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No. LorBor./66/011

August 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 six-month period ended June 30, 2023 which shows a net profit of Baht 432.96 million (Baht 1.11 per share) compared with Baht 752.15 million (Baht 1.93 per share) from same period last year, a decrease by Baht 319.19 million or 42.44%. The significant changes are summarized as follows:

Unit: Thousand baht

| | Consolidated financial information For the six-month period ended | | % Change |
|---|--|------------------|----------------|
| | 30 June 2023 | 30 June 2022 | Y-O-Y |
| Revenues | | | |
| Gross premiums written | 5,706,976 | 3,649,305 | 56.39% |
| Net premiums written | 4,549,725 | 2,689,248 | 69.18% |
| Net premiums earned | 3,981,283 | 2,682,508 | 48.42% |
| Fees and commission income | 300,765 | 274,389 | 9.61% |
| Net investment income | 48,864 | 48,089 | 1.61% |
| Loss on investments | (3,690) | (28,380) | -87.00% |
| Share of profit on investment of an associate | 297,954 | 557,810 | -46.59% |
| Revenue from services | 18,223 | 8,257 | 120.69% |
| Other income (Expenses) | 2,137 | (388) | n/m |
| Total revenues | 4,645,536 | 3,542,285 | 31.15% |
| Expenses | | | |
| Net claim paid | 2,447,886 | 1,465,738 | 67.01% |
| Commission and brokerage expenses | 605,876 | 551,645 | 9.83% |
| Other underwriting expenses | 565,911 | 453,046 | 24.91% |
| Cost of medical services | 216 | 1,647 | -86.89% |
| Operating expenses | 575,141 | 420,482 | 36.78% |
| Finance cost | 3,136 | 3,420 | -8.31% |
| Impairment loss (reversal) | (4,976) | (166,955) | -97.02% |
| Expected credit loss (reversal) | (27) | (881) | -96.83% |
| Total expenses | 4,193,163 | 2,728,142 | 53.70% |
| Profit before income tax | 452,373 | 814,143 | -44.44% |
| Income tax income (expense) | (19,415) | (61,996) | -68.68% |
| Net profit | 432,958 | 752,147 | -42.44% |
| Basic earnings per share (Baht per share) | 1.11 | 1.93 | -42.44% |

- The gross premiums written (GPW) for this quarter increased by 56.39 % from the same period last year. This was due largely to the premiums from the acquisition of health business and service in early May 2022.
- Fee and commission income increased by 9.61% due to higher reinsurance.
- Loss on investment decreased 87.00% due largely to previous year there was the sales of investment assets to raise funds for business acquisition as mentioned above
- The share of profit on investment in an associate decreased by 46.59% due to the decrease in net profit of the associate company.
- Revenue from services increased by 120.69% came from the business acquisition after May 2022
- Other income increased 2.53 million mainly due to the lower of foreign currency loss compare to the same period last year
- From the above, the Company total revenues increased by 31.15% 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 67.01%, 24.91% ,9.83% and 36.78%, respectively, due to the business expansion.
- Cost of medical services decreased by Baht 1.43 million due to medical services was stopped operating since June 2022.
- Impairments and expected credit loss significantly decreased due to the sales of investment assets in previous year as mentioned above.
- As a result of the aforementioned, the Company's performance for the six-month period ended June 30, 2023 was a net profit of Baht 432.96 million or 42.44 % lower than the same period last year.

Please be informed accordingly.

Yours faithfully,



Thomas Wilson
President & CEO