



Statistics

Quarterly Life Insurance Performance


September 2013 (issued 19 November 2013)



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Forthcoming issues

This publication will be released according to the timetable published on the APRA website.

Revisions

This edition of the publication contains revisions to previously published statistics. Significant revisions, if any, are identified and quantified in the 'Important notice'.

This publication will include revisions to previously published statistics if better source data becomes available or if compilation errors are uncovered.

APRA regularly analyses past revisions to identify potential improvements to the source data and statistical compilation techniques, in order to minimise the frequency and scale of any future revisions.

Notation

Amounts are expressed in Australian dollars.

The symbol ' * ' indicates that the data have been masked to maintain confidentiality.

The blank cells represent items that are not applicable, for example where data were collected up to or from a certain period end date.

Rounding

Details on tables may not add up to totals due to rounding of figures.

Glossary and explanatory notes

A set of explanatory notes is provided at the end of the publication to assist the reader in understanding the source and definitions of the data.

Enquiries

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Important notice

APRA has revised its capital standards for general insurers and life insurers to improve the risk-sensitivity and appropriateness of the capital standards in general and life insurance and where appropriate, improve the alignment of the capital standards across industries. The capital review has resulted in changes to the life insurance reporting framework, which has been effective for reporting periods ending on or after 1 January 2013.

This publication is currently available in three versions: an Adobe PDF version for printing (containing data for the most recent periods), a Microsoft Excel version (containing a complete time series since 2008 included in the PDF version) and a database version (in Microsoft Excel) which contains more financial performance and financial position data and additional product level information.

Change in capital framework

The publication includes data across two different capital frameworks. APRA introduced a common capital framework for required capital and eligible capital across general insurers and life insurers on 1 January 2013. The two existing requirements for solvency and capital adequacy were replaced with a single measure for required capital.

The new capital adequacy statistics are published commencing from the March 2013 quarter. This publication also contains the capital adequacy and solvency data previously collected under the previous reporting framework. Please note that the capital adequacy data from the two different reporting frameworks are not comparable.

Highlights

Total industry

Financial performance

For the twelve months to 30 September 2013:

- Net profit after tax was \$2.2 billion, a decrease of 26.5 per cent from the previous year's profit of \$3.1 billion. The September 2013 quarter profit was \$441 million compared with the June 2013 quarter profit of \$391 million (representing a 12.8 per cent increase) and the September 2012 quarter profit of \$752 million.
- Total revenue was \$46.7 billion compared with the previous year's revenue of \$38.8 billion. The September 2013 quarter revenue was \$15.4 billion compared with the June 2013 quarter revenue of \$7.7 billion and the September 2012 quarter revenue of \$13.8 billion.
- Total revenue mainly comprised investment revenue of \$31.0 billion (consisting of \$10.3 billion investment income and \$20.6 billion realised/unrealised gains). This compares with the previous year's investment revenue of \$24.6 billion (consisting of \$10.8 billion investment income and \$13.8 billion in realised/unrealised gains).
- The non investment component of total revenue comprised \$12.9 billion net policy revenue, \$2.5 billion management service fees and \$228 million other revenue. This compares with the previous year's net policy revenue of \$11.6 billion, management service fees of \$2.4 billion and other revenue of \$201 million.
- Total expenses were \$42.2 billion compared with the previous year's expenses of \$33.6 billion. The September 2013 quarter expenses were \$14.1 billion compared with the June 2013 quarter expenses of \$7.2 billion and the September 2012 quarter expenses of \$12.2 billion.
- Total expenses comprised net policy expenses, operating expenses, effective movement in net policy liabilities, change in policy owner retained profits and other expenses. Net policy expenses were \$7.0 billion, operating expenses were \$7.7 billion, effective movement in net policy liabilities was \$27.2 billion, change in policy owner retained profits was \$219 million and other expenses were \$92 million.
- The previous year's net policy expenses were \$6.5 billion, operating expenses were \$7.2 billion, effective movement in net policy liabilities was \$19.6 billion, change in policy owner retained profits was \$129 million and other expenses were \$93 million.

Financial position

As at 30 September 2013:

- Total assets were \$266.9 billion compared with June 2013 assets of \$256.7 billion (representing a 4.0 per cent increase) and September 2012 assets of \$245.5 billion (an 8.7 per cent increase).
- Of total assets, \$130.3 billion (48.8 per cent) were invested in equities, \$87.6 billion (32.8 per cent) in debt securities, \$16.5 billion (6.2 per cent) in investment properties, \$18.7 billion (7.0 per cent) in cash and deposits and \$13.8 billion (5.2 per cent) in other assets.
- Total liabilities were \$245.5 billion compared with June 2013 liabilities of \$236.0 billion (a 4.0 per cent increase) and September 2012 liabilities of \$225.1 billion (a 9.0 per cent increase).
- Of total liabilities, \$229.4 billion (93.4 per cent) were gross policy liabilities, \$2.6 billion (1.1 per cent) were policy owner retained profits and \$13.4 billion (5.5 per cent) were other liabilities. Other liabilities include borrowings, creditors, provisions and other liabilities.

Highlights (continued)

Product group performance

For the quarter ended 30 September 2013:

Risk products ^a

- Net profit after tax was \$1 million. Individual risk products contributed \$152 million and group risk products contributed \$-152 million.
- Total revenue was \$3.6 billion. Individual risk products contributed \$2.3 billion and group risk products contributed \$1.3 billion.
- Total expenses were \$3.6 billion. Individual risk products contributed \$2.1 billion and group risk products contributed \$1.5 billion.

Non participating business

- Net profit after tax was \$179 million. Non participating investment linked products contributed \$167 million and non participating non investment linked products contributed \$12 million.
- Total revenue was \$10.3 billion. Investment linked products contributed \$10.0 billion and non investment linked products contributed \$213 million.
- Total expenses were \$9.4 billion. Investment linked products contributed \$9.2 billion and non investment linked products contributed \$186 million.

Participating business

- Net profit after tax was \$78 million. Participating investment account products contributed \$59 million and conventional participating products contributed \$19 million.
- Total revenue was \$865 million. Investment account products contributed \$338 million and conventional products contributed \$527 million.
- Total expenses were \$684 million. Investment account products contributed \$259 million and conventional products contributed \$425 million.

Other product groups ^b

- Net profit after tax was \$126 million.
- Total revenue was \$301 million.
- Total expenses were \$156 million.

^a Risk products comprise individual lump sum risk, individual disability income insurance, group lump sum risk and group disability income insurance.

^b Other product groups comprise of other products that do not fit into any of the established product groups, policy owner's retained profits and shareholders capital and retained profits.

Highlights (continued)

Capital adequacy

APRA introduced a common capital framework for required capital and eligible capital across general insurers and life insurers on 1 January 2013. The two existing requirements for solvency and capital adequacy were replaced with a single measure for required capital. For more details on the revised capital framework, please refer to the discussion paper on the review of capital standards for life insurance and general insurance:

<http://www.apra.gov.au/GI/PrudentialFramework/Pages/review-of-capital-standards-for-general-insurers-and-life-insurers-may-2010.aspx>

The new capital adequacy statistics were published commencing from the March 2013 quarter. This publication also contains the capital adequacy and solvency data relating to the previous capital framework. Users should be aware of the key differences between these capital framework. Capital adequacy data from the two capital reporting frameworks are not directly comparable.

As at 30 September 2013:

- The prescribed capital amount coverage ratio for the industry was 1.99 times the prescribed capital amount. For statutory funds, the prescribed capital amount coverage ratio was 1.74 times the prescribed capital amount. For investment linked statutory funds, the prescribed capital amount coverage ratio was 1.96 times the prescribed capital amount. For non investment linked statutory funds, the prescribed capital amount coverage ratio was 1.71 times the prescribed capital amount. For general funds, the prescribed capital amount coverage ratio was 5.25 times the prescribed capital amount.

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Key statistics

	Quarter end					Year End Sep 2012	Year End Sep 2013
	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013		
Total entity ^a							
Net premiums ^b (\$m)	10,732	10,800	9,566	12,934	11,958	42,411	45,257
Net policy payments ^c (\$m)	11,258	11,987	9,969	11,233	11,078	42,196	44,267
Total revenue (\$m)	13,756	10,539	13,002	7,744	15,367	38,763	46,652
Total expenses (\$m)	12,225	9,317	11,544	7,202	14,131	33,559	42,194
Net profit / loss after tax (\$m)	752	690	723	391	441	3,052	2,244
Total assets (\$m)	245,520	247,095	252,906	256,743	266,927	245,520	266,927
Net assets (\$m)	20,395	20,634	20,664	20,788	21,470	20,395	21,470
Return on net assets ^d	15.0%	13.5%	14.0%	7.5%	8.3%	15.6%	10.7%
Prescribed capital amount coverage ratio			2.00	2.02	1.99		1.99
Total statutory funds							
Net premiums (\$m)	10,732	10,800	9,566	12,934	11,958	42,411	45,257
Net policy payments (\$m)	11,258	11,987	9,969	11,233	11,078	42,196	44,267
Total revenue (\$m)	13,647	10,434	12,925	7,643	15,290	38,278	46,292
Total expenses (\$m)	12,163	9,288	11,524	7,198	14,101	33,281	42,112
Net profit / loss after tax (\$m)	701	619	673	305	401	2,835	1,998
Total assets (\$m)	240,923	242,561	248,350	252,156	262,483	240,923	262,483
Net assets (\$m)	17,938	17,854	*	18,218	18,650	17,938	18,650
Return on net assets (%)	15.9%	13.8%	*	6.7%	8.7%	16.7%	10.9%
Prescribed capital amount coverage ratio			1.86	1.85	1.74		1.74
Investment linked ^e							
Net premiums (\$m)	6,065	6,654	5,816	8,409	7,089	25,035	27,969
Net policy payments (\$m)	8,056	8,781	6,924	7,737	7,577	29,901	31,019
Total revenue (\$m)	8,378	6,384	8,484	4,111	10,098	19,666	29,076
Total expenses (\$m)	7,775	5,853	7,864	3,778	9,222	18,295	26,716
Net profit / loss after tax (\$m)	162	153	153	149	187	594	642
Total assets (\$m)	159,295	161,783	167,496	171,035	179,460	159,295	179,460
Net assets (\$m)	1,392	1,130	1,168	1,246	1,307	1,392	1,307
Return on net assets (%)	46.5%	48.6%	53.2%	49.4%	58.7%	42.2%	47.6%
Prescribed capital amount coverage ratio			1.84	1.93	1.96		1.96
Non investment linked ^e							
Net premiums (\$m)	4,965	4,256	3,893	4,655	5,011	18,925	17,816
Net policy payments (\$m)	3,499	3,317	3,188	3,627	3,644	13,844	13,775
Total revenue (\$m)	5,269	4,050	4,440	3,533	5,192	18,612	17,216
Total expenses (\$m)	4,388	3,435	3,660	3,420	4,879	14,987	15,395
Net profit / loss after tax (\$m)	539	466	521	156	213	2,241	1,356
Total assets (\$m)	81,756	81,085	81,062	81,293	83,314	81,756	83,314
Net assets (\$m)	16,547	16,724	*	16,972	17,343	16,547	17,343
Return on net assets (%)	13.3%	11.2%	*	3.7%	5.0%	14.4%	8.0%
Prescribed capital amount coverage ratio			1.87	1.83	1.71		1.71

^a Total entity comprises total statutory funds and general funds.

^b Net premiums is the sum of net policy revenue, premium related fees and net policy revenue recognised as a deposit.

^c Net policy payments is the sum of net policy expenses and net policy expenses recognised as a withdrawal.

^d Quarterly figures expressed as annual percentage rates. See Return on net assets in the glossary.

^e Investment linked and non investment linked figures may not add up to the total statutory funds figures due to eliminations between statutory funds.

Table 1a Financial performance - total entity

(\$ million)

	Quarter end					Year End Sep 2012	Year End Sep 2013
	Sep 2012 ^c	Dec 2012	Mar 2013	Jun 2013	Sep 2013		
Gross policy revenue	4,165	3,862	3,963	4,140	4,666	14,985	16,631
of which:							
Life insurance direct premiums	3,317	3,047	3,150	3,268	3,677	11,979	13,143
Inwards reinsurance premiums	848	815	813	871	989	3,007	3,488
Outward reinsurance premiums	-985	-903	-914	-984	-897	-3,384	-3,699
Net policy revenue	3,180	2,959	3,049	3,155	3,769	11,602	12,932
Management service fees	671	618	613	640	643	2,375	2,513
of which:							
Premium related fees	363	310	309	328	325	1,166	1,272
Non premium related fees	305	306	302	311	317	1,206	1,236
Fees - movement in policy liabilities	3	1	1	1	1	3	5
Investment revenue	9,900	6,889	9,293	3,892	10,905	24,584	30,980
of which:							
Investment income	3,193	1,976	2,464	2,407	3,501	10,761	10,348
Realised/unrealised gains/losses	6,707	4,913	6,829	1,486	7,404	13,823	20,632
Other revenue	4	74	47	57	50	201	228
Total revenue	13,756	10,539	13,002	7,744	15,367	38,763	46,652
Gross policy expenses	2,471	2,349	2,317	2,649	2,792	9,040	10,107
of which:							
Death & disability claims	1,449	1,348	1,387	1,596	1,648	5,377	5,979
Maturities	148	130	110	139	137	543	515
Annuities	85	83	81	82	86	324	332
Surrenders & terminations	137	144	135	129	184	556	592
Inwards reinsurance claims	511	463	469	540	586	1,821	2,058
Other policy expenses	141	182	136	162	151	419	631
Outward reinsurance claims	-709	-636	-684	-791	-967	-2,555	-3,077
Net policy expenses	1,762	1,714	1,633	1,858	1,825	6,484	7,030
Operating expenses	1,841	1,882	1,766	1,927	2,106	7,236	7,681
of which:							
Acquisition costs - commission	395	399	362	390	496	1,468	1,648
Acquisition costs - other expenses	246	227	216	252	265	956	960
Maintenance costs - commission	548	571	543	601	637	2,136	2,353
Maintenance costs - other expenses	431	468	451	468	500	1,694	1,887
Investment management	121	137	125	143	128	525	533
Net movement in DAC	10	3	1	12	9	19	24
Other operating expenses	90	77	67	61	72	437	277
Movement in net policy liabilities	5,938	2,579	5,639	3,207	8,393	12,407	19,818
Net policy revenue recognised as a deposit	7,189	7,530	6,208	9,450	7,864	29,643	31,053
Net policy expenses recognised as a withdrawal	9,496	10,274	8,336	9,375	9,253	35,711	37,237
Effective movement in net policy liabilities	8,530	5,616	8,058	3,419	10,079	19,617	27,172
Change in policy owner retained profits	49	80	74	-30	96	129	219
Other expenses	43	26	13	28	24	93	92
Total expenses	12,225	9,317	11,544	7,202	14,131	33,559	42,194
Profit / loss before tax	1,531	1,222	1,458	542	1,236	5,204	4,458
Tax	778	532	735	152	796	2,152	2,214
Net profit / loss after tax	752	690	723	391	441	3,052	2,244
Key statistics							
Net premiums ^a	10,732	10,800	9,566	12,934	11,958	42,411	45,257
Net policy payments ^b	11,258	11,987	9,969	11,233	11,078	42,196	44,267
Number of entities	28	28	28	28	28	28	28

^a Net premiums is the sum of net policy revenue, premium related fees and net policy revenue recognised as a deposit.

^b Net policy payments is the sum of net policy expenses and net policy expenses recognised as a withdrawal.

^c Some movements in the data in the September 2012 quarter are due to data reclassifications.

Table 1b Financial performance - total statutory funds

(\$ million)

	Quarter end					Year End Sep 2012	Year End Sep 2013
	Sep 2012 ^c	Dec 2012	Mar 2013	Jun 2013	Sep 2013		
Gross policy revenue	4,165	3,862	3,963	4,140	4,666	14,985	16,631
of which:							
Life insurance direct premiums	3,317	3,047	3,150	3,268	3,677	11,979	13,143
Inwards reinsurance premiums	848	815	813	871	989	3,007	3,488
Outward reinsurance premiums	-985	-903	-914	-984	-897	-3,384	-3,699
Net policy revenue	3,180	2,959	3,049	3,155	3,769	11,602	12,932
Management service fees	658	606	601	628	631	2,327	2,466
of which:							
Premium related fees	363	310	309	328	325	1,166	1,272
Non premium related fees	292	295	291	299	305	1,157	1,189
Fees - movement in policy liabilities	3	1	1	1	1	3	5
Investment revenue	9,805	6,809	9,230	3,803	10,840	24,151	30,682
of which:							
Investment income	3,126	1,932	2,421	2,345	3,453	10,515	10,152
Realised/unrealised gains/losses	6,680	4,877	6,808	1,458	7,387	13,636	20,530
Other revenue	3	60	45	57	50	199	212
Total revenue	13,647	10,434	12,925	7,643	15,290	38,278	46,292
Gross policy expenses	2,471	2,349	2,317	2,649	2,792	9,040	10,107
of which:							
Death & disability claims	1,449	1,348	1,387	1,596	1,648	5,377	5,979
Maturities	148	130	110	139	137	543	515
Annuities	85	83	81	82	86	324	332
Surrenders & terminations	137	144	135	129	184	556	592
Inwards reinsurance claims	511	463	469	540	586	1,821	2,058
Other policy expenses	141	182	136	162	151	419	631
Outward reinsurance claims	-709	-636	-684	-791	-967	-2,555	-3,077
Net policy expenses	1,762	1,714	1,633	1,858	1,825	6,484	7,030
Operating expenses	1,809	1,859	1,748	1,922	2,088	7,003	7,617
of which:							
Acquisition costs - commission	395	399	362	390	496	1,468	1,648
Acquisition costs - other expenses	246	227	216	252	265	956	960
Maintenance costs - commission	548	571	544	601	637	2,136	2,353
Maintenance costs - other expenses	431	468	451	468	500	1,694	1,886
Investment management	120	135	122	145	127	521	530
Net movement in DAC	10	3	1	12	9	19	24
Other operating expenses	59	56	51	54	54	208	215
Movement in net policy liabilities	5,938	2,579	5,639	3,207	8,393	12,407	19,818
Net policy revenue recognised as a deposit	7,189	7,530	6,208	9,450	7,864	29,643	31,053
Net policy expenses recognised as a withdrawal	9,496	10,274	8,336	9,375	9,253	35,711	37,237
Effective movement in net policy liabilities	8,530	5,616	8,058	3,419	10,079	19,617	27,172
Change in policy owner retained profits	49	80	74	-30	96	129	219
Other expenses	13	20	11	29	14	48	74
Total expenses	12,163	9,288	11,524	7,198	14,101	33,281	42,112
Profit / loss before tax	1,484	1,146	1,401	445	1,188	4,996	4,180
Tax	783	527	728	140	788	2,161	2,182
Net profit / loss after tax	701	619	673	305	401	2,835	1,998
Key statistics							
Net premiums ^a	10,732	10,800	9,566	12,934	11,958	42,411	45,257
Net policy payments ^d	11,258	11,987	9,969	11,233	11,078	42,196	44,267
Number of entities	28	28	28	28	28	28	28

^a Net premiums is the sum of net policy revenue, premium related fees and net policy revenue recognised as a deposit.

^d Net policy payments is the sum of net policy expenses and net policy expenses recognised as a withdrawal.

^c Some movements in the data in the September 2012 quarter are due to data reclassifications.

Table 1c Financial performance - total general funds

(\$ million)

	Quarter end					Year End Sep 2012	Year End Sep 2013
	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013		
Investment revenue	95	80	64	89	65	434	298
of which:							
Investment income	68	43	43	62	48	246	196
Realised/unrealised gains/losses	27	37	21	27	17	188	102
Other revenue	14	25	13	12	12	51	63
Total revenue	108	105	77	101	77	485	361
Operating expenses	32	23	18	*	*	233	65
Other expenses	29	6	2	*	*	44	18
Total expenses	62	29	21	4	29	278	83
Profit / loss before tax	47	76	57	97	48	207	278
Tax	-4	5	7	12	8	-9	31
Net profit / loss after tax	51	71	50	85	40	216	246
Number of entities	28	28	28	28	28	28	28

Table 1d Financial performance - investment linked

(\$ million)

	Quarter end					Year End Sep 2012	Year End Sep 2013
	Sep 2012 ^c	Dec 2012	Mar 2013	Jun 2013	Sep 2013		
Net policy revenue	0	0	0	0	0	1	0
Management service fees	614	575	564	593	597	2,185	2,329
of which:							
Premium related fees	332	291	284	305	302	1,072	1,182
Non premium related fees	280	284	279	287	294	1,111	1,144
Fees - movement in policy liabilities	2	1	1	1	1	2	4
Investment revenue	7,751	5,793	7,908	3,500	9,487	17,416	26,687
of which:							
Investment income	2,086	1,156	1,536	1,437	2,501	6,693	6,630
Realised/unrealised gains/losses	5,665	4,636	6,372	2,063	6,986	10,723	20,057
Other revenue	13	16	13	18	14	64	60
Total revenue	8,378	6,384	8,484	4,111	10,098	19,666	29,076
Net policy expenses	0	0	0	0	0	1	0
Operating expenses	467	494	478	500	478	1,898	1,950
of which:							
Acquisition costs - commission	71	76	67	77	73	273	294
Acquisition costs - other expenses	29	26	24	27	23	110	100
Maintenance costs - commission	157	154	152	157	153	631	616
Maintenance costs - other expenses	112	140	139	144	134	510	557
Investment management	77	79	78	79	77	307	314
Net movement in DAC	13	8	7	7	9	34	31
Other operating expenses	9	10	10	9	9	33	39
Movement in net policy liabilities	4,715	2,665	5,720	3,364	7,668	9,378	19,418
Net policy revenue recognised as a deposit							
of which:							
Direct premium	5,733	6,364	5,533	8,104	6,787	23,963	26,788
Inwards policy conversions	4,272	4,857	4,287	6,698	5,416	18,294	21,258
Other deposits	1,461	1,507	1,245	1,406	1,371	5,669	5,530
Other deposits	0	0	0	0	0	0	0
Net policy expenses recognised as a withdrawal							
of which:							
Death & disability	8,056	8,781	6,924	7,737	7,577	29,900	31,019
Maturities	95	114	110	92	108	424	423
Annuities	172	181	153	192	181	697	707
Surrenders	431	404	394	458	478	1,712	1,734
Outwards policy conversions	5,596	6,420	4,922	5,406	5,222	19,794	21,969
Other withdrawals	1,451	1,364	1,110	1,296	1,272	6,161	5,042
Other withdrawals	312	298	237	293	317	1,113	1,144
Effective movement in net policy liabilities	7,308	5,359	7,385	3,278	8,744	16,395	24,766
Change in policy owner retained profits	0	0	0	0	0	0	0
Other expenses	0	0	0	0	0	0	1
Total expenses	7,775	5,853	7,864	3,778	9,222	18,295	26,716
Profit / loss before tax	603	531	621	333	876	1,371	2,360
Tax	441	378	468	184	688	777	1,718
Net profit / loss after tax	162	153	153	149	187	594	642
Key statistics							
Net premiums ^a	6,065	6,654	5,816	8,409	7,089	25,035	27,969
Net policy payments ^b	8,056	8,781	6,924	7,737	7,577	29,901	31,019
Number of entities	15	15	16	16	16	15	16

^a Net premiums is the sum of net policy revenue, premium related fees and net policy revenue recognised as a deposit.

^b Net policy payments is the sum of net policy expenses and net policy expenses recognised as a withdrawal.

^c Some movements in the data in the September 2012 quarter are due to data reclassifications.

Table 1e Financial performance - non investment linked

(\$ million)

	Quarter end					Year End Sep 2012	Year End Sep 2013
	Sep 2012 ^c	Dec 2012	Mar 2013	Jun 2013	Sep 2013		
Gross policy revenue	4,165	3,862	3,963	4,140	4,666	14,984	16,631
of which:							
Life insurance direct premiums	3,317	3,047	3,150	3,268	3,677	11,978	13,143
Inwards reinsurance premiums	848	815	813	871	989	3,007	3,488
Outward reinsurance premiums	-985	-903	-914	-984	-897	-3,384	-3,699
Net policy revenue	3,180	2,959	3,049	3,155	3,769	11,601	12,932
Management service fees	44	31	37	35	34	142	137
of which:							
Premium related fees	31	20	25	23	22	95	91
Non premium related fees	12	11	11	12	11	46	45
Fees - movement in policy liabilities	0	0	0	0	0	1	1
Investment revenue	2,054	1,016	1,322	303	1,354	6,734	3,995
of which:							
Investment income	1,040	776	885	908	952	3,822	3,522
Realised/unrealised gains/losses	1,014	240	436	-605	401	2,912	473
Other revenue	-9	44	33	39	36	135	152
Total revenue	5,269	4,050	4,440	3,533	5,192	18,612	17,216
Gross policy expenses	2,471	2,349	2,317	2,649	2,792	9,039	10,107
of which:							
Death & disability claims	1,449	1,348	1,387	1,596	1,647	5,376	5,978
Maturities	148	130	110	139	137	543	515
Annuities	85	83	81	82	86	324	332
Surrenders & terminations	137	144	135	129	184	556	592
Inwards reinsurance claims	511	463	469	540	586	1,821	2,058
Other policy expenses	141	182	136	162	151	419	631
Outward reinsurance claims	-709	-636	-684	-791	-967	-2,556	-3,077
Net policy expenses	1,762	1,714	1,633	1,858	1,825	6,484	7,030
Operating expenses	1,342	1,365	1,270	1,422	1,610	5,105	5,666
of which:							
Acquisition costs - commission	324	323	295	313	423	1,195	1,354
Acquisition costs - other expenses	217	201	192	225	242	846	860
Maintenance costs - commission	391	417	391	445	484	1,506	1,737
Maintenance costs - other expenses	319	327	313	323	366	1,184	1,329
Investment management	43	56	44	66	50	215	217
Net movement in DAC	-3	-5	-7	5	0	-15	-7
Other operating expenses	50	46	41	45	45	175	177
Movement in net policy liabilities	1,223	-86	-82	-157	725	3,029	400
Net policy revenue recognised as a deposit	1,754	1,277	819	1,477	1,220	7,230	4,793
of which:							
Direct premium	1,609	1,238	745	1,420	1,147	5,923	4,551
Inwards policy conversions	146	39	74	56	73	1,308	242
Other deposits	-1	0	0	0	0	-1	0
Net policy expenses recognised as a withdrawal	1,738	1,603	1,555	1,769	1,819	7,360	6,746
of which:							
Death & disability	44	56	51	48	56	181	212
Maturities	384	342	212	418	403	1,248	1,375
Annuities	292	280	274	296	303	1,157	1,152
Surrenders	944	871	884	922	973	4,160	3,649
Outwards policy conversions	154	126	216	167	172	814	681
Other withdrawals	-80	-72	-82	-82	-88	-201	-323
Effective movement in net policy liabilities	1,223	257	672	141	1,335	3,221	2,406

Table 1e Financial performance - non investment linked

(\$ million)

	Quarter end					Year End Sep 2012	Year End Sep 2013
	Sep 2012 ^c	Dec 2012	Mar 2013	Jun 2013	Sep 2013		
Change in policy owner retained profits	49	80	74	-30	96	129	219
Other expenses	13	20	11	29	14	48	73
Total expenses	4,388	3,435	3,660	3,420	4,879	14,987	15,395
Profit / loss before tax	881	615	781	113	313	3,625	1,821
Tax	342	149	260	-44	99	1,384	465
Net profit / loss after tax	539	466	521	156	213	2,241	1,356
Key statistics							
Net premiums ^a	4,965	4,256	3,893	4,655	5,011	18,925	17,816
Net policy payments ^b	3,499	3,317	3,188	3,627	3,644	13,844	13,775
Number of entities	28	28	28	28	28	28	28

^a Net premiums is the sum of net policy revenue, premium related fees and net policy revenue recognised as a deposit.

^b Net policy payments is the sum of net policy expenses and net policy expenses recognised as a withdrawal.

^c Some movements in the data in the September 2012 quarter are due to data reclassifications.

Table 1f Financial performance - class of business

(\$ million)

	Quarter end					Year End Sep 2012	Year End Sep 2013
	Sep 2012 ^a	Dec 2012	Mar 2013	Jun 2013	Sep 2013		
Superannuation business							
Gross policy revenue			1,808	1,923	2,305		
Net policy revenue	1,448	1,237	1,379	1,382	1,762	5,174	5,760
Management service fees	628	576	574	600	601	2,218	2,351
Investment revenue	8,661	6,319	8,443	3,660	10,045	20,403	28,468
Other revenue	15	26	19	27	24	97	95
Total revenue	10,752	8,158	10,416	5,669	12,431	27,892	36,674
Gross policy expenses			1,223	1,432	1,497		
Net policy expenses	912	872	851	1,001	968	3,363	3,692
Operating expenses	895	904	885	933	974	3,483	3,696
Effective movement in net policy liabilities	8,000	5,457	7,761	3,522	9,538	18,380	26,278
Change in policy owner retained profits	3	61	33	-30	55	-68	119
Other expenses	1	1	0	1	0	3	2
Total expenses	9,811	7,295	9,529	5,427	11,536	25,161	33,787
Profit / loss before tax	941	863	886	242	895	2,731	2,886
Tax	507	420	512	153	616	1,146	1,700
Net profit / loss after tax	434	443	374	89	279	1,585	1,186
Ordinary business							
Gross policy revenue			2,074	2,218	2,361		
Net policy revenue	1,732	1,722	1,670	1,774	2,007	6,428	7,172
Management service fees	30	30	27	28	30	109	115
Investment revenue	1,145	490	786	143	795	3,748	2,214
Other revenue	-11	34	26	30	26	102	116
Total revenue	2,895	2,277	2,509	1,974	2,858	10,386	9,618
Gross policy expenses			1,082	1,205	1,285		
Net policy expenses	850	842	782	857	856	3,121	3,337
Operating expenses	915	955	864	989	1,113	3,520	3,921
Effective movement in net policy liabilities	470	111	256	-116	499	1,079	750
Change in policy owner retained profits	46	19	41	0	40	197	100
Other expenses	12	19	11	28	13	45	72
Total expenses	2,293	1,947	1,953	1,759	2,522	7,962	8,181
Profit / loss before tax	603	330	556	215	336	2,424	1,437
Tax	276	107	216	-13	172	1,015	482
Net profit / loss after tax	327	223	340	228	164	1,409	955

^a Some movements in the data in the September 2012 quarter are due to data reclassifications.

Table 2a Financial position - total entity

(\$ million)

	Jun 2012	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013
Cash and deposits ^a	28,415	17,776	17,391	15,893	19,367	18,741
Investments	198,248	216,645	219,088	225,758	225,755	235,204
of which:						
Debt securities ^a	72,723	86,816	85,996	87,928	86,473	87,621
Equities ^a	107,213	111,568	115,789	120,094	122,106	130,319
Property ^a	17,293	17,282	16,490	17,026	16,532	16,467
Other investments ^a	1,019	980	813	709	644	797
Other assets ^a	6,799	6,801	6,147	6,789	6,823	8,038
Reinsurance policy liabilities	4,054	4,298	4,469	4,466	4,798	4,944
Total assets	237,515	245,520	247,095	252,906	256,743	266,927
Gross policy liabilities	203,056	209,220	211,769	217,306	220,673	229,408
of which:						
assumed directly	199,262	205,181	207,673	213,124	216,187	224,612
assumed under reinsurance	3,794	4,040	4,097	4,182	4,486	4,796
Borrowings	4,378	4,117	3,735	*	3,587	3,047
Creditors	3,848	4,692	3,996	4,562	4,327	4,972
Provisions	2,049	2,706	2,634	2,679	2,614	3,544
Policy owner retained profits	2,352	2,394	2,465	2,538	2,525	2,629
Other liabilities	2,149	1,995	1,862	*	2,228	1,857
Total liabilities	217,832	225,125	226,461	232,242	235,955	245,457
Share capital	8,814	9,202	9,835	10,322	10,328	10,829
Reserves and foreign currency translation	781	787	799	350	394	490
Shareholder retained profits	10,088	10,406	10,000	9,993	10,067	10,151
Net assets	19,683	20,395	20,634	20,664	20,788	21,470
Number of entities	28	28	28	28	28	28

^a All asset classes represent the effective exposure after adjustment for look-through and hedging.

Table 2b Financial position - total statutory funds

(\$ million)

	Jun 2012	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013
Cash and deposits ^a	28,149	17,448	17,019	15,533	18,680	18,250
Investments	194,939	213,502	215,955	222,618	222,887	232,625
of which:						
Debt securities ^a	69,753	84,071	83,274	85,191	84,068	85,453
Equities ^a	106,876	111,171	115,379	119,692	121,645	129,910
Property ^a	17,291	17,281	16,489	17,025	16,531	16,465
Other investments ^a	1,019	980	813	709	644	797
Other assets ^a	5,978	5,675	5,118	5,733	5,791	6,664
Reinsurance policy liabilities	4,054	4,298	4,469	4,466	4,798	4,944
Total assets	233,120	240,923	242,561	248,350	252,156	262,483
Gross policy liabilities	203,056	209,220	211,769	217,306	220,673	229,408
of which:						
assumed directly	199,262	205,181	207,673	213,124	216,187	224,612
assumed under reinsurance	3,794	4,040	4,097	4,182	4,486	4,796
Borrowings	2,483	2,301	1,943	*	1,822	1,801
Creditors	3,778	4,514	4,170	4,311	4,181	4,710
Provisions	1,931	2,567	2,500	2,560	2,512	3,427
Policy owner retained profits	2,352	2,394	2,465	2,538	2,525	2,629
Other liabilities	2,145	1,989	1,860	*	2,226	1,857
Total liabilities	215,745	222,985	224,707	*	233,938	243,833
Share capital	2,547	2,655	3,054	*	3,200	3,298
Reserves and foreign currency translation	3,799	3,993	3,919	3,236	3,280	3,710
Shareholder retained profits	11,028	11,290	10,881	11,871	11,739	11,642
Net assets	17,374	17,938	17,854	*	18,218	18,650
Number of entities	28	28	28	28	28	28

^a All asset classes represent the effective exposure after adjustment for look-through and hedging.

Table 2c Financial position - total general funds

(\$ million)

	Jun 2012	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013
Cash and deposits ^a	266	328	372	359	686	490
Investments	3,308	3,143	3,133	3,140	2,867	2,579
of which:						
Debt securities ^a	2,970	2,745	2,722	2,737	2,405	2,168
Equities ^a	337	397	410	402	460	409
Property ^a	2	1	1	1	1	1
Other investments ^a	0	0	0	0	0	0
Other assets ^a	821	1,126	1,431	1,064	1,033	1,386
Total assets	4,396	4,598	4,935	4,563	4,586	4,455
Total liabilities	2,087	2,141	2,155	*	2,017	1,635
Share capital	6,267	6,547	6,781	*	7,128	7,531
Reserves and foreign currency translation	-3,018	-3,206	-3,120	-2,886	-2,886	-3,221
Shareholder retained profits	-940	-884	-881	-1,878	-1,672	-1,491
Net assets	2,308	2,457	2,781	*	2,569	2,819
Number of entities	28	28	28	28	28	28

^a All asset classes represent the effective exposure after adjustment for look-through and hedging.

Table 2d Financial position - investment linked

(\$ million)

	Jun 2012	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013
Cash and deposits ^a	12,764	14,273	13,093	12,294	13,215	13,479
Investments	138,829	143,132	146,873	153,167	155,898	164,056
of which:						
Debt securities ^a	30,229	31,052	31,492	33,542	33,735	34,755
Equities ^a	96,680	100,145	103,816	107,643	110,390	117,523
Property ^a	11,702	11,780	11,405	11,938	11,754	11,601
Other investments ^a	218	154	159	44	19	178
Other assets ^a	2,497	1,890	1,817	2,035	1,922	1,925
Reinsurance policy liabilities	0	0	0	0	0	0
Total assets	154,090	159,295	161,783	167,496	171,035	179,460
Gross policy liabilities	150,810	155,470	157,965	163,634	166,843	174,402
of which:						
assumed directly	150,810	155,470	157,965	163,634	166,843	174,402
assumed under reinsurance	0	0	0	0	0	0
Borrowings	717	650	502	323	404	398
Creditors	759	990	1,298	1,376	1,179	1,237
Provisions	365	696	864	841	1,183	1,907
Policy owner retained profits	0	0	0	0	0	0
Other liabilities	35	96	25	154	181	209
Total liabilities	152,686	157,903	160,653	166,328	169,789	178,153
Share capital	146	131	169	169	201	201
Reserves and foreign currency translation	289	283	283	259	259	259
Shareholder retained profits	970	977	677	739	786	847
Net assets	1,404	1,392	1,130	1,168	1,246	1,307
Number of entities	15	15	15	16	16	16

^a All asset classes represent the effective exposure after adjustment for look-through and hedging.

Table 2e Financial position - non investment linked

(\$ million)

	Jun 2012	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013
Cash and deposits ^a	15,384	3,175	3,927	3,240	5,467	4,773
Investments	56,147	70,408	69,120	69,489	67,030	68,612
of which:						
Debt securities ^a	39,562	53,057	51,820	51,688	50,373	50,742
Equities ^a	10,195	11,026	11,563	12,049	11,255	12,387
Property ^a	5,589	5,500	5,084	5,086	4,777	4,864
Other investments ^a	801	825	654	666	625	619
Other assets ^a	3,508	3,876	3,569	3,867	3,999	4,985
Reinsurance policy liabilities	4,054	4,298	4,469	4,466	4,798	4,944
Total assets	79,094	81,756	81,085	81,062	81,293	83,314
Gross policy liabilities	52,246	53,750	53,804	53,671	53,829	55,006
of which:						
assumed directly	48,452	49,710	49,707	49,489	49,343	50,211
assumed under reinsurance	3,794	4,040	4,097	4,182	4,486	4,796
Borrowings	1,803	1,689	1,480	1,359	1,458	1,446
Creditors	3,045	3,612	3,138	3,102	3,132	3,719
Provisions	1,566	1,871	1,637	1,719	1,329	1,520
Policy owner retained profits	2,352	2,394	2,465	2,538	2,525	2,629
Other liabilities	2,111	1,894	1,837	*	2,047	1,649
Total liabilities	63,124	65,209	64,361	*	64,321	65,971
Share capital	2,402	2,524	2,885	*	2,999	3,097
Reserves and foreign currency translation	3,510	3,710	3,636	2,977	3,020	3,451
Shareholder retained profits	10,058	10,313	10,203	11,132	10,953	10,795
Net assets	15,970	16,547	16,724	*	16,972	17,343
Number of entities	28	28	28	28	28	28

^a All asset classes represent the effective exposure after adjustment for look-through and hedging.

Table 3a - Product group performance - total statutory fund

(\$ million)

	Quarter end					Year End Sep 2012	Year End Sep 2013
	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013		
Conventional Participating							
Gross policy revenue			62	70	69		
Net policy revenue	72	66	61	71	69	283	267
Management service fees	2	1	3	1	-1	6	5
Investment revenue	676	211	437	-65	459	2,074	1,041
Other revenue	-1	0	0	0	0	2	0
Total revenue	750	279	501	7	527	2,365	1,313
Gross policy expenses			269	304	313		
Net policy expenses	309	288	269	304	313	1,162	1,173
Operating expenses	38	32	34	35	39	151	140
Effective movement in net policy liabilities	253	-62	99	-287	65	528	-184
Other expenses	-24	5	5	-8	8	-2	10
Total expenses	576	264	407	44	425	1,838	1,139
Profit / loss before tax	174	15	94	-37	102	527	174
Tax	137	22	72	-54	83	447	123
Net profit / loss after tax	37	-7	22	17	19	80	51
Participating Investment Account							
Gross policy revenue			*	2	0		
Net policy revenue	*	*	*	2	0	18	4
Management service fees	*	*	*	2	0	11	1
Investment revenue	401	266	317	105	338	1,066	1,027
Other revenue	-3	0	0	0	0	3	0
Total revenue	*	*	*	109	338	1,098	1,032
Gross policy expenses			8	0	37		
Net policy expenses	8	12	8	0	37	25	57
Operating expenses	58	46	47	40	55	214	189
Effective movement in net policy liabilities	218	69	161	53	121	544	404
Other expenses	27	30	28	-22	46	8	82
Total expenses	311	158	244	71	259	792	732
Profit / loss before tax	*	*	*	38	79	307	300
Tax	27	24	*	8	20	94	*
Net profit / loss after tax	*	*	57	30	59	212	*

Table 3a - Product group performance - total statutory fund

(\$ million)

	Quarter end					Year End Sep 2012	Year End Sep 2013
	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013		
Annuity with Longevity Risk							
Gross policy revenue			*	*	*		
Net policy revenue	*	*	*	*	*	50	314
Management service fees	1	0	0	0	0	1	1
Investment revenue	*	*	*	*	46	502	38
Other revenue	0	0	0	0	0	0	0
Total revenue	159	85	59	*	*	554	353
Gross policy expenses			105	103	111		
Net policy expenses	76	75	73	74	83	304	304
Operating expenses	3	3	2	3	2	11	10
Effective movement in net policy liabilities	48	-33	-15	-58	50	171	-56
Other expenses	0	0	0	*	*	1	0
Total expenses	127	45	59	*	*	487	259
Profit / loss before tax	32	40	-1	32	22	67	93
Tax	12	3	4	8	6	18	21
Net profit / loss after tax	19	37	-5	24	17	48	73
Individual Lump Sum Risk							
Gross policy revenue			1,670	1,785	1,853		
Net policy revenue	1,399	1,441	1,389	1,483	1,687	5,283	5,999
Management service fees	1	2	2	4	1	1	8
Investment revenue	-32	1	-5	-2	-16	-238	-22
Other revenue	14	31	25	31	27	82	114
Total revenue	1,383	1,475	1,410	1,515	1,699	5,129	6,100
Gross policy expenses			615	720	767		
Net policy expenses	531	519	474	526	561	1,926	2,080
Operating expenses	673	679	632	705	861	2,511	2,877
Effective movement in net policy liabilities	-167	104	61	139	-13	-941	291
Other expenses	6	2	2	2	2	8	8
Total expenses	1,045	1,303	1,170	1,372	1,411	3,504	5,255
Profit / loss before tax	336	172	240	144	288	1,625	844
Tax	77	65	61	37	77	482	240
Net profit / loss after tax	259	107	180	107	211	1,142	605

Table 3a - Product group performance - total statutory fund

(\$ million)

	Quarter end					Year End Sep 2012	Year End Sep 2013
	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013		
Individual Disability Income Insurance							
Gross policy revenue			618	664	712		
Net policy revenue	492	481	486	518	585	1,807	2,070
Management service fees	-1	-2	-1	-3	0	-7	-6
Investment revenue	95	-30	8	-43	33	367	-32
Other revenue	-15	4	5	4	4	28	17
Total revenue	571	453	497	476	622	2,194	2,048
Gross policy expenses			279	290	335		
Net policy expenses	161	166	166	165	150	600	646
Operating expenses	257	266	260	266	338	1,012	1,130
Effective movement in net policy liabilities	162	-27	0	-51	214	703	137
Other expenses	3	3	4	3	3	15	13
Total expenses	582	407	430	383	706	2,331	1,926
Profit / loss before tax	-2	46	68	93	-84	-137	122
Tax	-9	-13	18	24	-24	-59	5
Net profit / loss after tax	7	58	49	69	-59	-78	117
Group Lump Sum Risk							
Gross policy revenue			976	1,032	1,269		
Net policy revenue	833	633	773	748	959	2,834	3,114
Management service fees	1	2	1	1	1	1	5
Investment revenue	32	27	20	21	21	148	88
Other revenue	-1	0	0	0	1	1	1
Total revenue	865	662	794	771	981	2,984	3,208
Gross policy expenses			731	883	887		
Net policy expenses	539	457	486	607	577	2,021	2,127
Operating expenses	152	149	135	161	154	569	599
Effective movement in net policy liabilities	155	63	160	190	434	231	847
Other expenses	0	-3	-1	-1	1	-7	-3
Total expenses	846	666	780	958	1,166	2,814	3,571
Profit / loss before tax	19	-4	14	-187	-185	170	-363
Tax	9	-6	3	-60	-48	65	-110
Net profit / loss after tax	10	1	11	-128	-137	105	-252

Table 3a - Product group performance - total statutory fund

(\$ million)

	Quarter end					Year End Sep 2012	Year End Sep 2013
	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013		
Group Disability Income Insurance							
Gross policy revenue			384	415	524		
Net policy revenue	253	176	202	193	261	757	831
Management service fees	0	0	0	0	1	0	1
Investment revenue	32	17	17	6	16	144	57
Other revenue	0	0	0	0	1	2	2
Total revenue	286	194	219	199	279	904	891
Gross policy expenses			189	218	210		
Net policy expenses	34	51	51	62	-17	120	147
Operating expenses	84	78	81	91	84	292	333
Effective movement in net policy liabilities	211	35	73	82	276	546	466
Other expenses	0	0	0	0	0	0	1
Total expenses	328	164	205	235	344	958	947
Profit / loss before tax	-40	30	14	-36	-65	-54	-57
Tax	-1	0	8	-15	-51	-14	-59
Net profit / loss after tax	-39	31	7	-21	-14	-40	2
Non-par Investment Linked Policy							
Gross policy revenue			0	0	0		
Net policy revenue	0	0	0	0	0	1	0
Management service fees	606	568	558	587	590	2,157	2,303
Investment revenue	7,720	5,765	7,878	3,474	9,443	17,295	26,559
Other revenue	10	14	11	17	12	54	53
Total revenue	8,336	6,346	8,447	4,077	10,045	19,506	28,916
Gross policy expenses			0	0	0		
Net policy expenses	0	0	0	0	0	1	0
Operating expenses	457	483	468	489	472	1,858	1,913
Effective movement in net policy liabilities	7,299	5,355	7,420	3,278	8,715	16,343	24,768
Other expenses	0	0	0	0	0	0	0
Total expenses	7,756	5,838	7,888	3,768	9,187	18,202	26,682
Profit / loss before tax	580	508	559	309	858	1,304	2,234
Tax	465	377	457	188	691	809	1,713
Net profit / loss after tax	115	131	102	121	167	495	521

Table 3a - Product group performance - total statutory fund

(\$ million)

	Quarter end					Year End Sep 2012	Year End Sep 2013
	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013		
Non-par Non-Investment Linked Policy							
Gross policy revenue			74	54	94		
Net policy revenue	104	101	74	54	94	557	323
Management service fees	22	21	21	22	20	86	84
Investment revenue	146	93	125	66	98	489	381
Other revenue	1	2	0	2	2	7	6
Total revenue	273	217	220	143	213	1,139	793
Gross policy expenses			106	117	118		
Net policy expenses	102	145	106	117	118	315	486
Operating expenses	16	17	14	11	16	60	58
Effective movement in net policy liabilities	115	23	75	-4	52	634	147
Other expenses	0	0	0	0	0	-1	0
Total expenses	233	185	195	124	186	1,009	690
Profit / loss before tax	41	33	25	19	27	130	103
Tax	29	11	11	5	15	64	42
Net profit / loss after tax	12	22	13	13	12	67	60
Annuity without Longevity Risk							
Gross policy revenue			0	0	0		
Net policy revenue	0	0	0	0	0	0	0
Management service fees	1	1	1	1	2	4	4
Investment revenue	*	*	*	*	*	823	448
Other revenue	0	0	0	0	0	0	0
Total revenue	*	*	*	*	*	827	453
Gross policy expenses			1	1	1		
Net policy expenses	1	1	1	1	1	6	5
Operating expenses	5	4	4	*	*	14	6
Effective movement in net policy liabilities	147	*	22	*	*	601	258
Other expenses	0	0	0	0	0	0	0
Total expenses	154	*	*	*	*	620	270
Profit / loss before tax	*	*	*	*	*	207	183
Tax	1	3	*	*	0	1	7
Net profit / loss after tax	*	*	*	*	*	206	176

Table 3a - Product group performance - total statutory fund

(\$ million)

	Quarter end					Year End Sep 2012	Year End Sep 2013
	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013		
	Other products						
Gross policy revenue			4	4	4		
Net policy revenue	3	2	2	3	2	12	10
Management service fees	18	16	14	14	17	67	60
Investment revenue	349	263	295	262	278	1,479	1,098
Other revenue	-2	7	4	3	4	19	19
Total revenue	368	289	315	282	301	1,577	1,186
Gross policy expenses			2	2	2		
Net policy expenses	1	0	1	1	1	5	3
Operating expenses	67	102	70	115	73	313	361
Effective movement in net policy liabilities	30	-38	-39	-4	33	98	-48
Other expenses	49	63	46	25	49	154	182
Total expenses	146	126	78	137	156	569	497
Profit / loss before tax	212	162	237	145	144	1,008	689
Tax	34	41	64	2	19	253	126
Net profit / loss after tax	178	122	173	143	126	755	563

Table 3b - Product group performance - class of business - superannuation business

(\$ million)

	Quarter end					Year End Sep 2012	Year End Sep 2013
	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013		
Conventional Participating							
Gross policy revenue			10	12	10		
Net policy revenue	12	7	10	12	10	44	39
Management service fees	1	0	1	0	-1	2	1
Investment revenue	133	55	102	19	114	375	290
Other revenue	0	0	0	0	0	0	0
Total revenue	145	63	113	31	123	421	329
Gross policy expenses			86	96	103		
Net policy expenses	101	86	86	96	103	361	371
Operating expenses	8	5	7	8	9	33	29
Effective movement in net policy liabilities	43	-32	2	-72	0	26	-102
Other expenses	-22	3	4	-4	0	-44	3
Total expenses	129	62	100	28	111	376	301
Profit / loss before tax	16	0	13	3	12	45	28
Tax	11	-1	8	0	7	36	15
Net profit / loss after tax	5	1	4	3	4	8	13
Participating Investment Account							
Gross policy revenue			4	2	0		
Net policy revenue	*	*	*	*	0	19	1
Management service fees	6	-2	2	1	0	10	2
Investment revenue	*	*	*	101	316	983	957
Other revenue	-3	0	0	0	0	3	0
Total revenue	*	*	*	104	315	1,016	960
Gross policy expenses			6	1	34		
Net policy expenses	7	11	6	1	34	20	52
Operating expenses	55	44	45	38	53	205	181
Effective movement in net policy liabilities	212	*	154	54	113	519	*
Other expenses	19	44	27	-23	44	-5	93
Total expenses	294	*	232	70	245	739	*
Profit / loss before tax	*	*	*	34	70	277	258
Tax	21	20	*	8	17	76	*
Net profit / loss after tax	*	*	52	26	53	201	*

Table 3b - Product group performance - class of business - superannuation business

(\$ million)

	Quarter end					Year End Sep 2012	Year End Sep 2013
	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013		
Annuity with Longevity Risk							
Gross policy revenue			*	*	*		
Net policy revenue	*	*	*	*	*	69	332
Management service fees	1	0	0	0	0	1	1
Investment revenue	*	*	*	*	42	460	43
Other revenue	0	0	0	0	0	0	0
Total revenue	154	95	66	*	*	530	376
Gross policy expenses			78	76	85		
Net policy expenses	73	73	71	72	81	298	297
Operating expenses	2	3	2	3	2	10	9
Effective movement in net policy liabilities	50	-21	-9	-48	57	160	-21
Other expenses	0	0	0	*	*	1	0
Total expenses	125	55	64	*	*	468	285
Profit / loss before tax	30	40	2	29	19	63	91
Tax	11	4	5	8	5	16	21
Net profit / loss after tax	18	37	-2	22	14	47	70
Individual Lump Sum Risk							
Gross policy revenue			393	422	458		
Net policy revenue	328	334	328	350	408	1,230	1,420
Management service fees	-3	-3	-2	-2	-2	-12	-9
Investment revenue	-5	0	2	0	0	-41	3
Other revenue	2	7	6	7	8	19	28
Total revenue	322	338	334	356	413	1,197	1,441
Gross policy expenses			114	147	156		
Net policy expenses	120	107	91	115	120	418	433
Operating expenses	146	149	148	155	207	551	659
Effective movement in net policy liabilities	-20	-4	5	2	-11	-138	-8
Other expenses	0	0	0	0	0	0	0
Total expenses	246	252	244	272	315	831	1,084
Profit / loss before tax	76	86	90	83	97	366	357
Tax	23	24	26	24	25	121	100
Net profit / loss after tax	53	62	64	59	72	245	257

Table 3b - Product group performance - class of business - superannuation business

(\$ million)

	Quarter end					Year End	Year End
	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013	Sep 2012	Sep 2013
Individual Disability Income Insurance							
Gross policy revenue			49	56	60		
Net policy revenue	43	44	46	51	57	160	198
Management service fees	-1	-1	-1	-1	-1	-4	-3
Investment revenue	5	-2	0	-2	-1	8	-5
Other revenue	0	0	0	0	0	0	0
Total revenue	47	41	45	48	56	164	190
Gross policy expenses			6	7	10		
Net policy expenses	5	3	7	6	6	12	22
Operating expenses	25	27	28	31	33	102	119
Effective movement in net policy liabilities	-2	5	-5	-10	18	3	8
Other expenses	0	0	0	0	0	1	1
Total expenses	29	35	30	27	58	118	151
Profit / loss before tax	18	6	15	21	-2	46	39
Tax	5	2	4	6	0	14	12
Net profit / loss after tax	12	4	11	15	-2	32	28
Group Lump Sum Risk							
Gross policy revenue			920	971	1,192		
Net policy revenue	774	576	722	694	902	2,603	2,893
Management service fees	0	0	0	0	0	0	0
Investment revenue	30	26	19	18	21	141	84
Other revenue	0	0	0	0	0	1	0
Total revenue	804	602	741	711	923	2,745	2,977
Gross policy expenses			704	846	854		
Net policy expenses	510	433	469	576	550	1,920	2,028
Operating expenses	129	123	117	139	135	469	514
Effective movement in net policy liabilities	160	28	147	212	422	237	809
Other expenses	0	0	0	-1	1	-9	0
Total expenses	798	585	732	927	1,107	2,617	3,351
Profit / loss before tax	5	17	9	-215	-184	128	-374
Tax	6	1	2	-68	-48	53	-113
Net profit / loss after tax	0	16	7	-147	-137	75	-260

Table 3b - Product group performance - class of business - superannuation business

(\$ million)

	Quarter end					Year End Sep 2012	Year End Sep 2013
	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013		
Group Disability Income Insurance							
Gross policy revenue			293	314	372		
Net policy revenue	161	114	136	131	176	495	557
Management service fees	0	0	0	0	0	0	0
Investment revenue	20	13	10	6	8	77	38
Other revenue	1	0	0	0	1	1	2
Total revenue	181	128	147	137	185	573	596
Gross policy expenses			124	143	138		
Net policy expenses	-3	15	19	19	-44	25	10
Operating expenses	54	49	53	56	58	190	217
Effective movement in net policy liabilities	137	41	77	79	199	338	395
Other expenses	0	0	0	0	0	0	1
Total expenses	188	106	149	155	214	554	623
Profit / loss before tax	-7	22	-3	-17	-29	19	-27
Tax	-6	7	1	-10	-38	5	-40
Net profit / loss after tax	-2	16	-4	-7	9	14	13
Non-par Investment Linked Policy							
Gross policy revenue			0	0	0		
Net policy revenue	0	0	0	0	0	1	0
Management service fees	594	554	546	574	578	2,107	2,252
Investment revenue	7,567	5,652	7,730	3,435	9,281	16,926	26,097
Other revenue	10	14	11	16	12	54	53
Total revenue	8,171	6,220	8,287	4,025	9,871	19,088	28,403
Gross policy expenses			0	0	0		
Net policy expenses	0	0	0	0	0	0	0
Operating expenses	446	473	458	479	463	1,816	1,873
Effective movement in net policy liabilities	7,187	5,273	7,314	3,249	8,597	16,065	24,433
Other expenses	0	0	0	0	0	0	0
Total expenses	7,633	5,746	7,772	3,728	9,060	17,882	26,306
Profit / loss before tax	538	474	514	297	811	1,206	2,096
Tax	428	348	419	182	649	731	1,598
Net profit / loss after tax	110	126	96	115	162	475	498

Table 3b - Product group performance - class of business - superannuation business

(\$ million)

	Quarter end					Year End Sep 2012	Year End Sep 2013
	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013		
Non-par Non-Investment Linked Policy							
Gross policy revenue			74	53	93		
Net policy revenue	103	101	74	53	93	555	321
Management service fees	20	19	19	20	18	79	77
Investment revenue	123	79	103	61	82	429	324
Other revenue	2	2	0	2	2	7	6
Total revenue	248	201	196	135	195	1,069	727
Gross policy expenses			103	115	118		
Net policy expenses	99	144	103	115	118	308	479
Operating expenses	14	15	13	10	15	53	52
Effective movement in net policy liabilities	84	27	57	-8	40	583	116
Other expenses	0	0	0	0	0	-1	0
Total expenses	197	186	173	116	172	943	647
Profit / loss before tax	51	16	23	19	23	125	80
Tax	25	8	9	6	12	57	35
Net profit / loss after tax	26	7	14	13	10	68	45
Annuity without Longevity Risk							
Gross policy revenue			0	0	0		
Net policy revenue	0	0	0	0	0	0	0
Management service fees	1	1	1	1	2	4	4
Investment revenue	*	*	*	*	*	*	407
Other revenue	0	0	0	0	0	0	0
Total revenue	*	*	*	*	*	*	411
Gross policy expenses			0	0	0		
Net policy expenses	0	0	0	*	*	0	0
Operating expenses	3	2	2	*	*	7	-1
Effective movement in net policy liabilities	137	*	24	*	*	551	254
Other expenses	0	0	*	0	0	0	0
Total expenses	140	*	*	*	*	558	254
Profit / loss before tax	*	*	*	*	*	195	158
Tax	0	1	*	*	-1	-2	1
Net profit / loss after tax	*	*	*	*	*	197	157

Table 3b - Product group performance - class of business - superannuation business

(\$ million)

	Quarter end					Year End Sep 2012	Year End Sep 2013
	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013		
	Other products						
Gross policy revenue			*	*	*		
Net policy revenue	0	0	0	*	*	-2	-2
Management service fees	9	7	6	7	6	30	26
Investment revenue	59	60	55	*	*	296	231
Other revenue	3	2	2	1	2	12	7
Total revenue	71	69	63	56	74	336	262
Gross policy expenses			0	0	0		
Net policy expenses	0	0	0	*	*	0	0
Operating expenses	11	13	12	*	*	47	45
Effective movement in net policy liabilities	13	4	-7	*	*	36	14
Other expenses	7	*	2	-2	10	*	24
Total expenses	31	*	8	9	36	*	82
Profit / loss before tax	40	38	55	*	*	261	179
Tax	-18	7	*	*	-13	39	12
Net profit / loss after tax	58	31	*	*	*	223	168

Table 3c - Product group performance - class of business - ordinary business

(\$ million)

	Quarter end					Year End Sep 2012	Year End Sep 2013
	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013		
Conventional Participating							
Gross policy revenue			52	59	59		
Net policy revenue	61	59	51	59	59	240	228
Management service fees	1	1	2	1	0	4	3
Investment revenue	543	156	335	-84	345	1,699	752
Other revenue	-1	0	0	0	0	2	0
Total revenue	605	216	388	-24	404	1,944	983
Gross policy expenses			182	207	210		
Net policy expenses	208	203	182	207	210	801	802
Operating expenses	29	27	27	28	30	118	111
Effective movement in net policy liabilities	210	-30	97	-215	65	502	-82
Other expenses	-1	2	1	-4	8	42	7
Total expenses	447	202	307	16	313	1,462	838
Profit / loss before tax	158	15	81	-40	90	483	145
Tax	126	23	64	-54	76	411	108
Net profit / loss after tax	32	-8	17	14	15	72	38
Participating Investment Account							
Gross policy revenue			1	0	0		
Net policy revenue	-1	2	1	0	0	-2	3
Management service fees	1	-1	0	0	0	1	0
Investment revenue	29	19	24	5	22	83	69
Other revenue	0	0	0	0	0	0	0
Total revenue	29	20	25	5	23	83	72
Gross policy expenses			2	0	2		
Net policy expenses	1	1	2	0	2	5	5
Operating expenses	2	2	2	2	2	9	8
Effective movement in net policy liabilities	6	13	7	-1	8	25	26
Other expenses	8	-14	2	1	2	13	-10
Total expenses	17	2	12	1	14	52	30
Profit / loss before tax	12	18	13	3	9	30	42
Tax	6	4	8	-1	3	19	14
Net profit / loss after tax	6	14	5	4	5	12	28

Table 3c - Product group performance - class of business - ordinary business

(\$ million)

	Quarter end					Year End Sep 2012	Year End Sep 2013
	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013		
Annuity with Longevity Risk							
Gross policy revenue			23	22	22		
Net policy revenue	-5	-5	-4	-5	-5	-19	-18
Management service fees	0	0	0	0	0	0	0
Investment revenue	9	-6	-3	0	4	42	-5
Other revenue	0	0	0	0	0	0	0
Total revenue	4	-11	-7	-5	0	23	-23
Gross policy expenses			27	27	26		
Net policy expenses	3	2	2	2	2	6	8
Operating expenses	0	0	0	0	0	1	1
Effective movement in net policy liabilities	-1	-13	-7	-10	-6	12	-35
Other expenses	0	0	0	0	0	0	0
Total expenses	3	-10	-4	-7	-4	19	-26
Profit / loss before tax	2	0	-3	2	4	4	3
Tax	1	0	-1	0	1	2	0
Net profit / loss after tax	1	0	-2	2	3	2	3
Individual Lump Sum Risk							
Gross policy revenue			1,277	1,363	1,395		
Net policy revenue	1,071	1,107	1,060	1,132	1,279	4,052	4,579
Management service fees	4	4	4	6	3	13	18
Investment revenue	-27	1	-7	-2	-16	-197	-24
Other revenue	12	24	19	24	20	63	87
Total revenue	1,061	1,136	1,076	1,160	1,287	3,932	4,659
Gross policy expenses			501	573	611		
Net policy expenses	411	412	383	411	441	1,508	1,647
Operating expenses	527	530	484	550	655	1,959	2,218
Effective movement in net policy liabilities	-147	107	57	137	-2	-803	299
Other expenses	6	2	2	2	2	8	7
Total expenses	799	1,050	926	1,099	1,096	2,673	4,171
Profit / loss before tax	260	86	150	60	191	1,259	487
Tax	54	41	34	13	52	361	140
Net profit / loss after tax	206	45	116	48	139	898	348

Table 3c - Product group performance - class of business - ordinary business

(\$ million)

	Quarter end					Year End Sep 2012	Year End Sep 2013
	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013		
Individual Disability Income Insurance							
Gross policy revenue			569	608	652		
Net policy revenue	449	438	440	467	528	1,647	1,872
Management service fees	0	-1	-1	-2	1	-4	-3
Investment revenue	90	-28	8	-41	33	359	-27
Other revenue	-15	4	5	4	4	28	17
Total revenue	524	412	452	428	566	2,030	1,858
Gross policy expenses			273	282	325		
Net policy expenses	156	162	159	159	144	588	624
Operating expenses	232	239	232	235	305	910	1,010
Effective movement in net policy liabilities	164	-32	5	-41	196	700	128
Other expenses	3	3	4	3	3	15	12
Total expenses	553	372	400	356	647	2,212	1,775
Profit / loss before tax	-20	40	52	72	-81	-183	83
Tax	-14	-14	14	18	-24	-73	-6
Net profit / loss after tax	-6	55	38	54	-57	-110	89
Group Lump Sum Risk							
Gross policy revenue			56	62	77		
Net policy revenue	60	57	51	55	57	231	221
Management service fees	1	2	1	1	1	1	5
Investment revenue	1	1	1	4	-1	7	4
Other revenue	-1	0	0	0	0	0	1
Total revenue	61	60	53	59	58	239	231
Gross policy expenses			27	36	34		
Net policy expenses	29	24	17	31	27	101	99
Operating expenses	23	25	19	22	19	100	85
Effective movement in net policy liabilities	-4	35	12	-22	12	-6	38
Other expenses	0	-3	0	0	0	2	-3
Total expenses	48	81	48	32	59	197	220
Profit / loss before tax	14	-21	5	28	-1	42	11
Tax	3	-6	1	9	0	12	3
Net profit / loss after tax	10	-15	4	19	-1	30	8

Table 3c - Product group performance - class of business - ordinary business

(\$ million)

	Quarter end					Year End	Year End
	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013	Sep 2012	Sep 2013
Group Disability Income Insurance							
Gross policy revenue			91	101	152		
Net policy revenue	92	62	66	62	85	263	274
Management service fees	0	0	0	0	1	0	1
Investment revenue	13	4	7	-1	9	67	19
Other revenue	0	0	0	0	0	0	0
Total revenue	105	66	72	61	94	331	294
Gross policy expenses			65	75	73		
Net policy expenses	37	36	32	43	26	95	137
Operating expenses	30	28	27	34	26	101	116
Effective movement in net policy liabilities	73	-6	-4	3	77	208	71
Other expenses	0	0	0	0	0	0	0
Total expenses	140	58	55	80	130	404	324
Profit / loss before tax	-32	8	17	-19	-36	-73	-30
Tax	5	-7	7	-6	-13	-19	-19
Net profit / loss after tax	-37	15	10	-13	-23	-54	-11
Non-par Investment Linked Policy							
Gross policy revenue			0	0	0		
Net policy revenue	0	0	0	0	0	0	0
Management service fees	12	14	12	13	12	49	51
Investment revenue	153	113	148	39	162	368	462
Other revenue	0	0	0	0	0	0	0
Total revenue	165	127	160	52	174	418	513
Gross policy expenses			0	0	0		
Net policy expenses	0	0	0	0	0	0	0
Operating expenses	11	10	10	11	9	42	41
Effective movement in net policy liabilities	112	82	106	29	118	278	335
Other expenses	0	0	0	0	0	0	0
Total expenses	123	92	116	40	127	320	375
Profit / loss before tax	43	34	44	12	47	97	138
Tax	38	29	38	7	42	78	115
Net profit / loss after tax	5	5	7	6	5	20	23

Table 3c - Product group performance - class of business - ordinary business

(\$ million)

	Quarter end					Year End	Year End
	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013	Sep 2012	Sep 2013
Non-par Non-Investment Linked Policy							
Gross policy revenue			1	1	0		
Net policy revenue	1	0	1	1	0	3	2
Management service fees	1	2	1	2	2	7	7
Investment revenue	24	14	22	5	16	61	57
Other revenue	0	0	0	0	0	0	0
Total revenue	26	16	24	7	18	70	66
Gross policy expenses			3	2	1		
Net policy expenses	2	1	3	2	1	7	7
Operating expenses	2	2	1	2	1	7	6
Effective movement in net policy liabilities	31	-4	18	4	12	52	31
Other expenses	0	0	0	0	0	0	0
Total expenses	36	-1	22	8	14	65	43
Profit / loss before tax	-10	17	2	0	4	5	23
Tax	4	3	2	0	2	7	7
Net profit / loss after tax	-14	14	-1	0	2	-2	15
Annuity without Longevity Risk							
Gross policy revenue			0	0	0		
Net policy revenue	0	0	0	0	0	0	0
Management service fees	0	0	0	0	0	0	0
Investment revenue	18	13	13	6	8	75	41
Other revenue	0	0	0	0	0	0	0
Total revenue	18	13	13	6	8	75	41
Gross policy expenses			1	1	1		
Net policy expenses	1	1	1	1	1	6	5
Operating expenses	2	2	2	2	1	7	7
Effective movement in net policy liabilities	10	1	-3	2	3	50	3
Other expenses	0	0	0	0	0	0	0
Total expenses	13	4	1	6	6	62	16
Profit / loss before tax	5	9	13	0	3	12	25
Tax	1	2	3	0	1	3	6
Net profit / loss after tax	4	7	9	1	2	9	19

Table 3c - Product group performance - class of business - ordinary business

(\$ million)

	Quarter end					Year End Sep 2012	Year End Sep 2013
	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013		
	Other products						
Gross policy revenue			4	4	4		
Net policy revenue	4	2	3	3	3	13	11
Management service fees	10	9	7	7	10	37	34
Investment revenue	290	203	239	213	212	1,184	867
Other revenue	-6	6	3	2	2	8	12
Total revenue	297	220	253	225	227	1,242	924
Gross policy expenses			2	2	1		
Net policy expenses	1	0	1	*	*	5	3
Operating expenses	55	89	58	*	*	265	316
Effective movement in net policy liabilities	17	-42	-33	-4	16	62	-63
Other expenses	42	49	44	27	39	163	159
Total expenses	115	96	71	128	120	495	415
Profit / loss before tax	172	124	182	97	106	747	510
Tax	52	34	45	3	32	215	114
Net profit / loss after tax	120	90	136	94	75	532	396

Table 4 Capital adequacy^a

(\$ million)

	Jun 2012	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013
Total entity						
Prescribed capital amount				5,447	5,354	5,668
Capital base of which:				10,881	10,818	11,260
Tier 1 Capital of which:				*	10,304	10,654
Common Equity Tier 1 Capital of which:				*	10,229	10,579
Regulatory & other adjustments to Common Equity Tier 1 Capital				*	10,479	10,815
Additional Tier 1 Capital of which:				*	75	75
Regulatory & other adjustments to Additional Tier 1 Capital				*	0	0
Tier 2 Capital of which:				*	514	606
Regulatory & other adjustments to Tier 2 Capital				*	489	481
Capital in excess of prescribed capital amount				5,434	5,464	5,592
Common Equity Tier 1 Capital ratio				*	1.91	1.87
Tier 1 Capital ratio				*	1.92	1.88
Prescribed capital amount coverage ratio				2.00	2.02	1.99
Total statutory funds						
Total solvency requirement	226,644	233,962	235,545			
Solvency reserve	7,796	8,167	7,959			
Total amounts available for solvency reserve	14,272	15,128	14,975			
Solvency reserve coverage ratio	1.83	1.85	1.88			
Total capital adequacy requirement	229,034	236,506	238,123			
Capital adequacy reserve	10,186	10,711	10,537			
Total amounts available for capital adequacy reserve	14,272	15,128	14,975			
Capital adequacy reserve coverage ratio	1.40	1.41	1.42			
Prescribed capital amount				4,969	4,884	5,272
Asset risk charge				2,715	2,758	2,965
Insurance risk charge				*	967	1,072
Less: Aggregation benefit				*	334	356
Asset concentration risk charge				0	0	0
Operational risk charge				1,000	1,010	1,059
Combined stress scenario adjustment				774	768	816
Other risk charges				*	-285	-283
Capital base of which:				9,257	9,023	9,183
Tier 2 Capital				*	514	606
Capital base net of Tier 2 Capital				*	8,509	8,577
Capital in excess of prescribed capital amount				4,287	4,139	3,911
Capital base (net of Tier 2 Capital) ratio				*	1.74	1.63
Prescribed capital amount coverage ratio				1.86	1.85	1.74
General fund						
Prudential capital requirement	1,359	1,402	1,406			
Amounts available for prudential capital requirement	2,308	2,457	2,781			
Prudential capital coverage ratio	1.70	1.75	1.98			
Prescribed capital amount				478	469	396
Capital base				1,624	1,794	2,077
Capital in excess of prescribed capital amount				1146.27	1325.00	1681.31
Prescribed capital amount coverage ratio				3.40	3.82	5.25

Table 4 Capital adequacy^a

(\$ million)

	Jun 2012	Sep 2012	Dec 2012	Mar 2013	Jun 2013	Sep 2013
	Investment linked					
Total solvency requirement	153,191	158,426	161,168			
Solvency reserve	586	652	644			
Total amounts available for solvency reserve	1,486	1,520	1,258			
Solvency reserve coverage ratio	2.54	2.33	1.95			
Total capital adequacy requirement	153,264	158,490	161,222			
Capital adequacy reserve	660	716	697			
Total amounts available for capital adequacy reserve	1,486	1,520	1,258			
Capital adequacy reserve coverage ratio	2.25	2.12	1.81			
Prescribed capital amount				645	646	672
Asset risk charge				186	180	192
Insurance risk charge				*	2	2
Less: Aggregation benefit				*	2	2
Asset concentration risk charge				0	0	0
Operational risk charge				410	418	436
Combined stress scenario adjustment				29	33	28
Other risk charges				*	16	15
Capital base				1,186	1,247	1,315
of which:						
Tier 2 Capital				*	0	0
Capital base net of Tier 2 Capital				*	1,247	1,315
Capital in excess of prescribed capital amount				541	601	643
Capital base (net of Tier 2 Capital) ratio				*	1.93	1.96
Prescribed capital amount coverage ratio				1.84	1.93	1.96
	Non-investment linked					
Total solvency requirement	73,518	75,645	74,683			
Solvency reserve	7,210	7,496	7,315			
Total amounts available for solvency reserve	12,786	13,608	13,717			
Solvency reserve coverage ratio	1.77	1.82	1.88			
Total capital adequacy requirement	75,834	78,125	77,208			
Capital adequacy reserve	9,526	9,977	9,840			
Total amounts available for capital adequacy reserve	12,786	13,608	13,717			
Capital adequacy reserve coverage ratio	1.34	1.36	1.39			
Prescribed capital amount				4,325	4,238	4,601
Asset risk charge				2,529	2,579	2,773
Insurance risk charge				*	965	1,069
Less: Aggregation benefit				*	333	354
Asset concentration risk charge				0	0	0
Operational risk charge				590	592	623
Combined stress scenario adjustment				744	736	787
Other risk charges				*	-301	-298
Capital base				8,071	7,776	7,868
of which:						
Tier 2 Capital				*	*	606
Capital base net of Tier 2 Capital				*	7,262	7,262
Capital in excess of prescribed capital amount				3,746	3,538	3,267
Capital base (net of Tier 2 Capital) ratio				*	1.71	1.58
Prescribed capital amount coverage ratio				1.87	1.83	1.71

^a Data in this table are reported on two different capital frameworks.

Users should be aware of the key differences between these capital frameworks.

Further detail is provided in the Important Notice in the beginning of this publication.

Explanatory notes

Introduction

This publication includes data across two different capital frameworks. For more detail see Change in capital framework in this note.

Source of data

This publication is compiled primarily from regulatory returns submitted to APRA under the Financial Sector (Collection of Data) Act 2001 by authorised life insurance companies. APRA-regulated life insurers are prudentially supervised under the Life Insurance Act 1995.

Blank copies of the returns and associated instructions are available on the APRA website.

Basis of preparation

The information contained in this publication is not directly comparable to APRA's previous publication Life Insurance Trends (Trends) due to the change in prudential reporting framework that took effect on 1 January 2008.

Figures in this publication are prepared from the individual authorised insurer accounts, not consolidated insurance group accounts. Transactions between related entities within the same insurance group have not been eliminated. Examples of such transactions include loans between parents and subsidiaries.

Figures represent the total operations of Australian authorised insurers, not only business undertaken within Australia.

Total statutory funds data

Type of fund - investment linked and non investment linked business may not add up to the total statutory funds figures due to eliminations between statutory funds.

Class of business - ordinary business includes Australian ordinary business and overseas business. Superannuation and ordinary business may not add up to the total statutory funds figures due to eliminations between statutory funds.

Change in capital framework

APRA introduced a common capital framework for required capital and eligible capital across general insurers and life insurers on 1 January 2013. The two existing requirements for solvency and capital adequacy were replaced with a single measure for required capital. Further detail is provided in the Important Notice in the beginning of this publication.

Glossary

Definitions

Additional Tier 1 Capital (table 4) comprises is as defined in *Prudential Standard LPS 112 Capital Adequacy: Measurement of Capital* (LPS 112).

Aggregation benefit makes an explicit allowance for diversification between asset and insurance risks in the calculation of the prescribed capital amount, as defined in *Prudential Standard LPS 110 Capital Adequacy* (LPS 110).

Asset concentration risk charge relates to the risk resulting from concentrations in individual assets or large exposures to individual counterparties or groups of related counterparties. The method for determining the Asset Concentration Risk Charge is set out in *Prudential Standard LPS 117 Capital Adequacy: Asset Concentration Risk Charge*.

Asset risk charge relates to the risk of adverse movements in the value of a fund's on-balance sheet and off-balance sheet exposures. The method for determining the Asset Risk Charge is set out in *Prudential Standard LPS 114 Capital Adequacy: Asset Risk Charge*.

Average total asset and net asset items (if used) are the average of the opening and closing balances of the relevant item over the period.

Capital adequacy reserve coverage is total amount available for the capital adequacy reserve divided by the capital adequacy reserve. This is under the previous capital framework (pre-LAGIC) and as per *LPS 3.04 Capital Adequacy Standard* which was revoked on 31 December 2012.

Capital base is comprised of Tier 1 Capital and Tier 2 Capital as defined in LPS 112.

Capital base (net of Tier 2 Capital) ratio is Capital base net of Tier 2 Capital divided by Prescribed Capital Amount.

Capital in excess of prescribed capital amount is the surplus or deficit of a fund's capital base over its prescribed capital amount.

Combined stress scenario adjustment is the adjustment to the prescribed capital amount in respect of the tax benefits and the management actions that can be recognised in determining the insurance risk charge and the asset risk charge. This item also recognises the second order interactions between the asset and insurance risk stresses. It must be determined in accordance with Attachment B of LPS 110.

Common Equity Tier 1 Capital comprises the highest quality components of capital and consists of the sum of paid-up ordinary shares issued by a life company, retained earnings, undistributed current year earnings, accumulated other comprehensive income and other disclosed reserves, and regulatory adjustments as defined in LPS 112.

Common Equity Tier 1 Capital ratio is Common Equity Tier 1 Capital divided by prescribed capital amount.

Debt securities comprises interest bearing securities and loans.

Effective movement in net policy liabilities is calculated as *movement in net policy liabilities* less deposits received, plus withdrawals of deposits, plus non-premium related fees for management services, plus movements in the liability for deferred fee revenue, less movements in the liability for deferred acquisition costs.

General fund means the shareholders' fund for a life company other than a friendly society as per *LPS 001 Definitions*.

Insurance risk charge relates to the risk of adverse impacts due to movements in future mortality, morbidity, longevity, servicing expenses, lapses and other insurance risks such as option take-up rates. The method for determining the Insurance Risk Charge is set out in *Prudential Standard LPS 115 Capital Adequacy: Insurance Risk Charge* (LPS 115).

Investment income is income from cash holdings, investment property, equity securities (including unit trust distributions), debt securities (consisting of interest bearing securities and loans) and other investment assets (all other securities).

Life insurance direct premiums comprises life insurance direct premiums, policy conversions-inwards and non-life insurance premiums.

Movement in net policy liabilities is increase/decrease in net policy liabilities.

Net movement in DAC includes amortization and impairment of existing deferred acquisition costs (DAC) less additional deferrals of acquisition expenses during the reporting period.

Net policy expenses is policy expenses net of outward reinsurance claims.

Net policy expenses recognised as a withdrawal is the policy expense recognised as a withdrawal of deposit or change in policy liability, net of reinsurance.

Net policy payments is the sum of net policy expenses and net policy expenses recognised as a withdrawal.

Net policy revenue is policy revenue net of outward reinsurance premiums.

Net policy revenue recognised as a deposit is the policy revenue recognised as a deposit or as a change in policy liability, net of reinsurance.

Net premiums is the sum of net policy revenue, premium related fees and net policy revenue recognised as a deposit.

Operational risk charge relates to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. The method for determining the Operational Risk Charge is set out in *Prudential Standard LPS 118 Capital Adequacy: Operational Risk Charge*.

Other assets comprises receivables, assets held as (owner-occupied) property, plant and equipment, deferred tax assets and other assets.

Other liabilities (table 2a, 2b, 2d, 2e) comprises premiums in advance, subordinated debt and other liabilities.

Other operating expenses comprises total non-life operating expenses, interest expenses and other administration expenses.

Other policy expenses comprises policy conversions-outwards, non-life policy expenses and other claims.

Other products (table 3) includes L12 - Other, L13 - Policy Owners' Retained Profits and L14 - Shareholders' Capital & Retained Profits.

Other risk charges (table 4) are the sum of the aggregate risk charge for variable annuities and adjustments to prescribed capital amount as approved by APRA.

Prescribed capital amount is as defined in LPS 110.

Prescribed capital amount coverage is capital base divided by prescribed capital amount.

Prudential capital coverage is as per revoked *PS 3 Prudential Capital Requirements*. It relates to capital outside of the statutory funds and is amounts available for prudential capital requirement divided by prudential capital requirement.

Prudential Capital Requirement is as per *PS 3 Prudential Capital Requirements* which was revoked on 31 December 2012 and it relates to capital outside of the statutory funds. It is calculated as the greater of the Management capital reserve and the prescribed minimum capital amount.

Regulatory & other adjustments to Additional Tier 1 Capital is the sum of regulatory adjustments as per LPS 112 and other adjustments that are specific to the application of requirements in paragraph 41 of LPS 112 in relation to Additional Tier 1 Capital.

Regulatory & other adjustments to Common Equity Tier 1 Capital is the sum of regulatory adjustments as per LPS 112 and other adjustments that are specific to the application of requirements in paragraph 41 of LPS 112 in relation to Common Equity Tier 1 Capital.

Return on net assets is net profit/loss after tax divided by the average net assets for the period. This is expressed as annual percentage rates. For quarterly returns, this is achieved by multiplying the calculated return on net assets by 4. For returns covering the financial/calendar years, this is calculated by using the full year income/profit and average asset figures.

Solvency reserve coverage is total amount available for the solvency reserve divided by the solvency reserve. This is as per *LPS 2.04 Solvency Standard* which was revoked on 31 December 2012.

Solvency reserve ratio is solvency reserve divided by the *total minimum liabilities (solvency)*. This is as per *LPS 2.04 Solvency Standard* which was revoked on 31 December 2012.

Tier 1 Capital comprises Common Equity Tier 1 Capital and Additional Tier 1 Capital and is as defined in LPS 112. It is net of *Regulatory & other adjustments to Common Equity Tier 1 Capital and Regulatory & other adjustments to Additional Tier 1 Capital*.

Tier 1 Capital ratio is Tier 1 Capital divided by prescribed capital amount.

Tier 2 Capital includes other components of capital that, to varying degrees, fall short of the quality of Tier 1 Capital but nonetheless contribute to the overall strength of a life company and its capacity to absorb losses. It is net of regulatory adjustments as defined in LPS 112.

Total capital adequacy requirement is as per revoked *LPS 3.04 Capital Adequacy Standard*.

Total solvency requirement is as per revoked *LPS 2.04 Solvency Standard*.



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