

6. The Company's Investment

Investment Business

The Company's investment objectives are to invest in a broad range of fixed income and equity securities that produces a consistent and stable rate of return in the long run and in those securities that match the liability characteristics, while maintaining a low risk profile. The investment philosophy marries fundamental security selection with macro views. The fund invests in government bonds and Investment Grade corporate bonds, as well as equity with strong fundamental. The low risk profile is achieved by having a well-diversified portfolio of high-quality assets in different markets and classes. Offshore securities include bonds issued by sovereigns and companies with solid profile in Asia and the US.

Investment management guideline

The Company's Investment Committee and Asset-Liability Committee approve the overall investment mandates, including Strategic Asset Allocation and investment risk framework. Eastspring Investments (Singapore) Limited is appointed as fund manager to manage the portfolio as per the investment guidelines. The Investment Committee is responsible for the oversight of the investment execution and performance to ensure they are in compliance with the mandates and regulations.

Assumption and valuation method

- **Financial Statements**

The assumption and valuation are prepared in accordance with Thai Financial Reporting Standards (TFRSs), guidelines promulgated by the Thailand Federation of Accounting Professions ("TFAC").

- Cash and cash equivalents, and policy Loans, are stated at the principal amounts less allowance for doubtful accounts which approximates the fair value.
- Debt securities are stated at the clean price on the last day of the period provided by the Thai Bond Market Association and foreign issued debt securities are based on broker and dealer quotes.
- Listed equities use quoted prices (unadjusted) published by Security Exchange.
- Equity securities that are not marketable are valued using the adjusted net asset method.
- Unit trusts use quoted prices (unadjusted) in active markets for identical assets or liabilities or using the net asset value (NAV) on the last business day of the period provided by assets management companies.
- Promissory notes use a discounted cash flow technique, which uses contractual cash flow and a market-related discount rate.
- For simple over-the-counter derivative financial instruments are based on counterparty quotes and group rate.

- **Solvency Report**

The assumption and valuation are prepared in accordance with announcement of OIC Committee: Assessment of Asset and liability of Life Assurance Company.

Unit: Million Baht

Investment assets	As at 31 December			
	Year 2025		Year 2024	
	Book value	Appraisal Value	Book value	Appraisal Value
Cash and Deposits	7,802	7,802	5,665	5,665
Debt securities	188,965	188,965	156,708	156,708
Equity securities	8,113	8,113	5,808	5,808
Policy loans		6,176		5,581
Other Loans	-	-	-	-
Derivatives				
- Derivatives assets	8,340	8,340	4,317	4,317
- Derivatives liability	(1,022)	(1,022)	(37)	(37)
Others	-	-	-	-
Investment Properties	-	-	-	-
Total	212,198	218,374	172,461	178,042

- Remark:**
1. Book value refers to the value of assets and liabilities measured in accordance with the Financial Reporting Standards, with the primary objective of enabling investors and financial analysts to understand the economic value of insurance contract liabilities as recognized under generally accepted accounting principles in Thailand. Such amounts must be audited and certified by a licensed auditor.
 2. Appraised value refers to the value of assets and liabilities measured in accordance with the Notification of the Office of Insurance Commission on the valuation of assets and liabilities of life insurance companies, with the primary objectives of prudential supervision and financial stability, and to ensure that the insurance company has the ability to fully meet its obligations under insurance contracts to policyholders.
 3. Policy loans shall not be presented as part of investment assets (book value). For investment assets (appraised value), policy loans shall be presented in accordance with the requirements prescribed by the Office of Insurance Commission.
 4. Loans (book value) refer to the item “Loans and accrued interest receivable” in accordance with the Financial Reporting Standards.
 5. Loans (appraised value) refer to the item “Loans” as prescribed by the Office of Insurance Commission.

For more information about the Company’s Investment, please visit our website.

<https://www.prudential.co.th/corp/prudential-th/en/about-prudential-thailand/our-financial-performance/>