

7. The insurance company's operating performance, including analysis and relevant financial ratios.

7.1 Operating performance

Unit: Million Baht

Description	Book value		
	2025	2024	Change
Insurance revenue	13,010	12,096	914
Insurance service result			
CSM and RA release	3,264	3,084	180
Onerous	(19)	26	(45)
Experience variances	(561)	(1,073)	512
Others	(47)	(60)	13
Total Insurance service result	2,637	1,977	660
Net investment result			
Net Investment Income	6,249	4,795	1,454
Net Insurance finance expense	(6,573)	(4,193)	(2,380)
Total Net investment result	(324)	602	(926)
Other operating result	(192)	(104)	(88)
Net profit before tax	2,121	2,475	(354)
Net profit	1,609	2,035	(426)

Source: Financial statements for the year ended 31 December 2025

- Remarks:**
- Insurance revenue is calculated as the insurance revenue from contracts measured under the General Measurement Model and the Variable Fee Approach (GMM & VFA) + the insurance revenue from contracts measured under the Premium Allocation Approach (PAA).
 - Insurance service result is calculated as insurance revenue - insurance service expenses - net expenses (income) from reinsurance contracts held.
 - Investment result is calculated as investment income plus gains (losses) from derecognition of investments recognized in profit or loss + gains (losses) from reclassification of investments - expected credit losses, less impairment losses on financial assets + gains (losses) from changes in fair value of financial instruments + net gains (losses) from hedge accounting - net insurance finance expenses (income) from insurance contracts.
 - Other operating result is calculated as other finance costs + other operating expenses - share of profits (losses) of associates and joint ventures accounted for using the equity method - other income, less gains (losses) from disposal of foreclosed properties - foreign exchange gains (losses).
 - Net profit (loss)⁵ is calculated as the insurance service result plus investment result - other operating result - corporate income tax.
1. Book value refers to the value of insurance contract 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.

The analysis of financial performance in the year 2025 comparison with financial performance in the year 2024 are as follows;

For the period of FY2025, there was a net profit after tax of 1,609MB compared to 2,035MB for the same period in 2024. The reduction in net profit compared to prior year was primarily from an increase in non-guaranteed bonus liabilities on participating (par) products due to higher par fund returns, lowering the net investment results.

Insurance service results increased by 660MB compared to prior year, mainly driven by

- 135MB increase from the release of CSM and RA (+180MB) net of Onerous (-45MB), primarily comprised of an additional 183MB uplift from technical enhancements and a CSM and RA release of 141MB from business growth. This was partially offset by worsening of onerous position by 188MB driven by the low-interest rate environment. With active repricing of products to maintain profitability and a rebound of interest rates in Q4 2025, the onerous position, while negative, remained relatively stable over the quarter.
- 512MB improvement in experience variance, from favorable claims experience and stringent expense management. Better experience in Group employee benefits and Credit-life, improved claims variance by 173MB and greater expense control further added 137MB, with PLT maintaining flat spending vs prior year despite portfolio growth. A reduction in Group recharges of 128MB also contributed to an improvement in expense variance.

Net investment result (NIR) declined by 926MB compared to prior year, primarily from an increase in non-guaranteed Par bonus liabilities of 801MB. This increase was driven by the high return from fixed income assets due to the interest rate fall from Dec 2024 to Dec 2025. From a total shareholders' equity perspective, the negative impact on NIR was offset by mark-to-market gains on Par assets presented under Other Comprehensive Income (OCI).

7.2 Relevant financial ratios

Unit: Percentage

Financial Ratios	2025	2024
Return on equity ratio	5.63	7.86
Net Combined ratio	79.73	83.65
Liquidity ratio	23,705.36	14,756.85
Asset Back ratio	117.41	117.44
Return on Investment ratio	2.23	2.81

Remark:

1. Book value refers to the value of insurance contract liabilities measured in accordance with the Financial Reporting Standards.
2. Appraised value refers to the 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. The above ratios are calculated in accordance with the formulas prescribed under the Early Warning System (EWS) established by the Office of Insurance Commission.

The analysis of the Company's Key Financial Ratios for the year 2025 Compared with 2024 are as follows;

The Company's return on equity reflects its ability to generate returns from shareholders' equity. In the current period, the ratio remains in line with the criteria prescribed by the Office of Insurance Commission (OIC). Changes compared with the previous period were attributable to operating performance and overall economic conditions. The Company continues to maintain a stable financial position.

The net combined ratio reflects the efficiency of the Company's underwriting operations. In the current period, the ratio declined compared with the previous year and remains in line with the criteria prescribed by the Office of Insurance Commission (OIC), reflecting underwriting operations and expense management.

The liquidity ratio reflects the Company's ability to manage liquidity to meet short-term obligations at the end of the reporting period. The ratio remains in line with the criteria prescribed by the Office of Insurance Commission (OIC) and reflects the adequacy of liquidity to support insurance contract obligations.

The asset backing ratio indicates the adequacy of assets to support insurance contract liabilities. The ratio remains in accordance with the prescribed criteria and reflects the Company's financial position as well as its approach to assets and liability risk management.

The return on investment reflects the effectiveness of the Company's investment management and capital allocation. Changes in the ratio during the period were mainly attributable to overall financial market conditions. The Company continues to monitor and manage its investment activities to ensure alignment with its investment strategy and risk profile.

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