



STATISTICS

Quarterly life insurance performance statistics - highlights

September 2022 (released 24 November 2022)

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Industry highlights for the year ended 30 September 2022

- For the year ended 30 September 2022, the industry reported a net profit after tax of \$0.2 billion and a return on net assets of 0.7 per cent, a decrease in comparison to the results from the prior year (refer Chart 3). The driver behind the decrease in performance was an investment loss of \$7.5 billion due to unrealised losses on interest bearing investments (refer Chart 1).
- Collectively, risk products returned an improved net profit after tax for the year ended 30 September 2022 of \$977 million, compared to a \$435.7 million profit in the prior year (Chart 4, Table 2). The result was predominantly driven by the \$1.1 billion profit recorded by Individual Disability Income Insurance (Individual DII). The increase in Individual DII performance can be attributed to repricing activities as well as reserve releases as a result of increases in bond yields over the past 12 months. Individual lump sum reported a loss of \$207 million and was the only risk product to report a loss, which can be attributed to an increase in net policy expenses.
- Group Lump Sum and Group Disability Income Insurance (Group DII) reported profits of \$7.6 million and \$96.8 million respectively for the year ended 30 September 2022. For both products, this is an improvement in performance in comparison to the prior year and was driven by lower net policy expenses from Group Lump Sum and reserve releases for Group DII.
- The industry prescribed capital coverage ratio increased from 1.95x to 2.06x over the year ended 30 September 2022 (refer Chart 6).

Table 1: Key performance metrics for the year ended 30 September

(in \$ billion, unless noted otherwise)

	Year ended 30 Sep 2021	Year ended 30 Sep 2022	Yearly Change
Net policy revenue	14.6	14.8	1.5%
Investment revenue	5.4	-7.5	-
Total revenue	20.9	8.3	-60.1%
Net policy expenses	9.2	9.2	0.2%
Operating expenses	7.0	6.5	-6.4%
Effective movement in net policy liabilities	2.2	-7.2	-
Total expenses	18.6	8.7	-53.2%
Net profit after tax	1.4	0.2	-87.0%
Total assets	134.2	122.4	-8.8%
Return on net assets	5.2%	0.7%	-4.5pp
PCA coverage ratio	1.95x	2.06x	0.11x

Table 2: Risk products net profit after tax (NPAT) for the year ended 30 September

(in \$ million, unless noted otherwise)

	Year ended 30 Sep 2021	Year ended 30 Sep 2022	September Quarter 2022
Individual lump sum	430.1	-207.0	-105.4
Individual disability income insurance	117.6	1079.6	69.5
Group lump sum	-97.5	7.6	6.2
Group disability income insurance	-14.4	96.8	47.2
Total	435.7	977.0	17.5

Industry highlights for the quarter ended 30 September 2022

- The industry reported an improvement in performance over the September quarter, recording a profit of \$65.3 million and a return on net assets of 1.0 per cent. The improvement in performance in comparison to the previous quarter can be attributed to growth in net policy revenue.

Table 3: Key performance indicators for the quarter

(in \$ billion, unless noted otherwise)

	Jun 2022 Quarter	Sep 2022 Quarter	Quarterly Change
Net policy revenue	3.7	3.9	4.9%
Investment revenue	-3.9	-0.5	-
Total revenue	0.05	3.7	-
Net policy expenses	2.4	2.3	-2.2%
Operating expenses	1.5	1.7	15.8%
Effective movement in net policy liabilities	-3.3	-0.3	-
Total expenses	0.5	3.8	669.8%
Net profit after tax	-157m	65m	-
Total assets	121.4	122.4	0.8%
Return on net assets	-2.4%	1.0%	3.4pp
PCA coverage ratio	2.03x	2.06x	0.03x

Historical performance trends

Chart 1: Revenue, for year ended September 2018 to September 2022

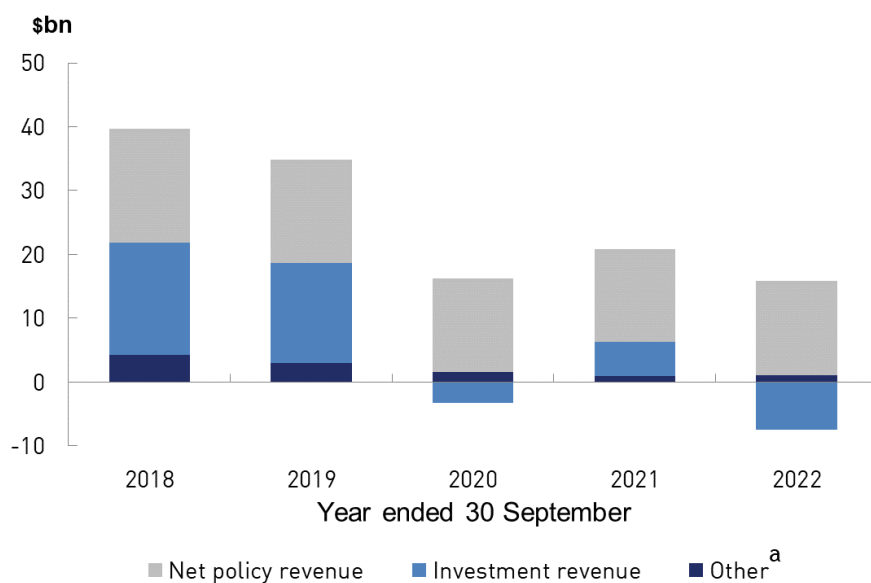


Chart 2: Operating expenses, for year ended September 2018 to September 2022

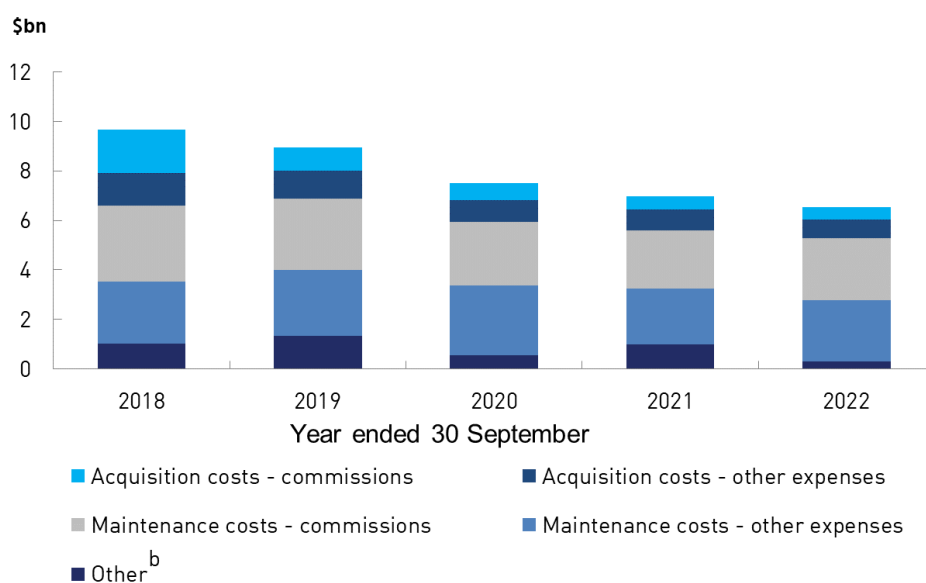


Chart 3: Profitability, for year ended September 2018 to September 2022

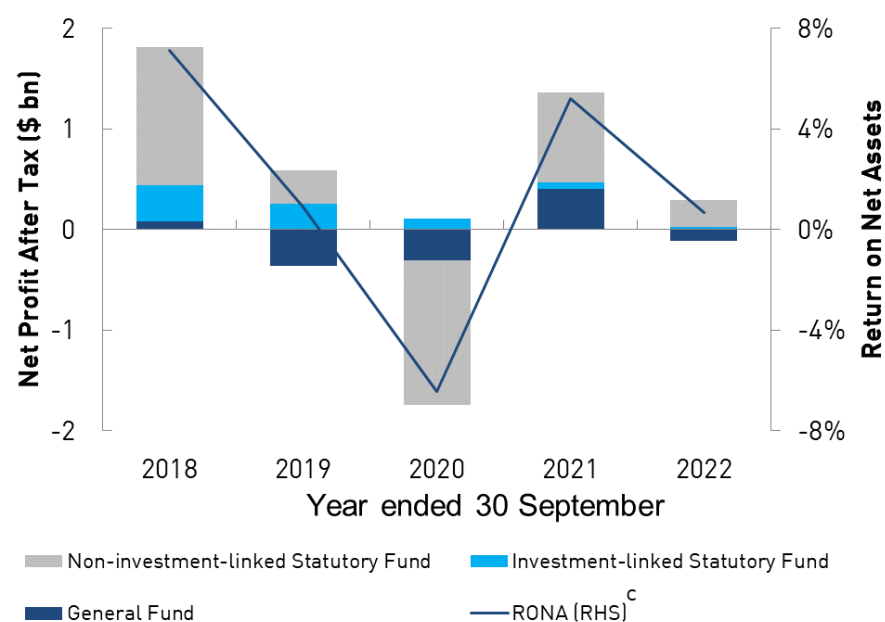


Chart 4: Net profit after tax for risk products, for year ended September 2018 to September 2022

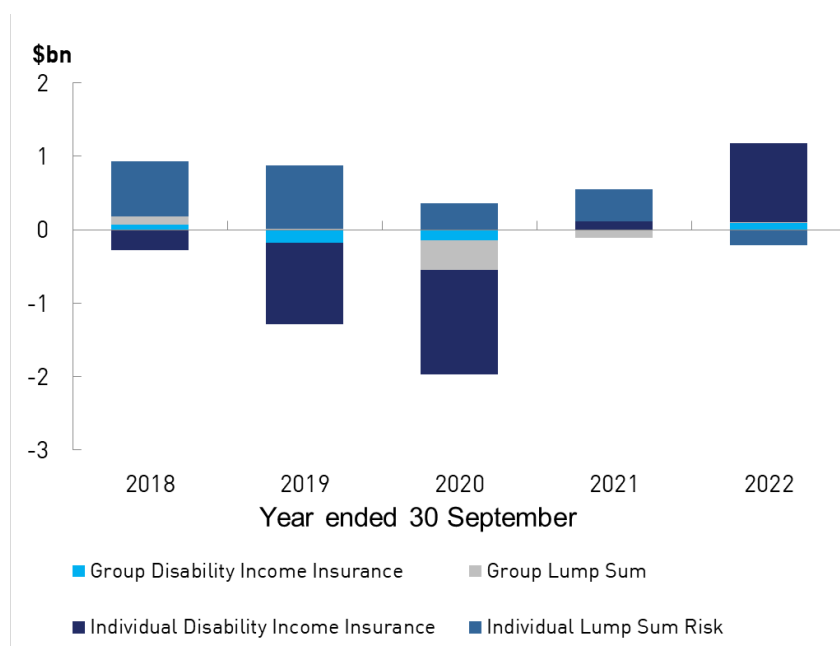


Chart 5: Non-investment linked assets, for year ended September 2018 to September 2022

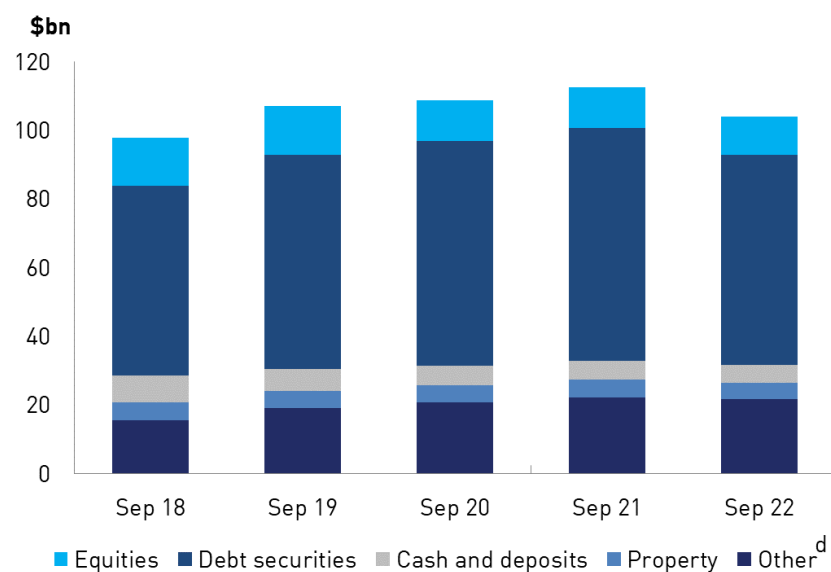
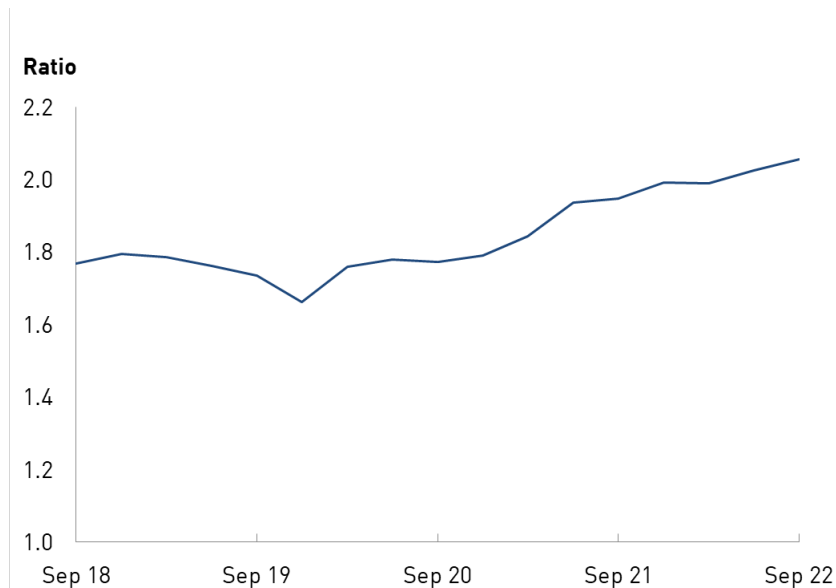


Chart 6: Prescribed capital amount coverage ratio, for year ended September 2018 to September 2022



^a Other comprises management service fees and other revenue

Other comprises investment management, net movement in deferred acquisition costs and other operating expenses.

See Return on net assets in the glossary.

Other comprises other investments, other assets and reinsurance policy liabilities.



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