

Ref: FN.A.002/2017

23 February 2017

Subject: Management Discussion and Analysis Year Ending 31 December 2016

To: President of the Stock Exchange of Thailand

The Navakij Insurance Public Company Limited (the "Company") would like to inform you the separate financial statements for the year ended 31 December 2016 represented a net profit of Baht 67.29 million, decreased by Baht 41.65 or 38.24% compared to the same period last year of Baht 108.94 million.

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

The Company's total income was Baht 2,906.71 million, an increase of Baht 78.44 million or 2.77% comparing with the previous year of Baht 2,828.27 million, mainly due to:

1. Underwriting income was Baht 2,695.78 million, an increase of Baht 130.56 million or 5.09% as a result of earned premium for fire insurance and motor insurance increased.
2. Investment and other income was Baht 210.93 million, a decrease of Baht 52.12 million or 19.81% as a result of profit on investments decreased.

The Company's total expenses was Baht 2,835.37 million compared with the same period last year of Baht 2,701.12 million, an increase of Baht 134.25 or 4.97%, mainly due to:

1. Underwriting expenses before operating expenses was Baht 2,478.13 million, an increase of Baht 151.96 million or 6.53% caused by increasing in claims and loss adjustment expenses.
2. Operating expenses was Baht 357.24 million, a decrease of Baht 17.71 million or 4.72%.

Please be informed accordingly.

Yours sincerely,

Mr. Pitiphong Bisalputra
Chief Executive Officer and President