Resolution Life Australasia Limited

Directors' report and Financial report for the year ended 31 December 2024

ABN 84 079 300 379

Resolution Life

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Directors' Report and Financial Report

For the year ended 31 December 2024

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Directors' Report

For the year ended 31 December 2024
The directors of Resolution Life Australasia Limited ('Resolution Life Australasia' or 'RLAL' or 'the Company') present their report on the company for the financial year ended 31 December 2024.

Resolution Life Australasia Limited is a company limited by shares and is incorporated and domiciled in Australia. Resolution Life Financial Services Holdings Limited is the Company's parent entity and Resolution Life NOHC Pty Ltd ("RLNOHC") is the ultimate parent entity in Australia as at 31 December 2024. The parent company of RLNOHC is RLGH Finance Bermuda Ltd (RLGHFB) and the ultimate shareholder of the Company is Resolution Life Group Holdings Limited (Bermuda).

The Registered Office of the Company is at Level 39, 2 Park Street, Sydney, NSW 2000.

Directors
The directors of the Company during the year and up to the date of this report are shown below. Directors were in office for this entire period, unless stated otherwise.

David Clarke	Chairman, Non-executive Director
Tim Tez	Chief Executive Officer
Megan Beer	Executive Director
Jonathan Moss	Executive Director (Resigned 31st March 2024)
Keith Taylor	Non-executive Director
Rosheen Garnon	Non-executive Director
Trevor Matthews	Non-executive Director (Resigned 15th February 2024)
Melissa Babbage	Non-executive Director (Appointed 22nd February 2024)

Key management personnel
Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. The Company considers all directors of the Company to be key management personnel. Remuneration of key management personnel is disclosed in Note 5.1 of the attached financial statements.

Principal activities
Resolution Life Australasia's business consists of Superannuation and Investment ("S&I") and Wealth Protection ("WP"). The S&I portfolio comprises conventional insurance products (participating and non-participating), participating investment account products, investment linked products and annuities. WP comprises retail and group wealth protection products across life insurance, total and permanent disability, trauma, and income protection. Resolution Life Australasia's WP and S&I businesses are largely closed to new business.

Review of operations and results
The operating result for the year ended 31 December 2024 was a profit after tax of $154 million (2023: loss of $151 million).
The Company has had a successful year in completing a number of initiatives including:

- The transaction with AIA to acquire the S&I business was completed and fully integrated into the RLNOHC Group.
- In line with the previously announced Group partnership with Blackstone Inc ("Blackstone"), RLNOHC has implemented its strategic asset allocation resulting in a significant change in the asset composition and the creation of significant value for policyholders and shareholders.
- Completed the implementation of large transformation initiatives which included a strategic multi-GAAP accounting and reporting solution and reinsurance processes.

The RLNOHC Group is now well placed to continue its strategy of being the leading in-force life insurer in the Australian and New Zealand market.

During the year, the Master Trust business changed insurer and is no longer included in the RLAL. This was provisioned in the 2023 financial results and there were no further material impacts in 2024.

Dividends and distributions
Details of the dividends paid and dividends recommended or declared for payment but not paid are disclosed in Note 1.3 of the Financial Report.

Significant changes in the state of affairs
There were no significant changes in the state of affairs of RLAL during 2024, other than the Master Trust business change as referred to above.

Acquisition by Nippon Life Insurance Company (Nippon Life)
On 11 December 2024, Nippon Life Insurance Company (Nippon Life) entered into a definitive agreement to acquire the entirety of the capital stock of Resolution Life Group Holdings Ltd and RLGH US Parent Inc. (Resolution Life) by paying US$8.2 billion to acquire the remaining capital stock in Resolution Life, valuing Resolution Life at US$10.6 billion. The closing of the transaction is expected to occur in the second half of 2025, subject to the satisfaction of certain closing conditions. Post closing, the Group will be combined with Nippon Life's Australian company, MLC, to form Acenda, a new primary life insurer open to new business, which will be run as a joint venture between Nippon Life and Resolution Life.

Resolution Life will continue its mission of being a global custodian to the life insurance and annuity industry by providing capital for growth, removing stranded costs and mitigating long-term risks so that the industry can continue to respond to the needs of policyholders. Blackstone will continue to be Resolution Life's investment manager across private credit and other key areas.

The acquisition by Nippon is expected to complete in the second half of 2025 with full integration of the two Australasian businesses as part of the joint venture to complete over the next few years.

Environmental regulations
The RLNOHC group has utilised its Management Sustainability Working Group, which reports to key management personnel, to develop the capability to provide climate change reporting to its stakeholders.

As part of our commitment to sustainability, we acknowledge that addressing climate change is a key challenge. During the year in New Zealand, we reported our first Climate Statement in line with New Zealand XRB requirements. Independent advice was sought from PWC for development of the reporting for the in-scope reporting entity of Resolution Life Australasia New Zealand Branch. Our second-year reporting is in development, which will provide further details on how we are working to align with operating in a low-emissions economy.

Australian reporting was legislated in late 2024 and as a Group 1 reporting entity our first submission is due in March 2026.

To support our response towards climate risks and opportunities, we continue to assess our impacts and improve data collection. In 2024, this focused on refining our greenhouse gas emission data calculation, of which is our fourth year. We also began assessing our Scope 3, Financed Emissions through analysing our assets under management using standard reporting methodologies and the use of S&P Trucost as a established Environment, Social and Governance (ESG) platform.

The Company understands it has a responsibility to manage material environmental, social and governance ("ESG") issues within in its investments. The ESG policy sets out the Company's beliefs and commitments to addressing ESG factors in our investments

Current Environment
The market environment for life insurers in 2024 was quite dynamic and presented both opportunities and challenges. There are growing protection needs in the community including growing demand for advice, retirement products and anticipated reforms in Australia. Economic conditions remained steady, however cost of living pressures continue to be elevated and present challenges. Investment market volatility remained high in light of geopolitical tensions and political change but there were also opportunities in private credit. There continues to be consolidation in the Australian and New Zealand life insurance industry which presents opportunities for Resolution Life Australasia. Technological change remained a high focus and is significantly changing the way life insurers operate. RLNOHC and its subsidiaries are well placed to take advantage of these opportunities and navigate the challenges.

The liquidity and capital position of RLNOHC and its subsidiaries is designed to withstand shocks to financial markets. We continue to actively monitor the extent of the potential financial impact on the business, results of operations, financial condition, liquidity and cash flows of RLNOHC and its subsidiaries as well as indirect impacts on the Company including supply chain, potential for increased malicious cyber-attacks and impact on staff.

Duty of the directors under the Life Insurance Act 1995
The directors have complied with their duties, as prescribed by the Life Insurance Act 1995, to take reasonable care, and use due diligence, to see that in the investment, administration and management of the assets of the Resolution Life Australasia statutory funds, the Company considers the interests of the policyholders before interests of the shareholder.

Indemnification and insurance of directors and officers
Under its Constitution, the Company indemnifies, to the extent permitted by law, all current and former officers of the Company (including the directors) against any liability (including the reasonable costs and expenses of defending proceedings for an actual or alleged liability) incurred in their capacity as officers of the Company. This indemnity is not extended to current or former employees of the Company against liability incurred in their capacity as an employee, unless approved by or on behalf of the RLAL Board.

During, and since the end of the financial year 31 December 2024, RLGHFB maintained, and paid the premium for, directors' and officers' and company reimbursement insurance for the benefit of all of the officers of RLGHFB Group (including each director, secretary and senior manager of the Company) against certain liabilities (including legal costs) as permitted by the Corporations Act 2001.

RLGHFB insurance policies prohibit disclosure of the nature of the liabilities covered, the amount of the premium payable and the limit of liability.

Auditor's independence
The directors have obtained an independence declaration from the Company's auditor, a copy of which is attached to this report and forms part of the Directors' Report for the year ended 31 December 2024.

Rounding
In accordance with the ASIC Corporations Instrument 2016/191, amounts in this Directors' Report and the accompanying Financial Report have been rounded off to the nearest million Australian dollars, unless stated otherwise

Signed in accordance with a resolution of the directors.

David Clarke
Chairman
Sydney, 31 March 2025

Tim Tez
Chief Executive Officer
Sydney, 31 March 2025

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31 March 2025

The Board of Directors
Resolution Life Australasia Limited
Level 39,2 Park Street, Sydney
Sydney, NSW 2000

Dear Directors

Auditor's Independence Declaration to Resolution Life Australasia Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the directors of Resolution Life Australasia Limited.

As lead audit partner for the audit of the financial report of Resolution Life Australasia Limited for the year ended 31 December 2024, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Stuart Alexander
Partner
Chartered Accountants

Statement of Comprehensive Income

for the year ended 31 December

	Note	2024 $m	2023 Restated $m
Income and expenses of the shareholder and policyholders			
Insurance revenue[1]	4.5 (a)	1,814	2,184
Insurance service expenses	4.5 (g)	(1,336)	(2,168)
Net expenses from reinsurance contracts	4.5 (i)	(123)	(109)
Insurance service result[1]		**355**	**(93)**
Interest revenue calculated using the effective interest method	4.5 (b)	193	88
Other investment revenue	4.5 (b)	2,682	2,016
Investment return		**2,875**	**2,104**
Net finance (expense) from insurance contracts[1]	4.5 (b)	(1,757)	(1,345)
Net finance (expense) / income from reinsurance contracts	4.5 (b)	(1)	11
Movement in investment contract liabilities	4.5 (b)	(864)	(589)
Net financial result[1]		**(2,622)**	**(1,923)**
Revenue from investment management services		78	78
Other income		2	11
Amortisation expense of intangibles		(21)	(6)
Other operating expenses	1.1	(131)	(110)
Other finance costs		(28)	(24)
Profit before tax		**508**	**37**
Income tax expense	1.2	(354)	(188)
Net profit / (loss) for the year		**154**	**(151)**
Other comprehensive income / (loss) for the period			
Items that may be reclassified subsequently to profit and loss			
Exchange losses of foreign operations		(18)	(4)
Total comprehensive income / (loss) for the year		**136**	**(155)**

[1] For 2023, there has been a reclassification between “Insurance Revenue” and “Net Finance Expenses in the Statement of Comprehensive Income”. Refer to the section ’About this report’, (c) Prior year adjustments, item 4 for further details.

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

as at 31 December

	Note	2024 $m	2023 Restated $m
Assets			
Cash and cash equivalents		395	334
Receivables and prepayments	2.3	458	288
Financial assets at fair value through profit and loss	2.1	28,042	28,519
Deferred tax assets	1.2 (c)	107	255
Insurance contract assets	4.5 (c)	932	1,103
Reinsurance contract assets[1]	4.5 (c)	1,428	1,370
Intangible assets and goodwill	2.2	123	137
Total assets		**31,485**	**32,006**
Liabilities			
Payables[1]	2.4	225	222
Provisions[1]	2.6	6	5
Financial liabilities at fair value through profit and loss	2.1	55	5
Current tax liabilities		1	60
Interest bearing liabilities	3.2	303	304
Deferred tax liabilities	1.2 (c)	450	221
Insurance contract liabilities[1]	4.5 (c)	20,841	21,511
Reinsurance contract liabilities	4.5 (c)	4	9
Investment contract liabilities	2.5	8,032	7,928
Total liabilities		**29,917**	**30,265**
Net assets		**1,568**	**1,741**
Equity			
Share capital	3.1	1,027	1,268
Retained earnings		627	541
Other reserves		(86)	(68)
Equity attributable to owners of the Company		**1,568**	**1,741**

[1] For 2023, there has been a reclassification between i) "Provisions", "Insurance Contract Liabilities" and "Reinsurance Contract Assets", ii) "Insurance Contract Liabilities" and "Reinsurance Contract Assets" iii) and "Payables" and "Reinsurance Contract Assets". Refer to the section 'About this report', (c) Prior year adjustments, items 7, 8 and 9 for further details.

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

for the year ended 31 December

	Note	Share Capital $m	Other reserves[1] $m	Retained earnings $m	Total equity $m
Balance at 1 January 2024		**1,268**	**(68)**	**541**	**1,741**
Total comprehensive income for the year:					
Profit for the year		-	-	154	154
Other comprehensive loss for the year		-	(18)	-	(18)
Total comprehensive income for the year:		**-**	**(18)**	**154**	**136**
Dividends paid - ordinary shares	1.3	-	-	(68)	(68)
Return of capital	3.1	(241)	-	-	(241)
Balance as at 31 December 2024		**1,027**	**(86)**	**627**	**1,568**
Balance at 1 January 2023		**1,380**	**(64)**	**808**	**2,124**
Total comprehensive loss for the year:					
Loss for the year		-	-	(151)	(151)
Other comprehensive loss for the year		-	(4)	-	(4)
Total comprehensive loss for the year:		**-**	**(4)**	**(151)**	**(155)**
Dividends paid - ordinary shares	1.3	-	-	(116)	(116)
Return of capital	3.1	(112)	-	-	(112)
Balance as at 31 December 2023		**1,268**	**(68)**	**541**	**1,741**

[1] Other reserves consists of foreign currency translation reserves.

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

for the year ended 31 December

	Note	2024 $m	2023 Restated[1] $m
Cash flows from operating activities			
Premiums received from customers		1,271	1,728
Amounts received from reinsurers		416	302
Fees received from customers		80	89
Interest and other items of a similar nature received		195	89
Dividends and distributions received		1,233	1,045
Claims paid		(3,043)	(2,992)
Amounts paid to reinsurers		(603)	(607)
Other payments in the course of operations		(294)	(993)
Finance costs		(24)	(23)
Income tax paid		(36)	(102)
Cash flows from / (used in) operating activities		**(805)**	**(1,464)**
Cash flows from investing activities			
Net proceeds from sales of financial assets		1,389	1,578
Net cash flow relating to acquisitions		-	(38)
Cash flows from / (used in) investing activities		**1,389**	**1,540**
Cash flows from financing activities			
Payment for the return of share capital	3.1	(241)	(112)
Dividends and distributions paid	1.3	(68)	(116)
Cash flows used in financing activities		**(309)**	**(228)**
Net increase/ (decrease) in cash and cash equivalents		**275**	**(152)**
Cash and cash equivalents at beginning of the year		349	502
Effect of exchange rate changes on cash and cash equivalents		(8)	(1)
Cash and cash equivalents at the end of the period[2]		**616**	**349**
Reconciliation of cash			
Cash and cash equivalents		395	334
Short term bills and notes (included in debt securities)		221	15
Cash and cash equivalents for the purposes of the Statement of Cash Flows		**616**	**349**

[1] The presentation of the Statement of Cash Flows has been revised in 2024 to provide more detailed disclosure of cash flows in order to better align to insurance notes following the implementation of AASB 17. Refer to the section 'About this report', (c) Prior year adjustments, item 1 for further details.
[2] Cash equivalents for the purpose of the statement of cash flows includes short-term bills and notes. This balance is included in financial assets at fair value through profit and loss in the Statement of Financial Position. These are highly liquid investments that are readily convertible to known amounts of cash and near maturity that present insignificant risk of changes in value.

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Reconciliation of cash flows from operating activities	**2024 $m**	**2023 $m**
Profit / (loss) for the year	154	(151)
Amortisation of intangibles	21	6
Investment gains and losses	(1,157)	(1,600)
Dividend and distribution income reinvested	(284)	(204)
(Increase) / decrease in receivables and other assets	(164)	39
Increase in net insurance liabilities	308	448
Increase in income tax balances	318	86
Increase / (decrease) in other payables and provisions	(1)	(88)
Cash flows generated from / (used in) operating activities	**(805)**	**(1,464)**

About this report

(a) Understanding Resolution Life Australasia financial report

Resolution Life Australasia Limited (‘Resolution Life Australasia’ or ‘the Company’), a company limited by shares, is incorporated and domiciled in Australia. This financial report includes financial statements for Resolution Life Australasia as a standalone entity only.

The business of the Company is conducted through statutory funds and relates to the provision of life insurance and life investment products to investors, referred to as policyholders. A large proportion of the investment assets of the statutory funds is held on behalf of policyholders. The corresponding liabilities to policyholders are classified as either life insurance or life investment contract liabilities.

Consolidated Entity Disclosure Statement as at 31 December 2024
Consolidated information has not been prepared to show the financial position and operations of the Company and its controlled entities as at, or during the year ended 31 December 2024, in accordance with exemptions available under Australian Accounting Standards. Subsection 295(3A) of the Corporations Act 2001 does not apply to the company as the company is not required to prepare consolidated financial statements by Australian Accounting Standards. Consolidated information is prepared and made available for the holding company in Australia, Resolution Life NOHC Pty Ltd (RLNOHC) and its controlled entities.

Where permitted under Australian Accounting Standards, the assets and liabilities associated with life insurance and investment contracts are generally measured on a fair value basis and other assets and liabilities are generally measured on a historical cost basis.

Materiality
Information has only been included in the financial report to the extent it has been considered material and relevant to the understanding of the financial statements. A disclosure is considered material and relevant if, for example:

- the amount in question is significant because of its size or nature;
- It is important for understanding the results of the Company;
- It helps explain the impact of significant changes in the Company; and/or
- It relates to an aspect of the Company’s operations that is important to its future performance.

The financial report:
- is a general purpose financial report.
- has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards (AAS) including Australian Accounting Interpretations adopted by the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.
- is presented in Australian dollars with all values rounded to the nearest million dollars ($m), unless otherwise stated.
- has been prepared on a going concern basis using an historical cost basis except for the following items in the Statement of Financial Position which are generally measured on a fair value basis:
  - investments and other financial assets and liabilities;
  - assets and liabilities associated with life insurance contracts;
  - assets and liabilities associated with investment contracts; and
  - assets and liabilities associated with reinsurance contracts.
- presents assets and liabilities on the face of the Statement of Financial Position in decreasing order of liquidity and does not distinguish between current and non-current items.
- presents reclassified comparative information where required for consistency with the current year’s presentation.

Estimates of amounts to be recovered or settled:
(a) no more than 12 months after the reporting date (‘current’); and
(b) more than 12 months after the reporting date (‘non-current’); have been provided in the relevant notes.

Resolution Life Australasia Limited is a for-profit entity. The parent entity is Resolution Life Financial Services Holdings Limited, and the Company’s ultimate parent in Australia is RLNOHC. The ultimate parent entity is RLGH Finance Bermuda Limited.

The financial report as at and for the year ended 31 December 2024 was authorised for issue on 31 March 2025 in accordance with a resolution of the directors.

About this report

(b) Material accounting policy information

The material accounting policy information adopted in the preparation of the financial report are contained in the notes to the financial statements to which they relate. All accounting policies have been consistently applied to the current year and comparative period, unless otherwise stated. Where an accounting policy relates to more than one note or where no note is provided, the accounting policies are set out below.

Interest, dividends and distributions income
Interest income is recognised using the effective interest method. Revenue from dividends is recognised when Resolution Life Australasia's right to receive payment is established.

Foreign currency transactions
Transactions, assets and liabilities denominated in foreign currencies are translated into Australian dollars (the functional currency) at reporting date using the following applicable exchange rates:

Foreign currency amount	Applicable exchange rate
Transactions	Date of transaction
Monetary assets and liabilities	Reporting date
Non-monetary assets and liabilities carried at fair value	Date fair value is determined

Foreign exchange gains and losses resulting from translation of foreign exchange transactions are recognised in the Statement of Comprehensive Income as Other Comprehensive Income.

The assets, liabilities, income and expenses of foreign operations are translated into Australian dollars using the following applicable exchange rates:

Foreign currency amount	Applicable exchange rate
Income and expenses	Average exchange rate
Assets and liabilities	Reporting date
Equity	Historical date
Reserves	Reporting date

Foreign exchange differences resulting from translation of foreign operations are initially recognised in the foreign currency translation reserve and subsequently transferred to the Statement of Comprehensive Income on disposal of the foreign operation as other comprehensive income.

(c) Prior year adjustments

During the current year, the Company implemented a new automated financial reporting system. As a result, it was identified that the financial statements for the year ended 31 December 2023 included the following errors and misclassifications in AASB 17 note disclosures. These have been adjusted in the current year and the impacted 2023 comparative amounts have been adjusted or reclassified in the prior year column and/or notes of these financial statements.

Nr.	Description
1	**Change in presentation of cash flows** In 2024, the Statement of Cash Flows has been expanded to include more line items to allow for direct comparison to the insurance notes under section 4. In order to allow comparison to prior years, the comparative numbers for 2023 have been reclassified. The line "Receipts from customers" has been replaced by "Premiums received from customers" and "Amounts received from reinsurers." "Cash payments to vendors" have been replaced by "Claims paid", "Amounts paid to reinsurers" and "Other payments in the course of operations." This reclassification can be found in the Statement of Cash Flows. This change in presentation had no impact on any other financial statements or notes.
2	**Incorrect classification of reinsurance premiums** In 2023, reinsurance premiums payable was incorrectly classified as "Assets for incurred claims" instead of "Assets for remaining coverage". $98 million has been reclassified from "Present value of future cash flows in assets for incurred claims" to "Present value of future cash flows for assets for remaining coverage." This change had no material impact on the financial statements. This classification can be found in Note 4.5c, i and j. This change had no impact on any other financial statements or notes.

About this report

3	**Incorrect classification of certain stepped premium portfolios** Two stepped premium portfolios are valued using the General Measurement Model (GMM). However, in the 2023 notes to the financial statements all stepped premium portfolios were classified under the Premium Allocation Approach (PAA) model. An amount of $1,014 million was classified as “Valued under the PAA model.” This amount has now been classified as “Not valued under the PAA model.” This adjustment can be found in Note 4.5g Movement in insurance contract balances – analysis by remaining coverage and incurred claims in the 2023 comparatives. This change had no impact on any other financial statements or notes.
4	**Reclassification of insurance service expenses and net finance expenses from insurance contracts** Expected risk claims for portfolios valued under the variable fee approach (VFA) were included in the expected investment components in 2023 due to limitations in data. With the implementation of the new strategic solution additional data granularity has become available to determine this split. To ensure comparability with 2024 the 2023 comparatives have been restated. $160 million in the 2023 comparatives has been reclassed from “Insurance Revenue” to “Net Finance Expenses in the Statement of Comprehensive Income. There is no impact on profit before tax. In addition, notes 4.5a, b, g and h have been updated to reflect these changes.
5	**Updates to the insurance and reinsurance net cash flows and liquidity profile** Due to data and system limitations in 2023, the liquidity profile of certain insurance contract liabilities components were not considered in the disclosure. In addition, the liquidity profile as presented for 2023 has now been refined with the additional granularity of data to ensure comparability with 2024 numbers. This has resulted in an increase of $2,659 million in insurance inflows and $781 million reinsurance cash outflows and changes in the expected timing. The 2023 comparatives of Note 4.4a have been restated to reflect these changes. This change in presentation had no impact on any other financial statements or notes.
6	**Updated classification between current period and prior period claims** In the 2023 comparatives $497 million for insurance and $267 million for reinsurance has been reclassified from “Adjustment to experience on prior period incurred claims” to "Adjustments to assets for incurred claims" in notes 4.5g and 4.5h and “Adjustments to assets for incurred claims” in notes 4.5i, 4.5j, respectively. This was a correction between “Experience adjustments” in the current service section and “Adjustments to liabilities for incurred claims” in the past service section in notes 4.5g and h. In addition, there was a correction between ”Allocation of reinsurance premiums paid” and “Recoveries of incurred claims and other insurance service expenses” of $385 million in notes 4.5i and j. There is no impact on profit or net assets for any of these adjustments.
7	**Reclassification of customer related provisions** Customer related provisions in the scope of insurance and reinsurance contract liabilities were incorrectly classified as general provisions in 2023. The comparatives for 2023 have been restated to update for this classification resulting in $28 million moving from provisions to $33 million insurance contract liabilities and $5 million to reinsurance contract liabilities. These are reflected in the Statement of Comprehensive Income, Statement of Financial Performance and notes 4.5c, g, h, i and j.
8	**Reclassification between insurance and reinsurance outstanding claims reserve** Outstanding claims reserves were presented net of $62 million of reinsurance in insurance contract liabilities in 2023. This amount has been reclassified to reinsurance contract assets in the 2023 comparatives of these financial statements in the Statement of Financial Position and notes 4.5g, h, i and j.
9	**Reclassification between payables and reinsurance contract assets** Reinsurance receivables of $41 million were classified as payables in 2023 and have been reclassed to reinsurance contract assets in the comparatives. These reclasses can be found in the Statement of Financial Position and notes 3.3b, 4.5c, i and j.

About this report

I. Critical judgements and estimates

Preparation of the financial statements requires management to make judgements, estimates and assumptions about future events. Information on critical judgements and estimates considered when applying the accounting policies can be found in the following notes:

Accounting judgements and estimates	Note	
Tax	Note 1.2	Taxes
Fair value of financial assets	Note 2.1	Investments in financial instruments
Goodwill and intangible assets	Note 2.2	Intangible assets and goodwill
Provisions	Note 2.6	Provisions
Life insurance contract liabilities	Note 4.1	Accounting for life insurance contracts and investment contracts
Investment contract liabilities	Note 4.1	Accounting for life insurance contracts and investment contracts
Reinsurance contracts held	Note 4.1	Accounting for life insurance contracts and investment contracts

1.1 Other operating expenses

	2024 $m	2023 Restated[1] $m
Service fee expenses - related entities	86	72
Investment management expenses	32	23
Commission expenses	13	15
Total other operating expenses	**131**	**110**

[1] The categories of other expenses for 2023 have been restated to align the presentation by the nature of reported balances between 2023 and 2024.

1.2 Taxes

(a) Income tax expense

The income tax expense amount reflects the impact of both income tax attributable to the shareholder as well as income tax attributable to policyholders. In respect of income tax expense attributable to shareholder, the tax rate which applies is 30% (2023: 30%) in Australia and 28% (2023: 28%) in New Zealand.

Income tax attributable to policyholders is based on investment income allocated to policyholders less expenses deductible against that investment income. The impact of the tax is charged against policyholder liabilities. A number of different tax rate regimes apply to policyholders. In Australia, certain classes of policyholder life insurance income and superannuation earnings are taxed at 15%, and certain classes of income on some annuity business are tax-exempt. The rate applicable to New Zealand life insurance business is 28%.

Section 1: Results for the year

1.2 Taxes (continued)

The following table provides a reconciliation of differences between prima facie tax calculated as 30% of the profit before income tax for the year and the income tax expense recognised in the Statement of Comprehensive Income for the year.

	2024 $m	2023 $m
Profit for the period before income tax (expense) / benefit – per Statement of Comprehensive Income	508	37
Adjusted for:		
Tax expense recognised as part of the change in insurance and investment contract liabilities in determining profit before tax	(311)	(233)
Profit / (loss) before income tax excluding tax charged to policyholders	**197**	**(196)**
Tax at Australian tax rate - 30%	(59)	59
Shareholder impact of life insurance tax treatment	(20)	(25)
Non-deductible expenses	1	1
Non-taxable income	26	20
Over / (under) provision in previous years excluding amounts attributable to policyholders	8	(11)
Differences in overseas tax rates	1	1
Total permanent differences	**16**	**(14)**
Income tax (expense) / benefit attributable to shareholders	(43)	45
Income tax expense attributable to policyholders	(311)	(233)
Income tax expense	**(354)**	**(188)**

(b) Analysis of income tax (expense)/benefit

	2024 $m	2023 $m
Current tax expense	23	(226)
Increase / (decrease) in deferred tax assets	(148)	(182)
Decrease / (increase) in deferred tax liabilities	(229)	220
Income tax benefit / (expense)	**(354)**	**(188)**

(c) Analysis of deferred tax balances

	2024 $m	2023 $m
Analysis of deferred tax assets		
Expenses deductible and income recognisable in future years	6	119
Losses available for offset against future taxable income	101	136
Total deferred tax assets	**107**	**255**
Analysis of deferred tax liabilities		
Unrealised investment gains	354	111
Insurance and reinsurance contract assets and liabilities	94	108
Other items	2	2
Total deferred tax liabilities	**450**	**221**

Section 1: Results for the year

1.2 Taxes (continued)

Accounting policy – recognition and measurement

Income tax expense
Income tax (expense)/benefit is the tax payable on taxable income for the current period based on the income tax rate for each jurisdiction and adjusted for changes in deferred tax assets and liabilities. These changes are attributable to:

- temporary differences between the tax bases of assets and liabilities and their Statement of Financial Position carrying amounts;
- unused tax losses; and
- the impact of changes in the amounts of deferred tax assets and liabilities arising from changes in tax rates or in the manner in which these balances are expected to be realised.

Adjustments to income tax (expense)/benefit are also made for any differences between the amounts paid, or expected to be paid, in relation to prior periods and the amounts provided for these periods at the start of the current period.

Any tax impact on income and expenses items that are recognised directly in equity is also recognised directly in equity.

Income tax for investment contracts business and life insurance contracts business
The income tax expense recognised in the Statement of Comprehensive Income of Resolution Life Australasia, reflects tax imposed on shareholder as well as policyholders. Investment contracts liabilities and life insurance contracts liabilities are established in Australia net, and in New Zealand gross, of the policyholders' share of any current tax payable and deferred tax balances of Resolution Life Australasia. Arrangements made with some superannuation funds result in Resolution Life Australasia making payments to the Australian Taxation Office in relation to contributions tax arising in those funds. The amounts paid are recognised as a decrease in investment contract liabilities and not included in income tax expense.

Deferred tax
Deferred tax assets and liabilities are recognised for temporary differences and are measured at the tax rates which are expected to apply when the assets are recovered or liabilities are settled, based on tax rates that have been enacted or substantively enacted for each jurisdiction at the reporting date. Deferred tax assets and liabilities, including amounts in respect of investment contracts and life insurance contracts, are not discounted to their present values.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Tax consolidation
Resolution Life Australasia Limited is part of a tax-consolidated group, with RLNOHC being the head entity. A tax funding deed and tax sharing deed has been entered into by the head entity and the controlled entities in the tax-consolidated group and requires entities to fully compensate RLNOHC for current tax liabilities and to be fully compensated by the company for any current or deferred tax assets in respect of tax losses arising from external transactions occurring after 30 June 2020, the implementation date of the tax-consolidated group.

Current tax asset and liability balances represent balances receivable from and payable to the Australia Taxation Office and Inland Revenue Department in New Zealand.

Global Minimum tax (Pillar II) rules
The Company has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in AASB 112 *Income Taxes*. Accordingly, the Company neither recognises nor discloses information about deferred tax assets and liabilities related to Pillar II income taxes.

In December 2024, the government of Australia, where the Australian parent company, Resolution Life NOHC Pty Ltd, is incorporated, enacted the Pillar II income taxes legislation effective from 1 January 2024. Under the legislation, Resolution Life NOHC Pty Ltd is required to pay, in Australia, top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15 per cent. The main exposures in which this tax may exist include the Australia and New Zealand subsidiaries.

Section 1: Results for the year

1.2 Taxes (continued)

The parent company has performed the necessary analysis in preparation for complying with the Pillar II model rules for the income year ended on 31 December 2024. Based on the analysis derived from information the Group does not expect any material exposure to Pillar II top up taxes.

Critical accounting estimates and judgements:

The Company is subject to taxes in Australia and other jurisdictions where it has operations. The application of tax law to the specific circumstances and transactions of the Company requires the exercise of judgement by management. The tax treatments adopted by management in preparing the financial statements may be impacted by changes in legislation and interpretations or be subject to challenge by tax authorities.

Judgement is also applied by management in determining the extent to which the recovery of carried forward tax losses is probable for the purpose of meeting the criteria for recognition as deferred tax assets. Consideration has been given to jurisdictional and taxpayer quarantining rules and the expected tax payable by the shareholder as set out in the Company's business plan.

Section 1: Results for the year

1.3 Dividends and distributions

Dividends paid and proposed during the year are shown in the table below:

	2024 $m	2023 $m
Ordinary dividend of $0.55 (2023: $0.93 per ordinary share)	68	116
Total dividends and distributions paid	**68**	**116**

Final dividend declared but not recognised	
2024: $0.79 (2023: $0.09) per ordinary share	98

Section 2: Investments, intangibles and working capital

2.1 Investments in financial instruments

	2024 $m	2023 $m
Financial assets measured at fair value through profit or loss		
Equity securities and listed managed investment schemes	36	41
Debt securities	567	853
Investment in unlisted equity securities and managed investment schemes[1]	27,299	27,372
Derivative financial assets	140	253
Total financial assets measured at fair value through profit or loss	**28,042**	**28,519**
Financial liabilities measured at fair value through profit or loss		
Derivative financial liabilities	55	5
Total financial liabilities measured at fair value through profit and loss	**55**	**5**

[1] Includes investments in controlled entities of $103 million (2023: $141 million) and controlled unit trusts of $27,132 million (2023: $26,996 million). These are held at fair value.

Accounting policy – recognition and measurement

The Company measures all financial assets (except certain private credit investments) at fair value through profit or loss where required or as designated at fair value through profit and loss where possible. All financial assets treated as financial assets measured at fair value through profit or loss are initially recognised at fair value determined as the purchase cost of the asset, exclusive of any transaction costs.

Certain direct loans include upfront fees, which are amortised over the life of the asset. The value of these costs is $250,000 (2023: $nil).

Financial assets and financial liabilities are recognised at the date the Company becomes a party to the contractual provisions of the instrument. Financial assets are de-recognised when the contractual rights to the cash flows from the financial assets expire or are transferred.

A transfer occurs when substantially all the risks and rewards of ownership of the financial asset are passed to an unrelated third party. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expires.

Transaction costs are expensed as incurred in Statement of Comprehensive Income.

Any realised and unrealised gains or losses arising from subsequent measurement at fair value are recognised in the Statement of Comprehensive Income in the period in which they arise.

Resolution Life Australasia's methodology and assumptions used to estimate the fair value of financial instruments are described below:

Equity securities and listed managed investment schemes	Equity securities include perpetual preferred stocks and common stock investments. Equity securities are treated as financial assets measured at fair value through profit and loss. The fair value of listed equity securities traded in an active market and listed managed investment schemes reflects the quoted bid price at the reporting date. In the case of equity securities and listed managed investment schemes where there is no active market, fair value is established using valuation techniques including the use of recent arm's length transactions, references to other instruments that are substantially the same, discounted cash flow analysis and option pricing models.
Debt securities	Fixed maturities include bonds, asset-backed securities ("ABS") residential mortgage-backed securities ("RMBS"), commercial mortgage-backed securities ("CMBS"), private placements, and surplus note investments. Fixed maturities are designated as financial assets measured at fair value through profit and loss. The fair value of listed debt securities reflects the bid price at the reporting date. Listed debt securities that are not frequently traded are valued by discounting estimated recoverable amounts.

Section 2: Investments, intangibles and working capital

	The fair value of unlisted debt securities is estimated using interest rate yields obtainable on comparable listed investments. The fair value of loans is determined by discounting the estimated recoverable amount using prevailing interest rates.
Unlisted managed investment schemes	Investment funds include certain non-fixed income, alternative investments in the form of limited partnerships or similar legal structures. Investment funds are designated as financial assets measured at fair value through profit and loss. The fair value of investments in unlisted managed investment schemes is determined on the basis of published redemption prices of those managed investment schemes at the reporting date. Derivative balances are held as financial assets measured at fair value through profit and loss.
Derivative financial assets and liabilities	The fair value of financial instruments traded in active markets (such as publicly traded derivatives) is based on quoted market prices (current bid price or current offer price) at the reporting date. The fair value of financial instruments not traded in an active market (e.g., over-the-counter derivatives) is determined using valuation techniques. Valuation techniques include net present value techniques, option pricing models, discounted cash flow methods and comparison to quoted market prices or dealer quotes for similar instruments. The models use a number of inputs, including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies, interest rate curves and forward rate curves of the underlying instruments. Some derivative contracts are significantly cash collateralised, thereby minimising both counterparty risk and the Group/Company's own non-performance risk.
Investment contract liabilities	Refer to note 4.1.

Section 2: Investments, intangibles and working capital

2.1 Investments in financial instruments (continued)

Impairment of financial assets

Assets measured at fair value, where changes in fair value are reflected in the Statement of Comprehensive Income, are not subject to impairment testing.

Other assets subject to impairment testing include: intangible assets including goodwill and investments in controlled entities at cost which is disclosed in section 2.2.

Critical accounting estimates and judgements:

Financial assets measured at fair value

Where available, quoted market prices for the same or similar instruments are used to determine fair value. Where there is no market price available for an instrument, a valuation technique is used. Management applies judgement in selecting valuation techniques and setting valuation assumptions and inputs.

Further detail on the determination of fair value of financial instruments is set out in note 2.5.

2.2 Goodwill and Intangible assets

Goodwill

	2024 $m	2023 $m
Goodwill	65	65

Intangible assets

	2024 $m	2023 $m
Fair value adjustment relating to acquired products at cost	78	78
Accumulated amortisation	(20)	(6)
Intangibles at amortised value	**58**	**72**
Goodwill and intangible assets	**123**	**137**

The intangible asset relates to the acquisition of superannuation and investment products that were acquired from AIA Australia Limited on 1 July 2023. The asset represents the fair value of the acquired products. The intangible asset is amortised over the useful lives of 4 – 7 years of the products on a straight-line basis.

The goodwill attributable to shareholders of $65 million arose from a previous Life Insurance Act 1995 (Life Act) Part 9 transfer of life insurance business into the statutory funds of Resolution Life Australasia.

Goodwill
Goodwill acquired in a business combination is recognised at cost and subsequently measured at cost less any accumulated impairment losses. The cost represents the excess of the cost of a business combination over the fair value of the identifiable assets acquired and liabilities assumed.

Section 2: Investments, intangibles and working capital

2.2 Goodwill and Intangible assets (continued)

Impairment
Goodwill is tested at least annually for impairment. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). The Company has two CGU's namely the Wealth Protection division and the Savings and Investment division. 78% of goodwill has been allocated to Savings and Investment and 22% to Wealth Protection. An impairment loss is recognised when the goodwill carrying amount exceeds the CGUs value in use. Value in use is calculated for each CGU by discounting projected future cash flows to its net present value using an appropriate discount rate. Projected future cashflows are obtained from 60-year forecasts from actuarial models. A discount rate of 10% (2023: 10%) was used. As at the reporting date, there has been no impairment to the amount of goodwill recognised and there are no reasonably possible changes in key assumptions that could cause the carrying amount to exceed

Critical accounting estimates and judgements:

Management applies judgement in selecting valuation techniques and setting valuation assumptions to determine the:

- Allocation of goodwill to CGUs and determining the recoverable amount of goodwill; and
- Assessment of whether there are any impairment indicators and, where required, in determining the recoverable amount.

2.3 Receivables and prepayments

	2024 $m	2023 $m
Investment related receivables	317	191
Other receivables		
- related entities	-	10
- other entities	136	83
Prepayments	5	4
Total receivables	**458**	**288**
Current	458	288

Accounting policy – recognition and measurement

Receivables and prepayment
Receivables that relate to life insurance contract liabilities are included in liabilities for remaining coverage. Reinsurance related receivables are included in reinsurance contract assets. Receivables that do not relate to life insurance contract liabilities or reinsurance contract assets are initially measured at fair value less transaction costs and subsequently measured at amortised cost less any allowance for Expected Credit Loss (ECLs)

Resolution Life Australasia applies a simplified approach in calculating ECLs for receivables. Therefore, Resolution Life Australasia does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. Resolution Life Australasia has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Material prepayments are recognised in the Statement of Financial Position and released to the Statement of Comprehensive Income over the period to which the benefit of the goods or services acquired are delivered to the Company. Immaterial prepayments are expensed immediately.

Section 2: Investments, intangibles and working capital

2.4 Payables

	2024 $m	2023 $m
Investment related payables	-	26
Payables related to investment contract liabilities	38	-
Other payables		
- related entities	36	15
- other entities[1]	151	181
Total payables	**225**	**222**

[1] For 2023, there has been a reclassification between “Payables” and “Reinsurance Contract Assets”. Refer to the section ’About this report’, (c) Prior year adjustments, item 9 for further details.

Current	225	222

Accounting policy – recognition and measurement

Payables
Payables that relate to insurance or reinsurance contracts are included in insurance and reinsurance contract assets and liabilities. Payables that are not related to insurance and reinsurance contracts are measured at the nominal amount payable. Given the short-term nature of most payables, the nominal amount payable approximates fair value.

Section 2: Investments, intangibles and working capital

2.5 Fair value information

The following table shows the carrying amount and estimated fair values of financial instruments, including their levels in the fair value hierarchy. It does not include fair value information for financial instruments not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The financial assets and liabilities measured at fair value are categorised using the fair value hierarchy which reflects the significance of inputs into the determination of fair value as follows:

- Level 1: the fair value is valued by reference to quoted prices and active markets for identical assets
- Level 2: the fair value is estimated using inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3: the fair value is estimated using inputs for the asset or liability that are not based on observable market data

2024	Carrying amount $m	Level 1 $m	Level 2 $m	Level 3 $m	Total fair value $m
Financial assets measured at fair value					
Equity securities and listed managed investment schemes	36	-	-	36	36
Debt securities	567	-	567	-	567
Investments in unlisted managed investment schemes	27,299	-	27,292	7	27,299
Derivative financial assets	140	-	140	-	140
Total financial assets measured at fair value	**28,042**	**-**	**27,999**	**43**	**28,042**
Financial liabilities measured at fair value					
Derivative financial liabilities	55	-	55	-	55
Investment contract liabilities	8,032	-	6	8,026	8,032
Total financial liabilities measured at fair value	**8,087**	**-**	**61**	**8,026**	**8,087**

2023	Carrying amount $m	Level 1 $m	Level 2 $m	Level 3 $m	Total fair value $m
Financial assets measured at fair value					
Equity securities and listed managed investment schemes	41	6	-	35	41
Debt securities	853	-	853	-	853
Investments in unlisted managed investment schemes	27,372	-	27,363	9	27,372
Derivative financial assets	253	-	253	-	253
Total financial assets measured at fair value	**28,519**	**6**	**28,469**	**44**	**28,519**
Financial liabilities measured at fair value					
Derivative financial liabilities	5	-	5	-	5
Investment contract liabilities	7,928	-	7	7,921	7,928
Total financial liabilities measured at fair value	**7,933**	**-**	**12**	**7,921**	**7,933**

Section 2: Investments, intangibles and working capital

2.5 Fair value information (continued)

Level 3 fair values

For financial assets categorised within level 3 of the fair value hierarchy, the valuation processes applied in valuing such assets is governed by the Resolution Life Australasia asset valuation policy. The Resolution Life Australasia asset valuation policy was approved by the board in November 2023. This policy outlines the asset valuation methodologies and processes applied to measure non-exchange traded assets which have no regular market price, including investment property, infrastructure, private equity, alternative assets, and illiquid debt securities. All significant level 3 assets are referred to the appropriate valuation committee who meet at least every six months, or more frequently if required.

Resolution Life Australasia has engaged with external valuers for financial assets managed internally, and the discounted cash flow approach was used in measuring the Level 3 fair values.

The following table shows the valuation techniques used in measuring Level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs
Equity securities and listed managed investment schemes	Discounted cash flow approach Market based valuation approach	Risk adjusted discount rate (17.65%) Valuation Multiple - Enterprise Value (EV) / Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA) (4.92x)
Investments in unlisted managed investment schemes	Published redemption prices	Judgement in the determination of the redemption price
Investment contract liabilities	Valuation model based on published unit prices and the fair value of backing assets Fixed retirement income policies - discounted cash flow	Fair value of financial instruments Cash flow forecasts Credit risk

For certain equity securities, management obtains values from independent professional valuers who use valuation techniques, such as the market approach, to determine the fair value. Under the market approach, the most relevant valuation multiples are based on a number of factors, such as enterprise value to revenue, and/or enterprise value to EBITDA (earnings before interest, taxes, depreciation and amortisation), to determine the fair value of the financial assets.

Sensitivity analysis

The sensitivity analysis below shows the effect of reasonable possible alternative assumptions, calculated by changing one or more of significant unobservable inputs for individual assets to reasonably possible alternative assumptions. The valuation is based on the application of a range of discount rates to a set of cash flows.

	2024 (+)	2024 (-)	2023 (+)	2023 (-)
Financial assets				
Equity securities and listed managed investment schemes	7	(7)	7	(7)
Investments in unlisted managed investment schemes	-	-	-	-

Section 2: Investments, intangibles and working capital

2.5 Fair value information (continued)

Reconciliation of level 3 values

The following table shows movements in the fair values of financial instruments categorised as level 3 in the fair value hierarchy:

2024	Balance at the beginning of the year $m	FX gains/ (losses)[1] $m	Total gains/ (losses)[1] $m	Purchases/ deposits $m	Sales/ withdrawals/ transfers $m	Balance at the end of the period $m	Total gains and losses on assets and liabilities held at reporting date $m
Assets classified as level 3							
Equity securities and listed managed investment schemes	35	-	1	-	-	36	1
Investments in unlisted managed investment schemes	9	-	(1)	-	(1)	7	(1)
Total financial assets measured at fair value	**44**	**-**	**-**	**-**	**(1)**	**43**	**-**
Financial liabilities measured at fair value							
Investment contract liabilities	7,921	(6)	1,091	387	(1,367)	8,026	1,091
Total financial liabilities measured at fair value	**7,921**	**(6)**	**1,091**	**387**	**(1,367)**	**8,026**	**1,091**

[1] Gains and losses are classified in investment gains and losses or net finance expense or income in the Statement of Comprehensive Income.

2023	Balance at the beginning of the year $m	FX gains/ (losses)[1] $m	Total gains/ (losses)[1] $m	Purchases/ deposits[2] $m	Sales/ withdrawals/ transfers $m	Balance at the end of the period $m	Total gains and losses on assets and liabilities held at reporting date $m
Assets classified as level 3							
Equity securities and listed managed investment schemes	28	-	7	-	-	35	7
Investments in unlisted managed investment schemes	13	-	-	12	(16)	9	-
Total financial assets measured at fair value	**41**	**-**	**7**	**12**	**(16)**	**44**	**7**
Financial liabilities measured at fair value							
Investment contract liabilities	3,907	(1)	510	4,481	(976)	7,921	508
Total financial liabilities measured at fair value	**3,907**	**(1)**	**510**	**4,481**	**(976)**	**7,921**	**508**

[1] Gains and losses are classified in investment gains and losses or net finance expense or income in the Statement of Comprehensive Income.

[2] Purchases includes the balance on acquisition of the AIA S&I business as at 1 July 2023 of $4,061 million.

Section 2: Investments, intangibles and working capital

2.6 Provisions

	2024	2023 Restated[1]
	$m	$m
Other provisions	6	5
Total provisions	**6**	**5**
Current	6	5

[1] This comparative column has been restated. Customer remediation provisions have been reclassed to insurance contract liabilities in line with AASB 17. Refer to the section 'About this report', (c) Prior year adjustments, item 7 for further details.

Accounting policy – recognition and measurement

Provisions

Provisions are recognised when:

- Resolution Life Australasia has a present obligation (legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Where Resolution Life Australasia expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of Comprehensive Income net of any reimbursement.

Provisions are measured as the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. For provisions other than employee entitlements, the discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

Insurance related provisions, as described in Section 4.1, are covered within the insurance balances per the requirements of AASB 17.

Critical accounting estimates and judgements:

Management applies judgement in considering the probability of outflows occurring as a result of existing events as well as estimating the value of probable outflows. Management has processes in place to identify events that may give rise to probable outflows in future periods.

	Other provisions[1]	Total[2]
	$m	
Balance at 1 January 2024	5	5
New provisions during the year	2	2
Provisions used during the year	(1)	(1)
Balance at 31 December 2024	**6**	**6**

[1] Other provisions include remediation of stamp duty payments.
[2] This table has been restated in line with the provisions table above. Customer remediation provisions have been reclassed to insurance contract liabilities in line with AASB 17. Refer to the section 'About this report', (c) Prior year adjustments, item 7 for further details.

Section 3: Capital structure and financial risk management

3.1 Share capital

	2024 $m	2023 $m
Share capital		
124,459,254 (2023:124,459,254) ordinary shares fully paid[1]	1,027	1,268
Total share capital	**1,027**	**1,268**

Issued Capital		
Balance at the beginning of the year	1,268	1,380
Return of capital of $1.94 per share (2023: $0.90 per ordinary share)	(241)	(112)
Balance at the end of the year	**1,027**	**1,268**
Total share capital at the end of the year	**1,027**	**1,268**

[1] Holders of ordinary shares have the right to receive dividends as declared and, in the event of the winding up of the company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares have no par value.

Accounting policy – recognition and measurement

Issued capital

Issued capital in respect of ordinary shares is recognised as the fair value of consideration received by the Company. Incremental costs directly attributable to the issue of certain new shares are recognised in equity as a deduction, net of tax, from the proceeds. The shares have no par value. All shares have equal voting rights.

Section 3: Capital structure and financial risk management

3.2 Interest-bearing liabilities

(a) Interest-bearing liabilities

	2024			2023		
	Current $m	Non-current $m	Total $m	Current $m	Non-current $m	Total $m
Deposits	5	-	**5**	7	-	**7**
Subordinated notes[1,2]	-	298	**298**	-	297	**297**
Total interest-bearing liabilities	5	298	**303**	7	297	**304**

[1] The subordinated notes held by external holders were issued on 9 December 2020. The carrying value of the subordinated debt at balance date is at amortised cost of $300 million net of directly attributable unamortised transaction costs of $2 million. The first call date is 9 December 2025 and the notes will expire on 9 December 2035. Interest is payable quarterly in arrears at a rate based on the 3 month Bank Bill Swap Rate. There has been no defaults or breaches in the terms of the loan.

[2] The 2023 balance has been restated to align the balance to be inclusive of the amortisation of capitalised costs to date.

The Company has a call option to early redeem the subordinated notes when specific conditions are met and subject to prior written approval from APRA. The holders of the subordinated notes cannot require RLAL to redeem the subordinated notes prior to the maturity date. Since the holder has no option to claim early redemption and there are no circumstances that exist at the reporting date that would indicate that the notes will be redeemed prior to maturity. These instruments have been classified as non-current.

(b) Changes in liabilities arising from financing activities

Subordinated notes	2024 $m	2023 $m
Balance at the beginning of the year	297	293
Interest incurred	23	21
Interest paid[1]	(23)	(21)
Amortisation of capitalised cost[2]	1	4
Balance at the end of the year	**298**	**297**

[1] Interest paid is included as cash flows from operating activities in the Statement of Cash Flows.

[2] The 2023 balance has been reclassed to align the balance to be inclusive of the amortisation of capitalised costs to date.

Accounting policy – recognition and measurement

Interest-bearing liabilities
Interest-bearing liabilities are initially recognised at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest rate method.

Finance costs
Finance costs include interest on interest-bearing liabilities. Borrowing costs are recognised as expenses when incurred and are presented as finance costs in the Statement of Comprehensive Income.

Section 3: Capital structure and financial risk management

3.3 Financial risk management

The Resolution Life Australasia Limited Board has overall responsibility for the risk management framework including the approval of Resolution Life Australasia's business plan, risk management strategy and risk appetite and ICAAP (Internal Capital Adequacy Assessment Process) (among other core elements). The Board and Board Risk Committee provide the necessary governance of financial risks across Resolution Life Australasia.

The Asset Liability and Investment Committee (ALICO) assists the CEO in exercising their delegated authority from the Board to manage financial risks. ALICO's oversight of financial risk exposures across Resolution Life Australasia aims to ensure that financial risks are managed in accordance with the Board approved risk appetite and ICAAP. The ultimate objective of the ICAAP is to ensure that residual risk exposures are commensurate with aggregate capital.

These risk management policies and processes have not changed since the prior year.

Financial risks (including insurance risks) arise from the past issuance of life insurance policies and the holding of financial instruments. This note discloses financial risk in accordance with the categories in AASB 7 Financial Instruments ("AASB 7"):

- Market risk;
- Liquidity and refinancing risk; and
- Credit concentration risk.

This note does not include market, liquidity or credit risk for the life insurance contracts issued by Resolution Life Australasia as they are outside the scope of AASB 7 Financial Instruments. These risks are addressed in section 4.3.

Section 3: Capital structure and financial risk management

3.3 Financial risk management (continued)

(a) Market risk

Market risk is the risk that the fair value of assets and liabilities, or future cash flows of a financial instrument will fluctuate due to movements in the financial markets including interest rates, foreign exchange rates, equity prices, property prices, credit spreads, commodity prices, market volatilities and other financial market variables.

The following table provides information on significant market risk exposures for Resolution Life Australasia, which could lead to an impact on the Resolution Life Australasia's profit after tax and equity, and the management of those exposures.

Market risk	Exposures	Management of exposures and use of derivatives
Interest rate risk		
The risk of an impact on Resolution Life Australasia's profit after tax and equity arising from fluctuations of the fair value or future cash flows of financial instruments due to changes in market interest rates.	Resolution Life Australasia's long-term subordinated debt. Interest bearing investment assets of the shareholder and statutory funds.	Derivatives are used to manage interest rate risk exposures, including bond futures, interest rate swaps and swaptions. The Company manages interest rate and other market risks to reduce impacts on capital arising from asset and liability mismatches. ALICO provides support to the CEO in the execution of strategies to reduce the impact of interest rates on the Company's capital position.
Currency risk		
The risk of an impact on Resolution Life Australasia's profit after tax and equity arising from fluctuations of the fair value of a financial asset, liability or commitment due to changes in foreign exchange rates.	Foreign currency denominated assets and liabilities. Capital invested in overseas operations. Foreign exchange rate movements on specific cashflow transactions.	The Company uses swaps to economically hedge the interest rate risk and foreign currency risk on foreign currency denominated borrowings but does not economically hedge the capital invested in overseas operations. The Company economically hedges material foreign currency risk originated by receipts and payments once the value and timing of the expected cash flow is known. Foreign currency denominated assets supporting policy liabilities are currency hedged except the international equities portfolio attributable to shareholders within the Company's Statutory Fund No.1.
Equity price risk		
The risk of an impact on Resolution Life Australasia's profit after tax and equity arising from fluctuations of the fair value or future cash flows of a financial instrument due to changes in equity prices.	Exposure for shareholder includes listed and unlisted shares and participation in equity unit trusts.	The Company uses equity futures and call options to economically hedge equity exposures, with the overall purpose of reducing impacts on capital arising from asset and liability mismatches. ALICO provides support to the CEO in the execution of strategies to reduce the impact of equity prices on the Company's capital position.

Section 3: Capital structure and financial risk management

3.3 Financial risk management (continued)

(a) Market risk (continued)

Sensitivity analysis

The table below includes sensitivity analysis showing how the profit after tax and equity would have been impacted by changes in market risk variables. The analysis:

- Shows the direct impact of a reasonably possible change in market rate and is not intended to illustrate a remote, worst case stress test scenario;
- Assumes that all underlying exposures and related hedges are included and the change in variable occurs at the reporting date; and
- Does not include the impact of any mitigating management actions over the period to the subsequent reporting date.

		Insurance Contract Liabilities		Reinsurance Contract Liabilities		Insurance Contract Assets and Shareholder Excess Assets		Total	
		Impact on profit after tax	Impact on equity	Impact on profit after tax	Impact on equity	Impact on profit after tax	Impact on equity	Impact on profit after tax	Impact on equity
		increase (decrease)	increase (decrease)	increase (decrease)	increase (decrease)	increase (decrease)	increase (decrease)	increase (decrease)	increase (decrease)
2024	**Change in variable**	$m	$m	$m	$m	$m	$m	$m	$m
Interest rate risk									
Impact of a change in Australian and international interest rates.	+ 100 bp	138	138	(16)	(16)	(76)	(76)	46	46
	- 100 bp	(164)	(164)	20	20	84	84	(60)	(60)
Currency risk									
Impact of a movement of exchange rate against the Australian dollar on currency sensitive monetary assets and liabilities.	10% depreciation of AUD	1	1	-	-	12	94	12	95
	10% appreciation of AUD	(1)	(1)	-	-	(12)	(81)	(12)	(81)
Equity price risk	10% increase in:								
Impact of a movement in Australian and	- Australian equities	2	2	-	-	14	14	16	16
international equities. Any potential impact on	- International equities	-	-	-	-	12	12	12	12
fees from Resolution Life Australasia's investments linked	10% decrease in:								
business is not included.	- Australian equities	(2)	(2)	-	-	(14)	(14)	(16)	(16)
	- International equities	(1)	(1)	-	-	(12)	(12)	(12)	(12)

The categories of risk faced, and methods used for deriving sensitivity information did not change from previous periods.

Section 3: Capital structure and financial risk management

3.3 Financial risk management (continued)

		Insurance Contract Liabilities		Reinsurance Contract Liabilities		Insurance Contract Assets and Shareholder Excess Assets		Total	
		Impact on profit after tax	Impact on equity	Impact on profit after tax	Impact on equity	Impact on profit after tax	Impact on equity	Impact on profit after tax	Impact on equity
		increase (decrease)	increase (decrease)	increase (decrease)	increase (decrease)	increase (decrease)	increase (decrease)	increase (decrease)	increase (decrease)
2023	**Change in variable**	$m	$m	$m	$m	$m	$m	$m	$m
Interest rate risk Impact of a change in Australian and international interest rates.	+ 100 bp	166	166	(15)	(15)	(72)	(72)	80	80
	- 100 bp	(198)	(198)	20	20	79	79	(99)	(99)
Currency risk Impact of a movement of exchange rate against the Australian dollar on currency sensitive monetary assets and liabilities.	10% depreciation of AUD	1	1	-	-	12	96	13	96
	10% appreciation of AUD	(1)	(1)	-	-	(12)	(82)	(13)	(83)
Equity price risk	10% increase in:								
Impact of a movement in Australian and	- Australian equities	2	2	-	-	13	13	14	14
international equities. Any potential impact on	- International equities	1	1	-	-	13	13 -	13	13
fees from Resolution Life Australasia's investments linked	10% decrease in:								
business is not included.	- Australian equities	(2)	(2)	-	-	(13)	(13)	(14)	(14)
	- International equities	-	-	-	-	(13)	(13)	(13)	(13)

The categories of risk faced, and methods used for deriving sensitivity information did not change from previous periods.

(b) Liquidity and refinancing risk

Liquidity risk
The risk that the Company is not able to meet its obligations as they fall due because of an inability to liquidate assets or obtain adequate funding when required. Liquidity risk is managed by treasury team and ALICO. Liquidity risk exposure (both trading and funding liquidity risk) for the Company are managed in accordance with the RLNOHC group Liquidity Risk Management Policy.

Refinancing risk
The risk that the Company is not able to refinance the full quantum of the ongoing debt funding amount it utilises on appropriate terms and pricing.

Section 3: Capital structure and financial risk management

Maturity analysis

Below is a summary of the maturity profiles of the Company's undiscounted financial liabilities and off-balance sheet items at the reporting date, based on its contractual undiscounted repayment obligations. Repayments that are subject to notice are treated as if notice were to be given immediately.

2024	Up to 1 Year $m	1 to 5 Years $m	More than 5 Years $m	No specific maturity $m	Total $m
Non-derivative financial liabilities					
Payables	225	-	-	-	225
Interest-bearing liabilities	21	102	399	-	522
Investment contract liabilities	342	191	10	7,489	8,032
Total undiscounted financial liabilities	**588**	**293**	**409**	**7,489**	**8,779**

2023	Up to 1 Year $m	1 to 5 Years $m	More than 5 Years $m	No specific maturity $m	Total $m
Non-derivative financial liabilities					
Payables[1]	222	-	-	-	222
Interest-bearing liabilities	22	105	417	-	544
Investment contract liabilities	387	156	118	7,267	7,928
Total undiscounted financial liabilities	**631**	**261**	**535**	**7,267**	**8,694**

[1] For 2023, there has been a reclassification between "Payables" and "Reinsurance Contract Assets". Refer to the section 'About this report', (c) Prior year adjustments, item 9 for further details.

Interest-bearing liabilities

The Company has a call option to early redeem the subordinated notes when specific conditions are met and subject to prior written approval from APRA. The holders of the subordinated notes cannot require the Company to redeem the subordinated notes prior to the maturity date. Since the holder has no option to claim early redemption, there are no circumstances as at 31 December 2024 that would indicate that the notes will be redeemed prior to maturity. These instruments have been classified as non-current.

Investment contract liabilities

Investment contract liabilities are liabilities to policyholders for investment linked business linked to the performance and value of assets that back those liabilities. If all these policyholders claimed their funds, there may be some delay in settling the liability as assets are liquidated, but the shareholder has no direct exposure to any liquidity risk. External unitholders' liabilities all relate to controlled entities of the life entities' statutory funds and would only be paid when corresponding assets are realised.

Section 3: Capital structure and financial risk management

3.3 Financial risk management (continued)

(c) Credit risk

Market risk	Exposures	Management of exposures and use of derivatives
Credit risk		
Credit default risk is the risk of financial loss due to a counterparty failing to meet their contractual commitments in full and on time.	Wholesale credit risk on the invested fixed income portfolios in the Company's statutory funds.	The Chief Investment Officer manages credit risk exposure for the Company and ALICO provides additional oversight to ensure credit risks are managed within risk appetite.

3.4 Other derivative information

Collateral and master netting or similar agreements
The Investment Managers of the Company obtain collateral and utilises netting agreements to mitigate credit risk exposures from certain counterparties.

Derivative financial assets and liabilities
The management of credit risk from derivatives includes the use of Credit Support Annexes to derivative agreements which facilitate the bi-lateral posting of collateral.

Certain derivative assets and liabilities are subject to legally enforceable master netting arrangements, such as an International Swaps and Derivatives Association (ISDA) master netting agreement. In certain circumstances, for example, when a credit event such as a default occurs, all outstanding transactions under an ISDA agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

An ISDA agreement does not automatically meet the criteria for offsetting in the Statement of Financial Position as RLAL does not have any currently legally enforceable right to offset recognised amounts, as the right to offset is enforceable only on the occurrence of future events such as a default.

If these netting arrangements were applied to the derivative portfolio, the derivative assets of $140 million would be reduced by $35 million to the net amount of $105 million and derivative liabilities of $55 million would be reduced by $35 million to the net amount of $20 million (2023: derivative assets of $253 million would be reduced by $2 million to the net amount of $251 million and derivative liabilities of $5 million would be reduced by $2 million to the net amount of $3 million).

Other collateral
The Resolution Life New Zealand Branch, which forms part of RLAL, has collateral arrangements in place with some counterparties. Collateral generally consists of loans and deposits and is exchanged between the counterparties to reduce the exposure from the net fair value of derivative assets and liabilities between the counterparties.

Accounting policy – recognition and measurement

Derivative financial instruments
Derivative financial instruments are initially recognised at fair value exclusive of any transaction costs on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. All derivatives are recognised as assets when their fair value is positive and as liabilities when their fair value is negative. Any gains or losses arising from the change in fair value of derivatives, except those that qualify as effective cash flow hedges, are immediately recognised in the Statement of Comprehensive Income.

Section 3: Capital structure and financial risk management

3.5 Capital management

The Company holds capital to protect its customers, creditors, shareholders and policyholders against unexpected losses to a level that is consistent with the RLNOHC group's risk appetite, as approved by the board.

The Company aims to optimise the mix of capital resources in order to minimise the cost of capital and maximise shareholder value. The Prescribed Capital Amount (PCA) is the amount of shareholder capital required to be held by the Company to meet its regulatory capital requirements as specified under the Life Act and APRA Life Insurance Prudential Standards. These requirements apply to the company as a whole, and each statutory fund of the Company.

The Company maintains a board approved target capital above its PCA. The capital target above the PCA has been set with a sufficiency level of a 97.5% confidence level over a 12-month time horizon. In addition, the participating business of the life insurance company is managed to target a very high level of confidence that the business is self-supporting and that there are sufficient assets to support its policyholder liabilities.

At all times during the current and prior financial year, the Company complied with the applicable regulatory capital requirements.

Section 4: Life insurance and investment contracts

4.1 Accounting for life insurance contracts and investment contracts

The two major contract classifications are investment contracts and life insurance contracts.

For the purposes of this financial report, holders of investment contracts or life insurance contracts are collectively and individually referred to as policyholders.

a) Investment contracts

The investment contracts of the Company relate to wealth management products such as savings, investment-linked and retirement income policies. The nature of this business is that the Company receives amounts to be invested from policyholders and those funds are invested on behalf of the policyholders. Fees and other charges are passed to the shareholder and reported as revenue.

The liability to policyholders, other than for fixed retirement income policies, is linked to the performance and value of the assets that back those liabilities. These assets are valued in accordance with the provisions of AASB 9. The fair value of such liabilities is therefore the same as the fair value of those assets. For fixed retirement income policies, the liability is linked to the fair value of the fixed retirement income payments and associated management services element.

The fair value of the fixed retirement income payments is calculated as their net present value using a fair value discount rate. The fair value of the associated management services element is the net present value, using a fair value discount rate, of all expenses associated with the provision of services and any profit margins thereon.

b) Life insurance contracts

The Company issues contracts that transfer significant insurance risk from the policyholder, covering death, disability or longevity of the insured. In addition, there are some policies known as discretionary participating contracts that are similar to investment contracts, but the timing of the vesting of the profit attributable to the policyholders is at the discretion of the Company. Such contracts are defined as life insurance contracts and accounted for under AASB 17 using the one of the three available valuation methods, the General Measurement Model (GMM), the Variable Fee Approach (VFA), or the Premium Allocation Approach (PAA). The same AASB 17 principles are used to value reinsurance contracts held, except that under GMM the CSM can be negative as opposed to being set to zero.

The default measurement method for Life insurance contract liabilities is GMM. Under GMM, Life insurance contract liabilities are determined using a projection method for the best estimate future cashflows, whereby estimates of policy cash flows (premiums, benefits, expenses) are projected using best-estimate assumptions about the future. The liability is calculated as the net present value of these projected cash flows. A risk adjustment and contractual service margin are also held. The surrender value of relevant contracts is deemed to be the non-distinct investment component.

VFA is used if policyholder benefits are linked to investment returns on an underlying pool of investments and the policyholder shares in a substantial portion of the returns on the underlying assets. This is the case for participating business as described in section 4.1(d) regarding accounting policy choices, namely for conventional and investment account business. Fulfilment cashflows, including allowance for the time value of guarantees (TVOG), are calculated, whereby estimates of future cashflows are also projected and discounted using an overall risk-neutral stochastic approach. A risk adjustment and contractual service margin are also held.

The contractual service margin (CSM) was calculated initially at transition using the fair value approach for the relevant portfolios. The CSM is the difference between the fair value and fulfilment cashflows initially, and it represents theoretical profit expected to emerge in the future. It is then adjusted at future reporting periods for various items and released to profit and loss according to coverage unit values. Under GMM the adjustment is mainly due to changes in expected non-economic assumptions for future service, under VFA experience variance is also included in the adjustment. The CSM is floored at zero for direct business and for those cohorts that fall into loss a loss component is established. Where the onerous contracts are reinsured a loss recovery component is established in the asset or liability for remaining coverage related to the reinsurance contract held.

A Risk Adjustment (RA) is held for GMM, VFA and all Liabilities for Incurred Claims (LIC). The RA measures the compensation the Company would require for bearing the uncertainty about the amount and timing of cash flows arising from insurance contracts for non-financial risk. A cost of capital method is used in estimating the risk adjustment. An estimate of non-financial risk is calculated for each cohort using a stressed risk-free best estimate liability. A cost of capital rate is then applied, the totals projected for the contract boundary and discounted. The resulting Risk Adjustment for the Company corresponds to an 82% confidence interval (2023: 82%).

Section 4: Life insurance and investment contracts

4.1 Accounting for life insurance contracts and investment contracts (continued)

b) Life insurance contracts (continued)

The PAA method may be used if it produces results that are not materially different from those produced by the GMM method or, if the contract boundary is 12 months or less. This is an unearned premium approach and cases where this has been applied are listed below. It is typically used at the Company for portfolios with a short (one to three years) contract boundary.

c) Reinsurance

Reinsurance is valued and disclosed separately to direct business under AASB 17 and separate reinsurance cohorts are maintained. The GMM method is used for most reinsurance portfolios, with the exception listed below.

d) AASB 17 accounting policies

Measurement method
The standard measurement method used by the Company is the GMM. Exceptions to the use of that method are described below.

Application of PAA to retail risk	PAA is used for stepped premium retail risk contracts due to the one-year contract boundary. No allowance is made for the time value of money or the effect of financial risk.
PAA for Group Risk Insurance Contracts (including Reinsurance contracts held)	PAA is used for Group risk contracts, and corresponding reinsurance contracts held. The PAA measurement for the liability for remaining coverage has been shown to not materially differ for the measurement under GMM. No allowance is made for the time value of money or the effect of financial risk.
VFA	VFA is used for all participating business, including investment account.
Intercompany Reinsurance and Catastrophe Reinsurance	PAA is used for the Resolution Life New Zealand reinsurance treaty.

Risk Adjustment
A cost of capital approach is used to determine the risk adjustment. The Company does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk that relate to current or past services are included in the insurance service result.

Insurance Acquisition Cash Flows
An asset for Insurance Acquisition Cash Flows (AIACF) is recognised for retail stepped premium products. This asset represents acquisition costs incurred prior to the recognition of the insurance contracts to which they relate. These acquisition costs are deferred and included in the cash flows on initial recognition of the future contracts.

Expense assumptions

Estimating future cash flows – expenses	Expenses are based on directly charged expenses (such as commissions) and the charges from a service company, with the interpretation that these expenses are considered directly attributable under AASB 17.
Directly attributable expenses	Directly attributable expenses for a portfolio includes direct expenses incurred in the life entity and any relevant service entity charges. Servicing charges that are shared between portfolios are allocated on a reasonable basis.

Discount rates

VFA measurement method	There are no explicit adjustments for illiquidity in the determination of discount rates as the discount rates used are reflective of the returns on the underlying assets.
GMM and PAA measurement methods	A bottom-up approach is used to determine the discount rates for portfolios valued using GMM method, and for the PAA Liability for Incurred Claims.

Section 4: Life insurance and investment contracts

4.1 Accounting for life insurance contracts and investment contracts (continued)

d) AASB 17 accounting policies (continued)

Coverage units

GMM	The maximum likely valid claim amount is used as the coverage unit under GMM.
VFA	The present value of maximum death sum assured in-force, including expected reversionary bonuses payable upon claim over the expected duration, is used as coverage units for conventional participating policies. For investment account policies, the present value of projected account balance is used as coverage units.

Aggregation of products
Portfolios are comprised of insurance contracts that are "subject to similar risks and managed together".

The Group has numerous separate portfolios across the licensed life insurance subsidiaries in Australia and New Zealand. These reflect different benefits (lump sum/income protection), distribution channels (retail/group), legal jurisdictions (Australia/New Zealand), reinsurance partners and the degree of financial support provided by the shareholder (participating/investment linked), amongst other criteria.

Insurance finance income and expense
Insurance finance income or expenses are included in profit or loss for each period.

Contract boundaries
Several of the participating investment account contracts give both the Company and the policyholder the right to terminate the contract prior to the end date of the contract that is otherwise implied by the rest of the contract's wording. The respective portfolios are treated with a one-year contract boundary.

Fulfilment cash flows

Modelling Reinsurer non-performance	The adjustment for reinsurer non-performance is zero unless evidence suggests otherwise.
Tax	For non-participating contracts, taxes that arise directly from contracts, such as stamp duty and GST, and payments made to meet tax obligations incurred by the policyholder, such as tax payable on income protection benefits, are considered within fulfilment cashflows (FCF) and therefore are part of the measurement of relevant groups of insurance contracts under AASB 17. Any income taxes that are not incurred in a fiduciary capacity or are not specifically chargeable to a policyholder are not included in FCF (e.g. taxes on investment income of underlying assets).

Presentation of results

Presentation of Reinsurance Results	Reinsurance service income or expenses is presented as a single item through profit or loss.
Presentation of the risk adjustment	The non-financial risk adjustment and time value of money are not disaggregated in the presentation based on the accounting choice available in the AASB 17 paragraph 81.

e) Allocation of operating profit and unvested policyholder benefits

The operating profit arising from discretionary participating contracts is allocated between shareholders and participating policyholders by applying the principles in accordance with the Life Act and as additional set out in the board's documented Participating Business Management Framework.

Once profit is allocated to participating policyholders it can only be distributed to these policyholders.

Profit allocated to participating policyholders is recognised as part of net finance income from insurance contracts in the Statement of Comprehensive Income. The insurance contract liabilities include profit that has not yet been allocated to specific policyholders (i.e. unvested) and that which has been allocated to specific policyholders by way of bonus distributions (i.e. vested). Both the vested and unvested amounts are recorded in the 'Estimate of present value of future cash flows' component. Bonus distributions to participating policyholders do not alter the proportion of profit attributable to shareholders. They merely change the nature of the Policyholder liability from unvested to vested.

Section 4: Life insurance and investment contracts

The principles of allocation of the profit arising from discretionary participating business are as follows:

(i) Investment income (net of tax and investment expenses) on retained earnings in respect of discretionary participating business is allocated between policyholders and shareholders. This allocation is, mostly, 80% to policyholders and 20% to shareholders.

(ii) Other profits arising from discretionary participating business are allocated 80% to policyholders and 20% to shareholders, with the following exceptions:
- the profit arising from New Zealand corporate superannuation business is apportioned such that shareholders are allocated 15% of the profit allocated to policyholders;
- the profit arising in respect of preservation superannuation account business is allocated 92.5% to policyholders and 7.5% to shareholders;
- the profits arising from discretionary participating investment account business where 100% of investment profit is allocated to policyholders and 100% of any other profit or loss is allocated to shareholders, with the over-riding provision being that at least 80% of any profit and not more than 80% of any loss be allocated to policyholders' retained profits of the relevant statutory fund; and
- the underwriting profit arising in respect of participating Business Super risk business is allocated 90% to policyholders and 10% to shareholders.

Investment income relating to products measured under VFA is recognised in the profit and loss and then allocated to the policyholders' insurance contract liability through the insurance finance income and expense line item in the Statement of Comprehensive Income.

f) Allocation of expenses within the statutory funds

All operating expenses relating to the life insurance contract and investment contract activities are apportioned between acquisition, maintenance and investment management expenses. Expenses are allocated directly to a product line based on the fees incurred under the service agreements between the Company and the service companies in the RLNOHC group.

All of the Company's expenses are directly attributable according to the AASB 17 definition. The fees within the service agreements are determined according to detailed expense analysis, with due regard to the activities to which that expense relates. Where expenses are not already classified to a cohort, they are appropriately apportioned using business drivers and statistics such as policy counts, annual premiums and funds under management. The apportionment basis has been made in accordance with Actuarial Standards and on an equitable basis to the different classes of business in accordance with the Life Act.

Critical accounting judgments and estimates

Life insurance contract liabilities and assets
The measurement of insurance contract liabilities and assets is determined using the AASB 17 methodology. The determination of the liability and asset amounts involves judgement in selecting the valuation methods and valuation assumptions for each type of business. The determination of the assumptions can involve subjectivity and relatively small changes in economic assumptions may have a significant impact on the reported profit. The Board of Directors of the Company is responsible for these judgements and assumptions, after taking advice from the Appointed Actuary.

Reinsurance contract assets and liabilities
The measurement of reinsurance contract assets and liabilities is determined using the AASB 17 methodology. The determination of the liability and asset amounts involves judgement in selecting the valuation methods and valuation assumptions for each reinsurance contract. The determination of the assumptions can involve subjectivity and relatively small changes in economic assumptions may have a significant impact on the reported profit overtime. The Board of Directors of the Company is responsible for these judgements and assumptions, after taking advice from the Appointed Actuary.

Investment contract liabilities
Investment contract liabilities are measured at fair value. For the majority of contracts, the fair value is determined based on published unit prices and the fair value of backing assets and does not generally require the exercise of judgement. For fixed income products, fair value is determined using valuation models. Judgement is applied in selecting the valuation model and setting the valuation assumptions.

Section 4: Life insurance and investment contracts

4.2 Life insurance contracts – assumptions and valuation methodology

a) Risk-free discount rates

A risk-free discount rate based on current observable, objective rates that relate to the nature, structure and term of the future obligations is used. The rates are determined as shown in the following table:

			2024		2023	
			Australia	New Zealand	Australia	New Zealand
Business type		**Basis**[1]	%	%	%	%
Retail risk (other than income benefit open claims)[1]		Zero coupon government bond yield curve	3.9 - 5.1	3.6 - 5.5	3.6 - 4.5	4.2 - 5.1
Retail risk and group risk (income benefit open claims)[1]		Zero coupon government bond yield curve (including liquidity premium)	4.1 - 5.4	3.9 - 5.8	3.9 - 4.7	4.5 - 5.4
Life annuities	Non-CPI	Zero coupon government bond yield curve (including liquidity premium)	4.4 - 5.7	3.9 - 5.8	4.5 - 5.0	4.7 - 5.7
Life annuities	CPI	Commonwealth indexed bond yield curve (including liquidity premium)	2.2 - 3.1	2.2 - 3.8	1.7 - 2.2	2.8 - 3.3

[1] The discount rates vary by duration in the range shown above.

b) Future maintenance and investment expenses

Unit maintenance costs are based on budgeted expenses in the year following the reporting date (including GST, as appropriate, and excluding one-off expenses). For future years, these are increased for inflation as described in (c) below. These expenses include fees charged to the life statutory funds by service companies in the RLNOHC group. Unit costs vary by product line and class of business based on an apportionment that is supported by expense analyses.

Future investment expenses are based on the fees currently charged by the asset managers.

c) Inflation and indexation

Benefits and premiums of many regular premium policies are automatically indexed by the published consumer price index (CPI). Assumed future take-up of these indexation options is based on the Company's own experience. The annual future CPI rates are derived from the difference between long-term government bonds and indexed government bonds, with adjustments to capture short term shape of CPI rates.

The expense inflation assumptions have been set based on the inflation rates, recent expense performance, the Company's current plans, expected policy run off and the terms of the relevant service company agreement, as appropriate. The assumed future expense inflation is also derived from the difference between long-term government bonds and indexed government bonds, with adjustments to capture short term shape of CPI rates.

The assumed long-term CPI and expense inflation rates at the valuation date are:

	Australia %		New Zealand %	
	CPI	Expense Inflation	CPI	Expense Inflation
31 December 2024	2.3	2.3	1.8	1.8
31 December 2023	2.6	2.6	2.1	2.1

The inflation assumptions used to index benefits and expenses are treated as non-financial under AASB 17.

d) Bases of taxation

The bases of taxation (including deductibility of expenses) are assumed to continue in accordance with legislation current at the valuation date.

Section 4: Life insurance and investment contracts

4.3 Life insurance contracts – assumptions and valuation methodology (continued)

e) Voluntary discontinuance
Assumptions for the incidence of withdrawals (surrender), paid up policies, premium dormancy and policy lapse due to premium non-payment are primarily based on investigations of the Company's own historical experience. These rates are based upon the assessed global rate for each of the individual products (or product groups) and then, where appropriate, further adjusted for factors such as duration, premium structure, smoker status, age attained or short-term market and business effects. Given the variety of influences affecting discontinuance for different product groups, the range of voluntary discontinuance rates across the Company is extremely diverse.

The assumptions for future rates of discontinuance of the major classes of life insurance contracts have been reviewed and updated.

Wealth protection discontinuance rate ranges are calculated based on current business mix and various assumption rating factors. Discontinuance rate ranges for conventional products (Australia and New Zealand) are calculated based on average expected lapse rates for the next five years.

	2024		2023	
Business type	**Australia %**	**New Zealand %**	**Australia %**	**New Zealand %**
Conventional	2.0 - 8.0	1.0 - 2.1	2.0 - 8.0	1.0 - 2.1
Retail risk (lump sum)	9.4 - 17.5	4.6 - 16.8	6.5 - 16.7	4.7 - 17.3
Retail risk (income benefit)	9.1 - 16.0	10.3 - 17.0	7.2 - 15.6	8.7 - 14.7
Flexible Lifetime Super (FLS) risk business	-	-	14.5 - 19.7	-

f) Surrender values
The surrender bases assumed for calculating surrender values are those current at the reporting date. There have been no changes to the bases during the year (or the prior year) that would materially affect the valuation results.

g) Mortality and morbidity
Standard mortality and morbidity tables, based on national or industry wide data, are used.

Key assumptions are reviewed regularly throughout the year. In 2024, certain assumptions have been updated to reflect recent experience including the updates to the Australian retail TPD morbidity rates and the New Zealand retail TPD and trauma morbidity rates and mortality rates.

The assumptions are summarised in the following table.

	% of IA95-97	
Conventional and Investment Account	**Male**	**Female**
31 December 2024		
Australia	50.0 - 65.0	54.7 - 70.0
New Zealand	65.7	65.7
31 December 2023		
Australia	50.0 - 65.0	54.7 - 70.0
New Zealand	65.7	65.7

	Retail Mortality - % of table	
Risk Products	**Male**	**Female**
31 December 2024		
Australia[1]	119 - 136	119 - 136
New Zealand[2]	89 - 103	73 - 84
31 December 2023		
Australia[1]	119 - 136	119 - 136
New Zealand[2]	99 - 114	81 - 93

[1] Base ALS1418 Death tables with overall product specific adjustment factors (estimated methodology used).
[2] Base IA04-08 Death Without Riders table modified based on aggregated experience but with overall product specific adjustment factors (estimated methodology used).

4.2 Life insurance contracts – assumptions and valuation methodology (continued)

Section 4: Life insurance and investment contracts

g) Mortality and morbidity (continued)

	Excluding ex-AIA		Ex-AIA	
Annuities	**Male % of IML00***	**Female % of IFL00***	**Male % of ALT2010-12***	**Female % of ALT2010-12***
31 December 2024				
Australia[1]	85.0	80.0	110.0	115.0
New Zealand[2]	85.0	80.0	-	-
31 December 2023				
Australia[1]	85.0	80.0	110.0	115.0
New Zealand[2]	85.0	80.0	-	-

The annuity assumptions in the table above allow for future mortality improvements.

	Incidence rates	**Termination rates (ultimate)**	**Incidence rates**	**Termination rates (ultimate)**
Income protection	*% of ADI 14-18*	*% of ADI 14-18*	*% of ADI 07-11*	*% of ADI 07-11*
31 December 2024				
Australia	75 - 130	81 - 102	-	-
New Zealand	-	-	83 - 149	82-152
31 December 2023				
Australia	28 - 130	50 - 117	-	-
New Zealand	-	-	83 - 149	82 - 152

Retail Lump Sum	**Male % of table**	**Female % of table**
31 December 2024		
Australia TPD[1]	172 - 207	172 - 207
Australia Trauma[2]	96 - 103	96 - 103
New Zealand TPD[3]	108.0	108.0
New Zealand Trauma[4]	99 - 102.6	99 - 102.6
31 December 2023		
Australia TPD[1]	150 - 202	150 - 202
Australia Trauma[2]	96 - 103	96 - 103
New Zealand TPD[3]	120	120
New Zealand Trauma[4]	110 - 114	110 - 114

[1] Base ALS1418 TPD table modified based on our aggregated experience but with overall product specific adjustment factors (estimated methodology used).

[2] Base ALS1418 Trauma table modified based on our aggregated experience but with overall product specific adjustment factors (estimated methodology used).

[3] Base IA04-08 TPD table modified based on our aggregated experience but with overall product specific adjustment factors (estimated methodology used).

[4] Base IA04-08 Trauma table modified based on our aggregated experience but with overall product specific adjustment factors (estimated methodology used).

Section 4: Life insurance and investment contracts

4.2 Life insurance contracts – assumptions and valuation methodology (continued)

g) Mortality and morbidity (continued)

The actuarial tables used were as follows:

IA95-97	A mortality table developed by the Institute of Actuaries of Australia based on Australian insured lives experience from 1995–1997. The table has been modified to allow for future mortality improvement.
IML00*/IFL00*	IML00 and IFL00 are mortality tables developed by the Institute and Faculty of Actuaries based on United Kingdom annuitant lives experience from 1999-2002. The tables refer to male and female lives respectively and incorporate factors that allow for mortality improvements since the date of the investigation. IML00* and IFL00* are these published tables amended for some specific Resolution Life Australasia Limited experience.
IA04-08 DTH	This was published by the Institute of Actuaries of Australia under the name A graduation of the 2004-2008 Lump Sum Investigation Data. The table has been modified based on aggregated experience with overall product specific adjustment factors.
IA04-08 TPD	This is the TPD graduation published in the same paper as above.
IA04-08 Trauma	This is the Trauma graduation published in the same paper as above.
ADI 07-11	A disability table developed by KPMG at the request of the Financial Services Council (FSC) based on Australian disability income experience for the period 2007-2011. This table has been adjusted for Resolution Life Australasia Limited with overall product specific adjustment factors.
ADI 14-18	A disability table developed by KPMG at the request of the Financial Services Council (FSC) based on Australian disability income experience for the period 2014-2018. This table has been adjusted for Resolution Life Australasia Limited with overall product specific adjustment factors.
ALS 14-18	A mortality/morbidity table developed by KPMG at the request of the Financial Services Council (FSC) based on Australian retail lump sum experience for the period 2014-2018. This table has been adjusted for Resolution Life Australasia Limited with overall product specific adjustment factors.
ALT2010-12*	The base mortality basis uses a Base Australian Annuitant Mortality Table derived by adjusting the Australian population life table (ALT 2010-12) in the same ratio as the US 2012 individual annuitant tables bears to the US 2012 population life table. Experience ratings are applied to this table based on ex-AIA experience.

Section 4: Life insurance and investment contracts

4.2 Life insurance contracts – assumptions and valuation methodology (continued)

h) Other participating business assumptions

For participating business, the total value of future bonuses (and the associated shareholders' profit margins) included in life insurance contract liabilities is the amount supported by the value of the supporting assets, after allowing for the assumed future experience. The pattern of bonuses and shareholders' profit margins assumed to emerge in each future year depends on the assumed relationship between reversionary bonuses (or interest credits) and terminal bonuses. This relationship is set to reflect the philosophy underlying actual bonus declarations.

Actual bonus declarations are determined to reflect, over time, the investment returns of the particular fund and other factors in the emerging experience and management of the business. These factors include:

- allowance for an appropriate degree of benefit smoothing;
- reasonable expectations of policyholders;
- equity between generations of policyholders applied across different classes and types of business; and
- ongoing capital adequacy.

Given the many factors involved, the range of bonus structures and rates for participating business is extremely diverse.

Typical supportable bonus and crediting rates on major product lines are as follows for the Company (31 December 2023 in parentheses).

Reversionary bonus	**Bonus on sum insured** %	**Bonus on existing bonuses** %
Australia	0.6 - 5.1 (0.2 - 4.9)	0.6 - 5.1 (0.2 - 4.9)
New Zealand	1.5 - 2.4 (1.3 - 2.2)	1.5 - 2.4 (1.3 - 2.2)

Terminal bonus
The terminal bonus scales are complex and vary by duration, product line, class of business and country for Resolution Life Australasia Limited.

Crediting rates (investment account) %	
Australia	2.4 - 8.5 (2.1 - 7.7)
New Zealand	5.4 - 5.6 (4.8 - 4.9)

Section 4: Life insurance and investment contracts

4.4 Life insurance contracts – risk

a) Life insurance risk

The Company issues contracts that transfer significant insurance risk from the policyholder, covering death, disability or longevity of the insured, often in conjunction with the provision of wealth management products.

The products carrying insurance risk are designed to ensure that policy wording and promotional materials are clear, unambiguous and do not leave the Company open to claims from causes that were not anticipated. The variability inherent in insurance risk, including concentration risk, is managed by having a large geographically diverse portfolio of individual risks, underwriting and the use of reinsurance. Insurance concentration risk includes the risks from any events that have the potential to produce claims from many of the Company's policyholders at the same time. These could be due to concentration in a single geographical location, of a product type or of specific underlying risk covered. Similar to most Australian insurers, there are some concentration risks along the eastern seaboard of Australia, however the risks are largely diversified as the exposure is across several capital cities. The Company does not have a large portfolio of group life schemes insuring large numbers of lives in a concentrated location.

Underwriting is managed through a dedicated underwriting department, with formal underwriting limits and appropriate training and development of underwriting staff. Individual policies carrying insurance risk are generally underwritten individually on their merits. Individual policies which are transferred from a group scheme are generally issued without underwriting. Group risk insurance policies meeting certain criteria are underwritten on the merits of the employee group as a whole.

Claims are managed through a dedicated claims management team, with formal claims acceptance limits and appropriate training and development of staff with an objective to ensure payment of all genuine claims. Claims experience is assessed regularly and appropriate actuarial reserves are established to reflect up-to-date experience and any anticipated future events. This includes reserves for claims incurred but not yet reported.

The Company reinsures (cedes) to reinsurance companies a proportion of its portfolio or certain types of insurance risk, including catastrophe. This serves primarily to:

- reduce the net liability on large individual risks;
- obtain greater diversification of insurance risks;
- provide protection against large losses;
- reduce overall exposure to risk; and
- reduce the amount of capital required to support the business.

The reinsurance companies are regulated by the Australian Prudential Regulation Authority (APRA); or industry regulators in other jurisdictions and have strong credit ratings from A+ to AA+.

Section 4: Life insurance and investment contracts

4.3 Life insurance contracts – risk (continued)

b) Key terms and conditions of life insurance contracts

The nature of the terms of the life insurance contracts written by the Company is such that certain external variables can be identified on which related cash flows for claim payments depend. The following table provides an overview of the key variables upon which the timing and uncertainty of future cash flows of the various life insurance contracts issued by the Company depend.

Type of contract	Detail of contract workings	Nature of compensation for claims	Key variables affecting future cash flows
Non-participating life insurance contracts with fixed and guaranteed terms (term life and disability)	These policies provide guaranteed benefits, which are paid on death or ill-health, that are fixed and not at the discretion of the Life Companies. Premium rates for yearly renewable business are not guaranteed and may be changed at the discretion of the Life Companies for the portfolio as a whole.	Benefits are defined by the insurance contract and are not directly affected by the investment performance of any underlying assets.	Mortality, morbidity, lapses, expenses, premium rates, reinsurance terms and inflation.
Life annuity contracts	These policies provide a guaranteed regular income for the life of the insured in exchange for an initial single premium.	The amount of the guaranteed regular income is set at inception of the policy allowing for any indexation.	Longevity, expenses, inflation and investment market earning rates on assets backing the liabilities.
Conventional life insurance contracts with discretionary participating benefits (endowment and whole of life)	The policyholder pays a regular premium and receives the specified sum insured plus any accruing bonuses on death or maturity. The sum insured is specified at inception and guaranteed. Bonuses are added annually, which once added are guaranteed. A further bonus may be added on surrender, death or maturity.	Benefits arising from the discretionary bonuses are based on the performance of a specified pool of contracts and the assets supporting these contracts. Operating profit arising from these contracts is allocated between the policyholders and shareholders with not less than 80% allocated to policyholders.	Investment market earning rates on assets backing the liabilities, lapses, expenses and mortality.
Investment account contracts with discretionary participating features	The gross value of premiums received is invested in the investment account with fees and premiums for any associated insurance cover being deducted from the account balance when due. Interest is credited regularly.	Payment of the account balance is generally guaranteed, although it may be subject to certain penalties on early surrender or limited adjustment in adverse investment markets. Operating profit arising from these contracts is allocated between the policyholders and shareholders with not less than 80% allocated to policyholders. Distribution of policyholder profit is through an interest rate mechanism.	Fees, lapses, expenses and investment market earning rates on the assets backing the liabilities.

Section 4: Life insurance and investment contracts

4.4 Insurance risk sensitivity analysis – life insurance contracts

For life insurance contracts that are accounted for under the GMM and VFA measurement methods of AASB 17, amounts of liabilities, income or expense recognised in the period are unlikely to be very sensitive to changes in variables even if those changes may have an impact on future contractual service margins, unless the product is in or close to loss recognition. Under PAA, the main item potentially impacted is the IACF through impairment testing.

This table shows information about the sensitivity current period shareholder profit before income tax and equity, to a number of possible changes in assumptions relating to insurance risk.

2024 Variable	Change in variable	Insurance Contract Liabilities Impact on profit after tax and equity increase (decrease) $m	Reinsurance Contract Liabilities Impact on profit after tax and equity increase (decrease) $m	Total Impact on profit after tax and equity increase (decrease) $m
Mortality	10% increase in mortality rates	(40)	(6)	(46)
Annuitant mortality	50% increase in the rate of mortality improvement	(21)	-	(21)
Morbidity - lump sum disablement	20% increase in lump sum disablement rates	(104)	13	(91)
Morbidity - disability income	10% increase in incidence rates	(1)	(1)	(2)
Morbidity - disability income	10% decrease in termination rates	(39)	15	(24)
Discontinuance rates	10% increase in discontinuance rates	(54)	(13)	(67)
Maintenance expenses	10% increase in maintenance expenses	1	-	1

2023 Variable	Change in variable	Insurance Contract Liabilities Impact on profit after tax and equity increase (decrease) $m	Reinsurance Contract Liabilities Impact on profit after tax and equity increase (decrease) $m	Total Impact on profit after tax and equity increase (decrease) $m
Mortality	10% increase in mortality rates	(9)	(8)	(17)
Annuitant mortality	50% increase in the rate of mortality improvement	(17)	-	(17)
Morbidity - lump sum disablement	20% increase in lump sum disablement rates	(29)	9	(20)
Morbidity - disability income	10% increase in incidence rates	(4)	(3)	(6)
Morbidity - disability income	10% decrease in termination rates	(47)	17	(31)
Discontinuance rates	10% increase in discontinuance rates	(12)	(14)	(26)
Maintenance expenses	10% increase in maintenance expenses	-	-	-

Section 4: Life insurance and investment contracts

4.4 Insurance risk sensitivity analysis – life insurance contracts (continued)

a) Liquidity risk and future net cash outflows

The following table shows the estimated timing of future net cash outflows resulting from insurance contract liabilities. This includes estimated future surrenders, death/disability claims and maturity benefits, offset by expected future premiums or contributions and reinsurance recoveries. All values are discounted to the reporting date using the assumed future investment earning rate for each product.

	Up to 1 year $m	1 to 2 years $m	2 to 3 years $m	3 to 4 years $m	4 to 5 years $m	Over 5 years $m	Total $m
2024							
Insurance[1]	1,794	1,056	937	837	757	8,990	14,371
Reinsurance	(671)	12	24	27	24	41	(542)
2023							
Insurance[2]	2,061	1,181	1,021	893	789	8,603	14,548
Reinsurance[2]	(477)	50	60	61	57	172	(77)

[1] The amounts of payable on demand of insurance contracts represent the policyholders' cash and/or account values at the time of the reporting date. The amounts are $11,329 million as at 31 December 2024 (2023: $11,830 million).The amounts in the table above include the expected amounts payable on demand at a timing of when they are expected to occur over the outstanding duration of the existing business.

[2] For 2023, the net cash outflows have been adjusted to reflect the inclusion of additional contract liabilities components resulting in an increase in net cash outflows. In addition, the maturity profile has been revised. Refer to the section 'About this report', (c) Prior year adjustments, item 5 for further details.

Section 4: Life insurance and investment contracts

4.5 Other disclosure – life insurance contracts and investment contracts

a) Insurance revenue

The Company recognises insurance revenue as it satisfies its performance obligations – i.e. as it provides services under groups of insurance contracts. For contracts not measured under the PAA, the insurance revenue relating to services provided for each year represents the total of the changes in the liability for remaining coverage that relate to services for which the Company expects to receive consideration and comprises the items disclosed below.

The following table presents an analysis of the insurance revenue recognised in the period.

	2024 $m	2023 $m
Insurance revenue		
Contracts not measured under the PAA		
Amounts relating to changes in liabilities for remaining coverage		
- CSM recognised for services provided	166	210
- Change in risk adjustment for non-financial risk for risk expired	6	6
- Expected incurred claims and other insurance service expenses[1]	486	462
Impact of policyholders' tax	192	124
Total contracts not measured under the PAA	**850**	**802**
Contracts measured under the PAA	964	1,382
Total insurance revenue	**1,814**	**2,184**

[1] For 2023, there has been a reclassification between “Insurance Revenue” and “Net Finance Expenses in the Statement of Comprehensive Income”. Refer to the section 'About this report', (c) Prior year adjustments, item 4 for further details.

Section 4: Life insurance and investment contracts

4.5 Other disclosure – life insurance contracts and investment contracts (continued)

b) Net financial results

The following table analyses the Company's net financial result in profit or loss and other comprehensive income. It details investment returns and the insurance finance income/(expenses) from insurance contracts and reinsurance contracts held.

	2024 $m	2023 $m
Net financial results		
Investment returns		
Interest revenue calculated using effective interest method	193	88
Dividend and distribution revenue	1,519	1,173
Net gains/losses on financial assets at fair value through profit and loss	1,163	843
Total amounts recognised in profit or loss	2,875	2,104
Amounts recognised in other comprehensive income	-	-
Total investment return	**2,875**	**2,104**
Insurance finance expenses from insurance contract		
Changes in fair value of underlying items of direct participating contracts[1]	(1,679)	(1,138)
Interest accreted	(153)	(139)
Effect of changes in interest rates and other financial assumptions	62	(54)
Effect of measuring changes in estimates at current rates and adjusting the CSM at rates on initial recognition	13	(14)
Total net finance expense from insurance contracts	**(1,757)**	**(1,345)**
Net finance (expenses) / income from reinsurance contracts	(1)	11
Total net finance (expense)/income from reinsurance contracts	**(1)**	**11**
Movement in investment contract liabilities	(864)	(589)
Total net financial result recognised in the statement of profit and loss and other comprehensive income	**253**	**181**
Represented by:		
Amounts recognised in profit or loss	253	181
A. Insurance finance income and expenses		
Net finance expenses from insurance contracts		
Recognised in profit or loss	(1,757)	(1,345)
Net finance income from reinsurance contracts		
Recognised in profit or loss	(1)	11

[1] For 2023, there has been a reclassification between "Insurance Revenue" and "Net Finance Expenses in the Statement of Comprehensive Income". Refer to the section 'About this report', (c) Prior year adjustments, item 4 for further details.

Section 4: Life insurance and investment contracts

4.5 Other disclosure – life insurance contracts and investment contracts (continued)

c) Insurance and reinsurance contract assets and liabilities

	Australia		New Zealand		
	Wealth Protection	Super and Investments	Wealth Protection	Super and Investments	Total
2024	**$m**	**$m**	**$m**	**$m**	**$m**
Insurance contracts					
Insurance contract liabilities					
– Insurance contract balances	(3,135)	(13,291)	(453)	(3,984)	(20,863)
– Assets for insurance acquisition cash flows	-	-	22	-	22
Insurance contract liabilities	**(3,135)**	**(13,291)**	**(431)**	**(3,984)**	**(20,841)**
Insurance contract assets					
– Insurance contract balances	(338)	-	(63)	-	(401)
– Assets for insurance acquisition cash flows	854	-	479	-	1,333
Insurance contract assets	**516**	**-**	**416**	**-**	**932**
Reinsurance contracts					
Reinsurance contract assets	1,368	14	46	-	1,428
Reinsurance contract liabilities	(4)	-	-	-	(4)

	Australia		New Zealand		
	Wealth Protection	Super and Investments	Wealth Protection	Super and Investments	Total
2023	**$m**	**$m**	**$m**	**$m**	**$m**
Insurance contracts					
Insurance contract liabilities					
– Insurance contract balances	(3,576)	(13,605)	(447)	(3,883)	(21,511)
Insurance contract liabilities	**(3,576)**	**(13,605)**	**(447)**	**(3,883)**	**(21,511)**
Insurance contract assets					
– Insurance contract balances	(328)	-	(70)	-	(398)
– Assets for insurance acquisition cash flows	938	-	563	-	1,501
Insurance contract assets	**610**	**-**	**493**	**-**	**1,103**
Reinsurance contracts					
Reinsurance contract assets[1]	1,301	24	45	-	1,370
Reinsurance contract liabilities[1]	(9)	-	-	-	(9)

[1] 2023 comparatives have been adjusted to reflect several restatements that are detailed in “About this report”, (c), “Prior year adjustments”. Refer to items 2, 7, 8 and 9 in that section of this report.

Section 4: Life insurance and investment contracts

4.5 Other disclosure – life insurance contracts and investment contracts (continued)

d) Underlying assets and liabilities

Underlying assets and liabilities comprise specified portfolios of investment assets that determine amounts payable to policyholders. These are detailed in the tables below.

2024	Direct participating contracts $m	Investment contracts $m	Other[1] $m	Total $m
Financial assets (liabilities) at fair value through profit and loss				
Deposits with financial institutions	241	-	52	293
Derivative assets	138	-	-	138
Government bonds and debt securities	129	-	426	555
Collective investment schemes	16,318	7,840	2,898	27,056
Total financial investments	16,826	7,840	3,376	28,042
Derivative liabilities	27	15	13	55

2023	Direct participating contracts $m	Investment contracts $m	Other[1] $m	Total $m
Financial assets (liabilities) at fair value through profit and loss				
Deposits with financial institutions	143	-	29	172
Derivative assets	216	13	24	253
Government bonds and debt securities	163	-	690	853
Collective investment schemes	16,775	7,495	2,971	27,241
Total financial investments	17,297	7,508	3,714	28,519
Derivative liabilities	5	-	-	5

[1] Other includes assets not backing participating and investment contracts. This includes assets relating to capital for all other insurance contracts as well as shareholders' funds.

Section 4: Life insurance and investment contracts

4.5 Other disclosure – life insurance contracts and investment contracts (continued)

e) Movement in net assets for insurance acquisition cash flows

	2024 $m	2023 $m
Net assets for Insurance acquisition cash flows at 1 January	1,501	2,051
Amounts derecognised and included in the measurement of insurance contracts	(133)	(550)
Effect of movements in exchange rates	(13)	-
Net assets for Insurance acquisition cash flows at 31 December	**1,355**	**1,501**
Amounts presented in insurance contract assets	**1,355**	**1,501**

The following table sets out when RLAL expects to de-recognise assets for insurance acquisition cash flows after the reporting date.

	2024 *$m*
Less than 1 yr	126
1 to 2 yrs	119
2 to 3 yrs	112
3 to 4 yrs	104
4 to 5 yrs	97
5 to 10 yrs	382
More than 10 yrs	415
Total	**1,355**

	2023 *$m*
Less than 1 yr	134
1 to 2 years	127
2 to 3 years	120
3 to 4 years	113
4 to 5 years	105
5 to 10 years	420
More than 10 years	482
Total	**1,501**

Section 4: Life insurance and investment contracts

4.5 Other disclosure – life insurance contracts and investment contracts (continued)

f) CSM maturity profile

2024	Insurance contracts gross of reinsurance $m	Reinsurance contracts $m	Insurance contracts net of reinsurance $m
Less than one yr	139	(76)	63
1 to 2 years	126	(66)	60
2 to 3 years	115	(58)	57
3 to 4 years	104	(51)	53
4 to 5 years	95	(44)	51
5 to 10 years	344	(146)	198
More than 10 years	546	(117)	429
Total	**1,469**	**(558)**	**911**

2023	Insurance contracts gross of reinsurance $m	Reinsurance contracts $m	Insurance contracts net of reinsurance $m
Less than one yr	120	(125)	(5)
1 to 2 years	109	(108)	1
2 to 3 years	98	(94)	4
3 to 4 years	89	(81)	8
4 to 5 years	81	(70)	11
5 to 10 years	272	(229)	43
More than 10 years	483	(176)	307
Total	**1,252**	**(883)**	**369**

Resolution Life

Section 4: Life insurance and investment contracts

4.5 Other disclosure – life insurance contracts and investment contracts (continued)

g) Movement in insurance contract balances - analysis by remaining coverage and incurred claims

	Liabilities for remaining coverage		Liabilities for incurred claims				
				Contracts under PAA			
2024	Excluding loss component $m	Non PAA loss component $m	Contracts not under PAA $m	Estimate of PVFCF $m	Risk adjustment $m	Assets for insurance acquisition cash flows $m	Total $m
Opening insurance contract assets	(72)	-	-	(293)	(33)	1,501	1,103
Opening insurance contract liabilities	(18,204)	-	(2,159)	(1,084)	(64)	-	(21,511)
Net insurance contract liabilities at 1 January 2024	**(18,276)**	**-**	**(2,159)**	**(1,377)**	**(97)**	**1,501**	**(20,408)**
Correction for 2023 liabilities for incurred claims balances	-	-	2	4	-	-	6
Adjusted net opening insurance contract liabilities at 1 January 2024	**(18,276)**	**-**	**(2,157)**	**(1,373)**	**(97)**	**1,501**	**(20,402)**
Changes in the Statement of Comprehensive Income							
Contracts under the fully retrospective approach	967	-	-	-	-	-	967
Contracts under the fair value approach	847	-	-	-	-	-	847
Total insurance revenue	**1,814**	**-**	**-**	**-**	**-**	**-**	**1,814**
Insurance service expenses							
Incurred claims and other insurance service expenses	-	-	(444)	(801)	-	-	(1,245)
Amortisation of insurance acquisition cash flows	(133)	-	-	-	-	-	(133)
Adjustments to liabilities for incurred claims	-	-	18	(19)	43	-	42
Total insurance service expenses	**(133)**	**-**	**(426)**	**(820)**	**43**	**-**	**(1,336)**
Insurance service result	**1,681**	**-**	**(426)**	**(820)**	**43**	**-**	**478**
Investment components and premium refunds	1,287	-	(1,287)	-	-	-	-
Net finance expenses from insurance contracts	(1,691)	-	(19)	(34)	-	(13)	(1,757)
Total changes in the Statement of Comprehensive Income	**1,277**	**-**	**(1,732)**	**(854)**	**43**	**(13)**	**(1,279)**
Cash flows							
Premiums received	(1,271)	-	-	-	-	-	(1,271)
Claims and other insurance service expenses paid	-	-	1,960	1,081	2	-	3,043
Insurance acquisition cashflow	-	-	-	-	-	-	-
Net cash flows	**(1,271)**	**-**	**1,960**	**1,081**	**2**	**-**	**1,772**
Allocations from assets for insurance acquisition cash flows to groups of insurance contracts	133	-	-	-	-	(133)	-
Net closing balance of insurance contract liabilities	**(18,137)**	**-**	**(1,929)**	**(1,146)**	**(52)**	**1,355**	**(19,909)**
Closing insurance contract assets	(88)	-	-	(295)	(18)	1,333	932
Closing insurance contract liabilities	(18,049)	-	(1,929)	(851)	(34)	22	(20,841)
Net insurance contract liabilities at 31 December 2024	**(18,137)**	**-**	**(1,929)**	**(1,146)**	**(52)**	**1,355**	**(19,909)**

Section 4: Life insurance and investment contracts

4.5 Other disclosure – life insurance contracts and investment contracts (continued)

g) Movement in insurance contract balances - analysis by remaining coverage and incurred claims (continued)[2]

2023	Liabilities for remaining coverage: Excluding loss component $m	Liabilities for remaining coverage: Non PAA loss component $m	Liabilities for incurred claims: Contracts not under PAA $m	Liabilities for incurred claims: Contracts under PAA: Estimate of PVFCF $m	Liabilities for incurred claims: Contracts under PAA: Risk adjustment $m	Assets for insurance acquisition cash flows $m	Total $m
Opening insurance contract assets	(84)	-	-	(476)	(58)	2,051	1,433
Opening insurance contract liabilities	(17,267)	(5)	(963)	(1,877)	(85)	-	(20,197)
Net insurance contract liabilities at 1 January 2023	**(17,351)**	**(5)**	**(963)**	**(2,353)**	**(143)**	**2,051**	**(18,764)**
Changes in the Statement of Comprehensive Income							
Contracts under the fully retrospective approach	1,382	-	-	-	-	-	1,382
Contracts under the fair value approach	802	-	-	-	-	-	802
Total insurance revenue	**2,184**	**-**	**-**	**-**	**-**	**-**	**2,184**
Insurance service expenses							
Incurred claims and other insurance service expenses	-	-	(527)	(1,042)	(6)	-	(1,574)
Amortisation of insurance acquisition cash flows	-	-	-	-	-	(177)	(177)
Losses and reversal of losses on onerous contracts[1]	-	5	-	-	-	(370)	(365)
Adjustments to liabilities for incurred claims	-	-	(20)	(49)	18	-	(52)
Total insurance service expenses	**-**	**5**	**(547)**	**(1,091)**	**12**	**(547)**	**(2,168)**
Insurance service result	**2,184**	**5**	**(547)**	**(1,091)**	**12**	**(547)**	**16**
Investment components and premium refunds	1,394	-	(1,394)	-	-	-	-
Net finance expenses from insurance contracts	(1,214)	-	(37)	(94)	-	-	(1,345)
Total changes in the Statement of Comprehensive Income	**2,364**	**5**	**(1,978)**	**(1,185)**	**12**	**(547)**	**(1,329)**
Insurance contract liabilities acquired through a business combination	**(1,560)**	**-**	**(16)**	**-**	**-**	**-**	**(1,576)**
Cash flows							
Premiums received	(1,728)	-	-	-	-	-	(1,728)
Claims and other insurance service expenses paid	(1)	-	798	2,161	34	-	2,992
Insurance acquisition cashflow	-	-	-	-	-	(3)	(3)
Net cash flows	**(1,729)**	**-**	**798**	**2,161**	**34**	**(3)**	**1,261**
Net closing balance of insurance contract liabilities	**(18,276)**	**-**	**(2,159)**	**(1,377)**	**(97)**	**1,501**	**(20,408)**
Closing insurance contract assets	(72)	-	-	(293)	(33)	1,501	1,103
Closing insurance contract liabilities	(18,204)	-	(2,159)	(1,084)	(64)	-	(21,551)
Net insurance contract liabilities at 31 December 2023	**(18,276)**	**-**	**(2,159)**	**(1,377)**	**(97)**	**1,501**	**(20,408)**

[1] Total loss components on non PAA and AIACF
[2] 2023 comparatives have been adjusted to reflect several restatements that are detailed in “About this report”, (c), “Prior year adjustments”. Refer to items 3, 4, 6, 7 and 8 in that section of this report.

Section 4: Life insurance and investment contracts

4.5 Other disclosure – life insurance contracts and investment contracts (continued)

h) Movement in insurance contract balances – analysis by measurement component

2024	Estimate of present value of future cash flows $m	Risk Adjustment $m	Contractual service margin contracts under fair value transition approach $m	Total $m
Opening insurance contract assets	1,136	(33)	-	1,103
Opening insurance contract liabilities	(19,968)	(291)	(1,252)	(21,511)
Net opening insurance contract liabilities 1 January 2024	**(18,832)**	**(324)**	**(1,252)**	**(20,408)**
Correction for 2023 liabilities for incurred claims balances	6	-	-	6
Adjusted net opening insurance contract liabilities at 1 January 2024	**(18,826)**	**(324)**	**(1,252)**	**(20,402)**
Changes in the Statement of Comprehensive Income				
Changes that relate to current services				
CSM recognised for services provided	-	-	166	166
Change in risk adjustment for non-financial risk for risk expired	-	6	-	6
Experience adjustments	72	-	-	72
Revenue recognised for incurred policyholder tax expenses	192	-	-	192
Changes that relate to future service				
Changes in estimates that adjust the CSM	353	(1)	(352)	-
Changes that relate to past services				
Adjustments to liabilities for incurred claims	(7)	49	-	42
Insurance service result	**610**	**54**	**(186)**	**478**
Net finance expense from insurance contracts	(1,726)	-	(31)	(1,757)
Total changes in the Statement of Comprehensive Income	**(1,116)**	**54**	**(217)**	**(1,279)**
Cash flows				
Premiums received	(1,271)	-	-	(1,271)
Claims and other insurance service expenses paid, including investment components	3,043	-	-	3,043
Net cash flows	**1,772**	**-**	**-**	**1,772**
Net closing balance of insurance contract liabilities	**(18,170)**	**(270)**	**(1,469)**	**(19,909)**
Closing insurance contract assets	950	(18)	-	932
Closing insurance contract liabilities	(19,120)	(252)	(1,469)	(20,841)
Net insurance contract liabilities at 31 December 2024	**(18,170)**	**(270)**	**(1,469)**	**(19,909)**

Section 4: Life insurance and investment contracts

4.5 Other disclosure – life insurance contracts and investment contracts (continued)

h) Movement in insurance contract balances – analysis by measurement component (continued)[1]

2023	Estimate of present value of future cash flows $m	Risk Adjustment $m	Contractual service margin contracts under fair value transition approach $m	Total $m
Opening insurance contract assets	1,491	(58)	-	1,433
Opening insurance contract liabilities	(18,793)	(296)	(1,108)	(20,197)
Net opening insurance contract liabilities 1 January 2023	**(17,302)**	**(354)**	**(1,108)**	**(18,764)**
Changes in the Statement of Comprehensive Income				
Changes that relate to current services				
CSM recognised for services provided	-	-	210	210
Change in risk adjustment for non-financial risk for risk expired	-	6	-	6
Experience adjustments	(277)	-	-	(277)
Revenue recognised for incurred policyholder tax expenses	124	-	-	124
Changes that relate to future service				
Changes in estimates that adjust the CSM	320	-	(320)	-
Changes in estimates that relate to losses and reversal of losses on underlying onerous contracts	5	-	-	5
Changes that relate to past services				
Adjustments to liabilities for incurred claims	(139)	39	48	(52)
Insurance service result	**33**	**45**	**(62)**	**16**
Net finance expense from insurance contracts	(1,331)	-	(14)	(1,345)
Total changes in the Statement of Comprehensive Income	**(1,298)**	**45**	**(76)**	**(1,329)**
Insurance contract liabilities acquired through a business combination	**(1,493)**	**(15)**	**(68)**	**(1,576)**
Cash flows				
Premiums received	(1,728)	-	-	(1,728)
Claims and other insurance service expenses paid, including investment components	2,992	-	-	2,992
Insurance acquisition cashflows	(3)	-	-	(3)
Net cash flows	**1,261**	**-**	**-**	**1,261**
Net closing balance of insurance contract liabilities	**(18,832)**	**(324)**	**(1,252)**	**(20,408)**
Closing insurance contract assets	1,136	(33)	-	1,103
Closing insurance contract liabilities	(19,968)	(291)	(1,252)	(21,511)
Net insurance contract liabilities at 31 December 2023	**(18,832)**	**(324)**	**(1,252)**	**(20,408)**

[1] 2023 comparatives have been adjusted to reflect several restatements that are detailed in “About this report”, (c), “Prior year adjustments”. Refer to items 3, 4, 6, 7 and 8 in that section of this report.

Section 4: Life insurance and investment contracts

4.5 Other disclosure – life insurance contracts and investment contracts (continued)

i) Movement in reinsurance contract balances – analysis by remaining coverage and incurred claims

	Assets for remaining coverage	Assets for incurred claims		
	Excluding loss recovery component	Estimate of PVFCF	Risk adjustment	Total
2024	**$m**	**$m**	**$m**	**$m**
Opening reinsurance contracts assets	(349)	1,656	63	1,370
Opening reinsurance contract liabilities	3	(12)	-	(9)
Net opening reinsurance contract assets at 1 January 2024	**(346)**	**1,644**	**63**	**1,361**
Reclassification of reinsurance premiums from AIC to ARC[1]	(98)	98		-
Adjusted net opening reinsurance contract assets at 1 January 2024	**(444)**	**1,742**	**63**	**1,361**
Changes in the Statement of Comprehensive Income				
Allocation of reinsurance premiums paid	(559)	-	-	(559)
Amount recoverable from reinsurers				
Recoveries of incurred claims and other insurance service expenses	-	451	11	462
Recoveries and reversals of recoveries of losses on onerous underlying contracts	-	-	-	-
Adjustments to assets for incurred claims	-	(12)	(14)	(26)
Total amount recoverable from reinsurers	**-**	**439**	**(3)**	**436**
Net expenses from reinsurance contracts	**(559)**	**439**	**(3)**	**(123)**
Net finance expense from reinsurance contracts	(17)	16	-	(1)
Total changes in the Statement of Comprehensive Income	**(576)**	**455**	**(3)**	**(124)**
Cash flows				
Premiums paid	603	-	-	603
Amounts recovered from reinsurers	-	(416)	-	(416)
Net cash flows	**603**	**(416)**	**-**	**187**
Closing balance of net reinsurance (liabilities) / assets	**(417)**	**1,781**	**60**	**1,424**
Closing reinsurance contract assets	(376)	1,744	60	1,428
Closing reinsurance contract liabilities	(41)	37	-	(4)
Net reinsurance contract assets at 31 December 2024	**(417)**	**1,781**	**60**	**1,424**

[1] The opening reinsurance contract assets has been adjusted to correct for a prior year error relating to a reinsurance payable balance being incorrectly disclosed under Assets for incurred claims instead of Assets for remaining coverage. Please refer to part (c) in the 'About this report' section item 2 of these financial statements which outline the prior year adjustments made.

Resolution Life

Section 4: Life insurance and investment contracts

4.5 Other disclosure – life insurance contracts and investment contracts (continued)

i) Movement in reinsurance contract balances – analysis by remaining coverage and incurred claims (continued)[1]

	Assets for remaining coverage	Assets for incurred claims		
	Excluding loss recovery component	Estimate of PVFCF	Risk adjustment	Total
2023	**$m**	**$m**	**$m**	**$m**
Opening reinsurance contracts assets	(314)	1,430	86	1,202
Opening reinsurance contract liabilities	(90)	38	4	(48)
Net opening reinsurance contract assets at 1 January 2023	**(404)**	**1,468**	**90**	**1,154**
Changes in the Statement of Comprehensive Income				
Allocation of reinsurance premiums paid	(560)	-	-	(560)
Amount recoverable from reinsurers				
Recoveries of incurred claims and other insurance service expenses	-	426	-	426
Adjustments to assets for incurred claims	-	52	(27)	25
Net expenses from reinsurance contracts	**(560)**	**478**	**(27)**	**(109)**
Net finance income from reinsurance contracts	11	-	-	11
Total changes in the Statement of Comprehensive Income	**(549)**	**478**	**(27)**	**(98)**
Cash flows				
Premiums paid	607	-	-	607
Amounts recovered from reinsurers	-	(302)	-	(302)
Net cash flows	**607**	**(302)**	**-**	**305**
Closing balance of net reinsurance (liabilities) / assets	**(346)**	**1,644**	**63**	**1,361**
Closing reinsurance contract assets	(349)	1,656	63	1,370
Closing reinsurance contract liabilities	3	(12)	-	(9)
Net reinsurance contract assets at 31 December 2023	**(346)**	**1,644**	**63**	**1,361**

[1] 2023 comparatives have been adjusted to reflect several restatements that are detailed in “About this report”, (c), “Prior year adjustments”. Refer to items 2, 6, 7, 8 and 9 in that section of this report.

Section 4: Life insurance and investment contracts

4.5 Other disclosure – life insurance contracts and investment contracts (continued)

j) Movement in reinsurance contract balances – analysis by remaining coverage and incurred claims

2024	Estimate of present value of future cash flows $m	Risk Adjustment $m	Contractual service margin contracts under fair value transition approach $m	Total $m
Opening reinsurance contracts assets	124	421	825	1,370
Opening reinsurance contract liabilities	(77)	10	58	(9)
Net opening reinsurance contract assets at 1 January 2024	**47**	**431**	**883**	**1,361**
Changes in the Statement of Comprehensive Income				
Changes that relate to current services				
CSM recognised for services received	-	-	(136)	(136)
Change in risk adjustment for non-financial risk for risk expired	-	(13)	-	(13)
Experience adjustments	52	-	-	52
Changes that relate to future service				-
Contracts initially recognised in the year	-	-	-	-
Changes in estimates that adjust the CSM	288	(89)	(199)	-
Changes that related to past service				
Adjustments to assets for incurred claims	(11)	(15)	-	(26)
Net expenses from reinsurance contracts	**329**	**(117)**	**(335)**	**(123)**
Net finance expense from reinsurance contracts	(11)	-	10	(1)
Total changes in the Statement of Comprehensive Income	**318**	**(117)**	**(325)**	**(124)**
Cash flows				-
Premiums paid	603	-	-	603
Amounts recovered from reinsurers	(416)	-	-	(416)
Net cash flows	**187**	**-**	**-**	**187**
Closing balance of net reinsurance (liabilities) / assets	**552**	**314**	**558**	**1,424**
Closing reinsurance contract assets	617	307	504	1,428
Closing reinsurance contract liabilities	(65)	7	54	(4)
Net reinsurance contract assets at 31 December 2024	**552**	**314**	**558**	**1,424**

Section 4: Life insurance and investment contracts

4.5 Other disclosure – life insurance contracts and investment contracts (continued)

j) Movement in reinsurance contract balances – analysis by measurement component (continued)[1]

2023	Estimate of present value of future cash flows $m	Risk Adjustment $m	Contractual service margin contracts under fair value transition approach $m	Total $m
Opening reinsurance contracts assets	154	418	630	1,202
Opening reinsurance contract liabilities	(303)	98	157	(48)
Net opening reinsurance contract assets at 1 January 2023	**(149)**	**516**	**787**	**1,154**
Changes in the Statement of Comprehensive Income				
Changes that relate to current services				
CSM recognised for services received	-	-	(135)	(135)
Change in risk adjustment for non-financial risk for risk expired	-	(25)	-	(25)
Experience adjustments	26	-	-	26
Changes that relate to future service				-
Changes in estimates that adjust the CSM	(105)	(95)	200	-
Changes that related to past service				
Adjustments to assets for incurred claims	25	-	-	25
Net expenses from reinsurance contracts	**(54)**	**(120)**	**65**	**(109)**
Net finance (expense) / income from reinsurance contracts	(55)	35	31	11
Total changes in the Statement of Comprehensive Income	**(109)**	**(85)**	**96**	**(98)**
Cash flows				
Premiums paid	607	-	-	607
Amounts recovered from reinsurers	(302)	-	-	(302)
Total cash flows	**305**	**-**	**-**	**305**
Closing balance of net reinsurance (liabilities) / assets	**47**	**431**	**883**	**1,361**
Closing reinsurance contract assets	124	421	825	1,370
Closing reinsurance contract liabilities	(77)	10	58	(9)
Net reinsurance contract assets at 31 December 2023	**47**	**431**	**883**	**1,361**

[1] 2023 comparatives have been adjusted to reflect several restatements that are detailed in “About this report”, (c), “Prior year adjustments”. Refer to items 2, 6, 7, 8 and 9 in that section of this report.

Section 4: Life insurance and investment contracts

4.5 Other disclosure – life insurance contracts and investment contracts (continued)

k) Restriction on assets in statutory funds

Resolution Life Australasia conducts investment-linked and non-investment linked business. For investment-linked business, amounts to be invested are received from policyholders, the funds are invested on behalf of the policyholders and the resulting liability to policyholders is linked to the performance and value of the assets that back those liabilities.

Resolution Life Australasia Limited has three statutory funds as set out below:

Statutory Fund	Country	Description
No. 1 fund	**Australia**	All business (whole of life, endowment, investment account, retail and group risk and immediate annuities) and North longevity guarantee.
	New Zealand	All business (whole of life, endowment, investment account, retail and group risk, investment-linked and immediate annuities).
No. 2 fund	**Australia**	Investment-linked superannuation business (retail and group investment-linked and deferred annuities).
No. 3 fund	**Australia**	Investment-linked ordinary business.

Investments held in the life statutory funds can only be used in accordance with the relevant regulatory restrictions imposed under the Life Act and associated rules and regulations. The main restrictions are that the assets in a life statutory fund can only be used to meet the liabilities and expenses of that life statutory fund, to acquire investments to further the business of the life statutory fund or as distributions provided regulatory capital (solvency and capital adequacy) requirements and other regulatory requirements are met.

The net assets of the statutory fund attributable to shareholders represents the interest of shareholders including funds required to meet regulatory requests as well as further amounts of shareholder funds in excess of regulatory requests.

Further details about solvency and capital adequacy are provided in note 4.5 (m).

Section 4: Life insurance and investment contracts

4.5 Other disclosure – life insurance contracts and investment contracts (continued)

l) Capital guarantees

	2024 $m	2023 $m
Life insurance contracts with a discretionary participating feature		
- Amount of the liabilities that relate to guarantees	10,103	10,576
Investment linked contracts		
- Amount of the liabilities subject to investment performance guarantees	67	65
Other life insurance and investment contracts with a guaranteed termination value		
- Current termination value	126	130

m) Capital requirements

Registered life insurance entities are required to hold prudential reserves, over and above their life insurance contract and investment contract liabilities, as a buffer against adverse experience and poor investment returns. These reserving requirements are specified by the APRA prudential capital standards. The standards are intended to take account of the full range of risks to which a regulated institution is exposed and specifies the prescribed capital amount (PCA) requirement. The PCA is the minimum level of capital that the regulator deems must be held to meet policyholder obligations.

In addition to the regulatory capital requirements, the Company maintains a target surplus providing an additional capital buffer against adverse events. The Company determines the target surplus amount to hold above regulatory requirements at a sufficiency level of a 97.5% confidence level over a 12-month time horizon. The target surplus reflects the risks of the business, principally the risk of adverse asset movements relative to the liabilities and of worse than expected claims costs.

The excess of the company’s capital base over the PCA as at 31 December 2024 was $1,472 million (2023: $1,343 million).

The Appointed Actuary of the Company has confirmed that the capital base of each life statutory fund and shareholders’ fund exceeded PCA at all times during 2024 and 2023.

Section 4: Life insurance and investment contracts

4.5 Other disclosure – life insurance contracts and investment contracts (continued)

m) Capital requirements (continued)

2024		No 1 Statutory Fund $m	No 2 Statutory Fund $m	No 3 Statutory Fund $m	Share-holder's Fund $m	Total $m
Capital Base						
Net assets as per Life Insurance Act	**A**	1,366	31	8	164	1,569
- Common equity Tier 1 Capital		1,366	31	8	164	1,569
- Additional Tier 1 Capital		-	-	-		
Total regulatory adjustments to net assets	**B**	580	(1)	-	(131)	448
- Total regulatory adjustments to Common equity Tier 1 Capital		580	(1)	-	(131)	448
- Total regulatory adjustments to Additional Tier 1 Capital		-	-	-	-	-
Tier 2 Capital	**C**	300	-	-	-	300
Total regulatory adjustments to Tier 2 Capital	**D**	-	-	-	-	-
Total capital base	**E(A+B+C+D)**	**2,246**	**30**	**8**	**33**	**2,317**
Prescribed capital						
Insurance risk charge		172	-	-	-	172
Asset risk charge		653	2	-	1	656
Asset concentration risk charge		-	-	-	-	-
Operational risk charge		92	15	4	-	111
Less aggregation benefit		(117)	-	-	-	(117)
Combined stress scenario adjustment		23	-	-	-	23
Total Prescribed capital Amount (PCA)	**F**	**823**	**17**	**4**	**1**	**845**
Capital adequacy multiple	**E/F**	**273%**	**176%**	**200%**	**3300%**	**274%**

Section 4: Life insurance and investment contracts

4.5 Other disclosure – life insurance contracts and investment contracts (continued)

m) Capital requirements (continued)

2023		No 1 Statutory Fund $m	No 2 Statutory Fund $m	No 3 Statutory Fund $m	Share-holder's Fund $m	Total $m
Capital Base						
Net assets as per Life Insurance Act	**A**	1,534	40	7	160	1,741
- Common equity Tier 1 Capital		1,534	40	7	160	1,741
- Additional Tier 1 Capital		-	-	-	-	-
Total regulatory adjustments to net assets	**B**	423	-	-	(145)	278
- Total regulatory adjustments to Common equity Tier 1 Capital		423	-	-	(145)	278
- Total regulatory adjustments to Additional Tier 1 Capital		-	-	-	-	-
Tier 2 Capital	**C**	300	-	-	-	300
Total regulatory adjustments to Tier 2 Capital	**D**	-	-	-	-	-
Total capital base	**E(A+B+C+D)**	**2,257**	**40**	**7**	**15**	**2,319**
Prescribed capital						
Insurance risk charge		190	-	-	-	190
Asset risk charge		594	2	-	1	597
Asset concentration risk charge		-	-	-	-	-
Operational risk charge		99	14	4	-	117
Less aggregation benefit		(125)	-	-	-	(125)
Combined stress scenario adjustment		197	-	-	-	197
Total Prescribed capital Amount (PCA)	**F**	**955**	**16**	**4**	**1**	**976**
Capital adequacy multiple	**E/F**	**236%**	**250%**	**175%**	**1,500%**	**238%**

Section 4: Life insurance and investment contracts

4.5 Other disclosure – life insurance contracts and investment contracts (continued)

n) Actuarial information

Mr Greg Martin with BA, FIAA, FFin, FAICD, CERA qualifications, is the Appointed Actuary of Resolution Life Australasia and is satisfied as to the accuracy of the data used in the valuations in the financial report and in the tables in this note 4.2 to note 4.5.

The liabilities to policyholders, capital base and prescribed capital amounts have been determined at the reporting date in accordance with the Life Act.

Section 5: Related party disclosures

5.1 Key management personnel

The following table provides aggregate details of the compensation of key management personnel of the company. The remuneration is paid by a related company, Resolution Life Services Australia Pty Ltd.

	2024 $	2023 $
Short term benefits	3,240,314	2,963,779
Post-employment benefits	83,098	70,061
Other long-term benefits	930,700	825,000
Total	**4,254,112**	**3,858,840**

Accounting policy – recognition and measurement

Short-term benefits: this balance related to liabilities arising in respect of salaries and wages and any other employee entitlements expected to be settled within 12 months of the reporting date are measured at their nominal amounts.

Post-employment benefits: this balance relates to defined contribution funds - The contributions paid and payable by Resolution Life group to defined contributions funds are recognised in the Statement of Comprehensive Income as an operating expense when they fall due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Other long-term benefits: this balance relates to other employee entitlements are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, discount rates are determined with reference to market yields at the end of the reporting period on high quality corporate bonds.

Section 5: Related party disclosures

5.2 Transactions with related parties

The company has transactions with related parties including controlled entities and associated entities.

Most of those related parties are various investment vehicles/funds and the activities with those parties are part of the normal day-to-day investment activities of the company.

Other related party transactions are in respect of administrative services, investment management services and financial planning services provided by fellow controlled entities in the Resolution Life group. Balances with other related parties that are material are set out in the table below.

Transactions with related parties are made at arm's length on normal commercial terms.

Transaction and balances with related parties are:

Fellow subsidiaries of Resolution Life Group		Distribution paid to related parties $m	Services fee expenses paid to related parties $m	Amounts owed by related parties $m	Amounts owed to related parties $m
Resolution Life AAPH Limited	2024	-	-	2	-
	2023	-	-	2	-
Resolution Life NZ Investments Limited	2024	-	-	-	-
	2023	-	-	-	-
Resolution Life Services Australia Pty Ltd	2024	-	285	-	15
	2023	-	318	-	6
Resolution Life Services NZ Limited	2024	-	47	9	-
	2023	-	35	4	-
Resolution Ergo Mortgage and Savings	2024	-	-	-	11
	2023	-	-	-	10
Resolution Life FSH Limited	2024	309	-	-	-
	2023	344	-	-	-
Resolution Life NOHC Pty Limited	2024	-	-	-	-
	2023	-	-	-	-
Resolution Life Australia Pty Ltd	2024	-	-	-	-
	2023	-	-	-	-
Resolution Life NZ Limited	2024	-	-	-	-
	2023	-	-	5	-
RLNM Limited	2024	-	-	-	-
	2023	-	-	-	-

Section 6: Other Disclosures

6.1 Significant events during the year

There were no significant changes in the state of affairs of RLAL during 2024.

6.2 Contingent liabilities

From time-to-time the Company may incur obligations arising from litigation or various types of contracts entered into in the normal course of business, including guarantees issued by the parent for performance obligations to controlled entities in Resolution Life Australasia. Where it is determined that the disclosure of information in relation to a contingent liability can be expected to seriously prejudice the position of Resolution Life Australasia (or its re-insurers) in a dispute, accounting standards allow Resolution Life Australasia not to disclose such information and it is Resolution Life Australasia's policy that such information is not to be disclosed in this note.

A contingent liability is disclosed where a legal or constructive obligation is possible, but not probable, or where the obligation is probable, but the financial impact of the event is unable to be reliably estimated.

Class Actions
RLAL is named as a respondent in two class actions against certain AMP entities lodged in the Federal Court of Australia. The first class action names both RLAL and RLNM Limited as respondents and relates to the superannuation fees. This action is a consolidation of two class action proceedings commenced in May and September 2019. The second class action (which is also a consolidation of two separate proceedings) relates to financial advice and certain RLAL products. Both class actions are subject to certain indemnities under the purchase agreement with AMP.

6.3 Auditors' remuneration

	2024 $'000	2023 $'000
Audit services for Resolution Life Australasia		
Audit of subsidiary financial statements	1,824	2,001
Total audit service fees	**1,824**	**2,001**
Non-audit services		
Other non-audit services	-	-
Total non-audit services fees	**-**	**-**
Total amounts received or due and receivable by the Auditors	**1,824**	**2,001**

Section 6: Other Disclosures

6.4 New accounting standards

Three new accounting standards have been issued but are not yet effective as of 31 December 2024.

Sale and contribution of assets between an investor and its associate or joint venture
Over a number of years the AASB issued AASB 2015-10, AASB 2017-5 and AASB 2021-7a, which introduced amendments to clarify that an entity that applies the equity method of accounting to its investments in associates and joint ventures must recognise in its profit and loss only the gain or loss that relates to the investors in that associate or joint venture. The amendments also clarify that if an entity sells or contribute assets that constitute a business as defined in AASB 3, to an associate or joint venture, the entity must recognise the full amount of the gain or loss on the sale or contribution of assets in its profit and loss. The changes are effective for year-ends starting on or after 1 January 2025. The changes are not expected to have a material impact on the financial statements of the Company.

Disclosures related to the use of estimated exchange rates
In October 2023, the AASB issued AASB 2023-5 which contains amendments to AASB 121 *The Effects of Changes in Foreign Exchange Rates.* The amendments introduce new disclosure requirements for entities that use estimated exchange rates to translate foreign currency transactions or financial statements when there is a lack of observable exchange rates at the reporting date. The changes are effective for year-ends starting on or after 1 January 2025. The changes are not expected to have a material impact on the financial statements of the Company.

Disclosures related to the presentation and disclosures in the financial statements
The AASB has issued AASB 18 *Presentation and Disclosure in Financial Statements* to improve how entities communicate in their financial statements, with a particular focus on information about financial performance in the statement of profit or loss. AASB 18 will replace AASB 101 *Presentation of Financial Statements*.

The key presentation and disclosure requirements established by AASB 18 are:

- the presentation of newly defined subtotals in the statement of profit or loss;
- the disclosure of management-defined performance measures; and
- enhanced requirements for grouping information (i.e. aggregation and disaggregation).

These new requirements will enable investors and other financial statement users to make more informed decisions, including better allocations of capital, that will contribute to long-term financial stability. The changes are effective for year-ends starting on or after 1 January 2027 and applies to comparative information. The changes are not expected to have a material impact on the financial statements of the Company.

6.5 Events occurring after reporting date

As of the date of this report, the directors are not aware of any matters or circumstances that have arisen since the end of the financial year that have significantly affected, or may significantly affect:

- The operations of the Company in future years;
- The results of those operations in future years; or
- The state of affairs of the Company in future financial years.

Dividend and distribution
On 31 March 2025, the Company declared a $0.78 per share dividend of $97,700,000 and a capital return of $90,900,000 to its sole shareholder. The dividend and capital return are subject to APRA approval.

Directors' Declaration

In accordance with a resolution of the directors of Resolution Life Australasia Limited, for the purposes of Section 295(4) of the *Corporations Act 2001*, the Directors declare that:

(a) in the opinion of directors there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable;

(b) in the opinion of directors the financial statements and notes for the financial year ended 31 December 2024 are in accordance with the Corporations Act 2001, including Section 296 (compliance with accounting standards) and Section 297 (true and fair view);

(c) the notes to the financial statements for the financial year ended 31 December 2024 include an explicit and unreserved statement of compliance with the International Financial Reporting Standards; and

(d) in the directors' opinion, the consolidated entity disclosure statement as at 31 December 2024 is true and correct.

David Clarke

Chairman

Sydney, 31 March 2025

Tim Tez

Chief Executive Officer

Sydney, 31 March 2025

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Independent Auditor's Report to the Members of Resolution Life Australasia Limited

Opinion

We have audited the financial report of Resolution Life Australasia Limited (the "Company") which comprises the statement of financial position as at 31 December 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the directors' declaration and the Consolidated Entity Disclosure Statement.

In our opinion, the accompanying financial report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the Company's financial position as at 31 December 2024 and of its financial performance for the year then ended; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001.*

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's Directors' Report for the year ended 31 December 2024, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible:

- for the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company in accordance with Australian Accounting Standards; and
- for such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Company, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Stuart Alexander
Partner
Chartered Accountants

Sydney, 31 March 2025