

FN.A. 027/2011

May 12, 2011

Subject: Explanation of changes in operating result

Dear Sirs,

As the Office of Insurance Commission has issued a new financial statement format for the insurance industry to the requirement of TAS 1 (Revised 2009) Presentation of Financial Statements. The preparation of the financial statement for the current period and reclassified for the fiscal 2553 to be in the form of this new requirement.

According to our financial statement in which the equity method is applied for three-month periods ended March 31 2011, the company reported net profit of 51.44 million baht increased by 11.29 million baht or 28.12% from the same period of previous year. We would like to clarify the main reasons of changes in operating result as follows;

1. The company's underwriting profit increased 11.19 million baht or 106.83% from the previous year which mainly resulted from an increase in total revenues from the previous year by 27.32 million baht or 6.82% and an increase in total underwriting expenses from the previous year by 16.13 million baht or 4.13% .
2. Net investment income increased 10.48 million baht or 29.57% from the same period of previous year due to an increase in interest and dividend income and an increase in gain from sale of securities .
3. Share of income from investment in associated company decreased 1.63 million baht or 51.32%

Please be informed accordingly.

Yours faithfully,

The Navakij Insurance Public Company Limited

(Pitiphong Bisalputra)

President