

**MSIG Insurance (Thailand) Public Company Limited**

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



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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                 |
|                              |           | <i>(in Baht)</i>     |                      |
| 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           |
| <b>Total assets</b>          |           | <b>8,034,411,147</b> | <b>7,201,867,088</b> |

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>     |                      |
| <b>Liabilities</b>  |        |                      |                      |
| 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          |
| <b>Total liabilities</b>  |        | <b>5,797,227,528</b> | <b>5,225,029,973</b> |
| <b>Equity</b>   |        |                      |                      |
| 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)         |
| <b>Total equity</b>   |        | <b>2,237,183,619</b> | <b>1,976,837,115</b> |
| <b>Total liabilities and equity</b>                                 |        | <b>8,034,411,147</b> | <b>7,201,867,088</b> |

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)                      |                             |
| <b>Revenues</b>  |            |                                |                             |
| Gross premiums written   |            | 4,908,760,448                  | 4,626,490,664               |
| Less premiums ceded  | 23         | <u>(1,136,797,296)</u>         | <u>(964,383,525)</u>        |
| 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<br>(decreased) from previous year |            | <u>141,227,462</u>             | <u>162,164,569</u>          |
| 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                  |
| Gain (loss) on investments   |            | (2,329,816)                    | (4,651,719)                 |
| Other income   | 23         | <u>16,628,744</u>              | <u>16,083,029</u>           |
| <b>Total revenues</b>  |            | <b><u>4,039,769,279</u></b>    | <b><u>4,048,717,243</u></b> |
| <b>Expenses</b>  |            |                                |                             |
| Insurance claims expenses  | 17         | 2,043,137,984                  | 1,962,723,306               |
| Less insurance claims expenses recovered from reinsurers   | 23         | <u>(338,395,486)</u>           | <u>(234,222,628)</u>        |
| 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         | <u>(50,368)</u>                | <u>42,255</u>               |
| <b>Total expenses</b>  |            | <b><u>3,639,772,570</u></b>    | <b><u>3,764,012,794</u></b> |
| <b>Profit before income tax</b>  |            | <b>399,996,709</b>             | <b>284,704,449</b>          |
| Income tax   | 18         | <u>78,765,477</u>              | <u>54,421,031</u>           |
| <b>Net profit</b>  |            | <b>321,231,232</b>             | <b>230,283,418</b>          |

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)                      |                     |
| <b>Other comprehensive income (loss)</b>  |      |                                |                     |
| <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          |
| <b>Total items that will be reclassified subsequently to profit or loss</b>                     |      | <b>60,381,542</b>              | <b>(43,523,705)</b> |
| <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)         |
| <b>Total items that will not be reclassified subsequently to profit or loss</b>                 |      | <b>-</b>                       | <b>11,731,788</b>   |
| <b>Other comprehensive loss for the year, net of income tax</b>                                 |      | <b>60,381,542</b>              | <b>(31,791,917)</b> |
| <b>Total comprehensive income for the year</b>  |      | <b>381,612,774</b>             | <b>198,491,501</b>  |
| <b>Basic earnings per share (in Baht)</b>   | 20   | <b>225.16</b>                  | <b>161.41</b>       |

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<br>of equity |   |                 |
|---|--------|--|--|-------------------|-------------------------------|---|-----------------|
|   | Note   | Issued and<br>paid-up<br>share capital | Share premium<br>on ordinary<br>shares | Legal<br>reserve  | Unappropriated<br>(in Baht)   | Gain (loss) on<br>investment measured<br>at fair value through<br>other comprehensive<br>income | Total<br>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<br>of equity |  |                 |
|---|--------|--|--|-------------------|-------------------------------|--|-----------------|
|   | Note   | Issued and<br>paid-up<br>share capital | Share premium<br>on ordinary<br>shares | Legal<br>reserve  | Unappropriated<br>(in Baht)   | Loss on<br>investment measured<br>at fair value through<br>other comprehensive<br>income | Total<br>equity |
| 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)                      |                     |
| <b>Cash flows from operating activities</b>                 |        |                                |                     |
| 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)     |
| <b>Net cash flows provided by operating activities</b>      |        | <b>31,240,140</b>              | <b>255,761,426</b>  |
| <b>Cash flows from investing activities</b>                 |        |                                |                     |
| <b>Cash flows provided by</b>                               |        |                                |                     |
| Proceeds from sale of hardware and equipment                |        | 14,019                         | -                   |
| <b>Cash flows provided by investing activities</b>          |        | <b>14,019</b>                  | <b>-</b>            |
| <b>Cash flows used in</b>                                   |        |                                |                     |
| Purchase of building improvement, hardware and equipment    |        | (21,813,962)                   | (29,829,891)        |
| Purchase of intangible assets                               |        | (22,858,266)                   | (11,900,952)        |
| <b>Cash flows used in investing activities</b>              |        | <b>(44,672,228)</b>            | <b>(41,730,843)</b> |
| <b>Net cash flows used in investing activities</b>          |        | <b>(44,658,209)</b>            | <b>(41,730,843)</b> |
| <b>Cash flows from financing activities</b>                 |        |                                |                     |
| 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)        |
| <b>Net cash flows used in financing activities</b>          |        | <b>(127,478,420)</b>           | <b>(64,688,876)</b> |
| <b>Net increase (decrease) in cash and cash equivalents</b> |        | <b>(140,896,489)</b>           | <b>149,341,707</b>  |
| Cash and cash equivalents at 1 January                      |        | 385,644,828                    | 236,303,121         |
| <b>Cash and cash equivalents at 31 December</b>             | 4      | <b>244,748,339</b>             | <b>385,644,828</b>  |

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).

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*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**  
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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.

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*(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.

**MSIG Insurance (Thailand) Public Company Limited**  
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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.

**MSIG Insurance (Thailand) Public Company Limited**  
**Notes to the financial statements**  
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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.

# **MSIG Insurance (Thailand) Public Company Limited**

## **Notes to the financial statements**

**For the year ended 31 December 2024**

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.

# MSIG Insurance (Thailand) Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2024

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        |
| <b>Total</b>                      | <b>244,748</b>            | <b>385,645</b> |

## 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        |
| Less allowance doubtful accounts | (7,535)                   | (10,441)       |
| <b>Net</b>                       | <b>806,167</b>            | <b>705,913</b> |

  

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



# MSIG Insurance (Thailand) Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2024

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<br>(in thousand Baht) | 2023<br>(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<br>(in thousand Baht) | 2023<br>(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                         |
| <b>Total</b>       | <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 /<br>Amortised<br>cost | Fair<br>value<br>(in thousand Baht) | Cost /<br>Amortised<br>cost | Fair<br>value    |
| <b>Investment measured at fair value<br/>through other comprehensive income</b>       |                             |                                     |                             |                  |
| 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           |
| <b>Total</b>  | <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)                       | -                |
| <b>Total investment measured at fair value<br/>through other comprehensive income</b> | <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>         |

# MSIG Insurance (Thailand) Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2024

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

### 7.2 Investment measured at fair value through other comprehensive income

|   | 2024             |  | 2023             |   |
|---|------------------|--|------------------|---|
|   | Fair<br>value    | Allowance<br>for expected<br>credit loss /<br>Allowance for<br>impairment<br>loss<br><i>(in thousand Baht)</i> | Fair<br>value    | Allowance<br>for expected<br>credit loss /<br>Allowance for<br>impairment<br>loss |
| Debt securities - no significant increase<br>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           | -   |
| <b>Total</b>  | <b>4,114,871</b> | <b>2,352</b>   | <b>3,579,150</b> | <b>2,402</b>  |

### 7.3 Investment measured at amortised cost

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

  

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

# MSIG Insurance (Thailand) Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2024

### 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<br>Maturities        |                     |                  |                  | 2023<br>Maturities |                     |                |                  |
|--|---------------------------|---------------------|------------------|------------------|--------------------|---------------------|----------------|------------------|
|  | 1 year                    | Over<br>1 - 5 years | Over 5 years     | Total            | 1 year             | Over<br>1 - 5 years | Over 5 years   | Total            |
|  | <i>(in thousand Baht)</i> |                     |                  |                  |                    |                     |                |                  |
| <b>Debt securities measured at fair value through<br/>other comprehensive income</b>       |                           |                     |                  |                  |                    |                     |                |                  |
| <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)         |
| <b>Total</b>   | <b>221,919</b>            | <b>1,715,547</b>    | <b>1,209,061</b> | <b>3,146,527</b> | <b>181,134</b>     | <b>1,662,423</b>    | <b>706,486</b> | <b>2,550,043</b> |
| <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)         |
| <b>Total</b>   | <b>37,098</b>             | <b>488,330</b>      | <b>288,649</b>   | <b>814,077</b>   | <b>124,894</b>     | <b>462,281</b>      | <b>277,780</b> | <b>864,955</b>   |
| <b>Total debt securities measured at fair value<br/>through other comprehensive income</b> | <b>259,017</b>            | <b>2,203,877</b>    | <b>1,497,710</b> | <b>3,960,604</b> | <b>306,028</b>     | <b>2,124,704</b>    | <b>984,266</b> | <b>3,414,998</b> |

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

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

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

**MSIG Insurance (Thailand) Public Company Limited**  
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**8 Property and equipment**

|   | Land           | Buildings      | Buildings<br>improvement<br>(in thousand Baht) | Furniture,<br>fixtures and<br>equipment | Vehicles     | Total          |
|---|----------------|----------------|--|---|--------------|----------------|
| <b>Cost</b>                                       |                |                |  |   |              |                |
| 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          |
| <b>At 31 December 2023<br/>and 1 January 2024</b> | <b>119,074</b> | <b>218,765</b> | <b>92,177</b>                                  | <b>277,173</b>                          | <b>7,445</b> | <b>714,634</b> |
| Additions   | -              | -              | -  | 21,814                                  | 857          | 22,671         |
| Disposals   | -              | -              | (3,374)  | (175,787)                               | (3,430)      | (182,591)      |
| Transfer in                                       | -              | -              | -  | -                                       | 3,430        | 3,430          |
| <b>At 31 December 2024</b>                        | <b>119,074</b> | <b>218,765</b> | <b>88,803</b>                                  | <b>123,200</b>                          | <b>8,302</b> | <b>558,144</b> |
| <b>Accumulated depreciation</b>                   |                |                |  |   |              |                |
| At 1 January 2023                                 | -              | 198,747        | 33,721   | 188,350                                 | 583          | 421,401        |
| Depreciation charge<br>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          |
| <b>At 31 December 2023<br/>and 1 January 2024</b> | <b>-</b>       | <b>199,798</b> | <b>38,231</b>                                  | <b>205,149</b>                          | <b>3,816</b> | <b>446,994</b> |
| Depreciation charge<br>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          |
| <b>At 31 December 2024</b>                        | <b>-</b>       | <b>200,849</b> | <b>39,127</b>                                  | <b>46,480</b>                           | <b>2,953</b> | <b>289,409</b> |
| <b>Net book value</b>                             |                |                |  |   |              |                |
| <b>At 1 January 2023</b>                          | <b>119,074</b> | <b>20,018</b>  | <b>57,132</b>                                  | <b>66,843</b>                           | <b>1,622</b> | <b>264,689</b> |
| <b>At 31 December 2023<br/>and 1 January 2024</b> | <b>119,074</b> | <b>18,967</b>  | <b>53,946</b>                                  | <b>72,024</b>                           | <b>3,629</b> | <b>267,640</b> |
| <b>At 31 December 2024</b>                        | <b>119,074</b> | <b>17,916</b>  | <b>49,676</b>                                  | <b>76,720</b>                           | <b>5,349</b> | <b>268,735</b> |

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).

**MSIG Insurance (Thailand) Public Company Limited**  
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**9 Intangible assets**

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

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).

**MSIG Insurance (Thailand) Public Company Limited**  
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**10 Insurance contract liabilities**

|  | 2024   |                                  |                                  | 2023   |                                  |                  |
|--|--|----------------------------------|----------------------------------|--|----------------------------------|------------------|
|  | Liabilities<br>under<br>insurance<br>contracts | Reinsurers'<br>share liabilities | Net<br><i>(in thousand Baht)</i> | Liabilities<br>under<br>insurance<br>contracts | Reinsurers'<br>share liabilities | Net              |
| <b>Short-term technical reserves</b>       |  |                                  |                                  |  |                                  |                  |
| 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        |
| <b>Total</b>                               | <b>4,233,532</b>                               | <b>(840,689)</b>                 | <b>3,392,843</b>                 | <b>3,832,857</b>                               | <b>(579,237)</b>                 | <b>3,253,620</b> |

**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           |
| <b>At 31 December</b>                             | <b>1,478,582</b> | <b>(341,150)</b> | <b>1,137,432</b> | <b>1,350,472</b> | <b>(220,925)</b> | <b>1,129,547</b> |

**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)      |
| <b>At 31 December</b>           | <b>2,754,950</b> | <b>(499,539)</b> | <b>2,255,411</b> | <b>2,482,385</b> | <b>(358,312)</b> | <b>2,124,073</b> |



**MSIG Insurance (Thailand) Public Company Limited**  
**Notes to the financial statements**  
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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<br>within 2019 | 2020                | 2021                 | 2022<br><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<br>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>      |
| <b>Total</b>   | <b><u>38,813</u></b>     | <b><u>6,893</u></b> | <b><u>20,126</u></b> | <b><u>21,457</u></b>              | <b><u>282,299</u></b> | <b><u>1,020,498</u></b> | <b><u>1,390,086</u></b> |
| <b>Reconciliation</b>                                    |                          |                     |                      |                                   |                       |                         |                         |
| Unallocated loss adjustment expenses                     |                          |                     |                      |                                   |                       |                         | <u>88,496</u>           |
| <b>Total loss reserve and outstanding claims</b>         |                          |                     |                      |                                   |                       |                         | <b><u>1,478,582</u></b> |

**MSIG Insurance (Thailand) Public Company Limited**  
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**For the year ended 31 December 2024**

**At 31 December 2023**

| Accident year/ Accounting year                           | Prior and<br>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<br>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>      |
| <b>Total</b>   | <b><u>7,738</u></b>      | <b><u>42,418</u></b> | <b><u>15,700</u></b> | <b><u>41,304</u></b>      | <b><u>252,089</u></b> | <b><u>908,453</u></b> | <b><u>1,267,702</u></b> |
| <b>Reconciliation</b>                                    |                          |                      |                      |                           |                       |                       |                         |
| Unallocated loss adjustment expenses                     |                          |                      |                      |                           |                       |                       | <u>82,770</u>           |
| <b>Total loss reserve and outstanding claims</b>         |                          |                      |                      |                           |                       |                       | <b><u>1,350,472</u></b> |

**MSIG Insurance (Thailand) Public Company Limited**  
**Notes to the financial statements**  
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10.3.2 Net loss development triangle

**At 31 December 2024**

| Accident year/ Accounting year                            | Prior and<br>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<br>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>      |
| <b>Total</b>  | <b><u>4,142</u></b>      | <b><u>5,072</u></b> | <b><u>7,368</u></b> | <b><u>19,380</u></b>      | <b><u>236,420</u></b> | <b><u>776,554</u></b> | <b><u>1,048,936</u></b> |
| <b>Reconciliation</b>                                     |                          |                     |                     |                           |                       |                       |                         |
| Unallocated loss adjustment expenses                      |                          |                     |                     |                           |                       |                       | <u>88,496</u>           |
| <b>Total loss reserve and outstanding claims, net</b>     |                          |                     |                     |                           |                       |                       | <b><u>1,137,432</u></b> |

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

| Accident year/ Accounting year                            | Prior and<br>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<br>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>      |
| <b>Total</b>  | <b><u>3,782</u></b>      | <b><u>2,768</u></b> | <b><u>13,565</u></b> | <b><u>27,614</u></b> | <b><u>243,324</u></b> | <b><u>755,724</u></b> | <b><u>1,046,777</u></b> |
| <b>Reconciliation</b>                                     |                          |                     |                      |                      |                       |                       |                         |
| Unallocated loss adjustment expenses                      |                          |                     |                      |                      |                       |                       | <u>82,770</u>           |
| <b>Total loss reserve and outstanding claims, net</b>     |                          |                     |                      |                      |                       |                       | <b><u>1,129,547</u></b> |

**MSIG Insurance (Thailand) Public Company Limited**  
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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        |
| <b>Total</b>                   | <b>643,164</b>            | <b>535,447</b> |

**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) |  |                |  |
| <b>Defined benefit plans</b>                       |                    |  |                |  |
| - Post-employment benefits                         | 281,660            |  | 285,362        |  |
| - Other long-term employee benefits                | 9,536              |  | 8,702          |  |
| <b>Total present value of unfunded obligations</b> | <b>291,196</b>     |  | <b>294,064</b> |  |

  

| <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)       |                                   |                |                          |                                   |                |
| <b>At 1 January</b>                                     | <b>285,362</b>           | <b>8,702</b>                      | <b>294,064</b> | <b>285,155</b>           | <b>8,819</b>                      | <b>293,974</b> |
| <b>Include in profit or loss:</b>                       |                          |                                   |                |                          |                                   |                |
| 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)          |
| <b>At 31 December</b>                                   | <b>281,660</b>           | <b>9,536</b>                      | <b>291,196</b> | <b>300,027</b>           | <b>8,702</b>                      | <b>308,729</b> |

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

***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<br>Increase (decrease) in liabilities<br>(in thousand Baht) | 2023<br>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<br>in variable<br>(%) | 2024<br>Increase<br>(decrease) in<br>liabilities<br>(in thousand Baht) | 2023<br>Increase<br>(decrease) in<br>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<br>(in thousand Baht) | 2023           |
|---------------------|----------------------------|----------------|
| Commission payables | 162,258                    | 147,124        |
| Accrued expenses    | 320,821                    | 314,108        |
| Others              | 70,801                     | 79,823         |
| <b>Total</b>        | <b>553,880</b>             | <b>541,055</b> |

**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        |
| <b>Total</b>                                     | <b>528,680</b>            | <b>529,377</b> |

**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         |
| <b>Total</b>                | <b>710,255</b>            | <b>687,018</b> |

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

***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)      |
| <b>Total</b>  | <b>(15,095)</b> | <b>7,948</b> |

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*Reconciliation of effective tax rate*

|   | 2024        |                          | 2023        |                          |
|---|-------------|--------------------------|-------------|--------------------------|
|   | Rate<br>(%) | (in<br>thousand<br>Baht) | Rate<br>(%) | (in<br>thousand<br>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                      |
| <b>Total</b>                                | <b>19.7</b> | <b>78,765</b>            | <b>19.1</b> | <b>54,421</b>            |

*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)            |
| <b>Net</b>               | <b>490,527</b>     | <b>459,193</b>     |

Movements in deferred tax balance are as follows:

|  | At<br>1 January<br>2024 | (Charged) / credited to |                                  | At<br>31 December<br>2024 |
|--|-------------------------|-------------------------|----------------------------------|---------------------------|
|  |                         | Profit or<br>loss       | Other<br>comprehensive<br>income |                           |
|  |                         | (in thousand Baht)      |                                  |                           |
| <b>Deferred tax assets</b>                           |                         |                         |                                  |                           |
| Allowance for doubtful accounts                      | 2,387                   | (556)                   | -                                | 1,831                     |
| Loss on remeasurement of<br>Investments - fair value | 13,948                  | -                       | (13,948)                         | -                         |
| Allowance for impairment loss on<br>investment       | 447                     | -                       | -                                | 447                       |
| Unearned premium reserve                             | 131,846                 | 17,479                  | -                                | 149,325                   |
| Incurred but not reported loss<br>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                        |
| <b>Total</b>   | <b>463,772</b>          | <b>46,923</b>           | <b>(13,948)</b>                  | <b>496,747</b>            |
| <b>Deferred tax liabilities</b>                      |                         |                         |                                  |                           |
| Depreciation expense for buildings                   | 3,793                   | (210)                   | -                                | 3,583                     |
| Depreciation expense for financial lease             | 340                     | (340)                   | -                                | -                         |
| Gain on remeasurement of<br>investments - fair value | -                       | -                       | 1,156                            | 1,156                     |
| Right-of-use-assets                                  | -                       | 1,044                   | -                                | 1,044                     |
| Allowance for impairment loss on<br>investment       | 413                     | -                       | -                                | 413                       |
| Expected credit loss                                 | 33                      | -                       | (9)                              | 24                        |
| <b>Total</b>   | <b>4,579</b>            | <b>494</b>              | <b>1,147</b>                     | <b>6,220</b>              |
| <b>Net</b>   | <b>459,193</b>          | <b>46,429</b>           | <b>(15,095)</b>                  | <b>490,527</b>            |

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|  | At<br>1 January<br>2023 | (Charged) / credited to |                                  | At<br>31 December<br>2023 |
|--|-------------------------|-------------------------|----------------------------------|---------------------------|
|  |                         | Profit or<br>loss       | Other<br>comprehensive<br>income |                           |
|  |                         | (in thousand Baht)      |                                  |                           |
| <b>Deferred tax assets</b>                           |                         |                         |                                  |                           |
| Allowance for doubtful accounts                      | 2,596                   | (209)                   | -                                | 2,387                     |
| Loss on remeasurement of<br>investments - fair value | 3,059                   | -                       | 10,889                           | 13,948                    |
| Allowance for impairment loss on<br>investment       | 447                     | -                       | -                                | 447                       |
| Unearned premium reserve                             | 128,004                 | 3,842                   | -                                | 131,846                   |
| Incurred but not reported loss<br>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                        |
| <b>Total</b>   | <b>451,221</b>          | <b>4,595</b>            | <b>7,956</b>                     | <b>463,772</b>            |
| <b>Deferred tax liabilities</b>                      |                         |                         |                                  |                           |
| Depreciation expense for buildings                   | 4,003                   | (210)                   | -                                | 3,793                     |
| Depreciation expense for financial lease             | 340                     | -                       | -                                | 340                       |
| Allowance for impairment loss on<br>investment       | 413                     | -                       | -                                | 413                       |
| Expected credit loss                                 | 25                      | -                       | 8                                | 33                        |
| <b>Total</b>   | <b>4,781</b>            | <b>(210)</b>            | <b>8</b>                         | <b>4,579</b>              |
| <b>Net</b>   | <b>446,440</b>          | <b>4,805</b>            | <b>7,948</b>                     | <b>459,193</b>            |

**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          |
| <b>Total</b>                    | <b>3,639,773</b>   | <b>3,764,012</b> |

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**20 Basic earnings per share**

|  | 2024<br>(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     |
| <b>Basic earnings per share (in Baht)</b>  | <b>225.16</b>                    | <b>161.41</b> |

**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<br>(in thousand Baht) | 2023      |
|---|----------------------------|-----------|
| <b>Expected credit loss (reversal)</b>                                      |                            |           |
| Investment in securities  |                            |           |
| - Debt securities measured at fair value through other comprehensive income | (50)                       | 42        |
| <b>Total</b>  | <b>(50)</b>                | <b>42</b> |

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**23 Related parties**

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

| <b>Name of entities/Personnel</b>                       | <b>Country of<br/>Incorporation/<br/>Nationality</b> | <b>Nature of relationships</b>  |
|---|--|---|
| Key management personnel                                | Thais/<br>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.<br>Thailand Branch  | Thailand   | The subsidiary company of the<br>Ultimate parent company  |
| MSIG Service and Adjusting (Thailand) Co., Ltd.         | Thailand   | The subsidiary company of the<br>Ultimate parent company  |
| Calm Sea Service Co., Ltd.                              | Thailand   | The subsidiary company of the<br>Ultimate parent company  |
| MSIG Insurance (Singapore) Pte. Ltd.                    | Singapore  | The subsidiary company of the<br>Ultimate parent company  |
| MS First Capital Insurance Limited                      | Singapore  | The subsidiary company of the<br>Ultimate parent company  |
| MS Amlin Asia Pacific Pte. Ltd.                         | Singapore  | The subsidiary company of the<br>Ultimate parent company  |
| MSIG Insurance Malaysia Bhd.                            | Malaysia   | The subsidiary company of the<br>Ultimate parent company  |
| MS Frontier Reinsurance Limited,<br>Kuala Lumpur Office | Malaysia   | The subsidiary company of the<br>Ultimate parent company  |
| MSIG Insurance (Hong Kong) Limited                      | Hong Kong  | The subsidiary company of the<br>Ultimate parent company  |
| MS Amlin Underwriting Limited                           | United<br>Kingdom                                    | The subsidiary company of the<br>Ultimate parent company  |
| MS Amlin Insurance SE                                   | United<br>Kingdom                                    | The subsidiary company of the<br>Ultimate parent company  |
| Amlin Bermuda Limited                                   | Bermuda  | The subsidiary company of the<br>Ultimate parent company  |
| MSIG Insurance (Vietnam) Co., Ltd.                      | Vietnam  | The subsidiary company of the<br>Ultimate parent company  |
| MSIG Insurance Europe AG (France)                       | France   | The subsidiary company of the<br>Ultimate parent company  |

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

| <b>Transactions</b>                                     | <b>Pricing policies</b>   |
|---|---|
| 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                      | 2023          |
|---|---------------------------|---------------|
|   | <i>(in thousand Baht)</i> |               |
| <b>Revenues</b>   |                           |               |
| <b>Major shareholders</b>                               |                           |               |
| Commission and brokerage income                         | 7,336                     | 6,059         |
| <b>Other related parties</b>                            |                           |               |
| Commission and brokerage income                         | 15,283                    | 13,674        |
| Service income  | 10,815                    | 10,565        |
| <b>Expenses</b>   |                           |               |
| <b>Major shareholders</b>                               |                           |               |
| 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         |
| <b>Other related parties</b>                            |                           |               |
| 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        |
| <b>Key management and director compensation</b>         |                           |               |
| Directors' remuneration                                 | 4,100                     | 3,620         |
| Short-term benefits                                     | 60,602                    | 58,924        |
| Post-employment benefit                                 | 17,431                    | 10,370        |
| <b>Total</b>  | <b>82,133</b>             | <b>72,914</b> |

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

# MSIG Insurance (Thailand) Public Company Limited

## Notes to the financial statements

For the year ended 31 December 2024

### 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> |                  |                      |                  |
| <b>Loss reserves and outstanding claims</b> |                           |                  |                      |                  |
| <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          |
| <b>Total</b>                                | <b>1,478,582</b>          | <b>1,137,432</b> | <b>1,350,472</b>     | <b>1,129,547</b> |
| <b>Unearned premium reserves</b>            |                           |                  |                      |                  |
| <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          |
| <b>Total</b>                                | <b>2,754,950</b>          | <b>2,255,411</b> | <b>2,482,385</b>     | <b>2,124,073</b> |

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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 |
|                         |                        | (decrease) in liabilities          | (decrease) in profit and equity          |
|                         |                        | (in thousand Baht)                 | (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<br>interest<br>rate | Fixed<br>interest<br>rate | Non-<br>interest<br>bearing | Total            | Floating<br>interest<br>rate | Fixed<br>interest<br>rate | Non-<br>interest<br>bearing | Total            |
|  | <i>(in thousand Baht)</i>    |                           |                             |                  |                              |                           |                             |                  |
| <b>Financial assets</b>                                  |                              |                           |                             |                  |                              |                           |                             |                  |
| 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          |
| <b>Total financial assets</b>                            | <b>244,718</b>               | <b>4,261,417</b>          | <b>154,297</b>              | <b>4,660,432</b> | <b>385,615</b>               | <b>3,705,809</b>          | <b>164,182</b>              | <b>4,255,606</b> |

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<br>interest<br>rate<br><i>(% per annum)</i> |
|--|------------------|--|------------------|------------------|---|
|  | Within 1<br>year | Over<br>1 - 5 years<br><i>(in thousand Baht)</i> | Over 5 years     | Total            |   |
| <b>2024</b>  |                  |  |                  |                  |   |
| <b>Financial assets</b>                                      |                  |  |                  |                  |   |
| 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  |
| <b>Total financial assets</b>                                | <b>559,830</b>   | <b>2,203,875</b>                                 | <b>1,497,712</b> | <b>4,261,417</b> |   |

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|  | Maturity period |  |                |                  | Average interest rate<br>(% per annum) |
|--|-----------------|--|----------------|------------------|--|
|  | Within 1 year   | Over 1 - 5 years<br>(in thousand Baht) | Over 5 years   | Total            |  |
| <b>2023</b>  |                 |  |                |                  |  |
| <b>Financial assets</b>                                      |                 |  |                |                  |  |
| 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                                   |
| <b>Total financial assets</b>                                | <b>596,839</b>  | <b>2,124,704</b>                       | <b>984,266</b> | <b>3,705,809</b> |  |

*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)<br>+ 25 basis point | - 25 basis point | Other components of shareholders' equity<br>+ 25 basis point | - 25 basis point |
|             | (in thousand Baht)                    |                  |  |                  |
| Yield curve | -                                     | -                | (43,732)   | 44,556           |
|             | 2023                                  |                  |  |                  |
|             | Net profit (loss)<br>+ 25 basis point | - 25 basis point | Other components of shareholders' equity<br>+ 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) |               |
| <b>Assets denominated in the foreign currency</b>      |      |                    |               |
| Deposits at banks - Singapore Dollars                  |      | 13,502             | 10,831        |
| Deposits at banks - Japanese Yens                      |      | 1,821              | 4,874         |
| Deposits at banks - US Dollars                         |      | 694                | -             |
| <b>Total</b>   |      | <b>16,017</b>      | <b>15,705</b> |
| <b>Liabilities denominated in the foreign currency</b> |      |                    |               |
| Payables to related parties - Singapore Dollars        | 23   | 6,337              | 15,242        |
| Payables to related parties - Japanese Yens            | 23   | 2,877              | 3,339         |
| <b>Total</b>   |      | <b>9,214</b>       | <b>18,581</b> |

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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)<br>1% increase | Net profit (loss)<br>1% decrease | Other components of shareholders' equity<br>1% increase | Other components of shareholders' equity<br>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<br><i>(in thousand Baht)</i> |         |         | Total     |
|---|---|---------|---------|-----------|
|   | Stage 1                                       | Stage 2 | Stage 3 |           |
| <b><i>Investments measured at fair value<br/>through other comprehensive income</i></b> |   |         |         |           |
| <b>Government debts securities</b>  |   |         |         |           |
| Non-rated   | 3,064,764                                     | -       | -       | 3,064,764 |
| <b>State enterprise debt securities</b>   |   |         |         |           |
| Rated A and above   | 81,763  | -       | -       | 81,763    |

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



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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<br>years<br>(in thousand Baht) | Total     |
|---|-----------|---|-----------|
| <b>31 December 2024</b>                   |           |   |           |
| <b>Insurance contract liabilities</b>     |           |   |           |
| Loss reserves and outstanding claims, net | 1,052,323 | 85,109                                  | 1,137,432 |
| <b>31 December 2023</b>                   |           |   |           |
| <b>Insurance contract liabilities</b>     |           |   |           |
| 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> | <b>Carrying<br/>amount</b> | Level 1        | <b>Fair value</b>         |          | Total            |
|----------------------------|-------------|----------------------------|----------------|---------------------------|----------|------------------|
|                            |             |                            |                | Level 2                   | Level 3  |                  |
|                            |             |                            |                | <i>(in thousand Baht)</i> |          |                  |
| <b>Financial assets</b>    |             |                            |                |                           |          |                  |
| 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           |
| <b>Total</b>               |             | <b>4,114,871</b>           | <b>105,239</b> | <b>4,009,632</b>          | <b>-</b> | <b>4,114,871</b> |
| <b>At 31 December 2023</b> |             |                            |                |                           |          |                  |
| <b>Financial assets</b>    |             |                            |                |                           |          |                  |
| 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           |
| <b>Total</b>               |             | <b>3,579,150</b>           | <b>118,639</b> | <b>3,460,511</b>          | <b>-</b> | <b>3,579,150</b> |

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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        |
| <b>Total</b>          | <b>15,453</b> | <b>15,000</b>      | <b>15,302</b> | <b>15,000</b> |

- 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        |
| <b>Total</b>                          | <b>548,854</b> | <b>543,000</b>     | <b>570,486</b> | <b>568,000</b> |

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**26 Restricted and collateral assets**

|   | 2024                      | 2023       |
|---|---------------------------|------------|
|   | <i>(in thousand Baht)</i> |            |
| <b>Deposit at bank - time deposit</b>                 |                           |            |
| 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>         |
| <b>At 31 December</b>    | <b><u>157,655</u></b>     | <b><u>133,353</u></b> |

**28 Commitments with non - related parties**

*Commitments under office rental and service agreements*

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

**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:

| <b>TFRS</b> | <b>Topic</b>                       |
|-------------|------------------------------------|
| 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.