



-- Translate --

ที่ BUI\_A\_3299/2564

August 13, 2021

Re: Management Discussion and Analysis (MD&A)  
for the three-month period ended June 30, 2021 and for the six-month period ended June 30, 2021

To : Director and Manager, The Stock Exchange of Thailand

Bangkok Union Insurance Public Company Limited (the "Company") would like to inform the Stock Exchange of Thailand, the operating results of the Company for the three-month period ended June 30, 2021 and for the six-month period ended June 30, 2021, which has been reviewed by auditor as follows,

For the three-month period ended June (April-June)

Unit : Million Baht

	2021	2020	Changes	%
Revenues from underwriting	231.77	204.18	27.59	13.51
Underwriting expenses	185.93	197.43	(11.49)	(5.82)
<b>Profit from underwriting</b>	<b>45.84</b>	<b>6.75</b>	<b>39.08</b>	<b>578.53</b>
Investment income, Rental income and Other income	13.73	(3.10)	16.84	542.29
<b>Income from operation</b>	<b>59.57</b>	<b>3.65</b>	<b>55.92</b>	<b>1,532.00</b>
Operating Expenses	20.25	18.25	2.00	10.97
<b>Income before income tax expense</b>	<b>39.32</b>	<b>(14.60)</b>	<b>53.92</b>	<b>369.34</b>
Income tax expense	7.20	(2.72)	9.92	364.44
<b>Net profit (loss)(Separate Financial Statements)</b>	<b>32.12</b>	<b>(11.88)</b>	<b>44.00</b>	<b>370.46</b>
Share of profit (loss) from investment in an associate	(0.41)	4.75	(5.16)	(108.63)
<b>Net profit (loss)( in which the equity method is applied)</b>	<b>31.71</b>	<b>(7.13)</b>	<b>38.84</b>	<b>545.05</b>

The Company has separate net profit for the three-month periods ended June 30, 2021, the amount was 32.12 million baht. Profit increased by 44 million baht or 370.46 % compared to the same period of last year, which had a net loss of 11.88 million baht. The reasons are as follows:

1. The company had an underwriting profit of 45.84 million baht, an increase of 39.08 million baht or 578.53 % due to Revenues from underwriting growth 13.51%, while underwriting expenses decreased by 5.82% as follows:

-- Translate --

- Revenues from underwriting, including Premiums written, Premiums ceded, and Fee and commission income was 231.77 million baht, an increase of 27.59 million baht or 13.51%.

- Underwriting expenses, including Insurance claims and loss adjustment, Commission and brokerages and other underwriting expenses was 185.93 million baht, a decrease of 11.49 million baht or 5.82 %. The rate of underwriting expenses to Revenues from underwriting in the second quarter of 2021 decreased 19.29% compared to the same period of the last year, the other underwriting expense ratio in the second quarter of 2021 at 17.45%, while the same period of the last year was 15.07%, Commission and brokerages ratio of 11.96%, while the same period of the previous year was 12.22%, while the loss ratio is lower than the same period of the previous year. The rate was 30.32 % while the previous year was 51.73%.

2. The Company's Investment income, Rental income and other income was 13.73 million baht, an increase of profit of 16.84 million baht or 542.29%, due to the expected credit loss from accounting records in accordance with the accounting standards adopted in the second quarter of 2020 of 10.06 million baht, while in the second quarter of 2021 record by 0.41 million baht, profit from building rental increased by 134.45% from Rental income increased by 4.03% while expenses for rental and service decreased by 17.58%.

3. Operating expenses of 20.25 million baht, an increase of 2.0 million baht or 10.97% from the same period of the previous year, with the ratio of operating expenses to written premium in the second quarter of 2021 was lower than the same period of the previous year by 0.09%.

4. The company had income tax in the second quarter of 2021 totaling 7.20 million baht, the income tax expense increased by 9.92 million baht or 364.44% from the same period of the previous year.

In summary, for the separate financial statements in the second quarter of the year 2021, the Company had underwriting income grow from the same period of the previous year 13.51%, representing an increase of 27.59 million baht. Underwriting expenses Insurance decreased 5.82%, a decrease of 11.49 million baht, profit from the company's core business amounted to 45.84 million baht, an increase of 578.53% when it included income from investments, building rentals, and others was growth 542.29% and operating expenses increased 10.97%, resulting in the company had net profit for the second quarter of 2021 of 32.12 million baht, profit increased 44.00 million baht or 370.46%, earnings per share 1.07 baht.

In addition, the company has investments in associated company, which in the second quarter of the year 2021, recorded a share of profit from that investments of 0.41 million baht, which decreased profits by 5.16 million baht from the same period of the last year or 108.63%. Resulting in the company having a net profit under the equity method in the amount of 31.71 million baht, profits increased by 38.84 million baht or 545.05%, earnings per share 1.06 baht.

-- Translate --

For the six-month period ended June

	Unit : Million Baht			
	2021	2020	Changes	%
Revenues from underwriting	460.41	428.13	32.28	7.54
Underwriting expenses	351.48	413.60	(62.12)	(15.02)
<b>Profit from underwriting</b>	<b>108.93</b>	<b>14.53</b>	<b>94.40</b>	<b>649.45</b>
Investment income, Rental income and Other income	16.92	6.00	10.92	181.95
<b>Income from operation</b>	<b>125.85</b>	<b>20.53</b>	<b>105.31</b>	<b>512.87</b>
Operating Expenses	33.67	37.93	(4.27)	(11.26)
<b>Income before income tax expense</b>	<b>92.18</b>	<b>(17.40)</b>	<b>109.58</b>	<b>629.61</b>
Income tax expense	17.72	(3.07)	20.79	676.82
<b>Net profit (loss)(Separate Financial Statements)</b>	<b>74.46</b>	<b>(14.33)</b>	<b>88.79</b>	<b>619.49</b>
Share of profit (loss) from investment in an associate	3.49	(4.52)	8.00	177.14
<b>Net profit (loss)( in which the equity method is applied)</b>	<b>77.95</b>	<b>(18.85)</b>	<b>96.80</b>	<b>513.46</b>

The Company had separate net profit for the six-month period ended June 30, 2021 amounting to 74.46 million baht, the profit increased by 88.79 million baht or 619.49% compared to the same period of the previous year, which had a net loss of 14.33 million baht. The reasons are as follows:

1. The company had an underwriting profit of 108.93 million baht, an increase of 94.40 million baht or 649.45%, due to Revenues from underwriting was growth 7.54% while underwriting expenses decreased 15.02% from the same period of the previous year as follows:

- Revenues from underwriting, including Premiums written, Premiums ceded, and Fee and commission income was 460.41 million baht, an increase of 32.28 million baht or 7.54%.

- Underwriting expenses, including Insurance claims and loss adjustment, Commission and brokerages and other underwriting expenses totaled 351.48 million baht, a decrease of 62.12 million baht or 15.02%, the rate of underwriting expenses to Revenues from underwriting in the six-month of 2021 decreased 22.12% in comparison with the same period of the previous year. Consists of other underwriting expenses in the first half year of 2021 at a rate of 20.08% while the same period of last year has a rate of 18.64%. Commission and brokerages ratio 12.86% while the same period of the previous year has a rate of 13.15%. Loss ratio is lower than the same period of the last year with a rate of 32.24% while the rate of 55.51% in same period of the previous year.



-- Translate --

2. The company had Investment income, Rental income and other income amount of 16.92 million baht, an increase in profit of 10.92 million baht or 181.95%, resulting from credit loss expected from accounting record in accordance with accounting standards introduced in 2020 in amount of 10.44 million baht while in the first half year of 2021 record by 0.30 million baht. Rental income increased 22.90% from Rental income decreased by 0.12% due to the company has measures to help customers rent buildings by reducing rental fees from the coronavirus disease (COVID-19) situation and expenses for rental and service decreased by 8.18%.

3. Operating expenses of 33.67 million baht, a decrease of 4.27 million baht or 11.26% from the same period of the previous year, with the ratio of operating expenses per written premium in the first half year of 2021 lower than the same period of the previous year by 1.13%.

4. The company had income tax in the first half year of 2021 amounted to 17.72 million baht, the income tax expense increased from the same period of the previous year by 20.79 million baht or 676.82%.

In summary, for the separate financial statements in the first half year of 2021, the company has underwriting income growth from the same period of the previous year 7.54 %, representing an increase of 32.28 million baht, while underwriting expenses decreased 15.02%, equivalent to a decrease of 62.12 million baht, profit from the core business of the company amounted to 108.93 million baht, an increase of 649.45% when including investment income, rental income and other income, an increase of 181.95%, and operating expenses decreased by 11.26%, resulting in the company had a net profit of the first half year of 2021 of 74.46 million baht, an increase of profit of 88.79 million baht or 619.48 %, earnings per share 2.48 baht.

In addition, the company had investments in associates in the first half year of 2021, recorded a share of the profit from that investments of 3.49 million baht, which had an increased profit of 8 million baht from the same period of last year, accounting for 177.14%. As a result, the company had a net profit by equity method of 77.95 million baht, an increase in profit of 96.80 million baht or 513.46%, earnings per share 2.60 baht.

Please be informed accordingly.

Yours sincerely,  
Miss Sujintana Champeesri  
(Miss Sujintana Champeesri)  
Director and Company's Secretary