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ที่ BUI\_A\_3435 / 2566

August 9, 2023

Re: Management Discussion and Analysis (MD&A)  
for the three-month period ended June 30, 2023 and for the six-month period ended June 30, 2023

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, 2023 and for the six-month period ended June 30, 2023, which has been reviewed by auditor as follows,

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

Unit : Million Baht

	2023	2022	Changes	%
Revenues from underwriting	247.50	282.86	(35.36)	(12.50)
Underwriting expenses	186.76	294.00	(107.25)	(36.48)
<b>Profit (loss) from underwriting</b>	<b>60.74</b>	<b>(11.14)</b>	<b>71.89</b>	<b>645.02</b>
Investment income, Rental income and Other income	14.50	13.68	0.81	5.95
<b>Income from operation</b>	<b>75.24</b>	<b>2.54</b>	<b>72.70</b>	<b>2,864.54</b>
Operating Expenses	24.05	20.16	3.89	19.27
<b>Income before income tax expense</b>	<b>51.19</b>	<b>(17.62)</b>	<b>68.82</b>	<b>390.43</b>
Income tax expense (income)	8.84	(4.60)	13.45	292.07
<b>Net profit (loss)(Separate Financial Statements)</b>	<b>42.35</b>	<b>(13.02)</b>	<b>55.37</b>	<b>425.20</b>
Share of profit (loss) from investment in an associate	(0.11)	(1.06)	0.94	89.22
<b>Net profit (loss)( in which the equity method is applied)</b>	<b>42.23</b>	<b>(14.08)</b>	<b>56.31</b>	<b>399.96</b>

The Company has separate net profit for the three-month periods ended June 30, 2023, the amount was 42.35 million baht. Profit increased by 55.37 million baht or 425.20 % compared to the same period of last year, which had a net loss of 13.02 million baht. The reasons are as follows:

1. The company had an underwriting profit of 60.74 million baht, increase of 71.98 million baht or 645.02 % due to the decrease in underwriting expenses more than the decrease in revenues from underwriting premium. Revenues from underwriting did not grow with a decrease in growth of 12.50%, while underwriting expenses decreased by 36.48%, as follows:

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- Revenues from underwriting, including Premiums written, Premiums ceded, and Fee and commission income was 247.50 million baht, a decrease of 35.36 million baht or 12.50%.

- Underwriting expenses, including Insurance claims and loss adjustment, Commission and brokerages and other underwriting expenses was 186.76 million baht, a decrease of 107.25 million baht or 36.48 %. The rate of underwriting expenses to Revenues from underwriting in the second quarter of 2023 decreased 28.48% compared to the same period of the last year. The loss ratio is lower than the same period of the previous year, the rate was 28.01 % while the previous year was 49.71 %, Commission and brokerages ratio of 11.94%, while the same period of the previous year was 12.85%, the other underwriting expense ratio in the second quarter of 2023 at 14.70%, while the same period of the last year was 17.97%.

2. The Company's Investment income, Rental income and other income was 14.50 million baht, profit increased 0.81million baht or 5.95% compared to the same period of the previous year, with consists of profit from investment decreased by 31.0% but profit from building rental increased by 72.49%.

3. Operating expenses of 24.05 million baht increase of 3.89 million baht or 19.27% compared to the same period of the previous year, with the ratio of operating expenses to written premium in the second quarter of 2023 was higher than the same period of the previous year by 1.47%.

4. The company had income tax in the second quarter of 2023 totaling 8.84 million baht, the income tax expense decreased by 13.45 million baht or 292.07% from the same period of the previous year.

In summary, for the separate financial statements in the second quarter of the year 2023, the company's underwriting income did not grow when compared to the same period last year, but the growth decreased 12.50%, representing decrease of 35.36 million baht. Underwriting expenses Insurance decreased also by 36.48%, representing decrease 107.25 million baht, the decline in underwriting expenses outweighed the decline in premium income, resulting in profit from the company's core business amounted to 60.74 million baht, when it included income from investments, building rentals, and others was increased by 5.95%, operating expenses increased by 19.27%, and deduction of income tax expenses, resulting in the company had net profit for the second quarter of 2023 of 42.35 million baht, profit increased 55.37 million baht or 425.20%, profit per share 1.28 baht.

In addition, the company has investments in associated company, which in the second quarter of the year 2023, recorded a share of loss from that investments of 0.11 million baht, which decreased loss by 0.94 million baht from the same period of the last year or 89.22%. Resulting in the company having a net profit under the equity method in the amount of 42.23 million baht, profits increased by 56.31 million baht or 399.96%, profit per share 1.28 baht.

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For the six-month period ended June

	Unit : Million Baht			
	2023	2022	Changes	%
Revenues from underwriting	486.54	541.16	(54.62)	(10.09)
Underwriting expenses	355.54	497.60	(142.07)	(28.55)
<b>Profit from underwriting</b>	<b>131.00</b>	<b>43.56</b>	<b>87.45</b>	<b>200.75</b>
Investment income, Rental income and Other income	33.84	21.82	12.02	55.09
<b>Income from operation</b>	<b>164.84</b>	<b>65.38</b>	<b>99.47</b>	<b>152.14</b>
Operating Expenses	47.05	37.91	9.13	24.09
<b>Income before income tax expense</b>	<b>117.79</b>	<b>27.46</b>	<b>90.33</b>	<b>328.94</b>
Income tax expense	21.09	4.39	16.70	380.50
<b>Net profit (Separate Financial Statements)</b>	<b>96.70</b>	<b>23.07</b>	<b>73.63</b>	<b>319.13</b>
Share of profit (loss) from investment in an associate	(1.87)	(0.42)	(1.44)	337.00
<b>Net profit ( in which the equity method is applied)</b>	<b>94.83</b>	<b>22.65</b>	<b>72.19</b>	<b>318.79</b>

The Company had separate net profit for the six-month period ended June 30, 2023 amounting to 96.70 million baht, the profit increased by 17.63 million baht or 319.13% compared to the same period of the previous year, which had a net profit of 23.07 million baht. The reasons are as follows:

1. The company had an underwriting profit of 131 million baht, increase of 87.45 million baht or 200.75%, due to the decrease in underwriting expenses more than the decrease in revenues from underwriting premium. Revenues from underwriting did not grow with a decrease in growth of 10.09%, while underwriting expenses decreased by 28.55%, as follows:

- Revenues from underwriting, including Premiums written, Premiums ceded, and Fee and commission income was 486.54 million baht, decrease of 54.62 million baht or 10.09%.

- Underwriting expenses, including Insurance claims and loss adjustment, Commission and brokerages and other underwriting expenses totaled 355.54 million baht, decrease of 142.07 million baht or 28.55%, the rate of underwriting expenses to Revenues from underwriting in the six-month of 2023 decreased 18.88% in comparison with the same period of the previous year. Consists of Loss ratio is lower than the same period of the last year with a rate of 31.43% while the rate of 44.12% in same period of the previous year, Commission and brokerages ratio 12.57% while the same period of the previous year has a rate of 13.38% and



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other underwriting expenses in the first half year of 2023 at a rate of 18.03% while the same period of last year has a rate of 20.31%.

2. The company had Investment income, Rental income and other income amount of 33.84 million baht, an increase in profit of 12.02 million baht or 55.09%, consists of profit from investment increased by 37.70% and profit from building rental increased by 77.68%.

3. Operating expenses of 47.05 million baht, an increase of 9.13 million baht or 24.09% from the same period of the previous year, with the ratio of operating expenses per written premium in the first half year of 2023 was higher than the same period of the previous year by 2.22%.

4. The company had income tax expense in the first half year of 2023 amounted to 21.09 million baht, the income tax expense increased from the same period of the previous year by 16.70 million baht or 380.50%.

In summary, for the separate financial statements in the first half year of 2023, the company's underwriting income did not grow when compared to the same period last year, but the growth decreased 10.09%, representing decrease of 54.62 million baht, while underwriting expenses decreased also with the rate 28.55%, equivalent to decrease of 142.07 million baht, the decline in underwriting expenses outweighed the decline in premium income, resulting in profit from the company's core business amounted to 131 million baht, an increase of 200.75% when including investment income, rental income and other income, an increase of 55.09%, operating expenses increased by 24.09%, and deduction of income tax expenses, resulting in the company had a net profit of the first half year of 2023 of 96.70 million baht, increase of profit of 73.63 million baht or 319.13 %, profit per share 2.93 baht.

In addition, the company had investments in associates in the first half year of 2023, recorded a share of the loss from that investments of 1.87 million baht, which had a decreased profit of 1.44 million baht from the same period of last year, accounting for 337%. As a result, the company had a net profit by equity method of 94.83 million baht, increase in profit of 72.19 million baht or 318.79%, profit per share 2.87 baht.

Please be informed accordingly.

Yours sincerely,

Miss Sujintana Champeesri

(Miss Sujintana Champeesri)

Director / Authorized Person to Disclose Information