

6 July 2026

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

Proposed Transfer of the Resolution Life Australasia Limited New Zealand Branch within Statutory Fund No. 1 to a new Statutory Fund No. 5

I refer to my Appointed Actuary report dated 6 May 2026 that provides my advice on the proposed transfer of the Resolution Life Australasia Limited (**RLAL**) New Zealand Branch and its New Zealand policyholders in Statutory Fund No. 1 to a new Statutory Fund No. 5 (the **Report**).

There have been two updates since 6 May 2026 to matters referred to in the Report:

Report references	Update
Section E2 Section 1.6 Section 2.4.2.2	On 8 May 2026, the Australian Prudential Regulation Authority (APRA) provided its approval for the reallocation of the unallocated assets between the New Zealand and Australia business in RLAL as anticipated in the Report. This is no longer an outstanding matter, or assumption, for the Report.
Section E1	On 19 June 2026, RLAL and Asteron Life Limited submitted an application to the Reserve Bank of New Zealand (RBNZ) to transfer the New Zealand business of RLAL to Asteron Life Limited. This action was an anticipated future action in the Report.

Both of these updates reflect the expectations on which the Report was written. Neither update changes any of the analysis, assessments or conclusions set out in the Report.



Greg Martin
 RLAL Appointed Actuary

**Proposed Transfer of the
Resolution Life Australasia Limited
New Zealand Branch within
Statutory Fund No.1
to a new
Statutory Fund No. 5**

6 May 2026

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EXECUTIVE SUMMARY	3
1. Introduction	9
2. Overview of RLAL & No.1 Fund	11
3. Overview of Proposed Transfer	29
4. Impact on Transferring NZ Policyholders	35
5. Impact on the Remaining Policyholders	51
6. Summary of Conclusions	54
Appendix A: Glossary	56
Appendix B: Key Information Relied Upon	58
Appendix C: List of Transferring Policies	61

EXECUTIVE SUMMARY

E1. Background to Proposal

Resolution Life Australasia Limited (**RLAL**) conducts life insurance business in Australia and New Zealand and is a registered life insurance company in Australia and in New Zealand. It is subject to both Australian and New Zealand regulations.

The RLAL Statutory Fund No.1 (**No.1 Fund**) conducts the large majority of RLAL's business. It has a substantial portfolio of business issued in Australia and has all of RLAL's New Zealand business. The New Zealand business of the No.1 Fund comprises the New Zealand Branch of RLAL (the **NZ Branch**).

RLAL is owned by Nippon Life Australia and New Zealand NOHC Pty Limited (**NOHC**), which in turn is ultimately owned 100% by Nippon Life Insurance Company (**Nippon Life**). NOHC conducts the Australian and New Zealand life insurance business of the overall global Resolution Group.

Over recent years NOHC has achieved sound business growth and its strategy has evolved, including via the acquisition of the AIA Australia S&I business in 2023 and the acquisition of the Asteron Life Limited business in New Zealand in February 2025. In October 2025, Nippon Life acquire NOHC via the acquisition of 100% of the shares of Resolution Life Group Holdings Ltd. At completion, Nippon Life's Australian life insurance business, MLC Limited (**MLC**), was acquired by the NOHC with the intention that RLAL and MLC be merged, likely to be in late 2027 or early 2028.

NOHC is transitioning to an "open to new business", trans-Tasman strategy, with a material increase in scale and commitment in both Australia and New Zealand. Within this context, NOHC is seeking to rationalise and reduce the complexity of its operations and management, including the regulatory frameworks it operates under. This includes addressing the restriction under RLAL's New Zealand licence that prevents it from writing new "contracts of insurance" from the No.1 Fund.

The proposal considered in this report (the **Proposed Transfer**) is to split the RLAL No.1 Fund into two funds, one containing its Australian business (which will remain the No.1 Fund) and one containing the New Zealand business and NZ Branch (a new No. 5 Fund). This restructure is an important step to allow RLAL to best pursue its part of the overall NOHC business strategy. A subsequent proposal will be to transfer the No.5 Fund and NZ Branch into Asteron Life.

While the primary objective of the Proposed Transfer and subsequent transfer of Asteron Life is to improve NOHC's overall operational, management and regulatory efficiency and focus, and facilitate RLAL's efficient pursuit of its intended strategy, it is envisaged that the proposal will ultimately also be to the benefit RLAL policyholders.

E2. Purpose of this Report

This report is addressed to the RLAL Board. It outlines the key elements of the Proposed Transfer and assesses the impacts of the Proposed Transfer on the transferring policyholders (the **Transferring NZ Policyholders**) and on the policyholders that will remain in the No.1 Fund (the **Remaining Policyholders**). The Proposed Transfer is being made in accordance with section 52 of the Life Insurance Act (the **Life Act**) (*Restructure of statutory funds*), and the requirements set out in section 52(3) of the Life Act and in Prudential Standard LPS600 *Statutory Funds* (**LPS600**).

This report has been prepared by Greg Martin, the Appointed Actuary of RLAL as the report by the Appointed Actuary on the Proposed Transfer specified under LPS600, addressing the matters set out in LPS600, including Schedule 1 to Form 1 of LPS600 (the **AA Report**).

This AA Report provides a key element supporting discussion with the Australian Prudential Regulation Authority (**APRA**), the Reserve Bank of New Zealand (**RBNZ**), the RLAL New Zealand Policyholders Advisory Committee (**NZPAC**), and the NZPAC Independent Actuary, and will provide the basis for approval from APRA and RBNZ for the Proposed Transfer.

This report assumes that the reallocation of the unallocated assets between New Zealand and Australia of NZD47m as at 31 December 2025 is approved by APRA. As at the date of this report, RBNZ has provided their non-objection to the reallocation, however APRA approval is currently outstanding. A

non-approval of that reallocation would invalidate the conclusions set out in this report.

E3. Key Aspects of Proposed Transfer

The proposed date of transfer is targeted for 12.01am on 1 October 2026 (the **Transfer Date**).

The following business issued from the No.1 Fund, the **Transferring NZ Policies**, is proposed to transfer to the (new) RLAL No.5 Fund, and into relevant sub-funds to be established in the No.5 Fund:

All NZ Branch Business; the Transferring NZ Policies	From No.1 Fund	To No.5 Fund
All Participating conventional business issued in New Zealand ¹	PSF ²	PSF ²
All Participating investment account business issued in New Zealand	PSF ²	PSF ²
All Retail wealth protection business issued in New Zealand	NPSF ²	NPSF ²
All Group Life and GSC business issued in New Zealand	NPSF ²	NPSF ²
All Investment-Linked Policies issued in New Zealand ³	NPSF-IL ³	NPSF-IL ³
All annuities business issued in New Zealand	NPSF ²	NPSF ²

1. All New Zealand participating whole of life, endowment assurance and similar business.
2. PSF refers to the "Participating Sub-Fund" which houses the participating businesses. NPSF refers to the "Non-Participating Sub-Fund" which houses the balance of the (non-participating) business in the No.1 Fund and No.5 Fund, respectively.
3. The New Zealand investment-linked business is managed via an investment-linked sub-fund of the No.1 Fund NPSF and will transfer to an equivalent sub-fund in the No.5 Fund.

Details of the Transferring NZ Policies are set out in Section 3 and Appendix C of this report.

The following summarises the transfer approach for the different segments of transferring business.

In essence, all assets, liabilities and retained profit amounts held in the NZ Branch within the No.1 Fund will transfer out of the No.1 Fund to form the (new) No.5 Fund. The NZ Branch will then comprise the No.5 Fund, and the No.5 Fund will be synonymous with the NZ Branch thereafter.

Transferring Participating Policies

In the case of the New Zealand participating policies in the No.1 Fund:

- These policies will transfer from the No.1 Fund Participating Sub-Fund (**PSF#1**) to the No.5 Fund Participating Sub-Fund (**PSF#5**).
- The allocated asset pools (**PRE Pools**) that support these policies, which are distinct and identifiable as per the existing construct, will transfer to, and be maintained within, the PSF#5.
- The part of the unallocated asset pool (**UA Pool**) of PSF#1 allocated to the New Zealand business and which equals the aggregate Notional Apportionment "pools" (**NA Pools**) under the RLAL Participating Business Management Framework (**PBMF**) related to the New Zealand business will transfer into an equivalent UA Pool, and NA Pools, in the PSF#5.
- All assets and liabilities (including the policy and other liabilities) of the PSF#1 that relate to the Transferring NZ Policies, which are contained in the New Zealand PRE Pools and share of the UA Pool, will transfer to the PSF#5.
- The fair value of the assets transferred will equal the sum of the transferring participating policies' policy liabilities plus related non-policy liabilities, the policyholder retained profits (i.e. the New Zealand "overseas policy owners' retained profits") and the corresponding shareholder retained profits (i.e. the amount held within the PSF#1 as the New Zealand "shareholders' retained profits (overseas and non-participating)"), as determined in accordance with the Life Act.
- All policy terms will continue unchanged, and RLA will continue to honour the historic commitments to these policyholders concerning the management of the business and allocation of profits. The underlying investment strategies and assets held in respect of each relevant underlying portfolio of business (in each PRE Pool) will remain unchanged at the Transfer Date as will any discretionary elements such as policy surrender value bases.
- The PBMF will be updated to incorporate the PSF#5, but will otherwise continue to apply unchanged to the New Zealand participating business, including the operation and implementation of the NA Pools and progressive distribution of the UA Pool to them.

Transferring Non-Participating Policies

In the case of the non-participating New Zealand policies in the No.1 Fund:

- These policies will transfer from the No.1 Fund Non-Participating Sub-Fund (**NPSF#1**) to the No.5 Fund Non-Participating Sub-Fund (**NPSF#5**).
- All assets and liabilities (including the policy and other liabilities) held in the NPSF#1 in respect of the NZ Branch will transfer to the NPSF#5¹.
- All policy terms will continue unchanged, with the premium rates and all policy fees and charges remaining unchanged at the Transfer Date. Relevant RLAL policies and procedures (e.g. claims management standards, underwriting and pricing methodologies, unit pricing policies and customer administration practices) will remain unchanged at the Transfer Date and will be updated to include reference to the policies now in the new No. 5 Fund.

Transferring Investment-Linked Policies

In the case of the New Zealand investment-linked policies in the No.1 Fund,

- The investment-linked pools that support the unit pricing and benefits of these policies will be transferred to the NPSF#5 unchanged, including all assets and liabilities of these funds, the number of units on issue, and the unit prices as at the Transfer Date.

No.5 Fund = NZ Branch

For the avoidance of doubt, the balance sheet of the No.5 Fund immediately after the transfer (on the Transfer Date), will mirror the balance sheet of the NZ Branch immediately before the transfer (on the Transfer Date). The NZ Trust² will transfer in its entirety from the No.1 Fund to the No.5 Fund.

Ongoing Expenses & Investment Operations

The ongoing management expenses charged to the No.1 Fund by product portfolio under the service company agreements will not change other than to be changed to charge the No.1 Fund and No. 5 Fund respectively in future, and the current “fixed fee” basis applicable to the No.1 Fund PSF will continue to apply to the PSF#1 and PSF#5 after the transfer. The service company agreements will be updated to reference the new No. 5 Fund.

The NZ Branch assets in the No.1 Fund (the investments backing the Transferring NZ Policyholder liabilities) and the non-NZ Branch assets (the investments backing the Remaining Policyholder liabilities) operate through separate underlying investment portfolios which in turn invest into wholly owned trusts (Directed Trustee Model (**DTM**) in Australia and Portfolio Investment Entities (**PIEs**) in New Zealand). Specifically for the NZ Branch assets, which are primarily held within the NZ Trust:

- The NZ Branch (and NZ Trust) invests into the Australian DTMs for private credit, and unlisted property and infrastructure asset exposures. The respective unit holdings in these DTMs will transfer into the No. 5 Fund with their operation continuing unchanged.
- The NZ Branch (and NZ Trust) invests into the New Zealand PIEs for equities, fixed income and cash asset exposures. The respective unit holdings in these PIEs will transfer into the No. 5 Fund with their operation continuing unchanged.

Transfer Expenses and Tax Realisation Impacts

The RLAL shareholders will pay from their shareholder assets, all expenses (expenses, fees and asset transfer costs) incurred as a result of the Proposed Transfer. No policy benefits of the Transferring NZ Policies, nor of the Remaining Policies, will be adversely affected by these expenses.

¹ Some Non-Par Sub-Fund wealth protection inflation hedging derivative positions in the No.1 Fund, that are held for Asset-Liability Management hedging and risk management in the Non-Par Sub-Fund, have historically been managed and implemented on a combined Australian and New Zealand basis. The New Zealand component reflects a minority of the total (~5%). After the transfer, these holdings will be adjusted with separate NZD based derivatives established for the No. 5 Fund. While not a large impact, the capital requirement calculations and risk management commentary in this Report assumes the existing level of CPI hedging will be maintained in the No.1 Fund and No.5 Fund post transfer. As this impacts the Non-Par Sub-Fund only, any minor cost impacts of the changed approach will only impact the RLAL Shareholders.

² The **NZ Trust** is a trust that holds the large majority of the NZ Branch investment assets. RLNZ is trustee of the NZ Trust.

As the transfer of the assets under the Proposed Transfer will not result in any realisation of assets (RLAL as beneficial owner of the assets will not change), nor change in asset or liability values, no tax liabilities in respect of the transfer are anticipated to arise. In the event some early crystallisation of taxes is identified that results in some second order value loss for the Transferring NZ Policyholders that have benefits derived based on the underlying net of tax investment performance of the assets (i.e. the investment-linked policies and the participating policies), the RLAL shareholders will compensate the affected policyholder funds to offset the estimated impact of the value loss.

Resolution Future Rights and Obligations to Manage and Change

Under the Proposed Transfer, RLAL will not make changes to the management of the Transferring NZ Policies or the Remaining Policies at the Transfer Date, including making no change to the policies' premiums, fees, charges, investment strategies, nor the approaches to bonus rate and interest crediting rate determination, nor to participating policyholder profit determination and allocation.

Nonetheless, RLAL will continue to make full and proper use of its rights under the policy terms and relevant laws and regulations, to manage and meet its obligations to its policyholders in future. This will include making future changes to any or all of the above items, as well as other aspects such as merging product portfolios, and changing administrative approaches, underlying systems and relevant Board policies, to serve the overall interests of its policyholders and shareholders, as future circumstances emerge, and the business environment evolves. This does not reflect any change from RLAL's existing rights, which would apply whether or not the Proposed Transfer takes place.

NZPAC & RLNZ Reinsurance

It has been proposed to the RBNZ that in conjunction with the Proposed Transfer:

- The New Zealand Policyholder Advisory Committee (**NZPAC**) will continue to operate under its current Charter, albeit its mandate will be updated to reference the No. 5 Fund in future.
- The Resolution Life New Zealand Limited (**RLNZ**) reinsurance sum insured and the RLNZ minimum cash balance will reduce from NZD50m to NZD25m, and its mandate updated to reference the No. 5 Fund in future. This report considers any consequences of the reduced sum insured if the RBNZ approves the change.

E4. Observations on the Proposed Transfer

Direct Impacts: Costs and Investment Scale

As indicated above, and discussed in this report, the Proposed Transfer is intended to support RLAL to best pursue its future business strategy. Without the Proposed Transfer, RLAL, and indeed NOHC overall, would not be able to most efficiently and effectively pursue its business strategy and would incur greater operational costs and complexity, and realise lesser financial benefits from its intended future business growth.

While there is no suggestion that in the absence of the Proposed Transfer, RLAL would not diligently and properly meet its obligations to all its existing policyholders in future, the Proposed Transfer will enhance RLAL's and NOHC's ability to invest in its business, including investing in technology and services for policyholders, and best support the future sustainability, financial capacity, and resilience of RLAL and NOHC as a whole.

In terms of the "fixed cost" service fees charged to the participating business under the current service agreements, the Proposed Transfer will not result in any change to the fee basis.

The Proposed Transfer will have no material practical impact on the underlying investment structures, investment scale, or costs incurred in respect of the participating business or the New Zealand investment-linked business. It is also not anticipated to result in any material frictional costs (e.g., from early asset realisation) or operational costs. In the event any frictional costs are incurred, RLAL's shareholders will compensate with an amount credited to the affected investment asset pools to offset the net cost in accordance with RLAL's policyholder compensation policies and processes.

Indirect Impacts: Risk Management & Capital

The key observations from the analysis in this report are:

- The two statutory funds will continue to receive the full support of RLAL’s financial resources after the Proposed Transfer. As noted above, to the extent the Proposed Transfer enables RLAL to better pursue its future strategy, this is expected to improve the future sustainability, financial capacity and resilience of RLAL and NOHC as a whole. This will ultimately strengthen RLAL’s risk and capital profile and the support RLAL can make available to the two funds in future.
- The current PSF is in a strong financial position, and both the future PSF#1 and PSF#5 will each be in a strong financial position after the Proposed Transfer. While it may be thought that separating the PSF may reduce risk sharing between the Australian and New Zealand participating policyholders, in practice the principal risks of the PSF are investment market systemic risks (e.g. interest rates and equity market volatility and exposures). These risks are not reduced by scale. As an indication of this, the underlying risk-based regulatory capital requirements for the separated PSF#1 and PSF#5 change in aggregate by less than 5%.
- Post transfer, the two Par Sub-Funds will continue to have substantial regulatory capital requirement ratios (over 2xPCA) and continue to be protected by significant downside equity market protection strategies. Both funds will remain entitled to RLAL shareholders’ capital support for their guarantee liabilities in the event of extreme, severe circumstances (albeit in the case of the Transferring NZ Policies arguably the separation would help clarify their position in case of the most extreme scenarios).
- The NZPAC will continue its governance support to the RLAL Board with respect to the New Zealand business.
- The No.1 Fund and No. 5 Fund will remain soundly capital adequate after the Proposed Transfer.

Considering the direct and indirect impacts taken as a whole, the Proposed Transfer is not considered adverse to the interests of the Transferring NZ Policyholders or the Remaining Policyholders.

E5. Overall Conclusion on Proposed Transfer

Based on the analysis and assessments set out in this report, the Proposed Transfer will not result in unfairness to the policyholders of policies referable to the No.1 Fund, nor will it prejudice the interests of either the Transferring NZ Policyholders or the Remaining Policyholders.

Immediately after the Proposed Transfer, RLAL, and each of the RLAL statutory funds, including specifically the No.1 Fund and No. 5 Fund, will continue to satisfy the regulatory capital standards they operate under and maintain a sound financial position.

E6. Conclusions for the Transferring NZ Policyholders (No. 5 Fund)

In terms of the policyholders’ terms, conditions and reasonable benefit expectations:

- For the transferring non-participating policyholders, all policy terms will continue unchanged, with their premium rates and all policy fees and charges remaining unchanged at the Transfer Date. For the investment-linked policies with benefits linked to underlying asset investment performance, the underlying investment strategies and assets held that impact their benefits will remain unchanged at the Transfer Date, and the degree of investment scale and diversification reflected in the underlying investment pools will not change.
- For the transferring participating policyholders, all policy terms will continue unchanged, with their premium rates, policy fees and charges, expenses incurred, and surrender value bases remaining unchanged at the Transfer Date. All the transferring participating policy assets, policy liabilities, retained policyholder profits and related shareholder retained profits (participating) will transfer, as is, into the No. 5 Fund and into its participating sub-fund. The underlying allocated asset pools will continue the existing investment strategies, and the approach to bonus rates and crediting rates will remain unchanged at the Transfer Date. The degree of investment scale and diversification, and investment and asset management costs incurred, reflected in the underlying investment pools will not materially change. The basis of the progressive distribution of UA Pool to the New Zealand policyholders will continue unchanged. Policyholder reasonable expectations in respect of bonus declarations and returns on assets will not be impacted by the transfer, given

the same investment strategies and methodologies being maintained as per RLAL's Participating Business Management Framework.

- RLAL's administration systems will not change and there is no proposed change to any of RLAL's policies or procedures (e.g. underwriting and claims management policies, unit pricing policies), other than updates to refer to the (new) No.5 Fund.

The overall reasonable benefit expectations of the Transferring NZ Policyholders will continue to be met after the Proposed Transfer.

In terms of the policyholders' benefit security, the No. 5 Fund and RLAL as a whole will remain in a sound financial position and the Transferring NZ Policyholders' benefit security will remain adequate after the Proposed Transfer.

There are no material disadvantages for the Transferring NZ Policyholders as a result of the Proposed Transfer.

E7. Conclusions for the Remaining Policyholders (No.1 Fund)

In terms of the policyholders' terms, conditions and reasonable benefit expectations:

- For the remaining non-participating policyholders, all policy terms will continue unchanged, with their premium rates and all policy fees and charges remaining unchanged at the Transfer Date. For the non-participating investment account policies with benefits linked to underlying asset investment performance, the underlying investment strategies and assets held that impact their benefits will remain unchanged at the Transfer Date, and the degree of investment scale and diversification reflected in the underlying investment pools will not change.
- For the remaining participating policyholders, all policy terms will continue unchanged, with their premium rates, policy fees and charges, expenses incurred, and surrender value bases remaining unchanged at the Transfer Date. All the remaining participating policy assets, policy liabilities, retained policyholder profits and related shareholder retained profits (participating) will remain unchanged for the Remaining Policyholders in the participating sub-fund of the No.1 Fund. The underlying allocated asset pools will continue the existing investment strategies, and the approach to bonus rates and crediting rates will be unchanged at the Transfer Date. The degree of investment scale and diversification, and investment and asset management costs incurred, reflected in the underlying investment pools will not materially change. The basis of the progressive distribution of UA Pool to the remaining policyholders will continue unchanged. Policyholder reasonable expectations in respect of bonus declarations and returns on assets will not be impacted by the transfer, given the same investment strategies and methodologies being maintained as per RLAL's Participating Business Management Framework.
- As noted above, RLAL's administration systems will not change and there is no proposed change to any of RLAL's policies or procedures (e.g. underwriting and claims management policies, unit pricing policies), other than updates to refer to the (new) No.5 Fund.

The overall reasonable benefit expectations of the Remaining Policyholders will continue to be met after the Proposed Transfer.

In terms of the policyholders' benefit security, the No.1 Fund and RLAL as a whole will remain in a sound financial position and the Remaining Policyholders' benefit security will remain adequate after the Proposed Transfer.

There are no material disadvantages for the Remaining Policyholders as a result of the Proposed Transfer.

E8. Executive Summary Not Report

Please note that this Executive Summary is intended only as a brief overview of the Proposed Transfer and this report. It does not detail or address all matters documented or considered in the report. To fully understand the details of the Proposed Transfer and its analysis, and the basis of the comments, opinions, and conclusions above, an examination of the full report is necessary.

1. Introduction

1.1 Background

Resolution Life Australasia Limited (**RLAL**) conducts life insurance business in Australia and New Zealand, issuing policies from four statutory funds. RLAL is registered as a life insurance company in Australia and is also registered in New Zealand.

Statutory Fund No.1 (**No.1 Fund**) has a substantial portfolio of business issued in Australia and all of RLAL's New Zealand business³. The New Zealand business of the No.1 Fund comprises the New Zealand Branch of RLAL (the **NZ Branch**). The other three statutory funds of RLAL (No.2 Fund, No.3 Fund and No.4 Fund) comprise Australian business only.

RLAL is proposing to separate the No.1 Fund into two funds: one containing its Australian business (which will remain the No.1 Fund); and one containing the New Zealand business (a new No. 5 Fund). In practice, this will entail the establishment of a new Statutory Fund (**No. 5 Fund**) and the transfer of the NZ Branch business from the No.1 Fund to the No. 5 Fund in accordance with the requirements of Life Insurance Act 1995 (Cth) (the **Life Act**), and related regulatory requirements.

1.2 Purpose of Report

This report is addressed to the RLAL Board. It outlines the key elements of a proposed transfer of the NZ Branch (**Proposed Transfer**) and assesses the impacts of the Proposed Transfer on the transferring policyholders and on the policyholders that will remain in the No.1 Fund.

The Proposed Transfer is being made in accordance with section 52 of the Life Act (*Restructure of statutory funds*), and the requirements set out in section 52(3) of the Life Act and Prudential Standard LPS600 Statutory Funds (**LPS600**) issued by the Australian Prudential Regulation Authority (**APRA**).

This report is the report by the Appointed Actuary specified under LPS600 on the Proposed Transfer, addressing the matters set out in LPS600, including Schedule 1 to Form 1 of LPS600 (the **AA Report**).

While RLAL is exempt under its New Zealand license (**NZ License**) from the equivalent requirements of the New Zealand Insurance (Prudential Supervision) Act 2010 (**IPSA**), specifically Subpart 3 of Part 2 of IPSA, the NZ License specifies that any restructure of the No.1 Fund is to be subject to review and advice from the New Zealand Policyholders Advisory Committee (**NZPAC**), based on advice from the Independent Actuary to NZPAC, Mr Michael Dermody of KPMG.

This AA Report provides a key element for discussions with APRA and NZPAC, and with the Reserve Bank of New Zealand (**RBNZ**) as relevant, and for obtaining APRA approval for the Proposed Transfer.

I note that Mr Michael Dermody has been commissioned by RLAL to provide an independent actuary report on the Proposed Transfer, to support NZPAC, APRA and RBNZ considerations.

1.3 Scope of Report

The scope of this report is to review the basis of the Proposed Transfer and identify and comment upon the effect of the Proposed Transfer on the transferring and remaining policyholders, including its impact on the benefit security and reasonable benefit expectations of the transferring policyholders and remaining policyholders. In particular, the report includes the following:

- A statement setting out the basis on which the nature and value of the assets to be transferred is to be determined.
- A statement as to whether the assets to be transferred are appropriate to the liabilities to be transferred.
- A statement as to whether the Proposed Transfer will result in unfairness to either the transferring or remaining policyholders.

³ The "New Zealand business" referred to in this report, and held in the NZ Branch, relates to life insurance contracts issued in New Zealand under New Zealand law. It does not include contracts issued in Australia or elsewhere that may incidentally have one or more policyholders who are resident in, or citizens of, New Zealand. Likewise, the policyholders of some of the New Zealand business may be resident outside New Zealand, or citizens of other countries, including Australia.

- A statement as to whether the Proposed Transfer will adversely impact the contractual benefits and rights, reasonable benefit expectations and the benefit security of either the transferring or remaining policyholders.
- A statement as to whether, immediately after the Proposed Transfer, the two statutory funds will satisfy the regulatory capital standards.

This report has been prepared in accordance with the professional requirements of the Institute of Actuaries of Australia (**Institute**) and the New Zealand Society of Actuaries (**Society**), specifically:

- The Institute and Society Codes of Conduct.
- Professional Standard 201: Actuarial Advice to a Life Insurance Company or Friendly Society.
- Professional Standard 90: General Actuarial Practice (to the extent relevant).

The analysis, opinions and conclusions provided in this report are focused on the consequences and changes that arise as a result of the Proposed Transfer. This is separate from the outworking of circumstances and changes that might arise or might be made in the ordinary course of business irrespective of the Proposed Transfer; such matters are outside the scope of this report.

1.4 Author of Report & Disclosures

This report has been prepared by me, Greg Martin, in my capacity as the Appointed Actuary of RLAL as at the date of this report, and as a Fellow of the Institute and a Fellow of the Society. I was appointed to the role of the Appointed Actuary of RLAL effective from 13 September 2021.

I am an employee of Resolution Life Services Australia Pty Ltd, one of the subsidiaries of Nippon Life Australia and New Zealand NOHC PTY LTD (**NOHC**) which also owns RLAL. Part of my remuneration may potentially include a bonus, the value of which may depend on the performance of NOHC.

I am bound by the Codes of Conduct and professional standards of the Institute and Society to provide objective advice that is not compromised, biased nor impacted by conflict of interest.

1.5 Structure of Report

Section 2 of this report provides an overview of relevant aspects of RLAL.

Section 3 provides an overview of the Proposed Transfer.

Section 4 examines the consequences of the Proposed Transfer for the contractual benefits and rights, reasonableness benefit expectations and benefit security of the Transferring NZ Policyholders.

Section 5 examines the consequences of the Proposed Transfer for the contractual benefits and rights, reasonableness benefit expectations and benefit security of the Remaining Aus Policyholders.

The conclusions of the report are summarised in Section 6.

A glossary of terms is contained in Appendix A for reference.

1.6 Data and Information

In preparing this report, I have relied on certain data and information provided by RLAL, including, but not limited to:

- The RLAL Financial Condition Report and Financial Statements as at 31 December 2025.
- The RLAL APRA Forms and related management information as at 31 December 2025.
- Details of the transferring policies as summarised in Appendix C.
- RLAL's Participating Business Management Framework (**PBMF**).
- That the unallocated asset reallocations of NZD47m is approved by APRA prior to the transfer.

Other key relevant information I have considered and relied upon is summarised in Appendix B.

The conclusions in this report have been formed on the basis of the above information and with regard to the circumstances and other information available to me up to 31 March 2026 which was when reliable financial information was available as at the date of finalising this report.

2. Overview of RLAL & No.1 Fund

2.1 Resolution Life Australasia Limited

RLAL operates as a life insurance company in Australia registered under the Life Act. It has business issued in Australia and New Zealand, and a small amount of business issued in Papua New Guinea. As at 31 December 2025, Resolution Life had approximately 700,000 policies⁴ with \$26 billion of policy liabilities, supported by \$28 billion of assets. Resolution Life is a large, diversified and well-capitalised Australian life insurer. Resolution Life has been given an Insurer Financial Strength Ratings of “AA-” by Fitch Australia Pty Ltd and “A2” by Moody’s Investors Service Pty Limited.

In accordance with the requirements of the Life Act, RLAL operates its life insurance business through four statutory funds, which maintain the assets that directly support the policy liabilities and policy benefits referable to each statutory fund.

NOHC is a Non-Operating Holding Company registered under the Life Act. NOHC holds life insurance businesses and supporting operating entities that conduct life insurance business in Australia and New Zealand. NOHC owns 100% of RLAL.

Up until 30 October 2025, NOHC was 100% owned by Resolution Life Group Holdings Ltd (**Resolution Group**). On 30 October 2025, Nippon Life Insurance Company (**Nippon Life**) acquired Resolution Group and on 31 October 2025 Nippon Life transferred its existing Australian life insurance business, MLC Limited, into NOHC.

NOHC is now owned 51% directly by Nippon Life and 49% by Resolution Group, with Nippon Life ultimately owning 100% of NOHC (via its 100% ownership of Resolution Group).

NOHC and its various businesses have adopted the collective brand the “**Acenda Group**”. The Acenda Group is used in this report to refer to NOHC and all its subsidiaries as a collective. The Acenda Group includes three substantial life insurers:

- RLAL;
- Nippon Life Australia and New Zealand Limited, formerly MLC Limited. Branded **Acenda Life**.
- Asteron Life Limited (**Asteron Life**).

Nippon Life and Resolution Group are large global insurance businesses⁵.

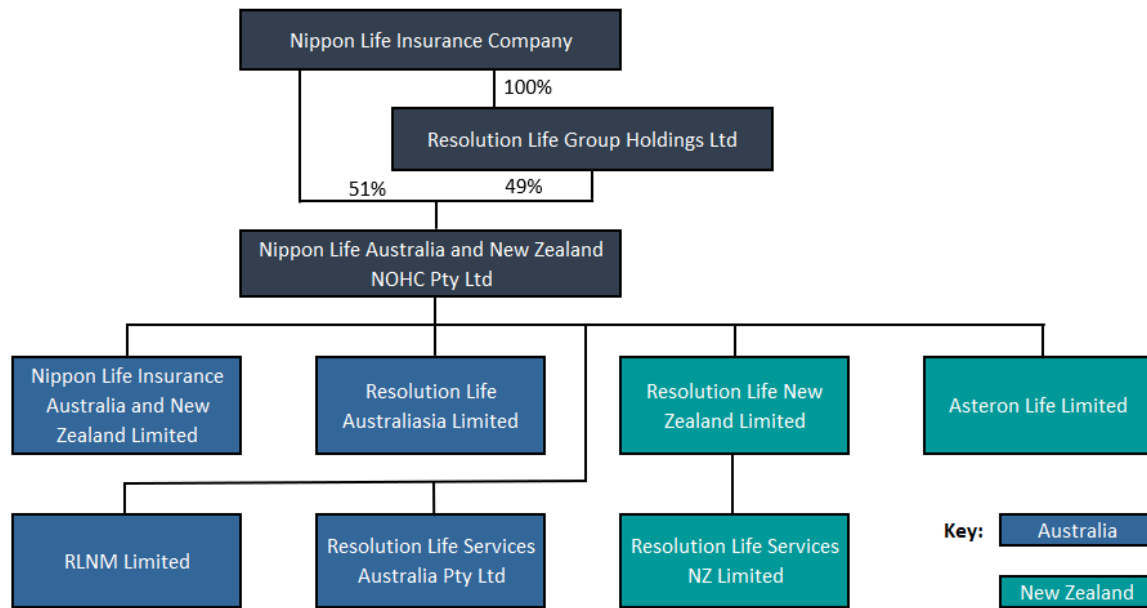
- Nippon Life is Japan’s largest life insurer, with AUD 990 billion in assets under management and 15 million policyholders, and has over 170,000 employees worldwide.
- Resolution Group is a significant global life insurance business. Excluding the Acenda Group, it has ~USD75 billion of assets under management, with operations in Bermuda, the United States, the United Kingdom and Singapore.
- Acenda Group comprises Nippon Life’s Australian and New Zealand life insurance business, involving ~AUD38 billion of assets under management and ~2 million customers.

Nippon Life (directly and via Resolution Group) is committed to investing in, and growing in, the Australian and New Zealand markets. It believes that its strategy will contribute to the sustainability of these markets and will benefit customers through insurer consolidation, investment in digital infrastructure, improved customer experiences, and reduced operational risks and costs enabled through scale and business investment.

⁴ Policies in this context includes retail member savings and investment accounts under master policies, but excludes members of group risk and “wholesale” investment account policies.

⁵ Nippon Life statistics as at 31 March 2025; Resolution Group statistics are as at 31 December 2025.

The following provides a high-level graphic of the Acenda Group's key corporate entities:



Note: Various offshore entities (under Nippon Life and Resolution Group) are not detailed in the above graphic. Similarly, various intermediate non-operating holding entities, minor non-material entities and various investment entities and vehicles under NOHC (within the Acenda Group) are not included in the above.

2.2 Resolution Life Brand, Culture, Values and Philosophy

Over recent years, RLAL's business focus has been on managing its in-force business and achieving growth primarily through acquiring other closed-to-new business portfolios. Reflecting this, RLAL's core customer proposition has focused on servicing, supporting and retaining its existing customers, and adapting and improving its offering to meet the needs and expectations of its existing customers. RLAL is committed to providing its customers with peace of mind that their insurance, superannuation and investment policies are in safe and trusted hands for the long term. RLAL seeks to develop and maintain a customer-centric culture with strong customer first values. Over the last five years, RLAL has focused on transforming its operations through introducing contemporary technology and digital systems to enable it to provide both:

- Modernised and better service to its customers; and
- Improved operational efficiency to enable delivery of ongoing market competitive terms to its customers while managing its portfolios that are largely closed to new customers.

RLAL will continue to seek opportunities to acquire portfolios of life insurance business.

With the acquisition of Asteron Life and Acenda Life, NOHC's strategy has significantly evolved and expanded to re-enter the market to transact new business in both Australia and New Zealand. The ability to effectively and efficiently transact new business is critical to RLAL's future business strategy and objectives.

2.3 Statutory Funds & Shareholder Fund

RLAL operates four statutory funds and a Shareholders' Fund (**SHF**).

All life insurance business (i.e. the policies) of RLAL is written out of its statutory funds. The table below summarises the business in each statutory fund which is described further in the following sub-sections.

RLAL's Statutory Funds	
Statutory Fund (Total Assets ⁶ AUD) (No. Policies ⁷)	Business written
No.1 Fund Assets: \$20.8 B Policies: 580,000	The No.1 Fund is the largest fund. It is a diversified fund covering: <ul style="list-style-type: none"> • Participating and Non-participating business • Superannuation and ordinary (non-superannuation) business • Conventional/traditional (e.g., whole of life), capital guaranteed and investment account, individual and group death and disability covers (lump sum and income protection), and lifetime and term certain annuities • It includes New Zealand investment-linked (unitised) business
	Covering business across Australia, New Zealand and Papua New Guinea
No.2 Fund Assets: \$5.9 B Policies: 90,000	The No.2 Fund is a specialised fund covering Australian superannuation investment-linked (unitised) business only. All business is non-participating.
No.3 Fund Assets: \$1.6 B Policies: 26,000	The No.3 Fund is a specialist fund covering Australian ordinary (non-superannuation) investment-linked business only. All business is non-participating.
No.4 Fund Assets: \$3 M Policies: 1	The No.4 Fund, recently established in 2025, is a specialised fund to facilitate the issuance of lifetime annuity business.

The SHF maintains a pool of assets that serves as a capital pool that can be deployed to the statutory funds if/when a need for capital support to a statutory fund should arise. The SHF conducts no business other than the investment management of its assets.

While RLAL's current business primarily comprises portfolios that are closed to new business, it continues to provide/accept in respect of these portfolios:

- Ongoing premiums on regular premium paying business, and additional premiums (investments) into the various account-based products (e.g. ongoing contributions into superannuation policies and lump sum contributions into pension and other similar products);
- Changes to policies such as increases and decreases in cover and changes to benefits within the scope of the existing policies;
- New members under group policies, such as new members or employees under group life policies issued to a superannuation fund or employer as policyholder;
- In certain circumstances, conversion and rollover of benefits to replacement or other policies as policyholders would reasonably expect; and
- A range of similar scenarios that involve RLAL continuing to serve its existing policyholders and meet policyholders' reasonable expectations.

Nonetheless, RLAL is currently issuing some limited amounts of new business⁸. As noted above, its intention is to transact significantly increased amounts of new business in future.

⁶ As at 31 December 2025. Assets exclude reinsurance contract and insurance contract assets.

⁷ As at 31 December 2025. Number of "policies" shown is the number of policy accounts/covers and reflects retail member superannuation accounts, but excludes members of group risk and "wholesale" investment account policies. In practice, the superannuation policy accounts/covers in the RLAL No.1 Fund and RLAL No.2 Fund are primarily held under policies issued to the trustee of the National Mutual Retirement Fund (Equity Trustees Superannuation Limited)

⁸ Subject to regulatory limits imposed by the RBNZ on the activities of the No.1 Fund.

2.4 RLAL No.1 Fund

2.4.1 Overview of Fund

As summarised above, the RLAL No.1 Fund maintains a large, diversified portfolio of life insurance policies covering a range of product types. The table below summarises some key policy statistics as at 31 December 2025.

Summary of No.1 Fund 31 December 2025			
Product group AUD \$'million	Gross Annual Premium Income	Net Liabilities ⁹	Supporting Asset Pool
Participating business			
Conventional (whole of life, endowment)	70	8,792	8,792
Investment Account – Capital guaranteed*	n/a	4,625	4,625
Unallocated assets + policyholder retained profits	n/a	2,691	2,691
Totals for Participating	70	16,108[†]	16,108
Non-Participating business			
Risk business (life, trauma, TPD, disability)	990	1,181	1,181
Annuities (Lifetime and term certain)	n/a	1,470	1,470
Investment Linked & Non-Par Investment Account	n/a	289	289
Total for Non-Participating	990	2,941	2,941
Shareholder Capital (SRPP) - Participating	n/a	n/a	673
Shareholder Capital (SRP + Capital) - Non-Participating	n/a	n/a	651
Total Shareholder Net Assets (Capital)	n/a	n/a	1,323
Total Other Assets / Liabilities	n/a	411	411
Total No.1 Fund	1,060	19,460	20,783

* Includes the small Par Annuity business portfolio, IL bonus units liability and Group Life Par business within this line.

† Loans on policies, non-forfeiture debt and other accounting items which are included within (deducted from) the AASB17 policy liabilities, are presented in 'other assets / liabilities' in the table above (rather than in the product in net liabilities).

Source: Resolution Life APRA returns and related management information as at 31 December 2025

The No.1 Fund is managed via two sub-funds:

- The Participating Sub-Fund in respect of its participating business under the Life Act;
- The Non-Participating Sub-Fund in respect of its other (non-participating) business.

2.4.2 Participating Business & Par Sub-Fund

2.4.2.1 PRE Pools & Profit Distribution

The assets and liabilities of the participating business in the No.1 Fund are “ring fenced” from the non-participating business in the No.1 Fund, within the Participating Sub-Fund (**Par Sub-Fund**). The Par Sub-Fund is further divided into a series of underlying “PRE Pools” and an “Unallocated Asset Pool”.

The participating business participates in the experience and profits of the Par-Sub Fund, with that participation based on the experience of the respective PRE Pools to which each policy is allocated.¹⁰

⁹ Net Liability includes policy liabilities net of reinsurance and hence includes the reallocation of reinsurance assets from assets to net liabilities.

¹⁰ In some cases, experience is shared across some defined groups of PRE Pools. This mainly relates to the ex-AIAA PRE pools.

The **PRE Pools** (Policyholder Reasonable Expectations Pools) comprise allocated asset pools that support each underlying portfolio of business in the Par Sub-Fund. Separate pools are maintained by geography (Australia and New Zealand), by key product lines and by different underlying asset mix profiles and/or other operational or profit-sharing differences. There are currently 33 PRE Pools ¹¹.

The key product lines involve different product types and different ways the policies participate in the experience and profits of the Par Sub-Fund via their corresponding PRE Pool:

- Conventional (whole of life and endowment assurance) products are credited their share of their PRE Pool's experience and profits via additions to the policy sum insured in the form of a bonus sums insured ("reversionary" and "terminal" bonuses);
- Investment account products are account-based products that receive their share of PRE Pool experience and profits via interest credited to their accounts;
- Par Group life products receive a share of profits via premium rebates on policy renewal;
- Par Annuity products are credited bonus increases to their regular annuity amounts.

The PRE Pools maintain asset mix profiles consistent with the intentions communicated to policyholders and their expectations, albeit that these are not guaranteed and are ultimately subject to variation in the interests of the policyholders, and the financial stability of the PRE Pools and the overall Par Sub-Fund. These PRE Pools support the policy liabilities and retained profits (policyholder and shareholder) for the policies in each PRE Pool, and prima facie support the current and future bonus rates and crediting rates for the policies in each PRE Pool.

In the case of the Par Group life business, profits mainly accrue from claims experience rather than PRE Pool investment experience.

In accordance with the Life Act the profits emerging within each PRE Pool are allocated between policyholders and shareholders (in line with rules for each PRE Pool) with at least 80% allocated to policyholders and at most 20% to the shareholder. In respect of the 33 PRE Pools, in broad terms:

- All 13 Conventional PRE Pools split profits 80/20;
- All 13 Australian Investment Account PRE Pools effectively split profits 80/20 (ex-AMPL¹² and ex-AIAA have an 80/20 profit split, while ex-NMLA policies have an equivalent 20% "performance fee" structure albeit subject to a shareholder fee cap that applies at very high crediting credits);
- There is one New Zealand ex-AMPL Investment Account PRE Pool that splits profits ~87/13 and one New Zealand ex-NMLA Investment Account PRE Pool that allocates all investment returns less product fees to policyholders, with shareholders earning a profit equal to fees less expenses (with the shareholders' aggregate profits capped at 20/80ths of policyholder gains; this cap is generally only relevant during very low interest rate crediting);
- The one Par Annuity PRE Pool splits profit 80/20;
- All three Par Group life PRE Pools split profit 80/20;
- There is one small ex-NMLA investment-linked bonus pool that provides some maturity guarantee overlays on some underlying Australian unitised products. This is underwritten by one of the large Australian conventional pools; profit is effectively split 80/20.

An important principle is that the amount of each PRE Pool (i.e., the assets held within each PRE Pool) is intended to fully support and reflect the policyholders' reasonable expectations for the policyholders of that PRE Pool. That is, the bonuses and crediting rates that policyholders receive reflect those that the PRE Pool supports; and the amount held in each PRE Pool has historically been established (including at the time of the various antecedent life companies' demutualisations) to support the expected future bonuses and crediting rates consistent with the policyholders' expectations.

¹¹ Following the February 2026 Board approved rationalisation of the 25 existing ex-AIAA Conventional PRE pools into 6.

¹² Ex-AMPL refers the policies of RLAL that were issued under products provided by AMP Life Limited (**AMPL**) before the Part 9 transfer in of business from National Mutual Life Association of Australasia Limited (**NMLA**). Ex-NMLA refers to policies issued under NMLA's products. Ex-AIAA refers to the policies transferred into RLAL via Part 9 from AIA Australia.

2.4.2.2 Unallocated Assets, Notional Apportionment & Progressive Distribution

In addition to the PRE Pools totalling ~AU\$16b as at 31 December 2025, the Par Sub-Fund maintains an Unallocated Assets Pool (**UA Pool**), totalling ~AU\$950m as at 31 December 2025. This reflects an additional pool of assets in excess of the PRE Pools. The UA Pool supports the financial position of the overall Par Sub-Fund, acting as a buffer against, and financial support for, abnormal experience or unforeseen events, and supports the working capital needs of the Par Sub-Fund as a whole. The UA Pool is allocated 80% to Policyholders' Retained Profits (**PRP**) and 20% to Shareholder's Retained Profits Participating (**SRPP**) under the Life Act.

The UA Pool¹³ is in principle “owned” by the overall Par Sub-Fund, but not by any individual PRE Pool or group of policyholders. As noted above, the PRE Pools reflect and define each group of policyholders' reasonable expectations; the UA Pool reflects an overall Par Sub-Fund pool of “capital” held beyond policyholders' reasonable expectations.

Notwithstanding that the UA Pool is a “whole of Par Sub-Fund” asset pool, it is the current policy of the Board (as reflected in the PBMF) for RLAL to progressively distribute the UA Pool amongst the policyholders of the Par Sub-Fund as the business of the Par Sub-Fund gradually runs off. The objective of the progressive distribution is to ensure the UA Pool does not become a tontine windfall for a small group of policyholders in the distant future.

In practice, under the adopted progressive distribution approach in the PBMF:

- The UA Pool has been “notionally apportioned” between the ex-AMPL and ex-NMLA conventional and investment account PRE Pools, and the notional apportionment of the UA Pool (the **NA Pools**) is (are) tracked in the annual Financial Condition Report.
- The NA Pools are used to determine and track the fair progressive distribution of the UA Pool amongst the policyholders of the ex-AMPL and ex-NMLA conventional and investment account PRE Pools.
- Under the Part 9 Transfer terms for the ex-AIAA participating business, the ex-AIAA PRE Pools are not entitled to share in the progressive distribution of the UA Pool.
- While in principle, the UA Pool does not “belong” to any group of participating policyholders, under the Life Act, it is legally required to be allocated between “Australian” and “Overseas” participating business, including a prohibition on reallocating or distributing any Australian component of the UA Pool to Overseas policyholders. In November 2024, the NZPAC supported and the RLAL Board approved, an alignment of the Life Act allocation of the UA Pool to the adopted NA Pools basis, involving a modest transfer of the New Zealand allocation of the UA Pool to the Australian allocation (~AU\$41m as at 31 December 2023; to be implemented as a transfer of ~NZ\$47m as at 31 December 2025). RBNZ provided their non-objection to the one-off reallocation on 8 April 2026. RLAL is currently awaiting approval from APRA. This report, the analysis in it and the conclusions anticipate APRA approval for the reallocation in the near future.
- In practice, following this one-off reallocation, the allocation of the UA Pool between Australia and New Zealand will effectively be “permanent” under the Life Act.

It is noted that as a practical taxation matter, the UA Pool is managed by five underlying investment sub-pools¹⁴ that reflect an allocation of the UA Pool by tax class, with specific assets held by each sub-pool. The New Zealand tax class UA sub-pool equals the New Zealand business UA amount under the Life Act (as above), which will now also align to the aggregate of the New Zealand NA Pools.

The following illustrates the UA and NA Pool “allocations” as at 31 December 2025, allowing for the (anticipated) APRA and RBNZ approved GSP reallocation noted above:

¹³ The UA Pool comprises two underlying “pools”; the large majority is the “Global Sharing Pool” (**GSP**) and small amount of “Unallocated Retained Profits” (**URP**). The URP amount is intended to be reserved to support a sub-group of PRE Pools and their policies that comprises certain business transferred into RLAL from NMLA under a Part 9 transfer some years ago. While this reflects a priority of support for these PRE Pools within the UA Pool in respect of this small amount, it does not otherwise materially impact the operation of the UA Pool nor any progressive distribution of the UA Pool over time.

¹⁴ The five sub-pools comprise 1 NZ GSP Pool, 3 AU GSP Pools (Ordinary tax class, Super tax class and SEA tax class), and 1 AU URP Pool (Ordinary tax class) per the footnote above.

UA and NA Pool “Allocations” as at 31 December 2025 ¹

AUD \$'millions	NZ Branch UA Sharing	Australian UA Sharing	Ex-AIAA No UA	Tota PSF Pools
PRE Pools Assets (ex UA, NA Pools)	3,724	10,924	1,176	15,824
<i>% Split of UA Sharing Pools ¹</i>	25%	75%	n/a	
UA, NA Pool Holdings and “Allocations”				
- URP (ex-NMLA) Ord Tax Class	0	33		33
- GSP NZ and Aus Ord Tax Classes	249	367		616
- GSP Super & SEA Tax Classes	0	307		307
Total UA, NA Pool Holdings	249	707	0	956
<i>% Split</i>	26%	74%	n/a	
<i>NA Pool as a % PRE Pool</i>	6.7%	6.5%	n/a	6.0%
Total PSF Holdings and Allocation	3,973	11,631	1,176	16,780

Source: Resolution Life Policy Liability workbook as at 31 December 2025.

1. Only the ex-AMPL and ex-NMLA PRE Pools share in the UA Pool progressive distributions, and only these pools have NA Pool allocations. The ex-AIAA PRE Pools are excluded from progressive distributions, and are separately shown in this table. The % Split of UA Sharing is the % of PRE Pools that share in the UA Pool progressive distributions.

The split of the NA Pools (and UA Pool) between the ex-AMPL and ex-NMLA business in New Zealand (in the NZ Branch) and Australia is materially proportionate to the respective PRE Pool balances. This reflects both the initial NA Pool allocation basis adopted (in proportion to PRE Pool balances), and that the progressive distribution approach effectively distributes the NA to policyholders in each PRE Pool as each PRE Pool runs-off.

2.4.2.3 Participating Business Management Framework

RLAL’s participating business is managed in accordance with RLAL’s Participating Business Management Framework (**PBMF**). This is a framework of the RLAL Board and guides the management of the RLAL participating business, including inter alia its capital management, strategic asset allocations and financial position protection strategies, bonus and crediting rate distribution approaches, approach to any progressive UA Pool distribution, and surrender value considerations.

The framework is based on four key principles and objectives:

- **Self-Supporting:** Managing the participating business so the Par Sub-Fund will be self-supporting over time with respect to meeting both benefit payment obligations and its capital needs.
- **Policyholder Reasonable Expectations (PRE):** Meeting policyholder PRE consistent with the promises and disclosures made to policyholders over time.
- **Priority of Guaranteed Benefits:** Recognise the priority in respect of the payment of contractual benefit guarantees as they become due, including the payment of surrender and withdrawal payments at the minimum level required by a combination of contractual terms, disclosures, and regulatory requirements.
- **Equity:** Treating policyholders equitably in managing the participating business, and this principle underpins management actions to achieve the Self-Supporting and PRE objectives.

2.4.3 Non-Participating Business & Non-Par Sub-Fund

All the non-participating business of the No.1 Fund is managed within the balance of the No.1 Fund and contained within the Non-Participating Sub-Fund (**Non-Par Sub-Fund**).

This Sub-Fund contains predominantly risk insurance policies (death and disability covers) and annuities (term certain and lifetime annuities), sold across Australia and New Zealand. It also contains the New Zealand investment-linked business and small portfolios of Australian non-participating conventional and investment account business.

For the non-participating policies, the benefits provided and their calculation bases are defined in their policy terms, and these policies do not participate in the experience of the Non-Par Sub-Fund nor in the profits of RLAL. The exception to this is the investment-linked and investment account business where

the benefits provided directly link, under defined policy rules, to the investment returns on explicitly held and identified portfolios of assets (investment pools) maintained within the Non-Par Sub-Fund.

The assets of the Non-Par Sub-Fund are managed within a series of underlying pools to assist with the risk management of the Non-Par Sub-Fund. These pools generally contain fixed interest assets with durations broadly matched to the policy liability cash-flows, albeit with the material use of derivatives to implement the intended investment management strategy, duration matching and hedge risk.

2.5 RLAL No.2, No.3 and No.4 Funds

The RLAL No.2 and No.3 Funds issue Resolution Life’s Australian investment-linked (unitised) business. The RLAL No.2 Fund provides superannuation products (taxed at 15% or 0%), and the RLAL No.3 Fund provides ordinary savings products (taxed at 30%). The RLAL No.4 Fund was established in 2025 with the purpose of issuing Australian lifetime annuity new business. All business within the RLAL No.2, No.3 and No.4 Funds is Non-Participating under the Life Act.

These funds are not affected by the Proposed Transfer. Nonetheless, the following tables provide some high-level portfolio statistics for context within the overall RLAL business. These policy statistics are as at 31 December 2025.

Summary of RLAL No.2 Fund 31 December 2025		
Product group AUD \$'millions	Liabilities	Supporting Assets
Australian, Superannuation, Investment-linked Policy Liabilities	5,692	5,692
Tax and Other Liabilities	158	158
Shareholder Capital (SRP + Capital)	n/a	47
Total RLAL No.2 Fund	5,851	5,898

Source: RLAL APRA returns as at 31 December 2025.

Summary of RLAL No.3 Fund 31 December 2025		
Product group AUD \$'millions	Liabilities	Supporting Assets
Australian, Ordinary, Investment-linked Policy Liabilities	1,428	1,428
Tax and Other Liabilities	136	169
Shareholder Capital (SRP + Capital)	n/a	19
Total RLAL No.3 Fund	1,564	1,583

Source: RLAL APRA returns as at 31 December 2025.

Summary of RLAL No.4 Fund 31 December 2025		
Product group AUD \$'millions	Liabilities	Supporting Assets
Australian Policy Liabilities	0	0
Tax and Other Liabilities	0	0
Shareholder Capital (SRP + Capital)	n/a	3
Total RLAL No.4 Fund	0	3

Source: RLAL APRA returns as at 31 December 2025.

2.6 Shareholder Fund

The Shareholders Fund (**SHF**) of RLAL is maintained separately from the RLAL statutory funds. The SHF holds investments which provide additional capital to support the overall interests of RLAL's policyholders and shareholders as required. No insurance business is issued from this fund.

The net assets of the SHF as of 31 December 2025 is \$156m.

2.7 Operations & Administration

RLAL's operations and management staff, systems and infrastructure are provided by the two service companies, which are ultimately owned by NOHC: Resolution Life Services Australia Pty Ltd (**Res Services Aus**) and Resolution Life Services NZ Limited (**Res Services NZ**) (collectively referred to as the **Service Companies**), which provide these services to RLAL's operations in Australia and New Zealand.

RLAL has service agreements in place with Res Services Aus and Res Services NZ to provide the operational and management services to RLAL on a basis that is a combination of contractual fees and cost recovery. Res Services Aus and Res Services NZ in turn employ staff, outsource and contract various functions and services to third parties (e.g. computer systems and infrastructure, fund administration, asset registry, trustee services, and investment management services).

NOHC, including RLAL, has a supplier management framework in place, with appropriate governance practices, to oversee its material service provider arrangements. The RLAL Service Provider Management Policy is applied to these outsourcing and service provider arrangements to ensure compliance with APRA's Prudential Standard CPS 230 Operational Risk Management. There are a number of material outsourcing arrangements, including those related to:

- The provision of custody and fund administration services;
- Core technology, software and services; and
- The services agreements with Res Services Aus and Res Services NZ. Claims management and policy administration are covered under these services agreements.

This approach adopted by RLAL, including the use of the related party Service Companies and material service provider parties, is common in the financial services industry in Australia and New Zealand.

2.8 Expense Level & Allocation Basis

The level of expenses incurred by RLAL, and the allocation of those expenses to the various statutory funds and policyholder portfolios can impact:

- The premium rates charged to policies that pay ongoing premiums for insurance benefits;
- The fees charged under investment style products;
- The benefits (bonus and crediting rates) supportable for the participating policies, as the participating funds are directly charged their allocated fees and expenses; and
- Ultimately, the benefit security for all policyholders.

RLAL manages its expense levels, including those incurred via the Service Companies, via a combination of:

- Detailed expense budgeting processes, including multi-year projected expense and revenue estimates;
- Planned significant investment in technology and product simplification and rationalisation over time to reduce costs in future; and
- The use of third party service providers (as noted above) to assist with managing its unit costs over time.

RLAL's expenses are made up of investment management expenses, expenses that are directly attributable to a product and incurred by RLAL directly (such as stamp duty and medical expenses) and other expenses that are not directly attributable to a product (including expenses underlying the fees charged by the Service Companies). RLAL complies with the Life Act and APRA Prudential Standard

LPS 340 Valuation of Policy Liabilities requirements in allocating expenses to statutory funds and relevant sub-funds and PRE Pools.

2.8.1 Participating Business Expenses

The expenses incurred by the Par Sub-Fund comprise the following categories:

2.8.1.1 Day-to-day administration

Day to day administration of the business, including the Par Sub-Fund, is undertaken by the Service Companies which charges fees to the Par Sub-Fund on a “fixed fee” basis, including per policy fixed dollar fees that are increased by CPI each year; percentage of in-force annual premiums or account balances; and percentage of claims paid.

2.8.1.2 Contracted service fees & internal investment management costs

Contracted service fees include, for example, fees for services provided by external parties under investment management agreements equal to the fees set out in those agreements. Contracted service fees are charged to the Par Sub-Fund on a direct pass-through basis.

Some investment management activities are provided internally by the Service Companies, rather than contracted externally. Where such services are provided internally, the allocated costs incurred are charged to RLAL and allocated and shared across the various RLAL investment pools (par and non-par) with an appropriate share charged to the Par Sub-Fund in respect of its assets.

2.8.1.3 Regulatory fees and directly incurred costs

The Par Sub-Fund is charged its appropriate share of any regulatory fees or charges in addition to directly incurred costs such as brokerage and stamp duty on investment activity.

2.8.1.4 One-off costs

Where costs are incurred to either improve participating policyholder outcomes and/or equity, such as investments in processes or technology that will result in future cost savings to the policyholders, or due to externally imposed changes such as regulatory change, such additional (“one-off”) costs may be charged to the Par Sub-Fund.

2.8.1.5 Expense Allocation

The Par Sub-Fund expenses are generally allocated to each PRE Pools based on the corresponding underlying driver of the expenses (e.g. FUM or Service Company fee basis). “One-off” costs may be charged to the UA Pool (and shared across the NA Pools on an appropriate basis) – for example, where they relate to costs incurred in respect of the Par Sub-Fund as a whole (e.g. regulatory change costs).

2.9 Tax Status and Basis

Under the applicable tax rules, income tax is levied on RLAL at multiple levels, and in broad terms:

- For Australian business, policyholders’ tax (mainly for participating business and investment-linked business) is based on investment returns less fees and expenses and is levied at:
 - 30% for ordinary business;
 - 15% for complying superannuation business (subject to capital gains discounts); and
 - 0% for annuity and pension business.
- For Australian business, shareholder’s taxable income is taxed at the corporate rate of 30%.
- For New Zealand business, shareholder and policyholder income is taxed separately, and levied at the rate of 28%¹⁵.

NOHC and RLAL pay tax in Australia on a consolidated basis, with tax sharing and funding agreements applying between NOHC and RLAL. Under these agreements RLAL incurs a tax charge from NOHC, with the tax charge calculated for RLAL by applying the tax rules to RLAL on a standalone basis.

The New Zealand business is taxed on a standalone basis, with tax assessed based on the NZ Branch financial statements and underlying ledger information (as applicable under the tax rules).

¹⁵ Transitional relief is provided for certain policies that were in-force when the NZ life insurance tax rules changed in 2010.

RLAL has an “transfer pricing” agreement in place with the Australian ATO and New Zealand IRD that specifies an agreed taxable income amount in respect of the Res Services NZ entity.

The overall RLAL tax expense and tax reserving is allocated to each statutory fund, and then within each statutory fund to the various Par Sub-Fund PRE Pools and UA Pool(s), and other relevant investment pools (e.g. unit-pricing pools), on the basis of the tax expense and reserving that would arise for each fund and pool as if it operated on a “standalone” basis (i.e. by apply the relevant tax rules to the experience of each pool separately). To the extent some funds or pools may have negative tax expenses or reserves (e.g. have received excess franking credits or incurred capital losses on some investments), these are funded or supported by other funds and pools, as relevant, provided doing so does not disadvantage those other funds or pools.

2.10 Investment Strategy & Management

RLAL’s investments are managed in accordance with various Board policies and management delegations, and include oversight via a management Asset Liability & Investment Committee and agreements which appoint third party investment managers and advisers to implement investment strategy. The investments are made and conducted via a series of underlying “funds” - sector funds, unit-funds (investment options) and “composite funds” - to meet the investment needs of the different statutory funds and the products, sub-funds, PRE Pools, and investment options within the statutory funds. The investment funds are managed based on, and the associated investment management agreements detail, for each relevant underlying fund, aspects including e.g.:

- Investment objectives and strategies;
- Asset allocation targets and liquidity requirements;
- How, and to what extent, derivatives may be used;
- Asset concentration limits and asset quality requirements;
- Other risk limitations for the fund; and
- Compliance and monitoring requirements.

The current high-level investment strategy adopted by RLAL is summarised below:

- Assets backing the risk insurance and annuity business in the No.1 Fund are invested primarily in cash, fixed interest securities, and debt financing and loan arrangements, with an investment duration profile (including use of derivatives) broadly matched to the duration of the annuity liabilities and risk insurance incurred claims liabilities.
- Assets backing the PRE Pools of the participating business and non-participating investment account business in the No.1 Fund are invested in a mix of cash, fixed interest securities, debt financing and loan arrangements, equities, properties and infrastructure, and a derivatives-based protection strategy. The adopted investment strategy seeks to link the bonus and crediting rate strategy, policyholder expectations, risk profile and capital support and coverage available, with long-term sound, supportable and equitable policyholder outcomes.
 - The No.1 Fund assets held are recorded, and underlying strategic asset allocations are monitored and maintained, separately and explicitly, for each PRE Pool, the UA Pool(s) and the non-participating investment account asset pools.
- The investment options within the investment-linked portfolios (the No.2 and No.3 Funds’ portfolios and the New Zealand investment-linked portfolio in the No.1 Fund) are invested, via separate investment option pools, in accordance with each investment option’s stated investment profile and objectives, and to achieve the investment objectives and risk profiles for the different investment options consistent with the investment horizon (timeframe) for each option.
- Assets held to back the capital reserves of RLAL, including the assets held in the SHF, are in general terms currently invested in cash, short-term fixed interest, and debt financing and loan arrangements.

In terms of underlying asset holdings, it is noted that the RLAL No.1 Fund Australian business and NZ Branch investment assets are predominantly separately held and managed:

- The Australian investment assets are held via Australian DTM trusts, with Equity Trustees Limited (**EQT**) as trustee, BNP Paribas Australia Fund Services Australasia Pty Ltd (**BNPP**) providing custody and fund administration services and SS&C Solutions Pty Ltd providing registry services.
- The New Zealand investment assets are held predominantly via New Zealand PIE trusts, with New Zealand Guardian Trust as trustee and BNPP providing custody and fund administration services and MUFG Pension & Market Services (NZ) Ltd (**MUFG**) providing registry services.
- The separate structuring, especially the use of PIEs in New Zealand, has been adopted to optimise policyholder and shareholder net investment return outcomes. The main exception to this approach is that the New Zealand business invests into the Australian Private Credit and unlisted assets (property and infrastructure) DTMs where it is not economic or practical to establish separate New Zealand PIEs for these asset classes. Nonetheless, the NZ Branch holdings in the units in these underlying trusts are explicitly recorded and held.

2.11 Reinsurance Strategy

RLAL has in place a number of reinsurance arrangements related to the business in the No.1 Fund to manage the insurance risk exposures of the No.1 Fund. RLAL complies with the reinsurance requirements set out in APRA's Life Prudential Standard LPS 230 Reinsurance Management.

The reinsurance arrangements are substantively with S&P "AA" rated (or equivalent rating) international reinsurers, with the arrangements implemented via their Australian registered and regulated reinsurance subsidiaries, which are typically also registered and regulated in New Zealand in respect of the New Zealand business reinsurance.

Overall, the non-participating insurance product risks are approximately 60% reinsured (i.e. RLAL retains approximately 40% of the overall insurance product risks).

The reinsurance arrangements are implemented via separate arrangements and treaties for the Australian and New Zealand business, with no practical commonality across the Australian and New Zealand arrangements:

- The main ongoing arrangements covering the Australian business involve two large quota share arrangements provided by Munich Reinsurance Company of Australasia Limited (**Munich Re**) and General Reinsurance Life Australia Ltd (**General Re**), a retail surplus arrangement with General Re and a claims run-off arrangement with RGA Reinsurance Company of Australia Limited (**RGA**).
- The main ongoing arrangements covering the New Zealand business involve a large quota share arrangement provided by Swiss Re Life & Health Australia Limited (**Swiss Re**), and a retail surplus arrangement also with Swiss Re. RLAL also has some reinsurance arrangements with Munich Re in respect of claims incurred before 1 June 2024 for the New Zealand group life business.
- There are no treaties or arrangements spanning across, i.e. covering business in both, the Australian and New Zealand portfolios.

The business referable to the No.2 and No. 3, which do not include material insurance risk, and the small amount of business in the No.4 Fund, is not subject to reinsurance.

2.12 Underwriting, Claims & Compliance

RLAL maintains a relevant suite of Board approved and management adopted policies and procedures that guide the sound and compliant operation of RLAL, and the fair and empathetic treatment of policyholders, including for example:

- Underwriting policy and standards;
- Claims management philosophy and processes, including procedural fairness;
- Policies on compliance with AML/CTF, Privacy regulations, Whistle blowing;
- Vulnerable customers; and
- Internal and External Dispute Resolution.

The suite of policies and procedures comply with the relevant regulatory requirements and expectations in Australia and New Zealand, including ASIC/Corps Act (Aus) and FMA/COFI (NZ) regulations, and with the Council of Australian Life Insurers (**CALI**) Life Insurance Code of Practice.

2.13 NZ Branch, NZPAC, RLNZ and NZ Trust

As noted above, the New Zealand business of RLAL is issued from the No.1 Fund, and is operated via a “branch” structure which forms a “sub-account” for all the New Zealand business assets and liabilities held in the RLAL No.1 Fund. The NZ Branch (and underlying sub-account of financial and policy records) is required to be maintained under New Zealand regulation, including the preparation and submission of annual audited financial statements for the NZ Branch to RBNZ.

Other than for the purposes of financial reporting, tax assessment and supervision purposes, the NZ Branch does not involve any other ring-fencing or separation of the New Zealand business from the other business of RLAL or the No.1 Fund.

Under agreement with the RBNZ, some other financial and governance structures have been put in place to enhance the protection of the New Zealand policyholders and RBNZ supervision, including:

- The maintenance of Resolution Life New Zealand Limited (**RLNZ**) as a registered New Zealand life insurer. RLNZ is owned by NOHC.
- The maintenance of the “**NZ Trust**” which essentially holds the substantial majority of the investment assets supporting the New Zealand business on behalf of the No.1 Fund, and where the No.1 Fund is the sole beneficiary and sole unitholder of the NZ Trust. RLNZ is the trustee of the NZ Trust.
- The maintenance of a “**RLNZ Reinsurance**” arrangement between RLNZ and RLAL. Under this arrangement, RLAL paid RLNZ an upfront single premium of NZ\$9m in 2020, and RLNZ undertakes to pay up to the Sum Insured to RLAL in the event RLAL becomes (paraphrased) unable to pay its contractual benefits to the New Zealand policyholders (i.e. in the remote, extreme circumstance of the actual insolvency and failure of RLAL). The Sum Insured is the lesser of NZ\$50m and 2.5% of the New Zealand business termination values.
- The maintenance of a New Zealand Policyholder Advisory Committee (**NZPAC**) that operates under a Charter agreed with RBNZ to advise the RLAL Board on various aspects as to the fair treatment of the New Zealand policyholders and consideration of their interests.

It is understood that the general intention of these arrangements is to ensure RBNZ supervisory access, balance the “priority” interests of the New Zealand and Australian policyholders in the No.1 Fund, noting the Australian policyholders are afforded various protections and priorities under the Life Act relative to “overseas” business, and ensure a reasonable focus on the fair treatment of the (minority) New Zealand business is maintained within the overall context of the larger RLAL entity.

Notwithstanding the intentions for the NZ Trust and RLNZ Reinsurance to provide support for the New Zealand policyholders in the event of RLAL coming under severe financial stress, it is unclear to what extent they would ultimately be successful, legally, in achieving the intended degree of protection and/or support (“ring-fencing” assets or supporting New Zealand policyholders only) in the actual, extreme circumstances of a trans-Tasman insolvency, judicial management and/or liquidation of RLAL¹⁶.

2.14 Risk & Capital Management

2.14.1 Risks and Risk Management

In accordance with APRA Prudential Standard CPS 220 Risk Management, NOHC maintains a Risk Management Framework (**RMF**) which is adopted by RLAL. In executing the business plan, application of the RMF aims to ensure that the necessary systems, structures, policies and processes for managing material risk exposures are established and maintained, so that material risks are managed consistent with the expectations set by the Board. The RMF includes the Risk Appetite Guardrails (**RAGR**), Risk

¹⁶ This observation is not meant as a criticism of the current arrangements and structures, or the intentions for them, rather it is an observation on the complex nature of, and interaction between, Australian and New Zealand law, and between prudential management and insolvency law, including the (unknown) decisions that Courts may make in particular circumstances, and the lack of testing of this structure in case law. The outworkings of the structures therefore involve unavoidable uncertainty.

Management Strategy (**RMS**), business plan, management information systems and the Internal Capital Adequacy Assessment Process (**ICAAP**).

The processes for identifying, assessing, controlling, and reporting on material risk exposures are outlined in the NOHC RMS. RLAL applies the RMS to document and report RLAL's overall residual risk profile, which is assessed against the Board's residual risk preferences documented in the RAGR. The ICAAP aims to ensure that appropriate capital is held by RLAL consistent with the residual risk profile of RLAL.

Should there be material misalignment between the residual risk profile and the Board's residual risk preferences in the RAGR, increased assessment, monitoring and reporting on these risk exposures is performed in accordance with the RMS. The Board, in applying the ICAAP, may also decide to hold additional capital to support elevated risk exposures.

2.14.2 Regulatory Capital Reserve Requirements

RLAL meets the capital requirements set out in APRA's Life Prudential Standards that apply to all Australian life insurance companies. The core framework for determining capital requirements is set out in APRA Prudential Standard LPS 110 Capital Adequacy (**LPS 110**). Under LPS 110 a life insurer must:

- Determine the capital base of the life insurer and each of its statutory funds, which is based on the net assets of the company and each fund, adjusted to recognise the quality of the support provided by its various assets and types of capital held.
- Determine the Prescribed Capital Amount (**PCA**) of each of the statutory funds and the SHF. The PCA for a life company is the sum of the PCAs of the statutory funds and the SHF. LPS 110 states that the PCA is intended to achieve the outcome that, if a fund was to start the year with a capital base equal to the PCA and losses occurred at a 99.5% confidence level (i.e., a 1 in 200 year adverse outcome), then the assets remaining would be at least sufficient to provide for the adjusted policy liabilities and "other liabilities" of the fund at the end of the year.
- Add any supervisory adjustments imposed by APRA on the life company and each of its funds. The total of the PCA and any supervisory adjustments is the Prudential Capital Requirement (**PCR**). Companies are not permitted to publicly disclose any supervisory adjustments. The PCR is the required minimum level of capital for regulatory purposes.
- Ensure that, for the life company and each of its statutory funds, the capital base exceeds the PCR at all times.

The objective of the above requirements is stated in LPS 110 to maintain sufficient capital in the life company and each of its statutory funds to meet the obligations of policyholders under a wide range of circumstances. RLAL maintains significant capital holdings above the PCR (see discussion below).

Under RLAL's NZ Licence, satisfying the Australian regulatory requirements (as above) is deemed as satisfying the corresponding New Zealand solvency requirements (i.e. RLAL has a "Section 59 Exemption" from the New Zealand requirements if it meets the Australian regulatory requirements).

2.14.3 Target Capital (ICAAP)

The ICAAP specifies the holding of additional capital (i.e. net assets) buffers, referred to as "**Target Surplus**", above RLAL's PCR. The principles of the Target Surplus policy are:

- Target Surplus is held to provide protection against RLAL breaching the regulatory capital requirements under LPS 110 as a result of unanticipated, adverse events. The Target Surplus amount is a benchmark that:
 - Is set to protect against RLAL breaching its regulatory capital requirements at a Board approved and specified probability of adequacy and specified margin.
 - In "business as usual" circumstances when RLAL has net capital (net assets) greater than its Target Surplus amount, it will conduct its business under normal conditions, including paying dividends to its shareholders.
 - If net capital falls below the Target Surplus amount, management of the business will respond, reflecting the circumstances of the excess capital reduction, which may include restricting or not paying dividends and/or taking other capital position restorative actions

(e.g., seeking a capital injection from its shareholder or taking other actions) as circumstances warrant.

- The level of Target Surplus held is determined in line with the Board approved ICAAP Summary Statement. Part of the overall RLAL Target Surplus is held in each statutory fund to protect against a certain level of adverse events, with the balance held centrally in the SHF to enable deployment into statutory funds should they suffer more severe adverse events than that supported by that fund's Target Surplus holding.¹⁷
- Should RLAL's net assets in a statutory fund or overall fall below the Target Surplus benchmark, the ICAAP Summary Statement and the NOHC Recovery & Exit Plan set out potential management actions that can be taken to restore RLAL's capital position. The capital position is subject to regular monitoring of the current and forecast capital position relative to the Target Surplus benchmark, and is subject to assessment under a range of stress tests and scenarios.

Transfers out of statutory funds and dividend payments are subject to considerations such as:

- The Life Act restrictions on the distribution of shareholder retained profits from the No.1 Fund Par Sub-Fund; and
- Emerging market conditions and consideration of anticipated prospective impacts on RLAL's capital requirements.

2.14.4 Tier 2 Capital

RLAL has historically issued a Tier 2 Capital (T2) instrument from its No.1 Fund (mostly recently comprising \$300m of T2 capital up to 9 December 2025) as part of its capital base and capital support for the No.1 Fund. At as the date of this report, the No.1 Fund does not have any T2 capital in place (the recent T2 capital was redeemed on 9 December 2025). While NOHC and RLAL intend to issuing new T2 capital in 2026, the use and application of any such T2 within RLAL has not been finalised and in any event will be the subject of separate APRA engagement and approval, and appropriate detailed capital and risk assessment in respect of any T2 usage within any of RLAL's Statutory Funds. The pro-forma financial analysis set out in this report does not include any T2 usage and this report does not otherwise consider or speculate on the future usage of T2, which will be assessed considering the risk profile of, and policyholder considerations for, any fund (No.1 Fund as is or No.1 Fund and No.5 Fund post the Proposed Transfer) at the relevant time.

2.15 Current Financial Performance & Position

2.15.1 Overall Profitability

The table below shows RLAL's Net Profit After Tax (NPAT) over the 4 years to 31 December 2025.

RLAL Net Profit after Tax				
AUD \$'millions	2022	2023	2024	2025
No.1 Fund - NZ Branch	35	76	59	41
No.1 Fund – Other (Aus)	259	-240	103	120
No.2, No.3 & No.4 Funds	18	15	8	31
SHF	-2	-2	-16	-12
RLAL Total	310	-151	154	181

Source: RLAL published and audited Financial Statements based on AASB17 reporting basis and RLAL APRA returns as at 31 December 2025.

¹⁷ It is noted NOHC holds additional capital reserves to support RLAL and other NOHC entities and their risk exposures, especially in more severe circumstances. Those capital holdings will not be impacted by the Proposed Transfer nor RLAL's access to them be materially impacted. They are not discussed further in this report.

The following observations are made on the above results:

- RLAL’s reported profits are impacted by its underlying investment performance and changes in its policy liabilities (which involve discounted present value calculations of projected future policy cashflows). Consequently, its reported profit is subject to some inherent volatility when examined year-to-year. The significant rise in interest over the year 31 December 2022 resulted in a material impact on its asset values and policy liabilities, with a large positive profit impact over FY22.
- NM Super terminated its wealth protection business with RLAL, consisting of ~\$400m gross annual premium, in early FY24. RLAL’s profit incurred a one-off loss of \$259m in FY23 related to the write-off of the net future value of that business. Excluding that one-off impact, the RLAL “underlying” profit would otherwise have been positive \$108m for FY23.

Notwithstanding the above observations and significant impacts, RLAL has generated a material profit over the last 4 years. RLAL’s underlying profitability emerges over time and is regarded as sound.

A profitable life insurance business ultimately contributes to policyholder security.

2.15.2 Capital Generation & Dividends

RLAL has generated a material level of net assets (cash-flow) over recent years. The table below shows the statutory fund transfers (to the SHF) and dividends¹⁸ paid by RLAL relating to the 4 years to 31 December 2025 that provides an indication of the underlying cash-flow and net asset generation of RLAL. The amounts shown relate to the financial year of generation, rather than the time of actual transfer and payment (that usually includes some amounts transferred or paid after each year end):

RLAL Life Transfers & Dividends Paid				
AUD \$'million	2022	2023	2024	2025 ³
No.1 Fund - NZ Branch cash-flow release ^{1 2}	80	85	80	35
No.1 Fund – Other (Aus) cash-flow release ^{1,2}	260	238	229	64
No.1 Fund Transfer to SHF	340	323	309	99
No.2 & No.3 Funds Transfer to SHF	21	28	13	30
Total Transfers to SHF	361	351	322	129
Dividend paid from SHF	439	188	309	128

Source: Management information as to the dividend paid for each financial year, and aggregate statutory fund transfers.

¹ The aggregate No.1 Fund transfer to the SHF in respect of each year is determined at the “whole of fund” level, and is not determined separately between the business inside and outside the NZ Branch; this reflects inter alia that the underlying capital requirements (PCA, PCR and ICAAP) are not currently separately determined for the NZ Branch and the other No.1 Fund business. The cash-flow releases shown in the table above are indicative estimates of the underlying releases. While not precise, the estimates are sufficiently meaningful for the purposes of illustrating the relative contribution to the No.1 Fund cash-flow releases for the purposes of the analysis and discussion in this report.

² Given that the actual cash-flow releases from the NZ Branch cannot be precisely determined as noted above, the actual transfers made from the NZ Branch to the SHF were based on other metrics: reported NZ Branch profits, NZ participating distributable profits, estimated changes in NZ capital liabilities etc. Not shown in the table above is the transfer in respect of FY24 (\$215m) from NZ Branch to AU SF1, which was completed in 2025 to reflect some catchup for the conservative transfer approach adopted over recent years.

³ The 2025 transfer from the RLAL No.1 Fund is lower than in prior years, primarily reflecting the redemption of Tier 2 capital (approximately \$180 million), which has been notionally allocated between NZ Branch and Other (Aus) based on the respective PCA proportions.

It is RLAL’s practice to normally transfer the full amount of excess assets in each statutory fund each 6 months to the SHF, and pay the full excess in the SHF as a dividend (or dividend and capital return) to the shareholder each 6 months. The difference between the transfers to the SHF and dividends paid in the above table relates to some reallocation of capital holdings in FY22 under the RLAL ICAAP updated in FY22, and the funding of the AIAA business acquisition in FY23.

The table indicates that all RLAL statutory funds have provided material, positive cash-flow generation, and within the No.1 Fund, both the New Zealand and Australian portfolios have provided substantial positive cash-flow generation. While as noted in Note 1 under the table above, the NZ Branch and non-

¹⁸ Dividends in this table includes amounts paid in the form of capital return.

NZ Branch amounts are estimates of the underlying cash-flow generation amounts, the estimates are regarded as sufficiently reliable and meaningful for the purposes of this report and indicate the underlying cash-flow of the Transferring NZ Policies and the Remaining Policies is broadly in proportion (25%-30% NZ, 70%-75% Aus) to the relative scale of the two portfolios (25%-30% NZ, 70%-75% Aus).

As noted under Note 3 to the table above, the \$128m transfer was net of the redemption of the T2 in December 2025 which absorbed ~\$180m of the 2025 cash generation. Adding this back, the underlying generation was ~\$308m for 2025, similar to prior years. The T2 redemption also impacted the estimated split between the Australia and New Zealand business in No.1 Fund for 2025.

The RLAL business plans indicate future, ongoing generation of material expected cash-flows and net asset generation and ability to support material future statutory fund transfers (to the SHF or other funds) and overall RLAL dividends.

2.15.3 Regulatory Capital Requirement

RLAL's capital base is calculated as RLAL's accounting net assets with regulatory adjustments. The key, substantive regulatory adjustments involve:

- Removing from the net of reinsurance policy liabilities for the risk insurance business in the No.1 Fund any accounting "asset" component in respect of recovering past incurred acquisition costs from future premiums;
- Eliminating (inadmissible) net deferred tax assets;
- Recognising shareholder margins deferred (not recognised) within the policy liabilities subject to policy termination value constraints; and
- Allowing for any capital support benefits of Eligible Tier 2 Capital RLAL may issue from its Statutory Funds. No Tier 2 Capital is in place as at the date of this report. See the discussion above in section 2.14.4.

As at 31 December 2025, Resolution Life had a total PCA of \$880m and was in a sound financial position with assets in excess of PCA of \$1,056m (net of the outstanding 2H25 dividends). The following table summarises the capital adequacy profile of RLAL as at 31 December 2025 on a pro-forma basis, allowing for the Resolution Life 2H25 transfers and dividends approved by the Board in March 2026.

RLAL Key Capital measures by Statutory Fund as at 31 December 2025					
\$'million	No. 1 Fund		No. 2, 3 & 4 Funds	SHF	Total
	Par Sub-Fund	Non-Par Sub-Fund			
Net Assets	673	551	39	157	1,420
Regulatory adjustments ¹⁹	681	(51)	0	(114)	516
Capital Base	1,354	500	39	43	1,936
PCA	594	267	20	1	880
Assets in excess of PCA	760	233	20	42	1,055
Capital Base / PCA %	228%	188%	199%	High	220%

Source: RLAL Internal Capital Calculations.

The above analysis shows the typically underlying and on-going capital adequacy profile of RLAL and its statutory funds, as indicative of RLAL's underlying risk profile and capital coverage ratios, and as the most appropriate basis for comparison of the position before and after the Proposed Transfer.

¹⁹ Regulatory adjustments are determined in accordance with APRA Prudential Standard LPS 112 Capital Adequacy: Measurement of Capital (LPS 112). They include items such as intangible assets, inadmissible deferred tax assets and an adjustment for the difference (which can be positive or negative) between the policy liability and adjusted policy liability as defined in LPS 112.

Overall, the analysis shows RLAL and each of its statutory funds, and the Par Sub-Fund and Non-Par Sub-Fund, to be in a sound regulatory capital position with adequate PCA coverage ratios.

2.15.4 Excess Assets and Target Capital

As at 31 December 2025, the capital position for all statutory funds and the SHF of Resolution Life remained within the target operating range under Resolution Life's ICAAP.

2.15.5 Overall Capital Position

RLAL continues to be well capitalised and positioned for future sustainability. This provides a sound level of security to its policyholders, with a rigorous Target Surplus framework and ICAAP in place that includes frequent monitoring of the capital position against its established benchmarks.

2.16 Remediation Programs, Undertakings and Class Actions, and Disputes

For a business of the size, complexity, and history of RLAL, it is not unexpected that matters arise from time to time that require remediation or restitution of policyholder positions due to errors and omissions or similar circumstances. RLAL is currently implementing some remediation programs. As at the date of this report, the current identified and known matters are appropriately, materially provided for within RLAL's financial position and capital reserving as set out above. RLAL has controls and resources in place to adequately manage each of these remediation programs to their conclusion.

At the time of the report a legal action has been commenced by Munich Re against RLAL and several AMP defendants for potential loss of value by Munich Re related to the loss of the Master Trust business. Munich Re's claim for damages has not yet been quantified and the timeframe for any outcome to be known is likely to be some years. No allowance for a material impact from this action has been included in the analysis in this report. RLAL remains well positioned to fund the reasonably foreseeable outcomes and remain capital adequate to continue to meet its policyholder benefits and reasonable expectations.

RLAL is a respondent in a class action against AMP Limited (**AMP**) and other AMP entities relating to conduct while RLAL was owned by AMP. AMP has assumed responsibility for the conduct of the proceedings and is providing a full indemnity to RLAL for any outcome under the terms of the share purchase agreement between it and Resolution Life group. RLAL and NOHC hold no provisions in respect of this matter.

Another class action was commenced in 2025 on behalf of members of various AMP superannuation funds against the funds' trustees and RLAL. The class action alleges that the trustees acted in breach of duty by placing the Master Trust business with RLAL and not putting it to competitive tender prior to 2024. The allegations against RLAL currently relate to a 12 month period between 2019 and 2020 when it was still part of the AMP Group. The claim for damages has not been quantified and the proceedings are at an early stage with any final hearing some years away. No allowance for a material impact from this class action has been included in the analysis in this report. RLAL remains well positioned to fund the reasonably foreseeable outcomes and remain capital adequate to continue to meet its policyholder benefits and reasonable expectations.

2.17 Significant Events Subsequent to Financial Reporting Date 31 December 2025

There have been no material changes to RLAL's operational profile nor to the financial or capital position of RLAL (including regulatory capital and Target Surplus) since 31 December 2025 that would materially change the analysis, commentary, or conclusions in this section of the report.

3. Overview of Proposed Transfer

3.1 Background to the Proposed Transfer

Over recent years, NOHC has achieved sound business growth and its strategy has evolved, including as discussed in Section 2 via the acquisition of the AIA Australia S&I business in 2023, the acquisition of the Asteron Life business in New Zealand in 2025, the acquisition of NOHC by Nippon Life in 2025, and Acenda Life (formerly MLC) joining the NOHC in 2025, and the transition of the NOHC group to the Acenda Group. The NOHC is transitioning to an “open to new business”, trans-Tasman strategy, with a material increase in scale and commitment in both Australia and New Zealand.

Relevant to the proposal discussed in this report, NOHC has objectives to:

- Rationalise and reduce the complexity of its operations and management, including the impact of the regulatory frameworks it operates under, and prepare RLAL for the future merger with MLC.
- Overcome the current RBNZ conditions in RLAL’s New Zealand licence preventing RLAL from writing new “contracts of insurance” from its No.1 Fund. This is desirable both for the current RLAL strategy where it wishes to write new lifetime annuities from the No.1 Fund (rather than the No.4 Fund), and is of greater significance for the future intended merger of the RLAL and MLC No.1 Funds.
- Ultimately, RLAL and Asteron Life are seeking to transfer the RLAL NZ Branch business from RLAL into Asteron Life to form a larger scale New Zealand life insurance operation.

The proposal considered in this report, to split the RLAL No.1 Fund into two funds, one containing its Australian business (which will remain the No.1 Fund) and one containing the New Zealand business and NZ Branch (a new No. 5 Fund) (the **Proposed Transfer**), is a critical step to allow RLAL to achieve the objectives above and allow RLAL to best pursue its part of the overall NOHC business strategy.

As the objective of the Proposed Transfer is to improve NOHC’s overall operational, management and regulatory efficiency and focus, and facilitate RLAL’s pursuit of its future strategy and scale, the proposal will ultimately also support the long-term interests of RLAL’s policyholders.

3.2 Identification of transferring and remaining business

The table below identifies the product portfolios of which in-force policies as at the Transfer Date are proposed to transfer to the No. 5 Fund (**Transferring NZ Policies**) and those which will remain within the No.1 Fund (**Remaining Policies**).

Identification of Transferring & Remaining Policies		
	Transferring to No. 5 Fund (Transferring NZ Policies)	Remaining in No.1 Fund (Remaining Policies)
No.1 Fund – Participating Sub-Fund	NZ Participating Whole of Life, Endowments and Investment Account NZ Participating Group Life	Non-NZ Participating Whole of Life, Endowments, and Investment Account Non-NZ Participating Group Life Participating annuities (ex-AIAA) Investment-linked bonus pool (ex-NMLA)
No.1 Fund – Non-Par Sub-Fund	NZ Retail Wealth Protection NZ Non-Participating Group Life NZ Lifetime Annuities NZ Investment-Linked NZ Risk Riders on S&I Policies	Non-NZ Retail Wealth Protection business Non-NZ Non-Participating Group Life Non-NZ Lifetime and Term Certain Annuities Non-NZ Risk Riders on S&I Policies North Guarantee Non-Participating Whole of Life, Endowment and Investment Account

As noted in Section 1 of this report, the Transferring NZ Policies are the policies held in the NZ Branch, which involve RLAL life insurance contracts that have been issued in New Zealand under New Zealand law. This does not include contracts issued in Australia or elsewhere that may incidentally have one or more policyholders who are resident in, or citizens of, New Zealand. Likewise, the policyholders of some of the New Zealand business may be resident outside New Zealand, or be citizens of other countries, including Australia; these remain part of the New Zealand business.

The New Zealand business policies as outlined above comprise the NZ Branch business of the No.1 Fund and are explicitly identified within RLAL's administration and accounting systems, including having unique product and policy table codes (i.e. "P" and "Q" Codes) separate from RLAL's non-New Zealand business.

Specific details of the Transferring NZ Policies are provided in Appendix C.

The following additional terms have been defined for the purposes of this report:

- **Transferring Participating Policies** means the participating policies within the Transferring NZ Policies reflected by the first row in the above table (precise details in Appendix C).
- **Transferring Non-Participating Policies** means all other (non-participating) Transferring NZ Policies reflected by the second row in the above table (precise details in Appendix C).

3.3 Details of the Proposed Transfer

A high-level overview of the Proposed Transfer is as follows.

3.3.1 Transfer Date

The target effective date of the Proposed Transfer (i.e. the **Transfer Date**) is 12:01am on 1 October 2026.

3.3.2 Transfer of Assets and Liabilities to No. 5 Fund

The following will apply on and from the Transfer Date.

A new No. 5 Statutory Fund (**No. 5 Fund**) will be established in the administrative and financial records of RLAL, with a Par Sub-Fund and Non-Par Sub-Fund that mirrors the existing No.1 Fund construct. The current New Zealand bank and ledger accounts used for the NZ Branch business will transfer to the No. 5 Fund to form the infrastructure for the new No. 5 Fund.

All of the policy liabilities of the Transferring NZ Policies and the other liabilities²⁰ of the No.1 Fund related to the Transferring NZ Policies, and all of the assets²¹ and retained profits and shareholders' capital of the No.1 Fund that support and relate to the Transferring NZ Policies (where the value of the assets equals the sum of the policy liabilities, other liabilities, retained profits and shareholders' capital, and are the assets as recorded in the NZ Branch financial records), will transfer to become the policy liabilities, other liabilities, retained profits and shareholders' capital, and assets of the No.5 Fund.

- All the policy liabilities relating to the Transferring Participating Policies, including their Policyholder Retained Profits, will be transferred from the No.1 Fund Par Sub-Fund to the No. 5 Fund Par Sub-Fund.
- The Shareholders Retained Profits (Overseas participating) recorded in the RLAL financial systems in respect of the Transferring Participating Policies will be transferred to the No. 5 Fund and become the Shareholders Retained Profits (Overseas participating) in the No. 5 Fund Par Sub-Fund.
 - It is noted that the Transferring NZ Policyholders' relevant share of the UA Pool is reflected within the policyholders' and shareholders' retained profits as specified above.

²⁰ Policy liabilities include outstanding claims payable. Other liabilities includes any provision for remediation costs, inclusive of project costs to complete any remediation projects that are transferring, reinsurance payables and any tax liabilities not otherwise reflected in the policy liabilities.

²¹ This includes cash at bank including any accrued interest, relevant policy loans provided to policyholders including accrued interest, reinsurance claims receivable, non-insurance trade receivables, prepayments, relevant tax receivables, and financial assets at fair value (noting some items may be partly or fully offset in the policy liabilities and not counted under this item).

- All the assets²² held within the No.1 Fund Par Sub-Fund that support²³ the Transferring Participating Policies (i.e. the assets in the relevant New Zealand PRE Pools and component of the UA Pool (the NZ UA sub-pool) that support the Transferring Participating Policies' policy liabilities and Policyholder Retained Profits and related Shareholder Retained Profits – Participating) will be transferred into corresponding PRE Pools and a UA Pool in the No.5 Fund Par Sub-Fund.
- Any NZ Branch non-policy liabilities²⁴ that the various New Zealand PRE Pools and UA Pool support (e.g. accrued current and deferred tax liabilities, and expenses accruals) will also transfer to, and become liabilities of, the No. 5 Fund Par Sub-Fund.
- All the policy liabilities and non-policy liabilities relating to the Transferring Non-Participating Policies will transfer to the No.5 Fund Non-Par Sub-Fund.
- The Shareholders Retained Profits (Overseas Non-participating) recorded in the RLAL financial systems in respect of the Transferring Non-Participating Policies will be transferred to the No.5 Fund and become the Shareholders Retained Profits (Overseas Non-participating) in the No.5 Fund Non-Par Sub-Fund.
- Assets and cash with a value equal to the sum of the above non-participating amounts will transfer from the No.1 Fund Non-Par Sub-Fund to the No.5 Fund Non-Par Sub-Fund.
- Where there are any assets or non-policy liabilities reflected in the NZ Branch's financial records in the No.1 Fund that it is not practical to transfer to the No.5 Fund, these will remain in the No.1 Fund and a net cash amount for the net difference in assets and liabilities will be paid to the No. 5 Fund or retained in the No.1 Fund as the case may be. It is not anticipated that any such balances will be material.

The No.1 Fund will be released and discharged from all liabilities and obligations under, or in respect of, the Transferring NZ Policies.

The No.5 Fund will become entitled to all rights and benefits under, or in respect of, the Transferring NZ Policies, including but not limited to the right to receive any premiums, fees, charges, or any other form of remuneration payable under, or in respect of, the Transferring NZ Policies. The No. 5 Fund will also have the obligation to pay all liabilities (e.g. claims and expenses) under, or in respect of, the Transferring NZ policies.

All references to the RLAL No.1 Fund within the Transferring NZ Policies shall be read as a reference to the RLAL No. 5 Fund in future and the Transferring NZ Policyholders informed of that change.

All directions, authorities, mandates, or instructions given to RLAL to deduct premiums or fees payable in respect of the Transferring NZ Policies or to disclose or obtain information in the course of carrying on the business in respect of the Transferring NZ Policies will continue to apply unchanged.

3.3.3 Product Terms and Conditions

There are no changes proposed to the policy terms of the Transferring NZ Policies and there will be no changes to any Remaining Policy terms as a result of the Proposed Transfer.

3.3.4 Other Transferring Items

3.3.4.1 Proceedings

On and from the Transfer Date any proceedings in connection with a Transferring NZ Policy that are pending, or that commence, whether by or against RLAL, in any court, tribunal or entity dealing with complaints, will be continued via the No.5 Fund and any such matters referencing the No.1 Fund will be amended to that effect.

²² This includes cash at bank including any accrued interest, relevant policy loans provided to policyholders including accrued interest, reinsurance claims receivable, non-insurance trade receivables, prepayments, relevant tax receivables, and financial assets at fair value (noting some items may be partly or fully offset in the policy liabilities and not counted under this item).

²³ References to assets "supporting" liabilities and other amounts such as capital requirements or retained profits in this report indicates assets with a value equal to the liabilities or other relevant amount that is being supported.

²⁴ Policy liabilities include outstanding claims payable. Other liabilities outside the policy liabilities may include provision for remediation costs, inclusive of project costs to complete remediation projects that are transferring, reinsurance payables, expense liabilities, and tax liabilities not otherwise reflected in the policy liabilities.

It is noted that as set out above, provisions held within the No.1 Fund will be transferred to No.5 Fund in respect of any such matters.

3.3.4.2 Applications for Policy Change (e.g. benefit increase)

On and from the Transfer Date any application in respect of a Transferring NZ Policy which has not been accepted by RLAL at the Transfer Date will, for all intents and purposes, be treated as an application in respect of the No.5 Fund, and any policy resulting from such an application takes effect as a No. 5 Fund Policy.

It is noted that as set out above, any application money held within the No.1 Fund will be transferred to the No.5 Fund in respect of any such applications.

All future New Zealand business application will be treated as applications in respect of the No.5 Fund and any policy issued will be issued as a No.5 Fund Policy.

3.3.4.3 Commissions

On and from the Transfer Date, the No.5 Fund:

- Will bear the obligation to pay commissions to any person in respect of the Transferring NZ Policies; and
- Will be entitled to seek repayment of commission (whether originally paid by the No.1 Fund or No.5 Fund) in excess of the recipient's entitlement, instead of the No.1 Fund.

3.3.5 Reinsurance Arrangements & Other Contracts

Swiss Re, which provides the main reinsurance arrangements for the NZ Branch, has been engaged on the transfer of the Transferring NZ Policies to the No.5 Fund with respect to their reinsurance treaties on the New Zealand business, and have agreed to acknowledge the change in reference statutory fund and to amend their respective treaties where/if relevant.

Where relevant to other contracts with external parties, including the secondary NZ Branch reinsurance arrangements, that reference the No.1 Fund in respect of the Transferring NZ Policies, those contracts and treaties will be appropriately amended, or notification given, so that the reference will change to, and/or incorporate, as relevant, the No.5 Fund.

3.3.6 Costs, Expenses & Frictional Cost Compensation

All costs incurred in respect of the Proposed Transfer, including but not limited to, compensation for any frictional costs incurred (described below), asset transfer costs such as stamp duty and brokerage, operational costs, and legal and professional fees, will be paid by the shareholders of RLAL.

None of these costs will be incurred, directly or indirectly, by the RLAL policyholders, including via any mechanism such as unit price reduction, fees or expenses charged to them via the investment options or their policy accounts, nor in the case of the participating policies via deduction from their PRE Pools or the UA Pool(s).

Frictional costs could arise as a consequence of any needed asset realisation (resulting in crystallisation of some deferred tax liability (DTL) obligations). In the normal course of business, the investment-linked, participating and non-participating investment account policyholders' receive the benefit of investment earnings on the assets held to back the DTLs in respect of their policies. The Proposed Transfer may result in some DTLs being crystallised early and a loss of some associated future investment income. It is not anticipated that material asset realisation will be required (the transfer from the No.1 Fund to No. 5 Fund should not entail a change in asset ownership which will remain by RLAL), and the New Zealand business is generally not subject to capital gains tax. Frictional costs should therefore be minimal if not nil. In the event such costs are incurred an amount, at the expense of RLAL's shareholders, will be credited to the investment-linked, participating, and non-participating investment account investment pools affected to compensate for the impact of the transfer in this respect.²⁵

²⁵ The approach adopted for any such compensation, in terms of evaluation methodology and basis, and compensation approach, will be based on RLAL's establish practices as adopted for similar Part 9 Transfer impacts, included as adopted for the 2023 AIAA S&I business Part 9 Transfer. In broad terms, any compensation is estimated as the present value of the foregone additional investment returns or operational costs (net of tax and fees) that might normally be expected, based on the

In the normal course of investment management, derivative strategies adopted in respect of the investment-linked, participating and non-participating investment account portfolios are implemented separately for the Australian and New Zealand portfolios, and indeed are typically implemented at the underlying investment portfolio level. The Proposed Transfer is not expected to result in any change to the business-as-usual derivative strategies adopted or the costs, including frictional costs, of their implementation, including no additional operational costs (e.g., no increase from duplication of custodian settlement fees from an increase in the number of underlying derivative positions held).

In non-business as usual circumstances, such as implementing a broad tactical protection strategy at short notice in an economic stress event, under the current single statutory fund model, it is possible a strategy could be implemented for the No.1 Fund on a trans-Tasman basis (e.g. a single swap derivative acquired out of the UA Pool to protect the overall Par Sub-Fund). In future, such strategies would require two instruments (one No.1 Fund and one No.5 Fund). However, the difference in cost is expected to be very immaterial in the context of the overall circumstances, and the costs and benefits of these strategies. Indeed, two instruments (e.g. one in AUD and one in NZD) are more likely to achieve the desired risk-return protection outcomes. It is not proposed to provide any policyholder “compensation” for any potential future uncertain, atypical and immaterial costs that might theoretically arise in such circumstances. Any minor theoretical detriment from the proposal under this aspect needs to be weighed against the broader financial resilience and sustainability benefits the Proposed Transfer is expected to provide to RLAL and its policyholders.

3.4 Further Specific Details

3.4.1 Participating Business

As discussed in Section 2, the Par Sub-Fund is allocated to, and managed via, a series of PRE Pools, where each PRE Pool:

- Relates to a particular portfolio of policies;
- Is invested in an identifiable, recorded, and allocated portfolio of investment funds and underlying assets relevant to the portfolio of policies²⁶; and
- Comprises a pool of funds that support and equals the policy liabilities, the Policyholder Retained Profits and Shareholder Retained Profits – Participating in respect of each PRE Pool.

The UA Pools operate similarly, with separate sub-accounts for Australia and New Zealand in place.

The sum of all the PRE Pools and UA Pool(s) equals the overall (net) value of the No.1 Fund Par Sub-Fund.

The Transferring Participating Policies have unique PRE Pools; there are no PRE Pools that involve both transferring and remaining policyholder liabilities or amounts. The New Zealand component of the UA Pool is separately identified and invested.

The Proposed Transfer will involve the transfer of the PRE Pools and the UA Pool component related to the Transferring Participating Policies from the No.1 Fund Par Sub-Fund to the No. 5 Fund Par Sub-Fund. This will involve the transfer of the underlying asset holdings and allocations in place, with the policy liabilities and retained profits reserve amounts not reduced (these may marginally increase if any policyholder compensation is required in accordance with Section 3.3.6 above).

RLAL’s PBMF will be updated to incorporate the change in statutory fund, with the underlying approach to the management of the (remaining) Par Sub-Fund in the No.1 Fund and the (new) Par Sub-Fund in the No. 5 Fund unchanged as at the Transfer Date, including: the continuation of the existing asset allocations and investment strategies; the existing asset value protection strategies; bonus and crediting rate approaches and philosophies remaining unchanged; and UA Pools allocations and progressive distribution approaches unchanged.

factors such as DTL balances at the time of transfer, the estimated normal realisation profile, and a future investment return allowance. The detailed methodology for calculating the compensation reflects the principles contained in RLAL’s Investment Product Compensation Standard, based on advice from the RLAL Appointed Actuary.

²⁶ Albeit this may involve holding units in an underlying trust or fund, or allocation of some assets such as bank accounts, as permitted under Life Act and Prudential Standards, including across Statutory Funds, where appropriate.

3.4.2 Investment-Linked Business

The New Zealand investment-linked business in the No.1 Fund operates via a policy account for each policyholder that holds units that are issued from one or more of a series of “investment options” (or “unit-funds”) that are maintained within the No.1 Fund.

These unit-funds, with their underlying investment holdings, will be replicated in the No. 5 Fund, with the same number of units, and unit prices not less than those, at the Transfer Date. The unit prices may increase with respect to any policyholder compensation required in accordance with Section 3.3.6 above.

3.4.3 NZ Branch, NZPAC, NZ Trust & RLNZ Reinsurance

It is proposed that concurrent with the Proposed Transfer:

- The NZ Branch will transfer with the Transferring NZ Policies to the new No. 5 Fund, and the No. 5 Fund and NZ Branch will become synonymous.
- The NZPAC will remain in place with its current mandate unchanged. The NZPAC charter will be updated to reference and focus on the No. 5 Fund and NZ Branch in future (excluding the other statutory funds of RLAL).
- The RLNZ reinsurance arrangement will remain in place, albeit it is proposed that the maximum sum insured and minimum asset holding of RLNZ will be reduced from NZ\$50m to NZ\$25m.
- The overall total regulatory capital requirements of RLAL may increase somewhat upon splitting the No.1 Fund between the remaining No.1 Fund and the new New Zealand No.5 Fund. The reduction in the RLNZ capital requirement will help ameliorate any required increase and/or duplication of regulatory capital requirements involved.
- The NZ Trust is an asset of No.1 Fund in respect of the New Zealand business and the NZ Branch. The No.1 Fund’s interest in the NZ Trust will transfer to the No.5 Fund and effectively comprise the substantive asset of the No.5 Fund. The NZ Trust deed will need to be amended for this change in order to operate effectively within a smaller New Zealand only statutory fund without conflicting with the proper and practical financial management and regulatory requirements of that fund – this will include a need to change the required balance rules to avoid any conflict with the No.5 Fund’s operation, regulatory capital requirements and ability to meet its obligations in a timely manner (e.g. pay policyholder benefits). It is noted in this context that once the New Zealand business is in its own, separate statutory fund, any objectives of the NZ Trust in terms of protecting the New Zealand interests in a co-mingled fund will largely become redundant.

4. Impact on Transferring NZ Policyholders

4.1 Overview of Section

This section of the report provides an analysis and assessment of the material impacts of the Proposed Transfer on the Transferring NZ Policyholders. It considers:

- The value of the assets and liabilities to be transferred;
- The impact on the policyholders' contractual terms and rights;
- The impact on policyholders' reasonable expectations;
- Any one-off transfer costs or consequences; and
- The impact of the Proposed Transfer on Transferring NZ Policyholders' benefit security.

4.2 The Value of the Assets & Liabilities to be Transferred

The principles and approach underlying the transfer of the assets and liabilities under the Proposed Transfer are set out in Section 3 of this report.

4.2.1 Nature & Value of the Assets Transferring

The large majority of the assets transferring comprise financial investment assets backing the Transferring NZ Policy liabilities, including:

- Cash deposits, including any accrued interest;
- Fixed interest securities, loans and debt instruments, including accrued coupons and interest;
- Equity securities and property assets, including accrued/recorded dividends and rents;
- Units in management investment schemes, exchange traded funds, and similar other investment vehicles and schemes, and related accrued distributions;
- Various derivative financial instruments; and
- Unit holdings in trusts and investment vehicles, including NZ PIE trusts, AU DTM trusts, and the NZ Trust, that warehouse portfolios of assets of the above types.

These assets primarily reflect liquid assets that are at call or are traded on public markets. The assets will be valued under the transfer at their relevant at call or market value (last bid price), in accordance with RLAL's existing accounting policies which reflect applicable Australian Accounting Standards, including AASB17, AASB9 and AASB139, and APRA financial reporting standards, as well as the equivalent/corresponding New Zealand accounting standards and RBNZ requirements. Nonetheless, some transferring assets include underlying investments in non-traded assets such as Private Credit loans, OTC derivative, and some direct property investments. These are valued via RLAL's established valuation processes and methods that provide fair value estimates linked to market observable information as appropriate, and/or supported by professional and expert valuers, in accordance with the applicable accounting and regulatory standards, as detailed in NOHC's asset Valuation Policy.

Other assets being transferred include accruals and assets related to the transferring policies, including:

- Policy loans provided to Transferring NZ Policyholders, including any accrued interest;
- Outstanding premiums receivables;
- Related reinsurance treaties and reinsurance claims receivables; and
- Any relevant tax assets (future tax benefits).

These items will also be valued in accordance with RLAL's accounting practices, which reflect their nominal values less any provision for non-recovery or default.

The assets being transferred reflect appropriate and relevant assets to properly support the policy and other liabilities being transferred. The asset valuation bases adopted are materially consistent with the assets being valued, in aggregate, at fair value (i.e. the amount that would be received on the sale of the asset in an orderly transaction between willing market participants at the measurement date).

4.2.2 Nature & Value of Liabilities Transferring

The policy liabilities being transferred, including the related Policyholder Retained Profits and Shareholder Retained Profits under the Life Act, will be determined in accordance with RLAL's existing accounting policies which reflect applicable Australian Accounting Standards, including AASB17 and AASB9, and APRA financial reporting standards, as well as the equivalent/corresponding New Zealand accounting standards and RBNZ requirements. These determinations reflect best estimate assumptions as to future policy liability expected cashflows, and discounting to present values at discount rates consistent with current market conditions. Where liabilities link to the value of underlying assets (e.g. the investment-linked and participating liabilities), the liabilities are based on the value of the underlying assets determined as set out above.

In addition to the policy liabilities and retained profit amounts, provisions and liabilities related to the Transferring NZ Policies will also transfer, such as provisions for any remediation costs, inclusive of project costs to complete any remediation projects related to the Transferring NZ Policies, reinsurance payables, premiums received in advance, and relevant current and deferred tax liabilities.

The policy and other liability valuation bases adopted are appropriate and are materially consistent with the valuation of the assets being transferred.

4.3 Impact on Policyholder Contractual Rights

As set out in Section 3, there are no proposed changes to any policy terms related to the Proposed Transfer.

Otherwise, it is noted that RLAL is a limited liability, "for profit" life insurance company, where the laws applicable to it and its Australian and New Zealand policyholders will not be affected by the Proposed Transfer. The policyholders have no additional or special rights such as voting or membership rights in RLAL that might be affected by the Proposed Transfer.

It is concluded that the Proposed Transfer will not result in any adverse changes to the contractual terms and rights of either the Transferring NZ Policyholders nor the Remaining Policyholders.

4.4 Policyholder Reasonable Expectations²⁷

4.4.1 General Observations on the Proposed Transfer

As indicated in this report, the Proposed Transfer is proposed in order to help best position RLAL, and the overall NOHC business group and its other business entities, to pursue their preferred business strategies in future. This includes ambitions to:

- Transfer Acenda Life (MLC) into RLAL and pursue future growth in Australia via writing new business in Australia through an operational and capital efficient Australian based No.1 Fund within RLAL.
- Ultimately seek to consolidate the respective Australian and New Zealand business operations into two efficient and focused subsidiaries one in each jurisdiction, which will simplify regulatory compliance, and deliver increased economic scale and gravatas to Asteron Life in New Zealand.
- Continue to support both the Australian and New Zealand businesses with efficient Acenda Group support that can leverage back-office scale (e.g. relevant and appropriate IT, finance and HR services), effectively access a geographically diversified work-force, and leverage front-office intellectual know-how and capability to support the dedicate management, leadership and self-sustaining core staffing and capability within the respective licensed entities.

²⁷ This section of the Report considers the reasonable policyholder expectation impacts and outcomes under reasonably foreseeable business, economic and investment conditions and outcomes. It considers the potential impact of significant adverse impacts on the business and underlying PRE Pools, but while remaining within in the range of the business remaining solvency and financially viable; that is while the PRE Pools continue to operate and determine the benefit outcomes of the respective portfolios of policyholders. Considerations of policyholder benefit security under more serve, remote outcomes impacting on policyholders, when the PRE Pools may cease to operate as intended, are considered in section 4.6.3.7.

The alternative to this “vision” without the Proposed Transfer and future domestication of the New Zealand business into Asteron Life, would be less financially efficient businesses (operational and capital efficiency), pursuing their strategies via sub-optimal business and regulatory constructs.

While there is no suggestion RLAL would not diligently and properly meet its obligations to its policyholders under either of these business structures, it is equally the case that the former, optimised structure will likely increase RLAL’s (and NOHC’s and its subsidiaries) capacity to invest in its businesses, systems and customer services, and provide increased scale and profitability to manage future adverse outcomes and enhance longer term resilience and sustainability.

The Proposed Transfer is prima facie favourable to the affected policyholders’ reasonable expectations and future of benefit security, and arguably that is ultimately also for all Acenda Group policyholders.

4.4.2 Participating Policies

As noted in Section 2.4.2, the benefits provided by participating policies comprise a guaranteed entitlement (a sum insured for conventional business or account value for investment account), and discretionary sum insured bonuses, interest credits or premium refunds declared by RLAL from time to time, which reflect a share of the relevant PRE Pool gains that the policyholders are entitled to share. The benefits received therefore reflect:

- The “profit” realised, which primarily relates to the investment performance achieved within each of the PRE Pools that each respective group of policyholders share in, but also the claims experience and surrender gains/losses each PRE Pool incurs²⁸;
- The expenses incurred by each of the PRE Pools (which reduce the pools’ profits);
- The rate at which the life insurer declares the discretionary bonuses/interest credits and the split of the profits between the policyholders and shareholders; and
- The risk management of the PRE Pools, which also affects the above: the risk profile of the investments held and the volatility of the investment performance allowing for the asset-liability management (**ALM**) matching and hedging strategies (e.g. the Equity Protection derivatives) adopted, the capital that is held against the risks including investment risks, and the rate at which profits can safely be distributed (and not over distributing ephemeral profits).

The approach to the management, investment and progressive distribution of the UA Pool(s) is also relevant.

4.4.2.1 PRE Pools & Investment Management

Under the Proposed Transfer of Transferring NZ Policies into a new, separate Par Sub-Fund in the No. 5 Fund:

- The NZ Branch PRE Pools will be maintained on the same basis as prior to the transfer.
- None of the PRE Pools will need to be separated between NZ Branch policyholders and other policyholders; all PRE Pools are uniquely New Zealand or non-New Zealand pools.
- There will be no change to the investment strategy or assets held within of the existing NZ Branch PRE Pools as a result of the transfer. The existing assets in the NZ Branch PRE Pools will transfer in full, as is, into the new No. 5 Fund PRE Pools.
- The investment strategy and asset allocation of these pools will continue as specified in the PBMF as at the Transfer Date. The references in the PBMF in respect of the NZ Branch business will be updated to appropriately reference the No. 5 Fund Par Sub-Fund and PRE Pools.

The approach to the investment management of the PRE Pools will not change at the Transfer Date.

²⁸ It is noted for some PRE Pools (primarily the ex-AIAA Pools) there is some sharing of experience items across PRE Pools. In practice this nuance is not significant in terms of the discussion in this report as it does not involve the New Zealand PRE Pools.

4.4.2.2 Expenses Incurred (Allocation)

As discussed in Sections 2, for all the existing Par Sub-Fund business:

- The PRE Pools incur expenses for day-to-day administration of the portfolio based on a fixed fee basis, in terms of \$ per policy (albeit increasing with inflation indices over time), or other fixed percentage of account balance fees, or fixed percentage of claims for claims management fees.
- Investment management costs are charged on an “incurred” basis largely based on third party investment management contract bases. Some internal investment management expenses (incurred in place of alternative third-party contractual fees) are charged to the PRE Pools on a similar, equitable apportionment, basis including as a percentage of PRE Pool FUM.
- Some “one-off” expenses have been and will likely be in future allocated to the Par Sub-Fund which arise from external events or charges, or where activities are deemed to have beneficial outcomes for the participating policies (e.g., costs to implement an enhanced or lower cost investment process).
 - Often, these costs are charged to the UA Pool that supports the Par Sub-Fund as a whole, rather than to the individual PRE Pools. Any such costs are allocated between the UA sub-pools on an equitable basis.
 - When such costs are charged to the PRE Pools, they are allocated between the PRE Pools on a fair and equitable basis.

RLAL will continue these current practices for the Par Sub-Fund in both the No.1 Fund and No. 5 Fund. The existing fixed fee arrangements will continue to apply by PRE Pool after the transfer as before. Any “one-off” expenses will firstly be apportioned between the No.1 Fund and No.5 Fund on an appropriate and equitable basis (as required by the Life Act), and then allocated to PRE Pools and/or UA Pool(s) within the No.1 Fund or No.5 Fund as per current practice. The effect of this approach will be a materially consistent equitable apportionment of expenses between the Transferring and Remaining Participating Policyholders before and after the Proposed Transfer.

The RLAL Service Company agreements will be updated to reflect the intentions above.

In terms of the investment management costs, as noted in Section 2, RLAL’s cost and outcome optimisation has resulted in underlying asset structures that are already largely separate for the New Zealand business from the other business of the No.1 Fund, using separate underlying investment vehicle structures, trustees, and asset registry and custodian arrangements. The NZ Trust holds the vast majority of the NZ Branch assets on an explicit and identifiable basis.

The Proposed Transfer will not result in a change in relative scale for any of these arrangements or increase costs for the contracted service providers (other than potential initial transition costs that the RLAL Shareholder will fund if required). For the underlying investment pools that the NZ Branch PRE Pools invest into with the Australian PRE Pools (e.g. the Private Credit and Real Asset DTMs), those investment structures are unitised and can be maintained unchanged via the new No. 5 Fund continuing to invest in those same underlying funds on the same basis as currently applies.

Given that the total assets under management and number of investment pools, sub-funds and PRE Pools across all of RLAL will not change as a result of the Proposed Transfer, no increase in internal investment management, monitoring and reporting costs are anticipated to arise.

The investment management costs are not anticipated to be adversely affected by the Proposed Transfer.

As there is an pre-existing need to maintain separate NZ Branch reporting for the business in the No.1 Fund, including formal NZ Branch Financial Statements and related returns to RBNZ, it is not anticipated that future “one-off” costs that may be charged to the Par Sub-Funds for items such as changes in regulatory reporting, will be materially greater under a two statutory fund model; indeed there would be some prospect that under the proposed operational model in future (all New Zealand business in the No. 5 Fund and all Australian business in the No.1 Fund) future regulatory change implementation may be simpler with somewhat reduced costs. Other product and/or service based enhancement costs should not be materially impacted by the future financial reporting of the business via two statutory funds.

It is concluded that the Proposed Transfer is not anticipated to result in a material adverse increase in the (allocated) expenses incurred by the PRE Pools or UA Pool, individually or collectively.

4.4.2.3 Experience Pooling – Non-Investment Experience & IFRs

The existing practice of pooling non-investment experience across certain PRE Pools will be maintained as at the Transfer Date and as summarised in the PBMF, noting that the NZ Branch PRE Pools do not pool non-investment experience either with the Australian PRE Pools or amongst the New Zealand PRE Pools.

For the ex-AMPL Investment Account PRE Pools, RLAL's practice is to adjust the PRE Pool Investment Fluctuation Reserves (**IFR**) so that the IFRs are not diluted by new contributions or geared-up by surrender releases. That is, when policies surrender, their share of the PRE Pool IFR is released from the relevant PRE Pool into the PRE Pools NA Pool (into the relevant UA sub-pool); when new contributions are received into a PRE Pool, the PRE Pool IFR is topped up from the PRE Pool NA Pool (out of the relevant UA sub-pool). This process assists with balancing the impacts of IFR amortisation into credit rates (over typically a 4 year timeframe) and NA Pool progressive distributions over PRE Pool expected life-times. It is intended to continue this practice after the Proposed Transfer.

As the three ex-AMPL Investment Account PRE Pools (two Australian, one New Zealand) operate separately with respect to the IFR management as described above, there will be no impact on the IFR management approach of the Proposed Transfer.

It is concluded that the Proposed Transfer is not anticipated to result in an adverse impact on any non-investment experience pooling or the IFR management approach for the PRE Pools.

4.4.2.4 Bonuses, Crediting Rates and Surrender Value

RLAL will continue its existing bonus and crediting rate declaration practices and philosophies in respect of its participating business as set out in its PBMF, and as reflected by its history of disclosures and communications to the policyholders over time.

The PBMF practices and philosophies in respect of the New Zealand business will be unchanged by the transfer to a new Par Sub-Fund in a new No. 5 Fund.

There will be no changes to the surrender value bases for either the Transferring NZ Policies or the Remaining Policies at the Transfer Date.

As the bonus rates, crediting rates and supporting (appropriate) surrender values are driven by the financial position of each PRE Pool in respect of its policyholder members, then given the PRE Pools and their respective financial positions will not change as a result of the Proposed Transfer, there is no change anticipated for these aspects of the participating business as a result of the Proposed Transfer.

4.4.2.5 Prior Part 9 Undertakings

The previous Part 9 transfers involving the participating business, notably the NMLA transfer to AMP Life, and Prudential and Legal & General transfers to CMLA, and then the CMLA transfer to AIAA and then to Resolution Life, have provided certain undertakings around the management of the various antecedent portfolios and their PRE Pools (e.g. concerning approaches to the pooling of experience and distribution approaches for the various antecedent portfolios).

These undertakings are reflected in the existing RLAL PBMF that will continue to apply to the No.1 and No. 5 Fund Par Sub-Funds after the Proposed Transfer.

RLAL will continue to reflect these considerations in the PBMF and the future management of the two Par Sub-Funds, albeit that RLAL will continue to evolve and adjust the management of the participating portfolios when appropriate, such as where:

- It would be in the interests of policyholders to do so, such as merging PRE Pools when individual PRE Pools becomes sub-scale; and
- A merger can be appropriately structured to avoid inequitable dilution of expected outcomes for the affected policyholders.

The Proposed Transfer will not adversely affect the honouring of these prior undertakings.

4.4.2.6 UA Pool(s) & Progressive Distribution

As discussed in Section 2, the UA Pool(s) operates as discrete asset pool(s) separate from the product PRE Pools in the Par Sub-Fund, with the objective of:

- Supporting the Par Sub-Fund’s financial and capital position, investment flexibility and providing support for tactical investment strategy implementations; and
- Funding one-off costs imposed by external drivers, or non-BAU costs that enhance Par Sub-Fund outcomes.

As also discussed in Section 2, in practice under the current adopted progressive distribution approach to the UA Pool(s), the adopted notional apportionment (allocation) of the UA Pool by PRE Pool, and the practical effect of the Life Act which essentially “ring fences” the UA Pool allocated to Australian and Overseas business (i.e. enforces a split between Australian and New Zealand business), there is now a clearly identified amount of UA Pool allocated to Australian and New Zealand policyholders.

Under the Proposed Transfer, the New Zealand part of the UA Pool (as reflected in both the UA NZ tax class sub-pool, and the aggregate NZ NA pools) will transfer to the No. 5 Fund, its notional apportionment by New Zealand PRE Pool will remain unchanged and its progressive distributions to the New Zealand policyholders will continue under the current basis with the same future intent. As the financial position, capital adequacy and sustainability metrics of the No. 5 Fund Par Sub-Fund will remain sound after the Proposed Transfer (see further discussion below in Section 4.6), the outlook for the progressive distribution of the UA Pool in respect of the transferring policyholders will not be adversely affected by the Proposed Transfer.

The same comments will apply in respect of the Remaining Policyholders share of the UA Pool and the position and outlook for the progressive distribution of the remaining UA Pool in the No.1 Fund Par Sub-Fund after the Proposed Transfer.

4.4.2.7 Observations & Ramifications

The operation of the participating business, the investment approach, expenses incurred and the approach to the declaration and crediting of bonuses and interest credits, UA Pool allocation and progressive distributions, will remain unchanged for the Transferring Participating Policyholders. The outcomes under their policies in terms of policyholder reasonable expectations will not be adversely affected by the Proposed Transfer.

4.4.3 Investment-Linked Policies

4.4.3.1 Investment Management

As for the participating business as discussed above, for the investment-linked policies the investment strategy and level of future investment returns on their underlying investment pools impacts the level of benefits payable to policyholders.

As the investment pools and assets supporting these policies are transferring to the No. 5 Fund unchanged, immediately following the Proposed Transfer the benefits of the transferring investment-linked policies will remain referable to the same assets as immediately before the transfer. The investment management of these investment pools and their underlying administration (e.g. the investment managers and custodian used) will remain the same as before the transfer.

After the Proposed Transfer, RLAL will continue to manage these investments in accordance with the policy terms and historic policyholder undertakings, including remaining in-line with the disclosed and communicated investment objectives and investment strategies for the various underlying products, and in-line with RLAL’s “true to label” investment approach.

The reasonable expectations of policyholders in terms of investment strategy, risk profile and investment returns will not be adversely impacted by the Proposed Transfer.

4.4.3.2 Unit Pricing Policy

For the investment-linked policies, the approach to unit pricing can impact policyholder benefit outcomes. There is no proposal for RLAL to change its approach to unit pricing or any of its unit pricing policies as a result of the Proposed Transfer.

4.4.4 Other Relevant Policyholder Expectations Considerations

4.4.4.1 Product Pricing

There will be no changes to the premiums, fees, or charges for any of the Transferring NZ Policies as at the Transfer Date. After the Proposed Transfer any future changes to premiums, fees or charges will be subject to similar considerations by RLAL, including the policy terms, regulation and law, policyholder communications, disclosures and impacts, and ongoing market competitive pressures, as would have applied without the Proposed Transfer.

4.4.4.2 Underwriting and Alterations

There is no intended change in RLAL's approach to policy sum insured increases, alterations or reinstatements as a result of the Proposed Transfer. RLAL's underwriting frameworks and philosophies will not change as a result of the Proposed Transfer.

4.4.4.3 Claims Management

There is no intended change in RLAL's claims philosophies nor claims management policies and approaches as a result of the Proposed Transfer.

4.4.4.4 Policy Administration & Operational Parameters

Other than making policy administration, investment and accounting system changes to implement reporting and financial management for the new No. 5 Fund, no changes are otherwise proposed to any of these systems as a result of the Proposed Transfer.

There will be no change to any operational parameters, administration or operational rules, such as minimum account balance limits, minimum withdrawal amounts, or similar items as at the Transfer Date.

4.4.4.5 Tax Expense & Consequences

The New Zealand and Australian businesses are taxed separately. The Australian business operates under the Australian consolidated tax regime with NOHC as head entity and with tax sharing and funding agreements between RLAL and NOHC. The NZ Branch is taxed as a separate business under New Zealand tax law. The allocation of tax expenses, benefits, liabilities and assets are made separately between the Australian and New Zealand PRE Pools, investment funds and product lines. There is no sharing of tax items across Australian and New Zealand policyholders.

The transfer of the NZ Branch into a new No. 5 Fund is not anticipated to have any material impact on the tax expenses and benefits, tax liabilities and assets, nor the funding of these amounts, for either the Transferring NZ Policies or the Remaining Policies.

4.4.4.6 NZ Branch, NZPAC, NZ Trust & RLNZ Reinsurance

The NZPAC is to remain in place and operation. The ongoing role of NZPAC to support New Zealand policyholder interests, fair treatment and reasonable benefit outcomes will not change.

The NZ Branch will remain largely unchanged and continue to cover the same New Zealand policies as it currently does.

Any changes to the NZ Trust and RLNZ Reinsurance arrangement are relevant only in the context of a remote severe financial stress event and its impact of the New Zealand policyholders' benefit security. The proposed changes will have no bearing on the day-to-day financial and operational management of the New Zealand business (such as declaration of bonus rates, crediting rates, asset strategy, premium and charging rates, claims management or policy servicing standards). The consequences, if any, of any changes to the NZ Trust and RLNZ Reinsurance arrangement are considered under the risk and benefit security section of this report.

4.4.5 Conclusion on Policyholders' Reasonable Benefit Expectations

In my opinion, considering the above, the Proposed Transfer will not adversely impact the reasonable benefit expectations of the Transferring NZ Policyholders.

4.5 One-off Impacts of the Proposed Transfer

4.5.1 Costs and Expenses associated with the Proposed Transfer

All costs incurred in respect of the Proposed Transfer, including but not limited to, any asset transfer stamp duties, brokerage and professional fees will be paid by the RLAL shareholders. No costs will be incurred, directly or indirectly, by any RLAL policyholders in the form of unit price reduction, or fees or expenses charged to them via the investment options or their policy accounts, or their supporting PRE Pools or UA Pool(s).

4.5.2 Tax Implications

As the Proposed Transfer will not result in a change in the ownership of the underlying assets that support the policyholders' benefit and investment pools, and that in any event the realisation of assets supporting the New Zealand business is not subject to capital gains tax, there are no anticipated tax consequences of the Proposed Transfer for any of RLAL's policyholders.

As specified in Section 3, in the event some adverse tax impacts are crystallised affecting policyholders, including early payment of taxes, RLAL will compensate the affected policyholders for the economic impact of the adverse impact under its standard remediation processes and policies.

4.5.3 Other Impacts

As above, as there is no change in any policyholder's policy, account values or benefit entitlements, and there will be no change to any policy numbers or life insurer as policy issuer. No impacts are anticipated to arise with respect to any policyholders' tax obligations or entitlements, Government social security entitlements or benefits, or other similar benefits.

4.6 Financial Impact and Benefit Security

4.6.1 Overview

This section examines the financial impact of the Proposed Transfer on the affected policyholders and RLAL.

The financial analysis set out in this section considers the position, on a pro-forma basis, as if the transfer had taken place as at 31 December 2025. This analysis is considered to provide a fair and representative demonstration of the outworking of the Proposed Transfer when it takes place on the actual Transfer Date.

The Proposed Transfer involves AU\$4.0b (NZ\$4.6b) of policy liabilities²⁹ transferring from the No.1 Fund to the No. 5 Fund. As set out in Section 3, the Proposed Transfer also involves the transfer of assets supporting these liabilities and the appropriate retained profits that support the capital requirements and reserves for the transferring policies. In the case of the participating business, it includes all of the shareholder retained profits and capital relating to the transferring participating business. The total assets transferring are AU\$4.4b (NZ\$5.1b).

Section 4.6.2 below provides an analysis of the impact of the Proposed Transfer on the financial position and regulatory capital profile of RLAL and the affected statutory funds before and after the transfer.

Further commentary on the risk and capital management of RLAL post transfer, including outlook, is set out in Section 4.6.3. The conclusions on the benefit security of the Transferring NZ Policyholders and the Remaining Policyholders is summarised in Section 4.6.4.

4.6.2 Financial Impact of Proposed Transfer

The following tables show the impact of the Proposed Transfer, based on the financial position (the balance sheet) of RLAL as at 31 December 2025, as if the transfer occurred on that date.

²⁹ All quoted figures and amounts in this section are as at 31 December 2025 unless otherwise stated.

4.6.2.1 RLAL Financial Position Before the Transfer

The following table summarises the financial position and capital adequacy profile of the No.1 Fund and RLAL as a whole before the Proposed Transfer, as summarised in Section 2 as at 31 December 2025:

RLAL Key financial measures by Statutory Fund before Transfer								
AU \$'millions	No. 1 Fund			No. 2 Fund	No. 3 Fund	No. 4 Fund	SHF ³⁰	RLAL Total
	Par S-Fund	N/Par S-Fund	No.1 Total					
Total Assets	17,212	3,472	20,684	5,879	1,572	3	5	28,143
Policy Liabilities	13,417	2,941	16,358	5,692	1,428	0	0	23,478
Policyholder Retained Profits (Incl. Unallocated Assets)	2,691	0	2,691	0	0	0	0	2,691
Other Liabilities	432	(20)	411	158	136	0	(152)	555
Net Assets (Shareholder retained profits and capital)	673	551	1,224	29	8	3	157	1,420
Regulatory adjustments ³¹	681	(51)	630	0	0	0	(114)	516
Capital Base	1,354	500	1,854	28	8	3	43	1,936
PCA	594	267	860	15	4	0	1	880
Assets in excess of PCA	760	233	993	13	4	3	43	1,055
Capital Base / PCA %	228%	188%	216%	184%	189%	High	High	220%

Source: RLAL Financial Statements, APRA returns and Internal Data as at 31 December 2025.

The above analysis reflects the reported financial position of the RLAL No.1 Fund and its sub-funds, and Resolution Life as a whole, adjusted to reflect a typical view of the capital adequacy position of the statutory funds and Resolution Life:

- The above position has been adjusted (reduced) for the \$128m dividend and capital return approved by the Resolution Life Board in 1H26 in respect of the FY25 year. The underlying NZ Branch position reflects the corresponding NZ Branch transfer of AUD45m (NZD52m), and the one-off UA reallocation of AUD41m (NZD47m) discussed in Section 2.
- The position illustrated above also effectively provides for the funding of the anticipated cost to be incurred in respect of the Proposed Transfer, which includes the estimated implementation costs and any policyholder make good costs to be funded by the RLAL shareholders. In practice such provisions will be funded from dividends otherwise payable by RLAL to NOHC.
- The financial position summarised above, with these adjustments, represents the normal underlying capital adequacy position of the various RLAL statutory funds and RLAL as a whole, and typical on-going underlying target capital coverage ratios.

The above adjusted position represents the base financial position to consider, in the normal course of business for RLAL, prior to the Proposed Transfer and as the indicative position at the Transfer Date.

³⁰ The Shareholders Fund items include some eliminations that represent some inter-fund balances.

³¹ Regulatory adjustments are determined in accordance with APRA Prudential Standard LPS 112 Capital Adequacy: Measurement of Capital (LPS 112). They include items such as intangible assets, inadmissible deferred tax assets and an adjustment for the difference (which can be positive or negative) between the policy liability and adjusted policy liability as defined in LPS 112.

4.6.2.2 RLAL Financial Position After the Proposed Transfer

The following table summarises the split of the assets and liabilities of the RLAL No.1 Fund between the RLAL No.1 Fund and the new RLAL No.5 Fund, and illustrates the assets and liabilities that would have transferred to the RLAL No.5 Fund if the transfer had taken place as at 31 December 2025.

RLAL Key financial measures by Statutory Fund After Transfer								
AUD \$'millions	No. 1 Fund			No. 5 Fund			No. 2/3/4 & SHF	RLAL Total
	Par S-Fund	N/Par S-Fund	No.1 Total	Par S-Fund	N/Par S-Fund	No. 5 Total		
Total Assets	13,243	3,024	16,267	3,969	448	4,417	7,460	28,143
Policy Liabilities	10,582	2,705	13,287	2,835	235	3,071	7,120	23,478
Policyholder Retained Profits (Incl. Unallocated Assets)	1,780	0	1,780	910	0	910	0	2,691
Other Liabilities	436	(93)	343	(4)	73	68	143	555
Net Assets (Shareholder retained profits and capital)	445	411	856	228	140	368	196	1,420
Regulatory adjustments	469	43	512	211	(93)	117	(114)	516
Capital Base	914	454	1,368	439	47	485	82	1,936
PCA	414	267	681	172	11	183	20	885
Assets in excess of PCA	500	187	687	267	35	302	62	1,051
Capital Base / PCA %	221%	170%	201%	255%	413%	265%	408%	219%

Source: RLAL Financial Statements, APRA returns and Internal Data as at 31 December 2025

4.6.2.3 Analysis of Impact of Transfer on Financial Position Metrics

RLAL Financial Metrics Pre & Post Transfer								
AUD \$'millions	No. 1 Fund			No. 5 Fund			No. 2/3/4 & SHF	RLAL Total
	Par S-Fund	N/Par S-Fund	No.1 Total	Par S-Fund	N/Par S-Fund	No. 5 Total		
Total Assets – Before	17,212	3,472	20,684	0	0	0	7,460	28,143
Total Assets - After	13,243	3,024	16,267	3,969	448	4,417	7,460	28,143
Policy Liabilities & PRP - Before	16,108	2,941	19,049	0	0	0	7,120	26,169
Policy Liabilities & PRP - After	12,362	2,705	15,067	3,746	235	3,981	7,120	26,169
Capital Base – Before	1,354	500	1,854	0	0	0	82	1,936
Capital Base - After	914	454	1,368	439	47	485	82	1,936
PCA – Before	594	267	860	0	0	0	20	880
PCA – After	414	267	681	172	11	183	20	885
Capital Base % Assets – Before	7.9%	14.4%	9.0%	-	-	-	1.1%	6.9%
Capital Base % Assets – After	6.9%	15.0%	8.4%	11.1%	10.4%	11.0%	1.1%	6.9%
PCA % Liabilities – Before	3.7%	9.1%	4.5%	-	-	-	0.3%	3.4%
PCA % Liabilities – After	3.3%	9.9%	4.5%	4.6%	4.8%	4.6%	0.3%	3.4%
PCA Coverage % - Before	228%	188%	216%	-	-	-	408%	220%
PCA Coverage % - After	221%	170%	201%	255%	413%	265%	408%	219%

In reviewing the above, the following observations are made:

- The aggregate RLAL assets and policy liabilities after the transfer are unchanged from the total before the transfer, which reflects that the assets and liabilities in respect of the policyholder benefits are unchanged as a result of the transfer.
 - Although there may be some small increase to both assets and liabilities as a result of any compensation payments made in respect of frictional costs incurred, should any such need arise, this will not impact the net assets nor materially impact the other quantities above.
- The sum of the regulatory capital requirements (PCA) for the No.1 Fund and No. 5 Fund after the transfer are largely similar to the existing No.1 Fund requirements before the transfer, with total No.1 Fund and No. 5 Fund PCA increasing less than 1% from \$880m pre transfer to \$885m post transfer .
 - The Par Sub-Funds total PCA is similar before (\$594m) and after (\$586m) the transfer as at 31 December 2025. Underlying this result is a small increase in asset risk capital (~5%) offset by a reduction in a technical AUD/NZD FX reserving amount that does not reflect a true risk exposure. These differences are within the range of normal month-to-month variation of the Par Sub-Fund calculated PCA. Indeed, the modest change in underlying aggregate PCA is one indication of the limited capital requirement dyssynergies or loss of risk profile diversification benefits from the split of the Par Sub-Fund (this is further discussed in Section 4.6.3 below).
 - While there is some change in the relative PCA coverage ratios for the two Par Sub-Funds before and after the transfer, the ratios remain strong at over 200% and well above the normal operating zone under the RLAL PBMF and ICAAP.
- The value of the assets transferred to the No. 5 Fund are reasonable and appropriate in respect of the value of the liabilities being transferred. Likewise, the assets remaining in No.1 are reasonable and appropriate.
- The assets transferred in excess of the liabilities transferred will be sufficient, by sub-fund (Par Sub-Fund and Non-Par Sub-Fund), to cover the regulatory capital requirements after the Proposed Transfer and result in both the No.5 Fund and No.1 Fund Capital Base / PCA coverage ratios to be in a sound overall position.
- As discussed further below, the excess assets above PCA in each statutory fund will continue to be satisfactory relative to RLAL's internal capital management benchmarks by statutory fund and sub-fund. The PCA coverage ratios will remain in a sound position after the Proposed Transfer.

In making the statement immediately above, prior to the date of the actual transfer of the NZ Branch to the No.5 Fund, a review will be conducted of the Shareholders non-participating retained profits holdings within the No.1 Fund, and between the SHF and No.1 Fund, as is typical in the normal course of management of RLAL. Any true-up (transfers) of retained profits required to ensure the No.1 Fund and No.5 Fund remain within their normal ICAAP operating zones after the transfer will be made, including to ensure the above statements remain true and correct.

4.6.2.4 Impact of Transfer on Financial Performance & Cash-flows

Section 2.15.1 and 2.15.2 summarise the historic profitability and cash-flow generation of the New Zealand and Australian business in the No.1 Fund. That analysis indicates that both the historic profitability and historic cash-flow generation of the two business segments have been sound and substantial, and reflect a pattern broadly proportionate to the size of the NZ Branch business and other business of the No.1 Fund.

The results reflect the profitability and cash-flows that the No. 5 Fund and No.1 Fund would have produced if the business had operated historically via the two statutory funds as now proposed.

Given the analysis above in this section that indicated that there is no material change anticipated to the premium rates and product charges, claims and reinsurance experience, expenses or investment experience of the respective business as a result of the Proposed Transfers, the historic sound profitability and capital cash-flow generation is regarded as indicative of the anticipated future sound profitability and capital generation of both funds post the Proposed Transfer.

4.6.3 Risk & Capital Management

4.6.3.1 Risk Management

The proposal does not involve any change in the underlying products and policies or their underlying administration and operational management. For RLAL as a whole, notwithstanding the segregation of the business into an additional statutory fund, the overall size and diversification of risk across RLAL will remain essentially unchanged.

Consequently, and as illustrated financially in the section above, there will be no material change to the RLAL existing operational, risk management and financial and capital management needs and the existing RLAL capabilities, policies and procedures will not need material augmentation.

In particular, the RLAL existing Risk Management Framework will remain adequate and appropriate, albeit it will require some update to some documentation, calculation processes and reporting to accommodate the new No. 5 Fund. There is no anticipated impact on RLAL satisfying its obligations under APRA and RBNZ regulations, or ASIC and FMA regulations, or meeting other regulations (e.g. AML/CTF). The proposal will not require material change in substance to:

- The Board approved and documented risk management framework, ICAAP summary statement, risk management strategy and risk appetite specification, and policies, for example, on business continuity risk, cyber risk, privacy risk, and anti-money laundering.
- Adoption of the “three lines of defence model” for risk management.

RLAL’s risk management framework is regarded as remaining suitable and sufficient to soundly risk manage RLAL and support RLAL in meeting its obligations to its policyholders after the Proposed Transfer, and continue to satisfy regulatory requirements and expectations.

4.6.3.2 Reinsurance

As discussed in Section 2, RLAL has an existing program of reinsurance in place for its substantial portfolio of existing life risk insurance business and relevant reinsurance for its large conventional participating portfolio. RLAL holds capital reserves for its retained, residual risks in accordance with APRA’s capital requirements and its ICAAP policies and benchmarks.

There is no proposed or planned change to any of these aspects as a result of the Proposed Transfer.

The existing reinsurance arrangements on the Transferring NZ Policies will transfer to the No. 5 Fund. The existing risk mitigation these arrangements provide to RLAL will therefore continue after the transfer and the capital reserves transferred to the No. 5 Fund (as summarised in Section 4.6.2 above) will be consistent with the retained and residual risk profile of the transferred business.

4.6.3.3 Investment Strategy and Asset Risk

RLAL’s existing investment strategy and asset holdings in respect of its New Zealand investment-linked business and all the participating business, reflect its disclosures, intentions, and communications to its policyholders; e.g., investment strategy for the investment linked products reflect the unit funds “labels” and participating business strategies reflect policyholder expectations reflective to ongoing policyholder communications.

In the case of the asset-liability risks in respect of its insurance and annuity liabilities, RLAL adopts a primarily duration matched strategy, with benefit inflation risk substantively hedged, with an asset risk profile in line with the RLAL Board’s risk appetite and risk management and capital reserving objectives.³²

In both cases, shareholder capital is held for the residual asset and asset-liability risks in accordance with APRA’s capital requirements and RLAL’s ICAAP policies and benchmarks. Changes in the asset

³² Some Non-Par Sub-Fund wealth protection inflation hedging derivative positions in the No.1 Fund, that are held for Asset-Liability Management hedging and risk management in the Non-Par Sub-Fund, are currently managed and implemented on a combined Australian and New Zealand basis. The New Zealand component reflects a minority of the total (~5%). After the transfer, these holdings will be adjusted with separate NZD based derivatives established for the No. 5 Fund. While not a large impact, the capital requirement calculations and risk management commentary in this Report assumes the existing level of CPI hedging will be maintained in the No.1 Fund and No.5 Fund post transfer. As this impacts the Non-Par Sub-Fund only, any minor cost impacts of the changed approach will only impact the RLAL Shareholders.

and/or asset-liability risk profile in future will be reflected in the capital RLAL will need to hold in respect of such changes.

In respect of the business being transferred, as noted above, the existing assets, reflecting the existing investment strategy backing the transferring business, will transfer to the No. 5 Fund. In this case, it is noted (as referenced in Section 3):

- The assets backing the investment-linked and participating business reflect the historic disclosures, intentions, and communications to its policyholders; and in the case of the other asset-liability risks, the current asset-liability management strategy.
- The capital reserves being transferred reflected the residual asset and asset-liability risks reflected in transferred assets in accordance with APRA's capital requirements and RLAL's ICAAP policies and benchmarks.

The overall approach to investment strategy, and asset and asset-liability risk management, will not be changed as a result of the transfer, and the residual risks are reflected in the capital reserves being transferred and the capital reserves that will be held after the Transfer Date.

4.6.3.4 Capital Management Framework

As noted above for the risk management framework, RLAL's existing capital management framework and processes, including its ICAAP, addresses the existing portfolio of business. The capital management framework, and underlying policies, will remain appropriate and satisfy regulatory requirements and expectations, after the Proposed Transfer and remain fit for purpose.

4.6.3.5 Prudential Capital Requirements and Target Surplus

As set out in Section 4.6.2, RLAL will continue to soundly and adequately meet the regulatory capital amounts (PCA), as well as any higher (non-disclosable) prudential capital requirement (PCR) after the Proposed Transfer. The capital in excess of the regulatory requirements satisfies RLAL's internal capital reserving benchmarks, under its ICAAP, before the proposed transfer, and will continue to do so after the proposed transfer, with appropriate PCA coverage ratios before and after transfer (as detailed above in section 4.6.2.3).

The overall financial risk profile of RLAL, as indicated by it continuing to meet its regulatory capital requirements and expectations, and meet its existing and continuing internal capital benchmarks under its ICAAP, means that the risk profile of RLAL for its Transferring NZ Policyholders and Remaining Policyholders will not, prima facie, materially change as a result of the transfer at the Transfer Date, and the position immediately after the transfer will be sound and appropriate for both groups of policyholders.

4.6.3.6 Prospective Capital Position

As summarised in Section 2.15.1 and 2.15.2, RLAL has generated material profits and net risk capital flows (releases) over recent years that have supported the payment of substantial dividends to its shareholders (e.g., \$309m in respect of FY24, and similar in FY25 gross of the T2 redemption funding). The generation and availability of profits and net capital flows that support dividends form a significant resource that can be retained by a life insurer to ultimately support the life insurer deal with risk events and future outworkings and meet its obligations to its policyholders.

Under its current business plans, RLAL anticipates continuing to generate substantial profits and cashflows, and pay substantial dividends, in future.

As discussed in Section 4.6.2.4, the separation of the No.1 Fund into the new No. 5 Fund and the remaining No.1 Fund is not anticipated to materially impact the anticipated aggregate generation of profits and the portfolios are expected to continue generating significant profits and cash-flow in future after the transfer. As also discussed in Section 4.6.2.4, the transferring NZ business and the remaining business both, individually, provide sound and substantial profitability and cash-flow generation, so that both the No.1 Fund and No. 5 Fund are expected to have ongoing sound and substantial future flows.

The effect of the Proposed Transfer is that it is expected that the future profit and net capital generation of RLAL will remain sound, with sound flows for both the No.1 Fund and No. 5 Fund in future to continue to provide a valuable source of financial resources to support the respective funds.

4.6.3.7 Par Fund Separation in More Severe Scenarios

Section 4.4 above considers the impact on policyholder reasonable benefit expectations of separating the Par Sub-Fund into an Australian fund (in the No.1 Fund) and a New Zealand fund (in the No. 5 Fund) within the context of the Par Sub-Funds operating within a reasonable, solvent range of circumstances. Consideration has also been given as to whether a separation of the Par Sub-Fund into two (smaller) funds may materially increase the risk of either or both funds becoming non-viable or suffer financial difficulty in future, and/or adversely impact the outcome for policyholders in such, albeit remote, circumstances³³.

As noted in the capital ratios analysis above, after the split of the Par Sub-Fund, the two, separate Par Sub-Funds will have similar aggregate risk based regulatory capital (PCA) requirements after the transfer as before. The PCA³⁴ is a risk-based capital requirement intended to reserve for severe, more remote outcomes; APRA indicate the PCA is meant to cover shareholder risk outcomes in the range of a 1-in-200 year events. The relatively small impact on the aggregate PCA indicates that the split of the Par Sub-Fund does not involve a material loss of risk diversification benefits between the Australian and New Zealand portfolios in respect of such more extreme circumstances. This is indeed the case and reflects that:

- The dominant, severe risk exposure of the Par Sub-Fund is asset and investment market risks. Of the \$594m of PCA in the Par Sub-Fund as at 31 December 2025:
 - c.85% of that total is driven by investment market, interest rate and credit risk exposure risks (i.e. Asset-Liability mismatch risks, or ALM risks);
 - c.15% relates to all other potential severe risk exposures (e.g. claims, expenses and operational risks).
- With these ALM risks being predominantly systemic risks³⁵:
 - Large declines in overall Australian and global equity markets;
 - Large overall market interest rate and credit spread changes; and
 - Large other severe asset market impacts such as large property market declines.
- Systemic ALM risks are inherently proportional to the assets held and are not reduced (diversified) with increased scale, nor contra-wise, increased (concentrated) with reduced scale.³⁶

Maintaining the Par Sub-Fund as one fund does not provide substantial protection from these risks or their consequences for either the Australian or New Zealand portfolios, and the split of the fund does not substantially increase the exposure to these risks or their consequences.

Notwithstanding the above aggregate observation, if the risk profile and capital bases of two portfolios is materially different, it could be that combining the two portfolios could provide a risk “cross subsidy” within the combined portfolio, to the benefit of the higher-risk-lower-capitalised portfolio, and a disadvantage to the other. Likewise, separating two such portfolios would undo such a risk cross-subsidy to the benefit of the relatively stronger portfolio and disadvantage of the weaker portfolio; albeit

³³ There are scenarios between “sound ongoing” and “severe stress” that could be considered, such as the Par Sub-Fund(s) remaining above PCA, but with limited “head room” resulting in impacts on surrender values or constraining bonus declarations. In practice, the path to arrive in such situations essentially reflects the impact of systemic risks considered in this section; significant asset value impacts from events such as large overall equity market falls or interest rates changes. The discussion in this section apply equally in these scenarios; such systemic risk is neither ameliorated nor amplified through portfolio size.

³⁴ The PCA is a measure of shareholder risk and capital requirements. For the participating business, there is implicitly a “policyholder PCA” supported by policyholders PRP that is effectively ~4 times the shareholders’ PCA supported by shareholders SRPP. As the PRP and SRPP are proportional (i.e. ~80/20), the relativities and coverage ratios discussed in this section would be proportional whether the analysis is on shareholder only PCA or the combined implicit PCA (of ~5 times).

³⁵ The Par Sub-Fund(s) and indeed RLAL overall and all its statutory funds, are not materially exposed to individual asset performance or loss. Investments are broadly diversified with individual PRE Pools or other RLAL funds not having underlying large, single asset exposures (in the context of the discussion in this section) and/or in cases of some exposure (e.g. exposure to Australian Commonwealth Government bonds), the exposures are invariably proportional to FUM across similar funds or are otherwise pooled across funds (via underlying investment vehicles) so that the risk ultimately is a “systemic” risks for RLAL and its various funds.

³⁶ There is a small technical FX effect (<5% of the Par Sub-Fund PCA) that implies a dyssynergy of a combined Australian and New Zealand fund. This is a technical APRA capital rule where the overall capital position is expressed in AUD, rather than a genuine FX “contagion” exposure between the Australian policyholders (in AUD) and New Zealand policyholders (in NZD).

in this scenario of “winners and losers”, the aggregate risk would not change for the portfolios as a whole.³⁷

This scenario does not significantly apply in the case at hand³⁸:

- Both the Australian and New Zealand portfolios are dominated by their respective conventional business portfolios: Australia ~67% of PRE Pool assets and New Zealand ~96%. Both conventional business portfolios have similar, strong risk metrics relative to their ALM risks (guarantees liabilities ~45%-55% of PRE Pool assets, current surrender values ~80%-90% of PRE Pool assets). Neither have material Time-Value-of-Guarantees-and-Options (the AASB17 TVOG measure of long-term value of guarantees is <3% of PRE pool assets, and an immaterial “option” value, for these portfolios).
- While the Australian portfolio’s exposure to investment account business with higher guaranteed liability ratios (~95% of PRE Pool assets) increases somewhat from ~26% of total PRE Pool assets pre-split to ~33% post-split, the change is not dramatic and the asset risk profile of the investment account business is overall lower than the conventional business, noting it also has a relatively low TVOG value assessment (<\$100m for the \$4.0b of the relevant PRE Pool assets, i.e. <3% of assets).
- Ultimately, the No.1 Fund PCA amount as a % of liabilities (as set out in the analysis in 4.6.2.3 above) reflects the relative risk profiles of the portfolio before and after the Par Sub-Fund split. The No.1 Fund PCA % doesn’t materially change (remains ~3.5% of liabilities).

The above indicates that the level of risk cross-subsidy within the current Par Sub-Fund between the Australian and New Zealand portfolios is not large relative to the respective portfolios, and hence, there is not expected to be a significant unwinding of any risk cross-subsidy as a result of the split of the Par Sub-Fund.

Furthermore, and in summary:

- As noted above, the capital coverage of the Par Sub-fund is substantial (over 2xPCA) and the two Par Sub-Funds will continue to have coverage ratios over 2x’s immediately after the transfer.
- The investment strategy for the Par Sub-Funds includes significant downside equity market protection strategies (i.e. the Equity Protection derivatives), guaranteed liability duration matching, and surrender value buffers.
- The actual risk of non-viability for the Par Sub-Funds post separations is regarded as remote.³⁹
- In the future event that the financial position of the Par Sub-Fund (as it is pre transfer) or either Par Sub-Fund (as they will be post transfer) does become such that they breach their PCA, then the fund(s) would be entitled to receive the full support of the RLAL shareholder, to support its capital position, up to the capacity of RLAL, and/or support their guaranteed liabilities in the event of even more severe, extreme circumstances.
- In the case of the Transferring NZ Policies transferring into a separate statutory fund, it is likely that the separation will provide some security benefits in the most extreme scenarios, in terms of clarifying their position, relative to the NZ Branch residing in a co-mingled fund with Australian business.

³⁷ As noted in the discussion and footnotes above, the Australian Par Sub-Fund liabilities are in AUD and the New Zealand Par Sub-Fund liabilities in NZD. It could be argued this could provide some FX risk diversification benefit. However, as the AUD and NZD PRE Pool are managed relative to the currency of their liabilities, any benefit would at best be second order and in practice unreliable and unpredictable. In practice AUD and NZD are highly correlated currencies, especially in times of economic stress.

³⁸ All figures are as at 31 December 2025 and should be treated as indicative only through time and market conditions.

³⁹ The analysis in this section has focused on a regulatory capital view of “adequacy”, which is a somewhat short-term perspective. The RLAL participating business is a complex construct, concerned with meeting policy expectations and guarantees in the short term (surrender value outcomes and regulatory capital coverage), and longer-term bonus and crediting rate outcomes and the equitable allocation of returns through time and between cohorts of policyholders. This requires consideration of both short term “PCA” coverage type metrics, longer term PCA coverage risks, and longer-term bonus and crediting rates supportability and volatility (i.e. longer-term Par Sub-Fund sustainability and sufficiency). In practice, the key determinant in meeting all of these aspects, short-term and long-term, is the underlying investment strategy adopted including the adopted hedging strategies (ALM matching and equity protection hedging), and systemic investment market outcomes, both short and long term, for, inter alia, interest rates; equity market levels, returns and shocks; and property investment outcomes and events.

Considering the sound capital adequacy position of the Par Sub-Fund before and the Par Sub-Funds after the Proposed Transfer, the financial position protection strategies adopted for the Par Sub-Funds, the systemic and “mirror” nature of the key risks exposures of both funds (together or separate), the remote nature of the more extreme risks considered and the support that the RLAL shareholder would be obliged to provide the funds under either construct should the more extreme, remote circumstances ever arise, I do not regard the Proposed Transfer as materially increasing or adversely affecting the risk exposure of either the New Zealand or Australian participating policyholders.

4.6.4 Conclusion on Benefit Security

Based on the proposed transfer of assets and liabilities, immediately after the proposed transfer:

- Each of the statutory funds of RLAL, including the new No. 5 Fund, and RLAL as a whole, will continue to meet its regulatory capital requirements.
- Each of the statutory funds of RLAL, including the new No. 5 Fund, and RLAL as a whole, will have net assets in excess of the regulatory requirements, and will meet RLAL’s internal capital management and ICAAP benchmarks.
- RLAL as a whole, and each of its statutory funds, will remain in a sound financial position with a sound financial outlook.

The benefit security of the Transferring NZ Policyholders and the Remaining Policyholders will be sound and appropriate after the Proposed Transfer.

5. Impact on the Remaining Policyholders

5.1 Impact on Contractual Benefits and Rights

5.1.1 Policy Premium Rates or Fee Rates, Benefits, Terms & Conditions

There are no changes to the policy premium rates, fee rates, benefits, terms and conditions for any of the Remaining Policies as a result of the Proposed Transfer.

5.1.2 Conclusion on Contractual Benefits and Rights

There is no impact to the contractual benefits and rights of the Remaining Policyholders as a result of the Proposed Transfer.

5.2 Impact on Policyholders' Reasonable Benefit Expectations

5.2.1 General Observations on the Proposed Transfer

The general observations made in Section 4.4.1 apply to both the Transferring NZ Policyholders and the Remaining Policyholders. In particular, the observation that the Proposed Transfer is proposed in order to help best position RLAL, and the overall Acenda Group and its other business entities, to pursue their preferred business strategies in future.

The observation is made in that Section that the Proposed Transfer is prima facie favourable to the affected policyholders' reasonable expectations and future of benefit security, and arguably that is ultimately also so for Acenda Group policyholders.

5.2.2 No changes for existing operational policies

There are no changes that will be made to the operations of any of the Remaining Policies as a result of the Proposed Transfer:

- No change to any premium rates, fees, or charges under any policies;
- No change to any operational aspects (e.g., minimum account values);
- No change to underwriting or claims management approaches, philosophies, or policies;
- No change to existing administration systems or approaches;
- No change to other relevant policies or approaches, such as the approach to pricing and product management; and
- No change to existing investment strategies, existing policy investment pool asset holdings, custodians, fund managers or other related aspects.

Further comments on certain aspects relating to the participating policies and the non-participating investment account policies are discussed below.

5.2.3 Participating Policies

Section 4.4.2 provides a detailed discussion of the impact on the reasonable benefit expectations of the Proposed Transfer on the Transferring Participating Policyholders, and concurrently includes a number of observations with respect to the remaining participating policyholders.

The following key observations are noted in respect of the remaining participating policyholders of the No.1 Fund.

In transferring out the New Zealand Transferring Participating Policy portfolio:

- The remaining participating policies' PRE Pools operating constructs will be maintained on the same basis as prior to the transfer. No deduction or reduction will be made to any of the remaining PRE Pools at the Transfer Date. There will be no change to the investment strategies or assets of the remaining PRE Pools at the Transfer Date as a result of the transfer. As noted in Section 4.4.2, none of the PRE Pools need dissection between transferring and remaining policyholders.
- The approach to the investment management of the remaining PRE Pools will not change at the Transfer Date.
- In respect of the approach to expenses, RLAL intends to continue the current practices for expenses charged to the participating business PRE Pools and UA Pool(s) for both the transferring and remaining participating business.
- Given the total assets under management and number of investment pools, sub-funds and PRE Pools across RLAL will not change as a result of the Proposed Transfer, and the existing underlying asset management and operational structures in place and reporting requirements will be unchanged as discussed in Section 4.4.2, it is anticipated that there will be no change in the investment management, monitoring and reporting costs incurred or charged to the No.1 Fund or No. 5 Fund Par Sub-Fund PRE Pools or UA Pool(s).
- RLAL will continue its existing bonus and crediting rate declaration practices and philosophies in respect of the No.1 Fund remaining policyholders as set out in its PBMF and as reflected by its history of disclosures and communications to the policyholders over time. There will be no changes to the surrender value bases for the remaining policies at the Transfer Date.
- The pooling of non-investment experience items within some PRE Pools and across other PRE Pools will not change or be affected by the Proposed Transfer.
- The approach to IFR management for the investment account PRE Pools will not be impacted in respect of the remaining Australian investment account PRE Pools and policyholders.
- The Proposed Transfer will not adversely impact on the prior Part 9 undertakings applicable to the remaining participating policyholders.

The operation of the UA Pool(s) and the ramifications of its allocation between the transferring business and the remaining business, including any impact on the progressive distribution of the UA Pools over time, was discussed in section 4.4.2.6. Under the Proposed Transfer the Australian part of the UA Pool will remain in the No.1 Fund, its notional apportionment by Australian PRE Pool will remain unchanged and its progressive distribution to the Australian policyholders will continue under the current basis with the same future intent. As the financial position, capital adequacy and sustainability metrics of the No.1 Fund Par Sub-Fund will remain sound after the Proposed Transfer, the outlook for the progressive distribution of the UA Pool in respect of the remaining policyholder is not anticipated to be materially affected, adversely or favourably, by the Proposed Transfer.

RLAL will continue with its approach to risk and capital management of the No.1 Fund Par Sub-Fund, including the use of the remaining No.1 Fund UA Pool as discussed in Section 2 and 4, for the long-term sustainability of the No.1 Fund Par Sub-Fund, and as reflected in the PBMF.

Considering the above factors and analysis, it is concluded that the remaining No.1 Fund participating policyholders' reasonable benefit expectations will not be adversely affected by the Proposed Transfer.

5.2.4 Non-Par Investment Account Policies

There will be no change to the investment management for the remaining non-participating investment account policies:

- Immediately following the Proposed Transfer, the benefits of these policies will remain referable to the same assets as immediately before the transfer. They will also be managed by the same investment managers, have the same custodians, and will remain grouped in the same underlying investment pools as before the transfer.
- RLAL will continue to manage these investment policies in accordance with the policy terms and historic undertakings, including in-line with the disclosed and communicated investment objectives and investment strategies for the various underlying products.

5.2.5 Conclusion on Policyholders' Reasonable Benefit Expectations

There will be no adverse impact to the reasonable benefit expectations of the Remaining Policyholders as a result of the Proposed Transfer.

5.3 Financial Impact and Benefit Security⁴⁰

Section 4.6 has considered the impact of the Proposed Transfer on the financial position of RLAL, and on its regulatory capital position and outlook, including that of the new No. 5 Fund and the remaining No.1 Fund. The conclusions in that section, that apply to both the Transferring NZ Policyholders and the Remaining Policyholders, were:

- As set out in Section 4.6.2, RLAL overall and the remaining No.1 Fund will continue to soundly and adequately meet their regulatory capital amounts (PCA), as well as any higher (non-disclosable) prudential capital requirement (PCR) after the Proposed Transfer.
- RLAL's capital in excess of the regulatory requirements will satisfy RLAL's internal capital reserving benchmarks, under its ICAAP, before the proposed transfer, and will continue to do so after the proposed transfer, with appropriate PCA coverage ratios before and after the transfer for all RLAL statutory funds, including the No.1 Fund.
- The financial risk profile of the No.1 Fund, including it continuing to meet its regulatory capital requirements and expectations and its internal capital benchmarks under its ICAAP, will not prima facie materially change as a result of the transfer at the Transfer Date, and the position immediately after the transfer is regarded as sound and appropriate for the Remaining Policyholders.
- The effect of the Proposed Transfer is that it is expected that the future profit and net capital generation of RLAL overall, and the No.1 Fund specifically, will remain sound and will continue to provide a valuable source of financial resources to support RLAL and the No.1 Fund to deal with future risk events and outworkings after the Proposed Transfer.

Each of the statutory funds of RLAL, and RLAL as a whole, will continue to meet its regulatory capital requirements after the Proposed Transfer.

RLAL as a whole, and each of its statutory fund, will remain in a sound financial position.

The benefit security of the Remaining Policyholders and will be sound and appropriate after the Proposed Transfer.

5.4 Par Sub-Fund Separation in More Severe Scenarios

Section 4.4. considered whether the segregation of the Par Sub-Fund into a separate Australian Par Sub-Fund and a New Zealand Par Sub-Fund would result in a material disadvantage or reduction in policy reasonable expectations within the range of typical variation but sound and solvent operations of the fund(s). As summarised above in Section 5.3, it concluded that there would be no anticipated adverse impact or disadvantage. Section 4.6.3.7 considered that if there would be a disadvantage of the proposed separation in terms of the risk exposure of the fund(s) in more severe risk outcomes and circumstances.

The analysis considered the position of both the transferring and remaining participating portfolios and concluded that the risk exposure of neither of the two portfolios would be materially increased or adversely affected by the separation of the Par Sub-Fund and the Proposed Transfer. This reflects the sound capital adequacy position of the sub-fund(s) before and after the Proposed Transfer, the financial position protection strategies adopted for the sub-funds, the systemic and "mirror" nature of the key risks exposures underlying the sub-fund(s), the remote nature of the more extreme risks considered and the support that the RLAL shareholder would be obliged to provide the fund(s) under either construct should the more extreme, remote circumstances ever arise.

⁴⁰ As noted in Section 4, prior to the actual transfer of the NZ Branch to the No.5 Fund, a review will be conducted of the Shareholders non-participating retain profits holdings within the No.1 Fund and between the SHF and No.1 Fund. Appropriate transfers of retained profits will be made to ensure the No.1 Fund and No.5 Fund remain within their normal ICAAP operating zones after the transfer, and to ensure the above statements in this report remain true and correct.

6. Summary of Conclusions

My key conclusions and opinions, based on the detail and analysis set out in this report, are summarised below.

6.1 Nature and Value of Assets to be Transferred and Remaining

The assets being transferred from the No.1 Fund to the (new) No. 5 Fund reflect appropriate and relevant assets to properly support the policy and other liabilities being transferred. The valuation basis adopted in aggregate is materially at fair value (i.e., the amount that would be received on the sale of the asset in an orderly transaction between willing market participants at the measurement date) and is consistent with the valuation of the liabilities being transferred.

The assets remaining in the No.1 Fund will likewise reflect appropriate and relevant assets to properly support the remaining policy and other liabilities.

6.2 No Unfairness to Any Policyholders

Based on the analysis and assessments set out in this report, the Proposed Transfer will not result in unfairness to the policyholders of policies referable to any of the RLAL statutory funds involved in the Proposed Transfer.

6.3 Transferring NZ Policyholders

There will be no change to the Transferring NZ Policyholders' contractual benefits and rights as a result of the Proposed Transfer.

The overall reasonable benefit expectations of the Transferring NZ Policyholders will continue to be met under the Proposed Transfer and not be adversely affected.

In terms of the policyholders' benefit security, the (new) No. 5 Fund will be established to be in a sound financial position and the Transferring NZ Policyholders' benefit security will remain adequate after the Proposed Transfer.

There are no material disadvantages for the Transferring NZ Policyholders as a result of the Proposed Transfer.

To the extent the Proposed Transfer facilitates RLAL efficiently and effectively pursuing its preferred business strategy and objectives, the Proposed Transfer is prima facie favourable to all of RLAL's policyholders' reasonable expectations and future of benefit security, including for the Transferring NZ Policyholders.

6.4 The Remaining Policyholders

There will be no change to the Remaining Policyholders' contractual benefits and rights as a result of the Proposed Transfer.

The overall reasonable benefit expectations of the Remaining Policyholders will continue to be met after the Proposed Transfer and not be adversely affected.

In terms of the policyholders' benefit security, the No.1 Fund will remain in a sound financial position and the Remaining Policyholders' benefit security will remain adequate after the Proposed Transfer.

There are no material disadvantages for the Remaining Policyholders as a result of the Proposed Transfer.

As above, to the extent the Proposed Transfer facilitates RLAL efficiently and effectively pursuing its preferred business strategy and objectives, the Proposed Transfer is prima facie favourable to all of RLAL's policyholders' reasonable expectations and future of benefit security, including for the Remaining Policyholders.

6.5 Regulatory Capital Position Post Transfer

Immediately after the Proposed Transfer:

- Each of the statutory funds of RLAL, and RLAL as a whole, will continue to meet its regulatory capital requirements.
- Each of the statutory funds of RLAL, and RLAL as a whole, will have net assets in excess of the regulatory requirements, to meet RLAL's internal capital management and ICAAP benchmarks.
- RLAL as a whole, and each of its statutory fund, will remain in a sound financial position.



Greg Martin, BA, FIAA, FNZSA, FFin, FACID, CERA
Appointed Actuary, Resolution Life Australasia Limited

6 May 2026

Appendix A: Glossary

Abbreviation / Term	Meaning
\$	Australian Dollars
AML/CTF	Anti-Money Laundering and Counter-Terrorism Financing Act 2006
APRA	Australian Prudential Regulation Authority
CMLA	Colonial Mutual Life Assurance Society Limited
CPI	Consumer Price Index
DTA(s)	Deferred Tax Asset(s)
DTL(s)	Deferred Tax Liability(ies)
GST	Goods and Services Tax
ICAAP	Internal Capital Adequacy Assessment Process
Institute	Institute of Actuaries of Australia
Investment Account Policy	As defined in the Life Act. These are investment products where there is a guarantee that the account balance less the relevant surrender charges will be payable on exit.
Investment-Linked Policy	As defined in the Life Act. These are investment products where the Policyholder's contributions purchase a numbers of units, whose values rise or fall in accordance with the value of the assets backing that unit type. The customer's entitlement on exit for any reason is the current value of those units.
Life Act	Life Insurance Act 1995 (Cth)
LPS 110	APRA's Life Prudential Standard LPS 110 Capital Adequacy
LPS 112	APRA's Life Prudential Standard LPS 112 Capital Adequacy: Measurement of Capital
LPS 230	APRA's Life Prudential Standard LPS 230 Reinsurance Management
LPS 340	APRA's Life Prudential Standard LPS 340 Valuation of Policy Liabilities
NAV	Net asset value
No.X Fund	Statutory Fund No.X
NOHC	Non-Operating Holding Company; Nippon Life Australia and New Zealand NOHC Pty Ltd
Non-Par Sub-Fund	Non-Participating Sub-Fund as defined in section 2.4.3
Non-Participating Investment Policies	This includes investment-linked and non-participating investment account policies.
NPAT	Net Profit After Tax
Par Sub-Fund	Participating Sub-Fund as defined in section 2.4.2.1
Part 9	Part 9 of the Life Act
PBMF	Participating Business Management Framework
PCA	Prescribed Capital Amount
PCR	Prudential Capital Requirement
PRE Pools	Policyholder Reasonable Expectations Pools as defined in section 2.4.2.1
Proposed Transfer	The proposed transfer of the NZ Branch business out of the No.1 Fund to a new No. 5 Fund
PRP	Policy owners' Retained Profits
PSF	Participating Sub-Fund as defined in section 2.4.2.1
RAGR	Risk Appetite Guardrails
Res Services Aus	Resolution Life Services Pty Ltd
Res Services NZ	Resolution Life Services NZ Limited

Abbreviation / Term	Meaning
Resolution Group	Resolution Life Group Holdings Ltd (and its subsidiaries)
RLAL	Resolution Life Australasia Limited
Remaining Policies	The policies in-force in the RLAL No.1 Fund immediately prior to the Proposed Transfer that will not transfer to the No. 5 Fund
Remaining Policyholders	Policyholders of Remaining Policies
NOHC	Nippon Life Australia and New Zealand NOHC Pty Ltd
RMF	Risk Management Framework
RMS	Risk Management Strategy
S&I	Superannuation & Investments
S&P	Standard & Poor's
SAA	Strategic Asset Allocation
Service Companies	Res Services Aus and Res Services NZ
SHF	Shareholders' Fund
SRP	Shareholder's Retained Profits
SRPP	Shareholder's Retained Profits Participating
Swiss Re	Swiss Re Life Reinsurance
Target Surplus	Internal additional capital buffers above minimum regulatory capital requirements. As explained in section 2.14.3.
Transfer Date	12:01am on 1 October 2026
Transferring NZ Policies	The NZ Branch policies transferring from the No.1 Fund to the new No. 5 Fund. See section 3.2
Transferring NZ Policyholders	Policyholders of Transferring NZ Policies
Transferring Participating Policies	Participating policies within the Transferring NZ Policies transferring out of the No.1 Fund Par-Sub Fund. See section 3.2
UA Pool	Unallocated Assets Pool as defined in section 2.4.2.2
USD	United States Dollars
Whole of Life and Endowments	Whole of life and endowment assurances are traditional life insurance products combining insurance and savings elements, with endowments having a fixed maturity date.

Appendix B: Key Information Relied Upon

Topic	Section	Supporting Data and Information
<u>Section 2 – Overview of Resolution Life</u>		
Key Statistics and Corporate Structure	2.1	RLAL Financial Condition Report and audited Financial Statements, 31 December 2025 RLAL APRA returns, 31 December 2025 RLAL Internal Data as at 31 December 2025
NOHC Background	2.1	NOHC Financial Condition Report, 31 December 2025
Structure and Summary of Statutory Funds and Shareholder Fund	2.3, 2.4, 2.5	RLAL Financial Condition Report and audited Financial Statements, 31 December 2025 RLAL APRA returns as at 31 December 2025 RLAL Internal Data as at 31 December 2025
Background on Participating Business	2.4	RLAL Participating Business Management Framework, 2025 (effective 1 September 2025)
Operation of No.2, No.3 and No.4 Fund Statistics	2.5	RLAL Financial Condition Report and audited Financial Statements, 31 December 2025 RLAL APRA returns, 31 December 2025
Operations and Administration	2.7	RLAL Financial Condition Report, 31 December 2025
Participating Business Expenses	2.8.1	RLA AU Service Company Agreement, 5 December 2024 RLA NZ Service Company Agreement, 5 December 2024
Investment Strategy	2.10	RLAL Financial Condition Report, 31 December 2025
Reinsurance Strategy	2.11	RLAL Financial Condition Report, 31 December 2025 RLAL Reinsurance Report, 31 March 2025
Target Surplus Policy	2.14.3	NOHC ICAAP Summary Statement
NPAT and Dividends	2.15	RLAL Financial Statements for the years ending 31 December 2022 RLAL APRA Forms to from 31 December 2023 to 31 December 2025 RLAL Dividend and Transfer Board Papers from 31 December 2022 to 31 December 2025.
Regulatory Capital Position	2.15	RLAL Internal Capital Calculations
<u>Section 3 – Overview of Proposed Transfer</u>		
Reinsurance Arrangements Transferring	3.3.5	Confirmation from RLAL reinsurance team
Costs, Expenses & Frictional Cost Compensation	3.3.6	RLAL Australasia Customer Compensation and Remediation Standard, September 2023

Topic	Section	Supporting Data and Information
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Section 4 – Impact on Transferring NZ Policyholders

Nature of Assets and Liabilities Transferring	4.2	RLAL Financial Condition Report and audited Financial Statements, 31 December 2025 RLAL (New Zealand Branch) Financial Report, 31 December 2025
Management of Participating Business	4.4.2	RLA Participating Business Management Framework, 2025 (effective 1 September 2025)
Investment Management	4.4.3.1	RLAL Investment Management Framework 2025, August 2025 NOHC Liquidity Risk Management Policy, August 2024 NOHC ESG Investment Policy, December 2024 NOHC Delegations of Authority, 2025 NOHC Derivatives Risk Management Policy, October 2024
Unit Pricing	4.4.3.2	RLAL Unit Pricing Policy, May 2023 RLA Customer Compensation and Remediation Policy, May 2023
Claims Management	4.4.4.3	NOHC Delegations of Authority and Review Process, May 2025 RLAL Claims handling & Settling Obligations Guideline, July 2023 RLAL Complaints Management, July 2025 RLAL Claims Technical Quality Framework, November 2024
Tax Implications	4.5.2	RLAL Tax team advice KPMG Tax advice, 26 September 2025
Financial Impact of Proposed Transfer	4.6.2	RLAL APRA returns, 31 December 2025 RLAL Internal Capital Calculations, 31 December 2025
Risk Management	4.6.3.1	NOHC Risk Guardrails (Risk Appetite Statement, March 2025 NOHC Risk Management Strategy and Framework, July 2025
Capital Management Framework	4.6.3.4	NOHC ICAAP Summary Statement, 31 December 2025 NOHC Recovery and Exit Plan, December 2024
Par Fund Separation in More Severe Scenarios	4.6.3.7	RLAL Internal Capital Calculations, 31 December 2025

Section 5 – Impact on Remaining Policyholders

No changes to Resolution Life Policies	5.1	RLAL Management Attestation
No changes to operations of Resolution Life Policies	5.2.2	RLAL Management Attestation
Management of Participating Business	5.2.3	RLAL Management Attestation
Investment Strategy for Non-Par Investment Account policies	5.2.4	RLAL Management Attestation

Topic	Section	Supporting Data and Information
Financial Impact and Benefit Security	5.3	Refer section 4. RLAL Management Attestation
<u>All Sections</u>		
Various Topics	N/A	RLAL Management Attestations

Appendix C: List of Transferring Policies

The tables below set out the product names and codes of the transferring products, grouped by product type. A process to identify and confirm a complete and accurate list of impacted products and policies will be completed prior to the transfer date for communication purposes. Policy counts are as at 31 December 2025, unless stated otherwise.

C.1 NZ Participating Whole of Life and Endowments

NZ Participating Whole of Life and Endowments		
Product name	Product Code	Policy Count
Defined Period Lifestyle Protection Plan	NZORDLPDP	51
Defined Period Premier Lifestyle Protection Plan	NZORDLPDP10	130
Endowment Plan	NZORDEA	1,478
Investment Only Lifestyle Protection Plan	NZORDLPIO	1
Investment Only Premier Lifestyle Protection Plan	NZORDLPIO10	2
Open Ended Lifestyle Protection Plan	NZORDLPOE	620
Open Ended Premier Lifestyle Protection Plan	NZORDLPOE10	341
Open Ended Premier Plus Lifestyle Protection Plan	NZORDLPOE25	137
Premier Plus Lifestyle Protection Plan	NZORDLPDP25	52
Pure Endowment Plan	NZORDPE	3
Whole of Life Plan	NZORDWOL	21,119
Children's Endowment Insurance Plan	JN	202
Children's Whole of Life Insurance Plan	NSZ	11,257
Children's Whole of Life Insurance Plan	NLZ	4,331
Children's Whole of Life Insurance Plan	N	4,270
Children's Whole of Life Insurance Plan	NZ	1,642
Children's Whole of Life Insurance Plan	NL	1,540
Children's Whole of Life Insurance Plan	NZA	523
Children's Whole of Life Insurance Plan	NLNP	268
Children's Whole of Life Insurance Plan	NK	236
Children's Whole of Life Insurance Plan	NZNP	136
Children's Whole of Life Insurance Plan	NNP	71
Children's Whole of Life Insurance Plan	NS	23
Children's Whole of Life Insurance Plan	NSU	1
Whole of Life	AK	50
Endowment Insurance Plan	S	4,401
Endowment Insurance Plan	SNP	27
Endowment Insurance Plan	J	13
Pure Endowment Plan	DE	7
Whole of Life Insurance Plan	APL	20,069
Whole of Life Insurance Plan	AP	10,985
Whole of Life Insurance Plan	P	1,048
Whole of Life Insurance Plan	A	436
Whole of Life Insurance Plan	PPNP	378
Whole of Life Insurance Plan	QNP	94
Whole of Life Insurance Plan	Q	96
Whole of Life Insurance Plan	AL	72
Whole of Life Insurance Plan	AQ	36
Whole of Life Insurance Plan	AU	14
Whole of Life Insurance Plan	ALU	4
Whole of Life Insurance Plan	APNP	1
Whole of Life Insurance Plan	ALA	0
Whole of Life Insurance Plan	G	1
Whole of Life Insurance Plan	ALM	1
Whole of Life Plan	APLB	103

C.2 NZ Participating Investment Account & Investment Linked

NZ Investment Linked and Investment Account				
Product name	Product Code	Policy Count	Investment Linked	Investment Account
Flexipol Plan	FZSUP	1,564	Y	Y
Flexipol Plan	FZORD	1,166	Y	Y
Goldline Investment and Protection Plan	CZIPP	826	Y	Y
Goldline Investment and Protection Plan	ZSPP	570	Y	Y
Goldline Investment and Protection Plan	ZIPP	113	Y	Y
Goldline Locked-In Personal Plan	ZPSPL	112	Y	Y
Goldline Locked-In Plan	ZPSL	294	Y	Y
Goldline Personal Plan	CZPSP	378	Y	Y
Goldline Personal Plan	ZPSPO	356	Y	Y
Goldline Personal Plan	ZPSP	138	Y	Y
Goldline Premier Plan	ZPPSP	12	Y	Y
Prosperity Bond	PRB3	61		Y
Prosperity Bond	PRB1	47		Y
Prosperity Bond	PRB4	5		Y
Retirement Income Bond	RIB1	25		Y
Retirement Income Bond	RIN1	1		Y
Zenith Bond	VBQ1	16		
Zenith Bond	VIQ1	3		
Linksave	NZORDLKS	723	Y	Y
Linksave Plus	NZORDLKS+	26	Y	Y
Investment Linked Insurance Bond	ULAN	1,145	Y	
Investment Linked Plan	ULJ	430	Y	
Investment Linked Regular Premium	ULR	449	Y	
Portfolio Plan	UL	80	Y	
Investment Account Deferred Insurance Bond	FSB	12		Y
Investment Account Regular Premium Plan	IAA	274		Y
NZRT Declared Rate Fund		n/a ⁴¹		Y
Savings and Investment Portfolio Insurance Bond		n/a ³⁵	Y	

C.3 NZ Non-Participating Annuities

NZ Non-Participating Annuities		
Product name	Product Code	Policy Count
Guaranteed Income Plan	KJ	78
Guaranteed Income Plan	KPJ	55
Guaranteed Income Plan	KPS	33
Guaranteed Income Plan	KS	26
Superannuation Deferred Annuity	GC	3
Lifelong Income Plan - NZ	LIZ1	171 ⁴²

⁴¹ Lives insured counts are not available in Minerva for 'cross perimeter' products, as these wholesale policies is maintained with AMP Group.

⁴² As at 30/08/2025.

C.4 NZ Non-Participating Retail Wealth Protection

NZ Non-Participating Retail Wealth Protection ⁴³		
Product name	Product Code	Policy Count
Survival Insurance	SIM	26
Term Life Insurance	TLI	4,013
Firstcare - Lifetime Protection - Business Overheads	BEC	1
Firstcare - Lifetime Protection - Income Protection	IPA	295
Business Risk Protection Plan	ZBRPP	165
Business Risk Protection Plan	CZBRP	
Income Protection Plan	MZRPP	238
Income Protection Plan	CMZRP	
Quick Start	ZQS	53
Risk Protection Plan	ZRPP	30,390
Risk Protection Plan	CZRPP	
Risk Protection Plan	ZGRPP	
Risk Protection Plan	CZGRP	
Accidental Death Benefit	NZORDADB	109
Annual Renewable Term Plan	NZORDART	378
Level Life Insurance Plan	NZORDTILL	3
Non Participating Plan	NZORDNONP	n/a ⁴⁴
Ordinary Term-Term Easychoice	NZORDTIXL	16
Stand-Alone Trauma Plan	NZORDSAT	10
Stepped Life Insurance Plan	NZORDTISL	508
Term Life Insurance Plan	NZORDTLI	2
Term Life Insurance-Level Premium	NZORDTEML	1
Term Insurance	TA	n/a ³⁸
Term Insurance	SBD	n/a ³⁸
Yearly Renewable Term Plan	YRTN	67
Yearly Renewable Term Plan	YRTS	
Businesstrack	BT	279
Lifetrack	LT	22,732

C.5 NZ Non-Participating Group Life & GSC

NZ Non-Participating Group Life & GSC			
Product name	Product Code	Policy Count	Lives Insured
Group Disability Income (ORD)	OGDINZ	200	39,516
Group Insurance (ORD)	OGINZ	284	65,357
Group Insurance (Super)	SGINZ	3	542
Multiple Employer Group INS.(ORD)-COFA	OMEINZ	7	4,593
Voluntary Group Insurance (ORD)	OVGINZ	2	2
KiwiSaver Essentials		1	n/a ⁴⁵
NZRT		1	n/a ³⁹
SMT		1	n/a ³⁹

⁴³ Updated from SCV dashboard, data as at 28/02/2026.

⁴⁴ Some small volume products data are not present in the current data.

⁴⁵ Lives insured counts are not available in Minerva for 'cross perimeter' products, as these wholesale policies is maintained with AMP Group.

C.6 NZ Participating Group Life & GSC

NZ Participating Group Life & GSC			
Product name	Product Code	Policy Count	Lives Insured
Group Insurance (ORD)	OGINZ	79	11,846
Group Insurance (Super)	SGINZ	10	1,351