

7. Financial Performance

Unit: Million Baht

Description	Year 2022	Year 2021 (Restated)
Gross premium written	28,253	23,467
Net premiums earned	27,868	23,136
Net investments income	3,638	3,449
Long-term technical reserve increase from prior year	9,578	9,361 ⁽¹⁾
Net benefits payments and insurance claims expenses	14,447	10,205
Net profit	488	1,335 ⁽¹⁾

Remarks: Data from Financial statements for the year ended 31 December 2022

⁽¹⁾ In 2022, the Company has changed accounting policies and applied deferred acquisition cost (DAC) where the costs of acquiring new contracts are deferred and subsequently amortised in straight line, requiring restatement in 2021.

The analysis of financial performance year 2022 comparison with restated financial performance year 2021 are as follows;

The Company has the net profit amounted Baht 488 million, decreased by Baht 847 million from the previous year mainly due to the increase in net benefits payments and insurance claims expenses amounted Baht 4,242 million mainly from higher maturity payments, the decrease in gain on investments amounted Baht 846 million, the increase in other underwriting expenses amounted Baht 306 million, and the increase in long-term technical reserve increase from prior year amounted Baht 217 million due to increase in policy reserves with growth in new and in-force policies, offset by the increase in net premium earned amounted Baht 4,732 million mainly from increase in first year premium, renewal premium, and single premium.

Unit: Percentage

Description	Year 2022	Year 2021 (Restated)
First year underwriting expenses: Net premiums written	29.24	29.54 ⁽¹⁾
Renewal year underwriting expenses: Net premiums written	1.63	1.95 ⁽¹⁾
Return on equity ratio	1.50	3.34 ⁽¹⁾
Return on assets ratio		
- Return on total assets ratio	0.27	0.81 ⁽¹⁾
- Return on total assets excluded unit linked and universal life ratio	0.30	0.87 ⁽¹⁾
Return on Investment ratio		
- Return on Investment ratio	2.67	2.53
- Return on Investment excluded unit linked and universal life ratio	2.95	2.76
Ratio of invested assets to insurance reserve (Appraisal value)	111.89	110.14

Remark:

- Appraisal value refers to the assets and liabilities assessed under the Notification of the Insurance Commission on Asset Valuation and Life Assurance Valuation. Primary purpose is for overseeing the financial security of insurance companies and to ensure that the Company is able to fully cover the Insured Person's insurance benefits according to the insurance policy.
- Unit Linked Insurance is a life insurance that provides both life insurance protection and Investment in mutual funds. The policy value depends on the unit value. Assets in the Fund belong to the insured, not to the Company.
- Universal life insurance is a clearly defined policy that separate life insurance part and investment part. The return on investment depends on the Company's investment but not less than the minimum return.

⁽¹⁾ In 2022, the Company has changed accounting policies related to deferred acquisition cost (DAC) for insurance and investment contracts. These changes in accounting policies does not require the Company to restate Y2021 ratios. However, the restated ratios have been applied for comparative purpose.

For more information about the Financial Performance, please visit our website

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