

FN.A.031/2012

May 11, 2012

Subject: Explanation of changes in operating result

Dear Sirs,

According to our financial statement in which the equity method is applied for three-month periods ended March 31 2012, the company reported net lost of 77.79 million baht decreased by 129.22 million baht or 251.22% 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 decreased 193.44 million baht or 892.97% from the previous year which mainly resulted from an increase in total revenues from the previous year by 24.24 million baht or 5.66% and an increase in total underwriting expenses from the previous year by 217.68 million baht or 53.57% . The increase of underwriting expenses was result from the loss of severe flooding in the fourth quarter of 2011.

2. Net investment income increased 13.97 million baht or 30.43% from the same period of previous year due to an increase in gain from sale of securities.

3. Share of income from investment in associated company increased 1.89 million baht or 122.57%

Please be informed accordingly.

Yours faithfully,

The Navakij Insurance Public Company Limited

(Pitiphong Bisalputra)

President