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ที่ BUI_A_4791/2566

November 8, 2023

Re: Management Discussion and Analysis (MD&A)
for the three-month period ended September 30, 2023 and for the nine-month period ended September 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 September 30, 2023 and for the nine-month period ended September 30, 2023, which has been reviewed by auditor as follows,

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

Unit : Million Baht

	2023	2022	Changes	%
Revenues from underwriting	248.94	299.30	(50.36)	(16.83)
Underwriting expenses	196.34	283.85	(87.51)	(30.83)
Profit from underwriting	52.60	15.45	37.15	240.43
Investment income, Rental income and Other income	15.49	7.66	7.83	102.29
Income from operation	68.09	23.11	44.98	194.67
Operating Expenses	24.17	21.13	3.04	14.37
Income before income tax expense	43.92	1.98	41.95	2,123.85
Income tax expense	8.19	0.02	8.17	42,984.21
Net profit (Separate Financial Statements)	35.74	1.96	33.78	1,726.94
Share of profit (loss) from investment in an associate	0.51	(0.14)	0.65	458.04
Net profit (in which the equity method is applied)	36.25	1.82	34.43	1,899.28

The Company has separate net profit for the three-month periods ended September 30, 2023; the amount was 35.74 million baht. Profit increased by 33.78 million baht or 1,726.94 % compared to the same period of last year, which had a net profit of 1.96 million baht. The reasons are as follows:

1. The company had an underwriting profit of 52.60 million baht, an increase of 37.15 million baht or 240.43 % due to Revenues from underwriting not growth, with growth decreasing by 16.83 %, meanwhile

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underwriting expenses also decreased by 30.83 %, the rate of decrease in expenses decreased more than the rate of decrease in income as follows:

- Revenues from underwriting, including Premiums written, Premiums ceded, and Fee and commission income was 248.94 million baht, decrease of 50.36 million baht or 16.83%.
- Underwriting expenses, including Insurance claims and loss adjustment, Commission and brokerages and other underwriting expenses was 196.34 million baht, decrease of 87.51 million baht or 30.83 %. The rate of underwriting expenses to Revenues from underwriting in the third quarter of 2023 decreased 15.75% compared to the same period of the last year, the other underwriting expense ratio in the third quarter of 2023 at 19.44%, while the same period of the last year was 22.16%, Commission and brokerages ratio of 9.27%, while the same period of the previous year was 10.29%, and the loss ratio was 38.73 %, lower than the same period of the previous year which was 50.74%.

2. The Company's Investment income, Rental income and other income was 15.49 million baht, an increase of profit of 7.83 million baht or 102.29%, due to profit from building rental increased 5.96 million baht or 265.58% from Rental income increased by 1.82% but expenses for rental and service decreased by 37.89%. and Investment income and other income increased by 1.58 million baht or 28.72%.

3. Operating expenses of 24.17 million baht, an increase of 3.04 million baht or 14.37% from the same period of the previous year, with the ratio of operating expenses to written premium in the third quarter of 2023 was higher than the same period of the previous year by 1.83%.

4. The company had income tax in the third quarter of 2023 totaling 8.19 million baht, the income tax expense increased by 8.17 million baht from the same period of the previous year.

In summary, for the separate financial statements in the third quarter of the year 2023, the Company had underwriting income not grow from the same period of the previous year, with growth decreasing 16.83%, representing decrease of 50.36 million baht. Underwriting expenses Insurance also decreased by 30.83%, decrease of 87.51 million baht, profit from the company's core business amounted to 52.60 million baht, increase of 240.43% when it included income from investments, building rentals, and others was increase 102.29% and operating expenses increased 14.37%, resulting in the company had net profit for the third quarter of 2023 of 35.74 million baht, profit increased 33.78 million baht or 1,726.94 %, earnings per share 1.08 baht.

In addition, the company has investments in associated company, which in the third quarter of the year 2023, recorded a share of profit from that investments of 0.51 million baht, which increased profits by 0.65 million baht from the same period of the last year or 458.04%. Resulting in the company having a net profit under the

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equity method in the amount of 36.25 million baht, profits increased by 34.43 million baht or 1,899.28 %, earnings per share 1.10 baht.

For the nine-month period ended September

Unit : Million Baht

	2023	2022	Changes	%
Revenues from underwriting	735.48	840.47	(104.99)	(12.49)
Underwriting expenses	551.87	781.46	(229.59)	(29.38)
Profit from underwriting	183.61	59.01	124.60	211.15
Investment income, Rental income and Other income	49.32	29.47	19.85	67.36
Income from operation	232.93	88.48	144.45	163.26
Operating Expenses	71.21	59.04	12.17	20.62
Income before income tax expense	161.72	29.44	132.28	449.31
Income tax expense	29.28	4.41	24.87	563.92
Net profit (Separate Financial Statements)	132.44	25.03	107.41	429.12
Share of profit (loss) from investment in an associate	(1.35)	(0.57)	0.78	137.54
Net profit (in which the equity method is applied)	131.08	24.46	106.62	435.91

The Company had separate net profit for the nine-month period ended September 30, 2023 amounting to 132.44 million baht, the profit increased by 107.41 million baht or 429.12% compared to the same period of the previous year, which had a net profit of 25.03 million baht. The reasons are as follows:

1. The company had an underwriting profit of 183.61 million baht, increase of 124.60 million baht or 211.15%, due to Revenues from underwriting not growth, with growth decreasing by 12.49.83 %, meanwhile underwriting expenses also decreased by 29.38 %, the rate of decrease in expenses decreased more than the rate of decrease in income as follows:

- Revenues from underwriting, including Premiums written, Premiums ceded, and Fee and commission income was 735.48 million baht, decrease of 104.99 million baht or 12.49%.

- Underwriting expenses, including Insurance claims and loss adjustment, Commission and brokerages and other underwriting expenses totaled 551.87 million baht, decrease of 229.59 million baht or 29.38%, the rate of underwriting expenses to Revenues from underwriting in the nine-month of 2023 decreased 15.89% in comparison with the same period of the previous year. Consists of other underwriting expenses in the nine-month of 2023 at a rate of 18.52% while the same period of last year has a rate of 20.96%. Commission



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and brokerages ratio 11.42% while the same period of the previous year has a rate of 12.30%. Loss ratio is lower than the same period of the last year with a rate of 33.88% while the rate of 44.46% in same period of the previous year.

2. The company had Investment income, Rental income and other income amount of 49.32 million baht, an increase in profit of 19.85 million baht or 67.36%, resulting from Investment Income increased by 7.13 million baht or 42.36%, Rental income increased by 13.34 million baht or 113.64% % from Rental income increased by 1.54% but expenses for rental and service decreased by 31.44%.

3. Operating expenses of 71.21 million baht, increase of 12.17 million baht or 20.62% from the same period of the previous year, with the ratio of operating expenses per written premium in the nine-month of 2023 lower than the same period of the previous year by 2.08%.

4. The company had income tax in the nine-month of 2023 amounted to 29.28 million baht, the income tax expense increased from the same period of the previous year by 24.87 million baht or 563.92%.

In summary, for the separate financial statements in the nine-month of 2023, the company has underwriting income not growth from the same period of the previous year, with growth decreasing 12.49 %, representing a decrease of 104.99 million baht, while underwriting expenses also decreased by 29.38%, equivalent to 229.59 million baht, profit from the core business of the company amounted to 183.61 million baht, increase of 211.15% when including investment income, rental income and other income, an increase of 67.36%, operating expenses increased by 20.62%, and Income tax expense increased by 563.92%, resulting in the company had a net profit of the nine-month of 2023 of 132.44 million baht, an increase of profit of 107.41 million baht or 429.12 %, earnings per share 4.01 baht.

In addition, the company had investments in associates in the nine-month of 2023, recorded a share of the loss from that investments of 1.35 million baht, which had increased loss of 0.78 million baht from the same period of last year, accounting for 137.54%. As a result, the company had a net profit by equity method of 131.05 million baht, an increase in profit of 106.62 million baht or 435.91%, earnings per share 3.97 baht.

Please be informed accordingly.

Yours sincerely,

Miss Sujintana Champeesri

(Miss Sujintana Champeesri)

Director / Authorized Person to Disclose Information