

Ref: FN.A.002/2018

22 February 2018

Subject: Management Discussion and Analysis Year Ending 31 December 2017

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 year ended 31 December 2017 represented a net profit of Baht 110.65 million, an increase of Baht 106.28 million or 225.23% compared to the same period last year of Baht 34.02 million.

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

The Company's total income was Baht 2,425.67 million, a decrease of Baht 447.78 million or 15.58% comparing with the previous year of Baht 2,873.44 million, mainly due to:

1. Underwriting income was Baht 2,266.14 million, a decrease of Baht 429.64 million or 15.94% as a result of reduction in earned premium for motor insurance.
2. Investment and other income was Baht 159.53 million, a decrease of Baht 18.14 million or 10.21% according to a decline in earnings; dividend income, interest income, gain on the sale of stocks, other income and share of profit of the associate.

The Company's total expenses was Baht 2,296.14 million compared with the same period last year of Baht 2,835.37 million, a decrease of Baht 539.23 or 19.02%, mainly due to:

1. Underwriting expenses before operating expenses was Baht 1,973.86 million, a decrease of Baht 504.27 million or 20.35% resulted from reducing claims and loss adjustment expenses.
2. Operating expenses was Baht 322.28 million, a decrease of Baht 34.96 million or 9.79%.

Please be informed accordingly.

Yours sincerely,

Mr. Pitiphong Bisalputra
Chief Executive Officer and President