

Ref: FN.A. 033/2014

14 November 2014

Subject: Explanation of operating results Quarter 3/2014

To: President of the Stock Exchange of Thailand

The Navakij Insurance Public Company Limited (the “Company”) would like to clarify the operating results and the financial statements in which the equity method is applied for the period ended 30 September 2014.

### **Operating Results**

For the third quarter of 2014 ended 30 September 2014, the Company’s operating results has net profit 100.89 million Baht, an increase of 47.99 million Baht or 90.73% comparing with same period last year of 52.90 million Baht. Underwriting profit margin and return on equity was 17.61% and 4.37% comparing to 7.45% and 2.36% of last year. Earning per share was 3.25 Baht compared to last year having 1.71 Baht per share.

### **Underwriting Income**

As of 30 September 2014, the Company’s underwriting income was 538 million Baht, increased by 1.23 million Baht or 0.23% from the same period of the previous year of 536.77 million Baht. Net earned premium was 511.78 million Baht, an increase of 0.76 million Baht or 0.15% from the same period last year of 511.02 million Baht.

### **Underwriting Expenses**

The Company’s underwriting expenses was 447.89 million Baht, declined of 50.82 million Baht or 10.19% comparing with the same period last year of 498.72 million Baht, of which claim and loss adjustment expenses was 250.93 million Baht, a decrease of 10.13 million Baht or 3.88% from the last year, due to reduction in setting up a loss reserve from reinsurance of the 2011Megafood. Commission and brokerage expenses were 105.43 million Baht, an increase of 2.3 million Baht or 2.24% from the last year. Other underwriting expenses was 91.54 million Baht, reduced by 43 million Baht, due to decreasing of 61.3 million Baht of the doubtful accounts from reinsurance claims caused by the outstanding debt has been reimbursed to the Company.

### **Investment and Other Income**

Investment income was 30.69 million Baht, an increase of 5.06 million Baht from the last year. Income from interest and dividend was 23 million Baht, an increase of 3.75 million Baht or 19.47% from the last year. Gain on sales of securities was 7.69 million Baht, an increase of 1.31 million Baht or 20.53% from the last year. Profit sharing from investment in associate company was 8.79 million Baht, an increase of 7.25 million Baht or 469.60% from the previous year.

**Financial Status**

As of 30 September 2014, the Company's total assets was 5,276.30 million Baht, decreased by 1,290.30 million Baht or 19.65% comparing to 6,566.60 million Baht of year ending 2013. Total liabilities was 2,968.56 million Baht, decreased by 1,436.37 million Baht or 32.61% from the ending last year. The high reduction was due to a settlement of outstanding claims and claim recovery from reinsurers.

As of 30 September 2014, the Company's shareholders equity was 2,307.74 million Baht, increased by 146.07 million Baht or 6.76% from the ending last year, caused by the Company's registered capital increased of 10 million Baht and increasing in other components of equity of 37.78 million Baht, which results from losses on changes in value of investment in associate company and investment in securities, were presented in the other comprehensive income for the period - net of tax.

Please be informed accordingly.

Yours sincerely,

Mr. Pitiphong Bisalputra  
Chairman of the Executive Board and President