

ANNUAL REPORT 2014

Pride in Protection



THE DEVES INSURANCE PUBLIC COMPANY LIMITED



Customer Centric

Means commitment to customer care by meeting the need of internal and external customers, 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 skills 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.

TABLE OF CONTENTS

CHAIRMAN'S STATEMENT	2
GENERAL INFORMATION	4
MARKETING AND SERVICE	5
STRUCTURE OF SHAREHOLDERS	9
BOARD OF DIRECTORS	10
EXECUTIVES	15
ORGANIZATION CHART	18
REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE	20
PRINCIPLES OF CORPORATE GOVERNANCE	32
BENEFIT OF DIRECTOR	42
BOARD'S MEETING	43
THE APPROPRIATION OF THE EARNINGS	44
REPORT OF THE AUDIT COMMITTEE	45
KEYS FINANCIAL RATIOS	47
OPERATING RESULT AND FINANCIAL POSITION	49
REPORT AND FINANCIAL STATEMENTS	50
THE COMPANY'S INFORMATION	89
OTHER INFORMATION	90
HEAD OFFICE, BRANCH AND DEVES STATION	91

CHAIRMAN'S STATEMENT

Dear Shareholder

The year 2014 proved to be another challenging time for the Company, as the Thai economy was affected by both internal and external factors. These included, for example, the political situation, and the conclusion of the government's economic stimulus measures - be they the rice-pledging scheme or the first-car buyer scheme - which resulted in surging household debt and stagnant consumer spending. The global economic recovery involving many fragile regions combined with falling agricultural commodity prices adversely impacted upon Thailand's exports and upon farmers' purchasing power. The Office of the National Economic and Social Development Board reported that the country's economy expanded by only 0.7% in 2014. As a result of such economic slowdown, the non-life insurance industry grew by a mere 1.1% compared to the prior year's 13.1%.

The past year's performance of The Deves Insurance Public Company Limited was considered to be as successful as expected. The Company recorded gross premiums of Baht 4,170.0 million and earned premiums of Baht 2,265.0 million or a 20% increase over 2013. The rise could be attributed to our implementation during the year: enhancement of IT systems; development of new products; execution of marketing strategies especially of retail market expansion which saw the opening of four new branches; and more selective underwriting approach using past experience.

Our 2014 business policy encompassed the plans to continue the expansion drive implemented in 2013, particularly the expansion of retail business in motor and personal accident lines in which new products were innovated to serve more diverse target market. Processes were improved and technologies adopted to achieve higher levels of satisfaction in the provision of service both to our clients and to our business partners. We also worked to boost operational efficiency and increase our facilities to accommodate the growing business in keeping with the Company's planned targets.

Through 68 years of non-life insurance operation, The Deves Insurance PCL has remained committed to conducting its business honestly, transparently and ethically and to its responsibility towards all customers and society under good governance principles. We also seek to continuously enhance our capacity and competitiveness in preparing for any possible changes.

On behalf of the Board of Directors, I wish to express our sincere gratitude to all our shareholders, customers, business partners and allies for their continued support and confidence through these 68 years. I would also like to thank the Management and the staff for their total dedication to the achievement of our shared strategic objectives.

Working to boost operational efficiency and increase our facilities to accommodate the growing business



Dr Chirayu Isarangkun Na Ayuthaya
Chairman

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, 98.54 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 67 years, Deves Insurance has been committed to an honest, transparent 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 67 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”



สัญลักษณ์ของบริษัท

MARKETING AND SERVICE

Thailand's Economy and Non-Life Insurance Industry in 2014 and Outlook for 2015

Thailand's Economy and Non-Life Insurance Industry in 2014

According to the Office of the National Economic and Social Development Board, the Thai economy in 2014 expanded 0.7% year on year or down from the 2013 growth rate of 2.9%. This was due largely to the weaker-than-forecast recovery of Thailand's exports to major trading partners, the relatively strong baht against regional currencies, and the prolonged decline in agricultural commodity prices. Also contributing to the faltering economy were a 2.8% contraction in public and private investment hit by falling business confidence and political uneasiness during the first half of the year, and the lower-than-predicted household consumption caused by slowly improving confidence among consumers and the comparatively high ratio of household debt to GDP. However, towards the end of the year there seemed to be some positive trends in the country's economic growth, from the ongoing recovery in household spending, the sharp acceleration in private investment which started to pick up in the third quarter, to the revival of exports and the returning rise in tourist numbers during the fourth quarter.

The non-life insurance market was affected by the slowing economy and the conclusion of the first-car excise subsidy scheme which pushed the country's new auto sales in 2014 down by over 30%. The 2014 industry performance reports by the Office of Insurance Commission (OIC) show that the non-life insurance sector recorded direct premiums of Baht 205,247 million, an increase of Baht 2,170 million or 1.1% - substantially lower than the 2013 growth of 13.1%. The significant growth areas were health Insurance where premiums rose by 16.4%, Hull Insurance by 12.3%, Public Liability Insurance by 10.3%, and Personal Accident Insurance by 6.0%. The line of business reporting a lower growth rate was Fire Insurance which grew by 6.4% because of decreased likelihood of natural disasters and catastrophes. Motor premiums, which made up 57.0% of all non-life premiums, registered slightly contracted growth as a consequence of a 1.0% year-on-year premium rate reduction for Voluntary Motor Insurance.

Unit : Million Baht

Line of insurance	Direct Premiums			
	2014	2013	Increase (decrease)	Percentage (%)
Fire	11,059	11,814	-756	-6.40
Marine	5,294	5,302	-8	-0.16
Hull	436	388	48	12.32
Cargo	4,858	4,914	-56	-1.14
Motor	117,903	118,441	-538	-0.45
Compulsory	15,388	14,881	507	3.40
Voluntary	102,515	103,560	-1,045	-1.01
Personal Accident	24,726	23,317	1,409	6.04
Miscellaneous	46,266	44,203	2,064	4.67
Industrial All-Risks	25,847	24,623	1,224	4.97
Public Liability	1,940	1,758	181	10.33
Engineering	3,000	3,066	-65	-2.14
Health	7,051	6,059	992	16.38
Others	8,428	8,697	-268	-3.09
Total	205,247	203,078	2,169	1.07

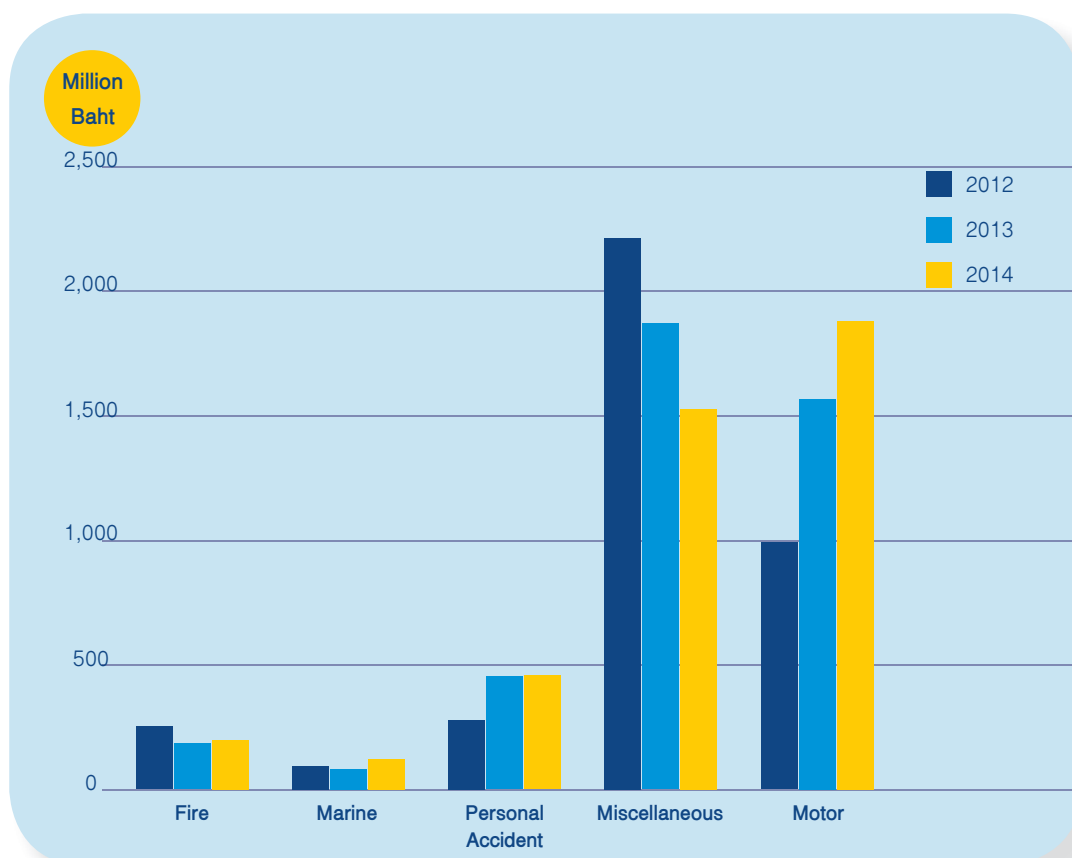
Thailand's Economic and Non-life Insurance Industry Outlook 2015

The economy of Thailand is forecast to expand at a stronger rate of 3.5-4.5% in comparison with the 2014 growth of 0.7%. The key drivers include: recovering consumer spending by higher household income; business investment spurred by returning private-sector confidence; government spending stimulus and public-sector investment; an expected boost in exports; and the increase in tourist numbers sustained from the end of 2014.

The non-life insurance industry in 2015 looks set to grow more strongly than in 2014, with projected premiums growth of around 7.0%. The lines of product which are expected to have higher growth rates - particularly in retail customers - will be personal accident insurance and health insurance, both drive by the distribution channel of bancassurance and by consumers' increasing awareness of insurance benefits. The motor insurance business is likely to pick up as car sale figures should be returning to normal after having suffered the effects of the expiry of the first-car subsidy scheme. Nevertheless, it is predicted that the non-life insurance market will see intensifying price competition, especially in property insurance, owing to improved rates after insurance claims settlement following the 2011 floods.

Deves Insurance's Performance in 2014 and Outlook for 2015

The 2014 annual results posted by The Deves Insurance Public Company Limited showed gross premiums of Baht 4,170 million or a 1.6% rise over 2013 and net earned premiums of Baht 2,265 million - up on the previous year's by 20.5%. The growth was directly attributable to our policy of focusing on continuing expansion into the retail market, particularly of our motor business which reported Baht 1,872 million of premiums, a 20.0% year-on-year increase, and an underwriting profit of Baht 136 million. In 2015, the Company will pursue the policy implemented in 2014 by aiming to boost premiums in the retail line of products.



Branch Expansion and Improvement

It is the Company's policy to continuously expand into the retail market by developing new service channels. This was achieved by opening of four new branches, one of which being the BTS Ploenchit Deves Station in Bangkok set up to serve skytrain-commuting customers. The other three branches were established in the provinces to accommodate our expansion of service coverage in the areas: Chiang Rai Branch, Koh Samui Branch, and Mukdahan Branch. As a result, we now have a nationwide operation in 35 locations comprising 18 provincial branches and 17 Deves Stations to deliver a one-stop service to our clients, from processing insurance applications and premiums payments to providing help and information relating to insurance claims and enquiries. There are also plans to open four new branches in 2015 so as to offer wider service coverage across the country.



BTS Phloen Chit Deves Station



Chiang Rai Branch



Koh samui Branch



Mukdahan Branch

Moreover, to create a modern and impressive corporate awareness and to provide more convenient service for our customers, we had internal and external refurbishment undertaken of two of our offices, i.e. Phitsanulok Branch and Chiang Mai Branch. The Company also relocated two branches as follows.

Surat Thani Branch

new address: 235/65-66 Moo 4, Thanon Amphoe, Tambon Makham Tia, Amphoe Mueang, Surat Thani 84000

Udon Thani Branch

new address: 84/14 Moo 2, Soi Baan Muang, Thanon Rorb Mueang, Tambon Muak Khaeng, Amphoe Mueang, Udon Thani 41000

Advertising/Publicity

To increase recognition of the “Deves” image and gain a wider customer reach, the Company employed advertising and production of publicity materials/mediums through different channels such as radio and TV commercials and print advertisements, especially the medium of radio which could effectively reach our target audience. We arranged for advertisements to be run in the regions, covering 20 provinces and 21 radio stations to publicize our 2+ and 3+ class motor policies, while recruiting insurance agents countrywide to support the growing number of policyholders. Other marketing activities of the Company included exhibiting at events like Motor Show, Motor Expo and Baan Lae Suan Fair (Home & Garden Fair), etc.

Claims Service Efficiency Drive

The Company took steps to improve and simplify and re-process all claims-related procedures involving internal contact and external contact with business partners with a view to ensure prompt and convenient service for all customers. As regards motor claims service, we made regular visits to our partner garages in Bangkok and provincial areas in order to be updated on problems which would be dealt with and fed back into our service improvement process, while also engaging provincial risk surveyors to cover areas across the country. In addition to operational streamlining and partner support, the Company made personnel development one of its key priorities by providing training to enhance the skills and knowledge of staff members in improving their confidence in their work and service and in continuously ensuring highest satisfaction for all customers.

IT Enhancement

We have always attached importance to development of IT systems alongside development of other functional aspects with the aim of increasing our competitiveness, reducing costs and operating expenses as well as better serving our policyholders and business partners. We have adopted technologies to improve different areas of insurance service. The “Deves Lite” mobile application, which is currently going through the development phase and designed to facilitate claims-related procedures, will make provision of claims services possible through smartphone to offer the speed and convenience that suit the lifestyle of today's consumers. Another enhancement is the development of a policy-issuing system to accommodate the introduction of “e-Policy” or electronic insurance policies.

Product Development

New product development: The following insurance products were developed and introduced by the Company during 2014.

1. “Baan Sook Jai” Fire Insurance

The Fire Insurance solution that provides additional home protection against natural perils by covering:

- Buildings, structures and contents damaged by fire, lightning, explosion, vehicle impact, aircraft impact, water damage (excluding flood);
- Loss or damage caused by natural perils, i.e. windstorm, flood, earthquake or volcanic eruption or tsunami, and hailstorm. Customers can choose to obtain coverage of 5% or 10% of the sum insured.

2. “Toorakij Aoon Jai” Fire Insurance

The Fire Insurance solution that offers extra business protection against natural perils by covering:

- Buildings, structures and contents damaged by fire, lightning, explosion, vehicle impact, aircraft impact, water damage (excluding flood);

- Loss or damage due to natural perils, i.e. windstorm, flood, earthquake or volcanic eruption or tsunami, and hailstorm. Customers can choose to take out coverage of 5% or 10% of the sum insured.
3. **“Baan Rai Kang Won” Fire-Theft Insurance**
- The Fire and Theft Insurance solution that provides extra home protection against natural perils by covering:
- Buildings, structures and contents damaged by fire, lightning, explosion, vehicle impact, aircraft impact, water damage (excluding flood);
 - Burglary or theft with signs of forced entry, robbery or plunder (10% coverage of the sum insured); this also includes cover of up to Baht 30,000 against damage to the building caused by break-in.
 - Loss or damage caused by natural perils, i.e. windstorm, flood, earthquake or volcanic eruption or tsunami, and hailstorm. Customers can choose to obtain coverage of 5% or 10% of the sum insured.
4. **“2 Koom Gun 3 Koom Gun” Voluntary Car Insurance**
- The 2 Koom Gun and 3 Koom Gun Voluntary Car Insurance solutions cover against liability for third-party personal injury and property damage as well as personal accident and medical expenses. It also protects the driver of vehicles including saloon car (with up to 7 seats), pickup truck (up to 4 - tonne) and private passenger car (with up to 15 seats) with optional coverage of up to Baht 100,000 against cases of collision with a land transport vehicle in which the person involved is not the liable party.
5. **“3++ (Mini)” Voluntary Car Insurance**
- The 3++ (Mini) voluntary car insurance solution protects against liability for third-party personal injury and property damage, personal accident and medical expenses, while also covering the drivers as well as the policyholder’s and the other party’s vehicles. It provides maximum cover of Baht 50,000 for the insured car against collision with a land transport vehicle, and policyholders do not have to pay any excess. The 3++ (Mini) policy insures saloon cars (2 - 20 years old) and pickup trucks (2 - 20 years old).

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	49,272,239	98.54
2.	Other Shareholders	727,761	1.46
	Total Issued Share Capital	50,000,000	100.00

BOARD OF DIRECTORS



DR CHIRAYU ISARANGKUN NA AYUTHAYA

CHAIRMAN

- | | |
|--|--|
| Other Positions/ | <ul style="list-style-type: none"> • Grand Chamberlain - Bureau of the Royal Household |
| Working Experience | <ul style="list-style-type: none"> • Director General - The Crown Property Bureau • Chairman of the Board of Directors
The Siam Cement Public Company Limited • Director of the Corporate Social Responsibility Committee
The Siam Commercial Bank Public Company Limited |
| Education | <ul style="list-style-type: none"> • Ph.D. [Economics], Australian National University, Australia |
| Training from Thai
Institute of Directors | <ul style="list-style-type: none"> • Role of the Chairman Program |



MR SANSERN WONGCHA-UM

INDEPENDENT DIRECTOR

CHAIRMAN OF THE NOMINATION AND REMUNERATION COMMITTEE

- | | |
|--|---|
| Other Positions/ | <ul style="list-style-type: none"> • Deputy Minister of Transport [2006 - 2008] |
| Working Experience | <ul style="list-style-type: none"> • 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
The Erawan Group Public Company Limited |
| Education | <ul style="list-style-type: none"> • Master of Business Administration, University of Bridgeport, USA • Diploma, National Defence College, Class 37 |
| Training from Thai
Institute of Directors | <ul style="list-style-type: none"> • 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/ | <ul style="list-style-type: none"> • Member of the Remuneration Committee |
| Working Experience | <ul style="list-style-type: none"> • Independent Director and Member of the Audit Committee
Banpu Public Company Limited |
| Education | <ul style="list-style-type: none"> • B.A. [Accounting and Commerce], Thammasat University • Diploma, National Defence College |
| Training from Thai
Institute of Directors | <ul style="list-style-type: none"> • Role of the Chairman Program |



MR AVIRUTH WONGBUDDHAPITAK

DIRECTOR

CHAIRMAN OF THE EXECUTIVE COMMITTEE

- | | |
|-------------------------------|---|
| Other Positions/ | • Advisor - The Crown Property Bureau |
| Working Experience | • Director, Chairman of the Audit Committee and Independent Director
Advance Info Service Public Company Limited |
| | • Director, Thai Plastic and Chemicals Public Company Limited |
| Education | • Master of Business Administration, New York University, USA |
| Training from Thai | • Director Certification Program |
| Institute of Directors | • Role of the Compensation Committee |



DR CHARNCHAI MUSIGNISARKORN

INDEPENDENT DIRECTOR

MEMBER OF THE NOMINATION AND REMUNERATION COMMITTEE

- | | |
|-------------------------------|---|
| Other Positions/ | • Vice Chairman and Chairman of the Executive Committee [2005 - 2009] |
| Working Experience | ACL Bank Public Company Limited |
| Education | • Ph.D. [Agricultural Economics], Kyoto University, Japan |
| Training from Thai | • Director Certification Program |
| Institute of Directors | • Director Accreditation Program |



MR NA BHENGBHASANG KRISHNAMRA

INDEPENDENT DIRECTOR

- | | |
|-------------------------------|---|
| Other Positions/ | • Chairman of the Executive Board |
| Working Experience | The Cambodian Commercial Bank Company Limited |
| | • Vice Chairman
The Siam Administrative Management Company Limited |
| Education | • Master of Engineering - Mechanical, University of Pennsylvania, USA |
| Training from Thai | • 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/ | <ul style="list-style-type: none"> • Chairman, The Siam Administrative Management Company Limited |
| Working Experience | <ul style="list-style-type: none"> • Chairman of the Audit Committee, SubsriThai Public Company Limited • Chairman, Mudman Company Limited • Chairman, SCMB Company Limited • Chairman of the Audit Committee • HiFi Orient Thai Public Company Limited |
| Education | <ul style="list-style-type: none"> • B.A. [Accounting], Chulalongkorn University • Diploma, National Defence College |
| Training from Thai | <ul style="list-style-type: none"> • Director Certification Program |
| Institute of Directors | <ul style="list-style-type: none"> • Audit Committee Program • Director Accreditation Program • Chartered Director Class |



MR VIRASAK TOKAKUNA

INDEPENDENT DIRECTOR

MEMBER OF THE AUDIT COMMITTEE

- | | |
|-------------------------------|--|
| Other Positions/ | <ul style="list-style-type: none"> • Head of Business Promotion Department [2003 - 2004] |
| Working Experience | <ul style="list-style-type: none"> • The Crown Property Bureau |
| Education | <ul style="list-style-type: none"> • Master of Business Administration, Long Island University, USA |
| Training from Thai | <ul style="list-style-type: none"> • Director Certification Program |
| Institute of Directors | |



MRS PHANSOPIT LIKITTHAMMANIT

INDEPENDENT DIRECTOR

MEMBER OF THE AUDIT COMMITTEE

- | | |
|-------------------------------|---|
| Other Positions/ | <ul style="list-style-type: none"> • Accountant - The Support Foundation |
| Working Experience | <ul style="list-style-type: none"> • of Her Majesty Queen Sirikit of Thailand |
| Education | <ul style="list-style-type: none"> • B.A. [Accounting - 2nd Honoured], Chulalongkorn University |
| Training from Thai | <ul style="list-style-type: none"> • Director Certification Program |
| Institute of Directors | |



MR ARRAK SOONTAROS

DIRECTOR

- | | |
|--|--|
| Other Positions/ | • Senior Head of the Real Estate Management Department [2001 - 2006] |
| Working Experience | The Crown Property Bureau |
| Education | • Master of Business Administration,
Central Missouri State University, USA |
| 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 | • Director Accreditation Program |



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 & Underwriting Division [2009 - 2011]

• President, The Deves Insurance Public Company Limited
• Director, Road Accident Victims Protection Company Limited |
| Education | • Master of Insurance - Georgia State University, USA |
| Training from Thai
Institute of Directors | • Director Certification Program |



MS SUPAPORN TREESAEN
Secretary to the Board of Directors



MR MANOT SINLAPARATANAPORN
Secretary to the Audit Committee



MRS PAWINEE TIPPETCH
Secretary to the Executive Committee
Secretary to the Nomination and Remuneration Committee

EXECUTIVES



CORPORATE FUNCTIONS

MR CHATCHAI CHINVETKITVANIT

PRESIDENT

Mr Manot Sinlaparatanaporn

Vice President : Audit Office

Mrs Pawinee Tippetch

Vice President : Board Secretariat & Corporate Communications Office

Mr Pongsathorn Thananurakwong

Vice President : Corporate Strategic Department

Mrs Navarat Teekhasaenee

Vice President : Human Resources and Administration Department

Mr Suchon Sa-ingthong

Vice President : Corporate Functions Division

INSURANCE BUSINESS DIVISION

MR SANTI IAMVUTHIPREECHA

EXECUTIVE VICE PRESIDENT : INSURANCE BUSINESS DIVISION

Mrs Chutatip Sirimajan

Vice President : Corporate and Government Service Department

Mr Montree Deo-Isares

Vice President : Energy Business Department

Mr Sombat Tanjaturon

Vice President : Branch & Transportation Statutory Business Department

Ms Duangratana Chinvanno

Vice President : Financial Business Department

Mr Nitiwat Nitivirotkul

Vice President : Agent & Retail Business Department

Mr Sakchai Sakdarat

Vice President : Customer Service Department

Mr Paitoon Traisathidworn

Assistant Vice President : Broker Business Department

Ms Boontharot Hooncharoen

Assistant Vice President : Energy Business Department

Mr Therdsak Pungvichar

Assistant Vice President : Branch & Transportation Statutory Business Department
and Acting Regional Manager - Central & East Area



INSURANCE BUSINESS DIVISION

Mrs Pussadee Sangkhat

Assistant Vice President : Branch & Transportation Statutory Business Department
and Acting Regional Manager - North Area

Mr Somchai Suernak

Regional Manager - South Area : Branch & Transportation Statutory Business Department

Ms Benjamas Santipreedathum

Assistant Vice President : Agent & Retail Business Department

UNDERWRITING DIVISION

MR PREECHA VITAVASKARNVEJ

EXECUTIVE VICE PRESIDENT : CLAIMS DIVISION AND

ACTING EXECUTIVE VICE PRESIDENT : UNDERWRITING DIVISION

Mrs Supatra Disayabutr

Vice President : Motor Underwriting Department

Mr Phanomsak Mongkholnimit

Vice President : Non-Motor Underwriting Department

Mrs Sirinuch Nilparisut

Vice President : Reinsurance Department

Mrs Rangsimaninwilai

Assistant Vice President : Underwriting Division

Ms Soparwan Tongyuak

Assistant Vice President : Non-Motor Underwriting Department

Ms Orawan Yutsapremanon

Assistant Vice President : Motor Underwriting Department

CLAIMS DIVISION

Mr Ariya Jakranurak

Vice President : Motor Claims Department

Mr Pramote Sawangchaeng

Vice President : Non-Motor Claims Department

Mr Somchit Rungruengchotsakul

Assistant Vice President : Motor Claims Department

Mr Amornchart Siripattananuntakul

Assistant Vice President : Motor Claims Department





FINANCE DIVISION

MRS SANTANA TANTISIRIWAT

EXECUTIVE VICE PRESIDENT : FINANCE DIVISION AND

ACTING EXECUTIVE VICE PRESIDENT : INFORMATION SYSTEM DIVISION

Ms Sunee Srisuktaveerat

Vice President : Accounting & Finance Department
and Acting Vice President : Investment Office

Ms Nittaya Namkul

Vice President : Premium Collecting Department

Ms Montira Pavangsawat

Assistant Vice President : Accounting & Finance Department

INFORMATION SYSTEM DIVISION

Ms Sontana Anyamaneeratch

Vice President : Information System Development Department

Mr Noppadol J.Jitcharoenchai

Vice President : Technology Department

Ms Chanthat Tongcharoen

Assistant Vice President :

Business Data Warehouse Management and IT Quality Assurance

Business Process Development Department



COMPLIANCE AND RISK MANAGEMENT DIVISION

MR UMNAJ LOHSUWAN

EXECUTIVE VICE PRESIDENT : COMPLIANCE AND RISK MANAGEMENT DIVISION

Mrs Nichapat Pavaluksanawat

Assistant Vice President : Compliance and Risk Management Division

Mrs Siriporn Chankaew

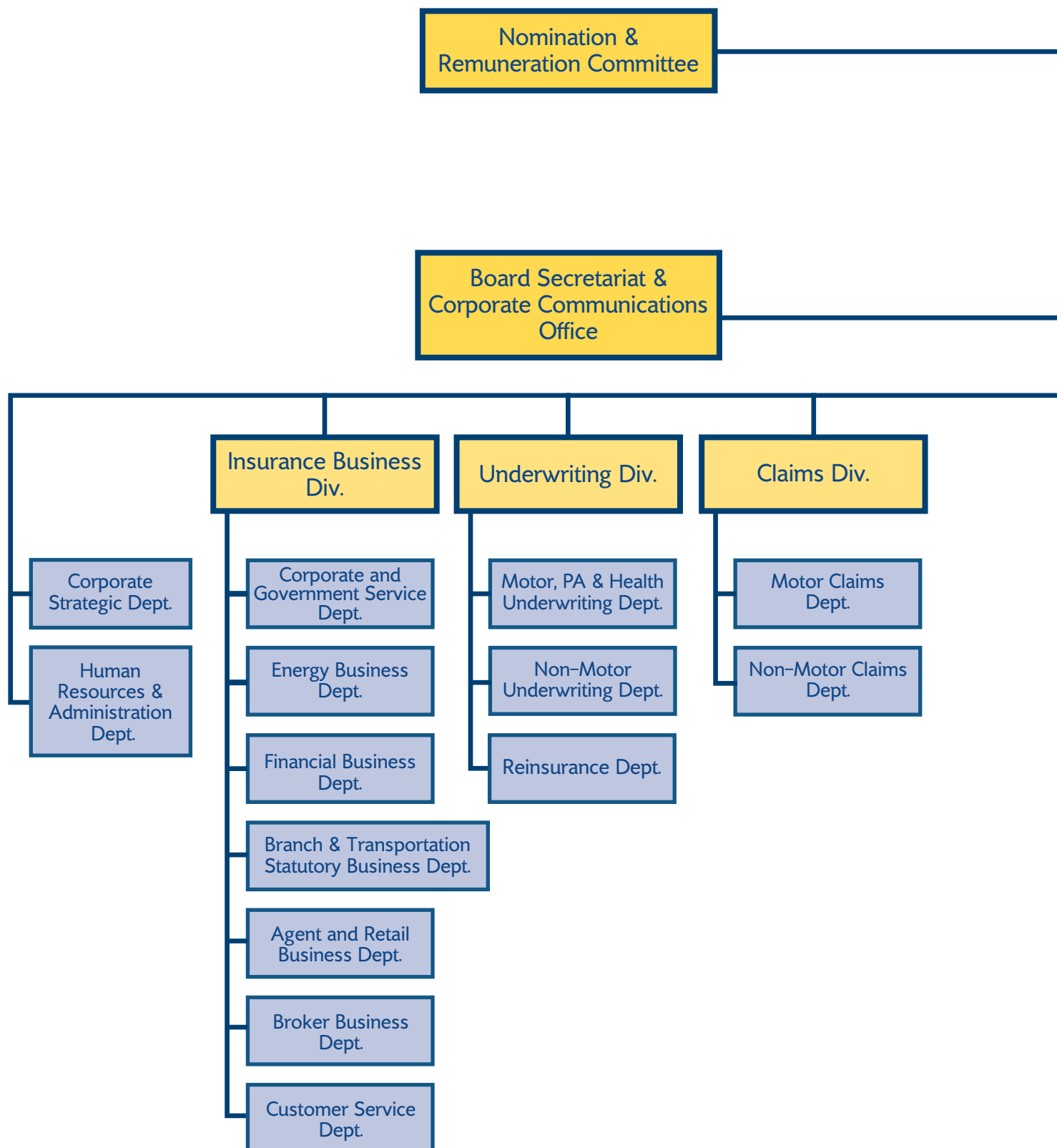
Assistant Vice President : Legal Office

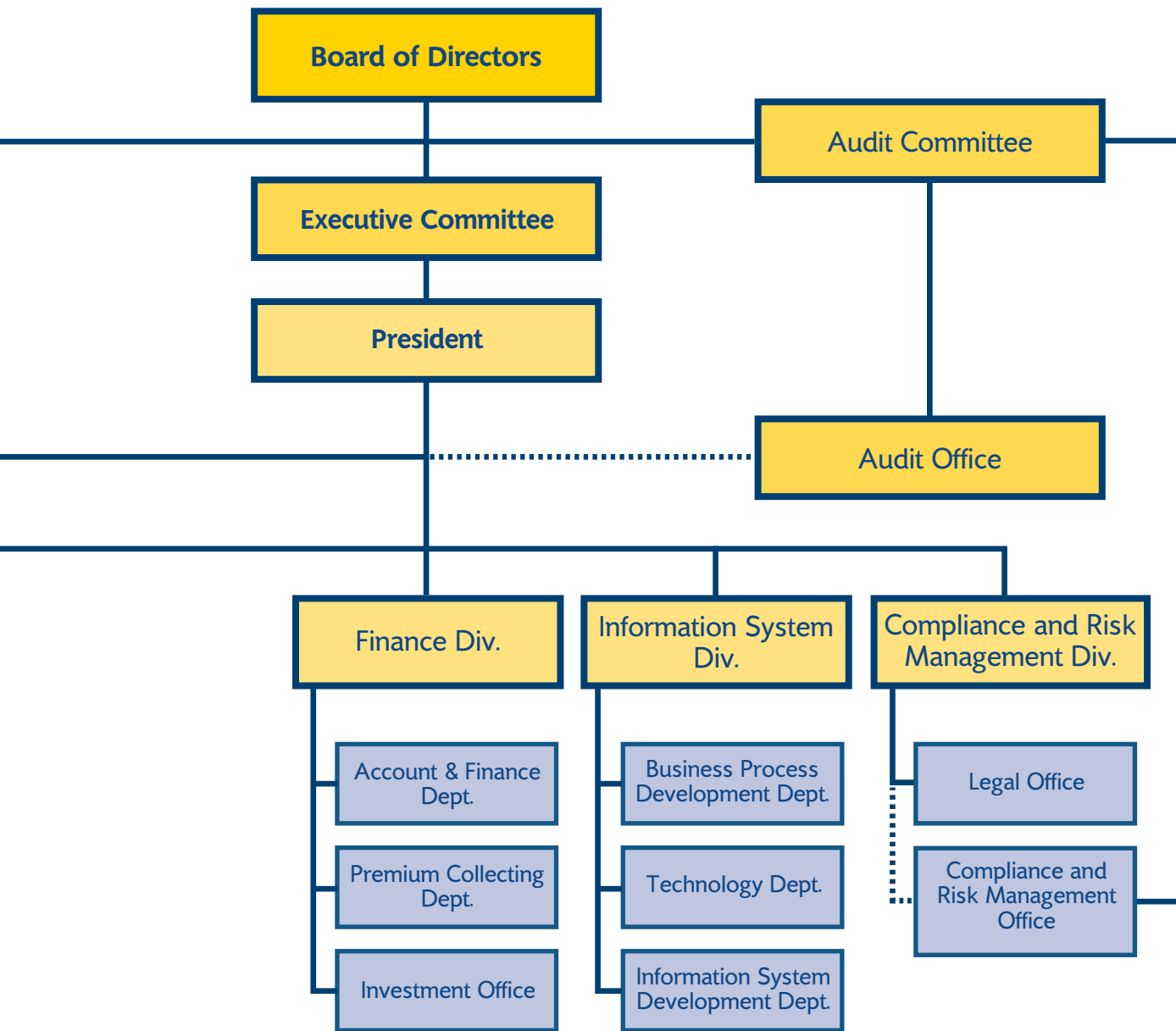
Mr Siriphot Orbaiyokvijit

Assistant Vice President : Compliance and Risk Management Office

ORGANIZATION CHART

The Deves Insurance Public Company Limited





Effective Date : June 1, 2014

REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

To ensure internal management practices in line with the corporate governance principles established and maintained by the Company, the Board of Directors resolved, in its meeting no. 1/2546 held on 21 February 2003, to set up a "Remuneration Committee" in addition to the Executive Committee and the Audit Committee already in place.

The Company's Remuneration Committee was comprised of independent and non-executive Directors, with the Committee Chairman being an independent member of the Board. The Committee was responsible for determining and recommending, to the Board meeting, the level and structure of remuneration for Directors, committees of the Board and senior management to ensure that the basis and systems for such emoluments were fair and appropriate to all concerned. Remuneration for all Directors and Board committees would then be put to the shareholders' meeting for consideration/approval pursuant to the provisions of the Public Limited Companies Act and the remuneration so approved shall remain in effect until otherwise resolved by a general meeting.

In 2005, the meeting of the Board agreed to extend the scope of the Committee's responsibility to include the nomination function and to rename it the "Nomination and Remuneration Committee". The Committee thus assumed the added duty of selecting and nominating qualified and suitable persons as company directors and company president.

Later in 2010, the Board of Directors resolved that the Nomination and Remuneration Committee be assigned the additional role of social responsibility committee. The function involves setting policies, plans and budgets for all the Company's corporate social responsibility (CSR) programmes and monitoring progress for regular reporting to the Board meeting so as to evaluate achievements and to identify ways for improvement in ensuring maximum benefit to all stakeholders and society in general.

During 2014, the Nomination and Remuneration Committee held four meetings in total to consider matters falling within its remit and pertaining to the duties 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 2014: 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 four Directors retiring by rotation. The proposal was endorsed by the meeting of the Board and consequently approved by the 2014 Annual General Meeting.

The Directors who were required to retire by rotation in 2014 and then re-appointed to the Board were as listed below.

- | | | |
|-----|--------------|------------------------|
| [1] | Dr Chirayu | Isarangkun Na Ayuthaya |
| [2] | Mr Arrak | Soontaros |
| [3] | Mr Sompoch | Intranukul |
| [4] | Dr Charnchai | Musignisarkorn |

2. Reviewing the tenure of Board committees: Following the 2014 general meeting, the Nomination and Remuneration Committee, having reviewed 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 according to the established policy and guidelines, proposed that the Board should maintain the existing structure of all three committees. The meeting of the Board agreed to the recommendation by the Committee.
3. Adjusting the term of appointment of members of the Audit Committee and the Nomination and Remuneration Committee: The Committee proposed that the three-year term of office of members on both committees be adjusted to start in May with effect from 2014. The meeting of the Board approved the proposed adjustment and, having considered the composition and eligibility of both committees, deemed it appropriate that members of the committees then in office should be

re-appointed for a further term. In this regard, the Nomination and Remuneration Committee shall, as per the established policies and guidelines, review the tenure of all three committees of the Board annually after the general meeting of shareholders in order to make recommendations to the Board meeting as appropriate.

The above adjustment would result in bringing the expiry of the term of office of the Audit Committee and the Nomination and Remuneration Committee forward from September 2014 and March 2015 respectively.

4. Amending the provisions governing the “roles and responsibilities of the Audit Committee” and the “roles and responsibilities of the Nomination and Remuneration Committee”: It was proposed that amendments be made to stipulate that the term of office of all members serving on each of both committees must expire simultaneously. The amended provisions were approved by the meeting of the Board as per the Nomination and Remuneration Committee's recommendation.

Remuneration

1. Payment of Directors' fees: The Nomination and Remuneration Committee proposed that Directors' fees on 2013 operating results be paid in accordance with the basis approved by the shareholders' meeting. However, two Directors representing the Crown Property Bureau, i.e. the Chairman of the Board and the Executive Committee Chairman offered to waive their rights to receive the fees in 2014 for the second year in succession. The aggregate fees payable to ten Directors therefore came down to 1,563,600 baht or 156,360 baht for each Director.

The above proposal was approved by unanimous resolution at the 2014 Annual General Meeting.

2. Revising of Delegation of Authority: It was proposed that the authority to determine increases of budget-based compensation for personnel from the level of executive vice president to senior executive vice president and the authority to implement Board-approved salary increases be delegated to the Executive Committee and that the outcomes thereof be reported to the Nomination and Remuneration Committee's meeting and the Board meeting afterwards. The meeting of the Board agreed to the above revised delegation as recommended by the Nomination and Remuneration Committee.
3. Consideration of senior management's performance evaluations: The Committee deliberated the performance appraisals of senior executives so as to recommend the Board on revising annual compensation and benefits to be commensurate with the individual's performance and with the Company's financial results as well as the industry's remuneration structure and living conditions. The recommendations made by the Committee were duly approved by the meeting of the Board.

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 responsibilities such as 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 all recognize that as a business the Company has a duty towards its clients and every group of stakeholders. In addition, with the status as an insurance subsidiary of the Crown Property Bureau and as a business organization within a section of Thai society, The Deves Insurance Public Company Limited has therefore always been committed to remaining a good member of society and the nation.

Philanthropic support

A business organization's responsibility is not confined only to its customers and stakeholders, but also concerns its duty towards society as a whole. It is therefore a long-term policy of The Deves Insurance PCL to support the efforts of the government sector, organizations and foundations that work in the public interest by allocating a part of its budget for promoting

society-benefiting activities, preserving Thai culture and assisting those in need on a continuing basis. We hope our funds spent through such non-profit bodies would lead to development in diverse areas as well as sustainable benefit to the nation.

The philanthropic endeavours we supported in 2014 included:

- Ananda Mahidol Foundation
- Sai Jai Thai Foundation under Royal Patronage
- Mahidol Engineering Foundation's education fund

Corporate Social Responsibility (CSR) Activities

Under the policy authorized by the Board, the Nomination and Remuneration Committee has set the direction by which our CSR practices are guided: that activities should be designed to promote individuals' self-development and living improvement; and that they should support improvements to the neighbourhoods surrounding our head office in enabling community members to enjoy better quality of life. Our CSR operations also place emphasis on engagement of all sections of society, particularly within the target communities, with a view to helping them to achieve long-term empowerment and self-dependence.

The CSR policy of Deves Insurance seeks to deliver sustainable and balanced development. It emphasizes not only the development of people to be quality, efficient, disciplined and knowledgeable individuals with civic mindedness, but also 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.

Principles of implementation: Deves Insurance's CSR initiatives and its support to other agencies' activities are all aimed at bringing about social action and development and at contributing to public interest. Projects should be developed from creativity and originality with a focus on sustainability and simplicity through application of as much natural means as possible. They should also promote participation between different sectors of society. Each year, the Nomination and Remuneration Committee would draw up plans and guidelines for CSR work which primarily includes and builds on our activities in the previous years so that performance and achievements can be concretely measured. The Committee also sets the criteria for identifying and developing new projects or activities which cover four elements of consideration:

- assessing consistency with the Company's CSR policy;
- evaluating appropriateness in terms of investment and expenditure;
- evaluating appropriateness in terms of implementation and justification; and
- assessing expected outcomes and benefits.

The CSR programmes implemented by the Company in 2014 were partly those undertaken in the previous year. New projects were also initiated in line with our policy and principle of sustainable social action and development, especially in relation to the promotion of integrity and ethical values among youths in school under the "Moral Schools under Bangkok Metropolitan Administration" project. The Board of Directors allocated a CSR budget proportional to the Company's income and profit generating capacity as well as its ability to seek knowledge and funding collaboration from external agencies. The objective was to ensure a balance between being an enterprise responsible to its direct stakeholders comprising shareholders and employees and being a socially responsible corporate citizen, and to promote the role and potential of the Company as initiator and coordinator of CSR endeavours that sustainably benefit society and the nation.

In implementing the CSR policy, the Company has organized an operational and staffing structure to specifically support this area of work. The new "CSR Section" is under the Board Secretariat & Corporate Communication Office and is responsible for CSR operations and for monitoring progress and evaluating achievements or impacts for reporting to the Nomination and Remuneration Committee and the Board of Directors, respectively.

Deves Insurance's CSR

We have set our corporate guidelines on CSR practices which are categorized into five focus areas: social and community enrichment - “Clean, Safe Communities Are Deves’ Delights”; children and youth development - “Smiles for Us”; education - “Deves Solicitude”; volunteering spirit - “Let Us be the Giver”; and moral promotion - “Moral Schools under Bangkok Metropolitan Administration”

Social and community enrichment “Clean, Safe Communities Are Deves’ Delights” is the programme initiated by Deves Insurance to support Phra Nakhon District Office in caring for the communities in the locality. The programme encompasses the following projects.

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

Deves Insurance supported the design and making of “wastewater treatment bikes” from the “hydrobike” prototype developed under His Majesty the King’s initiative, to be used for treating wastewater in Banglamphu Canal. The objective is to preserve the quality of water which has improved considerably since the implementation, from 2011 to present, of the project to install grease traps for households along Banglamphu and other main canals in Phra Nakhon District to reduce wastewater discharged directly into canals.



Hydrobike prototype exhibited in the Banglamphu Canals Preservation Day event held at Pipit Banglamphu Museum [20 September 2014]



Hydrobike design funded by Deves Insurance for use in Banglamphu Canal water treatment

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

Deves Insurance took a group of youngsters in Phra Nakhon District on a visit to Phra Nakhon District Office’s Refuse Management Learning Centre near the foot of Phra Pok Klao Bridge to observe demonstrations of vermicomposting and to see at first hand the garbage solution of turning compost made of vegetable and fruit waste into methane.



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

As part of its “Clean, Safe Communities Are Deves’ Delights” programme, Deves Insurance presented 38 marquees to Phra Nakhon District Office, along with representatives of Nanglerng Police Station and Phra Nakhon District communities for use in their public benefiting activities.

Deves Insurance has organized a range of activities under its “With Unity Comes Achievement” programme to enhance the livelihoods of members of the communities. These include the following four workshops held in 2014:

- Yarn doll lamp workshop
- Camphor-scented hibiscus workshop
- Heart-shaped camphor sachet workshop - held in Fuengthong-Wisoot Alley Community and targeted at community seniors with the aim of improving physical, mental and social quality of life of the elderly, thus making their life more valuable to themselves, their families and society.
- Crystal flower mobile workshop



In addition to promoting vocational training particularly in craftwork, we have assisted the communities in publicizing their handicraft products by displaying them at our offices and those of our partners and by using the products as gifts and souvenirs for our patrons.

Children and youth development “Smiles for Us” refers to our projects and activities that seek to develop the capacities of children and youths and to promote the health and safety of young pupils, especially of Bangkok Metropolitan schools in Phra Nakhon District.

Deves Insurance supported the organization of Children's Day events in Phra Nakhon District by gifting schools and communities with bicycles as presents thoughtfully chosen for being suitable and helpful to the children's everyday life and development.



วันเด็กแห่งชาติและกีฬา ประจำปีการศึกษา 2557

โรงเรียนวัดมกุฏกษัตริยาราม สำนักงานเขตพระนคร กรุงเทพมหานคร

“ความรู้ คู่คุณธรรม นำสู่อนาคต”



One of the thank-you letters from the children, expressing their joy and impressions and the benefits they had received from Deves Insurance's gift of bicycles for Children's Day.

สวัสดีครับ ผมชื่อ... ปีการศึกษา... โรงเรียน...
 วันที่... ผมได้รับจักรยานจาก... ผมรู้สึกดีใจมาก
 ที่ได้จักรยานคันนี้... ผมจะใช้มันทุกวัน... ผมจะดูแลมันให้ดี
 และจะไม่ปล่อยให้มันพัง... ผมขอขอบคุณ...
 ที่ให้ของขวัญกับผม... ผมรักจักรยานคันนี้มาก...
 ผมจะใช้มันไปนานๆ... ขอขอบคุณอีกครั้ง...
 ...

Under the “Deves’ Care for Youth” project, raincoats were supplied by Deves Insurance to pupils of Bangkok Metropolitan schools in Phra Nakhon District to help protect them against colds and flu in the rainy season. The project has been run for eight consecutive years as one of the Company's CSR activities.



Deves Insurance gave out soap bars embedded with toys and Thai-English alphabet pieces to pupils of schools under the Bangkok Metropolitan Administration. As part of the “Deves’ Care for Youth” project”, the gift was aimed at encouraging the children to maintain personal hygiene and to adopt the hygienic practice of handwashing.

To assist the development of persons with special needs, Deves Insurance has undertaken the “equestrian therapy”, the “aqua therapy” and the “educational outing for kids” activities for the pupils of Wat Mahathad School’s special-needs class since 2009, 2011 and 2012 respectively. These three activities have helped the children to gain much improved development and enabled them to learn, understand and adjust themselves better to their environment and circumstances as well as becoming more disciplined and interacting better with those surrounding them. Several pupils of the special-needs class have been able to move to normal classes permanently or on a subject-by-subject basis, and some have also left to further their education at higher levels.



Progressive and sustainable development does not lie only in regular, ongoing activities, but has to depend on other aspects of appropriate stimulation as well. Thus, Deves Insurance has provided support to the “Planting love round Mahathad compound” project which was introduced by Wat Mahathad School’s administrators and teachers to allow the pupils to try out activities relevant and close to their everyday life such as growing plants and vegetables, gathering and sorting as well as selling the produce. These learning and training processes give them guidelines for future occupation that could lead to the essentials of sufficiency living and self-reliance.



Although the activities run by Deves Insurance have helped to enhance the physical, mental and emotional development of the special-needs class pupils, it is equally important that their parents are provided with knowledge and understanding about the children’s transition to adolescence. For this reason, Deves Insurance has invited Dr Kaewta Nopmaneejumrulers, MD, Developmental and Behavioral Pediatrician, National Institute for Child and Family Development, Mahidol University and her team to be speakers at the seminar training on “Caring for Individuals with Specials Needs” held for parents of Wat Mahathad School’s special-needs class pupils.



The outcomes of the session have been as according to the aims and objectives of the teaching staff, the speakers and Deves Insurance. The parents have acquired understanding of the children's behavioural patterns and development levels, enabling them to adjust their attitude and expectations. At the same time, they have become aware of better and more appropriate ways to stimulate the children's development.

Education – “Deves Solicitude” involves our CSR efforts which support the building and improvement of educational facilities and of outside-classroom learning spaces in our nearby communities in making the environment more conducive to schooling, learning and constructive leisure activities.



Deves Insurance set up a “Worker Bee Youth Learning Centre” in Baan Phanthom Alley Community as an outside-classroom learning hub for community members, while supplying it with computers and audiovisual equipment to facilitate children's access to information and knowledge. The Centre also serves as a place where members of the community can come together to do some activity for a common cause.



Nomination and Remuneration Committee Chairman Sansern Wongcha-Um visited the Worker Bee Youth Learning Centre and received a briefing on the centre's operations and services to community members, especially those concerning savings and its functioning as a place for initial medical check-up. During the Committee Chairman's visit, a demonstration of livelihood skill training was also given by a community housewives' group.

Volunteering Spirit “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. The programme has been carried out in the hope that the results of our good deeds would make possible a benevolent, harmonious and unselfish society that values the virtue of giving.



Our executives and staff worked together to renovate the lavatories and to paint and clean the grounds of Wat Thep Prathan, Phra Phutthabat District, Saraburi Province. On the occasion, we also offered our contributions towards the phaphah-samakki* fund for improving and enhancing the temple in order for it to remain a spiritual pivot and sanctuary for people in the neighbourhoods.

* a collaboratively organized forest-robe and offerings presentation ceremony



The Company's volunteering staff joined the “Wild Climber Cutting” exercise at Kaeng Krachan National Park, Phetchaburi Province. Intended to save large and perennial trees, the activity was organized by the Crown Property Bureau, in conjunction with the Traffic Radio for Society FM 99.5 MHz and the Bureau's subsidiaries.



Deves Insurance's CSR team and volunteering staff took part in the ninth "Pid Thong Lang Phra* - Upholding His Majesty's Guidelines" project activity of "Fixing Old dams and Building New Ones" at Khao Huai Pu Chang Morb, Kanchanaburi Province, as well as its eleventh project activity of "Cleaning Father's House" around the Three-Gabled Royal Residence at Khao Hin Son Royal Development Study Centre, Chachoengsao Province. Both exercises were organized by the Traffic Radio for Society FM 99.5 MHz.

* Pid thong lang phra = Doing good without seeking recognition; doing a good but unacknowledged deed.



The CSR team and volunteering staff of Deves Insurance participated in the eleventh "For Bros and Sis's - From Socially-concerned Insurance and Business Friends" project activity run by the Thailand Insurance Magazine. The undertaking saw insurance people giving financial support towards improvement of facilities of schools and early childhood centres, providing lunches as well as personally repairing and painting the buildings of Baan Nong Haang School, Nong Ya Sai District, Suphanburi Province.

Blood donations Since 2007 to 2014, Deves Insurance personnel have made regular blood donations to the Thai Red Cross Society on a quarterly basis, having given until now 562,000 cc of blood altogether.



Moral promotion “Moral Schools under Bangkok Metropolitan Administration”

The Company’s CSR programmes and implementation have improved continuously and achieved satisfactory outcomes over the years. To fulfil the CSR policy of the Crown Property Bureau (CPB) - our principal shareholder - the Board of Directors therefore assigned, at the end of 2013, the Nomination and Remuneration Committee the task of exploring project options and proposing projects for funding from the CPB. Proposed projects should have a focus on children, youth and education in line with the CPB’s direction which keeps to His Majesty the King’s vision of laying the foundation for educating and developing our youth to be quality and valuable human resources of the nation.



Based on the above direction, the Nomination and Remuneration Committee formulated a plan to implement a “Moral Schools under Bangkok Metropolitan Administration” project, with Wat Tri Thotsathep School in Phra Nakhon District being the project’s model school and the Ministry of Culture’s Moral Promotion Center (Public Organization) being a key project partner. The project’s development context covered development of teachers, pupils/students, schools, communities and external environment.



On results, the project which began in May 2014 has been progressing well as planned. The teachers have been able to impart understanding and instill morals and ethics through the pupils' own design of moral projects to satisfy the needs covering "the problems they'd like to solve" and "the good deeds they'd like to do". Once the pupils have put the plans into earnest and continuing action, the practice would gradually develop them to become beneficent and selfless individuals who cherish unity and are economical, disciplined and community-minded.



All these development processes implemented to the Board's CSR policy and overseen by the Nomination and Remuneration Committee have directly produced results as set out in the objectives, i.e. improvement in environmental quality, improvement in community members' quality of life, as well as education promotion and youth development particularly in the special-needs group, which could lead to powerful self-dependence and sustainable development of society. Indirectly, the above processes have also helped refine the minds of those involved in the work so that they have become self-sacrificing, patient and public-spirited.



The continued efforts and determination to support Phra Nakhon District's community and youth development has earned Deves Insurance a commendation as "Leading Light Organization of Phra Nakhon" which was awarded by the Cultural Council of Phra Nakhon District in 2014. As the first business organization to receive the accolade - a symbol of praiseworthy merit, we deem the recognition the greatest honour and another source of greatest pride for Deves people and all concerned.

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 in general.

PRINCIPLES OF CORPORATE GOVERNANCE

Rights of Shareholders

The Company recognizes the shareholders' ownership rights and functions 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 regulatory requirements. 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 activities or 'Corporate News' is provided on the 'Company Profile' page of the website and on its facebook 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 members of the Board, especially the Chairman, 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 advisors 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 then be considered and adopted for operational improvement. Shareholders can fully exercise their voting rights in every decision made 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 convenient registration by all shareholders and proxies, a process which can now be done two hours in advance of 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 shareholders, investors and the interested public.

Protection of Shareholder Value

It remains our priority to protect the rights and entitlements of all shareholders. The Company has continuously implemented the 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 2014, the meeting of the Board set the date for the share register to be closed for transfers on Friday 4 April 2014 in determining those shareholders entitled to attend the Annual General Meeting scheduled to be held on Thursday 24 April 2014 at Seminar Room, 6th Floor, Deves Insurance Building 1, Ratchadamnoen Klang Avenue, Pranakorn, Bangkok - the location of the Company's head office. The notice of meeting was sent to all shareholders by registered mail on Thursday 10 April 2014, and was also placed in daily newspapers between 16 and 18 April 2014.

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 1120 hours, was attended in person and by proxy by 35 shareholders, representing an aggregate of 49,313,418 shares or 98.63% of all issued shares. Also present were 12 members of the Board of Directors, together with the Company's auditors, legal advisers as well as all 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 8 May 2014 and were submitted to all relevant agencies as statutorily required.

At the 2014 General Meeting, the shareholders also passed a resolution to approve the omission of dividend on 2013 results in light of the fact that, despite an operating profit for 2013, the Company continued to have an accumulated loss as a consequence of losses incurred from the 2011 floods.

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 future queries about the accuracy and transparency of the votes taken.

The Company ensures that the Ministry'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 2013 general meeting, three independent directors were designated by the Company as shareholders' proxies to attend on their behalf and vote as per their instructions.

Roles of Stakeholders

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

Shareholders : All shareholders are given equal importance and are treated 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 create 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 following ISO 9001 : 2008 quality policy:

"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 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 toward 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 activities and projects, with the aim to promote their sustainability and long-term benefit. All programmes are monitored and evaluated to ensure that they truly contribute to and serve the interests of targeted sectors of society. The Company has also acted as the focal point for initiating and encouraging employee association and involvement in initiatives 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 and 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 the Company's website at www.deves.co.th. Enquiries are welcomed on this regularly updated website. The Board Secretariat and Corporate Communications Office, which serves as the Investor Relations function, ensures all enquiries are attended to in a timely manner.

The above disclosures refer to the Company's financial statements which have been certified by the auditors as correct in material aspects in accordance with generally accepted accounting principles and which have been endorsed by the Audit Committee and the Board of Directors. Also included are the Company's corporate governance policy, annual performance reports of the Directors and Board committees, directors' and executive remuneration policy and details which reflects the duties and responsibilities of the Company Directors.

Additionally the Company has always complied with the rules of other regulatory agencies regarding submission of returns/reports and information disclosure. We deem that such practices are 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 the highest responsibility toward 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 at least five members. In 2014, the Company's Board had a membership of twelve, consisting of one executive Director and eleven non-executive Directors.

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 Standards

The Company has defined the standards of independent directors in accordance with the guidelines of the Office of the Insurance Commission (OIC) which prescribe that an independent director shall not engage in any business or work related 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 requirements:

- 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 shareholders, nor being an adviser or consultant receiving regular compensation from the insurance company or any of its affiliated, associated or related companies or its major shareholders;
- 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 shareholders;
- 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 director's performance. This applies to any term of service that ends in 2011 onwards."

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 distinct 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 [details disclosed under "Board of Directors" Section] have no effect on the fulfillment 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 advice to the Management on a regular basis.

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, the 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 toward successful performance of the Company.

Company Secretary: The Company has appointed a Company Secretary and set up a Board Secretariat and Corporate Communications Office to be responsible for liaising between the Board and the Management Team. Other responsibilities are to keep the Directors updated on relevant laws and regulations so as to provide assurance of strict compliance by their performance to all regulatory requirements and to ensure that the Management works to the Board resolutions.

2. 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 meet 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 determined by Board policy. Acknowledging 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 reported directly by the responsible parties.

Authority and Responsibilities of Board Committees

The Executive Committee was appointed on 25 June 1992. It is currently composed of 2 members and is responsible for the operational management 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 down to the Committees of the Board and to the next level of management.

The Audit Committee, appointed on 31 August 1999, consists of 3 independent Directors. It is responsible for discharging the tasks assigned by the Board. The main duties of the Committee are to oversee the accuracy, 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.

The Nomination and Remuneration Committee - In its meeting on 21 February 2003, the Board of Directors resolved to appoint a “Remuneration Committee” to comprise three members, with the Chairman and most members being independent Directors. The function of the Committee was to consider and recommend to the Board the compensation structure and system as well as the limit and budget for remuneration and benefits for Directors, Board Committees and top executives from 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. Later in 2010, the Board determined in its meetings 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 remedy. 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 is made up of four independent and non-executive Directors.

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.

3. 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 and introduced a "Corporate Governance Policy", a "Code of Business Ethics" as well as a "Code of Conduct for Staff" and has ensured strict and consistent compliance within the organization. The Policy and the Codes are also published 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 taken chiefly into account for 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 is responsible for preparing and submitting annually its audit plan and internal control appraisal plan for endorsement by the Board.

Moreover, a Corporate Strategy Department has also been set up within the Company's management structure to take responsibility 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.

4. Board Meetings

Board meetings are scheduled for consideration and approval of the Company's quarterly financial reports in accordance with the provisions of the Public Limited Companies Act. In addition to the four regular meetings, the Board also holds meetings 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 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 comprehensibly presented. During 2014, a total of five 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 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 while complying with all regulatory requirements.

6. Remuneration of Directors and Executives

The Nomination and Remuneration Committee is responsible for determining and recommending Directors' remuneration, through Board meeting, for approval of shareholders' meeting. Remuneration and benefits for Directors and members of every committee of the Board are subject to approval by shareholders. 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 as well as expected contribution of the individual members.

At present, the Directors' remuneration comprises annual fees and monthly or per-meeting attendance allowances 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 should be paid in respect of 2012 results in which losses were made due to the flood claims estimated and recognized in full in 2012 accounting year.

The 2012 Annual General Meeting also resolved to raise the remuneration of the Executive Committee Chairman by Baht 100,000 per month to Baht 125,000 per month. The resolution was proposed by the Nomination and Remuneration Committee and the Board of Directors 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 thus offered to continue to receive the original rate of remuneration and has since been giving written confirmation of such wish to the Company.

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 such approved annual fees.

The 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 are based on a set of realistic and measurable criteria aimed at achieving 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 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 an induction pack containing documents which introduce the business activities, direction and objectives of the Company and other information necessary for director's duties.

As regards executive development, the Company has arranged for senior officers to take training courses that can help the individual members to develop their business management skills or gain expertise in domestic and overseas business operations, and to apply the knowledge and experience acquired to contribute to the Company's performance.

BENEFIT OF DIRECTOR

	Benefit of Director in Year 2014 [Baht]					
	Benefit per month or per-meeting attendance				Bonus	Total
	Board of Directors	The Executive Committee	The Audit Committee	The Nomination and Remuneration Committee		
Dr Chirayu Isarangkun Na Ayuthaya	360,000	-	-	-	-	360,000
Mr Sansern Wongcha-um	240,000	-	-	80,000	156,360	476,360
Mr Aviruth Wongbuddhapitak	240,000	300,000	-	-	-	540,000
Mr Sompoch Intranukul	240,000	-	240,000	50,000	156,360	686,360
Mr Montri Mongkolswat	240,000	240,000	-	50,000	156,360	686,360
Mr Virasak Tokakuna	240,000	-	180,000	-	156,360	576,360
Mr Na Bhengbhasang Krishnamra	240,000	-	-	-	156,360	396,360
Mr Arrak Soontaros	240,000	-	-	-	156,360	396,360
Mrs Phansopit Likitthammanit	240,000	-	180,000	-	156,360	576,360
Dr Charnchai Musignisarkorn	240,000	-	-	50,000	156,360	446,360
Mr Sak Euarchukiati	240,000	-	180,000	-	156,360	576,360
Mr Chatchai Chinvetkitvanit	240,000	240,000	-	-	156,360	636,360
Total	3,000,000	780,000	780,000	230,000	1,563,600	6,353,600

Besides the benefits stated above, the Company did not pay any other benefits to Directors. As for the shareholding in 2014, none of the directors and executives hold the Company's shares.

BOARD'S MEETING

Directors' Attendance in Year 2014 [5 Board of Directors' Meetings were held.]

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

Executive Directors' Attendance in Year 2014 [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	12/12

Audit Directors' Attendance in Year 2014 [5 Audit Committee's Meetings were held.]

	Name	No. of Attendance
1	Mr Sompoch Intranukul Chairman of the Audit Committee	5/5
2	Mrs Phansopit Likitthammanit	5/5
3	Mr Virasak Tokakuna	4/5
4	Mr Sak Euarchukiati	5/5

Nomination and Remuneration Directors' Attendance in Year 2014 [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

THE APPROPRIATION OF THE EARNINGS

The Board of Directors proposes the appropriation of the earning

Unit : Baht

	December 31, 2014	December 31, 2013
Unappropriated retained earnings [deficit] brought forward	(57,117,822)	(121,540,980)
less - Actuarial loss	(3,273,420)	(727,659)
- Profit for the year	259,483,411	65,150,817
Total earnings [loss] available for appropriation	199,092,169	(57,117,822)
Appropriated of earnings		
1. Dividend	100,000,000	0
2. Legal reserve	11,000,000	0
3. Other reserve	0	0
4. Expansion reserve	0	0
Total Apperopriated retained earnings	111,000,000	0
5. Unappropriated retained earnings [deficit] carried forward	88,092,169	(57,117,822)
	199,092,169	(57,117,822)

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 PCL has appointed the Company's Audit Committee comprising four Independent Directors, namely:

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

The Audit Committee has fulfilled its duties and responsibilities as delegated by the Board. During 2014, the Committee held a total of five meetings with the Company's senior executives present and two of these committee meetings were also attended by the external auditors. The business of the meetings can be summarized as follows.

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

- Reviewing the 2013 annual financial statements and the 1st-3rd quarterly financial statements for 2014 by seeking explanations from 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:

- Considering and agreeing audit plans, receiving reports or findings of the internal auditors, as well as discussing with and advising the Management on 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. Considering legal compliance of related-party transactions or transactions with potential conflict of interest:

- Receiving updates of all 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 conformity 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 shareholders' meeting, the appointment of Mrs Nongluck Phumnoi / Miss Somjai Khunpasut / Miss Ratchada Yongsawasvanich / Miss Ratana Jala of EY Office Limited as the Company's external auditors for 2014 financial year, as well as the approval of their fees at 1.85 million baht.

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

5. Others

- Receiving updates on the organization's risk management; exchanging views with and making recommendations to the Management to prevent possible impact of risks on the Company's operations;
- Monitoring adherence to corporate governance policies to promote the confidence of shareholders, investors and all stakeholders.

In conclusion, the Audit Committee has performed its responsibilities as mandated by the Board by reviewing various aspects within the organization as described above and by providing observations and recommendations as and when appropriate. Through the discharge of its duties, the Committee has reached the opinion that over the reporting period 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

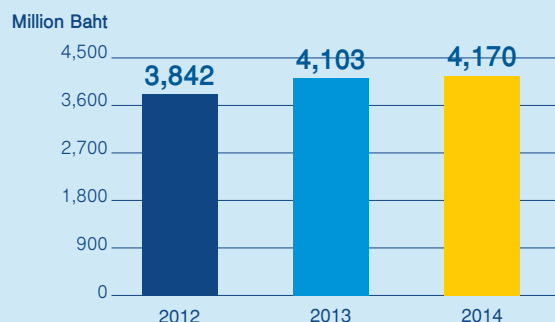
KEYS FINANCIAL RATIOS

(Unit : Million Baht)

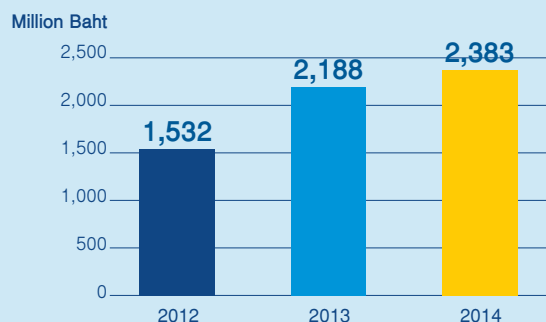
	2014	2013
FINANCIAL STATUS AT YEARS END		
Total Assets	15,635.97	17,042.80
Total Liabilities	13,217.55	14,886.35
Equity	2,418.42	2,156.45
OPERATING PERFORMANCE FOR THE YEAR		
Premium income	4,170.14	4,103.16
Net earned premium	2,265.45	1,879.90
Profit [loss] from underwriting	136.31	(53.43)
Investment income	149.72	129.95
Net other income	63.52	52.36
Operating expenses	260.64	462.51
Income tax	65.95	39.80
Net Profit for the year	259.48	65.15
FINANCIAL RATIOS		
Return on premium income	6.22%	1.59%
Return on equity	10.73%	3.02%
Return on total assets	1.66%	0.38%
Earnings per share	5.19	1.30
Book value per share	48.37	43.13
Number of ordinary shares [million shares]	50.00	50.00

KEYS FINANCIAL RATIOS

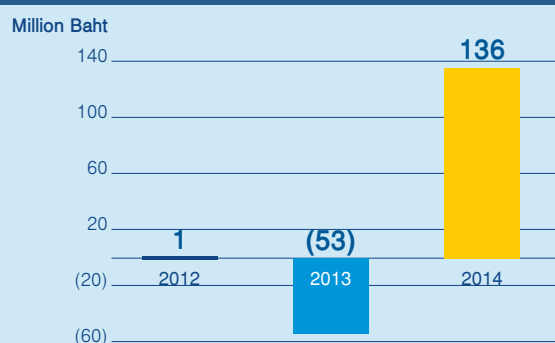
Gross Premium Written



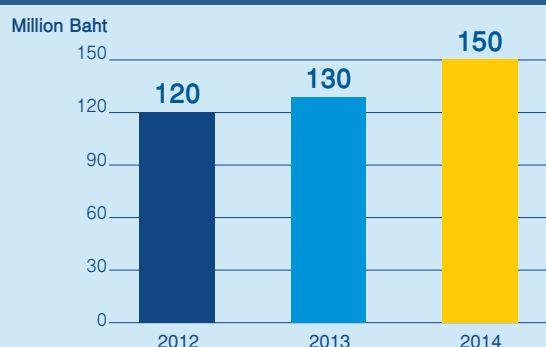
Net Premium Written



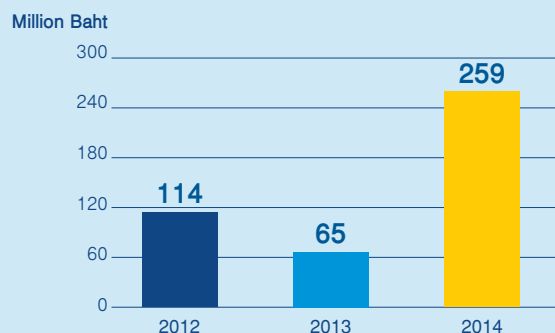
Profit [loss] from Underwriting



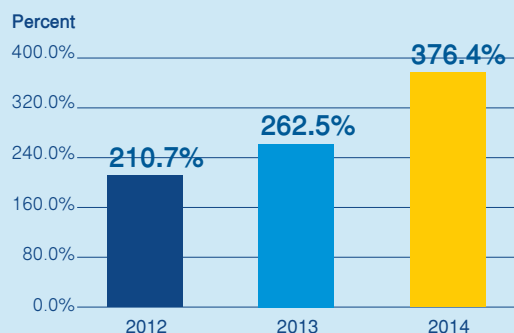
Investment Income



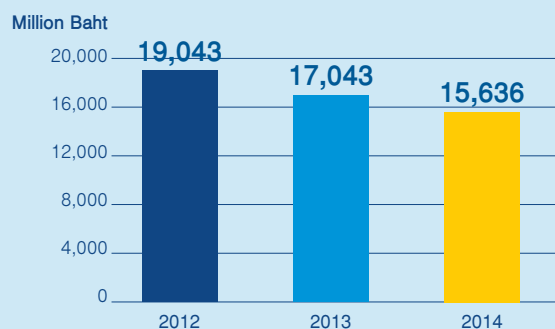
Net Profit [loss]



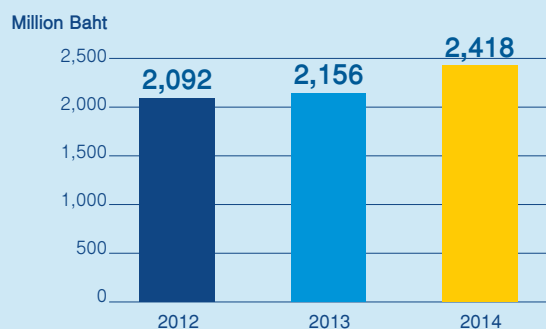
Capital Adequacy Ratio



Total Assets



Equity



OPERATING RESULT AND FINANCIAL POSITION

Summary of 2014 operating result

In 2014, the Company has total underwriting income and total investment income equal to 2,654.8 million Baht, increased by 445.5 million Baht or 20.2% from the year 2013, on an increase in total underwriting income of 425.8 million Baht, or a rise of 20.5%, meanwhile investment income have increased by 17.7 million Baht or 13.6%. Other income has increased by 10.9 million in 2014 Baht or 20.3%.

The Company has 2 main types of expenses including underwriting expenses and operating expenses. In 2014, the Company has underwriting expenses amounted to 2,108.2 million Baht, increased by 26.2%. The operating expenses are amounting to 260.6 million Baht, decreased by 201.9 million Baht which came from allowance for doubtful accounts of reinsurance assets amounting to 215 million Baht.

In 2014, the Company has its profit before corporate income tax of 325.4 million Baht, increased by 220.5 million Baht from 2013 or 210% and net profit for the year is 259.5 million Baht, increased by 194.3 million Baht from 2013, or 298%.

As at 31 December 2014, the Company has total assets amounted to 15,635.9 million Baht, decreased by 8.25% from 2013. The total assets comprise Cash and cash equivalent, Investments assets, Property building and equipment, Reinsurance assets, Accrued investment income, Premium receivable, Intangible assets, Deferred tax assets, and other assets. The reasons for the significant change in assets compared to last year are as follow:

1. Reinsurance assets in 2014 are totaling to 8,954.8 million Baht, or equivalent to 57.3 % of total assets, decreased by 1,977.9 million Baht from 2013 or 18%, which came from downward adjusting of loss reserve during the year.
2. Investment assets in 2014 are totaling to 4,474.6 million Baht or 28.6% of total assets, increased by 1,036.5 million Baht from 2013 or 30.1% which is in line with the company's motor underwriting policy.

The Company's liabilities at the end of 2014 are amounting to 13,217.6 million Baht, decreased by 1,668.6 million Baht from 2013 or 11.2%. This is mainly due to downward adjusting loss reserve during the year.

The Company's equity at the end of 2014 is amounting to 2,418.4 million Baht, increased by 261.9 million Baht from prior year or 12.1%

REPORT AND FINANCIAL STATEMENTS

The Deves Insurance Public Company Limited

31 December 2014

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of The Deves Insurance Public Company Limited

I have audited the accompanying financial statements of The Deves Insurance Public Company Limited which comprise the statement of financial position as at 31 December 2014, and the related statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Thai Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

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 2014, and its financial performance and cash flows for the year then ended in accordance with Thai Financial Reporting Standards.



Nonglak Pumnoi

Certified Public Accountant (Thailand) No. 4172

EY Office Limited

Bangkok: 26 February 2015

Statement of financial position

The Deves Insurance Public Company Limited

As at 31 December 2014

(Unit: Baht)

	Note	31 December 2014	31 December 2013
Assets			
Cash and cash equivalents	6	285,580,432	836,257,175
Accrued investment income	7	26,355,780	58,261,989
Premium receivables	8	404,905,225	426,099,509
Reinsurance assets	9	8,954,836,509	10,932,790,554
Investment assets			
Investments in securities			
Trading investments	10.1	1,464	1,113
Available-for-sale investments	10.2	728,766,940	-
Held-to-maturity investments	10.3	3,729,225,750	3,418,098,398
Other investments	10.4	7,235,910	7,285,910
Loans	11	9,376,297	12,687,626
Properties foreclosed		-	1,674,794
Property, buildings and equipment	12	48,440,660	49,012,403
Leasehold right	13	25,579,956	27,418,248
Intangible assets	14	7,270,581	7,371,573
Deferred tax assets	15	236,102,192	222,178,966
Prepaid premium ceded		858,294,559	753,702,528
Other assets	16	313,997,631	289,958,486
Total assets		15,635,969,886	17,042,799,272

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

Statement of financial position (continued)

The Deves Insurance Public Company Limited

As at 31 December 2014

(Unit: Baht)

	Note	31 December 2014	31 December 2013
Liabilities and equity			
Liabilities			
Income tax payable		-	23,264,277
Due to reinsurers	17	746,158,007	979,893,646
Insurance contract liabilities			
Loss reserves and outstanding claims	18	8,599,392,664	10,226,040,225
Premium reserve	19	1,911,534,187	1,907,292,276
Employee benefit obligation	20	60,567,447	57,042,501
Premiums received in advance		1,456,736,365	1,323,395,122
Deferred tax liabilities	15	1,440,663	131
Other liabilities	21	441,722,479	369,425,135
Total liabilities		13,217,551,812	14,886,353,313
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	22	23,000,000	12,000,000
Other reserve		970,000,000	970,000,000
Expansion reserve		111,563,781	111,563,781
Unappropriated (deficit)		188,092,169	(57,117,822)
Other component of owners' equity		5,762,124	-
Total equity		2,418,418,074	2,156,445,959
Total liabilities and equity		15,635,969,886	17,042,799,272

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

Statement of comprehensive income

The Deves Insurance Public Company Limited

For the year ended 31 December 2014

(Unit: Baht)

	Note	2014	2013
Income			
Net earned premium		2,265,445,721	1,879,896,197
Fee and commission income		239,663,492	199,403,873
Total income		2,505,109,213	2,079,300,070
Expenses			
Underwriting			
Claims expenses			
Claims and loss adjustment expenses		1,204,439,826	850,606,748
Commissions and brokerages expenses		399,933,481	358,442,803
Other underwriting expenses		466,983,853	429,789,138
Contribution to Road Accident Victims Protection Company Limited		36,803,872	31,382,584
Operating expenses	23	260,641,986	462,510,517
Total underwriting expenses		2,368,803,018	2,132,731,790
Profit (loss) from underwriting		136,306,195	(53,431,720)
Net investment income		147,620,393	129,953,107
Gains on investments		2,100,740	-
Fair value gains	4	237	
Other income		64,507,249	53,601,637
Other expenses		(989,293)	(1,237,502)
Profit from operations		349,545,288	128,885,759
Contribution to the Office of Insurance Commission		(10,801,366)	(10,594,542)
Contribution to the General Insurance Fund	30	(10,301,366)	(10,094,542)
Contribution to the Victims Compensation Fund		(3,004,398)	(2,561,844)
Finance costs		-	(682,283)
Profit before income tax expense		325,438,158	104,952,548
Less: Income tax expense	15	(65,954,747)	(39,801,731)
Profit for the year		259,483,411	65,150,817

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

Statement of comprehensive income (continued)

The Deves Insurance Public Company Limited

For the year ended 31 December 2014

(Unit: Baht)

	Note	2014	2013
Other comprehensive income:			
Gains on revaluation of available-for-sale investments		7,202,654	-
Actuarial loss		(4,091,774)	(909,574)
Income tax relating to components of other comprehensive income		(622,176)	181,915
Other comprehensive income for the year - net of income tax		2,488,704	(727,659)
Total comprehensive income for the year		261,972,115	64,423,158
Earnings per share	26		
Basic earnings per share			
Profit for the year		5.19	1.30

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

Statement of change in owner's equity

The Deves Insurance Public Company Limited

For the year ended 31 December 2014

(Unit: Baht)								
	Issued and paid-up share capital	Premium on share capital	Retained earnings				Other component of owner's equity	Total
			Appropriated		Expansion reserve	Unappropriated		
			Statutory reserve	Other reserve			Revaluation surplus on available-for-sale investment-net of income taxes	
Balance as at 1 January 2013	500,000,000	620,000,000	12,000,000	970,000,000	111,563,781	(121,540,980)	-	2,092,022,801
Profit for the year								
Other comprehensive income								
Total comprehensive income for the year								
Balance as at 31 December 2013	500,000,000	620,000,000	12,000,000	970,000,000	111,563,781	(57,117,822)	-	2,156,445,959
Balance as at 1 January 2014	500,000,000	620,000,000	12,000,000	970,000,000	111,563,781	(57,117,822)	-	2,156,445,959
Profit for the year								
Other comprehensive income								
Total comprehensive income for the year								
Unappropriated retained earnings transferred to statutory reserve (Note 22)								
Balance as at 31 December 2014	500,000,000	620,000,000	23,000,000	970,000,000	111,563,781	188,092,169	5,762,124	2,418,418,074

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

Statement of cash flows

The Deves Insurance Public Company Limited

For the year ended 31 December 2014

(Unit: Baht)

	2014	2013
Cash flows from operating activities		
Direct premium written	4,259,916,499	4,376,673,725
Cash received (paid) for reinsurers	(379,105,374)	1,270,580,951
Losses incurred on direct insurance	(2,168,447,970)	(3,756,163,374)
Losses adjustment expenses on direct insurance	(164,589,933)	(81,020,728)
Commissions and brokerages on direct insurance	(425,366,650)	(374,412,383)
Other underwriting expenses	(458,793,759)	(429,789,139)
Interest income	181,627,346	104,249,203
Other income	61,503,856	31,796,392
Operating expenses	(304,090,452)	(209,477,807)
Corporate income tax	(109,743,598)	(46,096,671)
Net cash flows from operating activities	492,909,965	886,340,169
Cash flows from investing activities		
Cash flows from		
Investments in securities	971,815,703	161,346,051
Loans	3,311,330	4,651,366
Deposits at financial institutions	645,662,378	16,697,032
Building and equipment	2,800,000	14,000,000
Property, building and equipment	983,400	760,373
Cash flows from investing activities	1,624,572,811	197,454,822
Cash flows used in		
Investments in securities	(1,500,000,347)	(360,000,000)
Deposits at financial institutions	(1,150,000,000)	(592,007,519)
Property, building and equipment	(17,351,131)	(13,053,871)
Intangible assets	(808,041)	(5,523,150)
Cash flows used in investing activities	(2,668,159,519)	(970,584,540)
Net cash flows used in investing activities	(1,043,586,708)	(773,129,718)
Cash flows from financing activities		
Repayment of liabilities under financial lease agreements	-	(1,803,913)
Net cash flows used in financing activities	-	(1,803,913)
Net increase (decrease) in cash and cash equivalents	(550,676,743)	111,406,538
Cash and cash equivalents at beginning of year	836,257,175	724,850,637
Cash and cash equivalents at end of year (Note 6)	285,580,432	836,257,175

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

Notes to financial statements

The Deves Insurance Public Company Limited

For the year ended 31 December 2014

1. General information

1.1 Corporate 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.

1.2 Severe flood situation

In the fourth quarter of 2011, there was severe flooding in Thailand. The floods materially affected the financial statements of the Company, with the financial impact reflected in the financial statements until 31 December 2014 are as follows:

(Unit: Million Baht)

	Gross claims	Claims reserve refundable from reinsures	Net claims after refundable	Claim from Quota share retrocession treaty as per market agreement	Net claims
Loss reserves and outstanding claims	88	(79)	9	2	11
Claim paid	7,120	(6,571)	549	208	757
Total	7,208	(6,650)	558	210	768
Claim reserve refundable from reinsurance under Excess of Loss Contracts			(29)	-	(29)
Claim reserve received from reinsurance under Excess of Loss Contracts			(381)	(9)	(390)
Net claims expense - recognised in the statement of comprehensive income			148	201	349
Net claim expense - recognised as expenses until the end of 2013 ⁽¹⁾			(149)	(214)	(363)
Net claim expense - recognised as expenses in 2014 ⁽¹⁾			(1)	(13)	(14)

⁽¹⁾ Recognised income as a deduction in "claims and losses adjustment expenses" in the statement of comprehensive income

The Company currently set aside loss reserves and claim reserve refundable from reinsurer based on best estimates, with reference to supporting documentation and surveyors' reports.

2. Basis of preparation

The financial statements have been prepared in accordance with Thai Financial Reporting Standards enunciated under the Accounting Profession Act B.E. 2547 and in accordance with Thai accounting practices related to insurance and the accounting and reporting guidelines prescribed by the Office of Insurance Commission ("OIC"). The presentation of the financial statements has been made in compliance with the Declaration of the Insurance Commission dated 27 May 2010.

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 Thai language financial statements.

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

3. New financial reporting standards

Below is a summary of financial reporting standards that became effective in the current accounting year and those that will become effective in the future.

(a) Financial reporting standards that became effective in the current accounting year

Conceptual Framework for Financial Reporting (revised 2014)

Accounting Standards:

TAS 1 (revised 2012)	Presentation of Financial Statements
TAS 7 (revised 2012)	Statement of Cash Flows
TAS 12 (revised 2012)	Income Taxes
TAS 17 (revised 2012)	Leases
TAS 18 (revised 2012)	Revenue
TAS 19 (revised 2012)	Employee Benefits
TAS 21 (revised 2012)	The Effects of Changes in Foreign Exchange Rates
TAS 24 (revised 2012)	Related Party Disclosures
TAS 28 (revised 2012)	Investments in Associates
TAS 31 (revised 2012)	Interests in Joint Ventures
TAS 34 (revised 2012)	Interim Financial Reporting
TAS 36 (revised 2012)	Impairment of Assets
TAS 38 (revised 2012)	Intangible Assets

Financial Reporting Standards:

TFRS 2 (revised 2012)	Share-based Payment
TFRS 3 (revised 2012)	Business Combinations
TFRS 5 (revised 2012)	Non-current Assets Held for Sale and Discontinued Operations
TFRS 8 (revised 2012)	Operating Segments

Accounting Standard Interpretations:

TSIC 15	Operating Leases - Incentives
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease
TSIC 29	Service Concession Arrangements: Disclosures
TSIC 32	Intangible Assets - Web Site Costs

Financial Reporting Standard Interpretations:

TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4	Determining whether an Arrangement contains a Lease
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7	Applying the Restatement Approach under TAS 29 <i>Financial Reporting in Hyperinflationary Economies</i>
TFRIC 10	Interim Financial Reporting and Impairment
TFRIC 12	Service Concession Arrangements
TFRIC 13	Customer Loyalty Programmes
TFRIC 17	Distributions of Non-cash Assets to Owners
TFRIC 18	Transfers of Assets from Customers

Accounting Treatment Guidance for Stock Dividend

These financial reporting standards were amended primarily to align their content with the corresponding International Financial Reporting Standards. Most of the changes were directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of the accounting standards. These financial reporting standards do not have any significant impact on the financial statements.

(b) Financial reporting standards that will become effective in the future

The Federation of Accounting Professions has issued a number of revised and new financial reporting standards. 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 accounting standards. The management of the Company believes they will not have any significant impact on the financial statements in the year in which they are adopted. However, some of these financial reporting standards involve changes to key principles, as discussed below:

Financial reporting standards become effective for fiscal years beginning on or after 1 January 2015.

TAS 19 (revised 2014) Employee Benefits

This revised standard requires that the entity recognises actuarial gains and losses immediately in other comprehensive income while the existing standard allows the entity to recognise such gains and losses immediately in profit or loss, or in other comprehensive income, or to recognise them gradually in profit or loss.

This revised standard does not have any impact on the financial statements as the Company already recognised actuarial gains and losses immediately in other comprehensive income.

TFRS 13 Fair Value Measurement

This standard provides guidance on how to measure fair value and stipulates disclosures related to fair value measurements. Entities are to apply the guidance under this standard if they are required by other financial reporting standards to measure their assets or liabilities at fair values. The effect of the change from the adoption of this standard is to be recognised prospectively.

Based on the preliminary analysis, the management of the Company believes that this standard will not have any significant impact on the Company's financial statements.

Financial reporting standards become effective for fiscal years beginning on or after 1 January 2016.

TFRS 4 Insurance Contracts

The objective of TFRS 4 is to specify the financial reporting for insurance contracts issued by any entity until the second phase of its project on insurance contracts is completed. In particular, this TFRS requires disclosure that identifies and explains the amounts in an insurer's financial statements arising from insurance contracts and prohibits provisions for possible claims that are not in existence at the end of the reporting period. In addition, it requires a test for the adequacy of recognised insurance liabilities and an impairment test for reinsurance assets. This TFRS exempts an insurer temporarily from some requirements of other TFRSs, including the requirement to consider the framework in selecting accounting policies for insurance contracts.

4. Significant accounting policies

4.1 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 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.

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 incurred.

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.

(c) 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.

(d) Gain (loss) on investment

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

(e) Interest income on loan

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

4.2 Expenses recognition

(a) Ceded premium

Ceded premium is recognised as expenses when the insurance risk is transferred to another insurer.

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

(b) 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.

(c) Claims and losses adjustment expenses

Claims and losses adjustment expenses consist of claims and losses adjustment expenses of direct insurance and reinsurance, and include 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 claims refundable 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 as expenses when the reinsurer places the loss advice or the statement of accounts with the Company.

4.3 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.

4.4 Premium receivables and allowance for doubtful accounts

Premium receivables from both direct and reinsurance is stated at net realisable value. The Company set 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, analysis of debtor aging and a review of current status of the premium due as at the end of reporting period.

4.5 Reinsurance assets and due to reinsurers

(a) Reinsurance assets are stated at the outstanding balance of amount due from reinsurers, amounts deposit on reinsurance and insurance reserve refundable from reinsurers.

Amounts due from reinsurers consist of accrued commission and brokerage income, claims and various other items receivable from reinsurers, excluding reinsurance premium receivable, 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 status of receivables from reinsurers as at the end of the reporting period.

Insurance reserve refundable from reinsurers is estimated based on the related reinsurance contract of loss reserve and outstanding claims in accordance with the law regarding insurance reserve calculation.

(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 (reinsurance assets 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.

4.6 Investments in securities

- (a) Investments in securities held for trading are stated at fair value. Changes in the fair values of these securities are recorded in profit or loss. Investments are classified as held for trading if they are acquired for the purpose of selling in the near term.
- (b) Investments in available-for-sale securities are stated at fair value. Changes in the fair values 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. The debt securities are classified as held-to-maturity when the Company has the positive intention and ability to hold them to maturity.
- (d) Investments in non-marketable equity securities, which the Company classifies as other investments, are stated at cost net of allowance for loss on impairment (if any).

The fair value of marketable security is based on the latest bid price of the last working day of the year. The fair value of debt instrument is determined based on the yield rate quoted by the Thai Bond Market Association. The fair value of unit trust is determined from its net asset value.

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

In the event the Company reclassifies investment from one type to another, such investment will be readjusted to its fair value as at the reclassification date. The difference between the carrying amount of the investment and the fair value on the date of reclassification is 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.

4.7 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.

4.8 Properties foreclosed

Properties foreclosed as stipulated by the OIC are presented at cost less allowance for loss on impairment. Such properties foreclosed consist of (1) properties that belong to the Company as a result of debt settlement or the Company's purchase of properties mortgaged with the Company through an auction held by order of a court or the official receiver, together with possession of properties as a result of finance leasing or hire purchase; (2) land, buildings and other properties, including leasehold rights, to be used for business operations or for employees and that are no longer used for that purpose.

4.9 Property, buildings and equipment and depreciation

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

Depreciation of building and equipment items are 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
Furniture, 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, building 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 3 years and 10 years.

4.11 Leasehold rights and amortisation

Leasehold rights are stated at cost less accumulated amortisation. Amortisation is calculated by reference to its cost on a straight-line basis over the lease period.

The amortisation expense is charged to profit or loss.

4.12 Related party transactions

Related parties comprise enterprises and individuals 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 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 Loss reserves and outstanding claims

Outstanding claims are recorded at the amount to be actually paid. Loss reserve is 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 not however, to exceed the sum-insured under the relevant policy.

The Company has to allocate IBNR, which is calculated by the actuarial method based on a best estimated of claims which are expected to be paid in respect of losses occurring before or as at the reporting period. The IBNR is calculated for both reported and not reported losses, and net of recorded claims.

4.14 Premium reserve

Premium reserve consists 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:

Fire, marine and transportation (Hull) Motor and Miscellaneous	• Daily average basis (the one-three hundred sixty-fifth basis)
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

(b) Unexpired risk reserve

Unexpired risk reserve is the reserve for the claims 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.

4.15 Long-term leases

Leases of 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 equipment acquired under finance leases is depreciated over the useful life of the asset.

Operating lease payments are recognised as an expense in profit or loss on a straight line basis over the lease term.

4.16 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 determining income.

4.17 Impairment of assets

At the end of each reporting period, the Company performs impairment reviews in respect of the property 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.

4.18 Employee benefits

(a) Short-term employee benefits

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

(b) 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 based on actuarial techniques, using the projected unit credit method.

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

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 Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current 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 and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward 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 equity if the tax relates to items that are recorded directly to equity.

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:

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 risk 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, the management needs to make judgment and estimates based upon, among other things, debt collection experience, aging profile of outstanding debts and the prevailing economic condition.

Impairment of equity investments

The Company treats investments in available-for-sales securities and other investments as impaired when there has been a significant or prolonged decline in the fair value below its 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

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 asset 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.

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 ultimate cost of outstanding claims is established using a range of standard actuarial claims projection techniques, such as the Chain Ladder or Bornheutter-Ferguson methods.

The main assumptions underlying these techniques relate to historical experience, including the development of claims estimates, paid and incurred losses, average costs per claim and claim numbers. To perform the calculation, it is necessary to perform analysis based on the type of insurance and to use the services of an actuary with expertise, experience, and an understanding of the insurance business and the Company's products.

Nevertheless, 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 expected to incur over the remaining term of the insurance. Estimating the reserve requires the management to exercise judgment, 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 judgment 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)	
	2014	2013
Cash on hand	562,200	499,251
Deposits at banks with no fixed maturity date	169,355,854	455,869,280
Deposits at banks with fixed maturity date	2,213,412,378	1,673,412,378
Total cash and deposits with financial institution	2,383,330,432	2,129,780,909
Short-term investments which amounts maturing within 3 months	-	299,888,644
Total	2,383,330,432	2,429,669,553
Less: Deposits at banks which amounts maturing in over 3 months	(2,092,700,000)	(1,589,612,378)
Deposits at banks which subject to restrictions	(5,050,000)	(3,800,000)
Cash and cash equivalents	285,580,432	836,257,175

As at 31 December 2014, fixed deposits totaling Baht 5.05 million (2013: Baht 3.8 million) have been pledged 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 at 31 December 2014, bank deposits in saving account, fixed deposits and short-term investment carried interest between 0.125% and 2.65% per annum (2013: between 0.125% and 2.90% per annum).

7. Accrued investment income

(Unit: Baht)

	2014	2013
Accrued investment income	26,771,301	58,677,510
Less: Allowance for doubtful accounts	(415,521)	(415,521)
Accrued investment income, net	26,355,780	58,261,989

8. Premium receivables

The balances as at 31 December 2014 and 2013 of premium receivables are classified by aging from the maturity date under the stipulated law of the premium collection as follows:

(Unit: Baht)

	2014			
	Due from insured	Due from agents and brokers	Due from reinsurers	Total
Not yet due	124,444,676	185,259,418	-	309,704,094
Not over 30 days	11,086,663	17,535,663	765,773	29,388,099
Overdue 31 days to 60 days	6,753,294	5,746,677	392,497	12,892,468
Overdue 61 days to 90 days	962,188	3,423,208	70,656	4,456,052
Overdue 91 days to 1 year	33,363,891	9,020,939	71,009	42,455,839
Overdue 1 year	5,203,043	763,480	419,148	6,385,671
Total premium receivables	181,813,755	221,749,385	1,719,083	405,282,223
Less: Allowance for doubtful accounts	(37,417)	(339,581)	-	(376,998)
Premium receivables, net	181,776,338	221,409,804	1,719,083	404,905,225

(Unit: Baht)

	2013			
	Due from insured	Due from agents and brokers	Due from reinsurers	Total
Not yet due	116,127,690	180,118,227	57,733	296,303,650
Not over 30 days	13,435,677	23,714,329	482,328	37,632,334
Overdue 31 days to 60 days	4,781,321	11,443,141	950,213	17,174,675
Overdue 61 days to 90 days	877,505	3,461,528	4,115,336	8,454,369
Overdue 91 days to 1 year	28,977,496	21,709,512	8,425,785	59,112,793
Overdue 1 year	2,659,461	2,368,084	2,745,798	7,773,343
Total premium receivables	166,859,150	242,814,821	16,777,193	426,451,164
Less: Allowance for doubtful accounts	-	(351,655)	-	(351,655)
Premium receivables, net	166,859,150	242,463,166	16,777,193	426,099,509

For premium receivables due from agents and brokers, 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.

9. Reinsurance assets

(Unit: Baht)

	2014	2013
Amounts due from reinsurers - net	285,458,388	617,046,356
Insurance reserve refundable from reinsurers	8,709,345,475	10,350,744,198
Less: Allowance for doubtful accounts	(39,967,354)	(35,000,000)
Insurance reserve refundable from reinsurers - net	8,669,378,121	10,315,744,198
Reinsurance assets, net	8,954,836,509	10,932,790,554

Insurance reserve refundable from reinsurers as at 31 December 2014 includes insurance reserve refundable from reinsurers from flooding loss amounting to Baht 108 million (2013: Baht 425 million) as described in Note 1.2 to the financial statements.

The balances as at 31 December 2014 and 2013 of amounts due from reinsurers are classified by aging as follows:

(Unit: Baht)

	2014	2013
Not yet due	72,252,118	85,078,070
Not over 12 months	104,872,084	433,060,730
Over 1 year to 2 years	185,903,273	368,789,499
Over 2 years	202,430,913	10,118,057
Total amounts due from reinsurers	565,458,388	897,046,356
Less: Allowance for doubtful accounts	(280,000,000)	(280,000,000)
Total amounts due from reinsurers - net	285,458,388	617,046,356

10. Investment in securities

10.1 Held-for-trading investment

(Unit: Baht)

	2014				
	Cost	Unrealised gain	Unrealised loss	Fair value	Percentage of investments to total assets
Private enterprise securities					
Stocks	805	659	-	1,464	-
Total trading securities	805	659	-	1,464	-

(Unit: Baht)

	2013				
	Cost	Unrealised gain	Unrealised loss	Fair value	Percentage of investments to total assets
Private enterprise securities					
Stocks	458	655	-	1,113	-
Total trading securities	458	655	-	1,113	-

10.2 Available-for-sale investments

(Unit: Baht)

	2014				Percentage of investments to total assets
	Cost	Unrealised gain	Unrealised loss	Fair value	
Private enterprises securities					
Unit trusts	721,564,286	7,202,654	-	728,766,940	4.5
Total available-for-sale investments	721,564,286	7,202,654	-	728,766,940	4.5

10.3 Held-to-maturity investments

(Unit: Baht)

	2014		2013	
	Cost/ Amortised cost	Percentage of investments to total assets	Cost/ Amortised cost	Percentage of investments to total assets
Government and state enterprise securities				
Government securities	664,109,037	4.10	664,759,881	3.90
State enterprise securities	-	-	86,414,965	0.51
Debentures	320,062,473	1.98	320,298,517	1.88
Total	984,171,510	6.08	1,071,473,363	6.29
Private enterprise securities				
Bill of exchange	-	-	50,000,000	0.29
Debentures	654,404,240	4.04	710,312,657	4.16
Total	654,404,240	4.04	760,312,657	4.45
Less: Allowance for impairment	(7,100,000)	(0.04)	(7,100,000)	(0.04)
Total	647,304,240	4.00	753,212,657	4.41
Deposits at banks which amounts maturing in over 3 months				
Deposits at commercial banks	2,097,750,000	12.96	1,593,412,378	9.34
Total	2,097,750,000	12.96	1,593,412,378	9.34
Total held-to-maturity investments, net	3,729,225,750	23.04	3,418,098,398	20.04

10.4 Other investments

(Unit: Baht)

	2014		2013	
	Cost	Percentage of investments to total assets	Cost	Percentage of investments to total assets
Investments in non-listed companies in Thailand	7,327,910	0.05	7,377,910	0.04
Less: Allowance for impairment	(92,000)	(0.00)	(92,000)	(0.00)
Total other investments, net	7,235,910	0.04	7,285,910	0.04

10.5 Remaining period of debt securities

(Unit: Baht)

	2014				2013			
	Period to maturity			Total	Period to maturity			Total
	1 Year	1 - 5 Years	Over 5 Years		1 Year	1 - 5 Years	Over 5 Years	
Held-to-maturity investments								
Government and state enterprise securities								
Government securities	-	126,212,337	537,896,700	664,109,037	-	112,681,406	552,078,475	664,759,881
State enterprise securities	-	-	-	-	86,414,965	-	-	86,414,965
Debentures	20,062,469	-	300,000,004	320,062,473	-	20,298,513	300,000,004	320,298,517
Total	20,062,469	126,212,337	837,896,704	984,171,510	86,414,965	132,979,919	852,078,479	1,071,473,363
Private enterprise securities								
Bill of exchange	-	-	-	-	50,000,000	-	-	50,000,000
Debentures	7,100,000	477,304,240	170,000,000	654,404,240	212,439,554	246,056,080	251,817,023	710,312,657
Total	7,100,000	477,304,240	170,000,000	654,404,240	262,439,554	246,056,080	251,817,023	760,312,657
Less: Allowance for impairment	(7,100,000)	-	-	(7,100,000)	(7,100,000)	-	-	(7,100,000)
Total	-	477,304,240	170,000,000	647,304,240	255,339,554	246,056,080	251,817,023	753,212,657
Deposits at banks with amounts maturing in over 3 months								
Deposit at commercial banks	2,097,750,000	-	-	2,097,750,000	1,593,412,378	-	-	1,593,412,378
Total	2,097,750,000	-	-	2,097,750,000	1,593,412,378	-	-	1,593,412,378
Total investments in debt securities , net	2,117,812,469	603,516,577	1,007,896,704	3,729,225,750	1,935,166,897	379,035,999	1,103,895,502	3,418,098,398

Movement of other component of owners' equity - revaluation surplus on available-for-sale investments for the year ended 31 December 2014 is presented below.

(Unit: Baht)

	For the year ended 31 December 2014
Revaluation surplus on available-for-sale investments - beginning balance	-
Gains on revaluation of investments during the year	7,202,654
Revaluation surplus on available-for-sale investments - ending balance	7,202,654
Less: Income tax	(1,440,530)
Revaluation surplus on available-for-sale investments - net of income tax	5,762,124

10.6 As at 31 December 2014 and 2013, the Company has pledged securities as collateral as follows:

(Unit: Baht)

	2014	2013
Securities placed with Insurance Registrar (Note 28)	14,082,275	14,099,972
Bonds placed as reserve with the Registrar (Note 29)	306,668,394	333,696,704
Bonds placed as required in the normal course of business of the Company	43,358,367	43,378,170
Total	364,109,036	391,174,846

11. Loans and accrued interest

11.1 As at 31 December 2014 and 2013, loans and accrued interest aged by principle and accrued interest are as follows:

(Unit: Baht)

Outstanding period	2014						
	Mortgaged loans		Other loans		Total		
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Total
Not yet due	6,668,392	4,973	2,707,905	1,143	9,376,297	6,116	9,382,413
Loans and accrued interest, net	6,668,392	4,973	2,707,905	1,143	9,376,297	6,116	9,382,413

(Unit: Baht)

Outstanding period	2013						
	Mortgaged loans		Other loans		Total		
	Principal	Accrued interest	Principal	Accrued interest	Principal	Accrued interest	Total
Not yet due	9,072,055	8,057	3,615,571	1,910	12,687,626	9,967	12,697,593
Loans and accrued interest, net	9,072,055	8,057	3,615,571	1,910	12,687,626	9,967	12,697,593

11.2 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 SCB**'s 1-year fixed deposit rate for personal accounts
Housing loan	Pledged assets	Not exceeding 60 times monthly salary with a limit of Baht 1.2 million, and not exceed 80% of the appraised value of the collateral	2.0% per annum plus SCB**'s 1-year fixed deposit rate for personal accounts
		Credit line exceeding 60 times monthly salary or Baht 1.2 million	SCB**'s MLR plus 0.5% per annum

*The Company used interest rate of Siam Commercial Bank Pcl.

12. Property, buildings and equipment

(Unit: Baht)

	Land	Buildings and building improvements	Furniture, fixture and office equipment	Motor vehicles	Assets under construction	Total
Cost:						
1 January 2013	11,088,422	116,047,028	133,552,877	48,313,499	1,475,914	310,477,740
Additions	-	1,837,101	6,342,266	-	4,874,504	13,053,871
Transfer in (out)	-	542,647	-	-	(542,647)	-
Disposal/write-off	-	-	(1,593,403)	(5,025,329)	-	(6,618,732)
31 December 2013	11,088,422	118,426,776	138,301,740	43,288,170	5,807,771	316,912,879
Additions	-	579,048	8,954,047	-	7,009,996	16,543,091
Transfer in (out)	-	11,641,699	591,121	-	(12,232,820)	-
Disposal/write-off	-	-	(5,146,804)	(3,555,543)	-	(8,702,347)
31 December 2013	11,088,422	130,647,523	142,700,104	39,732,627	584,947	324,753,623
Accumulated depreciation:						
1 January 2013	-	93,123,163	121,791,341	42,592,623	-	257,507,127
Depreciation for the year	-	7,445,531	6,176,525	3,279,534	-	16,901,590
Accumulated depreciation on disposals/write-off	-	-	(1,572,461)	(4,935,780)	-	(6,508,241)
31 December 2013	-	100,568,694	126,395,405	40,936,377	-	267,900,476
Depreciation for the year	-	7,805,003	7,659,386	1,547,832	-	17,012,221
Accumulated depreciation on disposals/write-off	-	-	(5,128,625)	(3,471,109)	-	(8,599,734)
31 December 2014	-	108,373,697	128,926,166	39,013,100	-	276,312,963
Net book value:						
31 December 2013	11,088,422	17,858,082	11,906,335	2,351,793	5,807,771	49,012,403
31 December 2014	11,088,422	22,273,826	13,773,938	719,527	584,947	48,440,660
Depreciation for the year						
2013						16,901,590
2014						17,012,221

As at 31 December 2014, certain 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 180 million (2013: Baht 146 million).

13. Leasehold right

(Unit: Baht)

	Leasehold right - building
Cost	
31 December 2013	70,479,640
31 December 2014	70,479,640
Accumulated amortisation	
31 December 2013	43,061,392
Amortisation charged for the year	1,838,292
31 December 2014	44,899,684
Net book value	
31 December 2013	27,418,248
31 December 2014	25,579,956
Amortisation charged for the year	
2013	1,838,292
2014	1,838,292

14. Intangible assets

(Unit: Baht)

	Computer software	Computer software under installation	Computer software
Cost			
1 January 2013	67,761,131	294,000	68,055,131
Increase	329,650	5,193,500	5,523,150
31 December 2013	68,090,781	5,487,500	73,578,281
Increase	808,041	-	808,041
Transfer in (out)	3,587,500	(3,587,500)	-
31 December 2014	72,486,322	1,900,000	74,386,322
Accumulated amortisation			
1 January 2013	63,894,054	-	63,894,054
Amortisation charge	2,312,654	-	2,312,654
31 December 2013	66,206,708	-	66,206,708
Amortisation charge	909,033	-	909,033
31 December 2014	67,115,741	-	67,115,741
Net book value			
31 December 2013	1,884,073	5,487,500	7,371,573
31 December 2014	5,370,581	1,900,000	7,270,581
Amortisation charged for the year			
2013			2,312,654
2014			909,033

15. Income tax

The income tax expenses for the years ended 31 December 2014 and 2013 are made up as follows:

(Unit: Baht)

	2014	2013
Current income tax:		
Current income tax charge	81,446,574	69,360,948
Adjustment in respect of income tax of previous year	(2,386,957)	-
Deferred tax:		
Relating to origination and reversal of temporary differences	(13,104,870)	(29,559,217)
Income tax expense reported in the statement of comprehensive income	65,954,747	39,801,731

Reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate for the years ended 31 December 2014 and 2013 is as follows:

(Unit: Baht)

	2014	2013
Accounting income	325,438,158	104,952,548
Applicable tax rate	20%	20%
Accounting profit before tax multiplied by applicable tax rate	65,087,632	20,990,510
Adjustment in respect of income tax of previous year	(2,386,957)	-
Tax effect of exempted income and non-deductible expenses	3,254,072	18,811,221
Income tax for the year in statements of comprehensive income	65,954,747	39,801,731

As at 31 December 2014 and 2013, the components of deferred tax assets and deferred tax liabilities can be summarised as follows:

(Unit: Baht)

	Statement of income			
	Statement of financial position	For the years ended 31 December		
	31 December 2014	31 December 2013	2014	2013
Deferred tax assets				
Unearned premium reserves	52,844,909	44,905,481	7,939,428	9,151,130
Allowance for doubtful accounts - premium receivables	7,483	-	7,483	(1,917,094)
Allowance for doubtful accounts - reinsurance assets	44,300,000	44,300,000	-	24,300,000
Allowance for doubtful accounts - claim refundable	2,235,545	2,174,082	61,463	(562,264)
Allowance for doubtful accounts - other receivable	2,611,497	2,753,866	(142,369)	1,253,654
Loss reserves	91,605,165	91,271,978	333,187	(1,735,737)
Incurred but not reported (IBNR) loss reserves	12,807,622	16,058,940	(3,251,318)	(4,291,769)
Employee benefit obligation	11,313,490	10,707,100	(211,965)	697,499
Allowance for impairment loss - properties foreclosed	-	-	-	(1,531,634)
Others	18,376,481	10,007,519	8,368,962	4,068,515
Total deferred tax assets	236,102,192	222,178,966	13,104,871	29,432,300
Deferred tax liabilities				
Unrealised gains on changes in values of investments	(1,440,663)	(131)	(1)	47
Liabilities under finance lease agreements	-	-	-	(308,879)
Total deferred tax liabilities	(1,440,663)	(131)	(1)	(308,832)
Deferred tax assets, net	234,661,529	222,178,835	13,104,870	29,123,468

16. Other assets

(Unit: Baht)

	2014	2013
Other receivables	19,957,790	21,882,907
Less: Allowance for doubtful accounts	(13,124,789)	(16,335,608)
Other receivables, net	6,833,001	5,547,299
Claim receivable from litigant	52,780,021	67,944,076
Less: Allowance for doubtful accounts	(11,177,723)	(10,870,411)
Claim receivable from litigant, net	41,602,298	57,073,665
Prepaid commission expenses	227,987,547	185,414,440
Deposits and guarantee	13,890,194	18,024,411
Prepaid expenses	6,223,572	5,045,478
Revenue department receivable	4,214,393	9,844,470
Others	13,246,626	9,008,723
Total other assets	313,997,631	289,958,486

17. Due to reinsurers

(Unit: Baht)

	2014	2013
Outward premium payable	370,734,002	466,295,622
Amounts withheld on reinsurance	145,065,340	161,757,955
Reinsurance payable - others	230,358,665	351,840,069
Total due to reinsurers	746,158,007	979,893,646

18. Loss reserves and outstanding claims

(Unit: Baht)

	For the years ended 31 December	
	2014	2013
Beginning balance	10,226,040,225	12,435,424,681
Claims and losses adjustment expenses for the year	1,437,509,072	1,197,238,375
Change in claim and losses adjustment expenses for prior years	(837,181,538)	317,442,445
Claim and loss adjustment expenses paid during the year	(2,226,975,095)	(3,724,065,276)
Ending balance	8,599,392,664	10,226,040,225

As at 31 December 2014 and 2013, the Company, which is a reinsurer under the reinsurance contracts, has loss reserve and outstanding claims under such contracts amounting to Baht 132 million and Baht 442 million, respectively.

Loss reserve and outstanding claim as at 31 December 2014 includes loss reserves and outstanding claims from flooding claim amounting to Baht 90 million (2013: Baht 492 million) as described in Note 1.2 to the financial statements.

19. Premium reserve

Premium reserve is the liability under insurance contracts, and is the higher of unearned premium reserve and unexpired risk reserve.

19.1 Unearned premium reserve

(Unit: Baht)

	For the years ended 31 December	
	2014	2013
Beginning balance	1,907,292,276	1,703,443,522
Premium written for the year	4,170,139,446	4,103,159,490
Less: Premium earned for the current year	(4,165,897,535)	(3,899,310,736)
Ending balance	1,911,534,187	1,907,292,276

19.2 Unexpired risk reserve

(Unit: Baht)

	For the years ended 31 December	
	2014	2013
Beginning balance	1,174,594,171	914,897,488
Estimated claims for the year	2,076,870,873	2,077,765,101
Less: Risk expired during the year	(2,147,172,644)	(1,818,068,418)
Ending balance	1,104,292,400	1,174,594,171

20. Employee benefit obligations

(Unit: Baht)

	2014	2013
Short-term employee benefit	8,276,164	7,778,536
Long-term employee benefit	52,291,283	49,263,965
Employee benefit obligations	60,567,447	57,042,501

Provision for long-term employee benefits which is compensations on employees' retirement, was as follows:

(Unit: Baht)

	2014	2013
Defined benefit obligation at beginning of year	49,263,965	45,737,476
Current service cost	3,400,490	3,127,644
Interest cost	2,004,354	1,846,571
Benefits paid during the year	(6,469,300)	(2,357,300)
Actuarial losses recognised during the year	4,091,774	909,574
Defined benefit obligation at end of year	52,291,283	49,263,965

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

(Unit: Baht)

	2014	2013
Current service cost	3,400,490	3,127,644
Interest cost	2,004,354	1,846,571
Total expense recognised in profit or loss	5,404,844	4,974,215

The cumulative amount of actuarial gains or losses recognised in other comprehensive income and taken as part of retained earnings of the Company as at 31 December 2014 amounted to Baht 8.8 million (2013: Baht 4.7 million).

Principal actuarial assumptions at the valuation date were as follows:

	2014	2013
Discount rate	3.6%	4.4%
Future salary increase rate	0% - 7.5%	0% - 7.5%
Staff turnover rate (age band)	0% - 16%	0% - 16%

Amounts of defined benefit obligation for the current and previous three years are as follows:

(Unit: Million Baht)

	Defined benefit obligation	Experience adjustments on the obligation
Year 2014	52.3	-
Year 2013	49.3	2.2
Year 2012	45.7	-
Year 2011	44.5	0.7

21. Other liabilities

(Unit: Baht)

	2014	2013
Accounts payable - claims	2,873,532	2,789,146
Accrued commission of direct insurance	49,652,386	48,720,167
Accrued commission of reinsurance received in advance	214,198,737	137,874,639
Other payables	18,507,594	31,302,832
Suspense accounts to settle with premium due	43,138,684	60,506,660
Accrued expenses	98,617,391	76,866,320
Others	14,734,155	11,365,371
Total other liabilities	441,722,479	369,425,135

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.

23. Operating expenses

(Unit: Baht)

	For the years ended 31 December	
	2014	2013
Personnel expenses which are not expenses for underwriting and claims	130,567,098	113,823,231
Premises and equipment expenses which are not expenses for underwriting	56,890,185	56,302,860
Taxes and duties	700,352	2,408,806
Bad debts and doubtful accounts	4,842,515	211,853,954
Other operating expenses	67,641,836	78,121,666
Total operating expenses	260,641,986	462,510,517

24. Employee expenses

(Unit: Baht)

	For the years ended 31 December	
	2014	2013
Salary and Bonus	297,667,145	264,075,633
Social security fund	5,235,695	4,014,896
Provident fund	11,592,063	10,558,184
Retirement benefit expenses	5,404,844	4,974,215
Other benefits	10,788,908	7,512,006
Total employee expenses	330,688,655	291,134,934

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 2014, the Company contributed Baht 11 million (2013: Baht 11 million) to the fund.

26. Earnings per share

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

27. 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 director
The Siam Commercial Bank Pcl.	Common directors
Thai Plastic and Chemicals Pcl.	Common directors
The Siam Cement Pcl.	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	
		2014	2013
Transactions with related parties			
Premium written	- Crown Property Bureau	34,234	42,375
	- The Siam Commercial Bank Pcl.	897,147	815,330
Interest income	- The Siam Commercial Bank Pcl.	1,372	3,560
	- The Siam Cement Pcl.	1,320	1,397
Commission paid from direct premium written	- The Siam Commercial Bank Pcl. (Non-life insurance broker)	163,531	148,211
Underwriting expenses	- The Siam Commercial Bank Pcl.	212,579	156,153
Operating expenses	- Crown Property Bureau	2,089	1,560

Pricing policies

Transactions with related parties	
Premium written	Normal commercial terms for insurance for major customers
Interest income	0.50 - 4.40 percent per annum (2013: 0.625 - 4.40 percent per annum)
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 2014 and 2013, the Company presented the following significant balances of assets and liabilities with its related parties as follows:

	(Unit: Baht)	
	2014	2013
Investments in securities - private enterprises debt securities		
The Siam Cement Pcl.	30,000,000	30,000,000
Total	30,000,000	30,000,000
Cash and cash equivalent		
The Siam Commercial Bank Pcl.	110,659,585	333,276,821
Total	110,659,585	333,276,821
Premium receivables		
Crown Property Bureau	5,631,046	7,169,885
The Siam Commercial Bank Pcl. ⁽¹⁾	39,004,018	40,364,775
Total	44,635,064	47,534,660
Accrued investment income		
The Siam Commercial Bank Pcl.	91,417	118,339
The Siam Cement Pcl.	292,932	292,932
Total	384,349	411,271
Accrued commissions and brokerages		
The Siam Commercial Bank Pcl.	12,204,080	10,518,611
Total	12,204,080	10,518,611

⁽¹⁾ Premium receivables between the Company and The Siam Commercial Bank Pcl. ("SCB") consists of premium receivables from an insurance policy that SCB made directly with the Company and premium receivables 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 2014 and 2013, the Company had employee benefit expenses payable to its directors and management as below.

	(Unit: Baht)	
	2014	2013
Short-term employee benefits	32,881,769	32,868,656
Post-employment benefits	767,275	904,960
Total	33,649,044	33,773,616

28. Securities placed with the Registrar

As at 31 December 2014 and 2013, the Company has pledged its securities with the Registrar in accordance with the Non-life Insurance Act as follows:

	(Unit: Baht)			
	2014		2013	
	Cost	Fair value	Cost	Fair value
Government Bonds	14,082,275	14,554,770	14,099,972	14,008,101

29. Assets reserved with the Registrar

As at 31 December 2014 and 2013, the Company has pledged its securities as non-life insurance reserve with the Registrar under the Non-life Insurance Act as follows:

(Unit: Baht)

	2014		2013	
	Cost	Fair value	Cost	Fair value
Government bonds	306,668,394	323,853,559	247,281,739	244,366,303
State enterprise bonds	-	-	86,414,965	86,878,996
Total	306,668,394	323,853,559	333,696,704	331,245,299

30. Contribution to the General Insurance Fund

(Unit: Baht)

	2014	2013
Accumulated contribution at the beginning of year	37,081,815	26,987,273
General insurance fund during the year	10,301,366	10,094,542
Accumulated contribution at the end of year	47,383,181	37,081,815

31. Commitments and contingent liabilities

31.1 Operating lease commitments

The Company has entered into several lease agreements of office building space, motor vehicles and equipment and other 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 2014 and 2013 are as follows:

(Unit: Million Baht)

	2014	2013
Payable within		
1 year	23	16
In over 1 year up to 5 years	24	13
In over 5 years	21	15

31.2 Bank guarantees

As at 31 December 2014 there were outstanding bank guarantees of approximately Baht 8 million (2013: Baht 8 million) by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business.

31.3 Litigation

- (1) As at 31 December 2014, the Company was sued for being the insurer for claims totalling approximately Baht 281 million (2013: Baht 350 million). The outcome of those litigation cases have yet been finalised. However, the Company's management already considered and set aside provision for losses that may be arisen amounting to Baht 112 million (2013: Baht 102 million) in this financial statements. The Company's management believe that the amounts of provision are adequate.
- (2) As at 31 December 2014, the Company was sued by the insured parties for the compensation totaling Baht 5,722 million for the fire incident caused by political unrest in May 2010. During 2013, the Court of First Instance (the Civil Court) ordered the Company to pay to the insured insurance claims under the insurance policies together with interest calculated as from the date of the lawsuit to the date of final payment amounting to Baht 5,835 million, plus interest calculated as at 31 December 2014 of Baht 1,369 million, totaling approximately Baht 7,204 million.

In 2013, the Company filed appealed the judgment of the Court of First Instance with the Court of Appeal. From January 2014 to February 2015, the Court of Appeal judged that the damages were broken down in 2 groups. The Court of Appeal upheld the judgment of the Court of First Instance for the first group of damages, amounting to Baht 1,977 million with Baht 382 million interest, but ordered to decrease the amount of insurance claims paid to the insured to Baht 388 million. Subsequently, on 28 January 2015, the insured filed and appeal together with a request to file an appeal with the Supreme Court. The damages of the second group were Baht 3,858 million with Baht 987 million interest. The Court of Appeal judged that the Company shall not pay insurance claims to the insured in the second group.

Since the case is not finalised, the judgments of the Court of Appeal are not consistent and appeal filing by the insured for prudence reasons in the preparation of the financial statements, the Company's management recorded loss reserve for its share of the claims and loss reserve refundable from reinsurers in full amounts in its profit or loss.

32. Financial instruments

The Company's financial instruments, as defined under Thai Accounting Standard No.107 "Financial Instruments: Disclosure and Presentations", principally comprise cash and cash equivalents, premium receivables, investments in securities, and loans. The financial risks associated with these financial instruments and how they are managed is described below.

32.1 Financial risk management

Credit risk

The Company is exposed to credit risk primarily with respect to premium receivables, and mortgage loans.

Concentrations of the credit risk with respect to premium receivables are insignificant due to the large number of customers comprising the customer base and their dispersion across different industries and geographic regions.

Concentrations of the credit risk with respect to mortgage loans are insignificant due to the Company provide loans to its employees. In addition the values of the securities placed as collateral are adequate for the Company to receive complete payment of debt and the ratio of loans to collateral values is in accordance with the Notification of the Office of Insurance Commission.

The maximum exposure to credit risk is the book value of assets after deduction of allowance for doubtful debts as presented in statement of financial position.

Interest rate risk

The Company's exposure to interest rate risk relates primarily to its deposits at financial institutions, investments in securities and mortgage loans.

Significant financial assets as at 31 December 2014 and 2013 classified by type of interest rates are summarised in the table below, with those financial assets that carry fixed interest rates further classified based on the maturity date, or the repricing date if this occurs before the maturity date.

	As at 31 December 2014					
	Fixed interest rates			Floating interest rate	Total	Interest rate
	Within 1 year	1-5 years	Over 5 years			
	(Million Baht)					(% p.a.)
Financial assets						
Investments in securities						
Government and state enterprise securities	20	126	838	-	984	3.100 - 5.900
Private enterprises debt securities	-	477	170	-	647	3.340 - 5.000
Deposits at financial institutions	2,098	-	-	-	2,098	1.500 - 3.150
Loans	-	-	-	9	9	0.500 - 7.250
Cash and cash equivalent	116	-	-	170	286	0.125 - 2.650
	2,234	603	1,008	179	4,024	

	As at 31 December 2013					
	Fixed interest rates			Floating interest rate	Total	Interest rate
	Within 1 year	1-5 years	Over 5 years			
	(Million Baht)					(% p.a.)
Financial assets						
Investments in securities						
Government and state enterprise securities	86	133	852	-	1,071	3.250 - 5.900
Private enterprises debt securities	255	246	252	-	753	3.000 - 5.000
Deposits at financial institutions	1,593	-	-	-	1,593	1.900 - 4.000
Loans	-	-	-	13	13	0.500 - 7.500
Cash and cash equivalent	380	-	-	456	836	0.125 - 2.900
	2,314	379	1,104	469	4,266	

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.

As at 31 December 2014 and 2013, the balances of financial assets denominated in foreign currencies are summarised below.

Foreign currency	Financial assets as at 31 December		Financial liabilities as at 31 December		Average exchange rate as at 31 December	
	2014	2013	2014	2013	2014	2013
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	-	0.07	-	0.06	33.1132	32.3908

32.2 Fair value

A fair value is the amount for which an asset can be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

Methodology of fair value measurement depends upon characteristics of the financial instruments. The fair value is determined by reference to the latest quoted market price or by using an appropriate valuation technique.

The following methods and assumptions are used by the Company in estimating the fair values of financial instruments:

Investments in securities/deposits at financial institutions

The fair value of listed security is based on its quoted market price.

The fair value of deposit at financial institutions, government and state enterprise securities and private enterprise debt securities with periods to maturity of less than 90 days is based on their carrying value. For those with periods to maturity of longer than 90 days, fair value is estimated using a discounted cash flow method based on the current interest rate and the remaining period to maturity.

As at 31 December 2014 and 2013, the aggregate carrying values and fair values of investments in securities which the Company intends to hold to maturity are as follows:

	(Unit: Million Baht)			
	2014		2013	
	Carrying value	Fair value	Carrying value	Fair value
Government and state enterprise securities	984	1,042	1,071	1,038
Private enterprises debt securities	647	671	753	750

Mortgage loans

Loan with floating interest rates for which there is no significant credit risk, fair value is based on carrying value as presented in the statement of financial position.

33. Capital management

The primary objectives of the Company's capital management is to preserve ability to continue its business as a going concern and to maintain capital reserve in accordance with Notifications of the OIC.

34. Approval of financial statements

These financial statements were authorised for issue by the Company's Board of Directors on 26 February 2015.

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
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คุ้มครองด้วยประกันภัย



คุ้มครองด้วยบารมีคุณ

Since its establishment in 1947, The Deves Insurance Public Company Limited, the insurance company owned by the Crown Property Bureau, has always been committed to business ethics and integrity. By upholding the principles of business conduct with continuing responsibility toward Thai society and all stakeholders throughout over 67 years of its establishment, Deves Insurance has always been aspiring to continuous development and sustainable success and in reflecting our brand promise of

"Pride in Protection"



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