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ที่ BUI\_A\_4598/2564

November 12, 2021

Re: Management Discussion and Analysis (MD&A)  
for the three-month period ended September 30, 2021 and for the nine-month period ended September 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 September 30, 2021 and for the nine-month period ended September 30, 2021, which has been reviewed by auditor as follows,

For the three-month period ended September (July- September)

Unit : Million Baht

	2021	2020	Changes	%
Revenues from underwriting	227.66	210.34	17.32	8.23
Underwriting expenses	171.05	155.38	15.67	10.09
<b>Profit from underwriting</b>	<b>56.61</b>	<b>54.96</b>	<b>1.65</b>	<b>2.99</b>
Investment income, Rental income and Other income	9.97	16.26	(6.29)	(38.66)
<b>Income from operation</b>	<b>66.58</b>	<b>71.22</b>	<b>(4.64)</b>	<b>(6.51)</b>
Operating Expenses	14.11	21.01	(6.90)	(32.84)
<b>Income before income tax expense</b>	<b>52.47</b>	<b>50.21</b>	<b>2.26</b>	<b>4.50</b>
Income tax expense	10.05	8.66	1.39	16.06
<b>Net profit (loss)(Separate Financial Statements)</b>	<b>42.42</b>	<b>41.55</b>	<b>0.87</b>	<b>2.09</b>
Share of profit (loss) from investment in an associate	0.38	3.08	(2.70)	(87.70)
<b>Net profit (loss)( in which the equity method is applied)</b>	<b>42.80</b>	<b>44.63</b>	<b>(1.83)</b>	<b>(4.11)</b>

The Company has separate net profit for the three-month periods ended September 30, 2021; the amount was 42.42 million baht. Profit increased by 0.87 million baht or 2.09 % compared to the same period of last year, which had a net profit of 41.55 million baht. The reasons are as follows:

1. The company had an underwriting profit of 56.61 million baht, an increase of 1.65 million baht or 2.99 % due to Revenues from underwriting growth 8.23%, and underwriting expenses increased by 10.09% as follows:

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- Revenues from underwriting, including Premiums written, Premiums ceded, and Fee and commission income was 227.66 million baht, an increase of 17.32 million baht or 8.23%.

- Underwriting expenses, including Insurance claims and loss adjustment, Commission and brokerages and other underwriting expenses was 171.05 million baht, an increase of 15.67 million baht or 10.09 %. The rate of underwriting expenses to Revenues from underwriting in the third quarter of 2021 increased 5.33% compared to the same period of the last year, the other underwriting expense ratio in the third quarter of 2021 at 22.53%, while the same period of the last year was 17.34%, Commission and brokerages ratio of 10.27%, while the same period of the previous year was 10.69%, while the loss ratio was 29.72 % while the previous year was 29.15%.

2. The Company's Investment income, Rental income and other income was 9.97 million baht, a decrease of profit of 6.29 million baht or 38.66%, due to profit from building rental decreased 7.74 million baht or 62.02% from Rental income decreased by 6.70% and expenses for rental and service increased by 129.68%.

3. Operating expenses of 14.11 million baht, a decrease of 6.90 million baht or 32.84% from the same period of the previous year, with the ratio of operating expenses to written premium in the third quarter of 2021 was lower than the same period of the previous year by 1.71%.

4. The company had income tax in the third quarter of 2021 totaling 10.05 million baht, the income tax expense increased by 1.39 million baht or 16.06% from the same period of the previous year.

In summary, for the separate financial statements in the third quarter of the year 2021, the Company had underwriting income grow from the same period of the previous year 8.23%, representing an increase of 17.32 million baht. Underwriting expenses Insurance increased 10.09%, an increase of 15.67 million baht, profit from the company's core business amounted to 56.61 million baht, an increase of 2.99% when it included income from investments, building rentals, and others was decrease 38.66% and operating expenses decreased 32.84%, resulting in the company had net profit for the third quarter of 2021 of 42.42 million baht, profit increased 0.87 million baht or 2.09%, earnings per share 1.41 baht.

In addition, the company has investments in associated company, which in the third quarter of the year 2021, recorded a share of profit from that investments of 0.38 million baht, which decreased profits by 2.70 million baht from the same period of the last year or 87.70%. Resulting in the company having a net profit under the equity method in the amount of 42.80 million baht, profits decreased by 1.83 million baht or 4.11%, earnings per share 1.43 baht.

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For the nine-month period ended September

	Unit : Million Baht			
	2021	2020	Changes	%
Revenues from underwriting	688.07	638.47	49.60	7.77
Underwriting expenses	522.53	568.97	(46.44)	(8.16)
<b>Profit from underwriting</b>	<b>165.54</b>	<b>69.50</b>	<b>96.04</b>	<b>138.20</b>
Investment income, Rental income and Other income	26.89	22.25	4.64	20.81
<b>Income from operation</b>	<b>192.43</b>	<b>91.75</b>	<b>100.68</b>	<b>109.73</b>
Operating Expenses	47.78	58.94	(11.16)	(18.95)
<b>Income before income tax expense</b>	<b>144.65</b>	<b>32.81</b>	<b>111.84</b>	<b>340.91</b>
Income tax expense	27.77	5.59	22.18	396.83
<b>Net profit (loss)(Separate Financial Statements)</b>	<b>116.88</b>	<b>27.22</b>	<b>89.66</b>	<b>329.43</b>
Share of profit (loss) from investment in an associate	3.86	(1.44)	5.30	368.96
<b>Net profit (loss)( in which the equity method is applied)</b>	<b>120.74</b>	<b>25.78</b>	<b>94.96</b>	<b>368.36</b>

The Company had separate net profit for the nine-month period ended September 30, 2021 amounting to 116.88 million baht, the profit increased by 89.66 million baht or 329.43% compared to the same period of the previous year, which had a net profit of 27.22 million baht. The reasons are as follows:

1. The company had an underwriting profit of 165.54 million baht, an increase of 96.04 million baht or 138.20%, due to Revenues from underwriting was growth 7.77% while underwriting expenses decreased 8.16% from the same period of the previous year as follows:

- Revenues from underwriting, including Premiums written, Premiums ceded, and Fee and commission income was 688.07 million baht, an increase of 49.60 million baht or 7.77%.

- Underwriting expenses, including Insurance claims and loss adjustment, Commission and brokerages and other underwriting expenses totaled 522.53 million baht, a decrease of 46.44 million baht or 8.16%, the rate of underwriting expenses to Revenues from underwriting in the nine-month of 2021 decreased 12.94% in comparison with the same period of the previous year. Consists of other underwriting expenses in the nine-month of 2021 at a rate of 20.91% while the same period of last year has a rate of 18.16%. Commission and brokerages ratio 11.98% while the same period of the previous year has a rate of 12.24%. Loss ratio is lower than the same period of the last year with a rate of 31.40% while the rate of 46.83% in same period of the previous year.

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2. The company had Investment income, Rental income and other income amount of 26.89 million baht, an increase in profit of 4.64 million baht or 20.81%, resulting from credit loss expected from accounting record in accordance with accounting standards introduced in 2020 in amount of 10.54 million baht while in the nine-month of 2021 record by 0.29 million baht. Profit from Rental decreased 26.42% from Rental income decreased by 2.33% 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 increased by 14.47%.

3. Operating expenses of 47.78 million baht, a decrease of 11.16 million baht or 18.95% from the same period of the previous year, with the ratio of operating expenses per written premium in the nine-month of 2021 lower than the same period of the previous year by 1.31%.

4. The company had income tax in the nine-month of 2021 amounted to 27.77 million baht, the income tax expense increased from the same period of the previous year by 22.18 million baht or 396.83%.

In summary, for the separate financial statements in the nine-month of 2021, the company has underwriting income growth from the same period of the previous year 7.77 %, representing an increase of 49.60 million baht, while underwriting expenses decreased 8.16%, equivalent to a decrease of 46.44 million baht, profit from the core business of the company amounted to 165.54 million baht, an increase of 138.20% when including investment income, rental income and other income, an increase of 20.81%, and operating expenses decreased by 18.95%, resulting in the company had a net profit of the nine-month of 2021 of 116.88 million baht, an increase of profit of 89.66 million baht or 329.43 %, earnings per share 3.90 baht.

In addition, the company had investments in associates in the nine-month of 2021, recorded a share of the profit from that investments of 3.86 million baht, which had an increased profit of 5.30 million baht from the same period of last year, accounting for 368.96%. As a result, the company had a net profit by equity method of 120.74 million baht, an increase in profit of 94.96 million baht or 368.36%, earnings per share 4.02 baht.

Please be informed accordingly.

Yours sincerely,  
Miss Sujintana Champeesri  
(Miss Sujintana Champeesri)  
Executive Director