บมจ.
นวกิจประกันภัย
The Navakij Insurance Public Company Limited

Ref: FN.A.004/2020

25 February 2020

Subject: Management Discussion and Analysis Year Ending 31 December 2019

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 2019 represented a net profit of Baht 29.65 million compared to the same period last year represented a net profit of Baht 86.51 million, a decrease of Baht 56.87 million or 65.73%.

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

The Company's total income was Baht 2,572.49 million, an increase of Baht 181.22 million or 7.58% comparing with the previous year of Baht 2,391.27 million, mainly due to:

1. Underwriting income was Baht 2,391.81 million, an increase of Baht 99.41 million or 4.34% resulted from increasing in earned premium.
2. Investments and other income was Baht 180.69 million, a decrease of Baht 81.81 million or 82.75% as a result of (i) the increase in interest and dividend income, and (ii) the Company transferred a part of its investment in company, listed on the Stock Exchange, from "Available-for-sale investments" to "Trading investments" and the differences between cost and fair value as at the transfer date amounting to Baht 60.40 million was recorded as a gain from reclassification of investments in statements of income.

The Company's total expenses was Baht 2,542.89 million compared with the same period last year of Baht 2,286.59 million, an increase of Baht 256.30 million or 11.21%, mainly due to:

1. Underwriting expenses before operating expenses was Baht 2,180.92 million, an increase of Baht 265.67 million or 13.87% due to increasing in claims and loss adjustment expenses for fire insurance, motor insurance, and miscellaneous insurance.
2. Operating expenses was Baht 361.97 million, a decrease of Baht 9.37 million or 2.52%.

Please be informed accordingly.

Yours sincerely,

Mr. Pitiphong Bisalputra
Chief Executive Officer and President

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