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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) 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