

1. Capital Adequacy

The Company's capital management policy is to maintain a strong capital base to meet policyholders' obligations and the requirements of the Office of Insurance Commission, to create shareholder value and deliver sustainable returns to shareholders. The Company performed its own risk and solvency assessment (ORSA) incorporating with its business plan, company key risk, and capital management, taking into account strategic risks and external factors which could negatively affect capital adequacy. Capital management is one of the key responsibilities of Asset and Liability Committee (ALCO). Our activities to effectively monitor and test our capital sufficiency on a regular basis include but not limited to

- Testing capital adequacy in 3 years Business Plan;
- Regularly testing and forward projection of capital adequacy based on going concern basis and economic downturn; and
- The sensitivity test on any significant changes to assess the impact of key risk variables for better informed decisions.

In accordance with and the requirements of the Office of Insurance Commission, all insurers are required to maintain a minimum at least 140% of capital adequacy ratio. It is the Company's policy to hold capital levels in excess of minimum requirement. As at 30 September 2019, the capital adequacy ratio is at 469% much higher than the minimum required capital of 140%.

Disclosed on 28 November 2019

Unit: Million Baht

Description	Quarter 1		Quarter 2		Quarter 3	
	2019	2018	2019	2018	2019	2018
Capital Adequacy Ratio (CAR ratio)	438%	538%	436%	492%	469%	384%
Total Capital Available (TCA)	18,962	19,342	21,722	17,553	27,939	17,989
Total Capital Required (TCR)	4,325	3,597	4,983	3,568	5,963	4,683

Remark:

- According to the Notification of the Office of Commission regarding "Type of Capital Fund including Rules, Procedures and Conditions for Calculating the Life Insurance Capital Fund", the Registrar may impose necessary measures to supervise a company with a capital adequacy ratio lower than one hundred and forty percent.
- The capital fund is calculated by using the appraisal value according to the Notification of the Insurance Commission regarding "Asset and Liability Valuation of Life Insurance Company"
- Quarter 2 is the financial results of six-month period and Quarter 3 is financial results of nine-month period.