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No. LorBor./66/015

November 14, 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 nine-month period ended September 30, 2023 which shows a net profit of Baht 551.71 million (Baht 1.42 per share) compared with Baht 870.58 million (Baht 2.24 per share) from same period last year, a decrease by Baht 318.87 million or 36.63%. The significant changes are summarized as follows:

Unit: Thousand baht

	Consolidated financial information For the nine-month period ended		% Change
	30 September 2023	30 September 2022	Y-O-Y
Revenues			
Gross premiums written	7,950,694	5,814,417	36.74%
Net premiums written	6,226,923	4,360,880	42.79%
Net premiums earned	6,007,164	4,441,717	35.24%
Fees and commission income	401,323	371,285	8.09%
Net investment income	82,919	66,119	25.41%
Loss on investments	(2,918)	(35,252)	-91.72%
Share of profit on investment of an associate	344,419	662,902	-48.04%
Service income	27,621	17,036	62.13%
Other income	4,838	293	1551.37%
Total revenues	6,865,366	5,524,100	24.28%
Expenses			
Net claim paid	3,715,408	2,547,957	45.82%
Commission and brokerage expenses	883,241	830,110	6.40%
Other underwriting expenses	829,902	700,988	18.39%
Cost of medical services	1,407	1,679	-16.28%
Operating expenses	823,552	682,031	20.75%
Finance cost	5,160	5,286	-2.38%
Impairment loss (reversal)	(4,976)	(168,721)	-97.05%
Expected credit loss (reversal)	(60)	(1,866)	-96.74%
Total expenses	6,253,634	4,597,464	36.02%
Profit before income tax	611,732	926,636	-33.98%
Income tax	(60,027)	(56,058)	7.08%
Net profit	551,705	870,578	-36.63%
Basic earnings per share (Baht per share)	1.42	2.24	-36.63%

- The gross premiums written (GPW) increased by 36.74 % from the same period last year. This was due largely to the premiums from the acquisition of health business and services in early May 2022.
- Fee and commission income increased by 8.09% due to higher reinsurance.
- Net investment income increased by 25.41% due to the higher investment asset size from business acquisition and the increase in bond yield. Loss on investment decreased 91.72% due largely to previous year there was the sale of investment assets to raise funds for business acquisition as mentioned above.
- The share of profit on investment in an associate decreased by 48.04% due to the decrease in net profit of the associate company.
- Revenue from services increased by 62.13% due to the business acquisition after May 2022.
- Other income increased 4.55 million mainly due to the lower foreign currency loss compared to the same period last year.
- From the above, the Company's total revenues increased by 24.48% 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 45.82%, 18.39%, 6.40% and 20.75%, respectively, due to the business expansion.
- Impairments (reversal) and expected credit loss (reversal) significantly decreased due to the sales of investment assets in previous year as mentioned above.
- As a result of the aforementioned which mainly driven by lower share of profit on investment in an association and Impairment (reversal), offset by higher underwriting profit and investment income due to business expansion, the Company's performance for the nine-month period ended September 30, 2023 was a net profit of Baht 551.71 million or 36.63% lower than the same period last year.

Please be informed accordingly.

Yours faithfully,



Thomas Wilson
President & CEO