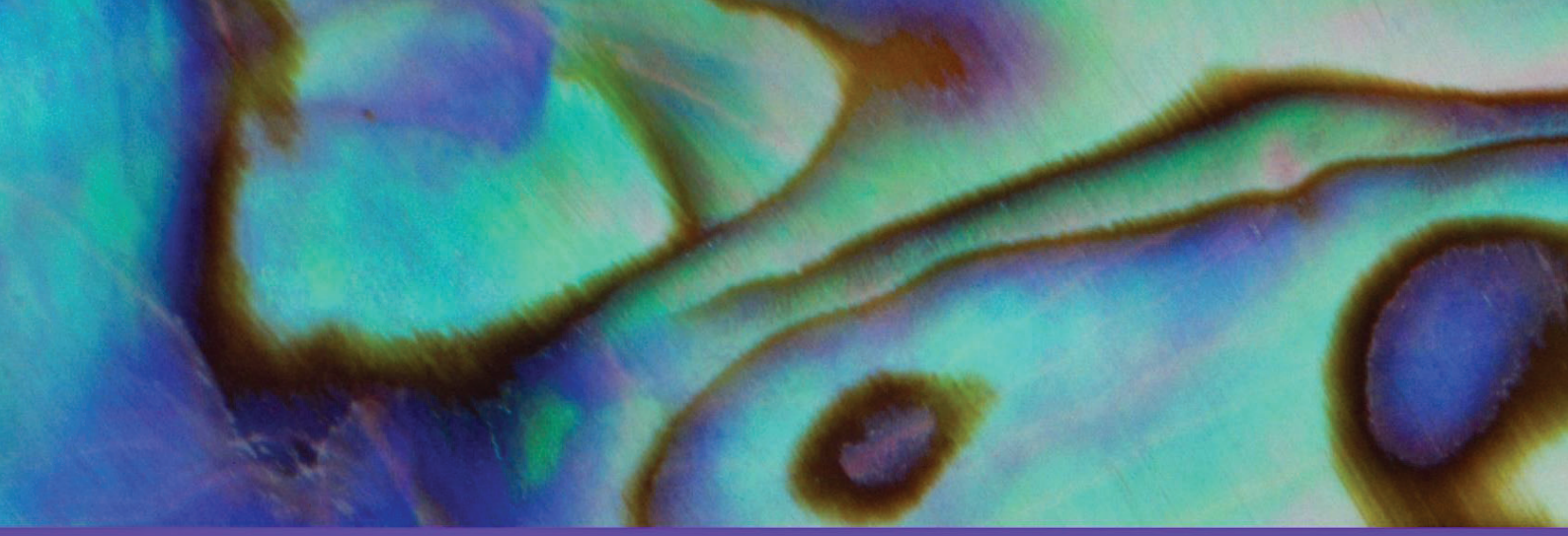

CHUBB®

Chubb Life Insurance New Zealand Limited

Annual Report

For the year ended 31 December 2025

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2025

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ANNUAL REPORT

The address for service for Chubb Life Insurance New Zealand Limited (the **Company**) is Level 22, Majestic Centre, 100 Willis Street, Wellington.

Pursuant to section 211(3) of the Companies Act 1993 (the Act), the shareholder of the Company has agreed that the Annual Report need not comply with any of the paragraphs (a), and (e) to (j) of subsection (1) and subsection (2) of section 211.

Accordingly, there is no information to be provided in this Annual Report other than the corporate governance statement, Appointed Actuary's report and the financial statements for the year ended 31 December 2025 and the independent auditor's report on those financial statements.

Chubb Life Insurance New Zealand Limited is a climate reporting entity pursuant to Part 7A of the Financial Markets Conduct Act 2013. A copy of its New Zealand Climate Disclosures 2025 report can be found at https://www.chubb.com/nz-en/about-chubb/chubb-life-in-new-zealand/climate-statement.html

Signed for and on behalf of the Board of Directors:

Paul Brock
Director

Stephen Moir
Director

Signed 16 April 2026

Chubb Life Insurance New Zealand Limited

Corporate Governance Statement

For the year ended 31 December 2025

ABOUT THE COMPANY

Chubb Life Insurance New Zealand Limited (the Company) is wholly-owned by Chubb New Zealand Holdings Limited (the Holding Company) and Chubb Limited, a New York Stock Exchange listed company (NYSE: CB), is the Company's ultimate parent company (the Shareholder).

The Company is licensed to underwrite and issue insurance products to the New Zealand market under the Insurance (Prudential Supervision) Act 2010 (IPSA). It is also licensed to provide financial adviser services as a Financial Advice Provider (FAP) under the Financial Markets Conduct Act 2013. On 31 March 2025 the Company's Financial Institution Licence granted by the FMA on 27 November 2024 came into effect.

The Company provides a range of life, income protection, critical illness, funeral, seasonal worker and business insurance products in accordance with the terms of its licences and approved risk appetite.

THE BOARD AND ITS ROLE

The Company is governed by its Board of Directors who collectively exercise effective oversight of the Company's activities through the implementation of its Board and Committee Charters and workplans and ongoing, regular dialogue with the Chief Executive Officer, Senior Management, key personnel and consultation with the Shareholder.

The role of the Board is to provide leadership, strategic guidance and effectively represent the interests of the Company and its stakeholders, including customers, employees and the Shareholder, with the intention of achieving the Company's goals in a manner best serving the stakeholders as a whole. The Board Chair is responsible for the governance relationship with the Shareholder.

The Board operates in accordance with applicable law, the Company's Constitution and its Board Charter. The Board Charter describes the Board's role, powers, responsibilities and relationship with management, the Shareholder and other stakeholders.

Key Board Responsibilities	
The Board's role is to direct and supervise the management of, and the business and affairs of the Company including, in particular: ● evaluating, approving, monitoring and guiding the long-term strategic, business and financial objectives of the Company ● approving and monitoring the Company goals, strategies and plans ● ensuring the Company adheres to high standards of ethics and corporate behaviour ● appointing the Chief Executive Officer (CEO), setting the terms of their employment contract ● overseeing the Company's purpose, values and Code of Conduct, including ensuring the Company has effective policies and practices in place to support an inclusive culture focused on fair treatment of customers, and monitoring performance against these policies ● assessing and reviewing the performance of the Board, its Board Committees, the CEO, Appointed Actuary, and other Senior Managers ● ensuring the Company has appropriate health and safety policies and practices	● overseeing the Company's endeavours to deliver and continuously improve customer experiences and the fair treatment of customers, including through a Fair Conduct Programme ● overseeing the financial position of the Company, including capital management and solvency ● ensuring that the Company's financial statements comply with relevant standards and fairly present the financial position of the Company and otherwise conform with the law ● overseeing climate-related risks, and sustainability approach and ensuring compliance with the disclosure regime ● ensuring the Company meets the Conditions of its Licences and complies with its statutory obligations ● ensuring appropriate policies, controls, systems and procedures are in place, reviewed regularly, and embedded to manage business risks and to ensure compliance with all regulatory and prudential standards ● ensuring that the Shareholder and the Company's regulators are kept informed regarding the Company's performance and any significant developments affecting the Company's business

The day-to-day management of the Company is delegated to the CEO and the CEO can sub-delegate to other management. Decisions reserved for the Board and Shareholder, and delegations to the CEO and management are set out in the Company's Delegated Authorities Policy and schedule.

The CEO reports to the Board for governance matters and to the President of Southeast Asia & New Zealand Chubb Life Global, for operational matters.

GOVERNANCE

The Company and its Board are committed to good governance practices to ensure the best outcome for the Company and its wide group of stakeholders.

The Company adheres to the published requirements, standards and guidelines of the Reserve Bank of New Zealand (RBNZ), including the RBNZ's Governance Guidelines (the RBNZ Guidelines) for licensed insurers issued under IPSA. The Company also endeavours to embrace relevant non-mandatory governance guidelines or recommendations of the RBNZ, Financial Markets Authority and other relevant regulatory and governmental bodies.

The Company's corporate governance framework includes its Constitution plus the Board and Committee Charters and workplans which set out membership rules, the responsibilities, obligations, delegations and the reporting expectations between management and the Board. The corporate governance framework also includes a range of governance policies such as Conflicts of Interest, Fit & Proper, Delegated Authorities, Code of Conduct, the Risk and Compliance Management Framework and a broader suite of policies to support the achievement of the Company's objectives.

The Company's corporate governance framework is enhanced by the governance processes and policies of the Shareholder.

The corporate governance framework is reviewed annually when the Board and Committee charters, work programmes, composition and delegations are reviewed, and the Board assessment framework is updated.

BOARD COMPOSITION AND MEMBERSHIP

As at the date of this report, the Board's membership consisted of six directors: four independent non-executive directors, one non-executive director, and one executive director.

All directors have been assessed by the Board in accordance with the Company's Fit and Proper Policy to have the appropriate fitness and propriety to properly discharge their responsibilities as a director and have been certified as meeting the RBNZ's Fit and Proper Standard for directors of licensed insurers.

Directors are appointed (and can be retired) by the Shareholder after recommendation by the Board, and the Chair is appointed annually by the directors. The Board's Human Resources and Remuneration Committee manages the Independent Director recruitment process and utilises the professional services of specialist recruitment firms when required.

As signalled in the 2024 Governance Statements, after a long and distinguished career with the company, Gail Costa retired as Chief Executive and therefore as an Executive Director on 2 May 2025.

On 7 May 2025 Paula ter Brake, who had been appointed by the Board as Chief Executive on 20 February 2025, effective 5 May 2025, was appointed to the Board as an Executive Director.

On 18 December 2025 Debbie Eyre, Executive Director, resigned from the Board when she left the employment of Chubb Life. The Board have not appointed a seventh Director, as allowed under the Company Constitution and Charter. Information about each of the directors on the Board as at the date of this report is set out in the table following.

Chubb Life Insurance New Zealand Limited

Corporate Governance Statement

For the year ended 31 December 2025

Directors as at the date of this report

Paul Brock (Chair)

- BBS
- Independent Non-Executive Director

Paul is a former Chief Executive of Kiwibank Group and was an integral part of the small team that established Kiwibank in 2002. Paul is currently Chair of the Tourism New Zealand Board, Chair of Foley Wines, a Member of the Massey University Council and an Independent Director of Southern Sky Dairies Ltd and Lighthouse Distillery.

Director since December 2020

Rob Ellis

- Independent Non-Executive Director

Rob is the current Chief Executive of Sentro – a group insurance platform provider. As an entrepreneur and director, Rob has significant international experience, successfully leading and directing companies in technology, media, financial services and digital. He is also the Acting Chair of Sentro Group and Co-Chair of Insurtech NZ.

Director since August 2020

Sang Lee

- MBA
- Non-Executive Director

As Chubb Life's President of Southeast Asia & New Zealand, Sang has responsibility and management oversight of Chubb Life's New Zealand and Asian businesses. Sang is also the CEO of Chubb Life Vietnam.

Sang's career spans three decades and seven countries, having held senior management positions across the financial services industry. These roles include President & CEO of AIA Korea, CEO of Manulife Malaysia and most recently CEO of Manulife Vietnam.

Director since September 2023

Stephen Moir

- Independent Non-Executive Director

Stephen has an extensive background in Institutional Banking and Financial Markets across New Zealand, Singapore, Thailand and Australia. He has previously been a Non-Executive Director and Chair of a New Zealand bank's life insurance company.
Stephen is the Chair of ASB's Investment Committee.

Director since June 2022

Paula ter Brake

- CEO and Executive Director

Paula is the Chief Executive of Chubb Life and has over 30 years of experience in the retail banking, insurance and advisory industries. Paula has a strong governance background and a proven track record in strategy, risk and compliance, brand and marketing.

Prior to becoming Chief Executive of Chubb Life, Paula served as Executive General Manager, Consumer Brands for IAG New Zealand. Prior to IAG, she held leadership roles at Tower Insurance, First Citizen Asset Management and GE Money.

Paula is an experienced director having held an extensive range of financial services directorships with regulated and listed organisations in New Zealand and overseas.

Director since May 2025

Linley Wood

- BA, MBA and LLB
- Independent Non-Executive Director

Linley has a broad range of governance, financial, legal, strategic and risk experience at both directorship and executive levels, predominantly in financial services.

Linley is a current independent director of Bank of New Zealand where she Chairs the Risk & Compliance Committee and the Due Diligence Committee. Linley is also an independent director and Risk Committee Chair at New Zealand Post Limited and a Trustee of the Melanesian Mission Trust, Auckland City Mission Foundation, and the King's School Board of Governors.

Director since August 2023

DIRECTOR AND KEY OFFICER CHANGES

Other than the CEO and Executive Director changes outlined above, there have been no changes to Relevant Officers except those noted in the 2024 Governance Statements:

- Lee-Ann du Toit was appointed as the Appointed Actuary with effect from 1 January 2025
- Jaco Grobbelaar was appointed as the Chief Financial Officer with effect from 28 April 2025 replacing Craig Holloway who was Acting CFO from 21 December 2024.

In December 2025 the Company finalised a new operating model which saw changes in the leadership team structure, however none of the new or disestablished positions are considered Relevant Officers. As a result of this change, in December 2025 senior leaders Debbie Eyre and Simon Tohill left the Company and in early 2026, three new appointments were made to the Executive Leadership Team:

- Andrew Webster was appointed Chief Growth Officer from 7 April 2026.
- Sharron Botica was appointed Chief Customer and Marketing Officer from 30 March 2026.
- Damien Leng was appointed as Chief Innovation Officer from 14 April 2026.

INDEPENDENT DIRECTORS

The Company seeks to ensure it demonstrates independence and exercises objective and impartial judgement. The Board Charter requires the majority of directors to be Independent Directors.

The Board assesses independence of independent directors on appointment and annually. Those directors identified as independent are considered to meet the criteria for independence as set out in the RBNZ Guidelines, the Board Charter and the Company's Fit & Proper policy.

This criteria includes ensuring independent directors are independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement.

BOARD SKILLS, KNOWLEDGE & EXPERIENCE

The Company ensures its Board collectively has the full range of skills, knowledge and experience necessary to provide effective, independent governance over the affairs and operations of the Company. To monitor these areas individually and as a group, the Board maintains a Board Skills, Knowledge and Experience Matrix.

The Board also annually assesses themselves against a range of personal attributes and other non-essential skills, knowledge and experiences.

Each director is expected to undergo continuous training to educate and update themselves on how to appropriately and effectively perform their duties as directors.

Chubb Life Insurance New Zealand Limited

Corporate Governance Statement

For the year ended 31 December 2025

BOARD PROGRAMME AND SCHEDULE

The Board meets formally on a regular scheduled basis, at least six times a year, and holds additional meetings as required. In between meetings the Board can make decisions by Circular Resolution.

The Board approves for both itself and its Committees, a work programme for each calendar year that acts as a guide to the preparation of the agenda for each scheduled Board meeting. Agenda items may be added, deferred, brought forward or removed as necessary for each scheduled meeting.

Attendance at Board Meetings in 2025	
	Board Scheduled
Paul Brock	**6 of 6**
Gail Costa	**1 of 2 and 1 part meeting**
Rob Ellis	**5 of 6 and 1 part meeting**
Debbie Eyre	**5 of 6**
Sang Lee	**3 of 6 and 2 part meetings**
Stephen Moir	**6 of 6**
Paula ter Brake	**4 of 4**
Linley Wood	**6 of 6**

The Board also participates in workshops and other sessions on various subjects as the circumstances require. In September 2025 all directors who were members of the Board at that time attended a Board Strategy Day with local and Global Management.

Each year the directors attest to their capacity to appropriately attend to Board and Committee requirements. The Board reviews its own performance against its objectives annually, including the performance of its established Committees.

CONDUCT OF DIRECTORS AND MANAGEMENT

The Board seeks to set a high ethical standard, and to hold management to that same level. Directors abide by and attest to Chubb's Code of Conduct, as do management and staff.

In exercising their powers and performing their responsibilities, directors are required to act at all times:

- Honestly, ethically and diligently
- In a lawful manner and use reasonable endeavours to ensure the Company conducts its business in accordance with the law and with a high level of commercial integrity
- In accordance with section 105 of the Insurance (Prudential Supervision) Act 2010 in relation to Statutory Funds; noting, in particular, that the Board must give priority to the interests of policyholders as a whole in the event of conflict between those interests and those of the Shareholder.
- In accordance with section 131 of the Companies Act 1993 in relation to acting in good faith and in what each director believes to be the best interests of the Company.

BOARD COMMITTEES

To enhance the effectiveness of the Board, the Board utilises the following Board Committees: Audit Committee, Risk Committee, and Human Resources & Remuneration (HR&R) Committee. The Nomination Committee appointed by the HR&R Committee in late 2024 for the purposes of undertaking the process to recommend a new Chief Executive to the Board and was disbanded after the Board appointed Paula ter Brake as Chief Executive on 20 February 2025.

Committee membership and Committee Chairs are determined by the Board. All Committees are chaired by an Independent Director and the Audit Committee Chair is not the Board Chair, as set out in its Charter. Committees are accountable to the Board and proceedings of each Committee are reported back to the Board, and Committee recommendations are considered by the Board for approval. Committee Charters and workplans are reviewed at least annually in conjunction with the Board, as is the performance of each Committee.

Chubb Life Insurance New Zealand Limited

Corporate Governance Statement
For the year ended 31 December 2025

Committee name	*Independent Chair*	*Committee Members*
HR&R	Rob Ellis	All Non-Executive Directors, plus the CEO as Executive Director
Audit	Stephen Moir	All directors
Risk	Linley Wood	All directors
Nomination Committee	Paul Brock	Paul Brock, Rob Ellis and Sang Lee.

Board Committee Key Responsibilities 2025		
Audit Committee	***Risk Committee***	***HR&R Committee***
● overseeing external reporting of financial information, including reviewing significant policies and practices, and overseeing compliance with statutory responsibilities relating to solvency and financial reporting ● monitoring the solvency and liquidity position ● overseeing the internal control framework ● overseeing the internal audit function, including approving the internal audit plan and monitoring internal audit reports and responses ● managing the external audit relationship, including reviewing the scope, fees and terms of the external audit, reviewing and monitoring responses to External Auditor reports, and assessing Auditor independence	● overseeing the design, implementation and operation of the Risk & Compliance Management Framework, approach and risk strategy ● setting and monitoring the Company's risk appetite ● monitoring risk culture and ● overseeing conduct & culture governance ● championing delivery of fair customer outcomes ● overseeing remediation issues ● ensuring current and future regulatory requirements and expectations are met ● monitoring, responding to and reporting on climate related disclosures and sustainability approach ● overseeing the implementation, monitoring and maintenance of the Fair Conduct Programme.	● establishing remuneration and incentive policies and practices ● overseeing HR strategy, policies and practices including, organisational structure, succession planning, people development, diversity, inclusiveness and equal opportunities policies, employee wellbeing, and culture ● managing CEO recruitment, performance monitoring and remuneration (via a delegation to the Nomination Committee) ● providing advice to the Shareholder on Director appointments and director fees ● managing director recruitment ● overseeing Health, Safety and Wellbeing practices ● performing an annual review of the HR Scorecard
Audit Committee Composition: Majority of members must be Independent Directors. CEO as an Executive Director will be a member. The External Auditor is invited to attend all Audit Committee meetings. Regular Committee-only sessions are held with the External Auditors to allow for open and transparent discussion.	**Risk Committee Composition:** Majority of members must be Independent Directors. CEO as an Executive Director will be a member.	**HR&R Committee Composition:** At least three Independent Directors, any Non-Executive Director of the Board and the CEO as an Executive Director.
Management interaction The Chief Financial Officer (CFO), Appointed Actuary and Head of Internal Audit have a reporting line to the Audit Committee, the CFO meets monthly with the Chair and the Appointed Actuary and Head of Audit have scheduled alone time with the Committee.	**Management interaction** The Chief Risk Officer (CRO) has a reporting line to the Risk Committee and has scheduled alone time with the Committee as well as a monthly meeting with the Chair.	**Management Interaction** In 2025 there were no formal management reporting lines to this Committee, however the GM People attends all HR&R Committee meetings and has alone time with the Committee. In December 2025 the Board formalised a reporting line from the GM People to the HR&R Committee.

Chubb Life Insurance New Zealand Limited

Corporate Governance Statement
For the year ended 31 December 2025

GOVERNANCE POLICIES

Policies aid the achievement of quality outcomes, manage risk and support the achievement of the Company's objectives.

The Board regularly reviews and assesses its governance policies, processes and practices to identify opportunities for enhancement and to ensure they reflect the Company's operations, culture and stakeholder environment. The Board approved Policy Governance Framework outlines the development, approval, implementation and review of policies, standards and procedures.

As a wholly-owned subsidiary of its ultimate parent company, Chubb Limited, the Company seeks to comply with Chubb Limited policies and requirements, except where they are inconsistent with New Zealand law or regulatory requirements.

The Company has adopted a number of Chubb Limited's policies (amended or supplemented to meet or otherwise reflect New Zealand, and/or the Company's requirements) and adopted other policies specific to the Company where warranted or required.

DIVERSITY, EQUITY AND INCLUSION (DE&I)

The Company is committed to upholding values of diversity, equity, and inclusion. The HR&R Committee sets and monitors goals for diversity on the Board, among people leaders, and throughout the organization.

In 2025, the HR&R Committee endorsed a refresh of the People Strategy, launched in 2024, that emphasises the importance of embracing and supporting inclusion and diversity for the Company's overall success. This strategy includes initiatives which support DE&I to be delivered in 2026 focussed on identifying and supporting the key experiences across the employee lifecycle. The Diversity and Inclusion Policy under development will be aligned with the Global policy and amended where relevant to ensure it is reflective of local legislation and context.

The percentage of female people leaders at the Company has remined steady at 58% as at the date of this report, compared with 59% in April 2025.

RISK MANAGEMENT

The Board ensures the Company has appropriate risk management processes and controls through its role in the development, and subsequent monitoring of, the Risk and Compliance Management Framework and Risk Appetite Statements. The framework includes processes for identifying, assessing, responding to, monitoring and reporting risks, controls and indicators relating to risks and compliance obligations and matters.

Implementation of the Risk and Compliance Management Framework ensures the Company meets its IPSA obligations, licence obligations and other relevant legal obligations and proactively manages its risks. This approach supports a company-wide philosophy where risk, compliance, and customer centricity and fair treatment of customers is "everyone's responsibility" and is underpinned by a risk aware culture.

The Risk Committee receives a risk and compliance report from the CRO at each meeting, and the Board also receives a regular report from the CRO.

The Risk Committee also supports the Company's preparation of its Climate Related Disclosures, and the development, implementation and monitoring of its Fair Conduct Programme.

Chubb Life Insurance New Zealand Limited

Corporate Governance Statement
For the year ended 31 December 2025

FINANCIAL REPORTING

The Board recognises its role in ensuring the Company's financial, and related non-financial, reports are accurate, that material disclosures are made, and that all reports to stakeholders comply with relevant laws and standards while providing those stakeholders with the appropriate level of information.

The Audit Committee oversees the preparation of the full year financial accounts, including solvency returns and actuarial reports. The Committee receives representation letters from the CEO, CFO and the Appointed Actuary to state that to the best of their knowledge and belief, and after making appropriate enquiries, the reports have been prepared correctly, and fairly present the Company's position. Once finalised, the Committee recommends to the Board the approval of the reports.

The Board also receives regular reports from the CFO and Appointed Actuary.

MANAGING CONFLICTS OF INTEREST

The Board is conscious of its obligations to ensure directors avoid conflicts of interest between their duty to act in the best interest of the Company and the interests of others, including their own. Directors and staff are required to avoid or otherwise minimise any potential conflicts in line with the Company's Conflicts of Interest Policy. That policy imposes additional disclosure requirements on directors over and above other parties.

The Board maintains an Interests' Register for directors and senior executives which records their other interests. Directors and senior executives are required to notify any changes to that register. The Interests Register is presented at each Board Meeting, and at each Committee and Board meeting attendees are asked to disclose if they have any interest or conflict in relation to the meeting's agenda.

The Conflicts of Interest policy sets out the procedures for when an interest is, or warrants consideration as to whether it could be, a conflict.

ACCESS TO INFORMATION & ADVICE

Directors have access to all relevant Company information, have full access to Management and are entitled to obtain independent professional advice relating to the affairs of the Company or to their other responsibilities as a director.

DIRECTORS AND OFFICERS LIABILITY INSURANCE

The Company indemnifies directors and senior managers for liability and costs arising from their acts or omissions as a director of the Company pursuant to a Deed of Access, Indemnity and Insurance dated 1 July 2020 which was amended and restated by a deed dated 14 April 2023. The Deed covers directors who held or hold the position of director of the Company or a related company (through appointment by the Company), on or after the date of the Deed.

The Company has Directors & Officers liability insurance in place for its directors and officers ('D&O').

In relation to s162 of the Companies Act, directors [past and present] are covered under a Chubb Limited global D&O Liability insurance policy which is not on charged to the Company.

In addition, Chubb Limited has indemnified current and former directors through its share purchase agreement with Cigna Corporation dated 7 October 2021.

DIRECTOR FEES

Director fees are paid to Independent Directors only. The fee levels are reviewed annually by the Board, via the HR&R Committee, and are approved by the Shareholder. Fees may be adjusted after consideration of independent published reports on New Zealand director fees, Consumer Price Index inflation, staff remuneration changes, and a comparison of competitor director fees (where publicly available).

Directors' fees include a base fee for attendance and preparation of Board and Committee meetings and other governance matters arising between meetings, and an increment for Chair responsibilities. In 2025 a one off additional fee was paid to the Board Chair and HR&R Committee Chair in recognition of the extra work they performed in relation to recruitment of the CEO. The total value of Directors' Fees paid in 2025 is disclosed in Note 5.

Chubb Life Insurance New Zealand Limited

Statement of Comprehensive Income
For the year ended 31 December 2025

	Note	2025 $000	2024 $000
Insurance contracts			
Insurance service revenue*	3	362,427	341,505
Insurance service expense*	3	(301,325)	(279,982)
Insurance service result from insurance contracts issued		**61,102**	**61,523**
Net (expense) /income from reinsurance contracts held	3	(2,389)	1,309
Insurance service result		**58,713**	**62,832**
Net investment income	4a	13,365	11,112
Interest income on financial assets measured at amortised cost	4a	800	1,273
Insurance finance income/(expense)	4b	6,658	(6,283)
Reinsurance finance income/(expense)	4b	5,404	(14,319)
Net insurance and investment result		**84,940**	**54,615**
Other revenue		1,954	956
Other operating expenses	5	(19,758)	(22,000)
Profit before income tax		**67,136**	**33,571**
Income tax expense	10	(18,186)	(9,013)
Profit after income tax		**48,950**	**24,558**
Total comprehensive income attributable to the owners of the Company		**48,950**	**24,558**

*Certain line items have been impacted by a significant transaction with Foundation Life during the year. Refer to Note 2.

The Notes on pages 15 to 67 are an integral part of these financial statements.

Chubb Life Insurance New Zealand Limited

Statement of Changes in Equity
For the year ended 31 December 2025

	Share capital $000	Retained Earnings / (losses) $000	Total equity $000
Opening balance 1 January 2024	**716,749**	**(41,983)**	**674,766**
Total comprehensive income for the year ended 31 December 2024			
Profit after income tax	-	24,558	24,558
Transactions with owners of the Company			
Dividend Paid ($0.04c per share)	-	(30,000)	(30,000)
Balance at 31 December 2024	**716,749**	**(47,425)**	**669,324**
Total comprehensive income for the year ended 31 December 2025			
Profit after income tax	-	48,950	48,950
Transactions with owners of the Company			
Dividend Paid ($0.02c per share)	-	(13,000)	(13,000)
Balance at 31 December 2025	**716,749**	**(11,475)**	**705,274**

All 716,749,114 ordinary shares (2024: 716,749,114) are ranked equally with one vote attached to each fully paid-up ordinary share. There is no par value attached to the shares.

The Notes on pages 15 to 67 are an integral part of these financial statements

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Chubb Life Insurance New Zealand Limited

Statement of Financial Position
As at 31 December 2025

	Note	2025 $000	2024 $000
Assets			
Cash and cash equivalents*	11	22,194	37,883
Financial assets at fair value through profit or loss*	12	383,880	183,442
Other assets	14	7,993	7,165
Current tax asset		8,494	9,286
Insurance contract assets	8	729,843	690,145
Reinsurance contract assets	9	38,796	31,493
Right-of-use assets	15	6,937	884
Property, plant and equipment	16	5,639	4,403
Intangible assets	17	70,500	70,500
Total assets		**1,274,276**	**1,035,201**
Liabilities			
Accounts payable	18	11,650	8,487
Employee entitlements	19	13,429	13,078
Other liabilities	20	6,093	7,648
Insurance contract liabilities*	8	280,794	96,517
Reinsurance contract liabilities	9	36,098	43,320
Lease liabilities	15	7,761	1,027
Deferred tax liability	10	213,177	195,800
Total liabilities		**569,002**	**365,877**
Net assets		**705,274**	**669,324**
Equity			
Share capital		716,749	716,749
Retained losses		(11,475)	(47,425)
Total equity		**705,274**	**669,324**

*Certain line items have been impacted by a significant transaction with Foundation Life during the year. Refer to Note 2.

For and on behalf of the Board of Directors:

Paul Brock
Director

Stephen Moir
Director

Signed 16 April 2026

The Notes on pages 15 to 67 are an integral part of these financial statements

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Chubb Life Insurance New Zealand Limited

Statement of Cash Flows

For the year ended 31 December 2025

	Note	2025 $000	2024 $000
Cash flows from operating activities			
Profit after tax		**48,950**	**24,558**
Adjusted for:			
Depreciation and amortisation	15 & 16	3,023	1,367
Investment income	4a	(14,165)	(12,385)
Income tax expense	10	18,186	9,013
Interest on lease liabilities	15	325	62
Accrued interest		8,549	7,738
Other adjustments for non-cash items		309	1,169
Changes in:			
Insurance and reinsurance contracts*	8 & 9	(69,516)	(11,532)
Other assets	14	(828)	(712)
Accounts payable	18	3,163	(5,045)
Other liabilities	20	(2,346)	2,095
Net cash (outflow) / inflow from operating activities		**(4,350)**	**16,328**
Cash flows from investing activities			
Purchase of property, plant and equipment	16	(2,670)	(3,083)
Proceeds from sale of investments		146,016	163,713
Purchase of investments		(140,450)	(129,160)
Net cash (outflow)/ inflow from investing activities		**2,896**	**31,470**
Cash flows from financing activities			
Payment of lease liabilities	15	(1,235)	(1,508)
Dividend paid		(13,000)	(30,000)
Net cash outflow from financing activities		**(14,235)**	**(31,508)**
Net (decrease) / increase in cash and cash equivalents		**(15,689)**	**16,290**
Cash and cash equivalents at beginning of year	11	37,883	21,593
Cash and cash equivalents at end of year		**22,194**	**37,883**
Cash is represented by:			
Cash at bank and in hand	11	**22,194**	**37,883**
Cash and cash equivalents at end of year		**22,194**	**37,883**

*Certain line items have been impacted by a significant transaction with Foundation Life during the year. Refer to Note 2.

The Notes on pages 16 to 67 are an integral part of these financial statements

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1. CORPORATE INFORMATION

Chubb Life Insurance New Zealand Limited (the **Company**) is a for-profit entity incorporated and domiciled in New Zealand. It was incorporated on 13 December 1967. The Company is a Limited Liability Company.

These financial statements for the Company cover the financial year ended 31 December 2025.

The Company's principal products and services comprise the selling and administration of life insurance contracts.

The Company was granted a licence by the Reserve Bank of New Zealand ("RBNZ") on 12 August 2013 to operate as an insurer subject to the Insurance (Prudential Supervision) Act 2010 ("IPSA"). As a consequence of being a licensed insurer, the Company is an FMC Reporting Entity under the Financial Markets Conduct Act 2013.

2. MATERIAL ACCOUNTING POLICIES

Basis of Preparation

Statement of Compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand ("GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZ IFRS") and other applicable financial reporting standards as appropriate for for-profit entities. The financial statements comply with the International Financial Reporting Standards Accounting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board (IASB) and interpretations by the IFRS Interpretations Committee (IFRIC).

Unless necessary to explain accounting policy choices or to add further information, we have not included accounting policy wording where it is otherwise consistent with the standards.

The Company has considered the impact of climate change on reported results and has determined that there is no current material impact, other than indirect impacts on priced services consumed.

The financial statements have been prepared on a going concern basis.

New standards and amendments that are newly effective for periods beginning on or after 1 January 2025 together with the assessment of impact to these financial statements are summarised in the table below

New Standard / Amendment	Nature	Impact
NZ IAS 21 The Effects of Changes in Foreign Exchange Rates.	The amending standard Lack of Exchangeability defines when a currency is exchangeable and introduces new requirements, guidance, and disclosures relating to estimating the spot exchange rate when a currency is not exchangeable.	The Company does not have any foreign operations. All transactions are recorded in New Zealand dollars which is also the Company's presentation currency.

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2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Standards Issued But Not Yet Effective

- NZ IFRS 18 Presentation and Disclosure in Financial Statements (NZ IFRS 18) was issued in May 2024 as replacement for NZ IAS 1 Presentation of Financial Statements (NZ IAS 1) introducing more defined structure for the statement of profit or loss, disclosure of management-defined performance measures where applicable, and additional guidance on aggregation and disaggregation principles.

  NZ IFRS 18 will be effective for annual reporting periods beginning on or after 1 January 2027 and has not been early adopted by the Company. The Company is currently assessing the impact.

- Annual Improvements to NZ IFRS 2024 are annual improvements which are limited to changes that clarify the wording in an Accounting Standard and correct relatively minor unintended consequences, oversights or conflicts between the requirements of the Accounting Standards.

  The improvements will be effective for annual reporting periods beginning on or after 1 January 2026 and have not been early adopted by the Company. The Company has reviewed the amendments and noted the minor changes. There is no impact on the financial reporting or interpretation of the applicable standards.

- Amendments to the Classification and Measurement of Financial Instruments are amendments to the classification and measurement of financial instruments affecting NZ IFRS 9 Financial Instruments, and NZ IFRS 7 Financial Instruments: Disclosures. The amendments provide clarifications on accounting for the settlement of liabilities through electronic payment systems, and on the application of the classification requirements for financial assets, including financial assets with environmental, social and corporate governance (ESG) and similar features.

  The amendments will be effective for annual reporting periods beginning on or after 1 January 2026 and have not been early adopted by the Company. The Company has reviewed the amendments and does not anticipate any material impact. Additionally, the Company does not actively invest in financial instruments with ESG characteristics.

Use of Estimates and Assumptions

The preparation of financial statements in conformity with NZ IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Basis of Measurement

These financial statements are prepared under the historical cost convention, as modified by certain exceptions, the most significant of which are the measurement of investments at fair value through profit or loss and the measurement of insurance and reinsurance contracts based on fulfilment cash flows.

Presentation Currency and Rounding

Unless otherwise stated, all amounts are rounded to the nearest thousand dollars ($000) and are expressed in New Zealand Dollars, which is the presentation and the functional currency of the Company.

Seasonality of operations and exceptional items

The Company is not subject to significant seasonality or cyclicality of operations. Except as described below, there are no items that are unusual because of their nature, size or incidence which have affected assets, liabilities, equity, net income, or cash flows for the period.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

Significant Transactions

Effective 1st September 2025 the Company entered an arrangement with Foundation Life (NZ) Limited ("Foundation Life") to provide alternative cover to its policyholders through the cancellation of all of Foundation Life's participating Whole of Life and endowment policies, and issue of new Chubb Life insurance policies to those policyholders. In addition, all of Foundation Life's non-participating policies were transferred to the Company.

The transaction resulted in $192.6m of Insurance Contract Labilities as at 31 December 2025 and $6.7m of Insurance Service Revenue, and $5.8m of Insurance Service Expense for the year then ended. A total consideration of $198.4m to fund the premium was received by the Company in the form of Cash and cash equivalents and Financial assets held at fair value through profit or loss.

INSURANCE CONTRACTS AND REINSURANCE CONTRACTS HELD

i. Significant Estimates and Judgements

Information about estimates, assumptions and estimation uncertainties at 31 December 2025 that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities are included in the following notes:

- Note 2(iv) to 2(xi), Notes 6, and 7 - measurement of insurance and reinsurance contract assets and liabilities: actuarial methods and assumptions used in estimating future cash flows, the approach used to determine discount rates, judgements applied when determining the contract boundary, techniques and assumptions used for estimating risk adjustments for non-financial risks.

- Note 17 – includes details of the key assumptions underlying recoverable amounts in respect of goodwill.

ii. Separation of components

NZ IFRS 17 requires the separation of components that would be within the scope of another Standard, for example investment components or other non-insurance services, if certain conditions are met. The Company identified no components which required separation.

iii. Level of Aggregation

Insurance and reinsurance contracts are each aggregated into groups for measurement purposes. Groups are defined according to the following criteria:

- **Product portfolio**. Contracts are first categorised into portfolios comprising of contracts that are managed together and share similar risks. The Company manages insurance contracts issued by product lines, where each product line includes contracts that are subject to similar risks. Contracts in different product lines are in different portfolios.

- **Annual cohort**. Each portfolio is further disaggregated into groups of contracts that are issued within a calendar year (annual cohorts).

- **Profitability.** For underlying contracts profitability testing is performed at the contract level and contracts classified as:

  (i) contracts that are onerous at initial recognition;
  (ii) contracts that at initial recognition have no significant possibility of becoming onerous subsequently; or
  (iii) a group of remaining contracts. The bulk of the Chubb Life NZ contracts fall in the "Remaining" group.

Reinsurance contracts held are distinguished between net cost or net gain, with all of the Company's reinsurance contracts held currently classified as net cost.

These groups represent the level of aggregation at which insurance contracts are initially recognised and measured. Such groups are not subsequently reconsidered.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

iv. Measurement Model

The Company has on issue the following types of contracts that are accounted for in accordance with NZ IFRS 17 Insurance Contracts:

Contract Type	Portfolio Grouping	Measurement model
Single Premium	Single Premium	General Measurement Model (GMM)
Term life	Lump Sum Short	
	Lump Sum Long	
Disability income	Disability Income Short	
	Disability Income Long	
Trauma	Lump Sum Short	
	Lump Sum Long	
Group	Group Life	
	Group Disability Income (Group DI)	
Funeral cover	Funeral	
Traditional whole of life	Traditional – With Profit Traditional – Non-Profit	
Other life benefits (including revolving credit cover)	Lump Sum Credit card replacement insurance	Premium Allocation Approach (PAA)
Non-life benefits	Travel	

The above classifications hold for both underlying contracts and reinsurance contracts held, noting there is no reinsurance on Funeral Cover, Traditional Whole of Life, Single Premium or Travel. Catastrophe and Stop-Loss Reinsurance are measured via the PAA model.

In 2025 there is a new Portfolio grouping, “Single Premium”, covering newly issued policies as a result of the Foundation Life transaction during the year that mostly have a policy term that is whole of life with a single premium feature, refer to note 2 ‘Significant Transactions’.

v. General Measurement Model

The Company applies the general measurement model (GMM) for the majority of its business.

On initial recognition, the Company measures a group of insurance contracts as the total of the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk, and the Contractual Service Margin (CSM). Key features of GMM measurement include:

- Estimates of future cash flows cover cash flows within the boundary of a contract that relate directly to the fulfilment of the contracts.

- For disability income products, the insured event is the initial claim under the policy and the payments caused by a claim are treated as a liability for incurred claims.

- All cash flows are discounted using risk-free yield curves adjusted to reflect the characteristics of the cash flows and the liquidity characteristics of the contracts.

- The risk adjustment for non-financial risk for a group of contracts, determined separately from the other estimates, is the compensation that the Company would require for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

- Expenses allowed for in fulfilment cash flows should be directly attributable to the groups being measured.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

- Measurement of reinsurance contracts should include an allowance for external reinsurer non-performance risk.

- The CSM of a group of contracts represents the unearned profit that the Company will recognise as it provides services under those contracts.

- The onerousness classification of contracts is based on the level of CSM at initial measurement.

Subsequently, the carrying amount of a group of contracts at each reporting date is the sum of the liability for remaining coverage, the asset for insurance acquisition cashflows, and the liability for incurred claims. The liability for remaining coverage comprises:

(a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods; and
(b) any remaining CSM at that date.

The liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

vi. Contract boundaries

The measurement of an insurance contract includes all the future cash flows within the boundary of the contract. The period of insurance obligation covered by the premiums within the contract boundary is the 'coverage period'. See note 6 for further detail on contract boundary establishment.

vii. Risk adjustment for non-financial risk

A risk adjustment is required to reflect the compensation that the Company would require for bearing non-financial risk (relating to the severity and timing of future cash flows) and its degree of risk aversion. See Note 6 for further detail on the risk adjustment.

viii. Contractual Service Margin (CSM)

The CSM of a group of contracts is gradually released and recognised in profit or loss to reflect services provided in each year, by identifying the coverage units in the group, allocating the CSM remaining at the end of the year (before any allocation) equally to each coverage unit provided in the year and expected to be provided in future years, and recognising in profit or loss the amount of the CSM allocated to coverage units provided in the year. The number of coverage units is the quantity of services provided by the contracts in the group, determined by considering for each contract the quantity of the benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

The Company determines the quantity of the services provided under a group of contracts (the coverage units) to be appropriately reflected by the total Sum Assured payable on the insured event (no discounting applied).

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

ix. Loss Components

At initial or subsequent recognition, if the CSM for a group of insurance contracts is calculated to be negative, the CSM is deemed to be zero and the amount of negative CSM recognised as a loss. This amount is also set up as a loss component and tracked over time to determine if a positive CSM can be created again for the group of contracts. The Company systematically amortises the loss component based on the remaining cash flows and the risk adjustment for non-financial risk until the end of the coverage period.

Recognition is given to the related reinsurance on groups of contracts with loss components. A reinsurance asset is created to account for the reinsured portion of the loss amount and calculated over time in line with the loss component on the underlying contracts.

x. Premium Allocation Approach

The Premium Allocation Approach (PAA) is a simplified approach for the measurement of a group of insurance contracts an entity may choose to use when the PAA measurement is not materially different from the measurement that would arise under GMM or if the coverage period of each contract in the group of insurance contracts is one year or less.

Under the PAA, the liability for remaining cover (LFRC) is measured as the amount of premiums received, less the amount of premiums that have been recognised in profit or loss over the expired portion of the coverage period based on the passage of time. For all groups of insurance contracts measured under PAA insurance acquisition cash flows are expensed as incurred. There is no allowance for accretion of interest on the LFRC under PAA as the premiums are received within one year of the coverage period.

The onerousness classification of short term PAA measured contracts is based on the combined operating ratio (annual contract outgoings versus premiums) i.e. if annual contract outgo exceeds premiums, then the contracts are deemed onerous.

The measurement of the liability for incurred claims (LIC) is identical to that under the GMM. The incurred claims for groups of insurance contracts under PAA are expected to be paid out in less than one year. Hence, no adjustment is made for the time value of money.

The Company applies the PAA to all contracts in the non-life segment (primarily travel insurance products), credit card replacement insurance (Life segment) and certain risk-attaching reinsurance contracts held because the following criteria were met at inception:

- Insurance contracts: The coverage period of each contract in the group is one year or less.
- Risk-attaching reinsurance contracts held: The Company reasonably determined that the resulting measurement of the asset for remaining coverage under PAA would not differ materially from the result of applying the GMM approach.

xi. Insurance Service Result

Insurance Service revenue

As the Company provides services under a group of contracts, it reduces the LFRC and recognises insurance revenue as it fulfils its performance obligations at an amount that reflects the portion of consideration it is expected to be entitled to in exchange for its services.

For contracts not measured under PAA, insurance revenue comprises of the following:

- Amounts relating to the LFRC:
  - A release of the CSM,
  - Claims and other insurance services expenses incurred in the period, at the amounts expected at the beginning of the period,
  - Changes in the Risk Adjustment,

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

- Premium variances are deemed to relate to future service and consequently adjust the CSM as opposed to direct recognition in insurance revenue, and
- Insurance Acquisition cash flows recovery, the Company allocates a portion of premiums related to the recovery in a systematic way based on the passage of time over the expected coverage of a group of contracts.

For groups of insurance contracts measured under PAA, the Company recognises insurance revenue based on the passage of time over the coverage period of the group of contracts.

Insurance service expenses

Insurance service expenses include the following:

- Incurred claims and adjustments to the liabilities for incurred claims,
- Incurred directly attributable insurance service expense,
- Amortisation of insurance acquisition cash flows,
- Changes that relate to past service, and
- Losses on onerous contracts and reversals of such losses.

Other expenses not meeting the above categories are included in other expenses having been classified as not directly attributable to individual contracts, groups of insurance contracts or portfolios to which a group belongs. The allocation of expenses to groups is based on an annual expense study, also the basis for identifying and determining which expenses are directly attributable to fulfilling insurance contracts and those expenses that are not.

Insurance acquisition cash flows

Insurance acquisition cash flows (IACF) are the cash flows arising from the costs of selling, underwriting and starting a group of insurance contracts (issued or expected to be issued). IACF that have been classified as directly attributable to individual contracts or groups of contracts not yet issued are recognised within an asset for insurance acquisition cash flows. Once the contract or group is recognised, the IACF is derecognised and included in the measurement of the liability for remaining coverage for the applicable group. The Company expects to recover part of the related insurance acquisition cash flows through the renewals of these contracts.

Reinsurance

The Company presents the income or expenses from a group of reinsurance contracts, other than reinsurance finance income or expenses, as a single amount.

xii. Transition to NZ IFRS 17 *Insurance Contracts*

Transition approach used

NZ IFRS *17 Insurance Contracts* had an effective date for annual reporting periods beginning on or after 1 January 2023 with the transition date beginning the annual reporting period immediately preceding the date of initial application. Initial application for the Company was in 2023 with a transition date of 1 January 2022.

On initial application, the Company was required to apply NZ IFRS 17 retrospectively, as if it had always applied, unless it was impracticable to do so, whereupon a choice was permitted between a modified retrospective approach and a fair value approach. On transition, any balances that would not have existed were derecognised and the resulting difference recognised in Equity.

2. MATERIAL ACCOUNTING POLICIES (CONTINUED)

The Company determined the transition approach for groups of contracts depending on the availability of reasonable and supportable historic information and concluded that such information was not available for all insurance contracts issued prior to the date of transition. The Company also concluded that reasonable and supportable information for application of the modified retrospective approach was not available and therefore applied the fair value approach (FVA) to contracts measured under GMM and full retrospective approach (FRA) for those measured under PAA.

Contracts measured applying the fair value approach

Under the FVA the contractual service margin of a group of contracts at transition is determined as the difference between the fair value of the group (in accordance with NZ IFRS 13 Fair Value Measurement) and the fulfilment cash flows measured under NZ IFRS 17. The fair value liability measures the fair price that would be transferred between market participants to transfer over the obligations of the insurance contracts. As quoted market prices were not available for groups of insurance contracts, valuation models (cash flow projection models) were used to calculate the fair value of each group at the transition date. Whilst the fair value at transition impacts the size of the CSM that will subsequently be recognised in profit or loss over the remaining life of the contracts, the fair value model and inputs to that model will not be applied to, or result in adjustment to, any subsequent measurement of the CSM.

The CSM reflects the Company's expected profits from providing insurance services, however under the FVA the CSM reflects the margin a market participant would require to assume responsibility for the contract obligations (excluding the liability for incurred claims). The difference in measurement between transition contracts and those valued after transition will result in a difference in the emergence of Insurance Service Revenue.

For the fair value liability calculations, the expected cash flows were based on similar cash flows as per the NZ IFRS 17 fulfilment cash flows but were adjusted to reflect factors a market participant would have considered in agreeing a price:

- No allowance for NZ IFRS 17 risk adjustments,
- Discounting cash flows using a risk adjusted discount rate of 10.5%,
- Allowance for the full expense base in expense assumptions (as opposed to directly attributable expenses) using the expense assumptions as disclosed in the 2021 financial statements, and
- Allowance for the cost of capital required to sustain the portfolios being measured.

The fair value liability calculation was performed at a portfolio level using 31 December 2021 best estimate assumptions as disclosed in 2021 Financial Statements and a risk discount rate of 10.5%.

Asset for insurance acquisition cash flows (FV Approach)

It was impracticable to apply the full retrospective approach to insurance acquisition cash flows for the reasons noted above. The Company applied the fair value approach to identify, recognise and measure assets for insurance acquisition cash flows (IACF) as at 1 January 2022.

3. INSURANCE SERVICE RESULTS*

The tables below present an analysis of the insurance service revenue recognised in the period:

	2025 $000	2024 $000
Insurance Service Revenue		
Insurance Service Revenue – Contracts Measured Under GMM		
CSM Recognised in Profit or Loss for Services Provided	100,296	91,932
Change in Risk Adjustment for Non-Financial Risk Expired after Loss Component Allocation	5,686	5,410
Expected Incurred Claims and Expenses after Loss Component Allocation	203,107	190,906
Insurance Acquisition Cash Flows Recovery	51,949	48,983
Total Insurance Service Revenue of Contracts Measured Under GMM	**361,038**	**337,231**
Insurance Service Revenue of Contracts under PAA		
Insurance Service Revenue from Contracts Measured under PAA	1,389	4,274
Total Insurance Service Revenue of Contracts under PAA	**1,389**	**4,274**
Total Insurance Service Revenue	**362,427**	**341,505**

The tables below show an analysis of the insurance service expense recognised in the period:

	2025 $000	2024 $000
Insurance Service Expenses before reinsurance contracts		
Insurance Service Expenses		
Incurred Claims and other Directly Attributable Expenses**	(231,519)	(218,063)
Changes that relate to Past Service – Adjustments to the Liability for Incurred Claims**	(3,435)	(2,399)
Losses on Onerous Contracts and Reversal of those Losses	(14,180)	(8,830)
Insurance Acquisition Cash Flows Amortisation	(51,949)	(48,983)
Impairment losses and reversals of impairment losses on assets for insurance acquisition cash flows	(188)	-
Total Insurance Service Expenses of Contracts not Measured under PAA	**(301,271)**	**(278,275)**
Total Insurance Expenses of Contracts under PAA		
Insurance Expenses of Contracts under PAA	(54)	(1,707)
Total Insurance Service Expenses before Reinsurance Contracts	**(301,325)**	**(279,982)**

An analysis of allocation of reinsurance premiums paid and amounts recovered from reinsurers are presented in the tables below:

	2025 $000	2024 $000
Allocation of Reinsurance Premiums Paid		
Allocation of Reinsurance Premiums Paid – Contracts Measured Under GMM		
CSM Recognised for the Services Received	(2,024)	(1,287)
Changes in the Risk Adjustment Recognised for Risk Expired	(3,916)	(2,827)
Expected Claims and Other Expenses Recovery	(41,459)	(38,671)
Total Allocation of Reinsurance Premiums Paid – Contracts Measured Under GMM	**(47,399)**	**(42,785)**
Allocation of Reinsurance Premiums Paid of Contracts Under PAA		
Allocation of reinsurance premiums paid – Contracts Measured under the PAA	(195)	(1,336)
Total Allocation of Reinsurance Premiums Paid of Contracts Under PAA	**(195)**	**(1,336)**
Total Allocation of Reinsurance Premiums Paid	**(47,594)**	**(44,121)**

3. INSURANCE SERVICE RESULTS (CONTINUED)*

	2025 $000	2024 $000
Amounts Recoverable from Reinsurers		
Recoveries of Incurred Claims and Other Insurance Service Expenses	44,617	39,846
Recoveries & reversals of recoveries of losses on onerous underlying contracts	1,263	3,608
Changes relating to Past Service – Adjustments to Incurred Claims	(1,181)	1,958
Total Amounts Recoverable from Reinsurers	**44,699**	**45,412**
Effect of changes in the risk of reinsurers non-performance	506	18
Effect of Changes in Risk of Non-Performance	**506**	**18**
Total Net (Expenses)/income from Reinsurance Contracts Held	**(2,389)**	**1,309**
Total Insurance Service Result	**58,713**	**62,832**

*Certain line items have been impacted by a significant transaction with Foundation Life during the year. Refer to Note 2.

** 2024 presentation has been reclassified by $27.2m for consistency with current year presentation with no net impact.

4. INVESTMENT INCOME AND INSURANCE FINANCE INCOME

The tables below present an analysis of net investment income and net insurance finance income and expenses recognised in the period:

a. Investment income	2025 $000	2024 $000
Investment income		
Net gains on investments measured at FVTPL	5,602	2,697
Other Investment Revenue	7,763	8,415
Total investment income	**13,365**	**11,112**
Interest income on financial assets measured at amortised cost	800	1,273
Interest income on financial assets measured at amortised cost	**800**	**1,273**

b. Insurance finance income/(expense)	2025 $000	2024 $000
Insurance finance income/(expense)		
Interest accreted, changes in interest rates and other financial assumptions	(4,004)	(2,615)
Impact of interest rate changes on future expectations	10,662	(3,667)
Finance income/(expense) from insurance contracts issued	**6,658**	**(6,283)**
Reinsurance finance income/(expense)		
Interest accreted, changes in interest rates and other financial assumptions	(3,916)	(3,942)
Impact of interest rate changes on future expectations	9,320	(10,376)
Finance income/(expense) from reinsurance contracts held	**5,404**	**(14,319)**
Insurance finance income/(expense)	**12,062**	**(20,601)**

5. OTHER OPERATING EXPENSES

Included within the Company's operating cost base, prior to any allocation of attributable expenses to contracts are the following material expenses by nature:

	2025 $000	2024 $000
Commission expense	68,983	56,702
Depreciation expense	1,434	1,366
Depreciation expense right-of-use asset	1,589	1,134
Directors' fees	501	458
Employee benefit expense	62,988	56,082
Superannuation contributions	3,188	2,823
Fees Paid to Auditors	1,491	1,710
Legal expenses	350	331
Rental expense	615	377
Termination expenses	2,485	1,223

As detailed in note 7, judgement is applied in determining which operating expenses are directly attributable to the fulfilment of the insurance contracts. Allocation between directly attributable and non-directly attributable expenses is based on an annual expense study.

The above material expenses by nature are before any allocation is applied and therefore incorporates expenses shown in the Statement of Comprehensive Income as 'other operating expenses' in addition to costs which have been allocated into other lines.

During 2025 the Company incurred $Nil (2024: $6.5m) in integration costs.

Fees paid to auditors PwC New Zealand

Audit

	2025 $000	2024 $000
Audit of the financial statements		
Audit of the financial statements	1,250	1,098
Audit fees in relation to prior year	70	445
Total	**1,320**	**1,543**
Audit or review related services		
Reasonable Assurance Engagement over the Annual Solvency Return	91	91
Total	**91**	**91**
Other assurance services and other agreed-upon procedure engagements		
Limited Assurance Engagement over the Climate Statement Disclosures	80	76
Total	**80**	**76**
Total Fees incurred for services provided by the audit firm	**1,491**	**1,710**

6. INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES

Insurance contract assets and liabilities are calculated by the actuarial team and reviewed and signed off by the Appointed Actuary on the basis of recognised actuarial methods, with due regard to the relevant actuarial principles. The methodology takes into account the risks and uncertainties of the particular classes of life insurance business written.

Actuarial Methods and Assumptions

The Company's actuarial reports for the years ended 31 December 2025 and 2024 were prepared by the Appointed Actuary Lee-Ann du Toit. The Appointed Actuary is satisfied as to the accuracy, nature and sufficiency of the data and methods upon which the Insurance Contract Assets and Liabilities have been determined.

Disclosure of Methods

Insurance contract assets consist of life & non-life portfolios of insurance contracts issued that are assets, including the asset for insurance acquisition cash flows. Insurance contract liabilities consist of portfolios of life & non-life insurance contracts issued that are liabilities.

Reinsurance contract assets include portfolios of reinsurance contracts held that are assets for Life contract types.
Reinsurance contract liabilities include portfolios of reinsurance contracts held that are liabilities for Life contract types.

Insurance Contract Assets and Liabilities

The value of insurance contract assets and liabilities is calculated using either the General Measurement Model or Premium Allocation Approach.

Fulfilment cash flows

Fulfilment cash flows comprise:

- estimates of future cash flows;
- an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows; and
- a risk adjustment for non-financial risk.

Estimates of future cash flows

In estimating future cash flows, the Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. The estimates of future cash flows reflect the Company's view of current conditions at the reporting date. The Company takes into account current expectations of future events that might affect those cash flows. Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Company has discretion over the amount or timing.

Assumptions about demographic policyholder behaviour that are used in estimating future cash flows are developed at an appropriate level of granularity, reflecting recent experience and the profiles of policyholders within a group of insurance contracts. Actuarial assumptions are discussed below.

Contract boundaries

Under NZ IFRS 17, the measurement of an insurance contract includes all of the future cash flows within the boundary of the contract. The period of insurance obligation covered by the premiums within the contract boundary is the 'coverage period' which is relevant when applying a number of requirements in NZ IFRS 17.

Some term life and disability income insurance contracts issued by the Company have annual terms that are guaranteed to be renewable each year. Due to the practical ability to reassess (and reprice) the risks of these portfolios on an annual basis, these contracts are classified as short term boundary (annual contracts) under NZ IFRS 17.

6. INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

The Reinsurance Contract terms result in measurement over the full policy term and benefit period – i.e. driven by the reinsurance contract coverage period. The full policy term is the length of time specified or implied in the policy document over which cover is guaranteed to be provided (assuming premiums continue to be paid), which may be open-ended. This would include renewals for group reinsurance (so potentially up until age 65 or 70 for group reinsurance).

Based on the contract terms assessed, the Company classifies contracts into the following contract boundary classifications:

IFRS17 Portfolios	Underlying contract boundary	Reinsurance contract held boundary
Lump Sum Short	1 year	Full policy term
Lump Sum Long	Full policy term, or guaranteed term >1yr	Full policy term
Disability Income Short	1 year	Full policy term
Disability Income Long	Full policy term, or guaranteed term >1yr	Full policy term
Funeral	Full policy term	N/A
Traditional – Non-Profit	Full policy term	N/A
Traditional – With Profit	Full policy term	N/A
Group Life	3 years	Full policy term
Group DI	3 years	Full policy term
Single Premium	Full Policy term	N/A
Travel	1 year or less	N/A

Risk Adjustment for non-financial risks

The Company calculates the risk adjustments using a cost of capital method, based on the regulatory solvency capital requirement and target surplus capital requirements. The risk adjustments are applied as part of the fulfilment cash flows in the liabilities for remaining coverage, as well as, in the calculation of the liabilities for incurred claims.

The Company determines the risk adjustments separately for different IFRS17 Portfolios, as well as underlying contracts and reinsurance contracts held.

Changes in the risk adjustment are not disaggregated between the insurance service result and insurance and reinsurance finance income and expenses.

The cost of capital calculation is based on capital requirements (regulatory solvency capital and internal target surplus). The risk adjustment calculation does not make an additional explicit allowance for diversification benefits.

Under the cost of capital methodology for measurement of the risk adjustment the embedded value risk discount rate is a key assumption used to quantify risk aversion. The risk discount rate is set in line with Chubb Group requirements and reflects the risk compensation requirements of the Company.

The resulting confidence level obtained from the cost of capital measurement approach for the risk adjustment is 81% (2024: 78%) for underlying contracts and 87% (2024: 88%) for reinsurance contracts held (this includes both liabilities for remaining coverage and liabilities for incurred claims).

For calculations at an IFRS17 group of contracts level (such as onerous testing), the risk adjustment is further allocated down from a portfolio level to a group level in the same proportion as the present value of future benefit outgo.

6. INSURANCE AND REINSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

Contractual Service Margin

At initial recognition the discounted future profits for a group of insurance contracts are capitalised to avoid immediate recognition in the statement of comprehensive income of future profits. The CSM of a group of contracts is gradually released and recognised in profit or loss to reflect services provided in each year in line with the identified coverage units. The Company determines the coverage units as the total Sum Assured payable on the insured event.

The following table shows an analysis of the expected recognition of the CSM remaining at the end of reporting period in profit or loss:

2025	< 1 year	1 - 5 years	5 - 10 years	>10 years	Total
CSM recognition ($'000)					
Insurance contracts	50,922	15,121	13,779	34,644	**114,466**
Reinsurance contracts	(9,649)	(27,020)	(21,714)	(37,238)	**(95,621)**

2024	< 1 year	1 - 5 years	5 - 10 years	>10 years	Total
CSM recognition ($'000)					
Insurance contracts	44,526	10,643	7,911	14,993	**78,072**
Reinsurance contracts	(6,027)	(16,054)	(12,427)	(19,999)	**(54,507)**

The release of CSM on insurance contracts (generally a liability) is recognised as revenue in each period according to recognition of services provided, whereas the release of CSM on reinsurance contracts (generally an asset) is recognised as an expense.

7. DISCLOSURE OF ASSUMPTIONS

Discount rates used to perform GMM calculations are a combination of risk free rates and an appropriate illiquidity premium per product portfolio. Risk free rate curve is determined from the inter-bank swap rate curve and NZ government bond yields. The discount rate (before tax) varied by duration between 2.8% and 5.8% on this basis (2024: 3.2% and 5.2%).

During the current financial year, the Company has changed its basis for determining the risk-free rate used in the measurement of insurance and reinsurance contract assets and liabilities.

Previously, the risk-free rate was derived from data from the European Insurance and Occupational Pensions Authority (EIOPA). Effective from the 1st January 2025, the Company has adopted the risk-free rate derived from data proved by the Reserve Bank of New Zealand (RBNZ).

The illiquidity premium is determined with reference to asset liquidity spreads, adjusted for the liquidity characteristics of contract liabilities and an assumed long term illiquidity premium. Asset liquidity spreads are calculated in line with the methodology prescribed by the Australian Prudential Regulatory Authority for calculating illiquidity premiums for Australian regulatory capital purposes, using market observable government bond and corporate bond yields. Liquidity characteristics of liabilities are assessed at a portfolio level based on liability sensitivities with judgement applied to allow for product features. This is not a significant assumption for the Company with most underlying contracts being classified as having short contract boundaries.

The additional illiquidity premium applied to the discount rates ranged from nil to 0.20% (2024: nil to 0.20%).

The tables below set out the yield curves used to discount cash flows in GMM calculations:

	2025				
	1 year	5 years	10 years	15 years	>20 years
Risk Free Rate	2.80%	4.77%	5.49%	5.60%	5.35% - 5.60%
Lump Sum Short	2.80%	4.77%	5.49%	5.60%	5.35% - 5.60%
Lump Sum Long	2.84%	4.81%	5.59%	5.70%	5.45% - 5.70%
Funeral	2.84%	4.81%	5.59%	5.70%	5.45% - 5.70%
Trad Non Participating	2.88%	4.85%	5.69%	5.80%	5.55% - 5.80%
Trad WP	2.88%	4.85%	5.69%	5.80%	5.55% - 5.80%
Disability Income Short	2.84%	4.81%	5.59%	5.70%	5.45% - 5.70%
Disability Income Long	2.84%	4.81%	5.59%	5.70%	5.45% - 5.70%
Group LS	2.82%	4.79%	5.54%	5.65%	5.40% - 5.65%
Group DI	2.82%	4.79%	5.54%	5.65%	5.40% - 5.56%
Single Premium	2.88%	4.85%	5.69%	5.80%	5.55% - 5.80%

7. DISCLOSURE OF ASSUMPTIONS (CONTINUED)

	2024				
	1 year	5 years	10 years	15 years	>20 years
Risk Free Rate	3.66%	4.06%	4.83%	4.96%	3.22% - 4.25%
Lump Sum Short	3.66%	4.06%	4.83%	4.96%	3.22% - 4.25%
Lump Sum Long	3.69%	4.09%	4.93%	5.06%	3.32% - 4.35%
Funeral	3.69%	4.09%	4.93%	5.06%	3.32% - 4.35%
Trad Non Participating	3.73%	4.13%	5.03%	5.16%	3.42% - 4.45%
Trad WP	3.73%	4.13%	5.03%	5.16%	3.42% - 4.45%
Disability Income Short	3.69%	4.09%	4.93%	5.06%	3.32% - 4.35%
Disability Income Long	3.69%	4.09%	4.93%	5.06%	3.32% - 4.35%
Group LS	3.68%	4.08%	4.88%	5.01%	3.27% - 4.30%
Group DI	3.68%	4.08%	4.88%	5.01%	3.27% - 4.30%

Expense Inflation & Benefit Indexation Rates

Allowance for future expense inflation of 2.95% p.a. over the shorter term reducing to a long-term assumption of 2.8% p.a. beginning from year two (2024: 3.15% to 2.9% p.a.). It is assumed that expense inflation will be higher than CPI.

Some life insurance contracts have indexation benefits that provide a level of protection against inflation. Where increases are not fixed, they are assumed to increase cover levels at a rate of 2.15% p.a. reducing to 2.0% p.a. after one year and maintaining this for the medium to the long-term (2024: 2.25% to 2.0% p.a.). The assumption reflects best estimate assumptions about future inflation.

The Company classifies inflation assumptions as financial risk, due to these being driven by indices. This means that, for Statement of Comprehensive Income reporting, any impact on liabilities from change in inflation assumptions will impact Insurance Finance Income and Expense, as opposed to Insurance Service Expenses. In a measurement period where inflation assumptions are significantly driven by factors other than indices, this might require treatment in line with GMM requirements for changes that relate to future services.

Expenses

All acquisition and maintenance expenses are expected to be allocated to contracts based on a share of premium within the applicable group of contracts. The allocation of expenses to groups is based on an annual expense study (a mixture of time-based surveys and allocation by count depending on the cost centre) weighted by actual premium. Allocation to the contract level is based on percentage of premium. This study is also the basis for identifying and determining which expenses are directly attributable to fulfilling insurance contracts and those expenses that are not.

Directly attributable expense assumptions (recurring expenses in cash flow projections) are set to be sufficient in total across all business assumed to be in force in the year following the valuation date to cover expenses estimated to be required in that year to fully support the administration of that business as a going concern. Expenses considered to be “one-off” may be excluded.

Future attributable expenses have been assumed at current levels, increased by the rate of expense inflation set out above of 2.95% to 2.8% p.a. (2024: 3.2% to 2.9% p.a.).

7. DISCLOSURE OF ASSUMPTIONS (CONTINUED)

Insurance acquisition cash flows (IACF)

As noted in section 2 (xi), IACF is recognised in accordance with services provided over the contract term. For long contract boundary portfolios this occurs implicitly via the CSM calculation and recognition over consecutive periods.

For short boundary portfolios, the IACF relating to future contracts (expected policy renewals of yearly renewable term business) is recognised via an asset for IACF. The asset for IACF is allocated to future groups of contracts in line with expected premiums. In each period as policy renewals are recognised as new contracts the corresponding IACF portion is released as an expense and accounted for as part of the contract fulfilment cash flows.

The carrying value of the IACF balance is subject to an annual impairment review to ensure that the current carrying value does not exceed its recoverable value at the statement of financial position date. This is a two step assessment, focused firstly on relevant facts and circumstances that might indicate potential impairment, followed by a second step assessing projected cash flows if there are any indicators present. Any excess of carrying value over recoverable amount is taken to the Statement of Comprehensive Income as an impairment.

Tax Rates and Basis

Insurance contract assets and liabilities are determined gross of tax.

Mortality and Morbidity

Lump Sum portfolios (including Group Life)

The projected rates of mortality claims reflect current experience and are based on the New Zealand standard mortality tables released by Gen Re and the NZ Society of Actuaries (NZ 07 and NZSA 08-10). The proportion of each table adopted ranges from 50% to 375% and are based on recent actuarial investigations carried out by the actuarial personnel of the Company.

Future morbidity (Total Permanent Disability and Trauma) experience incidence rates are based on reinsurers' tables and internal investigations.

Disability Income portfolios (including Group DI)

Future morbidity incidence and termination rates (Replacement Income) have been based on IAD89-93 tables, entity and industry experience.

Funeral Cover

The projected rates of claims reflect current experience and are based on actual experience where possible and referenced against New Zealand standard mortality tables NZSA 08-10, NZ95, NZ97 (insured lives) and NZLT 12-14 (population lives).

7. DISCLOSURE OF ASSUMPTIONS (CONTINUED)

Rates of Discontinuance

Future rates of discontinuance from lapses, cancellations or surrenders assumed for the major classes of individual business are primarily based on investigations of the Company's own experience. Rates vary by product, duration in force and age of insured, taking into account market conditions and internal strategies. The valuation assumptions by duration were last reviewed for 31 December 2025 and are summarised in aggregate below with the comparative ranges for 2024.

NZ IFRS 17 Portfolios (measured under GMM)	2025		2024	
	Min	Max	Min	Max
Disability Income Long	0.0%	29.0%	1.0%	33.0%
Disability Income Short	5.0%	32.0%	5.5%	35.0%
Funeral	1.0%	19.0%	1.0%	19.0%
Group DI	6.7%	6.7%	6.7%	6.7%
Group Life	6.7%	6.7%	6.7%	6.7%
Lump Sum Long	0.3%	19.0%	0.3%	31.0%
Lump Sum Short	5.0%	31.0%	5.0%	29.0%
Traditional - Non-Profit	2.0%	2.0%	2.0%	2.5%
Traditional - With-Profit	2.0%	2.0%	2.0%	2.0%
Single Premium	1.0%	1.0%	-	-

7. DISCLOSURE OF ASSUMPTIONS (CONTINUED)

Sensitivity Analysis

The Company conducts sensitivity analysis to quantify the exposure to risk of changes in the key underlying variables such as the valuation interest rate, mortality and morbidity. The valuations included in the reported results are calculated using certain assumptions about these variables. The movement in any key variable will impact the performance and net assets of the Company's business and as such represent a risk.

Variable	Impact of movement in underlying variable
Expense Risk	An increase in the level or inflationary growth of renewal or attributable expenses over assumed levels will decrease profit and shareholder equity.
Market Risk (Interest & Discount Rate)	Depending on the profile of the investment portfolio, the investment income will decrease as interest rates decrease. This may be offset to an extent by changes in the market value of fixed interest investments. The impact on profit and shareholder equity depends on the relative movement in assets and liabilities, to the extent that these are not matched. Sensitivity testing performed measures the impact on life insurance contract assets and liabilities only. For assets which are not contractually linked to insurance contract assets and liabilities, the business is exposed to market risk through changes in interest rates and discount rates.
Mortality & Morbidity Risk	For insurance contracts providing death benefits, greater mortality rates would lead to higher levels of claims occurring sooner than anticipated, increasing associated claims cost and therefore reducing profit and shareholder equity. For insurance contracts providing disability benefits, a greater morbidity rate would lead to higher levels of claims occurring sooner than anticipated, increasing associated claims cost and therefore reducing profit and shareholder equity.
Lapse Risk (Cancellation)	The impact of the lapse rate assumption depends on a range of factors including the type of contract, the surrender value basis (where applicable) and the duration in force. For example, an increase in discontinuance rates at earlier duration of life insurance contracts usually has a negative effect on performance and net assets. However, due to the interplay between the factors, there is not always an adverse outcome from an increase in lapse rates.

7. DISCLOSURE OF ASSUMPTIONS (CONTINUED)

The table below illustrates how changes in key variables as at 31 December 2025 would have impacted the reported profit and equity of the business:

2025		Impact on CSM		Impact on Equity	
Change in Variable	Movement	UC $000	RCH $000	UC $000	RCH $000
Expenses Per Policy (Attributable)	Increase by 10%	(3,973)	-	(3,404)	-
	Decrease by 10%	4,090	-	3,287	-
Discount Rate	Increase by 1%	2,223	(6,539)	26,866	17,346
	Decrease by 1%	(2,640)	7,754	(32,627)	(20,707)
Mortality/Morbidity	Increase by 10%	(20,277)	68,678	(21,410)	(5,974)
	Decrease by 10%	23,487	(69,375)	19,261	6,372
Lapse Rates (Cancellation)	Increase by 10%	947	22,984	1,903	(6,111)
	Decrease by 10%	(1,263)	(30,414)	(2,284)	8,859

2024		Impact on CSM		Impact on Equity	
Change in Variable	Movement	UC $000	RCH $000	UC $000	RCH $000
Expenses Per Policy (Attributable)	Increase by 10%	(3,560)	-	(2,735)	-
	Decrease by 10%	3,560	-	2,735	-
Discount Rate	Increase by 1%	1,535	(6,189)	13,010	14,661
	Decrease by 1%	(1,810)	7,382	(15,919)	(17,628)
Mortality/Morbidity	Increase by 10%	(15,045)	62,654	(18,685)	(4,485)
	Decrease by 10%	17,350	(63,254)	16,936	4,733
Lapse Rates (Cancellation)	Increase by 10%	1,021	18,280	2,004	(3,994)
	Decrease by 10%	(1,270)	(24,169)	(2,425)	5,655

UC – Underlying contracts; RCH – Reinsurance contracts held

Note interest rate sensitivities are additive movements, with the rest being relative movements.

The impacts shown above are not necessarily linear. Note that the calculated impact of the interest rate change focuses solely on the insurance contract assets and liabilities and does not capture any potential change in the value of the investment assets.

Refer to Note 22(e) for interest rate sensitivity impact on non-insurance balances.

8. INSURANCE CONTRACT ASSETS AND LIABILITIES

A. Life insurance – Reconciliation of the remaining coverage and incurred claims components*

The following table shows the reconciliation from the opening to the closing balances of the net liability for the remaining coverage and the liability for incurred claims for life insurance contracts.

As at 31 December 2025	Liability for remaining coverage		Liability for incurred claims				
	Excluding loss component	Loss component	Liabilities for incurred claims not under PAA	Present value of future cash flows	Risk adjustment	Asset for insurance acquisition CFs	Total
	$000	$000	$000	$000	$000	$000	$000
Net opening balance							
Opening insurance contract assets	25,020	(1,177)	(94,823)	-	-	761,124	690,145
Opening insurance contract liabilities	(68,324)	(18,861)	(9,040)	(282)	(10)	-	(96,517)
Total net opening balance	**(43,304)**	**(20,037)**	**(103,863)**	**(282)**	**(10)**	**761,124**	**593,628**
Insurance Service revenue							
Contracts under fair value	32,032	-	-	-	-	-	32,032
New business and contracts under full retrospective approach	329,006	-	-	-	-	-	329,006
Insurance revenue from contracts measured under PAA	1,389	-	-	-	-	-	1,389
Total insurance Service revenue	**362,427**	**-**	**-**	**-**	**-**	**-**	**362,427**
Insurance service expenses							
Incurred claims and directly attributable expenses	56	4,197	(235,772)	(556)	2	-	(232,073)
Acquisition expenses cash flow amortisation	(51,949)	-	-	-	-	-	(51,949)
Losses and reversals on onerous contracts	-	(14,180)	-	-	-	-	(14,180)
Changes related to past service - liabilities for current claims	-	-	(3,435)	-	-	-	(3,435)
Impairment losses and reversals of impairment losses on assets for insurance acquisition cash flows	-	-	-	-	-	(188)	(188)
Insurance expense from contracts measured under PAA	-	-	-	500	-	-	500
Total insurance service expenses	**(51,893)**	**(9,983)**	**(239,207)**	**(56)**	**2**	**(188)**	**(301,325)**
Total insurance service result	**310,534**	**(9,983)**	**(239,207)**	**(56)**	**2**	**(188)**	**61,102**

*Certain line items have been impacted by a significant transaction with Foundation Life during the year. Refer to Note 2

8. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

A. Life insurance – Reconciliation of the remaining coverage and incurred claims components (continued)*

As at 31 December 2025	Liability for remaining coverage		Liability for incurred claims				
	Excluding loss component	Loss component	Liabilities for incurred claims not under PAA	Present value of future cash flows	Risk adjustment	Asset for insurance acquisition CFs	Total
	$000	$000	$000	$000	$000	$000	$000
Insurance finance income							
Interest accreted and effect of changes in interest rates	6,367	(747)	1,038	-	-	-	6,658
Total insurance finance income	**6,367**	**(747)**	**1,038**	**-**	**-**	**-**	**6,658**
Total changes in the Statement of Comprehensive Income	**316,901**	**(10,730)**	**(238,169)**	**(56)**	**2**	**(188)**	**67,760**
Investment Components							
Investment components	177	-	(177)	-	-	-	-
Total Investment Components	177	-	(177)	-	-	-	-
Allocation from Assets for Insurance Acquisition Cash Flow to Groups of Insurance contracts							
Allocation from Assets for Insurance Acquisition Cash Flow to Groups of Insurance Contracts	43,814	-	-	-	-	(43,814)	-
Total Allocation from Assets for Insurance Acquisition Cash Flow to Groups of Insurance Contracts	43,814	-	-	-	-	(43,814)	-
Cash Flows							
Premiums received	(565,765)	-	-	-	-	-	(565,765)
Claims and other insurance service expense	-	-	234,173	715	-	-	234,888
Expenses paid including acquisition cash flows	32,117	-	-	(498)	-	86,919	118,538
Total Cash Flows	**(533,648)**	**-**	**234,173**	**217**	**-**	**86,919**	**(212,339)**
Net closing balance							
Closing insurance contract assets	49,334	(22,485)	(101,047)	-	-	804,041	729,843
Closing insurance contract liabilities	(265,394)	(8,282)	(6,988)	(121)	(8)	-	(280,794)
Total net closing balance	**(216,060)**	**(30,767)**	**(108,035)**	**(121)**	**(8)**	**804,041**	**449,049**

*Certain line items have been impacted by a significant transaction with Foundation Life during the year. Refer to Note 2

8. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

A. Life insurance – Reconciliation of the remaining coverage and incurred claims components (continued)

As at 31 December 2024	Liability for remaining coverage		Liability for incurred claims				
	Excluding loss component	Loss component	Liabilities for incurred claims not under PAA	Present value of future cash flows	Risk adjustment	Asset for insurance acquisition CFs	Total
	$000	$000	$000	$000	$000	$000	$000
Net opening balance							
Opening insurance contract assets	24,396	(1,158)	(77,115)	-	-	734,451	680,574
Opening insurance contract liabilities	(72,841)	(13,226)	(10,208)	(2,352)	(71)	-	(98,698)
Total net opening balance	**(48,445)**	**(14,384)**	**(87,323)**	**(2,352)**	**(71)**	**734,451**	**581,876**
Insurance Service revenue							
Contracts under fair value	35,343	(956)	-	-	-	-	34,388
New business and contracts under full retrospective approach	302,843	-	-	-	-	-	302,843
Insurance revenue from contracts measured under PAA	4,274	-	-	-	-	-	4,274
Total insurance Service revenue	**342,461**	**(956)**	**-**	**-**	**-**	**-**	**341,505**
Insurance service expenses							
Incurred claims and directly attributable expenses**	(757)	4,602	(221,908)	(246)	62	-	(218,247)
Acquisition expenses cash flow amortisation	(48,983)	-	-	-	-	-	(48,983)
Losses and reversals on onerous contracts	-	(8,830)	-	-	-	-	(8,830)
Changes related to past service - liabilities for current claims**	-	-	(2,399)	-	-	-	(2,399)
Insurance expense from contracts measured under PAA	-	-	-	(1,523)	-	-	(1,523)
Total insurance service expenses	**(49,740)**	**(4,228)**	**(224,307)**	**(1,770)**	**62**	**-**	**(279,982)**
Total insurance service result	**292,721**	**(5,184)**	**(224,307)**	**(1,770)**	**62**	**-**	**61,523**

** Presentation has been reclassified by $27.2m for consistency with current year presentation.

8. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

A. Life insurance – Reconciliation of the remaining coverage and incurred claims components (continued)

As at 31 December 2024	Liability for remaining coverage		Liability for incurred claims				
	Excluding loss component	Loss component	Liabilities for incurred claims not under PAA	Present value of future cash flows	Risk adjustment	Asset for insurance acquisition CFs	Total
	$000	$000	$000	$000	$000	$000	$000
Insurance finance expenses							
Interest accreted and effect of changes in interest rates	(4,747)	(470)	(1,066)	-	-	-	(6,283)
Total insurance finance expenses	**(4,747)**	**(470)**	**(1,066)**	**-**	**-**	**-**	**(6,283)**
Total changes in the Statement of Comprehensive Income	**287,974**	**(5,653)**	**(225,373)**	**(1,770)**	**62**	**-**	**55,240**
Investment Components							
Investment components	75	-	(75)	-	-	-	-
Total Investment Components	**75**	**-**	**(75)**	**-**	**-**	**-**	**-**
Allocation from Assets for Insurance Acquisition Cash Flow to Groups of Insurance contracts							
Allocation from Assets for Insurance Acquisition Cash Flow to Groups of Insurance Contracts	52,640	-	-	-	-	(52,640)	-
Total Allocation from Assets for Insurance Acquisition Cash Flow to Groups of Insurance Contracts	**52,640**	**-**	**-**	**-**	**-**	**(52,640)**	**-**
Cash Flows							
Premiums received	(351,068)	-	-	-	-	-	(351,068)
Claims and other insurance service expense	-	-	208,909	3,625	-	-	212,534
Expenses paid including acquisition cash flows	15,520	-	-	214	-	79,313	95,047
Total Cash Flows	**(335,548)**	**-**	**208,909**	**3,840**	**-**	**79,313**	**(43,487)**
Net closing balance							
Closing insurance contract assets	25,020	(1,177)	(94,823)	-	-	761,124	690,145
Closing insurance contract liabilities	(68,324)	(18,861)	(9,040)	(282)	(10)	-	(96,517)
Total net closing balance	**(43,304)**	**(20,037)**	**(103,863)**	**(282)**	**(10)**	**761,124**	**593,628**

8. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

B. Life insurance - Net insurance contract liability breakdown *

The following table shows the reconciliation from the opening to the closing balances for contracts measured using GMM, for net insurance contract liability analysed by components:

For the year ended 31 December 2025			Contractual service margin (CSM)			
For contracts measured under the general measurement model (GMM) only.	**PV of Future Cash Flows**	**RA Non-financial Risk**	**New Business and Contracts Measured under FRA**	**Contracts Measured under FVA**	**Assets for Insurance Acquisition CF**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
Net opening balance						
Opening insurance contract assets (GMM)	(28,693)	(3,199)	(39,087)	-	761,124	690,145
Opening insurance contract liabilities (GMM)	(19,339)	(42,510)	(9,639)	(24,350)	-	(95,838)
Total net opening balance	**(48,032)**	**(45,709)**	**(48,726)**	**(24,350)**	**761,124**	**594,306**
Changes that relate to current service						
CSM recognised in Profit and Loss for Services	-	-	97,676	2,620	-	100,296
Change in RA for Non-Financial Risk Expired	-	5,097	-	-	-	5,097
Experience adjustments	(27,823)	-	-	-	-	(27,823)
Total changes that relate to current service	**(27,823)**	**5,097**	**97,676**	**2,620**	**-**	**77,570**
Changes that relate to future service						
Contracts initially recognised in the period	133,600	(18,478)	(129,029)	-	-	(13,907)
Changes in Estimates that Adjust the CSM	6,153	1,512	(2,803)	(4,862)	-	-
Changes that Result in Onerous Losses or Reversal of Losses	98	(372)	-	-	-	(274)
Total changes that relate to future service	**139,851**	**(17,338)**	**(131,832)**	**(4,862)**	**-**	**(14,181)**
Total insurance service result	**112,028**	**(12,241)**	**(34,156)**	**(2,242)**	**-**	**63,389**
Changes that relate to past service						
Adjustments to the liability for incurred claims	(2,600)	(835)	-	-	-	(3,435)
Total changes that relate to past service	**(2,600)**	**(835)**	**-**	**-**	**-**	**(3,435)**
Total Insurance Service Result	**109,428**	**(13,076)**	**(34,156)**	**(2,242)**	**-**	**59,954**

*Certain line items have been impacted by a significant transaction with Foundation Life during the year. Refer to Note 2.

8. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

B. Life insurance - Net insurance contract liability breakdown (continued) *

The following table shows the reconciliation from the opening to the closing balances for contracts measured using GMM, for net insurance contract liability analysed by components:

For the year ended 31 December 2025 For contracts measured under the general measurement model (GMM) only.	PV of Future Cash Flows	RA Non-financial Risk	Contractual service margin (CSM)		Assets for Insurance Acquisition CF	Total
			New Business and Contracts Measured under FRA	Contracts Measured under FVA		
	$000	$000	$000	$000	$000	$000
Insurance finance income						
Finance Income from Insurance Contracts Issued	11,648	-	(4,396)	(594)	-	6,658
Total Amounts recognised in Comprehensive Income	**121,076**	**(13,076)**	**(38,552)**	**(2,836)**	**-**	**66,612**
Allocation from Assets for Insurance Acquisition Cash Flow to Groups of Insurance contracts						
Allocation from Assets for Insurance Acquisition Cash Flow to Groups of Insurance Contracts	43,814	-	-	-	(43,814)	-
Impairment losses and reversals of impairments of assets for insurance acquisition cash flows	-	-	-	-	(188)	(188)
Total Allocation from Assets for Insurance Acquisition Cash Flow to Groups	43,814	-	-	-	(44,002)	(188)
Cash flows						
Premiums received	(564,373)	-	-	-	-	(564,373)
Claims and Other Directly Attributable Expenses Paid	234,173	-	-	-	-	234,173
Insurance acquisition cash flows	31,731	-	-	-	86,920	118,651
Total cash flows	**(298,469)**	**-**	**-**	**-**	**86,920**	**(211,549)**
Net closing balance						
Closing insurance contract assets (GMM)	20,155	(39,005)	(55,346)	-	804,042	729,846
Closing insurance contract liabilities (GMM)	(201,767)	(19,780)	(31,932)	(27,186)	-	(280,665)
Total net closing balance	**(181,612)**	**(58,785)**	**(87,278)**	**(27,186)**	**804,042**	**449,181**

*Certain line items have been impacted by a significant transaction with Foundation Life during the year. Refer to Note 2

8. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

B. Life insurance - Net insurance contract liability breakdown (continued)

The following table shows the reconciliation from the opening to the closing balances for contracts measured using GMM, for the net insurance contract liability analysed by components:

For the year ended 31 December 2024			Contractual service margin (CSM)			
For contracts measured under the general measurement model (GMM) only.	**PV of Future Cash Flows**	**RA Non-financial Risk**	**New Business and Contracts Measured under FRA**	**Contracts Measured under FVA**	**Assets for Insurance Acquisition CF**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
Net opening balance						
Opening insurance contract assets (GMM)	(12,583)	(2,410)	(38,884)	-	734,451	680,574
Opening insurance contract liabilities (GMM)	(16,892)	(42,163)	(16,837)	(20,190)	-	(96,082)
Total net opening balance	**(29,475)**	**(44,573)**	**(55,721)**	**(20,190)**	**734,451**	**584,492**
Changes that relate to current service						
CSM recognised in Profit and Loss for Services	-	-	89,824	2,108	-	91,932
Change in RA for Non-Financial Risk Expired**	-	5,101	-	-	-	5,101
Experience adjustments **	(26,849)	-	-	-	-	(26,849)
Total changes that relate to current service	**(26,849)**	**5,101**	**89,824**	**2,108**	**-**	**70,184**
Changes that relate to future service						
Contracts initially recognised in the period	82,582	(6,899)	(84,837)	-	-	(9,155)
Changes in Estimates that Adjust the CSM	(3,390)	1,851	7,355	(5,816)	-	-
Changes that Result in Onerous Losses or Reversal of Losses	1,922	(1,188)	(408)	-	-	325
Total changes that relate to future service	**81,113**	**(6,237)**	**(77,890)**	**(5,816)**	**-**	**(8,830)**
Total insurance service result	**54,265**	**(1,136)**	**11,934**	**(3,708)**	**-**	**61,354**
Changes that relate to past service						
Adjustments to the liability for incurred claims**	(1,807)	(592)	-	-	-	(2,399)
Total changes that relate to past service	**(1,807)**	**(592)**	**-**	**-**	**-**	**(2,399)**
Total Insurance Service Result	**52,458**	**(1,728)**	**11,934**	**(3,708)**	**-**	**58,956**

8. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

B. Life insurance - Net insurance contract liability breakdown (continued)

The following table shows the reconciliation from the opening to the closing balances for contracts measured using GMM, for the net insurance contract liability analysed by components:

For the year ended 31 December 2024			Contractual service margin (CSM)			
For contracts measured under the general measurement model (GMM) only.	**PV of Future Cash Flows**	**RA Non-financial Risk**	**New Business and Contracts Measured under FRA**	**Contracts Measured under FVA**	**Assets for Insurance Acquisition CF**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
Insurance finance expense						
Finance Expense from Insurance Contracts Issued	(891)	-	(4,939)	(453)	-	(6,283)
Total Amounts Recognised in Comprehensive Income	**51,567**	**(1,728)**	**6,995**	**(4,161)**	**-**	**52,673**
Allocation from Assets for Insurance Acquisition Cash Flow to Groups of Insurance Contracts						
Allocation from Assets for Insurance Acquisition Cash Flow to Groups of Insurance Contracts	52,640	-	-	-	(52,640)	-
Total Allocation from Assets for Insurance Acquisition Cash Flow to Groups	**52,640**	**-**	**-**	**-**	**(52,640)**	**-**
Cash flows						
Premiums received	(346,794)	-	-	-	-	(346,794)
Claims and Other Directly Attributable Expenses Paid	208,909	-	-	-	-	208,909
Insurance acquisition cash flows	15,713	-	-	-	79,313	95,026
Total cash flows	**(122,172)**	**-**	**-**	**-**	**79,313**	**(42,859)**
Net closing balance						
Closing insurance contract assets (GMM)	(28,693)	(3,199)	(39,087)	-	761,124	690,145
Closing insurance contract liabilities (GMM)	(18,747)	(43,102)	(9,639)	(24,351)	-	(95,838)
Total net closing balance	**(47,440)**	**(46,301)**	**(48,726)**	**(24,351)**	**761,124**	**594,306**

** Presentation has been reclassified by $27.2m for consistency with current year presentation with net nil impact.

8. INSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

C. Life insurance – Analysis of insurance contracts initially recognised *

The following table provides an analysis of insurance contracts initially recognised in the period:

	2025		2024	
	Profitable	Onerous	Profitable	Onerous
Insurance Contracts	**$000**	**$000**	**$000**	**$000**
Estimates of PV of Future Cash Outflows				
Insurance acquisition cash flows	(54,626)	(20,975)	(56,848)	(3,469)
Claims and Other Directly Attributable Expenses	(327,642)	(60,811)	(164,019)	(26,499)
Total Estimates of PV of Future Cash Outflows	**(382,268)**	**(81,786)**	**(220,867)**	**(29,968)**
Estimates of PV of Future Cash Inflows				
Total Estimates of PV Future Cash Inflows	525,266	72,388	315,939	25,111
Total Estimates of PV Future Cash Inflows	**525,266**	**72,388**	**315,939**	**25,111**
Risk Adjustment				
Risk Adjustment for Non-Financial Risk	(13,464)	(5,014)	(6,030)	(869)
Total Risk Adjustment	**(13,464)**	**(5,014)**	**(6,030)**	**(869)**
Contractual Service Margin				
CSM	(129,907)	(494)	(89,833)	-
Total Contractual Service Margin	**(129,907)**	**(494)**	**(89,833)**	**-**
Increase in Insurance Liabilities from Contracts Recognised in the Period	**(373)**	**(14,906)**	**(791)**	**(5,726)**

*Certain line items have been impacted by a significant transaction with Foundation Life during the year. Refer to Note 2

D. ASSET FOR INSURANCE ACQUISITION CASH FLOWS

The following table shows the expected timing of derecognition of assets for insurance acquisition cash flows and included in the measurement of the group of insurance contracts they will be allocated to:

	31 Dec 2025		31 Dec 2024	
	Life contracts	Total	Life contracts	Total
	$000	$000	$000	$000
Within 1 year	43,512	**43,512**	42,457	**42,457**
In 1-5 years	152,627	**152,627**	147,342	**147,342**
In 5-10 years	156,145	**156,145**	148,944	**148,944**
Beyond 10 years	451,758	**451,758**	429,088	**429,088**
Total	804,042	**804,042**	**767,831**	**767,831**

9. REINSURANCE CONTRACT ASSETS AND LIABILITIES

A. Life insurance – Reconciliation of the opening to closing balances of the net assets for the remaining coverage and the assets for incurred claims recoverable from reinsurance

For the year ended 31 December 2025

	Assets for remaining coverage		Recoveries on incurred claims under PAA			
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment	Recoveries on incurred claims not under PAA	Total
	$000	$000	$000	$000	$000	$000
Net opening balance						
Opening reinsurance contract assets	(5,030)	4,722	-	-	31,801	31,493
Opening reinsurance contract liabilities	(51,640)	244	-	-	8,077	(43,320)
Total net opening balance	**(56,671)**	**4,966**	**-**	**-**	**39,878**	**(11,827)**
Net (expense)/income from reinsurance contracts held						
Allocation of reinsurance premiums paid	(47,594)	-	-	-	-	(47,594)
Recoveries of incurred claims and other insurance service expenses	-	(852)	(1)	-	45,470	44,617
Change relating to past service - adjustment to recoveries of incurred claims	-	-	-	-	(1,181)	(1,181)
Recoveries and reversals of recoveries of underlying losses	-	1,263	-	-	-	1,263
Changes in the risk of reinsurances non-performance	492	-	-	-	13	506
Total net (expense)/ income from reinsurance contracts held	**(47,102)**	**412**	**(1)**	**-**	**44,302**	**(2,389)**
Reinsurance finance income						
Interest accreted and effect of movements in exchange rates	5,309	187	-	-	(93)	5,404
Total reinsurance finance income	**5,309**	**187**	**-**	**-**	**(93)**	**5,404**
Total changes in the Statement of Comprehensive Income	(41,793)	599	(1)	-	44,209	3,015
Cash Flows						
Premiums paid net of ceding commissions and other directly attributable expenses paid	51,040	-	-	-	-	51,040
Recoveries from reinsurance	-	-	-	-	(39,530)	(39,530)
Total Cash Flows	51,040	-	-	-	(39,530)	11,510
Net closing balance						
Closing reinsurance contract assets	(639)	5,562	-	-	33,873	38,796
Closing reinsurance contract liabilities	(46,784)	3	(1)	-	10,684	(36,098)
Total net closing balance	**(47,423)**	**5,565**	**(1)**	**-**	**44,557**	**2,698**

9. REINSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

A. Life insurance – Reconciliation of the remaining coverage and assets for incurred claims recoverable from reinsurance (continued)

For the year ended 31 December 2024

	Assets for remaining coverage		Recoveries on incurred claims under PAA			
	Excluding loss recovery component	Loss recovery component	Present value of future cash flows	Risk adjustment	Recoveries on incurred claims not under PAA	Total
	$000	$000	$000	$000	$000	$000
Net opening balance						
Opening reinsurance contract assets	(1,185)	78	4	-	25,446	24,343
Opening reinsurance contract liabilities	(50,214)	2,557	-	-	11,708	(35,949)
Total net opening balance	**(51,399)**	**2,635**	**4**	**0**	**37,154**	**(11,606)**
Net income/ (expense) from reinsurance contracts held						
Allocation of reinsurance premiums paid	(44,121)	-	-	-	-	(44,121)
Recoveries of incurred claims and other insurance service expenses	-	(1,430)	(3)	(0)	40,651	39,218
Change relating to past service - adjustment to recoveries of incurred claims	-	-	-	-	1,958	1,958
Recoveries and reversals of recoveries of underlying losses	-	3,608	-	-	-	3,608
Changes in the risk of reinsurances non-performance	651	-	-	-	(5)	646
Total net income/ (expenses) from reinsurance contracts held	**(43,470)**	**2,178**	**(3)**	**(0)**	**42,604**	**1,310**
Reinsurance finance expense						
Interest accreted and effect of movements in exchange rates	(15,418)	153	-	-	946	(14,319)
Total reinsurance finance expense	**(15,418)**	**153**	**-**	**-**	**946**	**(14,319)**
Total changes in the Statement of Comprehensive Income	**(58,888)**	**2,332**	**(3)**	**-**	**43,550**	**(13,009)**
Cash Flows						
Premiums paid net of ceding commissions and other directly attributable expenses paid	54,244	-	-	-	-	54,244
Recoveries from reinsurance	-	-	(1)	-	(41,456)	(41,456)
Total Cash Flows	**54,244**	**-**	**(1)**	**-**	**(41,456)**	**12,788**
Net closing balance						
Closing reinsurance contract assets	(5,030)	4,722	-	-	31,801	31,493
Closing reinsurance contract liabilities	(51,012)	244	-	-	7,447	(43,320)
Total net closing balance	**(56,043)**	**4,966**	**-**	**-**	**39,248**	**(11,827)**

9. REINSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

B. Life insurance – Closing balances of the net assets for reinsurance contracts held analysed by components.

The following table shows the reconciliation from the opening to the closing balances for reinsurance contracts measured using GMM, for net insurance contract liability analysed by components:

For the year ended 31 December 2025			Contractual service margin (CSM)		
For reinsurance contracts held and measured under the general measurement model (GMM) only	**Present value of future cash flows**	**Risk adjustment for non- financial risk**	**New Business and Contracts Measured Under FRA**	**Contracts Measured under FVA**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**
Net opening balance					
Opening reinsurance contract assets (GMM)	(10,913)	14,768	16,607	11,032	31,494
Opening reinsurance contract liabilities (GMM)	(131,116)	55,961	19,905	11,929	(43,321)
Total net opening balance	**(142,029)**	**70,729**	**36,512**	**22,961**	**(11,827)**
Changes that relate to current service					
CSM recognised in Profit or Loss for Services provided	-	-	(1,498)	(1,379)	(2,877)
Change in RA for Non-Financial Risk Expired	-	(3,916)	-	-	(3,916)
Experience adjustments	4,010	-	-	-	4,010
Total changes that relate to current service	**4,010**	**(3,916)**	**(1,498)**	**(1,379)**	**(2,783)**
Changes that relate to future service					
Changes in Estimates that adjust the CSM	(27,260)	373	11,185	15,702	-
Contracts Initially Recognised in the Period	(23,746)	9,587	14,159	-	-
Changes in Recoveries of Losses on Onerous Underlying Contracts that adjust CSM	-	-	2,419	(1,155)	1,264
Total Changes that Relate to Future Service	**(51,006)**	**9,960**	**27,763**	**14,547**	**1,264**
Changes that relate to past service					
Adjustments to the Liability for Incurred Claims	(1,338)	158	-	-	(1,181)
Effect of Changes in the Risk of Reinsurers Non-Performance	506	-	-	-	506
Total changes that relate to past service	**(832)**	**158**	**-**	**-**	**(675)**
Total Net (expense) / income from reinsurance contracts held	**(47,828)**	**6,202**	**26,265**	**13,168**	**(2,194)**

9. REINSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

B. Life insurance – Closing balances of the net assets for reinsurance contracts held analysed by components (continued)

For the year ended 31 December 2025			Contractual service margin (CSM)		
For reinsurance contracts held and measured under the general measurement model (GMM) only.	Present value of future cash flows	Risk adjustment for non- financial risk	New Business and Contracts Measured Under FRA	Contracts Measured under FVA	Total
	$000	$000	$000	$000	$000
Insurance Finance income					
Finance income from reinsurance contracts issued	3,124	-	1,898	381	5,403
Total Insurance Finance income	**3,124**	**-**	**1,898**	**381**	**5,403**
Total Amounts Recognised in Comprehensive Income	**(44,704)**	**6,202**	**28,163**	**13,549**	**3,209**
Cash flows					
Premiums paid net of ceding commissions and other DAC paid	50,845	-	-	-	50,845
Recoveries from reinsurance	(39,530)	-	-	-	(39,530)
Total Cash Flows	**11,315**	**-**	**-**	**-**	**11,315**
Net closing balance					
Closing reinsurance contract assets (GMM)	(20,429)	17,496	28,584	13,145	38,796
Closing reinsurance contract liabilities (GMM)	(154,990)	59,436	36,092	23,364	(36,098)
Total net closing balance	**(175,419)**	**76,932**	**64,676**	**36,509**	**2,698**

9. REINSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

B. Life insurance – Closing balances of the net assets for reinsurance contracts held analysed by components (Continued)

The following table shows the reconciliation from the opening to the closing balances for reinsurance contracts measured using GMM, for net insurance contract liability analysed by components:

For the year ended 31 December 2024			Contractual service margin (CSM)		
For reinsurance contracts held and measured under the general measurement model (GMM) only.	**Present value of future cash flows**	**Risk adjustment for non- financial risk**	**New Business and Contracts Measured Under FRA**	**Contracts Measured under FVA**	**Total**
	$000	**$000**	**$000**	**$000**	**$000**
Net opening balance					
Opening reinsurance contract assets (GMM)	1,080	5,336	9,143	8,780	24,339
Opening reinsurance contract liabilities (GMM)	(162,828)	63,966	20,965	41,948	(35,949)
Total net opening balance	**(161,748)**	**69,302**	**30,108**	**50,728**	**(11,610)**
Changes that relate to current service					
CSM recognised in Profit or Loss for Services provided	-	-	(1,259)	(1,458)	(2,717)
Change in RA for Non-Financial Risk Expired	-	(2,737)	-	-	(2,737)
Experience adjustments	3,818	-	-	-	3,818
Total changes that relate to current service	**3,818**	**(2,737)**	**(1,259)**	**(1,458)**	**(1,636)**
Changes that relate to future service					
Changes in Estimates that adjust the CSM	42,540	(3,092)	(9,810)	(29,638)	-
Contracts Initially Recognised in the Period	(21,726)	7,256	14,470	-	-
Changes in Recoveries of Losses on Onerous Underlying Contracts that adjust CSM	-	-	1,305	2,303	3,608
Total Changes that Relate to Future Service	**20,814**	**4,164**	**5,965**	**(27,335)**	**3,608**
Changes that relate to past service					
Adjustments to the Liability for Incurred Claims	(60)	90	-	-	30
Effect of Changes in the Risk of Reinsurers Non-Performance	647	-	-	-	647
Total changes that relate to past service	**587**	**90**	**-**	**-**	**677**
Total Net income/ (expense) from reinsurance contracts held	**25,219**	**1,517**	**4,707**	**(28,793)**	**2,649**

9. REINSURANCE CONTRACT ASSETS AND LIABILITIES (CONTINUED)

B. Life insurance – Closing balances of the net assets for reinsurance contracts held analysed by components (Continued)

For the year ended 31 December 2024			Contractual service margin (CSM)		
For reinsurance contracts held and measured under the general measurement model (GMM) only.	Present value of future cash flows	Risk adjustment for non- financial risk	New Business and Contracts Measured Under FRA	Contracts Measured under FVA	Total
	$000	$000	$000	$000	$000
Insurance Finance Expense					
Finance expense from reinsurance contracts issued	(17,042)	-	1,697	1,026	(14,319)
Total Insurance Finance Expense	**(17,042)**	**-**	**1,697**	**1,026**	**(14,319)**
Total Amounts Recognised in Comprehensive Income	**8,177**	**1,517**	**6,404**	**(27,767)**	**(11,669)**
Cash flows					
Premiums paid net of ceding commissions and other DAC paid	**52,908**	**-**	**-**	**-**	52,908
Recoveries from reinsurance	**(41,456)**	**-**	**-**	**-**	(41,456)
Total Cash Flows	**11,453**	**-**	**-**	**-**	**11,453**
Net closing balance					
Closing reinsurance contract assets (GMM)	**(10,913)**	**14,768**	**16,607**	**11,032**	31,493
Closing reinsurance contract liabilities (GMM)	**(131,206)**	**56,051**	**19,906**	**11,929**	(43,320)
Total net closing balance	**(142,119)**	**70,819**	**36,512**	**22,961**	**(11,827)**

C. Life insurance – Analysis of reinsurance contracts initially recognised in the period.

	For the 12 months ended 31 December 2025			For the 12 months ended 31 December 2024		
	Reinsurance contracts held			Reinsurance contracts held		
	Net Cost Contracts Originated	Net Gain Contracts Originated	Total	Net Cost Contracts Originated	Net Gain Contracts Originated	Total
Reinsurance Contracts Held	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Estimates of PV Future Cash Inflows	-	61,999	61,999	-	49,938	49,938
Estimates of PV Future Cash Outflows	-	(85,745)	(85,745)	-	(71,664)	(71,664)
Risk Adjustment for Non-Financial Risk	-	9,587	9,587	-	7,256	7,256
CSM	-	14,159	14,159	-	14,470	14,470
Total net closing balance	**-**	**-**	**-**	**-**	**-**	**-**

10. TAXATION

Reconciliation of the prima facie income tax payable on profit	2025 $000	2024 $000
Profit before income tax	**67,136**	**33,571**
Prima facie income tax at 28%	18,798	9,400
Effect of pre-2010 life tax regime	(260)	(430)
Other tax permanent difference	(349)	690
Non-deductible policyholder income and expenses	(287)	(374)
De-recognition of tax losses	7	54
Income tax (over) / under provided in prior years	277	(327)
Total income tax expense	**18,186**	**9,013**
Total income tax expense comprises:		
Current tax	809	1,001
Deferred tax	17,377	8,012
Total income tax expense	**18,186**	**9,013**

31 December 2025	Opening Balance $000	Movement charged to P&L $000	Closing Balance $000
Deferred tax assets			
Available tax losses	6	(6)	-
Lease liability	288	1,885	**2,173**
Other provisions and accruals	4,089	1,249	**5,338**
Total deferred tax assets	**4,383**	**3,128**	**7,511**
Deferred tax liabilities			
Life insurance contracts	(199,935)	(18,812)	(218,747)
Right of Use asset	(248)	(1,693)	(1,941)
Total deferred tax liabilities	**(200,183)**	**(20,505)**	**(220,688)**

Effective 1 April 2024, the Company formed a consolidated imputation group with its related company, Chubb Insurance New Zealand Limited (CINZ). At 31 December 2025, total imputation credits available to the consolidated imputation group were $77.6m (2024: $80.8m), comprising $51.1m (2024: $80.8m) of credits held by CINZ (which remain in that entity but are available to the consolidated imputation group subject to the requirements of the tax legislation) and $26.5m (2024: $nil) in the consolidated imputation group's ICA.

The Company is part of a Group that is subject to the Organisation for Economic Co-operation and Development's (OECD) Global Anti-Base Erosion (GloBE) rules under Pillar Two, which implement domestic minimum top-up taxes. The Company applies the exception to recognising any deferred tax (if any) related to Pillar Two income taxes.

10. TAXATION (Continued)

31 December 2024	Opening Balance $000	Movement charged to P&L $000	Closing Balance $000
Deferred tax assets			
Available tax losses	65	(59)	6
Lease liability	693	(405)	288
Other provisions and accruals	5,928	(1,839)	4,089
Total deferred tax assets	**6,686**	**(2,303)**	**4,383**
Deferred tax liabilities			
Life insurance contracts	(193,845)	(6,090)	(199,935)
Right of Use asset	(565)	317	(248)
ANZ Contribution to intangible assets	(64)	64	-
Total deferred tax liabilities	**(194,474)**	**(5,709)**	**(200,183)**

Current tax is calculated in respect of the taxable profit or loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted by balance date. Current tax is recognised as a liability (or asset) to the extent that it is unpaid (or refundable).

Deferred Tax

Deferred tax assets are recognised to the extent that it is probable that profits will be available against which deductible temporary differences or unused tax losses can be utilised.

11. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash at banks and short-term deposits with a maturity on initial recognition of three months or less, which are subject to an insignificant risk of changes in value.

12. FINANCIAL ASSETS (AT FAIR VALUE THROUGH PROFIT OR LOSS)

	2025			2024		
	Level 1 $000	Level 2 $000	Level 3 $000	Level 1 $000	Level 2 $000	Level 3 $000
NZ Government Bonds	-	252,065	-	-	108,882	-
NZ Corporate Bonds	-	120,288	-	-	63,406	-
European Corporate Bonds	-	9,917	-	-	9,658	-
NZ Managed Funds	-	1,610	-	-	1,496	-
Total Financial Assets at Fair Value	**-**	**383,880**	**-**	**-**	**183,442**	**-**

Financial assets at fair value through profit or loss primarily relates to government and corporate bonds. The financial assets are designated at inception as at fair value through profit or loss and any subsequent changes in fair value is recognised in the profit or loss.

Fair Value Hierarchy

The table above analyses financial instruments carried at fair value, by valuation method. The different levels have been defined and measured as follows:

Level 1 – The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Company is the current bid price.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).

Level 3 – If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

13. FINANCIAL INSTRUMENTS

As at 31 December 2025	Amortised cost $000	Designated at FV through P&L $000	Financial liabilities at amortised cost $000	Total $000
Cash and cash equivalents	22,194	-	-	**22,194**
Financial assets held at fair value through profit or loss	-	383,880	-	**383,880**
Other receivables (excl. prepayments)	3,283	-	-	**3,283**
Accounts payable	-	-	(11,650)	**(11,650)**
Employee entitlements (excl. AL & LSL**)	-	-	(8,898)	**(8,898)**
Other liabilities	-	-	(4,981)	**(4,981)**
Lease liabilities	-	-	(7,761)	**(7,761)**
Total	**25,477**	**383,880**	**(33,290)**	**376,067**

** Annual leave and long service leave liabilities

As at 31 December 2024	Amortised cost $000	Designated at FV through P&L $000	Financial liabilities at amortised cost $000	Total $000
Cash and cash equivalents	37,883	-	-	**37,883**
Financial assets held at fair value through profit or loss	-	183,442	-	**183,442**
Other receivables (excl. prepayments)	2,322	-	-	**2,322**
Accounts payable	-	-	(8,486)	**(8,486)**
Employee entitlements (excl. AL & LSL**)	-	-	(8,135)	**(8,135)**
Other liabilities	-	-	(7,234)	**(7,234)**
Lease liabilities	-	-	(1,027)	**(1,027)**
Total	**40,205**	**183,442**	**(24,882)**	**198,765**

** Annual leave and long service leave liabilities

The Company has determined that financial assets are all assets held backing life insurance contracts. Such assets have been divided into two different categories: amortised cost and fair value through profit or loss. All financial liabilities are measured at amortised cost except for investments which are measured at fair value.

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Company commits to purchase or sell the asset.

Impairment

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

14. OTHER ASSETS

	2025 $000	2024 $000
Sundry debtors	719	671
Accrued interest income	2,564	1,651
Prepayments	4,710	4,843
Total other receivables	**7,993**	**7,165**

Other receivables are short term in nature and are expected to be collected within 12 months.

15. RIGHT-OF-USE ASSETS / LEASE LIABILITIES

	Right-of-use Assets				Lease Liabilities
31 December 2025	**Buildings $000**	**Motor Vehicles $000**	**Photo-copiers $000**	**Total $000**	**Total $000**
Opening Balance	780	103	-	884	1,027
Additions	6,759	883	-	7,642	7,644
Depreciation expense	(1,254)	(335)	-	(1,589)	-
Interest expense	-	-	-	-	325
Payments	-	-	-	-	(1,235)
Closing Balance	**6,285**	**651**	**-**	**6,937**	**7,761**

	Right-of-use Assets				Lease Liabilities
31 December 2024	**Buildings $000**	**Motor Vehicles $000**	**Photo-copiers $000**	**Total $000**	**Total $000**
Opening Balance	1,833	183	-	2,016	2,474
Additions	-	-	-	-	-
Depreciation expense	(1,053)	(79)	-	(1,132)	-
Interest expense	-	-	-	-	62
Payments	-	-	-	-	(1,508)
Closing Balance	**780**	**104**	**-**	**884**	**1,027**

15. RIGHT-OF-USE ASSETS / LEASE LIABILITIES (CONTINUED)

Right-of-use Assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term or a change in the in-substance fixed lease payments.

Lease liabilities	**2025 $000**	**2024 $000**
Current	1,282	698
Non-current	6,479	329
Total	**7,761**	**1,027**

Short-term Leases and Leases of Low-value Assets

The Company applies the short-term lease recognition exemption to its short-term leases of carparks and motor vehicles (i.e. those leases that have a lease term of 12 months or less and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to operating costs for building leases. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

The Company recognised rent expense from short-term leases of $126k (2024: $228k) and leases of low value assets of $396k (2024: $377k) for the financial year.

Lease Term of Contracts with Renewal Options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under some of its leases to lease the assets for additional terms of three to six years. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstance that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

At the start of the year the Company entered into a new 9-year lease agreement for the Company's Wellington office, located at Level 22, Majestic Centre, 100 Willis Street, Wellington. The lease commenced in February 2025 at which time a Lease Liability (and corresponding Right of Use asset) of $6.0m was recognised.

The Company also renewed in February 2025 the lease for the Christchurch office, located at the ANZ Centre, 127 Cashel Street, Christchurch for a further 6-year term. On renewal, a Lease Liability (and corresponding Right of Use asset) of $0.8m was recognised.

16. PROPERTY, PLANT AND EQUIPMENT

31 December 2025	Leasehold Assets $000	Office Equipment $000	Furniture & Fittings $000	Computer Equipment $000	Total $000
Opening Balance	2,988	10	549	856	4,403
Additions	1,761	144	308	457	2,670
Disposals	-	-	-	-	-
Depreciation charge	(335)	(53)	(137)	(909)	(1,434)
Closing Balance	**4,414**	**101**	**720**	**404**	**5,639**
Cost	6,780	269	1,690	3,466	12,205
Accumulated depreciation & impairment	(2,366)	(168)	(970)	(3,062)	(6,566)
Net Book Value	**4,414**	**101**	**720**	**404**	**5,639**

31 December 2024	Leasehold Assets $000	Office Equipment $000	Furniture & Fittings $000	Computer Equipment $000	Total $000
Opening Balance	823	16	659	1,201	2,699
Additions	2,400	7	-	676	3,083
Disposals	-	(3)	-	(9)	(12)
Depreciation charge	(235)	(10)	(110)	(1,012)	(1,367)
Closing Balance	**2,988**	**10**	**549**	**856**	**4,403**
Cost	5,019	125	1,382	3,007	9,533
Accumulated depreciation & impairment	(2,031)	(115)	(833)	(2,151)	(5,130)
Net Book Value	**2,988**	**10**	**549**	**856**	**4,403**

Depreciation is calculated using the straight-line method to allocate asset cost or revalued amounts, net of residual value over the estimated useful lives.

PP&E Category	Useful Life 2025	Useful Life 2024
Leasehold Assets	3-15 years	3-15 years
Office Equipment	2-8 years	2-8 years
Furniture & Fittings	9-16 years	9-16 years
Computer Equipment	1-5 years	1-5 years

17. INTANGIBLE ASSETS

31 December 2025	Goodwill $000	Computer Software $000	Total $000
Opening Balance	70,500	-	**70,500**
Additions	-	-	**-**
Disposals	-	-	**-**
Amortisation expense	-	-	**-**
Closing Balance	**70,500**	**-**	**70,500**
Cost	70,500	13,187	83,687
Accumulated amortisation & impairment	-	(13,187)	(13,187)
Net Book Value	**70,500**	**-**	**70,500**

31 December 2024	Goodwill $000	Computer Software $000	Total $000
Opening Balance	70,500	-	**70,500**
Additions	-	-	**-**
Disposals	-	-	**-**
Amortisation expense	-	-	**-**
Closing Balance	**70,500**	**-**	**70,500**
Cost	70,500	13,187	83,687
Accumulated amortisation & impairment	-	(13,187)	(13,187)
Net Book Value	**70,500**	**-**	**70,500**

Amortisation Methods and Useful Lives

Intangible assets with a limited useful life are amortised using the methods and rates as set out below:

Intangible Category	Amortisation Method	Useful Life 2025	Useful Life 2024
Computer Software	Straight-line	2-5 years	2-5 years

Goodwill

The carrying value of goodwill is subject to an annual impairment test to ensure that the current carrying value does not exceed its recoverable value at the statement of financial position date. Any excess of carrying value over recoverable amount is taken to the Statement of Comprehensive Income as an impairment.

Goodwill is allocated to cash-generating units (CGUs), which are the lowest level of assets for which separately identifiable cash flows can be attributed. Impairment testing of purchased goodwill is performed by comparing the recoverable value of the cash generating unit with the current carrying amount of goodwill. At year end the Company has one CGU in relation to the acquisition of OnePath Insurance Services (NZ) Limited in 2009.

The recoverable amount is based on value in use calculations. The appraisal value methodology employed in assessing excess market value over net tangible assets of the cash generating unit is deemed to be an appropriate proxy for determining value in use. These calculations use discounted expected future cash flow projections based on the in-force book of business sold pre acquisition (representing Value in Force). Cash flow projections cover a maximum period of 70 years, so that they are consistent with the actuarial model and assumptions used for the life insurance contract assets. Changes in the actuarial methods and assumptions impacting the value in use calculation and the associated sensitivities are disclosed in Note 7.

17. INTANGIBLE ASSETS (CONTINUED)

These cash flow projections are discounted at an annual rate of 9.0% (2024: 8.75%). The rate is based on the geographical discount rates applied to New Zealand by Chubb Group Holdings, adjusted to 31 December 2025 for movements in the illiquidity premium and cost of capital.

The sensitivity of the recoverable amount to change in assumptions has been tested by increasing the discount rate by 5% (2024: 5%). This change would not cause the recoverable amount to be less than the carrying value.

18. ACCOUNTS PAYABLE

	2025 $000	2024 $000
Sundry creditors and accruals	10,246	6,877
Commission payable to agents	1,404	1,610
Total accounts payable	**11,650**	**8,487**

Payables have an expected settlement date of less than 12 months.

19. EMPLOYEE ENTITLEMENTS

	2025 $000	2024 $000
Annual leave	2,928	3,309
Long service leave	1,603	1,634
Accrued Bonus	5,316	5,146
Other	3,582	2,989
Total employee entitlements	**13,429**	**13,078**

20. OTHER LIABILITIES

	2025 $000	2024 $000
Amounts due to related parties	4,502	6,729
Other Liabilities	1,591	919
Total Other Liabilities	**6,093**	**7,648**

21. SOLVENCY MARGIN

The Company maintains a solvency margin for its Statutory fund and the entity as a whole, which is calculated as the difference between Solvency Capital and the Prescribed Capital Requirement, as shown below. The methodology and bases for determining the solvency margin are in accordance with the Interim Solvency Standard 2023 issued by the Reserve Bank of New Zealand as amended, with the relevant standard at the time of computation applied. The Solvency Margin for each fund exceeds the Reserve Bank minimum requirements and the Company's intended target surplus.

	2025 Statutory fund $000	2025 Total $000	2024 Statutory Fund $000	2024 Total $000
Solvency				
Solvency Capital	1,279,884	**1,305,130**	1,073,607	**1,094,258**
Prescribed Capital Requirement	1,216,658	**1,225,287**	1,001,697	**1,008,945**
Solvency Margin	**63,227**	**79,843**	**71,910**	**85,313**
Solvency Ratio	**105%**	**107%**	**107%**	**109%**

22. FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives

Financial instruments are fundamental to the Company's business, constituting the core element of its operations. Accordingly, the risk associated with financial instruments are a significant component of the risks faced by the Company. Financial instruments create, modify or reduce the credit risks, market risks (including traded or fair value risks and non-traded or interest and foreign currency related risks) and liquidity risks of the Company's balance sheet. These risks and the Company's policies and objectives for managing such risk are outlined below. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company. The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

Risk Management Policies and Objectives

The financial condition and operating results of the Company are affected by a number of key financial and non-financial risks. Financial risks include interest rate risk, currency risk, credit risk, market risk, financing risk and liquidity risk. The non-financial risks are insurance risk, compliance risk and operational risk.

a) Risk Management Objectives And Policies For Mitigating Risk

The Company's objective is to satisfactorily manage the risks in line with the Company's Risk and Compliance Management Framework, the relevant details of which are included below.

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Framework For Managing Risk

Risk Framework

The Company has adopted a Risk and Compliance Management Framework that supports it to manage its risks effectively, including financial risk. The Framework involves the identification of risks by type, impact and likelihood, the determination of a risk appetite for each relevant risk, the implementation of processes and controls to mitigate the risks (in accordance with its appetite), and continuous monitoring and improvement of procedures in place to minimize the chance of an adverse compliance or operational risk event occurring. This incorporates processes for underwriting and product pricing to ensure products are appropriately priced, to ensure that the risks underwritten satisfy policyholders' risk and reward objectives, whilst not adversely affecting the Company's ability to pay benefits and claims when due.

Allocation of Capital

The Company is required to hold a certain level of assets (capital) in order to prudently meet its liabilities to policyholders, fulfil its new business plans and meet regulatory capital requirements. Capital is held partly in the Statutory Fund based on management's assessment of the risk that each line of business is exposed to, and its views on the profitability of the products that are sold, on the regulatory capital requirements and its own views about a suitable margin above the regulatory requirement. At no stage during the year was the Company in breach of the minimum solvency capital requirements. Refer Note 21 for disclosures on the Company's solvency requirements and margins.

c) Methods to Monitor and Assess Risk Exposures

Exposure to Risk

In an effort to protect and enhance shareholder value, the Company actively manages its exposure to risks so that it can react in a timely manner to changes in financial markets, insurance cycles, and economic and political environments.

Management Reporting

The Company reports financial and operational results, mortality and morbidity experience, claims frequency and severity, and exposure for each portfolio of contracts (gross and net of reinsurance) to the Board and to Chubb Life's Regional Management Team.

d) Methods to Limit or Transfer Risk Exposure

Reinsurance

The Company's reinsurance activities and needs are monitored and directed by the Board, based upon recommendations from the Appointed Actuary. The Appointed Actuary can call on the support of Chubb Life's Reinsurance and Underwriting Department based in the United States. Reinsurance programmes are put in place to mitigate the impact on the Company's exposure to risk and to ensure the achievement of an appropriate choice of type of reinsurance and retention levels.

Underwriting Procedures

Strategic underwriting decisions are put into effect using the underwriting procedures detailed in the Company's underwriting manual. Such procedures include limits to delegated authorities and signing powers. The underwriting process is monitored by the internal quality control personnel to ensure adequate controls are in place over the underwriting process and that the controls are effective.

Claims Management

Strict claims management procedures ensure the timely and correct payment of claims in accordance with policy conditions.

Asset and Liability Management Techniques

Duration analysis is primarily used for interest-sensitive products and policies with long-term fixed pay out patterns. Sensitivity analyses help to indicate how certain market fluctuation scenarios would affect future cash flows and fair values.

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

e) Concentration of Insurance Risk

Insurance Risks Associated With Human Life Events

The Company aims to maintain an appropriate solvency margin in excess of the minimum requirements for any given in force business mix. The Company determines insurance risk concentrations based on the levels of sum assured as well as age and gender profiling of the policyholders. The Company uses reinsurance to manage the impact of insurance risk concentrations.

Financing and Liquidity Risk

Financing and liquidity risk is the risk that the Company will not be able to meet its cash outflows, as they fall due, because of lack of liquid assets or access to funding on acceptable terms.

To mitigate financing and liquidity risk the Company maintains sufficient liquid assets to ensure that the Company can meet its obligations and other cash outflows on a timely basis. The Company is required to monitor its own liquidity position and reports regularly to the Board of Directors its liquidity ratio.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have approved and monitor an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding management requirements.

The carrying amount of financial assets and liabilities recorded in the financial statements represents their respective fair values unless otherwise noted, determined in accordance with the accounting policies disclosed in Note 13 Financial instruments.

Quantitative Liquidity Risk

The following table provides a maturity analysis of the Company's insurance and reinsurance contracts, which reflects the net cash flows of portfolios that are expected to occur. With the focus being on cash flow obligations this does not include risk adjustment, CSM or asset for IACF components. The view is that of cash outflows, i.e. a negative amount indicates a net cash inflow.

As at 31 December 2025 **Insurance Contract cash outflows ($'000)**	**Less than 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**Greater than 5 years**	**Total**
Insurance Contract Liabilities	4,072	953	2,502	2,666	3,460	188,948	202,601
Reinsurance Contract Liabilities	5,900	7,010	5,734	5,373	5,124	125,850	154,990
Total	**9,972**	**7,963**	**8,236**	**8,039**	**8,584**	**314,798**	**357,591**

The similar analysis as at the previous year end is as follows:

As at 31 December 2024 **Insurance Contract cash outflows ($'000)**	**Less than 1 year**	**1-2 years**	**2-3 years**	**3-4 years**	**4-5 years**	**Greater than 5 years**	**Total**
Insurance Contract Liabilities	(13,677)	(14,447)	(11,515)	(8,938)	(6,632)	74,548	19,339
Reinsurance Contract Liabilities	(3,756)	5,143	4,809	4,614	4,479	107,813	123,102
Total	**(17,433)**	**(9,304)**	**(6,705)**	**(4,324)**	**(2,154)**	**182,362**	**142,441**

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

The table below summarises the Company's financial liabilities into relevant maturity groups based on the remaining period at the balance date to the contractual maturity date.

As at 31 December 2025	Less than 1 year $000	1 Year and Greater $000	Total $000
Payables	11,650	-	**11,650**
Employee entitlements	7,850	1,048	**8,898**
Other liabilities	6,093	-	**6,093**
Lease liabilities	1,282	6,479	**7,761**
Total	**26,875**	**7,527**	**34,402**

As at 31 December 2024	Less than 1 year $000	1 Year and Greater $000	Total $000
Payables	8,486	-	**8,486**
Employee entitlements	6,799	1,336	**8,135**
Other liabilities	7,648	-	**7,648**
Lease liabilities	697	329	**1,027**
Total	**23,630**	**1,665**	**25,296**

Market Risk

Management of market risk is generally less critical for short-term insurance products, as the amounts and timing of claims do not vary significantly with interest rates or other market changes that affect the underlying investments. The premiums received and the investment returns (net investment income and realised gains and losses) provide substantial liquidity to meet claims payments and associated expenses as they arise. Consequently, there is greater flexibility in investment strategies for these short-term products.

Interest Rate Risk

Interest rate risk is the risk that the value of the Company's assets and liabilities will fluctuate due to changes in market interest rates. The Company is exposed to interest rate risk through its fixed interest investments, and cash holdings. The Company manages its exposure through the use of an experienced investment manager operating within the confines of a Board approved investment mandate. The Company's exposure to interest rate risk is shown by the below sensitivity analysis.

As at 31 December if interest rates on cash deposits and interest bearing investments had been 300 basis points higher or 300 basis points lower with all other variables held constant the impact on post tax profits and equity would have been as follows:

Effect on profit and equity	2025 +300bpts/(300 bpts) $000	2024 +300bpts/(300 bpts) $000
Cash and cash equivalents	479/(479)	818/(818)
Financial assets at fair value through profit or loss	8,292/(8,292)	3,962/(3,962)
Leases	18/(18)	3/(3)

Foreign Currency Risk

Currency risk is the risk of loss resulting from changes in exchange rates when applied to assets and liabilities or future transactions denominated in a currency that is not the Company's functional currency. The Company has no material exposure to any foreign currency risk and as such any sensitivity on the exposure is considered immaterial.

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

Exposure to Price Risk

Price risk is the risk of loss resulting from the decline in prices of equity securities or managed investment trusts. The Company is exposed to price risk because of its investments in managed investment trusts.

Price risk is managed by diversification of the Investment portfolio, which is done in accordance with the limits set by the investment mandates and monitored by the Company's internal Asset-Liability Committee and the Board of Directors.

As at 31 December if prices were to increase or decrease by 10% with all other variables held constant the impact on post tax profits and equity would have been as follows:

Effect on profit and equity	2025 +10%/(10%) $000	2024 +10%/(10%) $000
Equity securities	161/(161)	150/(150)

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit Risk Exposure

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults. Credit exposure in respect of the Company's cash deposit balances is limited to banks with minimum A credit ratings. Investments held with banks and financial institutions that are managed by investment managers have a minimum credit rating accepted by the Company of 'A-'. Independent ratings are used for customers that are rated by rating agencies. The Company's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties.

The maximum credit risk for financial assets is the carrying amount less, where applicable, any provision for impairment. With respect to credit risk arising from the other financial assets of the Company, which comprise cash and cash equivalents, term deposits, investment debtors, sundry debtors and related party loans and receivables, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. There are no significant concentrations of credit risk within the Company.

The amount that best represents the maximum exposure to credit risk at the end of the reporting period for reinsurance contracts held is the total amount of recoveries on incurred claims $45.0m (2024: $39.9m).

Credit risk in relation to insurance contracts arises from premiums receivable for services that the Company has already provided. The maximum exposure at the end of the reporting period is $5.8m (2024: $5.2m).

No financial assets are held as collateral, security or other credit enhancements.

f) Credit Quality Tables

The credit quality of financial assets that are neither past due nor impaired is assessed by reference to external credit ratings. The table below sets out the equivalent Standard and Poor's credit rating for cash and cash equivalents, short term investments, fixed interest securities, managed investment funds and other receivables designated at fair value through profit or loss.

	2025		2024	
Cash and cash equivalents	**%**	**$000**	**%**	**$000**
AAA	-	-	-	-
AA+	-	-	-	-
AA	-	-	-	-
AA-	92.34%	20,492	97.52%	36,943
A+	-	-	-	-
A	7.66%	1,702	2.48%	940
A-	-	-	-	-
Total cash and cash equivalents	**100.00%**	**22,194**	**100.00%**	**37,883**

	2025		2024	
Financial assets at FV through P&L – fixed interest	**%**	**$000**	**%**	**$000**
AAA	68.25%	261,983	64.62%	118,540
AA+	-	-	-	-
AA	5.45%	20,929	8.92%	16,372
AA-	14.20%	54,515	18.53%	33,991
A+	4.52%	17,351	1.60%	2,934
A	2.48%	9,516	4.02%	7,376
A-	3.26%	12,508	1.49%	2,732
No external rating	-	-	-	-
Total Fixed Interest	**98.16%**	**376,802**	**99.18%**	**181,945**
Managed investment funds				
No external rating	1.84%	7,078	0.82%	1,496
Total Financial Assets at FV Through P&L	**100.00%**	**383,880**	**100.00%**	**183,442**

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

	2025		2024	
Other receivables	**%**	**$000**	**%**	**$000**
AAA	19.82%	1,583	11.86%	850
AA+	-	-	-	-
AA	3.67%	294	3.38%	242
AA-	4.90%	392	7.03%	504
A+	2.13%	170	0.27%	19
A	0.65%	52	0.32%	23
A-	0.91%	73	0.18%	13
No external rating	67.92%	5,429	76.96%	5,514
Total other receivables	**100%**	**7,993**	**100.00%**	**7,165**

The financial strength ratings for the Company's major reinsurers are shown in the table below:

	2025		2024	
Counterparty	**Ratings Agency**	**Rating**	**Ratings Agency**	**Rating**
Swiss Reinsurance Co. Life & Health Australia Ltd	S&P	AA-	S&P	AA-
RGA Reinsurance Company of Australia Ltd	S&P	AA-	S&P	AA-
General Reinsurance Life Australia Ltd	S&P	AA+	S&P	AA+
Swiss Reinsurance Company Ltd, Hong Kong Branch	S&P	AA-	S&P	AA-
Hannover Life Reassurance of Australasia Ltd	S&P	AA-	S&P	AA-
SCOR Reinsurance Germany – Branch of SCOR SE	S&P	A+	S&P	A+
Axis Re SE	S&P	A+	S&P	A+
Partner Reinsurance Europe SE, Hong Kong Branch	S&P	A+	S&P	A+
Munich Reinsurance Co. of Australasia Ltd	S&P	AA-	S&P	AA-
Cigna Global Reinsurance Company Ltd	Not Rated	N/A	Not Rated	N/A
Chubb Tempest Reinsurance Ltd	S&P	AA	S&P	AA

23. CAPITAL COMMITMENTS

The Company has not committed to incurring any capital expenditure during the year.

24. RELATED PARTY INFORMATION

The Company is a wholly owned subsidiary of Chubb New Zealand Holdings Limited.

a) Key Management Personnel Compensation

	2025	2024
Compensation type	**$000**	**$000**
Salaries and other short-term benefits	4,286	4,098
Post-employment benefits	454	453
Termination benefits	587	546
Directors' fees	501	458
Total compensation	**5,828**	**5,555**

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise). The Company considers the Directors and Senior Leadership Team members as Key Management Personnel (KMP).

Chubb Limited global D&O Liability insurance policy costs in relation to the directors and officers (past and present) are not on-charged to the Company.

24. RELATED PARTY INFORMATION (CONTINUED)

In addition to benefits provided by the Company, the Company's ultimate parent, Chubb Limited, administers a Long-Term Incentive Scheme issuing various awards including stock options and restricted stock to local KMP and employees, and Chubb Limited then re-charges these costs to the Company. The costs for the year are included in the transactions with related parties disclosed in note 24(b). The costs of the restricted stock are on-charged to the Company on a vesting basis and are included as liabilities within the employee entitlement balance in Note 19 and the salaries and other short-term benefits in the table above.

The total costs for these in the current year was $319k (2024: $728k). The liability for these benefits at 31 December 2025 was $4,463k (2024: $3,769k), of which, $1,995k is related to KMP (2024: $1,676k).

b) Transactions with Related Parties

Related party	Nature of transactions	2025 $000	2024 $000
ACE American Insurance Co.	Recharge of goods and services	(121)	-
Chubb Group Holdings Inc.	Recharge of goods and services	(150)	(226)
Chubb New Zealand Holdings Ltd	Declared Dividend	(13,000)	(30,000)
Chubb New Zealand Holdings Ltd	Recharge of goods and services	70	-
Cover Direct Inc.	Recharge of goods and services	(228)	(6,653)
Chubb Ltd	Stock Option Recharge	(122)	(281)
Chubb Tempest Reinsurance Ltd	Reinsurance premiums payable	(664)	(535)
Chubb INA Holdings Ltd	Recharge for people costs	-	364
Chubb INA Holdings Ltd	Recharge of goods and services	331	(419)
Chubb Asia Pacific Pte Ltd	Recharge of goods and services	(587)	(526)
Chubb Life Asia Services Ltd	Recharge of goods and services	(8,962)	(5,079)
Chubb Life Asia Services Ltd	Recharge for people costs	393	1,250
Total		**(23,040)**	**(42,104)**

c) Related Party Payables (including accruals)

Related party	Nature of transactions	2025 $000	2024 $000
ACE American Insurance Co.	Recharge of goods and services	(394)	(274)
Chubb Group Holdings Inc	Recharge of goods and services	(416)	(266)
Cover Direct Inc.*	Recharge of goods and services	-	(1,643)
Chubb Ltd	Stock Option Recharge	(1,049)	(929)
Chubb Asia Pacific Pte. Ltd.	Recharge of goods and services	(44)	(15)
Chubb Life Asia Services Limited	Recharge of goods and services	(3,725)	(5,079)
Chubb INA Holdings Ltd	Recharge of goods and services	(87)	(419)
Chubb Tempest Reinsurance Ltd	Reinsurance premiums payable	(368)	(240)
Total		**(6,083)**	**(8,865)**

*The 2024 recharges from Cover Direct Inc were represented in Note 18 within Sundry creditors and accruals.

d) Related Party Receivables

Related party	Nature of transactions	2025 $000	2024 $000
Chubb INA Holdings Ltd	Recharge for people costs	-	364
Chubb Life Asia Services Limited	Recharge of goods and services	165	1,250
Chubb Life Asia Services Limited	Recharge for People Costs	48	-
Chubb New Zealand Holdings Ltd	Recharge of goods and services	70	-
Total		**283**	**1,614**

25. SUBSEQUENT EVENTS

On the 24th February 2026, the Company entered into a new lease agreement for the Company's Auckland office, located at 5-7 Byron Avenue, Takapuna, Auckland. The lease commences on 24 August 2026, for a term of seven years, with two options to renew for an additional 3 years each, and an initial annual rent of $534,000. The Company has committed to incurring capital expenditure of $1.8m in relation to the fit-out costs for the new office. The full financial impact of this lease will be reflected in the Company's financial statements for the period ending 31 December 2026.

There are no other events subsequent to balance date that require adjustment to, or disclosure in, these financial statements.

Chubb Life Insurance New Zealand Limited

Appointed Actuary's Report

For the year ended 31 December 2025

This Appointed Actuary's report under Section 78 of the Insurance (Prudential Supervision) Act 2010 (IPSA) is prepared in respect of the financial statements of Chubb Life Insurance New Zealand Limited (the Company) for the year ended 31 December 2025.

I have undertaken a review of the actuarial information (as defined in section 77(4) of IPSA) contained in, and used in the preparation of, the financial statements of the Company (the Financial Statements) as required under section 77(1) of IPSA.

My review has been carried out in accordance with the Interim Solvency Standard 2023 (with amendments which took effect from 1 August 2023 and 1 March 2025) issued by the Reserve Bank of New Zealand (the Solvency Standard), which is the solvency standard applicable to the Company under section 55 of IPSA, and with the New Zealand Society of Actuaries' Professional Standards.

In respect of my review, I confirm as follows:

(a) I, Lee-Ann du Toit (FNZSA and FASSA), am the Appointed Actuary for the Company under section 76(1) of IPSA, and that I have prepared this report.

(b) The work that I have done to review the actuarial information contained in, or used in the preparation of the Financial Statements, includes a review of:

- (i) Information relating to the Company's calculations of premiums, claims, reserves, dividends, insurance rates, and technical provisions (annuity rates are not applicable to the Company);
- (ii) Information relating to assessments of the probability of uncertain future events occurring and the financial implications for the Company if those events do occur;
- (iii) The specified actuarial information for the purposes of section 77(4)(c) of the Act relates to the licensed insurer and is as follows (to the extent that such information is required to be determined under NZ IFRS):
  - i. The liability for remaining coverage:
    - a. Central estimate of expected claims and recoveries.
    - b. Allowance for policy administration and claim-handling expenses.
    - c. The contractual service margin.
    - d. A risk adjustment.
    - e. Discounting as required.
  - ii. The liability for incurred claims:
    - a. Central estimate of expected claims and recoveries.
    - b. Allowance for claim-handling expenses.
    - c. A risk adjustment.
    - d. Discounting as required.
  - iii. The reinsurance liability for remaining coverage.
  - iv. The reinsurance liability for incurred claims.
  - v Any DAC or deferred fee revenue relevant to the liability for remaining coverage.
  - vi The policyholder share of the estate for participating life business.
  - vii. Results of any tests for onerousness, as detailed in NZ IFRS 17.

(c) Other than my relationship as Appointed Actuary, I am an employee of Chubb Life Insurance New Zealand Limited, receiving remuneration in the form of a fixed salary with eligibility for performance bonuses and other payments.

I have obtained all information and explanations that I have required in order to conduct my review under section 77 of IPSA. There were no limitations in the scope of my review, however I have relied on other qualified actuaries in my team particularly given that I am new in my role.

Chubb Life Insurance New Zealand Limited

Appointed Actuary's Report

For the year ended 31 December 2025

(d) I consider that in my opinion and from an actuarial perspective:

(i) The actuarial information contained in the Financial Statements has been appropriately included in the Financial Statements.

(ii) The actuarial information used in the preparation of the Financial Statements has been used appropriately.

(e) I consider that in my opinion and from an actuarial perspective, the Company, as at 31 December 2025 is maintaining a solvency margin that complies with that required under the Solvency Standard for the purposes of section 21(2)(b) of IPSA.

(f) I consider that in my opinion and from an actuarial perspective as at 31 December 2025 the Company is maintaining a solvency margin in its sole statutory fund that comply with those required under the Solvency Standard for the purposes of section 21(2)(c) of IPSA.

I have prepared, dated and signed this report solely in my capacity as the Company's Appointed Actuary under section 76(1) of IPSA. To the fullest extent permitted by law, I do not accept responsibility to anyone other than the Reserve Bank of New Zealand, the Company, its Board and shareholder for the contents of this report.

Lee-Ann du Toit, FNZSA and FASSA
Appointed Actuary
Chubb Life Insurance New Zealand Limited

Signed 16 April 2026

Independent auditor's report

To the shareholder of Chubb Life Insurance New Zealand Limited

Our opinion

In our opinion, the accompanying financial statements of Chubb Life Insurance New Zealand Limited (the Company), present fairly, in all material respects, the financial position of the Company as at 31 December 2025, its financial performance, and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2025;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

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

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+64 9 355 8000

Independence

We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board (PES 1) and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with PES 1 and the IESBA Code.

In our capacity as auditor and assurance practitioner, our firm also provides other assurance services. In addition, certain partners and employees of our firm may deal with the Company on normal terms within the ordinary course of trading activities of the business. The firm has no other relationship with, or interests in, the Company.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description of the key audit matter	How our audit addressed the key audit matter
Valuation of insurance and reinsurance contract assets and liabilities measured under General Measurement Model (GMM) As at 31 December 2025 the Company held: • Insurance contract assets (GMM): $729.8m (2024: $690.1m) • Insurance contract liabilities (GMM): $280.7m (2024: $95.8m) • Reinsurance contract assets (GMM): $38.8m (2024: $31.5m) • Reinsurance contract liabilities (GMM): $36.1m (2024: $43.3m) Refer to the following notes in the financial statements: • Notes 2, 6 and 7 for material accounting policies, estimates and judgements; • Notes 8 and 9 for the insurance and reinsurance contract assets and liabilities. There is inherent complexity and significant judgement in setting of actuarial assumptions and methodologies for the measurement of fulfilment cash flows and contractual service margin for insurance and reinsurance contracts measured under the GMM. Hence the valuation of these insurance and reinsurance contracts is considered a key audit matter.	Together with our actuarial experts, we have understood the components of the insurance and reinsurance contract assets and liabilities, and assessed the material movements in the components against our expectations of the impacts of the methodologies adopted and the assumptions applied by the Company.

Description of the key audit matter	How our audit addressed the key audit matter
Fulfilment Cash Flows (FCF) Valuation of FCF requires estimates of future cash flows, an adjustment to reflect the time value of money and the financial risk related to the future cash flows, to the extent that the financial risks are not included in the estimates of the future cash flows, and a risk adjustment for non-financial risk within the contract boundary. It involves the application of assumptions such as: mortality, morbidity, lapse rates, expenses, and interest rates used to determine discount rates. The calculations involve complex valuation methodologies and are subject to significant estimation uncertainty.	**FCF** In respect of the actuarial methodologies and assumptions used in the measurement of FCF, we: • understood and evaluated the effectiveness of the design and, where deemed appropriate, tested the operating effectiveness of the key controls in place over: the valuation methodologies, material model changes, the systems used and determination of the assumptions; • read the actuarial methodology documentation and assessed the appropriateness of the material changes by applying our industry knowledge and experience; • tested the implementation of the actuarial methodologies and the accuracy of the output from the actuarial models, on a sample basis, by using independent excel replica spreadsheets which calculate cash flow projections of individual policies over their determined contract boundaries from the models for both insurance and reinsurance contracts; • assessed the reasonableness of the closing balances of the insurance and reinsurance contract assets and liabilities, including loss components and CSM, by understanding and testing key movements in the insurance and reinsurance contract assets and liabilities; and • assessed the reasonableness of the assumptions used in the measurement of FCF by: – assessing the material changes of methodologies used to derive significant assumptions by applying our industry knowledge and experience; and – challenging the significant assumptions against past experience, market observable data (as applicable) and our experience of market practice.
Contractual Service Margin (CSM) The CSM of a group of contracts represents the unearned profit that the Company will recognise as it provides services under those contracts. The CSM is gradually released and recognised in profit or loss to reflect services provided in each year in line with the identified coverage units. The coverage units are measured as the total sum assured payable on the insured event.	**CSM** Our procedures over the CSM included: • assessing the release of CSM through the allocation to coverage units in respect to the services to be provided or received against our understanding of the product groups; and • assessing the methodology to determine the discount rates at initial recognition against market observable data and our experience of industry practice.
Insurance acquisition cash flows (IACF) asset The IACF asset (included within insurance contract assets) is $804.0m at 31 December 2025 (2024: $761.1m). The recoverability assessment over the IACF asset is a key area of judgement and it is subject to an annual impairment review to ensure that the current carrying value does not exceed its recoverable value at the statement of financial position date.	**IACF asset** Our procedures over the IACF asset included assessing the reasonableness of the recoverability assessment over the IACF asset against the requirements of the accounting standard NZ IFRS 17 Insurance Contracts, based on our knowledge of the Company's business.

Description of the key audit matter	How our audit addressed the key audit matter
Data There is inherent risk associated with the completeness and accuracy of policy and claims data used in the valuation given the granularity and changes to data required through the valuation process.	**Data** Our procedures included: • understanding and evaluating the design and testing of the operating effectiveness of key controls in place to ensure data integrity from policy administration systems and claim systems, into the actuarial models; and • testing, on a sample basis, the accuracy of the policy, claims and reinsurance attributes used within the actuarial models against the source systems and/or supporting documents.

Our audit approach

Overview

Materiality	Overall materiality: $3,624,000, which represents approximately 1% of Insurance service revenue. We chose insurance service revenue as the benchmark because, in our view, it is a key financial statements metric used in assessing the performance of the Company and is a generally accepted benchmark for life insurers. The application of approximately 1% is based on our professional judgement, noting that it is also within the range of commonly accepted revenue related thresholds.
Key audit matters	As reported above, we have one key audit matter, being: • Valuation of insurance and reinsurance contract assets and liabilities measured under GMM

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance about whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out above. These, together with qualitative considerations, helped us to determine the scope of our audit, the nature, timing and extent of our audit procedures, and to evaluate the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with NZ IFRS and IFRS Accounting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

https://www.xrb.govt.nz/assurance-standards/auditors-responsibilities/audit-report-2/

This description forms part of our auditor's report.

Who we report to

This report is made solely to the Company's shareholder. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholder, for our audit work, for this report, or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Vatsana (Vasana) Vanpraseuth.

For and on behalf of:

PricewaterhouseCoopers

PricewaterhouseCoopers Auckland
16 April 2026