



Reporting Standard LRS 340.2

Retained Profits and Share Capital

Objective of this Reporting Standard

This Reporting Standard sets out the requirements for the provision of information to APRA in relation to a life company's retained profits and share capital.

It includes associated specific instructions and must be read in conjunction with *Reporting Standard LRS 001 Reporting Requirements* (LRS 001), including the general instruction guide.

Authority

1. This Reporting Standard is made under section 13 of the *Financial Sector (Collection of Data) Act 2001*.

Purpose

2. The information reported to APRA under this Reporting Standard is used by APRA for the purpose of prudential supervision including assessing compliance with capital adequacy standards.

Application and commencement

3. This Reporting Standard applies to all life insurance companies including friendly societies (together referred to as 'life companies') registered under the *Life Insurance Act 1995* (Life Act). This Reporting Standard applies for reporting periods ending on or after 1 July 2023.

Information required

4. A life company must provide APRA with the information required by this Reporting Standard for each reporting period.
5. The information reported to APRA under this Reporting Standard is not required to be given to policy owners pursuant to section 124 of the Life Act. It does not constitute a reporting document for the purposes of section 124.

Method of submission

6. The information required by this Reporting Standard must be given to APRA:
 - (a) in electronic format using an electronic method available on APRA's website; or
 - (b) by a method notified by APRA prior to submission.

Reporting periods and due dates

7. Subject to paragraph 8, a life company must provide the information required by this Reporting Standard:
 - (a) in respect of each quarter based on the financial year of the life company on an unaudited basis; and
 - (b) in respect of each financial year of the life company on an audited basis.

Note 1: This means that information provided under this Reporting Standard will be submitted five times for a full financial year.

Note 2: The annual audited information provided under this Reporting Standard must be submitted in conjunction with the annual auditor's report, as required under *Prudential Standard LPS 310 Audit and Related Matters*.

8. If, having regard to the particular circumstances of a life company, APRA considers it necessary or desirable to obtain information more or less frequently than as provided by subparagraph 7(a) or 7(b), APRA may, by notice in writing, change the reporting periods, or specify reporting periods, for the particular life company.
9. The information required by this Reporting Standard in respect of a life company must be provided to APRA:
 - (a) in the case of quarterly information, within 20 business days after the end of the reporting period to which the information relates;
 - (b) in the case of annual information, within three months after the end of the reporting period to which the information relates; or
 - (c) in the case of information provided in accordance with paragraph 8, within the time specified by notice in writing.
10. APRA may, in writing, grant a life company an extension of a due date, in which case the new due date will be the date on the notice of extension.

Note: For the avoidance of doubt, if the due date for a particular reporting period falls on a day other than a usual business day, a life company is nonetheless required to submit the information required no later than the due date.

Quality control

11. The information provided by a life company under this Reporting Standard must be the product of systems, processes and controls that have been reviewed and tested by the Auditor of the life company. This will require the Auditor to review and test the life

company's systems, processes and controls supporting the reporting of the information to enable the life company to provide reliable financial information to APRA. This review and testing must be done on:

- (a) an annual basis or more frequently if necessary to enable the Auditor to form an opinion on the reliability and accuracy of data; and
 - (b) at least a limited assurance engagement consistent with professional standards and guidance notes issued by the Auditing and Assurance Standards Board as may be amended from time to time, to the extent that they are not inconsistent with the requirements of *Prudential Standard LPS 310 Audit and Related Matters*.
12. All information provided by a life company under this Reporting Standard must be subject to systems, processes and controls developed by the life company for the internal review and authorisation of that information. It is the responsibility of the Board and senior management of the life company to ensure that an appropriate set of policies and procedures for the authorisation of data submitted to APRA is in place.
13. Actuarial valuations and calculations included in or used in the preparation of the information provided to APRA must be in accordance with the prudential standards in force for the reporting period. However, life companies may use reasonable estimates when preparing information that will not be audited (i.e. for the first four submissions of information for a full financial year).

Authorisation

14. When an officer or agent of a life company provides the information required by this Reporting Standard using an electronic format, the officer or agent must digitally sign the relevant information using a digital certificate acceptable to APRA.
15. An officer or agent of a life company who submits information under this Reporting Standard must be authorised by either:
- (a) the Principal Executive Officer of the life company; or
 - (b) the Chief Financial Officer of the life company.

Variations

16. APRA may, by written notice to the life company, vary the reporting requirements of this Reporting Standard in relation to that life company.

Transition

17. A life company must report under the old reporting standard in respect of a transitional reporting period. For these purposes:

old reporting standard means the reporting standard revoked in the determination making this Reporting Standard (being the reporting standard which this Reporting Standard replaces); and

transitional reporting period means a reporting period under the old reporting standard:

- (a) which ended before 1 July 2023; and
- (b) in relation to which the life company was required, under the old reporting standard, to report by a date on or after the date of revocation of the old reporting standard.

Note: For the avoidance of doubt, if a life company was required to report under an old reporting standard, and the reporting documents were due before the date of revocation of the old reporting standard, the life company is still required to provide any overdue reporting documents in accordance with the old reporting standard.

Interpretation

18. In this Reporting Standard:

- (a) unless the contrary intention appears, words and expressions have the meanings given to them in *Prudential Standard LPS 001 Definitions* (LPS 001); and
- (b) the following definitions are applicable:

Auditor means an auditor appointed under paragraph 83 of the Life Act.

capital adequacy standards means the prudential standards which relate to capital adequacy as defined in LPS 001.

Chief Financial Officer means the chief financial officer of the life company, by whatever name called.

financial year has the meaning in the *Corporations Act 2001*.

general instruction guide refers to the general instruction guide set out in Attachment A of LRS 001.

Life Act means the *Life Insurance Act 1995*.

Principal Executive Officer means the principal executive officer of the life company, by whatever name called, and whether or not he or she is a member of the governing board of the entity.

reporting period means a reporting period under subparagraph 7(a) or 7(b) or, if applicable, paragraph 8.

19. Unless the contrary intention appears, a reference to an Act, Prudential Standard, Reporting Standard, Australian Accounting or Auditing Standard is a reference to the instrument as in force from time to time.

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Retained Profits and Share Capital

General instructions

Reporting tables

Tables described in this Reporting Standard list each of the data fields required to be reported. The data fields are listed sequentially in the column order that they will appear in the reported data set. Constraints on the data that can be reported for each field have also been provided.

Any specific combination of values in a table must not appear on more than one row in that table when reported.

Definitions

Terms highlighted in ***bold italics*** indicate that the definition is provided in these instructions.

B

<i>Balance at end of period</i>	<p>This is the closing balance of <i>retained profits type</i> and <i>share capital type</i> at end of the reporting period.</p> <p>For <i>retained profits type</i>, this is calculated as the sum of:</p> <ul style="list-style-type: none"> • <i>Retained profits balance at beginning of period;</i> • <i>Profit (loss) after income tax attributable to members of the company;</i> • <i>Retained profits transfers from shareholder fund / management fund to total SF (SRP non-par) / total SF (SRP par) / total BF;</i> • <i>Retained profits transfers from total SF (SRP non-par) / total SF (SRP par) / total BF to shareholder fund / management fund;</i> • <i>Retained profits transfers to / from equity reserves;</i> • <i>Dividends;</i> and • <i>Other retained profits movements.</i> <p>For <i>share capital type</i>, this is calculated as the sum of:</p> <ul style="list-style-type: none"> • <i>Share capital balance at beginning of period;</i> • <i>Share capital transfers from shareholder fund / management fund to total SFs / BFs;</i> • <i>Share capital transfers from total SFs / BFs to shareholder fund / management fund;</i> • <i>Shares issued;</i> • <i>Share capital reductions;</i> and • <i>Other share capital movements.</i>
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D

<i>Dividends</i>	This is the amount of dividend that was paid from the shareholder / management fund.
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O

<i>Ordinary shares issued</i>	This item is ordinary shares issued.
<i>Other retained profits movements</i>	<p>This consists of all other retained profits movements not specifically categorised as:</p> <ul style="list-style-type: none"> • <i>Retained profits transfers from shareholder fund / management fund to total SF (SRP non-par) / total SF (SRP par) / total BF;</i> • <i>Retained profits transfers from total SF (SRP non-par) / total SF (SRP par) / total BF to shareholder fund / management fund;</i> • <i>Retained profits transfers to / from equity reserves;</i> or • <i>Dividends.</i>
<i>Other share capital movements</i>	<p>This consists of all other retained profits movements not specifically categorised as:</p> <ul style="list-style-type: none"> • <i>Share capital transfers from shareholder fund / management fund to total SFs / BFs;</i> • <i>Share capital transfers from total SFs / BFs to shareholder fund / management fund;</i> • <i>Ordinary shares issued;</i> or • <i>Share capital reductions.</i>

P

<i>Profit (loss) after income tax attributable to members of the company amount</i>	This is profit (loss) after income tax attributable to members of the company being added to the retained profit balances.
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R

<i>Retained profits balance at the beginning of the period</i>	This is the opening balance of <i>retained profits type</i> at beginning of the reporting period.
<i>Retained profits transfers from shareholder</i>	For a life insurer, this is the amount of retained profits transferred from the shareholder fund to:

<i>fund / management fund to total SF (SRP non-par) / total SF (SRP par) / total BF</i>	<ul style="list-style-type: none"> shareholder retained profits for non-participating benefits (SRP non-par) across all statutory funds (SFs); and shareholder retained profits for participating benefits (SRP par) across all SFs. <p>For a friendly society, this item is the amount of retained profits transferred from the management fund to all benefit funds.</p>
<i>Retained profits transfers from total SF (SRP non-par) / total SF (SRP par) / total BF to shareholder fund / management fund</i>	<p>For a life insurer, this is the amount of retained profits transferred to the shareholder fund from:</p> <ul style="list-style-type: none"> shareholder retained profits for non-participating benefits (SRP non-par) across all statutory funds (SFs); and shareholder retained profits for participating benefits (SRP par) across all SFs. <p>For a friendly society, this item is the amount of retained profits transferred from all benefit funds to the management fund.</p>
<i>Retained profits transfers from / to equity reserves</i>	<p>This is the amount transferred from equity reserves to retained profits net of the amount transferred from retained profits to equity reserves.</p>
<i>Retained profits type</i>	<p>This is type of retained profits for the purposes of this Reporting Standard. <i>Retained profits type</i> can either be:</p> <ul style="list-style-type: none"> Total statutory funds – SRP non-par; Total statutory funds – SRP par; Total benefit funds – SRP; Shareholder / management fund – SRP; and Shareholder / management fund elimination – SRP.

S

<i>Share capital balance at the beginning of the period</i>	<p>This is the opening balance of <i>share capital type</i> at beginning of the reporting period.</p>
<i>Share capital reductions</i>	<p>This is reductions in share capital undertaken by a life company (for example, via share buyback or redemption).</p>
<i>Share capital transfers from shareholder fund / management</i>	<p>For a life insurer, this is the amount of share capital transferred from the shareholder fund to all statutory funds.</p> <p>For a friendly society, this is the amount of share capital transferred from the management fund to all benefit funds.</p>

<i>fund to total SFs / BFs</i>	
<i>Share capital transfers from total SFs / BFs to shareholder fund / management fund</i>	<p>For a life insurer, this is the amount of share capital transferred from all statutory funds to the shareholder fund.</p> <p>For a friendly society, this item is the amount of share capital transferred from all benefit funds to the management fund.</p>
<i>Share capital type</i>	<p>This is type of share capital for the purposes of this Reporting Standard. <i>Share capital type</i> can either be:</p> <ul style="list-style-type: none"> • Total statutory / benefit funds – Share capital; • Shareholder / management fund – Share capital; and • Shareholder / management fund – Share capital elimination.

Specific instructions

Table 1: Retained Profit Transfers

Reporting basis

This table applies to life companies including friendly societies. Data must be submitted at the level of the life company.

Report all information as at the reporting date (unless otherwise stated).

Units of measurement

Report the dollar values in this table in whole Australian dollars.

	Name	Valid values	Description
1	Retained Profit Type	<ul style="list-style-type: none"> • Total statutory funds - SRP par • Total statutory funds - SRP non-par • Total benefit funds - SRP • Shareholder / management fund - SRP • Shareholder / management fund elimination - SRP 	Report <i>retained profit type</i> .
2	Retained Profits Balance At The Beginning The Of Period	Whole dollars	<p>Report <i>retained profits balance at the beginning of the period</i> amount.</p> <p>Report this item as a negative value if the sum of the balances across all SFs / BF's and the shareholder fund / management fund is higher than the balance at a life company level under the following <i>retained profit type</i>:</p>

	Name	Valid values	Description
			<ul style="list-style-type: none"> Shareholder / management fund elimination – SRP.
3	Profit (Loss) After Income Tax Attributable To Members Of The Company	Whole dollars	<p>Report <i>profit (loss) after income tax attributable to members of the company</i> amount.</p> <p>Report this as a positive value where it would result in an increase to <i>retained profits type</i>.</p> <p>Report this item for the year up to the close of business on the last day of the reporting period.</p> <p>Report this item as a negative value if the sum of the balances across all SFs / BF's and the shareholder fund / management fund is higher than the balance at a life company level under the following <i>retained profit type</i>:</p> <ul style="list-style-type: none"> Shareholder / management fund elimination – SRP.
4	Retained Profit Transfers From Shareholder Fund / Management Fund To Total SF (SRP Non-Par) / Total SF (SRP Par) / Total BF	Whole dollars	<p>Report <i>retained profit transfers from shareholder fund / management fund to total SF (SRP non-par) / total SF (SRP par) / total BF</i> amount.</p> <p>Report this item as a positive value where the <i>retained profit type</i> is:</p> <ul style="list-style-type: none"> Total statutory funds - SRP par; Total statutory funds - SRP non-par; or

	Name	Valid values	Description
			<ul style="list-style-type: none"> Total benefit funds - SRP. <p>Report this item as a negative value where the <i>retained profit type</i> is:</p> <ul style="list-style-type: none"> Shareholder / management fund - SRP. <p>Report this item for the year up to the close of business on the last day of the reporting period.</p> <p>Report this item as a negative value if the sum of the balances across all SFs / BFs and the shareholder fund / management fund is higher than the balance at a life company level under the following <i>retained profit type</i>:</p> <ul style="list-style-type: none"> Shareholder / management fund elimination – SRP.
5	Retained profit Transfers From Total SF (SRP Non-Par) / Total SF (SRP Par) / Total BF To Shareholder Fund / Management Fund	Whole dollars	<p>Report <i>retained profit transfers from total SF (SRP non-par) / total SF (SRP par) / total BF to shareholder fund / management fund</i> amount.</p> <p>Report this item as a positive value where the <i>retained profit type</i> is:</p> <ul style="list-style-type: none"> Shareholder / management fund - SRP. <p>Report this item as a negative value where the <i>retained profit type</i> is:</p> <ul style="list-style-type: none"> Total statutory funds - SRP par; Total statutory funds - SRP non-par; or Total benefit funds - SRP.

	Name	Valid values	Description
			<p>Report this item for the year up to the close of business on the last day of the reporting period.</p> <p>Report this item as a negative value if the sum of the balances across all SFs / BF's and the shareholder fund / management fund is higher than the balance at a life company level under the following <i>retained profit type</i>:</p> <ul style="list-style-type: none"> • Shareholder / management fund elimination - SRP
6	Retained Profit Transfers From / To Equity Reserves	Whole dollars	<p>Report <i>retained profit transfers to / from equity reserves</i> amount.</p> <p>Report this as a positive value where the net transfer amount results in an increase to <i>retained profits type</i>.</p> <p>Report this item for the year up to the close of business on the last day of the reporting period.</p> <p>Report this item as a negative value if the sum of the balances across all SFs / BF's and the shareholder fund / management fund is higher than the balance at a life company level under the following <i>retained profit type</i>:</p>

	Name	Valid values	Description
			<ul style="list-style-type: none"> Shareholder / management fund elimination – SRP.
7	Dividends	Whole dollars	<p>Report <i>dividends</i> amount.</p> <p>This item only applies where <i>retained profit type</i> is:</p> <ul style="list-style-type: none"> Shareholder / management fund - SRP. <p>Report this as a negative value.</p> <p>Report this item for the year up to the close of business on the last day of the reporting period.</p>
8	Other Retained Profit Movements	Whole dollars	<p>Report <i>other retained profit movements</i> amount.</p> <p>Report this as a positive value where it would result in an increase to <i>retained profits type</i>.</p> <p>Report this item for the year up to the close of business on the last day of the reporting period.</p> <p>Report this item as a negative value if the sum of the balances across all SFs / BF's and the shareholder fund / management fund is higher than the balance at a life company level under the following <i>retained profit type</i>:</p>

	Name	Valid values	Description
			<ul style="list-style-type: none">• Shareholder / management fund elimination – SRP.

Table 2: Share Capital Transfers**Reporting basis**

This table applies to life companies including friendly societies. Data must be submitted at the level of the life company.

Unless otherwise stated, report all information as at the reporting date.

Units of measurement

Report the dollar values in this table in whole Australian dollars.

	Name	Valid values	Description
1	Share Capital Type	<ul style="list-style-type: none"> • Total statutory funds / benefit funds - Share capital • Shareholder / management fund - Share capital • Shareholder / management fund - Share capital elimination 	Report <i>share capital type</i> .
2	Share Capital Balance At The Beginning Of The Period	Whole dollars	<p>Report <i>share capital balance at the beginning of the period</i> amount.</p> <p>Report this item as a negative value if the sum of the balances across all SFs / BFs and the shareholder fund / management fund is higher than the balance at a life company level under the following <i>share capital type</i>:</p> <ul style="list-style-type: none"> • Shareholder / management fund elimination – Share capital.
3	Share Capital Transfers From	Whole dollars	Report <i>share capital transfers from shareholder fund / management fund to total SFs / BFs</i> amount.

	Name	Valid values	Description
	Shareholder Fund / Management Fund To Total SFs / BFs		<p>Report this item as a positive value where <i>share capital type</i> is:</p> <ul style="list-style-type: none"> Total statutory funds / benefit funds - Share capital. <p>Report this item as a negative value where <i>share capital type</i> is:</p> <ul style="list-style-type: none"> Shareholder / management fund - Share capital. <p>Report this item for the year up to the close of business on the last day of the reporting period.</p> <p>Report this item as a negative value if the sum of the balances across all SFs / BFs and the shareholder fund / management fund is higher than the balance at a life company level under the following <i>share capital type</i>:</p> <ul style="list-style-type: none"> Shareholder / management fund elimination – Share capital.
4	Share Capital Transfers From Total SFs / BFs To Shareholder Fund / Management Fund	Whole dollars	<p>Report <i>share capital transfers from total SFs / BFs to shareholder fund / management fund</i> amount.</p> <p>Report this item as a positive value where <i>share capital type</i> is:</p> <ul style="list-style-type: none"> Shareholder / management fund - Share capital.

	Name	Valid values	Description
			<p>Report this item as a negative value where <i>share capital type</i> is:</p> <ul style="list-style-type: none"> • Total statutory funds / benefit funds - Share capital. <p>Report this item for the year up to the close of business on the last day of the reporting period.</p> <p>Report this item as a negative value if the sum of the balances across all SFs / BF's and the shareholder fund / management fund is higher than the balance at a life company level under the following <i>share capital type</i>:</p> <ul style="list-style-type: none"> • Shareholder / management fund elimination – Share capital.
5	Ordinary Shares Issued	Whole dollars	<p>Report <i>ordinary shares issued</i> amount.</p> <p>Report this as a positive value.</p> <p>This item only applies where <i>share capital type</i> is:</p> <ul style="list-style-type: none"> • Shareholder / management fund – Share capital. <p>Report this item for the year up to the close of business on the last day of the reporting period.</p>
6	Share Capital Reductions	Whole dollars	<p>Report <i>share capital reductions</i> amount.</p>

	Name	Valid values	Description
			<p>Report this as a negative value.</p> <p>This item only applies where <i>share capital type</i> is:</p> <ul style="list-style-type: none"> Shareholder / management fund – Share capital. <p>Report this item for the year up to the close of business on the last day of the reporting period.</p>
7	Other Share Capital Movements	Whole dollars	<p>Report <i>other share capital movements</i> amount.</p> <p>Report this as a positive value where it would result in an increase to <i>share capital type</i>.</p> <p>Report this item for the year up to the close of business on the last day of the reporting period.</p> <p>Report this item as a negative value if the sum of the balances across all SFs / BF's and the shareholder fund / management fund is higher than the balance at a life company level under the following <i>share capital type</i>:</p> <ul style="list-style-type: none"> Shareholder / management fund elimination – Share capital