

MSIG Insurance (Thailand) Public Company Limited

Condensed interim financial statements
for the three-month and nine-month periods ended
30 September 2024
and
Independent auditor's review report



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Independent auditor's report on review of interim financial information

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

I have reviewed the accompanying statement of financial position of MSIG Insurance (Thailand) Public Company Limited as at 30 September 2024; the statement of comprehensive income for the three-month and nine-month periods ended 30 September 2024; changes in equity and cash flows for the nine-month period ended 30 September 2024, and the condensed notes ("interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34, "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

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

Conclusion

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

(Jedsada Leelawatanasuk)
Certified Public Accountant
Registration No. 11225

KPMG Phoomchai Audit Ltd.
Bangkok
14 November 2024

MSIG Insurance (Thailand) Public Company Limited

Statement of financial position

Assets	Note	30 September	31 December
		2024	2023
		(Unaudited)	
		(in thousand Baht)	
Cash and cash equivalents	3, 15	185,337	385,645
Premiums due and uncollected	4, 12	743,032	705,913
Accrued investment income		35,641	12,019
Reinsurance assets	7, 12	734,400	579,237
Reinsurance receivables	5, 12	306,058	197,944
Investments assets			
Investments in securities	6, 13, 14	4,335,883	3,869,961
Property and equipment		267,982	267,640
Right-of-use assets		6,001	8,347
Intangible assets		38,120	34,757
Deferred acquisition costs		620,873	619,606
Deferred tax assets		476,054	459,193
Other assets	12	71,063	61,605
Total assets		7,820,444	7,201,867



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

Mr. Arnop Phornchhiti

Mr. Rattapol Gitisakchaiyakul

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

MSIG Insurance (Thailand) Public Company Limited

Statement of financial position

		30 September 2024 (Unaudited)	31 December 2023
Liabilities and equity	<i>Note</i>		
		<i>(in thousand Baht)</i>	
Liabilities			
Insurance contract liabilities	7	4,009,817	3,832,857
Reinsurance payables	8, 12	817,820	535,447
Income tax payable		36,627	13,111
Employee benefit obligations		302,977	294,064
Lease liabilities		6,290	8,497
Other liabilities	12	509,540	541,055
Total liabilities		5,683,071	5,225,031
Equity			
Share capital			
Authorized share capital		142,666	142,666
<i>(1,426,662 ordinary shares, par value at Baht 100 per share)</i>			
Issued and paid-up share capital		142,666	142,666
<i>(1,426,662 ordinary shares, par value at Baht 100 per share)</i>			
Share premium on ordinary shares		146,069	146,069
Retained earnings			
Appropriated			
Legal reserve		14,266	14,266
Unappropriated		1,841,266	1,727,846
Other components of shareholders' equity		(6,894)	(54,011)
Total equity		2,137,373	1,976,836
Total liabilities and equity		7,820,444	7,201,867

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

MSIG Insurance (Thailand) Public Company Limited
Statement of comprehensive income (Unaudited)

	Three-month period ended	
	30 September	
	2024	2023
	<i>(in thousand Baht)</i>	
<i>Revenues</i>		
Gross premiums written	1,207,036	1,129,742
<i>Less</i> premiums ceded	(278,958)	(243,986)
Net premiums written	928,078	885,756
Unearned premium reserve increased from previous period	(54,541)	(2,837)
<i>Add</i> reinsurers' share of unearned premium reserve increased from previous period	18,388	33,640
Net premium earned	891,925	916,559
Commission and brokerage income	69,807	70,326
Net investment income	21,190	18,418
Gain on investments	2,151	260
Other income	5,248	3,929
Total revenues	990,321	1,009,492
<i>Expenses</i>		
Insurance claim expenses	527,556	466,568
<i>Less</i> insurance claims expenses recovered from reinsurers	(80,057)	(59,132)
Net insurance claims expenses	447,499	407,436
Commission and brokerage expenses	106,666	240,428
Other underwriting expenses	189,256	212,926
Operating expenses	119,631	143,341
Other expenses	1,973	1,931
Expected credit loss (reversal)	(13)	17
Total expenses	865,012	1,006,079
Profit before income tax	125,309	3,413
Income tax	24,846	305
Net profit	100,463	3,108

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

MSIG Insurance (Thailand) Public Company Limited
Statement of comprehensive income (Unaudited)

	Three-month period ended	
	30 September	
	2024	2023
	<i>(in thousand Baht)</i>	
<i>Other comprehensive income</i>		
<i>Items that will be reclassified subsequently to profit or loss</i>		
Gain (loss) on remeasurement of investments - fair value through other comprehensive income (loss)	55,684	(64,268)
Income tax relating to items that will be reclassified subsequently to profit or loss	(11,137)	12,853
Total items that will be reclassified subsequently to profit or loss	44,547	(51,415)
Total comprehensive income (loss) for the period	145,010	(48,307)
Basic earnings per share <i>(in Baht)</i>	70.42	2.18

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

MSIG Insurance (Thailand) Public Company Limited
Statement of comprehensive income (Unaudited)

		Nine-month period ended	
		30 September	
	Note	2024	2023
		(in thousand Baht)	
Revenues			
Gross premiums written		3,554,553	3,477,512
Less premiums ceded	12	(850,292)	(744,108)
Net premiums written		2,704,261	2,733,404
Unearned premium reserve increased from previous period		(135,635)	(83,154)
Add reinsurers' share of unearned premium reserve increased from previous period		110,077	145,541
Net premium earned		2,678,703	2,795,791
Commission and brokerage income	12	234,389	157,253
Net investment income		63,198	52,473
Loss on investments		(1,243)	(1,704)
Other income	12	12,658	10,715
Total revenues		2,987,705	3,014,528
Expenses			
Insurance claim expenses		1,438,020	1,523,083
Less insurance claims expenses recovered from reinsurers	12	(195,451)	(185,811)
Net insurance claims expenses		1,242,569	1,337,272
Commission and brokerage expenses	12	504,414	469,821
Other underwriting expenses		554,979	605,638
Operating expenses	12	387,842	394,050
Other expenses		5,657	5,520
Expected credit loss (reversal)	11	(54)	48
Total expenses		2,695,407	2,812,349
Profit before income tax		292,298	202,179
Income tax	9	57,612	38,165
Net profit		234,686	164,014

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

MSIG Insurance (Thailand) Public Company Limited
Statement of comprehensive income (Unaudited)

		Nine-month period ended	
		30 September	
	<i>Note</i>	2024	2023
		<i>(in thousand Baht)</i>	
<i>Other comprehensive income</i>			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Gain (loss) on remeasurement of investments - fair value through other comprehensive income (loss)		58,896	(109,171)
Income tax relating to items that will be reclassified subsequently to profit or loss	9	(11,779)	21,834
Total items that will be reclassified subsequently to profit or loss		47,117	(87,337)
Total comprehensive income for the period		281,803	76,677
Basic earnings per share <i>(in Baht)</i>		164.50	114.96

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

Statement of changes in equity (Unaudited)

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

Statement of changes in equity (Unaudited)

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

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

	Nine-month period ended 30 September	
	2024	2023
	<i>(in thousand Baht)</i>	
<i>Cash flows from operating activities</i>		
Premium received	3,507,504	3,417,363
Cash paid to reinsurers	(274,842)	(242,880)
Interest received	36,509	32,587
Dividend received	3,067	3,698
Other income	7,191	5,217
Insurance claims expenses	(1,409,938)	(1,447,380)
Commission and brokerage expenses	(523,484)	(510,786)
Other underwriting expenses	(554,974)	(576,800)
Operating expenses	(370,159)	(353,165)
Income tax paid	(62,737)	(61,429)
Cash received - financial assets	1,019,528	1,139,434
Cash payment - financial assets	(1,427,743)	(1,271,594)
Net cash flows provided by (used in) operating activities	(50,078)	134,265
<i>Cash flows from investing activities</i>		
Cash flows provided by		
Proceeds from sale of equipment	14	-
Cash provided by investing activities	14	-
Cash flows used in		
Purchase of building improvement and equipment	(16,938)	(19,429)
Purchase of intangible assets	(8,334)	(11,308)
Cash used in investing activities	(25,272)	(30,737)
Net cash flows used in investing activities	(25,258)	(30,737)
<i>Cash flows from financing activities</i>		
Payment of lease liabilities	(3,273)	(4,510)
Interest paid	(433)	(501)
Dividend paid	(121,266)	(57,067)
Net cash flows used in financing activities	(124,972)	(62,078)
Net increase (decrease) in cash and cash equivalents	(200,308)	41,450
Cash and cash equivalents at beginning of period	385,645	236,303
Cash and cash equivalents at ending of period	185,337	277,753

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

MSIG Insurance (Thailand) Public Company Limited

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2024 (Unaudited)

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

The interim financial statements issued for Thai regulatory reporting purposes are prepared in the Thai language. These English language financial statements have been prepared from the Thai language statutory financial statements and were approved and authorised for issue by the Company's Board of Directors on 14 November 2024.

1 General information

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

2 Basis of preparation of the interim financial statements

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

In preparing these interim financial statements, judgements and estimates are made by management in applying the Company's accounting policies. Actual results may differ from these estimates. The accounting policies, methods of computation and the key sources of estimation uncertainty were the same as those that described in the financial statements for the year ended 31 December 2023.

The Company has not early adopted a number of new and revised TFRS which are not yet effective for the current period in preparing these financial statements. Those new and revised TFRS that are relevant to the Company's operations are disclosed in note 18.

3 Cash and cash equivalents

	30 September 2024	31 December 2023
	<i>(in thousand Baht)</i>	
Cash on hand	30	30
Deposits at banks - call deposits	185,307	385,615
Total	185,337	385,645

MSIG Insurance (Thailand) Public Company Limited**Notes to the condensed interim financial statements****For the three-month and nine-month periods ended 30 September 2024 (Unaudited)****4 Premiums due and uncollected**

As at 30 September 2024 and 31 December 2023, premiums due and uncollected by aging were as follows:

	30 September 2024	31 December 2023
	<i>(in thousand Baht)</i>	
Within credit terms	588,118	567,178
Overdue:		
Not over than 30 days	87,308	63,810
31 - 60 days	52,781	41,711
61 - 90 days	11,041	26,545
91 days - 1 year	10,740	12,180
Over 1 year	2,884	4,930
Total	752,872	716,354
Less allowance for doubtful accounts	(9,840)	(10,441)
Net	<u>743,032</u>	<u>705,913</u>
	30 September 2024	30 September 2023
	<i>(in thousand Baht)</i>	
Doubtful accounts (reversal) for the period ended	<u>(601)</u>	<u>864</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

	30 September 2024	31 December 2023
	<i>(in thousand Baht)</i>	
Due from reinsurers	<u>306,058</u>	<u>197,944</u>

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2024 (Unaudited)

6 Investments in securities

6.1 Investment in securities by measurement are as follows:

	30 September 2024		31 December 2023	
	Cost / Amortised cost	Fair value (in thousand Baht)	Cost / Amortised cost	Fair value
<i>Investment measured at fair value through other comprehensive income</i>				
Government and state enterprise debt securities	2,988,403	2,981,020	2,597,743	2,550,043
Private debt securities	778,274	781,730	877,726	864,955
Equity securities	139,360	134,107	129,596	122,723
Unit trust	50,000	48,215	44,000	41,429
Total	3,956,037	3,945,072	3,649,065	3,579,150
Less unrealised losses	(10,795)	-	(69,745)	-
Less allowance for impairment	(170)	-	(170)	-
Total investment measured at fair value through other comprehensive income	3,945,072	3,945,072	3,579,150	3,579,150
Allowance for impairment loss	2,067	-	2,067	-
Allowance for expected credit loss	111	-	165	-
<i>Investment measured at amortised cost</i>				
Deposits at banks with original maturities over 3 months	390,811	390,811	290,811	290,811
Total investment measured at amortised Cost	390,811	390,811	290,811	290,811
Total investment in securities	4,335,883	4,335,883	3,869,961	3,869,961

6.2 Investment measured at fair value through other comprehensive income

	30 September 2024		31 December 2023	
	Fair value	Allowance for expected credit loss / Allowance for impairment loss (in thousand Baht)	Fair value	Allowance for expected credit loss / Allowance for impairment loss
Debt securities - no significant increase in credit risk (stage 1)	3,762,750	111	3,414,998	165
Equity securities	134,107	2,237	122,723	2,237
Unit trust	48,215	-	41,429	-
Total	3,945,072	2,348	3,579,150	2,402

MSIG Insurance (Thailand) Public Company Limited**Notes to the condensed interim financial statements****For the three-month and nine-month periods ended 30 September 2024 (Unaudited)****6.3 Investment measured at amortised cost**

	Book value	30 September 2024 Allowance for expected credit loss <i>(in thousand Baht)</i>	Net book value
Debt securities - no significant increase in credit risk (stage 1)	390,811	-	390,811
Total	390,811	-	390,811

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

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2024 (Unaudited)

7 Insurance contract liabilities

	30 September 2024			31 December 2023		
	Liabilities under insurance contracts	Reinsurers' share liabilities	Net <i>(in thousand Baht)</i>	Liabilities under insurance contracts	Reinsurers' share liabilities	Net
Short-term technical reserves						
Loss reserves and outstanding claims						
- Case reserves	1,212,469	(233,862)	978,607	1,199,894	(195,002)	1,004,892
- Incurred but not reported	179,328	(32,149)	147,179	150,578	(25,923)	124,655
Total loss reserves and outstanding claims	1,391,797	(266,011)	1,125,786	1,350,472	(220,925)	1,129,547
Unearned premium reserves	2,618,020	(468,389)	2,149,631	2,482,385	(358,312)	2,124,073
Total	4,009,817	(734,400)	3,275,417	3,832,857	(579,237)	3,253,620
7.1 Loss reserves and outstanding claims						
At 1 January	1,350,472	(220,925)	1,129,547	1,356,844	(176,785)	1,180,059
Insurance claim expenses incurred during the period / year	1,268,452	(189,225)	1,079,227	1,760,018	(234,847)	1,525,171
Insurance claim expenses paid during the period / year	(1,255,877)	150,365	(1,105,512)	(1,780,757)	190,083	(1,590,674)
Change in estimation and assumption	28,750	(6,226)	22,524	14,367	624	14,991
At 30 September 2024 / 31 December 2023	1,391,797	(266,011)	1,125,786	1,350,472	(220,925)	1,129,547
7.2 Unearned premium reserves						
At 1 January	2,482,385	(358,312)	2,124,073	2,397,706	(196,148)	2,201,558
Premium written during the period / year	3,554,553	(850,292)	2,704,261	4,626,491	(964,384)	3,662,107
Earned premium in the period / year	(3,418,918)	740,215	(2,678,703)	(4,541,812)	802,220	(3,739,592)
At 30 September 2024 / 31 December 2023	2,618,020	(468,389)	2,149,631	2,482,385	(358,312)	2,124,073

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2024 (Unaudited)

8 Reinsurance payables

	30 September 2024	31 December 2023
	<i>(in thousand Baht)</i>	
Amount withheld on reinsurance	270,866	153,667
Due to reinsurers	546,954	381,780
Total	817,820	535,447

9 Income tax

Income tax recognised in profit or loss

For the nine-month period ended 30 September

	2024	2023
	<i>(in thousand Baht)</i>	
<i>Current tax expense</i>		
Current period	83,629	41,200
Under provided in prior year	2,623	1,001
<i>Deferred tax expense</i>		
Movements in temporary differences	(28,640)	(4,036)
Total	57,612	38,165

Income tax recognised in other comprehensive income

Deferred tax expense

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

	(11,779)	21,834
Total	(11,779)	21,834

Reconciliation of effective tax rate

For the nine-month period ended 30 September

	2024	2023
	<i>(in</i>	<i>(in</i>
	<i>thousand</i>	<i>thousand</i>
	<i>Baht)</i>	<i>Baht)</i>
Profit before income tax	292,298	202,179
Income tax using the tax rate	20.0	20.0
Under provided in prior year	0.9	0.5
Income not subject to tax	(0.9)	(1.1)
Additional deductible expenses for tax purpose	(0.4)	(0.6)
Expenses not deductible for tax purposes	0.1	0.1
Total	19.7	18.9

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2024 (Unaudited)

10 Dividends

The dividends paid by the Company to the shareholder are as follows:

Annual dividend	Approval date	Payment schedule	Dividends per share (Baht)	Amount (in million Baht)
2024	26 April 2024	May 2024	<u>85</u>	<u>121</u>
2023	24 April 2023	May 2023	<u>40</u>	<u>57</u>

11 Expected credit loss (reversal)

For the nine-month period ended 30 September

	2024 (in thousand Baht)	2023
Expected credit loss (reversal)		
Investment in securities		
- Debt securities measured at fair value through other comprehensive income	<u>(54)</u>	<u>48</u>
Total	<u>(54)</u>	<u>48</u>

12 Related parties

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

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

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

MSIG Insurance (Thailand) Public Company Limited**Notes to the condensed interim financial statements****For the three-month and nine-month periods ended 30 September 2024 (Unaudited)**

Significant transactions for the nine-month period ended 30 September 2024 and 2023 with key management and related parties were summarised as follows:

<i>For the nine-month period ended 30 September</i>	2024 (in thousand Baht)	2023
Revenue		
Other related parties		
Commission and brokerage income	16,677	15,259
Service income	8,208	7,236
Expenses		
Other related parties		
Premiums ceded	86,873	82,798
Commission and brokerage expense	64	109
Insurance claims expenses recovered from reinsurers	8,295	32,121
Marketing and management support services agreement fee	47,772	43,536
Key management and director compensation		
Directors' remuneration	2,993	2,693
Short-term benefits	48,254	47,116
Post-employment benefit	7,450	7,786
Total	58,697	57,595
Dividends		
Major shareholders		
Dividend paid	104,798	49,317

Significant balances as at 30 September 2024 and 31 December 2023 with related parties were as follows:

	30 September 2024 (in thousand Baht)	31 December 2023
Premiums due and uncollected		
Other related parties	<u>122</u>	<u>219</u>
Reinsurance assets		
Reinsurance's share of liabilities		
Other related parties	<u>62,601</u>	<u>49,003</u>
Reinsurance receivables		
Due from reinsurers		
Other related parties	<u>37,456</u>	<u>28,513</u>
Other assets		
Other receivables		
Other related parties	<u>842</u>	<u>1,690</u>
Reinsurance payables		
Due to reinsurers		
Other related parties	<u>77,273</u>	<u>60,324</u>

MSIG Insurance (Thailand) Public Company Limited

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2024 (Unaudited)

	30 September 2024	31 December 2023
	(in thousand Baht)	
<i>Amount withheld on reinsurance</i>		
Other related parties	<u>21,661</u>	<u>18,651</u>
<i>Other liabilities</i>		
Payables to related parties		
Other related parties	<u>30,853</u>	<u>18,775</u>

13 Financial instruments

Carrying amounts and fair value

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

		Carrying amount	Fair value			
<i>At 30 September 2024</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 enterprise debt securities		2,981,020	-	2,981,020	-	2,981,020
Private debt securities		781,730	-	781,730	-	781,730
Equity securities		134,107	128,746	5,361	-	134,107
Unit trusts		48,215	-	48,215	-	48,215
Total		<u>3,945,072</u>	<u>128,746</u>	<u>3,816,326</u>	<u>-</u>	<u>3,945,072</u>
<i>At 31 December 2023</i>						
<i>Financial assets</i>						
Investment in securities	6					
Government and state enterprise debt securities		2,550,043	-	2,550,043	-	2,550,043
Private debt securities		864,955	-	864,955	-	864,955
Equity securities		122,723	118,639	4,084	-	122,723
Unit trusts		41,429	-	41,429	-	41,429
Total		<u>3,579,150</u>	<u>118,639</u>	<u>3,460,511</u>	<u>-</u>	<u>3,579,150</u>

Measurement of fair values

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

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

MSIG Insurance (Thailand) Public Company Limited

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2024 (Unaudited)

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

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

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

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

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

14 Securities and assets pledged with the Registrar

- 14.1 As at 30 September 2024 and 31 December 2023, the Company's investments were pledged with the Registrar in accordance with the Non-Life Insurance Act No. 2 B.E. 2551 as follows:

	30 September 2024		31 December 2023	
	Book value	Face value	Book value	Face value
		(in thousand Baht)		
Bank of Thailand bond	15,407	15,000	15,302	15,000
Total	15,407	15,000	15,302	15,000

- 14.2 As at 30 September 2024 and 31 December 2023, the Company's investments in debt securities and deposit at banks were reserved with the Registrar in accordance with the Notification of the Office of Insurance Commission regarding "Rates, Rules and Procedures for unearned premium reserve of Non-life Insurance Company B.E.2557" as follows:

	30 September 2024		31 December 2023	
	Book value	Face value	Book value	Face value
		(in thousand Baht)		
Government and Bank of Thailand bonds	473,162	468,000	470,486	468,000
Deposit at bank - time deposit	-	-	100,000	100,000
Total	473,162	468,000	570,486	568,000

15 Restricted and collateral assets

	30 September 2024	31 December 2023
	(in thousand Baht)	
Deposit at bank - time deposit		
To secure bank guarantee - facilities issued by banks	800	800

MSIG Insurance (Thailand) Public Company Limited
Notes to the condensed interim financial statements
For the three-month and nine-month periods ended 30 September 2024 (Unaudited)

16 Commitments with non-related parties

As at 30 September 2024 and 31 December 2023, the Company had future minimum lease payments required under these non-cancellable contracts as follows:

Commitments under office rental and service agreements

	30 September 2024	31 December 2023
	<i>(in thousand Baht)</i>	
Operating lease commitments		
Within one year	6,470	1,226
After one year but within five years	4,683	235
Total	11,153	1,461

17 Contingent liabilities

As at 30 September 2024, lawsuits have been brought against the Company, in relation to insurance claims of Baht 223 million (*31 December 2023: Baht 217 million*) whereas the sum insured of insurance policy and reinsurance claim recoverable of Baht 137 million and Baht 5 million, respectively (*31 December 2023: Baht 138 million and Baht 4 million, respectively*). The Company's management believes that the claim reserves accounted for in the financial statements is adequate for potential losses in respect of those lawsuits.

18 Thai Financial Reporting Standards (TFRS) not yet adopted

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

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

** TFRS - Financial instruments standards*

(a) TFRS - Financial instruments standards

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

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

MSIG Insurance (Thailand) Public Company Limited

Notes to the condensed interim financial statements

For the three-month and nine-month periods ended 30 September 2024 (Unaudited)

(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.

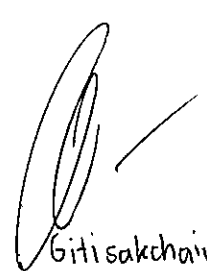
TFRS 17 also introduces substantial changes in both presentation of the statement of financial position and statement of comprehensive income, as well as more granular disclosure requirements.

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



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 Mr. Rattapol Gitisakchaiyakul