

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

Condensed interim financial statements  
for the three-month period ended  
31 March 2023  
and  
Independent auditor's review report



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## Independent auditor's report on review of interim financial information

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

I have reviewed the accompanying statement of financial position of MSIG Insurance (Thailand) Public Company Limited as at 31 March 2023; the statement of comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 2023, and the condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

#### *Scope of Review*

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

#### *Conclusion*

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

(Pantip Gulsantithamrong)  
Certified Public Accountant  
Registration No. 4208

KPMG Phoomchai Audit Ltd.  
Bangkok  
12 May 2023

# MSIG Insurance (Thailand) Public Company Limited

## Statement of financial position

| Assets                       | Note      | 31 March                  | 31 December      |
|------------------------------|-----------|---------------------------|------------------|
|                              |           | 2023                      | 2022             |
|                              |           | (Unaudited)               |                  |
|                              |           | <i>(in thousand Baht)</i> |                  |
| Cash and cash equivalents    | 3, 14     | 237,289                   | 236,303          |
| Premiums due and uncollected | 4         | 732,316                   | 646,366          |
| Accrued investment income    |           | 23,069                    | 9,786            |
| Reinsurance assets           | 7, 11     | 476,449                   | 372,933          |
| Reinsurance receivables      | 5         | 119,759                   | 88,213           |
| Investments assets           |           |                           |                  |
| Investments in securities    | 6, 12, 13 | 3,932,939                 | 3,796,893        |
| Premises and equipment       |           | 260,199                   | 264,689          |
| Right-of-use assets          |           | 11,930                    | 14,291           |
| Intangible assets            |           | 36,233                    | 30,053           |
| Deferred acquisition costs   |           | 749,364                   | 664,478          |
| Deferred tax assets          |           | 466,534                   | 446,440          |
| Other assets                 | 11        | 199,173                   | 68,542           |
| <b>Total assets</b>          |           | <b>7,245,254</b>          | <b>6,638,987</b> |






Mr. Anop Phorndhiti

Mr. Rattapol Gitisakchaiyakul

The accompanying notes are an integral part of these interim financial statements.

# MSIG Insurance (Thailand) Public Company Limited

## Statement of financial position

|   |             | 31 March<br>2023<br>(Unaudited) | 31 December<br>2022 |
|---|-------------|---------------------------------|---------------------|
| <b>Liabilities and equity</b>                                       | <i>Note</i> |                                 |                     |
|   |             | <i>(in thousand Baht)</i>       |                     |
| <b><i>Liabilities</i></b>   |             |                                 |                     |
| Insurance contract liabilities                                      | 7           | 3,993,719                       | 3,754,550           |
| Reinsurance payables  | 8, 11       | 421,603                         | 291,821             |
| Income tax payable  |             | 55,139                          | 19,800              |
| Employee benefit obligations  |             | 292,935                         | 293,974             |
| Lease liabilities   |             | 11,361                          | 12,985              |
| Other liabilities   | 11          | 560,970                         | 430,444             |
| <b>Total liabilities</b>  |             | <b>5,335,727</b>                | <b>4,803,574</b>    |
| <b><i>Equity</i></b>  |             |                                 |                     |
| Share capital   |             |                                 |                     |
| Authorized share capital  |             | 142,666                         | 142,666             |
| <i>(1,426,662 ordinary shares, par value at Baht 100 per share)</i> |             |                                 |                     |
| Issued and paid-up share capital                                    |             | 142,666                         | 142,666             |
| <i>(1,426,662 ordinary shares, par value at Baht 100 per share)</i> |             |                                 |                     |
| Share premium on ordinary shares                                    |             | 146,069                         | 146,069             |
| Retained earnings   |             |                                 |                     |
| Appropriated  |             |                                 |                     |
| Legal reserve   |             | 14,266                          | 14,266              |
| Unappropriated  |             | 1,621,396                       | 1,542,899           |
| Other components of shareholders' equity                            |             | (14,870)                        | (10,487)            |
| <b>Total equity</b>   |             | <b>1,909,527</b>                | <b>1,835,413</b>    |
| <b>Total liabilities and equity</b>                                 |             | <b>7,245,254</b>                | <b>6,638,987</b>    |

The accompanying notes are an integral part of these interim financial statements.

# MSIG Insurance (Thailand) Public Company Limited

## Statement of comprehensive income (Unaudited)

|   |      | Three-month period ended<br>31 March |                       |
|---|------|--------------------------------------|-----------------------|
|   | Note | 2023                                 | 2022                  |
|   |      | (in thousand Baht)                   |                       |
| <b>Revenues</b>   |      |                                      |                       |
| Gross premiums written  |      | 1,290,536                            | 1,218,847             |
| Less premiums ceded   | 11   | <u>(223,137)</u>                     | <u>(204,941)</u>      |
| Net premiums written  |      | 1,067,399                            | 1,013,906             |
| Unearned premium reserve increased from previous period                             |      | (185,519)                            | (202,741)             |
| Add reinsurers' share of unearned premium reserve increased from<br>previous period |      | <u>51,495</u>                        | <u>45,332</u>         |
| Net premium earned  |      | 933,375                              | 856,497               |
| Commission and brokerage income   | 11   | 32,493                               | 53,994                |
| Net investment income   |      | 15,455                               | 9,768                 |
| Gain (loss) on investments  |      | (1,238)                              | 828                   |
| Other income  | 11   | <u>2,964</u>                         | <u>3,463</u>          |
| <b>Total revenues</b>   |      | <u><b>983,049</b></u>                | <u><b>924,550</b></u> |
| <b>Expenses</b>   |      |                                      |                       |
| Insurance claim expenses  |      | 547,175                              | 642,002               |
| Less insurance claims expenses recovered from reinsurers                            | 11   | <u>(75,606)</u>                      | <u>(149,804)</u>      |
| Net insurance claims expenses   |      | 471,569                              | 492,198               |
| Commission and brokerage expenses   | 11   | 86,314                               | 116,333               |
| Other underwriting expenses   |      | 201,560                              | 159,847               |
| Operating expenses  | 11   | 124,175                              | 107,094               |
| Other expenses  |      | 1,896                                | 2,347                 |
| Expected credit loss  | 10   | <u>5</u>                             | <u>3</u>              |
| <b>Total expenses</b>   |      | <u><b>885,519</b></u>                | <u><b>877,822</b></u> |
| <b>Profit before income tax</b>   |      | <u><b>97,530</b></u>                 | <u><b>46,728</b></u>  |
| Income tax expense  | 9    | <u>19,033</u>                        | <u>7,843</u>          |
| <b>Net profit</b>   |      | <u><b>78,497</b></u>                 | <u><b>38,885</b></u>  |

The accompanying notes are an integral part of these interim financial statements.



# MSIG Insurance (Thailand) Public Company Limited

## Statement of comprehensive income (Unaudited)

|   | Three-month period ended<br>31 March |                 |
|---|--------------------------------------|-----------------|
|   | 2023                                 | 2022            |
|   | <i>(in thousand Baht)</i>            |                 |
| <b>Other comprehensive income</b>   |                                      |                 |
| <i>Components of other comprehensive income (loss) that will be reclassified subsequently to profit or loss</i>                     |                                      |                 |
| Loss on remeasurement of investments - fair value through other comprehensive income (loss)   | (5,479)                              | (22,380)        |
| Income tax relating to components of other comprehensive income that will be reclassified subsequently to profit or loss            | 1,096                                | 4,476           |
| <b>Total components of other comprehensive income (loss) that will be reclassified subsequently to profit or loss</b>               | <b>(4,383)</b>                       | <b>(17,904)</b> |
| <i>Components of other comprehensive income (loss) that will not be reclassified to profit or loss</i>                              |                                      |                 |
| Actuarial gain on defined benefit plan  | -                                    | 6,162           |
| Income tax relating to components of other comprehensive income (loss) that will not be reclassified subsequently to profit or loss | -                                    | (1,233)         |
| <b>Total components of other comprehensive income (loss) that will not be reclassified to profit or loss</b>                        | <b>-</b>                             | <b>4,929</b>    |
| <b>Other comprehensive loss for the period, net of income tax</b>   | <b>(4,383)</b>                       | <b>(12,975)</b> |
| <b>Total comprehensive income for the period</b>  | <b>74,114</b>                        | <b>25,910</b>   |
| <b>Basic earnings per share <i>(in Baht)</i></b>  | <b>55.02</b>                         | <b>27.26</b>    |

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# MSIG Insurance (Thailand) Public Company Limited

## Statement of changes in equity (Unaudited)

|   |  |   | Retained earnings |                  | Other components<br>of equity  |                  |
|---|--|---|-------------------|------------------|--|------------------|
|   | Issued and<br>paid-up<br>share capital | Share<br>premium on<br>ordinary<br>shares | Legal<br>reserve  | Unappropriated   | Gain (loss) on<br>investments measured<br>at fair value through<br>other comprehensive<br>income | Total<br>equity  |
|   | <i>(in thousand Baht)</i>              |   |                   |                  |  |                  |
| <b>Three-month period ended 31 March 2022</b>           |  |   |                   |                  |  |                  |
| <b>Balance at 1 January 2022</b>                        | <b>142,666</b>                         | <b>146,069</b>                            | <b>14,266</b>     | <b>1,538,012</b> | <b>14,202</b>  | <b>1,855,215</b> |
| <b>Comprehensive income (loss) for the period</b>       |  |   |                   |                  |  |                  |
| Net profit  | -                                      | -   | -                 | 38,885           | -  | 38,885           |
| Other comprehensive income (loss)                       | -                                      | -   | -                 | 4,929            | (17,904)   | (12,975)         |
| <b>Total comprehensive income (loss) for the period</b> | <b>-</b>                               | <b>-</b>                                  | <b>-</b>          | <b>43,814</b>    | <b>(17,904)</b>  | <b>25,910</b>    |
| <b>Balance at 31 March 2022</b>                         | <b>142,666</b>                         | <b>146,069</b>                            | <b>14,266</b>     | <b>1,581,826</b> | <b>(3,702)</b>   | <b>1,881,125</b> |

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# MSIG Insurance (Thailand) Public Company Limited

## Statement of changes in equity (Unaudited)

|   |  |   | Retained earnings |                  | Other components<br>of equity  |                  |
|---|--|---|-------------------|------------------|--|------------------|
|   | Issued and<br>paid-up<br>share capital | Share<br>premium on<br>ordinary<br>shares | Legal<br>reserve  | Unappropriated   | Gain (loss) on<br>investments measured<br>at fair value through<br>other comprehensive<br>income | Total<br>equity  |
|   | <i>(in thousand Baht)</i>              |   |                   |                  |  |                  |
| <b>Three-month period ended 31 March 2023</b>           |  |   |                   |                  |  |                  |
| <b>Balance at 1 January 2023</b>                        | <b>142,666</b>                         | <b>146,069</b>                            | <b>14,266</b>     | <b>1,542,899</b> | <b>(10,487)</b>  | <b>1,835,413</b> |
| <b>Comprehensive income (loss) for the period</b>       |  |   |                   |                  |  |                  |
| Net profit  | -                                      | -   | -                 | 78,497           | -  | 78,497           |
| Other comprehensive income (loss)                       | -                                      | -   | -                 | -                | (4,383)  | (4,383)          |
| <b>Total comprehensive income (loss) for the period</b> | <b>-</b>                               | <b>-</b>                                  | <b>-</b>          | <b>78,497</b>    | <b>(4,383)</b>   | <b>74,114</b>    |
| <b>Balance at 31 March 2023</b>                         | <b>142,666</b>                         | <b>146,069</b>                            | <b>14,266</b>     | <b>1,621,396</b> | <b>(14,870)</b>  | <b>1,909,527</b> |

The accompanying notes are an integral part of these interim financial statements.



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

|  |      | Three-month period ended |                |
|--|------|--------------------------|----------------|
|  |      | 31 March                 |                |
|  | Note | 2023                     | 2022           |
|  |      | (in thousand Baht)       |                |
| <b>Cash flows from operating activities</b>            |      |                          |                |
| Premium received                                       |      | 1,196,778                | 1,087,208      |
| Cash paid to reinsurers                                |      | (47,624)                 | (67,715)       |
| Interest received                                      |      | 1,044                    | 628            |
| Dividend received                                      |      | 286                      | 727            |
| Other income   |      | 1,068                    | 1,639          |
| Insurance claims expenses                              |      | (454,209)                | (426,036)      |
| Commission and brokerage expenses                      |      | (169,650)                | (156,077)      |
| Other underwriting expenses                            |      | (146,929)                | (137,570)      |
| Operating expenses                                     |      | (221,103)                | (166,602)      |
| Income tax paid  |      | (2,692)                  | (4,702)        |
| Cash received - financial assets                       |      | 324,888                  | 203,261        |
| Cash payment - financial assets                        |      | (466,815)                | (313,487)      |
| <b>Net cash flows provided by operating activities</b> |      | <b>15,042</b>            | <b>21,274</b>  |
| <b>Cash flows from investing activities</b>            |      |                          |                |
| <b>Cash flows provided by</b>                          |      |                          |                |
| Proceeds from sale of equipment                        |      | -                        | 17             |
| <b>Cash flows provided by investing activities</b>     |      | <b>-</b>                 | <b>17</b>      |
| <b>Cash flows used in</b>                              |      |                          |                |
| Purchase of building improvement and equipment         |      | (3,809)                  | (9,263)        |
| Purchase of intangible assets                          |      | (8,573)                  | (560)          |
| <b>Cash flows used in investing activities</b>         |      | <b>(12,382)</b>          | <b>(9,823)</b> |
| <b>Net cash flows used in investing activities</b>     |      | <b>(12,382)</b>          | <b>(9,806)</b> |
| <b>Cash flows from financing activities</b>            |      |                          |                |
| Payment of lease liabilities                           |      | (1,501)                  | (2,006)        |
| Interest paid  |      | (173)                    | (149)          |
| <b>Net cash flows used in financing activities</b>     |      | <b>(1,674)</b>           | <b>(2,155)</b> |
| <b>Net increase in cash and cash equivalents</b>       |      | <b>986</b>               | <b>9,313</b>   |
| Cash and cash equivalents at beginning of period       |      | 236,303                  | 239,366        |
| <b>Cash and cash equivalents at ending of period</b>   | 3    | <b>237,289</b>           | <b>248,679</b> |

The accompanying notes are an integral part of these interim financial statements.

**MSIG Insurance (Thailand) Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2023 (Unaudited)**

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

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements and were approved and authorised for issue by the Company's Board of Directors on 12 May 2023.

**1 General information**

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

**2 Basis of preparation of the interim financial statements**

The condensed interim financial statements are presented in the same format as the annual financial statements and prepared its notes to the interim financial statements on a condensed basis ("interim financial statements") in accordance with Thai Accounting Standard (TAS) No. 34 *Interim Financial Reporting*, guidelines promulgated by the Federation of Accounting Professions. In addition, the interim financial statements are prepared in accordance with the Notification of the Office of Insurance Commission regarding "Rules Procedures Conditions and Timing Period for Preparation and Submission of the Financial Statements of Non-Life insurance Companies" B.E. 2566, dated 8 February 2023 which was applicable for the financial reporting period starting from 1 January 2023. The interim financial statements focus on new activities, events, and circumstances to avoid repetition of information previously reported in annual financial statements. Accordingly, these interim financial statements should be read in conjunction with the financial statements of the Company for the year ended 31 December 2022.

In preparing these interim financial statements, judgements and estimates are made by management in applying the Company's accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2022.

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

**3 Cash and cash equivalents**

|                                   | 31 March<br>2023   | 31 December<br>2022 |
|-----------------------------------|--------------------|---------------------|
|                                   | (in thousand Baht) |                     |
| Cash on hand                      | 30                 | 30                  |
| Deposits at banks - call deposits | 237,259            | 236,273             |
| <b>Total</b>                      | <b>237,289</b>     | <b>236,303</b>      |

**MSIG Insurance (Thailand) Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2023 (Unaudited)**

**4 Premiums due and uncollected**

As at 31 March 2023 and 31 December 2022, premiums due and uncollected by aging were as follows:

|   | 31 March<br>2023          | 31 December<br>2022 |
|---|---------------------------|---------------------|
|   | <i>(in thousand Baht)</i> |                     |
| Within credit terms                               | 546,568                   | 543,747             |
| Overdue:  |                           |                     |
| Not over than 30 days                             | 77,894                    | 54,043              |
| 31 - 60 days                                      | 88,857                    | 36,857              |
| 61 - 90 days                                      | 13,633                    | 12,296              |
| 91 days - 1 year                                  | 7,719                     | 6,363               |
| Over 1 year                                       | 5,573                     | 4,560               |
| Total   | 740,244                   | 657,866             |
| Less allowance for doubtful accounts              | (7,928)                   | (11,500)            |
| Net   | <u>732,316</u>            | <u>646,366</u>      |
|   | 31 March<br>2023          | 31 March<br>2022    |
|   | <i>(in thousand Baht)</i> |                     |
| Doubtful accounts (reversal) for the period ended | <u>(3,572)</u>            | <u>226</u>          |

The normal credit term of insured and agents and brokers granted by the Company is not over 60 days.

For premiums due and uncollected from agents and brokers, the Company has established collection guidelines in accordance with the regulatory requirement for premium collection. For overdue premium receivables, the Company closely follows up or pursues legal proceedings against such agents and brokers.

**5 Reinsurance receivables**

|                     | 31 March<br>2023          | 31 December<br>2022 |
|---------------------|---------------------------|---------------------|
|                     | <i>(in thousand Baht)</i> |                     |
| Due from reinsurers | <u>119,759</u>            | <u>88,213</u>       |



**MSIG Insurance (Thailand) Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2023 (Unaudited)**

**6 Investments in securities**

**6.1 Investment in securities by measurement are as follows:**

|   | 31 March 2023               |                                     | 31 December 2022            |                  |
|---|-----------------------------|-------------------------------------|-----------------------------|------------------|
|   | Cost /<br>Amortised<br>cost | Fair<br>value<br>(in thousand Baht) | Cost /<br>Amortised<br>cost | Fair<br>value    |
| <i>Investment measured at fair value<br/>through other comprehensive income</i>       |                             |                                     |                             |                  |
| Government and state<br>enterprise debt securities                                    | 2,655,974                   | 2,637,547                           | 2,545,211                   | 2,525,919        |
| Private debt securities   | 847,758                     | 837,614                             | 848,446                     | 837,314          |
| Equity securities   | 169,450                     | 177,069                             | 187,995                     | 202,951          |
| Total   | 3,673,182                   | 3,652,230                           | 3,581,652                   | 3,566,184        |
| Less unrealised losses  | (20,782)                    | -                                   | (15,298)                    | -                |
| Less allowance for impairment   | (170)                       | -                                   | (170)                       | -                |
| <b>Total investment measured at fair value<br/>through other comprehensive income</b> | <b>3,652,230</b>            | <b>3,652,230</b>                    | <b>3,566,184</b>            | <b>3,566,184</b> |
| Allowance for impairment loss   | 2,067                       | -                                   | 2,067                       | -                |
| Allowance for expected credit loss  | 128                         | -                                   | 123                         | -                |
| <i>Investment measured at amortised cost</i>  |                             |                                     |                             |                  |
| Deposits at banks with original<br>maturities over 3 months                           | 280,709                     | 280,709                             | 230,709                     | 230,709          |
| <b>Total investment measured at amortised<br/>Cost</b>                                | <b>280,709</b>              | <b>280,709</b>                      | <b>230,709</b>              | <b>230,709</b>   |
| <b>Total investment in securities</b>   | <b>3,932,939</b>            | <b>3,932,939</b>                    | <b>3,796,893</b>            | <b>3,796,893</b> |

**6.2 Investment measured at fair value through other comprehensive income**

|   | 31 March 2023    |  | 31 December 2022 |  |
|---|------------------|--|------------------|--|
|   | Fair<br>value    | Allowance<br>for expected<br>credit loss /<br>Allowance for<br>impairment loss<br>(in thousand Baht) | Fair<br>value    | Allowance<br>for expected<br>credit loss /<br>Allowance for<br>impairment loss |
| Debt securities - no significant increase<br>in credit risk (stage 1) | 3,475,161        | 128  | 3,363,233        | 123  |
| Equity securities   | 177,069          | 2,237  | 202,951          | 2,237  |
| <b>Total</b>  | <b>3,652,230</b> | <b>2,365</b>   | <b>3,566,184</b> | <b>2,360</b>   |

**MSIG Insurance (Thailand) Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2023 (Unaudited)**

**6.3 Investment measured at amortised cost**

|   | Book<br>value  | 31 March 2023<br>Allowance<br>for expected<br>credit loss<br>(in thousand Baht) | Net book<br>value |
|---|----------------|---|-------------------|
| Debt securities - no significant<br>increase in credit risk (stage 1) | 280,709        | -   | 280,709           |
| <b>Total</b>  | <b>280,709</b> | <b>-</b>  | <b>280,709</b>    |

  

|   | Book<br>value  | 31 December 2022<br>Allowance<br>for expected<br>credit loss<br>(in thousand Baht) | Net book<br>value |
|---|----------------|--|-------------------|
| Debt securities - no significant<br>increase in credit risk (stage 1) | 230,709        | -  | 230,709           |
| <b>Total</b>  | <b>230,709</b> | <b>-</b>   | <b>230,709</b>    |



**MSIG Insurance (Thailand) Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2023 (Unaudited)**

**7 Insurance contract liabilities**

|   | 31 March 2023                                  |                                  |                           | 31 December 2022                               |                                  |                  |
|---|--|----------------------------------|---------------------------|--|----------------------------------|------------------|
|   | Liabilities<br>under<br>insurance<br>contracts | Reinsurers'<br>share liabilities | Net<br>(in thousand Baht) | 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   | 1,284,966                                      | (202,608)                        | 1,082,358                 | 1,220,633                                      | (150,238)                        | 1,070,395        |
| - Incurred but not reported                                   | 125,528  | (26,198)                         | 99,330                    | 136,211  | (26,547)                         | 109,664          |
| Total loss reserves and outstanding claims                    | 1,410,494                                      | (228,806)                        | 1,181,688                 | 1,356,844                                      | (176,785)                        | 1,180,059        |
| Unearned premium reserves                                     | 2,583,225                                      | (247,643)                        | 2,335,582                 | 2,397,706                                      | (196,148)                        | 2,201,558        |
| <b>Total</b>  | <b>3,993,719</b>                               | <b>(476,449)</b>                 | <b>3,517,270</b>          | <b>3,754,550</b>                               | <b>(372,933)</b>                 | <b>3,381,617</b> |
| <b>7.1 Loss reserves and outstanding claims</b>               |  |                                  |                           |  |                                  |                  |
| At 1 January  | 1,356,844                                      | (176,785)                        | 1,180,059                 | 1,158,036                                      | (189,504)                        | 968,532          |
| Insurance claim expenses incurred during<br>the period / year | 525,900  | (75,955)                         | 449,945                   | 2,148,991                                      | (262,505)                        | 1,886,486        |
| Insurance claim expenses paid during<br>the period / year     | (461,567)                                      | 23,585                           | (437,982)                 | (1,956,405)                                    | 275,742                          | (1,680,663)      |
| Change in estimation and assumption                           | (10,683)                                       | 349                              | (10,334)                  | 6,222  | (518)                            | 5,704            |
| <b>At 31 March 2023 / 31 December 2022</b>                    | <b>1,410,494</b>                               | <b>(228,806)</b>                 | <b>1,181,688</b>          | <b>1,356,844</b>                               | <b>(176,785)</b>                 | <b>1,180,059</b> |
| <b>7.2 Unearned premium reserves</b>                          |  |                                  |                           |  |                                  |                  |
| At 1 January  | 2,397,706                                      | (196,148)                        | 2,201,558                 | 2,209,470                                      | (203,912)                        | 2,005,558        |
| Premium written during the period / year                      | 1,290,536                                      | (223,137)                        | 1,067,399                 | 4,652,267                                      | (748,416)                        | 3,903,851        |
| Earned premium in the period / year                           | (1,105,017)                                    | 171,642                          | (933,375)                 | (4,464,031)                                    | 756,180                          | (3,707,851)      |
| <b>At 31 March 2023 / 31 December 2022</b>                    | <b>2,583,225</b>                               | <b>(247,643)</b>                 | <b>2,335,582</b>          | <b>2,397,706</b>                               | <b>(196,148)</b>                 | <b>2,201,558</b> |

**MSIG Insurance (Thailand) Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2023 (Unaudited)**

**8 Reinsurance payables**

|                                | 31 March<br>2023          | 31 December<br>2022 |
|--------------------------------|---------------------------|---------------------|
|                                | <i>(in thousand Baht)</i> |                     |
| Amount withheld on reinsurance | 103,337                   | 88,960              |
| Due to reinsurers              | 318,266                   | 202,861             |
| <b>Total</b>                   | <b>421,603</b>            | <b>291,821</b>      |

**9 Income tax**

*Income tax recognised in profit or loss*

*For the three-month period ended 31 March*

|                                    | 2023                      | 2022         |
|------------------------------------|---------------------------|--------------|
|                                    | <i>(in thousand Baht)</i> |              |
| <i>Current tax expense</i>         |                           |              |
| Current period                     | 38,031                    | 41,513       |
| <i>Deferred tax expense</i>        |                           |              |
| Movements in temporary differences | (18,998)                  | (33,670)     |
| <b>Total</b>                       | <b>19,033</b>             | <b>7,843</b> |

*Income tax recognised in other comprehensive income*

*Deferred tax expense*

|   |              |              |
|---|--------------|--------------|
| Loss on remeasurement of investments - fair value through other comprehensive income (loss) | 1,096        | 4,476        |
| Actuarial gain on defined benefit plan  | -            | (1,233)      |
| <b>Total</b>  | <b>1,096</b> | <b>3,243</b> |

*Reconciliation of effective tax rate*

*For the three-month period ended 31 March*

|  | 2023        |                           | 2022        |                           |
|--|-------------|---------------------------|-------------|---------------------------|
|  | Rate        | <i>(in thousand Baht)</i> | Rate        | <i>(in thousand Baht)</i> |
|  | (%)         |                           | (%)         |                           |
| Profit before income tax                       |             | 97,530                    |             | 46,728                    |
| Income tax using the Thai corporation tax rate | 20.0        | 19,506                    | 20.0        | 9,346                     |
| Additional deductible expenses for tax purpose | (0.4)       | (402)                     | (0.8)       | (394)                     |
| Expenses not deductible for tax purposes       | (0.1)       | (71)                      | (2.4)       | (1,109)                   |
| <b>Total</b>                                   | <b>19.5</b> | <b>19,033</b>             | <b>16.8</b> | <b>7,843</b>              |

**MSIG Insurance (Thailand) Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2023 (Unaudited)**

**10 Expected credit loss and impairment loss**

| <i>For the three-month period ended 31 March</i>                               | 2023                      | 2022     |
|--|---------------------------|----------|
|  | <i>(in thousand Baht)</i> |          |
| <b>Expected credit loss</b>  |                           |          |
| Investment in securities   |                           |          |
| - Debt securities measured at fair value through<br>other comprehensive income | 5                         | 3        |
| <b>Total</b>   | <b>5</b>                  | <b>3</b> |

**11 Related parties**

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

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

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

Significant transactions for the three-month period ended 31 March 2023 and 2022 with key management and related parties were summarised as follows:

| <i>For the three-month period ended 31 March</i> | 2023                      | 2022  |
|--|---------------------------|-------|
|  | <i>(in thousand Baht)</i> |       |
| <b>Revenue</b>                                   |                           |       |
| <b>Other related parties</b>                     |                           |       |
| Commission and brokerage income                  | 5,997                     | 5,358 |
| Service income                                   | 2,306                     | 2,725 |



**MSIG Insurance (Thailand) Public Company Limited**  
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**For the three-month period ended 31 March 2023 (Unaudited)**

*For the three-month period ended 31 March*

|  | 2023                      | 2022          |
|--|---------------------------|---------------|
|  | <i>(in thousand Baht)</i> |               |
| <b>Expenses</b>  |                           |               |
| <b>Other related parties</b>                               |                           |               |
| Premiums ceded   | 26,453                    | 25,135        |
| Commission and brokerage expenses                          | 42                        | 13            |
| Insurance claims expenses recovered<br>from reinsurers     | 18,693                    | 20,578        |
| Marketing and management support services<br>agreement fee | 14,938                    | 1,784         |
| <b>Key management and director compensation</b>            |                           |               |
| Directors' remuneration                                    | 1,108                     | 1,094         |
| Short-term benefits  | 16,084                    | 17,358        |
| Post-employment benefit                                    | 2,639                     | 2,681         |
| <b>Total</b>   | <b>19,831</b>             | <b>21,133</b> |

Significant balances as at 31 March 2023 and 31 December 2022 with related parties were as follows:

|   | 31 March<br>2023          | 31 December<br>2022 |
|---|---------------------------|---------------------|
|   | <i>(in thousand Baht)</i> |                     |
| <b>Premiums due and uncollected</b>       |                           |                     |
| Other related parties                     | <u>287</u>                | <u>296</u>          |
| <b>Reinsurance assets</b>                 |                           |                     |
| <b>Reinsurance's share of liabilities</b> |                           |                     |
| Other related parties                     | <u>63,584</u>             | <u>38,479</u>       |
| <b>Reinsurance receivables</b>            |                           |                     |
| <b>Due from reinsurers</b>                |                           |                     |
| Other related parties                     | <u>35,909</u>             | <u>32,574</u>       |
| <b>Other assets</b>                       |                           |                     |
| <b>Other receivables</b>                  |                           |                     |
| Other related parties                     | <u>503</u>                | <u>466</u>          |
| <b>Reinsurance payables</b>               |                           |                     |
| <b>Due to reinsurers</b>                  |                           |                     |
| Other related parties                     | <u>62,935</u>             | <u>50,806</u>       |
| <b>Amount withheld on reinsurance</b>     |                           |                     |
| Other related parties                     | <u>20,750</u>             | <u>16,008</u>       |
| <b>Other liabilities</b>                  |                           |                     |
| <b>Payables to related parties</b>        |                           |                     |
| Other related parties                     | <u>14,726</u>             | <u>8,169</u>        |

**MSIG Insurance (Thailand) Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2023 (Unaudited)**

**12 Financial instruments**

**Carrying amounts and fair value**

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy for financial instruments measured at fair value. It does not include fair value information for financial assets and financial liabilities measured at amortised cost if the carrying amount is a reasonable approximation of fair value.

|  |             | Carrying<br>amount | Fair value                |                  |          |                  |
|--|-------------|--------------------|---------------------------|------------------|----------|------------------|
| <i>At 31 March 2023</i>                            | <i>Note</i> |                    | Level 1                   | Level 2          | Level 3  | Total            |
|  |             |                    | <i>(in thousand Baht)</i> |                  |          |                  |
| <i>Financial assets</i>                            |             |                    |                           |                  |          |                  |
| Investment in securities                           | 6           |                    |                           |                  |          |                  |
| Government and state<br>enterprise debt securities |             | 2,637,547          | -                         | 2,637,547        | -        | 2,637,547        |
| Private debt securities                            |             | 837,614            | -                         | 837,614          | -        | 837,614          |
| Equity securities                                  |             | 177,069            | 150,843                   | 26,226           | -        | 177,069          |
| <b>Total</b>                                       |             | <b>3,652,230</b>   | <b>150,843</b>            | <b>3,501,387</b> | <b>-</b> | <b>3,652,230</b> |
| <i>At 31 December 2022</i>                         |             |                    |                           |                  |          |                  |
| <i>Financial assets</i>                            |             |                    |                           |                  |          |                  |
| Investment in securities                           | 6           |                    |                           |                  |          |                  |
| Government and state<br>enterprise debt securities |             | 2,525,919          | -                         | 2,525,919        | -        | 2,525,919        |
| Private debt securities                            |             | 837,314            | -                         | 837,314          | -        | 837,314          |
| Equity securities                                  |             | 202,951            | 185,880                   | 17,071           | -        | 202,951          |
| <b>Total</b>                                       |             | <b>3,566,184</b>   | <b>185,880</b>            | <b>3,380,304</b> | <b>-</b> | <b>3,566,184</b> |



**MSIG Insurance (Thailand) Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2023 (Unaudited)**

*Measurement of fair values*

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

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

If the inputs used to measure the fair value of an asset or liability are categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company determines Level 1 fair values of investment in market equity which are in SET 100 by using the last bidding from the Stock Exchange of Thailand (SET) at the reporting date.

The Company determines Level 2 fair values for debt securities measured at FVOCI by reference price provided by the Thai Bond Market Association, unit trusts using net asset value (NAV) provided by asset management companies at the reporting date. For market equity which are not in SET 100, the fair value is based on last bidding price from the Stock Exchange of Thailand (SET) at the reporting date.

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

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

### 13 Securities and assets pledged with the Registrar

- 13.1 As at 31 March 2023 and 31 December 2022, the Company's investments were pledged with the Registrar in accordance with the Non-Life Insurance Act No. 2 B.E. 2551 as follows:

|                       | 31 March 2023             |               | 31 December 2022 |               |
|-----------------------|---------------------------|---------------|------------------|---------------|
|                       | Book value                | Face value    | Book value       | Face value    |
|                       | <i>(in thousand Baht)</i> |               |                  |               |
| Bank of Thailand bond | 14,927                    | 15,000        | 14,921           | 15,000        |
| <b>Total</b>          | <b>14,927</b>             | <b>15,000</b> | <b>14,921</b>    | <b>15,000</b> |

- 13.2 As at 31 March 2023 and 31 December 2022, the Company's investments in debt securities and deposit at banks were reserved with the Registrar in accordance with the Notification of the Office of Insurance Commission regarding "Rates, Rules and Procedures for unearned premium reserve of Non-life Insurance Company B.E.2557" as follows:

|                                       | 31 March 2023             |                | 31 December 2022 |                |
|---------------------------------------|---------------------------|----------------|------------------|----------------|
|                                       | Book value                | Face value     | Book value       | Face value     |
|                                       | <i>(in thousand Baht)</i> |                |                  |                |
| Government and Bank of Thailand bonds | 380,253                   | 368,000        | 381,609          | 368,000        |
| Deposit at bank - time deposit        | 200,000                   | 200,000        | 200,000          | 200,000        |
| <b>Total</b>                          | <b>580,253</b>            | <b>568,000</b> | <b>581,609</b>   | <b>568,000</b> |

**MSIG Insurance (Thailand) Public Company Limited**  
**Notes to the condensed interim financial statements**  
**For the three-month period ended 31 March 2023 (Unaudited)**

**14 Restricted and collateral assets**

|   | 31 March<br>2023<br>(in thousand Baht) | 31 December<br>2022 |
|---|--|---------------------|
| <b>Deposit at bank - time deposit</b>                 |  |                     |
| To secure bank guarantee - facilities issued by banks | <u>700</u>                             | <u>700</u>          |

**15 Commitments with non-related parties**

As at 31 March 2023 and 31 December 2022, the Company had future minimum lease payments required under these non-cancellable contracts as follows:

*Commitments under office rental and service agreements*

|                                      | 31 March<br>2023<br>(in thousand Baht) | 31 December<br>2022 |
|--------------------------------------|--|---------------------|
| <b>Operating lease commitments</b>   |  |                     |
| Within one year                      | 4,426                                  | 4,587               |
| After one year but within five years | <u>305</u>                             | <u>329</u>          |
| <b>Total</b>                         | <u><b>4,731</b></u>                    | <u><b>4,916</b></u> |

**16 Contingent liabilities**

As at 31 March 2023, lawsuits have been brought against the Company, in relation to insurance claims of Baht 215 million (*31 December 2022: Baht 211 million*) whereas the sum insured of insurance policy and reinsurance claim recoverable of Baht 233 million and Baht 5 million, respectively (*31 December 2022: Baht 239 million and Baht 5 million, respectively*). The Company's management believes that the claim reserves accounted for in the financial statements is adequate for potential losses in respect of those lawsuits.

**17 Thai Financial Reporting Standards (TFRS) not yet adopted**

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

| <b>TFRS</b> | <b>Topic</b>                       |
|-------------|------------------------------------|
| TFRS 7*     | Financial Instruments: Disclosures |
| TFRS 9*     | Financial Instruments              |
| TFRS 17     | Insurance contracts                |

\* TFRS - Financial instruments standards

*(a) TFRS - Financial instruments standards*

TFRS 9 and TFRS 7 became effective for the annual 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.



**MSIG Insurance (Thailand) Public Company Limited**  
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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 presently considering the potential impact of adopting and initially applying those TFRSs on the financial statements.

**18 Event after reporting period**

At the shareholders' annual general meeting of the Company held on 24 April 2023, the shareholders approved the appropriation of dividend of Baht 40 per share, amounting to Baht 57 million. The dividend will be paid to shareholders in May 2023

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

Mr. Anop Phorndhiti      Mr. Rattapol Gitisakchaiyakul