NOBLEOAK

ANNUAL REPORT 2022

AUSTRALIA'S FASTEST-GROWING LIFE INSURER

NobleOak is an independent, Australian APRA-regulated life insurer. NobleOak has been protecting Australians for over 145 years with a core belief of treating others as we would like to be treated. We genuinely put the customer first and are proud to be Australia's most awarded Direct Life Insurer.

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NobleOak

A PROUD HISTORY

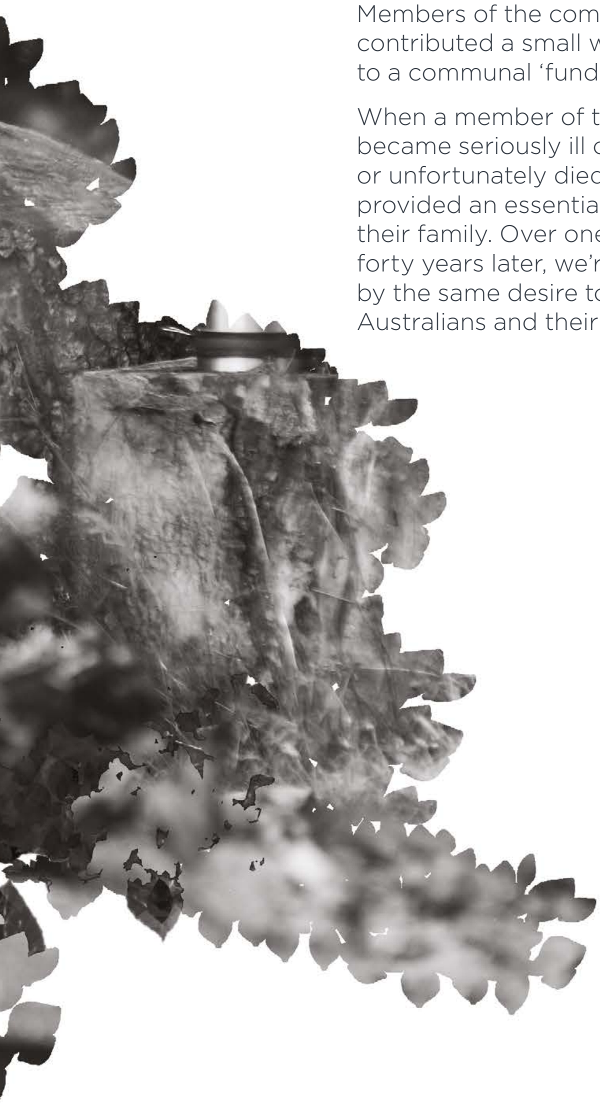
NobleOak traces its roots back to one of the first benevolent societies in Australia. These societies originated with a truly noble purpose – to help families when life threw its worst at them.

Members of the community each contributed a small weekly amount to a communal ‘fund’.

When a member of the community became seriously ill or injured, or unfortunately died, the fund provided an essential safety net for their family. Over one hundred and forty years later, we’re still driven by the same desire to help protect Australians and their families.

Today NobleOak is an award winning, digitally advanced, high growth life insurer, and challenger to the larger, more traditional incumbents – but our desire to look after and provide the best service to our customers remains.

In a world that often seems increasingly self-centred, buying Life Insurance to protect those that you love – when you ultimately won’t benefit – is a beautiful, selfless act.



FY22 PERFORMANCE HIGHLIGHTS

We are pleased to announce that we have delivered strong year-on-year growth and exceeded key FY22 Prospectus forecast measures.

In-force Premium[1]

$254.6m

+39.8% Growth vs. FY21
Exceeds Prospectus forecast of $233.4m by 9.1%

Insurance Premium Revenue

$248.4m

+46.2% Growth vs. FY21
Exceeds Prospectus forecast of $216.9m by 14.5%

Underlying NPAT[2]

$9.5m

+35.2% Growth vs. FY21
Exceeds Prospectus forecast of $9.0m by 4.9%

New Business

$60.9m

-11.7% Growth vs. FY21
> Below Prospectus forecast of $66.1m by 7.9%

No. of Active Policies[1]

$103k+

+33.4% Growth vs. FY21
Strong growth year on year

Note:

1. Excludes the Genus administration business.
2. Underlying NPAT was disclosed on a pro forma basis in the Prospectus to present the income statement for FY22 and prior periods on a comparable basis across historical and forecast periods. Note there was no pro-forma adjustment made to the FY22 Underlying NPAT. The $9.0m Prospectus FY22 forecast Underlying NPAT figure used to calculate growth in FY22 reflects Underlying NPAT excluding these pro forma adjustments and is directly comparable to the actual FY22 Underlying NPAT of $9.5m. A reconciliation between Statutory NPAT to Pro Forma Underlying NPAT is illustrated further on page 33.

DRIVING
GROWTH
AND CUSTOMER
SATISFACTION
FOR LONG-TERM
PERFORMANCE

We are very confident in the long-term prospects of the NobleOak Direct Channel, where our ambition is to be a leading challenger brand in the $11 billion Australian individual life risk market.

NOBLEOAK

LETTER FROM THE CHAIR

As Australia's fastest-growing life insurer, our strategy is working. We continue to take market share from the incumbents by investing in our platform and people, while building our brand.

Dear Shareholder,

On behalf of the Board of Directors, I am pleased to present NobleOak's 2022 Annual Report.

The Company's first full year as a listed company has been a successful one, having achieved strong financial results and made good strategic progress despite the ongoing challenges presented by COVID-19 and regulatory change in the Australian life insurance industry. It is particularly pleasing that in these challenging times we have still achieved our key Prospectus Forecasts for 2022.

As well as preparing the company for a successful IPO, our team under the leadership of Chief Executive Officer Anthony Brown, did an exceptional job to manage the impact of ongoing regulatory change. This included developing and rolling out new Individual Disability Income Insurance (IDII) products in time for the 1 October 2021 industry deadline set by APRA.

At the same time, they maintained the excellent customer service that has seen NobleOak win Plan for Life's Overall Direct Life Insurance Excellence Award for four years running, a tremendous effort that reflects the company's customer-centric culture.

Since the rollout of the new IDII products in October, the Australian life insurance market has been going through a period of significant adjustment. New business volumes across the market are down materially as insurers review their market positioning. This has also had a positive impact as customer switching activity has significantly reduced, resulting in lower industry wide lapse rates. The higher priced new products will also contribute to a more profitable life insurance industry in the future, benefiting all insurers, including NobleOak.

There are additional challenges in the advised market, where the number of advisers continues to decline following the Financial Services Royal Commission. While we believe the advised market has an important role to play for the industry and for NobleOak, we also believe that the diversification provided by our Direct Channel is an important differentiator.

We are confident in the long-term prospects of the NobleOak Direct Channel, where our ambition is to be a leading challenger brand in the $11 billion Australian individual life risk market. With our market share at around 2%, there is still a lot of room for growth.

As Australia's fastest-growing life insurer, our strategy is working. We continue to take market share from the incumbents by investing in our platform and people, while building our brand.

At our AGM last November, Emery Feyzeny retired from the Board of NobleOak after 10 years as a director, including 4 years as Deputy Chairman. Sarah Brennan subsequently joined the Board as a non-executive director, bringing 25 years' experience in financial services including life insurance. Sarah is a highly regarded executive and public company director and has already proven to be a fantastic addition to the Board.

Board renewal has been a priority for us as a listed company and we will continue to ensure that we have the right depth of skills and experience to deliver on our strategic objectives and ensure we maintain strong governance.

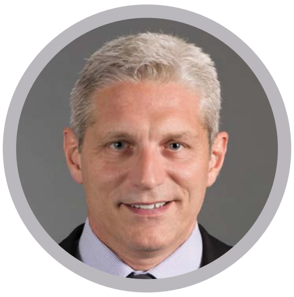
On behalf of my fellow directors, I would like to thank the NobleOak team for their hard work and results this year. Thanks also to you, our shareholders, for your continued support.

We believe NobleOak is well positioned for future growth and prosperity and look forward to another successful year ahead.

I look forward to seeing many of you at our AGM on Thursday 24 November.

Yours sincerely,

Stephen Harrison
Chair
NobleOak Life Limited



CHIEF EXECUTIVE'S REPORT

We continue to make excellent progress in executing our growth strategy across our strategic segments.

Dear Shareholder,

I am pleased to report a strong performance in FY22, as we navigated a challenging operating environment in our first year as a listed company.

It is easy to forget that as recently as February 2022, much of Australia's east coast was locked down due to the Omicron outbreak, with domestic borders closed and teams forced to work remotely. Against this backdrop, for the business to have remained operationally resilient and our teams to have minimised the impact on our customers is satisfying.

As a result, we achieved exceptional in-force premium growth of 39.8% to $254.6 million, with active policies up by 33.4% to 103,000 and underlying profits across our three channels increasing by 35.2% to $9.5 million – all ahead of the respective Prospectus forecasts.

I am personally delighted that the NobleOak team has delivered these results in a tough environment.

Impact of industrywide sustainability measures

The strong result was achieved despite the impact of industry sustainability measures, including the launch of new Individual Disability Income Insurance (IDII) products.

The NobleOak team did an excellent job to develop and roll out our new IDII products in time for the 1 October 2021 industry deadline set by APRA.

As expected, sales in both direct and intermediated business benefited from higher customer activity in the lead up to October. However, new business volumes across the market are down by over 30% since, as life insurers revise their new products and pricing to ensure the market positioning fits their respective risk appetites.

While we expect the market to take some time to normalise and for sales to continue to be impacted in the near-term, we expect in-force premium, the value driver of the business, to continue to grow in line with expectations due to continued low lapse rates.

Growth strategy

We continue to make good progress in executing our growth strategy across our strategic segments.

Direct Channel

In the Direct Channel, sustained investment in brand and technology is improving the customer experience and driving growth.

We continue to grow our network of Alliance Partners which now number over 30. During the year, we signed distribution agreements with Qudos Bank, Illawarra Credit Union, Royal Automobile Club of Western Australia (RAC) and Auto & General Service (Budget Direct). These alliances are already generating pleasing application and sales volumes.

Strategic Partner Channel

We continue to work with our Strategic Partners, NEOS, PPS Mutual, and Avant, to ensure we support them and that we have ongoing commercial alignment following the introduction of new IDII products. While the advised market continues to change as an outcome of the Royal Commission, with the number of advisers decreasing, the Strategic Partner Channel remains an important part of our business. We worked closely with NEOS and PPS to launch and refine new product portfolios during the year, and continue to assess whether there is potential for a new Avant product in the future.

CHIEF EXECUTIVE'S REPORT
continued

Genus

We successfully integrated the Auto & General run-off portfolio in June 2022. We had purchased these administration rights from Auto & General in late 2021.

We will continue to selectively evaluate run-off portfolio acquisitions for our Genus administration business; however, the bar remains high.

Culture important for our customers and our people

Our strong culture has always been the foundation of our success and is important for our customers and our people.

This year we won 18 awards, including the prestigious Plan for Life Overall Direct Life Insurance Excellence Award for the fourth year in a row. We also received the prestigious Canstar Outstanding Value Awards for both our Premium Life Direct Life Insurance and Income Protection Insurance for the seventh consecutive year.

In our Direct Channel we have retained market-leading net promoter scores and customer satisfaction ratings, and I am proud to see us maintain our high ratings on Google and Feefo of 4.4 or more out of 5.

We continue to have high staff engagement, with 96% of respondents who participated in NobleOak's 2022 Employee Engagement Survey indicating that they would refer someone to work for NobleOak. This is important in a competitive talent market, as it enables us to attract talented people. In FY23, we will be moving into a new premises to support our continued growth and engaging culture.

Making progress on ESG

In last year's Annual Report, I detailed our commitment to making progress on environmental and social governance (ESG) initiatives and working with our key stakeholders to develop an objective ESG framework, including targets.

This year, we have made good progress in this area, working with key internal and external stakeholders to develop a framework aligned to the UN Sustainable Development Goals (UNSDGs).

We have focused on areas that make sense for NobleOak, including climate change, recycling, workplace diversity, human rights and modern slavery, ethics and governance, and importantly have committed to achieving net zero carbon emissions by 2030.

Our intention is to report back on this framework annually, and we look forward to discussing it with our shareholders.

More about NobleOak's actions on ESG initiatives are included under "Environmental, Social and Governance (ESG) Framework".

Looking ahead

In the near-term, we are well capitalised and operationally positioned to withstand the economic uncertainty and inflationary environment we are facing.

NobleOak has protected Australians for over 145 years and our experience has shown us that life insurance is traditionally resilient in times of economic stress, as policyholders become increasingly risk averse and retain their policies as a hedge against uncertainty, further supporting favourable lapse rates.

Renewal intentions are one of the clearest measures of how the life insurance value proposition stacks up for customers and this year's edition of our industry Whitepaper found that 70% of customers intend to renew their policy in 2022, up from 50% in 2021 and only 33% in 2020.

Rising interest rates are expected to be a tailwind for the industry and NobleOak, bringing with them the expectation of improved investment returns.

While we are not immune from inflationary impacts on our cost base, our products do contain inflation adjustments and our strong culture and high employee engagement act as valuable mitigants.

As I look ahead, I am confident that we have the right team and strategy to continue capturing the significant opportunity ahead of us, whatever the conditions.

I would like to thank the NobleOak team for their commitment this year, as well as our partners, our customers, and you, our shareholders, for your ongoing support.

Yours sincerely,

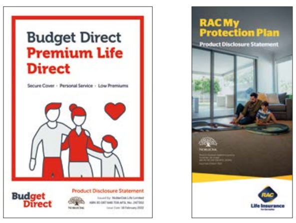
Anthony R. Brown
Chief Executive Officer
NobleOak Life Limited

FY22 OPERATIONAL HIGHLIGHTS

FY22 was a transformational year for NobleOak, with a number of operational milestones being met.

Most awarded Direct Life Insurer (2021 to April 2022)

Maintained High Customer Satisfaction[1]



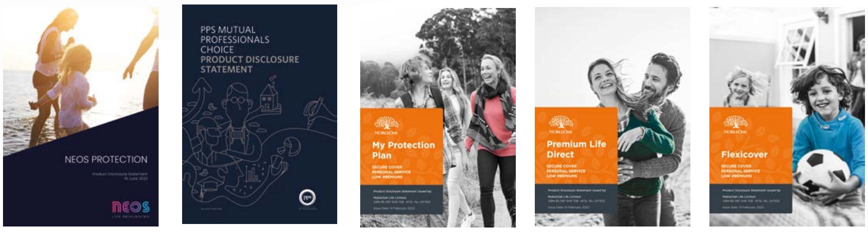
Launch of White Label Programs for RAC WA and Budget Direct

Maintained Low Lapse Rates

Increased Digital Revenue

Note:

1. Feefo rating based on 169 service ratings over the past year (as at 10 August 2022).



Launch of new Disability Income Products

FINANCIAL REPORT 2022

FOR THE YEAR ENDED 30 JUNE 2022

NobleOak Life Limited
ACN 087 648 708

DIRECTORS' REPORT

The Directors of NobleOak Life Limited (ASX: NOL, NobleOak or the Company) submit their report, together with the financial report of the consolidated entity (the Group) for the year ended 30 June 2022 (the financial year).

Directors

The following persons were Directors of NobleOak during the financial year and since the end of the financial year, unless otherwise noted:

- Stephen Harrison (Chair)
- Anthony Brown (CEO)
- Andrew Boldeman
- Sarah Brennan (appointed 8 December 2021)
- Kevin Hamman
- Inese Kingsmill
- Emery Feyzeny (retired 1 December 2021)

Current Directors

The biographies for the current Directors of NobleOak are detailed below:

Stephen J Harrison – Independent Non-Executive Director	
Stephen Harrison was appointed as a Director of the Company in January 2011 and as Chair of the Company in November 2018. Mr Harrison has over 35 years of experience in financial services, funds management, private equity and accounting. Mr Harrison is currently the Chair of ASX listed companies IncentiaPay Limited and Aumake Limited. Mr Harrison is also the Chair and Co-Founder of fund manager Conscious Capital Limited. Mr Harrison has previously served as a Director of ASX-listed companies The Gruden Group/Sinetech Limited, Exoma Energy Limited and Blue Energy Limited. He previously held Director positions with Investec Funds Management and the Australian subsidiary of US-based fund manager Sanford C Bernstein. Mr Harrison holds a Bachelor of Economics from Adelaide University, and is a Certified Practising Accountant. Other ASX listed company directorships held in the past three years: • IncentiaPay Limited (ASX:INP): 15 February 2019-current • Aumake Limited (ASX: AUK): 1 March 2022-current • MEC Resources Ltd (ASX: MMR): 31 July 2020-1 September 2020	Chair of the Board of Directors Member of the Risk Committee Member of the Audit Committee

DIRECTORS' REPORT
continued

Anthony R Brown – Executive Director	
Anthony Brown was appointed Chief Executive Officer of the Company in July 2012, and a Director of the Company in July 2013. Mr Brown has approximately 30 years of experience in general management, finance, strategy, operations, marketing and distribution. Mr Brown was previously Chief Operating Officer at AMP Capital, Head of Commercial Insurance Marketing at Promina/Suncorp, Publisher at CCH Australia and Manager at KPMG. Mr Brown has completed the General Management Program at Harvard Business School, Boston, has an MBA from the Australian Graduate School of Management, and is a Chartered Accountant. Mr Brown also holds a Bachelor of Economics degree from the University of Sydney and a Master of Commerce degree from the University of NSW. He is also a member of the Australian Institute of Company Directors. Other ASX listed company directorships held in the past three years: • N/A	Chief Executive Officer of the Company Member of the Product & Insurance Committee Member of the Finance & Investment Committee

Andrew J Boldeman – Non-Executive Director	
Andrew Boldeman was appointed as a Director of the Company in June 2020. Mr Boldeman has spent his career in the life insurance and broader financial services industries in Australia, Asia and the UK. From 2013 to 2020, Mr Boldeman was the Managing Director of Avant Mutual, Australia's largest doctor's organisation which includes Avant Insurance, Avant Law, Doctors Health Fund as well as several technology and financial services businesses. From 2007 to 2013, Mr Boldeman was CEO Group Life at TAL. Mr Boldeman has also previously spent time as an Appointed Actuary and as a management consultant. Mr Boldeman is a Fellow of the Institute of Actuaries of Australia and holds a Bachelor of Economics from Macquarie University. Other ASX listed company directorships held in the past three years: • N/A	Chair of the Product & Insurance Committee Member of the Risk Committee Member of the Nomination & Remuneration Committee Member of the Finance & Investment Committee

Sarah J Brennan – Independent Non-Executive Director	
Sarah Brennan was appointed as a Director of the Company in December 2021. Ms Brennan has over 25 years' experience in financial services, encompassing life insurance, financial planning, superannuation, private client advisory, broking and banking. Ms Brennan is currently Managing Director of BMFS Consulting. She held previous senior roles with Deutsche Bank including as Principal Officer of Deutsche Life, MLC Limited and Citigroup Life. She was also the Founder and Managing Partner of Comparator Business Benchmarking, a leading provider of benchmarking to Australian financial services markets. Ms Brennan is currently a Non-Executive Director of AMP Super and has previously served as a Non-Executive Director of ASX-listed Mortgage Choice Limited, BLSSR Pty Ltd (a NAB Subsidiary), The Financial Advice Centre Pty Ltd, Old Mutual Australia/Skandia Australia, and Van Eyk Research Pty Ltd. Ms Brennan was also Director and Founder of The Private Collection Australia and a past Deputy Chair and Director of Financial Planning Association of Australia. Ms Brennan holds a Bachelor of Arts from Macquarie University, a Graduate Management Diploma from the Australian Graduate School of Management, and is a graduate member of the Australian Institute of Company Directors. Other ASX listed company directorships held in the past three years: • Mortgage Choice (ASX: MOC): March 2018 – July 2021	Chair of the Audit Committee Member of the Risk Committee Member of the Product & Insurance Committee

Kevin Hamman – Independent Non-Executive Director	
Kevin Hamman was appointed as a Director of the Company in January 2011 and Deputy Chair of the Board of Directors effective 2 December 2021. Mr Hamman has over 35 years of experience in the financial services industry and has held various senior management and Director roles in investment and private banking. Mr Hamman currently holds and previously held several executive directorships and senior management positions in private and public companies in the financial services, property development and investment industries including within the Private Client Division of Investec Bank Ltd, Cape of Good Hope Bank Ltd, First National Bank Ltd and Barclays Bank Ltd. Mr Hamman holds a Bachelor of Commerce from The University of South Africa, a Diploma in Financial Services and Finance from The Institute of Bankers in South Africa and an Associate Diploma from The Institute of Bankers. Mr Hamman is also a member and graduate of the Australian Institute of Company Directors. Other ASX listed company directorships held in the past three years: • N/A	Deputy Chair of the Board of Directors Chair of the Risk Committee Chair of the Finance & Investment Committee Member of the Audit Committee Member of the Nomination & Remuneration Committee

DIRECTORS' REPORT
continued

Inese I Kingsmill – Independent Non-Executive Director	
Inese Kingsmill was appointed as a Director of the Company in December 2019. Prior to joining the Company, Ms Kingsmill gained extensive senior experience across marketing, digital, e-commerce, sales and customer-facing functions at a range of companies. Previous positions include Chief Marketing Officer at Virgin Australia, Director of Consumer Marketing and Director of Corporate Marketing at Telstra, and Director Partner Strategy at Microsoft. Ms Kingsmill is currently the Chair of ASX listed company hipages Group Holdings and also holds the position of Non-Executive Director of ASX-listed company Bigtincan Holdings. She was formerly a Non-Executive Director of WorkVentures, Rhipe Limited, Spirit Technology Solutions and Chair of the Australian Association of National Advertisers. Ms Kingsmill holds a Bachelor of Business (Marketing) from Western Sydney University and is a member of the Australian Institute of Company Directors. Other ASX listed company directorships held in the past three years: • Rhipe Limited (ASX: RHP): 15 April 2019 – November 2021 • Spirit Technology Solutions (ASX: ST1): 1 July 2020 – 30 September 2021 • hipages Group Holdings Limited (ASX: HPG): 1 October 2020 – current • Bigtincan Holdings Limited (ASX: BTH): 6 October 2021 – current	Chair of the Nomination & Remuneration Committee Member of the Product & Insurance Committee Member of the Finance & Investment Committee

Executives

The biographies for NobleOak's Chief Financial Officer and Company Secretary are detailed below:

Scott Pearson – Chief Financial Officer

Scott Pearson has held the position of Chief Financial Officer of the Company since January 2019. Mr Pearson has over 30 years' experience in the financial services industry covering health insurance, general insurance, life insurance and reinsurance.

Mr Pearson was previously Head of Finance at RGA Australia, Chief Financial Officer at Avant Mutual Group, Deputy Chief Financial Officer/Head of Group Finance & Reporting at MBF Australia Limited and has held other roles within Calliden Group Limited (formerly Reinsurance Australia Corporation) and CIC Insurance Limited.

Mr Pearson is a Certified Practising Accountant and holds a Bachelor of Business (Accounting) from Charles Sturt University.

Suzanne Barron – Company Secretary

Suzanne Barron was appointed as Company Secretary & General Manager, Legal, in June 2022.

Ms Barron is an experienced corporate and commercial lawyer and company secretary with a wealth of experience in-house across a range of industries, including financial services, insurance, wealth management, media and FMCG. She has over 25 years' experience as a lawyer, and over 15 years' experience as a company secretary.

Ms Barron holds a Bachelor of Science and Bachelor of Laws, and is admitted as a solicitor of the Supreme Court of NSW. Ms Barron is a Fellow of the Governance Institute of Australia, and a Graduate of the Australian Institute of Company Directors.

DIRECTORS' REPORT
continued

Anand Sundaraj – Company Secretary

In July 2022, Mr Anand Sundaraj was appointed as Joint Company Secretary alongside Suzanne Barron.

Mr Sundaraj is a corporate lawyer with over 20 years' experience, specializing in advising on mergers & acquisitions and capital raising for both publicly listed and privately held entities. He is currently the company secretary of a number of ASX-listed and unlisted entities, and a charitable foundation.

Mr Sundaraj holds a Bachelor of Laws (with Honours) and a Bachelor of Science from Monash University and is admitted as a solicitor of the Supreme Courts of New South Wales and Victoria. Mr Sundaraj is principal of Sydney-based law firm, Sundaraj & Ker.

In June 2022, Ms Charisse Nortje resigned from her role as Company Secretary, which she served since her appointment in June 2021.

Meetings of Directors

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2022, and the number of meetings attended by each Director are as follows:

	Board		Board Risk Committee		Audit Committee		Finance & Investment Committee		Nomination & Remuneration Committee		Product & Insurance Board	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Mr S J Harrison[5]	17	17	4	4	7	6					6	6
Mr A R Brown	17	16					6	6			10	10
Mr A J Boldeman[1]	17	17	4	4			6	6	10	10	10	10
Ms S Brennan[2]	7	6	2	2	3	3					4	4
Mr E A Feyzeny[3]	10	10	2	2	4	4						
Mr K Hamman[4]	17	17	2	2	7	7	6	6	10	10		
Ms I I Kingsmill[6]	17	17					5	5	10	10	10	10

Notes:

1. Mr Boldeman is the Chair of the Product & Insurance Committee. Mr Boldeman is a Member of the Risk Committee, Finance & Investment Committee and Nomination & Remuneration Committee.
2. Ms Brennan was appointed to the Board on 8 December 2021. Ms Brennan is the Chair of the Audit Committee and is a Member of the Risk Committee and Product & Insurance Committee.
3. Mr Feyzeny was Chair of the Audit Committee from 12 December 2018 to 1 December 2021 and Chair of the Risk Committee from 1 January 2021 to 1 December 2021. Mr Feyzeny resigned from the Board on 1 December 2021.
4. Mr Hamman was appointed Deputy Chair of the Board effective 2 December 2021. Mr Hamman is the Chair of the Finance & Investment Committee and was appointed Chair of the Risk Committee on 1 January 2022. Mr Hamman was Chair of the Nominations & Remuneration Committee until 1 January 2022 and has been a Member since 1 January 2022.
5. Mr Harrison is the Chair of the Board, and a Member of the Audit Committee and Risk Committee. Mr Harrison was a Member of the Product & Investment Committee from 1 July 2021 to 8 December 2021.
6. Ms Kingsmill was appointed as Chair of the Nomination & Remuneration Committee on 1 January 2022. Ms Kingsmill was appointed a Member of the Finance & Investment Committee on 1 August 2021. Ms Kingsmill is a Member of the Product & Insurance Committee.

DIRECTORS' REPORT
continued

Directors' shareholdings

The following table sets out each Director's or related entity of the Director's relevant interest in shares and rights or options in shares of the Company or a related body corporate as at the date of this report.

Name	Number of Ordinary Shares	Performance rights	Options[3]	Related entity holding the security (Where applicable)
Mr A Boldeman	51,282	Nil	Nil	
Ms S Brennan[1]	Nil	Nil	Nil	
Mr K Hamman	437,002	Nil	Nil	TK Consulting (Aust) Pty Ltd ATF The Hamman Family Trust
	110,000	Nil	Nil	KH Investments Pty Ltd ATF KH Development Trust
	227,273	Nil	Nil	Future Super KH Custodian Pty Ltd ATF Future Super Fund
	172,727	Nil	Nil	Future Super KH Pty Ltd ATF Future Super Fund
	153,000	Nil	Nil	
Mr S J Harrison	150,454	Nil	Nil	
	38,000	Nil	Nil	MSJ Capital Pty Ltd ATF Harrison Superannuation Fund
Ms I I Kingsmill	Nil	Nil	Nil	
Mr A R Brown[2]	1,512,541	947,018	273,084	
	3,980,769	Nil	Nil	Brohok Investment Co Pty Ltd

Notes:

1. Ms Brennan was appointed to the Board on 8 December 2021.
2. Mr Anthony Brown is a participant in the Performance Rights Plan (refer note 7.1(c)), from the 2019 plan that matures in 2022, 141,024 shares have accrued, of the 208,064 total share entitlements available. For the 2020 plan that matures in 2023, 105,145 shares have accrued, of the 253,703 total share entitlements available. For the 2021 plan that matures in 2024, 41,852 shares have accrued, of the 231,795 total share entitlements available. For the 2022 plan that matures in 2025, as the plan was just issued in August 2022, no shares have accrued of the 253,456 total shares entitlements available, these shares will vest in the relevant years if conditions are met over the full measurement periods.
3. Options available will only vest on the performance of specific events. Details of the options are shown in note 7.1(b).

During the financial year, the following Directors had in the normal course of business, an additional interest in the Company as set out below:

- Mr A J Boldeman, formerly Board representative of Avant. Avant is a Partner of NobleOak and all transactions have been carried out under normal commercial terms. Due to Mr Boldeman being a representative of Avant prior to NobleOak's listing on the ASX, Mr Boldeman was not considered by the Board to be independent until NobleOak's listing on the ASX. Mr Boldeman ceased being a representative of Avant at the date of listing of NobleOak on the ASX.

Company Secretary

Ms Charisse Nortje was appointed Company Secretary on 29 June 2021 and remained in this role until 22 June 2022.

Ms Suzanne Barron was appointed as Company Secretary on 7 June 2022.

Mr Anand Sundaraj was appointed as a joint Company Secretary on 27 July 2022.

DIRECTORS' REPORT
continued

Principal activities

The principal activities of the Group during the period were the manufacture and distribution of Life Insurance products (including death, total and permanent disability, trauma, income protection and business expenses insurance) through both its Direct and Strategic Partnership (Advised) channels.

NobleOak also provides administration services for run-off Life Insurance portfolios through its subsidiary Genus Life Insurance Services Pty Ltd.

Financial review

In FY22, insurance premium revenue increased by 46.2% to $248.4million (FY21: $169.9 million) and exceeded the FY22 Prospectus forecast of $216.9 million by 14.5%. This was primarily driven by growth in in-force premium, which increased by 39.8% to $254.6 million (FY21: $182.1 million) and exceeded the FY22 Prospectus forecast of $233.4 million by 9.1%.

The growth in in-force premium came from both the Direct Channel and Strategic Partner Channel as follows:

- **Direct Channel:** in-force premium grew by 20.5% to $69.2 million, exceeding the FY22 Prospectus forecast of $64.3 million by 7.6% driven by strong new business sales of $10.2 million during the year and average lapse rates of 8.4%; and
- **Strategic Partner Channel:** in-force premium grew by 48.7% to $185.4 million, exceeding the FY22 Prospectus forecast of $169.1 million by 9.6%. This was primarily driven by new business sales during the year of $50.7 million.

NobleOak's Underlying NPAT for FY22 was $9.5 million, up 35.2% from FY21 ($7.0 million) and 4.9% ahead of the FY22 Prospectus forecast of $9.0 million. On a statutory reporting basis, NPAT decreased by 65.6% to $1.7 million (FY21: $4.9 million), after including the impact of changes in economic assumptions on the valuation of policy liabilities and non-recurring costs such as those pertaining to the Initial Public Offering (IPO).

IPO and capital management

NobleOak Life Limited (ASX: NOL) was admitted to the Official List of the Australian Securities Exchange (ASX) and its ordinary shares commenced trading on 22 July 2021. This was a significant milestone for NobleOak and the Directors would like to thank all who were involved in the process, including new and existing shareholders for their support.

The Company's shares were offered at $1.95 each, with total proceeds raised (before transaction costs) of $63 million. NobleOak received $31 million for the issue of new shares and the selling shareholder, Avant, receiving $32 million for the sale of its entire stake in NobleOak.

The purpose of the IPO was to:

- support NobleOak's growth strategy and future growth opportunities;
- broaden the Company's shareholder base;
- provide a liquid market for the Company's shares;
- facilitate an increased brand profile that may arise from being a publicly listed entity; and
- provide existing Shareholders with an opportunity to realise a portion of their investment in the Company.

Following the IPO capital raise and NobleOak's continued robust financial performance, the business's capital position has further strengthened. As an APRA regulated Life insurer, NobleOak remains well capitalised with a regulatory solvency ratio of approximately 316.0% at 30 June 2022.

NobleOak continues to prudently monitor its capital position to ensure the business remains well capitalised to support our existing customer base and invest in the business to drive further growth.

DIRECTORS' REPORT
continued

Acquisition of run-off administration portfolio

On 22 July 2021, NobleOak (via its wholly-owned subsidiary, Genus Life Insurance Services Pty Ltd) entered into a binding agreement to acquire the administration rights from Auto & General with respect to a portfolio of Budget Direct and Ozicare branded life insurance policies in run-off (A&G Portfolio) and entered into a distribution agreement with Auto and General. The transaction successfully completed on 25 August 2021, with integration concluding in June 2022.

The total consideration payable by Genus for the A&G Portfolio was $3.2 million, satisfied by the issue of ordinary shares in NobleOak priced at $1.95 per share (the IPO price). The shares issued are subject to a 12 month escrow period.

The distribution of products was launched in February 2022, for an initial three-year term.

People

NobleOak conducts an annual employee engagement survey, comprising questions across areas such as career development, work engagement and environment, remuneration and benefits, leadership, risk and workplace health and safety. Our most recent employee engagement was conducted in April 2022, with a participation rate of over 96% with positive results. The engagement score was 86% and the risk culture score was 89%.

We remain committed to investing in and bolstering our leadership team to ensure NobleOak is well supported as it continues to pursue growth.

Annual Corporate Governance Statement

NobleOak is committed to achieving high corporate governance standards. In accordance with the 4th edition ASX Corporate Governance Council's Principles and Recommendations, the Company's annual Corporate Governance Statement, as approved by the Board, is published and available on the Company's website at: https://www.nobleoak.com.au/corporate-governance/.

Changes in state of affairs

Other than the matters disclosed above, there were no significant changes in the state of affairs of the Consolidated Group during the financial year.

Subsequent events

On 1 August 2022, the Group entered into a lease agreement for its new primary office premises on Level 4, 44 Market Street, Sydney for a lease term of 7 years commencing 1 February 2023. The annual rent for the first year is $1.3 million.

No other matters or circumstances, other than that referred to in the financial statements or notes thereto, have arisen subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Consolidated Group, the results of those operations, or the state of affairs of the Consolidated Group in future financial years.

Future developments

For information regarding the likely developments in the operations of the Company in future financial years, please refer to the Outlook within the Operating Review on page 37.

DIRECTORS' REPORT
continued

Regulatory change impacts

During the year, there have been no regulatory changes that have impacted on the preparation and presentation of financial information or the capital structure of the Company.

AASB 17 *Insurance Contracts* will apply to the Company from 1 July 2023 and the Company is in the process of its implementation of AASB 17. This new accounting standard will have a significant impact on the sector, please refer to Note 1(f) for more information.

Dividend Payments

During FY21, the Directors resolved to determine the payment of a dividend of $0.12 per share franked to 100%. The dividend was paid out of the Company's existing cash reserves (prior to the IPO) on 20 July 2021. The aggregate dividend amount of approximately $8.2 million was paid to holders of ordinary shares in the Company as at the Record Date of 9 June 2021.

As outlined in the Prospectus, NobleOak's current priority is to reinvest cashflows into the business to support its ongoing growth. Accordingly, no dividend has been declared for the financial year ended 30 June 2022.

Indemnification of Officers and Auditors

During the financial year, the Company paid insurance premiums to insure the Directors and Officers of the Company, and its related entities against any liability which may be incurred by the Directors or Officers in carrying out their duties in good faith, to the extent permitted by the *Corporations Act 2001*.

The Company has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related entities against a liability incurred as such an officer or auditor.

Environmental, Social and Governance (ESG) Framework

NobleOak is a strong supporter of a sustainable and ethical community.

On ASX listing in 2021, we committed to developing an Environmental, Social and Governance (ESG) framework, including defining and reporting on key ESG measures relevant to the NobleOak business. Our plan in our first year as a listed entity was to:

- Develop a high level ESG position/strategy that compliments corporate strategy and addresses United Nations Sustainability Development Goals (UN SDGs).
- Develop and monitor key priority ESG targets, including diversity.
- Improve communications with respect to ESG to shareholders.

In late 2021, we developed an ESG framework in line with the UN SDGs. The current framework is set out below, and will be updated and evolve throughout 2022/23, when targets will be finalised.

DIRECTORS' REPORT
continued

	ESG Measure	Key Metrics	Target (s)	By When	Relevant UN SDG
Environment	Climate change	Carbon emissions	Net zero by 2030	30 Jun 2030	13, 15
	Recycling	Recycling of our office waste	50% reduction in total office waste	3 years	13, 15
	Paper	Reduction in office paper usage	TBC	2-3 years	11, 12, 13
Social	Workplace multicultural diversity	Team members from diverse cultural backgrounds outside of Australia	40%	Now	3, 5
	Workplace gender diversity	Employees identify as female	40%	Now	5, 10
	Leadership gender diversity	Senior Leadership Team members identify as female	30% by FY22 35% by FY23 40% by FY24	Now	5, 10
	Human rights & Modern Slavery	Commitment to Human Rights	Adhere to Human Rights policy	Now	1, 3, 10
Governance	Board diversity	Board members identify as female	30% FY22 40% by FY24	31 Dec 2021	5, 10
	Ethical standards	Score all employees on cultural adherence, including nobility/integrity	100% target with a minimum score of 90%	Now – in annual staff survey	9, 12
	Linking E&S with executive remuneration	Incorporate culture/ values measure in each manager's STI	100% of STI programs by October 2022	1 Oct 2022	8, 17

Proceedings on behalf of company

No person has applied for leave of Court to bring proceedings on behalf of the Company to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings. The Company was not a party to any such proceedings during the year.

Auditor's independence declaration and non-audit services

The auditor's independence declaration is included on page 56 of the financial report.

Non-audit services

Details of amounts paid or payable to the auditor for non-audit services provided during the year by the auditor are outlined in note 2.2 (v) to the financial statements.

The Directors are satisfied that the provision of non-audit services, during the year, by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

DIRECTORS' REPORT
continued

The Directors are of the opinion that the services as disclosed in note 2.2 (v) to the financial statements do not compromise the external auditor's independence, based on advice received from the Audit Committee, for the following reasons:

- all non-audit services comply with the NobleOak audit independence policy and have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in Code of Conduct APES 110 'Code of Ethics for Professional Accountants' issued by the Accounting Professional & Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and reward.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016 and in accordance with that Corporations Instrument amounts in this report, and the financial report, have been rounded off to the nearest thousand dollars.

This report is made in accordance with the resolution of the Board of Directors.

On behalf of the Directors

Anthony R Brown
Director

Stephen Harrison
Chair

Sydney, 30 August 2022

OPERATING AND FINANCIAL REVIEW

The Board presents its FY22 operating and financial review to provide shareholders with an overview of the Company's operations, business strategy, financial position, and prospects for the future. This review complements the financial report and has been prepared to provide useful and meaningful information.

As an APRA-regulated friendly society, NobleOak manufactures and distributes life risk insurance products (including death, total and permanent disability, trauma, income protection and business expenses insurance) through both its Direct and Strategic Partnership (Advised) channels. NobleOak also provides administration services for run-off Life Insurance portfolios through its subsidiary Genus Life Insurance Services Pty Ltd.

NobleOak is a challenger brand to the more traditional life risk insurance market incumbents and operates in the approximately $11 billion Australian individual life risk insurance market.

NobleOak's core values

NobleOak has four core values which help to link its 145-year-old heritage with its relatively new existence as a demutualised friendly society. These values underpin NobleOak's business model and are summarised as follows:

- **Nobility:** we put our clients and members first at all times. Integrity is the essence of our business and we are here to protect Australians with better cover;
- **Simplicity:** we use simple, clear communication at all times and avoid jargon. We aim to make getting life insurance easier and ensure our clients know what they are covered for;
- **Adaptability:** we continually drive, and respond to, positive change to ensure our clients have access to the best service and products; and
- **Delivery:** we deliver results, not excuses. This includes both to our clients and to each other. When we say we are going to do something, we do it.

Overview of NobleOak's operations

NobleOak operates across the life insurance value chain, including product design and manufacturing, marketing, distribution, administration, underwriting and claims.

NobleOak operates across three business lines:

- **Direct Channel:** more affordable and accessible Life Insurance products delivered through an omnichannel customer acquisition strategy. These products are mostly NobleOak-branded policies marketed and distributed by NobleOak, direct-to-market and through Alliance Partners, without personal financial advice;
- **Strategic Partner Channel:** white-labelled tailored Life Insurance products designed and delivered in partnership with developers and distributors of intermediated life risk insurance policies ("**Strategic Partners**") on an advised basis; and
- **Genus:** administration business, managing insurance portfolios which are no longer issuing new policies (entirely reinsured).

OPERATING AND FINANCIAL REVIEW
continued

NobleOak generates revenue differently across each of the three business lines:

- **Direct Channel:** NobleOak earns a distribution margin, manufacturing (product) margin and a margin on retained insurance risk in the portfolio;
- **Strategic Partner Channel:** NobleOak earns a manufacturing margin through a management fee it receives for providing services such as policy manufacturing and claims handling. The Company also earns a margin on retained insurance risk in the portfolio; and
- **Genus:** NobleOak earns an administration fee from the respective insurer for administering each of the portfolio's life insurance books.

NOBLEOAK

Direct business

NobleOak-branded policies marketed and distributed by NobleOak, including through Alliance Partners and without personal financial advice

Direct Channel

Delivering a full suite of life insurance products:

term life, TPD, income protection, trauma, business expenses

Strategic Partner Channel	Genus
Tailored advised products	**Administration business**
NobleOak-issued white labelled policies marketed and administered by Strategic Partners' adviser/member networks	Administration of legacy life insurance portfolios
NEOS LIFE REINVENTED, PPS MUTUAL, Avant mutual group	GENUS Life Insurance Services

By operating across three business lines, NobleOak has diversified revenue streams with varying exposures to different customer demographics and parts of the life risk insurance value chain.

OPERATING AND FINANCIAL REVIEW
continued

Strategy & focus during the year

Currently, NobleOak is a comparatively small player within the large and growing Australian life risk insurance market with long-term growth drivers, including:

- population growth;
- an ageing population;
- rising household wealth, income and debt; and
- inflation.

Whilst there may be some near-term uncertainty arising from higher inflation and a potential economic slowdown, as well as regulatory changes across the life insurance industry and the ongoing impacts of COVID-19, NobleOak expects the following trends to continue to drive growth in the market, including:

- increasing levels of underinsurance in the life insurance industry; and
- increasing consumer propensity to buy life insurance directly.

NobleOak's focus is to continue to build and maintain a sustainable life insurance business. Its approach to business reflects a strong focus on risk management, long-term sustainable growth and operating with:

- well-defined culture and risk framework;
- disciplined underwriting;
- robust claims management and reinsurer relationships;
- service-led administration;
- prudent capital management; and
- disciplined growth.

Overall, NobleOak believes that there are significant growth opportunities for the business in the short, medium and long term, which can be broadly placed in the following three categories:

- increasing insurance risk retained by NobleOak;
- organic growth initiatives; and
- acquisition opportunities.

OPERATING AND FINANCIAL REVIEW
continued

Risk management

Risk Management Framework

NobleOak has in place systems for identifying, measuring, evaluating, monitoring, reporting and controlling or mitigating material risks that may affect its ability to meet its obligations to policyholders. These systems, together with the structures, policies, processes and people supporting them, comprise the Company's Risk Management Framework.

Outlined below are the critical components of NobleOak's Risk Management structure and Internal Capital Adequacy Assessment Program (ICAAP).

Risk Appetite Statement
Board risk appetite

Risk Management Strategy
Overview of approach to risk

Risk Management Framework
How risk is managed

Risk & ICAAP Glossary
Common terms

ICAAP Summary Statement
Overview of how ICAAP is being implemented and capital is managed

ICAAP Annual Report
Review of current and future capital adequacy

Recovery Plan
A contingency plan which interacts with ICAAP

Key Risk Policies
Governance Policies that address key material risks

Business Plan
12-month plan and 3-year business strategy

Strategic Partner Governance Framework
Oversight rhythms for partnership business key material risks

Risk Review Program
Summary and review of all key risks, treatments and actions and capital management actions

Capital Position – Summary
Monthly summary of NobleOak's capital position with future forecasts

Financial Condition Report
Annual Actuary review of NobleOak and our capital position

NobleOak's risk management and appetite objectives are to:

- provide a framework to enable the identification and management of risk at all levels of the organisation as set out in its Risk Management Framework;
- align the risk management effort to the objectives and goals of the organisation to ensure that key risks are addressed, including new and emerging risks;
- manage identified risks within the risk appetite of the organisation and specifically within risk tolerances as set out in its Risk Appetite Statement; and
- manage its capital in accordance with its Internal Capital Adequacy Assessment Process.

These objectives are to be met by:

- enabling a consistent and enterprise-wide risk process for adoption;
- defining risk roles and responsibilities across different levels of the organisation;
- helping embed risk management as part of the way business is undertaken;
- encouraging a culture of disclosure; and
- requiring a regular re-assessment and reporting of risk to the Board Risk Committee, Board and management.

OPERATING AND FINANCIAL REVIEW
continued

Principal Risks

NobleOak's Risk Management Framework sets out the approach to the management of risk at NobleOak with a focus on empowering front-line employees to identify, promptly report and manage risk in consultation with specialist risk resources. NobleOak's senior leadership team is responsible for managing key material risks in the business under the guidance of a Chief Risk Officer.

NobleOak's Board Risk Management Committee ultimately considers key material risks and refers high rated risks under the RMF and the RAS to the Board for decision-making on risk taking or recommendation on risk management actions.

The major strategic risks to the NobleOak business, along with management's risk appetite, are outlined in the NobleOak RMF and the NobleOak RAS. The material risk areas for NobleOak include (but are not limited to):

- failure to comply with, and adverse changes to, applicable laws and regulations;
- industry and regulatory compliance including regulatory change and investigations;
- additional regulatory capital requirements by APRA;
- governance and risk management practices may not be effective;
- insurance risk including adverse movements in claims liabilities;
- reinsurance risk including reinsurer terms and reinsurance asset concentration capital charges;
- distribution risks including risks relating to Strategic Partner relationships;
- operational risk including recruitment and retention of people, cyber risk;
- discontinuance (lapse) risk;
- increased competitor activity as market stabilises;
- concentration of insurance risk in relation to higher risk income protection products;
- life insurance market disruption risk including new entrants; and
- macro economic risk impacting insurance liability management including rising inflation and interest rates.

NobleOak is committed to ensuring it remains in compliance with its regulatory obligations as well as maintaining strong governance across all areas of the business.

Life insurance and regulatory environment

In recent years, the Australian Life Insurance industry has faced an unprecedented period of regulation, scrutiny and disruption.

Following the Hayne Royal Commission, APRA remains particularly focused on the sustainability of the life insurance industry due to the ongoing poor performance of the retail income protection market. Increased incidence of mental health related TPD (Total and permanent disability) and income protection claims in the market persists, driven by the impacts of COVID-19 and the resulting economic environment.

To address this, APRA has sought to encourage innovation in product design for income protection products to develop products that are sustainable over the long-term. As a result, changes to Income Protection contracts were enforced as part of the 1 October 2021 regulation amendments. As expected, these changes significantly impacted new business volumes, initially triggering a sharp increase in submissions prior to the 1 October deadline, followed by a material reduction in new business volumes across the industry. While the regulation changes are anticipated to drive improved sustainability and profitability for Income Protection style products over the longer-term, it is expected that new business volumes will take some time to return to pre-2021 volumes.

NobleOak anticipates some further regulatory reform to focus on areas such as product design, compliance, governance, and reporting. While these reforms may adversely affect new business volumes and operating expenses in the short-term, demand is expected to stabilise as the changes become embedded across the sector and will ultimately contribute to broader industry sustainability. Further legislative changes are also possible as a result of future ASIC and APRA actions.

OPERATING AND FINANCIAL REVIEW
continued

As a life insurer with a clear customer-focused, culturally and service-led value proposition, NobleOak welcomes structural industry change which is expected to deliver better outcomes for customers and establish a foundation for long term, sustainable growth in the industry. Additionally, given the significant investment, infrastructure and technical capabilities required to operate as a life insurance company, NobleOak believes all of these factors significantly increase the barriers to entry for potential new entrants, thus further strengthening NobleOak's position within the industry and ability to continue gaining market share.

NobleOak believes it is well positioned to take advantage of industry disruption to drive further sustainable growth in the business. Nevertheless, NobleOak continues to prudently monitor and manage the risks posed by regulatory changes and ensures that it remains in compliance with its regulatory obligations.

NobleOak, like all insurers globally, is preparing for the implementation of AASB 17 – *Insurance Contracts*, effective 1 July 2023. AASB 17 *Insurance Contracts*, is the Australian equivalent of the International Accounting Standard IFRS 17 *Insurance Contracts*, and will represent a material change in the accounting of life insurance contracts, previously dealt with under a margin on services approach, in accordance with AASB 1038 *Life Insurance Contracts*. NobleOak has mobilised a team to facilitate the accounting, actuarial, technological and other process changes required to implement the standard. Further details are available in Note 1(f).

FY22 results overview

FY22 was a transformational year for the business. In an environment of continued regulatory scrutiny, the ongoing impact of COVID-19 and consequent economic uncertainty, NobleOak completed a successful IPO, continued to invest in strengthening its team, processes and systems and recorded strong growth in premiums and profits.

The business exceeded key FY22 Prospectus forecast measures, including:

- Underlying NPAT of $9.5 million, up 35.2% on the prior year;
- Active policies in place at 30 June 2022 now exceed 103,000, (33.4% growth);
- In-force premium at 30 June 2022 grew by 39.8% to $254.6 million;
- Insurance premium revenue was up 46.2% to $248.4 million.

These results were achieved while also:

- maintaining high customer service quality standards, as evidenced by third party awards from Canstar (Direct Life and Income Protection products), Plan for Life (Overall Excellence Award), Feefo Gold Trusted service award, Mozo (Life insurer on the Year) amongst other awards;
- committing to ongoing investment in people, processes and systems to improve scalability;
- further enhancing insurance and partner governance frameworks and capability;
- launching new alliance partnerships with RAC WA, Budget Direct, Qudos Bank, Heritage Bank, Illawarra Credit Union and BlueRock Private Wealth;
- launching new Individual Disability Income Insurance (IDII) products;
- navigating COVID-19 restrictions, predominantly during the first half of the FY22; and
- transitioning to a publicly listed entity.

Following the successful completion of the IPO in July 2021, NobleOak significantly strengthened its balance sheet and capital adequacy levels.

As with most businesses, the impact of the COVID-19 pandemic continued to be felt by NobleOak during the financial year. Lockdowns enforced in the first half of the financial year in many parts of Australia forced NobleOak to transition rapidly to a hybrid working environment, with most team members working remotely. However, the Company's robust systems and processes and flexible approach ensured the impact on customers and staff was minimal, as demonstrated by NobleOak's continued growth, high customer satisfaction and staff engagement levels.

OPERATING AND FINANCIAL REVIEW
continued

Since the onset of the pandemic, NobleOak has experienced strong growth and lower lapse rates, which the management team believes has been driven in part by Australians placing increased value on life insurance cover during an extended period of uncertainty.

Following the successful launch of new IDII products in October 2021, new business activity has remained subdued across the industry. However for NobleOak, in-force premium – the key value driver to our business – has continued to grow, driven by continued favourable lapse rates, and exceeds the Prospectus forecast by 9%.

Across the business, NobleOak's underwriting performance remained robust, with no material claims deterioration due to the Company's disciplined underwriting approach. While administration expenses were elevated in the first half following investment in development of the new IDII product and onboarding new partnerships, the business has since returned to a more normal level of operating expenditure.

During the year, the Company also reviewed and restructured commercial arrangements with each of its Strategic Partners. This was an important initiative which further aligns NobleOak with its Strategic Partners, and will be an important driver of NobleOak's performance in FY23 and beyond.

The Genus business continues to provide high-quality service to the market. During the financial year, the business successfully completed the acquisition of the Auto & General administration run-off portfolio and integrated the portfolio, and also completed the Freedom Conduct Remediation Program, which meant the business contributed strongly to the Group's profit over the period.

Overall, NobleOak is delighted with its FY22 results and proud that its team has remained focused on delivering industry-leading life insurance cover for Australians and remaining true to NobleOak's values of Nobility, Simplicity, Adaptability and Delivery.

Overview of financial result

NobleOak achieved the following results for the years ended 30 June 2022.

$'000	Actual FY22	Prospectus Forecast FY22	Actual FY21	Variance to Prospectus %	Variance to Prior Year %
Direct	5,386	5,318	3,589	1.3%	50.1%
Strategic Partners	3,222	2,897	2,113	11.2%	52.5%
Genus	868	816	1,306	6.4%	(33.5%)
Group Underlying NPAT[1]	**9,476**	**9,031**	**7,008**	**4.9%**	**35.2%**
Impact of policy liability economic assumption changes (post tax)	(5,825)		(775)		651.6%
Impact of IPO expenses (post tax)	(1,966)		(1,330)		47.8%
Reported NPAT	**1,685**		**4,903**		**(65.6%)**
Reported Basic earnings per share (cents)	2.00		7.69		(74.0%)
Underlying Basic earnings per share (cents)	11.22		10.99		2.1%

1. Underlying NPAT is a non-IFRS financial measure, defined as net profit after tax excluding the impact on the valuation of policy liability from changes in economic assumptions and IPO expenses. Economic assumptions are driven by external economic market conditions and can generate volatility in statutory profits. Disclosing an underlying measure of profits, which excludes the impact of changes in economic assumptions and non-recurring costs such as those pertaining to the IPO, allows the users of financial information to better assess the underlying performance of the business (as is contemplated by ASIC RG 230 Disclosing non-IFRS financial information).

Underlying net profit after tax grew by 35.2% to $9.5 million in FY22 and exceeded the FY22 Prospectus forecast of $9.0 million by 4.9%.

Due primarily to the impact of changing economic assumptions on the valuation of policy liabilities and non-recurring IPO costs, NobleOak's Reported NPAT decreased by 65.6% to $1.7 million in FY22.

The Company is pleased with the performance of all business segments, each of which has contributed positively to the growth in profits reported during the period and exceeded its respective FY22 Pro forma (underlying) Prospectus Forecasts.

OPERATING AND FINANCIAL REVIEW
continued

Key Metrics

$'000/%	Actual FY22	Prospectus Forecast FY22	Actual FY21
In-force premium (ex Genus) at period end	254,592	233,437	182,077
New business	60,885	66,105	68,961
Net insurance premium revenue	63,701	56,536	46,611
Net insurance premium revenue growth	36.7%	22.6%	27.2%
Underlying gross insurance margin	14.2%	15.5%	17.6%
Underlying administration expense ratio	8.7%	9.7%	11.4%
Investment return	0.1%	0.3%	0.5%
Underlying NPAT	**9,476**	**9,031**	**7,008**
Underlying NPAT growth	*35.2%*		

The following section provides an overview of some of the Group's consolidated key metrics. More detailed commentary on the results and key metrics by Segment are included in the Operating Segment Review.

In-force premium and new business

In-force premium is the key value driver of NobleOak's business. Pleasingly, the Company has continued to deliver strong in-force premium growth of 39.8% on the prior corresponding period to $254.6 million, which was 9.1% ahead of the FY22 Prospectus forecast. This growth was driven primarily by strong sales across the Direct and Strategic Partner segments, with continued low lapse rates the primary driver of the outperformance.

New business sales for the year were $60.9 million, down 11.7% on the prior corresponding period, as NobleOak continued to achieve strong market share gains in both the direct and intermediated channels. Since the introduction of new IDII products, which were required to be launched by all insurers by 1 October 2021 in accordance with new regulatory standards, new business activity has remained relatively subdued as expected as many existing policyholders retain their pre-existing cover. Whilst conditions are yet to fully normalise, NobleOak anticipates a level of improvement over the next 12 months, with lower lapse rates than historical levels to partially offset reduced new business activity.

The Company will remain disciplined in its pursuit of new business, ensuring its products remain competitive while appropriately operating within its risk appetite.

Net insurance premium revenue

Total net insurance premium revenue increased by 36.7% to $63.7 million in FY22 (FY21: $46.6 million), benefiting from the strong growth in annual in-force premium and low lapse rates across the Direct and Strategic Partner Channels.

Net premium revenue as percentage (%) of gross premium revenue decreased by 1.8% to 25.6% in FY22 (FY21: 27.4%), reflecting the higher growth in the Strategic Partner segment where risk retention is lower. The Company continues to execute on its strategy to gradually increase insurance risk retention in the Strategic Partner Segment as confidence in these portfolios grows.

Underlying gross insurance margin (before admin expenses)

The total Underlying Gross Insurance Margin decreased from 17.6% in FY21 to 14.2% in FY22.

Both the Direct and Strategic Partner segments reported relatively stable Underlying Gross Insurance Margins, driven primarily by favourable claims experience both in FY22 and FY21. The reduction in the total Group Underlying Gross Insurance Margin was driven largely by an expected change in mix of the Group portfolio, with the Strategic Partner segment growing faster than the Direct segment.

OPERATING AND FINANCIAL REVIEW
continued

Underlying administration expense ratio

NobleOak continues to invest in building capability to deliver sustainable growth over the near to medium term, and as a result, its expense base continues to grow in line with business volumes.

Whilst total administration expenses have increased by 13.5%, the underlying administration expense ratio improved by 2.7% in FY22 to 8.7% (FY21: 11.4%) as operating leverage emerged. Cost management discipline remains important in the current inflationary environment, as the Company seeks to maintain stable margins and benefit from economies of scale over the longer term.

During the year, the business incurred significant one-off costs relating to the development and launch of new IDII products, the integration of the A&G run-off portfolio into the Genus business and the establishment of new processes to support the launch of new distribution arrangements with RAC WA and Budget Direct. $1.4 million of these costs were capitalised during the year as the economic benefits are expected to be consumed over its expected useful lives.

Administration expense in FY22 included depreciation and amortisation expense of $1.8 million (FY21: $1.1 million), with the increase being driven by the amortisation of the A&G admin right and product development project expenditure.

Investment returns

Investment returns remained commensurate with the low interest rate environment that prevailed throughout FY22. Whilst NobleOak's investment strategy is not expected to generate material profits in the near-term, during the year the Board approved amendments to the investment strategy including an asset allocation to short-duration fixed interest asset classes, which are projected to enhance returns while retaining the portfolio's overall low risk profile and benefit from the increasing interest rate environment.

Reconciliation of Statutory NPAT to Underlying Pro Forma NPAT

The table below reconciles the statutory NPAT to the underlying pro forma NPAT, using the pro-forma adjustment methodology consistent with the Prospectus. These pro-forma adjustments are non-IFRS adjustments made to the periods prior to the IPO (which occurred in July 2021). The pro-forma adjustments illustrate the impact of costs attributable to the IPO, public company cost structures, changes to salary packages and incentives effected for certain senior employees and one-off, non-recurring items. The purpose of the adjustments is to present the income statement on a comparable basis and in a manner consistent with internal management reporting.

$'000	Consolidated FY22	Consolidated FY21
Statutory NPAT	1,685	4,903
Impact of policy liability economic assumption changes (post tax)	5,825	775
Impact of IPO expenses (post tax)	1,966	1,330
Underlying NPAT	9,476	7,008
Changes in executive remuneration[1]	NA	(572)
Listed company expenses[2]	NA	(549)
Income tax effect[3]	NA	336
Pro-Forma Underlying NPAT	9,476	6,223

Notes:

1. Reflects the impact of changes in executive remuneration in place from completion of the IPO being applied to the historical periods.
2. Reflects NobleOak's estimate of the annual costs that it will incur as a listed company as if it had been a listed company from 1 July 2020. These costs include additional Directors' remuneration, ASX listing fees, additional share registry fees, higher Directors' and officers' insurance premiums, higher annual general meeting costs, higher annual report costs, media and investor relations costs and higher levels of audit fees.
3. Pro-forma tax expense rate of 30% has been applied, which is the Australian corporate tax rate.

OPERATING SEGMENT REVIEW

We are pleased with the performance of all of our business segments, each of which has contributed positively during the period and exceeded the prospective FY22 Prospectus forecast.

Operating segment review

Direct

$'000/%	Actual FY22	Prospectus Forecast FY22	Actual FY21
In-force premium at period end	69,177	64,303	57,414
New business	10,166	12,500	11,084
Lapse rate	8.4%	9.5%	6.8%
Net insurance premium revenue	35,036	33,638	27,258
Net insurance premium revenue growth	28.5%	21.9%	32.5%
Underlying gross insurance margin	31.3%	33.3%	33.8%
Administration expense ratio	19.3%	21.3%	22.7%
Investment return	0.2%	0.8%	(0.5%)
Underlying NPAT	**5,386**	**5,318**	**3,589**
Underlying NPAT growth	*50.1%*		

In the Direct segment, ongoing investment in the NobleOak brand continues to drive momentum and increased market awareness. In FY22, this delivered another strong result in a market which is facing significant ongoing regulatory scrutiny and market disruption. NobleOak's Direct strategy of investing in digital marketing initiatives alongside growing its alliance partnerships with organisations such as RAC WA and Budget Direct has helped to drive strong growth in the number of active policies of 18.6% to 40,311, with in-force premium growing by 20.5% to $69.2 million at 30 June 2022.

Over the reporting period, new alliance partnerships have been announced with Qudos Bank (September), Royal Automobile Club of Western Australia (October) and Auto & General Services (February). NobleOak is committed to further expanding the alliance partnership channel which in conjunction with the Company's strong digital presence will enable the business to generate strong growth in Direct market share, which has increased from 0.4% in 2019 to 0.7% in 2022.

NobleOak's disciplined underwriting and expense management has continued to deliver stable returns, with normalised profit generated from the Direct Segment increasing to $5.4 million in FY22, up 50.1% from the prior year and slightly ahead of the Prospectus forecast.

The Underlying Insurance Margin remains strong, with a 2 percentage point decline over the prior year driven by slight increase in lapse rates which remain well below industry averages.

The Administration Expense ratio improved by 3 percentage points to 19.3%, with economies of scale more than offsetting an increased investment in digital initiative, resourcing and capabilities and IDII product development and implementation. Looking ahead, the current inflationary environment is expected to impact the Company's expenses, however NobleOak's products do contain automatic inflation adjustments which will contribute to protecting margins.

OPERATING SEGMENT REVIEW
continued

A strong focus on NobleOak's core values of nobility, simplicity, adaptability and delivery continues to deliver strong customer outcomes, resulting in strong feedback for NobleOak in the Direct Channel, including:

- 95% of existing clients rate customer service provided to date as 'good' or 'excellent' which is continuously monitored by our post interaction surveys;
- a 4.8/5 Feefo customer rating as at 30 June 2022. NobleOak received a second Platinum Trusted Service award for maintaining a Gold Trusted Service Award standard for three consecutive years in 2022;
- a 4.4/5 Google customer satisfaction rating as at 30 June 2022; and
- NobleOak was again the most awarded Australian direct Life insurer in 2022, winning awards from Canstar, Plan for Life, Mozo Experts Choice and Finder during the year for the quality of our Life Insurance and Income Protection products. NobleOak also won Money Magazine's inaugural Direct Life Insurance Cover of the Year 2022, and the Direct sales team was named the #1 Sales Contact Centre in Australia by GRIST.

Strategic Partner

$'000/%	Actual FY22	Prospectus Forecast FY22	Actual FY21
In-force premium at period end	185,415	169,135	124,664
New business	50,719	53,605	57,878
Lapse rate	4.0%	8.0%	4.0%
Net insurance premium revenue	25,304	18,633	14,991
Net insurance premium revenue growth	82.0%	43.4%	50.6%
Underlying gross insurance margin	4.8%	5.1%	4.6%
Administration expense ratio	2.1%	2.3%	1.7%
Underlying NPAT	**3,222**	**2,897**	**2,113**
Underlying NPAT growth	*52.5%*		

The Strategic Partner Channel continues to deliver strong growth, as NobleOak's contemporary product offerings, high quality service and strong partnerships with Neos and PPS continuing to deliver market share growth.

In-force premium has grown to $185.4m at 30 June 2022, an increase of 48.7% from $124.7m at 30 June 2021. This growth was driven by strong new business sales during the year and continued low lapse rates of 4.0%, as in-force premium exceeded the Prospectus forecast by 9.6%.

As in the Direct Channel, customer insurance purchasing activity through advised channels has markedly declined across the industry since the introduction of the new IDII products. New business sales were down by 12.4% on the prior year to $50.7 million reflecting the lower industry sales activity.

In a challenging environment, the Company is pleased with the performance of the Strategic Partner Channel, with in-force premium market share growing from 0.4% in 2019 to 2.0% in 2022.

OPERATING SEGMENT REVIEW
continued

The Strategic Partner Channel delivered Underlying NPAT of $3.2 million for FY22, an increase of 52.5% on the prior year and 11.2% ahead of the Prospectus forecast. The Underlying Insurance Margin remained stable in FY22, again supported by favourable claims experience. The Administration Expense ratio remains low.

NobleOak continues to engage with its Strategic Partners to ensure the ongoing alignment of commercial arrangements and an appropriate balance of risk and return.

Individual Strategic Partner highlights:

Avant – The existing product closed to new business from 1 October 2021. NobleOak is working with Avant to assess its options going forward.

PPS – A new IDII Product was launched on 1 October 2021. NobleOak continues to work with PPS to ensure the product features and market positioning meets its risk appetite. NobleOak's partnership with PPS remains strong with both companies' objectives closely aligned. NobleOak has recently completed a review of the commercial terms to ensure they meet its requirements of both parties going forward.

NEOS – A new IDII product was launched on 1 October 2021 and NobleOak continues to work with Neos to ensure the product features and market positioning meets its risk appetite. NobleOak also recently completed a review of the commercial terms and operational arrangements with Neos to ensure strategic alignment.

Genus

$'000/%	Actual FY22	Prospectus Forecast FY22	Actual FY21
In-force premium under management	25,501	22,278	32,249
Administration Expenses	6,077	4,520	6,252
Amortisation of Portfolio Acquisition Costs	263	–	–
Underlying NPAT	**868**	**816**	**1,306**
Underlying NPAT growth	*(33.6%)*		

In-force premium under management by Genus decreased in line with expectations in FY22, driven by the conduct remediation program on the Freedom portfolio which concluded in April 2022.

The expected decline in the in-force premium under management due to the Freedom remediation program was partially offset by the acquisition of the A&G administration run-off portfolio, which added $4.1 million to the in-force premium under management.

The transition of the administration of the A&G portfolio has seen both revenues and expenses for Genus exceed the Prospectus forecast due to the introduction of this portfolio.

Genus generated $0.9 million Underlying NPAT in FY22, exceeding the Prospectus forecast by 6.4%, primarily driven by the acquisition of the A&G portfolio.

OPERATING SEGMENT REVIEW
continued

Outlook

NobleOak is expecting to have another strong year in 2023.

Entering FY23, the near-term economic outlook remains uncertain, with rising inflationary pressures and the unwinding of unprecedented economic stimulus measures impacting the economy. Despite these headwinds, the Australian economy remains relatively robust, with interest rates still relatively low in historical terms (albeit expected to rise over the near term) and unemployment low.

As most life insurance policies are indexed to inflation, increased inflation drives nominal increases in life risk in-force premium, which is expected to support in-force premium growth for NobleOak.

The lingering impact of COVID-19 continues to weigh on the economy and financial markets and will likely continue to impact growth in the life insurance industry in the near-term. However, there are strong indications that the pandemic has also contributed to a reduction in lapse rates across the industry, which has largely offset a lack of new business growth.

Following the introduction of new IDII products in October 2021, new business activity is expected to remain subdued in the medium term. NobleOak expects a moderate improvement in the near-term but does not expect to see a return to pre-2021 levels over the next 12 months. It is important to note that in-force premium remain the key long-term value driver for NobleOak and continued lower lapse rates are expected to offset much of the impact on new business activity.

Overall, NobleOak has a strong track record of growth in a market which continues to face regulatory changes, scrutiny and disruption. Despite the challenging environment, the market opportunity for NobleOak remains significant and attractive.

NobleOak will remain disciplined in its pursuit of growth across its business. In the Direct Channel, the Company will continue to invest in its digital capabilities and broaden alliance partnerships. The distribution arrangements with RAC WA and Budget Direct, which were only in place for part of FY22, are expected to contribute more meaningfully to growth and profits in FY23.

Customer insurance purchasing activity has reduced across the industry following the introduction of the new IDII products and has also been impacted by the decline in the number of financial advisors. This will impact growth in the Strategic Partner Segment, which is expected to be more closely aligned with the Direct Segment moving forward. Having renewed the commercial arrangements with each of its Strategic Partners, NobleOak is now better aligned with each Partner and this channel is expected to remain a strong contributor to Group profitability.

Genus has developed a robust capability in transition management and the administration of legacy life insurance businesses. This segment is expected to provide a meaningful financial contribution in FY23, with the potential to acquire and administer additional portfolios in the future, however the bar for considering portfolio acquisitions remains high.

NobleOak expects the emerging trends of increasing level of underinsurance in the industry and increasing consumer propensity to buy direct insurance to continue. As a small player in a large addressable market with many structural growths, the Company remains well positioned to take advantage of market dislocation, continue to capture market share and deliver robust growth.

NobleOak's resilient business model is underpinned by a large and growing annuity-style revenue base, with inflation-linked premiums that are expected to substantially offset cost inflation pressures. The Company's strong culture has enabled NobleOak to attract and retain a high calibre and talented team in an increasingly competitive labour market. The strong capital position provides the firepower to continue to invest for growth, and when combined with NobleOak's proven underwriting and expense discipline, enables the Company to expect relatively stable margins across each segment and continued growth in annual profit..

REMUNERATION REPORT

Section	Title	Description
1	Introduction	Describes the scope of the Remuneration Report and the individuals whose remuneration details are disclosed, together with a summary of the key changes during the year.
2	Remuneration governance	Describes the role of the Board and the Nomination and Remuneration Committee (NRC) and the use of remuneration consultants when making remuneration decisions.
3	Non-Executive Director remuneration	Provides details regarding the fees paid to Non-Executive Directors.
4	Executive remuneration	Outlines the principles and strategy applied to executive remuneration decisions and the framework used to deliver rewards, including company performance and Executive KMP remuneration linkages.
5	Key Management Personnel (KMP) equity interests	Provides details regarding shareholdings in NobleOak Life Limited of the non-executive directors and Executive KMP.
6	Employment agreements	Provides details of the contractual arrangements between NobleOak Life Limited and the executives whose remuneration details are disclosed.

REMUNERATION REPORT
continued

1. Introduction

NobleOak believes that attracting, developing, engaging and retaining talented executives and employees will provide the Company with a sustainable advantage over the long term. Building and maintaining a culture and implementing people and systems to support such a belief and culture are strategic priorities for NobleOak.

Key principles of NobleOak policies are attracting, learning and development, engagement, workplace health and safety, talent and succession management, and appropriate but competitive remuneration and benefits. The Board's philosophy and approach to executive remuneration is to balance fair remuneration for skills and expertise with a risk and reward framework that supports longer-term growth and sustainability of NobleOak. The Company strives to be a leader in the life insurance business that is both compassionate and customer focused.

The Board believes NobleOak's approach to Key Management Personnel (KMP) remuneration is a balanced, fair and equitable approach designed to reward and motivate a successful and experienced executive team to deliver ongoing business growth which is designed to meet the expectations of not only shareholders, but also other stakeholders.

Scope

This Remuneration Report sets out, in accordance with the relevant *Corporations Act 2001* (Cth) (Corporations Act) requirements, the remuneration arrangements in place for KMP during FY22.

Key Management Personnel

KMP have authority and responsibility for planning, directing and controlling the activities of NobleOak and comprise the non-executive directors (NEDs) as well as the Chief Executive Officer (CEO), who is also an executive director, and the Chief Financial Officer (CFO). The CEO and CFO, for purposes of the Remuneration Report, are referred to as Executive KMP. KMP are listed below and for further details on the KMP please refer to the Directors' Report.

Non-Executive Directors	Stephen Harrison (Chair)
	Andrew Boldeman
	Sarah Brennan (appointed 8 December 2021)
	Kevin Hamman
	Inese Kingsmill
	Emery Feyzeny (retired 1 December 2021)
Executive KMP (CEO)	Anthony Brown – Chief Executive Officer/Executive Director
Executive KMP (CFO)	Scott Pearson – Chief Financial Officer

2. Remuneration governance

This section of the Remuneration Report describes the role of the Board and the Nomination & Remuneration Committee, and the use of remuneration consultants when making remuneration decisions affecting KMP.

Role of the Board and the Nomination & Remuneration Committee

The Board is responsible for NobleOak's remuneration strategy and policies. Consistent with this responsibility, the Board has an established Nomination & Remuneration and Committee (NRC) which is comprised solely of NEDs, with the majority being independent.

Key responsibilities of the NRC are to:

- ensure that appropriate procedures exist to assess the remuneration levels of the Board Committees and the Board as a whole and direct reports to the CEO;
- review whether there is any gender or other inappropriate bias with respect to the remuneration for directors, senior executives or other employees;
- ensure that NobleOak adopts, monitors and applies appropriate remuneration policies and procedures;
- ensure that reporting disclosures related to remuneration meet the Board's disclosure obligations and all relevant legal and accounting standard requirements;
- review and make recommendations to the Board on remuneration reviews and incentive plans, in line with relevant legislation and corporate governance principles relating to remuneration practices and employment policies; and
- ensure appropriate superannuation arrangements are in place for NobleOak.

The NRC's role and interaction with the Board, internal and external advisors, is further illustrated below.

The Board
Ultimately responsible for remuneration decisions, considering recommendations and advice from the Nomination & Remuneration Committee.

Nomination & Remuneration Committee
The NRC operates under the delegated authority of the Board.

The NRC is empowered to source any internal resources and obtain external independent professional advice it considers necessary to enable it to make recommendations to the Board on the following:

Remuneration policy in respect of NEDs	Remuneration policy, composition and quantum of remuneration components for Executive KMP and performance targets	Design features of employee and executive STI and LTI plan awards, including setting of performance and other vesting and claw back conditions	Ensuring the Company has the appropriate policies and procedures in place to effectively manage talent acquisition and retention, including superannuation arrangements

External consultants

Internal resources

Further information on the NRC's role, responsibilities and terms of reference can also be viewed in the Investor Centre, Corporate Governance section of the NobleOak website.

REMUNERATION REPORT
continued

Use of remuneration consultants

During FY21, the Board of NobleOak engaged Crichton & Associates Pty Limited (C&A) to benchmark overall remuneration for the Board and CEO. The NRC and Board considered the recommendations from C&A as well as a number of other issues in developing the remuneration structures for the financial year ending 30 June 2022.

All proposed remuneration consultancy engagements were approved by the NRC in accordance with the Corporations Act.

No formal advice was sought from independent remuneration consultants in setting the FY23 remuneration levels. NobleOak purchases market remuneration data from a primary provider of remuneration data appropriate for roles within the Australian life insurance industry. The benchmarking data is used as a guide and not a substitute for thorough consideration of all the issues by the NRC and the Board.

3. Non-executive director remuneration

NED remuneration

Principle	Comment
Fees are set by reference to key considerations	Fees for NEDs are based on the nature of the NEDs' work and their responsibilities. The remuneration levels reflect the complexity of NobleOak's business and the extent of regulatory requirements and oversight applicable to a publicly listed Friendly Society. In determining the level of fees, survey data on comparable companies is considered. NEDs' fees are recommended by the NRC and then considered by the Board. Shareholders approve the aggregate amount available for the remuneration of NEDs.
Remuneration is structured to preserve independence whilst creating alignment	To preserve independence and impartiality, NEDs are not entitled to any form of incentive payments including options and the level of their fees is not set with reference to any measure of NobleOak performance. The Board has no approved minimum shareholding guidelines for NEDs. NEDs are encouraged to have a shareholding in NobleOak.
Aggregate Board and committee fees are approved by shareholders	The total amount of fees paid to NEDs in FY22 was within the aggregate amount approved by shareholders at the EGM held on 25 June 2021 of $1,000,000 per annum including superannuation.
Post-employment benefits	
Superannuation	Superannuation contributions have been made for NEDs who are paid through payroll at a rate of 10.0% (but only up to the Australian Government's prescribed maximum contributions limit) which satisfies the Company's statutory superannuation contribution obligations. The contribution rate will increase in future years in line with mandated legislative increases (with the first of such increases having occurred on 1 July 2022 to 10.5%). Contributions are included in the base fee.
Retirement schemes	There are no other retirement schemes in place for NEDs, other than Statutory Superannuation as described above.
Other benefits	
Equity instruments	NEDs do not receive any performance related remuneration, options, performance rights or shares.
Other fees/benefits	NEDs receive reimbursement for costs incurred directly related to NobleOak business. No payments were made to NEDs during 2022 for travel allowances, extra services, or special exertions.

REMUNERATION REPORT
continued

NED total remuneration paid

		Short-term benefits	Equity Based Payments	Post-employment benefits		
	Year	Fees ($)	Performance Rights ($)	Termination benefits ($)	Superannuation Benefits[3] ($)	Total ($)
Andrew Boldeman	FY22	128,688	–	–	12,869	141,557
	FY21	89,284	–	–	8,482	97,766
Sarah Brennan[1]	FY22	76,304	–	–	–	76,304
	FY21	–	–	–	–	–
Emery Feyzeny[2]	FY22	49,493	–	–	4,949	54,442
	FY21	95,586	–	–	18,936	114,522
Kevin Hamman	FY22	137,959	–	–	–	137,959
	FY21	117,634	–	–	–	117,634
Stephen Harrison (Chair)	FY22	192,750	–	–	–	192,750
	FY21	186,000	–	–	–	186,000
Inese Kingsmill	FY22	127,611	–	–	–	127,611
	FY21	125,191	–	–	–	125,191
Total	**FY22**	**712,805**	**–**	**–**	**17,818**	**730,623**
Total	**FY21**	**613,695**	**–**	**–**	**27,418**	**641,113**

1. Ms Brennan was appointed as a director in December 2021 and therefore did not receive any remuneration for FY21. FY22 remuneration reflects the pro rata amount received.
2. Mr Feyzeny retired as a director in December 2021 and therefore FY22 remuneration reflects the pro rata amount received.
3. Superannuation contributions have been made for NEDs who are paid through payroll.

REMUNERATION REPORT
continued

4. Executive remuneration

Executive KMP remuneration

NobleOak's executive remuneration policies and framework are designed to attract, motivate and retain high performing talent with the aim of achieving the Group's strategic objectives in a manner consistent with NobleOak's values, while maximising shareholder value.

Remuneration is intended to satisfy the following key criteria:

- providing a balance between incentivising the behaviours and actions (inputs) that lead to sustainable and profitable growth, and the results (outputs) achieved;
- including underlying profit, in line with APRA guidelines, as a core component of plan design;
- focusing on sustained growth in shareholder value, particularly growth in share price;
- incentivising above market return on capital in the medium to long term;
- achieving an effective balance between short and long-term strategic objectives; and
- focusing executives on non-financial drivers of value that promote sustainability, including:
  - attracting, retaining and developing high calibre personnel;
  - factors relating to our customers that drive long term customer satisfaction and customer value;
  - building and maintaining a prosperous and unique corporate culture, with a genuine focus on the customer; and
  - effectively managing risks across the organisation, such as operational, regulatory and reputational risks.

Fixed remuneration components are determined having regard to the specific skills and competencies of the Executive KMP with reference to both internal and external relativities, particularly local market and industry conditions.

The 'at risk' components of remuneration are strategically directed to encourage the Executive KMP to strive for superior performance on a risk-adjusted basis by rewarding the achievement of targets that are challenging, clearly defined, understood and communicated within the ambit of accountability of the relevant Executive KMP.

Executive KMP remuneration objectives are exemplified through three categories of remuneration, as illustrated below:

Executive KMP remuneration objectives			
Attract, motivate and retain competent executives across NobleOak's business	The creation of reward differentiation to drive performance values and behaviours	A balance between 'fixed' and 'at risk' components	Shareholder value alignment through equity components.

Total target remuneration (TTR) is set by reference to the relevant market benchmarks

Fixed	At risk	
Total fixed remuneration (TFR) TFR is set based on relevant market relativities, reflecting responsibilities, performance, qualifications, experience and geographic location	**Short-term incentives (STI)** STI performance criteria are set by reference to NobleOak performance targets comprising both financial and non-financial measures	**Long-term incentives (LTI)** LTI targets are linked to NobleOak Underlying Earnings Per Share (EPS) and Total Shareholder Return (TSR) growth
Remuneration will be delivered as:		
Base salary plus any fixed elements related to local markets, including superannuation or equivalents	Cash payment Part will be subject to service and deferred for at least one year	Equity in performance rights. All equity is held subject to service and performance for 3 years from grant date. The equity is at risk and subject to claw back provisions until vesting.
Strategic intent and market positioning		
TFR will generally be positioned at the median compared to relevant market-based data considering expertise and performance in the role.	Performance incentive is directed to achieving Board approved targets, reflective of market circumstances. TFR + @ Target STI + @ Target LTI is intended to be positioned in the 3rd quartile of the relevant benchmark comparisons.	LTI is intended to reward Executive KMP for sustainable long-term shareholder growth brining alignment to shareholders' interests. TFR + @Target STI + @ Target LTI is intended to be positioned in the 3rd quartile of the relevant benchmark comparisons.

Total Targeted Remuneration (TTR)

TTR is intended to be positioned in the third quartile compared to relevant market benchmark comparisons for at target performance. Fourth quartile TTR may result if outperformance is achieved.

REMUNERATION REPORT
continued

Remuneration composition mix and timing of receipt

NobleOak intends to provide an appropriate and competitive mix of remuneration balanced between fixed and 'at risk' components, with payment in the form of both cash and equity.

(a) Remuneration mix – FY22 and FY23

The current Remuneration mix for the CEO and CFO are shown below:

Position	STI (%)	LTI (%)
CEO	Up to 60% of TFR, (40% @ target)	Rights of 80% of TFR (Half of these vest @target)
CFO	Up to 50% of TFR (25% @ target)	Rights of 80% of TFR (Half of these vest @target)

The 'at risk' component (STI and LTI) represents the intended remuneration opportunity for the Executive KMP assuming the performance requirements set for each component are satisfied.

(b) Total Fixed Remuneration (TFR)

NobleOak intends to position executives in line with the market median level. This positioning is confirmed regularly by reference to remuneration surveys and independent benchmark assessments from time to time.

(c) Total Target Remuneration (TTR)

NobleOak intends to position TTR levels for its executives between the median and 75th percentile of the market. In the opinion of the Board, the TTR under the remuneration mix adopted by NobleOak delivers an overall risk adjusted reward opportunity which is intended to ensure both fair and market competitive remuneration is awarded.

(d) TFR explained

TFR includes all remuneration and benefits paid to an executive calculated on a total employment cost basis. In addition to base salary, superannuation and other individual specific allowances are included.

Executive KMP TFR is tested regularly for market competitiveness by reference to appropriate independent and externally sourced comparable benchmark information, including for comparable ASX-listed companies. Criteria assessed includes aspects such as (but not limited to) market capitalisation of comparable businesses, executive responsibilities, performance, qualifications, experience and location.

TFR adjustments, if any, are made with reference to individual performance, a change in job role or responsibility, changing market circumstances as reflected through independent benchmark assessments or through promotion.

Any adjustments to Executive KMP remuneration are approved by the Board, based on NRC and CEO recommendations.

(e) Variable ('at risk') remuneration explained

Variable remuneration is intended to constitute a material portion of the CEO and other Executive KMP's potential compensation package. The above percentages are at target and may increase if stretch targets are achieved (i.e., performance above targets). Apart from being market competitive, the purpose of variable remuneration is to incentivise executives' behaviour towards optimising NobleOak's long term performance, having regard to customer, community and other stakeholder expectations.

The key aspects are summarised below:

Short-term incentives (STI) – FY22 and FY23

Purpose	The STI arrangements at NobleOak are designed to reward executives for the achievement against annual performance targets set by the Board at the beginning of the performance period. The STI program is reviewed annually by the NRC and approved by the Board.
Performance targets	The key performance objectives of NobleOak are directed to achieving Board approved targets, with individual executives being assessed on a range of financial and non-financial measures (dependent on their role). The targets follow a balanced scorecard with key performance areas including Financial, Customer & Growth, Strategic Delivery and People & Culture, allocated across the management team. To assess management performance, the Board use underlying financial results which exclude the impact of changes in economic assumptions on policy liabilities and non-recurring costs such as those pertaining to the IPO as it allows for a better assessment of the underlying performance of the business. Any anomalies or discretionary elements are approved and validated by the Board. Payment of STI may be withheld if the Board determines that any specific ‘Performance gateway or Culture and Values gateway has not been met’.
Performance Gates and Modifiers Gate	Performance gates apply to the assessment of performance targets, to ensure that key minimum requirements are met in order to award incentives. Performance modifiers allow either the upward or downward adjustment of the award. Modifiers generally apply where performance was materially below the expected standard. In rare circumstances, the Board may seek to introduce an upward modifier. These performance gates and modifiers ensures appropriate award for performance and supports the prevention and mitigation of misconduct risk.
Rewarding performance	The STI performance ratings are determined under a predetermined matrix, with the Board determination as final.
Mandatory deferral of STI	Effective 1 August 2021 a deferral of a portion of STI (for selected executives) was introduced to further enhance alignment with shareholder interests. The STI awards are determined at the end of each year and then held for one year until vesting. This structure was designed with the objectives to increase prospects for retention and further align executives with shareholder interests. The deferred STI component for FY22 was calculated based on a predetermined 25% of the STI amount, above a minimum threshold (depending on the relevant position). Once the STI award has been granted, no further performance measures apply other than continued tenure for the vesting period (one year minimum).
Option for discretion	The STI is at the discretion of the Board and CEO and is subject to change or cancellation at any time.

Each Executive KMP has corporate and individual targets and objectives, including sound risk management practices as well as demonstrating NobleOak's core values and corporate culture, which are key factors in the assessment. Key design elements of the FY22 STI plan pertaining to the KMP were as follows:

	KMP (Allocated Proportion %)	
Measure	Anthony Brown (CEO)	Scott Pearson (CFO)
Financial	40%	35%
Strategy & Operations	20%	40%
Customers	20%	10%
People & Culture	20%	15%
Total	**100%**	**100%**

Long-term incentives (LTI) – FY20-22, FY21-23

Prior to ASX listing in July 2021, NobleOak offered equity incentives under the NobleOak Life Ltd Performance Rights Plan. The LTI was designed to align employee and shareholders' interests and to provide employees with the opportunity to acquire Company shares for no cash outlay. It also aimed to aid in long term retention of Executive KMP to maintain a stable team.

Key design elements of the LTI plan and issues made across the periods (each a "**Measurement Period**") outlined above were as follows:

FY20-22 and FY21-23

		Measurement Period	
		FY20-22	FY21-23
Tranche 1	The vesting is determined by the Total in-force Premium – Direct Business (TIPD). At the end of the 3-year Measurement Period the Company's TIPD CAGR over the Measurement Period will be calculated and compared against the vesting scale.	30%	30%
Tranche 2	The vesting is determined by the Compound Annual Growth Rate (CAGR) in Underlying EBIT. At the end of the Measurement Period the Company's Underlying EBIT CAGR over the Measurement Period will be calculated and compared against the vesting scale.	30%	30%
Tranche 3	The vesting is determined by the following performance measures: • Customer Net Promoter Score (NPS); • Partner Survey Score; • Staff Survey Score; and • Cost of Acquisition (FY21-23 only). At the end of the Measurement Period the Company's 3-year average of each measure will be calculated and compared against the vesting scale.	40%	40%
Total Performance Rights (By Plan Year)		**331,245**	**794,391**
Total Performance Rights (for the CEO and CFO)		**331,245**	**448,250**

REMUNERATION REPORT
continued

Long-term incentives (LTI) – From (ASX Listing) FY22-24, FY23-25

Effective from ASX Listing in July 2021, a new LTI plan has been offered to selected senior managers under a new scheme known as the NobleOak Long Term Incentive Plan (LTIP). The LTIP will provide an annual opportunity for Executive KMP and other selected senior managers (based on their ability to influence and execute strategy) to receive an equity award that is intended to align a significant portion of those in the LTIP's overall remuneration to shareholder value over the longer term. All LTIP awards remain at risk and subject to 'claw back' (forfeiture or lapse) until vesting and must meet or exceed performance targets set over the vesting period.

Key design elements of the LTI plan and issues made across the periods (each a "**Measurement Period**") are as follows:

Purpose	To align Executive KMP and other selected senior managers remuneration opportunity with shareholder value and provide retention stimulus.
Types of equity awarded	Under the NobleOak LTIP, selected senior managers are offered performance rights (being a right (at nil exercise price) to fully paid ordinary shares of NobleOak Life Limited), subject to satisfying the relevant requirements.
Time of grant	Grants will be issued in September 2022 (was Jun-21 for FY21) as part of the normal annual salary and incentive review process.
Time restrictions	Grants awarded to the Executive KMP and other selected senior managers are tested against the performance hurdles set, at the end of the performance and service period (usually at least three years). If the performance hurdles are not met at the vesting date, performance rights will lapse.
Dividends	No dividends are attached to performance rights.
Voting rights	There are no voting rights attached to performance rights.
Retesting	There will be no retesting of performance hurdles.
LTI allocation	The size of individual LTI grants for the Executive KMP and other selected senior managers are determined in accordance with the Board approved remuneration strategy mix. The allocation methodology for performance rights is to determine the target LTI dollar value for each executive and divide it by the 'face value' of the right without discounting for service or performance hurdles.

REMUNERATION REPORT
continued

Performance hurdles and vesting

<table>
<tr><th></th><th></th><th>FY22-24</th><th>FY23-25</th></tr>
<tr><td>Tranche 1</td><td>Prospectus Forecast Tranche

The vesting of Rights Prospectus Forecast Tranche will be conditional on achieving specific underlying NPAT targets set out in the Prospectus FY22 forecast (of $9.03 million) Financial Information (which, for the avoidance of doubt, will include the expenses associated with all incentive payments made and grants which vest in respect of FY22) for FY22 and one of:
a ‘weighted’ in-force insurance premium (calculated by adding one quarter of in-force insurance premium from the Strategic Partnership Channel and all of the in-force insurance premium from the Direct Channel) implied by FY22 Forecast Financial Information (being approximately $106.5 million); or
direct sales as set out in the FY22 Forecast Financial Information being $12.5 million,
The executive will also be required to remain employed with the Company for three years after the date of grant of rights.</td><td>One third</td><td>NA</td></tr>
<tr><td>Tranche 2</td><td>Total Shareholder Return (TSR) Tranche

The vesting of Rights TSR Tranche will be conditional on achieving specific TSR targets:

Compound annual growth (CAGR) in Total Shareholder Return (TSR) (3 years)<table><tr><th>Performance (p.a)</th><th>% of equity to vest</th></tr><tr><td>< 8%</td><td>0%</td></tr><tr><td>>8% up to 12%</td><td>12.5% to 50% pro-rata</td></tr><tr><td>> 12% up to 16%+</td><td>50% to 100% pro-rata</td></tr></table>
Performance rights vest if the time restrictions and relevant performance hurdles are met. The Board must approve any special provisions, in accordance with Company policies, in the event of termination of employment or a change of control.

The executive will also be required to remain employed with the Company for 3 years after the date of grant of rights.</td><td>One third</td><td>50%</td></tr>
</table>

REMUNERATION REPORT
continued

		FY22-24	FY23-25
Tranche 3	**Underlying* Earnings per Share (EPS) Tranche**	One third	50%

The vesting of Rights **EPS Tranche** will be conditional on achieving specific EPS targets below.

Compound annual growth (CAGR) in Earnings per Share (EPS) (3 years)

Performance EPS (CAGR)	% of equity to vest	FY22-24	FY23-25
Below Threshold level	0%	0%	0%
EPS (CAGR) (**Threshold level**)	12.5%	13.0 cents (11.5%)	15.7 cents (11.8%)
EPS (CAGR) (**Target level**)	50%	15.0 cents (17.0%)	17.7 cents (16.4%)
EPS (CAGR) (**Stretch level**)	100%	17.0 cents (22.0%)	20.35 cents (22.0%)

Performance rights vest if the 3-year time restrictions and relevant performance hurdles are met. The Board has the discretion to make any special provisions in the event of a change of control. The performance period for each grant ends on 30 June in the third year after the date of the grant of rights (i.e.. the performance period for rights granted in September 2022 will end on 30 June 2025). The executive must remain employed with the company throughout the period and at the date of vesting.

Underlying EPS for each relevant financial year will be calculated as Underlying NPAT for that financial year, divided by the weighted average number of ordinary shares.

The Implied Annual Compound Growth Rate in Earnings per Share for the FY22-24 period is an estimate based on the expected Pro-forma FY21 Earnings Per Share at the date of issue of the grants (i.e., 9.38 cents – which was adjusted to take into account one-off and ongoing costs items associated with the IPO).

The Board will make other adjustments as required by item (2) in paragraph 11 of ASX Guidance Note 19.

	FY22-24	FY23-25
Total Performance Rights	**789,736**	**833,960**
Total Performance Rights (for the CEO and CFO)	**395,898**	**432,894**

Other remuneration elements and disclosures relevant to Executive KMP

Claw Back

The Board has claw back arrangements in place for Executive KMP for both the STI and LTI where there has been material misconduct by the executive.

Hedging and margin lending prohibition

Under the NobleOak Securities Trading Policy and in accordance with the Corporations Act, equity granted under NobleOak equity incentive schemes must remain at risk until vested if they are performance rights. It is a specific condition of grant that no schemes are entered into, by an individual or their associates that specifically protect the unvested value of performance rights allocated.

NobleOak also prohibits the CEO or other 'Designated Persons' (including Executive KMP) providing NobleOak securities in connection with any margin loan or similar financing arrangement unless that person has received a specific notice of no objection in compliance with the policy from the Board.

NobleOak, in line with good corporate governance, has a formal policy setting down how and when employees of NobleOak may deal in NobleOak securities.

NobleOak's Securities Trading Policy is available on the NobleOak website under Investor Centre, Corporate Governance.

NobleOak Company Performance

FY22 was a transformational year for the business. In an environment of continued regulatory focus, COVID-19 and economic uncertainty, NobleOak navigated a successful IPO, significant investment in new personnel and systems and record growth. The business exceeded key FY22 Prospectus forecast measures, including:

- Underlying NPAT of $9.5million, representing 35.2% growth over prior year;
- Active policies in place at 30 June 2022 now exceed 103,000, (33.4% growth);
- New Business during the year of $60.9 million across all channels, (11.7% decrease);
- In-force premium at 30 June 2022 is over $254.6 million (39.8% growth);
- Insurance premium revenue is up to $248.4 million (46.2% growth).

These results were achieved while also:

- maintaining our high customer service quality standards, evidenced by third party awards from Canstar (Direct Life and Income Protection products), Plan for Life (Overall Excellence Award), Feefo Gold Trusted service award, Mozo (Life insurer on the Year) amongst other awards;
- committing to ongoing investment in our people, processes and systems to improvement scalability;
- further enhancing our insurance and partner governance frameworks and capability;
- launching new alliance partnerships with RAC WA, Budget Direct and Qudos Bank;
- launching new IDII products;
- navigating COVID-19 restrictions, predominantly during the first half of the FY22; and
- transitioning to a publicly listed entity.

REMUNERATION REPORT
continued

The performance of the Group is summarised in the table below:

Financial Performance	2022 $'000	2021 $'000	2020 $'000	2019 $'000	2018 $'000
Insurance premium revenue	248,401	169,932	105,568	71,675	56,620
Net insurance premium revenue	63,701	46,611	36,638	27,237	21,366
Net Profit After Tax	1,685	4,903	7,636	5,233	3,256
Underlying net profit after tax	9,476	7,008	5,836	3,350	2,206
Basic EPS (cents)	2.00	7.69	13.58	10.03	7.17
Diluted EPS (cents)	1.95	7.50	13.32	9.78	7.31
Underlying Basic EPS (cents)	11.22	10.99	10.38	6.42	4.86

LTI Performance Outcomes	2022	2021	2020	2019	2018
LTI Vested (% of grant) (Target = 50%)	67.8%	38.6%	30.1%	N/A	N/A
Total Performance Rights Vested	224,516	172,570	57,733	N/A	N/A
Total Performance Rights Vested (For CEO & CFO)	224,516	172,570	57,533	N/A	N/A

Tracking Unvested LTI Awards

LTI Award	Vesting Date	Tracking (50% of Rights vest at Target)	Total Performance Rights	Total Performance Rights (For CEO & CFO)
2020	30-Jun-23	Above Target	794,391	448,250
2021	29-Jun-24	Close to Target	789,736	395,898
2022	30-Jun-25	Period Just started	833,960	432,894

During FY22, the Company achieved the following goals:

Financial

- Strong financial performance, exceeding key FY22 Prospectus measures including:
  - In-force premium: $254.6m (up 9.1% vs. Prospectus Forecast)
  - Insurance premium revenue: $248.4m (up 46.2%)
  - Underlying NPAT: $9.5m (up 35.2%)
- New business sales impacted by reduced activity post-launch of new IDII products

Strategy & Operations

- Robust risk management procedures, with no significant regulatory actions, breaches or remediations across the business during FY22
- Successful delivery of key Business Plan initiatives, including successful launch of IDII product, partnerships with Budget Direct and RAC WA and continued collaborative approach with Strategic Partners

Customers

- Continued below-market lapse rates and high customer satisfaction rates
- Maintained disciplined approach to customer acquisition

People & Culture

- Strong focus on entrenching NobleOak's core values, delivering high levels of staff engagement, with over 96% of respondents in our most recent Employment Engagement Survey stating they were proud to work for NobleOak

REMUNERATION REPORT
continued

Short-Term Incentive Outcomes

Relationship between NobleOak performance and Executive KMP remuneration

Each Executive KMP has corporate and individual targets and objectives, including sound risk management practices as well as demonstrating NobleOak's core values and corporate culture, which are key factors in the assessment.

Taking into account the Company and the individual goals achieved, the resultant potential STI awards for Executive KMP for FY22 are as follows:

Key Management Personnel	Target STI %	Minimum – Maximum STI %	Actual STI Achieved %
Anthony Brown (CEO)	40%	0% – 60%	38.4%
Scott Pearson (CFO)	25%	0% – 50%	28.8%

Executive KMP remuneration table

The remuneration of each Executive KMP for the year ended 30 June 2022 is set out below:

		Short-Term Benefits				Equity-Based Payments		Other		
		Base Salary ($)	Cash STI ($)	Other Cash Benefits ($)	Deferred STI Rights ($)	LTI Performance Rights ($)	LTI Options ($)	Long Service Leave ($)	Superannuation ($)	Total ($)
Anthony Brown	FY22	537,458	216,616	–	–	226,088	110,042	–	23,680	1,113,884
	FY21	465,897	224,447	–	–	264,747	31,961	–	21,786	1,008,838
Scott Pearson	FY22	376,087	114,565	–	–	157,236	84,383	–	23,680	755,951
	FY21	354,906	123,000	–	–	171,838	24,509	–	21,786	696,039
Total	**FY22**	**913,545**	**331,181**	**–**	**–**	**383,324**	**194,425**	**–**	**47,360**	**1,869,835**
Total	**FY21**	**820,803**	**347,447**	**–**	**–**	**436,585**	**56,470**	**–**	**43,572**	**1,704,877**

REMUNERATION REPORT
continued

5. KMP EQUITY INTERESTS

The tables below set out the equity interests held by NEDs and Executive KMP.

Shares	Opening Balance (1 July 2021)	Shares Acquired	Shares Sold	Closing Balance (30 June 2022)
Directors of NobleOak Life Limited				
Andrew Boldeman	–	51,282	–	51,282
Sarah Brennan (appointed 8 December 2021)	–	–	–	–
Emery Feyzeny[1] (retired 1 December 2021)	390,000	–	–	390,000
Kevin Hamman[2]	1,126,366	–	26,364	1,100,002
Stephen Harrison[3]	188,454	–	–	188,454
Inese Kingsmill	–	–	–	–
KMP of NobleOak Life Limited				
Anthony Brown[4]	5,118,247	375,063	–	5,493,310
Scott Pearson	25,000	89,815	–	114,815

1. Of the Shares held by Mr Feyzeny, 150,000 Shares are held in the name of Emery Feyzeny and Judy Feyzeny as trustees for the Pluvial Super Fund.
2. Of the Shares held by Mr Hamman, 437,002 Shares are held in the name of TK Consulting (Aust) Pty Ltd as trustee for the Hamman Family Trust (an entity associated with Mr Hamman), 227,273 Shares are held in the name of Future Super KH Custodian Pty Ltd as trustee for the Future Super Fund (an entity associated with Mr Hamman), 172,727 Shares are held in the name of Future Super KH Pty Ltd as trustee for the Future Super Fund (an entity associated with Mr Hamman) and 110,000 Shares are held in the name of KH Investments Pty Ltd as trustee for the KH Development Trust (an entity associated with Mr Hamman).
3. Of the Shares held by Mr Harrison, 38,000 Shares are held in the name of MSJ Capital Pty Ltd as trustee for the Harrison Super Fund (an entity associated with Mr Harrison).
4. Of the Shares held by Mr Brown, 3,980,769 Shares are held in the name of Brohok Investments Co Pty Ltd (an entity associated with Mr Brown). 108,396 shares were acquired through the exercise of performance rights issued through 2018 LTI Plan.

REMUNERATION REPORT
continued

6. EMPLOYMENT AGREEMENTS

The Executive KMP operate under employment agreements.

The following sets out details of the employment agreements relating to the CEO and CFO. The terms for the CEO and CFO are similar but do, on occasion, vary to suit different needs.

Length of contract	The CEO and CFO are on permanent contracts, which is an ongoing employment contract until notice is given by either party.
Notice periods	In order to terminate the employment arrangements, the CEO and CFO are required to provide NobleOak with six months' written notice.
Resignation	On resignation, unless the Board determines otherwise, all unvested STI or LTI benefits are forfeited.
Termination on notice by NobleOak	NobleOak may terminate employment of the CEO and CFO by providing six months' written notice. The Company may make payment in lieu of the notice period based on TFR. On termination on notice by NobleOak, unvested STI or LTI benefits may be varied, terminated, suspended or exercised, in the absolute discretion of the Board (subject to the listing rules of the ASX).
Death or total and permanent disability	On death or total and permanent disability, the Board has discretion to allow all unvested STI and LTI benefits to vest.
Termination for serious misconduct	NobleOak may immediately terminate employment at any time in the case of serious misconduct, and Executive KMP will only be entitled to payment of TFR up to the date of termination. On termination without notice by NobleOak in the event of serious misconduct: • all unvested STI or LTI benefits will be forfeited; and • any ESS instruments provided to the employee on vesting of STI or LTI awards that are held in trust, will be forfeited.
Statutory entitlements	Payment of statutory entitlements of long service leave and annual leave applies in all events of separation.
Post-employment restraints	The CEO's contract includes a post-employment restraint around working for a competitor direct insurer of 6 months. The CFO is also subject to a post-employment restraint for up to 6 months.

AUDITOR'S INDEPENDENCE DECLARATION

Deloitte.

Deloitte Touche Tohmatsu
ABN 74 490 121 060

Grosvenor Place
225 George Street
Sydney, NSW, 2000

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www.deloitte.com.au

The Board of Directors
NobleOak Life Limited
66 Clarence Street
Sydney NSW 2000

30 August 2022

Dear Board Members,

Auditor's Independence Declaration to NobleOak Life Limited

In accordance with section 307C of the Corporations Act 2001, I am pleased to provide the following declaration of independence to the Board of Directors of NobleOak Life Limited.

As lead audit partner for the audit of the financial report of NobleOak Life Limited for the financial year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(i) the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

(ii) any applicable code of professional conduct in relation to the audit.

Yours faithfully

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU

Max Rt Murray

Max Murray
Partner
Chartered Accountants

FINANCIAL REPORT CONTENTS

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Financial Year ended 30 June 2022

		Consolidated		The Company	
	Note	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Continuing Operations					
Insurance premium revenue	2.1	248,401	169,932	230,919	156,872
Reinsurance expenses	2.1	(184,700)	(123,321)	(184,700)	(123,321)
Net insurance premium revenue		63,701	46,611	46,219	33,551
Investment income	2.1	181	(207)	1,166	779
Net commissions	2.1	15,097	13,046	15,097	13,046
Fees & other revenue	2.1	4,422	4,044	14,068	9,916
Claims expense – net of reinsurance recoveries	2.2	(9,485)	(5,922)	(9,485)	(5,922)
Policy acquisition costs	2.2	(45,170)	(38,549)	(42,095)	(35,669)
Change in net policy liabilities (before economic assumption changes)	5.3	7,000	10,617	7,000	10,617
Change in net policy liabilities (economic assumption changes)	5.3	(8,321)	(1,108)	(8,321)	(1,108)
Administration expenses	2.2	(21,969)	(19,356)	(18,498)	(16,932)
IPO expenses	2.2	(2,808)	(1,900)	(2,808)	(1,900)
Operating Profit		**2,648**	**7,276**	**2,343**	**6,378**
Lease interest expense		(47)	(88)	(34)	(64)
Profit Before Tax		**2,601**	**7,188**	**2,309**	**6,314**
Income tax expense	2.6	(916)	(2,285)	(518)	(1,723)
Profit After Tax		**1,685**	**4,903**	**1,791**	**4,591**
Other Comprehensive Income		**–**	**–**	**–**	**–**
Total Comprehensive income attributable to Owners of the Company		**1,685**	**4,903**	**1,791**	**4,591**
Earnings per share					
Basic (cents per share)	2.4	2.00	7.69		
Diluted (cents per share)	2.4	1.95	7.50		

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes to the financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the Financial Year ended 30 June 2022

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000	The Company 2022 $'000	The Company 2021 $'000
Assets					
Cash and cash equivalents	7.3	30,263	31,842	27,183	29,058
Receivables	3.1	12,043	14,037	11,250	12,725
Financial assets	3.3	69,200	20,486	72,415	20,500
Gross policy liabilities ceded under reinsurance	5.3	27,428	35,444	27,428	35,444
Plant and equipment	4.1	169	517	169	228
Right-of-use assets	4.2	495	1,344	360	976
Deferred tax asset	2.6	3,562	2,932	2,834	2,344
Intangibles	4.3	5,353	1,458	1,816	1,308
Total assets		**148,513**	**108,060**	**143,455**	**102,583**
Liabilities					
Payables	3.2	28,639	29,027	25,719	25,809
Current tax liabilities	2.6	702	2,104	702	2,104
Lease liabilities	4.2	556	1,455	405	1,060
Provisions	4.4	1,512	1,283	–	–
Gross policy liabilities	5.3	5,472	(10,429)	5,472	(10,429)
Total liabilities		**36,881**	**23,440**	**32,298**	**18,544**
Net assets		**111,632**	**84,620**	**111,157**	**84,039**
Equity					
Issued share capital	6.1(a)	95,323	62,451	95,323	62,451
Accumulated profits	6.2	14,826	21,298	14,351	20,717
Share-based payment reserve	6.1(b)	1,483	871	1,483	871
Total equity		**111,632**	**84,620**	**111,157**	**84,039**

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the Financial Year ended 30 June 2022

Consolidated

	Note	Issued share capital $'000	Accumulated profits $'000	Share-based payment reserve $'000	Total equity $'000
Balance as at 1 July 2020		47,120	16,395	505	64,020
Share capital net of transaction costs		15,331	–	–	15,331
Profit for the year		–	4,903	–	4,903
Recognition of share-based payments		–	–	366	366
Balance at 30 June 2021		62,451	21,298	871	84,620
Share capital net of transaction costs		32,872	–	–	32,872
Profit for the year		–	1,685	–	1,685
Dividends	2.5	–	(8,157)	–	(8,157)
Recognition of share-based payments		–	–	612	612
Balance at 30 June 2022	6.1	**95,323**	**14,826**	**1,483**	**111,632**

The Company

	Note	Issued share capital $'000	Accumulated profits $'000	Share-based payment reserve $'000	Total equity $'000
Balance as at 1 July 2020		47,120	16,126	505	63,751
Share capital net of transaction costs		15,331	–	–	15,331
Profit for the year		–	4,591	–	4,591
Recognition of share-based payments		–	–	366	366
Balance at 30 June 2021		62,451	20,717	871	84,039
Share capital net of transaction costs		32,872	–	–	32,872
Profit for the year		–	1,791	–	1,791
Dividends	2.5	–	(8,157)	–	(8,157)
Recognition of share-based payments		–	–	612	612
Balance at 30 June 2022	**6.1**	**95,323**	**14,351**	**1,483**	**111,157**

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the Financial Year ended 30 June 2022

	Note	Consolidated 2022 $'000	Consolidated 2021 $'000	The Company 2022 $'000	The Company 2021 $'000
Cash flows from operating activities					
Premium received		249,265	170,818	231,470	158,056
Reinsurance premium payments		(177,915)	(119,597)	(177,915)	(119,597)
Reinsurance recoveries received		67,970	27,386	67,970	27,386
Claims paid		(51,629)	(33,175)	(51,629)	(33,175)
Interest received		181	140	169	127
Dividends received		56	–	1,056	1,000
Fees and other income received		114,374	112,506	125,344	119,475
Marketing and policy acquisition costs		(144,593)	(131,717)	(143,132)	(128,817)
Payments to other suppliers and employees		(29,732)	(27,081)	(26,357)	(23,911)
Net cash from/(used in) operating activities	7.3(b)	27,977	(720)	26,976	544
Cash flows from investing activities					
Purchase of plant and equipment		(31)	(96)	(31)	(96)
Purchase of intangible assets		(4,457)	(1,356)	(807)	(1,356)
Purchase of financial assets		(48,837)	(8,920)	(52,038)	(8,920)
Net cash used in investing activities		(53,325)	(10,372)	(52,876)	(10,372)
Cash flows from financing activities					
Repayment of leasing liabilities		(899)	(826)	(656)	(601)
Lease interest paid		(47)	(88)	(34)	(64)
Dividends paid	2.5	(8,157)	–	(8,157)	–
Amounts received from issue of shares	6.1(a)	34,520	15,377	34,520	15,377
Cost of issue of shares	6.1(b)	(1,648)	(46)	(1,648)	(46)
Net cash from financing activities		23,769	14,417	24,025	14,666
Net (decrease)/increase in cash and cash equivalents held		**(1,579)**	**3,325**	**(1,875)**	**4,838**
Cash and cash equivalents at the beginning of the financial year		**31,842**	**28,517**	**29,058**	**24,220**
Cash and cash equivalents at the end of the financial year	7.3(a)	**30,263**	**31,842**	**27,183**	**29,058**

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

NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year ended 30 June 2022

1 About this report

(a) General Information

NobleOak Life Limited (the Company) is a company limited by shares, incorporated and domiciled in Australia.

The Company's registered office is Level 7, 66 Clarence Street, Sydney NSW, 2000. These consolidated financial statements comprise the Company, its subsidiaries and controlled entities (together referred to as the "Group").

The Group is a for-profit entity and is primarily involved in the sale and management of life insurance products.

The financial report was authorised for issue by the Directors on 30 August 2022. The Company has the power to amend and reissue the Financial Report.

The financial statements are prepared by consolidating the financial statements of the Group's Benefit Funds and Management Fund. A list of Benefit Funds appears in note 5.2 of the financial statements.

(b) Statement of compliance

These financial statements are general purpose financial statements which have been prepared in accordance with the *Corporations Act 2001*, Accounting Standards and other authoritative pronouncements issued by the Australian Accounting Standards Board (AASB), and comply with other requirements of the law.

The financial statements comprise the consolidated financial statements of the Group and the separate financial statements of the parent entity. For the purpose of preparing the consolidated financial statements, the Company is a for-profit entity. Accounting Standards comprise Australian Accounting Standards. Compliance with Australian Accounting Standards ensures that the financial statements and notes of the Company and the Group comply with International Financial Reporting Standards ('IFRS').

(c) Basis of preparation

The financial report has been prepared on an accruals basis and is based on historic costs, except financial instruments that are measured at revalued amounts or fair values at the end of each reporting period.

Historical cost is generally based on the fair values of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques in accordance with the measurement hierarchy in note 3.3.

The Group operates predominantly in the financial services industry. As such, the assets and liabilities disclosed in the statement of financial position are grouped by nature and listed in an order that reflects their relative liquidity.

The Company is that as referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporate Instrument, amounts in the consolidated financial statements and Directors' report have been rounded off to the nearest thousand dollars, unless otherwise indicated.

All amounts are presented in Australian dollars, unless otherwise noted.

(d) Controlled Entities

Controlled entities, which make up the Group are all those entities over which the Company has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. A list of controlled entities is summarised in note 7.2.

NOTES TO THE FINANCIAL STATEMENTS
continued

(e) Going concern

The financial statements have been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

(f) Change in accounting policy

At the date of authorisation of the consolidated financial statements, the Standards and Interpretations that were issued but not yet effective are listed below.

Standard/Interpretation	Effective for annual reporting periods beginning on or after	Expected to be initially applied in the financial year ending
AASB 17 '*Insurance contracts*' will replace AASB 1038.	1 January 2023	30 June 2024
AASB 9 '*Financial instruments*' – The Group is taking the deferral approach and will implement at the same time as AASB 17 '*Insurance Contracts*'.	1 January 2021	30 June 2024

AASB 17 *Insurance Contracts*

AASB 17 *Insurance Contracts* is a comprehensive new accounting standard for insurance and reinsurance contracts that replaces AASB 1038 within the Australian Life Insurance industry. It applied to all insurers and reinsurers, including NobleOak. The objective of the Standard is to ensure that financial entities provide relevant information that faithfully represents the contracts that it holds, through considering the substantive rights and obligations under those contracts that may arise from law, regulation or the contracts themselves. AASB 17 covers the recognition, measurement, presentation, and disclosure of insurance contracts.

The Standard is based on IFRS 17 *Insurance Contracts*, and will apply to annual reporting periods beginning on or after 1 January 2023. NobleOak will thus adopt AASB 17 from 1 July 2023.

Key principles under AASB 17, are that an insurance company:

- Identifies insurance contracts as contracts under which significant insurance risk is accepted through an agreement to compensate the policyholder in the event of a specified uncertain future event (that adversely impacts the policyholder).
- Separates non-insurance components (such as embedded derivatives or investment components) from insurance contracts.
- Divides contracts into groups that it will recognise and measure together (such as onerous contracts, or contracts that are incepted in the same year).
- Recognises and measures groups of insurance contracts as:
  - Fulfilment cashflows (the risk-adjusted present value of future cashflows attributable to the contract), plus
  - The Contractual Service Margin ('CSM') which represents the amount of unearned profit in the group of contracts.
  - Recognises the profit from a group of contracts over the period that insurance coverage is provided. Losses are recognised immediately.
- Presents insurance revenue, insurance service expenses, insurance finance income or insurance finance expenses separately in the accounts.
- Discloses information to enable the users of financial statements to assess the effects that contracts have on the financial position, financial performance, and cash flows of the entity.

Measurement of insurance contracts

Measurement models

AASB 17 introduces a new measurement model known as the GMM (General Measurement Model). Under the GMM, the insurance contract liability includes the following key components:

- The liability for remaining coverage ('LRC') which represents future insurance coverage to be provided (after the reporting date). The LRC is measured as the sum of:
  - the present value of expected future cash flows, including an explicit risk adjustment (collectively referred to as the 'fulfilment cash flows'); and
  - the CSM, which reflects unearned profit.
- The liability for incurred claims which represents 'fulfilment cash flows' arising from past insurance service.

NobleOak expects that most of its insurance contracts will be accounted for using the GMM.

AASB 17 also permits the use of a simplified measurement model known as the Premium Allocation Approach ('PAA'), in certain circumstances. This model is similar to the retrospective accounting approach allowed under AASB 1038, with the exception of the option to recognise any insurance acquisition costs as expenses when incurred, for contracts that have a coverage period of one year or less. We are in the process of undertaking a detailed impact assessments to determine eligibility and preference around the application of this measurement approach to any of our insurance contract groups.

AASB 17 also requires a modified version of the GMM, the variable fee approach ('VFA'), to be applied to contracts with direct participation features. The modifications reflect the fact that those contracts provide investment-related services and that the Company receives a variable fee for those services. Consideration is being given as to whether this measurement approach is appropriate to use given the profit share arrangement in our PPS Benefit Fund or the terminal bonus arrangement in the Funeral Fund.

Risk adjustment

Under AASB 17, the LRC is required to include an explicit risk adjustment, reflecting the compensation that the Company requires for bearing non-financial risk. This is a new addition when compared to AASB 1038. AASB 17 does not prescribe a methodology for calculating the risk adjustment, and the determination of the compensation required for non-financial risk requires significant judgement and industry interpretation. Within NobleOak, consideration is being given to the appropriateness of using a cost of capital approach vs. a confidence interval drive approach. As a result, this requirement is still subject to change and therefore the financial impact cannot be reasonably estimated at this point in time.

Discount Rates

AASB 17 requires estimates of future cash flows to be discounted to reflect the time value of money and financial risks related to those cash flows. It also requires that for policies for which changes in assumptions that relate to financial risks do not have a substantial effect on the amounts paid to policyholders, that the discount rate used is locked in from inception. NobleOak is still determining the discount rate methodology.

Onerous Contracts

AASB 17 requires the identification of 'groups' of onerous contracts and recognition of losses arising on these contracts. NobleOak is currently developing the methodology to be applied to identify and measuring onerous contract losses.

Onerous contract losses are required to be recognised in the Statement of Comprehensive Income on a gross basis when the expected fulfilment cash flows exceed the carrying value of the contract, or group of contracts. Contracts that are measured using the PAA are assumed to not be onerous unless facts and circumstances indicate otherwise. A loss recovery component (reinsurance recoveries) expected on the onerous contract losses, is also recognised in the Statement of Comprehensive Income to the extent that the onerous contracts are covered by reinsurance.

Given the judgemental nature of the measurement of onerous contract losses, and the related loss recoveries, and evolving industry practice, NobleOak is still determining the financial impact of the onerous contract requirements.

Transition

AASB 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach ('MRA') or the fair value approach ('FVA') may be applied. Careful consideration is still being given to the requirements and implications of each of these approaches, and thus the extent to which each approach will be applied under transition.

Presentation and disclosure

AASB 17 introduces significant changes to the presentation of and disclosures in insurers' financial statements. These include changes to existing line items and the introduction of new line items in both the Statement of Financial Position and the Statement of Comprehensive Income.

Statement of Financial Position:

- Existing insurance and reinsurance contract line items will be replaced with single line items representing insurance and reinsurance contract assets and liabilities separately.
- Insurance contract liabilities are to include all cashflows that relate to the fulfillment of the insurance contract including direct costs (such as acquisition and claim costs) and other costs (e.g., indirect costs such as overheads).

Statement of Comprehensive Income:

- Gross earned premium will be replaced by insurance contract revenue, reflecting the amount that the Company expects to receive for the services it has provided in the period.
- Claims incurred and attributable operational expenses will be combined into a single line item relating to insurance service expenses.
- The total of insurance contract revenue less the insurance service expense will represent the insurance service result.
- The effect of discounting (i.e., the time value of money) on expected cash flows of insurance contract assets and liabilities will be presented as a finance income or expense.
- Amounts related to insurance contracts issued will be presented separately for reinsurance contracts held.

AASB 17 implementation progress

The implementation of AASB 17 is well underway within NobleOak and a team of key staff members across finance, insurance and IT has been created and mobilised to progress the detailed design and implementation of required changes, under the help and guidance of an experienced international consulting firm. Strategic partners have been engaged and will be involved and input into all stages of the project to ensure successful delivery. Overall implementation is being overseen by a subset of the Senior Leadership Team, and by the Board Audit Committee.

Accounting policy decisions and application methodologies are being developed and implemented and significant changes to actuarial and finance systems, data, financial processes, and disclosures are underway. A key component of the implementation program is to ensure that business value is gained from the changes being made, and as a result significant attention is being given to uplifting areas of the business over and above meeting the requirements of the standard. These areas include:

- Data capability and granularity, with the aim of uplifting the quality and granularity of business performance insights
- Internal actuarial capability, in line with the growth of the business, and
- Actuarial and financial processes, with the aim of ensuring internal consistency and efficiency.

Significant investment is being made by NobleOak to satisfy these compliance obligations and deliver long term business process improvements. NobleOak expects to separately disclose the amount of this investment in its Financial Statements to allow assessment of underlying business performance.

AASB 9 *'Financial instruments'*

AASB 9 '*Financial Instruments*' – replaces AASB 139 *Financial Recognition and Measurement*. AASB 9 includes revised guidance on the classification and measurement of financial instruments.

It also carries forward guidance on recognition and de-recognition of financial instruments from AASB 139. The application of AASB 9 is not expected to have a material impact on the results of the Group.

The majority of the Group's assets are assets backing policyholder liabilities and are currently designated at fair value through the profit or loss. The Group's other financial instruments (i.e. receivables and payables) are held at amortised cost. The standard is now in effect, however the Group is taking the deferral approach that is to implement the standard at the same time as AASB 17. The Group has measured those liabilities which are within the scope of AASB 4 *Insurance Contracts*, and these are greater than the 90% threshold of total liabilities required to take the deferral option available as an insurer.

From 1 July 2023, AASB 9 will change the Group's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with an expected credit loss ("ECL") approach. AASB 9 is currently being evaluated by the Group to consider the impact and implementation alongside AASB 17. As the Group's assets backing policyholder liabilities are currently measured as at fair value through profit or loss and other financial instruments (i.e. receivable and payables) are held at amortised costs, the adoption of AASB 9 does not materially change the accounting for these assets. For trade and other receivable, the Group will determine the approach to calculate ECLs.

(g) Principles of consolidation

The consolidated financial statements incorporate all of the assets, liabilities and results of the parent (NobleOak Life Limited) and the subsidiaries. A subsidiary is an entity the parent controls. The parent controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Details of the subsidiaries are provided in note 7.2.

The assets, liabilities and results of a subsidiary are fully consolidated into the financial statements of the Group from the date on which control is obtained by the Group. The consolidation of a subsidiary is discontinued from the date that control ceases. Intercompany transactions, balances and unrealised gains or losses on transactions between group entities are fully eliminated on consolidation. Accounting policies of a subsidiary have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the Group.

(h) Business combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not re-measured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is re-measured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(i) Impairment of assets

At each reporting date, the Group reviews the carrying amounts of its tangible, right-of-use and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. An excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

(j) Significant accounting policies

The significant accounting policies adopted in the preparation of the financial report are contained in the notes to the financial statements to which they relate. All accounting policies have been consistently applied to the current year and comparative period, unless otherwise stated.

(k) Critical accounting judgements and estimates

The following items are covered in note 5.6:

- Life insurance policy liabilities, including the actuarial methods and assumptions.
- Assets arising from reinsurance contracts.
- Further details on the potential impacts of COVID-19.

NOTES TO THE FINANCIAL STATEMENTS
continued

2 Results for the year

2.1 Revenue items

	Consolidated		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
(i) Net Insurance Premium Revenue				
Premium revenue from insurance contracts*	248,401	169,932	230,919	156,872
Less: Outward reinsurance expense	(184,700)	(123,321)	(184,700)	(123,321)
	63,701	46,611	46,219	33,551

* NobleOak's in-force premium as at 30 June 2022 in active benefit funds was $254,591,855 ($182,077,356 as at 30 June 2021). In-force premium in closed benefit funds as at 30 June 2022 was $11,685,662 ($17,628,636 as at 30 June 2021). From 1 June 2020, NobleOak generated revenue from the closed benefit funds to support the administration cost of managing the run-off to these policies.

There is a difference between in-force premium and the revenue recognised in the profit or loss statement due to timing of policy start dates (earned premium) and sales incentives offered with the policies (premium free periods). For core life insurance business, the gross premium (including base premium and fees) is collected by NobleOak Services Limited (the subsidiary company and the administrator). The base premium is paid to NobleOak Life Limited (the parent company and the insurer) which is recognised as insurance premium revenue in the Company's statement of profit or loss. The fee component of the gross premium retained in the subsidiary company is recognised within the insurance premium revenue in the consolidated profit or loss statement.

Premium revenue

Premium revenue arises in respect of life insurance contracts and it is recognised on a due basis subject to the rules governing each Benefit Fund. Where policies provide for the payment of amounts of premiums on specific due dates, such premiums are recognised as revenue when due. Unpaid premiums are recognised as revenue only during the days of grace or where secured by the surrender values of the policies concerned. Other premiums are recognised as revenue on a due basis.

Outward reinsurance expense

Premiums ceded to reinsurers under reinsurance contracts are recorded as an outward reinsurance expense and are recognised over the period of indemnity of the reinsurance contract.

	Consolidated		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
(ii) Investment Income				
Interest revenue	248	146	233	132
Decrease in market value of investments	(123)	(353)	(123)	(353)
Dividends received	56	–	1,056	1,000
	181	(207)	1,166	779

NOTES TO THE FINANCIAL STATEMENTS
continued

Interest revenue

Interest revenue is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

	Consolidated		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
(iii) Net commissions				
Commissions received from reinsurers	112,285	112,246	112,285	112,246
Commissions paid to distributors	(97,188)	(99,200)	(97,188)	(99,200)
	15,097	13,046	15,097	13,046

Commission revenue

Commission revenue is recognised when all service obligations are complete and revenue is receivable from reinsurers.

Commission expenses

Commission expense is recognised when all service obligations are complete and expense is payable to distributors.

	Consolidated		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
(iv) Fees & other revenue				
Management fees & administration fees	4,422	4,044	14,068	9,916
	4,422	4,044	14,068	9,916

Management fee revenue

Management fee revenues are recognised in the period in which the services are performed and obligations satisfied.

All revenue is stated net of the amount of goods and services tax (GST).

2.2 Expense items

	Consolidated		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
(i) Claims Expenses				
Claims payments	51,712	33,254	51,712	33,254
Claims expense reserve	18,672	15,018	18,672	15,018
Gross claims expense	70,384	48,272	70,384	48,272
Reinsurance recovery on paid claims	(45,955)	(28,958)	(45,955)	(28,958)
Reinsurance recovery reserve	(14,944)	(13,392)	(14,944)	(13,392)
Reinsurance recovery	(60,899)	(42,350)	(60,899)	(42,350)
Claims expense – net of reinsurance recoveries	9,485	5,922	9,485	5,922

Claim payments are recognised when the liability to a policyholder under a life insurance contract has been established or upon notification of the insured event. Claims are separated into their expense and withdrawal components. Claims on risk business are treated as an expense and are recognised when a liability to the policyholder is established.

Reinsurance claims recovery is recognised for claims ceded to reinsurers under reinsurance contracts.

Claim expense reserve is an actuarial estimate for future claim payments.

	Consolidated		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
(ii) Policy Acquisition Costs				
Commission	14,971	10,970	11,896	8,091
Marketing & promotion	11,991	12,001	11,991	12,001
Salary & employee costs	6,418	5,919	6,418	5,919
Other variable costs	11,790	9,659	11,790	9,658
	45,170	38,549	42,095	35,669

Policy acquisition costs comprise the costs of acquiring new business, including commission, advertising, policy issue and underwriting costs, agency expenses and direct and indirect other sales costs.

(iii) Administration expenses				
Administration expenses include the following expenses:				
Salary & employee costs (incl. Board costs)	11,063	10,256	8,224	7,110
Marketing & Promotion – Brand and non lead	383	932	383	932
Management fees	–	95	3,159	3,898
Depreciation & amortisation	1,571	1,240	787	683
Other expenses	8,952	6,833	5,945	4,309
	21,969	19,356	18,498	16,932

	Consolidated		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
(iv) IPO expenses				
IPO expenses	2,808	1,900	2,808	1,900
	2,808	1,900	2,808	1,900

Costs that relate to the stock market listing on 22 July 2021, or otherwise not incremental and directly attributable to issuing new shares, are recorded as an expense in the statement of comprehensive income in the period incurred.

NOTES TO THE FINANCIAL STATEMENTS
continued

Basis of expense apportionment

All operating expenses in respect of life insurance or life investment contracts have been apportioned between policy acquisition, policy maintenance and investment management expenses with regard to the objective when incurring the expense and the outcome achieved.

The apportionment process is adopted by applying the following methodology:

- Expenses that can be directly identifiable and attributable to a particular class of business are allocated directly to that class of business. Expenses directly attributable to the ordinary and superannuation participating and non-participating classes of business that cannot be directly allocated to a particular class of business are apportioned based upon the appropriate cost drivers;
- Commission expenses that cannot be allocated to a class of business, for example volume bonuses, are apportioned on the basis of new business and renewal commissions of each class, allowing for limits implied by the basis of adviser remuneration;
- Investment expenses are apportioned to the classes of business on the mean balance of assets under management; and
- Other expenses that cannot be allocated to a particular class of business are apportioned to the classes of business based on appropriate cost drivers, including number of new policies issued and related premiums, number of new units issued, mean balance of assets under management, average number of policies in-force and time and activity-based allocation.

(v) Remuneration of auditors

	Consolidated		The Company	
	2022 $	2021 $	2022 $	2021 $
Auditor of the parent entity				
Audit and review of financial reports	330,100	318,100	281,100	269,100
Audit of APRA and ASIC regulatory return	36,900	38,900	29,340	29,340
Total remuneration for audit services	367,000	357,000	310,440	298,440
Other non audit services – investigative accountants report	–	512,528	–	512,528
Other non audit services – taxation due diligence	–	213,299	–	213,299
Total remuneration for non audit services	–	725,827	–	725,827
Total remuneration	367,000	1,082,827	310,440	1,024,267

2.3 Segment Information

AASB 8 requires disclosure of operating segments that engage in business activities and whose results are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess performance.

The information reported to the Group's Board of Directors, being the chief operating decision maker, for the purpose of resource allocation and assessment of performance is focused on the products and services of each reporting segment.

The principal operating segments within the insurance operations of NobleOak are as follows:

(a) Direct Business

The term 'Direct' reflects the life insurance protection products that are sold directly to customers under the NobleOak brand. This segment also includes the results of the management fund, whose function is to recognise the expenses incurred and investment income of the Group (net of allocation to the other segments), as well as one small closed fund, Funeral Fund, which is held for the Druids members.

Products sold under the direct branded Premium Life Direct or My Protection Plan include term life, total and permanent disability, trauma, income protection and business expenses.

(b) Partnerships

The term 'Strategic Partnerships' reflects the life insurance protection products which are sold to customers primarily through advisors under our partner brands. Currently, NobleOak is the issuer of life insurance policies for PPS Mutual (established 2016), Avant Mutual (established 2017) and NEOS (established 2018).

(c) Genus

The term 'Genus' refers to life insurance administration services performed by the Group company Genus Life Insurance Services Pty Ltd. Genus took on the administration of the run-off of life and funeral insurance protection products written through Freedom Insurance Group following it ceasing operations in 2019. Genus also took on the administration of the run-off of life insurance policies written through A&G following the purchase of administration rights in August 2021.

Genus provides administration services to the policyholders of the portfolios and receives revenue from the insurer/reinsurer. The segment also includes the residual results of the Freedom and Reward Benefit Funds.

NOTES TO THE FINANCIAL STATEMENTS
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	Direct		Strategic Partnerships		Genus		Consolidated	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Insurance premium revenue	63,038	50,346	171,030	101,893	14,333	17,693	248,401	169,932
Reinsurance expenses	(28,002)	(23,061)	(145,726)	(86,902)	(10,972)	(13,358)	(184,700)	(123,321)
Net insurance premium revenue	35,036	27,285	25,304	14,991	3,361	4,335	63,701	46,611
Investment income	122	(250)	55	35	4	8	181	(207)
Net commissions	5,692	6,035	9,405	7,128	–	(117)	15,097	13,046
Fees & other revenue	35	(38)	–	–	4,387	4,082	4,422	4,044
Claims expense – net of reinsurance recoveries	(7,290)	(5,284)	(2,195)	(638)	–	–	(9,485)	(5,922)
Policy acquisition costs	(25,256)	(24,220)	(19,788)	(14,126)	(126)	(203)	(45,170)	(38,549)
Change in net policy liabilities (before economic assumption changes)	11,540	13,234	(4,550)	(2,630)	10	13	7,000	10,617
Change in net policy liabilities (economic assumption changes)	(7,977)	(2,215)	(344)	1,107	–	–	(8,321)	(1,108)
Administration expenses	(12,044)	(11,363)	(3,585)	(1,741)	(6,340)	(6,252)	(21,969)	(19,356)
IPO expenses (Unallocated corporate costs)	–	–	–	–	–	–	(2,808)	(1,900)
Operating Profit	**(142)**	**3,184**	**4,302**	**4,126**	**1,296**	**1,866**	**2,648**	**7,276**
Lease Interest Expense	(34)	(88)	–	–	(13)	–	(47)	(88)
Profit Before Tax	**(176)**	**3,096**	**4,302**	**4,126**	**1,283**	**1,866**	**2,601**	**7,188**
Income Tax expense	(22)	(1,057)	(1,321)	(1,238)	(415)	(560)	(916)	(2,285)
Profit After Tax	**(198)**	**2,039**	**2,981**	**2,888**	**868**	**1,306**	**1,685**	**4,903**
Impact of policy liability economic assumption changes (post tax)	5,584	1,550	241	(775)	–	–	5,825	775
Impact of IPO expenses (post tax)	–	–	–	–	–	–	1,966	1,330
Underlying NPAT	**5,386**	**3,589**	**3,222**	**2,113**	**868**	**1,306**	**9,476**	**7,008**

Underlying NPAT is a non-IFRS financial measure, defined as net profit after tax excluding the impact on the valuation of policy liability from changes in economic assumptions and IPO expenses. As economic assumptions are driven by external economic market conditions and can generate volatility in statutory profits, disclosing an underlying measure of profits, which excludes the impact of changes in economic assumptions and non-recurring costs such as those pertaining to the IPO, allows the users of financial information to better assess the underlying performance of the business (as is contemplated by ASIC RG 230 Disclosing non-IFRS financial information).

NOTES TO THE FINANCIAL STATEMENTS
continued

2.4 Earnings per share

	Consolidated	
	2022	**2021**
Basic earnings per share (cents)	2.00	7.69
Diluted earnings per share (cents)	1.95	7.50
Basic earnings per share		
The earnings and weighted average number of ordinary shares used in the calculation of basic earnings per share are as follows:		
Profit for the year attributable to owners of the Group ($'000)	1,685	4,903
Earnings used in the calculation of basic earnings per share ($'000)	1,685	4,903
Weighted average number of ordinary shares for the purpose of basic earnings per share	84,466,900	63,775,290
Diluted earnings per share		
The earnings used in the calculation of diluted earnings per share are as follows:		
Profit for the year attributable to owners of the Group ($'000)	1,685	4,903
Earnings used in the calculation of total diluted earnings per share ($'000)	1,685	4,903
The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the average number of ordinary shares used in the calculation of basic earnings per share as follows:		
Weighted average number of ordinary shares used in the calculation of basic earnings per share	84,466,900	63,775,290
Shares deemed to be dilutive in respect of the Premium Option Plan and Performance Rights Plan	1,844,830	1,629,351
Weighted average number of ordinary shares used in the calculation of diluted earnings per share (all measures)	86,311,730	65,404,641

2.5 Dividends

During FY21, the Directors resolved to determine the payment of a dividend of $0.12 per share franked to 100%. The dividend was paid out of the Company's pre-existing cash reserves (prior to the IPO) on 20 July 2021. The aggregate dividend amount of $8.2 million was paid to holders of ordinary shares in the Company as at the Record Date of 9 June 2021. (2021: no dividends have been paid).

The Company's current dividend policy is to generally reinvest cash flows into the business to support its ongoing growth. Accordingly, no dividends are expected to be paid in the near term following the Company's listing on the ASX. However, from time to time the Company may consider paying dividends.

The payment of any future dividend by the Company is subject to the discretion of the Directors and will be a function of a number of factors including the general business environment, the operating results, cash flows and the financial condition of the Company, future funding requirements, capital management initiatives, taxation considerations (including the level of Australian franking credits), any contractual, legal or regulatory restrictions on the payment of dividends by the Company (including the need for APRA approval of dividends where the aggregate amount of the dividend exceeds the Company's after-tax earnings (as reported to APRA in NobleOak's statutory accounts) in the financial year to which they relate) and any other factors the Directors may consider relevant.

NOTES TO THE FINANCIAL STATEMENTS
continued

Dividend franking account

	Consolidated and Company	
	2022 $'000	2021 $'000
Amount of franking credit available for use in subsequent financial years	5,308	5,643

The Company's ability to utilise the franking account credits depends on meeting *Corporations Act 2001* (Cth) requirements to declare dividends. Franked dividends are franked at a tax rate of 30%. The dividend paid in the financial year has utilised $3.5 million of the franking credit account.

2.6 Taxes

	Consolidated		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
(a) The components of tax expense comprise:				
Current tax	1,364	3,428	826	2,911
Deferred tax	(448)	(1,143)	(308)	(1,188)
	916	2,285	518	1,723
(b) The prima facie tax on profit from operations before income tax is reconciled to income tax as follows:				
Prima facie tax expense on profit from operations before income tax at 30% (2021: 30%)	780	2,156	693	1,894
Add:				
Tax effect of:				
Members Liability	(21)	(8)	(21)	(8)
Non-deductible depreciation & amortisation	–	122	–	24
Non-deductible expenses	117	27	106	27
Under provision of prior year income tax	46	–	46	–
	142	141	131	43
Less:				
Tax Effect of:				
Deductible expenses	–	121	–	24
Non-assessable other income	6	(109)	306	190
	6	12	306	214
Income tax expense attributable to profit for the year	916	2,285	518	1,723

NOTES TO THE FINANCIAL STATEMENTS
continued

Income tax

The Company is subject to income tax on income less an appropriate proportion of administration and overhead expenses. Certain benefits are exempt from income tax under provision of the Income Tax Assessment Act.

The income tax benefit (expense) for the year comprises current income tax benefit (expense) and deferred tax benefit (expense).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at reporting date. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax benefit (expense) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Current tax liabilities

	Consolidated		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Provision for income tax	702	2,104	702	2,104
Maturity analysis:				
Current	702	2,104	702	2,104
Non-current	–	–	–	–
	702	2,104	702	2,104

The tax currently payable (or receivable) is based on taxable profit for the year less tax instalments paid. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible.

Deferred tax asset

The balance comprises temporary difference attributable to:	Consolidated		The Company	
Amounts recognised in profit & loss	**2022 $'000**	**2021 $'000**	**2022 $'000**	**2021 $'000**
Asset impairments	555	555	555	555
Accrued expenses	1,332	1,384	1,170	1,218
Employee entitlement provision	453	385	–	–
Prior year tax losses	29	29	–	–
Intangibles	582	509	498	501
Share capital issue costs	611	70	611	70
	3,562	2,932	2,834	2,344
Movement:				
Opening balance as at beginning of year	2,932	1,789	2,344	1,156
Charged to income statement	448	1,143	308	1,188
Changes to equity	182	–	182	–
Closing balance as at end of year	**3,562**	**2,932**	**2,834**	**2,344**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities and assets are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Tax Consolidation

NobleOak Life Limited is the head entity of the Tax Consolidated Group comprising of NobleOak Life Limited and its wholly owned entities. Under tax consolidation, the head entity assumes the following balances from controlled entities within the Tax Consolidated Group:

(i) current tax balances arising from external transactions recognised by entities in the tax consolidated group which occurred after implementation date; and

(ii) deferred tax assets arising from unused tax losses and unused tax credits recognised by entities in the Tax Consolidated Group which occurred after implementation date.

Assets and liabilities which arise as a result of balances transferred from entities within the Tax Consolidated Group to the head entity are recognised as related party balances receivable and payable in the statement of financial position. The recoverability of balances arising from tax funding arrangements is based on the ability of the Tax Consolidated Group to utilise the amounts recognised by the head entity.

Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of Goods and Service Tax (GST), except:

- Where the amount of GST incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- For receivables and payables which are recognised inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

3 Receivables, payables and investments

3.1 Receivables

	Consolidated		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Trade receivables	8,637	8,986	7,680	7,559
GST receivable	1,744	2,513	2,087	3,054
Other receivables – related party	–	–	606	213
Prepayments	1,662	2,538	877	1899
	12,043	14,037	11,250	12,725
Maturity analysis:				
Current	12,043	14,037	11,250	12,725
Non-current	–	–	–	–
	12,043	14,037	11,250	12,725

Trade receivables

Trade accounts receivable are carried at amounts due and are generally settled within 30 days.

3.2 Payables

	Consolidated		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Payables – Related parties	–	–	1,468	1,382
Sundry creditors	21,953	20,161	21,320	19,374
Accruals	3,721	6,263	2,729	5,023
Deferred revenue	2,619	2,568	–	–
Other payables	346	35	202	30
	28,639	29,027	25,719	25,809
Maturity analysis:				
Current	28,639	29,027	25,719	25,809
Non-current	–	–	–	–
	28,639	29,027	25,719	25,809

Payables

Trade payables and other accounts payable are recognised when the Group becomes obliged to make future payments resulting from the purchase of goods and services.

Accruals

Accruals are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Deferred revenue

Deferred revenue is generated when the administration fee is received in advance. Revenue is only recognised when it is earned.

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3.3 Investment

Financial instruments

A financial instrument is any contract that gives rise to a financial asset in one entity and a financial liability or equity instrument in another entity and are recognised when the Consolidated Group become a party to the contractual provisions of the instrument.

Financial assets

The Group has identified the following classes of financial asset: cash and cash equivalents, financial assets and receivables. Financial assets comprise both assets held to fund policyholder liabilities and excess shareholders' assets. Financial assets are measured at fair value through profit or loss and include bank bills and term deposits, and Australian fixed interest bonds.

Financial liabilities

The Group has identified the following classes of financial liability: Payables and lease liabilities which are measured at amortised costs.

Financial instruments designated as fair value through profit or loss

The policy of management is to designate a group of financial assets or financial liabilities as fair value through profit or loss when that group is both managed and its performance evaluated on a fair value basis for both internal and external reporting in accordance with the Group's documented investment strategy.

	Consolidated		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Financial assets held at cost:				
Shares in Subsidiaries	–	–	3,351	151
Financial assets held at fair value through profit or loss:				
Bank bills and term deposits	27,561	20,486	27,425	20,349
Listed unit trusts	22,417	–	22,417	–
Unlisted unit trusts	19,222	–	19,222	–
	69,200	20,486	72,415	20,500
Maturity analysis:				
Current	27,561	20,486	27,425	20,349
Non current	41,639	–	44,990	151
	69,200	20,486	72,415	20,500
Level 1				
Listed unit trusts	22,417	–	22,417	–
Level 2				
Bank bills and term deposits	27,561	20,486	27,425	20,349
Unlisted unit trusts	19,222	–	19,222	–
	46,783	20,486	46,647	20,349
Level 3	–	–	–	–
	69,200	20,486	69,064	20,349

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Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments are measured by level of the following fair value measurement hierarchy:

(i) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

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

(iii) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

3.4 Financial risk management

The Board of Directors has established an investment policy to ensure that assets are adequately protected and invested in accordance with the Group's primary objectives of safety, liquidity and yield. The principal goal of the investment policy is to maximise investment returns while growing the Group's asset base without putting at risk the capital adequacy and solvency obligation requirements stipulated by relevant laws and standards (such as those imposed by the APRA the APRA). To assist with the implementation and management of the investment policy, the Board has established a Finance and Investment Committee (FIC).

The Group's financial instruments consist mainly of deposits with banks, fixed interest investments, accounts receivable and payables.

The totals for each category of financial instruments are set out below in the interest rate risk note at 3.4(e).

(a) Interest rate risk

The following table details the Consolidated Group's exposure to the interest rate risk at 30 June 2022 and 2021:

	Less than 1 year		Between 1 & 5 years		Over 5 years		Total	
2022	**$'000**	**Weighted average interest rate %**	**$'000**	**Weighted average interest rate %**	**$'000**	**Weighted average interest rate %**	**$'000**	**Weighted average interest rate %**
Financial Assets								
Cash and cash equivalent	30,263	0.6	–	–	–	–	30,263	0.6
Receivables	12,043	–	–	–	–	–	12,043	–
Bank bills and term deposits	27,561	1.2	–	–	–	–	27,561	1.2
Listed unit trusts	7,750	1.8	14,637	1.7	30	0.4	22,417	1.8
Unlisted unit trusts	1,554	2.5	8,110	2.3	9,558	2.7	19,222	2.5
	79,171	0.9	22,747	1.9	9,588	2.7	111,506	1.2
Financial Liabilities								
Payables	28,639	–	–	–	–	–	28,639	–
Lease liabilities	556	–	–	–	–	–	556	–
	29,195	–	–	–	–	–	29,195	–

2021	Less than 1 year $'000	Less than 1 year Weighted average interest rate %	Between 1 & 5 years $'000	Between 1 & 5 years Weighted average interest rate %	Over 5 years $'000	Over 5 years Weighted average interest rate %	Total $'000	Total Weighted average interest rate %
Financial Assets								
Cash and cash equivalent	31,842	0.3	–	–	–	–	31,842	0.3
Receivables	14,037	–	–	–	–	–	14,037	–
Bank bills and term deposits	20,486	0.3	–	–	–	–	20,486	0.3
Listed unit trusts	–	–	–	–	–	–	–	–
Unlisted unit trusts	–	–	–	–	–	–	–	–
	66,365	0.2	–	–	–	–	66,365	0.2
Financial Liabilities								
Payables	29,027	–	–	–	–	–	29,027	–
Lease liabilities	1,455	–	–	–	–	–	1,455	–
	30,482	–	–	–	–	–	30,482	–

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amounts of financial assets recorded in the Group's financial statements represent the Group's maximum exposure to credit risk in relation to these assets.

The Group's investment policy sets out a minimum investment counter party grade (as measured by Standard & Poor's) for fixed interest and cash investments of at least BBB or better. The Group's Risk Appetite Statement sets out a minimum Financial Strength Rating (as measured by Standard & Poor's) for reinsurers of at least A or better.

Credit risk associated with receivables is considered minimal. The main receivables balance is in relation to receivables from outstanding premiums receivable, GST receivables and prepayments.

(c) Fair value of financial instruments

The net fair value of financial assets and liabilities approximates the amounts recorded in the financial statements. The fair value has been determined in accordance with the accounting policies disclosed in note 3.3 to the financial statements.

(d) Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Funeral Fund held a 30-year zero coupon bond maturing in 2035, as per the Appointed Actuary's advice, the bond was sold and replaced with short term deposits during the financial year.

A maturity analysis for the contractual remaining life of financial liabilities has been included in the interest rate risk note at 3.4(a).

(e) Sensitivity analysis – Interest rate risk

The Group has performed sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

Interest Rate Sensitivity Analysis

At 30 June 2022, the effect on net profit and equity as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2022 $'000	2021 $'000
Change in net profit		
• Increase in interest rate by 1%	285	73
• Decrease in interest rate by 1%	(285)	(73)
Change in Equity		
• Increase in interest rate by 1%	285	73
• Decrease in interest rate by 1%	(285)	(73)

The above interest rate sensitivity analysis has been performed on the assumption that all other variables remain unchanged. The Group has no exposure to fluctuations in foreign currency.

Sensitivities relating to Actuarial calculations in regards to insurance products is listed in note 5.5.

(f) Capital risk management

The Group manages its capital requirements by assessing capital levels on a regular basis. Its objectives are to maintain an optimal capital structure to reduce the cost of capital whilst providing security, returns and benefits to policyholders and members.

Life companies are subject to externally imposed minimum capital requirements set and monitored by APRA. These requirements are in place to ensure sufficient solvency margins for the protection of policyholders and members. The capital adequacy position at balance date is disclosed in note 5.4.

(g) Life insurance risk

Life insurance risk consists of all aspects of the risk arising from the underwriting of insurance risk. The Group ensures that the insurance risk is controlled through the use of underwriting procedures, appropriate premium rating methods and approaches, effective claims management procedures and sound product terms and conditions due diligence.

The Group purchases reinsurance to limit its exposure to accepted insurance risk. It cedes to specialist reinsurance companies a proportion of its portfolio for certain types of insurance risk. This serves primarily to reduce the net liability on large individual risks and provides protection against large losses. The reinsurers used are regulated by the APRA and are members of large international groups with sound credit ratings.

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4 Other assets and liabilities

4.1 Plant and equipment

	Consolidated	The Company
	$'000	$'000
Gross carrying amount		
Balance at 1 July 2021	1,528	578
Additions	31	31
Balance at 30 June 2022	**1,559**	**609**
Accumulated depreciation		
Balance at 1 July 2021	(1,011)	(350)
Depreciation expense	(379)	(90)
Balance at 30 June 2022	**(1,390)**	**(440)**
Net book value		
As at 30 June 2021	517	228
As at 30 June 2022	**169**	**169**

Plant and equipment is recorded at cost less any accumulated depreciation and impairment losses.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

Depreciation is calculated using the straight-line method over the asset's useful life to the Consolidated Group commencing from the time the asset is held ready for use. Useful lives range between 3 to 10 years.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

4.2 Right-of-use assets and Lease Liabilities

Right-of-use assets

	Consolidated	The Company
	$'000	$'000
Gross carrying amount		
Balance at 1 July 2021	3,042	2,209
Additions	–	–
Balance at 30 June 2022	3,042	2,209
Accumulated depreciation		
Balance at 1 July 2021	(1,698)	(1,233)
Depreciation expense	(849)	(616)
Balance at 30 June 2022	(2,547)	(1,849)
Net book value		
As at 30 June 2021	1,344	976
As at 30 June 2022	495	360

Lease Liabilities

	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Lease liabilities	556	1,455	405	1,060
Maturity analysis:				
Current	556	899	405	655
Non-current	–	556	–	405
	556	1,455	405	1,060

The Group has leases for its office facility on Level 1 and 7, 66 Clarence Street Sydney. With the exception of short-term leases and leases of low value, each lease is reflected on the balance sheet as a right-of-use assets and a lease liability. Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases have an option to extend to a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases of office facilities, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must ensure aspects of the right-of-use asset and incur maintenance fees on such items in accordance with the lease contracts.

The Group has elected to account for short-term leases and leases of low value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit and loss on a straight-line basis over the lease term.

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on the balance sheet.

Right-of-use asset	No of right-of-use assets leased	Range of remaining terms	Average remaining lease term	No of leases within extension options	No of leases with option to purchase	No of leases with variable payments linked to an index	No of leases with termination options
Office facilities	2	0.5 years	0.5 years	2	–	2	–

The lease liabilities are secured by the related underlying assets and the bank guarantees listed as Contingent Liabilities in note 7.6. Future minimum lease payments as 30 June 2022 were as follows:

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	Total
30-Jun-22	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Lease Payments	563	–	–	–	–	–	563
Finance Charges	(7)	–	–	–	–	–	(7)
Net present value	556	–	–	–	–	–	556

	Within 1 year	1-2 years	2-3 years	3-4 years	4-5 years	After 5 years	Total
30-Jun-21	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Lease Payments	946	563	–	–	–	–	1,509
Finance Charges	(47)	(7)	–	–	–	–	(54)
Net present value	899	556	–	–	–	–	1,455

Right-of-use asset

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentive received, any initial direct costs incurred, and except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the lease term or the estimated useful life of the asset, whichever is the shorter. Where the consolidated entity expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payment that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred. Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

4.3 Intangibles

	Consolidated				The Company	
	Software Development and Implementation $'000	Goodwill-NobleOak Service Limited $'000	A&G Administration Rights $'000	Total – Intangibles $'000	Software Development and Implementation $'000	Total – Intangibles $'000
Gross carrying amount						
Balance at 1 July 2021	1,356	150	–	1,506	1,356	1,356
Additions[1]	1,357	–	3,100	4,457	807	807
Disposal	–	–	–	–	–	–
Balance at 30 June 2022	**2,713**	**150**	**3,100**	**5,963**	**2,163**	**2,163**
Accumulated depreciation						
Balance at 1 July 2021	(48)	–	–	(48)	(48)	(48)
Disposal	–	–	–	–	–	–
Amortisation expense	(299)	–	(263)	(562)	(299)	(299)
Balance at 30 June 2022	**(347)**	**–**	**(263)**	**(610)**	**(347)**	**(347)**
Net book value						
As at 30 June 2021	1,308	150	–	1,458	1,308	1,308
As at 30 June 2022	**2,366**	**150**	**2,837**	**5,353**	**1,816**	**1,816**

1. On 22 July 2021, NobleOak (via wholly-owned subsidiary, Genus Life Insurance Services) entered into a binding agreement to acquire the administration rights from Auto & General with respect to a portfolio of Budget Direct and Ozicare branded Life Insurance policies in run-off (A&G Portfolio). The transaction successfully completed on 25 August 2021. The total consideration payable by Genus for the A&G Portfolio was $3.2 million, with consideration being satisfied by way of issue of ordinary shares in NobleOak priced at $1.95 per share as disclosed in note 6.1. Subsequently, A&G rebated $0.1m through a cash payment as an adjustment to the consideration paid.

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To align with the expected run off experience, the unit of production method has been chosen whereby yearly amortisation is determined based on the expected run off pattern of the business.

Goodwill and other intangibles are initially recorded at the amounts by which the purchase price exceeds the fair value attributed to the interest in the net fair value of identifiable assets, liabilities and contingent liabilities at date of acquisitions. Goodwill and other intangibles are tested annually for impairments and carried at cost less accumulated impairment losses.

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives which are disclosed in note 2.2. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Goodwill

Goodwill is carried at cost less accumulated impairment losses. Goodwill is calculated as the excess of the sum of:

(i) the consideration transferred;

(ii) any non-controlling interest; and

(iii) the acquisition date fair value of any previously held equity interest;

over the acquisition date fair value of net identifiable assets acquired.

The acquisition date fair value of the consideration transferred for a business combination plus the acquisition date fair value of any previously held equity interest shall form the cost of the investment in the separate financial statements. The goodwill represents goodwill in NobleOak Services Limited.

4.4 Provisions

	Consolidated		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Employee benefits	1,512	1,283	–	–
Maturity analysis:				
Current	1,169	923	–	–
Non-current	343	360	–	–
	1,512	1,283	–	–

Employee benefits

Provision is made for the Group's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cashflows are discounted using market yields on high-quality corporate bonds with terms to maturity that match the expected timing of cashflows.

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5 Life insurance contracts

5.1 Accounting for life insurance contracts

Principles underlying the conduct of life insurance business

The life insurance operations of the Group are conducted within separate benefit funds as required by the *Life Insurance Act 1995* (Life Act) and are reported in aggregate with the management fund in the Consolidated and Company statement of profit or loss and other comprehensive income, Consolidated and Company statement of financial position, Consolidated and Company statement of changes in equity and Consolidated and Company statement of cash flows. The life insurance operations consist of the provision of life insurance. Life insurance contracts involve the acceptance of significant insurance risk. Insurance risk is defined as significant if, and only if, an insured event could cause an insurer to pay significant benefits in any scenario, excluding scenarios that lack commercial substance. Insurance contracts include those where the insured benefit is payable on the occurrence of a specified event such as death, injury or disability caused by accident or illness. The insured benefit is not linked to the market value of the investments held by the Group, and the financial risks are substantially borne by the Group. In accordance with AASB 1038 '*Life Insurance Contracts*', financial assets backing policy liabilities are designated at fair value through profit and loss. NobleOak has determined that all assets held within the statutory funds back policy liabilities. Financial assets backing policy liabilities consist of high-quality investments.

The management of financial assets and policy liabilities is closely monitored to ensure that investments are appropriate given the expected pattern of future cash flows arising from the policy liabilities.

Premium revenue

Premium revenue only arises in respect of life insurance contracts. Premiums with a regular due date are recognised as revenue on a due basis. Premiums with no due date are recognised as revenue on a cash received or receivable basis.

Unpaid premiums are only recognised as revenue during the days of grace and are included as Premiums Receivable (part of Receivables) in the statement of financial position.

Premiums due after, but received before, the end of the financial year are shown as Life Insurance Premium in Advance (part of Payables) in the statement of financial position.

Claims

Claims incurred relate to life insurance contracts and are treated as expenses. Claims are recognised upon notification of the insured event. The liability in respect of claims includes an allowance (estimate) for incurred but not reported claims and an allowance (estimate) for expected declinature of notified claims.

Claims are shown gross of reinsurance recoverable. Any reinsurance recoveries applicable to the claims are included in receivables.

Policy acquisition costs

The policy acquisition costs incurred are recorded in the statement of profit or loss and other comprehensive income and represent the fixed and variable costs of acquiring new business. The policy acquisition costs include commission, advertising, policy issue and underwriting costs, and related costs.

Basis of expense apportionment

All operating expenses in respect of life insurance or life investment contracts have been apportioned between policy acquisition, policy maintenance and investment management expenses with regard to the objective when incurring the expense and the outcome achieved.

The apportionment process is adopted by applying the following methodology:

(i) Expenses that can be directly identifiable and attributable to a particular class of business are allocated directly to that class of business;

(ii) Commission expenses that cannot be allocated to a class of business, for example volume bonuses, are apportioned on the basis of new business and renewal commissions of each class, allowing for limits implied by the basis of adviser remuneration;

(iii) Investment expenses are apportioned to the classes of business on the mean balance of assets under management; and

(iv) Other expenses that cannot be allocated to a particular class of business are apportioned to the classes of business based on appropriate cost drivers, including number of new policies issued and related premiums, number of new units issued, mean balance of assets under management, average number of policies in-force and time and activity-based allocations.

Life insurance Policy liabilities

The insurance policy liabilities provisions are calculated in accordance with Prudential Standard LPS 340 Valuation of Policy Liabilities ("LPS 340"). The valuation approach is based upon a best estimate projection of future benefit payments, expenses, premiums and investment returns, however approximate methods may be used where the result will not be materially different from a full valuation process.

NobleOak's policy liabilities are calculated using:

- Projection method: is the best estimate of the present value of the liabilities under the in-force policies. This is the mechanism by which planned margins are recognised over the period which the services are provided to the policyholder. If future losses are expected to arise then these are recognised immediately through the profit and loss.
- Accumulation method: this method is an approximation to the projection method. The policy liabilities include outstanding claims liabilities, unearned premium reserves.

As at 30 June 2022, with the exception of the Freedom Fund, Reward Fund and Funeral Fund, policy liabilities for all other Benefit Funds were calculated using the projection method.

Both calculation methods are designed to calculate the value of life insurance policy liabilities using the Margin on Services methodology. Under this methodology, planned profit margins and an estimate of future liabilities are calculated separately for each related product group, with future cash flows determined using best estimate assumptions and discounted to the reporting date. Profit margins are systematically released over the term of the policies in line with the pattern of services to be provided. The future planned profit margins are deferred and recognised over time by including the value of the future planned profit margins within the value of the policy liabilities.

The assumptions used in the calculation of the insurance contract policy liabilities are reviewed at each reporting date. Details of specific actuarial policies and methods are set out in note 5.5.

5.2 Disaggregated information by Benefit Fund

Details of Benefit Funds' income statements for the year ended 30 June 2022	Risk Fund No. 1	PPS Mutual Benefit Fund	Avant Benefit Fund	NEOS Benefit Fund	Freedom Insurance Benefit Fund	Reward Insurance Benefit Fund	Funeral Benefit Fund	Blue Chip Endow-ment Assurance Fund	Manage-ment Fund	Inter Fund Elimin-ations	Company
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Premium revenue											
Insurance premium revenue	45,556	47,229	7,075	116,726	12,674	1,659	-	-	-	-	230,919
Reinsurance expenses	(28,002)	(28,167)	(3,392)	(114,167)	(9,700)	(1,272)	-	-	-	-	(184,700)
Net premium revenue	**17,554**	**19,062**	**3,683**	**2,559**	**2,974**	**387**	**-**	**-**	**-**	**-**	**46,219**
Investment income	43	27	5	23	1	-	20	-	1,047	-	1,166
Net commissions	5,693	545	-	8,859	-	-	-	-	-	-	15,097
Fees & other revenue	-	-	-	-	-	-	-	-	17,691	(3,623)	14,068
Claims expense – net of reinsurance recoveries	(7,205)	(478)	(244)	(1,473)	-	-	(85)	-	-	-	(9,485)
Policy acquisition costs	(22,181)	(12,266)	(2,566)	(4,957)	(114)	(11)	-	-	-	-	(42,095)
Change in net policy liabilities (before economic assumption changes)	11,472	(3,885)	(170)	(495)	8	2	68	-	-	-	7,000
Change in net policy liabilities (economic assumption changes)	(7,977)	(156)	(99)	(89)	-	-	-	-	-	-	(8,321)
Administration expenses	-	(236)	(43)	(221)	(2,868)	(378)	-	-	(14,752)	-	(18,498)
Fees to management fund	(1,475)	(2,099)	-	-	-	-	(49)	-	-	3,623	-
IPO expenses	-	-	-	-	-	-	-	-	(2,808)	-	(2,808)
Lease interest expense	-	-	-	-	-	-	-	-	(34)	-	(34)
Profit/(loss) before tax	**(4,076)**	**514**	**566**	**4,206**	**1**	**-**	**(46)**	**-**	**1,144**	**-**	**2,309**
Income tax expense	1,224	(155)	(170)	(1,262)	-	-	-	-	(155)	-	(518)
Profit/(loss) after tax	**(2,852)**	**359**	**396**	**2,944**	**1**	**-**	**(46)**	**-**	**989**	**-**	**1,791**
Unallocated surplus/ (Deficit) at 30 June 2021	**58,346**	**2,355**	**706**	**4,697**	**28**	**3**	**732**	**-**	**(46,150)**	**-**	**20,717**
Dividends	-	-	-	-	-	-	-	-	(8,157)	-	(8,157)
Transfer to Benefit Funds	11,000	1,900	-	(4,000)	-	-	-	-	(8,900)	-	-
Unallocated surplus/ (Deficit) at 30 June 2022	**66,494**	**4,614**	**1,102**	**3,641**	**29**	**3**	**686**	**-**	**(62,218)**	**-**	**14,351**

Details of Benefit Funds' income statements for the year ended 30 June 2021	Risk Fund No. 1	PPS Mutual Benefit Fund	Avant Benefit Fund	NEOS Benefit Fund	Freedom Insurance Benefit Fund	Reward Insurance Benefit Fund	Funeral Benefit Fund	Blue Chip Endow-ment Assurance Fund	Manage-ment Fund	Inter Fund Elimin-ations	Company
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Premium revenue											
Insurance premium revenue	37,286	31,333	5,514	65,046	15,562	2,131	–	–	–	–	156,872
Reinsurance expenses	(23,061)	(19,468)	(2,766)	(64,668)	(11,749)	(1,609)	–	–	–	–	(123,321)
Net premium revenue	**14,225**	**11,865**	**2,748**	**378**	**3,813**	**522**	**–**	**–**	**–**	**–**	**33,551**
Investment income	58	23	6	7	1	–	(366)	–	1,050	–	779
Net commissions	6,035	637	–	6,491	(104)	(13)	–	–	–	–	13,046
Fees & other revenue	–	–	–	–	–	–	–	–	12,436	(2,520)	9,916
Claim expense – net of reinsurance recoveries	(5,254)	(197)	(178)	(263)	–	–	(30)	–	–	–	(5,922)
Policy acquisition costs	(21,340)	(8,042)	(2,045)	(4,039)	(184)	(19)	–	–	–	–	(35,669)
Change in net policy liabilities (before economic assumption changes)	13,206	(2,432)	(346)	148	12	1	(75)	103	–	–	10,617
Change in net policy liabilities (economic assumption changes)	(2,215)	958	79	70	–	–	–	–	–	–	(1,108)
Administration expenses	–	(176)	(41)	(124)	(3,536)	(491)	–	(108)	(12,456)	–	(16,932)
Fees to management fund	(1,176)	(1,295)	–	–	–	–	(49)	–	–	2,520	–
IPO expenses	–	–	–	–	–	–	–	–	(1,900)	–	(1,900)
Lease interest expense	–	–	–	–	–	–	–	–	(64)	–	(64)
Profit/(loss) before tax	**3,539**	**1,341**	**223**	**2,668**	**2**	**–**	**(520)**	**(5)**	**(934)**	**–**	**6,314**
Income tax expense	**(1,061)**	**(403)**	**(67)**	**(801)**	**–**	**–**	**–**	**–**	**609**	**–**	**(1,723)**
Profit/(loss) after tax	**2,478**	**938**	**156**	**1,867**	**2**	**–**	**(520)**	**(5)**	**(325)**	**–**	**4,591**
Unallocated surplus/ (Deficit) at 30 June 2020	**47,368**	**417**	**550**	**580**	**26**	**3**	**1,252**	**–**	**(34,070)**	**–**	**16,126**
Transfer to Benefit Funds	8,500	1,000	–	2,250	–	–	–	5	(11,755)	–	–
Unallocated surplus/ (deficit) at 30 June 2021	**58,346**	**2,355**	**706**	**4,697**	**28**	**3**	**732**	**–**	**(46,150)**	**–**	**20,717**

Details of Benefit Funds' sheet as at 30 June 2022	Risk Fund No. 1	PPS Mutual Benefit Fund	Avant Benefit Fund	NEOS Benefit Fund	Freedom Insurance Benefit Fund	Reward Insurance Benefit Fund	Funeral Benefit Fund	Blue Chip Endow-ment Assurance Fund	Manage-ment Fund	Inter Fund Elimin-ations	Company
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Assets											
Cash and cash equivalents	5,787	11,520	1,487	6,315	851	93	98	–	1,032	–	27,183
Receivables	836	3,607	109	4,418	320	73	10	–	7,863	(5,986)	11,250
Financial assets	12,214	6,971	1,522	20,722	238	54	4,401	–	26,293	–	72,415
Gross policy liabilities ceded under reinsurance	2,123	13,278	6,776	1,653	2,789	809	–	–	–	–	27,428
Plant and equipment	–	–	–	–	–	–	–	–	169	–	169
Right-of-use assets	–	–	–	–	–	–	–	–	360	–	360
Deferred tax asset	–	–	–	–	–	–	–	–	2,834	–	2,834
Intangibles	–	–	–	–	–	–	–	–	1,816	–	1,816
Total assets	**20,960**	**35,376**	**9,894**	**33,108**	**4,198**	**1,029**	**4,509**	**–**	**40,367**	**(5,986)**	**143,455**
Liabilities											
Payables	6,672	10,750	1,642	6,411	1,343	211	8	–	4,668	(5,986)	25,719
Current tax liabilities	–	–	–	–	–	0	–	–	702	–	702
Lease liabilities	–	–	–	–	–	0	–	–	405	–	405
Gross policy liabilities	(52,202)	20,010	7,150	23,055	2,828	815	3,816	–	–	–	5,472
Total liabilities	**(45,530)**	**30,760**	**8,792**	**29,466**	**4,171**	**1,026**	**3,824**	**–**	**5,775**	**(5,986)**	**32,298**
Net assets	**66,490**	**4,616**	**1,102**	**3,642**	**27**	**3**	**685**	**–**	**34,592**	**–**	**111,157**
Members' funds											–
Issued share capital	–	–	–	–	–	–	–	–	95,323		95,323
Share-based payment reserve	–	–	–	–	–	–	–	–	1,483		1,483
Accumulated profits	66,490	4,616	1,102	3,642	27	3	685	–	(62,214)		14,351
Total benefit members' funds	**66,490**	**4,616**	**1,102**	**3,642**	**27**	**3**	**685**	**–**	**34,592**	**–**	**111,157**

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Details of Benefit Funds' sheet as at 30 June 2021	Risk Fund No. 1	PPS Mutual Benefit Fund	Avant Benefit Fund	NEOS Benefit Fund	Freedom Insurance Benefit Fund	Reward Insurance Benefit Fund	Funeral Benefit Fund	Blue Chip Endowment Assurance Fund	Management Fund	Inter Fund Eliminations	Company
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Assets											
Cash and cash equivalents	5,611	5,827	1,494	6,759	1,355	173	117	-	7,722	-	29,058
Receivables	1,081	3,567	160	5,191	270	57	1	-	10,278	(7,880)	12,725
Financial assets	7,020	2,486	542	100	237	54	4,500	-	5,561	-	20,500
Gross policy liabilities ceded under reinsurance	3,341	13,239	2,970	12,636	2,784	474	-	-	-	-	35,444
Plant and equipment	-	-	-	-	-	-	-	-	228	-	228
Right-of-use assets	-	-	-	-	-	-	-	-	976	-	976
Deferred tax asset	-	-	-	-	-	-	-	-	2,344	-	2,344
Intangibles	-	-	-	-	-	-	-	-	1,308	-	1,308
Total assets	**17,053**	**25,119**	**5,166**	**24,686**	**4,646**	**758**	**4,618**	**-**	**28,417**	**(7,880)**	**102,583**
Liabilities											
Payables	8,610	6,009	1,571	7,356	1,789	273	2	-	8,079	(7,880)	25,809
Current tax liabilities	-	-	-	-	-	-	-	-	2,104	-	2,104
Lease liabilities	-	-	-	-	-	-	-	-	1,060	-	1,060
Gross policy liabilities	(49,903)	16,758	2,889	12,631	2,830	482	3,884	-	-	-	(10,429)
Total liabilities	**(41,293)**	**22,767**	**4,460**	**19,987**	**4,619**	**755**	**3,886**	**-**	**11,243**	**(7,880)**	**18,544**
Net assets	**58,346**	**2,352**	**706**	**4,699**	**27**	**3**	**732**	**-**	**17,174**	**-**	**84,039**
Members' funds											
Issued share capital	-	-	-	-	-	-	-	-	62,451	-	62,451
Share-based payment reserve	-	-	-	-	-	-	-	-	871	-	871
Accumulated profits	58,346	2,352	706	4,699	27	3	732	-	(46,148)	-	20,717
Total equity	**58,346**	**2,352**	**706**	**4,699**	**27**	**3**	**732**	**-**	**17,174**	**-**	**84,039**

5.3 Policy & member liabilities

	Consolidated		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Opening balance	(45,873)	(37,282)	(45,873)	(37,282)
Increase in net claims reserve[1]	23,728	1,626	23,728	1,626
Decrease/(Increase) in net active lives policy liabilities reflected in the income statement	5,097	(7,153)	5,097	(7,153)
Increase in profit share reserve (pre tax) reflected in the income statement	(3,776)	(2,356)	(3,776)	(2,356)
Decrease in profit share reserve reflected in the income statement (tax)	(1,132)	(708)	(1,132)	(708)
Closing balance	(21,956)	(45,873)	(21,956)	(45,873)
Gross policy Liabilities				
Active lives policy liabilities	(68,508)	(63,094)	(68,508)	(63,094)
Claims reserve	67,093	48,421	67,093	48,421
Profit share reserve	6,887	4,244	6,887	4,244
Total Gross Policy Liability/(Asset)	5,472	(10,429)	5,472	(10,429)
Policy Liabilities – Ceded to Reinsurers				
Active lives policy liabilities	11,703	8,743	11,703	8,743
Claims reserve	(39,131)	(44,187)	(39,131)	(44,187)
Profit share reserve	–	–	–	–
Total Policy Liabilities – Ceded to Reinsurers	(27,428)	(35,444)	(27,428)	(35,444)
Net Policy Liabilities				
Net active lives policy liabilities	(56,805)	(54,351)	(56,805)	(54,351)
Net claims reserve	27,962	4,234	27,962	4,234
Profit share reserve	6,887	4,244	6,887	4,244
Total Net Policy Liabilities	**(21,956)**	**(45,873)**	**(21,956)**	**(45,873)**

1. Policy liabilities ceded to reinsurers reduced by $20m following treaty amendment in one fund to have lump sum claims settled by reinsurers on actuarial reserving basis.

Components of net active lives policy liabilities

	Consolidated		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Future policy benefits	330,369	199,148	330,369	199,148
Future expenses and commissions	33,110	16,522	33,110	16,522
Less future revenues	(570,610)	(394,271)	(570,610)	(394,271)
Best estimate liability	(207,131)	(178,601)	(207,131)	(178,601)
Planned margins over future expenses	150,326	124,250	150,326	124,250
Net active lives policy liabilities	(56,805)	(54,351)	(56,805)	(54,351)

5.4 Capital Adequacy

NobleOak is subject to minimum capital regulatory capital requirements in accordance with APRA Life Insurance Prudential Standards. NobleOak is required to maintain adequate capital against the risks associated with its business activities and measure its capital to the 'Prudential Capital Requirement' (PCR).

NobleOak has in place an Internal Capital Adequacy Assessment Process (ICAAP), approved by the Directors, to ensure it maintains required levels of capital within each of its benefit and management funds. The capital adequacy position at balance date for NobleOak, in accordance with the APRA requirements, is as follows:

	2022 $'000	2021 $'000
(a) Capital Base	41,773	18,609
(b) Prescribed capital amount[1]	13,221	9,533
Capital in excess of prescribed capital amount = (a) – (b)	28,552	9,076
Capital adequacy multiple (%) (a)/(b)	316.0%	195.2%
Capital Base comprises:		
Common Equity Tier 1 Capital	111,158	84,039
Regulatory adjustment applied in calculation of Tier 1 capital	(69,385)	(65,430)
(A) Common Equity Tier 1 Capital	41,773	18,609
Additional Tier 1 Capital		
Regulatory adjustment applied in calculation of Additional Tier 1 capital	–	–
(B) Total Additional Tier 1 Capital	–	–
Tier 2 Capital		
Regulatory adjustment applied in calculation of Tier 2 capital	–	–
(C) Total Tier 2 Capital	–	–
Total capital base	41,773	18,609

1. The minimum level of assets required to be held in the Company, prescribed by the solvency standard referred to in Part 5 of the *Life Insurance Act 1995*.

2022	Risk Fund No. 1 $'000	PPS Mutual Benefit Fund $'000	Avant Benefit Fund $'000	NEOS Benefit Fund $'000	Freedom Insurance Benefit Fund $'000	Reward Insurance Benefit Fund $'000	Funeral Benefit Fund $'000	Total Benefit Funds $'000	Management Fund $'000
(a) Capital Base	6,198	3,723	1,038	3,826	278	53	683	15,799	25,974
(b) Prescribed capital amount	804	1,674	246	1,217	46	18	–	4,006	9,215
Capital in excess of prescribed capital amount = (a) – (b)	5,394	2,049	792	2,609	232	35	683	11,793	16,759
Capital adequacy multiple (%) = (a)/(b)	771%	222%	421%	314%	607%	292%	–	394%	282%
Capital Base comprises:									
Net Assets (including Seed Capital)	69,254	4,667	1,852	3,742	278	53	685	80,531	34,592
Regulatory adjustment applied in calculation of Tier 1 capital	63,056	945	814	(84)	–	–	2	64,733	8,618
(A) Net assets after applying any regulatory adjustments	6,198	3,723	1,038	3,826	278	53	683	15,799	25,974
Tier 2 Capital	–	–	–	–	–	–	–	–	–
Regulatory adjustment applied in calculation of Tier 2 capital	–	–	–	–	–	–	–	–	–
(B) Total Tier 2 Capital	–	–	–	–	–	–	–	–	–
Total capital base	6,198	3,723	1,038	3,826	278	53	683	15,799	25,974
Prescribed capital amount comprises:									
(C) Insurance Risk Charge	553	1,178	202	829	–	–	–	2,762	–
(D) Asset Risk Charge	484	–	90	281	44	13	–	912	998
(E) Asset Concentration Risk Charge	–	–	–	–	–	–	–	–	–
(F) Operational Risk Charge	–	–	–	–	–	–	–	–	8,217
(G) Aggregation benefit	233	–	55	183	–	–	–	470	–
(H) Combined scenario adjustment	–	496	9	290	2	6	–	803	–
(I) APRA approved transition amount under capital adequacy standards	–	–	–	–	–	–	–	–	–
Prescribed capital amount = (C) + (D) + (E) + (F) – (G) + (H) + (I)	**804**	**1,674**	**246**	**1,217**	**46**	**18**	**–**	**4,006**	**9,215**

	Risk Fund No. 1	PPS Mutual Benefit Fund	Avant Benefit Fund	NEOS Benefit Fund	Freedom Insurance Benefit Fund	Reward Insurance Benefit Fund	Funeral Benefit Fund	Total Benefit Funds	Manage ment Fund
2021	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
(a) Capital Base	2,040	1,300	1,085	4,626	277	53	737	10,118	8,489
(b) Prescribed capital amount	414	712	86	1,869	44	8	–	3,133	6,401
Capital in excess of prescribed capital amount = (a) – (b)	1,626	588	999	2,757	233	45	737	6,985	2,088
Capital adequacy multiple (%) = (a)/(b)	493%	183%	1262%	248%	630%	663%	–	323%	133%
Capital Base comprises:									
Net Assets (including Seed Capital)	61,109	2,407	1,456	4,797	277	53	731	70,830	17,174
Regulatory adjustment applied in calculation of Tier 1 capital	59,069	1,107	371	171	–	–	(6)	60,712	8,685
(A) Net assets after applying any regulatory adjustments	2,040	1,300	1,085	4,626	277	53	737	10,118	8,489
Tier 2 Capital	–	–	–	–	–	–	–	–	–
Regulatory adjustment applied in calculation of Tier 2 capital	–	–	–	–	–	–	–	–	–
(B) Total Tier 2 Capital	–	–	–	–	–	–	–	–	–
Total capital base	2,040	1,300	1,085	4,626	277	53	737	10,118	8,489
Prescribed capital amount comprises:									
(C) Insurance Risk Charge	211	499	65	–	–	–	–	775	–
(D) Asset Risk Charge	317	–	44	319	44	8	–	732	456
(E) Asset Concentration Risk Charge	–	–	–	1,550	–	–	–	1,550	–
(F) Operational Risk Charge	–	–	–	–	–	–	–	–	5,945
(G) Aggregation benefit	114	–	23	–	–	–	–	137	–
(H) Combined scenario adjustment	–	213	–	–	–	–	–	213	–
(I) APRA approved transition amount under capital adequacy standards	–	–	–	–	–	–	–	–	–
Prescribed capital amount = (C) + (D) + (E) + (F) – (G) + (H) + (I)	**414**	**712**	**86**	**1,869**	**44**	**8**	**–**	**3,133**	**6,401**

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5.5 Summary of Significant Actuarial Methods and Assumption

The effective date of the Actuarial Valuation Report on policy liabilities and solvency reserves calculation is 30 June 2022. The actuarial report was prepared by Ms. B. Cummings BEc (Hons) FIAA. The Actuarial Valuation Report indicates that Ms. B. Cummings is satisfied as to the accuracy of the data upon which policy liabilities have been determined.

Valuation of Policy Liabilities

Policy liabilities for life insurance business have been determined in accordance with Life Prudential Standard 340 issued by the Australian Prudential Regulation Authority. The standard requires that the policyholder liabilities be calculated on the basis of best estimate assumptions and in a way that allows for the systematic release of planned margins as services are provided to policyholders or premiums are received.

The policy liabilities for the Freedom Fund, the Reward Fund and the Funeral Fund have been calculated using an accumulation method. Under this method the policy liability is equal to the policies' Termination Value. There are no deferred acquisition cost assets which require an Acquisition Expense Recovery Component.

The Termination Value has been calculated as the sum of the amount of unearned premium (where the policyholders continue to pay premiums upon renewal), the value of incurred claim liabilities and the face value of guaranteed and discretionary policyholder benefits not recognised elsewhere within the Balance Sheet. No explicit actuarial assumptions are required for the accumulation method except to estimate a provision for incurred but not reported claims and outstanding claim payments for Group Salary Continuance. The use of the accumulation method will result in profits emerging in proportion to premium.

The Acquisition Expense Recovery Component (also known as Deferred Acquisition Cost or DAC) refers to the costs incurred in order to acquire new business. As the benefits obtained from these costs are expected to be long term in nature, it is reasonable to defer the recognition of these costs to align with the benefits obtained. These acquisition costs are allocated to Risk Fund No. 1 and the Avant Benefit Fund in line with NobleOak's DAC Policy.

A Liability Adequacy Test (LAT) is required to ensure that future investment earnings and premium income are expected to exceed future benefit payments and expenses. The expenses of the benefit fund include management fees paid to the Management Fund, stamp duty whenever a premium is collected and the amortisation of the DAC (which was described previously).

The policy liability for Risk Fund No. 1, the PPS Mutual Benefit Fund, the Avant Benefit Fund, and Neos Benefit Fund has been calculated using the projection method. The projection method uses expected cash flows (premium, investment income, redemptions or benefit payments and expenses) to establish the value of policy liability based upon a range of actuarial assumptions including lapse, mortality, morbidity and expense assumptions. The policy liabilities held reflect:

- The value of expected future premiums is deducted from the value of expected future benefit and expense payments to determine the net obligation to policy owners over the life of the contract (allowing for guaranteed renewability); plus
- The value of expected future profits such that no profit or loss arises when a life insurance contract is issued; plus
- The value of incurred claim liabilities not recognised elsewhere within the Balance Sheet.

Where a DAC exists, this method results in the DAC being implicit within the cash-flows and thus the DAC is not explicitly held on the balance sheet. The LAT is also implicit within the projection method of determining policy liabilities. A deficiency reserve is required only if the projected future value of premiums and investment income are not sufficient to meet the projected future value of benefit and expense payments. The application of the projection method for Risk Fund No. 1, the PPS Mutual Benefit Fund, the Avant Benefit Fund and the Neos Benefit Fund will result in profits emerging in line with proportion to premiums.

NOTES TO THE FINANCIAL STATEMENTS
continued

Disclosure of Material Assumptions

The following table summarises the 30 June 2022 best estimate assumptions adopted for determining policy liabilities.

30 June 2022 Best Estimate Assumptions	RF1	PPS	Avant	Neos
Lump Sum Industry Standard Table	**ALS 2014-18**	**ALS 2014-18**	**ALS 2014-18**	**ALS 2014-18**
Death Standalone	85%	80%	90%	90%
Death with Rider	85%	80%	90%	90%
TPD	110%	90%	110%	110%
Trauma	100%	80%	100%	90%
IDII Industry Standard Table[1]	**ADI 2014-18**	**ADI 2014-18**	**ADI 2014-18**	**ADI 2014-18**
Legacy Incidence	85%	80%	100%	90%
Legacy Terminations	100%	120%	100%	115%
IDII Industry Standard Table[2]	**ADI 2014-18**	**ADI 2014-18**	**ADI 2014-18**	**ADI 2014-18**
Incidence	100%	80%	100%	N/A
Terminations	110% to 120%	110% to 120%	110% to 120%	N/A
Lapse Assumptions[3]				
Stepped premium: lapses under age 55	5% to 12%	4% to 13%	2% to 12%	5% to 10%
Stepped premium: lapses over age 55	8% to 20%	17% to 28%	N/A	17% to 28%
Level premium: lapses under age 55	N/A	4% to 9%	1% to 7%	6% to 11%
Level premium: lapses over age 55	N/A	11% to 28%	N/A	11% to 28%
Indexation Assumptions				
Pre-claims	3%	3%	3%	3%
Post-claims	3%	3%	3%	3%
Short-term CPI overlay[4]	5.5% and 4.5%	N/A	N/A	N/A
Discount Rates	**0% to 4%**	**0% to 4%**	**0% to 4%**	**0% to 4%**
Shock lapses for repricing	**+1% to 3%**	**+0.8% to 1.3%**	**N/A**	**N/A**
Maintenance expense ratio	**5% to 9%**	**42% to 51%**	**30% to 34%**	**28% to 42%**

In some instances, the above documented assumption ranges may reflect minor differences to the underlying assumptions adopted as a result of rounding impacts.

1. Incidence and termination assumptions for the Legacy IDII benefits (last sold 30 September 2021).
2. Incidence and termination assumptions for the Current IDII benefits sold from 1 October 2021.
3. Separate age-based multiplicative lapse rate loadings also apply to the NEOS Fund.
4. Short-term CPI overlay assumptions were adopted for the 30 June 2022 year end policy liability valuation of 5.5% in year 1 and 4.5% in year 2.

Sensitivities

NobleOak conducts sensitivity analyses to quantify the exposure to risk of changes in the key underlying variables. The valuations included in the reported results and best estimate of future performance are calculated using certain assumptions about these variables. The movement in any key variable may impact the reported results. The table below illustrates how outcomes during the financial year ended 30 June 2022 in respect of the key variables would have impacted on the net profit and equity.

	Change in Profit after Tax $'000	Change in Equity $'000
Claims Reserves[2]		
Increase by 25%	(4,351)	(4,351)
Decrease by 25%	–	–
Lapse Rate[2]		
Increase by 25%	–	–
Decrease by 25%	–	–
Policy Liability Discount Rate[1]		
Increase of 1%	(2,290)	(2,290)
Decrease of 1%	2,600	2,600

1. The discount rate sensitivity reflects a 50bps parallel shift of the 30 June 2022 yield curve, and is thus dependent upon the shape of the yield curve at the valuation date. The shape of the yield curve will differ in comparison to both prior and future periods. The impact of discount rate changes are recognised as profit or loss in the current period.
2. The impact of non-economic assumption changes (such as claims and lapses) do not impact current period profit or loss, but are instead recognised in future periods where benefits are not in loss recognition (or have not become loss making as a result of the assumption change). If benefits are in loss recognition (or have become loss making) as a result of changes to non-economic assumptions, the impact of these non-economic assumption changes are capitalised in current period profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
continued

5.6 Critical accounting judgements and estimates

The Group makes estimates and assumptions that affect the reported amounts of assets and liabilities at year end. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The key areas where critical accounting estimates are applied are noted below.

Life insurance contract liabilities

Life insurance contract liabilities are computed using statistical or mathematical methods, which are expected to give approximately the same results as if an individual liability was calculated for each contract. The computations are made by suitably qualified personnel on the basis of recognised actuarial methods, with due regard to relevant actuarial principles. The methodology takes into account the risks and uncertainties of the particular classes of life insurance business written. Deferred policy acquisition costs and present value of in-force business (PVIF) are connected with the measurement basis of life insurance contract liabilities and are equally sensitive to the factors that are considered in the liability measurement. The key factors that affect the estimation of these liabilities and related assets are:

- The estimated cost of providing benefits and administering these insurance contracts;
- Expected mortality and morbidity experience on life insurance products, including enhancements to policyholder benefits;
- Discontinuance experience, which affects the Group's ability to recover the cost of acquiring new business over the expected life of the contracts; and
- The amounts credited to policyholders' accounts compared to the returns on invested assets through asset-liability management and strategic and tactical asset allocation.

In addition, factors such as regulation, competition, interest rates, taxes, securities market conditions and general economic conditions affect the level of these liabilities. Details of specific actuarial policies and methods are set out in note 5.5.

Assets arising from reinsurance contracts

Assets arising from reinsurance contracts are also computed using the above methods. In addition, the recoverability of these assets is assessed on a periodic basis to ensure that the balance is reflective of the amounts that will ultimately be received, taking into consideration factors such as counterparty and credit risk. Impairment is recognised where there is objective evidence that the Group may not receive amounts due to it and these amounts can be reliably measured.

COVID-19

In response to COVID-19, with the support of our appointed actuary, NobleOak has prepared scenarios which consider the implications of unfavourable claims experience, reduced sales and increased lapses on the portfolio. In line with the rest of the industry, NobleOak expects increases to income protection and mental health claims from the indirect effects of the pandemic.

The calculated stress testing scenarios which have been used are based on two possibilities. Scenario one is that the Federal Government's measures are highly successful, with the economy having a relatively swift return to strength, with Scenario Two being a more material impact to the economy.

The results for the year ended 30 June 2022 include additional best estimate reserves for potential COVID-19 related claims. The implications of the pandemic however, remain highly uncertain.

6 Capital structure

6.1 Share capital

(a) Issued share capital

	Consolidated		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Fully paid ordinary shares	95,323	62,451	95,323	62,451

Movement in issued share capital

	Company & Consolidated		
Ordinary Shares	Number of Shares	Issue Price	$ Value ('000)
Opening Balance 1 July 2020	59,417,530		47,120
Ordinary Shares – Employee Options[(i)]	15,000	1.05	16
Ordinary Shares – Long-Term Incentives[(ii)]	57,733	1.55	89
Ordinary Share – Sophisticated investors[(iii)]	8,434,028	1.80	15,181
Ordinary Shares – Staff share scheme[(iv)]	50,505	1.80	91
Less Transaction cost			(46)
Balance at 30 June 2021	**67,974,796**		**62,451**
Ordinary Shares – IPO[(v)]	15,893,527	1.95	30,992
Ordinary Shares – IPO – Employee Gift Offer[(vi)]	53,248	1.95	105
Ordinary Shares – Auto & General[(vii)]	1,641,025	1.95	3,199
Ordinary Shares – Long-Term Incentives[(viii)]	172,570	1.30	224
Less Transaction cost (post tax)			(1,648)
Balance at 30 June 2022	**85,735,166**		**95,323**

(i) Options issued to employees in the 2016 Premium Options Plan (staff) have been exercised in July 2020.

(ii) Ordinary Shares issued to CEO with performance criteria under the 2017 Long Term Incentive Plan on 1 September 2020.

(iii) Ordinary Shares issued to sophisticated investors from capital raising activities undertaken in December 2020.

(iv) Ordinary Shares issued to employees under the Employee Share Plan in January 2021.

(v) Ordinary Shares issued to shareholders under IPO on 22 July 2021.

(vi) Ordinary Shares issued to employees under the IPO Employee Gift Offer on 22 July 2021.

(vii) Ordinary Shares issued to Auto & General (A&G) as consideration for the acquisition of the administration rights from A&G with respect to portfolio of Budget Direct and Ozicare branded Life Insurance Policies in run-off. In accordance with AASB 2 *Share-Based Payments*, the equity-settled share-based payment transaction was measured at grant date (22 July 2021), and shares are subject to a 12 month escrow period.

(viii) Ordinary Shares issued to CEO and CFO with performance criteria under the 2018 Long Term incentive plan on 25 October 2021.

NOTES TO THE FINANCIAL STATEMENTS
continued

(b) Share-based payment reserve

	Number of Options/ Rights	$ Value ('000)
Opening Balance 1 July 2020	1,175,586	505
2016 Premium Option Plan (Staff) exercised(i)	(35,000)	–
Option Plan 2019 – IPO(iii)	(930,660)	(179)
Ordinary Shares – 2017 Long-Term Incentive Rights(ii)	(58,313)	(90)
Ordinary Shares – 2018 Long-Term Incentive Rights(iv)	66,847	168
Ordinary Shares – 2019 Long-Term Incentive Rights(v)	52,059	125
Ordinary Shares – 2020 Long-Term Incentive Rights(vi)	132,046	256
Option Plan 2021 – IPO(vii)	731,312	86
Balance 30 June 2021	**1,133,877**	**871**
Ordinary Shares – 2018 Long-Term Incentive Rights(iv)	(159,750)	(312)
Ordinary Shares – 2019 Long-Term Incentive Rights(v)	113,747	188
Ordinary Shares – 2020 Long-Term Incentive Rights(vi)	162,201	199
Ordinary Shares – 2021 Long-Term Incentive Right(viii)	124,116	242
Option Plan 2021 – IPO(vii)		295
Balance 30 June 2022	**1,374,191**	**1,483**

Options/rights plan	Number	Grant date	Expiry date	Exercise price ($)
Exercised/Expired				
(1) 2016 Premium Option Plan (Staff)(i)	35,000	01/12/2016	01/07/2020	1.045
(2) 2017 Performance Rights Plan(ii)	58,313	03/11/2017	N/A	Nil
(3) Option Plan 2019 – IPO(iii)	1,225,468	01/06/2019	31/12/2022 & 31/12/2023	1.30
(4) 2018 Performance Rights Plan(iv)	159,750	24/06/2019	N/A	Nil
Current				
(5) 2019 Performance Rights Plan(v)	224,516	20/12/2019	N/A	Nil
(6) 2020 Performance Rights Plan(vi)	294,247	06/11/2020	N/A	Nil
(7) Option Plan 2021 – IPO(vii)	731,312	26/02/2021	01/11/2022 & 01/11/2023	1.80
(8) 2021 Performance Rights Plan(viii)	124,116	20/07/2021	N/A	Nil

(i) Options issued under the 2016 Premium Option Plan have been exercised and the plans have now expired.

(ii) A 2017 Long-term incentive plan was established for key executives. The plan is based on the outcome of 3 years results ending 30 June 2020. During the 2021 year ordinary shares were issued to CEO with performance criteria and the plan has been finalised.

(iii) Options issued on 1 June 2019 to executives and senior management were forfeited as the planned objectives were not achieved.

(iv) A 2018 Long-term incentive plan was established for key executives. The plan is based on the outcome of 3 years results ending 30 June 2021. During the 2022 year ordinary shares were issued to CEO and CFO with performance criteria and the plan has been finalised.

(v) A 2019 Long-term incentive plan was established for key executives. The plan is based on the outcome of 3 years results ending 30 June 2022. This reserve is a provision for the potential shares earned to date based on current year's results. During the 2022 year the expected rights issue increased from that estimated in 2021.

(vi) A 2020 Long-term incentive plan was established for key executives. The plan is based on the outcome of 3 years results ending 30 June 2023. During the 2022 year the expected rights issue increased from that estimated in 2021.

(vii) Options issued on the 26 February 2021 to executives and senior management and vest in 2022 and 2023 are dependent on achieving the planned objectives.

(viii) A 2021 Long-term incentive plan was established for key executives. The plan is based on the outcome of 3 years results ending 30 June 2024. This reserve is a provision for the potential shares earned to date based on current year's results.

NOTES TO THE FINANCIAL STATEMENTS
continued

Share-based payment arrangements

Equity-settled share-based payments to Directors and employees are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

6.2 Accumulated profits

	Consolidated		Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Balance at beginning of financial year	21,298	16,395	20,717	16,126
Net profit from operation after income tax	1,685	4,903	1,791	4,591
Dividends	(8,157)	–	(8,157)	–
Balance at end of financial year	**14,826**	**21,298**	**14,351**	**20,717**

7 Other disclosures

7.1 Related party disclosures

(a) Key management personnel remuneration

The compensation of the Directors and Key Personnel is set out below.

	Consolidated	
	2022 $'000	2021 $'000
Non-Executive Directors		
Short-term employee benefits	713	614
Post-employment benefits	18	27
Share-based payments	–	–
	731	641
Executive Directors and Key Personnel		
Short-term employee benefits	1,245	1,168
Post-employment benefits	47	44
Share-based payments	578	493
	1,870	**1,705**
Total	**2,601**	**2,346**

NOTES TO THE FINANCIAL STATEMENTS
continued

(b) Options issued to key management personnel

An option plan dated 26 February 2021 was established for key personnel and is based on the achievement of specific goals, Anthony Brown was issued with 273,084 options and Scott Pearson was issued with 209,408 options under this plan that vest on achieving the specific events in 2022 and 2023.

(c) Performance Rights Plan

In November 2017, the Board established a Performance Rights Plan as a long-term incentive program to align key management personnel to the performance of the Group. This program issues performance rights each year to eligible personal with each issue based on achieving the business plan objectives (in-force premium and earning) over a 3-year period. Issues under this program to Anthony Brown and Scott Pearson have been:

Year	Full Entitlement	Accrued to balance date
2019	331,245	224,516
2020	448,250	185,774
2021	395,897	71,482
2022	432,894	N/A

(d) Other transactions with Directors

There has been no other revenue or expense that has arisen from transactions with any of the Directors or their related entities.

7.2 Interests in subsidiaries

The subsidiaries listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. The proportion of ownership interests held equals the voting rights held by the Group. The subsidiary's principal place of business is also its country of incorporation or registration.

Name of Subsidiary	Principal Place of Business	Ownership Interest Held by the Group	
		2022 %	2021 %
NobleOak Services Limited	Sydney, Australia	100%	100%
Genus Life Insurance Services Pty Ltd	Sydney, Australia	100%	100%
NobleOak Aspire Pty Ltd	Sydney, Australia	100%	100%

Subsidiaries financial statements used in the preparation of these consolidated financial statements have also been prepared as at the same reporting date as the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS
continued

7.3 Notes to the consolidated statement of cash flow

(a) Reconciliation of cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents includes cash on hand and in banks and cash in money market accounts, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the financial year as shown in the cash flow statement is reconciled to the related items in the statement of financial position as follows:

	Consolidated		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Cash and cash equivalents[(i)]	30,263	31,842	27,183	29,058

(i) The Consolidated balance includes restricted cash held in the trust account of the subsidiary, as a Trustee of My Protection Plan of $420,905 (2021: $435,961)

(b) Reconciliation of profit for the year to net cash flows from operating activities

	Consolidated		The Company	
	2022 $'000	2021 $'000	2022 $'000	2021 $'000
Profit after tax	1,685	4,903	1,791	4,591
Depreciation and amortisation of non-current assets	1,790	1,240	1,006	683
Expense related to Share-based Payment Reserve	612	366	612	366
Lease interest expense	47	88	34	64
Decrease in market value of investments	123	353	123	353
Decrease/(Increase) in policy liabilities	23,917	(8,591)	23,917	(8,591)
Decrease/(Increase) in assets:				
Receivables	1,994	314	1,475	1,435
Other assets	(630)	(2,788)	(490)	(2,558)
Increase/(Decrease) in liabilities:				
Payables	(388)	5,409	(90)	6,630
Provisions	229	(185)	–	(600)
Current tax liabilities	(1,402)	(1,829)	(1,402)	(1,829)
Net cash from operating activities	**27,977**	**(720)**	**26,976**	**544**

7.4 Information on the Group's operations

The Group operates primarily in life insurance industry. The Group's operations are located in New South Wales and its customers are located in each State and Territory of Australia.

7.5 Additional information

NobleOak Life Limited is a public company limited by shares, incorporated in Australia. If the Group is wound up, shareholders will not be required to contribute further equity other than the balance of any partially paid shares.

Principal Place of Business & Registered Office
Level 7, 66 Clarence Street
SYDNEY, NSW 2000
Tel: 1300 041 494

7.6 Contingent liabilities

The Group has provided a bank guarantee of $520,998 to support the commercial lease on its office premises at Level 1 and Level 7, 66 Clarence Street, Sydney NSW 2000.

The Company has provided indemnity in favour of the insurer or reinsurer if its subsidiary Genus breaches the Freedom administration arrangements (other than those relating to remediation) and the insurer or reinsurer suffers loss. The indemnity is up to a limit of $1.0 million for all indemnified breaches during the three years from 1 June 2019 and in each subsequent three-year period (if any) of the administration agreement.

7.7 Subsequent events

On 1 August 2022, the Group entered into a lease agreement for its new primary office premises on Level 4, 44 Market Street, Sydney for a lease term of 7 years commencing 1 February 2023. The annual rent for the first year is $1.3 million.

DIRECTORS' DECLARATION

The Directors of the Group declare that the attached financial statements and notes are in accordance with the *Corporations Act 2001* and:

(a) comply with Accounting Standards and other mandatory professional reporting requirements, the *Corporations Regulations 2001* and as stated in Note 1 to the financial statements, compliance with International Financial Reporting Standards (IFRS);

(b) give a true and fair view of the financial position as at 30 June 2022 and the performance for the year ended on that date;

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

(d) the allocation and distribution of the surplus of the Benefit Funds of the Group have been made in accordance with Division 5 of Part 4 of the *Life Insurance Act 1995* and the Benefit Fund Rules of each Benefit Fund; and

(e) no assets of the Benefit Funds of the Group have been applied or invested in contravention of any relevant laws.

This declaration is made in accordance with a resolution of the Board of Directors.

On behalf of the Directors

Anthony R Brown
Director

Stephen Harrison
Chair

Sydney, 30 August 2022

INDEPENDENT AUDITOR'S REPORT

Deloitte Touche Tohmatsu
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Independent Auditor's Report to the Members of NobleOak Life Limited

Report on the Audit of the Financial Reports

Opinion

We have audited the financial reports of NobleOak Life Limited (the "Company") and its subsidiaries (the "Group") which comprise the Group and the Company's statements of financial position as at 30 June 2022, the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial reports of the Group and the Company are in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of the Group and the Company's financial position as at 30 June 2022 and of their financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the Corporations Regulations 2001.

Basis for Opinion

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

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

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

Key Audit Matters

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

INDEPENDENT AUDITOR'S REPORT

continued

Deloitte.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter

Insurance policy liabilities
 	
As at 30 June 2022 the Group's life insurance policy liabilities totalled $5.5 million, calculated based on recognised actuarial methods and assumptions, as disclosed in Note 5.3. The actuarial methods adopted for the funds are:
 	
• Open funds: Projection method
• Closed funds: Accumulation method
There is a high degree of management judgment and estimation uncertainty associated with the valuation of the policy liabilities.
 	
Key areas of judgement include:
 	
• Lapse rates including partial lapses;
• Discount rates;
• Claims assumptions including mortality, morbidity and incidence assumptions;
• Expense allocation assumptions;
• Economic assumptions – inflation and indexation; and
• Ongoing impact of COVID-19.
	In conjunction with our actuarial specialists our procedures included, but were not limited to:
	
	• Assessing the appropriateness of valuation methodology, the valuation process and the valuation model used to calculate the insurance policy liabilities to ensure compliance with APRA's Life Prudential Standard 340, Valuation of Policy Liabilities and AASB 1038 Life Insurance Contracts;
	• Evaluating the design, implementation and operating effectiveness of relevant controls relating to the policy valuations;
	• Testing on a sample basis, the completeness and accuracy of the underlying data used in the calculation of the policy liability by tracing premiums, claims estimates and claims payments to third party evidence;
	• Assessing the valuation methodology and key assumptions (including lapse rates, discount rates, mortality, morbidity, incidence, expense ratios, economic and the ongoing impact of COVID-19) by;
	  • Understanding if the methodology adopted aligns with common industry practice and if methodology has changed, understanding the rationale behind the change and considering whether such change is reasonable;
	  • Evaluating key internal assumptions in the year against the company's experience and their alignment with industry benchmarks;
	  • Evaluating key economic assumptions against market movements and industry practice. This includes the discount rates and CPI rates, which are used to discount cashflows and index cashflows respectively; and
	  • Understanding the rationale behind management's decision to make changes to the COVID-19 reserves.

INDEPENDENT AUDITOR'S REPORT

continued

Deloitte.

Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
	• Reviewing the reasonableness of the year's changes in reserves and analysis of profit conducted by management by confirming that changes in reserves are directionally consistent with assumption changes and other changes, for example movement in underlying data the company's experience; and • Assessing the appropriateness of the disclosures in Note 5.3 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group and Company's annual report for the year ended 30 June 2022, but does not include the financial reports and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Financial Reports

The directors are responsible for the preparation of the financial reports that give a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial reports that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Reports

Our objectives are to obtain reasonable assurance about whether the financial reports 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial reports.

INDEPENDENT AUDITOR'S REPORT

continued

Deloitte.

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

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

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the Group financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

continued

Deloitte.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 38 to 55 of the Directors' Report for the year ended 30 June 2022.

In our opinion, the Remuneration Report of NobleOak Life Limited, for the year ended 30 June 2022, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

DELOITTE TOUCHE TOHMATSU

Max Murray
Partner
Chartered Accountants
Sydney, 30 August 2022

SHAREHOLDERS' INFORMATION

Substantial Shareholders

As at 24 August 2022, the following entities have notified NobleOak that they are substantial holders with holdings reflected below as per their respective notices.

Rank	Name	No. of shares as per notice	% of issued capital
1	Samuel Terry Asset Management Pty Ltd as Trustee for Samuel Terry Absolute Return Fund	12,088,205	14.10%
2	Magellan Financial Group Limited and its related bodies corporate	9,611,711	11.21%
3	NobleOak Life Limited (1)	8,806,318	10.29%
4	Private Portfolio Managers Pty Ltd	7,378,446	8.85%
5	Ethical Partners Funds Management Pty Ltd	7,371,483	8.60%
6	UniSuper Limited as trustee for UniSuper and UniSuper Management Pty Limited	7,049,853	8.22%
7	Anthony Ross Brown & his associate Brohok Investment Co Pty Ltd (2)	5,384,914	6.42%
8	Gordon Group	5,363,718	6.39%
9	Scott Gant in his personal capacity as well as director of entities listed	4,638,168	5.53%

(1) NobleOak has a technical "relevant interest" in its own shares under s 608(1)(c) of the *Corporations Act 2001* (Cth), and a substantial holding, as notified to the ASX on 7 September 2021. However, as notified at that time, the Company has no right to acquire these shares or to control the voting rights attaching to those shares. Additional information can be found in the table entitled Shares Under Voluntary Escrow.

(2) Mr Brown and his associate's relevant interest is included in the substantial shareholding disclosed by NobleOak Life Limited in row 3 above.

SHAREHOLDERS' INFORMATION
continued

Twenty largest Shareholders (as at 24 August 2022)

Rank	Name	No. of shares as per notice	% of issued capital
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	14,772,025	17.23%
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	11,040,305	12.88%
3	NATIONAL NOMINEES LIMITED	7,981,234	9.31%
4	BNP PARIBAS NOMINEES PTY LTD <AGENCY LENDING DRP A/C>	7,054,142	8.23%
5	CITICORP NOMINEES PTY LIMITED	5,764,772	6.72%
6	BROHOK INVESTMENT CO PTY LTD	3,980,769	4.64%
7	ES GORDON PTY LIMITED <GORDON FAMILY NO 2 A/C>	3,620,865	4.22%
8	FF OKRAM PTY LTD <THE FF OKRAM A/C>	3,102,439	3.62%
9	NETWEALTH INVESTMENTS LIMITED <WRAP SERVICES A/C>	2,895,367	3.38%
10	MONERIS PTY LTD	2,449,466	2.86%
11	GANT SUPER PTY LTD <QUAY SUPER FUND A/C>	1,952,508	2.28%
12	INNOVATION HOLDINGS AUSTRALIA PTY LTD	1,641,025	1.91%
13	EVANIC INVESTMENTS PTY LIMITED	1,611,807	1.88%
14	GREENWICH CAPITAL PARTNERS PTY LTD	1,597,793	1.86%
15	MR ANTHONY ROSS BROWN	1,511,772	1.76%
16	TREVOR AND JODIE GROENEVELD <T GROENEVELD SUPER FUND>	1,441,427	1.68%
17	GWLH PTY LTD <GWLH SUPER FUND A/C>	697,447	0.81%
18	JASMAH INVESTMENTS PTY LTD <THE JASMAH INVESTMENTS A/C>	635,579	0.74%
19	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED – A/C 2	556,674	0.65%
20	GREENWICH CAPITAL ADVISORY PTY LTD	541,197	0.63%

Equity Securities (as at 30 August 2022)

Ordinary shares

There are 85,735,166 fully paid ordinary shares held by 2,204 shareholders.

Options and Performance Rights

There are 365,656 options expiring 21 October 2022 with an exercise price of $1.80 (ASX code: NOLAA) held by 6 holders.

There are 365,656 options expiring 21 October 2023 with an exercise price of $1.80 (ASX code: NOLAB) held by 6 holders.

There are 2,562,600 performance rights (ASX code: NOLAC) held by 13 holders.

Voting Rights

Ordinary shares

At a general meeting of the Company, on a show of hands every Shareholder present in person or by proxy, attorney or representative has one vote on a show of hands and on a poll, one vote for each Share held.

SHAREHOLDERS' INFORMATION
continued

Options and Performance Rights

The Company's options and performance rights do not have any voting rights.

Distribution of Shareholders

The distribution of Shareholders as at 24 August 2022 is as follows:

Range	Total holders	Units	% of issued capital
1 – 1,000	1,345	787,404	0.92%
1,001 – 5,000	725	1,264,192	1.47%
5,001 – 10,000	36	276,748	0.32%
10,001 – 100,000	62	2,578,715	3.01%
100,001 and over	51	80,828,107	94.28%
Total	**2,219**	**85,735,166**	**100.00%**

There are no holders of unmarketable parcels.

Distribution of Optionholders

The distribution of Option holders as at 24 August 2022 is as follows:

Range	Total Holders	Units	% of issued capital
10,001 – 100,000	4	248,821	34%
100,001 and over	2	482,491	66%
Total	**6**	**731,312**	**100%**

Shares under voluntary escrow

Shares subject to voluntary escrow as at 24 August 2022 are as follows:

NobleOak Directors and Executives:	
Anthony R Brown (and his controlling entities)	5,384,914
Kevin Hamman (and his controlling entities)	1,100,002
Stephen Harrison (and his controlling entities)	188,454
Emery Feyzeny (and his controlling entities)	390,000
Andrew Boldeman	51,282
Scott Pearson	50,641
Auto & General:	
Auto & General (and its controlling entities)	1,641,025

1.50% of the escrowed shares will be released at 4:15pm on the business day on which the Company holds its annual general meeting for 2022. The remaining 50% of escrowed shares will be released at 4:15pm on the date on which the Company announces to ASX its results for the half year ended 31 December 2022.

DIRECTORY

Registered Office and Contact Details

NOBLEOAK LIFE LIMITED
ABN 85 087 648 708
AFSL No 247302

Level 7
66 Clarence Street
Sydney NSW 2000, Australia

Telephone: +61 2 8123 2622
Email: companysecretary@nobleoak.com.au
Website: www.nobleoak.com.au

Current Directors

Stephen Harrison
Anthony Brown
Andrew Boldeman
Sarah Brennan
Kevin Hamman
Inese Kingsmill

Chief Executive Officer

Anthony Brown

Chief Financial Officer

Scott Pearson

Company Secretary

Suzanne Barron
Anand Sundaraj

Appointed Actuary

Briallen Cummings

Chief Risk Officer

Matthew Wilson

Auditors

Deloitte Touche Tohmatsu

Stock Listing

NobleOak Life Limited is listed on the Australian Securities Exchange (ASX) under the ASX code 'NOL'

Share Registry

For all enquiries relating to shareholdings, dividends and related matters, please contact the share registry:

AUTOMIC PTY LTD
Level 5, Deutsche Bank Tower
126 Phillip Street
Sydney NSW 2000, Australia

Telephone: 1300 288 664
Email: hello@automic.com.au
www.automicgroup.com.au

www.colliercreative.com.au #NOB0020

NobleOak

LIFE INSURANCE

www.nobleoak.com.au