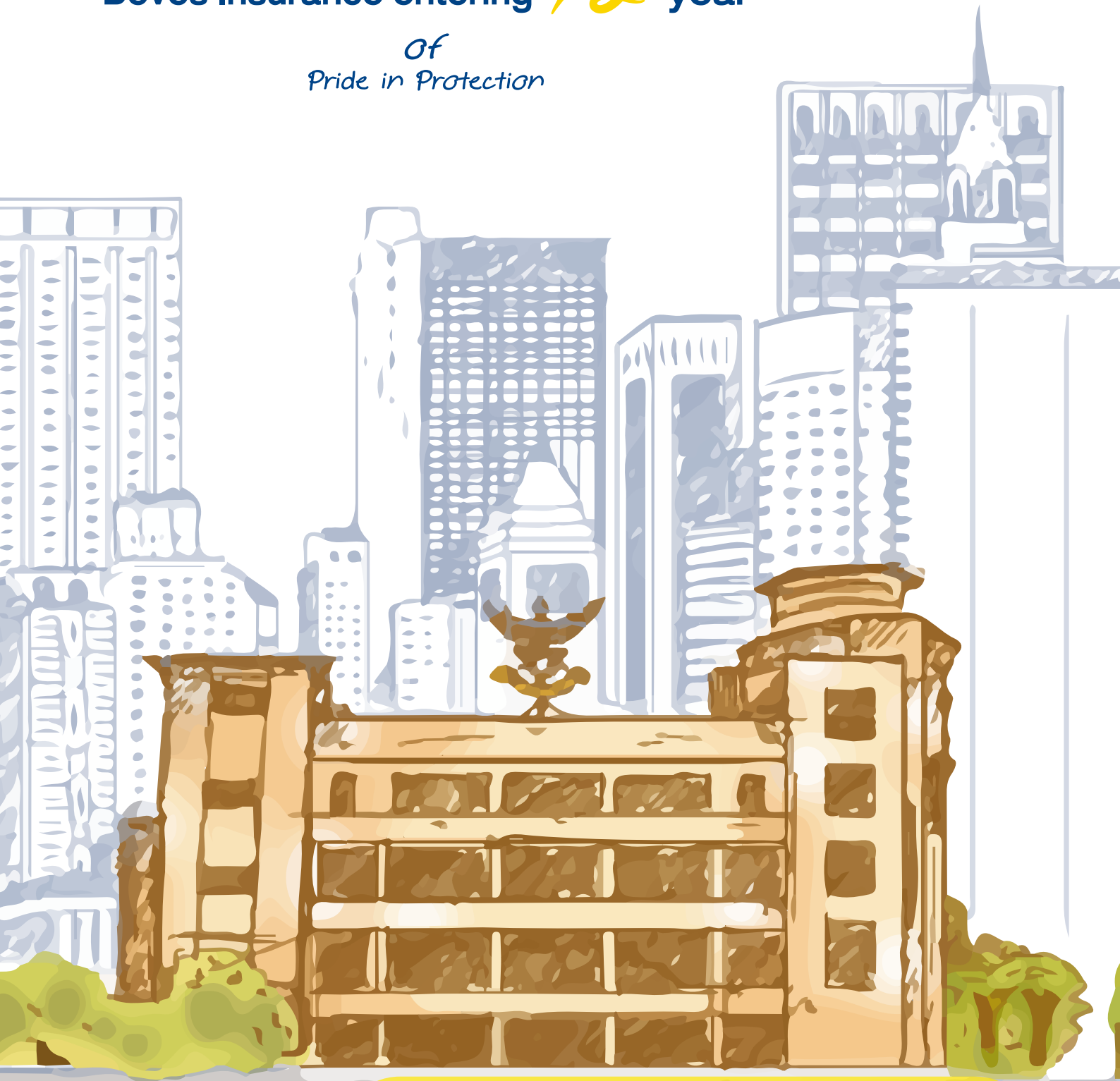


Deves Insurance entering **72nd** year
of
Pride in Protection



Annual Report 2017
THE DEVES INSURANCE PUBLIC COMPANY LIMITED



Pride in Protection

Customer Centric

Means commitment to customer care by meeting the need of internal and external customer, and always be ready to provide the best services and unprejudiced support to ensure customer satisfaction, which will ultimately bring productive benefits to customers and the Company.

Dignified

Means to have the sense of honor and pride in being a part of an organization owned by the Crown Property Bureau, and thereby working and behaving with self-respect, honesty, prudence, conscientiousness, and to be prepared to fulfill one's responsibilities with efficiency and transparency to oneself, the organization and customers.

Masterly

Means striving to improve skills, knowledge and specializations, being open to new ideas and developments so as to attain prowess and be able to effectively share the acquired skill with colleagues, and having unyielding devotion to duty, with the ultimate aim of strengthening teamwork and enhancing the corporate competitiveness.

Assuring

Means carrying out duties with honesty and transparency, keeping firmly to obligations in order to earn trust and confidence from customers, and promoting the good image of Deves Insurance.

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Chairman's Statement



Dear Shareholder

The Thai economy improved in 2017 on the prior year's performance. The Fiscal Policy Office [FPO] expects the national economy to have expanded by 4.0% in 2017, driven by an accelerating rise in exports and continued growth in private consumption and tourism. The non-life insurance industry, which grew slightly by 3.2%, continued to see intense competition particularly in the motor insurance business.

Despite the impact of economic and industry conditions, the Company was able to report a net profit of Baht 260.0 million, a 31.1% increase over 2016. We recorded a 0.9% increase in premiums written, while having a strong Capital Adequacy Ratio [CAR] of 420.8% as at the end of the third quarter of 2017. The achievement was attributable to our continuous development and also reflected our robust financial base. In addition to the above, the Company received, from the Office of Insurance Commission [OIC], an e-Claim Award 2016 for outstanding electronic claims system.

In keeping with its commitment to business integrity, the Company made its declaration of intent, in 2017, to join Thailand's Private Sector Collective Action Coalition against Corruption [CAC], and has since formulated anti-corruption policies and measures as well as revising key relevant policies for implementation. This is to provide assurance that our business activities conform with good governance principles and that we have an ethical duty to treat our customers, business partners, stakeholders and interested parties with fairness, transparency and social responsibility in taking the organization towards the ultimate goal of becoming an "Ethical Organization".

On behalf of the Board of Directors, may I take this opportunity to express our gratitude to all our policyholders, business allies, partners and shareholders for their continued vital role in supporting the Company's business operations. I would also like to thank the Management and the staff for dedicating such talents and efforts to the fulfilment of their duties. On the occasion of entering our 72nd year of operation, we hope to create strong, long-term value for all our stakeholders through our readiness to contribute to the steady, sustainable growth and development of Thai society and economy.



Dr Chirayu Isarangkun Na Ayuthaya
Chairman of the Board

General Information

A non-life insurance subsidiary of the Crown Property Bureau [CPB], The Deves Insurance Public Company Limited commenced operations on 17 January 1947 with an initial registered capital of Baht 4 million comprising 40,000 ordinary shares at par value of Baht 100. In the early stages of business, the Company was primarily involved in underwriting of fire insurance for tenants of the CPB. It was later licensed by the Ministry of Commerce to operate marine and miscellaneous insurance in 1972 and motor insurance in 1989.

With the vision of being a provider of quality non-life insurance services operating under good governance principles and recognized as “the insurer of choice” for businesses and the public, we have continuously enhanced our underwriting and management systems to keep pace with changing conditions, while also reinforcing our financial base and stability appropriately in every major phase of development. At present, the Company has a registered capital of Baht 500 million consisting of 50 million ordinary shares at Baht 10 each, 89.97 per cent of which is held by the Crown Property Bureau.

The par value reduction from Baht 100 to Baht 10 was made in line with the requirements for listing on the Stock Exchange of Thailand [SET]. Deves Insurance obtained approval to be listed on the SET on 29 November 1990. It was then re-registered under the Public Limited Companies Act on 11 August 1994, with business registration number of 0107537002478 [previously Bor Mor Jor 494].

In 2007 the Crown Property Bureau, as Deves Insurance's principal shareholder, started to make tender offers to other shareholders in order to apply for voluntary delisting of the Company's shares. Approval was consequently given for the Company to be officially delisted from the Stock Exchange of Thailand on 22 August 2008.

Through more than 70 years, Deves Insurance has been committed to an honest, transparent and anti-corruption approach to management as well as good governance and ethical standards. We have always given priority to promoting the well-being of our society and our environment. All our executives and staff members recognize the importance of acting responsibly towards society and every group of stakeholders, and pledge themselves to uphold such principles and practices at all times.

Another key development during over 70 years of our operations was the internal and external rebranding in 2005. The exercise focused on reforming the management systems within the organization as well as upgrading the information technology system to respond to customers' needs and business environment. It also aimed at improving the Company's efficiency so as to be geared for retail market competition and be able to create maximum satisfaction for all insurance users. The external rebrand was implemented through the adoption of a new logo for outside communication. The logo was redesigned from the original image of deva to a modern and easy-to-remember symbol, although the deva sign remains the Company's legally binding seal.

In designing the logo for external communication, the Company also identified the following four brand attributes:

Customer Centric
Dignified
Masterly
Assuring

These four attributes provide the direction for fostering, among all Deves personnel, the consciousness of and responsibility for fulfilling their duty towards both the business and society alike in delivering on the Company's brand promise of “Pride in Protection”.



Pride in Protection

Marketing and Services

Thailand's Economy and Non-Life Insurance Industry: 2017 Review and 2018 Outlook

2017 Review of Thailand's Economy and Non-Life Insurance Industry

According to the reports by the Office of the National Economic and Social Development Board, the Thai economy grew by 3.9% in 2017, up from 2016's growth rate of 3.3%. This was attributed to a 5.5% rise in exports, a 3.2% increase in private consumption and private investment which was up 1.7% on the previous year's 0.5% - all showing positive signs since the second quarter of 2017. There was, however, deceleration in the public sector: government consumption increased only by 0.5% from 2.2% in 2016; and state investment, which contracted by 1.2%, has been in decline since the second quarter of 2017.

Drivers of the above economic growth have been identified as follows. There were improvements in overall incomes in the economy and in government spending stimuli. Inflation and interest rates remained low, whereas the index of consumer confidence in the economic situation rose to 65.2 or the highest in eleven quarters, pushing private consumption up especially of such durable goods as passenger cars. Positive trends in private-sector investment appeared from the second quarter of 2017, with value of investment incentives applied for rising steadily over the last three quarters of 2017, particularly in the fourth quarter which saw a year-over-year increase of 57.5%. Exports were up by 5% and the growth was in almost all categories of goods and all key markets-notably the exports to the Australian market in the fourth quarter which picked up for the first time in five quarters. The manufacturing sector continued to expand, in particular the production of rubber goods, vehicle and engine parts and accessories, petroleum products and domestic appliances. The agricultural sector was able to report an annual growth rate of 3.9%, despite a slowdown from the second quarter of 2017 due to a 2.7% fall in the agricultural index. The hospitality industry continued to register rapid growth, benefiting from a boom in tourism with revenue from foreign tourists increasing by 11.7%. The wholesale and retail sector grew by 6.3% as a result of increases in consumer confidence and tourist numbers. The transport industry recorded 7.3% growth thanks to all segments of the travel market, especially the air travel business which thrived with growing numbers of tourists and low-cost flights. The electricity, gas and water industry grew at a slower pace than the prior year by 1.7% due to a lower average temperature and a decreased level of public and private construction.

Official figures from the Office of Insurance Commission [OIC] indicate that direct premiums written by the non-life industry in 2017 totalled Baht 219,608 million, a 3.5% increase over the year-earlier period. The highest earning segment was motor insurance, recording 3.8% growth in premiums written which amounted to Baht 127,510 million and was made up of compulsory premiums of Baht 17,299 million or up by 2.6% and voluntary premiums of Baht 110,211 million or up by 4.0%. The second biggest earner was miscellaneous insurance business which reported Baht 48,200 million in premiums or up by 3.4%. This was followed by personal accident insurance premiums of Baht 28,757 million which were up on 2016 by 4.9%, fire insurance premiums of Baht 9,839 million or down by 2.7% and marine insurance premiums of Baht 5,302 million or a 2.6% rise over the previous year.

The Office of Insurance Commission [OIC] has made adjustments to the rates of fire insurance premiums based on statistics and current conditions of fire underwriting. The new premium rates came into force on 1 October 2017. The adjustments under the above Registrar's order are divided into two parts. First, for fire insurance of industrial/commercial property, premium rates will be reduced by 10% for every type of peril/risk with a sum insured below Baht 50 million, and there will be no minimum premium rate for all sums insured of Baht 50 million and above. The second part relates to fire

insurance of homes/dwellings which account for the majority of policies compared to other groups of peril/risk and concerns a large number of the insured while having a relatively lower rate of loss. This can be seen from the year 2015 when fire insurance protection for homes/dwellings was extended to include four natural perils, i.e. flood, windstorm, earthquake and hailstorm with a cover limit of Baht 20,000, which may lead to high loss ratio in the future. Therefore, in order for the public to benefit more from taking out fire insurance, the premium rates for home fire insurance have been revised down by 15%.

Direct Premiums Written by the Industry

Unit : Million Baht

Line of Business	Direct premiums written			
	2017	2016	Increase (Decrease)	Percentage (%)
Fire insurance	9,839	10,111	-272	-2.7
Marine insurance	5,302	5,170	132	2.6
Hull	422	419	3	0.7
Cargo	4,880	4,751	129	2.7
Motor insurance	127,510	122,845	4,665	3.8
Compulsory	17,299	16,867	432	2.6
Voluntary	110,211	105,978	4,233	4.0
Personal accident insurance	28,757	27,404	1,353	4.9
Miscellaneous insurance	48,200	46,618	1,582	3.4
All-risks and property	25,236	24,510	726	3.0
Third-party liability	2,966	2,695	271	10.1
Health	9,203	8,249	954	11.6
Others	10,795	11,164	-369	-3.3
Total	219,608	212,148	7,460	3.5

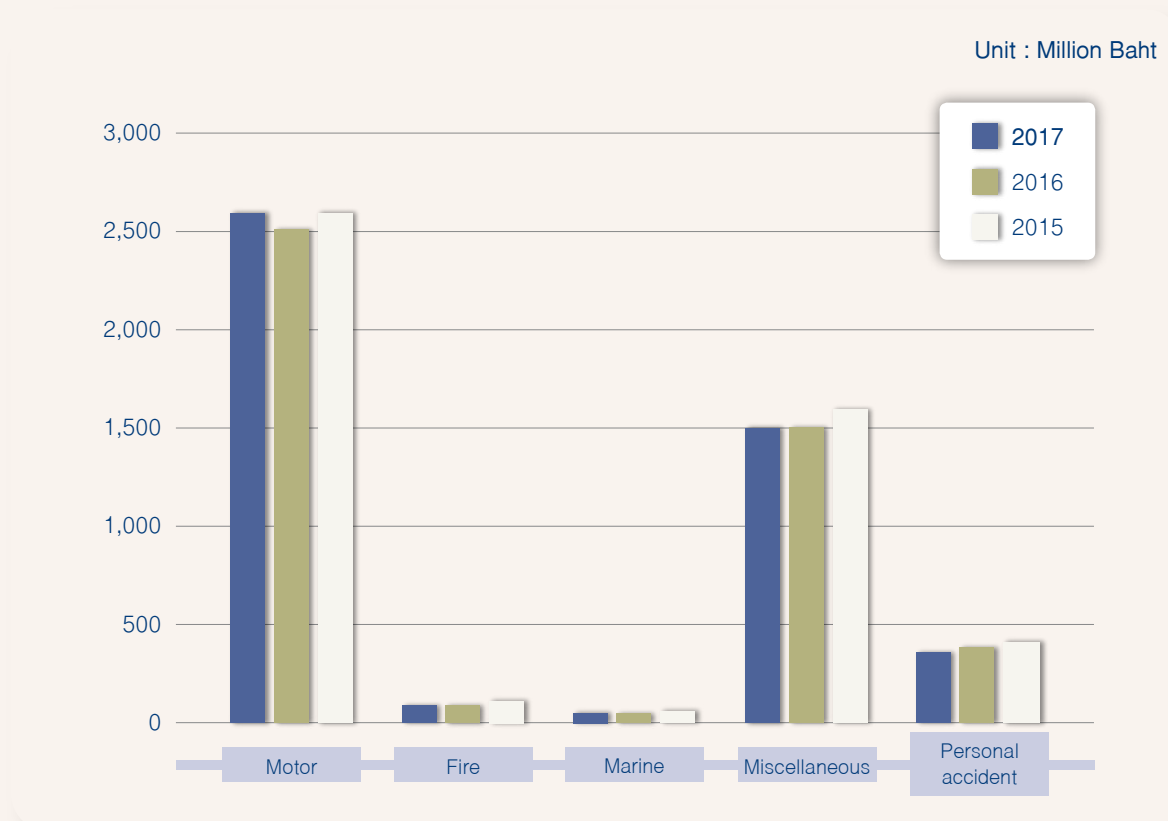
Thailand's Economic and Non-life Insurance Industry Outlook for 2018

On Thailand's economic outlook, the Office of the National Economic and Social Development Board forecasts that the national economy will grow by 3.6 to 4.6% in 2018. Factors contributing to the growth include: a global economic revival which will help lift industrial production and strengthen the overall economy; a continued spur to government spending and an upward trend in public investment; steady expansion in key sectors of the economy since 2017; and improvements in employment and incomes of the population. Exports are expected to rise by 6.8%, while private consumption and overall investment will increase by 3.2% and 5.5% respectively. Annual inflation rate is projected to be between 0.9% and 1.9%.

The non-life insurance industry in 2018 is forecast to expand more solidly than in 2017, with projected premiums growth of approximately 5.0%. The lines of product predicted to enjoy sustained higher growth are those insurance products targeted at retail customers. Increased auto sales is expected to give a continuous boost to motor premiums, while voluntary motor business would still face tough price competition. Personal accident and health sectors will continue to grow steadily as a result of consumers' awareness of insurance benefits. However, the fire sector is likely to be affected by the new fire premium rates effective from 1 October 2017.

Deves Insurance PCL's 2017 Performance and 2018 Outlook

As regards 2017 results of The Deves Insurance PCL, gross premiums written for the year rose by 0.9% to Baht 4,644.0 million. Net premiums were down on the previous year by 6.7% to Baht 2,783.0 million and net earned premiums decreased by 7.7% to Baht 2,837.0 million owing to the Company's policy on underwriting and reinsurance. Consequently, net profit for the reporting period was Baht 266.0 million. Over the course of 2017, the Company continued to pursue the policy implemented in 2016 by focusing on boosting premiums from retail lines of products, especially from the motor business which showed 3.3% growth.

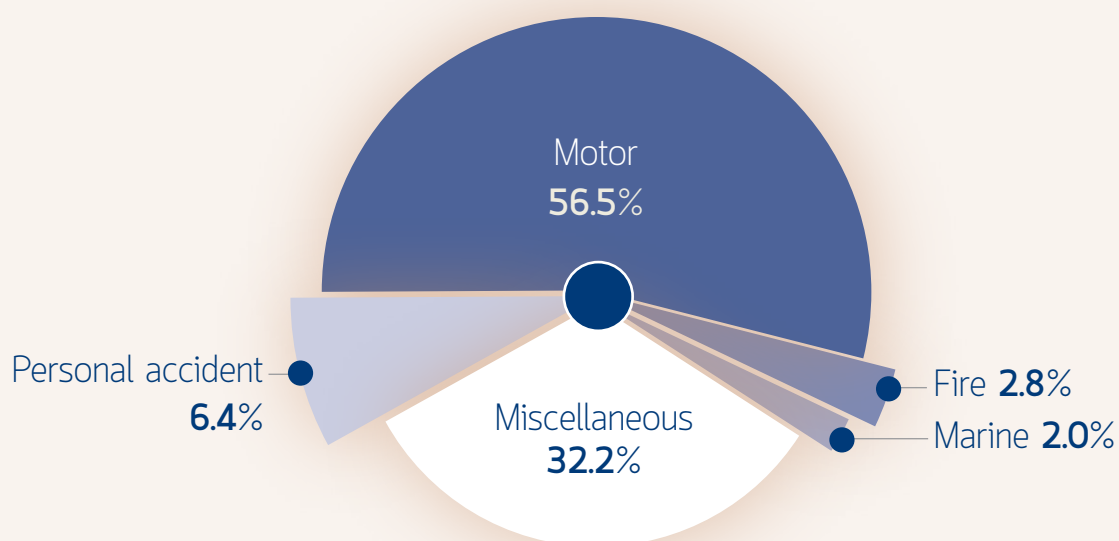


Our ranking and market share by direct premiums

Unit : Million Baht

Line of Insurance	2017		2016		2015	
	Rank	Market share	Rank	Market share	Rank	Market share
Overall direct premiums	13	2.1	13	2.1	13	2.3
Motor direct premiums	13	2.1	14	2.1	12	2.2
Fire direct premiums	17	0.9	17	0.9	19	1.1
Marine direct premiums	15	1.8	16	1.7	15	1.9
Personal accident direct premiums	18	1.0	16	1.3	17	1.5
Miscellaneous direct premiums	10	3.1	8	3.2	8	3.4

Composition of premiums written by the Company, 2017



Unit : Million Baht

Line of Insurance	2017	Percentage (%)	2016	Percentage (%)	2015	Percentage (%)
Motor	2,622,965	56.5	2,538,376	55.2	2,626,515	53.7
Fire	129,565	2.8	128,056	2.8	152,666	3.1
Marine	94,686	2.0	90,168	2.0	100,767	2.1
Miscellaneous	1,497,639	32.2	1,492,119	32.4	1,623,249	33.2
Personal accident	299,321	6.4	353,642	7.7	391,393	8.0
Total	4,644,176	100	4,602,361	100	4,894,590	100

IT Enhancement

From 2016 through 2017, the Company has developed its IT infrastructure into a 'service-oriented architecture' [SOA] with gradual improvements and modifications taking place since 2015. At the early stage of the project, we started by focusing on the service aspect, recognizing the priority to deliver the best to our customers. The systems which had been enhanced according to plans during 2016 include:

1. Change of telephone system
2. Development of customer relationship management [CRM] system
3. Development of motor claims system
4. Improvement of branch and agent/broker payment systems

During 2017, the emphasis was on introducing new technologies and on pursuing the plans/policies implemented since 2016, as follows:

1. Improvement of website
2. Development of mobile applications, with initial focus on the service aspect
3. Development of agent/broker sales system
4. Development of Sales Management System
5. Development of Marketing Management System

Over the past two years, the Company has adopted new technologies to develop/upgrade systems and support future expansion. We have also prepared digital platforms to enable the organization to connect transactions with customers, partners and alliances and to offer new experiences to our customers. In the next phase, our focus will be shifted to the data analytic aspect so that data obtained from different systems can be analyzed and products/services can be delivered to customers and partners.

On infrastructure and security, we have invested in enhancements of all areas of our IT infrastructure and security in conforming to the Office of Insurance Commission Notification Re: Rules, Methods and Conditions for Electronic Activity Registration, Approval for Use of Third-Party Services and IT System Certification and in ensuring cybersecurity preparedness. The main projects which have been implemented in this area are:

1. **Installation of IT Management Software and Monitoring Tool**
to facilitate monitoring and management and increase efficiency of server application and network systems;
2. **Installation of Privileged Password Management System**
to facilitate management of all privileged passwords and enable verification as well as recording usage in privileged sessions within different systems;
3. **Installation of Network Time Server**
to ensure time synchronization of all servers so that when problems arise the log for that period of time can be analyzed more easily;
4. **Upgrading of network firewall**
to strengthen protection against cyber intrusion and safeguard network systems against various forms of malicious attacks, as the firewall regularly updates attack information and loopholes discovered;
5. **Upgrading of antivirus software for Exploit**
to enable analysis and protection against ransomware, thus reducing the risk of data loss;
6. **Improvement of Internet Proxy Management**
to enable more efficient management of Internet usage and minimize the risk of malware infection through the Internet;
7. **Revising the USB device usage policy**
to prevent proprietary information being taken out without permission and reduce the risk of malware infection/spread via USB devices

Other projects which are in progress include the migration of main databases to replace outdated versions and improve efficiency, and installation of web application firewall to increase usage security of our web applications. We also have future plans for vulnerability assessment and penetration test of the Company's main systems to increase security and user confidence.

Claims Service Efficiency Drive

We worked to improve our claims services in pursuing the corporate policy of boosting retail market expansion. Our focus during the year was on delivering prompt, fair and quality service to better serve the needs of different groups as follows:

Customers:

- Increasing the number of accident assessors and adopting a strategy for defining and allocating geographical areas to each assessor to ensure all areas are covered;
- Streamlining work processes to improve speed and efficiency of service;
- Increasing efficiency in regional provision of claims services: allowing branch offices to process their own claims in ensuring smooth-running operation and in meeting the satisfaction of customers in the regions;
- Engaging local loss surveying firms to cover areas across the country in accommodating the expanded regional service operations.

Business partners:

- Using Electronic Motor Claim Solutions [EMCS] to improve efficiency of operations between the Company and partners in ensuring accuracy, uniformity and cost-effectiveness;
- Selecting partner garages which are of high quality and meet our established standards to join the “Deves-endorsed Garages” scheme, and providing those selected with our approved contractor sign so as to strengthen brand image and relationships with partners;
- Planning visits to partner garages and spare parts suppliers, both in Bangkok and the provinces, to inspect their work against the Company’s standards and to develop good business relationships.

Employees:

- Developing personnel to be service professionals; training staff on coverage conditions and insurance policies in order for them to have thorough understanding and be able to create a good impression on customers and gain their confidence;
- Adopting Deves-Motor Claim Service System to bring processes into the digital age of paperless, smooth-running operations with long-term cost-saving benefits.

The Company continued to maintain service standards by adhering rigorously to the guidelines of the Office of Insurance Commission [OIC] in ensuring fairness and transparency for all concerned.

Branch Expansion and Improvement

The Company pursued its policy of ongoing expansion into the retail market through branch channels in delivering more convenient and accessible services for all customers. Deves Insurance now operates in 34 locations covering 26 provinces countrywide, consisting of 24 provincial branches, 10 sub-branches. Each of our locations offers a one-stop service to customers – from processing insurance applications and premiums payments to providing help and information relating to insurance claims and enquiries.

In 2017, we opened branches and sub-branches to expand our service operations, as follows:

Krabi Branch

Location: 299/1 Moo 2, Phetchkasem Road, Tambon Sai Thai, Amphoe Mueang, Krabi 81000

The Nine Rama 9 Sub-Branch

Location: Booth C01K11000, 999, 999/1-4 Rama 9 Road, Suan Luang Sub-District, Suan Luang District, Bangkok 10250

IT Square Sub-Branch

Location: Room No. GEX-034, Level G, 333/103 Moo 4, Laksi Plaza Tower, Chaengwattana Road, Talad Bangkhen Sub-District, Laksi District, Bangkok 10210

The following branches have been relocated to offer greater convenience for our customers and partners and to create a modern, impressive corporate image.

Phuket Branch

New location: 9/105, 9/106 Sakdidej Road, Tambon Talad Nuea, Amphoe Mueang, Phuket 83000

Chiang Rai Branch

New location: 1042/17 Satan Payaban Road, Tambon Rop Wiang, Amphoe Mueang, Chiang Rai 57000

Thung Song Branch

New location: 182 Moo 2, Tambon Nong Hong, Amphoe Thung Song, Nakhon Si Thammarat 80110

Digital Advertising and Publicity

In order to build good customer relations and provide public relations mediums, we have developed new channels for communicating with our customers through the LINE@ app account @devesinsurance, and the Facebook fanpage @devesinsurance as a means to explore business opportunities. Admin teams have been set up to answer enquiries about insurance products and premiums, to follow up on claims transactions and to acknowledge receipt of complaints. These communication channels are aimed at satisfying the lifestyle of customers nowadays. The Company is also in the process of developing mobile applications and making the communication channel via its website: www.deves.co.th more modern, convenient and user-friendly for all types of electronic devices. Furthermore, we have introduced new channels of payment via QR code and PromptPay as well as other payment gateways to increase business flexibility, ensuring comprehensive delivery of services for our customers.



Awards and Honours



President Chatchai Chinvetkitvanit was presented with an e-Claim Award 2016 by Dr Suthipol Taweechaikarn, Secretary-General of the Office of Insurance Commission. The award is an annual recognition of outstanding provision of electronic claims system.

Structure of Shareholders

Currently, the Company's registered capital is Baht 500 million, consisting of 50 million ordinary shares at the par value of Baht 10 each.

	Name of Shareholders	Number of Shares	% of Shareholdings
1.	The Crown Property Bureau	44,986,525	89.97
2.	Other Shareholders	5,013,475	10.03
	Total Issued Share Capital	50,000,000	100.00

Board of Directors



DR CHIRAYU ISARANGKUN NA AYUTHAYA Chairman

- Other Positions/ Working Experience
- Grand Chamberlain - Bureau of the Royal Household
 - Director General - The Crown Property Bureau
 - Chairman
The Siam Cement Public Company Limited
 - Director
The Siam Commercial Bank Public Company Limited
- Education
- Ph.D. [Economics], Australian National University, Australia
- Training from Thai Institute of Directors
- Role of the Chairman Program



MR SANSERN WONGCHA-UM Independent Director Chairman of the Nomination and Remuneration Committee

- Other Positions/ Working Experience
- Secretary - General of the National Economic and Social Development Board [1999 - 2002]
 - Deputy Minister of Transport [2006 - 2008]
 - Chairman and Independent Director
Bualuang Securities Public Company Limited
 - Chairman and Independent Director
Somboon Advance Technology Public Company Limited
 - Independent Director and Chairman of the Audit Committee [up to February 2017]
The Erawan Group Public Company Limited
- Education
- Master of Business Administration, University of Bridgeport, USA
 - Diploma, National Defence College, Class 37
- Training from Thai Institute of Directors
- Role of the Chairman Program
 - Director Accreditation Program
 - Financial Statements for Directors



MR MONTRI MONGKOLSWAT Director Member of the Nomination and Remuneration Committee

- Other Positions/ Working Experience
- Member of the Audit Committee / Member of the Compensation Committee / Member of the Corporate Governance and Nomination Committee, [1999 - 2014]
Banpu Public Company Limited
- Education
- Bachelor of Commerce and Accountancy, Thammasat University
 - Diploma, National Defence College, Class 355
- Training from Thai Institute of Directors
- Role of the Chairman Program



MR AVIRUTH WONGBUDDHAPITAK

Director

Chairman of the Executive Committee

- | | |
|------------------------|---|
| Other Positions/ | <ul style="list-style-type: none"> • Director |
| Working Experience | Thai Plastic and Chemicals Public Company Limited
<ul style="list-style-type: none"> • Director • S&P Syndicate Public Company Limited • Director [2006 - 2015], • Advance Info Service Public Company Limited |
| Education | <ul style="list-style-type: none"> • Master of Business Administration, New York University, USA |
| Training from Thai | <ul style="list-style-type: none"> • Director Certification Program |
| Institute of Directors | <ul style="list-style-type: none"> • Role of the Compensation Committee |



DR CHARNCHAI MUSIGNISARKORN

Independent Director

Member of the Nomination and Remuneration Committee

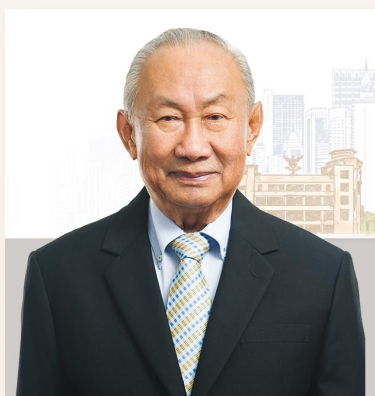
- | | |
|------------------------|---|
| Other Positions/ | <ul style="list-style-type: none"> • Vice Chairman and Chairman of the Executive Committee [2005 - 2009] |
| Working Experience | ACL Bank Public Company Limited |
| Education | <ul style="list-style-type: none"> • Ph.D. [Agricultural Economics], Kyoto University, Japan |
| Training from Thai | <ul style="list-style-type: none"> • Director Certification Program |
| Institute of Directors | <ul style="list-style-type: none"> • Director Accreditation Program |



MR NA BHENGHASANG KRISHNAMRA

Independent Director

- | | |
|------------------------|--|
| Other Positions/ | <ul style="list-style-type: none"> • Chairman of the Executive Board, |
| Working Experience | The Cambodian Commercial Bank Company Limited
<ul style="list-style-type: none"> • Vice Chairman • Siam Administrative Management and Security Guards Company Limited |
| Education | <ul style="list-style-type: none"> • Master of Engineering - Mechanical, University of Pennsylvania, USA • Diploma, National Defence College, Class 4212 |
| Training from Thai | <ul style="list-style-type: none"> • Director Certification Program |
| Institute of Directors | |



MR SOMPOCH INTRANUKUL

Independent Director

Chairman of the Audit Committee

Member of the Nomination and Remuneration Committee

- Other Positions/
- Chairman, Subsritai Public Company Limited
- Working Experience
- Chairman, Siam Administrative Management and Security Guards Company Limited
 - Chairman, Mudman Public Company Limited
 - Chairman of the Audit Committee Hifi Orient Thai Public Company Limited
- Education
- B.A. [Accounting], Chulalongkorn University
 - Diploma, National Defence College, Class 6
- Training from Thai Institute of Directors
- Director Certification Program
 - Audit Committee Program
 - Director Accreditation Program
 - Chartered Director Class



MR VIRASAK TOKAKUNA

Independent Director

Member of the Audit Committee

- Other Positions/
- Head of Business Promotion Department [2003 - 2004], The Crown Property Bureau
- Working Experience
- Education
- Master of Business Administration, Long Island University, USA
- Training from Thai Institute of Directors
- Director Certification Program



MRS PHANSOPIT LIKITTHAMMANIT

Independent Director

Member of the Audit Committee

- Other Positions/
- Accountant
- Working Experience
- The Support Foundation of Her Majesty Queen Sirikit of Thailand
- Education
- B.A.[Accounting - 2nd Honoured], Chulalongkorn University
- Training from Thai Institute of Directors
- Director Certification Program



MR SAK EUARCHUKIATI

Independent Director
Member of the Audit Committee

- Other Positions/
- Director, Member of the Remuneration Committee [1990 - 2012],
- Working Experience
- Thai Plastic and Chemicals Public Company Limited
 - Independent Director, Member of the Nomination and Remuneration Committee, and Member of the Audit Committee [2007 - 2012], Thoresen Thai Agencies Public Company Limited
- Education
- Bachelor of Science [Management Science], Colorado State University, USA
- Training from Thai Institute of Directors
- Director Accreditation Program



MS SUPAPORN TREESAEN

Director

- Other Positions/
- Assistant Director General [2015 - present]
- Working Experience
- The Crown Property Bureau
- Education
- Master of Development Administration, National Institute of Development Administration



MR CHUSIRI KAIYANAN

Director

- Other Positions/
- Assistant Director General [2015 - present]
- Working Experience
- The Crown Property Bureau
- Education
- Bachelor of Business Administration [Personnel Management], Dhurakij Pundit University
 - Advanced Diploma in Public Law and Management, Class 13, King Prajadhipok's Institute



MR CHATCHAI CHINVETKITVANIT

President

Member of the Executive Committee

- Other Positions/**
- Executive Vice President : Marketing Division [2000-2004]
- Working Experience**
- Executive Vice President : Insurance Business 1 & 2 Division [2005-2008]
 - Senior Executive Vice President : Insurance Business 1 & 2 and Underwriting [2009-2011]
 - President, The Deves Insurance Public Company Limited
 - Director, Road Accident Victims Protection Company Limited
 - Member of the Executive Committee Thai General Insurance Association
 - Chairman of the Property Insurance Committee, Thai General Insurance Association
 - Director, Thai Insurers Datanet Company Limited
 - Executive Director, The Insurance Premium Rating Bureau
- Education**
- Master of Insurance, Georgia State University, USA
 - Columbia University, Graduate School of Business SCG Executive Development Program IV
 - Advance Insurance Institute, Office of Insurance Commission [All 1]
 - Top Executive Program in Commerce and Trade [TEPCoT9]
- Training from Thai Institute of Directors**
- Director Certification Program



MRS PAWINEE TIPPETCH

- Secretary to the Board of Directors
- Secretary to the Nomination and Remuneration Committee



MRS NICHAPAT PAVALUKSANAWAT

- Secretary to the Audit Committee



MS WILAIRAT TIWAWONG

- Secretary to the Executive Committee

List of Executive Officers



CORPORATE FUNCTIONS

Mr Chatchai Chinvetkitvanit

President

Mrs Pawinee Tippetch

Vice President : Board Secretariat & Corporate Communication Office

Mrs Nichapat Pavaluksanawat

Assistant Vice President : Audit Office

Mrs Navarat Teekhasaenee

Vice President : Human Resources and Administration Department

Mr Suchon Sa-ingthong

Vice President : Corporate Functions

Mr Sakchai Sakdarat

Vice President : Corporate Functions



CORPORATE STRATEGIC AND BUSINESS DEVELOPMENT DIVISION

Mr Santi Iamvuthipreecha

Executive Vice President :

Corporate Strategic & Business Development Division

Mr Pongsathorn Thananurakwong

Vice President : Corporate Strategic & Business Development Department

Miss Orawan Yutsapremanon

Assistant Vice President : Corporate Strategic & Business Development
Department

Mr Santi Iamvuthipreecha

Acting Vice President : Customer Service Department

Mr Utain Srisai

Assistant Vice President : Customer Service Department



INSURANCE BUSINESS 1 DIVISION

Mrs Chutatip Sirimajan

Executive Vice President : Insurance Business 1 Division

Mrs Chutatip Sirimajan

Acting Vice President : Corporate & Government Service Department

Miss Suthinun Julajerm

Assistant Vice President : Corporate & Government Service Department

Miss Chantatipa Cramanon

Assistant Vice President : Corporate & Government Service Department

Mr Wuthichai Chanprathat

Marketing Manager : Corporate & Government Service Department

Mr Montree Deo-Isares

Vice President : Energy Business Department

Miss Boontharot Hooncharoen

Assistant Vice President : Energy Business Department

Mr Sombat Tanjaturon

Vice President : Branch & Transportation Statutory Business Department

Miss Kanyakorn Thiraprapa

Assistant Vice President - Branch Business :

Branch & Transportation Statutory Business Department

Miss Aimorn Thanyacharoen

Assistant Vice President - Branch Business :

Branch & Transportation Statutory Business Department

Mr Somchai Suernak

Regional Manager - Southern Area :

Branch & Transportation Statutory Business Department

Mr Alongkorn Milindhanuja

Regional Manager - Northeast Area :

Branch & Transportation Statutory Business Department

Mrs Pussadee Sangkhat

Assistant Vice President - Transportation Statutory Business :

Branch & Transportation Statutory Business Department



INSURANCE BUSINESS 2 DIVISION

Ms Duangratana Chinvanno

Executive Vice President : Insurance Business 2 Division

Miss Duangratana Chinvanno

Acting Vice President : Financial Business Department

Mr Therdsak Pungvichar

Assistant Vice President : Financial Business Department

Mr Nitawat Nitivirotkul

Vice President : Agent Business Department

Mrs Natchawan Aramdee

Assistant Vice President : Agent Business Department

Mr Paitoon Traisathidworn

Vice President : Broker Business Department



UNDERWRITING DIVISION

Mrs Supatra Disayabutr

Executive Vice President : Underwriting Division

Mrs Supatra Disayabutr

Acting Vice President : Motor Underwriting Department

Miss Benjamas Santipreedathum

Assistant Vice President : Motor Underwriting Department

Miss Payorm Rattanasakon

Assistant Vice President : Motor Underwriting Department

Mr Phanomsak Mongkhonimit

Vice President : Non-Motor Underwriting Department

Miss Soparwan Tongyuak

Assistant Vice President : Non-Motor Underwriting Department

Mrs Sirinuch Nilparisut

Vice President : Reinsurance Department

Miss Jarunya Prapakasd

Assistant Vice President : Reinsurance Department



CLAIMS 1 DIVISION

Mr Santi Iamvuthipreecha

Executive Vice President : Claims 1 Division

Mr Pramote Sawangchaeng

Vice President : Non-Motor Claims Department

Mr Maiyatat Rittichai

Assistant Vice President : Non-Motor Claims Department



CLAIMS 2 DIVISION

Mr Ariya Jakranurak

Executive Vice President : Claims 2 Division

Mr Ariya Jakranurak

Acting Vice President : Motor Claims Department

Mr Somchit Rungruengchotsakul

Assistant Vice President : Motor Claims Department

Mr Amornchart Siripattananuntakul

Assistant Vice President : Motor Claims Department

Mr Palipon Kerdswang

Assistant Vice President : Motor Claims Department

Mrs Roongthip Thongsook

Assistant Vice President : Motor Claims Department



FINANCE DIVISION

Mr Mongkol Sanongsriyukol

Executive Vice President : Finance Division

Mr Mongkol Sanongsriyukol

Acting Vice President :

Accounting & Finance Department and Investment & Insurance Statistics Office

Miss Ruemolrat Putichaisiri

Assistant Vice President : Accounting & Finance Department

Miss Nutthanicha Assavanon

Assistant Vice President : Accounting & Finance Department

Miss Parinsaya Namkul

Vice President : Premium Collecting Department

Mr Pipop Vongsarojchana

Assistant Vice President : Premium Collecting Department



INFORMATION SYSTEM DIVISION

Mrs Santana Tantisiriwat

Executive Vice President : Information System Division

Mr Noppadol J.Jitcharoenchai

Vice President : Technology Department

Miss Chanthat Tongcharoen

Vice President : Information System Development Department

Mrs Santana Tantisiriwat

Acting Vice President : Business Process Development Department



COMPLIANCE & RISK MANAGEMENT DIVISION

Mr Umnaj Lohsuwan

Executive Vice President :
Compliance & Risk Management Division

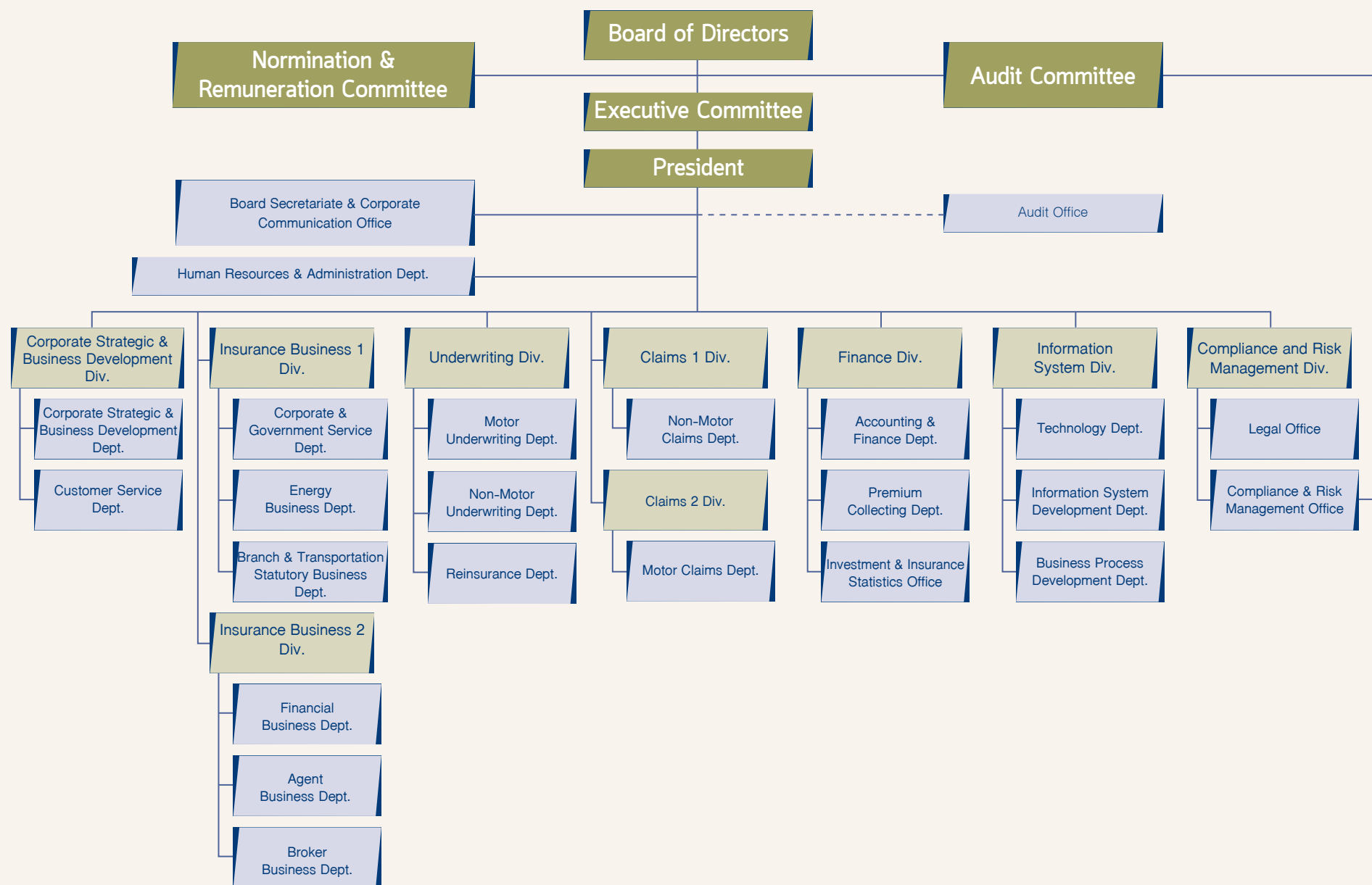
Mrs Siriporn Chankaew

Assistant Vice President : Legal Office

Mr Siriphot Orbaiyokvijit

Assistant Vice President : Compliance & Risk Management Office

The Deves Insurance Public Company Limited Organization Chart



Report of the Nomination and Remuneration Committee

During 2017, the Nomination and Remuneration Committee held a total of four meetings to consider matters within the scope of its responsibilities and covering the roles delegated to it by the Board. The main areas of work considered and presented to the meetings of the Board and to the general meetings where relevant were as follows.

Nomination

1. Considering the eligibility of Directors retiring by rotation in 2017: Adhering to the Public Limited Companies Act provisions and the guidelines of the Ministry of Commerce's Department of Business Development, the Committee recommended that the Board meeting re-appoint all three Directors retiring by rotation. The proposal was endorsed by the meeting of the Board and consequently approved by the 2017 Annual General Meeting.

The Directors who were due to retire by rotation in 2017 and then re-appointed to the Board were as listed below.

1. Dr Chirayu Isarangkun Na Ayuthaya 2. Mr Sompoch Intranukul 3. Dr Charnchai Musignisarkorn

2. Reviewing the tenure of Board committees: Subsequent to the 2017 general meeting, the Nomination and Remuneration Committee reviewed, according to the established policy and guidelines, the structure and composition of all three committees of the Board, i.e. the Executive Committee, the Audit Committee, and the Nomination and Remuneration Committee before recommending to the Board meeting that the existing structure of all three committees should be maintained. The recommendation was duly endorsed by the meeting of the Board.
3. Considering suitably qualified individuals for company directorships with a view to complementing the skills, expertise and diversity of the Board by recommending the appointment of [1] Ms Supaporn Treesaen and [2] Mr Chusiri Kaiyanan to the meeting of the Board and the Extraordinary General Meeting No. 1/2560: The Extraordinary General Meeting resolved unanimously to elect both nominated persons as Company Directors, bringing the Board's membership to thirteen in line with the resolution of the 2010 Annual General Meeting to keep the number of Directors to thirteen.

Remuneration

The Nomination and Remuneration Committee recommended that annual fees on 2016 results-as per the basis approved by shareholders' meeting-amounting to Baht 4.0 million be paid to the Board of Directors, and that the fees be allocated equally to all Board members with the Chairman of the Board to be paid 1.5 times the rate for Directors in accordance with the resolution of the 2011 Annual General Meeting on 25 April 2011. The Committee also proposed that the monthly stipends for the Board of Directors, the Executive Committee and the Audit Committee as well as the per-meeting stipends for the Nomination and Remuneration Committee be paid at the same rates as approved by the 2016 Annual General Meeting.

The above proposals were duly approved by the 2017 Annual General Meeting on 25 April 2017.

Corporate Social Responsibility [CSR]

Since its establishment in 1947, the Company has been committed to operating with honesty within legal and governance framework, and to strictly fulfilling all of its pledges and obligations. We hope our business can play a role in driving the economy which is central to the country's growth and stability.

Thus, the Board-entrusted CSR role-involving responsibility for setting policies and action plans, allocating the Board's agreed annual budget as well as monitoring and reporting outcomes-is equally important to the Nomination and Remuneration Committee as other areas of work originally delegated to it. This is because our Directors, executives and staff alike recognize that, as an enterprise, the Company has a duty towards its clients and every group of stakeholders. In addition, as a non-life insurance company of the Crown Property Bureau and as a business organization which is a part of Thai society, The Deves Insurance Public Company Limited has therefore always been committed to remaining a good member of society and the nation.

Corporate Social Responsibility

Deves Insurance's CSR policy seeks to deliver sustainable and balanced development. It emphasizes not only the development of people to be quality, efficient, right-minded, disciplined and knowledgeable individuals, but also the improvement of the environment to ensure better living conditions for all dwellers. Such development approach will ultimately lead to strong and sustainable self-reliance of communities and society. Our CSR approaches are categorized into four core areas: [1] social and community enrichment - "Clean, Safe Communities Are Deves' Delights"; [2] education, children and youth development - "Deves Solicitude" and "Smiles for Us"; [3] volunteering spirit - "Let Us be the Giver"; and [4] moral promotion - "Moral Schools under Bangkok Metropolitan Administration".

Always caring and devoted

Social and community enrichment - "Clean, Safe Communities Are Deves' Delights" Project

Hygiene and safety are fundamental to the life of people in society. Deves Insurance therefore initiated the "Clean, Safe Communities are Deves' Delights" Project as one of our key ongoing CSR programmes. The project, which works to assist Phra Nakhon District authorities and communities in promoting safety and hygiene, encompasses the following sub-projects and activities.

- **Phra Nakhon District's Safety, Hygiene and Sustainable Development Promotion Project**

Over the course of 2017, Deves Insurance offered support to Phra Nakhon District Office as well as district agencies and communities in the areas of safety and hygiene. We furnished supplies and items necessary for the work of officials and community activities such as computers, outdoor work gear, and protective equipment for distribution to municipal staff and civil defence volunteers to ensure their safety while on outdoor duty. Additionally, first-aid kits and equipment were provided to support basic healthcare services for the communities. The "With Unity Comes Achievement" programme, which have been carried out since 2011, continued to be organized during the year to offer skills training to community members and to promote their livelihoods. The programme has also supported the setting up and running of Baan Phanthom Seniors' Occupational Training Centre to promote skills training and earning opportunities among the community's elderly people.



The Board of Directors of The Deves Insurance Public Company Limited presented outdoor work gear to Phra Nakhon District civil defence volunteers.



The Board of Directors of The Deves Insurance Public Company Limited presented Phra Nakhon District Office with reflective vests for the safety of municipal staff on outdoor duty.



Deves Insurance organized “With Unity Comes Achievement” livelihood workshops [outreach activities] for 2017 to encourage seniors to spend their free time developing new skills and earning an income.

Through our continued social enrichment work with Phra Nakhon communities, we have become increasingly aware of the growing number of aging people – either those still able to lead a normal life, those preferring to be at home or those being housebound and confined to bed. Thus, from 2014 onwards, our social enrichment programming has included activities designed to improve the elderly’s quality of life in collaboration with Phra Nakhon District Office and municipal public health centres.

In 2017, the Company provided support for the launching of the “Phra Nakhon District Long-term Elderly Care Pilot Project”. The goal of the project is to motivate those stay-at-home seniors to go out to community events/activities, to share and exchange welfare, social and environmental issues or health problems, and to be informed of relevant facts about the Elderly Person Act. The objective is to stimulate the elderly’s role and involvement in community development, to advise them on suitable exercises while encouraging them to join hands with youth volunteers in their communities so that there is a forum for mutual support, sharing, caring and concern between both groups.



Classes and workshops under “Phra Nakhon District Long-term Elderly Care Pilot Project” are meant to improve the physical, emotional and social quality of life of seniors while enabling them to make life more meaningful for themselves, family and society. Pictured here is a session which saw the philanthropic taxi driver, Mr Suwannachat Phromchat, sharing his experiences helping bedridden elderly patients during a talk on “Happiness Bringers”.



- ▲ A visit was organized to “Ban Bang Khae Social Welfare Development Center for Older Persons”, with workshops given on heart-shaped camphor sachet making and teddy towel folding. Donations of money and daily essentials were also made to the care home. And to fill their day with happiness and smiles, the elderly were taken on a sightseeing tour of the “Thai Way of Life” village at Sampran Riverside, Nakorn Pathom Province.

Environment - Addressing basic social issues, with community hygiene and environment in particular, requires cooperation from all concerned as well as intense and sustained action. Deves Insurance has always been aware of the need to protect the environment, especially over Phra Nakhon District—an old-town heritage area with cultural and historical attractions - and has therefore joined other leading bodies to support the work of local authorities. The Company has also sought collaboration from private organizations, foundations, schools and community representatives in working together to protect and improve the District’s environment and to create pleasant living conditions.

- **“Unity for Water Reclamation” water improvement project**

Intended for reducing direct wastewater discharge into public canals, the project involves the installation, in stages, of grease traps for houses and shops/stalls from the areas along the Banglampoo Canal, Wat Sungwej and Wat Parinayok to those in Fuengthong-Wisoot Alley Community and Nanglerng Market on the Crown Property Bureau’s land. Besides the above implementation since 2011, Deves Insurance has engaged in monitoring and building on the project’s outcomes by joining Phra Nakhon District Office to survey actual use, get feedback on satisfaction and problems, and campaign for waterway protection with the hope of raising environmental preservation awareness. The project has also continued to encourage the adoption of such wastewater treatment practice in other target areas.



- **“From Waste to Worth” garbage management project**

Deves Insurance has continually promoted waste management solutions at community level. We have participated in a campaign to persuade community members and youths to collect wastes for the production of bioextract to be used for domestic and public cleaning. We have further teamed up with Phra Nakhon District Office as well as schools and youngsters in Phra Nakhon communities to undertake the “7am Litter Pick Brightens up Phra Nakhon” project. The purpose of the exercise is to encourage children to help keep schools, temples and public spaces clean while learning to collect and sort litter so that together they could develop a sense of awareness, responsibility and discipline of maintaining cleanliness. Furthermore, the Company has provided Phra Nakhon District’s Public Cleaning Section with cleaning supplies and equipment to be used in the public service.



Apart from supporting children's community-based activities and learning, Deves Insurance has taken the representatives and youth groups from Phra Nakhon communities on an educational trip on sufficiency economy. The aim is to enable the youths to gain an understanding of sufficiency economy, to develop mutual friendship, to cultivate a sense of helpfulness to others and to apply the knowledge acquired to the optimum benefit of themselves and society.



Volunteer-minded youths of Phra Nakhon communities went on an educational outing to the Sufficiency Economy Learning Center, Baan Saraphi, Samut Songkhram Province to learn about the sufficiency economy way of life so as to understand and be able to apply the principles to daily life while also learning to be supportive of others.

Always concerned and thoughtful

Education, Children and Youth Development - "Smiles for Us" Project - Deves Insurance is determined to bring smiles and laughter to children and hopes the mirth and happiness will remain forever among the youngsters. During 2017, we continued to run the children and youth-oriented activities implemented earlier to maintain long-term successes, while also expanding the scope of the development to ensure our efforts over the years lead to genuine and sustainable benefit.

Moreover, to enhance our children and youth development programme, we have worked with Phra Nakhon communities, the Ratthaburut Foundation and Wat Sungwej School to organize a training workshop on "Teens Joining for Moral Causes". The activity was aimed at instilling virtuous values in students and fostering civically minded behaviours so that the youths could apply them to turning their own community into a "moral community".



A workshop on "Teens Joining for Moral Causes" organized for students of Wat Sungwej School's upper secondary grade M5.



Deves Insurance provided schoolchildren with raincoats and teddy bear towels to encourage kids to be conscious of hygiene and cleanliness as part of the “Deves’ Care for Youth” project. Recreational activities were also organized to help children develop their learning skills and harmony.

Special Needs Development

Deves Insurance attaches importance to human capital development which requires ongoing and unrelenting efforts, particularly among children with special needs. This is reflected in our support to Wat Mahathad School for the therapy, rehabilitation and development of pupils in the special education programme.

Launched in 2010, the above project employed aqua and equestrian therapeutic exercises in its early stages, and since then the implementation methods have been enhanced and expanded constantly as appropriate. The project’s objective is to create as many opportunities as possible for these special needs children to develop and prepare themselves so as to be self-dependent and be able to live with others in society.

We have also organized an informative workshop for parents on “Brain and Learning Development through Nine-Square Grids” led by expert speakers from Kasetsart University. In addition, the Company has continued to support the setting up of booths at fairs/exhibitions for selling handicrafts made by special needs members of the Thai Autism Foundation. By promoting the products of their livelihood training, we hope to have a role in assisting the weak and disadvantaged in society to become self-sustaining.



Aqua therapy in its 7th year



Equestrian therapy in its 8th year



The pupils of Wat Mahathad School's special education class had a day out at the Thai Way of Life Project, as part of our "Taking Little Bros on Learning Tour" activity organized for the sixth year. Providing an outside classroom learning opportunity, the outing helped enhance the children's memory and creativity development, thus enabling them to develop their potential and capacity.



A workshop on "Brain and Learning Development through Nine-Square Grids" was held for the parents of Wat Mahathad School's special class pupils. The session featured a form of physical exercise designed to be done in limited spaced to help strengthen muscles. The exercise would be beneficial for everyday life, as it stimulates the brain's ability to think, decide and solve problems while also improving powers of concentration. Assoc Prof Dr Charoen Krabuanrat and his colleagues from Department of Physical Education, Faculty of Education, Kasetsart University conducted the workshop by giving a talk and practice exercises with nine-square grids.



We supported the setting up of booths at fairs/exhibitions for selling handicrafts made by members of Thai Autism Foundation, hoping to be a part in assisting the weak and disadvantaged in society to become self-sustaining.

Since the start of this Wat Mahathad School special needs development project in 2010, a total of 31 pupils have participated in the programme. Of these, six have been able to move to regular schools and another four to inclusive schools, while eight have joined the school's regular classes and two have since graduated and worked close to home. Five pupils currently attend Wat Mahathad's special education classes and six continue their developmental process at home and in hospital/medical centres. In April 2017, three children from the project were enrolled on a basic computer course under the Thai Autism Foundation's six-month vocational training programme.

Always bringing happiness and wellbeing

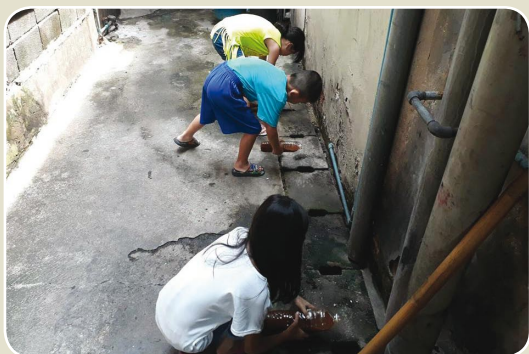
“Volunteer-Minded Youth” - True and sustainable development is a process that must come from within. Our steady collaboration on social development endeavours with agencies, organizations and communities in Phra Nakhon District since 2011 has allowed us to gain a deeper understanding of the communities’ living conditions and way of life. Deves Insurance has therefore initiated a **“Volunteer-Minded Youth”** development project by empowering youth leaders in the target areas to become champions of change through cultivation of selflessness and public-spiritedness. The aim is to bring about deep-rooted change or development in the communities that meet their contextual needs. Community leaders and Deves Insurance - as a local private organization-have played a part in guiding and advising on the implementation of the project as well as providing knowledge input and other support as necessary and appropriate.

Currently, the “Volunteer-Minded Youth” project is made up of the “Busy Bee Youth Group” of Baan Phanthom Community, and the “Ant Power Youth Group” and “Futsal Youth Group” of Fuengthong-Wisoot Alley Community. The groups have played an effective role in supporting the efforts of their respective communities. These include: the “Volunteer Bees” initiative of delivering basic health services to the elderly; the “Reading-Guide Bees” initiative of teaching smaller children in the community to read and revise, telling them stories and running activities suitable for their development; and the “Voluntary Ant Power” and the “Futsal Youth Group” initiative of keeping canalside areas clean, collecting litter in the canals and helping out with community activities.

All these endeavours have allowed the children not only to spend their free time constructively to their own and the common good, but also to learn to plan, solve problems, work as a team, and learn to be more disciplined, responsible for themselves and empathetic towards others. And most importantly, they have learned to foster a volunteering spirit which will develop them into quality members of society and role models for the next generations of youths.



To build on the project’s achievements, the third “Voluntary-Minded Youth” Workshop, titled “Well-Doer Map” was held for the leaders of other youth groups in Phra Nakhon District. The purpose was to equip community youngsters with the direction for their volunteering and civically-engaged work and for their search for model well-doers, which will lead to the fulfilment of the project’s objectives of developing sustainably and applying real changes to the communities.



Other youth efforts through the year included: the “Volunteer Bees” service of providing blood pressure measurements for seniors; the “Reading-Guide Bees” group which took community kids to the library of Rattanakosin Exhibition Hall to learn how to sort and shelve books and to read and paint; and the maintenance of community environment in which children were regularly involved.

“Let Us be the Giver” refers to the volunteering spirit programme of Deves people who give up time and energy to do philanthropic deeds out of altruism. We hope the results of our good deeds would make possible a benevolent, harmonious and unselfish society that values the virtue of giving.



The Deves Insurance Public Company Limited organized a big cleaning day to prepare the ground for accommodating the people attending the Royal Cremation Ceremony for His Majesty King Bhumibol Adulyadej.



The executives of The Deves Insurance Public Company Limited presented sandalwood flowers for offering in the Royal Cremation Ceremony for His Majesty King Bhumibol Adulyadej. The flowers were handed to Phra Nakhon District Office for forwarding to the Royal Household Bureau and royal temples so as to be placed at designated points around Bangkok.



Executives and staff of The Deves Insurance Public Company Limited, on behalf of the Crown Property Bureau Members, took part in the "Doing Good with Our Hearts" programme to improve the landscape around Rattanakosin Island and prepare the area for the Royal Cremation Ceremony for His Majesty King Bhumibol Adulyadej.



The Board of Directors of The Deves Insurance Public Company Limited presented necessities for southern border military personnel as part of the "Deves' Thoughts to Our Southern Border Guards" project in its third year. The project was set up and carried out collaboratively by Deves Insurance, its executives, personnel and their families as well as youth volunteers in Phra Nakhon communities. We have helped together to procure and pack useful items as our gesture of goodwill and concern to all officers who serve in the three southern border provinces to protect and maintain the nation's peace and security.





Our volunteer-minded staff under the “Doing Good with Our Hearts” programme joined up with the “Ad Hoc Volunteers” during the Royal Cremation Ceremony for His Majesty King Bhumibol Adulyadej at Nagaraphirom Park.



Volunteer-minded personnel of Deves Insurance took part in the 14th year activity titled “Sufficiency School” under the “For Bros and Sis’s - From Socially-concerned Insurance and Business Friends” project organized by the Thailand Insurance Magazine. Members of the media and agencies in insurance and other circles joined in the integrated activities with the school and local communities at Baan Ta Yae School, Amphoe Daan Makham Tia, Kanchanaburi Province.



Blood donations: Since 2007 to 2017, Deves Insurance personnel have continuously made blood donations to the Thai Red Cross Society on a quarterly basis, having given until now 846,400 cc of blood altogether. Some of our people have also signed up as donors of stem cells and single-donor plasma.



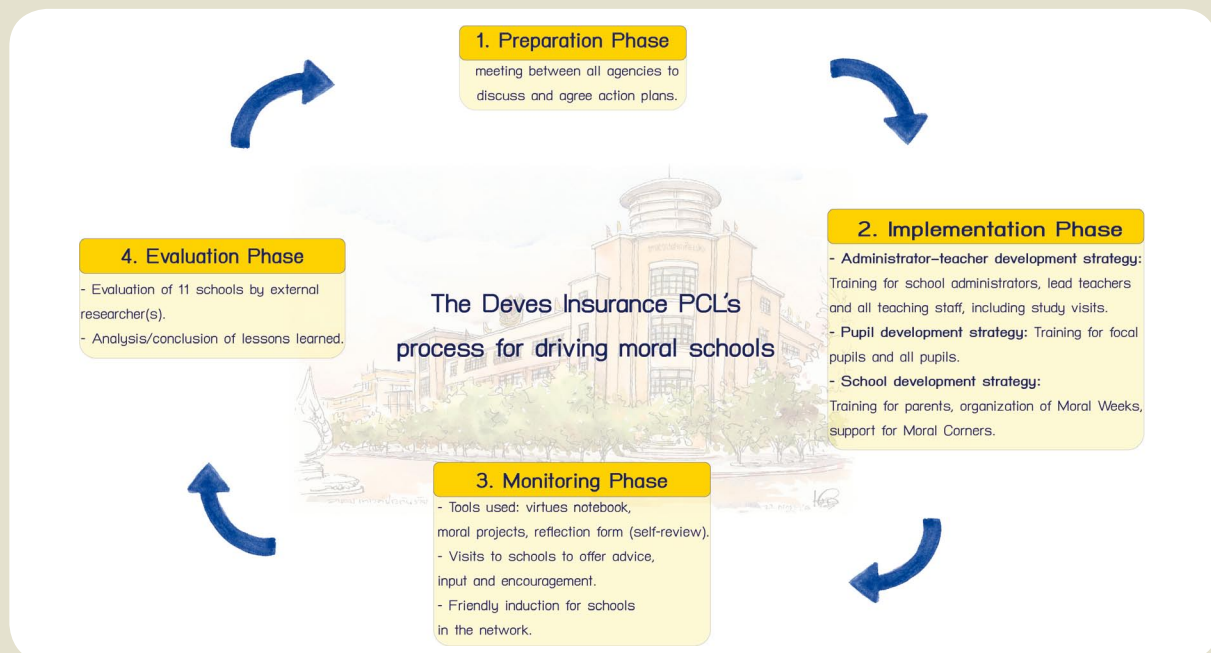
All these development processes, implemented to the Board’s CSR policy and overseen by the Nomination and Remuneration Committee, have directly produced the desired results, i.e. improvement in environmental quality, improvement in community members’ quality of life, education promotion, and youth development - particularly among the special-needs group. Such direct outcomes could pave the way for powerful self-dependence and sustainable social development. Indirectly, the above processes have also helped refine the minds of those involved in the CSR efforts so that they have become self-sacrificing, patient and public-spirited.

Moral Schools under Bangkok Metropolitan Administration Project - Year 3

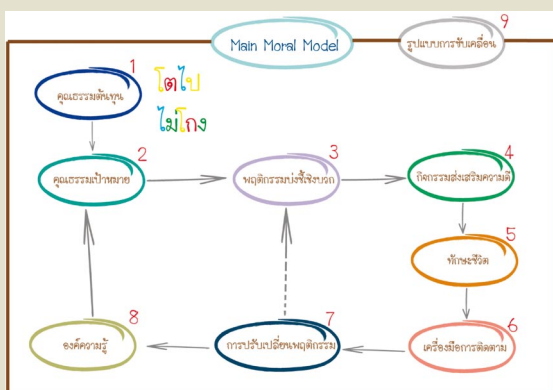
Background

The Moral Schools under Bangkok Metropolitan Administration Project is a joint initiative between Bangkok Metropolitan's Phra Nakhon District Office, 11 schools in Phra Nakhon District - Wat Tri Thotsathep School, Rajabopit School, Wat Mahannapharam School, Wat Mahathat School, Wat Phra Chetuphon School, Wat Suthat School, Wat Ratburana School, Wat Makutkasattriyaram School, Wat Mai Amataros School, Wat Intharawihan School, Wat Ratchanadda School - and The Deves Insurance Public Company Limited. Funded by the Crown Property Bureau, the project has a common goal of developing schools within Phra Nakhon District into "Moral Schools under Bangkok Metropolitan Administration".

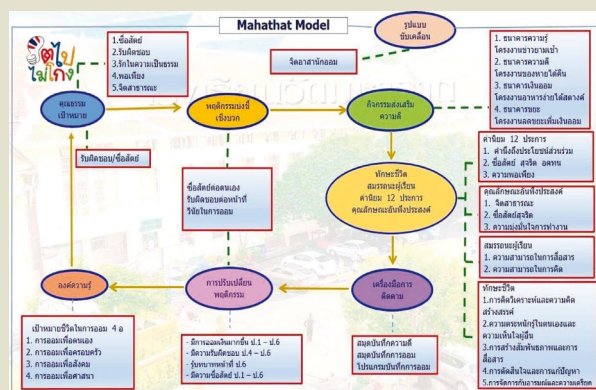
Our moral school drive process



Outcomes of Moral School Drive - Year 1



Example - the "Main Moral Model" [for driving a moral school]



Example - Main moral model of Watmahathat School

The implementation by the schools led to the knowledge of a system for driving moral schools, known as the “**Main Moral Model**”, to be used as the approach to informing and engaging administrators, teachers, pupils, parents, school boards and communities. This enabled all mechanisms involved to be in line with the joint development of school moral identity. Learners were encouraged to take part in virtue promotion activities which were planned by the pupils themselves, put into action by themselves and presented/reported by themselves, under the management by moral goals process and the development approach of their respective schools. The ‘virtues notebook’ was used to serve as a tool for ensuring consistency of the pupils’ virtue promotion activities with their life skills development.

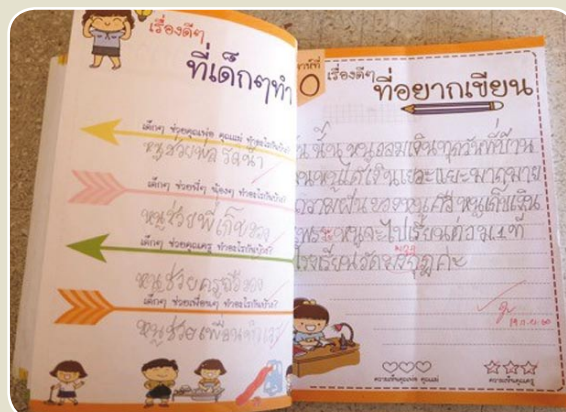
Outcomes of Moral School Drive - Year 2



▲ The focus among the schools was on adopting the moral school drive model discovered in the first year as the approach to achieving pupils’ long-term behavioral change. The teachers were to work out/think up a process for developing learner’s moral identity, while three levels of learning framework were set, i.e. content level, process level and tool level. As a result, each of the participating schools was able to successfully identify their own learner’s moral identity development process, known as the “**Moral Identity Model**”.



Example - the Moral Identity Model of Watratchanadda School



Example - Results of the Moral Identity Model [learner’s moral identity development process] for a pupil of Wat Mai Amataros School [Ms Supatjira Khemkaew, primary grade P2]

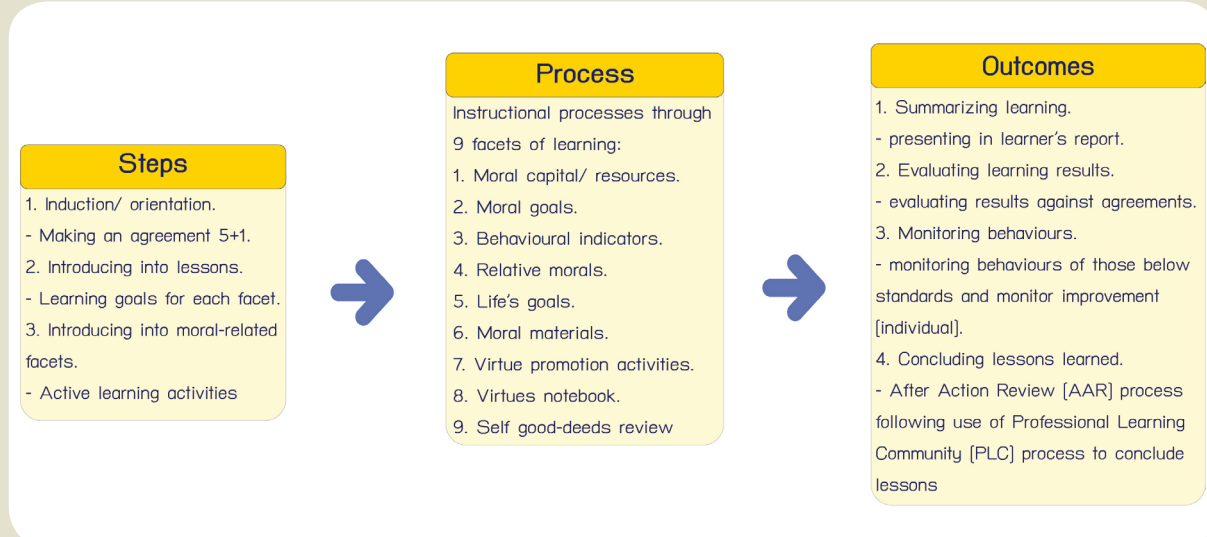
The schools continued to encourage all learners to engage in the virtue promotion activities, which were all planned, done and presented/reported by themselves, under the management by moral goals process and the development approach of the respective schools. The virtue notebook remained a useful tool for ensuring consistency of the learners' virtue promotion activities with their life skills development, thereby enabling them to see their positive behavioural changes clearly.



Outcomes of Moral School Drive - Year 3

The schools focused on using the “Main Moral Model” identified by the respective schools in Year 1 and the “Moral Identity Model” identified by the respective schools during Year 2 as the capital or resources for driving moral schools towards balance and sustainability. The outcomes of Year 3's implementation saw the relation between the main moral model, the moral identity model and the learner's positive behaviour indicators affecting five areas of their capacity. The results have led to a nonagonal base of learning called “Noble Classroom”.

Noble Classroom Drive Process



The schools have integrated the Noble Classroom's nonagonal learning base with their co-curricular instructional processes, as part of the “Moral School Learning Centre [model] under Bangkok Metropolitan Administration” programme.

Conclusion

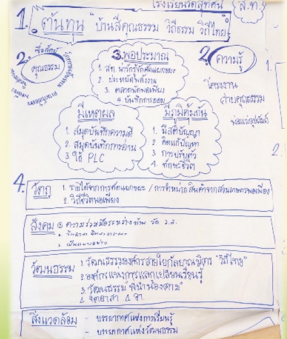
Driving a moral school towards balance and sustainability has been the principal aim of this project. And to ensure continuity, it has thus been essential that school administrators, teaching staff, pupils, parents and communities be allowed time to review their implementation throughout the past three years. In reviewing the project, the Royal Principles of Sufficiency Economy have been adopted as the basis for analysis, known as the ‘Balance-Sustainability Analysis Tools [1-2-3-4]’. The results of the analysis reveal that all eleven Moral School Learning Centres are able to devise their own sustainable moral school learning centre strategic plans.



Balance-Sustainability Analysis Tools

[1-2-3-4]

- 1 refers to capital/resources [models]
- 2 refers to conditions
[morals/ethics, knowledge]
- 3 refers to principles
[moderation, reasonableness, resilience]
- 4 refers to dimensions
[material, social, cultural, environmental]

โรงเรียนวัดสุทัศน์	ผลการวิเคราะห์ต้นทุนของโรงเรียนตามหลักปรัชญาเศรษฐกิจพอเพียง [1-2-3-4]
	<ol style="list-style-type: none"> 1. ต้นทุน <ul style="list-style-type: none"> ▪ การพัฒนาโรงเรียนคุณธรรม = บำบัดคุณธรรม วิถีธรรม วิถีไทย 2. เงื่อนไข <ul style="list-style-type: none"> ▪ ความรู้ = โครงการงาน/ ค่ายคุณธรรม/ พอแม่ปลูกฝัง ▪ คุณธรรม = ความรับผิดชอบ 3. หลักการ <ul style="list-style-type: none"> ▪ พอประมาณ = สท. ป่ากรังจักรัดแยกขยะ/ ประหยัดพลังงาน/ ตลาดนัดพอเพียง/ บันทึกการออม ▪ มีเหตุมีผล = สมุดบันทึกความดี/ สมุดบันทึกการอ่าน/ ไร่ PLC ▪ มีภูมิคุ้มกัน = มีสติปัญญา/ คิดแก้ปัญหา/ การปรับตัว/ ทักษะชีวิต 4. มิติ <ul style="list-style-type: none"> ▪ ด้านวัตถุ = รายได้จากการคัดแยกขยะ/ การจำหน่ายสินค้าจากสวนเกษตรพอเพียง/ วิถีชีวิตพอเพียง ▪ ด้านสังคม = ความร่วมมือระหว่างบ้าน วัด โรงเรียน/ จัดอาสา จัดสาธารณะ/ การเป็นแบบอย่าง ▪ ด้านวัฒนธรรม = วัฒนธรรมองค์กรสายใยกัลยาณมิตร "วิถีไทย"/ องค์แห่งการแลกเปลี่ยนเรียนรู้/ วัฒนธรรม "พินิจงามตาม" ▪ ด้านสิ่งแวดล้อม = บรรยากาศแห่งการเรียนรู้/ บรรยากาศแห่งวัฒนธรรม

Example of balance-sustainability analysis
[1-2-3-4] of Watsuthat School

However, in developing the sustainable moral school learning centre strategic plans, the pupils are the centre of the learners' behavioral development learning through their own moral identity models. The learners are therefore the heart of the above processes - the core which will bring about the behavioural changes desired in a genuine and sustainable way.

Outcome communication and enhancement - The implementation of all our CSR programmes and the BMA Moral Schools Project described above has, as part of the process, been communicated through various channels, thereby enhancing the success of our work and the path towards such success. In addition, we have been contacted by state agencies, organizations, private companies and schools interested in observing our processes for implementing the CSR and moral school projects, with a view to building on the successful outcomes. We hope the success developed from our achievements will be of benefit to any groups other than those in the Phra Nakhon area, and thus contribute to promoting our organization's image.

And, under the promise of “Deves Insurance - pride in protection”, we will remain committed to operating with integrity and responsibility to all stakeholders and to ensuring our CSR approach continues to sustainably benefit our society as a whole.

Corporate Governance Principles

The Deves Insurance Public Company Limited 2017

Rights of Shareholders

The Company recognizes the shareholders' ownership and rights which are exercised through the appointed Board of Directors. It has therefore been committed to respecting and protecting the basic rights of all shareholders in accordance with applicable laws and regulations. In all actions taken by the Board, the Directors have always given primary consideration to the rights and interests of the shareholders and have set down the following guidelines for promoting the rights and equality of all shareholders.

Access to Information

The Company ensures that complete information is accessible to all shareholders in a timely and equitable manner. All forms of communications with shareholders comply, in every respect, with statutory requirements and regulatory guidelines. News and information of which shareholders should be informed are posted on the Company's website [www.deves.co.th]. These include resolutions of Board meetings, annual reports, notices of general meetings and forms of proxy. Supplementary information is made available prior to the dispatch of meeting notice to provide all shareholders with sufficient details for perusal in advance of the meeting. Minutes of general meetings are also published on the website within fourteen days of each meeting.

Additionally, information about the Company's business and community-benefiting activities is provided under 'Corporate News' on our website and Facebook page which is regularly updated by the responsible unit.

Convening of Shareholders' Meeting

For every general meeting convened, the Company would send to all shareholders a written notice together with supporting documents and forms of proxy stipulated by the Ministry of Commerce. The documents provide complete information relevant to the meeting as well as facts and rationale and the Board's opinion for each item on the order of business to enable the shareholders to make informed decision when voting on the respective resolutions. The notice is sent out in advance within the statutory period and is also published in the newspapers for three consecutive days at least three days prior to the date of the meeting.

Shareholders' Meeting

The Board of Directors places great significance on the Company's general meetings of shareholders. All Directors, especially the Chairman of the Board and the chairs of Board committees, attend every general meeting to receive the statements of the Executive Board and the Management and to respond to shareholders' questions, except where the exigencies of commitment prevent their participation. The attendance of Directors is recorded as part of the minutes of the meeting. The Company's auditors and legal advisers also take part in these meetings to answer any queries relevant to and within their responsibilities.

During the meeting, shareholders are offered the opportunity to comment and raise questions without any time restriction. All queries, observations and suggestions from shareholders as well as the Management's clarifications are thoroughly recorded in the minutes of each meeting. Constructive suggestions will be considered and feed into operational improvement. Shareholders are able to exercise their rights fully to make decisions over matters proposed at general meetings.

The main business of the meeting is dealt with in its itemized order. No significant matters other than those specified in the notice of meeting would be added to the agenda. Only questions and observations of shareholders are put forward as any other business of the meeting.

Promotion of Shareholder Participation

The Company facilitates shareholders' attendance at the meeting by arranging conference facilities as well as adequate reception and registration staff to ensure that all shareholders and proxies can register quickly and conveniently at least two hours before the meeting.

All previous shareholders' meetings have been held in the district where the Company's head office is located. To facilitate and encourage maximum attendance, a map of the meeting venue has also been appended to the notice of meeting. After the holding of each meeting, the Company would publish on its website the resolutions and minutes of the meeting so that the information is promptly available to all shareholders, investors and the interested public.

Protection of Shareholder Value

It remains our priority to protect the rights and benefits our shareholders are entitled to. The Company has continuously implemented the dividend policy announced at its application for listing on the Stock Exchange of Thailand in 1990, i.e. to distribute at least 50% of its net profit to shareholders as dividends.

In 2017, the meeting of the Board set the date for the share register to be closed for transfers on Wednesday 5 April 2017 in determining those shareholders entitled to attend the Annual General Meeting, which was scheduled to be held on Tuesday 25 April 2017 at Seminar Room, 6th Floor, Deves Insurance Building 1, Ratchadamnoen Klang Avenue, Phra Nakhon, Bangkok - the location of the Company's head office. Notice of the meeting was sent to all shareholders by registered mail on Monday 10 April 2017, and was also placed in daily newspapers between 15 and 17 April 2017.

On the day of the meeting, participating shareholders and proxies were able to register and receive additional information, i.e. copies of printed annual report, from 0900 hours. The meeting, which started at 1100 hours as scheduled and closed at 1140 hours, was attended in person and by proxy by 38 shareholders, representing an aggregate of 49,315,118 shares or 98.63% of all issued shares. Also present were 11 members of the Board of Directors, together with the Company's auditors, legal advisers as well as senior executives and heads/managers of the units concerned.

The meeting of the shareholders considered and voted on all eight proposed agenda items as per the order of business given in the notice. The minutes of the meeting were posted on the corporate website on 9 May 2017 and were duly submitted to the relevant agencies as statutorily required.

The 2017 General Meeting passed a resolution to approve the appropriation of profits and the payment of dividend on 2016 results of Baht 2.40 per share on Tuesday 9 May 2017. The announcement of dividend payment was published in daily newspapers from 26 to 28 April 2017.

Equitable Treatment of Shareholders

The Company respects and promotes equitable treatment for all shareholders by adhering to the following practices.

- Each general meeting is conducted in accordance with the agenda set out in the notice of meeting so that all shareholders can have advance information of the matters to be discussed and decided. No business shall be added onto the agenda without prior notification to the shareholders.
- To protect the voting rights of all shareholders, the Company would send out with the notice of meeting forms of proxy that include the name of at least one Independent Director as the recommended proxy. The forms, which follow the Ministry of Commerce formats, allow those shareholders unable to attend the meeting to appoint a proxy and to indicate the way in which the proxy should be voting on their behalf. The shareholders are offered the alternative of appointing any person to attend in their place, or to appoint the Audit Committee Chairman or any Independent Director to vote according to their intention.
- There has been an open and transparent system of voting at all previous meetings. Shareholders can use the ballot papers provided by the Company to cast votes at their discretion. After the votes have been counted, the Chairman would announce the outcome to the Meeting. The voting outcome of each resolution is also recorded in the minutes of the meeting. The unit responsible for organizing the meeting would keep all ballots together in case of enquiries into the accuracy and transparency of the votes taken.

The Company ensures that the Ministry of Commerce's prescribed proxy forms A and B are included in the meeting documents dispatched to all shareholders. This is so that any shareholders unable to participate but wishing to appoint a person to act as their proxy could indicate their specific voting choices beforehand. For the 2017 general meeting, three independent Directors were designated by the Company as shareholders' proxies to attend and vote as per their instructions.

Roles of Stakeholders

The Company is committed to treating all stakeholders equitably and to conducting business with responsibility towards all interested parties. Appreciating the importance of progressing steadily and sustainably together, we have established within the Company's Code of Conduct as guidelines for ensuring equality of protection and treatment for all of our stakeholders.

Shareholders : All shareholders are given equal importance and are treated equally with fairness. In addition to protecting shareholders' basic rights under statutory requirements, the Board of Directors always gives prime consideration to the best interests of the shareholders, while aiming to promote long-term success so as to deliver shareholder value.

Customers : To reach the vision of being the provider of superior non-life insurance service, the Company has implemented a quality management programme by applying Total Quality Management [TQM] as guidelines for allocating plans and responsibilities across the organization. The aim is to ensure continuing improvement in organizational capabilities and to focus on meeting the needs of customers and interested parties. Quality policy has been developed and adjusted gradually through operational progression. Currently, the Company is pursuing the ISO 9001 : 2015 quality policy of:

"seeking to enhance product and service quality through efficiency-boosting technologies and to increase customer and alliance satisfaction."

The Company has since 1998 been granted the ISO certification of quality management system from the accreditation body, TUV NORD.

Such ISO system represents an approach to maintaining operational consistency within recognized standards. It also provides all customers and partners, as our business stakeholders, the assurance that their rights and interests shall be properly protected.

Employees : The Company believes that the staff have a vital role to play in the growth and success of the organization. We therefore attach importance to developing the capacity and competences of our personnel at all levels. The Company has in place a sound and constantly developed system of human resource management and a long-term human resource development plan formulated by the Personnel and Administration Department. Functional competencies have also been identified as the basis for staff development planning, thus allowing all personnel to receive specialist, technical and skills training necessary for their work and career advancement.

We maintain an operational environment conducive to pleasant working atmosphere. The use of advanced systems and technology has always been promoted to ensure greater efficiency in processes and coordination. Moreover, the Company has built up, on the intranet, a collection of information and articles about business and organizational management, so that staff members can study or learn about new management concepts for professional self-development as well as increased efficiency.

The Company takes into consideration factors essential to the living conditions of staff and thus provides employee benefits such as provident fund, health insurance and annual check-up. We also encourage staff to keep healthy through regular exercises and by supporting their participation in friendly matches/competitions between the Company and its customers, business partners or professional associations.

Staff compensation scheme is drawn up on the basis of industry comparables. Annual salary increases are subject to individual staff's performance which is evaluated against a pre-determined set of criteria. The performance review needs to be agreed upon by the staff member and the line manager to ensure fairness and transparency. The system is designed to motivate employees to work towards goals and objectives.

To reinforce its core values in line with organizational attributes, Deves Insurance has defined its vision and mission as follows:

Vision

To be a provider of quality non-life insurance services operating under good governance principles and being recognized as "the insurer of choice".

Mission

- To enhance and maintain image of a good organization.
- To operate under good governance principles.
- To achieve successful performance so as to deliver long-term shareholder value.
- To achieve maximum customer satisfaction through improved service quality.
- To promote effective human resource management practices.
- To enhance operational efficiency and competitiveness through modern technology.

Business partners : It is our key priority to operate to trade terms and conditions while respecting mutual benefits. We therefore treat and work with all partners with honesty and equitableness, taking care to maintain the reputation and credibility of the organization.

Competitors : The Company always adheres to the rule of fair and ethical competition.

Creditors : We strictly honour all obligations to our creditors.

Society and the environment : The Board of Directors as well as the Management Team and all staff recognize that business organizations are part of society. With available capacity and resources, businesses can have a vital role to play in caring for the communities and in contributing to society's improvement. We have therefore undertaken various socially beneficial projects, with the objective of promoting their sustainability and long-term benefits. All programmes are monitored and evaluated to ensure that they truly contribute to and serve the interests of target sectors of society. The Company has also acted as the focal point for initiating and encouraging our people's grouping together for or participation in activities designed to support social causes. Examples include the setting up of Deves Volunteer Group to provide development support to rural schools and youths, and the Group's blood donations to the Thai Red Cross Society.

Disclosure and Transparency

The Board of Directors fully recognizes its ethical and statutory responsibility to all shareholders and has discharged its duties with integrity and prudence in protecting the Company's interests, which mean the overall interests of the shareholders. It is therefore a key responsibility of the Board to ensure that the Company prepares and discloses complete, accurate financial and non-financial information in a timely and transparent manner through channels easily and equally accessible to all shareholders as well as interested parties. These include disclosures in the annual report and on the Company's website at www.deves.co.th which is regularly updated and welcomes all enquiries. The Board Secretariat and Corporate Communication Office is responsible for coordinating and ensuring timely responses to such enquiries.

The above disclosures refer to information on the Company's anti-corruption policies and measures as well as its financial statements-duly certified by the auditors as correct in material aspects as per generally accepted accounting principles and endorsed by the Audit Committee and the Board of Directors. The disclosures also include the corporate governance policy; annual performance reports of the Directors and Board committees, directors' and executive remuneration policy and details which reflect the duties and responsibilities of the Company Directors.

Additionally, the Company has always complied strictly with the rules of other regulating agencies concerning returns, reporting and disclosures. We regard such practices as integral to good corporate governance.

Responsibilities of the Board

The Board of Directors represents all shareholders in the oversight and control of the Company to ensure strong and sustainable business returns. With a duty to all shareholders, the Board is responsible for setting corporate vision and business policies and for providing assurance that the Company operates with integrity and highest responsibility towards all stakeholders while meeting statutory requirements as well as its obligations to all concerned.

1. Composition of the Board

The Articles of Association of the Company stipulates that the Board should comprise not less than five members. In 2017, the Company's Board had a membership of thirteen, consisting of one executive Director and twelve non-executive Directors. The Extraordinary General Meeting No. 1/2560 held on Monday 3 July 2017 resolved to elect two Directors: [1] Ms Supaporn Treesaen; and [2] Mr Chusiri Kaiyanan, in accordance with the resolution of the 2010 Annual General Meeting to keep the membership of the Board to thirteen.

Directors' term of appointment is governed by the Company's Articles of Association. All Directors are eligible for re-election at the end of their term.

Independent Director Requirements

The Company has defined the eligibility requirements for independent directors in accordance with the guidelines of the Office of Insurance Commission [OIC] which prescribe that an independent director shall not engage in any business or work relating to the insurance company in such a way that could interfere with the exercise of his/her independent judgement and that he/she shall meet the following eligibility conditions:

- Not having more than 0.5% holding in the paid-up capital of the insurance company or any of its affiliated, associated or related companies; this shall include shareholdings by any person related to the independent director.
- Not being involved in the management of, nor engaging in any paid regular employment with the insurance company or any of its affiliated, associated or related companies or its major shareholder[s], nor being a paid consultant/adviser to the insurance company or any of its affiliated, associated or related companies or its major shareholder[s];
- Having no interest, directly or indirectly, in the finance and management of the insurance company or any of its affiliated, associated or related companies or its major shareholder[s];
- Not being related to nor being a family member of any senior executive or major shareholder of the insurance company.

The meeting of the Board no. 1/2554 held on 4 March 2011 resolved to endorse the recommendation by all three Board committees, i.e. the Nomination and Remuneration Committee, the Audit Committee, and the Executive Committee, that the term limit for independent directors should be stipulated as follows:

“Each independent director shall serve no more than two terms of office consecutively. Extension of such limit for any director shall be determined case by case by the Board based upon the suitability, independence and efficiency of the individual director’s performance. This applies to any term of service that ends in 2011 onwards.”

2. Roles and Responsibilities of the Board

The Board of Directors recognizes the significance of its role and accountability to shareholders and has thus performed its duties honestly and prudently to safeguard the Company’s interests, which represent the interests of all shareholders. The Board takes responsibility for determining and approving all important matters relating to the Company’s operations, such as setting corporate vision and mission, strategies, financial goals as well as business and financial plans, and ensuring the established policies and plans are efficiently and effectively implemented by the Management.

The Board has drawn up a “Corporate Governance Policy”, a “Code of Business Ethics” as well as a “Staff Code of Conduct” and has ensured strict and consistent compliance within the organization. The Policy and the Codes are also posted on the intranet and the corporate website to promote among Directors, officers, employees and all concerned a better understanding of the ethical standards for the Company’s business conduct.

To avoid potential conflicts of interest, the Board deems it essential to ensure that no one uses his position as a director, executive or staff member of the Company for personal gain or advantage. All Directors are therefore not permitted any activity which is in conflict or competition with the Company’s business. Overall benefits for the Company and the shareholders will be the primary consideration in the conduct of any transactions in which a conflict of interest might arise and in such cases all interested parties will be excluded from the decision making process.

The Board has established, within the organizational structure, an Audit Office which serves as the implementation function of and reports directly to the Audit Committee. The Audit Committee has responsibility for overseeing the financial reporting process as well as the accurate, complete and reliable disclosure of financial information. The Committee also ensures that the Company maintains an effective and appropriate system of internal control and internal audit. The Audit Office annually prepares its audit plan and internal control appraisal plan for submission to the Board for endorsement.

Moreover, a Corporate Strategy Department has been set up within the Company's management structure to be responsible for assessing business and market environments and for analyzing useful information as well as unusual signs to create an early warning system. The Company has also established a Risk Management Committee to assess and identify the scope of the risks facing the organization and their likelihood of occurrence, with a view to devising control measures to mitigate potential losses or damage to the Company. The Committee provides a regular risk report to the Board meeting on a quarterly basis.

Authority and Responsibilities of the Board

- Setting the Company's overall strategic direction and goals; approving business direction and policies; and overseeing the effective and efficient implementation of such approved policies while promoting good governance principles;
- Approving policies, controls and procedures for overall risk management covering the Company's core activities;
- Approving policy frameworks for investments and other businesses; monitoring and ensuring that the Company's investments and other businesses are appropriate, taking account of the Company's stability, financial position and operations;
- Overseeing and monitoring continuously the Company's operations to provide assurance that the executive Director and the Management conduct the business in accordance with the law and the established policies;
- Ensuring an efficient system of internal controls and internal audit within the organization;
- Appointing committees/subcommittees as appropriate to help discharge the Board's governance functions as per the established policies; and reviewing the structure and composition of the appointed committees/subcommittees or any changes significant to their performance;
- Putting in place written provisions in respect of business code and ethics as well as code of conduct for directors, executive officers and staff as guidelines to be followed within the organization.

Other company directorships

The Board of Directors is composed of individuals who represent a breadth of expertise, each holding key executive posts with various organizations. Their distinctive backgrounds and knowledge can contribute efficiently to the shaping of corporate policies and direction and to the achievement of maximum returns and benefits for the Company and all shareholders.

Board members' directorships with other companies [as disclosed under "Board of Directors" Section of the annual report] have no effect on the fulfilment of their duties as the Company Directors. All members of the Board attend every regularly scheduled meeting. They are also fully committed to studying all materials required for decision-making at meetings and to providing constructive guidance to the Management on a regular basis. [Details of Directors' attendance at meetings can be found in the "Board Meetings" section of the annual report.]

Separation of Roles

The Chairman of the Board is not the same person as the President of the Company, both being two separate positions. Their distinct roles and responsibilities are clearly defined in the “Delegation of Authority” which sets down specifically the scope of authority and duties of the Board of Directors, each committee of the Board and each level of the Management Team.

The Directors elect one suitable member as Chairman of the Board who chairs the meetings of the Board and of the shareholders. The Chairman is a non-executive Director, thus allowing the Company to establish and maintain an appropriate balance of power. Furthermore, with thorough understanding of and continued commitment to good governance practices, the Chairman has encouraged all Directors to exercise independent judgement in the best interests of the Company and the shareholders.

The position of President is subject to an identification and nomination process led by the Nomination and Remuneration Committee before being recommended for approval and appointment by the Board. The President has responsibility for leading the Management Team in implementing the approved policies and strategies within the agreed framework towards successful performance of the Company.

Company Secretary: The Company has appointed a Company Secretary and set up a Board Secretariat and Corporate Communication Office to be responsible: for preparing and keeping the Director Register, notices and minutes of Board meetings, the Company’s annual reports, and notices and minutes of general meetings; and for maintaining the Declarations of Interest made by Directors and executive officers. Other functions are to liaise between the Board and the Management Team, and to update the Directors on applicable laws and regulations in providing assurances that their performance complies strictly with all regulatory requirements and that the Management works to Board resolutions.

3. Board Committees

At present, the Company has three committees of the Board, i.e. the Executive Committee, the Audit Committee, and the Nomination and Remuneration Committee. These Committees are independent in the performance of their duties within the authority and responsibility delegated by the Board, while providing the Board with useful recommendations on the respective areas. Each of the three committees meets regularly, as scheduled in its work plans, to consider and review matters, and after each meeting, the secretary would send the minutes of the meeting to all directors. The aim is to keep members of the Board informed on important matters and developments, and to enable them to continuously monitor any improvement as determined by Board policy. “To acknowledge reports of the Board committees” has also been made one of the main items on the agenda for quarterly meetings, so that problems and recommendations can be communicated directly by the responsible parties.

In this regard, the Board of Directors agreed, in its meeting no. 5/2555 held on Tuesday 14 August 2012, to add a rider to the provisions governing the terms of appointment of two committees of the Board, i.e. the Audit Committee, and the Nomination and Remuneration Committee, so that the original stipulation of a three-year term of office should read “Each appointment shall be for a term of three years and the term shall be reviewed by the meeting of the Board every year after the shareholders’ meeting.”

At its meeting no. 5/2557 held on Tuesday 11 November 2014, the Board resolved to approve that the provisions governing the “roles and responsibilities of the Audit Committee” and the “roles and responsibilities of the Nomination and Remuneration Committee” be amended to include clauses requiring the terms of office of all members on each of the committees to expire simultaneously and requiring that the three-year term of appointment of members on both committees be adjusted to start from May 2014 onwards.

Authority and Responsibilities of Board Committees

The **Executive Committee** was appointed on 25 June 1992. It is currently composed of two members and is responsible for managing the Company within the authority and duties mandated by the Board of Directors in the “Delegation of Authority”. This written Delegation describes how the Board’s authority and responsibility are delegated to the committees of the Board and further to the management hierarchy.

The **Audit Committee**, appointed on 31 August 1999 and currently comprised of four independent Directors, is responsible for discharging the functions assigned by the Board. The main duties of the Committee are to oversee the objectivity, completeness and reliability of the Company’s financial reporting and disclosures; to ensure an effective and appropriate system of internal control within the Company; to prevent conflicts of interest while ensuring compliance with all applicable laws and requirements; and to select and recommend the appointment of the Company’s auditors and the approval of their fees. Members of the Audit Committee have a three-year term of office.

Authority and Responsibilities of the Audit Committee

- Reviewing and ensuring the completeness, objectivity and reliability of the Company’s financial reports as well as their full disclosure of significant information and conformity with generally accepted accounting standards;
- Selecting the Company’s external auditors and recommending their appointment and approval of their fees for consideration by the Board and further approval by the general meeting;
- Overseeing the efficient management of corporate units and their conformity with good governance principles;
- Ensuring the adequacy of risk control systems;
- Reviewing and promoting the quality of internal controls as well as giving opinions, to the Board, in the Committee’s report on overall assessment of the Company’s internal controls;
- Overseeing and supporting the independence of the work of the internal audit unit;
- Considering and revising the Internal Audit Charter;
- Reviewing and ensuring compliance by the Company with all laws, regulations and directives applicable to its operations;
- Ensuring appropriate compliance with the Corporate Governance Policy and Code of Business Ethics;
- Considering the appointment, transfer, termination and performance evaluation of the head of internal audit;
- Considering and reviewing the audit findings and recommendations from both external and internal auditors as well as monitoring to ensure the recommendations have been actioned appropriately by all concerned within an acceptable timescale;
- Having the authority to call upon staff and executives at all levels to report or furnish information, or to take part in a meeting, or to submit any documentation the Committee deems relevant or necessary;
- Reviewing and amending the Audit Committee Charter to ensure it is appropriate and up to date at all times and submitting such amendments to the Board for approval;
- Preparing, for disclosure in the Company’s annual report, an audit committee report which includes information on the performance and opinions of the Committee;
- Having the authority to enlist the help of or engage the services of specialists as counsel, where necessary;
- Performing any other tasks or functions delegated by the Board.

The Nomination and Remuneration Committee was originally established as the “Remuneration Committee”, by the resolution of the Board at its meeting on 21 February 2003, to be composed of three members with the Committee Chairman and most members being independent Directors. The Committee was mandated to determine the compensation structure and system as well as the limit and budget for remuneration and benefits for Directors, Board Committees and top executives from the rank of Executive Vice President to President. Members of the Committee have been appointed for a three-year term of office.

In 2005, the Board of Directors extended the scope of the Committee’s responsibility to include the nomination function and renamed it the “Nomination and Remuneration Committee”. The Committee has thus assumed the additional duty of selecting and nominating qualified persons as the Company’s new directors as well as considering the re-election of directors retiring by rotation. The Committee would then recommend such nominations for the approval of the Board of Directors or the shareholders’ meeting, as the case may be. Later in 2010, the Board agreed at its meeting that corporate social responsibility [CSR], through honest and ethical business conduct to participation in social/community improvement and environment conservation, had such an important part to play in social development and action. It was therefore resolved that the Nomination and Remuneration Committee be assigned the additional role of CSR Committee. The responsibility of this new committee is to set policies, plans and budgets for all the Company’s CSR programmes and to monitor progress against established plans and timeframes. Currently, the Committee consists of four members who are independent Directors and non-executive Directors.

Authority and Responsibilities of the Nomination and Remuneration Committee

- Setting and recommending, for the Board’s consideration, the eligibility criteria and methods/procedures for nominating company directors and members of committees of the Board;
- Nominating a suitably eligible and qualified individual for appointment by the Board as a director of the Company, where a vacancy arises for reasons other than retirement by rotation;
- Nominating a suitably eligible and qualified individual, for the Board’s consideration and final approval by the general meeting, to fill a directorship vacated due to retirement by rotation;
- Determining the structures of remuneration and other benefits for the Company’s Directors, Board Committees, President and executive officers from band/grade 10 and above;
- Determining the budgets for pay rises and annual bonuses awarded to all of the Company’s staff as well as budgets for remuneration and other benefits for Directors and committees of the Board;
- Undertaking any other tasks delegated by the Board.

4. Board Meetings

Board meetings are scheduled to consider and approve the Company’s quarterly financial statements in accordance with the provisions of the Public Limited Companies Act. In addition to these meetings, the Board also meets to discuss and approve annual business and financial plans, evaluate in-year performances as well as reviewing issues arising.

The Company’s Articles of Association require that not less than half of the total number of directors must be present at a Board meeting and such quorum has been met for every previous meeting of the Board.

A schedule of Board meetings for the entire year is planned in advance. The main business or agenda is also clearly specified for each meeting, although additional items can be put forward by Directors or relevant parties. The Company ensures the agenda and supporting documents are circulated in advance of the meeting to allow every Director sufficient time for perusal and that the format and contents of all meeting materials are clear and

comprehensively presented. During 2017, a total of seven meetings of the Board were held, and they lasted about one and a half hours each on average.

Senior executives, who are not members of the Board but are related to the business of the meeting, will be invited to the meeting to provide additional information on the issues relevant to them. To avoid conflicts of interest and ensure transparency for all concerned, the Board has stipulated that any Director who has an interest in any matter being considered may not vote on such matter and that Directors are not to be involved in the day-to-day management of the Company.

5. Board Self-Assessment

The Company has not yet engaged in self-assessment of the Board of Directors. However, the Board's overall performance can be evaluated against annual business plans and goals. In this regard, the Company has to date posted strong and consistent results, except the loss recorded in 2011 due to the severe floods which was an unforeseeable force majeure. Furthermore, we have always been in compliance with the regulators' requirements in all respects.

6. Remuneration of Directors and Executives

The Nomination and Remuneration Committee determines and recommends Directors' remuneration, through Board meeting, for approval by a shareholders' meeting. Remuneration and benefits for Directors and members of every committee of the Board require the approval of a general meeting. Members of Board Committees are remunerated more for their additional duties and responsibilities.

In determining Directors' remuneration, the Committee would make comparison of the current remuneration for Board members against the annual compensation survey conducted by the Thai Institute of Directors. This is to ensure that the remuneration packages for Company Directors are at a level appropriate and comparable to industry practices and can reflect the experience, accountability and responsibility of as well as the expected contribution from the individual members.

At present, the Directors' remuneration comprises annual fees and monthly or per-meeting stipends at the rate fixed for each committee and as approved by the shareholders' meeting. Details of such remuneration of each Director are disclosed by the Company in its Annual Report every year.

In 2012, the Annual General Meeting passed a resolution, as recommended by the Nomination and Remuneration Committee and the Board of Directors, that no Directors' annual fees be paid in respect of 2011 results in which losses were made due to the flood claims estimated and recognized in full in the 2011 accounting year.

The 2012 General Meeting also resolved to raise the remuneration of the Executive Committee Chairman from Baht 100,000 per month to Baht 125,000 per month. The resolution was proposed by the Nomination and Remuneration Committee and the Board on consideration that the Executive Committee Chairman had played a crucial role in shaping corporate direction and in monitoring and reporting performance through significant involvement in the management of the Company in a semi-executive capacity. However, subsequent to the meeting, the Executive Committee Chairman indicated in writing his wish to waive his right to the added remuneration, considering that the Company's financial results and position had yet to be brought back to normal. The Committee Chairman has therefore offered to continue to receive the original rate of remuneration from then until now.

At the Annual General Meetings for 2013 and 2014, resolutions were passed approving payment of Directors' annual fees on 2012 and 2013 results respectively as per the established basis. Nevertheless, the Chairman of the Board and the Executive Committee Chairman stated to both meetings that, as Directors representative of the Crown Property Bureau, they wished to waive their rights to receive the approved annual fees.

The 2017 General Meeting then resolved to approve the payment of Directors' annual fees on 2016 results in accordance with the established basis.

Remuneration packages of senior executives are determined by the Nomination and Remuneration Committee in consultation with the Executive Committee who is responsible for appraising the performance of senior management members from the level of Executive Vice President to President. Such performance reviews use a set of realistic and measurable criteria based on pre-agreed long-term strategic objectives.

Apart from the performance factor of the individual members, the remuneration of senior management will take account of the Company's annual results along with the comparability with peer companies in the industry. The results of the determinations will then be submitted to the Board meeting for approval.

7. Director and Executive Development

How the Board and the Management perform their roles and duties are crucial to the Company's activities and its achievement of business objectives. The Board of Directors has therefore placed importance on personal development and development of staff at all levels. The Board has also encouraged its members and the Company Secretary to attend seminars and courses organized by the Thai Institute of Directors which are beneficial to their performance.

Upon appointment, new directors are provided with induction materials introducing them to the business activities, direction and objectives of the Company and other information necessary for the directors' duties.

With regard to executive development, our senior officers are required to take training courses which help the individual members to develop their business management skills or gain know-how of domestic and international business, so that they can apply the knowledge and experience acquired to the benefit of the Company.

8. Anti-Corruption Framework/Standards

Upholding the ideal of bona fide, transparent and ethical conduct of business, The Deves Insurance PCL is committed to its responsibility towards society and all of its stakeholders under the established Corporate Governance Principles and Code of Conduct. We are therefore resolute in joining the Thailand's Private Sector Collective Action Coalition Against Corruption [CAC] to demonstrate our intent and determination to fight against all forms of corruption, recognizing that corruption presents a peril to free and fair competition and that it also harms the nation's social and economic development.

The Board of Directors, at its meeting no. 5/2560 held on 10 August 2017, resolved that the Company apply for admission to the Thailand's Private Sector Collective Action Coalition Against Corruption [CAC]. The Company thus made its declaration of intent to join the CAC on 4 September 2017, and went on to institute its Anti-Corruption Policy which was approved by the Board at its meeting no. 7/2560 held on 14 November 2017. Whistle-blowing policy and guidelines have further been formulated, while work is under way on the revision of relevant rules and regulations. We are also in the process of creating an anti-corruption measures self-assessment form to be presented for consideration by the CAC Committee.

Our Anti-Corruption Policy prohibits everyone in the Company - from Directors and executive officers to all employees - from soliciting, allowing, making, partaking in, conniving at or accepting any form of corrupt offers either directly or indirectly and either for the Company's benefit or for personal gain or gain of family, friends or acquaintances, or in order to gain business advantages. No staff/employee shall be demoted, disciplined or negatively affected for rejecting a corrupt offer, even though such action would result in a lost business opportunity for the Company. The Policy covers business activities in all countries, and applies to all agencies/entities that deal with or relate to the Company as well as all business partners, customers and stakeholders of the Company.

The Board of Directors is required to oversee policy compliance and to keep the Policy under regular review. Corruption risks are assessed on an annual basis, and compliance is reviewed regularly. Guidelines and procedural rules are also revised in response to changes in business or statutory requirements. Any breach constituting support for or cooperation with corrupt practices shall be subject to disciplinary action according to the Company's rules, including dismissal if necessary.

Our whistle-blowing policy makes it possible for staff, partners or third parties to report any suspicious instances of corruption involving the Company through different channels, e.g. letter or email to fraud_corruption@deves.co.th. All information received will be directed to the Audit Office Director and the Audit Committee. Regardless of the channel of reporting, the identity of an informant or whistle-blower shall remain confidential and never be revealed. Security and confidentiality measures are in place to protect whistle-blowers from detriment or repercussions. The Company shall deal with all concerned in a fair manner. Any employee found to be committing or engaging in fraud must face disciplinary procedure under the Company's rules and could also receive legal punishment if the act is against the law.

Related Definitions and Policies

"Corruption" means any form of bribery, be it offering, promising, giving, pledging, soliciting or accepting of money, things or any other improper benefits either to or from an official of a state, public or private agency or a person with direct/indirect authority as a means to persuade them to act or not to act in a certain way so as to obtain, retain or introduce business for the Company or to enable the Company to win business, gain competitive advantage or retain any other improper business advantage, except where such behaviour is permitted by local laws, rules, orders, regulations or traditions or by trade norms/practices.

"Political Contributions" The Company conducts its business by upholding political neutrality. We have neither affiliation to nor alignment with any political party or any person with political power, and shall never use our funds or resources to support any political party or politician. We deem our staff members to have the right and duty, as a good citizen, to promote democracy and express their opinions or political force freely in their own name, as long as their behaviour does not affect the performance of their duties as an employee of the Company.

"Charitable contributions/donations" A charitable contribution/donation under the Company's rules must be a donation - in cash or in kind to support a good cause/project - that is made in the name of the Company only. All contributions and donations must be aimed at promoting the Company's business while maintaining its good image and reputation. Each case is subject to a transparent consideration process, as per delegated authority, which ensures no conflict of interest is present. Disbursement records must have the purpose[s] clearly stated and must be accompanied by solid, provable documentation. Our charitable spending follows an authorization procedure that can be reviewed, supervised and approved by the authorized officer[s]. Such procedures can also be evaluated and audited in line with the internal control process to provide assurance that none of our charitable donations/contributions is exploited as the pretext for corruption and that there would be no implication for the Company's image.

“Gifts or entertainment” and expenses relating to business obligations are permitted but must be for business and customary purposes only. The costs of gifts and entertainment must be appropriate and they must never be intended to influence decision-making or induce breach of duty. All expenses must be auditable and conform to the Company’s established rules/criteria.

Additional Guidelines on Corruption Involvement Prevention

The Company has introduced additional guidelines on the prevention of involvement in fraud and corruption, as follows:

1. **Corruption risk assessment:** We have maintained a risk management system appropriate to the nature of our business by identifying those activities/events containing high corruption risks and by assessing such risks as well as developing measures to control the risks assessed. Implementation of risk management measures and plans are also monitored and evaluated.
2. The following guidelines have been issued for overseeing the prevention and monitoring of corruption risks:
 - 2.1 A process is in place for reviewing internal control and risk management systems which cover all core functions, so that corruption risks could be prevented and monitored and recommendations for appropriate remedial measures could be made.
 - 2.2 Channels have been set up for whistle-blowing or reporting of breaches of the law or the Company’s Code of Business Ethics. There are measures to ensure the security and confidentiality of informants or whistle-blowers as well as measures to verify information received.
3. The Company has set down procedures for monitoring and evaluating compliance with the Guidelines on Corruption Involvement Prevention, as follows:
 - 3.1 The Audit Office is to be responsible for providing advice about frauds and corruption, for evaluating the internal control systems against the annual audit plan approved by the Audit Committee and for reporting its evaluation findings to the Audit Committee.
 - 3.2 The Risk Control and Management Office is to assess fraud and corruption risks jointly with units/departments on a regular basis to ensure effective implementation of the anti-corruption measures. It is also required to submit such risk assessments to the Risk Management Committee, the Audit Committee and the Board of Directors, respectively.
 - 3.3 If the facts of the complaint or the investigation findings provide credible evidence that there is any act or transaction that could materially impact the Company’s financial position or performance or that there is any breach of the law or the Code of Business Ethics, the Audit Committee shall report such act to the Board of Directors in ensuring that remedial action is taken within such a timescale as the Committee sees fit.

Our anti-corruption and whistle-blowing policies are communicated through such internal and external mediums as email, corporate intranet and website, and annual report to ensure that all executives, staff and business partners are informed and comply accordingly. The Company has also given training to executives and staff at all levels under the “Ethical Organizations” Project since July 2017. The project is aimed at encouraging all our staff to maintain good working behaviours and to embrace and apply His Majesty King Bhumibol Adulyadej’s [King Rama IX] Sufficiency Economy Philosophy as a force for creating and driving a good corporate culture and for developing the Company into a model ethical organization. To that end, we have set ourselves three ethical goals, i.e. honesty, responsibility and discipline, in tune with the Company’s engagement in the Thailand’s Private Sector Collective Action Coalition Against Corruption.

Benefit of Director

	Benefit of Director in Year 2017 [Baht]					
	Board of Directors	The Executive Committee	The Audit Committee	The Nomination and Remuneration Committee	Bonus	Total
Dr Chirayu Isarangkun Na Ayuthaya	450,000				485,898	935,898
Mr Sansern Wongcha-um	300,000			100,000	325,898	725,898
Mr Aviruth Wongbuddhapitak	300,000	360,000			325,898	985,898
Mr Sompoch Intranukul	300,000		300,000	70,000	325,898	995,898
Mr Montri Mongkolswat	300,000			70,000	325,898	695,898
Mr Virasak Tokakuna	300,000		240,000		325,898	865,898
Mr Na Bhengbhasang Krishnamra	300,000				325,898	625,898
Mr Arrak Soontaros					255,122	255,122
Mrs Phansopit Likitthammanit	300,000		240,000		325,898	865,898
Dr Charnchai Musignisarkorn	300,000			70,000	325,898	695,898
Mr Sak Euarchukiati	300,000		240,000		325,898	865,898
Ms Supaporn Treesaen	148,334					148,334
Mr Chusiri Kaiyanan	148,334					148,334
Mr Chatchai Chinvetkitvanit	300,000	300,000			325,898	925,898
Total	3,746,668	660,000	1,020,000	310,000	4,000,000	9,736,668

Remarks 1. Mr Arrak Soontaros passed away, and thus ended his directorship on October 18, 2016.
 2. Ms Supaporn Treesaen and Mr Chusiri Kaiyanan have been appointed directors in the Board of Directors on July 3, 2017.

Besides the benefits stated above, the Company did not pay any other benefits to Directors. As for the shareholding in 2017, none of the directors and executives hold the Company's shares.

Board's Meeting

Directors' Attendance in Year 2017 [7 Board of Directors' Meetings were held.]

Name		No. of Attendance
1	Dr Chirayu Isarangkun Na Ayuthaya Chairman	6/7
2	Mr Sansern Wongcha-um	6/7
3	Mr Aviruth Wongbuddhapitak	5/7
4	Mr Sompoch Intranukul	6/7
5	Mr Montri Mongkolswat	7/7
6	Mr Virasak Tokakuna	7/7
7	Mr Na Bhengbhasang Krishnamra	7/7
8	Mrs Phansopit Likitthammanit	5/7
9	Dr Charnchai Musignisarkorn	7/7
10	Mr Sak Euarchukiati	7/7
11	Ms Supaporn Treesaen	3/7
12	Mr Chusiri Kaiyanan	3/7
13	Mr Chatchai Chinvetkitvanit	7/7

Remark : Ms Supaporn Treesaen and Mr Chusiri Kaiyanan have been appointed directors in the Board of Directors on July 3, 2017.

Executive Directors' Attendance in Year 2017 [12 Executive Committee's Meetings were held.]

Name		No. of Attendance
1	Mr Aviruth Wongbuddhapitak Chairman of the Executive Committee	12/12
2	Mr Chatchai Chinvetkitvanit	11/12

Audit Directors' Attendance in Year 2017 [4 Audit Committee's Meetings were held.]

Name		No. of Attendance
1	Mr Sompoch Intranukul Chairman of the Audit Committee	4/4
2	Mrs Phansopit Likitthammanit	4/4
3	Mr Virasak Tokakuna	4/4
4	Mr Sak Euarchukiati	4/4

Nomination and Remuneration Directors' Attendance in Year 2017

[4 Nomination and Remuneration Committee's Meetings were held.]

Name		No. of Attendance
1	Mr Sansern Wongcha-um Chairman of the Nomination and Remuneration Committee	4/4
2	Dr Charnchai Musignisarkorn	4/4
3	Mr Sompoch Intranukul	4/4
4	Mr Montri Mongkolswat	4/4

Appropriate the Earnings

The Board of Directors proposes to appropriate the earnings

	(Unit : Baht)	
	December 31, 2017	December 31, 2016
Unappropriated retained earnings brought forward	245,859,821	175,164,588
<u>Less</u> - Actuarial loss	(4,011,351)	(907,442)
Profit for the year	265,648,397	202,602,675
Total earnings available for appropriation	507,496,867	376,859,821
Appropriated of earnings		
1. Dividend	160,000,000	120,000,000
2. Legal reserve	-	11,000,000
3. Other reserve	-	-
4. Expansion reserve	-	-
Total Appropriated retained earnings	160,000,000	131,000,000
5. Unappropriated retained earnings carried forward	347,496,867	245,859,821

We are pleased to propose for the shareholders' approval

Report of the Audit Committee

to the Shareholders of The Deves Insurance Public Company Limited

The Board of Directors of The Deves Insurance Public Company Limited has appointed the Company's Audit Committee comprising four Independent Directors, namely:

- | | |
|---------------------------------|--------------------------|
| 1. Mr Sompoch Intranukul | Audit Committee Chairman |
| 2. Mrs Phansopit Likitthammanit | Audit Committee Member |
| 3. Mr Virasak Tokakuna | Audit Committee Member |
| 4. Mr Sak Euarchukiati | Audit Committee Member |

The Audit Committee has discharged its duties and responsibilities as delegated by the Board. During 2017, the Committee held a total of four meetings with participation of the Company's senior management and two of these committee meetings were also attended by the external auditors. The business of the meetings can be summarized below.

1. Reviewing the objectivity and adequacy of the Company's financial reports:

- Reviewing the 2016 annual financial statements and the 1st-3rd quarterly financial statements for 2017 by conferring with the external auditors and senior executives as to the objectivity and adequacy of financial disclosures.

Opinion : The Audit Committee concurred with the external auditors that all the financial statements were materially accurate in accordance with generally accepted accounting standards and that there was complete, adequate and reliable disclosure of information.

2. Reviewing the adequacy and appropriateness of the Company's internal control systems and compliance with statutory requirements:

- Endorsing audit plans, considering reports or findings of the internal auditors, as well as discussing with and advising the Management on the implementation of significant audit recommendations;

Opinion : The Audit Committee agreed that proper and adequate systems of internal control and internal audit were in place within the organization, and that the Company complied consistently with all statutory requirements.

3. Ensuring legal compliance of related-party transactions or transactions with potential conflict of interest:

- Keeping updated on related-party transactions which represented transactions arising in the normal and justifiable course of business.

Opinion : The Audit Committee concluded that the Company's activities were in compliance with applicable laws.

4. Selecting external auditors and recommending their appointment and approval of their fees:

- Considering, selecting and recommending, to the Board for further approval by the general meeting, the appointment of Mrs Nongluck Phumnoi / Miss Somjai Khunpasut / Miss Ratana Jala of EY Office Limited as the Company's external auditors for 2017 financial year, as well as the approval of their fees at 2.65 million baht.

Opinion : The Audit Committee agreed that the proposed auditors were suitable for appointment.

5. Others

- Keeping updated on the organization's risk management overview; considering and making recommendations to the Management on the control of those risks with impact on the Company's operations to be within acceptable levels;
- Reviewing adherence to all applicable policies, regulations, orders and laws as well as corporate governance standards so as to promote the confidence of shareholders, investors, stakeholders and all concerned;
- Reviewing compliance with the corruption prevention measures required by the Thailand's Private Sector Collective Action against Corruption [CAC] in preparation for the certification process.

In conclusion, the Audit Committee has performed the responsibilities delegated to it by the Board by reviewing various aspects as described above and by providing observations and recommendations as and when appropriate. Through the fulfillment of its duties, the Committee has reached the opinion that over the reporting year the Company continued to maintain compliance with corporate governance principles as well as full and proper disclosures of information.



Sompoch Intranukul
Chairman of the Audit Committee

Key Financial Ratios

	(Unit : Million Baht)	
	2017	2016
FINANCIAL STATUS AT YEAR END		
Total Assets	11,094.01	15,520.55
Total Liabilities	8,336.37	12,903.41
Equity	2,757.64	2,617.14
OPERATING PERFORMANCE FOR THE YEAR		
Premium income	4,644.18	4,602.36
Net earned premium	2,837.22	3,091.30
Profit from underwriting	144.95	45.69
Investment income	137.68	142.55
Net other income	72.14	90.87
Operating expenses	218.76	274.00
Income tax	59.91	47.12
Net Profit for the year	265.65	202.60
FINANCIAL RATIOS		
Return on premium income	5.72%	4.40%
Return on equity	9.63%	7.74%
Return on total assets	2.39%	1.31%
Earnings per share (Baht)	5.31	4.05
Book value per share (Baht)	55.15	52.34
Weighted average number of ordinary shares (million shares)	50.00	50.00

Operating Performance and Financial Status

Summary of 2017 operating result

In 2017, the Company had total Net earned premium of Baht 2,837.2 million, decreased by Baht 254.1 million or 8.2%, and investment income of Baht 137.7 million, decreased by Baht 4.9 million or 3.4%.

The Company has 2 major types of expenses which are underwriting expenses and operating expenses. In 2017, the Company incurred underwriting expenses of Baht 2,811.6 million, decreased by Baht 146.4 million due to decrease in direct claims of Baht 181.0 million and increase in other underwriting expenses by Baht 23.6 million. Operating expenses of Baht 218.8 million, decreased by Baht 55.2 million, mainly due to a reversal of allowance for doubtful accounts amounting to Baht 63.0 million.

In 2017, the Company had profit from underwriting of Baht 144.9 million, increased by Baht 99.3 million or 217.2%, and net profit of Baht 265.6 million, increased by Baht 63.0 million or 31.1%.

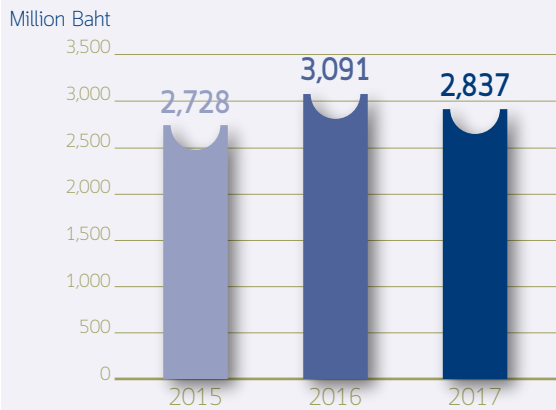
As at 31 December 2017, the Company had total assets of Baht 11,094.0 million decreased by 28.5%. The total assets consisted of cash and cash equivalents, investments, properties, reinsurance receivables, accrued investment income, premium receivables, intangible assets, deferred tax assets, and other assets. The reasons of the change in assets are as follows;

1. Reinsurance assets of Baht 4,114.8 million, representing 37.1% of the total assets, were decreased by Baht 4,476.4 million or 52.1% due to decrease in claim refundable from the reinsurers.
2. Other assets of Baht 252.5 million, representing 2.3% of the total assets, were decreased by Baht 55.1 million or 17.9% due to decrease in reserve fund of The Rice Insurance Scheme.

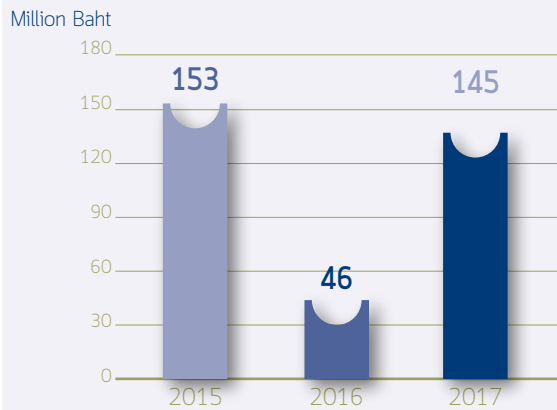
As at 31 December 2017, the Company had liabilities of totaling Baht 8,336.4 million, decreased by Baht 4,567.0 million or 35.4%. This was mainly due to the decreases in provision of insurance liabilities.

The shareholders' equity as at 31 December 2017 was Baht 2,757.6 million, increased by Baht 140.5 million or 5.4%.

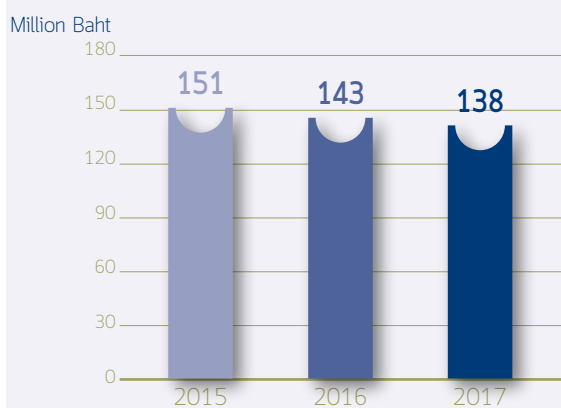
Net earned premium



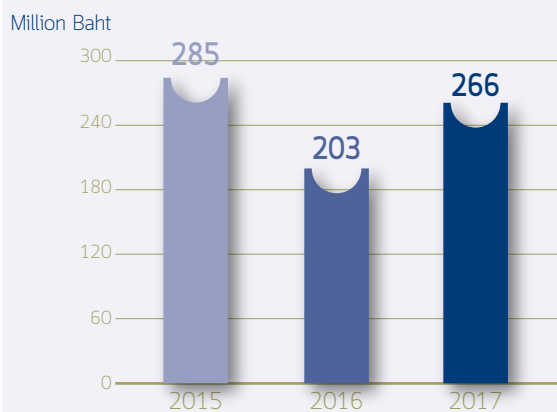
Profit from underwriting



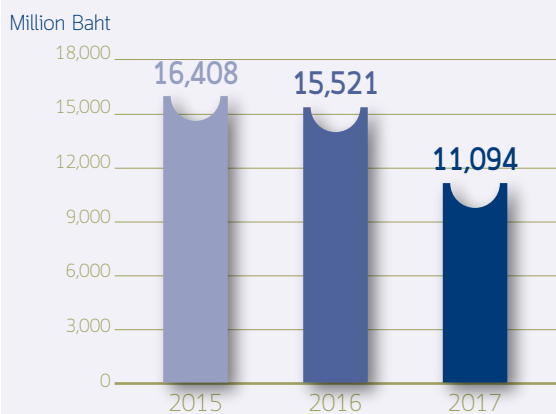
Investment income



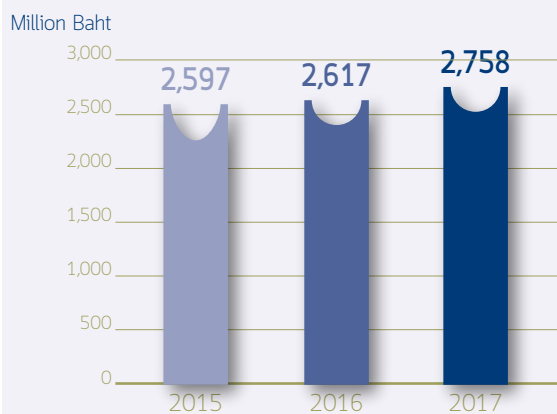
Net Profit



Total assets



Equity





Report and Financial Statements

THE DEVES INSURANCE PUBLIC COMPANY LIMITED

For the year ended 31 December 2017

Independent Auditor's Report

To the Shareholders of The Deves Insurance Public Company Limited Opinion

I have audited the accompanying financial statements of The Deves Insurance Public Company Limited [the Company], which comprise the statement of financial position as at 31 December 2017, and the related statements of comprehensive income, changes in owners' equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Deves Insurance Public Company Limited as at 31 December 2017, its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.

Basis for Opinion

I conducted my audit in accordance with Thai Standards on Auditing. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am independent of the Company in accordance with the Code of Ethics for Professional Accountants as issued by the Federation of Accounting Professions as relevant to my audit of the financial statements, and I have fulfilled my other ethical responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Thai Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Thai Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Thai Standards on Auditing, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I am responsible for the audit resulting in this independent auditor's report.



Nonglak Pumnoi

Certified Public Accountant (Thailand) No 4172

EY Office Limited

Bangkok: 27 February 2018

Statement of financial position

As at 31 December 2017

		(Unit: Baht)	
	Note	2017	2016
Assets			
Cash and cash equivalents	6	222,856,246	284,381,864
Premium receivables	7	515,869,543	421,268,904
Accrued investment income	8	17,313,315	25,905,681
Reinsurance assets	9	4,114,826,278	8,591,266,918
Receivables on reinsurance contracts	10	156,151,317	120,769,305
Investment assets			
Investments in securities	11	4,829,891,109	4,794,538,840
Loans	12	3,721,879	4,679,666
Property, buildings and equipment	13	76,401,976	79,593,322
Leasehold right	14	20,065,081	21,903,372
Intangible assets	15	72,235,444	45,263,153
Deferred tax assets	16	258,669,861	276,472,335
Prepaid premium ceded		553,544,197	546,983,401
Other assets	17	252,460,262	307,527,021
Total assets		11,094,006,508	15,520,553,782

The accompanying notes are an integral part of the financial statements.

The Deves Insurance Public Company Limited

Statement of financial position (continued)

As at 31 December 2017

(Unit: Baht)

	Note	2017	2016
Liabilities and equity			
Liabilities			
Insurance contract liabilities	18	6,479,983,245	11,116,075,775
Amounts due to reinsurers	19	547,512,419	369,470,950
Income tax payable		5,142,335	18,571,284
Employee benefit obligations	20	71,412,789	62,946,875
Premiums received in advance		885,229,675	939,601,450
Other liabilities	21	347,085,974	396,744,813
Total liabilities		8,336,366,437	12,903,411,147
Owners' equity			
Share capital			
Registered			
50,000,000 ordinary shares of Baht 10 each		500,000,000	500,000,000
Issued and paid-up share capital			
50,000,000 ordinary shares of Baht 10 each		500,000,000	500,000,000
Premium on share capital		620,000,000	620,000,000
Retained earnings			
Appropriated			
Statutory reserve		50,000,000	50,000,000
Other reserve		970,000,000	970,000,000
Expansion reserve		111,563,781	111,563,781
Unappropriated		507,496,867	365,859,821
Other component of owners' equity		(1,420,577)	(280,967)
Total equity		2,757,640,071	2,617,142,635
Total liabilities and equity		11,094,006,508	15,520,553,782

The accompanying notes are an integral part of the financial statements.

Statement of comprehensive income

For the year ended 31 December 2017

		(Unit: Baht)	
	Note	2017	2016
Profit or loss:			
Revenues			
Gross premiums written		4,644,177,351	4,602,360,642
Less: Premiums ceded to reinsurers		(1,860,801,570)	(1,619,112,274)
Net premiums written		2,783,375,781	2,983,248,368
Add: Unearned premium reserves decrease			
from prior year		53,848,547	108,048,587
Net earned premium		2,837,224,328	3,091,296,955
Fee and commission income		338,059,853	186,366,504
Net investment income		136,263,319	140,198,953
Gains on investment		1,420,492	2,346,485
Fair value gain (loss) on investment		56	(60)
Other income		72,404,770	97,412,173
Total revenues		3,385,372,818	3,517,621,010
Expenses			
Gross claims		2,212,523,798	2,393,939,124
Less: Claim recovery from reinsurers		(491,667,764)	(499,942,844)
Reversal of claims, net	33.4	(7,896,740)	-
Commissions and brokerages		452,508,976	441,633,370
Other underwriting expenses		675,315,991	651,726,265
Operating expenses	23	218,759,249	273,998,772
Other expenses		266,956	6,543,491
Total expenses		3,059,810,466	3,267,898,178
Profit before income tax expenses		325,562,352	249,722,832
Income tax expenses	16	(59,913,955)	(47,120,157)
Profit for the year		265,648,397	202,602,675

The Deves Insurance Public Company Limited

Statement of comprehensive income (continued)

For the year ended 31 December 2017

		(Unit: Baht)	
	Note	2017	2016
Other comprehensive income:			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Loss on changes in values of available-for-sale investments	16	(1,424,511)	(1,476,323)
Less: Income tax effect		284,901	295,265
Other comprehensive income to be reclassified to profit or loss in subsequent periods - net of income tax		(1,139,610)	(1,181,058)
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:	16		
Actuarial loss		(5,014,189)	(1,134,302)
Less: Income tax effect		1,002,838	226,860
Other comprehensive income not to be reclassified to profit or loss in subsequent period - net of income tax		(4,011,351)	(907,442)
Other comprehensive income for the year		(5,150,961)	(2,088,500)
Total comprehensive income for the year		260,497,436	200,514,175
Earnings per share	26		
Basic earnings per share			
Profit for the year		5.31	4.05

The accompanying notes are an integral part of the financial statements.

The Deves Insurance Public Company Limited

Statement of changes in owners' equity

For the year ended 31 December 2017

(Unit: Baht)

	Issued and paid-up share capital	Premium on share capital	Retained earnings				Other component of owners' equity	Total owners' equity
			Appropriated			Unappropriated	Revaluation surplus	
							(deficit) on available-for-sale investment- net of income taxes	
			Statutory reserve	Other reserve	Expansion reserve			
Balance as at 1 January 2016	500,000,000	620,000,000	39,000,000	970,000,000	111,563,781	355,164,588	900,091	2,596,628,460
Profit for the year	-	-	-	-	-	202,602,675	-	202,602,675
Other comprehensive income for the year	-	-	-	-	-	(907,442)	(1,181,058)	(2,088,500)
Total comprehensive income for the year	-	-	-	-	-	201,695,233	(1,181,058)	200,514,175
Dividend paid (Note 27)	-	-	-	-	-	(180,000,000)	-	(180,000,000)
Statutory reserve (Note 22)	-	-	11,000,000	-	-	(11,000,000)	-	-
Balance as at 31 December 2016	500,000,000	620,000,000	50,000,000	970,000,000	111,563,781	365,859,821	(280,967)	2,617,142,635
Balance as at 1 January 2017	500,000,000	620,000,000	50,000,000	970,000,000	111,563,781	365,859,821	(280,967)	2,617,142,635
Profit for the year	-	-	-	-	-	265,648,397	-	265,648,397
Other comprehensive income for the year	-	-	-	-	-	(4,011,351)	(1,139,610)	(5,150,961)
Total comprehensive income for the year	-	-	-	-	-	261,637,046	(1,139,610)	260,497,436
Dividend paid (Note 27)	-	-	-	-	-	(120,000,000)	-	(120,000,000)
Balance as at 31 December 2017	500,000,000	620,000,000	50,000,000	970,000,000	111,563,781	507,496,867	(1,420,577)	2,757,640,071

The accompanying notes are an integral part of the financial statements.

The Deves Insurance Public Company Limited

Statement of cash flows

For the year ended 31 December 2017

(Unit: Baht)

	2017	2016
Cash flows from (used in) operating activities		
Direct premium written	4,405,976,854	4,230,447,777
Cash paid for reinsurers	(936,511,603)	(812,534,378)
Interest income	148,194,071	143,692,311
Other income	72,367,480	95,126,490
Gross claim on direct insurance	(2,014,922,507)	(1,951,920,685)
Loss adjustment expenses on direct insurance	(203,386,957)	(223,900,292)
Commissions and brokerages on direct insurance	(386,086,299)	(379,770,315)
Other underwriting expenses	(679,687,088)	(647,162,745)
Operating expenses	(200,829,581)	(351,911,957)
Other expenses	(266,956)	(6,543,491)
Income tax expenses	(54,252,691)	(70,885,137)
Investments in securities	(38,694,618)	166,315,894
Loans	957,786	1,867,751
Net cash from operating activities	112,857,891	192,821,223
Cash flows from (used in) investing activities		
Disposals of equipment	38,785	2,298,801
Purchases of equipment	(22,180,404)	(33,639,908)
Purchases of intangible assets	(32,241,890)	(31,472,166)
Net cash used in investing activities	(54,383,509)	(62,813,273)
Cash flows from (used in) financing activities		
Dividend paid	(120,000,000)	(180,000,000)
Net cash used in financing activities	(120,000,000)	(180,000,000)
Net decrease in cash and cash equivalents	(61,525,618)	(49,992,050)
Cash and cash equivalents at beginning of year	284,381,864	334,373,914
Cash and cash equivalents at end of year	222,856,246	284,381,864

The accompanying notes are an integral part of the financial statements.

Notes to financial statements

For the year ended 31 December 2017

1. General information

The Deves Insurance Public Company Limited ("the Company") is a public company incorporated and domiciled in Thailand. Its major shareholder is the Crown Property Bureau. The Company is principally engaged in the non-life insurance. The registered office of the Company is at 97 and 99 Ratchadamnoen Road, Bawornnivet, Phranakorn, Bangkok 10200.

2. Basis for the preparation of financial statements

These financial statements are prepared in accordance with Thai Financial Reporting Standard enunciated under the Accounting Profession Act B.E. 2547, and in accordance with Thai accounting practices related to insurance and the guidelines prescribed by the Office of Insurance Commission ("OIC"), and in accordance with the format of financial statements specified in the Notification of the OIC regarding criteria, procedures, conditions and terms for preparation and submission of financial statements and operating performance reports of non-life insurance companies B.E. 2559 dated 4 March 2016, which became effective since 1 January 2016 onwards.

The financial statements in Thai language are the official statutory financial statements of the Company. The financial statements in English language have been translated from the financial statements in Thai language.

The financial statements have been prepared on a historical cost basis except where otherwise disclosed in the accounting policies.

3. New financial reporting standards

3.1 Financial reporting standards that became effective in the current year

During the year, the Company adopted the revised financial reporting standards and interpretations (revised 2016) and new accounting treatment guidance which are effective for fiscal years beginning on or after 1 January 2017. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Company's financial statements.

3.2 Financial reporting standards that will become effective in the future

During the current year, the Federation of Accounting Professions issued a number of revised financial reporting standards and interpretations (revised 2017) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements.

The management of the Company believes that the revised financial reporting standards will not have any significant impact on the financial statements when they are initially applied.

4. Significant accounting policies

4.1 Insurance contracts classification

The Company classifies the insurance contracts and reinsurance contracts based on the nature of the insurance contract. Insurance contracts are those contracts which the insurer has accepted significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder if a specified uncertain future event (the insured event) adversely affects the policyholder. To determine whether a significant insurance risk has been accepted, the insurer compares of the benefits payable after an insured event occurs with the payment obligation if the insured event does not occur. If the criteria are not met, the Company classifies it as an investment contract. Investment contracts have the legal form of insurance contracts and transfer financial risk to the insurer, but not significant insurance risk. The financial risk is the risk of change in interest rate, foreign exchange rate and financial instrument price risk.

The Company classifies contracts based on an assessment of the insurance risk at an inception of contract on a contract-by-contract basis. Once a contract has been classified as an insurance contract, it remains an insurance contract for the remainder of its lifetime, unless all rights and obligations are extinguished or expire. If any contract is previously classified as an investment contract at the inception date, it can, however, be reclassified as insurance contracts after inception if insurance risk becomes significant.

4.2 Revenue recognition

(a) Premium income

Premium income consists of direct premium and reinsurance premium less premium of canceled policies and premiums refunded to policy holders and adjust with unearned premium reserve.

Direct premium income is recognised as income on the date the insurance policy comes into effect. For long-term insurance policies with coverage periods of longer than 1 year, related revenues are recorded as unearned items and recognised as income over the coverage period each year.

Reinsurance premium income is recognised as income when the reinsurer places the reinsurance application or the statement of accounts with the Company.

(b) Commission and brokerage fee income

Commission and brokerage fees from ceded premium are recognised as income when services have been rendered.

Commission and brokerage fees from ceded premium with coverage periods longer than 1 year are recorded as unearned items and recognised as income over the coverage period each year.

(c) Investment income

Interest income and dividends on investments

Interest income is recognised on an accrual basis based on the effective interest rate. Dividends are recognised when the right to receive the dividends is established.

Interest income on loan

Interest income on loan is recognised on accrual basis, based on the amount of principal outstanding.

(d) Gain (loss) on investment

Gain (loss) on investment is recognised as income or expense on the transaction date.

4.3 Expenses recognition

(a) Ceded premium

Ceded premium is recognised as expense when the insurance risk is transferred to another insurer as amounts specified in policies.

For long-term reinsurance policies with coverage periods longer than 1 year, ceded premium is recorded as prepaid expense and recognised as expense over the coverage period each year.

(b) Claims and losses adjustment expenses

Claims and losses adjustment expenses consist of claims and losses adjustment expenses of direct insurance and reinsurance of both reported claims and not reported claims, and are stated at the amounts of the claims, related expenses, and claims adjustments of the current and prior period incurred during the year, less residual value and other recoveries (if any), and claim recovery from reinsurers.

Claims and losses adjustment expenses of direct insurance are recognised upon the receipt of the claims advice from the insured, based on the claims notified by the insured and estimates made by the Company's management. The maximum value of claims estimated is not however, to exceed the sum-insured under the relevant policy.

Claims and losses adjustment expenses of reinsurance are recognised when the reinsurer places the loss advice with the Company.

(c) Claim recovery from reinsurers

Claims recovery from reinsurers is recognised when claims and loss adjustment expenses are recorded. They are estimated as proportion and condition relevant to reinsurance contracts. The Company presents the claims recoverable amount as a deduction from gross claims.

(d) Commission and brokerage fees expenses

Commissions and brokerages are expended when incurred.

Commission and brokerage fees paid for policies with coverage periods of longer than 1 year are recorded as prepaid items and recognised as expenses over the coverage period each year.

(e) Other underwriting expenses

Other underwriting expenses are other insurance expenses for both direct and indirect expenses, including contributions, which are recognised as expenses on accrual basis.

(f) Operating expenses

Operating expenses are operating expenses, not related to underwriting and claim, which are recognised as expenses on accrual basis.

4.4 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and at banks, and all highly liquid investments with an original maturity of three months or less and not subject to withdrawal restrictions.

4.5 Premium receivables and allowance for doubtful accounts

Premium receivables of both direct and reinsurance are stated at net realisable value. The Company sets up an allowance for doubtful accounts based on the estimated loss that may incur in collection of the premium receivables, on the basis of collection experiences and the current status of the premium receivables as at the end of reporting period.

Increase (decrease) in allowance for doubtful accounts is recognised as expense during the year.

4.6 Reinsurance assets and allowance for impairment

Reinsurance assets are stated at insurance reserve refundable, which are estimated based on the related reinsurance contracts of unearned premium reserves, loss reserves and outstanding claims in accordance with the law regarding insurance reserve calculation and unearned premium reserves.

At the end of the reporting period, the Company performed impairment reviews in respect of the reinsurance assets. Reinsurance assets are considered to be impaired whenever there are object evidences as a result of events that occurred after the initial recognition of reinsurance assets, and the Company may not receive whole of reinsurance receivable amount according to reinsurance conditions and the effect of such amount can be measured with reliability.

An impairment loss is recognised in profit or loss.

4.7 Receivables on reinsurance contracts and amounts due to reinsurers

- (a) Receivables on reinsurance contracts are stated at the outstanding balance of amount due from reinsurers, and amounts deposit on reinsurance from reinsurers.

Amounts due from reinsurers consist of accrued commission and brokerage income, claims and various other items receivable from reinsurers, less allowance for doubtful accounts. The Company records allowance for doubtful accounts for the estimated losses that may be incurred due to inability to make collection, taking into account collection experience and the current status of receivables from reinsurers as at the end of the reporting period.

- (b) Amounts due to reinsurers are stated at the outstanding balance payable from reinsurance and amounts withheld on reinsurance.

Amounts due to reinsurers consist of reinsurance premiums and other items payable to reinsurers, excluding claims.

The Company presents net of reinsurance to the same entity (receivables on reinsurance contracts or amounts due to reinsurers) when the following criteria for offsetting are met.

- (1) The entity has a legal right to offset amounts presented in the statements of financial position, and
- (2) The entity intends to receive or pay the net amount recognised in the statements of financial position, or to realise the asset at the same time as it pays the liability.

4.8 Investment assets

4.8.1 Investments in securities

- (a) Investments in securities held for trading are stated at fair value. Changes in the fair value of these securities are recorded in profit or loss.
- (b) Investments in available-for-sale securities are stated at fair value. Changes in the fair value of these securities are recorded in other comprehensive income, and will be recorded in profit or loss when the securities are sold.

- (c) Investments in debt securities, both due within one year and expected to be held to maturity, are recorded at amortised cost. The premium/discount on debt securities is amortised/accreted by the effective rate method with the amortised/accreted amount presented as an adjustment to the interest income.
- (d) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for impairment loss (if any).

The fair value of marketable securities is based on the latest bid price of the last working day of the year. The fair value of debt instruments is determined based on yield rates quoted by the Thai Bond Market Association. The fair value of unit trusts is determined from their net asset value.

The weighted average method is used for computation of the cost of investments.

In the event the Company reclassifies investments from one type to another, such investments will be readjusted to their fair value as at the reclassification date. The difference between the carrying amount of the investments and the fair value on the date of reclassification are recorded in profit or loss or recorded as other components of equity, depending on the type of investment that is reclassified.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount of the investment is recognised in profit or loss.

4.8.2 Loans and allowance for doubtful accounts

Loans are stated at net realisable value. Allowance for doubtful accounts is provided for the estimated losses that may be incurred in collection of loans based on an evaluation of the current status of the debtors, taking into consideration the recovery risk and the value of collateral. Increase (decrease) in an allowance for doubtful accounts is recognised as an expense during the year.

4.9 Property, buildings and equipment and depreciation

Land is stated at cost. Buildings and equipment are stated at cost less accumulated depreciation and allowance for loss on impairment of assets (if any).

Depreciation of buildings and equipment items is calculated by reference to their costs on the straight-line basis over the following estimated useful lives:

Buildings and building improvements	5 years and 20 years
Fixtures and office equipment	3 years and 5 years
Vehicles	5 years

Depreciation is included in determining income.

No depreciation is provided on land and assets under construction.

An item of property, buildings and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on disposal of an asset is included in profit or loss when the asset is derecognised.

4.10 Intangible assets and amortisation

Intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses (if any).

Intangible assets with finite lives are amortised on a systematic basis over the economic useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method of such intangible assets are reviewed at least at each financial year end. The amortisation expense is charged to profit or loss.

The useful lives of computer software with finite useful life are 5 years and 10 years.

No amortisation is provided on computer software under installation.

4.11 Leasehold right

The Company entered to building lease agreement by making key money or advance lease payments to obtain the right to lease the building. The ownership of this building still belong to the lessor at the end of lease term. The Company (lessee) is not transferred substantially all the risks and rewards of ownership. The Company classified this lease as operating lease and the advance lease payments are recognised as leasehold right and amortised over 30 years of lease term. The Company reviews the impairment at the end of each reporting period, whenever there are indicators that leasehold right may be impaired.

4.12 Related party transactions

Related parties comprise individuals or enterprises that control, or are controlled by, the Company, whether directly or indirectly, or which are under common control with the Company.

They also include individuals or enterprises which directly or indirectly own a voting interest in the Company that gives them significant influence over the Company, key management personnel, directors and officers with authority in the planning and direction of the Company's operations.

4.13 Insurance contract liabilities

Insurance contract liabilities consist of loss reserves, outstanding claims and unearned premium reserves.

Loss reserves and outstanding claims

Outstanding claims are recorded at the amount to be actually paid. Loss reserves are provided upon receipt of claim advices from the insured based on the claims notified by the insured and estimates made by the Company's management. The maximum value of claims estimate is however, not to exceed the sum-insured under the relevant policy.

Claim reserves were calculated by using an actuarial method based on a best estimate of the claims, that are expected to be paid in respect of loss that occur before or as at the reporting date, covering both reported and not reported loss, and including claim handling expenses, after deducting salvage values and other recoverable values. Difference between the calculation claims reserves and the claims already recognised are recorded as incurred but not reported claims (IBNR).

Premium reserves

Premium reserves consist of unearned premium reserve and unexpired risk reserve.

- (a) Unearned premium reserve

Unearned premium reserve is calculated based on direct premium before deducting premium ceded as follows:

Transportation (cargo), travelling accident with coverage periods of not over six-months	- 100% of premium as from the date policy is effective, throughout the period of insurance coverage
Others	- Daily average basis (the one-three hundred thirty fifth basis)

Outward unearned premium reserve is calculated based on reinsurance premium ceded, as the same method as direct insurance, that transfer insurance risk to reinsurer throughout the coverage period of insurance contract.

(b) Unexpired risk reserve

Unexpired risk reserve is the reserve for the future claims and related expenses that may be incurred in respect of in-force policies. Unexpired risk reserve is set aside using an actuarial method, at the best estimate of the claims that are expected be incurred during the remaining period of coverage, based on historical claims data.

As at the end of reporting period, the Company compares the amounts of unexpired risk reserve with unearned premium reserve, and if unexpired risk reserve is higher than unearned premium reserve, the difference is recognised as unexpired risk reserve in the financial statements.

4.14 Long-term leases

Leases of property, buildings or equipment which transfer substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lower of the fair value of the leased assets and the present value of the minimum lease payments. The outstanding rental obligations, net of finance charges, are included in other long-term payables, while the interest element is charged to profit or loss over the lease period. The asset acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease period.

Leases of property, buildings or equipment which do not transfer substantially all risks and rewards of ownership are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.15 Foreign currency

The financial statements are presented in Baht, which is also the Company's functional currency.

Transactions in foreign currencies are translated into Baht at the exchange rates ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into Baht at the exchange rates ruling at the end of reporting period.

Gains and losses on exchange are included in profit or loss.

4.16 Impairment of assets

At the end of each reporting period, the Company performs impairment review in respect of the property, buildings and equipment and intangible assets whenever events or changes in circumstances indicate that an asset may be impaired. An impairment loss is recognised when the recoverable amount of an asset, which is the higher of the asset's fair value less costs to sell and its value in use, is less than the carrying amount.

An impairment loss is recognised in profit or loss.

In the assessment of asset impairment if there is any indication that previously recognised impairment losses may no longer exist or may have decreased, the Company estimates the asset's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The increased carrying amount of the asset attributable to a reversal of an impairment loss shall not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss.

4.17 Employee benefits

Short-term employee benefits

Salaries, wages, bonuses, annual leave, and contributions to the social security fund are recognised as expenses when incurred.

Annual leave benefits are calculated based on simple estimation method using the assumption that all unused leaves as at the end of the year will be used within the following fiscal year.

Post-employment benefits

Defined contribution plans

The Company and its employees have jointly established a provident fund. The fund is monthly contributed by employees and by the Company. The fund's assets are held in a separate trust fund and the Company's contributions are recognised as expenses when incurred.

Defined benefit plans

The Company has obligations in respect of the severance payments it must make to employees upon retirement under labor law. The Company treats these severance payment obligations as a defined benefit plan.

The obligation under the defined benefit plan is determined by professionally qualified independent actuary based on actuarial techniques, using the projected unit credit method.

Actuarial gains and losses arising from post-employment benefits are recognised immediately in other comprehensive income.

4.18 Income tax

Income tax expense represents the sum of current income tax and deferred tax.

Current income tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company recognises deferred tax liabilities for all taxable temporary differences while it recognises deferred tax assets for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences can be utilised.

At each reporting date, the Company reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company records deferred tax directly to owners' equity if the tax relates to items that are recorded directly to owners' equity.

4.19 Provisions

Provisions are recognised when the Company has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between buyer and seller (market participants) at the measurement date. The Company applies a quoted market price in an active market to measure their assets and liabilities that are required to be measured at fair value by relevant financial reporting standards. Except in case of no active market of an identical asset or liability or when a quoted market price is not available, the Company measures fair value using valuation technique that are appropriate in the circumstances and maximises the use of relevant observable inputs related to assets and liabilities that are required to be measured at fair value.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy into three levels based on categories of input to be used in fair value measurement as follows:

Level 1 – Use of quoted market prices in an observable active market for such assets or liabilities

Level 2 – Use of other observable inputs for such assets or liabilities, whether directly or indirectly

Level 3 – Use of unobservable inputs such as estimates of future cash flows

At the end of each reporting period, the Company determines whether transfers have occurred between levels within the fair value hierarchy for assets and liabilities held at the end of the reporting period that are measured at fair value on a recurring basis.

5. Significant accounting judgments and estimates

The preparation of financial statements in conformity with Thai Financial Reporting Standards at times requires management to make subjective judgments and estimates regarding matters that are inherently uncertain. These judgments and estimates affect reported amounts and disclosures; and actual results could differ from these estimates.

Significant judgments and estimates are as follows:

Recognition and derecognition of assets and liabilities

In considering whether to recognize or to derecognise assets or liabilities, the management is required to make judgement on whether significant risk and rewards of those assets or liabilities have been transferred, based on their best knowledge of the current events and arrangements.

Leases

In determining whether a lease is to be classified as an operating lease or finance lease, the management is required to use judgment regarding whether significant risks and rewards of ownership of the leased asset has been transferred, taking into consideration terms and conditions of the arrangement.

Allowance for doubtful accounts

In determining an allowance for doubtful accounts on premium receivable, receivables on reinsurance contracts, claim receivables from litigants and other receivables, the management needs to make judgment and estimates expected loss to be incurred for each debtor based upon, among other things, past collection history, aging profile of outstanding debts and the prevailing economic condition.

Allowance for impairment on reinsurance assets

In determining allowance for impairment on reinsurance assets, the management needs to exercise judgement and estimate losses on reinsurance assets based on conditions in reinsurance contracts and occurred event that may result in the Company being unable to receive the entire amount under the terms of the contracts.

Fair value of financial instruments

In determining the fair value of financial instruments that are not actively traded and for which quoted market prices are not readily available, the management exercises judgement, using a variety of valuation techniques and models. The input to these models is taken from observable markets, and includes consideration of credit risk, liquidity, correlation and longer-term volatility of financial instruments. Change in assumptions about these factors could affect the fair value recognised in the statement of financial position and disclosures of fair value hierarchy.

Impairment of investment in securities

The Company treats available-for-sale investments and other investments as impaired when there has been a significant or prolonged decline in the fair value below their cost or where other objective evidence of impairment exists. The determination of what is “significant” or “prolonged” requires judgment of the management.

Property, buildings and equipment and depreciation

In determining depreciation of buildings and equipment, the management is required to make estimates of the useful lives and residual values of the Company’s buildings and equipment and to review estimate useful lives and residual values when there are any changes.

In addition, the management is required to review property, buildings and equipment for impairment on a periodical basis and record impairment losses in the period when it is determined that its recoverable amount is lower than the carrying amount. This requires judgments regarding forecast of future revenues and expenses relating to the assets subject to the review.

Intangible assets and amortisation

The initial recognition and measurement of intangible assets and subsequent impairment testing require management to make estimates of cash flows to be generated by the assets and to choose a suitable discount rate in order to calculate the present value of those cash flows.

Deferred tax assets

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of estimate future taxable profits.

Insurance contracts classification

In determining whether insurance contracts meet the definition of insurance contracts under Thai Financial Reporting Standards, the Company is required to test whether the contracts transfer significant insurance risk to the reinsurers, using actuarial technique based on assumptions regarding historical claim data and other assumptions. The management is required to exercise judgement in determining these assumptions.

Loss reserves and outstanding claims

At the end of each reporting period, the Company has to estimate loss reserves and outstanding claims taking into account two factors. These are the claims incurred and reported, and the claims incurred but not reported (IBNR). The IBNR reserve is calculating by using an international standard actuarial method.

The key assumptions underlying these techniques relate to historical experience, including loss development factors, ultimate loss ratio and unallocated loss adjustment expenses. The estimation requires the management's judgements reflecting the best estimates available at that time. Such estimates are forecasts of future outcomes, and actual results could differ.

Unexpired risk reserve

Unexpired risk reserve is calculated using an actuarial method, based on a best estimate of the claims and related expenses expected to incur over the remaining term of the insurance. Estimating the reserve requires the management to exercise judgement, with reference to historical data and the best estimates available at the time.

Post-employment benefits under defined benefit plan

The obligation under the defined benefit plan is determined based on actuarial techniques. Such determination is made based on various assumptions, including discount rate, future salary increase rate, mortality rate and staff turnover rate.

Litigation

The Company has contingent liabilities as a result of litigation. The Company's management has used judgement to assess of the results of the litigation and believes that loss incurred will not exceed the recorded amounts as at the end of reporting period.

6. Cash and cash equivalents

	(Unit: Baht)	
	2017	2016
Cash on hand	4,570,491	3,779,578
Deposits at banks with no fixed maturity date	218,285,755	280,602,286
Cash and cash equivalents	222,856,246	284,381,864

As at 31 December 2017 and 2016, saving deposits carried interest between 0.13% and 1.00% per annum and Baht 6.6 million (2016: Baht 6.2 million) of deposits at bank have been placed for issuance letter of bank guarantee on behalf of the Company as disclosed in Note 31 to the financial statements.

7. Premium receivables

As at 31 December 2017 and 2016, the balances of premium receivables from direct insurance are classified by aging from the maturity date under the stipulated law of the premium collection as follows:

(Unit: Baht)

	2017	2016
Not yet due	419,931,313	344,441,059
Not over 30 days	36,978,229	28,980,004
Overdue 31 days to 60 days	24,519,108	23,963,122
Overdue 61 days to 90 days	6,713,490	3,969,154
Overdue 90 days	29,437,706	21,925,919
Total premium receivables	517,579,846	423,279,258
Less: Allowance for doubtful accounts	(1,710,303)	(2,010,354)
Premium receivables - net	515,869,543	421,268,904

The Company has stipulated the collection guideline in accordance with the law of the premium collection. For overdue premium receivables, the Company has the legal process with such agents and brokers.

8. Accrued investment income

(Unit: Baht)

	2017	2016
Accrued investment income	17,728,836	26,321,202
Less: Allowance for doubtful accounts	(415,521)	(415,521)
Accrued investment income - net	17,313,315	25,905,681

9. Reinsurance assets

(Unit: Baht)

	2017	2016
Insurance reserve refundable from reinsurers		
Claim reserves	3,430,501,481	8,176,910,996
Unearned premium reserves	787,510,112	580,515,335
Less: Allowance for doubtful accounts	(103,185,315)	(166,159,413)
Reinsurance assets - net	4,114,826,278	8,591,266,918

As disclosed in Note 33.4 to the financial statements, in 2017, the Supreme Court issued orders denying permission to file, dismissing and rejecting petitions to appeal filed by some of the insured parties who had sued the Company. As a result, these cases are dismissed with prejudice, meaning that the Company is not obliged to pay compensation to these insured parties. The Company has therefore reversed claim reserves refundable from reinsurers amounting to Baht 4,781 million and relevant allowance for doubtful accounts amounting to Baht 63 million.

10. Receivables on reinsurance contracts

(Unit: Baht)

	2017	2016
Amounts due from reinsurers	156,151,317	120,769,305
Receivables on reinsurance contracts - net	156,151,317	120,769,305

As at 31 December 2017 and 2016, the balances of the amounts due from reinsurers are classified by aging as follows:

(Unit: Baht)

	2017	2016
Not yet due	84,291,212	87,577,960
Not over 12 months	66,489,548	25,960,655
Over 1 year to 2 years	1,168,744	6,956,735
Over 2 years	4,201,813	273,955
Total amounts due to reinsurers	156,151,317	120,769,305

11. Investments in securities

11.1 Classified by investment types

As at 31 December 2017 and 2016, the book value of investments in securities can be classified by investment types as follows:

(Unit: Baht)

	2017	2016
Trading investments	1,432	1,376
Available-for-sale investments	1,335,062,761	642,792,653
Held-to-maturity investments	3,488,865,133	4,144,508,901
Other investments	5,961,783	7,235,910
Total investments in securities	4,829,891,109	4,794,538,840

The details are as follows:

(Unit: Baht)

	2017		2016	
	Cost/		Cost/	
	Amortised cost	Fair value	Amortised cost	Fair value
Trading investments				
Equity securities	805	1,432	805	1,376
Add: Unrealised gains	627	-	571	-
Total trading investments	1,432	1,432	1,376	1,376

(Unit: Baht)

	2017		2016	
	Cost/		Cost/	
	Amortised cost	Fair value	Amortised cost	Fair value
Available-for-sale investments				
Unit trusts	1,336,838,483	1,335,062,761	643,143,864	642,792,653
Less: Unrealised loss	(1,775,722)	-	(351,211)	-
Total available-for-sale investments	1,335,062,761	1,335,062,761	642,792,653	642,792,653
Held-to-maturity investments				
Government and state enterprise securities	1,381,619,110		861,729,912	
Private sector debt securities	664,694,823		840,227,789	
Deposits at financial institutions	1,449,651,200		2,449,651,200	
Total	3,495,965,133		4,151,608,901	
Less: Allowance for impairment	(7,100,000)		(7,100,000)	
Total held-to-maturity investments - net	3,488,865,133		4,144,508,901	
Other investments				
Equity securities	7,327,910		7,327,910	
Less: Allowance for impairment	(1,366,127)		(92,000)	
Total other investments - net	5,961,783		7,235,910	

11.2 Remaining periods to maturity of debt securities

(Unit: Baht)

	2017			
	Period to maturity			Total
	With in 1 year	1 - 5 years	Over 5 years	
Held-to-maturity investments				
Government and state enterprise securities				
Government bonds	-	14,023,818	537,595,289	551,619,107
Debentures	-	530,000,000	300,000,003	830,000,003
Total	-	544,023,818	837,595,292	1,381,619,110
Debt securities				
Debentures	7,100,000	285,594,823	372,000,000	664,694,823
Total	7,100,000	285,594,823	372,000,000	664,694,823
Less: Allowance for impairment	(7,100,000)	-	-	(7,100,000)
Total	-	285,594,823	372,000,000	657,594,823
Deposits at banks				
Deposit at commercial banks	949,651,200	500,000,000	-	1,449,651,200
Total	949,651,200	500,000,000	-	1,449,651,200
Total investments in debt securities - net	949,651,200	1,329,618,641	1,209,595,292	3,488,865,133

(Unit: Baht)

	2016			
	Period to maturity			Total
	With in 1 year	1 - 5 years	Over 5 years	
Held-to-maturity investments				
Government and state enterprise securities				
Government bonds	9,997,476	14,043,225	537,689,208	561,729,909
Debentures	-	-	300,000,003	300,000,003
Total	9,997,476	14,043,225	837,689,211	861,729,912
Debt securities				
Debentures	252,314,799	215,912,990	372,000,000	840,227,789
Total	252,314,799	215,912,990	372,000,000	840,227,789
Less: Allowance for impairment	(7,100,000)	-	-	(7,100,000)
Total	245,214,799	215,912,990	372,000,000	833,127,789
Deposits at banks				
Deposit at commercial banks	1,699,651,200	750,000,000	-	2,449,651,200
Total	1,699,651,200	750,000,000	-	2,449,651,200
Total investments in debt securities - net	1,954,863,475	979,956,215	1,209,689,211	4,144,508,901

11.3 Revaluation surplus (deficit) on available-for-sale investments

(Unit: Baht)

	2017	2016
Surplus (deficit) on changes in value - beginning of the year	(280,967)	900,091
Change during the year		
Loss on revaluation during the year	(4,119,130)	(3,822,808)
Less: Realised gain included in profit or loss	2,694,619	2,346,485
Other comprehensive income (loss)	(1,424,511)	(1,476,323)
Less: Other related income tax	284,901	295,265
Net other comprehensive income for the year (loss)	(1,139,610)	(1,181,058)
Deficit on changes in value - end of the year	(1,420,577)	(280,967)

11.4 Investments subject to restrictions

As at 31 December 2017, bonds and fixed deposits totalling Baht 3.2 million (2016: Baht 3.2 million) have been placed as bail bond in cases where insured drivers have been charged with criminal offence and to secure against the issuance of bank guarantees by the bank on behalf of the Company as described in Note 31 to the financial statements.

As at 31 December 2017, Baht 49.8 million (2016: Baht 41.8 million) of government and state enterprise bonds have been placed as securities in respect of certain performance bonds as required in the normal course of business of the Company.

As at 31 December 2017 and 2016, the Company placed and reserved government bonds totaling Baht 369.3 million (2016: baht 369.4 million) with the Registrar in accordance with the non-life insurance Act as described in Notes 29 and 30 to the financial statements.

12. Loans and interest receivables

12.1 As at 31 December 2017 and 2016, loans and interest receivables aged by principle and accrued interest are as follows:

(Unit: Baht)

		2017						
		Mortgaged loans		Other loans		Total		
		Interest		Interest		Interest		
Outstanding period		Principal	receivables	Principal	receivables	Principal	receivables	Total
Not yet due		1,573,108	1,026	2,148,771	772	3,721,879	1,798	3,723,677
Loans and interest receivables		1,573,108	1,026	2,148,771	772	3,721,879	1,798	3,723,677

(Unit: Baht)

		2016						
		Mortgaged loans		Other loans		Total		
		Interest		Interest		Interest		
Outstanding period		Principal	receivables	Principal	receivables	Principal	receivables	Total
Not yet due		2,636,391	1,430	2,043,275	604	4,679,666	2,034	4,681,700
Loans and interest receivables		2,636,391	1,430	2,043,275	604	4,679,666	2,034	4,681,700

12.2 The details of loans to employee are as follows:

Project	Collateral	Credit line	Interest rate
Emergency loan	Person	Not exceeding 5 or 10 times monthly salary, based on the length of employment , with a limit of Baht 100,000	0.5% per annum plus 1-year fixed deposit rate for personal accounts
Housing loan	Pledged assets	First credit line which is not exceeding 60 times of monthly salary with a limit at Baht 1.2 million, and not exceeding 80% of the appraised value of the collateral	2.0% per annum plus 1-year fixed deposit rate for personal accounts
		Second credit line which is exceeding 60 times of monthly salary or Baht 1.2 million, and is not exceeding 80% of the appraised value of collateral.	MLR plus 0.5% per annum
		Sum of both credit lines must not exceed Baht 5 million.	

Note: The Company used interest rate of Siam Commercial Bank Public Company Limited.

13. Property, buildings and equipment

(Unit: Baht)

	Land	Buildings and building improvements	Furniture, fixtures and office equipment	Motor vehicles	Assets under construction	Total
Cost:						
1 January 2016	11,088,422	136,277,714	170,096,930	37,931,713	1,585,174	356,979,953
Additions	-	1,975,318	22,242,958	-	9,704,335	33,922,611
Transfer in/out	-	3,475,469	186,916	-	(3,662,385)	-
Disposals/write-off	-	-	(4,602,710)	(5,797,715)	(282,702)	(10,683,127)
31 December 2016	11,088,422	141,728,501	187,924,094	32,133,998	7,344,422	380,219,437
Additions	-	984,898	10,180,671	-	11,014,835	22,180,404
Transfer in/out	-	5,755,510	13,200,620	-	(18,956,130)	-
Disposals/write-off	-	-	(20,517,080)	-	-	(20,517,080)
Adjustments	-	(160,000)	-	-	1,026,320	866,320
31 December 2017	11,088,422	148,308,909	190,788,305	32,133,998	429,447	382,749,081
Accumulated depreciation:						
1 January 2016	-	115,738,452	136,212,045	37,931,704	-	289,882,201
Depreciation for the year	-	6,555,137	14,576,082	-	-	21,131,219
Accumulated depreciation on disposals/write-off	-	-	(4,589,597)	(5,797,708)	-	(10,387,305)
31 December 2016	-	122,293,589	146,198,530	32,133,996	-	300,626,115
Depreciation for the year	-	6,676,968	19,565,029	-	-	26,241,997
Accumulated depreciation on disposals/write-off	-	-	(20,515,586)	-	-	(20,515,586)
Adjustments	-	72,206	(77,627)	-	-	(5,421)
31 December 2017	-	129,042,763	145,170,346	32,133,996	-	306,347,105
Net book value:						
31 December 2016	11,088,422	19,434,912	41,725,564	2	7,344,422	79,593,322
31 December 2017	11,088,422	19,266,146	45,617,959	2	429,447	76,401,976
Depreciation for the year						
2016						21,131,219
2017						26,241,997

As at 31 December 2017, certain buildings and equipment items have been fully depreciated but are still in use. The gross carrying amount before deducting accumulated depreciation of those assets amounted to approximately Baht 214 million (2016: Baht 223 million).

14. Leasehold right

(Unit: Baht)

	Leasehold right - building
Cost	
31 December 2016	70,479,640
31 December 2017	70,479,640
Accumulated amortisation	
31 December 2016	48,576,268
Amortisation charged for the year	1,838,291
31 December 2017	50,414,559
Net book value	
31 December 2016	21,903,372
31 December 2017	20,065,081

15. Intangible assets

(Unit: Baht)

	Computer software		
	Computer software	under installation	Total
Cost			
1 January 2016	81,566,021	2,892,800	84,458,821
Additions	3,659,447	27,812,720	31,472,167
Transfer in/out	11,240,800	(11,240,800)	-
31 December 2016	96,466,268	19,464,720	115,930,988
Additions	5,946,040	26,295,850	32,241,890
Transfer in/out	25,524,900	(25,524,900)	-
Adjustments	160,000	(1,026,320)	(866,320)
31 December 2017	128,097,208	19,209,350	147,306,558
Accumulated amortisation			
1 January 2016	68,213,235	-	68,213,235
Amortisation for the year	2,454,600	-	2,454,600
31 December 2016	70,667,835	-	70,667,835
Amortisation for the year	4,397,858	-	4,397,858
Adjustments	5,421	-	5,421
31 December 2017	75,071,114	-	75,071,114
Net book value			
31 December 2016	25,798,433	19,464,720	45,263,153
31 December 2017	53,026,094	19,209,350	72,235,444
Amortisation for the year			
2016			2,454,600
2017			4,397,858

16. Income tax expenses and deferred tax assets

The income tax expenses for the years ended 31 December 2017 and 2016 are made up as follows:

(Unit: Baht)

	2017	2016
Current income tax:		
Corporate income tax charge	39,070,699	54,598,960
Adjustment of prior years' corporate income tax	1,753,042	-
Deferred income tax:		
Deferred income tax relating to origination and reversal of temporary differences	19,090,214	(7,478,803)
Income tax expenses as reported in profit or loss	59,913,955	47,120,157

The amounts of income taxes relating to each component of other comprehensive income for the years ended 31 December 2017 and 2016 are as follows:

(Unit: Baht)

	For the years ended 31 December					
	2017			2016		
	Amount before tax	Tax revenue (expense)	Amount net of tax	Amount before tax	Tax revenue (expense)	Amount net of tax
Unrealised gain (loss) on revaluation of available-for-sale securities	(1,424,511)	284,901	(1,139,610)	(1,476,323)	295,265	(1,181,058)
Actuarial gain (loss) from employee benefit plan	(5,014,189)	1,002,838	(4,011,351)	(1,134,302)	226,860	(907,442)
Total	(6,438,700)	1,287,739	(5,150,961)	(2,610,625)	522,125	(2,088,500)

Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2017 and 2016 are as follows:

(Unit: Baht)

	2017	2016
Accounting income before income tax expenses	325,562,352	249,722,832
Applicable tax rate	20%	20%
Income taxes at the applicable tax rate	65,112,470	49,944,566
Adjustment of prior years' corporate income tax	1,753,042	-
Tax effect from:		
- Exempted income	(1,612,103)	(71,661)
- Non-deductible expenses	628,635	479,598
- Additional expenses deductions allowed	(5,968,089)	(3,232,346)
Income tax expenses as reported in profit or loss	59,913,955	47,120,157

As at 31 December 2017 and 2016, the components of deferred tax assets and deferred tax liabilities are as follows:

(Unit: Baht)

	2017	2016
Deferred tax assets		
Unearned premium reserves	61,339,279	56,119,181
Allowance for doubtful accounts - premium receivables	260,684	320,694
Allowance for doubtful accounts - reinsurance assets	20,637,063	30,000,000
Allowance for doubtful accounts - claim receivables from litigants	2,253,126	2,301,078
Allowance for doubtful accounts - other receivables	1,513,532	1,698,863
Loss reserves	152,093,313	151,792,294
Loss reserves of claims incurred but not yet reported	(9,621,114)	3,023,995
Obligations and accrued employee benefits	15,271,866	13,480,882
Accrued underwriting expenses	4,970,744	6,241,166
Sale promotion payable	6,050,031	8,261,315
Unrealised loss on changes in value of investments in available-for-sales	355,144	70,242
Others	3,546,193	3,162,625
Deferred tax assets - net	258,669,861	276,472,335

17. Other assets

(Unit: Baht)

	2017	2016
Other receivables	17,514,302	25,155,199
Less: Allowance for doubtful accounts	(7,567,659)	(8,494,313)
Other receivables - net	9,946,643	16,660,886
Claim receivables from litigants	89,950,838	69,061,482
Less: Allowance for doubtful accounts	(11,265,632)	(11,505,391)
Claim receivables from litigants - net	78,685,206	57,556,091
Prepaid commission expenses	90,513,142	123,958,143
Deposits and guarantee	33,606,042	28,680,140
Prepaid expenses	11,029,849	6,997,430
Deposit on rice field insurance scheme	19,662,846	62,832,509
Others	9,016,534	10,841,822
Total other assets	252,460,262	307,527,021

18. Insurance contract liabilities

(Unit: Baht)

	2017			2016		
	Insurance contract liabilities	Reinsurance on liabilities	Net	Insurance contract liabilities	Reinsurance on liabilities	Net
Claim reserves						
- Claims incurred and reported	4,271,082,301	(3,277,866,468)	993,215,833	8,986,425,569	(7,950,631,941)	1,035,793,628
- Claims incurred but not reported	1,344,125	(49,449,698)	(48,105,573)	75,239,616	(60,119,642)	15,119,974
Premium reserves						
- Unearned premium reserves	2,207,556,819	(787,510,112)	1,420,046,707	2,054,410,590	(580,515,335)	1,473,895,255
Total	6,479,983,245	(4,114,826,278)	2,365,156,967	11,116,075,775	(8,591,266,918)	2,524,808,857

18.1 Claim reserves

(Unit: Baht)

	2017	2016
Beginning balance	9,061,665,185	8,847,639,211
Claim incurred for the year	2,127,897,560	2,286,548,973
Changes in claim of prior years	97,017,649	127,048,776
Reversal of claim reserves as disclosed in Note 33.4	(4,788,747,745)	-
Claim paid during the year	(2,225,406,223)	(2,199,571,775)
Ending balance	4,272,426,426	9,061,665,185

As disclosed in Note 33.4 to the financial statements, in 2017, the Supreme Court issued orders denying permission to file, dismissing and rejecting petitions to appeal filed by some of the insured parties who had sued the Company. As a result, these cases are dismissed with prejudice, meaning that the Company is not obliged to pay compensation to these insured parties. The Company has therefore reversed claim reserves amounting to Baht 4,789 million.

18.2 Unearned premium reserves

(Unit: Baht)

	2017	2016
Beginning balance	2,054,410,590	2,279,367,706
Premium written for the year	4,644,177,351	4,602,360,642
Premium earned for the year	(4,491,031,122)	(4,827,317,758)
Ending balance	2,207,556,819	2,054,410,590

18.3 Claims development table

(a) Gross claims table

(Unit: Thousand Baht)

Accident year/Reporting year	Before 2012	2012	2013	2014	2015	2016	2017	Total
Estimated of cumulative								
ultimate claims incurred:								
- At end of accident year	9,516,152	2,749,699	1,197,241	1,411,299	2,102,930	2,252,446	2,205,967	
- One year later	13,117,880	2,869,679	1,232,003	1,451,575	2,119,059	2,283,982		
- Two years later	14,199,417	1,867,400	1,175,030	1,340,777	2,000,639			
- Three years later	14,519,466	1,878,197	1,169,894	1,346,995				
- Four years later	14,741,078	1,872,618	1,171,476					
- Five years later	14,874,435	1,868,640						
- Six years later	10,196,150							
Current estimate of cumulative								
ultimate claims incurred	10,205,150	1,868,640	1,171,476	1,346,995	2,000,999	2,195,428	2,273,443	21,062,131
Cumulative payment to date	(7,332,594)	(1,866,406)	(1,161,468)	(1,338,376)	(1,965,267)	(1,976,163)	(1,266,928)	(16,907,202)
Total	2,872,556	2,234	10,008	8,619	35,732	219,265	1,006,515	4,154,929
Others								117,497
Total claim reserves and outstanding claims								4,272,426

(b) Net claims table

(Unit: Thousand Baht)

Accident year/Reporting year	Before 2012	2012	2013	2014	2015	2016	2017	Total
Estimated of cumulative ultimate								
claims incurred:								
- At end of accident year	4,206,296	800,132	849,659	1,124,687	1,443,389	1,797,524	1,738,877	
- One year later	4,114,712	830,919	915,035	1,151,493	1,520,635	1,868,443		
- Two years later	4,039,574	774,410	845,024	1,075,219	1,414,337			
- Three years later	4,033,793	775,255	845,248	1,077,989				
- Four years later	4,030,630	775,905	846,657					
- Five years later	4,032,000	775,949						
- Six years later	4,026,281							
Current estimate of cumulative								
ultimate claims incurred	4,035,281	775,949	846,657	1,077,989	1,414,605	1,782,590	1,754,294	11,687,365
Cumulative payment to date	(4,019,735)	(774,665)	(839,956)	(1,073,054)	(1,398,506)	(1,692,532)	(1,089,603)	(10,888,051)
Total	15,546	1,284	6,701	4,935	16,099	90,058	664,691	799,314
Others								42,611
Allowance for doubtful accounts - claim reserves refundable from reinsurers								103,185
Total claim reserves and outstanding claims								945,110

18.4 Methodology applied for claims estimation

18.4.1 Claims estimation method

Claims from direct insurance and inward facultative reinsurance

The Company estimates claims reserves using three actuarial methods, as follows:

- (1) Chain Ladder method ("CL") based on both claims paid and claims incurred;
- (2) Bornhuetter-Ferguson method ("BF") based on both claims paid and claims incurred; and
- (3) Expected Loss Ratio method ("ELR")

In determining the best estimate of the claims expected to be paid to insured parties in respect of losses that occurred before or as at the reporting date, the Company elected to rely principally on the Chain Ladder method. The Bornhuetter-Ferguson method and Expected Loss Ratio method (ELR) are also used where appropriate.

Claims from inward treaty reinsurance

The Company applies a simple approach in estimating claims incurred but not reported (IBNR) for inward treaty reinsurance. It uses the same ratio as the ratio of claims incurred but not reported to the outstanding case reserves for direct and facultative business.

18.4.2 Unallocated Loss Adjustment Expenses (ULAE) Estimation method

The ULAE is estimated using the Kittel method, which is an actuarial method that calculates the ULAE as a proportion of total claims incurred. The ULAE ratios are computed separately for motor class and other classes.

18.5 Assumptions applied to estimate claims reserves

18.5.1 Loss development factors

The Company selects loss development factors ("LDF") based on a range of criteria which include the historical claims paid and claims incurred pattern. In most instances, the loss development factors are selected based on the average loss development factors for each quarter. In addition, the Company takes into consideration whether the averages may not be appropriate, such as when they do not reflect operational changes, are distorted by large claims, and are contrary to a trend in recent ratios.

Both qualitative and quantitative factors are taken into consideration in the selection of loss development factors (LDFs) in order to produce claims incurred but not reported reserves that appropriately reflect the Company's future claims liabilities as at the valuation date.

18.5.2 Ultimate loss ratio

The ultimate loss ratio for each class of insurance, classified by accident quarter, is determined based on earned premium development factors using the Chain Ladder method. The Ultimate Loss Ratio is ultimate cost of claims paid as a proportion of earned premium.

18.5.3 Unallocated loss adjustment expenses (ULAE)

In order to ensure claim reserves cover claims handling expenses, the reserves include the Company's estimate of unallocated loss adjustment expenses, which are expenses that cannot be clearly attributed to the processing of a specific insurance claim, particularly salaries and operating expenses of the Claims Department. The estimate was based on comparison of Claims Department expenses for the financial year 2017 with claims incurred.

18.5.4 Other assumptions

The Company has assumed that claims development patterns are generally consistent and stable over the years. In addition it has been assumed that claims of the accident year 2006 and before have reached their ultimate loss levels and no reserve is needed for any additional related claims incurred but not reported.

19. Amounts due to reinsurers

(Unit: Baht)

	2017	2016
Amounts withheld on reinsurance	258,361,092	133,812,710
Other reinsurance payables	289,151,327	235,658,240
Total amounts due to reinsurers	547,512,419	369,470,950

20. Employee benefit obligations

The movements employee benefit obligations for the years ended 31 December 2017 and 2016 were as follows:

(Unit: Baht)

	For the years ended 31 December	
	2017	2016
Defined benefit obligation at beginning of year	62,946,875	59,396,515
Included in profit or loss:		
Current service cost	4,687,344	4,510,327
Interest cost	1,625,781	1,879,531
Included in other comprehensive income:		
Actuarial gain (loss) arising from		
- Demographic assumptions changes	4,494,089	(8,075,111)
- Financial assumptions changes	(2,058,250)	8,037,685
- Experience adjustments	2,578,350	1,171,728
Benefits paid during the year	(2,861,400)	(3,973,800)
Defined benefit obligation at end of year	71,412,789	62,946,875

Long-term employee benefit expenses included in the profit or loss were as follows:

(Unit: Baht)

	For the years ended 31 December	
	2017	2016
Other underwriting expenses	2,345,176	1,962,794
Loss adjustment expenses	1,027,229	919,740
Selling and administrative expenses	2,940,720	3,507,324
Total expense recognised in profit or loss	6,313,125	6,389,858

The Company expects to pay Baht 8.22 million of long-term employee benefits during the next year (2016: Baht 2.92 million).

As at 31 December 2017, the weighted average duration of the liabilities for long-term employee benefit is 14 years (2016: 14 years).

Significant actuarial assumptions are summarised below:

	2017	2016
	Percent per annum	Percent per annum
Discount rate	3.0	2.7
Future salary increase rate	5 - 7.5	5 - 7.5
Staff turnover rate	0 - 16	0 - 16

The result of sensitivity analysis for significant assumptions that affect the present value of the long-term employee benefit obligation as at 31 December 2017 and 2016 are summarised below:

	2017			
	Assumption increase	Amount increase (decrease)	Assumption decrease	Amount increase (decrease)
	Percent per annum	Million Baht	Percent per annum	Million Baht
Discount rate	1	(6.3)	1	7.5
Future salary increase rate	1	7.5	1	(6.5)
Staff turnover rate	10	(2.6)	10	2.9

	2016			
	Assumption increase	Amount increase (decrease)	Assumption decrease	Amount increase (decrease)
	Percent per annum	Million Baht	Percent per annum	Million Baht
Discount rate	1	(5.4)	1	6.4
Future salary increase rate	1	6.4	1	(5.6)
Staff turnover rate	10	(2.5)	10	2.8

21. Other liabilities

(Unit: Baht)

	2017	2016
Accounts payable - claims	1,867,412	1,926,763
Accrued commission of direct insurance	49,676,542	41,293,154
Commission of reinsurance received in advance	107,477,192	131,462,404
Other payables	24,982,724	21,699,880
Suspense accounts to settle with premium receivables	32,242,652	64,627,801
Accrued expenses	104,148,257	110,256,073
Others	26,691,195	25,478,738
Total other liabilities	347,085,974	396,744,813

22. Statutory reserve

Pursuant to Section 116 of the Public Limited Companies Act B.E. 2535, the Company is required to set aside a statutory reserve at least 5% of its net income after deducting accumulated deficit brought forward (if any), until the reserve reaches 10% of the registered capital. The statutory reserve is not available for dividend distribution. During the year 2016, the Company set a side net income of baht 11 million of the statutory reserve.

23. Operating expenses

(Unit: Baht)

	2017	2016
Personnel expenses	144,097,093	143,763,770
Premises and equipment expenses	71,899,559	64,049,934
Taxes and duties	472,968	426,883
Bad debts and doubtful accounts (reversal)	(63,043,840)	282,660
Advertising and promotion expenses	15,453,308	20,977,812
Other operating expenses	49,880,161	44,497,713
Total operating expenses	218,759,249	273,998,772

24. Expenses by nature

Expenses by nature are comprised significant expenses as follows:

(Unit: Baht)

	2017	2016
Claim and loss adjustment expenses	1,588,496,190	1,778,296,405
Personal expenses	394,859,976	381,841,178
Commissions and brokerage expenses	452,508,976	441,633,370
Other underwriting expenses	466,338,033	443,303,938
Premises and equipment expenses	154,577,740	150,094,728
Advertise and promotion expenses	15,453,308	20,977,812
Bad debt and doubtful account (reversal)	(63,043,840)	282,660
Other operating expenses	50,620,083	51,468,087
Total expenses	3,059,810,466	3,267,898,178

25. Provident fund

The Company and its employees have jointly established a provident fund in accordance with the Provident Fund Act B.E. 2530. Both employees and the Company contribute to the fund monthly at the rate of 3% to 10% of basic salary. The fund, which is managed by Siam Commercial Bank Plc., will be paid to employees upon termination in accordance with the fund rules. During the year 2017, the Company contributed Baht 14 million to the fund (2016: Baht 13 million).

26. Earning per share

Basic earning per share is calculated by dividing profit for the year (excluding other comprehensive income or loss) by the weighted average number of ordinary shares in issue during the year.

27. Dividends

(Unit:Baht)

Dividends	Approved by	Total dividends	Dividend per share
Final dividend for 2015	Annual General Meeting of the shareholders on 21 April 2016	180,000,000	3.60
Final dividend for 2016	Annual General Meeting of the shareholders on 25 April 2017	120,000,000	2.40

28. Related party transactions

The relationship between the Company and the related parties are summarised below:

Company's name	Relationship
Crown Property Bureau	98.54% of shares held in the Company and common directors
The Siam Commercial Bank Pcl.	Common directors
The Siam Cement Pcl. and its related companies	Common directors
Siam Administrative Management Co., Ltd.	Common directors
Siam Sinthorn Co., Ltd.	Common directors

During the years, the Company had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Thousand Baht)

		For the years ended 31 December	
		2017	2016
Transactions with related parties			
Premium written	- Crown Property Bureau	5,391	9,908
	- The Siam Commercial Bank Pcl.	607,481	450,137
	- Siam Administrative Management Co., Ltd.	15,223	15,633
	- Siam Sinthorn Co., Ltd.	4,121	5,008
	- The Siam Cement Pcl. and its related companies	1,351,472	968,664
Interest income	- The Siam Commercial Bank Pcl.	659	852
	- The Siam Cement Pcl. and its related companies	1,320	1,324
Claim paid	- Crown Property Bureau	1,748	1,182
	- The Siam Commercial Bank Pcl.	106,783	30,700
	- Siam Administrative Management Co., Ltd.	5,885	406
	- Siam Sinthorn Co., Ltd.	855	1
	- The Siam Cement Pcl. and its related companies	348,406	99,113

(Unit: Thousand Baht)

		For the years ended 31 December	
		2017	2016
Commission paid from direct premium written	- Crown Property Bureau	-	225
	- The Siam Commercial Bank Pcl. (Non-life insurance broker)	109,164	80,862
	- Siam Administrative Management Co., Ltd.	-	2
	- Siam Sinthorn Co., Ltd.	132	99
	- The Siam Cement Pcl. and its related companies	1,294	1,408
Underwriting expenses	- The Siam Commercial Bank Pcl.	90,170	73,789
Operating expenses	- Crown Property Bureau	2,089	2,089

Pricing policies	
Transactions with related parties	
Premium written	Normal commercial terms for insurance for major customers
Interest income	0.5% - 4.4% per annum
Claim paid	Normal commercial terms for insurance
Commission paid from direct insurance	In accordance with the Notification by the Registrar regarding "Commission rate for Non-life insurance"
Underwriting expenses	Normal commercial terms for insurance
Operating expenses	As indicated in the agreement

As at 31 December 2017 and 2016, the Company presented the following significant balances of assets and liabilities with its related parties as follows:

		(Unit: Baht)	
		2017	2016
Investments in securities - private sector debt securities			
The Siam Cement Pcl. and its related companies		30,000,000	30,000,000
Cash and cash equivalent			
The Siam Commercial Bank Pcl.		130,842,760	154,445,485
Premium receivables			
Crown Property Bureau		2,618,764	3,896,850
The Siam Commercial Bank Pcl. ⁽¹⁾		53,296,982	40,859,462
Siam Sinthorn Co., Ltd.		736,956	855,651
Siam Administrative Management Co., Ltd.		12,553,644	13,243,580
The Siam Cement Pcl. and its related companies		140,356,764	102,233,642
Total		209,563,110	161,089,185

(Unit: Baht)

	2017	2016
Accrued investment income		
The Siam Commercial Bank Pcl.	60,224	60,606
The Siam Cement Pcl. and its related companies	292,932	292,932
Total	353,156	353,538
Insurance contact liabilities - claim reserves		
Crown Property Bureau	6,060,640	1,629,522
The Siam Commercial Bank Pcl. ⁽¹⁾	88,009,479	56,081,780
Siam Sinthorn Co., Ltd.	1,976,600	1,248,100
Siam Administrative Management Co., Ltd.	1,762,955	605,975
The Siam Cement Pcl. and its related companies	362,691,044	374,831,793
Total	460,500,718	434,397,170
Accrued commissions and brokerages expenses		
The Siam Commercial Bank Pcl.	8,925,124	6,851,748
Siam Sinthorn Co., Ltd.	123,480	-
The Siam Cement Pcl. and its related companies	38,987	128,999
Total	9,087,591	6,980,747

⁽¹⁾ Premium receivables and insurance contact liabilities - claim reserves between the Company and The Siam Commercial Bank Pcl. ("SCB") consist of transactions from an insurance policy of SCB and transactions from a policy in which SCB is a non-life insurance broker for the Company.

Directors and management's benefits

During the years ended 31 December 2017 and 2016, the Company had employee benefit expenses incurred on their directors and key management as below.

(Unit: Baht)

	2017	2016
Short-term employee benefits	49,410,707	43,793,679
Long-term employee benefits	1,049,277	870,351
Total	50,459,984	44,664,030

29. Securities placed with the Registrar

As at 31 December 2017 and 2016, the Company has placed its securities with the Registrar in accordance with the Non-life Insurance Act as follows:

(Unit: Million Baht)

	2017		2016	
	Cost	Fair value	Cost	Fair value
Government bonds	14.02	14.34	14.04	14.52

30. Assets reserved with the Registrar

As at 31 December 2017 and 2016, the Company has placed its securities as non-life insurance reserve with the Registrar under the Non-life Insurance Act as follows:

(Unit: Million Baht)

	2017		2016	
	Cost	Fair value	Cost	Fair value
Government bonds	355.31	422.58	355.38	410.37

31. Restricted and collateral assets

As at 31 December 2017 and 2016, the Company pledged its investment as guarantee as follows.

(Unit: Baht)

	2017	2016
Bonds and fixed deposits placed as bail bond in case where insured drivers have been charged with criminal offence	3,200,000	3,150,000
Deposits at bank placed for issuance letter of bank guarantee	6,559,525	6,166,300
Total	9,759,525	9,316,300

32. Contribution to the General Insurance Fund

(Unit: Baht)

	2017	2016
Accumulated contribution at the beginning of the year	70,860,421	59,486,494
Contribution during the year	11,467,599	11,373,927
Accumulated contribution at the end of the year	82,328,020	70,860,421

33. Commitments and contingent liabilities

33.1 Capital Commitments

As at 31 December 2017, the Company had capital commitments of Baht 13.3 million (2016: Baht 29.6 million), relating to the acquisition of computer software.

33.2 Operating lease commitments

The Company has entered into several lease agreements of office building spaces, motor vehicles and equipment and other related services. The terms of the agreements are generally between 1 and 30 years.

Future minimum rentals and service charges payable under these leases and service agreements as at 31 December 2017 and 2016 are as follows:

	(Unit: Million Baht)	
	2017	2016
Payable:		
In upto 1 year	18	19
In over 1 year and up to 5 years	28	22
In over 5 years	12	17

33.3 Bank guarantees

As at 31 December 2017, there were outstanding bank guarantees of approximately Baht 6.6 million (2016: Baht 6.2 million), issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.

33.4 Litigations

- (1) As at 31 December 2017, the Company was being sued for compensation totaling approximately Baht 265 million (2016: Baht 250 million) as insurer. The outcome of these lawsuits has not yet been finalized but the Company's management has already determined the potential losses and set aside provisions totaling Baht 93 million (2016: Baht 76 million) in the financial statements. The Company's management believes that the amount of provision is adequate.
- (2) The Company was being sued by insured parties for compensation totaling Baht 5,707 million for losses suffered as a result of the fires caused during the political unrest in May 2010. In 2013 the Court of First Instance (the Civil Court) ordered the Company to pay the insured parties compensation for losses resulting from the fires of approximately Baht 5,738 million together with interest calculated from the date of the lawsuit to the date of final payment, amounting to Baht 658 million, or a total of approximately Baht 6,396 million.
 - (2.1) During 2013 - 2014, the insured parties who lost cases submitted to the Court of First Instance filed appeals of the judgments with the Court of Appeal. Between June and November 2014 the Court of Appeal dismissed these cases brought by the insured, meaning that the Company did not need to pay compensation to these insured parties. In 2014 and 2015 insured parties filed appeals of the judgments of the Court of Appeal with the Supreme Court, with claims amounting to Baht 86 million. In 2017, the Supreme Court granted some of the insured parties, with claims amounting to Baht 12 million, permission to file petitions to appeal. The cases are being considered by the Supreme Court. In other cases, with claims amounting to Baht 75 million, the Supreme Court did not grant permission to file petitions to appeal, and dismissed and rejected the petitions filed by the insured parties making such claims. As a result, these cases are dismissed with prejudice, meaning that the Company is not obliged to pay compensation to these insured parties. The Company has therefore reversed claim reserves amounting to Baht 75 million and claim reserves refundable from reinsurers amounting to Baht 74 million in the financial statements.

(2.2) During the years 2013 – 2014, the Company filed appeals against judgments of the Court of First Instance with the Court of Appeal. Subsequently, between April 2014 and February 2015, the Court of Appeal handed down judgments in the cases brought against the Company as follows:

For the first group of cases, where the Court of First Instance had ordered the Company to pay compensation of Baht 1,977 million, the Court of Appeal upheld the judgments of the Court of First Instance but reduced the amount of insurance compensation to be paid to the insured by Baht 334 million, to total compensation of approximately Baht 1,643 million.

For the second group of cases, where the Court of First Instance had ordered the Company to pay compensation of Baht 3,761 million together with Baht 981 million of interest calculated up until the day the Court of Appeal made the judgement, the Court of Appeal reversed the judgments of the Court of First Instance, meaning that the Company is not obliged to pay any compensation to the insured parties.

In 2017, the progress of the first and the second groups of cases are as follows:

The first group of cases

- Since 2015, the Company has filed appeals against the judgments of the Court of Appeal, whereby the Company was to pay compensation amounting to Baht 1,643 million and related interest with the Supreme Court. (Baht 751 million of interest calculated up until 31 December 2017 (2016: Baht 630 million))
- The insured parties whose compensation was ordered to be reduced by the Court of Appeal have filed appeals against the judgment with the Supreme Court, demanding claims from the Company amounting to Baht 329 million.

The Supreme Court granted permission to file petitions to appeal both the Company and the insured parties. The cases are being considered by the Supreme Court.

The second group of cases

Since 2015, the insured parties have filed appeals against the judgments of the Court of Appeal with the Supreme Court in cases with claims amounting to Baht 3,768 million and related interest.

The progress of these cases is as follows:

- For cases with claims amounting to Baht 38 million, the Supreme Court granted permission to file petitions to appeal. The cases are being considered by the Supreme Court.
- In cases with claims amounting to Baht 3,730 million, the Supreme Court refused permission to file petitions to appeal. As a result, these cases are dismissed with prejudice, meaning that the Company is not obliged to pay compensation to these insured parties. The Company has reversed related claim reserves and related interest amounting to Baht 4,714 million, claim reserves refundable from reinsurers amounting to Baht 4,707 million and allowance for doubtful accounts amounting to Baht 63 million in the financial statements.

For reasons of prudence, in the preparation of the financial statements, the Company's management have continued to record claim reserves in amounts that correspond to the Company's share of the claims, and recorded insurance reserves for the full amount refundable from reinsurers and related interest in connection with the first and second group of cases (only those cases that are not yet finalised) in the statement of financial position.

34. Capital management

The primary objectives of the Company's capital management are to ensure that it has an appropriate financial structure in order to continue its business as a going concern, to provide a return to its owners and other related parties and to maintain risk-based capital in accordance with Declaration of the OIC.

35. Risk and risk management policies

35.1 Insurance risk

Insurance risk is the risk that the frequency and severity and timing of loss events will deviate from the assumptions applied in determining insurance premiums, calculating insurance reserves and making underwriting decisions.

The Company manages insurance risk as follows:

- Constantly monitors movements in the insurance market through comparative analysis of performance data and market share in the insurance industry each month and researches customer needs so that it can improve the Company's products to meet these needs, and enhance its competitiveness in the industry. In addition, the Company focuses on the importance of using information technology to optimize efficiency in the provision of service and development of insurance products.
- Sets clear insurance policies dealing with all types of disasters for which the Company can provide insurance, carefully reviews the proportion of each class of insurance that the Company can retain based on consideration of how the claims ratio compares to the industry as a whole. The Company also sets appropriate insurance premium rates with reference to the rates stipulated by the OIC and in making underwriting decisions it takes into account its risk appetite and the transfer of risk into various forms that are appropriate to given the Company's level of capital adequacy and category of risk. The Company also sets limits on acceptable risk levels for each insurance type.

Details of insurance contract liabilities as at 31 December 2017 and 2016 by type of insurance are as follows:

(Unit: Thousand Baht)

	2017			2016		
	Premium reserves			Premium reserves		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Fire	66,020	(15,107)	50,913	69,906	(16,232)	53,674
Marine and Hull	32,813	(20,375)	12,438	28,674	(15,575)	13,099
Motors	1,348,757	(148,070)	1,200,687	1,252,476	(3,504)	1,248,972
Personal accident	134,963	(73,395)	61,568	150,637	(82,644)	67,993
Miscellaneous	625,004	(530,563)	94,441	552,717	(462,560)	90,157
Total	2,207,557	(787,510)	1,420,047	2,054,410	(580,515)	1,473,895

(Unit: Thousand Baht)

	2017			2016		
	Claim reserves			Claim reserves		
	Gross	Reinsurance	Net	Gross	Reinsurance	Net
Fire	14,379	(3,136)	11,243	15,105	(5,222)	9,883
Marine and Hull	71,093	(63,819)	7,274	32,041	(24,828)	7,213
Motors	714,105	(43,594)	670,511	754,476	(13,620)	740,856
Personal accident	33,050	(20,497)	12,553	25,965	(15,311)	10,654
Miscellaneous	3,439,799	(3,196,270)	243,529	8,234,078	(7,951,770)	282,308
Total	4,272,426	(3,327,316)	945,110	9,061,665	(8,010,751)	1,050,914

The Company performed analysis of the sensitivity of insurance liabilities to changes in the assumptions used in the calculation, which will affect the claims obligations both before and after reinsurance. This is a risk that the frequency and severity of loss events or the related claims management expenses may differ from expectations.

The impact of changes to assumptions that are significant to the claims obligations recorded as of 31 December 2017 and 2016 are as follows:

(Unit: Million Baht)

	2017				
	Claim liabilities			Profit before	
	Change in assumptions	Increase on gross (decrease)	Increase on net (decrease)	tax decrease	Owners' equity decrease
Lastest 4 quarters' ULR ⁽¹⁾	+2% (additive)	106	67	(67)	(54)
Lastest 4 quarters' LDF ⁽²⁾	+2% (multiplicative)	126	100	(100)	(80)
ULAE Ratio ⁽³⁾	+20% (multiplicative)	3	3	(3)	(2)

(Unit: Million Baht)

	2016				
	Claim liabilities			Profit before	
	Change in assumptions	Increase on gross (decrease)	Increase on net (decrease)	tax decrease	Owners' equity decrease
Lastest 4 quarters' ULR ⁽¹⁾	+2% (additive)	115	72	(72)	(58)
Lastest 4 quarters' LDF ⁽²⁾	+2% (multiplicative)	106	79	(79)	(63)
ULAE Ratio ⁽³⁾	+20% (multiplicative)	3	3	(3)	(3)

(Unit: Million Baht)

	2017				
	Claim liabilities		Profit before tax	Owners' equity	
	Change in assumptions	Increase on	Increase on		
		gross (decrease)	net (decrease)	increase	increase
Lastest 4 quarters' ULR ⁽¹⁾	-2% (additive)	(106)	(67)	67	54
Lastest 4 quarters' LDF ⁽²⁾	-2% (multiplicative)	(121)	(96)	96	77
ULAE Ratio ⁽³⁾	-20% (multiplicative)	(3)	(3)	3	2

(Unit: Million Baht)

	2016				
	Claim liabilities		Profit before tax	Owners' equity	
	Change in assumptions	Increase on	Increase on		
		gross (decrease)	net (decrease)	increase	increase
Lastest 4 quarters' ULR ⁽¹⁾	-2% (additive)	(115)	(72)	72	58
Lastest 4 quarters' LDF ⁽²⁾	-2% (multiplicative)	(102)	(76)	76	61
ULAE Ratio ⁽³⁾	-20% (multiplicative)	(3)	(3)	3	3

⁽¹⁾ ULR = Ultimate loss ratio⁽²⁾ LDF = Loss development factor⁽³⁾ ULAE Ratio = Unallocated loss adjustment expense ratio

In addition, the Company has a policy to maintain a capital adequacy ratio at a level higher than the ratio of 140 percent, currently stipulated by the OIC.

35.2 Financial risks

35.2.1 Credit risk

Credit risk is the risk that the Company may suffer a financial loss as a result of a counterparty's inability to comply with its obligations, including the chance that a counterparty's credit rating may be revised down.

Credit risk in the form of the risk that collections of principal and/or interest on investments in debt instruments may not equal the face value of the instrument is managed by assigning the Investment Department to make an annual investment plan. This defines the criteria for selecting investments in debt securities, equities and other assets, including criteria for determining the Company's maximum acceptable losses. It is required in accordance with the criteria of the OIC framework and is to be approved by the Board of Executive Directors of the Company.

Credit risk relating to premium receivables, reinsurance assets, receivables on reinsurance contracts, claim receivables from litigants and mortgage loan is managed by setting a policy and methodology for controlling credit limits and allocating reinsurance to reinsurers. These are based on ranking the reliability of each foreign reinsurance company based on a credit rating of not lower than A-, taking into consideration the capital adequacy ratios of domestic reinsurance companies, and consistent monitoring of the status of refund claims from reinsurance companies. In addition, the Company manages reinsurance so that risk is appropriately spread. The risk of concentrations of credit risk from premium receivables is not significant because the Company's customers are spread among a variety of different industries and different domestic regions.

Furthermore, the Company has set guidelines for evaluating the credit risk of counterparties, reinsurers and the debt issuer, who may not be able to meet their agreed obligations, and the risk that the credit rating of the reinsurer or the issuer of debt will be revised down.

The Company does not expect to have exposure to credit risk arising from the provision of mortgage loans since in its provision of loans to employees the value of the security mortgaged as collateral is sufficient to ensure that the Company will receive full settlement of the debt, and the ratio of loan value to collateral value is in accordance with the requirements of the OIC.

The Company therefore expects its maximum exposure to credit risk to be the book value of assets less any allowance for doubtful accounts as presented in statement of financial position.

35.2.2 Market risk

Market risk is the risk that changes in interest rates, foreign exchange rates and securities prices may have an effect on the Company's financial position.

a. Interest rate risk

Interest rate risk is the risk that value of assets and liabilities will fluctuate due to changes in market interest rate.

As at 31 December 2017 and 2016, significant assets classified by type of interest rates are summarised in the table below, with those assets that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

(Unit: Baht)

	2017						
	Fixed interest rates			Floating interest rate	None-interest bearing	Total	Interest rate
	Within 1 year	Over 1-5 years	Over 5 years				
							(% p.a.)
Financial assets							
Cash and cash equivalents	-	-	-	218,285,755	4,570,491	222,856,246	0.13 - 1.00
Investments in securities							
Government and state enterprise bonds	-	544,023,818	837,595,292	-	-	1,381,619,110	2.33 - 5.90
Private enterprises debt securities	-	285,594,823	372,000,000	-	-	657,594,823	3.09 - 5.04
Deposits at commercial banks	949,651,200	500,000,000	-	-	-	1,449,651,200	1.00 - 2.30
Equity securities	-	-	-	-	1,341,025,976	1,341,025,976	-
Loans	-	-	-	3,721,879	-	3,721,879	1.90 - 3.40
Assets under insurance contracts							
Premium receivables	-	-	-	-	515,869,543	515,869,543	-
Reinsurance assets - claim reserves	-	-	-	-	3,327,316,166	3,327,316,166	-
Receivables on reinsurance contracts	-	-	-	-	156,151,317	156,151,317	-
Claim receivables from litigants	-	-	-	-	78,685,206	78,685,206	-
Liabilities under insurance contracts							
Claim reserves	-	-	-	-	4,272,426,426	4,272,426,426	-
Amounts due to reinsurers	-	-	-	-	547,512,419	547,512,419	-

(Unit: Baht)

	2016						
	Fixed interest rates			Floating	None-interest bearing	Total	Interest rate
	Within	Over	Over	interest			
	1 year	1-5 years	5 years	rate			
	(% p.a.)						
<u>Financial assets</u>							
Cash and cash equivalents	-	-	-	280,602,286	3,779,578	284,381,864	0.13 - 1.00
Investments in securities							
Government and state enterprise bonds	9,997,476	14,043,225	837,689,211	-	-	861,729,912	3.25 - 5.90
Private enterprises debt securities	245,214,799	215,912,990	372,000,000	-	-	833,127,789	3.09 - 5.04
Deposits at commercial banks	1,699,651,200	750,000,000	-	-	-	2,449,651,200	1.00 - 2.30
Equity securities	-	-	-	-	650,029,939	650,029,939	-
Loans	-	-	-	4,679,666	-	4,679,666	1.80 - 3.30
<u>Assets under insurance contracts</u>							
Premium receivables	-	-	-	-	421,268,904	421,268,904	-
Reinsurance assets - claim reserves	-	-	-	-	8,010,751,583	8,010,751,583	-
Receivables on reinsurance contracts	-	-	-	-	120,769,305	120,769,305	-
Claim receivables from litigants	-	-	-	-	57,556,091	57,556,091	-
<u>Liabilities under insurance contracts</u>							
Claim reserves	-	-	-	-	9,061,665,185	9,061,665,185	-
Amounts due to reinsurers	-	-	-	-	369,470,950	369,470,950	-

The Company manages the risk by stipulating an investment policy and annual business plan that mitigate potential risks and keep operating results in line with plans and targets.

b. Foreign currency risk

The Company is exposed to foreign currency risk in respect of reinsurance transactions with foreign reinsurers denominated in foreign currencies. The Company does not utilise forward foreign currency contracts to mitigate its exposure to foreign currency risk. However, the Company determines that these transactions do not have any significant impact on the financial statements.

As at 31 December 2017 and 2016, the balances of assets denominated in foreign currencies are summarised below.

Foreign currency	Financial assets		Average exchange rate	
	as at 31 December		as at 31 December	
	2017	2016	2017	2016
	(Thousand)	(Thousand)	(Baht per 1 foreign currency unit)	
US dollar	2.0	2.0	32.5146	35.6588

c. Equity position risk

Equity position risk is the risk that changes in the market prices of equity securities will result in fluctuations in revenues and in the values of financial assets.

The Company manages the risk by defining criteria to be applied in selecting the fund managers, unit trusts and other equity investments, and guidelines for determining the maximum losses the Company is able to accept. In addition, as part of the process of selling unit trusts and investments, the sales are required to be pre-approved by the Investment Committee.

As at 31 December 2017 and 2016, the Company has risk from its investments in securities of which the price will change with the reference to market conditions.

35.3 Liquidity risk

Liquidity risk is the risk that the Company will be unable to liquidate its financial assets and/or procure sufficient funds to discharge its obligations in a timely manner, or be able to procure sufficient funds but with the exceeding acceptable level cost, resulting in the occurrence of a financial loss and impact on revenue and the Company's capital fund.

The Company manages liquidity risk by investing in liquid securities that are appropriately matched to the nature of its liabilities and obligations, and ensuring its assets are sufficiently liquid to cope with cases where cash is needed, by monitoring and measuring the quantity of liquid assets on a monthly basis. In addition, the Company focuses on sustaining liquidity at a level that meets OIC requirements.

Counting from the financial position date, the periods to maturity of assets and liabilities held as at 31 December 2017 and 2016 are as follow:

(Unit: Thousand Baht)

	2017					Total
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	
<u>Financial assets</u>						
Cash and cash equivalents	222,856	-	-	-	-	222,856
Investment in securities	1,335,064	949,651	1,329,619	1,209,595	5,962	4,829,891
Loans	-	69	2,080	1,573	-	3,722
<u>Insurance contract assets</u>						
Premium receivables	-	515,870	-	-	-	515,870
Reinsurance assets						
- claim reserves	-	3,221,836	105,480	-	-	3,327,316
Receivables on reinsurance contracts	-	156,151	-	-	-	156,151
Claim receivables from litigants	-	-	78,685	-	-	78,685
<u>Insurance contract liabilities</u>						
Claim reserves	-	1,091,893	3,180,533	-	-	4,272,426
Amounts due to reinsurers	-	547,512	-	-	-	547,512

(Unit: Thousand Baht)

	2016					Total
	At call	Within 1 year	1 - 5 years	Over 5 years	Unspecified	
<u>Financial assets</u>						
Cash and cash equivalents	284,382	-	-	-	-	284,382
Investment in securities	642,794	1,954,863	979,956	1,209,689	7,236	4,794,538
Loans	-	100	1,943	2,636	-	4,679
<u>Insurance contract assets</u>						
Premium receivables	-	421,269	-	-	-	421,269
Reinsurance assets						
- claim reserves	-	7,837,651	173,101	-	-	8,010,752
Receivables on reinsurance contracts	-	120,769	-	-	-	120,769
Claim receivables from litigants	-	-	57,556	-	-	57,556
<u>Insurance contract liabilities</u>						
Claim reserves	-	1,121,483	7,940,182	-	-	9,061,665
Amounts due to reinsurers	-	369,471	-	-	-	369,471

36. Fair value of financial instruments

As at 31 December 2017 and 2016, the Company had the following financial assets that were measured at fair value and assets for which fair value are disclosed are classified by fair value level as follows:

(Unit: Thousand Baht)

2017					
	Carrying amount	Fair value			
		Total	Level 1	Level 2	Level 3
Financial assets measured at fair value					
Held for trade investments					
Equity securities	1	1	1	-	-
Available-for-sale investments					
Equity securities	1,335,063	1,335,063	-	1,335,063	-
Financial assets for which fair value are disclosed					
Cash and cash equivalents	222,856	222,856	222,856	-	-
Held for maturity investments					
Debt securities	2,039,214	2,247,475	-	2,247,475	-
Fixed deposit at banks with maturity period over 3 months	1,449,651	1,449,651	1,449,651	-	-
Other investments	5,962	23,175	-	-	23,175
Loans	3,722	3,722	-	-	3,722

(Unit: Thousand Baht)

2016					
	Carrying amount	Fair value			
		Total	Level 1	Level 2	Level 3
Financial assets measured at fair value					
Held for trade investments					
Equity securities	1	1	1	-	-
Available-for-sale investments					
Equity securities	642,793	642,793	-	642,793	-
Financial assets for which fair value are disclosed					
Cash and cash equivalents	284,382	284,382	284,382	-	-
Held for maturity investments					
Debt securities	1,694,858	1,842,244	-	1,842,244	-
Fixed deposit at banks with maturity period over 3 months	2,449,651	2,449,651	2,449,651	-	-
Other investments	7,236	23,976	-	-	23,976
Loans	4,680	4,680	-	-	4,680

The fair value hierarchy of financial assets presents according to Note 4.20 to the financial statements. The methods and assumptions used by the Company in estimating the fair value of financial instruments are as follows:

- a) Financial assets maturing in the short-term, which consist of cash and cash equivalents, their fair values are estimated based on the carrying amount in the statement of financial position.
- b) Investments in equity securities which are marketable securities, presented at fair value based on the last bid price of the last working day of the year. Non-marketable unit trusts, the fair values are determined by using the net assets value per unit as quoted by the fund manager. In case of non-marketable securities, the fair values are determined by discounting expected future cash flow by rate of return and related risks.
- c) Investments in debt securities are presented at fair values based on prices determined using the yield curve as quoted by the Thai Bond Market Association.
- d) Loans are presented at fair values, which are estimated by discounting expected future cash flow by the current market interest rate.

During the current year, there were no transfers within fair value hierarchy.

37. Event after the reporting period

On 27 February 2018 a meeting of the Company's Board of Directors passed a resolution to propose the Annual General Meeting of the Shareholders to be held in April 2018 for approval a dividend of Baht 3.20 per share, or a total of Baht 160 million, to the shareholders in respect of the 2017 earnings.

Such dividend will be paid and recorded after it is approved by the Annual General Meeting of the Company's shareholders.

38. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 27 February 2018.

The Company's Information

Registration Number	- 0107537002478 [or previously Bor Mor Jor 494]
Establishment	- January 17, 1947
Registered Capital	- Baht 500 Million [comprising 50 million ordinary shares at Baht 10 each]
Type of Business	- Non-Life Insurance
Major Shareholder	- The Crown Property Bureau
Address	- 97, 99 Deves Insurance Building, Ratchadamnoen Klang Avenue, Bowornnives, Phranakorn, Bangkok 10200, Thailand Tel : 0-2080-1599 Fax : 0-2280-0399 Website : www.deves.co.th
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Shareholder Service	- Board Secretariat and Corporate Communication Office Tel : 0-2080-1599 ext 8350-8358 Fax : 0-2629-4221 E-mail : pr_deves@deves.co.th

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Auditor	Mrs Nonglak Pumnoi C.P.A. [Thailand] Registration No. 4172 or Miss Somjai Khunapasut C.P.A. [Thailand] Registration No. 4499 or Miss Ratana Jala C.P.A. [Thailand] Registration No. 3734 EY Office Limited 33 rd Floor, Lake Rajada Office Complex, 193/136-137 Rajadapisek Road, Bangkok 10110 Tel : 0-2264-0777, 0-2264-9090, 0-2661-9190 Fax : 0-2264-0789-90
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