



## 8. Capital Adequacy

The Company monitors the solvency capital in compliance with the requirements from the OIC.

Thailand has implemented RBC regulation since September 2011. In December 2019 the RBC regulation was updated with the implementation of RBC II, which updates and enhances the capital standards to be more comprehensive.

The key metric used by the regulator is the Capital Adequacy Ratio (“CAR”), defined as Total Capital Available (“TCA”) divided by Total Capital Required (“TCR”), which needs to remain above the supervisory CAR to maintain financial strength and avoid potential regulatory intervention.

The Company holds additional capital in excess of the TCR to comply with its internal capital requirements. This ensures that the Company’s CAR will remain higher than 140% even after a shock that is expected to occur once in 10 years.

The table below illustrates that throughout the year, the Company has a strong capital position that is significantly above the supervisory CAR of 140%.

Unit: Million Baht

Items	As of December 31,	
	2022	2021
Total Asset	902,921	988,395
Total Liabilities	736,905	826,487
- Insurance liabilities	691,542	774,999
- Other Liabilities	45,363	51,488
Total Head Office’s Equity	166,016	161,908
Common Equity Tier 1 Ratio (%)	376	410
Tier 1 Ratio (%)	376	410
Capital Adequacy Ratio (%)	376	410
Total Capital Available	164,913	161,139
Total Capital Required	43,835	39,310

### Remarks:

- According to the OIC’s RBC capital valuation of Life Insurance Companies, the Registrar may determine the necessary procedures to manage companies with a CAR below the supervisory CAR
- The above items use a Fair Value approach according to the OIC’s Notification on the Valuation of Assets and Liabilities of Life Insurance Companies and RBC capital is valued according to the OIC’s Notification on the Valuation of Assets and Liabilities of Life Insurance Companies
- Quarter 2 is 6-month accumulated operating results and Quarter 3 is 9-month accumulated operating results.