ClearView

Annual Report 2023

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Financial calendar

Annual General Meeting
9 November 2023

Half year end
31 December 2023

Half year result announcement
February 2024

Year end
30 June 2024

Annual Report
August 2024

Dates are subject to change.

Chairman's address

Geoff Black

On many fronts, 2023 was an exciting and challenging year for ClearView.

Uncertainty around the economic outlook, rising interest rates and the high cost of living dominated the headlines in 2023, creating challenges for governments, corporates and households.

While ClearView continues to grow strongly and build market share, the business is not immune to global economic challenges including inflation which remains stubbornly high in Australia. This is placing pressure on household budgets which has been painful for many customers and, more generally, consumers.

For our customers, indexation is a key benefit, ensuring that their insurance benefits keep pace with the rising cost of living so they are able to meet their financial obligations and cover expenses, in the event of a sudden accident, illness or premature death.

Pleasingly, in FY23 we did not see signs of related economic stress in our portfolio. This was likely driven by Australia's relatively low unemployment rate and the fact that a significant portion of the life insurance portfolio is funded from superannuation. In FY24, we will continue to closely monitor the direction of interest rates and their impact on household budgets. ClearView will also continue to focus on customer retention and claims management.

As a life insurance company, ClearView has been a beneficiary of rising interest rates, earning higher yields on our capital and investments. The majority of insurance policies are also inflation indexed, resulting in higher gross premiums.

The successful positioning of the group's flagship product series, ClearView ClearChoice, and ongoing repricing of parts of the existing portfolio has delivered another significantly improved financial result. The Group achieved a 41% increase in Underlying NPAT of $36.5 million for the year to 30 June 2023.

ClearView's outperformance reflected ongoing improvements in claims management and policy retention. This contributed to a further improvement in underlying NPAT margin to 12.4% of gross premium.

In addition to solid growth in inforce premiums and strong investment returns, IFA support for ClearView ClearChoice is building.

In FY23, new business annualised premium increased 25% to $25.2 million, boosting ClearView's share of the retail life insurance market to 9.2%. This is a very strong result, particularly since new business premiums across the market declined over the same period, due to Australians having limited access to good advice and the declining the number of financial advisers providing risk advice.

To make it more attractive for experienced advisers to stay in the industry and encourage new entrants, ClearView is highly supportive of reforms designed to simplify the advice process and reduce the compliance burden on advice providers. We continue to partner with industry bodies to make advice accessible and affordable to more Australians.

Spotlight on sustainability

ClearView has embraced sustainability measures in its product development and product management, particularly in Individual Disability Income Insurance. ClearView ClearChoice was launched in September 2021, as part of broad changes to ensure life insurance products are fit-for-purpose, fair and sustainable.

Early data suggests that ClearView ClearChoice is successfully addressing the sustainability problems encountered in the industry under previous product offerings.

In response to the positive FY23 results, plans are underway to increase ClearView's exposure to underwriting risk, thereby reducing reinsurance costs. This move reflects ClearView's confidence in the product sustainability measures that have been implemented and the strong risk management disciplines in place. Across the business, there is a strong risk culture and broader capabilities have been developed including data management, which will lead to further improvements in profit margins over time.

Ongoing simplification and transformation

As previously announced, ClearView is in the process of transitioning into a pure life insurance business. Our focus is on optimising the business from our existing position, with improved efficiencies and margin management.

The group's strategic review, which concluded in November last year, determined that ClearView should exit Wealth Management, given the Wealth business' limited growth options in an industry where scale is vital to succeed. Despite good progress in recent years to simplify and streamline the Wealth Management business, the Board recognised a need for dedicated focus and investment to achieve the requisite scale. It determined that the divestment of the wealth business would deliver the best long-term outcomes for all stakeholders.

The divestment is expected to complete in FY24. Upon completion, ClearView will be a simpler business with a sharp focus on becoming a significant player in the Australian life insurance market.

Dividends and capital

The Board has declared a final fully franked dividend of 3cps for FY23, up from 2cps in FY22.

The net surplus capital position of the group above internal benchmarks was $27.5 million, as at 30 June 2023, and is stated prior to the FY23 final cash dividend.

ClearView's capital position is strong and future growth plans will be funded by positive cashflows from the group's inforce portfolio and the exit of Wealth Management. This will also offset the full impact of the group's ongoing investment in technology including upgrades to the new policy administration platform.

AASB 17

Effective 1 July 2023, ClearView is required to comply with accounting standard, AASB 17. This new standard will materially change the way life insurance contracts are accounted for. The purpose of this change is to enable better comparability between companies. It does not impact the fundamental economics of the business but profit variability over the life of individual contracts could result in there being an increased volatility of profit for the business from year to year. The first reported year under AASB17 will be FY24.

Smooth leadership transition

Simon Swanson, ClearView's founder and Managing Director, retired on 30 June 2023 after 13 years in the role. Simon's energy, persistence and vision built ClearView into the organisation it is today. He leaves a business that is well positioned to flourish and grow in the years ahead. Over the years, Simon has been an avid campaigner for higher financial literacy, stronger consumer protections and reforms to underpin a vibrant life insurance industry. I would like to acknowledge and thank Simon for his significant contribution.

I am delighted with the appointment of Nadine Gooderick as Managing Director. As ClearView focuses on its core business of life insurance, Nadine will bring a very disciplined approach focusing on operational excellence and strategy execution. Being an internal appointment, Nadine will ensure ClearView retains its unique cultural strengths and the momentum behind the group's transformation program is not disrupted.

Acknowledgements

Sadly, the past year was also tinged with sadness. Susan Young, who served as a Non-executive Director on the Board of ClearView Wealth Limited from 2016 until March 2023, as well as several sub-boards, passed away shortly after her retirement from the ClearView Board. Susan was an incredibly intelligent, generous and dedicated director, who had a warm and approachable personality. Her contribution to ClearView was very much appreciated by her fellow Board directors and members of the leadership team.

I would also like to thank ClearView's broader executive leadership team for their ongoing commitment to executing the group's strategy, in the midst of change and challenging market conditions.

Similarly, the Directors of ClearView's subsidiary boards have managed a heightened workload in the past year, as a number of necessary transformation initiatives were implemented. The additional time demands placed on the Directors related to these entities has been significant and their continuous commitment is much appreciated.

Finally, I would like to thank my fellow Directors on the ClearView Board for their support throughout the year and welcome the newest board member, Edward Fabrizio.

Edward joined the Board on 28 June 2023 and is a member of all Board committees and the Chair of the audit committee. As an actuary and former Australian Chief Executive Officer of a global reinsurer, his professional experience and deep understanding of the life insurance industry will be invaluable as ClearView positions itself as a dedicated Australian life insurance company.

Geoff Black
Chairman

Managing Director's report

Nadine Gooderick

I am excited and honoured to lead ClearView having taken the reins from Simon Swanson on 1 July 2023. The outlook for the life insurance market is positive as the industry seeks to grow by offering customer focused, sustainable products which meet the needs of Australians when they most need support.

ClearView is a robust and nimble life insurance company. The group's strong FY23 result reflects material growth across every key metric, against the backdrop of improving life insurance market conditions. Our refreshed strategy is focused on leveraging our competitive advantage in life insurance to achieve our goal of becoming a top player in the Australian market.

Our decision to re-set and transform the business in early 2020 by simplifying and investing in our systems, processes and technology, as well as expanding our people capability, is starting to deliver efficiencies, productivity gains and scale benefits. Critically, it is future-proofing our business.

Since joining ClearView in 2020 as General Manager, Transformation, and more recently stepping into the role of Managing Director, I have seen ClearView's unique, collaborative and customer-centric culture at play. The many talented people at Clearview come together to share insights, solve problems, and serve customers every day.

In FY23, this collaborative culture was demonstrated as teams worked together to roll out enhancements to our flagship product series, ClearView ClearChoice; build out the functionality of our Policy Administration System; and refresh the customer claims journey.

Other achievements included improvements in our cyber security framework; underwriting; ongoing customer retention and lapse management initiatives; employee programs to boost mental health and wellbeing; and compliance under the new international standard for insurance contracts, AASB 17.

Strength in Life - Claims and Product

Since joining ClearView, I have had the privilege of meeting many of the professional financial advisers and business partners who recommend our products and solutions.

Learning about their businesses and hearing their stories has only reinforced my belief that good advice changes lives. It helps customers understand their financial position, set goals, and develop and stick to a plan to maximise the probability of achievement, and critically, ensures individuals and their families are financially protected in the unfortunate event of a sudden accident or illness, or premature death.

In FY23, ClearView paid $127.2m in life insurance claim entitlements to around 1030 customers.

We were there for our customers at their most vulnerable, reflecting our claims philosophy to pay benefits as quickly as possible and treat customers and their families kindly and responsively.

I am pleased that ClearView's reinvigorated executive leadership team includes an experienced senior claims executive in Joanne Faglioni, who joined ClearView in 2021 as Chief Claims Officer and was elevated to Group Executive, Operations on 1 July, 2023.

As an organisation focused on delivering operational excellence, Joanne is the ideal person to oversee and drive improvements across the core life insurance functions of underwriting, claims and rehabilitation.

Nick Kulikov has also joined the executive leadership team as Group Executive, Product and Pricing, with responsibility for ensuring that our product suite remains relevant and sought after, in a highly-competitive, fast-moving life insurance market. As an experienced and well-rounded actuary, Nick also leads our data and analytics team. Through data analysis and the sharing of deep insights, our goal is to ensure that ClearView can swiftly identify and capitalise on growth opportunities arising from structural change.

These new additions round out an already strong executive leadership team that has continuity of knowledge, particularly in the areas of financial management, risk, compliance and legal.

The executive leadership team changes are designed to deliver on our new strategy while ensuring clearer lines of accountability. It strengthens our focus on the key success driver of 'Managing the Margin' by bringing underwriting, pricing, product, data analytics and distribution closer together and then ensuring stronger collaboration with claims, operations and the retention management teams to deliver the highest standard of service to our customers.

Simplification and operational excellence leading to sustainable growth

Recently, the executive leadership team and I shared ClearView's refreshed strategy and priorities to around 50 of the group's key leaders. We also listened to their experiences, observations and ideas. Across the business, there is a sense of purpose, optimism and excitement about ClearView's single-minded focus on life insurance and the opportunities to better serve our customers.

We are supportive of the Quality of Advice reforms, which seek to make advice affordable and accessible to more Australians. As a proud member of the Council of Australian Life Insurers, ClearView will continue to advocate for public policy that strengthens consumer protections and supports a vibrant financial advice and life insurance industry.

Looking ahead, our three-year plan is built on the four pillars of protect, optimise, diversify and explore.

We are focused on protecting and optimising our existing position as a dynamic challenger in the life insurance market that differentiates by being easy to do business with and continuing to deliver a superior customer experience.

To ensure ClearView continues to grow and meet the current and future needs of our customers and stakeholders, we must stay curious and constantly look for opportunities to expand our offer, extend our relationships and diversify our revenue and risk.

We are exploring emerging opportunities beyond our existing channels to help more Australians obtain high quality, adequate life insurance cover.

Acknowledgements

Firstly, I would like to thank Simon Swanson for his generous support, over the past three years and, in particular, the last three months. He has spent countless hours sharing information and knowledge, and introducing me to key business partners and industry contacts to ensure a smooth leadership transition.

He is an inspiring leader whose understanding of the life insurance industry is unparalleled and I wish him all the very best in his future endeavours.

I would also like to thank the executive leadership team for their support and encouragement. They have provided invaluable counsel and I look forward to working more closely together to achieve our vision to support Australians to achieve their financial and wellbeing goals while being a positive force for our staff, community and the environment. I would also like to thank the staff for their dedication, hard work and effort over FY23 and look forward to working together to achieve our goals.

Finally, I would like to thank the ClearView Board for trusting me to lead this dynamic company and for supporting me to take ClearView into its next exciting phase of growth.

N Gooderick

Nadine Gooderick
Managing Director

Director's report

The Directors of ClearView Wealth Limited (ASX:CVW, ClearView or the Company) submit their report, together with the financial report of the consolidated entity (the Group) for the year ended 30 June 2023 (the financial year):

Directors

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

- Geoff Black (Chair)
- Michael Alscher
- Gary Burg
- Edward Fabrizio (Appointed on 28 June 2023)
- Nadine Gooderick (Appointed as Managing Director on 1 July 2023)
- Jennifer Lyon
- Simon Swanson (Resigned as Managing Director on 1 July 2023)
- Nathanial Thomson
- Eloise Watson (Alternate Director to Nathanial Thomson, appointed on 15 December 2022)
- Susan Young (Resigned as Director on 31 March 2023)

Current directors

The biographies for the Directors of ClearView are detailed below.

Geoff Black BCom

Independent non-executive Chair

Geoff has over 30 years' experience in life insurance and wealth management and is currently a director of Platypus Asset Management and was Head of Business Development at RGA Australia from 2015 until April 2019. Prior to joining the ClearView Board he held senior executive positions at RGA Australia, TAL Australia and was formerly Managing Director of PrefSure Life and Lumley Life Limited. Geoff holds a Bachelor of Commerce from the University of Canterbury, Graduate Diplomas in Management and Financial Planning and is a Certified Practicing Accountant.

Geoff was appointed to the Board on 25 November 2019 and appointed as Chair of the Board on 1 July 2020. Geoff is also a member of the Board Audit Committee, Board Risk and Compliance Committee and the Nomination and Remuneration Committee.

Gary Burg B.ACC (Wits), MBA (Wits)

Independent non-executive Director

Gary has significant experience in building life insurance businesses in South Africa and in Australia. Gary is Chairman of Edu Holdings Limited, an ASX listed company and various unlisted companies including Global Capital Holdings (Australia) Pty Limited, a company which manages principal investments on behalf of various investors on behalf of third parties.

Gary was appointed to the Board on 22 October 2012, and currently serves as a member of the Board Audit Committee, the Board Risk and Compliance Committee and the Nomination and Remuneration Committee.

Nathanial Thomson BCom (Hons), LLB (Hons)

Non-executive Director

Nathanial is a partner of Crescent Capital Partners Management Pty Limited. Nathanial has significant consulting experience for financial institutions at McKinsey & Co. He is the former deputy Chairman of Cover-More Group Limited prior to its listing on the ASX, a former Director of Metro Performance Glass Limited, prior to its listing on the ASX, and is currently a Director of Cardno Limited, Australian Clinical Labs Limited, National Dental Care Limited, National Home Doctor Service Pty Limited and Clover Insurance Pty Limited.

Nathanial was appointed to the Board on 22 October 2012 and currently serves as a member of the Nomination and Remuneration Committee.

Michael Alscher BCom

Non-executive Director

Michael is the Managing Partner and founder of Crescent Capital Partners Management Pty Limited. Prior to founding Crescent Capital Partners, Michael was a consultant at Bain International and the LEK Partnership where he spent considerable time working across banking and insurance clients. After leaving consulting, Michael was the Chief Operating Officer and a Director of Gowings Bros Limited. Michael is the current Chairman of Cardno Limited, Australian Clinical Labs Limited, National Media Services Group Limited, National Dental Care Limited and 24-7 Healthcare Pty Ltd. Michael is also a Director of Aurora Expeditions Holdings Pty Ltd, Emapta Australia Pty Ltd and Green Leaves Early Learning Centres Pty Ltd.

He is also a former Chairman and Director of Cover-More Group Limited and LifeHealthCare Group Limited, and a former Director of Metro Performance Glass Limited, Crumpler Pty Limited and Intega Group Limited.

Michael has served as a Non-Executive Director since 22 October 2012 and currently serves as a member of the Nomination and Remuneration Committee.

Jennifer Lyon BSc (Maths) (Hons), FIAA, GAICD

Independent non-executive Director

Jennifer is an experienced actuary, small business owner and Director. She was a founding owner of recruitment firm SKL Executive and served as a Director until December 2020. Jennifer has also formerly held a number of senior and Director positions including non-executive Director and President of the Actuaries Institute of Australia, Managing Director of QED Actuarial, a specialist actuarial recruitment firm, a Director of Hall & Lyon which managed the distribution of actuarial education material, and worked at AMP and Towers Perrin in superannuation and financial services.

Jennifer has also served on the Board of ClearView's superannuation trustee board, ClearView Life Nominees Pty Ltd since 1 July 2014 and acted as Chairperson from December 2016 to July 2020. Jennifer was appointed to the Board on 1 July 2020 and is a member and Chair of both the Board Risk and Compliance Committee and the Nomination and Remuneration Committee, and a member of the Board Audit Committee.

Edward Fabrizio Bec, MBA, FIAA, FAICD

Independent non-executive Director

Edward is an experienced life insurance actuary with over 30 years' experience and has been operating his own actuarial consulting business since 2016. Prior to joining the ClearView Board he was the Managing Director of General Reinsurance Life Australia, a Non-Executive Director and Council Member of the Institute of Actuaries of Australia, Director in KPMG's Actuarial practice as well as the Appointed Actuary for various life insurance and reinsurance companies.

Edward was appointed to the Board on 28 June 2023, and is Chair of the Board Audit Committee and a member of both the Board Risk and Compliance Committee and Nomination and Remuneration Committee.

Nadine Gooderick BCom

Managing Director

Nadine was appointed as Managing Director of ClearView on 1 July 2023. She is a proven life insurance leader with extensive experience managing international programs and leading large diverse teams across different functions and markets.

Nadine joined ClearView in October 2020 as General Manager, Transformation. In August 2022, she as appointed as Group Executive - Technology and Development, with responsibility for ClearView's technology, data and marketing functions.

Since joining ClearView, Nadine's key achievements include establishing and executing the Group's transformation program. Nadine was instrumental in overseeing the launch of the Group's new enterprise policy administration system and underwriting rules engine.

Prior to joining ClearView, Nadine spent almost 25 years at RGA Reinsurance, including the last eight years as Chief Operating Officer for Australia and New Zealand from 2011 to 2019. In that role, she had responsibility for the key functions of underwriting, medical and technical services, claims and operations as well as project management. Prior to that, Nadine was Vice President, Asia Pacific Regional Office.

At RGA, Nadine's career highlights include the start-up of several of RGA's International Offices as part of the group's global expansion into Asia and Europe as well as the delivery of a substantial, multi-year transformation program for the management of disability income and TPD insurance claims; and the delivery of an end-to-end group administration system over two years.

Former Managing Director

Simon Swanson BEC, BBus, ANZIIF (Fellow), CIP, FCPA

Simon was the Managing Director of ClearView, from 26 March 2010 to 1 July 2023 and is the organisation's effective founder in its current form.

He is also a director of ASX listed Centrepoint Alliance Limited (ASX: CAF) following his appointment on 1 November 2021.

Simon is an internationally experienced financial services executive having worked across life insurance, funds management, financial advice, general insurance and health insurance for over 35 years. Simon has spent half of his career in the Asia Pacific region, during which he successfully led three of the largest life insurers (CommInsure, Sovereign and Colonial).

Simon was previously a director of the Australian Literacy and Numeracy Foundation and former Chairman of ANZIIF's Life, Health and Retirement Income Faculty Advisory Board.

Company Secretary

Judilyn Beaumont, B.Bus, LLB joined ClearView in November 2019 as General Counsel and Company Secretary.

Appointed a Solicitor of NSW in 2001, Judilyn has extensive legal experience in the financial services industry acquired across private practice, regulatory and in-house roles. These roles have encompassed life insurance, superannuation, financial planning and investments.

From 2013-2019 Judilyn worked in-house at Suncorp, commencing as Senior Lawyer (Suncorp Life) and most recently holding the position of Executive Manager Legal – Insurance and Marketplace Advisory, Finance Legal & Advice (Suncorp Group). In this role she provided end-to-end business support, from product development to marketing and distribution.

Earlier in her career, she was a Senior Associate at Freehills in their financial services team, a Solicitor at Blake Dawson Waldron (now Ashurst) and earlier still, a Lawyer at the Australian Securities and Investment Commission where she provided advice on a range of matters including large regulatory investigations, development of regulatory policy and managed investment schemes.

Directorships of other listed companies

Directorships of other listed companies held by Directors in the three years preceding the end of the financial year are as follows:

Name	Company	Period of Directorship
Gary Burg	Edu Holdings Limited	24 March 2016 – current
Michael Alscher	Cardno Limited	6 November 2015 – current
	Intega Group Limited	20 August 2019 – 17 December 2021
	Australian Clinical Labs Limited	14 May 2021 – current
Nathanial Thomson	Cardno Limited	6 November 2015 – 28 January 2016; and 24 May 2016 – current
	Australian Clinical Labs Limited	14 May 2021 – current
Simon Swanson	Centrepoint Alliance Limited	1 November 2021 - current

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 2023, and the number of meetings attended by each Director are as follows:

	Board		Board Audit Committee		Board Risk and Compliance Committee		Nomination and Remuneration Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Geoff Black	15	15	6	6	4	4	6	6
Gary Burg	15	14	6	6	4	4	6	5
Michael Alscher	15	9	—	—	—	—	6	2
Nathanial Thomson	15	11	—	—	—	—	6	5
Jennifer Lyon	15	15	6	6	4	4	6	6
Susan Young[1]	13	13	5	5	3	3	4	4
Edward Fabrizio[2]	—	—	—	—	—	—	—	—
Simon Swanson[3]	15	15	—	—	—	—	—	—
Eloise Watson (Alternate to Nathanial Thomson)[4]	6	5	—	—	—	—	3	1

1 Resigned 31 March 2023,
2 Appointed 28 June 2023.
3 Resigned 1 July 2023.
4 Appointed 15 December 2022.

Directors' shareholdings

The following table sets out each 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.

Director	Fully Paid Ordinary Shares	Executive Share Plan Shares	Performance Rights[2]			Restricted Rights[3]	
			FY21	FY22	FY23	FY22	FY23
Geoff Black	100,000	—	—	—	—	—	—
Gary Burg	10,918,090	—	—	—	—	—	—
Michael Alscher[1]	—	—	—	—	—	—	—
Nathanial Thomson[1]	—	—	—	—	—	—	—
Jennifer Lyon	27,212	—	—	—	—	—	—
Edward Fabrizio	—	—	—	—	—	—	—
Nadine Gooderick	63,212	—	62,481	277,777	256,410	28,745	63,756

1 Mr Alscher and Mr Thomson represent the interests of CCP Bidco Pty Limited and its Associates that non-beneficially hold 399,543,860 shares.
2 LTVR Performance Rights with vesting dates of 30 June 2024, 30 June 2025 and 30 June 2026.
3 STVR Restricted Rights with vesting dates of 30 June 2024 and 30 June 2025.

Indemnification of Directors and Officers

During the period, the Company purchased Directors and Officers Liability Insurance to provide cover in respect of claims made against the Directors’ and Officers’ in office during the financial period and as at the date of this report, as far as is allowable by the Corporations Act 2001.

The total amount of insurance premium paid and the nature of the liability cover provided are not disclosed due to a confidentiality clause within the contract.

Directors’ and Officers’ Liability Insurance contributed a proportion of the total Group professional indemnity insurance premium.

The Company has not, during or since the financial period, indemnified or agreed to indemnify the auditor of the Company against a liability incurred as an auditor.

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.

Auditor’s independence declaration and non-audit services

The Directors have received an independence declaration from the auditors, a copy of which is on page 76.

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 section 2 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.

The Directors are of the opinion that the services as disclosed in section 2.6 to the financial statements do not compromise the external auditor’s independence, based on advice received from the Board Audit Committee, for the following reasons:

- All non-audit services comply with the ClearView 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.

Annual Corporate Governance Statement

ClearView 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.clearview.com.au/governance**.

Operating and Financial Review

The Board presents its FY23 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.

ClearView Wealth Limited (ClearView or the Company) is an APRA-registered non-operating holding company (**NOHC**) of regulated wholly owned subsidiaries that offer life insurance, superannuation and investments products and services as at the date of this report.

The Group's subsidiaries hold a number of licences enabling them to operate across two business segments:

- Life Insurance: ClearView Life Assurance Limited (**CLAL**) manufactures ClearView life insurance products under a retail life insurance Australian Financial Services (**AFS**) licence.
- Wealth Management: ClearView Financial Management Limited (**CFML**), ClearView Life Nominees Pty Limited (**CLN**) and CLAL manufacture these investment and retirement solutions (managed investments and superannuation) under AFS licences and a registrable superannuation entity (**RSE**) trustee licence.

During the year, the Board initiated a strategic review in the wealth management segment to seek out and pursue opportunities to reset and simplify the business with the ambition of retaining its core focus on being a life risk insurance provider. The Board is committed to the exit of the wealth management business given its lack of scale and limited growth options. Further details are provided later in the report.

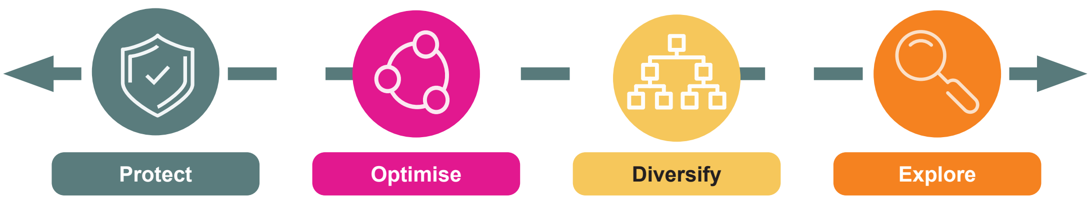
ClearView strategy

ClearView's vision is to support Australians to achieve their financial and well-being goals while being a positive force for its staff, community and the environment.

ClearView is a strategically focused business on what ClearView does best: Life Insurance.

ClearView, within its core life insurance business, is focused on building on its existing capabilities whilst concurrently diversifying its distribution channels and product offerings. ClearView's future focus to achieve long-term sustainable growth is based on:

- Remain a dynamic challenger
- Focus on operational excellence and strategy execution
- Divestment of advice and wealth management businesses to focus on life insurance
- A reliable and trusted brand
- Digital tools and AI options
- Exploring further growth opportunities



ClearView commenced investing in a business transformation program in FY21 during the periods of change and industry uncertainty (COVID-19 and industry structural issues).

FY22 reflected the overall shift in focus of ClearView back to growth, in line with the inflection point of the industry, with the strong FY23 result reflecting the benefits of this transformation strategy and investment.

The aim of ClearView's business transformation program has been to:

- Provide a better customer experience;
- Build a scalable foundation for future growth in the business;
- Align the business to the structural and regulatory changes in the market; and
- Improve business efficiency and thereby improve margins.

The record FY23 financial performance is being driven by the transformation and simplification program as outlined below:

Core

Life Insurance

- Restarted sales focus – now winning > 9% market share
- Invested in technology, systems and processes – from FY25 operational efficiencies are expected to start to flow
- Capability continues to be uplifted with a data and analytics focus - deeper insights
- New product suite with sustainable pricing aligned to industry structural changes
- Confidence to increase underwriting risk retention on new product - key step change in business

Ancillary

Financial Advice

- Exit of direct ownership of financial advice (Centrepoint Alliance merger)
- Shifted from 100% ownership of dealer groups (circa 230 ARs[1]) to 24.5% holding in scale operation with over 500 ARs[1] and support services to a further 190 self-licenced adviser practices
- Strategic benefits, reduced regulatory risk and profitability achieved

Ancillary

Wealth Management

- Board committed to exit of wealth business given lack of scale and growth options
- Trustee considering options for superannuation fund that will inform roadmap and timing for overall exit
- Strategic benefits, reduced regulatory risk and removal of drag on earnings

- ClearView is now a robust life focused business:
  - Expected to support double digit Underlying NPAT growth off AASB 17 FY24 base[2]
  - Dividend policy 40%- 60% of Underlying NPAT - range to be reviewed post completion of IT transformation and wealth exit to reflect shift to a cash generation position

Key outcomes of the program of work have been as follows:

- Exit of the direct ownership of financial adviser networks with the sale of the businesses to Centrepoint Alliance Limited (Centrepoint Alliance) in November 2021. The merger resulted in a minority holding in a scaled, profitable business with over 500 ARs and support services to a further 190 self-licenced adviser practices.
- Divestment of the wealth management business - the Board is committed to the exit of the wealth management business including divestment of the funds management business. The superannuation fund trustee, ClearView Life Nominees Pty Limited is, at the same time, considering a number of options and the best way forward for the superannuation fund, ClearView Retirement Plan. The outcome of these considerations will inform the roadmap and timing for the overall exit of the wealth management business. Post exit of the wealth management business, ClearView will be a simplified and less complex business with a focus on life insurance.

1 ARs are authorised representatives.

2 FY26 goals based on AASB 17 FY24-26 business plan forecasts – currently aligned to implementation program of work and subject to change. Stated prior to any AIACF impairment charges on stepped premium business or loss recognition on level premium business.

- Launch of ClearView ClearChoice in October 2021 that includes a variety of sustainable new life insurance products that are appropriately priced to earn a long term target return on capital (**ROC**). The product has been well received by the market with new business market share of the IFA market increasing to circa 9% in the year and new business up 25% to $25.2 million. ClearView has established a diversified distribution network with over 900+ dealer groups comprised of 4,000+ advisers and remains well positioned to continue to increase its new business market share.
- The repricing of the in-force portfolios (across the industry) remains a long term structural driver to appropriately price for risk and experience (claims and reinsurance impacts) that should lead to in-force growth and profitability. In January 2023, ClearView commenced a new repricing cycle on the ClearView LifeSolutions portfolio to cover the cost of the reinsurance premium rate increases.
- Further development of the life insurance Policy Administration System (**PAS**) (launched in October 2021) with the enhancement and build out of the technology platform continuing and tracking to plan. The program of work initially prioritised the delivery of the adviser facing experience. The focus in the year has continued to build out and enhance the back end functionality of the technology platform. The migration of the in-force policies onto the functional new platform will allow for the achievement of operational efficiencies that are expected to start flowing through from FY25.
- Continued investment in capabilities and people, with a data and analytics focus to assist deeper insights and decision making. A significant capability uplift is ongoing with new leaders appointed across key business areas.
- Plans are underway to increase ClearView's exposure to underwriting risk for new business, thereby reducing reinsurance costs and increasing sum insured retained that will result in higher new business profit over time. This confidence to increase the underwriting risk exposure is due to the increased size of the in-force portfolios, improved industry profitability and product sustainability measures seen in the Group's performance this year; and
- Continued improvement in the risk maturity profile of the business.

The pathway has now been established to grow to a life insurance FY26 target of circa $400 million of in-force premiums at a target FY26 Underlying Life Insurance NPAT margin of 11%-13%[1]. ClearView has transitioned into a robust life insurance focused business that is expected to support double digit Underlying NPAT growth off the AASB 17 FY24 base.

The FY23 actual life insurance key performance indicators and FY26 goals are outlined below:

FY23 Actual

New Business Market Share[2,3]	Gross Premiums	In-force Premium Market Share[2,3]	Life Insurance Underlying NPAT Margin[5,6]	FY23 Final Dividend
9.0%	$325.1m +9%	3.2%	12.4%	54% of Underlying NPAT[5]

FY26 Goals

New Business Market Share[2]	Gross Premiums	In-force Premium Market Share[2]	Life Insurance Underlying NPAT Margin[4]	Dividend Policy
12-14%	$400m	~4%	11-13%	40-60% of Underlying NPAT[5]

1 FY26 goals based on AASB 17 FY24-26 business plan forecasts – currently aligned to implementation program of work and subject to change.

2 ClearView calculations based on NMG Risk Distribution Monitor Reports for Retail Advice In-force and New Business Analysis for relevant periods – NMG Market NB includes total of 'Retail' consistently applied (that is, IFA, Bank Advice and Aggregator channels)

3 FY23 new business market share based on NMG Risk Distribution Monitor Reports for Retail Advice New Business Analysis for the year ended 30 June 2023.

4 Is calculated as Life Insurance Underlying NPAT divided by Gross Premium Income. Under AASB 17 basis and stated prior to any AIACF impairment charges on stepped premium business or loss recognition on level premium business.

5 Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases, underlying investment income and interest costs associated with corporate debt and Tier 2 Capital. Costs associated with the incurred claims treaty are reflected as part of reinsurance costs.

6 Is calculated as Life Insurance Underlying NPAT divided by Gross Premium Income. FY23 based on accounting standards on issue – the margin on services approach under AASB 1038.

Key focus areas to drive the financial performance of the business are as follows:

- Acquisition cost improvements thereby further increasing new business margins;
- Maintenance cost improvements thereby increasing in-force margins;
- Higher interest rate environment thereby increasing profitability on capital held to support new business and the in-force portfolios;
- Continued market outperformance in profitable segments including further market share gains; and
- Further repricing of in-force retail income protection portfolios to realign pricing to risk and experience which would further improve in-force margins.

The significant further growth opportunities for the business, post simplification, include but are not limited to:

- Entering into new customer channels to support its core IFA market channels; and
- Other opportunities that support this overall life insurance focused strategy.

Regulatory environment

The financial services industry continued to face significant regulation, scrutiny and disruption, due to shifting customer and regulator expectations.

Throughout the next few years, regulators are expected to increase their supervision and enforcement activities to ensure appropriate design and distribution of products, accurate disclosure on sustainability, consideration of cyber risk, management of claims handling and complaints processes.

The Council of Australian Life Insurers (CALI), of which ClearView is a foundation member, has been established to act as a progressive voice for the Australian life insurance industry and is committed to improving customer outcomes and implementing higher standards as well as promoting financial sustainability of the life insurance industry.

The Financial Accountability Regime reform, once implemented, is expected to strengthen accountability obligations on directors and senior executives in financial services.

The Quality of Advice Review was completed in December 2022 and contained 22 recommendations covering several aspects of financial services, including the removal of red tape and the opportunities for new channels for advice. The Government's initial response in June 2023 accepted a number of the recommendations and suggested further consultation will be required on certain matters.

Regulatory reform

ClearView has implemented several regulatory and legislative industry reforms over the course of the financial year period and continues to progress those that will come into force in 2023. The reforms implemented include the changes to fees and costs disclosure requirements and enhanced transparency measures for superannuation trustees. The updated Life Insurance Code of Practice commences from 1 July 2023 and introduces additional consumer protections with a view to improve consumer confidence in life insurance.

AASB 17 implementation

ClearView is in the process of finalising its implementation of *AASB 17 – 'Insurance Contracts'* which is effective from 1 July 2023. *AASB 17 – 'Insurance Contracts'* is the Australian equivalent of the International Accounting Standards IFRS 17 Insurance Contracts and will represent a material change in the accounting of life insurance contracts, previously accounted for under the margin on services approach in Australia, in accordance with AASB 1038 Life Insurance Contracts. Key messages from the AASB 17 changes are as follows:

- AASB 17 does not impact the fundamental economics or underlying cash flows of the business – there is no change to financial strength, claims paying ability, or dividend capacity.
- The key changes include the adoption of an explicit risk adjustment, the reporting at a significantly more detailed level of granularity of cohorts (and related onerous contract testing) and the overall timing and pattern of profit release.
- The changes to the timing and pattern of profit release predominantly impacts the stepped premium business as it is treated as a short term contract boundary under AASB 17 (as opposed to the level premium business and reinsurance that continue to be treated as a long term contract boundary under the new accounting standards). The stepped premium business is circa 75% of ClearView's in-force portfolio at the reporting date.
- For the stepped premium business, its profit release is now driven largely by the cash flow profile of a policy (other than deferred acquisition costs that are explicitly asset tested for impairment at each reporting period). The level premium and reinsurance remains largely unchanged.

- For in-force business, as at the transition date, the 30 June 2022 opening Balance Sheet has an initial net asset reduction of $40-$80 million[1] - this is then released over time leading to a positive impact on future profit release. The opening Balance Sheet reduction in retained earnings also leads to a higher return on equity.
- The Australian Taxation Office (**ATO**) has yet to provide any ruling on its AASB 17 impacts and, as such, ClearView has not been able to assess any tax-related impact, in particular as to the treatment of the upfront tax deduction (deferred tax asset versus tax receivable).
- For new business written, higher profit margins are earned in the first year, followed by the slower in-force profit release in subsequent years. Overall, the same profits should be earned over the life of a stepped premium contract[3].
- Under AASB 17 a lower quantum of acquisition costs can be deferred (90% of acquisition costs[2]). For stepped premium policies, there is an explicit asset related to the insurance acquisition cash flows (**AIACF**) and the onerous contract (and related impairment) testing is more granular and may lead to increased profit volatility.

Further details are provided in Note 9.6.

Environment, Social and Governance (ESG)

Our ESG Roadmap

Our vision is to support Australians to achieve their financial and wellbeing goals and be a positive force for our staff, community and the environment. This vision lies at the heart of our Corporate Social Responsibility (**CSR**) strategy which reinforces our commitment to our People, Community, Customers & Partners, Environment and Shareholders.

Our ESG priorities and commitments are aligned to these pillars and are called our 'CSR Agenda' and integral to ClearView's strategy and corporate vision.

For the calendar year 2023, our CSR Committee (**CSRC**) was drawn from the executive leadership team. The CSRC oversees and supports ClearView's commitment to sustainability including ESG monitoring and reporting.

Materiality process

This year we completed our first materiality assessment following a robust 4-step process to identify and assess our most material priorities.

Annually we will review our priorities; and at each tri-annual period we will conduct an in-depth materiality assessment to ensure we are responding to ESG issues, risks and opportunities of greatest significance to our stakeholders and the long-term sustainability of our business.

A comprehensive approach to progressing our CSR Agenda ensures we stay abreast of regulator priorities and industry trends and respond to matters of significance.

ESG priorities which present with the highest level of importance form the basis for our annual CSR Agenda. The steps involved in identifying those priority areas are as follows:

Step 1 – Identify

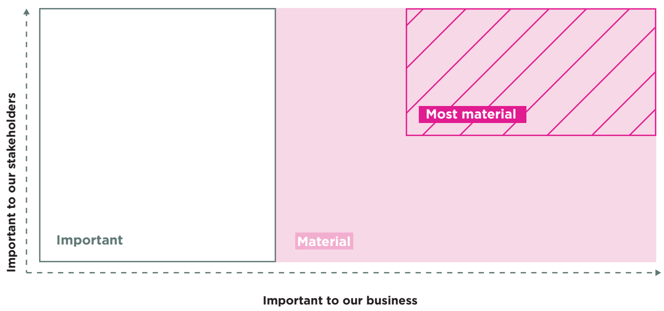
We identify a list of issues gathered from stakeholders.

At least every three years we consider emerging ESG trends both locally and internationally, emerging megatrends, and the Australian regulatory landscape including ESG priorities announced by the Australian Prudential Regulation Authority (**APRA**), the Australian Securities and Investments Commission (**ASIC**), and the Australian Securities Exchange (**ASX**).

At least every three years we consider developments within the Sustainable Accounting Standards Board (**SASB**) standards which provide disclosure guidance on financially material sustainability information relevant to the insurance industry.

Step 2 – Assess

Issues identified at Step 1 are grouped under common themes and mapped onto a materiality matrix as shown here.



1 After tax; 1 July 2022 opening Balance Sheet impact on net assets. The Deferred Tax Asset (DTA), representing timing difference between liabilities for tax and accounting purposes, will change in response to potential deductibility of opening Balance Sheet adjustment. This is still under consideration

2 Compared to 100% of acquisition costs are deferred under the Margin On Services approach under AASB 1038

3 Compared to the Margin On Services approach under AASB 1038

The CSRC assess the level of importance to our business and to our stakeholders in light of ClearView's strategic priorities.

Step 3 – Prioritise

Issues presented as 'most material' form the basis of the CSR Agenda for the upcoming financial year. The CSRC may also decide that other 'material' and 'important' issues form part of the CSR Agenda.

The CSRC agree to specific goals and set targets. These quantifiable metrics are tracked and published internally and are relied upon to measure ClearView's overall ESG performance.

Step 4 – Action

A CSR Sub Committee is responsible for delivering on each set goal and to report its progress to the CSRC on a frequent and regular basis.

CSR Agenda

Each priority area of our CSR Agenda is backed by clear goals and measurable targets.

Some of the highlights for the year included:

Customers and Partners

Seeking to deliver better outcomes for our customers during claims time, we provide support through their recovery journey by offering holistic rehabilitation support to empower them to return to life and work. This service supports customers through exercises, career counselling, and business coaching including executive business coaching. Our goal is to provide a highly valued service that can be tailored to meet our customers individual needs.

Community

Providing opportunities for our employees to volunteer their time to participate in activities with a charitable purpose is key to our vision of supporting Australians to achieve their wellbeing goals.

As part of our community commitments, this year we launched ClearView's Lifeline Australia Scholarship Program which supports our employees with paid community service leave up to 92 hours per calendar year. Our scholarship program sees our people directly supporting Lifeline Australia with crisis support volunteers.

ClearView continues to support those charities nominated by our employees, and as part of ClearView's Philanthropic Giving Program, we made donations to our key charities including Sony Foundation Australia, Australia Kookaburra Kids Foundation and CancerCare Australia.

Environment

ClearView obtained certification from Climate Active under the Carbon Neutral Standard for Organisations for the financial years ending June 2021 and 2022.

Over the coming year, and as part of our own carbon reduction strategies, we will prioritise reducing the carbon emissions from our own business operations and seek to find ways to reduce our reliance on paper.

Our pursuit for impactful change

In 2015, the United Nations founded 17 Sustainable Development Goals (**SDGs**) as a blueprint to end poverty, protect the planet and ensure prosperity for all by 2030. The below goals are the most relevant to ClearView and based on where we have the greatest opportunity to influence impactful change and generate positive outcomes.

SDG goals	UN target	What ClearView is doing
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote mental health and well-being (3.4)	• Make flexibility business as usual by providing employees choice in where they work (hybrid workplace). • Support employee mental health and wellbeing through the ClearView ClearMind Program. • Support customers through rehabilitation to help customers return to life and work goals. • Offer free flu vaccinations to all employees.
5 GENDER EQUALITY	Ensure women's full participation and equal opportunities for leadership at all levels of decision making (5.5)	• Ensure we equitably attract, retain, develop and pay all our employees, irrespective of gender. • Ensure our Board always includes one female director; the proportion of women in management roles must be at least 40%; and female representation of the total workforce must be benchmarked to industry standards.
8 DECENT WORK AND ECONOMIC GROWTH	Achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value (8.5)	• Seek ways to better improve the experiences and outcomes for our customers. Customer satisfaction will be reflected in our Net Promoter Score.
10 REDUCED INEQUALITIES	Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard (10.3)	• Address any gender pay gaps thereby ensuring women and men performing the same role are paid the same amount.
13 CLIMATE ACTION	Take urgent action to combat climate change and its impacts (13.3)	• Convert our motor vehicle fleet to 100% hybrid vehicles. • Call on our employees to find ways to reduce our customers dependence on paper notices and statements. • We will put into action ways to reduce carbon emissions by 20% by 30 June 2030 from within our own business operations.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Develop effective, accountable and transparent institutions at all levels (16.7)	• Ensure transparency in all we do including board oversight across our ESG reporting obligations. • Ensure our progress towards achieving our CSR Agenda targets are communicated. This means being transparent and letting our employees know when things don't go right.
17 PARTNERSHIPS FOR THE GOALS	Encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships (17.7)	• Ensure ClearView's Philanthropic Giving Program commits to donate $45,000 each year to charities chosen by our employees. Our chosen charities are the Sony Foundation Australia, Australian Kookaburra Kids Foundation and CancerCare Australia. • Through our Lifeline Australia Scholarship Program, ensure ClearView pays the tuition for up to 10 staff to be trained as accredited crisis supporters. Employees receive 92 hours paid community leave as a Lifeline Crisis Support Volunteer.

ClearView's Vision and Business Objectives

ClearView's corporate vision is:

> **"to support Australians to achieve their financial and wellbeing goals while being a positive force for our staff, community and the environment.**

To support the corporate vision, ClearView has articulated its key focus objectives as:

- Customer Outcomes – Support Australians to achieve their financial and wellbeing goals;
- Earnings – Provide a stable, reliable return on capital and pay a regular dividend;
- Capital Adequacy – Instil confidence in our ability to deliver on all our obligations through a conservative approach to capital adequacy;
- Growth/Economic Value – Grow the economic value of the company, reflected in share price, through revenue growth, margin and capital stability;
- Employee Outcomes – Be an employer of choice through the positive culture and collegiate atmosphere at ClearView;
- Business Partner Outcomes – Be fair and transparent with business partners to support long term business relationships; and
- Community Impact – Be a positive force for the community and the environment.

Details on ClearView's appetite and tolerance for risk to these objectives are contained in the Risk Appetite Statement (**RAS**).

Risk management

Our risk landscape continues to evolve, with ongoing change in economic conditions, the competitive landscape, stakeholder (including regulatory) expectations and financial performance pressures. Risk has clear prioritisation from the Board and executive leadership as well as from the business. Our risk management framework supports ClearView to manage the risks facing the business and achieve its objectives. The Board and Management are focused on a combination of existing and emerging risks within our financial and non-financial risk exposures.

ClearView regards the skills, experience and focus of its staff as vital assets in managing material risks across the organisation. The competence of staff is complemented by a structured Risk Management Framework (**RMF**) consisting of systems, processes and human capital to manage both financial and non-financial risks. The RMF supports the Board and management's oversight of these risks. The RMF incorporates the requirements of APRA's prudential standard on risk management (CPS / SPS 220 Risk Management) and is subject to an independent review every three years.

The following diagram illustrates the key elements of the RMF.

Risk Governance

- Policies and guidelines
- Boards and board committees
- Management committees
- Reporting
- Performance measurement
- Training and awareness

Risk Management Approach

- Risk Appetite Statement (**RAS**)
- Risk Management Strategy (**RMS**)
- Material Risk Categories (Strategic / Operational / Credit / Market and Investment / Liquidity / Insurance / Compliance)
- Capital (**ICAAP / ORFR**)

Risk Culture

Risk Management Process

- Identification
- Assessment
- Management
- Monitoring
- Attestation / Assurance
- Stress and scenario analysis

Risk Management Accountability

- 1st line – own the risk
- 2nd line – advisory, challenge and oversight
- 3rd line – independent assurance

The RMF is described by Board-approved documents, including (but not limited to):

- The Risk Appetite Statement (**RAS**) articulates the material risks that the Group is exposed to and specifies the type and level of risk ClearView is willing to accept in pursuit of strategic, business and financial objectives, giving consideration to the interests of members and policyholders.
- The Risk Management Strategy (**RMS**) describes the Group's strategy for managing current and emerging material risks, including an outline of risk management policies and processes and the risk governance structure.
- The Risk Culture Framework (**RCF**) describes the Group's shared values and behaviours, and makes clear the expectation of all ClearView staff to consider, identify, understand, discuss, and manage current and emerging risks.

The Group Business Plan identifies and considers the material risks associated with ClearView's strategic objectives on a rolling three-year basis.

An Internal Capital Adequacy Assessment Process (**ICAAP**) is a key element of the RMF. An integrated approach to capital adequacy and risk management is adopted to ensure ClearView holds adequate levels of capital appropriate to the Group's risk profile and risk appetite. This involves risk management practices such as stress testing to understand, manage and quantify the Group's risks in extreme circumstances. The outcomes of the testing is used to inform risk decisions, set capital buffers and assist in strategic planning.

ClearView has adopted a three lines of risk responsibility model to risk management, whereby all employees are responsible for identifying and managing risk and operating within the Group's risk profile and appetite. The first line comprises the business units which have ownership of risks and are responsible for day-to-day risk management decision-making involving risk identification, assessment, mitigation, monitoring and management. The second line is the Group's Risk and Compliance (**GRC**) function which assists the Board, the Board Risk and Compliance Committee (**Risk Committee**) and executive leadership team (**ELT**) in the ongoing development and maintenance of the RMF to support the company in operating within its approved risk appetite. The third line is the internal audit function that provides independent assurance to the Board, regulators and other stakeholders on the effectiveness of risk management, internal controls and governance.

The Group's Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Risk Committee is responsible for developing and monitoring the Group's risk management policies and reports regularly to the relevant Boards on its activities.

The Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Board Audit Committee (**Audit Committee**) is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Management of Material Risks

The RMF outlines ClearView's material risks from a strategic, customer, business and financial perspective. For each material risk and associated sub-categories the RMF articulates the mitigation strategy as well as the policy, governance elements and responsibilities for management.

The material risk categories for ClearView are as follows:

- Financial
- Strategic
- Insurance
- Operational
- Legal and Regulatory (Compliance)

For each material risk, ClearView has set out the following:

- The maximum level of risk (risk tolerance) that it is willing to operate within, expressed as a risk limit and based on its risk appetite, risk profile and capital strength. Risk tolerances translate risk appetite into operational limits for the day-to-day management of material risks, where possible;
- The process for ensuring that risk tolerances are at an appropriate level, based on an estimate of the impact if risk tolerance is breached, and the likelihood that each material risk is realised; and
- The process for monitoring compliance with each risk tolerance and for taking appropriate action if it is breached; and the timing and process for review of the risk appetite and risk tolerances.

The Board and management remain committed to continuously improving the Group's RMF to ensure robust risk management practices are in place across ClearView supported by a strong risk culture. The Group Risk and Compliance function maintains and executes an annual workplan which enables the business to focus on specific areas of activity to continue to improve our maturity.

Risk Culture in ClearView

ClearView considers a strong risk culture as the foundation of good risk management, ClearView's risk culture is an integral part of its corporate values and underpins the RMF. ClearView's interpretation of risk culture aligns with APRA's expectation citing: 'the norms of behaviour for individuals and groups within an organisation that determine the collective ability to identify, understand, openly discuss and act on the organisation's current and future risk'. Risk culture is recognised as not static, but rather a continuous process, which repeats and renews itself. ClearView aspires to a risk culture that considers:

"Managing risk is integral to our business and demonstrated in our actions and decisions of our people, executive leadership team (ELT) and Board. Our people and customers are at the centre of our risk culture and we commit to ongoing communication, escalation, constructive challenge and making considered decisions to manage risk consciously.

Where there is ambiguity, ClearView will firstly ask "Should we?" and then "Can we?".

To enable the effective facilitation, embedding and maintenance of a sound risk culture, ClearView has outlined and described a series of key attributes including (but not limited to) speaking-up, leadership, accountability & responsibility, risk frameworks and performance management & incentives to strike a balance between behavioural and structural elements. In addition to the broader RMF workplan, the Group Risk and Compliance function also maintains and executes an annual workplan of activities to support the ongoing maturity of risk culture across ClearView.

FY23 Results overview

The ClearView Group achieved the following results for the year ended 30 June 2023.

The discussion of operating performance in the operating and financial review section of this report is presented on a management reported basis unless otherwise stated. Management reported results are non-IFRS financial information and are not directly comparable to the statutory results presented in other parts of this financial report. ClearView's statutory and management reported profit after tax are the same.

After Tax Profit by Segment, $M	FY23 $M	FY22 $M	% Change[3]
Life Insurance	40.4	29.2	38%
Listed/Group costs	(3.9)	(3.3)	18%
Group Underlying NPAT before equity accounted interest[4]	**36.5**	**25.9**	**41%**
Financial advice – 24.4% share of Centrepoint[5]/Discontinued operation	0.7	(0.2)	Large
Wealth management – Discontinued operation	(2.7)	(0.1)	Large
Group Underlying NPAT[2]	**34.5**	**25.7**	**34%**
Policy liability discount rate effect	(14.0)	(11.3)	24%
Financial Advice divestment	—	11.5	N/A
Impairments	—	(0.8)	N/A
Wealth Management divestment	(0.8)	—	N/A
Strategic Review/restructure costs	(1.1)	(2.4)	(52)%
Other costs	(1.4)	(1.4)	—%
Reported NPAT	**17.1**	**21.2**	**(19)%**

The strong FY23 operating results and growth prospects are driven by the ongoing business simplification. The Group's refreshed strategy is focused on leveraging its competitive advantage in life insurance to achieve the goal of becoming a top player in the Australian market. In conjunction with this, ClearView has set itself some key goals that it is looking to achieve by FY26. The FY23 actual life insurance key performance indicators and FY26 goals are outlined below:

FY23 Actual

- New Business Market Share[6,7]: **9.0%**
- Gross Premiums: $325.1m **+9%**
- In-force Premium Market Share[6,7]: **3.2%**
- Life Insurance Underlying NPAT Margin[2,9]: **12.4%**
- FY23 Final Dividend: **54%** of Underlying NPAT[2]

FY26 Goals[1]

- New Business Market Share[6]: **12-14%**
- Gross Premiums: **$400m**
- In-force Premium Market Share[6]: **~4%**
- Life Insurance Underlying NPAT Margin[8]: **11-13%**
- Dividend Policy: **40-60%** of Underlying NPAT[2]

1 FY26 goals based on AASB 17 FY24-26 business plan forecasts – currently aligned to implementation program of work and subject to change. Stated prior to any AIACF impairment charges on stepped premium business or loss recognition on level premium business.

2 Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases, underlying investment income and interest costs associated with corporate debt and Tier 2 Capital. Costs associated with the incurred claims treaty are reflected as part of reinsurance costs.

3 % change FY22 to FY23.

4 From continuing operations; Underlying NPAT before equity accounted interest includes Life Insurance business unit and the listed segment; excludes the wealth management business (discontinued operation) and the equity accounted earnings of Centrepoint Alliance from the date of completion (1 November 2021) or the contribution of the Financial Advice business until the date of sale in the prior comparable period. No adjustments have been made in each relevant period for stranded costs or other internal charges as a result of the exit of the financial advice and wealth management businesses.

5 Net of impairment of $1.6m in FY23.

6 ClearView calculations based on NMG Risk Distribution Monitor Reports for Retail Advice In-force and New Business Analysis for relevant periods – NMG Market NB includes total of 'Retail' consistently applied (that is, IFA, Bank Advice and Aggregator channels)

7 FY23 new business market share based on NMG Risk Distribution Monitor Reports for Retail Advice New Business Analysis for the year ended 30 June 2023.

8 Is calculated as Life Insurance Underlying NPAT divided by Gross Premium Income. Under AASB 17 basis and stated prior to any AIACF impairment charges on stepped premium business or loss recognition on level premium business.

9 Is calculated as Life Insurance Underlying NPAT divided by Gross Premium Income. FY23 based on accounting standards on issue – the margin on services approach under AASB 1038.

Key financial metrics	FY23 $M	FY22 $M	% Change[4]
New business	25.2	20.2	25%
In-force premiums[1]	305.9	276.5	11%
Life Underlying NPAT margin (%)[2]	12.4	9.7	+270bps
Underlying investment income (after tax)[3]	7.6	2.3	Large
Interest expense on corporate debt and Tier 2 (after tax)	(5.7)	(4.0)	Large
Reported diluted EPS (cps)	3.27	1.79	83%
Underlying diluted EPS (cps)	5.81	4.15	40%

Revenue from continuing operations

The Group's revenue base in the year was predominantly generated from premiums charged to life insurance policyholders. ClearView provides life insurance protection products through its wholly owned subsidiary ClearView Life. These products are designed to allow policyholders to receive (in the case of an eligible claim) either a one off payment (lump sum products) or recurring benefits (ongoing monthly payments) over a specified period, typically a certain number of years, or up to a specific age (income protection products).

There is strong momentum in the underlying business fundamentals:

- Gross premiums increased by 9% to $325.1 million;
- New business increased by 25% to $25.2 million;
- New business market share increased to circa 9% (up from 7% in FY22);
- Advice in-force premiums increased 11% to $305.9 million; and
- Total in-force premiums increased 9% to $339.3 million.

The increase in gross life insurance premiums to $325.1 million (+9%) was driven by premiums in force that rose from $311.4 million in FY22 to $339.3 million in FY23 (+9%). Core in-force premium growth (advice channel) primarily reflects the net impact of new business flows, lapses and age, CPI and premium rate increases.

New business (sales) is driven solely by the ClearView ClearChoice product suite as the LifeSolutions, Non-Advice and Legacy portfolios are closed to new business.

1 In-force premiums are the annualised premium in-force at balance date for the advice products (LifeSolutions and ClearChoice) and excludes the closed direct products no longer marketed to new customers. Total in-force premiums of $339.3m as at 30 June 2023.

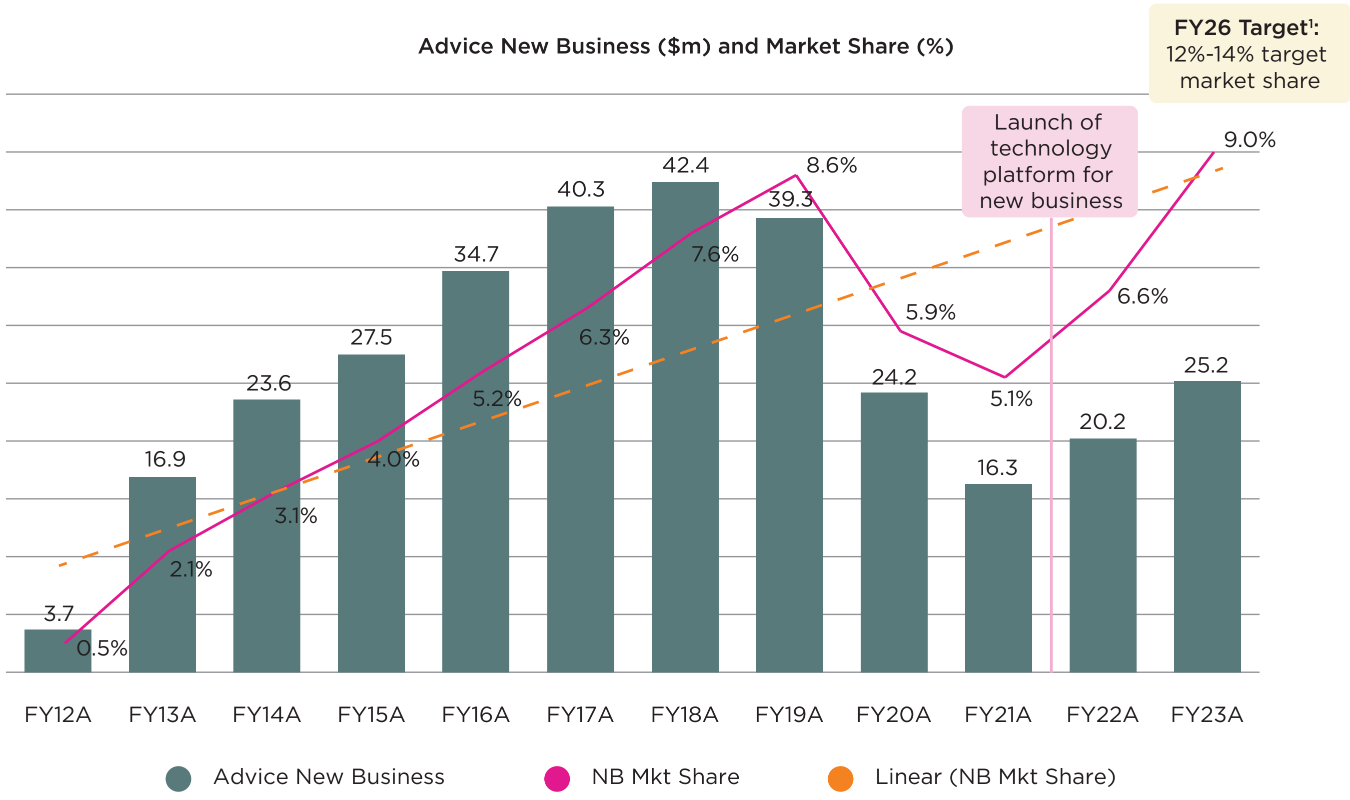
2 Is calculated as Life Insurance Underlying NPAT divided by Gross Premium Income.

3 Underlying investment income includes the portfolio carry yield on the Pimco portfolio and interest rate earned on physical cash holdings. Interest cost on corporate debt includes Tier 2 subordinated debt costs and costs on the bank debt facility. Excludes interest income on discontinued operations

4 % change FY22 to FY23.

This is discussed in further detail below:

Chart 1: Regaining of new business market share



ClearView's sales increased by 25% to $25.2 million in FY23 and it is now achieving a circa 9% market share in the IFA market, up from 5% in FY21. ClearView achieved an 11% market share in the last quarter of FY23, the highest new business market share that it has achieved since entering the IFA market in FY12.

ClearView has a strong presence and reputation in the IFA market, having previously reached a peak of circa 8% market share and $40 million of sales in FY18 and FY19. However, a number of factors have resulted in new business premiums (in dollar terms) declining, including that new business sales in the market overall have reduced materially (over time). Recognising sustainability issues, ClearView was one of the first life insurers to initiate material premium rate increase for its disability product in or around FY19. This initiative has underpinned recent years profit improvements, but at the time resulted in an initial decline in new business sales. Over this period, the business intentionally focused on retaining and supporting customers, and that ultimately flowed through to higher in-force premiums with improved margins.

For the industry more broadly, factors such as regulatory change (the tightening of conduct settings and implementation of education standards), a reduction in adviser numbers, premium rate increases and Covid-19 impacts contributed to a decline in market new business sales. In more recent times, the life insurance market has started to show signs of revival including an improved regulatory outlook and a return to industry profitability, largely driven by the structural reforms that have focused on sustainability.

ClearView commenced investing in a business transformation program from FY21, during the periods of change and uncertainty (COVID-19 and industry issues). FY22 reflected the overall shift in focus of ClearView back to growth, in line with the inflection point of the industry.

ClearView has established a diversified distribution network with over 900+ dealer groups comprising of 4,000+ advisers.

These factors and the strong adviser support of the ClearView ClearChoice product has business well positioned to achieve its goal of 12%-14% market share of new business by FY26.

1 FY26 goals based on AASB 17 FY24-26 business plan forecasts – currently aligned to implementation program of work and subject to change.

Chart 2: Consistent YoY growth of in-force premium

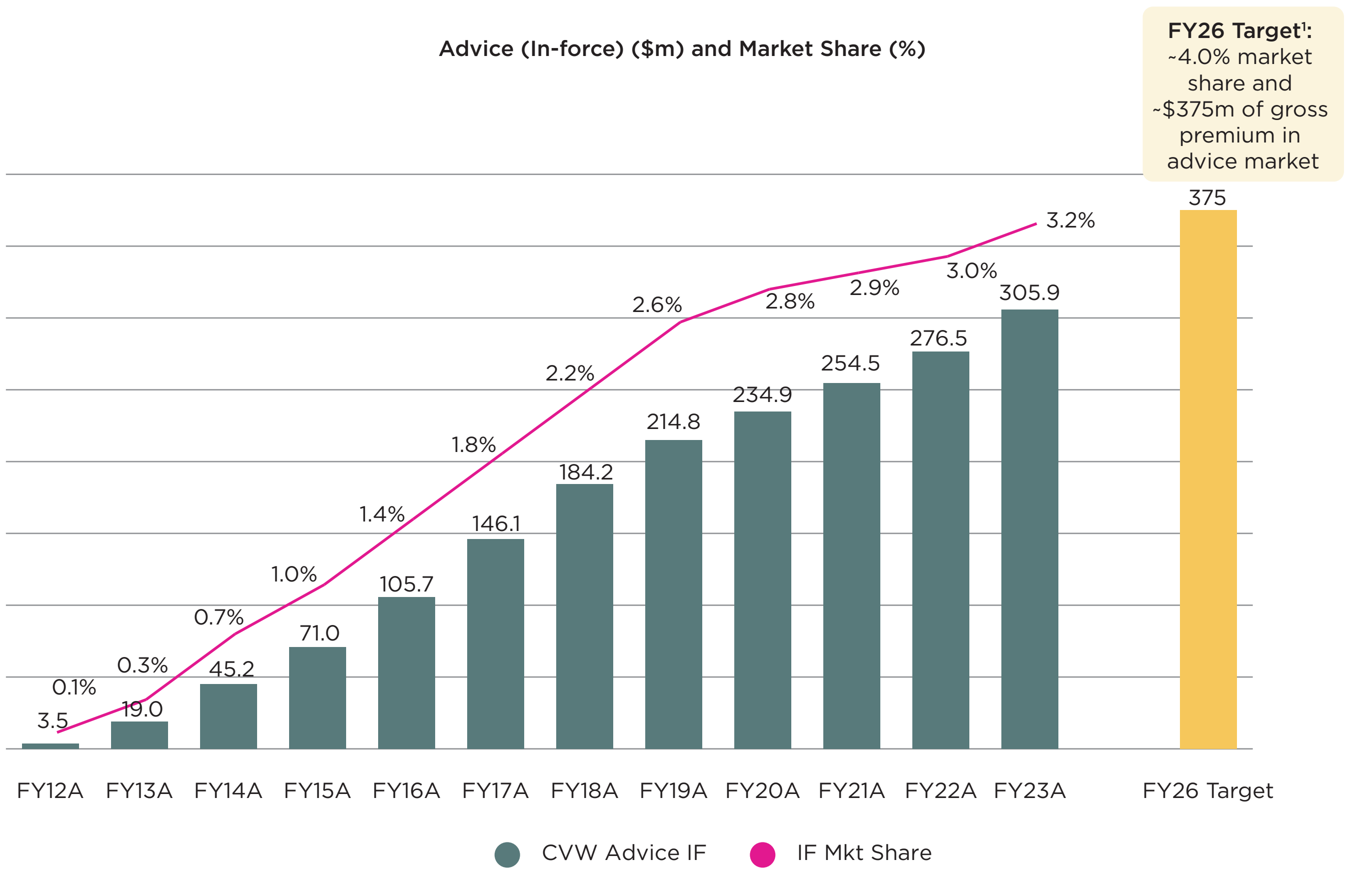
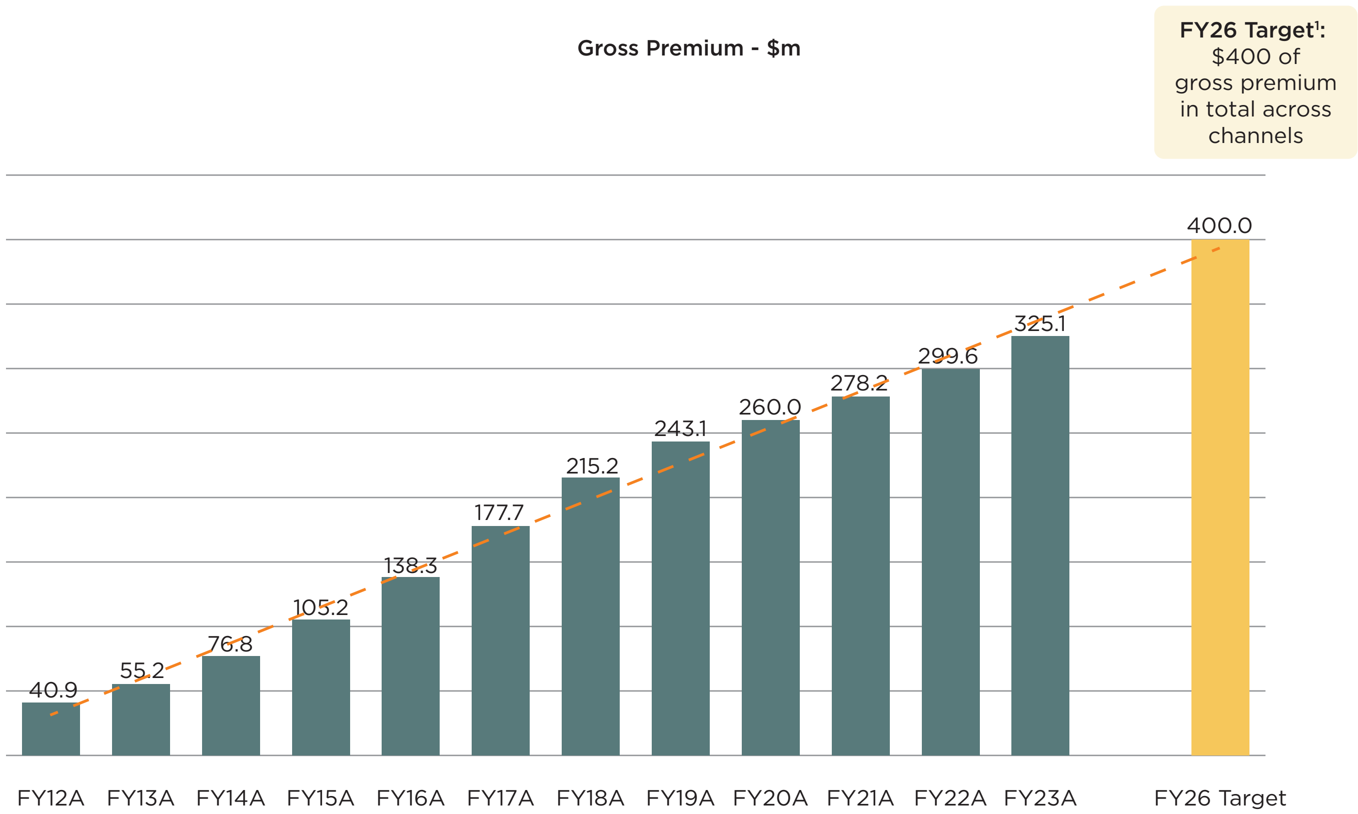


Chart 3: Gross premium income growth



1 FY26 goals based on AASB 17 FY24-26 business plan forecasts – currently aligned to implementation program of work and subject to change.

In line with its new business market share gains, ClearView has a strong track record of in-force premium growth in the financial adviser channel since entry in 2012.

It has an in-force market share of circa 3.2% of the IFA market, with in-force premiums up 11% to $305.9 million for the advice business (total in-force premiums of $339.3 million as at 30 June 2023).

The overall growth in the life insurance industry is underpinned by a number of longer term sustainable factors, including:

- Population growth: As the population grows, the insurable market size increases and demand for life insurance policies are expected to increase.
- Ageing population: Consumers generally maintain their life insurance policies for a longer period of time as age expectancy increases. The pricing of policies typically also increases with older individuals' higher health risk profiles.
- Household wealth, income and debt: As individuals increase their incomes or take on more debt, the sum insured required to maintain that individual's quality of life increases. A higher sum insured generally results in higher life insurance premiums; and
- Inflation: Most life insurance premiums are index-linked to inflation, meaning that inflation drives nominal increases in life insurance risk in-force premiums.

The repricing of the in-force portfolios (across the industry) remains a long term structural driver to appropriately price for risk and experience (claims and reinsurance impacts) that should lead to in-force growth and profitability. In January 2023, ClearView commenced a new repricing cycle on the ClearView LifeSolutions portfolio to cover the cost of the reinsurance premium rate increases.

The in-force portfolios should also trend to the higher new business market share (over time) which underpins the growth profile given that in-force premium is the key driver of profitability.

Gross Premium income broadly represents the average in-force premiums between periods.

ClearView has a FY26 in-force market share target of circa 4% and in-force premium target of $400 million.

Group result - continuing operations

Underlying NPAT (from continuing operations)[1] reflects the underlying performance of the life insurance and listed segments and has been adopted by the Board as its key measure of Group profitability and basis for dividend payment decisions.

Underlying NPAT (from continuing operations) increased 41% to $36.5 million (FY22: $25.9 million) and fully diluted Underlying EPS increased 40% to 5.81 cps (FY22: 4.15 cps). Life Insurance remains the core business and main contributor. Further details of the performance of the life insurance business are outlined below.

In accordance with *AASB 5 Non-Current Assets Held for Sale and Discontinued Operations*, the Wealth Management segment meets the criteria to be classified as held for sale in the consolidated financial statements for the year ended 30 June 2023 and is therefore now reported as a discontinued operation.

Net interest income for the Group increased to $2.8 million in FY23, increasing from a net interest cost of -$2.4 million in the prior year ($5.2 million swing before tax). This was driven by a material increase in the underlying earning rate on the investment portfolio[2] and interest income on physical cash, partially offset by the increased costs on the Tier 2 subordinated debt and amounts settled under the terms of the incurred claims reinsurance arrangements.

Group operating expenses (from continuing operations) increased to $64.9 million in FY23 (FY22: $61.9 million), up 5%. The increase in the cost base was predominantly driven by investment into key areas of the business as follows:

- IT infrastructure and cyber security uplift;
- investment in the IT transformation program (and related increased software amortisation charge);
- investment in business capability as outlined earlier in the report;
- normalised discretionary spend such as travel and entertainment due to the opening up post COVID-19 restrictions; and
- an increased FY23 STVR bonus provision (relative to FY22) given the strong business performance.

1 Before equity accounted earnings of Centrepoint Alliance.

2 Portfolio carry yield on the Pimco portfolio based on Pimco reports.

Reconciliation of operating expenses to reported operating expenses per financial statements

$M	FY23	FY22
Operating expenses	**64.9**	**61.9**
Depreciation and amortisation expenses	(2.4)	(1.7)
Stamp duty	13.5	11.9
Medical costs	2.2	1.4
Depreciation (right of use assets)	(3.2)	(3.3)
PAS transformation and duplication costs	2.4	1.4
PIMCO mandate fee	0.6	0.5
Reinsurance technology costs	0.2	0.6
Strategic review/restructure costs	2.5	2.4
Other expenses	0.7	1.0
Operating Expenses per financial statements	**81.4**	**76.3**

ClearView has achieved a strong FY23 performance underpinned by the transformation strategy and investment in the business.

Life Insurance result

The Life Insurance result is outlined in the tables below:

	2022			2023			%
12 Months to June 2023 ($M)[1]	**1H**	**2H**	**FY22**	**1H**	**2H**	**FY23**	**Change**[2]
Gross life insurance premiums	147.6	152.1	299.6	160.0	165.2	325.1	9%
Interest income	0.7	1.6	2.3	4.2	5.8	10.0	Large
Interest expense on Tier 2	(0.9)	(1.0)	(1.9)	(1.3)	(1.4)	(2.7)	41%
Claims incurred (gross)	(71.6)	(101.7)	(173.3)	(66.2)	(68.2)	(134.4)	(22%)
Reinsurance recoveries	50.5	77.5	128.0	46.6	48.3	94.9	(26%)
Reinsurance premium expense	(58.0)	(60.5)	(118.6)	(61.3)	(61.9)	(123.2)	4%
Commission & other variable costs	(29.8)	(29.9)	(59.7)	(33.4)	(35.3)	(68.7)	15%
Operating expenses	(29.3)	(31.1)	(60.4)	(30.5)	(33.2)	(63.7)	6%
Movement in policy liability	9.6	15.5	25.1	9.5	11.1	20.6	(18%)
Income tax (expense) / benefit	(5.5)	(6.5)	(12.1)	(8.3)	(9.4)	(17.7)	47%
Life Insurance Underlying NPAT	**13.3**	**16.0**	**29.2**	**19.4**	**21.0**	**40.4**	**38%**

	2022			2023			%
Analysis of Profit ($M)	**1H**	**2H**	**FY22**	**1H**	**2H**	**FY23**	**Change**[2]
Expected Underlying NPAT[3]	**13.7**	**13.5**	**27.2**	**17.9**	**18.2**	**36.1**	**33%**
Claims experience	0.5	2.9	3.4	0.8	1.5	2.3	(32)%
Lapse experience	0.2	4.0	4.2	1.7	3.2	4.9	17%
Expense experience	(1.1)	(1.7)	(2.8)	(1.3)	(2.1)	(3.4)	22%
Other[4]	0.1	1.8	1.7	1.0	0.6	1.6	(7%)
Actual Underlying NPAT before claims assumptions	**13.3**	**20.5**	**33.7**	**20.1**	**21.4**	**41.5**	**23%**
Claims Assumptions Changes	—	(2.5)	(2.5)	—	(1.3)	(1.3)	N/A
Long COVID/reopened claims	—	(2.1)	(2.1)	(0.7)	0.9	0.2	Large
Actual Underlying NPAT	**13.3**	**16.0**	**29.2**	**19.4**	**21.0**	**40.4**	**38%**

1 Inter-segment revenues/expenses are not eliminated in the managements view.

2 % change represents the movement from FY22 to FY23.

3 Expected Underlying NPAT of $36.1m reflects expected profit margins on in-force portfolios based on actuarial assumptions. Includes changes made to assumptions at 30 June 2022. Reported under margin on services approach.

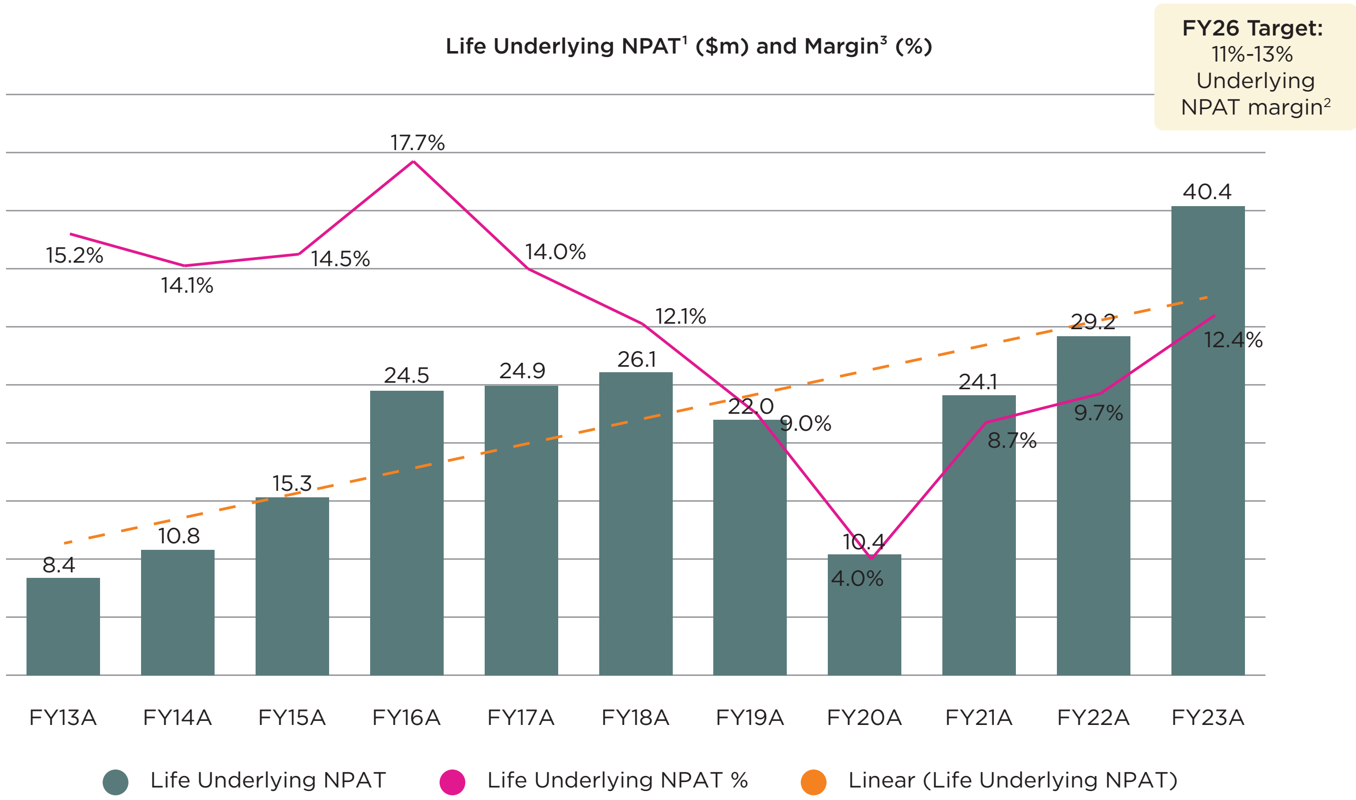
4 Other predominately relates to an increase in net interest rates earned and commission, reinsurance, volume and pricing variances to expected.

The Life Insurance Underlying NPAT increased by 38% to $40.4 million with an Underlying NPAT margin of 12.4%. The record performance of the Life Insurance business in FY23 is driven by:

- overall positive underlying claims and lapse performance (relative to the assumptions adopted as at 30 June 2022);
- updating of actuarial assumptions (in prior periods) to align with the overall environment;
- repricing of the LifeSolutions in-force portfolios to take into account the impacts of increased reinsurance costs and related material changes made to the income protection claims assumptions;
- continued positive response to the ClearView ClearChoice product range at sustainable margins. The product has been well accepted with increased new business flows (and market share);
- benefits of transformation strategy starting to flow through; and
- an increasing interest rate environment.

The performance of the business (over time), is represented graphically below:

Chart 4: Life Insurance Underlying NPAT profit growth



1 Life Insurance Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases, underlying investment income and interest costs associated with corporate debt and Tier 2 Capital. Costs associated with the incurred claims treaty are reflected as part of reinsurance costs.

2 Is calculated as Life Insurance Underlying NPAT divided by Gross Premium Income. Calculated under margin on services approach.

3 FY26 goals based on AASB 17 FY24-26 business plan forecasts – currently aligned to implementation program of work and subject to change. Stated prior to any AIACF impairment charges on stepped premium business or loss recognition on level premium business.

The strong FY23 result aligns with a broader improved industry financial performance. Key factors that have influenced the performance of the business (over time) are as follows:

- FY19 - industry structural and sustainability issues with the first phase of repricing of back books;
- FY20 result included poor claims experience and related strengthening of assumptions (including COVID-19 allowances);
- FY21 - Transformation strategy in place with improved performance albeit lower interest rate environment;
- FY22 - Further back book staggered price increases in line with industry sustainability measures; and
- FY23 - Impacts of regulatory changes, increased interest rate environment, repricing, growth shift and improved industry profitability.

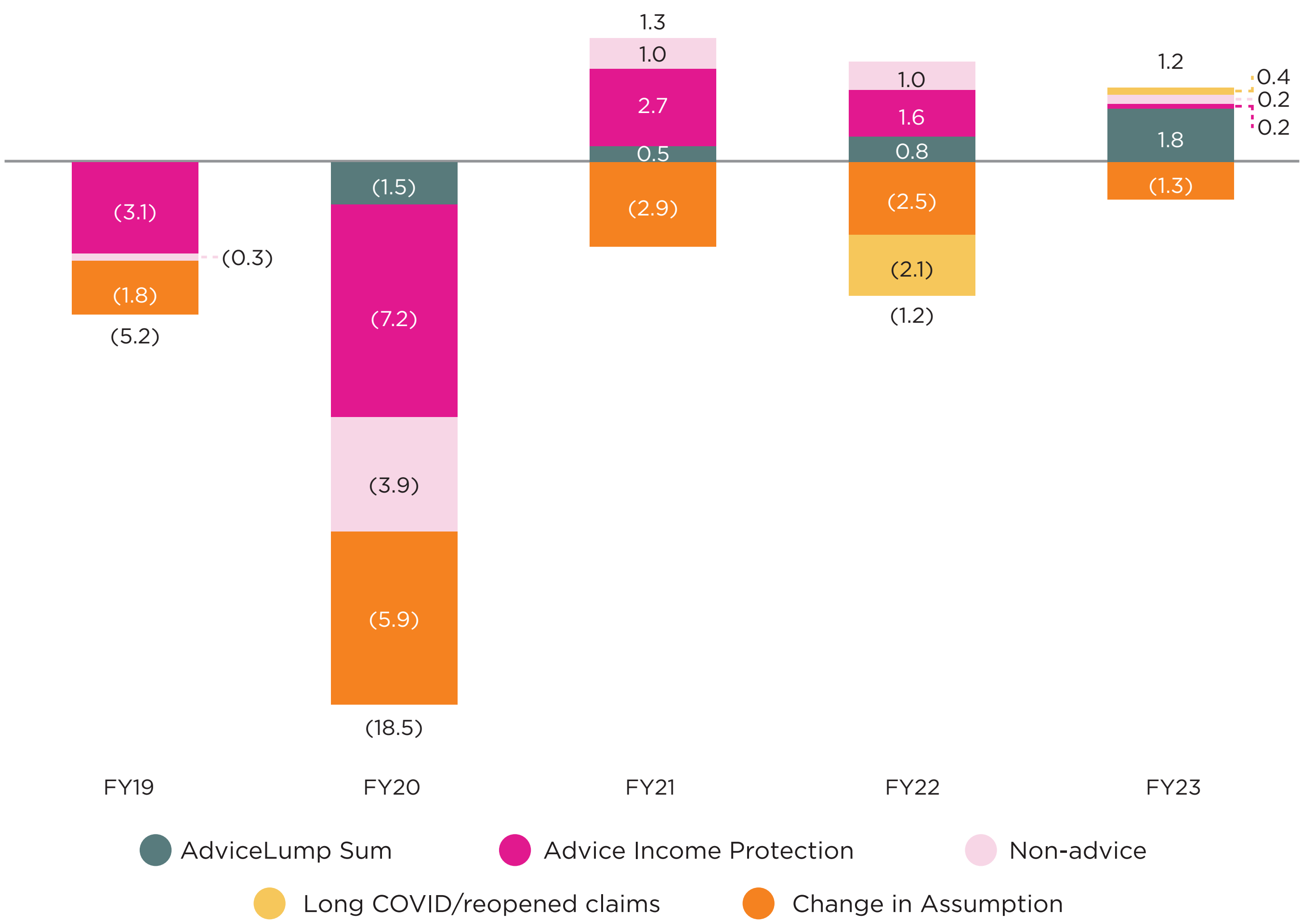
Claims Performance

There was an underlying claims experience profit of $2.3 million in FY23 (FY22: $3.4 million), compared to the best estimate assumptions, and this can be broken down by product type as follows:

- Advice lump sum portfolio had an underlying experience profit of $1.8 million (FY22: $0.8 million);
- Advice income protection portfolio had an underlying experience profit of $0.2 million (FY22: $1.6 million); and
- Direct portfolios (closed to new business) had an underlying experience profit of $0.3 million (FY22: $1.0 million).

ClearView's claims performance is outlined in the chart below:

Chart 5: Claims Experience ($M)[1]



1 Relative to the assumptions adopted in the relevant period (including allowances for COVID-19 where applicable).

ClearView's underlying income protection claims performance has continued to be positive driven by the investment in claims capability, rehabilitation programs and other initiatives to support return to work outcomes. The claims performance is also relative to the material changes that were made to the actuarial claims assumptions (in prior periods) to allow for the structural issues (for income protection products) that were driven by underpricing and generous benefits that did not keep up with societal trends. Certain assumption changes were made at 30 June 2023 in particular in relation to delays in the reporting of incurred claims. The overall net adverse impact of assumption changes was $1.1 million in FY23.

ClearView ClearChoice deals with the sustainability issues required by APRA on income protection products. From a claims perspective, it is too early in the portfolio's lifecycle to make any assessment of its performance to date.

ClearView's claims performance is consistent with the improved financial performance of the life insurance industry over recent years. While industry profit on risk products for the year ended 31 March 2023 was slightly down on the previous year, the result is encouraging recording a profit of $872.4 million (FY22: $973.3 million)[1]. This result was predominantly driven by Individual lump sum and income protection products which recorded a profit of $762.3 million, compared to $1.143 billion in the previous year. Group products returned improved results in comparison to the prior year, noting that ClearView only participates in the Individual risk market.

A cautious approach continues to be adopted with claims reserves continuing to be held to cover the potential for re-opens and to a lesser extent long COVID-19 claims eventuating in the portfolio. These provisions will continue to be monitored and re-assessed at each reporting period.

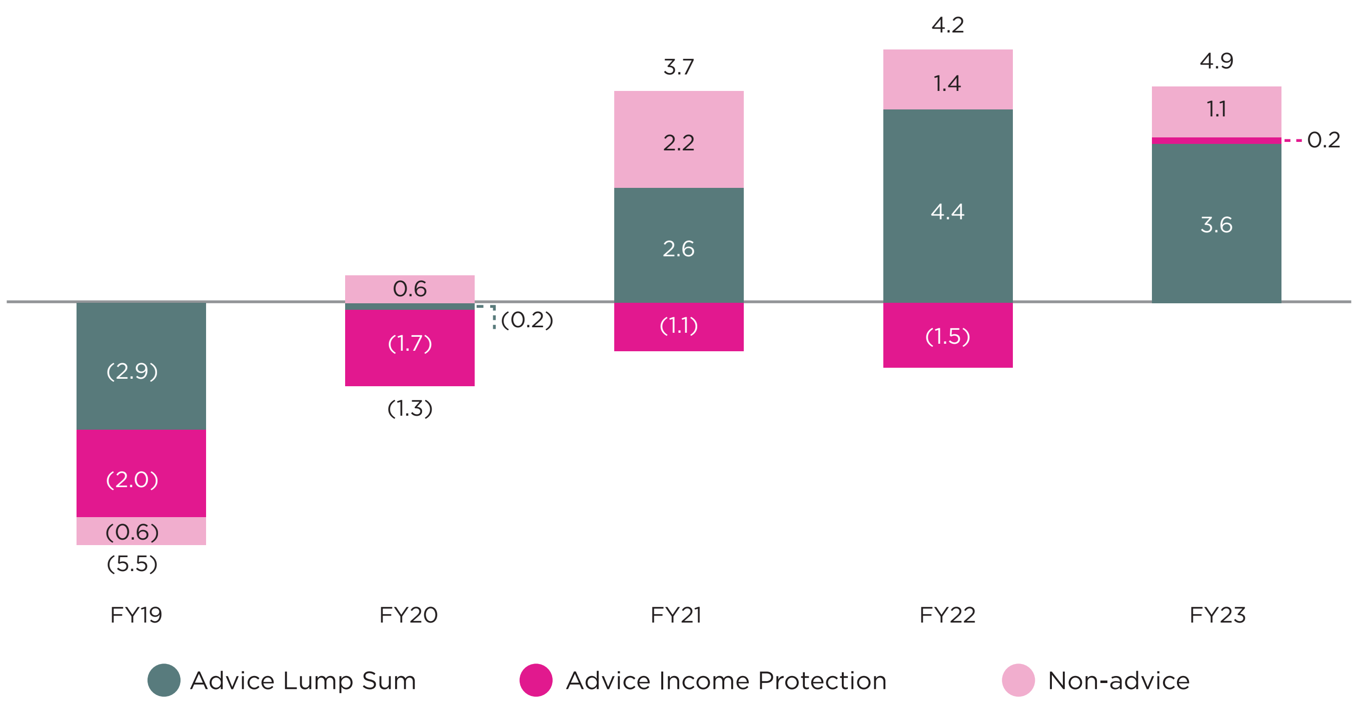
The direct portfolios (closed to new business) retain more risk than the ClearView advice based products. The portfolio has historically reflected claims profits over a longer period of time, albeit with some volatility between periods.

Lapse Performance

The FY23 result includes a lapse experience profit of $4.9 million (FY22: $4.2 million), compared to the best estimate assumptions (including an allowance for shock lapses due to the repricing of the in-force portfolios).

The following charts reflect the overall lapse performance by product type:

Chart 6: Lapse Experience ($M)[2]



1 APRA Quarterly Life Insurance Performance Statistics March 2023.

2 Relative to the assumptions adopted in the relevant period.

The FY23 lapse experience can be broken down as follows:

- Advice lump sum portfolio had an underlying experience profit of $3.6 million (FY22: $4.4 million);
- Advice income protection portfolio had an underlying experience profit of $0.2 million (FY22: -$1.5 million experience loss); and
- Direct portfolios (closed to new business) had an underlying experience profit of $1.1 million (FY22: $1.4 million)

For the year, lapses have been lower than assumptions including allowances for the re-pricing of the portfolio.

The shock lapses related to the further premium rate increases on the LifeSolutions portfolio appear materially lower than expected (price increases are predominantly on level premium income protection business).

Industry participants continue to increase prices on their in-force portfolios. ClearView is currently repricing its LifeSolutions in-force portfolio.

There does not appear to be significant evidence of lapses due to economic stress in FY23. Superannuation is a significant funding source of life insurance and the relatively low unemployment rate has supported the lapse performance of the business. The interest rate increases and impacts on household budgets will continue to be closely monitored in FY24. ClearView continues to focus on lapse management and retention.

Reinsurance

Increases in the reinsurance expense between periods reflects changes to reinsurer pricing and the costs associated with the incurred claims treaties. Incurred claims treaties are in place to protect reinsurance recoveries for both lump sum and income protection claims to manage the counterparty risk. ClearView's LifeSolutions and ClearChoice product ranges are substantially reinsured with Swiss Re Life and Health Australia (Swiss Re).

Plans are underway to increase ClearView's exposure to underwriting risk for new business, thereby reducing reinsurance costs and increasing sum insured retained that will result in higher new business profit over time. This confidence to increase the underwriting risk exposure is due to the increased size of the in-force portfolios, improved industry profitability and product sustainability measures seen in the Group's performance this year.

Listed/Group result

The Listed/Group Underlying NPAT[3] of the listed/group segment decreased by 10% to a loss of $3.2 million (from a loss of $3.6 million in FY22):

	2022			2023			%
12 Months to June 2023 ($M)[1]	**1H**	**2H**	**FY22**	**1H**	**2H**	**FY23**	**Change[2]**
Interest Income	0.1	0.9	1.0	0.4	0.6	0.9	(6)%
Interest on debt & facility fees	(1.9)	(2.0)	(3.8)	(2.6)	(2.8)	(5.4)	41%
Operating expenses	(0.7)	(0.8)	(1.6)	(0.8)	(0.4)	(1.2)	(24)%
Income tax (expense) / benefit	0.7	0.4	1.1	0.9	0.9	1.8	63%
Listed Underlying NPAT	**(1.9)**	**(1.4)**	**(3.3)**	**(2.1)**	**(1.8)**	**(3.9)**	**16%**
Financial Advice discontinued operation/ Equity accounting for Centrepoint Alliance	(0.5)	0.2	(0.2)	1.7	(1.0)	0.7	Large
Underlying NPAT post financial advice/ equity accounting	**(2.3)**	**(1.2)**	**(3.6)**	**(0.4)**	**(2.8)**	**(3.2)**	**(10)%**

1 Inter-segment revenues/expenses are not eliminated in the managements view.

2 % change represents the movement from FY22 to FY23.

3 Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases, underlying investment income and interest costs associated with corporate debt and Tier 2 Capital.

The Company manages capital at the listed entity level in accordance with its Internal Capital Adequacy Assessment Process (**ICAAP**) policy.

The listed/ group segment earns interest on its physical cash holdings that was offset, in the year under review, by higher interest rates on corporate debt (in particular changes in Bank Bill Swap Rates). Corporate debt includes the loan establishment and interest costs on the Debt Funding Facility and the $75 million subordinated, unsecured Tier 2 notes.

The costs associated with maintaining a listed entity have remained broadly consistent period to period, albeit the FY23 result included the benefits of certain accrual reversals. These costs include directors fees, investor relations expenses, insurance, audit fees and other related costs. Listed expenses recognised for the year was $1.2 million (FY22: $1.6 million).

Investment in Associate

The financial advice businesses were sold on 1 November 2021 to Centrepoint Alliance, in exchange for $3.2 million in cash and the acquisition of a strategic 24.4% stake in Centrepoint Alliance.

The Centrepoint Alliance transaction has been equity accounted, contributing $0.7 million in FY23 (FY22: $0.5 million). The equity accounted FY23 result is reflected net of an impairment charge of $1.5 million (given the recent Centrepoint share price performance) partially offset by a deferred tax benefit of $1.1 million relating to tax losses.

The business has been able to achieve significant operating leverage and scale post the transaction, including the achievement of anticipated cost synergies.

FY23 Reported NPAT

Reported NPAT, decreased by 19% to $17.1 million (FY22: $21.2 million) and reported diluted EPS decreased 24% to 2.67 cps (FY22: 3.32 cps).

Reported NPAT in the prior period was positively impacted by the gain on sale of the financial advice business.

The FY23 Reported NPAT has been adversely impacted by changes in the long-term discount rates used to determine insurance policy liabilities, which is separately reported below the line and explained in further detail below.

Items that have been identified by the Board as not representative of underlying business performance are not included in Underlying NPAT. The determination of these items was made after consideration of their nature and materiality and is applied consistently from period-to-period.

Items not included in Underlying NPAT primarily result from costs relating to major restructuring initiatives, impacts on policy liability and disabled lives incurred claims reserves from changes in discount rates, impairments of assets (excluding investment in Centrepoint Alliance), amortisation of acquired intangibles and other transactions outside the ordinary course of business.

The following items impacted the reported NPAT and comprised the items outlined in the table on page 26:

Reconciling items ($M)	FY23	FY22
Policy liability discount rate effect	(14.0)	(11.3)
Financial Advice divestment	–	11.5
Impairments	–	(0.8)
Wealth Management divestment	(0.8)	–
Strategic Review/restructure costs	(1.1)	(2.4)
Other costs	(1.4)	(1.4)
Total	**(17.3)**	**(4.4)**

Policy liability discount rate effect

The policy liability discount rate effect is the result of changes in the long-term discount rates used to determine insurance policy liabilities and the incurred income protection claims reserves.

The life insurance policy liability (based on AIFRS) and income protection incurred disabled lives reserves are discounted using market discount rates that typically vary at each reporting date. ClearView separately reports this movement (consistently period to period).

For the life insurance policy liability, this represents a timing difference in the release of profit and has no impact on underlying earnings over the life cycle of a policy. The net impact of the changes in long-term discount rates on policy liability in the year ended 30 June 2023, caused a decrease in after-tax profit of -$10.7 million (FY22: -$8.3 million).

For the incurred income protection disabled lives claims reserves, this represents a change in the claims costs given the discounting of the incurred claims reserves at market discount rates (including taking into account changes in inflation).

ClearView has contracted PIMCO to assist it with its asset liability management. The mandate is to manage the shareholder funds that match the insurance liabilities (including inflation), claims and capital reserves and surplus capital in the life company.

The extent that the investments impacted earnings from changes in market values has also been reported below the line (underlying earning rate on the portfolio[1] is reported as part of underlying NPAT).

An overall net loss of -$3.3 million after tax was made in the year ended 30 June 2023 (FY22: -$3.0 million).

Strategic review/restructure costs

Further costs of $0.4 million (after tax) (FY22: $2.4 million) were recognised in FY23 in relation to the strategic review, predominantly related to vendor due diligence and legal costs incurred to support the overall review. This was offset by a tax benefit related to the deductibility of the costs incurred for the review (+$0.7 million).

A restructure cost of $1.4 million (after tax) was incurred in FY23 given changes to the leadership team and restructure of the business to focus on life insurance.

Wealth management divestment

Costs of $0.8 million (after tax) (FY22: nil) were recognised in FY23 in relation to the divestment from the wealth management business. These costs relate to legal fees, advisory and consulting costs and redundancies (incurred to date) related to the divestment of the wealth management business.

Sale of Advice Business

The financial advice businesses were sold on 1 November 2021 to Centrepoint Alliance.

The Group recognised a gain on sale of $11.5 million on the transaction (net of costs related to the sale including shared redundancy costs, legal fees, employee, consultancy and professional indemnity insurance run off cover).

$0.2 million of transactions costs were incurred in relation to the acquisition of the 24.5% interest in Centrepoint Alliance and were separately accounted for.

Impairment of the ClearView head office lease right of use asset

In FY22, the business materially reduced its headcount as part of the Financial Advice transaction. The Group completed an impairment assessment on the Head Office lease right of use asset and recognised an impairment charge of $0.8 million after-tax in relation to floor space no longer utilised.

Costs unusual to ordinary activities

Other costs include $1.7 million (after tax) expensed in relation to the Life Insurance IT transformation project, that are considered costs unusual to the ordinary activities (FY22: $1.0 million).

These costs relate to duplicate system costs associated with the implementation of the new PAS. The costs of migration will be incurred as the platform development continues. Further details on the PAS project will be provided as it progresses.

1 Portfolio carry yield on the Pimco portfolio as per Pimco reports.

Operating Segment Review

Discontinued operations - Wealth Management

The Wealth Management result is outlined in the table below:

	2022			2023			%
12 Months to June 2023 ($M)[1]	**1H**	**2H**	**FY22**	**1H**	**2H**	**FY23**	**Change[3]**
Funds management fees	16.0	13.9	29.9	10.9	10.5	21.3	(29%)
Interest Income	—	—	—	0.5	0.2	0.7	Large
Commission and Other External[2]	(2.2)	(1.9)	(4.1)	(1.4)	(1.4)	(2.8)	(31%)
Funds management expenses	(4.2)	(3.9)	(8.1)	(2.8)	(2.8)	(5.6)	(31%)
Operating expenses	(8.1)	(9.8)	(17.9)	(8.5)	(8.9)	(17.4)	(3%)
Income tax (expense) / benefit	(0.3)	0.4	0.2	0.5	0.7	1.2	Large
Wealth Management Underlying NPAT	**1.1**	**(1.2)**	**(0.1)**	**(1.0)**	**(1.7)**	**(2.7)**	**Large**

Wealth Management Revenue

Funds management fee income decreased from $29.9 million in FY22 to $21.3 million in FY23 (-29%).

Fee income was impacted by the decline in fee margins from the continued change in the FUM mix including the transition of the Master Trust (traditional) product to the lower margin contemporary product (WealthFoundations) in May 2022. The clients were transferred to effectively simplify the product suite and enable clients to reengage with a contemporary product. FUM balances reduced from $2.71 billion in FY22 to $2.67 billion in FY23 (-1%).

As previously announced to the market, the Board initiated a strategic review in the wealth management segment to seek out and pursue opportunities to reset and simplify the business with the ambition of retaining its core focus on being a life insurance risk provider. The Board is committed to the exit of the wealth management business given its lack of scale and limited growth options.

ClearView entered into a share sale agreement (on 22 February 2023) for the sale of CFML to Human Financial, subject to the completion of certain conditions precedent.

The superannuation fund trustee, ClearView Life Nominees Pty Limited is, at the same time, considering a number of options and the best way forward for the superannuation fund, ClearView Retirement Plan. The outcome of these considerations will inform the roadmap and timing for the overall exit of the wealth management business.

1 Shareholder view excludes the life investments contracts (i.e. unit linked business) and deconsolidates retail unit trusts and reflects fees earned by the shareholder less expenses incurred. Inter segment revenues/expenses are not eliminated in the shareholder view.

2 Commission and other external expenses include the platform fee payable on WealthSolutions and the intra fund advice fee (payable to Centrepoint Alliance from 1 November 2021) on the Master Trust (traditional) product in the relevant period. The intra fund advice fee ceased on transition of the traditional product to the WealthFoundations product in 2H FY22.

3 % change represents the movement from FY22 to FY23.

Post exit of the wealth management business, ClearView will be a simplified and less complex business with a focus on life insurance. However, given the trustee considerations, the timing remains uncertain but is expected to be within the FY24 financial year.

In accordance with AASB 5 *Non-Current Assets Held for Sale and Discontinued Operations*, the wealth management segment meets the criteria to be classified as held for sale in the consolidated financial statements for the year ended 30 June 2023. As such it is now reported as a discontinued operation. See note 8.5 for further details.

Statement of financial position

The Group's statement of financial position, which is set out on page 80, reflects the key metrics below.

Net assets at 30 June 2023 increased to $485.3 million (30 June 2022: $481.1 million) and net asset value per share (including ESP loans)[1] of 75.4 cents per share (30 June 2022: 74.5 cents per share). The increase in net assets is reflected net of the payment of a $13 million fully franked FY22 final dividend in September 2022.

ClearView is capitalised with Common Equity Tier 1 capital and Tier 2 capital. The shareholder view of the Balance Sheet at 30 June 2023 reflects:

- Shareholder cash and investments position of $516.9 million – shareholder capital is conservatively invested in the large institutional Australian banks and a specialist fixed interest investment mandate with PIMCO.
- Net cash and investments position of $426.7 million, with $16 million drawn down under the Debt Funding Facility and $74.2 million Tier 2 subordinated debt (net of costs).
- The equity accounted investment in Centrepoint Alliance, with a carrying value of $13.4 million (net of the FY23 impairment charge of $1.5 million).
- Goodwill of $4 million arising on the acquisition of Matrix was allocated to the Life Insurance cash generating unit. The amount allocated to the Wealth Management cash generating unit ($8.5 million) is now included in assets held for sale as at the Balance Sheet date. The goodwill recognised is tested for impairment triggers using the embedded value methodology by comparing the carrying value of goodwill to the in-force portfolios written to date.
- Intangibles of $27.0 million (FY22: $17.4 million) related to capitalised software costs, of which ClearView has to date, recognised $20.8 million as intangible assets in respect of customisation and configuration costs incurred in implementing SaaS arrangements for the PAS. These intangible assets are amortised on a straight-line basis with the new PAS being amortised over the useful life of 10 years.
- The life insurance policy liability includes the change in interest rate effects between periods and settlement of liabilities under the incurred claims treaties.
- Past policy acquisition costs of $386.9 million (FY22: $370.9 million) are reflected on Balance Sheet and this asset converts to cash as future premiums are collected (subject to lapse risk).

1 ESP loans are a non-recourse loan that is accounted for as an option and not reported as a receivable on the Balance Sheet as at the reporting date. Based on the 90 day VWAP share price of 48.3 cents per share at 30 June 2023, of the remaining 16.6 million ESP shares on issue (and included in the total shares on issue of 659.5 million), 0.8 million ESP shares are considered to be in the money with a ESP loan recoverable balance of $0.3 million. 15.8 million out of the money ESP shares would therefore be bought back and cancelled at the lower of the issue price or the ESP loan value, thereby reducing the shares on issue to 643.7 million shares. As such, $0.3 million of ESP loans have been added to the net assets and 643.7 million shares on issue have been used for the purposes of calculating the net asset value per share. On a fully diluted basis, net of treasury shares, a further 11.4 million performance and restricted rights can be converted into ordinary shares - these have been excluded for the purposes of the calculation.

Capital position

The following table reflects the net capital position of the Group as at 30 June 2023:

	Life $M	Wealth $M	Other $M	APRA Regulated Entities $M	Wealth $M	ASIC Regulated Entities $M	All Regulated Entities $M	NOHC[4]/ Other $M	Group $M
Net assets at 30 June 2023[1]	458.7	10.3	4.4	473.4	6.7	6.7	480.0	5.3	485.3
Intangible adjustments[2]	—	(2.9)	—	(2.9)	—	—	(2.9)	(25.4)	(28.3)
Net assets after intangible adjustments	**458.7**	**7.4**	**4.4**	**470.5**	**6.7**	**6.7**	**477.2**	**(20.1)**	**457.0**
Capital Base Adjustment:									
Deferred Acquisition Costs (DAC)	(386.9)	—	—	(386.9)	—	—	(386.9)	—	(386.9)
DTA adjustments	(2.1)	(0.1)	—	(2.2)	—	—	(2.2)	(0.1)	(2.3)
Tier 2 Capital[5]	30.0	—	—	30.0	—	—	30.0	45.0	75.0
Regulatory Capital Base	**99.6**	**7.4**	**4.4**	**111.4**	**6.6**	**6.6**	**118.0**	**24.7**	**142.8**
Prescribed Capital Amount	(18.6)	(3.5)	(3.2)	(25.2)	(5.0)	(5.0)	(30.2)	—	(30.2)
Available Enterprise Capital	**81.0**	**3.9**	**1.2**	**86.2**	**1.6**	**1.6**	**87.8**	**24.7**	**112.5**
Risk Capital[3]	(68.1)	(2.7)	—	(70.8)	(1.2)	(1.2)	(72.0)	(13.0)	(85.0)
Net capital position	**13.0**	**1.2**	**1.2**	**15.4**	**0.5**	**0.5**	**15.9**	**11.7**	**27.5**

1 Net Assets as at 30 June 2023 excluding Employee Share Plan Loans. Net assets include the deferred acquisition costs (DAC) component of insurance policy liabilities and right of use asset arising from leases.

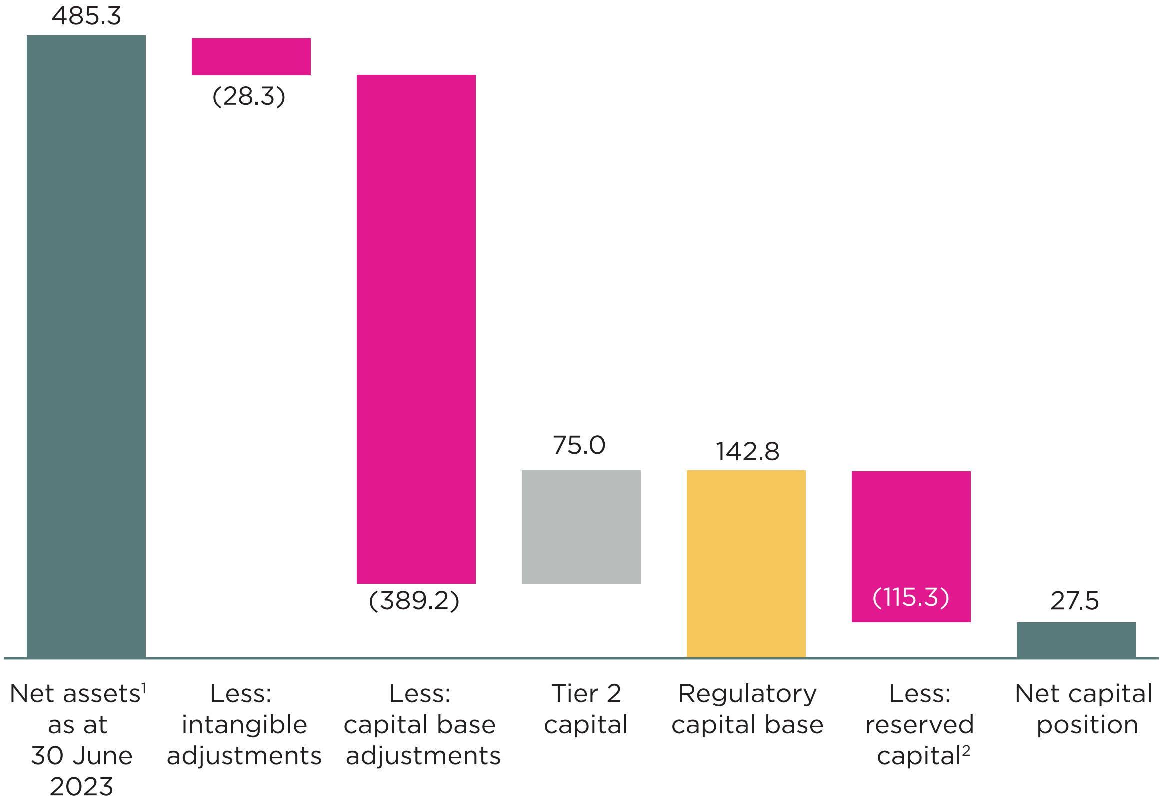
2 Intangible adjustments relate to goodwill, acquired intangibles and capitalised software (excluding 50% of the capitalised software held in the administration entity). It also includes the removal of $0.8 million of capitalised costs in relation to the Tier 2 capital raising.

3 As at 30 June 2023, risk capital is held in regulated entities at 97.5% probability of adequacy (POA). Risk capital at 99% POA is held in the NOHC.

4 NOHC is a non operating holding company regulated by APRA under the Life Insurance Act.

5 ClearView raised $75m of Tier 2 subordinated notes in November 2020.

Chart 7: Capital position as at 30 June 2023 ($M)



The net surplus capital position of the Group above internal benchmarks is $27.5 million at 30 June 2023 and represents an increase of $1.7 million since 30 June 2022, predominantly driven by the change in methodology for the treatment of capitalised software and regulatory/ ICAAP reserve changes, net of the payment of the FY22 final dividend.

The capital position is stated prior to any potential capital release from the exit of the wealth management business and the capital utilisation from the declaration of the FY23 cash dividend.

The capital position reflects:

- The net assets of $485.3 million as outlined above.
- Under the APRA capital standards, adjustments are made to the capital base for various asset amounts that are deducted from the Group net asset position.
- Intangible adjustments of $28.3 million are deducted from the net assets and relate to Goodwill ($12.5 million), Capitalised Software ($14.9 million) and costs associated with Tier 2 raising ($0.8 million). Given that the capitalised software is now held in the shared services entity, 50% of its carrying value is deducted for capital purposes.
- Capital base adjustments remove the deferred acquisition costs ($386.9 million) and deferred tax assets ($2.4 million) that are included in the net asset position but are not permitted to be counted in the regulatory capital base under the APRA capital standards;
- The Tier 2 subordinated debt is incorporated into the capital base in accordance with the APRA capital standards ($75 million). The costs associated with the raising have been deducted as part of the Intangible adjustments.
- This results in a Group regulatory capital base, calculated in accordance with the APRA capital standards of $142.8 million.
- Reserved capital includes the APRA supervisory adjustment for CLAL as required by APRA as part of the IDII sustainability measures. APRA continues to engage with institutions with regard to the implementation of their IDII action plans and potential implications on the supervisory adjustment for CLAL.

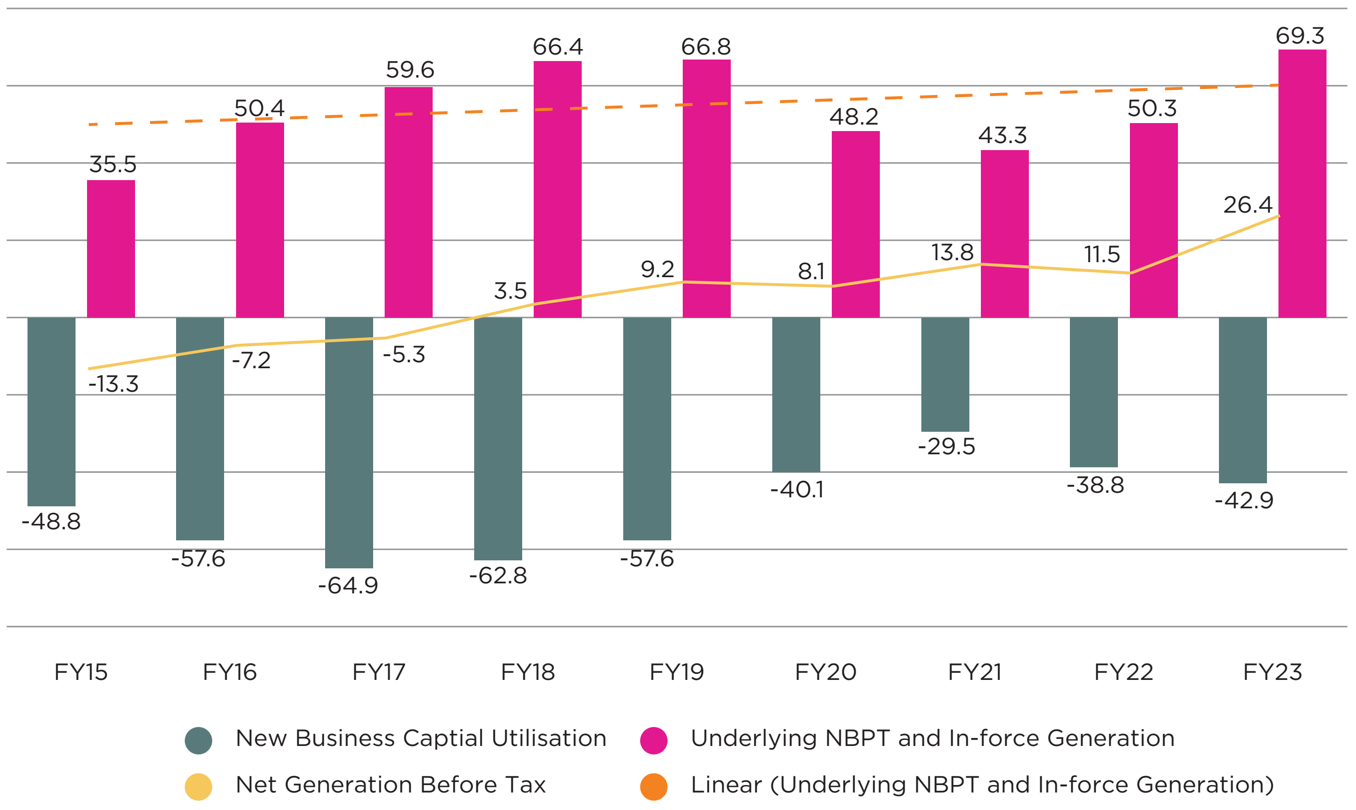
1 Net Assets as at 30 June 2023 excluding ESP Loans. Net assets include the deferred acquisition costs (DAC) component of insurance policy liabilities.

2 Reserved capital includes the minimum regulatory capital, APRA supervisory adjustment for ClearView Life as part of IDII sustainability measures and risk capital which is additional capital held to address the risk of breaching regulatory capital

- ClearView has implemented an incurred claims treaty for lump sum and income protection business which reduces the concentration risk exposure. There is no Asset Concentration Risk charge under LPS 117 relating to the Swiss Re exposure as at 30 June 2023.
- As a result of limits under the incurred claims treaty, as previously reported, ClearView has re-implemented the irrevocable letter of credit issued by a major Australian bank on behalf of Swiss Re. ClearView has increased the dollar limit on the letter of credit back to $70 million (with effect from 30 June 2022), as an additional risk mitigation over the medium term to further reduce any likelihood of concentration risk exposure.
- Fitch assigned ClearView a Long-term Issuer Default Rating (**IDR**) of 'BBB'. At the same time, Fitch assigned ClearView's operating subsidiary, ClearView Life, an Insurer Financial Strength Rating (**IFS**) of BBB+. The outlooks for both ratings are stable and were reaffirmed as 'stable'.

The following graphs reflects the underlying (before tax) capital generation since FY15:

Underlying Before Tax Capital Generation[1] - $m



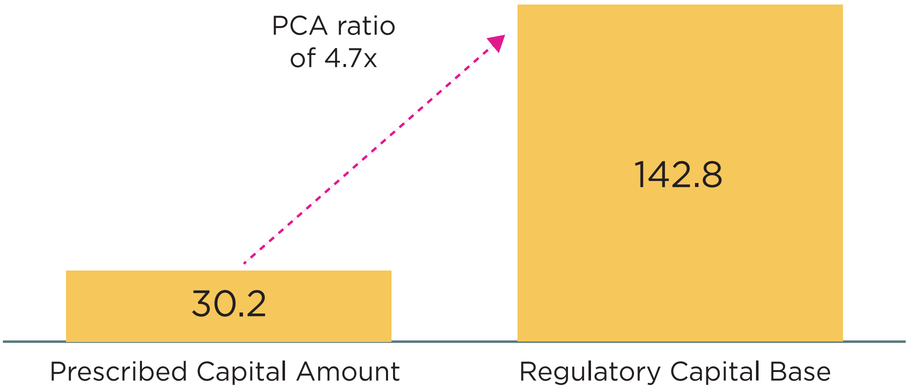
- ClearView is now generating circa $70 million of capital[1] from its in-force portfolios prior to reinvestment in new business.
- New business capital utilisation is predominantly related to the upfront policy acquisition costs – the capital strain varies between periods dependent on new business volumes. Each year, these acquisition costs[2] are recovered via premiums and is repaid over life of the policy (subject to lapse risk).
- The in-force capital generation reflects a combination of the Underlying NPBT achieved and policy acquisition costs released (collected) from the in-force portfolios in a particular financial year.

1 Excluding costs considered unusual to ordinary activities in each relevant financial year as disclosed as part of full year results, tax and growth in regulatory and ICAAP reserves. Excluding capital expenditure investment.

2 Deferred acquisition costs are the upfront costs associated with policy acquisition that are collected via the premiums from policyholders over the life of the policy.

- The decrease in capital generation in FY20 and FY21 was driven by the timing of the staggered price changes on the in-force LifeSolutions portfolios (relative to the cash timing of reinsurance price increases), COVID overlays and the overall performance of the business.
- The surplus capital position and future business capital generation is anticipated to fund the net capital expenditure impacts of the investment in the PAS.
- ClearView also has access to the Debt Funding Facility, to the extent further funding is required. The Debt Funding Facility is repayable on 1 August 2026.
- The Group has a PCA capital coverage ratio of 4.7 times at 30 June 2023, reflecting the strength of the overall capital position of the Group

Chart 8: Group Regulatory Capital Coverage ($M)



Dividends and On-market 10/12 limit share buyback

The Board seeks to pay dividends at sustainable levels with a target payout ratio of between 40% and 60% of Underlying NPAT[1]. The dividend policy has been set (subject to available profits and financial position) to consider regulatory requirements and available capital within the Group.

The annual dividend program was reinstated from FY21 after a period of rebuilding and reinvestment into the business.

ClearView's ability to pay a franked dividend depends upon factors including its profitability, the availability of franking credits and its funding requirements which in turn may be affected by trading and general economic conditions, business growth and regulation.

The Board continues to seek to:

- Pay dividends at sustainable levels;
- Maximise the use of its franking account by paying fully franked dividends; and
- Seek transparent communication to the market around Embedded Value estimation and its relationship to the prevailing share price.

A FY22 fully franked final cash dividend of 2 cents per share was paid in September 2022 and represented an increase of 100% on the prior year.

A FY23 fully franked final cash dividend of 3 cents per share has been declared on 23 August 2023, with a record date of 7 September 2023 (FY23 dividend is payable on 22 September 2023). This represents an increase of 50% on the prior year and a dividend yield of 6.2% based on a 90 day VWAP share price at 30 June 2023 of $0.483 per share. The FY23 payout ratio is 54% of Underlying NPAT, the mid point of the target payout ratio.

1 Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases, underlying investment income and interest costs associated with corporate debt and Tier 2 Capital. Costs associated with the incurred claims treaty are reflected as part of reinsurance costs. Excludes the equity accounted earnings of Centrepoint Alliance.

The payment of an interim (and a final dividend) from FY24 is under consideration (coupled with a reinstatement of the dividend reinvestment plan). Furthermore, it is intended that the target payout ratio of 40%-60% will be reviewed post completion of the IT transformation investment and wealth management exit, to reflect the shift in the underlying business to a cash generation position.

10/12 limit on market buy back

ClearView does not currently have a Board approved 10/12 limit on market buy-back program in place. The previous share buy-back program expired on 19 December 2022, and no shares were bought back and cancelled under the program in the year ended 30 June 2023. Since January 2014, the total number of shares bought back and cancelled under the program was 1,208,824.

Employee buy-back of Executive Share Plan shares

There was no buy-back of Executive Share Plan shares from employee participants in the year ended 30 June 2023.

Embedded Value

Life Insurance is a long-term business that involves contracts with customers and complex accounting treatments. Embedded Value (**EV**) represents the discounted value of the future net cash flows anticipated to arise from the in-force life policies as at the valuation date.

As noted earlier in the report, the wealth management segment meets the criteria to be classified as held for sale in the consolidated financial statements for the year ended 30 June 2023. As such it is now reported as a discontinued operation, and therefore the EV for the wealth management business has been reflected at net asset value as at 30 June 2023 (included in the net worth).

In light of the changed interest rate environment, a risk free rate of 4.0% has been adopted for the purposes of the EV calculations at 30 June 2023 (30 June 2022: 3.5%).

Overall the EV was $587.1 million including franking credits or 91.2 cents per share.

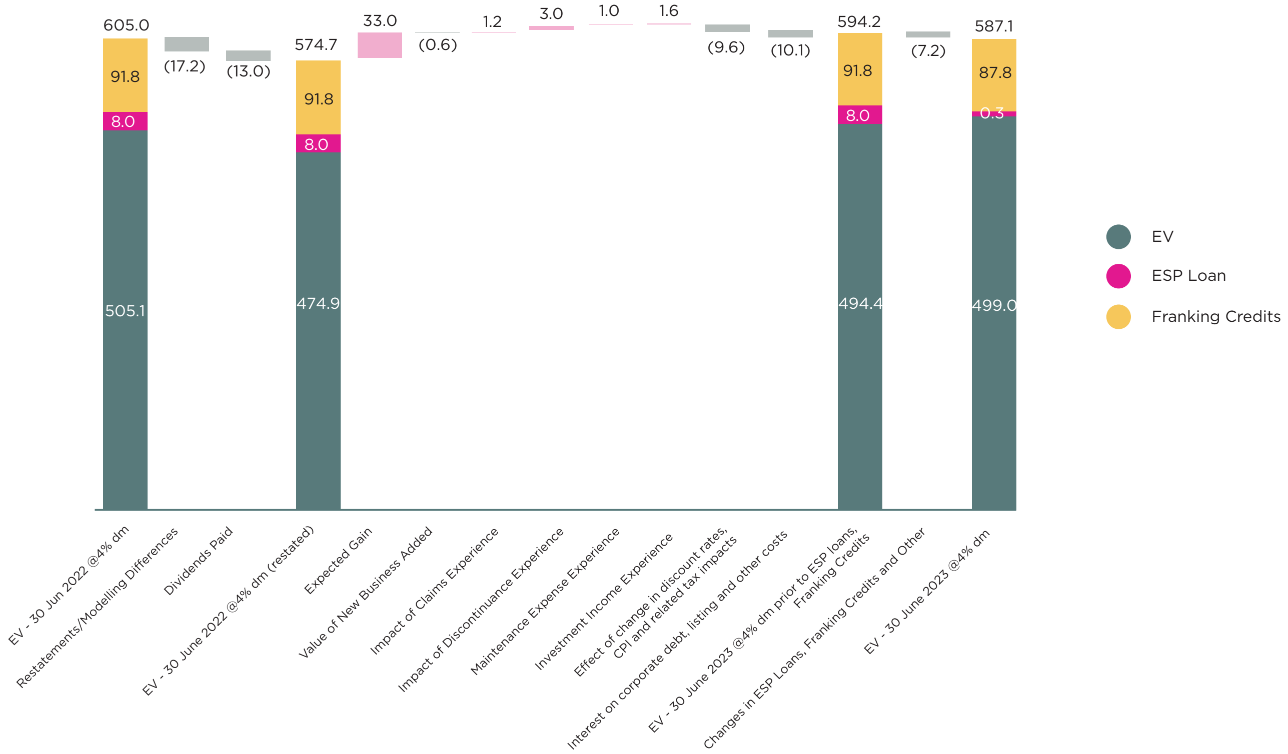
The Life Insurance EV increased 8% in the year to $558.7 million including franking credits and net of capital transfers. The net assets of the wealth management segment included in the net worth was $17 million and the Listed segment value of $11.4 million included accrued franking credits and ESP loans.

The EV is discussed in further detail below.

EV calculations at a range of risk discount margins (**DM**) is shown below.

Discount rate **Risk margin over risk free rate** **($M), (unless otherwise stated)**	**7%** **3% dm**	**8%** **4% dm**	**9%** **5% dm**
Life insurance	504.6	474.1	446.8
Wealth management	–	–	–
Value of In Force (VIF)	**504.6**	**474.1**	**446.8**
Net worth	24.9	24.9	24.9
Total EV	**529.6**	**499.0**	**471.7**
ESP Loans	0.3	0.3	0.3
Total EV including ESP Loans	**529.9**	**499.4**	**472.0**
Franking Credits @ 70%:			
Life Insurance	78.2	73.8	69.8
Net worth (accrued franking credits)	14.0	14.0	14.0
Total Franking Credits	**92.2**	**87.8**	**83.8**
Total EV including ESP loans and franking credits	**622.1**	**587.1**	**555.8**
EV per Share including ESP Loans (cents)	**82.3**	**77.6**	**73.3**
EV per Share including ESP Loans and Franking Credits (cents)	**96.6**	**91.2**	**86.4**

Chart 9: EV movement waterfall



The key movements in the EV between 30 June 2023 and 30 June 2022 are described in detail below.

30 June 2022 Restatement (-$17.2 million)

- Overall adverse impact of -$19.3 million from the change in methodology to report the wealth management business at net assets as outlined earlier in the report.
- Partially offset by restatements made to the life insurance segment due to modelling changes (+$2.1 million).

FY22 Final Dividend (-$13.0 million)

- The EV is reduced by the final FY22 cash dividend (-$13.0 million) that was paid in September 2022, representing an increase of circa 100% over the FY21 final dividend.
- The EV is stated prior to the declaration of the final FY23 cash dividend (-$19.8 million) that will be paid in September 2023, representing an increase of circa 50% over the FY22 final dividend.

Expected Gain (+$33.0 million)

- Expected gain predominantly represents the expected unwind of the discount rate within the value of the life insurance in-force portfolio and the investment earnings on net worth.
- It also includes the earnings of the wealth management business over the year and those from the interest in Centrepoint Alliance which were equity accounted.

Value of New Business (-$0.6 million)

- The life insurance value of new business (VNB) in FY23 is broadly neutral and implies it has earned an 8% return (based on the EV discount rate adopted).
- The VNB is suppressed by the acquisition costs incurred relative to the new business volumes achieved.
- New business volumes over the last few years have been adversely impacted by broader market trends as noted earlier in the report.
- The ClearView ClearChoice product is benefiting from the broader reset of the industry, an increased focus on sustainability and improved margins on the income protection product.
- The profitability of income protection business for the industry as a whole is expected to improve given the launch of new products from October 2021 in line with the APRA IDII sustainability measures.
- ClearView commenced investing in a business transformation program in FY21 during the periods of change and uncertainty (COVID-19 and industry issues) in order to prepare for the projected rebound in the life insurance market.
- FY22 reflected the overall shift in focus of ClearView back to growth, in line with the inflection point of the industry.
- ClearView's sales increased by 25% to $25.2 million in FY23 and is now achieving a circa 9% market share in the IFA market, up from 7% in the prior year.
- ClearView has established a diversified distribution network with over 900+ dealer groups comprising of 4,000+ advisers.

- Historically, ClearView has a strong historical track record with a FY26 target to capture 12%-14% new business market share.
- The VNB is therefore expected to improve (over time) given increased new business volumes, improved income protection margins from the product redesign and pricing, coupled with cost efficiencies (as the further development of the PAS is implemented).

Life Insurance Claims (+$1.2 million)

- Continued positive underlying claims performance (relative to assumptions) was achieved in FY23.
- An uplift in claims capability – a new team structure, education pathways and capability framework have been put in place.
- Material changes to the claims assumptions were made in prior periods given the historical poor performance of income protection claims across the industry.
- The new product, ClearView ClearChoice, addresses the sustainability issues required by APRA on income protection products. As a result, the claims experience on new income protection products is expected to improve across the industry, but it is too early in product life cycle to determine experience to date on the new product.
- See further commentary on claims experience for the year on page 33.

Lapses (+$3.0 million)

- For the year, lapses have been lower than assumptions including allowances for the re-pricing of the portfolios.
- There does not appear to be significant evidence of lapses due to economic stress in FY23. Superannuation is a significant funding source of life insurance and the relatively low unemployment rate has supported the lapse performance of the business. The interest rate increases and impacts on household budgets will continue to be closely monitored in FY24.
- See further commentary on lapse experience on page 34.

Maintenance Expenses (+$1.0 million)

- The key focus is on the successful implementation of the PAS and obtaining the efficiencies from the IT transformation, as and when the further development of the platform is rolled out.
- The migration of the in-force portfolios and related automation and simplification of back end processes should lead to operating efficiencies and improved in-force margins. These benefits are expected to start to flow through from FY25.
- The actual maintenance overrun benefit is reflected relative to the expected overruns that have been included in the EV calculations.

Investment Experience (+$1.6 million)

- This reflects the investment return benefit relative to underlying earning rate of 3.5% adopted in the EV calculations.
- The increasing interest rate environment resulted in the achievement of a higher underlying earning rate on the investment portfolio and interest on physical cash in FY23 (versus the long term earning rate in the EV calculations).

Other Expense Impacts (-$10.1 million)

Overall adverse net expense impact that is not allowed for in the EV calculations are as follows:

- The Group's listed overhead costs for the year (-$0.8 million after tax);
- Interest costs on corporate debt of -$5.7 million (amounts drawn down under the debt facility and the Tier 2 subordinated notes); and
- Costs considered unusual to the ordinary activities including those recognised in relation to the strategic review, wealth management exit and duplicate IT system costs (-$3.4 million).

Franking credit and ESP loan changes (-$7.2 million)

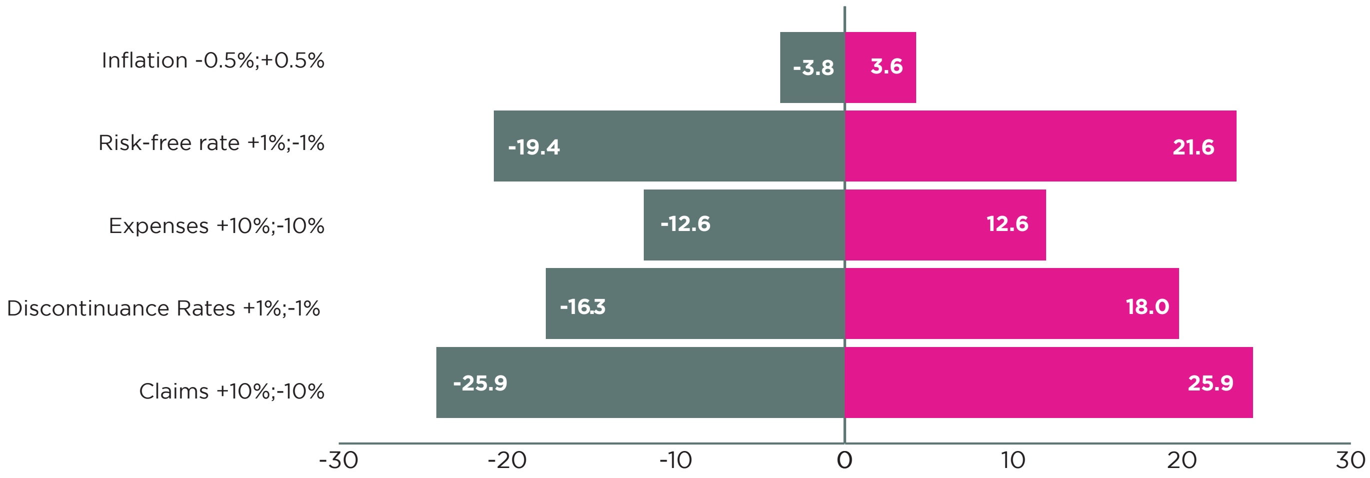
- The franking credit movement effectively reflects the impact of movements in value of future tax payments, noting the reduction in the franking account balance due to the payment of the final FY22 fully franked dividend and the restatement of the wealth management segment at net asset value.
- Given non-recourse nature of the ESP loans, $0.3 million is considered as part of the EV calculations at 30 June 2023 (ESP loans have been valued at issue price per ESP share)[1].

1 ESP loans are a non-recourse loan that is accounted for as an option and not reported as a receivable on the Balance Sheet as at the reporting date. Based on the 90 day VWAP share price of 48.3 cents per share at 30 June 2023, of the remaining 16.6 million ESP shares on issue (and included in the total shares on issue of 659.5 million), 0.8 million ESP shares are considered to be in the money with a ESP loan recoverable balance of $0.3 million. 15.8 million out of the money ESP shares would therefore be bought back and cancelled at the lower of the issue price or the ESP loan value, thereby reducing the shares on issue to 643.7 million shares. As such, $0.3 million of ESP loans have been added to the net assets and 643.7 million shares on issue have been used for the purposes of calculating the net asset value per share. On a fully diluted basis, net of treasury shares, a further 11.4 million performance and restricted rights can be converted into ordinary shares - these have been excluded for the purposes of the calculation.

Other (-$9.6 million)

- Other includes the net impact from the change in discount rates, CPI and other related tax impacts, modelling changes, enhancements and related items in FY23. The key driver is the increase in the risk free rate from 3.5% to 4% given the material increase in interest rates over the year.

Chart 10: Embedded Value sensitivity analysis @ 4%DM



Economic, Industry and Operational Outlook

- Inflation in Australia is the highest it has been since the early 1990s.
- Higher inflation and materially increased interest rates are putting pressure on household budgets.
- Some households had built up large financial buffers but these are being used and the impacts from the unwind of fixed rate mortgages is yet to flow through the economy.
- The Australian life insurance market is increasingly attractive with improving industry profitability driven by structural reforms and a significant, and increasing, underinsurance gap with strong demand for life insurance products.
- There is an improved regulatory outlook (in line with the changes to design and pricing of income protection policies).
- There has also been significant market consolidation.
- New business volumes over the last few years have been adversely impacted by broader market trends including the disruption in the adviser market (due mainly to regulatory factors), aggressive pricing strategies from ClearView's competitors, COVID-19 and ClearView's focus on customer retention initiatives during this period.
- ClearView's strategic focus has shifted back to new business sales, underpinned by the launch of the ClearView ClearChoice product in 1H FY22 and supported by the business transformation program.
- The ClearView ClearChoice product is a beneficiary from the broader reset of the industry and an increased focus on sustainability.
- Plans are underway to increase ClearView's exposure to underwriting risk for new business, thereby reducing reinsurance costs and increasing sum insured retained that will result in higher new business profit over time. This confidence to increase the underwriting risk exposure is due to the increased size of the in-force portfolios, improved industry profitability and product sustainability measures seen in the Group's performance this year.
- ClearView has implemented a leadership change with a focus now on operational excellence and strategy execution. ClearView continues to uplift capability with a data and analytics focus allowing for deeper insights.
- The continued implementation of the IT transformation strategy remains a key driver to achieve scale and efficiency benefits of the multi year technology investment - these operational benefits are expected to start to progressively flow through from FY25.

- ClearView's resilient business model is underpinned by a large in-force and growing annuity style revenue base, coupled with price increases and inflation-linked premiums that is expected to substantially offset cost inflation pressures.
- ClearView is in a strong position and is regaining new business share, seeking to optimise insurance margins. Continued outperformance in profitable segments is a key initiative.
- The divestment from the wealth management segment in FY24 remains a core focus to achieve strategic benefits and reduce regulatory risk.
- ClearView is now a strategically focused business of what it does best: Life Insurance.
- Consistent with all insurers globally, ClearView is preparing for the implementation of the new insurance accounting standard, *AASB 17 - Insurance Contracts*, effective 1 July 2023. This will represent a material change in the accounting of life insurance contracts, previously dealt with under a margin on services approach. Refer to page 19 and Note 9.6 for further details.

Financial Outlook

- The FY23 record life insurance result reflects improving margins and the benefits of the transformation and simplification program that has been implemented since FY21.
- Further growth in new business market share to 9.2% was achieved in the year (up from 5.1% in FY21), with new business up 25% to $25.2 million.
- Life Underlying NPAT margin of 12.4% was achieved in FY23, which is operating within the FY26 target Underlying NPAT margin range of 11% - 13%.
- The near-term economic outlook remains cautious given pressures on household budgets. Overall lapse rates remained subdued in FY23, noting superannuation is a significant funding source of life insurance.
- ClearView has a strong Balance Sheet and capital base that remains resilient to various stress scenarios. The net assets are backed by cash and highly rated securities.
- The net surplus capital position of the Group above internal benchmarks is $27.5 million at 30 June 2023 and is stated prior to any potential capital release from the wealth management business or payment of the FY23 final cash dividend of $19.8 million.
- The surplus capital position and future business capital generation is anticipated to fund the net capital expenditure impacts of the continued technology investment over the multi year transformation period.
- The forecast capital generation allows for progressive increased new business generation (and market share) and staggered price increases of the LifeSolutions in-force portfolio (the next phase of the current pricing cycle commencing in January 2023).
- A final fully franked FY23 final dividend of 3 cents per share was declared (up 50% on the prior comparable period). The Group's dividend policy remains unchanged at 40%-60% of Underlying NPAT. The target payout ratio is intended to be reviewed post completion of the IT transformation investment and wealth exit to reflect the shift in the business to a cash generation position. Considerations are also underway to commence paying an interim dividend (as well as a final dividend) from FY24.
- An increase in interest rates is, overall, for a business like ClearView a net positive - inflation-linked premiums broadly offset cost inflation pressures.

- Key FY26 Life insurance targets are as follows:

FY26 Goals[4]

New Business Market Share[1]	Gross Premiums	In-force Premium Market Share[1]	Life Insurance Underlying NPAT Margin[2]	Dividend Policy
12-14%	$400m	~4%	11-13%	40-60% of Underlying NPAT[3]

- A pathway has now been established to grow to ~$400m of in-force premiums. Based on the FY26 target market shares for new business (12%-14%) and in-force (~4.0%), the FY26 target closing in-force premium is ~$400m.
- No FY24 direct guidance has been provided given the implementation of the new accounting standard - AASB 17. The FY24 Underlying NPAT base year will be impacted by implementation of AASB 17 given the material change to accounting standards.
- ClearView is in the process of finalising its AASB 17 implementation but in the medium term, AASB 17 is not expected to impact fundamental economics including underlying cash flows, growth rates and end point of earnings in FY26.
- Underlying NPAT is targeted to continue to grow at double digits off the FY24 AASB 17 Underlying NPAT base at its target FY26 Underlying NPAT margin of 11% -13%.

Changes in state of affairs

Other than noted elsewhere in this report, there were no other significant changes in the state of affairs of the Group, during the year ended 30 June 2023.

Subsequent events

FY23 Final Dividend

A final fully franked FY23 cash dividend of 3 cents per share or $19.8 million has been declared subsequent to year end. This represents an increase of 50% on the prior year. The FY23 payout ratio is 54% of Underlying NPAT, the mid point of the target payout ratio.

Centerpoint Alliance dividend declaration

Subsequent to year end, Centerpoint Alliance has declared a fully franked ordinary dividend of 2.0 cents per share will be payable. The record date will be 15 September 2023 and the payment date will be 29 September 2023.

1 ClearView calculations based on NMG Risk Distribution Monitor Reports for Retail Advice In-force and New Business Analysis for relevant periods – NMG Market NB includes total of 'Retail' consistently applied (that is, IFA, Bank Advice and Aggregator channels)

2 Is calculated as Life Insurance Underlying NPAT divided by Gross Premium Income. Under AASB 17 basis and stated prior to any AIACF impairment charges on stepped premium business or loss recognition on level premium business.

3 Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases, underlying investment income and interest costs associated with corporate debt and Tier 2 Capital. Costs associated with the incurred claims treaty are reflected as part of reinsurance costs.

4 FY26 goals based on AASB 17 FY24-26 business plan forecasts – currently aligned to implementation program of work and subject to change.

Remuneration Report

This Remuneration Report for the year ended 30 June 2023 forms part of the Directors' Report. It has been prepared in accordance with the *Corporations Act 2001* (**Cth**) (**the Act**), the *Corporations Regulations 2001* (**Cth**) and *AASB 124 Related Party Disclosures* and audited as required by the Act. It also includes additional information and disclosures that are intended to enable a deeper understanding by shareholders of ClearView's remuneration governance and practices.

1. People covered by this report

This report covers Directors and Key Management Personnel (**KMP**) which are defined as those who have the authority and responsibility for planning, directing and controlling the activities of ClearView Wealth Limited (**ClearView**).

Name	Position[1]	Term as KMP[1]	Audit	Nomination & Remuneration	Risk & Compliance
Non-Executive Directors					
Geoff Black	Independent Non-Executive Chairman	Full year	✓	✓	✓
Michael Alscher	Non-Executive Director	Full year		✓	
Gary Burg[3]	Independent Non-Executive Director	Full year	C	✓	✓
Jennifer Lyon	Independent Non-Executive Director	Full year	✓	C	C
Nathanial Thomson	Non-Executive Director	Full year		✓	
Eloise Watson[4]	Non-Executive Director (Alternate to Nathanial Thomson)	Part year		✓	
Edward Fabrizio[5]	Independent Non-Executive Director	Part year	C	✓	✓
Susan Young[2]	Independent Non-Executive Director	Part year	C	✓	✓
Executives					
Simon Swanson[7]	Managing Director	Full year			
Athol Chiert	Chief Financial Officer	Full year			
Christopher Blaxland-Walker	Group Executive, Distribution	Full year			
Cloe Reece	Chief Risk Officer	Full year			
Deborah Lowe[9]	Group Executive, Wealth Management and Chief People Officer	Full year			
Gerard Kerr[9]	Group Executive, Life Insurance	Full year			
Hicham Mourad[10]	Chief Technology Officer	Full year			
Judilyn Beaumont	Group Executive, General Counsel and Corporate	Full year			
Justin McLaughlin[6]	Chief Investment Officer	Part year			
Nadine Gooderick[8]	Managing Director	Full year			
Joanne Faglioni[11]	Group Executive, Operations	-			
Nick Kulikov[12]	Group Executive, Product and Pricing	-			

✓ = Member, C = Chair

1 Position shown as the KMP's last held position. If an individual did not serve as a KMP for the full financial year, all remuneration is disclosed from the date the individual was appointed as a KMP to the date they ceased as a KMP unless otherwise specified.

2 Resigned as a Non-Executive Director effective from 31 March 2023.

3 Chair of the Audit Committee from 1 April 2023 to 28 June 2023.

4 Appointed as Alternate Non-Executive Director to Nathanial Thomson effective from 15 December 2022.

5 Appointed as Independent Non-Executive Director and Chair of the Audit Committee effective from 28 June 2023.

6 Ceased as KMP effective from 1 August 2022 and employment on 31 March 2023.

7 Ceased as Managing Director on 30 June 2023. Employment continues in a a different role until 31 August 2023.

8 Appointed as Managing Director effective from 1 July 2023. Previously was Group Executive, Technology and Development.

9 Ceased as KMP on 30 June 2023. Deborah Lowe's employment continues until the exit of the wealth management business is substantially completed. Gerard Kerr's employment continues for a 6-month period effective 1 July 2023. A one month notice period for both parties will apply to terminate the arrangement early.

10 Position title updated to Chief Technology Officer effective from 1 July 2023. Previously was Program Director, PAS Transformation Project.

11 Appointed as Group Executive, Operations effective from 1 July 2023. Previously was Chief Claims Officer.

12 Appointed as Group Executive, Product and Pricing effective from 1 July 2023. Previously was Head of Life Insurance Product and Pricing.

2. Remuneration Overview

2.1 ClearView's Remuneration Framework Overview

During FY23, the remuneration structures in place were unchanged from the prior year, and the same structure is expected to apply in the future years. ClearView's approach to executive remuneration and the remuneration cycle under the framework applicable to FY23 is set out below.

	Fixed pay	Variable remuneration	
		Short term variable remuneration	Long term variable remuneration
Purpose	To pay fairly and according to external market conditions for each role.	To motivate KMPs to reach or exceed the company goals for the financial year.	To reward the KMPs for achieving key objectives in the long term.
Delivery	Base Salary, Superannuation, and Other Benefits.	60% delivered in cash, 40% delivered in Restricted Rights subject to a 3 year deferral period.	Performance Rights entitled to the value of a share of ClearView, subject to LTVR performance hurdle with a Measurement Period of 4 years.

FY 23 Approach

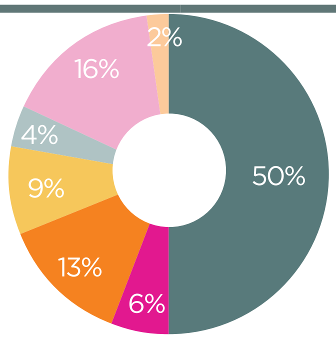
Short term remuneration and STVR Opportunity as % of Fixed pay

	Target	Stretch
Managing Director	50%	60%
Other executives	30%	36%

Long term remuneration and LTVR Opportunity as % of Fixed pay

	Target
Managing Director	100% - 120%
Other executives	50% - 70%

Weightings



Financial Measures

- Underlying Net Profit After Tax[1]

Non Financial Measures

- Strategic development and New business market share
- Risk Management, Culture and Cyber Security
- Technology Transformation and Projects
- Lapse and Claims Management
- Wealth Strategy
- Shareholder Engagement

Underpinned by gate openers being risk management, culture and values with the 2023 deferral component settled on 30 June 2026.

Performance conditions

2023 LTVR Issue: The TSR vesting is based upon the Company's performance against two equally-weighted vesting conditions on 30 June 2026, being share price range of \$0.72 – \$0.78; and Embedded Value range of \$625m – \$675m. The target level of vesting is 100%.

2022 LTVR Issue: The TSR vesting condition is based upon a market capitalisation of the Company of \$483.75m on 30 June 2025. The target level of vesting is 100%.

2021 LTVR Issue: The TSR vesting condition is based upon an annual growth rate of 25% over the Performance Period – this equates to a market capitalisation of the company of \$450m on 30 June 2024. The target level of vesting is 100%.

Malus and Clawback	In the event that the Board forms the opinion that a Participant has committed an act of fraud, defalcation or gross misconduct in relation to the company then the Participant will forfeit all unvested entitlements under the plan (STVR & LTVR), including all unvested rights.

1 Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases, underlying investment income and interest costs associated with corporate debt and Tier 2 Capital. Costs associated with the incurred claims treaty are reflected as part of reinsurance costs. Includes equity accounted earnings of Centrepoint Alliance for the relevant period.

Remuneration Framework Timeline FY23

FY23	FY24	FY25	FY26
Fixed pay			
STVR Performance period	Audit & STVR Assessment		
	60% Cash Award*		
	40% Restricted Rights*		
LTVR Performance Period - Performance Rights with a TSR Vesting Condition as well as a EV Condition.			

*STVR Cash awards are generally awarded following the release of the audited Annual Report. Restricted rights will be issued in relation to the deferred portion of the STVR and will vest three years post the measurement period (ie 30 June 2026). Subsequent to the completion of the strategic review, the Board has resolved that the overall remuneration framework remains unchanged including the 3 year deferral period for the prior years deferred STVR components.

2.2 FY23 Company Performance At-A-Glance

The following outlines the Company's performance in FY23, which is intended to assist in demonstrating the link between performance, value creation for shareholders, and executive reward:

FY End Date	Net profit after tax ($'000)	Underlying NPAT from Continuing Operations[2] ($'000)	Share price (cents)			Dividends (Final) (cents)	Change in shareholders wealth		EV[1] ($m)	EV per share[1] (cents)
			Start	End	Change		Total value	%		
30/6/2023	17,108	34,499	68.0	48.5	(19.5)	3.0	(16.5)	(24.3)%	587	91.2
30/6/2022	21,175	25,655	50.0	68.0	18.0	2.0	20.0	40.0%	605	92.2
30/6/2021	6,679	22,722	27.5	50.0	22.5	1.0	23.5	85.5%	640	95.7
30/6/2020	13,081	14,738	66.0	27.5	(38.5)	—	(38.5)	(58.3)%	643	95.3
30/6/2019	3,959	20,450	116.0	66.0	(50.0)	—	(50.0)	(43.1)%	673	99.4

Key achievements during the year under review include:

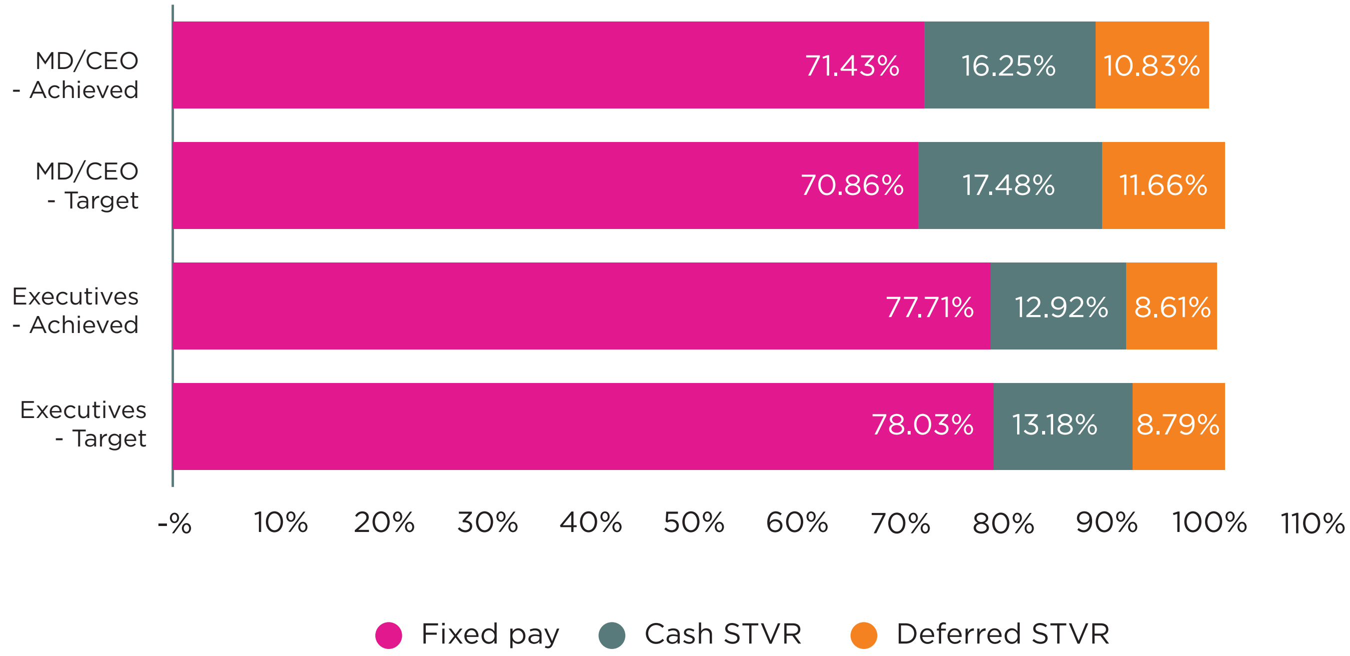
- upgrade and pricing realignment of the ClearView ClearChoice life insurance product suite leading to increased market share gains and new business volumes;
- implementing simplification and structural changes to deliver long term growth: including exit of the wealth management business (underway) leading to a core focus on the life insurance business;
- leadership changes and transition on the retirement of the Managing Director to allow for business simplification, with further investment in capabilities and people, with a focus on the more efficient and extensive use of data and new analytical tools in the life insurance business;
- investment in sales and margin-focused initiatives, including commencing the implementation of the IT transformation program which will improve efficiency for advisers and add flexibility to ClearView's business over time; and
- continued repricing of the LifeSolutions in-force portfolios aligned to industry sustainability issues.

1 Embedded Value (EV) at 4% discount rate margin, including a value for future franking credits, franking credits included in the net worth and ESP loans. Excluding EV attributed to the financial advice business and the wealth business. Franking credits have been included in the net worth and prior periods have been restated to reflect this. Risk free rate of 4% in FY23 (FY22: 3.5%; Prior years: 2%).

2 Consists of Underlying NPAT of consolidated profit after tax excluding UNPAT of the wealth segment which is held for sale, amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases, underlying investment income and interest costs associated with corporate debt and Tier 2 Capital. Costs associated with the incurred claims treaty are reflected as part of reinsurance costs. It also includes equity accounted earnings of Centrepoint Alliance for the relevant period.

2.3 FY23 Executive Remuneration Opportunities and Outcomes At-A-Glance

The following charts outline the remuneration opportunities under ClearView Wealth's executive remuneration structures, with the outcomes dependent on performance over FY23 for STVR and LTVR, and the 'achieved' remuneration payable in respect of the completed FY23 year and performance delivered:



Note: "Achieved" refers to Fixed Pay received during FY23 and Cash STVR awarded in respect of FY23 performance (i.e. after the end of the year) and any LTVR vested during the year.

MD/CEO includes both current and former MD/CEO. Executives exclude MD/CEO and include Executive KMP for the full year in FY23.

During FY23, subsequent to the completion of the strategic review, the Board has resolved that the performance conditions for the 2020 LTIP were not met and hence all of the 2020 LTIP Performance Rights lapsed.

The table below presents remuneration paid or vested for Executive KMP in relation to FY23 and FY22 which includes:

- Fixed pay including salary sacrificed benefits and superannuation contributions;
- The value of cash settled STVR awarded following completion of the financial year;
- The value of STVR Restricted Rights vested following the completion of the financial year; and
- The value of LTVR awarded in prior years that has vested during the financial year.

Name	Fixed Package (incl. Super)		Total STVR awarded following completion of the financial year (cash)		Total STVR Restricted Rights that vested following completion of the financial year (deferred)		Value of LTVR that vested following completion of the measurement period/FY		Total Remu-neration Package (TRP)	Vested LTVR from change in value during the vesting period
	Amount ($)	% of TRP	Amount ($)	% of TRP	Amount ($)	% of TRP	Amount ($)	% of TRP	Amount ($)	Amount ($)
S Swanson[1]										
2023	725,584	70%	188,993	18%	125,995	12%	—	—%	1,040,572	—
2022	715,000	71%	174,224	17%	116,150	12%	—	—%	1,005,374	—
A Chiert										
2023	440,346	78%	74,322	13%	49,548	9%	—	—%	564,216	—
2022	430,000	81%	62,174	12%	41,449	8%	—	—%	533,623	—
C Blaxland-Walker										
2023	390,346	77%	68,487	14%	45,658	9%	—	—%	504,491	—
2022	380,000	81%	54,524	12%	36,349	8%	—	—%	470,873	—
C Reece										
2023	400,346	79%	65,470	13%	43,647	9%	—	—%	509,463	—
2022	175,772	81%	25,516	12%	17,010	8%	—	—%	218,298	—
D Lowe[2]										
2023	395,742	80%	60,333	12%	40,222	8%	—	—%	496,297	—
2022	400,384	80%	58,321	12%	38,881	8%	—	—%	497,586	—
G Kerr[2]										
2023	460,346	77%	81,818	14%	54,546	9%	—	—%	596,710	—
2022	450,000	80%	66,002	12%	44,000	8%	—	—%	560,002	—
H Mourad										
2023	370,346	79%	58,990	13%	39,327	8%	—	—%	468,663	—
2022	360,769	81%	49,762	11%	33,173	7%	—	—%	443,704	—
J Beaumont										
2023	420,692	79%	69,023	13%	46,015	9%	—	—%	535,730	—
2022	400,769	80%	59,738	12%	39,826	8%	—	—%	500,333	—
N Gooderick										
2023	403,381	78%	67,871	13%	45,248	9%	—	—%	516,500	—
2022	380,000	81%	52,600	11%	35,066	7%	—	—%	467,666	—

1 As Managing Director for the full year.

2 As KMPs for the full year.

3. ClearView Wealth's Remuneration Strategy, Policy and Framework

3.1 Remuneration Policy

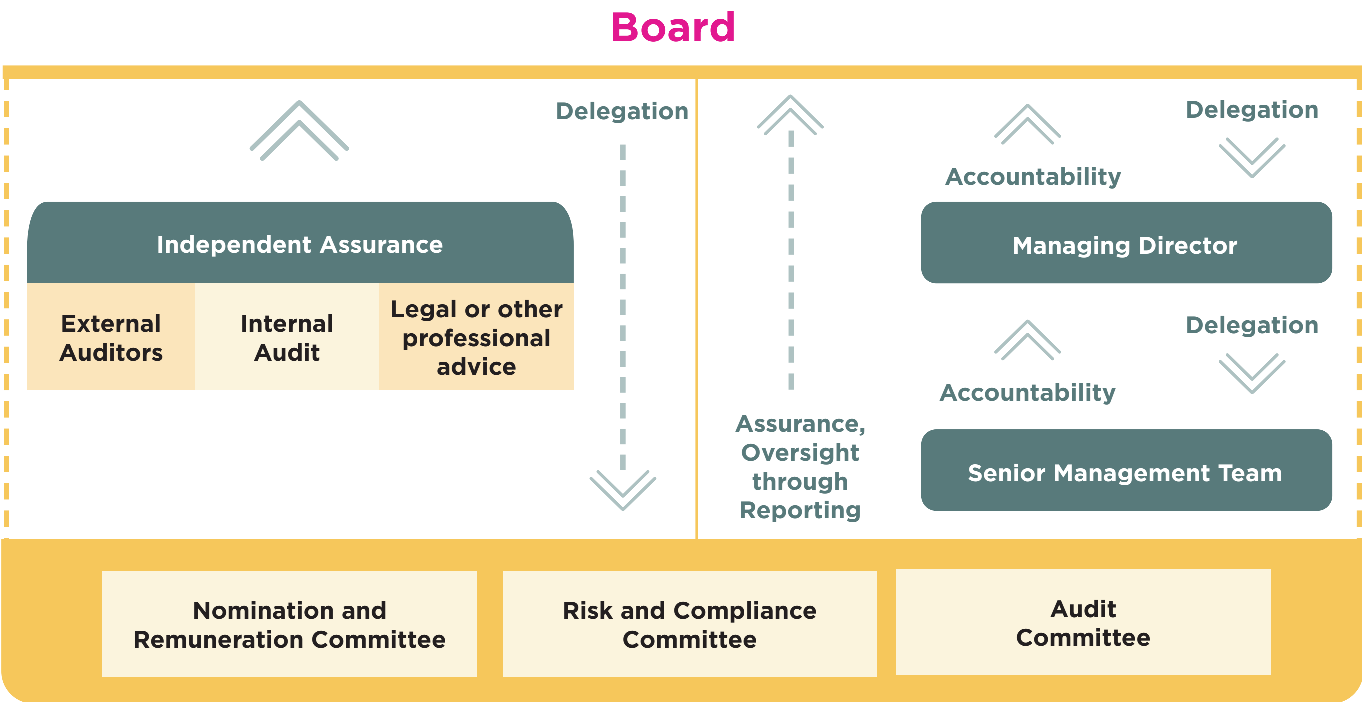
ClearView's Remuneration Policy (Policy) was updated in 2023 and is compliant with the obligations set out by the Australian Prudential Regulatory Authority (**APRA**) under Prudential Standards CPS 510 'Governance', CPS 511 'Remuneration' and SPS 510 'Governance'. It also forms part of ClearView's overall Risk Management Framework (in accordance with the Prudential Standards). The Board has approved the Policy and retains overall responsibility for all remuneration decisions in respect to persons relevant to each entity. The Policy is reviewed at least once every three years to ensure ongoing compliance with regulatory changes as more information becomes known and the changes are due to take effect.

ClearView has an established Nomination and Remuneration Committee (Remuneration Committee) which, among other things, is responsible for overseeing the remuneration and human resource practices for the Group. In discharging these responsibilities, the Remuneration Committee adheres to ClearView's Remuneration Policy, which is in place to:

- Outline employee obligations and ClearView's obligations;
- Set out roles, responsibilities and accountabilities of the KMP;
- Set out clear reporting and controls;
- Define various terms to ensure a common understanding; and
- Clarify what happens if this policy or associated procedures are breached.

3.2 KMP Remuneration Governance Framework

The following outlines the interface between the Remuneration Governance Framework and the Risk Framework:



3.3 Executive Remuneration - Fixed Pay (FP), Total Remuneration Package (TRP) and the Variable Remuneration Framework

The primary objectives of the Remuneration Policy are to ensure that remuneration is competitive, aligned with the Company's business objectives in both the short term and the long term, and appropriate for the results delivered by the individual. In accordance with this objective, the Company has structured remuneration packages to provide an appropriate mix of fixed and performance based pay components which are based on both the individual's performance and Group performance. By adopting a robust approach to remuneration, the Group aims to attract and retain top talent. The remuneration framework is also designed to reward prudent risk-taking, support effective risk management and prioritise the long term financial soundness of the business and its shareholders.

Total executive remuneration is made up of three components:

- Fixed Remuneration;
- Short Term Variable Remuneration (**STVR**), made up of:
  - Cash; and
  - Restricted Rights; and
- Long Term Variable Remuneration (**LTVR**) made up of Performance Rights.

Variable Remuneration is intended to balance risk and business outcomes, with a blend of 'at-risk' remuneration and incentives. Metrics selected are intended to be linked to the primary drivers of value creation for stakeholders, and successful implementation of the long term strategy over both the short and long term. Thresholds are intended to be a near-miss of expectations, while Target is intended to be challenging but a realistically achievable objective with a probability of around 50% to 60%. Stretch on the other hand is designed to be exceptionally challenging with a probability of around 10% to 20%.

Fixed Remuneration is made up of base salary and superannuation. Base salary includes cash salary and any salary sacrifice items. The Group provides employer superannuation contributions of the relevant statutory SG rate of each executive's base salary, capped at the relevant maximum contribution base. To ensure an employee's Fixed Remuneration is competitive, it is benchmarked against median salary survey results from a group of comparable Australian financial service companies.

Fixed Remuneration is reviewed annually, following the end of the 30 June performance year, which may have flow-on implications for variable remuneration which is expressed as a percentage of Fixed Pay.

3.4 FY23 Short Term Variable Remuneration (STVR) Plan

A description of the STVR structure applicable for FY23 is set out below:

Purpose	To provide at-risk remuneration and incentives that reward executives for meeting annual goals. The objectives chosen are intended to assist long-term shareholder value development and are linked to the long-term strategy on an annual basis.
Measurement Period	The financial year of the company (1 July - 30 June).
Opportunity	**Opportunity as % of Fixed Pay** | | **Target** | **Stretch** | Managing Director: Target 50%, Stretch 60% Other executives: Target 30%, Stretch 36%

Outcome Metrics and Weightings	For FY23, the following metrics and weightings applied:
	• Financial Measure: Underlying Net Profit After Tax[1] – 50%
	• Non-financial Measures: Business Targets - 50% including:
	  • Risk management, culture and cyber security
	  • Lapse and claims management
	  • Strategic development
	  • New business market share
	  • Wealth strategy
	  • Technology transformation and projects
	  • Shareholder engagement
	These metrics were selected because they were viewed by the Board as being the key drivers of value creation, as applicable to the role, for FY23. Refer to the section "The Link Between Performance and Reward for FY23" for additional information regarding performance outcomes relative to target.

Gate	The following Gates apply: • Risk Management • Culture and Values
Award, Settlement and Deferral	Awards will be calculated and settled following the auditing of the accounts. 60% of any STVR Award is to be paid in cash, 40% of any STVR Award is to be settled in the form of a grant of Restricted Rights subject to an exercise restriction ending on 30 June 2026. Any grant of deferred STVR Restricted Rights will be calculated based on the 90-day VWAP leading up to the end of the FY23 performance period.
Delisting and Corporate Action	In the event the Board determines that the Company will be subject to a de-listing, any unvested restricted rights may be subject to an accelerated vesting date in the Board's absolute discretion.
Board Discretion	The Board has sole discretion to determine that some or all unvested restricted rights held by a participant lapse on a specified date if allowing the rights to be exercised would, in the opinion of the Board, result in an inappropriate benefit to the participant. This is intended to give effect to the Company's approach to Malus and Clawback.
Malus and Clawback	In the event that the Board forms the opinion that a Participant has committed an act of fraud, defalcation or gross misconduct in relation to the Company then the Participant will forfeit all unvested entitlements under the STVR plan, including all unvested restricted rights.

1 Consists of Underlying NPAT of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases, underlying investment income and interest costs associated with corporate debt and Tier 2 Capital. Costs associated with the incurred claims treaty are reflected as part of reinsurance costs. It also includes equity accounted earnings of Centrepoint Alliance for the relevant period.

3.5 FY23 Long Term Variable Remuneration (LTVR) Plan

A description of the LTVR structure applicable for FY23 is set out below:

Purpose	To provide at-risk remuneration and incentives that reward executives for meeting long-term value creation targets specified by the Board at the start of the financial year, and to align executives' interests with those of shareholders.
Instrument	The LTVR is in the form of Performance Rights with a nil Exercise Price, which are subject to performance and service vesting conditions.
Measurement Period	1 July 2022 to 30 June 2026 (4 Years)
Opportunity	**Opportunity as % of Fixed Pay** **Target** Managing Director: 100% - 120% Other executives: 50%-70%
Grant Calculation, Performance Metric and Vesting Scale	The number of Performance Rights in a Tranche of FY23 LTVR granted for the issuance was calculated via the application of the following formula: **Target LTVR $ ÷ Right Value** where Right Value is the share price aligned to the LTVR target market capitalisation. Vesting is based on the Company's performance against two equally-weighted conditions, being share price of $0.72 - $0.78 (TSR); and Embedded Value of $625m - $675m. The TSR target was selected to ensure that the overall remuneration framework contains a balance of internal and external measures, such that the STVR is based on a set of internal measures to drive business plan outcomes and the LTVR is based on longer term measures aligned with shareholder value creation - a combined TSR and embedded value outcome has been adopted to achieve this outcome. Nil vesting occurs if the performance condition is not met.
Re-testing	No re-testing facility is available under the CWL Rights Plan Rules.
Settlement	The Performance Rights are "Indeterminate Rights" which may be settled in the form of a Company Share (including a Restricted Share), or cash equivalent, upon valid exercise. It is generally expected that Shares will be used.
Term	Performance Rights have a term of 15 years from the grant date and if not exercised within the term the Performance Rights will lapse.
Delisting and Corporate Action	In the event of delisting the vesting conditions set out in the invitation will cease to apply and unvested rights will vest in accordance with the terms of the LTVR rules set out in the CWL Rights Plan (as updated from time to time). In the event of other change of control events, vesting conditions continue to apply and any changes will be subject to the Board's absolute discretion.
Cessation of Employment	Vested Performance Rights will be automatically exercised. Unvested Performance Rights will lapse except in circumstances such as death, total or permanent disability, genuine redundancy or other circumstances determined by the Board in its discretion (Qualifying Cessation). Performance Rights that do not lapse at the termination of employment will continue to test for vesting at the end of the Measurement Period.
Board Discretion	The Board has discretion to adjust the number of Performance Rights that ultimately vest if it forms the view that the unadjusted outcome is not appropriate to the circumstances that prevailed over the measurement period and/or to the contribution of a Participant to outcomes over the measurement period.
Malus and Clawback	In the event that the Board forms the opinion that a Participant has committed an act of fraud, defalcation or gross misconduct in relation to the company then the Participant will forfeit all unvested entitlements under the LTVR Plan.

3.6 FY23 Non-Executive Director (NED) Remuneration

3.6.1 Fee Policy

The following outlines the principles that ClearView Wealth applies to governing NED remuneration:

Policy	Non-Executive Directors are remunerated by way of one base fee (inclusive of Superannuation Guarantee) that is based on market rates for comparable companies for the time commitment and responsibilities undertaken by Non-Executive Directors. The level of remuneration for each Non-Executive Director is set by the Remuneration Committee, within the total annual remuneration limits approved by the shareholders at a general meeting. Any increase to individual Non-Executive Director remuneration must be approved by the Board on the recommendation of the Remuneration Committee after engaging and taking advice, where appropriate. All reasonable out of pocket expenses incurred in connection with a Director's duties on behalf of ClearView Wealth are reimbursed. The following outlines the Board Fees for FY23:
Aggregate Board Fees	The total amount of fees paid to Non-Executive Directors in the year ended 30 June 2023 is within the aggregate amount as approved by shareholders of $1,000,000.

Role	Main Board	Audit	Remuneration	Risk
Chair	200,000	30,000	30,000	30,000
Member	85,000			

*Fees are inclusive of superannuation

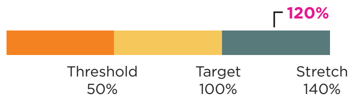
Non-Executive Directors are not entitled to participate in equity schemes of the Company and are not entitled to receive performance-based bonuses. Non-Executive Directors are not entitled to retirement benefits other than in respect of any superannuation entitlements.

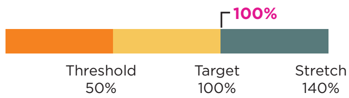
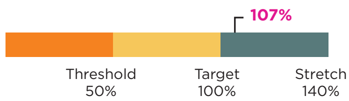
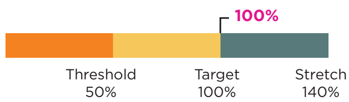
4. The Link Between Performance and Reward in FY23

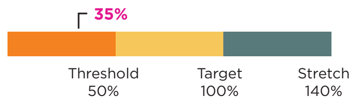
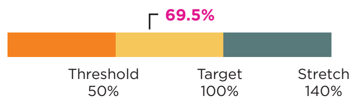
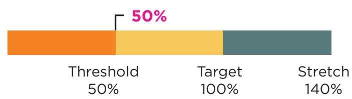
The Board views the outcomes of remuneration for FY23 performance as appropriately aligned to stakeholder interests, given the strong group and individual performance against annual objectives and progress towards strategic objectives made by the executive team.

4.1 FY23 STVR Outcomes

The STVR plan is designed to reward executives for the achievement against annual performance objectives set by the Board at the beginning of the performance period. The payment of an STVR is dependent on delivery of performance against a range of outcome metrics. The performance metrics and outcomes of assessment against those metrics are summarised below:

Metric/Measure	Weight	Achieved	Outcome (% of Target)
Underlying Net Profit After Tax	**50.0%**	**60%**	
Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases, underlying investment income and interest costs associated with corporate debt and Tier 2 Capital. Costs associated with the incurred claims treaty are reflected as part of reinsurance costs. It also includes equity accounted earnings of Centrepoint Alliance for the relevant period.		The Group has outperformed its financial metric targets for FY23. ClearView's Underlying NPAT exceeded target, largely driven by favourable lapse and claims results and a higher interest rate environment. This reflects the strength of our core insurance business.	

Risk Management, Culture and Cyber Security	**16.1%**	**16.1%**	
Continued improvement in the risk maturity profile of the business in FY23. Culture survey results, including management to reflect continued improvement and targets. A set of performance metrics and baseline expectations of risk performance was implemented across ClearView in FY23. The overall goal is "leadership of risk culture within areas of accountability through demonstrated achievement across all baseline expectations and risk management "core metrics" during the period". No major cyber security incidents.		The improvement of the risk maturity profile is considered to be on track with broad achievement of the goals over FY23. No major cyber security incidents occurred in FY23.	
Lapse and Claims Management	**4.2%**	**4.5%**	
The claims management transformation program continues to be implemented (including positive claimant experience) with the claims performance aligning to the Business Plan. Customer focused retention initiatives.		Claims management transformation program continues to be implemented successfully including rehabilitation programs, return to work outcomes and process improvements. Achievement of a lapse and claims experience profit in FY23.	
Strategic Development and New Business Market Share	**4.6%**	**4.6%**	
FY22 reflected the overall shift in focus of ClearView back to growth, in line with the inflection point of the industry. New business market share and sales targets have been set.		Improved market share on launch of ClearView ClearChoice product achieved (circa 9%). New business volumes increased by 25% in FY23 with relaunch of growth strategy.	

Wealth Strategy	**13.9%**	**4.9%**	
Implementing the required structural changes to enable long term growth: including the commencement of implementation of the exit of the wealth management business (simplification of overall line of business structure).		Announced that ClearView will exit the wealth management business. ClearView entered into a share sale agreement in February 2023 for the sale of CFML to Human Financial, subject to certain conditions precedent. The superannuation fund trustee ClearView Life Nominees Pty Limited is, at the same time, considering a number of options and the best way forward for the superannuation fund, ClearView Retirement Plan. The outcome of these considerations will inform the roadmap and timing for the overall exit of the wealth management business. These considerations are ongoing.	
Technology Transformation and Projects	**9.6%**	**6.6%**	
Investment in a new Policy Administration System (**PAS**) to improve operational efficiency and to be easy to do with with for advisers. Implementation of AASB 17 project for the change in the accounting standards.		The PAS system was launched for new business of the ClearView ClearChoice product in October 2021 with further development and investment in the functionality of the platform. This is considered a multi year transformation project. The first phase of the project is expected to be completed by 31 December 2023, with planning having commenced for the next phase, being the migration of the in-force policies onto the new platform. The implementation of the AASB 17 project is nearing completion, with implementation of the new standard effective 1 July 2023.	
Shareholder Engagement	**1.6%**	**0.8%**	
Improved shareholder communications and engagement in light of completion of the strategic review. Further simplification of the investor materials.		Increased shareholder engagement and education with further investor briefings planned, investor material continue to be refined and improved.	

Overall the STVR outcomes for FY23, taking into account both the financial and non-financial measures as determined through the Board's assessment are outlined below:

Name	Opportunity (as % of FP less Super)		Total STVR Awarded ($)	STVR Outcome as % of Maximum	STVR Outcome as % of Target	STVR Forfeited as % of Maximum	STVR Forfeited as % of Target
	Max STVR	Target STVR					
S Swanson[1]	60%	50%	314,988	75%	90%	25%	10%
A Chiert	36%	30%	123,870	83%	100%	17%	—%
C Blaxland-Walker	36%	30%	114,145	87%	104%	13%	—%
C Reece	36%	30%	109,117	81%	97%	19%	3%
D Lowe[2]	36%	30%	100,555	75%	90%	25%	10%
G Kerr[2]	36%	30%	136,364	87%	105%	13%	—%
H Mourad	36%	30%	98,317	79%	95%	21%	5%
J Beaumont	36%	30%	115,038	81%	97%	19%	3%
N Gooderick	36%	30%	113,119	83%	100%	17%	—%

1 As Managing Director for the full year.

2 As KMPs for the full year.

5. Statutory Tables and Supporting Disclosures

5.1 Executive KMP Statutory Remuneration for FY23

The following table outlines the statutory remuneration of Executive KMP.

	Short term benefits			Post employment benefits	Long term benefits	Other benefits	Share based payments			Total
	Salary & Fees	STVR Cash[11]	Other benefits and allowances	Super-annuation	Long Service Leave	Termination Payment[12]	Executive Share Plan[13]	Performance / Restricted Rights[14,15]	Performance based	
	$	$	$	$	$	$	$	$	%	$
Executives										
N Gooderick[6]										
2023	399,167	67,871	16,809	25,373	4,025	—	—	59,451	22.23%	572,696
2022	379,426	52,600	9,681	23,634	1,836	—	—	47,861	19.51%	515,038
A Chiert										
2023	407,539	74,322	21,377	25,373	9,880	—	—	22,641	17.28%	561,132
2022	420,227	62,174	19,325	23,634	13,262	—	—	78,470	22.79%	617,092
C Blaxland-Walker										
2023	359,118	68,487	88,626	25,373	9,300	—	—	24,132	16.11%	575,036
2022	361,392	54,523	86,574	23,634	13,142	—	—	65,966	19.91%	605,232
J Beaumont										
2023	381,444	69,023	21,377	25,373	2,609	—	—	61,055	23.19%	560,881
2022	393,897	59,738	19,325	23,634	2,554	—	—	54,151	20.58%	553,299
H Mourad[8]										
2023	354,672	58,990	14,998	25,373	2,001	—	—	54,367	22.21%	510,401
2022	345,124	49,762	9,400	23,634	1,958	—	—	47,500	20.37%	477,378
C Reece[3]										
2023	377,517	65,470	—	25,373	1,146	—	—	53,719	22.78%	523,225
2022	179,447	25,516	—	10,944	429	—	—	19,047	18.93%	235,383
J Faglioni[9]										
2023	—	—	—	—	—	—	—	—	0.00%	—
N Kulikov[10]										
2023	—	—	—	—	—	—	—	—	0.00%	—

	Short term benefits			Post employment benefits	Long term benefits	Other benefits	Share based payments			Total
	Salary & Fees	STVR Cash[11]	Other benefits and allowances	Super-annuation	Long Service Leave	Termination Payment[12]	Executive Share Plan[13]	Performance / Restricted Rights[14,15]	Performance based	
	$	$	$	$	$	$	$	$	%	$
Former Executives										
J McLaughlin[4]										
2023	265,077	—	—	20,428	(5,530)	262,281	—	(53,371)	(10.92)%	488,885
2022	376,139	49,332	—	23,634	14,818	—	—	60,265	20.91%	524,188
S Swanson[5]										
2023	720,256	188,993	21,377	25,612	15,933	—	—	39,893	22.62%	1,012,064
2022	701,933	174,224	19,325	23,634	22,764	—	—	234,615	34.75%	1,176,495
D Lowe[7]										
2023	365,121	60,333	12,293	25,373	17,710	—	—	23,088	16.55%	503,918
2022	380,749	58,321	8,878	23,634	5,078	—	4,851	66,258	22.74%	547,769
G Kerr[7]										
2023	429,611	81,818	14,998	25,373	1,808	—	—	76,747	25.15%	630,355
2022	439,159	66,001	9,400	23,634	1,808	—	—	64,834	21.63%	604,837
T Kardash[1]										
2023	—	—	—	—	—	—	—	(38,000)	100.00%	(38,000)
2022	140,185	—	27,865	25,755	2,095	395,300	—	52,691	8.18%	643,891
J Myerscough[2]										
2022	182,875	—	4,705	—	—	—	—	—	—%	187,580

1 Ceased as General Manager, Licensee Services on 27 November 2021.
2 Ceased as Interim Chief Risk Officer and KMP on 31 January 2022.
3 Appointed as Chief Risk Officer effective from 1 February 2022.
4 Ceased as KMP on 1 August 2022 and employment on 31 March 2023. The table above shows his remuneration for the FY23 year up to the cessation date of his employment.
5 S Swanson ceased as Managing Director and KMP on 30 June 2023. His remuneration in the current year is shown for the full financial year. As his employment continues in a different role until 31 August 2023, his remuneration from 1 July 2023 (including any termination payments, vesting, lapsing or forfeiting of any ESP shares and restricted rights) will be included in the Remuneration Report for the year ending 30 June 2024.
6 Appointed as Managing Director effective from 1 July 2023.
7 Ceased to hold a KMP role on 30 June 2023. D Lowe's employment continues until the exit of the wealth management business is substantially completed. G Kerr's employment continues for a 6-month period effective 1 July 2023. A one month notice period for both parties will apply to terminate the arrangement early. Remunerations from 1 July 2023 will be included in the Remuneration Report for the year ending 30 June 2024.
8 Position updated to Chief Technology Officer effective from 1 July 2023.
9 Appointed as Group Executive, Operations effective from 1 July 2023. Table above shows FY23 remunerations as a KMP.
10 Appointed as Group Executive, Product and Pricing effective from 1 July 2023. Table above shows FY23 remuneration as a KMP.
11 Cash amount of the STVR payable in relation to FY23 and FY22 financial year and accrued as at 30 June 2023 and 2022 respectively. Amount to be paid, will be based on actual earnings for the year, on approval of the results of the relevant financial year.
12 Payment in lieu of notice, which incorporates statutory notice and severance entitlements.
13 Benefit calculated under the Binomial model in respect of the future value of the ESP shares issued. ESP shares are ordinary shares issued and held under a holding lock until vesting date.
14 Restricted and Performance Rights granted under the CWL Rights Plan covering the LTVR as well as the deferred component of the STVR respectively. Restricted and Performance Rights can be settled in cash or equity based on the terms of each award.
15 Reflects the accruals or reversal for all previously granted Performance or Restricted Rights that remain unvested following cessation of employment up to the end of each performance period or due to forfeiture. For the unvested LTVR awards, the accrual expense could represent brought forward expenses of awards granted in prior years including those amounts which would otherwise have been included in future years. For forfeited rights that are not vested, accrual from prior years are reversed in the event of an executive KMP departure or failure to meet non-market based conditions.

5.2 Non-executive Director (NED) KMP Statutory Remuneration for FY22

The compensation of each NED is set out below:

	Year	Short term benefits	Post employment benefits	Total	Performance based	GST / Superannuation
		Salary & Fees	Superannuation			
		$	$	$	%	
Non-executive Directors						
G Black	2023	180,996	19,005	200,000	—	incl. Super
	2022	181,887	18,189	200,076	—	incl. Super
G Burg	2023	92,500	—	92,500	—	excl. GST
	2022	85,000	—	85,000	—	excl. GST
N Thomson / E Watson[1]	2023	85,000	—	85,000	—	excl. GST
	2022	85,000	—	85,000	—	excl. GST
M Alscher[1]	2023	85,000	—	85,000	—	excl. GST
	2022	85,000	—	85,000	—	excl. GST
J Lyon	2023	158,371	16,629	175,000	—	incl. Super
	2022	138,687	13,869	152,555	—	incl. Super
E Fabrizio[3]	2023	—	—	—	—	—
Former Non-executive Director						
S Young[2]	2023	86,727	9,106	95,833	—	incl. Super
	2022	133,195	26,871	160,067	—	incl. Super

1 Mr Thomson / Ms Watson and Mr Alscher have agreed they will receive no fees as Directors although fees are payable to Crescent Partners Management Pty Ltd of which they are employees.

2 Ms Young retired as a Director on 31 March 2023.

3 Appointed as an Independent Non-Executive Director effective from 28 June 2023

5.3 Equity Interests and Changes During FY23

5.3.1 ESP Plan and financial assistance under the ESP Plan

The ESP Plan was originally established to assist the recruitment of the senior management team (and employees) at the inception of ClearView in its current form.

It should be noted that the ESP has not been active since 2017 but some executives still hold shares from that plan. A description of the ESP structure is set out below:

Purpose	The Executive Share Plan (**ESP**) was originally established to assist in the recruitment of the senior management team and employees (at the inception of ClearView in its current form). This allowed for the recruitment of individuals with deep life insurance and wealth management experience, that could execute on a core strategy. Participation in the ESP showed ClearView's recognition of the employees' contribution, by providing an opportunity to share in the future growth and profitability of ClearView. The ESP was set up in the context of the 'start up phase' and the nature of the ClearView business at the time when the scope and the timing of any future success of the business was still unknown and uncertain.
Offers	No shares have been issued under the ESP since 14 June 2017 and Clearview does not intend to issue equity in the future under this plan.
Financial Assistance	The Company has provided financial assistance to Eligible Employees for the purposes of subscribing for Shares under the ESP. The financial assistance is a non-recourse loan equal to the purchase value of the Shares and is repayable in accordance with the terms of the accompanying Invitation or as follows: • For Share issues prior to 14 February 2013 – within 60 days (or a longer period determined by the Board in its discretion) after the 5th anniversary of the grant of the financial assistance (unless it is required to be repaid at an earlier date owing to the operation of the Rules); or • immediately in the event of certain 'disqualifying circumstances' including failure to meet performance or vesting conditions, cessation of the Employee Participant's employment in circumstances defined in the ESP Rules or termination of the Participant's contract with a Group Company for the provision of services. For Employee Participants, the financial assistance is secured over the shares and rights attached to the shares. The Board has approved granting an extension to the loan term of all Employee Participants who remain employees at the expiration of their loan term for a period until a Change in Control of the Company (as defined in the ESP Rules). The Board has used discretion (for a period of time) to allow a reasonable repayment period on the departure of employees (for example on exit of the advice business). Interest is accrued on the non-recourse loans for vested shares.
Holding Lock	The shares granted under the ESP to participants are subject to a holding lock restricting the holder from dealing with the shares, unless otherwise provided under the Invitation.
Change of Control	Under the ESP Rules, all performance and vesting conditions in relation to Shares held by an Eligible Employee who is an Employee Participant are deemed to have been satisfied upon a Change of Control unless stated otherwise in the participants Invitation Offer.

The financial assistance provided under the ESP are non recourse loans. Under AASB2, these non recourse loans and the related ESP shares are treated as options.

The following table outlines the 14,271,030 ESP shares issued to KMP or their related entities as at the date of this report (2022: 15,771,030 shares) and their vesting conditions. No performance conditions are applicable to the ESP shares issued.

	Share series	Fair value at grant date (pre-modification[1])	Fair value at grant date (post-modification[1])	Exercise price per share ($)	Aggregate value at grant date ($)	Vesting conditions	Expiry date[8]
S Swanson	Series 10 [1,6]	0.11	0.11	0.50	224,074	Vested	30/11/2023
	Series 11 [1,6]	0.08	0.08	0.58	323,295	Vested	30/11/2023
	Series 12 [1,3,6]	0.06	0.06	0.65	241,927	Vested	30/11/2023
A Chiert	Series 7 [1,2,4]	0.07	0.10	0.49	98,057	Vested	Change in Control
	Series 26 [5]	0.29	n/a	0.57	289,798		Change in control
C Blaxland-Walker	Series 16 [1,3,4]	0.10	0.13	0.50	127,366	Vested	Change in Control
	Series 43	0.20	n/a	1.01	16,718	Vested	Change in Control
	Series 44	0.23	n/a	1.01	19,372	Vested	Change in Control
	Series 45	0.27	n/a	1.01	21,883	Vested	Change in Control
D Lowe[7]	Series 51a	0.19	n/a	0.96	49,733		Change in Control
	Series 51b	0.22	n/a	0.96	57,586		Change in Control

1 On the 14th February 2013, the Board approved a change to the rules of the ESP which changed the interest rate charged on the financial assistance granted to the ESP Participants from the RBA official cash rate plus 25 basis points to zero percent. This resulted in changes to the inputs of the option pricing model which had an impact on the fair value of the option at the date of the change.

2 Change of control provision was triggered on 23 October 2009 by Guiness Peat Group (GPG) increasing its shareholding above 50%. As a result, the vesting conditions for employees that were issued shares prior to the date of change of control were accelerated.

3 Change of control provision was triggered on 26 September 2012 by CCP Bidco obtaining a shareholding above 50%.

4 The Board approved granting an extension of the loan term until such time as there is a change of control in the Company.

5 Special condition relating to shares issued to KMP in Series 26. The shares will vest on change of control and can be sold. The vested shares or the sale proceeds will be held for in escrow for a period of 12 months.

6 Mr Swanson ceased as Managing Director on 30 June 2023. In accordance with Mr Swanson's employment contract, Mr Swanson is entitled to a long term incentive comprising 10 million shares in accordance with the ESP Plan Rules and vesting progressively over three years from the commencement date of his contract and all shares have subsequently vested. The Board approved granting an extension of the loan term to 30 November 2023.

7 Ceased to hold a KMP role on 30 June 2023. Employment continues in a different role until the exit of the wealth management business is substantially completed. Any unvested ESP shares will fully lapse on cessation of employment and the associated expense reversed in accordance with the terms of the relevant plan rules. The outcome will be included in the Remuneration Report for the year ending 30 June 2024.

8 Expiry represents either the relevant vesting or loan term period.

5.3.2 Movement of ESP shares under non-recourse loans

Movements in ESP shares held by executive KMP during the reporting period are set out below:

	Held at 1 July 2022 No.	Granted No.	Exercised No.	Forfeited No.	Held at 30 June 2023 No.	Vested during the year No.	Vested and exercisable at 30 June 2023[2] No.
Executives							
A Chiert[1]	2,500,000	—	—	—	2,500,000	—	1,500,000
C Blaxland-Walker[1]	1,247,525	—	—	—	1,247,525	—	1,247,525
Former Executives							
J McLaughlin[3]	1,500,000	—	—	(1,500,000)	—	—	—
S Swanson[4]	10,000,000	—	—	—	10,000,000	—	10,000,000
D Lowe[5]	523,505	—	—	—	523,505	—	—

1 Additional non-recourse loans up to a maximum of $1 per vested ESP share held in May 2017 were granted and is secured by the vested ESP shares.

2 Interest is charged on vested shares as resolved by the Board.

3 Ceased as a KMP on 1 August 2022 and employment on 31 March 2023.

4 Ceased to hold a KMP role on 30 June 2023. Employment continues in a different role until the exit of the wealth management business is substantially completed. The Board approved granting an extension of the loan term to 30 November 2023 relating Mr Swanson's vested ESP shares. The outcome will be included in the Remuneration Report for the year ending 30 June 2024.

5 Ceased to hold a KMP role on 30 June 2023. Employment continues in a different role until the exit of the wealth management business is substantially completed. Any unvested ESP shares will fully lapse on cessation of employment and the associated expense reversed in accordance with the terms of the relevant plan rules. The outcome will be included in the Remuneration Report for the year ending 30 June 2024.

5.3.3 Performance Rights and Restricted Rights

The following outlines the accounting values and potential future costs of equity remuneration granted but not yet exercised for executive KMP:

Name	Issue	Grant Type	Vesting Conditions	Grant Date[6]	No. of rights[7]	Total Value at Grant[8]	Value Expensed in FY23[10]	Vested/ Forfeited	Max Value to be Expensed in Future Years
Executives									
N Goodericki[1]	2023	LTVR	TSR and Service	29/01/23	256,410	74,538	5,999		68,539
	2022	STVR	None[9]	01/02/23	63,756	35,066	—	Vested	—
	2022	LTVR	TSR and Service	12/11/21	277,777	56,167	7,606		36,859
	2021	LTVR	TSR and Service	31/03/21	62,481	4,374	598		1,771
	2021	STVR	None[9]	12/11/21	28,745	14,332	—	Vested	—
A Chiert	2023	LTVR	TSR and Service	29/01/23	320,512	93,173	7,499		85,674
	2022	STVR	None[9]	01/02/23	75,361	41,449	—	Vested	—
	2022	LTVR	TSR and Service	12/11/21	347,222	70,208	9,507		46,074
	2021	LTVR	TSR and Service	28/10/20	374,885	26,242	3,586		10,628
	2021	STVR	None[9]	12/11/21	74,686	37,238	—	Vested	—
	2020	LTIP	TSR and Service	01/09/19	—	151,515	(47,500)	Forfeited	—
C Blaxland-Walker	2023	LTVR	TSR and Service	29/01/23	256,410	74,538	5,999		68,539
	2022	STVR	None[9]	01/02/23	66,089	36,349	—	Vested	—
	2022	LTVR	TSR and Service	12/11/21	277,777	56,167	7,606		36,859
	2021	LTVR	TSR and Service	29/10/20	299,908	20,994	2,869		8,502
	2021	STVR	None[9]	12/11/21	59,503	29,668	—	Vested	—
	2020	LTIP	TSR and Service	01/09/19	—	121,212	(38,000)	Forfeited	—
J Beaumont	2023	LTVR	TSR and Service	29/01/23	256,410	74,538	5,999		68,539
	2022	STVR	None[9]	01/02/23	72,410	39,826	—	Vested	—
	2022	LTVR	TSR and Service	12/11/21	277,777	56,167	7,606		36,859
	2021	LTVR	TSR and Service	28/10/20	149,954	10,497	1,435		4,251
	2021	STVR	None[9]	12/11/21	68,990	34,398	—	Vested	—
H Mourad	2023	LTVR	TSR and Service	29/01/23	256,410	74,538	5,999		68,539
	2022	STVR	None[9]	01/02/23	60,316	33,174	—	Vested	—
	2022	LTVR	TSR and Service	12/11/21	277,777	56,167	7,606		36,859
	2021	LTVR	TSR and Service	11/01/21	149,954	10,499	1,435		4,251
	2021	STVR	None[9]	12/11/21	61,288	30,558	—	Vested	—
C Reece	2023	LTVR	TSR and Service	29/01/23	256,410	74,538	5,999		68,539
	2022	STVR	None[9]	01/02/23	30,927	17,010	—	Vested	—
	2022	LTVR	TSR and Service	02/03/22	105,753	21,383	4,073		15,274

1 Appointed as Managing Director effective from 1 July 2023.

2 Ceased as a KMP on 27 November 2021.

3 Ceased as a KMP on 1 August 2022 and employment on 31 March 2023.

4 Ceased as Managing Director on 30 June 2023. Employment continues until 31 August 2023. The Board has resolved that Mr Swanson's unvested LTVRs will fully lapse on cessation of employment and the associated expense will reverse in accordance with the terms of the relevant rewards. Details will be included in the Remuneration Report for the year ending 30 June 2024.

5 Ceased as a KMP on 30 June 2023. .

6 Legal grant dates. The accounting grant dates for valuation purposes can be different.

7 Performance Rights held at 30 June 2023 including restricted rights granted under the ClearView LTIP and ClearView Rights Plan covering the LTVR as well as the deferred component of the STVR. Rights can be settled in cash or equity based on the terms of each award and discretion of the Board.

8 The fair value of the 2023, 2022 and 2021 LTVR at their respective accounting grant date of 29/01/23, 25/08/21 and 21/08/20 was $0.1934 (50% of the rights subject to market conditions) and $0.388 (50% of the rights subject to EV conditions), $0.2022 and $0.07 respectively. The fair value was calculated using Monte Carlo simulation method.

9 While there is no performance or service vesting conditions applicable, the malus clauses apply. The minimum value to be expensed in future years for each of the above grants is nil. Current year STVR award will be granted following completion of the financial year. Details will be disclosed in the Remuneration Report in the next financial year.

10 A reversal of previous years expense resulting in a negative expense may occur in the event of an executive KMP departure or failure to meet non market-based conditions including failure for Gate Openers.

Name	Issue	Grant Type	Vesting Conditions	Grant Date[6]	No. of rights[7]	Total Value at Grant[8]	Value Expensed in FY23[10]	Vested/ Forfeited	Max Value to be Expensed in Future Years
Former Executives									
T Kardash[2]	2022	LTVR	TSR and Service	15/11/21	115,750	23,405	—		—
	2021	LTVR	TSR and Service	10/01/21	299,908	20,994	—		—
	2021	STVR	None[9]	12/11/21	58,506	29,171	—	Vested	—
	2020	LTIP	TSR and Service	01/09/19	—	121,212	(38,000)	Forfeited	—
J McLaughlin[3]	2022	STVR	None[9]	01/02/23	59,796	32,888	—	Vested	—
	2022	LTVR	TSR and Service	12/11/21	—	56,167	(11,701)	Forfeited	—
	2021	LTVR	TSR and Service	02/11/20	—	18,369	(8,419)	Forfeited	—
	2021	STVR	None[9]	12/11/21	54,216	27,032	—	Vested	—
	2020	LTIP	TSR and Service	01/09/19	—	106,060	(33,250)	Forfeited	—
S Swanson[4]	2023	LTVR	TSR and Service	29/01/23	1,025,641	298,154	23,998		274,156
	2022	STVR	None[9]	01/02/23	211,181	116,150	—	Vested	—
	2022	LTVR	TSR and Service	12/11/21	1,111,111	224,667	30,424		147,437
	2021	LTVR	TSR and Service	28/10/20	1,199,632	83,974	11,476		34,010
	2021	STVR	None[9]	12/11/21	191,890	95,672	—	Vested	—
	2020	LTIP	TSR and Service	01/09/19	—	484,849	(152,000)	Forfeited	—
D Lowe[5]	2023	LTVR	TSR and Service	29/01/23	256,410	74,538	5,999		68,539
	2022	STVR	None[9]	01/02/23	70,692	38,881	—	Vested	—
	2022	LTVR	TSR and Service	12/11/21	277,777	56,167	7,606		36,859
	2021	LTVR	TSR and Service	15/02/21	262,420	18,369	2,510		7,440
	2021	STVR	None[9]	12/11/21	70,915	35,358	—	Vested	—
	2020	LTIP	TSR and Service	01/09/19	—	106,060	(33,250)	Forfeited	—
G Kerr[5]	2023	LTVR	TSR and Service	29/01/23	384,615	111,808	8,999		102,809
	2022	STVR	None[9]	01/02/23	80,001	44,001	—	Vested	—
	2022	LTVR	TSR and Service	12/11/21	416,666	84,250	11,409		55,289
	2021	LTVR	TSR and Service	10/03/21	187,443	13,121	1,793		5,314
	2021	STVR	None[9]	12/11/21	34,337	17,120	—	Vested	—
	2021	Signon	None	12/07/21	180,000	90,000	—	Vested	—

1 Appointed as Managing Director effective from 1 July 2023.

2 Ceased as a KMP on 27 November 2021.

3 Ceased as a KMP on 1 August 2022 and employment on 31 March 2023.

4 Ceased as Managing Director on 30 June 2023. Employment continues until 31 August 2023. The Board has resolved that Mr Swanson's unvested LTVRs will fully lapse on cessation of employment and the associated expense will reverse in accordance with the terms of the relevant rewards. Details will be included in the Remuneration Report for the year ending 30 June 2024.

5 Ceased as a KMP on 30 June 2023. .

6 Legal grant dates. The accounting grant dates for valuation purposes can be different.

7 Performance Rights held at 30 June 2023 including restricted rights granted under the ClearView LTIP and ClearView Rights Plan covering the LTVR as well as the deferred component of the STVR. Rights can be settled in cash or equity based on the terms of each award and discretion of the Board.

8 The fair value of the 2023, 2022 and 2021 LTVR at their respective accounting grant date of 29/01/23, 25/08/21 and 21/08/20 was $0.1934 (50% of the rights subject to market conditions) and $0.388 (50% of the rights subject to EV conditions), $0.2022 and $0.07 respectively. The fair value was calculated using Monte Carlo simulation method.

9 While there is no performance or service vesting conditions applicable, the malus clauses apply. The minimum value to be expensed in future years for each of the above grants is nil. Current year STVR award will be granted following completion of the financial year. Details will be disclosed in the Remuneration Report in the next financial year.

10 A reversal of previous years expense resulting in a negative expense may occur in the event of an executive KMP departure or failure to meet non market-based conditions including failure for Gate Openers.

5.3.4 Related party interests

Apart from those disclosed below, there is no other related party interest held by other KMP directly or indirectly.

The relevant interest of each Non-Executive Director and their related parties in ordinary shares and securities and movement during the year:

	Shares held at 1 July 2022 No.	Subordinated notes held at 1 July 2022 No.	Net movement of shares due to other changes No.	Net movement of subordinated notes due to other changes No.	Shares held at 30 June 2023 No.	Subordinated notes held at 30 June 2023 No.
G Black	50,000	—	50,000	—	100,000	—
J Lyon	27,212	—	—	—	27,212	—
G Burg[1]	10,918,090	100	—	—	10,918,090	100
S Young[2]	83,092	—	—	—	83,092	—

1 Interest amount of $83,650 was paid to G Burg during FY23 in respect of the subordinated notes held.

2 The shares held at 30 June 2023 represent the shares held at the date S Young ceased to be a Non-Executive Director.

The relevant interest of each Executive and their related parties in ordinary shares and securities and movement during the year:

	Shares held at 1 July 2022 No.	Shares received on exercise of ESP No.	Shares received on exercise of LTIP No.	Shares received on exercise of LTVR, STVR No.	Net movement of shares due to other changes No.	Shares held at 30 June 2023 No.
Executives						
N Gooderick	63,212	—	—	—	—	63,212
A Chiert	722,266	—	—	—	—	722,266
C Blaxland-Walker	197,811	—	—	—	—	197,811
Former Executives						
J McLaughlin[1]	320,145	—	—	—	—	320,145
S Swanson[1]	5,550,000	—	—	—	—	5,550,000
D Lowe[1]	144,065	—	—	—	—	144,065

1 The shares held at 30 June 2023 represent the shares held at the date they ceased to be KMPs.

5.4 KMP Service Agreements

5.4.1 Executive KMP Service Agreements

The following outlines current executive KMP service agreements:

Executives	Term	Notice period by either the employee or the Company	Other
N Gooderick	Ongoing	12 months notice from the Company, 6 months notice from the employee	In the case of redundancy, a severance payment of 13 weeks' base salary (or any greater payment required under the National Employment Standards (NES)).
A Chiert	Ongoing	6 months notice for the first 3 years of employment, 3 months notice after 3 years	For all terminations after the first 3 years of employment an additional 26 week payment is payable.
C Blaxland-Walker	Ongoing	12 months	In the case of redundancy, a severance payment of 13 weeks' base salary (or any greater payment required under the National Employment Standards (NES)).
J Faglioni, N Kulikov, H Mourad	Ongoing	6 months notice from the Company, 3 months notice from the employee	In the case of redundancy, a severance payment of 13 weeks' base salary (or any greater payment required under the National Employment Standards (NES)).
J Beaumont, C Reece	Ongoing	13 weeks	In the case of redundancy, a severance payment of 13 weeks' base salary (or any greater payment required under the National Employment Standards (NES)).

Former Executives[1]	Term	Notice period by either the employee or the Company	Other
S Swanson	Ongoing	12 months	In the case of redundancy, a severance payment of 13 weeks' base salary (or any greater payment required under the National Employment Standards (NES)).
D Lowe	Ongoing	6 months	In the case of redundancy, a severance payment of 13 weeks' base salary (or any greater payment required under the NES).
G Kerr	Ongoing	13 weeks	In the case of redundancy, a severance payment of 13 weeks' base salary (or any greater payment required under the NES).

1 Ceased as KMP effective 30 June 2023. Employment continues in a different role. Any termination benefit paid where relevant from 1 July 2023 will be disclosed in the Remuneration Report for the year ending 30 June 2024.

*Note: Under the Corporations Act, broadly the Termination Benefit Limit is 12 months average Salary (over prior 3 years) unless shareholder approval is obtained.

5.4.2 Non-executive directors (NEDs) Service Agreements

The appointment of Non-executive Directors is subject to a letter of engagement. The NEDs are not eligible for any termination benefits following termination of their office, nor any payments other than those required under law such as in respect of superannuation. There are no notice periods applicable to either party under this approach.

5.5 Other Statutory Disclosures

5.5.1 Other transactions

Certain directors and KMP, or their personally-related entities (Related Parties), hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. None of these entities entered into material transactions with the Company or its subsidiaries in the FY23 reporting periods. The terms and conditions of any transactions entered into were no more favorable than those available, or which might reasonably be expected to be available, on similar transactions with unrelated entities on an arms-length basis.

Directors fees were paid to Crescent Capital Partners Pty Limited, the manager of the parent entity's majority shareholder CCP Bidco Pty Limited.

Apart from those disclosed above, other transactions with directors, executives and their related parties are conducted on arm's length terms and conditions, and are deemed trivial or domestic in nature. These transactions are in the nature of personal investment, life insurance policies and superannuation.

5.5.2 External Remuneration Consultants

During FY23 the Board engaged approved External Remuneration Consultants Godfrey Remuneration Group Pty Ltd (**GRG**) to provide KMP remuneration advice and other services as outlined below:

- assistance with reviewing policies and practice including CPS 511, Clawback and Malus Policy, update Equity Plan Rules, Remuneration Report – $13,200 (incl. GST);
- senior executives remuneration benchmarking – $22,000 (incl. GST)

All current Directors are subject to re-election by shareholders at least every 3 years. All current KMP contracts provide for an annual review of Fixed Remuneration.

Signed in accordance with a resolution of the Board of Directors made pursuant to s298(2) of the Corporation Act 2001. On behalf of the Directors

Geoff Black

Chairman
22 August 2023

Auditor's Independence Declaration

Building a better working world

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Auditor's Independence Declaration to the Directors of ClearView Wealth Limited

As lead auditor for the audit of the financial report of ClearView Wealth Limited for the financial year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of ClearView Wealth Limited and the entities it controlled during the financial year.

Ernst & Young

Louise Burns
Partner
22 August 2023

2023 financial report contents

The Financial Report was authorised for issue by the Directors on 22 August 2023.

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

		Consolidated		Company	
		2023	2022	2023	2022
	Note	$'000	$'000	$'000	$'000
			Restated[1]		
Continuing operations					
Revenue from continued operations					
Premium revenue from insurance contracts		325,131	299,621	—	—
Outward reinsurance expense		(120,961)	(115,423)	—	—
Net life insurance premium revenue		**204,170**	**184,198**	**—**	**—**
Fee and other revenue	2.4	72	690	107	6,739
Investment income	2.5	13,313	5,414	24,946	9,047
Operating revenue before net fair value gains on financial assets		**217,555**	**190,302**	**25,053**	**15,786**
Net fair value gains/(losses) on financial assets		4,189	(12,795)	—	—
Share of net profit of investment in associate net of impairment	8.2	666	534	666	534
Net operating revenue		**222,410**	**178,041**	**25,719**	**16,320**
Claims expense		(132,774)	(173,264)	—	—
Reinsurance recoveries revenue		94,913	128,042	—	—
Commission and other variable expenses		(53,895)	(46,556)	—	—
Operating expenses	2.6	(81,395)	(76,277)	(2,209)	(4,165)
Depreciation and amortisation expense	2.6	(5,384)	(4,796)	—	—
Finance costs	2.6	(17,307)	(9,558)	(8,062)	(5,723)
Change in life insurance policy liabilities	5.4	(21,027)	78,727	—	—
Change in reinsurers' share of life insurance liabilities	5.4	23,083	(57,040)	—	—
Change in life investment policy liabilities	5.4	(242)	64	—	—
Profit/(Loss) before income tax expense		**28,382**	**17,383**	**15,448**	**6,432**
Income tax (expense)/benefit	2.7	(7,434)	(5,986)	2,923	1,992
Profit/(Loss) from continuing operations		**20,948**	**11,397**	**18,371**	**8,424**
(Loss)/Profit from discontinued operations	8.5	**(3,840)**	**9,778**	**—**	**—**
Total comprehensive income/(loss) for the year		**17,108**	**21,175**	**18,371**	**8,424**
Attributable to:					
Equity holders of the parent		**17,108**	**21,175**	**18,371**	**8,424**
Earnings per share - continuing operations	2.2				
Basic (cents per share)		3.27	1.80	—	—
Diluted (cents per share)		3.27	1.79	—	—
Earnings per share	2.2				
Basic (cents per share)		2.67	3.34	—	—
Diluted (cents per share)		2.67	3.32	—	—

1 The comparative consolidated statement of profit or loss and other comprehensive income has been re-presented to show the Wealth Management business, together with the Financial Advice business, as discontinued operations separately from continuing operations.

To be read in conjunction with the accompanying Notes.

Consolidated statement of financial position

As at 30 June 2023

		Consolidated		Company	
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
	Note	$'000	$'000	$'000	$'000
Assets					
Cash and cash equivalents		94,522	150,735	13,929	13,369
Investments	3.3	394,885	2,289,624	443,822	433,278
Receivables	3.1	30,457	35,003	9,915	16,037
Assets held for sale	8.5	1,926,893	—	11,956	—
Fixed interest deposits		22,897	2,897	—	—
Reinsurers' share of life insurance policy liabilities	5.4	56,329	26,367	—	—
Deferred tax asset	2.7	7,257	11,915	291	462
Property, plant and equipment		647	468	—	—
Right-of-use assets	9.3	7,839	10,456	—	—
Investment in associate	8.2	13,440	13,734	13,440	13,734
Goodwill	4.1	4,011	12,511	—	—
Intangible assets	4.1	24,107	17,368	—	—
Total assets		**2,583,284**	**2,571,078**	**493,353**	**476,880**
Liabilities					
Payables	3.2	52,181	50,297	2,486	2,880
Current tax liabilities	2.7	12,550	1,425	12,550	1,425
Liabilities directly associated with assets held for sale	8.5	1,908,908	—	—	—
Provisions	4.3	8,598	6,321	28	19
Lease liabilities	9.3	8,598	11,160	—	—
Life insurance policy liabilities	5.4	16,035	(10,676)	—	—
Life investment policy liabilities	5.4	325	1,295,378	—	—
Liability to non-controlling interest in controlled unit trusts		—	645,612	—	—
Deferred tax liabilities	2.7	585	606	35	114
Borrowings	6.5	16,000	16,000	16,000	16,000
Subordinated debt	6.4	74,200	73,857	74,200	73,857
Total liabilities		**2,097,980**	**2,089,980**	**105,299**	**94,295**
Net assets		**485,304**	**481,098**	**388,054**	**382,585**
Equity					
Issued capital	6.1	466,843	466,655	469,250	469,062
Retained earnings/(losses)	6.2	11,769	7,881	(111,647)	(111,647)
Share based payments reserve	6.2	6,692	6,562	4,285	4,155
Profit reserve	6.2	—	—	26,166	21,015
Total equity		**485,304**	**481,098**	**388,054**	**382,585**

To be read in conjunction with the accompanying Notes.

Consolidated statement of changes in equity

For the year ended 30 June 2023

Consolidated	Share capital $'000	Share based payments reserve $'000	General reserve $'000	Retained earnings/ (losses) $'000	Attributable to the owners of the parent $'000
Balance at 1 July 2021	**447,448**	**14,617**	**3,979**	**(6,611)**	**459,433**
Profit for the year	—	—	—	21,175	21,175
Total comprehensive income for the year	**—**	**—**	**—**	**21,175**	**21,175**
Recognition of share based payments[1]	—	434	—	—	434
Transfer from accrued employee entitlements[2]	—	351	—	—	351
Dividend paid	—	—	—	(6,683)	(6,683)
ESP loans settled through dividend	—	208	—	—	208
ESP shares vested and exercised	9,648	(3,112)	—	—	6,536
ESP shares vested/(forfeited)	5,580	(5,936)	—	—	(356)
Transfer from reserve to share capital	3,979	—	(3,979)	—	—
Balance at 30 June 2022	**466,655**	**6,562**	**—**	**7,881**	**481,098**
Profit for the year	—	—	—	17,108	17,108
Total comprehensive income for the year	**—**	**—**	**—**	**17,108**	**17,108**
Recognition of share based payments[1]	—	(166)	—	—	(166)
Transfer from accrued employee entitlements[2]	—	435	—	—	435
Dividend paid	—	—	—	(13,220)	(13,220)
ESP loans settled through dividend	—	199	—	—	199
ESP shares vested/(forfeited)	188	(338)	—	—	(150)
Balance at 30 June 2023	**466,843**	**6,692**	**—**	**11,769**	**485,304**

1 FY23, FY22, FY21 and FY20 Long Term Variable Remuneration (LTVR). In FY23, the true-up of FY20 LTVR reserve was recognised due to the non-market performance conditions not being met.

2 FY22 and FY21 Deferred Short Term Variable Remuneration (STVR)

To be read in conjunction with the accompanying Notes.

Consolidated statement of changes in equity continued

For the year ended 30 June 2023

Company	Share capital $'000	Share based payments reserve $'000	General reserve $'000	Profit reserve $'000	Retained losses $'000	Attributable to the owners of the parent $'000
Balance at 1 July 2021	**449,855**	**12,210**	**3,979**	**19,274**	**(111,647)**	**373,671**
Profit for the year	—	—	—	—	8,424	8,424
Total comprehensive income for the year	**—**	**—**	**—**	**—**	**8,424**	**8,424**
Transfer to profit reserve	—	—	—	8,424	(8,424)	—
Recognition of share based payments[1]	—	434	—	—	—	434
Transfer from accrued employee entitlements[2]	—	351	—	—	—	351
Dividend paid	—	—	—	(6,683)	—	(6,683)
ESP loans settled through dividend	—	208	—	—	—	208
ESP shares vested and exercised	9,648	(3,112)	—	—	—	6,536
ESP shares vested/(forfeited)	5,580	(5,936)	—	—	—	(356)
Transfer from reserve to share capital	3,979	—	(3,979)	—	—	—
Balance at 30 June 2022	**469,062**	**4,155**	**—**	**21,015**	**(111,647)**	**382,585**
Profit for the year	—	—	—	—	18,371	18,371
Total comprehensive profit for the year	**—**	**—**	**—**	**—**	**18,371**	**18,371**
Transfer to profit reserve	—	—	—	18,371	(18,371)	—
Recognition of share based payments[1]	—	(166)	—	—	—	(166)
Transfer from accrued employee entitlements[2]	—	435	—	—	—	435
Dividend paid	—	—	—	(13,220)		(13,220)
ESP loans settled through dividend	—	199	—	—	—	199
ESP shares vested/(forfeited)	188	(338)	—	—	—	(150)
Balance at 30 June 2023	**469,250**	**4,285**	**—**	**26,166**	**(111,647)**	**388,054**

1 FY23, FY22, FY21 and FY20 Long Term Variable Remuneration (LTVR). In FY23, the true-up of FY20 LTVR reserve was recognised due to the non-market performance conditions not being met

2 FY22 and FY21 Deferred Short Term Variable Remuneration (STVR)

To be read in conjunction with the accompanying Notes.

Consolidated statement of cash flows

For the year ended 30 June 2023

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
		Restated[1]		
Cash flows from operating activities				
Receipts from client and debtors	289,590	273,246	—	—
Payments to suppliers and other creditors	(258,286)	(241,512)	(811)	(3,013)
Receipts from/(payments to) Group entities	—	—	17,343	2,320
Dividends and trust distributions received	—	—	—	7,000
Incurred claims treaty settlements	4,730	42,261	—	—
Interest received	12,514	1,459	346	162
Interest on borrowings and other costs of finance	(10,130)	(3,791)	(1,088)	(663)
Income taxes refund received/(paid)	1,314	(261)	1,314	(741)
Net cash generated/(utilised) by continuing operating activities	**39,732**	**71,402**	**17,104**	**5,065**
Net cash generated/(utilised) by operating activities - discontinued operations	**22,107**	**258,360**	**—**	**—**
Net cash generated/(utilised) by operating activities	**61,839**	**329,762**	**17,104**	**5,065**
Cash flows from investing activities				
Proceeds from the sale of subsidiaries net of transaction costs	—	—	—	2,030
Payment for investment securities in subsidiary and associates	—	—	(554)	(2,700)
Payments for investment securities	—	(90,306)	—	—
Dividend received from associate	960	240	960	240
Acquisition of property, plant and equipment	(523)	(19)	—	—
Acquisition of capitalised software	(12,690)	(12,561)	—	—
Fixed interest deposits (invested)/redeemed	(20,000)	67,469	—	—
Loans repayments received	50	104	2,913	5,635
Net cash (utilised)/generated by investing activities - continuing operations	**(32,203)**	**(35,073)**	**3,319**	**5,205**
Net cash generated/(utilised) by investing activities - discontinued operations	**140,301**	**(136,425)**	**—**	**—**
Net cash generated/(utilised) by investing activities	**108,098**	**(171,498)**	**3,319**	**5,205**

Consolidated statement of cash flows continued

For the year ended 30 June 2023

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
		Restated[1]		
Cash flows from financing activities				
Repayment of lease liability	(2,562)	(2,848)	–	–
Repayment of ESP loans	199	6,744	199	6,744
Dividend paid	(13,221)	(6,685)	(13,221)	(6,685)
Interest on subordinated debt	(6,274)	(4,532)	(6,274)	(4,532)
Strategic review costs	(567)	(1,332)	(567)	(1,332)
Net cash (utilised)/generated in financing activities - continuing operations	**(22,425)**	**(8,653)**	**(19,863)**	**(5,805)**
Net cash (utilised)/generated in financing activities - discontinued operations	**(159,394)**	**(119,372)**	**–**	**–**
Net cash (utilised)/generated in financing activities	**(181,819)**	**(128,025)**	**(19,863)**	**(5,805)**
Net (decrease)/increase in cash and cash equivalents	(11,882)	30,239	560	4,465
Cash and cash equivalents at the beginning of the financial year	150,735	120,496	13,369	8,904
Cash and cash equivalents at the end of the financial year	**138,853**	**150,735**	**13,929**	**13,369**
Reclassification to assets held for sale (see Note 8.5(d))	(44,331)	–	–	–
Cash and cash equivalents attributable to continuing operations at the end of the financial year	**94,522**	**150,735**	**13,929**	**13,369**

1 The comparative consolidated statement of cash flows has been re-presented to show the Wealth Management business, together with the Financial Advice business, as discontinued operations separately from continuing operations.

To be read in conjunction with the accompanying Notes.

Notes to the Financial Statements

For the year ended 30 June 2023

1. About this report

1. About this report

a) General information

ClearView Wealth Limited (the Company or Consolidated Entity or Parent Entity) is a limited company incorporated in Australia. The address of its registered office is disclosed in the Directory at the back of the Annual Report. The principal activities of the Company and its subsidiaries (the Group) are described in Note 2.1.

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 Interpretations, 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**').

The Company has adopted ASIC Corporations (Parent Entity Financial Statements) Instrument 2021/195, permitting entities to continue to include parent entity financial statements in their financial reports. Entities taking advantage of the relief are not required to present the summary parent entity information otherwise required by regulation 2M.3.01 of the Corporations Regulations 2001.

The financial statements were authorised for issue by the Directors on 22 August 2023.

c) Basis of preparation

The consolidated financial statements have been prepared on the basis of historical cost, except financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below. 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. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of AASB 2 Share-based Payment, leasing transactions that are within the scope of AASB 16 Leases, and measurements that have some similarities to fair value but are not fair value, such as value in use in AASB 136 Impairment of Assets.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company is a company of the 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 the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

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

Certain items have been reclassified from the prior year's financial report to conform to the current year's presentation basis.

d) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

1. About this report continued

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to any non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to any non-controlling interests even if this results in the non- controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions.

The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (that is, reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Australian Accounting Standards Board standards (**AASBs**)). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under AASB 9 Financial Instruments, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

e) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity instruments issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

1. About this report continued

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with AASB 112 Income Taxes and AASB 119 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with AASB 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with AASB 5 Non-current assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another Standard.

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value.

Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or liability is remeasured at subsequent reporting dates in accordance with AASB 9, or AASB 137 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as at the acquisition date that, if known, would have affected the amounts recognised as at that date.

f) Materiality

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

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

g) 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

1. About this report continued

accounting policies have been consistently applied to the current year and comparative period, unless otherwise stated.

h) Critical judgements and estimates

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The critical judgements that the Directors have made in the process of applying the Group's accounting policies and in the application of Australian Accounting Standards that have a significant effect on the financial report and estimates include:

- Life insurance policy liabilities, including the actuarial methods and assumptions and allocation of expenses between acquisition and maintenance costs (section 5.7);
- Assets arising from reinsurance contracts (section 5.7);
- Recoverability of intangible assets and goodwill (section 4.2);
- Deferred tax assets (section 2.7)

i) Risk management

The Group is exposed to financial and non financial risks arising from its operations. These risks are managed through the Risk Management Framework (**RMF**) and Risk Management Strategy (**RMS**) that is in place and which complies with the requirements of CPS/SPS220. These are subject to review to ensure that they continue to remain current and reflect changes in the businesses operating environment and regulatory and community expectations.

The Group's Board has overall responsibility for the establishment and oversight of the risk management strategy and framework. The Board Risk and Compliance Committee (**BRCC**) supports the Board by overseeing how risk is managed in accordance with the Group's risk management policies and procedures. The BRCC also reviews the adequacy of the RMF and RMS. The Committee reports regularly to the Board of directors on its activities. At a management level, risk is governed through a delegation structure, in addition to management forums that are specifically structured to discuss risk related matters.

Management information is produced that allows financial and non financial risk to be monitored. At a Board level, risk reporting is provided to the BRCC in addition to certain specific matters that are also reported to the Board. Reporting on the effectiveness of the internal control environment is reported to the Board Audit Committee (**BAC**).

The Group operates according to a three lines of risk responsibility model that seeks to clarify roles and accountabilities for managing risk across material risk types.

The Risk Appetite Statement (**RAS**) considers and outlines ClearView's material risks from a customer, capital, earnings, growth, employee, business partner, governance, technology, community and environment perspective. ClearView's RAS clearly articulates the material risks and associated sub-categories to which ClearView is exposed and specifies the type and level of risk ClearView is willing to accept in pursuit of its strategic, business and financial objectives.

The material financial and non-financial risk categories for ClearView include:

- Financial
- Strategic
- Insurance
- Conduct
- Operational
- Legal and Regulatory (Compliance)

1. About this report continued

Some of the key material risk categories includes sub-categories are discussed in more detail below.

Insurance management

The risks under the life insurance contracts written by ClearView Life are exposed to various key variables. The table below provides an overview of the key insurance contract types and exposure variables.

Type of contract	Detail of contract workings	Nature of compensation for claims	Key variables that affect the timing and uncertainty
Non-participating life insurance contracts with fixed terms (Term Life and Disability)	Benefits paid on death or ill health that are fixed and not at the discretion of the issuer	Benefits defined by the insurance contract are determined by the contract obligation of the issuer and are not directly affected by the performance of the underlying assets or the performance of the contracts as a whole	Mortality Morbidity Discontinuance rates Expenses Policy Terms Premium Rates

Insurance risks are controlled through the use of underwriting procedures, appropriate premium rating methods and approaches, appropriate reinsurance arrangements, effective claims management procedures and sound and sustainable product terms and conditions.

a) Risk management objectives and policies for mitigating insurance risk

ClearView Life issues term life insurance contracts and disability insurance contracts. The performance of ClearView Life and its continuing ability to write business depends on its ability to manage insurance risk.

b) Methods to limit, manage or transfer insurance risk exposures

Reinsurance

ClearView Life purchases reinsurance to limit its exposure to accepted insurance risk. ClearView Life 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 provide protection against large losses (claims volatility and systemic risks in the short term). The reinsurers used are regulated by the Australian Prudential Regulation Authority (**APRA**) and are members of large international groups with sound credit ratings.

ClearView Life periodically reviews its reinsurance arrangements and retention levels.

Underwriting procedures

Underwriting decisions are made using the underwriting procedures reflected in ClearView Life's underwriting systems and detailed in ClearView Life's underwriting manual. Such procedures include limits as to delegated authorities and signing powers. The underwriting process is subject to ClearView Life's internal control processes and is subject to review by the reinsurers from time to time.

Claims management

Strict claims management procedures help ensure the timely and correct payment of claims in accordance with policy conditions, as well as limiting exposure to inappropriate and fraudulent claims.

c) Concentration of insurance risk

The insurance business of ClearView Life is written on individual lives (not group business). Individual business is not expected to provide significant exposure to risk concentration. Nonetheless, insurance risk is concentrated to the eastern seaboard of Australia and its capital cities. The concentrated risk exposure is reduced through the use of reinsurance as covered above.

1. About this report continued

d) Pricing risk and terms and conditions of insurance contracts

The key risk controls in respect of pricing and policy terms and conditions include:

- Review of product pricing by the Appointed Actuary of ClearView Life, including annual analysis of experience and product line profitability as documented in the annual ClearView Life Financial Condition Report;
- Formal Appointed Actuary Board advice on new product pricing, new reinsurance arrangements and changes in pricing, terms and conditions and reinsurance arrangements. A separate product and pricing team reports into the Group Executive, Product and Pricing;
- Review by the Life Control Cycle Forum of experience investigations and changes to product, pricing, underwriting process, claims process and distribution process;
- Approval of updates to product documentation and oversight of the development of new products by the Product Development Oversight Committee as well as ongoing monitoring, review and continuous development of existing products and distribution arrangements to ensure that products are distributed within their target market;
- Offer of corresponding reinsurance terms by reinsurers which provides an implicit check on the pricing;
- Formal internal policy document and Product Disclosure Statement due diligence review and sign-off processes; and
- The ability to re-price products (change premium rates and fees) on most products in the event of adverse claims and/or other product experience.

It is noted that similar processes and controls apply to the pricing and terms and conditions applicable to the investment products issued by ClearView Life.

Liquidity and credit risks

The risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group exposures from its key debtors and investments in debt securities.

The key risk controls include:

- A lump sum incurred claims treaty with the main reinsurer is in place where lump sum claims are settled on a comprehensive earned premium and incurred claims basis (including incurred but not reported claims (**IBNR**) and reported but not admitted claims (**RBNA**) based on best estimate assumptions consistent and based on the applicable Australian Accounting Standards (excluding risk margins, profit margins, and capital margins);
- An incurred claims treaty with the main reinsurer for income protection (**IP**) claims to address the concentration risk. Under the treaty, ClearView LifeSolutions and ClearChoice income protection claims are substantially settled on an earned premium and incurred claims basis. Each quarter, the main reinsurer settles a substantial component of the outstanding income protection claims liabilities, the incurred but not reported claims (**IBNR**) and reported but not admitted claims (**RBNA**) based on the reinsurer's best estimate assumptions and based on the applicable Australian Accounting Standards (excluding risk margins, profit margins and capital margins).
- The main reinsurer retains the duration and matching risk on the IP incurred claims treaty. For both incurred claims treaties, ClearView pays an interest charge on the liabilities related to the settlement of the incurred liabilities. This cost (reported as part of the finance costs) has been included in the FY23 result.
- An irrevocable letter of credit issued by a major Australian bank on behalf of the main reinsurer.
- Assessment of credit risk exposures arising from investment activities by the ClearView Investment Committee (**CIC**) prior to investing ClearView assets into any significant financial asset. The ongoing credit standing of material investments are monitored by the CIC.
- Specific capital reserves are held against credit risk under the regulatory capital requirements of the Group and its subsidiaries including ClearView Life and credit risk is considered within the Group's and individual company's Internal Capital Adequacy Assessment Process (**ICAAP**) (refer to below for further discussion).
- The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. To this end, the Group aims to maintain a high level of cash and cash equivalents and other highly marketable debt investments which are monitored by the CIC.
- The Group also monitors the level of expected cash inflows on trade and other receivables together with expected cash outflows on trade and other payables.

1. About this report continued

- The Group has a Debt Funding Facility that contains certain loan covenants. Under the agreement, the covenants are monitored on a regular basis and reported to ensure compliance with the facility agreement.

Capital management and reserving

In terms of regulatory requirements:

- ClearView Life is subject to regulatory capital requirements, in accordance with APRA Life Insurance Prudential Standards, in respect of the principal financial risk exposures retained by ClearView Life;
- ClearView Financial Management is also required by ASIC to maintain minimum regulatory capital; and
- ClearView Life Nominees is required to maintain an Operational Risk Financial Requirement (**ORFR**) as determined in accordance with Superannuation Prudential Standard 114. SPS 114 requires that the trustee maintains adequate financial resources to address losses arising from the operational risks that may affect the ClearView Retirement Plan.

In addition, the Group holds additional capital reserves over regulatory capital in accordance with its Board adopted ICAAP. This is to ensure that there is a low likelihood that the Group (and its regulated subsidiaries) will breach their regulatory requirements and so that the Group has sufficient capital to manage its near term business plans and provide a buffer (capital and time) to take action to deal with reasonably foreseeable adverse events that may impact the businesses. These additional reserves are partly held within the subsidiaries where the key risks reside, and partly in a central reserve within the parent entity.

Investment management and market risk (Interest rate, asset liability management)

a) Asset risks

The primary asset risks borne by the Group relate to the financial assets of the Company and its operating subsidiaries excluding those in the non-guaranteed investment linked funds in ClearView Life's statutory fund No.4 (referred to below as ClearView assets). The primary financial risks related to the financial assets in the non-guaranteed investment linked funds in ClearView Life's statutory fund No.4 are borne by policyholders as the investment performance on those assets is passed through, in full, to the policyholders (referred to below as Policyholder assets). Nonetheless, the Group has a secondary exposure to the Policyholder assets and off-balance sheet client funds, via the impact on the fees charged by the Group which vary with the level of Policyholder and client funds under management and under administration, as well as related reputational exposure (for further detail on Asset risks refer to note 3).

b) Asset-Liability mismatch risk

Asset-liability mismatch risk arises to the extent to which the assets held by the Group to back its liabilities (especially its policy liabilities and guaranteed investment account liabilities) do not closely match the nature and term of those liabilities. In practice, the market risk and credit risk exposures of the Group primarily relate to the extent that the Group retains a net exposure with respect to these risks and the extent to which the variation in asset values do not mirror the variation in liability values. In this context it is noted:

- The investment linked liabilities of ClearView Life directly link the underlying assets held to support those liabilities, with the primary market risks and credit risks passed on to the policyholder and unit trust investors (as discussed above);
- The assets held to support the capital guaranteed units in the ClearView Life No.4 statutory funds are maintained, in accordance with the Board's Investment Policy and Guidelines, in high quality, short dated fixed interest assets and cash. Asset-liability risk is substantially reduced via this means; and
- Similarly, assets held to support the policy liabilities and risk capital of the ClearView Life No.1 statutory fund are maintained, in accordance with the Board's investment Policy and Guidelines, in high quality, fixed interest assets and cash that generally closely match the duration and inflation characteristics of those policy liabilities and capital reserves. See further details on the investments made to match the claims reserves, capital reserves and excess assets elsewhere in the report.

Outsourcing and supplier management

ClearView seeks to manage the risks arising from the use of a third party through initial and ongoing due diligence and oversight throughout the supplier life cycle.

Business continuity and disaster recovery

ClearView is exposed to the risk of disruption to its business operations and IT systems from a host of disasters that vary in degree from minor to catastrophic. Business continuity is the process of restoring the business back to functionality after a crisis. Disaster recovery

1. About this report continued

differs in that it is the process of getting all-important IT infrastructure and operations up and running following an outage.

ClearView adopts a holistic approach in managing Business Continuity Management (**BCM**), which includes policies, plans and procedures for ensuring critical business functions including IT infrastructure can be maintained or recovered in a timely fashion in the event of a disruption. Its purpose is to minimise the financial, legal, regulatory, reputational and other material consequences arising from a disruption caused by an internal or external event.

As part of ClearView's BCM approach, the Crisis Management Team (**CMT**) will consider the threat level that is most appropriate to ClearView's operations and will develop a response using the current Business Continuity Plan (**BCP**) and Information Technology Disaster Recovery Plan (**ITDRP**), taking into account all information available at the time.

Compliance and obligation management

ClearView outlines its approach and minimum expectations to meet its legal and compliance obligations in the RMF. The RMF captures processes and activities that ensures controls are in place to meet the associated obligations as well as the attestations and quality assurance testing processes adopted in regard to compliance assurance.

Culture and conduct

A sound risk culture is integral to the Group's RMF and RMS. The Group's approach to risk culture includes:

- the establishment of a common purpose with clear objectives and expectations based on ClearView's Code of Conduct;
- a Risk Culture Framework (**RCF**) that enables a consistent understanding of a sound risk culture via a series of key attributes;
- governance and conduct frameworks are in place to foster an ethical and sound culture through communications, continuous education and online training, a remuneration and consequence framework designed to promote accountability, encourage and reward appropriate behaviours; and
- regular reporting and monitoring of risk culture indicators to enable an understanding of where issues may exist and provide an opportunity to address them in a timely manner.

j) Coronavirus (COVID-19) impact

The Group has considered the impact of COVID-19 in preparing its financial statements.

No allowance has been made in the lapse assumptions for COVID-19 (albeit allowances have been made linked to the repricing of the portfolios and potential affordability impacts).

ClearView has also considered the impact of COVID-19 on its claims assumptions.

As at 30 June 2023, a total provision of $0.6 million (post-tax, net of reinsurance) (30 June 2022: $0.7 million) has been raised at Balance date to cover potential Long COVID-19 related impacts. These provisions will continue to be monitored and re-assessed at each reporting period.

2. Results for the year

This section provides information about the Group's financial performance in the period, including:

2. Results for the year

2.1 Segment performance

AASB 8 Operating Segments requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its 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.

ClearView offers life insurance, superannuation and investment products and services under the ClearView brand through two business segments, namely Life Insurance and Wealth Management.

ClearView historically provided financial advice services through its ClearView Financial Advice, Matrix and LaVista Licensee Solutions businesses. On 25 August 2021, ClearView announced the sale of these businesses to Centrepoint Alliance Limited (Centrepoint Alliance), in exchange for $3.2 million in cash (subject to a net asset adjustment) and the acquisition of a strategic 24.5% stake in Centrepoint Alliance. The acquisition of a strategic stake in Centrepoint Alliance allowed ClearView to participate in the financial advice industry consolidation but at the same time separate the product manufacturer and advice arms of its business. The transaction was completed on 1 November 2021.

ClearView's holding in Centrepoint Alliance is accounted for under the equity accounting method and is reported as part of the Listed/Other segment. This segment also represents the investment earnings on the cash and investments held in the listed and central services entities and in the shareholders fund of ClearView Life, less the costs associated with maintaining a listed entity and interest expense on corporate and subordinated debt. The Group manages capital at the listed entity level in accordance with its ICAAP policy.

Further details on the the principal activities of the Group's two business reportable segments under AASB 8, are provided in more detail below.

a) Life Insurance ('protection' products)

The Life Insurance business offers advised life insurance products and also has an inforce (closed) portfolio of non-advised life insurance products. As at 30 June 2023, ClearView had combined in-force life insurance premiums of $339.3 million (2022: $311.4 million). The Life Insurance business accounted for circa 99.8% (2022: 99.8%) of ClearView's total revenue (excluding the discontinued operations) during the year.

ClearView provides life insurance protection products through its wholly owned subsidiary ClearView Life. These products are designed to allow policyholders to receive (in the case of an eligible claim) either a one off payment (lump sum products) or recurring benefits (ongoing monthly payments) over a specified period, typically a certain number of years, or up to a specific age (income protection products).

The products provided by ClearView Life include:

- LifeSolutions was launched in December 2011 and includes term life, permanent disability, trauma and critical illness benefits, child cover, accident covers, income protection and business expense covers. Policies can be issued directly or via the HUB24 Super Fund (from 1 November 2020) and ClearView Retirement Plan (to 31 October 2020) as superannuation. The LifeSolutions product, was until 1 October 2021, the single, contemporary product series for retail customers that was available for sale through financial advisers. It has subsequently been closed to new business from that date.
- ClearView ClearChoice, the new life protection product series, was launched in October 2021 and includes term life, accidental death, permanent disability, trauma, child cover, income protection and business expense cover. These products include significant changes to income protection product design and pricing to improve both premium affordability and sustainability of the product. Policies can be issued directly or via the HUB24 Super Fund.
- An in-force portfolio of Non-Advice life protection products that were previously sold through direct marketing, and related channels. Products include term life, accidental death, injury covers, trauma and critical illness and funeral insurance. These products are no longer marketed to customers. The direct life insurance business was closed in May 2017.

b) Wealth Management ('investment' products) - discontinued operations

The Wealth Management business offers products through various structures (see commentary below) and as at 30 June 2023, had total FUM of $3.4 billion (30 June 2022: $3.3 billion).

2. Results for the year continued

ClearView provides wealth management products via four primary avenues:

- Traditional products (Master Trust) - Life investment contracts issued by ClearView Life. Products have historically included ordinary savings, superannuation and allocated pension products, with the latter two provided via the ClearView Retirement Plan. The Traditional product was not marketed to new customers. In May 2022, ClearView transferred clients from the Traditional (Master Trust) superannuation and allocated pension product, to the more contemporary WealthFoundations product, effectively simplifying the product suite and enabling clients to reengage with a contemporary product. The remaining FUM balances at 30 June 2023 therefore only relates to ordinary savings products;
- WealthSolutions - A superannuation and retirement income wrap (issued via the ClearView Retirement Plan) and an Investor Directed Portfolio Service (**IDPS**) Wrap (provided by CFML). This is offered via the WealthSolutions platform which was launched in December 2011. HUB24 is the wrap platform provider (from 2H FY21). WealthSolutions wrap product offering includes a broad menu of investment funds, ASX listed shares, term deposits, ClearView managed funds and Separately Managed Account (**SMA**) offering. It also provides a number of model portfolios managed by ClearView Financial Management Limited for superannuation and non superannuation investors;
- WealthSolutions 2 - The WealthSolutions 2 product on the HUB 24 platform is effectively a private labelled product with limited administration fee margins. The use of the ClearView model portfolios and platform funds on the HUB24 platform is therefore the key driver to generate margin from this product.
- WealthFoundations is a mid market wealth management product suite issued through the ClearView Retirement Plan. Products include superannuation and allocated pension products. WealthFoundations includes a menu of investment options with transparent investment in underlying funds. The product is administered in house on the Acurity platform; and
- Managed Investment Schemes (**MIS**) - Products are issued via ClearView Financial Management Limited (**CFML**) as the ASIC licensed Responsible Entity and include MIS products available on ClearView's WealthSolutions platform and other external platforms.

As previously announced to the market, the Board initiated a strategic review in the wealth management segment to seek out and pursue opportunities to reset and simplify the business with the ambition of retaining its core focus on being a life risk insurance provider. The Board is committed to the exit of the wealth management business given its lack of scale and limited growth options.

ClearView entered into a share sale agreement (on 22 February 2023) for the sale of CFML to Human Financial, subject to the completion of certain conditions precedent.

The superannuation fund trustee, ClearView Life Nominees Pty Limited is, at the same time, considering a number of options and the best way forward for the superannuation fund, ClearView Retirement Plan. The outcome of these considerations will inform the roadmap and timing for the overall exit of the wealth management business.

Post exit of the wealth management business, ClearView will be a simplified and less complex business with a focus on life insurance. However, given the trustee considerations, the timing remains uncertain but is expected to be within the FY24 financial year.

In accordance with AASB 5 Non-Current Assets Held for Sale and Discontinued Operations, the wealth management segment meets the criteria to be classified as held for sale in the consolidated financial statements for the year ended 30 June 2023. As such it is now reported as a discontinued operation. Refer to section 8.5 for detail.

Asset segment information has not been disclosed because the allocation of assets is not used for evaluating segment performance and deciding the allocation of resources to segments.

Asset segment information is critical to the performance of each company and their respective regulatory obligations and is managed at a company level.

Information regarding these segments is provided on the following page.

2. Results for the year continued

The accounting policies of the reportable segments are the same as the Company's accounting policies.

	Total Revenue		Inter-Segment Revenue		Consolidated Revenue	
	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000
Segment revenue (net of reinsurance)						
Life Insurance	217,201	190,016	–	–	217,201	190,016
Listed entity/Other	354	286	–	–	354	286
Consolidated segment revenue from continuing operations	**217,555**	**190,302**	**–**	**–**	**217,555**	**190,302**

2. Results for the year continued

Operating Earnings (after tax) and Underlying net profit after tax are the Group's key measure of business performance and are disclosed below by segment:

2023	Life Insurance $'000	Listed Entity/ Other $'000	Continuing operations - Total $'000	Discontinued operations[8] $'000	Total $'000
Total operating earnings after tax	**35,229**	**(658)**	**34,571**	**(3,169)**	**31,402**
Equity account interest[1]	—	666	666	—	666
Underlying investment income	7,028	588	7,616	458	8,074
Interest on corporate debt	(1,858)	(3,785)	(5,643)	—	(5,643)
Underlying net profit/(loss) after tax	**40,399**	**(3,189)**	**37,210**	**(2,711)**	**34,499**
Policy liability discount rate effect[2]	(14,030)	—	(14,030)	—	(14,030)
Strategic review/restructure costs[4]	—	(1,128)	(1,128)	—	(1,128)
Wealth Management divestment[5]	—	—	—	(845)	(845)
Other costs[6]	(1,526)	—	(1,526)	138	(1,388)
Reported profit/(loss) per management reported results	**24,843**	**(4,317)**	**20,526**	**(3,418)**	**17,108**
Reclassification (for statutory results)[7]	422	—	422	(422)	—
Reported profit/(loss) per statutory results	**25,265**	**(4,317)**	**20,948**	**(3,840)**	**17,108**
2022					
Total operating earnings after tax	**28,950**	**(826)**	**28,124**	**(901)**	**27,223**
Equity account interest[1]	—	534	534	—	534
Underlying investment income	1,609	201	1,810	91	1,901
Interest on corporate debt	(1,318)	(2,686)	(4,004)	—	(4,004)
Underlying net profit/(loss) after tax	**29,241**	**(2,777)**	**26,464**	**(810)**	**25,654**
Policy liability discount rate effect[2]	(11,346)	—	(11,346)	—	(11,346)
Impairments[3]	—	—	—	(822)	(822)
Strategic review/restructure costs[4]	—	(2,400)	(2,400)	—	(2,400)
Financial Advice divestment	—	(200)	(200)	11,736	11,536
Other costs[6]	(1,262)	—	(1,262)	(185)	(1,447)
Reported profit/(loss) per management reported results	**16,633**	**(5,377)**	**11,256**	**9,919**	**21,175**
Reclassification (for statutory results)[7]	141	—	141	(141)	—
Reported profit/(loss) per statutory results	**16,774**	**(5,377)**	**11,397**	**9,778**	**21,175**

The key measures of business performance by segment are presented on a management reported basis. Management reported results are non-IFRS financial information and are not directly comparable to the statutory results presented in other parts of this financial report. ClearView's statutory and management reported profit after tax are the same.

1 Share of net profit of investment in associate net of impairment (Centrepoint Alliance) for 12 months in FY23 and for 8 months (since November 2021) in FY22.

2 The policy liability discount rate effect is the result of changes in the long-term discount rates used to determine insurance policy liabilities and the incurred income protection disabled lives claims reserves. The life insurance policy liability (based on AIFRS) and income protection incurred disabled lives claims reserves are discounted using market discount rates that typically vary at each reporting date and create volatility in the policy liabilities and the disabled lives claims reserves, and consequently, earnings. ClearView reports this volatility separately.

3 Impairment to right of use asset and provision for associated outgoings as a result of sale of financial advice businesses in FY22.

4 Costs associated with the restructure announced in June 2023 and the strategic review which has been concluded in November 2022.

5 Costs associated with the sale of the Wealth Management business.

6 These costs are considered unusual to the ordinary activities of the Group and are therefore not reflected as part of Underlying NPAT. Amounts stated are after tax.

7 The reclassification relates to income or expense items reported under the Wealth Management segment but not classified as discontinued operations.

8 The discontinued operation results include the contribution of the Financial Advice business until the date of the sale of this business to Centrepoint Alliance (1 November 2021), the gain on sale of the Financial Advice business and the contribution of the Wealth Management business.

2. Results for the year continued

2.2 Earnings per share

	Consolidated 2023	Consolidated 2022
		Restated
Earnings per share - continuing operations (cents)		
Basic earnings (cents)	3.27	1.80
Diluted earnings (cents)	3.27	1.79
Earnings per share (cents)		
Basic earnings (cents)	2.67	3.34
Diluted earnings (cents)	2.67	3.32
Basic earnings per share		
Basic earnings per share is calculated based on profit attributable to shareholders of ClearView Wealth Limited and the weighted average number of ordinary shares outstanding. 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 from continuing operations attributable to owners of the Company ($'000)	20,948	11,397
Earnings used in the calculation of basic earnings per share - continuing operations ($'000)	**20,948**	**11,397**
Profit for the year attributable to owners of the Company ($'000)	17,108	21,175
Earnings used in the calculation of basic earnings per share ($'000)	**17,108**	**21,175**
Weighted average number of ordinary shares for the purpose of basic earnings per share ('000's)	**640,122**	**634,396**
Diluted earnings per share		
Diluted earnings per share is based on profit attributable to shareholders of ClearView Wealth Limited and the weighted average number of ordinary shares outstanding after adjustments for the effects of all dilutive potential ordinary shares, such as options and performance rights issued under the employee rights plan. The earnings used in the calculation of diluted earnings per share are as follows:		
Profit for the year from continuing operations attributable to owners of the Company ($'000)	20,948	11,397
Earnings used in the calculation of total diluted earnings per share - continuing operations ($'000)	**20,948**	**11,397**
Profit for the year attributable to owners of the Company ($'000)	17,108	21,175
Earnings used in the calculation of total diluted earnings per share ($'000)	**17,108**	**21,175**
The weighted average number of ordinary shares for the purposes of diluted earnings per share reconciles to the weighted 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 (000's)	640,122	634,396
Shares deemed to be dilutive in respect of the employee rights plan (000's)	68	2,573
Weighted average number of ordinary shares used in the calculation of diluted earnings per share (all measures) (000's)	**640,190**	**636,969**

2. Results for the year continued

2.3 Dividends

	Consolidated and Company			
	2023		2022	
	Per share	$'000	Per share	$'000
Dividend payments on Ordinary shares				
2022 final dividend (2022: 2021 final dividend) (cps)	2.0	13,220	1.0	6,683
Total dividends on ordinary shares paid to owners of the Company	**2.0**	**13,220**	**1.00**	**6,683**
Dividends not recognised in the consolidated statement of financial position				
Dividends declared since balance date				
2023 final dividend (2022: 2022 final dividend) (cps)	3.0	19,786	2.0	13,220
Dividend franking account				
Amount of franking credit available for subsequent reporting periods based on a tax rate of 30% (2022: 30%)		27,238		27,286

The Directors have declared a fully franked $19.8 million cash dividend for the year ended 30 June 2023 (2022: $13.2 million), equivalent to 3 cents per share (FY22: 2 cents per share). This represents an increase of 50% on the prior year.

The franking account balance is calculated from the balance of the franking account as at the end of the reporting period, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends (including dividends declared but not recognised in the financial statements) (FY23 dividend franking account has been reduced by the franking credit related to dividend declared but not recognised in the financial statement).

The ability of the Company to continue to pay franked dividend is dependent upon the receipt of franked dividends from its investment assets and the group itself paying tax.

2.4 Fee and other revenue

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
		Restated		
Funds management fees	4	10	—	—
Gain on sale of investments in subsidiaries	—	—	—	6,739
Other income	68	680	107	—
Total fee and other revenue	**72**	**690**	**107**	**6,739**

2. Results for the year continued

Investment management and related fees

Fees are charged to customers in connection with the provision of investment management and other related services. These performance obligations are satisfied on an ongoing basis, usually daily, and recognised when it becomes highly probable that the performance obligations will be met and a reversal will not occur in the future.

Gain on sale of investments in subsidiaries

Gain on sale of investments in subsidiaries is the difference between proceeds received and its carrying value.

2.5 Investment income

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
		Restated		
Interest income				
Cash and cash equivalents	2,432	306	346	162
Investment securities at FVTPL	10,704	4,958	—	—
Loans and advances	141	148	2,654	1,885
Dividend income	—	—	21,946	7,000
Distribution income	36	2	—	—
Total investment income	**13,313**	**5,414**	**24,946**	**9,047**

Interest income

Interest income on financial assets at amortised cost are recognised in profit or loss using the effective interest method. Interest income on financial assets at fair value are recognised in profit or loss when earned or incurred.

Dividend income

Dividend income from investments is recognised when the Group's right to receive payment has been established.

Distribution income

Distribution income from investments in unit trusts is recognised on a receivable basis as of the date the unit value is quoted ex-distribution.

2. Results for the year continued

2.6 Operating expenses

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
		Restated		
Administration expenses				
Administration and other operational costs	30,398	23,761	1,549	3,535
Total administration expenses	**30,398**	**23,761**	**1,549**	**3,535**
Employee costs and directors' fees				
Employee expenses	49,791	50,409	—	9
Share based payments	(166)	376	—	—
Employee termination payments	412	785	—	—
Directors' fees	960	946	660	621
Total employee costs and directors' fees	**50,997**	**52,516**	**660**	**630**
Total operating expenses	**81,395**	**76,277**	**2,209**	**4,165**

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
		Restated		
Finance costs				
Interest expenses	7,242	4,878	7,242	4,880
Other finance costs	10,065	4,680	820	843
Total finance costs	**17,307**	**9,558**	**8,062**	**5,723**

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
		Restated		
Depreciation and amortisation expenses				
Depreciation expenses	344	263	—	—
Software amortisation	2,045	1,454	—	—
Depreciation of right-of-use assets	2,995	3,079	—	—
Total amortisation and depreciation expenses	**5,384**	**4,796**	**—**	**—**

2. Results for the year continued

	Consolidated		Company	
	2023	2022	2023	2022
	$	$	$	$
Remuneration of auditors[1]				
Auditor of the parent entity				
Audit and review of financial reports	466,000	311,450	140,000	98,750
Audit of APRA and ASIC regulatory returns	200,205	154,250	—	—
Audit of Managed Investment Schemes	116,000	86,100	—	—
Total remuneration for audit services	**782,205**	**551,800**	**140,000**	**98,750**
Preparation and lodgement of tax returns	—	97,000	—	97,000
Other non-audit services - taxation advice	—	69,500	—	—
Other non-audit services - other assurance and agreed-upon procedures under other legislation or contractual agreements	57,000	—	2,000	—
Other non-audit services - consulting[2]	818,000	—	—	—
Total remuneration for non-audit services	**875,000**	**166,500**	**2,000**	**97,000**
Total remuneration	**1,657,205**	**718,300**	**142,000**	**195,750**

1 In FY23, $1,633,000 was paid to Ernst & Young, being the Group's auditors, and $24,205 was paid to Deloitte Touche Tohmatsu for the audit in relation to ClearView WealthSolutions Separately Managed Account. In FY22, all amounts were paid to Deloitte Touche Tohmatsu, being the Group's auditors for this financial year.

2 This relates to the AASB 17 consulting services provided before Ernst & Young was appointed as ClearView's auditors.

2.7 Taxes

Income tax

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
		Restated		
a) Income tax recognised in profit or loss				
Income tax expense/(benefit) comprises:				
Current tax expense/(benefit)	10,744	11,230	(2,377)	(2,316)
Deferred tax expense/(benefit)	4,465	(7,528)	228	324
Over provided in prior years – current tax expense/(benefit)	87	11	(638)	—
Under provided in prior years – deferred tax expense/(benefit)	(114)	—	(136)	—
Income tax expense/(benefit)	**15,182**	**3,713**	**(2,923)**	**(1,992)**
Income tax expense/(benefit) from discontinued operations	7,748	(2,273)	—	—
Income tax expense/(benefit) from continuing operations	7,434	5,986	(2,923)	(1,992)
b) Tax losses				
Unused tax losses for which no deferred tax asset has been recognised	1,463	11,079	1,463	1,463
Potential tax benefit	439	1,400	439	439

2. Results for the year continued

The prima facie income tax expense/(benefit) on pre-tax accounting profit from operations reconciles to the income tax expense in the financial statements as follows:

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
		Restated		
c) Reconciliation of income tax expense to prima facie tax payable				
Profit/(loss) before income tax expense from discontinued operations	3,908	(4,231)	—	—
Profit before income tax expense from continuing operations	28,382	17,383	15,448	6,432
Profit before income tax expense	**32,290**	**13,152**	**15,448**	**6,432**
Policyholder tax (expense) credit recognised as part of the change in policyholder liabilities in determining profit before tax	(9,218)	1,919	—	—
Profit before income tax excluding tax charged to policyholders	**23,072**	**15,071**	**15,448**	**6,432**
Prima facie tax calculated at 30%	6,922	4,521	4,634	1,930
Tax effect of amounts which are non deductible/assessable in calculating taxable income:				
Dividends received from subsidiaries	—	—	(6,583)	(2,100)
Non deductible (assessable) book gain on sale	97	—	—	(2,022)
Non assessable income	(246)	(1,001)	(200)	(160)
Non deductible transaction costs	—	780	—	780
Other non deductible expenses	66	596	—	53
Deductible costs	—	—	—	(473)
Over (under) provision in prior years	(875)	736	(774)	—
Income tax expense/(benefit) attributable to shareholders	**5,964**	**5,632**	**(2,923)**	**(1,992)**
Income tax expense/(benefit) attributable to policyholders	**9,218**	**(1,919)**	**—**	**—**
Income tax expense/(benefit)	**15,182**	**3,713**	**(2,923)**	**(1,992)**
d) Amounts recognised directly in equity				
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or (credited) to equity:				
Current tax	—	—	—	—
Deferred tax	—	—	—	—

2. Results for the year continued

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Deferred tax balances				
Deferred tax assets[1]				
The balance comprises temporary differences attributable to:				
Accruals not currently deductible	567	877	27	170
Depreciable and amortisable assets	15	673	—	—
Provisions not currently deductible	4,530	3,604	264	292
Unrealised losses carried forward	2,386	6,452		—
Capital business expense	—	89		—
Lease assets	44	220		—
Deferred tax asset	**7,542**	**11,915**	**291**	**462**
Deferred tax asset from discontinued operations	285	—	—	—
Deferred tax asset from continuing operations	7,257	11,915	291	462
Deferred tax liabilities				
The balance comprises temporary differences attributable to:				
Prepaid expenses	549	492		—
Capitalised expenses	36	114	35	114
Deferred tax liability	**585**	**606**	**35**	**114**
Deferred tax liability from discontinued operations	—	—	—	—
Deferred tax liability from continuing operations	585	606	35	114

1 Deferred income tax assets are recognised for tax losses carried forward to the extent that the realisation of the related tax benefit through future taxable profits is probable. Tax losses (including capital losses) that is no longer available to be carried forward and utilised in the future is not disclosed. Tax losses that are available to be carried forward and utilised but remained unused at balance date for which no deferred tax assets have been recognised are attributable to tax losses of a capital nature of $1.5 million (tax effected $0.5 million) consolidated, of which none relating to life investment contracts (30 June 2022: tax losses of a capital nature of $11.1 million with tax effected $1.4 million consolidated, of which $9.6 million with tax effected $1.0 million relating to life investment contracts), and $1.5 million (tax effected $0.5 million) for the Company (30 June 2022: $1.5 million with tax effected $0.5 million).

Taxation

Income tax expense represents the sum of the tax currently payable (or receivable) and deferred tax. The Group's current tax and deferred tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period or the relevant period in which the liability is settled or the asset realised. Current tax is net of any tax instalment paid.

Current tax

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

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

2. Results for the year continued

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.

Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services 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 included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified within operating cash flows.

Relevance of tax consolidation to the Group

ClearView Wealth Limited and its wholly-owned Australian resident entities have formed a tax consolidated group with effect from 1 February 2007 and are therefore taxed as a single entity from that date. The members in the ClearView tax consolidated group includes subsidiaries as identified in 8.1.

Under the Tax Act, ClearView Wealth Limited being the head company of the tax consolidated group is treated as a life insurance company for income tax purposes as one of the subsidiary members of the tax consolidated group is a life insurance company.

Entities within the tax consolidated group have entered into a tax sharing and funding agreement with the head entity. This agreement has been amended to reflect the changes in the structure of the tax consolidated group and a life insurer becoming part of the group. These amendments were executed on 20 August 2010.

Under the terms of the tax funding arrangement, ClearView Wealth Limited and each of the entities in the tax consolidated group has agreed to pay a tax equivalent payment to or from the head entity, based on the current tax liability or current tax asset of the entity.

The tax funding agreement also provides for the head entity to make payments for tax losses of a group member that is determined in accordance with the provisions of the agreement. Settlement for these amounts is based on the extent to which the losses are utilised.

The tax sharing arrangement between members of the tax consolidated group provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations or if an entity should leave the tax-consolidated group. The effect of the tax sharing agreement is that each member's liability for tax payable by the tax consolidated group is limited to the amount payable to the head entity under the tax funding arrangement.

As a result of the sale of the financial advice businesses to Centrepoint Alliance, the financial advice businesses ceased to be wholly-owned subsidiaries and consequently exited the ClearView Wealth Limited tax consolidated group. Upon exit, ClearView Wealth Limited agreed to release each entity of the financial advice business from its obligation under the tax sharing and funding agreement on 1 November 2021.

The financial advice businesses include the following entities:

- ClearView Financial Advice Pty Ltd;
- Matrix Planning Solutions Limited; and
- LaVista Licensee Solutions Pty Ltd.

2. Results for the year continued

Critical accounting estimates and key sources of uncertainty

Deferred tax asset – timing differences

The Board has considered that it is probable that sufficient taxable income will be available against which deductible temporary differences can be utilised.

Deferred tax asset – capital losses

ClearView Life has amounts of realised and unrealised capital losses within its superannuation business in its No.2 and No. 4 Statutory Funds. ClearView has a Deferred Tax Asset (DTA) policy in place to cap the upper limit on the deferred tax asset amount recognised on balance sheet. This DTA cap is based on the capital losses estimated to be utilised in the foreseeable future and is expressed as a percentage of the value of the investments held. Any amount exceeding the cap will not be recognised on balance sheet. The same methodology has been adopted for unit pricing purposes and this financial report. As at the reporting date, there were no unrecognised DTA on these losses.

As at the reporting date, the Group also has accumulated capital losses that arose within the Company. At the current time, it is unlikely that the capital losses can be recouped and no DTA is recognised in respect of these losses.

CRP receivable

In 1HFY21, ClearView's primary superannuation life insurance portfolio in ClearView Retirement Plan (**CRP**) has been successfully transferred to the HUB24 Super Fund (and continue to be administered by ClearView). This resolved the build up of the CRP receivable supported by ClearView Life Assurance Limited (**CLAL**) and ClearView Wealth Limited Group (**CWL**).

As at 30 June 2023, CLAL and CWL carried a receivable of $0.4 million (30 June 2022: $3.9 million). This is after a write down of $0.3 million in the current year in respect of the FY22 income tax year (2022: $0.9 million for the FY21 income tax year) driven by the reduction of the carried forward losses in CRP against its net current pension exempt income in the respective year. In addition, a provision of $0.4 million (30 June 2022: $0.6 million) was fully provided for the receivable.

3. Receivables, payables and investments

This note provides information about the Group's receivables, payables and investments including:

- an overview of the financial instruments held by the Group
- accounting policies
- information about determining the fair value of the instruments, including judgements and estimation uncertainty

3. Receivables, payables and investments

3.1 Receivables

	Consolidated		Company	
	30 June 2023 $'000	30 June 2022 $'000	30 June 2023 $'000	30 June 2022 $'000
Trade receivables	—	48	—	—
Outstanding life insurance premium receivable net of provision	7,206	6,876	—	—
Other premium receivable[1]	15,053	12,173	—	—
Accrued dividends	—	456	—	—
Investment income receivable	—	132	495	350
Outstanding settlements	—	897	—	—
Prepayments	3,342	3,253	46	48
Receivables from controlled entities	—	—	8,669	9,914
Related party receivables net of provision[3]	516	3,954	—	2,913
Loans receivable net of provision[2]	3,204	3,156	705	963
Other debtors	1,136	4,058	—	1,849
Total receivables	**30,457**	**35,003**	**9,915**	**16,037**

1 Other premium receivable includes rights to the realised tax benefit received by HUB24 Super Fund for the insurance premium deduction.

2 Loan receivable includes $1.4 million (30 June 2022: $1.9 million) loans to KMP, which are related to the ESP Plan.

3 Includes receivables from CRP $0.4 million (30 June 2022: $3.9 million) net of provision of $0.4 million (30 June 2022: $0.6 million).

Receivables

Receivables are measured at amortised cost, less any allowance for Expected Credit Losses (**ECL's**), except for prepayments which are measured at historical cost. See section 3.3 for more detail.

Receivables from insurance contracts are not required to be assessed for expected credit losses under AASB 9, however amounts are provided for where appropriate.

3. Receivables, payables and investments continued

3.2 Payables

	Consolidated		Company	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	$'000	$'000	$'000	$'000
Trade payables	5,649	10,861	441	1,687
Reinsurance premium payable	30,109	28,774	—	—
Employee entitlements	7,311	6,091	7	2
Life insurance premiums in advance	699	546	—	—
Life investment premium deposits	470	535	—	—
Payables to controlled entities	—	—	487	192
Outstanding investment settlements	4,514	7	—	—
Other creditors	3,429	3,483	1,551	999
Total payables	**52,181**	**50,297**	**2,486**	**2,880**

Payables

Payables are measured at the nominal amount payable. Given the short term nature of most payables, the nominal amount payable approximates fair value.

Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities recognised in respect of short-term employee benefits, are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Liabilities recognised in respect of long term employee benefits are measured as the present value of the estimated future cash outflows to be made by the Group in respect of services provided by employees up to reporting date. See section 4.3 for more detail.

Termination benefit

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring cost.

3. Receivables, payables and investments continued

3.3 Investments

	Consolidated		Company	
	30 June 2023 $'000	30 June 2022 $'000	30 June 2023 $'000	30 June 2022 $'000
Growth investments				
Investment in Group Companies	—	—	425,778	403,278
Equity investments	1,708,780	1,716,600	—	—
	1,708,780	**1,716,600**	**425,778**	**403,278**
Interest-bearing investments[1,2]				
Investments in subordinated debt	—	—	30,000	30,000
Short-term money	5,403	7,239	—	—
Government and semi-government bonds	165,322	140,336	—	—
Corporate bonds	117,828	128,825	—	—
Floating rate notes	81,884	98,089	—	—
	370,437	**374,489**	**30,000**	**30,000**
Non-interest bearing investments				
Short-term discount securities	184,266	198,535	—	—
	184,266	**198,535**	**—**	**—**
Reclassification to assets held for sale (see section 8.5(d))	(1,868,598)	—	(11,956)	—
Total investments	**394,885**	**2,289,624**	**443,822**	**433,278**

1 ClearView has contracted PIMCO to assist it with asset liability management. The mandate is to manage the shareholder funds that match the insurance liabilities (including inflation), claims and capital reserves and surplus capital in the life company. At 30 June 2023 an investment of $413.4 million including $393.7 million in interest securities and $19.7 million in cash (30 June 2022: $394.0 million including $385.1 million in interest securities and $8.9 million in cash) was held in the PIMCO funds.

2 On 5 November 2020, the Company issued $75 million subordinated, unsecured notes to wholesale investors. These are unsecured, subordinated debt obligations of the Company. Interest accrues on at a variable rate equal to the three-month Bank Bill Swap Rate ('BBSW') plus a margin of 6% per annum, until maturity, payable quarterly in arrears. The Company utilised $30 million of the proceeds of the Notes for regulatory capital purposes for its regulated life insurance entity (ClearView Life). ClearView Life pays the Company interest on the $30 million subordinated on the same terms as outlined above.

Financial instruments

Recognition and derecognition of financial assets and liabilities

Financial assets and financial liabilities are recognised at the date the Group becomes a party to the contractual provisions of the instrument. At initial recognition, financial assets are classified as and subsequently measured at fair value through profit or loss and amortised cost. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire, or are transferred. A transfer occurs when substantially all the risks and rewards of ownership of the financial asset are passed to an unrelated third party. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

3. Receivables, payables and investments continued

Financial assets and liabilities

Financial assets measured at fair value through profit or loss

Financial assets measured on initial recognition as financial assets measured at fair value through profit or loss are initially recognised at fair value, determined as the purchase cost of the asset, exclusive of any transaction costs. Transaction costs are expensed as incurred in profit or loss. Any realised and unrealised gains or losses arising from subsequent measurement at fair value are recognised in profit or loss in the period in which they arise.

The Group has elected to use their fair value option for all investments as there would otherwise be an accounting mismatch as the assets are held against investment policy liabilities.

The Company's investments in subordinated debt are measured at fair value through profit or loss.

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual term of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (**EIR**) method and are subject to impairment testing. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables and loans receivables.

Investments in Group Companies

The investments in Group Companies are measured at costs less accumulated impairment. Impairments are assessed at each financial reporting period.

Impairment of financial assets

The Group applies a forward-looking expected credit loss ('**ECL**') approach for the accounting for impairment losses for financial assets in accordance with AASB 9. The Group recognises an allowance for expected credit losses (**ECLs**) for all debt instruments not held at fair value through profit or loss.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

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

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Fair value hierarchy

The table below summarises financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

3. Receivables, payables and investments continued

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities. For the Group, this category includes short-term money, short-term discount securities, government and semi-government bonds and equity investments. The Company did not have any investment falling into this category.
- Level 2: inputs other than quoted prices included within level 2 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). For the Group, this category primarily includes corporate bonds and floating rate notes. For the Company, this category includes investments in subordinated debt. The valuation techniques may include the use of discounted cash flow analysis using a yield curve appropriate to the remaining maturity of the investments and other market accepted valuation models.
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). The Group and the Company did not have any investments falling into this category as at 30 June 2023 and 30 June 2022.

Consolidated	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets				
30 June 2023				
Growth investments	1,708,780	–	–	1,708,780
Interest bearing investments	170,725	199,712	–	370,437
Non-interest bearing investments	184,266	–	–	184,266
Reclassification to assets held for sale (see section 8.5(d))	(1,793,382)	(75,216)	–	(1,868,598)
Total	**270,389**	**124,496**	**–**	**394,885**
30 June 2022				
Growth investments	1,716,600	–	–	1,716,600
Interest bearing investments	147,575	226,914	–	374,489
Non-interest bearing investments	198,535	–	–	198,535
Total	**2,062,710**	**226,914**	**–**	**2,289,624**
Financial Liabilities				
30 June 2023				
Life investment policy liability	–	1,345,463	–	1,345,463
Liability to non-controlling interest in controlled unit trusts	–	557,485	–	557,485
Reclassification to liabilities directly associated with assets held for sale (see section 8.5(d))	–	(1,902,623)	–	(1,902,623)
Total	**–**	**325**	**–**	**325**
30 June 2022				
Life investment policy liability	–	1,295,378	–	1,295,378
Liability to non-controlling interest in controlled unit trusts	–	645,612	–	645,612
Total	**–**	**1,940,990**	**–**	**1,940,990**

There were no transfers between Level 1 and Level 2 during the current and prior financial periods.

3.4 Financial risk management

Management of Financial Instruments

The financial assets of the Group (other than shareholder cash holdings) are managed by specialist investment managers who are required to invest the assets allocated in accordance with directions from the Board. BNP Paribas acts as master custodian on behalf of the Group and, as such, provides services including physical custody and safekeeping of assets, settlement of trades, collection of dividends and accounting for investment transactions. Daily operating bank accounts and shareholder cash are managed within the Group by the internal management and the finance department.

3. Receivables, payables and investments continued

a) Financial risk management objectives

The primary asset risks borne by the Group relate to the financial assets of the Group and its operating subsidiaries excluding those in the non-guaranteed investment linked funds in ClearView Life's statutory fund No.4 (referred to below as ClearView assets). The primary financial risks related to the financial assets in the non-guaranteed investment linked funds in ClearView Life's statutory fund No.4 are borne by policyholders as the investment performance on those assets is passed through, in full, to the policyholders (referred to below as Policyholder assets). Nonetheless, the Group has a secondary exposure to the Policyholder assets and off-balance sheet client funds, via the impact on the fees charged by the Group which vary with the level of Policyholder and client funds under management and under administration, as well as related reputational exposure.

b) Market risk

Market risk is the risk that financial assets will be affected by changes in interest rates, foreign exchange rates and equity prices.

Interest rate risk

Interest rate risk arises on ClearView's assets which are invested in floating rate investments and cash. Fixed interest rate instruments expose the Group to fair value interest rate risk. Interest rate risk is managed by the Group through:

- Investing ClearView's assets in accordance with the Board approved Investment Policy and Guidelines;
- Monitoring the investments at the ClearView Investment Committee (**CIC**); and
- By holding capital reserves in accordance with the Company's ICAAP with respect to the residual interest rate risk exposure retained, in addition to the regulatory capital reserves held within ClearView Life in respect of interest rate risk.

Equity price risk

Equity price risk is the risk that the fair value of investments in equities decreases or increases as a result of changes in market prices, whether those changes are caused by factors specific to the individual share price or factors affecting all equity instruments in the market. As at 30 June 2023, ClearView's shareholder related assets were not invested in equities and therefore not exposed to equity price risk.

In contrast to this, the Policyholder assets and other client funds under management and under administration, involve significant investment in equities. As noted above, the Policyholder asset risks are borne by the policyholders.

The Group is exposed to secondary risks on its investment management fees that are driven by the total funds under management, as well as reputational risks from poor investment returns.

The investment of the Policyholder assets and client monies controlled by ClearView is undertaken in accordance with the Investment Policy and Guidelines approved by the Board, which inter alia stipulates the investment allocation mix, the portfolio's risk characteristics, management response plans and the use of derivatives.

To the extent required, capital reserves are held in accordance with the ICAAP with respect to the Group's residual fee risk exposure.

c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. Credit risk exposures arising from investment activities are assessed by the Group's internal investment management committee (the ClearView Investment Committee (**CIC**)) prior to investing ClearView assets into any significant financial asset. The ongoing credit standing of material investments are monitored by the CIC.

The large majority of debt assets invested in by the Group and on behalf of policyholders and clients (including Policyholder assets) are managed under mandates with appointed fund managers. Those mandates include credit rating, diversification and maximum counterparty exposure rules and standards that are to be met. The fund managers adherence to those requirements are subject to ongoing monitoring by the fund managers, and are separately monitored by the Group's custodian. The CIC also receives reporting on mandate compliance on a periodic basis.

Credit risk arising from other third party transactions, such as reinsurance recovery exposures and exposure to outsource service providers, are assessed prior to entering into transactions with those parties, approved by the Board where material, and are monitored on an ongoing basis. ClearView does have a concentration risk with

3. Receivables, payables and investments continued

Swiss Re and this is managed as outlined in section 6.6. Specific capital reserves are held against credit risk under the regulatory capital requirements of ClearView Life and credit risk is considered within the Company's ICAAP.

The following table reflects the shareholder financial assets with credit risk exposure monitored by the CIC. It excludes policy holder financial assets and therefore represents shareholder assets invested in interest bearing securities at the balance date.

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Cash and cash equivalents, term deposits and investments				
Rating				
AAA	298,096	295,135	–	–
AA	134,861	132,539	13,929	13,369
A	48,787	37,828	–	–
BBB	28,941	38,616	–	–
	510,685	**504,118**	**13,929**	**13,369**

In addition to the credit risk exposures above, the Group's balance sheet as at 30 June 2023 reflects a $56.3 million (30 June 2022: $26.4 million) exposure to Swiss Re Life & Health Australia Ltd in relation to reinsurer's share of policy liabilities. Credit risk associated with receivables is considered low. The main receivables balance is in relation to receivables from outstanding premiums receivable, accrued dividends, loans receivable, prepayments, outstanding settlements and related party receivables. The concentration of other receivables is spread across the various debtors except for the premium receivable of $15.0 million from HUB24 Super Fund (30 June 2022: $12.2 million) and related party receivables. Further details on the related party receivable recoverability is outlined in section 8.3.

d) Liquidity risk

Liquidity risk is primarily the risk that the Group will encounter difficulty in meeting its obligations due to an inability to realise some or all of its assets in order to fund its cash flow needs, including the payment of amounts to its policyholders, members and clients. A secondary risk relates to the risk of the illiquidity of the external (including off balance sheet) funds clients invest in, which may result in restricted fee flows to the Group and/or reputational damage via association.

The primary risk is managed by investing the Group's funds, excluding those that are invested at the direction of the client, in accordance with the liquidity policy. This requires assets to be invested in vehicles that are highly liquid and readily convertible into cash. In addition, the Group maintains suitable cash holdings at call and an appropriate overdraft facility.

The Group's cash flow requirements are reviewed and forecast on a regular basis. This assessment takes into account the timing of expected cash flows, the likelihood of significant benefit outflows over the short term and known significant one-off payments.

3. Receivables, payables and investments continued

Under the terms of the Group's products (issued via ClearView Life and ClearView Financial Management) the payment of unit fund redemptions to policyholders and unit trust investors may be delayed, if necessary, until funds are available. To date no such delays have been imposed.

The following tables summarise the maturity analysis of the Group's and the Company's financial assets based on the contractual maturity dates of undiscounted cash flows at the reporting date.

						Consolidated
2023	**Less than 3 months $'000**	**3 to 6 months $'000**	**6 months to a year $'000**	**1 year and over $'000**	**Over 5 years $'000**	**Total $'000**
Receivables	1,136	—	—	—	—	1,136
Outstanding life insurance premiums net of provision	7,189	11	6	—	—	7,206
Other premium receivable	—	—	15,053	—	—	15,053
Loan receivables net of provision	—	—	—	3,204	—	3,204
Prepayments	2,164	483	673	22	—	3,342
Related party receivable net of provision	516	—	—	—	—	516
Total	**11,005**	**494**	**15,732**	**3,226**	**—**	**30,457**
2022						
Receivables	5,003	—	—	—	—	5,003
Outstanding life insurance premiums net of provision	6,859	11	6	—	—	6,876
Other premium receivable	—	—	12,173	—	—	12,173
Accrued dividends	456	—	—	—	—	456
Investment income and distribution income	132	—	—	—	—	132
Loan receivables net of provision	—	—	—	3,156	—	3,156
Prepayments	2,111	574	435	133	—	3,253
Related party receivable net of provision	1,041	—	—	2,913	—	3,954
Total	**15,602**	**585**	**12,614**	**6,202**	**—**	**35,003**

						Company
2023	**Less than 3 months $'000**	**3 to 6 months $'000**	**6 months to a year $'000**	**1 year and over $'000**	**Over 5 years $'000**	**Total $'000**
Trade receivables	21	15	10	—	—	46
Receivables from controlled entities	9,164	—	—	—	—	9,164
Loan receivables net of provision	—	—	—	705	—	705
Total	**9,185**	**15**	**10**	**705**	**—**	**9,915**
2022						
Trade receivables	1,872	18	7	—	—	1,897
Receivables from controlled entities	10,264	—	—	—	—	10,264
Loan receivables net of provision	—	—	—	963	—	963
Related party receivables	—	—	—	2,913	—	2,913
Total	**12,136**	**18**	**7**	**3,876**	**—**	**16,037**

3. Receivables, payables and investments continued

The following tables summarise the maturity analysis of the Group and the Company's financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group and the Company can be required to pay.

Consolidated

2023	Less than 3 months $'000	3 to 6 months $'000	6 months to a year $'000	1 year and over $'000	Over 5 years $'000	Total $'000
Payables	22,072	—	—	—	—	22,072
Reinsurance payable[1]	30,109	—	—	—	—	30,109
Lease liabilities	810	803	1,553	5,979	—	9,145
Borrowings[2]	213	213	426	17,797	—	18,649
Subordinated debt[2]	1,907	1,907	3,813	30,507	94,067	132,201
Total	**55,111**	**2,923**	**5,792**	**54,283**	**94,067**	**212,176**
2022						
Payables	20,965	558	—	—	—	21,523
Reinsurance payable[1]	28,774	—	—	—	—	28,774
Lease liabilities	786	786	1,543	8,685	—	11,800
Borrowings[2]	106	149	343	18,650	—	19,248
Subordinated debt[2]	1,304	1,582	3,388	30,507	101,694	138,475
Total	**51,935**	**3,075**	**5,274**	**57,842**	**101,694**	**219,820**

Company

2023	Less than 3 months $'000	3 to 6 months $'000	6 months to a year $'000	1 year and over $'000	Over 5 years $'000	Total $'000
Payables	2,486	—	—	—	—	2,486
2022						
Payables	2,880	—	—	—	—	2,880

1 Reinsurance payable represents reinsurance premium payable on reinsurance due in respect of life insurance premium.

2 Included contractual interest payments are undiscounted and calculated based on prevailing market floating rates as applicable at the reporting date.

Interest rate risk management

The Group's activities expose it to the financial risk of changes in interest rates. Floating rate instruments expose the Group to cash flow risk and credit spread risks, whereas fixed interest rate instruments expose the Group to fair value interest rate risk. The Board monitors the Group's exposures to interest rate risk.

In December 2020, ClearView updated its investment strategy and appointed PIMCO with a specialist investment mandate to manage, in close consultation with ClearView's, the shareholder funds that match the insurance liabilities and reserves in the life company. The PIMCO mandate is monitored on a periodic basis by the CIC.

At 30 June 2023, $413.4 million including $393.7 million in interest securities and $19.7 million in cash (30 June 2022: $394.0 million including $385.1 million in interest securities and $8.9 million in cash) is invested in the PIMCO funds. An overall investment income of $10.4 million after tax was made in the year ended 30 June 2023 (2022: loss of $5.4 million).

3. Receivables, payables and investments continued

The tables below detail the shareholder's exposure to interest rate risk at the balance sheet date.

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Variable interest rate instruments				
Financial assets				
Cash and cash equivalents	94,045	116,132	13,929	13,369
Floating rate notes	44,529	54,550	—	—
Total	**138,574**	**170,682**	**13,929**	**13,369**
Financial liabilities				
Borrowings	16,000	16,000	—	—
Subordinated debt	75,000	75,000	—	—
Total	**91,000**	**91,000**	**—**	**—**

Interest rate sensitivity analysis for floating rate financial instruments

The sensitivity analysis below has been determined based on the Group's exposure to interest rates at the reporting date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. In the case of instruments that have floating interest rates, a 1.0% (2022: 1.0%) increase or decrease is used when reporting interest risk internally to key management personal and represents management's assessment of the reasonably possible change in interest rates.

The following table illustrates the effect on the Group from possible changes in market risk that are reasonably possible based on the risk the Group was exposed to at reporting date:

	Effect on operating profit		Effect on securities		Effect on operating profit		Effect on securities	
	Consolidated		Consolidated		Company		Company	
	2023	2022	2023	2022	2023	2022	2023	2022
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
±1.0% (2022: ±1.0%)	±476	±797	±476	±797	±139	±134	±139	±134

The method used to prepare the sensitivity analysis has not changed in the year. Based on the market exposure management believe that the interest rate variation above is considered appropriate in the current environment.

Fair value sensitivity analysis for fixed rate financial instruments

The Group does account for fixed rate financial assets and liabilities at fair value through profit and loss. However, as these assets are currently only held in the investment linked funds, a change in long term interest rates at reporting date would not affect profit and loss as the risks are borne by policyholders.

e) Foreign currency risk management

Foreign currency risk is the risk that the market value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group undertakes certain investments denominated in foreign currencies, hence is exposed to the effects of exchange rate fluctuations. However, the foreign currency risk is borne by the policyholder and the shareholder has no direct exposure to foreign currency.

Forward foreign exchange contracts

The Group currently does not make use of forward foreign exchange contracts.

4. Non-financial assets and liabilities

This note provides information about the Group's non-financial assets and liabilities, including:

- specific information about each type of non-financial asset and non-financial liability
- Goodwill and intangibles
- Provisions
- accounting policies

4. Non-financial assets and liabilities

4.1 Goodwill and intangibles

					Consolidated
2023	**Goodwill $'000**	**Capitalised software $'000**	**Client Book $'000**	**Matrix Brand $'000**	**Total intangibles $'000**
Gross carrying amount					
Balance at the beginning of the financial year	20,452	66,616	65,017	—	131,633
Acquired directly during the year[1]	—	12,690	—	—	12,690
Reclassification to assets held for sale (see section 8.5(d))	(8,500)	(19,198)	—	—	(19,198)
Balance at the end of the financial year	**11,952**	**60,108**	**65,017**	**—**	**125,125**
Accumulated amortisation and impairment losses					
Balance at the beginning of the year	7,941	49,278	64,987	—	114,265
Amortisation expense in the current year	—	3,069	—	—	3,069
Reclassification to assets held for sale	—	(16,316)	—	—	(16,316)
Balance at the end of the financial year	**7,941**	**36,031**	**64,987**	**—**	**101,018**
Net book value					
Balance at the beginning of the financial year	12,511	17,338	30	—	17,368
Balance at the end of the financial year	**4,011**	**24,077**	**30**	**—**	**24,107**

2022	**Goodwill $'000**	**Capitalised software $'000**	**Client Book $'000**	**Matrix Brand $'000**	**Total intangibles $'000**
Gross carrying amount					
Balance at the beginning of the financial year	20,452	54,056	65,017	200	119,273
Acquired directly during the year	—	12,560	—	—	12,560
Disposals (see section 8.5(c))	—	—	—	(200)	(200)
Balance at the end of the financial year	**20,452**	**66,616**	**65,017**	**—**	**131,633**
Accumulated amortisation and impairment losses					
Balance at the beginning of the year	7,941	46,537	64,987	—	111,524
Amortisation expense in the current year	—	2,741	—	—	2,741
Balance at the end of the financial year	**7,941**	**49,278**	**64,987**	**—**	**114,265**
Net book value					
Balance at the beginning of the financial year	12,511	7,519	30	200	7,749
Balance at the end of the financial year	**12,511**	**17,338**	**30**	**—**	**17,368**

1 Includes $11.2 million (30 June 2022: $11.9 million) of capitalised costs in relation to the capitalisation of configuration and customisation costs in SaaS arrangements.

4. Non-financial assets and liabilities continued

As required under accounting standards the Group completes an impairment assessment at each reporting date. As at 30 June 2023, no impairment charge was recognised (2022: nil). This is discussed further in section 4.2.

Goodwill and Intangibles accounting policy

Goodwill

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

Capitalised software

Costs are capitalised when the costs relate to the creation of an asset with expected future economic benefits which are capable of reliable measurement. Capitalised costs are amortised on a straight-line basis over the estimated useful life of the asset, commencing at the time the asset is first put into use or held ready for use, whichever is the earlier.

Capitalisation of configuration and customisation costs in SaaS arrangements

In implementing SaaS arrangements, the Group has developed software code that enhances, modifies and creates additional capability to the software to which it owns the intellectual property. This software increases the functionality of the SaaS arrangement cloud-based application and includes a new underwriting rules engine, front end portal and integrations with existing ERP systems. Judgement has been applied in determining whether the changes to the owned software meets the definition of and recognition criteria for an intangible asset in accordance with AASB 138 Intangible Assets.

During the financial year, the Group recognised $11.2 million (2022: $11.9 million) as intangible assets in respect of customisation and configuration costs incurred in implementing SaaS arrangements. These intangible assets are amortised on a straight-line basis with the new PAS being amortised over the useful life of 10 years. As at 30 June 2023, the accumulated amortisation of $2.0 million (30 June 2022: $0.6 million) has been recognised for the intangible assets in use.

Client books

Client book intangibles represent the value of the in-force insurance and investment contracts and funds management revenues. Each client book has its own assessment of useful life depending on the nature of the clients in each segment and their relative characteristics, based on age, demographics and type of product to which it relates. The policy adopted to write-off the client books resembles the anticipated ageing profile of the revenue stream.

Amortisation

Intangible assets with finite useful lives are amortised on a straight-line basis over the useful life of the intangible asset. The estimated useful lives are generally:

	2023	2022
Software	Up to 3 years, with major core software infrastructure amortised over a period up to 10 years	Up to 3 years, with major core software infrastructure amortised over a period up to 10 years
Client books	6–10 years	6–10 years
Goodwill	Indefinite	Indefinite

Impairment testing

Goodwill and intangible assets that have indefinite useful lives are tested at least annually for impairment. Other intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). An impairment loss is recognised when the goodwill carrying amount exceeds the CGU's recoverable amount.

4.2 Recoverability of intangible assets and goodwill

Goodwill and client book intangibles

The goodwill and intangibles primarily arose from the acquisition of:

- the business of Community and Corporate Pty Limited in April 2009;
- ClearView Group Holdings Pty Limited in June 2010;

4. Non-financial assets and liabilities continued

- Matrix Planning Solutions Limited in October 2014; and
- other business combinations where ClearView Wealth Limited was the acquirer.

The goodwill that arose on acquisition was allocated across the Financial Advice, Life Insurance and Wealth Management CGU's of the Group based on the expected synergies expected to be gained by each CGU within the Group.

At the balance date goodwill was allocated as follows:

- $4.0 million to the Life Insurance segment; and
- $8.5 million to the Wealth Management segment.

As a result of the Wealth Management divestment, the goodwill recognised within the Wealth Management CGU's is included in the assets held for sale at 30 June 2023 and is part of the impairment testing for the disposal group. See section 8.5 for detail.

The goodwill recognised within the Life Insurance CGU's is tested for impairment triggers using the embedded value methodology by comparing the carrying value of goodwill to the in-force portfolios written to date.

The recoverable amount for the Life Insurance CGU's has been determined based on the embedded value calculations as at 30 June 2023. The embedded value is a calculation that represents the economic value of the shareholder capital in the business and the future profits expected to emerge from the business currently in-force expressed in today's dollars. No account is taken of future new business in the embedded value calculations.

The estimated embedded value of the business has been calculated based on the following key assumptions and estimates:

- Mortality and morbidity (claims)
- Investment returns and discount rates;
- Persistency (lapse);
- Premium rate and pricing changes (staggered price increases over a period of time);
- Outflows; and
- Maintenance costs.

The embedded value uses assumptions that are consistent with those adopted for policy liabilities in this financial report.

A risk free rate of 4.0% has been adopted for the purposes of the embedded value calculations at 30 June 2023 (30 June 2022: 3.5%) with a range of discount range margins of 3%, 4% and 5% above the risk free rate.

See section 5.6 for actuarial estimates and assumptions and section 1 (j) for the potential impacts of COVID-19 that has been taken into accounting in setting these assumptions.

For sensitivities on the EV calculations and their potential impacts on the carrying value of the Goodwill and impairment triggers, please refer to the EV section of the Operating and Financial Review.

As at 30 June 2023, no impairment was required to the carrying value of goodwill within the Life Insurance CGU's. The carrying value of the Financial Advice Goodwill and client book intangibles was fully impaired in the 2019 financial year and the financial advice businesses were subsequently sold in 2021.

Matrix Brand

On 25 August 2021, ClearView announced the sale of its financial advice businesses to Centrepoint Alliance, with completion of the sale occurring on 1 November 2021. The Matrix brand was disposed as part of the sale and its cost of $0.2 million was written off and included in the gain on sale. Refer to section 8.5(c) for detail.

Capitalised software impairment

At each reporting period the internally generated software is assessed for any impairment triggers. If any such indication exists, the recoverable amount of the asset is estimated. The impairment indicators for software intangibles are defined as:

- The ability of the software to provide the functionality required from the business to use the asset;
- The software is being utilised for the purposes that it was designed;
- The availability of alternative software that the business has available; and
- Product mix – the Group no longer sells the products that are administered on the PAS or utilises the provided functionality.

As at 30 June 2023, no impairment was required to the carrying value of capitalised software.

4. Non-financial assets and liabilities continued

4.3 Provisions

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Current and non current				
Make good provision	145	193	—	—
Employee leave provisions	5,306	5,044	—	—
Provision for restructuring	2,323	693	—	—
Provision for onerous lease	29	168	—	—
Other provisions	795	223	28	19
Total	**8,598**	**6,321**	**28**	**19**

Movement of each class of provision during the financial year is set out below:

						Consolidated
2023	Make good provision[1]	Employee leave provision[2]	Provision for restructuring[3]	Provision for onerous lease	Other provision[4]	Total
Balance at the beginning of the financial year	193	5,044	693	168	223	6,321
Additional provisions raised	25	1,181	2,073	—	594	3,873
Utilised during the period	(73)	(919)	(443)	(139)	(22)	(1,596)
Balance at the end of the financial year	**145**	**5,306**	**2,323**	**29**	**795**	**8,598**
2022						
Balance at the beginning of the financial year	169	5,477	—	—	1,913	7,559
Additional provisions raised	24	1,567	693	250	87	2,621
Utilised during the period	—	(872)	—	(82)	(1,475)	(2,429)
Unutilised provisions (net of recoveries) transferred	—	—	—	—	54	54
Transferred as part of the sale of Advice Business	—	(1,128)	—	—	—	(1,128)
Disposed as part of the sale of Advice Business	—	—	—	—	(356)	(356)
Balance at the end of the financial year	**193**	**5,044**	**693**	**168**	**223**	**6,321**

Company	Other provision	
	2023	2022
Balance at the beginning of the financial year	19	1,437
Additional provisions raised	20	26
Utilised during the period	(11)	(1,444)
Balance at the end of the financial year	**28**	**19**

1 The provision for make good represents the accrued liability for expected costs in relation to the restoration of leased premises on the termination of the lease. The provisions are expected to be settled on vacating the leased premises on expiration of the relevant lease.

2 The provision for employee leave represents annual leave and long service leave entitlements accrued by employees. The provisions are expected to be utilised in accordance with the pattern of consumption of employees utilising their leave entitlements.

3 The provision for restructuring relates to the expected costs in relation to the restructure announced in June 2023.

4 Other provisions predominately relate to the provision for long outstanding reinsurance recovery receivables.

4. Non-financial assets and liabilities continued

Accounting policy

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Annual leave

Liability for annual leave is recognised at the nominal amounts unpaid at the reporting date using remuneration rates that are expected to be paid when the liability is settled, including on-costs.

Long service leave

A liability for long service leave is recognised as the present value of estimated future cash outflows to be made in respect of services provided by employees up to the reporting date. The estimated future cash outflows are discounted using corporate bond yields which have terms to maturity that match, as closely as possible, the estimated future cash outflows. Factors which affect the estimated future cashflows such as expected future salary increases and experience of employee departures, are incorporated in the measurement.

Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

Restructurings

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

5. Life insurance and investment contracts

The Group's life insurance activities are conducted through its registered life insurance company ClearView Life Assurance Limited. This section explains how ClearView Life Assurance measures its life insurance and investment contracts, including the methodologies and key assumptions applied

It also details the key components of the profits that are recognised in respect of the life insurance contracts and the sensitivities of those profits to variations in assumptions.

5. Life insurance and investment contracts

5.1 Accounting for life insurance and investment contracts

Principles underlying the conduct of life insurance business

The life insurance operations of the Group are conducted within separate statutory funds as required by the Life Insurance Act 1995 (Life Act) and are reported in aggregate with the shareholders' funds in the statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in equity and statement of cash flows. The life insurance operations consist of the provision of life insurance and life investment contracts.

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.

Any contracts issued by the Group and regulated under the Life Act that do not meet the definition of a life insurance contract are classified as life investment contracts. Life investment contracts include investment-linked contracts where the benefit is directly linked to the market value of the investments held in the particular investment linked fund.

While the underlying assets are registered in the name of ClearView Life Assurance Limited (ClearView Life) and the investment-linked policy owner has no direct access to the specific assets, the contractual arrangements are such that the investment-linked policy owner bears the risks and rewards of the fund's investment performance.

A component of the life investment contracts includes a minimum unit price guarantee. ClearView Life derives fee income from the administration of investment linked funds. Life investment contracts do not contain any discretionary participation features (i.e. those where the amount or timing of allocation of the profit from the underlying investments is at the discretion of the insurer).

In accordance with AASB 1038 'Life Insurance Contracts', financial assets backing policy liabilities are designated at fair value through profit and loss. ClearView Life has determined that all assets held within the statutory funds back policy liabilities. Financial assets backing policy liabilities consist of high quality investments such as cash and fixed income securities. 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.

Premiums and contributions on life investment contracts are treated as deposits and are reported as a movement in life investment contract liabilities.

Claims

Life insurance contracts

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

Life investment contracts

There is no claims expense in respect of life investment contracts. Surrenders and withdrawals which relate to life investment contracts are treated as a movement in life investment contract liabilities. Surrenders and

5. Life insurance and investment contracts continued

withdrawals are recognised as at the date of redemption of policy units, which occurs once all documentation has been provided and completed.

Reinsurance

Amounts paid to reinsurers under life insurance contracts held by ClearView Life are recorded as an outward reinsurance expense and are recognised in the statement of profit or loss and other comprehensive income from the reinsurance premium payment due date. Reinsurance recoveries receivable on claims incurred are recognised as revenue. Recoveries are assessed in a manner similar to the assessment of life insurance contract liabilities. Recoveries are measured as the present value of the expected future receipts, calculated on the same basis as the life insurance contract liabilities.

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, policy issue and underwriting costs, and related costs.

The acquisition costs incurred in relation to life insurance contracts are capitalised in the valuation of policy liabilities.

Basis of expense apportionment

All expenses of the life insurance business incurred by ClearView Life and charged to the statement of profit or loss and other comprehensive income have been apportioned in accordance with Part 6, Division 2 of the Life Act. These expenses are related to non-participating business as ClearView Life only write this category of business.

The basis is as follows:

- Expenses relating specifically to either the ClearView Life shareholder's fund or a particular statutory fund are allocated directly to the respective funds. Such expenses are apportioned between policy acquisition costs and policy maintenance costs with reference to the objective when each expense is incurred and the outcome achieved.
- Other expenses are subject to apportionment under section 80 of the Life Act and are allocated between the funds in proportion to the activities to which they relate. They are apportioned between policy acquisition costs and policy maintenance costs in relation to their nature as either acquisition or maintenance activities. Activities are based on direct measures such as time, head counts and business volumes.
- Life investment contracts are held within statutory funds No.2 and No.4. Life insurance contracts are held within statutory fund No.1. The allocation of expenses between the primary life investment or life insurance contracts is inherent in the allocation to the statutory funds, as described above. The apportionment basis is in line with the principles set in the Life Insurance Prudential Standard valuation standard (Prudential Standard LPS340 Valuation of Policy Liabilities).

Policy liabilities

Policy liabilities consist of life insurance policy liabilities and life investment policy liabilities.

Life insurance contracts

The value of life insurance policy liabilities is calculated 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. Further details of the actuarial assumptions used in these calculations are set out in section 5.6.

Life investment contracts

Life investment policy liabilities are valued at fair value, which is based on the valuation of the assets held within the unitised investment linked policy investment pools.

As a result of the wealth management divestment, the assets and liabilities of the policyholders' fund of statutory fund 4, including the associated life investment policy liabilities, are classified as held for sale as at 30 June 2023. See section 8.5 for detail.

5. Life insurance and investment contracts continued

5.2 Disaggregated information by Statutory Fund

Abbreviated income statement

	ClearView Life Assurance Limited				
	Shareholders Fund	Statutory Fund No.1	Statutory Fund No.2	Statutory Fund No.4	Total
					Australian Non-Participating
2023	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Life insurance premium revenue	—	325,131	—	—	325,131
Outwards reinsurance expense	—	(120,961)	—	—	(120,961)
Fee revenue	—	—	5	—	5
Investment revenue	5	12,027	37	410	12,479
Net fair gains/(losses) on financial assets at fair value	—	4,195	(6)	—	4,189
Net revenue and income	**5**	**220,392**	**36**	**410**	**220,843**
Claims expense	—	(132,774)	—	—	(132,774)
Reinsurance recoveries	—	94,913	—	—	94,913
Change in life insurance policy liabilities	—	(21,027)	—	—	(21,027)
Change in life investment policy liabilities	—	—	(242)	—	(242)
Change in reinsurers' share of life insurance liabilities	—	23,083	—	—	23,083
Other expenses	—	(150,823)	(7)	—	(150,830)
Profit for the financial year before income tax	**5**	**33,764**	**(213)**	**410**	**33,966**
Income tax (expense)/benefit	(2)	(10,267)	(3)	—	(10,272)
Net profit/(loss) for the financial year from continuing operations	**3**	**23,497**	**(216)**	**410**	**23,694**
Loss from discontinued operations	**—**	**—**	**—**	**(1,748)**	**(1,748)**
Total profit/(loss) attributable to members of ClearView Life Assurance Limited	**3**	**23,497**	**(216)**	**(1,338)**	**21,946**

5. Life insurance and investment contracts continued

Abbreviated statement of financial position

	ClearView Life Assurance Limited				
	Shareholders Fund	Statutory Fund No.1	Statutory Fund No.2	Statutory Fund No.4	Total
				Australian Non-Participating	
2023	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Investments in financial assets	—	393,743	1,141	—	394,884
Assets held for sale	—	—	—	1,353,056	1,353,056
Policy liabilities ceded under reinsurance	—	56,329	—	—	56,329
Other assets	573	109,662	1,242	6,032	117,509
Total assets	**573**	**559,734**	**2,383**	**1,359,088**	**1,921,778**
Liabilities directly associated with assets held for sale	—	—	—	1,350,088	1,350,088
Gross policy liabilities - Life insurance contracts	—	16,035	—	—	16,035
Gross policy liabilities - Investment insurance contracts	—	—	325	—	325
Other liabilities	180	85,032	1,477	(745)	85,944
Total liabilities	**180**	**101,067**	**1,802**	**1,349,343**	**1,452,392**
Net assets	**393**	**458,667**	**581**	**9,745**	**469,386**
Shareholder's retained profits/(losses)					
Opening retained profits/(losses)	(73,091)	281,160	597	8,483	217,149
Operating profit	3	23,497	(216)	(1,338)	21,946
Capital transfer between funds	21,946	(22,946)	—	1,000	—
Dividend paid	(21,946)	—	—	—	(21,946)
Shareholder's retained profits/(losses)	**(73,088)**	**281,711**	**381**	**8,145**	**217,149**
Shareholder's capital	**73,481**	**176,956**	**200**	**1,600**	**252,237**
Total equity	**393**	**458,667**	**581**	**9,745**	**469,386**

5. Life insurance and investment contracts continued

Abbreviated income statement

	ClearView Life Assurance Limited				
	Shareholders Fund	Statutory Fund No.1	Statutory Fund No.2	Statutory Fund No.4	Total
			Australian Non-Participating		
2022	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Life insurance premium revenue	—	299,621	—	—	299,621
Outwards reinsurance expense	—	(115,423)	—	—	(115,423)
Fee revenue	—	—	10	—	10
Investment revenue	1	5,070	1	55	5,127
Net fair gains/(losses) on financial assets at fair value	—	(12,794)	—	—	(12,794)
Net revenue and income	**1**	**176,474**	**11**	**55**	**176,541**
Claims expense	—	(173,264)	—	—	(173,264)
Reinsurance recoveries	—	128,042	—	—	128,042
Change in life insurance policy liabilities	—	78,727	—	—	78,727
Change in life investment policy liabilities	—	—	65	—	65
Change in reinsurers' share of life insurance liabilities	—	(57,040)	—	—	(57,040)
Other expenses	—	(128,780)	(8)	—	(128,788)
Profit for the financial year before income tax	**1**	**24,159**	**68**	**55**	**24,283**
Income tax (expense)/benefit	—	(7,248)	4	—	(7,244)
Net profit for the financial year from continuing operations	**1**	**16,911**	**72**	**55**	**17,039**
Profit from discontinued operations	**—**	**—**	**—**	**586**	**586**
Total profit attributable to members of ClearView Life Assurance Limited	**1**	**16,911**	**72**	**641**	**17,625**

Abbreviated statement of financial position

	ClearView Life Assurance Limited				
	Shareholders Fund	Statutory Fund No.1	Statutory Fund No.2	Statutory Fund No.4	Total
				Australian Non-Participating	
2022	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Investments in financial assets	—	385,088	796	1,292,462	1,678,346
Policy liabilities ceded under reinsurance	—	26,367	—	—	26,367
Other assets	935	111,850	1,746	17,637	132,168
Total assets	**935**	**523,305**	**2,542**	**1,310,099**	**1,836,881**
Gross policy liabilities - Life insurance contracts	—	(10,676)	—	—	(10,676)
Gross policy liabilities - Investment insurance contracts	—	—	647	1,294,731	1,295,378
Other liabilities	544	75,866	1,099	5,284	82,793
Total liabilities	**544**	**65,190**	**1,746**	**1,300,015**	**1,367,495**
Net assets	**391**	**458,115**	**796**	**10,084**	**469,386**
Shareholder's retained profits/(losses)					
Opening retained profits/(losses)	(73,092)	264,249	525	7,842	199,524
Operating profit	1	16,911	71	642	17,625
Capital transfer between funds	—	—	—	—	—
Shareholder's retained profits/(losses)	**(73,091)**	**281,160**	**596**	**8,484**	**217,149**
Shareholder's capital	**73,482**	**176,955**	**200**	**1,600**	**252,237**
Total equity	**391**	**458,115**	**796**	**10,084**	**469,386**

5. Life insurance and investment contracts continued

5.3 Sources of profit

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Components of profit related to movements in life insurance liabilities				
Planned profit margins released	20,629	23,032	—	—
Profit arising from difference between actual investment income and expected interest on policy liabilities	12,911	(6,982)	—	—
Profit arising from difference between actual and expected experience[1]	(895)	(669)	—	—
Impact of change in economic assumptions	(9,147)	1,531	—	—
Life insurance	**23,498**	**16,912**	**—**	**—**
Components of profit related to movements in life investment liabilities				
Profit arising from life investment contracts[1]	(1,556)	713	—	—
Life investment	**(1,556)**	**713**	**—**	**—**
Profit for the statutory funds	21,942	17,625	—	—
Profit for the shareholders fund	4	—	—	—
Profit for ClearView Life Assurance Limited	**21,946**	**17,625**	**—**	**—**

1 Includes costs considered unusual to the ordinary activities relevant to the segment.

5. Life insurance and investment contracts continued

5.4 Policy liabilities

Reconciliation of movements in policy liabilities

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Life investment policy liabilities				
Opening gross life investment policy liabilities	1,295,378	1,392,291	–	–
(Decrease)/increase in life investment policy liabilities reflected in the income statement	(115,327)	(57,569)	–	–
Decrease in life investment policy liabilities due to management fee reflected in the income statement	(11,849)	(17,836)	–	–
Life investment policy contributions recognised in policy liabilities	503,077	277,431	–	–
Life investment policy withdrawals recognised in policy liabilities	(325,816)	(298,939)	–	–
Reclassification to liabilities directly associated with assets held for sale (see section 8.5(d))	(1,345,138)	–	–	–
Closing gross life investment policy liabilities	**325**	**1,295,378**	**–**	**–**
Life insurance policy liabilities				
Opening gross life insurance policy liabilities	(10,676)	(2,135)	–	–
Movement in outstanding claims reserves	5,684	70,186	–	–
Increase/(decrease) in life insurance policy liabilities reflected in the income statement	21,027	(78,727)	–	–
Closing gross life insurance policy liabilities	**16,035**	**(10,676)**	**–**	**–**
Total gross policy liabilities	**16,360**	**1,284,702**	**–**	**–**
Reinsurers' share of life insurance policy liabilities				
Opening reinsurers' share of life insurance policy liabilities	(26,367)	(70,621)	–	–
Movement in outstanding reinsurance	(11,609)	(55,047)	–	–
(Increase)/decrease in reinsurance assets reflected in the income statement	(23,083)	57,040		
Movement in reinsurer's share of incurred claims liability[1]	4,730	42,261	–	–
Closing reinsurers' share of life insurance policy liabilities	**(56,329)**	**(26,367)**	**–**	**–**
Net policy liabilities at balance date	**(39,969)**	**1,258,335**	**–**	**–**

1 ClearView entered into two incurred claims treaties with its main reinsurer Swiss Re Life and Health Australia (Swiss Re) for its lump sum and income protection portfolios to manage its financial exposure to its reinsurer and address the concentration risk. Under the treaties, ClearView LifeSolutions and ClearChoice lump sum and income protection claims are substantially settled on an earned premium and incurred claims basis.

Components of net life insurance policy liabilities

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Future policy benefits	499,472	472,127	–	–
Future expenses and commissions	664,372	611,062	–	–
Less future revenues	(1,513,184)	(1,436,572)	–	–
Best estimate liability	**(349,340)**	**(353,383)**	**–**	**–**
Planned margins over future expenses	309,046	316,340	–	–
Net life insurance policy liabilities	**(40,294)**	**(37,043)**	**–**	**–**

5. Life insurance and investment contracts continued

Disclosures on asset restrictions, managed assets and trustee activities

Restrictions on assets

Investments held in the life statutory funds (Funds) can only be used within the restrictions imposed under the Life Insurance Act 1995. The main restrictions are that the assets in a Fund can only be used to meet the liabilities and expenses of that Fund, to acquire investments to further the business of the Fund or as a distribution when the capital requirements are met for that Fund. The shareholder can only receive a distribution from a Fund if the capital adequacy requirements continue to be met after the distribution.

5.5 Capital adequacy

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

ClearView Life 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 statutory and general funds. The capital adequacy position at balance date for ClearView Life, in accordance with the APRA requirements, is as follows:

Capital position

	Shareholder's Fund	Statutory fund No. 1 Australian non-participating	Statutory fund No. 2 Australian non-participating	Statutory fund No. 4 Australian non-participating	ClearView Life Assurance Limited
	2023	2023	2023	2023	2023
	$'000	$'000	$'000	$'000	$'000
Net Assets (Common Equity Tier 1 Capital)	393	458,669	580	9,744	469,386
Intangibles adjustments[1]	—	—	—	(2,882)	(2,882)
Net tangible assets after intangible adjustments	**393**	**458,669**	**580**	**6,862**	**466,504**
Capital base adjustments					
Deferred tax assets	—	(2,120)	—	(68)	(2,188)
Deferred acquisition costs	—	(386,924)	—	—	(386,924)
Tier 2 capital	—	30,000	—	—	30,000
Regulatory capital base	**393**	**99,624**	**580**	**6,793**	**107,391**
Prescribed Capital Amount (PCA)	(3)	(18,576)	(7)	(3,444)	(22,031)
Available Enterprise Capital (AEC)	**389**	**81,048**	**573**	**3,350**	**85,360**
Capital Adequacy Multiple	**114.2**	**5.4**	**79.2**	**2.0**	**4.9**
Prescribed capital amount comprises of:					
Insurance Risk	—	—	—	—	—
Asset Risk	(3)	(5,724)	(7)	(81)	(5,815)
Asset Concentration Risk	—	—	—	—	—
Operational Risk	—	(10,399)	(1)	(3,363)	(13,763)
Aggregation Benefit	—	—	—	—	—
Combined Stress Scenario Adjustment	—	(2,453)	—	—	(2,453)
Prescribed Capital Amount	**(3)**	**(18,576)**	**(7)**	**(3,444)**	**(22,031)**

1 Intangible adjustments relate to capitalised software.

5. Life insurance and investment contracts continued

	Shareholder's Fund 2022 $'000	Statutory fund No. 1 Australian non-participating 2022 $'000	Statutory fund No. 2 Australian non-participating 2022 $'000	Statutory fund No. 4 Australian non-participating 2022 $'000	ClearView Life Assurance Limited 2022 $'000
Net Assets (Common Equity Tier 1 Capital)	389	458,116	797	10,083	469,386
Intangibles adjustments[1]	—	(14,112)	—	(2,729)	(16,841)
Net tangible assets after intangible adjustments	**389**	**444,004**	**797**	**7,354**	**452,545**
Capital base adjustments					
Deferred tax assets	—	(895)	—	(80)	(975)
Deferred acquisition costs	—	(370,886)	—	—	(370,886)
Tier 2 capital	—	30,000	—	—	30,000
Regulatory capital base	**389**	**102,223**	**797**	**7,274**	**110,684**
Prescribed Capital Amount (PCA)	(3)	(27,062)	(10)	(3,393)	(30,468)
Available Enterprise Capital (AEC)	**386**	**75,161**	**787**	**3,881**	**80,216**
Capital Adequacy Multiple	**113.8**	**3.8**	**80.1**	**2.1**	**3.6**
Prescribed capital amount comprises of:					
Insurance Risk	—	(14,358)	—	—	(14,358)
Asset Risk	(3)	(6,755)	(8)	(95)	(6,862)
Asset Concentration Risk	—	—	—	—	—
Operational Risk	—	(10,015)	(2)	(3,298)	(13,315)
Aggregation Benefit	—	4,067	—	—	4,067
Prescribed Capital Amount	**(3)**	**(27,061)**	**(10)**	**(3,393)**	**(30,468)**

1 Intangible adjustments relate to capitalised software.

5.6 Actuarial methods and assumptions

Actuarial methods and assumptions

The effective date of the actuarial valuation report on life insurance policy liabilities and life investment policy liabilities is 30 June 2023. The actuarial valuation report was prepared by the ClearView Life Appointed Actuary, Ashutosh Bhalerao. The actuarial report indicates that the Appointed Actuary is satisfied as to the accuracy of the data upon which the policy liabilities have been determined.

The methods used for the major product groups as at 30 June 2023 and 30 June 2022 are as follows:

Related Product Group	Method	Profit carrier
Fund 1 Non-Advice Lump Sum (including the Old Book)	Projection	Premiums
Fund 1 LifeSolutions and ClearChoice Lump Sum	Projection	Premiums
Fund 1 LifeSolutions and ClearChoice Income Protection	Projection	Premiums
Fund 2 Investments	Accumulation	n/a
Fund 4 Investments	Accumulation	n/a

5. Life insurance and investment contracts continued

The projection method uses the discounted value of future policy cash flows (premiums, expenses and claims) plus a reserve for expected future profits. The policy liabilities for life investment contracts are determined as the fair value of the policyholders' accounts under the accumulation method with no future profit reserve.

a) Actuarial assumptions used in the valuation of life insurance policy liabilities

Key assumptions used in the calculations of life insurance policy liabilities are as follows:

Discount rates: Discount rates are based on a yield curve derived from Commonwealth Government bond market yields as at the valuation date, plus an adjustment for illiquidity premium which is based on a formula driven by the difference between these yields and an A-rated non-financial corporate bond for the first ten years, and 20 basis points thereafter. This results in the average effective discount rate of 4.53% per annum (2022: 3.85% per annum).

Acquisition expenses: Per policy acquisition expense assumptions were based on the actual acquisition expenses incurred for the 12 months to 30 June 2023.

Maintenance expense and inflation: The per policy maintenance expense assumptions were based on the longer term per policy unit costs implied by ClearView Life's 2024 business plan. The long-term expense inflation rate was increased to 2.4% per annum in this financial year, relative to 2.3% per annum in 2022.

Lapses: Rates adopted vary by product, duration, age, commission type and premium frequency, and have been based on an analysis of ClearView Life's experience over recent years with allowance for expected trends. The best estimate lapse assumptions have been updated to reflect ClearView's recent observed experience.

Mortality: Rates adopted vary by product, age, gender, and smoking status. The primary underlying mortality tables used are the latest FSC-KPMG ALS 2014-2018 industry standard tables, which were adjusted for industry experience subject to ClearView's own experience. The mortality claims assumptions have been updated to take into account recent observed experience.

Morbidity (TPD, Income Protection and Trauma): Rates adopted vary by age, gender, and smoking status. The primary underlying morbidity table used is the FSC-KPMG ADI 2014-2018 table, based on 2014 to 2018 experience. These tables were adjusted for industry experience and ClearView's own experience. The morbidity claims assumptions have been updated at 30 June 2023 to take into account recent observed experience.

COVID-19: Whilst there is a significant level of uncertainty and limited data, there is an expectation of higher income protection related claims with respect to Long-COVID. This short term elevation in claims is allowed for in the reported best estimate liability and present value of future profit margins. See section 1 (j) for further details.

b) Effects of changes in actuarial assumptions

Assumption category	Effect on profit margins Increase/ (decrease) $'000	Effect on policy liabilities Increase/ (decrease) $'000
2023		
Discount rates and inflation	(10,182)	12,960
Maintenance expenses	–	–
Lapses	(2,746)	–
Mortality and morbidity	(213)	3,919
Total	**(13,141)**	**16,879**
2022		
Discount rates and inflation	(32,264)	(2,188)
Maintenance expenses	–	–
Lapses	(1,888)	–
morbidity	3,814	6,510
Total	**(30,338)**	**4,322**

c) Processes used to select assumptions

Discount rate

Benefits under life insurance contracts are not contractually linked to the performance of the assets held. As a result, the life insurance policy liabilities are discounted for the time value of money using discount rates that are based on current observable, objective rates that relate to the nature, structure and term of the future obligations. The discount rate is based on Commonwealth Government bond rates adjusted for the value of the illiquidity of the policy liability. The effect of this approach is unchanged from that adopted last valuation.

Maintenance expenses and inflation

Maintenance expenses are set having regard to the cost base in the three year Board adopted business plan. Per policy maintenance expenses are assumed to increase in the future with inflation, at a rate that allows for basic price increases (**CPI**).

5. Life insurance and investment contracts continued

Acquisition expenses

Per policy acquisition expenses were derived from the analysis of acquisition expenses adopted for this financial report.

Taxation

It has been assumed that current tax legislation and rates continue unaltered.

Mortality and morbidity

Appropriate base tables of mortality and morbidity are chosen for the type of products written. An investigation into the actual experience of the insurance portfolio over recent years is performed annually and ClearView Life's mortality and morbidity experience is compared against the rates.

In the base tables, where the data is sufficient to be fully statistically credible, the base table is adjusted to reflect the portfolio's experience. Where data is insufficient to be fully statistically credible, the base table is adjusted having regard to the extent of the credibility of the portfolio's experience, the overall experience of the industry and advice from ClearView's reinsurers.

Lapse

An investigation into the actual lapse experience of ClearView Life over the most recent years is performed and statistical methods are used to determine appropriate lapse rates. An allowance is then made for any trends in the data as well as industry experience to arrive at a best estimate of future lapse rates.

d) Sensitivity analysis

ClearView Life conducts sensitivity analyses to quantify the exposure to risk of changes in the key underlying variables such as discount rates, expenses, mortality, morbidity and lapses. The valuations included in the reported results and ClearView Life's best estimate of future performance are calculated using certain assumptions about these variables. The movement in any key variable may impact the reported performance and net assets of ClearView Life and the consolidated entity and as such represents a risk.

Variable	Impact of movement in underlying variable
Interest Rate Risk	The life insurance policy liabilities are calculated using a discount rate that is derived from market interest rates. Changes in market interest rates will affect the present value of cash flows and profit margins in the policy liabilities, which in turn will affect the profit and shareholder equity. The change in interest rates would also impact the emerging profit via its impact on the investment returns on the assets held to back the liabilities.
Expense Risk	An increase in the level (or inflation) of expenses over the assumed levels will decrease emerging profit. However, a change in the base expense assumptions adopted for the policy liability is unlikely to impact the current policy liability determination as such a change is absorbed into the policy liability profit margin reserve in the first instance.
Mortality Rates	For life insurance contracts providing death benefits an increased rate of mortality would lead to higher levels of claims, increasing associated claims cost and thereby reducing emerging profit. However, a change in the mortality assumptions adopted for the policy liability is unlikely to directly impact the current policy liability determination as such a change is absorbed into the policy liability profit margin reserve in the first instance.
Morbidity Rates	The cost of claims under TPD, Income Protection and trauma cover depends on the incidence of policyholders becoming disabled or suffering a 'trauma' event such as a heart attack or stroke. Higher incidence or claims duration would increase claim costs, thereby reducing profit and shareholder equity. Similar to mortality above, a change in the morbidity assumptions is absorbed in the policy liability profit margin in the first instance. For policyholders who are currently on claim there is no profit margin. Therefore, any change in claims costs due to a change in expectation around claims duration is reflected through a change in the policy liability.
Lapses	Lapse risk represents the extent to which policyholders choose not to renew their policy, and allow it to lapse. An increase in the lapse rates will have a negative effect on emerging profit owing to the loss of future revenue, including that required to recover acquisition costs. The impact on the policy liability of a change in lapse assumptions is as per mortality above.

5. Life insurance and investment contracts continued

The table below illustrates how outcomes during the financial year in respect of the key actuarial variables, would have impacted the reported life insurance policy liabilities, profit and equity for that financial year.

		Impact on policy liabilities		Impact on net profit and shareholder equity	
Variable	Change in variable	Gross of reinsurance $'000	Net of reinsurance $'000	Gross of reinsurance $'000	Net of reinsurance $'000
2023					
Interest rates	+ 100 bp	18,448	15,753	(12,613)	(11,027)
	- 100 bp	(20,468)	(17,375)	13,911	12,162
Mortality and morbidity	110.0%	—	—	(10,860)	(2,929)
	90.0%	—	—	10,860	2,929
Lapses	110.0%	—	—	(3,270)	(2,888)
	90.0%	—	—	3,270	2,888
Maintenance expenses	110.0%	—	—	(3,094)	(3,094)
	90.0%	—	—	3,094	3,094
2022					
Interest rates	+ 100 bp	25,706	21,438	(17,994)	(15,007)
	- 100 bp	(24,226)	(20,204)	16,958	14,143
Mortality and morbidity	110.0%	—	—	(10,936)	(3,039)
	90.0%	—	—	10,936	3,039
Lapses	110.0%	—	—	(3,144)	(2,631)
	90.0%	—	—	3,144	2,631
Maintenance expenses	110.0%	—	—	(2,789)	(2,789)
	90.0%	—	—	2,789	2,789

* Note: The interest rate sensitivities show the change to policy liabilities and profit from a change in the discount rate by adding or subtracting 1% from the yield curve adopted. The other sensitivities show how different the policy liabilities and reported profit would have been if ClearView Life's experience in the current year in relation to those variables had been higher or lower by 10% of that experienced.

5. Life insurance and investment contracts continued

5.7 Critical accounting judgements and key sources of estimation uncertainty

Life insurance policy liabilities

Life insurance policy liabilities are, in the majority of cases, determined using an individual policy-by-policy calculation. Where material liabilities are not determined by individual policy valuation, they are computed using statistical or mathematical methods, which are expected to give approximately the same results as if an individual liability were calculated for each contract. The calculations 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.

The key factors that affect the estimation of these liabilities and related assets are:

- The cost of providing benefits and administering these insurance contracts;
- The costs incurred in acquiring the policies, including commissions, underwriting and policy issue costs;
- Mortality and morbidity experience on life insurance products;
- Board approved premium rate changes; and
- Discontinuance experience, which affects ClearView Life's ability to recover the cost of acquiring new business over the term of the contracts.

In addition, factors such as regulation, competition, interest rates, taxes, securities market conditions and general economic conditions affect the level of these liabilities.

Assets arising from reinsurance contracts

Assets arising from reinsurance contracts are computed using the same methods as used for insurance policy liabilities. 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 reinsurer 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 the Group undertook a review of best estimate assumptions, with a particular focus on claims and lapses to determine impacts and implications from COVID-19. ClearView has made an estimation on the likely implications of COVID-19 at 30 June 2023. Refer to section 1 (j) for further details.

6. Capital structure and capital risk management

This section provides information in relation to the Group's capital structure and financing facilities

6. Capital structure and capital risk management

6.1 Issued capital

2023	No. of ordinary shares	Issued capital $'000	Treasury shares $'000	Total share capital $'000
Balance at the beginning of the financial year	642,905,216	469,062	(2,407)	466,655
Transfer from share based payment reserve and cancellation of forfeited ESP shares[1]	–	188	–	188
Balance at the end of the financial year	**642,905,216**	**469,250**	**(2,407)**	**466,843**
2022				
Balance at the beginning of the financial year	631,202,448	449,855	(2,407)	447,448
Shares issued during the year (ESP exercised)	11,702,768	9,648	–	9,648
Transfer from share based payment reserve and cancellation of forfeited ESP shares[1]	–	5,580	–	5,580
Transfer from General Reserve[2]	–	3,979	–	3,979
Balance at the end of the financial year	**642,905,216**	**469,062**	**(2,407)**	**466,655**

	Company	
	2023	2022
	No. of Shares	No. of Shares
Executive share plan		
Balance at the beginning of the financial year	18,133,432	38,154,662
Shares forfeited during the year[3]	(1,500,000)	(8,318,462)
Shares exercised during the year	–	(11,702,768)
Balance at the end of the financial year	**16,633,432**	**18,133,432**

1 ESP reserve of the forfeited and cancelled shares were transferred to share capital.

2 The general reserve comprises the profit on sale of forfeited ESP shares ($4 million) where the shares were sold via an off market transfer with the proceeds being received by the Company. The general reserve is not an item of other comprehensive income and the items in the general reserve will not be reclassified subsequently to profit or loss. The general reserve was transferred to share capital in FY22

3 At 30 June 2023, 1.5 million forfeited ESP shares were in the process of being bought back and cancelled..

In accordance with AASB 2, Share-Based Payments the shares issued under the Executive Share Plan are treated as options and are accounted for as set out in section 7.2.

The Company does not have a limited amount of authorised capital and issued shares do not have a par value. Fully paid ordinary shares carry one vote per share and carry the rights to dividends.

Treasury shares held in trust

To satisfy obligations under the Group's share-based remuneration plans, shares have been bought on market and are held in a Trust controlled by ClearView. The shares are measured at cost and are presented as a deduction from Group equity. No gain or loss is recognised in profit or loss on the sale, cancellation or reissue of the shares. The shares are derecognised as treasury shares held in trust when the shares vest or are released to the participant. The total number of treasury shares held is 2,783,324 (30 June 2022: 2,783,324 shares) with a value of $2,406,598 (30 June 2022: $2,406,598) at an average price per share of $0.86 (30 June 2022: $0.86).

6. Capital structure and capital risk management continued

Share issue due to ESP exercise and ESP forfeiture

Following the sale of the financial advice business to Centrepoint Alliance, 800,000 ESP shares that have vesting conditions related to change of control constraints vested on completion of the transaction on 1 November 2021. During the extension period to 31 March 2022 (where the ESP loans extension was granted), 11.7 million ESP shares were exercised and the non-recourse loans of $6.3 million were fully repaid. Upon repayment of the loans, the holding lock was removed from the ordinary shares issued. 8.2 million shares that were not exercised were forfeited. These forfeited shares were subsequently bought back and cancelled in April 2022.

In FY23, following the departure of an employee (former Executive), 1.5 million ESP shares that were not exercised have been forfeited. These forfeited shares were in the process of being bought back and cancelled at 30 June 2023.

6.2 Movements in reserves

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Retained earnings/(losses)				
Balance at the beginning of the financial year	7,881	(6,611)	(111,647)	(111,647)
Net profit/(loss) attributable to members of the parent entity	17,108	21,175	18,371	8,424
Transfer to profit reserve	—	—	(18,371)	(8,424)
Dividend paid during the year	(13,220)	(6,683)	—	—
Balance at the end of the financial year	**11,769**	**7,881**	**(111,647)**	**(111,647)**
Share based payments reserve[1]				
Balance at the beginning of the financial year	6,562	14,617	4,155	12,210
Recognition of share based payments	(166)	434	(166)	434
Transfer from accrued employee entitlements[2]	435	351	435	351
ESP loans settled through dividend	199	208	199	208
ESP shares vested and exercised	—	(3,112)	—	(3,112)
ESP shares vested/(forfeited)	(338)	(5,936)	(338)	(5,936)
Balance at the end of the financial year	**6,692**	**6,562**	**4,285**	**4,155**

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Profit reserve				
Balance at the beginning of the financial year	—	—	21,015	19,274
Transfer from retained earnings	—	—	18,371	8,424
Dividend paid during the year	—	—	(13,220)	(6,683)
Balance at the end of the financial year	**—**	**—**	**26,166**	**21,015**
General reserve[3]				
Balance at the beginning of the financial year	—	3,979	—	3,979
Transfer to issued capital	—	(3,979)	—	(3,979)
Balance at the end of the financial year	**—**	**—**	**—**	**—**

1 The above share based payments reserve relates to share options granted by the Company to employee and contractor participants under the share based payment arrangements. Further information is set out in section 7.2.

2 Restricted rights issued relating to Deferred Short Term Variable Remuneration (STVR).

3 The general reserve comprises the profit on sale of forfeited ESP shares ($4 million) where the shares were sold via an off market transfer with the proceeds being received by the Company. The general reserve is not an item of other comprehensive income and the items in the general reserve will not be reclassified subsequently to profit or loss. The general reserve was transferred to share capital in FY22.

6. Capital structure and capital risk management continued

6.3 Shares granted under the executive share plan

In accordance with the provisions of the ESP, as at 30 June 2023, key management have acquired 16,633,432 (30 June 2022: 18,133,432) ordinary shares (excluding 1,500,000 forfeited shares). Shares granted under the ESP carry rights to dividends and voting rights.

Financial assistance amounting to $11,765,742 (30 June 2022: $12,872,422) was made available to executives and senior employees to fund the acquisition of shares under the ESP.

During the year, no performance rights issued to executives were vested (2022: nil).

6.4 Subordinated debt

On 5 November 2020, the Company issued $75 million subordinated, unsecured notes ('the Notes') to wholesale investors. The Notes are unsecured, subordinated debt obligations of the Company. Interest on the Notes accrues at a variable rate equal to the three-month Bank Bill Swap Rate ('**BBSW**') plus a margin of 6% per annum, until maturity, payable quarterly in arrears. Interest expense recognised for the year ended was $6.6 million (2022: $4.7 million). The maturity date of the subordinated debt is 5 November 2030.

Subject to APRA's prior written approval and certain other conditions, the Notes are callable from November 2025 or if certain tax or regulatory events occur.

The Company capitalised directly attributable costs associated with the issuance of the subordinated debt, which totalled $1.7 million and was incurred in FY21. These costs are amortised on a straight line basis of 5 years, being the lesser of the maturity date and the call date. Amortisation of these costs recognised for the year ended was $0.3 million (2022: $0.3 million)

For the year ended 30 June 2023, total subordinated debt is as follows:

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Balance at the beginning of the financial year	73,857	73,514	73,857	73,514
Amortisation of capitalised costs	343	343	343	343
Balance at the end of the financial year	**74,200**	**73,857**	**74,200**	**73,857**

The Company has used $30 million of the proceeds of the Notes for regulatory capital purposes for ClearView Life Assurance Limited. The remainder of the proceeds was used by ClearView to repay existing debt and to cover associated costs.

The Subordinated Notes may convert into Ordinary Shares of ClearView on the occurrence of a Non-Viability Trigger Event. The number of Ordinary Shares issued on Conversion is variable but is limited to the Maximum Conversion Number. The Maximum Conversion Number is 147,058 Ordinary Shares per Subordinated Note, based on the Issue Date VWAP of $0.34.

6. Capital structure and capital risk management continued

6.5 Borrowings

Financing Facilities

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
The Group has access to the following facilities:				
Bank Guarantees				
– amount used	4,028	4,028	—	—
Overdraft and credit				
– amount used	—	—	—	—
– amount unused	2,000	2,000	—	—
Bank Facility				
– amount used	16,000	16,000	16,000	16,000
– amount unused	44,000	44,000	44,000	44,000

As at the reporting date, the Company had a $60 million facility agreement with the National Australia Bank. $16 million has been drawn down with the balance available for immediate use (30 June 2022: $16 million). The facility agreement was amended on 5 June 2023 and the facility is repayable on 1 August 2026. Interest on the loan accrues at BBSY plus a margin of 0.95% per annum (FY22 and prior to June 2023: 0.80%), and is payable quarterly. Furthermore, a line fee of 0.75% per annum (FY22 and prior to June 2023: 0.80%) is payable on the facility on a quarterly basis.

The covenants of the facility agreement state that the Group's debt must not exceed 35% of the Group's total debt and equity, the Group's interest cover ratio (EBITDA (excluding policyholder net profit and removing any effects from the adoption of AASB 16) to interest expense) for the preceding 12 months period must be at least 3 times.

Furthermore, under the facility agreement, a review event occurs where the capital base of the life company, ClearView Life, falls below the minimum PCA ratio of 1.5 times (excluding any supervisory adjustments and reinsurance concentration risk charges). Based on the results to 30 June 2023, ClearView has been operating within its covenants under the terms of the Facility Agreement. The Group has not identified any breaches at 30 June 2023 nor at the time at which these financial statements were authorised for issue. The facility has been secured by a number of cross guarantees, refer to section 9.5 for detail.

ClearView Life Assurance Limited has a $2 million (30 June 2022: $2 million) overdraft facility with National Australia Bank at a benchmark interest rate of 10.47% p.a (2022: 7.72% p.a) calculated daily. Any overdrawn balance in excess of the overdraft will incur an additional margin of 1.5% p.a (2022: 1.5% p.a) above the benchmark interest rate. The bank overdraft is short-term in nature and was unutilised at 30 June 2023 and 30 June 2022. There is an additional $0.25 million credit card facility with National Australia Bank in the name of ClearView Administration Services Pty Limited.

6.6 Capital risk management

The Group maintains capital to protect customers, creditors and shareholders against unexpected losses to a level that is consistent with the Group's risk appetite. The Group's capital structure consists of ordinary equity comprising issued capital, retained earnings and reserves (as detailed in section 6.2).

ClearView generates positive cash flows from in-force portfolios which is subsequently reinvested into new business generation.

The forecast capital generation (and related net capital position) in the FY24 Business Plan allows for increased new business generation and market share over the forecast period, the interest costs associated with the Tier 2 capital raising and the material investment in the new PAS over the multi year transformation period.

The net surplus capital position of the Group above internal benchmarks of $27.5 million at 30 June 2023 is stated prior to the declaration of the FY23 final dividend and any capital release from the exit of the wealth management business.

6. Capital structure and capital risk management continued

The surplus capital position and future business capital generation is anticipated to fund the net capital expenditure impacts of the investment in the new PAS (relative to the quantum that could be permissible to be counted for capital purposes). ClearView also has access to the Debt Funding Facility, to the extent further funding is required.

ClearView has implemented an incurred claims treaty with Swiss Re for lump sum and income protection business, where claims (including reserve components) are paid when a claim is incurred which reduces the concentration risk exposure. There is no Asset Concentration Risk charge under LPS 117 relating to the Swiss Re exposure as at 30 June 2023.

As previously reported, the $70 million irrevocable letter of credit with a major Australian bank on behalf of Swiss Re has been reinstated effective from 30 June 2022 to further reduce any likelihood of concentration risk exposure.

Fitch assigned ClearView a Long-term Issuer Default Rating (**IDR**) of 'BBB'. At the same time, Fitch assigned ClearView's operating subsidiary, ClearView Life, an Insurer Financial Strength Rating (**IFS)** of BBB+. The outlooks for both ratings are stable and were reaffirmed as 'stable'.

Dividends and On-market 10/12 limit share buyback

The Board seeks to pay dividends at sustainable levels with a target payout ratio of between 40% and 60% of Underlying NPAT[1]. The dividend policy has been set (subject to available profits and financial position) to consider regulatory requirements and available capital within the Group.

The annual dividend program was reinstated from FY21 after a period of rebuilding and reinvestment into the business.

ClearView's ability to pay a franked dividend depends upon factors including its profitability, the availability of franking credits and its funding requirements which in turn may be affected by trading and general economic conditions, business growth and regulation.

The Board continues to seek to:

- Pay dividends at sustainable levels;
- Maximise the use of its franking account by paying fully franked dividends; and
- Seek transparent communication to the market around Embedded Value estimation and its relationship to the prevailing share price.

A FY22 fully franked final cash dividend of 2 cents per share was paid in September 2022 and represented an increase of 100% on the prior year.

A FY23 fully franked final cash dividend of 3 cents per share has been declared on 23 August 2023, with a record date of 7 September 2023 (FY23 dividend is payable on 22 September 2023). This represents an increase of 50% on the prior year and a dividend yield of 6.2% based on a 90 day VWAP share price at 30 June 2023 of $0.483 per share. The FY23 payout ratio is 54% of Underlying NPAT, the mid point of the target payout ratio.

The payment of an interim (and a final dividend) from FY24 is under consideration (coupled with a reinstatement of the dividend reinvestment plan). Furthermore, it is intended that the target payout ratio of 40%-60% will be reviewed post completion of the IT transformation investment and wealth management exit, to reflect the shift in the underlying business to a cash generation position.

10/12 limit on market buy back

ClearView does not currently have a Board approved 10/12 limit on market buy-back program in place. The current share buy-back program expired on 19 December 2022, and no shares were bought back and cancelled under the program in the year ended 30 June 2023. Since January 2014, the total number of shares bought back and cancelled under the scheme was 1,208,824.

Employee buy-back of Executive Share Plan shares

There was no buy-back of Executive Share Plan (**ESP**) shares from employee participants in the year ended 30 June 2023[2] (30 June 2022: 6,671,737 ESP shares from Contractor Participants and 1,646,725 ESP shares from Employee Participants were bought back and cancelled).

1 Underlying NPAT consists of consolidated profit after tax excluding amortisation, the effects of changing discount rates on policy liabilities and costs considered unusual to the Group's ordinary activities. Includes amortisation of capitalised software and leases, underlying investment income and interest costs associated with corporate debt and Tier 2 Capital. Costs associated with the incurred claims treaty are reflected as part of reinsurance costs. Excludes the equity accounted earnings of Centrepoint Alliance.

2 1.5 million forfeited ESP shares from an employee participant is in the process of being bought back and cancelled.

7. Employee Disclosures

This section provides information on the remuneration of key management personnel and the Group's employee share plan

7. Employee disclosures

7.1 Key management personnel compensation

Transactions with KMP

Key management personnel compensation

Details of Key Management Personnel compensation are disclosed in the Directors' Report on pages 9 to 75 of the Annual Report. The aggregate compensation made to Key Management Personnel (**KMP**) of the Company and the Group is set out below:

	Consolidated	
	2023	**2022**
	$	**$**
Short-term employee benefits	5,695,277	5,875,993
Post-employment benefits	352,646	388,078
Share based payments[1]	323,722	796,509
Termination benefits	262,281	395,300
Total	**6,633,926**	**7,455,880**

1 In FY23, the FY20 LTIP reserve was reversed due to the non-market performance conditions not being met.

Non-recourse loans

Non-recourse loans were granted to KMP ESP participants in May 2017. This non-recourse loan facility is secured by the ESP shares held and became interest bearing from 30 November 2017 at 3 month BBSY rate plus a margin of 1%. This non-recourse facility is reflected as loans on balance sheet of the listed entity.

In accordance with AASB 9, an expected credit loss (**ECL**) of $0.7 million (30 June 2022: $1.0 million) was recognised against the non-recourse loans given the decrease in ClearView's share price subsequent to the issue of the loans. The loans were granted up to a maximum of $1 per vested ESP share held.

7.2 Share based payments

Share based payment arrangements

Share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The Company issues shares from time to time under the ClearView Rights Plan (the Plan) and previously under the ClearView Long Term Incentive Plan (**LTIP**) and the Executive Shares Plan (**ESP**).

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.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

7. Employee disclosures continued

Share schemes

A summary of deferred equity award plans for employees is set out below:

Plan	Available to	Nature of the award	Vesting conditions
Short Term Variable Remuneration Plan (STVR) (From 1 July 2020)	Managing Director and executives	60% delivered by cash. 40% deferred as restricted rights to fully paid ordinary shares.	The restricted rights are deferred to vest on the fourth anniversary of the award. STVR outcomes are subject to the achievement of ClearView goals and financial performance as well as risk management targets.
Long Term Variable Remuneration Plan (LTVR) (From 1 July 2020)	Managing Director and executives	Performance rights to fully paid ordinary shares	On achievement of the performance measures at the end of a four-year performance period, 100% of the performance rights vest. Vesting is subject to the achievement of ClearView Group's total shareholder return, embedded value (for FY23 LTVR) and compliance targets.
Long Term Incentive Plan (LTIP) (2017 - 2020)	Managing Director and senior management team	Performance rights to fully paid ordinary shares	The performance rights are subject to a deferral period of 3 years. LTIP outcomes are subject to the achievement of ClearView Group performance targets.
Executive Share Plan (ESP) (Prior to 30 June 2017)	Managing Director, senior management team and key senior employees	Fully paid ordinary shares subject to holding lock with non-recourse loans provided as financial assistance	No ESP shares have been granted since 14 June 2017. The plan includes a clause governing the consequences of a change of control event and the shares under the ESP share plan will vest. The ESP awards are not conditional on meeting performance targets.

1 The Plan rules provide suitable discretion for the Remuneration Committee to adjust any formulaic outcome to ensure that awards under the STVR and LTVR appropriately reflect performance.

2 Recipients must remain in the Group's service throughout the service period (or the specified service period under the ESP) in order for the award to vest, except in cases approved by the Remuneration Committee. Vesting is also subject to malus provisions.

3 Once vested, performance rights can be exercised for no consideration.

Performance and restricted rights

Details of the number of employee entitlements to performance rights under the Plan (LTVR and LTIP) and restricted rights (deferred component of the STVR) to ordinary shares granted, vested and transferred to employees and forfeited during the year are as follows:

	No. of rights	
	2023	2022
Balance at the beginning of the financial year	**9,915,447**	**5,449,207**
Granted	4,059,757	4,628,267
Forfeited	(2,560,399)	(162,027)
Balance at the end of the financial year[1]	**11,414,805**	**9,915,447**
Weighted average share price at date of vesting of performance rights during the year	n/a	n/a
Weighted average fair value of performance rights granted during the year	$0.29	$0.20
Weighted average fair value of restricted rights granted during the year	$0.74	$0.50

1 Balance at end of the financial year does not include the financial year's deferred STVR component.

7. Employee disclosures continued

Fair value of performance and restricted rights

The fair value of performance rights granted during the year was determined using the following key inputs and assumptions:

Performance rights	2023 [2]	2022 [1]
Share price at grant date	$0.48	$0.50
Exercise price	Nil	Nil
Volatility	46.5%	50.0%
Dividend yield	7.02%	5.48%
Anticipated performance right life (years)	3.44	4
Present value of future expected dividends	0.087	n/a
Fair value at grant date - Market conditions	$0.19	$0.20
Fair value at grant date - Non-market performance conditions	$0.39	n/a
Restricted rights	**2023**	**2022**
Fair value at grant date	$0.74	$0.50

1 The 2022 target is based on an Absolute Total Shareholder Return (TSR) from 1 July 2021 to 30 June 2025. A Monte Carlo simulation methodology has been selected.

2 The 2023 target is based on a TSR from 1 July 2022 to 30 June 2026 for 50% performance rights and an Embedded Value (EV) as at 30 June 2026 for 50% performance rights. A Monte Carlo simulation methodology has been selected for the fair value of the TSR rights. The fair value of the EV rights was calculated as the value of the ordinary shares in ClearView on the grant date less the present value of the expected dividends over the expected terms of the rights.

The fair value is determined using appropriate methods including Monte Carlo simulations, share price less present value of dividend, depending on the vesting conditions. Some of the input or assumptions used may be based on historical data which is not necessarily indicative of future trends.

The fair value of restricted rights granted during the year was determined based on the fair value of the Company's shares at the grant date or for the deferred component of the STVR, at the end of the previous financial year.

Executive Share Plan

Details of the number of ESP shares granted, vested and transferred, and forfeited during the year are as follows:

	2023		2022	
	Number of shares	Weighted average exercise price $	Number of shares	Weighted average exercise price $
Balance at the beginning of the financial year	18,133,432	0.71	38,154,662	0.65
Forfeited during the year	(1,500,000)	1.09	(8,318,462)	0.96
Exercised during the year	—	0.56	(11,702,768)	0.54
Balance at the end of the financial year	**16,633,432**	**0.71**	**18,133,432**	**0.71**

The shares were priced using a binomial option pricing model with volatility based on the historical volatility of the share price.

Share based payment expense

Total expenses arising from share based payment awards under the various share schemes including LTVR, LTIP, and ESP amounted to -$0.2 million (2022: $0.4 million) mainly due to the reversal of FY20 LTIP reserve as a result of non-market performance conditions not being met, of which no amount (2022: $0.06 million) is included in the results of discontinued operations. STVR deferred component (restricted rights) expense of $0.5 million is included in employee expenses.

8. Related parties and other Group entities

This section provides information on the Group's structure and how it affects the financial position and performance of the Group as a whole. In particular, there is information about:

8. Related parties and other Group entities

8.1 Equity interests in subsidiaries

Details of the percentage of ordinary shares held in subsidiaries.

				Ownership interest	
		Parent	Country of	2023	2022
Name of Entity	Principal Activity	Entity	incorporation	%	%
Parent entity					
ClearView Wealth Limited (CWL)	Holding Company	—	Australia		
Subsidiaries					
ClearView Group Holdings Pty Limited (CGHPL)	Holding Company	CWL	Australia	100	100
ClearView Life Assurance Limited (CLAL)	Life Company	CGHPL	Australia	100	100
ClearView Financial Management Limited (CFML)	Responsible Entity	CWL	Australia	100	100
ClearView Life Nominees Pty Limited (CLNPL)	Trustee	CWL	Australia	100	100
ClearView Administration Services Pty Limited (CASPL)	Administration Service Entity	CWL	Australia	100	100
ClearView Employee Share Trust (CVEST)	Trustee	CWL	Australia	100	100
Matrix Planning Investments Pty Limited (MPIPL)[1]	Non operating	CASPL	Australia	—	100
Affiliate Financial Planning Pty Limited (AFPPL)[1]	Non operating	CASPL	Australia	—	100
Interest in associates[2]					
Centrepoint Alliance Limited	Advice Company	CWL	Australia	24.38	24.50

1 On 3 August 2022, MPIPL and AFPPL were deregistered with ASIC.

2 Refer to Section 8.2 Investment in associate for further details.

8. Related parties and other Group entities continued

Name of Entity	Principal Activity	Parent Entity	Country of incorporation	Ownership interest 2023 %	Ownership interest 2022 %
Controlled unit trusts					
CVW Index Fixed Interest Fund	Wholesale Fund	CLAL	Australia	97	96
CVW Schroder Equity Opportunities Fund	Wholesale Fund	CLAL	Australia	42	38
CVW Fixed Interest Fund	Wholesale Fund	CLAL	Australia	55	52
CVW Index International Shares Fund	Wholesale Fund	CLAL	Australia	93	92
CVW Money Market Fund	Wholesale Fund	CLAL	Australia	92	90
CVW First Sentier Investors Infrastructure Fund	Wholesale Fund	CLAL	Australia	28	26
CVW ClearBridge RARE Emerging Markets Fund	Wholesale Fund	CLAL	Australia	32	31
CVW Antipodes Global Fund	Wholesale Fund	CLAL	Australia	33	30
CVW Hyperion Australian Shares Fund	Wholesale Fund	CLAL	Australia	100	100
CVW Index Infrastructure and Property Fund	Wholesale Fund	CLAL	Australia	90	90
CVW Index Emerging Markets Fund	Wholesale Fund	CLAL	Australia	95	94
CVW Index Australian Shares Fund	Wholesale Fund	CLAL	Australia	92	92
CVW Aoris International SRI Fund (previously CVW Stewart Investors Worldwide Sustainability Fund)	Wholesale Fund	CLAL	Australia	42	38
CVW Fairlight Global Fund	Wholesale Fund	CLAL	Australia	51	50

CASPL was incorporated to centralise the administrative responsibilities of the Group which includes being the employer of all staff within the Group. CASPL recoups all expenditure by virtue of a management fee from the various group companies and operates on a cost recovery basis (in accordance with an inter group agreement).

CWL is regulated as a Non-Operating and Holding Company by the Australian Prudential Regulation Authority (**APRA**) under the Life Insurance Act 1995, and via its subsidiaries, holds an APRA life insurance licence (**CLAL**), and APRA registrable superannuation entity (**RSE**) licence (**CLN**) and an ASIC funds manager responsible entity (**RE**) licence (**CFML**).

The consolidation of the unit trusts regardless of the percentage of CLAL's ownership interest is based on the Company's power over the relevant activities of the unit trusts (CFML is the responsible entity of the unit trusts) and the significance of its exposure to variable returns of the unit trusts (CLAL is a unit holder and significantly exposed to variable returns of investment performance of the unit trusts).

8.2 Investment in associate

On 1 November 2021 the Company acquired a strategic 24.5% stake (48 million shares) in Centrepoint Alliance as part of the sale of its financial advice businesses to Centrepoint Alliance (refer to section 8.5 for detail). The 48 million shares were restricted for dealing for 12 months since the date of issuance of the shares. As a result, the Company gained significant influence over the investee and this investment is accounted for using the equity method.

As at the acquisition date, the investment in associate is recognised at cost being the fair value of 48 million shares of Centrepoint Alliance.

ClearView assesses, at each reporting date, whether there is any objective evidence of impairment. If there is an indication that an investment may be impaired, then the entire carrying amount of the investment in associate is tested for impairment by comparing the recoverable amount (higher of value in use and fair value less disposal costs) with the carrying amount. Impairment losses recognised in the income statement are subsequently reversed through the income statement if there has been a change in the estimates used to determine recoverable amount since the impairment loss

8. Related parties and other Group entities continued

was recognised. As at 30 June 2023, $1.6 million of impairment was recognised to the carrying value of the investment in associate (30 June 2022: nil). The recoverable amount of the investment in associate was determined based on various data points from a number of external sources and ClearView's internal valuation models.

During the year the carrying amount of the investment in associate has changed as follows:

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Balance at the beginning of the year	**13,734**	**—**	**13,734**	**—**
Additions	—	13,440	—	13,440
Profit for the period[1]	2,264	534	2,264	534
Dividend received	(960)	(240)	(960)	(240)
Impairment	(1,598)	—	(1,598)	—
Balance at the end of the year	**13,440**	**13,734**	**13,440**	**13,734**

1 In FY23, the profit for the period includes $1.1m FY22 tax benefit true-up.

8.3 Transactions between the Group and its related parties

Other related parties include:

- Entities with significant influence over the Group;
- Associates; and
- Subsidiaries.

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

Details of balances between the Group and other related parties during the financial year ended 30 June 2023 are outlined below.

The ultimate parent entity in the Group is ClearView Wealth Limited which is incorporated in Australia.

8. Related parties and other Group entities continued

Outstanding balances between the Group and its related parties

2023	ClearView Wealth Limited $	ClearView Life Assurance Limited $	ClearView Financial Management Limited $	ClearView Admin Services Pty Limited $	ClearView Life Nominees Pty Limited $	ClearView Retirement Plan $	CFML Managed Investment Schemes $	Total $
ClearView Wealth Limited	–	6,091,362	(486,480)	2,541,524	35,673	(73)	–	8,182,006
ClearView Life Assurance Limited	(6,091,362)	–	(18,473)	(8,509,998)	–	393,212	–	(14,226,621)
ClearView Financial Management Limited	486,480	18,473	–	(43,432)	–	–	515,485	977,006
ClearView Admin Services Pty Limited	(2,541,524)	8,509,998	43,432	–	–	–	–	6,011,906
ClearView Life Nominees Pty Limited	(35,673)	–	–	–	–	–	–	(35,673)
ClearView Retirement Plan	73	(393,212)	–	–	–	–	–	(393,139)
CFML Managed Investment Schemes	–	–	(515,485)	–	–	–	–	(515,485)
Total	**(8,182,006)**	**14,226,621**	**(977,006)**	**(6,011,906)**	**35,673**	**393,139**	**515,485**	**–**

2022	ClearView Wealth Limited $	ClearView Life Assurance Limited $	ClearView Financial Management Limited $	ClearView Admin Services Pty Limited $	ClearView Life Nominees Pty Limited $	ClearView Retirement Plan $	CFML Managed Investment Schemes $	Centrepoint Alliance Limited $	Total $
ClearView Wealth Limited	–	7,119,620	(192,479)	2,367,403	427,103	2,912,716	–	151,701	12,786,064
ClearView Life Assurance Limited	(7,119,620)	–	96,294	(8,330,489)	–	1,048,988	–	–	(14,304,827)
ClearView Financial Management Limited	192,479	(96,294)	–	(881,317)	(395,284)	–	601,250	–	(579,166)
ClearView Admin Services Pty Limited	(2,367,403)	8,330,489	881,317	–	–	–	–	–	6,844,403
ClearView Life Nominees Pty Limited	(427,103)	–	395,284	–	–	–	–	–	(31,819)
ClearView Retirement Plan	(2,912,716)	(1,048,988)	–	–	–	–	–	–	(3,961,704)
CFML Managed Investment Schemes	–	–	(601,250)	–	–	–	–	–	(601,250)
Centrepoint Alliance Limited	(151,701)	–	–	–	–	–	–	–	(151,701)
Total	**(12,786,064)**	**14,304,827**	**579,166**	**(6,844,403)**	**31,819**	**3,961,704**	**601,250**	**151,701**	**–**

8. Related parties and other Group entities continued

Related party tax assets

As at 30 June 2023 the ClearView Group carried a non-current receivable of $0.4 million (30 June 2022: $3.9 million) from its related superfund ClearView Retirement Plan (**CRP**). This is after a write down of $0.3 million in the current year in respect of the FY22 income tax year (2022: $0.9 million for the FY21 income tax year) driven by the reduction of the carried forward losses in CRP against its net current pension exempt income in the respective year. A provision of $0.4 million (30 June 2022: $0.6 million) was fully provided for the receivable.

Related party transactions with associates

During the year, ClearView has continued to transact with Centrepoint Alliance's financial advice businesses. The aggregate amounts included in the determination of profit before tax that resulted from key transactions with

Centrepoint Alliance are:

- Risk commission paid $6.3 million (2022: $4.3 million); and
- Fees paid for adviser services $4.7 million (2022: $4.5 million).

Other transactions between the Group and associate entities consisted of directors fees received for Simon Swanson's directorship held in Centrepoint Alliance and fees paid for financial advice business model costs.

All these transactions are on a normal commercial basis.

Subordinated debt

On 5 November 2020, the Company issued $75 million subordinated, unsecured notes to wholesale investors (external notes). These are unsecured, subordinated debt obligations of the Company. Interest accrues at a variable rate equal to the three-month Bank Bill Swap Rate ('**BBSW**') plus a margin of 6% per annum, until maturity, payable quarterly in arrears. Interest expense recognised for the year was $6.6 million (2022: $4.7 million). Concurrently, the Company utilised $30 million of the proceeds to issue subordinated notes to its wholly owned subsidiary ClearView Life Assurance Limited for regulatory capital purposes (internal notes). Interest accrues at a variable rate equal to the three-month Bank Bill Swap Rate ('**BBSW**') plus a margin of 6% per annum, until maturity, payable quarterly in arrears. Interest income recognised for the year was $2.7 million (2022: $1.9 million). The internal notes and associated interest is eliminated in the Group's consolidated financial statements.

Other related party transactions

Directors fees were paid to Crescent Capital Partners Pty Limited the manager of the parent entity's majority shareholder CCP Bidco Pty Limited.

A director held 100 subordinated notes during the year and the notes are issued on the same terms and conditions available to other note holders.

Transactions other than financial instrument transactions

No Director has entered into a material contract with the Company or the ClearView Group since the end of the previous financial year and there were no material contracts involving Directors' interests existing at year end. Other transactions with directors, executives and their related parties are conducted on arm's length terms and conditions, and are deemed trivial or domestic in nature. These transactions are in the nature of personal investment, life insurance policies and superannuation.

8. Related parties and other Group entities continued

8.4 Investment in controlled unit trusts

Name	Type	Consolidated 2023 $'000	Consolidated 2023 %	Consolidated 2022 $'000	Consolidated 2022 %
Controlled unit trusts					
CVW Index Fixed Interest Fund	Debt	200,573	97	197,742	96
CVW Schroder Equity Opportunities Fund	Equities	52,138	42	48,597	38
CVW Fixed Interest Fund	Debt	198,477	55	213,425	52
CVW Index International Shares Fund	Equities	251,867	93	217,620	92
CVW Money Market Fund	Debt	145,970	92	146,441	90
CVW First Sentier Investors Infrastructure Fund	Property	20,511	28	22,119	26
CVW ClearBridge RARE Emerging Markets Fund	Equities	16,792	32	22,743	31
CVW Antipodes Global Fund	Equities	38,265	33	40,499	30
CVW Hyperion Australian Shares Fund	Equities	17,397	100	15,111	100
CVW Index Infrastructure and Property Fund	Property	98,174	90	90,719	90
CVW Index Emerging Markets Fund	Equities	41,756	95	38,613	94
CVW Index Australian Shares Fund	Equities	189,864	92	167,805	92
CVW Aoris International SRI Fund (previously CVW Stewart Investors Worldwide Sustainability Fund)	Equities	34,302	42	33,401	38
CVW Fairlight Global Fund	Equities	39,700	51	38,422	50
Total		**1,345,786**		**1,293,257**	
In which:					
Assets held for sale (see section 8.5(d))		1,344,646		–	
Investments		1,140		1,293,257	

8.5 Discontinued operations

On 25 August 2021, ClearView announced sale of its Financial Advice business, following a strategic review in this segment to seek out and pursue inorganic opportunities to accelerate its path to scale. The businesses were sold on 1 November 2021 to Centrepoint Alliance, in exchange for $3.2 million in cash (subject to a net asset adjustment) and the acquisition of a strategic 24.5% stake in Centrepoint Alliance. The acquisition of a strategic stake in Centrepoint Alliance allowed ClearView to participate in the financial advice industry consolidation but at the same time separate the product manufacturer and advice arms of its business.

As previously announced to the market, the Board initiated a strategic review in the Wealth Management segment to seek out and pursue opportunities to reset and simplify the business with the ambition of retaining its core focus on being a life risk insurance provider. The Board is committed to the exit of the Wealth Management business given its lack of scale and limited growth options.

ClearView entered into a share sale agreement (on 22 February 2023) for the sale of CFML to Human Financial, subject to the completion of certain conditions precedent.

The superannuation fund trustee, ClearView Life Nominees Pty Limited is, at the same time, considering a number of options and the best way forward for the superannuation fund, ClearView Retirement Plan. The outcome of these considerations will inform the roadmap and timing for the overall exit of the Wealth Management business.

Post exit of the Wealth Management business, ClearView will be a simplified and less complex business with a focus on life insurance. However, given the trustee considerations, the timing remains uncertain but is expected to be within the FY24 financial year.

8. Related parties and other Group entities continued

In accordance with AASB 5 Non-Current Assets Held for Sale and Discontinued Operations, the Wealth Management segment meets the criteria to be classified as held for sale in the consolidated financial statements for the year ended 30 June 2023.

The Wealth Management business was not previously classified as held-for-sale or as discontinued operations. The comparative consolidated statement of profit or loss and other comprehensive income has been re-presented to show the discontinued operations separately from continuing operations.

The financial information reflecting the discontinued operations is as follows:

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
a) Results of discontinued operations				
Revenue	225,619	256,778	–	–
Expenses	(221,711)	(261,009)	–	–
Profit/(loss) before income tax	**3,908**	**(4,231)**	**–**	**–**
Income tax (expense)/benefit	(7,748)	2,273	–	–
Loss for the period from discontinued operations	**(3,840)**	**(1,958)**	**–**	**–**
Gain on sale of discontinued operations after income tax (see c) below)	–	11,736	–	–
(Loss)/profit from discontinued operations attributable to equity holders of the parent	**(3,840)**	**9,778**	**–**	**–**
Earnings per share from discontinued operations				
Basic (cent per share)	(0.60)	1.54	–	–
Diluted (cent per share)	(0.60)	1.54	–	–

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
b) Cash flows from discontinued operations				
Net cash generated by operating activities	22,107	258,360	–	–
Net cash generated/(utilised) by investing activities	140,301	(136,425)	–	–
Net cash (utilised) by financing activities	(159,394)	(119,372)	–	–
Net cash flows for the period from discontinued operations	**3,014**	**2,563**	**–**	**–**

c) Details of sale of discontinued operations				
Consideration received:				
Cash	–	3,170	–	–
Investment in Centrepoint Alliance	–	13,440	–	–
Total disposal consideration	**–**	**16,610**	**–**	**–**
Carrying amount of net assets sold	–	(3,582)	–	–
Net asset adjustments[1]	–	152	–	–
Matrix brand sold	–	(200)	–	–
Transaction costs[2]	–	(1,717)	–	–
Gain on sale before income tax	**–**	**11,263**	**–**	**–**
Income tax benefit on gain	–	473	–	–
Gain on sale after income tax	**–**	**11,736**	**–**	**–**

1 Net asset adjustments was finalised and completed in 2H FY22.

2 Includes shared redundancy, legal, employee, consultancy and other costs associated with the sale of the financial advice businesses.

8. Related parties and other Group entities continued

At the time of the sale the fair value of the investment in Centrepoint Alliance was determined to be $13.4 million (48 million shares at 28 cents per share) and was recognised as investment in associate (refer to section 8.2).

The carrying amounts of assets and liabilities as at the date of sale of the Financial Advice (1 November 2021) were:

	1 November 2021 $'000
Cash and cash equivalent	3,290
Receivables	794
Deferred tax assets	15
Total assets	**4,099**
Payables	161
Provisions	356
Total liabilities	**517**
Net assets	**3,582**

		Consolidated		Company	
	Note	2023 $'000	2022 $'000	2023 $'000	2022 $'000
d) Assets and liabilities classified as held for sale					
Assets					
Cash and cash equivalent		44,331	–	–	–
Investments	3.3	1,868,598	–	11,956	–
Receivables		2,297	–	–	–
Deferred tax assets		285	–	–	–
Goodwill	4.1	8,500	–	–	–
Intangible assets	4.1	2,882	–	–	–
Assets held for sale		**1,926,893**	**–**	**11,956**	**–**
Liabilities					
Payables		6,285	–	–	–
Life investment policy liabilities	5.4	1,345,138	–	–	–
Liability to non-controlling interest in controlled unit trusts		557,485	–	–	–
Liabilities directly associated with assets held for sale		**1,908,908**	**–**	**–**	**–**
Net assets directly associated with disposal group[1]		**17,985**	**–**	**11,956**	**–**

1 Includes a pre-completion dividend which will not result in the CFML's net tangible assets being less than $5.0 million following the declaration or payment. As at 30 June 2023, the CFML's net tangible assets are $6.6 million.

8. Related parties and other Group entities continued

Recognition and measurement

A discontinued operation is a component of the Group that has been disposed of or is classified as held for sale and that represents a separate major line of business. The results of discontinued operations are presented separately in the statement of profit or loss.

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement. Assets and liabilities classified as held for sale are presented separately in the balance sheet.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition. No impairment loss was recognised for the assets held for sale as at 30 June 2023.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

9. Other disclosures

This section provides information on the Group's structure and how it affects the financial position and performance of the Group as a whole. In particular, there is information about:

9. Other disclosures

9.1 Notes to the Consolidated statement of cash flows

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Net profit/(loss) for the year	**17,108**	**21,175**	**18,371**	**8,424**
Fair value (gains)/losses on financial assets at fair value through profit and loss	(115,893)	208,888	—	—
Amortisation and depreciation	6,408	6,084	—	—
Employee share plan expense	(166)	376	—	—
Other non operating expenses/cash items	(15,730)	3,982	(15,309)	(36)
Subordinated debt interest expense	6,635	4,714	—	—
Profit from sale of subsidiaries	—	(11,263)	—	—
Movement in provision	2,278	(888)	10	—
Movements in liabilities to non-controlling interest in controlled unit trust	88,128	(26,264)	—	—
Decrease/(increase) in receivables and capitalised costs	2,926	1,949	3,715	(8,780)
Decrease/(increase) in deferred tax asset	4,372	(5,089)	171	394
Increase/(decrease) in payables	7,836	4,962	(900)	736
Increase/(decrease) in policy liabilities	46,833	118,600	—	—
(Decrease)/increase in deferred tax liability	(21)	(1,861)	(79)	(70)
Increase/(decrease) in current tax liability	11,125	4,397	11,125	4,397
Net cash generated/(utilised) by operating activities[1]	**61,839**	**329,762**	**17,104**	**5,065**

1 Includes net cash generated by operating activities from continuing and discontinued operations.

Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, which are subject to an insignificant risk of changes in value.

9.2 Contingent liabilities and contingent assets

There may be outstanding claims and potential claims against the ClearView Group in the ordinary course of business. Furthermore, ClearView Group may be exposed to contingent risks and liabilities arising from the conduct of its business including contracts that involve providing contingent commitments such as warranties, indemnities or guarantees.

The ClearView Group does not consider the outcome of any such claims known to exist at the date of this report, either individually or in aggregate is likely to have a material effect on its operations or financial position. The Directors are of the opinion that provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

Certain subsidiaries act as trustee for various trusts. In this capacity, the subsidiaries are liable for the debts of the trusts and are entitled to be indemnified out of the trust's assets for all liabilities incurred on behalf of the trusts.

In the ordinary course of business, certain ClearView subsidiaries enter into various types of investment contracts that can give rise to contingent liabilities. It is not expected that any significant liability will arise from these transactions as any losses or gains are offset by corresponding gains or losses on the underlying exposure.

9. Other disclosures continued

Industry and regulatory compliance investigations

ClearView is subject to review from time to time by regulators. ClearView's principal regulators are APRA, ASIC and AUSTRAC, although other government agencies may have jurisdiction depending on the circumstances. The reviews and investigations conducted by regulators may be industry-wide or specific to ClearView and the outcomes of those reviews and investigations can vary and may lead, for example, to enforcement actions and the imposition of charges, penalties, variations or restrictions to licences, the compensation of customers, enforceable undertakings or recommendations and directions.

Letter of credit

ClearView was the beneficiary of a $70 million irrevocable letter of credit issued by Australia and New Zealand Banking Group Limited (**ANZ**) on behalf of Swiss Re Life and Health Australia (Swiss Re). As a result of entering into the new income protection incurred claims treaty, ClearView wound down the limits on the irrevocable letter of credit in FY21. Subsequently, the $70 million irrevocable letter of credit has been reinstated effective from 30 June 2022 to continue to support CLAL's Asset Concentration Risk Charge under APRA's regulations. The letter of credit is applied across both lump sum and income protection incurred claims treaties with Swiss Re.

Off balance sheet items – ESP loans

In accordance with the provisions of the ESP, as at 30 June 2023, key management, members of the senior management team have acquired 16,633,432 (30 June 2022: 18,133,432) ordinary shares.

Shares granted under the ESP carry rights to dividends and voting rights. Financial assistance amounting to $11,765,742 (30 June 2022: $12,872,422) was made available to these participants to fund the acquisition of shares under the ESP, of which $9,040,738 (30 June 2022: $10,918,893) is held as an off balance sheet receivable. Given the non-recourse nature of the loans and the current CVW share price, the off balance sheet loan may not be recoverable as at 30 June 2023.

Other

The Company has guaranteed the obligations of one of its subsidiaries in respect of employee entitlements of employees who were previously employed by MBF Holding Pty Limited (Bupa Australia).

The Company in the ordinary course of business has provided a letter of financial support to its subsidiary ClearView Administration Services, the centralised administration entity of the Group.

Other than the above, the Directors are not aware of any other contingent liabilities in the Group at the year end.

9.3 Leases

The main type of right of use asset recognised by the Group relates to property leases.

The Group has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less, leases that expire within 12 months of initial application and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Right-of-use assets

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 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.

9. Other disclosures continued

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.

Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Right-of-use assets				
Buildings	7,804	10,338	—	—
Equipment	35	118		
Total	**7,839**	**10,456**	**—**	**—**
Lease liabilities				
Buildings	8,562	11,039	—	—
Equipment	36	121	—	—
Total	**8,598**	**11,160**	**—**	**—**

Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Depreciation of right-of-use assets	2,995	3,079	—	—
Impairment of right-of-use assets	—	1,175	—	—
Interest expense	181	224	—	—

Impairment

During FY22, a floor of the Sydney Head office was vacant as a result of the sale of the financial advice businesses. The vacancy is expected to last for 24 months before it is sub-let. In accordance with AASB 16, the right of use asset for this lease was impaired. An impairment charge of $0.9 million for the right of use asset and a provision of $0.3 million for the associated outgoing costs was recognised and presented as part of the discontinued operation for the year ended 30 June 2022.

9. Other disclosures continued

Additions during the financial year

During the financial year, the Group signed a new property lease for the Melbourne office for a term of five years. The impact of initial recognition of this lease is as follows:

	Consolidated		Company	
	2023	2022	2023	2022
	$'000	$'000	$'000	$'000
Balance Sheet				
Assets				
Right of use asset	441	–	–	–
Total	**441**	**–**	**–**	**–**
Liabilities				
Lease liability	426	–	–	–
Total	**426**	**–**	**–**	**–**

9.4 Capital commitments

ClearView has committed to technology projects and service agreements to a value of $12.7 million. This predominantly relates to the implementation and ongoing costs of a new integrated policy administration system and underwriting rules engine ($10.8 million). Other commitments of $1.9 million include the infrastructure as a service agreement (service fees) and the implementation of the AASB 17 sub-ledger solution. The following table outlines the expected cashflows in relation to those commitments.

						Consolidated
	Year 1	Year 2	Year 3	Year 4	Year 5	Total
	$'000	$'000	$'000	$'000	$'000	$'000
PAS/URE	4,291	4,072	1,768	692	–	10,823
Other commitments	1,152	330	293	134	–	1,909
Total	**5,443**	**4,402**	**2,061**	**826**	**–**	**12,732**

9.5 Guarantees

The facility entered into with the National Bank of Australia is guaranteed jointly and severally by:

- ClearView Group Holdings Pty Limited ACN 107 325 388
- ClearView Administration Services Pty Limited ACN 135 601 875
- ClearView Financial Management Limited[1] ACN 067 544 549

The guarantees are supported by collateral (in the form of the shares) of the entities.

1 For CFML who holds an Australian Financial Services License (AFSL) the recovery granted from the guarantee is limited to the extent that it does not result in the Company breaching its AFSL conditions.

9. Other disclosures continued

9.6 New accounting standards

New and revised Australian Accounting Standards and Interpretations affecting amounts reported and/ or disclosures in the financial statements

There has been no new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('**AASB**') that are mandatory for the current reporting period and significantly affect amounts reported or disclosures in the financial statements.

New and revised Australian Accounting Standards and Interpretations on issue but not yet effective

Standards and Interpretations on issue not yet adopted

AASB 17, the new accounting standard for insurance contracts, was adopted by the Australian Accounting Standards Board in July 2017. The first applicable annual reporting period for ClearView will be for the year ending 30 June 2024, with the comparative period for the year ended 30 June 2023 and a restated opening Statement of Financial Position as at 1 July 2023.

No other Australian Standards and Interpretations, which are on issue but not yet effective, are expected to have significant financial and disclosure impact on ClearView.

Impact of changes to Australian Accounting Standards and interpretations on issue not yet effective

AASB 17 Insurance Contracts

AASB 17 Insurance Contracts replaces AASB 4 Insurance Contracts and AASB 1038 Life Insurance Contracts, and is effective for ClearView from 1 July 2023. AASB 17 aims to establish globally consistent principles for the recognition, measurement, presentation and disclosure of insurance contracts issued. Life investment contracts are currently measured under the AASB 9 Financial Instruments standard and will continue to be recognised under this standard.

In November 2020, APRA released its discussion paper Integrating AASB 17 into the capital and reporting frameworks for insurers and updates to the LAGIC framework which outlined their proposals to align, where appropriate, its capital and reporting frameworks with AASB 17. In December 2021, following industry consultation and feedback on the discussion paper, APRA released a pack containing its response and information papers, and updated draft capital prudential and reporting standards. APRA released the final capital prudential and reporting standards in September 2022, and subsequently made minor amendments to the finalised prudential and reporting standards in June 2023.

Amongst other things, the key proposals and implications in APRA's AASB 17 requirements include:

- an effective date of 1 July 2023 for the APRA requirements to apply, which for ClearView is aligned to the effective date of AASB 17;
- more granular reporting to APRA (for example, the stepped premium business will be split from non-stepped premium business) of which a set of allocation principles is provided that will be adopted to assist with translating the AASB 17 level of aggregation to the proposed APRA reporting groups; and
- less alignment between APRA capital and AASB 17 financial reporting methodologies (for example, APRA has maintained its long-term natural expiry contract boundary requirement for all businesses, including the yearly renewal term stepped business), leading to a need to have dual reporting for AASB 17 and for APRA.

1 The Australian Taxation Office (ATO) has yet to provide any ruling on its AASB 17 impacts and, as such, ClearView has not been able to assess any tax-related impact.

9. Other disclosures continued

Key areas of consideration and progress

AASB 17 will apply to all insurance and reinsurance contracts in the ClearView Group and ClearView Life Assurance Limited (ClearView Life).

The financial calculations and operational changes relating to AASB 17 are highly complex. ClearView is well progressed and work is ongoing to finalise impacts and restate comparative information.

The relevant key areas of consideration for ClearView are set out below.

- AASB 17 insurance and reinsurance contract liabilities and assets will be restated upon transition at 1 July 2023 using one of three 'transition approaches' allowed under the standard, namely the 'full retrospective approach' (**FRA**), the 'modified retrospective approach' (**MRA**) and the 'fair value approach' (**FVA**). The FRA essentially applies AASB 17 retrospectively for all historical financial periods, and relies on all relevant inputs, systems and models being practically available. If impracticability of using FRA is demonstrated, the MRA or FVA can be used, where a number of simplifications, such as approximating key inputs, are allowable. ClearView is applying a MRA for the majority of business where FRA is impracticable and FVA for the remaining business.
- ClearView will apply the 'general measurement model' (**GMM**) for recognition and measurement of all insurance contracts and reinsurance contracts held.
- Changes to the level of aggregation, as AASB 17 requires that insurance contracts be pooled into portfolios of insurance contracts (**PICs**) that have similar risks and are managed together. For ClearView, the PICs comprise business sold under ClearChoice (open to new business), LifeSolutions (closed to new business) and a group of older legacy non-advice based business (closed to new business). The business will also be split by stepped and non-stepped (level) premium and lump sum and disability income. These portfolios will be further separated into groups of insurance contracts (**GICs**) split by profitability (or onerous) categories and contain contracts issued no more than 12 months apart (cohorts). AASB 17 also requires the unbundling of underlying (gross) insurance contracts from their related reinsurance contracts held. All things considered these will be more granular than the current related product groups under AASB 1038.
- The introduction of a risk adjustment for non-financial risk (**RA**) which reflects the compensation that ClearView requires for bearing the uncertainty in relation to the amount and timing of cash flows. The risk adjustment will imply a confidence level which will need to be disclosed. ClearView will adopt a cost-of-capital calculation to quantify the RA for both liability for incurred claims and liability for remaining coverage.
- Although conceptually similar, the Contractual Service Margin (**CSM**) requirement under AASB 17 recognises profit on a different basis to the Margin on Services (**MoS**) approach under AASB 1038, and therefore the emergence of profit is likely to change for portfolios with positive profit margins.
- Changes to the contract boundary, of which projected cashflows are to be included, impacts a material part of ClearView's business. ClearView's underlying (gross) yearly renewable term (**YRT**) stepped premium business contract boundary is materially shortened from a long-term, natural expiry contract boundary under AASB 1038 to a 12-month contract boundary under AASB 17. This applies to both the lump sum and disability income business, and reflects the policyholder renewal and repricing cycle. Shortening the contract boundary will result in different patterns of profit recognition compared to the current standards, where asymmetries will exist between other underlying level premium business and reinsurance contracts held.
- Due to the shorter contract boundary for YRT ClearView recognises the directly attributable insurance acquisition costs over longer term by utilising an asset for insurance acquisition cash flows (**AIACF**) related to future renewals of YRT business.
- Assets of reinsurance contracts held will be determined separately to the gross underlying contract, and may have different contract boundaries and profit emergence.

The implementation of AASB 17 will result in a considerable increase in data volume and data storage requirements. Efficient and controlled processes are important to ensure that ClearView meets the reporting deadlines for both internal and external stakeholders as well as providing quality business insights and data for business decision-making.

To this end, ClearView has assessed its current state and target state of operations including historical and projected data, key economic and insurance assumptions, and calculation and reporting models and are in the process implementing new systems and reporting processes to cater for the requirements of AASB 17 and APRA reporting purposes.

9. Other disclosures continued

Implementation of an external vendor AASB 17 sub-ledger system commenced in FY22. This system, along with enhancements to other processes and models are required to perform AASB 17 calculations, data transformation and storage, analysis of results, and production of required general ledger entries and disclosures for financial accounts. ClearView continues to progress its AASB 17 implementation program for adoption on 1 July 2023.

AASB 17 is not expected to change the underlying economics or cashflows of ClearView's business, but it is expected to have an impact on the timing of the emergence of profits and retained earnings on adoption of the accounting standard. It is expected that AASB 17 will result in decrease of between $40 million and $80 million in net assets (after tax impacts) for the restated opening statement of financial position as at 1 July 2022.

ClearView expects to provide pro forma AASB 17 historical financials (for analysts and investors) in advance of the 1H24 financial result.

9.7 Subsequent events

FY23 Final Dividend

A final fully franked FY23 cash dividend of 3 cents per share or $19.8 million has been declared subsequent to year end. This represents an increase of 50% on the prior year. The FY23 payout ratio is 54% of Underlying NPAT, the mid point of the target payout ratio.

Centerpoint Alliance dividend declaration

Subsequent to year end, Centerpoint Alliance has declared a fully franked ordinary dividend of 2.0 cents per share will be payable. The record date will be 15 September 2023 and the payment date will be 29 September 2023.

Directors' Declaration

The Directors declare that:

a) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

b) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the Corporations Act 2001, including the compliance with accounting standards and giving a true and fair view of the financial position and the performance of the Company and the consolidated entity;

c) In the Directors' opinion, the financial statements and notes thereto are in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board as disclosed in section 1 ; and

d) The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors made pursuant to section 295(5) of the Corporations Act 2001.

On behalf of the Directors

Mr Geoff Black
Chairman

22 August 2023

Independent Auditor's report

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Independent Auditor's Report to the Members of ClearView Wealth Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of ClearView Wealth Limited (the Company) and its subsidiaries (collectively the Group), which comprises:

- The Group consolidated and Company statements of financial position as at 30 June 2023;
- The Group consolidated and Company statements of comprehensive income, statements of changes in equity and statements of cash flows for the year then ended;
- Notes to the financial statements, including a summary of significant accounting policies; and
- The directors' declaration.

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

a. Giving a true and fair view of the Company's and the Group's financial position as at 30 June 2023 and of their financial performance for the year ended on that date; and

b. 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 and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We 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 judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

1. Life Insurance Policy Liabilities

Financial report reference: **Note 5**

Why significant to the audit	How our audit addressed the key audit matter
The measurement and recognition of Life Insurance Policy Liabilities entails complex calculations involving large volumes of policyholder data and judgement-based assumptions. Key assumptions used in the Group's model to determine the value of the Life insurance Policy Liabilities include: • Claims incidence and Termination Rates • Lapse rates • Discount rates • Inflation rate • Maintenance expenses These assumptions, along with policy information, are used as inputs to the Group's model to calculate the Life Insurance Policy Liabilities. This is a key audit matter due to the degree of judgement and estimation uncertainty associated with the valuation. -	Our audit procedures involved an assessment of the effectiveness of relevant controls over policy information used as inputs into the Group's model. Our audit procedures included the following in the evaluation of the assumptions used by the Group: • Assessed methodology and assumptions used by the Group with a focus on changes made since the prior year end and associated governance procedures in respect of those changes. • Assessed the results of the experience investigations carried out by the Group to determine whether they supported the assumptions used by the Group. Our audit procedures included the following in the evaluation and application of methodology in the valuation: • Assessed the changes made to actuarial models and associated governance procedures. • Performed procedures over the analysis of earnings for the period, with a focus on large experience gains/losses and any material unexplained items.

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Why significant to the audit	How our audit addressed the key audit matter
	• Assessed the movements in modelled profit margins and best estimate liabilities. • Assessed the impact of changes in economic assumption on policy liabilities. Where appropriate, we involved our life insurance actuarial specialists in the above procedures and overall assessment of the valuation methodology, key assumptions and models deriving the valuation of the Life Insurance Policy Liabilities. We assessed the adequacy of the related financial report disclosures.

2. Intangible Capitalisation and Recoverability

Financial report reference: **Note 4**

Why significant to the audit	How our audit addressed the key audit matter
As at 30 June 2023 the Group's intangible asset balance totalled $24 million. The recognition and measurement of intangible assets is a key audit matter because of the Group's ongoing investment in a new policy administration system and the judgment required to: • Recognise when costs incurred are eligible for capitalisation in accordance with AASB 138 *Intangible Assets*; and • Assess the useful life of Information Technology assets.	Our audit procedures included the following: • Obtained an understanding the relevant processes and controls relating to capitalised costs. • Assessed amounts capitalised for significant projects against the capitalisation requirements prescribed by AASB 138 *Intangible* Assets. • Assessed the Group's assessment of indicators of impairment in accordance with AASB 136 *Impairment of Assets*. • Assessed the appropriateness of the useful lives applied to the IT assets. • Assess the adequacy of the related financial report disclosures.

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3. Recoverability of Goodwill

Financial report reference: **Note 4**

Why significant to the audit	How our audit addressed the key audit matter
As at 30 June 2023, the Group's goodwill balance totalled $4 million. This amount is attributable solely to the Life Cash Generating Unit ('CGU'). The Goodwill attributed to the Wealth Segment has been reclassified to assets Held for Sale as at 30 June 2023 and totalled $8.5 million. An impairment assessment is performed at each reporting period, comparing the carrying amount of each CGU with its recoverable amount. The recoverable amount of each CGU is determined on a Value in Use basis. To support the Value in Use calculation the Group performs an Embedded Value which requires judgement in determining the key assumptions which underpin the expected future cash flows and the utilisation of relevant assets. This calculation incorporates a range of assumptions including: • Mortality and morbidity (Life CGU only) • Investment returns • Discount rates • Lapse rates • Maintenance costs This was a key audit matter due to the degree of judgement and estimation uncertainty associated with impairment assessment.	Our audit procedures included the following: • Obtained an understanding of the relevant controls relating to the Group's impairment assessment and the preparation of the valuation models used to assess the recoverable amount of the Group's CGUs. • Assessed the identification of CGU's and allocation of goodwill and cash flows for the purposes of assessing the value in use of the CGU. • Assessed if the non-economic assumptions applied in the Embedded Value model for the Life CGU were consistent with those adopted for policy liabilities as at 30 June 2023. • Involved our actuarial specialists in assessing the methodology and assumptions used in the Embedded Value calculation, including comparison to market benchmarks. • Assessed cashflow forecasts against those used in the policy liability cash flow projections. • Assessed sensitivity analysis on management's impairment assessment to determine appropriate disclosure within the financial statements, and to consider if any foreseeable change in assumption could lead to a material impairment. • Tested the mathematical accuracy of the impairment model for each CGU. Our actuarial specialists were involved in the above procedures where appropriate. We assessed the adequacy of the related financial report disclosures.

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Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2023 annual report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives 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 report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's or the Group's internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company or the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group 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 to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year 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.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 50 to 75 of the directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of ClearView Wealth Limited for the year ended 30 June 2023, 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.

Ernst & Young

Louise Burns
Partner
Sydney
22 August 2023

Shareholders’ and Note holders’ Information

As at 7 August 2023

Shareholders’ information disclosed below include ordinary issued shares as well as shares issued under the ESP as at 7 August 2023.

Substantial shareholding information

Substantial shareholders	No. of shares	% of issued capital
CCP Bidco Pty Ltd and Associates[1]	399,543,860	60.44
Perpetual Corporate Trust Limited	74,450,844	11.26
Sony Life Insurance Co., Ltd[2]	101,254,639	15.32

1 Crescent Capital Partners Management Pty Limited represent the interests of CCP Bidco Pty Limited (CCP Bidco) and Perpetual Corporate Trust Limited (Perpetual) as manager. Perpetual’s shareholding % is therefore included in the 60.44% holding of CCP Bidco in the table above.

2 Sony Life Insurance Co., Ltd’s (Sony Life) shareholding is held through its custodian, Citicorp Nominees Pty Limited and under the Option Agreement signed with Crescent and therefore also included in the 60.44% holding of CCP Bidco in the table above.

Twenty largest shareholders

Shareholders	No. of shares	% of issued capital
CITICORP NOMINEES PTY LIMITED	161,505,041	24.43
PERPETUAL CORPORATE TRUST LIMITED <ROC CVW CO -	66,950,844	10.13
CCP BIDCO PTY LTD <CCP BIDCO A/C>	57,302,851	8.67
CCP TRUSCO 4 PTY LIMITED <CCP DESIGNATED TST IVA A/C>	43,582,632	6.59
CCP BIDCO PTY LIMITED <CCP BIDCO TST 2 A/C>	33,786,569	5.11
CCP TRUSCO 5 PTY LIMITED <CCP DESIGNATED TST IVB A/C>	30,893,528	4.67
CCP TRUSCO 1 PTY LIMITED <CCP SPECIFIC TST IVA A/C>	28,458,809	4.31
CCP TRUSCO 3 PTY LIMITED <CCP SPECIFIC TST IVC A/C>	16,262,175	2.46
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	15,875,247	2.40
WINTOL PTY LTD	14,718,223	2.23
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	14,153,457	2.14
PORTFOLIO SERVICES PTY LTD	14,048,665	2.13
CCP TRUSCO 2 PTY LIMITED <CCP SPECIFIC TST IVB A/C>	13,551,813	2.05
NATIONAL NOMINEES LIMITED	11,910,591	1.80
PORTFOLIO SERVICES PTY LTD	10,304,057	1.56
MR SIMON SWANSON	10,000,000	1.51
PERPETUAL CORPORATE TRUST LTD <ROC PIF>	7,500,000	1.13
TAMIM INVESTMENTS PTY LIMITED <TAMIM TVG - SPV1 A/C>	6,760,000	1.02
WINTOL PTY LTD <THE GZ BURG FAMILY A/C>	6,302,827	0.95
MANYATA HOLDINGS PTY LIMITED <SWANSON FAMILY A/C>	5,550,000	0.84

Shareholder’s and Note holder’s Information continued

Ordinary share capital

There are 661,038,648 fully paid ordinary shares held by 1,511 shareholders (including 18,133,432 ESP shares held by 16 participants). All the shares carry one vote per share.

Distribution of shareholders

The distribution of shareholders is as follows:

Range	Total holders	Units	% of issued capital
1 - 1,000	304	86,759	0.01
1,001 - 5,000	375	1,074,200	0.16
5,001 - 10,000	236	1,779,676	0.27
10,001 - 100,000	428	14,534,822	2.20
100,001 and over	168	643,563,191	97.36
Total	**1,511**	**661,038,648**	**100.00**

Unmarketable parcels	Minimum parcel size	Holders	Units
Minimum $ 500.00 parcel at $ 0.5000 per unit	1,000	283	65,759

Shares under voluntary escrow

There are no shares subject to voluntary escrow as at 30 June 2023.

Subordinated Notes information

Note Holders	No. of issued Notes[1]	% of issued Notes
BELL POTTER NOMINEES LIMITED	150	2.00
CITIGROUP PTY LIMITED O A CITICORP NOMINEES PTY LTD	199	2.65
J.P. MORGAN NOMINEES AUSTRALIA LIMITED	1,446	19.28
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,639	75.19
NATIONAL AUSTRALIA BANK LTD O A C W GOVT STOCK FIXED INT	66	0.88
Total	**7,500**	**100.00**

1 Based on the face value of $10,000 per Note.

Share rights

As at 7 August 2023, there were 1,493,605 STVR Restricted Rights held by 11 participants, and 9,921,200 Performance Rights held by 10 participants. Details of the ClearView STVR and LTVR plans are set out in the Remuneration Report.

Directory

Current Directors

Geoff Black (Chairman)

Michael Alscher

Gary Burg

Edward Fabrizio

Jennifer Lyon

Nathanial Thomson

Eloise Watson

Managing Director

Nadine Gooderick

Company Secretary

Judilyn Beaumont

Appointed Actuary

Ashutosh Bhalerao

Chief Risk Officer

Cloe Reece

Registered Office and Contact Details

Level 15, 20 Bond Street
Sydney NSW 2000

GPO Box 4232
Sydney NSW 2001

Telephone: +61 2 8095 1300

Facsimile: +61 2 9233 1960
Email: ir@clearview.com.au
Website: www.clearview.com.au

Share Registry

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

Computershare Investor Services Pty Limited

Level 3, 60 Carrington Street
Sydney NSW 2000

GPO Box 2975
Melbourne VIC 3001

Telephone:
1300 850 505
+61 3 9415 4000

Facsimile: +61 3 9473 2500

www.computershare.com.au

Auditors

Ernst & Young

Stock Listing

ClearView Wealth Limited is listed on the Australian Securities Exchange (**ASX**) under the ASX code 'CVW'.

Annual Corporate Governance Statement

The ClearView Annual Corporate Governance Statement may be viewed at **https://www.clearview.com.au/governance**.

ClearView Wealth Limited

ABN 83 106 248 248

GPO Box 4232
Sydney NSW 2001
T **132 979**

ASX code CVW

clearview.com.au

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