052	-	22,275	29,327
Total		<u>7,052</u>	<u>14,663,553</u>	<u>22,275</u>	<u>14,692,880</u>

Mitsui Sumitomo Insurance Company Limited Thailand Branch
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2021 (Unaudited)

Measurement of fair values

When measuring the fair value of an asset or a liability, the Branch 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 assets or liabilities, 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 might be 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 Branch determines Level 1 fair values of investment in marketable equity using last bid price from SET at the reporting date.

The Branch determines Level 2 fair values of investment in debt securities by reference to the price provided by the Thai Bond Market Association at the reporting date, and for unit trusts using net assets value (NAV) published by asset management companies at the reporting date.

The Branch determines Level 3 for fair values for non-listed equity securities using the discounted cash flow method which is the last value published by General Insurance Association or net asset values of those non-listed companies.

The Branch recognises transfers between levels of the fair value hierarchy as of the end of reporting period during which the transfer has occurred.

14 Securities and assets pledged with the Registrar

- 14.1 The Branch's investments in deposits at banks were pledged with the Registrar in accordance with the Non-Life Insurance Act No. 2 B.E. 2551 as follows:

	31 March 2021		31 December 2020	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
Time deposits at banks	<u>14,000</u>	<u>14,000</u>	<u>14,000</u>	<u>14,000</u>

- 14.2 The Branch's investments in debt securities were reserved with the Registrar in accordance with the Notification of the Office of Insurance Commission regarding "Rates, Rules and Procedures for unearned premium reserve of Non-Life Insurance Company B.E.2557" as follows:

	31 March 2021		31 December 2020	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
Government bonds	<u>1,455,666</u>	<u>1,420,000</u>	<u>1,463,936</u>	<u>1,420,000</u>

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15 Restricted and collateral assets

	31 March 2021	31 December 2020
	<i>(in thousand Baht)</i>	
<i>Deposits at banks - time deposits</i>		
To secure bank guarantee facilities issued by banks	<u>264</u>	<u>264</u>

16 Contingent liabilities

As at 31 March 2021, lawsuits have been brought against the Branch, in relation to insurance claims in the normal course of business totalling approximately Baht 1,368 million (*31 December 2020: Baht 1,356.3 million*). The Branch's management believes that the recorded amount of provision in the financial statements for potential losses in respect of those claims is adequate.