

Overview

Every year, Allianz Ayudhya Assurance Pcl. (“Company” / “We”) declares the dividends that are allocated to the participating products of our customers. The actual dividend amount allocated to your policy is stated in your billing notice/anniversary notice. The dividend declared depends on the investment performance of the assets supporting the product portfolio and its outlook.

About Participating Product (Par)

Participating policies provide guaranteed benefits, as well as non-guaranteed benefits in the form of dividends. The guaranteed benefits are those that the Company promises to pay regardless of how the investments in the Participating Fund perform. In addition, the Company may pay non-guaranteed benefits either in the form of annual dividend, surrender dividend, maturity dividend, terminal dividend upon death or Paid-Up Additional Sum Assured (PUA), if applicable, according to your policy contract. Dividends are not guaranteed and may go up or down from one year to the next and may even be zero depending on the past investment performance, future investment outlook and other relevant factors.

The Company manages your participating policy with care and discipline, bearing in mind the following key considerations: (1) fairness to policyholders, (2) policyholders’ reasonable expectations which will differ for each insurance policy and (3) long-term sustainability of dividends. We manage your participating policy as described below:

The money that you pay, in the form of premiums, is pooled with the payment of other participating customers. The premiums, after allowing for the cost of your insurance benefits and operating expenses, are invested to yield investment returns that support the guaranteed and non-guaranteed benefits for all participating policyholders.

To calculate the dividends to allocate to each policy, the Company will determine the Reference Rate based on the past investment returns of the assets invested as well as a forward-looking view on the future investment and economic outlook. To reduce the fluctuation of returns allocated to your policy, the Company may apply the concept of “smoothing” such that the Company may adjust the Reference Rate down when investment performance in the past year has been exceptionally good in order to be able to adjust the Reference Rate up in future years when the investment performance is poor.

Our investment strategy:

While seeking competitive yet stable returns over the medium to long term, the overarching objective of investing the fund is to ensure that the fund is able to meet the guarantees promised for each policy. To achieve this objective, we employ a rigorous and disciplined approach in determining the strategic asset allocation, which defines the nature of the assets and how much we invest in each category including fixed income, equities and other asset classes. We monitor our investment position regularly and make changes to the asset allocation when appropriate.

Our investment performance

In 2025 and the past 8 years, the investment portfolio underlying Participating policy using a Reference Rate generated the investment returns shown in the table below.

Year	2017	2018	2019	2020	2021	2022	2023	2024	2025
Annualized return	6.7%	2.6%	3.1%	3.1%	3.1%	3.0%	2.7%	3.2%	2.5%**

***2025 Return is based on the latest year to date return as of September 2025, annualized to 12 months.
 Note: Please note that past performance is not an indicator of future performance and the amount of non-guaranteed dividend.*

This table represents the annual return of the Company investment portfolio and is for illustrative purposes only. It does not represent the return of an individual participating policy and may vary by product.

In other words, the table does not represent the returns of an individual participating policy, nor the Reference Rate determined by the Company each year. The annual dividend amount for your policy will be stated in your billing notice/anniversary notice that the Company provides to each customer every year.

Current Thailand investment and economic environment:

(Source: Bank of Thailand, Office of the National Economic and Social Development Council, and The Thai Bond Market Association)

Economy in 2025:

The Thai economy grew in 2Q 2025 by +2.8% YoY, compared to +3.2% YoY in the previous quarter; on a QoQ basis, GDP grew by +0.6%. The few, higher-growth sectors were Exports, Private Investments, Manufacturing and Trades. In contrast, Private Consumption, Public Investment, Public Consumption, Agriculture, and Services registered slower growth.

The first 2 months of the 3rd quarter exhibited a slowdown in activities after the start of new US import tax collection as business sped up production and exports prior to the tax date and the manufacturing sector contracted in both months, Services and Exports sector trended lower and Farm income showed larger negative growth; Private Consumption continued to register low growth, while Private investment climbed to almost double digit growth in August.

On 8th October 2025, the Bank of Thailand forecasted 2025 GDP growth at +2.2% with the 1H: 2025 benefiting from increased Exports during the pre-tariff period, likely to outperform 2H:2025 due to the impact of US tariffs. The BOT expected improved tourist arrivals and better private consumption. The Bank of Thailand forecasted 2026 GDP growth to be 1.6%.

Headline inflation continued to be negative in August and September 2025 at -0.8% and -0.7% YoY, respectively, driven by lower energy prices and some raw food prices. The Ministry of Commerce expected inflation to be around 0% in the 4th quarter of 2025 and for the full year.

Interest Rates in 2025:

During the first 9 months of 2025, bond investors had largely adopted barbell strategy, driving short and very long-term yields to lower by -70 and -85 basis points, respectively, and the medium-term yield to move lesser by only -65 basis points. In the beginning of 4Q2025, market sentiment showed some sign of development with less global trade tension and clear policy rate management from the new governor of the Bank of Thailand to balance between inflation and economic growth, rather than to pro-growth. Investors have been more comfortable to risky assets, leading to sale of very long-date bonds and profit-taking in October. Long-term bond yields have significantly picked up in the month by +20 to +30 basis points, providing opportunity for the Enhanced Par Bond portfolio to lock in higher return. Nonetheless, the whole year movement of Thai bond yield curve is still a downward trend during the first 10 months of 2025 as a result of the prediction of global economic & trade uncertainty and the expected series of the policy rate cuts along FY2025 period.

Credit investment market has been experiencing a flight-to-quality. Investors have demanded for higher credit spread, except AAA credit quality, which has shown a spread tightening by -20 to -30 bps across the yield curve. Nonetheless, widened credit spread is unable to offset the impact from declining of interest rate.

Enhanced Par bond portfolio performance has been affected by the declining interest rate trend. Average bond investment recurring yield was 3.02% on approximate in October 2025 from 3.2% in December 2024, given a rapid growth in asset size.

We view that the Thai bond market outlook will likely be a steepening in the short-to-medium term as short-dated bond yields is quite sticky in responding to the anticipation of the Thai policy rate cut in late 2025 and 1H2026 while long-dated yields are more dependent to the US Treasury yields, which are likely on a rising trend due to continued US economic resilience and a Treasury refunding announcement indicating potential future increases in long-dated debt issues.

Equities in 2025:

Global equity markets continued their upward trajectory with high volatility due to US trade talks, with the MSCI World All Country Index returning +18% as of end of third quarter. The US and Chinese markets outperformed European and Asian markets as investors anticipated the beginning of an interest rate easing cycle driven by slowing inflation and AI hype. Chinese markets benefited from government stimulus measures and better-than-expected economic data. Meanwhile, the MSCI Europe Index performed well, bolstered by increased defense spending, infrastructure investments, and monetary easing by the European Central Bank.

In Thailand, the SET Index performed poorly in first half of 2025 from the expected impact of US trade tariff but emerged as one of the top-performing markets in the third quarter 2025. This rally was fueled by investor expectations of a lower policy rates under the newly appointed Governor of the BOT. Additionally, changes in the government party coalition and the new Prime Minister's pledge to call a new election in four months have instilled hope for consumption stimulus. The SET Index returned +17.3% in the third quarter, outperforming regional markets. As for nine months, SET Index return was -8.7%.

For 2026, we anticipate that the long-term fair value of the SET Index will range between 1,300 and 1,400, with an implied 2026 PE ratio of 15x, aligning with historical averages. We expected the low interest rate environment will help support the economy while the current high dividend yield of 4% should provide short-term support for the index.

Remark: *This announcement applies to the following list of products only:

1. My Double Plus 15/6 (Participating)
2. My Double Plus 18/10 (Participating)
3. My Double Plus 22/15 (Participating)
4. My Double Plus 25/20 (Participating)
5. Krungsri Max Savings 18/8 (Participating)
6. Krungsri Saver 20/5 (Participating)
7. Krungsri Saver 20/10 (Participating)
8. Smart Saving 18/8 (Participating)
9. Krungsri Saving Insurance 15/5 (Participating)
10. Krungsri Annuity Insurance Happy Retire A85/1 Tax Deductible Annuity (Participating)
11. Krungsri Annuity Insurance Happy Retire A85/5 Tax Deductible Annuity (Participating)
12. Krungsri Annuity Insurance Happy Retire A85/10 Tax Deductible Annuity (Participating)
13. Krungsri Annuity Insurance Happy Retire A85/A60 Tax Deductible Annuity (Participating)
14. Krungsri Saving Insurance 12/5 (Participating)

The announcement does not apply to any other product that is not in the list above.