



Reporting Standard LRS 340.0

Retained Profits and Policy Liabilities for Participating Business

Objective of this Reporting Standard

This Reporting Standard sets out the requirements for the provision of information to APRA in relation to calculating a life insurer's retained profits and policy liabilities for participating business.

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, and *Prudential Standard LPS 340 Valuation of Policy Liabilities* and *Prudential Standard LPS 600 Statutory Funds*.

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 only applies to life insurers registered under the *Life Insurance Act 1995* (Life Act), which have participating business (as defined in the Life Act). This Reporting Standard does not apply to friendly societies, or to life insurers which do not have participating business. This Reporting Standard applies for reporting periods ~~ending~~ oncommencing on or after 1 July 2023.

Information required

4. A life insurer 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 insurer must provide the information required by this Reporting Standard:
 - (a) in respect of the first half-year based on the financial year of the life insurer on an unaudited basis; and
 - (b) in respect of each financial year of the life insurer on an audited basis.

Note 1: This means that information provided under this Reporting Standard will be submitted two 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* (LPS 310).

8. If, having regard to the particular circumstances of a life insurer, 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 insurer.
9. The information required by this Reporting Standard in respect of a life insurer must be provided to APRA:
 - (a) in the case of half yearly 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 insurer 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 insurer is nonetheless required to submit the information required no later than the due date.

Quality control

11. The information provided by a life insurer 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 insurer. This will require the Auditor to review and test the life insurer's systems, processes and controls supporting the reporting of the information to enable the life insurer 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 LPS 310.
12. All information provided by a life insurer under this Reporting Standard must be subject to systems, processes and controls developed by the life insurer for the internal review and authorisation of that information. It is the responsibility of the Board and senior management of the life insurer 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 insurers may use reasonable estimates when preparing information that will not be audited (i.e. for the first two submissions of information for a full financial year).

Authorisation

14. When an officer or agent of a life insurer 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 insurer who submits information under this Reporting Standard must be authorised by either:
 - (a) the Principal Executive Officer of the life insurer; or
 - (b) the Chief Financial Officer of the life insurer.

Variations

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

Transition

17. A life insurer 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 commenced before 1 July 2023; and
- (b) in relation to which the life insurer 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 insurer 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 insurer 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 section 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 insurer, 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 insurer, 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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General instructions

Reporting tables

Tables in these instructions 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 the table must not appear on more than one row in that table when reported.

APRA class of business

APRA classes of business that apply for the purpose of this Reporting Standard are:

- Australia – *Ordinary Business*
- Australia – *Superannuation Business*
- Overseas – All Business

The expressions ‘Australian Business’ and ‘Overseas Business’ refer to the territories where the life insurance business is carried on.

The expressions ‘*Ordinary Business*’ and ‘*Superannuation Business*’ are defined in the Life Act.

Definitions

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

Specific instructions

Table 1: Value of Supporting Assets (VSA) Led Method

Reporting basis

This table applies to life insurers, which have participating business. Data must be submitted at the level of each statutory fund. Insurers are to report data relating to participating business only.

This table collects data underlying participating business and applies to life insurers that select the VSA led method in accordance with *Prudential Standard LPS 340 Valuation of Policy Liabilities* (LPS 340), and relates to how AASB 17 reporting components would be completed if policy liabilities are derived using the VSA led method.

This table is based on the definition of VSA outlined in LPS 340, and links the VSA reporting components to the AASB 17 roll-forward reporting components. This linkage does not mean that the amounts should be the same between the two bases. The VSA basis and the AASB 17 basis are two separate constructs but the linkage outlines the relationship and differences between the two bases.

This table collects data items net of reinsurance for both the Life Act and AASB 17 reporting components (unless otherwise stated). Insurers are to report the data items by offsetting reinsurance components against gross components.

This table collects data items gross of tax (unless otherwise stated). Tax must be reported separately under the relevant tax data items.

~~Insurers that select the accounting standard led method do not complete this table.~~
This table is not completed for statutory funds whose policy liabilities are valued using

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

Discount rate

When completing the Life Act reporting components, insurers are to use the net discount rate approach (i.e. the discount rate that is net of Funds Under Management (FUM) based investment expenses and tax on investment earnings net of FUM-based investment expenses) and complete the requested data fields. Insurers may use approximations if insurers cannot readily complete the relevant data fields because, for example, insurers use the gross discount rate approach (i.e. discount rate gross of FUM expenses and investment earnings tax).

Units of measurement

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

Insurers must report data items as positive numbers if the data items result in a higher balance for the component in question. For example, premiums inflow results in a higher VSA balance so this must be reported as a positive number.

Similarly, insurers must report data items as negative numbers if the data items result in a lower balance for the component in question. For example, Contractual Service Margin and Risk Adjustment release result in lower balances of Contractual Service Margin and Risk Adjustment so they must be reported as negative numbers.

Columns 1 to 6	Report the value for each of the items listed below which relates to policy liability as defined in the Life Act (Life Act policy liability) by APRA class of business and by investment account benefit (as defined in the Life Act) and benefits other than investment account benefits (other benefits).
Columns 7 to 12	Report the value for each of the items listed below which relates to Australian policy owners' retained profits as defined in the Life Act and overseas policy owners' retained profits as defined in the Life Act (together referred to as Life Act PRP) by APRA class of business and by investment account benefits and other benefits.
Columns 13 to 14	Report the value for each of the items listed below which relates to shareholders' retained profits (Australian participating) as defined in the Life Act (Life Act SRPP) and overseas portion of shareholders' retained profits (overseas and non-participating) as defined in the Life Act (Life Act SRP (overseas par)).
Columns 15 to 20	Report the value for each of the items listed below which relates to estimates of present value of the future cash flows as defined in AASB 17 associated with components other than policy owners' retained profits (EFCF (non-PRP portion)) by APRA class of business and by investment account benefits and other benefits.
Columns 21 to 26	Report the value for each of the items listed below which relates to estimates of present value of the future cash flows as defined in AASB 17 associated with policy owners' retained profits (EFCF (PRP portion)) by APRA class of business and by investment account benefits and other benefits. Under the VSA led method, insurers can reference Life Act PRP to determine EFCF (PRP portion).
Columns 27 to 32	Report the value for each of the items listed below which relates to risk adjustment for non-financial risk as defined in AASB 17 (RA) by APRA class of business and by investment account benefits and other benefits.
Columns 33 to 38	Report the value for each of the items listed below which relates to contractual service margin as defined in AASB 17 (CSM) by APRA class of business and by investment account benefits and other benefits.
Columns 39 to 40	Report the value for each of the items listed below which relates to shareholders' retained profits associated with Australian participating business under AASB 17 (AASB 17 SRPP) and shareholders' retained profits associated with overseas participating business under AASB 17 (AASB 17 SRP (overseas par)).

	<p>AASB 17 SRPP and AASB 17 SRP (overseas par) would form part of the overall shareholder retained profit<u>earnings</u> reported in the financial statement<u>Reporting Standard LRS 300.0 Statement of Financial Position</u>. These may be equal or different to the Life Act SRPP and Life Act SRP (overseas par) respectively determined for Life Act reporting purposes using the VSA led method.</p>
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1. Opening balance

<p>Item L1.1</p> <p>Report opening balances of Life Act policy liabilities, Life Act PRP, Life Act SRPP and Life Act SRP (overseas par).</p> <p>This is the amount of Life Act policy liabilities, Life Act PRP, Life Act SRPP and Life Act SRP (overseas par) at the beginning of the reporting period.</p> <p>Opening balance of Life Act policy liabilities must not be netted against any accounts receivable relating to participating business.</p> <p>Opening balance of Life Act policy liabilities must exclude any accounts payable relating to participating business.</p> <p>Opening balance of Life Act PRP must exclude cost of declared bonus relating to the previous reporting period. Cost of declared bonus relating to the previous reporting period must be included in Life Act policy liabilities.</p> <p>Use a positive number for Life Act policy liabilities and retained profits and a negative number for negative Life Act PRP, Life Act SRPP or Life Act SRP (overseas) (typically, the sum of amounts reported in the Life Act components columns would also represent the amount of participating sub-fund assets).</p>	<p>Item A1.1</p> <p>Report opening balances of AASB 17 liabilities, AASB 17 SRPP and AASB 17 SRP (overseas par) reporting components.</p> <p>This is the amount of EFCF (non-PRP portion), EFCF (PRP portion), RA, CSM, AASB 17 SRPP and AASB 17 SRP (overseas par) at the beginning of the reporting period. AASB 17 liabilities refer to the aggregate of EFCF (non-PRP portion), EFCF (PRP portion), RA, CSM.</p> <p>Insurers must maintain separate records for two components of EFCF:</p> <ul style="list-style-type: none"> • EFCF (PRP portion); and • EFCF (non-PRP portion). <p>Opening balances of AASB 17 liabilities would be net of any accounts receivable relating to participating business.</p> <p>Opening balances of AASB 17 liabilities would include any accounts payable relating to participating business.</p> <p>Opening balance of EFCF (PRP portion) must exclude cost of declared bonus relating to the previous reporting period. Cost of declared bonus relating to the previous reporting period must be included in EFCF (non-PRP portion) and RA (if required).</p> <p>Use a positive number for the components of AASB 17 liabilities. Use a negative number for negative</p>
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			EFCF (PRP portion), AASB 17 SRPP or AASB 17 SRP (overseas par).
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2. Impact of inflows and outflows on VSA / AASB 17 liabilities

Item L2.1	<p>Report premiums inflow – impact on VSA.</p> <p>This is (accrued) premiums for participating business.</p> <p>For participating investment account benefits, report deposits as premiums inflow.</p> <p>Report gross of tax on premiums. Tax on premiums is reported in L2.44<u>10</u>.</p> <p>Report gross of reinsurance premiums. Reinsurance premiums is reported in L2.76.</p> <p>VSA increases if a receivable balance is recognised or cash is received directly without recognising a receivable balance.</p>	Item A2.1	<p>Report premiums received – impact on AASB 17 liabilities.</p> <p>This is premiums received for participating business.</p> <p>For participating investment account benefits, report deposits as premiums received.</p> <p>Report gross of tax on premiums. Tax on premiums is reported in A2.14<u>13</u>.</p> <p>Report gross of reinsurance premiums. Reinsurance premiums is reported in A2.109.</p> <p>For premiums received relating to new business, allocate the premium amount to EFCF (non-PRP portion), RA and CSM.</p> <p>AASB 17 liabilities increase if cash is received. Note that a receivable balance would be netted against the liability component.</p>
Item L2.2	<p>Report death and disability claims outflow including interim and terminal bonus – impact on VSA.</p> <p>This is (accrued) death and disability claims outflow including interim and terminal bonus for participating business.</p> <p>For participating investment account benefits, report withdrawal payments made on death or disability as claims outflow.</p> <p>Report gross of reinsurance recoveries. Reinsurance recoveries is reported in L2.87.</p> <p>VSA decreases if a payable balance is recognised or cash is paid directly without recognising a payable balance.</p>	Item A2.2	<p>Report death and disability claims paid including interim and terminal bonus – impact on EFCF (non-PRP portion).</p> <p>This is death and disability claims paid including interim and terminal bonus for participating business.</p> <p>For participating investment account benefits, report withdrawal payments made on death or disability as claims paid.</p> <p>Report gross of reinsurance recoveries. Reinsurance recoveries is reported in A2.11<u>10</u>.</p> <p>AASB 17 liabilities decrease if cash is paid. Note that a payable balance would be included in AASB 17 liabilities.</p>

Item L2.3	<p>Report surrender claims outflow including interim and terminal bonus – impact on VSA.</p> <p>This is (accrued) surrender claims outflow including interim and terminal bonus for participating business.</p> <p>For participating investment account benefits, report withdrawals on surrender as surrender claims outflow.</p> <p>VSA decreases if a payable balance is recognised or cash is paid directly without recognising a payable balance.</p>	Item A2.3	<p>Report surrender claims paid including interim and terminal bonus – impact on EFCF (non-PRP portion).</p> <p>This is surrender claims paid including interim and terminal bonus for participating business.</p> <p>For participating investment account benefits, report withdrawals on surrender as surrender claims paid.</p> <p>Amounts relating to loans on policies (includes non-forfeiture loans) are to be reported in A2.5, A2.6 and A2.7.</p> <p>AASB 17 liabilities decrease if cash is paid. Note that a payable balance would be included in AASB 17 liabilities.</p>
Item L2.4	<p>Report maturity claims outflow including interim and terminal bonus – impact on VSA.</p> <p>This is (accrued) maturity claims outflow including interim and terminal bonus for participating business.</p> <p>For participating investment account benefits, report withdrawals at maturity as maturity claims outflow.</p> <p>VSA decreases if a payable balance is recognised or cash is paid directly without recognising a payable balance.</p>	Item A2.4	<p>Report maturity claims paid including interim and terminal bonus – impact on EFCF (non-PRP portion).</p> <p>This is maturity claims paid including interim and terminal bonus for participating business.</p> <p>For participating investment account benefits, report withdrawals at maturity as maturity claims paid.</p> <p>AASB 17 liabilities decrease if cash is paid. Note that a payable balance would be included in AASB 17 liabilities.</p>
	Item A2.5	<p>Report loans on policies issued – impact on EFCF (non-PRP portion).</p> <p>This is the amount of policy loans issued (includes non-forfeiture loans) during the reporting period.</p> <p>AASB 17 liabilities decrease if policyholders take out loans.</p>	

		Item A2.6	<p>Report loans on policies repaid – impact on EFCF (non-PRP portion).</p> <p>This is the amount of policy loans repaid by policyholders (includes repayments of non-forfeiture loans) during the reporting period.</p> <p>AASB 17 liabilities increase if policyholders repay their loans.</p>
		Item A2.7	<p>Report other movements relating to loans on policies – impact on EFCF (non-PRP portion).</p> <p>This is any other movements relating to policy loans (includes non-forfeiture loans). This includes any interests accrued on policy loans.</p> <p>AASB 17 liabilities decrease if interests are accrued on policy loans.</p>
Item L2.5	<p>Report allocation to Life Act PRP due to interim and terminal bonus paid.</p> <p>This is the amount allocated to Life Act PRP due to interim and terminal bonus paid.</p> <p>Interim and terminal bonus is recognised as both an allocation of profit (reported in this item) and a distribution of profit (reported in item L11.1).</p> <p>Allocating a policyholder profit increase Life Act PRP.</p>	Item A2.8	<p>Report allocation to EFCF (PRP portion) due to interim and terminal bonus paid.</p> <p>This is the amount, if any, allocated to EFCF (PRP portion) due to interim and terminal bonus paid.</p> <p>Allocating a policyholder profit increases EFCF (PRP portion).</p>
Item L2.65	<p>Report expenses outflow – impact on VSA.</p> <p>This is (accrued) expenses (including commissions) relating to participating business. This excludes:</p> <ul style="list-style-type: none"> the expenses that are reflected in the VSA discount rate (reported in L3.2); and 	Item A2.98	<p>Report directly attributable expenses paid – impact on EFCF (non-PRP portion).</p> <p>This is directly attributable expenses paid relating to participating business. This excludes:</p> <ul style="list-style-type: none"> the expenses that are reflected in the discount rate for AASB 17 liabilities (reported in A3.2);

	<ul style="list-style-type: none"> the expenses that fall outside the VSA (reported in L4.2 and L4.3). <p>Report gross of tax relief deduction on these expenses. The tax relief deduction is reported in L2.44<u>10</u>.</p> <p>VSA decreases if a payable balance is recognised or cash is paid directly without recognising a payable balance.</p>		<ul style="list-style-type: none"> the expenses that relate to assets backing EFCF (PRP portion) (reported in A4.2); and the expenses that are not directly attributable (reported in A4.3). <p>Report gross of tax relief deduction on these expenses. The tax relief deduction is reported in A2.44<u>13</u>.</p> <p>AASB 17 liabilities decrease if cash is paid. Note that a payable balance would be included in AASB 17 liabilities.</p>
Item L2.76	<p>Report reinsurance premiums outflow - impact on VSA.</p> <p>This is (accrued) reinsurance premiums relating to reinsurance held in respect of participating business.</p> <p>Report gross of tax deduction on reinsurance premiums. Tax deduction on reinsurance premiums is reported in L2.44<u>10</u>.</p> <p>VSA decreases if a payable balance is recognised or cash is paid directly without recognising a payable balance.</p>	Item A2.40<u>9</u>	<p>Report reinsurance premiums paid - impact on EFCF (non-PRP portion).</p> <p>This is reinsurance premiums paid relating to reinsurance held in respect of participating business.</p> <p>Report gross of tax deduction on reinsurance premiums. Tax deduction on reinsurance premiums is reported in A2.44<u>13</u>.</p> <p>AASB 17 liabilities decrease if cash is paid. Note that a payable balance would be included in AASB 17 liabilities.</p>
Item L2.87	<p>Report reinsurance recoveries inflow - impact on VSA.</p> <p>This is (accrued) reinsurance recoveries relating to reinsurance held in respect of participating business.</p> <p>VSA increases if a receivable balance is recognised or cash is received directly without recognising a receivable balance.</p>	Item A2.41<u>10</u>	<p>Report reinsurance recoveries received - impact on EFCF (non-PRP portion).</p> <p>This is reinsurance recoveries received relating to reinsurance held in respect of participating business.</p> <p>AASB 17 liabilities increase if cash is received. Note that a receivable balance would be netted against the liability component.</p>
Item L2.98	<p>Report other outflow related to reinsurance - impact on VSA.</p> <p>This is any other outflows relating to reinsurance held in respect of participating business.</p>	Item A2.42<u>11</u>	<p>Report other cash outflow related to reinsurance - impact on EFCF (non-PRP portion).</p>

	VSA decreases if a payable balance is recognised or cash is paid directly without recognising a payable balance.		This is any other cash outflows relating to reinsurance held in respect of participating business. AASB 17 liabilities decrease if cash is paid. Note that a payable balance would be included in AASB 17 liabilities.
Item L2.10 <u>9</u>	Report other inflow related to reinsurance - impact on VSA. This is any other inflows relating to reinsurance held in respect of participating business. This includes accrued reinsurance commission. VSA increases if a receivable balance is recognised or cash is received directly without recognising a receivable balance.	Item A2.13 <u>12</u>	Report other cash inflow related to reinsurance - impact on EFCF (non-PRP portion). This is any other cash inflows relating to reinsurance held in respect of participating business. This includes reinsurance commissions received AASB 17 liabilities increase if cash is received. Note that a receivable balance would be netted against the liability component.
Item L2.11 <u>10</u>	Report current and deferred tax expense – impact on VSA. This is current and deferred tax expense relating to participating business (e.g. tax on premium income and tax relief on expenses). This excludes: <ul style="list-style-type: none">• tax that is reflected in the discount rate (i.e. tax that relates to investment earnings and FUM expenses - reported in L3.3); and• tax that falls outside the VSA (reported in L4.4). Report Superannuation Contribution Tax (SCT) outflow (e.g. accrued due to surrenders) under this item. VSA decreases if a tax payable / deferred tax liability balance is recognised or cash is paid directly without recognising a tax payable balance.	Item A2.14 <u>13</u>	Report current and deferred tax expense – impact on EFCF (non-PRP portion). This is current and deferred tax expense relating to participating business (e.g. tax on premium income and tax relief on expenses). This excludes: <ul style="list-style-type: none">• tax that is reflected in the discount rate (i.e. tax that relates to investment earnings and FUM expenses - reported in A3.3); and• tax that falls outside EFCF (non-PRP portion), RA and CSM (reported in A4.4). Report SCT (e.g. paid due to surrenders) paid under this item. AASB 17 liabilities decrease if a payable / deferred tax liability balance is recognised or cash is paid directly without recognising a tax payable balance.

Item L2.12 <u>11</u>	<p>Report other inflow – impact on VSA.</p> <p>This is any other inflows relating to participating business.</p> <p>VSA increases if a receivable balance is recognised or cash is received directly without recognising a receivable balance.</p>	Item A2.15 <u>14</u>	<p>Report other cash inflow – impact on EFCF (non-PRP portion).</p> <p>This is any other cash inflows relating to participating business.</p> <p>AASB 17 liabilities increase if cash is received. Note that a receivable balance would be netted against the liability component.</p>
Item L2.13 <u>12</u>	<p>Report other outflow – impact on VSA.</p> <p>This is any other outflows relating to participating business.</p> <p>VSA decreases if a payable balance is recognised or cash is paid directly without recognising a payable balance.</p>	Item A2.16 <u>15</u>	<p>Report other cash outflow – impact on EFCF (non-PRP portion).</p> <p>This is any other cash outflows relating to participating business.</p> <p>AASB 17 liabilities decrease if cash is paid. Note that a payable balance would be included in AASB 17 liabilities.</p>

3. Impact of investment, FUM expenses and tax on VSA / AASB 17 liabilities

Item L3.1	<p>Report investment earnings and foreign exchange (FX) – impact on VSA.</p> <p>This is actual investment earnings (includes realised and unrealised gains and losses) and FX on assets supporting participating business VSA.</p> <p>This must be reported gross of L3.2 and L3.3 (i.e. FUM expenses and tax).</p> <p>Positive investment earnings / FX gains increase VSA.</p>	Item A3.1	<p>Report insurance finance income / expense and effects of movements in FX – impact on EFCF (non-PRP portion), RA and CSM.</p> <p>This is actual investment earnings (includes realised and unrealised gains and losses) and FX on assets supporting participating business (or discount roll-forward of AASB 17 liabilities for non-Variable Fee Approach (VFA) method).</p> <p>This must be reported gross of A3.2 and A3.3 (i.e. FUM expenses and tax).</p> <p>Positive investment earnings / FX gains increase AASB 17 liabilities.</p>
Item L3.2	<p>Report FUM expenses – impact on VSA.</p> <p>This is actual FUM expenses on assets supporting participating business VSA.</p> <p>FUM expenses would be reflected when setting the discount rate under the VSA led method.</p>	Item A3.2	<p>Report FUM expenses – impact on EFCF (non-PRP portion), RA and CSM.</p> <p>This is actual FUM expenses on assets supporting participating business.</p> <p>This applies if FUM expenses are reflected when setting the discount</p>

	VSA decreases if a payable balance is recognised or cash is paid directly without recognising a payable balance.		rate under AASB 17. Otherwise, report nil under this item. If FUM expenses are reflected in the discount rate instead of being treated as part of future cash flows, AASB 17 liabilities decrease if a payable balance is recognised or cash is paid directly without recognising a payable balance.
Item L3.3	Report current and deferred tax expense due to L3.1 and L3.2 – <u>h</u> impact on VSA. This is current and deferred tax expense due to L3.1 and L3.2 (i.e. investment earnings and FUM expenses). Tax due to L3.1 and L3.2 would be reflected when setting the discount rate under the VSA led method. VSA decreases if a tax payable / deferred tax liability balance is recognised or cash is paid directly without recognising a tax payable balance.	Item A3.3	Report current and deferred tax expense due to A3.1 and A3.2 – impact on EFCF (non-PRP portion), RA and CSM. This is current and deferred tax expense due to A3.1 and A3.2 (i.e. investment earnings and FUM expenses). This applies if tax due to A3.1 and A3.2 are reflected when setting the discount rate under AASB 17. Otherwise, report nil under this item. AASB 17 liabilities decrease if a tax payable / deferred tax liability balance is recognised or cash is paid directly without recognising a tax payable balance.

4. Components that impact retained profits

Item L4.1	Report investment earnings and FX – impact on Life Act PRP, Life Act SRPP and Life Act SRP (overseas par). This is actual allocated investment earnings (includes realised and unrealised gains and losses) and FX on assets supporting Life Act PRP, Life Act SRPP and Life Act SRP (overseas par). This must be reported gross of L4.2 and L4.4 (i.e. FUM expenses and tax). Positive investment earnings / FX gains increase Life Act PRP, Life	Item A4.1	Report insurance finance income / expense and effects of movements in FX – impact on EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par). This is actual allocated investment earnings (includes realised and unrealised gains and losses) and FX on assets supporting EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par). This must be reported gross of A4.2 and A4.4 (i.e. FUM expenses and tax). Positive investment earnings / FX gains increase EFCF (PRP portion),
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	Act SRPP and Life Act SRP (overseas par).		AASB 17 SRPP and AASB 17 SRP (overseas par).
Item L4.2	<p>Report FUM expenses – impact on Life Act PRP, Life Act SRPP and Life Act SRP (overseas par).</p> <p>This is actual allocated FUM expenses on assets supporting Life Act PRP, Life Act SRPP and Life Act SRP (overseas par).</p> <p>Life Act PRP, Life Act SRPP and Life Act SRP (overseas par) decrease if a payable balance is recognised or cash is paid directly without recognising a payable balance.</p>	Item A4.2	<p>Report FUM expenses – impact on EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par).</p> <p>This is actual allocated FUM expenses on assets supporting EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par).</p> <p>EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par) decrease if a payable balance is recognised or cash is paid directly without recognising a payable balance.</p>
Item L4.3	<p>Report other expenses which fall outside of VSA – impact on Life Act PRP, Life Act SRPP and Life Act SRP (overseas par).</p> <p>This is the amount of any other expenses incurred in relation to participating business (for expense categories that were not included in VSA e.g. one-off expenses) that is allocated to Life Act PRP, Life Act SRPP and Life Act SRP (overseas par).</p> <p>Life Act PRP, Life Act SRPP and Life Act SRP (overseas par) decrease if a payable balance is recognised or cash is paid directly without recognising a payable balance.</p>	Item A4.3	<p>Report non-directly attributable expenses – impact on EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par).</p> <p>This is non-directly attributable expenses incurred in relation to participating business (e.g. one-off expenses), allocated to EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par).</p> <p>EFCF (PRP portion) and AASB 17 SRPP and AASB 17 SRP (overseas par) decrease if a payable balance is recognised or cash is paid directly without recognising a payable balance.</p>
Item L4.4	<p>Report current and deferred tax expense due to L4.1, L4.2 and L4.3 – impact on Life Act PRP, Life Act SRPP and Life Act SRP (overseas par).</p> <p>This is current and deferred tax expense due to L4.1, L4.2 and L4.3 (i.e. investment earnings and expenses) that is allocated to Life</p>	Item A4.4	<p>Report current and deferred tax expense due to A4.1, A4.2 and A4.3 - impact on EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par).</p> <p>This is current and deferred tax expense due to A4.1, A4.2 and A4.3 (i.e. investment earnings and expenses) that is allocated to EFCF</p>

Act PRP, Life Act SRPP and Life Act SRP (overseas par). Life Act PRP, Life Act SRPP and Life Act SRP (overseas par) decrease if a payable / deferred tax liability balance is recognised or cash is paid directly without recognising a tax payable balance.	(PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par). EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par) decrease if a tax payable / deferred tax liability balance is recognised or cash is paid directly without recognising a tax payable balance.
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5. Impact of interim and terminal bonus

<u>Item L5.1</u>	<p><u>Report allocation to Life Act PRP due to interim and terminal bonus paid.</u></p> <p><u>This is the amount allocated to Life Act PRP due to interim and terminal bonus paid.</u></p> <p><u>Interim and terminal bonus is recognised as both an allocation of profit (reported in this item) and a distribution of profit (reported in item L11.1).</u></p> <p><u>Allocating a policyholder profit increase Life Act PRP.</u></p>	<u>Item A5.1</u>	<p><u>Report allocation to EFCF (PRP portion) due to interim and terminal bonus paid.</u></p> <p><u>This is the amount, if any, allocated to EFCF (PRP portion) due to interim and terminal bonus paid.</u></p> <p><u>Allocating a policyholder profit increases EFCF (PRP portion).</u></p>
<u>Item L5.21</u>	<p>Report profits that are added to Life Act SRPP and Life Act SRP (overseas par) in respect of interim and terminal bonuses.</p> <p>This is profits that <u>decrease VSA and</u> are added to Life Act SRPP and Life Act SRP (overseas par) over the period in respect of interim and terminal bonuses (i.e. corresponding to the interim and terminal bonus outflow reported in L2.2, L2.3 and L2.4).</p> <p>Releasing shareholder profit decreases VSA.</p>	Item A5.1	<p>Report CSM and RA release (if any) corresponding to interim and terminal bonus.</p> <p>Releasing shareholder profit decreases AASB 17 liabilities.</p>
<u>Item L5.32</u>	<p>Report allocation to Life Act SRPP and Life Act SRP (overseas par) due to L5.1.</p> <p>This is the amount allocated to Life Act SRPP and Life Act SRP (overseas par) due to L5.1.</p>	Item A5.2	<p>Report allocation to AASB 17 SRPP and AASB 17 SRP (overseas par) due to A5.1.</p> <p>This is the amount allocated to AASB 17 SRPP and AASB 17 SRP (overseas par) due to A5.1.</p>

	Allocating a shareholder profit increases Life Act SRPP and Life Act SRP (overseas par).	Allocating a shareholder profit increases AASB 17 SRPP and AASB 17 SRP (overseas par).
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6. Impact of non-investment experience profit and experience adjustments

Item L6.1	<p>Report non-investment experience (profit) / loss.</p> <p>This is the (decrease) / increase in the VSA that corresponds to non-investment experience profit / loss.</p> <p>This item includes tax-related experience items (i.e. tax expense being better or worse than expected).</p> <p>A non-investment experience profit decreases VSA (e.g. if expected expenses are higher than actual expenses, the tax-effected difference is released from the VSA so that the amount will be recognised as an experience profit).</p>	Item A6.1	<p>Report experience adjustments.</p> <p>This is the (decrease) / increase in EFCF (non-PRP portion) and RA corresponding to favourable / unfavourable experience adjustments. If the experience adjustments impact CSM, show the corresponding increase / (decrease) in CSM in the relevant column(s).</p> <p>This item includes tax-related experience adjustments (i.e. tax expense being better or worse than expected).</p> <p>Favourable experience adjustments decrease EFCF (non-PRP portion) and RA. Where the experience adjustments impact CSM, favourable experience increases CSM.</p>
Item L6.2	<p>Report allocation to Life Act PRP, Life Act SRPP and Life Act SRP (overseas par) due to L6.1.</p> <p>This is the amount of the experience profit / (loss) allocated to Life Act PRP, Life Act SRPP and Life Act SRP (overseas par) due to L6.1.</p> <p>A non-investment experience profit increase Life Act PRP, Life Act SRPP and Life Act SRP (overseas par).</p>	Item A6.2	<p>Report allocation to EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par) due to A6.1.</p> <p>This is the experience adjustment amount allocated to EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par) due to A6.1. This item is only relevant if the experience adjustments do not adjust CSM (i.e. emerges as profit immediately). Otherwise, report nil.</p> <p>Favourable experience adjustments increase EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par) only if they do not adjust CSM.</p>

7. Impact of assumption changes including losses on onerous contracts

Item L7.1	<p>Report Best Estimate Liabilities (BEL) at insurer risk free rate for determining loss recognition.</p> <p>This is BEL of participating business calculated using the gross discount rate (or rates) that the life insurer considers to be risk free based on the current observable, objective rates that relate to the nature, structure and term of the future liability cash flows. The discount rate is used in determining the adequacy threshold for loss recognition under the VSA led method. It does not need to satisfy the definition of risk-free discount rate in LPS 001.</p>	
	Item A7.1	<p>Report changes in estimates that adjust CSM.</p> <p>Show the increase / (decrease) in CSM corresponding to assumption changes that adjust CSM. Also show the corresponding (decrease) / increase in EFCF (non-PRP portion) and RA from the assumption changes.</p>
Item L7.2	<p>Report impact of assumption changes and loss recognition (reversal) on VSA.</p> <p>Where the BEL reported in L7.1 is higher (or lower) than VSA and losses are being recognised (or reversed), show the increase / (decrease) in VSA that corresponds to the amount of loss recognition / (reversal).</p> <p>The resulting impact on Life Act PRP, Life Act SRPP and Life Act (overseas par) is reported in L7.3.</p>	<p>Item A7.2</p> <p>Report changes in estimates that do not adjust CSM and adjustments to Liability for Incurred Claims (LIC).</p> <p>Show the increase / (decrease) in EFCF (non-PRP portion) and RA corresponding to assumption changes and adjustments to LIC.</p> <p>This is applicable where the assumption changes and adjustments to LIC do not adjust CSM.</p> <p>The resulting impact on EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par) is reported in A7.3.</p> <p>Assumption and LIC strengthening increase AASB 17 liabilities.</p>

<p>Item L7.3</p>	<p>Report allocation to Life Act PRP, Life Act SRPP and Life Act SRP (overseas par) due to L7.2.</p> <p>This is the amount of loss (recognition) / reversal allocated to Life Act PRP, Life Act SRPP and Life Act SRP (overseas par) due to L7.2.</p> <p>Allocating policyholder and shareholder profits increase Life Act PRP, Life Act SRPP and Life Act SRP (overseas par).</p>	<p>Item A7.3</p>	<p>Report allocation to EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par) due to A7.2.</p> <p>This is the amounts allocated to EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par) resulting from the changes in estimates that do not adjust CSM and adjustments to LIC that are reported in A7.2.</p> <p>Allocating policyholder and shareholder profits increase EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par).</p>
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8. Other movements

<p>Item L8.1</p>	<p>Report other movements – impact on Life Act policy liabilities, Life Act PRP, Life Act SRPP and Life Act SRP (overseas par).</p> <p>This is other movements, increases / (decreases), in the net balance of Life Act policy liabilities, Life Act PRP, Life Act SRPP and Life Act SRP (overseas par) that are related to, for example, acquisitions / disposals / portfolio transfers.</p> <p>This excludes performance, and profit and loss related items.</p>	<p>Item A8.1</p>	<p>Report other movements – impact on AASB 17 liabilities, AASB 17 SRPP and AASB 17 SRP (overseas par).</p> <p>This is other movements, increases / (decreases), in the net balance of AASB 17 liabilities, AASB 17 SRPP and AASB 17 SRP (overseas par) that are related to, for example, acquisitions / disposals / portfolio transfers.</p> <p>This excludes performance, and profit and loss related items.</p>
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9. Release of current year policyholder and shareholder profit

<p><u>Item L9.1</u></p>	<p><u>Report current year best estimate profits that are added to Life Act SRPP and Life Act SRP (overseas par).</u></p> <p><u>This is the (decrease) in VSA associated with the release of shareholder profit at the end of the reporting period in respect of in-force policies. It reflects total participating business shareholder profit for the reporting period excluding amounts that are recognised in the following items:</u></p>	<p><u>Item A9.1</u></p>	<p><u>Report CSM and RA release</u></p> <p><u>This is the (decrease) in CSM and RA associated with shareholder profit emerging for the reporting period. It reflects total participating business shareholder profit excluding amounts that are recognised in the following items:</u></p> <ul style="list-style-type: none"> <u>• interest and expense items that impact AASB 17 SRPP and AASB 17 SRP (overseas par) (reported in A4.1, A4.2, A4.3 and A4.4);</u>
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	<ul style="list-style-type: none"> • <u>interest and expense items that impact Life Act SRPP and Life Act SRP (overseas par) (reported in L4.1, L4.2, L4.3 and L4.4);</u> • <u>profits that are added to Life Act SRPP and Life Act SRP (overseas par) in respect of interim and terminal bonuses (reported in L5.2);</u> • <u>non-investment experience profit / (loss) (reported in L6.2); and</u> • <u>loss (recognition) / reversal (reported in L7.3).</u> <u>Releasing shareholder profit decreases VSA.</u>		<ul style="list-style-type: none"> • <u>experience adjustments (reported in A6.2); and</u> • <u>changes in estimates that do not adjust CSM and adjustments to LIC (reported in A7.3).</u> <u>Releasing shareholder profit decreases AASB 17 liabilities.</u>
<u>Item L9.2</u>	<u>Report allocation to Life Act SRPP and Life Act SRP (overseas par) due to L9.1.</u> <u>This is the amount allocated to Life Act SRPP and Life SRP (overseas par) due to L9.1.</u> <u>Allocating a shareholder profit increases Life Act SRPP and Life Act SRP (overseas par).</u>	<u>Item A9.2</u>	<u>Report allocation to AASB 17 SRPP and AASB 17 SRP (overseas par) due to A9.1.</u> <u>This is the amount allocated to AASB 17 SRPP and AASB 17 SRP (overseas par) due to A9.1.</u> <u>Allocating a shareholder profit increases AASB 17 SRPP and AASB 17 SRP (overseas par).</u>
<u>Item L9.31</u>	<p>Report current year best estimate bonus – impact on VSA.</p> <p>This is the (decrease) in VSA associated with the release of policyholder profit at the end of the reporting period in respect of in-force policies. It reflects total policyholder profit for the reporting period excluding the profits that are recognised in the following items:</p> <ul style="list-style-type: none"> • <u>interim and terminal bonus profit allocation (reported in L5.12.5);</u> • <u>interest and expense items that impact Life Act PRP (reported in L4.1, L4.2, L4.3 and L4.4);</u> • <u>non-investment experience profit / (loss) (reported in L6.2); and</u> 	<u>Item A9.31</u>	<p>Report current year policyholder profit – impact on EFCF (non-PRP portion).</p> <p>This is the (decrease) in EFCF (non-PRP portion) associated with the release of current year policyholder profit from EFCF (non-PRP portion) to EFCF (PRP portion). It reflects total policyholder profit allocated to EFCF (PRP portion) excluding the profits that are recognised in the following items:</p> <ul style="list-style-type: none"> • <u>interim and terminal bonus profit allocation (reported in A52.18);</u> • <u>interest and expense items that impact EFCF (PRP portion) (reported in A4.1, A4.2, A4.3 and A4.4);</u>

	<ul style="list-style-type: none"> loss (recognition) / reversal (reported in L7.3). <p>Show the impact that allocating profit to Life Act PRP has on Life Act policy liabilities. The offsetting impact on Life Act PRP is reported in L9.42.</p> <p>Releasing policyholder profit decreases VSA.</p>		<ul style="list-style-type: none"> experience adjustments (reported in A6.2); and changes in estimates that do not adjust CSM and adjustments to LIC (reported in A7.3). <p>Show the impact that allocating profit to EFCF (PRP portion) has on EFCF (non-PRP portion). The offsetting impact on EFCF (PRP portion) is reported in A9.42.</p> <p>Releasing policyholder profit decreases EFCF (non-PRP portion).</p>
Item L9.42	<p>Report allocation to Life Act PRP due to L9.34.</p> <p>This is the amount allocated to Life Act PRP due to L9.34.</p> <p>Allocating a policyholder profit increases Life Act PRP.</p>	Item A9.42	<p>Report allocation to EFCF (PRP portion) due to A9.34.</p> <p>This is the amount allocated to EFCF (PRP portion) due to A9.43.</p> <p>Allocating a policyholder profit increases EFCF (PRP portion).</p>

10. Life Act policy liability / AASB 17 liability components

Item L10.1	<p>Report PV guaranteed benefits.</p> <p>This is present value of guaranteed benefits for participating business at the discount rate chosen under the VSA led method.</p> <p>For participating investment account benefits, report the present value of guaranteed withdrawals (on death, disability, surrender or at maturity). Allow for future crediting rates at guaranteed minimum levels.</p> <p>Use a discount rate that is net of:</p> <ul style="list-style-type: none"> FUM-based investment expenses; and tax on investment earnings net of FUM-based investment expenses. <p>Report net of present value of reinsurance recoveries relating to participating business.</p> <p>This is a positive component of BEL.</p>	Item A10.1	<p>Report PV guaranteed benefits within EFCF (non-PRP portion).</p> <p>This is present value of guaranteed benefits for participating business at the discount rate chosen under AASB 17.</p> <p>Report net of present value of reinsurance recoveries relating to participating business.</p> <p>This is a positive component of EFCF.</p>
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Item L10.2	<p>Report PV expenses (gross of tax relief).</p> <p>This is present value of future expenses (including commissions) other than:</p> <ul style="list-style-type: none"> • future expenses that are reflected in the VSA discount rate; and • future expenses that fall outside Life Act policy liability. <p>Report gross of tax relief<u>deduction</u> on these expenses. The tax <u>deduction</u> relief is reported in L10.4.</p> <p>This is a positive component of BEL.</p>	Item A10.2	<p>Report PV directly attributable expenses within EFCF (non-PRP portion) (gross of tax relief).</p> <p>This is present value of directly attributable expenses gross of tax relief<u>deduction</u> for participating business at the discount rate chosen under AASB 17. This is a positive component of EFCF.</p> <p>Exclude:</p> <ul style="list-style-type: none"> • expenses that are reflected in the discount rate for EFCF (non-PRP portion); and • expenses that relate to EFCF (PRP portion).
Item L10.3	<p>Report PV premiums (gross of tax on premiums).</p> <p>This is present value of future premiums.</p> <p>For participating investment account benefits, treat deposits as premiums.</p> <p>Report gross of tax on premiums. The premium tax expense is reported in L10.4.</p> <p>Report net of present value of reinsurance premiums relating to participating business.</p> <p>This is a negative component of BEL (i.e. report it as a negative number).</p>	Item A10.3	<p>Report PV premiums within EFCF (gross of tax on premiums).</p> <p>This is present value of premiums gross of tax on premiums for participating business at the discount rate chosen under AASB 17.</p> <p><u>Report gross of tax on premiums. The premium tax expense is reported in A10.4.</u></p> <p>Report net of present value of reinsurance premiums relating to participating business.</p> <p>This is a negative component of EFCF (i.e. report it as a negative number).</p>
Item L10.4	<p>Report PV other BEL components.</p> <p>This is present value of other BEL components such as tax on premiums and tax relief on expenses (excluding FUM-based investment expenses). This is a positive component of BEL.</p>	Item A10.4	<p>Report PV other EFCF (non-PRP portion) components.</p> <p>This is present value of other EFCF (non-PRP portion) components such as tax on premiums and tax relief on expenses (excluding FUM-based investment expenses) for participating business at the discount rate chosen under AASB 17. This is a positive component of EFCF.</p>

Item L10.5	<p>Report value of future bonuses.</p> <p>This is present value of future policyholder bonuses for participating business at the discount rate chosen under the VSA led method. This is a positive component of Life Act policy liabilities.</p>	Item A10.5	<p>Report value of future policyholder profits within EFCF (non-PRP portion).</p> <p>This is present value of future policyholder profits for participating business at the discount rate chosen under AASB 17. This is a positive component of EFCF.</p>
Item L10.6	<p>Report value of future shareholder profits.</p> <p>This is present value of future shareholder profits for participating business at the discount rate chosen under the VSA led method. This is a positive component of Life Act policy liabilities.</p>	Item A10.6	<p>Value of future shareholder profits within RA and CSM.</p> <p>This is present value of RA and CSM for participating business at the discount rate chosen under AASB 17. These are positive components of AASB 17 liabilities.</p>

11. Impact of bonus distributions

Item L11.1	<p>Report interim and terminal bonus distributions from Life Act PRP, Life Act SRPP, Life Act SRP (overseas par), shareholder retained profits associated with non-participating business under AASB 17 (AASB 17 SRPN) and share capital.</p> <p>This is the amount of interim and terminal bonus distributed from Life Act PRP, Life Act SRPP, Life Act SRP (overseas par), <u>shareholder retained profits associated with non-participating business under AASB 17</u> (AASB 17 SRPN) and share capital.</p> <p>While bonus distributions are typically made from Life Act PRP, sections 62 and 63 of the Life Act do allow shareholder retained profits and capital to be distributed to participating policy owners.</p> <p>For distributions from AASB 17 SRPN and share capital, they could be sourced from within the statutory fund or outside of the statutory fund (i.e. from other funds). Deductions</p>	Item A11.1	<p>Report interim and terminal bonus distributions from EFCF (PRP portion), AASB 17 SRPP, AASB 17 SRP (overseas par), AASB 17 SRPN and share capital.</p> <p>This is the amount of interim and terminal bonus distributed from EFCF (PRP portion), AASB 17 SRPP, AASB 17 SRP (overseas par), AASB 17 SRPN and share capital.</p> <p>While bonus distributions are typically made from EFCF (PRP portion), sections 62 and 63 of the Life Act do allow shareholder retained profits and capital to be distributed to participating policy owners.</p> <p>For distributions from AASB 17 SRPN and share capital, they could be sourced from within the statutory fund or outside of the statutory fund (i.e. from other funds). Deductions to AASB 17 SRPN and share capital relating to those distributions are to be reported under LRS 340.21.</p>
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	<p>to AASB 17 SRPN and share capital relating to those distributions are to be reported under <i>Reporting Standard LRS 340.21 Retained Profits and Share Capital</i> (LRS 340.21).</p> <p>Interim and terminal bonus is recognised as both an allocation of profit (reported in L5.12.5) and a distribution of profit (reported in this item).</p> <p>Bonus distributions decrease Life Act PRP, Life Act SRPP, Life Act SRP (overseas par), AASB 17 SRPN and share capital.</p>		<p>Bonus distributions decrease EFCF (PRP portion), AASB 17 SRPP, AASB 17 SRP (overseas par) and share capital.</p>
		<p>Item A11.2</p>	<p><u>Report impact of interim and terminal bonus offset on EFCF (non-PRP portion) and RA.</u></p> <p><u>This item has been included so that life insurers can offset the interim and terminal bonus payments that were reported within A2.2, A2.3 and A2.4 (claim payments).</u></p> <p><u>If the interim and terminal bonus payments are not offset, they would be double counted (within the claims outflow from EFCF (non-PRP portion) and as retained profit distributions from EFCF (PRP portion)).</u></p> <p><u>This is the amount of increase in EFCF (non-PRP portion) and RA needed to offset interim and terminal bonus reported as claim payments.</u></p> <p><u>Interim and terminal bonus offsets increase EFCF (non-PRP portion) and RA (if required).</u></p>
Item L11.2	<p>Report declared bonus distributions from Life Act PRP, Life Act SRPP, Life Act SRP (overseas par), AASB 17 SRPN and share capital.</p> <p>This is the amount of declared bonus for in-force policies distributed from Life Act PRP, Life Act SRPP, Life</p>	<p>Item A11.3</p>	<p>Report declared bonus distributions from EFCF (PRP portion), AASB 17 SRPP, AASB 17 SRP (overseas par), AASB 17 SRPN and share capital.</p> <p>This is the amount of declared bonus for in-force policies</p>

	<p>Act SRP (overseas par), AASB 17 SRPN and share capital.</p> <p>For distributions from AASB 17 SRPN and share capital, they could be sourced from within the statutory fund or outside of the statutory fund (i.e. from other funds). Deductions to AASB 17 SRPN and share capital relating to those distributions are to be reported under LRS 340.12.</p> <p>Bonus distributions decrease Life Act PRP, Life Act SRPP, Life Act SRP (overseas par), AASB 17 SRPN, and share capital.</p> <p>The offsetting increase in Life Act policy liabilities is reported in item L11.3.</p>		<p>distributed from EFCF (PRP portion), AASB 17 SRPP, AASB 17 SRP (overseas par), AASB 17 SRPN and share capital.</p> <p>For distributions from AASB 17 SRPN and share capital, they could be sourced from within the statutory fund or outside of the statutory fund (i.e. from other funds). Deductions to AASB 17 SRPN and share capital relating to those distributions are to be reported under LRS 340.12.</p> <p>Bonus distributions decrease EFCF (PRP portion), AASB 17 SRPP, AASB 17 SRP (overseas par), AASB 17 SRPN and share capital.</p> <p>The offsetting increase in EFCF (non-PRP portion) is reported in A11.43</p>
Item L11.3	<p>Report impact of declared bonus on Life Act policy liabilities.</p> <p>This is the amount of increase in Life Act policy liabilities due to declared bonus on in-force policies.</p> <p>Declared bonus increases Life Act policy liabilities.</p>	Item A11.3	<p>Report impact of declared bonus on EFCF (non-PRP portion) and RA.</p> <p>This is the amount of increase in EFCF (non-PRP portion) and RA due to declared bonus on in-force policies.</p> <p>Declared bonus increases EFCF (non-PRP portion) and RA (if required).</p>
Item L11.4	<p>Report shareholder distributions from Life Act SRPP and Life Act SRP (overseas par) due to bonus distributions.</p> <p>This is the amount of shareholder distributions from Life Act SRPP and Life Act SRP (overseas par) to the shareholder fund due to bonus distributions.</p> <p>Under section 62 of the Life Act, shareholder retained profits may be transferred to shareholders' funds (reported in this item), to another statutory fund (reported in this item) or distributed as bonus (reported in L11.1 and L11.2).</p>	Item A11.4	<p>Report shareholder distributions from AASB 17 SRPP and AASB 17 SRP (overseas par) due to bonus distributions.</p> <p>This is the amount of shareholder distributions from AASB 17 SRPP and AASB 17 SRP (overseas par) to the shareholder fund due to bonus distributions.</p> <p>Under section 62 of the Life Act, shareholder retained profits may be transferred to shareholders' funds (reported in this item), to another statutory fund (reported in this item) or distributed as bonus (reported in A11.1 and A11.32).</p>

	Shareholder distributions decrease retained profits.		Shareholder distributions decrease retained profits.
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12. Retained profit transfers

Item L12.1	<p>Report Life Act PRP transfers between Ordinary business class, Superannuation business class and within Overseas business.</p> <p>This is the amount of Life Act PRP transfers between Australian Ordinary business class and Australian Superannuation business class or within these classes, and Overseas business between investment account benefits and other benefits.</p> <p>Report gross of any tax effects on Life Act PRP transfers. Tax effects on Life Act PRP transfers are reported in L12.2</p>	Item A12.1	<p>Report EFCF (PRP portion) transfers between Ordinary business class, Superannuation business class and within Overseas business.</p> <p>This is the amount of EFCF (PRP portion) transfers between Australian Ordinary business class and Australian Superannuation business class or within these classes, and Overseas business between investment account benefits and other benefits.</p> <p>Report gross of any tax effects on EFCF (PRP portion) transfers. Tax effects on EFCF (PRP portion) transfers are reported in A12.2</p>
Item L12.2	<p>Report tax effect due to Life Act PRP transfers</p> <p>This is current and deferred tax expense / (benefit) due to L12.1 (i.e. Life Act PRP transfers).</p> <p>Life Act PRP decreases if a payable / deferred tax liability balance is recognised or cash is paid directly without recognising a tax payable balance.</p>	Item A12.2	<p>Report tax effect due to EFCF (PRP portion) transfers</p> <p>This is current and deferred tax expense / (benefit) due to A12.1 (i.e. EFCF (PRP portion) transfers).</p> <p>EFCF (PRP portion) decreases if a tax payable / deferred tax liability balance is recognised or cash is paid directly without recognising a tax payable balance.</p>
Item L12.3	<p>Report other Life Act PRP, Life Act SRPP and Life Act SRP (overseas par) movements.</p> <p>This is any other movement of Life Act PRP, Life Act SRPP, Life Act SRP (overseas par) not captured by other items.</p>	Item A12.3	<p>Report other EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par) movements.</p> <p>This is any other movement of EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par) not captured by other items.</p>

13. Reconciliation adjustments

Item L13	Report reconciliation adjustments – Life Act policy liability, Life Act	Item A13	Report reconciliation adjustments – AASB 17 liabilities, AASB 17
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	<p>PRP, Life Act SRPP and Life Act SRP (overseas par).</p> <p>This is any other movements within Life Act policy liability, Life Act PRP, Life Act SRPP and Life Act SRP (overseas par) not captured by other items.</p>		<p>SRPP and AASB 17 SRP (overseas par).</p> <p>This is any other movements within AASB 17 liabilities, AASB 17 SRPP and AASB 17 SRP (overseas par) not captured by other items.</p>
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14. End balance

Item L14	<p>Item L14 end balances of Life Act policy liabilities, Life Act PRP, Life Act SRPP and Life Act SRP (overseas par) is a derived item and calculated as follows.</p> <ul style="list-style-type: none"> Sum of items L1.1, L2.1 to L2.4 inclusive, L2.6 to L2.12 inclusive, L3.1 to L3.3 inclusive, L5.42, L6.1, L7.2, L8.1, L9.1, L9.3, L11.3 and L13 for Life Act policy liabilities; Sum of items L1.1, L2.5, L4.1 to L4.4 inclusive, L5.1, L6.2, L7.3, L8.1, L9.24, L11.1, L11.2, L12.1 to L12.3 inclusive and L13 for Life Act PRP; and Sum of items L1.1, L4.1 to L4.4 inclusive, L5.23, L6.2, L7.3, L8.1, L9.42, L11.4, L12.3 and L13 for Life Act SRPP and Life Act SRP (overseas par). 	Item A14	<p>Item A14 end balances of AASB 17 liabilities, AASB 17 SRPP and AASB 17 SRP (overseas par) is a derived item and calculated as follows.</p> <ul style="list-style-type: none"> Sum of items A1.1, A2.1 to A2.7 inclusive A2.9 to A2.15 inclusive, A3.1 to A3.3 inclusive, A6.1, A7.1, A7.2, A8.1, A9.34, A11.2, A11.34 and A13 for EFCF (non-PRP portion); Sum of items A1.1, A2.8, A4.1 to A4.4, A5.1, A6.2, A7.3, A8.1, A9.42, A11.1, A11.23, A12.1 to A12.3 inclusive and A13 for EFCF (PRP portion); Sum of items A1.1, A2.1, A3.1 to A3.3 inclusive, A5.1, A6.1, A7.1, A7.2, A8.1, A9.13, A11.2, A11.34 and A13 for RA; Sum of items A1.1, A2.1, A3.1 to A3.3 inclusive, A5.1, A6.1, A7.1, A8.1, A9.13 and A13 for CSM; and Sum of items A1.1, A4.1 to A4.4 inclusive, A5.2, A6.2, A7.3, A8.1, A9.24, A11.1, A11.23, A11.54, A12.3 and A13 for AASB 17 SRPP and AASB 17 SRP (overseas par).
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15. Other information

Item L15.1	<p>Report gross policy liabilities ceded.</p> <p>This is the amount of gross policy liabilities ceded in respect of participating business at the end of</p>	Item A15.1	<p>Report reinsurance assets (net of reinsurance liabilities).</p> <p>This is the amount of reinsurance assets determined under AASB 17</p>
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	the reporting period, determined using the VSA led method. Report the asset amount with a positive number.		(net of reinsurance liabilities) in respect of participating business at the end of the reporting period. Report the asset amount with a positive number.
		Item A15.2	Report accounts receivable recognised within insurance liabilities (net of insurance assets). This is the amount related to amounts due but not yet received. This may include (but is not limited to) premiums, rebates, fees and commissions. This reflects the accounts receivable amount recognised as a separate asset on the balance sheet under the VSA led method, which is added to insurance and reinsurance contract assets or netted against insurance and reinsurance contract liabilities under AASB 17. Show the receivable amount with a positive number.
		Item A15.3	Report accounts payable recognised within insurance liabilities (net of insurance assets). This is the amount related to other amounts due but not yet paid. This may include (but is not limited to) claims, rebates, fees and commissions. This reflects the accounts payable amount recognised as a separate liability on the balance sheet under the VSA led method which is netted against insurance and reinsurance contract assets or added to insurance and reinsurance contract liabilities under AASB 17. Show the payable amount with a positive number .

Item L15.2	<p>Report loans on policies recognised on the balance sheet.</p> <p>This is the total amount of loans on policies (includes non-forfeiture loans) as at reporting date.</p> <p>For the purposes of APRA reporting, loans on policies are recognised as a negative liability (but not part of Life Act policy liability and Life Act PRP) rather than an asset under the VSA led method.</p> <p>Show the policy loan amount with a positive number.</p>	Item A15.4	<p>Report loans on policies recognised within insurance liabilities (net of insurance assets).</p> <p>This is the total amount of loans on policies (includes non-forfeiture loans) as at reporting date, which is added to insurance assets or netted against insurance liabilities under AASB 17.</p> <p>Show the policy loan amount with a positive number.</p>
Item L15.3	<p>Report loans on policies issued.</p> <p>This is the amount of policy loans issued (includes non-forfeiture loans) during the reporting period.</p>		
Item L15.4	<p>Report loans on policies repaid.</p> <p>This is the amount of policy loans repaid by policyholders (includes repayments of non-forfeiture loans) during the reporting period.</p>		
Item L15.5	<p>Report other movements relating to loans on policies.</p> <p>This is any other movements relating to policy loans (includes non-forfeiture loans). This includes any interests accrued on policy loans.</p>		

Table 2: Accounting Standard Led Method**Reporting basis**

This table applies to life insurers, which have participating business. Data must be submitted at the level of each statutory fund. Insurers are to report data relating to participating business only.

This table collects data underlying participating business and applies to life insurers that select the accounting standard led method in accordance with *Prudential Standard LPS 340 Valuation of Policy Liabilities (LPS 340)*, and relates to how Life Act reporting components would be completed from AASB 17 results.

This table is based on the definition of AASB 17 roll-forward reporting components, and links the AASB 17 reporting components to the Life Act reporting components such that Life Act policy liability is the net amount after deducting PRP from the AASB 17 liabilities.

This table collects data items net of reinsurance for the AASB 17 reporting components (unless otherwise stated). Insurers are to report the data items by offsetting reinsurance components against gross components.

This table collects data items gross of tax (unless otherwise stated). Tax must be reported separately under the relevant tax data items.

~~Insurers that select~~ This table is not completed for statutory funds whose policy liabilities are valued using the VSA led method ~~do not complete this table.~~

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.

Insurers must report data items as positive numbers if the data items result in a higher balance for the component in question. For example, premiums received results in a higher balance of AASB 17 liabilities so this must be reported as a positive number.

Similarly, insurers must report data items as negative numbers if the data items result in a lower balance for the component in question. For example, CSM and RA releases result in lower balances of CSM and RA so they must be reported as negative numbers.

Columns 1 to 6	Report the value for each of the items listed below which relates to EFCF (non-PRP portion) by APRA class of business and by investment account benefits and other benefits.
Columns 7 to 12	Report the value for each of the items listed below which relates to EFCF (PRP portion) by APRA class of business and by investment account benefits and other benefits.

	<u>EFCF (PRP portion) must be determined within EFCF (and be monitored and reported) separately under the accounting standard led method.</u>
Columns 13 to 18	Report the value for each of the items listed below which relates to RA by APRA class of business and by investment account benefits and other benefits.
Columns 19 to 24	Report the value for each of the items listed below which relates to CSM by APRA class of business and by investment account benefits and other benefits.
Columns 25 to 26	Report the value for each of the items listed below which relates to AASB 17 SRPP and AASB 17 SRP (overseas par).
Columns 27 to 32	<p>Report the value for each of the items listed below which relates to Life Act policy liabilities.</p> <p>Life Act policy liabilities are the values calculated by deducting EFCF (PRP portion) from AASB 17 liabilities.</p>

1. Opening balance

Item A1.1	<p>Report opening balances of AASB 17 liabilities, AASB 17 SRPP and AASB 17 SRP (overseas par).</p> <p>This is the amount of EFCF (non-PRP portion), EFCF (PRP portion), RA, CSM, AASB 17 SRPP and AASB 17 SRP (overseas par) at the beginning of the reporting period.</p> <p>Insurers must maintain separate records for two components of EFCF:</p> <ul style="list-style-type: none"> • EFCF (PRP portion); and • EFCF (non-PRP portion). <p>Opening balances of AASB 17 liabilities would be net of any accounts receivable relating to participating business.</p> <p>Opening balances of AASB 17 liabilities would include any accounts payable relating to participating business.</p> <p>Opening balance of EFCF (PRP portion) must exclude cost of declared bonus relating to the previous reporting period. Cost of declared bonus relating to the previous reporting period must be included in EFCF (non-PRP portion) and RA (if required).</p> <p>Use a positive number for the components of AASB 17 liabilities. Use a negative number for negative EFCF (PRP portion), AASB 17 SRPP or AASB 17 SRP (overseas par).</p>
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2. Impact of inflows and outflows on AASB 17 liabilities

Item A2.1	<p>Report premiums received – impact on AASB 17 liabilities.</p> <p>This is premiums received for participating business.</p>
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	<p>For participating investment account benefits, report deposits as premium received.</p> <p>Report gross of tax on premiums. Tax on premiums is reported in A2.13.</p> <p>Report gross of reinsurance premiums. Reinsurance premiums is reported in A2.9.</p> <p>For premiums received relating to new business, allocate the premium amount to EFCF (non-PRP portion), RA and CSM.</p> <p>AASB 17 liabilities increase if cash is received. Note that a receivable balance would be netted against the liability component.</p>
Item A2.2	<p>Report death and disability claims paid including interim and terminal bonus – impact on EFCF (non-PRP portion).</p> <p>This is death and disability claims paid including interim and terminal bonus for participating business.</p> <p>For participating investment account benefits, report withdrawal payments made on death or disability as claims paid.</p> <p>Report gross of reinsurance recoveries. Reinsurance recoveries is reported in A2.10.</p> <p>AASB 17 liabilities decrease if cash is paid. Note that a payable balance would be included in AASB 17 liabilities.</p>
Item A2.3	<p>Report surrender claims paid including interim and terminal bonus – impact on EFCF (non-PRP portion).</p> <p>This is surrender claims paid including interim and terminal bonus for participating business.</p> <p>For participating investment account benefits, report withdrawals on surrender as surrender claims paid.</p> <p>Amounts relating to loans on policies (includes non-forfeiture loans) are to be reported in A2.5, A2.6 and A2.7.</p> <p>AASB 17 liabilities decrease if cash is paid. Note that a payable balance would be included in AASB 17 liabilities.</p>
Item A2.4	<p>Report maturity claims paid including interim and terminal bonus – impact on EFCF (non-PRP portion).</p> <p>This is maturity claims paid including interim and terminal bonus for participating business.</p> <p>For participating investment account benefits, report withdrawals at maturity as maturity claims paid.</p> <p>AASB 17 liabilities decrease if cash is paid. Note that a payable balance would be included in AASB 17 liabilities.</p>
Item A2.5	<p>Report loans on policies issued – impact on EFCF (non-PRP portion).</p> <p>This is the amount of policy loans issued (includes non-forfeiture loans) during the reporting period.</p>

	AASB 17 liabilities decrease if policyholders take out loans.
Item A2.6	<p>Report loans on policies repaid – impact on EFCF (non-PRP portion).</p> <p>This is the amount of policy loans repaid by policyholders (includes repayments of non-forfeiture loans) during the reporting period.</p> <p>AASB 17 liabilities increase if policyholders repay their loans.</p>
Item A2.7	<p>Report other movements relating to loans on policies – impact on EFCF (non-PRP portion).</p> <p>This is any other movements relating to policy loans (includes non-forfeiture loans). This includes any interests accrued on policy loans.</p> <p>AASB 17 liabilities decrease if interests are accrued on policy loans.</p>
Item A2.8	<p>Report directly attributable expenses paid – impact on EFCF (non-PRP portion).</p> <p>This is directly attributable expenses (including commissions) paid relating to participating business. This excludes:</p> <ul style="list-style-type: none"> • the expenses that are reflected in the discount rate for AASB 17 liabilities (reported in A3.2); • the expenses that relate to assets backing EFCF (PRP portion) (reported in A4.2); and • the expenses that are not directly attributable (reported in A4.3). <p>Report gross of tax relief deduction on these expenses. The tax relief deduction is reported in A2.13.</p> <p>AASB 17 liabilities decrease if cash is paid. Note that a payable balance would be included in AASB 17 liabilities.</p>
Item A2.9	<p>Report reinsurance premiums paid - impact on EFCF (non-PRP portion).</p> <p>This is reinsurance premiums paid relating to reinsurance held in respect of participating business.</p> <p>Report gross of tax deduction on reinsurance premiums. Tax deduction on reinsurance premiums is reported in A2.13.</p> <p>AASB 17 liabilities decrease if cash is paid. Note that a payable balance would be included in AASB 17 liabilities.</p>
Item A2.10	<p>Report reinsurance recoveries received - impact on EFCF (non-PRP portion).</p> <p>This is reinsurance recoveries received relating to reinsurance held in respect of participating business.</p> <p>AASB 17 liabilities increase if cash is received. Note that a receivable balance would be netted against the liability component.</p>
Item A2.11	Report other cash outflow related to reinsurance - impact on EFCF (non-PRP portion).

	<p>This is any other cash outflows relating to reinsurance held in respect of participating business.</p> <p>AASB 17 liabilities decrease if cash is paid. Note that a payable balance would be included in AASB 17 liabilities.</p>
Item A2.12	<p>Report other cash inflow related to reinsurance - impact on EFCF (non-PRP portion).</p> <p>This is any other cash inflows relating to reinsurance held in respect of participating business.</p> <p>AASB 17 liabilities increase if cash is received. Note that a receivable balance would be netted against the liability component.</p>
Item A2.13	<p>Report current and deferred tax expense – impact on EFCF (non-PRP portion).</p> <p>This is current and deferred tax expense relating to participating business (e.g. tax on premium income and tax relief on expenses). This excludes:</p> <ul style="list-style-type: none"> • tax that is reflected in the discount rate (i.e. tax that is related to investment earnings and FUM expenses - reported in A3.3); and • tax that fall outside EFCF (non-PRP portion), RA and CSM (reported in A4.4). <p>Report SCT (e.g. paid due to surrenders) paid under this item.</p> <p>AASB 17 liabilities decrease if a tax payable / deferred tax balance is recognised or cash is paid directly without recognising a tax payable balance.</p>
Item A2.14	<p>Report other cash inflows – impact on EFCF (non-PRP portion).</p> <p>This is any other cash inflows relating to participating business.</p> <p>AASB 17 liabilities increase if cash is received. Note that a receivable balance would be netted against the liability component.</p>
Item A2.15	<p>Report other cash outflows – impact on EFCF (non-PRP portion).</p> <p>This is any other cash outflows relating to participating business.</p> <p>AASB 17 liabilities decrease if cash is paid. Note that a payable balance would be included in AASB 17 liabilities.</p>

3. Impact of investment, FUM expenses and tax on AASB 17 liabilities

Item A3.1	<p>Report insurance finance income / expense and effects of movements in FX – impact on EFCF (non-PRP portion), RA and CSM.</p> <p>This is actual investment earnings (includes realised and unrealised gains and losses) and FX on assets supporting participating business (or discount roll-forward of AASB 17 liabilities for non-VFA method).</p> <p>This must be reported gross of A3.2 and A3.3 (i.e. FUM expenses and tax).</p>
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	Positive investment earnings / FX gains increase AASB 17 liabilities.
Item A3.2	<p>Report FUM expenses – impact on EFCF (non-PRP portion), RA and CSM.</p> <p>This is actual FUM expenses on assets supporting participating business.</p> <p>This applies if FUM expenses are reflected when setting the discount rate under AASB 17. Otherwise, report nil under this item.</p> <p>This excludes FUM expenses on assets supporting EFCF (PRP portion) (reported in A4.2).</p> <p>If FUM expenses are reflected in the discount rate instead of being treated as part of future cash flows, AASB 17 liabilities decrease if a payable balance is recognised or cash is paid directly without recognising a payable balance.</p>
Item A3.3	<p>Report current and deferred tax due to A3.1 and A3.2 – impact on EFCF (non-PRP portion), RA and CSM.</p> <p>This is current tax and deferred tax expense due to A3.1 and A3.2 (i.e. investment earnings and FUM expenses).</p> <p>This applies if tax due to A3.1 and A3.2 are reflected when setting the discount rate under AASB 17. Otherwise, report nil under this item.</p> <p>AASB 17 liabilities decrease if a tax payable / deferred tax liability balance is recognised or cash is paid directly without recognising a tax payable balance.</p>

4. Components that impact retained profits

Item A4.1	<p>Report insurance finance income / expense and effects of movements in FX – impact on EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par).</p> <p>This is actual allocated investment earnings (includes realised and unrealised gains and losses) and FX on assets supporting EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par).</p> <p>This must be reported gross of A4.2 and A4.4 (i.e. FUM expenses and tax).</p> <p>Positive investment earnings / FX gains increase EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par).</p>
Item A4.2	<p>Report FUM expenses – impact on EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par).</p> <p>This is actual allocated FUM expenses on assets supporting EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par).</p> <p>EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par) decrease if a payable balance is recognised or cash is paid directly without recognising a payable balance.</p>

Item A4.3	<p>Report non-directly attributable expenses – impact on EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par).</p> <p>This is non-directly attributable expenses incurred in relation to participating business (e.g. one-off expenses), allocated to EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par).</p> <p>EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par) decrease if a payable balance is recognised or cash is paid directly without recognising a payable balance.</p>
Item A4.4	<p>Report current and deferred tax expense due to A4.1, A4.2 and A4.3 – impact on EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par).</p> <p>This is current and deferred tax expense due to A4.1, A4.2 and A4.3 (i.e. investment earnings, expenses) that is allocated to EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par).</p> <p>EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par) decrease if a tax payable / deferred tax liability balance is recognised or cash is paid directly without recognising a tax payable balance.</p>

5. Impact of experience adjustments

Item A5.1	<p>Report experience adjustments.</p> <p>This is the (decrease) / increase in EFCF (non-PRP portion) and RA corresponding to favourable / unfavourable experience adjustments . If the experience adjustments impact CSM, show the corresponding increase / (decrease) in CSM in the relevant column(s).</p> <p>This item includes tax-related experience adjustments (i.e. tax expense being better or worse than expected).</p> <p>Favourable experience adjustments decrease EFCF (non-PRP portion) and RA. Where the experience adjustments impact CSM, favourable experience increases CSM.</p>
Item A5.2	<p>Report allocation to EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par) due to A5.1.</p> <p>This is the experience adjustment amount allocated to EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par) due to A5.1. This item is only relevant if the experience adjustments do not adjust CSM. Otherwise, report nil.</p> <p>Favourable experience adjustments and adjustments that reduce LIC increase EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par) only if they do not adjust CSM.</p>

6. Impact of assumption changes including losses from onerous contracts

Item A6.1	Report changes in estimates that adjust CSM.
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	<p>Show the increase / (decrease) in CSM corresponding to assumption changes that adjust CSM. Also show the corresponding (decrease) / increase in EFCF (non-PRP portion) and RA from the assumption changes.</p>
Item A6.2	<p>Report changes in estimates that do not adjust CSM and adjustments to LIC.</p> <p>Show the increase / (decrease) in EFCF (non-PRP portion) and RA corresponding to assumption changes and adjustments to LIC.</p> <p>This is applicable where the assumption changes and adjustments that change LIC do not adjust CSM.</p> <p>The resulting impact on EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par) is reported in A6.3.</p> <p>Assumption and LIC strengthening increase AASB 17 liabilities.</p>
Item A6.3	<p>Report allocation to EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par) due to A6.2.</p> <p>This is the amounts allocated to EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par) resulting from the changes in estimates that do not adjust CSM and adjustments to LIC that are reported in A6.2.</p> <p>Allocating policyholder and shareholder profits increase EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par).</p>

7. Other movements

Item A7.1	<p>Report other movements – impact on AASB 17 liabilities, AASB 17 SRPP and AASB 17 SRP (overseas par).</p> <p>This is other movements, increases / (decreases), in the net balance of AASB 17 liabilities, AASB 17 SRPP and AASB 17 SRP (overseas par) that are related to, for example, acquisitions / disposals / portfolio transfers.</p> <p>This excludes performance, and profit and loss related items.</p>
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8. Release of current year policyholder and shareholder profit

Item A8.1	<p>Report CSM and RA release.</p> <p>This is the (decrease) in CSM and RA associated with shareholder profit emerging for the reporting period. It reflects total participating business shareholder profit excluding amounts that are recognised in the following items:</p> <ul style="list-style-type: none"> • interest and expense items that impact AASB 17 SRPP and AASB 17 SRP (overseas par) (reported in A4.1, A4.2, A4.3 and A4.4); • experience adjustments (reported in A5.2); and
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	<ul style="list-style-type: none"> • changes in estimates that do not adjust CSM and adjustments to LIC (reported in A6.3). <p>Releasing shareholder profit decreases AASB 17 liabilities.</p>
Item A8.2	<p>Report allocation to AASB 17 SRPP and AASB 17 SRP (overseas par) due to A8.1.</p> <p>This is the amount allocated to AASB 17 SRPP and AASB 17 SRP (overseas par) due to A8.1.</p> <p>Allocating a shareholder profit increases AASB 17 SRPP and AASB 17 SRP (overseas par).</p>
Item A8.3	<p>Report current year policyholder profit - impact on EFCF (non-PRP portion).</p> <p>This is the (decrease) in EFCF (non-PRP portion) associated with the release of current year policyholder profit from EFCF (non-PRP portion) to EFCF (PRP portion). It reflects total policyholder profit allocated to EFCF (PRP portion) excluding the profits that are recognised in the following items:</p> <ul style="list-style-type: none"> • interest and expense items that impact EFCF (PRP portion) (reported in A4.1, A4.2, A4.3 and A4.4); • experience adjustments (reported in A5.2); and • changes in estimates that do not adjust CSM and adjustments to LIC (reported in A6.3). <p>The amount is determined by applying a factor to CSM and RA release reported in A8.1. The factor depends on the relevant policyholder and shareholder profit allocation percentages.</p> <p>Show the impact that allocating profit to EFCF (PRP portion) has on EFCF (non-PRP portion). The offsetting impact on EFCF (PRP portion) is reported in A8.4.</p> <p>Releasing policyholder profit decreases EFCF (non-PRP portion).</p>
Item A8.4	<p>Report allocation to EFCF (PRP portion) due to A8.3.</p> <p>This is the amount allocated to EFCF (PRP portion) due to A8.3.</p> <p>Allocating a policyholder profit increases EFCF (PRP portion).</p>

9. Impact of bonus distributions

Item A9.1	<p>Report interim and terminal bonus distributions from EFCF (PRP portion), AASB 17 SRPP, AASB 17 SRP (overseas par), AASB 17 SRPN and share capital.</p> <p>This is the amount of interim and terminal bonus distributed from EFCF (PRP portion), AASB 17 SRPP, AASB 17 SRP (overseas par), AASB 17 SRPN and share capital.</p>
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	<p>While bonus distributions are typically made from PRP, sections 62 and 63 of the Life Act do allow shareholder retained profits and capital to be distributed to participating policy owners.</p> <p>For distributions from AASB 17 SRPN and share capital, they could be sourced from within the statutory fund or outside of the statutory fund (i.e. from other funds). Deductions to AASB 17 SRPN and share capital relating to those distributions are to be reported under LRS 340.2.</p> <p>Bonus distributions decrease EFCF (PRP portion), AASB 17 SRPP, AASB 17 SRP (overseas par), AASB 17 SRPN and share capital.</p>
Item A9.2	<p>Report impact of interim and terminal bonus offset on EFCF (non-PRP portion) and RA.</p> <p>This item has been included so that life insurers can offset the interim and terminal bonus payments that were reported within A2.2, A2.3 and A2.4 (claim payments).</p> <p>If the interim and terminal bonus payments are not offset, they would be double counted (within the claims outflow from EFCF (non-PRP portion) and as retained profit distributions from EFCF (PRP portion)) and profit reporting would not follow the Life Act profit allocation percentages.</p> <p>This is the amount of increase in EFCF (non-PRP portion) and RA needed to offset interim and terminal bonus reported as claim payments.</p> <p>Interim and terminal bonus offsets increase EFCF (non-PRP portion) and RA (if required).</p>
Item A9.3	<p>Report declared bonus distributions from EFCF (PRP portion), AASB 17 SRPP, AASB 17 SRP (overseas par), AASB 17 SRPN and share capital.</p> <p>This is the amount of declared bonus for in-force policies distributed from EFCF (PRP portion), AASB 17 SRPP, AASB 17 SRP (overseas par), AASB 17 SRPN and share capital.</p> <p>For distributions from AASB 17 SRPN and share capital, they could be sourced from within the statutory fund or outside of the statutory fund (i.e. from other funds). Deductions to AASB 17 SRPN and share capital relating to those distributions are to be reported under LRS 340.2.</p> <p>The offsetting increase in EFCF (non-PRP portion) is reported in A9.3.</p>
Item A9.4	<p>Report impact of declared bonus on EFCF (non-PRP portion) and RA.</p> <p>This is the amount of increase in EFCF (non-PRP portion) and RA due to declared bonus on in-force policies.</p> <p>Declared bonus increases EFCF (non-PRP portion) and RA (if required).</p>
Item A9.5	<p>Report shareholder distributions from AASB 17 SRPP and AASB 17 SRP (overseas par) due to bonus distributions.</p>

	<p>This is the amount of shareholder distributions from AASB 17 SRPP, AASB 17 SRP (overseas par) to the shareholder fund due to bonus distributions.</p> <p>Under section 62 of the Life Act, shareholder retained profits may be transferred to shareholders' funds (reported in this item), to another statutory fund (reported in this item) or distributed as bonus (reported in A10.1 and A10.2).</p> <p>Shareholder distributions decrease retained profits.</p>
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10. Retained profit transfers

Item A10.1	<p>Report EFCF (PRP portion) transfers between Ordinary business class, Superannuation business class and within Overseas business.</p> <p>This is the amount of EFCF (PRP portion) transfers between Australian Ordinary business class and Australian Superannuation business class or within these classes and Overseas business between investment account benefits and other benefits.</p> <p>Report gross of any tax effects on EFCF (PRP portion) transfers. Tax effects on EFCF (PRP portion) transfers are reported in A10.2</p>
Item A10.2	<p>Tax effect due to EFCF (PRP portion) transfers</p> <p>This is current and deferred tax expense / (benefit) due to A10.1 (i.e. EFCF (PRP transfers)).</p> <p>EFCF (PRP portion) decreases if a tax payable / deferred tax liability balance is recognised or cash is paid directly without recognising a tax payable balance.</p>
Item A10.3	<p>Report other EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par) movements.</p> <p>This is any other movement of EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par) not captured by other items.</p>

11. Reconciliation adjustments

Item A11	<p>Report reconciliation adjustments – AASB 17 liabilities, AASB 17 SRPP and AASB 17 SRP (overseas par).</p> <p>This is any other movements within EFCF (non-PRP portion), EFCF (PRP portion), AASB 17 SRPP and AASB 17 SRP (overseas par) not captured by other items.</p>
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12. End balance

Item A12	<p>Item A12 end balances of AASB 17 liabilities, AASB 17 SRPP and AASB 17 SRP (overseas par) is a derived item and calculated as follows.</p>
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	<ul style="list-style-type: none"> • Sum of items A1.1, A.2.1 to A2.15 inclusive, A3.1 to A3.3 inclusive, A5.1, A6.1, A6.2, A7.1, A8.3, A9.2, A9.4 and A11 for EFCF (non-PRP portion); • Sum of items A1.1, A4.1 to A4.4 inclusive, A5.2, A6.3, A7.1, A8.4, A9.1, A9.3, A10.1 to A10.3 inclusive and A11 for EFCF (PRP portion); • Sum of items A1.1, A2.1, A3.1 to A3.3 inclusive, A5.1, A6.1, A6.2, A7.1, A8.1, A9.2, A9.4 and A11 for RA; • Sum of items A1.1, A2.1, A3.1 to A3.3 inclusive, A5.1, A6.1, A7.1, A8.1 and A11 for CSM; • Sum of items A1.1, A4.1 to A4.4 inclusive, A5.2, A6.3, A7.1, A8.2, A9.1, A9.3, A9.5, A10.3 and A11 for AASB 17 SRPP and AASB 17 SRP (overseas par); and • Sum of items A1.1, A2.1 to A2.15 inclusive, A3.1 to A3.3 inclusive, A5.1, A6.1, A6.2, A7.1, A8.1, A8.3, A8.4, A9.2, A9.4 and A11 for Life Act policy liabilities.
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13. Other information

Item A13.1	<p>Report reinsurance assets (net of reinsurance liabilities).</p> <p>This is the amount of AASB 17 reinsurance assets (net of reinsurance liabilities) in respect of participating business at the end of the reporting period.</p> <p>Report the asset amount with a positive number.</p>
Item A13.2	<p>Report accounts receivable recognised within insurance liabilities (net of insurance assets).</p> <p>This is the amount related to amounts due but not yet received. This may include (but is not limited to) premiums, rebates, fees and commissions.</p> <p>This reflects the accounts receivable amount recognised as a separate asset on the balance sheet under the VSA led method, which is added to insurance and reinsurance contract assets or netted against insurance and reinsurance contract liabilities under AASB 17.</p> <p>Show the receivable amount with a positive number.</p>
Item A13.3	<p>Report accounts payable recognised within insurance liabilities (net of insurance assets).</p> <p>This is the amount related to other amounts due but not yet paid. This may include (but is not limited to) claims, rebates, fees and commissions.</p> <p>This reflects the accounts payable amount recognised as a separate liability on the balance sheet under the VSA led method, which is netted against insurance and reinsurance contract assets or added to insurance and reinsurance contract liabilities under AASB 17.</p> <p>Show the payable amount with a positive number.</p>

Item A13.4	<p>Report loans on policies recognised within insurance liabilities (net of insurance assets).</p> <p>This is the loans on policies issued (includes non-forfeiture loans), recognised as a separate asset on the balance sheet under the VSA led method, which is added to insurance assets or netted against insurance liabilities under AASB 17.</p> <p>Show the policy loan amount with a positive number.</p>
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