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ที่ BUI_A_ 3479 / 2565

August 9, 2022

Re: Management Discussion and Analysis (MD&A)
for the three-month period ended June 30, 2022 and for the six-month period ended June 30, 2022

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, 2022 and for the six-month period ended June 30, 2022, which has been reviewed by auditor as follows,

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

Unit : Million Baht

	2022	2021	Changes	%
Revenues from underwriting	282.86	231.77	51.09	22.04
Underwriting expenses	294.00	185.93	108.07	58.12
Profit (loss) from underwriting	(11.14)	45.84	(56.98)	(124.31)
Investment income, Rental income and Other income	13.68	13.73	(0.05)	(0.37)
Income from operation	2.54	59.57	(57.03)	(95.73)
Operating Expenses	20.16	20.25	(0.09)	(0.42)
Income before income tax expense	(17.62)	39.32	(56.94)	(144.82)
Income tax expense (income)	(4.60)	7.20	(11.80)	(163.95)
Net profit (loss)(Separate Financial Statements)	(13.02)	32.12	(45.14)	(140.54)
Share of profit (loss) from investment in an associate	(1.06)	(0.41)	(0.65)	157.80
Net profit (loss)(in which the equity method is applied)	(14.08)	31.71	(45.79)	(144.40)

The Company has separate net loss for the three-month periods ended June 30, 2022, the amount was 13.02 million baht. Profit decreased by 45.14 million baht or 140.54 % compared to the same period of last year, which had a net profit of 32.12 million baht. The reasons are as follows:

1. The company had an underwriting loss of 11.14 million baht, decrease of 56.98 million baht or 124.31 % due to Revenues from underwriting growth 22.04%, while underwriting expenses increased by 58.12%, the rate of underwriting expenses increased more than the rate of increase of Revenues from underwriting as follows:

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- Revenues from underwriting, including Premiums written, Premiums ceded, and Fee and commission income was 282.86 million baht, an increase of 51.09 million baht or 22.04%.

- Underwriting expenses, including Insurance claims and loss adjustment, Commission and brokerages and other underwriting expenses was 294 million baht, a decrease of 108.07 million baht or 58.12 %. The rate of underwriting expenses to Revenues from underwriting in the second quarter of 2022 increased 23.71% compared to the same period of the last year. The loss ratio is higher than the same period of the previous year, the rate was 49.71 % while the previous year was 30.32 %, Commission and brokerages ratio of 12.85%, while the same period of the previous year was 11.96%, the other underwriting expense ratio in the second quarter of 2022 at 17.97%, while the same period of the last year was 17.45%.

2. The Company's Investment income, Rental income and other income was 13.68 million baht, profit decreased slightly compared to the same period of the previous year by a small amount of 0.05 million baht or 0.37%, consists of profit from investment increased by 11.26% and profit from building rental decreased by 11.39%.

3. Operating expenses of 20.16 million baht, decreased slightly compared to the same period of the previous year by a small amount of 0.09 million baht or 0.42%, with the ratio of operating expenses to written premium in the second quarter of 2022 was lower than the same period of the previous year by 1.15%.

4. The company had income tax in the second quarter of 2022 totaling 4.60 million baht, the income tax expense decreased by 11.80 million baht or 163.95% from the same period of the previous year.

In summary, for the separate financial statements in the second quarter of the year 2022, the Company had underwriting income grow from the same period of the previous year 22.04%, representing an increase of 51.09 million baht. Underwriting expenses Insurance increased by 58.12%, an increase of 108.07 million baht, loss from the company's core business amounted to 11.14 million baht, when it included income from investments, building rentals, and others was decreased by 0.37% and operating expenses decreased by 0.42%, resulting in the company had net loss for the second quarter of 2022 of 13.02 million baht, profit decreased 45.14 million baht or 140.54%, loss per share 0.43 baht.

In addition, the company has investments in associated company, which in the second quarter of the year 2022, recorded a share of loss from that investments of 1.06 million baht, which increased loss by 0.65 million baht from the same period of the last year or 157.80%. Resulting in the company having a net loss under the equity method in the amount of 14.08 million baht, profits decreased by 45.79 million baht or 144.40%, loss per share 0.47 baht.

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For the six-month period ended June

	Unit : Million Baht			
	2022	2021	Changes	%
Revenues from underwriting	541.16	460.41	80.75	17.54
Underwriting expenses	497.60	351.48	146.12	41.57
Profit from underwriting	43.56	108.93	(65.37)	(60.01)
Investment income, Rental income and Other income	21.82	16.92	4.90	28.99
Income from operation	65.38	125.85	(60.47)	(48.05)
Operating Expenses	37.91	33.67	4.25	12.61
Income before income tax expense	27.46	92.18	(64.72)	(70.21)
Income tax expense	4.39	17.72	(13.33)	(75.23)
Net profit (Separate Financial Statements)	23.07	74.46	(51.39)	(69.01)
Share of profit (loss) from investment in an associate	(0.42)	3.49	(3.91)	(112.25)
Net profit (loss)(in which the equity method is applied)	22.65	77.95	(55.30)	(70.95)

The Company had separate net profit for the six-month period ended June 30, 2022 amounting to 23.07 million baht, the profit decreased by 51.39 million baht or 69.01% compared to the same period of the previous year, which had a net profit of 74.46 million baht. The reasons are as follows:

1. The company had an underwriting profit of 43.56 million baht, decrease of 65.37 million baht or 60.01%, due to Revenues from underwriting was growth 17.54% while underwriting expenses increased 41.57% from the same period of the previous year, the rate of underwriting expenses increased more than the rate of increase of Revenues from underwriting as follows :

- Revenues from underwriting, including Premiums written, Premiums ceded, and Fee and commission income was 541.16 million baht, an increase of 80.75 million baht or 17.54%.

- Underwriting expenses, including Insurance claims and loss adjustment, Commission and brokerages and other underwriting expenses totaled 497.60 million baht, an increase of 146.12 million baht or 41.57%, the rate of underwriting expenses to Revenues from underwriting in the six-month of 2022 increased 15.61% in comparison with the same period of the previous year. Consists of Loss ratio is higher than the same period of the last year with a rate of 44.12% while the rate of 32.24% in same period of the previous year, Commission and brokerages ratio 13.38% while the same period of the previous year has a rate of 12.86% and



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other underwriting expenses in the first half year of 2022 at a rate of 20.31% while the same period of last year has a rate of 20.08%.

2. The company had Investment income, Rental income and other income amount of 21.82 million baht, an increase in profit of 4.90 million baht or 28.99%, consists of profit from investment increased by 114.35% and profit from building rental decreased by 14.22%.

3. Operating expenses of 37.91 million baht, an increase of 4.25 million baht or 12.61% from the same period of the previous year, with the ratio of operating expenses per written premium in the first half year of 2022 lower than the same period of the previous year by 0.58%.

4. The company had income tax expense in the first half year of 2022 amounted to 4.39 million baht, the income tax expense decreased from the same period of the previous year by 13.33 million baht or 75.23%.

In summary, for the separate financial statements in the first half year of 2022, the company has underwriting income growth from the same period of the previous year 17.54 %, representing an increase of 80.75 million baht, while underwriting expenses increased 41.57%, equivalent to an increase of 146.12 million baht, profit from the core business of the company amounted to 43.56 million baht, a decrease of 60.01% when including investment income, rental income and other income, an increase of 28.99%, and operating expenses increased by 12.61%, resulting in the company had a net profit of the first half year of 2022 of 23.07 million baht, a decrease of profit of 51.39 million baht or 69.01 %, earnings per share 0.77 baht.

In addition, the company had investments in associates in the first half year of 2022, recorded a share of the loss from that investments of 0.42 million baht, which had a decreased profit of 3.91 million baht from the same period of last year, accounting for 112.25%. As a result, the company had a net profit by equity method of 22.65 million baht, a decrease in profit of 55.30 million baht or 70.95%, earnings per share 0.75 baht.

Please be informed accordingly.

Yours sincerely,

Miss Sujintana Champeesri

(Miss Sujintana Champeesri)

Director / Authorized Person to Disclose Information