

Ref: FN.A.030/2015

12 November 2015

Subject: Management Discussion and Analysis Quarter 3 Ending 30 September 2015

To: President of the Stock Exchange of Thailand

The Navakij Insurance Public Company Limited (the “Company”) would like to inform you the financial statements in which the equity method is applied for the period of three months ended 30 September 2015 represented a net profit of Baht 22.30 million, decreased by Baht 78.59 or 77.90% compared to the same period last year of Baht 100.89 million.

The Company would like to clarify the reasons of the above operating results as follows:

1. Profit from Underwriting

Profit from underwriting represented the loss of Baht 19.12 million, decreased by Baht 109.23 million or 121.22% compared to the profit of Baht 90.11 million in the same period last year, mainly due to:

Underwriting income was Baht 658.26 million, an increase of Baht 120.26 million or 22.35% compared to the same period last year of Baht 538 million.

Underwriting expenses was Baht 677.37 million, an increase of Baht 229.48 million or 51.24% compared to the same period last year of Baht 447.89 million, consisted of

Claims and loss adjustment expenses was Baht 405.66 million, an increase of Baht 154.73 million or 61.66% from the previous year, resulted from reduction in a loss reinsurance reserve of Baht 37.52 million from the 2011 megaflood, was recorded in account of the third quarter of the year 2014 that affected the net claim expenses to increase in account of the third quarter of the year 2015 by Baht 117.21 million.

Commissions and brokerages expenses were Baht 131.23 million, an increase of Baht 25.80 million or 24.47%.

Other underwriting expenses was Baht 140.48 million, an increase of Baht 48.95 million or 53.48%, resulted from reduction in doubtful accounts from reinsurance recovery of Baht 61.30 million caused by the outstanding debt has been reimbursed to the Company, was recorded in account of the third quarter of the year 2014 that affected the net other underwriting expenses to decrease in account of the third quarter of the year 2015 by Baht 12.35 million.

2. Profit on Investments was Baht 48.06 million, an increase of Baht 17.37 million or 56.60% compared to the same period last year of Baht 30.69 million.

3. Profit sharing from investment in associate company represented the loss of Baht 1.95 million, decreased by Baht 10.74 million or 122.18% compared to the profit of Baht 8.79 million in the same period last year.

Please be informed accordingly.

Yours sincerely,

Mr. Pitiphong Bisalputra
Chairman of the Executive Board and President