

November 11, 2011

Subject: Explanation of changes in operating result

Dear Sirs,

As the Office of Insurance Commission has issued a new financial statement format for the insurance industry to the requirement of TAS 1 (Revised 2009) Presentation of Financial Statements. The preparation of the financial statement for the current period and reclassified for the fiscal 2553 to be in the form of this new requirement.

According to our financial statement in which the equity method is applied for three-month periods ended September 30 2011, the company reported net profit of 71.41 million baht increased by 48.03 million baht or 205.47% from the same period of previous year. We would like to clarify the main reasons of changes in operating result as follows;

1. The company's underwriting profit increased 55.65 million baht or 240.38% from the previous year which mainly resulted from an increase in total revenues from the previous year by 92.07 million baht or 24.63% and an increase in total underwriting expenses from the previous year by 36.43 million baht or 9.18% . The increase of underwriting expenses was result from the Company set up loss reserves for the flood claims that occurred within September 2011

2. Net investment income increased 7.59 million baht or 18.36% from the same period of previous year due to an increase in interest and dividend income .

3. Share of income from investment in associated company increased 4.34 million baht or 76.07%

Please be informed accordingly.

Yours faithfully,

The Navakij Insurance Public Company Limited

(Pitiphong Bisalputra)

President