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No. LorBor./66/008

May 15, 2023

Subject : Explanation in case the Company's revenue or profit differ from the same period of the prior year by more than 20%

To: President
The Stock Exchange of Thailand

Allianz Ayudhya Capital Public Company Limited would like to clarify the operating result of the consolidated financial statement for the three-month period ended Mar 31, 2023 which shows a net profit of Baht 183.17 million (Baht 0.47 per share) compared with Baht 379.07 million (Baht 0.97 per share) from same period last year, a decrease by Baht 195.90 million or 51.68%. The significant changes are summarized as follows:

Unit: Thousand baht

	Consolidated financial information For the three-month period ended		% Change
	31 March 2023	31 March 2022	Y-O-Y
Revenues			
Gross premiums written	3,508,612	1,822,493	92.52%
Net premiums written	2,828,603	1,265,998	123.43%
Net premiums earned	1,979,750	1,042,012	89.99%
Fees and commission income	197,873	191,070	3.56%
Net investment income	21,229	29,204	-27.31%
Loss on investments	(3,792)	(3,990)	-4.96%
Share of profit on investment of an associate	136,725	280,087	-51.18%
Revenue from services	9,615	-	n/m
Other income	1,111	(982)	-213.14%
Total revenues	2,342,511	1,537,401	52.37%
Expenses			
Net claim paid	1,234,512	513,511	140.41%
Commission and brokerage expenses	322,245	283,745	13.57%
Other underwriting expenses	312,060	242,234	28.83%
Cost of medical services	25	-	n/m
Operating expenses	277,090	169,409	63.56%
Finance cost	1,724	1,645	4.80%
Impairment loss (reversal)	(4,050)	(90,220)	-95.51%
Expected credit loss	(308)	(530)	-41.89%
Total expenses	2,143,298	1,119,794	91.40%
Profit before income tax	199,213	417,607	-52.30%
Income tax expense	16,048	38,538	-58.36%
Net profit	183,165	379,069	-51.68%
Basic earnings per share (Baht per share)	0.47	0.97	-51.55%

- The gross premiums written (GPW) for this quarter increased by 92.52 % driven by the acquisition of health business and service in May 2022.
- Fee and commission income increased by 3.56% due to higher reinsurance.
- Net investment income decreased by 27.31% due to the asset base reduction.
- The share of profit on investment in an associate decreased by 51.18% due to the decrease in net profit of the associate company.
- Revenue from services of Baht 9.61 million came from the business acquisition.
- From the above, the Company total revenues increased by 52.37% from the same period last year.
- In terms of expenses, net claims paid, other underwriting expenses and commission and brokerage and operating expenses increased by 140.41%, 28.83% ,13.57% and 63.56%, respectively, due to the business expansion. Cost of medical services of Baht 0.025 million came from the business acquisition.
- The finance cost increased by 4.80% relative to the increase in lease liability.
- Reversal of impairments lower than the same period last year of 95.51% due to the sales of investment assets to gradually raise funds for business acquisition in last year.
- As a result of the aforementioned, the Company's performance for the three-month period ended Mar 31, 2023 was a net profit of Baht 183.17 million or 51.68 % lower than the same period last year.

Please be informed accordingly.

Yours faithfully,



Thomas Wilson
President & CEO