



Reporting Standard LRS 340.1

Retained Profits and Share Capital

Objective of this Reporting Standard

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

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

Authority

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

Purpose

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

Application and commencement

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

Information required

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

Method of submission

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

Reporting periods and due dates

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

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

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

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

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

Quality control

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

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

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

Authorisation

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

Variations

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

Transition

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

old reporting standard means the reporting standard revoked in the determination making this Reporting Standard; 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 company was required, under the old reporting standard, to report by a date on or after the date of revocation of the old reporting standard.

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

Interpretation

18. In this Reporting Standard:

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

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

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

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

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

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

Life Act means the *Life Insurance Act 1995*.

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

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

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

Reporting Standard LRS 340.1

Retained Profits and Share Capital

General instructions

Reporting tables

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

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

Definitions

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

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| <i>AASB 17 SRPN</i> | This is shareholder retained profits for non-participating business (SRPN) within a statutory fund (SF) determined for accounting reporting. |
| <i>AASB 17 SRPP</i> | This is shareholder retained profits for participating business (SRPP) within a statutory fund (SF) determined for accounting reporting. Insurers that use the VSA-led method must report SRPP determined for accounting reporting and not SRPP determined for Life Act reporting. |
| <i>AASB 17 SRP</i> | This is shareholder retained profits (SRP) within a benefit fund (BF) or SRP within the shareholder fund (SHF) / management fund (MF) determined for accounting reporting. |

D

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| <i>Dividends</i> | This is the amount of dividend that was paid from the SHF / MF. |
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O

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| <i>Ordinary shares issued</i> | This is ordinary shares issued. |
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| <i>Other retained profits movements</i> | <p>For a statutory fund / benefit fund, this consists of all <i>other retained profits movements</i> not specifically categorised as:</p> <ul style="list-style-type: none"> • <i>retained profits transfers from SHF / MF to SF (AASB 17 SRPN) / SF (AASB 17 SRPP) / BF; or</i> • <i>retained profits transfers from SF (AASB 17 SRPN) / SF (AASB 17 SRPP) / BF to SHF / MF.</i> <p>For a life insurer, this consists of all <i>other retained profits movements</i> not specifically categorised as:</p> <ul style="list-style-type: none"> • <i>retained profits transfers from SHF / MF to total SF (AASB 17 SRPN) / total SF (AASB 17 SRPP) / total BF;</i> • <i>retained profits transfers from total SF (AASB 17 SRPN) / total SF (AASB 17 SRPP) / total BF to SHF / MF; or</i> • <i>dividends.</i> |
| <i>Other share capital movements</i> | <p>For a statutory fund / benefit fund, this consists of all <i>other retained profits movements</i> not specifically categorised as:</p> <ul style="list-style-type: none"> • <i>share capital transfers from SHF / MF to SF / BF; or</i> • <i>share capital transfers from SF / BF to SHF / MF.</i> <p>For a life company, this consists of all <i>other share capital movements</i> not specifically categorised as:</p> <ul style="list-style-type: none"> • <i>share capital transfers from SHF / MF to total SF / total BF;</i> • <i>share capital transfers from total SF / total BF to SHF / MF;</i> • <i>ordinary shares issued; or</i> • <i>share capital reductions.</i> |

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

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| <i>Retained profits balance at the beginning of the period</i> | <p>This is the opening balance of retained profits at beginning of the reporting period.</p> |
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| <p><i>Retained profits balance at the end of the period</i></p> | <p>This is the closing balance of retained profits at end of the reporting period.</p> <p>For a statutory fund / benefit fund, this is calculated as the sum of:</p> <ul style="list-style-type: none"> • <i>retained profits balance at beginning of period;</i> • <i>profit (loss) after income tax attributable to members of the company;</i> • <i>retained profits transfers from SHF / MF to SF (AASB 17 SRPN) / SF (AASB 17 SRPP) / BF;</i> • <i>retained profits transfers from SF (AASB 17 SRPN) / SF (AASB 17 SRPP) / BF to SHF / MF;</i> and • <i>other retained profits movements.</i> <p>For a life insurer, this is calculated as the sum of:</p> <ul style="list-style-type: none"> • <i>retained profits balance at beginning of period;</i> • <i>profit (loss) after income tax attributable to members of the company;</i> • <i>retained profits transfers from SHF / MF to total SF (AASB 17 SRPN) / total SF (AASB 17 SRPP) / total BF;</i> • <i>retained profits transfers from total SF (AASB 17 SRPN) / total SF (AASB 17 SRPP) / total BF to SHF / MF;</i> • <i>dividends;</i> and • <i>other retained profits movements.</i> |
| <p><i>Retained profits transfers from SF (AASB 17 SRPN) / SF (AASB 17 SRPP) / BF to SHF / MF</i></p> | <p>For a life insurer, this is the amount of retained profits transferred to the SHF from:</p> <ul style="list-style-type: none"> • <i>AASB 17 SRPN</i> of the SF; and • <i>AASB 17 SRPP</i> of the SF. <p>For a friendly society, this item is the amount of <i>AASB 17 SRP</i> transferred from the BF to the MF.</p> |
| <p><i>Retained profits transfers from SHF / MF to SF (AASB 17 SRPN) / SF (AASB 17 SRPP) / BF</i></p> | <p>For a life insurer, this is the amount of retained profits transferred from the SHF to:</p> <ul style="list-style-type: none"> • <i>AASB 17 SRPN</i> of the SF; and • <i>AASB 17 SRPP</i> of the SF. <p>For a friendly society, this item is the amount of <i>AASB 17 SRP</i> transferred from the MF to the BF.</p> |
| <p><i>Retained profits transfers from SHF / MF to total SF (AASB 17 SRPN) / total SF (AASB 17 SRPP) / total BF</i></p> | <p>For a life insurer, this is the amount of retained profits transferred from the SHF to:</p> <ul style="list-style-type: none"> • <i>AASB 17 SRPN</i> across all SFs; and • <i>AASB 17 SRPP</i> across all SFs. <p>For a friendly society, this item is the amount of <i>AASB 17 SRP</i> transferred from the MF to all BF.</p> |

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| <i>Retained profits transfers from total SF (AASB 17 SRPN) / total SF (AASB 17 SRPP) / total BF to SHF / MF</i> | <p>For a life insurer, this is the amount of retained profits transferred to the SHF from:</p> <ul style="list-style-type: none"> • <i>AASB 17 SRPN</i> across all SFs; and • <i>AASB 17 SRPP</i> across all SFs. <p>For a friendly society, this item is the amount of <i>AASB 17 SRP</i> transferred from all BFs to the MF.</p> |
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| <i>Share capital balance at the beginning of the period</i> | This is the opening balance of share capital at beginning of the reporting period. |
| <i>Share capital balance at the end of the period</i> | <p>This is the closing balance of share capital at end of the reporting period.</p> <p>For a statutory fund / benefit fund, this is calculated as the sum of:</p> <ul style="list-style-type: none"> • <i>share capital balance at beginning of period;</i> • <i>share capital transfers from SHF / MF to SF / BF;</i> • <i>share capital transfers from SF / BF to SHF / MF;</i> and • <i>other share capital movements.</i> <p>For a life insurer, this is calculated as the sum of:</p> <ul style="list-style-type: none"> • <i>share capital balance at beginning of period;</i> • <i>share capital transfers from SHF / MF to total SF / total BF;</i> • <i>share capital transfers from total SF / total BF to SHF / MF;</i> • <i>shares issued;</i> • <i>share capital reductions;</i> and • <i>other share capital movements.</i> |
| <i>Share capital reductions</i> | This is reductions in share capital undertaken by a life company (for example, via share buyback or redemption). |
| <i>Share capital transfers from SF / BF to SHF / MF</i> | <p>For a life insurer, this is the amount of share capital transferred from the SF to the SHF.</p> <p>For a friendly society, this item is the amount of share capital transferred from the BF to the MF.</p> |
| <i>Share capital transfers from SHF / MF to SF / BF</i> | <p>For a life insurer, this is the amount of share capital transferred from the SHF to the SF.</p> <p>For a friendly society, this is the amount of share capital transferred from the MF to the BF.</p> |

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| <i>Share capital transfers from SHF / MF to total SF / total BF</i> | <p>For a life insurer, this is the amount of share capital transferred from the SHF to all SFs.</p> <p>For a friendly society, this is the amount of share capital transferred from the MF to all BF.</p> |
| <i>Share capital transfers from total SF / total BF to SHF / MF</i> | <p>For a life insurer, this is the amount of share capital transferred from all SFs to the SHF.</p> <p>For a friendly society, this item is the amount of share capital transferred from all BF to the MF.</p> |

Specific instructions

Table 1: Retained Profits Transfers (Statutory Fund / Benefit Fund)

Reporting basis

This table applies to life companies including friendly societies. Data must be submitted at the level of each statutory / benefit fund.

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

Units of measurement

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

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|-----------------|---|
| Column 1 | Report the value for each item listed below which relates to <i>AASB 17 SRPN</i> of the SF. |
| Column 2 | Report the value for each item listed below which relates to <i>AASB 17 SRPP</i> of the SF. |
| Column 3 | Report the value for each item listed below which relates to <i>AASB 17 SRP</i> of the BF. |

1. Retained profits transfers

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| Item 1.1 | Report <i>retained profits balance at the beginning of the period</i> . |
| Item 1.2 | Report <i>profit (loss) after income tax attributable to members of the company</i> . Report this as a positive value where it would result in an increase to retained profits. Report this item for the year up to the close of business on the last day of the reporting period. |
| Item 1.3 | Report <i>retained profits transfers from SHF / MF to SF (AASB 17 SRPN) / SF (AASB 17 SRPP) / BF</i> . Report this item as a positive value. Report this item for the year up to the close of business on the last day of the reporting period. |
| Item 1.4 | Report <i>retained profits transfers from SF (AASB 17 SRPN) / SF (AASB 17 SRPP) / BF to SHF / MF</i> . Report this item as a negative value. Report this item for the year up to the close of business on the last day of the reporting period. |

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| Item 1.5 | <p>Report <i>other retained profits movements</i>.</p> <p>Report this as a positive value where it would result in an increase to retained profits.</p> <p>Report this item for the year up to the close of business on the last day of the reporting period.</p> |
| Item 1.6 | <p><i>Retained profits balance at the end of the period</i> is a calculated number and is calculated as the sum of:</p> <ul style="list-style-type: none">• items 1.1 to 1.5 inclusive. |

Table 2: Retained Profits Transfers (Life Company)**Reporting basis**

This table applies to life companies including friendly societies. Data must be submitted at the level of the life company. Report all information as at the reporting date.

Units of measurement

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

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|-----------------|---|
| Column 1 | Report the value for each item listed below which relates to <i>AASB 17 SRPN</i> of all SFs. |
| Column 2 | Report the value for each item listed below which relates to <i>AASB 17 SRPP</i> of all SFs. |
| Column 3 | Report the value for each item listed below which relates to <i>AASB 17 SRP</i> of all BF's. |
| Column 4 | Report the value for each item listed below which relates to <i>AASB 17 SRP</i> of the SHF / MF. |
| Column 5 | Report the value for each item listed below which relates to elimination values in relation to <i>AASB 17 SRP</i> of the SHF / MF. The sum of balances across all SFs / all BF's, SHF / MF and SHF / MF elimination values must equal to balances at a life company level |
| Column 6 | Column 6 life company – <i>AASB 17 SRP</i> is a derived column and is calculated as the sum of columns 1 to 5. |

1. Retained profits transfers

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| Item 1.1 | Report <i>retained profits balance at the beginning of the period.</i> |
| Item 1.2 | Report <i>profit (loss) after income tax attributable to members of the company.</i> Report this as a positive value where it would result in an increase to retained profits. Report this item for the year up to the close of business on the last day of the reporting period. |
| Item 1.3 | Report <i>retained profits transfers from SHF / MF to total SF (SRPN) / total SF (SRPP) / total BF.</i> Report this as a positive value where it would result in an increase to retained profits. |

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| | Report this item for the year up to the close of business on the last day of the reporting period. |
| Item 1.4 | <p>Report <i>retained profits transfers from total SF (SRPN) / total SF (SRPP) / total BF to SHF / MF</i>.</p> <p>Report this as a positive value where it would result in an increase to retained profits.</p> <p>Report this item for the year up to the close of business on the last day of the reporting period.</p> |
| Item 1.5 | <p>Report <i>dividends</i>.</p> <p>This item is reported under columns 4 and 5 only.</p> <p>Report this as a positive value where it would result in an increase to retained profits.</p> <p>Report this item for the year up to the close of business on the last day of the reporting period.</p> |
| Item 1.6 | <p>Report <i>other retained profits movements</i>.</p> <p>Report this as a positive value where it would result in an increase to <i>retained profits type</i>.</p> <p>Report this item for the year up to the close of business on the last day of the reporting period.</p> |
| Item 1.7 | <p><i>Retained profits balance at the end of the period</i> is a calculated number and is calculated as the sum of:</p> <ul style="list-style-type: none"> • items 1.1 to 1.6 inclusive. |

Table 3: Share Capital Transfers (Statutory Fund / Benefit Fund)**Reporting basis**

This table applies to life companies including friendly societies. Data must be submitted at the level of each statutory fund / benefit fund.

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.

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| Column 1 | Report the value for each item listed below which relates to the SF / BF. |
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1. Share capital transfers

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|-----------------|---|
| Item 1.1 | Report <i>share capital balance at the beginning of the period</i> . |
| Item 1.2 | Report <i>share capital transfers from SHF / MF to SF / BF</i> . Report this item as a positive value. Report this item for the year up to the close of business on the last day of the reporting period. |
| Item 1.3 | Report <i>share capital transfers from SF / BF to SHF / MF</i> . Report this item as a negative value. Report this item for the year up to the close of business on the last day of the reporting period. |
| Item 1.4 | Report <i>other share capital movements</i> . Report this as a positive value where it would result in an increase to share capital. Report this item for the year up to the close of business on the last day of the reporting period. |
| Item 1.5 | <i>Share capital balance at the end of the period</i> is a calculated number and is calculated as the sum of: <ul style="list-style-type: none"> • items 1.1 to 1.4 inclusive. |

Table 4: Share Capital Transfers (Life Company)**Reporting basis**

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

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

Units of measurement

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

| | |
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| Column 1 | Report the value for each item listed below which relates to share capital of all SFs / BF. |
| Column 2 | Report the value for each item listed below which relates to share capital of the SHF / MF. |
| Column 3 | Report the value for each item listed below which relates to elimination values in relation to share capital values of the SHF / MF. |
| Column 4 | Column 4 life company – share capital is a derived column and is calculated as the sum of columns 1 to 3. |

1. Share capital transfers

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| Item 1.1 | Report <i>share capital balance at the beginning of the period</i> . |
| Item 1.2 | Report <i>share capital transfers from SHF / MF to total SF / total BF</i> . Report this as a positive value where it would result in an increase to share capital. Report this item for the year up to the close of business on the last day of the reporting period. |
| Item 1.3 | Report <i>share capital transfers from total SF / total BF to SHF / MF</i> . Report this as a positive value where it would result in an increase to share capital. Report this item for the year up to the close of business on the last day of the reporting period. |
| Item 1.4 | Report <i>ordinary shares issued</i> . This item is reported under columns 2 and 3 only. Report this as a positive value where it would result in an increase to share capital. |

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| | Report this item for the year up to the close of business on the last day of the reporting period. |
| Item 1.5 | <p>Report <i>share capital reductions</i>.</p> <p>This item is reported under columns 2 and 3 only.</p> <p>Report this as a positive value where it would result in an increase to share capital.</p> <p>Report this item for the year up to the close of business on the last day of the reporting period.</p> |
| Item 1.6 | <p>Report <i>other share capital movements</i>.</p> <p>Report this as a positive value where it would result in an increase to share capital.</p> <p>Report this item for the year up to the close of business on the last day of the reporting period.</p> |
| Item 1.7 | <p><i>Share capital balance at the end of the period</i> is a calculated number and is calculated as the sum of:</p> <ul style="list-style-type: none"> • items 1.1 to 1.6 inclusive. |