

Ref: FN.A.013/2016

12 May 2016

Subject: Management Discussion and Analysis Quarter 1 Ending 31 March 2016

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 period of three months ended 31 March 2016 represented a net profit of Baht 1.83 million, decreased by Baht 30.20 million or 94.30% compared to the same period last year of Baht 32.03 million.

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

1. Underwriting profit before tax expense was Baht 3.90 million, decreased by Baht 46.31 million or 92.23% compared to the same period last year of Baht 50.21 million, mainly due to:

- Earned premium was Baht 682.89 million, an increase of Baht 145.94 million or 27.18% compared to the same period last year of Baht 536.95 million.
- Profit on investments represented a loss of Baht 7.56 million, a decrease of Baht 17.57 million Baht as a result of reduction its shareholding in associate company that affected the recognition of profit and loss arising from fair value measurements of remaining interests and value of investments in which the equity method is applied as of the date of un-adopted the method, as well as reversed loss on changes in value of investments in associate that had been recognized in other comprehensive income, this resulted in the loss of Baht 28 million in the statements of income in which the equity method is applied this period caused by the equity method un-adoption.
- Claims and loss adjustment expenses was Baht 483.01 million, an increase of Baht 173.42 million or 56.02% from the previous year.

2. Corporate income tax expense was Baht 2.07 million, decreased by Baht 16.10 million or 88.59% compared to the same period last year.

Please be informed accordingly.

Yours sincerely,

Mr. Pitiphong Bisalputra
Chief Executive Officer and President