

Annual Report

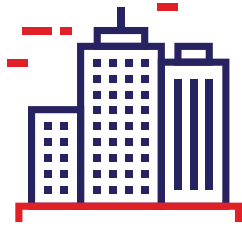
MSIG Insurance (Thailand) Public Company Limited



2024

Content

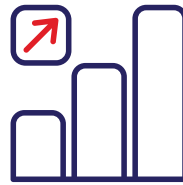
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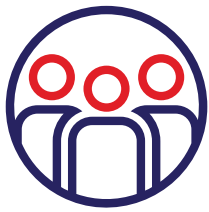
Operating in
Thailand

100+ years

Gross Written Premium 2024



4,909 million
Baht



Employees

700+ people



Network

14 locations
nationwide

Strong Financial Credit Rating MS&AD Group

MSIG Insurance (Thailand) Public Company Limited a member of
is a company in the world's leading non-life insurance group

MS&AD

Japan Credit Rating
Agency, Ltd. (JCR)

AA+

Mitsui Sumitomo Insurance Co., Ltd.
Aioi Nissay Dowa Insurance Co., Ltd.

(Long-Term Issuer Rating)

Moody's

A1

Mitsui Sumitomo Insurance Co., Ltd.
Aioi Nissay Dowa Insurance Co., Ltd.
(Insurance Financial Strength Rating)

Mitsui Sumitomo Insurance Co., Ltd.
(Long-Term Issuer Rating)

Rating and Investment
Information, Inc. (R&I)

AA

Mitsui Sumitomo Insurance Co., Ltd.
Aioi Nissay Dowa Insurance Co., Ltd.
(Issuer Rating)

Mitsui Sumitomo Aioi Life Insurance Co., Ltd.
Mitsui Sumitomo Primary Life Insurance Co., Ltd.

(Insurance Claims Paying Ability)

A.M.Best Co.

A+

Mitsui Sumitomo Insurance Co., Ltd.
Aioi Nissay Dowa Insurance Co., Ltd.

(Financial Strength Rating)

Standard & Poor's

A+

Mitsui Sumitomo Insurance Co., Ltd.
Aioi Nissay Dowa Insurance Co., Ltd.
Mitsui Sumitomo Primary Life Insurance Co., Ltd.
(Financial Strength Rating)

Mitsui Sumitomo Insurance Co., Ltd.
Aioi Nissay Dowa Insurance Co., Ltd.
Mitsui Sumitomo Primary Life Insurance Co., Ltd..
(Long-Term Issuer Credit Rating)

As of July 1, 2024

website : <https://www.ms-ad-hd.com>

According to the report from the Office of the National Economic and Social Development Council (NESDC), Thailand's economy expanded by 2.5% in 2024, up from 2.0% in 2023. This growth was supported mainly by the continuous expansion of the tourism sector. Production, spending, and consumption in both the private and public sectors improved steadily. The non-life insurance business grew at a relatively stable rate, with total direct premiums of approximately 286 billion THB, or growth of about 0.5% compared to 2023. This premium growth was supported by new car sales at the end of the year, driven by relaxed credit measures, as well as a significant recovery in domestic and international tourism.

In 2025, Thailand's economy is expected to expand by approximately 2.9%, supported by government and private sector investment spending, the recovery of tourism, and the export of goods. However, there will be limitations and risk factors from global economic and financial system volatility, agricultural product prices, and household debt burdens. The non-life insurance business is expected to grow by about 1.5%-2.5% in line with economic and tourism recovery, as well as the expansion of health insurance and increased awareness of natural disaster risks.

However, the non-life insurance business still faces several challenges, including rising insurance costs, economic uncertainties both domestically and internationally, increasingly severe climate risks, cyber risk management, and the implementation of the International Financial Reporting Standard 17 (IFRS 17), which presents the performance of the insurance business in a more global format.

For 2024 performance, the company had total direct premiums of 4,909 million THB, growing by 6.1% over 2023. This growth was driven by the expansion of motor insurance, property insurance, and travel insurance products. The company remains the market leader in travel insurance products with a market share of 22%, and premiums of 582 million THB, growing by 1.4% over 2023, in line with the annual business plan.

The company had a net underwriting profit of 309 million THB, higher than in 2023 and above the annual business plan. Most of the profit came from motor insurance, marine cargo insurance, and personal accident insurance.

The company had a net investment income and profit of 82 million THB, higher than the 66 million THB recorded in 2023, mainly derived from investments in government bonds, debt instruments, equity instruments, interest and dividends.

The company had a net profit after tax of 321 million THB, up from 230 million THB in 2023, and earnings per share of 225 THB. Shareholders' equity increased from 1,977 million THB in 2023 to 2,237 million THB in 2024. The capital adequacy ratio was 370%, higher than the 359% in 2023 and 3.7 times higher than the legal requirement. The company therefore continues to have a strong financial position and sufficient capital to support continuous business growth.

In 2025, the company remains committed to being a leader in innovation in the insurance business, focusing on enhancing digital processes in all areas, including sales channels, operations, customer service, and partner support. The company has planned and defined appropriate development strategies and opportunities to promote growth and create business experience that meets the needs of both customers and partners, crucial for strengthening and sustaining the business over the long term.

Additionally, the company continues to put emphasis on adjusting and balancing insurance underwriting practices for sustainable growth, regularly reviewing and improving products and services to align with market changes as well as launching new products to meet customer needs and expectations. The company also develops partnerships to enhance its image, sales and service standards, while striving to achieve sustainable profit growth and adhering to good corporate governance principles, considering environmental, social, and governance (ESG) factors as a key part of our corporate culture.

The company's executives and employees are committed to managing with professional expertise, focusing on delivering the highest possible quality service standards in the best interests of customers, partners, and all stakeholders.

On behalf of the company's Board of Directors, we would like to thank everyone who has contributed to the company's success.



Mr. Arnop Phorndhiti
Chairman of the Board of Directors



Mr. Rattapol Gitisakchaiyakul
Chief Executive Officer



Mr. Arnop Phorndhiti
Chairman of the Board of Directors

Mr. Rattapol Gitisakchaiyakul
Chief Executive Officer



Mr. Sanit Rangnoi

Independent Director,
member of the Nomination
and Remuneration Committee
and the Chairman of the Audit Committee



Mr. Arnop Phorndhiti

Chairman of the Board
of Directors



Mr. Taketoshi Tarumoto

Director
and Chairman of the Nomination
and Remuneration Committee



Mr. Clemens Philippi

Director,
member of the Audit Committee
and the Nomination
and Remuneration Committee



Mr. Boonchu Angchaisuksiri

Independent Director
and member of the Audit Committee



Mr. Dhevan Liauburindr

Director



Mr. Rattapol Gitisakchaiyakul

Director and Chief Executive Officer

Name of Company : MSIG Insurance (Thailand) Public Company Limited.
 Registration No. : 0107555000414
 Head Office : 1908 MSIG Building, New Petchburi Road, Bangkok,
 Huay Kwang, Bangkok 10310
 Telephone : +66 2825 8888 Fax : +66 2318 8550 www.msig-thai.com
 Type of Business : Insurance
 Registered Capital : 1,426,662 Ordinary shares, in a total value of 142,666,200 Baht
 Paid-up Capital : 1,426,662 Ordinary shares, in a total value of 142,666,200 Baht
 Legal entity which MSIG holds share exceeding 10% : -None-

Declaration of Directors on a direct or indirect interest in any contract which is made by the Company during an accounting year -None-

Declaration of holding of shares or debentures of the Company or an affiliated company (as at 31st December 2024)

| Name of Directors | Number of Shares held as at 1 st January 2024 | Number of Shares held as at 31 st December 2024 | Change |
|----------------------------------|--|--|--------|
| 1. Mr. Arnop Phorndhiti | 6,133 | 6,133 | - |
| 2. Mr. Clemens Philippi | - | - | - |
| 3. Mr. Sanit Rangnoi | - | - | - |
| 4. Mr. Dhevan Liauburindr | - | - | - |
| 5. Mr. Boonchu Angchaisuksiri | - | - | - |
| 6. Mr. Taketoshi Tarumoto* | - | - | - |
| 7. Mr. Rattapol Gitisakchaiyakul | 4,367 | 4,367 | - |

Note:* Mr. Taketoshi Tarumoto was appointed as the Company's director instead of Mr. Tetsuya Adachi from 15th May 2024 according to the resolution of the Board of Directors meeting on 14th May 2024





Mr. Rattapol Gitisakchaiyakul
Chief Executive Officer



Miss. Suporn Raopitiwongkul
Senior Vice President,
Finance and Accounts



Miss. Pawana Thaisuwan
Senior Vice President,
Underwriting



Miss. Sathaporn Thaneerat
Senior Vice President,
Information Technology



Mr. Worapon Lopansri
Senior Vice President,
Internal Audit



Dr. Somkiat Sakulsuraekkapong
Senior Vice President,
Human Resources
and Customer Experience



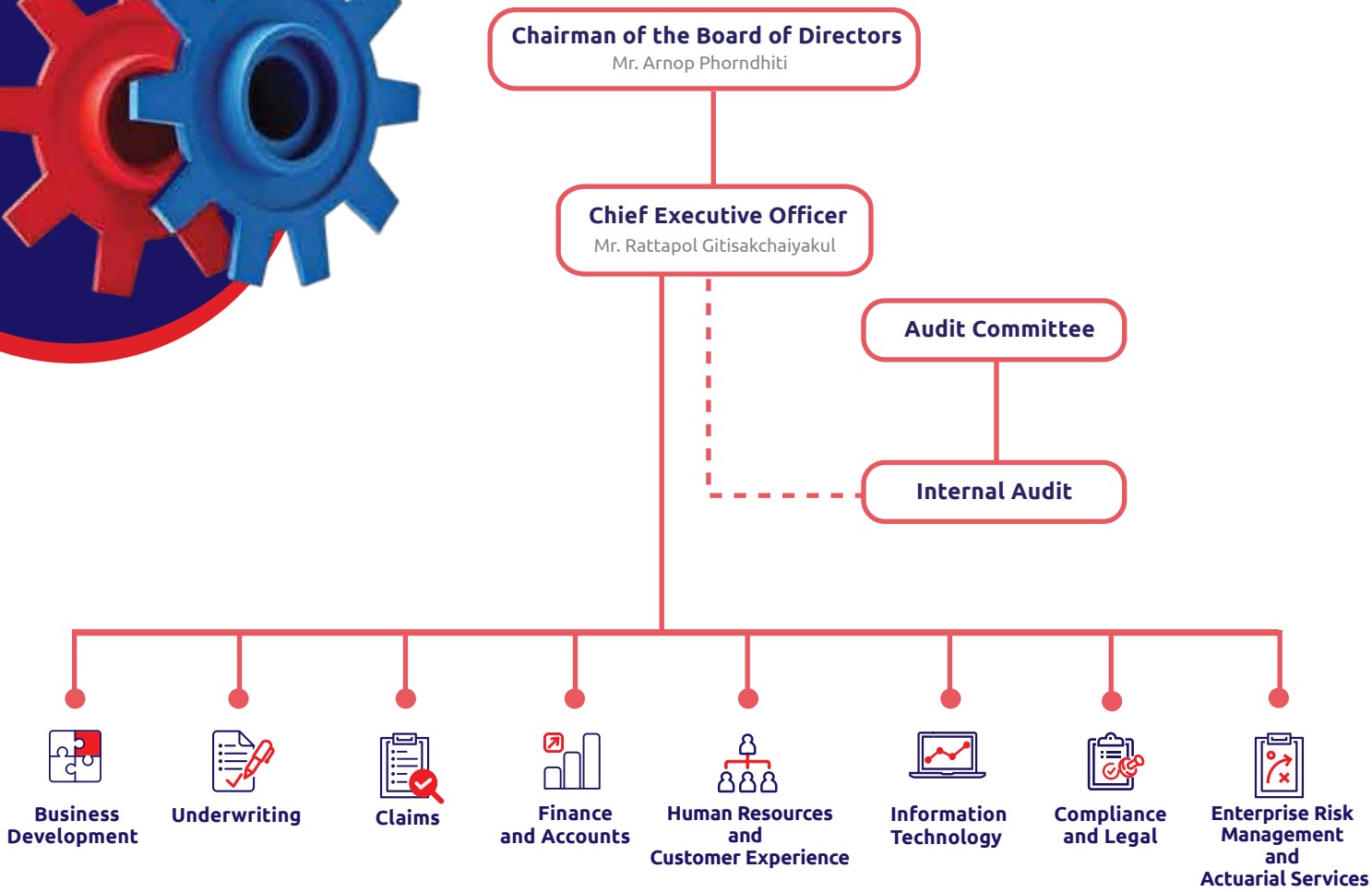
Mrs. Lalita Suwanarat
Senior Vice President,
Compliance and Legal



Miss. Suppawan Nakapanant
Senior Vice President,
Claims



Mr. Peeravut Sukho
Senior Vice President,
Business Development



Achievements

- 2014** : Consumer Protection Thailand Call Center Award
- 2015** : Consumer Protection Thailand Call Center Award
- 2016** : Prime Minister’s Insurance Award for Outstanding Development
- 2017** : Consumer Protection Thailand Call Center Award
- 2019** : Happy Provident Fund Company Award
- 2020** : Organization of the Year – Insurance Services and Social Contribution
- 2020** : BSA Building Safety Award
- 2021** : DhepMahesak Award
 - : Most Innovative Customer Centric Digital Insurance Product
- 2022** : MEA Energy Awards 2022
- 2023** : Prime Minister’s Insurance Award for Outstanding Sustainable Development
- 2024** : Prime Minister’s Insurance Award for Outstanding Non-Life Insurance Development



Mission & Vision



Mission : To contribute to the development of a vibrant society and help secure a sound future for the planet, by enabling safety and peace of mind through the global insurance and financial services business.



Vision : To create a world-leading insurance and financial services group that consistently pursues sustainable growth and enhances corporate value.

Core Values



Customer Focused

We continuously strive to provide security to our customers and achieve customer satisfaction.



Integrity

We are sincere, fair and just in all our dealings.



Teamwork

We achieve mutual growth by respecting one another's individuality and opinions and by sharing knowledge and ideas.



Innovation

We listen to our stakeholders and continuously seek ways to improve the way we work and do business.



Professionalism

We make continuous efforts to improve our skills and proficiency to provide high quality services.



Sustainability Management 2024

In 2024, MSIG Insurance (Thailand) Public Company Limited has undertaken various sustainability management initiatives, focusing on three main areas :



- **Environmental Aspect :** The company considers the efficient and balanced use of resources, initiating activities to manage greenhouse gas emissions and environmental impact.
- **Social Aspect :** The company is committed to social responsibility by managing relationships with stakeholders equally and fairly. It also promotes public benefit activities such as supporting education and community development.
- **Governance Aspect :** The company adheres to transparent and accountable management principles, strictly complying with laws and regulations. It also supports good corporate governance to build trust and confidence among customers, partners, and stakeholders.

With a vision and mission focused on sustainability, the company will continue to improve and develop continuously to create sustainable value and benefits for all stakeholders.

Environmental Responsibility

Climate change poses risks such as natural disasters, which can damage property and impact insurance claims. To promote sustainability, insurance companies develop policies that encourage clean energy use and lower greenhouse gas emissions, such as supporting solar power initiatives. This strategy not only protects customer assets but also helps preserve the environment. The company has taken steps to mitigate climate change risks, including :

- Implementing technology to enhance online services for customers and partners, such as issuing quotes, policies, and accident reports, which reduces paper usage and operational costs while streamlining processes. This reflects the company's commitment to excellence in digital services and sustainable development.

- Transitioning from plastic to paper policy document envelopes, reducing plastic usage by at least 300,000 pieces annually, while maintaining strict confidentiality and security of documents. This initiative raises awareness about avoiding single-use plastics while fostering environmental consciousness among employees and through business processes related to customers.
- Implementing remote work to reduce energy consumption from commuting while maintaining service standards through various channels like email, phone, and web applications, and reducing air pollution. This supports environmental sustainability by minimizing energy use and air pollution.
- The **MSIG Green InWasteMent project**, engages over 200 employees with waste management, reducing waste and carbon emissions, now continuing the project into its third year with significant employee participation. Over the past two years, employees have collectively reduced carbon emissions by an estimated 15,194.64 kgCO₂e.



- Executing the Regional Biodiversity Activation project through the **"Green Means Cool"** activity, where volunteer employees teach primary school students about biodiversity, climate change, and the importance of plants and forests. This project, supported by an NGO, Junior Achievement (JA), aims to encourage environmental awareness among young students.



Social Responsibility

The company is committed to raising awareness about insurance to ensure our products and services meet diverse consumer needs. The company also offers additional safety prevention services to partners, such as safe driving training and factory safety management advice. Key initiatives include :

- The company recognizes the importance of raising awareness about insurance and empowering consumers with effective risk management tools. To achieve this objective, we have developed consumer protection mechanisms and continuously innovate our risk coverage designs to ensure that our products and services meet the diverse needs of our consumers. By leveraging technology for risk assessment and data management, we can offer appropriate and comprehensive coverage for various circumstances. Furthermore, we offer supplementary risk prevention services to our partners. These include safe driving training, consultation on factory safety management, and educational programs to improve insurance intermediaries' comprehension of products, coverage conditions, and insurance principles. This enables them to act as consultants and present insurance products to customers.
- The company maintains high standards in all aspects of its operations and is committed to building trust with customers and partners. This is achieved through the continuous development of employee skills and knowledge, ongoing process improvements, and the use of advanced technology to deliver a superior customer experience. Our expert team is always ready to provide pre- and post-sales support and assistance. Furthermore, we have established a complaint management center to ensure that we listen to all feedback and use it to continuously improve our services.
- The company signed Memorandums of Understanding (MOU) with leading universities, King Mongkut's Institute of Technology Ladkrabang, Thammasat University and Walailak University, to promote research and personnel development, prepare students for the workforce, and promote knowledge in various fields such as actuarial science, data science, and blockchain. This collaboration aims to improve the skills and capabilities of participants, contributing to the development of the insurance industry.



- Implementing human rights policies and practices that respect employment opportunities for everyone. This includes people with disabilities, by supporting their livelihoods through, for example, agricultural projects. In 2024, we continued support for the **"Sustainable Agricultural Center"** in Wang Nam Keaw, Nakhon Ratchasima, providing financial support for disabled individuals engaged in agricultural activities. MSIG remains committed to investing in and supporting the project's development of high-quality farm products and helping expand the project's potential capacity and network, thereby stimulating local social entrepreneurship. More information about the company's policy on human rights can be found on the MSIG website : <https://www.msig-thai.com/th/msad-insurance-group-basic-policy-human-rights>



- Promoting people's well-being is another group priority. In 2024, The company collaborated with Phra Mongkut Hospital to organize blood donations. By contributing blood, employees not only help patients in need but also play a role in building a more compassionate society. Their generous donations can truly make a difference to someone's life. In total, 69,200 CC of blood was collected from donors during this event. Furthermore, we promote employee health through annual check-ups, flu vaccinations, exercise programs, and wellness challenges. These initiatives aim to improve employee well-being and contribute to a healthy society.



In addition to employee well-being, we believe it is essential to always consider children, families, and communities and the various factors affecting their lives. By providing support, care, and opportunities for growth, we can contribute to creating a brighter future. We also believe that ensuring the well-being of vulnerable children within the community is crucial for enhancing their quality of life and overall happiness.

- As part of its community and social responsibility efforts, the company has participated in the annual **Ploenchit Fair** for more than 30 years. The fair was established in 1957 by the British Community in Thailand Foundation for the Needy and has raised over 55 million baht for charitable organizations in Thailand since 2000.



- The company participated in the Thailand Post Flood Victims project to assist those affected in provinces impacted by Typhoon Yagi, which caused widespread flooding across the country. The company organized a donation drive among employees to collect essential items for the flood victims. Employees contributed various necessities, such as personal items, clothing, and medicines, totaling 20 boxes. Thailand Post handled the delivery of the donated items to the affected areas thereby supporting those affected by this natural disaster.
- The company has also supported the **"My Future Project"** through a collaboration with the World Vision Foundation of Thailand. A donation box has been installed at the MSIG Head Office building for contributions towards this initiative. The collected funds are dedicated to improving the lives of children, families, and their communities through the foundation's activities, which include child sponsorship, sustainable community development, advocacy, relief, youth development, child protection, and early child-care development.
- We have also collaborated with business partners in activities such as the **"UOB Heartbeat Run,"** which raises funds to support the education of Thai children. The event organizers prioritize environmentally sound principles by using recycled materials for running shirts and medals.



- The company have been collecting old desk calendars from employees to donate to the **"PLUS+ Pan Suk Old Calendar Project"** for Chulalongkorn Hospital and the Thai Red Cross Society, to create Braille materials for the visually impaired.
- The company has supported the purchasing of environmentally friendly wreaths from Carenation and Boon Wreath, with 10% of each purchase donated to the Thai Red Cross Society and other foundations.

Governance

The company fosters a corporate culture that emphasizes governance, legal compliance, and adherence to regulations. This commitment supports the conduct of business with integrity, transparency, and fairness towards customers and all stakeholders. In addition to having ethical policies and practices for employees, such as the No Gift Policy, Zero Tolerance for Unethical Actions (Zero DUA), Anti-Bribery, Conflict of Interest, Improper Payment, Whistle Blowing, and the rejection of harassment and discrimination, the company also prioritizes aligning operations with evolving laws and regulations relevant to current business practices. This includes policies on cybersecurity, data security and confidentiality, and personal data protection, along with measures and practices for handling, returning, and destroying collected data.

To promote awareness and understanding of these policies and ensure continuous compliance, the company provides training on governance, legal compliance, and regulations to all employees and business partners. In today's Thai society, where online platforms are prevalent, there is a risk of misuse of confidential information, customer data, and partner information. The company remains vigilant and proactive in addressing these challenges.

Unveils 2024 Brand Campaign “Believe, Belong, Become”

- MSIG Thailand proudly presents its 2024 advertising campaign, **“Believe, Belong, Become,”** starring the celebrated news anchor and TV host, **Can Atirut Kittipatana**, as the brand’s inaugural ambassador. This campaign underscores MSIG’s dedication to valuing everything essential to its policyholders, from specially crafted insurance products with comprehensive coverage and exceptional after-sales services across Thailand.

Mr. Rattapol Gitisakchaiyakul, CEO of MSIG Insurance (Thailand) Public Company Limited, shared, “With the Believe, Belong, Become brand campaign for 2024, we aim to convey our unwavering commitment to developing products and services that resonate with our customers. We carefully oversee every step, from product design to claims services and additional support, ensuring our clients trust us, appreciate our offerings, and feel confident that MSIG is the right insurance provider for them.”

He continued, “The MSIG team is thrilled to welcome Can Atirut Kittipatana into the MSIG family as our first brand ambassador. His trustworthy image makes him the perfect spokesperson to highlight the distinctive features of MSIG’s products and services. For instance, our **‘Drive Any Car Insurance’** covers multiple cars under a single policy, easily purchasable with just a driver’s license. Our **‘Baan Tan Rak’** provides 24-hour emergency home assistance services, including even such things as handling unwanted dangerous animals. Moreover, our **‘MSIG Travel Easy Plus’** travel insurance offers Mordee - telemedicine services for minor illnesses abroad and the MSIG Assist service, providing medical consultations and hospital coordination worldwide without requiring upfront payment for inpatient care.”



launched a new product MSIG Travel Easy Plus

- MSIG Thailand’s no.1 Travel insurance provider has launched a new international travel insurance product, **“MSIG Travel Easy Plus”**. This new product offering is designed to cater to the diverse lifestyles and needs of travel insurance customers. MSIG Travel Easy Plus provides comprehensive coverage for travelers, ensuring worry-free adventures on every trip. Travel insurance premiums start at just 190 Baht.

Mr. Rattapol Gitisakchaiyakul, CEO of MSIG Insurance (Thailand) Public Company Limited, stated that, “MSIG Thailand began its travel insurance business in 2014. Now, in our 10th year, we have become Thailand’s leading travel insurance company. In 2023, we achieved travel insurance gross written premiums of 573.8 million Baht, a 54% increase from the previous year, and we hold nearly 25% market share. For 2024, the company aims to grow travel insurance premiums by another 20%.”

To mark its 10th anniversary, MSIG Thailand has revamped its products by introducing MSIG Travel Easy Plus which offers enhanced coverage:

- **Main Coverage :** Enjoy 21 coverages in three main categories: life and medical, delay and flight, and baggage and property. New coverage includes loss/damage of property at home while traveling abroad.
- **Additional Coverage (Add-Ons) :** Customers can choose from 3 plans for a small additional premium to suit their travel lifestyle :



Care 1 (Visa Care) : Covers visa application fees if the visa is denied, reimbursing up to the policy limit.



Care 2 (Sport Care) : For sports and adventure travelers, covering death, disability, and medical expenses from dangerous sports like ballooning, diving, bungee jumping, and electric scooter riding. Special reward for golf hole-in-one achievements.



Care 3 (Pet & Others Care) : For family travelers with children, elderly persons, or pets, covering strollers, patient wheelchairs, pet care due to return trip delays over 12 hours, and credit card debt from overseas spending within 24 hours before a fatal accident.

24/7 Global Medical and Travel Emergency Assistance :

- **Telemedicine :** Consult with doctors remotely via Telemedicine with Mordee application, available 24/7 while abroad, with a medical report and prescription up to 5,000 Baht.
- **MSIG Assist :** For serious illnesses or emergencies, receive medical consultation and coordination for hospital admission within a global network without upfront payment for inpatient cases. Contact MSIG Assist via the MSIG Speedi app using Free Wi-Fi calling or call +66 2039 5704.
- **Post-Trip Medical Care :** Continue treatment in Thailand for costs of up to 100,000 Baht if illness persists after returning from abroad.

In 2024, MSIG Thailand is ready to expand fully into the travel insurance market, covering domestic, international, and overseas student travel. Travelers can purchase policies online through the company's new e-Commerce website, developed to enhance the customer buying experience. Additionally, policies can be bought through various platforms, MSIG Thailand agents and brokers nationwide, or partner banks.

Launch Secure Net+ to Protect Against Cyber Threats

- MSIG Thailand has partnered with AIS, Thailand’s top telecommunications provider, to announce the launch of **Secure Net+** Protected by MSIG. This new service is designed to safeguard customers from various cyber threats, including viruses, malware, and fraudulent websites.
- **MSIG’s Personal Cyber Insurance** offers comprehensive coverage of up to 50,000 Baht/year, protecting against :
 - **Theft of Funds** : Such as unauthorized withdrawal of money from an account or falling victim to phishing.
 - **Identity Theft** : Such as the theft of credit card information or personal data that could lead to identity fraud.
 - **Data Restoration** : Such as expenses for data recovery and malware removal.
 - **E-commerce Shopping** : Such as financial losses due to being tricked by fraudulent electronic methods into purchasing goods or services that are never delivered or provided.



MSIG with AIS 5G to Reinforce Leadership in SIM2Fly 5G Plus

- MSIG Insurance Thailand, a leading Non-Life Insurance and financial services, has announced a strategic partnership with AIS, Thailand’s leading telecommunications provider, to redefine the international roaming experience. This collaboration introduces **SIM2Fly 5G Plus**, a comprehensive travel solution that combines high-speed connectivity with extensive travel insurance coverage, ensuring seamless communication and enhanced security for travelers.
- With SIM2Fly 5G Plus, AIS customers can enjoy 10 GB of high-speed 5G data for 10 days, along with five minutes of free outgoing and incoming calls. The service extends coverage to 29 countries across Asia and Australia, providing travelers with uninterrupted access to reliable mobile networks wherever they go.
- Beyond connectivity, SIM2Fly 5G Plus comes with built-in travel insurance from MSIG, offering customers peace of mind throughout their journey. The insurance package includes :
 - **Cashless medical treatment abroad**, eliminating the need for upfront payments in case of hospitalization.
 - **Compensation for flight delays, lost or delayed baggage**, with coverage up to **250,000 Bath**.
 - **24/7 emergency assistance** through **MSIG Assist**, ensuring immediate support for medical and travel-related emergencies.
 - **Exclusive shopping discounts** at leading international retailers, adding extra value to the travel experience.

Available for just 549 Baht, SIM2Fly 5G Plus is designed to meet the diverse needs of modern travelers, offering both uninterrupted digital connectivity and essential travel protection in a single package. This partnership between AIS and MSIG reinforces their commitment to delivering seamless, secure, and convenient travel solutions for customers worldwide.



MSIG Thailand won the 2023 award for the outstanding non-life insurance company with sustainable development in the insurance industry.

- Mr. Rattapol Gitisakchaiyakul, Chief Executive Officer of MSIG Insurance (Thailand) Public Company Limited, was honored with the **"Outstanding Development in Non-Life Insurance Award for 2023"** at the 2024 Prime Minister's Insurance Awards. The event was organized by the Office of Insurance Commission (OIC) and presided over by Deputy Prime Minister and Minister of Finance, Mr. Pichai Chunhavajira, who presented the award.

The "Outstanding Development in Non-Life Insurance Award for 2023" recognizes excellence in the non-life insurance industry, honoring companies that demonstrate professional management, strong operational performance, financial stability, and a commitment to sustainable business practices. The award serves as a testament to MSIG Insurance's dedication to comprehensive service development and the continuous innovation of products that meet customer needs.

This recognition marks a significant achievement for MSIG Insurance, reinforcing its mission to deliver high-quality insurance services and customer-centric solutions.



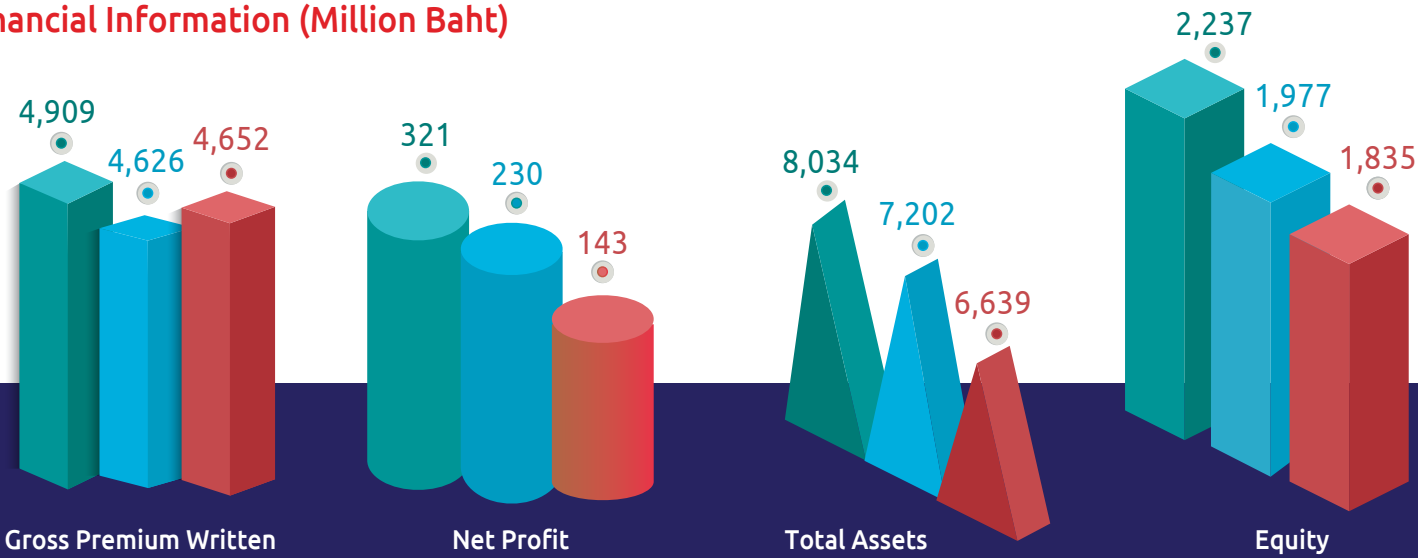
MSIG and TQM Offer Year-End Joy with a Free "Drive Any Car" Insurance.

- MSIG Insurance (Thailand) Public Company Limited (MSIG) has partnered with TQM Insurance Broker Company Limited to celebrate the year-end by offering a free 30-day trial of the **"Drive Any Car"** auto insurance, also known as "Personalized moter Insurance."

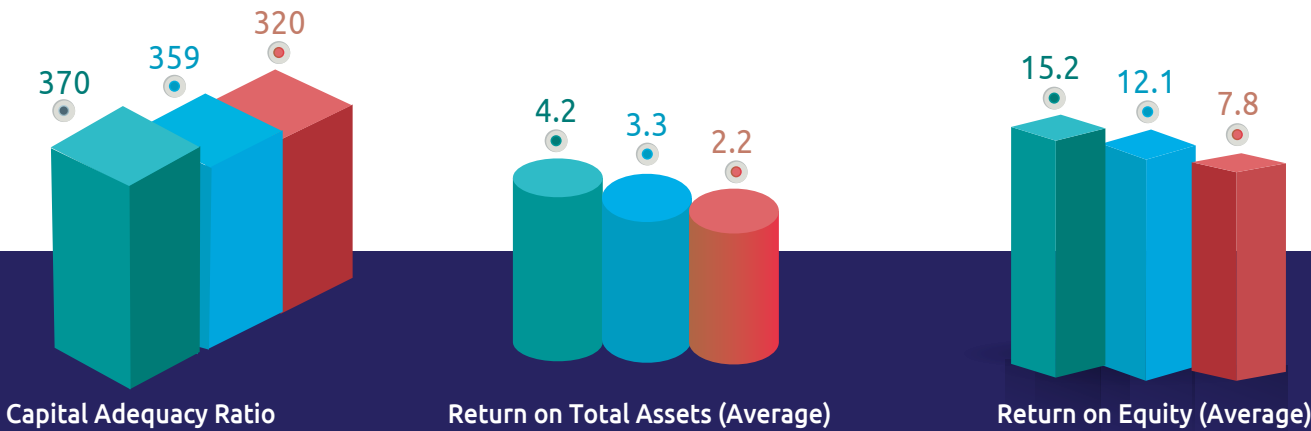
The **"Drive Any Car"** insurance provides 3rd class coverage that is not limited to a specific vehicle but instead follows the driver. Regardless of which car the insured individual drives, they remain protected. This innovative insurance plan is designed for multi-car users or individuals who frequently drive different vehicles. The driver can apply by using a valid driver's license is required, with no vehicle inspection necessary. Once registered, policyholders can immediately enjoy extensive coverage across multiple vehicles.



Financial Information (Million Baht)



Financial Ratio (%)



Year 2024 2023 2022

| 31 st December (Million Baht) | 2024 | 2023 | 2022 |
|---|-------|-------|-------|
| Gross Premium Written | 4,909 | 4,626 | 4,652 |
| Net Premium Earned | 3,641 | 3,740 | 3,708 |
| Underwriting Profit | 309 | 210 | 116 |
| Investment income and gains on investment | 82 | 66 | 60 |
| Net Profit | 321 | 230 | 143 |
| Total Assets | 8,034 | 7,202 | 6,639 |
| Total Liabilities | 5,797 | 5,225 | 4,804 |
| Equity | 2,237 | 1,977 | 1,835 |

*In the process of audit by the company's auditor.

Auditor's Remuneration in 2024

| No. | Type of services | Name | Amount (Million Baht) |
|-----|--|---|-----------------------|
| 1 | Audit of annual financial statements and review quarter financial statements of 2024 | Mr. Jedsada, Leelawatanasuk / KPMG Phoomchai Audit Ltd. | 1.85 |
| 2 | Review half-year and audit annual Risk-Based Capital Reports of 2024 | Mr. Jedsada, Leelawatanasuk / KPMG Phoomchai Audit Ltd. | 0.56 |
| 3 | Review financial statements and accounting treatment of TFRS17 Insurance Contract | Mr. Jedsada, Leelawatanasuk / KPMG Phoomchai Audit Ltd. | 1.10 |
| 4 | Review the preparation and modification in transfer pricing reports of 2022 and 2023 | Mr. Burin Yenthanakorn /KPMG Phoomchai Tax Ltd. | 0.20 |

Financial Statements and Independent Auditor's Report



MSIG Insurance (Thailand) Public Company Limited

Financial statements for the year ended
31 December 2024
and
Independent Auditor's Report



KPMG Phoomchai Audit Ltd.
50th Floor, Empire Tower
1 South Sathorn Road, Yannawa
Sathorn, Bangkok 10120, Thailand
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Fax +66 2677 2222
Website home.kpmg/th

บริษัท เคพีเอ็มจี ภูมิไชย สอบบัญชี จำกัด
ชั้น 50 เอ็มไพร์ทาวเวอร์
1 ถนนสาทรใต้ แขวงยานนาวา
เขตสาทร กรุงเทพฯ 10120
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Independent Auditor's Report

To the Shareholders of MSIG Insurance (Thailand) Public Company Limited

Opinion

I have audited the financial statements of MSIG Insurance (Thailand) Public Company Limited (the "Company"), which comprise the statement of financial position as at 31 December 2024, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of material accounting policies and other explanatory information.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024 and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards (TFRSs).

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing (TSAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Company in accordance with the *Code of Ethics for Professional Accountants including Independence Standards* issued by the Federation of Accounting Professions (Code of Ethics for Professional Accountants) is relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code of Ethics for Professional Accountants. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and my auditor's report thereon. The annual report is expected to be made available to me after the date of this auditor's report.

My opinion on the financial statements does not cover the other information and I will not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

When I read the annual report, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the correction be made.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with TFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with TSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with TSAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

A handwritten signature in blue ink, reading 'Jedsada Le'.

(Jedsada Leelawatanasuk)
Certified Public Accountant
Registration No. 11225

KPMG Phoomchai Audit Ltd.
Bangkok
18 March 2025

MSIG Insurance (Thailand) Public Company Limited

Statement of financial position

| Assets | Note | 31 December | |
|------------------------------|-----------|----------------------|----------------------|
| | | 2024 | 2023 |
| | | (in Baht) | |
| Cash and cash equivalents | 4, 26 | 244,748,339 | 385,644,828 |
| Premiums due and uncollected | 5, 23 | 806,167,386 | 705,912,586 |
| Accrued investment income | | 15,487,730 | 12,019,058 |
| Reinsurance assets | 10, 23 | 840,689,893 | 579,236,684 |
| Reinsurance receivables | 6, 23 | 179,682,854 | 197,944,326 |
| Investments assets | | | |
| Investments in securities | 7, 25, 26 | 4,415,683,806 | 3,869,961,120 |
| Property and equipment | 8 | 268,735,057 | 267,639,734 |
| Right-of-use assets | | 5,218,010 | 8,346,721 |
| Intangible assets | 9 | 50,716,552 | 34,757,324 |
| Deferred acquisition costs | | 649,327,404 | 619,605,855 |
| Deferred tax assets | 18 | 490,526,812 | 459,193,250 |
| Other assets | 23 | 67,427,304 | 61,605,602 |
| Total assets | | 8,034,411,147 | 7,201,867,088 |

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

MSIG Insurance (Thailand) Public Company Limited

Statement of financial position

| Liabilities and equity | Note | 31 December | |
|---|--------|----------------------|----------------------|
| | | 2024 | 2023 |
| | | <i>(in Baht)</i> | |
| Liabilities | | | |
| Insurance contract liabilities | 10 | 4,233,531,417 | 3,832,856,298 |
| Reinsurance payables | 11, 23 | 643,164,025 | 535,447,045 |
| Income tax payable | | 69,981,256 | 13,111,467 |
| Employee benefit obligations | 12 | 291,196,396 | 294,064,355 |
| Lease liabilities | | 5,473,921 | 8,496,500 |
| Other liabilities | 13, 23 | 553,880,513 | 541,054,308 |
| Total liabilities | | 5,797,227,528 | 5,225,029,973 |
| Equity | | | |
| Share capital | | | |
| Authorized share capital | | 142,666,200 | 142,666,200 |
| <i>(1,426,662 ordinary shares, par value at Baht 100 per share)</i> | | | |
| Issued and paid-up share capital | | 142,666,200 | 142,666,200 |
| <i>(1,426,662 ordinary shares, par value at Baht 100 per share)</i> | | | |
| Share premium on ordinary shares | 14 | 146,068,797 | 146,068,797 |
| Retained earnings | | | |
| Appropriated | | | |
| Legal reserve | 15 | 14,266,620 | 14,266,620 |
| Unappropriated | | 1,927,810,952 | 1,727,845,990 |
| Other components of shareholders' equity | 15 | 6,371,050 | (54,010,492) |
| Total equity | | 2,237,183,619 | 1,976,837,115 |
| Total liabilities and equity | | 8,034,411,147 | 7,201,867,088 |

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

MSIG Insurance (Thailand) Public Company Limited

Statement of comprehensive income

| | | For the year ended 31 December | |
|--|------------|--------------------------------|----------------------|
| | Note | 2024 | 2023 |
| | | (in Baht) | |
| Revenues | | | |
| Gross premiums written | | 4,908,760,448 | 4,626,490,664 |
| Less premiums ceded | 23 | (1,136,797,296) | (964,383,525) |
| Net premiums written | | 3,771,963,152 | 3,662,107,139 |
| Unearned premium reserve increased from previous year | | (272,565,382) | (84,678,765) |
| Add (less) reinsurers' share of unearned premium reserve increased (decreased) from previous year | | 141,227,462 | 162,164,569 |
| Net premiums earned | | 3,640,625,232 | 3,739,592,943 |
| Commission and brokerage income | 23 | 300,185,706 | 227,336,710 |
| Net investment income | | 84,659,413 | 70,356,280 |
| Loss on investments | | (2,329,816) | (4,651,719) |
| Other income | 23 | 16,628,744 | 16,083,029 |
| Total revenues | | 4,039,769,279 | 4,048,717,243 |
| Expenses | | | |
| Insurance claims expenses | 17 | 2,043,137,984 | 1,962,723,306 |
| Less insurance claims expenses recovered from reinsurers | 23 | (338,395,486) | (234,222,628) |
| Net insurance claims expenses | | 1,704,742,498 | 1,728,500,678 |
| Commission and brokerage expenses | 23 | 668,075,058 | 685,808,337 |
| Other underwriting expenses | 17 | 730,760,925 | 812,783,197 |
| Operating expenses | 16, 17, 23 | 528,680,679 | 529,377,593 |
| Other expenses | | 7,563,778 | 7,500,734 |
| Expected credit loss (reversal) | 22 | (50,368) | 42,255 |
| Total expenses | 19 | 3,639,772,570 | 3,764,012,794 |
| Profit before income tax | | 399,996,709 | 284,704,449 |
| Income tax | 18 | 78,765,477 | 54,421,031 |
| Net profit | | 321,231,232 | 230,283,418 |

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

MSIG Insurance (Thailand) Public Company Limited

Statement of comprehensive income

| | | For the year ended 31 December | |
|---|------|--------------------------------|---------------------|
| | Note | 2024 | 2023 |
| | | (in Baht) | |
| Other comprehensive income (loss) | | | |
| <i>Items that will be reclassified subsequently to profit or loss</i> | | | |
| Gain (loss) on remeasurement of investment-fair value through other comprehensive income (loss) | | 75,476,928 | (54,404,632) |
| Income tax relating to items that will be reclassified subsequently to profit or loss | 18 | (15,095,386) | 10,880,927 |
| Total items that will be reclassified subsequently to profit or loss | | 60,381,542 | (43,523,705) |
| <i>Items that will not be reclassified subsequently to profit or loss</i> | | | |
| Actuarial gain on defined benefit plan | | - | 14,664,735 |
| Income tax relating to items that will not be reclassified subsequently to profit or loss | 18 | - | (2,932,947) |
| Total items that will not be reclassified subsequently to profit or loss | | - | 11,731,788 |
| Other comprehensive loss for the year, net of income tax | | 60,381,542 | (31,791,917) |
| Total comprehensive income for the year | | 381,612,774 | 198,491,501 |
| Basic earnings per share (in Baht) | 20 | 225.16 | 161.41 |

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

MSIG Insurance (Thailand) Public Company Limited

Statement of changes in equity

| | | | | Retained earnings | Other components of equity | | |
|---|--------|--|--|-------------------|-------------------------------|---|-----------------|
| | Note | Issued and paid-up share capital | Share premium on ordinary shares | Legal reserve | Unappropriated (in Baht) | Gain (loss) on investment measured at fair value through other comprehensive income | Total equity |
| For the year ended 31 December 2023 | | | | | | | |
| Balance at 1 January 2023 | | 142,666,200 | 146,068,797 | 14,266,620 | 1,542,897,264 | (10,486,787) | 1,835,412,094 |
| Transactions with shareholders, recorded directly in equity | | | | | | | |
| Distributions to shareholders of the Company | | | | | | | |
| Dividends | 21, 23 | - | - | - | (57,066,480) | - | (57,066,480) |
| Total distributions to shareholders of the Company | | - | - | - | (57,066,480) | - | (57,066,480) |
| Comprehensive income (loss) for the year | | | | | | | |
| Net profit | | - | - | - | 230,283,418 | - | 230,283,418 |
| Other comprehensive income (loss) | | - | - | - | 11,731,788 | (43,523,705) | (31,791,917) |
| Total comprehensive income (loss) for the year | | - | - | - | 242,015,206 | (43,523,705) | 198,491,501 |
| Balance at 31 December 2023 | | 142,666,200 | 146,068,797 | 14,266,620 | 1,727,845,990 | (54,010,492) | 1,976,837,115 |

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

MSIG Insurance (Thailand) Public Company Limited

Statement of changes in equity

| | | | | Retained earnings | Other components of equity | | |
|---|--------|--|--|-------------------|-------------------------------|--|-----------------|
| | | Issued and paid-up share capital | Share premium on ordinary shares | Legal reserve | Unappropriated (in Baht) | Loss on investment measured at fair value through other comprehensive income | Total equity |
| | Note | | | | | | |
| For the year ended 31 December 2024 | | | | | | | |
| Balance at 1 January 2024 | | 142,666,200 | 146,068,797 | 14,266,620 | 1,727,845,990 | (54,010,492) | 1,976,837,115 |
| Transactions with shareholders, recorded directly in equity | | | | | | | |
| Distributions to shareholders of the Company | | | | | | | |
| Dividends | 21, 23 | - | - | - | (121,266,270) | - | (121,266,270) |
| Total distributions to shareholders of the Company | | - | - | - | (121,266,270) | - | (121,266,270) |
| Comprehensive income (loss) for the year | | | | | | | |
| Net profit | | - | - | - | 321,231,232 | - | 321,231,232 |
| Other comprehensive income (loss) | | - | - | - | - | 60,381,542 | 60,381,542 |
| Total comprehensive income (loss) for the year | | - | - | - | 321,231,232 | 60,381,542 | 381,612,774 |
| Balance at 31 December 2024 | | 142,666,200 | 146,068,797 | 14,266,620 | 1,927,810,952 | 6,371,050 | 2,237,183,619 |

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

MSIG Insurance (Thailand) Public Company Limited

Statement of cash flows

| | | For the year ended 31 December | |
|---|--------|--------------------------------|---------------------|
| | Note | 2024 | 2023 |
| | | (in Baht) | |
| Cash flows from operating activities | | | |
| Premium received | | 4,801,496,106 | 4,556,641,724 |
| Cash paid to reinsurers | | (465,726,013) | (368,425,634) |
| Interest received | | 77,773,245 | 63,585,044 |
| Dividend received | | 3,417,496 | 3,991,520 |
| Other income | | 9,237,634 | 8,604,707 |
| Insurance claims expenses | | (1,910,549,515) | (1,925,401,716) |
| Commission and brokerage expenses | | (709,180,088) | (674,664,633) |
| Other underwriting expenses | | (690,873,294) | (722,170,511) |
| Operating expenses | | (543,505,588) | (488,862,662) |
| Income tax paid | | (68,324,637) | (65,915,794) |
| Cash received - financial assets | | 1,310,811,691 | 1,523,932,627 |
| Cash payment - financial assets | | (1,783,336,897) | (1,655,553,246) |
| Net cash flows provided by operating activities | | 31,240,140 | 255,761,426 |
| Cash flows from investing activities | | | |
| Cash flows provided by | | | |
| Proceeds from sale of hardware and equipment | | 14,019 | - |
| Cash flows provided by investing activities | | 14,019 | - |
| Cash flows used in | | | |
| Purchase of building improvement, hardware and equipment | | (21,813,962) | (29,829,891) |
| Purchase of intangible assets | | (22,858,266) | (11,900,952) |
| Cash flows used in investing activities | | (44,672,228) | (41,730,843) |
| Net cash flows used in investing activities | | (44,658,209) | (41,730,843) |
| Cash flows from financing activities | | | |
| Payment of lease liabilities | | (5,661,493) | (6,968,270) |
| Interest paid | | (550,657) | (654,126) |
| Dividend paid | 21, 23 | (121,266,270) | (57,066,480) |
| Net cash flows used in financing activities | | (127,478,420) | (64,688,876) |
| Net increase (decrease) in cash and cash equivalents | | (140,896,489) | 149,341,707 |
| Cash and cash equivalents at 1 January | | 385,644,828 | 236,303,121 |
| Cash and cash equivalents at 31 December | 4 | 244,748,339 | 385,644,828 |

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

MSIG Insurance (Thailand) Public Company Limited

Notes to the financial statements

For the year ended 31 December 2024

These notes form an integral part of the financial statements.

The financial statements issued for Thai statutory and 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 issuance by the Company's Board of Directors on 18 March 2025.

1 General information

MSIG Insurance (Thailand) Public Company Limited, (the "Company"), is incorporated in Thailand. The Company's registered office at 1908 MSIG Building, New Petchburi Road, Bangkapi, HuayKwang, Bangkok.

The ultimate parent company, MS&AD Insurance Group Holdings, Inc., and the Company's major shareholders, Mitsui Sumitomo Insurance Co., Ltd. are incorporated in Japan and Yardhimar Co., Ltd. which is incorporated in Thailand.

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

2 Basis of preparation of the financial statements

(a) Statement of compliance

The financial statements are prepared in accordance with Thai Financial Reporting Standards ("TFRS") and guidelines promulgated by the Federation of Accounting Professions. In addition, the 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 which was applicable for the financial reporting period starting from 1 January 2024.

New and revised TFRS are effective for annual accounting periods beginning on or after 1 January 2024. The adoption of these new and revised TFRS did not have any material impact on the financial statements.

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 30.

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

| <i>Items</i> | <i>Measurement bases</i> |
|--|--|
| Investment measured at fair value through other comprehensive income | Fair value |
| Defined benefit liability | Present value of the defined benefit obligation as explained in Note 3 (k) |

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2024

(c) *Functional and presentation currency*

The financial statements are presented in Thai Baht, which is the Company's functional currency. All financial information presented has been rounded to the nearest thousand Baht in note to financial statements unless otherwise stated.

(d) *Use of judgements and estimates*

The preparation of financial statements in conformity with TFRS requires management to make judgements, estimates and assumptions that affect the application of the Company's accounting policies. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements, assumptions, and estimation uncertainties

Information about judgements, assumptions and estimation uncertainties at 31 December 2024 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial statements is included in the following notes:

Note 10 Insurance contract liabilities

Insurance contract liabilities

Insurance contract liabilities consist of loss reserve, outstanding claims and unearned premium reserves. The carrying amount as at the reporting date is disclosed in note 10.

Process involved in determining assumptions of loss reserve and outstanding claims

The Company determines the loss reserve and outstanding claims in accordance with the Company's claim experiences. The assumptions used in the estimation are intended to result in provisions which are sufficient to cover any liabilities arising out of insurance contracts to the extent that can be reasonably foreseen. However, because of the uncertainty of a provision for insurance claims, it is likely that the final outcome could prove to be different from the estimated liability.

Provision is estimated at the reporting date for the expected ultimate cost of settlement of all claims incurred in respect of events up to that date, whether reported or not, together with related claims handling expenses. The Company uses several statistical methods to incorporate the various assumptions made in order to estimate the ultimate cost of claims.

The Chain-ladder technique involves the analysis of historical claims development factors and the selection of estimated development factors based on the historical claims development pattern. The selected development factors are then applied to cumulative claims data for each accident year.

The Bornhuetter-Ferguson method estimates the ultimate loss using a combination of actual reported losses and an estimate of loss developments for future losses which are based on the expected losses and the selected loss development factors of each accident year. The two estimates are combined using a formula that gives weight to the experience-based estimate as time passes.

Process involved in determining of premium reserves

The Company determines the premium reserves based on the greater amount of unearned premium reserves less deferred acquisition costs and unexpired risk reserves which as of reporting date.

MSIG Insurance (Thailand) Public Company Limited

Notes to the financial statements

For the year ended 31 December 2024

3 Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

(a) Foreign currencies

Transactions in foreign currencies are translated to the functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at exchange rates at the reporting date. Foreign currency differences are generally recognised in profit or loss.

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash balances, call deposits and highly liquid short-term investments which has a maturity of three months or less from the date of acquisition.

(c) Classification of insurance contracts

Insurance contracts are contracts under which the Company accepts significant insurance risk from another party by agreeing to compensate the policy holder or beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder. Once a contract is classified as an insurance contract, it remains classified as an insurance contract until all rights and obligations are extinguished or expired.

(d) Recognition and measurement of insurance contracts

Premiums due and uncollected

Premiums due and uncollected are stated in the insurance policy value less allowance for doubtful accounts. Which is determined based on an analysis of payment histories and future expectations of customer payments. Bad debts are written off when incurred.

Loss reserves and outstanding claims

Loss reserves are taken up in the accounts upon receipt of claim advices from the insured, at the value appraised by an independent appraiser or the Company's appraiser, depending on the particular case. In addition, the Company set up a provision for losses incurred but not yet reported (IBNR) based upon estimates made by a qualified actuary.

Premium reserves

Premium reserves consist of unearned premium reserve and unexpired risks reserve.

Unearned premium reserve

Unearned premium reserve represent the portion of the net premium written which is estimated to be earned in the following or subsequent financial years, computed separately for each insurance contract using the daily average basis from net premium written (the one-three hundred sixty fifth basis).

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2024

Unexpired risks reserve

Unexpired risks reserves are the best estimate of the claims that are expected be incurred during the remaining period of coverage of in-force policies, based on analysis of historical claims data by an actuary. Unexpired risk reserves are only recognised in the financial statements to the extent that they exceed unearned premium reserve.

Premium written and premium earned

Premium written is recognised on insurance policy comes into effect and are presented gross of premium ceded and commissions and brokerage expenses. Premium earned comprises of premium written during the year and change in unearned premium reserves and is recognised as revenue proportionally over the period of coverage.

Commissions and brokerage expenses

Acquisition costs which represent commission, brokerage expenses and other related expenses are deferred and recognised over the period in which the related premiums are earned.

Claims and loss adjustment expenses

Insurance claims and loss adjustment expenses consist of insurance claims and loss adjustment expenses of direct insurance and reinsurance, and include the amounts of insurance claims, related expenses, and loss adjustments of current loss reserves and brought forward period, less residual value and other recoveries (if any) and claims refundable from reinsurers. Insurance claims and loss adjustment expenses of direct insurance are recognised upon the receipt of the claims advice from the insured and estimated loss incurred by the Company's claim department or external surveyors. The maximum value of claims estimated is not, however, to exceed the sum-insured under the relevant policy. Insurance claims and loss adjustment expenses of reinsurance are recognised as expenses when the reinsurer places the loss advice or the statement of accounts with the Company.

Reinsurance

Assets, liabilities, income and expense arising from reinsurance contracts are presented separately from the assets, liabilities, income and expense from the related insurance contracts because the reinsurance arrangements do not relieve the Company from its direct obligations to its policyholders. Premium ceded, reinsurer's share of change in unearned premium reserve, fee and commission income and claims and loss adjustment expenses recovered from reinsurers are recognised as expense or income in accordance with the pattern of reinsurance service received when incurred. An asset or liability is recognised in the statement of financial position representing reinsurance receivables, reinsurer's share of insurance contract liabilities and reinsurance payables. The net amount is presented in the statement financial position only when the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously. The measurement of reinsurance assets is consistent with the measurement of the underlying insurance contracts.

Amounts recoverable under reinsurance contracts are assessed for impairment at reporting date. Such assets are deemed impaired if there is objective evidence, as a result of an event that occurred after its initial recognition, that the Company may not recover all amounts due and that the event has a reliably measurable impact on the amounts that the Company will receive from the reinsurer. Due to reinsurers and other payable are stated at cost.

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
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Liability adequacy test

Short-term insurance contracts

The liability of the Company under short-term insurance contracts is tested for adequacy by comparing the best estimate of future contractual cash flows with the carrying amount of gross insurance contract provisions for unearned premiums and insurance claims on in force policies at the end of reporting period by using an actuarial method based on historical claims and expense. Where an expected shortfall is identified, additional provisions are made for unearned premiums or insurance claims and are recognized in profit or loss.

(e) Financial instruments

(1) Recognition and initial measurement

Financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument. A financial asset and financial liability are initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A financial asset and a financial liability measured at FVTPL are initially recognised at fair value.

(2) Classification and subsequent measurement

Financial assets

Debt securities that the Company has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost, less impairment losses. Acquisition cost and maturity amount of debt securities differences are amortised by effective interest method through the remaining life of debt securities. Interest income, foreign exchange gains and losses and impairment losses are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial assets other than those debt securities held to maturity, are classified as investments measured at fair value through other comprehensive income, subsequent to their initial recognition, these investments are measured at fair value to other comprehensive income, with changes in fair value on investments recognised directly in equity, except impairment losses and monetary in foreign exchange differences are recognised in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Where these investments are interest-bearing, interest calculated using the effective interest method is recognised in profit or loss.

The fair value of debt securities is calculated by referencing to the price quoted by Thai Bond Market Association at reporting date. For debt securities which are not listed on the Thai Bond Market Association, the fair value is calculated by referencing to the price quoted by a reliable institutions at the reporting date. For equity securities and other securities which are listed, the fair value is estimated using the last bid price from the Stock Exchange of Thailand (SET) at reporting date. For unit trusts which are non-listed, fair value is estimated using net asset value at reporting date.

Financial liabilities

Financial liabilities are measured at amortised cost which subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

MSIG Insurance (Thailand) Public Company Limited
Notes to the financial statements
For the year ended 31 December 2024

(3) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. The Company enters into transactions whereby it transfers assets recognised in its statement of financial position but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value. On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(4) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(f) Premises and equipment

Recognition and measurement

Owned assets

Land is measured at cost less any impairment loss. Building and equipment are measured at cost less accumulated depreciation and any impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes capitalised borrowing and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Differences between the proceeds from disposal and the carrying amount of premises and equipment are recognised in profit or loss.

Subsequent costs

The cost of replacing a part of an item of premises and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of premises and equipment are recognised in profit or loss as incurred.

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Depreciation

Depreciation is calculated on a straight-line basis over the estimated useful lives of each component of an asset and recognised in profit or loss. No depreciation is provided on freehold land or assets under construction.

The estimated useful lives are as follows:

| | |
|-----------------------------------|--------------|
| Buildings | 50 years |
| Buildings improvement | 3 - 20 years |
| Furniture, fixtures and equipment | 1 - 10 years |
| Computer equipment | 3 - 10 years |
| Vehicles | 5 years |

(g) Lease

At inception of a contract, the Company assesses that a contract is, or contains, a lease when it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date except for leases of low-value assets and short-term leases which is recognised as an expense on a straight-line basis over the lease term.

Right-of-use asset is measured at cost, less any accumulated depreciation and impairment loss, and adjusted for any remeasurements of lease liability. The cost of right-of-use asset includes the initial amount of the lease liability adjusted for any prepaid lease payments, plus any initial direct costs incurred. Depreciation is charged to profit or loss on a straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of all lease payments that shall be paid under the lease. The Company uses the Company's incremental borrowing rate to discount the lease payments to the present value. The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a lease modification, or a change in the assessment of options specified in the lease. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

As a lessor

At lease inception, the Company considers to classify a lease that transfers substantially all of the risks and rewards incidental to ownership of the underlying asset to lessees as a finance lease. A lease that does not meet this criteria is classified as an operating lease. The Company recognises lease payments received under operating leases in profit or loss on a straight-line basis over the lease term as part of other income. Initial direct costs incurred in arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as rental income in the accounting period in which they are earned.

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(h) Intangible assets

Computer software that is acquired by the Company and had a finite useful life are measured at cost less accumulated amortisation and impairment losses. Subsequent expenditure is capitalised only when it will generate the future economic benefits. Amortisation is calculated on a straight-line basis over the estimated useful lives of intangible assets and recognised in profit or loss.

The estimated useful lives are as follows:

| | |
|-------------------|--------------|
| Computer software | 1 - 10 years |
|-------------------|--------------|

(i) Impairment of financial assets

Equity instruments and unit trust which is classified as FVOCI

Impairment loss is recognised when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists.

When a decline in the fair value of FVOCI financial asset has been recognised directly in equity and there is objective evidence that the value of the asset is impaired, the cumulative loss that had been recognised directly in equity is recognised in profit or loss even though the financial asset has not been derecognised. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Debt instruments except for unit trust which is classified as FVOCI securities

The Company recognises allowances for expected credit losses (ECLs) on financial assets measured at amortised cost, and debt investments measured at FVOCI.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses based on forward-looking and historical experience. Credit losses are measured as the present value of all cash shortfalls discounted by the effective interest rate of the financial asset.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; or
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of a financial instrument.

The Company recognises ECLs equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition or credit-impaired financial assets, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Increased in loss allowance is recognised as an impairment loss in profit or loss. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the Company recognises an impairment loss in profit or loss with the corresponding entry in other comprehensive income.

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ECLs for investments in debt securities

Probabilities of default (PD) and loss given default (LGD) for investment in debt securities are based on historical data supplied by rating agency for each credit rating.

The Company considers debt securities to have low credit risk when its credit rating is equivalent to the globally understood definition of 'investment grade' as equivalent to S&P BBB- grade at least.

The Company assumes that the credit risk on debt securities has increased significantly if it is significant deterioration in debt securities' credit rating.

The Company considers debt securities to be in default when:

- the debtor is unlikely to pay its credit obligations to the Company in full; or
- the debt securities are more than 1 days past due.

(j) Impairment of non-financial assets

The carrying amounts of the Company's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

Calculation of recoverable amount

The recoverable amount is the greater of the asset's value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Reversal of impairment

Impairment losses of assets recognised in prior periods is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(k) Employee benefits

The Company operates a number of employee benefit plans as follows:

Defined contribution plans

Obligations for contributions to the Company's provident funds are expensed as the related service is provided.

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Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods. The defined benefit obligations are discounted to the present value, which performed by a qualified actuary using the projected unit credit method.

Remeasurements of the net defined benefit liability, actuarial gain or loss are recognised immediately in other comprehensive income. The Company determines the interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

Other long-term employee benefits

The Company's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(l) Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

(m) Measurement of fair value

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

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

Further information about the methods made in measuring fair values is disclosed in note 23.

(n) Revenue

Revenue is recognised when a customer obtains control of service in an amount that reflects the consideration to which the Company expects to be entitled, excluding those amounts collected on behalf of third parties, value added tax and is after deduction of any trade discounts and volume rebates.

Rendering of services

Revenue for rendering of services is recognized over time as the services are provided. The related costs are recognized in profit or loss when they are incurred.

(o) Investment income

Investment income comprises dividend and interest income from investments and bank deposits. Dividend income is recognised in profit or loss on the date the Company's right to receive payments is established. Interest income is recognised in profit or loss as it accrues.

(p) Expenses-operating expenses

Operating expenses are recognised in the statement of comprehensive income as expenses on an accrual basis.

(q) Finance costs

Interest expenses and similar costs are charged to profit or loss for the period in which they are incurred, except to the extent that they are capitalized as being directly attributable to the acquisition construction. Interest expenses or borrowing costs are recognized in profit or loss using the effective interest method.

(r) Income tax

Income tax expense for the year comprises current and deferred tax, which is recognised in profit or loss except to the extent that they relate to items recognised directly in equity or in other comprehensive income.

Current tax is recognised in respect of the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; to the extent that it is probable that they will not reverse in the foreseeable future.

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The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(s) *Earnings per share*

The Company presents basic earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the profit attributable to ordinary shareholders of the Company by the number of ordinary shares outstanding during the year.

(t) *Related parties*

A related party is a person or entity that has direct or indirect control or joint control, or has significant influence over the financial and managerial decision-making of the Company; a person or entity that are under common control or under the same significant influence as the Company or the Company has direct or indirect control or joint control or has significant influence over the financial and managerial decision-making of a person or entity.

4 Cash and cash equivalents

| | 2024 | 2023 |
|-----------------------------------|---------------------------|----------------|
| | <i>(in thousand Baht)</i> | |
| Cash on hand | 30 | 30 |
| Deposits at banks - call deposits | 244,718 | 385,615 |
| Total | 244,748 | 385,645 |

5 Premiums due and uncollected

As at 31 December 2024 and 2023, the aging analyses for premiums due and uncollected were as follows:

| | 2024 | 2023 |
|---|---------------------------|-----------------|
| | <i>(in thousand Baht)</i> | |
| Within credit terms | 657,548 | 567,178 |
| Overdue: | | |
| Not over than 30 days | 74,968 | 63,810 |
| 31 - 60 days | 36,945 | 41,711 |
| 61 - 90 days | 33,927 | 26,545 |
| 91 days - 1 year | 8,085 | 12,180 |
| Over 1 year | 2,229 | 4,930 |
| Total | 813,702 | 716,354 |
| <i>Less allowance doubtful accounts</i> | <i>(7,535)</i> | <i>(10,441)</i> |
| Net | 806,167 | 705,913 |

| | 2024 | 2023 |
|--|---------------------------|----------------|
| | <i>(in thousand Baht)</i> | |
| Reversal of doubtful accounts for the year ended 31 December | (2,906) | (1,059) |

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The normal credit term of insured, 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 pursues legal proceedings against such agents and brokers.

6 Reinsurance receivables

| | 2024 (in thousand Baht) | 2023 (in thousand Baht) |
|---------------------|----------------------------|----------------------------|
| Due from reinsurers | <u>179,683</u> | <u>197,944</u> |

As at 31 December 2024 and 2023, the aging analyses for due from reinsurers were as follows:

| | 2024 (in thousand Baht) | 2023 (in thousand Baht) |
|--------------------|----------------------------|----------------------------|
| Overdue: | | |
| Less than 1 year | 148,455 | 175,585 |
| Within 1 - 2 years | 31,226 | 22,347 |
| Over 2 years | 2 | 12 |
| Total | <u>179,683</u> | <u>197,944</u> |

7 Investments in securities

7.1 Investment in securities by measurement are as follows:

| | 2024 | | 2023 | |
|---|-----------------------------|-------------------------------------|-----------------------------|------------------|
| | 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 | 3,129,285 | 3,146,527 | 2,597,743 | 2,550,043 |
| Private debt securities | 805,517 | 814,077 | 877,726 | 864,955 |
| Equity securities | 124,457 | 109,867 | 129,596 | 122,723 |
| Unit trust | 50,000 | 44,400 | 44,000 | 41,429 |
| Total | <u>4,109,259</u> | <u>4,114,871</u> | <u>3,649,065</u> | <u>3,579,150</u> |
| Less unrealised gains (losses) | 5,782 | - | (69,745) | - |
| Less allowance for impairment | (170) | - | (170) | - |
| Total investment measured at fair value through other comprehensive income | <u>4,114,871</u> | <u>4,114,871</u> | <u>3,579,150</u> | <u>3,579,150</u> |
| Allowance for impairment loss | <u>2,067</u> | <u>-</u> | <u>2,067</u> | <u>-</u> |
| Allowance for expected credit loss | <u>115</u> | <u>-</u> | <u>165</u> | <u>-</u> |

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| | 2024 | | 2023 | |
|---|-----------------------------|--|-----------------------------|------------------|
| | Cost / Amortised cost | Fair value <i>(in thousand Baht)</i> | Cost / Amortised cost | Fair value |
| Investment measured at amortised cost | | | | |
| Deposits at banks with original maturities over 3 months | 300,813 | 300,813 | 290,811 | 290,811 |
| Total investment measured at amortised cost | 300,813 | 300,813 | 290,811 | 290,811 |
| Total investment in securities | 4,415,684 | 4,415,684 | 3,869,961 | 3,869,961 |

7.2 Investment measured at fair value through other comprehensive income

| | 2024 | | 2023 | |
|---|------------------|--|------------------|---|
| | Fair value | Allowance for expected credit loss / Allowance for impairment loss <i>(in thousand Baht)</i> | Fair value | Allowance for expected credit loss / Allowance for impairment loss |
| Debt securities - no significant increase in credit risk (stage 1) | 3,960,604 | 115 | 3,414,998 | 165 |
| Equity securities | 109,867 | 2,237 | 122,723 | 2,237 |
| Unit trust | 44,400 | - | 41,429 | - |
| Total | 4,114,871 | 2,352 | 3,579,150 | 2,402 |

7.3 Investment measured at amortised cost

| | Book value | 2024 Allowance for expected credit loss <i>(in thousand Baht)</i> | Net book value |
|---|----------------|---|-------------------|
| Debt securities - no significant increase in credit risk (stage 1) | 300,813 | - | 300,813 |
| Total | 300,813 | - | 300,813 |

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

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7.4 Remaining period of debt securities

As at 31 December 2024 and 2023, investments in debt securities which were classified as investment measured at fair value through other comprehensive income and investment measured at amortised cost were classified by the remaining maturity as follows:

| | 2024 Maturities | | | | 2023 Maturities | | | |
|--|---------------------------|---------------------|------------------|------------------|--------------------|---------------------|----------------|------------------|
| | 1 year | Over 1 - 5 years | Over 5 years | Total | 1 year | Over 1 - 5 years | Over 5 years | Total |
| | <i>(in thousand Baht)</i> | | | | | | | |
| Debt securities measured at fair value through other comprehensive income | | | | | | | | |
| <i>Government and state enterprise debt securities</i> | | | | | | | | |
| - Thai government bonds | 217,935 | 1,666,469 | 1,161,381 | 3,045,785 | 181,989 | 1,640,784 | 691,470 | 2,514,243 |
| - State enterprise bonds | 5,500 | 54,400 | 23,600 | 83,500 | - | 59,900 | 23,600 | 83,500 |
| Total | 223,435 | 1,720,869 | 1,184,981 | 3,129,285 | 181,989 | 1,700,684 | 715,070 | 2,597,743 |
| Add (less) unrealised gains (losses) | (1,516) | (5,322) | 24,080 | 17,242 | (855) | (38,261) | (8,584) | (47,700) |
| Total | 221,919 | 1,715,547 | 1,209,061 | 3,146,527 | 181,134 | 1,662,423 | 706,486 | 2,550,043 |
| <i>Private debt securities</i> | | | | | | | | |
| - Debentures | 37,200 | 488,517 | 279,800 | 805,517 | 125,095 | 470,587 | 282,044 | 877,726 |
| Less unrealised gains (losses) | (102) | (187) | 8,849 | 8,560 | (201) | (8,306) | (4,264) | (12,771) |
| Total | 37,098 | 488,330 | 288,649 | 814,077 | 124,894 | 462,281 | 277,780 | 864,955 |
| Total debt securities measured at fair value through other comprehensive income | 259,017 | 2,203,877 | 1,497,710 | 3,960,604 | 306,028 | 2,124,704 | 984,266 | 3,414,998 |

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| | 2024 Maturities | | | | 2023 Maturities | | | |
|---|--------------------|---------------------|------------------|-----------------------------|--------------------|---------------------|----------------|------------------|
| | 1 year | Over 1 - 5 years | Over 5 years | Total (in thousand Baht) | 1 year | Over 1 - 5 years | Over 5 years | Total |
| <i>Debt securities at amortised cost</i> | | | | | | | | |
| Deposits at banks with original maturities over 3 months | 300,813 | - | - | 300,813 | 290,811 | - | - | 290,811 |
| Total debt securities at amortised cost | 300,813 | - | - | 300,813 | 290,811 | - | - | 290,811 |
| Total investment in debt securities | 559,830 | 2,203,877 | 1,497,710 | 4,261,417 | 596,839 | 2,124,704 | 984,266 | 3,705,809 |

7.5 Disclosure on fair value of debt securities for each class as follow

| Classification of financial assets | Fair value as at 31 December 2024 | Changes in fair value during the year | Fair value as at 31 December 2023 | Changes in fair value during the year |
|--|--------------------------------------|--|--------------------------------------|--|
| Financial assets - the contractual cash flows from financial assets at the defined date are solely payment of principal and interest, excluding financial assets meet to definition of held for trading in accordance with Thai Financial Reporting Standards: TFRS 9 or the company is managed and whose performance is evaluated on a fair value basis. | <u>4,261,417</u> | <u>555,608</u> | <u>3,705,809</u> | <u>111,867</u> |
| Contractual cash flows from financial assets at the defined date are not solely payment of principal and interest. | <u>44,400</u> | <u>2,971</u> | <u>41,429</u> | <u>41,429</u> |

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8 Property and equipment

| | Land | Buildings | Buildings improvement (in thousand Baht) | Furniture, fixtures and equipment | Vehicles | Total |
|---|----------------|----------------|--|---|--------------|----------------|
| Cost | | | | | | |
| At 1 January 2023 | 119,074 | 218,765 | 90,853 | 255,193 | 2,205 | 686,090 |
| Additions | - | - | 1,324 | 26,410 | - | 27,734 |
| Disposals | - | - | - | (7,830) | - | (7,830) |
| Transfer in | - | - | - | 3,400 | 5,240 | 8,640 |
| At 31 December 2023 and 1 January 2024 | 119,074 | 218,765 | 92,177 | 277,173 | 7,445 | 714,634 |
| Additions | - | - | - | 21,814 | 857 | 22,671 |
| Disposals | - | - | (3,374) | (175,787) | (3,430) | (182,591) |
| Transfer in | - | - | - | - | 3,430 | 3,430 |
| At 31 December 2024 | 119,074 | 218,765 | 88,803 | 123,200 | 8,302 | 558,144 |
| Accumulated depreciation | | | | | | |
| At 1 January 2023 | - | 198,747 | 33,721 | 188,350 | 583 | 421,401 |
| Depreciation charge for the year | - | 1,051 | 4,510 | 21,207 | 89 | 26,857 |
| Disposals | - | - | - | (6,108) | - | (6,108) |
| Transfer in | - | - | - | 1,700 | 3,144 | 4,844 |
| At 31 December 2023 and 1 January 2024 | - | 199,798 | 38,231 | 205,149 | 3,816 | 446,994 |
| Depreciation charge for the year | - | 1,051 | 4,270 | 17,020 | (538) | 21,803 |
| Disposals | - | - | (3,374) | (175,689) | (2,431) | (181,494) |
| Transfer in | - | - | - | - | 2,106 | 2,106 |
| At 31 December 2024 | - | 200,849 | 39,127 | 46,480 | 2,953 | 289,409 |
| Net book value | | | | | | |
| At 1 January 2023 | 119,074 | 20,018 | 57,132 | 66,843 | 1,622 | 264,689 |
| At 31 December 2023 and 1 January 2024 | 119,074 | 18,967 | 53,946 | 72,024 | 3,629 | 267,640 |
| At 31 December 2024 | 119,074 | 17,916 | 49,676 | 76,720 | 5,349 | 268,735 |

The gross carrying amount of the Company's fully depreciated buildings improvement and equipment that was still in use as at 31 December 2024 amounted to Baht 5 million (2023: Baht 175 million).

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9 Intangible assets

| | Software licences (in thousand Baht) |
|---|--|
| <i>Cost</i> | |
| At 1 January 2023 | 89,534 |
| Additions | 11,951 |
| Disposal | (110) |
| At 31 December 2023 and 1 January 2024 | 101,375 |
| Additions | 22,858 |
| Disposal | (39,191) |
| At 31 December 2024 | 85,042 |
| <i>Amortisation and impairment losses</i> | |
| At 1 January 2023 | 59,481 |
| Amortisation for the year | 7,197 |
| Disposal | (60) |
| At 31 December 2023 and 1 January 2024 | 66,618 |
| Amortisation for the year | 6,898 |
| Disposal | (39,191) |
| At 31 December 2024 | 34,325 |
| <i>Net book value</i> | |
| At 1 January 2023 | 30,053 |
| At 31 December 2023 and 1 January 2024 | 34,757 |
| At 31 December 2024 | 50,717 |

The gross carrying amount of the Company's fully amortised intangible assets that still in use as at 31 December 2024 amounted to Baht 3 million (2023: Baht 36 million).

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10 Insurance contract liabilities

| | 2024 | | | 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 | 1,290,832 | (311,085) | 979,747 | 1,199,894 | (195,002) | 1,004,892 |
| - Incurred but not reported | 187,750 | (30,065) | 157,685 | 150,578 | (25,923) | 124,655 |
| Total loss reserves and outstanding claims | 1,478,582 | (341,150) | 1,137,432 | 1,350,472 | (220,925) | 1,129,547 |
| Unearned premium reserves | 2,754,950 | (499,539) | 2,255,411 | 2,482,385 | (358,312) | 2,124,073 |
| Total | 4,233,532 | (840,689) | 3,392,843 | 3,832,857 | (579,237) | 3,253,620 |

10.1 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 year | 1,812,169 | (334,253) | 1,477,916 | 1,760,018 | (234,847) | 1,525,171 |
| Insurance claim expenses paid during the year | (1,721,231) | 218,170 | (1,503,061) | (1,780,757) | 190,083 | (1,590,674) |
| Change in estimation and assumption | 37,172 | (4,142) | 33,030 | 14,367 | 624 | 14,991 |
| At 31 December | 1,478,582 | (341,150) | 1,137,432 | 1,350,472 | (220,925) | 1,129,547 |

10.2 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 year | 4,908,760 | (1,136,797) | 3,771,963 | 4,626,491 | (964,384) | 3,662,107 |
| Earned premium in the year | (4,636,195) | 995,570 | (3,640,625) | (4,541,812) | 802,220 | (3,739,592) |
| At 31 December | 2,754,950 | (499,539) | 2,255,411 | 2,482,385 | (358,312) | 2,124,073 |

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10.3 Loss development table

10.3.1 Gross loss development triangle

At 31 December 2024

| Accident year/ Accounting year | Prior and within 2019 | 2020 | 2021 | 2022 <i>(in thousand Baht)</i> | 2023 | 2024 | Total |
|--|--------------------------|---------------------|----------------------|-----------------------------------|-----------------------|-------------------------|-------------------------|
| Estimated loss reserve and outstanding claims | | | | | | | |
| At year ended | | 1,656,868 | 1,769,681 | 2,316,316 | 2,121,334 | 2,234,725 | |
| Development year 1 | | 1,516,826 | 1,742,520 | 2,106,717 | 1,952,759 | - | |
| Development year 2 | | 1,394,685 | 1,614,177 | 1,906,508 | - | - | |
| Development year 3 | | 1,386,523 | 1,603,858 | - | - | - | |
| Development year 4 | | 1,380,489 | - | - | - | - | |
| Absolute estimated loss reserve and outstanding claim | 82,413 | 1,380,489 | 1,603,858 | 1,906,508 | 1,952,759 | 2,234,725 | 9,160,752 |
| Accumulative claims paid | <u>(43,600)</u> | <u>(1,373,596)</u> | <u>(1,583,732)</u> | <u>(1,885,051)</u> | <u>(1,670,460)</u> | <u>(1,214,227)</u> | <u>(7,770,666)</u> |
| Total | <u>38,813</u> | <u>6,893</u> | <u>20,126</u> | <u>21,457</u> | <u>282,299</u> | <u>1,020,498</u> | <u>1,390,086</u> |
| Reconciliation | | | | | | | |
| Unallocated loss adjustment expenses | | | | | | | <u>88,496</u> |
| Total loss reserve and outstanding claims | | | | | | | <u>1,478,582</u> |

MSIG Insurance (Thailand) Public Company Limited
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At 31 December 2023

| Accident year/ Accounting year | Prior and within 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
|--|--------------------------|----------------------|----------------------|---------------------------|-----------------------|-----------------------|-------------------------|
| | | | | <i>(in thousand Baht)</i> | | | |
| Estimated loss reserve and outstanding claims | | | | | | | |
| At year ended | | 1,936,421 | 1,656,868 | 1,769,681 | 2,316,316 | 2,121,334 | |
| Development year 1 | | 1,867,277 | 1,516,826 | 1,742,520 | 2,106,717 | - | |
| Development year 2 | | 1,708,211 | 1,394,685 | 1,614,177 | - | - | |
| Development year 3 | | 1,695,807 | 1,386,523 | - | - | - | |
| Development year 4 | | 1,688,336 | - | - | - | - | |
| Absolute estimated loss reserve and outstanding claim | 37,587 | 1,688,336 | 1,386,523 | 1,614,177 | 2,106,717 | 2,121,334 | 8,954,674 |
| Accumulative claims paid | <u>(29,849)</u> | <u>(1,645,918)</u> | <u>(1,370,823)</u> | <u>(1,572,873)</u> | <u>(1,854,628)</u> | <u>(1,212,881)</u> | <u>(7,686,972)</u> |
| Total | <u>7,738</u> | <u>42,418</u> | <u>15,700</u> | <u>41,304</u> | <u>252,089</u> | <u>908,453</u> | <u>1,267,702</u> |
| Reconciliation | | | | | | | |
| Unallocated loss adjustment expenses | | | | | | | <u>82,770</u> |
| Total loss reserve and outstanding claims | | | | | | | <u>1,350,472</u> |

MSIG Insurance (Thailand) Public Company Limited
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10.3.2 Net loss development triangle

At 31 December 2024

| Accident year/ Accounting year | Prior and within 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | Total |
|---|--------------------------|---------------------|---------------------|---------------------------|-----------------------|-----------------------|-------------------------|
| | | | | <i>(in thousand Baht)</i> | | | |
| Estimated loss reserve and outstanding claims | | | | | | | |
| At year ended | | 1,460,488 | 1,612,701 | 2,125,609 | 1,826,000 | 1,836,881 | |
| Development year 1 | | 1,340,831 | 1,493,464 | 1,968,428 | 1,704,976 | - | |
| Development year 2 | | 1,234,352 | 1,365,308 | 1,772,456 | - | - | |
| Development year 3 | | 1,231,729 | 1,354,901 | - | - | - | |
| Development year 4 | | 1,225,957 | - | - | - | - | |
| Absolute estimated loss reserve and outstanding claims | 27,395 | 1,225,957 | 1,354,901 | 1,772,456 | 1,704,976 | 1,836,881 | 7,922,566 |
| Accumulative claims paid | <u>(23,253)</u> | <u>(1,220,885)</u> | <u>(1,347,533)</u> | <u>(1,753,076)</u> | <u>(1,468,556)</u> | <u>(1,060,327)</u> | <u>(6,873,630)</u> |
| Total | <u>4,142</u> | <u>5,072</u> | <u>7,368</u> | <u>19,380</u> | <u>236,420</u> | <u>776,554</u> | <u>1,048,936</u> |
| Reconciliation | | | | | | | |
| Unallocated loss adjustment expenses | | | | | | | <u>88,496</u> |
| Total loss reserve and outstanding claims, net | | | | | | | <u>1,137,432</u> |

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At 31 December 2023

| Accident year/ Accounting year | Prior and within 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | Total |
|---|--------------------------|---------------------|----------------------|----------------------|-----------------------|-----------------------|-------------------------|
| <i>(in thousand Baht)</i> | | | | | | | |
| Estimated loss reserve and outstanding claims | | | | | | | |
| At year ended | | 1,690,769 | 1,460,488 | 1,612,701 | 2,125,609 | 1,826,000 | |
| Development year 1 | | 1,610,908 | 1,340,831 | 1,493,464 | 1,968,428 | - | |
| Development year 2 | | 1,488,061 | 1,234,352 | 1,365,308 | - | - | |
| Development year 3 | | 1,477,612 | 1,231,729 | - | - | - | |
| Development year 4 | | 1,476,815 | - | - | - | - | |
| Absolute estimated loss reserve and outstanding claims | 27,718 | 1,476,815 | 1,231,729 | 1,365,308 | 1,968,428 | 1,826,000 | 7,895,998 |
| Accumulative claims paid | <u>(23,936)</u> | <u>(1,474,047)</u> | <u>(1,218,164)</u> | <u>(1,337,694)</u> | <u>(1,725,104)</u> | <u>(1,070,276)</u> | <u>(6,849,221)</u> |
| Total | <u>3,782</u> | <u>2,768</u> | <u>13,565</u> | <u>27,614</u> | <u>243,324</u> | <u>755,724</u> | <u>1,046,777</u> |
| Reconciliation | | | | | | | |
| Unallocated loss adjustment expenses | | | | | | | <u>82,770</u> |
| Total loss reserve and outstanding claims, net | | | | | | | <u>1,129,547</u> |

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11 Reinsurance payables

| | 2024 | 2023 |
|--------------------------------|---------------------------|----------------|
| | <i>(in thousand Baht)</i> | |
| Amount withheld on reinsurance | 270,377 | 153,667 |
| Due to reinsurers | 372,787 | 381,780 |
| Total | 643,164 | 535,447 |

12 Employee benefit obligations

Post-employment benefits

The Company operates a number of post-employment benefit plans including defined benefit plans. All defined benefit plans are unfunded. The Company has 3 defined benefit plans as follows:

Plan A

The retirement gratuity to staff employed by Commercial Union Assurance (Thailand) Company Limited prior to 15 July 1999. The employee benefits will be paid upon retirement or resignation.

Plan B

The post-employment benefit plan based on the requirement of the Thai Labor Protection Act B.E. 2541.

Plan C

Long service awards are given to eligible employees who complete 10 years of work, and subsequently every fifth year.

Present value of unfunded obligations as at 31 December 2024 and 2023 were as follows:

| | 2024 | | 2023 | |
|--|--------------------|--|----------------|--|
| | (in thousand Baht) | | | |
| Defined benefit plans | | | | |
| - Post-employment benefits | 281,660 | | 285,362 | |
| - Other long-term employee benefits | 9,536 | | 8,702 | |
| Total present value of unfunded obligations | 291,196 | | 294,064 | |

| <i>Present value of the defined benefit obligations</i> | 2024 | | | 2023 | | |
|---|--------------------------|-----------------------------------|----------------|--------------------------|-----------------------------------|----------------|
| | Post-employment benefits | Other long-term employee benefits | Total | Post-employment benefits | Other long-term employee benefits | Total |
| | (in thousand Baht) | | | | | |
| At 1 January | 285,362 | 8,702 | 294,064 | 285,155 | 8,819 | 293,974 |
| Include in profit or loss: | | | | | | |
| Current service cost | 17,817 | 1,443 | 19,260 | 19,294 | 1,464 | 20,758 |
| Interest on obligation | 6,715 | 247 | 6,962 | 4,588 | 146 | 4,734 |
| Paid during the year | (28,234) | (856) | (29,090) | (9,010) | (1,152) | (10,162) |
| Actuarial gain | - | - | - | - | (575) | (575) |
| At 31 December | 281,660 | 9,536 | 291,196 | 300,027 | 8,702 | 308,729 |

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| <i>Present value of the defined benefit obligations</i> | Post-employment benefits | 2024 Other long-term employee benefits | Total (in thousand Baht) | Post-employment benefits | 2023 Other long-term employee benefits | Total |
|---|--------------------------|---|-----------------------------|--------------------------|---|-----------------|
| Included in other comprehensive income: | | | | | | |
| Actuarial gain | | | | | | |
| - Demographic assumptions | - | - | - | - | - | - |
| - Financial assumptions | - | - | - | (14,665) | - | (14,665) |
| - Experience adjustment | - | - | - | - | - | - |
| Total | - | - | - | (14,665) | - | (14,665) |
| At 31 December | 281,660 | 9,536 | 291,196 | 285,362 | 8,702 | 294,064 |

Principal actuarial assumptions

The following were the principal actuarial assumptions at the reporting date (expressed as weighted averages).

| | 2024 | 2023 |
|-----------------------------|------------|------------|
| | (%) | |
| Discount rate | 2.6 - 3.2 | 2.6 - 3.2 |
| Future salary increase rate | 3.0 - 5.0 | 3.0 - 5.0 |
| Employee turnover rate | 0.0 - 14.0 | 0.0 - 14.0 |

Assumptions regarding future mortality have been based on published statistics and mortality tables.

Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

(a) *Defined post - employment benefits obligation*

| | Change in variable (%) | 2024 Increase (decrease) in liabilities (in thousand Baht) | 2023 Increase (decrease) in liabilities |
|------------------------|------------------------|--|--|
| Discount rate | +1 | (10,991) | (11,782) |
| Discount rate | -1 | 12,267 | 13,119 |
| Future salary | +1 | 24,369 | 24,560 |
| Future salary | -1 | (22,121) | (22,549) |
| Employee turnover rate | +10 | (2,312) | (2,300) |
| Employee turnover rate | -10 | 2,447 | 2,437 |

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(b) Defined other long-term employee benefits obligation

| | Change in variable (%) | 2024 Increase (decrease) in liabilities (in thousand Baht) | 2023 Increase (decrease) in liabilities |
|------------------------|------------------------------|--|--|
| Discount rate | +1 | (454) | (443) |
| Discount rate | -1 | 500 | 488 |
| Employee turnover rate | +10 | (283) | (273) |
| Employee turnover rate | -10 | 303 | 292 |

13 Other liabilities

| | 2024 (in thousand Baht) | 2023 |
|---------------------|----------------------------|----------------|
| Commission payables | 162,258 | 147,124 |
| Accrued expenses | 320,821 | 314,108 |
| Others | 70,801 | 79,823 |
| Total | 553,880 | 541,055 |

14 Share premium

Section 51 of the Public Companies Act B.E. 2535 requires companies to set aside share subscription monies received in excess of the par value of the shares issued to a reserve account ("share premium"). Share premium is not available for dividend distribution.

15 Reserves

Reserves comprise:

Appropriations of profit and/or retained earnings

Legal reserve

Section 116 of the Public Companies Act B.E. 2535 requires that a public company shall allocate not less than 5% of its annual net profit, less any accumulated losses brought forward, to a reserve account ("legal reserve"), until this account reaches an amount not less than 10% of the registered authorised capital. The legal reserve is not available for dividend distribution.

Other components of equity

Investments measured at fair value through other comprehensive income

The fair value changes account within equity comprises the cumulative net change in the fair value of investment at FVOCI until the investments are derecognised or impaired, net of deferred tax.

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16 Operating expenses

| | 2024 | 2023 |
|--|---------------------------|----------------|
| | <i>(in thousand Baht)</i> | |
| Employee expense | 294,833 | 286,063 |
| Premises and equipment expense | 70,061 | 71,170 |
| Taxes and duties | 3,269 | 2,886 |
| Bad debt and doubtful account expense (reversal) | 868 | (727) |
| Others | 159,649 | 169,985 |
| Total | 528,680 | 529,377 |

17 Employee benefit expenses

| | 2024 | 2023 |
|-----------------------------|---------------------------|----------------|
| | <i>(in thousand Baht)</i> | |
| Director's remuneration | 4,100 | 3,620 |
| Wages, salaries and bonuses | 643,469 | 623,587 |
| Post-employment benefits | 62,686 | 59,811 |
| Total | 710,255 | 687,018 |

The defined contribution plan comprises a provident fund established by the Company for its employees. Membership to the fund is on a voluntary basis. Contributions are made monthly by the employees at rates ranging from 5% to 15% of their basic salaries and by the Company at rates ranging from 5% to 15% of the employees' basic salaries. The provident fund is registered with the Ministry of Finance as a juristic entity and is managed by a licensed Fund Manager.

18 Income tax

Income tax recognised in profit or loss

| | 2024 | 2023 |
|------------------------------------|---------------------------|---------------|
| | <i>(in thousand Baht)</i> | |
| <i>Current tax expense</i> | | |
| Current year | 122,571 | 58,225 |
| Understatement in prior year | 2,623 | 1,001 |
| <i>Deferred tax expense</i> | | |
| Movements in temporary differences | (46,429) | (4,805) |
| Total | 78,765 | 54,421 |

Income tax recognised in other comprehensive income

Deferred tax expenses

| | | |
|---|-----------------|--------------|
| (Gain) loss on remeasurement of investments - fair value through other comprehensive income | (15,095) | 10,881 |
| Actuarial gain on defined benefit plan | - | (2,933) |
| Total | (15,095) | 7,948 |

MSIG Insurance (Thailand) Public Company Limited
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Reconciliation of effective tax rate

| | 2024 | | 2023 | |
|---|-------------|--------------------------|-------------|--------------------------|
| | Rate (%) | (in thousand Baht) | Rate (%) | (in thousand Baht) |
| Profit before income tax | | 399,997 | | 284,704 |
| Income tax using the tax rate | 20.0 | 79,999 | 20.0 | 56,941 |
| Understatement in prior year | 0.7 | 2,623 | 0.4 | 1,001 |
| Income not subject to tax | (0.7) | (2,806) | (0.8) | (2,312) |
| Addition deductible expense for tax purpose | (0.4) | (1,475) | (0.6) | (1,577) |
| Expenses not deductible for tax purposes | 0.1 | 424 | 0.1 | 368 |
| Total | 19.7 | 78,765 | 19.1 | 54,421 |

Deferred tax assets and liabilities

| | 2024 | 2023 |
|--------------------------|--------------------|--------------------|
| | (in thousand Baht) | (in thousand Baht) |
| Deferred tax assets | 496,747 | 463,772 |
| Deferred tax liabilities | (6,220) | (4,579) |
| Net | 490,527 | 459,193 |

Movements in deferred tax balance are as follows:

| | At 1 January 2024 | (Charged) / credited to | | At 31 December 2024 |
|--|-------------------------|-------------------------|----------------------------------|---------------------------|
| | | Profit or loss | Other comprehensive income | |
| | | (in thousand Baht) | | |
| Deferred tax assets | | | | |
| Allowance for doubtful accounts | 2,387 | (556) | - | 1,831 |
| Loss on remeasurement of Investments - fair value | 13,948 | - | (13,948) | - |
| Allowance for impairment loss on investment | 447 | - | - | 447 |
| Unearned premium reserve | 131,846 | 17,479 | - | 149,325 |
| Incurred but not reported loss reserves (IBNR) | 24,931 | 6,606 | - | 31,537 |
| Loss reserves | 200,979 | (5,030) | - | 195,949 |
| Lease liabilities | - | 1,095 | - | 1,095 |
| Employee benefit obligations | 58,813 | (574) | - | 58,239 |
| Accrued Expense | 30,388 | 27,912 | - | 58,300 |
| Expected credit loss | 33 | (9) | - | 24 |
| Total | 463,772 | 46,923 | (13,948) | 496,747 |
| Deferred tax liabilities | | | | |
| Depreciation expense for buildings | 3,793 | (210) | - | 3,583 |
| Depreciation expense for financial lease | 340 | (340) | - | - |
| Gain on remeasurement of investments - fair value | - | - | 1,156 | 1,156 |
| Right-of-use-assets | - | 1,044 | - | 1,044 |
| Allowance for impairment loss on investment | 413 | - | - | 413 |
| Expected credit loss | 33 | - | (9) | 24 |
| Total | 4,579 | 494 | 1,147 | 6,220 |
| Net | 459,193 | 46,429 | (15,095) | 490,527 |

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| | At 1 January 2023 | (Charged) / credited to | | At 31 December 2023 |
|--|-------------------------|-------------------------|----------------------------------|---------------------------|
| | | Profit or loss | Other comprehensive income | |
| | | (in thousand Baht) | | |
| Deferred tax assets | | | | |
| Allowance for doubtful accounts | 2,596 | (209) | - | 2,387 |
| Loss on remeasurement of investments - fair value | 3,059 | - | 10,889 | 13,948 |
| Allowance for impairment loss on investment | 447 | - | - | 447 |
| Unearned premium reserve | 128,004 | 3,842 | - | 131,846 |
| Incurred but not reported loss reserves (IBNR) | 21,933 | 2,998 | - | 24,931 |
| Loss reserves | 214,079 | (13,100) | - | 200,979 |
| Employee benefit obligations | 58,795 | 2,951 | (2,933) | 58,813 |
| Accrued Expense | 22,283 | 8,105 | - | 30,388 |
| Expected credit loss | 25 | 8 | - | 33 |
| Total | 451,221 | 4,595 | 7,956 | 463,772 |
| Deferred tax liabilities | | | | |
| Depreciation expense for buildings | 4,003 | (210) | - | 3,793 |
| Depreciation expense for financial lease | 340 | - | - | 340 |
| Allowance for impairment loss on investment | 413 | - | - | 413 |
| Expected credit loss | 25 | - | 8 | 33 |
| Total | 4,781 | (210) | 8 | 4,579 |
| Net | 446,440 | 4,805 | 7,948 | 459,193 |

19 Expense by Nature

| | 2024 | 2023 |
|---------------------------------|--------------------|------------------|
| | (in thousand Baht) | |
| Insurance claims expenses | 1,510,945 | 1,540,161 |
| Fees and commissions | 668,075 | 685,808 |
| Other Underwriting Expense | 444,283 | 545,063 |
| Employee benefit expenses | 706,155 | 683,398 |
| Premises and equipment expenses | 107,787 | 109,486 |
| Taxes and duties | 3,269 | 2,886 |
| Others | 199,259 | 197,210 |
| Total | 3,639,773 | 3,764,012 |

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20 Basic earnings per share

| | 2024 (in thousand Baht/share) | 2023 |
|--|----------------------------------|---------------|
| Profit for the year attributable to ordinary shareholders of the company (basic) | 321,232 | 230,283 |
| Number of ordinary shares outstanding | 1,426,662 | 1,426,662 |
| Basic earnings per share (in Baht) | 225.16 | 161.41 |

21 Dividends

The shareholders of the Company have approved dividends as follows:

| Annual dividend | Approval date | Payment schedule | Dividends rate per share (Baht) | Amount (in million Baht) |
|-----------------|---------------|------------------|---------------------------------|--------------------------|
| 2024 | 26 April 2024 | May 2024 | 85 | 121 |
| 2023 | 24 April 2023 | May 2023 | 40 | 57 |

22 Expected credit loss (reversal)

| | 2024 (in thousand Baht) | 2023 |
|---|----------------------------|-----------|
| Expected credit loss (reversal) | | |
| Investment in securities | | |
| - Debt securities measured at fair value through other comprehensive income | (50) | 42 |
| Total | (50) | 42 |

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23 Related parties

Other related parties that the Company has significant transactions with during the year were as follows:

| Name of entities/Personnel | Country of Incorporation/ Nationality | Nature of relationships |
|---|--|---|
| Key management personnel | Thais/ Foreigners | Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including director (whether executive or otherwise) of the Company. |
| MS&AD Insurance Group Holdings, Inc. | Japan | Ultimate parent company |
| Mitsui Sumitomo Insurance Co., Ltd. | Japan | Major shareholder, 49% shareholding |
| Yardhimar Co., Ltd. | Thailand | Major shareholder, 37% shareholding |
| Mitsui Sumitomo Insurance Co., Ltd. Thailand Branch | Thailand | The subsidiary company of the Ultimate parent company |
| MSIG Service and Adjusting (Thailand) Co., Ltd. | Thailand | The subsidiary company of the Ultimate parent company |
| Calm Sea Service Co., Ltd. | Thailand | The subsidiary company of the Ultimate parent company |
| MSIG Insurance (Singapore) Pte. Ltd. | Singapore | The subsidiary company of the Ultimate parent company |
| MS First Capital Insurance Limited | Singapore | The subsidiary company of the Ultimate parent company |
| MS Amlin Asia Pacific Pte. Ltd. | Singapore | The subsidiary company of the Ultimate parent company |
| MSIG Insurance Malaysia Bhd. | Malaysia | The subsidiary company of the Ultimate parent company |
| MS Frontier Reinsurance Limited, Kuala Lumpur Office | Malaysia | The subsidiary company of the Ultimate parent company |
| MSIG Insurance (Hong Kong) Limited | Hong Kong | The subsidiary company of the Ultimate parent company |
| MS Amlin Underwriting Limited | United Kingdom | The subsidiary company of the Ultimate parent company |
| MS Amlin Insurance SE | United Kingdom | The subsidiary company of the Ultimate parent company |
| Amlin Bermuda Limited | Bermuda | The subsidiary company of the Ultimate parent company |
| MSIG Insurance (Vietnam) Co., Ltd. | Vietnam | The subsidiary company of the Ultimate parent company |
| MSIG Insurance Europe AG (France) | France | The subsidiary company of the Ultimate parent company |

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

| Transactions | Pricing policies |
|---|---|
| Premium 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 years ended 31 December 2024 and 2023 with key management and related parties were summarised as follows:

| | 2024 (in thousand Baht) | 2023 |
|---|----------------------------|---------------|
| Revenues | | |
| Major shareholders | | |
| Commission and brokerage income | 7,336 | 6,059 |
| Other related parties | | |
| Commission and brokerage income | 15,283 | 13,674 |
| Service income | 10,815 | 10,565 |
| Expenses | | |
| Major shareholders | | |
| Premiums ceded | 38,317 | 33,993 |
| Insurance claims expenses recovered from reinsurers | 6,519 | 11,939 |
| Marketing and management support services agreement fee | 2,033 | 3,918 |
| Other related parties | | |
| Premiums ceded | 78,968 | 65,719 |
| Commission and brokerage expense | 117 | 192 |
| Insurance claims expenses recovered from reinsurers | 13,013 | 11,625 |
| Marketing and management support services agreement fee | 61,551 | 56,440 |
| Key management and director compensation | | |
| Directors' remuneration | 4,100 | 3,620 |
| Short-term benefits | 60,602 | 58,924 |
| Post-employment benefit | 17,431 | 10,370 |
| Total | 82,133 | 72,914 |

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| | 2024 | 2023 |
|---------------------------|---------------------------|--------|
| | <i>(in thousand Baht)</i> | |
| <i>Dividends</i> | | |
| Major shareholders | | |
| Dividend paid | 104,798 | 49,317 |

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

| | 2024 | 2023 |
|--|---------------------------|----------------------|
| | <i>(in thousand Baht)</i> | |
| <i>Premiums due and uncollected</i> | | |
| Other related parties | <u>177</u> | <u>219</u> |
| <i>Reinsurance assets</i> | | |
| Reinsurance's share of liabilities | | |
| Major shareholders | 36,868 | 31,054 |
| Other related parties | <u>36,867</u> | <u>17,949</u> |
| Total | <u>73,735</u> | <u>49,003</u> |
| <i>Reinsurance receivables</i> | | |
| Due from reinsurers | | |
| Major shareholders | 1 | - |
| Other related parties | <u>10,099</u> | <u>28,513</u> |
| Total | <u>10,100</u> | <u>28,513</u> |
| <i>Other assets</i> | | |
| Other receivables | | |
| Other related parties | <u>1,153</u> | <u>1,690</u> |
| <i>Reinsurance payables</i> | | |
| Due to reinsurers | | |
| Major shareholders | 1,737 | 6,694 |
| Other related parties | <u>19,593</u> | <u>53,630</u> |
| Total | <u>21,330</u> | <u>60,324</u> |
| <i>Amount withheld on reinsurance</i> | | |
| Major shareholders | 17,129 | 12,542 |
| Other related parties | <u>9,422</u> | <u>6,109</u> |
| Total | <u>26,551</u> | <u>18,651</u> |
| <i>Other liabilities</i> | | |
| Payables to related parties | | |
| Major shareholders | 2,877 | 3,339 |
| Other related parties | <u>6,373</u> | <u>15,436</u> |
| Total | <u>9,250</u> | <u>18,775</u> |

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24 Insurance and financial risk management

24.1 Financial risk management policies

The Company is exposed to normal business risks from changes in market interest rates and currency exchange rates and from non-performance of contractual obligations by counterparties. The Company does not hold or issue derivative financial instruments for speculative or trading purposes.

Risk management is integral to the whole business of the Company. The Company has a system of controls in place to create an acceptable balance between the cost of risk occurring and the cost of managing the risks. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved.

24.2 Insurance risk

Insurance risk is the risk of financial loss exposed to the Company arising from incidents happened to risks accepted by the Company. Without proper risk management, this could cause negative impact to the Company.

Exposure to insurance risk varies by class of business, retention, reinsurance arrangement, and accumulation control for natural catastrophes.

The Company has established level governance of insurance risk management through various policies deployed to management and staff via strategic execution and operational controls in each area.

24.2.1 Insurance Risk Management

Insurance Risk Management shall include how the Company determines its risk appetite, risk acceptance/selection, establishment of underwriting manual/guideline, segregation of duties, appropriate underwriting authority delegation, accumulation/concentration control as well as risk transfer with sufficient protection through appropriate treaties structure. This is to ensure that in most circumstances of uncertainties, the Company will remain sustainable.

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24.2.2 Underwriting strategy

The Company sets out its underwriting strategy and direction in its annual business plan with an aim to drive the company to achieve its ultimate business objectives as well as to create a well-balanced portfolio to mitigate risk of volatility. This includes determination of targeted classes of business, develops products and segments. The Company's underwriting strategy is conveyed to relevant staff, in particular those in business development, underwriting and claims who prepare their own operational departmental plans geared towards common goals.

24.2.3 Reinsurance strategy

The Reinsurance Strategy of the Company was established and annually reviewed under the Reinsurance Strategic Management approved by the Board of Directors and has been filed with the Office of Insurance commission. It is in line with MS&AD Group Reinsurance and Retention Policy, Regulations and Guidelines. It governs how the Company manages reinsurance, reinsurance broker selection, approved reinsurance securities, the level of reinsurance protection required as well as risk concentration controls and monitoring etc. The strategy is set out to support the corporate Underwriting Strategy as well as the Business Plan and proper measures are put in place to ensure appropriate and independent controls. Such controls include regular operational audits locally and technical auditing conducted by Review teams from the Regional office and/or Mitsui Sumitomo Insurance Co., Ltd.

24.2.4 Risk Accumulation Control

As part of our risk acceptance, the Company lays down regulations to control risk accumulation, in particular for those risks located in Industrial Estate, multi-tenancy risks and also accumulation exposure in relation to natural catastrophe perils. The controls include underwriting guidelines in relation to natural perils, training conducted for people with underwriting authorities, restricted authority granted for natural perils in particular for flood exposure, regular monitoring of exposure limits and risk block controls.

24.3 Concentration of insurance risks

The concentration of gross insurance risk and net of reinsurance in relation to the types of insurance risk accepted by the Company is summarized below, with the carrying amount of insurance contracts liabilities;

| | 2024 | | 2023 | |
|---|---------------------------|------------------|----------------------|------------------|
| | Gross of reinsurance | Net | Gross of reinsurance | Net |
| | <i>(in thousand Baht)</i> | | | |
| Loss reserves and outstanding claims | | | | |
| <i>Type of insurance</i> | | | | |
| Fire | 34,321 | 21,443 | 23,371 | 18,558 |
| Marine | 142,724 | 60,687 | 129,036 | 58,309 |
| Motor | 875,495 | 763,399 | 884,533 | 841,778 |
| Miscellaneous | 426,042 | 291,903 | 313,532 | 210,902 |
| Total | 1,478,582 | 1,137,432 | 1,350,472 | 1,129,547 |
| Unearned premium reserves | | | | |
| <i>Type of insurance</i> | | | | |
| Fire | 229,514 | 127,299 | 195,798 | 138,446 |
| Marine | 86,242 | 55,536 | 84,277 | 57,512 |
| Motor | 1,379,231 | 1,216,070 | 1,144,837 | 1,024,128 |
| Miscellaneous | 1,059,963 | 856,506 | 1,057,473 | 903,987 |
| Total | 2,754,950 | 2,255,411 | 2,482,385 | 2,124,073 |

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Sensitivity analysis

The sensitivity analysis is performed on the net loss reserve and outstanding claims, based on changes in assumptions that may affect the level of liabilities. The assumption that has the greatest effect on the determination of loss reserve and outstanding claims is the expected loss ratio. The test was conducted based on a change level of -1% and +1% of the net of reinsurance recoveries.

| | | 2024 | 2023 |
|-------------------------|------------------------------|--|---|
| | Change in variable (%) | Increase (decrease) in liabilities | Increase (decrease) in profit and equity (in thousand Baht) |
| Net expected loss ratio | -1 | (39,478) | 39,478 |
| Net expected loss ratio | +1 | 39,478 | (39,478) |

24.4 Capital management

The primary objectives of the Company's capital management are to ensure that it has an appropriate financial structure, presences the ability to continue its business as a going concern and to maintain capital reserve in accordance with notifications of the Office of Insurance Commission. To maintain a strong capital fund base to maintain shareholders, policy holders, reinsurers and other stakeholders and to sustain future development of the business. The Board monitors the return on capital, which the Company defines as results from operating activities divided by total equity, and also monitors the level of dividends to ordinary shareholders.

In accordance with the requirements of the Office of Insurance Commission, all insurers are required to maintain a minimum at least 140% (2023: 140%) of capital adequacy requirement (CAR). It is the Company's policy to hold capital levels in excess of CAR.

24.5 Interest rate risk

Interest rate risk is the risk that future movement in market interest rates which will affect the interest income from investments. The investments include both short-term and long-term investments that have fixed and floating interest rates. The Company has managed investment risk by considering the risk of investments together with the return on such investments.

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As at 31 December 2024 and 2023 significant financial assets classified by type of interest rate are as follows:

| | 2024 | | | | 2023 | | | |
|--|------------------------------|---------------------------|-----------------------------|------------------|------------------------------|---------------------------|-----------------------------|------------------|
| | Floating interest rate | Fixed interest rate | Non- interest bearing | Total | Floating interest rate | Fixed interest rate | Non- interest bearing | Total |
| | <i>(in thousand Baht)</i> | | | | | | | |
| Financial assets | | | | | | | | |
| Cash and cash equivalents | 244,718 | - | 30 | 244,748 | 385,615 | - | 30 | 385,645 |
| Investments in securities | | | | | | | | |
| Government and state enterprise debt securities | - | 3,146,527 | - | 3,146,527 | - | 2,550,043 | - | 2,550,043 |
| Private debt securities | - | 814,077 | - | 814,077 | - | 864,955 | - | 864,955 |
| Equity securities | - | - | 109,867 | 109,867 | - | - | 122,723 | 122,723 |
| Unit trusts | - | - | 44,400 | 44,400 | - | - | 41,429 | 41,429 |
| Deposits at banks with original maturities over 3 months | - | 300,813 | - | 300,813 | - | 290,811 | - | 290,811 |
| Total financial assets | 244,718 | 4,261,417 | 154,297 | 4,660,432 | 385,615 | 3,705,809 | 164,182 | 4,255,606 |

As at 31 December 2024 and 2023, the financial assets carrying interest at fixed rates are classified below, according to the period from the reporting date to the contractual repricing dates or to the maturity date (whichever dates are earlier):

| | Maturity period | | | | Average interest rate <i>(% per annum)</i> |
|--|------------------|--|------------------|------------------|---|
| | Within 1 year | Over 1 - 5 years <i>(in thousand Baht)</i> | Over 5 years | Total | |
| 2024 | | | | | |
| Financial assets | | | | | |
| Investments in securities | | | | | |
| Government and state enterprise debt securities | 221,919 | 1,715,546 | 1,209,062 | 3,146,527 | 1.95 |
| Private debt securities | 37,098 | 488,329 | 288,650 | 814,077 | 2.79 |
| Deposit at banks with original maturities over than 3 months | 300,813 | - | - | 300,813 | 2.52 |
| Total financial assets | 559,830 | 2,203,875 | 1,497,712 | 4,261,417 | |

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| | Maturity period | | | | Average interest rate (% per annum) |
|--|-----------------|--|----------------|------------------|--|
| | Within 1 year | Over 1 - 5 years (in thousand Baht) | Over 5 years | Total | |
| 2023 | | | | | |
| Financial assets | | | | | |
| Investments in securities | | | | | |
| Government and state enterprise debt securities | 181,134 | 1,662,423 | 706,486 | 2,550,043 | 1.75 |
| Private debt securities | 124,894 | 462,281 | 277,780 | 864,955 | 2.63 |
| Deposit at banks with original maturities over than 3 months | 290,811 | - | - | 290,811 | 1.56 |
| Total financial assets | 596,839 | 2,124,704 | 984,266 | 3,705,809 | |

Sensitivity analysis

A reasonable possible change of interest rates as at 31 December 2024 and 2023 would have affected the measurement of investment in debt securities measured at FVOCI and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

| | 2024 | | | |
|-------------|---------------------------------------|------------------|--|------------------|
| | Net profit (loss) + 25 basis point | - 25 basis point | Other components of shareholders' equity + 25 basis point | - 25 basis point |
| | (in thousand Baht) | | | |
| Yield curve | - | - | (43,732) | 44,556 |
| | 2023 | | | |
| | Net profit (loss) + 25 basis point | - 25 basis point | Other components of shareholders' equity + 25 basis point | - 25 basis point |
| | (in thousand Baht) | | | |
| Yield curve | - | - | (32,915) | 33,389 |

24.6 Foreign currency risk

As at 31 December 2024 and 2023, the Company was exposed to foreign currency risk in respect of financial assets and financial liabilities denominated in the following currency:

| | Note | 2024 | 2023 |
|--|------|--------------------|---------------|
| | | (in thousand Baht) | |
| Assets denominated in the foreign currency | | | |
| Deposits at banks - Singapore Dollars | | 13,502 | 10,831 |
| Deposits at banks - Japanese Yens | | 1,821 | 4,874 |
| Deposits at banks - US Dollars | | 694 | - |
| Total | | 16,017 | 15,705 |
| Liabilities denominated in the foreign currency | | | |
| Payables to related parties - Singapore Dollars | 23 | 6,337 | 15,242 |
| Payables to related parties - Japanese Yens | 23 | 2,877 | 3,339 |
| Total | | 9,214 | 18,581 |

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24.7 Equity and unit trust price risk

Sensitivity analysis

A reasonably possible change of the stock market as at 31 December 2024 and 2023 would have affected the valuation of investment in listed equity investments included unit trust funds invested in stock exchange and affected equity and profit or loss by the amount shown below.

| | 2024 | | 2023 | |
|-----------|----------------------------------|----------------------------------|---|---|
| | Net profit (loss) 1% increase | Net profit (loss) 1% decrease | Other components of shareholders' equity 1% increase | Other components of shareholders' equity 1% decrease |
| | <i>(in thousand Baht)</i> | | | |
| SET Index | - | - | 1,621 | (1,621) |
| | <i>(in thousand Baht)</i> | | | |
| SET Index | - | - | 1,639 | (1,639) |

24.8 Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Company as and when they fall due.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount. At the reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position. However, due to the large number of parties comprising the Company's customer base, Management does not anticipate material losses from its debt collection.

Concentrations of the credit risk with respect to premium due and uncollected is less significant since the insured is dispersed across different industries and geographic regions in Thailand.

Credit quality analysis

The following table sets out information about the credit quality as at 31 December 2024 and 2023 of debt securities measured at fair value through other comprehensive income and debt securities measured at amortised cost, based on TRIS and Fitch ratings (Excluded unit trust classified as FVOCI debt securities).

| | 31 December 2024 <i>(in thousand Baht)</i> | | | Total |
|---|---|---------|---------|-----------|
| | Stage 1 | Stage 2 | Stage 3 | |
| <i>Investments measured at fair value through other comprehensive income</i> | | | | |
| Government debts securities | | | | |
| Non-rated | 3,064,764 | - | - | 3,064,764 |
| State enterprise debt securities | | | | |
| Rated A and above | 81,763 | - | - | 81,763 |

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| | 31 December 2024 (in thousand Baht) | | | |
|--|--|----------|----------|------------------|
| | Stage 1 | Stage 2 | Stage 3 | Total |
| <i>Investments measured at fair value through other comprehensive income</i> | | | | |
| Private debt securities | | | | |
| Rated A and above | 814,077 | - | - | 814,077 |
| Rated BBB+ to A- | - | - | - | - |
| Rated BBB and below | - | - | - | - |
| Carrying amount | 3,960,604 | - | - | 3,960,604 |
| Allowance for excepted credit loss | 115 | - | - | 115 |
| <i>Investments measured at amortised cost</i> | | | | |
| Deposits at banks with original maturities over 3 months | | | | |
| Rated A and above | 300,813 | - | - | 300,813 |
| Rated BBB+ to A- | - | - | - | - |
| Rated BBB and below | - | - | - | - |
| Carrying amount | 300,813 | - | - | 300,813 |
| Less allowance for excepted credit loss | - | - | - | - |
| Net carrying amount | 300,813 | - | - | 300,813 |
| | | | | |
| | 31 December 2023 (in thousand Baht) | | | |
| | Stage 1 | Stage 2 | Stage 3 | Total |
| <i>Investments measured at fair value through other comprehensive income</i> | | | | |
| Government debts securities | | | | |
| Non-rated | 2,470,662 | - | - | 2,470,662 |
| State enterprise debt securities | | | | |
| Rated A and above | 79,381 | - | - | 79,381 |
| Private debt securities | | | | |
| Rated A and above | 864,955 | - | - | 864,955 |
| Rated BBB+ to A- | - | - | - | - |
| Rated BBB and below | - | - | - | - |
| Carrying amount | 3,414,998 | - | - | 3,414,998 |
| Allowance for excepted credit loss | 165 | - | - | 165 |
| <i>Investments measured at amortised cost</i> | | | | |
| Deposits at banks with original maturities over 3 months | | | | |
| Rated A and above | 290,811 | - | - | 290,811 |
| Rated BBB+ to A- | - | - | - | - |
| Rated BBB and below | - | - | - | - |
| Carrying amount | 290,811 | - | - | 290,811 |
| Less allowance for excepted credit loss | - | - | - | - |
| Net carrying amount | 290,811 | - | - | 290,811 |

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24.9 Liquidity risk

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents and investment assets deemed adequate for operations and to mitigate the effects of fluctuations in cash flows.

The analysis of the expected maturity profile of loss reserves and outstanding claims, net of reinsurance are as follows;

| | 1 year | Over 1-5 years (in thousand Baht) | Total |
|---|-----------|---|-----------|
| 31 December 2024 | | | |
| Insurance contract liabilities | | | |
| Loss reserves and outstanding claims, net | 1,052,323 | 85,109 | 1,137,432 |
| 31 December 2023 | | | |
| Insurance contract liabilities | | | |
| Loss reserves and outstanding claims, net | 1,036,279 | 93,268 | 1,129,547 |

24.10 Carrying amount and fair values

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 December 2024</i> | <i>Note</i> | Carrying amount | Level 1 | Fair value | | Total |
|----------------------------|-------------|----------------------------|----------------|---------------------------|----------|------------------|
| | | | | Level 2 | Level 3 | |
| | | | | <i>(in thousand Baht)</i> | | |
| Financial assets | | | | | | |
| Investment in securities | 7 | | | | | |
| Government and state | | | | | | |
| enterprise debt securities | | 3,146,527 | - | 3,146,527 | - | 3,146,527 |
| Private debt securities | | 814,077 | - | 814,077 | - | 814,077 |
| Equity securities | | 109,867 | 105,239 | 4,628 | - | 109,867 |
| Unit trusts | | 44,400 | - | 44,400 | - | 44,400 |
| Total | | 4,114,871 | 105,239 | 4,009,632 | - | 4,114,871 |
| At 31 December 2023 | | | | | | |
| Financial assets | | | | | | |
| Investment in securities | 7 | | | | | |
| 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 | | 3,579,150 | 118,639 | 3,460,511 | - | 3,579,150 |

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Financial instruments measured at fair value

The Company determines Level 1 fair values of investment in market equity which are in SET 100 by using the last bidding 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 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.

Transfer between Level 1 and 2 of the fair value hierarchy

At 31 December 2024, the Company did not have equity securities measured at FVOCI that were transferred from Level 2 to Level 1 (2023: nil) or from Level 1 to Level 2 (2023: nil).

Financial instruments not measured at fair value

The carrying amounts of the following financial assets and financial liabilities are considered to be approximate to their fair values: cash and cash equivalents, accrued investment income, premiums due and uncollected, reinsurance assets and receivables, other assets, insurance contract liabilities, reinsurance payable, claim payable and other liabilities.

The fair value of deposits at financial institutions which have remaining terms to maturity of less than 90 days and for those with remaining terms to maturity greater than 90 days, the fair value are based on carrying value.

25 Securities and assets pledged with the Registrar

25.1 As at 31 December 2024 and 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:

| | 2024 | | 2023 | |
|-----------------------|---------------|--------------------|---------------|---------------|
| | Book value | Face value | Book value | Face value |
| | | (in thousand Baht) | | |
| Bank of Thailand bond | 15,453 | 15,000 | 15,302 | 15,000 |
| Total | 15,453 | 15,000 | 15,302 | 15,000 |

25.2 As at 31 December 2024 and 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:

| | 2024 | | 2023 | |
|---------------------------------------|----------------|--------------------|----------------|----------------|
| | Book value | Face value | Book value | Face value |
| | | (in thousand Baht) | | |
| Government and Bank of Thailand bonds | 548,854 | 543,000 | 470,486 | 468,000 |
| Deposit at bank - time deposit | - | - | 100,000 | 100,000 |
| Total | 548,854 | 543,000 | 570,486 | 568,000 |

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26 Restricted and collateral assets

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

27 Contribution to Non-Life Insurance Fund

As at 31 December 2024 and 2023, the accumulated Contribution to Non-Life Insurance Fund were as follows:

| | 2024 | 2023 |
|--------------------------|---------------------------|-----------------------|
| | <i>(in thousand Baht)</i> | |
| At 1 January | 133,353 | 118,930 |
| Increase during the year | <u>24,302</u> | <u>14,423</u> |
| At 31 December | <u>157,655</u> | <u>133,353</u> |

28 Commitments with non - related parties

Commitments under office rental and service agreements

| | 2024 | 2023 |
|---|---------------------------|---------------------|
| | <i>(in thousand Baht)</i> | |
| <i>Operating lease commitments</i> | | |
| Within one year | 5,032 | 1,226 |
| After one year but within five years | <u>4,073</u> | <u>235</u> |
| Total | <u>9,105</u> | <u>1,461</u> |

29 Contingent liabilities

As at 31 December 2024 lawsuits have been brought against the Company, in relation to insurance claims of Baht 155 million (2023: Baht 217 million) whereas the sum insured of insurance policy and reinsurance claim recoverable of Baht 105 million and Baht 6 million, respectively (2023: Baht 138 million and Baht 4 million, respectively). The Company's management believes that the claim reserves accounted for in the financial statements are sufficient for potential losses in respect of those lawsuits.

30 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

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(a) TFRS - Financial instruments standards

TFRS 9 and TFRS 7 became effective for the annual periods 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.

(b) TFRS 17 - Insurance contracts

TFRS 17 will replace TFRS 4 - Insurance Contracts for the annual periods 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 considering and closely monitoring the potential impact of adopting and initially applying those TFRSs on the financial statements. In addition, the adoption of the new accounting standard TFRS 17 has prompted a review of the corporate income tax regulation related to the insurance business. The insurance industry is awaiting an update of relevant tax regulations in order to assess the financial impact of such changes. The Company is closely monitoring the development and potential impact.

31 Event after reporting period

At the meeting of the Board of Directors of the Company held on 18 March 2025, the Board of Directors agreed to propose the meeting of shareholders will be held on 22 April 2025 to approve the appropriation of dividends of Baht 115 per share, amounting to Baht 164 million.

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