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ที่ BUI\_A\_5108/2565

November 8, 2022

Re: Management Discussion and Analysis (MD&A)  
for the three-month period ended September 30, 2022 and for the nine-month period ended September 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 September 30, 2022 and for the nine-month period ended September 30, 2022, which has been reviewed by auditor as follows,

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

Unit : Million Baht

	2022	2021	Changes	%
Revenues from underwriting	299.30	227.66	71.64	31.47
Underwriting expenses	283.85	171.05	112.80	65.95
<b>Profit from underwriting</b>	<b>15.45</b>	<b>56.61</b>	<b>(41.16)</b>	<b>(72.70)</b>
Investment income, Rental income and Other income	7.66	9.97	(2.31)	(23.24)
<b>Income from operation</b>	<b>23.11</b>	<b>66.58</b>	<b>(43.47)</b>	<b>(65.29)</b>
Operating Expenses	21.13	14.11	7.02	49.78
<b>Income before income tax expense</b>	<b>1.98</b>	<b>52.47</b>	<b>(50.49)</b>	<b>(96.24)</b>
Income tax expense	0.02	10.05	(10.03)	(99.81)
<b>Net profit (Separate Financial Statements)</b>	<b>1.96</b>	<b>42.42</b>	<b>(40.46)</b>	<b>(95.39)</b>
Share of profit (loss) from investment in an associate	(0.14)	0.38	(0.52)	(137.73)
<b>Net profit (in which the equity method is applied)</b>	<b>1.82</b>	<b>42.80</b>	<b>(40.98)</b>	<b>(95.76)</b>

The Company has separate net profit for the three-month periods ended September 30, 2022; the amount was 1.96 million baht. Profit decreased by 40.46 million baht or 95.39 % compared to the same period of last year, which had a net profit of 42.42 million baht. The reasons are as follows:

1. The company had an underwriting profit of 15.45 million baht, an decrease of 41.16 million baht or 72.70 % due to Revenues from underwriting growth 31.47%, and underwriting expenses increased by 65.95% as follows:

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- Revenues from underwriting, including Premiums written, Premiums ceded, and Fee and commission income was 299.30 million baht, an increase of 71.64 million baht or 31.47%.

- Underwriting expenses, including Insurance claims and loss adjustment, Commission and brokerages and other underwriting expenses was 283.85 million baht, an increase of 112.80 million baht or 65.95 %. The rate of underwriting expenses to Revenues from underwriting in the third quarter of 2022 increased 20.68% compared to the same period of the last year, the other underwriting expense ratio in the third quarter of 2022 at 22.16%, while the same period of the last year was 22.53%, Commission and brokerages ratio of 10.29%, while the same period of the previous year was 10.27%, and the loss ratio was 50.74 %, higher than the same period of the previous year which was 29.72%.

2. The Company's Investment income, Rental income and other income was 7.66 million baht, a decrease of profit of 2.31 million baht or 23.24%, due to profit from building rental decreased 2.49 million baht or 52.61% from Rental income increased by 4.90% and expenses for rental and service increased by 28.35%. Investment income and other income increased by 3.36%.

3. Operating expenses of 21.13 million baht, an increase of 7.02 million baht or 49.78% from the same period of the previous year, with the ratio of operating expenses to written premium in the third quarter of 2022 was higher than the same period of the previous year by 0.47%.

4. The company had income tax in the third quarter of 2022 totaling 0.02 million baht, the income tax expense decreased by 10.03 million baht or 99.81% from the same period of the previous year.

In summary, for the separate financial statements in the third quarter of the year 2022, the Company had underwriting income grow from the same period of the previous year 31.47%, representing an increase of 71.64 million baht. Underwriting expenses Insurance increased 65.95%, an increase of 112.80 million baht, profit from the company's core business amounted to 15.45 million baht, decrease of 72.70% when it included income from investments, building rentals, and others was decrease 23.24% and operating expenses increased 49.78%, resulting in the company had net profit for the third quarter of 2022 of 1.96 million baht, profit decreased 40.46 million baht or 95.39%, earnings per share 0.07 baht.

In addition, the company has investments in associated company, which in the third quarter of the year 2022, recorded a share of loss from that investments of 0.14 million baht, which decreased profits by 0.52 million baht from the same period of the last year or 137.73%. Resulting in the company having a net profit under the equity method in the amount of 1.82 million baht, profits decreased by 40.98 million baht or 95.76%, earnings per share 0.06 baht.

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For the nine-month period ended September

Unit : Million Baht

	2022	2021	Changes	%
Revenues from underwriting	840.47	688.07	152.40	22.15
Underwriting expenses	781.46	522.53	258.93	49.55
<b>Profit from underwriting</b>	<b>59.01</b>	<b>165.54</b>	<b>(106.53)</b>	<b>(64.35)</b>
Investment income, Rental income and Other income	29.47	26.89	2.58	9.61
<b>Income from operation</b>	<b>88.48</b>	<b>192.43</b>	<b>(103.95)</b>	<b>(54.02)</b>
Operating Expenses	59.04	47.78	11.26	23.59
<b>Income before income tax expense</b>	<b>29.44</b>	<b>144.65</b>	<b>(115.21)</b>	<b>(79.65)</b>
Income tax expense	4.41	27.77	(23.36)	(84.12)
<b>Net profit (Separate Financial Statements)</b>	<b>25.03</b>	<b>116.88</b>	<b>(91.85)</b>	<b>(78.59)</b>
Share of profit (loss) from investment in an associate	(0.57)	3.86	(4.43)	(114.75)
<b>Net profit ( in which the equity method is applied)</b>	<b>24.46</b>	<b>120.74</b>	<b>(96.28)</b>	<b>(79.74)</b>

The Company had separate net profit for the nine-month period ended September 30, 2022 amounting to 25.03 million baht, the profit decreased by 91.85 million baht or 78.59% compared to the same period of the previous year, which had a net profit of 116.88 million baht. The reasons are as follows:

1. The company had an underwriting profit of 59.01 million baht, decrease of 106.53 million baht or 64.35%, due to Revenues from underwriting was growth 22.15% while underwriting expenses increased 49.55% from the same period of the previous year as follows:

- Revenues from underwriting, including Premiums written, Premiums ceded, and Fee and commission income was 840.47 million baht, an increase of 152.40 million baht or 22.15%.

- Underwriting expenses, including Insurance claims and loss adjustment, Commission and brokerages and other underwriting expenses totaled 781.46 million baht, increase of 258.93 million baht or 49.55%, the rate of underwriting expenses to Revenues from underwriting in the nine-month of 2022 increased 15.42% in comparison with the same period of the previous year. Consists of other underwriting expenses in the nine-month of 2022 at a rate of 20.96% while the same period of last year has a rate of 20.91%. Commission and brokerages ratio 12.30% while the same period of the previous year has a rate of 11.98%. Loss ratio is

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higher than the same period of the last year with a rate of 46.46% while the rate of 31.40% in same period of the previous year.

2. The company had Investment income, Rental income and other income amount of 29.47 million baht, an increase in profit of 2.58 million baht or 9.61%, resulting from Investment Income increased by 54.44%, Rental income increased by 1.11% 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 13.14%.

3. Operating expenses of 59.04 million baht, a increase of 11.26 million baht or 23.59% from the same period of the previous year, with the ratio of operating expenses per written premium in the nine-month of 2022 lower than the same period of the previous year by 0.22%.

4. The company had income tax in the nine-month of 2022 amounted to 4.41 million baht, the income tax expense decreased from the same period of the previous year by 23.36 million baht or 84.12%.

In summary, for the separate financial statements in the nine-month of 2022, the company has underwriting income growth from the same period of the previous year 22.15 %, representing an increase of 152.40 million baht, while underwriting expenses increased 49.55%, equivalent to an increase of 258.93 million baht, profit from the core business of the company amounted to 59.01 million baht, decrease of 64.35% when including investment income, rental income and other income, an increase of 9.61%, and operating expenses increased by 23.59%, resulting in the company had a net profit of the nine-month of 2022 of 25.03 million baht, an decrease of profit of 91.85 million baht or 78.59 %, earnings per share 0.83 baht.

In addition, the company had investments in associates in the nine-month of 2022, recorded a share of the loss from that investments of 0.57 million baht, which had decreased profit of 4.43 million baht from the same period of last year, accounting for 114.75%. As a result, the company had a net profit by equity method of 24.46 million baht, a decrease in profit of 96.28 million baht or 79.74%, earnings per share 0.82 baht.

Please be informed accordingly.

Yours sincerely,

Miss Sujintana Champeesri

(Miss Sujintana Champeesri)

Director / Authorized Person to Disclose Information