

MSIG Insurance (Thailand) Public Company Limited

Condensed interim financial statements
for the three-month ended
31 March 2024
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 31 March 2024; the statement of comprehensive income; changes in equity and cash flows for the three-month period ended 31 March 2024, 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".

(Jedsada Leelawatanasuk)
Certified Public Accountant
Registration No. 11225

KPMG Phoomchai Audit Ltd.
Bangkok
14 May 2024

MSIG Insurance (Thailand) Public Company Limited

Statement of financial position

		31 March	31 December
Assets	Note	2024	2023
		(Unaudited)	
		(in thousand Baht)	
Cash and cash equivalents	3, 14	430,073	385,645
Premiums due and uncollected	4, 11	698,400	705,913
Accrued investment income		28,780	12,019
Reinsurance assets	7, 11	663,715	579,237
Reinsurance receivables	5, 11	258,582	197,944
Investments assets			
Investments in securities	6, 12, 13	4,076,450	3,869,961
Premises and equipment		269,056	267,640
Right-of-use assets		8,262	8,347
Intangible assets		33,169	34,757
Deferred acquisition costs		607,177	619,606
Deferred tax assets		473,064	459,193
Other assets	11	91,326	61,605
Total assets		7,638,054	7,201,867



MSIG

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

Mr. Arnop Phorndhiti

Mr. Rattapol Gitisakchaiyakul

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

MSIG Insurance (Thailand) Public Company Limited

Statement of financial position

		31 March 2024 (Unaudited)	31 December 2023
Liabilities and equity	<i>Note</i>		
		<i>(in thousand Baht)</i>	
Liabilities			
Insurance contract liabilities	7	3,935,872	3,832,857
Reinsurance payables	8, 11	683,841	535,447
Income tax payable		49,285	13,111
Employee benefit obligations		300,620	294,064
Lease liabilities		8,395	8,497
Other liabilities	11	582,772	541,055
Total liabilities		5,560,785	5,225,031
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		1,801,313	1,727,846
Other components of shareholders' equity		(27,045)	(54,011)
Total equity		2,077,269	1,976,836
Total liabilities and equity		7,638,054	7,201,867

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	
		31 March	
		2024	2023
		(in thousand Baht)	
Revenues			
Gross premiums written		1,264,737	1,290,536
Less premiums ceded	11	(321,231)	(223,137)
Net premiums written		943,506	1,067,399
Unearned premium reserve increased from previous period		(157,218)	(185,519)
Add reinsurers' share of unearned premium reserve increased from previous period		95,354	51,495
Net premium earned		881,642	933,375
Commission and brokerage income	11	78,735	32,493
Net investment income		19,822	15,455
Gain (loss) on investments		(4,319)	(1,238)
Other income	11	3,822	2,964
Total revenues		979,702	983,049
Expenses			
Insurance claim expenses		414,208	547,175
Less insurance claims expenses recovered from reinsurers	11	(28,361)	(75,606)
Net insurance claims expenses		385,847	471,569
Commission and brokerage expenses	11	178,774	86,314
Other underwriting expenses		191,061	201,560
Operating expenses	11	130,676	124,175
Other expenses		1,811	1,896
Expected credit loss	10	1	5
Total expenses		888,170	885,519
Profit before income tax		91,532	97,530
Income tax	9	18,065	19,033
Net profit		73,467	78,497

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	
	31 March	
	2024	2023
	<i>(in thousand Baht)</i>	
<i>Other comprehensive income (loss)</i>		
<i>Items that will be reclassified subsequently to profit or loss</i>		
Gain (loss) on remeasurement of investments - fair value through other comprehensive income (loss)	33,707	(5,479)
Income tax relating to items that will be reclassified subsequently to profit or loss	⁹ (6,741)	1,096
Total items that will be reclassified subsequently to profit or loss	26,966	(4,383)
Total comprehensive income for the period	100,433	74,114
Basic earnings per share <i>(in Baht)</i>	51.50	55.02

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	Loss on investment measured at fair value through other comprehensive income	Total equity
	<i>(in thousand Baht)</i>					
Three-month period ended 31 March 2023						
Balance at 1 January 2023	142,666	146,069	14,266	1,542,899	(10,487)	1,835,413
Comprehensive income (loss) for the period						
Net profit	-	-	-	78,497	-	78,497
Other comprehensive income (loss)	-	-	-	-	(4,383)	(4,383)
Total comprehensive income (loss) for the period	-	-	-	78,497	(4,383)	74,114
Balance at 31 March 2023	142,666	146,069	14,266	1,621,396	(14,870)	1,909,527

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

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	Loss on investment measured at fair value through other comprehensive income	Total equity
	(in thousand Baht)					
Three-month period ended 31 March 2024						
Balance at 1 January 2024	142,666	146,069	14,266	1,727,846	(54,011)	1,976,836
Comprehensive income (loss) for the period						
Net profit	-	-	-	73,467	-	73,467
Other comprehensive income loss	-	-	-	-	26,966	26,966
Total comprehensive income (loss) for the period	-	-	-	73,467	26,966	100,433
Balance at 31 March 2024	142,666	146,069	14,266	1,801,313	(27,045)	2,077,269

7

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

	Three-month period ended 31 March	
	2024	2023
	<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>		
Premium received	1,258,472	1,196,778
Cash paid to reinsurers	(96,382)	(47,624)
Interest received	2,452	1,044
Dividend received	610	286
Other income	2,012	1,068
Insurance claims expenses	(458,203)	(454,209)
Commission and brokerage expenses	(189,077)	(169,650)
Other underwriting expenses	(159,657)	(146,929)
Operating expenses	(129,397)	(221,103)
Income tax paid	(2,504)	(2,692)
Cash received - financial assets	335,481	324,888
Cash payment - financial assets	(512,583)	(466,815)
Net cash flows provided by operating activities	51,224	15,042
<i>Cash flows from investing activities</i>		
Purchase of building improvement, hardware and equipment	(5,546)	(3,809)
Purchase of intangible assets	-	(8,573)
Cash used in investing activities	(5,546)	(12,382)
Net cash flows used in investing activities	(5,546)	(12,382)
<i>Cash flows from financing activities</i>		
Payment of lease liabilities	(1,104)	(1,501)
Interest paid	(146)	(173)
Net cash flows used in financing activities	(1,250)	(1,674)
Net increase in cash and cash equivalents	44,428	986
Cash and cash equivalents at beginning of period	385,645	236,303
Cash and cash equivalents at ending of period	430,073	237,289

3

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 period ended 31 March 2024 (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 14 May 2024.

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 of Non-Life insurance Companies" B.E. 2566, dated 8 February 2023. 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 2023.

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 2023.

The Company has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Company's operations are disclosed in note 17.

3 Cash and cash equivalents

	31 March 2024	31 December 2023
	<i>(in thousand Baht)</i>	
Cash on hand	30	30
Deposits at banks - call deposits	265,260	385,615
Highly liquid short - term investments	164,783	-
Total	430,073	385,645

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2024 (Unaudited)

4 Premiums due and uncollected

As at 31 March 2024 and 31 December 2023, premiums due and uncollected by aging were as follows:

	31 March 2024	31 December 2023
	<i>(in thousand Baht)</i>	
Within credit terms	516,144	567,178
Overdue:		
Not over than 30 days	82,289	63,810
31 - 60 days	81,145	41,711
61 - 90 days	10,520	26,545
91 days - 1 year	15,615	12,180
Over 1 year	6,391	4,930
Total	712,104	716,354
Less allowance for doubtful accounts	(13,704)	(10,441)
Net	<u>698,400</u>	<u>705,913</u>
	31 March 2024	31 March 2023
	<i>(in thousand Baht)</i>	
Doubtful accounts (reversal) for the period ended	<u>3,263</u>	<u>(3,572)</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

	31 March 2024	31 December 2023
	<i>(in thousand Baht)</i>	
Due from reinsurers	<u>258,582</u>	<u>197,944</u>

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2024 (Unaudited)

6 Investments in securities

6.1 Investment in securities by measurement are as follows:

	31 March 2024		31 December 2023	
	Cost / Amortised cost	Fair value	Cost / Amortised cost	Fair value
	<i>(in thousand Baht)</i>			
<i>Investment measured at fair value through other comprehensive income</i>				
Government and state enterprise debt securities	2,670,208	2,647,131	2,597,743	2,550,043
Private debt securities	817,473	813,745	877,726	864,955
Equity securities	134,165	127,493	129,596	122,723
Unit trust	50,000	47,270	44,000	41,429
Total	3,671,846	3,635,639	3,649,065	3,579,150
<i>Less unrealised losses</i>	<i>(36,037)</i>	<i>-</i>	<i>(69,745)</i>	<i>-</i>
<i>Less allowance for impairment</i>	<i>(170)</i>	<i>-</i>	<i>(170)</i>	<i>-</i>
Total investment measured at fair value through other comprehensive income	3,635,639	3,635,639	3,579,150	3,579,150
Allowance for impairment loss	2,067	-	2,067	-
Allowance for expected credit loss	166	-	165	-
<i>Investment measured at amortised cost</i>				
Deposits at banks with original maturities over 3 months	440,811	440,811	290,811	290,811
Total investment measured at amortised Cost	440,811	440,811	290,811	290,811
Total investment in securities	4,076,450	4,076,450	3,869,961	3,869,961

6.2 Investment measured at fair value through other comprehensive income

	31 March 2024		31 December 2023	
	Fair value	Allowance for expected credit loss / Allowance for impairment loss	Fair value	Allowance for expected credit loss / Allowance for impairment loss
	<i>(in thousand Baht)</i>			
Debt securities - no significant increase in credit risk (stage 1)	3,460,876	166	3,414,998	165
Equity securities	127,493	2,237	122,723	2,237
Unit trust	47,270	-	41,429	-
Total	3,635,639	2,403	3,579,150	2,402

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2024 (Unaudited)

6.3 Investment measured at amortised cost

	Book value	31 March 2024 Allowance for expected credit loss (in thousand Baht)	Net book value
Debt securities - no significant increase in credit risk (stage 1)	440,811	-	440,811
Total	440,811	-	440,811

	Book value	31 December 2023 Allowance for expected credit loss (in thousand Baht)	Net book value
Debt securities - no significant increase in credit risk (stage 1)	290,811	-	290,811
Total	290,811	-	290,811

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2024 (Unaudited)

7 Insurance contract liabilities

	31 March 2024			31 December 2023		
	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	1,146,932	(183,050)	963,882	1,199,894	(195,002)	1,004,892
- Incurred but not reported	149,337	(26,999)	122,338	150,578	(25,923)	124,655
Total loss reserves and outstanding claims	1,296,269	(210,049)	1,086,220	1,350,472	(220,925)	1,129,547
Unearned premium reserves	2,639,603	(453,666)	2,185,937	2,482,385	(358,312)	2,124,073
Total	3,935,872	(663,715)	3,272,157	3,832,857	(579,237)	3,253,620
7.1 Loss reserves and outstanding claims						
At 1 January	1,350,472	(220,925)	1,129,547	1,356,844	(176,785)	1,180,059
Insurance claim expenses incurred during the period / year	371,047	(27,285)	343,762	1,760,018	(234,847)	1,525,171
Insurance claim expenses paid during the period / year	(424,009)	39,237	(384,772)	(1,780,757)	190,083	(1,590,674)
Change in estimation and assumption	(1,241)	(1,076)	(2,317)	14,367	624	14,991
At 31 March 2024 / 31 December 2023	1,296,269	(210,049)	1,086,220	1,350,472	(220,925)	1,129,547
7.2 Unearned premium reserves						
At 1 January	2,482,385	(358,312)	2,124,073	2,397,706	(196,148)	2,201,558
Premium written during the period / year	1,264,737	(321,231)	943,506	4,626,491	(964,384)	3,662,107
Earned premium in the period / year	(1,107,519)	225,877	(881,642)	(4,541,812)	802,220	(3,739,592)
At 31 March 2024 / 31 December 2023	2,639,603	(453,666)	2,185,937	2,482,385	(358,312)	2,124,073

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2024 (Unaudited)

8 Reinsurance payables

	31 March 2024	31 December 2023
	<i>(in thousand Baht)</i>	
Amount withheld on reinsurance	196,657	153,667
Due to reinsurers	487,184	381,780
Total	683,841	535,447

9 Income tax

Income tax recognised in profit or loss

For the three-month period ended 31 March

	2024	2023
	<i>(in thousand Baht)</i>	
<i>Current tax expense</i>		
Current period	38,677	38,031
<i>Deferred tax expense</i>		
Movements in temporary differences	(20,612)	(18,998)
Total	18,065	19,033

Income tax recognised in other comprehensive income

Deferred tax expense

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

	(6,741)	1,096
Total	(6,741)	1,096

Reconciliation of effective tax rate

For the three-month period ended 31 March

	2024	2023
	<i>(in thousand Baht)</i>	<i>(in thousand Baht)</i>
Profit before income tax	91,532	97,530
Income tax using the tax rate	18,306	19,506
Additional deductible expenses for tax purpose	(374)	(402)
Expenses not deductible for tax purposes	133	(71)
Total	18,065	19,033

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2024 (Unaudited)

10 Expected credit loss

For the three-month period ended 31 March

2024 2023
(in thousand Baht)

Expected credit loss

Investment in securities

- Debt securities measured at fair value through
other comprehensive income

Total

1	5
<u>1</u>	<u>5</u>

11 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 (paid to) 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 period ended 31 March 2024 (Unaudited)

Significant transactions for the three-month period ended 31 March 2024 and 2023 with key management and related parties were summarised as follows:

For the three-month period ended 31 March

	2024	2023
	<i>(in thousand Baht)</i>	
Revenue		
Other related parties		
Commission and brokerage income	6,725	5,997
Service income	2,493	2,306
Expenses		
Other related parties		
Premiums ceded	31,014	26,453
Commission and brokerage expense	34	42
Insurance claims expenses recovered from (paid to) reinsurers	(7,490)	18,693
Marketing and management support services agreement fee	15,470	14,938
Key management and director compensation		
Directors' remuneration	1,058	1,108
Short-term benefits	17,129	16,084
Post-employment benefit	1,041	2,639
Total	19,228	19,831

Significant balances as at 31 March 2024 and 31 December 2023 with related parties were as follows:

	31 March 2024	31 December 2023
	<i>(in thousand Baht)</i>	
Premiums due and uncollected		
Other related parties	<u>132</u>	<u>219</u>
Reinsurance assets		
Reinsurance's share of liabilities		
Other related parties	<u>52,495</u>	<u>49,003</u>
Reinsurance receivables		
Due from reinsurers		
Other related parties	<u>30,448</u>	<u>28,513</u>
Other assets		
Other receivables		
Other related parties	<u>962</u>	<u>1,690</u>
Reinsurance payables		
Due to reinsurers		
Other related parties	<u>72,347</u>	<u>60,324</u>

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2024 (Unaudited)

	31 March 2024	31 December 2023
	<i>(in thousand Baht)</i>	
<i>Amount withheld on reinsurance</i>		
Other related parties	<u>26,208</u>	<u>18,651</u>
<i>Other liabilities</i>		
Payables to related parties		
Other related parties	<u>33,235</u>	<u>18,775</u>

12 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 2024</i>	<i>Note</i>	Carrying amount	Fair value			Total
			Level 1	Level 2	Level 3	
			<i>(in thousand Baht)</i>			
<i>Financial assets</i>						
Investment in securities	6					
Government and state enterprise debt securities		2,647,131	-	2,647,131	-	2,647,131
Private debt securities		813,745	-	813,745	-	813,745
Equity securities		127,493	109,389	18,104	-	127,493
Unit trusts		47,270	-	47,270	-	47,270
Total		<u>3,635,639</u>	<u>109,389</u>	<u>3,526,250</u>	<u>-</u>	<u>3,635,639</u>

At 31 December 2023

<i>Financial assets</i>						
Investment in securities	6					
Government and state enterprise debt securities		2,550,043	-	2,550,043	-	2,550,043
Private debt securities		864,955	-	864,955	-	864,955
Equity securities		122,723	118,639	4,084	-	122,723
Unit trusts		41,429	-	41,429	-	41,429
Total		<u>3,579,150</u>	<u>118,639</u>	<u>3,460,511</u>	<u>-</u>	<u>3,579,150</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.

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2024 (Unaudited)

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.

13 Securities and assets pledged with the Registrar

- 13.1 As at 31 March 2024 and 31 December 2023, the Company's investments were pledged with the Registrar in accordance with the Non-Life Insurance Act No. 2 B.E. 2551 as follows:

	31 March 2024		31 December 2023	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
Bank of Thailand bond	15,428	15,000	15,302	15,000
Total	15,428	15,000	15,302	15,000

- 13.2 As at 31 March 2024 and 31 December 2023, 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:

	31 March 2024		31 December 2023	
	Book value	Face value	Book value	Face value
	<i>(in thousand Baht)</i>			
Government and Bank of Thailand bonds	473,947	468,000	470,486	468,000
Deposit at bank - time deposit	50,000	50,000	100,000	100,000
Total	523,947	518,000	570,486	568,000

14 Restricted and collateral assets

	31 March 2024	31 December 2023
	<i>(in thousand Baht)</i>	
Deposit at bank - time deposit		
To secure bank guarantee - facilities issued by banks	800	800

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2024 (Unaudited)

15 Commitments with non-related parties

As at 31 March 2024 and 31 December 2023, the Company had future minimum lease payments required under these non-cancellable contracts as follows:

Commitments under office rental and service agreements

	31 March 2024	31 December 2023
	<i>(in thousand Baht)</i>	
Operating lease commitments		
Within one year	6,542	1,226
After one year but within five years	7,032	235
Total	13,574	1,461

16 Contingent liabilities

As at 31 March 2024, lawsuits have been brought against the Company, in relation to insurance claims of Baht 214 million (*31 December 2023: Baht 217 million*) whereas the sum insured of insurance policy and reinsurance claim recoverable of Baht 140 million and Baht 4 million, respectively (*31 December 2023: Baht 138 million and Baht 4 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.

17 Thai Financial Reporting Standards (TFRS) not yet adopted

A number of new TFRS which are relevant to the Company's operations are expected to have significant impact on the Company's financial statements on the date of initial application are as follows:

TFRS	Topic
TFRS 7*	Financial Instruments: Disclosures
TFRS 9*	Financial Instruments
TFRS 17	Insurance contracts

* TFRS - Financial instruments standards

(a) TFRS - Financial instruments standards

TFRS 9 and TFRS 7 became effective for the annual period beginning on or after 1 January 2020. TFRS 4 Insurance Contracts has allowed insurance entities that meet the conditions as laid down by TFRS 4, to use the deferral approach in application of TFRS 9 and TFRS 7 for insurance entities and continue to apply Accounting Guidance: Financial Instruments and Disclosures for Insurance Business until TFRS 17 Insurance contract becomes effective in 2025.

These TFRSs establish requirements related to definition, classification, recognition, measurement, impairment and derecognition of financial assets and financial liabilities, including accounting for derivatives and hedge accounting.

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month period ended 31 March 2024 (Unaudited)

(b) TFRS 17 - Insurance contracts

TFRS 17 will replace TFRS 4 - Insurance Contracts for the annual period beginning on or after 1 January 2025.

TFRS 17 introduces the new measurement model which consists of fulfillment cash flows and a contractual service margin. The fulfillment cash flows represent the risk adjusted present value of the insurer's rights and obligations to the policyholders, comprising estimates of expected cash flows, discounting, and an explicit risk adjustment for non-financial risk. The contractual service margin represents the unearned profit from in-force contracts that the Company will recognise as it provides services over the coverage period. The contractual service margin is earned based on a pattern of coverage units, reflecting the quantity of benefits provided. The simplified approach may be chosen to adopt when certain criteria are met.

The Company may elect to recognise the cumulative negative impact on insurance contract liabilities from the adoption of TFRS 17 to retained earnings by applying the straight-line method within the period not exceeding 3 years from transition date.

TFRS 17 also introduces substantial changes in both presentation of the statement of financial position and statement of comprehensive income, as well as more granular disclosure requirements.

Management is presently considering the potential impact of adopting and initially applying those TFRSs on the financial statements.

18 Event after reporting period

At the shareholders' annual general meeting of the Company held on 26 April 2024, the shareholders approved the appropriation of dividend of Baht 85 per share, amounting to Baht 121 million. The dividend will be paid to shareholders in May 2024



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

A handwritten signature in black ink, appearing to be 'Arnop Phorndhiti'.

Mr. Arnop Phorndhiti

A handwritten signature in black ink, appearing to be 'Rattapol Gitisakchaiyakul'.

Mr. Rattapol Gitisakchaiyakul